

SURUGA bank, Ltd.

Consolidated financial results for the fiscal year ended March 31, 2019

<under Japanese GAAP>

Stock exchange listings: Tokyo (code: 8358)

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

Representative: Michio Arikuni, President

Dividend payment date: —

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

1. Consolidated financial results for the fiscal year ended March 31, 2019

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

Fiscal year ended	Ordinary income		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2019	139,635	(10.6)	(74,342)	-	(97,146)	-
March 31, 2018	156,278	7.2	10,525	(81.9)	6,988	(83.6)

(Note) Comprehensive income: (a) Fiscal year ended March 31, 2019: ¥(99,947) million [- %]

(b) Fiscal year ended March 31, 2018: ¥9,646 million [(77.4) %]

Fiscal year ended	Earnings per share	Earnings per share (diluted)	Return on net assets	Ordinary profit on total assets	Ordinary profit on ordinary income
	yen	yen	%	%	%
March 31, 2019	(419.36)	-	(33.2)	(1.8)	(53.2)
March 31, 2018	30.17	30.16	2.0	0.2	6.7

(Reference) Equity in gains (losses) of affiliates: (a) Fiscal year ended March 31, 2019: ¥1 million

(b) Fiscal year ended March 31, 2018: ¥4 million

(2) Consolidated financial position

As of	Total assets	Total net assets	Net assets ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2019	3,428,327	242,308	7.0	1,040.42
March 31, 2018	4,461,576	344,763	7.6	1,479.36

(Reference) Shareholders' equity: (a) As of March 31, 2019: ¥241,015 million; (b) As of March 31, 2018: ¥342,667 million

(Note) Nets assets ratio = {(Total net assets - Subscription rights to shares - Non-controlling interests) / Total assets} × 100

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

(3) Consolidated cash flows

Fiscal year ended	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at year-end
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2019	(547,470)	(1,087)	(2,507)	417,679
March 31, 2018	32,724	16,984	(5,262)	968,741

2. Dividends on common stock

	Dividends per share					Total dividends	Dividend payout ratio (Consolidated)	Dividend on net assets ratio (Consolidated)
	1 st quarter -end	2 nd quarter -end	3 rd quarter -end	Fiscal year -end	Total			
Fiscal year ended March 31, 2018	yen -	yen 10.50	yen -	yen 10.50	yen 21.00	Millions of yen 4,864	% 69.6	% 1.4
ended March 31, 2019	-	0.00	-	0.00	0.00	-	-	-
ending March 31, 2020 (forecast)	-	-(not decided)	-	-(not decided)	-(not decided)		-(not decided)	

3. Consolidated earnings forecast for the fiscal year ending March 31, 2020

(% represents the change from the same period in the previous fiscal year)

	Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Yen
1H, FY3/2020	8,000	-	5,000	-	21.58
FY3/2020	16,000	-	10,500	-	45.32

(Notes)

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

(2) 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

(3) Number of issued shares (common stock)

(A) Number of issued shares (including treasury shares):	As of Mar. 31, 2019	232,139,248 shares	As of Mar. 31, 2018	232,139,248 shares
(B) Number of treasury shares:	As of Mar. 31, 2019	488,242 shares	As of Mar. 31, 2018	507,295 shares
(C) Average number of shares:	Fiscal year ended Mar. 31, 2019	231,648,714 shares	Fiscal year ended Mar. 31, 2018	231,619,388 shares

(Reference) Summary of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended March 31, 2019

(1) Non-consolidated operating results (% represents the change from the previous fiscal year)

Fiscal year ended	Ordinary income		Ordinary profit		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2019	127,407	(9.9)	(74,985)	-	(97,016)	-
March 31, 2018	141,533	5.3	8,670	(84.8)	5,223	(87.4)

Fiscal year ended	Earnings per share	Earnings per share (diluted)
	Yen	yen
March 31, 2019	(418.80)	-
March 31, 2018	22.55	22.54

(2) Non-consolidated financial position

As of	Total assets	Total net assets	Net assets ratio	Net assets per share
	Millions of yen	Millions of yen	%	yen
March 31, 2019	3,412,017	227,947	6.6	983.95
March 31, 2018	4,451,689	332,711	7.4	1,436.30

(Reference) Shareholders' equity: (a) As of March 31, 2019: ¥227,935 million; (b) As of March 31, 2018: ¥332,694 million

(Note) Net assets ratio = {(Total net assets - Subscription rights to shares) / Total assets} × 100

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

2. Non-consolidated earnings forecast for the fiscal year ending March 31, 2020

(% represents the change from the same period in the previous fiscal year)

	Ordinary profit		Net income		Earnings per share
	Millions of yen	%	Millions of yen	%	yen
1H, FY3/2020	7,500	-	5,000	-	21.58
FY3/2020	15,000	-	10,000	-	43.16

(Note) This report is outside the scope of audit procedures by certified public accountants or audit firms.

(Note) 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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* Financial results for the fiscal year ended March 31, 2019 supplementary information

1. Overview of operating results, etc.

(1) Overview of operating results

In the fiscal year ended March 31, 2019, consolidated ordinary income decreased by ¥16.643 billion year-on-year to ¥139.635 billion. This was mainly due to the decline in interest income reflecting the drop in interest on loans and bills discounted. Meanwhile, ordinary expenses increased by ¥68.226 billion year-on-year to ¥213.978 billion, mainly due to an increase in credit costs related to share house loans, etc. As a result, ordinary profit decreased by ¥84.867 billion year-on-year to a loss of ¥74.342 billion, and profit attributable to owners of parent decreased by ¥104.134 billion year-on-year to a loss of ¥97.146 billion.

Non-consolidated operating results were as follows:

(A) Gross operating profit

Gross operating profit decreased by ¥15.176 billion year-on-year to ¥99.995 billion on the back of the drop (¥14.420 billion) in net interest income.

(B) Expenses

Expenses increased by ¥0.135 billion year-on-year to ¥46.877 billion.

(C) Net operating profit

Core net operating profit decreased by ¥15.532 billion year-on-year to ¥52.616 billion, mainly due to a drop in net interest income.

Net operating profit increased by ¥4.478 billion year-on-year to ¥26.408 billion, mainly due to a decrease in provision for general allowance for loan losses.

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

(D) Ordinary profit

Ordinary profit decreased by ¥83.655 billion year-on-year to a loss of ¥74.985 billion, mainly due to an increase in net credit costs.

(E) Net income

Net income decreased by ¥102.239 billion year-on-year to a loss of ¥97.016 billion, mainly due to a reversal of allowance for executive retirement benefits (¥2.311 billion) and an impairment loss of fixed assets(2.829 billion).

(F) Net credit costs

Provision for general allowance for loan losses decreased by ¥19.789 billion year-on-year. Disposal of non-performing loans increased by ¥91.485 billion year-on-year to ¥110.349 billion. As a result, net credit costs increased by ¥71.697 billion year-on-year to ¥137.060 billion.

Actual credit costs increased by ¥72.342 billion year-on-year to ¥136.358 billion.

(Note) Net credit costs = Provision for general allowance for loan losses

+ Disposal of non-performing loans - Reversal of allowance for loan losses

(Note) Actual credit costs = Net credit costs - Recoveries on written-off claims

(2) Overview of financial position

As for consolidated major account balances, loans and bills discounted came in at ¥2,904.387 billion, down by ¥343.772 billion year-on-year. Securities amounted to ¥133.186 billion, up by ¥1.649 billion year-on-year. Deposits amounted to ¥3,159.604 billion, down by ¥920.368 billion year-on-year.

Non-consolidated major account balances were as follows:

(A) Loans and bills discounted

Loans and bills discounted came in at ¥2,898.864 billion, down by ¥347.114 billion year-on-year. Consumer loans amounted to ¥2,664.854 billion, down by ¥261.137 billion year-on-year. The average balance of loans and bills discounted in the fiscal year amounted to ¥3,054.760 billion, down by ¥175.016 billion year-on-year.

(B) Securities

Securities amounted to ¥136.166 billion, down by ¥0.656 billion year-on-year.

(C) Deferred tax assets (liabilities)

Deferred tax assets amounted to ¥13.774 billion, down by 2.012 billion year-on-year.

(D) Deposits

Deposits amounted to ¥3,165.680 billion, down by ¥923.969 billion year-on-year. Individual deposits amounted to ¥2,501.642 billion, down by ¥684.296 billion year-on-year. The average balance of deposits in the fiscal year amounted to ¥3,504.213 billion, down by ¥542.804 billion year-on-year.

As for consolidated cash flows, cash flow from operating activities was a net outflow of ¥547.470 billion (compared to a net inflow of ¥32.724 billion in the previous fiscal year), given that outflows mainly due to a decrease in deposits exceeded inflows mainly due to a decrease in loan and bills discounted. Cash flow from investing activities was a net outflow of ¥1.087 billion (compared to a net inflow of ¥16.984 billion in the previous fiscal year), mainly due to purchase of securities. Cash flow from financing activities was a net outflow of ¥2.507 billion (compared to a net outflow of ¥5.262 billion in the previous fiscal year), mainly due to dividend payments. As a result, cash and cash equivalents as of March 31, 2019 amounted to ¥417.679 billion, down by ¥551.061 billion year-on-year (compared to ¥968.741 billion as of March 31, 2018).

(3) Future outlook

Earnings forecast for the fiscal year ending March 31, 2020 is as follows:

Consolidated	(Billions of yen)	
	FY3/2020 (Forecast)	
	First half	Full year
Ordinary profit	8.0	16.0
Profit attributable to owners of parent	5.0	10.5

Non-consolidated	(Billions of yen)	
	FY3/2020 (Forecast)	
	First half	Full year
Core net operating profit	17.0	34.0
Net operating profit	16.5	33.0
Ordinary profit	7.5	15.0
Net income	5.0	10.0
Actual credit costs	9.5	19.0
ROE (Net income basis)	4.62 %	4.63 %

(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. Basic approach to the selection of accounting standards

The Suruga Bank group intends to apply Japanese accounting standards for the foreseeable future, taking into consideration the comparability of consolidated financial statements across reporting periods and companies. As for the adoption of International Financial Reporting Standards (IFRS), we will respond appropriately to the various developments in Japan and overseas.

