

Financial Summary

For the First Half Ended September 30, 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] | 1H FY2020 (6 months) | 1H FY2019 (6 months) | Change (Amount) | FY2019 (12 months) |
|--|-------------------------|-------------------------|--------------------|-----------------------|
| Net interest income | 61.8 | 66.7 | -4.9 | 133.5 |
| Noninterest income | 48.4 | 54.7 | -6.3 | 106.4 |
| Total revenue | 110.2 | 121.5 | -11.2 | 239.9 |
| General and administrative expenses | -72.7 | -73.8 | 1.1 | -149.5 |
| Net credit costs | -17.4 | -16.5 | -0.9 | -39.1 |
| Income before income taxes | 19.7 | 31.2 | -11.5 | 49.2 |
| Profit attributable to owners of the parent | 13.3 | 28.1 | -14.8 | 45.5 |

(Billions of yen)

| Balance sheets (Consolidated) [Page 17] | Sep 30 2020 | Mar 31 2020 | Change (Amount) |
|---|----------------|----------------|--------------------|
| Cash and due from banks | 1,659.2 | 1,614.1 | 45.0 |
| Securities | 853.2 | 957.0 | -103.8 |
| Loans and bills discounted | 5,204.1 | 5,110.4 | 93.7 |
| Total assets | 10,323.9 | 10,226.5 | 97.3 |
| Deposits and negotiable certificates of deposit | 6,393.9 | 6,305.1 | 88.8 |
| Total liabilities | 9,410.9 | 9,316.0 | 94.8 |
| Total equity | 913.0 | 910.4 | 2.5 |

| Financial ratios (Consolidated) [Page 4, 16, 25] | 1H FY2020 (6 months) | 1H FY2019 (6 months) | FY2019 (12 months) |
|---|-------------------------|-------------------------|-----------------------|
| Net interest margin | 2.31% | 2.48% | 2.47% |
| Expense-to-revenue ratio | 66.0% | 60.8% | 62.3% |

| | Sep 30 2020 | Mar 31 2020 |
|--|----------------|----------------|
| Capital adequacy ratio (Basel III, domestic standard) | 10.92% | 11.21% |
| NPL ratio based on Financial Revitalization Law (nonconsolidated) | 0.64% | 0.34% |

(Billions of yen)

| Results of operations (Nonconsolidated) [Page 21] | 1H FY2020 (6 months) | 1H FY2019 (6 months) | Change (Amount) | FY2019 (12 months) |
|--|-------------------------|-------------------------|--------------------|-----------------------|
| Net interest income | 44.2 | 52.2 | -8.0 | 103.1 |
| Noninterest income | 1.2 | 5.8 | -4.6 | 10.5 |
| Total revenue | 45.4 | 58.1 | -12.7 | 113.7 |
| General and administrative expenses | -34.5 | -36.3 | 1.7 | -71.8 |
| Net credit costs | -6.3 | -2.6 | -3.7 | -8.7 |
| Net income | 0.5 | 22.6 | -22.1 | 33.1 |

1. Represents results based on management accounting basis.

Financial Highlights

Net income attributable to owners of parent for 1HFY2020 was 13.3 billion yen, decreased by 14.8 billion yen from 1HFY2019. Total revenue decreased due to a decrease in fee and commission and derivatives-related income in the Institutional Business, a decrease in fee and commission from the sales of asset management products in the Retail Banking, a decrease in interest income affected by lower foreign currency interest rate as well as an absence of gains on sales of stocks recorded in FY2019. General and administrative expenses decreased compared to 1HFY2019, due to the restrained management of expenses, despite an increase in expenses associated with newly consolidated subsidiaries in FY2019. Net credit cost increased mainly due to an increase in the reserves for loan losses for credit deterioration of institutional borrowers caused by the COVID-19 pandemic, despite a decrease in the reserves for loan losses in the unsecured card loan business for retail customers. Net income attributable to owners of parent decreased from 1HFY2019 due to an increase in the income tax expense caused by reversal of deferred tax assets.

Results of operations

- Total revenue was 110.2 billion yen for 1HFY2020, decreased by 11.2 billion yen from 1HFY2019.
 - Net interest income was 61.8 billion yen, decreased by 4.9 billion yen from 66.7 billion yen in 1HFY2019. This was due to a decrease in interest income from the unsecured card loan business as well as a decrease in interest income affected by lower foreign currency interest rate.
 - Noninterest income was 48.4 billion yen, decreased by 6.3 billion yen from 54.7 billion yen in 1HFY2019. This was mainly due to a decrease in fee and commission, and derivatives-related income in the Institutional Business, a decrease in fee and commission from the sales of asset management products in the Retail Banking, as well as the absence of gains on sales of stocks recorded in FY2019, despite an increase in income in major businesses such as shopping credits in APLUS FINANCIAL.
- General and administrative expenses were 72.7 billion yen in 1HFY2020, decreased by 1.1 billion yen from 1HFY2019. This was due to restrained management of expenses such as system related expenses, despite an additional expense from the newly consolidated subsidiaries in FY2019. The expense to revenue ratio was 66.0%.
- Net credit cost was 17.4 billion yen (expense), increased by 0.9 billion yen from 1HFY2019. This was mainly due to an increase in reserves for loan losses for credit deterioration of the institutional borrowers caused by the COVID-19 pandemic, despite a decrease in reserves for loan losses in the unsecured card loan business for retail customers.
- Income tax expense was 6.5 billion yen, increased by 3.3 billion yen from 1HFY2019. This was mainly due to reversal of deferred tax assets after assessment of recoverability of deferred tax assets in line with our future revenue forecast.
- Nonconsolidated net income was 0.5 billion yen, decreased by 22.1 billion yen from 1HFY2019. Total revenue decreased due to a decrease in fee and commission and derivatives-related income in the Institutional Business, a decrease in fee and commission from the sales of asset management products in the Retail Banking and a decrease in interest income affected by lower foreign currency interest rate. General and administrative expenses decreased compared to 1HFY2019, due to the restrained management of expenses. Net credit cost increased mainly due to an increase in the reserves for loan losses for credit deterioration of institutional borrowers caused by the COVID-19 pandemic. In addition, absence of gains on sales of stocks and an increase of income tax expense caused by reversal of deferred tax assets resulted in decrease of net income from 1HFY2019. Dividends received from subsidiaries amounted to 1.7 billion yen (1.7 billion yen from Showa Leasing) for 1HFY2020.

Balance sheets

- Total assets were 10,323.9 billion yen, increased by 97.3 billion yen from the end of March 2020.
- Loans and bills discounted were 5,204.1 billion yen, increased by 93.7 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 6,393.9 billion yen, increased by 88.8 billion yen from the end of March 2020.

Financial ratios

- Net interest margin was 2.31%, decreased from 2.43% in 1HFY2019. This was due to a decline in yield of interest-earning assets as well as a decline in yield of interest-bearing liabilities, affected by lower foreign currency interest rate.
- The ratio of core capital under the Basel III domestic standards (grand fathering basis) was 10.92% at the end of September 2020, 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 III international standards (excluding grandfathering basis) was 11.0%, slightly decreased from 11.3 % at the end of March 2020. Capital ratios continue to be maintained at sufficient levels.
- The amount of nonperforming loans disclosed under the Financial Revitalization Law (nonconsolidated basis) was 33.8 billion yen. Nonperforming loan ratio remained low at 0.64%, changed from 0.34% at the end of March 2020.

Results of Operations (Consolidated) ¹

(Billions of yen)

| | 1H FY2020 (6 months) | 1H FY2019 (6 months) | Change (Amount) | FY2019 (12 months) |
|---|-------------------------|-------------------------|--------------------|-----------------------|
| Net interest income | 61.8 | 66.7 | -4.9 | 133.5 |
| Noninterest income | 48.4 | 54.7 | -6.3 | 106.4 |
| Net fees and commissions | 13.5 | 15.6 | -2.1 | 32.4 |
| Net trading income | 2.3 | 5.0 | -2.6 | 15.8 |
| Net other business income | 32.4 | 34.0 | -1.5 | 58.2 |
| Income on lease transactions and installment receivables | 20.5 | 19.9 | 0.6 | 40.8 |
| Total revenue | 110.2 | 121.5 | -11.2 | 239.9 |
| General and administrative expenses | -72.7 | -73.8 | 1.1 | -149.5 |
| Ordinary business profit | 37.5 | 47.6 | -10.1 | 90.4 |
| Net credit costs | -17.4 | -16.5 | -0.9 | -39.1 |
| Ordinary business profit after net credit costs | 20.0 | 31.1 | -11.0 | 51.2 |
| Amortization of goodwill and other intangible assets ² | -1.2 | -1.1 | -0.1 | -2.4 |
| Other gains | 0.9 | 1.2 | -0.3 | 0.3 |
| Income before income taxes | 19.7 | 31.2 | -11.5 | 49.2 |
| Current income tax | -2.9 | -1.3 | -1.5 | -4.1 |
| Deferred income tax | -3.5 | -1.8 | -1.7 | 0.0 |
| Profit attributable to noncontrolling interests | 0.0 | 0.1 | -0.0 | 0.4 |
| Profit attributable to owners of the parent | 13.3 | 28.1 | -14.8 | 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 domestic real estate nonrecourse finance fee income, fee income such as servicing fees associated with specialty finance and principal transactions, fee income associated with the guarantee and other business in consumer finance and fee income from the sale of products such as mutual funds and insurance.

