

Business and Financial Highlights

Third Quarter Ended December 31, 2020

January 2021

Agenda

- **Key Points** ----- P 3
- **Financial Update** ----- P 4
- **Business Update** ----- P 14
- **Segment Information** ----- P 27

Shinsei IR Day

Date: Wednesday, February 24, 2021. 9:30-10:30 (JST)

Format: Audio live streaming

Materials: Presentation videos and materials will be posted on our website prior to the Shinsei IR Day

<https://www.shinseibank.com/corporate/en/ir/presentation/irday/>

Program:

- Unsecured Loan Business
- UDC Finance
- Business for Institutional Investors
- Summary

Key points

1 3Q FY2020 net income¹ at JPY 26.1 billion (YoY-42%); 77% progress

EPS²

JPY 116.13
(YoY-38%)

- Net income progress at 77% toward FY2020 full year earnings forecast
- View on business progress / momentum and financial performance remains unchanged since announcing FY2020 full year forecast on Nov. 13, 2020

2 Accelerating co-value creation business under the new normal

Value co-creation



- Providing leasing function of the Group
Commenced offering leasing products to the corporate customers of USEN-NEXT GROUP
- Strengthening asset management capabilities
Concluded comprehensive business alliance with Monex, Inc in financial products intermediary business (scheduled to start around Jan. 2022)

3 Share buyback of JPY 17.9 billion achieved (as of Dec. 31, 2020)

BPS²

JPY 4,159
(+7% vs. 2019.12)

- Dividend remains unchanged at JPY 10 per common share and buyback program of JPY 20.5 billion has been determined resulting in total shareholders return ratio at maximum 50%
- Execution of the buyback program will be judged in terms of its feasibility, amount and/or timing depending on impacts on earnings and capital during this fiscal year as well as the trends of external environments including macro economy and stock market. (There is a possibility of not being able to fully execute the total amount of the buyback program)

3Q FY2020 net income at JPY 26.1 billion, 77% progress

(Unit: JPY billion)

| Consolidated | 20.4-12 (Actual) | | 19.4-12 (Actual) | | 20.4-21.3 (Forecast) | |
|--------------------------------|---------------------|--------------|---------------------|----------|-------------------------|------------|
| | | 20.10-12 | | 19.10-12 | | Progress% |
| Total Revenue | 162.1 | 51.9 | 183.1 | 61.6 | 227.5 | 71% |
| Net Interest Income | 91.6 | 29.8 | 100.3 | 33.5 | 123.0 | 74% |
| Noninterest Income | 70.5 | 22.1 | 82.7 | 28.0 | 104.5 | 67% |
| Expenses | -109.8 | -37.1 | -111.1 | -37.3 | -151.5 | 72% |
| Ordinary Business Profit (OBP) | 52.3 | 14.7 | 71.9 | 24.2 | 76.0 | 69% |
| Net Credit Costs | -19.9 | -2.4 | -22.2 | -5.7 | -33.0 | 60% |
| OBP after Net Credit Costs | 32.3 | 12.3 | 49.6 | 18.5 | 43.0 | 75% |
| Others | -6.2 | 0.5 | -4.5 | -1.5 | -9.0 | 69% |
| Income Taxes etc. | -6.2 | 0.2 | -3.6 | -0.4 | | |
| Net Income | 26.1 | 12.8 | 45.1 | 16.9 | 34.0 | 77% |

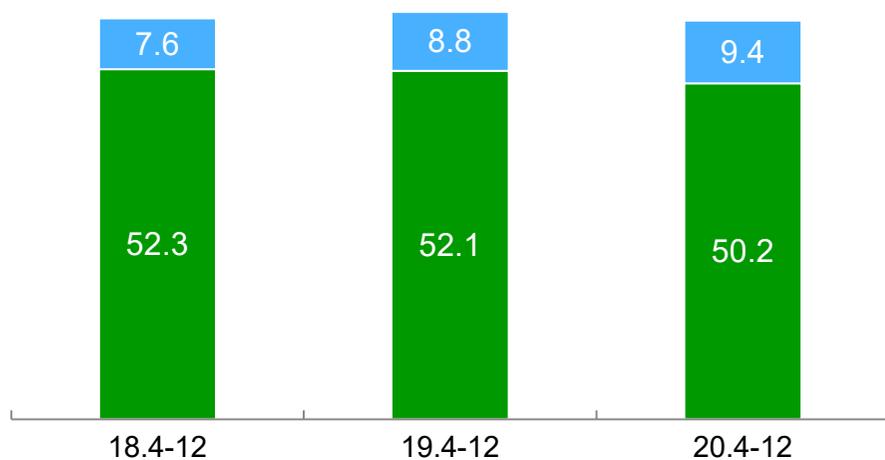
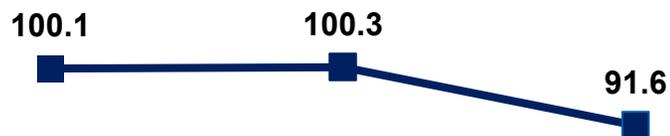
- Total revenue
 - ✓ Net interest income is in line with the plan
 - ✓ Noninterest income is lower than plan
 - Impacted by lower income from asset management products in Retail Banking, credit cards in APLUS FINANCIAL, and derivatives and fees from corporate customers
 - JPY 2.8 billion of investment loss in principal transactions was recorded as disclosed earlier
- Net credit costs
 - ✓ JPY 1.0 billion of partial reversals of precautionary reserves in Institutional Business
 - ✓ Credit recovery associated with collection from obligors in corporate business
 - ✓ Lower net credit costs in unsecured loans reflects improved performance in loan collection

Net interest income: Pace of decline slowing on a quarterly basis

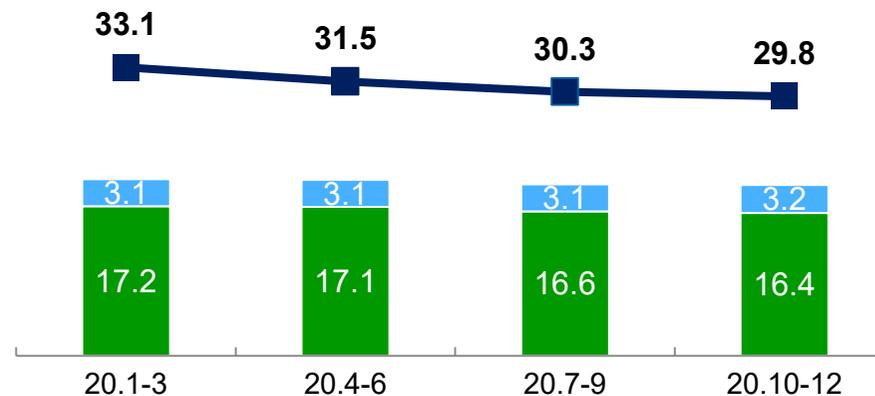
(Unit: JPY billion)

- YoY decrease reflects lower FCY related market interest rate and decrease in unsecured loan balance

- Net Interest Income
- Of which, Structured Finance
- Of which, Unsecured Loans
(Lake Businesses, NOLOAN, Shinsei Bank SmartCard Loan Plus etc.)

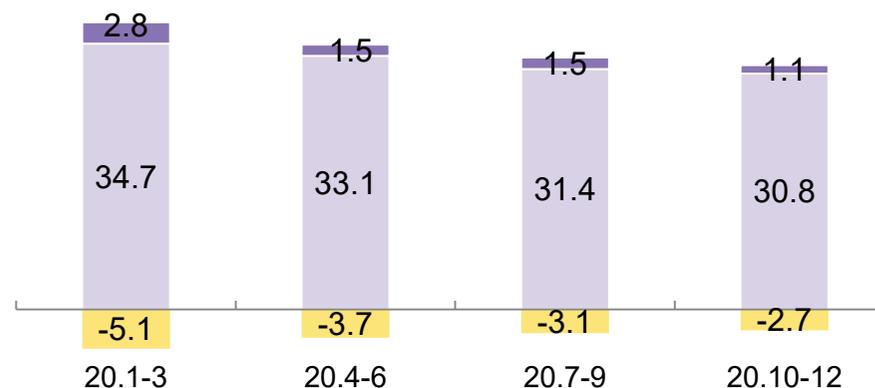


NII (before and after COVID-19 pandemic)



Interest income (before and after COVID-19 pandemic)

- Interest income from securities
- Interest income from loans and bills discounted
- Interest expenses from interest-bearing liabilities



NIM: Decreased to 2.29%

(Unit: %)

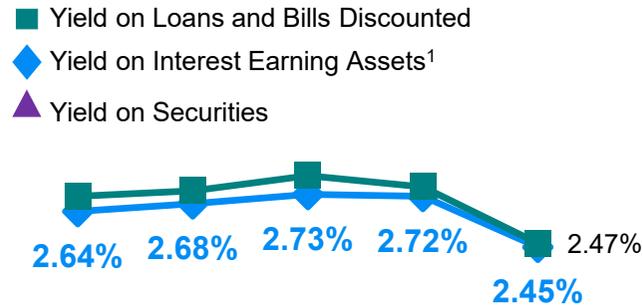
- Lower yield on interest earning assets reflects lower yield on loans due to lower FCY interest rate; partly offset by lower funding costs

Net Interest Margin (NIM)¹



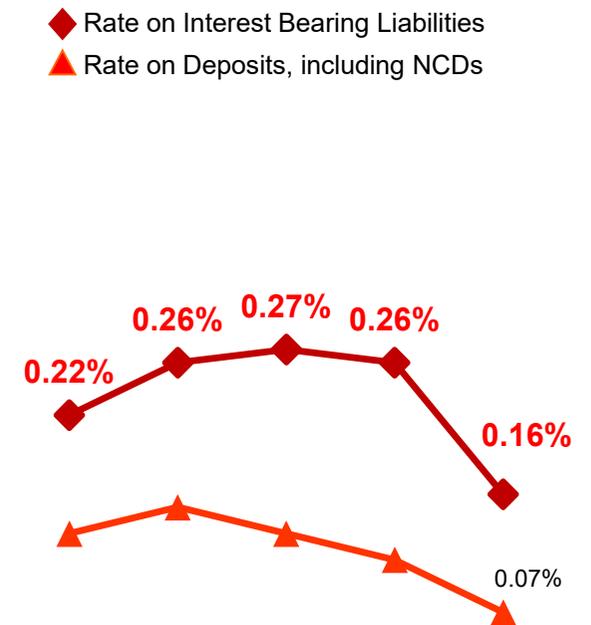
16.4-17.3 17.4-18.3 18.4-19.3 19.4-20.3 20.4-12

Yield on Interest Earning Assets



16.4-17.3 17.4-18.3 18.4-19.3 19.4-20.3 20.4-12

Funding Costs



16.4-17.3 17.4-18.3 18.4-19.3 19.4-20.3 20.4-12

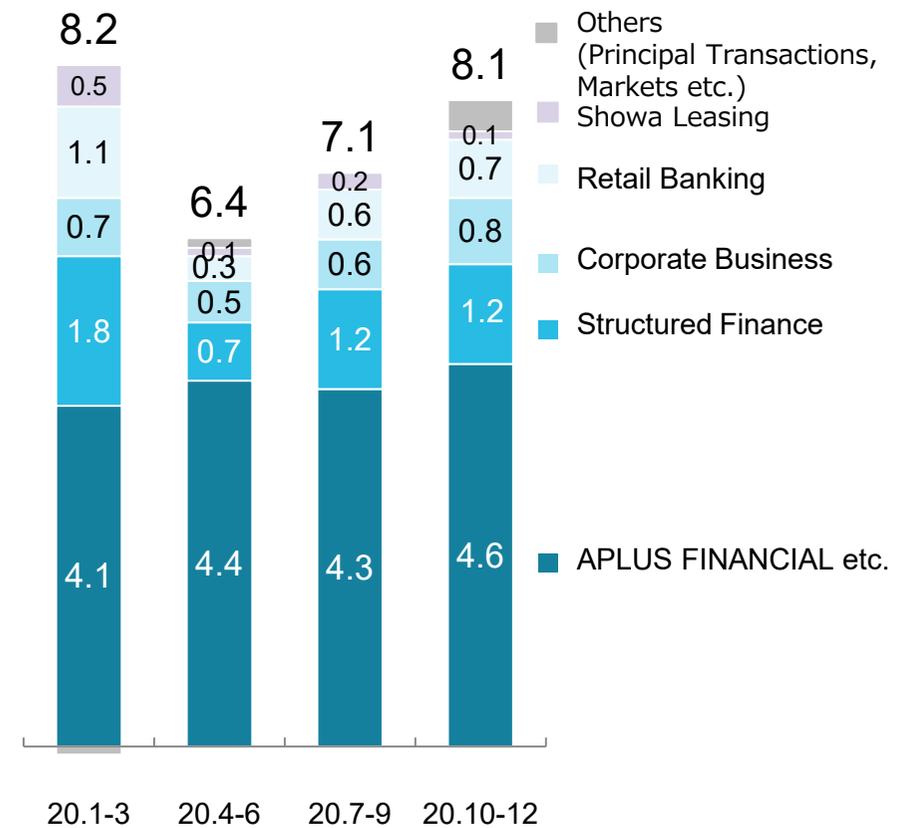
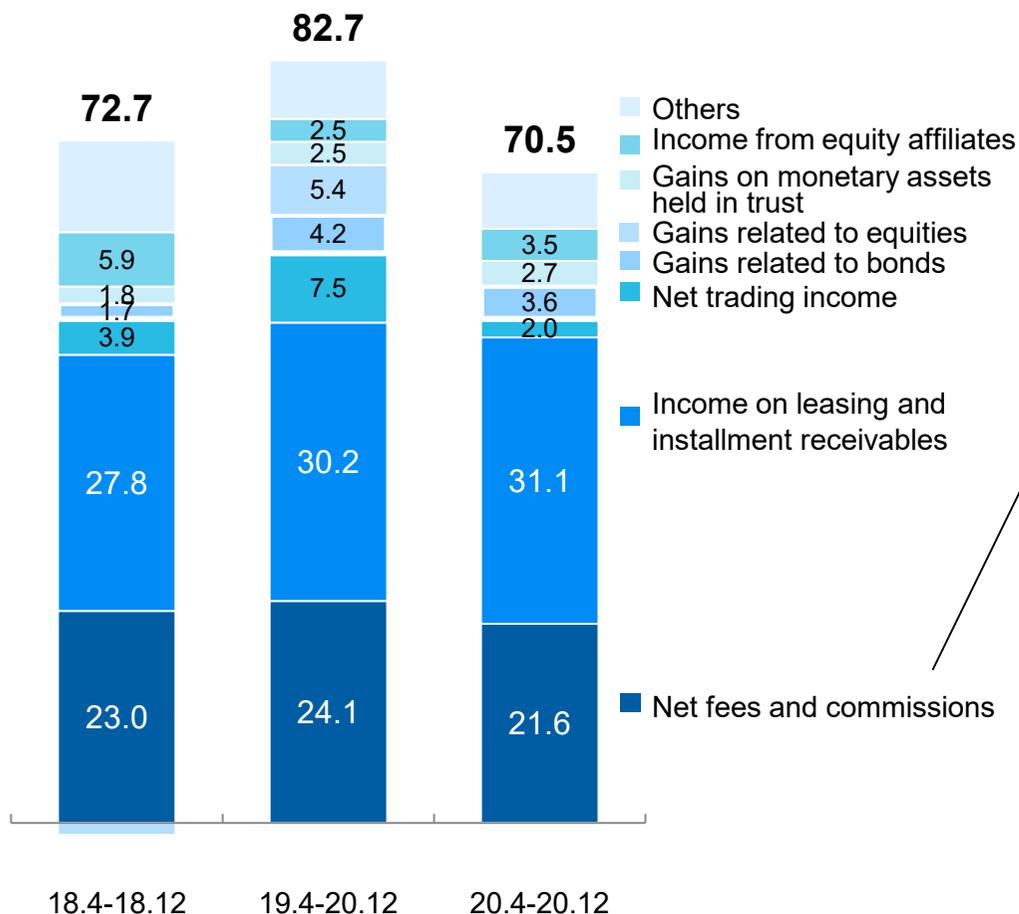
¹ Includes income on leased assets and installment receivables

