

# SURUGA bank, Ltd.

## Consolidated financial results for the nine months ended December 31, 2020

<under Japanese GAAP>

Stock exchange listings: Tokyo (code: 8358)

URL: <https://www.surugabank.co.jp>

Representative: Kosuke Saga, President

(Amounts and percentages are rounded down to the nearest million yen and first decimal places, respectively.)

### 1. Consolidated financial results for the nine months ended December 31, 2020

(1) Consolidated operating results (% represents the change from the same period in the previous fiscal year)

	Ordinary income		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended						
December 31, 2020	75,520	(17.4)	16,040	(44.5)	9,416	(51.5)
December 31, 2019	91,472	(16.1)	28,928	-	19,454	-

(Note) Comprehensive income: (a) Nine months ended December 31, 2020: ¥ 11,489 million [ (24.1) %]

(b) Nine months ended December 31, 2019: ¥ 15,141 million [ - %]

	Earnings per share	Earnings per share (diluted)
	yen	yen
Nine months ended		
December 31, 2020	40.65	-
December 31, 2019	83.98	-

(Note) Earnings per share for the nine months ended December 31, 2019 and 2020 are not provided because there are no potentially shares.

### (2) Consolidated financial position

	Total assets	Total net assets	Net assets ratio
	Millions of yen	Millions of yen	%
As of			
December 31, 2020	3,504,801	267,223	7.6
March 31, 2020	3,481,579	256,892	7.3

(Reference) Shareholders' equity: (a) As of December 31, 2020: ¥ 267,119 million; (b) As of March 31, 2020: ¥ 256,781 million

(Note) Net assets ratio = (Total net assets - Non-controlling interests) / Total assets × 100

This ratio is not calculated based on the "Capital Adequacy Ratio Notification".

### 2. Dividends on common stock

	Dividends per share				
	1 <sup>st</sup> quarter-end	2 <sup>nd</sup> quarter-end	3 <sup>rd</sup> quarter-end	Fiscal year-end	Total
Fiscal year	yen	yen	yen	yen	yen
ended March 31, 2020	-	0.00	-	5.00	5.00
ending March 31, 2021	-	0.00	-		
ending March 31, 2021 (forecast)				5.00	5.00

(Note) Revision of dividend forecast from the latest announcement: No

### 3. Consolidated earnings forecast for the fiscal year ending March 31, 2021

(% represents the change from the previous fiscal year)

	Ordinary income		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	yen
Fiscal year ending							
March 31, 2021	98,000	(16.9)	13,000	(68.8)	11,000	(56.5)	47.48

(Note) Revision of earnings forecast from the latest announcement: Yes

## \*Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries that caused changes in the scope of consolidation): No

(2) Adoption of any particular accounting methods for quarterly consolidated financial statements: Yes

Note: For details, please refer to page 6 of the appendix “2. Consolidated financial statements and notes, (3) Notes regarding consolidated financial statements, (Adoption of any particular accounting methods for quarterly consolidated financial statements)”.

(3) Changes in accounting policies, changes in accounting estimates and restatements

(A) Changes in accounting policies due to revision of accounting standards: No

(B) Changes in accounting policies due to reasons other than (A): No

(C) Changes in accounting estimates: No

(D) Restatements: No

(4) Number of issued shares (common stock)

(A) Number of issued shares (including treasury shares):	As of December 31, 2020	232,139,248 shares	As of March 31, 2020	232,139,248 shares
(B) Number of treasury shares:	As of December 31, 2020	490,121 shares	As of March 31, 2020	489,165 shares
(C) Average number of shares:	Nine months ended December 31, 2020	231,649,630 shares	Nine months ended December 31, 2019	231,650,669 shares

(Note1) This report is outside the scope of the external auditor’s quarterly review procedure.

(Note2) Explanation on appropriate use of forecast and other special items

The performance forecasts and other forward-looking statements in this report are based on information currently available to the company and on certain assumptions deemed to be reasonable, and are not intended to guarantee future performance. Actual performance may differ materially depending on various factors.

(Appendix)

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## 1. Qualitative information on financial results

### (1) Details of operating results

As for the consolidated operating results for the nine months ended December 31, 2020, ordinary income decreased by ¥15.952 billion year-on-year to ¥75.520 billion. This was primarily due to the decline in interest income reflecting the drop in interest on loans and bills discounted. Meanwhile, ordinary expenses decreased by ¥3.064 billion year-on-year to ¥59.480 billion, mainly due to the fall in general and administrative expenses.

As a result, ordinary profit decreased by ¥12,888 billion year-on-year to ¥16.040 billion. Profit attributable to owners of parent decreased by ¥10.038 billion year-on-year to ¥9.416 billion.

### (2) Details of financial position

As for the consolidated major account balances as of December 31, 2020, loans and bills discounted came in at ¥2,386.613 billion, down by ¥116.225 billion from March 31, 2020. This was primarily due to the decrease (¥140.983 billion) in consumer loans (non-consolidated).

Securities amounted to ¥239.292 billion, rose by ¥105.432 billion from March 31, 2020.

Deposits amounted to ¥3,211.169 billion, rose by ¥6.378 billion from March 31, 2020, mainly due to an increase (¥106.551 billion) in individual deposits.