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

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

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

(Billions of yen, except percentages)

| | 1H FY2020 (6 months) | | | 1H FY2019 (6 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 | 5,142.6 | 64.5 | 2.50 | 4,982.5 | 70.1 | 2.82 | 5,052.9 | 140.2 | 2.77 |
| Lease receivables and leased investment assets / installment receivables ⁴ | 914.4 | 20.5 | 4.49 | 781.5 | 19.9 | 5.11 | 833.4 | 40.8 | 4.90 |
| Securities | 927.7 | 3.1 | 0.67 | 1,065.1 | 5.0 | 0.96 | 1,026.4 | 10.7 | 1.05 |
| Other interest-earning assets ^{2, 3} | 212.9 | 1.0 | *** | 243.6 | 1.4 | *** | 240.7 | 2.7 | *** |
| Interest-earning assets totals (A) ⁴ | 7,197.8 | 89.3 | 2.48 | 7,072.9 | 96.7 | 2.73 | 7,153.6 | 194.6 | 2.72 |
| Interest-bearing liabilities: | | | | | | | | | |
| Deposits, including negotiable certificates of deposit | 6,231.5 | 2.3 | 0.07 | 5,830.7 | 2.7 | 0.10 | 5,963.7 | 6.3 | 0.11 |
| Borrowed money | 950.2 | 1.5 | 0.33 | 720.7 | 1.3 | 0.36 | 731.9 | 2.8 | 0.39 |
| Corporate bonds | 188.3 | 0.2 | 0.25 | 86.4 | 0.1 | 0.26 | 107.5 | 0.2 | 0.26 |
| Other interest-bearing liabilities ² | 770.4 | 2.7 | *** | 1,190.2 | 5.7 | *** | 1,133.8 | 10.7 | *** |
| Interest-bearing liabilities totals (B) | 8,140.7 | 6.8 | 0.17 | 7,828.2 | 9.9 | 0.25 | 7,937.1 | 20.2 | 0.26 |
| Net interest margin (A)-(B) ⁴ | - | 82.4 | 2.31 | - | 86.7 | 2.48 | - | 174.3 | 2.47 |
| Noninterest-bearing sources of funds: | | | | | | | | | |
| Noninterest-bearing (assets) liabilities, net | -1,846.4 | - | - | -1,654.0 | - | - | -1,681.7 | - | - |
| Total equity excluding noncontrolling interests in subsidiaries ⁵ | 903.5 | - | - | 898.7 | - | - | 898.3 | - | - |
| Total noninterest-bearing sources of funds (C) | -942.8 | - | - | -755.2 | - | - | -783.4 | - | - |
| Sum of total expense on interest-bearing liabilities and noninterest-bearing sources of funds (D)=(B)+(C) | 7,197.8 | 6.8 | 0.19 | 7,072.9 | 9.9 | 0.28 | 7,153.6 | 20.2 | 0.28 |
| Interest income / yield on interest earning assets (A)-(D) ⁴ | - | 82.4 | 2.29 | - | 86.7 | 2.45 | - | 174.3 | 2.44 |
| Reconciliation of total revenue on interest-earning | | | | | | | | | |
| Total revenue on interest-earning assets | 7,197.8 | 89.3 | 2.48 | 7,072.9 | 96.7 | 2.73 | 7,153.6 | 194.6 | 2.72 |
| Less: Income on lease transactions and installment receivables | 914.4 | 20.5 | 4.49 | 781.5 | 19.9 | 5.11 | 833.4 | 40.8 | 4.90 |
| Total interest income | 6,283.3 | 68.7 | 2.18 | 6,291.3 | 76.7 | 2.44 | 6,320.2 | 153.7 | 2.43 |
| Total interest expense | - | 6.8 | - | - | 9.9 | - | - | 20.2 | - |
| Net interest income | - | 61.8 | - | - | 66.7 | - | - | 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)

| | 1H FY2020 (6 months) | 1H FY2019 (6 months) | Change (Amount) | FY2019 (12 months) |
|--------------------------------|-------------------------|-------------------------|--------------------|-----------------------|
| Institutional Business | 17.3 | 23.3 | -6.0 | 46.7 |
| Corporate Business | 1.6 | 5.7 | -4.1 | 8.1 |
| Structured Finance | 3.4 | 3.1 | 0.3 | 7.6 |
| Principal Transactions | 2.6 | 3.3 | -0.6 | 5.6 |
| Showa Leasing | 7.1 | 7.0 | 0.0 | 14.6 |
| Markets | 1.6 | 2.5 | -0.8 | 7.2 |
| Other Global Markets | 0.7 | 1.5 | -0.8 | 3.4 |
| Individual Business | 26.7 | 25.8 | 0.9 | 53.2 |
| Retail Banking | 1.3 | 2.2 | -0.9 | 4.9 |
| Shinsei Financial ¹ | 0.0 | -0.5 | 0.6 | -0.9 |
| APLUS FINANCIAL | 24.6 | 23.9 | 0.7 | 48.5 |
| Other Individuals | 0.7 | 0.1 | 0.5 | 0.6 |
| Corporate/Other | 4.3 | 5.5 | -1.1 | 6.4 |
| Noninterest income | 48.4 | 54.7 | -6.3 | 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.

Noninterest income from the institutional business was 17.3 billion yen, decreased by 6.0 billion yen from 23.3 billion yen in the same period of previous fiscal year. This was mainly due to the absence of gains on sales of stocks in Corporate Business and a decrease in derivatives-related income in the Markets.

Noninterest income from the individual business was 26.7 billion yen, increased by 0.9 billion yen from 25.8 billion yen in the same period of previous fiscal year. This was mainly due to the restrained management of fee and commissions expenses in Shinsei Financial and steady increase in income from shopping credits in APLUS FINANCIAL.

Noninterest income in the Corporate/Others was 4.3 billion yen, decreased by 1.1 billion yen from the previous fiscal year. This was mainly due to a decrease in gains on sales of government and other bonds in the Treasury through our ALM operations.

General and Administrative Expenses (Consolidated)

(Billions of yen)

| | 1H FY2020 (6 months) | 1H FY2019 (6 months) | Change (Amount) | FY2019 (12 months) |
|--|-------------------------|-------------------------|--------------------|-----------------------|
| Personnel expenses | -29.5 | -28.7 | -0.7 | -57.6 |
| Nonpersonnel expenses | -43.2 | -45.0 | 1.8 | -91.9 |
| Premises expenses | -9.4 | -10.0 | 0.5 | -20.1 |
| Technology and data processing expenses | -12.3 | -12.5 | 0.2 | -24.9 |
| Advertising expenses | -4.9 | -5.2 | 0.3 | -11.4 |
| Consumption, property taxes, etc. | -5.3 | -4.7 | -0.5 | -10.4 |
| Deposit insurance premium | -0.7 | -0.7 | 0.0 | -1.5 |
| Other general and administrative expenses | -10.4 | -11.6 | 1.2 | -23.3 |
| General and administrative expenses | -72.7 | -73.8 | 1.1 | -149.5 |

 Net Credit Costs (Consolidated) ¹

(Billions of yen)

| | 1H FY2020 (6 months) | 1H FY2019 (6 months) | Change (Amount) | FY2019 (12 months) |
|--|-------------------------|-------------------------|--------------------|-----------------------|
| Losses on write-off of loans/Losses on sale of loans | -1.6 | -0.2 | -1.3 | -0.4 |
| Net provision of reserve for loan losses: | -19.1 | -19.4 | 0.3 | -44.8 |
| Net provision of general reserve for loan losses | -10.7 | -9.3 | -1.4 | -27.7 |
| Net provision of specific reserve for loan losses | -8.3 | -10.1 | 1.8 | -17.0 |
| Other credit costs relating to leasing business | -0.0 | -0.0 | -0.0 | -0.4 |
| Recoveries of written-off claims | 3.3 | 3.2 | 0.0 | 6.4 |
| Net credit costs | -17.4 | -16.5 | -0.9 | -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)

| | 1H FY2020 (6 months) | 1H FY2019 (6 months) | Change (Amount) | FY2019 (12 months) |
|--|-------------------------|-------------------------|--------------------|-----------------------|
| Extraordinary income | -0.2 | -0.5 | 0.2 | -1.8 |
| Net gain on disposal of premises and equipment | -0.0 | -0.0 | -0.0 | -0.4 |
| Other extraordinary income | -0.2 | -0.4 | 0.2 | -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 | 0.5 | -0.3 | -0.3 |
| Other gains | 0.9 | 1.2 | -0.3 | 0.3 |

Business Line Results (Consolidated)

(Billions of yen)

| | 1H FY2020 (6 months) | 1H FY2019 (6 months) | Change (Amount) | FY2019 (12 months) |
|---|-------------------------|-------------------------|--------------------|-----------------------|
| <i>Institutional Business:</i> | | | | |
| Net interest income | 14.1 | 13.8 | 0.2 | 30.0 |
| Noninterest income | 17.3 | 23.3 | -6.0 | 46.7 |
| Total revenue | 31.4 | 37.2 | -5.8 | 76.8 |
| General and administrative expenses | -21.0 | -21.0 | 0.0 | -42.3 |
| Ordinary business profit | 10.4 | 16.2 | -5.8 | 34.4 |
| Net credit costs | -6.6 | -2.4 | -4.1 | -9.8 |
| Ordinary business profit after net credit costs | 3.8 | 13.7 | -9.9 | 24.6 |
| <i>Individual Business:</i> | | | | |
| Net interest income | 51.0 | 52.0 | -0.9 | 103.4 |
| Noninterest income | 26.7 | 25.8 | 0.9 | 53.2 |
| Total revenue | 77.7 | 77.8 | -0.0 | 156.6 |
| General and administrative expenses | -50.5 | -50.6 | 0.1 | -103.3 |
| Ordinary business profit | 27.2 | 27.1 | 0.0 | 53.2 |
| Net credit costs | -10.8 | -14.0 | 3.2 | -29.3 |
| Ordinary business profit after net credit costs | 16.3 | 13.0 | 3.3 | 23.9 |
| <i>Corporate/Other¹:</i> | | | | |
| Net interest income | -3.2 | 0.8 | -4.1 | 0.0 |
| Noninterest income | 4.3 | 5.5 | -1.1 | 6.4 |
| Total revenue | 1.0 | 6.4 | -5.3 | 6.5 |
| General and administrative expenses | -1.1 | -2.1 | 0.9 | -3.8 |
| Ordinary business profit | -0.1 | 4.2 | -4.3 | 2.6 |
| Net credit costs | 0.0 | -0.0 | 0.0 | -0.0 |
| Ordinary business profit after net credit costs | -0.1 | 4.2 | -4.3 | 2.6 |
| <i>Total:</i> | | | | |
| Net interest income | 61.8 | 66.7 | -4.9 | 133.5 |
| Noninterest income | 48.4 | 54.7 | -6.3 | 106.4 |
| Total revenue | 110.2 | 121.5 | -11.2 | 239.9 |
| General and administrative expenses | -72.7 | -73.8 | 1.1 | -149.5 |
| Ordinary business profit | 37.5 | 47.6 | -10.1 | 90.4 |
| Net credit costs | -17.4 | -16.5 | -0.9 | -39.1 |
| Ordinary business profit after net credit costs | 20.0 | 31.1 | -11.0 | 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, guarantees, 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)