Noninterest income: Fee income shows a recovery momentum on a quarterly basis

(Unit: JPY billion)

- YoY decrease reflects lower gains related to securities and lower fee income

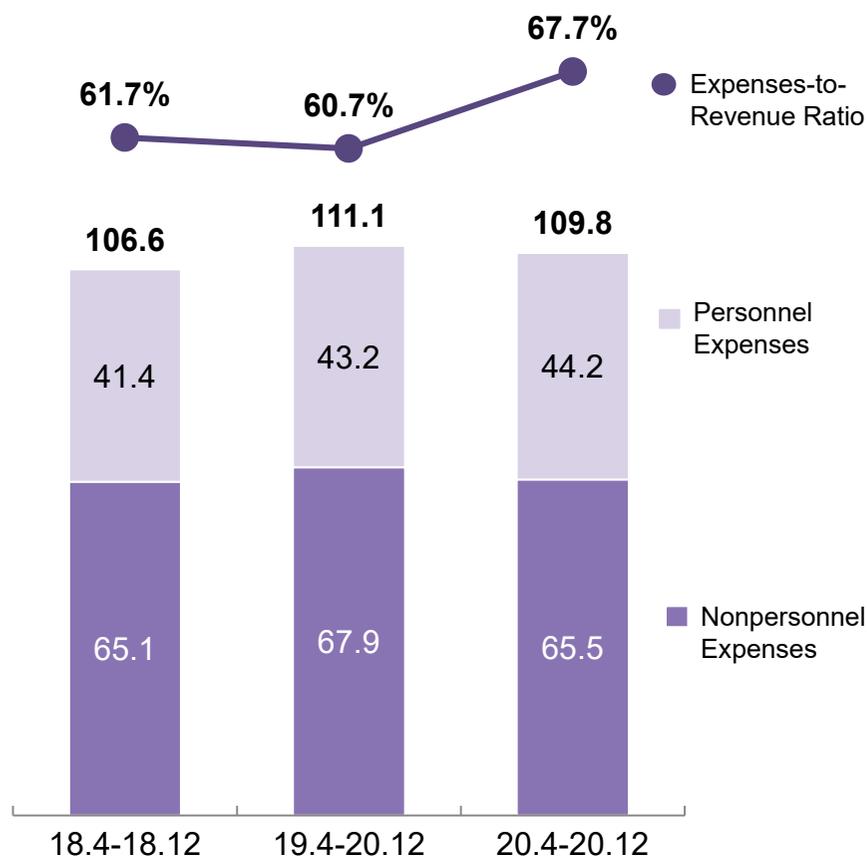
Fee income (before and after COVID-19 pandemic)



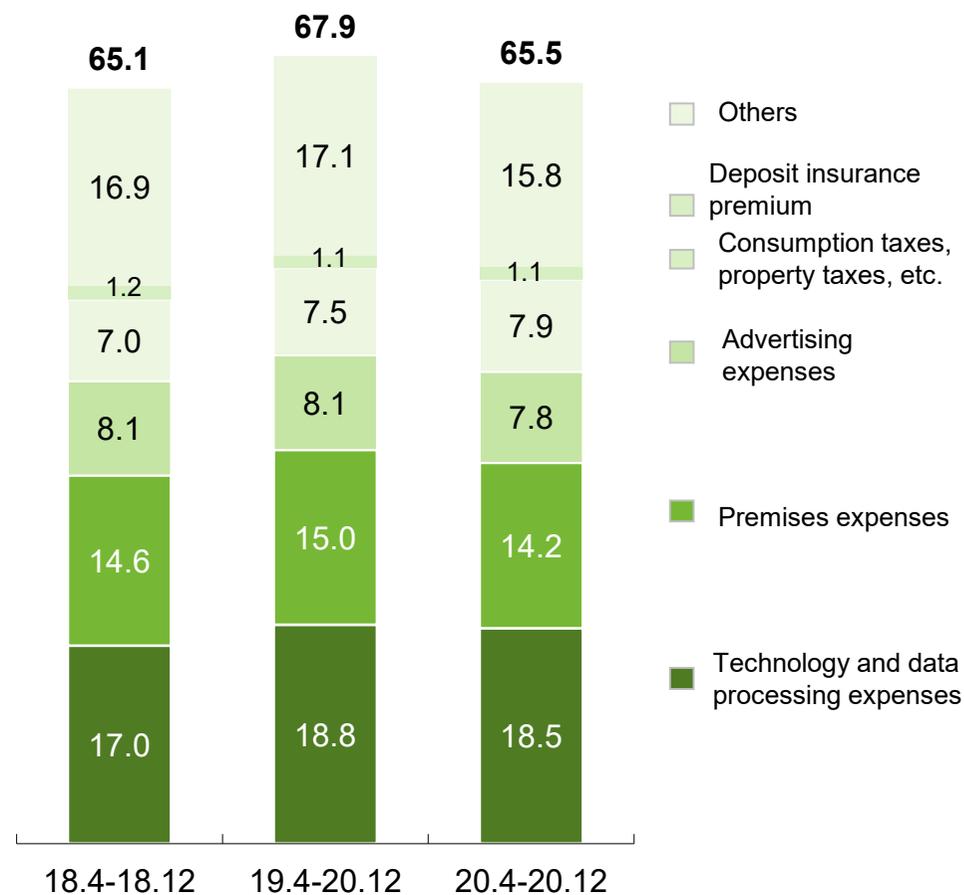
Expenses: Nonpersonnel expenses decreased; Expenses-to-revenue ratio stands at 67.7%

(Unit: JPY billion)

- Increase in personnel expenses reflects acquisition of SHINKO LEASE and Financial Japan
- Decrease in nonpersonnel expenses reflects mainly decrease in expenses including reorganization of offices and IT



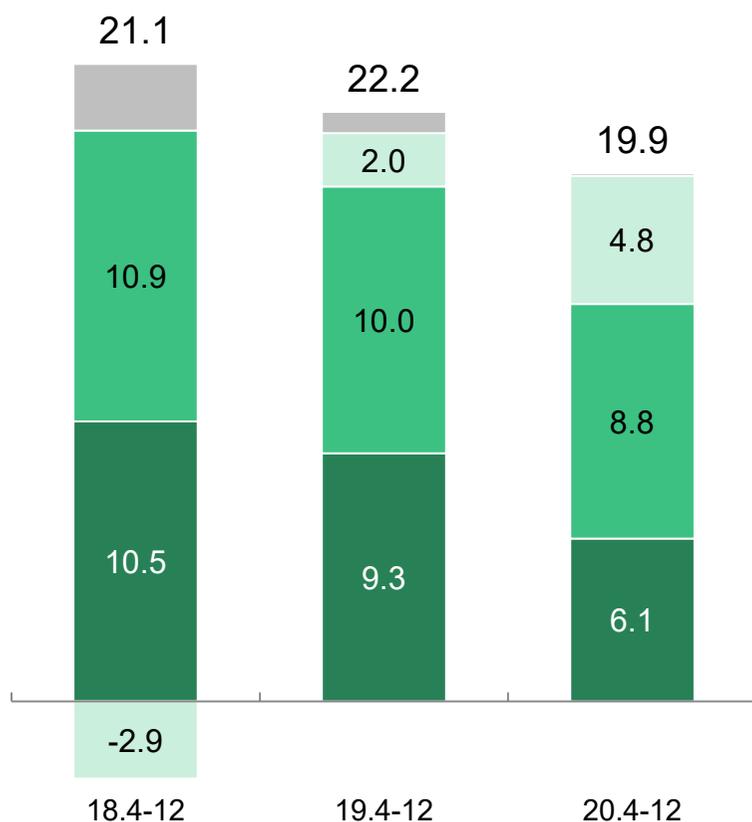
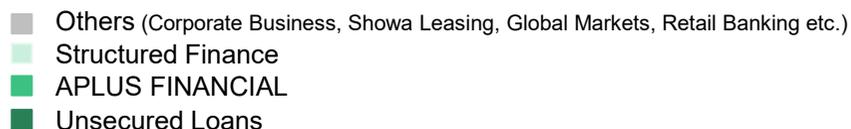
Breakdown of Nonpersonnel Expenses



Net credit costs: Continued to decrease on a quarterly basis

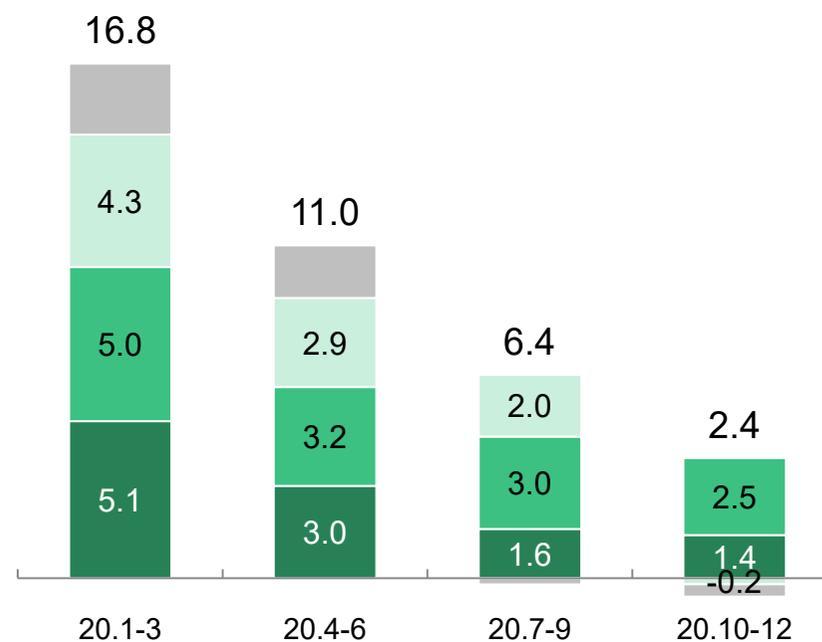
(Unit: JPY billion; %)

- Structured Finance credit costs increased YoY while unsecured loans and APLUS decreased YoY



Net Credit Costs (before and after COVID-19 pandemic)

- JPY 0.2 billion of credit recoveries in Structured Finance and JPY 1.0 billion of credit recoveries in Corporate Business were recorded in 20.10-12
- Unsecured loans and APLUS credit costs decreased in 20.10-12, reflecting improved performance of loan collection associated with bonus season in Japan



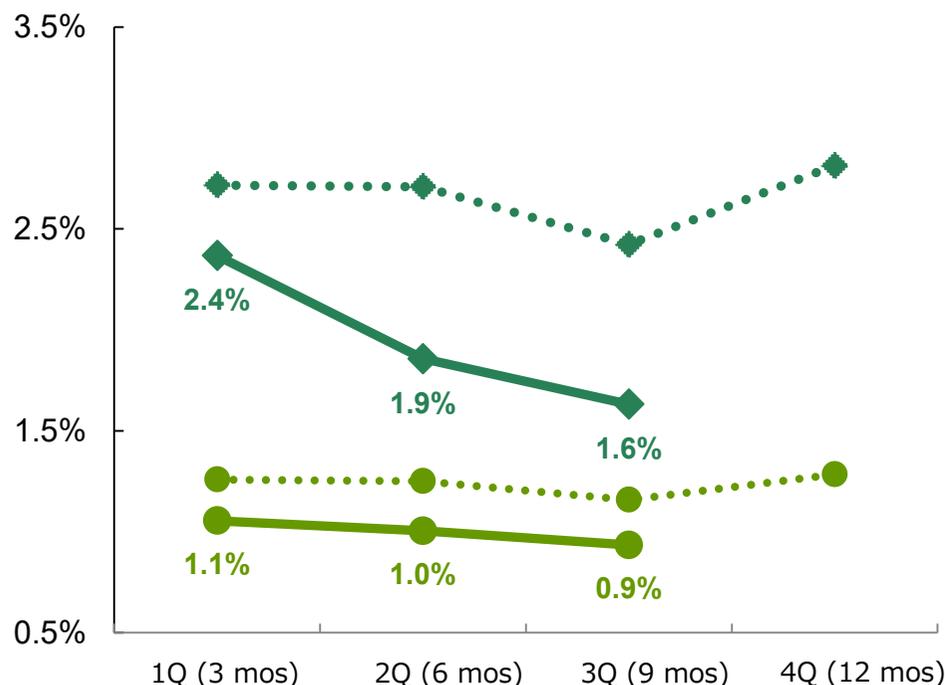
Net credit costs: No material impact from payment deferrals in Individual Business

(Unit: JPY billion; %)

Net Credit Costs Ratio: Consumer Finance

- Lower net credit costs ratio in unsecured loans and APLUS reflects improvement on asset quality due to improved performance of loan collection

- FY2019 Unsecured Loans: Net Credit Costs Ratio (annualized basis¹)
- FY2020 Unsecured Loans: Net Credit Costs Ratio (annualized basis¹)
- FY2019 APLUS FINANCIAL: Net Credit Costs Ratio (annualized basis¹)
- FY2020 APLUS FINANCIAL: Net Credit Costs Ratio (annualized basis¹)

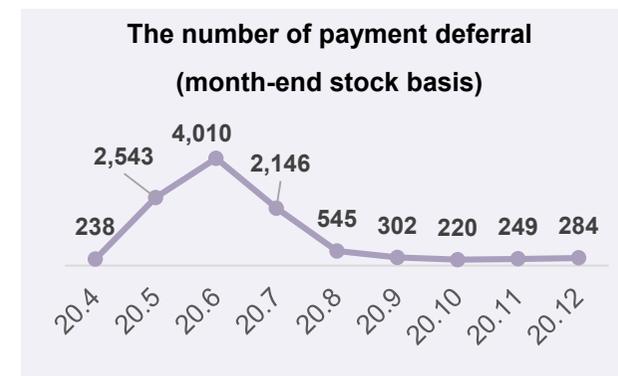


¹ Net Credit Costs Ratio = Calculated by annualizing the following formula :
(Net Credit Costs ÷ Average of Beginning and End of Period Operating Assets Balances)

Payment Deferrals in Individual Business

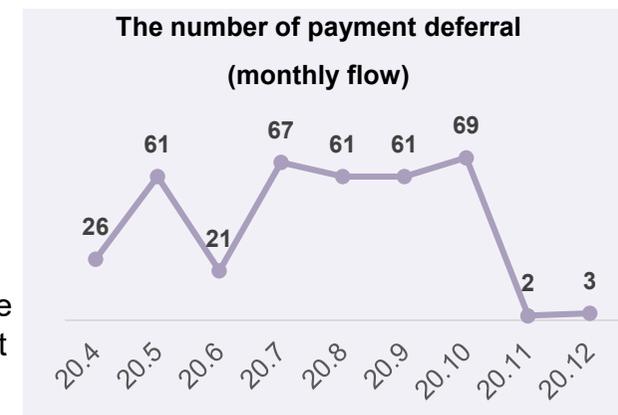
Unsecured Loans

- Deferral amount at JPY 0.17 billion (2020.12)
- P&L impact in net credit costs is nearly zero in 3Q(3M)