### (3) Details of forecast information, including earnings forecast

The Bank has revised its earnings forecast for the fiscal year ending March 31, 2021 from that announced on November 13, 2020. For details please refer to the document disclosed separately today (February 12, 2021) titled “Announcement Regarding the Revision to the Earnings Forecast for the Fiscal year ending March 31, 2021”.

Consolidated		(Billions of yen)	
	Current forecast (A)	Previous forecast (B)	Change (A) - (B)
Ordinary income	98.0	96.0	2.0
Ordinary profit	13.0	8.0	5.0
Profit attributable to owners of parent	11.0	6.0	5.0

Non-consolidated		(Billions of yen)	
	Current forecast (A)	Previous forecast (B)	Change (A) - (B)
Ordinary income	87.0	85.0	2.0
Core net operating profit	30.0	27.0	3.0
Net operating profit	40.0	42.0	(2.0)
Ordinary profit	11.0	7.0	4.0
Net income	9.0	5.0	4.0
Actual credit costs	20.0	20.0	-

(Note) The performance forecasts and other forward-looking statements in this report are based on information currently available to the company and on certain assumptions deemed to be reasonable, and are not intended to guarantee future performance. Actual performance may differ materially depending on various factors.

## 2. Consolidated financial statements and notes

## (1) Consolidated balance sheets

	(Millions of yen)	
	As of Mar. 31, 2020	As of Dec. 31, 2020
<b>Assets</b>		
Cash and due from banks	876,301	917,194
Call loans and bills bought	65	186
Trading account securities	180	139
Money held in trust	978	99
Securities	133,860	239,292
Loans and bills discounted	2,502,838	2,386,613
Foreign exchanges	2,215	2,342
Lease receivables and investment assets	6,439	5,646
Other assets	52,980	51,126
Tangible fixed assets	37,507	37,310
Intangible fixed assets	21,569	20,314
Net defined benefit asset	12,660	13,551
Deferred tax assets	15,897	15,265
Customers' liabilities for acceptances and guarantees	2,062	1,809
Allowance for loan losses	(183,979)	(186,091)
<b>Total assets</b>	<b>3,481,579</b>	<b>3,504,801</b>
<b>Liabilities</b>		
Deposits	3,204,791	3,211,169
Borrowed money	3	0
Foreign exchanges	15,663	22,935
Other liabilities	491	9
Provision for bonuses	35	-
Net defined benefit liability	275	265
Provision for directors' retirement benefits	270	-
Provision for share-based compensation	-	158
Provision for reimbursement of deposits	245	162
Provision for contingent losses	139	117
Deferred tax liabilities	707	951
Acceptances and guarantees	2,062	1,809
<b>Total liabilities</b>	<b>3,224,686</b>	<b>3,237,578</b>
<b>Net assets</b>		
Capital stock	30,043	30,043
Capital surplus	2,045	2,045
Retained earnings	218,587	226,846
Treasury shares	(561)	(561)
<b>Total shareholders' equity</b>	<b>250,115</b>	<b>258,374</b>
Net unrealized gains (losses) on available-for-sale securities	6,276	8,418
Deferred gains (losses) on hedges	(23)	(34)
Remeasurements of defined benefit plans	412	362
<b>Total accumulated other comprehensive income</b>	<b>6,665</b>	<b>8,745</b>
Non-controlling interests	111	103
<b>Total net assets</b>	<b>256,892</b>	<b>267,223</b>
<b>Total liabilities and net assets</b>	<b>3,481,579</b>	<b>3,504,801</b>

## (2) Consolidated statements of income and Consolidated statements of comprehensive income

## Consolidated statements of income

	(Millions of yen)	
	For the nine months ended Dec. 31, 2019	For the nine months ended Dec. 31, 2020
Ordinary income	91,472	75,520
Interest income	71,915	63,221
Interest on loans and bills discounted	70,738	61,849
Interest and dividends on securities	778	752
Fees and commissions	7,852	6,497
Other operating income	4,861	3,133
Other income	6,842	2,667
Ordinary expenses	62,544	59,480
Interest expenses	1,171	1,181
Interest on deposits	940	1,117
Fees and commissions payments	11,276	8,889
Other operating expenses	2,312	2,468
General and administrative expenses	35,744	32,975
Other expenses	12,039	13,965
Ordinary profit	28,928	16,040
Extraordinary gains	47	364
Gains on disposal of non-current assets	35	364
Gain on reversal of subscription rights to shares	12	-
Extraordinary losses	367	691
Losses on disposal of non-current assets	364	390
Impairment loss	2	300
Income before income taxes	28,608	15,713
Income taxes	9,078	6,303
Profit	19,529	9,409
Profit attributable to non-controlling interests	74	(7)
Profit attributable to owners of parent	19,454	9,416

## Consolidated statements of comprehensive income

	(Millions of yen)	
	For the nine months ended Dec. 31, 2019	For the nine months ended Dec. 31, 2020
Profit	19,529	9,409
Other comprehensive income		
Net unrealized gains (losses) on available-for-sale securities	(3,934)	2,141
Deferred gains (losses) on hedges	4	(10)
Remeasurements of defined benefit plans, net of tax	(458)	(50)
Total other comprehensive income	(4,387)	2,080
Comprehensive income	15,141	11,489
(Breakdown)		
Comprehensive income attributable to owners of parent	15,009	11,497
Comprehensive income attributable to non-controlling interests	131	(7)

### (3) Notes regarding consolidated financial statements

#### (Notes on going-concern assumption)

Not applicable.

