

A Tribute to Mr. Masamoto Yashiro

In March 2000, Masamoto Yashiro began a third phase in his extraordinary career when he became Chairman, President and CEO of Shinsei Bank. He had already worked for over 30 years with Exxon and helped turn Esso into a household brand in Japan. Upon retiring from Exxon, he joined Citibank and made a significant impact on the Japanese banking industry in creating a new retail banking business in Japan. With Shinsei, Yashiro-san broke new ground in overcoming challenges and creating new opportunities.

President Yashiro wasted little time in tackling problems and building new businesses. He immediately addressed the issue of Shinsei Bank's significant amount of non-performing loans. He led the creation of a new institutional banking business model, with a shift from reliance on lending to the provision of a wide array of innovative investment banking products and services. The Bank's infrastructure and technology was completely overhauled. A new retail banking business model was launched from scratch. In just four years, Yashiro-san turned a bankrupt bank into a successful institution which could be re-listed on the Tokyo Stock Exchange in February 2004.

Yashiro-san provided strong leadership based on a vision which insists that we embrace change and that we have the courage to be different. We see this view articulated in many of Shinsei's activities. In developing a new retail banking business, he insisted that Shinsei Bank needed to empower our customers to engage with the Bank on the customers' terms, rather than the Bank's terms. In setting a new course for the institutional business, he was not afraid to de-emphasize lending activities. He brought his belief in the improvement of technology as a means of delivering superior products and services to customers while enhancing operational efficiency. Under his leadership, Shinsei

Bank replaced the existing mainframe computer system with an entirely new, server-based system, developed with Indian software partners, which provides a highly flexible and scalable platform for a fraction of the cost and time that a conventional platform would have required.

In his personal approach, Yashiro-san emphasized clear communication and constant engagement at all levels of the organization. In times of difficulty, he was always present to offer direction and encouragement. He has set the course of a transparent and open management of an institution which is based on performance and meritocracy in the context of a culturally diverse organization.

What characterizes Yashiro-san is that he is always seeking to learn and always willing to teach. As his life and career has moved beyond Shinsei Bank, he continues to demonstrate this trait. In 2004, he became the first foreign member of the Board of Directors of the China Construction Bank. He was also named to the Council of International Advisors of the China Banking Regulatory Commission. He is bringing his knowledge and experience to the Chinese banking industry and is working to understand the developments of this important market.

On June 9, 2006, Yashiro-san was named "Best Retail Banker of the Year" by *The Asian Banker*.

Masamoto Yashiro has inspired all of us at Shinsei Bank with his vision, his courage and his determination. His willingness to challenge the status quo and to take the risk of being different and of trying new things will always be with us. He has created Shinsei Bank as a new and different kind of Japanese bank. We thank him for all that he has done.

Thierry Porté on behalf of the people of Shinsei Bank