

Financial Summary

For the First Half Ended September 30, 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 Highlights¹

	<i>(Billions of yen, except percentages)</i>			
Results of operations (Consolidated) [Page 3]	1H FY2021 (6 months)	1H FY2020 (6 months)	Change (Amount)	FY2020 (12 months)
Net interest income	61.6	61.8	-0.2	122.0
Noninterest income	49.0	48.4	0.6	99.8
Total revenue	110.6	110.2	0.3	221.9
General and administrative expenses	-77.2	-72.7	-4.4	-149.6
Net credit costs	-6.5	-17.4	10.9	-28.3
Income before income taxes	27.4	19.7	7.6	55.3
Profit attributable to owners of the parent	23.2	13.3	9.9	45.1

	<i>(Billions of yen)</i>		
Balance sheets (Consolidated) [Page 18]	Sep 30 2021	Mar 31 2021	Change (Amount)
Cash and due from banks	1,901.3	1,919.0	-17.6
Securities	945.9	929.7	16.1
Loans and bills discounted	5,194.1	5,233.6	-39.4
Total assets	10,654.5	10,740.1	-85.6
Deposits and negotiable certificates of deposit	6,490.9	6,571.3	-80.3
Total liabilities	9,715.0	9,809.4	-94.4
Total equity	939.5	930.7	8.8

Financial ratios (Consolidated) [Page 4, 16, 26]	1H FY2021 (6 months)	1H FY2020 (6 months)	FY2020 (12 months)
Net interest margin	2.33%	2.31%	2.28%
Expense-to-revenue ratio	69.8%	66.0%	67.4%

	Sep 30 2021	Mar 31 2021
Capital adequacy ratio (Basel III, domestic standard)	11.80%	11.39%
NPL ratio based on Financial Revitalization Law (nonconsolidated)	0.61%	0.64%

	<i>(Billions of yen)</i>			
Results of operations (Nonconsolidated) [Page 22]	1H FY2021 (6 months)	1H FY2020 (6 months)	Change (Amount)	FY2020 (12 months)
Net interest income	43.3	44.2	-0.8	108.5
Noninterest income	0.4	1.2	-0.7	3.5
Total revenue	43.7	45.4	-1.6	112.1
General and administrative expenses	-35.6	-34.5	-1.1	-69.7
Net credit costs	2.4	-6.3	8.8	-6.4
Net income	4.3	0.5	3.8	34.5

1. Represents results based on management accounting basis.

Financial Highlights

Profit attributable to owners of the parent for the first half of the current fiscal year was 23.2 billion yen, increased by 9.9 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, partly due to the consolidation of UDC. Net credit costs improved mainly as large credit reserves were recorded in the same period of the previous fiscal year due to the Novel Coronavirus in Institutional Business. This was absent in the first half of the current fiscal year. In Individual Business, the provision for the reserves for loan losses decreased, mainly due to improved quality of loans in the unsecured loan business for individual customers. As a result, profit attributable to owners of the parent for the first half of the current fiscal year increased from the same period of the previous fiscal year.

Results of operations

- Total revenue was 110.6 billion yen, increased by 0.3 billion yen from the same period of the previous fiscal year.
 - Net interest income was 61.6 billion yen, decreased by 0.2 billion yen from 61.8 billion yen in the same period of the previous fiscal year. This was due to a decrease in interest income from the unsecured loan business for individual customers, while net interest income of UDC was recorded on a consolidated basis.
 - Noninterest income was 49.0 billion yen, increased by 0.6 billion yen from 48.4 billion yen in the same period of the previous year. This was 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 revenue from UDC, while gains on sales of government and other bonds at Treasury decreased.
- General and administrative expenses were 77.2 billion yen, increased by 4.4 billion yen from the first half of the previous year. This was partly 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 69.8%.
- Net credit costs were 6.5 billion yen (expense), decreased by 10.9 billion yen from the same period of the previous year. In the Institutional Business, net credit costs declined sharply, mainly as large credit reserves were recorded in the same period of the previous fiscal year due to the Novel Coronavirus in Institutional Business. This was absent in the first half of the current fiscal year. In addition, gains on recoveries of written-off receivables were recorded. As a result, profit was recorded in the Institutional Business. In the Individual Business, the provision for the reserves for loan losses decreased mainly due to improved quality of loans in the unsecured loan business for individual customers.
- Nonconsolidated net income was 4.3 billion yen, increased by 3.8 billion yen from the same period of the previous 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 first half of the current fiscal year amounted to 2.6 billion yen (from Showa Leasing).

Balance sheets

- Total assets were 10,654.5 billion yen, decreased by 85.6 billion yen from the end of March 2021.
- Loans and bills discounted were 5,194.1 billion yen, decreased by 39.4 billion yen from the end of March 2021.
- Deposits and negotiable certificates of deposit were 6,490.9 billion yen, decreased by 80.3 billion yen from the end of March 2021.

Financial ratios

- Net interest margin increased to 2.33% from 2.31% 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 generally flat yield of interest earning assets as the contribution of a relatively high yield in UDC, was offset by a decrease in loan balances in the consumer finance business.
- The core capital ratio under the Basel III domestic standards (grandfathering basis) was 11.80% at the end of September 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 a decrease in risk assets of market-related transactions.
- The common equity Tier1 ratio under the Basel III international standards (excluding grandfathering basis) was 11.7%, 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 32.1 billion yen, decreased by 2.2 billion yen from the end of March 2021. Nonperforming loan ratio was at 0.61%, decreased from 0.64% at the end of March 2021, and it remains low.

Results of Operations (Consolidated) ¹*(Billions of yen)*

	1H FY2021 (6 months)	1H FY2020 (6 months)	Change (Amount)	FY2020 (12 months)
Net interest income	61.6	61.8	-0.2	122.0
Noninterest income	49.0	48.4	0.6	99.8
Net fees and commissions	15.7	13.5	2.1	30.1
Net trading income	3.9	2.3	1.5	3.8
Net other business income	29.4	32.4	-3.0	65.8
Income on lease transactions and installment receivables	24.4	20.5	3.8	43.1
Total revenue	110.6	110.2	0.3	221.9
General and administrative expenses	-77.2	-72.7	-4.4	-149.6
Ordinary business profit	33.4	37.5	-4.1	72.2
Net credit costs	-6.5	-17.4	10.9	-28.3
Ordinary business profit after net credit costs	26.8	20.0	6.8	43.8
Amortization of goodwill and other intangible assets ²	-1.6	-1.2	-0.3	-2.7
Other gains	2.1	0.9	1.2	14.1
Income before income taxes	27.4	19.7	7.6	55.3
Current income tax	-4.9	-2.9	-2.0	-7.1
Deferred income tax	0.7	-3.5	4.3	-3.9
Profit attributable to noncontrolling interests	-0.0	0.0	-0.1	0.8
Profit attributable to owners of the parent	23.2	13.3	9.9	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 domestic real estate nonrecourse finance fee income, fee income such as servicing fees associated with specialty finance and principal transactions, fee income associated with the guarantee and other business in consumer finance and fee income from the sale of products such as mutual funds and insurance.

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)

	1H FY2021 (6 months)			1H FY2020 (6 months)			FY2020 (12 months)		
	Average Balance	Interest	Yield/rate ¹ (%)	Average Balance	Interest	Yield/rate ¹ (%)	Average Balance	Interest	Yield/rate ¹ (%)
Interest-earning assets ⁴ :									
Loans and bills discounted	5,230.8	63.9	2.44	5,142.6	64.5	2.50	5,176.4	127.2	2.46
Lease receivables and leased investment assets / installment receivables ⁴	1,090.0	24.4	4.48	914.4	20.5	4.49	957.4	43.1	4.50
Securities	927.4	2.9	0.63	927.7	3.1	0.67	943.7	5.4	0.58
Other interest-earning assets ^{2, 3}	209.3	1.1	***	212.9	1.0	***	219.2	2.2	***
Interest-earning assets totals (A) ⁴	7,457.6	92.5	2.48	7,197.8	89.3	2.48	7,296.9	178.1	2.44
Interest-bearing liabilities:									
Deposits, including negotiable certificates of deposit	6,523.1	1.7	0.05	6,231.5	2.3	0.07	6,367.7	4.2	0.07
Borrowed money	1,001.6	1.0	0.22	950.2	1.5	0.33	951.4	2.7	0.29
Corporate bonds	374.1	1.7	0.91	188.3	0.2	0.25	232.4	1.2	0.52
Other interest-bearing liabilities ²	844.8	1.9	***	770.4	2.7	***	772.4	4.7	***
Interest-bearing liabilities totals (B)	8,743.8	6.4	0.15	8,140.7	6.8	0.17	8,324.0	13.0	0.16
Net interest margin (A)-(B) ⁴	-	86.0	2.33	-	82.4	2.31	-	165.1	2.29
Noninterest-bearing sources of funds:									
Noninterest-bearing (assets) liabilities, net	-2,213.6	-	-	-1,846.4	-	-	-1,939.9	-	-
Total equity excluding noncontrolling interests in subsidiaries ⁵	927.4	-	-	903.5	-	-	912.7	-	-
Total noninterest-bearing sources of funds (C)	-1,286.1	-	-	-942.8	-	-	-1,027.1	-	-
Sum of total expense on interest-bearing liabilities and noninterest-bearing sources of funds (D)=(B)+(C)	7,457.6	6.4	0.17	7,197.8	6.8	0.19	7,296.9	13.0	0.18
Interest income / yield on interest earning assets (A)-(D) ⁴	-	86.0	2.30	-	82.4	2.29	-	165.1	2.26
Reconciliation of total revenue on interest-earning									
Total revenue on interest-earning assets	7,457.6	92.5	2.48	7,197.8	89.3	2.48	7,296.9	178.1	2.44
Less: Income on lease transactions and installment receivables	1,090.0	24.4	4.48	914.4	20.5	4.49	957.4	43.1	4.50
Total interest income	6,367.6	68.0	2.13	6,283.3	68.7	2.18	6,339.4	135.0	2.13
Total interest expense	-	6.4	-	-	6.8	-	-	13.0	-
Net interest income	-	61.6	-	-	61.8	-	-	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)

