

Financial Summary

For the Three Months Ended June 30, 2019



Shinsei Bank, Limited
(Code 8303, TSE First Section)

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- The following document should be read in conjunction with the consolidated and nonconsolidated financial statements prepared in accordance with generally accepted accounting principles in Japan for banks. Except as otherwise indicated, the financial information in the following discussion is based on the consolidated financial statements. Financial and operational figures that are stated in multiples of ¥0.1 billion have been truncated. All percentages unless otherwise noted have been rounded to the nearest 0.1%.
- Quarterly information is available in the Quarterly Data Book.

Financial Highlights¹

(Billions of yen, except percentages)

Results of operations (Consolidated) [Page 3]	Q1 FY2019 (3 months)	Q1 FY2018 (3 months)	Change (Amount)	FY2018 (12 months)
Net interest income	33.3	33.4	-0.0	133.8
Noninterest income	24.1	23.4	0.6	95.9
Total revenue	57.5	56.9	0.6	229.7
General and administrative expenses	-36.2	-34.8	-1.3	-144.7
Net credit costs	-4.9	-10.7	5.7	-29.3
Income before income taxes	15.3	10.5	4.7	54.5
Profit attributable to owners of the parent	12.1	9.0	3.0	52.3

(Billions of yen)

Balance sheets (Consolidated) [Page 17]	Jun 30 2019	Mar 31 2019	Change (Amount)
Cash and due from banks	1,373.4	1,355.9	17.4
Securities	1,065.7	1,130.2	-64.5
Loans and bills discounted	4,921.1	4,986.8	-65.6
Total assets	9,654.0	9,571.1	82.9
Deposits and negotiable certificates of deposit	5,899.6	5,922.1	-22.5
Total liabilities	8,751.0	8,674.5	76.4
Total equity	903.0	896.6	6.4

Financial ratios (Consolidated) [Page 4, 16, 25]	Q1 FY2019 (3 months)	Q1 FY2018 (3 months)	FY2018 (12 months)
Net interest margin	2.47%	2.48%	2.46%
Expense-to-revenue ratio	63.0%	61.2%	63.0%

	Jun 30 2019	Mar 31 2019
Capital adequacy ratio (Basel III, domestic standard)	11.74%	11.85%
NPL ratio based on Financial Revitalization Law (nonconsolidated)	0.20%	0.20%

(Billions of yen)

Results of operations (Nonconsolidated) [Page 21]	Q1 FY2019 (3 months)	Q1 FY2018 (3 months)	Change (Amount)	FY2018 (12 months)
Net interest income	28.0	26.5	1.4	106.5
Noninterest income	2.9	-1.1	4.1	2.2
Total revenue	31.0	25.4	5.6	108.8
General and administrative expenses	-18.0	-17.4	-0.6	-71.5
Net credit costs	1.5	-2.1	3.6	0.7
Net income	14.6	4.4	10.2	35.4

1. Represents results based on management accounting basis.

Profit attributable to owners of parent for the first quarter of the current fiscal year increased 3.0 billion yen year on year to 12.1 billion yen. Total revenue increased, mainly due to an increase in fees and commissions in structured finance and gains on sales of government bonds and other bonds recorded by Treasury, which is responsible for ALM, despite the absence of revenue from investment projects recorded in the principal transactions business in the previous fiscal year and the absence of gains on sales of large-scale properties recorded in the previous fiscal year under Showa Leasing. Expenses increased mainly due to an increase in system costs associated with the start of operations of the new backbone system. Net income attributable to owners of parent increased year on year. Credit-related expenses decreased mainly due to a reversal in structured finance and an improvement in the quality of loans in the Lake Business, in addition to an absence of provisioning related to a bulk sale of delinquent loans recorded in the previous fiscal year.

Results of operations

- Total revenue increased 0.6 billion yen year on year from the same period of the previous fiscal year, and was 57.5 billion yen in the first quarter of this fiscal year.
 - Net interest income was 33.3 billion yen, roughly unchanged from 33.4 billion yen in the same period of the previous fiscal year. Despite a decline in dividend income from funds in the principal transactions business, net sales were on a par with the same period of the previous fiscal year due to the curtailment of funding costs.
 - Noninterest income was 24.1 billion yen, up 0.6 billion yen from 23.4 billion yen in the same period of the previous fiscal year.

This was mainly due to the absence of revenues from investment projects recorded in the principal transactions business in the previous fiscal year and the absence of gains from the sale of large-scale properties recorded in the previous fiscal year under Showa Leasing. On the other hand, there was an increase in commissions from structured finance and the recording of gains from the sale of government bonds and other bonds in the treasury business.

- Expenses rose 1.3 billion yen from the same period of the previous fiscal year, and was 36.2 billion yen in the first quarter of this fiscal year. Due to an increase in system costs associated with the start of operations of the new core banking system. The expense ratio was 63.0%.
 - Net credit cost decreased by 5.7 billion yen from the same period of the previous year, and were 4.9 billion yen (expenses) in the first quarter of the current fiscal year. This decline was mainly attributable to an absence of provisioning related to a bulk sale of delinquent loans in APLUS FINANCIAL in the previous fiscal year, the reversal in structured finance, and the decline in expenses due to the improvement in the quality of receivables in the Lake Business.
 - Nonconsolidated net income increased 10.2 billion yen from the same period of the previous fiscal year, and was 14.6 billion yen. This was mainly due to an increase in total revenue from the recording of gains on sales of government bonds and other securities in treasury operations, a reversal of credit-related expenses in structured finance business, and the recording of gains on redemption of shares of subsidiaries and affiliates in extraordinary gains and losses.

Balance sheet

- Total assets increased by 82.9 billion yen from the end of March 2019 to 9,654.0 billion yen.
- Loans and bills discounted declined 65.6 billion yen from the end of March 2019 to 4,921.1 billion yen.

While the amount outstanding of loans in structured finance and consumer finance increased, loans to corporate business and housing loans decreased.

- Deposits and negotiable certificated of deposits decreased by 22.5 billion yen from the end of March 2019 to 5,899.6 billion yen.

Financial ratios

- Net interest margin rose to 2.47% from 2.46% the previous fiscal year.

This was mainly due to a decline in yield of interest-bearing liabilities, although yield of interest-earning assets were flat,

- Basel III domestic standards (grand fathering basis) decreased from 11.85% at the end of March 2019 to 11.74% at the end of June 2019.

Core capital increased due to steady profit accumulation despite acquiring treasury shares.

On the other hand, the consolidated core equity ratio declined slightly due to an increase in risk assets as a result of the accumulation of operating assets in structured finance and consumer finance businesses.

- Basel III International Standard (fully loaded basis) declined from 12.0% at the end of March 2019 to 11.9%, but the equity ratio remains at an adequate level.
- The amount of non-performing loans disclosed under the Financial Reconstruction Law (nonconsolidated basis) increased 0.1 billion yen from the end of March 2019 to 10.3 billion yen. Nonperforming ratio remained at a low level of 0.20%, unchanged from the end of March 2019.

Results of Operations (Consolidated) ¹

(Billions of yen)

	Q1 FY2019 (3 months)	Q1 FY2018 (3 months)	Change (Amount)	FY2018 (12 months)
Net interest income	33.3	33.4	-0.0	133.8
Noninterest income	24.1	23.4	0.6	95.9
Net fees and commissions	7.7	6.5	1.1	31.3
Net trading income	2.2	0.6	1.5	6.6
Net other business income	14.1	16.1	-2.0	57.8
Income on lease transactions and installment receivables	9.7	9.1	0.5	37.5
Total revenue	57.5	56.9	0.6	229.7
General and administrative expenses	-36.2	-34.8	-1.3	-144.7
Ordinary business profit	21.3	22.0	-0.7	84.9
Net credit costs	-4.9	-10.7	5.7	-29.3
Ordinary business profit after net credit costs	16.3	11.3	5.0	55.6
Amortization of goodwill and other intangible assets ²	-0.5	-0.8	0.2	-2.8
Other gains	-0.4	0.1	-0.5	1.7
Income before income taxes	15.3	10.5	4.7	54.5
Current income tax	-2.5	-1.6	-0.8	-3.8
Deferred income tax	-0.7	0.0	-0.7	1.3
Profit attributable to noncontrolling interests	0.0	0.0	-0.0	0.2
Profit attributable to owners of the parent	12.1	9.0	3.0	52.3

1.Represents results based on management accounting basis.

2.In our consolidated financial statements, amortization of goodwill and other intangible assets is recorded in general and administrative expenses.

Noninterest income in the table above is comprised of net fees and commissions, net trading income and net other business income.

Net fees and commissions is primarily comprised of domestic real estate nonrecourse finance fee income, fee income such as servicing fees associated with specialty finance and principal transactions, fee income associated with the guarantee and other business in consumer finance and fee income from the sale of products such as mutual funds and insurance.

Net trading income is comprised of derivative related income from transactions with customers, as well as income from proprietary trading undertaken by the Bank.

Net other business income is comprised of income on lease transactions and installment receivables, gains and losses on monetary trusts primarily associated with credit trading of the Principal Transactions business and gains and losses on the sale of securities in Treasury operations.