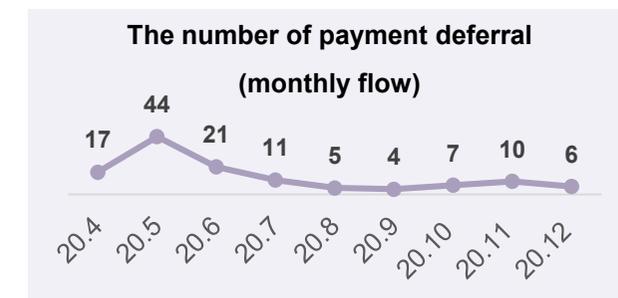
APLUS (Shopping Credit, Credit Card)

- Deferral amount at JPY 71 million (2020.10-12)
- No special treatment for COVID-19 cases
- Improved performance in collection and credit costs remain at a low level



Retail Housing Loan

- Deferral amount at JPY 0.27 billion (2020.10-12)
- P&L impact in net credit costs is JPY 0.03 billion



Net credit costs: Declining impact from COVID-19 in Institutional Business

(Unit: JPY billion)

■ COVID-19 related net credit costs in Institutional Business

- ✓ JPY 5.2 billion cost (1Q: JPY 5.2 billion cost, 2Q: JPY 0.6 billion cost, 3Q: JPY 0.7 billion recovery)
- ✓ Precautionary reserves for specific sectors were eliminated and partially transferred to the reserves necessary for individual obligor classification in 2H. As a result, JPY 1.0 billion of reversals of the reserves from retail sector etc.

| COVID-19 related net credit costs in Institutional Business | 20.4-6 | 20.7-9 | 20.10-12 |
|---|--|--|---|
| Provisions as a result of applying conservative reserve ratios to all transactions in specific sectors where the COVID-19 impact was conspicuous (Precautionary provisions) | Provision of JPY 1.4 billion in aviation finance | Reversal of JPY 0.7 billion in entertainment sector etc. due to recovery of the business | Reversal of JPY 1.0 billion in retail sector etc. due to recovery of the business |
| Provisions as a result of deterioration in individual transactions | Provision of JPY 3.8 billion for transactions in hotels and aviation finance | Provision of JPY 1.3 billion for transactions in aviation and hotels etc. | Provision of JPY 0.3 billion |

■ Precautionary reserve for the institutional businesses (balance)

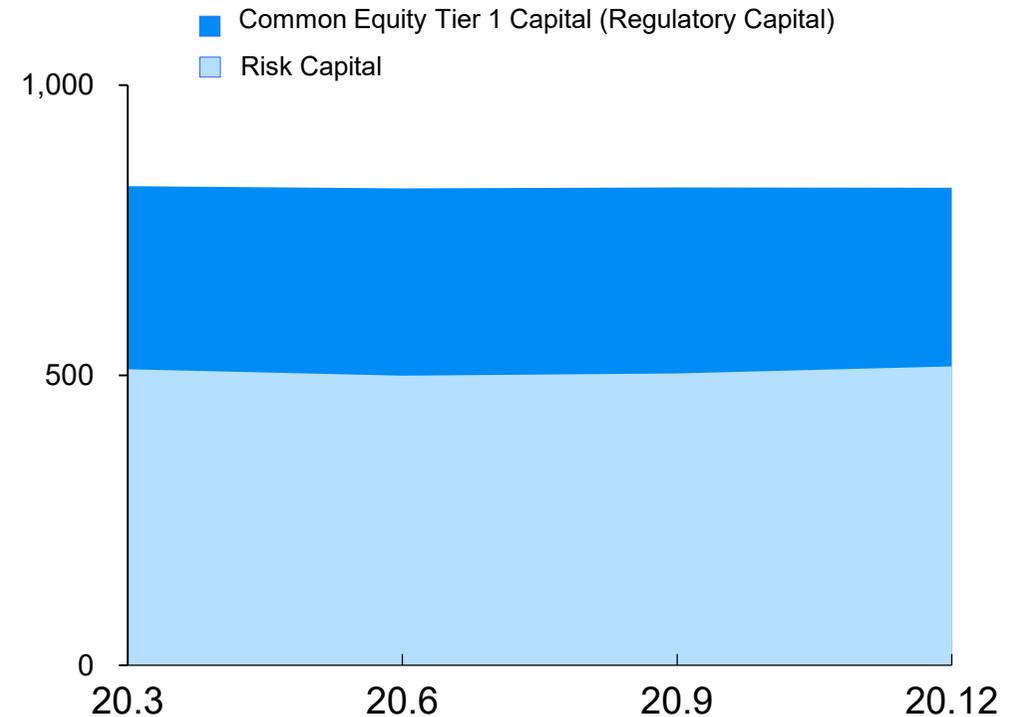
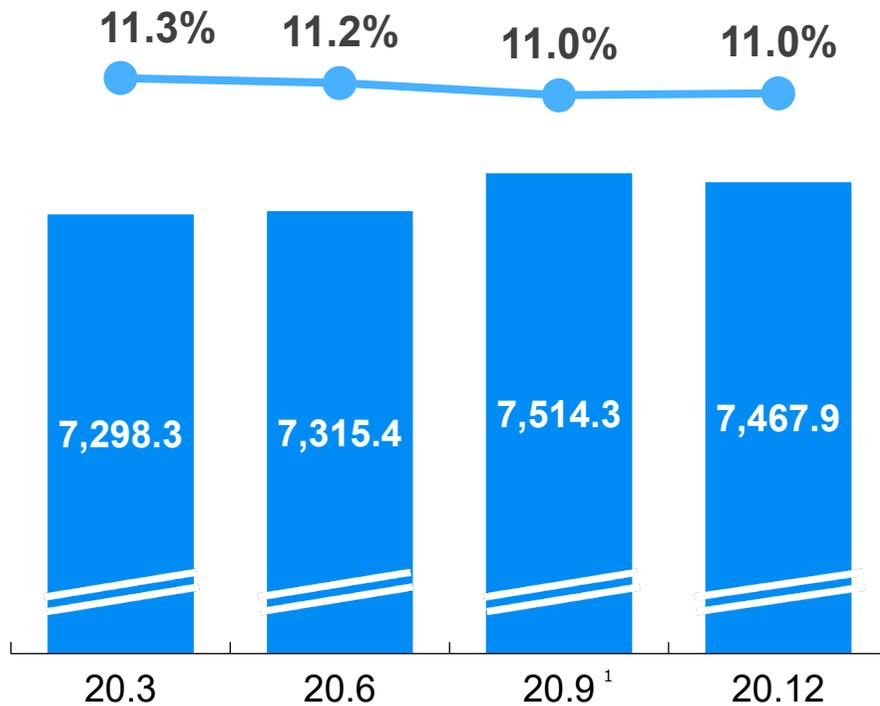
| | |
|---|--------------------------|
| Balance (Mar. 31, 2020) | :JPY 3.9 billion |
| (-) Usage of reserve in 1Q (mainly real estate) | : JPY 1.6 billion |
| (+) Credit provisioning in 1Q (aviation) | : JPY 1.4 billion |
| Balance (Jun. 31, 2020) | :JPY 3.7 billion |
| (-) Reversal in 2Q (mainly entertainment) | :JPY 0.7 billion |
| Balance (Sep. 30, 2020) | : JPY 3.0 billion |
| (-) Reversal in 3Q (mainly retail sector) | : JPY 1.0 billion |
| Balance (Dec. 31, 2020) | : JPY 2.0 billion |

Capital adequacy: CET1 ratio remained flat at 11% vs. Sep. 2020

(Unit: JPY billion; %)

- Common Equity Tier 1 Ratio
(International Standard; Fully Loaded Basis)
- Risk Assets
(International Standard; Fully Loaded Basis)

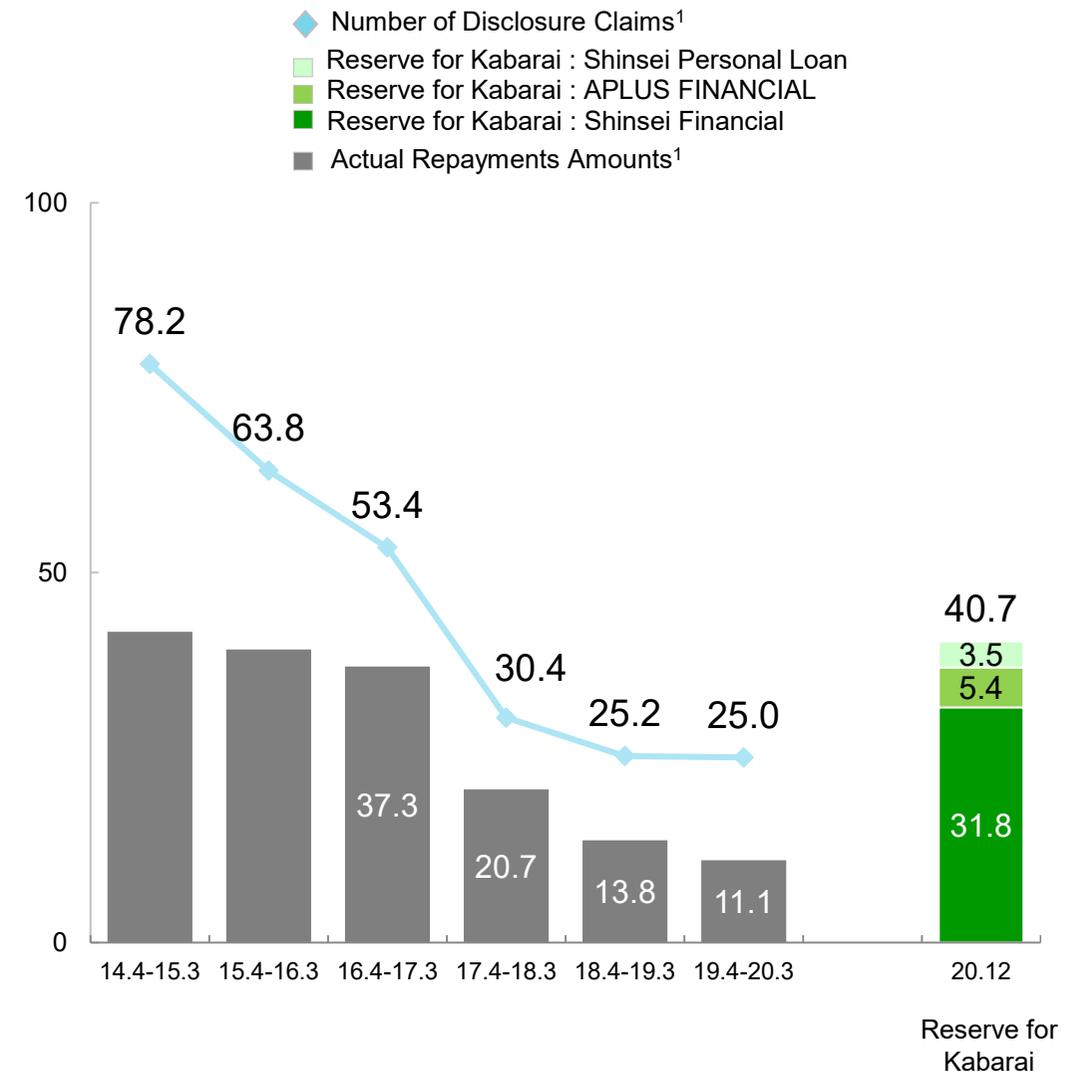
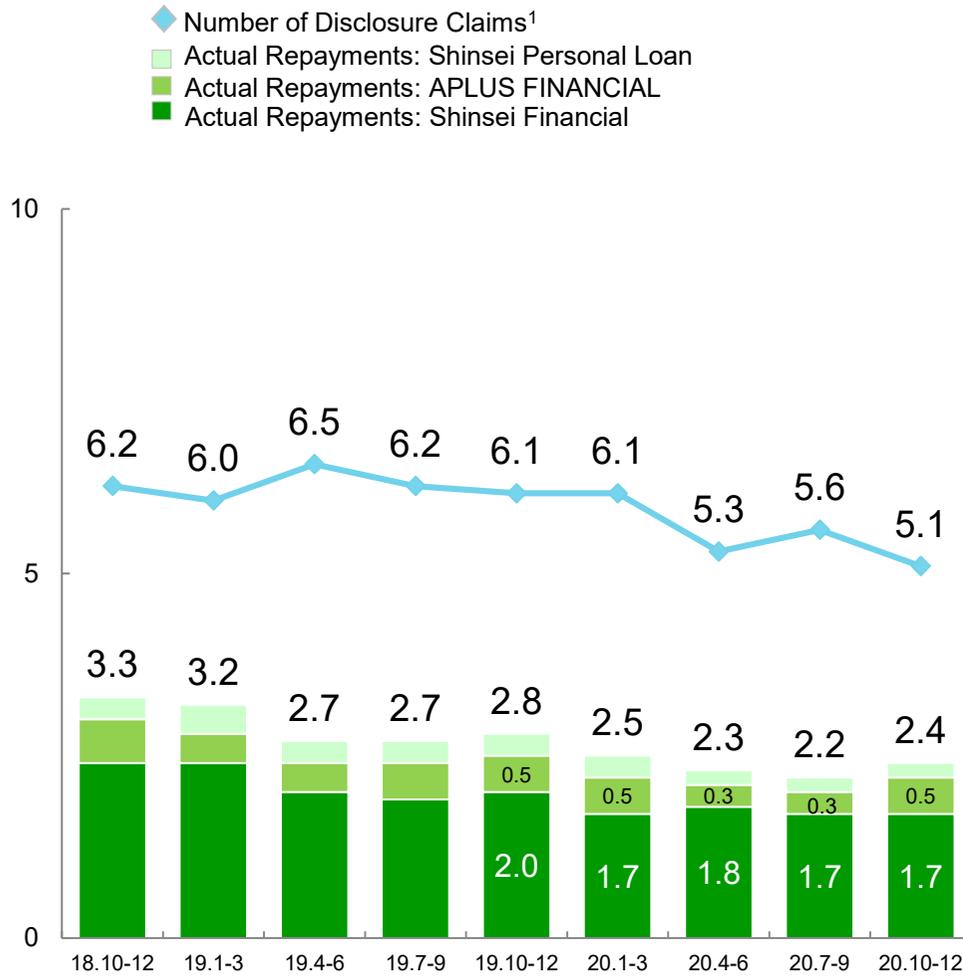
| | 20.3 | 20.6 | 20.9 | 20.12 |
|--|-------|-------|-------|--------------|
| Common Equity Tier 1 Capital (International Standard; Fully Loaded Basis) | 823.4 | 821.9 | 823.6 | 823.4 |
| Risk Capital | 510.2 | 499.2 | 503.3 | 515.5 |



¹ B/S of UDC Finance has been reflected from 1H FY2020
P&L of UDC Finance will be reflected from 4Q FY2020

Kabarai: Actual repayment increased in Oct. - Dec. 2020 resulting from an increase in disclosure claims in Jul. - Sep. 2020 due to resumption of activity of Kabarai agents. The number of disclosure claims returned to a declining trend

(Unit: JPY billion; thousands)



