

Financial Summary

For the Third Quarter Ended December 31, 2020



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

(Billions of yen, except percentages)

Results of operations (Consolidated) [Page 3]	Q3 FY2020 (9 months)	Q3 FY2019 (9 months)	Change (Amount)	FY2019 (12 months)
Net interest income	91.6	100.3	-8.6	133.5
Noninterest income	70.5	82.7	-12.2	106.4
Total revenue	162.1	183.1	-20.9	239.9
General and administrative expenses	-109.8	-111.1	1.3	-149.5
Net credit costs	-19.9	-22.2	2.3	-39.1
Income before income taxes	31.4	48.6	-17.1	49.2
Profit attributable to owners of the parent	26.1	45.1	-18.9	45.5

(Billions of yen)

Balance sheets (Consolidated) [Page 17]	Dec 31 2020	Mar 31 2020	Change (Amount)
Cash and due from banks	1,798.1	1,614.1	184.0
Securities	902.2	957.0	-54.7
Loans and bills discounted	5,183.7	5,110.4	73.3
Total assets	10,514.9	10,226.5	288.3
Deposits and negotiable certificates of deposit	6,462.9	6,305.1	157.7
Total liabilities	9,603.2	9,316.0	287.1
Total equity	911.6	910.4	1.1

Financial ratios (Consolidated) [Page 4, 16, 25]	Q3 FY2020 (9 months)	Q3 FY2019 (9 months)	FY2019 (12 months)
Net interest margin	2.29%	2.45%	2.47%
Expense-to-revenue ratio	67.7%	60.7%	62.3%

	Dec 31 2020	Mar 31 2020
Capital adequacy ratio (Basel III, domestic standard)	10.97%	11.21%
NPL ratio based on Financial Revitalization Law (nonconsolidated)	0.84%	0.34%

(Billions of yen)

Results of operations (Nonconsolidated) [Page 21]	Q3 FY2020 (9 months)	Q3 FY2019 (9 months)	Change (Amount)	FY2019 (12 months)
Net interest income	64.7	75.6	-10.9	103.1
Noninterest income	2.3	8.0	-5.7	10.5
Total revenue	67.0	83.7	-16.6	113.7
General and administrative expenses	-52.0	-54.3	2.2	-71.8
Net credit costs	-5.0	-3.0	-1.9	-8.7
Net income	7.4	30.6	-23.2	33.1

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 26.1 billion yen, decreased by 18.9 billion yen from the same period of the previous fiscal year. Total revenue decreased due to a significant decrease in interest income affected by the decline of foreign currency interest rate, a loss from share of limited partnership held by our subsidiary, an absence of gains on sales of stocks recorded in the previous fiscal year and a decrease in fee and commission in the Institutional Business and Retail banking.

General and administrative expenses decreased compared to the same period of the previous fiscal year, due to the restrained management of expenses, despite an increase in expenses associated with newly consolidated subsidiaries in the previous fiscal year.

Net credit costs decreased mainly due to a decrease in the reserves for loan losses in the unsecured card loan business for retail customers despite an increase in the reserves for loan losses for credit deterioration of institutional borrowers caused by the COVID-19 pandemic in the Institutional Business.

Income tax expenses increased due to a partial reversal of deferred tax assets.

Net income attributable to owners of parent decreased from the same period of the previous fiscal year.

Results of operations

- Total revenue was 162.1 billion yen in the third quarter of the current fiscal year, decreased by 20.9 billion yen from the same period of the previous fiscal year.
 - Net interest income was 91.6 billion yen, decreased by 8.6 billion yen from 100.3 billion yen in the same period of the previous fiscal year. This was due to a significant decrease in interest income from the unsecured card loan business as well as a decrease in interest income affected by the declined foreign currency interest rate.
 - Noninterest income was 70.5 billion yen, decreased by 12.2 billion yen from 82.7 billion yen in the same period of the previous fiscal year. This was due to a loss from share of limited partnership held by our subsidiary, the absence of gains on sales of stocks recorded in previous fiscal year, a decrease in fee and derivatives-related income in the institutional Business, and due to a decrease in fee and commission from the sales of asset management products in the Retail Banking, despite an increase in income in major businesses such as shopping credits in APLUS FINANCIAL.
- General and administrative expenses were 109.8 billion yen in the third quarter of the current fiscal year, decreased by 1.3 billion yen from the same period of the previous fiscal year. This was due to restrained management of expenses such as system related expenses, despite an additional expense from the newly consolidated subsidiaries in the previous fiscal year. The expense to revenue ratio was 67.7%.
- Net credit costs were 19.9 billion yen (expense), decreased by 2.3 billion yen from the same period of the previous fiscal year. This was mainly due to a decrease in reserves for loan losses in the unsecured card loan business for retail customers despite an increase in reserves for loan losses for credit deterioration of the institutional borrowers caused by the COVID-19 pandemic.
- Income tax expense was 6.2 billion yen, increased by 2.6 billion yen from the same period of the previous fiscal year. This was mainly due to a partial reversal of deferred tax assets.
- Nonconsolidated net income was 7.4 billion yen, decreased by 23.2 billion yen in the same period of the previous fiscal year. Non-consolidated revenue decreased, due to a significant decrease in interest income affected by the decline of foreign currency interest rate, a decrease in fee and derivatives-related income in the Institutional business and a decrease in fee and commission from the sales of asset management products in the Retail Banking. Dividends received from subsidiaries amounted to 1.7 billion yen (1.7 billion yen from Showa Leasing) in the third quarter of current fiscal year.

Balance sheets

- Total assets were 10,514.9 billion yen, increased by 288.3 billion yen from the end of March 2020.
- Loans and bills discounted were 5,183.7 billion yen, increased by 73.3 billion yen from the end of March 2020, mainly due to an increase in the Structured finance as well as an increase of loans and bills discounted because of the acquisition of UDC Finance Limited as of 1st September 2020, despite a decrease in the consumer finance business.
- Deposits and negotiable certificates of deposit were 6,462.9 billion yen, increased by 157.7 billion yen from the end of March 2020.

Financial ratios

- Net interest margin was 2.29%, decreased from 2.45% in the same period of the previous fiscal year. This was due to a decline in yield of interest-earning assets despite a decline in yield of interest-bearing liabilities, affected by the declined foreign currency interest rate.
- The ratio of core capital under the Basel 3 domestic standards (grand fathering basis) was 10.97%, decreased from 11.21% at the end of March 2020. The core capital was maintained at a steady level. On the other hand, risk assets increased due to the risk assets of the newly consolidated subsidiary, UDC Finance Limited.
- The ratio of common equity Tier1 under the Basel 3 international standards (excluding grandfathering basis) was 11.0%, decreased from 11.3 % at the end of March 2020. Capital ratios continue to be maintained at ample levels.
- The amount of nonperforming loans disclosed under the Financial Revitalization Law (non-consolidated basis) was 44.0 billion yen, increased by 26.3 billion yen from the end of March 2020. Nonperforming loan ratio remained low at 0.84%, changed from 0.34% at the end of March 2020.

Results of Operations (Consolidated) ¹

(Billions of yen)

	Q3 FY2020 (9 months)	Q3 FY2019 (9 months)	Change (Amount)	FY2019 (12 months)
Net interest income	91.6	100.3	-8.6	133.5
Noninterest income	70.5	82.7	-12.2	106.4
Net fees and commissions	21.6	24.1	-2.4	32.4
Net trading income	2.0	7.5	-5.5	15.8
Net other business income	46.8	51.0	-4.2	58.2
Income on lease transactions and installment receivables	31.1	30.2	0.9	40.8
Total revenue	162.1	183.1	-20.9	239.9
General and administrative expenses	-109.8	-111.1	1.3	-149.5
Ordinary business profit	52.3	71.9	-19.5	90.4
Net credit costs	-19.9	-22.2	2.3	-39.1
Ordinary business profit after net credit costs	32.3	49.6	-17.2	51.2
Amortization of goodwill and other intangible assets ²	-1.9	-1.7	-0.1	-2.4
Other gains	0.9	0.7	0.2	0.3
Income before income taxes	31.4	48.6	-17.1	49.2
Income taxes	-6.2	-3.6	-2.6	-4.0
Profit attributable to noncontrolling interests	1.0	0.1	0.9	0.4
Profit attributable to owners of the parent	26.1	45.1	-18.9	45.5

