



FY2022 Financial Highlights

Fiscal Year Ended March 31, 2023

May 2023



Overview of FY2022 for Achieving the Medium-Term Vision (1)

First year in the SBI Group: Thoroughly adhering to the “Customer-centric Principle” and expansion of volume

Universally fundamental management viewpoint relating to business construction

Thoroughly adhered to the “Customer-centric Principle” and promptly implemented measures based on the fundamental view in the development of business. Maintaining a consistent stance in business and increase in activities leading to **significant changes in expectations from customers and markets**

Increase in volume

Customer base and financial base expanded due to revitalization of sales activities and expansion of points of contact with customers
Operating assets and deposits balance **reached the FY2024 targets of the Medium-Term Vision**

Business: Deepening and advancement of strengths

Enhancement of the competitiveness

In retail banking business, focused on enhancing products and services and strengthening competitiveness. **Started the construction of a new retail banking** structure to expand the customer base and improve profitability

A platformer for regional financial institutions

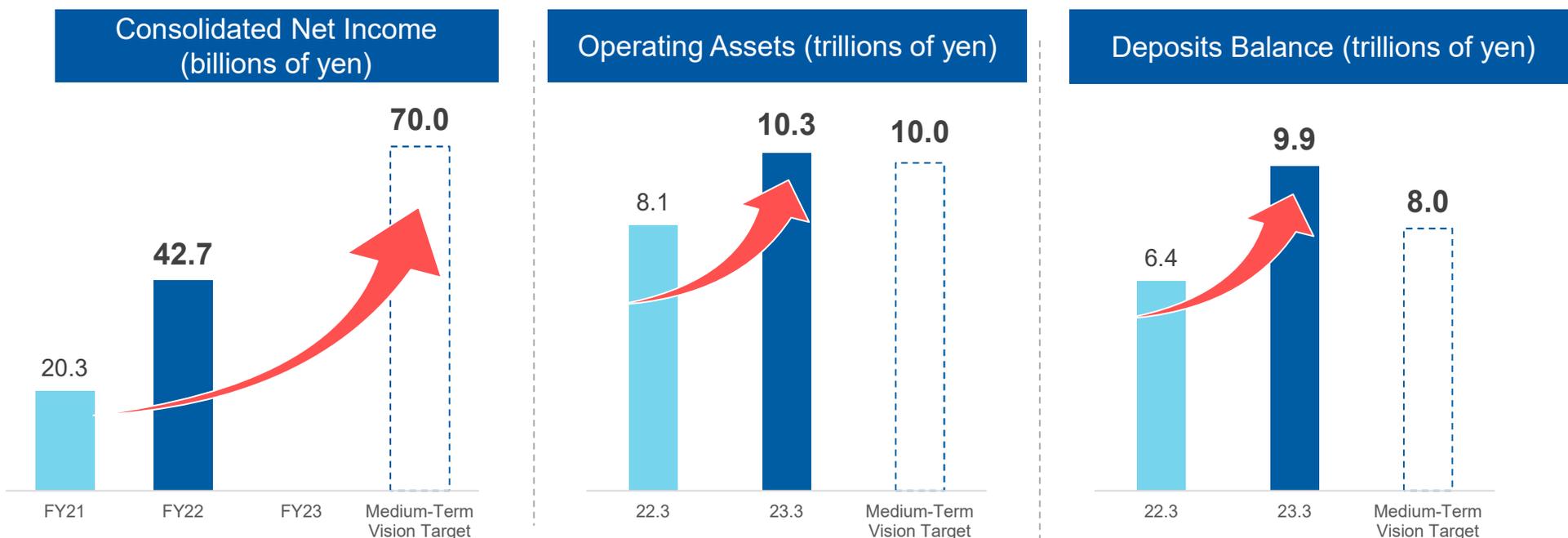
In the institutional business, **the customer base expanded significantly** reflecting revitalization of sales activities. **Strengthened presence as a platformer** for regional financial institutions and increased collaboration with regional banks, centered on cofinancing

Strategic and flexible management of marketable securities

Though in a difficult economic environment, **diversified and expanded scale of assets** for management of marketable securities. **Controlled risk (unrealized loss) at a low level** through strategic operations

Financial Targets (KPI)

- Expansion of balance sheet and customer base will increase future revenue opportunities. Going forward, steadily work on achieving both expansion of volume and enhancement in quality, leading to the realization of the Medium-Term Vision



Number of Customers

3.05 million ↗ **3.16 million accounts**

Target of 3.8 million accounts in the Medium-Term Vision

CET1 Ratio

11.6% ↘ **10.0%**

Target of 10% or more in the Medium-Term Vision

Overview of FY2022 for Achieving the Medium-Term Vision (2)

Steady progress in generating synergies. Planted seeds that will lead to future business opportunities

Synergy effect	+5 bn yen	<ul style="list-style-type: none">✓ Steady start toward achieving FY2024 target of 15 billion yen✓ Contribution to profit from collaboration projects in the institutional business and management of marketable securities
One-time synergy cost	-4 bn yen	<ul style="list-style-type: none">✓ Within the FY2022 plan (-5 billion yen)✓ System costs for synergy creation, marketing costs, etc. (including the cost of corporate name change)

Development of organizational structure for sustainable growth

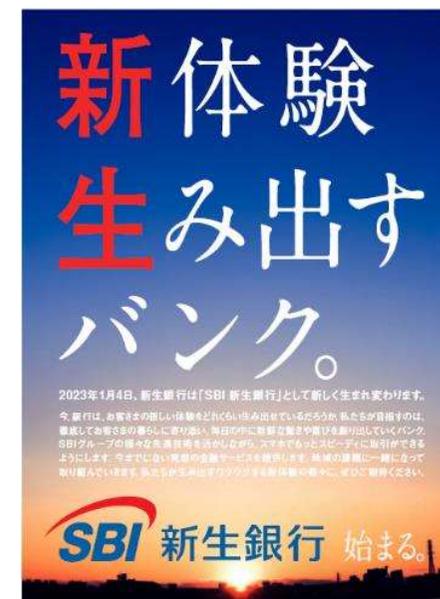
Change of corporate name	<p>Accelerated synergies by leveraging positive effects in brand awareness and brand power Benefits such as an increase in the pace of account openings and an increase in visits to branches by customers having SBI SECURITIES' accounts</p>
Group company reorganization	<p>Promoting advancement and deepening of strengths and improvement of productivity by integrating functions with the SBI Group Active allocation of optimal human resources on a SBI Group-wide basis</p>
Review of profitability and growth	<p>Implemented a comprehensive review of the profitability and growth potential of businesses, investments and loans Decided to withdraw from 13 unprofitable businesses, investments and loans</p>

Change of Corporate Name ~Expectations of customers increased with the SBI Brand

■ Corporate name changed to “SBI Shinsei Bank, Ltd.” on January 4, 2023

While valuing the culture and history of the Bank Group thus far, and by attaching the brand name of “SBI” makes it evident that SBI Shinsei Bank is a member of SBI Group both in name and reality

- Newspaper ads:
Made the newspaper advertisement into posters and posted them at customer service and office spaces of the head office and branches, Financial Centers and group companies
- Changed sign boards at all branches and facilities



Contributing to raising brand awareness and realizing further synergies with the SBI Group in the future

<Changes at the Financial Center due to change of corporate name>

- Customers of SBI SECURITIES started to visit SBI Shinsei Bank branches. The number of customers in March 2023 increased by 25% compared with the corresponding month last year
- Voices of customers: “We look forward to having more attractive services and products to us as customers”

Reorganization, Selection and Concentration of Group Companies

Promote deepening of strengths and establishment of ecosystems through the integration and fusion of functions with the SBI Group



Expect to reduce deficit by around 1.5 billion yen annually, including reorganization of group companies

Other reorganizations

- **Revitalize mutual use of human resources within the SBI Group**
Conducted mutual personnel exchanges of around 30 people in various business fields
- **Promoting efficient indirect operations and reduced indirect costs with SBI Holdings**
Established a general affairs-related joint venture to save labor and reduce costs in general affairs functions such as facility management. In addition, planning cost reduction of 140 million yen in the next fiscal year through collaboration in system and softwares, etc.

FY2022 Financial Highlights



FY2022 Financial Results Summary

Balance sheet expanded with strengthening collaboration with the SBI Group and expansion of customer base

Operating Assets

10.3 trillion yen

Up 2.2 trillion yen from the end of March 2022

- ✓ Contributions from the accumulation of corporate business and APLUS's operating assets

Deposits

9.9 trillion yen

Up 3.6 trillion yen from the end of March 2022

- ✓ Achieved the Medium-Term KPI (8 trillion yen) ahead of schedule

Record high

Ordinary Business Profits is the highest in the past 10 years

Ordinary Business Profits (OBP)

240.2 billion yen

Up 22.7 billion yen, 10% increase year-on-year

- ✓ Increased net interest income reflecting accumulation of operating assets, derivative income and loan fees, etc.

Highest in the past one decade

Net Income

42.7 billion yen

Up 22.3 billion yen, 110% increase year-on-year

- ✓ Steady progress in strengthening profitability to achieve the Medium-Term Vision

Marketable securities increased through flexible operations while controlling risks at a low level

Balance of marketable securities

833.2 billion yen

Up approx. 390 billion yen from the end of March 2022

- ✓ Building a highly diversified portfolio with credit and stocks

Unrealized Gains (Losses)*

-9.3 billion yen

Contributed by strategic balance control based on market trends

(*) Unrealized gains (losses) on securities related to marketable investments

FY2022 Financial Results

[Consolidated] (Unit: billions of yen)	12-month results			Plan	
	2022.4-2023.3 A	2021.4-2022.3 B	% of change A/B	2022.4-2023.3 E	% progress A/E
Revenue	240.2	217.5	+10%	241.0	100%
Net interest income	138.7	125.6	+10%		
Noninterest income	101.5	91.8	+10%		
Expenses	-161.6	-155.4	-4%	-164.0	99%
Ordinary Business Profits (OBP)	78.6	62.1	+27%		
Net Credit Costs	-22.0	-31.1	+29%	-31.0	71%
OBP after Net Credit Cost	56.5	31.0	+82%		
Net Income Before Income Taxes	51.7	28.4	+82%		
Net Income	42.7	20.3	+110%	35.0	122%

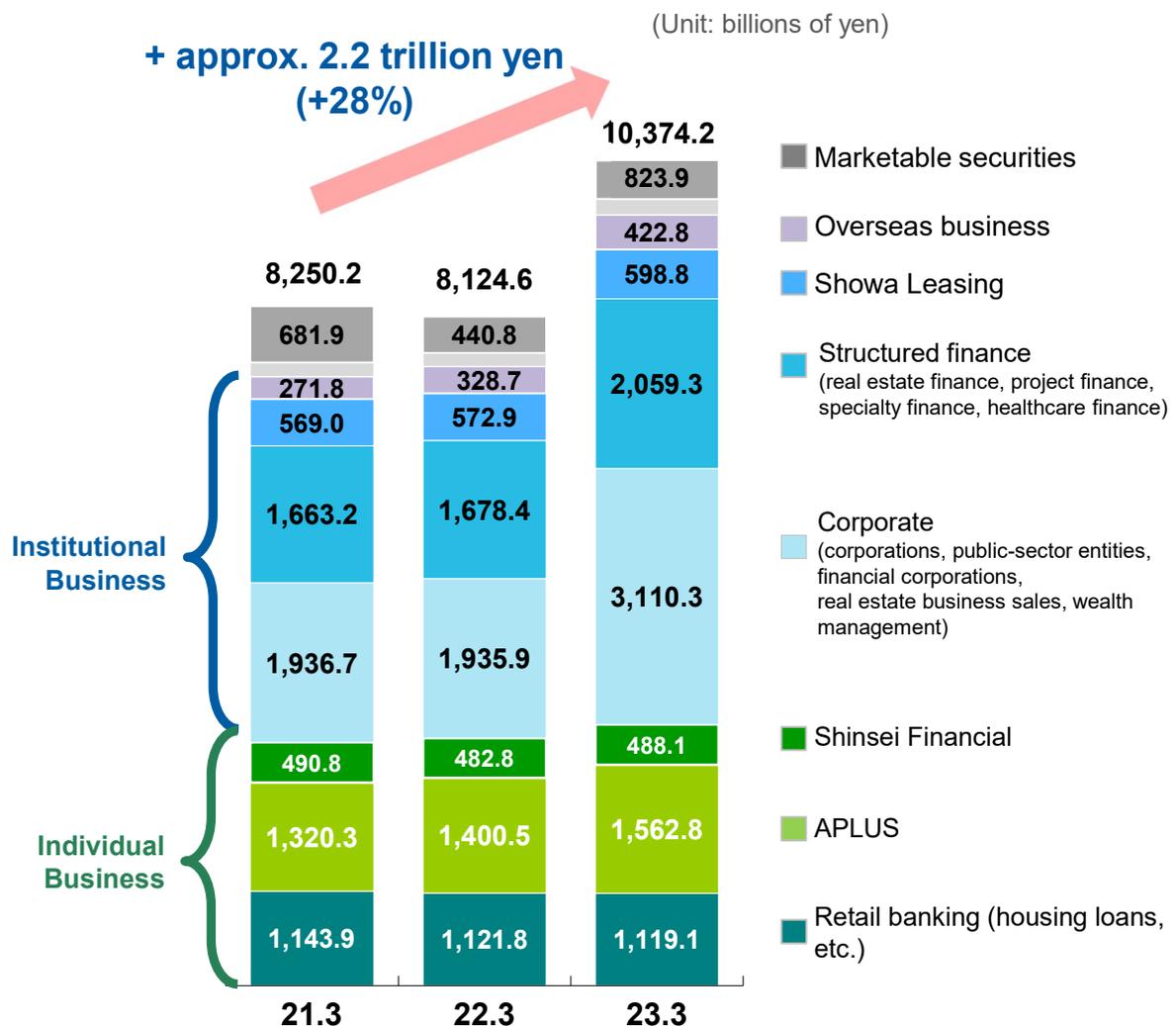
Variance Factors YoY

- ① **Net interest income:** increased due to loan growth in institutional business, and dividend income from securities investment in treasury business.
- ② **Noninterest income:** increased due to FX and interest rate derivatives income and loan fees in institutional business as well as income from installment sales in APLUS
- ③ **Expenses:** increased due to up-front investment and advertising expenses aimed at generating synergies. Booked expenses related to the change in the corporate name in 4Q
- ④ **Net Credit Costs:** decreased due to recoveries relating to collection from individual projects in structured finance
- ⑤ **Net Income:** achieved 122% progress toward full-year plan