¹ Shinsei Financial, Shinsei Personal Loan and APLUS FINANCIAL combined

Business Update

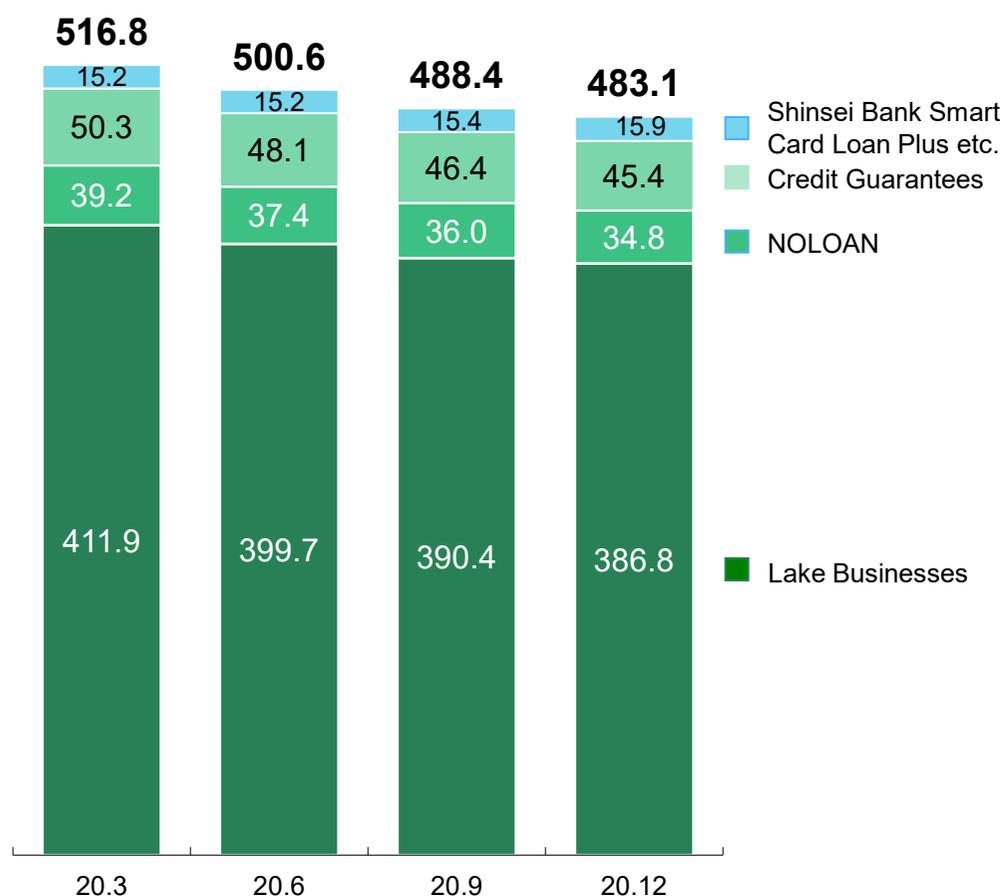
Unsecured loan: while total balance decreased, Lake ALSA balance continued to grow to JPY 89.9 billion

(Unit: JPY billion)

- Lake ALSA loan balance increased to JPY 89.9 billion (December 31, 2020) from JPY 73.2 billion (March 31, 2020)

- Decrease in net interest income offset by lower net credit costs resulted in higher profit YoY

【Loan Balance】



| Shinsei Financial ¹ | 19.4-12 | 20.4-12 |
|-----------------------------------|-------------|-------------|
| Net Interest Income | 52.1 | 50.2 |
| of which, Lake Businesses | 47.8 | 46.3 |
| Noninterest Income | -0.7 | 0.0 |
| Total Revenue | 51.3 | 50.2 |
| Expenses | -25.3 | -24.6 |
| Ordinary Business Profit (OBP) | 26.0 | 25.6 |
| Net Credit Costs | -9.3 | -6.1 |
| OBP after Net Credit Costs | 16.7 | 19.5 |

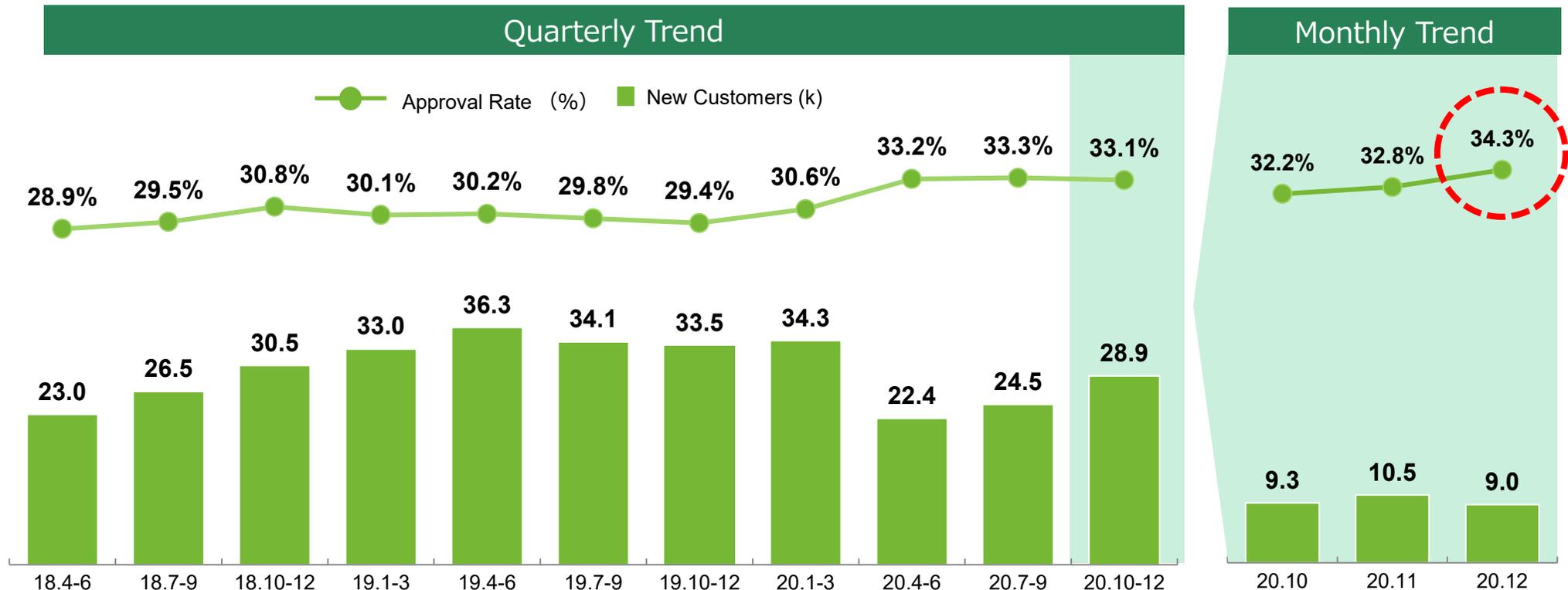
¹ Includes profits and losses of Shinsei Financial, Shinsei Bank Card Loan L, and Shinsei Bank Smart Card Loan Plus etc.

Lake ALSA: New customer acquisition continued to increase in Oct. - Dec. 2020

(Unit: thousand; %)

■ New customer acquisition increased 29% (vs. 20.4-6)

- ✓ Application: increased 29% (vs. 20.4-6), reflecting recovery of cash demand due to relaxation of going-out activities and resumption of advertising activities. The application volume increased from 67K (20.4-6) to 87K (20.10-12)
- ✓ Approval rate: remained stable at 33.1%, while recent process automation improved the monthly approval rate to 34.3% in December 2020

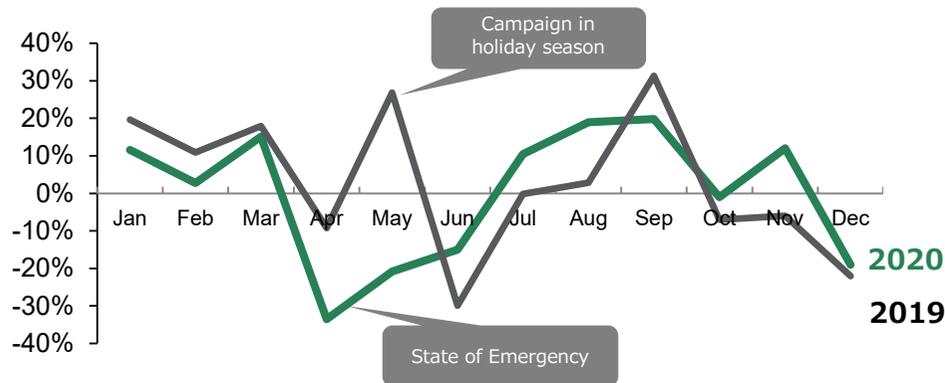


Lake portfolio momentum: Negative impact of COVID-19 bottomed out. Decrease in application and loan balance in December mainly reflects seasonality. No significant concerns about write-off and credit quality

(Unit: JPY billion; %)

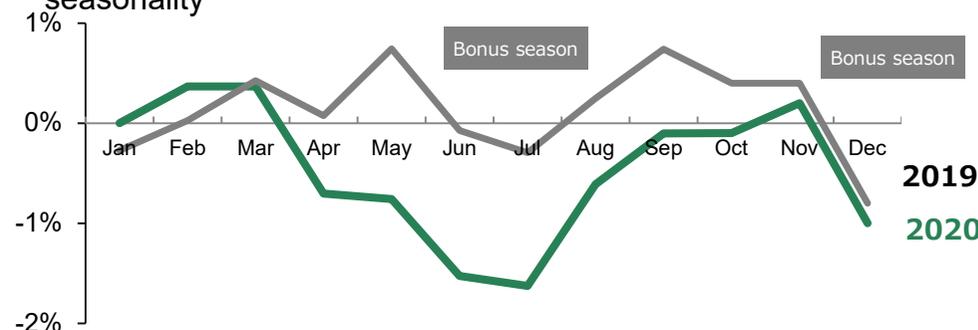
Application (monthly change %)

- ✓ In 2020, monthly change in application volume compare with previous month shows bottoming out in April and showing the seasonal decrease due to bonus season in winter



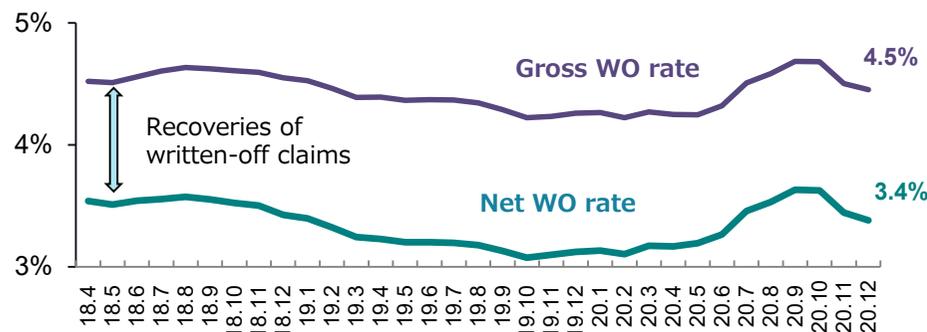
Loan balance (monthly change %)

- ✓ In 2020, monthly change in the Lake loan balance compared with previous month was bottomed in June - July and showed gradual recovery; recent decline reflects winter bonus related seasonality



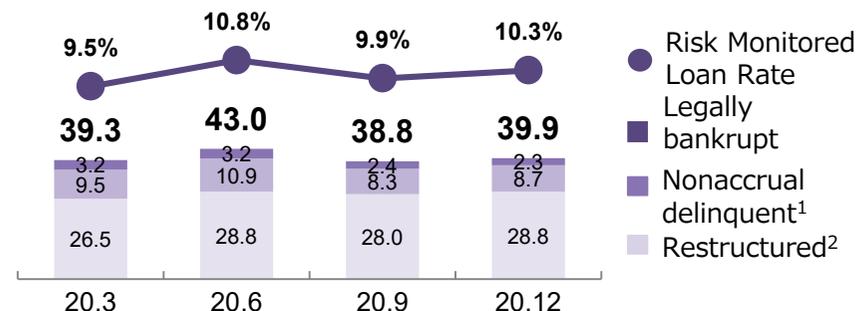
Write-off (WO, monthly trend)

- ✓ WO rate was moderately improved due to returning to normalized loan collection, etc.



Risk-monitored loans and rate

- ✓ Risk-monitored loan balance increased at 20.6 but decreased at 20.12 to pre-COVID-19 pandemic level
- ✓ Risk-monitored loan rate at 20.12 slightly increased due to decrease of loan balance compared with 20.9

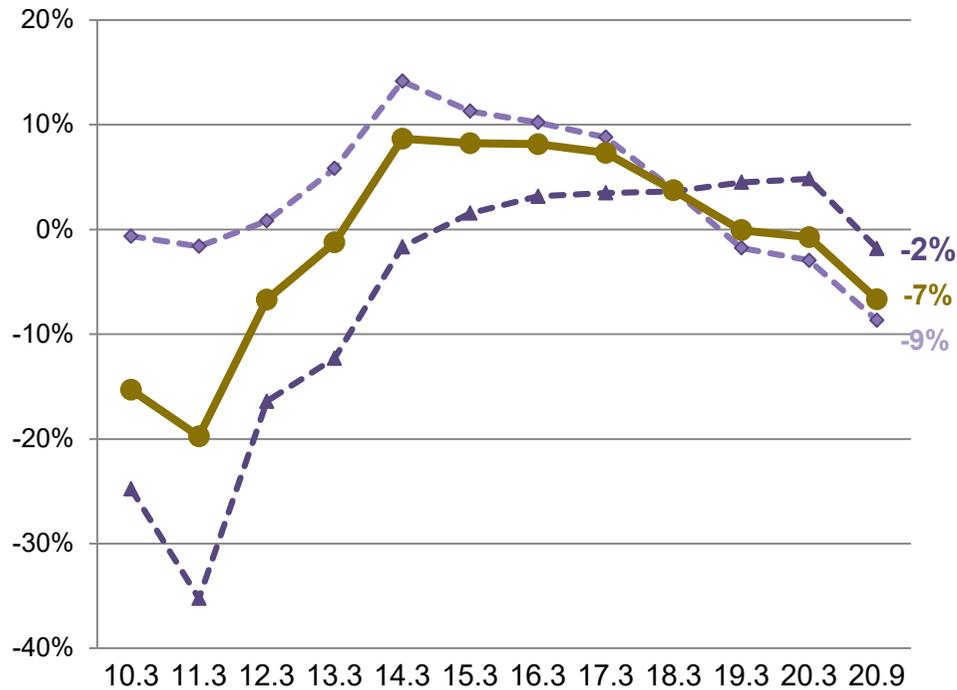


¹ Nonaccrual Delinquent Loans constitute obligors such as Virtually Bankrupt, Possibly Bankrupt and Substandard (excluding Restructured Loans)

² Restructured Loans are classified as Substandard obligors (including payment deferral)

Unsecured loan market: Growth rates of nonbank market and overall market were down

Unsecured Loan Market: Growth Rate (YoY)

