

SBI HOLDINGS, INC.

(Incorporated in Japan with limited liability)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2018

The board of directors (the “Directors”) of SBI HOLDINGS, INC. (the “Company”) is pleased to announce the consolidated results of the Company and its subsidiaries (collectively the “Group”) for the six months ended September 30, 2018.

(Amounts are rounded to the nearest million Japanese yen)

1. Consolidated Financial Results

(1) Consolidated Operating Results

(Percentages represent year-on-year changes)

	Revenue		Profit before income tax expense		Profit for the period		Profit attributable to owners of the Company	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2018	176,753	24.8	54,195	95.4	40,062	109.7	33,588	64.8
Six months ended September 30, 2017	141,679	16.8	27,737	60.5	19,108	89.0	20,385	43.6

	Total comprehensive income		Basic earnings per share attributable to owners of the Company		Diluted earnings per share attributable to owners of the Company	
	Millions of yen	%	Yen		Yen	
Six months ended September 30, 2018	46,509	157.6	151.00		132.38	
Six months ended September 30, 2017	18,051	—	99.98		90.91	

(2) Consolidated Financial Position

	Total assets	Total equity	Equity attributable to owners of the Company	Ratio of equity attributable to owners of the Company to total assets
	Millions of yen	Millions of yen	Millions of yen	%
September 30, 2018	5,347,414	556,143	472,780	8.8
March 31, 2018	4,535,964	493,824	427,815	9.4

2. Dividends

(Declared date)	Dividend per share				
	End of 1 st Q	End of 2 nd Q	End of 3 rd Q	Year-end	Full year
	Yen	Yen	Yen	Yen	Yen
Fiscal Year ended March 31, 2018	—	15.00	—	70.00	85.00
Fiscal Year ending March 31, 2019	—	20.00			
Fiscal Year ending March 31, 2019 (forecast) (Note)			—	—	—

(Note) Fiscal year ending March 31, 2019 forecast is to be determined.

3. Total number of shares outstanding (Common stock)

(1) Number of shares outstanding (including treasury stock)	: September 30, 2018	: 236,556,393shares
	: March 31, 2018	: 224,561,761shares
(2) Number of treasury stock	: September 30, 2018	: 308,232shares
	: March 31, 2018	: 3,779,286shares
(3) Average number of shares outstanding	: Six months ended September 30, 2018	: 222,443,685shares
	: Six months ended September 30, 2017	: 203,892,946shares

The Group prepared the consolidated financial statements in accordance with IFRSs.

This financial summary is exempt from quarterly review procedures required by Financial Instruments and Exchange Act.

1. BUSINESS RESULTS

(1) Results of Operations

The Group's consolidated results of operations for the six months ended September 30, 2018 were as follow. Revenue increased 24.8% year-on-year to ¥176,753 million, profit before income tax expense increased 95.4% to ¥54,195 million, and profit attributable to owners of the Company increased 64.8% to ¥33,588 million.

The results of operations for each reporting segment of the Group for the six months ended September 30, 2018 were as follow.

	Revenue			Profit before income tax expense		
	Six months ended September 30, 2017	Six months ended September 30, 2018		Six months ended September 30, 2017	Six months ended September 30, 2018	
	Millions of Yen	Millions of Yen	%	Millions of Yen	Millions of Yen	%
Financial Services Business	102,742	113,976	10.9	29,642	35,176	18.7
Asset Management Business	38,188	61,619	61.4	11,579	29,776	157.2
Biotechnology-related Business	1,860	1,766	(5.1)	(8,604)	(4,802)	—
Total	142,790	177,361	24.2	32,617	60,150	84.4
Others	284	990	248.8	(328)	(2,101)	—
Elimination	(1,395)	(1,598)	—	(4,552)	(3,854)	—
Consolidation	141,679	176,753	24.8	27,737	54,195	95.4

(% represents year-on-year changes)

(Financial Services Business)

The Financial Services Business consists of a wide range of finance-related business, including securities brokerage business, banking services business, and life, property and casualty insurance business.

The results of operations of the Financial Services Business for the six months ended September 30, 2018 were as follows. Revenue increased 10.9% year-on-year to ¥113,976 million, and profit before income tax expense increased 18.7% to ¥35,176 million.

