

# **Financial Summary**

**For the Fiscal Year Ended March 31, 2021**



**Shinsei Bank, Limited**  
**(Code 8303, TSE First Section)**

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•The following document should be read in conjunction with the consolidated and nonconsolidated financial statements prepared in accordance with generally accepted accounting principles in Japan for banks. Except as otherwise indicated, the financial information in the following discussion is based on the consolidated financial statements. Financial and operational figures that are stated in multiples of ¥0.1 billion have been truncated. All percentages unless otherwise noted have been rounded to the nearest 0.1%.

•Quarterly information is available in the Quarterly Data Book.

## Financial Highlights<sup>1</sup>

(Billions of yen, except percentages)

Results of operations (Consolidated) [Page 3]	FY2020 (12 months)	FY2019 (12 months)	Change (Amount)	1H FY2020 (6 months)
Net interest income	122.0	133.5	-11.4	61.8
Noninterest income	99.8	106.4	-6.5	48.4
Total revenue	221.9	239.9	-18.0	110.2
General and administrative expenses	-149.6	-149.5	-0.0	-72.7
Net credit costs	-28.3	-39.1	10.7	-17.4
Income before income taxes	55.3	49.2	6.1	19.7
Profit attributable to owners of the parent	45.1	45.5	-0.4	13.3

(Billions of yen)

Balance sheets (Consolidated) [Page 17]	Mar 31 2021	Mar 31 2020	Change (Amount)
Cash and due from banks	1,919.0	1,614.1	304.9
Securities	929.7	957.0	-27.3
Loans and bills discounted	5,233.6	5,110.4	123.2
Total assets	10,740.1	10,226.5	513.6
Deposits and negotiable certificates of deposit	6,571.3	6,305.1	266.1
Total liabilities	9,809.4	9,316.0	493.3
Total equity	930.7	910.4	20.2

Financial ratios (Consolidated) [Page 4, 15, 16, 25]	FY2020 (12 months)	FY2019 (12 months)	1H FY2020 (6 months)
Net interest margin	2.28%	2.47%	2.31%
Expense-to-revenue ratio	67.4%	62.3%	66.0%

	Mar 31 2021	Mar 31 2020
Capital adequacy ratio (Basel III, domestic standard)	11.39%	11.21%
NPL ratio based on Financial Revitalization Law (nonconsolidated)	0.64%	0.34%

(Billions of yen)

Results of operations (Nonconsolidated) [Page 21]	FY2020 (12 months)	FY2019 (12 months)	Change (Amount)	1H FY2020 (6 months)
Net interest income	108.5	103.1	5.3	44.2
Noninterest income	3.5	10.5	-7.0	1.2
Total revenue	112.1	113.7	-1.6	45.4
General and administrative expenses	-69.7	-71.8	2.1	-34.5
Net credit costs	-6.4	-8.7	2.2	-6.3
Net income	34.5	33.1	1.3	0.5

1. Represents results based on management accounting basis.

Net income attributable to owners of the parent in the current fiscal year was 45.1 billion yen, decreased by 0.4 billion yen from the previous fiscal year. Total revenue decreased due to a decrease in interest income affected by the decline of foreign currency interest rate, a loss from share of limited partnership held by our subsidiary, a decrease in interest income from the unsecured loan business for individual customers as well as an absence of gains on sales of stocks recorded in the previous fiscal year. General and administrative expenses were at the same level as the previous fiscal year, due to restrained operations in expenses. Net credit costs decreased mainly due to a decrease in the reserves for loan losses in the unsecured card loan business for individual customers. In addition, a gain of 9.7 billion yen (net of tax expenses) was recorded from the sale of shares of Jih Sun Financial Holding Co, Ltd., which is held through a consolidated subsidiary. As a result, net income attributable to owners of the parent slightly decreased from the previous fiscal year.

### Results of operations

- Total revenue was 221.9 billion yen, decreased by 18.0 billion yen from the previous fiscal year.
  - Net interest income was 122.0 billion yen, decreased by 11.4 billion yen from 133.5 billion yen in the previous fiscal year. This was due to a decrease in interest income affected by a decline of foreign currency interest rate as well as a decrease in interest income from the unsecured loan business for individual customers.
  - Noninterest income was 99.8 billion yen, decreased by 6.5 billion yen from 106.4 billion yen in the previous fiscal year. This was due to a loss from share of limited partnership, an absence of gains on sales of stocks recorded in previous fiscal year, a decrease in derivatives-related income in Institutional Business, and due to a decrease in fees and commissions from sales of asset management products in Retail Banking, despite an increase in income in APLUS FINANCIAL and revenue contribution from a newly consolidated subsidiary.
- General and administrative expenses were 149.6 billion yen in the current fiscal year, the same level as the previous fiscal year. This was due to restrained operations in expenses such as system related expenses, despite an additional expense from newly consolidated subsidiaries since the previous fiscal year.
- Net credit costs were 28.3 billion yen (expense), decreased by 10.7 billion yen from the previous fiscal year. In Institutional Business, the impact from the Novel Coronavirus was limited. In Individual Business, the balance of operating assets decreased and the quality of receivables improved in the unsecured loan business for individual customers.
- Net income attributable to owners of the parent was 45.1 billion yen, decreased by 0.4 billion yen from the previous fiscal year. In addition to the above factors, the extraordinary gains and losses were recorded by the sale of shares of Jih Sun Financial Holding Co, Ltd., an equity method affiliated company.
- Nonconsolidated net income was 34.5 billion yen, increased by 1.3 billion yen from the previous fiscal year. Nonconsolidated revenue decreased, due to a decrease in derivatives-related income and due to a decrease in fees and commissions from the sales of asset management products in Retail Banking. General and administrative expenses decreased from the previous fiscal year, due to the restrained operations in expenses. Net credit costs decreased mainly due to a limited impact from the Novel Coronavirus. Nonconsolidated net income increased due to a decrease of general and administrative expenses and net credit costs despite absence of gains on sales of stocks and gains on redemption of shares of subsidiaries recorded in the previous fiscal year. Dividends received from subsidiaries in the current fiscal year amounted to 21.7 billion yen (19.9 billion yen from Shinsei Financial and 1.7 billion yen from Showa Leasing).

### Balance sheets

- Total assets were 10,740.1 billion yen, increased by 513.6 billion yen from the end of March 2020. Loans and bills discounted were 5,233.6 billion yen, increased by 123.2 billion yen from the end of March 2020.
- Deposits and negotiable certificates of deposit were 6,571.3 billion yen, increased by 266.1 billion yen from the end of March 2020.

### Financial ratios

- Net interest margin was 2.28%, decreased from 2.46% in the previous fiscal year. This was due to a decrease in interest income from the unsecured loan business for individual customers and due to a decline in yield of interest-earning assets despite a decline in yield of interest-bearing liabilities, affected by the decline of foreign currency interest rate.
- The ratio of core capital under the Basel III domestic standards (grandfathering basis) was 11.39% at the end of March 2021, increased from 11.21% at the end of March 2020. The core capital increased due to steady accumulation of profits in spite of share buybacks. Risk assets decreased due to sale of shares of Jih Sun Financial Holding Co., Ltd., and a progress in collection of large-lot receivables despite an increase in 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 11.3%, the same level as 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 34.4 billion yen, increased by 16.7 billion yen from the end of March 2020. Nonperforming loan ratio slightly increased but remained low at 0.64%, changed from 0.34% at the end of March 2020.

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

(Billions of yen)

	<b>FY2020 (12 months)</b>	FY2019 (12 months)	Change (Amount)	1H FY2020 (6 months)
Net interest income	<b>122.0</b>	133.5	-11.4	61.8
Noninterest income	<b>99.8</b>	106.4	-6.5	48.4
Net fees and commissions	<b>30.1</b>	32.4	-2.2	13.5
Net trading income	<b>3.8</b>	15.8	-11.9	2.3
Net other business income	<b>65.8</b>	58.2	7.6	32.4
Income on lease transactions and installment receivables	<b>43.1</b>	40.8	2.2	20.5
Total revenue	<b>221.9</b>	239.9	-18.0	110.2
General and administrative expenses	<b>-149.6</b>	-149.5	-0.0	-72.7
Ordinary business profit	<b>72.2</b>	90.4	-18.1	37.5
Net credit costs	<b>-28.3</b>	-39.1	10.7	-17.4
Ordinary business profit after net credit costs	<b>43.8</b>	51.2	-7.3	20.0
Amortization of goodwill and other intangible assets <sup>2</sup>	<b>-2.7</b>	-2.4	-0.2	-1.2
Other gains	<b>14.1</b>	0.3	13.7	0.9
Income before income taxes	<b>55.3</b>	49.2	6.1	19.7
Current income tax	<b>-7.1</b>	-4.1	-3.0	-2.9
Deferred income tax	<b>-3.9</b>	0.0	-3.9	-3.5
Profit attributable to noncontrolling interests	<b>0.8</b>	0.4	0.4	0.0
Profit attributable to owners of the parent	<b>45.1</b>	45.5	-0.4	13.3

1.Represents results based on management accounting basis.

2.In our consolidated financial statements, amortization of goodwill and other intangible assets is recorded in general and administrative expenses.

Noninterest income in the table above is comprised of net fees and commissions, net trading income and net other business income.

Net fees and commissions is primarily comprised of fee income such associated with banking business such as real estate finance and project finance, fee income from the sale of products such as mutual funds and insurance and fee income associated with the guarantee business and the payment business in consumer finance.

