

# **Financial Summary**

**For the Third Quarter Ended December 31, 2019**



**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 FY2019 (9 months)	Q3 FY2018 (9 months)	Change (Amount)	FY2018 (12 months)
Net interest income	100.3	100.1	0.2	133.8
Noninterest income	82.7	72.7	10.0	95.9
Total revenue	183.1	172.8	10.2	229.7
General and administrative expenses	-111.1	-106.6	-4.5	-144.7
Net credit costs	-22.2	-21.1	-1.1	-29.3
Income before income taxes	48.6	44.9	3.6	54.5
Profit attributable to owners of the parent	45.1	41.5	3.5	52.3

(Billions of yen)

Balance sheets (Consolidated) [Page 17]	Dec 31 2019	Mar 31 2019	Change (Amount)
Cash and due from banks	1,452.8	1,355.9	96.9
Securities	981.0	1,130.2	-149.2
Loans and bills discounted	5,119.7	4,986.8	132.9
Total assets	10,113.5	9,571.1	542.3
Deposits and negotiable certificates of deposit	6,230.9	5,922.1	308.7
Total liabilities	9,191.8	8,674.5	517.2
Total equity	921.6	896.6	25.0

Financial ratios (Consolidated) [Page 4, 16, 25]	Q3 FY2019 (9 months)	Q3 FY2018 (9 months)	FY2018 (12 months)
Net interest margin	2.45%	2.45%	2.46%
Expense-to-revenue ratio	60.7%	61.7%	63.0%

	Dec 31 2019	Mar 31 2019
Capital adequacy ratio (Basel III, domestic standard)	11.44%	11.85%
NPL ratio based on Financial Revitalization Law (nonconsolidated)	0.29%	0.20%

(Billions of yen)

Results of operations (Nonconsolidated) [Page 21]	Q3 FY2019 (9 months)	Q3 FY2018 (9 months)	Change (Amount)	FY2018 (12 months)
Net interest income	75.6	77.6	-2.0	106.5
Noninterest income	8.0	1.2	6.8	2.2
Total revenue	83.7	78.9	4.7	108.8
General and administrative expenses	-54.3	-52.3	-1.9	-71.5
Net credit costs	-3.0	-0.8	-2.2	0.7
Net income	30.6	23.1	7.4	35.4

1. Represents results based on management accounting basis.

Net Income attributable to owners of parent in the third quarter of the current fiscal year was 45.1 billion yen, increased 3.5 billion yen year on year. Total revenue increased, mainly due to Structured Finance and APLUS FINANCIAL, our focus areas, as well as gains on sales of stocks in the Institutional Business and on sales of government and other bonds recorded by Treasury through our ALM operations.

General and administrative expenses increased mainly due to system expenses associated with the start of operation of our new core banking system, as well as due to expenses related to subsidiaries that commenced consolidation in the current fiscal year.

Net credit cost increased mainly due to the absence of reversals of reserves for loan losses recorded in the previous fiscal year in the Institutional Business, despite the reduction of reserves for loan losses in the consumer finance business. As a result, net income attributable to owners of parent increased year on year.

### Results of operations

- Total revenue was 183.1 billion yen in the third quarter of current fiscal year, increased 10.2 billion yen year on year
  - Net interest income was 100.3 billion yen, increased 0.2 billion yen from 100.1 billion yen in the same period of the previous fiscal year. This was mainly due to an increase in operating assets in the Structured Finance, despite a decrease of revenue from housing-related loans in APLUS FINANCIAL.
  - Noninterest income was 82.7 billion yen, increased 10.0 billion yen from 72.7 billion yen in the same period of the previous fiscal year. This was mainly due to an increase in major businesses such as shopping credits in APLUS FINANCIAL and commission revenue in the Structured Finance as well as steady performances in the securities intermediation business and the Retail Banking. Significant improvement in noninterest income was also associated with gains on sales of stocks in the Institutional Business and gains on sales of government and other bonds in Treasury through our ALM operations
- General and administrative expenses were 111.1 billion yen in the third quarter of current fiscal year, increased 4.5 billion yen year on year. This was mainly due to system expenses associated with the start of operation of our new core banking system, as well as expenses related to subsidiaries that commenced consolidation in the current fiscal year and expenses associated with the optimization of the group business sites. As a result, expense to revenue ratio was 60.7%.
- Net credit cost was 22.2 billion yen (expense), increased 1.1 billion yen year on year. This was mainly due to the absence of the reversal of reserves for loan losses recorded in the previous fiscal year in the Institutional Business, despite the elimination of disposal costs associated with the bulk sale of delinquent loans recorded in the previous fiscal year in APLUS FINANCIAL and a decrease in credit cost due to improvements in the quality of loans in the Shinsei Financial.
- Nonconsolidated net income was 30.6 billion yen, increased 7.4 billion yen year on year. This was mainly due to gains on sales of government and other bonds recorded by Treasury through our ALM operations, and gains on the sales of stocks recorded in other gains or losses as well as gains on redemption of shares of affiliated companies recorded in extraordinary profit.

### Balance sheets

- Total assets were 10,113.5 billion yen, increased 542.3 billion yen from the end of March 2019.
- Loans and bills discounted were 5,119.7 billion yen, increased 132.9 billion yen from the end of March 2019. The outstanding amounts increased in the Structured Finance and the Corporate Business, while the housing loans decreased.
- Deposits were 6,230.9 billion yen, increased 308.7 billion yen from the end of March 2019.

### Financial ratios

- Net interest margin was 2.45% , same level as the same period of previous fiscal year.
- The ratio of core capital under the Basel 3 domestic standards (grand fathering basis) was 11.44% (1) at the end of December 2019, decreased from 11.85% at the end of March 2019. The core capital increased due to the steady increase of net income, despite the repurchase of common shares. The ratio of core capital under the Basel 3 domestic standards (grand fathering basis) decreased slightly due to an increase in risk assets of the Structured finance and the consumer finance business, as well as the Shinko Leasing that commenced consolidation in the current fiscal year.
- The ratio of common equity Tier1 under the Basel 3 international standards (fully loaded basis) was 11.5%(1) ,increased from 12.0% at the end of March 2019. Capital ratios continue to be maintained at ample levels.
- The amount of nonperforming loans disclosed under the Financial Revitalization Law (nonconsolidated basis) was 14.9 billion yen. Nonperforming ratio remained low at 0.29% changed from 0.20% at the end of March 2019.

(1) Parameter estimates applicable to certain exposures continued to use the data in March 2019 with some adjustments. The capital adequacy ratio continued to be at a sufficient level.

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

(Billions of yen)

	Q3 FY2019 (9 months)	Q3 FY2018 (9 months)	Change (Amount)	FY2018 (12 months)
Net interest income	100.3	100.1	0.2	133.8
Noninterest income	82.7	72.7	10.0	95.9
Net fees and commissions	24.1	23.0	1.1	31.3
Net trading income	7.5	3.9	3.5	6.6
Net other business income	51.0	45.7	5.3	57.8
Income on lease transactions and installment receivables	30.2	27.8	2.3	37.5
Total revenue	183.1	172.8	10.2	229.7
General and administrative expenses	-111.1	-106.6	-4.5	-144.7
Ordinary business profit	71.9	66.2	5.6	84.9
Net credit costs	-22.2	-21.1	-1.1	-29.3
Ordinary business profit after net credit costs	49.6	45.1	4.5	55.6
Amortization of goodwill and other intangible assets <sup>2</sup>	-1.7	-2.2	0.4	-2.8
Other gains	0.7	2.1	-1.3	1.7
Income before income taxes	48.6	44.9	3.6	54.5
Current income tax	-1.7	-2.3	0.6	-3.8
Deferred income tax	-1.8	-1.0	-0.8	1.3
Profit attributable to noncontrolling interests	0.1	0.0	0.0	0.2
Profit attributable to owners of the parent	45.1	41.5	3.5	52.3