	1H FY2021 (6 months)	1H FY2020 (6 months)	Change (Amount)	FY2020 (12 months)
Institutional Business	15.2	15.3	-0.0	33.7
Corporate Business	1.4	1.6	-0.1	3.7
Structured Finance	3.0	3.4	-0.4	8.3
Principal Transactions ¹	0.9	0.7	0.2	0.3
Showa Leasing	7.7	7.1	0.5	14.4
Markets	0.8	1.6	-0.7	4.8
Other Global Markets	1.2	0.7	0.4	1.9
Individual Business	29.3	26.8	2.5	54.6
Retail Banking	3.2	1.3	1.9	3.5
Shinsei Financial ²	-0.1	0.0	-0.1	0.0
APLUS FINANCIAL	25.5	24.6	0.8	49.9
Other Individuals ¹	0.6	0.7	-0.1	1.1
Corporate/Other	4.4	6.2	-1.8	11.4
Overseas Business ¹	3.0	1.6	1.3	5.6
Treasury	1.3	4.2	-2.8	4.3
Other	0.0	0.3	-0.2	1.4
Noninterest income	49.0	48.4	0.6	99.8

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.

Noninterest income in the Institutional Business was 15.2 billion yen, decreased slightly from 15.3 billion yen in the same period of the previous fiscal year. While fees and commissions in Structured Finance and derivatives-related income in Markets decreased, income from property dispositions in Showa Leasing and income from securities brokerage in Other Global Markets increased.

Noninterest income in the Individual Business was 29.3 billion yen, increased by 2.5 billion yen from 26.8 billion yen in the same period of previous fiscal year. Fees and commissions from the sales of asset management products in Retail Banking and income from shopping credits business in APLUS FINANCIAL were favorable performance.

Noninterest income in the Corporate/Others was 4.4 billion yen, decreased by 1.8 billion yen from the same period of previous fiscal year. This was mainly due to a decrease in gains on sales of government and other bonds in Treasury despite contribution of revenue from UDC.

General and Administrative Expenses (Consolidated)

(Billions of yen)

	1H FY2021 (6 months)	1H FY2020 (6 months)	Change (Amount)	FY2020 (12 months)
Personnel expenses	-31.3	-29.5	-1.8	-59.1
Nonpersonnel expenses	-45.8	-43.2	-2.6	-90.4
Premises expenses	-9.2	-9.4	0.2	-19.1
Technology and data processing expenses	-12.9	-12.3	-0.6	-25.3
Advertising expenses	-6.5	-4.9	-1.5	-11.3
Consumption, property taxes, etc.	-5.5	-5.3	-0.2	-11.1
Deposit insurance premium	-0.7	-0.7	0.0	-1.5
Other general and administrative expenses	-10.8	-10.4	-0.4	-21.9
General and administrative expenses	-77.2	-72.7	-4.4	-149.6

Net Credit Costs (Consolidated) ¹

(Billions of yen)

	1H FY2021 (6 months)	1H FY2020 (6 months)	Change (Amount)	FY2020 (12 months)
Losses on write-off of loans/Losses on sale of loans	-0.9	-1.6	0.6	-2.1
Net provision of reserve for loan losses:	-11.1	-19.1	7.9	-33.4
Net provision of general reserve for loan losses	-5.4	-10.7	5.3	-17.8
Net provision of specific reserve for loan losses	-5.7	-8.3	2.6	-15.6
Other credit costs relating to leasing business	-0.1	-0.0	-0.0	-0.2
Recoveries of written-off claims	5.6	3.3	2.3	7.4
Net credit costs	-6.5	-17.4	10.9	-28.3

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)

	1H FY2021 (6 months)	1H FY2020 (6 months)	Change (Amount)	FY2020 (12 months)
Extraordinary income	1.3	-0.2	1.5	10.9
Net gain on disposal of premises and equipment	0.4	-0.0	0.5	0.0
Other extraordinary income	0.8	-0.2	1.0	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	0.8	0.2	0.6	2.9
Other gains	2.1	0.9	1.2	14.1

Business Line Results (Consolidated)

(Billions of yen)

	1H FY2021 (6 months)	1H FY2020 (6 months)	Change (Amount)	FY2020 (12 months)
<i>Institutional Business^{1 2}:</i>				
Net interest income	14.5	14.3	0.2	28.3
Noninterest income	15.2	15.3	-0.0	33.7
Total revenue	29.8	29.6	0.1	62.0
General and administrative expenses	-23.4	-22.6	-0.8	-45.4
Ordinary business profit	6.3	7.0	-0.6	16.5
Net credit costs	2.2	-6.6	8.9	-6.5
Ordinary business profit after net credit costs	8.6	0.4	8.2	10.0
<i>Individual Business^{1 2}:</i>				
Net interest income	45.8	50.7	-4.9	99.8
Noninterest income	29.3	26.8	2.5	54.6
Total revenue	75.2	77.6	-2.4	154.5
General and administrative expenses	-49.2	-48.6	-0.5	-99.9
Ordinary business profit	25.9	28.9	-2.9	54.5
Net credit costs	-9.4	-10.7	1.3	-21.7
Ordinary business profit after net credit costs	16.5	18.1	-1.5	32.8
<i>Corporate/Other^{1 2 3}:</i>				
Net interest income	1.2	-3.2	4.4	-6.1
Noninterest income	4.4	6.2	-1.8	11.4
Total revenue	5.6	3.0	2.6	5.3
General and administrative expenses	-4.5	-1.4	-3.0	-4.2
Ordinary business profit	1.1	1.5	-0.4	1.0
Net credit costs	0.6	-0.0	0.6	-0.1
Ordinary business profit after net credit costs	1.7	1.5	0.1	0.9
<i>Total:</i>				
Net interest income	61.6	61.8	-0.2	122.0
Noninterest income	49.0	48.4	0.6	99.8
Total revenue	110.6	110.2	0.3	221.9
General and administrative expenses	-77.2	-72.7	-4.4	-149.6
Ordinary business profit	33.4	37.5	-4.1	72.2
Net credit costs	-6.5	-17.4	10.9	-28.3
Ordinary business profit after net credit costs	26.8	20.0	6.8	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

Institutional Business	Focuses primarily on corporate, public and financial sector finance and advisory businesses.
Corporate Business	"Corporate Business" provides financial products and services, advisory services, health care finance and trust services to businesses and public corporations and financial institutions.
Structured Finance	"Structured Finance" provides real estate related nonrecourse and corporate finance, project finance, M&A related finance, and specialty finance.
Principal Transactions	"Principal Transactions" is engaged in the credit trading businesses, private equity, the provision of business succession and business switching and withdrawal support services.
Showa Leasing	"Showa Leasing" primarily provides leasing related financial products and services.
Markets	"Markets" is engaged in foreign exchange, derivatives, equity related and other capital markets transactions.
Other Global Markets	"Other Global Markets" consists of the profit and loss attributable to Shinsei Securities, asset management, wealth management and other products and services.
Individual Business:	Focuses on retail financial products and services.
Retail Banking	"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.
Shinsei Financial	"Shinsei Financial" provides consumer finance products and services and guarantee services (Shinsei Financial, Shinsei Bank Card Loan L, NOLOAN, Lake ALSA).
APLUS FINANCIAL	"APLUS FINANCIAL" provides installment sales credit, credit cards, financing and payment services.
Other Individuals	"Other Individuals" consists of profit and loss attributable to other subsidiaries of Individual Business.
Corporate/Other:	"Corporate/Other" includes accounts which are not included in "Institutional Business" and "Individual Business"
Overseas Business	"Overseas Business" consists of profit and loss attributable to overseas subsidiaries such as UDC Finance Limited(New Zealand) and EasyLend (Hong Kong) .
Treasury	"Treasury" undertakes ALM related operations and includes gains and losses from equity and subordinated debt financing activities.
Other	"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)