Interest-Earning Assets and Interest-Bearing Liabilities (Consolidated)

(Billions of yen, except percentages)

	Q1 FY2019 (3 months)			Q1 FY2018 (3 months)			FY2018 (12 months)		
	Average Balance	Interest	Yield/rate ¹ (%)	Average Balance	Interest	Yield/rate ¹ (%)	Average Balance	Interest	Yield/rate ¹ (%)
Interest-earning assets ⁴ :									
Loans and bills discounted	4,976.9	35.0	2.82	4,915.4	34.6	2.83	4,954.6	140.1	2.83
Lease receivables and leased investment assets / installment receivables ⁴	780.1	9.7	5.00	751.0	9.1	4.88	746.4	37.5	5.03
Securities	1,093.0	2.6	0.96	1,151.6	3.4	1.19	1,150.6	12.5	1.09
Other interest-earning assets ^{2, 3}	225.8	0.7	***	161.2	0.5	***	190.0	2.1	***
Interest-earning assets totals (A) ⁴	7,075.9	48.0	2.73	6,979.3	47.7	2.74	7,041.7	192.3	2.73
Interest-bearing liabilities:									
Deposits, including negotiable certificates of deposit	5,843.9	1.3	0.09	6,068.1	2.1	0.14	6,033.0	7.8	0.13
Borrowed money	752.9	0.6	0.37	755.7	0.8	0.48	786.5	3.3	0.43
Subordinated debt	-	-	-	12.3	0.0	2.37	3.7	0.0	2.36
Other borrowed money	752.9	0.6	0.37	743.4	0.8	0.44	782.8	3.2	0.42
Corporate bonds	91.5	0.0	0.26	82.4	0.1	0.84	89.9	0.4	0.52
Subordinated bonds	-	-	-	22.3	0.1	2.14	12.8	0.2	1.88
Other corporate bonds	91.5	0.0	0.26	60.0	0.0	0.36	77.1	0.2	0.29
Other interest-bearing liabilities ²	1,150.8	2.9	***	833.6	1.9	***	864.2	9.3	***
Interest-bearing liabilities totals (B)	7,839.2	4.9	0.25	7,740.0	5.1	0.27	7,773.8	21.0	0.27
Net interest margin (A)-(B) ⁴	-	43.1	2.47	-	42.6	2.48	-	171.3	2.46
Noninterest-bearing sources of funds:									
Noninterest-bearing (assets) liabilities, net	-1,659.0	-	-	-1,617.5	-	-	-1,605.8	-	-
Total equity excluding noncontrolling interests in subsidiaries ⁵	895.7	-	-	856.9	-	-	873.8	-	-
Total noninterest-bearing sources of funds (C)	-763.2	-	-	-760.6	-	-	-732.0	-	-
Sum of total expense on interest-bearing liabilities and noninterest-bearing sources of funds (D)=(B)+(C)	7,075.9	4.9	0.28	6,979.3	5.1	0.29	7,041.7	21.0	0.30
Interest income / yield on interest earning assets (A)-(D) ⁴	-	43.1	2.44	-	42.6	2.45	-	171.3	2.43
Reconciliation of total revenue on interest-earning									
Total revenue on interest-earning assets	7,075.9	48.0	2.73	6,979.3	47.7	2.74	7,041.7	192.3	2.73
Less: Income on lease transactions and installment receivables	780.1	9.7	5.00	751.0	9.1	4.88	746.4	37.5	5.03
Total interest income	6,295.8	38.3	2.44	6,228.3	38.5	2.48	6,295.3	154.8	2.46
Total interest expense	-	4.9	-	-	5.1	-	-	21.0	-
Net interest income	-	33.3	-	-	33.4	-	-	133.8	-

1. Percentages have been rounded from the third decimal place.

2. Other interest-earning assets and other interest-bearing liabilities include interest swaps.

3. Excludes average balance of noninterest-earning assets.

4. Includes lease transactions and installment receivables and related yields.

5. Represents a simple average of the balance at the end of the current period and the balance at the end of the previous period.

The line item "Interest income/yield on interest-earning assets" on the chart above includes revenues from net received interest, revenue earned on lease receivables and leased investment assets, and installment account receivables. However, while the Bank considers income on lease transactions and installment receivables to be a component of net interest income, Japanese GAAP does not include income on lease transactions and installment accounts receivables in net interest income (in accordance with Japanese GAAP, income on lease transactions and installment accounts receivables is reported in net other business income in our consolidated statements of operations).

Noninterest Income (Consolidated)

(Billions of yen)

	Q1 FY2019 (3 months)	Q1 FY2018 (3 months)	Change (Amount)	FY2018 (12 months)
Institutional Business	8.6	9.8	-1.2	41.2
Corporate Business	1.2	1.0	0.1	6.7
Structured Finance	1.6	1.0	0.6	7.2
Principal Transactions	0.4	2.3	-1.9	5.6
Showa Leasing	3.1	3.8	-0.7	14.2
Markets	1.3	0.9	0.4	5.5
Other Global Markets	0.7	0.5	0.1	1.8
Individual Business	12.5	12.2	0.3	50.8
Retail Banking	1.0	0.4	0.5	2.9
Shinsei Financial ¹	-0.2	0.0	-0.2	-0.0
APLUS FINANCIAL	11.7	11.4	0.3	47.1
Other Individuals	0.0	0.3	-0.2	0.8
Corporate/Other	2.8	1.2	1.6	3.8
Noninterest income	24.1	23.4	0.6	95.9

1. Income of Shinsei Financial, "Shinsei Bank Card Loan - Lake", and "Shinsei Bank Smart Card Loan Plus" are combined on a management accounting basis.

Noninterest income from corporate business decreased 1.2 billion yen, to 8.6 billion yen, from 9.8 billion yen in the first quarter of the previous fiscal year.

This was mainly due to the absence of investment project revenue recorded in the previous fiscal year in the principal transactions business and the absence of gain on sale of properties recorded in the Showa Leasing in the previous fiscal year, despite the increase in commission income from the structured finance business.

Noninterest income from our individual business increased 0.3 billion yen to 12.5 billion yen from 12.2 billion yen in the first quarter of the previous fiscal year.

This was mainly attributable to an increase in revenue from major businesses such as shopping credits in APLUS FINANCIAL, as well as the effects of "Shinsei Step-up Program" charging ATM fees on Standard-stage customers.

Noninterest income in the Corporate /Others for the first quarter of this fiscal year was 2.8 billion yen, an increase of 1.6 billion yen from the first quarter of the previous fiscal year. This was mainly due to the recording of gains on sales of government bonds in treasury operations.

General and Administrative Expenses (Consolidated)

(Billions of yen)

	Q1 FY2019 (3 months)	Q1 FY2018 (3 months)	Change (Amount)	FY2018 (12 months)
Personnel expenses	-14.0	-13.7	-0.3	-55.5
Nonpersonnel expenses	-22.1	-21.0	-1.0	-89.2
Premises expenses	-4.8	-4.7	-0.0	-19.6
Technology and data processing expenses	-6.3	-5.1	-1.1	-23.2
Advertising expenses	-2.6	-2.7	0.1	-10.9
Consumption, property taxes, etc.	-2.3	-2.2	-0.0	-10.4
Deposit insurance premium	-0.3	-0.4	0.0	-1.6
Other general and administrative expenses	-5.6	-5.7	0.1	-23.2
General and administrative expenses	-36.2	-34.8	-1.3	-144.7

Net Credit Costs (Consolidated) ¹

(Billions of yen)

	Q1 FY2019 (3 months)	Q1 FY2018 (3 months)	Change (Amount)	FY2018 (12 months)
Losses on write-off of loans/Losses on sale of loans	-0.0	-0.0	0.0	-0.4
Net provision of reserve for loan losses:	-6.5	-12.2	5.6	-35.2
Net provision of general reserve for loan losses	-6.9	-6.9	-0.0	-17.2
Net provision of specific reserve for loan losses	0.3	-5.3	5.6	-17.9
Other credit costs relating to leasing business	0.0	0.0	-0.0	-0.3
Recoveries of written-off claims	1.6	1.4	0.1	6.6
Net credit costs	-4.9	-10.7	5.7	-29.3

1. Amounts of losses, net provision and costs are shown in minus. Amounts of recoveries and reversals are shown in plus.

Other Gains (Consolidated)

(Billions of yen)

	Q1 FY2019 (3 months)	Q1 FY2018 (3 months)	Change (Amount)	FY2018 (12 months)
Extraordinary income	-0.4	-0.0	-0.4	-0.8
Net gain on disposal of premises and equipment	-0.0	-0.0	-0.0	-0.0
Other extraordinary income	-0.4	-0.0	-0.4	-0.7
Provisions of reserve for losses on interest repayment	-	-	-	2.3
Shinsei Financial	-	-	-	5.6
Shinsei Personal Loan	-	-	-	0.1
APLUS FINANCIAL	-	-	-	-3.5
Other	-0.0	0.1	-0.1	0.2
Other gains	-0.4	0.1	-0.5	1.7

Business Line Results (Consolidated)

(Billions of yen)

	Q1 FY2019 (3 months)	Q1 FY2018 (3 months)	Change (Amount)	FY2018 (12 months)
<i>Institutional Business:</i>				
Net interest income	6.6	6.6	-0.0	26.2
Noninterest income	8.6	9.8	-1.2	41.2
Total revenue	15.2	16.5	-1.3	67.4
General and administrative expenses	-10.2	-10.0	-0.2	-40.5
Ordinary business profit	5.0	6.5	-1.5	26.8
Net credit costs	2.1	-1.2	3.3	1.9
Ordinary business profit after net credit costs	7.1	5.2	1.8	28.7
<i>Individual Business:</i>				
Net interest income	25.8	26.4	-0.5	104.8
Noninterest income	12.5	12.2	0.3	50.8
Total revenue	38.4	38.6	-0.2	155.7
General and administrative expenses	-24.9	-24.6	-0.3	-101.1
Ordinary business profit	13.5	14.0	-0.5	54.6
Net credit costs	-7.1	-9.5	2.4	-31.2
Ordinary business profit after net credit costs	6.4	4.5	1.8	23.3
<i>Corporate/Other¹:</i>				
Net interest income	0.9	0.3	0.5	2.6
Noninterest income	2.8	1.2	1.6	3.8
Total revenue	3.8	1.6	2.1	6.5
General and administrative expenses	-1.0	-0.1	-0.8	-3.0
Ordinary business profit	2.7	1.4	1.2	3.5
Net credit costs	-0.0	-0.0	0.0	-0.0
Ordinary business profit after net credit costs	2.7	1.4	1.2	3.4
<i>Total:</i>				
Net interest income	33.3	33.4	-0.0	133.8
Noninterest income	24.1	23.4	0.6	95.9
Total revenue	57.5	56.9	0.6	229.7
General and administrative expenses	-36.2	-34.8	-1.3	-144.7
Ordinary business profit	21.3	22.0	-0.7	84.9
Net credit costs	-4.9	-10.7	5.7	-29.3
Ordinary business profit after net credit costs	16.3	11.3	5.0	55.6

1."Corporate/Other" includes company-wide accounts which are not included in our reportable segments, allocation variance of indirect expense and elimination amount of inter-segment transactions.