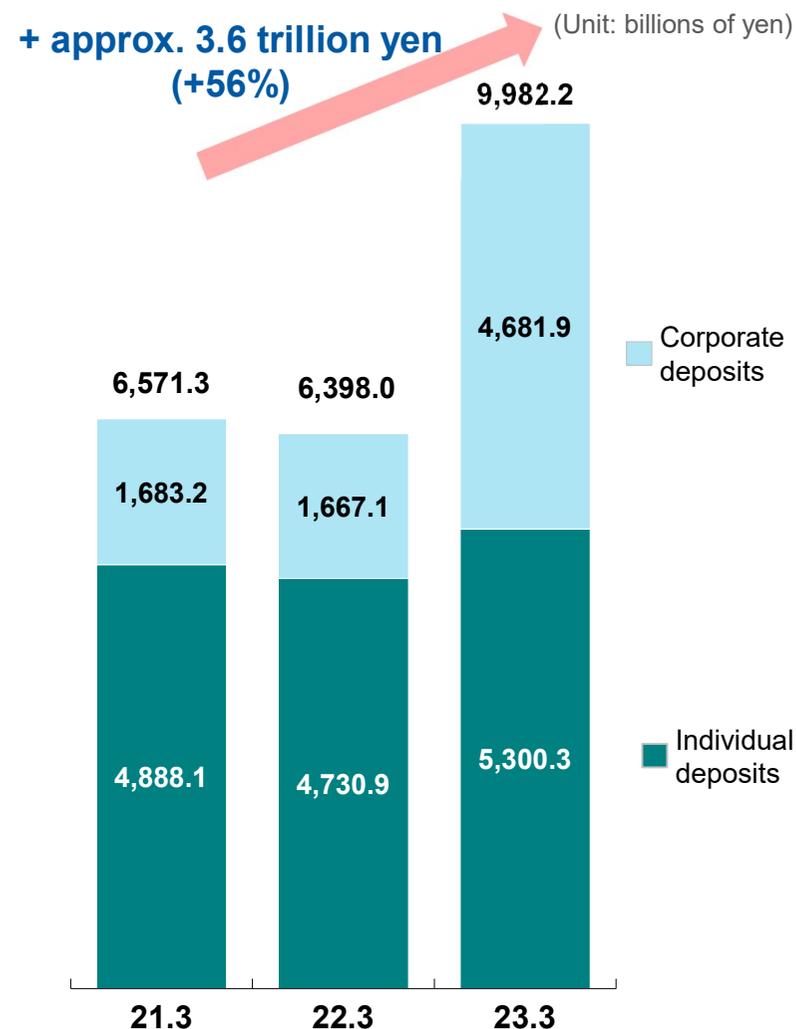
Operating Assets and Deposits

Achieved Medium-Term Vision KPI ahead of schedule

Operating Assets¹ + Marketable Securities



Deposits and Negotiable Certificates of Deposits



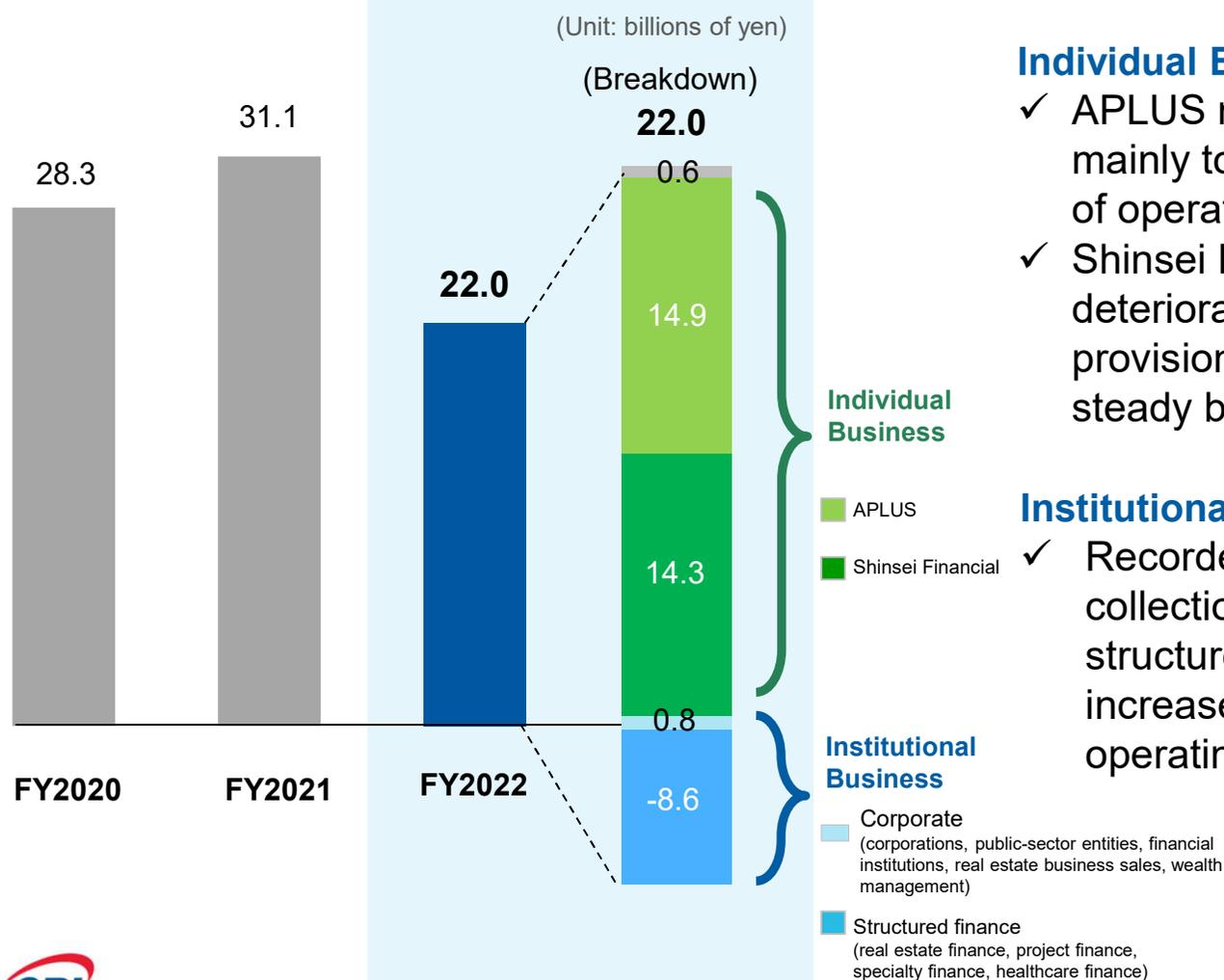
¹ Includes guarantees not requiring funding (customers' liabilities for acceptances and guarantees)

Net Credit Costs

- Maintained net credit costs at a low level while increasing the balance of operating assets
- Expect routine loan loss provisions in line with business expansion in FY2023

Net Credit Costs

Review of FY2022



Individual Business

- ✓ APLUS net credit costs increased due mainly to routine increase in the balance of operating assets of shopping credits
- ✓ Shinsei Financial took actions for deterioration in credit quality, expecting provision for loan losses in line with the steady balance growth in FY2023

Institutional business

- ✓ Recorded recoveries relating to collection from individual projects in structured finance; partly offset by an increase in outstanding balance of operating assets

<Individual Business>

In retail banking business, focused on enhancing products and services and strengthening competitiveness.

Started the construction of a new retail banking structure to expand the customer base and improve profitability

Individual Business

- Expanding the customer base through collaborative measures with the SBI Group and made up-front investments in advertising and other initiatives aimed at generating synergies
- Significant decrease in profit due to reduction in deposit interest margins related to higher interest on deposits to grow customer base, and increase in credit costs (APLUS and Shinsei Financial)

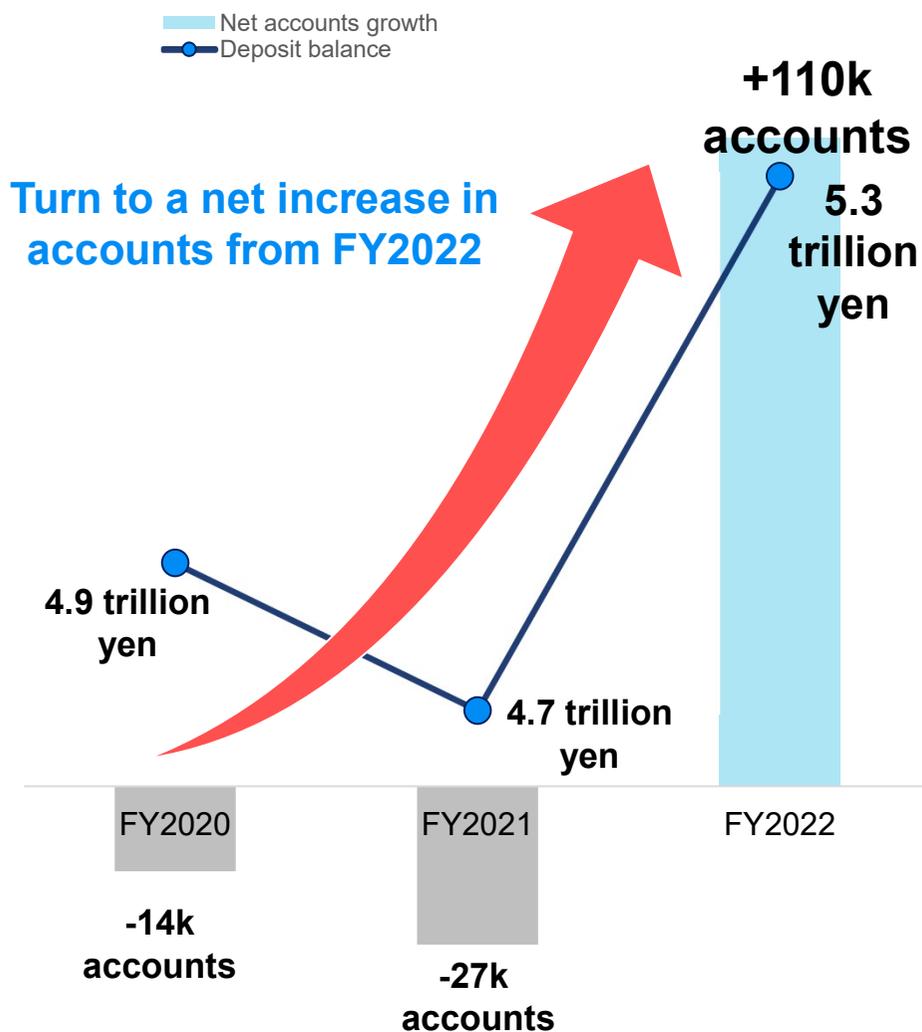
[Consolidated] (Unit: billions of yen)	12-month results		
	2022.4-2023.3 A	2021.4-2022.3 B	Rate of change A/B
Revenue	149.3	151.1	-1%
Net interest income	86.6	90.1	-4% ①
Noninterest income	62.7	60.9	+3% ②
Expenses	-106.6	-98.5	-8% ③
Ordinary Business Profits (OBP)	42.6	52.6	-19%
Net Credit Costs	-28.5	-22.4	-27% ④
OBP after Net Credit Costs	14.1	30.1	-53%

Variance Factors YoY

- ① **Net interest income:** decreased due to a decrease in deposits' interest margins in retail banking and a decline in loan yield in Shinsei Financial
- ② **Noninterest income:** increase in revenue from shopping credit and credit cards at APLUS
- ③ **Expenses:** increase in system expenses, advertising expenses, etc. for Shinsei Financial and APLUS
- ④ **Net credit cost:** increased due mainly to write-offs of bad debt in Shinsei Financial and increase in operating assets at APLUS

Gaining High Customer Support

Annual net growth in accounts and deposits



Number of accounts

Net increase for the first time in four years, and achieved an increase of more than 110,000 accounts in FY2022

Deposit balance

600 billion yen increase in one year (approx. 12%). The balance at the end of March 2023 was 5.3 trillion yen

Asset Under Management at joint branches

AUM exceeded 10 billion yen in seven months starting in August 2022

Customer consultations using Wealth Advisors

2,734 cases in total since the start in September 2022

Evaluation of housing loans

Received 3 titles in "Good Housing Loan Ranking 2023" chosen by users

Number of new SBI SECURITIES accounts using financial product intermediary service

Since the start in August 2022, over 15,000 new accounts have been opened

Strengthened Competitiveness and Enhanced Content of Products and Services



- ✓ **Deposit interest rates:** Significant increase in interest rates. **10 times for the one-year yen time deposits, and five times for the foreign currency time deposits**
- ✓ **Interest rates on housing loans:** Ensuring competitiveness. Floating interest rates at the industry's lowest level, and loan administrative fees to be as low as zero yen
- ✓ **ATM Fees:** Revived **Free-of-charge withdrawals** from partner convenience store ATMs for all customers after four years



- ✓ **Financial Product Intermediary:** Alliance with **SBI SECURITIES**, which has an industry-leading product offerings
- ✓ **Product availability:** Beginning with the discretionary investment service **“SBI Wrap Cross,”** able to introduce **the SBI Group’s diverse products** (Corporate bonds, small lot real estate trusts, etc.)

Strengthen Channels and Develop Tools to Support “From Savings to Investment”

Channels

- ✓ **Joint branches: SBI SHINSEIBANK MONEYPLAZA**, 3 branches open
- ✓ **Branch operation: Changed sales structure** to practice the "Customer-centric Principle"
- ✓ **Smartphone App:** Reformed design and UI/UX resulting in **greatly improved customer feedback**

Tools

- ✓ **Consultation:** Introduction of face-to-face sales tool **"Wealth Advisors"**
- ✓ **Simultaneous account openings with SBI SECURITIES:** SBI Shinsei Bank accounts and SBI SECURITIES' accounts can be **opened at the same time**
- ✓ **Account Connectivity: “SBI Shinsei Connect”** automatic deposit in cumulative investment trusts

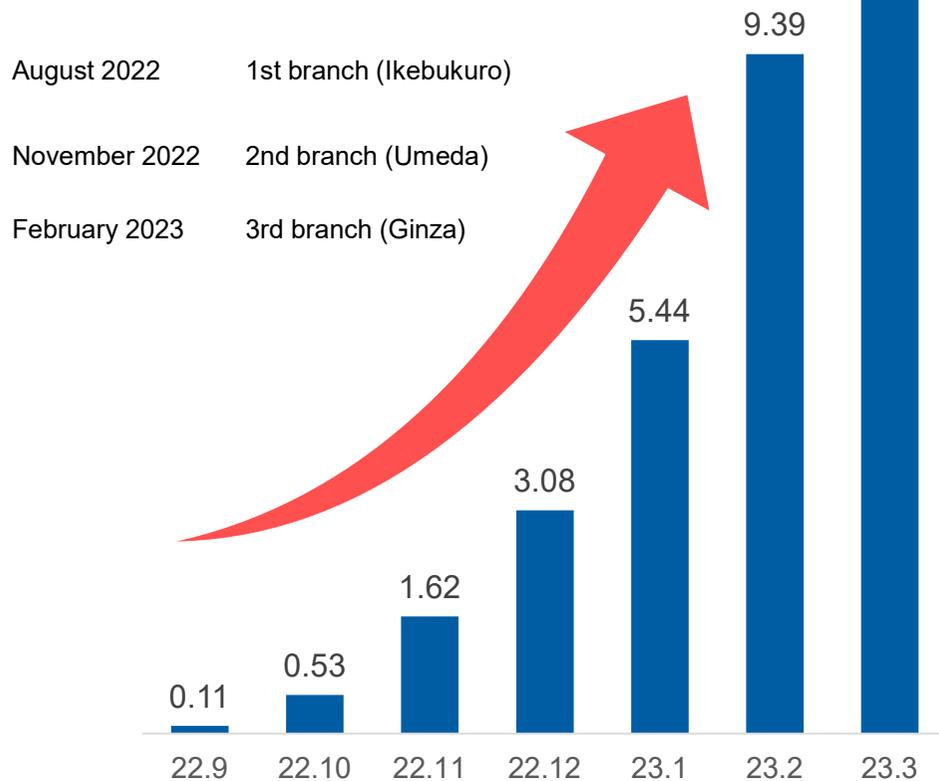


Joint Branches ~ Base of Collaboration with SBI SECURITIES and SBI MONEYPLAZA

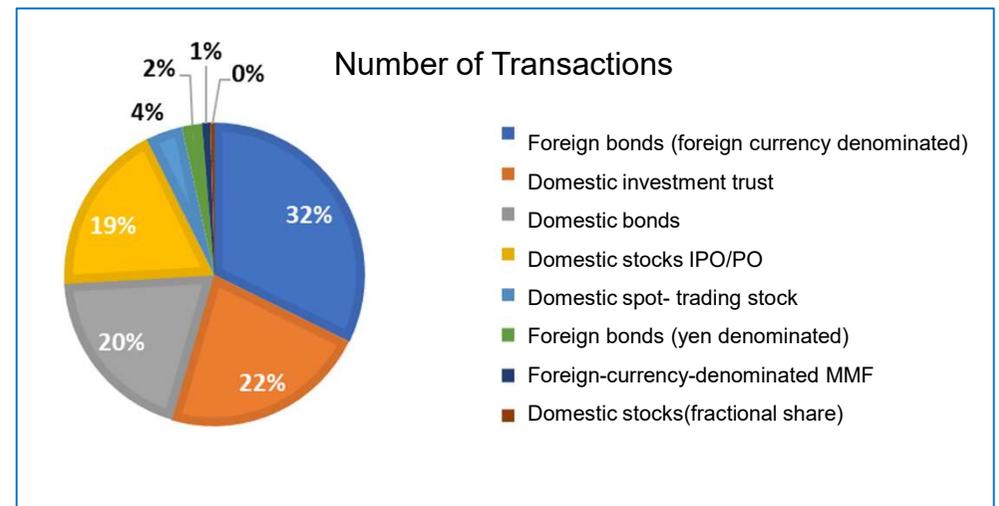
AUMs at SBI SHINSEIBANK MONEYPLAZA

(Unit: billions of yen)