#### (Notes for material changes in shareholders' equity)

Not applicable.

#### (Adoption of any particular accounting methods for quarterly consolidated financial statements)

##### (Calculation of income taxes)

Income taxes reported by the company and its subsidiaries are calculated by multiplying income before income taxes for the nine months ended December 31, 2020 with the reasonably estimated effective tax rate after applying tax effect accounting to income before income taxes for the fiscal year ending March 31, 2021, including the current third quarter.

In addition, in the case that calculating income taxes using the estimated effective tax rate significantly lack rationality, income taxes are calculated by using the statutory effective tax rate.

#### (Changes in accounting policies, changes in accounting estimates and restatements)

Not applicable.

#### (Additional information)

##### (Key Assumptions on Estimated Impact from Further Spread of the Coronavirus (COVID-19) Pandemic)

With regard to financial estimates that relate to impact from the coronavirus (COVID-19) pandemic in the third quarter of the current consolidated fiscal year, and assumptions that were used for these estimates, there have been no material changes from the information listed in the (Additional information) section of the securities report of the previous consolidated fiscal year.

As such assumptions have a high level of uncertainty, if circumstances concerning the spread of the coronavirus (COVID-19) pandemic and its impact on the economy vary from the original assumptions, financial results could be impacted from the fourth quarter of the current consolidated fiscal year (fourth quarter of the fiscal year ending March, 2021).



## Financial Results for the nine months ended December 31, 2020

### - Supplementary Information -

#### (1) Operating results for the nine months ended December 31, 2020 (Non-consolidated)

(Millions of yen)

	Nine months ended Dec. 31, 2020 (a)	Nine months ended Dec. 31, 2019 (b)	Change (a) - (b)	FY3/2020
Gross operating profit	54,809	62,207	(7,398)	80,345
Net interest income	57,475	65,093	(7,618)	84,965
Net fees and commissions	(3,176)	(5,051)	1,875	(6,876)
Net other operating income (Gains (losses) on bonds)	509 ( 485)	2,165 154	(1,656) 331	2,255 230)
Core gross operating profit (Note1)	54,324	62,053	(7,729)	80,115
Expenses	30,598	32,995	(2,397)	43,780
Personnel expenses	11,167	11,188	(21)	14,875
Non-personnel expenses	17,002	19,003	(2,001)	25,603
Core net operating profit (Note2)	23,725	29,058	(5,333)	36,334
Excluding gains (losses) on Cancellation of investment trusts	23,725	29,058	(5,333)	36,334
Actual net operating profit (Note3)	24,210	29,212	(5,002)	36,564
Provision for general allowance for loan losses (Note4)	(26,544)	4,586	(31,130)	-
Net operating profit	50,755	24,626	26,129	36,564
Non-recurring gains (losses)	(37,097)	2,818	(39,915)	3,427
Gains (losses) on stocks	(0)	5,303	(5,303)	5,303
Ordinary profit	13,658	27,444	(13,786)	39,991
Extraordinary gains (losses)	(292)	(327)	35	(9,908)
Income before income taxes	13,366	27,116	(13,750)	30,083
Income taxes (Note5)	5,774	8,568	(2,794)	5,609
Net income	7,592	18,547	(10,955)	24,474

(Millions of yen)

Net credit costs (Note6)	12,424	8,604	3,820	3,809
Provision for general allowance for loan losses (Note4)	(26,544)	4,586	(31,130)	-
Disposal of non-performing loans	38,969	4,018	34,951	4,039
Reversal allowance for loan losses (Note4)	-	-	-	229
Recoveries of written-off claims	1,508	763	745	1,351
Actual credit costs (Note7)	10,916	7,841	3,075	2,457

(Note1) Core gross operating profit = Gross operating profit - Gains (losses) on bonds

(Note2) Core net operating profit = Net operating profit + Provision for general allowance for loan losses  
- Gains (losses) on bonds

(Note3) Actual net operating profit = Net operating profit + Provision for general allowance for loan losses

(Note4) For the fiscal year ended March 31, 2020, the net amount of reversal of specific allowance for loan losses and provision for general allowance for loan losses is recorded in reversal of allowance for loan losses, given that the former exceeded the latter during period.

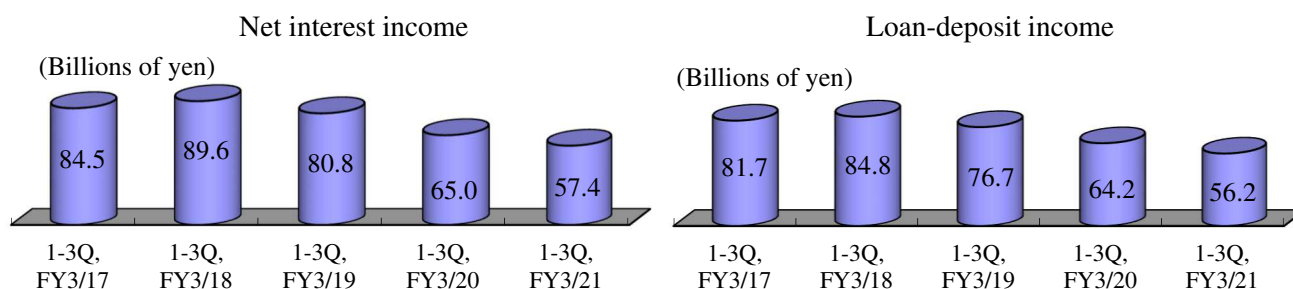
(Note5) The amount of Income taxes for the fiscal year ended March 31, 2020 is that of Total income taxes.