3. Consolidated financial statements and notes

(1) Consolidated balance sheets

(Millions of yen)

	As of March 31, 2018	As of March 31, 2019
Assets		
Cash and due from banks	973,397	424,073
Call loans and bills bought	2,141	561
Trading account securities	86	167
Money held in trust	1,571	515
Securities	131,537	133,186
Loans and bills discounted	3,248,159	2,904,387
Foreign exchanges	2,514	2,407
Lease receivables and investment assets	5,995	6,368
Other assets	65,076	62,493
Tangible fixed assets	52,120	48,311
Buildings, net	13,835	12,770
Land	25,712	23,934
Leased assets, net	9	16
Construction in progress	143	180
Other tangible fixed assets	12,419	11,410
Intangible fixed assets	27,111	24,601
Software	24,533	22,299
Goodwill	1,812	1,683
Leased assets	6	3
Software in progress	371	236
Other intangible fixed assets	387	378
Net defined benefit asset	10,509	15,376
Deferred tax assets	16,695	13,400
Customers' liabilities for acceptances and guarantees	2,877	2,551
Allowance for loan losses	(78,218)	(210,076)
Total assets	4,461,576	3,428,327
Liabilities		
Deposits	4,079,972	3,159,604
Borrowed money	1,085	740
Foreign exchanges	23	16
Other liabilities	28,300	20,999
Provision for bonuses	699	482
Provision for directors' bonuses	182	-
Net defined benefit liability	265	295
Provision for directors' retirement benefits	2,507	246
Provision for reimbursement of deposits	365	398
Provision for contingent losses	137	111
Deferred tax liabilities	396	572
Acceptances and guarantees	2,877	2,551
Total liabilities	4,116,813	3,186,019

(Millions of yen)

	As of March 31, 2018	As of March 31, 2019
Net assets		
Capital stock	30,043	30,043
Capital surplus	489	1,202
Retained earnings	292,841	193,263
Treasury shares	(582)	(560)
Total shareholders' equity	322,791	223,948
Net unrealized gains (losses) on available-for-sale securities	18,489	13,352
Deferred gains (losses) on hedges	(15)	(35)
Remeasurements of defined benefit plans	1,402	3,750
Total accumulated other comprehensive income	19,876	17,067
Subscription rights to shares	17	12
Non-controlling interests	2,078	1,280
Total net assets	344,763	242,308
Total liabilities and net assets	4,461,576	3,428,327

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

	(Millions of yen)	
	For the fiscal year ended March 31, 2018	For the fiscal year ended March 31, 2019
Ordinary income	156,278	139,635
Interest income	130,751	111,901
Interest on loans and bills discounted	125,367	109,933
Interest and dividends on securities	4,107	1,383
Interest on call loans and bills bought	32	21
Interest on deposits with banks	814	538
Other interest income	429	23
Fees and commissions	13,283	11,902
Other operating income	4,118	4,068
Gains on sales of bonds	0	5
Gains on redemption of bonds	396	594
Other	3,720	3,468
Other income	8,125	11,763
Recoveries on written-off claims	1,793	1,141
Gains on sales of stocks and other securities	5,465	9,801
Equity in gains of affiliates	4	1
Other	861	819
Ordinary expenses	145,752	213,978
Interest expenses	3,670	2,033
Interest on deposits	3,439	1,706
Interest on call money and bills sold	-	0
Interest on borrowings and rediscounts	10	8
Other interest expenses	220	317
Fees and commissions payments	14,981	13,992
Other operating expenses	3,302	3,062
Losses on sales of bonds	-	1
Losses on redemption of bonds	116	96
Other	3,186	2,964
General and administrative expenses	51,945	51,326
Other expenses	71,853	143,562
Provision for allowance for loan losses	60,546	134,216
Write-off of loans	5,938	4,649
Losses on sales of stocks and other securities	0	198
Losses on devaluation of stocks and other securities	10	16
Other	5,357	4,481
Ordinary profit	10,525	(74,342)

(Millions of yen)

	For the fiscal year ended March 31, 2018	For the fiscal year ended March 31, 2019
Extraordinary gains	64	2,469
Gains on disposal of non-current assets	64	157
Reversal provision for directors' retirement benefits	-	2,311
Extraordinary losses	484	3,186
Losses on disposal of non-current assets	484	356
Impairment loss	-	2,829
Income before income taxes	10,105	(75,059)
Income taxes - current	19,927	17,474
Income taxes - deferred	(17,020)	4,647
Total income taxes	2,906	22,122
Profit	7,198	(97,181)
Profit attributable to non-controlling interests	209	(35)
Profit attributable to owners of parent	6,988	(97,146)

Consolidated statements of comprehensive income

	(Millions of yen)	
	For the fiscal year ended March 31, 2018	For the fiscal year ended March 31, 2019
Profit	7,198	(97,181)
Other comprehensive income		
Net unrealized gains (losses) on available-for-sale securities	1,432	(5,092)
Deferred gains (losses) on hedges	46	(20)
Remeasurements of defined benefit plans, net of tax	969	2,347
Total other comprehensive income	2,448	(2,765)
Comprehensive income	9,646	(99,947)
(Breakdown)		
Comprehensive income attributable to owners of parent	9,340	(99,955)
Comprehensive income attributable to non-controlling interests	306	7

(3) Consolidated statements of changes in net assets

For the fiscal year ended March 31, 2018

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	30,043	4	291,063	(606)	320,504
Changes of items during period					
Dividends of surplus			(5,211)		(5,211)
Change in ownership interest of parent due to transactions with non-controlling interests		484			484
Profit attributable to owners of parent			6,988		6,988
Purchase of treasury shares				(5)	(5)
Disposal of treasury shares		0		29	30
Net changes of items other than shareholders' equity					
Total changes of items during period	-	485	1,777	23	2,286
Balance at end of current period	30,043	489	292,841	(582)	322,791

	Accumulated other comprehensive income				Subscription rights to shares	Non-controlling interests	Total net assets
	Net unrealized gains (losses) on available-for-sale securities	Deferred gains (losses) on hedges	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of current period	17,153	(61)	433	17,525	24	2,325	340,379
Changes of items during period							
Dividends of surplus							(5,211)
Change in ownership interest of parent due to transactions with non-controlling interests							484
Profit attributable to owners of parent							6,988
Purchase of treasury shares							(5)
Disposal of treasury shares							30
Net changes of items other than shareholders' equity	1,335	46	969	2,351	(6)	(247)	2,097
Total changes of items during period	1,335	46	969	2,351	(6)	(247)	4,384
Balance at end of current period	18,489	(15)	1,402	19,876	17	2,078	344,763

For the fiscal year ended March 31, 2019

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	30,043	489	292,841	(582)	322,791
Changes of items during period					
Dividends of surplus			(2,432)		(2,432)
Change in ownership interest of parent due to transactions with non-controlling interests		714			714
Profit attributable to owners of parent			(97,146)		(97,146)
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		(0)		23	22
Net changes of items other than shareholders' equity					
Total changes of items during period	-	713	(99,578)	22	(98,842)
Balance at end of current period	30,043	1,202	193,236	(560)	223,948

	Accumulated other comprehensive income				Subscription rights to shares	Non-controlling interests	Total net assets
	Net unrealized gains (losses) on available-for-sale securities	Deferred gains (losses) on hedges	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of current period	18,489	(15)	1,402	19,876	17	2,078	344,763
Changes of items during period							
Dividends of surplus							(2,432)
Change in ownership interest of parent due to transactions with non-controlling interests							714
Profit attributable to owners of parent							(97,146)
Purchase of treasury shares							(0)
Disposal of treasury shares							22
Net changes of items other than shareholders' equity	(5,136)	(20)	2,347	(2,809)	(5)	(798)	(3,613)
Total changes of items during period	(5,136)	(20)	2,347	(2,809)	(5)	(798)	(102,455)
Balance at end of current period	13,352	(35)	3,750	17,067	12	1,280	242,308

(4) Consolidated statements of cash flows

(Millions of yen)

	For the fiscal year ended March 31, 2018	For the fiscal year ended March 31, 2019
Cash flows from operating activities		
Income before income taxes	10,105	(75,059)
Depreciation	6,958	6,861
Impairment loss	-	2,829
Amortization of goodwill	129	129
Increase (decrease) in allowance for loan losses	58,912	131,857
Increase (decrease) in provision for bonuses	(15)	(216)
Increase (decrease) in provision for directors' bonuses	9	(182)
Increase (decrease) in net defined benefit liability	(1,505)	(1,796)
Increase (decrease) in provision for directors' retirement benefits	(772)	(2,260)
Increase (decrease) in provision for reimbursement of deposits	77	32
Increase (decrease) in provision for contingent losses	(32)	(26)
Interest income	(130,751)	(111,901)
Interest expenses	3,670	2,033
Losses (gains) on securities	(5,735)	(10,087)
Losses (gains) on money held in trust	12	24
Losses (gains) on disposal of non-current assets	420	198
Net decrease (increase) in trading account securities	(13)	(81)
Net decrease (increase) in loans and bills discounted	5,564	343,772
Net increase (decrease) in deposit	(15,537)	(920,367)
Net increase (decrease) in borrowed money (excluding subordinated borrowings)	(455)	(345)
Net decrease (increase) in deposit (excluding deposit paid to Bank of Japan)	(1,437)	(1,737)
Net decrease (increase) in call loans	135	1,579
Net decrease (increase) in foreign exchanges - assets	370	106
Net increase (decrease) in foreign exchanges - liabilities	(17)	(6)
Net decrease (increase) in lease receivables and investment assets	(515)	(373)
Net decrease (increase) in cash collateral paid for financial instruments assets	(10,897)	(65)
Interest received	130,486	111,654
Interest paid	(3,527)	(5,572)
Other, net	3,139	1,317
Subtotal	48,777	(525,682)
Income taxes paid	(16,052)	(21,788)
Net cash provided by (used in) operating activities	32,724	(547,470)
Cash flows from investing activities		
Purchase of securities	(91,584)	(48,315)
Proceeds from sales of securities	14,418	26,696
Proceeds from redemption of securities	100,410	22,852
Increase in money held in trust	(434)	-
Decrease in money held in trust	-	1,030
Purchase of property, plant and equipment	(3,452)	(1,699)
Proceeds from sales of property, plant and equipment	246	190
Purchase of intangible assets	(2,619)	(1,842)
Net cash provided by (used in) investing activities	16,984	(1,087)
Cash flows from financing activities		
Cash dividends paid	(5,211)	(2,432)
Purchase of treasury shares	(5)	(0)
Proceeds from sales of treasury shares	23	16
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(68)	(91)
Net cash provided by (used in) financing activities	(5,262)	(2,507)
Effect of exchange rate change on cash and cash equivalents	(4)	3
Net increase (decrease) in cash and cash equivalents	44,440	(551,061)
Cash and cash equivalents at beginning of period	924,300	968,741
Cash and cash equivalents at year-end	968,741	417,679

(5) Notes to consolidated financial statements

(Notes on going-concern assumption)

Not applicable.

(Change in accounting policies, changes in accounting estimates and restatements)

Not applicable.

(Segment information)

1. Summary of reportable segment

The reportable segments of the Suruga Bank group are components for which discrete financial information is available, and that are subject to regular review to allocate management resources and to evaluate their results.

The group consists of Suruga Bank, which mainly engages in the banking business, and its consolidated subsidiaries that engage in businesses such as money lending, leasing, clerical agency services, credit card services and credit guarantee. Of the reportable segments, Suruga Bank represents the “banking” segment, which includes businesses such as deposits, loans, exchange and credit card services.

2. Method of calculating ordinary income, profit or loss, assets and other items by reportable segment

Segment profit is reported on an ordinary profit-basis.

Inter-segment internal ordinary income is based on arm’s length prices.

3. Information on ordinary income, profit or loss, assets and other items by reportable segment

For the fiscal year ended March 31, 2019

(Millions of yen)

	Reportable segment	Others	Total	Adjustments	Amount recorded in the consolidated financial statements
	Banking				
Ordinary income					
Ordinary income to external customers	124,603	15,031	139,634	1	139,635
Inter-segment internal ordinary income	2,803	1,904	4,708	(4,708)	-
Total	127,407	16,936	144,343	(4,707)	139,635
Segment profit	(74,985)	1,532	(73,452)	(889)	(74,342)
Segment assets	3,412,017	45,456	3,457,474	(29,146)	3,428,327
Other items					
Depreciation	6,623	238	6,861	-	6,861
Impairment losses	2,829	-	2,829	-	2,829
Increase in tangible fixed assets and intangible fixed assets	3,234	307	3,542	-	3,542

(Note1) Ordinary income is equivalent to net sales reported by companies in other industries.