(Asset Management Business)

The Asset Management Business primarily consists of fund management and investment in Internet technology, biotechnology, and finance-related venture companies in Japan and overseas, financial services business overseas, and asset management services business which provides financial products information.

The results of operations of the Asset Management Business for the six months ended September 30, 2018 were as follows. Revenue increased 61.4% year-on-year to ¥61,619 million, and profit before income tax expense increased 157.2% year-on-year to ¥29,776 million.

(Biotechnology-related Business)

The Biotechnology-related Business represents development and distribution of pharmaceutical products, health foods, and cosmetics with 5-aminolevulinic acid (ALA*), a kind of amino acid which exists in vivo, and research and development of antibody drugs and nucleic acid medicine in the field of cancer and immunology.

The results of operations of the Biotechnology-related Business for the six months ended September 30, 2018 were as follows. Revenue decreased 5.1% year-on-year to ¥1,766 million, and loss before income tax expense amounted to ¥4,802 million for the six months ended September 30, 2018 (¥8,604 million of loss before income tax expense for the six months ended September 30, 2017).

- * Five-aminolevulinic acid (ALA) is an amino acid generated by mitochondria in the human body and an important substance used to produce heme or cytochrome, proteins to generate energy. The production of ALA in the human body decreases with age. ALA is included in food products, including slops of distilled spirits, red wine, and radish shoots. ALA is also known as a chloroplastic substance in plants.

(2) Financial Positions and Cash Flows

As at September 30, 2018, total assets amounted to ¥5,347,414 million and increased by ¥811,450 million from total assets of ¥4,535,964 million as at March 31, 2018. The Group's equity increased by ¥62,319 million to ¥556,143 million from the fiscal year ended March 31, 2018. As at September 30, 2018, the Group's cash and cash equivalents amounted to ¥991,866 million and increased by ¥554,718 million from that of ¥437,148 million as at March 31, 2018. The changes of cash flows for each activity and the reasons for changes are as follows:

(Operating Cash Flows)

Cash flows from operating activities amounted to ¥121,756 million in net cash inflows (¥30,681 million in net cash inflows for the six months ended September 30, 2017). The net cash inflows were primarily due to a ¥84,859 million cash inflow from a decrease in assets/liabilities related to securities business, a ¥75,135 million cash inflow from an increase in customer deposits for banking business, a ¥54,195 million cash inflow from profit before income tax expense and a ¥41,971 million cash inflow from an increase in trade and other accounts payable, despite a ¥52,212 million cash outflow from an increase in trade and other accounts receivable and a ¥51,995 million cash outflow from an increase in operational investment securities.

(Investing Cash Flows)

Cash flows from investing activities amounted to ¥23,457 million in net cash outflows (¥5,242 million in net cash inflows for the six months ended September 30, 2017). The net cash outflows were primarily due to a ¥54,599 million cash outflow from purchases of investment securities, despite a ¥40,760 million cash inflow from proceeds from sales or redemption of investment securities.

(Financing Cash Flows)

Cash flows from financing activities amounted to ¥456,560 million in net cash inflows (¥56,727 million in net cash outflows for the six months ended September 30, 2017). The net cash inflows were primarily due to a ¥394,302 million cash inflow from an increase in short term loans payable and a ¥98,217 million cash inflow from proceeds from bond issuance, despite a ¥37,205 million cash outflow from repayment of long-term loans payable and a ¥30,181 million cash outflow from redemption of bonds payable .

2. INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AND NOTES

(1) Interim Condensed Consolidated Statement of Financial Position

	As at March 31, 2018	As at September 30, 2018
	Millions of Yen	Millions of Yen
Assets		
Cash and cash equivalents	437,148	991,866
Trade and other accounts receivable	570,466	626,605
Assets related to securities business		
Cash segregated as deposits	1,510,079	1,573,507
Margin transaction assets	832,410	691,027
Other assets related to securities business	493,953	667,872
Total assets related to securities business	2,836,442	2,932,406
Other financial assets	35,958	38,908
Operational investment securities	191,014	245,702
Other investment securities	173,316	189,937
Investments accounted for using the equity method	68,365	70,589
Investment properties	2,192	2,242
Property and equipment	14,382	16,213
Intangible assets	181,708	188,574
Other assets	24,392	43,701
Deferred tax assets	581	671
Total assets	4,535,964	5,347,414
Liabilities		
Bonds and loans payable	571,277	1,001,964
Trade and other accounts payable	67,806	105,441
Liabilities related to securities business		
Margin transaction liabilities	121,703	168,840
Loans payable secured by securities	689,107	565,395
Deposits from customers	757,179	832,622
Guarantee deposits received	707,380	744,782
Other liabilities related to securities business	395,444	540,119
Total liabilities related to securities business	2,670,813	2,851,758
Customer deposits for banking business	536,955	625,488
Insurance contract liabilities	142,260	141,896
Income tax payable	11,271	11,453
Other financial liabilities	16,335	16,957
Other liabilities	12,779	19,387
Deferred tax liabilities	12,644	16,927
Total liabilities	4,042,140	4,791,271
Equity		
Capital stock	81,681	92,018
Capital surplus	125,445	142,423
Treasury stock	(4,647)	(688)
Other components of equity	20,605	26,265
Retained earnings	204,731	212,762
Equity attributable to owners of the Company	427,815	472,780
Non-controlling interests	66,009	83,363
Total equity	493,824	556,143
Total liabilities and equity	4,535,964	5,347,414

(2) Interim Condensed Consolidated Statements of Income and Comprehensive Income
Interim Condensed Consolidated Statement of Income

	Six months ended September 30, 2017	Six months ended September 30, 2018
	Millions of Yen	Millions of Yen
Revenue	141,679	176,753
Expense		
Financial cost associated with financial income	(8,294)	(9,961)
Operating cost	(52,859)	(59,062)
Selling, general and administrative expenses	(47,281)	(51,652)
Other financial cost	(1,849)	(1,310)
Other expenses	(4,964)	(1,823)
Total expense	(115,247)	(123,808)
Share of the profit of associates and joint ventures accounted for using the equity method	1,305	1,250
Profit before income tax expense	27,737	54,195
Income tax expense	(8,629)	(14,133)
Profit for the period	19,108	40,062
Profit for the period attributable to		
Owners of the Company	20,385	33,588
Non-controlling interests	(1,277)	6,474
Profit for the period	19,108	40,062
Earnings per share attributable to owners of the Company		
Basic (Yen)	99.98	151.00
Diluted (Yen)	90.91	132.38

Interim Condensed Consolidated Statement of Comprehensive Income

	Six months ended September 30, 2017	Six months ended September 30, 2018
	Millions of Yen	Millions of Yen
Profit for the period	19,108	40,062
Items that will not be reclassified subsequently to profit or loss		
Fair value through other comprehensive income financial assets	755	104
Items that may be reclassified subsequently to profit or loss		
Fair value through other comprehensive income financial assets	—	(370)
Currency translation differences	(2,201)	5,573
Share of other comprehensive income of associates and joint ventures accounted for using the equity method	389	1,140
Other comprehensive income, net of tax	(1,057)	6,447
Total comprehensive income	18,051	46,509
Total comprehensive income attributable to		
Owners of the Company	19,317	39,931
Non-controlling interests	(1,266)	6,578
Total comprehensive income	18,051	46,509

