

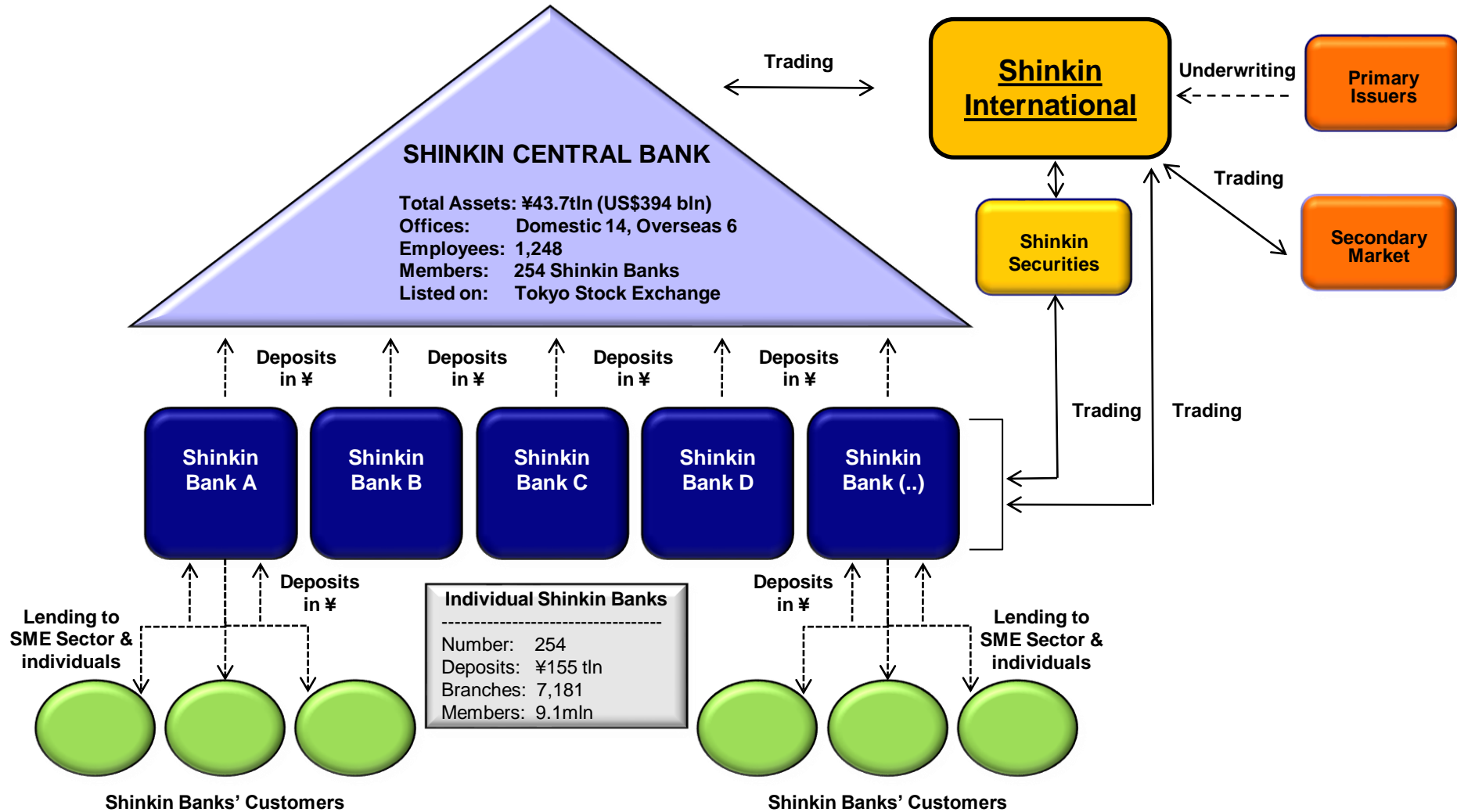
Shinkin International

April 2022





Shinkin – Group Structure



(As of March 31, 2018)