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 FY2020 (9 months)			Q3 FY2019 (9 months)			FY2019 (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	5,136.4	95.4	2.47	5,045.9	105.4	2.78	5,052.9	140.2	2.77
Lease receivables and leased investment assets / installment receivables ⁴	922.4	31.1	4.49	815.7	30.2	4.93	833.4	40.8	4.90
Securities	918.8	4.2	0.61	1,058.0	7.9	1.00	1,026.4	10.7	1.05
Other interest-earning assets ^{2, 3}	213.0	1.6	***	245.4	2.0	***	240.7	2.7	***
Interest-earning assets totals (A)⁴	7,190.8	132.5	2.45	7,165.1	145.7	2.71	7,153.6	194.6	2.72
Interest-bearing liabilities:									
Deposits, including negotiable certificates of deposit	6,301.3	3.3	0.07	5,916.6	4.4	0.10	5,963.7	6.3	0.11
Borrowed money	944.2	2.1	0.30	725.4	2.1	0.39	731.9	2.8	0.39
Corporate bonds	196.3	0.3	0.25	91.7	0.1	0.26	107.5	0.2	0.26
Other interest-bearing liabilities ²	773.5	3.7	***	1,194.2	8.4	***	1,133.8	10.7	***
Interest-bearing liabilities totals (B)	8,215.5	9.6	0.16	7,928.0	15.1	0.25	7,937.1	20.2	0.26
Net interest margin (A)-(B) ⁴	-	122.8	2.29	-	130.5	2.45	-	174.3	2.47
Noninterest-bearing sources of funds:									
Noninterest-bearing (assets) liabilities, net	-1,927.6	-	-	-1,666.7	-	-	-1,681.7	-	-
Total equity excluding noncontrolling interests in subsidiaries ⁵	902.9	-	-	903.8	-	-	898.3	-	-
Total noninterest-bearing sources of funds (C)	-1,024.7	-	-	-762.8	-	-	-783.4	-	-
Sum of total expense on interest-bearing liabilities and noninterest-bearing sources of funds (D)=(B)+(C)	7,190.8	9.6	0.18	7,165.1	15.1	0.28	7,153.6	20.2	0.28
Interest income / yield on interest earning assets (A)-(D) ⁴	-	122.8	2.27	-	130.5	2.43	-	174.3	2.44
Reconciliation of total revenue on interest-earning									
Total revenue on interest-earning assets	7,190.8	132.5	2.45	7,165.1	145.7	2.71	7,153.6	194.6	2.72
Less: Income on lease transactions and installment receivables	922.4	31.1	4.49	815.7	30.2	4.93	833.4	40.8	4.90
Total interest income	6,268.3	101.3	2.15	6,349.4	115.5	2.42	6,320.2	153.7	2.43
Total interest expense	-	9.6	-	-	15.1	-	-	20.2	-
Net interest income	-	91.6	-	-	100.3	-	-	133.5	-

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

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

3. Excludes average balance of noninterest-earning assets.

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

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

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

Noninterest Income (Consolidated)

(Billions of yen)

	Q3 FY2020 (9 months)	Q3 FY2019 (9 months)	Change (Amount)	FY2019 (12 months)
Institutional Business	23.9	37.2	-13.3	46.7
Corporate Business	2.7	7.2	-4.5	8.1
Structured Finance	5.7	5.9	-0.2	7.6
Principal Transactions	0.5	5.7	-5.1	5.6
Showa Leasing	10.6	10.6	-0.0	14.6
Markets	3.0	5.0	-2.0	7.2
Other Global Markets	1.2	2.5	-1.3	3.4
Individual Business	41.0	39.3	1.6	53.2
Retail Banking	2.2	3.6	-1.4	4.9
Shinsei Financial ¹	0.0	-0.7	0.7	-0.9
APLUS FINANCIAL	37.4	36.1	1.2	48.5
Other Individual	1.3	0.2	1.0	0.6
Corporate/Other	5.5	6.0	-0.5	6.4
Noninterest income	70.5	82.7	-12.2	106.4

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.

General and Administrative Expenses (Consolidated)

(Billions of yen)

	Q3 FY2020 (9 months)	Q3 FY2019 (9 months)	Change (Amount)	FY2019 (12 months)
Personnel expenses	-44.2	-43.2	-1.0	-57.6
Nonpersonnel expenses	-65.5	-67.9	2.4	-91.9
Premises expenses	-14.2	-15.0	0.8	-20.1
Technology and data processing expenses	-18.5	-18.8	0.3	-24.9
Advertising expenses	-7.8	-8.1	0.2	-11.4
Consumption, property taxes, etc.	-7.9	-7.5	-0.3	-10.4
Deposit insurance premium	-1.1	-1.1	0.0	-1.5
Other general and administrative expenses	-15.8	-17.1	1.3	-23.3
General and administrative expenses	-109.8	-111.1	1.3	-149.5

Net Credit Costs (Consolidated) ¹

(Billions of yen)

	Q3 FY2020 (9 months)	Q3 FY2019 (9 months)	Change (Amount)	FY2019 (12 months)
Losses on write-off of loans/Losses on sale of loans	-1.7	-0.2	-1.5	-0.4
Net provision of reserve for loan losses:	-23.5	-26.9	3.3	-44.8
Net provision of general reserve for loan losses	-13.2	-15.7	2.5	-27.7
Net provision of specific reserve for loan losses	-10.3	-11.1	0.8	-17.0
Other credit costs relating to leasing business	-0.1	-0.0	-0.1	-0.4
Recoveries of written-off claims	5.5	4.9	0.6	6.4
Net credit costs	-19.9	-22.2	2.3	-39.1

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

Other Gains (Consolidated)

(Billions of yen)

	Q3 FY2020 (9 months)	Q3 FY2019 (9 months)	Change (Amount)	FY2019 (12 months)
Extraordinary income	-0.2	-1.0	0.7	-1.8
Net gain on disposal of premises and equipment	-0.0	-0.0	0.0	-0.4
Other extraordinary income	-0.2	-0.9	0.6	-1.4
Provisions of reserve for losses on interest repayment	0.9	1.2	-0.2	2.6
Shinsei Financial	0.7	1.6	-0.8	4.5
Shinsei Personal Loan	0.2	-0.4	0.6	-0.1
APLUS FINANCIAL	-	-	-	-1.7
Other	0.2	0.4	-0.2	-0.3
Other gains	0.9	0.7	0.2	0.3

Business Line Results (Consolidated)

(Billions of yen)

	Q3 FY2020 (9 months)	Q3 FY2019 (9 months)	Change (Amount)	FY2019 (12 months)
<i>Institutional Business:</i>				
Net interest income	21.0	21.8	-0.8	30.0
Noninterest income	23.9	37.2	-13.3	46.7
Total revenue	44.9	59.1	-14.1	76.8
General and administrative expenses	-31.5	-31.5	0.0	-42.3
Ordinary business profit	13.4	27.5	-14.0	34.4
Net credit costs	-5.0	-2.9	-2.1	-9.8
Ordinary business profit after net credit costs	8.4	24.6	-16.2	24.6
<i>Individual Business:</i>				
Net interest income	76.0	78.1	-2.0	103.4
Noninterest income	41.0	39.3	1.6	53.2
Total revenue	117.0	117.5	-0.4	156.6
General and administrative expenses	-76.4	-76.5	0.0	-103.3
Ordinary business profit	40.6	40.9	-0.3	53.2
Net credit costs	-14.8	-19.3	4.4	-29.3
Ordinary business profit after net credit costs	25.7	21.6	4.0	23.9
<i>Corporate/Other¹:</i>				
Net interest income	-5.4	0.3	-5.7	0.0
Noninterest income	5.5	6.0	-0.5	6.4
Total revenue	0.1	6.4	-6.3	6.5
General and administrative expenses	-1.8	-3.1	1.2	-3.8
Ordinary business profit	-1.7	3.3	-5.1	2.6
Net credit costs	0.0	-0.0	0.0	-0.0
Ordinary business profit after net credit costs	-1.7	3.3	-5.1	2.6
<i>Total:</i>				
Net interest income	91.6	100.3	-8.6	133.5
Noninterest income	70.5	82.7	-12.2	106.4
Total revenue	162.1	183.1	-20.9	239.9
General and administrative expenses	-109.8	-111.1	1.3	-149.5
Ordinary business profit	52.3	71.9	-19.5	90.4
Net credit costs	-19.9	-22.2	2.3	-39.1
Ordinary business profit after net credit costs	32.3	49.6	-17.2	51.2

