

Financial Summary

For the Fiscal Year Ended March 31, 2017



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

Contents	Page
1. Financial Highlights	
Financial Highlights	1
2. Consolidated Information	
Results of Operations (Consolidated)	3
Interest-Earning Assets and Interest-Bearing Liabilities (Consolidated)	4
Noninterest Income (Consolidated)	5
General and Administrative Expenses (Consolidated)	6
Net Credit Costs (Consolidated)	6
Amortization of Goodwill and Other Intangible Assets (Consolidated)	6
Other Gains (Consolidated)	7
Profit Attributable to Noncontrolling Interests (Consolidated)	7
Business Line Results (Consolidated)	8
Segment Information	9
Institutional Business (Consolidated)	10
Global Markets Business (Consolidated)	11
Individual Business (Consolidated)	12
Corporate/Other (Consolidated)	13
Major Balance Sheet Data (Consolidated)	14
Reserve for Credit Losses (Consolidated)	15
Risk Monitored Loans (Consolidated)	15
Loans by Borrower Industry (Consolidated)	16
Securities by Category (Consolidated)	17
Securities Being Held to Maturity (Consolidated)	18
Securities Available for Sale (Consolidated)	19
Unrealized Gain (Loss) on Available-for-Sale Securities (Consolidated)	19
Deposits (Consolidated)	20
Hedge-Accounting Derivative Transactions (Consolidated)	21
Financial Ratios (Consolidated)	22
Capital Adequacy Related Information (Consolidated)	22
Per Share Data (Consolidated)	22
Consolidated Balance Sheets	23
Consolidated Statements of Income	24
Consolidated Statements of Comprehensive Income	25
Consolidated Statement of Changes in Equity	26
Consolidated Statements of Cash Flows	27
Consolidated Composition of Capital Disclosure	28
(Reference) Results of Operations (Consolidated)	29

Contents	Page
3. Nonconsolidated Information	
Results of Operations (Nonconsolidated)	30
Interest-Earning Assets and Interest-Bearing Liabilities (Nonconsolidated)	31
Margins (All, Domestic) (Nonconsolidated)	32
Gains (Losses) on Securities (Nonconsolidated)	32
Net Credit Costs (Nonconsolidated)	33
Loans by Borrower Industry (Nonconsolidated)	34
Risk Monitored Loans (Nonconsolidated)	35
Risk Monitored Loans by Borrower Industry (Nonconsolidated)	36
Claims Classified under the Financial Revitalization Law (Nonconsolidated)	37
Coverage Ratios for Nonperforming Claims Disclosed under the Financial Revitalization Law (Nonconsolidated)	38
Reserve for Credit Losses (Nonconsolidated)	39
Reserve Ratios for Borrower Categories (Nonconsolidated)	40
Housing Loans (Nonconsolidated)	41
Securities Being Held to Maturity (Nonconsolidated)	42
Securities Available for Sale (Nonconsolidated)	43
Unrealized Gain (Loss) on Available-for-Sale Securities (Nonconsolidated)	43
Hedge-Accounting Derivative Transactions (Nonconsolidated)	44
Employees' Retirement Benefit (Nonconsolidated)	44
Capital Adequacy Related Information (Nonconsolidated)	45
Nonconsolidated Balance Sheets	46
Nonconsolidated Statements of Income	47
Nonconsolidated Changes in Equity	48
Nonconsolidated Composition of Capital Disclosure	49
(Reference) Results of Operations (Nonconsolidated)	50
(Reference) Interest-Earning Assets and Interest-Bearing Liabilities (Nonconsolidated)	51
4. Earnings Forecast	
Earnings Forecast	52
5. Reference	
BOJ Press Club Format	53
Calculation Grounds of Deferred Tax Assets (Consolidated Tax Group Basis)	54
Calculation Grounds of Deferred Tax Assets (Nonconsolidated)	55

• 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%.