	1H FY2021 (6 months)	1H FY2020 (6 months)	Change (Amount)	FY2020 (12 months)
<i>Corporate Business¹:</i>				
Net interest income	5.1	5.7	-0.5	11.1
Noninterest income	1.4	1.6	-0.1	3.7
Total revenue	6.5	7.3	-0.7	14.8
General and administrative expenses	-6.6	-6.4	-0.2	-12.9
Ordinary business profit	-0.0	0.8	-0.9	1.9
Net credit costs	0.7	-0.9	1.7	1.2
Ordinary business profit after net credit costs	0.6	-0.0	0.7	3.1
<i>Structured Finance¹:</i>				
Net interest income	6.9	6.2	0.7	12.6
Noninterest income	3.0	3.4	-0.4	8.3
Total revenue	10.0	9.7	0.3	21.0
General and administrative expenses	-5.7	-5.2	-0.5	-10.4
Ordinary business profit	4.2	4.4	-0.2	10.5
Net credit costs	1.5	-5.0	6.6	-7.5
Ordinary business profit after net credit costs	5.8	-0.5	6.4	3.0
<i>Principal Transactions^{1 2}:</i>				
Net interest income	1.6	1.5	0.1	2.9
Noninterest income	0.9	0.7	0.2	0.3
Total revenue	2.6	2.2	0.4	3.3
General and administrative expenses	-2.2	-2.0	-0.1	-4.2
Ordinary business profit	0.3	0.1	0.2	-0.9
Net credit costs	0.0	-0.2	0.2	-0.0
Ordinary business profit after net credit costs	0.3	-0.1	0.5	-0.9
<i>Showa Leasing¹:</i>				
Net interest income	0.0	0.0	0.0	0.1
Noninterest income	7.7	7.1	0.5	14.4
Total revenue	7.8	7.2	0.5	14.5
General and administrative expenses	-5.7	-5.6	-0.0	-11.5
Ordinary business profit	2.0	1.5	0.5	3.0
Net credit costs	-0.0	-0.3	0.2	-0.1
Ordinary business profit after net credit costs	2.0	1.2	0.7	2.8

Institutional Business (Consolidated)

(Billions of yen)

	1H FY2021 (6 months)	1H FY2020 (6 months)	Change (Amount)	FY2020 (12 months)
<i>Markets¹:</i>				
Net interest income	0.4	0.5	-0.1	1.0
Noninterest income	0.8	1.6	-0.7	4.8
Total revenue	1.2	2.1	-0.9	5.8
General and administrative expenses	-1.5	-1.6	0.1	-3.2
Ordinary business profit	-0.2	0.5	-0.7	2.5
Net credit costs	-	-	-	-
Ordinary business profit after net credit costs	-0.2	0.5	-0.7	2.5
<i>Other Global Markets¹:</i>				
Net interest income	0.1	0.2	-0.0	0.4
Noninterest income	1.2	0.7	0.4	1.9
Total revenue	1.4	0.9	0.4	2.4
General and administrative expenses	-1.4	-1.4	0.0	-2.9
Ordinary business profit	-0.0	-0.5	0.4	-0.5
Net credit costs	-0.0	-0.0	0.0	0.0
Ordinary business profit after net credit costs	-0.0	-0.5	0.5	-0.5
<i>Institutional Business^{1 2}:</i>				
Net interest income	14.5	14.3	0.2	28.3
Noninterest income	15.2	15.3	-0.0	33.7
Total revenue	29.8	29.6	0.1	62.0
General and administrative expenses	-23.4	-22.6	-0.8	-45.4
Ordinary business profit	6.3	7.0	-0.6	16.5
Net credit costs	2.2	-6.6	8.9	-6.5
Ordinary business profit after net credit costs	8.6	0.4	8.2	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)

	1H FY2021 (6 months)	1H FY2020 (6 months)	Change (Amount)	FY2020 (12 months)
<i>Retail banking¹:</i>				
Net interest income	9.8	12.3	-2.4	24.7
Loans	4.4	4.6	-0.2	9.1
Deposits	5.4	7.6	-2.2	15.5
Noninterest income	3.2	1.3	1.9	3.5
Asset Management Products	4.5	2.8	1.7	6.7
Other Fees (ATM, Fund Transfer, FX etc.)	-1.2	-1.5	0.2	-3.1
Total revenue	13.1	13.6	-0.4	28.3
General and administrative expenses	-11.8	-12.0	0.1	-24.3
Ordinary business profit	1.2	1.5	-0.3	3.9
Net credit costs	-0.0	-0.2	0.2	-0.3
Ordinary business profit after net credit costs	1.2	1.3	-0.0	3.6
<i>Shinsei Financial^{1 3}:</i>				
Net interest income	31.7	33.8	-2.0	65.9
Lake Business	29.4	31.1	-1.7	60.9
Noninterest income	-0.1	0.0	-0.1	0.0
Total revenue	31.5	33.8	-2.2	66.0
General and administrative expenses	-16.9	-16.5	-0.4	-34.6
Ordinary business profit	14.6	17.3	-2.7	31.3
Net credit costs	-3.6	-4.6	1.0	-9.6
Ordinary business profit after net credit costs	11.0	12.6	-1.6	21.7
<i>APLUS FINANCIAL¹:</i>				
Net interest income	4.0	4.3	-0.3	8.5
Noninterest income	25.5	24.6	0.8	49.9
Total revenue	29.5	29.0	0.5	58.4
General and administrative expenses	-19.3	-19.1	-0.2	-38.9
Ordinary business profit	10.1	9.9	0.2	19.5
Net credit costs	-6.1	-6.2	0.1	-12.5
Ordinary business profit after net credit costs	4.0	3.6	0.4	6.9

Individual Business (Consolidated)

(Billions of yen)

	1H FY2021 (6 months)	1H FY2020 (6 months)	Change (Amount)	FY2020 (12 months)
<i>Other Individuals</i> ^{1 2} :				
Net interest income	0.2	0.3	-0.0	0.5
Noninterest income	0.6	0.7	-0.1	1.1
Total revenue	0.9	1.1	-0.1	1.7
General and administrative expenses	-1.0	-1.0	-0.0	-2.0
Ordinary business profit	-0.1	0.0	-0.2	-0.3
Net credit costs	0.3	0.4	-0.0	0.8
Ordinary business profit after net credit costs	0.2	0.5	-0.2	0.5
<i>Individual Business</i> ^{1 2} :				
Net interest income	45.8	50.7	-4.9	99.8
Noninterest income	29.3	26.8	2.5	54.6
Total revenue	75.2	77.6	-2.4	154.5
General and administrative expenses	-49.2	-48.6	-0.5	-99.9
Ordinary business profit	25.9	28.9	-2.9	54.5
Net credit costs	-9.4	-10.7	1.3	-21.7
Ordinary business profit after net credit costs	16.5	18.1	-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)¹

(Billions of yen)

	1H FY2021 (6 months)	1H FY2020 (6 months)	Change (Amount)	FY2020 (12 months)
<i>Overseas Business^{1 2}:</i>				
Net interest income	2.5	0.0	2.4	0.5
Noninterest income	3.0	1.6	1.3	5.6
Total revenue	5.5	1.6	3.8	6.1
General and administrative expenses	-2.7	-0.6	-2.1	-2.4
Ordinary business profit	2.7	1.0	1.7	3.6
Net credit costs	0.5	-0.0	0.6	-0.1
Ordinary business profit after net credit costs	3.3	0.9	2.3	3.5
<i>Treasury¹:</i>				
Net interest income	-1.3	-3.2	1.9	-6.7
Noninterest income	1.3	4.2	-2.8	4.3
Total revenue	0.0	1.0	-0.9	-2.3
General and administrative expenses	-0.7	-0.7	0.0	-1.5
Ordinary business profit	-0.6	0.2	-0.8	-3.8
Net credit costs	—	—	—	—
Ordinary business profit after net credit costs	-0.6	0.2	-0.8	-3.8
<i>Other^{1 3}:</i>				
Net interest income	-0.0	0.0	-0.0	-0.0
Noninterest income	0.0	0.3	-0.2	1.4
Total revenue	0.0	0.3	-0.3	1.4
General and administrative expenses	-1.0	0.0	-1.0	-0.2
Ordinary business profit	-1.0	0.3	-1.3	1.2
Net credit costs	0.0	0.0	0.0	0.0
Ordinary business profit after net credit costs	-1.0	0.3	-1.3	1.2
<i>Corporate/Other^{1 2 3}:</i>				
Net interest income	1.2	-3.2	4.4	-6.1
Noninterest income	4.4	6.2	-1.8	11.4
Total revenue	5.6	3.0	2.6	5.3
General and administrative expenses	-4.5	-1.4	-3.0	-4.2
Ordinary business profit	1.1	1.5	-0.4	1.0
Net credit costs	0.6	-0.0	0.6	-0.1
Ordinary business profit after net credit costs	1.7	1.5	0.1	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)