| | 1H FY2020 (6 months) | 1H FY2019 (6 months) | Change (Amount) | FY2019 (12 months) |
|---|-------------------------|-------------------------|--------------------|-----------------------|
| <i>Corporate Business:</i> | | | | |
| Net interest income | 5.7 | 5.0 | 0.6 | 10.8 |
| Noninterest income | 1.6 | 5.7 | -4.1 | 8.1 |
| Total revenue | 7.3 | 10.8 | -3.5 | 18.9 |
| General and administrative expenses | -5.8 | -6.3 | 0.4 | -12.5 |
| Ordinary business profit | 1.4 | 4.4 | -3.0 | 6.3 |
| Net credit costs | -0.9 | -1.1 | 0.1 | -2.3 |
| Ordinary business profit after net credit costs | 0.4 | 3.3 | -2.8 | 4.0 |
| <i>Structured Finance:</i> | | | | |
| Net interest income | 6.2 | 5.7 | 0.5 | 12.0 |
| Noninterest income | 3.4 | 3.1 | 0.3 | 7.6 |
| Total revenue | 9.7 | 8.8 | 0.8 | 19.7 |
| General and administrative expenses | -4.5 | -4.1 | -0.3 | -8.3 |
| Ordinary business profit | 5.1 | 4.6 | 0.5 | 11.3 |
| Net credit costs | -5.0 | -1.3 | -3.6 | -6.4 |
| Ordinary business profit after net credit costs | 0.1 | 3.2 | -3.1 | 4.9 |
| <i>Principal Transactions:</i> | | | | |
| Net interest income | 1.3 | 1.3 | -0.0 | 4.3 |
| Noninterest income | 2.6 | 3.3 | -0.6 | 5.6 |
| Total revenue | 4.0 | 4.7 | -0.7 | 10.0 |
| General and administrative expenses | -2.0 | -2.0 | 0.0 | -4.1 |
| Ordinary business profit | 2.0 | 2.6 | -0.6 | 5.9 |
| Net credit costs | -0.2 | -0.0 | -0.2 | -0.1 |
| Ordinary business profit after net credit costs | 1.7 | 2.6 | -0.8 | 5.7 |
| <i>Showa Leasing:</i> | | | | |
| Net interest income | 0.0 | -0.1 | 0.2 | -0.1 |
| Noninterest income | 7.1 | 7.0 | 0.0 | 14.6 |
| Total revenue | 7.2 | 6.9 | 0.3 | 14.4 |
| General and administrative expenses | -5.5 | -5.1 | -0.4 | -10.7 |
| Ordinary business profit | 1.7 | 1.8 | -0.0 | 3.7 |
| Net credit costs | -0.3 | 0.0 | -0.3 | -0.9 |
| Ordinary business profit after net credit costs | 1.4 | 1.8 | -0.4 | 2.7 |

Institutional Business (Consolidated)

(Billions of yen)

| | 1H FY2020 (6 months) | 1H FY2019 (6 months) | Change (Amount) | FY2019 (12 months) |
|---|-------------------------|-------------------------|--------------------|-----------------------|
| <i>Markets:</i> | | | | |
| Net interest income | 0.5 | 1.5 | -0.9 | 2.3 |
| Noninterest income | 1.6 | 2.5 | -0.8 | 7.2 |
| Total revenue | 2.1 | 4.0 | -1.8 | 9.5 |
| General and administrative expenses | -1.6 | -1.6 | 0.0 | -3.3 |
| Ordinary business profit | 0.5 | 2.3 | -1.7 | 6.2 |
| Net credit costs | - | 0.0 | -0.0 | 0.0 |
| Ordinary business profit after net credit costs | 0.5 | 2.3 | -1.7 | 6.2 |
| <i>Other Global Markets:</i> | | | | |
| Net interest income | 0.2 | 0.2 | -0.0 | 0.5 |
| Noninterest income | 0.7 | 1.5 | -0.8 | 3.4 |
| Total revenue | 0.9 | 1.8 | -0.9 | 4.0 |
| General and administrative expenses | -1.4 | -1.5 | 0.1 | -3.1 |
| Ordinary business profit | -0.5 | 0.2 | -0.7 | 0.9 |
| Net credit costs | -0.0 | 0.0 | -0.0 | 0.0 |
| Ordinary business profit after net credit costs | -0.5 | 0.2 | -0.8 | 0.9 |
| <i>Institutional Business:</i> | | | | |
| Net interest income | 14.1 | 13.8 | 0.2 | 30.0 |
| Noninterest income | 17.3 | 23.3 | -6.0 | 46.7 |
| Total revenue | 31.4 | 37.2 | -5.8 | 76.8 |
| General and administrative expenses | -21.0 | -21.0 | 0.0 | -42.3 |
| Ordinary business profit | 10.4 | 16.2 | -5.8 | 34.4 |
| Net credit costs | -6.6 | -2.4 | -4.1 | -9.8 |
| Ordinary business profit after net credit costs | 3.8 | 13.7 | -9.9 | 24.6 |

Individual Business (Consolidated)

(Billions of yen)

| | 1H FY2020 (6 months) | 1H FY2019 (6 months) | Change (Amount) | FY2019 (12 months) |
|---|-------------------------|-------------------------|--------------------|-----------------------|
| <i>Retail banking:</i> | | | | |
| Net interest income | 12.3 | 12.0 | 0.3 | 23.4 |
| Loans | 4.6 | 4.6 | -0.0 | 9.3 |
| Deposits | 7.6 | 7.3 | 0.3 | 14.1 |
| Noninterest income | 1.3 | 2.2 | -0.9 | 4.9 |
| Asset Management Products | 2.8 | 4.3 | -1.4 | 8.4 |
| Other Fees (ATM, Fund Transfer, FX etc.) | -1.5 | -2.0 | 0.4 | -3.5 |
| Total revenue | 13.6 | 14.2 | -0.6 | 28.3 |
| General and administrative expenses | -14.2 | -13.7 | -0.4 | -28.0 |
| Ordinary business profit | -0.5 | 0.5 | -1.1 | 0.3 |
| Net credit costs | -0.2 | -0.0 | -0.2 | -0.0 |
| Ordinary business profit after net credit costs | -0.8 | 0.5 | -1.3 | 0.3 |
| <i>Shinsei Financial¹:</i> | | | | |
| Net interest income | 33.8 | 34.6 | -0.8 | 69.3 |
| Lake Business | 31.1 | 31.7 | -0.5 | 63.6 |
| Noninterest income | 0.0 | -0.5 | 0.6 | -0.9 |
| Total revenue | 33.8 | 34.0 | -0.1 | 68.3 |
| General and administrative expenses | -16.1 | -16.8 | 0.6 | -34.3 |
| Ordinary business profit | 17.7 | 17.2 | 0.4 | 33.9 |
| Net credit costs | -4.6 | -6.9 | 2.2 | -14.4 |
| Ordinary business profit after net credit costs | 13.0 | 10.3 | 2.7 | 19.5 |
| <i>APLUS FINANCIAL:</i> | | | | |
| Net interest income | 4.3 | 4.9 | -0.5 | 9.7 |
| Noninterest income | 24.6 | 23.9 | 0.7 | 48.5 |
| Total revenue | 29.0 | 28.8 | 0.1 | 58.2 |
| General and administrative expenses | -18.9 | -19.1 | 0.2 | -38.9 |
| Ordinary business profit | 10.0 | 9.6 | 0.4 | 19.3 |
| Net credit costs | -6.2 | -7.1 | 0.8 | -15.1 |
| Ordinary business profit after net credit costs | 3.8 | 2.5 | 1.3 | 4.2 |
| <i>Other Individuals:</i> | | | | |
| Net interest income | 0.5 | 0.4 | 0.0 | 0.9 |
| Noninterest income | 0.7 | 0.1 | 0.5 | 0.6 |
| Total revenue | 1.2 | 0.6 | 0.6 | 1.5 |
| General and administrative expenses | -1.2 | -0.9 | -0.2 | -2.0 |
| Ordinary business profit | 0.0 | -0.3 | 0.3 | -0.4 |
| Net credit costs | 0.3 | 0.0 | 0.3 | 0.1 |
| Ordinary business profit after net credit costs | 0.3 | -0.2 | 0.6 | -0.2 |
| <i>Individual Business:</i> | | | | |
| Net interest income | 51.0 | 52.0 | -0.9 | 103.4 |
| Noninterest income | 26.7 | 25.8 | 0.9 | 53.2 |
| Total revenue | 77.7 | 77.8 | -0.0 | 156.6 |
| General and administrative expenses | -50.5 | -50.6 | 0.1 | -103.3 |
| Ordinary business profit | 27.2 | 27.1 | 0.0 | 53.2 |
| Net credit costs | -10.8 | -14.0 | 3.2 | -29.3 |
| Ordinary business profit after net credit costs | 16.3 | 13.0 | 3.3 | 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)

| | 1H FY2020 (6 months) | 1H FY2019 (6 months) | Change (Amount) | FY2019 (12 months) |
|--|-------------------------|-------------------------|--------------------|-----------------------|
| <i>Treasury:</i> | | | | |
| Net interest income | -3.2 | 0.8 | -4.1 | 0.0 |
| Noninterest income | 4.2 | 5.2 | -1.0 | 5.9 |
| Total revenue | 1.0 | 6.1 | -5.1 | 5.9 |
| General and administrative expenses | -0.7 | -0.7 | 0.0 | -1.6 |
| Ordinary business profit | 0.2 | 5.3 | -5.1 | 4.3 |
| Net credit costs | - | - | - | - |
| Ordinary business profit after net credit costs | 0.2 | 5.3 | -5.1 | 4.3 |
| <i>Corporate/Other (excluding Treasury)¹:</i> | | | | |
| Net interest income | 0.0 | 0.0 | 0.0 | 0.0 |
| Noninterest income | 0.0 | 0.2 | -0.1 | 0.5 |
| Total revenue | 0.0 | 0.2 | -0.1 | 0.5 |
| General and administrative expenses | -0.4 | -1.3 | 0.9 | -2.2 |
| Ordinary business profit | -0.3 | -1.1 | 0.7 | -1.6 |
| Net credit costs | 0.0 | -0.0 | 0.0 | -0.0 |
| Ordinary business profit after net credit costs | -0.3 | -1.1 | 0.7 | -1.6 |
| <i>Corporate/Other¹:</i> | | | | |
| Net interest income | -3.2 | 0.8 | -4.1 | 0.0 |
| Noninterest income | 4.3 | 5.5 | -1.1 | 6.4 |
| Total revenue | 1.0 | 6.4 | -5.3 | 6.5 |
| General and administrative expenses | -1.1 | -2.1 | 0.9 | -3.8 |
| Ordinary business profit | -0.1 | 4.2 | -4.3 | 2.6 |
| Net credit costs | 0.0 | -0.0 | 0.0 | -0.0 |
| Ordinary business profit after net credit costs | -0.1 | 4.2 | -4.3 | 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)

| | Sep 30 2020 | Mar 31 2020 | Change (Amount) |
|--|----------------|----------------|--------------------|
| Domestic offices (excluding Japan offshore market accounts): | | | |
| Manufacturing | 205.6 | 198.9 | 6.7 |
| Agriculture and forestry | 0.0 | 0.0 | 0.0 |
| Fishery | - | 0.0 | -0.0 |
| Mining, quarrying and gravel extraction | 0.7 | 0.3 | 0.3 |
| Construction | 11.5 | 11.8 | -0.3 |
| Electric power, gas, heat supply and water supply | 399.7 | 366.3 | 33.4 |
| Information and communications | 44.3 | 49.4 | -5.0 |
| Transportation and postal service | 197.0 | 194.1 | 2.8 |
| Wholesale and retail | 110.4 | 105.2 | 5.2 |
| Finance and insurance | 520.5 | 532.1 | -11.5 |
| Real estate | 662.5 | 670.5 | -8.0 |
| Services | 374.9 | 382.8 | -7.8 |
| Local government | 54.0 | 62.6 | -8.5 |
| Others | 2,218.8 | 2,271.8 | -52.9 |
| Loans to individual customers (Housing Loan, Unsecured Loan, Cashing by Credit Card, Housing Related Loan, etc.) | 1,854.7 | 1,897.8 | -43.1 |
| Total domestic (A) | 4,800.5 | 4,846.3 | -45.8 |
| Overseas offices (including Japan offshore market accounts): | | | |
| Governments | 0.0 | - | 0.0 |
| Financial institutions | 29.0 | 33.1 | -4.1 |
| Others | 374.4 | 230.8 | 143.6 |
| Total overseas (B) | 403.5 | 264.0 | 139.5 |
| Total (A+B) | 5,204.1 | 5,110.4 | 93.7 |