2.Costs associated with the funding operations have been allocated to the interest earning businesses on a management accounting basis.

Segment Information

Institutional Business	Focuses primarily on corporate, public and financial sector finance and advisory businesses.
Corporate Business	"Corporate Business" provides financial products and services, advisory services, health care finance and trust services to businesses and public corporations and financial institutions.
Structured Finance	"Structured Finance" provides real estate related nonrecourse and corporate finance, project finance, M&A related finance, and specialty finance.
Principal Transactions	"Principal Transactions" is engaged in the credit trading businesses, private equity, corporate revitalization support business, the provision of business succession and business switching and withdrawal support services and asset-backed investment.
Showa Leasing	"Showa Leasing" primarily provides leasing related financial products and services.
Markets	"Markets" is engaged in foreign exchange, derivatives, equity related and other capital markets transactions.
Other Global Markets	"Other Global Markets" consists of the profit and loss attributable to Shinsei Securities, asset management, wealth management and other products and services.
Individual Business:	Focuses on retail financial products and services.
Retail Banking	"Retail Banking" provides financial transactions and services to retail customers such as yen/foreign currency, structured deposits services, investment trust, brokerage service (through a partner institution), life and nonlife insurance (through partner institutions) and housing loans.
Shinsei Financial	"Shinsei Financial" provides consumer finance products and services and guarantee services (Shinsei Financial, Shinsei Bank Lake, NOLOAN).
APLUS FINANCIAL	"APLUS FINANCIAL" provides installment sales credit, credit cards, guarantees, financing and settlement services.
Other Individuals	"Other Individuals" consists of profit and loss attributable to other subsidiaries of Individual Business.
Corporate/Other:	"Corporate/Other" includes company-wide accounts which are not included in our reportable segments, allocation variance of indirect expense and elimination amount of inter-segment transactions.
Treasury	The "Treasury" undertakes ALM related operations and includes gains and losses from equity and subordinated debt financing activities.

Institutional Business¹ (Consolidated)

(Billions of yen)

	Q1 FY2019 (3 months)	Q1 FY2018 (3 months)	Change (Amount)	FY2018 (12 months)
<i>Corporate Business:</i>				
Net interest income	2.5	2.5	-0.0	10.0
Noninterest income	1.2	1.0	0.1	6.7
Total revenue	3.8	3.6	0.1	16.7
General and administrative expenses	-3.1	-3.0	-0.1	-11.8
Ordinary business profit	0.6	0.6	0.0	4.9
Net credit costs	-0.2	0.0	-0.2	-0.8
Ordinary business profit after net credit costs	0.3	0.6	-0.2	4.0
<i>Structured Finance:</i>				
Net interest income	2.7	2.4	0.2	10.3
Noninterest income	1.6	1.0	0.6	7.2
Total revenue	4.4	3.5	0.8	17.6
General and administrative expenses	-2.0	-1.9	-0.1	-7.7
Ordinary business profit	2.3	1.6	0.7	9.8
Net credit costs	1.8	-1.9	3.7	2.1
Ordinary business profit after net credit costs	4.1	-0.2	4.4	12.0
<i>Principal Transactions:</i>				
Net interest income	0.4	1.1	-0.7	3.7
Noninterest income	0.4	2.3	-1.9	5.6
Total revenue	0.9	3.5	-2.6	9.3
General and administrative expenses	-1.0	-0.9	-0.0	-4.0
Ordinary business profit	-0.1	2.6	-2.7	5.3
Net credit costs	0.0	-0.1	0.1	-0.0
Ordinary business profit after net credit costs	-0.0	2.4	-2.5	5.3
<i>Showa Leasing:</i>				
Net interest income	-0.0	-0.0	-0.0	-0.0
Noninterest income	3.1	3.8	-0.7	14.2
Total revenue	3.1	3.8	-0.7	14.2
General and administrative expenses	-2.3	-2.3	0.0	-9.8
Ordinary business profit	0.8	1.4	-0.6	4.3
Net credit costs	0.4	0.7	-0.2	0.6
Ordinary business profit after net credit costs	1.2	2.2	-0.9	4.9

Institutional Business¹ (Consolidated)

(Billions of yen)

	Q1 FY2019 (3 months)	Q1 FY2018 (3 months)	Change (Amount)	FY2018 (12 months)
<i>Markets:</i>				
Net interest income	0.7	0.3	0.3	1.5
Noninterest income	1.3	0.9	0.4	5.5
Total revenue	2.0	1.3	0.7	7.1
General and administrative expenses	-0.8	-0.9	0.1	-3.7
Ordinary business profit	1.2	0.3	0.8	3.3
Net credit costs	0.0	0.0	0.0	-0.0
Ordinary business profit after net credit costs	1.2	0.3	0.8	3.3
<i>Other Global Markets:</i>				
Net interest income	0.1	0.1	0.0	0.5
Noninterest income	0.7	0.5	0.1	1.8
Total revenue	0.8	0.6	0.2	2.3
General and administrative expenses	-0.7	-0.8	0.0	-3.3
Ordinary business profit	0.1	-0.1	0.2	-1.0
Net credit costs	-0.0	0.0	-0.0	-0.0
Ordinary business profit after net credit costs	0.0	-0.1	0.2	-1.0
<i>Institutional Business:</i>				
Net interest income	6.6	6.6	-0.0	26.2
Noninterest income	8.6	9.8	-1.2	41.2
Total revenue	15.2	16.5	-1.3	67.4
General and administrative expenses	-10.2	-10.0	-0.2	-40.5
Ordinary business profit	5.0	6.5	-1.5	26.8
Net credit costs	2.1	-1.2	3.3	1.9
Ordinary business profit after net credit costs	7.1	5.2	1.8	28.7

1.Net of consolidation adjustments, if applicable.

Individual Business (Consolidated) ¹

(Billions of yen)

	Q1 FY2019 (3 months)	Q1 FY2018 (3 months)	Change (Amount)	FY2018 (12 months)
<i>Retail banking:</i>				
Net interest income	6.0	5.8	0.1	23.9
Loans	2.3	2.5	-0.1	9.8
Deposits	3.6	3.3	0.2	14.1
Noninterest income	1.0	0.4	0.5	2.9
Asset Management Products	1.6	1.7	-0.1	6.8
Other Fees (ATM, Fund Transfer, FX etc.)	-0.5	-1.2	0.6	-3.8
Total revenue	7.0	6.3	0.6	26.9
General and administrative expenses	-6.5	-6.9	0.3	-27.6
Ordinary business profit	0.4	-0.5	1.0	-0.7
Net credit costs	-0.1	0.0	-0.1	0.0
Ordinary business profit after net credit costs	0.3	-0.5	0.9	-0.6
<i>Shinsei Financial²:</i>				
Net interest income	17.1	17.5	-0.3	69.3
Lake Business	15.7	16.0	-0.3	63.4
Noninterest income	-0.2	0.0	-0.2	-0.0
Total revenue	16.9	17.5	-0.6	69.2
General and administrative expenses	-8.3	-8.2	-0.1	-33.4
Ordinary business profit	8.5	9.2	-0.7	35.7
Net credit costs	-3.4	-4.6	1.1	-14.5
Ordinary business profit after net credit costs	5.0	4.6	0.4	21.2
<i>APLUS FINANCIAL:</i>				
Net interest income	2.4	2.8	-0.4	10.7
Noninterest income	11.7	11.4	0.3	47.1
Total revenue	14.1	14.2	-0.0	57.8
General and administrative expenses	-9.4	-8.9	-0.5	-38.1
Ordinary business profit	4.7	5.2	-0.5	19.6
Net credit costs	-3.5	-4.8	1.2	-16.5
Ordinary business profit after net credit costs	1.1	0.4	0.6	3.1
<i>Other Individuals:</i>				
Net interest income	0.2	0.1	0.0	0.8
Noninterest income	0.0	0.3	-0.2	0.8
Total revenue	0.3	0.5	-0.2	1.6
General and administrative expenses	-0.4	-0.4	-0.0	-1.7
Ordinary business profit	-0.1	0.0	-0.2	-0.1
Net credit costs	-0.0	-0.0	0.0	-0.1
Ordinary business profit after net credit costs	-0.1	0.0	-0.2	-0.2
<i>Individual Business:</i>				
Net interest income	25.8	26.4	-0.5	104.8
Noninterest income	12.5	12.2	0.3	50.8
Total revenue	38.4	38.6	-0.2	155.7
General and administrative expenses	-24.9	-24.6	-0.3	-101.1
Ordinary business profit	13.5	14.0	-0.5	54.6
Net credit costs	-7.1	-9.5	2.4	-31.2
Ordinary business profit after net credit costs	6.4	4.5	1.8	23.3

1. Net of consolidation adjustments, if applicable.

2. Income of Shinsei Financial, "Shinsei Bank Card Loan - Lake", and "Shinsei Bank Smart Card Loan Plus" are combined on a management accounting basis.

Corporate/Other (Consolidated)¹

(Billions of yen)

	Q1 FY2019 (3 months)	Q1 FY2018 (3 months)	Change (Amount)	FY2018 (12 months)
<i>Treasury:</i>				
Net interest income	0.9	0.3	0.5	2.6
Noninterest income	2.7	1.0	1.6	3.3
Total revenue	3.6	1.4	2.2	6.0
General and administrative expenses	-0.4	-0.4	0.0	-1.6
Ordinary business profit	3.2	1.0	2.2	4.3
Net credit costs	-	-	-	-
Ordinary business profit after net credit costs	3.2	1.0	2.2	4.3
<i>Corporate/Other (excluding Treasury)¹:</i>				
Net interest income	0.0	-0.0	0.0	-0.0
Noninterest income	0.1	0.1	-0.0	0.4
Total revenue	0.1	0.1	-0.0	0.4
General and administrative expenses	-0.6	0.2	-0.9	-1.3
Ordinary business profit	-0.5	0.4	-0.9	-0.8
Net credit costs	-0.0	-0.0	0.0	-0.0
Ordinary business profit after net credit costs	-0.5	0.4	-0.9	-0.8
<i>Corporate/Other¹:</i>				
Net interest income	0.9	0.3	0.5	2.6
Noninterest income	2.8	1.2	1.6	3.8
Total revenue	3.8	1.6	2.1	6.5
General and administrative expenses	-1.0	-0.1	-0.8	-3.0
Ordinary business profit	2.7	1.4	1.2	3.5
Net credit costs	-0.0	-0.0	0.0	-0.0
Ordinary business profit after net credit costs	2.7	1.4	1.2	3.4

1. "Corporate/Other" includes company-wide accounts which are not included in our reportable segments, allocation variance of indirect expense and elimination amount of inter-segment transactions.