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 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 FY2019 (9 months)			Q3 FY2018 (9 months)			FY2018 (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	5,045.9	105.4	2.78	4,912.8	104.7	2.83	4,954.6	140.1	2.83
Lease receivables and leased investment assets / installment receivables <sup>4</sup>	815.7	30.2	4.93	745.6	27.8	4.95	746.4	37.5	5.03
Securities	1,058.0	7.9	1.00	1,162.4	9.7	1.11	1,150.6	12.5	1.09
Other interest-earning assets <sup>2, 3</sup>	245.4	2.0	***	189.7	1.5	***	190.0	2.1	***
Interest-earning assets totals (A) <sup>4</sup>	7,165.1	145.7	2.71	7,010.6	143.8	2.72	7,041.7	192.3	2.73
Interest-bearing liabilities:									
Deposits, including negotiable certificates of deposit	5,916.6	4.4	0.10	6,053.1	6.3	0.14	6,033.0	7.8	0.13
Borrowed money	725.4	2.1	0.39	771.1	2.5	0.45	786.5	3.3	0.43
Subordinated debt	-	-	-	4.9	0.0	2.36	3.7	0.0	2.36
Other borrowed money	725.4	2.1	0.39	766.2	2.5	0.43	782.8	3.2	0.42
Corporate bonds	91.7	0.1	0.26	89.1	0.4	0.60	89.9	0.4	0.52
Subordinated bonds	-	-	-	17.0	0.2	1.88	12.8	0.2	1.88
Other corporate bonds	91.7	0.1	0.26	72.1	0.1	0.30	77.1	0.2	0.29
Other interest-bearing liabilities <sup>2</sup>	1,194.2	8.4	***	875.2	6.5	***	864.2	9.3	***
Interest-bearing liabilities totals (B)	7,928.0	15.1	0.25	7,788.8	15.8	0.27	7,773.8	21.0	0.27
Net interest margin (A)-(B) <sup>4</sup>	-	130.5	2.45	-	127.9	2.45	-	171.3	2.46
Noninterest-bearing sources of funds:									
Noninterest-bearing (assets) liabilities, net	-1,599.7	-	-	-1,646.4	-	-	-1,605.8	-	-
Total equity excluding noncontrolling interests in subsidiaries <sup>5</sup>	836.8	-	-	868.3	-	-	873.8	-	-
Total noninterest-bearing sources of funds (C)	-762.8	-	-	-778.1	-	-	-732.0	-	-
Sum of total expense on interest-bearing liabilities and noninterest-bearing sources of funds (D)=(B)+(C)	7,165.1	15.1	0.28	7,010.6	15.8	0.30	7,041.7	21.0	0.30
Interest income / yield on interest earning assets (A)-(D) <sup>4</sup>	-	130.5	2.43	-	127.9	2.42	-	171.3	2.43
Reconciliation of total revenue on interest-earning									
Total revenue on interest-earning assets	7,165.1	145.7	2.71	7,010.6	143.8	2.72	7,041.7	192.3	2.73
Less: Income on lease transactions and installment receivables	815.7	30.2	4.93	745.6	27.8	4.95	746.4	37.5	5.03
Total interest income	6,349.4	115.5	2.42	6,265.0	116.0	2.46	6,295.3	154.8	2.46
Total interest expense	-	15.1	-	-	15.8	-	-	21.0	-
Net interest income	-	100.3	-	-	100.1	-	-	133.8	-

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)*

	<b>Q3 FY2019</b> <b>(9 months)</b>	Q3 FY2018 (9 months)	Change (Amount)	FY2018 (12 months)
Institutional Business	<b>37.2</b>	31.4	5.8	41.2
Corporate Business	<b>7.2</b>	4.3	2.8	6.7
Structured Finance	<b>5.9</b>	5.5	0.4	7.2
Principal Transactions	<b>5.7</b>	6.1	-0.4	5.6
Showa Leasing	<b>10.6</b>	10.1	0.5	14.2
Markets	<b>5.0</b>	3.7	1.3	5.5
Other Global Markets	<b>2.5</b>	1.4	1.1	1.8
Individual Business	<b>39.3</b>	38.4	0.9	50.8
Retail Banking	<b>3.6</b>	1.9	1.7	2.9
Shinsei Financial <sup>1</sup>	<b>-0.7</b>	0.0	-0.7	-0.0
APLUS FINANCIAL	<b>36.1</b>	35.1	1.0	47.1
Other Individual	<b>0.2</b>	1.3	-1.1	0.8
Corporate/Other	<b>6.0</b>	2.8	3.2	3.8
<b>Noninterest income</b>	<b>82.7</b>	<b>72.7</b>	<b>10.0</b>	<b>95.9</b>

1. Income of Shinsei Financial, "Shinsei Bank Card Loan L", "Shinsei Bank Smart Card Loan Plus", and "Shinsei Bank Smart Money Lending" are combined on a management accounting basis. "Bank Lake" was renamed as "Shinsei Bank Card Loan L" on 28th Nov 2019.

Noninterest income from the Institutional Business was 37.2 billion yen, increased 5.8 billion yen from 31.4 billion yen in the third quarter of the previous fiscal year. This was mainly due to the increase of fee income in Structured Finance as well as gains on sales of stocks in the Corporate Business and gains on trading in Markets.

Noninterest income from the Individual Business was 39.3 billion yen, increased 0.9 billion yen from 38.4 billion yen in the third quarter of the previous fiscal year. This was mainly due to the effects of the revised "Shinsei Step-up Program" which charges ATM fees to certain retail customers, as well as revenue increase from subsidiaries that commenced consolidation in the current fiscal year and revenue increase from major businesses such as shopping credits in APLUS FINANCIAL.

Noninterest income in the Corporate/Others was 6.0 billion yen, increased 3.2 billion yen from the third quarter of the previous fiscal year. This was mainly due to the gains on sales of government and other bonds in Treasury through our ALM operations.



General and Administrative Expenses (Consolidated)

	<i>(Billions of yen)</i>			
	Q3 FY2019 (9 months)	Q3 FY2018 (9 months)	Change (Amount)	FY2018 (12 months)
Personnel expenses	-43.2	-41.4	-1.7	-55.5
Nonpersonnel expenses	-67.9	-65.1	-2.8	-89.2
Premises expenses	-15.0	-14.6	-0.4	-19.6
Technology and data processing expenses	-18.8	-17.0	-1.8	-23.2
Advertising expenses	-8.1	-8.1	-0.0	-10.9
Consumption, property taxes, etc.	-7.5	-7.0	-0.4	-10.4
Deposit insurance premium	-1.1	-1.2	0.0	-1.6
Other general and administrative expenses	-17.1	-16.9	-0.1	-23.2
<b>General and administrative expenses</b>	<b>-111.1</b>	<b>-106.6</b>	<b>-4.5</b>	<b>-144.7</b>

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

	<i>(Billions of yen)</i>			
	Q3 FY2019 (9 months)	Q3 FY2018 (9 months)	Change (Amount)	FY2018 (12 months)
Losses on write-off of loans/Losses on sale of loans	-0.2	-0.3	0.0	-0.4
Net provision of reserve for loan losses:	-26.9	-25.5	-1.3	-35.2
Net provision of general reserve for loan losses	-15.7	-14.0	-1.7	-17.2
Net provision of specific reserve for loan losses	-11.1	-11.5	0.3	-17.9
Other credit costs relating to leasing business	-0.0	-0.1	0.1	-0.3
Recoveries of written-off claims	4.9	5.0	-0.1	6.6
<b>Net credit costs</b>	<b>-22.2</b>	<b>-21.1</b>	<b>-1.1</b>	<b>-29.3</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)

	<i>(Billions of yen)</i>			
	Q3 FY2019 (9 months)	Q3 FY2018 (9 months)	Change (Amount)	FY2018 (12 months)
Extraordinary income	-1.0	-0.3	-0.6	-0.8
Net gain on disposal of premises and equipment	-0.0	-0.0	-0.0	-0.0
Other extraordinary income	-0.9	-0.2	-0.6	-0.7
Provisions of reserve for losses on interest repayment	1.2	1.7	-0.5	2.3
Shinsei Financial	1.6	1.5	0.0	5.6
Shinsei Personal Loan	-0.4	0.1	-0.5	0.1
APLUS FINANCIAL	-	-	-	-3.5
Other	0.4	0.6	-0.1	0.2
<b>Other gains</b>	<b>0.7</b>	<b>2.1</b>	<b>-1.3</b>	<b>1.7</b>

Business Line Results (Consolidated)

(Billions of yen)

	Q3 FY2019 (9 months)	Q3 FY2018 (9 months)	Change (Amount)	FY2018 (12 months)
<i>Institutional Business:</i>				
Net interest income	21.8	19.4	2.4	26.2
Noninterest income	37.2	31.4	5.8	41.2
Total revenue	59.1	50.8	8.3	67.4
General and administrative expenses	-31.5	-30.2	-1.2	-40.5
Ordinary business profit	27.5	20.5	7.0	26.8
Net credit costs	-2.9	0.5	-3.4	1.9
Ordinary business profit after net credit costs	24.6	21.0	3.5	28.7
<i>Individual Business:</i>				
Net interest income	78.1	79.1	-0.9	104.8
Noninterest income	39.3	38.4	0.9	50.8
Total revenue	117.5	117.5	-0.0	155.7
General and administrative expenses	-76.5	-75.4	-1.0	-101.1
Ordinary business profit	40.9	42.1	-1.1	54.6
Net credit costs	-19.3	-21.6	2.2	-31.2
Ordinary business profit after net credit costs	21.6	20.4	1.1	23.3
<i>Corporate/Other<sup>1</sup>:</i>				
Net interest income	0.3	1.6	-1.2	2.6
Noninterest income	6.0	2.8	3.2	3.8
Total revenue	6.4	4.4	1.9	6.5
General and administrative expenses	-3.1	-0.8	-2.2	-3.0
Ordinary business profit	3.3	3.5	-0.2	3.5
Net credit costs	-0.0	-0.0	0.0	-0.0
Ordinary business profit after net credit costs	3.3	3.5	-0.2	3.4
<i>Total:</i>				
Net interest income	100.3	100.1	0.2	133.8
Noninterest income	82.7	72.7	10.0	95.9
Total revenue	183.1	172.8	10.2	229.7
General and administrative expenses	-111.1	-106.6	-4.5	-144.7
Ordinary business profit	71.9	66.2	5.6	84.9
Net credit costs	-22.2	-21.1	-1.1	-29.3
Ordinary business profit after net credit costs	49.6	45.1	4.5	55.6

1."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, corporate revitalization support business, the provision of business succession and business switching and withdrawal support services and asset-backed investment.
<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>	"Others" consists of the profit and loss attributable to Shinsei Securities, asset management, wealth management and other products and services of the Global Markets Business.
<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 (former Shinsei Bank Lake), NOLOAN).
<b>APLUS FINANCIAL</b>	"APLUS FINANCIAL" provides installment sales credit, credit cards, financing and payment services.
<b>Other Individuals</b>	The "Others" consists of profit and loss attributable to other subsidiaries.
<b>Corporate/Other:</b>	"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.
<b>Treasury</b>	The "Treasury" undertakes ALM related operations and includes gains and losses from equity and subordinated debt financing activities.

