

Financial Summary

For the Three Months Ended June 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]	Q1 FY2020 (3 months)	Q1 FY2019 (3 months)	Change (Amount)	FY2019 (12 months)
Net interest income	31.5	33.3	-1.8	133.5
Noninterest income	23.1	24.1	-0.9	106.4
Total revenue	54.7	57.5	-2.8	239.9
General and administrative expenses	-35.8	-36.2	0.3	-149.5
Net credit costs	-11.0	-4.9	-6.0	-39.1
Income before income taxes	7.2	15.3	-8.0	49.2
Profit attributable to owners of the parent	5.9	12.1	-6.2	45.5

(Billions of yen)

Balance sheets (Consolidated) [Page 17]	Jun 30 2020	Mar 31 2020	Change (Amount)
Cash and due from banks	1,414.7	1,614.1	-199.4
Securities	916.7	957.0	-40.3
Loans and bills discounted	5,113.8	5,110.4	3.4
Total assets	10,020.6	10,226.5	-205.8
Deposits and negotiable certificates of deposit	6,189.9	6,305.1	-115.1
Total liabilities	9,110.4	9,316.0	-205.6
Total equity	910.2	910.4	-0.2

Financial ratios (Consolidated) [Page 4, 16, 25]	Q1 FY2020 (3 months)	Q1 FY2019 (3 months)	FY2019 (12 months)
Net interest margin	2.35%	2.47%	2.47%
Expense-to-revenue ratio	65.6%	63.0%	62.3%

	Jun 30 2020	Mar 31 2020
Capital adequacy ratio (Basel III, domestic standard)	11.18%	11.21%
NPL ratio based on Financial Revitalization Law (nonconsolidated)	0.58%	0.34%

(Billions of yen)

Results of operations (Nonconsolidated) [Page 21]	Q1 FY2020 (3 months)	Q1 FY2019 (3 months)	Change (Amount)	FY2019 (12 months)
Net interest income	23.2	28.0	-4.8	103.1
Noninterest income	0.1	2.9	-2.7	10.5
Total revenue	23.4	31.0	-7.6	113.7
General and administrative expenses	-16.9	-18.0	1.1	-71.8
Net credit costs	-4.1	1.5	-5.7	-8.7
Net income	1.7	14.6	-12.9	33.1

1. Represents results based on management accounting basis.

Financial Highlights

Net income attributable to owners of the parent for the first quarter of the current fiscal year was 5.9 billion yen, decreased by 6.2 billion yen from the same period of the previous fiscal year. Total revenue decreased due to a decrease in interest income affected by the declined foreign currency interest rate, a decrease in fees and commissions and derivatives-related income in the Institutional Business as well as a decrease in fees and commissions from the sales of asset management products in the 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 increased mainly due to the reserves for loan losses in response to credit deterioration of borrowers caused by the COVID-19 pandemic. As a result, net income attributable to owners of the parent decreased from the same period of the previous fiscal year.

Results of operations

Total revenue was 54.7 billion yen for the first period of the current fiscal year, decreased by 2.8 billion yen from the same period of the previous fiscal year.

➢ Net interest income was 31.5 billion yen, decreased by 1.8 billion yen from 33.3 billion yen in the same period of the previous fiscal year. This was due to a decrease in interest income affected by the declined foreign currency interest rate.

➢ Noninterest income was 23.1 billion yen, decreased by 0.9 billion yen from 24.1 billion yen in the same period of the previous fiscal year. This was mainly due to a decrease in fees and commissions in the Corporate Business and the Structured Finance, a decrease in derivatives-related income as well as a decrease in fees and commissions from the sales of asset management products in the Retail Banking. These were partly offset by increases in incomes from major businesses such as shopping credits in APLUS FINANCIAL and contribution of a subsidiary of Showa Leasing which was added in the previous fiscal year.

General and administrative expenses were 35.8 billion yen in the first quarter of the current fiscal year, decreased by 0.3 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 the additional expenses from the newly consolidated subsidiaries in the previous fiscal year. The expense to revenue ratio was stood at 65.6%.

Net credit costs were 11.0 billion yen (expense), increased by 6.0 billion yen from the same period of the previous fiscal year. This was mainly due to reserves for loan losses in response to credit deterioration of the borrowers caused by the COVID-19 pandemic.

Nonconsolidated net income was 1.7 billion yen, decreased by 12.9 billion yen from the same period of the previous fiscal year. This was mainly due to the reserves for loan losses in response to credit deterioration of the borrowers caused by the COVID-19 pandemic, as well as the absence of gains on redemption of shares of affiliated companies in the previous fiscal year. Dividends received from subsidiaries in the first quarter of the fiscal year amounted to 1.7 billion yen (1.7 billion yen from Showa Leasing).

Balance sheet

Total assets were 10,020.6 billion yen, decreased by 205.8 billion yen from the end of March 2020.

Loans and bills discounted were 5,113.8 billion yen, increased by 3.4 billion yen from the end of March 2020, mainly due to an increase in the Corporate Business, which was largely offset by a decrease in loans in the consumer finance and housing loans.

Deposits and negotiable certificates of deposit were 6,189.9 billion yen, decreased by 115.1 billion yen from the end of March 2020.

Financial ratios

Net interest margin was 2.35%, decreased from 2.46% in the same period of the previous fiscal year. Although yield of interest-earning assets and interest-bearing liabilities declined due to the declined foreign currency interest rate, impact of the decline in yield of interest-bearing assets was larger.

The ratio of core capital under the Basel 3 domestic standards (grand fathering basis) was 11.18% at the end of June 2020, decreased from 11.21% at the end of March 2020.

Core capital remained unchanged from the end of March, 2020. Share buyback and an increase in shortfall of eligible provisions to expected losses offset an increase in retained earnings. Risk assets increased due to the downgrade of borrower classification of large loan projects in the Structured Finance and others.

The ratio of common equity Tier1 under the Basel 3 international standards (excluding grandfathering basis) was 11.2%, slightly 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 30.7 billion yen, increased by 13.0 billion yen from the end of March 2020. Nonperforming loan ratio increased from 0.34% at the end of March 2020, but it remained low at 0.58%.

Results of Operations (Consolidated) ¹

(Billions of yen)

	Q1 FY2020 (3 months)	Q1 FY2019 (3 months)	Change (Amount)	FY2019 (12 months)
Net interest income	31.5	33.3	-1.8	133.5
Noninterest income	23.1	24.1	-0.9	106.4
Net fees and commissions	6.4	7.7	-1.3	32.4
Net trading income	1.3	2.2	-0.9	15.8
Net other business income	15.3	14.1	1.2	58.2
Income on lease transactions and installment receivables	10.0	9.7	0.3	40.8
Total revenue	54.7	57.5	-2.8	239.9
General and administrative expenses	-35.8	-36.2	0.3	-149.5
Ordinary business profit	18.8	21.3	-2.4	90.4
Net credit costs	-11.0	-4.9	-6.0	-39.1
Ordinary business profit after net credit costs	7.8	16.3	-8.5	51.2
Amortization of goodwill and other intangible assets ²	-0.6	-0.5	-0.0	-2.4
Other gains	0.0	-0.4	0.5	0.3
Income before income taxes	7.2	15.3	-8.0	49.2
Income taxes	-1.3	-3.2	1.8	-4.1
Profit attributable to noncontrolling interests	0.0	0.0	-0.0	0.4
Profit attributable to owners of the parent	5.9	12.1	-6.2	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)