Loans by Borrower Industry (Consolidated)

(Billions of yen)

	Jun 30 2019	Mar 31 2019	Change (Amount)
Domestic offices (excluding Japan offshore market accounts):			
Manufacturing	196.6	190.0	6.5
Agriculture and forestry	0.0	0.0	-0.0
Fishery	0.1	-	0.1
Mining, quarrying and gravel extraction	0.6	0.3	0.2
Construction	8.9	9.1	-0.2
Electric power, gas, heat supply and water supply	316.9	320.7	-3.8
Information and communications	54.3	55.1	-0.8
Transportation and postal service	193.4	195.2	-1.7
Wholesale and retail	115.9	122.5	-6.5
Finance and insurance	520.0	521.5	-1.4
Real estate	611.2	584.9	26.2
Services	339.2	341.8	-2.5
Local government	52.8	52.4	0.3
Others	2,321.8	2,402.7	-80.8
Loans to individual customers (Housing Loan, Unsecured Loan, Cashing by Credit Card, Housing Related Loan, etc.)	1,915.5	1,934.5	-18.9
Total domestic (A)	4,732.4	4,796.9	-64.5
Overseas offices (including Japan offshore market accounts):			
Governments	0.1	0.1	-
Financial institutions	29.7	32.6	-2.8
Others	158.8	157.1	1.7
Total overseas (B)	188.7	189.9	-1.1
Total (A+B)	4,921.1	4,986.8	-65.6

Securities Being Held to Maturity (Consolidated)

(Billions of yen)

	Jun 30, 2019			Mar 31, 2019		
	Carrying amount	Fair value	Unrealized gain (loss)	Carrying amount	Fair value	Unrealized gain (loss)
Fair value exceeds carrying amount						
Japanese national government bonds	368.6	371.9	3.2	399.2	402.4	3.2
Subtotal	368.6	371.9	3.2	399.2	402.4	3.2
Fair value does not exceed carrying amount						
Japanese national government bonds	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-
Total	368.6	371.9	3.2	399.2	402.4	3.2

Securities Available for Sale (Consolidated)

(Billions of yen)

	Jun 30, 2019			Mar 31, 2019		
	Carrying amount (Fair value)	Amortized/ Acquisition cost	Unrealized gain (loss)	Carrying amount (Fair value)	Amortized/ Acquisition cost	Unrealized gain (loss)
Carrying amount exceeds amortized/acquisition cost						
Equity securities	16.9	8.2	8.7	16.6	8.1	8.4
Domestic bonds	152.2	150.5	1.7	154.1	152.9	1.2
Japanese national government bonds	98.8	97.5	1.2	102.3	101.4	0.8
Japanese local government bonds	-	-	-	-	-	-
Japanese corporate bonds	53.4	52.9	0.5	51.7	51.4	0.3
Other	104.5	101.8	2.6	137.9	134.6	3.3
Foreign securities	104.4	101.7	2.6	137.9	134.6	3.3
Foreign currency denominated foreign corporate and government bonds	92.9	91.8	1.0	129.8	128.0	1.8
Yen-denominated foreign corporate and government bonds	9.8	9.8	0.0	6.5	6.5	0.0
Foreign equity securities and others	1.6	0.0	1.5	1.6	0.0	1.5
Other securities	0.1	0.1	0.0	-	-	-
Other monetary claims purchased	-	-	-	-	-	-
Subtotal	273.7	260.6	13.1	308.7	295.7	13.0
Carrying amount does not exceed amortized/acquisition cost						
Equity securities	0.5	0.8	-0.2	0.7	1.0	-0.3
Domestic bonds	128.7	129.9	-1.2	119.3	120.8	-1.4
Japanese national government bonds	9.3	9.3	-0.0	-	-	-
Japanese local government bonds	-	-	-	-	-	-
Japanese corporate bonds	119.3	120.6	-1.2	119.3	120.8	-1.4
Other	231.1	232.4	-1.2	195.7	197.6	-1.9
Foreign securities	184.8	186.0	-1.1	194.7	196.6	-1.9
Foreign currency denominated foreign corporate and government bonds	113.9	114.5	-0.6	129.9	131.2	-1.3
Yen-denominated foreign corporate and government bonds	68.5	68.9	-0.3	60.5	61.0	-0.4
Foreign equity securities and others	2.3	2.4	-0.1	4.2	4.3	-0.0
Other securities	1.3	1.4	-0.1	0.9	1.0	-0.0
Other monetary claims purchased	44.9	44.9	-	-	-	-
Subtotal	360.4	363.2	-2.8	315.7	319.5	-3.7
Total ^{1, 2}	634.2	623.8	10.3	624.5	615.2	9.3

1. Includes a part of other monetary claims purchased in addition to securities available for sale. Total amounts of securities available for sale excluding such other monetary claims purchased as of Jun 30, 2019 and March 31, 2019 were ¥589.3 billion and ¥624.5 billion, respectively.

2. Securities whose fair value cannot be reliably determined are not included.

Unrealized Gain (Loss) on Available-for-Sale Securities (Consolidated)

(Billions of yen)

	Jun 30, 2019	Mar 31, 2019
Unrealized gain (loss) before deferred tax on:		
Available-for-sale securities	10.3	9.3
The Bank's interests in available-for-sale securities held by partnerships recorded as securities whose fair value cannot be reliably determined and other adjustments	-1.3	-1.4
Other monetary assets held in trust	-0.7	-1.1
(-) Deferred tax liabilities	1.8	1.4
Unrealized gain (loss) on available-for-sale securities before interest adjustments	6.3	5.2
(-) Noncontrolling interests	-0.0	-
(+) The Bank's interests in unrealized gain (loss) on available-for-sale securities held by affiliates to which the equity method is applied	5.0	4.7
Unrealized gain (loss) on available-for-sale securities	11.4	10.0

Deposits (Consolidated)

(Billions of yen)

	Jun 30 2019	Mar 31 2019	Change (Amount)
Deposits	5,394.4	5,351.5	42.8
Liquid (current, ordinary, notice) deposits	2,583.9	2,591.5	-7.5
Time deposits ¹	2,293.3	2,271.9	21.3
Other	517.0	487.9	29.0
Negotiable certificates of deposits (NCDs)	505.1	570.5	-65.3
Total	5,899.6	5,922.1	-22.5

1.Includes two-week maturity deposits

Financial Ratios (Consolidated)

	Q1 FY2019 (3 months)	Q1 FY2018 (3 months)	FY2018 (12 months)
Return on assets ¹	0.5% ³	0.4% ³	0.5%
Return on equity ²	5.5% ³	4.3% ³	6.0%
Expense-to-revenue ratio ^{4, 5}	63.0%	61.2%	63.0%

1.Return on assets:

Profit (Losses) Attributable to Owners of the Parent
 (Total assets at the BOP + Total assets at the EOP)/2

BOP: beginning of period
 EOP: end of period

2.Return on equity (fully diluted):

Profit (Losses) Attributable to Owners of the Parent

((Total equity at the BOP - Share warrants at the BOP - Noncontrolling interests at the BOP) + (Total equity at the EOP - Share warrants at the EOP - Noncontrolling interests at the EOP))/2

3.Annualized basis.

4.Management accounting basis.

5.Expense denotes general and administrative expenses.

Capital Adequacy Related Information (Consolidated)

<Basel 3, Domestic Standard 1>

(Billions of yen, except percentages)

	Jun 30 2019	Mar 31 2019	Change (Amount)
Core capital:instruments and reserves	907.3	899.5	7.7
Core capital:regulatory adjustments	-107.0	-104.2	-2.8
Capital	800.2	795.3	4.9
Total amount of Risk-weighted assets	6,812.5	6,711.2	101.3
Consolidated core capital adequacy ratio	11.74%	11.85%	

1.Calculated according to F-IRB.

Consolidated total required capital is ¥651.6 billion as at June 30, 2019, ¥640.5 billion as at March 31, 2019.