(Note6) Net credit costs = Provision for general allowance for loan losses + Disposal of non-performing loans  
- Reversal of allowance for loan losses

(Note7) Actual credit costs = Net credit costs - Recoveries of written-off claims.

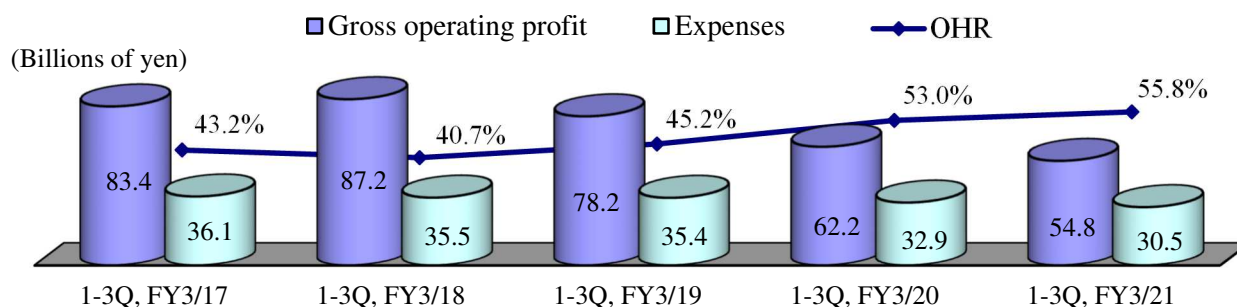
## (A) Gross operating profit: ¥54.8 billion

- Net interest income decreased by ¥7.6 billion year-on-year, mainly due to a decrease in interest on loans and bills discounted.
- Loan-deposit income decreased by ¥8.0 billion year-on-year.
- Gross operating profit decreased by ¥7.3 billion year-on-year.



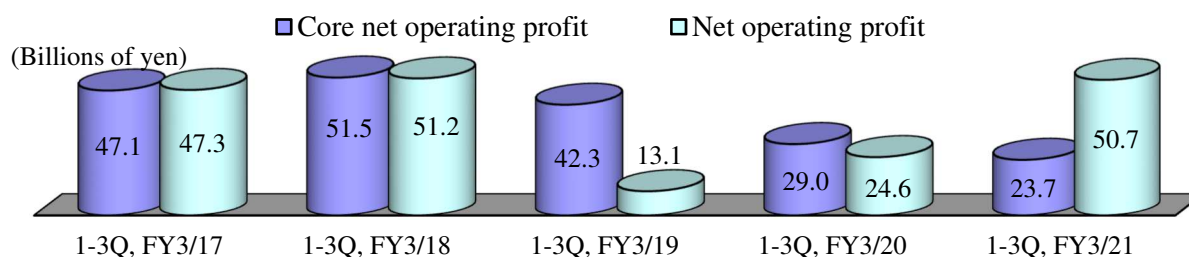
## (B) Expenses; OHR: 55.8%

- Expenses decreased by ¥2.3 billion year-on-year.
  - OHR rose year-on-year to 55.8%.
- (OHR (%) = Expenses / Gross operating profit × 100)



## (C) Core net operating profit: ¥23.7 billion, Net operating profit: ¥50.7 billion

- Core net operating profit decreased by ¥5.3 billion year-on-year, mainly due to a decrease in net interest income.
- Net operating profit increased by ¥26.1 billion year-on-year, mainly due to a decrease in provision for general allowance for loan losses.



## (D) Ordinary profit: ¥13.6 billion, Net income: ¥7.5 billion

- Ordinary profit decreased by ¥13.7 billion year-on-year, mainly due to an increase in disposal of non-performing loans.
- Net income decreased by ¥10.9 billion year-on-year, mainly due to a decrease in ordinary profit.

## (E) Actual credit costs: ¥10.9 billion

- Net credit costs increased by ¥3.8 billion year-on-year, mainly due to an increase (¥34.9 billion) in disposal of non-performing loans and a decrease (¥31.1 billion) in provision for general allowance for loan losses.
- Actual credit costs, calculated as net credit costs (¥12.4 billion) minus the amount of recoveries of written-off claims (¥1.5 billion) amounted to ¥10.9 billion.

**(2) Loans and deposits (Non-consolidated)****(A) Loans and bills discounted**

- Loans and bills discounted (period-end balance) decreased by ¥199.7 billion year-on-year.
- Yield on loans and bills discounted dropped by 8 basis points year-on-year to 3.12%.