Financial Highlights¹

(Billions of yen, except percentages)

Selected income statement items (Consolidated)	FY2016 (12 months)	FY2015 (12 months)	Change (Amount)	1H FY2016 (6 months)
Net interest income	122.2	122.3	-0.0	60.4
Noninterest income	106.2	94.2	11.9	52.7
Net fees and commissions	25.5	25.5	0.0	12.9
Net trading income	7.3	8.4	-1.0	4.8
Net other business income	73.3	60.3	13.0	34.9
Income on lease transactions and installment receivables	38.6	39.2	-0.5	19.3
Total revenue	228.5	216.6	11.9	113.2
General and administrative expenses	-142.4	-140.5	-1.9	-71.3
Ordinary business profit	86.0	76.0	10.0	41.8
Net credit costs	-31.8	-3.7	-28.1	-14.7
Ordinary business profit after net credit costs	54.1	72.3	-18.1	27.1
Amortization of goodwill and other intangible assets ²	-5.2	-7.2	2.0	-2.9
Other gains	2.8	-2.1	5.0	2.9
Income before income taxes	51.7	62.8	-11.0	27.0
Current income tax	-2.1	-1.9	-0.1	-1.9
Deferred income tax	0.9	0.5	0.3	-0.2
Profit attributable to noncontrolling interests	0.2	-0.3	0.6	0.0
Profit attributable to owners of the parent	50.7	60.9	-10.1	24.9

(Billions of yen)

Selected balance sheet items(Consolidated)	Mar 31 2017	Mar 31 2016	Change (Amount)
Cash and due from banks	1,398.6	1,129.2	269.4
Securities	1,014.6	1,227.8	-213.2
Loans and bills discounted	4,833.4	4,562.9	270.5
Customers' liabilities for acceptances and guarantees	346.6	280.6	66.0
Reserve for credit losses	-100.1	-91.7	-8.4
Total assets	9,258.3	8,928.7	329.5
Deposits and negotiable certificates of deposit	5,862.9	5,800.9	61.9
Borrowed money	789.6	801.7	-12.0
Reserve for losses on interest repayments	101.8	133.6	-31.8
Total liabilities	8,437.5	8,135.6	301.8
Total equity	820.7	793.1	27.6

Financial ratios (Consolidated)	FY2016 (12 months)	FY2015 (12 months)	1H FY2016 (6 months)
Net interest margin	2.41%	2.40%	2.41%
ROA ³	0.6%	0.7%	0.6%
ROE ³	6.3%	8.1%	6.3%
RORA ³	0.8%	1.1%	0.9%
Expense-to-revenue ratio	62.3%	64.9%	63.0%

(Billions of yen, except percentages)

Capital adequacy related information (Consolidated) <Basel 3, Domestic Standard>	Mar 31 2017	Mar 31 2016	Change (Amount)
Capital	812.3	809.5	2.8
Total amount of risk-weighted assets	6,219.9	5,698.1	521.8
Capital ratio	13.06%	14.20%	

(yen)

Per share data(Consolidated)	FY2016 (12 months)	FY2015 (12 months)	Change (Amount)	1H FY2016 (6 months)
Common equity	316.38	294.41	21.97	303.96
Basic EPS	19.46	22.96	-3.50	9.51

(Billions of yen, except percentages)

Nonperforming loans(Nonconsolidated)	Mar 31 2017	Mar 31 2016	Change (Amount)
Claims classified under the Financial Revitalization Law	10.4	34.7	-24.3
Ratio to total claims	0.22%	0.79%	
Reserve for credit losses	29.3	28.2	1.0
Coverage ratio for nonperforming claims	74.2%	97.9%	

(Billions of yen)

Selected income statement items (Nonconsolidated)	FY2016 (12 months)	FY2015 (12 months)	Change (Amount)	1H FY2016 (6 months)
Net interest income	90.9	93.7	-2.7	47.7
Noninterest income	20.1	15.4	4.6	10.5
Net fees and commissions	-2.9	-0.3	-2.6	-2.4
Net trading income	4.0	4.8	-0.7	3.7
Net other business income	19.0	10.9	8.1	9.2
Total revenue	111.1	109.2	1.9	58.2
General and administrative expenses	-77.6	-75.2	-2.3	-38.7
Ordinary business profit	33.5	33.9	-0.4	19.5
Net credit costs	-3.9	20.1	-24.0	-0.3
Net income	43.4	41.5	1.8	24.1

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.