(Note2) “Others” consists of businesses operated by consolidated subsidiaries (such as money lending, leasing, clerical agency services, credit card services and credit guarantee) which are not included in the reportable segments.

(Note3) “Adjustments” are as follows:

- (1) The adjustment of ¥1 million in ordinary income to external customers consists of the following: equity in gains of affiliates (¥1 million).
- (2) The negative adjustment of ¥889 million in segment profit consists of the following: amortization of goodwill (- ¥129 million), equity in gains of affiliates (¥1 million) and deduction of inter-segment transactions (- ¥761 million).
- (3) The negative adjustment of ¥29,146 million in segment assets consists of the following: deduction of inter-segment transactions (- ¥34,580 million), adjustment of net defined benefit assets (¥5,380 million) and adjustment of shares in equity-method affiliates (¥52 million).

(Note4) Segment profit is adjusted to ordinary profit as reported in the consolidated statements of income.

(Per share data)

		For the fiscal year ended March 31, 2019
Net assets per share	yen	1,040.42
Earnings per share	yen	(419.36)
Earnings per share (diluted)	yen	-

(Note) The basis for calculation is as shown in the tables below.

1. Net assets per share

		As of March 31, 2019
Total net assets	Millions of yen	242,308
Amount deducted from total net assets	Millions of yen	1,292
of which, Subscription rights to shares	Millions of yen	12
of which, Non-controlling interests	Millions of yen	1,280
Net assets attributable to common stock at the fiscal year-end	Millions of yen	241,015
Number of common stock at the fiscal year-end used for the calculation of net assets per share	Thousands of shares	231,651

2. Earnings per share

		For the fiscal year ended March 31, 2019
Earnings per share		
Profit attributable to owners of parent	Millions of yen	(97,146)
Amount not attributable to common shareholders	Millions of yen	-
Profit attributable to common shareholders of parent	Millions of yen	(97,146)
Average number of common stock for the fiscal year	Thousands of shares	231,648

3. Although there are dilutive shares, diluted net income per share is not provided, because net loss was recorded for the consolidated fiscal year under review.

(Significant subsequent events)

Not applicable.

4. Non-consolidated financial statements

(1) Non-consolidated balance sheets

(Millions of yen)

	As of March 31, 2018	As of March 31, 2019
Assets		
Cash and due from banks	972,082	423,646
Cash	31,326	39,521
Due from banks	940,755	384,124
Call loans	2,141	561
Trading account securities	86	167
Trading government bonds	2	20
Trading municipal bonds	84	146
Money held in trust	1,571	515
Securities	136,822	136,166
Municipal bonds	58,283	81,196
Corporate bonds	4,567	5,537
Stocks	51,311	34,218
Other securities	22,659	15,213
Loans and bills discounted	3,245,978	2,898,864
Bills discounted	2,060	2,326
Loans on bills	20,604	17,995
Loans on deeds	2,860,414	2,608,942
Overdrafts	362,898	269,600
Foreign exchanges	2,514	2,407
Due from foreign banks (our accounts)	1,130	1,327
Foreign bills bought	0	0
Foreign bills receivable	1,383	1,080
Other assets	56,990	54,445
Prepaid expenses	2,615	2,210
Accrued income	9,933	8,127
Initial margins of futures markets	200	200
Derivatives other than for trading - assets	100	22
Other	44,139	43,884
Tangible fixed assets	50,963	47,082
Buildings, net	13,252	12,145
Land	25,186	23,408
Leased assets, net	517	410
Construction in progress	143	179
Other tangible fixed assets	11,864	10,938
Intangible fixed assets	24,855	22,546
Software	24,178	22,012
Software in progress	298	164
Other intangible fixed assets	378	370
Prepaid pension cost	8,497	9,995
Deferred tax assets	15,786	13,774
Customers' liabilities for acceptances and guarantees	3,487	2,551
Allowance for loan losses	(70,089)	(200,708)
Total assets	4,451,689	3,412,017

(Millions of yen)

	As of March 31, 2018	As of March 31, 2019
Liabilities		
Deposits	4,089,649	3,165,680
Current deposits	58,891	67,194
Ordinary deposits	1,345,693	1,287,567
Saving deposits	17,441	13,750
Deposits at notice	172,045	22,829
Time deposits	2,455,082	1,709,301
Other deposits	40,494	65,037
Foreign exchanges	23	16
Foreign bills sold	22	13
Foreign bills payable	0	3
Other liabilities	21,977	14,632
Income taxes payable	11,971	7,556
Accrued expenses	6,830	3,234
Unearned revenue	68	67
Deposits received from employees	780	691
Lease obligations	518	434
Derivatives other than for trading - liabilities	66	95
Other	1,741	2,553
Provision for bonuses	648	434
Provision for directors' bonuses	182	-
Provision for directors' retirement benefits	2,506	245
Provision for reimbursement of deposits	365	398
Provision for contingent losses	137	111
Acceptances and guarantees	3,487	2,551
Total liabilities	4,118,977	3,184,070
Net assets		
Capital stock	30,043	30,043
Capital surplus	18,590	18,589
Legal capital surplus	18,585	18,585
Other capital surplus	4	3
Retained earnings	267,090	167,641
Legal retained earnings	30,043	30,043
Other retained earnings	237,047	137,598
Reserve for advanced depreciation of non-current assets	59	59
General reserve	103,032	103,032
Retained earnings brought forward	133,955	34,506
Treasury shares	(582)	(560)
Total shareholders' equity	315,141	215,714
Net unrealized gains (losses) on available-for-sale securities	17,563	12,250
Deferred gains (losses) on hedges	(10)	(29)
Total valuation and translation adjustments	17,552	12,221
Subscription rights to shares	17	12
Total net assets	332,711	227,947
Total liabilities and net assets	4,451,689	3,412,017

(2) Non-consolidated statements of income

(Millions of yen)

	For the fiscal year ended March 31, 2018	For the fiscal year ended March 31, 2019
Ordinary income	141,533	127,407
Interest income	122,017	105,975
Interest on loans and bills discounted	116,660	101,500
Interest and dividends on securities	4,080	3,891
Interest on call loans	32	21
Interest on deposits with banks	814	538
Other interest income	429	23
Trust fees	0	0
Fees and commissions	11,417	9,510
Fees and commissions on domestic and foreign exchanges	2,434	2,181
Other fees and commissions	8,983	7,328
Other operating income	459	635
Gains on foreign exchange transactions	62	35
Gains on trading account securities transactions	-	0
Gains on sales of bonds	0	5
Gains on redemption of bonds	396	594
Other income	7,638	11,284
Recoveries on written-off claims	1,346	702
Gains on sales of stocks and other securities	5,465	9,801
Gains on money held in trust	47	9
Other	779	771
Ordinary expenses	132,862	202,392
Interest expenses	3,682	2,059
Interest on deposits	3,439	1,707
Interest on call money	-	0
Interest on borrowings and rediscounts	-	0
Interest on interest swaps	7	3
Other interest expenses	235	348
Fees and commissions payments	14,925	13,969
Fees and commissions on domestic and foreign exchanges	912	932
Other fees and commissions	14,012	13,036
Other operating expenses	116	98
Losses on trading account securities transactions	0	-
Losses on sales of bonds	-	1
Losses on redemption of bonds	116	96
General and administrative expenses	47,596	46,420
Other expenses	66,541	139,844
Provision for allowance for loan losses	58,778	132,167
Write-off of loans	3,827	2,661
Losses on sales of stocks and other securities	0	198
Losses on devaluation of stocks and other securities	10	1,978
Losses on money held in trust	59	33
Other	3,865	2,804
Ordinary profit	8,670	(74,985)

(Millions of yen)

	For the fiscal year ended March 31, 2018	For the fiscal year ended March 31, 2019
Extraordinary gains	59	2,469
Gains on disposal of non-current assets	59	157
Reversal provision for directors' retirement benefits	-	2,311
Extraordinary losses	474	3,172
Losses on disposal of non-current assets	474	342
Impairment loss	-	2,829
Income before income taxes	8,256	(75,688)
Income taxes - current	19,328	16,998
Income taxes - deferred	(16,296)	4,330
Total income taxes	3,032	21,328
Net income	5,223	(97,016)

(3) Non-consolidated statements of changes in net assets

For the fiscal year ended March 31, 2018

(Millions of yen)

	Shareholders' equity							
	Capital stock	Capital surplus			Legal retained earnings	Retained earnings		
		Legal capital surplus	Other capital surplus	Total capital surplus		Other retained earnings		
						Reserve for advanced depreciation of non-current assets	General reserve	Retained earnings brought forward
Balance at beginning of current period	30,043	18,585	4	18,590	30,043	59	103,032	133,943
Changes of items during period								
Dividends of surplus								(5,211)
Net income								5,223
Purchase of treasury shares								
Disposal of treasury shares			0	0				
Net changes of items other than shareholders' equity								
Total changes of items during period	-	-	0	0	-	-	-	12
Balance at end of current period	30,043	18,585	4	18,590	30,043	59	103,032	133,955

	Shareholders' equity			Valuation and translation adjustments			Subscription rights to shares	Total net assets
	Retained earnings	Treasury shares	Total shareholders' equity	Net unrealized gains (losses) on available-for-sale securities	Deferred gains (losses) on hedges	Total valuation and translation adjustments		
	Total retained earnings							
Balance at beginning of current period	267,078	(606)	315,104	16,480	(58)	16,422	24	331,551
Changes of items during period								
Dividends of surplus	(5,211)		(5,211)					(5,211)
Net income	5,223		5,223					5,223
Purchase of treasury shares		(5)	(5)					(5)
Disposal of treasury shares		29	30					30
Net changes of items other than shareholders' equity				1,082	47	1,130	(6)	1,123
Total changes of items during period	12	23	36	1,082	47	1,130	(6)	1,160
Balance at end of current period	267,090	(582)	315,141	17,563	(10)	17,552	17	332,711

For the fiscal year ended March 31, 2019

(Millions of yen)

	Shareholders' equity							
	Capital stock	Capital surplus			Legal retained earnings	Retained earnings		
		Legal capital surplus	Other capital surplus	Total capital surplus		Other retained earnings		
						Reserve for advanced depreciation of non-current assets	General reserve	Retained earnings brought forward
Balance at beginning of current period	30,043	18,585	4	18,590	30,043	59	103,032	133,955
Changes of items during period								
Dividends of surplus								(2,432)
Net income								(97,016)
Purchase of treasury shares								
Disposal of treasury shares			(0)	(0)				
Net changes of items other than shareholders' equity								
Total changes of items during period	-	-	(0)	(0)	-	-	-	(99,448)
Balance at end of current period	30,043	18,585	3	18,589	30,043	59	103,032	34,506

	Shareholders' equity			Valuation and translation adjustments			Subscription rights to shares	Total net assets
	Retained earnings	Treasury shares	Total shareholders' equity	Net unrealized gains (losses) on available-for-sale securities	Deferred gains (losses) on hedges	Total valuation and translation adjustments		
	Total retained earnings							
Balance at beginning of current period	267,090	(582)	315,141	17,563	(10)	17,552	17	332,711
Changes of items during period								
Dividends of surplus	(2,432)		(2,432)					(2,432)
Net income	(97,016)		(97,016)					(97,016)
Purchase of treasury shares		(0)	(0)					(0)
Disposal of treasury shares		23	22					22
Net changes of items other than shareholders' equity				(5,312)	(19)	(5,331)	(5)	(5,337)
Total changes of items during period	(99,448)	22	(99,427)	(5,312)	(19)	(5,331)	(5)	(104,764)
Balance at end of current period	167,641	(560)	215,714	12,250	(29)	12,221	12	227,947

Financial Results

For the fiscal year ended March 31, 2019

- Supplementary Information -

SURUGA bank, Ltd.