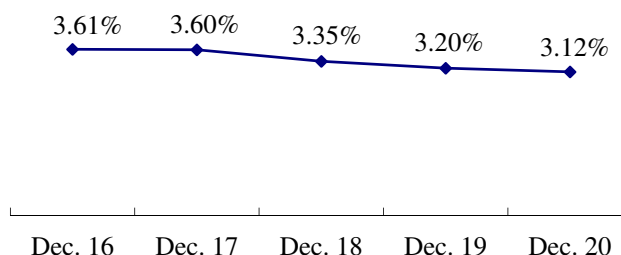
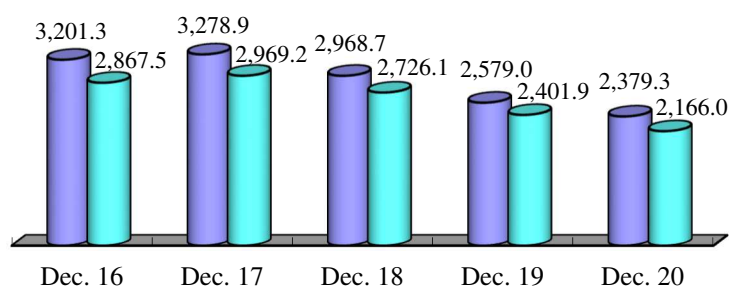
	Dec. 31, 2020 (a)	(a) – (b)	Dec. 31, 2019 (b)	(Billions of yen) Mar. 31, 2020
Loans and bills discounted (period-end balance)	2,379.3	(199.7)	2,579.0	2,496.1
Consumer loans	2,166.0	(235.9)	2,401.9	2,307.0
Secured loans	1,989.2	(197.7)	2,186.9	2,099.0
Unsecured loans	176.7	(38.2)	214.9	207.9
Loans and bills discounted (average balance)	2,436.2	(264.5)	2,700.7	2,664.7

	Dec. 31, 2020 (a)	(a) – (b)	Dec. 31, 2019 (b)
New consumer loans	15.0	11.6	3.4
New asset management company loans for property investment	9.3	9.3	-
Subtotal	24.3	20.9	3.4
New asset finance	14.3	10.1	4.2
Total	38.7	31.1	7.6

- Loans and bills discounted (period-end balance)
- Consumer loans (period-end balance)

- ◆ Yield on loans and bills discounted

(Billions of yen)



## Consumer loans

## Outstanding balance, yield, delinquency rate by loan category

(Billions of yen)

Loan category	Dec. 31, 2020			Sep. 30, 2020		
	Period-end balance	Yield	Delinquency rate	Period-end balance	Yield	Delinquency rate
Secured loans	1,989.2	3.05%	6.69%	2,025.4	3.07%	5.81%
Housing loans	509.9	2.84%	0.31%	522.7	2.85%	0.51%
Studio apartment loans	173.7	3.39%	1.71%	180.8	3.40%	1.79%
Single building apartment loans	1,115.8	3.24%	3.69%	1,129.8	3.26%	3.80%
Share house loans	152.4	1.45%	58.52%	153.4	1.46%	45.87%
Other secured loans	37.2	4.80%	1.16%	38.5	4.81%	1.15%
Unsecured loans	176.7	10.29%	2.15%	185.4	10.26%	2.13%
Card loans	116.9	11.65%	0.84%	122.4	11.61%	0.83%
Unsecured certificate loans	59.8	7.64%	4.71%	63.0	7.64%	4.66%
Consumer loans (A)	2,166.0	3.63%	6.33%	2,210.8	3.66%	5.51%
Consumer loans (excluding share house-related loans)	1,978.7	-	2.19%	2,021.8	-	2.32%
Corporate loans for property investment (B)	27.2	2.29%	-	17.8	2.25%	-
Total (A) + (B)	2,193.3	3.59%	6.25%	2,228.7	3.63%	5.46%

(Note1) Delinquency rate = Loans past due 3 months or more / Loans

(Note2) Yield: Yield for customers (excluding guarantee fee, accrued interest), period-end balance basis

(Note3) Yield and delinquency rate of Studio apartment loans, secured loans and consumer loans are calculated based on originals claims before securitization.

(Note4) Corporate loans for property investment : Asset management company loans for property investment and asset finance that are defined as new business fields in the mid-term management plan.

## Share house loans (Non-performing loans based on the Financial Reconstruction Law)

(Billions of yen)

	Total credit balance	Claims against bankrupt and substantially bankrupt obligors	Claims with collection risk	Claims for special attention	Subtotal (Non-performing loans)	Normal assets
Dec. 31, 2019	244.4	91.3	36.2	99.8	227.4	17.0
Mar. 31, 2020	192.1	45.9	28.9	100.7	175.5	16.5
Jun. 30, 2020	190.4	50.2	38.3	87.4	176.0	14.4
Sep. 30, 2020	189.1	56.1	58.3	62.4	177.0	12.1
Dec. 31, 2020	187.3	80.6	43.6	52.2	176.4	10.8

(Billions of yen)

	Total credit balance		Collateral or guarantees, etc	Unsecured portion	Allowance	Coverage ratio
	A	Share house claims	B	C	D	(B + D) / A
Dec. 31, 2019	244.4	198.4	91.1	153.2	133.1	91.79%
Mar. 31, 2020	192.1	154.7	72.7	119.3	102.5	91.29%
Jun. 30, 2020	190.4	154.0	72.1	118.2	103.7	92.36%
Sep. 30, 2020	189.1	153.5	71.8	117.3	106.5	94.31%
Dec. 31, 2020	187.3	152.5	72.2	115.1	106.1	95.20%

(Note1) Based on obligors of share house loans

(Note2) Covered amount: Estimated amount, calculated by multiplying the covered amount including collateral, etc. with a certain ratio.