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

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, corporate revitalization support business, the provision of business succession and business switching and withdrawal support services and asset-backed investment.
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, 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 company-wide accounts which are not included in our reportable segments, allocation variance of indirect expense and elimination amount of inter-segment transactions.
Treasury	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 FY2020 (9 months)	Q3 FY2019 (9 months)	Change (Amount)	FY2019 (12 months)
<i>Corporate Business:</i>				
Net interest income	8.5	7.9	0.5	10.8
Noninterest income	2.7	7.2	-4.5	8.1
Total revenue	11.2	15.1	-3.9	18.9
General and administrative expenses	-8.9	-9.4	0.5	-12.5
Ordinary business profit	2.3	5.6	-3.3	6.3
Net credit costs	0.0	-1.0	1.0	-2.3
Ordinary business profit after net credit costs	2.4	4.6	-2.2	4.0
<i>Structured Finance:</i>				
Net interest income	9.4	8.8	0.5	12.0
Noninterest income	5.7	5.9	-0.2	7.6
Total revenue	15.1	14.8	0.3	19.7
General and administrative expenses	-6.8	-6.2	-0.5	-8.3
Ordinary business profit	8.3	8.5	-0.1	11.3
Net credit costs	-4.8	-2.0	-2.7	-6.4
Ordinary business profit after net credit costs	3.5	6.4	-2.9	4.9
<i>Principal Transactions:</i>				
Net interest income	1.9	2.7	-0.8	4.3
Noninterest income	0.5	5.7	-5.1	5.6
Total revenue	2.4	8.4	-5.9	10.0
General and administrative expenses	-2.9	-3.0	0.1	-4.1
Ordinary business profit	-0.4	5.4	-5.8	5.9
Net credit costs	-0.1	0.0	-0.1	-0.1
Ordinary business profit after net credit costs	-0.5	5.4	-5.9	5.7
<i>Showa Leasing:</i>				
Net interest income	0.0	-0.2	0.2	-0.1
Noninterest income	10.6	10.6	-0.0	14.6
Total revenue	10.6	10.4	0.2	14.4
General and administrative expenses	-8.3	-7.8	-0.4	-10.7
Ordinary business profit	2.3	2.6	-0.2	3.7
Net credit costs	-0.1	0.0	-0.2	-0.9
Ordinary business profit after net credit costs	2.1	2.6	-0.5	2.7

Institutional Business (Consolidated)

(Billions of yen)

	Q3 FY2020 (9 months)	Q3 FY2019 (9 months)	Change (Amount)	FY2019 (12 months)
<i>Markets:</i>				
Net interest income	0.8	2.0	-1.2	2.3
Noninterest income	3.0	5.0	-2.0	7.2
Total revenue	3.8	7.1	-3.2	9.5
General and administrative expenses	-2.3	-2.5	0.1	-3.3
Ordinary business profit	1.4	4.6	-3.1	6.2
Net credit costs	-	0.0	-0.0	0.0
Ordinary business profit after net credit costs	1.4	4.6	-3.1	6.2
<i>Other Global Markets:</i>				
Net interest income	0.3	0.4	-0.1	0.5
Noninterest income	1.2	2.5	-1.3	3.4
Total revenue	1.5	3.0	-1.5	4.0
General and administrative expenses	-2.1	-2.3	0.1	-3.1
Ordinary business profit	-0.6	0.7	-1.3	0.9
Net credit costs	0.0	0.0	0.0	0.0
Ordinary business profit after net credit costs	-0.5	0.7	-1.3	0.9
<i>Institutional Business:</i>				
Net interest income	21.0	21.8	-0.8	30.0
Noninterest income	23.9	37.2	-13.3	46.7
Total revenue	44.9	59.1	-14.1	76.8
General and administrative expenses	-31.5	-31.5	0.0	-42.3
Ordinary business profit	13.4	27.5	-14.0	34.4
Net credit costs	-5.0	-2.9	-2.1	-9.8
Ordinary business profit after net credit costs	8.4	24.6	-16.2	24.6

Individual Business (Consolidated)

(Billions of yen)

	Q3 FY2020 (9 months)	Q3 FY2019 (9 months)	Change (Amount)	FY2019 (12 months)
<i>Retail banking:</i>				
Net interest income	18.5	17.9	0.5	23.4
Loans	6.9	7.0	-0.0	9.3
Deposits	11.5	10.9	0.6	14.1
Noninterest income	2.2	3.6	-1.4	4.9
Asset Management Products	4.5	6.5	-1.9	8.4
Other Fees (ATM, Fund Transfer, FX etc.)	-2.3	-2.8	0.4	-3.5
Total revenue	20.7	21.5	-0.8	28.3
General and administrative expenses	-21.3	-20.8	-0.5	-28.0
Ordinary business profit	-0.6	0.7	-1.4	0.3
Net credit costs	-0.3	-0.0	-0.3	-0.0
Ordinary business profit after net credit costs	-1.0	0.7	-1.7	0.3
<i>Shinsei Financial¹:</i>				
Net interest income	50.2	52.1	-1.9	69.3
Lake Businesses	46.3	47.8	-1.5	63.6
Noninterest income	0.0	-0.7	0.7	-0.9
Total revenue	50.2	51.3	-1.1	68.3
General and administrative expenses	-24.5	-25.3	0.7	-34.3
Ordinary business profit	25.6	26.0	-0.3	33.9
Net credit costs	-6.1	-9.3	3.1	-14.4
Ordinary business profit after net credit costs	19.5	16.7	2.8	19.5
<i>APLUS FINANCIAL:</i>				
Net interest income	6.5	7.4	-0.9	9.7
Noninterest income	37.4	36.1	1.2	48.5
Total revenue	43.9	43.5	0.3	58.2
General and administrative expenses	-28.5	-28.8	0.2	-38.9
Ordinary business profit	15.3	14.7	0.6	19.3
Net credit costs	-8.8	-10.0	1.2	-15.1
Ordinary business profit after net credit costs	6.5	4.6	1.8	4.2
<i>Other Individuals:</i>				
Net interest income	0.8	0.6	0.1	0.9
Noninterest income	1.3	0.2	1.0	0.6
Total revenue	2.1	0.9	1.2	1.5
General and administrative expenses	-1.8	-1.4	-0.4	-2.0
Ordinary business profit	0.2	-0.4	0.7	-0.4
Net credit costs	0.4	0.0	0.3	0.1
Ordinary business profit after net credit costs	0.7	-0.4	1.1	-0.2
<i>Individual Business:</i>				
Net interest income	76.0	78.1	-2.0	103.4
Noninterest income	41.0	39.3	1.6	53.2
Total revenue	117.0	117.5	-0.4	156.6
General and administrative expenses	-76.4	-76.5	0.0	-103.3
Ordinary business profit	40.6	40.9	-0.3	53.2
Net credit costs	-14.8	-19.3	4.4	-29.3
Ordinary business profit after net credit costs	25.7	21.6	4.0	23.9

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.

Corporate/Other (Consolidated)¹

(Billions of yen)

	Q3 FY2020 (9 months)	Q3 FY2019 (9 months)	Change (Amount)	FY2019 (12 months)
<i>Treasury:</i>				
Net interest income	-5.0	0.3	-5.4	0.0
Noninterest income	5.0	5.6	-0.6	5.9
Total revenue	-0.0	6.0	-6.0	5.9
General and administrative expenses	-1.1	-1.2	0.0	-1.6
Ordinary business profit	-1.1	4.8	-6.0	4.3
Net credit costs	-	-	-	-
Ordinary business profit after net credit costs	-1.1	4.8	-6.0	4.3
<i>Corporate/Other (excluding Treasury)¹:</i>				
Net interest income	-0.3	0.0	-0.3	0.0
Noninterest income	0.5	0.4	0.0	0.5
Total revenue	0.1	0.4	-0.2	0.5
General and administrative expenses	-0.7	-1.8	1.1	-2.2
Ordinary business profit	-0.5	-1.4	0.8	-1.6
Net credit costs	0.0	-0.0	0.0	-0.0
Ordinary business profit after net credit costs	-0.5	-1.4	0.9	-1.6
<i>Corporate/Other¹:</i>				
Net interest income	-5.4	0.3	-5.7	0.0
Noninterest income	5.5	6.0	-0.5	6.4
Total revenue	0.1	6.4	-6.3	6.5
General and administrative expenses	-1.8	-3.1	1.2	-3.8
Ordinary business profit	-1.7	3.3	-5.1	2.6
Net credit costs	0.0	-0.0	0.0	-0.0
Ordinary business profit after net credit costs	-1.7	3.3	-5.1	2.6

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.

