## Summary Information on Sony Bank's Financial Results for the Year Ended March 31, 2020

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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 March 31, 2020
Assets:		
Cash and due from banks	344,377	317,619
Monetary claims purchased	4,916	6,006
Money held in trust	21,937	23,107
Securities	694,447	701,332
Loans	1,744,103	1,979,126
Foreign exchanges	8,471	3,019
Other assets	51,685	51,733
Tangible fixed assets	1,633	1,493
Buildings	628	584
Other tangible fixed assets	1,004	909
Intangible fixed assets	6,903	6,930
Software	6,888	6,914
Other intangible fixed assets	14	15
Deferred tax assets	1,305	7,052
Reserve for possible loan losses	(903)	(846)
Total Assets	2,878,879	3,096,574
Liabilities:		, ,
Deposits	2,358,182	2,476,986
Call money and bills sold	130,611	176,256
Payables under repurchase agreements	20,290	41,093
Borrowed money	210,000	247,923
Foreign exchanges	244	684
Other liabilities	67,752	71,283
Reserve for employees' bonuses	777	467
Net defined benefit liability	1,323	1,290
Provision for reimbursement of deposits	125	111
Total Liabilities	2,789,308	3,016,096
Net Assets:		, ,
Common stock	31,000	31,000
Capital surplus	21,000	21,000
Retained earnings	33,067	37,136
Total shareholders' equity	85,067	89,136
Net unrealized gains (losses) on available-for-sale securities, net of taxes	3,974	(10,299)
Net deferred gains (losses) on hedging instruments, net of taxes	(1,260)	(556)
Remeasurements of defined benefit plans, net of taxes	(106)	(53)
Total accumulated other comprehensive income	2,606	(10,909)
Non-controlling interests	1,896	2,250
Total Net Assets	89,570	80,477
Total Liabilities and Net Assets	2,878,879	3,096,574

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

### (1) Consolidated Statements of Income

	(Millio		
	For the year ended March 31, 2019	For the year ended March 31, 2020	
Ordinary Revenues	46,018	50,272	
Interest income	31,926	33,950	
Interest income on loans	17,473	18,729	
Interest income and dividends on securities	14,382	15,148	
Interest income on call loans and bills bought	1	0	
Interest income on deposits with banks	62	61	
Other interest income	7	10	
Fees and commissions	9,650	12,376	
Other operating income	3,926	3,515	
Other ordinary income	515	429	
Others	515	429	
Ordinary Expenses	36,423	39,582	
Interest expenses	8,643	9,270	
Interest expenses on deposits	6,747	7,276	
Interest expenses on call money and bills sold	88	269	
Interest on payables under repurchase agreements	312	348	
Interest expenses on borrowed money	88	88	
Other interest expenses	1,407	1,287	
Fees and commissions	8,083	9,089	
Other operating expenses	485	126	
General and administrative expenses	18,801	20,914	
Other ordinary expenses	409	181	
Provision of reserve for possible loan losses	167	38	
Other ordinary expenses	242	142	
Ordinary Profit	9,595	10,690	
Extraordinary Gains		16	
Other extraordinary gains	-	16	
Extraordinary Losses	47	57	
Losses on disposal of fixed assets	20	5	
Impairment losses	27	-	
Other extraordinary losses	-	52	
Income Before Income Taxes	9,547	10,648	
Income Taxes—Current	3,116	3,159	
Income Taxes—Deferred	(177)	75	
Total Income Taxes	2,939	3,235	
Profit	6,608	7,413	
Profit Attributable to Non-controlling Interests	250	331	
Profit Attributable to Owners of the Parent	6,357	7,082	

### (2) Consolidated Statements of Comprehensive Income

		(Millions of yen)
	For the year ended March 31, 2019	For the year ended March 31, 2020
Profit	6,608	7,413
Other Comprehensive Income		
Net unrealized gains (losses) on available-for-sale securities, net of taxes	(2,063)	(14,274)
Net deferred gains (losses) on hedging instruments, net of taxes	(174)	703
Remeasurements of defined benefit plans, net of taxes	(6)	76
Total other comprehensive income	(2,243)	(13,494)
Comprehensive Income	4,364	(6,080)
(Details)		
Comprehensive income attributable to owners of the parent	4,116	(6,434)
Comprehensive income attributable to non-controlling interests 3	248	353