(Note3) Total credit balance, share house loan receivables: Loans and bills discounted, suspense payments equivalent to loans and bills discounted, and accrued interest on loans and bills discounted.

## Actual credit costs and Allowance for loan losses

(Billions of yen)

Item	Actual credit costs	Allowance
Share house-related loans	4.0	106.1
Investment property loans	6.1	58.0
Housing loans	0.4	4.6
Unsecured loans	0.2	2.3
Business financing loans, etc.	0.0	8.2
Total	10.9	179.3

(Note) Investment property loans: Studio apartment loans, Single building apartment loans, Other secured loans

## (B) Deposits

- Deposits increased (period-end balance) by ¥68.2 billion year-on-year.
- Yield on deposits is 4 bases points.

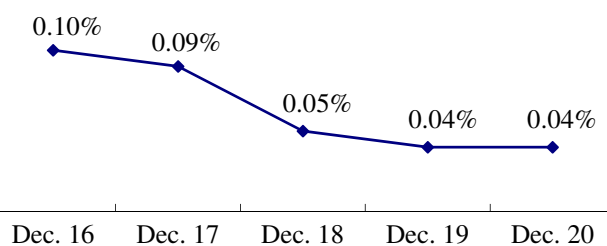
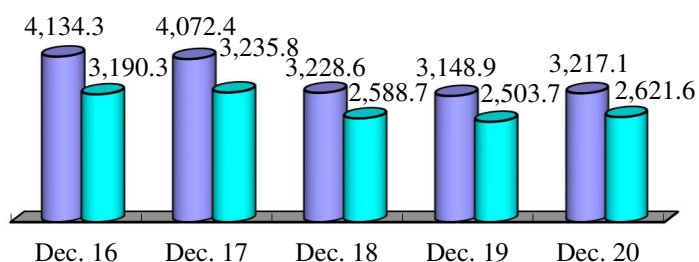
	Dec. 31, 2020 (a)	(a) – (b)	Dec. 31, 2019 (b)	(Billions of yen) Mar. 31, 2020
Deposits (period-end balance)	3,217.1	68.2	3,148.9	3,210.8
Individual deposits	2,621.6	117.9	2,503.7	2,515.1
Deposits (average balance)	3,186.2	99.5	3,086.7	3,099.2

■ Deposits (period-end balance)

—◆— Yield on deposits

■ Individual deposits (period-end balance)

(Billions of yen)



**(3) Interest margins (Non-consolidated)**

- ・Loan-deposit margin (after deduction of expenses, overall) expanded by 6 basis points year-on-year to 1.80%.
- ・Net interest margin (overall) shrunk by 24 basis points year-on-year to 0.95%.

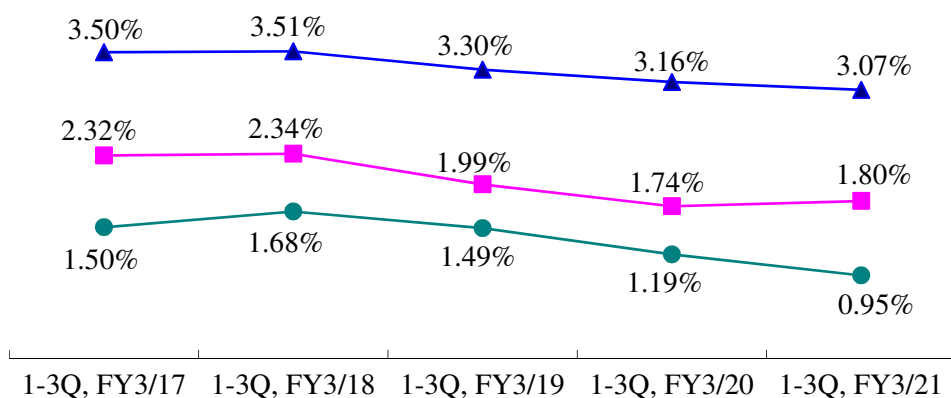
**Overall**

	Nine months ended Dec. 31, 2020 (a)	(a) - (b)	Nine months ended Dec. 31, 2019 (b)	FY3/2020 (%)
Yield on loans and bills discounted	3.12	(0.08)	3.20	3.19
Yield on deposits	0.04	0.00	0.04	0.04
Loan-deposit margin (after deduction of expenses)	1.80	0.06	1.74	1.74
Net interest margin	0.95	(0.24)	1.19	1.14

**Domestic**

	Nine months ended Dec. 31, 2020 (a)	(a) - (b)	Nine months ended Dec. 31, 2019 (b)	FY3/2020 (%)
Yield on loans and bills discounted	3.12	(0.07)	3.19	3.19
Yield on deposits	0.04	0.00	0.04	0.04
Loan-deposit margin (after deduction of expenses)	1.84	0.06	1.78	1.78
Net interest margin	0.98	(0.25)	1.23	1.18

- ▲— Loan-deposit margin (overall)
- Loan-deposit margin (after deduction of expenses, overall)
- Net interest margin (overall)



## (4) Non-performing loans based on the Financial Reconstruction Law (Non-consolidated)

- Non-performing loans based on the Financial Reconstruction Law increased by ¥3.5 billion from March 31, 2020.
- Non-performing loan ratio rose by 137 basis points from March 31, 2020 to 15.78%.