## Institutional Business (Consolidated)

(Billions of yen)

	Q3 FY2019 (9 months)	Q3 FY2018 (9 months)	Change (Amount)	FY2018 (12 months)
<i>Corporate Business:</i>				
Net interest income	7.9	7.5	0.3	10.0
Noninterest income	7.2	4.3	2.8	6.7
Total revenue	15.1	11.9	3.2	16.7
General and administrative expenses	-9.4	-8.9	-0.5	-11.8
Ordinary business profit	5.6	3.0	2.6	4.9
Net credit costs	-1.0	-2.9	1.8	-0.8
Ordinary business profit after net credit costs	4.6	0.1	4.5	4.0
<i>Structured Finance:</i>				
Net interest income	8.8	7.6	1.2	10.3
Noninterest income	5.9	5.5	0.4	7.2
Total revenue	14.8	13.1	1.6	17.6
General and administrative expenses	-6.2	-5.8	-0.4	-7.7
Ordinary business profit	8.5	7.3	1.2	9.8
Net credit costs	-2.0	2.9	-4.9	2.1
Ordinary business profit after net credit costs	6.4	10.2	-3.7	12.0
<i>Principal Transactions:</i>				
Net interest income	2.7	3.0	-0.2	3.7
Noninterest income	5.7	6.1	-0.4	5.6
Total revenue	8.4	9.2	-0.7	9.3
General and administrative expenses	-3.0	-2.9	-0.0	-4.0
Ordinary business profit	5.4	6.2	-0.8	5.3
Net credit costs	0.0	0.0	-0.0	-0.0
Ordinary business profit after net credit costs	5.4	6.2	-0.8	5.3
<i>Showa Leasing:</i>				
Net interest income	-0.2	-0.2	0.0	-0.0
Noninterest income	10.6	10.1	0.5	14.2
Total revenue	10.4	9.9	0.5	14.2
General and administrative expenses	-7.8	-7.1	-0.6	-9.8
Ordinary business profit	2.6	2.7	-0.1	4.3
Net credit costs	0.0	0.5	-0.4	0.6
Ordinary business profit after net credit costs	2.6	3.3	-0.6	4.9

Institutional Business (Consolidated)

(Billions of yen)

	Q3 FY2019 (9 months)	Q3 FY2018 (9 months)	Change (Amount)	FY2018 (12 months)
<i>Markets:</i>				
Net interest income	2.0	1.1	0.9	1.5
Noninterest income	5.0	3.7	1.3	5.5
Total revenue	7.1	4.8	2.3	7.1
General and administrative expenses	-2.5	-2.8	0.3	-3.7
Ordinary business profit	4.6	1.9	2.6	3.3
Net credit costs	0.0	-0.0	0.0	-0.0
Ordinary business profit after net credit costs	4.6	1.9	2.6	3.3
<i>Other Global Markets:</i>				
Net interest income	0.4	0.3	0.0	0.5
Noninterest income	2.5	1.4	1.1	1.8
Total revenue	3.0	1.7	1.2	2.3
General and administrative expenses	-2.3	-2.5	0.2	-3.3
Ordinary business profit	0.7	-0.7	1.4	-1.0
Net credit costs	0.0	-0.0	0.0	-0.0
Ordinary business profit after net credit costs	0.7	-0.8	1.5	-1.0
<i>Institutional Business:</i>				
Net interest income	21.8	19.4	2.4	26.2
Noninterest income	37.2	31.4	5.8	41.2
Total revenue	59.1	50.8	8.3	67.4
General and administrative expenses	-31.5	-30.2	-1.2	-40.5
Ordinary business profit	27.5	20.5	7.0	26.8
Net credit costs	-2.9	0.5	-3.4	1.9
Ordinary business profit after net credit costs	24.6	21.0	3.5	28.7

## Individual Business (Consolidated)

(Billions of yen)

	Q3 FY2019 (9 months)	Q3 FY2018 (9 months)	Change (Amount)	FY2018 (12 months)
<i>Retail banking:</i>				
Net interest income	17.9	17.9	-0.0	23.9
Loans	7.0	7.4	-0.4	9.8
Deposits	10.9	10.5	0.3	14.1
Noninterest income	3.6	1.9	1.7	2.9
Asset Management Products	6.3	5.1	1.1	6.8
Other Fees (ATM, Fund Transfer, FX etc.)	-2.6	-3.2	0.5	-3.8
Total revenue	21.5	19.9	1.6	26.9
General and administrative expenses	-20.8	-20.7	-0.1	-27.6
Ordinary business profit	0.7	-0.8	1.5	-0.7
Net credit costs	-0.0	0.0	-0.0	0.0
Ordinary business profit after net credit costs	0.7	-0.7	1.4	-0.6
<i>Shinsei Financial<sup>1</sup>:</i>				
Net interest income	52.1	52.3	-0.1	69.3
Lake Businesses	47.8	47.8	-0.0	63.4
Noninterest income	-0.7	0.0	-0.7	-0.0
Total revenue	51.3	52.3	-0.9	69.2
General and administrative expenses	-25.3	-24.8	-0.5	-33.4
Ordinary business profit	26.0	27.4	-1.4	35.7
Net credit costs	-9.3	-10.5	1.2	-14.5
Ordinary business profit after net credit costs	16.7	16.9	-0.2	21.2
<i>APLUS FINANCIAL:</i>				
Net interest income	7.4	8.2	-0.8	10.7
Noninterest income	36.1	35.1	1.0	47.1
Total revenue	43.5	43.3	0.2	57.8
General and administrative expenses	-28.8	-28.5	-0.3	-38.1
Ordinary business profit	14.7	14.8	-0.0	19.6
Net credit costs	-10.0	-10.9	0.8	-16.5
Ordinary business profit after net credit costs	4.6	3.8	0.7	3.1
<i>Other Individuals:</i>				
Net interest income	0.6	0.5	0.0	0.8
Noninterest income	0.2	1.3	-1.1	0.8
Total revenue	0.9	1.9	-1.0	1.6
General and administrative expenses	-1.4	-1.3	-0.1	-1.7
Ordinary business profit	-0.4	0.6	-1.1	-0.1
Net credit costs	0.0	-0.2	0.2	-0.1
Ordinary business profit after net credit costs	-0.4	0.4	-0.8	-0.2
<i>Individual Business:</i>				
Net interest income	78.1	79.1	-0.9	104.8
Noninterest income	39.3	38.4	0.9	50.8
Total revenue	117.5	117.5	-0.0	155.7
General and administrative expenses	-76.5	-75.4	-1.0	-101.1
Ordinary business profit	40.9	42.1	-1.1	54.6
Net credit costs	-19.3	-21.6	2.2	-31.2
Ordinary business profit after net credit costs	21.6	20.4	1.1	23.3

1. Income of Shinsei Financial, "Shinsei Bank Card Loan L", "Shinsei Bank Smart Card Loan Plus", and "Shinsei Bank Smart Money Lending" are combined on a management accounting basis. "Bank Lake" was renamed as "Shinsei Bank Card Loan L" on 28th Nov 2019.

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

(Billions of yen)

	Q3 FY2019 (9 months)	Q3 FY2018 (9 months)	Change (Amount)	FY2018 (12 months)
<i>Treasury:</i>				
Net interest income	0.3	1.6	-1.2	2.6
Noninterest income	5.6	2.4	3.2	3.3
Total revenue	6.0	4.0	2.0	6.0
General and administrative expenses	-1.2	-1.2	0.0	-1.6
Ordinary business profit	4.8	2.7	2.0	4.3
Net credit costs	-	-	-	-
Ordinary business profit after net credit costs	4.8	2.7	2.0	4.3
<i>Corporate/Other (excluding Treasury)<sup>1</sup>:</i>				
Net interest income	0.0	-0.0	0.0	-0.0
Noninterest income	0.4	0.4	-0.0	0.4
Total revenue	0.4	0.4	-0.0	0.4
General and administrative expenses	-1.8	0.3	-2.2	-1.3
Ordinary business profit	-1.4	0.8	-2.3	-0.8
Net credit costs	-0.0	-0.0	0.0	-0.0
Ordinary business profit after net credit costs	-1.4	0.8	-2.3	-0.8
<i>Corporate/Other<sup>1</sup>:</i>				
Net interest income	0.3	1.6	-1.2	2.6
Noninterest income	6.0	2.8	3.2	3.8
Total revenue	6.4	4.4	1.9	6.5
General and administrative expenses	-3.1	-0.8	-2.2	-3.0
Ordinary business profit	3.3	3.5	-0.2	3.5
Net credit costs	-0.0	-0.0	0.0	-0.0
Ordinary business profit after net credit costs	3.3	3.5	-0.2	3.4

