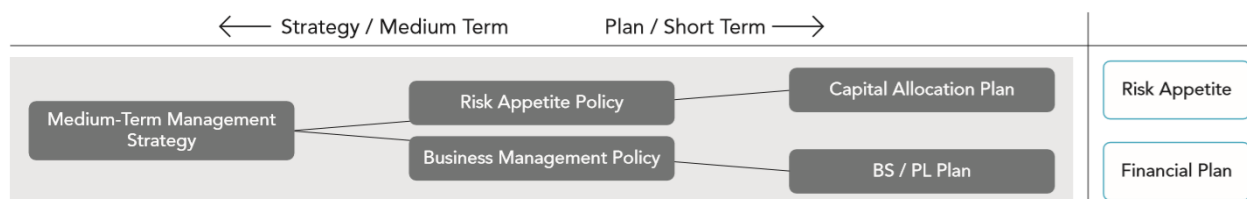


Announcement of "Shinsei Bank Group Risk Appetite Policy" for FY2020

Shinsei Bank Group has formulated a group risk appetite policy with the aim of clarifying the group's risk appetite and fostering a common understanding among employees. Along with today's disclosure of the full-year earnings forecast for FY2020, we have announced a summary version of the "Shinsei Bank Group Risk Appetite Policy" (the "Risk Appetite Policy") for FY2020.

From the perspective of risk governance, Shinsei Bank Group has put particular emphasis on building systems for appropriate business execution based on risk appetite and have put in place an integrated management framework based on consistency between risk appetite and financial planning (equivalent to the risk appetite framework, hereinafter referred to as the "framework"). This framework aims for a consistent relationship between the risk appetite and financial planning, where appropriate risk-taking produces expected returns and leads to improved financial indicators.

Conceptual Diagram of the Relationship Between Risk Appetite and Financial Planning



In addition, this "Risk Appetite Policy" (corresponding to the risk appetite statement ※) clarifies risk appetite by documenting the risk taking method for each business line in Shinsei Bank Group based on this framework. This is an image of a letter from top management to all group employees.

Shinsei Bank Group will fulfill its social responsibilities and respond to "New Normal" while implementing appropriate risk appetite in an unprecedented environment affected by COVID-19. We will continue to improve corporate value and promote ESG / SDGs management aimed at solving social issues through the sophistication of risk governance, including the continuous review of this "Risk Appetite Policy".

Please refer to the link below for details on the "Shinsei Bank Group Risk Appetite Policy" for FY2020.
https://www.shinseibank.com/corporate/en/risk/pdf/ras_2020_e.pdf

※"Risk Appetite Statement" is a formal and clear statement on the risks that a bank should voluntarily accept.

End