

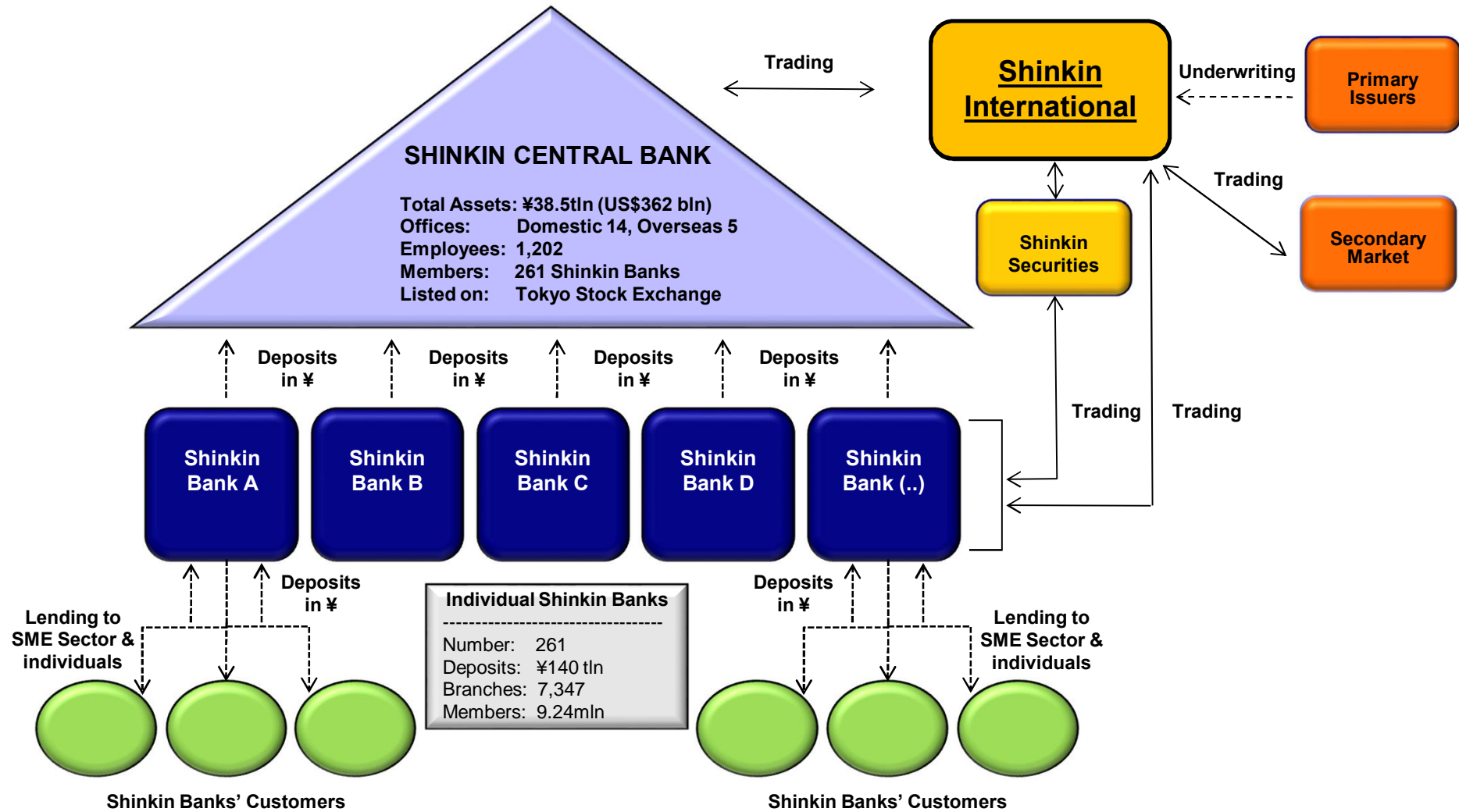
# Shinkin International

January 2019





# Shinkin – Group Structure



(As of March 31, 2018)