Securities Being Held to Maturity (Consolidated)

(Billions of yen)

| | Sep 30, 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 | 216.2 | 217.3 | 1.1 | 277.1 | 278.7 | 1.5 |
| Subtotal | 216.2 | 217.3 | 1.1 | 277.1 | 278.7 | 1.5 |
| Fair value does not exceed carrying amount | | | | | | |
| Japanese national government bonds | - | - | - | - | - | - |
| Subtotal | - | - | - | - | - | - |
| Total | 216.2 | 217.3 | 1.1 | 277.1 | 278.7 | 1.5 |

Securities Available for Sale (Consolidated)

(Billions of yen)

| | Sep 30, 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 | 9.8 | 4.7 | 5.1 | 8.9 | 4.8 | 4.0 |
| Domestic bonds | 62.5 | 61.9 | 0.6 | 75.3 | 74.5 | 0.8 |
| Japanese national government bonds | 37.3 | 37.2 | 0.0 | 35.4 | 35.2 | 0.2 |
| Japanese local government bonds | - | - | - | - | - | - |
| Japanese corporate bonds | 25.2 | 24.6 | 0.5 | 39.8 | 39.2 | 0.6 |
| Other | 105.2 | 103.5 | 1.6 | 113.1 | 110.6 | 2.5 |
| Foreign securities | 79.1 | 77.8 | 1.3 | 80.4 | 78.5 | 1.9 |
| Foreign currency denominated foreign corporate and government bonds | 78.9 | 77.8 | 1.1 | 80.2 | 78.4 | 1.7 |
| Yen-denominated foreign corporate and government bonds | - | - | - | - | - | - |
| Foreign equity securities and others | 0.2 | 0.0 | 0.2 | 0.2 | 0.0 | 0.1 |
| Other securities | - | - | - | - | - | - |
| Other monetary claims purchased | 26.0 | 25.6 | 0.3 | 32.6 | 32.1 | 0.5 |
| Subtotal | 177.6 | 170.1 | 7.4 | 197.4 | 190.0 | 7.4 |
| Carrying amount does not exceed amortized/acquisition cost | | | | | | |
| Equity securities | 1.6 | 1.8 | -0.2 | 1.6 | 1.8 | -0.1 |
| Domestic bonds | 194.3 | 197.1 | -2.7 | 176.7 | 178.6 | -1.9 |
| Japanese national government bonds | 56.9 | 57.4 | -0.5 | 47.9 | 48.5 | -0.5 |
| Japanese local government bonds | - | - | - | - | - | - |
| Japanese corporate bonds | 137.3 | 139.6 | -2.2 | 128.8 | 130.1 | -1.3 |
| Other | 168.9 | 169.8 | -0.9 | 220.8 | 224.7 | -3.8 |
| Foreign securities | 168.7 | 169.7 | -0.9 | 220.7 | 224.6 | -3.8 |
| Foreign currency denominated foreign corporate and government bonds | 94.2 | 94.6 | -0.3 | 143.6 | 146.5 | -2.9 |
| Yen-denominated foreign corporate and government bonds | 73.5 | 74.0 | -0.4 | 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 | 364.9 | 368.8 | -3.9 | 399.3 | 405.3 | -5.9 |
| Total ^{1, 2} | 542.5 | 539.0 | 3.5 | 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 Sep 30, 2020 and Mar 31, 2020 were ¥516.5 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)

| | Sep 30, 2020 | Mar 31, 2020 |
|--|--------------|--------------|
| Unrealized gain (loss) before deferred tax on: | | |
| Available-for-sale securities | 3.5 | 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 | -2.1 | -1.8 |
| Other monetary assets held in trust | -2.8 | -0.8 |
| (-) Deferred tax liabilities | 0.5 | 0.0 |
| Unrealized gain (loss) on available-for-sale securities before interest adjustments | -2.0 | -1.3 |
| (-) Noncontrolling interests | -0.0 | -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 | 6.6 | 6.0 |
| Unrealized gain (loss) on available-for-sale securities | 4.6 | 4.7 |

Deposits (Consolidated)

(Billions of yen)

| | Sep 30 2020 | Mar 31 2020 | Change (Amount) |
|---|----------------|----------------|--------------------|
| Deposits | 5,955.3 | 5,849.2 | 106.1 |
| Liquid (current, ordinary, notice) deposits | 2,682.3 | 2,680.9 | 1.4 |
| Time deposits ¹ | 2,709.2 | 2,652.1 | 57.1 |
| Other | 563.6 | 516.0 | 47.6 |
| Negotiable certificates of deposits (NCDs) | 438.6 | 455.9 | -17.3 |
| Total | 6,393.9 | 6,305.1 | 88.8 |

1.Includes two-week maturity deposits

Financial Ratios (Consolidated)

| | 1H FY2020 (6 months) | 1H FY2019 (6 months) | FY2019 (12 months) |
|--|--------------------------|-------------------------|-----------------------|
| Return on assets ¹ | 0.3% ³ | 0.6% ³ | 0.5% |
| Return on equity ² | 2.9% ³ | 6.3% ³ | 5.1% |
| Expense-to-revenue ratio ^{4, 5} | 66.0% | 60.8% | 62.3% |

1.Return on assets:

$\frac{\text{Profit (Losses) Attributable to Owners of the Parent}}{(\text{Total assets at the BOP} + \text{Total assets at the EOP})/2}$

BOP: beginning of period
EOP: end of period

2.Return on equity (fully diluted):

$\frac{\text{Profit (Losses) Attributable to Owners of the Parent}}{(\text{Total equity at the BOP} - \text{Share warrants at the BOP} - \text{Noncontrolling interests at the BOP}) + (\text{Total equity at the EOP} - \text{Share warrants at the EOP} - \text{Noncontrolling interests at the EOP})/2}$

3.Annualized basis.

4.Management accounting basis.

5.Expense denotes general and administrative expenses.

Capital Adequacy Related Information (Consolidated)

<Basel 3, Domestic Standard 1>

(Billions of yen, except percentages)

| | Sep 30 2020 | Mar 31 2020 | Change (Amount) |
|--|----------------|----------------|--------------------|
| Core capital:instruments and reserves | 920.7 | 915.7 | 4.9 |
| Core capital:regulatory adjustments | -97.1 | -93.2 | -3.9 |
| Capital | 823.5 | 822.4 | 1.0 |
| Total amount of Risk-weighted assets | 7,535.5 | 7,336.6 | 198.9 |
| Consolidated core capital adequacy ratio | 10.92% | 11.21% | |

1.Calculated according to F-IRB.

Consolidated total required capital is ¥699.0 billion as of Sep 30, 2020, ¥679.5 billion as at March 31, 2020.

Per Share Data (Consolidated)

(Yen)

| | 1H FY2020 (6 months) | 1H FY2019 (6 months) | Change (Amount) | FY2019 (12 months) |
|--|-------------------------|-------------------------|--------------------|-----------------------|
| Common equity | 4,043.30 | 3,774.10 | 269.20 | 3,913.40 |
| Fully diluted equity | 4,042.10 | 3,773.36 | 268.74 | 3,912.60 |
| Basic EPS | 58.35 | 115.80 | -57.45 | 190.59 |
| Diluted EPS | 58.34 | 115.79 | -57.44 | 190.55 |
| For calculation of per share data (Does not include treasury shares): | | | | |
| Equity: Number of common shares | 223,551,219 | 239,520,517 | | 230,743,898 |
| Fully diluted number of shares | 223,617,537 | 239,567,565 | | 230,790,947 |
| EPS Number of common shares | 228,192,744 | 243,061,193 | | 239,127,169 |
| Fully diluted number of shares | 228,252,953 | 243,102,387 | | 239,171,291 |

Interim Consolidated Balance Sheets

(Millions of yen)

| | Sep 30 2020 | Mar 31 2020 | Change (Amount) |
|--|-------------------|-------------------|--------------------|
| <<Assets>> | | | |
| Cash and due from banks | 1,659,232 | 1,614,134 | 45,098 |
| Call loans and bills bought | — | — | — |
| Receivables under securities borrowing transactions | — | — | — |
| Other monetary claims purchased | 55,092 | 63,575 | (8,483) |
| Trading assets | 201,005 | 213,707 | (12,701) |
| Monetary assets held in trust | 393,858 | 415,107 | (21,249) |
| Securities | 853,226 | 957,040 | (103,813) |
| Loans and bills discounted | 5,204,118 | 5,110,404 | 93,714 |
| Foreign exchanges | 64,578 | 73,879 | (9,300) |
| Lease receivables and leased investment assets | 198,307 | 193,445 | 4,862 |
| Other assets | 1,102,339 | 1,007,605 | 94,733 |
| Premises and equipment | 66,195 | 69,414 | (3,218) |
| Intangible assets | 70,985 | 67,073 | 3,911 |
| Goodwill | 16,681 | 10,626 | 6,054 |
| Assets for retirement benefits | 5,952 | 5,683 | 268 |
| Deferred tax assets | 14,479 | 16,977 | (2,498) |
| Customers' liabilities for acceptances and guarantees | 544,275 | 526,520 | 17,754 |
| Reserve for credit losses | (109,694) | (107,998) | (1,695) |
| Total assets | 10,323,952 | 10,226,571 | 97,381 |
| <<Liabilities>> | | | |
| Deposits | 5,955,334 | 5,849,211 | 106,123 |
| Negotiable certificates of deposit | 438,627 | 455,950 | (17,322) |
| Call money and bills sold | 95,000 | 165,000 | (70,000) |
| Payables under repurchase agreements | 11,069 | 38,956 | (27,886) |
| Payables under securities lending transactions | 311,171 | 350,407 | (39,236) |
| Trading liabilities | 172,846 | 183,943 | (11,097) |
| Borrowed money | 880,491 | 881,991 | (1,500) |
| Foreign exchanges | 1,208 | 687 | 520 |
| Short-term corporate bonds | 227,200 | 221,300 | 5,900 |
| Corporate bonds | 353,368 | 166,500 | 186,868 |
| Other liabilities | 359,438 | 404,973 | (45,534) |
| Accrued employees' bonuses | 4,928 | 8,560 | (3,632) |
| Accrued directors' bonuses | 23 | 47 | (24) |
| Liabilities for retirement benefits | 8,459 | 8,422 | 37 |
| Reserve for directors' retirement benefits | 17 | 50 | (32) |
| Reserve for reimbursement of deposits | 577 | 621 | (44) |
| Reserve for reimbursement of debentures | 3,406 | 3,513 | (106) |
| Reserve for losses on interest repayments | 43,365 | 49,308 | (5,943) |
| Deferred tax liabilities | 115 | 119 | (4) |
| Acceptances and guarantees | 544,275 | 526,520 | 17,754 |
| Total liabilities | 9,410,924 | 9,316,086 | 94,837 |
| <<Equity>> | | | |
| Common stock | 512,204 | 512,204 | — |
| Capital surplus | 78,538 | 78,506 | 32 |
| Retained earnings | 400,609 | 389,600 | 11,008 |
| Treasury stock, at cost | (70,508) | (61,097) | (9,411) |
| Total shareholders' equity | 920,843 | 919,214 | 1,629 |
| Unrealized gain (loss) on available-for-sale securities | 4,637 | 4,755 | (117) |
| Deferred gain (loss) on derivatives under hedge accounting | (16,532) | (15,719) | (812) |
| Foreign currency translation adjustments | (1,529) | (1,670) | 140 |
| Defined retirement benefit plans | (3,532) | (3,585) | 52 |
| Total accumulated other comprehensive income | (16,957) | (16,219) | (738) |
| Stock acquisition rights | 149 | 125 | 23 |
| Noncontrolling interests | 8,992 | 7,364 | 1,628 |
| Total equity | 913,028 | 910,485 | 2,543 |
| Total liabilities and equity | 10,323,952 | 10,226,571 | 97,381 |