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I . Financial highlights for the fiscal year ended March 31, 2019

1. Financial results (Non-consolidated)

	FY3/2019		FY3/2018
	(a)	(a) - (b)	(b)
(Millions of yen)			
Gross operating profit	99,995	(15,176)	115,171
Net interest income	103,916	(14,420)	118,336
Net fees and commissions	(4,458)	(951)	(3,507)
Net other operating income (Note1)	35	(26)	61
Core gross operating profit	99,494	(15,396)	114,890
Expenses (-)	46,877	135	46,742
Core net operating profit (Note2)	52,616	(15,532)	68,148
Gains (losses) on bonds	501	220	281
Actual net operating profit (Note3)	53,118	(15,311)	68,429
Provision for general allowance for loan losses (-)	26,710	(19,789)	46,499
Net operating profit	26,408	4,478	21,930
Disposal of non-performing loans (-)	110,349	91,485	18,864
Recoveries on written-off claims	702	(644)	1,346
Gains (losses) on stocks	7,623	2,169	5,454
Ordinary profit	(74,985)	(83,655)	8,670
Reversal provision for directors' retirement benefits	2,311	2,311	-
Gains (losses) on disposal of non-current assets	(185)	229	(414)
Impairment loss	2,829	2,829	-
Net income	(97,016)	(102,239)	5,223
Net credit costs	137,060	71,697	65,363
Actual credit costs (Note4)	136,358	72,342	64,016

(Note1) Excludes Gains (losses) on bonds.

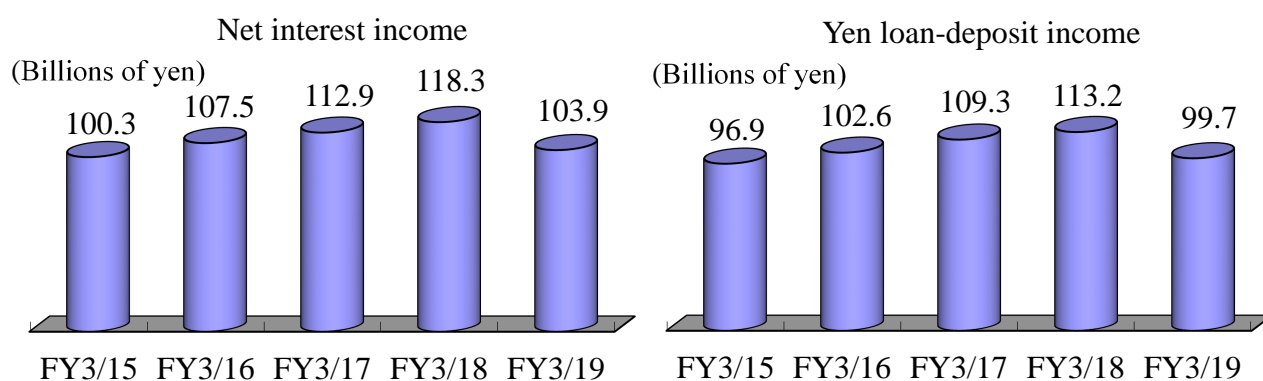
(Note2) Core net operating profit = Net operating profit + Provision for general allowance for loan losses
- Gains (losses) on bonds

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

(Note4) Actual credit costs = Net credit costs (Provision for general allowance for loan losses + Disposal of non-performing loans)
- Recoveries on written-off claims

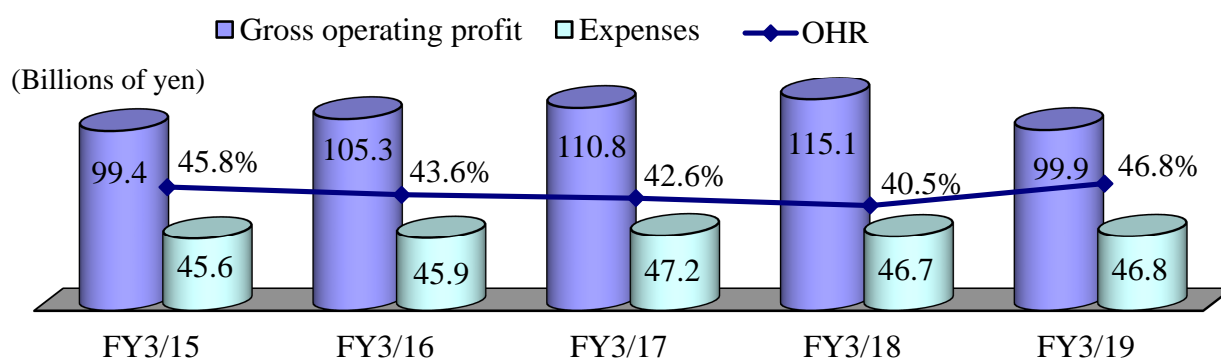
(1) Gross operating profit: ¥99.9 billion

<ul style="list-style-type: none"> • Net interest income decreased by ¥14.4 billion year-on-year, mainly due to a decrease in interest on loans and bills discounted. • Loan-deposit income decreased by ¥13.5 billion year-on-year. • Core gross operating profit decreased by ¥15.3 billion year-on-year, mainly due to a decrease in net interest income. • Gross operating profit decreased by ¥15.1 billion year-on-year.
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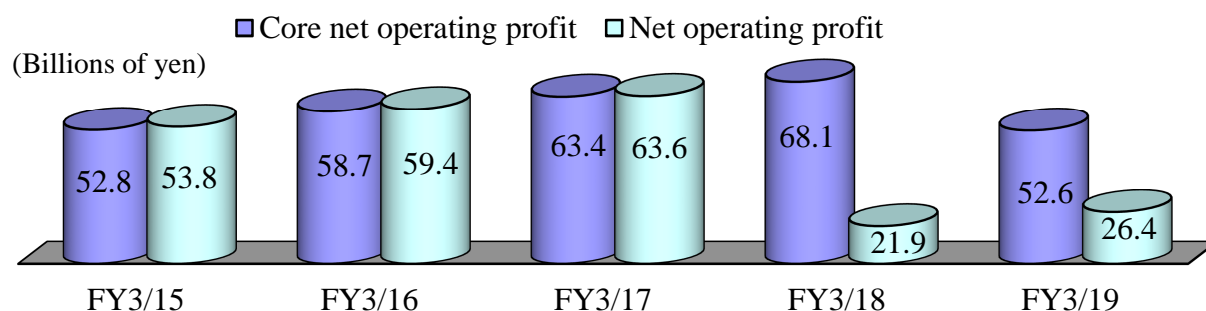
(2) Expenses; OHR: 46.8%

- Expenses increased by ¥0.1 billion year-on-year.
 - OHR worsened year-on-year to 46.8%, mainly due to a decrease in a gross operating profit.
- (OHR(%) = Expenses / Gross operating profit × 100)



(3) Core net operating profit: ¥52.6 billion, Net operating profit: ¥26.4 billion

- Core net operating profit decreased by ¥15.5 billion year-on-year, mainly due to a decrease in net interest income.
- Net operating profit increased by ¥44.0 billion year-on-year, mainly due to a decrease in provision for general allowance for loan losses.



(4) Ordinary profit: (¥74.9) billion

- Ordinary profit decreased by ¥83.6 billion year-on-year, mainly due to an increase in net credit costs.

(5) Net income: (¥97.0) billion

- Net income decreased by ¥102.2 billion year-on-year, mainly due to a decrease in ordinary profit.

(6) Actual credit costs: ¥136.3 billion

- Net credit costs increased by ¥71.6 billion year-on-year, mainly due to an increase (¥91.4 billion) in disposal of non-performing loans.
- Actual credit costs, calculated as net credit costs (¥137.0 billion) minus the amount of recoveries on written-off claims (¥0.7 billion) amounted to ¥136.3 billion.

2. Major accounts (Non-consolidated)

(1) Loans and bills discounted

- Loans and bills discounted decreased by ¥347.1 billion, or 10.6% year-on-year.
- The balance of consumer loans as of March 31, 2019 decreased by ¥261.1 billion, or 8.9% year-on-year.
- Yield on loans and bills discounted (overall) dropped by 29 basis point year-on-year to 3.32%.

(Billions of yen)

	Mar. 31, 2019		Dec. 31, 2018		Nov. 30, 2018		Jun. 30, 2018		Mar. 31, 2018 (e)
	(a)	(a) - (b)	(b)	(b) - (c)	(c)	(c) - (d)	(d)	(d) - (e)	
Loan and bills discounted (period-end balance)	2,898.8	(69.9)	2,968.7	(117.1)	3,085.8	(64.6)	3,150.4	(95.5)	3,245.9
Consumer loans	2,664.8	(61.3)	2,726.1	(64.7)	2,790.8	(66.5)	2,857.3	(68.6)	2,925.9
Secured loans	2,424.4	(53.5)	2,477.9	(55.4)	2,533.3	(60.0)	2,593.3	(61.2)	2,654.5
Unsecured loans	240.3	(7.8)	248.1	(9.4)	257.5	(6.5)	264.0	(7.4)	271.4
Loans and bills discounted (average balance)	3,054.7	(39.0)	3,093.7	(41.1)	3,134.8	(37.6)	3,172.4	(57.3)	3,229.7

(Billions of yen)

	FY3/2019		FY3/2018 (b)
	(a)	(a) - (b)	
New consumer loans	37.3	(316.0)	353.3

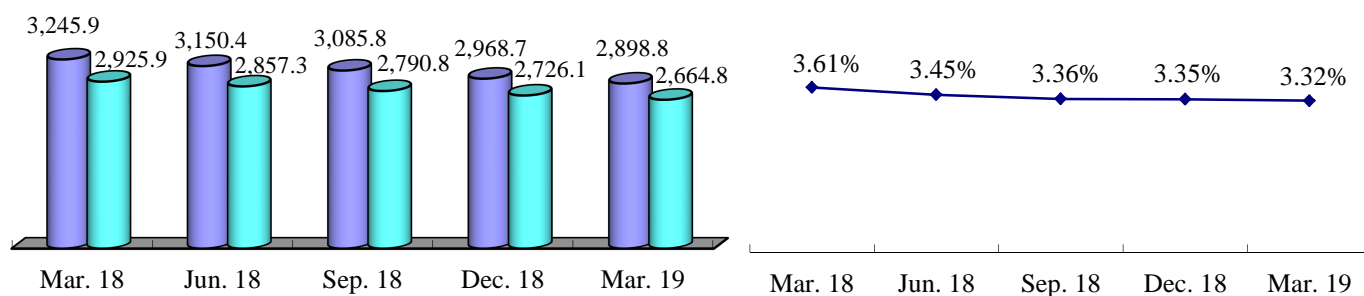
(Reference)

(Billions of yen)

	FY3/2019		FY3/2018 (b)
	(a)	(a) - (b)	
Business alliance with Japan Post Bank			
New housing loans (cumulative total)	19.5	(16.1)	35.6

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

◆ Yield on loans and bills discounted (overall)



(Note) Yield is based on cumulative period.