	Sep 30 2021	Mar 31 2021	Change (Amount)
Domestic offices (excluding Japan offshore market accounts):			
Manufacturing	207.1	201.7	5.3
Agriculture and forestry	0.0	0.0	-0.0
Fishery	0.0	0.0	-0.0
Mining, quarrying and gravel extraction	0.2	0.3	-0.1
Construction	15.7	12.7	2.9
Electric power, gas, heat supply and water supply	391.8	380.1	11.6
Information and communications	39.1	42.4	-3.2
Transportation and postal service	177.9	184.8	-6.8
Wholesale and retail	95.7	100.4	-4.7
Finance and insurance	484.8	499.5	-14.7
Real estate	691.0	706.2	-15.2
Services	390.7	377.4	13.3
Local government	57.6	63.9	-6.3
Others	2,174.4	2,214.8	-40.3
Loans to individual customers (Housing Loan, Unsecured Loan, Cashing by Credit Card, Housing Related Loan, etc.)	1,816.7	1,833.1	-16.3
Total domestic (A)	4,726.5	4,784.9	-58.3
Overseas offices (including Japan offshore market accounts):			
Governments	-	-	-
Financial institutions	30.7	32.1	-1.3
Others	436.8	416.5	20.2
Total overseas (B)	467.5	448.6	18.9
Total (A+B)	5,194.1	5,233.6	-39.4

Securities Being Held to Maturity (Consolidated)

(Billions of yen)

	Sep 30, 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	125.1	125.8	0.6	185.5	186.1	0.6
Subtotal	125.1	125.8	0.6	185.5	186.1	0.6
Fair value does not exceed carrying amount						
Japanese national government bonds	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-
Total	125.1	125.8	0.6	185.5	186.1	0.6

Securities Available for Sale (Consolidated)

(Billions of yen)

	Sep 30, 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	11.8	4.9	6.8	11.8	5.3	6.5
Domestic bonds	30.9	30.7	0.1	21.9	21.4	0.4
Japanese national government bonds	1.0	1.0	0.0	10.0	10.0	0.0
Japanese local government bonds	-	-	-	-	-	-
Japanese corporate bonds	29.9	29.7	0.1	11.8	11.3	0.4
Other	174.6	172.8	1.8	97.7	95.9	1.7
Foreign securities	160.4	158.8	1.6	77.7	76.3	1.4
Foreign currency denominated foreign corporate and government bonds	111.1	110.1	1.0	77.2	76.2	1.0
Yen-denominated foreign corporate and government bonds	47.6	47.5	0.0	-	-	-
Foreign equity securities and others	1.6	1.0	0.5	0.4	0.0	0.4
Other securities	0.2	0.1	0.0	0.1	0.1	0.0
Other monetary claims purchased	13.9	13.8	0.1	19.7	19.5	0.2
Subtotal	217.4	208.4	8.9	131.4	122.7	8.7
Carrying amount does not exceed amortized/acquisition cost						
Equity securities	1.1	1.2	-0.1	1.2	1.4	-0.2
Domestic bonds	342.5	345.9	-3.4	314.3	317.5	-3.1
Japanese national government bonds	228.5	229.4	-0.8	154.3	155.3	-0.9
Japanese local government bonds	-	-	-	-	-	-
Japanese corporate bonds	113.9	116.5	-2.5	160.0	162.1	-2.1
Other	219.2	228.5	-9.2	262.8	267.2	-4.4
Foreign securities	219.2	228.5	-9.2	262.8	267.2	-4.4
Foreign currency denominated foreign corporate and government bonds	181.0	185.0	-4.0	187.7	191.9	-4.2
Yen-denominated foreign corporate and government bonds	20.7	20.8	-0.0	74.0	74.2	-0.2
Foreign equity securities and others	17.4	22.6	-5.2	0.9	1.0	-0.0
Other securities	0.0	0.0	-	-	-	-
Other monetary claims purchased	-	-	-	-	-	-
Subtotal	562.8	575.7	-12.8	578.4	586.2	-7.8
Total ^{1, 2}	780.2	784.2	-3.9	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 Sep 30, 2021 and Mar 31, 2021 were ¥766.3 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)

	Sep 30, 2021	Mar 31, 2021
Unrealized gain (loss) before deferred tax on:		
Available-for-sale securities	-3.9	0.8
The Bank's interests in available-for-sale securities held by partnerships and other adjustments	0.4	0.5
Other monetary assets held in trust	-2.1	-2.7
(-) Deferred tax liabilities	0.4	0.4
Unrealized gain (loss) on available-for-sale securities before interest adjustments	-6.1	-1.8
(-) Noncontrolling interests	0.1	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	1.7	1.9
Unrealized gain (loss) on available-for-sale securities	-4.6	-0.5

Deposits (Consolidated)

(Billions of yen)

	Sep 30 2021	Mar 31 2021	Change (Amount)
Deposits	5,960.0	6,056.1	-96.1
Liquid (current, ordinary, notice) deposits	2,807.3	2,828.2	-20.8
Time deposits ¹	2,617.4	2,646.8	-29.4
Other	535.2	581.0	-45.8
Negotiable certificates of deposits (NCDs)	530.9	515.1	15.8
Total	6,490.9	6,571.3	-80.3

1.Includes two-week maturity deposits

Financial Ratios (Consolidated)

	1H FY2021 (6 months)	1H FY2020 (6 months)	FY2020 (12 months)
Return on assets ¹	0.4% ³	0.3% ³	0.4%
Return on equity ²	5.0% ³	2.9% ³	4.9%
Expense-to-revenue ratio ^{4, 5}	69.8%	66.0%	67.4%

1.Return on assets:

Profit (Losses) Attributable to Owners of the Parent
 (Total assets at the BOP + Total assets at the EOP)/2

BOP: beginning of period
 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 ¹>

(Billions of yen, except percentages)

	Sep 30 2021	Mar 31 2021	Change (Amount)
Core capital:instruments and reserves	955.4	941.3	14.0
Core capital:regulatory adjustments	-104.3	-107.4	3.0
Capital	851.0	833.9	17.1
Total amount of Risk-weighted assets	7,208.6	7,320.3	-111.6
Consolidated core capital adequacy ratio	11.80%	11.39%	

1.Calculated according to F-IRB.

Consolidated total required capital is ¥678.9 billion as of Sep 30, 2021, ¥691.6 billion as at March 31, 2021.

Per Share Data (Consolidated)

(Yen)

	1H FY2021 (6 months)	1H FY2020 (6 months)	Change (Amount)	FY2020 (12 months)
Common equity	4,468.31	4,043.30	425.00	4,283.92
Fully diluted equity	4,466.89	4,042.10	424.78	4,282.60
Basic EPS	108.77	58.35	50.41	202.16
Diluted EPS	108.73	58.34	50.39	202.10
For calculation of per share data (Does not include treasury shares):				
Equity: Number of common shares	208,641,080	223,551,219		215,291,519
Fully diluted number of shares	208,707,514	223,617,537		215,357,838
EPS Number of common shares	213,587,220	228,192,744		223,134,412
Fully diluted number of shares	213,652,981	228,252,953		223,197,668

Interim Consolidated Balance Sheets

(Millions of yen)