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

Net other business income is comprised of income on lease transactions and installment eivables, gains and losses on monetary trusts primarily associated with credit trading of 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)

	FY2020 (12 months)			FY2019 (12 months)			1H FY2020 (6 months)		
	Average Balance	Interest	Yield/rate <sup>1</sup> (%)	Average Balance	Interest	Yield/rate <sup>1</sup> (%)	Average Balance	Interest	Yield/rate <sup>1</sup> (%)
Interest-earning assets:									
Loans and bills discounted	5,176.4	127.2	2.46	5,052.9	140.2	2.77	5,142.6	64.5	2.50
Lease receivables and leased investment assets / installment receivables <sup>4</sup>	957.4	43.1	4.50	833.4	40.8	4.90	914.4	20.5	4.49
Securities	943.7	5.4	0.58	1,026.4	10.7	1.05	927.7	3.1	0.67
Other interest-earning assets <sup>2, 3</sup>	219.2	2.2	***	240.7	2.7	***	212.9	1.0	***
Interest-earning assets totals (A) <sup>4</sup>	7,296.9	178.1	2.44	7,153.6	194.6	2.72	7,197.8	89.3	2.48
Interest-bearing liabilities:									
Deposits, including negotiable certificates of deposit	6,367.7	4.2	0.07	5,963.7	6.3	0.11	6,231.5	2.3	0.07
Borrowed money	932.0	2.7	0.30	731.9	2.8	0.39	950.2	1.5	0.33
Corporate bonds	232.4	1.2	0.52	107.5	0.2	0.26	188.3	0.2	0.25
Other interest-bearing liabilities <sup>2</sup>	772.4	4.7	***	1,133.8	10.7	***	770.4	2.7	***
Interest-bearing liabilities totals (B) <sup>4</sup>	8,304.6	13.0	0.16	7,937.1	20.2	0.26	8,140.7	6.8	0.17
Net interest margin (A)-(B)	-	165.1	2.28	-	174.3	2.47	-	82.4	2.31
Noninterest-bearing sources of funds:									
Noninterest-bearing (assets) liabilities, net	-1,920.5	-	-	-1,681.7	-	-	-1,846.4	-	-
Total equity excluding noncontrolling interests in subsidiaries <sup>5</sup>	912.7	-	-	898.3	-	-	903.5	-	-
Total noninterest-bearing sources of funds (C)	-1,007.7	-	-	-783.4	-	-	-942.8	-	-
Sum of total expense on interest-bearing liabilities and noninterest-bearing sources of funds (D)=(B)+(C)	7,296.9	13.0	0.18	7,153.6	20.2	0.28	7,197.8	6.8	0.19
Interest income / yield on interest earning assets (A)-(D)	-	165.1	2.26	-	174.3	2.44	-	82.4	2.29
Reconciliation of total revenue on interest-earning									
Total revenue on interest-earning assets	7,296.9	178.1	2.44	7,153.6	194.6	2.72	7,197.8	89.3	2.48
Less: Income on lease transactions and installment receivables	957.4	43.1	4.50	833.4	40.8	4.90	914.4	20.5	4.49
Total interest income <sup>4</sup>	6,339.4	135.0	2.13	6,320.2	153.7	2.43	6,283.3	68.7	2.18
Total interest expense	-	13.0	-	-	20.2	-	-	6.8	-
Net interest income	-	122.0	-	-	133.5	-	-	61.8	-

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

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

3. Excludes average balance of non interest-earning assets.

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

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

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

## Noninterest Income (Consolidated)

(Billions of yen)

	<b>FY2020 (12 months)</b>	FY2019 (12 months)	Change (Amount)	1H FY2020 (6 months)
Institutional Business	<b>38.6</b>	46.7	-8.0	17.3
Corporate Business	<b>3.7</b>	8.1	-4.4	1.6
Structured Finance	<b>8.3</b>	7.6	0.7	3.4
Principal Transactions	<b>5.3</b>	5.6	-0.2	2.6
Showa Leasing	<b>14.4</b>	14.6	-0.2	7.1
Markets	<b>4.8</b>	7.2	-2.4	1.6
Other Global Markets	<b>1.9</b>	3.4	-1.4	0.7
Individual Business	<b>54.4</b>	53.2	1.2	26.7
Retail Banking	<b>3.5</b>	4.9	-1.3	1.3
Shinsei Financial <sup>1</sup>	<b>0.0</b>	-0.9	0.9	0.0
APLUS FINANCIAL	<b>49.9</b>	48.5	1.3	24.6
Other Individual	<b>0.9</b>	0.6	0.2	0.7
Corporate/Other	<b>6.7</b>	6.4	0.2	4.3
<b>Noninterest income</b>	<b>99.8</b>	106.4	-6.5	48.4

1. Income of Shinsei Financial Co., Ltd, "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 Institutional Business was 38.6 billion yen, decreased by 8.0 billion yen from 46.7 billion yen in the previous fiscal year. This was due to the absence of gains on sales of stocks in Corporate Banking and a decrease in derivatives-related income in the Markets, a decrease in securities intermediary business income in Other Global Markets as well as a loss from share of limited partnership held by our subsidiary in Principal Transactions despite an increase of income related to the private equity business.

Noninterest income from the Individual Business was 54.4 billion yen, increased by 1.2 billion yen from 53.2 billion yen in previous fiscal year. This was mainly due to a decrease in commissions costs in the Shinsei Financial and steady increase in income from shopping credits in APLUS FINANCIAL despite a decrease in fee and commission income from the sales of asset management products in Retail Banking.

Noninterest income in Corporate/Others was 6.7 billion yen, increased by 0.2 billion yen from the previous fiscal year. This was mainly due to revenue contribution by the newly consolidated subsidiary and gains on sales of shares, despite losses on sales of government and other bonds in Treasury through our ALM operations.



## General and Administrative Expenses (Consolidated)

(Billions of yen)

	<b>FY2020 (12 months)</b>	FY2019 (12 months)	Change (Amount)	1H FY2020 (6 months)
Personnel expenses	<b>-59.1</b>	-57.6	-1.5	-29.5
Nonpersonnel expenses	<b>-90.4</b>	-91.9	1.4	-43.2
Premises expenses	<b>-19.1</b>	-20.1	0.9	-9.4
Technology and data processing expenses	<b>-25.3</b>	-24.9	-0.3	-12.3
Advertising expenses	<b>-11.3</b>	-11.4	0.0	-4.9
Consumption, property taxes, etc.	<b>-11.1</b>	-10.4	-0.6	-5.3
Deposit insurance premium	<b>-1.5</b>	-1.5	0.0	-0.7
Other general and administrative expenses	<b>-21.9</b>	-23.3	1.4	-10.4
<b>General and administrative expenses</b>	<b>-149.6</b>	-149.5	-0.0	-72.7

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

(Billions of yen)

	<b>FY2020 (12 months)</b>	FY2019 (12 months)	Change (Amount)	1H FY2020 (6 months)
Losses on write-off of loans/Losses on sale of loans	<b>-2.1</b>	-0.4	-1.7	-1.6
Net provision of reserve for loan losses:	<b>-33.4</b>	-44.8	11.3	-19.1
Net provision of general reserve for loan losses	<b>-17.8</b>	-27.7	9.9	-10.7
Net provision of specific reserve for loan losses	<b>-15.6</b>	-17.0	1.4	-8.3
Other credit costs relating to leasing business	<b>-0.2</b>	-0.4	0.2	-0.0
Recoveries of written-off claims	<b>7.4</b>	6.4	0.9	3.3
<b>Net credit costs</b>	<b>-28.3</b>	-39.1	10.7	-17.4

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)

	<b>FY2020 (12 months)</b>	FY2019 (12 months)	Change (Amount)	1H FY2020 (6 months)
Extraordinary income	<b>10.9</b>	-1.8	12.7	-0.2
Net gain on disposal of premises and equipment	<b>0.0</b>	-0.4	0.5	-0.0
Other extraordinary income	<b>10.8</b>	-1.4	12.2	-0.2
Provisions of reserve for losses on interest repayment	<b>0.3</b>	2.6	-2.2	0.9
Shinsei Financial	<b>1.5</b>	4.5	-2.9	0.7
Shinsei Personal Loan	<b>0.4</b>	-0.1	0.5	0.2
APLUS FINANCIAL	<b>-1.6</b>	-1.7	0.0	-
Other	<b>2.9</b>	-0.3	3.3	0.2
<b>Other gains</b>	<b>14.1</b>	0.3	13.7	0.9

## Business Line Results (Consolidated)

(Billions of yen)

	FY2020 (12 months)	FY2019 (12 months)	Change (Amount)	1H FY2020 (6 months)
<i>Institutional Business:</i>				
Net interest income	27.8	30.0	-2.1	14.1
Noninterest income	38.6	46.7	-8.0	17.3
Total revenue	66.5	76.8	-10.2	31.4
General and administrative expenses	-42.5	-42.3	-0.1	-21.0
Ordinary business profit	24.0	34.4	-10.4	10.4
Net credit costs	-6.5	-9.8	3.2	-6.6
Ordinary business profit after net credit costs	17.5	24.6	-7.1	3.8
<i>Individual Business:</i>				
Net interest income	100.3	103.4	-3.0	51.0
Noninterest income	54.4	53.2	1.2	26.7
Total revenue	154.8	156.6	-1.8	77.7
General and administrative expenses	-103.7	-103.3	-0.3	-50.5
Ordinary business profit	51.1	53.2	-2.1	27.2
Net credit costs	-21.9	-29.3	7.4	-10.8
Ordinary business profit after net credit costs	29.1	23.9	5.2	16.3
<i>Corporate/Other<sup>1</sup>:</i>				
Net interest income	-6.2	0.0	-6.2	-3.2
Noninterest income	6.7	6.4	0.2	4.3
Total revenue	0.5	6.5	-6.0	1.0
General and administrative expenses	-3.4	-3.8	0.4	-1.1
Ordinary business profit	-2.8	2.6	-5.5	-0.1
Net credit costs	0.0	-0.0	0.0	0.0
Ordinary business profit after net credit costs	-2.8	2.6	-5.4	-0.1
<i>Total:</i>				
Net interest income	122.0	133.5	-11.4	61.8
Noninterest income	99.8	106.4	-6.5	48.4
Total revenue	221.9	239.9	-18.0	110.2
General and administrative expenses	-149.6	-149.5	-0.0	-72.7
Ordinary business profit	72.2	90.4	-18.1	37.5
Net credit costs	-28.3	-39.1	10.7	-17.4
Ordinary business profit after net credit costs	43.8	51.2	-7.3	20.0

1. "Other" under the Corporate/Other includes the accounts which are not included in our reportable segments, allocation variance of indirect expenses and elimination amount of inter-segment transactions. "Other" under Corporate/Other in current fiscal year includes revenue or profit (loss) of UDC Finance Limited, of which Shinsei acquired 100% of the outstanding shares in current fiscal year

