

Summary Information on Sony Bank's Financial Results
for the Three Months Ended June 30, 2017

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1. Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2017	As of June 30, 2017
Assets:		
Cash and due from banks	180,581	235,749
Monetary claims purchased	573	8,593
Money held in trust	23,000	23,000
Securities	629,254	675,173
Loans	1,539,630	1,552,093
Foreign exchanges	7,268	9,223
Other assets	53,223	57,177
Tangible fixed assets	710	741
Intangible fixed assets	4,803	4,624
Deferred tax assets	762	419
Reserve for possible loan losses	(971)	(934)
Total Assets	2,438,836	2,565,862
Liabilities:		
Deposits	2,109,583	2,144,280
Call money and bills sold	70,000	105,000
Borrowed money	103,000	160,000
Foreign exchanges	108	130
Other liabilities	71,520	72,466
Reserve for employees' bonuses	782	266
Net defined benefit liability	1,117	1,151
Reserve for directors' retirement benefits	56	-
Provision for reimbursement of deposits	62	64
Total Liabilities	2,356,231	2,483,359
Net Assets:		
Common stock	31,000	31,000
Capital surplus	21,000	21,000
Retained earnings	25,815	25,353
Total shareholders' equity	77,815	77,353
Net unrealized gains (losses) on other securities, net of taxes	4,776	5,021
Net deferred gains (losses) on hedging instruments, net of taxes	(1,338)	(1,271)
Remeasurements of defined benefit plans, net of taxes	(109)	(106)
Total accumulated other comprehensive income	3,328	3,643
Non-controlling interests	1,460	1,505
Total Net Assets	82,604	82,502
Total Liabilities and Net Assets	2,438,836	2,565,862

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, 2016	For the three months ended June 30, 2017
Ordinary Revenues	9,234	9,725
Interest income	6,320	6,871
(Interest income on loans)	3,844	4,193
(Interest income and dividends on securities)	2,459	2,658
Fees and commissions	1,717	1,548
Other operating income	1,140	1,212
Other ordinary income	56	94
Ordinary Expenses	8,462	8,021
Interest expenses	2,177	1,966
(Interest expenses on deposits)	1,238	1,266
Fees and commissions	1,197	1,528
Other operating expenses	80	15
General and administrative expenses	4,925	4,474
Other ordinary expenses	82	37
Ordinary Profit	772	1,703
Income Before Income Taxes	772	1,703
Income Taxes —Current	27	327
Income Taxes —Deferred	221	203
Total Income Taxes	248	530
Profit	523	1,172
Profit Attributable to Non-controlling Interests	22	44
Profit Attributable to Owners of the Parent	501	1,128

(2) Consolidated Statements of Comprehensive Income

(Millions of yen)

	For the three months ended June 30, 2016	For the three months ended June 30, 2017
Profit	523	1,172
Other Comprehensive Income		
Net unrealized gains (losses) on other securities, net of taxes	(223)	245
Net deferred gains (losses) on hedging instruments, net of taxes	(112)	66
Remeasurements of defined benefit plans, net of taxes	4	3
Total other comprehensive income	(331)	315
Comprehensive Income	192	1,487
(Details)		
Comprehensive income attributable to parent company	169	1,443
Comprehensive income attributable to non-controlling interests	22	44

3. Non-consolidated Balance Sheets

(Millions of yen)