After opening of the first branch in August 2022, customer assets exceeded 10 billion yen in about 7 months



- ✓ Introduced more than 1,000 customers to the joint branches from SBI Shinsei Bank
- ✓ About 80% of the customers have financial assets of more than 50 million yen. Over 80% of the customers are in the age group of 50s-60s. The average balance per account is approximately 21 million yen
- ✓ On a transaction number basis, foreign bonds (foreign currency-denominated) account for 32% in addition to domestic bonds and IPO/PO stocks. By expanding product offerings that banks do not handle, facilitates responding to the diverse needs of customers



New Products and Services: Introduced a Succession of Competitive Product Offerings that can be Differentiated from Competitors

SBI SECURITIES Fund Wrap

SBIラップ × **SBI 新生銀行** SBI Shinsei Bank

- The Bank's first face-to-face discretionary investment service. Managed by FOLIO Co., Ltd., a SBI Group company
- Suggests asset management plans based on customer needs. Five management styles allowing diversified investments in eight global assets.
- No commission at the time of purchase, the lowest level of trust fee in the industry
- Cumulative sales amount: Approx. 9 billion yen (Starting from October 2022 to April 2023)

SBI Shinsei Connect (automated deposits and withdrawals)

SBI 証券 SBI SECURITIES

- Automating deposits and withdrawals between SBI Shinsei Bank accounts and SBI SECURITIES accounts
- Started with the automation of funds required for cumulative investment trusts
- Using this service entitles customers for the highest stage of the *Shinsei Step Up Program* and preferential interest rates on normal yen deposits

Small Lot Real Estate Trust Beneficiary Rights

SBI Moneyplaza

- Small lot real estate trust beneficiary rights that invest in selected properties in the Tokyo metropolitan area
- Stable dividend income without much effort in management of asset
- Introduction of customers to SBI MONEYPLAZA
- Transaction amount: From more than 10 million yen (with 5 million yen per unit increment)
- Sales: Over 90 transactions/approx. 2.2 billion yen (Starting from August 2022 to April 2023)

Power Trust NEO (Money Trust)

SBI SHINSEI BANK GROUP SHINSEI TRUST

- New products of money trusts with performance-based dividends
- The SoftBank Group Corp. was selected as the investment target for the first round. The period is one year and the expected dividend rate is set at 0.48%
- The Group's Shinsei Trust and Banking, invests and manages assets as a fiduciary

Initiatives in Retail Banking in FY2022 (1)

List of News Releases made in Japanese relating to Retail Banking business growth

Classification	Content
Synergies with the SBI Group	SBI証券との金融商品仲介業務および銀行代理業サービス開始
	投資一任サービス「SBIラップ×新生銀行」提供開始
	『SBI証券・新生銀行の同時口座開設申込』受付開始
	SBI証券の個人型確定拠出年金(iDeCo)の紹介を開始
	SBI マネープラザとの共同店舗3店舗(池袋、梅田、銀座)運営開始
	SBIマネープラザとの不動産小口信託受益権等に係る顧客紹介を開始
	SBIマネープラザによる新生銀行住宅ローンの取り扱い開始
	SBIマネープラザによるSBI住宅ローン銀座の運営の開始
	SBIマネープラザとの共同店舗の預かり資産残高が100億円を突破
Enhancement of Products/ Services	リニューアルした優遇サービス「新生ステップアッププログラム」の提供開始
	SBIスマイルとの「不動産リースバックに係る顧客紹介業務」開始
	定期預金金利の大幅な引き上げを実施
	住宅ローン「借換限定 選べる金利・事務取扱手数料優遇キャンペーン」実施
	スタートアップ円定期預金、お預け入れ期間 1年ものの取り扱い開始
	米ドル・ユーロの為替手数料がぐっとおトク 為替手数料引き下げキャンペーン実施
	SBIレミットとの「法人送金を中心とした顧客紹介業務」開始
	住宅ローン『新規借入限定 選べる金利・事務取扱手数料優遇キャンペーン』実施
米ドル定期預金金利の引き上げ	

Initiatives in Retail Banking in FY2022 (2)

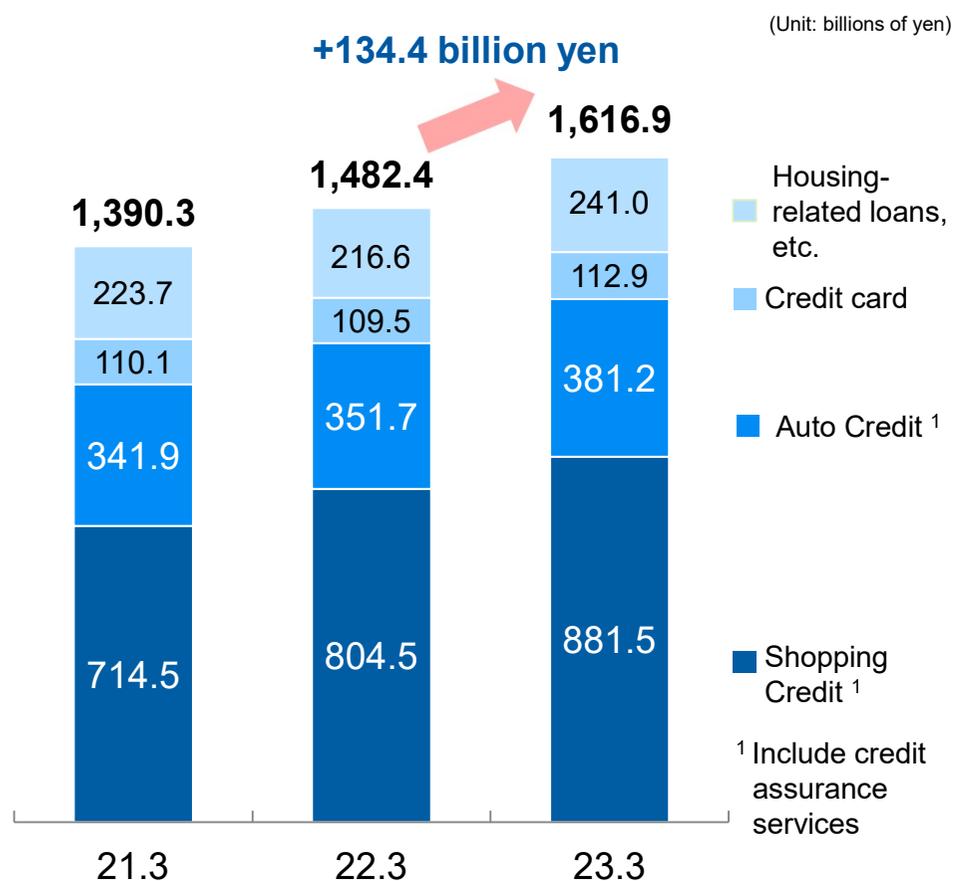
List of News Releases made in Japanese relating to Retail Banking business growth

Classification	Content
Increase in customer satisfaction	当行の外貨預金が3つの指標においてナンバー1に選抜
	パワーダイレクト円定期 2022年6月の設定額 2,000億円突破
	パワード定期(仕組預金)の販売手数料等の開示
	当行の円預金が3つの指標においてナンバー1に選抜
	ATM手数料の全面無料化を発表
	「ユーザーが選ぶ本当に良い住宅ローンランキング2023」にて三冠達成
	SBI新生銀行アプリ(旧「新生パワーダイレクトアプリ」)をリニューアル
Enhancement of brand power	日本マーケティングリサーチ機構 住宅ローンのブランドイメージ調査で三冠達成
	新規のお客さま向けの円定期預金および住宅ローンの借換キャンペーンに関する交通広告を首都圏にて開始
	住宅金融支援機構より感謝状受領
	住宅ローンのブランドイメージ調査で三冠達成
Others	お客さまによるオンライン手続きに応じて、寄付を行う「デジタルファースト推進プロジェクト」の実施
	「投資信託交付目論見書」の電子交付に関する実証実験の完了
	インターネットバンキングにおける本人認証方法の変更を発表

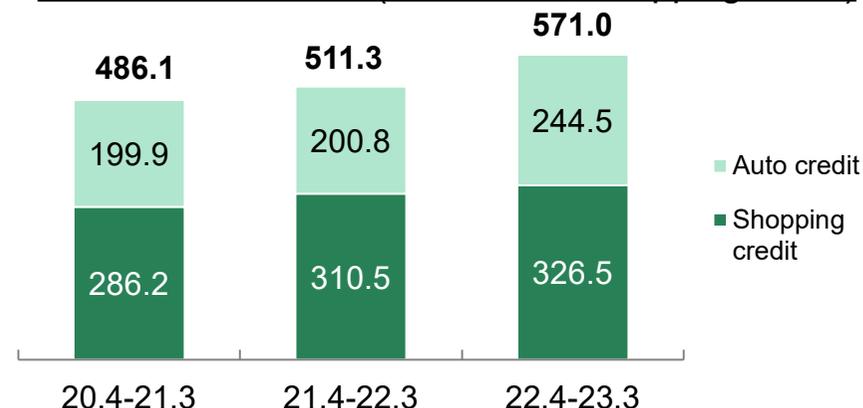
APLUS: Operating Assets and Transaction Volume

- Significant growth in shopping credit sales driven by **auto leasing, luxury watches, jewelry, and pet market, etc.**
- For payment, code settlement for the domestic market grew, and **expecting recovery in inbound demand in the future**

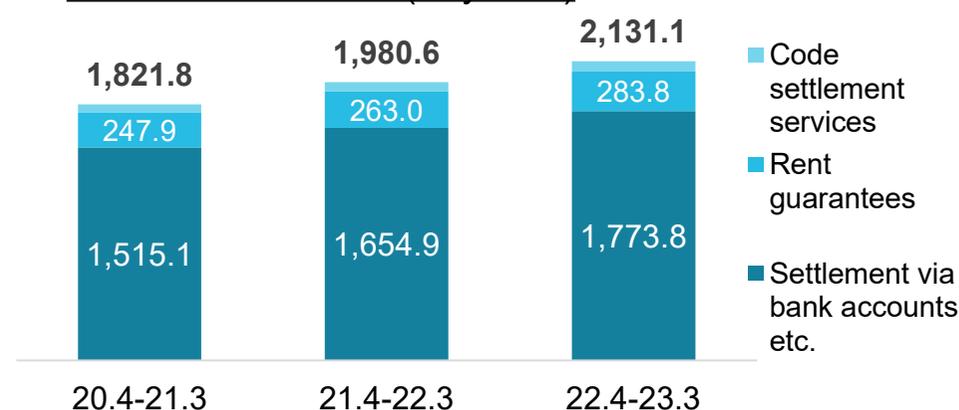
Balance of Operating Assets



Transaction Volume (Auto credit, Shopping credit)



Transaction Volume (Payment)



APLUS: Major Initiatives

■ Achievements for BANKIT® in FY2022

- ✓ New functions for regional financial institutions and functional development to make implementation easier for alliance partners (New White Label, Software Development Kit)
- ✓ A basic agreement was reached with 10 new regional financial institutions, insurance companies, and various businesses. Scheduled to be released sequentially in FY2023
- ✓ Currently considering collaborating with a number of regional banks with a view to creating regional super apps with SBI NEO FINANCIAL SERVICES



Participation in demonstration of AI face-certified payments

- ✓ BANKIT® will be used as the first demonstration tool for AI facial recognition payments to be implemented by Marubeni Corporation and ALPICO KOTSU Co., Ltd., a transportation company in Nagano Prefecture
- ✓ When boarding, you can pay the fare just by peering into the facial recognition tablet in the car
- ✓ Contributing to regional revitalization through improving DX of local public transportation. Looking to expand to regional super apps



■ Approaches to illegal use of cards

- ✓ Fraud attacks called “credit masters” are increasing across the industry. The amount of damage nationwide in 2022 increased by 32% from the previous year to 43.6 billion yen* (card numbers are guessed and analyzed as a whole)
- ✓ Formed a project team to shift to a system that allows customers to use credit cards safely and securely
- ✓ With the new operational system, the damage was reduced

Initiatives in APLUS in FY2022

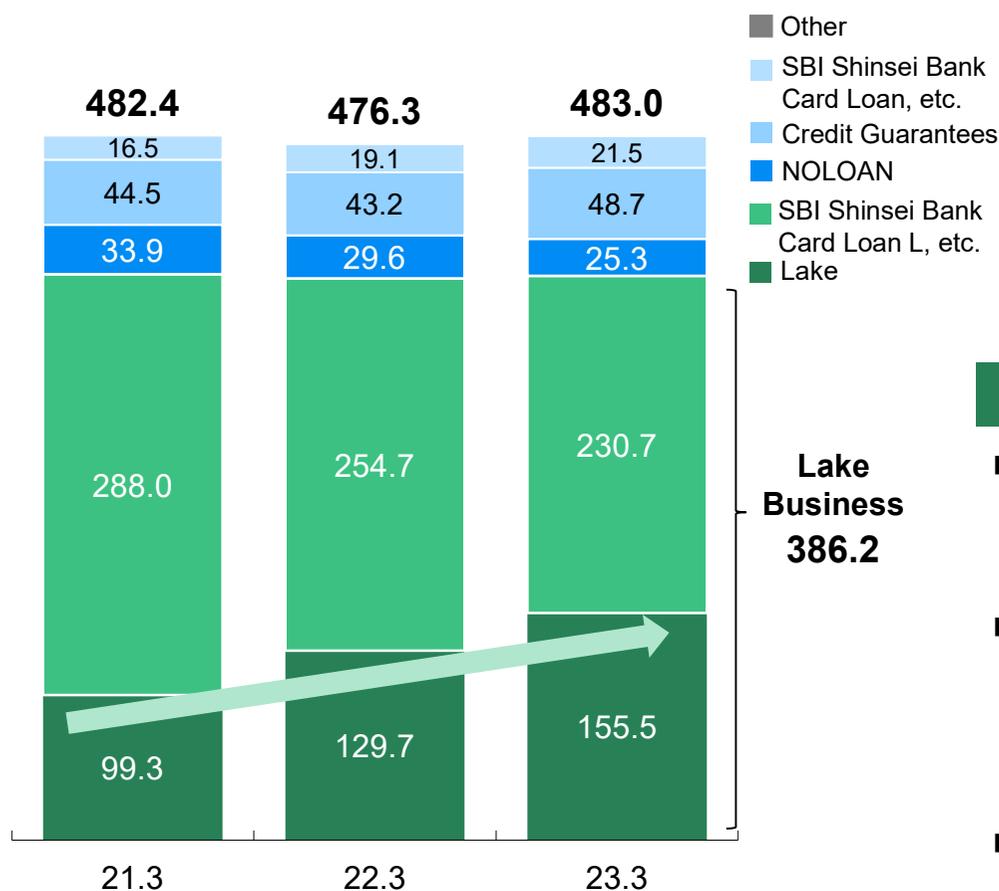
List of News Releases made in Japanese relating to business growth in APLUS