(Millions of yen)

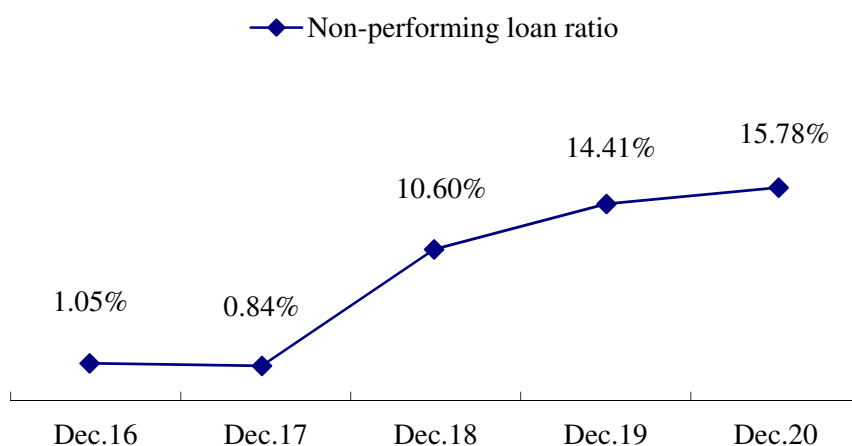
	Dec. 31, 2020	Dec. 31, 2019	Mar. 31, 2020
Claims against bankrupt and substantially bankrupt obligors	124,426	140,250	92,639
Claims with collection risk	104,657	74,113	80,676
Claims for special attention	148,787	159,917	175,923
Total (Non-performing loans based on the Financial Reconstruction Law)	377,871	374,281	349,238
Non-performing loan ratio	15.78%	14.41%	13.90%
Total coverage	279,768	301,026	265,201
Coverage ratio	74.03%	80.42%	75.93%

(Note1) Total claims = Loans and bills discounted + Foreign exchanges + Accrued interest + Customers' liabilities for acceptances and guarantees + Securities lent + Suspense payment ("Claims for special attention" include only "Loans and bills discounted")

(Note2) The figures above are based on the claim classification as defined in the Article 4 of the "Ordinance for Enforcement of the Act on Emergency Measures for the Revitalization of Financial Functions".

(Note3) The correspondence between classifications of obligors, etc.

- (a) "Claims against bankrupt and substantially bankrupt obligors" correspond to the claims against "Effectively bankrupt obligors" or "Bankrupt obligors" under self-assessment.
- (b) "Claims with collection risk" correspond to the claims against "Potentially bankrupt obligors" under self-assessment.
- (c) "Claims for special attention" correspond to the claims which are against "Obligors requiring caution" under self-assessment and classified as "Loans past due 3 months or more" or "Restructured loans".



## (5) Capital adequacy ratio (domestic standard)

•Capital adequacy ratio (non-consolidated) rose by 157 basis points year-on-year to 11.40%.
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## Non-consolidated

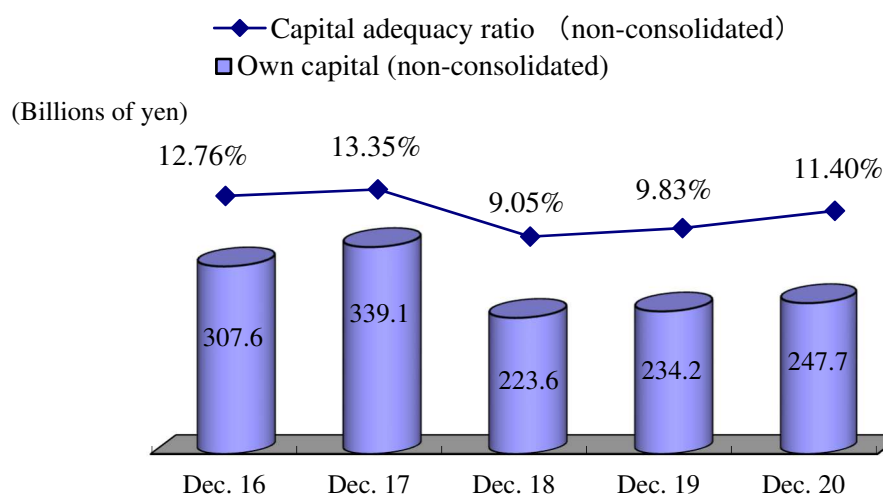
(Millions of yen)

	Dec. 31, 2020	Dec. 31, 2019	Mar. 31, 2020
Capital adequacy ratio	11.40%	9.83%	10.28%
Own capital (Core capital)	247,776	234,256	241,438
Core capital: instruments and reserves	271,462	261,395	265,899
Core capital: regulatory adjustments (-)	23,686	27,139	24,461
Risk-weighted assets	2,172,160	2,380,704	2,347,582
Total required capital	83,317	91,797	90,574

## Consolidated

(Millions of yen)

	Dec. 31, 2020	Dec. 31, 2019	Mar. 31, 2020
Capital adequacy ratio	11.60%	9.96%	10.42%
Own capital (Core capital)	257,299	241,762	249,228
Core capital: instruments and reserves	283,784	274,680	276,418
Core capital: regulatory adjustments (-)	26,485	32,917	27,189
Risk-weighted assets	2,216,332	2,425,431	2,390,570
Total required capital	85,084	93,586	92,293





## (6) Composition of own capital (domestic standard)

(Millions of yen)