(3) Condensed Interim Consolidated Statement of Changes in Equity

Six months ended September 30, 2017

	Attributable to owners of the Company							Total equity
	Capital stock	Capital surplus	Treasury stock	Other components of equity	Retained earnings	Total	Non-controlling interests	
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	
As at April 1, 2017	81,681	128,004	(23,801)	22,720	169,388	377,992	37,532	415,524
Profit for the period	—	—	—	—	20,385	20,385	(1,277)	19,108
Other comprehensive income	—	—	—	(1,068)	—	(1,068)	11	(1,057)
Total comprehensive income	—	—	—	(1,068)	20,385	19,317	(1,266)	18,051
Issuance of convertible bonds	—	1,716	—	—	—	1,716	—	1,716
Conversion of convertible bonds	—	3,766	23,694	—	—	27,460	—	27,460
Change in scope of consolidation	—	—	—	—	—	—	383	383
Dividends paid	—	—	—	—	(8,144)	(8,144)	(2,139)	(10,283)
Treasury shares purchased	—	—	(9,602)	—	—	(9,602)	—	(9,602)
Treasury shares sold	—	40	535	—	—	575	—	575
Share-based payment transactions	—	145	—	—	—	145	—	145
Changes of interests in subsidiaries without losing control	—	(7,634)	—	—	—	(7,634)	13,777	6,143
As at September 30, 2017	81,681	126,037	(9,174)	21,652	181,629	401,825	48,287	450,112

Six months ended September 30, 2018

	Attributable to owners of the Company							Total equity
	Capital stock	Capital surplus	Treasury stock	Other components of equity	Retained earnings	Total	Non-controlling interests	
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	
As at April 1, 2018	81,681	125,445	(4,647)	20,605	204,731	427,815	66,009	493,824
Cumulative effect of accounting change	—	—	—	840	(11,625)	(10,785)	(123)	(10,908)
Restated balance as at April 1, 2018	81,681	125,445	(4,647)	21,445	193,106	417,030	65,886	482,916
Profit for the period	—	—	—	—	33,588	33,588	6,474	40,062
Other comprehensive income	—	—	—	6,343	—	6,343	104	6,447
Total comprehensive income	—	—	—	6,343	33,588	39,931	6,578	46,509
Issuance of convertible bonds	—	2,904	—	—	—	2,904	—	2,904
Conversion of convertible bonds	10,337	6,677	12,248	—	—	29,262	—	29,262
Dividends paid	—	—	—	—	(15,455)	(15,455)	(595)	(16,050)
Treasury shares purchased	—	—	(10,016)	—	—	(10,016)	—	(10,016)
Treasury shares sold	—	22	1,727	—	—	1,749	—	1,749
Share-based payment transactions	—	338	—	—	—	338	203	541
Changes of interests in subsidiaries without losing control	—	7,037	—	—	—	7,037	11,291	18,328
Transfer	—	—	—	(1,523)	1,523	—	—	—
As at September 30, 2018	92,018	142,423	(688)	26,265	212,762	472,780	83,363	556,143

(4) Interim Condensed Consolidated Statement of Cash flows

	Six months ended September 30, 2017	Six months ended September 30, 2018
	Millions of Yen	Millions of Yen
Net cash generated from operating activities		
Profit before income tax expense	27,737	54,195
Depreciation and amortization	5,454	4,680
Share of profits of associates and joint ventures accounted for using the equity method	(1,305)	(1,250)
Interest and dividend income	(49,598)	(58,791)
Interest expense	10,143	11,271
Increase in operational investment securities	(15,345)	(51,995)
Increase in trade and other accounts receivable	(32,652)	(52,212)
Decrease in trade and other accounts payable	52,767	41,971
(Increase) decrease in assets/liabilities related to securities business	(15,142)	84,859
Increase in customer deposits for banking business	21,396	75,135
Others	(2,298)	(22,525)
Subtotal	1,157	85,338
Interest and dividend income received	48,733	57,606
Interest expense paid	(9,437)	(10,239)
Income taxes paid	(9,772)	(10,949)
Net cash generated from operating activities	30,681	121,756
Net cash generated from (used in) investing activities		
Purchases of intangible assets	(3,972)	(3,520)
Purchases of investment securities	(22,205)	(54,599)
Proceeds from sales or redemption of investment securities	30,331	40,760
Acquisition of subsidiaries, net of cash and cash equivalents acquired	33	(3,050)
Proceeds from sales of subsidiaries, net of cash and cash equivalents disposed of	878	—
Payments of loans receivable	(2,424)	(2,456)
Collection of loans receivable	2,052	1,791
Others	549	(2,383)
Net cash generated from (used in) investing activities	5,242	(23,457)