Classification	Content
Synergies with the SBI Group	SBI オートサポートとともにオートクレジット「SBIカープラス」を提供開始
	あいおいニッセイ同和損保、SBI損保と顧客体験価値向上に向けた協業開始(BANKIT®の活用)
Enhancement of Products/ Services	Tポイントが貯まる後払い型決済アプリ「Tポイント×QUICPay」に、「Tポイントチャージ」機能を追加
	『0円就活』と提携し、「就活生応援クレジットカード」サービス提供開始
	お手頃中古車専門店プラウドとの提携クレジットカード「PROUD card」を発行
	中古車販売リバーサイドとの提携クレジットカード「RIVERSIDE CARD」を発行
	「BANKIT®」のホワイトラベル方式での提供を開始
	アプラス発行のクレジットカード・ETCカードが、ETCが街なかで利用できる『ETCX』サービスに対応
	システムソフト、と提携して「BunChinPAY(入居一時金のWEBクレジット)」サービスを提供開始
	フォーシス アンド カンパニーとともに、ブライダルクレジット(後払いサービス)を提供開始
	子犬子猫専門のペットショップ「ペットファースト」との提携クレジットカード「ペットファーストカード」を発行
Increase in customer satisfaction	アプラスポイント、JALのマイルへの年間移行上限を撤廃
	住宅つなぎローン(アプラスブリッジローン)をリニューアル
Other	「AI(機械学習モデル)を用いたクレジットカード不正検知スコアエンジン」を導入
	「bitFlyerクレカ」、2大特典キャンペーン実施
	株式会社クリアパスの株式取得(子会社化)
	「湖西市商店DX基盤整備事業」で、アプラスの「コード等決済サービス(StarPayAplus)」が採用

Shinsei Financial

Balance of Operating Assets

(Unit: billions of yen)



Operating Results

- Since 2Q, thoroughly managed signs of deterioration in the quality of some of the assets acquired during the COVID-19 and fine-tuned the quality of those assets
- In preparation to re-expand business, renewed web/app and changed the brand name/logo. Recognition of targeted customers in the age group of 20s recovered

FY2023 Initiatives

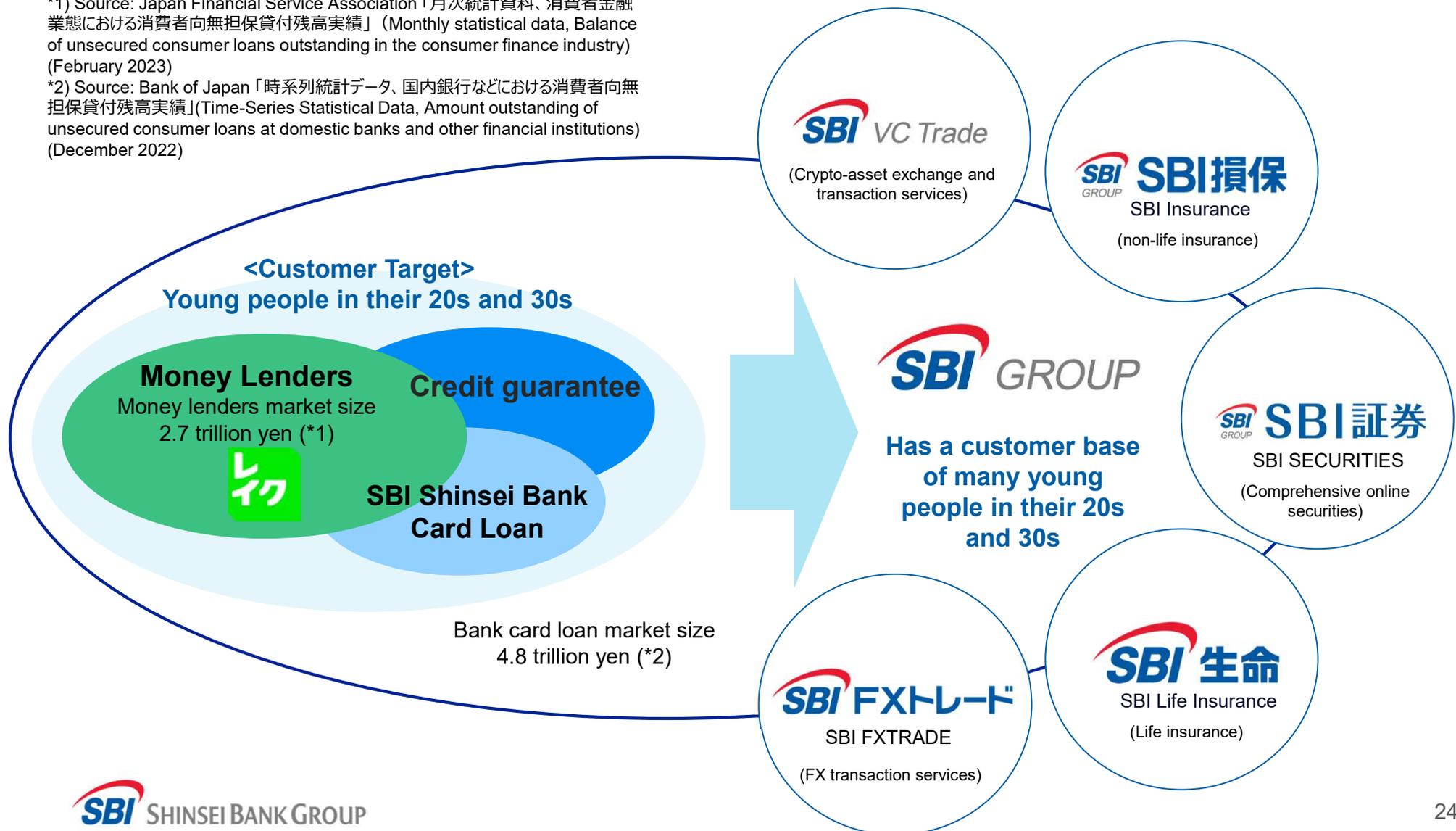
- Measures implemented in the previous fiscal year have been successful, and once again aim for steady growth with focus on quality
- In the money lending market, further strengthen brand recognition, manage future predictions, operate a highly productive collection system and secure highly reliable profits
- In addition, to maximize synergies with the SBI Group, expand into the card-loan marketplace targeting the SBI Group's customers

Shinsei Financial: Promote Expansion to the SBI Group's Customers

- Promote expansion into the bank card loan market targeting the 45 million SBI Group customer base while maintaining high-certainty profits in the specialized loan market

*1) Source: Japan Financial Service Association 「月次統計資料、消費者金融業態における消費者向無担保貸付残高実績」 (Monthly statistical data, Balance of unsecured consumer loans outstanding in the consumer finance industry) (February 2023)

*2) Source: Bank of Japan 「時系列統計データ、国内銀行などにおける消費者向無担保貸付残高実績」(Time-Series Statistical Data, Amount outstanding of unsecured consumer loans at domestic banks and other financial institutions) (December 2022)



Initiatives at Shinsei Financial in FY2022

List of News Releases made in Japanese relating to business growth in Shinsei Financial

Classification	Content
Synergies with the SBI Group	レイク がプロゲーミングチーム「SBI e-Sports」とトップパートナー契約を締結
Enhancement of Products/ Services	筑邦銀行へ保証業務の提供を開始
Increase in customer satisfaction	レイク公式アプリ「e-アルサ」および Web サイトの全面リニューアル
	公式アプリ(「レイクアプリ」)リニューアル
Enhancement of brand power	千鳥 大悟、ノブが新CMキャラクターに就任
	レイクのブランド認知向上に向けた「レイク ALSA いないいない大悟キャンペーン」の実施
	千鳥 大悟、ノブ出演 新CM 第2弾の発表
	千鳥 大悟、ノブ出演 新CM 第3弾の発表
	2023年1月4日にカードローンブランド「レイクALSA」を「レイク」に変更
	「レイク」が吉本興業主催のお笑いフェス「LIVE STAND 22-23 FUKUOKA」に協賛
Others	「被災地応援ローン」の取扱い開始
	LGBTQ+に関する取り組み評価指標「PRIDE 指標」で最高位の「ゴールド」を受賞

<Institutional Business>

Customer base expanded significantly reflecting revitalization of sales activities.

Strengthened presence as a platformer for regional financial institutions and increased collaboration with regional banks, centered on cofinancing

Institutional Business

- Progress was made in expanding the number of business corporations through collaboration with the SBI Group. Efforts toward regional revitalization through collaboration with regional financial institutions also progressed. Significant increase in profit due to increase in revenue and decrease in expenses

[Consolidated] (Unit: billions of yen)	12-month results		
	2022.4-2023.3 A	2021.4-2022.3 B	% change A/B
Revenue	75.7	67.1	+13%
Net interest income	36.3	30.8	+18% ①
Noninterest income	39.4	36.2	+9% ②
Expenses	-44.9	-47.2	+5%
Ordinary Business Profits (OBP)	30.8	19.8	+55%
Net Credit Costs	7.5	-8.7	n.m ③
OBP after Net Credit Costs	38.4	11.1	+245%

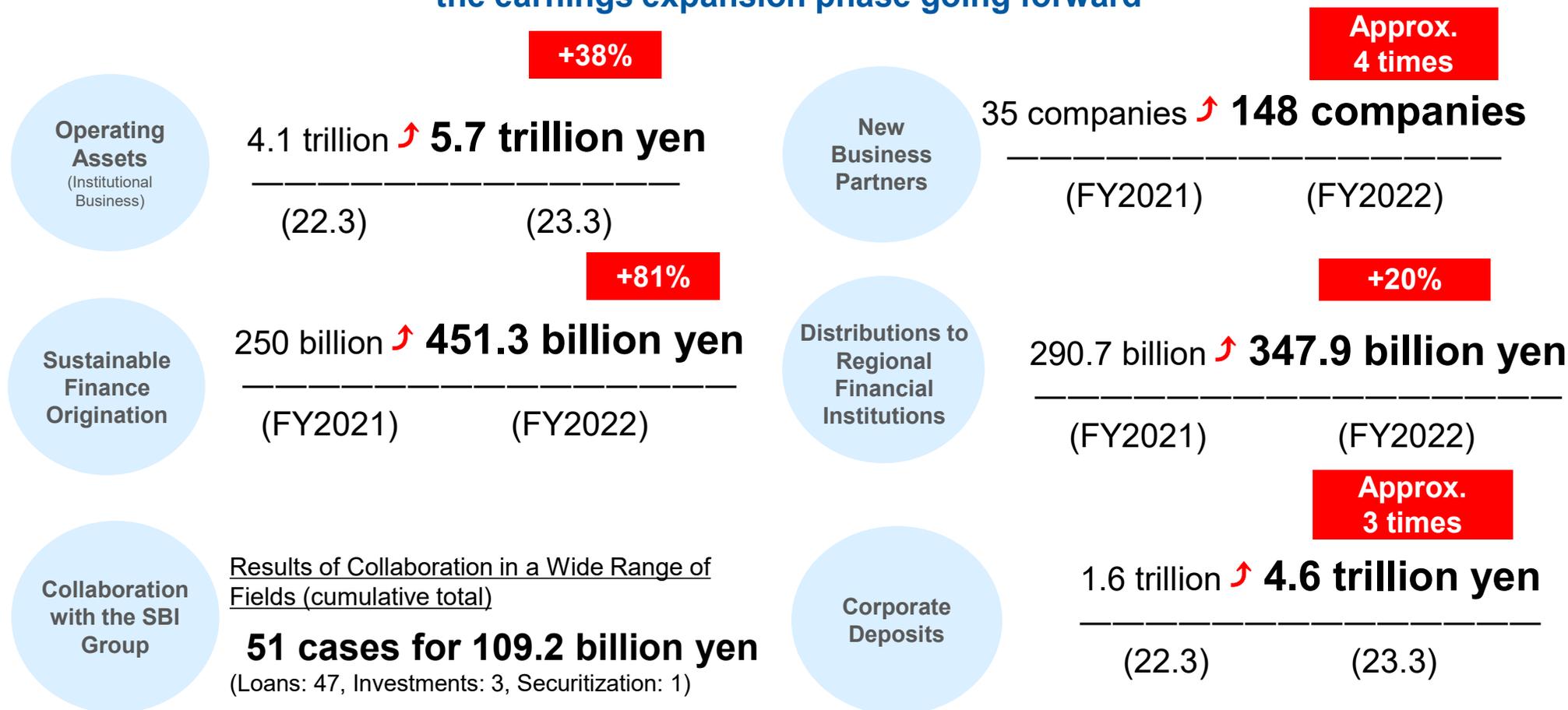
Variance Factors YoY

- ① **Net interest income:** increased due to higher interest income from loan growth and increase in dividends from VC funds
- ② **Noninterest income:** increased due to higher FX and interest rate derivatives income and loan fees
- ③ **Net credit costs:** decrease in structured finance due to recoveries relating to collection from individual projects as well as improved reserve ratio

Dramatically Expanded Operating Base by Revitalizing Sales Activities and Strengthening Relationships

- Expanding business with multiple business corporations and financial institutions and improving project sourcing capabilities by revitalizing sales activities and expanding points of contact with customers, including collaboration with the SBI Group

Taking advantage of the dramatically expanded operating base, we expect to **enter into the earnings expansion phase going forward**