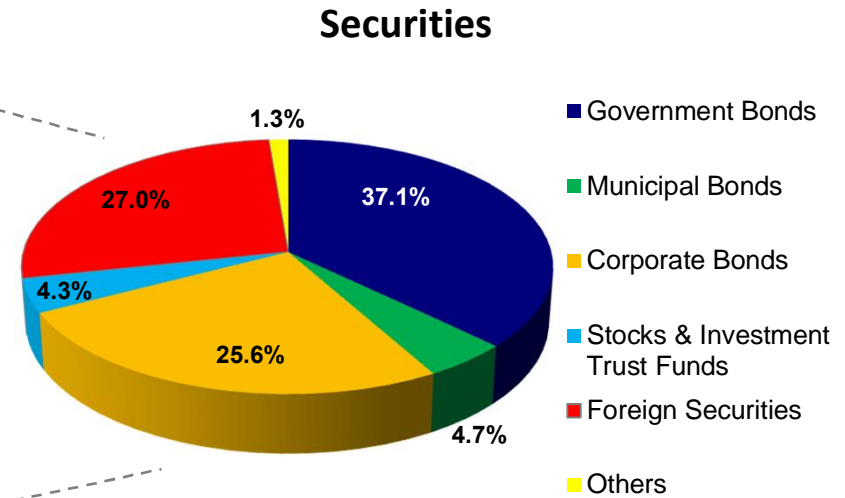
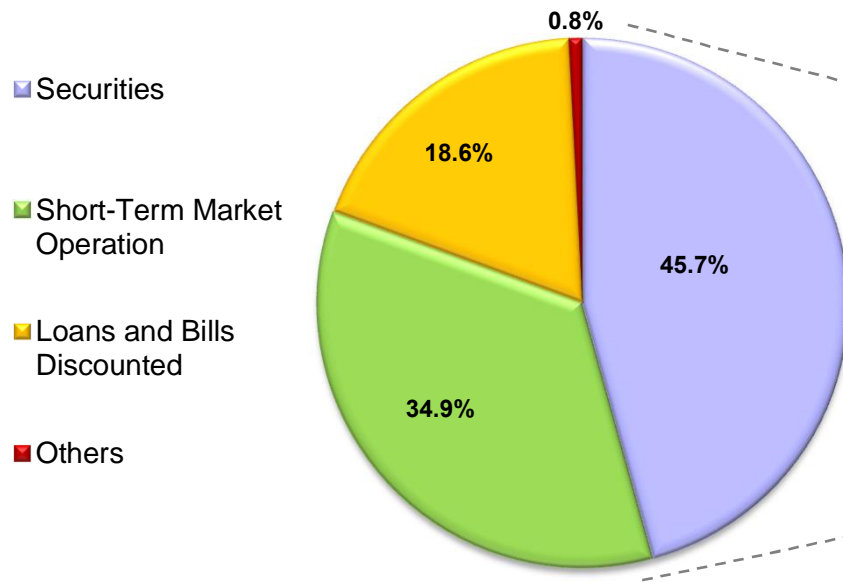
# Shinkin Central Bank

- Shinkin Central Bank (“SCB”) was established in 1950 to act as a central bank for all the shinkin banks in Japan but also acts as a financial institution in its own right.
- The bank balances funding supply and demand among the shinkin banks and provides settlement and operational support which may be difficult or inefficient for the shinkin banks to undertake themselves.
- SCB is one of Japan’s largest institutional investors. As of March 2018, the bank had assets of ¥38.5 trillion (USD 362 billion).
- SCB’s consolidated BIS Capital Adequacy Ratio stands at 30.5% (under domestic standard) and the non-performing loans ratio is 0.60% (as of March 2018).
- SCB is the 75th largest bank in the world in terms of Total Asset Size (The Banker July 2018 – unconsolidated with the Shinkin banks).
- SCB Credit Rating as of March 2018 : A1 (Moody’s), A (S&P), A+ (R&I), AA (JCR)



