

Business and Financial Highlights

Fiscal Year Ended March 31, 2021

May 2021

Agenda

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Key points

1 Net income¹ for FY2020 at JPY45.1 billion

- Value per share including the effect of share buyback:
 - ✓ Earnings per share (EPS) : JPY 202.16 (up 6% from FY2019)
 - ✓ Book value per share (BPS) : JPY 4,283.92 (up 9% from March 31, 2020)

2 Net income¹ forecast for FY2021 at JPY40.0 billion

- Total Revenue: JPY 244.0 bn (up 10% from FY2020)
- Expenses: JPY 156.5 bn (up 5% from FY2020)
- Net Credit Costs: JPY 35.0 bn (up 24% from FY2020)

3 Total payout ratio to stand at maximum 50%

- Dividend increased to JPY 12 per common share, +20% YoY
- Buyback program of JPY 20.0 billion has been determined
- The current level of the shareholder return and the method for determining the shareholder return are not intended to be a reference for the future. Shareholder return will be determined each time based on the financial and capital conditions, market conditions, and other factors, in addition to the share price at the time. The Bank will continue to accumulate retained earnings and strive to increase the valuation from market with appropriate shareholder return

Summary of FY2020: Strategic initiatives

Advancing Value Co-Creation Strategy

Advancing initiatives of value co-creation with business partners even amid the Novel Coronavirus infections

Small-scale Finance Collaboration on “FamiPay Loan”, a new loan service for FamiPay users

Small-scale Finance Providing financial services to corporate customers of USEN-NEXT GROUP

Institutional Investors Commencement of mezzanine finance to domestic renewable energy projects with Daiwa Energy & Infrastructure Co. Ltd.

Strategically reorganized overseas portfolio

Non-organic growth strategy focuses on small-scale finance in Asia Pacific region

New Zealand Acquired 100% shares of UDC Finance Limited, the largest non-bank financial institution

Australia Concluded capital alliance with Latitude Group, a leading shopping credit and consumer finance company

Taiwan Sold common shares of Jih Sun Financial Holding, after considering its strategic positioning within the Group

FY2020 net income at JPY 45.1 billion

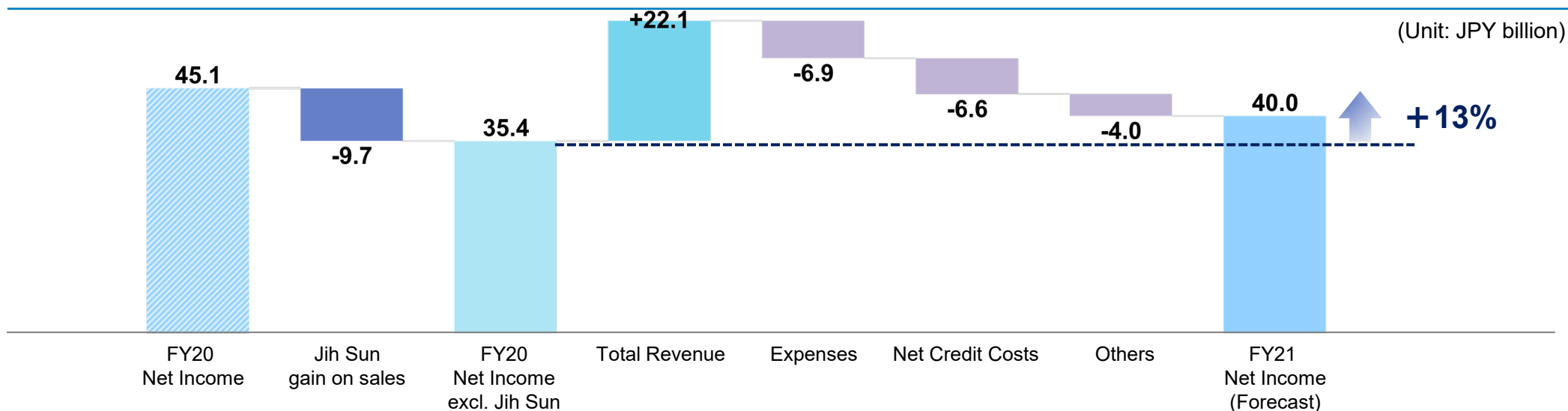
(Unit: JPY billion)

	19.4-20.3 (Actual)	20.4-21.3 (Actual)	Changes (%)
Consolidated			
Total Revenue	239.9	221.9	-8%
Net Interest Income	133.5	122.0	-9%
Noninterest Income	106.4	99.8	-6%
Expenses	-149.5	-149.6	0%
Ordinary Business Profit (OBP)	90.4	72.2	-20%
Net Credit Costs	-39.1	-28.3	+28%
OBP after Net Credit Costs	51.2	43.8	-14%
Others	-5.6	1.2	+121%
Income Taxes etc.,	-4.0	-11.1	-178%
Net Income	45.5	45.1	-1%

FY2020 Summary (YoY)

- Total Revenue
 - ✓ Decrease in net interest income partly reflects a decline in FCY related market interest rate and decrease in unsecured loan balance
 - ✓ Decrease in noninterest income:
 - Lower fee income from asset management products in Retail Banking and Corporate Business as well as lower income from derivatives
 - JPY 2.8 billion of investment loss in Principal Transactions in 3QFY2020
- Expenses
 - ✓ Expenses remain unchanged
- Net Credit Costs
 - ✓ Lower net credit costs reflects improved asset quality and lower loan balance in unsecured loans
- Others
 - ✓ Recorded a gain on sale (extraordinary gains) of approximately JPY 9.7 bn (net of income tax expense) of Jih Sun Financial Holding shares

FY2021 financial plan



	FY20 (Actual)	FY21 (Plan)
Total Revenue	221.9	244.0
Expenses	-149.6	-156.5
Expenses to Revenue Ratio	67.4%	64.1%
Net Credit Costs	-28.3	-35.0
Net Income	45.1	40.0

Assumptions

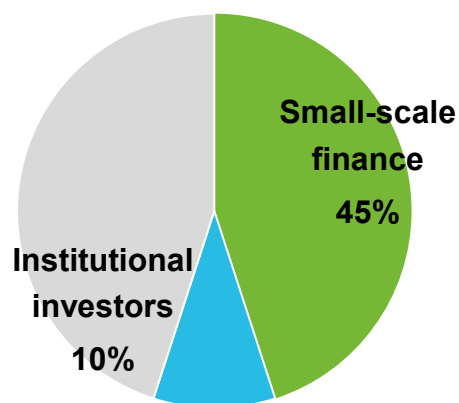
- Net interest income: Increase in mainly due to an increase in unsecured loan balance
- Noninterest income: Absence of loss on sale of NIBC in FY2020, increase in noninterest income from derivatives, Structured Finance, Retail Banking and APLUS as well as contribution from UDC
- Full-year impact of UDC consolidation and increase in upfront investment costs for medium-to long-term growth
- Increase in net credit costs mainly due to the increase in unsecured loan balance
- Approx. JPY 3.0 bn contribution from UDC

FY2021 Forecast

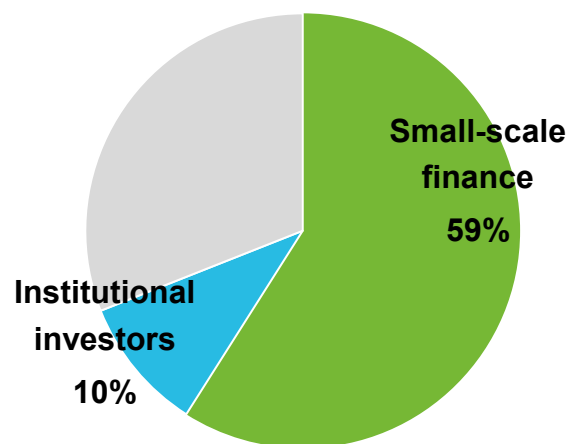
- Economic conditions in FY2021 are expected to recover, despite various uncertainties such as the status of the Novel Coronavirus infections and the effects of vaccines
- Expect an increase in noninterest income from normalizing business activities, higher net credit costs associated with higher loan balance, and investment in key initiatives for medium to long term growth
- Profit contribution of focus areas¹ is expected to grow further in FY2021

Profit Contribution of Focus Areas¹

FY2019 Actual



FY2020 Actual



Medium-Term Strategies

Small-scale finance

FY2018
45%



FY2021
50%

Institutional investors

FY2018
10%

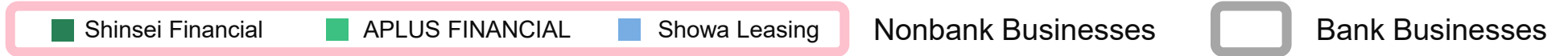


FY2021
15%

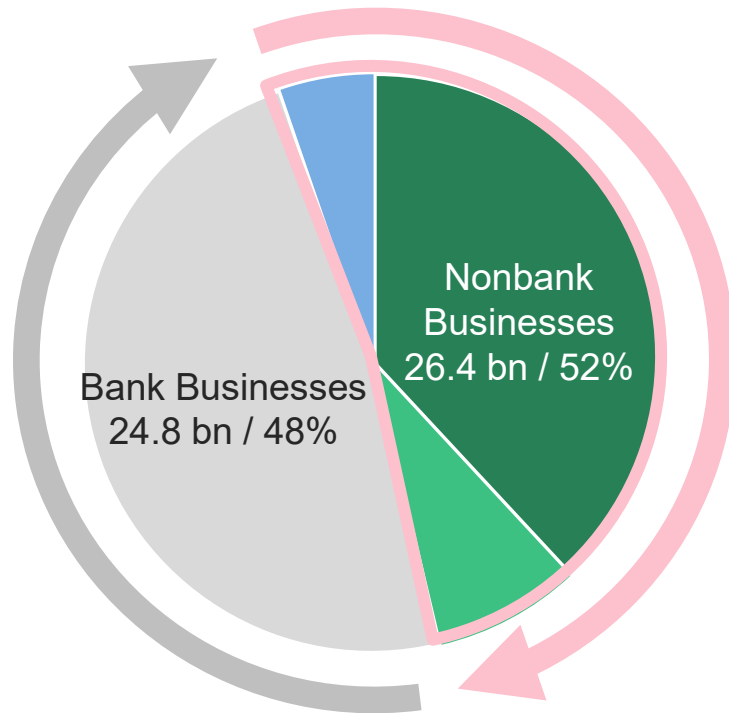
¹ Contribution of ordinary business profit after net credit costs, excluding one-time factors

Hybrid business model: Increasing profit contribution from nonbank business

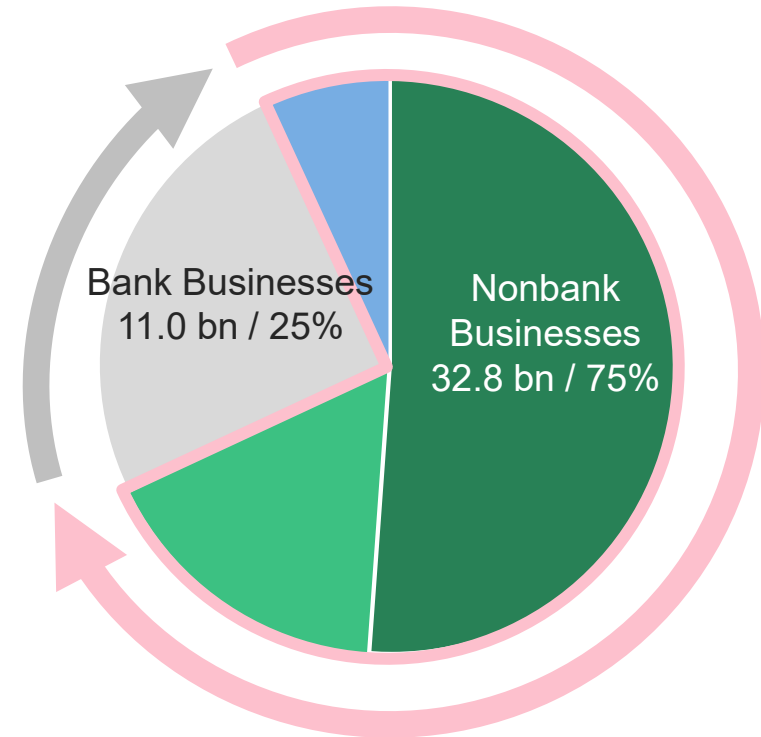
Breakdown of OBP after Net Credit Costs



FY2019 Actual



FY2020 Actual



FY2020 net income at JPY 45.1 billion

(Unit: JPY billion)

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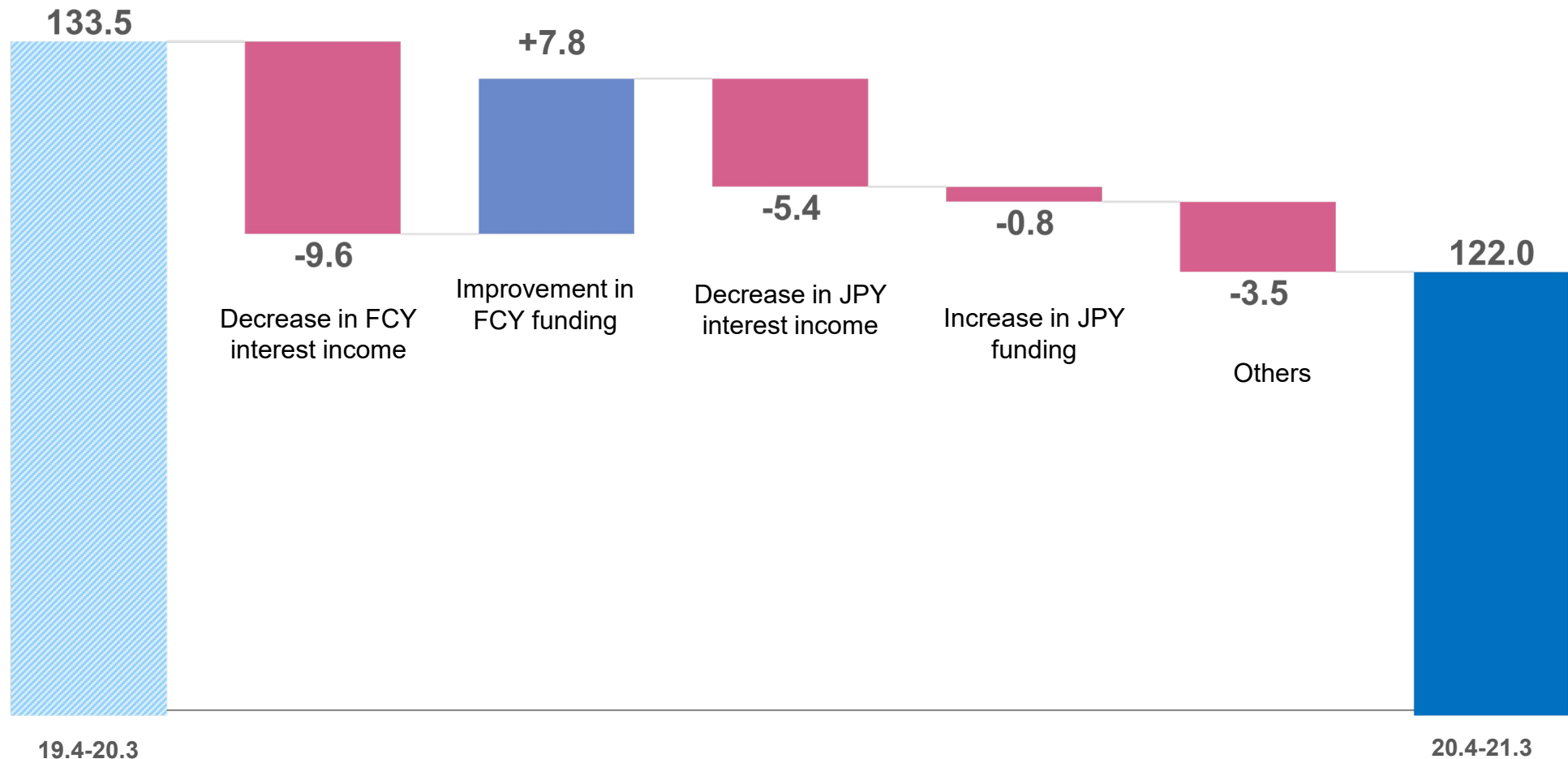
FY2020 Summary (YoY)