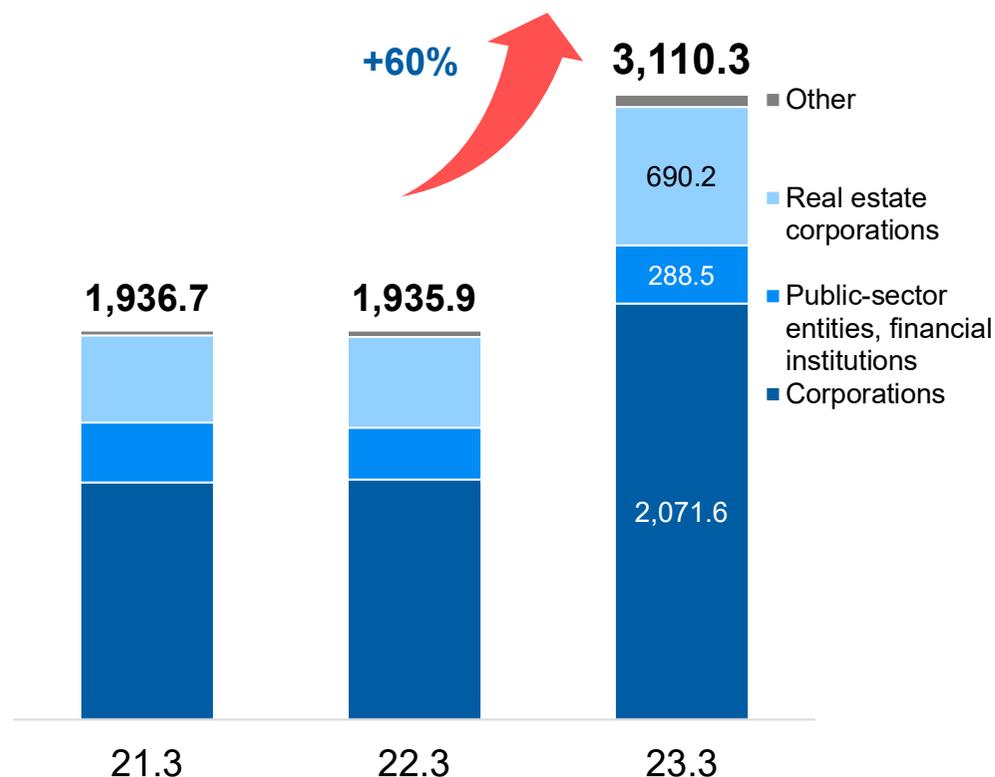


Significant Increase in Balance of Operating Assets, with Steady Growth in Business with Corporations and Real Estate Finance

- Deepening business with sectors with growth potential and businesses as well as financial corporations that are expected to generate strategic transactions
- Expanding transactions and further improving presence in the sustainable finance area

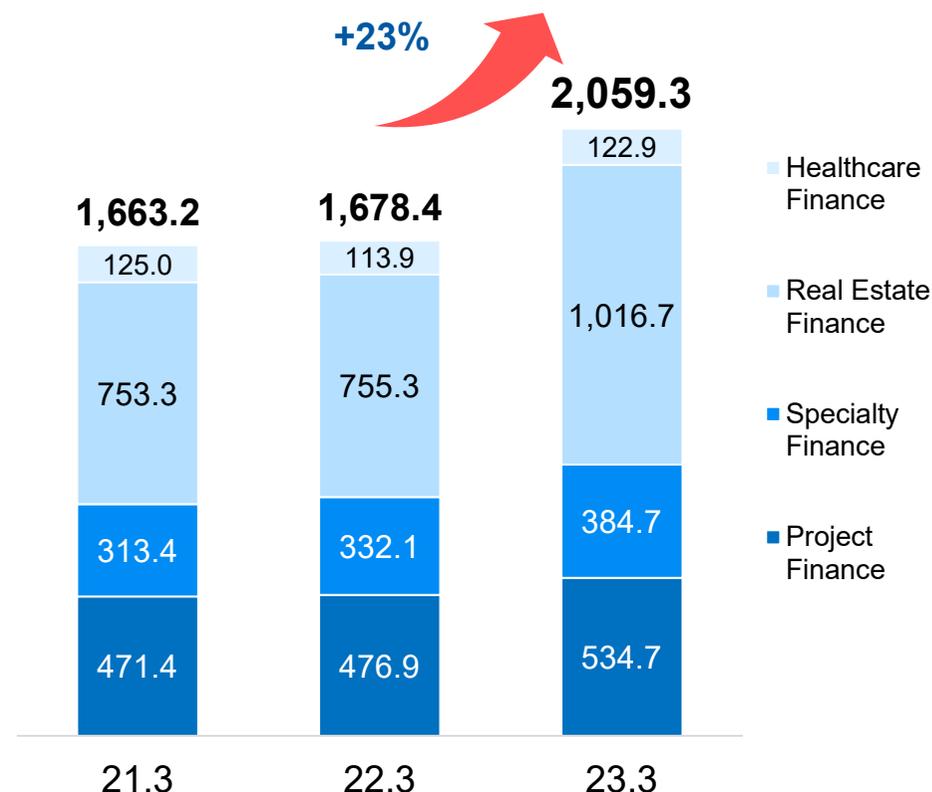
Balance of Operating Assets of Corporate Business

(Unit: billions of yen)



Balance of Operating Assets of Structured Finance

(Unit: billions of yen)



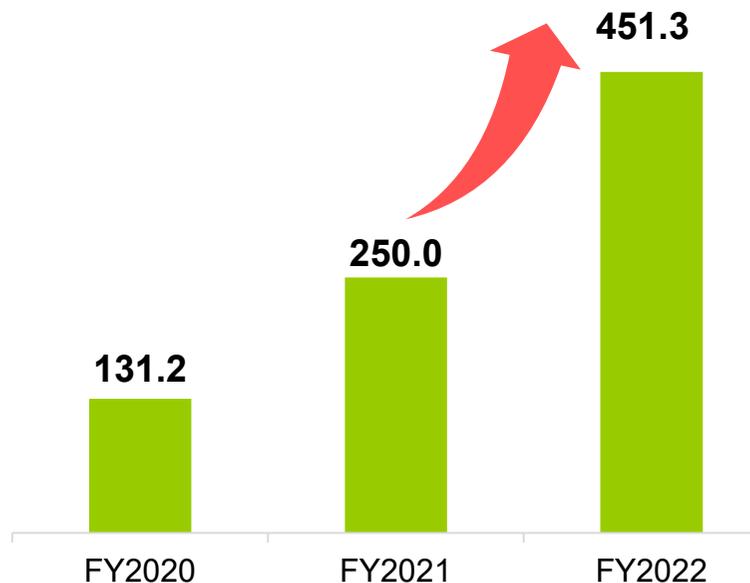
Origination of Large-Scale Projects in Sustainable Finance

- **Supporting the financing of business corporations through sustainable finance**, by utilizing the sustainable finance framework as a lender, which was formulated by SBI Shinsei Bank as the first Japanese bank
- In addition to Green Loans and Social Loans, also focusing on the creation of syndicated loans for **positive impact finance** and **transitional finance** aimed at decarbonization

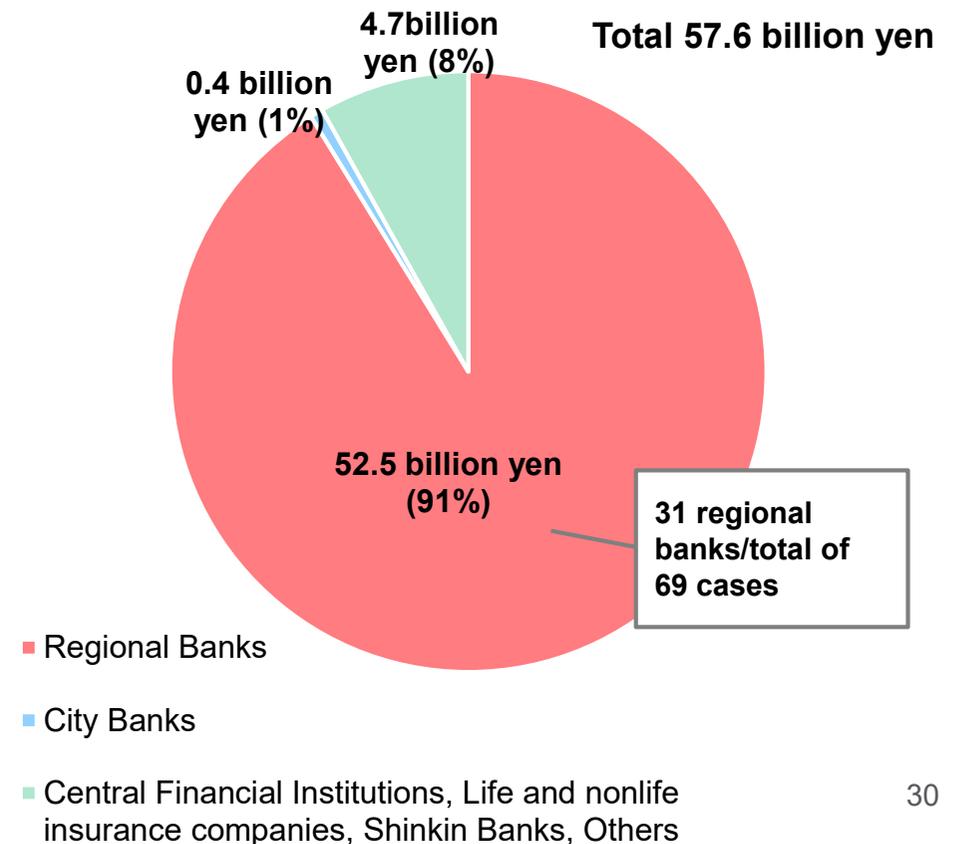
Sustainable finance origination results

*Includes originations assessed other than the Bank's in-house framework

(Unit: billions of yen)



Participation by financial institutions for sustainable finance (April 2022 – March 2023)



Examples of Sustainable Finance Origination and Disbursement (FY2022)

Sponsor/Debtor Name	Type	Remarks	Sponsor/Debtor Name	Type	Remarks
Daiwa Energy & Infrastructure Co.Ltd	Green	Cooperation with more than 10 companies, mainly regional financial institutions	Mitsubishi Estate Logistics REIT Investment Corporation	Sustainability Link	KPI:CO2 emissions (Scope1+2+3)
Tohoku Electric Power Co., Inc.	Green	Fund for the construction of a power plant	Kawauchi Power	Green	Fund for the construction of the Kawauchi wind energy plant. Cooperation with THE TOHO BANK, LTD. and The Fukushima Bank, Ltd.
Hokuriku Electric Power Company	Green	Management and maintenance funds for 24 hydropower plants in Toyama, Ishikawa, and Fukui Prefecture	Tokyu Land Capital Management Inc.	Green	Finance for acquiring two residential complexes
Sumitomo Realty & Development Co., Ltd.	Green	Refinancing funds for property development	General Co.,Ltd.	Social	Acquisition cost of land leased to Tokushinkai, a medical corporation
Kenedix Residential Next Investment Corporation	Social	Total of 14 private nursing homes and housing for the elderly	The Fukushima Bank, Ltd.	Sustainability	Loans related to renewable energy and education
Nomura Real Estate Holdings	Sustainability Link	KPI: Reduction of CO2 emissions	NIPRO CORPORATION	Social	Research and development funding for social projects as stipulated in the borrower framework
Daiwa Office Investment Corporation	Green	Shibuya Ward Office Building (CASBEE: A)	ISHIHARA SANGYO KAISHA, LTD.	Positive Impact Financing	First project for Positive Impact Finance
Ichigo ECO Energy	Green	Funding for the construction of a solar power plant in Miyazaki Prefecture	New Energy Development Co., Ltd.	Green	Funds for construction of Tottori Sakaiminato Biomass Power Station. Cooperation with THE TOTTORI BANK,LTD.
ZEHPJ1	Green	ZEH rental condominium development fund	Japan Real Estate Investment Corp.	Sustainability Link	Reduce CO2 emissions by 80% (compared to FY2019), owning five ZEH certified properties
First REIT Japan2	Social	Private nursing homes and housing for the elderly: 2 properties. Cooperation with The Towa Bank, Ltd.	OUTSOURCING Inc.	Positive Impact Financing	Cooperation with THE SAN-IN GODO BANK,LTD and The Shimane Bank, Ltd.
Kyushu Leasing Service	Sustainability Link	Cooperation with the Credit Federation of Oita Prefectural Agricultural Cooperatives, THE SAN-IN GODO BANK,LTD. , Daishi Hokuetsu Bank, Ltd., The Chiba Bank, Ltd, THE TOTTORI BANK,LTD., and Nippon Life Insurance Company	Sumitomo Realty & Development Co., Ltd.	Green	Refinancing funds for property development
OUTSOURCING Inc.	Sustainability Link	Cooperation with THE BANK OF KOCHI, LTD., THE SAN-IN GODO BANK,LTD, San ju San Bank,Ltd., The Shimane Bank, Ltd., THE SHIMIZU BANK,LTD., The Chiba Bank, Ltd, Tsukuba Bank, Ltd., The Towa Bank, Ltd., THE TOTTORI BANK,LTD., The Higashi-Nippon Bank, Limited, The Fukui Bank,Ltd., and The Fukushima Bank, Ltd.	Nakamichi Leasing Co.,Ltd.	Social	Refine finances related to the cost of acquiring beneficial rights of nursing homes for the elderly, etc.
Sawayaka Club	Social	After-school and other day-service offices for children with disabilities, etc.	Eco Research Institute Ltd.	Green	Working capital for the spread of NECRES
DREAM Private REIT Inc.	Green	Cost of acquiring the Shinano-unyu Urayasu Distribution Center	General Co.,Ltd.	Positive Impact Financing	Cooperation with THE TAIKO BANK, LTD.

Further Enhancing the Presence as a Platformer for Regional Financial Institutions

Promoting greater cooperation to realize regional revitalization based on the “**Triangle Strategy**,” which utilizes the functions of regional financial institutions, the SBI Group and the SBI Shinsei Bank Group in a trinity

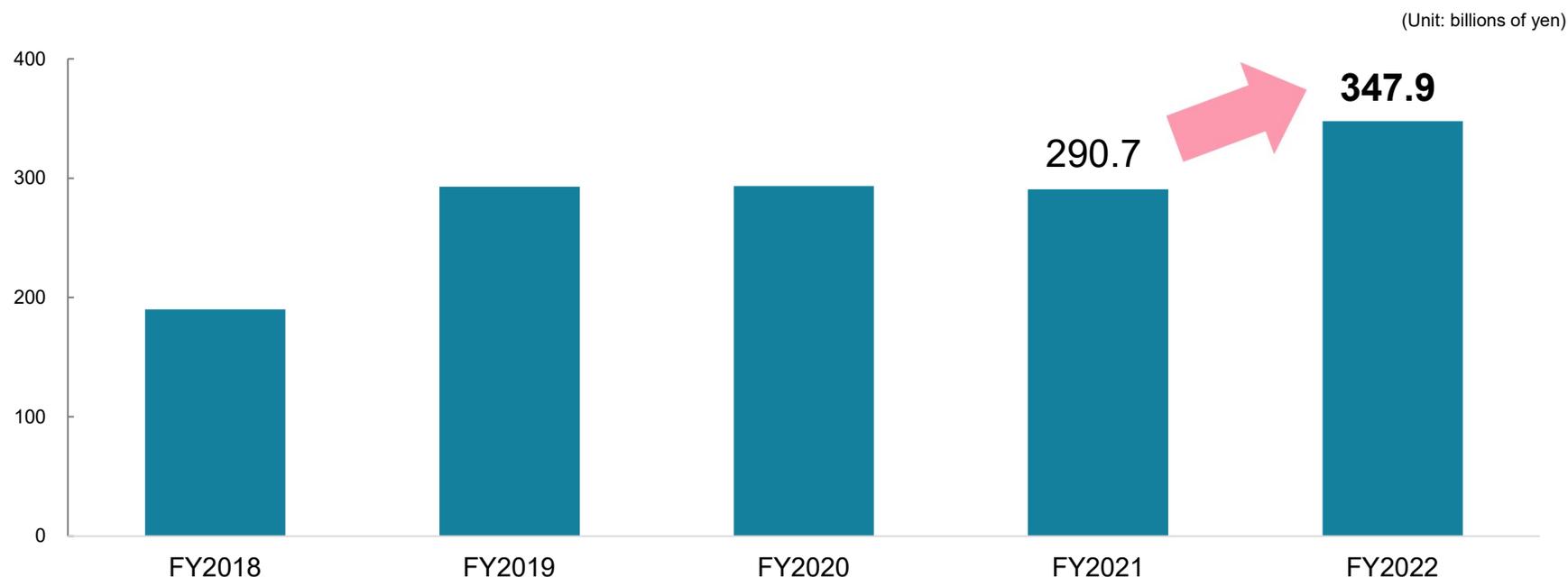
Achievements as a Platformer working together with the SBI Group (FY2022)

- **Cofinancing for local companies through regional bank arrangements**
 - ➔ A total of **8 billion yen** was jointly provided to 15 regional banks’ main customers (including unused loans and lines of credit).
- **Participation of regional banks in lending projects arranged by the Bank**
 - ➔ **347.9 billion yen** (number of regional banks increased to 74 banks, +14 banks YoY)
- **Collaboration centered on sustainable finance**
 - ➔ Active participation in leading projects by **31** major regional banks (**69 projects, 52.5 billion yen**)
- **Providing information and know-how on advanced initiatives, and encouraging the acceptance of trainees and personnel exchanges**
- **Held seminars for regional banks (three times in total)**
 - ➔ **A total of 370 people from 86 banks participated.** The themes of the seminars were business succession, sustainable finance, and renewable energy finance.
- **Provision of functions of SBI Shinsei Bank Group companies**
 - ➔ (1) Two regional banks decided to introduce BANKIT® (2) Shinsei Financial is scheduled to provide credit guarantee business to THE CHIKUHO BANK,LTD. and one other bank (3) Showa Leasing sold **16 billion yen of operating assets to 32 regional bank leasing subsidiaries** (4) Debt collection service by Alpha Servicer for two regional banks

Accelerated Participation of Regional Banks in Lending Projects Arranged by the Bank

- Participation in loan projects by regional banks has been revitalized, and the number of banks has increased to 74
- While the sustainability field is attracting attention, the number of participants in loan projects has increased, particularly in the solar and geothermal power generation and health care sectors, where origination is steadily increasing

Participation in Loan Projects by Regional Banks <Overall>



(*) results include syndicated loans and credit transfers.