	Q1 FY2020 (3 months)			Q1 FY2019 (3 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	5,128.8	33.1	2.59	4,976.9	35.0	2.83	5,052.9	140.2	2.77
Lease receivables and leased investment assets / installment receivables ⁴	910.0	10.0	4.45	780.1	9.7	5.01	833.4	40.8	4.90
Securities	928.8	1.5	0.67	1,093.0	2.6	0.96	1,026.4	10.7	1.05
Other interest-earning assets ^{2, 3}	206.1	0.5	***	225.8	0.7	***	240.7	2.7	***
Interest-earning assets totals (A) ⁴	7,173.9	45.3	2.54	7,075.9	48.0	2.73	7,153.6	194.6	2.72
Interest-bearing liabilities:									
Deposits, including negotiable certificates of deposit	6,164.2	1.1	0.08	5,843.9	1.3	0.09	5,963.7	6.3	0.11
Borrowed money	939.5	0.8	0.34	752.9	0.6	0.37	731.9	2.8	0.39
Corporate bonds	165.5	0.1	0.26	91.5	0.0	0.26	107.5	0.2	0.26
Other interest-bearing liabilities ²	817.1	1.6	***	1,150.8	2.9	***	1,133.8	10.7	***
Interest-bearing liabilities totals (B)	8,086.5	3.7	0.18	7,839.2	4.9	0.25	7,937.1	20.2	0.26
Net interest margin (A)-(B) ⁴	-	41.6	2.35	-	43.1	2.47	-	174.3	2.47
Noninterest-bearing sources of funds:									
Noninterest-bearing (assets) liabilities, net	-1,815.6	-	-	-1,659.0	-	-	-1,687.3	-	-
Total equity excluding noncontrolling interests in subsidiaries ⁵	903.0	-	-	895.7	-	-	903.8	-	-
Total noninterest-bearing sources of funds (C)	-912.5	-	-	-763.2	-	-	-783.4	-	-
Sum of total expense on interest-bearing liabilities and noninterest-bearing sources of funds (D)=(B)+(C)	7,173.9	3.7	0.21	7,075.9	4.9	0.28	7,153.6	20.2	0.28
Interest income / yield on interest earning assets (A)-(D) ⁴	-	41.6	2.33	-	43.1	2.45	-	174.3	2.44
Reconciliation of total revenue on interest-earning									
Total revenue on interest-earning assets	7,173.9	45.3	2.54	7,075.9	48.0	2.73	7,153.6	194.6	2.72
Less: Income on lease transactions and installment receivables	910.0	10.0	4.45	780.1	9.7	5.01	833.4	40.8	4.90
Total interest income	6,263.9	35.2	2.26	6,295.8	38.3	2.45	6,320.2	153.7	2.43
Total interest expense	-	3.7	-	-	4.9	-	-	20.2	-
Net interest income	-	31.5	-	-	33.3	-	-	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)

	Q1 FY2020 (3 months)	Q1 FY2019 (3 months)	Change (Amount)	FY2019 (12 months)
Institutional Business	6.9	8.6	-1.6	46.7
Corporate Business	0.6	1.2	-0.5	8.1
Structured Finance	1.2	1.6	-0.4	7.6
Principal Transactions	0.6	0.4	0.1	5.6
Showa Leasing	3.8	3.1	0.6	14.6
Markets	0.2	1.3	-1.1	7.2
Other Global Markets	0.3	0.7	-0.3	3.4
Individual Business	12.9	12.5	0.3	53.2
Retail Banking	0.5	1.0	-0.5	4.9
Shinsei Financial ¹	0.0	-0.2	0.3	-0.9
APLUS FINANCIAL	12.1	11.7	0.3	48.5
Other Individuals	0.2	0.0	0.1	0.6
Corporate/Other	3.2	2.8	0.3	6.4
Noninterest income	23.1	24.1	-0.9	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)

	Q1 FY2020 (3 months)	Q1 FY2019 (3 months)	Change (Amount)	FY2019 (12 months)
Personnel expenses	-14.6	-14.0	-0.5	-57.6
Nonpersonnel expenses	-21.2	-22.1	0.8	-91.9
Premises expenses	-4.7	-4.8	0.1	-20.1
Technology and data processing expenses	-5.9	-6.3	0.3	-24.9
Advertising expenses	-2.4	-2.6	0.2	-11.4
Consumption, property taxes, etc.	-2.6	-2.3	-0.3	-10.4
Deposit insurance premium	-0.3	-0.3	0.0	-1.5
Other general and administrative expenses	-5.1	-5.6	0.5	-23.3
General and administrative expenses	-35.8	-36.2	0.3	-149.5

Net Credit Costs (Consolidated) ¹

(Billions of yen)

	Q1 FY2020 (3 months)	Q1 FY2019 (3 months)	Change (Amount)	FY2019 (12 months)
Losses on write-off of loans/Losses on sale of loans	-0.6	-0.0	-0.5	-0.4
Net provision of reserve for loan losses:	-11.8	-6.5	-5.2	-44.8
Net provision of general reserve for loan losses	-4.9	-6.9	1.9	-27.7
Net provision of specific reserve for loan losses	-6.8	0.3	-7.1	-17.0
Other credit costs relating to leasing business	-0.0	0.0	-0.0	-0.4
Recoveries of written-off claims	1.4	1.6	-0.1	6.4
Net credit costs	-11.0	-4.9	-6.0	-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)

	Q1 FY2020 (3 months)	Q1 FY2019 (3 months)	Change (Amount)	FY2019 (12 months)
Extraordinary income	-0.1	-0.4	0.2	-1.8
Net gain on disposal of premises and equipment	-0.0	-0.0	-0.0	-0.4
Other extraordinary income	-0.1	-0.4	0.2	-1.4
Provisions of reserve for losses on interest repayment	-	-	-	2.6
Shinsei Financial	-	-	-	4.5
Shinsei Personal Loan	-	-	-	-0.1
APLUS FINANCIAL	-	-	-	-1.7
Other	0.2	-0.0	0.2	-0.3
Other gains	0.0	-0.4	0.5	0.3

Business Line Results (Consolidated)

(Billions of yen)

	Q1 FY2020 (3 months)	Q1 FY2019 (3 months)	Change (Amount)	FY2019 (12 months)
<i>Institutional Business:</i>				
Net interest income	7.0	6.6	0.4	30.0
Noninterest income	6.9	8.6	-1.6	46.7
Total revenue	14.0	15.2	-1.1	76.8
General and administrative expenses	-10.4	-10.2	-0.2	-42.3
Ordinary business profit	3.5	5.0	-1.4	34.4
Net credit costs	-4.6	2.1	-6.7	-9.8
Ordinary business profit after net credit costs	-1.0	7.1	-8.2	24.6
<i>Individual Business:</i>				
Net interest income	25.7	25.8	-0.0	103.4
Noninterest income	12.9	12.5	0.3	53.2
Total revenue	38.7	38.4	0.3	156.6
General and administrative expenses	-25.0	-24.9	-0.1	-103.3
Ordinary business profit	13.7	13.5	0.1	53.2
Net credit costs	-6.3	-7.1	0.7	-29.3
Ordinary business profit after net credit costs	7.3	6.4	0.9	23.9
<i>Corporate/Other¹:</i>				
Net interest income	-1.3	0.9	-2.2	0.0
Noninterest income	3.2	2.8	0.3	6.4
Total revenue	1.8	3.8	-1.9	6.5
General and administrative expenses	-0.3	-1.0	0.7	-3.8
Ordinary business profit	1.5	2.7	-1.2	2.6
Net credit costs	0.0	-0.0	0.0	-0.0
Ordinary business profit after net credit costs	1.5	2.7	-1.2	2.6
<i>Total:</i>				
Net interest income	31.5	33.3	-1.8	133.5
Noninterest income	23.1	24.1	-0.9	106.4
Total revenue	54.7	57.5	-2.8	239.9
General and administrative expenses	-35.8	-36.2	0.3	-149.5
Ordinary business profit	18.8	21.3	-2.4	90.4
Net credit costs	-11.0	-4.9	-6.0	-39.1
Ordinary business profit after net credit costs	7.8	16.3	-8.5	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, NOLOAN).
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)