Interim Consolidated Statements of Income

(Millions of yen)

| | 1H FY2020 (6 months) | 1H FY2019 (6 months) | Change (Amount) | FY2019 (12 months) |
|---|-------------------------|-------------------------|--------------------|-----------------------|
| Ordinary income | 182,100 | 197,467 | (15,366) | 399,503 |
| Interest income | 68,774 | 76,720 | (7,946) | 153,777 |
| Interest on loans and bills discounted | 64,582 | 70,187 | (5,604) | 140,204 |
| Interest and dividends on securities | 3,105 | 5,095 | (1,990) | 10,794 |
| Other interest income | 1,086 | 1,437 | (350) | 2,778 |
| Fees and commissions income | 26,618 | 29,426 | (2,808) | 59,213 |
| Trading income | 2,383 | 5,036 | (2,652) | 15,821 |
| Other business income | 74,743 | 72,235 | 2,508 | 144,855 |
| Other ordinary income | 9,581 | 14,048 | (4,467) | 25,835 |
| Ordinary expenses | 162,104 | 165,715 | (3,611) | 348,466 |
| Interest expenses | 6,892 | 9,931 | (3,039) | 20,266 |
| Interest on deposits | 2,279 | 2,767 | (487) | 6,295 |
| Interest on borrowings | 1,571 | 1,301 | 270 | 2,875 |
| Interest on corporate bonds | 237 | 113 | 124 | 283 |
| Other interest expenses | 2,803 | 5,749 | (2,946) | 10,812 |
| Fees and commissions expenses | 13,056 | 13,760 | (704) | 26,782 |
| Trading losses | — | — | — | — |
| Other business expenses | 46,347 | 45,874 | 473 | 97,532 |
| General and administrative expenses | 74,171 | 75,203 | (1,031) | 152,494 |
| Amortization of goodwill | 1,109 | 1,045 | 64 | 2,144 |
| Amortization of intangible assets acquired in business combinations | 173 | 102 | 71 | 291 |
| Other general and administrative expenses | 72,888 | 74,055 | (1,167) | 150,057 |
| Other ordinary expenses | 21,635 | 20,945 | 690 | 51,391 |
| Provision of reserve for credit losses | 19,101 | 19,451 | (350) | 44,818 |
| Other | 2,534 | 1,494 | 1,040 | 6,572 |
| Ordinary profit | 19,996 | 31,751 | (11,754) | 51,036 |
| Extraordinary gains | 0 | 0 | (0) | 26 |
| Extraordinary losses | 261 | 512 | (251) | 1,862 |
| Income before income taxes | 19,735 | 31,239 | (11,503) | 49,200 |
| Income taxes (benefit): | | | | |
| Income taxes (benefit) - current | 2,918 | 1,392 | 1,525 | 4,119 |
| Income taxes (benefit) - deferred | 3,588 | 1,806 | 1,781 | (45) |
| Total income taxes (benefit) | 6,506 | 3,199 | 3,306 | 4,073 |
| Profit | 13,228 | 28,039 | (14,810) | 45,126 |
| Profit (loss) attributable to noncontrolling interests | (87) | (109) | 21 | (449) |
| Profit attributable to owners of the parent | 13,316 | 28,148 | (14,832) | 45,575 |

Composition of Capital Disclosure(Consolidated)

Shinsei Bank and subsidiaries

Millions of yen (except percentages)

| Items | Basel III (Domestic Standard) Sep 30 2020 | Basel III (Domestic Standard) June 30 2020 |
|---|--|---|
| Core capital:instruments and reserves (1) | | |
| Directly issued qualifying common share capital or preferred share capital | ¥ 920,843 | ¥ 920,941 |
| with a compulsory conversion clause plus related capital surplus and retained earnings | | |
| of which:capital and capital surplus | 590,743 | 590,743 |
| of which:retained earnings | 400,609 | 393,189 |
| of which:treasury stock (-) | 70,508 | 62,991 |
| of which:earning to be distributed (-) | - | - |
| of which:other than above | - | - |
| Accumulated other comprehensive income (amount allowed to be included in Core capital) | (5,062) | (4,774) |
| of which:foreign currency translation adjustment | (1,529) | (1,215) |
| of which:amount related benefit | (3,532) | (3,558) |
| 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) | 16 | 16 |
| Total of reserves included in Core capital:instruments and reserves | 936 | 649 |
| of which:general reserve for loan losses included in Core capital | 936 | 649 |
| 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) | 3,869 | 3,238 |
| Core capital:instruments and reserves (A) | ¥ 920,705 | ¥ 920,173 |
| Core capital:regulatory adjustments (2) | | |
| Total amount of intangible assets (excluding those relating to mortgage servicing rights) | ¥ 56,516 | ¥ 50,661 |
| of which:goodwill (including those equivalent) | 18,839 | 12,391 |
| of which:other intangibles other than goodwill and mortgage servicing rights | 37,676 | 38,270 |
| Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability) | 5,593 | 6,899 |
| Shortfall of eligible provisions to expected losses | 30,949 | 35,588 |
| Gain on sale of securitization | - | - |
| Gains and losses due to changes in own credit risk on fair valued liabilities | - | - |
| Net defined benefit asset | 4,129 | 4,031 |
| 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) | ¥ 97,188 | ¥ 97,181 |
| Capital (consolidated) | | |
| Capital (consolidated)((A)-(B))(C) | ¥ 823,516 | ¥ 822,991 |
| Risk-weighted assets, etc. | | |
| Total amount of credit risk-weighted assets | ¥6,943,573 | ¥6,764,007 |
| 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) | 204,650 | 205,721 |
| Operational risk (derived by multiplying the capital requirement by 12.5) | 387,339 | 389,243 |
| Credit risk-weighted assets adjustments | - | - |
| Operational risk adjustments | - | - |
| Total amount of Risk-weighted assets (D) | ¥7,535,562 | ¥7,358,973 |
| Capital ratio (consolidated) | | |
| Capital ratio (consolidated)((C)/(D)) | 10.92% | 11.18% |

(Reference) Results of Operations (Consolidated)

(Millions of yen)

| | 1H FY2020 (6 months) (A) | 1H FY2019 (6 months) (B) | Change (A)-(B) |
|---|--------------------------------|--------------------------------|-------------------|
| Gross Business Profit | 108,143 | 115,542 | (7,398) |
| (excluding Gains on Monetary Assets Held in Trust) | 106,297 | 113,879 | (7,581) |
| Net Interest Income | 61,881 | 66,789 | (4,907) |
| Net Fees and Commissions | 13,563 | 15,667 | (2,103) |
| Net Trading Income | 2,383 | 5,036 | (2,652) |
| Net Other Business Income | 30,314 | 28,049 | 2,265 |
| Gains on Monetary Assets Held in Trust | 1,846 | 1,662 | 183 |
| Gains related to Bonds | 3,082 | 4,473 | (1,391) |
| General and Administrative Expenses | 74,023 | 74,999 | (976) |
| Personnel Expenses | 29,507 | 28,793 | 714 |
| Nonpersonnel Expenses | 39,209 | 41,448 | (2,239) |
| Amortization of Goodwill and Intangible Assets | 1,283 | 1,148 | 135 |
| Taxes | 5,305 | 4,757 | 548 |
| Net Business Profit | 34,120 | 40,542 | (6,421) |
| Credit Costs | 17,460 | 16,530 | 929 |
| Net Provision of general reserve for loan losses | 10,790 | 9,307 | 1,482 |
| Gains on Stock Transactions | 440 | 4,533 | (4,092) |
| Equity in Net Income (Loss) of Affiliates | 1,704 | 1,428 | 275 |
| Other | 1,191 | 1,777 | (586) |
| Ordinary Profit | 19,996 | 31,751 | (11,754) |
| Extraordinary Gains | (261) | (512) | 251 |
| Gains from Sales of Fixed Assets and Impairment losses | (259) | (238) | (21) |
| Income before Income Taxes | 19,735 | 31,239 | (11,503) |
| Income Taxes - Current | 2,918 | 1,392 | 1,525 |
| Income Taxes - Deferred | 3,588 | 1,806 | 1,781 |
| Profit Attributable to Noncontrolling Interests | (87) | (109) | 21 |
| Profit Attributable to Owners of the Parents | 13,316 | 28,148 | (14,832) |

