

# **Financial Summary**

**For the Third Quarter Ended December 31, 2021**



**Shinsei Bank, Limited  
(Code 8303, TSE First Section)**

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•The following document should be read in conjunction with the consolidated and nonconsolidated financial statements prepared in accordance with generally accepted accounting principles in Japan for banks. Except as otherwise indicated, the financial information in the following discussion is based on the consolidated financial statements. Financial and operational figures that are stated in multiples of ¥0.1 billion have been truncated. All percentages unless otherwise noted have been rounded to the nearest 0.1%.

•Quarterly information is available in the Quarterly Data Book.

## Financial Highlights<sup>1</sup>

(Billions of yen, except percentages)

Results of operations (Consolidated) [Page 3]	Q3 FY2021 (9 months)	Q3 FY2020 (9 months)	Change (Amount)	FY2020 (12 months)
Net interest income	93.5	91.6	1.8	122.0
Noninterest income	75.7	70.5	5.2	99.8
Total revenue	169.2	162.1	7.0	221.9
General and administrative expenses	-116.5	-109.8	-6.7	-149.6
Net credit costs	-12.7	-19.9	7.1	-28.3
Income before income taxes	39.4	31.4	8.0	55.3
Profit attributable to owners of the parent	37.4	26.1	11.2	45.1

(Billions of yen)

Balance sheets (Consolidated) [Page 17]	Dec 31 2021	Mar 31 2021	Change (Amount)
Cash and due from banks	1,782.5	1,919.0	-136.4
Securities	909.8	929.7	-19.9
Loans and bills discounted	5,211.8	5,233.6	-21.7
Total assets	10,556.2	10,740.1	-183.9
Deposits and negotiable certificates of deposit	6,400.1	6,571.3	-171.1
Total liabilities	9,610.1	9,809.4	-199.2
Total equity	946.0	930.7	15.3

Financial ratios (Consolidated) [Page 4, 16, 25]	Q3 FY2021 (9 months)	Q3 FY2020 (9 months)	FY2020 (12 months)
Net interest margin	2.34%	2.29%	2.28%
Expense-to-revenue ratio	68.9%	67.7%	67.4%

	Dec 31 2021	Mar 31 2021
Capital adequacy ratio (Basel III, domestic standard)	12.14%	11.39%
NPL ratio based on Financial Revitalization Law (nonconsolidated)	0.45%	0.64%

(Billions of yen)

Results of operations (Nonconsolidated) [Page 21]	Q3 FY2021 (9 months)	Q3 FY2020 (9 months)	Change (Amount)	FY2020 (12 months)
Net interest income	64.8	64.7	0.1	108.5
Noninterest income	0.8	2.3	-1.4	3.5
Total revenue	65.7	67.0	-1.2	112.1
General and administrative expenses	-54.3	-52.0	-2.3	-69.7
Net credit costs	1.5	-5.0	6.5	-6.4
Net income	11.4	7.4	4.0	34.5

1. Represents results based on management accounting basis.

## Financial Highlights

Profit attributable to owners of the parent for the third quarter of the current fiscal year was 37.4 billion yen, increased by 11.2 billion yen from the same period of the previous fiscal year. Total revenue increased due to an increase in fees and commissions from the sales of asset management products in Retail Banking, as well as revenue from UDC Finance Limited ("UDC"), a newly consolidated subsidiary in the previous fiscal year, despite a decrease in interest income in the consumer finance business. On the other hand, general and administrative expenses increased compared to the same period of the previous fiscal year, mainly due to the consolidation of UDC. Net credit costs improved mainly because in the previous fiscal year additional credit provisions were necessitated in Institutional Business due to the deterioration in borrowers' business conditions by the spread of Covid-19. As a result, profit attributable to owners of the parent for the third quarter of the current fiscal year increased from the same period of the previous fiscal year.

## Results of operations

- Total revenue was 169.2 billion yen, increased by 7.0 billion yen from the same period of the previous fiscal year.
  - Net interest income was 93.5 billion yen, increased by 1.8 billion yen from 91.6 billion yen in the same period of the previous fiscal year. This was mainly due to the consolidation of UDC and dividend income from Latitude Group, reflecting a capital alliance with them since March 2021. This was partly offset by lower interest income from the unsecured loan business for individual customers.
  - Noninterest income was 75.7 billion yen, increased by 5.2 billion yen from 70.5 billion yen in the same period of the previous fiscal year. In the individual business, income increased due to an increase in fees and commissions from the sales of asset management products in Retail Banking, an increase in income from shopping credits business in APLUS FINANCIAL, and gains on sale of shares. In the Institutional business, income increased mainly due to improvement in investment income at Principal Transactions. On the other hand, in the Corporate/Others, income decreased due to a decrease in gains on sales of bonds such as government bonds in treasury while UDC contributed to earnings in the Overseas Business.
- General and administrative expenses were 116.5 billion yen, increased by 6.7 billion yen from the same period of the previous fiscal year. This was mainly due to the recording of expenses in UDC and an increase in costs related to the promotion of sales such as advertising expenses. Expense to revenue ratio was 68.9%.
- Net credit costs were 12.7 billion yen (expense), decreased by 7.1 billion yen from the same period of the previous fiscal year. In the Institutional Business, net credit costs declined sharply, mainly because in the previous fiscal year additional credit provisions were necessitated in Institutional Business due to the deterioration in borrowers' business conditions by the spread of Covid-19. In addition, gains on recoveries of written-off receivables were recorded. Consequently, profit was recorded in the Institutional Business. As a result, profit attributable to owners of the parent for the third quarter of the current fiscal year increased from the same period of the previous fiscal year.
- Nonconsolidated net income was 11.4 billion yen, increased by 4.0 billion yen from the same period of the previous fiscal year due to the absence of the provision for the reserves for loan losses recorded in the previous fiscal year. Dividends received from subsidiaries in the third quarter of the current fiscal year amounted to 2.6 billion yen (from Showa Leasing).

## Balance sheets

- Total assets were 10,556.2 billion yen, decreased by 183.9 billion yen from the end of March 2021.
- Loans and bills discounted were 5,211.8 billion yen, decreased by 21.7 billion yen from the end of March 2021.
- Deposits and negotiable certificates of deposit were 6,400.1 billion yen, decreased by 171.1 billion yen from the end of March 2021.

## Financial ratios

- Net interest margin increased to 2.34% from 2.29% in the same period of the previous fiscal year. This was due to a decline in yield of interest-bearing liabilities, affected by a decline of foreign currency interest rate, and yield of securities rose due to an increase in dividends from investees, despite a decrease in yield of loans and bills discounted due to a decrease in loan balances in the relatively high yielding in the consumer finance business.
- The core capital ratio under the Basel III domestic standards (grandfathering basis) was 12.14% at the end of December 2021, increased from 11.39% at the end of March 2021. This was due to an increase in core capital as a result of the steady accumulation of profits, as well as improvement in internal rating classifications for Corporate Banking Business transactions and a decrease in risk assets in Structured Finance-related transactions and market-related transactions.
- The common equity Tier1 ratio under the Basel III international standards (excluding grandfathering basis) was 12.0%, increased from 11.3% at the end of March 2021. Capital ratios continue to be maintained at ample levels.
- The amount of nonperforming loans disclosed under the Financial Revitalization Law (nonconsolidated basis) was 24.2 billion yen, decreased by 10.2 billion yen from the end of March 2021. Nonperforming loan ratio was 0.45%, decreased from 0.64% at the end of March 2021, and it remains at the low level.

## Results of Operations (Consolidated) <sup>1</sup>

(Billions of yen)

	<b>Q3 FY2021 (9 months)</b>	Q3 FY2020 (9 months)	Change (Amount)	FY2020 (12 months)
Net interest income	<b>93.5</b>	91.6	1.8	122.0
Noninterest income	<b>75.7</b>	70.5	5.2	99.8
Net fees and commissions	<b>24.4</b>	21.6	2.8	30.1
Net trading income	<b>5.4</b>	2.0	3.4	3.8
Net other business income	<b>45.7</b>	46.8	-1.0	65.8
Income on lease transactions and installment receivables	<b>37.1</b>	31.1	5.9	43.1
<b>Total revenue</b>	<b>169.2</b>	162.1	7.0	221.9
<b>General and administrative expenses</b>	<b>-116.5</b>	-109.8	-6.7	-149.6
<b>Ordinary business profit</b>	<b>52.6</b>	52.3	0.3	72.2
<b>Net credit costs</b>	<b>-12.7</b>	-19.9	7.1	-28.3
<b>Ordinary business profit after net credit costs</b>	<b>39.9</b>	32.3	7.5	43.8
Amortization of goodwill and other intangible assets <sup>2</sup>	<b>-2.4</b>	-1.9	-0.4	-2.7
Other gains	<b>1.9</b>	0.9	1.0	14.1
<b>Income before income taxes</b>	<b>39.4</b>	31.4	8.0	55.3
<b>Income taxes</b>	<b>-2.0</b>	-6.2	4.2	-11.1
<b>Profit attributable to noncontrolling interests</b>	<b>0.0</b>	1.0	-1.0	0.8
<b>Profit attributable to owners of the parent</b>	<b>37.4</b>	26.1	11.2	45.1

1.Represents results based on management accounting basis.

2.In our consolidated financial statements, amortization of goodwill and other intangible assets is recorded in general and administrative expenses.

Noninterest income in the table above is comprised of net fees and commissions, net trading income and net other business income.

Net fees and commissions is primarily comprised of fee income such as associated with banking business such as real estate finance and project finance, fee income from the sale of products such as mutual funds and insurance and fee income associated with the guarantee business and the payment business in consumer finance.

Net trading income is comprised of derivative related income from transactions with customers, as well as income from proprietary trading undertaken by the Bank.

Net other business income is comprised of income on lease transactions and installment receivables, gains and losses on monetary trusts primarily associated with credit trading of the Principal Transactions business and gains and losses on the sale of securities in Treasury operations.