<sup>1</sup>"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 2019	Mar 31 2019	Change (Amount)
Domestic offices (excluding Japan offshore market accounts):			
Manufacturing	219.1	190.0	29.1
Agriculture and forestry	0.0	0.0	-0.0
Fishery	0.2	-	0.2
Mining, quarrying and gravel extraction	0.7	0.3	0.3
Construction	12.1	9.1	2.9
Electric power, gas, heat supply and water supply	350.2	320.7	29.4
Information and communications	58.4	55.1	3.3
Transportation and postal service	206.2	195.2	10.9
Wholesale and retail	102.0	122.5	-20.5
Finance and insurance	519.8	521.5	-1.6
Real estate	666.2	584.9	81.2
Services	372.2	341.8	30.4
Local government	65.3	52.4	12.8
Others	2,290.8	2,402.7	-111.8
Loans to individual customers (Housing Loan, Unsecured Loan, Cashing by Credit Card, Housing Related Loan, etc.)	1,899.5	1,934.5	-34.9
<b>Total domestic (A)</b>	<b>4,863.7</b>	<b>4,796.9</b>	<b>66.7</b>
Overseas offices (including Japan offshore market accounts):			
Governments	0.0	0.1	-0.0
Financial institutions	36.7	32.6	4.1
Others	219.1	157.1	62.0
<b>Total overseas (B)</b>	<b>256.0</b>	<b>189.9</b>	<b>66.1</b>
<b>Total (A+B)</b>	<b>5,119.7</b>	<b>4,986.8</b>	<b>132.9</b>

Securities Being Held to Maturity (Consolidated)

(Billions of yen)

	Dec 31, 2019			Mar 31, 2019		
	Carrying amount	Fair value	Unrealized gain (loss)	Carrying amount	Fair value	Unrealized gain (loss)
Fair value exceeds carrying amount						
Japanese national government bonds	307.6	309.4	1.7	399.2	402.4	3.2
Subtotal	307.6	309.4	1.7	399.2	402.4	3.2
Fair value does not exceed carrying amount						
Japanese national government bonds	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-
<b>Total</b>	<b>307.6</b>	<b>309.4</b>	<b>1.7</b>	<b>399.2</b>	<b>402.4</b>	<b>3.2</b>



## Securities Available for Sale (Consolidated)

(Billions of yen)

	Dec 31, 2019			Mar 31, 2019		
	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	13.6	6.9	6.6	16.6	8.1	8.4
Domestic bonds	35.0	34.1	0.9	154.1	152.9	1.2
Japanese national government bonds	8.4	8.1	0.2	102.3	101.4	0.8
Japanese local government bonds	-	-	-	-	-	-
Japanese corporate bonds	26.6	25.9	0.6	51.7	51.4	0.3
Other	92.1	90.1	1.9	137.9	134.6	3.3
Foreign securities	55.3	54.1	1.2	137.9	134.6	3.3
Foreign currency denominated foreign corporate and government bonds	52.9	52.0	0.8	129.8	128.0	1.8
Yen-denominated foreign corporate and government bonds	-	-	-	6.5	6.5	0.0
Foreign equity securities and others	2.4	2.0	0.3	1.6	0.0	1.5
Other securities	0.1	0.1	0.0	-	-	-
Other monetary claims purchased	36.5	35.9	0.6	-	-	-
Subtotal	140.8	131.2	9.5	308.7	295.7	13.0
Carrying amount does not exceed amortized/acquisition cost						
Equity securities	0.4	0.7	-0.2	0.7	1.0	-0.3
Domestic bonds	219.9	223.2	-3.2	119.3	120.8	-1.4
Japanese national government bonds	77.8	78.5	-0.7	-	-	-
Japanese local government bonds	-	-	-	-	-	-
Japanese corporate bonds	142.1	144.6	-2.5	119.3	120.8	-1.4
Other	234.2	236.7	-2.4	195.7	197.6	-1.9
Foreign securities	233.5	235.7	-2.2	194.7	196.6	-1.9
Foreign currency denominated foreign corporate and government bonds	153.7	155.5	-1.8	129.9	131.2	-1.3
Yen-denominated foreign corporate and government bonds	78.8	79.1	-0.3	60.5	61.0	-0.4
Foreign equity securities and others	0.9	1.0	-0.0	4.2	4.3	-0.0
Other securities	0.7	0.9	-0.1	0.9	1.0	-0.0
Other monetary claims purchased	-	-	-	-	-	-
Subtotal	454.6	460.6	-6.0	315.7	319.5	-3.7
Total <sup>1, 2</sup>	595.4	591.8	3.5	624.5	615.2	9.3

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, 2019 and Mar 31, 2019 were ¥558.8 billion and ¥624.5 billion, respectively.

2. Securities whose fair value cannot be reliably determined are not included.

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

(Billions of yen)

	Dec 31, 2019	Mar 31, 2019
Unrealized gain (loss) before deferred tax on:		
Available-for-sale securities	3.5	9.3
The Bank's interests in available-for-sale securities held by partnerships recorded as securities whose fair value cannot be reliably determined and other adjustments	-2.4	-1.4
Other monetary assets held in trust	-2.1	-1.1
(-) Deferred tax liabilities	0.6	1.4
Unrealized gain (loss) on available-for-sale securities before interest adjustments	-1.7	5.2
(-) Noncontrolling interests	-0.0	-
(+) The Bank's interests in unrealized gain (loss) on available-for-sale securities held by affiliates to which the equity method is applied	6.5	4.7
Unrealized gain (loss) on available-for-sale securities	4.8	10.0

## Deposits (Consolidated)

(Billions of yen)

	Dec 31 2019	Mar 31 2019	Change (Amount)
Deposits	5,763.9	5,351.5	412.4
Liquid (current, ordinary, notice) deposits	2,659.0	2,591.5	67.5
Time deposits <sup>1</sup>	2,517.1	2,271.9	245.1
Other	587.7	487.9	99.7
Negotiable certificates of deposits (NCDs)	466.9	570.5	-103.6
<b>Total</b>	<b>6,230.9</b>	<b>5,922.1</b>	<b>308.7</b>

1. Includes two-week maturity deposits

## Financial Ratios (Consolidated)

	Q3 FY2019 (9 months)	Q3 FY2018 (9 months)	FY2018 (12 months)
Return on assets <sup>1</sup>	0.6% <sup>3</sup>	0.6% <sup>3</sup>	0.5%
Return on equity <sup>2</sup>	6.6% <sup>3</sup>	6.4% <sup>3</sup>	6.0%
Expense-to-revenue ratio <sup>4, 5</sup>	60.7%	61.7%	63.0%

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 1>

(Billions of yen, except percentages)

	Dec 31 2019	Mar 31 2019	Change (Amount)
Core capital:instruments and reserves	931.0	899.5	31.5
Core capital:regulatory adjustments	-102.5	-104.2	1.7
Capital	828.5	795.3	33.2
Total amount of Risk-weighted assets	7,238.7	6,711.2	527.5
Consolidated core capital adequacy ratio	11.44% <sup>2</sup>	11.85%	

1.Calculated according to F-IRB.

Consolidated total required capital is ¥681.2 billion as at Dec 31, 2019, ¥640.5 billion as at March 31, 2019.

2.In the calculation of the consolidated capital adequacy ratio as of Dec 31, 2019, parameter estimates applied to some exposures are adjusted for the fiscal year ending March 2019.

## Per Share Data (Consolidated)

(Yen)

	Q3 FY2019 (9 months)	Q3 FY2018 (9 months)	Change (Amount)	FY2018 (12 months)
Common equity	3,872.86	3,597.98	274.87	3,636.92
Fully diluted equity	3,872.09	3,597.56	274.52	3,636.49
Basic EPS	187.00	167.32	19.67	211.24
Diluted EPS	186.96	167.30	19.66	211.22
For calculation of per share data (Does not include treasury shares):				
Equity: Number of common shares	236,042,100	245,274,500		245,274,499
Fully diluted number of shares	236,089,149	245,303,391		245,303,390
EPS Number of common shares	241,200,670	248,454,242		247,670,196
Fully diluted number of shares	241,243,824	248,484,864		247,700,391

## Consolidated Balance Sheets (Unaudited)

(Millions of yen)