	Q1 FY2020 (3 months)	Q1 FY2019 (3 months)	Change (Amount)	FY2019 (12 months)
<i>Corporate Business:</i>				
Net interest income	2.9	2.5	0.3	10.8
Noninterest income	0.6	1.2	-0.5	8.1
Total revenue	3.6	3.8	-0.1	18.9
General and administrative expenses	-2.9	-3.1	0.2	-12.5
Ordinary business profit	0.6	0.6	0.0	6.3
Net credit costs	-0.6	-0.2	-0.4	-2.3
Ordinary business profit after net credit costs	0.0	0.3	-0.3	4.0
<i>Structured Finance:</i>				
Net interest income	3.1	2.7	0.3	12.0
Noninterest income	1.2	1.6	-0.4	7.6
Total revenue	4.3	4.4	-0.0	19.7
General and administrative expenses	-2.2	-2.0	-0.1	-8.3
Ordinary business profit	2.1	2.3	-0.2	11.3
Net credit costs	-2.9	1.8	-4.8	-6.4
Ordinary business profit after net credit costs	-0.8	4.1	-5.0	4.9
<i>Principal Transactions:</i>				
Net interest income	0.4	0.4	-0.0	4.3
Noninterest income	0.6	0.4	0.1	5.6
Total revenue	1.1	0.9	0.1	10.0
General and administrative expenses	-0.9	-1.0	0.0	-4.1
Ordinary business profit	0.1	-0.1	0.2	5.9
Net credit costs	-0.3	0.0	-0.3	-0.1
Ordinary business profit after net credit costs	-0.1	-0.0	-0.1	5.7
<i>Showa Leasing:</i>				
Net interest income	0.0	-0.0	0.1	-0.1
Noninterest income	3.8	3.1	0.6	14.6
Total revenue	3.8	3.1	0.7	14.4
General and administrative expenses	-2.7	-2.3	-0.4	-10.7
Ordinary business profit	1.0	0.8	0.2	3.7
Net credit costs	-0.6	0.4	-1.1	-0.9
Ordinary business profit after net credit costs	0.4	1.2	-0.8	2.7

Institutional Business¹ (Consolidated)

(Billions of yen)

	Q1 FY2020 (3 months)	Q1 FY2019 (3 months)	Change (Amount)	FY2019 (12 months)
<i>Markets:</i>				
Net interest income	0.3	0.7	-0.3	2.3
Noninterest income	0.2	1.3	-1.1	7.2
Total revenue	0.5	2.0	-1.5	9.5
General and administrative expenses	-0.7	-0.8	0.0	-3.3
Ordinary business profit	-0.2	1.2	-1.4	6.2
Net credit costs	-	0.0	-0.0	0.0
Ordinary business profit after net credit costs	-0.2	1.2	-1.4	6.2
<i>Other Global Markets:</i>				
Net interest income	0.1	0.1	-0.0	0.5
Noninterest income	0.3	0.7	-0.3	3.4
Total revenue	0.5	0.8	-0.3	4.0
General and administrative expenses	-0.7	-0.7	0.0	-3.1
Ordinary business profit	-0.2	0.1	-0.3	0.9
Net credit costs	-0.0	-0.0	-0.0	0.0
Ordinary business profit after net credit costs	-0.2	0.0	-0.3	0.9
<i>Institutional Business:</i>				
Net interest income	7.0	6.6	0.4	30.0
Noninterest income	6.9	8.6	-1.6	46.7
Total revenue	14.0	15.2	-1.1	76.8
General and administrative expenses	-10.4	-10.2	-0.2	-42.3
Ordinary business profit	3.5	5.0	-1.4	34.4
Net credit costs	-4.6	2.1	-6.7	-9.8
Ordinary business profit after net credit costs	-1.0	7.1	-8.2	24.6

Individual Business (Consolidated)

(Billions of yen)

	Q1 FY2020 (3 months)	Q1 FY2019 (3 months)	Change (Amount)	FY2019 (12 months)
<i>Retail banking:</i>				
Net interest income	6.0	6.0	0.0	23.4
Loans	2.3	2.3	-0.0	9.3
Deposits	3.7	3.6	0.0	14.1
Noninterest income	0.5	1.0	-0.5	4.9
Asset Management Products	1.2	1.7	-0.5	8.4
Other Fees (ATM, Fund Transfer, FX etc.)	-0.7	-0.7	-0.0	-3.5
Total revenue	6.5	7.0	-0.4	28.3
General and administrative expenses	-7.0	-6.5	-0.4	-28.0
Ordinary business profit	-0.4	0.4	-0.9	0.3
Net credit costs	-0.2	-0.1	-0.1	-0.0
Ordinary business profit after net credit costs	-0.6	0.3	-1.0	0.3
<i>Shinsei Financial¹:</i>				
Net interest income	17.1	17.1	-0.0	69.3
Lake Business	15.7	15.7	0.0	63.6
Noninterest income	0.0	-0.2	0.3	-0.9
Total revenue	17.1	16.9	0.2	68.3
General and administrative expenses	-7.9	-8.3	0.4	-34.3
Ordinary business profit	9.2	8.5	0.6	33.9
Net credit costs	-3.0	-3.4	0.4	-14.4
Ordinary business profit after net credit costs	6.2	5.0	1.1	19.5
<i>APLUS FINANCIAL:</i>				
Net interest income	2.3	2.4	-0.0	9.7
Noninterest income	12.1	11.7	0.3	48.5
Total revenue	14.5	14.1	0.3	58.2
General and administrative expenses	-9.4	-9.4	0.0	-38.9
Ordinary business profit	5.0	4.7	0.3	19.3
Net credit costs	-3.2	-3.5	0.2	-15.1
Ordinary business profit after net credit costs	1.7	1.1	0.6	4.2
<i>Other Individuals:</i>				
Net interest income	0.2	0.2	0.0	0.9
Noninterest income	0.2	0.0	0.1	0.6
Total revenue	0.5	0.3	0.1	1.5
General and administrative expenses	-0.5	-0.4	-0.1	-2.0
Ordinary business profit	-0.0	-0.1	0.0	-0.4
Net credit costs	0.1	-0.0	0.1	0.1
Ordinary business profit after net credit costs	0.0	-0.1	0.2	-0.2
<i>Individual Business:</i>				
Net interest income	25.7	25.8	-0.0	103.4
Noninterest income	12.9	12.5	0.3	53.2
Total revenue	38.7	38.4	0.3	156.6
General and administrative expenses	-25.0	-24.9	-0.1	-103.3
Ordinary business profit	13.7	13.5	0.1	53.2
Net credit costs	-6.3	-7.1	0.7	-29.3
Ordinary business profit after net credit costs	7.3	6.4	0.9	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)

	Q1 FY2020 (3 months)	Q1 FY2019 (3 months)	Change (Amount)	FY2019 (12 months)
<i>Treasury:</i>				
Net interest income	-1.3	0.9	-2.2	0.0
Noninterest income	3.2	2.7	0.4	5.9
Total revenue	1.9	3.6	-1.7	5.9
General and administrative expenses	-0.3	-0.4	0.0	-1.6
Ordinary business profit	1.5	3.2	-1.7	4.3
Net credit costs	-	-	-	-
Ordinary business profit after net credit costs	1.5	3.2	-1.7	4.3
<i>Corporate/Other (excluding Treasury)¹:</i>				
Net interest income	0.0	0.0	-0.0	0.0
Noninterest income	-0.0	0.1	-0.1	0.5
Total revenue	-0.0	0.1	-0.1	0.5
General and administrative expenses	0.0	-0.6	0.6	-2.2
Ordinary business profit	0.0	-0.5	0.5	-1.6
Net credit costs	0.0	-0.0	0.0	-0.0
Ordinary business profit after net credit costs	0.0	-0.5	0.5	-1.6
<i>Corporate/Other¹:</i>				
Net interest income	-1.3	0.9	-2.2	0.0
Noninterest income	3.2	2.8	0.3	6.4
Total revenue	1.8	3.8	-1.9	6.5
General and administrative expenses	-0.3	-1.0	0.7	-3.8
Ordinary business profit	1.5	2.7	-1.2	2.6
Net credit costs	0.0	-0.0	0.0	-0.0
Ordinary business profit after net credit costs	1.5	2.7	-1.2	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)