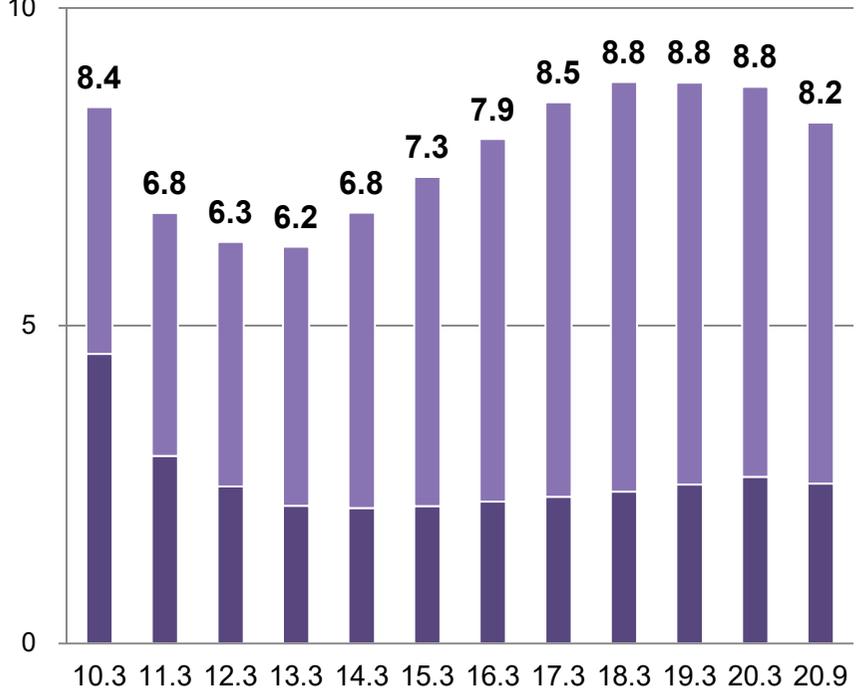


(Data Source) Bank of Japan, Japan Financial Service Association

- ◆ YoY: Bank Card Loan Growth Rate
- YoY: Unsecured Loan Market Growth Rate
- ▲ YoY: Nonbank Unsecured Loan Growth Rate

Unsecured Loan Market: Size

(Unit: JPY trillion)



(Data Source) Bank of Japan, Japan Financial Service Association

- Bank Card Loan Balance
- Nonbank Unsecured Loan Balance

"Unsecured loan market" = "Bank card loan balance" + "Nonbank unsecured loan balance"

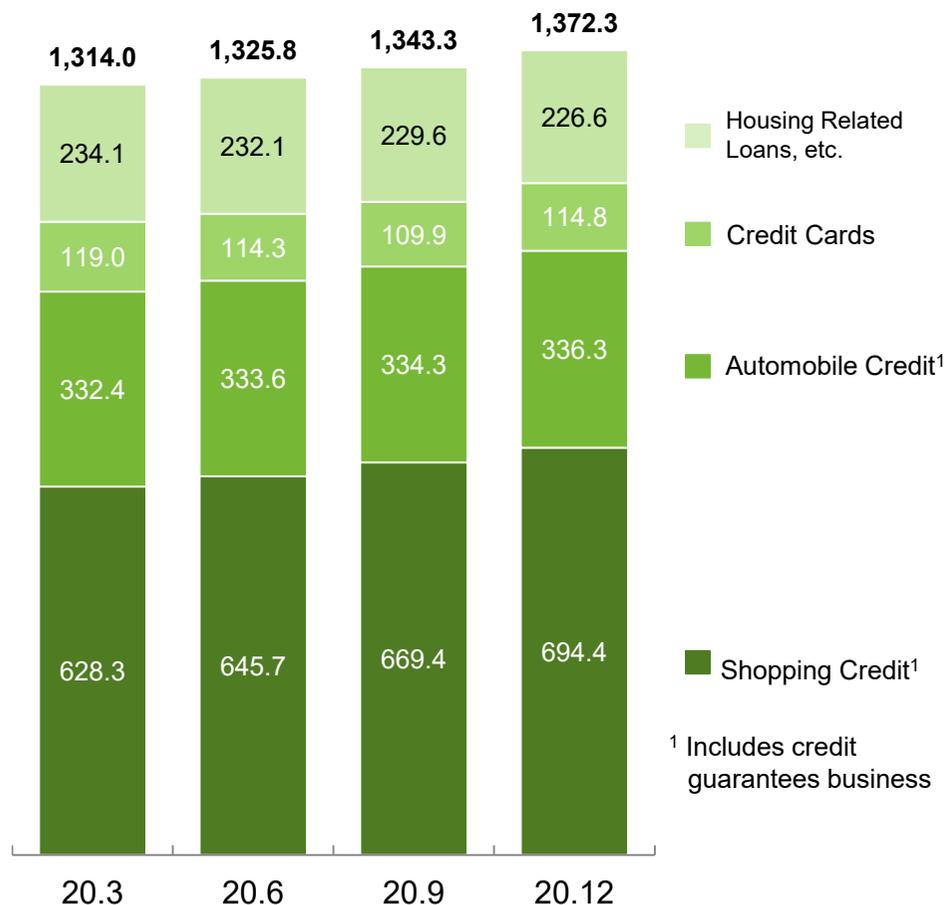
"Bank card loan balance": Statistics aggregated by the Bank of Japan; Balance of consumer card loans extended by domestic banks and credit unions

"Nonbank unsecured loan balance": Statistics aggregated by the Japan Financial Services Association; Unsecured loans (consumer finance sector) month end balance (excludes housing loans)

APLUS FINANCIAL: Steady growth in shopping credit balance

(Unit: JPY billion)

【Operating Assets balance】



■ Increase in noninterest income and lower net credit costs improved profit YoY

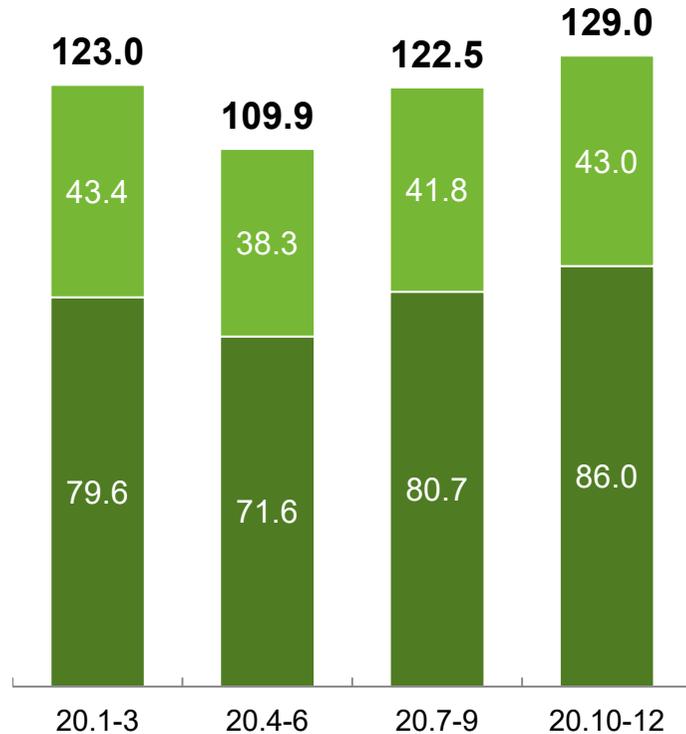
| APLUS FINANCIAL | 19.4-12 | 20.4-12 |
|-----------------------------------|-------------|-------------|
| Net Interest Income | 7.4 | 6.5 |
| Noninterest Income | 36.1 | 37.4 |
| Total Revenue | 43.5 | 43.9 |
| Expenses | -28.8 | -28.5 |
| Ordinary Business Profit (OBP) | 14.7 | 15.3 |
| Net Credit Costs | -10.0 | -8.8 |
| OBP after Net Credit Costs | 4.6 | 6.5 |

APLUS FINANCIAL: Shopping credit and payment business continues to rebound since Jul. - Sep. 2020

(Unit: JPY billion)

Transaction Volume: Auto Credit, Other Shopping Credit

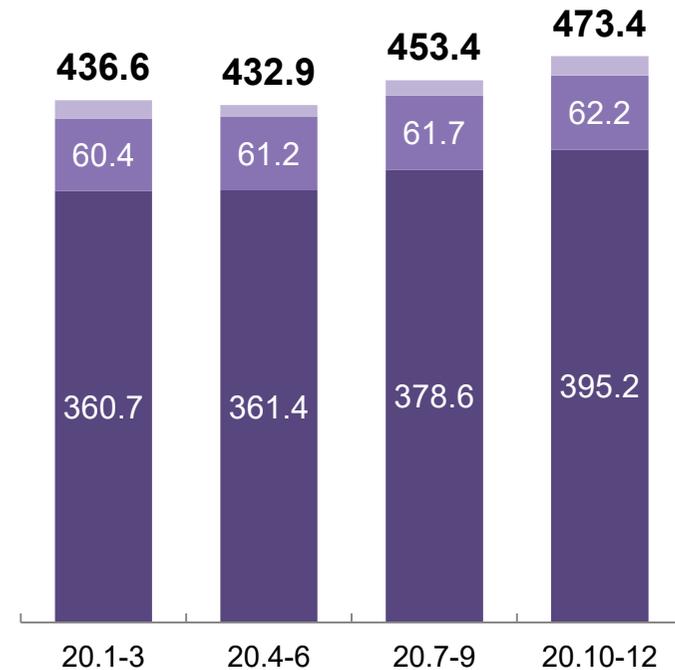
- Auto Credit¹
- Other Shopping Credit¹
(Medical including dental treatment, solar power generation including storage battery for industrial and household usage, and vendor leasing etc.)



¹ Includes credit guarantees and leasing businesses

Transaction Volume: Payment

- Code settlement services
- Rent guarantees
- Settlement via bank accounts etc.



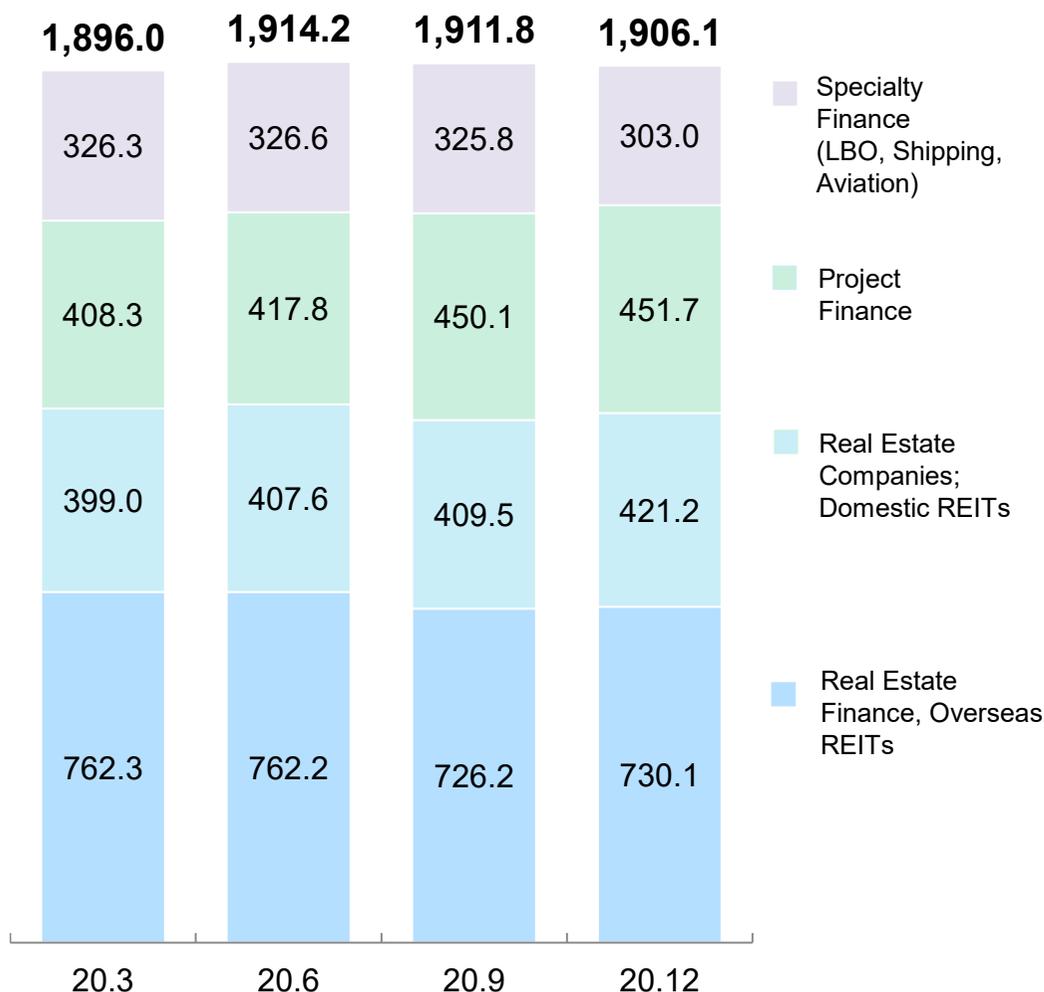
Structured finance: Operating assets balance remained stable

(Unit: JPY billion)

- Operating assets balance for aviation finance was approx. JPY 37.0 billion (December 31, 2020)

- While total revenue increased, provisioning of credit reserve during 20.4-9 decreased profit YoY

【Operating Assets Balance】



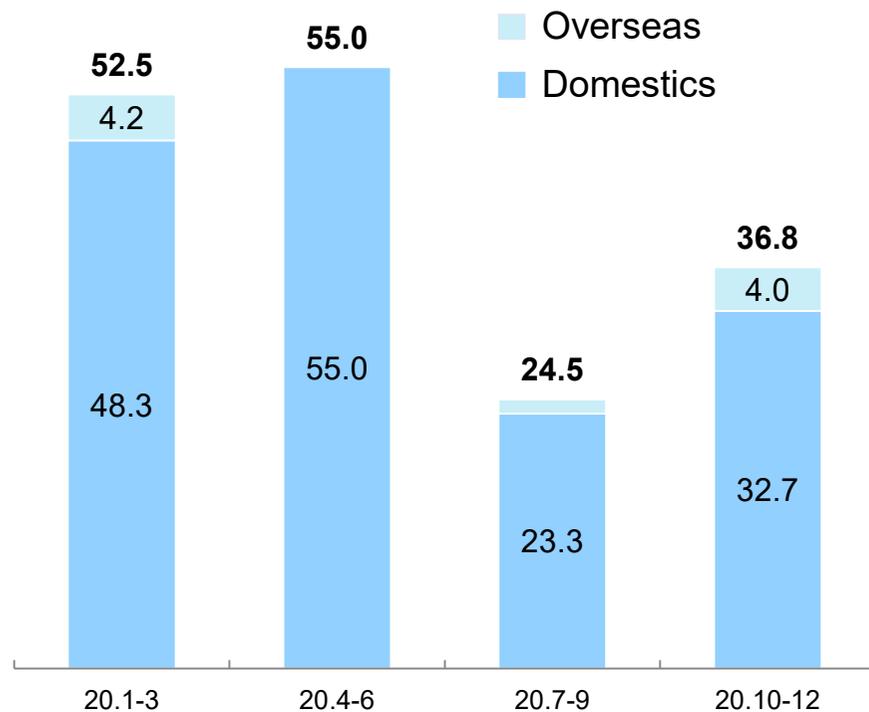
| Structured Finance | 19.4-12 | 20.4-12 |
|-----------------------------------|-------------|-------------|
| Net Interest Income | 8.8 | 9.4 |
| Noninterest Income | 5.9 | 5.7 |
| Total Revenue | 14.8 | 15.1 |
| Expenses | -6.2 | -6.8 |
| Ordinary Business Profit (OBP) | 8.5 | 8.3 |
| Net Credit Costs | -2.0 | -4.8 |
| OBP after Net Credit Costs | 6.4 | 3.5 |

Real estate finance: Business activities are gradually recovering

(Unit: JPY billion; %)