3. Annualized basis.

The Shinsei Bank Group recorded a consolidated net income of ¥50.7 billion for fiscal year 2016 (April 1, 2016 to March 31, 2017), a ¥10.1 billion decrease from ¥60.9 billion recorded in fiscal year 2015. While the Bank experienced a decline in asset management product sales related revenue due to risk aversion caused by market turmoil, total revenue increased thanks to strong performances in our major business areas including the unsecured loan and the Structured Finance Businesses. However, due primarily to the non-recurrence of the large credit recoveries in the Institutional Business recorded in fiscal year 2015, consolidated net income decreased compared to the fiscal year 2015.

- Total revenue was ¥228.5 billion, a ¥11.9 billion increase compared to fiscal year 2015. Of this amount, net interest income totaled ¥122.2 billion, which was almost the same as ¥122.3 billion recorded in fiscal year 2015. While the effects of the base rate reduction and spread compression due to greater competition caused by the introduction of the negative interest rate policy remained within the Bank's assumptions, strong performance in the lending operations of Consumer Finance Business offset such effects. Noninterest income totaled ¥106.2 billion, a ¥11.9 billion increase compared to ¥94.2 billion recorded in fiscal year 2015. This reflected a fee income increase centered on the Structured Finance, a large gain on sales of securities and the absence of the loss recorded in fiscal year 2015 due to reassessment of a fund investment in the Institutional Business, while asset management product sales related revenue in the Retail Banking Business decreased,.
- While having continued to promote operational efficiency, general and administrative expenses totaled ¥142.4 billion, a ¥1.9 billion increase from ¥140.5 billion recorded in fiscal year 2015, mainly due to those related to IT systems as well as the effects of the revision of the tax code.
- The Bank recorded net credit costs of ¥31.8 billion (expense), a ¥28.1 billion increase from ¥3.7 billion (expense) recorded in fiscal year 2015. This was primarily due to the absence of the large credit recoveries recorded in the Institutional Business in fiscal year 2015 as well as the provisioning of general reserves for loan losses corresponding to the steady growth of the loan balance of Consumer Finance and Structured Finance Businesses.
- The balance of loans and bills discounted as of March 31, 2017 totaled ¥4,833.4 billion, a ¥270.5 billion increase from ¥4,562.9 billion recorded as of March 31, 2016. While the balance of loans to institutional customers decreased, the increase was supported by the growth of the loan balance in the Structured Finance Business, housing loan and the Consumer Finance Business.
- The net interest margin was 2.41%, increased from 2.40% recorded in fiscal year 2015. The increase was due to a greater impact of declined yield on interest bearing liabilities than the impact of declined yield on interest earning assets such as loans and securities.
- The Basel III domestic standard (grandfathering basis) consolidated core capital adequacy ratio was 13.06% as of March 31, 2017, declined from 14.20% as of March 31, 2016. While core capital increased thanks to the accumulation of retained earnings despite the early redemption of subordinated debt and the undertaking of a share buyback, the consolidated core capital adequacy ratio declined due to an increase in risk assets resulting from a loan balance increase as well as a transition of the risk asset calculation methodology to internal ratings-based approach for the Lake portfolio. The Bank's Basel III international standard fully loaded basis Common Equity Tier 1 Capital Ratio was at 12.3 % as of March 31, 2017 declined from 12.9% as of March 31, 2016. Capital adequacy ratios continue to be maintained at ample levels.
- The nonperforming loan balance (nonconsolidated basis) under the Financial Revitalization Law decreased by ¥24.3 billion to ¥10.4 billion as of March 31, 2017. The nonperforming loan ratio to the total claims was 0.22% as of March 31, 2017 improved from 0.79% recorded as of March 31, 2016, which remained at a low level.