	Sep 30 2021	Mar 31 2021	Change (Amount)
<<Assets>>			
Cash and due from banks	1,901,389	1,919,075	(17,685)
Call loans and bills bought	—	—	—
Receivables under securities borrowing transactions	—	—	—
Other monetary claims purchased	37,274	46,187	(8,913)
Trading assets	163,440	170,376	(6,935)
Monetary assets held in trust	384,705	393,949	(9,243)
Securities	945,913	929,717	16,196
Loans and bills discounted	5,194,162	5,233,605	(39,442)
Foreign exchanges	58,163	83,730	(25,566)
Lease receivables and leased investment assets	190,018	192,147	(2,128)
Other assets	1,158,229	1,154,474	3,754
Premises and equipment	60,399	63,878	(3,479)
Intangible assets	64,699	68,685	(3,985)
Goodwill	12,297	13,460	(1,163)
Assets for retirement benefits	19,892	19,482	409
Deferred tax assets	10,211	9,985	226
Customers' liabilities for acceptances and guarantees	576,932	567,777	9,155
Reserve for credit losses	(110,866)	(112,897)	2,031
Total assets	10,654,566	10,740,174	(85,607)
<<Liabilities>>			
Deposits	5,960,018	6,056,191	(96,173)
Negotiable certificates of deposit	530,970	515,140	15,830
Call money and bills sold	24,071	30,000	(5,928)
Payables under repurchase agreements	77,083	47,712	29,371
Payables under securities lending transactions	424,595	395,449	29,146
Trading liabilities	139,059	148,393	(9,334)
Borrowed money	964,755	1,026,679	(61,923)
Foreign exchanges	695	889	(193)
Short-term corporate bonds	222,300	218,800	3,500
Corporate bonds	376,987	367,534	9,452
Other liabilities	365,873	374,978	(9,105)
Accrued employees' bonuses	5,022	8,504	(3,481)
Accrued directors' bonuses	20	41	(20)
Liabilities for retirement benefits	8,137	8,084	52
Reserve for directors' retirement benefits	21	19	2
Reserve for reimbursement of deposits	438	391	47
Reserve for reimbursement of debentures	3,236	3,355	(119)
Reserve for losses on interest repayments	34,566	39,096	(4,529)
Deferred tax liabilities	214	393	(178)
Acceptances and guarantees	576,932	567,777	9,155
Total liabilities	9,715,000	9,809,431	(94,431)
<<Equity>>			
Common stock	512,204	512,204	—
Capital surplus	72,961	72,961	—
Retained earnings	452,395	431,623	20,772
Treasury stock, at cost	(91,338)	(81,464)	(9,873)
Total shareholders' equity	946,223	935,324	10,898
Unrealized gain (loss) on available-for-sale securities	(4,608)	(593)	(4,014)
Deferred gain (loss) on derivatives under hedge accounting	(14,117)	(16,799)	2,681
Foreign currency translation adjustments	(415)	(1,133)	718
Defined retirement benefit plans	5,191	5,495	(303)
Total accumulated other comprehensive income	(13,949)	(13,031)	(917)
Stock acquisition rights	139	149	(10)
Noncontrolling interests	7,153	8,300	(1,147)
Total equity	939,566	930,742	8,823
Total liabilities and equity	10,654,566	10,740,174	(85,607)

Interim Consolidated Statements of Income

(Millions of yen)

	1H FY2021 (6 months)	1H FY2020 (6 months)	Change (Amount)	FY2020 (12 months)
Ordinary income	182,563	182,100	462	374,247
Interest income	68,076	68,774	(697)	135,036
Interest on loans and bills discounted	63,949	64,582	(632)	127,299
Interest and dividends on securities	2,938	3,105	(166)	5,490
Other interest income	1,187	1,086	100	2,245
Fees and commissions income	28,578	26,618	1,960	56,140
Trading income	3,907	2,383	1,523	4,110
Other business income	71,723	74,743	(3,019)	155,300
Other ordinary income	10,276	9,581	695	23,659
Ordinary expenses	156,445	162,104	(5,659)	329,849
Interest expenses	6,471	6,892	(420)	13,000
Interest on deposits	1,675	2,279	(603)	4,159
Interest on borrowings	1,080	1,571	(491)	2,754
Interest on corporate bonds	1,715	237	1,477	1,219
Other interest expenses	2,000	2,803	(802)	4,868
Fees and commissions expenses	12,846	13,056	(209)	25,978
Trading losses	—	—	—	234
Other business expenses	44,959	46,347	(1,388)	99,792
General and administrative expenses	78,612	74,171	4,440	151,860
Amortization of goodwill	1,379	1,109	270	2,349
Amortization of intangible assets acquired in business combinations	228	173	54	383
Other general and administrative expenses	77,003	72,888	4,115	149,127
Other ordinary expenses	13,555	21,635	(8,080)	38,982
Provision of reserve for credit losses	11,131	19,101	(7,969)	33,467
Other	2,423	2,534	(110)	5,514
Ordinary profit	26,118	19,996	6,121	44,398
Extraordinary gains	1,616	0	1,615	12,075
Extraordinary losses	304	261	43	1,136
Income before income taxes	27,429	19,735	7,694	55,336
Income taxes (benefit):				
Income taxes (benefit) - current	4,937	2,918	2,018	7,168
Income taxes (benefit) - deferred	(787)	3,588	(4,376)	3,945
Total income taxes (benefit)	4,149	6,506	(2,357)	11,113
Profit	23,280	13,228	10,051	44,223
Profit (loss) attributable to noncontrolling interests	48	(87)	136	(886)
Profit attributable to owners of the parent	23,232	13,316	9,915	45,109

Composition of Capital Disclosure(Consolidated)

Shinsei Bank and subsidiaries

Items	Millions of yen (except percentages)	
	Basel III (Domestic Standard) Sep 30 2021	Basel III (Domestic Standard) June 30 2021
Core capital:instruments and reserves (1)		
Directly issued qualifying common share capital or preferred share capital		
with a compulsory conversion clause plus related capital surplus and retained earnings	946,223	944,553
of which:capital and capital surplus	585,165	585,165
of which:retained earnings	452,395	440,768
of which:treasury stock (-)	91,338	81,381
of which:earning to be distributed (-)	-	-
of which:other than above	-	-
Accumulated other comprehensive income (amount allowed to be included in Core capital)	4,776	4,256
of which:foreign currency translation adjustment	(415)	(1,086)
of which:amount related defined benefit	5,191	5,342
Stock acquisition right to common shares and preferred shares with a compulsory conversion clause	101	84
Adjusted noncontrolling interests (amount allowed to be included in Core capital)	11	11
Total of reserves included in Core capital:instruments and reserves	2,089	1,810
of which:general reserve for loan losses included in Core capital	2,089	1,810
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)	2,237	2,411
Core capital:instrumes and reserves (A)	955,438	953,128
Core capital:regulatory adjustments (2)		
Total amount of intangible assets (excluding those relating to mortgage servicing rights)	50,636	52,178
of which:goodwill (including those equivalent)	14,279	14,994
of which:other intangibles other than goodwill and mortgage servicing rights	36,356	37,183
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	4,750	4,237
Shortfall of eligible provisions to expected losses	35,199	37,196
Gain on sale of securitization	-	-
Gains and losses due to changes in own credit risk on fair valued liabilities	-	-
Net defined benefit asset	13,801	13,663
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)	-	-
Core capital:regulatory adjustments (B)	104,387	107,276
Capital (consolidated)		
Capital (consolidated)((A)-(B))(C)	851,050	845,852
Risk-weighted assets, etc.		
Total amount of credit risk-weighted assets	6,739,637	6,742,121
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)	85,237	87,911
Operational risk (derived by multiplying the capital requirement by 12.5)	383,824	385,088
Credit risk-weighted assets adjustments	-	-
Operational risk adjustments	-	-
Total amount of Risk-weighted assets (D)	7,208,699	7,215,121
Capital ratio (consolidated)		
Capital ratio (consolidated)((C)/(D))	11.80%	11.72%

(Reference) Results of Operations (Consolidated)

(Millions of yen)

	1H FY2021 (6 months) (A)	1H FY2020 (6 months) (B)	Change (A)-(B)
Gross Business Profit	109,858	108,143	1,714
(excluding Gains on Monetary Assets Held in Trust)	108,169	106,297	1,871
Net Interest Income	61,604	61,881	(277)
Net Fees and Commissions	15,733	13,563	2,169
Net Trading Income	3,907	2,383	1,523
Net Other Business Income	28,612	30,314	(1,701)
Gains on Monetary Assets Held in Trust	1,689	1,846	(156)
Gains related to Bonds	1,518	3,082	(1,563)
General and Administrative Expenses	78,843	74,023	4,820
Personnel Expenses	31,396	29,507	1,889
Nonpersonnel Expenses	41,940	39,209	2,731
Amortization of Goodwill and Intangible Assets	1,608	1,283	325
Taxes	5,506	5,305	200
Net Business Profit	31,014	34,120	(3,105)
Credit Costs	6,546	17,460	(10,913)
Net Provision of general reserve for loan losses	5,429	10,790	(5,361)
Gains on Stock Transactions	582	440	142
Equity in Net Income (Loss) of Affiliates	236	1,704	(1,467)
Other	830	1,191	(360)
Ordinary Profit	26,118	19,996	6,121
Extraordinary Gains	1,311	(261)	1,572
Gains from Sales of Fixed Assets and Impairment losses	265	(259)	524
Income before Income Taxes	27,429	19,735	7,694
Income Taxes - Current	4,937	2,918	2,018
Income Taxes - Deferred	(787)	3,588	(4,376)
Profit Attributable to Noncontrolling Interests	48	(87)	136
Profit Attributable to Owners of the Parents	23,232	13,316	9,915

Note

1. 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.