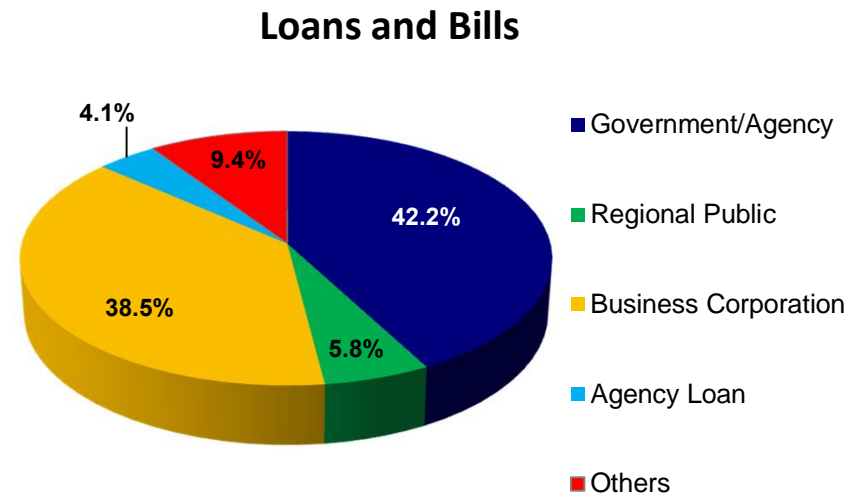
# Shinkin Central Bank – Business Overview

## Breakdown of Asset Management and Securities Held (As of March 31, 2018)



## Breakdown of Funding (As of March 31, 2018)

Fund Raising	USD(bln)	100%
Deposits	284.7	82.9%
Debentures	25.5	7.4%
Borrowed Money	33.3	9.7%