Results of Operations (Consolidated) ¹

	<i>(Billions of yen)</i>			
	FY2016 (12 months)	FY2015 (12 months)	Change (Amount)	1H FY2016 (6 months)
Net interest income	122.2	122.3	-0.0	60.4
Noninterest income	106.2	94.2	11.9	52.7
Net fees and commissions	25.5	25.5	0.0	12.9
Net trading income	7.3	8.4	-1.0	4.8
Net other business income	73.3	60.3	13.0	34.9
Income on lease transactions and installment receivables	38.6	39.2	-0.5	19.3
Total revenue	228.5	216.6	11.9	113.2
General and administrative expenses	-142.4	-140.5	-1.9	-71.3
Ordinary business profit	86.0	76.0	10.0	41.8
Net credit costs	-31.8	-3.7	-28.1	-14.7
Ordinary business profit after net credit costs	54.1	72.3	-18.1	27.1
Amortization of goodwill and other intangible assets ²	-5.2	-7.2	2.0	-2.9
Other gains	2.8	-2.1	5.0	2.9
Income before income taxes	51.7	62.8	-11.0	27.0
Current income tax	-2.1	-1.9	-0.1	-1.9
Deferred income tax	0.9	0.5	0.3	-0.2
Profit attributable to noncontrolling interests	0.2	-0.3	0.6	0.0
Profit attributable to owners of the parent	50.7	60.9	-10.1	24.9

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)

	FY2016 (12 months)			FY2015 (12 months)			1H FY2016 (6 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	4,679.1	127.4	2.72	4,434.2	124.9	2.82	4,563.1	62.8	2.75
Lease receivables and leased investment assets / installment receivables ⁴	737.6	38.6	5.24	717.1	39.2	5.47	732.9	19.3	5.25
Securities	1,116.3	8.9	0.81	1,336.9	13.3	0.99	1,150.2	4.3	0.76
Other interest-earning assets ^{2,3}	185.9	2.0	***	277.8	2.5	***	205.2	1.0	***
Interest-earning assets totals (A) ⁴	6,719.0	177.1	2.64	6,766.2	179.9	2.66	6,651.5	87.6	2.63
Interest-bearing liabilities:									
Deposits, including negotiable certificates of deposit	5,846.4	7.8	0.13	5,624.2	8.4	0.15	5,781.1	3.7	0.13
Borrowed money	735.8	3.4	0.46	775.6	4.7	0.62	737.0	1.7	0.48
Subordinated debt	19.6	0.5	2.65	56.9	1.6	2.88	26.9	0.3	2.80
Other borrowed money	716.1	2.8	0.40	718.7	3.1	0.44	710.1	1.3	0.39
Corporate bonds	109.3	1.1	1.03	130.8	2.8	2.20	101.5	0.5	1.12
Subordinated bonds	31.5	0.7	2.51	74.7	2.5	3.41	31.6	0.4	2.52
Other corporate bonds	77.7	0.3	0.43	56.0	0.3	0.58	69.8	0.1	0.49
Other interest-bearing liabilities ²	591.8	3.8	***	611.9	2.2	***	583.5	1.7	***
Interest-bearing liabilities totals (B) ⁴	7,283.4	16.2	0.22	7,142.7	18.3	0.26	7,203.2	7.8	0.22
Net interest margin (A)-(B)	-	160.9	2.41	-	161.5	2.40	-	79.7	2.41
Noninterest-bearing sources of funds:									
Noninterest-bearing (assets) liabilities, net	-1,365.1	-	-	-1,133.5	-	-	-1,336.3	-	-
Total equity excluding noncontrolling interests in subsidiaries ⁵	800.6	-	-	757.0	-	-	784.6	-	-
Total noninterest-bearing sources of funds (C)	-564.4	-	-	-376.4	-	-	-551.7	-	-
Sum of total expense on interest-bearing liabilities and noninterest-bearing sources of funds (D) =(B)+(C)	6,719.0	16.2	0.24	6,766.2	18.3	0.27	6,651.5	7.8	0.23
Interest income / yield on interest earning assets (A)-(D) ⁴	-	160.9	2.40	-	161.5	2.39	-	79.7	2.39
Reconciliation of total revenue on interest-earning									
Total revenue on interest-earning assets	6,719.0	177.1	2.64	6,766.2	179.9	2.66	6,651.5	87.6	2.63
Less: Income on lease transactions and installment receivables	737.6	38.6	5.24	717.1	39.2	5.47	732.9	19.3	5.25
Total interest income⁴	5,981.4	138.4	2.32	6,049.0	140.7	2.33	5,918.5	68.2	2.30
Total interest expense	-	16.2	-	-	18.3	-	-	7.8	-
Net interest income	-	122.2	-	-	122.3	-	-	60.4	-