	Dec 31 2019	Mar 31 2019	Change (Amount)
<b>&lt;&lt;Assets&gt;&gt;</b>			
Cash and due from banks	1,452,891	1,355,966	96,925
Call loans and bills bought	—	—	—
Receivables under securities borrowing transactions	1,009	2,119	(1,109)
Other monetary claims purchased	70,226	30,994	39,231
Trading assets	183,226	204,415	(21,188)
Monetary assets held in trust	428,887	305,879	123,008
Securities	981,060	1,130,286	(149,225)
Loans and bills discounted	5,119,777	4,986,839	132,937
Foreign exchanges	50,363	29,546	20,816
Lease receivables and leased investment assets	193,840	176,553	17,286
Other assets	1,062,069	851,287	210,781
Premises and equipment	69,484	45,341	24,142
Intangible assets	66,447	67,189	(742)
Goodwill	10,946	10,989	(42)
Assets for retirement benefits	11,398	10,931	467
Deferred tax assets	13,840	15,096	(1,255)
Customers' liabilities for acceptances and guarantees	507,080	456,759	50,321
Reserve for credit losses	(98,097)	(98,034)	(62)
<b>Total assets</b>	<b>10,113,507</b>	<b>9,571,172</b>	<b>542,335</b>
<b>&lt;&lt;Liabilities&gt;&gt;</b>			
Deposits	5,763,971	5,351,564	412,407
Negotiable certificates of deposit	466,932	570,580	(103,648)
Call money and bills sold	290,000	145,000	145,000
Payables under repurchase agreements	36,468	59,098	(22,630)
Payables under securities lending transactions	430,871	510,229	(79,358)
Trading liabilities	163,916	182,363	(18,447)
Borrowed money	692,510	684,077	8,432
Foreign exchanges	922	471	450
Short-term corporate bonds	274,400	191,000	83,400
Corporate bonds	116,500	92,335	24,165
Other liabilities	376,734	347,383	29,351
Accrued employees' bonuses	5,990	8,598	(2,608)
Accrued directors' bonuses	46	44	1
Liabilities for retirement benefits	8,364	8,232	132
Reserve for directors' retirement benefits	48	—	48
Reserve for reimbursement of debentures	3,527	3,764	(237)
Reserve for losses on interest repayments	53,301	63,025	(9,723)
Deferred tax liabilities	233	—	233
Acceptances and guarantees	507,080	456,759	50,321
<b>Total liabilities</b>	<b>9,191,820</b>	<b>8,674,529</b>	<b>517,291</b>
<b>&lt;&lt;Equity&gt;&gt;</b>			
Common stock	512,204	512,204	—
Capital surplus	78,506	78,506	(0)
Retained earnings	389,131	346,562	42,568
Treasury stock, at cost	(52,597)	(37,729)	(14,868)
<b>Total shareholders' equity</b>	<b>927,245</b>	<b>899,544</b>	<b>27,700</b>
Unrealized gain (loss) on available-for-sale securities	4,832	10,041	(5,208)
Deferred gain (loss) on derivatives under hedge accounting	(17,062)	(16,391)	(671)
Foreign currency translation adjustments	(1,203)	(1,527)	324
Defined retirement benefit plans	347	378	(30)
<b>Total accumulated other comprehensive income</b>	<b>(13,086)</b>	<b>(7,500)</b>	<b>(5,586)</b>
Stock acquisition rights	125	99	26
Noncontrolling interests	7,402	4,498	2,903
<b>Total equity</b>	<b>921,686</b>	<b>896,642</b>	<b>25,044</b>
<b>Total liabilities and equity</b>	<b>10,113,507</b>	<b>9,571,172</b>	<b>542,335</b>

## Consolidated Statements of Income (Unaudited)

(Millions of yen)

	Q3 FY2019 (9 months)	Q3 FY2018 (9 months)	Change (Amount)	FY2018 (12 months)
Ordinary income	298,799	279,168	19,630	372,243
Interest income	115,537	116,046	(509)	154,843
Interest on loans and bills discounted	105,487	104,755	732	140,176
Interest and dividends on securities	7,951	9,743	(1,791)	12,531
Other interest income	2,097	1,548	549	2,135
Fees and commissions income	44,322	41,274	3,047	55,332
Trading income	7,542	4,060	3,481	6,673
Other business income	111,974	100,279	11,694	134,051
Other ordinary income	19,423	17,506	1,917	21,341
Ordinary expenses	249,189	233,877	15,312	316,846
Interest expenses	15,165	15,893	(727)	21,027
Interest on deposits	4,378	6,349	(1,970)	7,765
Interest on borrowings	2,103	2,596	(493)	3,369
Interest on corporate bonds	179	405	(226)	466
Other interest expenses	8,503	6,541	1,962	9,425
Fees and commissions expenses	20,177	18,270	1,907	23,981
Trading losses	—	103	(103)	—
Other business expenses	71,545	61,192	10,353	84,157
General and administrative expenses	113,106	109,398	3,707	148,545
Amortization of goodwill	1,595	1,701	(106)	2,211
Amortization of intangible assets acquired in business combinations	197	541	(344)	599
Other general and administrative expenses	111,313	107,155	4,158	145,734
Other ordinary expenses	29,194	29,018	175	39,134
Provision of reserve for credit losses	26,903	25,585	1,318	35,241
Other	2,291	3,433	(1,142)	3,892
Ordinary profit	49,609	45,291	4,318	55,397
Extraordinary gains	0	219	(219)	218
Extraordinary losses	1,009	532	476	1,031
Income before income taxes	48,600	44,978	3,622	54,584
Income taxes (benefit)	3,609	3,423	186	2,503
Profit	44,991	41,555	3,436	52,080
Profit (loss) attributable to noncontrolling interests	(113)	(16)	(96)	(239)
Profit attributable to owners of the parent	45,105	41,572	3,533	52,319

## Composition of Capital Disclosure(Consolidated)

Shinsei Bank and subsidiaries

Millions of yen (except percentages)

Items	Basel III	Basel III
	(Domestic Standard) Dec 31 2019	(Domestic Standard) Sep 30 2019
<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	¥ 927,245	¥ 916,082
of which:capital and capital surplus	590,710	590,710
of which:retained earnings	389,131	372,176
of which:treasury stock (-)	52,597	46,804
of which:earning to be distributed (-)	-	-
of which:other than above	-	-
Accumulated other comprehensive income (amount allowed to be included in Core capital)	(856)	(2,381)
of which:foreign currency translation adjustment	(1,203)	(2,806)
of which:amount related defined benefit	347	425
Stock acquisition right to common shares and preferred shares with a compulsory conversion clause	76	76
Adjusted noncontrolling interests (amount allowed to be included in Core capital)	6	7
Total of reserves included in Core capital:instruments and reserves	425	441
of which:general reserve for loan losses included in Core capital	425	441
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)	4,198	4,115
<b>Core capital:instruments and reserves (A)</b>	<b>¥ 931,095</b>	<b>¥ 918,342</b>
<b>Core capital:regulatory adjustments (2)</b>		
Total amount of intangible assets (excluding those relating to mortgage servicing rights)	¥ 51,970	¥ 52,871
of which:goodwill (including those equivalent)	13,464	13,964
of which:other intangibles other than goodwill and mortgage servicing rights	38,506	38,907
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	6,780	6,680
Shortfall of eligible provisions to expected losses	35,875	37,544
Gain on sale of securitization	-	-
Gains and losses due to changes in own credit risk on fair valued liabilities	-	-
Net defined benefit asset	7,908	7,798
Investments in own shares (excluding those reported in the net assets section)	0	0
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>¥ 102,534</b>	<b>¥ 104,894</b>
<b>Capital (consolidated)</b>		
Capital (consolidated)((A)-(B))(C)	¥ 828,560	¥ 813,447
<b>Risk-weighted assets, etc.</b>		
Total amount of credit risk-weighted assets	¥6,674,032	¥6,513,664
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)	180,033	136,290
Operational risk (derived by multiplying the capital requirement by 12.5)	384,722	384,722
Credit risk-weighted assets adjustments	-	-
Operational risk adjustments	-	-
<b>Total amount of Risk-weighted assets (D)</b>	<b>¥7,238,788</b>	<b>¥7,034,676</b>
<b>Capital ratio (consolidated)</b>		
Capital ratio (consolidated)((C)/(D))	11.44%	11.56%

Note: In the calculation of the consolidated capital adequacy ratio as of Sep 30, 2019 and Dec 31, 2019, parameter estimates applied to some exposures are adjusted for the fiscal year ending March 2019.

## (Reference) Results of Operations (Consolidated)

(Millions of yen)

	Q3 FY2019 (9 months) (A)	Q3 FY2018 (9 months) (B)	Change (A)-(B)
Gross Business Profit	175,032	168,250	6,782
(excluding Gains on Monetary Assets Held in Trust)	172,481	166,418	6,063
Net Interest Income	100,371	100,153	218
Net Fees and Commissions	24,146	23,019	1,126
Net Trading Income	7,542	3,957	3,584
Net Other Business Income	42,972	41,120	1,852
Gains on Monetary Assets Held in Trust	2,551	1,832	719
Gains related to Bonds	4,242	1,736	2,506
General and Administrative Expenses	112,974	108,859	4,114
Personnel Expenses	43,205	41,467	1,737
Nonpersonnel Expenses	62,237	60,291	1,946
Amortization of Goodwill and Intangible Assets	1,792	2,243	(450)
Taxes	7,530	7,099	430
Net Business Profit	62,058	59,391	2,667
Credit Costs	22,283	21,125	1,158
Gains on Stock Transactions	5,495	(1,346)	6,841
Equity in Net Income (Loss) of Affiliates	2,596	5,956	(3,360)
Other	1,743	2,415	(671)
Ordinary Profit	49,609	45,291	4,318
Extraordinary Gains	(1,008)	(313)	(695)
Gains from Sales of Fixed Assets and Impairment losses	(336)	(525)	189
Income before Income Taxes	48,600	44,978	3,622
Income Taxes - Current	1,783	2,398	(615)
Income Taxes - Deferred	1,826	1,024	801
Profit Attributable to Noncontrolling Interests	(113)	(16)	(96)
Profit Attributable to Owners of the Parents	45,105	41,572	3,533

## Note

1. Net Business Profit = Gross Business Profit - General and Administrative Expenses.
2. Details of credit cost is available at "Net Credit Cost (Consolidated)" of Financial Summary.