Loans by Borrower Industry (Consolidated)

(Billions of yen)

	Dec 31 2020	Mar 31 2020	Change (Amount)
Domestic offices (excluding Japan offshore market accounts):			
Manufacturing	197.6	198.9	-1.2
Agriculture and forestry	0.0	0.0	0.0
Fishery	0.1	0.0	0.0
Mining, quarrying and gravel extraction	0.6	0.3	0.3
Construction	16.1	11.8	4.3
Electric power, gas, heat supply and water supply	387.8	366.3	21.5
Information and communications	44.4	49.4	-5.0
Transportation and postal service	192.6	194.1	-1.4
Wholesale and retail	102.8	105.2	-2.3
Finance and insurance	493.2	532.1	-38.9
Real estate	691.5	670.5	20.9
Services	386.0	382.8	3.1
Local government	52.4	62.6	-10.2
Others	2,204.5	2,271.8	-67.2
Loans to individual customers (Housing Loan, Unsecured Loan, Cashing by Credit Card, Housing Related Loan, etc.)	1,843.5	1,897.8	-54.3
Total domestic (A)	4,770.2	4,846.3	-76.0
Overseas offices (including Japan offshore market accounts):			
Governments	0.0	-	0.0
Financial institutions	31.7	33.1	-1.4
Others	381.6	230.8	150.8
Total overseas (B)	413.4	264.0	149.4
Total (A+B)	5,183.7	5,110.4	73.3

Securities Being Held to Maturity (Consolidated)

(Billions of yen)

	Dec 31, 2020			Mar 31, 2020		
	Carrying amount	Fair value	Unrealized gain (loss)	Carrying amount	Fair value	Unrealized gain (loss)
Fair value exceeds carrying amount						
Japanese national government bonds	185.8	186.7	0.8	277.1	278.7	1.5
Subtotal	185.8	186.7	0.8	277.1	278.7	1.5
Fair value does not exceed carrying amount						
Japanese national government bonds	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-
Total	185.8	186.7	0.8	277.1	278.7	1.5

Securities Available for Sale (Consolidated)

(Billions of yen)

	Dec 31, 2020			Mar 31, 2020		
	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	10.9	4.5	6.4	8.9	4.8	4.0
Domestic bonds	76.4	75.8	0.6	75.3	74.5	0.8
Japanese national government bonds	49.6	49.6	0.0	35.4	35.2	0.2
Japanese local government bonds	-	-	-	-	-	-
Japanese corporate bonds	26.8	26.2	0.5	39.8	39.2	0.6
Other	136.5	134.6	1.9	113.1	110.6	2.5
Foreign securities	113.7	112.1	1.6	80.4	78.5	1.9
Foreign currency denominated foreign corporate and government bonds	113.3	112.0	1.2	80.2	78.4	1.7
Yen-denominated foreign corporate and government bonds	-	-	-	-	-	-
Foreign equity securities and others	0.4	0.0	0.3	0.2	0.0	0.1
Other securities	-	-	-	-	-	-
Other monetary claims purchased	22.7	22.5	0.2	32.6	32.1	0.5
Subtotal	224.0	215.0	8.9	197.4	190.0	7.4
Carrying amount does not exceed amortized/acquisition cost						
Equity securities	1.6	1.9	-0.3	1.6	1.8	-0.1
Domestic bonds	218.3	221.0	-2.7	176.7	178.6	-1.9
Japanese national government bonds	82.0	82.5	-0.5	47.9	48.5	-0.5
Japanese local government bonds	-	-	-	-	-	-
Japanese corporate bonds	136.2	138.5	-2.2	128.8	130.1	-1.3
Other	174.5	175.3	-0.7	220.8	224.7	-3.8
Foreign securities	174.4	175.2	-0.7	220.7	224.6	-3.8
Foreign currency denominated foreign corporate and government bonds	99.6	100.0	-0.4	143.6	146.5	-2.9
Yen-denominated foreign corporate and government bonds	73.9	74.2	-0.3	76.3	77.0	-0.6
Foreign equity securities and others	0.9	1.0	-0.0	0.7	1.0	-0.2
Other securities	0.1	0.1	-0.0	0.1	0.1	-0.0
Other monetary claims purchased	-	-	-	-	-	-
Subtotal	394.5	398.4	-3.8	399.3	405.3	-5.9
Total ^{1, 2}	618.6	613.5	5.1	596.7	595.3	1.4

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, 2020 and Mar 31, 2020 were ¥595.8 billion and ¥564.1 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, 2020	Mar 31, 2020
Unrealized gain (loss) before deferred tax on:		
Available-for-sale securities	5.1	1.4
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	0.2	-1.8
Other monetary assets held in trust	-2.8	-0.8
(-) Deferred tax liabilities	0.6	0.0
Unrealized gain (loss) on available-for-sale securities before interest adjustments	1.9	-1.3
(-) Noncontrolling interests	0.9	-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	6.9	6.0
Unrealized gain (loss) on available-for-sale securities	7.8	4.7

Deposits (Consolidated)

(Billions of yen)

	Dec 31 2020	Mar 31 2020	Change (Amount)
Deposits	6,022.3	5,849.2	173.1
Liquid (current, ordinary, notice) deposits	2,745.7	2,680.9	64.8
Time deposits ¹	2,695.9	2,652.1	43.7
Other	580.7	516.0	64.6
Negotiable certificates of deposits (NCDs)	440.5	455.9	-15.4
Total	6,462.9	6,305.1	157.7

1.Includes two-week maturity deposits

Financial Ratios (Consolidated)

	Q3 FY2020 (9 months)	Q3 FY2019 (9 months)	FY2019 (12 months)
Return on assets ¹	0.3% ³	0.6% ³	0.5%
Return on equity ²	3.8% ³	6.6% ³	5.1%
Expense-to-revenue ratio ^{4, 5}	67.7%	60.7%	62.3%

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)

	Dec 31 2020	Mar 31 2020	Change (Amount)
Core capital:instruments and reserves	919.1	915.7	3.4
Core capital:regulatory adjustments	-99.0	-93.2	-5.7
Capital	820.1	822.4	-2.3
Total amount of Risk-weighted assets	7,473.4	7,336.6	136.8
Consolidated core capital adequacy ratio	10.97%	11.21%	

1.Calculated according to F-IRB.

Consolidated total required capital is ¥695.9 billion as at Dec 31, 2020, ¥679.5 billion as at March 31, 2020.