## Segment Information

<b>Institutional Business</b>	Focuses primarily on corporate, public and financial sector finance and advisory businesses.
<b>Corporate Business</b>	"Corporate Business" provides financial products and services, advisory services, health care finance and trust services to businesses and public corporations and financial institutions.
<b>Structured Finance</b>	"Structured Finance" provides real estate related nonrecourse and corporate finance, project finance, M&A related finance, and specialty finance.
<b>Principal Transactions</b>	"Principal Transactions" is engaged in the credit trading businesses, private equity, the provision of business succession and business switching and withdrawal support services and asset-backed investment.
<b>Showa Leasing</b>	"Showa Leasing" primarily provides leasing related financial products and services.
<b>Markets</b>	"Markets" is engaged in foreign exchange, derivatives, equity related and other capital markets transactions.
<b>Other Global Markets</b>	"Other Global Markets" consists of the profit and loss attributable to Shinsei Securities, asset management, wealth management and other products and services.
<b>Individual Business:</b>	Focuses on retail financial products and services.
<b>Retail Banking</b>	"Retail Banking" provides financial transactions and services to retail customers such as yen/foreign currency, structured deposits services, investment trust, brokerage service (through a partner institution), life and nonlife insurance (through partner institutions) and housing loans.
<b>Shinsei Financial</b>	"Shinsei Financial" provides consumer finance products and services and guarantee services (Shinsei Financial Co.LTD, Shinsei Bank Card Loan L,Lake ALSA).
<b>APLUS FINANCIAL</b>	"APLUS FINANCIAL" provides installment sales credit, credit cards, financing and payment services.
<b>Other Individuals</b>	"Other Individuals" consists of profit and loss attributable to other subsidiaries of Individual Business.
<b>Corporate/Other:</b>	"Corporate/Other" includes accounts which are not included in our reportable segments, allocation variance of indirect expense and elimination amount of inter-segment transactions.
<b>Treasury</b>	The "Treasury" undertakes ALM related operations and includes gains and losses from equity and subordinated debt financing activities.

## Institutional Business (Consolidated)

(Billions of yen)

	<b>FY2020 (12 months)</b>	FY2019 (12 months)	Change (Amount)	1H FY2020 (6 months)
<i>Corporate Business:</i>				
Net interest income	<b>11.1</b>	10.8	0.3	5.7
Noninterest income	<b>3.7</b>	8.1	-4.4	1.6
Total revenue	<b>14.8</b>	18.9	-4.0	7.3
General and administrative expenses	<b>-11.8</b>	-12.5	0.7	-5.8
Ordinary business profit	<b>3.0</b>	6.3	-3.3	1.4
Net credit costs	<b>1.2</b>	-2.3	3.5	-0.9
Ordinary business profit after net credit costs	<b>4.2</b>	4.0	0.1	0.4
<i>Structured Finance:</i>				
Net interest income	<b>12.6</b>	12.0	0.6	6.2
Noninterest income	<b>8.3</b>	7.6	0.7	3.4
Total revenue	<b>21.0</b>	19.7	1.3	9.7
General and administrative expenses	<b>-9.0</b>	-8.3	-0.7	-4.5
Ordinary business profit	<b>11.9</b>	11.3	0.6	5.1
Net credit costs	<b>-7.5</b>	-6.4	-1.0	-5.0
Ordinary business profit after net credit costs	<b>4.4</b>	4.9	-0.4	0.1
<i>Principal Transactions:</i>				
Net interest income	<b>2.5</b>	4.3	-1.8	1.3
Noninterest income	<b>5.3</b>	5.6	-0.2	2.6
Total revenue	<b>7.9</b>	10.0	-2.1	4.0
General and administrative expenses	<b>-4.4</b>	-4.1	-0.3	-2.0
Ordinary business profit	<b>3.4</b>	5.9	-2.4	2.0
Net credit costs	<b>-0.0</b>	-0.1	0.0	-0.2
Ordinary business profit after net credit costs	<b>3.4</b>	5.7	-2.3	1.7
<i>Showa Leasing:</i>				
Net interest income	<b>0.1</b>	-0.1	0.2	0.0
Noninterest income	<b>14.4</b>	14.6	-0.2	7.1
Total revenue	<b>14.5</b>	14.4	0.0	7.2
General and administrative expenses	<b>-11.1</b>	-10.7	-0.3	-5.5
Ordinary business profit	<b>3.3</b>	3.7	-0.3	1.7
Net credit costs	<b>-0.1</b>	-0.9	0.7	-0.3
Ordinary business profit after net credit costs	<b>3.1</b>	2.7	0.4	1.4

## Institutional Business (Consolidated)

(Billions of yen)

	<b>FY2020 (12 months)</b>	FY2019 (12 months)	Change (Amount)	1H FY2020 (6 months)
<i>Markets:</i>				
Net interest income	<b>1.0</b>	2.3	-1.3	0.5
Noninterest income	<b>4.8</b>	7.2	-2.4	1.6
Total revenue	<b>5.8</b>	9.5	-3.7	2.1
General and administrative expenses	<b>-3.1</b>	-3.3	0.2	-1.6
Ordinary business profit	<b>2.6</b>	6.2	-3.5	0.5
Net credit costs	<b>-</b>	0.0	-0.0	-
Ordinary business profit after net credit costs	<b>2.6</b>	6.2	-3.5	0.5
<i>Other Global Markets:</i>				
Net interest income	<b>0.4</b>	0.5	-0.1	0.2
Noninterest income	<b>1.9</b>	3.4	-1.4	0.7
Total revenue	<b>2.4</b>	4.0	-1.6	0.9
General and administrative expenses	<b>-2.8</b>	-3.1	0.2	-1.4
Ordinary business profit	<b>-0.4</b>	0.9	-1.3	-0.5
Net credit costs	<b>0.0</b>	0.0	-0.0	-0.0
Ordinary business profit after net credit costs	<b>-0.4</b>	0.9	-1.3	-0.5
<i>Institutional Business:</i>				
Net interest income	<b>27.8</b>	30.0	-2.1	14.1
Noninterest income	<b>38.6</b>	46.7	-8.0	17.3
Total revenue	<b>66.5</b>	76.8	-10.2	31.4
General and administrative expenses	<b>-42.5</b>	-42.3	-0.1	-21.0
Ordinary business profit	<b>24.0</b>	34.4	-10.4	10.4
Net credit costs	<b>-6.5</b>	-9.8	3.2	-6.6
Ordinary business profit after net credit costs	<b>17.5</b>	24.6	-7.1	3.8

## Individual Business (Consolidated)

(Billions of yen)

	FY2020 (12 months)	FY2019 (12 months)	Change (Amount)	1H FY2020 (6 months)
<i>Retail banking:</i>				
Net interest income	24.7	23.4	1.2	12.3
Loans	9.1	9.3	-0.1	4.6
Deposits	15.5	14.1	1.4	7.6
Noninterest income	3.5	4.9	-1.3	1.3
Asset Management Products	6.7	8.4	-1.7	2.8
Other Fees (ATM, Fund Transfer, FX etc.)	-3.1	-3.5	0.4	-1.5
Total revenue	28.3	28.3	-0.0	13.6
General and administrative expenses	-28.7	-28.0	-0.6	-14.2
Ordinary business profit	-0.3	0.3	-0.7	-0.5
Net credit costs	-0.3	-0.0	-0.3	-0.2
Ordinary business profit after net credit costs	-0.7	0.3	-1.0	-0.8
<i>Shinsei Financial<sup>1</sup>:</i>				
Net interest income	65.9	69.3	-3.3	33.8
Lake Business	60.9	63.6	-2.7	31.1
Noninterest income	0.0	-0.9	0.9	0.0
Total revenue	66.0	68.3	-2.3	33.8
General and administrative expenses	-33.9	-34.3	0.4	-16.1
Ordinary business profit	32.1	33.9	-1.8	17.7
Net credit costs	-9.6	-14.4	4.8	-4.6
Ordinary business profit after net credit costs	22.4	19.5	2.9	13.0
<i>APLUS FINANCIAL:</i>				
Net interest income	8.5	9.7	-1.1	4.3
Noninterest income	49.9	48.5	1.3	24.6
Total revenue	58.4	58.2	0.1	29.0
General and administrative expenses	-38.5	-38.9	0.3	-18.9
Ordinary business profit	19.9	19.3	0.5	10.0
Net credit costs	-12.5	-15.1	2.5	-6.2
Ordinary business profit after net credit costs	7.3	4.2	3.1	3.8
<i>Other Individuals:</i>				
Net interest income	1.0	0.9	0.1	0.5
Noninterest income	0.9	0.6	0.2	0.7
Total revenue	2.0	1.5	0.4	1.2
General and administrative expenses	-2.5	-2.0	-0.5	-1.2
Ordinary business profit	-0.5	-0.4	-0.1	0.0
Net credit costs	0.6	0.1	0.4	0.3
Ordinary business profit after net credit costs	0.1	-0.2	0.3	0.3
<i>Individual Business:</i>				
Net interest income	100.3	103.4	-3.0	51.0
Noninterest income	54.4	53.2	1.2	26.7
Total revenue	154.8	156.6	-1.8	77.7
General and administrative expenses	-103.7	-103.3	-0.3	-50.5
Ordinary business profit	51.1	53.2	-2.1	27.2
Net credit costs	-21.9	-29.3	7.4	-10.8
Ordinary business profit after net credit costs	29.1	23.9	5.2	16.3

<sup>1</sup>.revenue or profit (loss) of Shinsei Financial Co.LTD, "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)<sup>1</sup>

(Billions of yen)

	<b>FY2020 (12 months)</b>	FY2019 (12 months)	Change (Amount)	1H FY2020 (6 months)
<i>Treasury:</i>				
Net interest income	<b>-6.7</b>	0.0	-6.7	-3.2
Noninterest income	<b>4.3</b>	5.9	-1.5	4.2
Total revenue	<b>-2.3</b>	5.9	-8.3	1.0
General and administrative expenses	<b>-1.5</b>	-1.6	0.0	-0.7
Ordinary business profit	<b>-3.8</b>	4.3	-8.2	0.2
Net credit costs	-	-	-	-
Ordinary business profit after net credit costs	<b>-3.8</b>	4.3	-8.2	0.2
<i>Corporate/Other (excluding Treasury)<sup>1</sup>:</i>				
Net interest income	<b>0.4</b>	0.0	0.4	0.0
Noninterest income	<b>2.3</b>	0.5	1.8	0.0
Total revenue	<b>2.8</b>	0.5	2.2	0.0
General and administrative expenses	<b>-1.8</b>	-2.2	0.3	-0.4
Ordinary business profit	<b>0.9</b>	-1.6	2.6	-0.3
Net credit costs	<b>0.0</b>	-0.0	0.0	0.0
Ordinary business profit after net credit costs	<b>1.0</b>	-1.6	2.7	-0.3
<i>Corporate/Other<sup>1</sup>:</i>				
Net interest income	<b>-6.2</b>	0.0	-6.2	-3.2
Noninterest income	<b>6.7</b>	6.4	0.2	4.3
Total revenue	<b>0.5</b>	6.5	-6.0	1.0
General and administrative expenses	<b>-3.4</b>	-3.8	0.4	-1.1
Ordinary business profit	<b>-2.8</b>	2.6	-5.5	-0.1
Net credit costs	<b>0.0</b>	-0.0	0.0	0.0
Ordinary business profit after net credit costs	<b>-2.8</b>	2.6	-5.4	-0.1

1."Corporate/Other" includes accounts which are not included in our reportable segments, allocation variance of indirect expense and elimination amount of inter-segment transactions. "Other" under Corporate/Other in current fiscal year includes revenue or profit (loss) of UDC Finance Limited, of which Shinsei acquired 100% of the outstanding shares in current fiscal year.