Results of Operations (Nonconsolidated)

(Billions of yen)

	Q3 FY2019 (9 months)	Q3 FY2018 (9 months)	Change (Amount)	FY2018 (12 months)
Net interest income	75.6	77.6	-2.0	106.5
Noninterest income	8.0	1.2	6.8	2.2
Net fees and commissions <sup>1</sup>	-2.9	-7.2	4.3	-8.6
Net trading income	4.0	2.0	2.0	4.1
Net other business income	6.9	6.4	0.5	6.7
Total revenue <sup>1</sup>	83.7	78.9	4.7	108.8
Personnel expenses	-20.4	-20.1	-0.3	-26.7
Nonpersonnel expenses	-29.9	-28.4	-1.4	-38.9
Taxes	-3.8	-3.7	-0.1	-5.8
General and administrative expenses	-54.3	-52.3	-1.9	-71.5
Net business profit <sup>1</sup>	29.4	26.5	2.8	37.3
Other gains				
Gains on the sales of equities	3.7	-0.1	3.8	0.6
Net provision of reserve for credit losses	-3.1	-0.9	-2.1	0.5
Losses on write-off of loans	-0.0	-0.0	0.0	-0.0
Recoveries of written-off claims	0.1	0.1	-0.0	0.2
Expenses for employees' retirement benefits	-0.1	-0.5	0.4	-0.9
Others	0.3	0.8	-0.5	0.9
Net ordinary income	30.3	25.9	4.3	38.6
Extra ordinary profit				
Gains from sales of fixed assets and impairment losses	-0.2	-0.4	0.1	-0.7
Others	1.6	-1.7	3.4	-1.8
Income before income taxes	31.7	23.7	7.9	36.0
Income taxes - Current	0.0	-0.7	0.8	-1.6
Income taxes - Deferred	-1.1	0.1	-1.3	1.0
Net income	30.6	23.1	7.4	35.4

<sup>1</sup>Includes income from monetary assets held in trust of ¥1.8 billion in Q3FY2019, ¥0.9 billion in Q3FY2018 and ¥1.4 billion in FY2018.

The difference of net income between consolidated and nonconsolidated basis arises from profit or loss in subsidiaries including Showa Leasing, Shinsei Financial, APLUS FINANCIAL, Shinsei Personal Loan etc. and profit or loss from our investments in our equity method affiliates including Jih Sun Financial Holding Co., Ltd. etc. as well as dividend income received from subsidiaries.

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.

Total nonconsolidated revenue was 83.7 billion yen in the third quarter of current fiscal year, increased 4.7 billion yen year on year. Net interest income was 75.6 billion yen, decreased 2.0 billion yen year on year. This was mainly due to decrease in interest income from unsecured loans. Dividends received from subsidiaries were 3.9 billion yen from Showa Leasing in the third quarter of the current fiscal year.

Noninterest income was 8.0 billion yen, increased 6.8 billion yen year on year. This was mainly due to the effects of the revised "Shinsei Step-up Program" which charges ATM fee for certain retail customers, as well as gains on the sales of government and other bonds in ALM operations.

General and administrative expenses were 54.3 billion yen, increased 1.9 billion yen year on year. This was mainly due to system-related expenses associated with the start of operation of our new core banking system. As a result, ordinary business profit was 29.4 billion yen, increased 2.8 billion yen year on year.

Other gains and losses included 3.0 billion yen recorded by net credit cost and 4.2 billion yen recorded by gains on sales of stocks in the Institutional Business. In extraordinary profit or loss, gains on redemption of shares of affiliated company were recorded. As a result, net income was 30.6 billion yen, increased 7.4 billion yen year on year.



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

(Billions of yen, except percentages)

	Q3 FY2019 (9 months)			Q3 FY2018 (9 months)			FY2018 (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	4,872.9	74.1	2.02	4,707.6	75.9	2.14	4,735.5	101.2	2.13
Securities	1,366.5	12.5	1.22	1,489.5	13.9	1.23	1,470.8	21.4	1.45
Other interest-earning assets <sup>2, 3</sup>	125.2	1.7	***	107.6	1.3	***	98.4	1.7	***
<b>Total interest-earning assets</b>	<b>6,364.7</b>	<b>88.4</b>	<b>1.85</b>	<b>6,304.7</b>	<b>91.1</b>	<b>1.91</b>	<b>6,304.8</b>	<b>124.4</b>	<b>1.97</b>
Interest-bearing liabilities:									
Deposits, including negotiable certificates of deposit	6,043.9	4.4	0.09	6,157.4	6.3	0.13	6,131.8	7.8	0.12
Borrowed money	165.3	0.0	0.02	229.3	0.4	0.27	223.3	0.6	0.26
Subordinated debt	-	-	-	4.9	0.0	2.36	3.7	0.0	2.36
Other borrowed money	165.3	0.0	0.02	224.4	0.3	0.23	219.6	0.5	0.23
Corporate bonds	50.8	0.0	0.20	45.3	0.2	0.85	44.5	0.3	0.70
Subordinated bonds	-	-	-	17.0	0.2	1.87	12.8	0.2	1.87
Other corporate bonds	50.8	0.0	0.20	28.2	0.0	0.23	31.7	0.0	0.22
Other interest-bearing liabilities <sup>2</sup>	970.7	8.3	***	690.6	6.4	***	674.8	9.2	***
<b>Total interest-bearing liabilities</b>	<b>7,231.0</b>	<b>12.8</b>	<b>0.23</b>	<b>7,122.7</b>	<b>13.5</b>	<b>0.25</b>	<b>7,074.6</b>	<b>18.0</b>	<b>0.25</b>
<b>Net interest income/yield on interest-earning assets</b>	<b>6,364.7</b>	<b>75.5</b>	<b>1.58</b>	<b>6,304.7</b>	<b>77.5</b>	<b>1.63</b>	<b>6,304.8</b>	<b>106.4</b>	<b>1.68</b>

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.

Margins (All, Domestic) (Nonconsolidated)

(All)

	<i>(Percentages)</i>			
	Q3 FY2019 (9 months)	Q3 FY2018 (9 months)	Change	FY2018 (12 months)
Yield on interest earning assets (A)	<b>1.85</b>	1.91	-0.06	1.97
Total cost of funding (B)	<b>1.26</b>	1.22	0.04	1.27
Cost of interest bearing liabilities (C)	<b>0.24</b>	0.25	-0.01	0.25
Overall interest margin (A)-(B)	<b>0.59</b>	0.69	-0.10	0.70
Net interest margin (A)-(C)	<b>1.61</b>	1.66	-0.05	1.72

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

(Domestic)<sup>1</sup>

	<i>(Percentages)</i>			
	Q3 FY2019 (9 months)	Q3 FY2018 (9 months)	Change	FY2018 (12 months)
Yield on interest earning assets (A)	<b>1.53</b>	1.63	-0.10	1.67
Interest earned on loans and bills discounted	<b>1.84</b>	2.01	-0.17	1.98
Interest earned on securities	<b>1.00</b>	0.90	0.10	1.21
Total cost of funding (B) <sup>2</sup>	<b>1.10</b>	1.12	-0.02	1.15
Cost of interest bearing liabilities (C)	<b>0.02</b>	0.08	-0.06	0.07
Interest paid on deposits <sup>3</sup>	<b>0.00</b>	0.06	-0.06	0.05
Overall interest margin (A)-(B)	<b>0.43</b>	0.51	-0.08	0.52
Net interest margin (A)-(C)	<b>1.51</b>	1.55	-0.04	1.60

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>			
	Q3 FY2019 (9 months)	Q3 FY2018 (9 months)	Change	FY2018 (12 months)
Gains (losses) on bonds	<b>4.2</b>	1.7	2.5	2.6
Gains on sales	<b>6.3</b>	2.4	3.9	4.2
Gains on redemption	-	-	-	-
Losses on sales	<b>-2.1</b>	-0.7	-1.4	-1.1
Losses on redemption	-	-	-	-
Losses on devaluation	-	-	-	-0.4
Gains (losses) on stocks	<b>3.7</b>	-0.1	3.8	0.6
Gains on sales	<b>4.4</b>	0.3	4.0	1.2
Losses on sales	<b>-0.0</b>	-0.2	0.1	-0.2
Losses on devaluation	<b>-0.6</b>	-0.3	-0.3	-0.3

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

*(Billions of yen)*

	Q3 FY2019 (9 months)	Q3 FY2018 (9 months)	Change (Amount)	FY2018 (12 months)
Losses on write-off of loans/Losses on sale of loans	-0.0	-0.0	0.0	-0.0
Net provision of reserve for loan losses	-3.1	-0.9	-2.1	0.5
Net provision of general reserve for loan losses	0.2	1.1	-0.9	2.4
Net provision of specific reserve for loan losses	-3.4	-2.1	-1.2	-1.9
Net Provision of Reserve for Loan Losses to Restructuring Countries	-	-	-	-
Recoveries of written-off claims	0.1	0.1	-0.0	0.2
<b>Net credit costs</b>	<b>-3.0</b>	<b>-0.8</b>	<b>-2.2</b>	<b>0.7</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 2019	Mar 31 2019	Change (Amount)
Domestic (excluding Japan offshore market accounts):			
Manufacturing	215.4	186.1	29.3
Agriculture and forestry	-	-	-
Fishery	0.2	-	0.2
Mining, quarrying and gravel extraction	0.7	0.3	0.3
Construction	10.6	7.4	3.1
Electric power, gas, heat supply and water supply	347.0	317.6	29.3
Information and communications	58.2	54.7	3.4
Transportation and postal service	183.8	173.5	10.3
Wholesale and retail	96.4	117.3	-20.9
Finance and insurance	931.1	983.0	-51.9
Real estate	648.7	565.4	83.2
Services	388.6	375.0	13.6
Local government	65.3	52.4	12.8
Individuals	1,404.9	1,461.3	-56.3
Overseas yen loans and overseas loans booked domestically	371.2	447.9	-76.7
<b>Total domestic</b>	<b>4,722.7</b>	<b>4,742.7</b>	<b>-19.9</b>
Overseas (including Japan offshore market accounts):			
Governments	0.0	0.1	-0.0
Financial institutions	36.7	32.6	4.1
Others	219.1	157.1	62.0
<b>Total overseas</b>	<b>256.0</b>	<b>189.9</b>	<b>66.1</b>
<b>Total</b>	<b>4,978.7</b>	<b>4,932.6</b>	<b>46.1</b>