	December 31, 2020	
	Non-consolidated	Consolidated
<b>Core capital: instruments and reserves (1)</b>		
Directly issued qualifying common stock or preferred stock mandatorily convertible into common stock capital plus related capital surplus and retained earnings	246,621	258,374
Capital and capital surplus	48,632	32,089
Retained earnings	198,549	226,846
Treasury shares (-)	561	561
Earnings to be distributed (-)	-	-
Accumulated other comprehensive income included in Core capital	-	362
Remeasurements of defined benefit plans	-	362
Subscription rights to acquire common stock or preferred stock mandatorily convertible into common stock	-	-
Adjusted non-controlling interests (amount allowed to be included in Core capital)	-	-
Reserves included in Core capital: instruments and reserves	24,841	25,006
General allowance for loan losses	24,841	25,006
Eligible non-cumulative perpetual preferred stock subject to transitional arrangement included in Core capital: instruments and reserves	-	-
Eligible capital instrument subject to transitional arrangement included in Core capital: instruments and reserves	-	-
Capital instrument issued through the measures for strengthening capital by public institutions included in Core capital: instruments and reserves	-	-
45% of revaluation reserve for land included in Core capital: instruments and reserves	-	-
Non-controlling interests included in Core capital subject to transitional arrangements	-	41
Core capital: instruments and reserves (A)	271,462	283,784
<b>Core capital: regulatory adjustments (2)</b>		
Total intangible fixed assets (net of related tax liability, excluding those relating to mortgage servicing rights)	12,950	14,619
Goodwill (including those equivalent)	-	1,456
Other intangible fixed assets other than goodwill and mortgage servicing rights	12,950	13,162
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	310
Shortfall of eligible provisions to expected losses	-	-
Gains on sale related to securitization transactions	-	-
Gains (losses) due to changes in own credit risk on fair valued liabilities	-	-
Prepaid pension cost	9,096	-
Net defined benefit asset	-	9,458
Investments in own shares (excluding those reported in the net assets)	-	-
Reciprocal cross-holdings in relevant capital instruments issued by other financial institutions	-	-
Investments in the capital of 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 specified items	1,639	2,096
Significant investments in the common stock of Other financial institutions, net of eligible short positions	-	-
Mortgage servicing rights	-	-
Deferred tax assets arising from temporary differences (net of related tax liability)	1,639	2,096
Amount exceeding the 15% threshold on specified items	-	-
Core capital: regulatory adjustments (B)	23,686	26,485
<b>Total capital</b>		
Total capital (A-B) (C)	247,776	257,299
<b>Risk-weighted assets (3)</b>		
Credit risk-weighted assets	1,987,551	2,000,753
Total of items included in risk-weighted assets subject to transitional arrangements	-	-
Amount equivalent to market risk × 12.5	-	-
Amount equivalent to operational risk × 12.5	184,609	215,578
Credit risk-weighted assets adjustments	-	-
Amount equivalent to operational risk adjustments	-	-
Total amount of risk-weighted assets (D)	2,172,160	2,216,332
<b>Capital adequacy ratio (non-consolidated)</b>		
Capital adequacy ratio (non-consolidated) (C/D)	11.40%	-
<b>Capital adequacy ratio (consolidated)</b>		
Capital adequacy ratio (consolidated) (C/D)	-	11.60%

## (7) Unrealized gains (losses) on securities (Non-consolidated)

· Net unrealized gains (losses) on securities decreased by ¥1.6 billion year-on-year.

(Millions of yen)

	Dec. 31, 2020				Dec. 31, 2019				Mar. 31, 2020			
	Fair Value	Net unrealized gains (losses)			Fair value	Net unrealized gains (losses)			Fair value	Net unrealized gains (losses)		
			Gains	Losses			Gains	Losses			Gains	Losses
Available-for-sale securities	226,729	9,278	9,588	310	120,086	10,921	11,283	361	118,691	6,785	7,386	600
Stocks	15,242	6,967	7,232	264	17,848	9,572	9,782	210	14,125	5,850	6,193	343
Bonds	118,484	399	434	34	100,627	501	535	34	103,146	276	368	92
Others	93,002	1,910	1,922	11	1,611	847	964	117	1,419	659	824	165

(Note1) Stocks of subsidiaries and affiliates are not included since they are not valued with fair value.

(Note2) Unrealized gains (losses) represent the difference between the fair value as of period-ends and acquisition costs.

## (8) Individual deposit assets (Non-consolidated)

· Individual deposit assets increased by ¥101.9 billion year-on-year.

· The ratio of investment products to total individual deposit assets declined by 8 basis points year-on-year to 3.9%.

(Millions of yen)

	Dec. 31, 2020 (a)	(a) - (b)	Dec. 31, 2019 (b)	Mar. 31, 2020
Individual deposit assets	2,726,503	101,936	2,624,567	2,618,226
Yen deposits	2,617,756	117,978	2,499,778	2,511,282
Investment products	108,746	(16,043)	124,789	106,943
Foreign currency deposits	3,935	(48)	3,983	3,857
Public bonds	6,344	(1,112)	7,456	7,195
Mutual funds	65,181	(10,707)	75,888	59,885
Personal pension plans	19,087	(3,413)	22,500	21,312
Single premium life insurance	14,197	(764)	14,961	14,693
The ratio of investment products to total individual deposit assets	3.9%	(0.8%)	4.7%	4.0%