Results of Major Collaboration with Regional Financial Institutions in Local Project

Major collaboration projects with regional financial institutions (co-lead manager, etc.)

Projects	Location	Amount originated (Billions of yen)	Collaborative local banks
1. Solar power project	Mie Prefecture	7.7	San ju San Bank,Ltd.
2. Solar power project	Miyagi Prefecture	11.1	Two regional banks
3. Solar power project	Okayama Prefecture	33.0	One regional bank
4. Solar power project	Yamagata Prefecture	7.4	THE YAMAGATA BANK LTD., THE SHONAI BANK, Ltd., Kirayaka Bank, Ltd.
5. Biomass power generation	Miyazaki Prefecture	1.5	Three regional banks and one Shinkin Bank
6. Geothermal power generation	Kumamoto Prefecture	3.3	The Higo Bank, Ltd.
7. Nursing home for elderly	Tokyo Metropolitan Area	1.8	One regional bank

■ Minamiaso Yunotani Geothermal Power Station (originated project finance as a Shinsei Green Loan in June 2021)



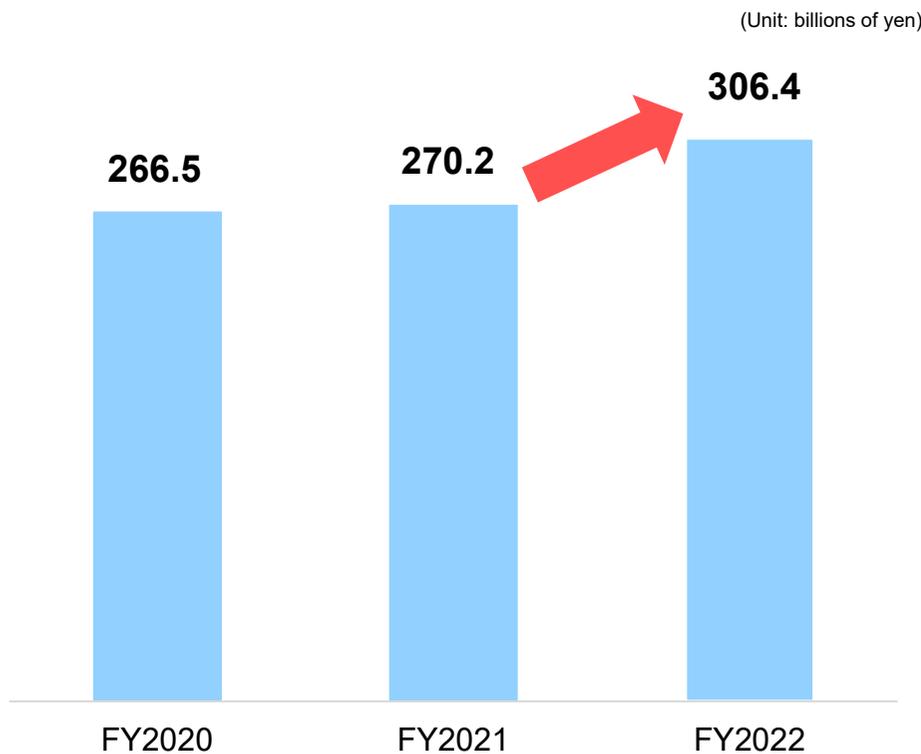
With the commencement of commercial operation on March 3, 2023, together with **the Higo Bank**, a term loan totaling 3.26 billion yen was executed on April 28, 2023

➡ Together with the Higo Bank, supporting this project to **revitalize the region and realize a decarbonized society** by providing loans for power sources that coexist with the local community

Showa Leasing: Promoting Group Synergies and Collaboration with Regional Financial Institutions

- Steady increase in volume of transaction due to strengthened initiatives for central government ministries and agencies as well as local government projects
- Strengthening collaboration with partner financial institutions and robust business in construction equipment also contributed to the increase

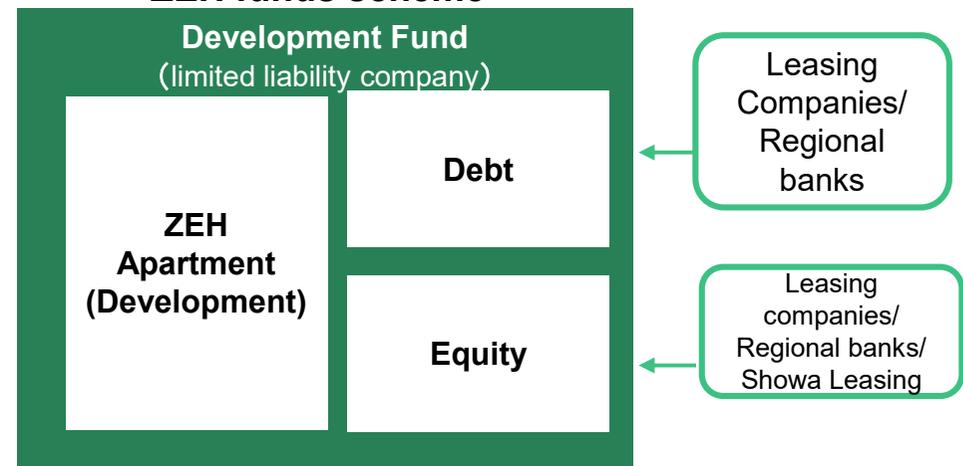
Transaction Volume of Leasing, Installments, etc



- Strengthen initiatives with regional financial institutions (FY2022)

- ✓ Sold real estate leases and other operating assets to 32 regional bank affiliated leasing subsidiaries (transfer amount: **16 billion yen**)
- ✓ Establishment of Regional Revitalization Healthcare Corporate Loan Program
- ✓ Initiatives for sustainability: Formed **ZEH rental apartment development funds** in collaboration with regional bank-affiliated leasing subsidiaries, etc.

ZEH funds scheme



Initiatives in the Institutional Business in FY2022 (1)

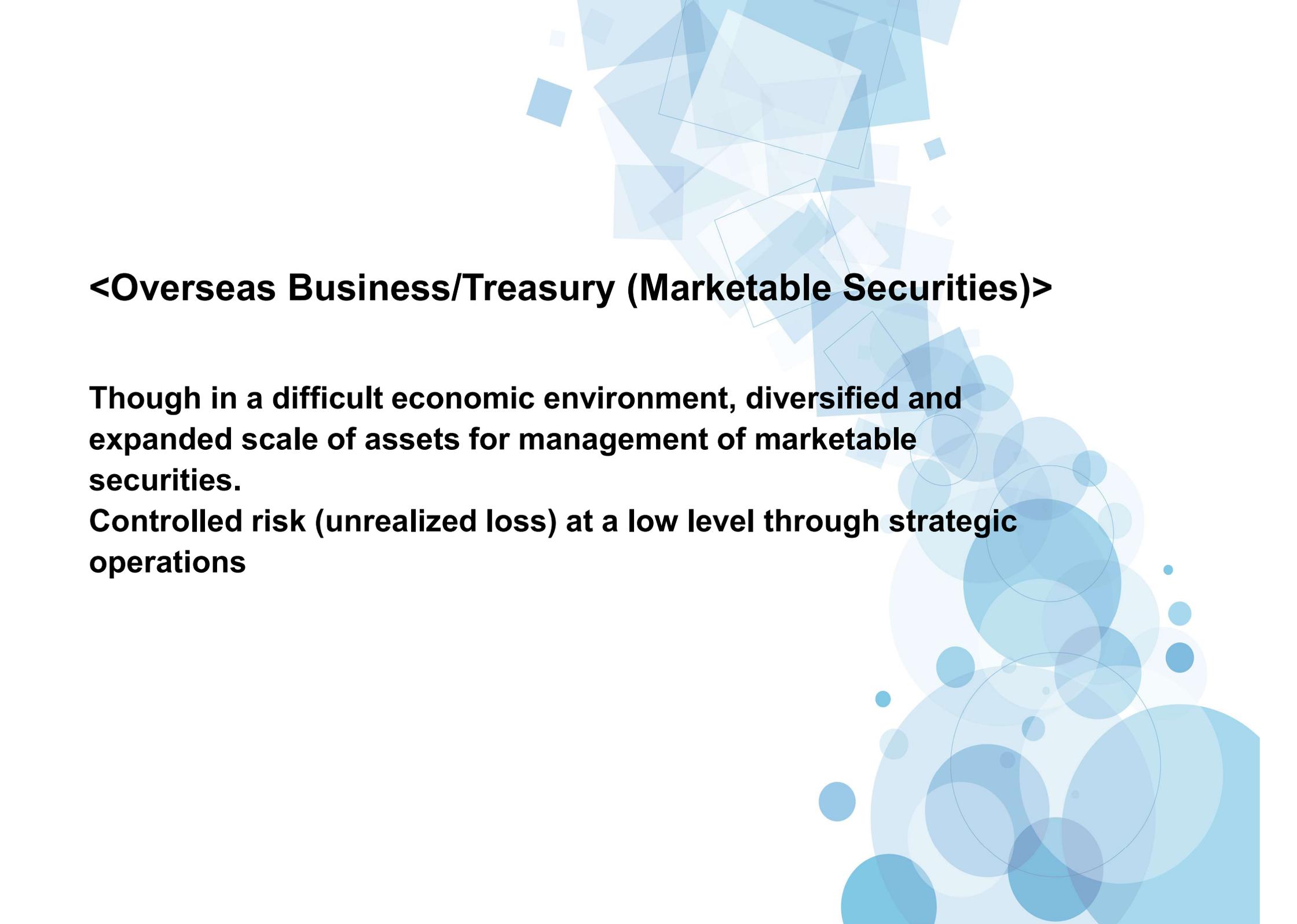
List of News Releases made in Japanese relating to business growth in the Institutional Business

Classification	Content
Synergies with the SBI Group	株式会社ユニラボへのベンチャーデット(新株予約権付融資)実行
	ダイナミックマップ基盤株式会社への成長支援ローン実行
	FLEX LNG向け船舶リース案件への融資
	ゼネリックソリューション株式会社への成長支援ローン実行
Strengthening transactions with business corporations	株式会社IDOM CaaS Technologyとの業務提携について
	インテグラル株式会社による株式会社シノケングループへの公開買付けに対するLBOファイナンスの供与
Green Loans	東北電力株式会社へのグリーンローン実行
	北陸電力株式会社へのグリーンローン実行
	大和エナジー・インフラ株式会社が組成する合同会社へのグリーンローン実行
	大和証券オフィス投資法人へのグリーンローン実行
	いちごECOエナジーが建設する太陽光発電所に対するグリーンローン実行
	川内風力発電所開発プロジェクトへのグリーンローン実行
	住友不動産株式会社へのグリーンローン実行
	日産自動車株式会社へのグリーンローン実行
	東急不動産キャピタル・マネジメント株式会社が組成する合同会社に対するグリーンローン実行
	ハンファエナジージャパン株式会社が組成する合同会社へのグリーンローン2件の実行
	シンエネルギー開発株式会社らが組成する合同会社へのグリーンローン実行
住友不動産株式会社へのグリーンローン実行	

Initiatives in the Institutional Business in FY2022 (2)

List of News Releases made in Japanese relating to business growth in the Institutional Business

Classification	Content
Social Loans	ケネディクス・レジデンシャル・ネクスト投資法人へのソーシャルローン実行
	First Real Estate Investment Trustが取得するヘルスケア施設に対するソーシャルローン実行
	株式会社さわやか倶楽部へのソーシャルローン実行
	株式会社ゼネラルへのソーシャルローン実行
	ニプロ株式会社へのソーシャルローン実行
	中道リース株式会社へのソーシャルローン実行
Other Sustainable Finance	野村不動産ホールディングス株式会社へのサステナビリティ・リンク・ローン実行
	株式会社九州リースサービスへのサステナビリティ・リンク・ローン実行
	株式会社アウトソーシングへのサステナビリティ・リンク・ローン実行
	株式会社サンケイビルへのサステナビリティ・リンク・ローン実行
	地方創生ヘルスケアコーポレートローンプログラムの創設
	『週刊 金融財政事情』での当行役員による寄稿文の掲載
	三菱地所物流リート投資法人へのサステナビリティ・リンク・ローン実行
	株式会社福島銀行へのサステナビリティローン実行
	石原産業株式会社へのポジティブ・インパクト・ファイナンス実行
	ジャパンリアルエステイト投資法人へのサステナビリティ・リンク・ローン実行
	株式会社アウトソーシングへのポジティブ・インパクト・ファイナンス実行
	JA三井リース株式会社へのサステナビリティ・リンク・ローン実行



<Overseas Business/Treasury (Marketable Securities)>

Though in a difficult economic environment, diversified and expanded scale of assets for management of marketable securities.

