

For Immediate Release

Company Name: Shinsei Bank, Limited  
Name of Representative: Hideyuki Kudo  
President and CEO  
(Code: 8303, TSE First Section)

**Concluded an agreement to acquire stocks of  
UDC Finance Limited to make it a wholly-owned subsidiary**

-Further enhancement of small-lot finance business-

Tokyo (Tuesday, June 2, 2020) --- Shinsei Bank, Limited (Chuo-ku, Tokyo, President and Chief Executive Officer: Hideyuki Kudo; hereinafter, "Shinsei Bank") announced that its Board of Directors resolved to acquire 100% outstanding shares of UDC Finance, Limited (Auckland, New Zealand; CEO: Wayne Percival; hereinafter, "UDC") that are held by ANZ Bank New Zealand, Limited (Auckland, New Zealand; CEO: Antonia Watson; hereinafter, "ANZ") at the meeting held late evening on June 1, 2020 (JST). Shinsei Bank and ANZ have agreed and entered into a share purchase agreement on June 2, 2020 for the acquisition of UDC. The shares will be transferred after obtaining approval from the relevant authority.

1. Objective of This Transaction

UDC is the largest non-bank financial institution in New Zealand, and all of UDC's shares have been owned by ANZ for 40 years (since 1980). UDC has strengths in auto loans for individual customers, asset-backed financing for corporate customers (logistics, forestry, construction companies, etc.), and inventory financing for automobile dealers. UDC has offices across New Zealand covering all regions, and a customer base consisting of approximately 58,000 individual customers and 24,000 corporate customers. UDC controls approximately one-third of the market share of financing for automobile dealers in New Zealand.

"Small-scale finance" business is one of the focus areas of the Shinsei Bank Group's in its Medium-Term Strategies. The Shinsei Bank Group has similar businesses like UDC domestically through its subsidiaries, Showa Leasing Co., Ltd. and APLUS Co., Ltd., and UDC's business fits with this strategy. Through this stock acquisition, and by leveraging its expertise in small-scale finance business, Shinsei Bank envisages further growth of UDC in New Zealand where the GDP growth rate is relatively high among the developed countries. Also, stable contribution to its consolidated profit from UDC's high quality, low-risk and middle-return asset-backed finance business would make this transaction a part of an effective capital utilization of Shinsei Bank.

[Overview of UDC Finance Limited]

Name	UDC Finance Limited		
Address	Ground floor, ANZ Centre, 23-29 Albert Street, Auckland, 1010, New Zealand		
Representative	Chief Executive Officer: Wayne Percival		
Ordinary Share Capital	52.4 million New Zealand Dollars (as of September 30, 2019)		
Established	1938		
Business Description	<ul style="list-style-type: none"> <li>• Auto loans for individuals</li> <li>• Asset-backed financing for corporate clients (logistics, forestry, construction companies, etc.)</li> <li>• Inventory financing for automobile dealers</li> </ul>		
Net Assets	612 million New Zealand Dollars (as of September 30, 2019)		
Total Assets	3,484 million New Zealand Dollars (as of September 30, 2019)		
Shareholder(s)	Australia and New Zealand Banking Group Limited: 100%		
Fiscal Year	End of September		
Number of Employees	225 (as of September 30, 2019)		
Financial Results in Recent Years	(Millions in New Zealand Dollars)		
		September 2018	September 2019
	Net Assets	551	612
	Total Assets	3,296	3,484
	Total Income	137	150
	Operating Profits	91	97
	Net Profits After Tax	65	70

## 2. Transaction Summary

### (1) Precondition to complete this transaction

Shinsei Bank and ANZ will complete this transaction after obtaining an approval from the Overseas Investment Office of New Zealand.

### (2) Schedule

Signing Date of the Share Purchase Agreement	June 2, 2020
Date of Share Transfer	August 31, 2020 (scheduled)

### (3) Purchase Price

Purchase Price	The total of (i) UDC's Net Assets as of the completion date of the share transfer (637 million New Zealand Dollars as of March 31, 2020) plus (ii) 125 million New Zealand Dollars
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### 3. Impact on the Financials

The acquisition of UDC is expected to contribute to Shinsei Bank's consolidated financial results. However, Shinsei Bank does not expect a material impact on its overall FY2020 financial results due to this acquisition. As stating at the time of FY2019 financial result announcement, Shinsei Bank will announce its earnings forecast for FY2020 ending March 31, 2021 by the time of its interim financial results announcement, after carefully examining the impact of COVID-19 on future economic conditions and its business activities, as well as incorporating the impact of this transaction,

With the acquisition of UDC, Shinsei Bank's consolidated capital adequacy ratio is expected to decline by about 0.4 percentage points at the time of the acquisition. It should be noted that, Shinsei Bank will be able to maintain its financial target of CET1 ratio of 10% or higher in the medium-term, which is set in the Medium-Term Strategies. Furthermore, Shinsei Bank has secured adequate capital for a potential increase in net credit costs due to the impact of COVID-19 and an increase in loan assets to support institutional and individual customers liquidity needs. UDC's profits are expected to contribute in increasing Shinsei Bank's capital on a consolidated basis in the medium-term. Shinsei Bank has not changed its stance towards the FY2020 shareholders return from what was announced as a part of the FY2019 full year financial results.

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*Shinsei Bank is a leading diversified Japanese financial institution providing a various 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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