Outstanding balance, yield, delinquency rate by loan category

(Billions of yen)

Loan category	Mar. 31, 2019			Dec. 31, 2018		
	Period-end balance	Yield	Delinquency rate	Period-end balance	Yield	Delinquency rate
Secured loans	2,424.4	3.24%	4.31%	2,477.9	3.31%	3.90%
Housing loans	618.6	2.89%	0.27%	636.7	2.89%	0.26%
Studio apartment loans	329.4	3.44%	0.85%	345.1	3.45%	0.66%
Single building apartment loans	1,226.9	3.51%	1.58%	1,245.0	3.61%	1.15%
Share house loans	201.9	1.99%	39.76%	202.0	2.13%	38.71%
Other secured loans	47.6	4.88%	0.62%	48.9	4.89%	0.55%
Unsecured loans	240.3	10.09%	1.50%	248.1	10.05%	1.26%
Card loans	157.2	11.37%	0.59%	161.5	11.32%	0.52%
Unsecured certificate loans	83.1	7.68%	3.21%	86.6	7.68%	2.65%
Consumer loans	2,664.8	3.86%	4.05%	2,726.1	3.92%	3.66%

※Delinquency rate = Loans past due 3 months or more / Loans

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

※"Report (investigation of all investment real estate loans)" separately released on May 15 shows the results of investigation on the "number of cases where misconduct such as falsification or fabrication was identified", As of March 2019:

• Out of share house loans,

the delinquency rate of "cases where misconduct such as falsification or fabrication was identified"

was 38.47%; and

• Out of investment property loans other than share house loans (studio apartment loans, single building apartment loans, and other secured loans), the delinquency rate of "cases where misconduct such as falsification or fabrication was identified" was 2.02%.

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

(Billions of yen)

	Total	Claims against bankrupt and substantially bankrupt obligors	Claims with collection risk	Claims for special attention	Subtotal	Normal assets
					(Non-performing loans)	
Sep. 30, 2018	253.7	31.8	101.6	56.8	190.3	63.4
Dec. 31, 2018	251.5	69.5	65.0	76.2	210.9	40.5
Mar. 31, 2019	250.3	86.5	51.0	88.0	225.6	24.6

(Billions of yen)

	Total		Collateral or guarantees, etc.	Unsecured portion	Allowance	Coverage ratio (B + D) / A
	A	Share house claims				
Sep. 30, 2018	253.7	203.4	95.2	158.4	136.2	91.25%
Dec. 31, 2018	251.5	202.2	94.9	156.5	136.9	92.21%
Mar. 31, 2019	250.3	201.9	91.4	158.8	139.3	92.20%

※Based on obligors of share house loans

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

※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.

(Billions of yen)

Item	Actual credit costs	Allowance
Share house-related loans	97.7	139.3
Investment property loans ※	22.2	41.7
Housing loans	1.7	1.9
Unsecured loans	0.7	0.8
Loans to founder-affiliated companies	13.4	13.4
Business financing other than loans to founder-affiliated companies, etc.	0.3	3.3
Total	136.3	200.7

※ Investment property loans: Studio apartment loans, Single building apartment loans, Other secured loans

※ Out of loans described in the above table, with regard to actual credit costs and the balance of allowances for loan losses related to investment property loans, the Bank has additionally posted approximately ¥900 million as allowance for doubtful accounts by classifying part of the “cases where misconduct such as falsification or fabrication was identified,” “cases where misconduct such as falsification or fabrication is suspected,” and “cases where an agent is suspected of making replacement payments for borrowers according to the ancillary investigation” as loans to “Obligors requiring caution” on a conservative basis.

If repayment ability is confirmed at the time of self-assessment conducted going forward, these loans will be upgraded to loans to “Normal obligors.”

(2) Deposits

- Deposits decreased by ¥924.0 billion, or 22.5% year-on-year.
- Individual deposits decreased by ¥686.1 billion, or 21.4% year-on-year.
- Yield on deposits (overall) dropped by 4 basis points year-on-year to 0.04%.

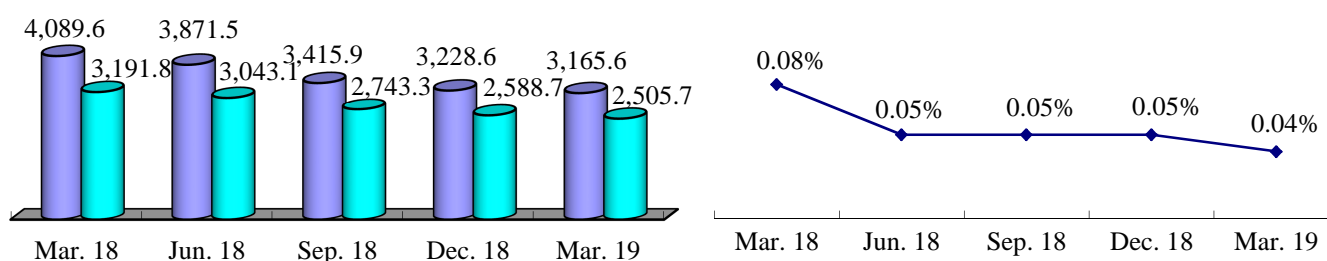
(Billions of yen)

	Mar. 31, 2019		Dec. 31, 2018		Nov. 30, 2018		Jun. 30, 2018		Mar. 31, 2018 (e)
	(a)	(a) – (b)	(b)	(b) – (c)	(c)	(c) - (d)	(d)	(d) – (e)	
Deposits (period-end balance)	3,165.6	(63.0)	3,228.6	(187.3)	3,415.9	(455.6)	3,871.5	(218.1)	4,089.6
Individual deposits	2,505.7	(83.0)	2,588.7	(154.6)	2,743.3	(299.8)	3,043.1	(148.7)	3,191.8
Deposits (average balance)	3,504.2	(109.2)	3,613.4	(177.9)	3,791.3	(151.2)	3,942.5	(104.5)	4,047.0

■ Deposits (period-end balance)

■ Individual deposits (period-end balance)

◆ Yield on deposits (overall)



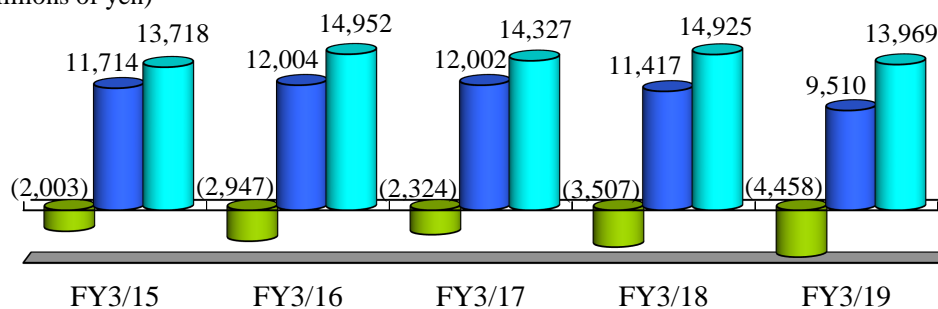
(Note) Yield is based on cumulative period.

(3) Net fees and commissions

- Net fees and commissions decreased by ¥0.9 billion year-on-year, mainly due to a decrease (¥1.9 billion) in fees and commissions.

■ Net fees and commissions ■ Fees and commissions ■ Fees and commissions payments

(Millions of yen)



(4) Individual deposit assets

- Individual deposit assets decreased by ¥710.0 billion year-on-year, mainly due to a decrease in yen deposits.
- The ratio of investment products to total individual deposit assets rose by 30 basis points year-on-year to 5.0%.

(Millions of yen)

	Mar. 31, 2019			Sep. 30, 2018 (b)	Mar. 31, 2018 (c)
	(a)	(a) - (b)	(a) - (c)		
Individual deposit assets	2,635,272	(253,489)	(710,010)	2,888,761	3,345,282
Yen deposits	2,501,642	(236,831)	(684,296)	2,738,473	3,185,938
Investment products	133,630	(16,658)	(25,714)	150,288	159,344
Foreign currency deposits	4,108	(736)	(1,800)	4,844	5,908
Public bonds	8,303	(154)	(534)	8,457	8,837
Mutual funds	80,437	(7,691)	(13,217)	88,128	93,654
Personal pension plans	25,402	(7,977)	(10,295)	33,379	35,697
Single premium life insurance	15,376	(101)	131	15,477	15,245
The ratio of investment products to total individual deposit assets	5.0%	(0.2)%	(0.3)%	5.2%	4.7%

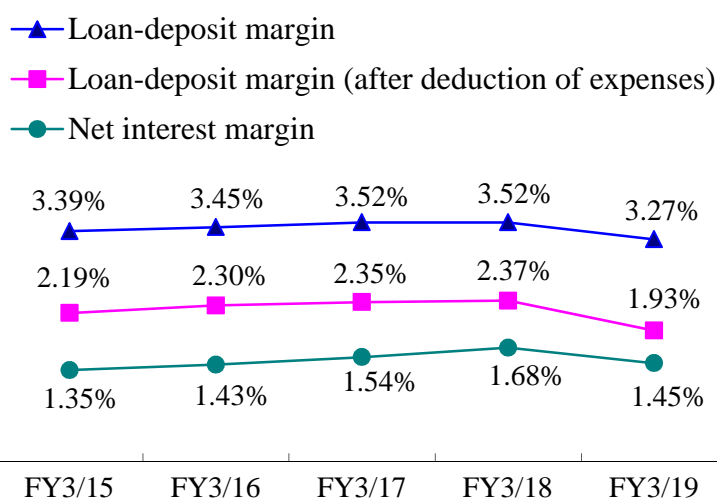
3. Management indices (Non-consolidated)

(1) Interest margins

- Loan-deposit margin dropped by 25 basis points year-on-year to 3.27%.
- Net interest margin dropped by 23 basis points year-on-year to 1.45%, mainly due to the rise in return on investments.

(%)

	FY3/2019		FY3/2018 (b)
	(a)	(a) - (b)	
Loan-deposit margin	3.27	(0.25)	3.52
Loan-deposit margin (after deduction of expenses)	1.93	(0.44)	2.37
Net interest margin	1.45	(0.23)	1.68



4. Own capital

• Capital adequacy ratio (Non-consolidated) dropped by 25 basis points from the end of December 2018 to 8.80%.