## Interest-Earning Assets and Interest-Bearing Liabilities (Consolidated)

(Billions of yen, except percentages)

	Q3 FY2021 (9 months)			Q3 FY2020 (9 months)			FY2020 (12 months)		
	Average Balance	Interest	Yield/rate <sup>1</sup> (%)	Average Balance	Interest	Yield/rate <sup>1</sup> (%)	Average Balance	Interest	Yield/rate <sup>1</sup> (%)
Interest-earning assets <sup>4</sup> :									
Loans and bills discounted	5,245.3	95.8	2.42	5,136.4	95.4	2.47	5,176.4	127.2	2.46
Lease receivables and leased investment assets / installment receivables <sup>4</sup>	1,104.6	37.1	4.46	922.4	31.1	4.49	957.4	43.1	4.50
Securities	945.0	5.7	0.81	918.8	4.2	0.61	943.7	5.4	0.58
Other interest-earning assets <sup>2, 3</sup>	208.4	1.7	***	213.0	1.6	***	219.2	2.2	***
Interest-earning assets totals (A) <sup>4</sup>	7,503.4	140.4	2.48	7,190.8	132.5	2.45	7,296.9	178.1	2.44
Interest-bearing liabilities:									
Deposits, including negotiable certificates of deposit	6,514.1	2.7	0.06	6,301.3	3.3	0.07	6,367.7	4.2	0.07
Borrowed money	1,003.2	1.5	0.21	944.2	2.1	0.30	951.4	2.7	0.29
Corporate bonds	376.0	2.5	0.91	196.3	0.3	0.25	232.4	1.2	0.52
Other interest-bearing liabilities <sup>2</sup>	866.2	2.9	***	773.5	3.7	***	772.4	4.7	***
Interest-bearing liabilities totals (B)	8,759.6	9.7	0.15	8,215.5	9.6	0.16	8,324.0	13.0	0.16
Net interest margin (A)-(B) <sup>4</sup>	-	130.6	2.34	-	122.8	2.29	-	165.1	2.29
Noninterest-bearing sources of funds:									
Noninterest-bearing (assets) liabilities, net	-2,188.6	-	-	-1,927.6	-	-	-1,939.9	-	-
Total equity excluding noncontrolling interests in subsidiaries <sup>5</sup>	932.4	-	-	902.9	-	-	912.7	-	-
Total noninterest-bearing sources of funds (C)	-1,256.1	-	-	-1,024.7	-	-	-1,027.1	-	-
Sum of total expense on interest-bearing liabilities and noninterest-bearing sources of funds (D)=(B)+(C)	7,503.4	9.7	0.17	7,190.8	9.6	0.18	7,296.9	13.0	0.18
Interest income / yield on interest earning assets (A)-(D) <sup>4</sup>	-	130.6	2.31	-	122.8	2.27	-	165.1	2.26
Reconciliation of total revenue on interest-earning									
Total revenue on interest-earning assets	7,503.4	140.4	2.48	7,190.8	132.5	2.45	7,296.9	178.1	2.44
Less: Income on lease transactions and installment receivables	1,104.6	37.1	4.46	922.4	31.1	4.49	957.4	43.1	4.50
Total interest income	6,398.8	103.3	2.14	6,268.3	101.3	2.15	6,339.4	135.0	2.13
Total interest expense	-	9.7	-	-	9.6	-	-	13.0	-
Net interest income	-	93.5	-	-	91.6	-	-	122.0	-

1. Percentages have been rounded from the third decimal place.

2. Other interest-earning assets and other interest-bearing liabilities include interest swaps.

3. Excludes average balance of noninterest-earning assets.

4. Includes lease transactions and installment receivables and related yields.

5. Represents a simple average of the balance at the end of the current period and the balance at the end of the previous period.

The line item "Interest income/yield on interest-earning assets" on the chart above includes revenues from net received interest, revenue earned on lease receivables and leased investment assets, and installment account receivables. However, while the Bank considers income on lease transactions and installment receivables to be a component of net interest income, Japanese GAAP does not include income on lease transactions and installment accounts receivables in net interest income (in accordance with Japanese GAAP, income on lease transactions and installment accounts receivables is reported in net other business income in our consolidated statements of operations).

## Noninterest Income (Consolidated)

(Billions of yen)

	Q3 FY2021 (9 months)	Q3 FY2020 (9 months)	Change (Amount)	FY2020 (12 months)
Institutional Business	24.0	20.3	3.6	33.7
Corporate Business	2.2	2.7	-0.4	3.7
Structured Finance	5.1	5.7	-0.5	8.3
Principal Transactions <sup>1</sup>	2.0	-2.9	5.0	0.3
Showa Leasing	11.1	10.6	0.5	14.4
Markets	1.4	3.0	-1.5	4.8
Other Global Markets	1.8	1.2	0.6	1.9
Individual Business	46.5	40.8	5.7	54.6
Retail Banking	5.0	2.2	2.8	3.5
Shinsei Financial <sup>2</sup>	-0.1	0.0	-0.1	0.0
APLUS FINANCIAL	38.6	37.4	1.2	49.9
Other Individual <sup>1</sup>	3.0	1.1	1.8	1.1
Corporate/Other	5.1	9.2	-4.1	11.4
Overseas Business <sup>1</sup>	4.1	3.0	1.1	5.6
Treasury	1.4	5.0	-3.6	4.3
Other	-0.4	1.2	-1.6	1.4
<b>Noninterest income</b>	<b>75.7</b>	<b>70.5</b>	<b>5.2</b>	<b>99.8</b>

1.From the first quarter of fiscal year 2021, Shinsei Bank Group changed the attributable segments of its overseas consolidated subsidiaries and affiliates accounted for by the equity method, which had been engaged in the business promotion and administration under the Institutional Business and the Individual Business, to "Overseas Business," segment which was newly established under "Management Accounts/Other." In conjunction with this change, the results of each reportable segment for the previous fiscal year have been reclassified.

2.Income of Shinsei Financial, "Shinsei Bank Card Loan L," "Shinsei Bank Smart Card Loan Plus," "Shinsei Bank Smart Money Lending," and "Shinsei Bank Smart Card Loan Plus for Nissen" are combined on a management accounting basis.



## General and Administrative Expenses (Consolidated)

(Billions of yen)

	Q3 FY2021 (9 months)	Q3 FY2020 (9 months)	Change (Amount)	FY2020 (12 months)
Personnel expenses	-46.9	-44.2	-2.6	-59.1
Nonpersonnel expenses	-69.6	-65.5	-4.0	-90.4
Premises expenses	-13.9	-14.2	0.3	-19.1
Technology and data processing expenses	-19.6	-18.5	-1.1	-25.3
Advertising expenses	-9.6	-7.8	-1.7	-11.3
Consumption, property taxes, etc.	-8.2	-7.9	-0.2	-11.1
Deposit insurance premium	-1.1	-1.1	0.0	-1.5
Other general and administrative expenses	-17.0	-15.8	-1.1	-21.9
<b>General and administrative expenses</b>	<b>-116.5</b>	<b>-109.8</b>	<b>-6.7</b>	<b>-149.6</b>

## Net Credit Costs (Consolidated) <sup>1</sup>

(Billions of yen)

	Q3 FY2021 (9 months)	Q3 FY2020 (9 months)	Change (Amount)	FY2020 (12 months)
Losses on write-off of loans/Losses on sale of loans	-2.5	-1.7	-0.7	-2.1
Net provision of reserve for loan losses:	-17.4	-23.5	6.0	-33.4
Net provision of general reserve for loan losses	-11.0	-13.2	2.1	-17.8
Net provision of specific reserve for loan losses	-6.3	-10.3	3.9	-15.6
Other credit costs relating to leasing business	-0.1	-0.1	0.0	-0.2
Recoveries of written-off claims	7.3	5.5	1.7	7.4
<b>Net credit costs</b>	<b>-12.7</b>	<b>-19.9</b>	<b>7.1</b>	<b>-28.3</b>

1. Amounts of losses, net provision and costs are shown in minus. Amounts of recoveries and reversals are shown in plus.

## Other Gains (Consolidated)

(Billions of yen)

	Q3 FY2021 (9 months)	Q3 FY2020 (9 months)	Change (Amount)	FY2020 (12 months)
Extraordinary income	0.8	-0.2	1.1	10.9
Net gain on disposal of premises and equipment	0.2	-0.0	0.3	0.0
Other extraordinary income	0.5	-0.2	0.7	10.8
Provisions of reserve for losses on interest repayment	-0.0	0.9	-1.0	0.3
Shinsei Financial	0.1	0.7	-0.6	1.5
Shinsei Personal Loan	-0.1	0.2	-0.3	0.4
APLUS FINANCIAL	-	-	-	-1.6
Other	1.2	0.2	0.9	2.9
<b>Other gains</b>	<b>1.9</b>	<b>0.9</b>	<b>1.0</b>	<b>14.1</b>

## Business Line Results (Consolidated)

(Billions of yen)

	Q3 FY2021 (9 months)	Q3 FY2020 (9 months)	Change (Amount)	FY2020 (12 months)
<i>Institutional Business</i> <sup>1 2</sup> :				
Net interest income	22.7	21.3	1.3	28.3
Noninterest income	24.0	20.3	3.6	33.7
Total revenue	46.7	41.7	5.0	62.0
General and administrative expenses	-35.1	-33.9	-1.2	-45.4
Ordinary business profit	11.6	7.8	3.7	16.5
Net credit costs	1.5	-5.0	6.5	-6.5
Ordinary business profit after net credit costs	13.1	2.7	10.3	10.0
<i>Individual Business</i> <sup>1 2</sup> :				
Net interest income	68.3	75.6	-7.3	99.8
Noninterest income	46.5	40.8	5.7	54.6
Total revenue	114.8	116.5	-1.6	154.5
General and administrative expenses	-73.6	-73.5	-0.0	-99.9
Ordinary business profit	41.2	42.9	-1.6	54.5
Net credit costs	-14.5	-14.6	0.1	-21.7
Ordinary business profit after net credit costs	26.6	28.2	-1.5	32.8
<i>Corporate/Other</i> <sup>1 2 3</sup> :				
Net interest income	2.5	-5.3	7.8	-6.1
Noninterest income	5.1	9.2	-4.1	11.4
Total revenue	7.6	3.9	3.6	5.3
General and administrative expenses	-7.8	-2.3	-5.4	-4.2
Ordinary business profit	-0.1	1.6	-1.8	1.0
Net credit costs	0.2	-0.2	0.4	-0.1
Ordinary business profit after net credit costs	0.0	1.4	-1.3	0.9
<i>Total:</i>				
Net interest income	93.5	91.6	1.8	122.0
Noninterest income	75.7	70.5	5.2	99.8
Total revenue	169.2	162.1	7.0	221.9
General and administrative expenses	-116.5	-109.8	-6.7	-149.6
Ordinary business profit	52.6	52.3	0.3	72.2
Net credit costs	-12.7	-19.9	7.1	-28.3
Ordinary business profit after net credit costs	39.9	32.3	7.5	43.8

1. From the first quarter of fiscal year 2021, Shinsei Bank Group revises the method of calculating the amount allocated to each reportable segment for profits and losses related to financing operations. In conjunction with this change, the results of each reportable segment for the previous fiscal year have been reclassified to reflect the same calculation method.

2. From the first quarter of fiscal year 2021, Shinsei Bank Group changed the attributable segments of its overseas consolidated subsidiaries and affiliates accounted for by the equity method, which had been engaged in the business promotion and administration under the Institutional Business and the Individual Business, to "Overseas Business," segment which was newly established under "Management Accounts/Other." In conjunction with this change, the results of each reportable segment for the previous fiscal year have been reclassified.

3. "Corporate/Other" includes company-wide accounts which are not included in our reportable segments, allocation variance of indirect expense and elimination amount of inter-segment transactions.

