

Summary Information on Sony Bank's Financial Results
for the Three Months Ended June 30, 2019

<Contents>

1. Consolidated Balance Sheets	P.2
2. Consolidated Statements of Income and Consolidated Statements of Comprehensive Income	P.3
3. Non-consolidated Balance Sheets	P.4
4. Non-consolidated Statements of Income	P.5
5. Supplementary Information	P.6
(1) Deposits and Loans (Non-consolidated)	P.6
(2) Balance of Time Deposits by Remaining Period (Non-consolidated)	P.6
(3) Balance of Securities by Ratings (Non-consolidated)	P.6
(4) Risk-monitored Loans (Non-consolidated)	P.6
(5) Consolidated Capital Adequacy Ratio (Domestic Standard)	P.7
(6) Non-consolidated Capital Adequacy Ratio (Domestic Standard)	P.8

Disclaimer:

This English translation is prepared for the readers' convenience. When there are any discrepancies between original Japanese version and English translation version, the original Japanese version always prevails.

1. Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2019	As of June 30, 2019
Assets:		
Cash and due from banks	344,377	397,312
Monetary claims purchased	4,916	4,465
Money held in trust	21,937	21,874
Securities	694,447	726,174
Loans	1,744,103	1,782,748
Foreign exchanges	8,471	9,756
Other assets	51,685	55,477
Tangible fixed assets	1,633	1,590
Intangible fixed assets	6,903	6,627
Deferred tax assets	1,305	917
Reserve for possible loan losses	(903)	(893)
Total Assets	2,878,879	3,006,050
Liabilities:		
Deposits	2,358,182	2,402,986
Call money and bills sold	130,611	204,283
Payables under repurchase agreements	20,290	28,682
Borrowed money	210,000	210,000
Foreign exchanges	244	206
Other liabilities	67,752	69,985
Reserve for employees' bonuses	777	172
Net defined benefit liability	1,323	1,329
Provision for reimbursement of deposits	125	108
Total Liabilities	2,789,308	2,917,754
Net Assets:		
Common stock	31,000	31,000
Capital surplus	21,000	21,000
Retained earnings	33,067	31,661
Total shareholders' equity	85,067	83,661
Net unrealized gains (losses) on available-for-sale securities, net of taxes	3,974	4,081
Net deferred gains (losses) on hedging instruments, net of taxes	(1,260)	(1,318)
Remeasurements of defined benefit plans, net of taxes	(106)	(103)
Total accumulated other comprehensive income	2,606	2,659
Non-controlling interests	1,896	1,975
Total Net Assets	89,570	88,296
Total Liabilities and Net Assets	2,878,879	3,006,050

2. Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

(1) Consolidated Statements of Income

	(Millions of yen)	
	For the three months ended June 30, 2018	For the three months ended June 30, 2019
Ordinary Revenues	10,778	11,931
Interest income	7,495	8,399
Interest income on loans	4,308	4,519
Interest income and dividends on securities	3,169	3,861
Fees and commissions	2,032	2,601
Other operating income	1,052	879
Other ordinary income	198	51
Ordinary Expenses	8,548	9,493
Interest expenses	1,916	2,432
Interest expenses on deposits	1,511	1,965
Fees and commissions	1,978	2,182
Other operating expenses	1	0
General and administrative expenses	4,504	4,874
Other ordinary expenses	146	3
Ordinary Profit	2,230	2,438
Extraordinary Losses	15	—
Income Before Income Taxes	2,215	2,438
Income Taxes—Current	460	388
Income Taxes—Deferred	225	364
Total Income Taxes	685	752
Profit	1,529	1,685
Profit Attributable to Non-controlling Interests	54	78
Profit Attributable to Owners of the Parent	1,475	1,607

(2) Consolidated Statements of Comprehensive Income

	(Millions of yen)	
	For the three months ended June 30, 2018	For the three months ended June 30, 2019
Profit	1,529	1,685
Other Comprehensive Income		
Net unrealized gains (losses) on available-for-sale securities, net of taxes	(608)	107
Net deferred gains (losses) on hedging instruments, net of taxes	0	(57)
Remeasurements of defined benefit plans, net of taxes	3	4
Total other comprehensive income	(604)	53
Comprehensive Income	924	1,739
(Details)		
Comprehensive income attributable to owners of the parent	870	1,659
Comprehensive income attributable to non-controlling interests	54	79

3. Non-consolidated Balance Sheets

(Millions of yen)