Per Share Data (Consolidated)

(Yen)

	Q3 FY2020 (9 months)	Q3 FY2019 (9 months)	Change (Amount)	FY2019 (12 months)
Common equity	4,159.01	3,872.86	286.15	3,913.40
Fully diluted equity	4,157.74	3,872.09	285.65	3,912.60
Basic EPS	116.13	187.00	-70.86	190.59
Diluted EPS	116.10	186.96	-70.86	190.55
For calculation of per share data (Does not include treasury shares):				
Equity: Number of common shares	217,031,019	236,042,100		230,743,898
Fully diluted number of shares	217,097,337	236,089,149		230,790,947
EPS Number of common shares	225,454,773	241,200,670		239,127,169
Fully diluted number of shares	225,517,026	241,243,824		239,171,291

Consolidated Balance Sheets (Unaudited)

(Millions of yen)

	Dec 31 2020	Mar 31 2020	Change (Amount)
<<Assets>>			
Cash and due from banks	1,798,195	1,614,134	184,060
Call loans and bills bought	—	—	—
Receivables under securities borrowing transactions	—	—	—
Other monetary claims purchased	51,147	63,575	(12,427)
Trading assets	185,351	213,707	(28,355)
Monetary assets held in trust	392,148	415,107	(22,958)
Securities	902,246	957,040	(54,793)
Loans and bills discounted	5,183,726	5,110,404	73,322
Foreign exchanges	50,207	73,879	(23,671)
Lease receivables and leased investment assets	193,985	193,445	539
Other assets	1,161,740	1,007,605	154,134
Premises and equipment	64,626	69,414	(4,787)
Intangible assets	69,089	67,073	2,015
Goodwill	15,877	10,626	5,250
Assets for retirement benefits	6,063	5,683	379
Deferred tax assets	14,578	16,977	(2,398)
Customers' liabilities for acceptances and guarantees	549,563	526,520	23,042
Reserve for credit losses	(107,715)	(107,998)	282
Total assets	10,514,956	10,226,571	288,384
<<Liabilities>>			
Deposits	6,022,396	5,849,211	173,185
Negotiable certificates of deposit	440,527	455,950	(15,422)
Call money and bills sold	82,404	165,000	(82,595)
Payables under repurchase agreements	26,908	38,956	(12,048)
Payables under securities lending transactions	335,070	350,407	(15,337)
Trading liabilities	163,415	183,943	(20,527)
Borrowed money	968,288	881,991	86,296
Foreign exchanges	2,219	687	1,531
Short-term corporate bonds	224,400	221,300	3,100
Corporate bonds	348,169	166,500	181,669
Other liabilities	380,179	404,973	(24,793)
Accrued employees' bonuses	6,130	8,560	(2,430)
Accrued directors' bonuses	34	47	(13)
Liabilities for retirement benefits	8,438	8,422	16
Reserve for directors' retirement benefits	18	50	(32)
Reserve for reimbursement of deposits	557	621	(64)
Reserve for reimbursement of debentures	3,385	3,513	(127)
Reserve for losses on interest repayments	40,780	49,308	(8,528)
Deferred tax liabilities	382	119	262
Acceptances and guarantees	549,563	526,520	23,042
Total liabilities	9,603,272	9,316,086	287,185
<<Equity>>			
Common stock	512,204	512,204	—
Capital surplus	72,961	78,506	(5,545)
Retained earnings	413,177	389,600	23,577
Treasury stock, at cost	(78,916)	(61,097)	(17,819)
Total shareholders' equity	919,426	919,214	212
Unrealized gain (loss) on available-for-sale securities	7,834	4,755	3,078
Deferred gain (loss) on derivatives under hedge accounting	(19,446)	(15,719)	(3,726)
Foreign currency translation adjustments	(1,714)	(1,670)	(44)
Defined retirement benefit plans	(3,464)	(3,585)	120
Total accumulated other comprehensive income	(16,791)	(16,219)	(571)
Stock acquisition rights	147	125	21
Noncontrolling interests	8,900	7,364	1,536
Total equity	911,684	910,485	1,199
Total liabilities and equity	10,514,956	10,226,571	288,384

Consolidated Statements of Income (Unaudited)

(Millions of yen)

	Q3 FY2020 (9 months)	Q3 FY2019 (9 months)	Change (Amount)	FY2019 (12 months)
Ordinary income	275,735	298,799	(23,063)	399,503
Interest income	101,338	115,537	(14,198)	153,777
Interest on loans and bills discounted	95,471	105,487	(10,016)	140,204
Interest and dividends on securities	4,232	7,951	(3,719)	10,794
Other interest income	1,634	2,097	(463)	2,778
Fees and commissions income	41,021	44,322	(3,301)	59,213
Trading income	2,067	7,542	(5,474)	15,821
Other business income	115,306	111,974	3,332	144,855
Other ordinary income	16,001	19,423	(3,421)	25,835
Ordinary expenses	244,028	249,189	(5,160)	348,466
Interest expenses	9,656	15,165	(5,509)	20,266
Interest on deposits	3,262	4,378	(1,116)	6,295
Interest on borrowings	2,157	2,103	54	2,875
Interest on corporate bonds	374	179	194	283
Other interest expenses	3,862	8,503	(4,641)	10,812
Fees and commissions expenses	19,335	20,177	(842)	26,782
Trading losses	64	—	64	—
Other business expenses	74,776	71,545	3,230	97,532
General and administrative expenses	112,063	113,106	(1,042)	152,494
Amortization of goodwill	1,664	1,595	69	2,144
Amortization of intangible assets acquired in business combinations	260	197	63	291
Other general and administrative expenses	110,138	111,313	(1,175)	150,057
Other ordinary expenses	28,133	29,194	(1,061)	51,391
Provision of reserve for credit losses	23,532	26,903	(3,370)	44,818
Other	4,600	2,291	2,308	6,572
Ordinary profit	31,706	49,609	(17,903)	51,036
Extraordinary gains	32	0	32	26
Extraordinary losses	325	1,009	(683)	1,862
Income before income taxes	31,413	48,600	(17,187)	49,200
Income taxes (benefit)	6,271	3,609	2,662	4,073
Profit	25,141	44,991	(19,850)	45,126
Profit (loss) attributable to noncontrolling interests	(1,041)	(113)	(927)	(449)
Profit attributable to owners of the parent	26,182	45,105	(18,922)	45,575

Composition of Capital Disclosure(Consolidated)

Shinsei Bank and subsidiaries

Millions of yen (except percentages)

Items	Basel III (Domestic Standard) Dec 31 2020	Basel III (Domestic Standard) Sep 30 2020
	Core capital:instruments and reserves (1)	
Directly issued qualifying common share capital or preferred share capital	¥ 919,426	¥ 920,843
with a compulsory conversion clause plus related capital surplus and retained earnings		
of which:capital and capital surplus	585,165	590,743
of which:retained earnings	413,177	400,609
of which:treasury stock (-)	78,916	70,508
of which:earning to be distributed (-)	-	-
of which:other than above	-	-
Accumulated other comprehensive income (amount allowed to be included in Core capital)	(5,179)	(5,062)
of which:foreign currency translation adjustment	(1,714)	(1,529)
of which:amount related defined benefit	(3,464)	(3,532)
Stock acquisition right to common shares and preferred shares with a compulsory conversion clause	101	101
Adjusted noncontrolling interests (amount allowed to be included in Core capital)	14	16
Total of reserves included in Core capital:instruments and reserves	1,018	936
of which:general reserve for loan losses included in Core capital	1,018	936
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)	3,778	3,869
Core capital:instruments and reserves (A)	¥ 919,161	¥ 920,705
Core capital:regulatory adjustments (2)		
Total amount of intangible assets (excluding those relating to mortgage servicing rights)	¥ 54,835	¥ 56,516
of which:goodwill (including those equivalent)	17,916	18,839
of which:other intangibles other than goodwill and mortgage servicing rights	36,918	37,676
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	5,371	5,593
Shortfall of eligible provisions to expected losses	34,641	30,949
Gain on sale of securitization	-	-
Gains and losses due to changes in own credit risk on fair valued liabilities	-	-
Net defined benefit asset	4,206	4,129
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)	¥ 99,053	¥ 97,188
Capital (consolidated)		
Capital (consolidated)((A)-(B))(C)	¥ 820,107	¥ 823,516
Risk-weighted assets, etc.		
Total amount of credit risk-weighted assets	¥6,901,507	¥6,943,573
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)	184,609	204,650
Operational risk (derived by multiplying the capital requirement by 12.5)	387,339	387,339
Credit risk-weighted assets adjustments	-	-
Operational risk adjustments	-	-
Total amount of Risk-weighted assets (D)	¥7,473,457	¥7,535,562
Capital ratio (consolidated)		
Capital ratio (consolidated)((C)/(D))	10.97%	10.92%

(Reference) Results of Operations (Consolidated)

(Millions of yen)