	Six months ended September 30, 2017	Six months ended September 30, 2018
	Millions of Yen	Millions of Yen
Net cash (used in) generated from financing activities		
(Decrease) increase in short term loans payable	(130,472)	394,302
Proceeds from long-term loans payable	6,568	39,592
Repayment of long-term loans payable	(994)	(37,205)
Proceeds from bond issuance	84,151	98,217
Redemption of bonds payable	(2,082)	(30,181)
Contributions from non-controlling interests in consolidated investment funds	29	8,270
Proceeds from stock issuance to non-controlling interests	6,097	7,215
Cash dividend paid	(8,135)	(15,436)
Cash dividend paid to non-controlling interests	(408)	(537)
Distributions to non-controlling interests in consolidated investment funds	(1,730)	(34)
Purchase of treasury stock	(9,602)	(10,016)
Proceeds from sale of interests in subsidiaries to non-controlling interests	179	4,045
Payments for purchase of interests in subsidiaries from non-controlling interests	(150)	(408)
Others	(178)	(1,264)
Net cash (used in) generated from financing activities	<u>(56,727)</u>	<u>456,560</u>
Net (decrease) increase in cash and cash equivalents	(20,804)	554,859
Cash and cash equivalents at the beginning of the period	391,572	437,148
Effect of changes in exchange rate on cash and cash equivalents	(14)	(141)
Cash and cash equivalents at the end of the period	<u><u>370,754</u></u>	<u><u>991,866</u></u>

(5) Notes to Condensed Interim Consolidated Financial Statements

Changes in Accounting Policy

Except for the following standards that have been newly applied, the accounting policies adopted in the consolidated financial statements for the year ended March 31, 2018, are applied consistently in the preparation of these interim condensed consolidated financial statements.

The Group adopted the following new and revised standards and interpretations beginning with the preparation of the interim condensed consolidated financial statements for the six months ended September 30, 2018.

	Statement of standards	Summary of new standards and amendments
IFRS 9	Financial Instruments	Amendment with regard to hedge accounting, impairment accounting, and classification and measurement of financial instruments
IFRS 15	Revenue from Contracts with Customers	Amendment with regard to the accounting of revenue recognition

IFRS 9 Financial Instruments

The Group had applied IFRS 9 “Financial Instruments” (published in November 2009 and revised in October 2010 and December 2011) until the previous fiscal year. Beginning with the six-month period ended September 30, 2018, the Group has prospectively applied IFRS 9 “Financial Instruments” published in July 2014 (“IFRS9 (as revised in 2014)”). The Group has not applied IFRS 9 (as revised in 2014) retrospectively to its consolidated financial statements for the previous fiscal year as permitted under transitional provisions.

The details of the changes and their effects are as follows.

Following the application of IFRS 9 (as revised in 2014), a new classification “debt instruments measured at fair value through other comprehensive income” was introduced.

(a) Classification of financial assets

Financial assets held by the Group are classified into the following designated categories when they are initially recognized on the basis of the Group’s business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

- Financial assets measured at amortized cost
- Debt instruments measured at fair value through other comprehensive income (hereinafter “debt instruments measured at FVTOCI”)
- Equity instruments measured at fair value through other comprehensive income (hereinafter “equity instruments measured at FVTOCI”)
- Financial assets measured at fair value through profit or loss (hereinafter “financial assets measured at FVTPL”)

(b) Subsequent measurement of financial assets

(i) Financial assets measured at amortized cost

Financial assets are subsequently measured using the effective interest method at amortized cost less accumulated impairment loss if both of the following conditions are met: (i) the financial assets are held within the business model whose objective is to hold financial assets in order to

collect contractual cash flows and (ii) the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Debt instruments measured at FVTOCI

Financial assets are measured at fair value and changes in the difference between the fair value and the amortized cost of financial assets, excluding expected credit losses, are recognized in other comprehensive income if both of the following conditions are met: (i) the financial assets are held within the business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and (ii) the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Upon derecognition of debt instruments measured at FVTOCI, the amount accumulated in other comprehensive income is reclassified to profit or loss.