	As of June 30, 2018 (A)	As of June 30, 2019 (B)	Change (B-A)	(Reference) As of March 31, 2019 (C)	Change (B-C)
Assets:					
Cash and due from banks	343,099	395,437	+52,338	343,063	+52,373
Monetary claims purchased	4,370	4,465	+95	4,916	(451)
Money held in trust	21,000	21,874	+874	21,937	(62)
Securities	720,100	728,195	+8,094	696,468	+31,727
Loans	1,620,158	1,782,748	+162,589	1,744,103	+38,645
Foreign exchanges	10,596	9,756	(840)	8,471	+1,284
Other assets	38,496	39,312	+815	35,443	+3,869
Tangible fixed assets	1,158	1,073	(84)	1,092	(18)
Intangible fixed assets	3,711	5,018	+1,307	5,200	(181)
Deferred tax assets	45	762	+717	1,133	(370)
Reserve for possible loan losses	(877)	(893)	(15)	(903)	+9
Total Assets	2,761,859	2,987,751	+225,892	2,860,925	+126,825
Liabilities:					
Deposits	2,265,095	2,403,489	+138,393	2,358,985	+44,504
Call money	173,411	204,283	+30,871	130,611	+73,672
Payables under repurchase agreements	—	28,682	+28,682	20,290	+8,391
Borrowed money	180,000	210,000	+30,000	210,000	—
Foreign exchanges	131	206	+74	244	(38)
Other liabilities	57,656	54,049	(3,607)	51,717	+2,331
Reserve for employees' bonuses	215	113	(102)	677	(564)
Reserve for employees' retirement benefits	955	1,001	+45	994	+6
Provision for reimbursement of deposits	106	108	+1	125	(17)
Total Liabilities	2,677,573	2,901,933	+224,360	2,773,646	+128,286
Net Assets:					
Common stock	31,000	31,000	—	31,000	—
Capital surplus	21,000	21,000	—	21,000	—
Retained earnings	27,943	31,055	+3,111	32,565	(1,510)
Total shareholders' equity	79,943	83,055	+3,111	84,565	(1,510)
Net unrealized gains (losses) on available-for-sale securities, net of taxes	5,428	4,081	(1,347)	3,974	+107
Net deferred gains (losses) on hedging instruments, net of taxes	(1,086)	(1,318)	(232)	(1,260)	(57)
Total valuation and translation adjustments	4,342	2,762	(1,579)	2,713	+49
Total Net Assets	84,286	85,818	+1,531	87,279	(1,460)
Total Liabilities and Net Assets	2,761,859	2,987,751	+225,892	2,860,925	+126,825

4. Non-consolidated Statements of Income

(Millions of yen)

	For the three months ended June 30, 2018 (A)	For the three months ended June 30, 2019 (B)	Change (B-A)	(Reference) For the year ended March 31, 2019
Ordinary Revenues	9,722	10,772	+1,049	41,707
Interest income	7,495	8,399	+903	31,926
Interest income on loans	4,308	4,519	+210	17,473
Interest income and dividends on securities	3,169	3,861	+691	14,382
Fees and commissions	976	1,442	+465	5,338
Other operating income	1,052	879	(173)	3,926
Other ordinary income	198	51	(146)	515
Ordinary Expenses	7,690	8,599	+908	33,009
Interest expenses	1,916	2,431	+515	8,643
Interest expenses on deposits	1,511	1,965	+454	6,747
Fees and commissions	1,849	2,046	+196	7,573
Other operating expenses	1	0	(1)	485
General and administrative expenses	3,776	4,117	+340	15,901
Other ordinary expenses	146	3	(142)	405
Ordinary Profit	2,032	2,173	+141	8,698
Income Before Income Taxes	2,032	2,173	+141	8,698
Income Taxes—Current	415	321	(94)	2,828
Income Taxes—Deferred	213	348	+135	(155)
Total Income Taxes	629	670	+41	2,673
Net Income	1,403	1,503	+99	6,025

5. Supplementary Information

(1) Deposits and Loans (Non-consolidated)

(Millions of yen, %)

	For the three months ended June 30, 2018			For the three months ended June 30, 2019		
	Balance at the end	Average balance	Yield	Balance at the end	Average balance	Yield
Deposits	2,265,095	2,238,463	0.27	2,403,489	2,375,619	0.33
Yen deposits	1,863,609	1,834,048	0.10	1,963,311	1,950,430	0.09
Ordinary deposits	729,997	697,028	0.00	802,134	793,830	0.00
Time deposits	1,132,739	1,136,119	0.16	1,159,908	1,155,191	0.16
Foreign currency deposits	401,486	404,414	1.04	440,177	425,188	1.40
Ordinary deposits	177,795	181,606	0.37	176,495	168,600	0.50
Time deposits	223,611	222,749	1.59	263,592	256,502	1.98
Loans	1,620,158	1,609,490	1.07	1,782,748	1,760,602	1.02
Mortgage loans	1,551,762	1,538,967	0.99	1,731,267	1,707,959	0.95
Others	68,395	70,523	2.68	51,481	52,643	3.33

Note: The average balance of foreign currency deposits during the term is calculated as the average during the period of the yen equivalent value of each day's foreign currency deposit balance.