### 3. Fair Value Information (Consolidated)

### (1) Fair value information on securities

i) Held-to-maturity securities (As of March 31, 2020)

		(Millions of yen)
Balance sheet amount	Fair value	Difference
—	—	-
_	-	-
5,417	4,996	(420)
5,417	4,996	(420)
5,417	4,996	(420)
	amount — — 5,417 5,417	Fair value amount Fair value       

### ii) Available-for-sale securities (As of March 31, 2020)

			(Millions of yen)
	Balance sheet amount	Acquisition cost	Difference
Balance sheet amount exceeding acquisition cost			
Bonds	93,272	88,712	4,559
Japanese government bonds	37,949	33,895	4,053
Japanese local government bonds	19,330	19,149	180
Japanese corporate bonds	35,992	35,667	325
Others	177,243	171,392	5,851
Foreign bonds	172,332	168,348	3,984
Other securities	4,910	3,044	1,866
Subtotal	270,515	260,104	10,410
Balance sheet amount not exceeding acquisition cost			
Bonds	43,190	43,263	(73
Japanese government bonds	23,059	23,074	(15)
Japanese local government bonds	9,273	9,292	(19
Japanese corporate bonds	10,858	10,896	(37)
Others	388,184	404,331	(16,147
Foreign bonds	372,942	389,083	(16,140
Other securities	15,242	15,248	(6
Subtotal	431,375	447,595	(16,147
Total	701,890	707,700	(5,809)

### iii) Available-for-sale securities sold during the year (For the year ended March 31, 2020)

			(Millions of yen)
	Amount of sales	Total gains on sales	Total losses on sales
Bonds	7,380	137	(2)
Japanese government bonds	6,582	137	-
Japanese local government bonds	_	_	_
Japanese corporate bonds	797	—	(2)
Others	26,438	69	(123)
Foreign bonds	26,438	69	(123)
Total	33,818	206	(125)

#### (2) Fair value information on money held in trust

Other money held in trust (As of March 31, 2020)

	Balance sheet amount	Acquisition cost	Difference	Balance sheet amount exceeding acquisition cost	Balance sheet amount not exceeding acquisition cost
Other money held in trust	23,107	23,112	(5)		(5)

(Millions of yen)

Note: "Difference" consists of "Balance sheet amount exceeding acquisition cost" and "Balance sheet amount not exceeding acquisition cost."

# 4. Non-consolidated Balance Sheets

			(Millions of yen)
	As of March 31, 2019	As of March 31, 2020	Change
	(A)	<b>(B)</b>	(B-A)
Assets:			
Cash and due from banks	343,063	310,724	(32,339)
Cash	-	0	+0
Due from banks	343,063	310,724	(32,339)
Monetary claims purchased	4,916	6,006	+1,090
Money held in trust	21,937	23,107	+1,169
Securities	696,468	703,352	+6,884
Japanese government bonds	64,126	61,008	(3,118)
Japanese local government bonds	20,040	28,603	+8,563
Japanese corporate bonds	49,994	46,850	(3,143)
Japanese stocks	2,050	2,050	_
Other securities	560,256	564,838	+4,582
Loans	1,744,103	1,979,126	+235,022
Loans on deed	1,725,791	1,961,731	+235,939
Overdrafts	18,312	17,394	(917)
Foreign exchanges	8,471	3,019	(5,452)
Due from foreign banks	8,471	3,019	(5,452)
Other assets	35,443	41,823	+6,380
Domestic exchange settlement account, debit	1,349	1,032	(317)
Prepaid expenses	200	310	+109
Accrued income	4,189	3,791	(398)
Derivatives	4,084	6,376	+2,291
Cash collateral paid for financial instruments	18,148	23,684	+5,535
Accounts receivable	5,005	4,053	(951)
Others	2,464	2,573	+109
Tangible fixed assets	1,092	1,024	(67)
Buildings	575	533	(41)
Other tangible fixed assets	516	491	(25)
Intangible fixed assets	5,200	5,225	+25
Software	5,195	5,221	+25
Other intangible fixed assets	4	3	(0)
Deferred tax assets	1,133	6,909	+5,775
Reserve for possible loan losses	(903)		+57
Total Assets	2,860,925	3,079,472	+218,546