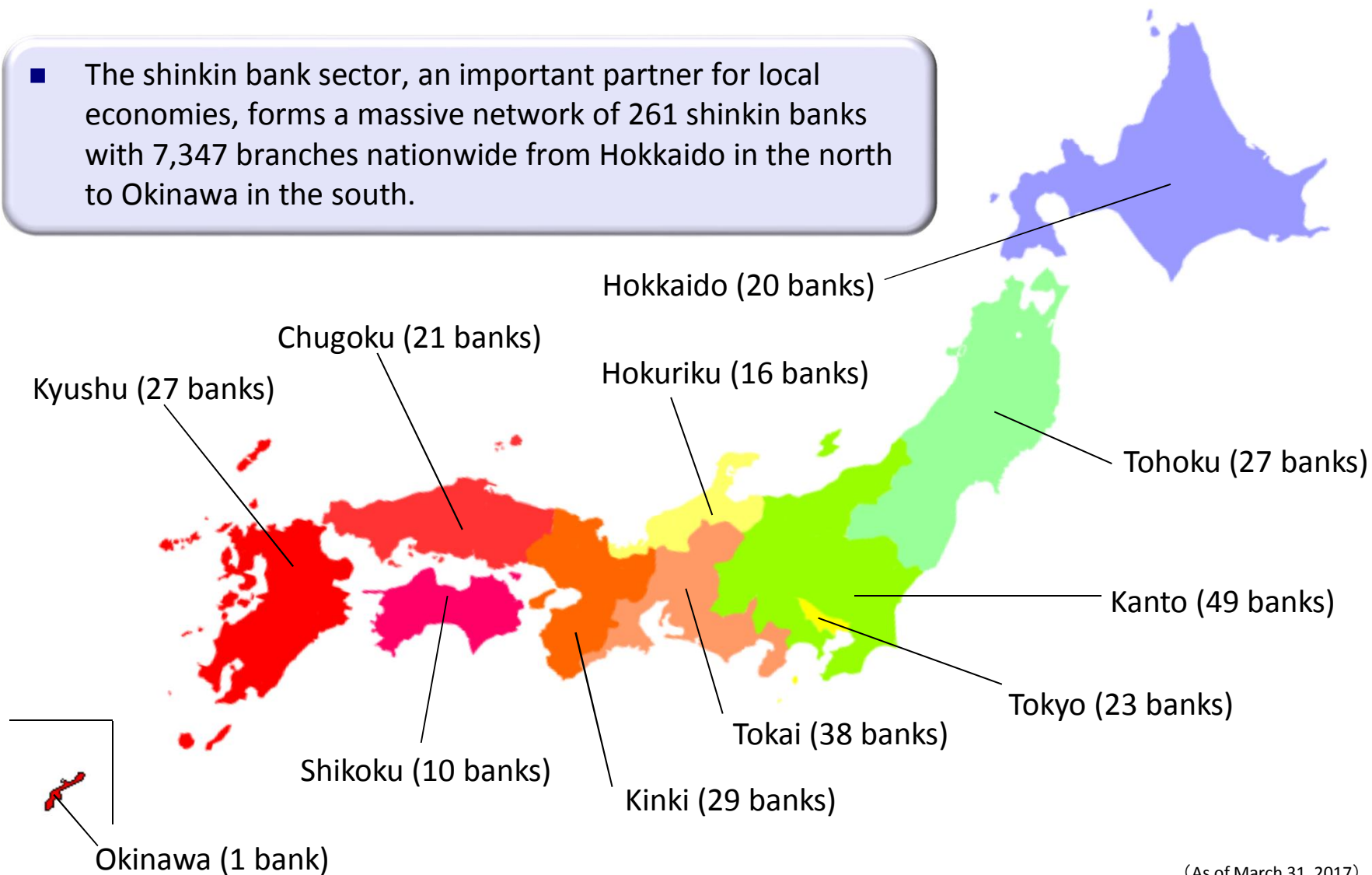
## Shinkin Banks

- Shinkin banks (“credit banks”) are cooperative financial institutions whose members are local residents and small/medium sized companies.
- Shinkin banks are close and convenient for their customers and enjoy a strong relationship of mutual trust with the communities they serve.
- Shinkin banks (governed by Shinkin Bank Law) operate in a similar way to commercial banks but in principle restrict lending to members.
- As of March 2018, there were 261 shinkin banks with a total of 7,347 branches throughout Japan.
- As of March 2018, the Capital Adequacy Ratio of Shinkin Banks was 12.5%.
- Membership stands at around 9.2 million and deposits total ¥154 trillion (approx. USD 1,455 billion) as of March 2018.



# Shinkin Bank Distribution

- The shinkin bank sector, an important partner for local economies, forms a massive network of 261 shinkin banks with 7,347 branches nationwide from Hokkaido in the north to Okinawa in the south.



(As of March 31, 2017)



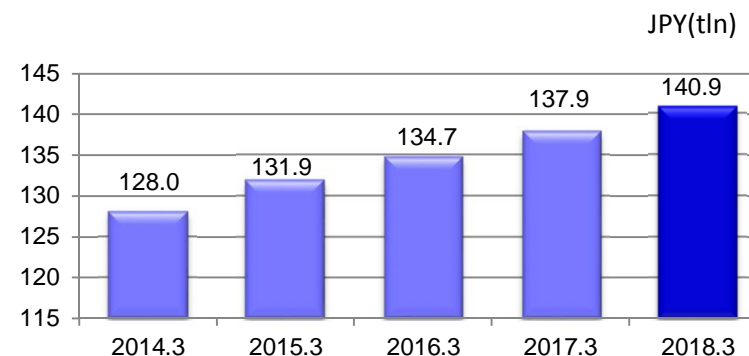
# Orverview of the Shinkin Banks

## Deposit Outstanding by Banking Segment

(USD bln equivalent as at March 31, 2018)

Banking Segment	Deposit Outstanding
City Banks	3,358
Regional Banks	2,457
Shinkin Banks	1,326
Agricultural	953
Second-tier Regional	628
Credit Cooperatives	191
Labor Credit	185