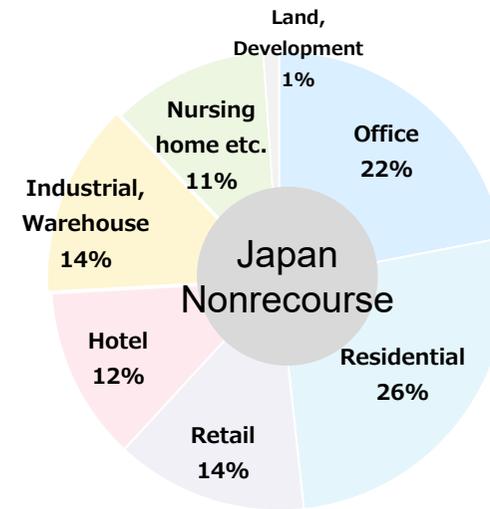
Real Estate Nonrecourse Finance New Disbursements

- Selectively focusing on asset types such as offices, residentials and logistic facilities as well as the assets which consider environment and social issues, while monitoring the overall real estate market trend as well as each asset type

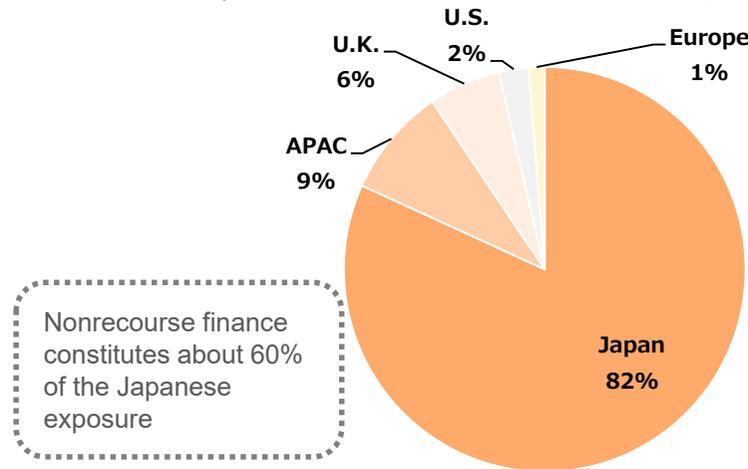


Portfolio (as of December 31, 2020)

【Balance: asset type】



【Balance: regions in nonrecourse, real estate companies and REITs】



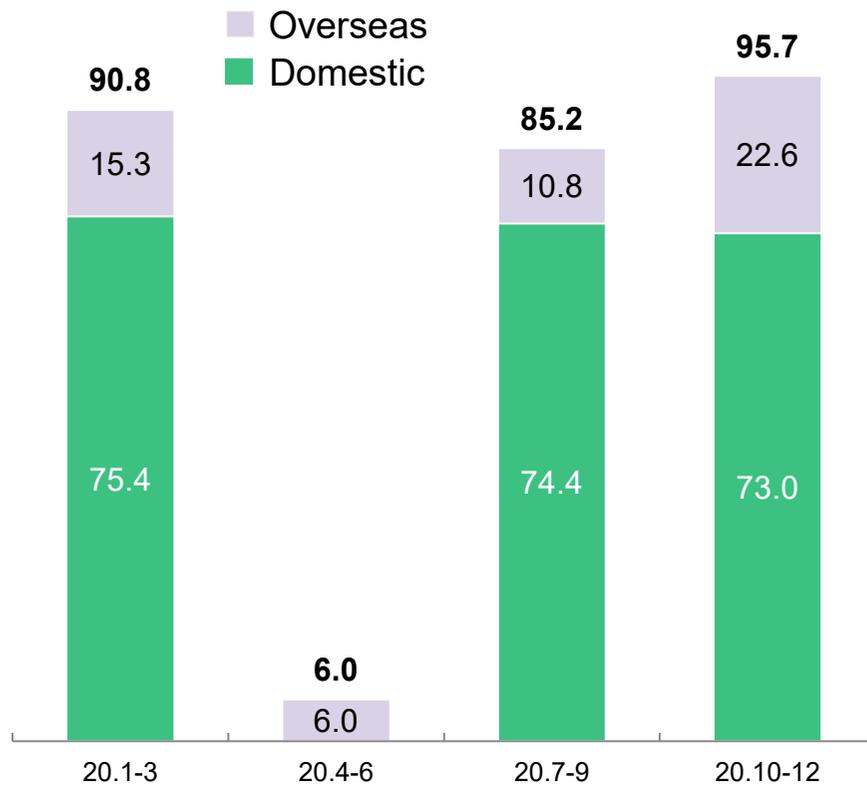
Business with Institutional Investors

Project finance: Project finance business activities have recovered

(Unit: JPY billion; %)

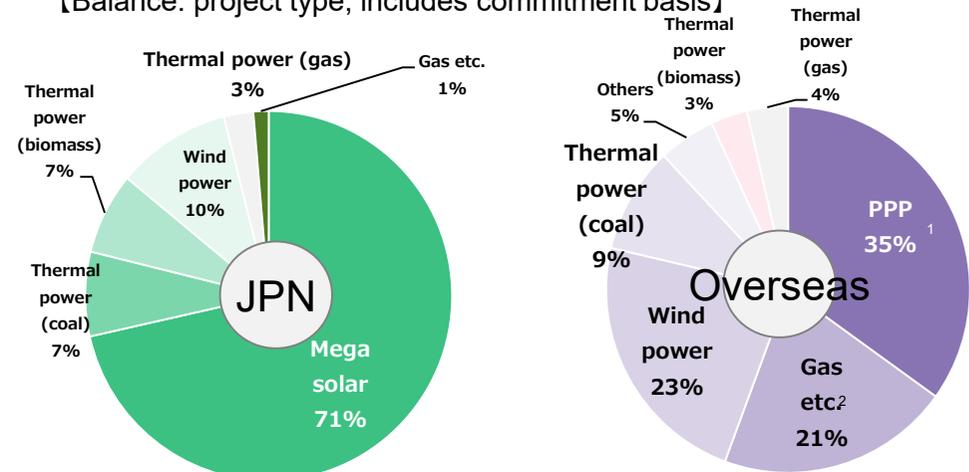
Project Finance New Commitments

- New commitments for domestic biomass power generation and mega-solar projects improved in 20.10-12. We executed Shinsei Green Loan transactions toward initiatives for sustainable impact
- Overseas sizable offshore wind power generation and PPP projects were committed in 20.10-12



Portfolio (as of December 31, 2020)

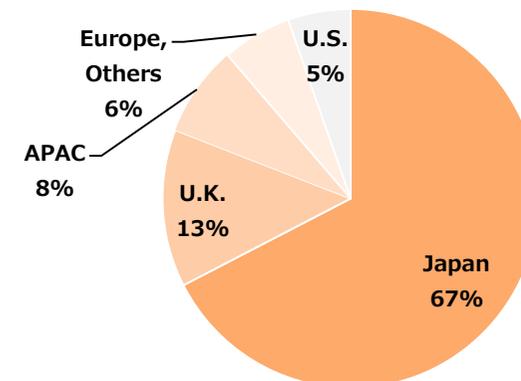
[Balance: project type, includes commitment basis]



¹ Public Private Partnership

² Finance to LNG related facilities and receiving terminal etc.

[Balance: regions, includes commitment basis]



¹ Shinsei Green Loan is a loan which designates use of funds for businesses or projects that can provide clear environmental benefits. Shinsei Green Loan must align with the "Shinsei Green Finance Framework"

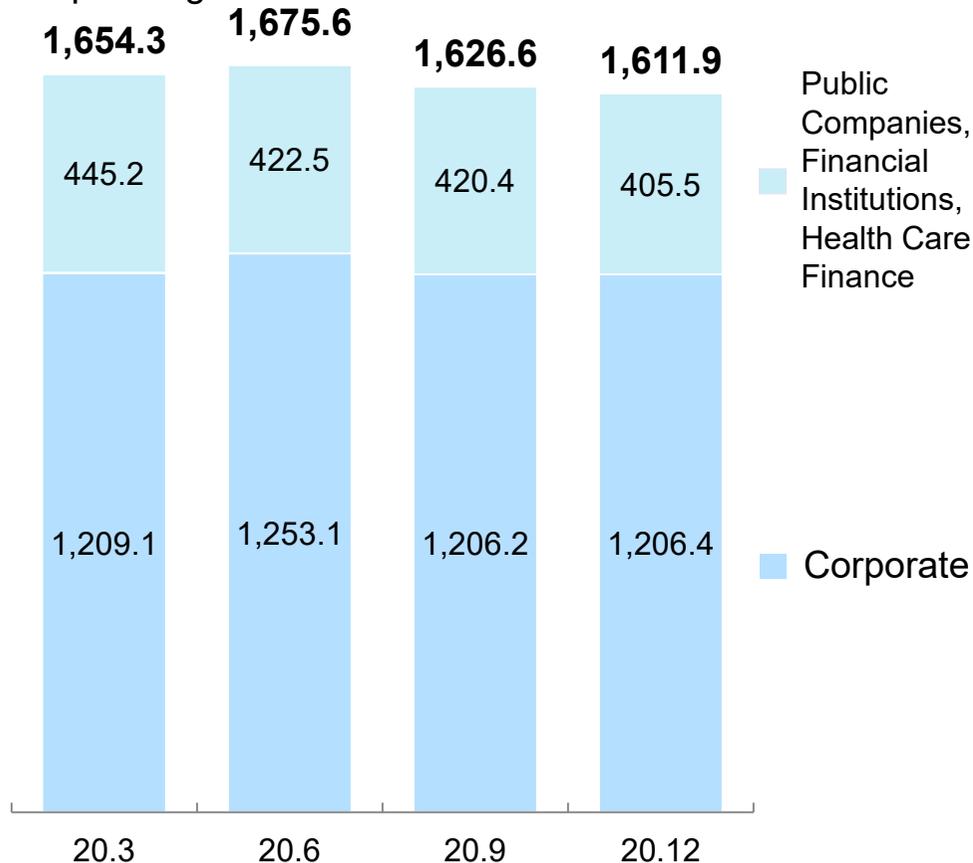
² Number of new commitments 20.7-9 was revised

Corporate Business: Cash demand from customers under COVID-19 dissipated. Asset balance slightly decreased from Sep. 2020

- Cash demand in 20.4-6 resulting from COVID-19 dissipated in 20.7-9. The operating assets balance declined due to lower overdraft balances in addition to repayments and contracted repayments in the 20.7-9. Same situation continues in 20.10-12

- (Unit: JPY billion)
- Decrease in noninterest income reflects decrease in fee income during 20.4-12 as well as one-off gain on sales of equity (approx. JPY 3.0 billion) recorded last year
 - Net credit costs resulted in zero in 20.4-12, reflecting JPY 1.0 billion of credit recoveries due mainly to reversals of the precautionary reserves in 20.10-12

【Operating Assets Balance】



| Corporate Business | 19.4-12 | 20.4-12 |
|-----------------------------------|-------------|-------------|
| Net Interest Income | 7.9 | 8.5 |
| Noninterest Income | 7.2 | 2.7 |
| Total Revenue | 15.1 | 11.2 |
| Expenses | -9.4 | -8.9 |
| Ordinary Business Profit (OBP) | 5.6 | 2.3 |
| Net Credit Costs | -1.0 | 0.0 |
| OBP after Net Credit Costs | 4.6 | 2.4 |

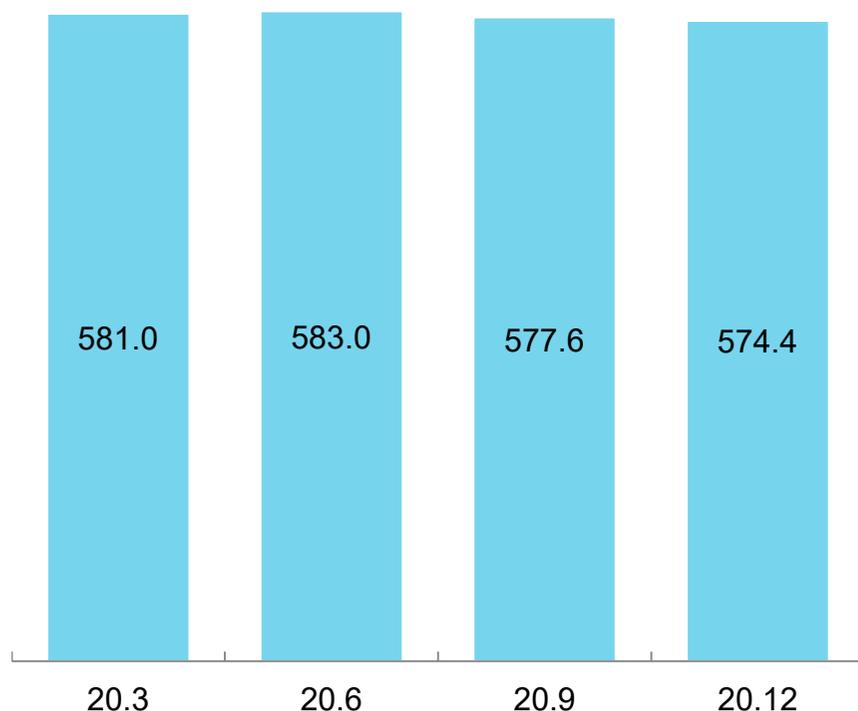
Showa Leasing: Asset balance slightly decreased from Sep. 2020

(Unit: JPY billion)

- In 20.7-9, decrease in the asset balance reflects a decrease in the acquisition of new projects due to restrictions on operating activities in the previous quarter. Slight decrease in balance in 20.10-12 reflects slow acquisition of new projects due to COVID-19

- While total revenue increased, decrease in profit reflects increase in expenses

【Operating Assets Balance】

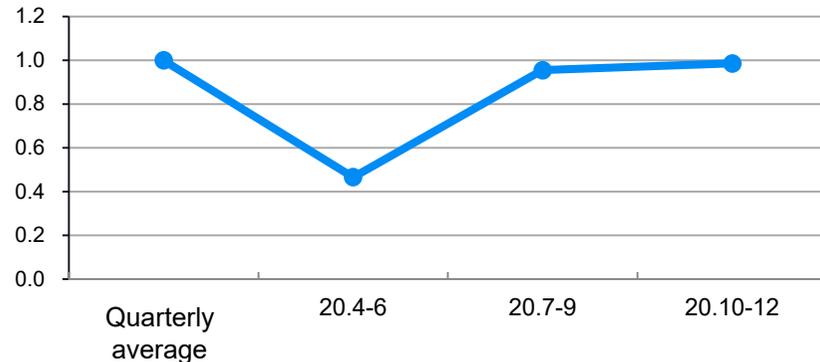


| Showa Leasing | 19.4-12 | 20.4-12 |
|-----------------------------------|-------------|-------------|
| Net Interest Income | -0.2 | 0.0 |
| Noninterest Income | 10.6 | 10.6 |
| Total Revenue | 10.4 | 10.6 |
| Expenses | -7.8 | -8.3 |
| Ordinary Business Profit (OBP) | 2.6 | 2.3 |
| Net Credit Costs | 0.0 | -0.1 |
| OBP after Net Credit Costs | 2.6 | 2.1 |

Retail Banking: Asset management products sale remain stable vs. Jul. - Sep. 2020