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 - ✓ Decrease in noninterest income:
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 - JPY 2.8 billion of investment loss in Principal Transactions in 3QFY2020
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- Others
 - ✓ Recorded a gain on sale (extraordinary gains) of approximately JPY 9.7 bn (net of income tax expense) of Jih Sun Financial holdings shares

Net interest income: Decrease largely reflects a decline in FCY interest rates and lower JPY interest earning assets balance

(Unit: JPY billion)

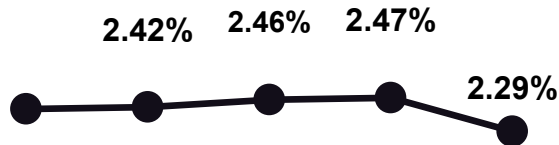
- Decrease in FCY interest income partly offset by improvement in FCY funding
- Decrease in JPY interest income is largely due to decrease in unsecured loan balance
- Increase in JPY funding is due to increase in deposits



NIM: Decline in yield on interest earning assets partly offset by lower funding costs

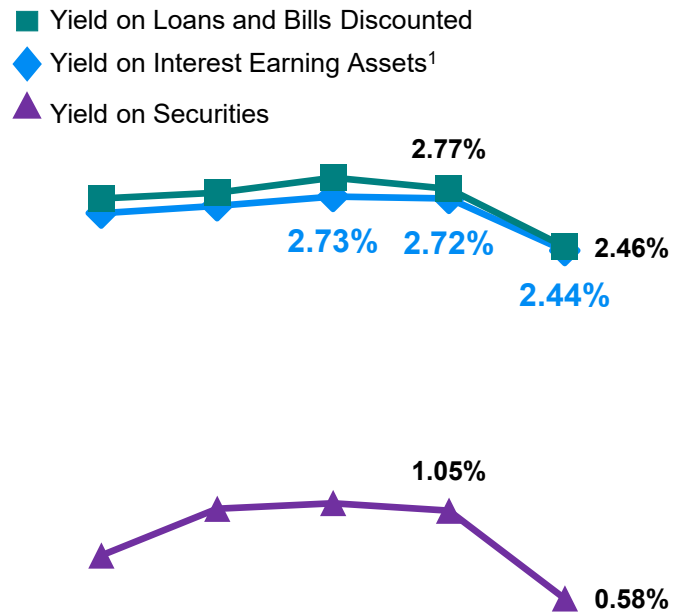
(Unit: %)

Net Interest Margin (NIM)¹



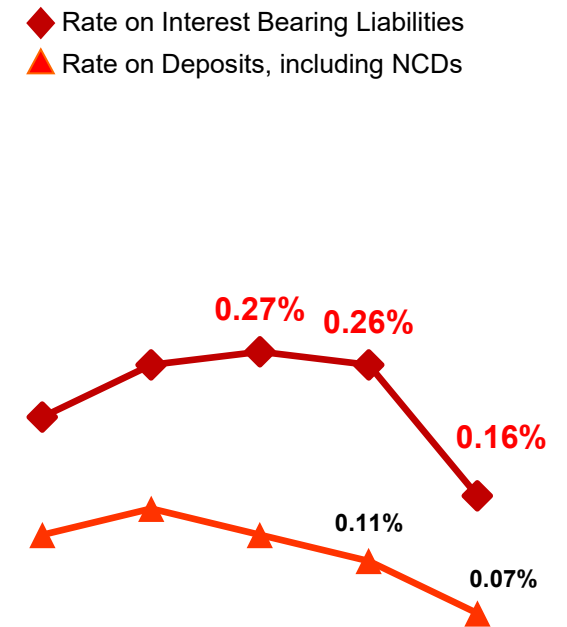
16.4-17.3 17.4-18.3 18.4-19.3 19.4-20.3 20.4-21.3

Yield on Interest Earning Assets



16.4-17.3 17.4-18.3 18.4-19.3 19.4-20.3 20.4-21.3

Funding Costs



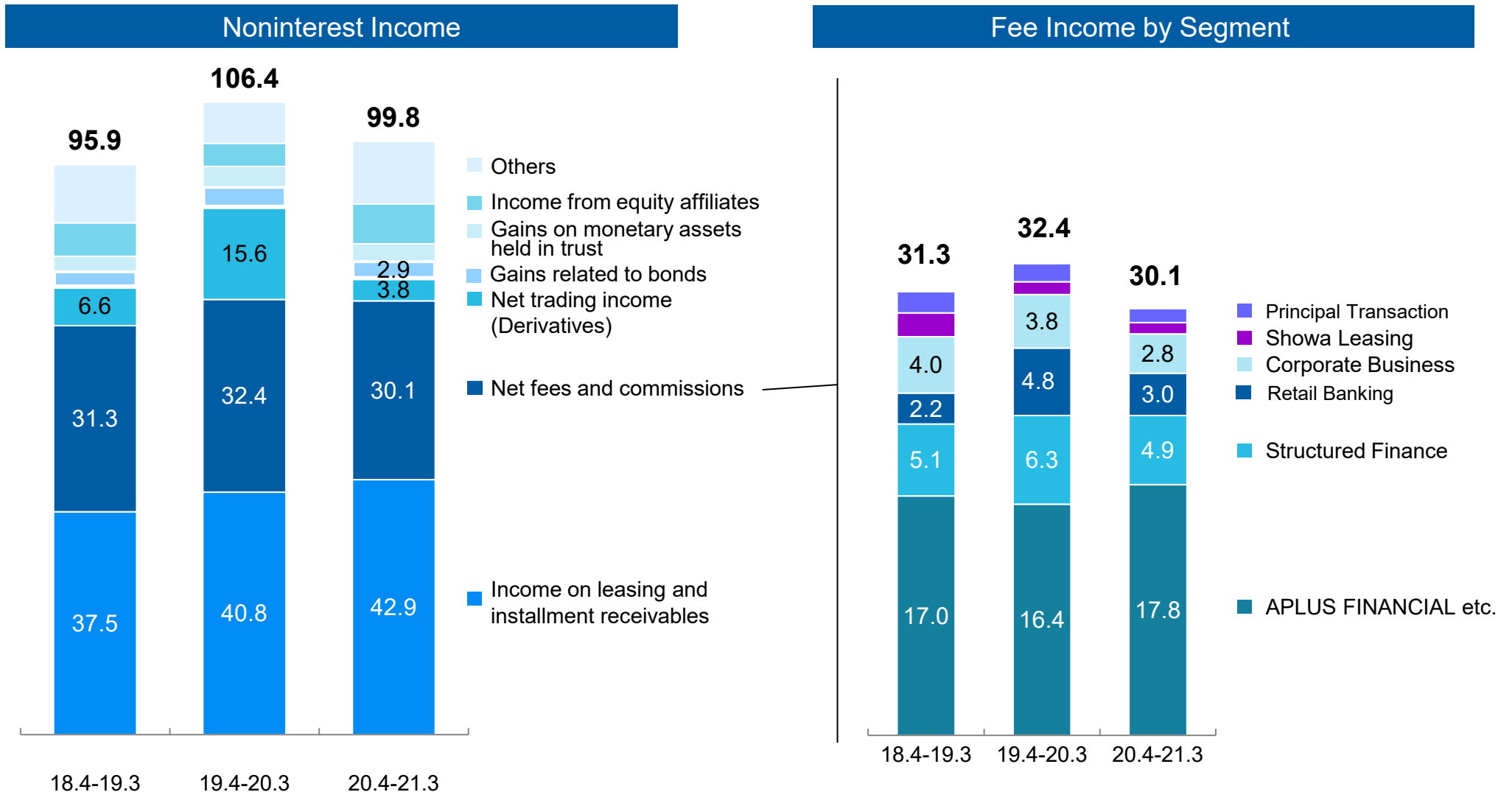
16.4-17.3 17.4-18.3 18.4-19.3 19.4-20.3 20.4-21.3

¹ Includes income on leased assets and installment receivables

Noninterest income: Decrease largely reflects lower derivative income as well as a decline in net fees and commissions

(Unit: JPY billion)

- Net fees and commissions decreased in Retail Banking, Structured Finance and Corporate Business
- Income on leasing and installment receivables steadily increased

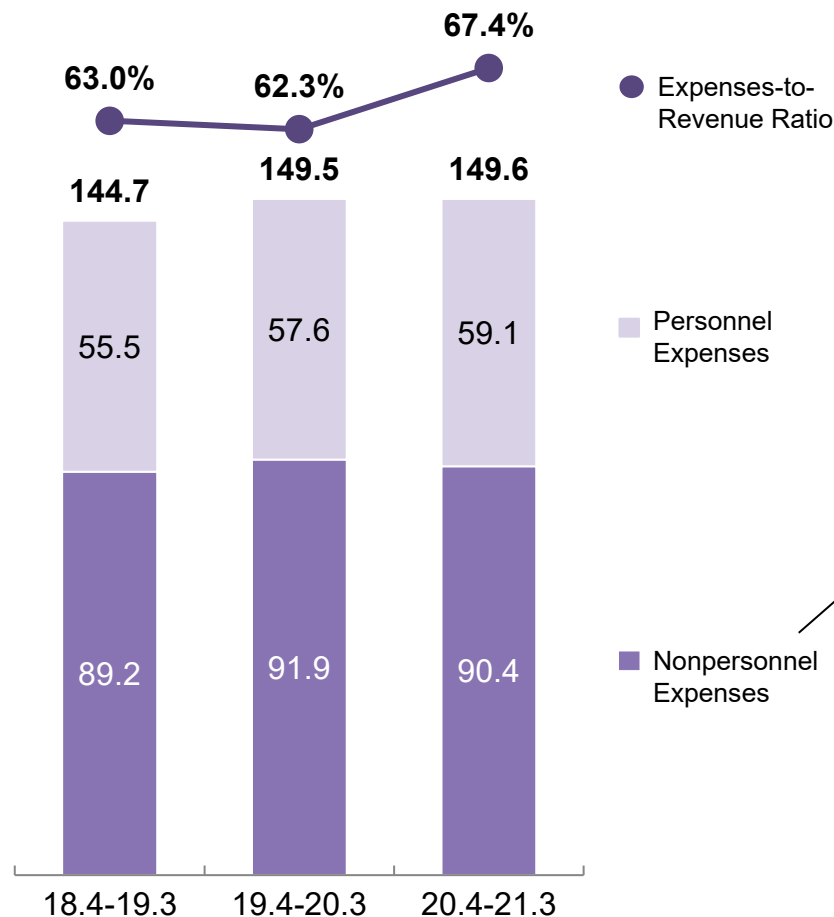


Expenses: Expenses remain unchanged YoY

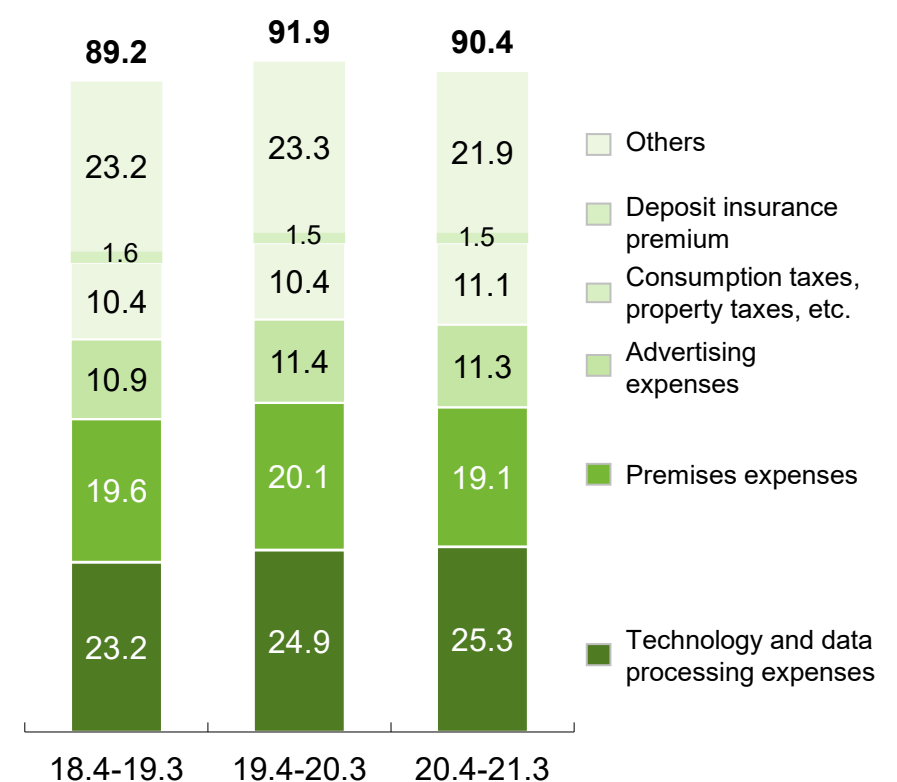
(Unit: JPY billion)