Per Share Data (Consolidated)¹

(Yen)

	Q1 FY2019 (3 months)	Q1 FY2018 (3 months)	Change (Amount)	FY2018 (12 months)
Common equity	3,691.53	3,419.64	271.89	3,636.92
Fully diluted equity	3,690.82	3,419.25	271.56	3,636.49
Basic EPS	49.65	35.99	13.65	211.24
Diluted EPS	49.64	35.98	13.65	211.22
For calculation of per share data (Does not include treasury shares):				
Equity: Number of common shares	243,243,685	251,392,684		245,274,499
Fully diluted number of shares	243,290,733	251,421,575		245,303,390
EPS Number of common shares	244,773,118	252,605,416		247,670,196
Fully diluted number of shares	244,808,393	252,639,539		247,700,391

Consolidated Balance Sheets (Unaudited)

(Millions of yen)

	Jun 30 2019	Mar 31 2019	Change (Amount)
<<Assets>>			
Cash and due from banks	1,373,405	1,355,966	17,439
Call loans and bills bought	—	—	—
Receivables under securities borrowing transactions	2,147	2,119	28
Other monetary claims purchased	74,807	30,994	43,812
Trading assets	234,811	204,415	30,396
Monetary assets held in trust	314,057	305,879	8,178
Securities	1,065,785	1,130,286	(64,501)
Loans and bills discounted	4,921,199	4,986,839	(65,639)
Foreign exchanges	32,299	29,546	2,752
Lease receivables and leased investment assets	175,260	176,553	(1,293)
Other assets	937,934	851,287	86,646
Premises and equipment	44,923	45,341	(417)
Intangible assets	66,507	67,189	(682)
Goodwill	11,434	10,989	445
Assets for retirement benefits	11,081	10,931	149
Deferred tax assets	13,722	15,096	(1,373)
Customers' liabilities for acceptances and guarantees	481,428	456,759	24,669
Reserve for credit losses	(95,285)	(98,034)	2,749
Total assets	9,654,087	9,571,172	82,915
<<Liabilities>>			
Deposits	5,394,456	5,351,564	42,892
Negotiable certificates of deposit	505,184	570,580	(65,396)
Call money and bills sold	274,854	145,000	129,854
Payables under repurchase agreements	33,554	59,098	(25,544)
Payables under securities lending transactions	454,314	510,229	(55,915)
Trading liabilities	193,235	182,363	10,871
Borrowed money	644,937	684,077	(39,140)
Foreign exchanges	912	471	441
Short-term corporate bonds	238,000	191,000	47,000
Corporate bonds	82,335	92,335	(10,000)
Other liabilities	373,183	347,383	25,800
Accrued employees' bonuses	2,433	8,598	(6,165)
Accrued directors' bonuses	15	44	(29)
Liabilities for retirement benefits	8,207	8,232	(24)
Reserve for reimbursement of debentures	3,690	3,764	(73)
Reserve for losses on interest repayments	60,269	63,025	(2,756)
Deferred tax liabilities	—	—	—
Acceptances and guarantees	481,428	456,759	24,669
Total liabilities	8,751,012	8,674,529	76,482
<<Equity>>			
Common stock	512,204	512,204	—
Capital surplus	78,506	78,506	(0)
Retained earnings	356,196	346,562	9,633
Treasury stock, at cost	(40,929)	(37,729)	(3,200)
Total shareholders' equity	905,978	899,544	6,433
Unrealized gain (loss) on available-for-sale securities	11,424	10,041	1,383
Deferred gain (loss) on derivatives under hedge accounting	(17,113)	(16,391)	(721)
Foreign currency translation adjustments	(2,752)	(1,527)	(1,224)
Defined retirement benefit plans	407	378	29
Total accumulated other comprehensive income	(8,034)	(7,500)	(534)
Stock acquisition rights	125	99	25
Noncontrolling interests	5,006	4,498	507
Total equity	903,074	896,642	6,432
Total liabilities and equity	9,654,087	9,571,172	82,915

Consolidated Statements of Income (Unaudited)

(Millions of yen)

	Q1 FY2019 (3 months)	Q1 FY2018 (3 months)	Change (Amount)	FY2018 (12 months)
Ordinary income	91,545	91,791	(246)	372,243
Interest income	38,349	38,577	(228)	154,843
Interest on loans and bills discounted	35,039	34,624	414	140,176
Interest and dividends on securities	2,603	3,411	(808)	12,531
Other interest income	706	541	165	2,135
Fees and commissions income	15,076	12,743	2,333	55,332
Trading income	2,295	991	1,303	6,673
Other business income	32,425	34,991	(2,565)	134,051
Other ordinary income	3,398	4,488	(1,089)	21,341
Ordinary expenses	75,799	81,191	(5,391)	316,846
Interest expenses	4,960	5,116	(155)	21,027
Interest on deposits	1,290	2,108	(817)	7,765
Interest on borrowings	686	896	(209)	3,369
Interest on corporate bonds	59	172	(113)	466
Other interest expenses	2,923	1,939	984	9,425
Fees and commissions expenses	7,357	6,163	1,194	23,981
Trading losses	—	292	(292)	—
Other business expenses	19,603	20,366	(763)	84,157
General and administrative expenses	36,894	35,802	1,092	148,545
Amortization of goodwill	510	610	(99)	2,211
Amortization of intangible assets acquired in business combinations	50	239	(188)	599
Other general and administrative expenses	36,332	34,952	1,380	145,734
Other ordinary expenses	6,983	13,449	(6,466)	39,134
Provision of reserve for credit losses	6,575	12,244	(5,668)	35,241
Other	407	1,204	(797)	3,892
Ordinary profit	15,746	10,600	5,145	55,397
Extraordinary gains	0	216	(215)	218
Extraordinary losses	433	227	205	1,031
Income before income taxes	15,312	10,588	4,723	54,584
Income taxes (benefit)	3,221	1,560	1,660	2,503
Profit	12,091	9,028	3,062	52,080
Loss attributable to noncontrolling interests	(61)	(63)	1	(239)
Profit attributable to owners of the parent	12,153	9,091	3,061	52,319

Composition of Capital Disclosure(Consolidated)

Shinsei Bank and subsidiaries

Millions of yen (except percentages)

Items	Basel III (Domestic Standard) Jun 30 2019	Basel III (Domestic Standard) Mar 31 2019
	Core capital:instruments and reserves (1)	
Directly issued qualifying common share capital or preferred share capital	¥ 905,978	¥ 897,092
with a compulsory conversion clause plus related capital surplus and retained earnings		
of which:capital and capital surplus	590,710	590,710
of which:retained earnings	356,196	346,562
of which:treasury stock (-)	40,929	37,729
of which:earning to be distributed (-)	-	2,452
of which:other than above	-	-
Accumulated other comprehensive income (amount allowed to be included in Core capital)	(2,345)	(1,149)
of which:foreign currency translation adjustment	(2,752)	(1,527)
of which:amount related defined benefit	407	378
Stock acquisition right to common shares and preferred shares with a compulsory conversion clause	76	49
Adjusted noncontrolling interests (amount allowed to be included in Core capital)	9	10
Total of reserves included in Core capital:instruments and reserves	468	611
of which:general reserve for loan losses included in Core capital	468	611
of which:eligible provision included in Core capital	-	-
Eligible noncumulative perpetual preferred shares subject to transitional arrangements (amount allowed to be included in Core capital:instruments and reserves)	-	-
Eligible capital instruments subject to transitional arrangements (amount allowed to be included in Core capital:instruments and reserves)	-	-
Capital instruments issued through measures for capital enhancement by public institutions (amount allowed to be included in Core capital:instruments and reserves)	-	-
Land revaluation excess after 55% discount (amount allowed to be included in Core capital:instruments and reserves)	-	-
Noncontrolling interests subject to transitional arrangements (amount allowed to be included in Core capital:instruments and reserves)	3,140	2,964
Core capital:instruments and reserves (A)	¥ 907,327	¥ 899,577
Core capital:regulatory adjustments (2)		
Total amount of intangible assets (excluding those relating to mortgage servicing rights)	¥ 52,263	¥ 52,790
of which:goodwill (including those equivalent)	14,053	13,798
of which:other intangibles other than goodwill and mortgage servicing rights	38,209	38,991
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	7,004	7,251
Shortfall of eligible provisions to expected losses	40,137	36,650
Gain on sale of securitization	-	-
Gains and losses due to changes in own credit risk on fair valued liabilities	-	-
Net defined benefit asset	7,688	7,584
Investments in own shares (excluding those reported in the net assets section)	0	0
Reciprocal cross-holdings in common equity	-	-
Investments in the capital 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 specific items	-	-
of which:significant investments in the common stock of Other Financial Institutions, net of eligible short positions	-	-
of which:mortgage servicing rights	-	-
of which:deferred tax assets arising from temporary differences (net of related tax liability)	-	-
Amount exceeding the 15% threshold on specific items	-	-
of which:significant investments in the common stock of Other Financial Institutions, net of eligible short positions	-	-
of which:mortgage servicing rights	-	-
of which:deferred tax assets arising from temporary differences (net of related tax liability)	-	-
Core capital:regulatory adjustments (B)	¥ 107,092	¥ 104,276
Capital (consolidated)		
Capital (consolidated)((A)-(B))(C)	¥ 800,234	¥ 795,301
Risk-weighted assets, etc.		
Total amount of credit risk-weighted assets	¥6,273,507	¥6,177,810
of which:total amount included in risk-weighted assets by transitional arrangements	-	(330)
of which: significant investments in the common stock of Other Financial Institutions (net of eligible short positions)	-	(330)
of which:other than above	-	-
Market risk (derived by multiplying the capital requirement by 12.5)	159,749	154,082
Operational risk (derived by multiplying the capital requirement by 12.5)	379,341	379,341
Credit risk-weighted assets adjustments	-	-
Operational risk adjustments	-	-
Total amount of Risk-weighted assets (D)	¥6,812,599	¥6,711,235
Capital ratio (consolidated)		
Capital ratio (consolidated)((C)/(D))	11.74%	11.85%

(Reference) Results of Operations (Consolidated)

(Millions of yen)

	Q1 FY2019 (3 months) (A)	Q1 FY2018 (3 months) (B)	Change (A)-(B)
Gross Business Profit	56,902	55,899	1,003
(excluding Gains on Monetary Assets Held in Trust)	56,212	55,329	883
Net Interest Income	33,388	33,460	(72)
Net Fees and Commissions	7,719	6,584	1,135
Net Trading Income	2,295	698	1,596
Net Other Business Income	13,499	15,155	(1,655)
Gains on Monetary Assets Held in Trust	690	570	120
Gains related to Bonds	2,608	842	1,765
General and Administrative Expenses	36,770	35,660	1,110
Personnel Expenses	14,054	13,712	341
Nonpersonnel Expenses	20,392	19,718	673
Amortization of Goodwill and Intangible Assets	561	850	(288)
Taxes	2,323	2,228	94
Net Business Profit	20,132	20,238	(106)
Credit Costs	4,989	10,787	(5,798)
Gains on Stock Transactions	(51)	(587)	536
Equity in Net Income (Loss) of Affiliates	666	1,593	(926)
Other	(12)	143	(156)
Ordinary Profit	15,746	10,600	5,145
Extraordinary Gains	(433)	(11)	(421)
Gains from Sales of Fixed Assets and Impairment losses	(158)	(221)	63
Income before Income Taxes	15,312	10,588	4,723
Income Taxes - Current	2,505	1,607	898
Income Taxes - Deferred	715	(47)	762
Profit Attributable to Noncontrolling Interests	(61)	(63)	1
Profit Attributable to Owners of the Parents	12,153	9,091	3,061