	As of March 31, 2019	As of March 31, 2020	Change
	(A)	<b>(B</b> )	(B-A)
Liabilities:			
Deposits	2,358,985	2,481,890	+122,905
Ordinary deposits	782,242	868,926	+86,683
Time deposits	1,147,048	1,147,175	+127
Other deposits	429,694	465,788	+36,094
Call money	130,611	176,256	+45,645
Payables under repurchase agreements	20,290	41,093	+20,802
Borrowed money	210,000	247,923	+37,923
Borrowed money	210,000	247,923	+37,923
Foreign exchanges	244	684	+440
Foreign bills sold	73	45	(28)
Foreign bills payable	170	639	+469
Other liabilities	51,717	52,743	+1,026
Domestic exchange settlement account, credit	959	525	(434)
Income taxes payables	2,041	1,608	(432)
Accrued expenses	6,410	6,142	(268)
Initial margins of future markets	18,989	18,707	(281)
Derivatives	15,379	22,985	+7,606
Cash collateral received for financial instruments	180	1,040	+860
Asset retirement obligations	227	228	+1
Others	7,529	1,504	(6,024)
Reserve for employees' bonuses	677	361	(316)
Reserve for employees' retirement benefits	994	1,068	+74
Provision for reimbursement of deposits	125	111	(13)
Total Liabilities	2,773,646	3,002,133	+228,487
Net Assets:			
Common stock	31,000	31,000	
Capital surplus	21,000	21,000	_
Capital reserves	21,000	21,000	—
Retained earnings	32,565	36,195	+3,629
Legal retained earnings	1,157	1,760	+602
Other retained earnings	31,407	34,434	+3,026
Unappropriated retained earnings	31,407	34,434	+3,026
Total shareholders' equity	84,565	88,195	+3,629
Net unrealized gains (losses) on available-for-sale securities, net of taxes	3,974	(10,299)	(14,274)
Net deferred gains (losses) on hedging instruments, net of taxes	(1,260)	(556)	+703
Total valuation and translation adjustments	2,713	(10,856)	(13,570)
Total Net Assets	87,279	77,338	(9,940)
Total Liabilities and Net Assets	2,860,925	3,079,472	+218,546

# 5. Non-consolidated Statements of Income

	For the year ended	For the year ended	Change
	March 31, 2019 (A)	March 31, 2020 (B)	(B-A)
Ordinary Revenues	41,707	45,383	+3,675
Interest income	31,926	33,950	+2,024
Interest income on loans	17,473	18,729	+1,255
Interest income and dividends on securities	14,382	15,148	+766
Interest income on call loans	1	0	(0)
Interest income on deposits with banks	62	61	(0)
Other interest income	7	10	+3
Fees and commissions	5,338	7,487	+2,148
Fees and commissions on domestic and foreign exchanges	338	391	+53
Other fees and commissions	5,000	7,095	+2,094
Other operating income	3,926	3,515	(411
Gains on foreign exchange transactions	3,599	3,258	(341)
Gains on sale of bonds	274	208	(66)
Gains on derivatives	51	48	(3)
Other ordinary income	515	429	(85)
Income from money held in trust, net	0	49	+49
Others	515	380	(134
Ordinary Expenses	33,009	35,793	+2,784
Interest expenses	8,643	9,269	+620
Interest expenses on deposits	6,747	7,276	+529
Interest expenses on call money	88	269	+180
Interest on payables under repurchase agreements	312	348	+30
Interest expenses on borrowed money	88	88	(0
Interest expenses on interest rate swaps	1,400	1,280	(119
Other interest expenses	7	6	(0
Fees and commissions	7,573	8,476	+903
Fees and commissions on domestic and foreign exchanges	338	423	+84
Other fees and commissions	7,234	8,052	+818
Other operating expenses	485	126	(359
Losses on sale of bonds	485	126	(359
General and administrative expenses	15,901	17,782	+1,881
Other ordinary expenses	405	138	(267)
Provision for reserve for possible loan losses	167	38	(128
Write-off of loans	0	-	(0
Others	238	100	(138
Ordinary Profit	8,698	9,589	+891
Extraordinary Losses	_	49	+49
Other extraordinary losses	_	49	+49
Income Before Income Taxes	8,698	9,540	+841
Income Taxes—Current	2,828	2,817	(11)
Income Taxes—Deferred	(155)	79	+235
Total Income Taxes	2,673	2,897	+224
Net Income	6,025	6,642	+617