	Jun 30 2020	Mar 31 2020	Change (Amount)
Domestic offices (excluding Japan offshore market accounts):			
Manufacturing	209.9	198.9	10.9
Agriculture and forestry	0.0	0.0	-0.0
Fishery	-	0.0	-0.0
Mining, quarrying and gravel extraction	0.7	0.3	0.4
Construction	14.1	11.8	2.2
Electric power, gas, heat supply and water supply	373.1	366.3	6.7
Information and communications	49.0	49.4	-0.3
Transportation and postal service	199.4	194.1	5.2
Wholesale and retail	111.9	105.2	6.7
Finance and insurance	533.4	532.1	1.2
Real estate	657.7	670.5	-12.8
Services	393.7	382.8	10.9
Local government	52.8	62.6	-9.7
Others	2,239.0	2,271.8	-32.8
Loans to individual customers (Housing Loan, Unsecured Loan, Cashing by Credit Card, Housing Related Loan, etc.)	1,871.9	1,897.8	-25.8
Total domestic (A)	4,835.2	4,846.3	-11.1
Overseas offices (including Japan offshore market accounts):			
Governments	-	-	-
Financial institutions	30.4	33.1	-2.7
Others	248.1	230.8	17.2
Total overseas (B)	278.6	264.0	14.5
Total (A+B)	5,113.8	5,110.4	3.4

Securities Being Held to Maturity (Consolidated)

(Billions of yen)

	Jun 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	246.6	247.9	1.3	277.1	278.7	1.5
Subtotal	246.6	247.9	1.3	277.1	278.7	1.5
Fair value does not exceed carrying amount						
Japanese national government bonds	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-
Total	246.6	247.9	1.3	277.1	278.7	1.5

Securities Available for Sale (Consolidated)

(Billions of yen)

	Jun 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	9.2	4.7	4.4	8.9	4.8	4.0
Domestic bonds	59.8	59.1	0.6	75.3	74.5	0.8
Japanese national government bonds	22.2	22.2	0.0	35.4	35.2	0.2
Japanese local government bonds	-	-	-	-	-	-
Japanese corporate bonds	37.6	36.9	0.6	39.8	39.2	0.6
Other	131.1	129.5	1.6	113.1	110.6	2.5
Foreign securities	101.7	100.6	1.1	80.4	78.5	1.9
Foreign currency denominated foreign corporate and government bonds	101.5	100.5	0.9	80.2	78.4	1.7
Yen-denominated foreign corporate and government bonds	-	-	-	-	-	-
Foreign equity securities and others	0.2	0.0	0.1	0.2	0.0	0.1
Other securities	-	-	-	-	-	-
Other monetary claims purchased	29.3	28.9	0.4	32.6	32.1	0.5
Subtotal	200.2	193.4	6.7	197.4	190.0	7.4
Carrying amount does not exceed amortized/acquisition cost						
Equity securities	1.7	1.9	-0.1	1.6	1.8	-0.1
Domestic bonds	202.4	204.4	-2.0	176.7	178.6	-1.9
Japanese national government bonds	70.0	70.7	-0.6	47.9	48.5	-0.5
Japanese local government bonds	-	-	-	-	-	-
Japanese corporate bonds	132.3	133.7	-1.3	128.8	130.1	-1.3
Other	179.6	181.2	-1.5	220.8	224.7	-3.8
Foreign securities	179.5	181.1	-1.5	220.7	224.6	-3.8
Foreign currency denominated foreign corporate and government bonds	103.4	104.5	-1.0	143.6	146.5	-2.9
Yen-denominated foreign corporate and government bonds	75.2	75.6	-0.4	76.3	77.0	-0.6
Foreign equity securities and others	0.8	1.0	-0.1	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	383.9	387.7	-3.8	399.3	405.3	-5.9
Total ^{1, 2}	584.1	581.2	2.9	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 Jun 30, 2020 and Mar 31, 2020 were ¥554.7 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)

	Jun 30, 2020	Mar 31, 2020
Unrealized gain (loss) before deferred tax on:		
Available-for-sale securities	2.9	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	-2.7	-1.8
Other monetary assets held in trust	-1.1	-0.8
(-) Deferred tax liabilities	0.4	0.0
Unrealized gain (loss) on available-for-sale securities before interest adjustments	-1.4	-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	4.0	6.0
Unrealized gain (loss) on available-for-sale securities	2.5	4.7

Deposits (Consolidated)

(Billions of yen)

	Jun 30 2020	Mar 31 2020	Change (Amount)
Deposits	5,790.6	5,849.2	-58.5
Liquid (current, ordinary, notice) deposits	2,713.7	2,680.9	32.7
Time deposits ¹	2,521.0	2,652.1	-131.1
Other	555.8	516.0	39.8
Negotiable certificates of deposits (NCDs)	399.3	455.9	-56.6
Total	6,189.9	6,305.1	-115.1

1.Includes two-week maturity deposits

Financial Ratios (Consolidated)

	Q1 FY2020 (3 months)	Q1 FY2019 (3 months)	FY2019 (12 months)
Return on assets ¹	0.2% ³	0.5% ³	0.5%
Return on equity ²	2.6% ³	5.5% ³	5.1%
Expense-to-revenue ratio ^{4, 5}	65.6%	63.0%	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)

	Jun 30 2020	Mar 31 2020	Change (Amount)
Core capital:instruments and reserves	920.1	915.7	4.4
Core capital:regulatory adjustments	-97.1	-93.2	-3.8
Capital	822.9	822.4	0.5
Total amount of Risk-weighted assets	7,358.9	7,336.6	22.3
Consolidated core capital adequacy ratio	11.18%	11.21%	

1.Calculated according to F-IRB.

Consolidated total required capital is ¥685.2 billion as at June 30, 2020, ¥679.5 billion as at March 31, 2020.

Per Share Data (Consolidated)

(Yen)

	Q1 FY2020 (3 months)	Q1 FY2019 (3 months)	Change (Amount)	FY2019 (12 months)
Common equity	3,936.18	3,691.53	244.64	3,913.40
Fully diluted equity	3,935.04	3,690.82	244.22	3,912.60
Basic EPS	25.64	49.65	-24.00	190.59
Diluted EPS	25.63	49.64	-24.00	190.55
For calculation of per share data (Does not include treasury shares):				
Equity: Number of common shares	229,374,990	243,243,685		230,743,898
Fully diluted number of shares	229,441,309	243,290,733		230,790,947
EPS Number of common shares	230,528,651	244,773,118		239,127,169
Fully diluted number of shares	230,582,685	244,808,393		239,171,291

Consolidated Balance Sheets (Unaudited)

(Millions of yen)