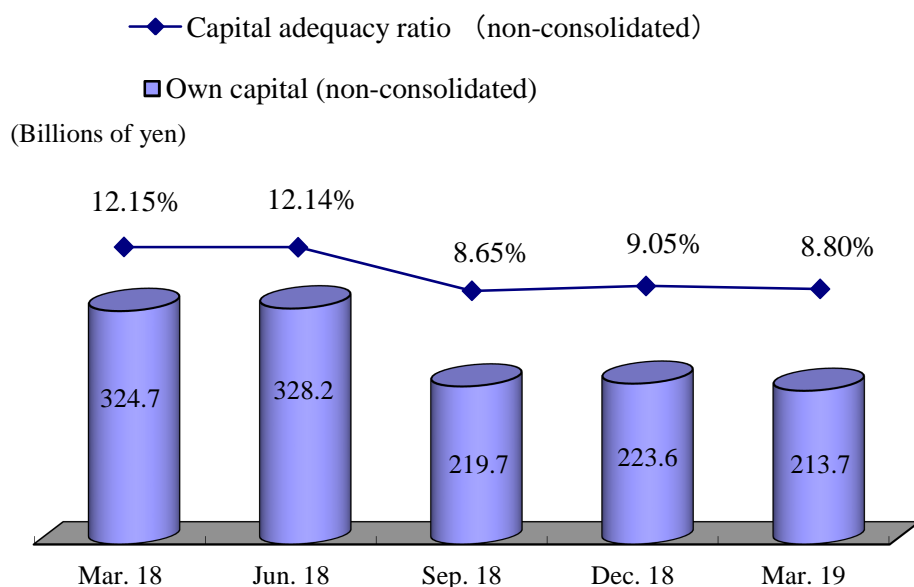
Non-consolidated (Millions of yen)

	Mar. 31, 2019	Dec. 31, 2018
Capital adequacy ratio	8.80%	9.05%
Own capital (Core capital)	213,796	223,606
Core capital: instruments and reserves	243,358	246,780
Core capital: regulatory adjustments (-)	29,561	23,174
Risk-weighted assets	2,427,051	2,469,850
Total required capital	97,082	98,794

Consolidated (Millions of yen)

	Mar. 31, 2019	Dec. 31, 2018
Capital adequacy ratio	8.90%	9.05%
Own capital (Core capital)	220,001	227,715
Core capital: instruments and reserves	256,130	254,827
Core capital: regulatory adjustments (-)	36,129	27,111
Risk-weighted assets	2,470,880	2,514,978
Total required capital	98,835	100,599

(Note) Total required capital = Risk-weighted assets × 0.04



5. Unrealized gains (losses) on securities (Non-consolidated)

• Net unrealized gains (losses) on securities decreased by ¥7.5 billion year-on-year to ¥17.2 billion.
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(Millions of yen)

	Mar. 31, 2019			Sep. 30, 2018 (b)	Mar. 31, 2018 (c)
	(a)	(a) - (b)	(a) - (c)		
Other securities	17,254	(3,673)	(7,564)	20,927	24,818
Stocks	15,911	(4,572)	(8,693)	20,483	24,604
Bonds	658	902	665	(244)	(7)
Others	683	(4)	462	687	221

6. Earnings forecast for the fiscal year ending March 31, 2020

Consolidated (Billions of yen)

	FY3/2020 (forecast)	
	First half	Full year
Ordinary profit	8.0	16.0
Profit attributable to owners of parent	5.0	10.5

Non-consolidated (Billions of yen)

	FY3/2020 (forecast)	
	First half	Full year
	17.0	34.0
Net operating profit	16.5	33.0
Ordinary profit	7.5	15.0
Net income	5.0	10.0

Actual credit costs	9.5	19.0
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(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.

7. Asset quality (Non-consolidated)

(1) Non-performing loans based on the Financial Reconstruction Law

• Non-performing loans based on the Financial Reconstruction Law increased by ¥297.7 billion year-on-year.
Non-performing loan ratio rose by 1,048 basis points year-on-year to 12.68%.

Outstanding balance

(Millions of yen, %)

	Mar. 31, 2019			Sep. 30, 2018	Mar. 31, 2018
	(a)	(a) - (b)	(a) - (c)	(b)	(c)
Claims against bankrupt and substantially bankrupt obligors	108,391	63,025	97,818	45,366	10,573
Claims with collection risk	136,477	(17,402)	88,755	153,879	47,722
Claims for special attention	125,099	49,253	111,225	75,846	13,874
Total (A)	369,968	94,876	297,798	275,092	72,170
Total claims (B)	2,916,949	(187,754)	(349,866)	3,104,703	3,266,815
Non-performing loan ratio (A/B)	12.68	3.82	10.48	8.86	2.20

Status of coverage

(Millions of yen, %)

		Claims against bankrupt and substantially bankrupt obligors	Claims with collection risk	Claims for special attention	Total	Change from
						Mar. 31, 2018
Non-performing loans (A)	108,391	136,477	125,099	369,968	297,798	
Covered amount (C+D) (B)	108,391	120,067	87,967	316,426	264,475	
Portion secured by collateral or guarantees, etc. (C)	40,528	69,459	37,690	147,678	112,743	
Allowance for loan losses (D)	67,862	50,607	50,277	168,747	151,732	
Coverage ratio (B/A)	100.00	87.97	70.31	85.52	13.54	
Unsecured portion (A-C) (E)	67,862	67,018	87,408	222,289	185,055	
Allowance ratio for unsecured portion (D/E)	100.00	75.51	57.51	75.91	30.22	

(Reference) As of Mar. 31, 2018

Unsecured portion	4,016	25,121	8,097	37,234
Allowance ratio for unsecured portion	100.00	42.21	29.56	45.69

(2) Risk-monitored loans

(Millions of yen, %)

	Mar. 31, 2019			Sep. 30, 2018	Mar. 31, 2018
	(a)	(a) - (b)	(a) - (c)	(b)	(c)
Loans to bankrupt obligors	4,732	2,070	2,762	2,662	1,970
Non-accrual delinquent loans	240,064	43,541	183,815	196,523	56,249
Loans past due 3 months or more	5,070	2,442	3,775	2,628	1,295
Restructured loans	120,029	46,811	107,451	73,218	12,578
Total	369,897	94,865	297,803	275,032	72,094
Coverage ratio	85.52	(1.52)	13.41	87.04	72.11

8. Credit costs (Non-consolidated)

(Millions of yen, %)

		FY3/2019		FY3/2018
		(a)	(a) - (b)	(b)
Provision for general allowance for loan losses	(1)	26,710	(19,789)	46,499
Disposal of non-performing loans	(2)	110,349	91,485	18,864
Write-off of loans		2,661	(1,166)	3,827
Provision for specific allowance for loan losses		105,456	93,177	12,279
Losses on sales of delinquent loans		2,207	(538)	2,745
Provision for allowance for contingent losses		23	12	11
Recoveries on written-off claims	A	702	(644)	1,346
Net credit costs	(3) (= (1) + (2))	137,060	71,697	65,363
Actual credit costs	(3)- A	136,358	72,342	64,016
Loans and bills discounted (average balance)		3,054,760	(175,016)	3,229,776
Net credit costs ratio		4.48	2.46	2.02
Actual credit costs ratio		4.46	2.48	1.98

(Note1) Net credit costs ratio = Net credit costs / Loans and bills discounted (average balance)

(Note2) Actual credit costs ratio = Actual credit costs / Loans and bills discounted (average balance)

9. Dividends

• In light of the current financial results, the company has regrettably decided not to pay year-end dividend.
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(yen)

	FY3/2019 (a)	FY3/2018 (result) (b)
Annual dividend per share	0.00	22.00
Year-end dividend	0.00	10.00

(Note) Annual dividend per share for the fiscal year ending March 31, 2019 is a forecast.

II . Financial data for the fiscal year ended March 31, 2019

1. Details of financial results (Non-consolidated)

(Millions of yen)

	FY3/2019 (a)	(a) - (b)	FY3/2018 (b)
Gross operating profit (excluding gains (losses) on bonds)	99,995	(15,176)	115,171
Domestic gross operating profit (excluding gains (losses) on bonds)	(99,494)	(15,396)	114,890)
Net interest income	99,686	(15,090)	114,776
Net fees and commissions	(99,183)	(15,312)	114,495)
Net other operating income (of which, Gains (losses) on bonds)	103,664	(14,361)	118,025
International gross operating profit (excluding gains (losses) on bonds)	(4,482)	(953)	(3,529)
Net interest income	503	223	280
Net fees and commissions	(503)	222	281)
Net other operating income (of which, Gains (losses) on bonds)	309	(86)	395
Expenses (excluding non-recurring losses)	(311)	(84)	395)
Personnel expenses	252	(58)	310
Non-personnel expenses	23	1	22
Taxes	33	(29)	62
Net operating profit (before provision for general allowance for loan losses) (excluding gains (losses) on bonds)	(1)	(1)	-)
Provision for general allowance for loan losses (Note)	46,877	135	46,742
Net operating profit	15,945	(1,892)	17,777
Gains (losses) on bonds	27,162	2,084	25,078
Non-recurring gains (losses)	3,769	(117)	3,886
Recoveries on written-off claims	53,118	(15,311)	68,429
Gains (losses) on stocks	52,616	(15,532)	68,148
Ordinary profit	26,710	(19,789)	46,499
Extraordinary gains (losses)	26,408	4,478	21,930
Gains (losses) on disposal of non-current assets	501	220	281
Impairment loss	(101,393)	(88,135)	(13,258)
Gains on revision of retirement benefit plan	702	(644)	1,346
Income before income taxes	7,623	2,169	5,454
Income taxes-current	(74,985)	(83,655)	8,670
Income taxes-deferred	(703)	(289)	(414)
Total income taxes	(185)	229	(414)
Net income	2,829	2,829	-
	2,311	2,311	-
	(75,688)	(83,944)	8,256
	16,998	(2,330)	19,328
	4,330	20,626	(16,296)
	21,328	18,296	3,032
	(97,016)	(102,239)	5,223

(1)Provision for general allowance for loan losses (Note)	26,710	(19,789)	46,499
(2)Disposal of non-performing loans	110,349	91,485	18,864
Write-off of loans	2,661	(1,166)	3,827
Provision for specific allowance for loan losses (Note)	105,456	93,177	12,279
Losses on sales of delinquent loans	2,207	(538)	2,745
Provision for allowance for contingent losses	23	12	11
(3)Net credit costs (1)+(2)	137,060	71,697	65,363
(4)Recoveries on written-off claims	702	(644)	1,346
(5)Actual credit costs (4)-(5)	136,358	72,342	64,016

Details of financial results (Consolidated)

(Millions of yen)

	FY3/2019		FY3/2018
	(a)	(a) - (b)	(b)
Consolidated gross profit	108,783	(17,416)	126,199
Net interest income	109,868	(17,214)	127,082
Net fees and commissions	(2,090)	(392)	(1,698)
Net other operating income	1,006	191	815
Expenses (excluding non-recurring losses)	51,783	693	51,090
Actual credit costs	141,587	72,724	68,863
Gains (losses) on stocks	9,585	4,131	5,454
Equity in gains (losses) of affiliates	1	(3)	4
Others	656	1,834	(1,178)
Ordinary profit	(74,342)	(84,867)	10,525
Extraordinary gains (losses)	(716)	(296)	(420)
Income before income taxes	(75,059)	(85,164)	10,105
Income taxes-current	17,474	(2,453)	19,927
Income taxes-deferred	4,647	21,667	(17,020)
Total income taxes	22,122	19,216	2,906
Profit attributable to non-controlling interests	(35)	(244)	209
Profit attributable to owners of parent	(97,146)	(104,134)	6,988