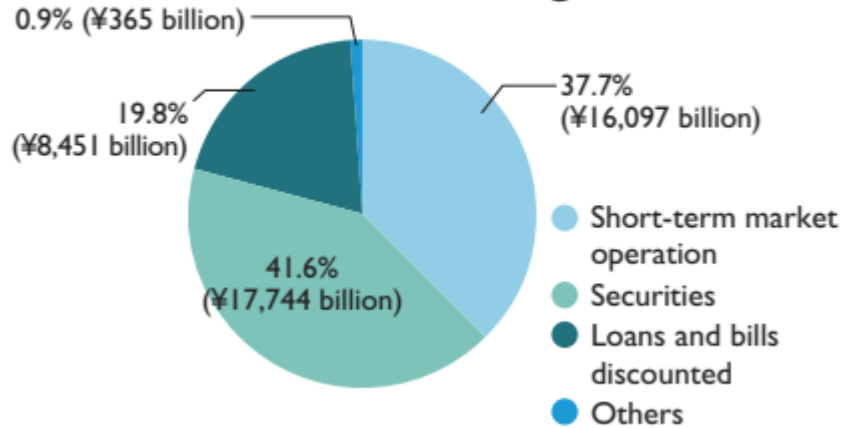
Shinkin Central Bank

- 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 2021, the bank had assets of ¥43.7 trillion (USD 394 billion).
- SCB’s consolidated BIS Capital Adequacy Ratio stands at 25.6% (under domestic standard) and the non-performing loans ratio is 0.27% (as of March 2021).
- SCB Credit Rating as of March 2021 : A1 (Moody’s), A (S&P), A+ (R&I), AA (JCR)

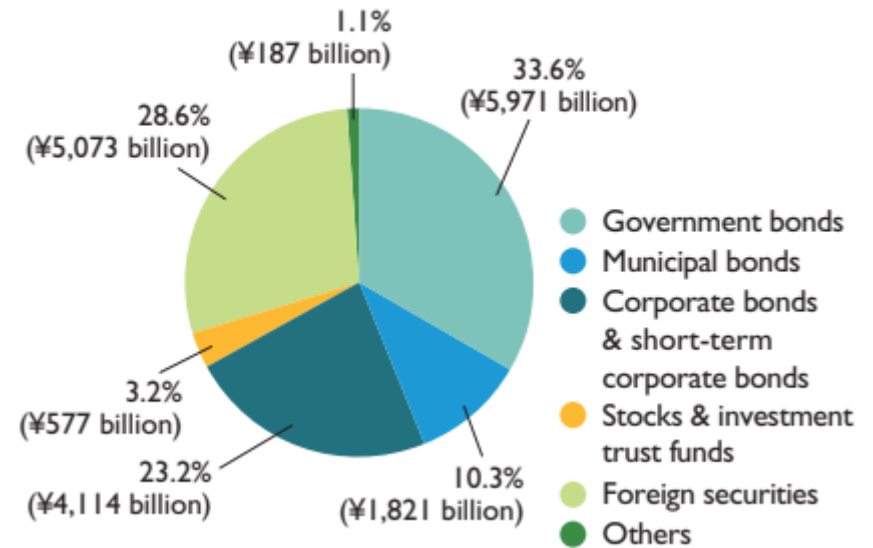


Shinkin Central Bank – Business Overview (As of March 2021)