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 non interest-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)

	<i>(Billions of yen)</i>			
	FY2016 (12 months)	FY2015 (12 months)	Change (Amount)	1H FY2016 (6 months)
Institutional Business	40.1	31.6	8.5	15.7
Corporate Business	5.8	5.2	0.6	2.4
Structured Finance	12.4	5.1	7.3	4.4
Principal Transactions	7.3	2.8	4.5	1.6
Showa Leasing	14.4	18.4	-3.9	7.2
Global Markets Business	8.7	6.0	2.6	4.2
Markets	6.4	3.3	3.0	3.3
Others	2.2	2.6	-0.3	0.8
Individual Business	48.0	48.5	-0.4	23.3
Retail Banking	2.5	5.4	-2.8	1.3
Shinsei Financial and <i>Shinsei Bank Card Loan - Lake</i> ^{1,2}	-0.9	-2.0	1.1	-0.6
APLUS FINANCIAL	45.7	44.9	0.8	22.5
Others	0.6	0.2	0.4	0.1
Corporate/Other	9.2	8.0	1.2	9.3
Noninterest income	106.2	94.2	11.9	52.7

1. Income of Shinsei Financial and "Shinsei Bank Card Loan - Lake" in the Lake business (started on October 1, 2011) are combined on a management accounting basis.

2. Results for Shinsei Bank Lake and "Shinsei Bank Smart Card Loan Plus" (started on November 9, 2015) are combined on a management accounting basis.

The Institutional Business recorded noninterest income totaling ¥40.1 billion in fiscal year 2016, a ¥8.5 billion increase from ¥31.6 billion recorded in fiscal year 2015. While the gain on a sale of investment securities in Showa Leasing recorded in fiscal year 2015 did not recur in fiscal year 2016, A large gain on sales of securities was recorded and fee income increased in the Structured Finance Business in fiscal year 2016 as well as the absence of the loss recorded in fiscal year 2015 due to reassessment of a fund investment in the Principal Transactions Business.

The Global Markets Business recorded noninterest income totaling ¥8.7 billion, a ¥2.6 billion increase from ¥6.0 billion recorded in fiscal year 2015. This was due to revenue increase from customer transactions centered on derivatives transactions and the non-recurrence of the loss recorded in the markets related business in fiscal year 2015 caused by volatile market environment.

The Individual Business recorded noninterest income totaling ¥48.0 billion, a ¥0.4 billion decrease from ¥48.5 billion recorded in fiscal year 2015. This was due to revenues decrease related to the sale of asset management products in the Retail Banking Business despite robust performances in APLUS FINANCIAL businesses including Credit Cards.

Corporate/Others recorded noninterest income totaling ¥9.2 billion, a ¥1.2 billion increase from fiscal year 2015.