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)

| | 1H FY2020 (6 months) | 1H FY2019 (6 months) | Change (Amount) | FY2019 (12 months) |
|--|-------------------------|-------------------------|--------------------|-----------------------|
| Net interest income | 44.2 | 52.2 | -8.0 | 103.1 |
| Noninterest income | 1.2 | 5.8 | -4.6 | 10.5 |
| Net fees and commissions ¹ | -4.7 | -2.3 | -2.3 | -3.8 |
| Net trading income | 1.8 | 3.1 | -1.3 | 10.9 |
| Net other business income | 4.1 | 5.0 | -0.9 | 3.4 |
| Total revenue ¹ | 45.4 | 58.1 | -12.7 | 113.7 |
| Personnel expenses | -13.6 | -13.8 | 0.1 | -26.9 |
| Nonpersonnel expenses | -18.1 | -19.9 | 1.8 | -39.6 |
| Taxes | -2.7 | -2.4 | -0.2 | -5.3 |
| General and administrative expenses | -34.5 | -36.3 | 1.7 | -71.8 |
| Net business profit ¹ | 10.8 | 21.8 | -10.9 | 41.8 |
| Other gains | | | | |
| Gains on the sales of equities | 0.1 | 2.6 | -2.5 | 1.7 |
| Net provision of reserve for credit losses | -5.1 | -2.6 | -2.5 | -8.8 |
| Losses on write-off of loans | -1.3 | -0.0 | -1.3 | -0.0 |
| Recoveries of written-off claims | 0.1 | 0.0 | 0.0 | 0.1 |
| Expenses for employees' retirement benefits | -0.1 | -0.1 | 0.0 | -0.4 |
| Others | -0.1 | 0.5 | -0.7 | -0.5 |
| Net ordinary income | 4.3 | 22.2 | -17.9 | 33.9 |
| Extra ordinary profit | | | | |
| Gains from sales of fixed assets and impairment losses | -0.2 | -0.2 | -0.0 | -0.7 |
| Others | -0.2 | 2.0 | -2.3 | 0.4 |
| Income before income taxes | 3.8 | 24.1 | -20.2 | 33.7 |
| Income taxes - Current | -0.6 | -0.2 | -0.3 | -1.7 |
| Income taxes - Deferred | -2.6 | -1.1 | -1.4 | 1.2 |
| Net income | 0.5 | 22.6 | -22.1 | 33.1 |

¹.Includes income from monetary assets held in trust of ¥1.2 billion in 1HFY2020, ¥1.2 billion in 1HFY2019 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)

| | 1H FY2020 (6 months) | | | 1H FY2019 (6 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 | 5,056.6 | 43.2 | 1.70 | 4,842.4 | 49.7 | 2.05 | 4,896.2 | 98.0 | 2.00 |
| Securities | 1,241.5 | 5.5 | 0.89 | 1,375.7 | 9.7 | 1.42 | 1,343.2 | 20.0 | 1.48 |
| Other interest-earning assets ^{2, 3} | 122.5 | 0.8 | *** | 125.5 | 1.2 | *** | 126.5 | 2.3 | *** |
| Total interest-earning assets | 6,420.7 | 49.6 | 1.54 | 6,343.8 | 60.6 | 1.91 | 6,366.0 | 120.3 | 1.89 |
| Interest-bearing liabilities: | | | | | | | | | |
| Deposits, including negotiable certificates of deposit | 6,307.0 | 2.3 | 0.07 | 5,994.9 | 2.7 | 0.09 | 6,113.3 | 6.3 | 0.10 |
| Borrowed money | 414.4 | 0.3 | 0.16 | 175.4 | -0.0 | -0.07 | 163.7 | 0.1 | 0.08 |
| Corporate bonds | 143.3 | 0.1 | 0.23 | 42.3 | 0.0 | 0.19 | 64.2 | 0.1 | 0.21 |
| Other interest-bearing liabilities ² | 581.5 | 2.6 | *** | 976.5 | 5.6 | *** | 905.3 | 10.6 | *** |
| Total interest-bearing liabilities | 7,446.4 | 5.5 | 0.14 | 7,189.3 | 8.4 | 0.23 | 7,246.6 | 17.2 | 0.23 |
| Net interest income/yield on interest-earning assets | 6,420.7 | 44.1 | 1.37 | 6,343.8 | 52.2 | 1.64 | 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)

| | 1H FY2020 (6 months) | 1H FY2019 (6 months) | Change | FY2019 (12 months) |
|--|-------------------------|-------------------------|--------|-----------------------|
| Yield on interest earning assets (A) | 1.54 | 1.91 | -0.37 | 1.89 |
| Total cost of funding (B) | 1.10 | 1.26 | -0.16 | 1.26 |
| Cost of interest bearing liabilities (C) | 0.15 | 0.24 | -0.09 | 0.24 |
| Overall interest margin (A)-(B) | 0.44 | 0.65 | -0.21 | 0.63 |
| Net interest margin (A)-(C) | 1.39 | 1.67 | -0.28 | 1.65 |

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

(Domestic)¹

(Percentages)

| | 1H FY2020 (6 months) | 1H FY2019 (6 months) | Change | FY2019 (12 months) |
|---|-------------------------|-------------------------|--------|-----------------------|
| Yield on interest earning assets (A) | 1.42 | 1.60 | -0.18 | 1.58 |
| Interest earned on loans and bills discounted | 1.65 | 1.85 | -0.20 | 1.82 |
| Interest earned on securities | 0.87 | 1.32 | -0.45 | 1.35 |
| Total cost of funding (B) ² | 1.09 | 1.10 | -0.01 | 1.10 |
| Cost of interest bearing liabilities (C) | 0.05 | 0.01 | 0.04 | 0.03 |
| Interest paid on deposits ³ | 0.03 | -0.00 | 0.03 | 0.01 |
| Overall interest margin (A)-(B) | 0.33 | 0.50 | -0.17 | 0.48 |
| Net interest margin (A)-(C) | 1.37 | 1.59 | -0.22 | 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)

| | 1H FY2020 (6 months) | 1H FY2019 (6 months) | Change | FY2019 (12 months) |
|--------------------------|-------------------------|-------------------------|--------|-----------------------|
| Gains (losses) on bonds | 3.0 | 4.4 | -1.3 | 3.4 |
| Gains on sales | 3.6 | 5.2 | -1.6 | 7.3 |
| Gains on redemption | - | - | - | - |
| Losses on sales | -0.4 | -0.7 | 0.3 | -3.5 |
| Losses on redemption | - | - | - | - |
| Losses on devaluation | -0.0 | - | -0.0 | -0.4 |
| Gains (losses) on stocks | 0.1 | 2.6 | -2.5 | 1.7 |
| Gains on sales | 0.1 | 3.2 | -3.1 | 4.6 |
| Losses on sales | - | -0.0 | 0.0 | -0.0 |
| Losses on devaluation | -0.0 | -0.6 | 0.6 | -2.7 |

Net Credit Costs (Nonconsolidated) ¹

(Billions of yen)

| | 1H FY2020 (6 months) | 1H FY2019 (6 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 | -5.1 | -2.6 | -2.5 | -8.8 |
| Net provision of general reserve for loan losses | -0.4 | 1.6 | -2.0 | -2.9 |
| Net provision of specific reserve for loan losses | -4.7 | -4.2 | -0.5 | -5.8 |
| Net Provision of Reserve for Loan Losses to Restructuring Countries | - | - | - | - |
| Recoveries of written-off claims | 0.1 | 0.0 | 0.0 | 0.1 |
| Net credit costs | -6.3 | -2.6 | -3.7 | -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)

| | Sep 30 2020 | Mar 31 2020 | Change (Amount) |
|---|----------------|----------------|--------------------|
| Domestic (excluding Japan offshore market accounts): | | | |
| Manufacturing | 202.1 | 195.3 | 6.8 |
| Agriculture and forestry | - | - | - |
| Fishery | - | 0.0 | -0.0 |
| Mining, quarrying and gravel extraction | 0.7 | 0.3 | 0.3 |
| Construction | 9.7 | 9.8 | -0.0 |
| Electric power, gas, heat supply and water supply | 394.5 | 362.6 | 31.9 |
| Information and communications | 44.2 | 49.2 | -4.9 |
| Transportation and postal service | 177.8 | 172.2 | 5.6 |
| Wholesale and retail | 104.8 | 99.0 | 5.8 |
| Finance and insurance | 987.5 | 992.5 | -4.9 |
| Real estate | 647.1 | 652.4 | -5.2 |
| Services | 417.6 | 428.9 | -11.2 |
| Local government | 54.0 | 62.6 | -8.5 |
| Individuals | 1,367.8 | 1,396.6 | -28.7 |
| Overseas yen loans and overseas loans booked domestically | 405.6 | 355.1 | 50.4 |
| Total domestic | 4,814.2 | 4,777.1 | 37.0 |
| Overseas (including Japan offshore market accounts): | | | |
| Governments | - | - | - |
| Financial institutions | 29.0 | 33.1 | -4.1 |
| Others | 250.9 | 230.5 | 20.4 |
| Total overseas | 279.9 | 263.6 | 16.2 |
| Total | 5,094.1 | 5,040.8 | 53.3 |

Claims Classified under the Financial Revitalization Law (Nonconsolidated)

(Billions of yen)

| | Sep 30 2020 | Mar 31 2020 | Change (Amount) |
|---|----------------|----------------|--------------------|
| Claims against bankrupt and quasi-bankrupt obligors | 4.6 | 2.3 | 2.3 |
| Doubtful claims | 24.2 | 12.5 | 11.6 |
| Substandard claims | 4.9 | 2.8 | 2.1 |
| Total (A) | 33.8 | 17.6 | 16.1 |
| Coverage ratio | 83.4% | 84.5% | |
| Total claims (B) | 5,209.1 | 5,165.6 | 43.5 |
| Loans and bills discounted | 5,094.1 | 5,040.8 | 53.3 |
| Others | 114.9 | 124.7 | -9.8 |
| Ratio to total claims (A/B X 100) (%) ¹ | 0.64% | 0.34% | |
| (Ref. 1) Amount of write-off | 6.2 | 4.8 | 1.4 |
| (Ref. 2) Below need caution level | 148.7 | 104.9 | 43.7 |

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

(Billions of yen, except percentages)

| | Sep 30, 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 | 4.6 | 4.6 | 0.6 | 4.0 | 100.0% | 2.3 | 2.3 | 0.6 | 1.7 | 100.0% |
| Doubtful claims | 24.2 | 20.5 | 10.2 | 10.3 | 84.6% | 12.5 | 11.8 | 6.5 | 5.3 | 93.8% |
| Substandard claims | 4.9 | 3.0 | 0.5 | 2.5 | 62.0% | 2.8 | 0.8 | 0.4 | 0.5 | 29.5% |
| Total | 33.8 | 28.2 | 11.3 | 16.8 | 83.4% | 17.6 | 14.9 | 7.4 | 7.5 | 84.5% |

Housing Loans (Nonconsolidated)

(Billions of yen)

| | Sep 30 2020 | Mar 31 2020 | Change (Amount) |
|---------------|----------------|----------------|--------------------|
| Housing loans | 1,142.9 | 1,150.0 | -7.0 |

Securities Being Held to Maturity (Nonconsolidated)

(Billions of yen)

| | Sep 30, 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 | 216.2 | 217.3 | 1.1 | 277.1 | 278.7 | 1.5 |
| Subtotal | 216.2 | 217.3 | 1.1 | 277.1 | 278.7 | 1.5 |
| Fair value does not exceed carrying amount | | | | | | |
| Japanese national government bonds | - | - | - | - | - | - |
| Subtotal | - | - | - | - | - | - |
| Total | 216.2 | 217.3 | 1.1 | 277.1 | 278.7 | 1.5 |

Securities Available for Sale (Nonconsolidated)