- Personnel expenses increased due to acquisition of SHINKO LEASE, Financial Japan (+JPY 1.2 bn) and UDC (+JPY 0.8 bn) YoY

Expenses



Breakdown of Nonpersonnel Expenses

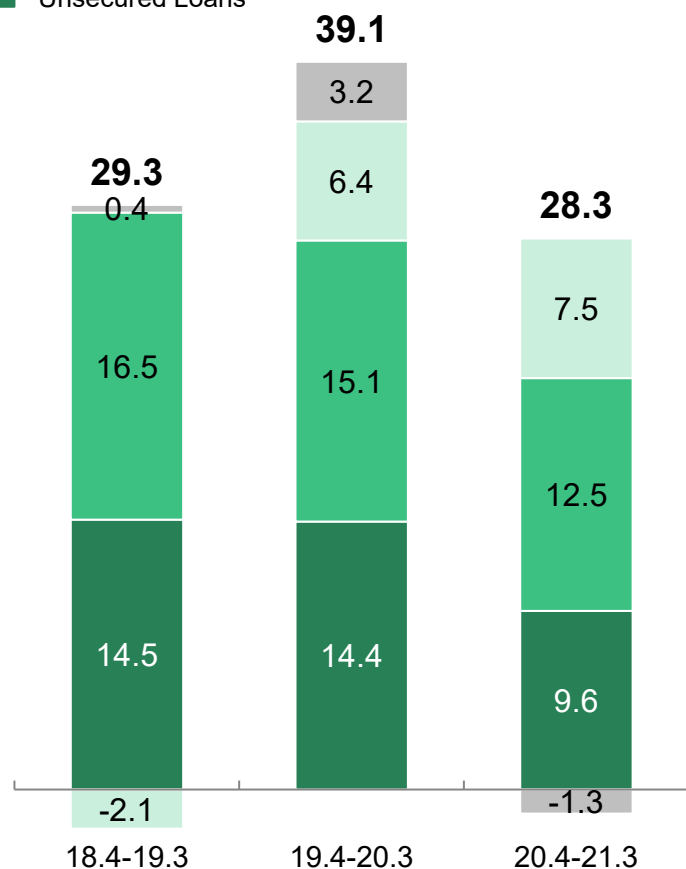


Net credit costs: YoY decline reflects improved asset quality and lower unsecured loan balance

(Unit: JPY billion; %)

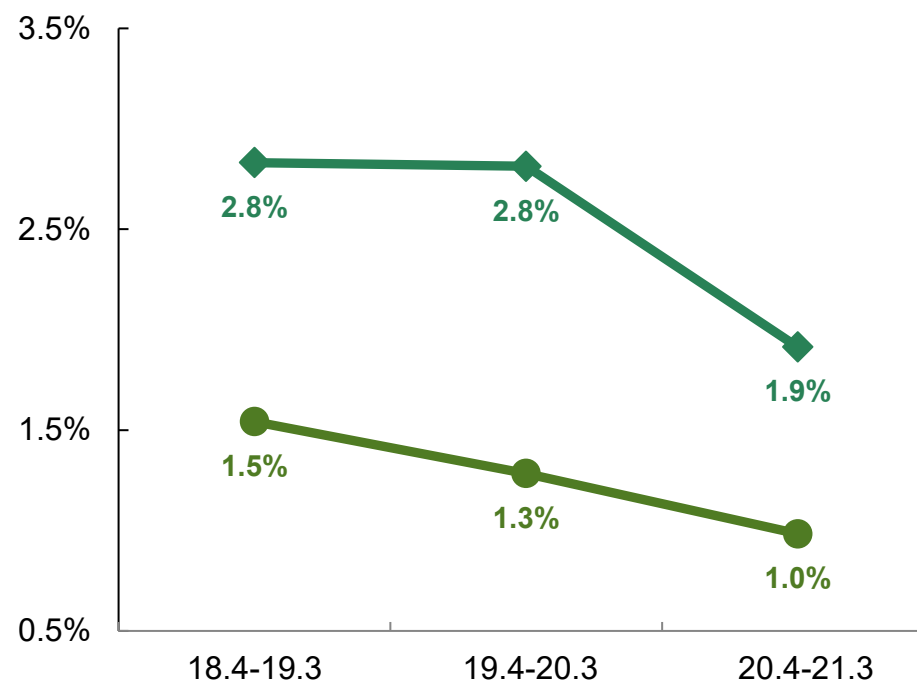
Net Credit Costs

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



Net Credit Costs Ratio¹: Consumer Finance

- ◆ Unsecured Loans: Net Credit Costs Ratio
- APLUS FINANCIAL: Net Credit Costs Ratio



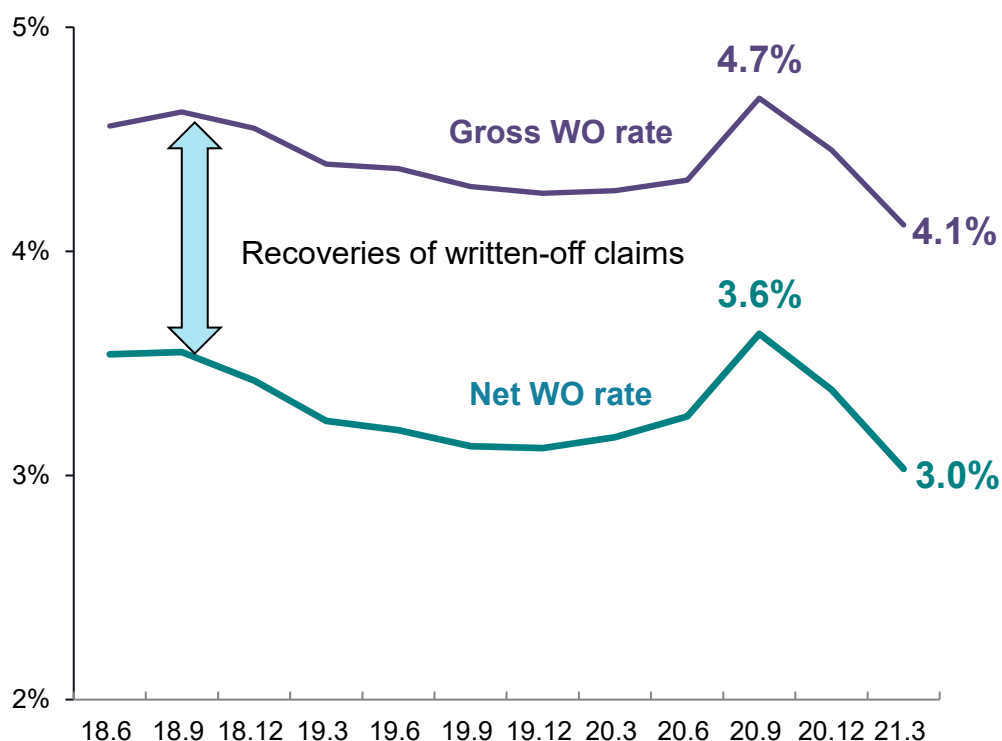
¹ Net Credit Costs Ratio = Net Credit Costs ÷ Average of Beginning and End of Period Operating Assets Balances

Net credit costs: No material impact of the Novel Coronavirus in Individual Businesses

(Unit: JPY billion; %)

Lake Business: Write-off (WO, quarterly trend)

- ✓ WO rate was down due to returning to normalized loan collection, etc.



Payment Deferrals in Individual Business

Unsecured Loans

- ✓ Deferral amount at JPY 0.23 billion (2021.3)
- ✓ P&L impact in net credit costs is JPY 0.05 billion in 4Q(3M)

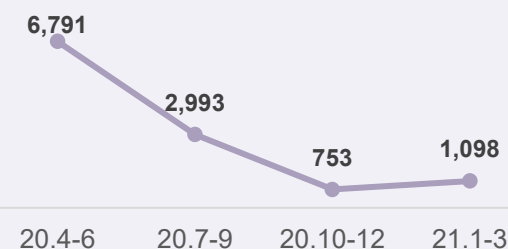
APLUS (Shopping Credit, Credit Card)

- ✓ Deferral amount at JPY 13 million (2021.1-3)
- ✓ Improved performance in collection and credit costs remain at a low level

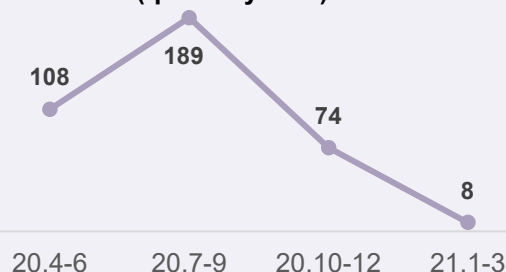
Retail Housing Loan

- ✓ Deferral amount at JPY 0.27 billion (2021.1-3)
- ✓ P&L impact in net credit costs is JPY 0.03 billion in 4Q(3M)

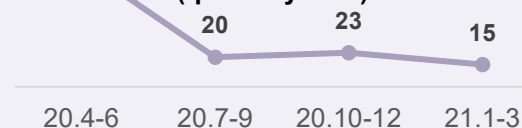
The number of payment deferral (quarterly-end stock basis)



The number of payment deferral (quarterly flow)



The number of payment deferral (quarterly flow)



Net credit costs: Declining impact of the Novel Coronavirus in Institutional Businesses

- JPY 5.2 billion of net credit costs in FY2020 related to the Novel Coronavirus infections (1Q: JPY 5.2 billion cost, 2Q: JPY 0.6 billion cost, 3Q: JPY 0.7 billion recovery, 4Q: JPY 0 billion)

Net Credit Costs related the Novel Coronavirus Infections

	20.4-6	20.7-9	20.10-12	21.1-3
Precautionary provisions	Provision of JPY 1.4 billion in aviation finance	Reversal of JPY 0.7 billion in entertainment sector etc. due to business recovery	Reversal of JPY 1.0 billion in retail sector etc. due to business recovery	Reversal of JPY 1.7 billion in restaurants and aviation (provisions as a result of deterioration in individual transactions)
Provisions as a result of deterioration in individual transactions	Provision of JPY 3.8 billion for transactions in hotels and aviation finance	Provision of JPY 1.3 billion for transactions in aviation and hotels etc.	Provision of JPY 0.3 billion	Provision of JPY 1.7 billion for transactions in hotels and aviation finance

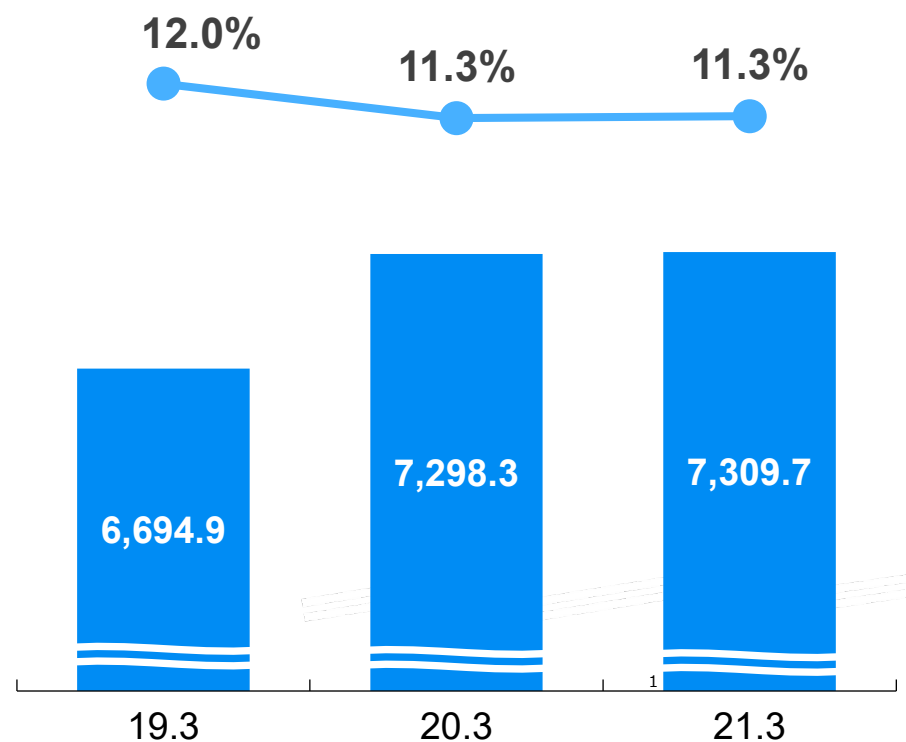
Precautionary Reserve (balance)

Balance (Mar. 31, 2020)	:JPY 3.9 billion
(-) Usage of reserve in 1Q (mainly real estate)	: JPY 1.6 billion
(+) Credit provisioning in 1Q (aviation)	: JPY 1.4 billion
Balance (Jun. 30, 2020)	:JPY 3.7 billion
(-) Reversal in 2Q (mainly entertainment)	:JPY 0.7 billion
Balance (Sep. 30, 2020)	: JPY 3.0 billion
(-) Reversal in 3Q (mainly retail sector)	: JPY 1.0 billion
Balance (Dec. 31, 2020)	: JPY 2.0 billion
(-) Reversal in 4Q (mainly restaurants and aviation sector (provisions as a result of deterioration in individual transactions))	: JPY 1.7 billion
Balance (Mar. 31, 2021)	: JPY 0.3 billion