Controlled risk (unrealized loss) at a low level through strategic operations

Overseas Business/Treasury/Others

- Losses realized by sales of securities in FY2021, profit increased due to increase in revenue with putting emphasis on risk control in response to the rise in overseas interest rates in FY2022

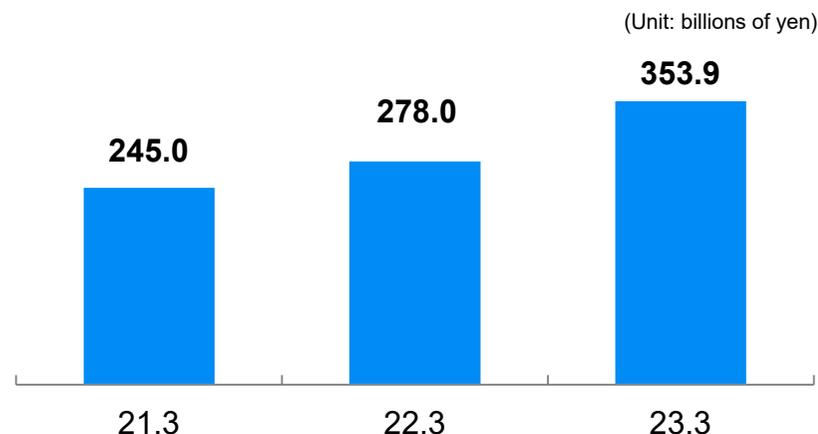
[Consolidated] (Unit: billions of yen)	12-month results		
	2022.4-2023.3 A	2021.4-2022.3 B	% of change A/B
Revenue	15.1	-0.7	n.m
Net interest income	15.8	4.6	+240% ①
Noninterest income	-0.6	-5.3	+88% ②
Expenses	-10.0	-9.6	-4%
Ordinary Business Profits(OBP)	5.1	-10.3	n.m
Net Credit Costs	-1.1	0.0	n.m ③
OBP after Net Credit Costs	3.9	-10.3	n.m

Variance Factors YoY

- ① **Net interest income:** increased due to interest/dividend income from U.S. CLO portfolio etc., in marketable securities business, dividend income from investee companies in overseas business, and expansion of investment/funding margins denominated in foreign currencies in treasury business
- ② **Noninterest income:** improved due to the elimination of the temporary factor in the previous fiscal year (loss on sales of bonds) in treasury business and management of the outstanding balance of foreign bonds in marketable securities. Overseas business steadily progressed as was in the previous year
- ③ **Net Credit Costs:** increased due to an absence of reversal in overseas business in the previous year

Overseas Business

UDC Finance: Operating Assets Balance



UDC Finance ¹ (Unit: billions of yen)	2022.4-2023.3	2021.4-2022.3
Revenue	12.3	10.5
Net interest income	5.5	4.0
Noninterest income	6.7	6.4
Expenses	-4.7	-4.2
Ordinary Business Profits (OBP)	7.5	6.2
Net Credit Costs	-0.9	0.3
OBP after Net Credit Cost	6.5	6.6

¹Adjusted basis for the impact of the difference in fiscal years between UDC Finance and the Bank

UDC Finance: Operating Results

■ Company profile

- ✓ New Zealand's largest non-bank. Provides auto loans for individuals and asset finance for corporations in New Zealand

■ Increase in operating assets

- ✓ Corporate loans remained strong in response to the economic recovery in New Zealand
- ✓ Due to a strategic alliance with a comprehensive automobile company in New Zealand that provides exclusive import agency businesses and sales for internationally branded automakers, the company recorded over 180 million NZD (over 15 billion yen) of receivables purchased in 3Q

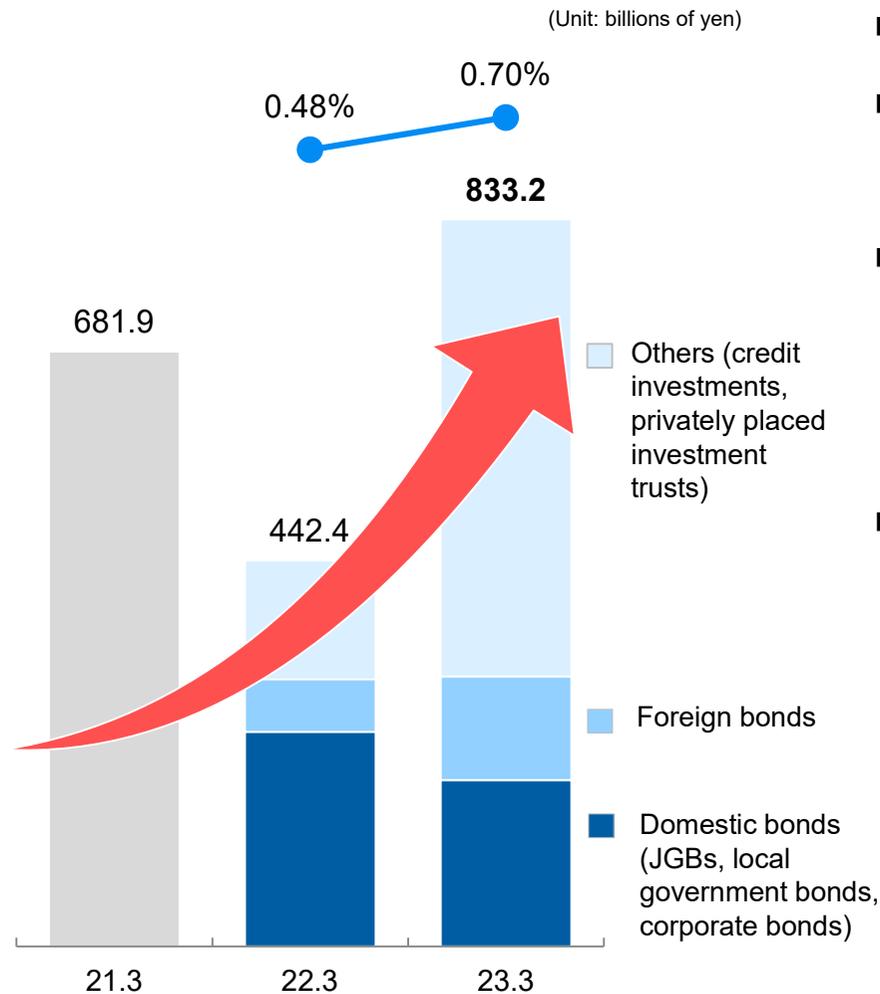
- Although net interest margin declined due to an increase in funding costs associated with the gradual increase in New Zealand policy-rate, **revenue increased** due to an increase in the balance of operating assets.

Overseas Business: Other Initiatives

- Decided to withdraw from EasyLend, which provided small scale finance in Hong Kong, in response to major changes in the business environment
- Concluded a contract to invest 49% in a commercial bank in Cambodia which is a branch of Vietnam based Military Bank

Marketable Securities: Thorough Management of Unrealized Losses while Flexibly Accumulating Balances

Balance and Net Interest Margins (NIM)



Operating Results

- Began building a portfolio focusing on diversification
- To mitigate the impact of the central banks interest rate hike, partly shifting to investment in floating rate bonds from fixed rate bonds
- In anticipation of the Bank of Japan's policy changes and the persistently high U.S. policy interest rate, **partially reduced the amount outstanding of JGBs and U.S. Treasuries and controlled the deterioration in unrealized gains/losses**
- Unrealized losses on the available-for-sale securities held by marketable securities business was -9.3 billion yen at the end of March 2023

Available-for-sale securities held by Marketable Securities business	Unrealized losses/gains (Billions of yen)
Others (Credit investment, etc.)	-1.4
Foreign bonds	-6.0
Domestic bonds	-1.9
Total	-9.3



Business Operations in FY2023

Concept of Business Operation in FY2023

Further progress in the "expansion of volume"

- Proactive sales activities to further expand the customer base and financial base
- Further improve customer convenience in order to expand the number of customers (number of retail accounts)
- Growth in operating assets and an increase in interest margins in each business is to be expected
- Expecting an increase in expenses to strengthen the operating base and an increase in credit-related expenses due to growth in operating assets

Compatibility with "quality improvement"

- Strengthen profitability by balancing the quantity and quality of the customer base and financial base
- Expect to expand contribution to earnings by deepening measures to create synergies with the SBI Group
- Conduct flexible asset control to increase the profitability and capital efficiency of operating assets
- Aiming to expand retail deposits in order to increase the profitability and stability of deposit funding

Addressing the highly uncertain economic and financial environment

- Domestically, gradual economic expansion is expected against the backdrop of continued monetary easing and deregulation after COVID-19
- In the U.S. and Europe, highly uncertain conditions are expected against the backdrop of persistently high inflation, interest rate hikes, and business failures of local banks
- Continue to monitor market trends, manage credit of operating assets, and strictly manage liquidity of funds

FY2023 Earnings Forecast

- Expect to increase earnings by expanding operating assets and interest margins as well as deepening measures to generate synergies
- Expenses to expand the operating base and credit-related expenses to expand operating assets are expected to increase
- Aiming to strengthen revenue base to achieve consolidated net income of 70 billion yen in FY2024

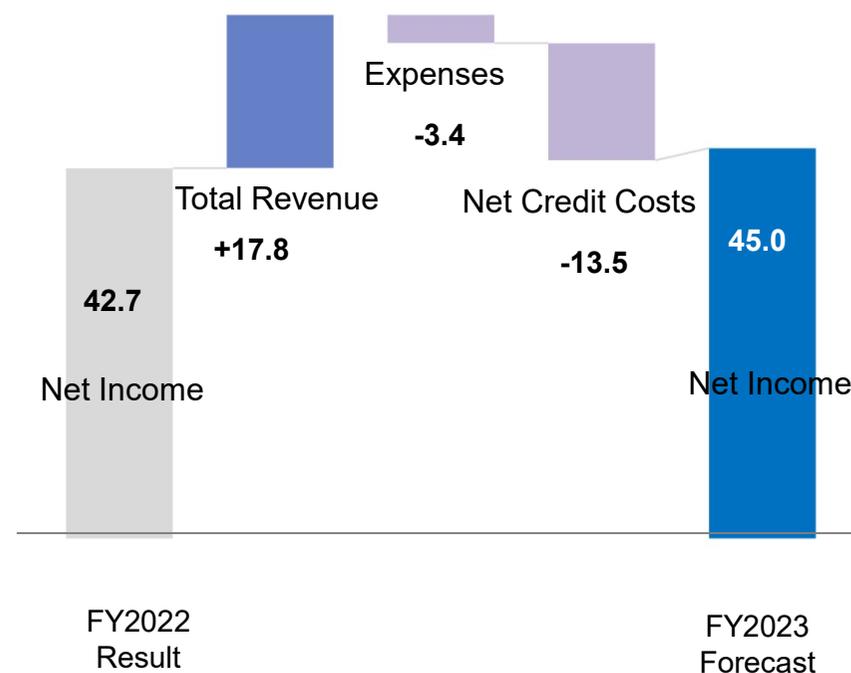
FY2023 Forecast

(Unit: billions of yen)

	FY2022 Result	FY2023	
		Forecast	Difference
Total Revenue	240.2	258.0	+17.8
Expenses	-161.6	-165.0	-3.4
Net Credit Costs	-22.0	-36.0	-13.5
Net Income	42.7	45.0	+2.3

Breakdown of Changes

(Unit: billions of yen)



Appendix



Net Interest Margin (Consolidated)

Net Interest Margin (NIM) ¹



FY2016 FY2017 FY2018 FY2019 FY2020 FY2021 FY2022

Yield on Interest Earning Assets

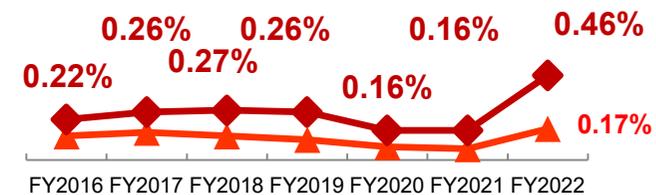
- ◆ Yield on Interest Earning Assets ¹
- Yield on Loans and Bills Discounted



FY2016 FY2017 FY2018 FY2019 FY2020 FY2021 FY2022

Funding Cost

- ◆ Rate on Interest Bearing Liabilities
- ▲ Rate on Deposits, including NCDs



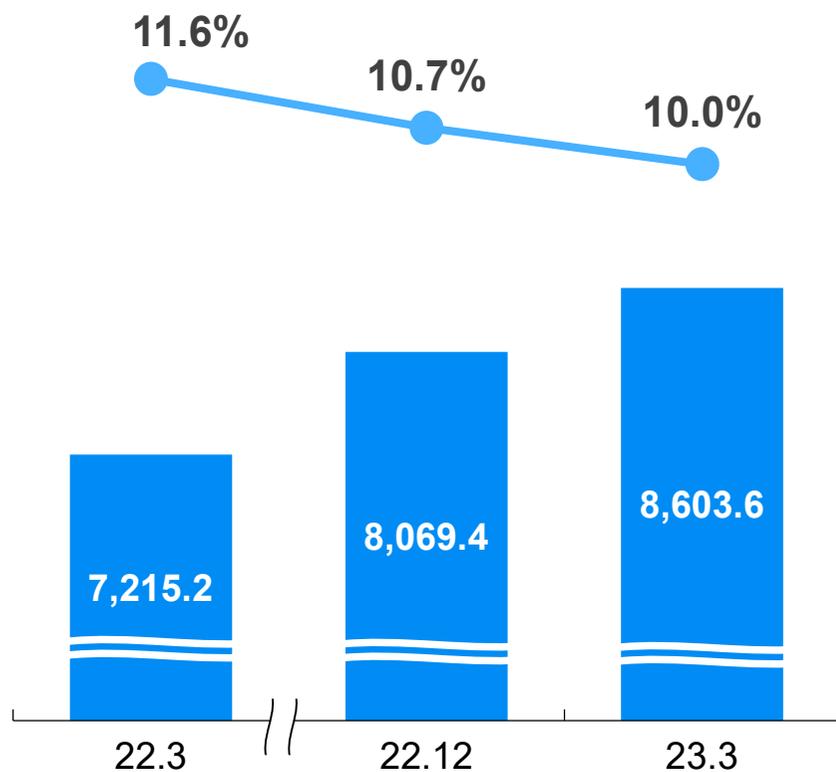
FY2016 FY2017 FY2018 FY2019 FY2020 FY2021 FY2022

¹ Includes income on leased assets and installment receivables

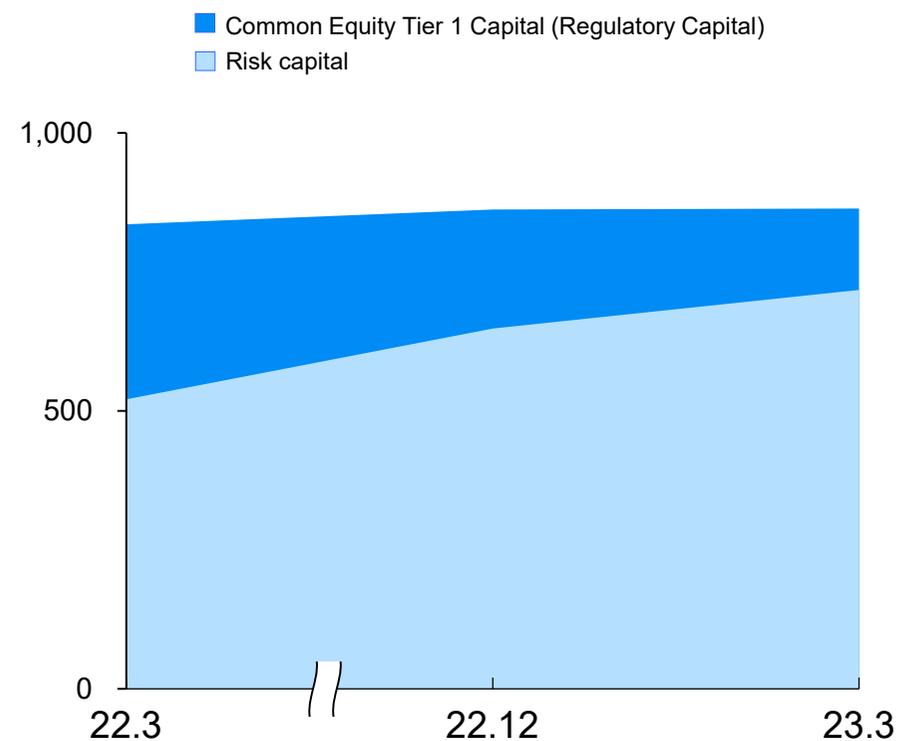
Capital Adequacy Related Information (Consolidated)