	As of June 30, 2016 (A)	As of June 30, 2017 (A)	Change (B-A)	As of March 31, 2017 (C)	Change (B-C)
Assets:					
Cash and due from banks	73,347	233,987	160,640	177,468	56,519
Monetary claims purchased	806	8,593	7,786	573	8,019
Money held in trust	23,000	23,000	-	23,000	-
Securities	583,201	677,195	93,993	631,296	45,899
Loans	1,395,639	1,552,093	156,454	1,539,630	12,463
Foreign exchanges	2,268	9,223	6,954	7,268	1,954
Other assets	24,819	45,557	20,738	41,770	3,786
Tangible fixed assets	628	364	(263)	398	(33)
Intangible fixed assets	3,086	2,985	(100)	3,170	(184)
Deferred tax assets	1,395	303	(1,091)	632	(328)
Reserve for possible loan losses	(1,063)	(934)	128	(971)	37
Total Assets	2,107,127	2,552,370	445,242	2,424,236	128,134
Liabilities:					
Deposits	1,908,122	2,147,882	239,760	2,112,985	34,896
Call money	-	105,000	105,000	70,000	35,000
Borrowed money	60,000	160,000	100,000	103,000	57,000
Foreign exchanges	70	130	60	108	21
Other liabilities	62,212	57,098	(5,114)	55,199	1,899
Reserve for employees' bonuses	213	221	7	705	(483)
Reserve for employees' retirement benefits	750	849	98	815	34
Reserve for directors' retirement benefits	22	-	(22)	27	(27)
Provision for reimbursement of deposits	61	64	3	62	2
Total Liabilities	2,031,453	2,471,247	439,793	2,342,904	128,343
Net Assets:					
Common stock	31,000	31,000	-	31,000	-
Capital surplus	21,000	21,000	-	21,000	-
Retained earnings	23,209	25,373	2,163	25,893	(520)
Total shareholders' equity	75,209	77,373	2,163	77,893	(520)
Net unrealized gains (losses) on other securities, net of taxes	3,108	5,021	1,913	4,776	245
Net deferred gains (losses) on hedging instruments, net of taxes	(2,643)	(1,271)	1,371	(1,338)	66
Total valuation and translation adjustments	464	3,749	3,285	3,438	311
Total Net Assets	75,674	81,122	5,448	81,332	(209)
Total Liabilities and Net Assets	2,107,127	2,552,370	445,242	2,424,236	128,134

4. Non-consolidated Statements of Income

(Millions of yen)

	For the three months ended June 30, 2016 (A)	For the three months ended June 30, 2017 (B)	Change (B-A)	(Reference) For the year ended March 31, 2017
Ordinary Revenues	8,414	8,844	430	35,105
Interest income	6,320	6,871	550	26,534
(Interest income on loans)	3,844	4,193	348	16,066
(Interest income and dividends on securities)	2,459	2,658	199	10,394
Fees and commissions	896	667	(229)	3,465
Other operating income	1,140	1,212	71	4,871
Other ordinary income	56	94	37	234
Ordinary Expenses	7,697	7,291	(405)	30,470
Interest expenses	2,177	1,966	(210)	8,671
(Interest expenses on deposits)	1,238	1,266	28	5,105
Fees and commissions	1,084	1,420	336	5,046
Other operating expenses	80	15	(65)	86
General and administrative expenses	4,273	3,851	(421)	16,524
Other ordinary expenses	81	37	(44)	141
Ordinary Profit	717	1,552	835	4,634
Extraordinary Losses	-	-	-	150
Impairment losses	-	-	-	150
Income Before Income Taxes	717	1,552	835	4,484
Income Taxes —Current	11	292	280	1,307
Income Taxes —Deferred	213	190	(22)	1
Total Income Taxes	224	483	258	1,308
Net Income	492	1,069	577	3,176

5. Supplementary Information

(1) Deposits and Loans (Non-consolidated)

	(Millions of yen, %)					
	For the three months ended June 30, 2016			For the three months ended June 30, 2017		
	Balance at the end	Average balance	Yield	Balance at the end	Average balance	Yield
Deposits	1,908,122	1,913,700	0.25	2,147,882	2,119,132	0.23
Yen deposits	1,580,642	1,583,380	0.14	1,794,367	1,771,234	0.11
Ordinary deposits	532,636	519,764	0.00	661,118	636,502	0.00
Time deposits	1,047,836	1,063,382	0.22	1,132,871	1,134,292	0.18
Foreign currency deposits	327,480	330,319	0.79	353,515	347,897	0.85
Ordinary deposits	174,666	175,034	0.17	173,123	174,435	0.24
Time deposits	152,789	155,268	1.49	180,348	173,421	1.46
Loans	1,395,639	1,369,535	1.12	1,552,093	1,546,914	1.08
Mortgage loans	1,289,371	1,260,872	1.10	1,467,061	1,460,169	1.01
Others	106,267	108,663	1.36	85,032	86,745	2.23

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)

Remaining period	(Millions of yen)					
	As of June 30, 2016			As of June 30, 2017		
	Yen	Foreign currency	Total	Yen	Foreign currency	Total
Less than 3 months	294,403	104,650	399,053	388,686	119,522	508,208
3 months or more, less than 6 months	261,898	25,905	287,804	253,197	29,712	282,909
6 months or more, less than 1 year	320,982	17,212	338,195	290,042	25,257	315,299
1 year or more, less than 2 years	15,204	3,321	18,526	58,963	3,284	62,248
2 years or more, less than 3 years	6,646	1,692	8,338	15,158	2,566	17,725
3 years or more	78,965	6	78,972	49,780	5	49,786
Total	978,101	152,789	1,130,890	1,055,830	180,348	1,236,178