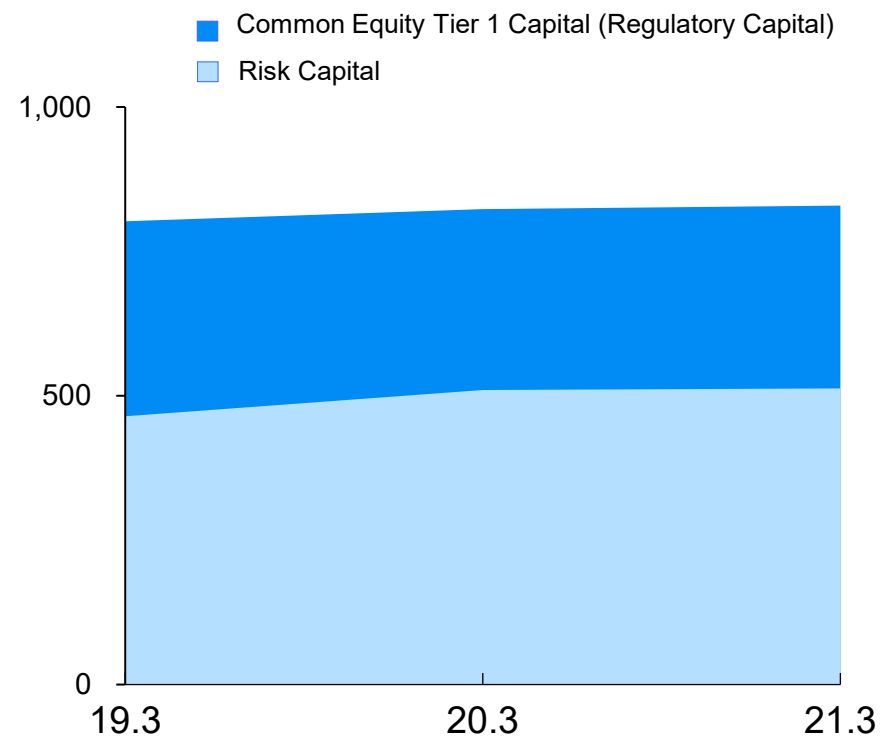
Capital adequacy: CET1 ratio remained stable at 11.3% YoY

(Unit: JPY billion; %)

- Common Equity Tier 1 Ratio
(International Standard; Fully Loaded Basis)
- Risk Assets
(International Standard; Fully Loaded Basis)



	19.3	20.3	21.3
Common Equity Tier 1 Capital (International Standard; Fully Loaded Basis)	802.3	823.4	829.3
Risk Capital	464.5	510.2	512.7



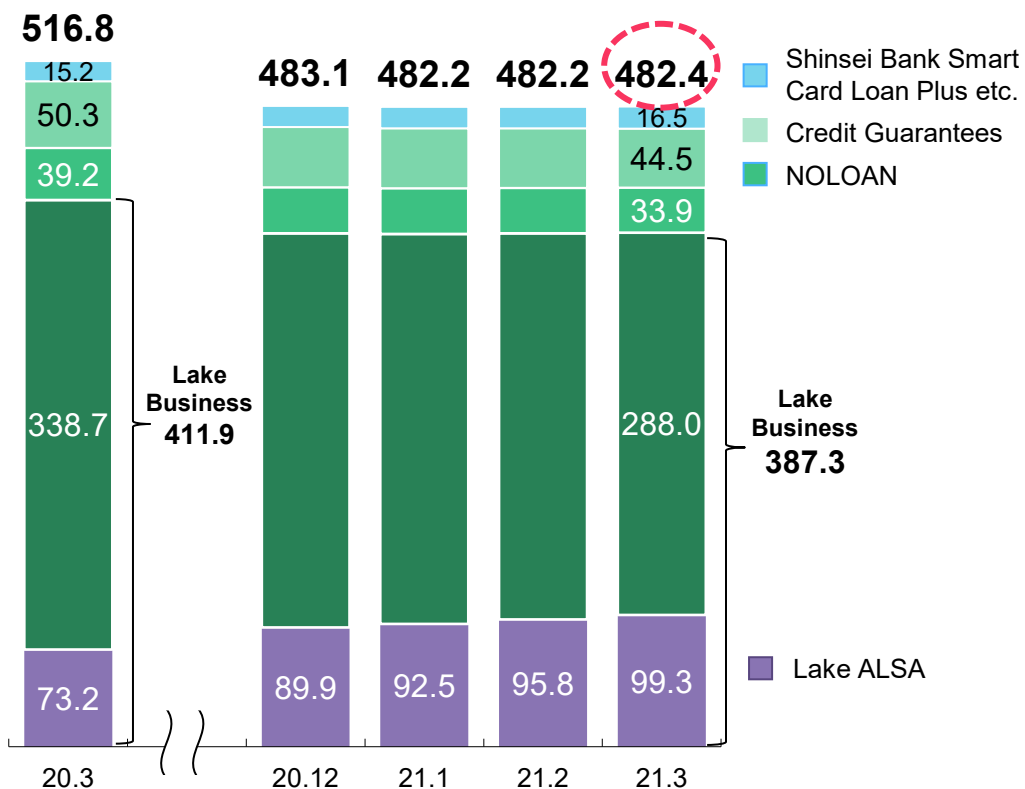
Business Update

Unsecured loan: 4QFY2020 monthly total balance trend depicts signs of bottoming out

(Unit: JPY billion)

- Lake ALSA loan balance increased to JPY 99.3 billion (March 31, 2021) from JPY 73.2 billion (March 31, 2020)
- Lower net credit costs partly offset by a decline in net interest income resulted in higher profit YoY

Total Balance



Shinsei Financial ¹	19.4-20.3	20.4-21.3
Net Interest Income	69.3	65.9
of which, Lake Businesses	63.6	60.9
Noninterest Income	-0.9	0.0
Total Revenue	68.3	66.0
Expenses	-34.3	-33.9
Ordinary Business Profit (OBP)	33.9	32.1
Net Credit Costs	-14.2	-9.6
OBP after Net Credit Costs	19.5	22.4

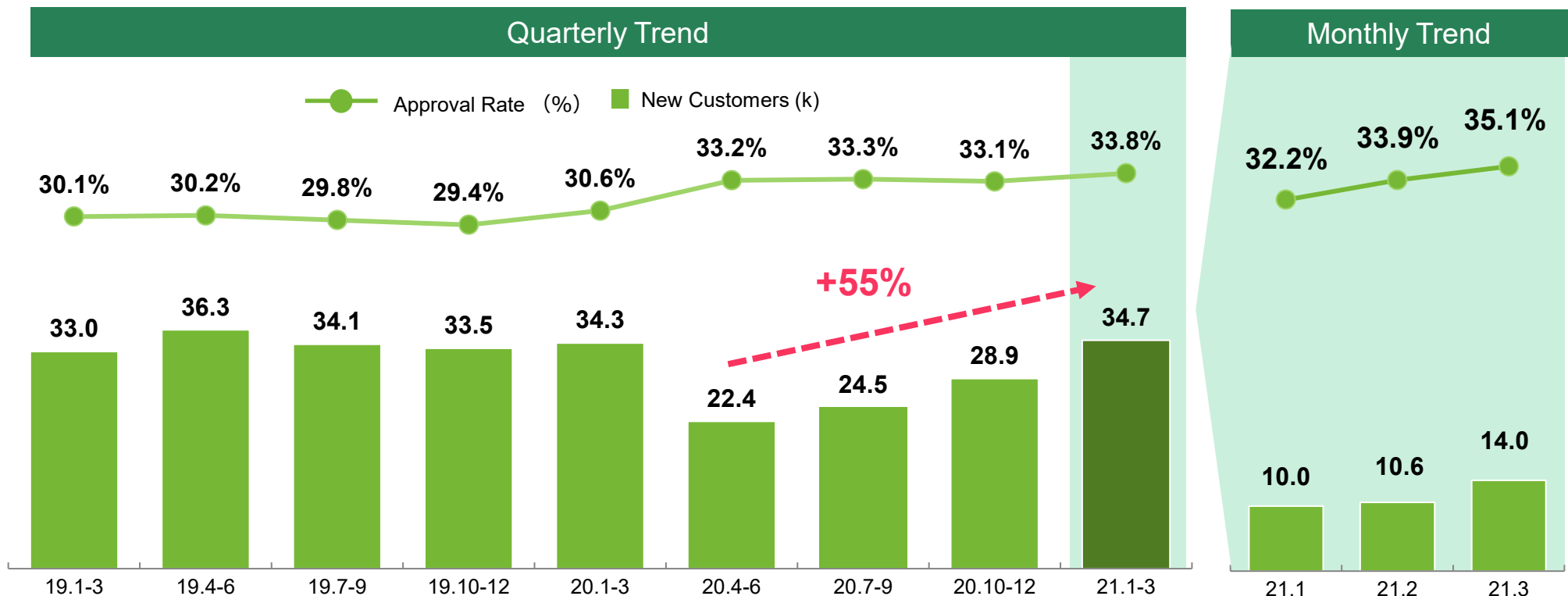
¹ Includes profits and losses of Shinsei Financial, Shinsei Bank Card Loan L, and Shinsei Bank Smart Card Loan Plus etc.

Lake ALSA: New customer acquisition recovered YoY

(Unit: thousand; %)

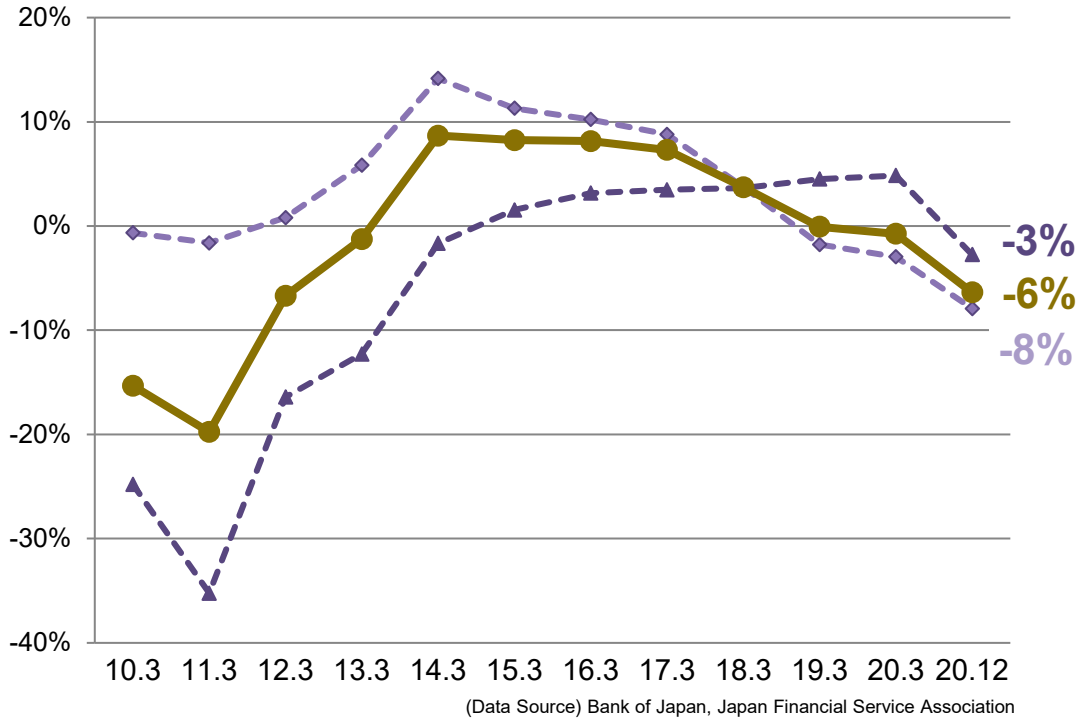
■ New customer acquisition in 4Q (21.1-3) increased 55% compared to 1Q (20.4-6)

- ✓ Application: The application volume increased from 67K (20.4-6) to 102K (21.1-3) , or 52%, reflecting recovery of cash demand due to relaxation of going-out activities and resumption of promotional activities
- ✓ Approval rate: Recent process automation improved the monthly approval rate to 35.1% in March 2021



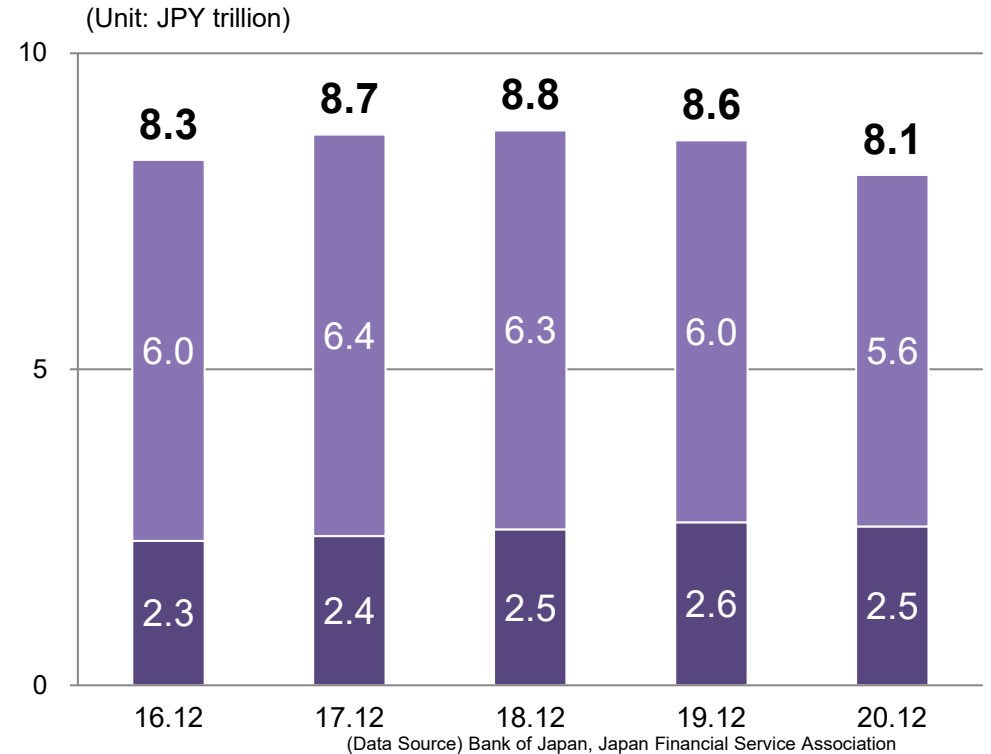
Unsecured loan market: Growth rates of nonbank as well as overall market were down

Unsecured Loan Market: Growth Rate (YoY)



- ◆ YoY: Bank Card Loan Growth Rate
- YoY: Unsecured Loan Market Growth Rate
- ▲ YoY: Nonbank Unsecured Loan Growth Rate

Unsecured Loan Market: Size



- Bank Card Loan Balance
- Nonbank Unsecured Loan Balance

"Unsecured loan market" = "Bank card loan balance" + "Nonbank unsecured loan balance"

"Bank card loan balance": Statistics aggregated by the Bank of Japan; Balance of consumer card loans extended by domestic banks and credit unions