## Segment Information

<b>Institutional Business</b>	Focuses primarily on corporate, public and financial sector finance and advisory businesses.
<b>Corporate Business</b>	"Corporate Business" provides financial products and services, advisory services, health care finance and trust services to businesses and public corporations and financial institutions.
<b>Structured Finance</b>	"Structured Finance" provides real estate related nonrecourse and corporate finance, project finance, M&A related finance, and specialty finance.
<b>Principal Transactions</b>	"Principal Transactions" is engaged in the credit trading businesses, private equity, the provision of business succession and business switching and withdrawal support services.
<b>Showa Leasing</b>	"Showa Leasing" primarily provides leasing related financial products and services.
<b>Markets</b>	"Markets" is engaged in foreign exchange, derivatives, equity related and other capital markets transactions.
<b>Other Global Markets</b>	"Other Global Markets" consists of the profit and loss attributable to Shinsei Securities, asset management, wealth management and other products and services.
<b>Individual Business:</b>	Focuses on retail financial products and services.
<b>Retail Banking</b>	"Retail Banking" provides financial transactions and services to retail customers such as yen/foreign currency, structured deposits services, investment trust, brokerage service (through a partner institution), life and nonlife insurance (through partner institutions) and housing loans.
<b>Shinsei Financial</b>	"Shinsei Financial" provides consumer finance products and services and guarantee services (Shinsei Financial, Shinsei Bank Card Loan L, NOLOAN, Lake ALSA).
<b>APLUS FINANCIAL</b>	"APLUS FINANCIAL" provides installment sales credit, credit cards, financing and payment services.
<b>Other Individuals</b>	"Other Individuals" consists of profit and loss attributable to other subsidiaries of Individual Business.
<b>Corporate/Other:</b>	"Corporate/Other" includes accounts which are not included in "Institutional Business" and "Individual Business"
<b>Overseas Business</b>	"Overseas Business" consists of profit and loss attributable to overseas subsidiaries such as UDC Finance Limited(New Zealand) and EasyLend (Hong Kong) .
<b>Treasury</b>	"Treasury" undertakes ALM related operations and includes gains and losses from equity and subordinated debt financing activities.
<b>Other</b>	"Other" includes company-wide accounts which are not included in our reportable segments, allocation variance of indirect expense and elimination amount of inter-segment transactions.

## Institutional Business (Consolidated)

(Billions of yen)

	Q3 FY2021 (9 months)	Q3 FY2020 (9 months)	Change (Amount)	FY2020 (12 months)
<i>Corporate Business<sup>1</sup>:</i>				
Net interest income	7.8	8.5	-0.6	11.1
Noninterest income	2.2	2.7	-0.4	3.7
Total revenue	10.1	11.2	-1.1	14.8
General and administrative expenses	-9.9	-9.7	-0.1	-12.9
Ordinary business profit	0.1	1.4	-1.3	1.9
Net credit costs	0.9	0.0	0.8	1.2
Ordinary business profit after net credit costs	1.1	1.5	-0.4	3.1
<i>Structured Finance<sup>1</sup>:</i>				
Net interest income	10.5	9.4	1.1	12.6
Noninterest income	5.1	5.7	-0.5	8.3
Total revenue	15.7	15.1	0.5	21.0
General and administrative expenses	-8.6	-7.8	-0.8	-10.4
Ordinary business profit	7.0	7.3	-0.2	10.5
Net credit costs	0.5	-4.8	5.3	-7.5
Ordinary business profit after net credit costs	7.5	2.4	5.0	3.0
<i>Principal Transactions<sup>1,2</sup>:</i>				
Net interest income	3.2	2.2	1.0	2.9
Noninterest income	2.0	-2.9	5.0	0.3
Total revenue	5.3	-0.7	6.0	3.3
General and administrative expenses	-3.4	-3.0	-0.3	-4.2
Ordinary business profit	1.8	-3.7	5.6	-0.9
Net credit costs	-0.0	-0.1	0.1	-0.0
Ordinary business profit after net credit costs	1.8	-3.9	5.8	-0.9
<i>Showa Leasing<sup>1</sup>:</i>				
Net interest income	0.1	0.0	0.1	0.1
Noninterest income	11.1	10.6	0.5	14.4
Total revenue	11.3	10.6	0.6	14.5
General and administrative expenses	-8.6	-8.5	-0.0	-11.5
Ordinary business profit	2.7	2.0	0.6	3.0
Net credit costs	0.1	-0.1	0.3	-0.1
Ordinary business profit after net credit costs	2.8	1.8	0.9	2.8

## Institutional Business (Consolidated)

(Billions of yen)

	Q3 FY2021 (9 months)	Q3 FY2020 (9 months)	Change (Amount)	FY2020 (12 months)
<i>Markets<sup>1</sup>:</i>				
Net interest income	0.6	0.8	-0.1	1.0
Noninterest income	1.4	3.0	-1.5	4.8
Total revenue	2.1	3.8	-1.7	5.8
General and administrative expenses	-2.2	-2.4	0.2	-3.2
Ordinary business profit	-0.0	1.4	-1.5	2.5
Net credit costs	-	-	-	-
Ordinary business profit after net credit costs	-0.0	1.4	-1.5	2.5
<i>Other Global Markets<sup>1</sup>:</i>				
Net interest income	0.2	0.3	-0.0	0.4
Noninterest income	1.8	1.2	0.6	1.9
Total revenue	2.1	1.5	0.5	2.4
General and administrative expenses	-2.1	-2.2	0.0	-2.9
Ordinary business profit	-0.0	-0.6	0.5	-0.5
Net credit costs	-0.0	0.0	-0.1	0.0
Ordinary business profit after net credit costs	-0.1	-0.6	0.4	-0.5
<i>Institutional Business<sup>1,2</sup>:</i>				
Net interest income	22.7	21.3	1.3	28.3
Noninterest income	24.0	20.3	3.6	33.7
Total revenue	46.7	41.7	5.0	62.0
General and administrative expenses	-35.1	-33.9	-1.2	-45.4
Ordinary business profit	11.6	7.8	3.7	16.5
Net credit costs	1.5	-5.0	6.5	-6.5
Ordinary business profit after net credit costs	13.1	2.7	10.3	10.0

1.From the first quarter of fiscal year 2021, Shinsei Bank Group revises the method of calculating the amount allocated to each reportable segment for profits and losses related to financing operations. In conjunction with this change, the results of each reportable segment for the previous fiscal year have been reclassified to reflect the same calculation method.

2.From the first quarter of fiscal year 2021, Shinsei Bank Group changed the attributable segments of its overseas consolidated subsidiaries and affiliates accounted for by the equity method, which had been engaged in the business promotion and administration under the Institutional Business and the Individual Business, to "Overseas Business," segment which was newly established under "Management Accounts/Other." In conjunction with this change, the results of each reportable segment for the previous fiscal year have been reclassified.

## Individual Business (Consolidated)

(Billions of yen)

	<b>Q3 FY2021 (9 months)</b>	Q3 FY2020 (9 months)	Change (Amount)	FY2020 (12 months)
<i>Retail banking<sup>1</sup>:</i>				
Net interest income	<b>14.5</b>	18.5	-3.9	24.7
Loans	<b>6.5</b>	6.9	-0.3	9.1
Deposits	<b>7.9</b>	11.5	-3.6	15.5
Noninterest income	<b>5.0</b>	2.2	2.8	3.5
Asset Management Products	<b>7.0</b>	4.5	2.4	6.7
Other Fees (ATM, Fund Transfer, FX etc.)	<b>-2.0</b>	-2.3	0.3	-3.1
Total revenue	<b>19.5</b>	20.7	-1.1	28.3
General and administrative expenses	<b>-17.6</b>	-18.1	0.4	-24.3
Ordinary business profit	<b>1.8</b>	2.5	-0.7	3.9
Net credit costs	<b>0.0</b>	-0.3	0.4	-0.3
Ordinary business profit after net credit costs	<b>1.9</b>	2.2	-0.3	3.6
<i>Shinsei Financial<sup>1,3</sup>:</i>				
Net interest income	<b>47.4</b>	50.2	-2.7	65.9
Lake Businesses	<b>44.0</b>	46.3	-2.3	60.9
Noninterest income	<b>-0.1</b>	0.0	-0.1	0.0
Total revenue	<b>47.2</b>	50.2	-2.9	66.0
General and administrative expenses	<b>-25.4</b>	-25.1	-0.3	-34.6
Ordinary business profit	<b>21.8</b>	25.1	-3.3	31.3
Net credit costs	<b>-6.6</b>	-6.1	-0.5	-9.6
Ordinary business profit after net credit costs	<b>15.1</b>	18.9	-3.8	21.7
<i>APLUS FINANCIAL<sup>1</sup>:</i>				
Net interest income	<b>5.9</b>	6.5	-0.5	8.5
Noninterest income	<b>38.6</b>	37.4	1.2	49.9
Total revenue	<b>44.6</b>	43.9	0.6	58.4
General and administrative expenses	<b>-28.8</b>	-28.8	0.0	-38.9
Ordinary business profit	<b>15.8</b>	15.0	0.7	19.5
Net credit costs	<b>-8.4</b>	-8.8	0.4	-12.5
Ordinary business profit after net credit costs	<b>7.3</b>	6.2	1.1	6.9

## Individual Business (Consolidated)

(Billions of yen)

	Q3 FY2021 (9 months)	Q3 FY2020 (9 months)	Change (Amount)	FY2020 (12 months)
<i>Other Individuals<sup>1 2</sup>:</i>				
Net interest income	0.3	0.4	-0.0	0.5
Noninterest income	3.0	1.1	1.8	1.1
Total revenue	3.4	1.6	1.8	1.7
General and administrative expenses	-1.6	-1.5	-0.1	-2.0
Ordinary business profit	1.7	0.1	1.6	-0.3
Net credit costs	0.4	0.6	-0.2	0.8
Ordinary business profit after net credit costs	2.2	0.7	1.4	0.5
<i>Individual Business<sup>1 2</sup>:</i>				
Net interest income	68.3	75.6	-7.3	99.8
Noninterest income	46.5	40.8	5.7	54.6
Total revenue	114.8	116.5	-1.6	154.5
General and administrative expenses	-73.6	-73.5	-0.0	-99.9
Ordinary business profit	41.2	42.9	-1.6	54.5
Net credit costs	-14.5	-14.6	0.1	-21.7
Ordinary business profit after net credit costs	26.6	28.2	-1.5	32.8

1.From the first quarter of fiscal year 2021, Shinsei Bank Group revises the method of calculating the amount allocated to each reportable segment for profits and losses related to financing operations. In conjunction with this change, the results of each reportable segment for the previous fiscal year have been reclassified to reflect the same calculation method.

2.From the first quarter of fiscal year 2021, Shinsei Bank Group changed the attributable segments of its overseas consolidated subsidiaries and affiliates accounted for by the equity method, which had been engaged in the business promotion and administration under the Institutional Business and the Individual Business, to "Overseas Business," segment which was newly established under "Management Accounts/Other." In conjunction with this change, the results of each reportable segment for the previous fiscal year have been reclassified.

3.Income of Shinsei Financial, "Shinsei Bank Card Loan L," "Shinsei Bank Smart Card Loan Plus," "Shinsei Bank Smart Money Lending," and "Shinsei Bank Smart Card Loan Plus for Nissen" are combined on a management accounting basis.