	Jun 30 2020	Mar 31 2020	Change (Amount)
<<Assets>>			
Cash and due from banks	1,414,702	1,614,134	(199,431)
Call loans and bills bought	—	—	—
Receivables under securities borrowing transactions	—	—	—
Other monetary claims purchased	59,125	63,575	(4,450)
Trading assets	201,738	213,707	(11,969)
Monetary assets held in trust	428,299	415,107	13,192
Securities	916,703	957,040	(40,336)
Loans and bills discounted	5,113,845	5,110,404	3,440
Foreign exchanges	58,316	73,879	(15,562)
Lease receivables and leased investment assets	198,643	193,445	5,198
Other assets	1,054,555	1,007,605	46,949
Premises and equipment	66,709	69,414	(2,704)
Intangible assets	65,239	67,073	(1,833)
Goodwill	10,079	10,626	(546)
Assets for retirement benefits	5,810	5,683	126
Deferred tax assets	17,230	16,977	252
Customers' liabilities for acceptances and guarantees	531,005	526,520	4,484
Reserve for credit losses	(111,225)	(107,998)	(3,227)
Total assets	10,020,699	10,226,571	(205,871)
<<Liabilities>>			
Deposits	5,790,684	5,849,211	(58,526)
Negotiable certificates of deposit	399,310	455,950	(56,640)
Call money and bills sold	90,000	165,000	(75,000)
Payables under repurchase agreements	41,095	38,956	2,138
Payables under securities lending transactions	364,211	350,407	13,803
Trading liabilities	172,499	183,943	(11,444)
Borrowed money	965,613	881,991	83,621
Foreign exchanges	1,007	687	319
Short-term corporate bonds	183,300	221,300	(38,000)
Corporate bonds	156,000	166,500	(10,500)
Other liabilities	353,859	404,973	(51,114)
Accrued employees' bonuses	2,468	8,560	(6,091)
Accrued directors' bonuses	11	47	(36)
Liabilities for retirement benefits	8,399	8,422	(22)
Reserve for directors' retirement benefits	16	50	(33)
Reserve for reimbursement of deposits	605	621	(16)
Reserve for reimbursement of debentures	3,460	3,513	(52)
Reserve for losses on interest repayments	46,786	49,308	(2,522)
Deferred tax liabilities	117	119	(1)
Acceptances and guarantees	531,005	526,520	4,484
Total liabilities	9,110,452	9,316,086	(205,634)
<<Equity>>			
Common stock	512,204	512,204	—
Capital surplus	78,538	78,506	32
Retained earnings	393,189	389,600	3,589
Treasury stock, at cost	(62,991)	(61,097)	(1,894)
Total shareholders' equity	920,941	919,214	1,727
Unrealized gain (loss) on available-for-sale securities	2,596	4,755	(2,159)
Deferred gain (loss) on derivatives under hedge accounting	(15,901)	(15,719)	(181)
Foreign currency translation adjustments	(1,215)	(1,670)	454
Defined retirement benefit plans	(3,558)	(3,585)	26
Total accumulated other comprehensive income	(18,079)	(16,219)	(1,860)
Stock acquisition rights	150	125	24
Noncontrolling interests	7,235	7,364	(129)
Total equity	910,247	910,485	(237)
Total liabilities and equity	10,020,699	10,226,571	(205,871)

Consolidated Statements of Income (Unaudited)

(Millions of yen)

	Q1 FY2020 (3 months)	Q1 FY2019 (3 months)	Change (Amount)	FY2019 (12 months)
Ordinary income	89,953	91,545	(1,592)	399,503
Interest income	35,260	38,349	(3,088)	153,777
Interest on loans and bills discounted	33,157	35,039	(1,881)	140,204
Interest and dividends on securities	1,561	2,603	(1,041)	10,794
Other interest income	541	706	(165)	2,778
Fees and commissions income	12,760	15,076	(2,316)	59,213
Trading income	1,456	2,295	(838)	15,821
Other business income	37,095	32,425	4,670	144,855
Other ordinary income	3,379	3,398	(19)	25,835
Ordinary expenses	82,555	75,799	6,755	348,466
Interest expenses	3,713	4,960	(1,247)	20,266
Interest on deposits	1,158	1,290	(131)	6,295
Interest on borrowings	801	686	114	2,875
Interest on corporate bonds	107	59	47	283
Other interest expenses	1,645	2,923	(1,278)	10,812
Fees and commissions expenses	6,348	7,357	(1,009)	26,782
Trading losses	77	—	77	—
Other business expenses	22,946	19,603	3,343	97,532
General and administrative expenses	36,571	36,894	(323)	152,494
Amortization of goodwill	555	510	44	2,144
Amortization of intangible assets acquired in business combinations	86	50	35	291
Other general and administrative expenses	35,929	36,332	(403)	150,057
Other ordinary expenses	12,899	6,983	5,916	51,391
Provision of reserve for credit losses	11,816	6,575	5,240	44,818
Other	1,083	407	676	6,572
Ordinary profit	7,397	15,746	(8,348)	51,036
Extraordinary gains	0	0	0	26
Extraordinary losses	160	433	(272)	1,862
Income before income taxes	7,237	15,312	(8,075)	49,200
Income taxes (benefit)	1,369	3,221	(1,851)	4,073
Profit	5,867	12,091	(6,223)	45,126
Profit (loss) attributable to noncontrolling interests	(43)	(61)	17	(449)
Profit attributable to owners of the parent	5,911	12,153	(6,241)	45,575

Composition of Capital Disclosure(Consolidated)

Shinsei Bank and subsidiaries

Millions of yen (except percentages)

Items	Basel III (Domestic Standard) Jun 30 2020	Basel III (Domestic Standard) Mar 31 2020
	Core capital:instruments and reserves (1)	
Directly issued qualifying common share capital or preferred share capital	¥ 920,941	¥ 916,906
with a compulsory conversion clause plus related capital surplus and retained earnings		
of which:capital and capital surplus	590,743	590,710
of which:retained earnings	393,189	389,600
of which:treasury stock (-)	62,991	61,097
of which:earning to be distributed (-)	-	2,307
of which:other than above	-	-
Accumulated other comprehensive income (amount allowed to be included in Core capital)	(4,774)	(5,255)
of which:foreign currency translation adjustment	(1,215)	(1,670)
of which:amount related defined benefit	(3,558)	(3,585)
Stock acquisition right to common shares and preferred shares with a compulsory conversion clause	101	76
Adjusted noncontrolling interests (amount allowed to be included in Core capital)	16	17
Total of reserves included in Core capital:instruments and reserves	649	637
of which:general reserve for loan losses included in Core capital	649	637
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)	3,238	3,352
Core capital:instruments and reserves (A)	¥ 920,173	¥ 915,735
Core capital:regulatory adjustments (2)		
Total amount of intangible assets (excluding those relating to mortgage servicing rights)	¥ 50,661	¥ 52,178
of which:goodwill (including those equivalent)	12,391	13,015
of which:other intangibles other than goodwill and mortgage servicing rights	38,270	39,163
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	6,899	6,844
Shortfall of eligible provisions to expected losses	35,588	30,318
Gain on sale of securitization	-	-
Gains and losses due to changes in own credit risk on fair valued liabilities	-	-
Net defined benefit asset	4,031	3,943
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)	¥ 97,181	¥ 93,284
Capital (consolidated)		
Capital (consolidated)((A)-(B))(C)	¥ 822,991	¥ 822,450
Risk-weighted assets, etc.		
Total amount of credit risk-weighted assets	¥6,764,007	¥6,741,251
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)	205,721	206,136
Operational risk (derived by multiplying the capital requirement by 12.5)	389,243	389,243
Credit risk-weighted assets adjustments	-	-
Operational risk adjustments	-	-
Total amount of Risk-weighted assets (D)	¥7,358,973	¥7,336,631
Capital ratio (consolidated)		
Capital ratio (consolidated)((C)/(D))	11.18%	11.21%

(Reference) Results of Operations (Consolidated)

(Millions of yen)

	Q1 FY2020 (3 months) (A)	Q1 FY2019 (3 months) (B)	Change (A)-(B)
Gross Business Profit	54,464	56,902	(2,438)
(excluding Gains on Monetary Assets Held in Trust)	53,559	56,212	(2,652)
Net Interest Income	31,547	33,388	(1,841)
Net Fees and Commissions	6,412	7,719	(1,306)
Net Trading Income	1,379	2,295	(915)
Net Other Business Income	15,125	13,499	1,625
Gains on Monetary Assets Held in Trust	905	690	214
Gains related to Bonds	2,380	2,608	(228)
General and Administrative Expenses	36,524	36,770	(245)
Personnel Expenses	14,614	14,054	559
Nonpersonnel Expenses	19,279	20,392	(1,112)
Amortization of Goodwill and Intangible Assets	641	561	79
Taxes	2,630	2,323	307
Net Business Profit	17,940	20,132	(2,192)
Credit Costs	11,015	4,989	6,026
Gains on Stock Transactions	(224)	(51)	(173)
Equity in Net Income (Loss) of Affiliates	465	666	(201)
Other	232	(12)	244
Ordinary Profit	7,397	15,746	(8,348)
Extraordinary Gains	(160)	(433)	272
Gains from Sales of Fixed Assets and Impairment losses	(158)	(158)	(0)
Income before Income Taxes	7,237	15,312	(8,075)
Income taxes	1,369	3,221	(1,851)
Profit Attributable to Noncontrolling Interests	(43)	(61)	17
Profit Attributable to Owners of the Parents	5,911	12,153	(6,241)