Note

1. Net Business Profit = Gross Business Profit - General and Administrative Expenses.

2. Details of credit cost is available at "Net Credit Cost (Consolidated)" of Financial Summary.

Results of Operations (Nonconsolidated)

(Billions of yen)

	Q1 FY2019 (3 months)	Q1 FY2018 (3 months)	Change (Amount)	FY2018 (12 months)
Net interest income	28.0	26.5	1.4	106.5
Noninterest income	2.9	-1.1	4.1	2.2
Net fees and commissions ¹	-1.1	-3.3	2.1	-8.6
Net trading income	1.5	-0.1	1.7	4.1
Net other business income	2.5	2.3	0.2	6.7
Total revenue ¹	31.0	25.4	5.6	108.8
Personnel expenses	-6.8	-6.6	-0.2	-26.7
Nonpersonnel expenses	-9.8	-9.4	-0.3	-38.9
Taxes	-1.3	-1.2	-0.0	-5.8
General and administrative expenses	-18.0	-17.4	-0.6	-71.5
Net business profit ¹	12.9	8.0	4.9	37.3
Other gains				
Gains on the sales of equities	-0.0	0.0	-0.1	0.6
Net provision of reserve for credit losses	1.5	-2.0	3.6	0.5
Losses on write-off of loans	-0.0	-0.0	0.0	-0.0
Recoveries of written-off claims	0.0	0.0	0.0	0.2
Expenses for employees' retirement benefits	-0.1	-0.1	0.0	-0.9
Others	0.0	0.1	-0.1	0.9
Net ordinary income	14.3	5.9	8.4	38.6
Extra ordinary profit				
Gains from sales of fixed assets and impairment losses	-0.1	-0.2	0.0	-0.7
Others	2.1	-0.7	2.8	-1.8
Income before income taxes	16.3	4.9	11.3	36.0
Income taxes - Current	-1.6	-0.5	-1.1	-1.6
Income taxes - Deferred	—	—	—	1.0
Net income	14.6	4.4	10.2	35.4

¹Includes income from monetary assets held in trust of ¥0.5 billion in Q1FY2019, ¥0.3 billion in Q1FY2018 and ¥1.4 billion in FY2018.

The difference between nonconsolidated and consolidated basis net income arises from profits or losses at consolidated subsidiaries including Showa Leasing Co., Ltd., Shinsei Financial Co., Ltd., APLUS FINANCIAL Co., Ltd. and Shinsei Personal Loan Co., Ltd., gains or losses on our investment in our equity method affiliate, Jih Sun Financial Holding Co., Ltd., and whether or not dividends are received from our consolidated subsidiaries.

Reflecting their nature, gains and losses on the sale of equities and impairments related to equities are recorded as other business income (loss) in the consolidated financial statements. However, in the above-mentioned explanation of nonconsolidated financial results, they are included in other gains (losses) in according to the reporting format of the Revitalization Plan.

Total revenue amounted to 31.0 billion yen, an increase of 5.6 billion yen from the same period of the previous fiscal year. Net interest income amounted to 28.0 billion yen, an increase of 1.4 billion yen compared with the same period of the previous fiscal year. This was mainly due to an increase in dividends received from subsidiaries. Dividends received from subsidiaries in the first quarter of the fiscal year amounted to 3.9 billion yen (3.9 billion yen from Showa Leasing). Noninterest income amounted to 2.9 billion yen, an increase of billion yen compared with the same period of the previous fiscal year. This was mainly attributable to an increase in fee income from structured finance business, the effects of "Shinsei Step-up Program" charging ATM fees on Standard-stage customers, and an increase in gains on the sale of government bonds and other securities in ALM operations.

Expenses for the first quarter totaled 18.0 billion yen, an increase of 0.6 billion yen from the same period of the previous fiscal year. This was mainly due to an increase in system-related expenses associated with the start of operations of the new core backing system.

As a result, net business profit for the first quarter was 12.9 billion yen, up 4.9 billion yen from the same period of the previous fiscal year.

Other gains included of 1.5 billion yen net credit cost reversal, due to reversal in Structured Finance Business. Net income increased by 10.2 billion yen to 14.6 billion yen in the first quarter of the fiscal year, mainly due to the recording of gains on redemption of shares of affiliated companies in extraordinary profit or loss.

Interest-Earning Assets and Interest-Bearing Liabilities (Nonconsolidated)

(Billions of yen, except percentages)

	Q1 FY2019 (3 months)			Q1 FY2018 (3 months)			FY2018 (12 months)		
	Average balance	Interest	Yield/rate ¹ (%)	Average balance	Interest	Yield/rate ¹ (%)	Average balance	Interest	Yield/rate ¹ (%)
Interest-earning assets:									
Loans and bills discounted	4,832.4	25.0	2.08	4,638.0	25.0	2.16	4,735.5	101.2	2.13
Securities	1,414.8	6.5	1.86	1,477.6	5.3	1.45	1,470.8	21.4	1.45
Other interest-earning assets ^{2, 3}	121.6	0.6	***	175.8	0.4	***	98.4	1.7	***
Total interest-earning assets	6,368.9	32.2	2.03	6,291.5	30.8	1.96	6,304.8	124.4	1.97
Interest-bearing liabilities:									
Deposits, including negotiable certificates of deposit	6,020.9	1.3	0.08	6,146.1	2.1	0.13	6,131.8	7.8	0.12
Borrowed money	192.5	0.0	0.00	258.2	0.1	0.30	223.3	0.6	0.26
Subordinated debt	-	-	-	12.3	0.0	2.37	3.7	0.0	2.36
Other borrowed money	192.5	0.0	0.00	245.9	0.1	0.19	219.6	0.5	0.23
Corporate bonds	42.3	0.0	0.20	42.4	0.1	1.26	44.5	0.3	0.70
Subordinated bonds	-	-	-	22.3	0.1	2.14	12.8	0.2	1.87
Other corporate bonds	42.3	0.0	0.20	20.0	0.0	0.29	31.7	0.0	0.22
Other interest-bearing liabilities ²	946.7	2.8	***	655.0	1.9	***	674.8	9.2	***
Total interest-bearing liabilities	7,202.5	4.2	0.23	7,101.9	4.3	0.24	7,074.6	18.0	0.25
Net interest income/yield on interest-earning assets	6,368.9	28.0	1.76	6,291.5	26.5	1.69	6,304.8	106.4	1.68

1. Percentages have been truncated from the third decimal place.

2. Other interest-earning assets and other interest-bearing liabilities include interest rate swaps.

3. Excludes average balance of noninterest-earning assets.

Margins (All, Domestic) (Nonconsolidated)

(All)

(Percentages)

	Q1 FY2019 (3 months)	Q1 FY2018 (3 months)	Change	FY2018 (12 months)
Yield on interest earning assets (A)	2.03	1.96	0.07	1.97
Total cost of funding (B)	1.26	1.22	0.04	1.27
Cost of interest bearing liabilities (C)	0.24	0.24	-0.00	0.25
Overall interest margin (A)-(B)	0.77	0.74	0.03	0.70
Net interest margin (A)-(C)	1.79	1.72	0.07	1.72

Total cost of funding includes expenses as a part of funding costs

(Domestic)¹

(Percentages)

	Q1 FY2019 (3 months)	Q1 FY2018 (3 months)	Change	FY2018 (12 months)
Yield on interest earning assets (A)	1.70	1.74	-0.04	1.67
Interest earned on loans and bills discounted	1.87	2.07	-0.20	1.98
Interest earned on securities	1.86	1.32	0.54	1.21
Total cost of funding (B) ²	1.09	1.13	-0.04	1.15
Cost of interest bearing liabilities (C)	0.01	0.09	-0.08	0.07
Interest paid on deposits ³	-0.00	0.07	-0.07	0.05
Overall interest margin (A)-(B)	0.61	0.61	-0.00	0.52
Net interest margin (A)-(C)	1.69	1.65	0.04	1.60

1.Domestic includes transactions denominated in Japanese yen for residents in Japan (excluding Japan offshore market accounts).

2.Total cost of funding includes expenses as a part of funding costs.

3.Deposits include Negotiable certificates of deposits (NCDs).

Gains (Losses) on Securities (Nonconsolidated)

(All)

(Billions of yen)

	Q1 FY2019 (3 months)	Q1 FY2018 (3 months)	Change	FY2018 (12 months)
Gains (losses) on bonds	2.6	0.8	1.7	2.6
Gains on sales	2.7	1.0	1.7	4.2
Gains on redemption	-	-	-	-
Losses on sales	-0.1	-0.1	0.0	-1.1
Losses on redemption	-	-	-	-
Losses on devaluation	-	-	-	-0.4
Gains (losses) on stocks	-0.0	0.0	-0.1	0.6
Gains on sales	0.0	0.0	-0.0	1.2
Losses on sales	-0.0	-0.0	0.0	-0.2
Losses on devaluation	-0.1	-	-0.1	-0.3

Net Credit Costs (Nonconsolidated) ¹

(Billions of yen)

	Q1 FY2019 (3 months)	Q1 FY2018 (3 months)	Change (Amount)	FY2018 (12 months)
Losses on write-off of loans/Losses on sale of loans	-0.0	-0.0	0.0	-0.0
Net provision of reserve for loan losses	1.5	-2.0	3.6	0.5
Net provision of general reserve for loan losses	1.1	-1.5	2.6	2.4
Net provision of specific reserve for loan losses	0.3	-0.5	0.9	-1.9
Net Provision of Reserve for Loan Losses to Restructuring Countries	-	-	-	-
Recoveries of written-off claims	0.0	0.0	0.0	0.2
Net credit costs	1.5	-2.1	3.6	0.7

1.Amounts of losses, net provision and costs are shown in minus. Amounts of recoveries and reversals are shown in plus.