(2) Balance of Time Deposits by Remaining Period (Non-consolidated)

(Millions of yen)

Remaining period	As of June 30, 2018			As of June 30, 2019		
	Yen	Foreign currency	Total	Yen	Foreign currency	Total
Less than 3 months	397,147	144,032	541,179	397,920	153,883	551,804
3 months or more, less than 6 months	257,146	35,684	292,830	261,397	50,855	312,252
6 months or more, less than 1 year	290,698	33,892	324,591	296,053	45,138	341,191
1 year or more, less than 2 years	38,579	7,705	46,284	60,088	9,937	70,026
2 years or more, less than 3 years	18,032	2,292	20,324	10,143	3,758	13,902
3 years or more	48,689	4	48,693	46,762	18	46,781
Total	1,050,292	223,611	1,273,904	1,072,365	263,592	1,335,958

Note: The above table does not include thrift saving deposits.

(3) Balance of Securities by Ratings (Non-consolidated)

(Millions of yen, %)

Ratings	As of June 30, 2018		As of June 30, 2019	
	Balance	Composition	Balance	Composition
AAA	281,846	39.1	321,374	44.1
AA	98,423	13.7	74,463	10.2
A	317,851	44.1	298,814	41.0
BBB	14,825	2.1	23,646	3.2
Unrated	7,153	1.0	9,896	1.4
Total	720,100	100.0	728,195	100.0

Notes: 1. Sony bank uses the Basel III standardized method and classifies its securities based on rating by five (5) rating agencies: Moody's Investors Service, S&P Global Ratings, Ratings and Investment Information, Japan Credit Rating Agency and Fitch Ratings.

2. The unrated items on the above table include ¥3,268 million of investments in foreign bonds, ¥4,577 million of investments in unrated investment trusts, and ¥2,050 million of investments in shares of a subsidiary.

(4) Risk-monitored Loans (Non-consolidated)

(Millions of yen)

Category	As of June 30, 2018	As of June 30, 2019
	Amount	Amount
Bankrupt loans	121	227
Non-accrual delinquent loans	1,201	1,195
Past due loans (3 months or more)	—	—
Restructured loans	730	817
Total	2,053	2,240

(5) Consolidated Capital Adequacy Ratio (Domestic Standard)

		(Millions of yen, %)
		As of June 30, 2019
Core capital: instruments and reserves		
Directly issued qualifying common share capital or preferred share capital with a compulsory conversion clause plus related capital surplus and retained earnings		83,661
Capital and capital surplus		52,000
Retained earnings		31,661
Accumulated other comprehensive income included in core capital		(103)
Remeasurements of defined benefit plans		(103)
Eligible capital instruments included in core capital: instruments and reserves		7,185
Non-controlling interests included in core capital subject to transitional arrangements		987
Core capital: instruments and reserves	(A)	<u>91,730</u>
Core capital: regulatory adjustments		
Total amount of intangible assets (excluding those relating to mortgage servicing rights)		4,597
Other intangible assets excluding goodwill and mortgage servicing rights		4,597
Shortfall of eligible reserves to expected losses		826
Core capital: regulatory adjustments	(B)	<u>5,424</u>
Capital		
Capital	((A) - (B)) (C)	<u>86,306</u>
Risk-weighted assets		
Total amount of credit risk-weighted assets		559,339
Total amount included in risk-weighted assets subject to transitional arrangements		(10,280)
Exposure to other financial institutions		(10,280)
Total amount of operational risk equivalent / 8%		47,798
Adjustment to credit risk-weighted assets		299,710
Total amount of risk-weighted assets	(D)	<u>906,849</u>
Capital adequacy ratio		
Capital adequacy ratio	((C) / (D))	<u>9.51%</u>
		(Millions of yen)
		As of June 30, 2019
Consolidated total capital requirements (Domestic standard) (Total Risk-Weighted Assets by 4%)		<u>36,273</u>

(6) Non-consolidated Capital Adequacy Ratio (Domestic Standard)

(Millions of yen, %)

As of June 30, 2019

Core capital: instruments and reserves

Directly issued qualifying common share capital or preferred share capital with a compulsory conversion clause plus related capital surplus and retained earnings			83,055
Capital and capital surplus			52,000
Retained earnings			31,055
Eligible capital instruments included in core capital: instruments and reserves			7,185
Core capital: instruments and reserves	(A)		90,240

Core capital: regulatory adjustments

Total amount of intangible assets (excluding those relating to mortgage servicing rights)			3,481
Other intangible assets excluding goodwill and mortgage servicing rights			3,481
Shortfall of eligible reserves to expected losses			826
Core capital: regulatory adjustments	(B)		4,307

Capital

Capital	((A) - (B))	(C)	85,932
---------	-------------	-----	---------------

Risk-weighted assets

Total amount of credit risk-weighted assets			560,506
Total amount included in risk-weighted assets subject to transitional arrangements			(10,280)
Exposure to other financial institutions			(10,280)
Total amount of operational risk equivalent / 8%			41,557
Adjustment to credit risk-weighted assets			298,281
Total amount of risk-weighted assets	(D)		900,345

Capital adequacy ratio

Capital adequacy ratio	((C) / (D))		9.54%
------------------------	-------------	--	--------------

(Millions of yen)

As of June 30, 2019

Non-consolidated total capital requirements (Domestic standard) (Total Risk-Weighted Assets by 4%)			36,013
--	--	--	---------------