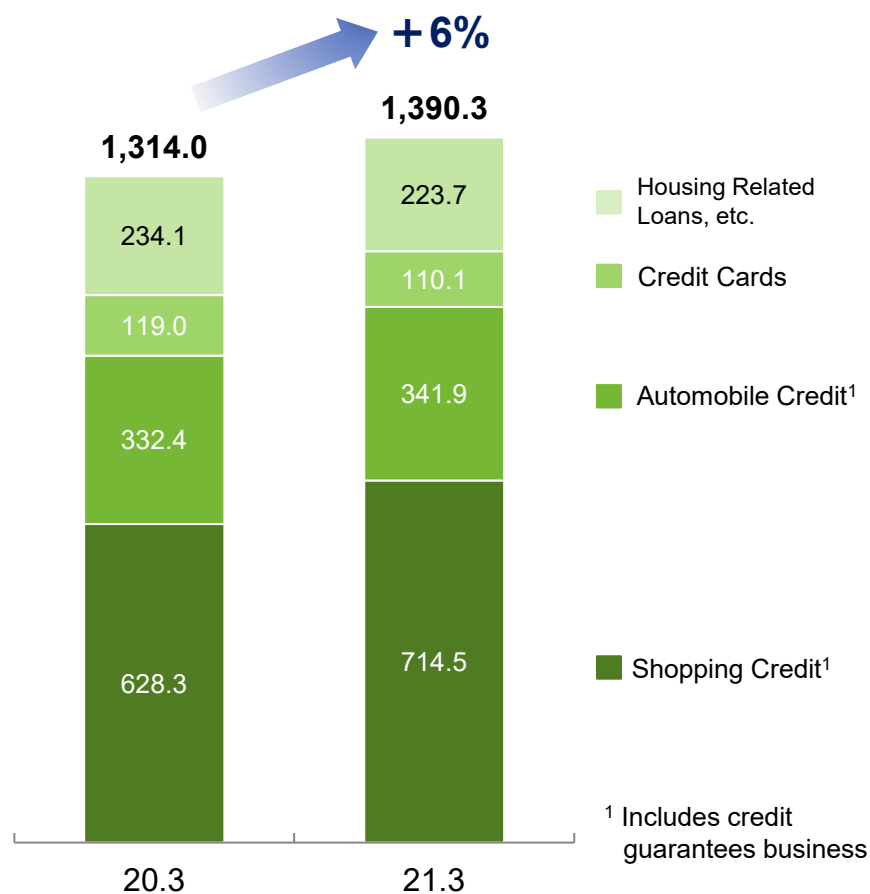
"Nonbank unsecured loan balance": Statistics aggregated by the Japan Financial Services Association; Unsecured loans (consumer finance sector) month end balance (excludes housing loans)

APLUS FINANCIAL: Steady growth in shopping credit balance

(Unit: JPY billion)

- Increase in noninterest income and lower net credit costs improved profit YoY

Operating Assets Balance



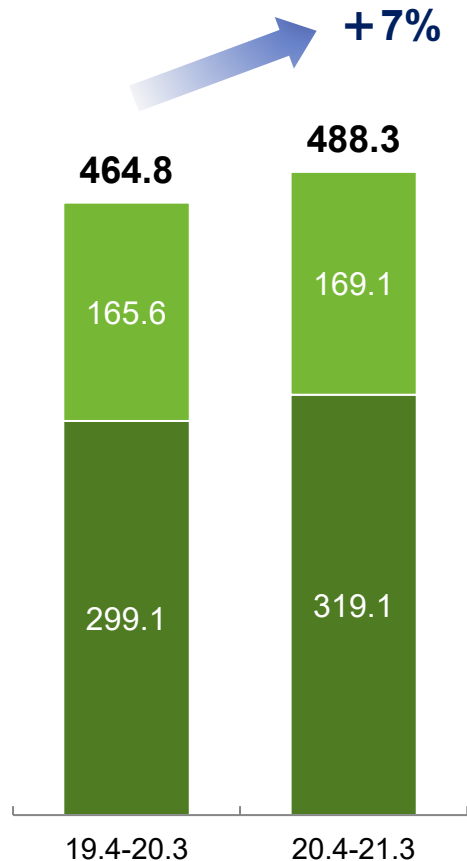
APLUS FINANCIAL	19.4-20.3	20.4-21.3
Net Interest Income	9.7	8.5
Noninterest Income	48.5	49.9
Total Revenue	58.2	58.4
Expenses	-38.9	-38.5
Ordinary Business Profit (OBP)	19.3	19.9
Net Credit Costs	-15.1	-12.5
OBP after Net Credit Costs	4.2	7.3

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

(Unit: JPY billion)

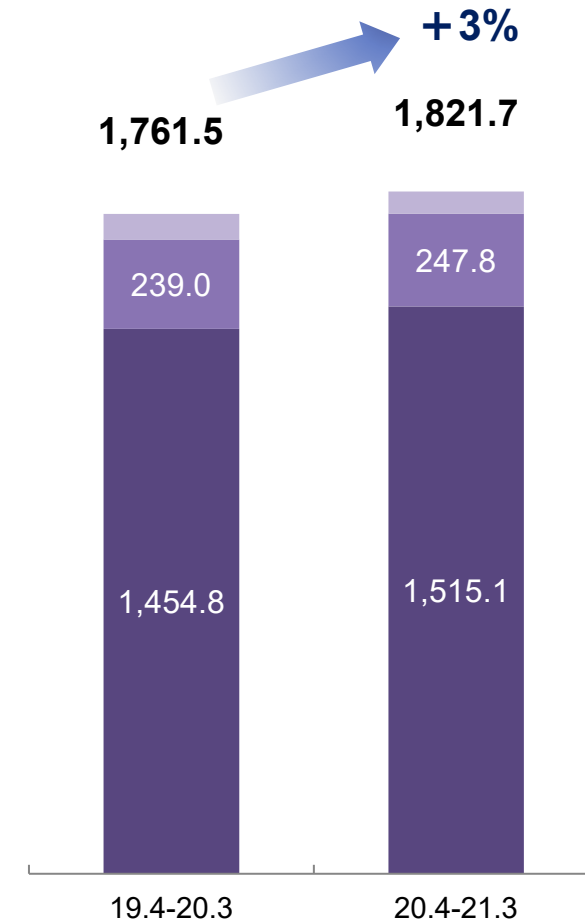
Transaction Volume: Auto Credit, Other Shopping Credit

- 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.

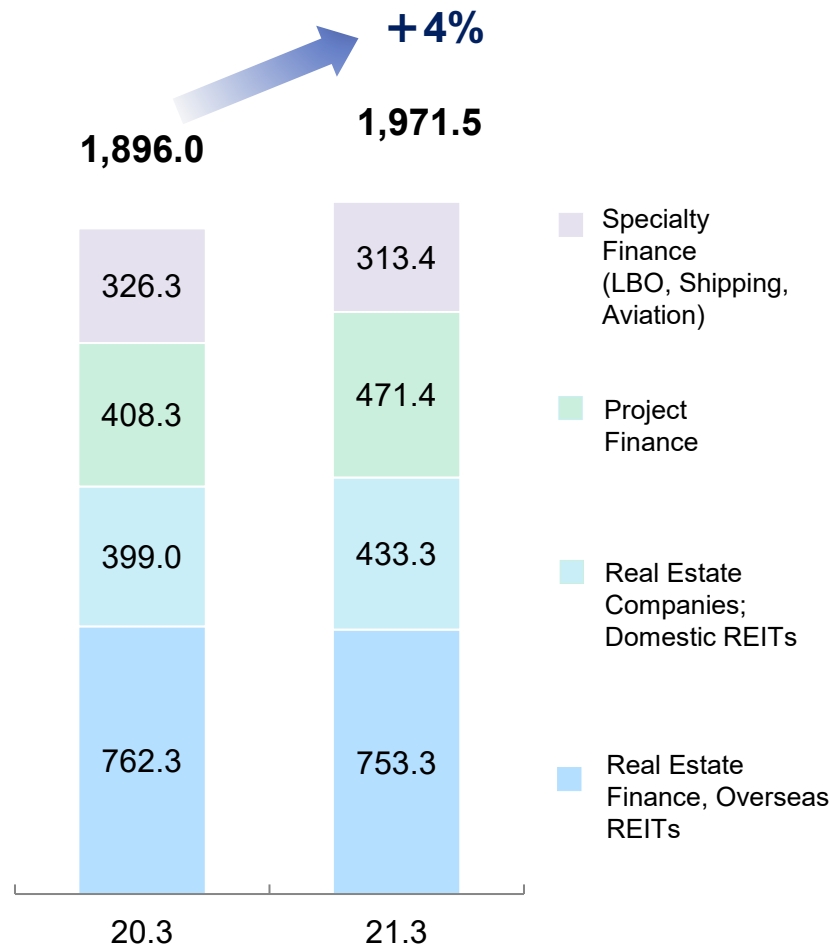


¹ Includes credit guarantees and leasing businesses

Structured finance: Operating assets balance of project finance increased YoY

- Operating assets balance for aviation finance was approx. JPY 36.0 billion (March 31, 2021) (Unit: JPY billion)
- Large Novel Coronavirus related credit provisioning in the first half necessitated much smaller credit provisioning in the second half FY2020

Operating Asset Balance



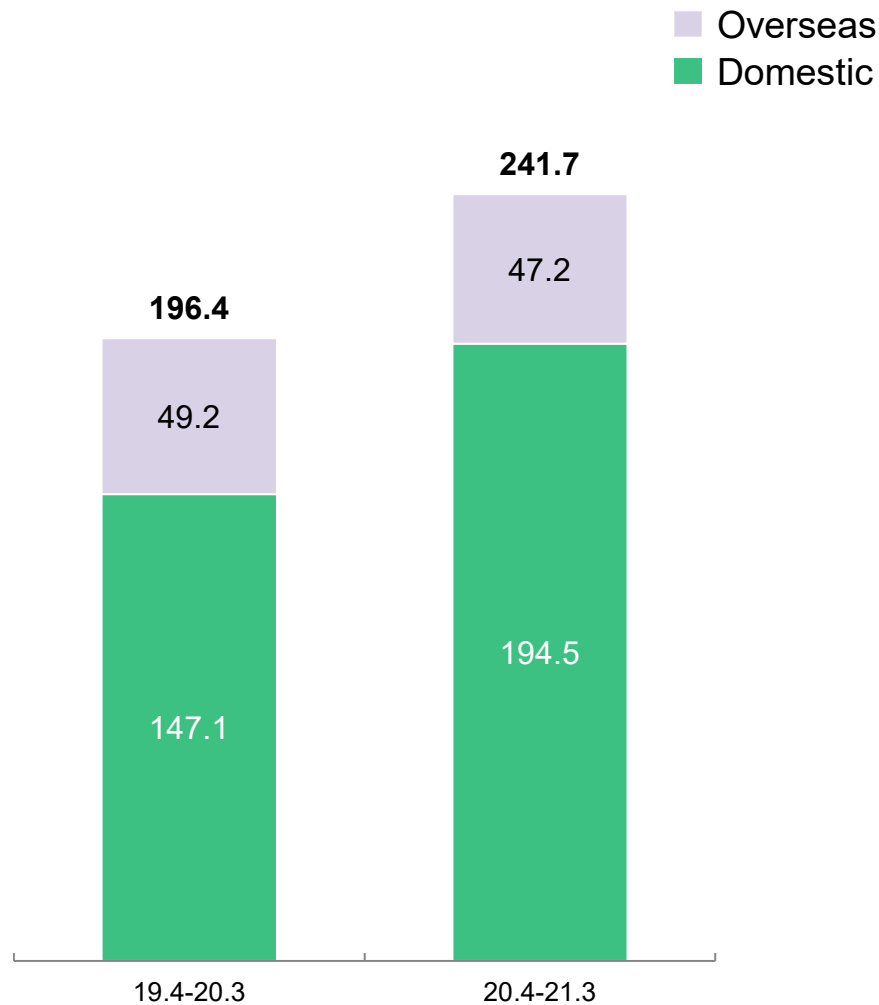
	19.4-20.3	20.4-21.3
Structured Finance	19.4-20.3	20.4-21.3
Net Interest Income	12.0	12.6
Noninterest Income	7.6	8.3
Total Revenue	19.7	21.0
Expenses	-8.3	-9.0
Ordinary Business Profit (OBP)	11.3	11.9
Net Credit Costs	-6.4	-7.5
OBP after Net Credit Costs	4.9	4.4

Business with Institutional Investors

Project finance: Business activities continue to increase

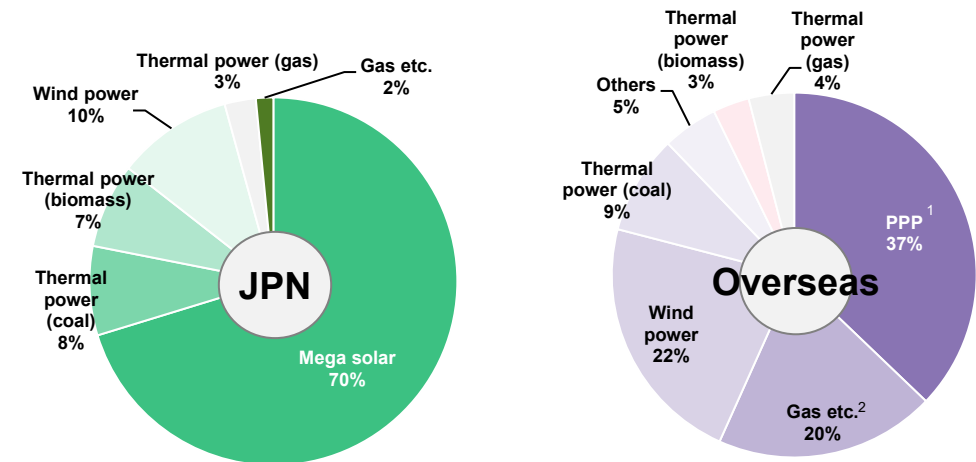
(Unit: JPY billion; %)

Project Finance New Commitments



Portfolio (as of March 31, 2021)

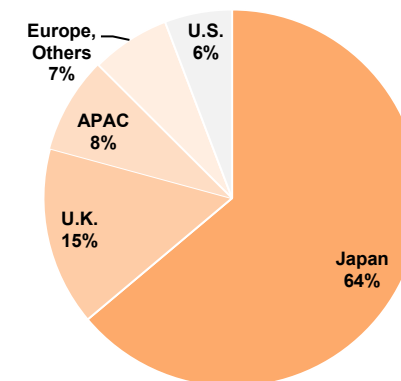
【Balance: project type, includes commitment basis】



¹ Public Private Partnership

² Finance to LNG related facilities and receiving terminal etc.