2. Net Business Profit = Gross Business Profit - General and Administrative Expenses.

3. Details of credit cost is available at "Net Credit Cost (Consolidated)" of Financial Summary.

Results of Operations (Nonconsolidated)

(Billions of yen)

	1H FY2021 (6 months)	1H FY2020 (6 months)	Change (Amount)	FY2020 (12 months)
Net interest income	43.3	44.2	-0.8	108.5
Noninterest income	0.4	1.2	-0.7	3.5
Net fees and commissions ¹	-2.7	-4.7	2.0	-6.8
Net trading income	2.5	1.8	0.7	1.9
Net other business income	0.5	4.1	-3.5	8.3
Total revenue ¹	43.7	45.4	-1.6	112.1
Personnel expenses	-13.9	-13.6	-0.3	-26.6
Nonpersonnel expenses	-18.8	-18.1	-0.6	-37.6
Taxes	-2.8	-2.7	-0.1	-5.4
General and administrative expenses	-35.6	-34.5	-1.1	-69.7
Net business profit ¹	8.0	10.8	-2.8	42.3
Other gains				
Gains on the sales of equities	0.0	0.1	-0.0	0.7
Net provision of reserve for credit losses	0.7	-5.1	5.9	-5.7
Losses on write-off of loans	-0.2	-1.3	1.0	-1.4
Recoveries of written-off claims	1.9	0.1	1.8	0.6
Expenses for employees' retirement benefits	0.2	-0.1	0.3	0.5
Others	0.2	-0.1	0.3	-0.0
Net ordinary income	10.9	4.3	6.6	37.1
Extra ordinary profit				
Gains from sales of fixed assets and impairment losses	-0.1	-0.2	0.0	-0.7
Others	-0.1	-0.2	0.0	-1.8
Income before income taxes	10.6	3.8	6.8	34.5
Income taxes - Current	-2.4	-0.6	-1.8	-1.4
Income taxes - Deferred	-3.7	-2.6	-1.1	1.3
Net income	4.3	0.5	3.8	34.5

1.Includes income from monetary assets held in trust of ¥1.1 billion in 1HFY2021, ¥1.2 billion in 1HFY2020 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 non-consolidated 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)

	1H FY2021 (6 months)			1H FY2020 (6 months)			FY2020 (12 months)		
	Average balance	Interest	Yield/rate ¹ (%)	Average balance	Interest	Yield/rate ¹ (%)	Average balance	Interest	Yield/rate ¹ (%)
Interest-earning assets:									
Loans and bills discounted	5,135.5	39.5	1.53	5,056.6	43.2	1.70	5,069.4	83.7	1.65
Securities	1,351.0	6.8	1.01	1,241.5	5.5	0.89	1,269.6	32.8	2.58
Other interest-earning assets ^{2,3}	104.5	0.9	***	122.5	0.8	***	115.4	1.7	***
Total interest-earning assets⁴	6,591.2	47.3	1.43	6,420.7	49.6	1.54	6,454.5	118.2	1.83
Interest-bearing liabilities:									
Deposits, including negotiable certificates of deposit	6,681.6	1.7	0.05	6,307.0	2.3	0.07	6,408.6	4.2	0.06
Borrowed money	525.4	0.0	0.00	414.4	0.3	0.16	428.0	0.3	0.08
Corporate bonds	180.0	0.2	0.24	143.3	0.1	0.23	157.5	0.3	0.24
Other interest-bearing liabilities ²	614.6	2.0	***	581.5	2.6	***	562.4	4.8	***
Total interest-bearing liabilities⁴	8,001.7	4.0	0.10	7,446.4	5.5	0.14	7,556.7	9.8	0.13
Net interest income/yield on interest-earning assets	6,591.2	43.2	1.30	6,420.7	44.1	1.37	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)

(Percentages)

	1H FY2021 (6 months)	1H FY2020 (6 months)	Change	FY2020 (12 months)
Yield on interest earning assets (A)	1.43	1.54	-0.11	1.83
Total cost of funding (B)	1.02	1.10	-0.08	1.08
Cost of interest bearing liabilities (C)	0.10	0.15	-0.05	0.13
Overall interest margin (A)-(B)	0.41	0.44	-0.03	0.75
Net interest margin (A)-(C)	1.33	1.39	-0.06	1.70

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

(Domestic)¹

(Percentages)

	1H FY2021 (6 months)	1H FY2020 (6 months)	Change	FY2020 (12 months)
Yield on interest earning assets (A)	1.31	1.42	-0.11	1.75
Interest earned on loans and bills discounted	1.51	1.65	-0.14	1.61
Interest earned on securities	1.16	0.87	0.29	3.32
Total cost of funding (B) ²	1.04	1.09	-0.05	1.07
Cost of interest bearing liabilities (C)	0.05	0.05	0.00	0.05
Interest paid on deposits ³	0.04	0.03	0.01	0.03
Overall interest margin (A)-(B)	0.27	0.33	-0.06	0.68
Net interest margin (A)-(C)	1.26	1.37	-0.11	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)

(Billions of yen)

	1H FY2021 (6 months)	1H FY2020 (6 months)	Change	FY2020 (12 months)
Gains (losses) on bonds	1.5	3.0	-1.5	2.9
Gains on sales	1.1	3.6	-2.4	4.5
Gains on redemption	0.4	-	0.4	0.0
Losses on sales	-0.0	-0.4	0.3	-1.4
Losses on redemption	-	-	-	-
Losses on devaluation	-	-0.0	0.0	-0.1
Gains (losses) on stocks	0.0	0.1	-0.0	0.7
Gains on sales	0.7	0.1	0.6	0.9
Losses on sales	-0.0	-	-0.0	-0.0
Losses on devaluation	-0.7	-0.0	-0.7	-0.2

Net Credit Costs (Nonconsolidated) ¹

(Billions of yen)

	1H FY2021 (6 months)	1H FY2020 (6 months)	Change (Amount)	FY2020 (12 months)
Losses on write-off of loans/Losses on sale of loans	-0.2	-1.3	1.0	-1.4
Net provision of reserve for loan losses	0.7	-5.1	5.9	-5.7
Net provision of general reserve for loan losses	1.6	-0.4	2.0	1.5
Net provision of specific reserve for loan losses	-0.8	-4.7	3.9	-7.2
Net Provision of Reserve for Loan Losses to Restructuring Countries	-	-	-	-
Recoveries of written-off claims	1.9	0.1	1.8	0.6
Net credit costs	2.4	-6.3	8.8	-6.4

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)

	Sep 30 2021	Mar 31 2021	Change (Amount)
Domestic (excluding Japan offshore market accounts):			
Manufacturing	203.4	197.9	5.4
Agriculture and forestry	-	-	-
Fishery	0.0	0.0	-0.0
Mining, quarrying and gravel extraction	0.2	0.3	-0.1
Construction	13.9	10.8	3.1
Electric power, gas, heat supply and water supply	386.3	375.0	11.2
Information and communications	39.1	42.3	-3.2
Transportation and postal service	157.5	164.2	-6.7
Wholesale and retail	89.4	94.0	-4.6
Finance and insurance	1,044.4	1,006.0	38.3
Real estate	678.4	695.5	-17.1
Services	432.7	426.6	6.0
Local government	57.6	63.9	-6.3
Individuals	1,324.7	1,347.6	-22.9
Overseas yen loans and overseas loans booked domestically	405.1	418.4	-13.3
Total domestic	4,833.3	4,843.5	-10.2
Overseas (including Japan offshore market accounts):			
Governments	-	-	-
Financial institutions	30.7	32.0	-1.3
Others	292.7	285.3	7.3
Total overseas	323.4	317.4	6.0
Total	5,156.7	5,160.9	-4.1

Claims Classified under the Financial Revitalization Law (Nonconsolidated)

(Billions of yen)

	Sep 30 2021	Mar 31 2021	Change (Amount)
Claims against bankrupt and quasi-bankrupt obligors	2.8	4.9	-2.1
Doubtful claims	22.8	23.3	-0.5
Substandard claims	6.6	6.2	0.4
Total (A)	32.1	34.4	-2.2
Coverage ratio	93.2%	91.8%	
Total claims (B)	5,265.3	5,294.5	-29.2
Loans and bills discounted	5,156.7	5,160.9	-4.1
Others	108.5	133.6	-25.0
Ratio to total claims (A/B X 100) (%)	0.61%	0.64%	
(Ref. 1) Amount of write-off	5.2	4.7	0.4
(Ref. 2) Below need caution level	129.8	149.5	-19.6

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

(Billions of yen, except percentages)

	Sep 30, 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	2.8	2.8	0.7	2.1	100.0%	4.9	4.9	0.7	4.2	100.0%
Doubtful claims	22.8	22.4	11.4	11.0	98.2%	23.3	22.6	12.5	10.1	96.9%
Substandard claims	6.6	4.8	1.1	3.7	73.1%	6.2	4.1	0.8	3.3	66.0%
Total	32.1	30.0	13.2	16.8	93.2%	34.4	31.6	14.0	17.6	91.8%

Housing Loans (Nonconsolidated)

(Billions of yen)

	Sep 30 2021	Mar 31 2021	Change (Amount)
Housing loans	1,123.7	1,135.0	-11.2

Securities Being Held to Maturity (Nonconsolidated)

(Billions of yen)

	Sep 30, 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	125.1	125.8	0.6	185.5	186.1	0.6
Subtotal	125.1	125.8	0.6	185.5	186.1	0.6
Fair value does not exceed carrying amount						
Japanese national government bonds	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-
Total	125.1	125.8	0.6	185.5	186.1	0.6