(1)Provision for general allowance for loan losses	26,843	(20,440)	47,283
(2)Disposal of non-performing loans	115,884	92,510	23,374
Write-off of loans	4,649	(1,289)	5,938
Provision for specific allowance for loan losses	107,372	94,110	13,262
Losses on sales of delinquent loans	3,838	(323)	4,161
Provision for allowance for contingent losses	23	12	11
(3)Net credit costs (1)+(2)	142,728	72,071	70,657
(4)Recoveries on written-off claims	1,141	(652)	1,793
(5)Actual credit costs (3)-(4)	141,587	72,724	68,863

(Note) Consolidated gross profit = (Interest income - Interest expenses) + (Fees and commissions - Fees and commissions payments) + (Other operating income - Other operating expenses)

(Reference)

(Millions of yen)

Consolidated net operating profit	30,156	2,331	27,825
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(Note) Consolidated net operating profit = Consolidated gross profit - Consolidated expenses - Consolidated provision for general allowance for loan losses

(Number of consolidated subsidiaries and affiliates)

(Companies)

Consolidated subsidiaries	9	-	9
Equity-method accounted affiliates	1	-	1

2. Net operating profit (Non-consolidated)

(Millions of yen)

	FY3/2019		FY3/2017
	(a)	(a) - (b)	(b)
Net operating profit	26,408	4,478	21,930
Per employee (Thousands of yen)	17,305	2,972	14,333

3. Interest margins (Non-consolidated)

Overall		FY3/2019		FY3/2018
		(a)	(a) - (b)	(b)
Return on investments (A)		2.84	(0.09)	2.93
Yield on loans and bills discounted		3.32	(0.29)	3.61
Yield on securities		3.13	(0.50)	3.63
Yield on interest bearing liabilities (B)		1.39	0.15	1.24
Yield on deposits		0.04	(0.04)	0.08
Loan-deposit margin (after deduction of expenses)		1.93	(0.44)	2.37
Net interest margin (A) - (B)		1.45	(0.23)	1.68

Domestic		FY3/2019		FY3/2018
		(a)	(a) - (b)	(b)
Return on investments (A)		2.83	(0.09)	2.92
Yield on loans and bills discounted		3.32	(0.29)	3.61
Yield on securities		3.20	(0.54)	3.74
Yield on interest bearing liabilities (B)		1.34	0.14	1.20
Yield on deposits		0.04	(0.03)	0.07
Loan-deposit margin (after deduction of expenses)		1.97	(0.43)	2.40
Net interest margin (A) - (B)		1.49	(0.23)	1.72

4. ROA and ROE (Non-consolidated)

		FY3/2019		FY3/2018
		(a)	(a) - (b)	(b)
ROA	Net operating profit basis	0.68	0.19	0.49
	Net income basis	(2.50)	(2.61)	0.11
ROE	Net operating profit basis	8.33	1.31	7.02
	Net income basis	(30.62)	(32.29)	1.67

5. Gains (losses) on securities (Non-consolidated)

		FY3/2019		FY3/2018
		(a)	(a) - (b)	(b)
(Millions of yen)				
Gains (losses) on bonds		501	220	281
	Gains on sales	5	5	0
	Gains on redemptions	594	198	396
	Losses on sales	1	1	-
	Losses on redemptions	96	(20)	116
	Losses on devaluation	-	-	-
Gains (losses) on stocks		7,623	2,169	5,454
	Gains on sales	9,801	4,336	5,465
	Losses on sales	198	198	0
	Losses on devaluation	1,978	1,968	10

6. Capital adequacy ratio (domestic standard)

Non-consolidated (Millions of yen)

	Mar. 31, 2019 (a)	(a) - (b)	Mar. 31, 2018 (b)
Capital adequacy ratio	8.80%	(3.35)%	12.15%
Own capital (Core capital)	213,796	(110,976)	324,772
Core capital: instruments and reserves	243,358	(100,012)	343,370
Core capital: regulatory adjustments (-)	29,561	10,964	18,597
Risk-weighted assets	2,427,051	(244,057)	2,671,108

Consolidated (Millions of yen)

	Mar. 31, 2019 (a)	(a) - (b)	Mar. 31, 2018 (b)
Capital adequacy ratio	8.90%	(3.32)%	12.22%
Own capital (Core capital)	220,001	(111,013)	331,014
Core capital: instruments and reserves	256,130	(97,343)	353,473
Core capital: regulatory adjustments (-)	36,129	13,670	22,459
Risk-weighted assets	2,470,880	(237,142)	2,708,022

7. Composition of own capital (domestic standard)

(Millions of yen)

	Mar. 31, 2019	
	Consolidated	Non-consolidated
Core capital: instruments and reserves (1)		
Directly issued qualifying common stock or preferred stock mandatorily convertible into common stock capital plus related capital surplus and retained earnings	215,714	223,948
Capital and capital surplus	48,632	31,245
Retained earnings	167,641	193,263
Treasury shares (-)	560	560
Earnings to be distributed (-)	-	-
Accumulated other comprehensive income included in Core capital	-	3,750
Remeasurements of defined benefit plans	-	3,750
Subscription rights to acquire common stock or preferred stock mandatorily convertible into common stock	12	12
Adjusted non-controlling interests (amount allowed to be included in Core capital)	-	-
Reserves included in Core capital: instruments and reserves	27,632	27,779
General allowance for loan losses	27,632	27,779
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	-	640
Core capital: instruments and reserves (A)	243,358	256,130
Core capital: regulatory adjustments (2)		
Total intangible fixed assets (net of related tax liability, excluding those relating to mortgage servicing rights)	15,715	17,657
Goodwill (including those equivalent)	-	1,683
Other intangible fixed assets other than goodwill and mortgage servicing rights	15,715	15,974
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	186
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	6,966	-
Net defined benefit asset	-	10,717
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	6,879	7,568
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)	6,879	7,568
Amount exceeding the 15% threshold on specified items	-	-
Core capital: regulatory adjustments (B)	29,561	36,129
Total capital		
Total capital (A-B) (C)	213,796	220,001
Risk-weighted assets (3)		
Credit risk-weighted assets	2,210,570	2,222,361
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	216,481	248,519
Credit risk-weighted assets adjustments	-	-
Amount equivalent to operational risk adjustments	-	-
Total amount of risk-weighted assets (D)	2,427,051	2,470,880
Capital adequacy ratio (non-consolidated)		
Capital adequacy ratio (non-consolidated) (C/D)	8.80%	-
Capital adequacy ratio (consolidated)		
Capital adequacy ratio (consolidated) (C/D)	-	8.90%

III. Status of loans, etc.

Comparison of asset disclosure by standard

Non-consolidated (As of March 31, 2019)

Classification and status of coverage by disclosure standard

Self-assessment result (by obligor classification)					Non-performing loans based on the Financial Reconstruction Law				(Millions of yen) Risk-monitored loans	
* Includes total claims.					* Includes total claims (“Claims for special attention” includes only loans and bills discounted).				* Includes loans and bills discounted.	
Category	Classification				Category	Collateral or guarantees, etc.	Allowance	Coverage ratio	Category	Out-standing balance
	Credit balance	Non-classification	Classification II	Classification III						
Bankrupt obligors	4,740 [2,692]	2,878	1,862	-	-	-	-	-	Loans to bankrupt obligors	4,732
Effectively bankrupt obligors	103,650 [65,169]	65,584	38,066	-	-	-	-	-	Non-accrual delinquent loans	240,064
Potentially bankrupt obligors	136,477 [50,607]	60,871	59,195	16,410 [50,607]	-	-	-	-	Loans past due 3 months or more	5,070
Obligors requiring caution	Sub-standard obligors	361	148,393	-	-	-	-	-	Restructured loans	120,029
	Other obligors requiring caution	148,754	12,437	1,104,188	-	-	-	-	Total	369,897
Normal obligors	1,406,700	1,406,700	-	-	-	-	-	-		
Total	2,916,949 [118,470]	1,548,833	1,351,705	16,410 [50,607]	-	-	-	-		
					Normal assets					
					2,546,981					
					Total					
					2,916,949					

(Note1) “Total claims” includes “Loans and bills discounted”, “Customers’ liabilities for acceptances and guarantees”, “Foreign exchanges”, “Securities lent”, “Suspense payment” and “Accrued interest”.

(Note2) Numbers shown in brackets under “Self-assessment result” represent the reserved amount for each category.

1. Risk-monitored loans

The following table shows figures after deduction of partial direct write-off of loans.

The amounts of partial direct write-off of loans for the fiscal year ended March 31, 2019 were as follows:

(a) Non-consolidated: ¥3,862 million; (b) Consolidated: ¥5,368 million

Loans to “Potentially bankrupt obligors”, “Effectively bankrupt obligors” and “Bankrupt obligors” under self-assessment are placed on non-accrual status.

Non-consolidated (Millions of yen, %)

		Mar. 31, 2019			Sep. 30, 2018	Mar. 31, 2018
		(a)	(a) - (b)	(a) - (c)	(b)	(c)
Risk-monitored loans	Loans to bankrupt obligors	4,732	2,070	2,762	2,662	1,970
	Non-accrual delinquent loans	240,064	43,541	183,815	196,523	56,249
	Loans past due 3 months or more	5,070	2,442	3,775	2,628	1,295
	Restructured loans	120,029	46,811	107,451	73,218	12,578
	Total	369,897	94,865	297,803	275,032	72,094

Loans and bills discounted (period-end balance)	2,898,864	(187,010)	(347,114)	3,085,874	3,245,978
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% to loans and bills discounted	Loans to bankrupt obligors	0.16	0.08	0.10	0.08	0.06
	Non-accrual delinquent loans	8.28	1.92	6.55	6.36	1.73
	Loans past due 3 months or more	0.17	0.09	0.14	0.08	0.03
	Restructured loans	4.14	1.77	3.76	2.37	0.38
	Total	12.76	3.85	10.54	8.91	2.22

Consolidated (Millions of yen, %)

		Mar. 31, 2019			Sep. 30, 2018	Mar. 31, 2018
		(a)	(a) - (b)	(a) - (c)	(b)	(c)
Risk-monitored loans	Loans to bankrupt obligors	6,438	2,374	3,451	4,064	2,987
	Non-accrual delinquent loans	246,306	43,510	183,960	202,796	62,346
	Loans past due 3 months or more	5,070	2,442	3,775	2,628	1,295
	Restructured loans	120,029	46,811	107,451	73,218	12,578
	Total	377,844	95,137	298,637	282,707	79,207

Loans and bills discounted (period-end balance)	2,904,387	(186,598)	(343,772)	3,090,985	3,248,159
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% to loans and bills discounted	Loans to bankrupt obligors	0.22	0.09	0.13	0.13	0.09
	Non-accrual delinquent loans	8.48	1.92	6.57	6.56	1.91
	Loans past due 3 months or more	0.17	0.09	0.14	0.08	0.03
	Restructured loans	4.13	1.77	3.75	2.36	0.38
	Total	13.00	3.86	10.57	9.14	2.43