Loans by Borrower Industry (Nonconsolidated)

(Billions of yen)

	Jun 30 2019	Mar 31 2019	Change (Amount)
Domestic (excluding Japan offshore market accounts):			
Manufacturing	193.0	186.1	6.9
Agriculture and forestry	-	-	-
Fishery	0.1	-	0.1
Mining, quarrying and gravel extraction	0.6	0.3	0.2
Construction	7.3	7.4	-0.1
Electric power, gas, heat supply and water supply	313.7	317.6	-3.9
Information and communications	53.9	54.7	-0.7
Transportation and postal service	173.7	173.5	0.1
Wholesale and retail	110.6	117.3	-6.7
Finance and insurance	993.3	983.0	10.3
Real estate	594.8	565.4	29.3
Services	342.9	375.0	-32.0
Local government	52.8	52.4	0.3
Individuals	1,435.2	1,461.3	-26.1
Overseas yen loans and overseas loans booked domestically	385.5	447.9	-62.3
Total domestic	4,657.8	4,742.7	-84.8
Overseas (including Japan offshore market accounts):			
Governments	0.1	0.1	-
Financial institutions	29.7	32.6	-2.8
Others	158.8	157.1	1.7
Total overseas	188.7	189.9	-1.1
Total	4,846.6	4,932.6	-85.9

Claims Classified under the Financial Revitalization Law (Nonconsolidated)

(Billions of yen)

	Jun 30 2019	Mar 31 2019	Change (Amount)
Claims against bankrupt and quasi-bankrupt obligors	2.3	2.1	0.1
Doubtful claims	6.1	6.1	-0.0
Substandard claims	1.9	2.0	-0.0
Total (A)	10.3	10.2	0.0
Coverage ratio	63.5%	67.8%	
Total claims (B)	4,938.0	5,010.6	-72.6
Loans and bills discounted	4,846.6	4,932.6	-85.9
Others	91.3	78.0	13.3
Ratio to total claims (A/B X 100) (%) ¹	0.20%	0.20%	
(Ref. 1) Amount of write-off	3.2	3.0	0.2
(Ref. 2) Below need caution level	75.3	74.4	0.8

Coverage Ratios for Nonperforming Claims Disclosed under the Financial Revitalization Law (Nonconsolidated)

(Billions of yen, except percentages)

	Jun 30, 2019					Mar 31, 2019				
	Amounts of coverage					Amounts of coverage				
	Amounts of claims	Total	Reserve for loan losses	Collateral and guarantees	Coverage ratio	Amounts of claims	Total	Reserve for loan losses	Collateral and guarantees	Coverage ratio
	(a)	(b)			(b)/(a)	(a)	(b)			(b)/(a)
Claims against bankrupt and quasi-bankrupt	2.3	2.3	0.6	1.7	100.0%	2.1	2.1	0.5	1.6	100.0%
Doubtful claims	6.1	3.5	2.9	0.6	57.6%	6.1	4.1	3.5	0.6	67.7%
Substandard claims	1.9	0.8	0.3	0.5	38.9%	2.0	0.7	0.3	0.4	34.0%
Total	10.3	6.5	3.8	2.7	63.5%	10.2	6.9	4.3	2.6	67.8%

Securities Being Held to Maturity (Nonconsolidated)

(Billions of yen)

	Jun 30, 2019			Mar 31, 2019		
	Carrying amount	Fair value	Unrealized gain (loss)	Carrying amount	Fair value	Unrealized gain (loss)
Fair value exceeds carrying amount						
Japanese national government bonds	368.6	371.9	3.2	399.2	402.4	3.2
Subtotal	368.6	371.9	3.2	399.2	402.4	3.2
Fair value does not exceed carrying amount						
Japanese national government bonds	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-
Total	368.6	371.9	3.2	399.2	402.4	3.2

Securities Available for Sale (Nonconsolidated)

(Billions of yen)

	Jun 30, 2019			Mar 31, 2019		
	Carrying amount (Fair value)	Amortized/ Acquisition cost	Unrealized gain (loss)	Carrying amount (Fair value)	Amortized/ Acquisition cost	Unrealized gain (loss)
Carrying amount exceeds amortized/acquisition cost						
Equity securities	13.7	6.8	6.9	13.2	6.7	6.4
Domestic bonds	150.2	148.5	1.7	152.1	150.9	1.2
Japanese national government bonds	96.7	95.5	1.2	100.3	99.4	0.8
Japanese local government bonds	-	-	-	-	-	-
Japanese corporate bonds	53.4	52.9	0.5	51.7	51.4	0.3
Other	103.2	101.8	1.4	136.7	134.5	2.1
Foreign securities	103.1	101.7	1.4	136.7	134.5	2.1
Foreign currency denominated foreign corporate and government bonds	92.9	91.8	1.0	129.8	128.0	1.8
Yen-denominated foreign corporate and government bonds	9.8	9.8	0.0	6.5	6.5	0.0
Foreign equity securities and others	0.3	0.0	0.2	0.4	0.0	0.3
Other securities	0.1	0.1	0.0	-	-	-
Other monetary claims purchased	-	-	-	-	-	-
Subtotal	267.2	257.1	10.0	302.1	292.2	9.8
Carrying amount does not exceed amortized/acquisition cost						
Equity securities	0.5	0.7	-0.2	0.6	0.9	-0.2
Domestic bonds	128.7	129.9	-1.2	119.3	120.8	-1.4
Japanese national government bonds	9.3	9.3	-0.0	-	-	-
Japanese local government bonds	-	-	-	-	-	-
Japanese corporate bonds	119.3	120.6	-1.2	119.3	120.8	-1.4
Other	231.1	232.4	-1.2	195.7	197.6	-1.9
Foreign securities	184.8	186.0	-1.1	194.7	196.6	-1.9
Foreign currency denominated foreign corporate and government bonds	113.9	114.5	-0.6	129.9	131.2	-1.3
Yen-denominated foreign corporate and government bonds	68.5	68.9	-0.3	60.5	61.0	-0.4
Foreign equity securities and others	2.3	2.4	-0.1	4.2	4.3	-0.0
Other securities	1.3	1.4	-0.1	0.9	1.0	-0.0
Other monetary claims purchased	44.9	44.9	-	-	-	-
Subtotal	360.3	363.1	-2.7	315.6	319.3	-3.7
Total ^{1, 2}	627.6	620.3	7.2	617.8	611.6	6.1

1.Includes a part of other monetary claims purchased in addition to securities available for sale.

2.Securities whose fair value cannot be reliably determined are not included.

Unrealized Gain (Loss) on Available-for-Sale Securities (Nonconsolidated)

(Billions of yen)

	Jun 30, 2019	Mar 31, 2019
Unrealized gain (loss) before deferred tax on:		
Available-for-sale securities	7.2	6.1
Interests in available-for-sale securities held by partnerships recorded as securities whose fair value cannot be reliably determined	0.9	0.7
Other monetary assets held in trust	-0.8	-1.1
(-) Deferred tax liabilities	1.5	1.0
Unrealized gain (loss) on available-for-sale securities	5.8	4.7

Capital Adequacy Related Information (Nonconsolidated)

<Basel 3, Domestic Standard¹>

(Billions of yen, except percentages)

	Jun 30 2019	Mar 31 2019	Change (Amount)
Core capital: instruments and reserves	870.8	859.4	11.4
Core capital: regulatory adjustments	-52.1	-50.7	-1.3
Capital	818.7	808.6	10.0
Total amount of Risk-weighted assets	5,948.3	5,886.2	62.1
Core capital adequacy ratio	13.76%	13.73%	

1. Calculated according to F-IRB.

Nonconsolidated total required capital is ¥527.9 billion as at Jun 30, 2019 and ¥521.6 billion as at March 31, 2019.

Nonconsolidated Balance Sheets (Unaudited)

(Millions of yen)

	Jun 30 2019	Mar 31 2019	Change (Amount)
<<Assets>>			
Cash and due from banks	1,311,221	1,280,991	30,230
Other monetary claims purchased	55,600	10,809	44,791
Trading assets	212,357	200,276	12,081
Monetary assets held in trust	206,993	198,717	8,275
Securities	1,368,082	1,445,927	(77,844)
Loans and bills discounted	4,846,672	4,932,610	(85,938)
Foreign exchanges	32,299	29,546	2,752
Other assets	211,598	190,104	21,494
Other	211,598	190,104	21,494
Premises and equipment	12,078	12,610	(532)
Intangible assets	25,885	26,483	(598)
Prepaid pension cost	6,856	6,849	6
Deferred tax assets	363	1,127	(764)
Customers' liabilities for acceptances and guarantees	24,907	18,060	6,846
Reserve for credit losses	(23,545)	(25,519)	1,974
Total assets	8,291,371	8,328,595	(37,224)
<<Liabilities>>			
Deposits	5,586,759	5,636,286	(49,526)
Negotiable certificates of deposit	505,184	570,580	(65,396)
Call money	274,854	145,000	129,854
Payables under repurchase agreements	33,554	59,098	(25,544)
Payables under securities lending transactions	452,264	510,229	(57,965)
Trading liabilities	190,631	179,749	10,882
Borrowed money	173,810	195,628	(21,817)
Foreign exchanges	912	471	441
Corporate bonds	42,335	42,335	—
Other liabilities	142,283	113,903	28,379
Income taxes payable	1,202	2,088	(886)
Lease obligations	17	18	(1)
Asset retirement obligations	7,370	7,410	(40)
Other	133,694	104,385	29,308
Accrued employees' bonuses	1,251	4,847	(3,595)
Reserve for reimbursement of debentures	3,690	3,764	(73)
Acceptances and guarantees	24,907	18,060	6,846
Total liabilities	7,432,439	7,479,955	(47,515)
<<Equity>>			
Common stock	512,204	512,204	—
Capital surplus	79,465	79,465	—
Additional paid-in capital	79,465	79,465	—
Retained earnings	320,029	307,855	12,174
Legal reserve	15,734	15,243	490
Other retained earnings	304,295	292,611	11,684
Unappropriated retained earnings	304,295	292,611	11,684
Treasury stock, at cost	(40,929)	(37,729)	(3,200)
Total shareholders' equity	870,770	861,796	8,974
Unrealized gain (loss) on available-for-sale securities	5,856	4,719	1,136
Deferred gain (loss) on derivatives under hedge accounting	(17,772)	(17,925)	153
Total net unrealized gain (loss) and translation adjustments	(11,915)	(13,205)	1,289
Stock acquisition rights	76	49	27
Total equity	858,931	848,640	10,291
Total liabilities and equity	8,291,371	8,328,595	(37,224)