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)

	Q1 FY2020 (3 months)	Q1 FY2019 (3 months)	Change (Amount)	FY2019 (12 months)
Net interest income	23.2	28.0	-4.8	103.1
Noninterest income	0.1	2.9	-2.7	10.5
Net fees and commissions ¹	-2.9	-1.1	-1.7	-3.8
Net trading income	1.1	1.5	-0.3	10.9
Net other business income	1.9	2.5	-0.6	3.4
Total revenue ¹	23.4	31.0	-7.6	113.7
Personnel expenses	-6.7	-6.8	0.1	-26.9
Nonpersonnel expenses	-8.9	-9.8	0.9	-39.6
Taxes	-1.2	-1.3	0.0	-5.3
General and administrative expenses	-16.9	-18.0	1.1	-71.8
Net business profit ¹	6.4	12.9	-6.4	41.8
Other gains				
Gains on the sales of equities	-0.0	-0.0	0.0	1.7
Net provision of reserve for credit losses	-3.6	1.5	-5.1	-8.8
Losses on write-off of loans	-0.5	-0.0	-0.5	-0.0
Recoveries of written-off claims	0.0	0.0	0.0	0.1
Expenses for employees' retirement benefits	-0.0	-0.1	0.0	-0.4
Others	0.0	0.0	0.0	-0.5
Net ordinary income	2.3	14.3	-12.0	33.9
Extra ordinary profit				
Gains from sales of fixed assets and impairment losses	-0.1	-0.1	-0.0	-0.7
Others	-0.1	2.1	-2.2	0.4
Income before income taxes	2.0	16.3	-14.3	33.7
Income taxes	-0.2	-1.6	1.3	-0.5
Net income	1.7	14.6	-12.9	33.1

¹.Includes income from monetary assets held in trust of ¥0.6 billion in Q1FY2020, ¥0.5 billion in Q1FY2019 and ¥2.3 billion in FY2019.

Reflecting their nature, gains and losses on the sale of equities and impairments related to equities are recorded as other business income (loss) in the consolidated financial statements. However, in the above-mentioned explanation of nonconsolidated financial results, they are included in other gains (losses) in according to the reporting format of the Revitalization Plan.

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

(Billions of yen, except percentages)

	Q1 FY2020 (3 months)			Q1 FY2019 (3 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	5,052.8	22.2	1.76	4,832.4	25.0	2.08	4,896.2	98.0	2.00
Securities	1,250.4	3.4	1.10	1,414.8	6.5	1.86	1,343.2	20.0	1.48
Other interest-earning assets ^{2, 3}	131.0	0.4	***	121.6	0.6	***	126.5	2.3	***
Total interest-earning assets	6,434.2	26.1	1.63	6,368.9	32.2	2.03	6,366.0	120.3	1.89
Interest-bearing liabilities:									
Deposits, including negotiable certificates of deposit	6,232.7	1.1	0.07	6,020.9	1.3	0.08	6,113.3	6.3	0.10
Borrowed money	405.8	0.1	0.16	192.5	0.0	0.00	163.7	0.1	0.08
Corporate bonds	116.4	0.0	0.22	42.3	0.0	0.20	64.2	0.1	0.21
Other interest-bearing liabilities ²	639.0	1.5	***	946.7	2.8	***	905.3	10.6	***
Total interest-bearing liabilities	7,394.1	2.9	0.16	7,202.5	4.2	0.23	7,246.6	17.2	0.23
Net interest income/yield on interest-earning assets	6,434.2	23.1	1.44	6,368.9	28.0	1.76	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)

	Q1 FY2020 (3 months)	Q1 FY2019 (3 months)	Change	FY2019 (12 months)
Yield on interest earning assets (A)	1.63	2.03	-0.40	1.89
Total cost of funding (B)	1.11	1.26	-0.15	1.26
Cost of interest bearing liabilities (C)	0.16	0.24	-0.08	0.24
Overall interest margin (A)-(B)	0.52	0.77	-0.25	0.63
Net interest margin (A)-(C)	1.47	1.79	-0.32	1.65

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

(Domestic)¹

(Percentages)

	Q1 FY2020 (3 months)	Q1 FY2019 (3 months)	Change	FY2019 (12 months)
Yield on interest earning assets (A)	1.48	1.70	-0.22	1.58
Interest earned on loans and bills discounted	1.68	1.87	-0.19	1.82
Interest earned on securities	1.10	1.86	-0.76	1.35
Total cost of funding (B) ²	1.07	1.09	-0.02	1.10
Cost of interest bearing liabilities (C)	0.04	0.01	0.03	0.03
Interest paid on deposits ³	0.02	-0.00	0.02	0.01
Overall interest margin (A)-(B)	0.41	0.61	-0.20	0.48
Net interest margin (A)-(C)	1.44	1.69	-0.25	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)

	Q1 FY2020 (3 months)	Q1 FY2019 (3 months)	Change	FY2019 (12 months)
Gains (losses) on bonds	2.3	2.6	-0.2	3.4
Gains on sales	2.7	2.7	0.0	7.3
Gains on redemption	-	-	-	-
Losses on sales	-0.2	-0.1	-0.1	-3.5
Losses on redemption	-	-	-	-
Losses on devaluation	-0.0	-	-0.0	-0.4
Gains (losses) on stocks	-0.0	-0.0	0.0	1.7
Gains on sales	0.0	0.0	-0.0	4.6
Losses on sales	-	-0.0	0.0	-0.0
Losses on devaluation	-0.0	-0.1	0.1	-2.7

Net Credit Costs (Nonconsolidated) ¹

(Billions of yen)

	Q1 FY2020 (3 months)	Q1 FY2019 (3 months)	Change (Amount)	FY2019 (12 months)
Losses on write-off of loans/Losses on sale of loans	-0.5	-0.0	-0.5	-0.0
Net provision of reserve for loan losses	-3.6	1.5	-5.1	-8.8
Net provision of general reserve for loan losses	-1.5	1.1	-2.7	-2.9
Net provision of specific reserve for loan losses	-2.0	0.3	-2.4	-5.8
Net Provision of Reserve for Loan Losses to Restructuring Countries	-	-	-	-
Recoveries of written-off claims	0.0	0.0	0.0	0.1
Net credit costs	-4.1	1.5	-5.7	-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)

	Jun 30 2020	Mar 31 2020	Change (Amount)
Domestic (excluding Japan offshore market accounts):			
Manufacturing	206.2	195.3	10.9
Agriculture and forestry	-	-	-
Fishery	-	0.0	-0.0
Mining, quarrying and gravel extraction	0.7	0.3	0.4
Construction	11.7	9.8	1.8
Electric power, gas, heat supply and water supply	368.6	362.6	6.0
Information and communications	48.9	49.2	-0.2
Transportation and postal service	179.3	172.2	7.1
Wholesale and retail	105.9	99.0	6.8
Finance and insurance	1,050.2	992.5	57.7
Real estate	640.0	652.4	-12.4
Services	443.8	428.9	14.8
Local government	52.8	62.6	-9.7
Individuals	1,378.2	1,396.6	-18.4
Overseas yen loans and overseas loans booked domestically	346.5	355.1	-8.6
Total domestic	4,833.4	4,777.1	56.3
Overseas (including Japan offshore market accounts):			
Governments	-	-	-
Financial institutions	30.4	33.1	-2.7
Others	247.4	230.5	16.9
Total overseas	277.9	263.6	14.2
Total	5,111.4	5,040.8	70.5

Claims Classified under the Financial Revitalization Law (Nonconsolidated)

(Billions of yen)