【Balance: regions, includes commitment basis】

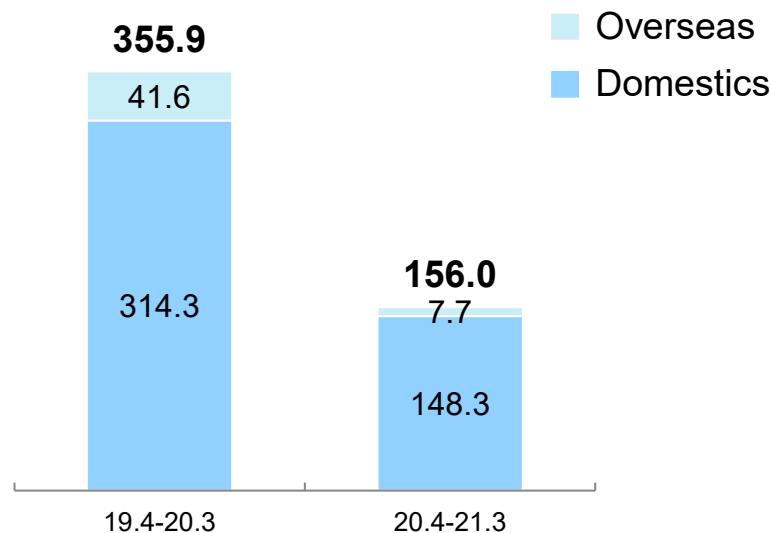


Business with Institutional Investors

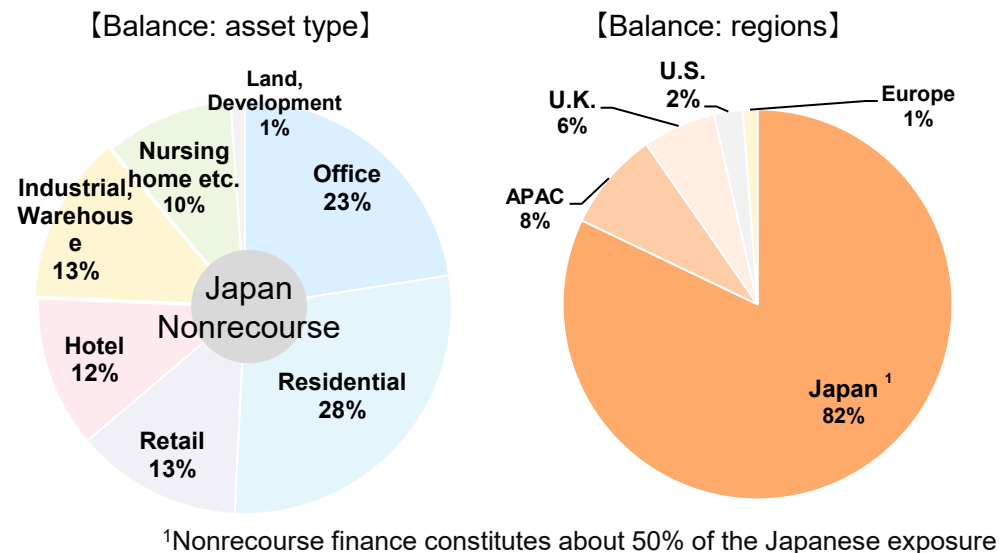
Real estate finance: New disbursement decreased YoY

(Unit: JPY billion; %)

Real Estate Nonrecourse Finance New Disbursements



Portfolio (as of March 31, 2021)



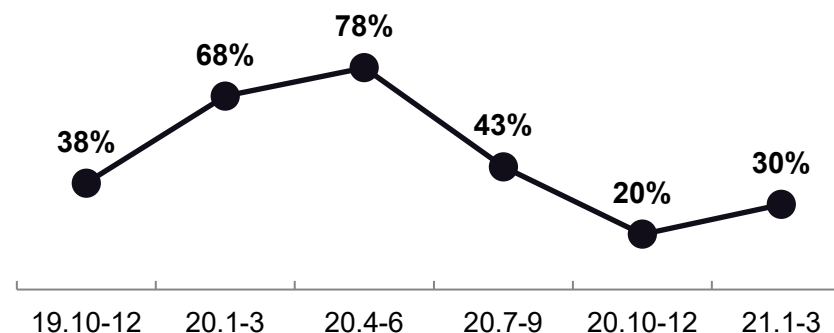
Balance-based Weighted Average LTV:

✓ Applied stricter collateral valuation as of June 30, 2020

	21.3
Domestic	72%
Offices, Residentials, Logistic Facilities	69%
Hotels	88%
Commercial Properties	77%
Overseas	68%

(Domestic) Gap between Collateral Value and Sale Price²

✓ For exited transactions, there was sufficient difference between our collateral value and sale price (i.e. market price) demonstrating no concerns about loan collection

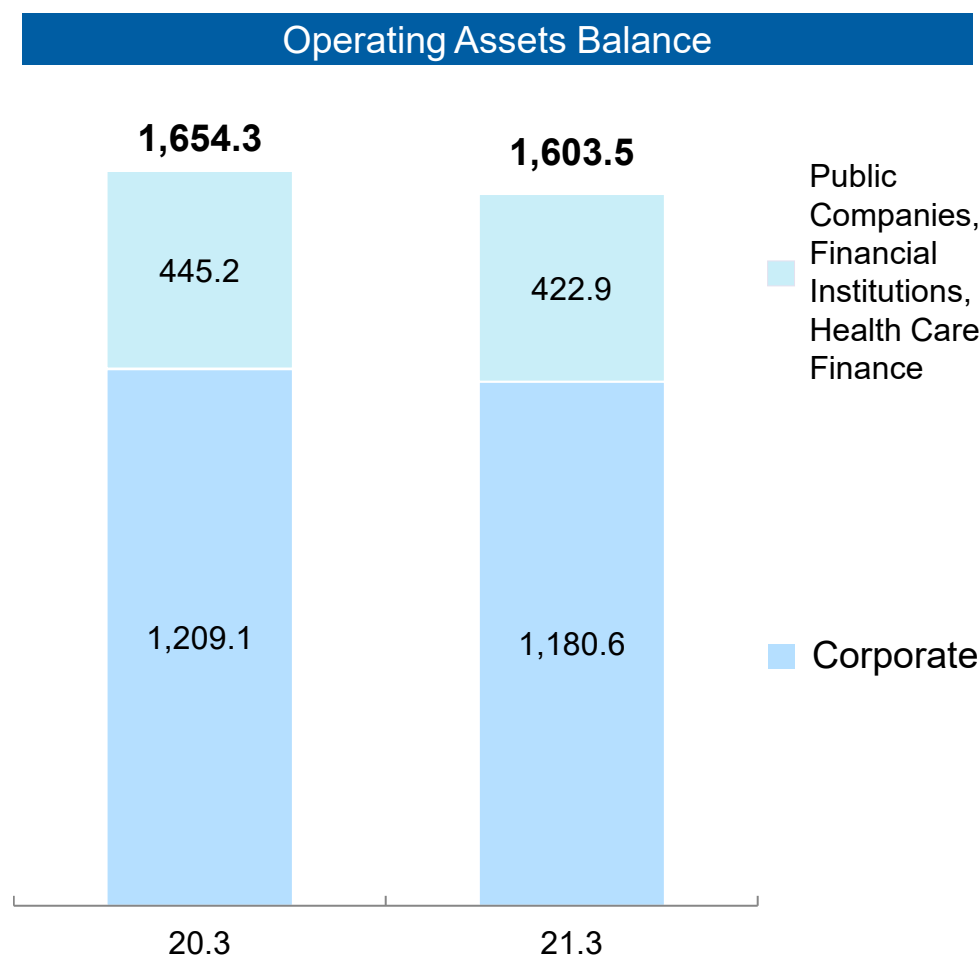


² Gap (%) = sale price / collateral value - 1

Corporate Business: Operating asset balance largely stable YoY

(Unit: JPY billion)

- Noninterest income declines mainly as a result of one-off gain on sales of equity (approx. JPY 3.0 billion) recorded in FY2019
- OBP after net credit const increased due to lower expenses and net credit recoveries



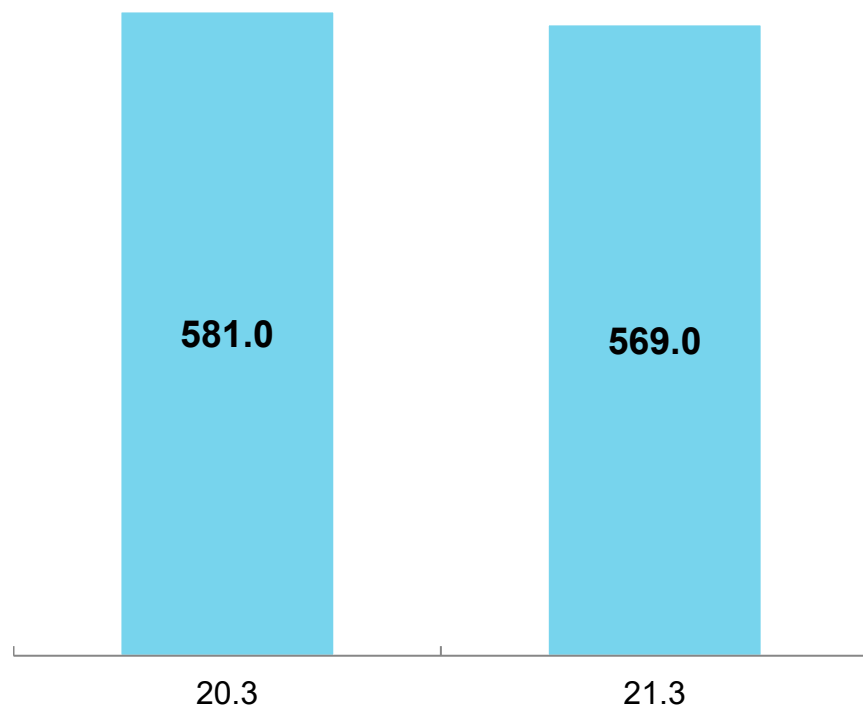
Corporate Business	19.4-20.3	20.4-21.3
Net Interest Income	10.8	11.1
Noninterest Income	8.1	3.7
Total Revenue	18.9	14.8
Expenses	-12.5	-11.8
Ordinary Business Profit (OBP)	6.3	3.0
Net Credit Costs	-2.3	1.2
OBP after Net Credit Costs	4.0	4.2

Showa Leasing: Operating assets balance largely stable YoY

(Unit: JPY billion)

- Improved profit mainly reflects lower net credit costs reflecting absence of precautionary reserves recorded in FY2019

Operating Assets Balance



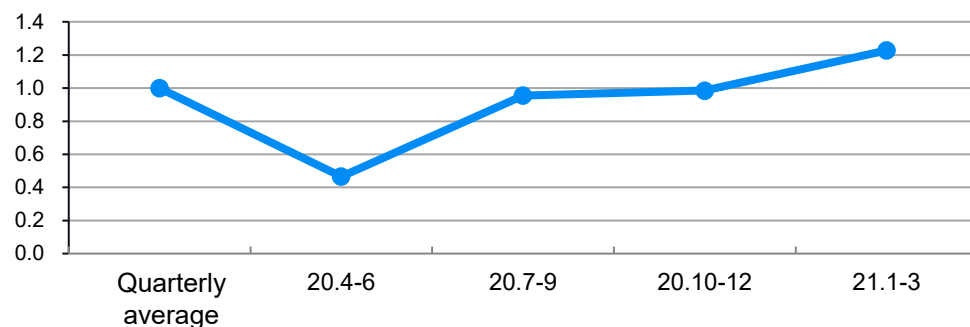
Showa Leasing	19.4-20.3	20.4-21.3
Net Interest Income	-0.1	0.1
Noninterest Income	14.6	14.4
Total Revenue	14.4	14.5
Expenses	-10.7	-11.1
Ordinary Business Profit (OBP)	3.7	3.3
Net Credit Costs	-0.9	-0.1
OBP after Net Credit Costs	2.7	3.1

Retail Banking: Asset management products sales volume and AUM balance increased

(Unit: JPY billion)

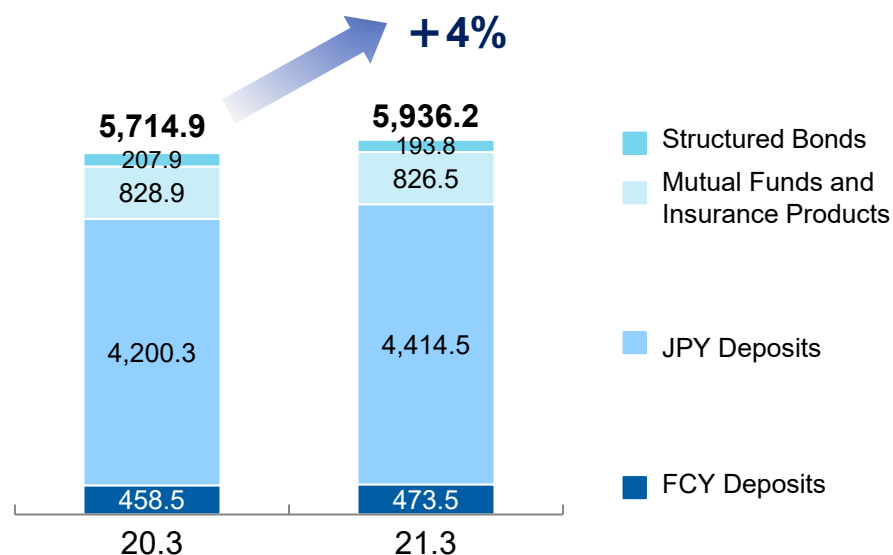
- Decrease in profit reflects decrease in fee income from asset management products and increase in expenses associated with consolidation of Financial Japan