(Billions of yen)

| | Sep 30, 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 | 6.4 | 3.3 | 3.1 | 6.2 | 3.5 | 2.6 |
| Domestic bonds | 61.5 | 60.9 | 0.6 | 73.3 | 72.5 | 0.8 |
| Japanese national government bonds | 36.3 | 36.2 | 0.0 | 33.4 | 33.2 | 0.2 |
| Japanese local government bonds | - | - | - | - | - | - |
| Japanese corporate bonds | 25.2 | 24.6 | 0.5 | 39.8 | 39.2 | 0.6 |
| Other | 105.2 | 103.5 | 1.6 | 113.1 | 110.6 | 2.5 |
| Foreign securities | 79.1 | 77.8 | 1.3 | 80.4 | 78.5 | 1.9 |
| Foreign currency denominated foreign corporate and government bonds | 78.9 | 77.8 | 1.1 | 80.2 | 78.4 | 1.7 |
| Yen-denominated foreign corporate and government bonds | - | - | - | - | - | - |
| Foreign equity securities and others | 0.2 | 0.0 | 0.2 | 0.2 | 0.0 | 0.1 |
| Other securities | - | - | - | - | - | - |
| Other monetary claims purchased | 26.0 | 25.6 | 0.3 | 32.6 | 32.1 | 0.5 |
| Subtotal | 173.2 | 167.8 | 5.4 | 192.7 | 186.7 | 5.9 |
| Carrying amount does not exceed amortized/acquisition cost | | | | | | |
| Equity securities | 1.6 | 1.9 | -0.2 | 1.6 | 1.7 | -0.1 |
| Domestic bonds | 194.3 | 197.1 | -2.7 | 176.7 | 178.6 | -1.9 |
| Japanese national government bonds | 56.9 | 57.4 | -0.5 | 47.9 | 48.5 | -0.5 |
| Japanese local government bonds | - | - | - | - | - | - |
| Japanese corporate bonds | 137.3 | 139.6 | -2.2 | 128.8 | 130.1 | -1.3 |
| Other | 168.9 | 169.8 | -0.9 | 220.8 | 224.7 | -3.8 |
| Foreign securities | 168.7 | 169.7 | -0.9 | 220.7 | 224.6 | -3.8 |
| Foreign currency denominated foreign corporate and government bonds | 94.2 | 94.6 | -0.3 | 143.6 | 146.5 | -2.9 |
| Yen-denominated foreign corporate and government bonds | 73.5 | 74.0 | -0.4 | 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 | 364.9 | 368.8 | -3.9 | 399.2 | 405.2 | -5.9 |
| Total ^{1, 2} | 538.2 | 536.7 | 1.5 | 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)

| | Sep 30, 2020 | Mar 31, 2020 |
|--|--------------|--------------|
| Unrealized gain (loss) before deferred tax on: | | |
| Available-for-sale securities | 1.5 | -0.0 |
| Interests in available-for-sale securities held by partnerships recorded as securities whose fair value cannot be reliably determined | 0.9 | 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)

| | Sep 30 2020 | Mar 31 2020 | Change (Amount) |
|--|----------------|----------------|--------------------|
| Core capital: instruments and reserves | 858.0 | 866.8 | -8.8 |
| Core capital: regulatory adjustments | -39.3 | -42.3 | 2.9 |
| Capital | 818.6 | 824.5 | -5.9 |
| Total amount of Risk-weighted assets | 6,349.2 | 6,168.4 | 180.7 |
| Core capital adequacy ratio | 12.89% | 13.36% | |

1. Calculated according to F-IRB.

Nonconsolidated total required capital is ¥547.3 billion as at Sep 30, 2020 and ¥535.8 billion as at March 31, 2020.

| | Sep 30 2020 | Mar 31 2020 | Change (Amount) |
|---|------------------|------------------|--------------------|
| <<Assets>> | | | |
| Cash and due from banks | 1,546,146 | 1,475,672 | 70,473 |
| Other monetary claims purchased | 32,864 | 42,795 | (9,930) |
| Trading assets | 194,847 | 206,547 | (11,699) |
| Monetary assets held in trust | 289,608 | 312,128 | (22,519) |
| Securities | 1,203,863 | 1,265,800 | (61,937) |
| Loans and bills discounted | 5,094,183 | 5,040,819 | 53,364 |
| Foreign exchanges | 64,578 | 73,879 | (9,300) |
| Other assets | 210,214 | 234,006 | (23,791) |
| Other | 210,214 | 234,006 | (23,791) |
| Premises and equipment | 11,489 | 12,435 | (946) |
| Intangible assets | 24,728 | 25,631 | (902) |
| Prepaid pension cost | 7,101 | 6,940 | 161 |
| Deferred tax assets | 322 | 2,731 | (2,408) |
| Customers' liabilities for acceptances and guarantees | 22,165 | 18,787 | 3,377 |
| Reserve for credit losses | (36,195) | (31,480) | (4,715) |
| Total assets | 8,665,920 | 8,686,696 | (20,776) |
| <<Liabilities>> | | | |
| Deposits | 6,091,864 | 5,995,082 | 96,782 |
| Negotiable certificates of deposit | 438,627 | 455,950 | (17,322) |
| Call money | 95,000 | 165,000 | (70,000) |
| Payables under repurchase agreements | 11,069 | 38,956 | (27,886) |
| Payables under securities lending transactions | 306,119 | 345,357 | (39,237) |
| Trading liabilities | 172,324 | 182,969 | (10,645) |
| Borrowed money | 384,531 | 342,683 | 41,847 |
| Foreign exchanges | 1,208 | 687 | 520 |
| Corporate bonds | 175,000 | 116,500 | 58,500 |
| Other liabilities | 120,114 | 162,115 | (42,000) |
| Income taxes payable | 2,241 | 1,532 | 709 |
| Lease obligations | 9 | 12 | (3) |
| Asset retirement obligations | 7,387 | 7,307 | 80 |
| Other | 110,475 | 153,262 | (42,786) |
| Accrued employees' bonuses | 2,493 | 4,840 | (2,347) |
| Reserve for reimbursement of deposits | 577 | 621 | (44) |
| Reserve for reimbursement of debentures | 3,406 | 3,513 | (106) |
| Acceptances and guarantees | 22,165 | 18,787 | 3,377 |
| Total liabilities | 7,824,504 | 7,833,066 | (8,562) |
| <<Equity>> | | | |
| Common stock | 512,204 | 512,204 | — |
| Capital surplus | 79,465 | 79,465 | — |
| Additional paid-in capital | 79,465 | 79,465 | — |
| Retained earnings | 336,742 | 338,529 | (1,787) |
| Legal reserve | 16,195 | 15,734 | 461 |
| Other retained earnings | 320,546 | 322,795 | (2,248) |
| Unappropriated retained earnings | 320,546 | 322,795 | (2,248) |
| Treasury stock, at cost | (70,508) | (61,097) | (9,411) |
| Total shareholders' equity | 857,903 | 869,102 | (11,198) |
| Unrealized gain (loss) on available-for-sale securities | (424) | 624 | (1,049) |
| Deferred gain (loss) on derivatives under hedge accounting | (16,164) | (16,174) | 9 |
| Total net unrealized gain (loss) and translation adjustments | (16,589) | (15,549) | (1,040) |
| Stock acquisition rights | 101 | 76 | 25 |
| Total equity | 841,415 | 853,629 | (12,213) |
| Total liabilities and equity | 8,665,920 | 8,686,696 | (20,776) |

Interim Nonconsolidated Statements of Income

(Millions of yen)

| | 1H FY2020 (6 months) | 1H FY2019 (6 months) | Change (Amount) | FY2019 (12 months) |
|--|-------------------------|-------------------------|--------------------|-----------------------|
| Ordinary income | 66,151 | 86,654 | (20,502) | 170,640 |
| Interest income | 49,648 | 60,697 | (11,049) | 120,335 |
| Interest on loans and bills discounted | 43,240 | 49,701 | (6,460) | 98,008 |
| Interest and dividends on securities | 5,549 | 9,782 | (4,233) | 20,003 |
| Other interest income | 858 | 1,214 | (355) | 2,322 |
| Fees and commissions income | 6,616 | 10,304 | (3,687) | 21,295 |
| Trading income | 1,801 | 3,126 | (1,325) | 10,994 |
| Other business income | 6,316 | 7,109 | (793) | 10,022 |
| Other ordinary income | 1,769 | 5,416 | (3,647) | 7,992 |
| Ordinary expenses | 61,807 | 64,381 | (2,574) | 136,702 |
| Interest expenses | 5,529 | 8,427 | (2,897) | 17,244 |
| Interest on deposits | 2,282 | 2,769 | (487) | 6,300 |
| Interest on corporate bonds | 169 | 42 | 126 | 137 |
| Other interest expenses | 3,078 | 5,616 | (2,537) | 10,806 |
| Fees and commissions expenses | 12,636 | 13,971 | (1,334) | 27,530 |
| Trading losses | — | — | — | 0 |
| Other business expenses | 2,178 | 2,024 | 153 | 6,614 |
| General and administrative expenses | 34,651 | 36,505 | (1,854) | 72,308 |
| Other ordinary expenses | 6,811 | 3,452 | 3,359 | 13,004 |
| Ordinary profit | 4,344 | 22,272 | (17,928) | 33,938 |
| Extraordinary gains | 0 | 2,109 | (2,109) | 2,109 |
| Extraordinary losses | 510 | 268 | 242 | 2,334 |
| Income before income taxes | 3,833 | 24,113 | (20,279) | 33,713 |
| Income taxes (benefit): | | | | |
| Income taxes (benefit) - current | 635 | 243 | 392 | 1,792 |
| Income taxes (benefit) - deferred | 2,638 | 1,174 | 1,463 | (1,260) |
| Total income taxes (benefit) | 3,273 | 1,417 | 1,856 | 532 |
| Net income | 560 | 22,695 | (22,135) | 33,180 |

Composition of Capital Disclosure (Nonconsolidated)

