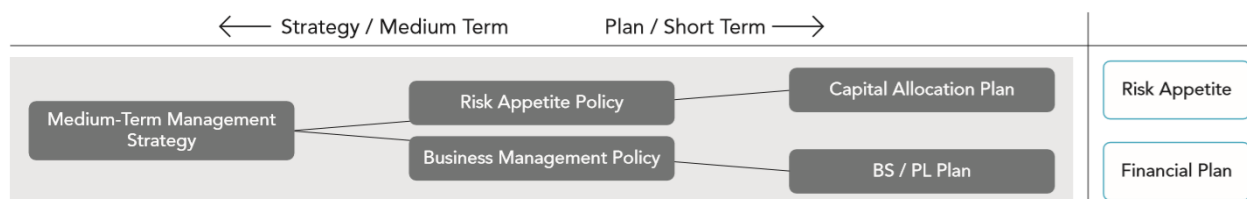


Announcement of "Shinsei Bank Group Risk Appetite Policy" for FY2021

The 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 financial results for FY2020, we will announce a summary version of the "Shinsei Bank Group Risk Appetite Policy" (the "Risk Appetite Policy") for FY2021.

From the perspective of risk governance, the 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 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



Currently, the business environment has changed significantly due to the effects of the Novel Coronavirus and heightened awareness of environmental and social issues, but the Shinsei Bank Group will place sustainability as its management axis and make appropriate risk appetite. After that, we will fulfill our social responsibilities and promote our response to "New Normal". Going forward, we will continue to promote sustainability management aimed at improving corporate value and 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 FY2021.
https://www.shinseibank.com/corporate/en/risk/pdf/ras_2021_e.pdf

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

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