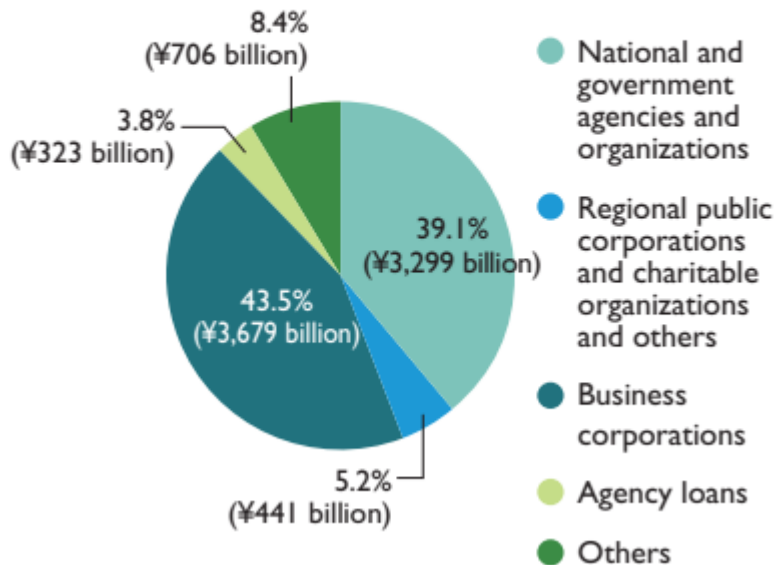
Breakdown of Asset Management



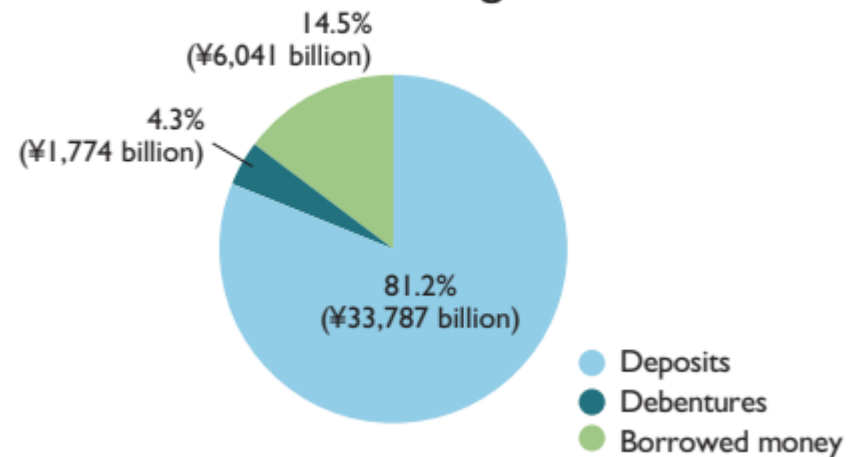
Breakdown of Securities



Breakdown of Loans and Bills Discounted*



Breakdown of Funding





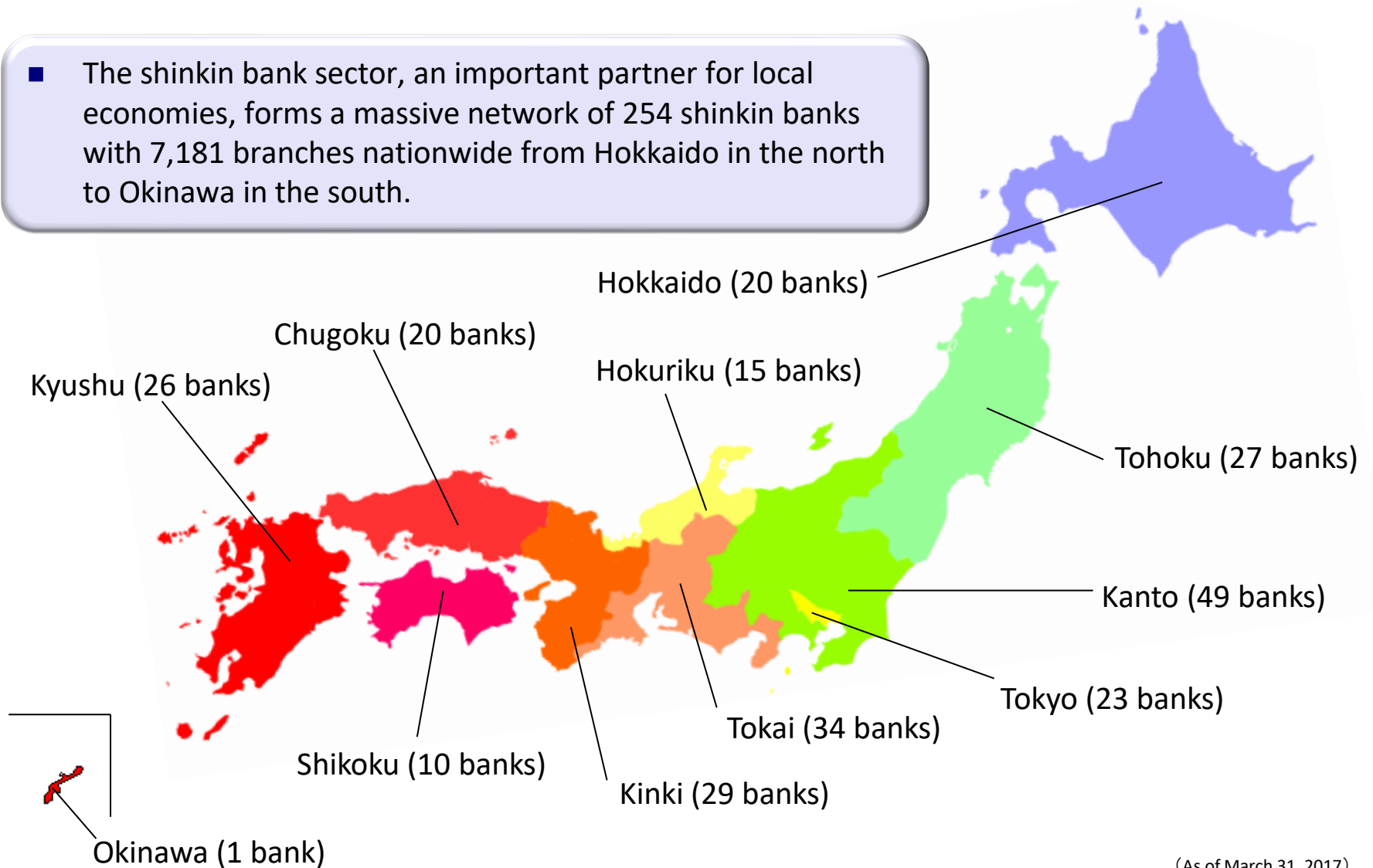
Shinkin Banks

- 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 2021, there were 254 shinkin banks with a total of 7,181 branches across Japan.
- As of March 2021, the Capital Adequacy Ratio of Shinkin Banks was 12.48%.
- Membership stands at around 9.1 million and deposits total ¥155 trillion (approx. USD 1,405 billion) as of March 2021.