## 6. Supplementary Information

### (1) Interest spread (Non-consolidated)

			(%)
		For the year ended March 31, 2019	For the year ended March 31, 2020
Yield on investment	1	1.16	1.14
Yield on loans		1.06	1.02
Yield on securities		2.01	2.12
Financing cost	2	0.93	0.94
Yield on financing	3	0.32	0.32
Yield on deposits		0.29	0.30
Yield on external liab	oilities <sup>*</sup>	0.05	0.08
Expense ratio		0.69	0.73
Interest spread	1-3	0.83	0.82
Overall profit margin	1-2	0.23	0.19

Note: External liabilities are equal to a total of call money and borrowed money.

### (2) Deposits and Loans (Non-consolidated)

Deposits and Louis (11011)					(Millions	of yen, %)
		For the year ended March 31, 2019		For the year ended March 31, 2020		
	Balance at the end	Average balance	Yield	Balance at the end	Average balance	Yield
Deposits	2,358,985	2,299,441	0.29	2,481,890	2,420,833	0.30
Yen deposits	1,939,370	1,895,172	0.09	2,028,637	1,994,249	0.09
Ordinary deposits	787,210	748,361	0.00	875,169	829,687	0.00
Time deposits	1,150,981	1,145,677	0.16	1,151,729	1,162,928	0.16
Foreign currency deposits	419,614	404,269	1.20	453,252	426,584	1.26
Ordinary deposits	168,161	171,583	0.43	182,721	170,826	0.36
Time deposits	251,370	232,610	1.77	270,486	255,661	1.86
Loans	1,744,103	1,645,025	1.06	1,979,126	1,829,904	1.02
Mortgage loans	1,690,381	1,579,832	0.98	1,934,875	1,780,697	0.95
Others	53,721	65,192	2.83	44,250	49,207	3.45

### (3) Balance of time deposits by remaining period (Non-consolidated)

					(Milli	ions of yen)
	As of March 31, 2019			As of March 31, 2020		
Remaining period	Yen	Foreign currency	Total	Yen	Foreign currency	Total
Less than 3 months	204,772	139,685	344,458	198,844	155,682	354,527
3 months or more, less than 6 months	373,942	55,808	429,750	389,579	70,896	460,475
6 months or more, less than 1 year	367,676	41,540	409,216	396,653	36,081	432,734
1 year or more, less than 2 years	56,542	10,833	67,375	33,741	5,420	39,161
2 years or more, less than 3 years	12,072	3,489	15,561	13,702	2,398	16,101
3 years or more	49,516	14	49,530	28,757	7	28,765
Total	1,064,522	251,370	1,315,893	1,061,278	270,486	1,331,765

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

### (4) Balance of securities by rating (Non-consolidated)

				(Millions of yen, %)	
	As of Marc	eh 31, 2019	As of March 31, 2020		
Ratings	Balance	Composition	Balance	Composition	
AAA	296,691	42.6	308,155	43.8	
AA	77,321	11.1	67,406	9.6	
А	288,028	41.4	277,360	39.4	
BBB	24,401	3.5	28,987	4.1	
Unrated	10,025	1.4	21,443	3.0	
Total	696,468	100.0	703,352	100.0	

Notes: 1. Sony bank uses the Basel III standardized method and classifies its securities based on rating by five 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 ¥4,152 million of investments in unrated investment trusts, ¥2,050 million of investments in shares of a subsidiary, ¥5,246 million of investments in Japanese local government bonds, and ¥9,993 million of investments in foreign securities.