	Q3 FY2020 (9 months) (A)	Q3 FY2019 (9 months) (B)	Change (A)-(B)
Gross Business Profit	158,807	175,032	(16,225)
(excluding Gains on Monetary Assets Held in Trust)	156,078	172,481	(16,402)
Net Interest Income	91,682	100,371	(8,689)
Net Fees and Commissions	21,687	24,146	(2,458)
Net Trading Income	2,003	7,542	(5,538)
Net Other Business Income	43,434	42,972	461
Gains on Monetary Assets Held in Trust	2,728	2,551	177
Gains related to Bonds	3,651	4,242	(590)
General and Administrative Expenses	111,769	112,974	(1,204)
Personnel Expenses	44,273	43,205	1,068
Nonpersonnel Expenses	59,571	62,237	(2,666)
Amortization of Goodwill and Intangible Assets	1,925	1,792	132
Taxes	7,924	7,530	393
Net Business Profit	47,038	62,058	(15,020)
Credit Costs	19,947	22,283	(2,336)
Gains on Stock Transactions	(156)	5,495	(5,651)
Equity in Net Income (Loss) of Affiliates	3,537	2,596	941
Other	1,234	1,743	(509)
Ordinary Profit	31,706	49,609	(17,903)
Extraordinary Gains	(293)	(1,008)	715
Gains from Sales of Fixed Assets and Impairment losses	(291)	(336)	44
Income before Income Taxes	31,413	48,600	(17,187)
Income Taxes - Current	2,510	1,783	726
Income Taxes - Deferred	3,761	1,826	1,935
Profit Attributable to Noncontrolling Interests	(1,041)	(113)	(927)
Profit Attributable to Owners of the Parents	26,182	45,105	(18,922)

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 FY2020 (9 months)	Q3 FY2019 (9 months)	Change (Amount)	FY2019 (12 months)
Net interest income	64.7	75.6	-10.9	103.1
Noninterest income	2.3	8.0	-5.7	10.5
Net fees and commissions ¹	-6.2	-2.9	-3.3	-3.8
Net trading income	1.1	4.0	-2.8	10.9
Net other business income	7.4	6.9	0.4	3.4
Total revenue ¹	67.0	83.7	-16.6	113.7
Personnel expenses	-20.4	-20.4	0.0	-26.9
Nonpersonnel expenses	-27.5	-29.9	2.3	-39.6
Taxes	-3.9	-3.8	-0.1	-5.3
General and administrative expenses	-52.0	-54.3	2.2	-71.8
Net business profit ¹	15.0	29.4	-14.3	41.8
Other gains				
Gains on the sales of equities	0.7	3.7	-2.9	1.7
Net provision of reserve for credit losses	-4.1	-3.1	-0.9	-8.8
Losses on write-off of loans	-1.3	-0.0	-1.3	-0.0
Recoveries of written-off claims	0.5	0.1	0.3	0.1
Expenses for employees' retirement benefits	-0.2	-0.1	-0.1	-0.4
Others	-0.1	0.3	-0.4	-0.5
Net ordinary income	10.3	30.3	-19.9	33.9
Extra ordinary profit				
Gains from sales of fixed assets and impairment losses	-0.2	-0.2	0.0	-0.7
Others	-1.6	1.6	-3.3	0.4
Income before income taxes	8.4	31.7	-23.2	33.7
Income taxes	-1.0	-1.0	0.0	-0.5
Net income	7.4	30.6	-23.2	33.1

¹.Includes income from monetary assets held in trust of ¥1.8 billion in Q3FY2020, ¥1.8 billion in Q3FY2019 and ¥2.3 billion in FY2019.

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

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

(Billions of yen, except percentages)

	Q3 FY2020 (9 months)			Q3 FY2019 (9 months)			FY2019 (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	5,061.4	63.7	1.67	4,872.9	74.1	2.02	4,896.2	98.0	2.00
Securities	1,247.7	7.3	0.77	1,366.5	12.5	1.22	1,343.2	20.0	1.48
Other interest-earning assets ^{2, 3}	117.6	1.2	***	125.2	1.7	***	126.5	2.3	***
Total interest-earning assets	6,426.8	72.3	1.49	6,364.7	88.4	1.85	6,366.0	120.3	1.89
Interest-bearing liabilities:									
Deposits, including negotiable certificates of deposit	6,367.7	3.3	0.06	6,043.9	4.4	0.09	6,113.3	6.3	0.10
Borrowed money	404.0	0.3	0.11	165.3	0.0	0.02	163.7	0.1	0.08
Corporate bonds	152.7	0.2	0.24	50.8	0.0	0.20	64.2	0.1	0.21
Other interest-bearing liabilities ²	575.7	3.7	***	970.7	8.3	***	905.3	10.6	***
Total interest-bearing liabilities	7,500.2	7.7	0.13	7,231.0	12.8	0.23	7,246.6	17.2	0.23
Net interest income/yield on interest-earning assets	6,426.8	64.5	1.33	6,364.7	75.5	1.58	6,366.0	103.0	1.61

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)

(Percentages)

	Q3 FY2020 (9 months)	Q3 FY2019 (9 months)	Change	FY2019 (12 months)
Yield on interest earning assets (A)	1.49	1.85	-0.36	1.89
Total cost of funding (B)	1.09	1.26	-0.17	1.26
Cost of interest bearing liabilities (C)	0.14	0.24	-0.10	0.24
Overall interest margin (A)-(B)	0.40	0.59	-0.19	0.63
Net interest margin (A)-(C)	1.35	1.61	-0.26	1.65

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

(Domestic)¹

(Percentages)

	Q3 FY2020 (9 months)	Q3 FY2019 (9 months)	Change	FY2019 (12 months)
Yield on interest earning assets (A)	1.37	1.53	-0.16	1.58
Interest earned on loans and bills discounted	1.63	1.84	-0.21	1.82
Interest earned on securities	0.74	1.00	-0.26	1.35
Total cost of funding (B) ²	1.07	1.10	-0.03	1.10
Cost of interest bearing liabilities (C)	0.05	0.02	0.03	0.03
Interest paid on deposits ³	0.03	0.00	0.03	0.01
Overall interest margin (A)-(B)	0.30	0.43	-0.13	0.48
Net interest margin (A)-(C)	1.32	1.51	-0.19	1.55

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)

	Q3 FY2020 (9 months)	Q3 FY2019 (9 months)	Change	FY2019 (12 months)
Gains (losses) on bonds	3.6	4.2	-0.5	3.4
Gains on sales	4.2	6.3	-2.1	7.3
Gains on redemption	-	-	-	-
Losses on sales	-0.5	-2.1	1.6	-3.5
Losses on redemption	-	-	-	-
Losses on devaluation	-0.1	-	-0.1	-0.4
Gains (losses) on stocks	0.7	3.7	-2.9	1.7
Gains on sales	0.9	4.4	-3.5	4.6
Losses on sales	-	-0.0	0.0	-0.0
Losses on devaluation	-0.1	-0.6	0.5	-2.7

Net Credit Costs (Nonconsolidated) ¹

(Billions of yen)

	Q3 FY2020 (9 months)	Q3 FY2019 (9 months)	Change (Amount)	FY2019 (12 months)
Losses on write-off of loans/Losses on sale of loans	-1.3	-0.0	-1.3	-0.0
Net provision of reserve for loan losses	-4.1	-3.1	-0.9	-8.8
Net provision of general reserve for loan losses	0.6	0.2	0.4	-2.9
Net provision of specific reserve for loan losses	-4.8	-3.4	-1.4	-5.8
Net Provision of Reserve for Loan Losses to Restructuring Countries	-	-	-	-
Recoveries of written-off claims	0.5	0.1	0.3	0.1
Net credit costs	-5.0	-3.0	-1.9	-8.7

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 2020	Mar 31 2020	Change (Amount)
Domestic (excluding Japan offshore market accounts):			
Manufacturing	194.0	195.3	-1.2
Agriculture and forestry	-	-	-
Fishery	0.1	0.0	0.0
Mining, quarrying and gravel extraction	0.6	0.3	0.3
Construction	14.6	9.8	4.7
Electric power, gas, heat supply and water supply	382.7	362.6	20.0
Information and communications	44.2	49.2	-4.9
Transportation and postal service	174.5	172.2	2.3
Wholesale and retail	96.9	99.0	-2.1
Finance and insurance	982.7	992.5	-9.8
Real estate	678.1	652.4	25.7
Services	406.5	428.9	-22.4
Local government	52.4	62.6	-10.2
Individuals	1,359.3	1,396.6	-37.3
Overseas yen loans and overseas loans booked domestically	401.6	355.1	46.4
Total domestic	4,788.7	4,777.1	11.6
Overseas (including Japan offshore market accounts):			
Governments	-	-	-
Financial institutions	31.7	33.1	-1.4
Others	257.9	230.5	27.3
Total overseas	289.6	263.6	25.9
Total	5,078.3	5,040.8	37.5