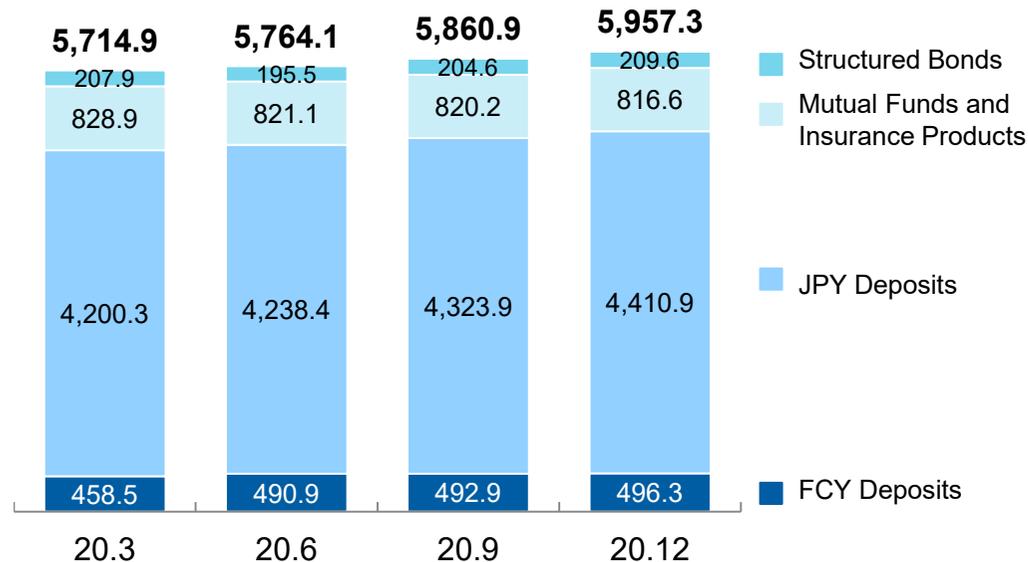
(Unit: JPY billion)

【Trend of sales volume of asset management products¹⁾
(Structured bonds, Mutual funds, Insurance products, Structured deposits)



¹⁾ Quarterly average sales volume from FY17 to FY19 (3 years) is set at 1.0

【AUM Balance】



- Decrease in profit reflects decrease in fee income from asset management products and increase in expenses associated with consolidation of Financial Japan

| Retail Banking | 19.4-12 | 20.4-12 |
|--|-------------|-------------|
| Net Interest Income | 17.9 | 18.5 |
| of which, from Loans | 7.0 | 6.9 |
| of which, from Deposits, etc. | 10.9 | 11.5 |
| Noninterest Income | 3.6 | 2.2 |
| of which, from Asset Management Products | 6.5 | 4.5 |
| of which, Other fees (Loan origination, ATM, FT, FX etc.) | -2.8 | -2.3 |
| Total Revenue | 21.5 | 20.7 |
| Expenses | -20.8 | -21.3 |
| Ordinary Business Profit (OBP) | 0.7 | -0.6 |
| Net Credit Costs | -0.0 | -0.3 |
| OBP after Net Credit Costs | 0.7 | -1.0 |

Segment Information

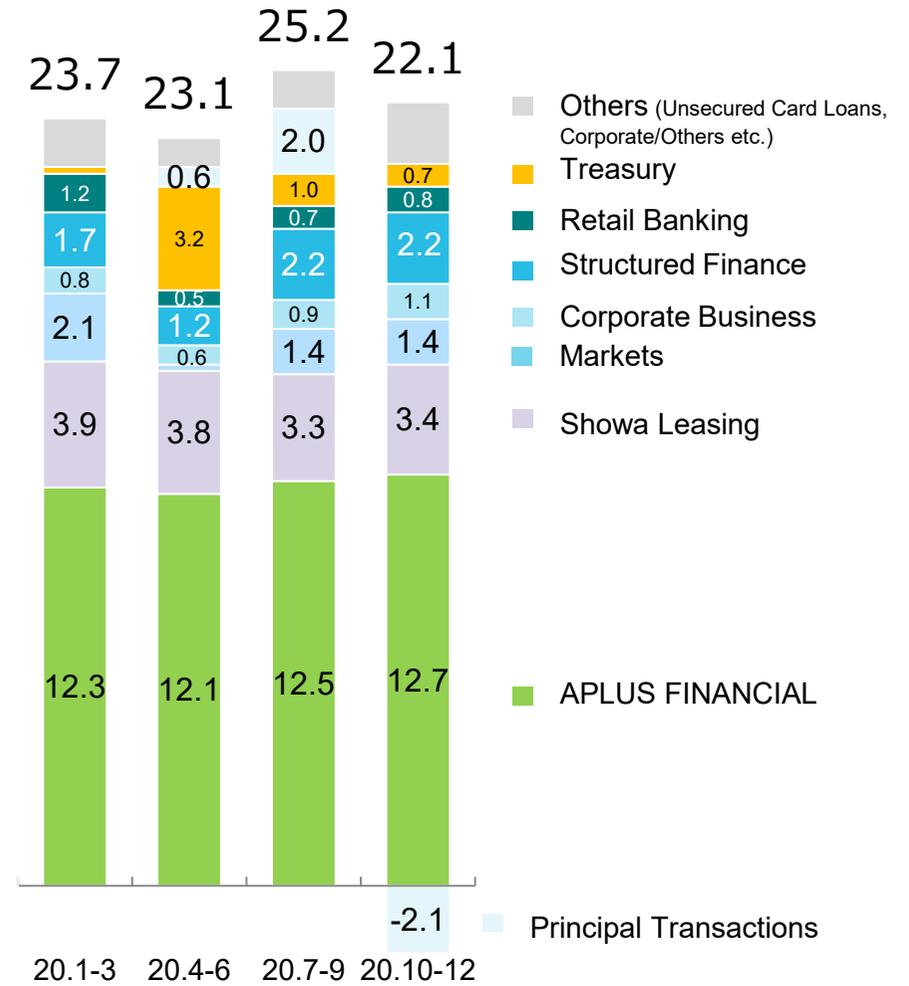
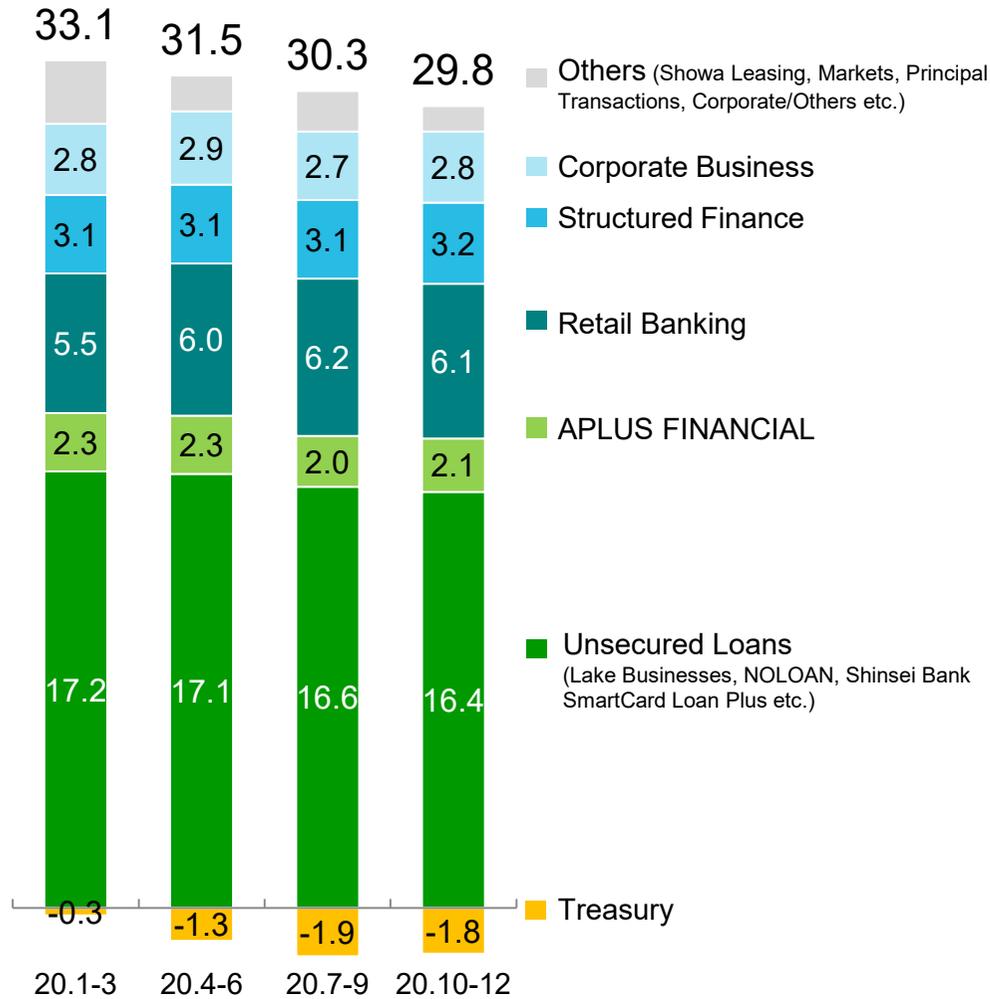


Segment: Net Interest Income, Noninterest Income

(Unit: JPY billion)

Net Interest Income per Segment

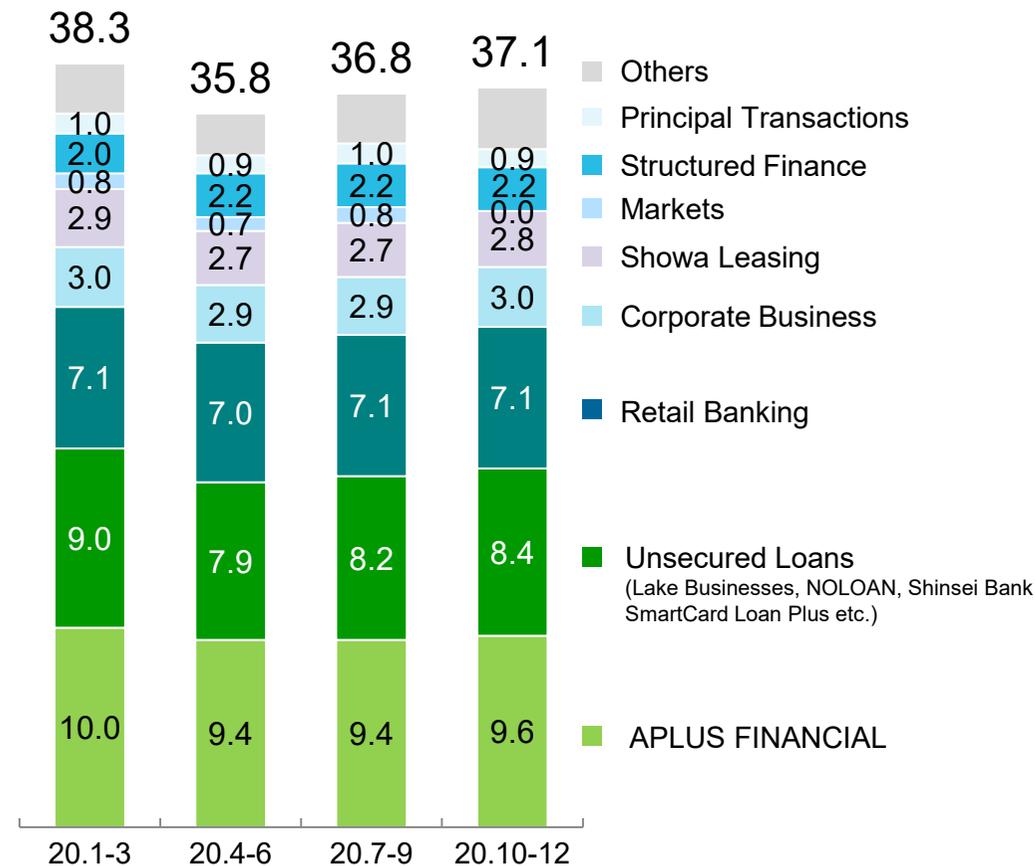
Noninterest Income per Segment



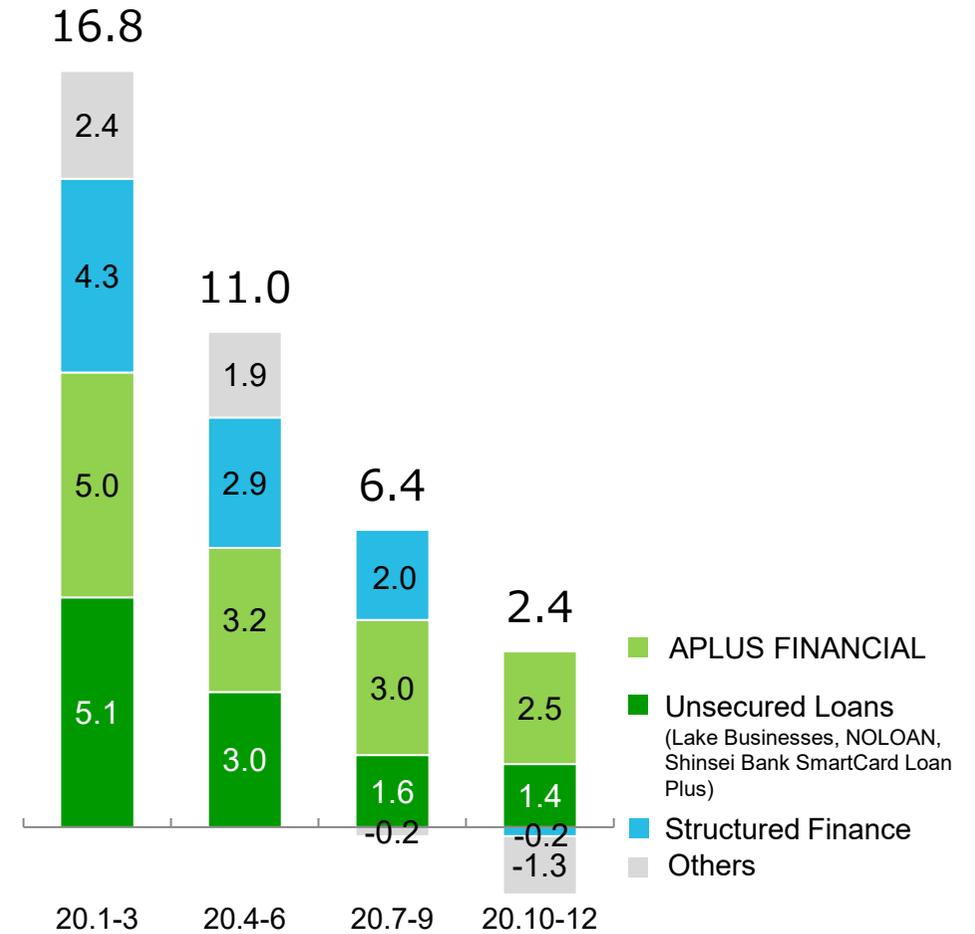
Segment: Expenses, Net Credit Costs

(Unit: JPY billion)