(Unit: billions of yen)

- Common Equity Tier1 Ratio (International Standard; Fully Loaded Basis)
- Risk Assets (International Standard; Fully Loaded Basis)



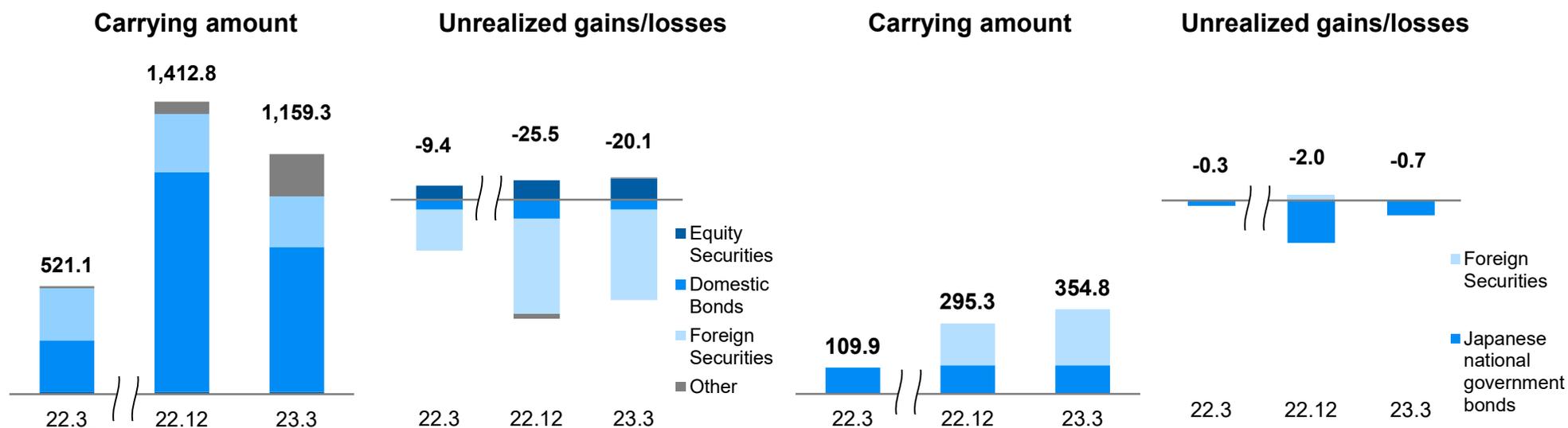
	22.3	22.12	23.3
Common Equity Tier1 Equity (International Standards; Fully Loaded Basis)	835.9	862.1	864.3
Risk Capital	520.6	648.0	717.9



Securities Portfolio (Consolidated)

Securities Available for Sale (consolidated)*1				
(Unit: billions of yen)	22.3		23.3	
	Amount	Unrealized gain/loss	Amount	Unrealized gain/loss
Equity securities	9.0	3.6	11.2	5.4
Domestic bonds	250.7	-2.6	698.8	-2.6
Japanese government bonds	103.4	-0.1	542.3	-0.4
Japanese local government bonds	2.1	0.0	2.1	0.0
Japanese corporate bonds	145.0	-2.4	154.3	-2.1
Foreign securities	251.7	-10.5	245.1	-23.2
Bonds	232.7	-1.9	226.3	-7.5
Equities *2	18.9	-8.6	18.8	-15.6
Others	9.6	0.1	204.0	0.3
Total	521.1	-9.4	1,159.3	-20.1

Securities Being Held to Maturity (consolidated)				
(Unit: billions of yen)	22.3		23.3	
	Amount	Unrealized gain/loss	Amount	Unrealized gain/loss
Japanese government bonds	109.9	-0.3	119.9	-0.8
Foreign securities	-	-	234.9	0.0
Total	109.9	-0.3	354.8	-0.7

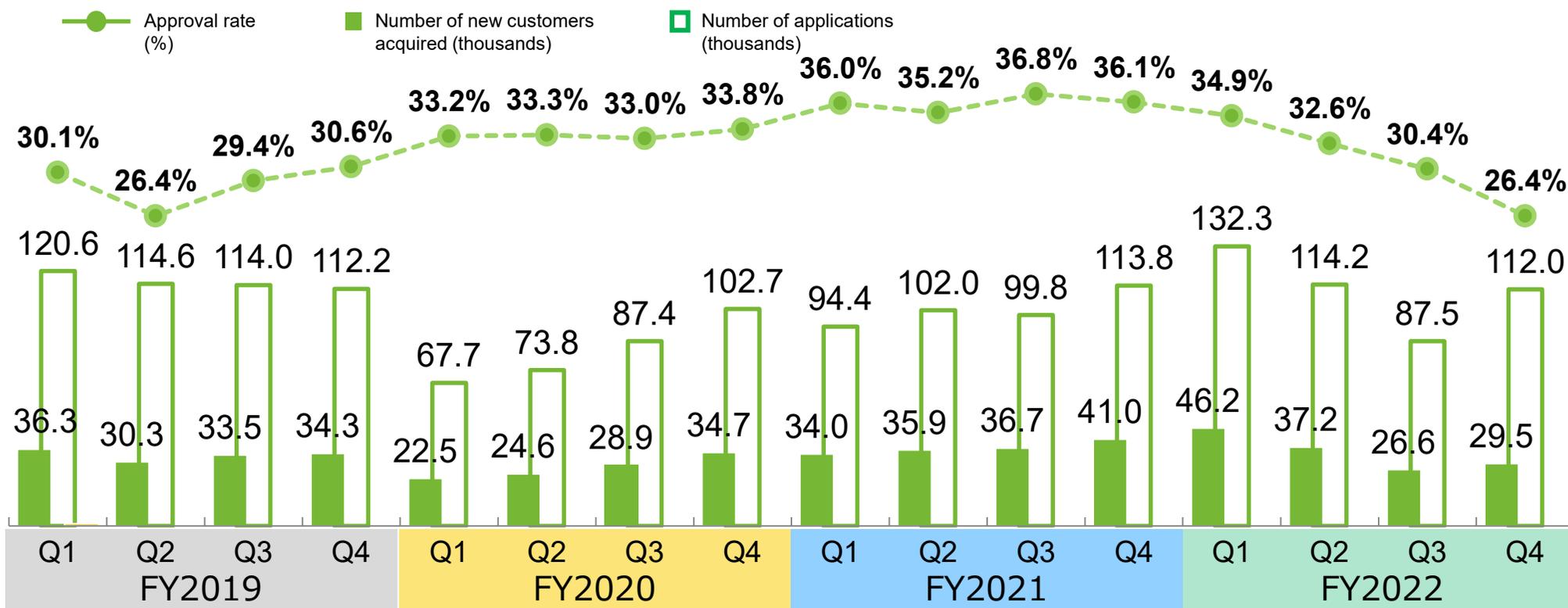


*1 Includes a part of other monetary claims purchased in addition to securities available for sale

*2 Includes Latitude shares held strategically for business purposes

Shinsei Financial: New Customer Acquisitions (Lake)

Quarterly Trends



Reference: Monthly results

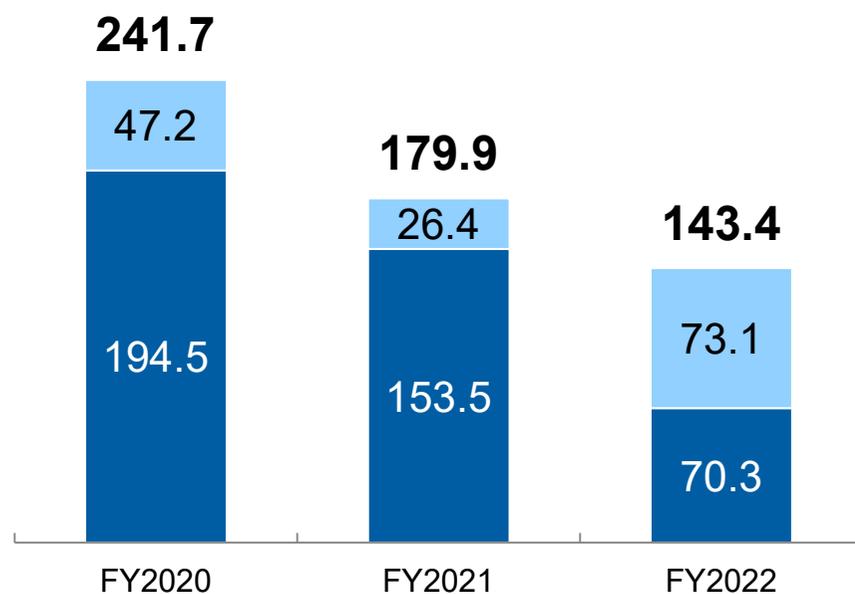
	22.4	22.5	22.6	22.7	22.8	22.9	22.10	22.11	22.12	23.1	23.2	23.3
Number of applications (thousands)	42.8	49.1	40.3	38.3	30.1	45.8	31.5	30.5	25.4	31.2	35.7	44.9
Number of new customers acquired (thousands)	15.2	17.2	13.8	13.3	10.4	13.6	10.4	9.3	6.9	8.5	9.3	11.6
Approval rate (%)	35.5	35.1	34.2	34.6	34.6	29.6	32.9	30.6	27.1	27.2	26.2	25.9

Structured Finance: New Commitments and Disbursements

Project Finance New Commitments

(Unit: billions of yen)

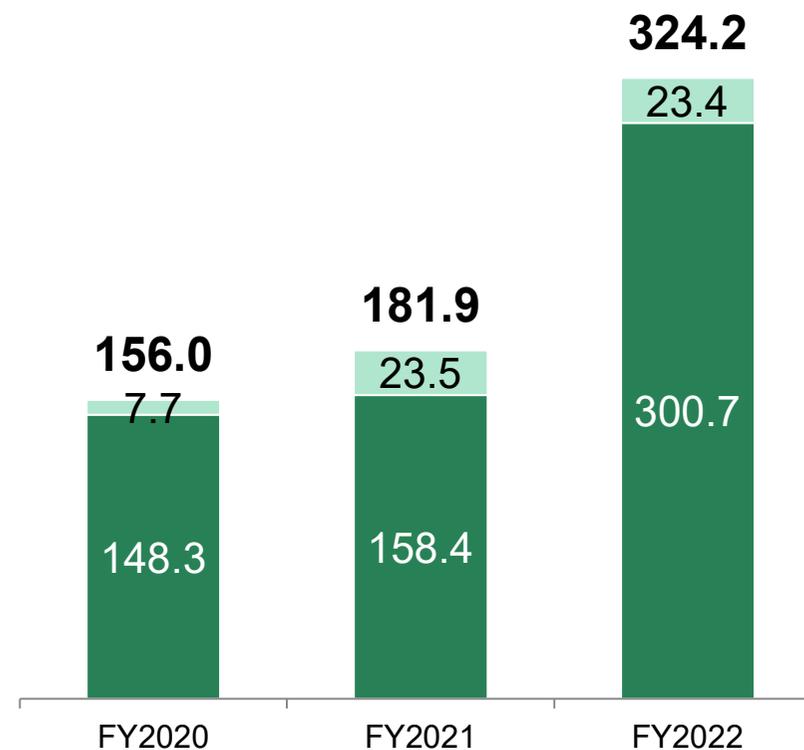
- Overseas
- Domestic



Real Estate Nonrecourse Finance New Disbursements

(Unit: billions of yen)

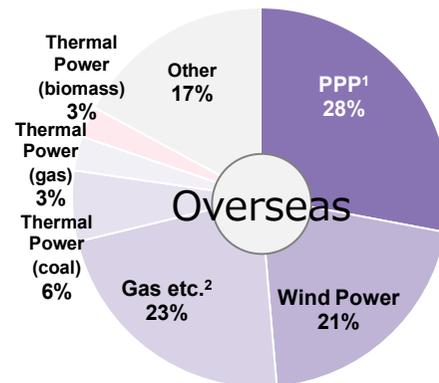
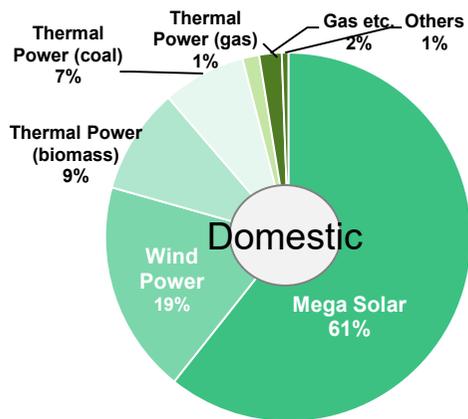
- Overseas
- Domestic



Structured Finance: Portfolio Composition

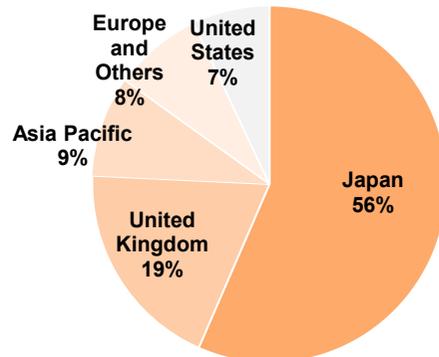
Project Finance (March 31, 2023)

[By project type (including committed)]



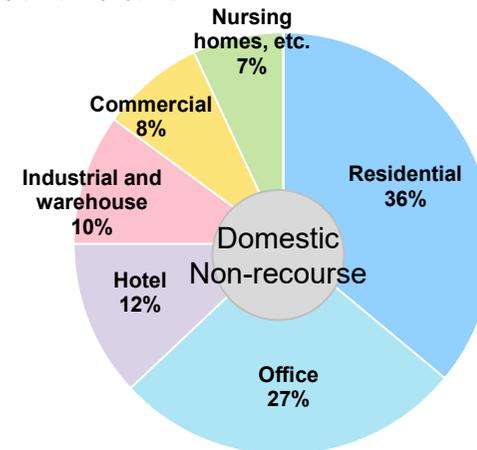
¹ Public-Private Partnership
² Financing to such as LNG liquefaction facilities and receiving terminals

[Balance by region (including committed)]

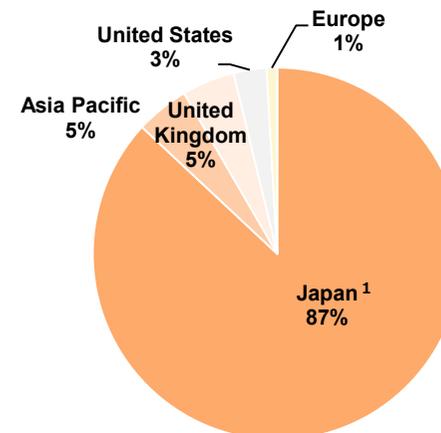


Real Estate (March 31, 2023)

[Balance by property type]



[Balance by region (non-recourse + corporations and REIT)]



¹ Nonrecourse finance constitutes about 50% of the Japanese exposure

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