	Jun 30 2020	Mar 31 2020	Change (Amount)
Claims against bankrupt and quasi- bankrupt obligors	5.4	2.3	3.0
Doubtful claims	18.7	12.5	6.1
Substandard claims	6.6	2.8	3.8
Total (A)	30.7	17.6	13.0
Coverage ratio	89.4%	84.5%	
Total claims (B)	5,214.3	5,165.6	48.7
Loans and bills discounted	5,111.4	5,040.8	70.5
Others	102.9	124.7	-21.8
Ratio to total claims (A/B X 100) (%) ¹	0.58%	0.34%	
(Ref. 1) Amount of write-off	5.5	4.8	0.7
(Ref. 2) Below need caution level	141.9	104.9	37.0

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

(Billions of yen, except percentages)

	Jun 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	5.4	5.4	0.6	4.8	100.0%	2.3	2.3	0.6	1.7	100.0%
Doubtful claims	18.7	17.9	7.5	10.4	95.7%	12.5	11.8	6.5	5.3	93.8%
Substandard claims	6.6	4.2	0.6	3.5	62.8%	2.8	0.8	0.4	0.5	29.5%
Total	30.7	27.4	8.7	18.7	89.4%	17.6	14.9	7.4	7.5	84.5%

Securities Being Held to Maturity (Nonconsolidated)

(Billions of yen)

	Jun 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	246.6	247.9	1.3	277.1	278.7	1.5
Subtotal	246.6	247.9	1.3	277.1	278.7	1.5
Fair value does not exceed carrying amount						
Japanese national government bonds	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-
Total	246.6	247.9	1.3	277.1	278.7	1.5

Securities Available for Sale (Nonconsolidated)

(Billions of yen)

	Jun 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	6.1	3.4	2.6	6.2	3.5	2.6
Domestic bonds	57.8	57.1	0.6	73.3	72.5	0.8
Japanese national government bonds	20.1	20.1	0.0	33.4	33.2	0.2
Japanese local government bonds	-	-	-	-	-	-
Japanese corporate bonds	37.6	36.9	0.6	39.8	39.2	0.6
Other	131.1	129.5	1.6	113.1	110.6	2.5
Foreign securities	101.7	100.6	1.1	80.4	78.5	1.9
Foreign currency denominated foreign corporate and government bonds	101.5	100.5	0.9	80.2	78.4	1.7
Yen-denominated foreign corporate and government bonds	-	-	-	-	-	-
Foreign equity securities and others	0.2	0.0	0.1	0.2	0.0	0.1
Other securities	-	-	-	-	-	-
Other monetary claims purchased	29.3	28.9	0.4	32.6	32.1	0.5
Subtotal	195.1	190.1	4.9	192.7	186.7	5.9
Carrying amount does not exceed amortized/acquisition cost						
Equity securities	1.7	1.9	-0.1	1.6	1.7	-0.1
Domestic bonds	202.4	204.4	-2.0	176.7	178.6	-1.9
Japanese national government bonds	70.0	70.7	-0.6	47.9	48.5	-0.5
Japanese local government bonds	-	-	-	-	-	-
Japanese corporate bonds	132.3	133.7	-1.3	128.8	130.1	-1.3
Other	179.6	181.2	-1.5	220.8	224.7	-3.8
Foreign securities	179.5	181.1	-1.5	220.7	224.6	-3.8
Foreign currency denominated foreign corporate and government bonds	103.4	104.5	-1.0	143.6	146.5	-2.9
Yen-denominated foreign corporate and government bonds	75.2	75.6	-0.4	76.3	77.0	-0.6
Foreign equity securities and others	0.8	1.0	-0.1	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	383.8	387.6	-3.8	399.2	405.2	-5.9
Total ^{1, 2}	578.9	577.8	1.1	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)

	Jun 30, 2020	Mar 31, 2020
Unrealized gain (loss) before deferred tax on:		
Available-for-sale securities	1.1	-0.0
Interests in available-for-sale securities held by partnerships recorded as securities whose fair value cannot be reliably determined	0.3	1.5
Other monetary assets held in trust	-1.1	-0.8
(-) Deferred tax liabilities	-	0.0
Unrealized gain (loss) on available-for-sale securities	0.3	0.6

Capital Adequacy Related Information (Nonconsolidated)

<Basel 3, Domestic Standard¹>

(Billions of yen, except percentages)

	Jun 30 2020	Mar 31 2020	Change (Amount)
Core capital: instruments and reserves	866.7	866.8	-0.1
Core capital: regulatory adjustments	-44.7	-42.3	-2.3
Capital	821.9	824.5	-2.5
Total amount of Risk-weighted assets	6,243.7	6,168.4	75.2
Core capital adequacy ratio	13.16%	13.36%	

1. Calculated according to F-IRB.

Nonconsolidated total required capital is ¥544.2 billion as at Jun 30, 2020 and ¥535.8 billion as at March 31, 2020.

Nonconsolidated Balance Sheets (Unaudited)

(Millions of yen)

	Jun 30 2020	Mar 31 2020	Change (Amount)
<<Assets>>			
Cash and due from banks	1,346,680	1,475,672	(128,991)
Other monetary claims purchased	39,309	42,795	(3,485)
Trading assets	195,395	206,547	(11,151)
Monetary assets held in trust	324,730	312,128	12,602
Securities	1,223,842	1,265,800	(41,958)
Loans and bills discounted	5,111,407	5,040,819	70,588
Foreign exchanges	58,316	73,879	(15,562)
Other assets	220,617	234,006	(13,389)
Other	220,617	234,006	(13,389)
Premises and equipment	11,993	12,435	(442)
Intangible assets	25,118	25,631	(513)
Prepaid pension cost	7,012	6,940	72
Deferred tax assets	3,160	2,731	428
Customers' liabilities for acceptances and guarantees	12,598	18,787	(6,189)
Reserve for credit losses	(34,736)	(31,480)	(3,256)
Total assets	8,545,447	8,686,696	(141,249)
<<Liabilities>>			
Deposits	5,919,590	5,995,082	(75,491)
Negotiable certificates of deposit	399,310	455,950	(56,640)
Call money	90,000	165,000	(75,000)
Payables under repurchase agreements	41,095	38,956	2,138
Payables under securities lending transactions	359,161	345,357	13,803
Trading liabilities	171,881	182,969	(11,088)
Borrowed money	453,902	342,683	111,218
Foreign exchanges	1,007	687	319
Corporate bonds	116,000	116,500	(500)
Other liabilities	124,917	162,115	(37,197)
Income taxes payable	—	1,532	(1,532)
Lease obligations	10	12	(1)
Asset retirement obligations	7,479	7,307	172
Other	117,426	153,262	(35,835)
Accrued employees' bonuses	1,243	4,840	(3,597)
Reserve for reimbursement of deposits	605	621	(16)
Reserve for reimbursement of debentures	3,460	3,513	(52)
Acceptances and guarantees	12,598	18,787	(6,189)
Total liabilities	7,694,774	7,833,066	(138,292)
<<Equity>>			
Common stock	512,204	512,204	—
Capital surplus	79,465	79,465	—
Additional paid-in capital	79,465	79,465	—
Retained earnings	337,928	338,529	(600)
Legal reserve	16,195	15,734	461
Other retained earnings	321,732	322,795	(1,062)
Unappropriated retained earnings	321,732	322,795	(1,062)
Treasury stock, at cost	(62,991)	(61,097)	(1,894)
Total shareholders' equity	866,607	869,102	(2,495)
Unrealized gain (loss) on available-for-sale securities	356	624	(267)
Deferred gain (loss) on derivatives under hedge accounting	(16,393)	(16,174)	(219)
Total net unrealized gain (loss) and translation adjustments	(16,036)	(15,549)	(486)
Stock acquisition rights	101	76	25
Total equity	850,673	853,629	(2,956)
Total liabilities and equity	8,545,447	8,686,696	(141,249)

Nonconsolidated Statements of Income (Unaudited)