## Loans by Borrower Industry (Consolidated)

(Billions of yen)

	Mar 31 2021	Mar 31 2020	Change (Amount)
Domestic offices (excluding Japan offshore market accounts):			
Manufacturing	201.7	198.9	2.7
Agriculture and forestry	0.0	0.0	0.0
Fishery	0.0	0.0	0.0
Mining, quarrying and gravel extraction	0.3	0.3	0.0
Construction	12.7	11.8	0.8
Electrical, natural gas and water supply	380.1	366.3	13.8
Information and communications	42.4	49.4	-6.9
Transportation and postal service	184.8	194.1	-9.3
Wholesale and retail	100.4	105.2	-4.8
Finance and insurance	499.5	532.1	-32.5
Real estate	706.2	670.5	35.7
Services	377.4	382.8	-5.3
Local government	63.9	62.6	1.3
Others	2,214.8	2,271.8	-57.0
Loans to individual customers (Housing Loan, Unsecured Loan, Cashing by Credit Card, Housing Related Loan, etc.)	1,833.1	1,897.8	-64.7
<b>Total domestic (A)</b>	<b>4,784.9</b>	<b>4,846.3</b>	<b>-61.4</b>
Overseas offices (including Japan offshore market accounts):			
Governments	-	-	-
Financial institutions	32.1	33.1	-1.0
Others	416.5	230.8	185.7
<b>Total overseas (B)</b>	<b>448.6</b>	<b>264.0</b>	<b>184.6</b>
<b>Total (A+B)</b>	<b>5,233.6</b>	<b>5,110.4</b>	<b>123.2</b>

## Securities Being Held to Maturity (Consolidated)

(Billions of yen)

	Mar 31, 2021			Mar 31, 2020		
	Carrying amount	Fair value	Unrealized gain (loss)	Carrying amount	Fair value	Unrealized gain (loss)
Fair value exceeds carrying amount						
Japanese national government bonds	185.5	186.1	0.6	277.1	278.7	1.5
Subtotal	185.5	186.1	0.6	277.1	278.7	1.5
Fair value does not exceed carrying amount						
Japanese national government bonds	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-
<b>Total</b>	<b>185.5</b>	<b>186.1</b>	<b>0.6</b>	<b>277.1</b>	<b>278.7</b>	<b>1.5</b>



## Securities Available for Sale (Consolidated)

(Billions of yen)

	Mar 31, 2021			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	11.8	5.3	6.5	8.9	4.8	4.0
Domestic bonds	21.9	21.4	0.4	75.3	74.5	0.8
Japanese national government bonds	10.0	10.0	0.0	35.4	35.2	0.2
Japanese local government bonds	-	-	-	-	-	-
Japanese corporate bonds	11.8	11.3	0.4	39.8	39.2	0.6
Other	97.7	95.9	1.7	113.1	110.6	2.5
Foreign securities	77.7	76.3	1.4	80.4	78.5	1.9
Foreign currency denominated foreign corporate and government bonds	77.2	76.2	1.0	80.2	78.4	1.7
Yen-denominated foreign corporate and government bonds	-	-	-	-	-	-
Foreign equity securities and others	0.4	0.0	0.4	0.2	0.0	0.1
Other securities	0.1	0.1	0.0	-	-	-
Other monetary claims purchased	19.7	19.5	0.2	32.6	32.1	0.5
Subtotal	131.4	122.7	8.7	197.4	190.0	7.4
Carrying amount does not exceed amortized/acquisition cost						
Equity securities	1.2	1.4	-0.2	1.6	1.8	-0.1
Domestic bonds	314.3	317.5	-3.1	176.7	178.6	-1.9
Japanese national government bonds	154.3	155.3	-0.9	47.9	48.5	-0.5
Japanese local government bonds	-	-	-	-	-	-
Japanese corporate bonds	160.0	162.1	-2.1	128.8	130.1	-1.3
Other	262.8	267.2	-4.4	220.8	224.7	-3.8
Foreign securities	262.8	267.2	-4.4	220.7	224.6	-3.8
Foreign currency denominated foreign corporate and government bonds	187.7	191.9	-4.2	143.6	146.5	-2.9
Yen-denominated foreign corporate and government bonds	74.0	74.2	-0.2	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
Other monetary claims purchased	-	-	-	-	-	-
Subtotal	578.4	586.2	-7.8	399.3	405.3	-5.9
Total <sup>1, 2</sup>	709.8	708.9	0.8	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 Mar 31, 2021 and Mar 31, 2020 were ¥690.0 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)

	Mar 31, 2021	Mar 31, 2020
Unrealized gain (loss) before deferred tax on:		
Available-for-sale securities	0.8	1.4
The Bank's interests in available-for-sale securities held by partnerships recorded as securities whose fair value cannot be reliably determined and other adjustments	0.5	-1.8
Other monetary assets held in trust	-2.7	-0.8
(-) Deferred tax liabilities	0.4	0.0
Unrealized gain (loss) on available-for-sale securities before interest adjustments	-1.8	-1.3
(-) Noncontrolling interests	0.7	-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	1.9	6.0
Unrealized gain (loss) on available-for-sale securities	-0.5	4.7

## Deposits (Consolidated)

(Billions of yen)

	Mar 31 2021	Mar 31 2020	Change (Amount)
Deposits	<b>6,056.1</b>	5,849.2	206.9
Liquid (current, ordinary, notice) deposits	<b>2,828.2</b>	2,680.9	147.2
Time deposits <sup>1</sup>	<b>2,646.8</b>	2,652.1	-5.3
Other	<b>581.0</b>	516.0	65.0
Negotiable certificates of deposits (NCDs)	<b>515.1</b>	455.9	59.1
<b>Total</b>	<b>6,571.3</b>	6,305.1	266.1

1.Includes two-week maturity deposits

## Financial Ratios (Consolidated)

	FY2020 (12 months)	FY2019 (12 months)	1H FY2020 (6 months)
Return on assets <sup>1</sup>	<b>0.4%</b>	0.5%	0.3% <sup>3</sup>
Return on equity <sup>2</sup>	<b>4.9%</b>	5.1%	2.9% <sup>3</sup>
Expense-to-revenue ratio <sup>4, 5</sup>	<b>67.4%</b>	62.3%	66.0%

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)

	Mar 31 2021	Mar 31 2020	Change (Amount)
Core capital:instruments and reserves	941.3	915.7	25.6
Core capital:regulatory adjustments	-107.4	-93.2	-14.1
Capital	833.9	822.4	11.4
Total amount of Risk-weighted assets	7,320.3	7,336.6	-16.2
Consolidated core capital adequacy ratio	11.39%	11.21%	

1.Calculated according to F-IRB.

Consolidated total required capital is ¥691.6 billion as at Mar 31, 2021 and ¥679.5 billion as at March 31, 2020.

## Per Share Data (Consolidated)

(Yen)

	FY2020 (12 months)	FY2019 (12 months)	Change (Amount)	1H FY2020 (6 months)
Common equity	4,283.92	3,913.40	370.51	4,043.30
Fully diluted equity	4,282.60	3,912.60	369.99	4,042.10
Basic EPS	202.16	190.59	11.57	58.35
Diluted EPS	202.10	190.55	11.54	58.34
For calculation of per share data (excluding treasury shares):				
Equity: Number of common shares	215,291,519	230,743,898		223,551,219
Fully diluted number of shares	215,357,838	230,790,947		223,617,537
EPS: Number of common shares	223,134,412	239,127,169		228,192,744
Fully diluted number of shares	223,197,668	239,171,291		228,252,953

## Consolidated Balance Sheets

(Millions of yen)

