

SHINSEI SUSTAINABLE  
IMPACT ASSESSMENT



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

## Introduction of Sustainable Impact Subordinated Loan

### - Provide a Subordinated Loan Incorporating ESG Elements Centered on "Agreement and Dialogue" -

Tokyo (Wednesday, November 25, 2020) --- Shinsei Bank, Limited (Headquartered in Chuo-ku, Tokyo; Hideyuki Kudo, President and CEO; hereinafter, "Shinsei Bank" or the "Bank") promotes "Sustainable Impact Initiatives" by integrating the perspectives of ESG/SDGs as well as Sustainability and the concept of social impact which aims to have active and positive impacts.

Shinsei Bank will begin offering a "sustainable impact subordinated loan\*" that incorporates ESG elements. By providing long-term equity products while engaging in dialogue with customers on ESG/SDGs initiatives, the Bank supports sustainability initiatives of customers as well as precautional funding to continue their businesses even in the Corona virus calamity.

Customers are required to meet the prescribed requirements for ESG/SDGs, agree with the Bank on sustainability targets and commit to engage in an ongoing dialogue to achieve these objectives when applying for this product. Through this initiative, Shinsei Bank will create sustainable impact and contribute to enhancement of the long-term corporate value and the achievement of SDGs.

#### <Product Overview of Sustainable Impact Subordinated Loan>

Initial Loan Limit	JPY20 billion
Use of fund	Overall business funding needed for sustainability initiatives
Sustainability special clauses	1. Agreement on sustainability objectives 2. Periodic reports and dialogues related to the above and so on (All special conditions are subject to the fulfillment of the subordinated loan requirements.)
The following are in accordance with the requirements for equity loans.	
Loan period	Over five years and within ten years
Applicable interest rate	Predetermined interest rate by Shinsei Bank (performance-linked interest rate)
Collateral and guarantee	Unsecured and unguaranteed
Subordination special clause	The order of repayment shall be subordinated to the repayment of all other obligations
Others	In addition to the above, the prescribed conditions and credit examination by Shinsei Bank. It should be noted that depending on the results of such reviews, the Bank may not be able to meet the loan request.

\* Subordinated Loan is a loan product for which the terms of the loan are deemed to be quasi-capital. It can be treated as capital, not debt, when financial institutions evaluate a company's financial conditions.

## About the "Shinsei Sustainable Impact" Logo Mark

In Shinsei Bank's sustainable impact initiatives, it has established 6 logo types that represent our aspired image, depending on the use of funds and evaluation criteria.

Finances under the "Shinsei Green Finance Framework", the "Shinsei Social Finance Framework" and the "Shinsei Sustainability Finance Framework" which were formulated in May 2020 emphasizes consistency with the relevant principle\*2, such as the use of funds to help improve environmental and social issues. The upper 3 gradation marks are used.

Under the Sustainable Impact Capital Loan, which we will begin handling, we will use the 3 types of single-color marks in the lower column to evaluate the loans based on the criteria of Shinsei Bank.

	[Environmental (Green)]	[Social]	[Overall sustainability]
Finances focus on alignment with various principles, such as "Green Bond Principles," "Social Bond Principles", etc.	 SHINSEI SUSTAINABLE IMPACT ASSESSMENT	 SHINSEI SUSTAINABLE IMPACT ASSESSMENT	 SHINSEI SUSTAINABLE IMPACT ASSESSMENT
Finances evaluated by the standards of Shinsei Bank focusing on "Agreement and Dialogue".	 SHINSEI SUSTAINABLE IMPACT ASSESSMENT	 SHINSEI SUSTAINABLE IMPACT ASSESSMENT	 SHINSEI SUSTAINABLE IMPACT ASSESSMENT

\*2 Relevant principles refer to the following:

- "Green Bond Principles", "Social Bond Principles" and "Sustainability Bond Guidelines" published by the International Capital Market Association (ICMA)
- "Green Loan Principles" formulated by the Loan Market Association (LMA) and the Asia Pacific Loan Market Association

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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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