Securities Available for Sale (Nonconsolidated)

(Billions of yen)

	Sep 30, 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	9.0	4.1	4.8	8.1	4.2	3.8
Domestic bonds	29.9	29.7	0.1	20.8	20.4	0.4
Japanese national government bonds	-	-	-	9.0	9.0	0.0
Japanese local government bonds	-	-	-	-	-	-
Japanese corporate bonds	29.9	29.7	0.1	11.8	11.3	0.4
Other	174.6	172.8	1.8	97.7	95.9	1.7
Foreign securities	160.4	158.8	1.6	77.7	76.3	1.4
Foreign currency denominated foreign corporate and government bonds	111.1	110.1	1.0	77.2	76.2	1.0
Yen-denominated foreign corporate and government bonds	47.6	47.5	0.0	-	-	-
Foreign equity securities and others	1.6	1.0	0.5	0.4	0.0	0.4
Other securities	0.2	0.1	0.0	0.1	0.1	0.0
Other monetary claims purchased	13.9	13.8	0.1	19.7	19.5	0.2
Subtotal	213.5	206.6	6.9	126.7	120.6	6.0
Carrying amount does not exceed amortized/acquisition cost						
Equity securities	0.7	0.8	-0.0	0.7	0.9	-0.2
Domestic bonds	342.5	345.9	-3.4	314.3	317.5	-3.1
Japanese national government bonds	228.5	229.4	-0.8	154.3	155.3	-0.9
Japanese local government bonds	-	-	-	-	-	-
Japanese corporate bonds	113.9	116.5	-2.5	160.0	162.1	-2.1
Other	219.2	228.5	-9.2	262.8	267.2	-4.4
Foreign securities	219.2	228.5	-9.2	262.8	267.2	-4.4
Foreign currency denominated foreign corporate and government bonds	181.0	185.0	-4.0	187.7	191.9	-4.2
Yen-denominated foreign corporate and government bonds	20.7	20.8	-0.0	74.0	74.2	-0.2
Foreign equity securities and others	17.4	22.6	-5.2	0.9	1.0	-0.0
Other securities	0.0	0.0	-	-	-	-
Other monetary claims purchased	-	-	-	-	-	-
Subtotal	562.5	575.2	-12.7	577.9	585.7	-7.8
Total ^{1, 2}	776.0	781.9	-5.8	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)

	Sep 30, 2021	Mar 31, 2021
Unrealized gain (loss) before deferred tax on:		
Available-for-sale securities	-5.8	-1.7
Interests in available-for-sale securities held by partnerships	2.2	2.7
Other monetary assets held in trust	-2.1	-2.7
(-) Deferred tax liabilities	-	-
Unrealized gain (loss) on available-for-sale securities	-5.7	-1.7

Capital Adequacy Related Information (Nonconsolidated)

<Basel 3, Domestic Standard¹>

(Billions of yen, except percentages)

	Sep 30 2021	Mar 31 2021	Change (Amount)
Core capital: instruments and reserves	873.3	878.4	-5.0
Core capital: regulatory adjustments	-39.8	-42.6	2.7
Capital	833.5	835.8	-2.2
Total amount of Risk-weighted assets	6,163.2	6,299.5	-136.3
Core capital adequacy ratio	13.52%	13.26%	

1. Calculated according to F-IRB.

Nonconsolidated total required capital is ¥532.8 billion as at Sep 30, 2021 and ¥546.5 billion as at March 31, 2021.

Interim Nonconsolidated Balance Sheets

(Millions of yen)

	Sep 30 2021	Mar 31 2021	Change (Amount)
<<Assets>>			
Cash and due from banks	1,773,185	1,765,612	7,573
Other monetary claims purchased	20,248	26,392	(6,143)
Trading assets	157,312	164,194	(6,882)
Monetary assets held in trust	287,116	286,427	689
Securities	1,373,273	1,352,522	20,751
Loans and bills discounted	5,156,751	5,160,932	(4,181)
Foreign exchanges	58,163	83,730	(25,566)
Other assets	190,345	218,898	(28,553)
Other	190,345	218,898	(28,553)
Premises and equipment	10,238	10,947	(708)
Intangible assets	23,108	24,376	(1,267)
Prepaid pension cost	8,691	8,060	631
Deferred tax assets	1,577	5,269	(3,692)
Customers' liabilities for acceptances and guarantees	22,926	19,885	3,041
Reserve for credit losses	(33,430)	(36,358)	2,928
Total assets	9,049,509	9,090,890	(41,380)
<<Liabilities>>			
Deposits	6,177,306	6,212,834	(35,527)
Negotiable certificates of deposit	530,970	515,140	15,830
Call money	24,071	30,000	(5,928)
Payables under repurchase agreements	77,083	47,712	29,371
Payables under securities lending transactions	419,557	390,404	29,152
Trading liabilities	136,035	142,966	(6,930)
Borrowed money	508,985	534,810	(25,825)
Foreign exchanges	695	23,029	(22,333)
Corporate bonds	180,000	180,000	—
Other liabilities	119,577	127,831	(8,253)
Income taxes payable	4,216	—	4,216
Lease obligations	3	6	(3)
Asset retirement obligations	7,369	7,242	127
Other	107,988	120,582	(12,594)
Accrued employees' bonuses	2,572	4,684	(2,111)
Reserve for reimbursement of deposits	438	391	47
Reserve for reimbursement of debentures	3,236	3,355	(119)
Acceptances and guarantees	22,926	19,885	3,041
Total liabilities	8,203,457	8,233,044	(29,586)
<<Equity>>			
Common stock	512,204	512,204	—
Capital surplus	79,465	79,465	—
Additional paid-in capital	79,465	79,465	—
Retained earnings	372,940	370,688	2,252
Legal reserve	16,712	16,195	516
Other retained earnings	356,228	354,492	1,735
Unappropriated retained earnings	356,228	354,492	1,735
Treasury stock, at cost	(91,338)	(81,464)	(9,873)
Total shareholders' equity	873,272	880,893	(7,621)
Unrealized gain (loss) on available-for-sale securities	(5,775)	(1,717)	(4,057)
Deferred gain (loss) on derivatives under hedge accounting	(21,546)	(21,432)	(114)
Total net unrealized gain (loss) and translation adjustments	(27,322)	(23,150)	(4,171)
Stock acquisition rights	101	101	(0)
Total equity	846,051	857,845	(11,793)
Total liabilities and equity	9,049,509	9,090,890	(41,380)

Interim Nonconsolidated Statements of Income

(Millions of yen)

	1H FY2021 (6 months)	1H FY2020 (6 months)	Change (Amount)	FY2020 (12 months)
Ordinary income	64,753	66,151	(1,397)	152,988
Interest income	47,310	49,648	(2,338)	118,255
Interest on loans and bills discounted	39,513	43,240	(3,727)	83,708
Interest and dividends on securities	6,880	5,549	1,330	32,800
Other interest income	916	858	57	1,747
Fees and commissions income	7,548	6,616	931	15,430
Trading income	2,558	1,801	757	2,212
Other business income	2,136	6,316	(4,179)	12,530
Other ordinary income	5,200	1,769	3,431	4,558
Ordinary expenses	53,766	61,807	(8,041)	115,834
Interest expenses	4,087	5,529	(1,442)	9,866
Interest on deposits	1,678	2,282	(603)	4,163
Interest on corporate bonds	223	169	54	387
Other interest expenses	2,185	3,078	(893)	5,315
Fees and commissions expenses	11,419	12,636	(1,216)	24,644
Trading losses	—	—	—	234
Other business expenses	1,579	2,178	(599)	4,158
General and administrative expenses	35,447	34,651	796	69,161
Other ordinary expenses	1,232	6,811	(5,579)	7,769
Ordinary profit	10,987	4,344	6,643	37,154
Extraordinary gains	0	0	(0)	32
Extraordinary losses	339	510	(170)	2,654
Income before income taxes	10,648	3,833	6,814	34,532
Income taxes (benefit):				
Income taxes (benefit) - current	2,485	635	1,849	1,421
Income taxes (benefit) - deferred	3,794	2,638	1,156	(1,395)
Total income taxes (benefit)	6,279	3,273	3,005	26
Net income	4,368	560	3,808	34,506

Composition of Capital Disclosure (Nonconsolidated)

Shinsei Bank

Millions of yen (except percentages)