2. Allowance ratio for risk-monitored loans

Non-Consolidated (Millions of yen, %)

	Mar. 31, 2019 (a)	Mar. 31, 2019		Sep. 30, 2018 (b)	Mar. 31, 2018 (c)
		(a) - (b)	(a) - (c)		
Risk-monitored loans (A)	369,897	94,865	297,803	275,032	72,094
Collateral or guarantees, etc. (B)	147,660	46,339	112,766	101,321	34,894
Allowance for loan losses (C)	168,694	30,612	151,602	138,082	17,092
Allowance ratio (C/A)	45.60	(4.60)	21.90	50.20	23.70
Coverage ratio (B+C)/(A)	85.52	(1.52)	13.41	87.04	72.11

Consolidated (Millions of yen, %)

	Mar. 31, 2019 (a)	Mar. 31, 2019		Sep. 30, 2018 (b)	Mar. 31, 2018 (c)
		(a) - (b)	(a) - (c)		
Risk-monitored loans (A)	377,844	95,137	298,637	282,707	79,207
Collateral or guarantees, etc. (B)	150,421	46,362	113,018	104,059	37,403
Allowance for loan losses (C)	172,445	30,856	152,103	141,589	20,342
Allowance ratio (C/A)	45.63	(4.45)	19.95	50.08	25.68
Coverage ratio (B+C)/(A)	85.44	(1.45)	12.54	86.89	72.90

3. Allowance for loan losses

Non-consolidated (Millions of yen)

	Mar. 31, 2019 (a)	Mar. 31, 2019		Sep. 30, 2018 (b)	Mar. 31, 2018 (c)
		(a) - (b)	(a) - (c)		
Allowance for loan losses	200,708	14,613	130,619	186,095	70,089
General allowance for loan losses	82,113	(121)	26,710	82,234	55,403
Specific allowance for loan losses	118,594	14,734	103,909	103,860	14,685

Consolidated (Millions of yen)

	Mar. 31, 2019 (a)	Mar. 31, 2019		Sep. 30, 2018 (b)	Mar. 31, 2018 (c)
		(a) - (b)	(a) - (c)		
Allowance for loan losses	210,076	15,655	131,858	194,421	78,218
General allowance for loan losses	86,634	266	26,802	86,368	59,832
Specific allowance for loan losses	123,441	15,389	105,056	108,052	18,385

4. Non-performing loans based on the Financial Reconstruction Law

Non-consolidated (Millions of yen)

	Mar. 31, 2019 (a)	Mar. 31, 2019		Sep. 30, 2018 (b)	Mar. 31, 2018 (c)
		(a) - (b)	(a) - (c)		
Claims against bankrupt and substantially bankrupt obligors	108,391	63,025	97,818	45,366	10,573
Claims with collection risk	136,477	(17,402)	88,755	153,879	47,722
Claims for special attention	125,099	49,253	111,225	75,846	13,874
Total (A)	369,968	94,876	297,798	275,092	72,170

5. Status of coverage of non-performing loans based on the Financial Reconstruction Law

Non-consolidated (Millions of yen, %)

	Mar. 31, 2019 (a)	Mar. 31, 2019		Sep. 30, 2018 (b)	Mar. 31, 2018 (c)
		(a) - (b)	(a) - (c)		
Total coverage (B)	316,426	76,962	264,475	239,464	51,951
Allowance for loan losses	168,747	30,614	151,732	138,133	17,015
Collateral or guarantees, etc.	147,678	46,348	112,743	101,330	34,935
Coverage ratio (B/A)	85.82	(1.52)	13.54	87.04	71.98

6. Loan breakdown by industry, etc.

(1) Loan breakdown by industry (Non-consolidated)

(Millions of yen)

	Mar. 31, 2019			Sep. 30, 2018	Mar. 31, 2018
	(a)	(a) - (b)	(a) - (c)	(b)	(c)
Domestic offices (excluding Japan offshore banking accounts)	2,898,864	(187,010)	(347,114)	3,084,874	3,245,978
Manufacturing	38,645	(9,483)	(15,631)	48,128	54,276
Agriculture and forestry	4,661	(108)	(288)	4,769	4,949
Fishery	35	(1)	(2)	36	37
Mining, quarrying and gravel	250	(4)	250	254	-
Construction	12,716	(464)	(2,693)	13,180	15,409
Utilities	1,080	(111)	79	1,191	1,001
Information and communication	1,316	(39)	(339)	1,355	1,655
Transportation and postal service	9,994	(2,766)	(3,853)	12,760	13,847
Wholesale and retail trade	31,061	(551)	(4,791)	31,612	35,852
Finance and insurance	27,815	(42,848)	(46,958)	70,663	74,773
Real estate, goods rental and leasing	64,082	(3,514)	(5,276)	67,596	69,358
Services	28,825	(2,163)	(4,821)	30,988	33,646
Government and municipal government	4,715	532	(2,580)	4,183	7,295
Others	2,673,660	(125,486)	(260,208)	2,799,146	2,933,868

(2) Breakdown of risk-monitored loans by industry (Non-consolidated)

(Millions of yen)

	Mar. 31, 2019			Sep. 30, 2018	Mar. 31, 2018
	(a)	(a) - (b)	(a) - (c)	(b)	(c)
Domestic offices (excluding Japan offshore banking accounts)	369,897	94,865	297,803	275,032	72,094
Manufacturing	1,286	(78)	(263)	1,364	1,549
Agriculture and forestry	-	(0)	-	0	-
Fishery	33	-	-	33	33
Mining, quarrying and gravel	-	-	-	-	-
Construction	1,206	25	(312)	1,181	1,518
Utilities	5	-	(5)	5	10
Information and communication	125	-	-	125	125
Transportation and postal service	81	(2)	(12)	83	93
Wholesale and retail trade	2,002	87	(599)	1,915	2,601
Finance and insurance	7,070	7,070	7,070	-	-
Real estate, goods rental and leasing	41,123	22,614	38,965	18,509	2,158
Services	1,344	(167)	(413)	1,511	1,757
Government and municipal government	-	-	-	-	-
Others ※	315,616	65,315	253,371	250,301	62,245

※ “Others” includes real estate financing for rent to individuals.

(3) Consumer loans (Non-consolidated)

(Millions of yen)

	Mar. 31, 2019			Sep. 30, 2018 (b)	Mar. 31, 2018 (c)
	(a)	(a) - (b)	(a) - (c)		
Consumer loans	2,664,854	(126,030)	(261,137)	2,790,884	2,925,991
Secured loans	2,424,478	(108,863)	(230,098)	2,533,341	2,654,576
Unsecured loans	240,375	(17,168)	(31,039)	257,543	271,414

(4) The ratio of loans to small- and medium-sized enterprises, etc. (Non-consolidated)

(%)

	Mar. 31, 2019			Sep. 30, 2018 (b)	Mar. 31, 2018 (c)
	(a)	(a) - (b)	(a) - (c)		
The ratio of loans to small- and medium-sized enterprises, etc.	98.40	1.52	1.75	96.88	96.65

7. Loan breakdown by country

(1) Loans to specific foreign countries (Non-consolidated)

Not applicable.

(2) Loans to Asian countries (Non-consolidated)

Not applicable.

8. Deposits and loans (Non-consolidated)

(Millions of yen)

		Mar. 31, 2019			Sep. 30, 2018 (b)	Mar. 31, 2018 (c)
		(a)	(a) - (b)	(a) - (c)		
Deposits	period-end balance	3,165,680	(250,250)	(923,969)	3,415,930	4,089,649
	average balance	3,504,213	(287,108)	(542,804)	3,791,321	4,047,017
Loans	period-end balance	2,898,864	(187,010)	(347,114)	3,085,874	3,245,978
	average balance	3,054,760	(80,125)	(175,016)	3,134,885	3,229,776

9. Number of branches (Non-consolidated)

(Branches)

	Mar. 31, 2019			Sep. 30, 2018 (b)	Mar. 31, 2018 (c)
	(a)	(a) - (b)	(a) - (c)		
Number of branches	131	(1)	(1)	132	132

IV. Unrealized gains (losses) on securities

1. Unrealized gains (losses)

Non-consolidated

(Millions of yen)

	Mar. 31, 2019				Sep. 30, 2018				Mar. 31, 2018			
	Fair value	Net unrealized gains (losses)		Fair value	Net unrealized gains (losses)		Fair value	Net unrealized gains (losses)				
		Gains	Losses		Gains	Losses		Gains	Losses			
Other securities	117,364	17,254	17,625	371	128,203	20,927	21,381	454	116,151	24,818	25,400	581
Stocks	26,170	15,911	16,160	249	33,524	20,483	20,551	67	41,275	24,604	24,699	95
Bonds	86,734	658	662	3	89,070	(244)	43	287	62,850	(7)	90	98
Others	4,459	683	802	118	5,608	687	787	99	12,025	221	609	388

(Note1) Amounts less than one million yen are rounded down.

(Note2) Stocks of subsidiaries and affiliates are not included since they are not valued with fair value.

(Note3) Unrealized gains (losses) represent the difference between the fair value as of period-ends and acquisition costs.

Consolidated

(Millions of yen)

	Mar. 31, 2019				Sep. 30, 2018				Mar. 31, 2018			
	Fair value	Net unrealized gains (losses)		Fair value	Net unrealized gains (losses)		Fair value	Net unrealized gains (losses)				
		Gains	Losses		Gains	Losses		Gains	Losses			
Other securities	119,768	19,436	19,808	371	130,797	23,299	23,754	454	118,214	26,659	27,241	581
Stocks	26,709	16,352	16,601	249	34,284	21,145	21,213	67	41,970	25,201	25,296	95
Bonds	86,734	658	662	3	89,070	(244)	43	287	62,850	(7)	90	98
Others	6,325	2,424	2,543	118	7,442	2,397	2,497	99	13,393	1,464	1,853	388

(Note1) Amounts less than one million yen are rounded down.

(Note2) Stocks of subsidiaries and affiliates are not included since they are not valued with fair value.

(Note3) Unrealized gains (losses) represent the difference between the fair value as of period-ends and acquisition costs.

V. Retirement benefits

1. Retirement benefit expenses

Non-consolidated

(Millions of yen)

	FY3/2019	FY3/2018
Service cost	529	553
Interest cost	109	113
Expected returns on plan assets	(772)	(731)
Amortization of unrecognized net actuarial gains (losses)	(328)	(159)
Others (non-recurring extra retirement payments, etc.) (Note1)	214	233
Retirement benefit expenses	(247)	8

(Note1) "Others" includes contribution to a defined contribution pension plan.

Consolidated

(Millions of yen)

	FY3/2019	FY3/2018
Service cost (Note1)	566	576
Interest cost	109	113
Expected returns on plan assets	(772)	(731)
Amortization of unrecognized net actuarial gains (losses)	(328)	(159)
Others (non-recurring extra retirement payments, etc.) (Note2)	226	245
Retirement benefit expenses	(198)	44

(Note1) Retirement benefit expenses of consolidated subsidiaries adopting a simplified method are included in "Service cost".

(Note2) "Others" includes contribution to a defined contribution pension plan.