	Mar 31 2021	Mar 31 2020	Change (Amount)
<b>&lt;&lt;Assets&gt;&gt;</b>			
Cash and due from banks	1,919,075	1,614,134	304,940
Call loans and bills bought	—	—	—
Receivables under securities borrowing transactions	—	—	—
Other monetary claims purchased	46,187	63,575	(17,387)
Trading assets	170,376	213,707	(43,331)
Monetary assets held in trust	393,949	415,107	(21,157)
Securities	929,717	957,040	(27,322)
Loans and bills discounted	5,233,605	5,110,404	123,200
Foreign exchanges	83,730	73,879	9,850
Lease receivables and leased investment assets	192,147	193,445	(1,297)
Other assets	1,154,474	1,007,605	146,868
Premises and equipment	63,878	69,414	(5,535)
Intangible assets	68,685	67,073	1,611
Goodwill	13,460	10,626	2,833
Assets for retirement benefits	19,482	5,683	13,798
Deferred tax assets	9,985	16,977	(6,992)
Customers' liabilities for acceptances and guarantees	567,777	526,520	41,256
Reserve for credit losses	(112,897)	(107,998)	(4,899)
<b>Total assets</b>	<b>10,740,174</b>	<b>10,226,571</b>	<b>513,602</b>
<b>&lt;&lt;Liabilities&gt;&gt;</b>			
Deposits	6,056,191	5,849,211	206,980
Negotiable certificates of deposit	515,140	455,950	59,190
Call money and bills sold	30,000	165,000	(135,000)
Payables under repurchase agreements	47,712	38,956	8,755
Payables under securities lending transactions	395,449	350,407	45,041
Trading liabilities	148,393	183,943	(35,549)
Borrowed money	1,026,679	881,991	144,687
Foreign exchanges	889	687	201
Short-term corporate bonds	218,800	221,300	(2,500)
Corporate bonds	367,534	166,500	201,034
Other liabilities	374,978	404,973	(29,994)
Accrued employees' bonuses	8,504	8,560	(56)
Accrued directors' bonuses	41	47	(6)
Liabilities for retirement benefits	8,084	8,422	(337)
Reserve for directors' retirement benefits	19	50	(31)
Reserve for reimbursement of deposits	391	621	(230)
Reserve for reimbursement of debentures	3,355	3,513	(157)
Reserve for losses on interest repayments	39,096	49,308	(10,212)
Deferred tax liabilities	393	119	273
Acceptances and guarantees	567,777	526,520	41,256
<b>Total liabilities</b>	<b>9,809,431</b>	<b>9,316,086</b>	<b>493,344</b>
<b>&lt;&lt;Equity&gt;&gt;</b>			
Common stock	512,204	512,204	—
Capital surplus	72,961	78,506	(5,545)
Retained earnings	431,623	389,600	42,023
Treasury stock, at cost	(81,464)	(61,097)	(20,367)
<b>Total shareholders' equity</b>	<b>935,324</b>	<b>919,214</b>	<b>16,110</b>
Unrealized gain (loss) on available-for-sale securities	(593)	4,755	(5,349)
Deferred gain (loss) on derivatives under hedge accounting	(16,799)	(15,719)	(1,079)
Foreign currency translation adjustments	(1,133)	(1,670)	536
Defined retirement benefit plans	5,495	(3,585)	9,080
<b>Total accumulated other comprehensive income</b>	<b>(13,031)</b>	<b>(16,219)</b>	<b>3,187</b>
Stock acquisition rights	149	125	23
Noncontrolling interests	8,300	7,364	936
<b>Total equity</b>	<b>930,742</b>	<b>910,485</b>	<b>20,257</b>
<b>Total liabilities and equity</b>	<b>10,740,174</b>	<b>10,226,571</b>	<b>513,602</b>

## Consolidated Statements of Income

(Millions of yen)

	FY2020 (12 months)	FY2019 (12 months)	Change (Amount)
Ordinary income	374,247	399,503	(25,255)
Interest income	135,036	153,777	(18,741)
Interest on loans and bills discounted	127,299	140,204	(12,904)
Interest and dividends on securities	5,490	10,794	(5,303)
Other interest income	2,245	2,778	(533)
Fees and commissions income	56,140	59,213	(3,072)
Trading income	4,110	15,821	(11,711)
Other business income	155,300	144,855	10,445
Other ordinary income	23,659	25,835	(2,175)
Ordinary expenses	329,849	348,466	(18,617)
Interest expenses	13,000	20,266	(7,266)
Interest on deposits	4,159	6,295	(2,136)
Interest on borrowings	2,754	2,875	(120)
Interest on corporate bonds	1,219	283	935
Other interest expenses	4,868	10,812	(5,944)
Fees and commissions expenses	25,978	26,782	(804)
Trading losses	234	—	234
Other business expenses	99,792	97,532	2,260
General and administrative expenses	151,860	152,494	(633)
Amortization of goodwill	2,349	2,144	205
Amortization of intangible assets acquired in business combinations	383	291	91
Other general and administrative expenses	149,127	150,057	(929)
Other ordinary expenses	38,982	51,391	(12,408)
Provision of reserve for credit losses	33,467	44,818	(11,351)
Other	5,514	6,572	(1,057)
Ordinary profit	44,398	51,036	(6,638)
Extraordinary gains	12,075	26	12,048
Extraordinary losses	1,136	1,862	(726)
Income before income taxes	55,336	49,200	6,136
Income taxes (benefit):			
Income taxes (benefit) - current	7,168	4,119	3,049
Income taxes (benefit) - deferred	3,945	(45)	3,990
Total income taxes (benefit)	11,113	4,073	7,040
Profit	44,223	45,126	(903)
Profit (loss) attributable to noncontrolling interests	(886)	(449)	(436)
Profit attributable to owners of the parent	45,109	45,575	(466)

## Composition of Capital Disclosure(Consolidated)

Shinsei Bank and subsidiaries

Millions of yen (except percentages)

Items	Basel III (Domestic Standard) Mar 31 2021	Basel III (Domestic Standard) Dec 31 2020
	<b>Core capital:instruments and reserves (1)</b>	
Directly issued qualifying common share capital or preferred share capital with a compulsory conversion clause plus related capital surplus and retained earnings	¥ 932,740	¥ 919,426
of which:capital and capital surplus	585,165	585,165
of which:retained earnings	431,623	413,177
of which:treasury stock (-)	81,464	78,916
of which:earning to be distributed (-)	2,583	-
of which:other than above	-	-
Accumulated other comprehensive income (amount allowed to be included in Core capital)	4,361	(5,179)
of which:foreign currency translation adjustment	(1,133)	(1,714)
of which:amount related defined benefit	5,495	(3,464)
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	14
Total of reserves included in Core capital:instruments and reserves	1,482	1,018
of which:general reserve for loan losses included in Core capital	1,482	1,018
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)	2,680	3,778
<b>Core capital:instruments and reserves (A)</b>	<b>¥ 941,383</b>	<b>¥ 919,161</b>
<b>Core capital:regulatory adjustments (2)</b>		
Total amount of intangible assets (excluding those relating to mortgage servicing rights)	¥ 53,873	¥ 54,835
of which:goodwill (including those equivalent)	15,557	17,916
of which:other intangibles other than goodwill and mortgage servicing rights	38,315	36,918
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	4,110	5,371
Shortfall of eligible provisions to expected losses	35,980	34,641
Gain on sale of securitization	-	-
Gains and losses due to changes in own credit risk on fair valued liabilities	-	-
Net defined benefit asset	13,516	4,206
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)	-	-
<b>Core capital:regulatory adjustments (B)</b>	<b>¥ 107,480</b>	<b>¥ 99,053</b>
<b>Capital (consolidated)</b>		
Capital (consolidated)((A)-(B))(C)	¥ 833,903	¥ 820,107
<b>Risk-weighted assets, etc.</b>		
Total amount of credit risk-weighted assets	¥6,750,532	¥6,901,507
of which:total amount included in risk-weighted assets by transitional arrangements	-	-
of which: significant investments in the common stock of Other Financial Institutions (net of eligible short positions)	-	-
of which:other than above	-	-
Market risk (derived by multiplying the capital requirement by 12.5)	184,772	184,609
Operational risk (derived by multiplying the capital requirement by 12.5)	385,088	387,339
Credit risk-weighted assets adjustments	-	-
Operational risk adjustments	-	-
<b>Total amount of Risk-weighted assets (D)</b>	<b>¥7,320,393</b>	<b>¥7,473,457</b>
<b>Capital ratio (consolidated)</b>		
Capital ratio (consolidated)((C)/(D))	11.39%	10.97%

## (Reference) Results of Operations (Consolidated)

(Millions of yen)

	FY2020 (12 months) (A)	FY2019 (12 months) (B)	Change (A)-(B)
Gross Business Profit	215,363	232,899	(17,535)
(excluding Gains on Monetary Assets Held in Trust)	211,762	229,492	(17,729)
Net Interest Income	122,035	133,510	(11,475)
Net Fees and Commissions	30,166	32,434	(2,268)
Net Trading Income	3,875	15,821	(11,946)
Net Other Business Income	59,286	51,132	8,154
Gains on Monetary Assets Held in Trust	3,601	3,407	193
Gains related to Bonds	2,903	3,425	(521)
General and Administrative Expenses	152,371	152,009	361
Personnel Expenses	59,167	57,604	1,562
Nonpersonnel Expenses	82,067	83,915	(1,848)
Amortization of Goodwill and Intangible Assets	2,732	2,436	296
Taxes	11,136	10,489	646
Net Business Profit	62,992	80,889	(17,897)
Credit Costs	28,390	39,183	(10,792)
Gains on Stock Transactions	(163)	3,153	(3,317)
Equity in Net Income (Loss) of Affiliates	6,720	3,942	2,778
Other	3,238	2,233	1,005
Ordinary Profit	44,398	51,036	(6,638)
Extraordinary Gains	10,938	(1,836)	12,775
Gains from Sales of Fixed Assets and Impairment losses	(931)	(1,083)	152
Income before Income Taxes	55,336	49,200	6,136
Income Taxes - Current	7,168	4,119	3,049
Income Taxes - Deferred	3,945	(45)	3,990
Profit Attributable to Noncontrolling Interests	(886)	(449)	(436)
Profit Attributable to Owners of the Parents	45,109	45,575	(466)

## Note

- Gross Business Profit = (Net Interest Income + Expenses for Monetary Assets Held in Trust) + Net Fees and Commissions + Net Other Business Income + Gains on Monetary Assets Held on Trust  
Gains on Monetary Assets Held in Trust are deemed as revenue from core businesses.
- Net Business Profit = Gross Business Profit - General and Administrative Expenses.
- Details of credit cost is available at "Net Credit Cost (Consolidated)" of Financial Summary.