#### (5) Loans by Borrower Category (Non-consolidated)

(Millions of yen) As of March 31, 2020 As of March 31, 2019 Category Amount Amount Bankrupt and quasi-bankrupt loans 596 483 807 822 Doubtful loans Sub-standard loans 800 814 1,751,032 1,980,703 Normal loans 1,753,237 1,982,824 Total

## (6) General and Administrative Expenses (Non-consolidated)

			(Mi	llions of yen, %)	
	For the ye	ear ended	For the year ended		
	March 3	March 31, 2019		1, 2020	
	Amount	Composition	Amount	Composition	
Personnel expenses	4,577	28.8	4,762	26.7	
Non-personnel expenses	10,200	64.1	11,837	66.5	
Depreciation and amortization	1,299	8.2	1,600	9.0	
Taxes	1,123	7.1	1,183	6.6	
Total	15,901	100.0	17,782	100.0	

## (7) Number of Executives and Employees (Non-consolidated)

		(Persons)
	As of March 31, 2019	As of March 31, 2020
Executive management	9	9
Directors	5	5
Audit & supervisory board members	4	4
Employees	498	520

Notes:1. The number of directors include one outside director and the number of audit & supervisory board members include three outside audit & supervisory board members.

2. The number of employees exclude temporary employees and subcontracted employees seconded to Sony Bank.

	A CM 1 21 2020
	As of March 31, 2020
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	85,813
Capital and capital surplus	52,000
Retained earnings	37,136
Cash dividends to be paid $(-)$	(3,323)
Accumulated other comprehensive income included in core capital	(53)
Remeasurements of defined benefit plans	(53)
Eligible capital instruments included in core capital: instruments and reserves	5,679
Non-controlling interests included in core capital subject to transitional arrangements	900
Core capital: instruments and reserves (A	A) 92,339
Core capital: regulatory adjustments	
Total amount of intangible assets (excluding those relating to mortgage servicing rights)	4,808
Other intangible assets excluding goodwill and mortgage servicing rights	4,808
Shortfall of eligible reserves to expected losses	967
Core capital: regulatory adjustments (	B) 5,775
Capital	
Capital ((A) - (B)) (	C) 86,564
Risk-weighted assets	
Total amount of credit risk-weighted assets	585,808
Total amount included in risk-weighted assets subject to transitional arrangements	(10,090)
Exposure to other financial institutions	(10,090)
Total amount of operational risk equivalent / 8%	52,569
Adjustment to credit risk-weighted assets	339,206
Total amount of risk-weighted assets (1	D) 977,584
Capital adequacy ratio	
Capital adequacy ratio ((C) / (C	0)) 8.85%
	(Millions of yen)
	As of March 31, 2020
Consolidated total capital requirements (Domestic standard) (Total risk-weighted assets by 4%)	39,103

# (8) Consolidated Capital Adequacy Ratio (Domestic Standard)

			(Millions of yen, %)
			As of March 31, 2020
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			84,871
Capital and capital surplus			52,000
Retained earnings			36,195
Cash dividends to be paid $(-)$			(3,323)
Eligible capital instruments included in core capital: instruments and reserves			5,679
Core capital: instruments and reserves		(A)	90,550
Core capital: regulatory adjustments			
Total amount of intangible assets (excluding those relating to mortgage servicing rights)			3,625
Other intangible assets excluding goodwill and mortgage servicing rights			3,625
Shortfall of eligible reserves to expected losses			96
Core capital: regulatory adjustments		(B)	4,592
Capital			
Capital	((A) - (B))	(C)	85,958
Risk-weighted assets			
Total amount of credit risk-weighted assets			587,658
Total amount included in risk-weighted assets subject to transitional arrangements			(10,090)
Exposure to other financial institutions			(10,090)
Total amount of operational risk equivalent / 8%			45,513
Adjustment to credit risk-weighted assets			337,971
Total amount of risk-weighted assets		(D)	971,142
Capital adequacy ratio			
Capital adequacy ratio	((C)	/ (D))	8.85%
			(Millions of yen
			As of March 31, 2020
Non-consolidated total capital requirements (Domestic standard) (Total risk-weighted as	sets by 4%)		38,845

# (9) Non-consolidated Capital Adequacy Ratio (Domestic Standard)