

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:

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

BOP: beginning of period
EOP: end of period

2.Return on equity (fully diluted):

Profit (Losses) Attributable to Owners of the Parent

((Total equity at the BOP - Share warrants at the BOP - Noncontrolling interests at the BOP) + (Total equity at the EOP - Share warrants at the EOP - Noncontrolling interests at the EOP))/2

3.Annualized basis.

4.Management accounting basis.

5.Expense denotes general and administrative expenses.

Capital Adequacy Related Information (Consolidated)

<Basel 3, Domestic Standard 1>

(Billions of yen, except percentages)

	Sep 30 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 with a compulsory conversion clause plus related capital surplus and retained earnings	¥ 920,843	¥ 920,941
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
<hr/>		
(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	28.7

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