Claims Classified under the Financial Revitalization Law (Nonconsolidated)

(Billions of yen)

	Dec 31 2020	Mar 31 2020	Change (Amount)
Claims against bankrupt and quasi-bankrupt obligors	4.7	2.3	2.4
Doubtful claims	34.8	12.5	22.2
Substandard claims	4.4	2.8	1.6
Total (A)	44.0	17.6	26.3
Coverage ratio	86.9%	84.5%	
Total claims (B)	5,179.7	5,165.6	14.1
Loans and bills discounted	5,078.3	5,040.8	37.5
Others	101.3	124.7	-23.4
Ratio to total claims (A/B X 100) (%) ¹	0.84%	0.34%	
(Ref. 1) Amount of write-off	4.9	4.8	0.1
(Ref. 2) Below need caution level	144.2	104.9	39.3

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

(Billions of yen, except percentages)

	Dec 31, 2020					Mar 31, 2020				
	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	4.7	4.7	0.7	4.0	100.0%	2.3	2.3	0.6	1.7	100.0%
Doubtful claims	34.8	30.5	10.2	20.2	87.6%	12.5	11.8	6.5	5.3	93.8%
Substandard claims	4.4	3.0	0.5	2.5	66.9%	2.8	0.8	0.4	0.5	29.5%
Total	44.0	38.2	11.5	26.7	86.9%	17.6	14.9	7.4	7.5	84.5%

Securities Being Held to Maturity (Nonconsolidated)

(Billions of yen)

	Dec 31, 2020			Mar 31, 2020		
	Carrying amount	Fair value	Unrealized gain (loss)	Carrying amount	Fair value	Unrealized gain (loss)
Fair value exceeds carrying amount						
Japanese national government bonds	185.8	186.7	0.8	277.1	278.7	1.5
Subtotal	185.8	186.7	0.8	277.1	278.7	1.5
Fair value does not exceed carrying amount						
Japanese national government bonds	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-
Total	185.8	186.7	0.8	277.1	278.7	1.5

Securities Available for Sale (Nonconsolidated)

(Billions of yen)

	Dec 31, 2020			Mar 31, 2020		
	Carrying amount (Fair value)	Amortized/ Acquisition cost	Unrealized gain (loss)	Carrying amount (Fair value)	Amortized/ Acquisition cost	Unrealized gain (loss)
Carrying amount exceeds amortized/acquisition cost						
Equity securities	6.3	3.2	3.0	6.2	3.5	2.6
Domestic bonds	75.4	74.8	0.5	73.3	72.5	0.8
Japanese national government bonds	48.6	48.6	0.0	33.4	33.2	0.2
Japanese local government bonds	-	-	-	-	-	-
Japanese corporate bonds	26.8	26.2	0.5	39.8	39.2	0.6
Other	136.5	134.6	1.9	113.1	110.6	2.5
Foreign securities	113.7	112.1	1.6	80.4	78.5	1.9
Foreign currency denominated foreign corporate and government bonds	113.3	112.0	1.2	80.2	78.4	1.7
Yen-denominated foreign corporate and government bonds	-	-	-	-	-	-
Foreign equity securities and others	0.4	0.0	0.3	0.2	0.0	0.1
Other securities	-	-	-	-	-	-
Other monetary claims purchased	22.7	22.5	0.2	32.6	32.1	0.5
Subtotal	218.4	212.8	5.6	192.7	186.7	5.9
Carrying amount does not exceed amortized/acquisition cost						
Equity securities	1.6	1.9	-0.3	1.6	1.7	-0.1
Domestic bonds	218.3	221.0	-2.7	176.7	178.6	-1.9
Japanese national government bonds	82.0	82.5	-0.5	47.9	48.5	-0.5
Japanese local government bonds	-	-	-	-	-	-
Japanese corporate bonds	136.2	138.5	-2.2	128.8	130.1	-1.3
Other	174.5	175.3	-0.7	220.8	224.7	-3.8
Foreign securities	174.4	175.2	-0.7	220.7	224.6	-3.8
Foreign currency denominated foreign corporate and government bonds	99.6	100.0	-0.4	143.6	146.5	-2.9
Yen-denominated foreign corporate and government bonds	73.9	74.2	-0.3	76.3	77.0	-0.6
Foreign equity securities and others	0.9	1.0	-0.0	0.7	1.0	-0.2
Other securities	0.1	0.1	-0.0	0.1	0.1	-0.0
Other monetary claims purchased	-	-	-	-	-	-
Subtotal	394.5	398.4	-3.8	399.2	405.2	-5.9
Total ^{1, 2}	613.0	611.2	1.7	591.9	591.9	-0.0

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, 2020	Mar 31, 2020
Unrealized gain (loss) before deferred tax on:		
Available-for-sale securities	1.7	-0.0
Interests in available-for-sale securities held by partnerships recorded as securities whose fair value cannot be reliably determined	1.5	1.5
Other monetary assets held in trust	-2.8	-0.8
(-) Deferred tax liabilities	-	0.0
Unrealized gain (loss) on available-for-sale securities	0.4	0.6

Capital Adequacy Related Information (Nonconsolidated)

<Basel 3, Domestic Standard¹>

(Billions of yen, except percentages)

	Dec 31 2020	Mar 31 2020	Change (Amount)
Core capital: instruments and reserves	856.4	866.8	-10.4
Core capital: regulatory adjustments	-41.6	-42.3	0.7
Capital	814.8	824.5	-9.7
Total amount of Risk-weighted assets	6,262.3	6,168.4	93.8
Core capital adequacy ratio	13.01%	13.36%	

1. Calculated according to F-IRB.

Nonconsolidated total required capital is ¥542.6 billion as at Dec 31, 2020 and ¥535.8 billion as at March 31, 2020.

Nonconsolidated Balance Sheets (Unaudited)

(Millions of yen)

	Dec 31 2020	Mar 31 2020	Change (Amount)
<<Assets>>			
Cash and due from banks	1,689,944	1,475,672	214,271
Other monetary claims purchased	29,503	42,795	(13,291)
Trading assets	179,303	206,547	(27,244)
Monetary assets held in trust	283,337	312,128	(28,790)
Securities	1,259,133	1,265,800	(6,667)
Loans and bills discounted	5,078,372	5,040,819	37,553
Foreign exchanges	50,207	73,879	(23,671)
Other assets	229,477	234,006	(4,529)
Other	229,477	234,006	(4,529)
Premises and equipment	11,093	12,435	(1,341)
Intangible assets	24,249	25,631	(1,382)
Prepaid pension cost	7,139	6,940	199
Deferred tax assets	875	2,731	(1,856)
Customers' liabilities for acceptances and guarantees	22,730	18,787	3,942
Reserve for credit losses	(34,909)	(31,480)	(3,429)
Total assets	8,830,457	8,686,696	143,761
<<Liabilities>>			
Deposits	6,163,338	5,995,082	168,255
Negotiable certificates of deposit	440,527	455,950	(15,422)
Call money	82,404	165,000	(82,595)
Payables under repurchase agreements	26,908	38,956	(12,048)
Payables under securities lending transactions	330,024	345,357	(15,333)
Trading liabilities	160,033	182,969	(22,936)
Borrowed money	461,279	342,683	118,595
Foreign exchanges	2,219	687	1,531
Corporate bonds	170,000	116,500	53,500
Other liabilities	125,142	162,115	(36,972)
Income taxes payable	—	1,532	(1,532)
Lease obligations	7	12	(4)
Asset retirement obligations	7,271	7,307	(36)
Other	117,862	153,262	(35,399)
Accrued employees' bonuses	3,739	4,840	(1,100)
Reserve for reimbursement of deposits	557	621	(64)
Reserve for reimbursement of debentures	3,385	3,513	(127)
Acceptances and guarantees	22,730	18,787	3,942
Total liabilities	7,992,291	7,833,066	159,224
<<Equity>>			
Common stock	512,204	512,204	—
Capital surplus	79,465	79,465	—
Additional paid-in capital	79,465	79,465	—
Retained earnings	343,583	338,529	5,053
Legal reserve	16,195	15,734	461
Other retained earnings	327,387	322,795	4,592
Unappropriated retained earnings	327,387	322,795	4,592
Treasury stock, at cost	(78,916)	(61,097)	(17,819)
Total shareholders' equity	856,336	869,102	(12,766)
Unrealized gain (loss) on available-for-sale securities	413	624	(211)
Deferred gain (loss) on derivatives under hedge accounting	(18,685)	(16,174)	(2,510)
Total net unrealized gain (loss) and translation adjustments	(18,272)	(15,549)	(2,722)
Stock acquisition rights	101	76	25
Total equity	838,166	853,629	(15,463)
Total liabilities and equity	8,830,457	8,686,696	143,761