Items	Basel III (Domestic Standard) Sep 30 2021	Basel III (Domestic Standard) June 30 2021
	Core capital:instruments and reserves (1)	
Directly issued qualifying common share capital or preferred share capital		884,760
with a compulsory conversion clause plus related capital surplus and retained earnings	873,272	
of which:capital and capital surplus	591,670	591,670
of which:retained earnings	372,940	374,471
of which:treasury stock (-)	91,338	81,381
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	101	84
Total of reserves included in Core capital:instruments and reserves	11	12
of which:general reserve for loan losses included in Core capital	11	12
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)	-	-
Core capital:instruments and reserves (A)	873,385	884,857
Core capital:regulatory adjustments (2)		
Total amount of intangible assets (excluding those relating to mortgage servicing rights)	16,121	16,438
of which:goodwill (including those equivalent)	289	330
of which:other intangibles other than goodwill and mortgage servicing rights	15,832	16,108
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	1,913	2,648
Shortfall of eligible provisions to expected losses	15,771	16,089
Gain on sale of securitization	-	-
Gains and losses due to changes in own credit risk on fair valued liabilities	-	-
Prepaid pension cost	6,030	5,803
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)	-	-
Core capital:regulatory adjustments (B)	39,837	40,979
Capital (nonconsolidated)		
Capital (nonconsolidated)((A)-(B))(C)	833,547	843,877
Risk-weighted assets, etc.		
Total amount of credit risk-weighted assets	5,904,428	5,929,840
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)	72,491	75,318
Operational risk (derived by multiplying the capital requirement by 12.5)	186,307	191,455
Credit risk-weighted assets adjustments	-	-
Operational risk adjustments	-	-
Total amount of Risk-weighted assets (D)	6,163,227	6,196,615
Capital ratio (nonconsolidated)		
Capital ratio (nonconsolidated)((C)/(D))	13.52%	13.61%

(Reference) Results of Operations (Nonconsolidated)

(Millions of yen)

	1H FY2021 (6 months) (A)	1H FY2020 (6 months) (B)	Change (A)-(B)
Gross Business Profit	43,718	45,406	(1,688)
(excluding Gains on Monetary Assets Held in Trust)	42,554	44,121	(1,566)
Net Interest Income	43,310	44,201	(891)
Net Fees and Commissions	(2,706)	(4,732)	2,025
Gains on Monetary Assets Held in Trust	1,163	1,285	(122)
Net Trading Income	2,558	1,801	757
Net Other Business Income	556	4,136	(3,579)
Gains related to Bonds	1,518	3,082	(1,563)
General and Administrative Expenses	35,686	34,520	1,166
Personnel Expenses	13,973	13,657	315
Nonpersonnel Expenses	18,845	18,160	685
Amortization of Goodwill	82	83	(0)
Taxes	2,867	2,702	165
Net Operating Profit before Provision of General Reserve for Loan Losses	6,868	9,600	(2,732)
Provision of General Reserve for Loan Losses (1)	-	401	(401)
Net Operating Profit	6,868	9,199	(2,331)
Net Business Profit	8,031	10,886	(2,855)
Non-Recurring Gains	3,043	(6,058)	9,101
Gains related to Stocks	10	100	(90)
Credit Costs (2)	(2,437)	5,990	(8,427)
Losses on Write-Off of Loans	269	1,319	(1,050)
Provision of Specific Reserve for Loan Losses	-	4,773	(4,773)
Provision of Reserve for Loan Losses to Restructuring Countries	-	-	-
Recoveries of Written-off Claims	(1,910)	(103)	(1,807)
Reversal of Reserve for Loan Losses	(796)	-	(796)
Losses on Sale of Loans	-	-	-
Other	595	(168)	764
Ordinary Profit	10,987	4,344	6,643
Extraordinary Gains	(339)	(510)	170
Gains from Sales of Fixed Assets and Impairment losses	(152)	(245)	93
Income before Income Taxes	10,648	3,833	6,814
Income Taxes - Current	2,485	635	1,849
Income Taxes - Deferred	3,794	2,638	1,156
Net Income	4,368	560	3,808

(Reference)

Core Net Operating Profit	5,349	6,518	(1,168)
(excluding Gains on Cancellation of Investment Trusts)	5,349	6,518	(1,168)
Net Credit Costs (1)+ (2)	(2,437)	6,391	(8,828)

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]	1H FY2021 (6 months)			1H FY2020 (6 months)			FY2020 (12 months)		
	Average balance	Interest	Yield/rate ¹ (%)	Average balance	Interest	Yield/rate ¹ (%)	Average balance	Interest	Yield/rate ¹ (%)
Interest-earning assets:	6,591,206	47,310	1.43	6,420,774	49,648	1.54	6,454,548	118,255	1.83
Loans and bills discounted	5,135,575	39,513	1.53	5,056,675	43,240	1.70	5,069,449	83,708	1.65
Securities	1,351,070	6,880	1.01	1,241,533	5,549	0.89	1,269,688	32,800	2.58
Interest-bearing liabilities:	8,001,751	4,087	0.10	7,446,418	5,529	0.14	7,556,754	9,866	0.13
Deposits, including negotiable certificates of deposit	6,681,645	1,765	0.05	6,307,075	2,337	0.07	6,408,632	4,276	0.06
Borrowed money	525,467	9	0.00	414,431	349	0.16	428,096	367	0.08
Corporate bonds	180,000	223	0.24	143,393	169	0.23	157,564	387	0.24
Net interest income/yield on interest-earning assets	6,591,206	43,222	1.30	6,420,774	44,119	1.37	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.

[Domestic]

Interest-earning assets:	5,861,550	38,579	1.31	5,648,173	40,352	1.42	5,762,802	100,992	1.75
Loans and bills discounted	4,270,649	32,357	1.51	4,279,366	35,483	1.65	4,264,449	69,064	1.61
Securities	870,041	5,087	1.16	899,115	3,949	0.87	898,773	29,917	3.32
Interest-bearing liabilities:	7,239,311	2,137	0.05	6,623,824	1,709	0.05	6,816,830	3,797	0.05
Deposits, including negotiable certificates of deposit	6,048,312	1,280	0.04	5,750,993	865	0.03	5,838,340	2,083	0.03
Borrowed money	518,766	2	0.00	214,882	-28	-0.02	322,737	-31	-0.00
Corporate bonds	180,000	223	0.24	142,540	167	0.23	157,136	385	0.24
Net interest income/yield on interest-earning assets	5,861,550	36,441	1.23	5,648,173	38,643	1.36	5,762,802	97,195	1.68

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

Earnings Forecasts¹

(Billions of yen)

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

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

1. 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.

1. Nonperforming loan ratio (Financial Revitalization Law Standard) (%)

	Sep 30, 2019	Mar 31, 2020	Sep 30, 2020	Mar 31, 2021	Sep 30, 2021
Nonconsolidated	0.37	0.34	0.64	0.64	0.61
Consolidated	1.68	1.66	1.99	2.10	2.15

2. Equity holdings (domestic) (Nonconsolidated)

(1) Equity held

(Billions of yen)

	Book value		Net unrealized gain (loss)
		Subsidiaries' shares	
Sep.30, 2020	346.7	334.9	2.8
Mar.31, 2021	354.0	341.5	3.6
Sep.30, 2021	355.1	341.5	4.8

(2) Impairment

(Billions of yen)

	Equity related profits and losses (net of three accounts)	
		Impairment amount
1HFY2020	0.1	0.0
FY2020	0.7	0.2
1HFY2021	0.0	0.7

1. Other extraordinary losses for 1HFY2020 contains ¥ 0.2 billion in mark-down of subsidiaries' equity.

2. Other extraordinary losses for FY2020 contains ¥ 1.8 billion in mark-down of subsidiaries' equity.

3. Other extraordinary losses for 1HFY2021 contains ¥ 0.1 billion in mark-down of subsidiaries' equity.

(3) Break-even level of profit and loss of equities held (domestic) (theoretical figure)

Nikkei Stock Average	approximately	¥15,000
TOPIX	approximately	1,000

3. Loans to SMEs (% shows changes from the previous period) (Nonconsolidated)

(Billions of yen, except percentage)

	Results	% Change	Ratio to total loan balance (%)
Sep 30, 2020	3,199.9	-4.90	66.47
Mar 31, 2021	3,212.7	0.40	66.33
Sep 30, 2021	3,139.7	-2.27	64.96

1. The figures do not include Overseas and Japan Offshore Market Accounts.

2. Small- and medium-sized enterprises in this table refer to companies with ¥ 300 million or less in capital (¥ 100 million for wholesale and ¥ 50 million for retail and services) as well as companies or individuals with 300 employees or fewer (100 for wholesale and services and 50 for retail).

3. Revitalization Law (actual net increase/decrease excluding impact loan) unachieved actual results of - ¥ 17.8 billion for FY2020 compared to the plan of + ¥ 1.0 billion.

4. Sales performance of investment trusts and insurance (Nonconsolidated)

a. Investment trust sales performance and commission

(Billions of yen)

	Handling commission for sales of investment trusts		Amount of sales during the period
		Upfront fees from investment trusts	
1HFY2020	0.7	0.0	32.3
FY2020	1.6	0.2	94.4
1HFY2021	1.0	0.2	60.1

b. Insurance sales performance and commission

(Billions of yen)

	Handling commission for sales of insurance		Amount of sales during the period
		Upfront fees from insurance	
1HFY2020	0.3	0.3	8.2
FY2020	0.9	0.9	28.1
1HFY2021	0.7	0.7	19.6