Corporate/Other (Consolidated)<sup>1</sup>

(Billions of yen)

	Q3 FY2021 (9 months)	Q3 FY2020 (9 months)	Change (Amount)	FY2020 (12 months)
<i>Overseas Business<sup>1 2</sup>:</i>				
Net interest income	4.3	-0.2	4.6	0.5
Noninterest income	4.1	3.0	1.1	5.6
Total revenue	8.5	2.7	5.7	6.1
General and administrative expenses	-4.2	-1.0	-3.2	-2.4
Ordinary business profit	4.2	1.7	2.5	3.6
Net credit costs	0.2	-0.2	0.4	-0.1
Ordinary business profit after net credit costs	4.5	1.5	3.0	3.5
<i>Treasury<sup>1</sup>:</i>				
Net interest income	-1.8	-5.0	3.1	-6.7
Noninterest income	1.4	5.0	-3.6	4.3
Total revenue	-0.4	-0.0	-0.4	-2.3
General and administrative expenses	-1.0	-1.1	0.1	-1.5
Ordinary business profit	-1.5	-1.1	-0.3	-3.8
Net credit costs	-	-	-	-
Ordinary business profit after net credit costs	-1.5	-1.1	-0.3	-3.8
<i>Other<sup>1 3</sup>:</i>				
Net interest income	-0.0	-0.0	-0.0	-0.0
Noninterest income	-0.4	1.2	-1.6	1.4
Total revenue	-0.4	1.2	-1.6	1.4
General and administrative expenses	-2.4	-0.1	-2.3	-0.2
Ordinary business profit	-2.9	1.0	-4.0	1.2
Net credit costs	0.0	0.0	-0.0	0.0
Ordinary business profit after net credit costs	-2.9	1.0	-4.0	1.2
<i>Corporate/Other<sup>1 2 3</sup>:</i>				
Net interest income	2.5	-5.3	7.8	-6.1
Noninterest income	5.1	9.2	-4.1	11.4
Total revenue	7.6	3.9	3.6	5.3
General and administrative expenses	-7.8	-2.3	-5.4	-4.2
Ordinary business profit	-0.1	1.6	-1.8	1.0
Net credit costs	0.2	-0.2	0.4	-0.1
Ordinary business profit after net credit costs	0.0	1.4	-1.3	0.9

1.From the first quarter of fiscal year 2021, Shinsei Bank Group revises the method of calculating the amount allocated to each reportable segment for profits and losses related to financing operations. In conjunction with this change, the results of each reportable segment for the previous fiscal year have been reclassified to reflect the same calculation method.

2.From the first quarter of fiscal year 2021, Shinsei Bank Group changed the attributable segments of its overseas consolidated subsidiaries and affiliates accounted for by the equity method, which had been engaged in the business promotion and administration under the Institutional Business and the Individual Business, to "Overseas Business," segment which was newly established under "Management Accounts/Other." In conjunction with this change, the results of each reportable segment for the previous fiscal year have been reclassified.

3."Corporate/Other" includes company-wide accounts which are not included in our reportable segments, allocation variance of indirect expense and elimination amount of inter-segment transactions.



## Loans by Borrower Industry (Consolidated)

(Billions of yen)

	Dec 31 2021	Mar 31 2021	Change (Amount)
Domestic offices (excluding Japan offshore market accounts):			
Manufacturing	210.6	201.7	8.9
Agriculture and forestry	0.0	0.0	-0.0
Fishery	0.1	0.0	0.0
Mining, quarrying and gravel extraction	0.6	0.3	0.3
Construction	16.6	12.7	3.9
Electric power, gas, heat supply and water supply	399.5	380.1	19.3
Information and communications	37.8	42.4	-4.5
Transportation and postal service	174.9	184.8	-9.8
Wholesale and retail	96.4	100.4	-4.0
Finance and insurance	471.4	499.5	-28.1
Real estate	682.9	706.2	-23.3
Services	403.5	377.4	26.1
Local government	48.7	63.9	-15.2
Others	2,197.8	2,214.8	-16.9
Loans to individual customers (Housing Loan, Unsecured Loan, Cashing by Credit Card, Housing Related Loan, etc.)	1,803.9	1,833.1	-29.1
<b>Total domestic (A)</b>	<b>4,741.4</b>	<b>4,784.9</b>	<b>-43.5</b>
Overseas offices (including Japan offshore market accounts):			
Governments	-	-	-
Financial institutions	21.5	32.1	-10.5
Others	448.8	416.5	32.2
<b>Total overseas (B)</b>	<b>470.4</b>	<b>448.6</b>	<b>21.7</b>
<b>Total (A+B)</b>	<b>5,211.8</b>	<b>5,233.6</b>	<b>-21.7</b>

## Securities Being Held to Maturity (Consolidated)

(Billions of yen)

	Dec 31, 2021			Mar 31, 2021		
	Carrying amount	Fair value	Unrealized gain (loss)	Carrying amount	Fair value	Unrealized gain (loss)
Fair value exceeds carrying amount						
Japanese national government bonds	105.0	105.7	0.7	185.5	186.1	0.6
Subtotal	105.0	105.7	0.7	185.5	186.1	0.6
Fair value does not exceed carrying amount						
Japanese national government bonds	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-
<b>Total</b>	<b>105.0</b>	<b>105.7</b>	<b>0.7</b>	<b>185.5</b>	<b>186.1</b>	<b>0.6</b>

## Securities Available for Sale (Consolidated)

(Billions of yen)

	Dec 31, 2021			Mar 31, 2021		
	Carrying amount (Fair value)	Amortized/ Acquisition cost	Unrealized gain (loss)	Carrying amount (Fair value)	Amortized/ Acquisition cost	Unrealized gain (loss)
Carrying amount exceeds amortized/acquisition cost						
Equity securities	8.5	3.8	4.6	11.8	5.3	6.5
Domestic bonds	34.3	34.1	0.1	21.9	21.4	0.4
Japanese national government bonds	2.7	2.7	0.0	10.0	10.0	0.0
Japanese local government bonds	-	-	-	-	-	-
Japanese corporate bonds	31.6	31.4	0.1	11.8	11.3	0.4
Other	98.8	97.3	1.4	97.7	95.9	1.7
Foreign securities	87.3	85.9	1.3	77.7	76.3	1.4
Foreign currency denominated foreign corporate and government bonds	67.2	66.5	0.7	77.2	76.2	1.0
Yen-denominated foreign corporate and government bonds	18.4	18.4	0.0	-	-	-
Foreign equity securities and others	1.6	1.0	0.5	0.4	0.0	0.4
Other securities	0.1	0.1	0.0	0.1	0.1	0.0
Other monetary claims purchased	11.3	11.2	0.0	19.7	19.5	0.2
Subtotal	141.7	135.3	6.3	131.4	122.7	8.7
Carrying amount does not exceed amortized/acquisition cost						
Equity securities	1.5	1.6	-0.1	1.2	1.4	-0.2
Domestic bonds	325.2	328.6	-3.4	314.3	317.5	-3.1
Japanese national government bonds	218.4	219.3	-0.8	154.3	155.3	-0.9
Japanese local government bonds	1.0	1.1	-0.0	-	-	-
Japanese corporate bonds	105.7	108.2	-2.5	160.0	162.1	-2.1
Other	298.1	309.8	-11.7	262.8	267.2	-4.4
Foreign securities	297.9	309.6	-11.7	262.8	267.2	-4.4
Foreign currency denominated foreign corporate and government bonds	235.9	240.6	-4.6	187.7	191.9	-4.2
Yen-denominated foreign corporate and government bonds	44.7	44.7	-0.0	74.0	74.2	-0.2
Foreign equity securities and others	17.1	24.2	-7.0	0.9	1.0	-0.0
Other securities	0.2	0.2	-0.0	-	-	-
Other monetary claims purchased	-	-	-	-	-	-
Subtotal	624.8	640.1	-15.2	578.4	586.2	-7.8
Total <sup>1,2</sup>	766.6	775.5	-8.8	709.8	708.9	0.8

1. Includes a part of other monetary claims purchased in addition to securities available for sale. Total amounts of securities available for sale excluding such other monetary claims purchased as of Dec 31, 2021 and Mar 31, 2021 were ¥755.2 billion and ¥690.0 billion, respectively.

2. Securities whose consolidated balance sheet amounts are not measured at fair value are not included.

## Unrealized Gain (Loss) on Available-for-Sale Securities (Consolidated)

(Billions of yen)

	Dec 31, 2021	Mar 31, 2021
Unrealized gain (loss) before deferred tax on:		
Available-for-sale securities	-8.8	0.8
The Bank's interests in available-for-sale securities held by partnerships and other adjustments	0.2	0.5
Other monetary assets held in trust	-2.2	-2.7
(-) Deferred tax liabilities	0.4	0.4
Unrealized gain (loss) on available-for-sale securities before interest adjustments	-11.2	-1.8
(-) Noncontrolling interests	0.0	0.7
(+) The Bank's interests in unrealized gain (loss) on available-for-sale securities held by affiliates to which the equity method is applied	0.6	1.9
Unrealized gain (loss) on available-for-sale securities	-10.6	-0.5

## Deposits (Consolidated)

(Billions of yen)

	Dec 31 2021	Mar 31 2021	Change (Amount)
Deposits	5,886.9	6,056.1	-169.2
Liquid (current, ordinary, notice) deposits	2,825.1	2,828.2	-3.0
Time deposits <sup>1</sup>	2,542.2	2,646.8	-104.6
Other	519.4	581.0	-61.5
Negotiable certificates of deposits (NCDs)	513.2	515.1	-1.8
<b>Total</b>	<b>6,400.1</b>	<b>6,571.3</b>	<b>-171.1</b>

1. Includes two-week maturity deposits

## Financial Ratios (Consolidated)

	Q3 FY2021 (9 months)	Q3 FY2020 (9 months)	FY2020 (12 months)
Return on assets <sup>1</sup>	0.5% <sup>3</sup>	0.3% <sup>3</sup>	0.4%
Return on equity <sup>2</sup>	5.3% <sup>3</sup>	3.8% <sup>3</sup>	4.9%
Expense-to-revenue ratio <sup>4,5</sup>	68.9%	67.7%	67.4%

1. Return on assets:

Profit (Losses) Attributable to Owners of the Parent

BOP: beginning of period

(Total assets at the BOP + Total assets at the EOP)/2

EOP: end of period

2. Return on equity (fully diluted):

Profit (Losses) Attributable to Owners of the Parent

((Total equity at the BOP - Share warrants at the BOP - Noncontrolling interests at the BOP) + (Total equity at the EOP - Share warrants at the EOP - Noncontrolling interests at the EOP))/2

3. Annualized basis.

4. Management accounting basis.

5. Expense denotes general and administrative expenses.

## Capital Adequacy Related Information (Consolidated)

<Basel 3, Domestic Standard <sup>1</sup>>

(Billions of yen, except percentages)

	Dec 31 2021	Mar 31 2021	Change (Amount)
Core capital:instruments and reserves	970.8	941.3	29.4
Core capital:regulatory adjustments	-101.6	-107.4	5.8
Capital	869.1	833.9	35.2
Total amount of Risk-weighted assets	7,156.4	7,320.3	-163.9
Consolidated core capital adequacy ratio	12.14%	11.39%	

1.Calculated according to F-IRB.

Consolidated total required capital is ¥671.4 billion as at Dec 31, 2021, ¥691.6 billion as at March 31, 2021.