Claims Classified under the Financial Revitalization Law (Nonconsolidated)

(Billions of yen)

	Dec 31 2019	Mar 31 2019	Change (Amount)
Claims against bankrupt and quasi-bankrupt obligors	2.1	2.1	-0.0
Doubtful claims	10.7	6.1	4.5
Substandard claims	2.1	2.0	0.1
Total (A)	14.9	10.2	4.6
Coverage ratio	85.9%	67.8%	
Total claims (B)	5,104.1	5,010.6	93.5
Loans and bills discounted	4,978.7	4,932.6	46.1
Others	125.4	78.0	47.3
Ratio to total claims (A/B X 100) (%) <sup>1</sup>	0.29%	0.20%	
(Ref. 1) Amount of write-off	4.8	3.0	1.8
(Ref. 2) Below need caution level	82.8	74.4	8.3

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

(Billions of yen, except percentages)

	Dec 31, 2019					Mar 31, 2019				
	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	2.1	2.1	0.6	1.5	100.0%	2.1	2.1	0.5	1.6	100.0%
Doubtful claims	10.7	10.0	4.7	5.3	93.6%	6.1	4.1	3.5	0.6	67.7%
Substandard claims	2.1	0.7	0.3	0.4	33.5%	2.0	0.7	0.3	0.4	34.0%
Total	14.9	12.8	5.6	7.2	85.9%	10.2	6.9	4.3	2.6	67.8%

Securities Being Held to Maturity (Nonconsolidated)

(Billions of yen)

	Dec 31, 2019			Mar 31, 2019		
	Carrying amount	Fair value	Unrealized gain (loss)	Carrying amount	Fair value	Unrealized gain (loss)
Fair value exceeds carrying amount						
Japanese national government bonds	307.6	309.4	1.7	399.2	402.4	3.2
Subtotal	307.6	309.4	1.7	399.2	402.4	3.2
Fair value does not exceed carrying amount						
Japanese national government bonds	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-
Total	307.6	309.4	1.7	399.2	402.4	3.2

Securities Available for Sale (Nonconsolidated)

(Billions of yen)

	Dec 31, 2019			Mar 31, 2019		
	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	9.3	5.3	3.9	13.2	6.7	6.4
Domestic bonds	33.0	32.1	0.9	152.1	150.9	1.2
Japanese national government bonds	6.3	6.1	0.2	100.3	99.4	0.8
Japanese local government bonds	-	-	-	-	-	-
Japanese corporate bonds	26.6	25.9	0.6	51.7	51.4	0.3
Other	92.1	90.1	1.9	136.7	134.5	2.1
Foreign securities	55.3	54.1	1.2	136.7	134.5	2.1
Foreign currency denominated foreign corporate and government bonds	52.9	52.0	0.8	129.8	128.0	1.8
Yen-denominated foreign corporate and government bonds	-	-	-	6.5	6.5	0.0
Foreign equity securities and others	2.4	2.0	0.3	0.4	0.0	0.3
Other securities	0.1	0.1	0.0	-	-	-
Other monetary claims purchased	36.5	35.9	0.6	-	-	-
Subtotal	134.4	127.6	6.8	302.1	292.2	9.8
Carrying amount does not exceed amortized/acquisition cost						
Equity securities	0.4	0.6	-0.2	0.6	0.9	-0.2
Domestic bonds	219.9	223.2	-3.2	119.3	120.8	-1.4
Japanese national government bonds	77.8	78.5	-0.7	-	-	-
Japanese local government bonds	-	-	-	-	-	-
Japanese corporate bonds	142.1	144.6	-2.5	119.3	120.8	-1.4
Other	234.2	236.7	-2.4	195.7	197.6	-1.9
Foreign securities	233.5	235.7	-2.2	194.7	196.6	-1.9
Foreign currency denominated foreign corporate and government bonds	153.7	155.5	-1.8	129.9	131.2	-1.3
Yen-denominated foreign corporate and government bonds	78.8	79.1	-0.3	60.5	61.0	-0.4
Foreign equity securities and others	0.9	1.0	-0.0	4.2	4.3	-0.0
Other securities	0.7	0.9	-0.1	0.9	1.0	-0.0
Other monetary claims purchased	-	-	-	-	-	-
Subtotal	454.5	460.5	-5.9	315.6	319.3	-3.7
Total <sup>1, 2</sup>	589.0	588.2	0.8	617.8	611.6	6.1

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

2. Securities whose fair value cannot be reliably determined are not included.

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

(Billions of yen)

	Dec 31, 2019	Mar 31, 2019
Unrealized gain (loss) before deferred tax on:		
Available-for-sale securities	0.8	6.1
Interests in available-for-sale securities held by partnerships recorded as securities whose fair value cannot be reliably determined	1.5	0.7
Other monetary assets held in trust	-2.1	-1.1
(-) Deferred tax liabilities	-	1.0
Unrealized gain (loss) on available-for-sale securities	0.1	4.7

## Capital Adequacy Related Information (Nonconsolidated)

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

(Billions of yen, except percentages)

	<b>Dec 31 2019</b>	Mar 31 2019	Change (Amount)
Core capital: instruments and reserves	<b>875.1</b>	859.4	15.7
Core capital: regulatory adjustments	<b>-44.9</b>	-50.7	5.7
Capital	<b>830.1</b>	808.6	21.5
Total amount of Risk-weighted assets	<b>6,065.7</b>	5,886.2	179.5
Core capital adequacy ratio	<b>13.68%<sup>2</sup></b>	13.73%	

1. Calculated according to F-IRB.

Nonconsolidated total required capital is ¥530.2 billion as at Dec 31, 2019 and ¥521.6 billion as at March 31, 2019.

2. In the calculation of the nonconsolidated capital adequacy ratio as of Dec 31, 2019, parameter estimates applied to some exposures are adjusted for the fiscal year ending March 2019.

Nonconsolidated Balance Sheets (Unaudited)

(Millions of yen)

	Dec 31 2019	Mar 31 2019	Change (Amount)
<b>&lt;&lt;Assets&gt;&gt;</b>			
Cash and due from banks	1,376,771	1,280,991	95,780
Other monetary claims purchased	46,915	10,809	36,106
Trading assets	181,682	200,276	(18,593)
Monetary assets held in trust	304,949	198,717	106,232
Securities	1,286,331	1,445,927	(159,595)
Loans and bills discounted	4,978,768	4,932,610	46,157
Foreign exchanges	50,363	29,546	20,816
Other assets	233,096	190,104	42,991
Other	233,096	190,104	42,991
Premises and equipment	13,037	12,610	427
Intangible assets	25,307	26,483	(1,176)
Prepaid pension cost	7,159	6,849	309
Deferred tax assets	938	1,127	(188)
Customers' liabilities for acceptances and guarantees	18,951	18,060	891
Reserve for credit losses	(25,835)	(25,519)	(315)
<b>Total assets</b>	<b>8,498,440</b>	<b>8,328,595</b>	<b>169,844</b>
<b>&lt;&lt;Liabilities&gt;&gt;</b>			
Deposits	5,902,010	5,636,286	265,723
Negotiable certificates of deposit	466,932	570,580	(103,648)
Call money	290,000	145,000	145,000
Payables under repurchase agreements	36,468	59,098	(22,630)
Payables under securities lending transactions	430,871	510,229	(79,358)
Trading liabilities	162,500	179,749	(17,248)
Borrowed money	146,250	195,628	(49,377)
Foreign exchanges	1,043	471	572
Corporate bonds	66,500	42,335	24,165
Other liabilities	112,409	113,903	(1,494)
Income taxes payable	—	2,088	(2,088)
Lease obligations	14	18	(4)
Asset retirement obligations	7,954	7,410	543
Other	104,441	104,385	55
Accrued employees' bonuses	3,661	4,847	(1,185)
Reserve for reimbursement of debentures	3,527	3,764	(237)
Acceptances and guarantees	18,951	18,060	891
<b>Total liabilities</b>	<b>7,641,128</b>	<b>7,479,955</b>	<b>161,172</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	335,985	307,855	28,130
Legal reserve	15,734	15,243	490
Other retained earnings	320,251	292,611	27,640
Unappropriated retained earnings	320,251	292,611	27,640
Treasury stock, at cost	(52,597)	(37,729)	(14,868)
<b>Total shareholders' equity</b>	<b>875,058</b>	<b>861,796</b>	<b>13,262</b>
Unrealized gain (loss) on available-for-sale securities	186	4,719	(4,533)
Deferred gain (loss) on derivatives under hedge accounting	(18,009)	(17,925)	(84)
<b>Total net unrealized gain (loss) and translation adjustments</b>	<b>(17,823)</b>	<b>(13,205)</b>	<b>(4,617)</b>
Stock acquisition rights	76	49	27
<b>Total equity</b>	<b>857,312</b>	<b>848,640</b>	<b>8,671</b>
<b>Total liabilities and equity</b>	<b>8,498,440</b>	<b>8,328,595</b>	<b>169,844</b>