Nonconsolidated Statements of Income (Unaudited)

(Millions of yen)

	Q3 FY2020 (9 months)	Q3 FY2019 (9 months)	Change (Amount)	FY2019 (12 months)
Ordinary income	97,837	126,783	(28,946)	170,640
Interest income	72,337	88,488	(16,150)	120,335
Interest on loans and bills discounted	63,744	74,193	(10,449)	98,008
Interest and dividends on securities	7,301	12,534	(5,232)	20,003
Other interest income	1,291	1,760	(468)	2,322
Fees and commissions income	10,622	16,152	(5,529)	21,295
Trading income	1,246	4,024	(2,778)	10,994
Other business income	10,061	10,862	(800)	10,022
Other ordinary income	3,569	7,255	(3,686)	7,992
Ordinary expenses	87,479	96,473	(8,994)	136,702
Interest expenses	7,756	12,891	(5,134)	17,244
Interest on deposits	3,265	4,382	(1,116)	6,300
Interest on corporate bonds	278	76	201	137
Other interest expenses	4,212	8,431	(4,219)	10,806
Fees and commissions expenses	18,701	20,943	(2,242)	27,530
Trading losses	64	0	64	0
Other business expenses	2,655	3,867	(1,211)	6,614
General and administrative expenses	52,289	54,437	(2,147)	72,308
Other ordinary expenses	6,011	4,333	1,677	13,004
Ordinary profit	10,358	30,309	(19,951)	33,938
Extraordinary gains	32	2,109	(2,076)	2,109
Extraordinary losses	1,906	684	1,222	2,334
Income before income taxes	8,483	31,734	(23,250)	33,713
Income taxes (benefit)	1,082	1,097	(14)	532
Net income	7,401	30,636	(23,235)	33,180

Composition of Capital Disclosure (Nonconsolidated)

Shinsei Bank

Millions of yen (except percentages)

Items	Basel III (Domestic Standard) Dec 31 2020	Basel III (Domestic Standard) Sep 30 2020
	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	¥ 856,336	¥ 857,903
of which:capital and capital surplus	591,670	591,670
of which:retained earnings	343,583	336,742
of which:treasury stock (-)	78,916	70,508
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	101
Total of reserves included in Core capital:instruments and reserves	12	14
of which:general reserve for loan losses included in Core capital	12	14
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)	¥ 856,450	¥ 858,020
Core capital:regulatory adjustments (2)		
Total amount of intangible assets (excluding those relating to mortgage servicing rights)	¥ 16,950	¥ 17,296
of which:goodwill (including those equivalent)	413	454
of which:other intangibles other than goodwill and mortgage servicing rights	16,537	16,841
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	1,821	1,812
Shortfall of eligible provisions to expected losses	17,917	15,349
Gain on sale of securitization	-	-
Gains and losses due to changes in own credit risk on fair valued liabilities	-	-
Prepaid pension cost	4,953	4,927
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)	¥ 41,642	¥ 39,386
Capital (nonconsolidated)		
Capital (nonconsolidated)((A)-(B))(C)	¥ 814,808	¥ 818,634
Risk-weighted assets, etc.		
Total amount of credit risk-weighted assets	¥5,902,193	¥5,969,503
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)	174,728	194,314
Operational risk (derived by multiplying the capital requirement by 12.5)	185,442	185,442
Credit risk-weighted assets adjustments	-	-
Operational risk adjustments	-	-
Total amount of Risk-weighted assets (D)	¥6,262,364	¥6,349,260
Capital ratio (nonconsolidated)		
Capital ratio (nonconsolidated)((C)/(D))	13.01%	12.89%

(Reference) Results of Operations (Nonconsolidated)

(Millions of yen)

	Q3 FY2020 (9 months) (A)	Q3 FY2019 (9 months) (B)	Change (A)-(B)
Gross Business Profit	67,027	83,711	(16,684)
(excluding Gains on Monetary Assets Held in Trust)	65,215	81,868	(16,652)
Net Interest Income	64,706	75,640	(10,933)
Net Fees and Commissions	(6,264)	(2,946)	(3,318)
Gains on Monetary Assets Held in Trust	1,811	1,843	(31)
Net Trading Income	1,181	4,024	(2,843)
Net Other Business Income	7,403	6,992	410
Gains related to Bonds	3,651	4,241	(589)
General and Administrative Expenses	52,022	54,309	(2,286)
Personnel Expenses	20,434	20,462	(27)
Nonpersonnel Expenses	27,588	29,969	(2,380)
Amortization of Goodwill	124	124	-
Taxes	3,999	3,878	121
Net Operating Profit before Provision of General Reserve for Loan Losses	13,192	27,558	(14,366)
Provision of General Reserve for Loan Losses (1)	(694)	(270)	(423)
Net Operating Profit	13,886	27,829	(13,942)
Net Business Profit	15,004	29,401	(14,397)
Non-Recurring Gains	(5,215)	680	(5,895)
Gains related to Stocks	766	3,743	(2,977)
Credit Costs (2)	5,705	3,328	2,377
Losses on Write-Off of Loans	1,371	5	1,366
Provision of Specific Reserve for Loan Losses	4,835	3,424	1,410
Provision of Reserve for Loan Losses to Restructuring Countries	-	-	-
Recoveries of Written-off Claims	(501)	(102)	(399)
Reversal of Reserve for Loan Losses	-	-	-
Losses on Sale of Loans	-	-	-
Other	(276)	264	(540)
Ordinary Profit	10,358	30,309	(19,951)
Extraordinary Gains	(1,874)	1,424	(3,299)
Gains from Sales of Fixed Assets and Impairment losses	(246)	(267)	21
Income before Income Taxes	8,483	31,734	(23,250)
Income Taxes	1,082	1,097	(14)
Net Income	7,401	30,636	(23,235)

(Reference)

Core Net Operating Profit	9,540	23,316	△13,776
(excluding Gains on Cancellation of Investment Trusts)	9,540	23,316	△13,776
Net Credit Costs (1)+ (2)	5,011	3,057	1,953

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 FY2020 (9 months)			Q3 FY2019 (9 months)			FY2019 (12 months)		
	Average balance	Interest	Yield/rate ¹ (%)	Average balance	Interest	Yield/rate ¹ (%)	Average balance	Interest	Yield/rate ¹ (%)
Interest-earning assets:	6,426,885	72,337	1.49	6,364,785	88,488	1.85	6,366,034	120,335	1.89
Loans and bills discounted	5,061,454	63,744	1.67	4,872,921	74,193	2.02	4,896,230	98,008	2.00
Securities	1,247,733	7,301	0.77	1,366,585	12,534	1.22	1,343,294	20,003	1.48
Interest-bearing liabilities:	7,500,299	7,756	0.13	7,231,003	12,891	0.23	7,246,677	17,244	0.23
Deposits, including negotiable certificates of deposit	6,367,760	3,349	0.06	6,043,973	4,421	0.09	6,113,358	6,362	0.10
Borrowed money	404,018	352	0.11	165,351	35	0.02	163,761	141	0.08
Corporate bonds	152,767	278	0.24	50,895	76	0.20	64,201	137	0.21
Net interest income/yield on interest-earning assets	6,426,885	64,581	1.33	6,364,785	75,596	1.58	6,366,034	103,091	1.61

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

Earnings Forecasts¹*(Billions of yen)*

(Consolidated)	FY2020 Forecast	FY2019 Actual
Profit attributable to owners of the parent	34.0	45.5

(Nonconsolidated)	FY 2020 Forecast	FY2019 Actual
Net business profit	39.0	41.8
Net income	27.5	33.1
Dividends (per share in yen): Common stock	yet to be determined	10.0

¹Above 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.