## Results of Operations (Nonconsolidated)

(Billions of yen)

	<b>FY2020 (12 months)</b>	FY2019 (12 months)	Change (Amount)	1H FY2020 (6 months)
Net interest income	<b>108.5</b>	103.1	5.3	44.2
Noninterest income	<b>3.5</b>	10.5	-7.0	1.2
Net fees and commissions <sup>1</sup>	<b>-6.8</b>	-3.8	-2.9	-4.7
Net trading income	<b>1.9</b>	10.9	-9.0	1.8
Net other business income	<b>8.3</b>	3.4	4.9	4.1
<b>Total revenue<sup>1</sup></b>	<b>112.1</b>	113.7	-1.6	45.4
Personnel expenses	<b>-26.6</b>	-26.9	0.2	-13.6
Nonpersonnel expenses	<b>-37.6</b>	-39.6	2.0	-18.1
Taxes	<b>-5.4</b>	-5.3	-0.1	-2.7
General and administrative expenses	<b>-69.7</b>	-71.8	2.1	-34.5
<b>Net business profit<sup>1</sup></b>	<b>42.3</b>	41.8	0.5	10.8
Other gains				
Gains on the sales of equities	<b>0.7</b>	1.7	-1.0	0.1
Net provision of reserve for credit losses	<b>-5.7</b>	-8.8	3.1	-5.1
Losses on write-off of loans	<b>-1.4</b>	-0.0	-1.4	-1.3
Recoveries of written-off claims	<b>0.6</b>	0.1	0.5	0.1
Expenses for employees' retirement benefits	<b>0.5</b>	-0.4	1.0	-0.1
Others	<b>-0.0</b>	-0.5	0.5	-0.1
<b>Net ordinary income</b>	<b>37.1</b>	33.9	3.2	4.3
Extraordinary profit				
Gains from sales of fixed assets and impairment losses	<b>-0.7</b>	-0.7	-0.0	-0.2
Others	<b>-1.8</b>	0.4	-2.3	-0.2
<b>Income before income taxes</b>	<b>34.5</b>	33.7	0.8	3.8
Income taxes - Current	<b>-1.4</b>	-1.7	0.3	-0.6
Income taxes - Deferred	<b>1.3</b>	1.2	0.1	-2.6
<b>Net income</b>	<b>34.5</b>	33.1	1.3	0.5

<sup>1</sup>.Includes income from monetary assets held in trust of ¥2.4 billion in FY2020, ¥2.3 billion in FY2019 and ¥1.2 billion in 1HFY2020.

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 non-consolidated 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)

	FY2020 (12 months)			FY2019 (12 months)			1H FY2020 (6 months)		
	Average balance	Interest	Yield/rate <sup>1</sup> (%)	Average balance	Interest	Yield/rate <sup>1</sup> (%)	Average balance	Interest	Yield/rate <sup>1</sup> (%)
Interest-earning assets:									
Loans and bills discounted	<b>5,069.4</b>	<b>83.7</b>	<b>1.65</b>	4,896.2	98.0	2.00	5,056.6	43.2	1.70
Securities	<b>1,269.6</b>	<b>32.8</b>	<b>2.58</b>	1,343.2	20.0	1.48	1,241.5	5.5	0.89
Other interest-earning assets <sup>2, 3</sup>	<b>115.4</b>	<b>1.7</b>	<b>***</b>	126.5	2.3	<b>***</b>	122.5	0.8	<b>***</b>
Total interest-earning assets <sup>4</sup>	<b>6,454.5</b>	<b>118.2</b>	<b>1.83</b>	6,366.0	120.3	1.89	6,420.7	49.6	1.54
Interest-bearing liabilities:									
Deposits, including negotiable certificates of deposit	<b>6,408.6</b>	<b>4.2</b>	<b>0.06</b>	6,113.3	6.3	0.10	6,307.0	2.3	0.07
Borrowed money	<b>428.0</b>	<b>0.3</b>	<b>0.08</b>	163.7	0.1	0.08	414.4	0.3	0.16
Corporate bonds	<b>157.5</b>	<b>0.3</b>	<b>0.24</b>	64.2	0.1	0.21	143.3	0.1	0.23
Other interest-bearing liabilities <sup>2</sup>	<b>562.4</b>	<b>4.8</b>	<b>***</b>	905.3	10.6	<b>***</b>	581.5	2.6	<b>***</b>
Total interest-bearing liabilities <sup>4</sup>	<b>7,556.7</b>	<b>9.8</b>	<b>0.13</b>	7,246.6	17.2	0.23	7,446.4	5.5	0.14
Net interest income/yield on interest-earning assets	<b>6,454.5</b>	<b>108.3</b>	<b>1.67</b>	6,366.0	103.0	1.61	6,420.7	44.1	1.37

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.

4. Interest from interest-earning assets means Interest Income on Statements of Income and interest from interest-bearing liabilities indicates Interest Expenses on Statements of Income.

Margins (All, Domestic) (Nonconsolidated)

(All)

(Percentages)

	<b>FY2020 (12 months)</b>	FY2019 (12 months)	Change	1H FY2020 (6 months)
Yield on interest earning assets (A)	<b>1.83</b>	1.89	-0.06	1.54
Total cost of funding (B)	<b>1.08</b>	1.26	-0.18	1.10
Cost of interest bearing liabilities (C)	<b>0.13</b>	0.24	-0.11	0.15
Overall interest margin (A)-(B)	<b>0.75</b>	0.63	0.12	0.44
Net interest margin (A)-(C)	<b>1.70</b>	1.65	0.05	1.39

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

(Domestic)<sup>1</sup>

(Percentages)

	<b>FY2020 (12 months)</b>	FY2019 (12 months)	Change	1H FY2020 (6 months)
Yield on interest earning assets (A)	<b>1.75</b>	1.58	0.17	1.42
Interest earned on loans and bills discounted	<b>1.61</b>	1.82	-0.21	1.65
Interest earned on securities	<b>3.32</b>	1.35	1.97	0.87
Total cost of funding (B) <sup>2</sup>	<b>1.07</b>	1.10	-0.03	1.09
Cost of interest bearing liabilities (C)	<b>0.05</b>	0.03	0.02	0.05
Interest paid on deposits <sup>3</sup>	<b>0.03</b>	0.01	0.02	0.03
Overall interest margin (A)-(B)	<b>0.68</b>	0.48	0.20	0.33
Net interest margin (A)-(C)	<b>1.70</b>	1.55	0.15	1.37

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)

	<b>FY2020 (12 months)</b>	FY2019 (12 months)	Change	1H FY2020 (6 months)
Gains (losses) on bonds	<b>2.9</b>	3.4	-0.5	3.0
Gains on sales	<b>4.5</b>	7.3	-2.8	3.6
Gains on redemption	<b>0.0</b>	-	0.0	-
Losses on sales	<b>-1.4</b>	-3.5	2.0	-0.4
Losses on redemption	<b>-</b>	-	-	-
Losses on devaluation	<b>-0.1</b>	-0.4	0.2	-0.0
Gains (losses) on stocks	<b>0.7</b>	1.7	-1.0	0.1
Gains on sales	<b>0.9</b>	4.6	-3.6	0.1
Losses on sales	<b>-0.0</b>	-0.0	0.0	-
Losses on devaluation	<b>-0.2</b>	-2.7	2.5	-0.0

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

(Billions of yen)

	FY2020 (12 months)	FY2019 (12 months)	Change (Amount)	1H FY2020 (6 months)
Losses on write-off of loans/Losses on sale of loans	-1.4	-0.0	-1.4	-1.3
Net provision of reserve for loan losses	-5.7	-8.8	3.1	-5.1
Net provision of general reserve for loan losses	1.5	-2.9	4.5	-0.4
Net provision of specific reserve for loan losses	-7.2	-5.8	-1.4	-4.7
Net Provision of Reserve for Loan	-	-	-	-
Losses to Restructuring Countries	-	-	-	-
Recoveries of written-off claims	0.6	0.1	0.5	0.1
<b>Net credit costs</b>	<b>-6.4</b>	<b>-8.7</b>	<b>2.2</b>	<b>-6.3</b>

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

## Loans by Borrower Industry (Nonconsolidated)

(Billions of yen)

	Mar 31 2021	Mar 31 2020	Change (Amount)
Domestic (excluding Japan offshore market accounts):			
Manufacturing	197.9	195.3	2.6
Agriculture and forestry	-	-	-
Fishery	0.0	0.0	0.0
Mining, quarrying and gravel extraction	0.3	0.3	0.0
Construction	10.8	9.8	0.9
Electrical, natural gas and water supply	375.0	362.6	12.4
Information and communications	42.3	49.2	-6.8
Transportation and postal service	164.2	172.2	-7.9
Wholesale and retail	94.0	99.0	-5.0
Finance and insurance	1,006.0	992.5	13.5
Real estate	695.5	652.4	43.1
Services	426.6	428.9	-2.3
Local government	63.9	62.6	1.3
Individuals	1,347.6	1,396.6	-48.9
Overseas yen loans and overseas loans booked domestically	418.4	355.1	63.2
<b>Total domestic</b>	<b>4,843.5</b>	<b>4,777.1</b>	<b>66.3</b>
Overseas (including Japan offshore market accounts):			
Governments	-	-	-
Financial institutions	32.0	33.1	-1.1
Others	285.3	230.5	54.8
<b>Total overseas</b>	<b>317.4</b>	<b>263.6</b>	<b>53.7</b>
<b>Total</b>	<b>5,160.9</b>	<b>5,040.8</b>	<b>120.1</b>

## Claims Classified under the Financial Revitalization Law (Nonconsolidated)

(Billions of yen)

	Mar 31 2021	Mar 31 2020	Change (Amount)
Claims against bankrupt and quasi-bankrupt obligors	4.9	2.3	2.5
Doubtful claims	23.3	12.5	10.7
Substandard claims	6.2	2.8	3.3
Total (A)	34.4	17.6	16.7
Coverage ratio	91.8%	84.5%	
Total claims (B)	5,294.5	5,165.6	128.9
Loans and bills discounted	5,160.9	5,040.8	120.1
Others	133.6	124.7	8.8
Ratio to total claims (A/B X 100) (%) <sup>1</sup>	0.64%	0.34%	
(Ref. 1) Amount of write-off	4.7	4.8	-0.0
(Ref. 2) Below need caution level	149.5	104.9	44.6

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

(Billions of yen, except percentages)

	Mar 31, 2021					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	4.9	4.9	0.7	4.2	100.0%	2.3	2.3	0.6	1.7	100.0%
Doubtful claims	23.3	22.6	12.5	10.1	96.9%	12.5	11.8	6.5	5.3	93.8%
Substandard claims	6.2	4.1	0.8	3.3	66.0%	2.8	0.8	0.4	0.5	29.5%
Total	34.4	31.6	14.0	17.6	91.8%	17.6	14.9	7.4	7.5	84.5%

## Housing Loans (Nonconsolidated)

(Billions of yen)

	Mar 31 2021	Mar 31 2020	Change (Amount)
Housing loans	1,135.0	1,150.0	-14.9

Securities Being Held to Maturity (Nonconsolidated)

(Billions of yen)