## Per Share Data (Consolidated)

(Yen)

	Q3 FY2021 (9 months)	Q3 FY2020 (9 months)	Change (Amount)	FY2020 (12 months)
Common equity	4,516.64	4,159.01	357.63	4,283.92
Fully diluted equity	4,515.21	4,157.74	357.46	4,282.60
Basic EPS	176.85	116.13	60.72	202.16
Diluted EPS	176.80	116.10	60.70	202.10
For calculation of per share data (Does not include treasury shares):				
Equity: Number of common shares	208,641,080	217,031,019	/	215,291,519
Fully diluted number of shares	208,707,517	217,097,337	/	215,357,838
EPS Number of common shares	211,932,512	225,454,773	/	223,134,412
Fully diluted number of shares	211,998,500	225,517,026	/	223,197,668

## Consolidated Balance Sheets (Unaudited)

(Millions of yen)

	Dec 31 2021	Mar 31 2021	Change (Amount)
<b>&lt;&lt;Assets&gt;&gt;</b>			
Cash and due from banks	1,782,590	1,919,075	(136,484)
Call loans and bills bought	-	-	-
Receivables under securities borrowing transactions	-	-	-
Other monetary claims purchased	35,106	46,187	(11,081)
Trading assets	158,628	170,376	(11,747)
Monetary assets held in trust	367,635	393,949	(26,313)
Securities	909,815	929,717	(19,901)
Loans and bills discounted	5,211,872	5,233,605	(21,732)
Foreign exchanges	56,944	83,730	(26,786)
Lease receivables and leased investment assets	188,020	192,147	(4,127)
Other assets	1,216,654	1,154,474	62,179
Premises and equipment	61,953	63,878	(1,925)
Intangible assets	62,457	68,685	(6,228)
Goodwill	11,586	13,460	(1,873)
Assets for retirement benefits	20,137	19,482	655
Deferred tax assets	10,426	9,985	440
Customers' liabilities for acceptances and guarantees	579,809	567,777	12,032
Reserve for credit losses	(105,841)	(112,897)	7,056
<b>Total assets</b>	<b>10,556,210</b>	<b>10,740,174</b>	<b>(183,964)</b>
<b>&lt;&lt;Liabilities&gt;&gt;</b>			
Deposits	5,886,933	6,056,191	(169,257)
Negotiable certificates of deposit	513,250	515,140	(1,890)
Call money and bills sold	35,126	30,000	5,126
Payables under repurchase agreements	61,797	47,712	14,085
Payables under securities lending transactions	403,514	395,449	8,065
Trading liabilities	135,833	148,393	(12,560)
Borrowed money	975,849	1,026,679	(50,829)
Foreign exchanges	1,670	889	781
Short-term corporate bonds	199,300	218,800	(19,500)
Corporate bonds	366,168	367,534	(1,366)
Other liabilities	399,278	374,978	24,300
Accrued employees' bonuses	7,439	8,504	(1,064)
Accrued directors' bonuses	30	41	(10)
Liabilities for retirement benefits	8,122	8,084	37
Reserve for directors' retirement benefits	22	19	3
Reserve for reimbursement of deposits	411	391	20
Reserve for reimbursement of debentures	2,902	3,355	(453)
Reserve for losses on interest repayments	32,443	39,096	(6,652)
Deferred tax liabilities	248	393	(144)
Acceptances and guarantees	579,809	567,777	12,032
<b>Total liabilities</b>	<b>9,610,154</b>	<b>9,809,431</b>	<b>(199,276)</b>
<b>&lt;&lt;Equity&gt;&gt;</b>			
Common stock	512,204	512,204	-
Capital surplus	72,961	72,961	-
Retained earnings	466,662	431,623	35,039
Treasury stock, at cost	(91,338)	(81,464)	(9,873)
<b>Total shareholders' equity</b>	<b>960,489</b>	<b>935,324</b>	<b>25,165</b>
Unrealized gain (loss) on available- for-sale securities	(10,606)	(593)	(10,013)
Deferred gain (loss) on derivatives under hedge accounting	(13,990)	(16,799)	2,809
Foreign currency translation adjustments	1,422	(1,133)	2,555
Defined retirement benefit plans	5,043	5,495	(451)
Total accumulated other comprehensive income	(18,131)	(13,031)	(5,099)
Stock acquisition rights	101	149	(48)
Noncontrolling interests	3,595	8,300	(4,705)
<b>Total equity</b>	<b>946,055</b>	<b>930,742</b>	<b>15,312</b>
<b>Total liabilities and equity</b>	<b>10,556,210</b>	<b>10,740,174</b>	<b>(183,964)</b>

## Consolidated Statements of Income (Unaudited)

(Millions of yen)

	<b>Q3 FY2021 (9 months)</b>	Q3 FY2020 (9 months)	Change (Amount)	FY2020 (12 months)
Ordinary income	276,900	275,735	1,164	374,247
Interest income	103,327	101,338	1,988	135,036
Interest on loans and bills discounted	95,802	95,471	331	127,299
Interest and dividends on securities	5,768	4,232	1,536	5,490
Other interest income	1,755	1,634	120	2,245
Fees and commissions income	43,475	41,021	2,454	56,140
Trading income	5,438	2,067	3,370	4,110
Other business income	108,334	115,306	(6,971)	155,300
Other ordinary income	16,324	16,001	323	23,659
Ordinary expenses	238,232	244,028	(5,796)	329,849
Interest expenses	9,783	9,656	126	13,000
Interest on deposits	2,572	3,262	(689)	4,159
Interest on borrowings	1,573	2,157	(583)	2,754
Interest on corporate bonds	2,586	374	2,211	1,219
Other interest expenses	3,050	3,862	(811)	4,868
Fees and commissions expenses	18,985	19,335	(349)	25,978
Trading losses	—	64	(64)	234
Other business expenses	68,563	74,776	(6,212)	99,792
General and administrative expenses	118,618	112,063	6,554	151,860
Amortization of goodwill	2,068	1,664	403	2,349
Amortization of intangible assets acquired in business combinations	342	260	81	383
Other general and administrative expenses	116,207	110,138	6,069	149,127
Other ordinary expenses	22,282	28,133	(5,850)	38,982
Provision of reserve for credit losses	17,465	23,532	(6,067)	33,467
Other	4,816	4,600	216	5,514
Ordinary profit	38,667	31,706	6,961	44,398
Extraordinary gains	1,616	32	1,583	12,075
Extraordinary losses	807	325	481	1,136
Income before income taxes	39,476	31,413	8,063	55,336
Income taxes (benefit)	2,023	6,271	(4,248)	11,113
Profit	37,452	25,141	12,311	44,223
Profit (loss) attributable to noncontrolling interests	(28)	(1,041)	1,012	(886)
Profit attributable to owners of the parent	37,481	26,182	11,298	45,109

## Composition of Capital Disclosure(Consolidated)

Shinsei Bank and subsidiaries

Millions of yen (except percentages)

Items	Basel III	Basel III
	(Domestic Standard) Dec 31 2021	(Domestic Standard) Sep 30 2021
<b>Core capital:instruments and reserves (1)</b>		
Directly issued qualifying common share capital or preferred share capital	960,489	946,223
with a compulsory conversion clause plus related capital surplus and retained earnings		
of which:capital and capital surplus	585,165	585,165
of which:retained earnings	466,662	452,395
of which:treasury stock (-)	91,338	91,338
of which:earning to be distributed (-)	-	-
of which:other than above	-	-
Accumulated other comprehensive income (amount allowed to be included in Core capital)	6,465	4,776
of which:foreign currency translation adjustment	1,422	(415)
of which:amount related defined benefit	5,043	5,191
Stock acquisition right to common shares and preferred shares with a compulsory conversion clause	101	101
Adjusted noncontrolling interests (amount allowed to be included in Core capital)	-	11
Total of reserves included in Core capital:instruments and reserves	2,699	2,089
of which:general reserve for loan losses included in Core capital	2,699	2,089
of which:eligible provision included in Core capital	-	-
Eligible noncumulative perpetual preferred shares subject to transitional arrangements (amount allowed to be included in Core capital:instruments and reserves)	-	-
Eligible capital instruments subject to transitional arrangements (amount allowed to be included in Core capital:instruments and reserves)	-	-
Capital instruments issued through measures for capital enhancement by public institutions (amount allowed to be included in Core capital:instruments and reserves)	-	-
Land revaluation excess after 55% discount (amount allowed to be included in Core capital:instruments and reserves)	-	-
Noncontrolling interests subject to transitional arrangements (amount allowed to be included in Core capital:instruments and reserves)	1,078	2,237
<b>Core capital:instruments and reserves (A)</b>	<b>970,835</b>	<b>955,438</b>
<b>Core capital:regulatory adjustments (2)</b>		
Total amount of intangible assets (excluding those relating to mortgage servicing rights)	48,861	50,636
of which:goodwill (including those equivalent)	13,567	14,279
of which:other intangibles other than goodwill and mortgage servicing rights	35,293	36,356
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	4,836	4,750
Shortfall of eligible provisions to expected losses	34,000	35,199
Gain on sale of securitization	-	-
Gains and losses due to changes in own credit risk on fair valued liabilities	-	-
Net defined benefit asset	13,971	13,801
Investments in own shares (excluding those reported in the net assets section)	-	-
Reciprocal cross-holdings in common equity	-	-
Investments in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation ("Other Financial Institutions"), net of eligible short positions, where the bank does not own more than 10% of the issued share capital (amount above the 10% threshold)	-	-
Amount exceeding the 10% threshold on specific items	-	-
of which:significant investments in the common stock of Other Financial Institutions, net of eligible short positions	-	-
of which:mortgage servicing rights	-	-
of which:deferred tax assets arising from temporary differences (net of related tax liability)	-	-
Amount exceeding the 15% threshold on specific items	-	-
of which:significant investments in the common stock of Other Financial Institutions, net of eligible short positions	-	-
of which:mortgage servicing rights	-	-
of which:deferred tax assets arising from temporary differences (net of related tax liability)	-	-
<b>Core capital:regulatory adjustments (B)</b>	<b>101,669</b>	<b>104,387</b>
<b>Capital (consolidated)</b>		
Capital (consolidated)((A)-(B))(C)	869,165	851,050
<b>Risk-weighted assets, etc.</b>		
Total amount of credit risk-weighted assets	6,677,680	6,739,637
of which:total amount included in risk-weighted assets by transitional arrangements	-	-
of which: significant investments in the common stock of Other Financial Institutions (net of eligible short positions)	-	-
of which:other than above	-	-
Market risk (derived by multiplying the capital requirement by 12.5)	94,938	85,237
Operational risk (derived by multiplying the capital requirement by 12.5)	383,824	383,824
Credit risk-weighted assets adjustments	-	-
Operational risk adjustments	-	-
<b>Total amount of Risk-weighted assets (D)</b>	<b>7,156,443</b>	<b>7,208,699</b>
<b>Capital ratio (consolidated)</b>		
Capital ratio (consolidated)((C)/(D))	12.14%	11.80%



## (Reference) Results of Operations (Consolidated)

(Millions of yen)

	Q3 FY2021 (9 months) (A)	Q3 FY2020 (9 months) (B)	Change (A)-(B)
Gross Business Profit	165,914	158,807	7,106
(excluding Gains on Monetary Assets Held in Trust)	163,384	156,078	7,306
Net Interest Income	93,544	91,682	1,861
Net Fees and Commissions	24,491	21,687	2,803
Net Trading Income	5,438	2,003	3,434
Net Other Business Income	42,440	43,434	(993)
Gains on Monetary Assets Held in Trust	2,529	2,728	(199)
Gains related to Bonds	1,600	3,651	(2,051)
General and Administrative Expenses	118,985	111,769	7,216
Personnel Expenses	46,932	44,273	2,658
Nonpersonnel Expenses	63,832	59,571	4,261
Amortization of Goodwill and Intangible Assets	2,410	1,925	485
Taxes	8,220	7,924	296
Net Business Profit	46,928	47,038	(109)
Credit Costs	12,778	19,947	(7,169)
Gains on Stock Transactions	2,496	(156)	2,652
Equity in Net Income (Loss) of Affiliates	857	3,537	(2,680)
Other	1,163	1,234	(70)
Ordinary Profit	38,667	31,706	6,961
Extraordinary Gains	808	(293)	1,102
Gains from Sales of Fixed Assets and Impairment losses	(86)	(291)	205
Income before Income Taxes	39,476	31,413	8,063
Income taxes	2,023	6,271	(4,248)
Profit Attributable to Noncontrolling Interests	(28)	(1,041)	1,012
Profit Attributable to Owners of the Parents	37,481	26,182	11,298

## Note

- Gross Business Profit = (Net Interest Income + Expenses for Monetary Assets Held in Trust) + Net Fees and Commissions + Net Other Business Income + Gains on Monetary Assets Held on Trust  
Gains on Monetary Assets Held in Trust are deemed as revenue from core businesses.
- Net Business Profit = Gross Business Profit - General and Administrative Expenses.
- Details of credit cost is available at "Net Credit Cost (Consolidated)" of Financial Summary.