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

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

Ratings	(Millions of yen, %)			
	As of June 30, 2016		As of June 30, 2017	
	Balance	Composition	Balance	Composition
AAA	123,428	21.2	215,780	31.9
AA	158,214	27.1	118,717	17.5
A	278,367	47.7	307,216	45.4
BBB	17,448	3.0	28,657	4.2
Unrated	5,741	1.0	6,823	1.0
Total	583,201	100.0	677,195	100.0

Notes: 1. Sony bank uses the Basel III standardized approach and classifies its securities, based on rating by five rating agencies: Moody's Investors Service, Standard & Poor's, Rating and Investment Information, Japan Credit Rating Agency and Fitch Ratings.

2. The unrated items on the above table include ¥4,772 million of investments in unrated investment trusts and ¥2,050 million of investments in shares of a subsidiary.

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

Category	(Millions of yen)	
	As of June 30, 2016	As of June 30, 2017
	Amount	Amount
Bankrupt loans	199	138
Non-accrual delinquent loans	1,539	1,394
Past due loans (3 months or more)	-	-
Restructured loans	1,347	1,198
Total	3,086	2,731

(5) Consolidated Capital Adequacy Ratio (Domestic Standard)

(Millions of yen, %)

	As of June 30, 2017	Amounts excluded under transitional arrangements
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	77,353	
Of which, Capital and capital surplus	52,000	
Of which, Retained earnings	25,353	
Accumulated other comprehensive income included in core capital	(63)	
of which: remeasurements of defined benefit plans	(63)	
Eligible capital instrument subject to transitional arrangement included in Core Capital: instruments and reserves	10,000	
Non-controlling interests included in Core Capital subject to transitional arrangements	1,053	
Core capital: instruments and reserves (A)	88,343	
Core capital: regulatory adjustments		
Total amount of intangible assets (excluding those relating to mortgage servicing rights)	1,918	1,279
Of which, Other intangible assets other than goodwill and mortgage servicing rights	1,918	1,279
Shortfall of eligible reserves to expected losses	1,094	-
Core capital: regulatory adjustments (B)	3,013	
Capital		
Capital ((A)-(B)) (C)	85,330	
Risk-weighted assets		
Total amount of credit risk-weighted assets	464,257	
Of which, Total amount included in risk-weighted assets subject to transitional arrangements	(9,504)	
Of which, Intangible assets other than goodwill and mortgage servicing rights	1,279	
Of which, Exposures to other financial institutions	(10,783)	
Total amount of operational risk equivalent / 8%	43,840	
Adjustment to credit risk-weighted assets	405,802	
Total amount of risk-weighted assets (D)	913,899	
Capital adequacy ratio		
Capital adequacy ratio ((C)/(D))	9.33%	

(Millions of yen)

	Amount
Consolidated total capital requirements (Domestic standard) (Total Risk-Weighted Assets by 8%)	36,555

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

(Millions of yen, %)

	As of June 30, 2017	Amounts excluded under transitional arrangements
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	77,373	
Of which, Capital and capital surplus	52,000	
Of which, Retained earnings	25,373	
Eligible capital instrument subject to transitional arrangement included in Core Capital: instruments and reserves	10,000	
Core capital: instruments and reserves (A)	87,373	
Core capital: regulatory adjustments		
Total amount of intangible assets (excluding those relating to mortgage servicing rights)	1,238	825
Of which, Other intangible assets other than goodwill and mortgage servicing rights	1,238	825
Shortfall of eligible reserves to expected losses	1,094	-
Core capital: regulatory adjustments (B)	2,333	
Capital		
Capital ((A)-(B)) (C)	85,039	
Risk-weighted assets		
Total amount of credit risk-weighted assets	466,802	
Of which, Total amount included in risk-weighted assets subject to transitional arrangements	(9,957)	
Of which, Intangible assets other than goodwill and mortgage servicing rights	825	
Of which, Exposures to other financial institutions	(10,783)	
Total amount of operational risk equivalent / 8%	38,807	
Adjustment to credit risk-weighted assets	401,535	
Total amount of risk-weighted assets (D)	907,145	
Capital adequacy ratio		
Capital adequacy ratio ((C)/(D))	9.37%	

(Millions of yen)

	Amount
Consolidated total capital requirements (Domestic standard)(Total Risk-Weighted Assets by 4%)	36,285