Trend of Sales Volume of Asset Management Products¹



¹ Quarterly average sales volume from FY17 to FY19 (3 years) is set at 1.0

AUM Balance



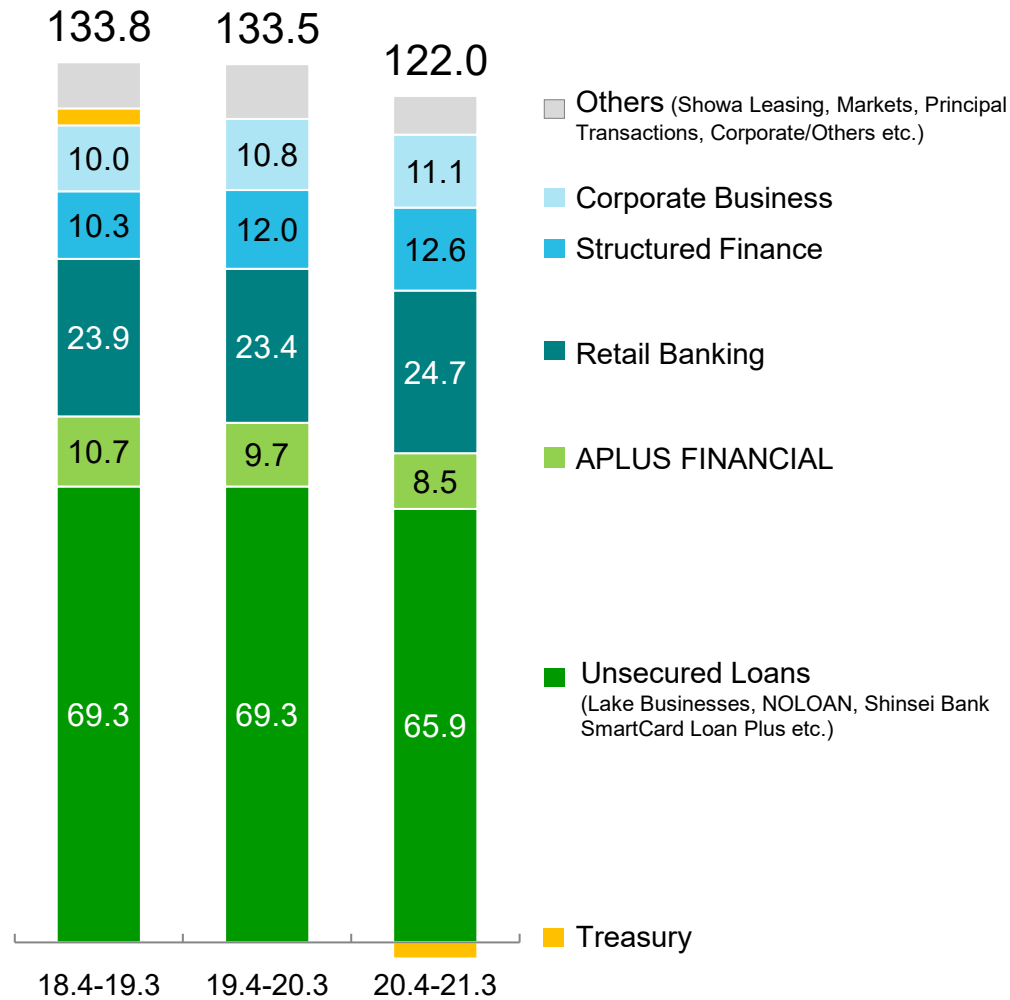
Retail Banking	19.4-20.3	20.4-21.3
Net Interest Income	23.4	24.7
of which, from Loans	9.3	9.1
of which, from Deposits, etc.	14.1	15.5
Noninterest Income	4.9	3.5
of which, from Asset Management Products	8.4	6.7
of which, Other fees (Loan origination, ATM, FT, FX etc.)	-3.5	-3.1
Total Revenue	28.3	28.3
Expenses	-28.0	-28.7
Ordinary Business Profit (OBP)	0.3	-0.3
Net Credit Costs	-0.0	-0.3
OBP after Net Credit Costs	0.3	-0.7

Segment Information

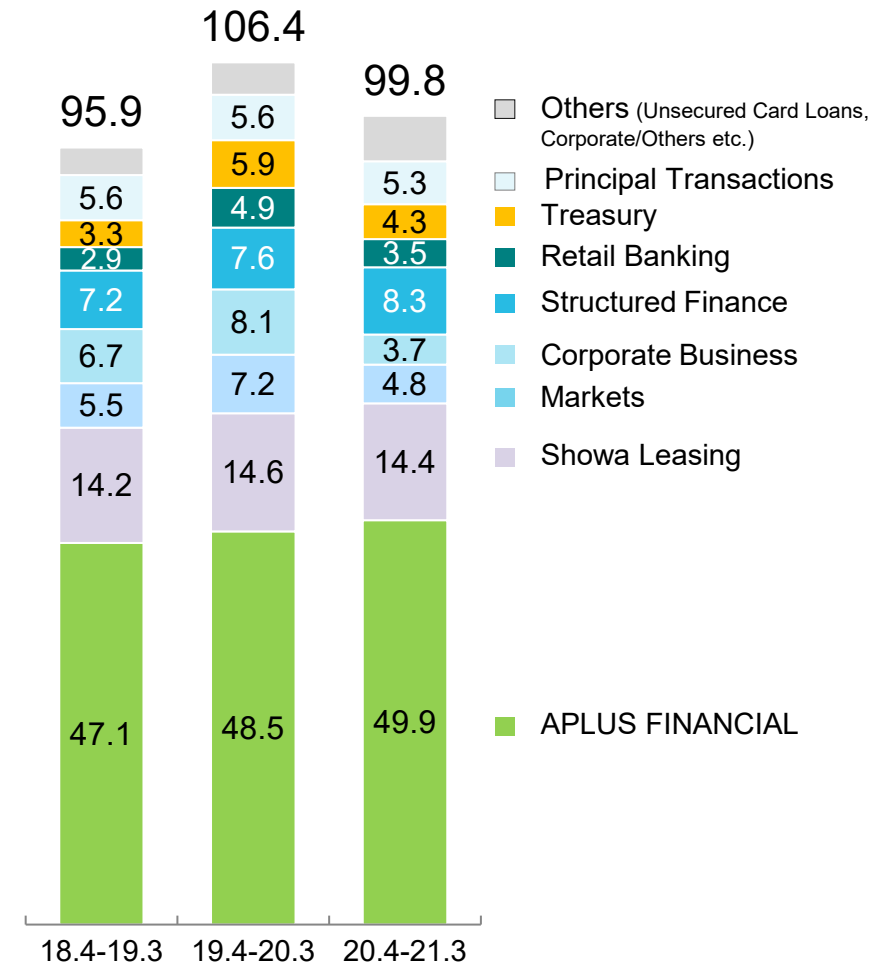
Segment: Net Interest Income, Noninterest Income

(Unit: JPY billion)

Net Interest Income by Segment



Noninterest Income by Segment

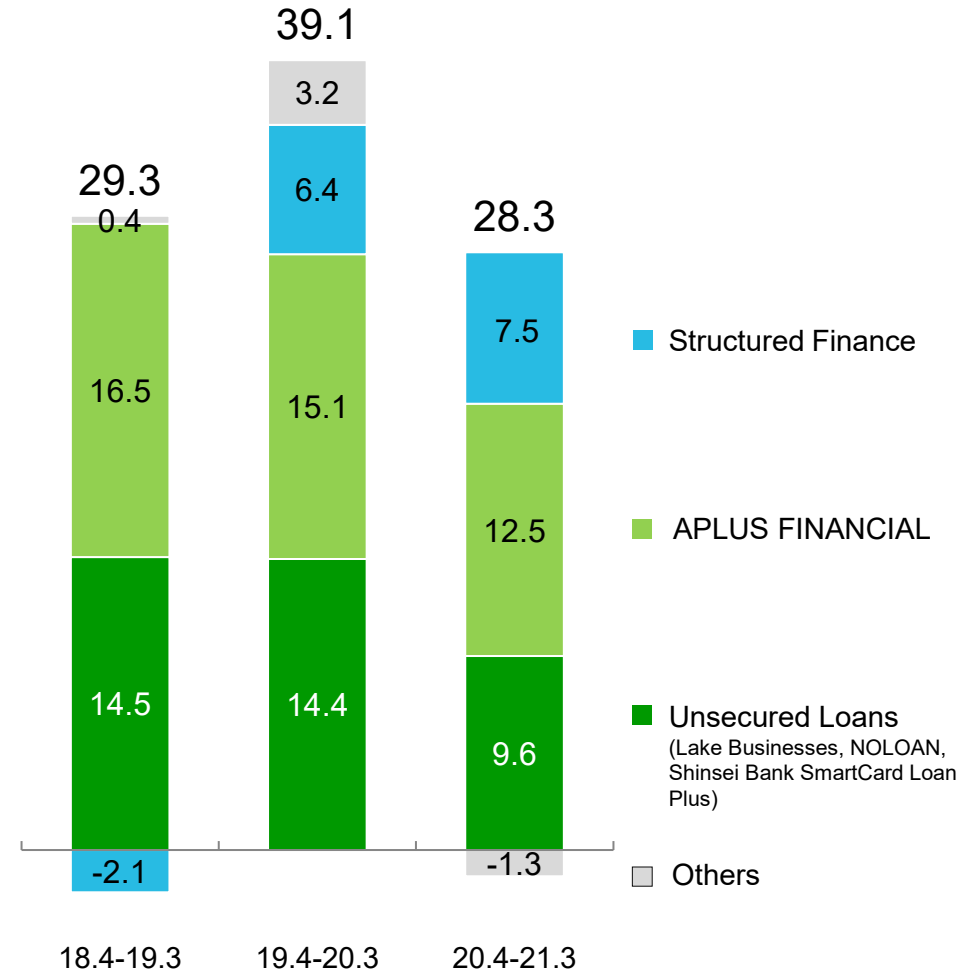
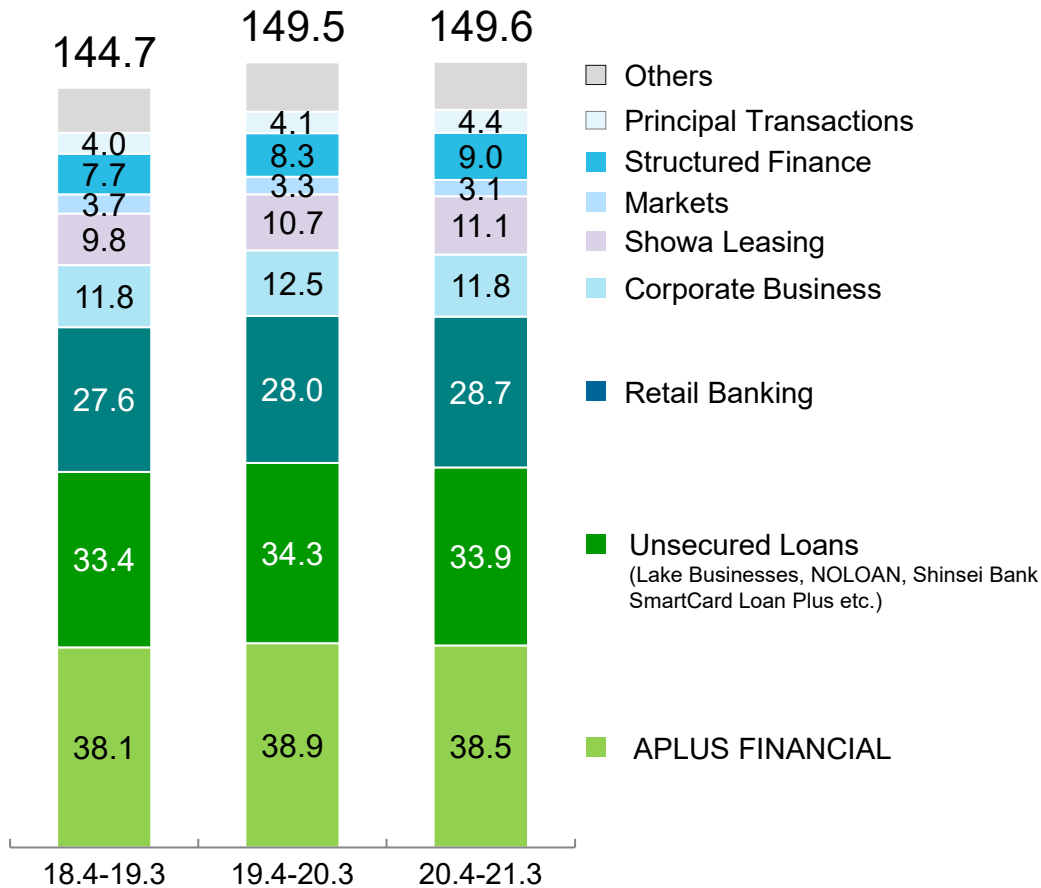


Segment: Expenses, Net Credit Costs

(Unit: JPY billion)

Expenses by Segment

Net Credit Costs by Segment



Segment: P&L and Operating Assets Balance

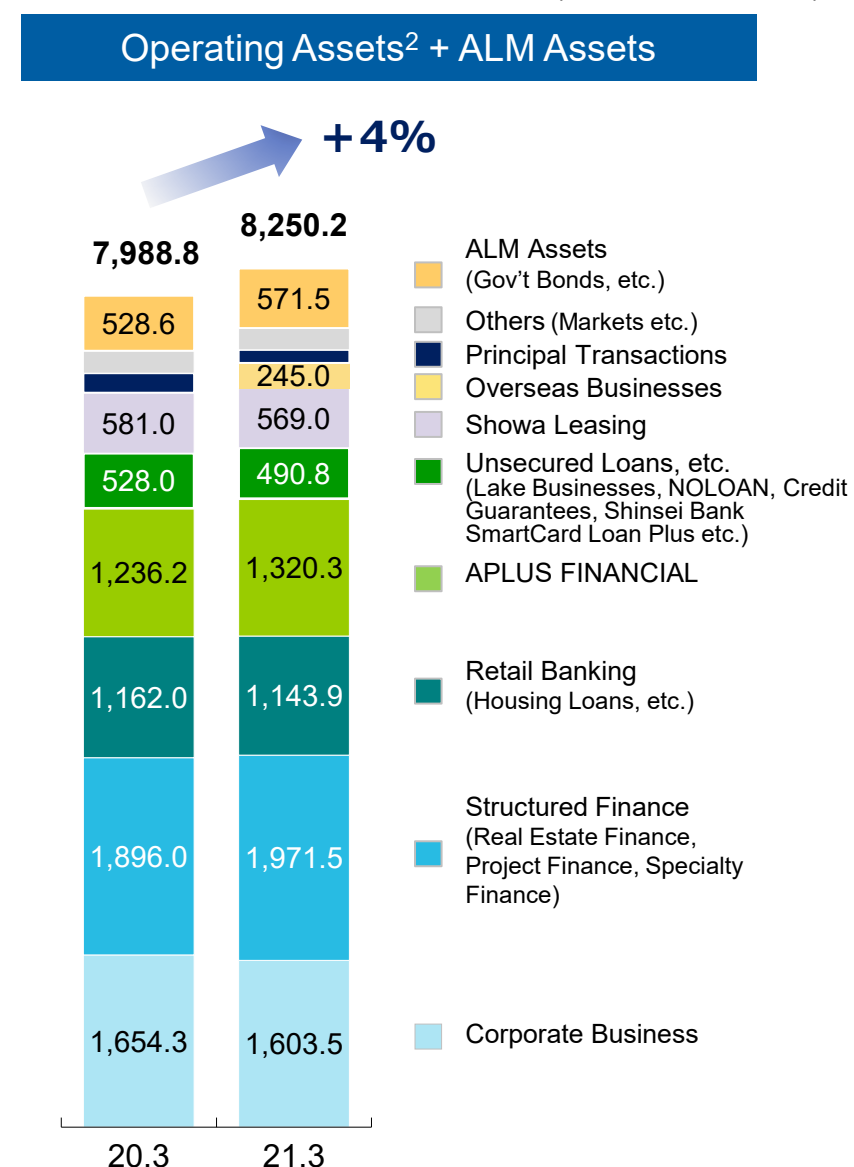
(Unit: JPY billion; %)