## Results of Operations (Nonconsolidated)

(Billions of yen)

	Q3 FY2021 (9 months)	Q3 FY2020 (9 months)	Change (Amount)	FY2020 (12 months)
Net interest income	64.8	64.7	0.1	108.5
Noninterest income	0.8	2.3	-1.4	3.5
Net fees and commissions <sup>1</sup>	-3.1	-6.2	3.1	-6.8
Net trading income	3.4	1.1	2.2	1.9
Net other business income	0.6	7.4	-6.7	8.3
Total revenue <sup>1</sup>	65.7	67.0	-1.2	112.1
Personnel expenses	-20.8	-20.4	-0.3	-26.6
Nonpersonnel expenses	-29.2	-27.5	-1.6	-37.6
Taxes	-4.2	-3.9	-0.2	-5.4
General and administrative expenses	-54.3	-52.0	-2.3	-69.7
Net business profit <sup>1</sup>	11.3	15.0	-3.6	42.3
Other gains				
Gains on the sales of equities	2.3	0.7	1.5	0.7
Net provision of reserve for credit losses	1.2	-4.1	5.4	-5.7
Losses on write-off of loans	-1.6	-1.3	-0.2	-1.4
Recoveries of written-off claims	1.9	0.5	1.4	0.6
Expenses for employees' retirement benefits	0.4	-0.2	0.6	0.5
Others	0.2	-0.1	0.4	-0.0
Net ordinary income	15.9	10.3	5.6	37.1
Extra ordinary profit				
Gains from sales of fixed assets and impairment losses	-0.2	-0.2	-0.0	-0.7
Others	-0.8	-1.6	0.7	-1.8
Income before income taxes	14.8	8.4	6.3	34.5
Income taxes	-3.3	-1.0	-2.3	-0.0
Net income	11.4	7.4	4.0	34.5

1. Includes income from monetary assets held in trust of ¥1.8 billion in Q3FY2021, ¥1.8 billion in Q3FY2020 and ¥2.4 billion in FY2020.

Gains and losses on sales and impairments of equities are, reflecting their natures, recorded as other business income(loss) in the consolidated financial results. However, in the nonconsolidated financial results as shown in the above chart, they are included in other gains (losses) in accordance with the reporting format of the Revitalization Plan.

## Interest-Earning Assets and Interest-Bearing Liabilities (Nonconsolidated)

(Billions of yen, except percentages)

	Q3 FY2021 (9 months)			Q3 FY2020 (9 months)			FY2020 (12 months)		
	Average balance	Interest	Yield/rate <sup>1</sup> (%)	Average balance	Interest	Yield/rate <sup>1</sup> (%)	Average balance	Interest	Yield/rate <sup>1</sup> (%)
Interest-earning assets:									
Loans and bills discounted	<b>5,143.6</b>	<b>59.1</b>	<b>1.52</b>	5,061.4	63.7	1.67	5,069.4	83.7	1.65
Securities	<b>1,364.3</b>	<b>10.4</b>	<b>1.01</b>	1,247.7	7.3	0.77	1,269.6	32.8	2.58
Other interest-earning assets <sup>2,3</sup>	<b>103.2</b>	<b>1.3</b>	<b>***</b>	117.6	1.2	***	115.4	1.7	***
<b>Total interest-earning assets</b>	<b>6,611.2</b>	<b>70.9</b>	<b>1.42</b>	6,426.8	72.3	1.49	6,454.5	118.2	1.83
Interest-bearing liabilities:									
Deposits, including negotiable certificates of deposit	<b>6,660.9</b>	<b>2.7</b>	<b>0.05</b>	6,367.7	3.3	0.06	6,408.6	4.2	0.06
Borrowed money	<b>521.9</b>	<b>0.0</b>	<b>0.00</b>	404.0	0.3	0.11	428.0	0.3	0.08
Corporate bonds	<b>177.6</b>	<b>0.3</b>	<b>0.24</b>	152.7	0.2	0.24	157.5	0.3	0.24
Other interest-bearing liabilities <sup>2</sup>	<b>640.9</b>	<b>3.1</b>	<b>***</b>	575.7	3.7	***	562.4	4.8	***
<b>Total interest-bearing liabilities</b>	<b>8,001.3</b>	<b>6.2</b>	<b>0.10</b>	7,500.2	7.7	0.13	7,556.7	9.8	0.13
<b>Net interest income/yield on interest-earning assets</b>	<b>6,611.2</b>	<b>64.7</b>	<b>1.29</b>	6,426.8	64.5	1.33	6,454.5	108.3	1.67

1. Percentages have been truncated from the third decimal place.

2. Other interest-earning assets and other interest-bearing liabilities include interest rate swaps.

3. Excludes average balance of noninterest-earning assets.

4. Interest from interest-earning assets means interest income on statements of income and interest from interest-bearing liabilities indicates interest expenses on statements of income

Margins (All, Domestic) (Nonconsolidated)  
(All)

	<i>(Percentages)</i>			
	<b>Q3 FY2021 (9 months)</b>	Q3 FY2020 (9 months)	Change	FY2020 (12 months)
Yield on interest earning assets (A)	<b>1.42</b>	1.49	-0.07	1.83
Total cost of funding (B)	<b>1.03</b>	1.09	-0.06	1.08
Cost of interest bearing liabilities (C)	<b>0.10</b>	0.14	-0.04	0.13
Overall interest margin (A)-(B)	<b>0.39</b>	0.40	-0.01	0.75
Net interest margin (A)-(C)	<b>1.32</b>	1.35	-0.03	1.70

Total cost of funding includes expenses as a part of funding costs

(Domestic)<sup>1</sup>

	<i>(Percentages)</i>			
	<b>Q3 FY2021 (9 months)</b>	Q3 FY2020 (9 months)	Change	FY2020 (12 months)
Yield on interest earning assets (A)	<b>1.25</b>	1.37	-0.12	1.75
Interest earned on loans and bills discounted	<b>1.49</b>	1.63	-0.14	1.61
Interest earned on securities	<b>1.00</b>	0.74	0.26	3.32
Total cost of funding (B) <sup>2</sup>	<b>1.03</b>	1.07	-0.04	1.07
Cost of interest bearing liabilities (C)	<b>0.05</b>	0.05	0.00	0.05
Interest paid on deposits <sup>3</sup>	<b>0.04</b>	0.03	0.01	0.03
Overall interest margin (A)-(B)	<b>0.22</b>	0.30	-0.08	0.68
Net interest margin (A)-(C)	<b>1.20</b>	1.32	-0.12	1.70

1.Domestic includes transactions denominated in Japanese yen for residents in Japan (excluding Japan offshore market accounts).

2.Total cost of funding includes expenses as a part of funding costs.

3.Deposits include Negotiable certificates of deposits (NCDs).

Gains (Losses) on Securities (Nonconsolidated)

(All)

	<i>(Billions of yen)</i>			
	<b>Q3 FY2021 (9 months)</b>	Q3 FY2020 (9 months)	Change	FY2020 (12 months)
Gains (losses) on bonds	<b>1.5</b>	3.6	-2.0	2.9
Gains on sales	<b>1.5</b>	4.2	-2.7	4.5
Gains on redemption	<b>0.4</b>	-	0.4	0.0
Losses on sales	<b>-0.3</b>	-0.5	0.1	-1.4
Losses on redemption	-	-	-	-
Losses on devaluation	-	-0.1	0.1	-0.1
Gains (losses) on stocks	<b>2.3</b>	0.7	1.5	0.7
Gains on sales	<b>3.3</b>	0.9	2.4	0.9
Losses on sales	<b>-0.0</b>	-	-0.0	-0.0
Losses on devaluation	<b>-0.9</b>	-0.1	-0.8	-0.2

Net Credit Costs (Nonconsolidated) <sup>1</sup>

(Billions of yen)

	Q3 FY2021 (9 months)	Q3 FY2020 (9 months)	Change (Amount)	FY2020 (12 months)
Losses on write-off of loans/Losses on sale of loans	-1.6	-1.3	-0.2	-1.4
Net provision of reserve for loan losses	1.2	-4.1	5.4	-5.7
Net provision of general reserve for loan losses	0.7	0.6	0.0	1.5
Net provision of specific reserve for loan losses	0.5	-4.8	5.3	-7.2
Net Provision of Reserve for Loan Losses to Restructuring Countries	-	-	-	-
Recoveries of written-off claims	1.9	0.5	1.4	0.6
<b>Net credit costs</b>	<b>1.5</b>	<b>-5.0</b>	<b>6.5</b>	<b>-6.4</b>

1.Amounts of losses, net provision and costs are shown in minus. Amounts of recoveries and reversals are shown in plus.