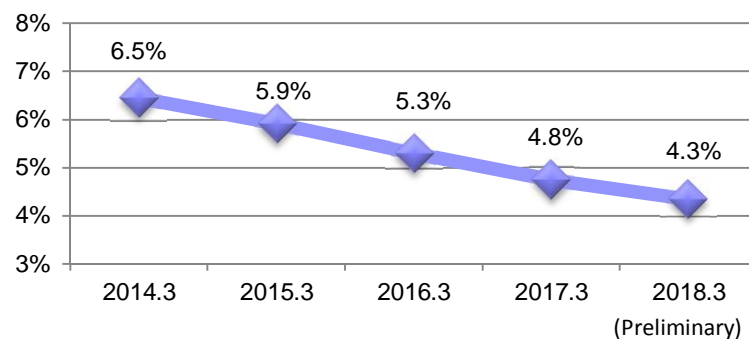
## Deposit Outstanding at Shinkin Banks



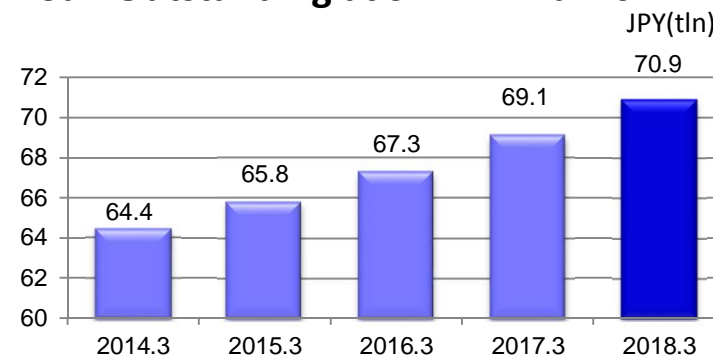
Note: Items in parentheses are US dollar amounts.

Source: SCB

## Non-Performing Loan Ratio at Shinkin Banks

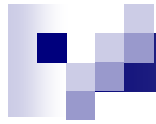


## Loan Outstanding at Shinkin Banks



Note: Items in parentjeses are US doller amounts.

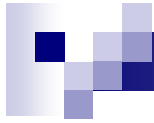
Sources: SCB



# Shinkin International

- Shinkin International Ltd. (a wholly owned subsidiary of Shinkin Central Bank) was established in London in 1990 as an overseas base for securities business.
- The main goals of the company are to arrange and place “Private EMTN draw-downs”, to trade “Secondary Eurobonds” and to provide broad investment opportunities.
- These activities are driven by the combined requirements of
  - Shinkin Central Bank
  - Individual banks among the extensive shinkin network (approximately 80% of shinkin banks have bought EMTNs)
  - Other investors in Japan and elsewhere (sourced both through direct marketing and in co-operation with other arrangers)
- We are regulated in the UK by the Financial Conduct Authority.





## Transaction Execution Record

	2014	2015	2016	2017	2018
<b>Number of Deals</b>	487	590	571	406	441
<b>Primary Trade</b>	47	26	18	9	7
<b>Secondary Trade</b>	440	564	553	397	434
<b>Volume of Deals (¥ bln)</b>	500	483	330	224	254
<b>Primary Trade</b>	54	42	27	14	24
<b>Secondary Trade</b>	446	441	302	210	229



## Contacts

*Head of Capital Markets*

**Naoto Tomizawa**

**+44 (0)20 7562 0519**

**naoto.tomizawa@shinkin.co.uk**

*Associate Director*

**Alexander Sel**

**+44 (0)20 7562 0518**

**alexander.sel@shinkin.co.uk**

*Associate Director*

**Rei Ienaga**

**+44 (0)20 7330 9301**

**rei.ienaga@shinkin.co.uk**

*Manager*

**Thomas Partouche**

**+44 (0)20 7562 0518**

**Thomas.partouche@shinkin.co.uk**

Capital markets email address:

*For inquiries to capital markets team*

**[front@shinkin.co.uk](mailto:front@shinkin.co.uk)**

### ***Shinkin International Ltd.***

Address: 1st Floor, 85 London Wall, London EC2M 7AD  
Homepage: <http://www.sil-uk.net>  
Telephone: +44 - (0)20 - 7374 - 4633  
Company e-mail: [information@shinkin.co.uk](mailto:information@shinkin.co.uk)