Nonconsolidated Statements of Income (Unaudited)

(Millions of yen)

	Q3 FY2019 (9 months)	Q3 FY2018 (9 months)	Change (Amount)	FY2018 (12 months)
Ordinary income	<b>126,783</b>	119,187	7,595	164,135
Interest income	<b>88,488</b>	91,180	(2,692)	124,464
Interest on loans and bills discounted	<b>74,193</b>	75,937	(1,743)	101,292
Interest and dividends on securities	<b>12,534</b>	13,913	(1,379)	21,413
Other interest income	<b>1,760</b>	1,329	431	1,758
Fees and commissions income	<b>16,152</b>	14,270	1,881	19,484
Trading income	<b>4,024</b>	2,102	1,922	4,194
Other business income	<b>10,862</b>	8,690	2,172	11,002
Other ordinary income	<b>7,255</b>	2,943	4,311	4,989
Ordinary expenses	<b>96,473</b>	93,200	3,273	125,504
Interest expenses	<b>12,891</b>	13,586	(695)	18,002
Interest on deposits	<b>4,382</b>	6,353	(1,970)	7,770
Interest on corporate bonds	<b>76</b>	292	(215)	313
Other interest expenses	<b>8,431</b>	6,941	1,490	9,918
Fees and commissions expenses	<b>20,943</b>	22,496	(1,553)	29,660
Trading losses	<b>0</b>	99	(99)	—
Other business expenses	<b>3,867</b>	2,205	1,662	4,229
General and administrative expenses	<b>54,437</b>	52,860	1,576	72,498
Other ordinary expenses	<b>4,333</b>	1,951	2,382	1,113
Ordinary profit	<b>30,309</b>	25,986	4,322	38,630
Extraordinary gains	<b>2,109</b>	218	1,890	218
Extraordinary losses	<b>684</b>	2,445	(1,761)	2,817
Income before income taxes	<b>31,734</b>	23,759	7,974	36,032
Income taxes (benefit)	<b>1,097</b>	593	503	588
Net income	<b>30,636</b>	23,166	7,470	35,443



## Composition of Capital Disclosure (Nonconsolidated)

Shinsei Bank

Millions of yen (except percentages)

Items	Basel III (Domestic Standard) Dec 31 2019	Basel III (Domestic Standard) Sep 30 2019
<b>Core capital:instruments and reserves (1)</b>		
Directly issued qualifying common share capital or preferred share capital	¥ 875,058	¥ 872,910
with a compulsory conversion clause plus related capital surplus and retained earnings		
of which:capital and capital surplus	591,670	591,670
of which:retained earnings	335,985	328,044
of which:treasury stock (-)	52,597	46,804
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	76	76
Total of reserves included in Core capital:instruments and reserves	9	7
of which:general reserve for loan losses included in Core capital	9	7
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>¥ 875,144</b>	<b>¥ 872,994</b>
<b>Core capital:regulatory adjustments (2)</b>		
Total amount of intangible assets (excluding those relating to mortgage servicing rights)	¥ 17,735	¥ 17,704
of which:goodwill (including those equivalent)	579	620
of which:other intangibles other than goodwill and mortgage servicing rights	17,156	17,083
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	2,179	2,139
Shortfall of eligible provisions to expected losses	20,107	23,952
Gain on sale of securitization	-	-
Gains and losses due to changes in own credit risk on fair valued liabilities	-	-
Prepaid pension cost	4,966	4,827
Investments in own shares (excluding those reported in the net assets section)	0	0
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>¥ 44,990</b>	<b>¥ 48,624</b>
<b>Capital (nonconsolidated)</b>		
Capital (nonconsolidated)((A)-(B))(C)	¥ 830,154	¥ 824,369
<b>Risk-weighted assets, etc.</b>		
Total amount of credit risk-weighted assets	¥5,706,676	¥5,645,268
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)	170,132	125,200
Operational risk (derived by multiplying the capital requirement by 12.5)	188,966	188,966
Credit risk-weighted assets adjustments	-	-
Operational risk adjustments	-	-
<b>Total amount of Risk-weighted assets (D)</b>	<b>¥6,065,775</b>	<b>¥5,959,435</b>
<b>Capital ratio (nonconsolidated)</b>		
Capital ratio (nonconsolidated)((C)/(D))	13.68%	13.83%

Note: In the calculation of the nonconsolidated capital adequacy ratio as of Sep 30, 2019 and Dec 31, 2019, parameter estimates applied to some exposures are adjusted for the fiscal year ending March 2019.

## (Reference) Results of Operations (Nonconsolidated)

(Millions of yen)

	Q3 FY2019 (9 months) (A)	Q3 FY2018 (9 months) (B)	Change (A)-(B)
Gross Business Profit	83,711	78,920	4,790
(excluding Gains on Monetary Assets Held in Trust)	81,868	77,958	3,909
Net Interest Income	75,640	77,697	(2,057)
Net Fees and Commissions	(2,946)	(7,249)	4,302
Gains on Monetary Assets Held in Trust	1,843	961	881
Net Trading Income	4,024	2,002	2,022
Net Other Business Income	6,992	6,469	523
Gains related to Bonds	4,241	1,736	2,505
General and Administrative Expenses	54,309	52,325	1,983
Personnel Expenses	20,462	20,146	315
Nonpersonnel Expenses	29,969	28,476	1,492
Amortization of Goodwill	124	124	-
Taxes	3,878	3,702	175
Net Operating Profit before Provision of General Reserve for Loan Losses	27,558	25,633	1,925
Provision of General Reserve for Loan Losses (1)	(270)	(1,181)	911
Net Operating Profit	27,829	26,814	1,014
Net Business Profit	29,401	26,594	2,807
Non-Recurring Gains	680	(1,685)	2,365
Gains related to Stocks	3,743	(146)	3,890
Credit Costs (2)	3,328	2,016	1,311
Losses on Write-Off of Loans	5	29	(24)
Provision of Specific Reserve for Loan Losses	3,424	2,146	1,278
Provision of Reserve for Loan Losses to Restructuring Countries	-	-	-
Recoveries of Written-off Claims	(102)	(158)	56
Reversal of Reserve for Loan Losses	-	-	-
Losses on Sale of Loans	-	-	-
Other	264	477	(213)
Ordinary Profit	30,309	25,986	4,322
Extraordinary Gains	1,424	(2,227)	3,651
Gains from Sales of Fixed Assets and Impairment losses	(267)	(447)	180
Income before Income Taxes	31,734	23,759	7,974
Income Taxes - Current	(77)	748	(825)
Income Taxes - Deferred	1,174	(154)	1,329
Net Income	30,636	23,166	7,470

## (Reference)

Core Net Operating Profit	23,316	23,896	△579
(excluding Gains on Cancellation of Investment Trusts)	23,316	23,896	△579
Net Credit Costs (1)+ (2)	3,057	834	2,222

## Note

1. 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.
2. Net Business Profit = Gross Business Profit - General and Administrative Expenses.

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

(Millions of yen, %)

[All]	Q3 FY2019 (9 months)			Q3 FY2018 (9 months)			FY2018 (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>6,364,785</b>	<b>88,488</b>	<b>1.85</b>	6,304,776	91,180	1.91	6,304,868	124,464	1.97
Loans and bills discounted	<b>4,872,921</b>	<b>74,193</b>	<b>2.02</b>	4,707,627	75,937	2.14	4,735,551	101,292	2.13
Securities	<b>1,366,585</b>	<b>12,534</b>	<b>1.22</b>	1,489,526	13,913	1.23	1,470,890	21,413	1.45
Interest-bearing liabilities:	<b>7,231,003</b>	<b>12,891</b>	<b>0.23</b>	7,122,720	13,586	0.25	7,074,601	18,002	0.25
Deposits, including negotiable certificates of deposit	<b>6,043,973</b>	<b>4,421</b>	<b>0.09</b>	6,157,425	6,379	0.13	6,131,827	7,807	0.12
Borrowed money	<b>165,351</b>	<b>35</b>	<b>0.02</b>	229,358	483	0.27	223,337	602	0.26
Subordinated debt	—	-	—	4,949	88	2.36	3,729	88	2.36
Corporate bonds	<b>50,895</b>	<b>76</b>	<b>0.20</b>	45,300	292	0.85	44,569	313	0.70
Subordinated bonds	—	-	—	17,054	241	1.87	12,849	241	1.87
Net interest income/yield on interest-earning assets	<b>6,364,785</b>	<b>75,596</b>	<b>1.58</b>	6,304,776	77,593	1.63	6,304,868	106,462	1.68

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

Earnings Forecasts<sup>1</sup>

(Billions of yen)

(Consolidated)	<b>FY2019 Forecast</b>	FY2018 Actual
Profit attributable to owners of the parent	<b>53.0</b>	52.3

  

(Nonconsolidated)	<b>FY 2019 Forecast</b>	FY2018 Actual
Net business profit	<b>36.0</b>	37.3
Net income	<b>33.0</b>	35.4
Dividends (per share in yen): Common stock	<b>not yet determined</b>	10.0

<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.