Loans by Borrower Industry (Nonconsolidated)

(Billions of yen)

	Dec 31 2021	Mar 31 2021	Change (Amount)
Domestic (excluding Japan offshore market accounts):			
Manufacturing	207.0	197.9	9.0
Agriculture and forestry	-	-	-
Fishery	0.1	0.0	0.0
Mining, quarrying and gravel extraction	0.6	0.3	0.3
Construction	14.8	10.8	4.0
Electric power, gas, heat supply and water supply	394.9	375.0	19.8
Information and communications	37.8	42.3	-4.5
Transportation and postal service	157.3	164.2	-6.9
Wholesale and retail	89.7	94.0	-4.2
Finance and insurance	1,055.5	1,006.0	49.4
Real estate	670.7	695.5	-24.7
Services	427.0	426.6	0.4
Local government	48.7	63.9	-15.2
Individuals	1,314.6	1,347.6	-33.0
Overseas yen loans and overseas loans booked domestically	439.3	418.4	20.8
<b>Total domestic</b>	<b>4,858.8</b>	<b>4,843.5</b>	<b>15.2</b>
Overseas (including Japan offshore market accounts):			
Governments	-	-	-
Financial institutions	21.5	32.0	-10.5
Others	292.7	285.3	7.4
<b>Total overseas</b>	<b>314.3</b>	<b>317.4</b>	<b>-3.1</b>
<b>Total</b>	<b>5,173.1</b>	<b>5,160.9</b>	<b>12.1</b>

## Claims Classified under the Financial Revitalization Law (Nonconsolidated)

(Billions of yen)

	Dec 31 2021	Mar 31 2021	Change (Amount)
Claims against bankrupt and quasi-bankrupt obligors	1.7	4.9	-3.2
Doubtful claims	16.0	23.3	-7.3
Substandard claims	6.5	6.2	0.3
<b>Total (A)</b>	<b>24.2</b>	<b>34.4</b>	<b>-10.2</b>
Coverage ratio	91.4%	91.8%	
Total claims (B)	5,281.5	5,294.5	-12.9
Loans and bills discounted	5,173.1	5,160.9	12.1
Others	108.4	133.6	-25.1
Ratio to total claims (A/B X 100) (%) <sup>1</sup>	0.45%	0.64%	
(Ref. 1) Amount of write-off	11.7	4.7	6.9
(Ref. 2) Below need caution level	112.0	149.5	-37.5

## Coverage Ratios for Nonperforming Claims Disclosed under the Financial Revitalization Law (Nonconsolidated)

(Billions of yen, except percentages)

	Dec 31, 2021					Mar 31, 2021				
	Amounts of coverage					Amounts of coverage				
	Amounts of claims	Total	Reserve for loan losses	Collateral and guarantees	Coverage ratio	Amounts of claims	Total	Reserve for loan losses	Collateral and guarantees	Coverage ratio
	(a)	(b)			(b)/(a)	(a)	(b)			(b)/(a)
Claims against bankrupt and quasi-bankrupt	1.7	1.7	0.6	1.1	100.0%	4.9	4.9	0.7	4.2	100.0%
Doubtful claims	16.0	15.6	5.8	9.9	97.6%	23.3	22.6	12.5	10.1	96.9%
Substandard claims	6.5	4.8	1.1	3.7	73.8%	6.2	4.1	0.8	3.3	66.0%
<b>Total</b>	<b>24.2</b>	<b>22.1</b>	<b>7.5</b>	<b>14.6</b>	<b>91.4%</b>	<b>34.4</b>	<b>31.6</b>	<b>14.0</b>	<b>17.6</b>	<b>91.8%</b>

## Securities Being Held to Maturity (Nonconsolidated)

(Billions of yen)

	Dec 31, 2021			Mar 31, 2021		
	Carrying amount	Fair value	Unrealized gain (loss)	Carrying amount	Fair value	Unrealized gain (loss)
Fair value exceeds carrying amount						
Japanese national government bonds	105.0	105.7	0.7	185.5	186.1	0.6
Subtotal	105.0	105.7	0.7	185.5	186.1	0.6
Fair value does not exceed carrying amount						
Japanese national government bonds	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-
<b>Total</b>	<b>105.0</b>	<b>105.7</b>	<b>0.7</b>	<b>185.5</b>	<b>186.1</b>	<b>0.6</b>

## Securities Available for Sale (Nonconsolidated)

(Billions of yen)

	Dec 31, 2021			Mar 31, 2021		
	Carrying amount (Fair value)	Amortized/ Acquisition cost	Unrealized gain (loss)	Carrying amount (Fair value)	Amortized/ Acquisition cost	Unrealized gain (loss)
Carrying amount exceeds amortized/acquisition cost						
Equity securities	6.5	3.2	3.2	8.1	4.2	3.8
Domestic bonds	33.3	33.1	0.1	20.8	20.4	0.4
Japanese national government bonds	1.7	1.7	0.0	9.0	9.0	0.0
Japanese local government bonds	-	-	-	-	-	-
Japanese corporate bonds	31.6	31.4	0.1	11.8	11.3	0.4
Other	98.8	97.3	1.4	97.7	95.9	1.7
Foreign securities	87.3	85.9	1.3	77.7	76.3	1.4
Foreign currency denominated foreign corporate and government bonds	67.2	66.5	0.7	77.2	76.2	1.0
Yen-denominated foreign corporate and government bonds	18.4	18.4	0.0	-	-	-
Foreign equity securities and others	1.6	1.0	0.5	0.4	0.0	0.4
Other securities	0.1	0.1	0.0	0.1	0.1	0.0
Other monetary claims purchased	11.3	11.2	0.0	19.7	19.5	0.2
Subtotal	138.7	133.7	4.9	126.7	120.6	6.0
Carrying amount does not exceed amortized/acquisition cost						
Equity securities	1.4	1.6	-0.1	0.7	0.9	-0.2
Domestic bonds	325.2	328.6	-3.4	314.3	317.5	-3.1
Japanese national government bonds	218.4	219.3	-0.8	154.3	155.3	-0.9
Japanese local government bonds	1.0	1.1	-0.0	-	-	-
Japanese corporate bonds	105.7	108.2	-2.5	160.0	162.1	-2.1
Other	298.1	309.8	-11.7	262.8	267.2	-4.4
Foreign securities	297.9	309.6	-11.7	262.8	267.2	-4.4
Foreign currency denominated foreign corporate and government bonds	235.9	240.6	-4.6	187.7	191.9	-4.2
Yen-denominated foreign corporate and government bonds	44.7	44.7	-0.0	74.0	74.2	-0.2
Foreign equity securities and others	17.1	24.2	-7.0	0.9	1.0	-0.0
Other securities	0.2	0.2	-0.0	-	-	-
Other monetary claims purchased	-	-	-	-	-	-
Subtotal	624.8	640.1	-15.2	577.9	585.7	-7.8
Total <sup>1,2</sup>	763.5	773.8	-10.3	704.7	706.4	-1.7

1. Includes a part of other monetary claims purchased in addition to securities available for sale.

2. Securities whose balance sheet amounts are not measured at fair value are not included.

## Unrealized Gain (Loss) on Available-for-Sale Securities (Nonconsolidated)

(Billions of yen)

	Dec 31, 2021	Mar 31, 2021
Unrealized gain (loss) before deferred tax on:		
Available-for-sale securities	-10.3	-1.7
Interests in available-for-sale securities held by partnerships	0.9	2.7
Other monetary assets held in trust	-2.2	-2.7
(-) Deferred tax liabilities	-	-
Unrealized gain (loss) on available-for-sale securities	-11.6	-1.7

## Capital Adequacy Related Information (Nonconsolidated)

<Basel 3, Domestic Standard<sup>1</sup>>

(Billions of yen, except percentages)

	Dec 31 2021	Mar 31 2021	Change (Amount)
Core capital: instruments and reserves	880.4	878.4	2.0
Core capital: regulatory adjustments	-37.5	-42.6	5.0
Capital	842.8	835.8	7.0
Total amount of Risk-weighted assets	6,078.8	6,299.5	-220.6
Core capital adequacy ratio	13.86%	13.26%	

1. Calculated according to F-IRB.

Nonconsolidated total required capital is ¥523.8 billion as at Dec 31, 2021 and ¥546.5 billion as at March 31, 2021.

## Nonconsolidated Balance Sheets (Unaudited)

(Millions of yen)

	Dec 31 2021	Mar 31 2021	Change (Amount)
<b>&lt;&lt;Assets&gt;&gt;</b>			
Cash and due from banks	1,706,839	1,765,612	(58,773)
Other monetary claims purchased	17,552	26,392	(8,839)
Trading assets	152,313	164,194	(11,880)
Monetary assets held in trust	277,512	286,427	(8,914)
Securities	1,336,688	1,352,522	(15,833)
Loans and bills discounted	5,173,119	5,160,932	12,186
Foreign exchanges	56,944	83,730	(26,786)
Other assets	201,149	218,898	(17,749)
Other	201,149	218,898	(17,749)
Premises and equipment	10,059	10,947	(887)
Intangible assets	22,560	24,376	(1,815)
Prepaid pension cost	9,012	8,060	952
Deferred tax assets	1,619	5,269	(3,650)
Customers' liabilities for acceptances and guarantees	22,812	19,885	2,926
Reserve for credit losses	(27,741)	(36,358)	8,616
<b>Total assets</b>	<b>8,960,441</b>	<b>9,090,890</b>	<b>(130,448)</b>
<b>&lt;&lt;Liabilities&gt;&gt;</b>			
Deposits	6,097,288	6,212,834	(115,546)
Negotiable certificates of deposit	513,250	515,140	(1,890)
Call money	35,126	30,000	5,126
Payables under repurchase agreements	61,797	47,712	14,085
Payables under securities lending transactions	398,484	390,404	8,079
Trading liabilities	132,159	142,966	(10,806)
Borrowed money	527,713	534,810	(7,097)
Foreign exchanges	1,670	23,029	(21,358)
Corporate bonds	170,000	180,000	(10,000)
Other liabilities	146,644	127,831	18,813
Income taxes payable	778	-	778
Lease obligations	1	6	(4)
Asset retirement obligations	7,391	7,242	149
Other	138,472	120,582	17,889
Accrued employees' bonuses	3,853	4,684	(831)
Reserve for reimbursement of deposits	411	391	20
Reserve for reimbursement of debentures	2,902	3,355	(453)
Acceptances and guarantees	22,812	19,885	2,926
<b>Total liabilities</b>	<b>8,114,113</b>	<b>8,233,044</b>	<b>(118,931)</b>
<b>&lt;&lt;Equity&gt;&gt;</b>			
Common stock	512,204	512,204	-
Capital surplus	79,465	79,465	-
Additional paid-in capital	79,465	79,465	-
Retained earnings	380,014	370,688	9,326
Legal reserve	16,712	16,195	516
Other retained earnings	363,302	354,492	8,809
Unappropriated retained earnings	363,302	354,492	8,809
Treasury stock, at cost	(91,338)	(81,464)	(9,873)
<b>Total shareholders' equity</b>	<b>880,346</b>	<b>880,893</b>	<b>(547)</b>
Unrealized gain (loss) on available-for-sale securities	(11,644)	(1,717)	(9,926)
Deferred gain (loss) on derivatives under hedge accounting	(22,475)	(21,432)	(1,042)
<b>Total net unrealized gain (loss) and translation adjustments</b>	<b>(34,120)</b>	<b>(23,150)</b>	<b>(10,969)</b>
Stock acquisition rights	101	101	(0)
<b>Total equity</b>	<b>846,327</b>	<b>857,845</b>	<b>(11,517)</b>
<b>Total liabilities and equity</b>	<b>8,960,441</b>	<b>9,090,890</b>	<b>(130,448)</b>



## Nonconsolidated Statements of Income (Unaudited)

(Millions of yen)

