

Commencement of Online Retail Banking Business in Russia First among Japanese Companies

SBI Holdings, Inc. (Head office: Minato-ku, Tokyo; Representative Director and CEO: Yoshitaka Kitao; “SBIH”) is pleased to inform you that YAR Bank Ltd. (Head office: Moscow, Russian Federation; Chairman of the Board: Yaroslav M. Knignitsky; “YAR Bank”; *SBIH shareholding: 50%) has launched an online retail banking service in Russia. YAR Bank is a joint venture commercial bank between SBIH and METROPOL Investment Financial Company Ltd. (Head office: Moscow, Russian Federation; General Director: Yury L. Vodopyanov) which is a major financial conglomerate in Russia.

Since receiving SBIH’s investments in June 2011, YAR Bank has prepared to launch a new business by leveraging the SBI Group’s expertise gained in Japan such as the development of an online banking system and call center frameworks.

Through the newly launched online banking business, YAR Bank will provide customers with competitive products and services in Russia including the industry’s top-level deposit interest rates / fee structures, credit cards waiving the first year’s annual fee, and “card loans” offering low interest rates and high credit limits.

In Russia, banks providing services to retail customers through face-to-face contact have been providing online banking services to complement their business. However, YAR Bank’s online banking service — accepting customer applications for account opening online and providing a wide range of banking services including bank transfers and remittances without customers needing to visit bank branches — is a pioneering approach in Russia’s financial industry.

Key Features of YAR Bank’s Online Banking Business

1. **Offering banking products and services that can be completed online** (no need to visit a bank branch)
 - Using a smartphone-based personal identification system when delivery companies deliver bank cards to customers’ home or office
 - Establishing a state-of-the-art system for automating the loan process from application to screening, completing the process from receiving applications to presenting the screening results in two minutes at the shortest
2. **Providing competitive products and services**
 - Issuing credit cards with low interest rates and high credit limits
 - Offering a wide variety of deposit products with favorable interest rates
 - Planning to launch loan products such as Internet loans and debit cards with overdraft facilities

in the future

3. Offering a highly convenient fee structure and ATM networks

- Offering free of charge ATM cash deposit / withdrawal services
- Participating in Russia’s two major ATM networks, providing customers with access to over 28,000 ATMs in the country

In the name YAR Bank, “Y” stands for “Япония (Yaponiya)” which means “Japan” in Russian and “R” stands for Russia. The name YAR Bank signifies a Japanese and Russian bank.

Going forward, YAR Bank will strive to differentiate itself from other banks by offering services based on the “Customer-centric Principle” — one of the core values of the SBI Group. YAR Bank will first focus on expanding its customer base (mainly retail customers) in the city of Moscow and the surrounding Moscow Oblast as well as the city of Saint Petersburg and the surrounding Leningrad Oblast (with a total population of approximately 20 million). YAR Bank is planning to sequentially expand the services to other local cities in the future.

YAR Bank will continue to offer the corporate banking business (e.g., loans, deposits, remittances) that have been offered since its establishment in 1994 with the aim of strengthening revenue bases, focusing both on the retail and corporate banking businesses.

The SBI Group will continue to expand the financial business in emerging countries by leveraging its expertise in the online financial business (e.g., securities, banking) gained in Japan according to the level of economic development in each country.

About YAR Bank

Establishment: 1994
Total assets: RUB 10,105 million (JPY 29.62 billion*)
Capital: RUB 1,904 million (JPY 5.58 billion*)

* Converted at RUB 1 = JPY 2.932, as of 31 May 2014

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