	Mar 31, 2021			Mar 31, 2020		
	Carrying amount	Fair value	Unrealized gain (loss)	Carrying amount	Fair value	Unrealized gain (loss)
Fair value exceeds carrying amount						
Japanese national government bonds	185.5	186.1	0.6	277.1	278.7	1.5
Subtotal	185.5	186.1	0.6	277.1	278.7	1.5
Fair value does not exceed carrying amount						
Japanese national government bonds	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-
Total	185.5	186.1	0.6	277.1	278.7	1.5

## Securities Available for Sale (Nonconsolidated)

(Billions of yen)

	Mar 31, 2021			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	8.1	4.2	3.8	6.2	3.5	2.6
Domestic bonds	20.8	20.4	0.4	73.3	72.5	0.8
Japanese national government bonds	9.0	9.0	0.0	33.4	33.2	0.2
Japanese local government bonds	-	-	-	-	-	-
Japanese corporate bonds	11.8	11.3	0.4	39.8	39.2	0.6
Other	97.7	95.9	1.7	113.1	110.6	2.5
Foreign securities	77.7	76.3	1.4	80.4	78.5	1.9
Foreign currency denominated foreign corporate and government bonds	77.2	76.2	1.0	80.2	78.4	1.7
Yen-denominated foreign corporate and government bonds	-	-	-	-	-	-
Foreign equity securities and others	0.4	0.0	0.4	0.2	0.0	0.1
Other securities	0.1	0.1	0.0	-	-	-
Other monetary claims purchased	19.7	19.5	0.2	32.6	32.1	0.5
Subtotal	126.7	120.6	6.0	192.7	186.7	5.9
Carrying amount does not exceed amortized/acquisition cost						
Equity securities	0.7	0.9	-0.2	1.6	1.7	-0.1
Domestic bonds	314.3	317.5	-3.1	176.7	178.6	-1.9
Japanese national government bonds	154.3	155.3	-0.9	47.9	48.5	-0.5
Japanese local government bonds	-	-	-	-	-	-
Japanese corporate bonds	160.0	162.1	-2.1	128.8	130.1	-1.3
Other	262.8	267.2	-4.4	220.8	224.7	-3.8
Foreign securities	262.8	267.2	-4.4	220.7	224.6	-3.8
Foreign currency denominated foreign corporate and government bonds	187.7	191.9	-4.2	143.6	146.5	-2.9
Yen-denominated foreign corporate and government bonds	74.0	74.2	-0.2	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
Other monetary claims purchased	-	-	-	-	-	-
Subtotal	577.9	585.7	-7.8	399.2	405.2	-5.9
Total <sup>1, 2</sup>	704.7	706.4	-1.7	591.9	591.9	-0.0

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

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

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

(Billions of yen)

	Mar 31, 2021	Mar 31, 2020
Unrealized gain (loss) before deferred tax on:		
Available-for-sale securities	-1.7	-0.0
Interests in available-for-sale securities held by partnerships recorded as securities whose fair value cannot be reliably determined	2.7	1.5
Other monetary assets held in trust	-2.7	-0.8
(-) Deferred tax liabilities	-	0.0
Unrealized gain (loss) on available-for-sale securities	-1.7	0.6

Employees' Retirement Benefit (Nonconsolidated)

(Billions of yen)

Project Benefit Obligation	<b>Mar 31, 2021</b>
Projected benefit obligation (A)	<b>66.8</b>
Discount rate	<b>1.2%</b>
Fair value of plan assets (B)	<b>79.9</b>
Prepaid pension cost (C)	<b>-8.0</b>
Unrecognized net actuarial losses (D)	<b>-5.0</b>
Reserve for retirement benefits (A-B-C-D)	<b>-</b>

(Billions of yen)

Pension Expenses	<b>FY2020 (12 months)</b>
Service cost	<b>2.4</b>
Interest	<b>0.7</b>
Expected return on plan assets	<b>-1.5</b>
Amortization of net actuarial losses	<b>-0.7</b>
Other (extraordinary severance benefit expense, etc.)	<b>0.1</b>
Net periodic retirement benefit cost	<b>1.1</b>

Capital Adequacy Related Information (Nonconsolidated)

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

(Billions of yen, except percentages)

	<b>Mar 31 2021</b>	Mar 31 2020	Change (Amount)
Core capital: instruments and reserves	<b>878.4</b>	866.8	11.5
Core capital: regulatory adjustments	<b>-42.6</b>	-42.3	-0.2
Capital	<b>835.8</b>	824.5	11.2
Total amount of Risk-weighted assets	<b>6,299.5</b>	6,168.4	131.0
Core capital adequacy ratio	<b>13.26%</b>	13.36%	

1. Calculated according to F-IRB.

Nonconsolidated total required capital is ¥546.5 billion as at Mar 31, 2021 and ¥535.8 billion as at March 31, 2020.

Nonconsolidated Balance Sheets

(Millions of yen)

	Mar 31 2021	Mar 31 2020	Change (Amount)
<b>&lt;&lt;Assets&gt;&gt;</b>			
Cash and due from banks	1,765,612	1,475,672	289,939
Other monetary claims purchased	26,392	42,795	(16,403)
Trading assets	164,194	206,547	(42,353)
Monetary assets held in trust	286,427	312,128	(25,701)
Securities	1,352,522	1,265,800	86,721
Loans and bills discounted	5,160,932	5,040,819	120,113
Foreign exchanges	83,730	73,879	9,850
Other assets	218,898	234,006	(15,107)
Other	218,898	234,006	(15,107)
Premises and equipment	10,947	12,435	(1,488)
Intangible assets	24,376	25,631	(1,255)
Prepaid pension cost	8,060	6,940	1,119
Deferred tax assets	5,269	2,731	2,538
Customers' liabilities for acceptances and guarantees	19,885	18,787	1,097
Reserve for credit losses	(36,358)	(31,480)	(4,878)
<b>Total assets</b>	<b>9,090,890</b>	<b>8,686,696</b>	<b>404,193</b>
<b>&lt;&lt;Liabilities&gt;&gt;</b>			
Deposits	6,212,834	5,995,082	217,752
Negotiable certificates of deposit	515,140	455,950	59,190
Call money	30,000	165,000	(135,000)
Payables under repurchase agreements	47,712	38,956	8,755
Payables under securities lending transactions	390,404	345,357	45,047
Trading liabilities	142,966	182,969	(40,003)
Borrowed money	534,810	342,683	192,127
Foreign exchanges	23,029	687	22,341
Corporate bonds	180,000	116,500	63,500
Other liabilities	127,831	162,115	(34,283)
Income taxes payable	—	1,532	(1,532)
Lease obligations	6	12	(6)
Asset retirement obligations	7,242	7,307	(65)
Other	120,582	153,262	(32,679)
Accrued employees' bonuses	4,684	4,840	(156)
Reserve for reimbursement of deposits	391	621	(230)
Reserve for reimbursement of debentures	3,355	3,513	(157)
Acceptances and guarantees	19,885	18,787	1,097
<b>Total liabilities</b>	<b>8,233,044</b>	<b>7,833,066</b>	<b>399,978</b>
<b>&lt;&lt;Equity&gt;&gt;</b>			
Common stock	512,204	512,204	—
Capital surplus	79,465	79,465	—
Additional paid-in capital	79,465	79,465	—
Retained earnings	370,688	338,529	32,158
Legal reserve	16,195	15,734	461
Other retained earnings	354,492	322,795	31,697
Unappropriated retained earnings	354,492	322,795	31,697
Treasury stock, at cost	(81,464)	(61,097)	(20,367)
<b>Total shareholders' equity</b>	<b>880,893</b>	<b>869,102</b>	<b>11,791</b>
Unrealized gain (loss) on available-for-sale securities	(1,717)	624	(2,342)
Deferred gain (loss) on derivatives under hedge accounting	(21,432)	(16,174)	(5,258)
<b>Total net unrealized gain (loss) and translation adjustments</b>	<b>(23,150)</b>	<b>(15,549)</b>	<b>(7,601)</b>
Stock acquisition rights	101	76	25
<b>Total equity</b>	<b>857,845</b>	<b>853,629</b>	<b>4,215</b>
<b>Total liabilities and equity</b>	<b>9,090,890</b>	<b>8,686,696</b>	<b>404,193</b>



## Nonconsolidated Statements of Income

(Millions of yen)

	FY2020 (12 months)	FY2019 (12 months)	Change (Amount)
Ordinary income	152,988	170,640	(17,652)
Interest income	118,255	120,335	(2,079)
Interest on loans and bills discounted	83,708	98,008	(14,300)
Interest and dividends on securities	32,800	20,003	12,796
Other interest income	1,747	2,322	(575)
Fees and commissions income	15,430	21,295	(5,865)
Trading income	2,212	10,994	(8,782)
Other business income	12,530	10,022	2,507
Other ordinary income	4,558	7,992	(3,433)
Ordinary expenses	115,834	136,702	(20,868)
Interest expenses	9,866	17,244	(7,378)
Interest on deposits	4,163	6,300	(2,137)
Interest on corporate bonds	387	137	250
Other interest expenses	5,315	10,806	(5,490)
Fees and commissions expenses	24,644	27,530	(2,886)
Trading expenses	234	0	234
Other business expenses	4,158	6,614	(2,455)
General and administrative expenses	69,161	72,308	(3,147)
Other ordinary expenses	7,769	13,004	(5,234)
Ordinary profit	37,154	33,938	3,216
Extraordinary gains	32	2,109	(2,077)
Extraordinary losses	2,654	2,334	319
Income before income taxes	34,532	33,713	819
Income taxes (benefit)			
Income taxes (benefit) - current	1,421	1,792	(371)
Income taxes (benefit) - deferred	(1,395)	(1,260)	(135)
Total income taxes (benefit)	26	532	(506)
Net income	34,506	33,180	1,325

## Composition of Capital Disclosure (Nonconsolidated)

Shinsei Bank

Millions of yen (except percentages)