	<b>Q3 FY2021 (9 months)</b>	Q3 FY2020 (9 months)	Change (Amount)	FY2020 (12 months)
Ordinary income	<b>97,818</b>	97,837	(18)	152,988
Interest income	<b>70,936</b>	72,337	(1,401)	118,255
Interest on loans and bills discounted	<b>59,116</b>	63,744	(4,628)	83,708
Interest and dividends on securities	<b>10,474</b>	7,301	3,173	32,800
Other interest income	<b>1,345</b>	1,291	53	1,747
Fees and commissions income	<b>11,913</b>	10,622	1,290	15,430
Trading income	<b>3,433</b>	1,246	2,186	2,212
Other business income	<b>2,533</b>	10,061	(7,528)	12,530
Other ordinary income	<b>9,002</b>	3,569	5,433	4,558
Ordinary expenses	<b>81,841</b>	87,479	(5,637)	115,834
Interest expenses	<b>6,205</b>	7,756	(1,550)	9,866
Interest on deposits	<b>2,577</b>	3,265	(688)	4,163
Interest on corporate bonds	<b>332</b>	278	53	387
Other interest expenses	<b>3,296</b>	4,212	(915)	5,315
Fees and commissions expenses	<b>16,872</b>	18,701	(1,828)	24,644
Trading losses	<b>-</b>	64	(64)	234
Other business expenses	<b>1,927</b>	2,655	(728)	4,158
General and administrative expenses	<b>53,973</b>	52,289	1,684	69,161
Other ordinary expenses	<b>2,863</b>	6,011	(3,148)	7,769
Ordinary profit	<b>15,976</b>	10,358	5,618	37,154
Extraordinary gains	<b>0</b>	32	(32)	32
Extraordinary losses	<b>1,144</b>	1,906	(762)	2,654
Income before income taxes	<b>14,832</b>	8,483	6,348	34,532
Income taxes (benefit)	<b>3,389</b>	1,082	2,307	26
Net income	<b>11,442</b>	7,401	4,041	34,506

## Composition of Capital Disclosure (Nonconsolidated)

Shinsei Bank

Millions of yen (except percentages)

Items	Basel III (Domestic Standard) Dec 31 2021	Basel III (Domestic Standard) Sep 30 2021
	<b>Core capital:instruments and reserves (1)</b>	
Directly issued qualifying common share capital or preferred share capital		
with a compulsory conversion clause plus related capital surplus and retained earnings	<b>880,346</b>	873,272
of which:capital and capital surplus	<b>591,670</b>	591,670
of which:retained earnings	<b>380,014</b>	372,940
of which:treasury stock (-)	<b>91,338</b>	91,338
of which:earning to be distributed (-)	-	-
of which:other than above	-	-
Stock acquisition right to common shares and preferred shares with a compulsory conversion clause	<b>101</b>	101
Total of reserves included in Core capital:instruments and reserves	<b>10</b>	11
of which:general reserve for loan losses included in Core capital	<b>10</b>	11
of which:eligible provision included in Core capital	-	-
Eligible noncumulative perpetual preferred shares subject to transitional arrangements (amount allowed to be included in Core capital:instruments and reserves)	-	-
Eligible capital instruments subject to transitional arrangements (amount allowed to be included in Core capital:instruments and reserves)	-	-
Capital instruments issued through measures for capital enhancement by public institutions (amount allowed to be included in Core capital:instruments and reserves)	-	-
Land revaluation excess after 55% discount (amount allowed to be included in Core capital:instruments and reserves)	-	-
<b>Core capital:instruments and reserves (A)</b>	<b>880,458</b>	<b>873,385</b>
<b>Core capital:regulatory adjustments (2)</b>		
Total amount of intangible assets (excluding those relating to mortgage servicing rights)	<b>15,736</b>	16,121
of which:goodwill (including those equivalent)	<b>272</b>	289
of which:other intangibles other than goodwill and mortgage servicing rights	<b>15,463</b>	15,832
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	<b>1,944</b>	1,913
Shortfall of eligible provisions to expected losses	<b>13,657</b>	15,771
Gain on sale of securitization	-	-
Gains and losses due to changes in own credit risk on fair valued liabilities	-	-
Prepaid pension cost	<b>6,252</b>	6,030
Investments in own shares (excluding those reported in the net assets section)	-	-
Reciprocal cross-holdings in common equity	-	-
Investments in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation ("Other Financial Institutions"), net of eligible short positions, where the bank does not own more than 10% of the issued share capital (amount above the 10% threshold)	-	-
Amount exceeding the 10% threshold on specific items	-	-
of which:significant investments in the common stock of Other Financial Institutions, net of eligible short positions	-	-
of which:mortgage servicing rights	-	-
of which:deferred tax assets arising from temporary differences (net of related tax liability)	-	-
Amount exceeding the 15% threshold on specific items	-	-
of which:significant investments in the common stock of Other Financial Institutions, net of eligible short positions	-	-
of which:mortgage servicing rights	-	-
of which:deferred tax assets arising from temporary differences (net of related tax liability)	-	-
<b>Core capital:regulatory adjustments (B)</b>	<b>37,590</b>	<b>39,837</b>
<b>Capital (nonconsolidated)</b>		
Capital (nonconsolidated)((A)-(B))(C)	<b>842,867</b>	833,547
<b>Risk-weighted assets, etc.</b>		
Total amount of credit risk-weighted assets	<b>5,812,882</b>	5,904,428
of which:total amount included in risk-weighted assets by transitional arrangements	-	-
of which:significant investments in the common stock of Other Financial Institutions (net of eligible short positions)	-	-
of which:other than above	-	-
Market risk (derived by multiplying the capital requirement by 12.5)	<b>79,678</b>	72,491
Operational risk (derived by multiplying the capital requirement by 12.5)	<b>186,307</b>	186,307
Credit risk-weighted assets adjustments	-	-
Operational risk adjustments	-	-
<b>Total amount of Risk-weighted assets (D)</b>	<b>6,078,868</b>	<b>6,163,227</b>
<b>Capital ratio (nonconsolidated)</b>		
Capital ratio (nonconsolidated)((C)/(D))	<b>13.86%</b>	13.52%

## (Reference) Results of Operations (Nonconsolidated)

(Millions of yen)

	Q3 FY2021 (9 months) (A)	Q3 FY2020 (9 months) (B)	Change (A)-(B)
Gross Business Profit	65,751	67,027	(1,275)
(excluding Gains on Monetary Assets Held in Trust)	63,940	65,215	(1,274)
Net Interest Income	64,861	64,706	154
Net Fees and Commissions	(3,146)	(6,264)	3,117
Gains on Monetary Assets Held in Trust	1,810	1,811	(1)
Net Trading Income	3,433	1,181	2,251
Net Other Business Income	603	7,403	(6,799)
Gains related to Bonds	1,599	3,651	(2,052)
General and Administrative Expenses	54,355	52,022	2,332
Personnel Expenses	20,831	20,434	397
Nonpersonnel Expenses	29,241	27,588	1,652
Amortization of Goodwill	99	124	(25)
Taxes	4,281	3,999	282
Net Operating Profit before Provision of General Reserve for Loan Losses	9,585	13,192	(3,607)
Provision of General Reserve for Loan Losses (1)	-	(694)	694
Net Operating Profit	9,585	13,886	(4,301)
Net Business Profit	11,395	15,004	(3,608)
Non-Recurring Gains	4,711	(5,215)	9,926
Gains related to Stocks	2,336	766	1,570
Credit Costs (2)	(1,581)	5,705	(7,286)
Losses on Write-Off of Loans	1,651	1,371	280
Provision of Specific Reserve for Loan Losses	-	4,835	(4,835)
Provision of Reserve for Loan Losses to Restructuring Countries	-	-	-
Recoveries of Written-off Claims	(1,962)	(501)	(1,461)
Reversal of Reserve for Loan Losses	(1,270)	-	(1,270)
Losses on Sale of Loans	-	-	-
Other	793	(276)	1,069
Ordinary Profit	15,976	10,358	5,618
Extraordinary Gains	(1,144)	(1,874)	729
Gains from Sales of Fixed Assets and Impairment losses	(275)	(246)	(29)
Income before Income Taxes	14,832	8,483	6,348
Income Taxes	3,389	1,082	2,307
Net Income	11,442	7,401	4,041

## (Reference)

Core Net Operating Profit	7,985	9,540	△1,554
(excluding Gains on Cancellation of Investment Trusts)	7,985	9,540	△1,554
Net Credit Costs (1)+ (2)	(1,581)	5,011	(6,592)

## Note

- Gross Business Profit = (Net Interest Income + Expenses for Monetary Assets Held in Trust) + Net Fees and Commissions + Net Other Business Income + Gains on Monetary Assets Held in Trust  
Gains on Monetary Assets Held in Trust are deemed as revenue from core businesses.
- Core Net Operating Profit = Net Operating Profit + Provision of General Reserve for Loan Losses - Gains related to Bonds.
- Net Operating Profit = Gross Business Profit (excluding Gains on Monetary Assets Held in Trust) - General and Administrative Expenses - Provision of General Reserve for Loan Losses.
- Net Business Profit = Gross Business Profit - General and Administrative Expenses.
- Expenses for Monetary Assets Held in Trust are funding costs to acquire Monetary Assets Held in Trust and are excluded from operating expenses because Gains on Monetary Assets Held in Trust are recorded in Non-Recurring Gains.
- Non-Recurring Gains means Other ordinary income and expenses in Statements of Income, excluding Provision of General Reserve for Loan Losses and adding non-recurring expenses included in retirement benefit cost, etc. In this table, non-recurring gains excludes Gains on Monetary Assets Held in Trust.

## (Reference) Interest-Earning Assets and Interest-Bearing Liabilities (Nonconsolidated)

(Millions of yen, %)

[All]	Q3 FY2021 (9 months)			Q3 FY2020 (9 months)			FY2020 (12 months)		
	Average balance	Interest	Yield/rate <sup>1</sup> (%)	Average balance	Interest	Yield/rate <sup>1</sup> (%)	Average balance	Interest	Yield/rate <sup>1</sup> (%)
Interest-earning assets:	<b>6,611,207</b>	<b>70,936</b>	<b>1.42</b>	6,426,885	72,337	1.49	6,454,548	118,255	1.83
Loans and bills discounted	<b>5,143,652</b>	<b>59,116</b>	<b>1.52</b>	5,061,454	63,744	1.67	5,069,449	83,708	1.65
Securities	<b>1,364,345</b>	<b>10,474</b>	<b>1.01</b>	1,247,733	7,301	0.77	1,269,688	32,800	2.58
Interest-bearing liabilities:	<b>8,001,387</b>	<b>6,205</b>	<b>0.10</b>	7,500,299	7,756	0.13	7,556,754	9,866	0.13
Deposits, including negotiable certificates of deposit	<b>6,660,901</b>	<b>2,706</b>	<b>0.05</b>	6,367,760	3,349	0.06	6,408,632	4,276	0.06
Borrowed money	<b>521,950</b>	<b>12</b>	<b>0.00</b>	404,018	352	0.11	428,096	367	0.08
Corporate bonds	<b>177,600</b>	<b>332</b>	<b>0.24</b>	152,767	278	0.24	157,564	387	0.24
Net interest income/yield on interest-earning assets	<b>6,611,207</b>	<b>64,730</b>	<b>1.29</b>	6,426,885	64,581	1.33	6,454,548	108,389	1.67

1. Percentages have been truncated from the third decimal place.

2. Interest from interest-earning assets means interest income on statements of income and interest from interest-bearing liabilities indicates interest expenses on statements of income.

Earnings Forecasts<sup>1</sup>*(Billions of yen)*

(Consolidated)	<b>FY2021 Forecast</b>	FY2020 Actual
Profit attributable to owners of the parent	<b>40.0</b>	45.1

  

(Nonconsolidated)	<b>FY 2021 Forecast</b>	FY2020 Actual
Net business profit	<b>39.0</b>	42.3
Net income	<b>28.5</b>	34.5
Dividends (per share in yen): Common stock	<b>yet to be determined</b>	12.0

<sup>1</sup>Above forecasts are based on current assumptions of future events and trends, which may be incorrect.  
Actual results may differ materially from those in the statements as a result of various factors.