Expenses per Segment



Net Credit Costs per Segment



Segment: Quarterly P&L

(Unit: JPY billion)

| Segment P&L (OBP after Net Credit Costs) | FY2018 | | | | FY2019 | | | | FY2020 | | |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | 4-6 | 7-9 | 10-12 | 1-3 | 4-6 | 7-9 | 10-12 | 1-3 | 4-6 | 7-9 | 10-12 |
| Individual Business | 4.5 | 6.5 | 9.3 | 2.9 | 6.4 | 6.6 | 8.5 | 2.2 | 7.3 | 9.0 | 9.3 |
| Retail Banking | -0.5 | -0.4 | 0.2 | 0.0 | 0.3 | 0.1 | 0.1 | -0.3 | -0.6 | -0.1 | -0.1 |
| Shinsei Financial ¹ | 4.6 | 5.6 | 6.6 | 4.2 | 5.0 | 5.2 | 6.3 | 2.8 | 6.2 | 6.8 | 6.4 |
| APLUS FINANCIAL | 0.4 | 1.1 | 2.2 | -0.7 | 1.1 | 1.3 | 2.1 | -0.4 | 1.7 | 2.0 | 2.6 |
| Other Individuals | 0.0 | 0.1 | 0.1 | -0.6 | -0.1 | -0.1 | -0.1 | 0.2 | 0.0 | 0.3 | 0.3 |
| Institutional Business | 5.2 | 10.6 | 5.1 | 7.7 | 7.1 | 6.6 | 10.8 | 0.0 | -1.0 | 4.8 | 4.6 |
| Corporate Business | 0.6 | -0.6 | 0.0 | 3.9 | 0.3 | 2.9 | 1.3 | -0.6 | 0.0 | 0.4 | 1.9 |
| Structured Finance | -0.2 | 7.8 | 2.6 | 1.8 | 4.1 | -0.8 | 3.2 | -1.5 | -0.8 | 0.9 | 3.4 |
| Principal Transactions | 2.4 | 2.1 | 1.5 | -0.8 | -0.0 | 2.6 | 2.8 | 0.3 | -0.1 | 1.9 | -2.2 |
| Showa Leasing | 2.2 | 0.8 | 0.2 | 1.6 | 1.2 | 0.6 | 0.8 | 0.0 | 0.4 | 1.0 | 0.7 |
| Markets | 0.3 | 0.7 | 0.8 | 1.3 | 1.2 | 1.1 | 2.2 | 1.6 | -0.2 | 0.8 | 0.9 |
| Other Global Markets | -0.1 | -0.3 | -0.3 | -0.2 | 0.0 | 0.1 | 0.4 | 0.2 | -0.2 | -0.2 | -0.0 |
| Corporate/Other | 1.4 | 0.8 | 1.3 | -0.0 | 2.7 | 1.4 | -0.8 | -0.7 | 1.5 | -1.6 | -1.6 |
| Treasury | 1.0 | 0.7 | 0.9 | 1.6 | 3.2 | 2.0 | -0.5 | -0.4 | 1.5 | -1.2 | -1.4 |
| Corporate/Other (excluding Treasury) | 0.4 | 0.0 | 0.3 | -1.7 | -0.5 | -0.5 | -0.3 | -0.2 | 0.0 | -0.3 | -0.2 |
| Total | 11.3 | 17.9 | 15.8 | 10.5 | 16.3 | 14.8 | 18.5 | 1.5 | 7.8 | 12.2 | 12.3 |

Segment: P&L and Operating Assets Balance (3QFY2020)

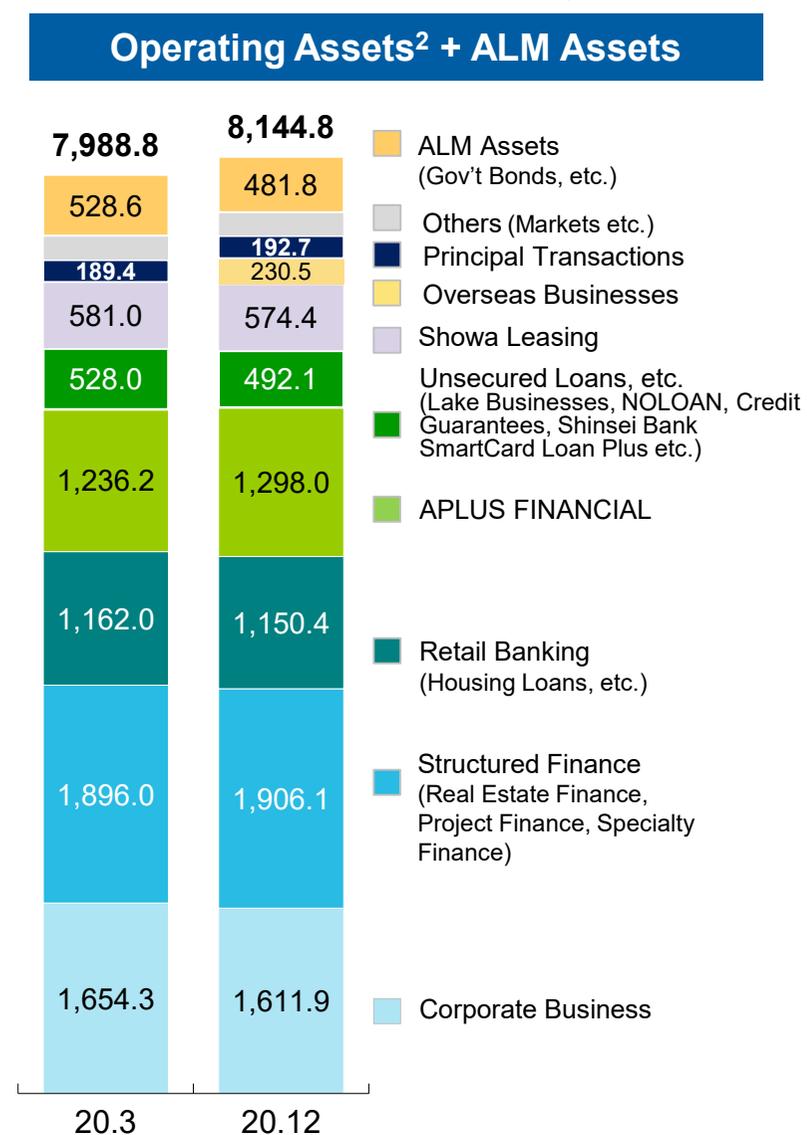
(Unit: JPY billion; %)

| Segment | 20.4-12 (3QFY20) | | |
|---|--|-------------|---------------------------------|
| | Amounts (OBP after net credit costs) | Weight | ROA ³ (Reference) |
| Individual Business | 25.7 | 79% | - |
| Retail Banking | -1.0 | -3% | -0.1% |
| Shinsei Financial ¹ | 19.5 | 60% | 3.4% |
| APLUS FINANCIAL | 6.5 | 20% | 0.4% |
| Other Individuals | 0.7 | 2% | 0.7% |
| Institutional Business | 8.4 | 26% | - |
| Corporate Business | 2.4 | 7% | 0.0% |
| Structured Finance | 3.5 | 11% | 0.0% |
| Principal Transactions | -0.5 | -2% | 1.2% |
| Showa Leasing | 2.1 | 7% | 0.3% |
| Markets | 1.4 | 4% | n.m. |
| Other Global Markets | -0.5 | -2% | n.m. |
| Corporate/Other | -1.7 | -5% | - |
| Treasury | -1.1 | -3% | 0.1% |
| Corporate/Other (excluding Treasury) | -0.5 | -2% | n.m. |
| Total (OBP after net credit costs) | 32.3 | 100% | 0.3% |

¹ Includes Lake Businesses, NOLOAN, Shinsei Bank SmartCard Loan Plus, etc.

² Includes guarantees not requiring funding (customers' liabilities for acceptances and guarantees)

³ Segment ROA = OBP after net credit costs per segment / average operating assets balance of beginning of term and end of term



Segment: P&L and Operating Assets Balance (FY2019)

(Unit: JPY billion; %)

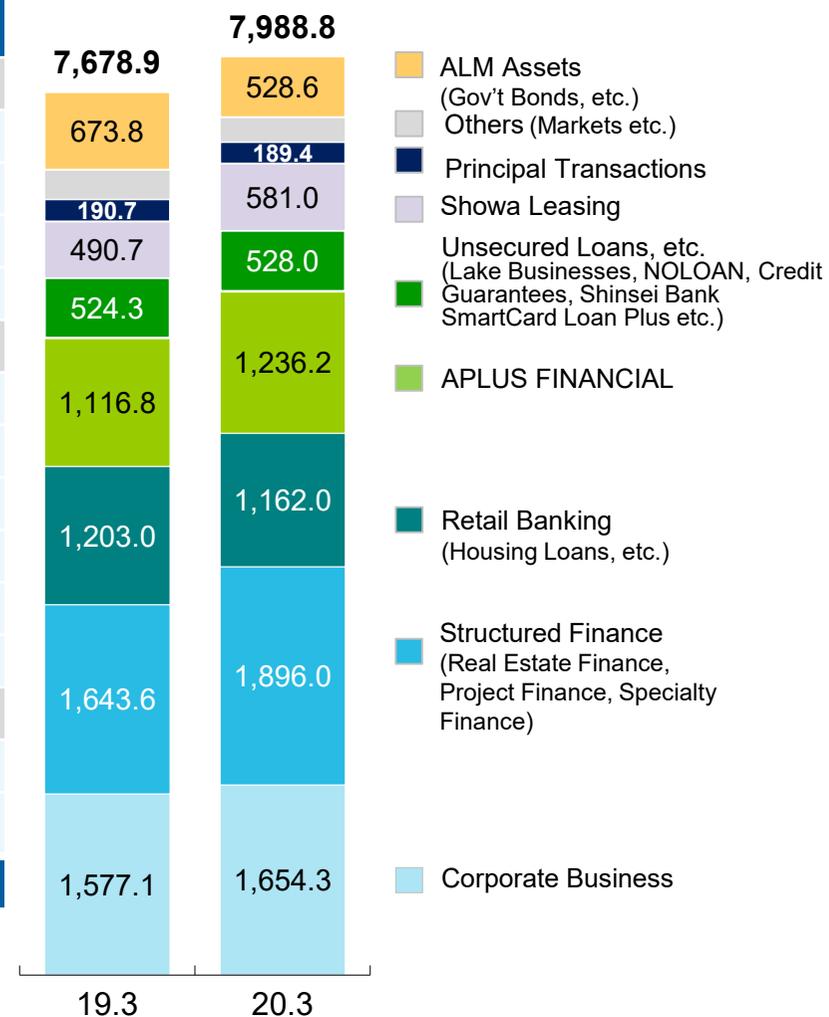
| Segment | 19.4-20.3 (FY19) | | |
|---|--|-------------|---------------------------------|
| | Amounts (OBP after net credit costs) | Weight | ROA ³ (Reference) |
| Individual Business | 23.9 | 47% | - |
| Retail Banking | 0.3 | 1% | 0.0% |
| Shinsei Financial ¹ | 19.5 | 38% | 3.7% |
| APLUS FINANCIAL | 4.2 | 8% | 0.4% |
| Other Individuals | -0.2 | 0% | -0.4% |
| Institutional Business | 24.6 | 48% | - |
| Corporate Business | 4.0 | 8% | 0.2% |
| Structured Finance | 4.9 | 10% | 0.3% |
| Principal Transactions | 5.7 | 11% | 3.0% |
| Showa Leasing | 2.7 | 5% | 0.5% |
| Markets | 6.2 | 12% | n.m. |
| Other Global Markets | 0.9 | 2% | n.m. |
| Corporate/Other | 2.6 | 5% | - |
| Treasury | 4.3 | 8% | 0.7% |
| Corporate/Other (excluding Treasury) | -1.6 | -3% | n.m. |
| Total (OBP after net credit costs) | 51.2 | 100% | 0.7% |

¹ Includes Lake Businesses, NOLOAN, Shinsei Bank SmartCard Loan Plus, etc.

² Includes guarantees not requiring funding (customers' liabilities for acceptances and guarantees)

³ Segment ROA = OBP after net credit costs per segment / average operating assets balance of beginning of term and end of term

Operating Assets² + ALM Assets



Key Data

Balance Sheet

| (Unit: JPY billion) | FY16 | FY17 | FY18 | FY19 | 20.12 |
|--|----------------|----------------|----------------|-----------------|-----------------|
| Loans and bills discounted | 4,833.4 | 4,895.9 | 4,986.8 | 5,110.4 | 5,183.7 |
| Securities | 1,014.6 | 1,123.5 | 1,130.2 | 957.0 | 902.2 |
| Lease receivables/ leased investment assets | 191.4 | 171.4 | 176.5 | 193.4 | 193.9 |
| Installment receivables | 541.4 | 558.8 | 562.2 | 670.7 | 824.0 |
| Reserve for credit losses | -100.1 | -100.8 | -98.0 | -107.9 | -107.7 |
| Deferred Tax Assets | 15.5 | 14.7 | 15.0 | 16.9 | 14.5 |
| Total assets | 9,258.3 | 9,456.6 | 9,571.1 | 10,226.5 | 10,514.9 |
| Deposits including negotiable certificates of deposits | 5,862.9 | 6,067.0 | 5,922.1 | 6,305.1 | 6,462.9 |
| Borrowed money | 789.6 | 739.5 | 684.0 | 881.9 | 968.2 |
| Corporate bonds | 112.6 | 85.0 | 92.3 | 166.5 | 348.1 |
| Grey zone reserves | 101.8 | 74.6 | 63.0 | 49.3 | 40.7 |
| Total liabilities | 8,437.5 | 8,600.6 | 8,674.5 | 9,316.0 | 9,603.2 |
| Shareholders' equity | 823.7 | 862.5 | 899.5 | 919.2 | 919.4 |
| Total net assets | 820.7 | 856.0 | 896.6 | 910.4 | 911.6 |

Financial Ratios

| (Unit: %) | FY16 | FY17 | FY18 | FY19 | 3QFY20 |
|---------------------------|------|------|------|------|--------|
| Expenses-to-revenue ratio | 62.3 | 61.5 | 63.0 | 62.3 | 67.7 |
| Loan-to-deposit ratio | 82.4 | 80.7 | 84.2 | 81.1 | 80.2 |
| ROA | 0.6 | 0.5 | 0.5 | 0.5 | 0.3 |
| ROE | 6.3 | 6.1 | 6.0 | 5.1 | 3.8 |
| NPL Ratio ¹ | 0.22 | 0.17 | 0.20 | 0.34 | 0.84 |

Per Share Data

| (Unit: JPY) | FY16 | FY17 | FY18 | FY19 | 3QFY20 |
|------------------|----------|----------|----------|----------|----------|
| BPS ² | 3,163.89 | 3,376.39 | 3,636.92 | 3,913.40 | 4,159.01 |
| EPS ² | 194.65 | 199.01 | 211.24 | 190.59 | 116.13 |

Credit Ratings

| | 17.3 | 18.3 | 19.3 | 20.3 | 20.12 |
|---------|------|------|------|------|-------|
| R&I | BBB+ | A- | A- | A- | A- |
| JCR | BBB+ | BBB+ | A- | A- | A- |
| S&P | BBB+ | BBB+ | BBB+ | BBB+ | BBB |
| Moody's | Baa2 | Baa2 | Baa2 | Baa1 | Baa1 |

¹ NPL ratio based on Financial Revitalization Law (Nonconsolidated)

² Reverse stock split (10 stocks to 1 stock) was executed on October 1, 2017.

Per share data for FY16 has been adjusted to conform to current period presentation

Disclaimer

- The preceding description of Shinsei Bank Group's Medium-Term Strategies contains forward-looking statements regarding the intent, belief and current expectations of our management with respect to our financial condition and future results of operations. These statements reflect our current views with respect to future events that are subject to risks, uncertainties and assumptions. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, our actual results may vary materially from those we currently anticipate. Potential risks include those described in our annual securities report filed with the Kanto Local Finance Bureau, and you are cautioned not to place undue reliance on forward-looking statements.
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