Shinkin Bank Distribution

- The shinkin bank sector, an important partner for local economies, forms a massive network of 254 shinkin banks with 7,181 branches nationwide from Hokkaido in the north to Okinawa in the south.



(As of March 31, 2017)



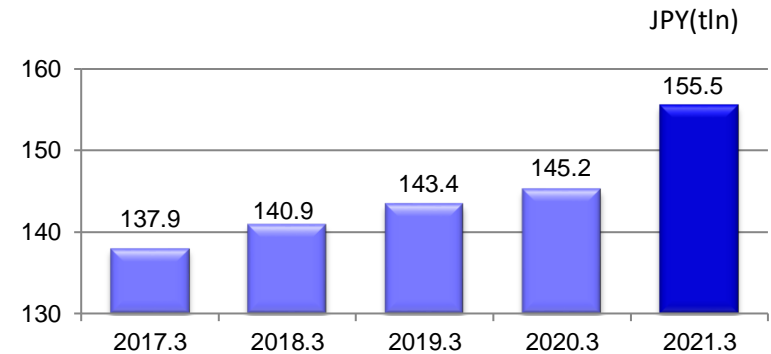
Overview of the Shinkin Banks

Deposit Outstanding by Banking Segment

(USD bln equivalent as at March 31, 2021)

Banking Segment	Deposit Outstanding
City Banks	3,894
Regional Banks	2,748
Shinkin Banks	1,405
Agricultural	965
Second-tier Regional	609
Credit Cooperatives	202
Labor Credit	197

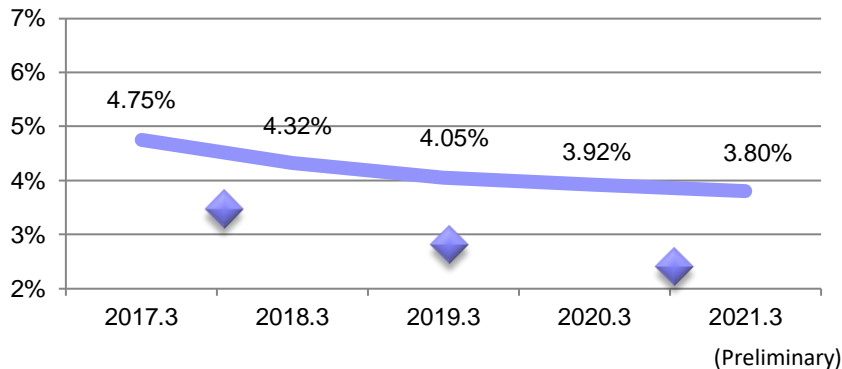
Deposit Outstanding at Shinkin Banks



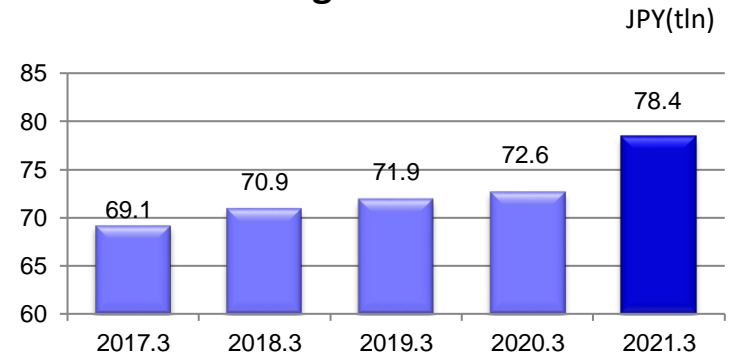
Note: Items in parentheses are US dollar amounts.

Source: SCB

Non-Performing Loan Ratio at Shinkin Banks



Loan Outstanding at Shinkin Banks



Note: Items in parentheses are US dollar 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

	2017	2018	2019	2020	2021
Number of Deals	406	441	622	351	292
Primary Trade	9	7	9	11	8
Secondary Trade	397	434	613	340	284
Volume of Deals (¥ bln)	224	254	273	199	250
Primary Trade	14	24	17	21	20
Secondary Trade	210	230	156	178	230



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