Segment	20.4-21.3		
	Amounts (OBP after net credit costs)	Weight	ROA ³ (Reference)
Individual Business	29.1	66%	-
Retail Banking	-0.7	-2%	-0.1%
Shinsei Financial ¹	22.4	51%	4.4%
APLUS FINANCIAL	7.3	17%	0.6%
Other Individuals	0.1	0%	0.2%
Institutional Business	17.5	40%	-
Corporate Business	4.2	10%	0.3%
Structured Finance	4.4	10%	0.2%
Principal Transactions	3.4	8%	2.2%
Showa Leasing	3.1	7%	0.5%
Markets	2.6	6%	n.m.
Other Global Markets	-0.4	-1%	n.m.
Corporate/Other	-2.8	-6%	-
Treasury	-3.8	-9%	-0.7%
Corporate/Other (excluding Treasury)	1.0	3%	n.m.
Total (OBP after net credit costs)	43.8	100%	0.5%

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)	FY2018				FY2019				FY2020			
	4-6	7-9	10-12	1-3	4-6	7-9	10-12	1-3	4-6	7-9	10-12	1-3
Individual Business	4.5	6.5	9.3	2.9	6.4	6.6	8.5	2.2	7.3	9.0	9.3	3.4
Retail Banking	-0.5	-0.4	0.2	0.0	0.3	0.1	0.1	-0.3	-0.6	-0.1	-0.1	0.2
Shinsei Financial ¹	4.6	5.6	6.6	4.2	5.0	5.2	6.3	2.8	6.2	6.8	6.4	2.9
APLUS FINANCIAL	0.4	1.1	2.2	-0.7	1.1	1.3	2.1	-0.4	1.7	2.0	2.6	0.8
Other Individuals	0.0	0.1	0.1	-0.6	-0.1	-0.1	-0.1	0.2	0.0	0.3	0.3	-0.5
Institutional Business	5.2	10.6	5.1	7.7	7.1	6.6	10.8	0.0	-1.0	4.8	4.6	9.0
Corporate Business	0.6	-0.6	0.0	3.9	0.3	2.9	1.3	-0.6	0.0	0.4	1.9	1.8
Structured Finance	-0.2	7.8	2.6	1.8	4.1	-0.8	3.2	-1.5	-0.8	0.9	3.4	0.9
Principal Transactions	2.4	2.1	1.5	-0.8	-0.0	2.6	2.8	0.3	-0.1	1.9	-2.2	3.9
Showa Leasing	2.2	0.8	0.2	1.6	1.2	0.6	0.8	0.0	0.4	1.0	0.7	1.0
Markets	0.3	0.7	0.8	1.3	1.2	1.1	2.2	1.6	-0.2	0.8	0.9	1.1
Other Global Markets	-0.1	-0.3	-0.3	-0.2	0.0	0.1	0.4	0.2	-0.2	-0.2	-0.0	0.1
Corporate/Other	1.4	0.8	1.3	-0.0	2.7	1.4	-0.8	-0.7	1.5	-1.6	-1.6	-1.0
Treasury	1.0	0.7	0.9	1.6	3.2	2.0	-0.5	-0.4	1.5	-1.2	-1.4	-2.6
Corporate/Other (excluding Treasury)	0.4	0.0	0.3	-1.7	-0.5	-0.5	-0.3	-0.2	0.0	-0.3	-0.2	1.6
Total	11.3	17.9	15.8	10.5	16.3	14.8	18.5	1.5	7.8	12.2	12.3	11.4

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

Key Data

Balance Sheet

(Unit: JPY billion)	FY16	FY17	FY18	FY19	FY20
Loans and bills discounted	4,833.4	4,895.9	4,986.8	5,110.4	5,233.6
Securities	1,014.6	1,123.5	1,130.2	957.0	929.7
Lease receivables/ leased investment assets	191.4	171.4	176.5	193.4	192.1
Installment receivables	541.4	558.8	562.2	670.7	839.5
Reserve for credit losses	-100.1	-100.8	-98.0	-107.9	-112.8
Deferred Tax Assets	15.5	14.7	15.0	16.9	9.9
Total assets	9,258.3	9,456.6	9,571.1	10,226.5	10,740.1
Deposits including negotiable certificates of deposits	5,862.9	6,067.0	5,922.1	6,305.1	6,571.3
Borrowed money	789.6	739.5	684.0	881.9	1,026.6
Corporate bonds	112.6	85.0	92.3	166.5	367.5
Grey zone reserves	101.8	74.6	63.0	49.3	39.0
Total liabilities	8,437.5	8,600.6	8,674.5	9,316.0	9,809.5
Shareholders' equity	823.7	862.5	899.5	919.2	953.3
Total net assets	820.7	856.0	896.6	910.4	930.7

Financial Ratios

(Unit: %)	FY16	FY17	FY18	FY19	FY20
Expenses-to-revenue ratio	62.3	61.5	63.0	62.3	67.4
Loan-to-deposit ratio	82.4	80.7	84.2	81.1	79.6
ROA	0.6	0.5	0.5	0.5	0.4
ROE	6.3	6.1	6.0	5.1	4.9
NPL Ratio ¹	0.22	0.17	0.20	0.34	0.64

Per Share Data

(Unit: JPY)	FY16	FY17	FY18	FY19	FY20
BPS ²	3,163.89	3,376.39	3,636.92	3,913.40	4,283.92
EPS ²	194.65	199.01	211.24	190.59	202.16

Credit Ratings

	17.3	18.3	19.3	20.3	21.3
R&I	BBB+	A-	A-	A-	A-
JCR	BBB+	BBB+	A-	A-	A-
S&P	BBB+	BBB+	BBB+	BBB+	BBB
Moody's	Baa2	Baa2	Baa2	Baa1	Baa1

¹ NPL ratio based on Financial Revitalization Law (Nonconsolidated)

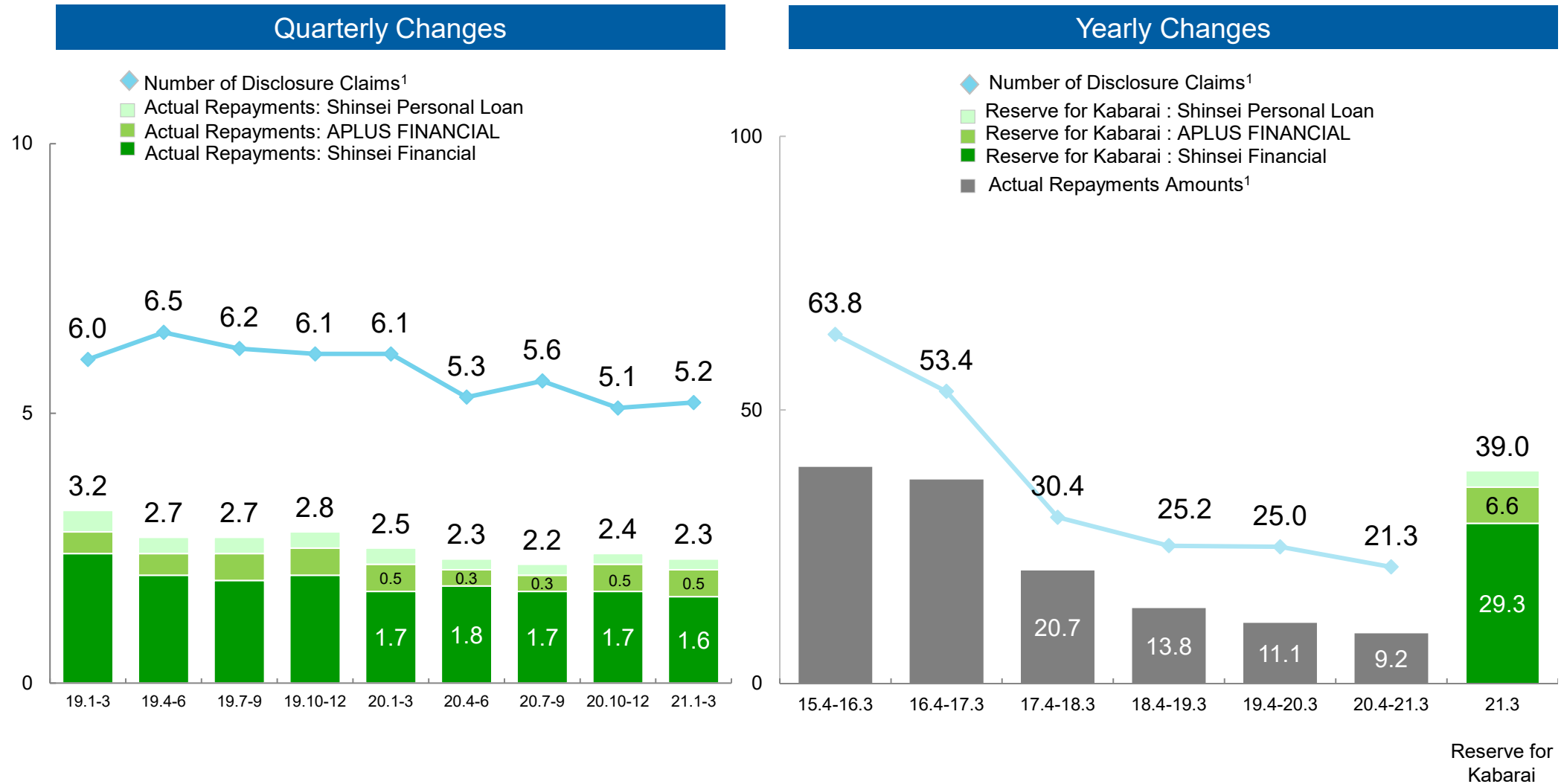
² Reverse stock split (10 stocks to 1 stock) was executed on October 1, 2017.

Per share data for FY16 has been adjusted to conform to current period presentation

Reference

Kabarai: Actual repayments and the number of disclosure claims continues to decline YoY

(Unit: JPY billion; thousands)



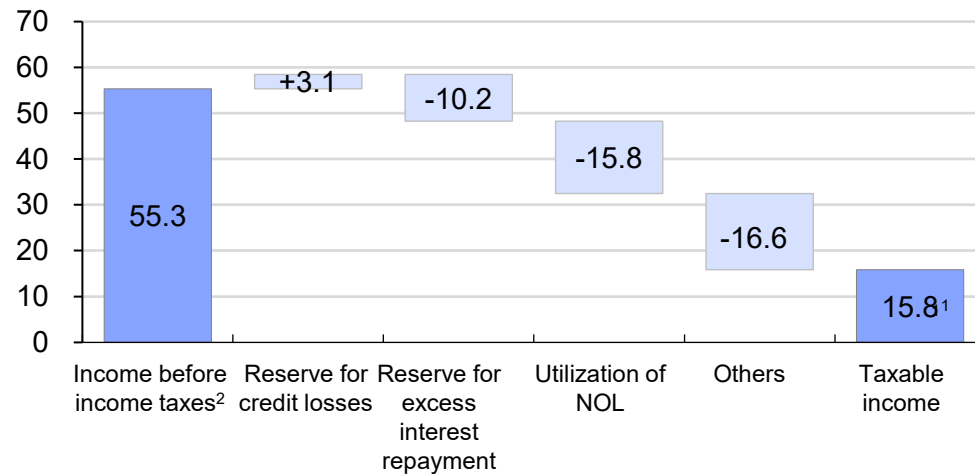
¹ Shinsei Financial, Shinsei Personal Loan and APLUS FINANCIAL combined

Income tax: FY2020 tax rate increase reflects gains from sale of Jih Sun shares

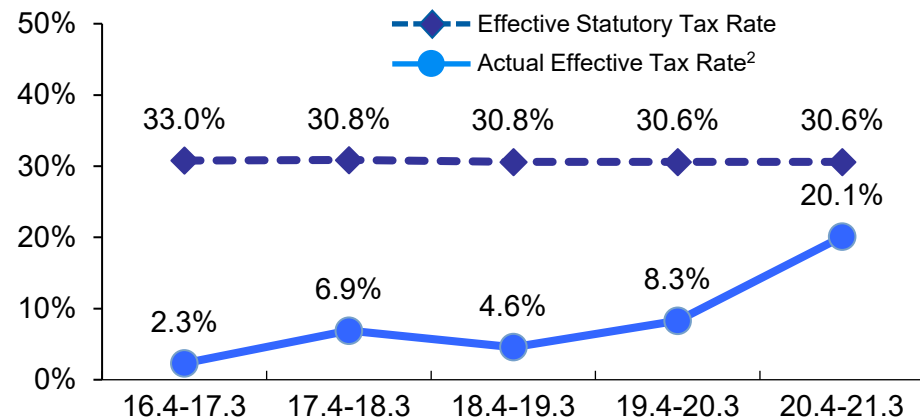
(Unit: JPY billion; %)

- Taxable income in FY2020 was JPY 15.8 billion¹
- Tax loss carry-forward at March 31, 2021 totaled JPY 164.2 billion on a consolidated basis

Income before Income Taxes vs. Taxable Income



Effective Tax Rate



Schedule of Tax Loss Carry-forward (NOL)

Year of Generation	Date of Expiry	Amounts
FY2012	March 2022	24.1
FY2013	March 2023	28.5
FY2014	March 2024	34.7
FY2015	March 2025	18.3
FY2016	March 2026	28.2
FY2017	March 2027	27.4
FY2018	March 2029	2.7
FY2019	March 2030	-
FY2020	March 2031	-
Total		164.2

¹ Sum of Shinsei Bank tax consolidation and APLUS FINANCIAL

² Consolidated basis

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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