(iii) Equity instruments measured at FVTOCI

Upon initial recognition, the Group designates as a financial asset measured at fair value through other comprehensive income an investment in an equity instrument that is held for a purpose other than trading. This is an irrevocable election and changes in the fair value of such financial instruments are recognized in other comprehensive income. Dividends from the above-mentioned equity instruments are recognized in profit or loss. At derecognition of equity instruments measured at FVTOCI or when a significant decline in fair value below the initial cost is other than temporary, the recognized amount of changes in fair value accumulated in other comprehensive income is reclassified to retained earnings.

(iv) Financial assets measured at FVTPL

Financial assets, other than those subsequently measured at amortized cost and those measured at fair value through other comprehensive income, are subsequently measured at fair value, and all changes in fair value are recognized in profit or loss.

- Following the application of IFRS 9 (as revised in 2014), the Group has applied the impairment requirements for financial assets as follows:

(c) Impairment of financial assets

The Group estimates expected credit losses for financial assets other than financial assets measured at FVTPL and equity instruments measured at FVTOCI at the end of the reporting period and recognizes the amount of such expected credit losses as a loss allowance. If the Group determines that the credit risk of financial instruments has increased significantly since initial recognition, the loss allowance is measured at an amount equal to the lifetime expected credit losses; in the event that the Group determines that the credit risk of financial instruments has not increased significantly since initial recognition, the loss allowance is measured at an amount equal to the 12-month expected credit losses.

The assessment of whether there has been a significant increase in credit risk is based on changes in the probability of a default occurring.

Meanwhile, as for trade receivables, etc. that do not contain a significant financing component, lifetime expected credit losses are measured on the basis of historical credit losses, etc. using a simplified approach, regardless of whether there has been an increase or decrease in credit risk.

Amounts of expected credit losses or reversals are recognized in profit or loss as impairment loss or reversals of impairment loss.

As a result of the above changes, trade and other accounts receivable and retained earnings decreased by ¥11,679 million and ¥11,625 million, respectively, while other investment securities and other components of equity increased by ¥1,167 million and ¥840 million, respectively, in the interim condensed consolidated statement of financial position at the beginning of the period, compared with those under the previous accounting standards.

The impact of the changes on the interim condensed consolidated statement of income for the six months ended September 30, 2018 is a loss of 1,098 million yen.

IFRS 15 Revenue from Contracts with Customers

The Group has applied IFRS 15 “Revenue from Contracts with Customers” from the beginning with the six-month period ended September 30, 2018. For application of IFRS 15, the Group, as permitted under transitional provisions in this standard, recognizes the cumulative effect of applying this standard at the date of initial application.

Following the application of IFRS 15, the Group recognizes revenue by applying the following 5-step approach.

Step 1: Identify the contract(s) with the customer

Step 2: Identify the performance obligations in the contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation

There is no significant impact from applying said standard on the interim condensed consolidated financial statements for the six months ended September 30, 2018.

Revenue

	<u>Six months ended September 30, 2017</u>
	Millions of yen
Financial income	
Interest income (Note)	47,707
Dividends received	1,736
Income arising from financial assets at FVTPL	8,568
Gain from trading	8,205
Others	31
Total financial income	<u>66,247</u>
Revenue arising on insurance contracts	31,633
Revenue from rendering of services	38,010
Others	5,789
Total revenue	<u><u>141,679</u></u>

(Note) Interest income in financial income arises from financial assets measured at amortized cost.

	<u>Six months ended September 30, 2018</u>
	Millions of yen
Financial income (Note 1)	
Interest income	
Income arising from financial assets measured at amortized cost (Note 2)	55,818
Income arising from debt instruments measured at FVTOCI (Note 3)	92
Income arising from financial assets measured at FVTPL	34,827
Others	75
Total financial income	<u>90,812</u>
Revenue arising on insurance contracts	37,559
Revenue from contracts with customers (Note1)	
Revenue from rendering of services	39,849
Revenue from sales of goods	1,599
Others	6,934
Total revenue	<u><u>176,753</u></u>

(Note 1) Beginning with the six-month period ended September 30, 2018, the Company changed the method of presentation due to the application of IFRS 9 (as revised in 2014) and IFRS15.

(Note 2) Interest income arising from loans in the banking and securities businesses.

(Note 3) Interest income arising from policy reserve matching bonds in the insurance business.

Events after the Reporting Period

There were no significant subsequent events noted.