Items	Basel III (Domestic Standard) Mar 31 2021	Basel III (Domestic Standard) Dec 31 2020
<b>Core capital:instruments and reserves (1)</b>		
Directly issued qualifying common share capital or preferred share capital with a compulsory conversion clause plus related capital surplus and retained earnings	¥ 878,310	¥ 856,336
of which:capital and capital surplus	591,670	591,670
of which:retained earnings	370,688	343,583
of which:treasury stock (-)	81,464	78,916
of which:earning to be distributed (-)	2,583	-
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	15	12
of which:general reserve for loan losses included in Core capital	15	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)	-	-
<b>Core capital:instruments and reserves (A)</b>	<b>¥ 878,428</b>	<b>¥ 856,450</b>
<b>Core capital:regulatory adjustments (2)</b>		
Total amount of intangible assets (excluding those relating to mortgage servicing rights)	¥ 17,026	¥ 16,950
of which:goodwill (including those equivalent)	372	413
of which:other intangibles other than goodwill and mortgage servicing rights	16,654	16,537
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	2,601	1,821
Shortfall of eligible provisions to expected losses	17,406	17,917
Gain on sale of securitization	-	-
Gains and losses due to changes in own credit risk on fair valued liabilities	-	-
Prepaid pension cost	5,592	4,953
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)	-	-
<b>Core capital:regulatory adjustments (B)</b>	<b>¥ 42,625</b>	<b>¥ 41,642</b>
<b>Capital (nonconsolidated)</b>		
Capital (nonconsolidated)((A)-(B))(C)	¥ 835,802	¥ 814,808
<b>Risk-weighted assets, etc.</b>		
Total amount of credit risk-weighted assets	¥5,932,880	¥5,902,193
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)	175,214	174,728
Operational risk (derived by multiplying the capital requirement by 12.5)	191,455	185,442
Credit risk-weighted assets adjustments	-	-
Operational risk adjustments	-	-
<b>Total amount of Risk-weighted assets (D)</b>	<b>¥6,299,550</b>	<b>¥6,262,364</b>
<b>Capital ratio (nonconsolidated)</b>		
Capital ratio (nonconsolidated)((C)/(D))	13.26%	13.01%

## (Reference) Results of Operations (Nonconsolidated)

(Millions of yen)

	FY2020 (12 months) (A)	FY2019 (12 months) (B)	Change (A)-(B)
Gross Business Profit	112,105	113,736	(1,631)
(excluding Gains on Monetary Assets Held in Trust)	109,695	111,354	(1,658)
Net Interest Income	108,559	103,186	5,373
Net Fees and Commissions	(6,800)	(3,849)	(2,951)
Gains on Monetary Assets Held in Trust	2,409	2,381	27
Net Trading Income	1,978	10,994	(9,016)
Net Other Business Income	8,368	3,404	4,963
Gains related to Bonds	2,903	3,424	(521)
General and Administrative Expenses	69,708	71,847	(2,139)
Personnel Expenses	26,630	26,920	(290)
Nonpersonnel Expenses	37,611	39,616	(2,004)
Amortization of Goodwill	165	165	-
Taxes	5,466	5,310	155
Net Operating Profit before Provision of General Reserve for Loan Losses	39,987	39,506	480
Provision of General Reserve for Loan Losses (1)	(1,569)	2,976	(4,546)
Net Operating Profit	41,556	36,530	5,026
Net Business Profit	42,396	41,888	508
Non-Recurring Gains	(6,642)	(4,878)	(1,763)
Gains related to Stocks	728	1,755	(1,027)
Credit Costs (2)	8,065	5,737	2,327
Losses on Write-Off of Loans	1,415	5	1,409
Provision of Specific Reserve for Loan Losses	7,281	5,837	1,444
Provision of Loans to Restructuring Countries	-	-	-
Recoveries of Written-off Claims	(631)	(105)	(525)
Reversal of Reserve for Loan Losses	-	-	-
Losses on Sale of Loans	-	-	-
Other	694	(896)	1,591
Ordinary Profit	37,154	33,938	3,216
Extraordinary Gains	(2,621)	(224)	(2,396)
Gains from Sales of Fixed Assets and Impairment losses	(744)	(711)	(32)
Income before Income Taxes	34,532	33,713	819
Income Taxes - Current	1,421	1,792	(371)
Income Taxes - Deferred	(1,395)	(1,260)	(135)
Net Income	34,506	33,180	1,325

## (Reference)

Core Net Operating Profit	37,083	36,082	1,001
(excluding Gains on Cancellation of Investment Trusts)	37,083	36,082	1,001
Net Credit Costs (1)+(2)	6,495	8,713	(2,218)

## Note

- Gross Business Profit = (Net Interest Income + Expenses for Monetary Assets Held in Trust) + Net Fees and Commissions + Net Other Business Income + Gains on Monetary Assets Held on Trust  
Gains on Monetary Assets Held in Trust are deemed as revenue from core businesses.
- Core Net Operating Profit = Net Operating Profit + Provision of General Reserve for Loan Losses - Gains related to Bonds.
- 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.
- Net Business Profit = Gross Business Profit - General and Administrative Expenses.
- Expenses for Monetary Assets Held in Trust are funding costs to acquire Monetary Assets Held in Trust and are included in operating expenses because Gains on Monetary Assets Held in Trust are recorded in Non-Recurring Gains.
- Non-Recurring Gains means Other ordinary income and expenses in Statements of Income, excluding Provision of General Reserve for Loan Losses and adding certain Pension related expenses, such as extraordinary expenses. In this table, non-recurring gains excludes Gains on Monetary Assets Held in Trust.

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

(Millions of yen, %)

[All]	FY2020 (12 months)			FY2019 (12 months)			1H FY2020 (6 months)		
	Average balance	Interest	Yield/rate <sup>1</sup> (%)	Average balance	Interest	Yield/rate <sup>1</sup> (%)	Average balance	Interest	Yield/rate <sup>1</sup> (%)
Interest-earning assets:	<b>6,454,548</b>	<b>118,255</b>	<b>1.83</b>	6,366,034	120,335	1.89	6,420,774	49,648	1.54
Loans and bills discounted	<b>5,069,449</b>	<b>83,708</b>	<b>1.65</b>	4,896,230	98,008	2.00	5,056,675	43,240	1.70
Securities	<b>1,269,688</b>	<b>32,800</b>	<b>2.58</b>	1,343,294	20,003	1.48	1,241,533	5,549	0.89
Interest-bearing liabilities:	<b>7,556,754</b>	<b>9,866</b>	<b>0.13</b>	7,246,677	17,244	0.23	7,446,418	5,529	0.14
Deposits, including negotiable certificates of deposit	<b>6,408,632</b>	<b>4,276</b>	<b>0.06</b>	6,113,358	6,362	0.10	6,307,075	2,337	0.07
Borrowed money	<b>428,096</b>	<b>367</b>	<b>0.08</b>	163,761	141	0.08	414,431	349	0.16
Corporate bonds	<b>157,564</b>	<b>387</b>	<b>0.24</b>	64,201	137	0.21	143,393	169	0.23
Net interest income/yield on interest-earning assets	<b>6,454,548</b>	<b>108,389</b>	<b>1.67</b>	6,366,034	103,091	1.61	6,420,774	44,119	1.37

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

## [Domestic]

Interest-earning assets:	<b>5,762,802</b>	<b>100,992</b>	<b>1.75</b>	5,737,812	91,128	1.58	5,648,173	40,352	1.42
Loans and bills discounted	<b>4,264,449</b>	<b>69,064</b>	<b>1.61</b>	4,150,205	75,812	1.82	4,279,366	35,483	1.65
Securities	<b>898,773</b>	<b>29,917</b>	<b>3.32</b>	989,676	13,443	1.35	899,115	3,949	0.87
Interest-bearing liabilities:	<b>6,816,830</b>	<b>3,797</b>	<b>0.05</b>	6,581,627	2,281	0.03	6,623,824	1,709	0.05
Deposits, including negotiable certificates of deposit	<b>5,838,340</b>	<b>2,083</b>	<b>0.03</b>	5,572,363	886	0.01	5,750,993	865	0.03
Borrowed money	<b>322,737</b>	<b>-31</b>	<b>-0.00</b>	146,631	-207	-0.14	214,882	-28	-0.02
Corporate bonds	<b>157,136</b>	<b>385</b>	<b>0.24</b>	62,158	135	0.21	142,540	167	0.23
Net interest income/yield on interest-earning assets	<b>5,762,802</b>	<b>97,195</b>	<b>1.68</b>	5,737,812	88,847	1.54	5,648,173	38,643	1.36

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

Earnings Forecasts<sup>1</sup>*(Billions of yen)*

(Consolidated)	<b>FY2021 Forecast</b>	FY2020 Actual
Profit attributable to owners of the parent	<b>40.0</b>	45.1
(Nonconsolidated)	<b>FY 2021 Forecast</b>	FY2020 Actual
Net business profit	<b>39.0</b>	42.3
Net income	<b>28.5</b>	34.5
Dividends (per share in yen) :Common stock	<b>yet to be determined</b>	12.0

<sup>1</sup>Above forecasts are based on current assumptions of future events and trends, which may be incorrect.  
Actual results may differ materially from those in the statements as a result of various factors.

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

	Mar 31, 2019	Sep 30, 2019	Mar 31, 2020	Sep 30, 2020	Mar 31, 2021
Nonconsolidated	0.20	0.37	0.34	0.64	0.64
Consolidated	1.53	1.68	1.66	1.99	2.10

2. Equity holdings (domestic) (Nonconsolidated)

(1) Equity held

(Billions of yen)

	Book value		Net unrealized gain (loss)
		Subsidiaries' shares	
Mar.31, 2020	346.2	335.0	2.4
Sep.30, 2020	346.7	334.9	2.8
Mar.31, 2021	354.0	341.5	3.6

(2) Impairment

(Billions of yen)

	Equity related profits and losses (net of three accounts)	
		Impairment amount
FY2019	1.7	2.7
1HFY2020	0.1	0.0
FY2020	0.7	0.2

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

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

3.Other extraordinary losses for FY2020 contains ¥ 1.8 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	¥17,000
TOPIX	approximately	1,200

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

(Billions of yen, except percentage)

	Results	% Change	Ratio to total loan balance (%)
Mar 31, 2020	3,364.8	1.44	70.44
Sep 30, 2020	3,199.9	-4.90	66.47
Mar 31, 2021	3,212.7	0.40	66.33

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	
FY2019	1.9	0.2	58.1
1HFY2020	0.7	0.0	28.7
FY2020	1.6	0.2	94.4

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	
FY2019	2.4	2.4	47.8
1HFY2020	0.3	0.3	8.2
FY2020	0.9	0.9	28.1