(Millions of yen)

	Q1 FY2020 (3 months)	Q1 FY2019 (3 months)	Change (Amount)	FY2019 (12 months)
Ordinary income	34,405	44,725	(10,320)	170,640
Interest income	26,170	32,233	(6,063)	120,335
Interest on loans and bills discounted	22,294	25,070	(2,776)	98,008
Interest and dividends on securities	3,446	6,557	(3,111)	20,003
Other interest income	429	604	(175)	2,322
Fees and commissions income	2,818	5,285	(2,466)	21,295
Trading income	1,236	1,547	(311)	10,994
Other business income	3,325	3,320	4	10,022
Other ordinary income	853	2,338	(1,484)	7,992
Ordinary expenses	32,095	30,350	1,744	136,702
Interest expenses	2,987	4,208	(1,221)	17,244
Interest on deposits	1,159	1,291	(131)	6,300
Interest on corporate bonds	66	21	45	137
Other interest expenses	1,761	2,896	(1,134)	10,806
Fees and commissions expenses	6,344	7,017	(672)	27,530
Trading losses	77	—	77	0
Other business expenses	1,384	729	654	6,614
General and administrative expenses	16,961	18,173	(1,212)	72,308
Other ordinary expenses	4,339	221	4,118	13,004
Ordinary profit	2,309	14,374	(12,065)	33,938
Extraordinary gains	0	2,109	(2,108)	2,109
Extraordinary losses	297	166	131	2,334
Income before income taxes	2,012	16,317	(14,305)	33,713
Income taxes (benefit)	281	1,648	(1,366)	532
Net income	1,730	14,669	(12,939)	33,180

Composition of Capital Disclosure (Nonconsolidated)

Shinsei Bank

Millions of yen (except percentages)

Items	Basel III (Domestic Standard) Jun 30 2020	Basel III (Domestic Standard) Mar 31 2020
Core capital:instruments and reserves (1)		
Directly issued qualifying common share capital or preferred share capital	¥ 866,607	¥ 866,795
with a compulsory conversion clause plus related capital surplus and retained earnings		
of which:capital and capital surplus	591,670	591,670
of which:retained earnings	337,928	338,529
of which:treasury stock (-)	62,991	61,097
of which:earning to be distributed (-)	-	2,307
of which:other than above	-	-
Stock acquisition right to common shares and preferred shares with a compulsory conversion clause	101	76
Total of reserves included in Core capital:instruments and reserves	13	12
of which:general reserve for loan losses included in Core capital	13	12
of which:eligible provision included in Core capital	-	-
Eligible noncumulative perpetual preferred shares subject to transitional arrangements (amount allowed to be included in Core capital:instruments and reserves)	-	-
Eligible capital instruments subject to transitional arrangements (amount allowed to be included in Core capital:instruments and reserves)	-	-
Capital instruments issued through measures for capital enhancement by public institutions (amount allowed to be included in Core capital:instruments and reserves)	-	-
Land revaluation excess after 55% discount (amount allowed to be included in Core capital:instruments and reserves)	-	-
Core capital:instruments and reserves (A)	¥ 866,722	¥ 866,884
Core capital:regulatory adjustments (2)		
Total amount of intangible assets (excluding those relating to mortgage servicing rights)	¥ 17,579	¥ 17,948
of which:goodwill (including those equivalent)	496	537
of which:other intangibles other than goodwill and mortgage servicing rights	17,082	17,410
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	3,219	3,055
Shortfall of eligible provisions to expected losses	19,075	16,527
Gain on sale of securitization	-	-
Gains and losses due to changes in own credit risk on fair valued liabilities	-	-
Prepaid pension cost	4,865	4,815
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)	¥ 44,739	¥ 42,345
Capital (nonconsolidated)		
Capital (nonconsolidated)((A)-(B))(C)	¥ 821,983	¥ 824,538
Risk-weighted assets, etc.		
Total amount of credit risk-weighted assets	¥5,855,912	¥5,779,417
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)	195,254	196,496
Operational risk (derived by multiplying the capital requirement by 12.5)	192,552	192,552
Credit risk-weighted assets adjustments	-	-
Operational risk adjustments	-	-
Total amount of Risk-weighted assets (D)	¥6,243,719	¥6,168,466
Capital ratio (nonconsolidated)		
Capital ratio (nonconsolidated)((C)/(D))	13.16%	13.36%

(Reference) Results of Operations (Nonconsolidated)

(Millions of yen)

	Q1 FY2020 (3 months) (A)	Q1 FY2019 (3 months) (B)	Change (A)-(B)
Gross Business Profit	23,412	31,020	(7,607)
(excluding Gains on Monetary Assets Held in Trust)	22,791	30,440	(7,648)
Net Interest Income	23,217	28,033	(4,815)
Net Fees and Commissions	(2,903)	(1,150)	(1,752)
Gains on Monetary Assets Held in Trust	621	580	41
Net Trading Income	1,158	1,547	(388)
Net Other Business Income	1,940	2,590	(650)
Gains related to Bonds	2,380	2,608	(227)
General and Administrative Expenses	16,923	18,051	(1,127)
Personnel Expenses	6,715	6,891	(175)
Nonpersonnel Expenses	8,920	9,830	(909)
Amortization of Goodwill	41	41	-
Taxes	1,287	1,328	(41)
Net Operating Profit before Provision of General Reserve for Loan Losses	5,867	12,388	(6,521)
Provision of General Reserve for Loan Losses (1)	1,590	-	1,590
Net Operating Profit	4,276	12,388	(8,112)
Net Business Profit	6,489	12,969	(6,480)
Non-Recurring Gains	(2,554)	1,413	(3,967)
Gains related to Stocks	(36)	(89)	53
Credit Costs (2)	2,570	(1,582)	4,152
Losses on Write-Off of Loans	588	0	588
Provision of Specific Reserve for Loan Losses	2,042	-	2,042
Provision of Reserve for Loan Losses to Restructuring Countries	-	-	-
Recoveries of Written-off Claims	(60)	(34)	(25)
Reversal of Reserve for Loan Losses	-	(1,548)	1,548
Losses on Sale of Loans	-	-	-
Other	52	(78)	131
Ordinary Profit	2,309	14,374	(12,065)
Extraordinary Gains	(297)	1,942	(2,240)
Gains from Sales of Fixed Assets and Impairment losses	(158)	(158)	(0)
Income before Income Taxes	2,012	16,317	(14,305)
Income Taxes	281	1,648	(1,366)
Net Income	1,730	14,669	(12,939)

(Reference)

Core Net Operating Profit	3,486	9,780	(6,293)
(excluding Gains on Cancellation of Investment Trusts)	3,486	9,780	(6,293)
Net Credit Costs (1)+ (2)	4,161	(1,582)	5,743

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]	Q1 FY2020 (3 months)			Q1 FY2019 (3 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:	6,434,278	26,170	1.63	6,368,917	32,233	2.03	6,366,034	120,335	1.89
Loans and bills discounted	5,052,839	22,294	1.76	4,832,416	25,070	2.08	4,896,230	98,008	2.00
Securities	1,250,427	3,446	1.10	1,414,869	6,557	1.86	1,343,294	20,003	1.48
Interest-bearing liabilities:	7,394,117	2,987	0.16	7,202,563	4,208	0.23	7,246,677	17,244	0.23
Deposits, including negotiable certificates of deposit	6,232,794	1,185	0.07	6,020,929	1,301	0.08	6,113,358	6,362	0.10
Borrowed money	405,865	165	0.16	192,526	4	0.00	163,761	141	0.08
Corporate bonds	116,428	66	0.22	42,335	21	0.20	64,201	137	0.21
Net interest income/yield on interest-earning assets	6,434,278	23,183	1.44	6,368,917	28,025	1.76	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	yet to be determined	45.5
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(Nonconsolidated)	FY 2020 Forecast	FY2019 Actual
Net business profit	yet to be determined	41.8
Net income	yet to be determined	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.