Shinsei Bank

Millions of yen (except percentages)

| Items | Basel III (Domestic Standard) Sep 30 2020 | Basel III (Domestic Standard) June 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 | ¥ 857,903 | ¥ 866,607 |
| of which:capital and capital surplus | 591,670 | 591,670 |
| of which:retained earnings | 336,742 | 337,928 |
| of which:treasury stock (-) | 70,508 | 62,991 |
| 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 | 14 | 13 |
| of which:general reserve for loan losses included in Core capital | 14 | 13 |
| 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) | ¥ 858,020 | ¥ 866,722 |
| Core capital:regulatory adjustments (2) | | |
| Total amount of intangible assets (excluding those relating to mortgage servicing rights) of which:goodwill (including those equivalent) | ¥ 17,296 | ¥ 17,579 |
| of which:other intangibles other than goodwill and mortgage servicing rights | 454 | 496 |
| of which:other intangibles other than goodwill and mortgage servicing rights | 16,841 | 17,082 |
| Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability) | 1,812 | 3,219 |
| Shortfall of eligible provisions to expected losses | 15,349 | 19,075 |
| Gain on sale of securitization | - | - |
| Gains and losses due to changes in own credit risk on fair valued liabilities | - | - |
| Prepaid pension cost | 4,927 | 4,865 |
| Investments in own shares (excluding those reported in the net assets section) | - | - |
| Reciprocal cross-holdings in common equity | - | - |
| Investments in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation ("Other Financial Institutions"), net of eligible short positions, where the bank does not own more than 10% of the issued share capital (amount above the 10% threshold) | - | - |
| Amount exceeding the 10% threshold on specific items | - | - |
| of which:significant investments in the common stock of Other Financial Institutions, net of eligible short positions | - | - |
| of which:mortgage servicing rights | - | - |
| of which:deferred tax assets arising from temporary differences (net of related tax liability) | - | - |
| Amount exceeding the 15% threshold on specific items | - | - |
| of which:significant investments in the common stock of Other Financial Institutions, net of eligible short positions | - | - |
| of which:mortgage servicing rights | - | - |
| of which:deferred tax assets arising from temporary differences (net of related tax liability) | - | - |
| Core capital:regulatory adjustments (B) | ¥ 39,386 | ¥ 44,739 |
| Capital (nonconsolidated) | | |
| Capital (nonconsolidated)((A)-(B))(C) | ¥ 818,634 | ¥ 821,983 |
| Risk-weighted assets, etc. | | |
| Total amount of credit risk-weighted assets | ¥5,969,503 | ¥5,855,912 |
| 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) | 194,314 | 195,254 |
| Operational risk (derived by multiplying the capital requirement by 12.5) | 185,442 | 192,552 |
| Credit risk-weighted assets adjustments | - | - |
| Operational risk adjustments | - | - |
| Total amount of Risk-weighted assets (D) | ¥6,349,260 | ¥6,243,719 |
| Capital ratio (nonconsolidated) | | |
| Capital ratio (nonconsolidated)((C)/(D)) | 12.89% | 13.16% |

(Reference) Results of Operations (Nonconsolidated)

(Millions of yen)

| | 1H FY2020 (6 months) (A) | 1H FY2019 (6 months) (B) | Change (A)-(B) |
|---|--------------------------------|--------------------------------|-------------------|
| Gross Business Profit | 45,406 | 58,125 | (12,719) |
| (excluding Gains on Monetary Assets Held in Trust) | 44,121 | 56,831 | (12,710) |
| Net Interest Income | 44,201 | 52,287 | (8,085) |
| Net Fees and Commissions | (4,732) | (2,371) | (2,360) |
| Gains on Monetary Assets Held in Trust | 1,285 | 1,294 | (8) |
| Net Trading Income | 1,801 | 3,126 | (1,325) |
| Net Other Business Income | 4,136 | 5,082 | (946) |
| Gains related to Bonds | 3,082 | 4,473 | (1,390) |
| General and Administrative Expenses | 34,520 | 36,305 | (1,784) |
| Personnel Expenses | 13,657 | 13,836 | (178) |
| Nonpersonnel Expenses | 18,160 | 19,981 | (1,821) |
| Amortization of Goodwill | 83 | 83 | - |
| Taxes | 2,702 | 2,487 | 214 |
| Net Operating Profit before Provision of General Reserve for Loan Losses | 9,600 | 20,526 | (10,925) |
| Provision of General Reserve for Loan Losses (1) | 401 | (1,607) | 2,009 |
| Net Operating Profit | 9,199 | 22,134 | (12,934) |
| Net Business Profit | 10,886 | 21,820 | (10,934) |
| Non-Recurring Gains | (6,058) | (1,138) | (4,919) |
| Gains related to Stocks | 100 | 2,647 | (2,546) |
| Credit Costs (2) | 5,990 | 4,209 | 1,780 |
| Losses on Write-Off of Loans | 1,319 | 15 | 1,304 |
| Provision of Specific Reserve for Loan Losses | 4,773 | 4,247 | 526 |
| Provision of Reserve for Loan Losses to Restructuring Countries | - | - | - |
| Recoveries of Written-off Claims | (103) | (53) | (50) |
| Reversal of Reserve for Loan Losses | - | - | - |
| Losses on Sale of Loans | - | - | - |
| Other | (168) | 423 | (592) |
| Ordinary Profit | 4,344 | 22,272 | (17,928) |
| Extraordinary Gains | (510) | 1,840 | (2,351) |
| Gains from Sales of Fixed Assets and Impairment losses | (245) | (211) | (34) |
| Income before Income Taxes | 3,833 | 24,113 | (20,279) |
| Income Taxes - Current | 635 | 243 | 392 |
| Income Taxes - Deferred | 2,638 | 1,174 | 1,463 |
| Net Income | 560 | 22,695 | (22,135) |

(Reference)

| | | | |
|---|--------------|--------|---------|
| Core Net Operating Profit | 6,518 | 16,053 | (9,535) |
| (excluding Gains on Cancellation of Investment Trusts) | 6,518 | 16,053 | (9,535) |
| Net Credit Costs (1)+ (2) | 6,391 | 2,601 | 3,789 |

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] | 1H FY2020 (6 months) | | | 1H FY2019 (6 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: | 6,420,774 | 49,648 | 1.54 | 6,343,836 | 60,697 | 1.91 | 6,366,034 | 120,335 | 1.89 |
| Loans and bills discounted | 5,056,675 | 43,240 | 1.70 | 4,842,462 | 49,701 | 2.05 | 4,896,230 | 98,008 | 2.00 |
| Securities | 1,241,533 | 5,549 | 0.89 | 1,375,785 | 9,782 | 1.42 | 1,343,294 | 20,003 | 1.48 |
| Interest-bearing liabilities: | 7,446,418 | 5,529 | 0.14 | 7,189,320 | 8,427 | 0.23 | 7,246,677 | 17,244 | 0.23 |
| Deposits, including negotiable certificates of deposit | 6,307,075 | 2,337 | 0.07 | 5,994,973 | 2,791 | 0.09 | 6,113,358 | 6,362 | 0.10 |
| Borrowed money | 414,431 | 349 | 0.16 | 175,477 | -63 | -0.07 | 163,761 | 141 | 0.08 |
| Corporate bonds | 143,393 | 169 | 0.23 | 42,305 | 42 | 0.19 | 64,201 | 137 | 0.21 |
| Net interest income/yield on interest-earning assets | 6,420,774 | 44,119 | 1.37 | 6,343,836 | 52,270 | 1.64 | 6,366,034 | 103,091 | 1.61 |

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

[Domestic]

| | | | | | | | | | |
|--|------------------|---------------|--------------|-----------|--------|-------|-----------|--------|-------|
| Interest-earning assets: | 5,648,173 | 40,352 | 1.42 | 5,726,251 | 45,837 | 1.60 | 5,737,812 | 91,128 | 1.58 |
| Loans and bills discounted | 4,279,366 | 35,483 | 1.65 | 4,117,931 | 38,245 | 1.85 | 4,150,205 | 75,812 | 1.82 |
| Securities | 899,115 | 3,949 | 0.87 | 1,016,390 | 6,715 | 1.32 | 989,676 | 13,443 | 1.35 |
| Interest-bearing liabilities: | 6,623,824 | 1,709 | 0.05 | 6,536,141 | 413 | 0.01 | 6,581,627 | 2,281 | 0.03 |
| Deposits, including negotiable certificates of deposit | 5,750,993 | 865 | 0.03 | 5,478,526 | -99 | -0.00 | 5,572,363 | 886 | 0.01 |
| Borrowed money | 214,882 | -28 | -0.02 | 160,278 | -254 | -0.31 | 146,631 | -207 | -0.14 |
| Corporate bonds | 142,540 | 167 | 0.23 | 40,000 | 40 | 0.20 | 62,158 | 135 | 0.21 |
| Net interest income/yield on interest-earning assets | 5,648,173 | 38,643 | 1.36 | 5,726,251 | 45,423 | 1.58 | 5,737,812 | 88,847 | 1.54 |

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.

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

| | Sep 30, 2018 | Mar 31, 2019 | Sep 30, 2019 | Mar 31, 2020 | Sep 30, 2020 |
|-----------------|--------------|--------------|--------------|--------------|--------------|
| Nonconsolidated | 0.15 | 0.20 | 0.37 | 0.34 | 0.64 |
| Consolidated | 1.51 | 1.53 | 1.68 | 1.66 | 1.99 |

2. Equity holdings (domestic) (Nonconsolidated)

(1) Equity held

(Billions of yen)

| | Book value | | Net unrealized gain (loss) |
|--------------|------------|----------------------|-------------------------------|
| | | Subsidiaries' shares | |
| Sep.30, 2019 | 347.0 | 334.3 | 3.3 |
| Mar.31, 2020 | 346.2 | 335.0 | 2.4 |
| Sep.30, 2020 | 346.7 | 334.9 | 2.8 |

(2) Impairment

(Billions of yen)

| | Equity related profits and losses (net of three accounts) | |
|----------|---|-------------------|
| | | Impairment amount |
| 1HFY2019 | 2.6 | 0.6 |
| FY2019 | 1.7 | 2.7 |
| 1HFY2020 | 0.1 | 0.0 |

1. Other extraordinary losses for 1HFY2019 contains ¥ 0.0 billion in mark-down of subsidiaries' equity.

2. Other extraordinary losses for FY2019 contains ¥ 1.6 billion in mark-down of subsidiaries' equity.

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

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

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

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

(Billions of yen, except percentage)

| | Results | % Change | Ratio to total loan balance (%) |
|--------------|---------|----------|------------------------------------|
| Sep 30, 2019 | 3,317.2 | 1.53 | 70.45 |
| Mar 31, 2020 | 3,364.8 | 1.44 | 70.44 |
| Sep 30, 2020 | 3,199.9 | -4.90 | 66.47 |

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

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

3. Revitalization Law (actual net increase/decrease excluding impact loan) achieved actual results of + ¥ 18.0 billion for FY2019 compared to the plan of + ¥ 1.0 billion.

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

a. Investment trust sales performance and commission

(Billions of yen)

| | Handling commission for sales of investment trusts | | Amount of sales during the period |
|----------|--|--|--------------------------------------|
| | | Upfront fees from investment trusts | |
| 1HFY2019 | 0.9 | 0.1 | 21.8 |
| FY2019 | 1.9 | 0.2 | 58.1 |
| 1HFY2020 | 0.7 | 0.0 | 32.3 |

b. Insurance sales performance and commission

(Billions of yen)

| | Handling commission for sales of insurance | | Amount of sales during the period |
|----------|--|--------------------------------|--------------------------------------|
| | | Upfront fees from insurance | |
| 1HFY2019 | 1.7 | 1.7 | 35.2 |
| FY2019 | 2.4 | 2.4 | 47.8 |
| 1HFY2020 | 0.3 | 0.3 | 8.2 |