Nonconsolidated Statements of Income (Unaudited)

(Millions of yen)

	Q1 FY2019 (3 months)	Q1 FY2018 (3 months)	Change (Amount)	FY2018 (12 months)
Ordinary income	44,725	38,925	5,800	164,135
Interest income	32,233	30,862	1,370	124,464
Interest on loans and bills discounted	25,070	25,010	60	101,292
Interest and dividends on securities	6,557	5,363	1,194	21,413
Other interest income	604	489	115	1,758
Fees and commissions income	5,285	3,771	1,513	19,484
Trading income	1,547	105	1,442	4,194
Other business income	3,320	3,327	(6)	11,002
Other ordinary income	2,338	857	1,480	4,989
Ordinary expenses	30,350	32,951	(2,600)	125,504
Interest expenses	4,208	4,347	(139)	18,002
Interest on deposits	1,291	2,109	(818)	7,770
Interest on corporate bonds	21	134	(112)	313
Other interest expenses	2,896	2,104	791	9,918
Fees and commissions expenses	7,017	7,456	(438)	29,660
Trading losses	—	291	(291)	—
Other business expenses	729	972	(243)	4,229
General and administrative expenses	18,173	17,550	622	72,498
Other ordinary expenses	221	2,331	(2,110)	1,113
Ordinary profit	14,374	5,973	8,400	38,630
Extraordinary gains	2,109	216	1,893	218
Extraordinary losses	166	1,218	(1,052)	2,817
Income before income taxes	16,317	4,971	11,346	36,032
Income taxes (benefit)	1,648	524	1,123	588
Net income	14,669	4,446	10,222	35,443

Composition of Capital Disclosure (Nonconsolidated)

Shinsei Bank

Millions of yen (except percentages)

Items	Basel III (Domestic Standard) Jun 30 2019	Basel III (Domestic Standard) Mar 31 2019
Core capital:instruments and reserves (1)		
Directly issued qualifying common share capital or preferred share capital	¥ 870,770	¥ 859,343
with a compulsory conversion clause plus related capital surplus and retained earnings		
of which:capital and capital surplus	591,670	591,670
of which:retained earnings	320,029	307,855
of which:treasury stock (-)	40,929	37,729
of which:earning to be distributed (-)	-	2,452
of which:other than above	-	-
Stock acquisition right to common shares and preferred shares with a compulsory conversion clause	76	49
Total of reserves included in Core capital:instruments and reserves	9	9
of which:general reserve for loan losses included in Core capital	9	9
of which:eligible provision included in Core capital	-	-
Eligible noncumulative perpetual preferred shares subject to transitional arrangements (amount allowed to be included in Core capital:instruments and reserves)	-	-
Eligible capital instruments subject to transitional arrangements (amount allowed to be included in Core capital:instruments and reserves)	-	-
Capital instruments issued through measures for capital enhancement by public institutions (amount allowed to be included in Core capital:instruments and reserves)	-	-
Land revaluation excess after 55% discount (amount allowed to be included in Core capital:instruments and reserves)	-	-
Core capital:instruments and reserves (A)	¥ 870,857	¥ 859,402
Core capital:regulatory adjustments (2)		
Total amount of intangible assets (excluding those relating to mortgage servicing rights)	¥ 18,162	¥ 18,589
of which:goodwill (including those equivalent)	662	703
of which:other intangibles other than goodwill and mortgage servicing rights	17,499	17,886
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	2,530	2,545
Shortfall of eligible provisions to expected losses	26,676	24,866
Gain on sale of securitization	-	-
Gains and losses due to changes in own credit risk on fair valued liabilities	-	-
Prepaid pension cost	4,757	4,752
Investments in own shares (excluding those reported in the net assets section)	0	0
Reciprocal cross-holdings in common equity	-	-
Investments in the capital 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 specific items	-	-
of which:significant investments in the common stock of Other Financial Institutions, net of eligible short positions	-	-
of which:mortgage servicing rights	-	-
of which:deferred tax assets arising from temporary differences (net of related tax liability)	-	-
Amount exceeding the 15% threshold on specific items	-	-
of which:significant investments in the common stock of Other Financial Institutions, net of eligible short positions	-	-
of which:mortgage servicing rights	-	-
of which:deferred tax assets arising from temporary differences (net of related tax liability)	-	-
Core capital:regulatory adjustments (B)	¥ 52,126	¥ 50,754
Capital (nonconsolidated)		
Capital (nonconsolidated)((A)-(B))(C)	¥ 818,730	¥ 808,647
Risk-weighted assets, etc.		
Total amount of credit risk-weighted assets	¥5,614,045	¥5,554,802
of which:total amount included in risk-weighted assets by transitional arrangements	-	(330)
of which:significant investments in the common stock of other Financial Institutions (net of eligible short positions)	-	(330)
of which:other than above	-	-
Market risk (derived by multiplying the capital requirement by 12.5)	146,534	143,617
Operational risk (derived by multiplying the capital requirement by 12.5)	187,814	187,814
Credit risk-weighted assets adjustments	-	-
Operational risk adjustments	-	-
Total amount of Risk-weighted assets (D)	¥5,948,394	¥5,886,234
Capital ratio (nonconsolidated)		
Capital ratio (nonconsolidated)((C)/(D))	13.76%	13.73%

(Reference) Results of Operations (Nonconsolidated)

(Millions of yen)

	Q1 FY2019 (3 months) (A)	Q1 FY2018 (3 months) (B)	Change (A)-(B)
Gross Business Profit	31,020	25,409	5,611
(excluding Gains on Monetary Assets Held in Trust)	30,440	25,033	5,406
Net Interest Income	28,033	26,549	1,483
Net Fees and Commissions	(1,150)	(3,304)	2,153
Gains on Monetary Assets Held in Trust	580	375	205
Net Trading Income	1,547	(186)	1,733
Net Other Business Income	2,590	2,350	240
Gains related to Bonds	2,608	842	1,765
General and Administrative Expenses	18,051	17,408	642
Personnel Expenses	6,891	6,669	222
Nonpersonnel Expenses	9,830	9,468	362
Amortization of Goodwill	41	41	-
Taxes	1,328	1,270	58
Net Operating Profit before Provision of General Reserve for Loan Losses	12,388	7,625	4,763
Provision of General Reserve for Loan Losses (1)	-	1,535	(1,535)
Net Operating Profit	12,388	6,089	6,298
Net Business Profit	12,969	8,000	4,968
Non-Recurring Gains	1,413	(456)	1,870
Gains related to Stocks	(89)	92	(182)
Credit Costs (2)	(1,582)	566	(2,149)
Losses on Write-Off of Loans	0	15	(15)
Provision of Specific Reserve for Loan Losses	-	552	(552)
Provision of Reserve for Loan Losses to Restructuring Countries	-	-	-
Recoveries of Written-off Claims	(34)	(1)	(32)
Reversal of Reserve for Loan Losses	(1,548)	-	(1,548)
Losses on Sale of Loans	-	-	-
Other	(78)	17	(96)
Ordinary Profit	14,374	5,973	8,400
Extraordinary Gains	1,942	(1,002)	2,945
Gains from Sales of Fixed Assets and Impairment losses	(158)	(220)	62
Income before Income Taxes	16,317	4,971	11,346
Income Taxes - Current	1,648	524	1,123
Income Taxes - Deferred	-	-	-
Net Income	14,669	4,446	10,222

(Reference)

Net Credit Costs (1)+ (2)	(1,582)	2,102	(3,684)
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Note

1.Net Operating Profit = Gross Business Profit (excluding Gains on Monetary Assets Held in Trust)- General and Administrative Expenses - Provision of General Reserve for loan losses.

2.Net Business Profit = Gross Business Profit - General and Administrative Expenses.

(Reference) Interest-Earning Assets and Interest-Bearing Liabilities (Nonconsolidated)

(Millions of yen, %)

[All]	Q1 FY2019 (3 months)			Q1 FY2018 (3 months)			FY2018 (12 months)		
	Average balance	Interest	Yield/rate ¹ (%)	Average balance	Interest	Yield/rate ¹ (%)	Average balance	Interest	Yield/rate ¹ (%)
Interest-earning assets:	6,368,917	32,233	2.03	6,291,512	30,862	1.96	6,304,868	124,464	1.97
Loans and bills discounted	4,832,416	25,070	2.08	4,638,009	25,010	2.16	4,735,551	101,292	2.13
Securities	1,414,869	6,557	1.86	1,477,628	5,363	1.45	1,470,890	21,413	1.45
Interest-bearing liabilities:	7,202,563	4,208	0.23	7,101,973	4,347	0.24	7,074,601	18,002	0.25
Deposits, including negotiable certificates of deposit	6,020,929	1,301	0.08	6,146,194	2,116	0.13	6,131,827	7,807	0.12
Borrowed money	192,526	4	0.00	258,291	193	0.30	223,337	602	0.26
Subordinated debt	—	—	—	12,320	72	2.37	3,729	88	2.36
Corporate bonds	42,335	21	0.20	42,428	134	1.26	44,569	313	0.70
Subordinated bonds	—	—	—	22,362	119	2.14	12,849	241	1.87
Net interest income/yield on interest-earning assets	6,368,917	28,025	1.76	6,291,512	26,515	1.69	6,304,868	106,462	1.68

1. Percentages have been truncated from the third decimal place.

Earnings Forecasts¹*(Billions of yen)*

(Consolidated)	FY2019 Forecast	FY2018 Actual
Profit attributable to owners of the parent	53.0	52.3

(Nonconsolidated)	FY 2019 Forecast	FY2018 Actual
Net business profit	36.0	37.3
Net income	33.0	35.4
Dividends (per share in yen): Common stock	not yet determined	10.0

¹Above forecasts are based on current assumptions of future events and trends, which may be incorrect.
Actual results may differ materially from those in the statements as a result of various factors.