

For Immediate Release

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Enhancing the Risk Management System through the Introduction of the Anti-Money Laundering System

Tokyo (Friday, September 20, 2019) --- Shinsei Bank, Limited (hereinafter, "Shinsei Bank") today announced that we are the first Japanese financial institution to introduce the "Financial Crime & Compliance Management" function (hereinafter "OFSAA FCCM") of its package software for anti-money laundering systems, Oracle Financial Services Analytical Applications, provided and supported by Nomura Research Institute, Ltd. (Chiyoda-ku, Tokyo; Chairman and President & CEO: Shingo Konomoto).

Shinsei Bank has placed money laundering and terrorist financing as one of top management priorities and has worked to strengthen its customer risk management system, including the elimination of antisocial forces. On the other hand, the methods and modalities of money laundering and terrorist financing are constantly changing in the economic and social environment. Given the increasingly complex and sophisticated methods of international crime groups, it is necessary to constantly review these measures.

In line with the guidelines issued by the Financial Services Agency, and by introducing the OFSAA FCCM, which has a rich track record of use abroad, centered on European and U.S. financial institutions, we will further enhance our risk-management system.

"OFSAA FCCM" has the following 3 functions.

- (1) Customers confirmation (Know Your Customer)
- (2) Transaction monitoring (reduce risk by detecting suspicious transactions, etc.)
- (3) Customer filtering (reduce risk by detecting sanctioned customers)

By making full use of these functions and continuously reviewing and analyzing customer risks, it allows us to strengthen the detection and prevention of illegal transactions.

In order to fulfill its responsibilities as a provider of social infrastructure, Shinsei Bank will continue to respond flexibly to the ever-changing international situation and risks and to further strengthen its control environment for money laundering and terrorist financing.

End

Shinsei Bank is a leading diversified Japanese financial institution providing a full range of financial products and services to both institutional and individual customers. The Bank has a network of outlets throughout Japan and is committed in its pursuit of uncompromising levels of integrity and transparency in all of its activities in order to earn the trust of its customers, staff and shareholders. The Bank is committed to delivering long-term profit growth and increasing value for all its stakeholders. News and other information about Shinsei Bank is available at <https://www.shinseibank.com/corporate/en/index.html>

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