General and Administrative Expenses
(Consolidated)

(Billions of yen)

	FY2016 (12 months)	FY2015 (12 months)	Change (Amount)	1H FY2016 (6 months)
Personnel expenses	-56.6	-56.9	0.3	-28.5
Nonpersonnel expenses	-85.8	-83.5	-2.2	-42.8
Premises expenses	-19.6	-19.3	-0.3	-9.8
Technology and data processing expenses	-20.1	-19.3	-0.8	-10.0
Advertising expenses	-10.4	-10.4	0.0	-5.4
Consumption, property taxes, etc.	-9.7	-8.6	-1.1	-4.8
Deposit insurance premium	-2.0	-2.0	0.0	-1.0
Other general and administrative expenses	-23.7	-23.7	-0.0	-11.5
General and administrative expenses	-142.4	-140.5	-1.9	-71.3

Net Credit Costs
(Consolidated) ¹

(Billions of yen)

	FY2016 (12 months)	FY2015 (12 months)	Change (Amount)	1H FY2016 (6 months)
Losses on write-off of loans/Losses on sale of loans	-2.4	-1.3	-1.1	-1.1
Net provision of reserve for loan losses:	-34.6	-10.8	-23.8	-16.3
Net provision of general reserve for loan losses	-21.8	-21.8	-0.0	-10.9
Net provision of specific reserve for loan losses	-12.7	11.0	-23.7	-5.4
Net provision of reserve for loan losses to restructuring countries	0.0	0.0	0.0	0.0
Net provision of specific reserve for other credit losses	-0.2	-	-0.2	-
Other credit costs relating to leasing business	0.0	0.2	-0.1	0.0
Recoveries of written-off claims	5.3	8.1	-2.8	2.7
Net credit costs	-31.8	-3.7	-28.1	-14.7

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

Amortization of Goodwill and Other Intangible Assets
(Consolidated)

(Billions of yen)

	FY2016 (12 months)	FY2015 (12 months)	Change (Amount)	1H FY2016 (6 months)
Shinsei Financial	-3.0	-4.1	1.1	-1.7
Shinsei Personal Loan	0.3	0.3	-	0.1
APLUS FINANCIAL	-	-0.8	0.8	-
Showa Leasing	-2.5	-2.6	0.0	-1.3
Others	0.0	0.0	-	0.0
Amortization of goodwill and other intangible assets	-5.2	-7.2	2.0	-2.9

Other Gains (Consolidated)

(Billions of yen)

	FY2016 (12 months)	FY2015 (12 months)	Change (Amount)	1H FY2016 (6 months)
Extraordinary income	4.2	0.7	3.4	0.2
Net gain on disposal of premises and equipment	-0.2	0.4	-0.6	-0.0
Other extraordinary income	4.4	0.2	4.1	0.2
Provisions of reserve for losses on interest repayment	-5.1	-2.7	-2.4	-
Shinsei Financial	-	-	-	-
Shinsei Personal Loan	-2.0	-	-2.0	-
APLUS FINANCIAL	-3.1	-2.7	-0.4	-
Other	-	-	-	-
Other	3.8	-0.2	4.0	2.6
Other gains	2.8	-2.1	5.0	2.9

Profit Attributable to Noncontrolling Interests (Consolidated)

(Billions of yen)

	FY2016 (12 months)	FY2015 (12 months)	Change (Amount)	1H FY2016 (6 months)
Dividends on perpetual preferred securities (hybrid Tier I capital) issued by foreign SPCs	-0.1	-0.6	0.4	-0.1
Others	0.3	0.2	0.1	0.1
Profit attributable to noncontrolling interests	0.2	-0.3	0.6	0.0

Business Line Results (Consolidated)

(Billions of yen)

	FY2016 (12 months)	FY2015 (12 months)	Change (Amount)	1H FY2016 (6 months)
<i>Institutional Business:</i>				
Net interest income	21.9	25.3	-3.3	10.8
Noninterest income	40.1	31.6	8.5	15.7
Total revenue	62.1	56.9	5.1	26.5
General and administrative expenses	-28.6	-29.7	1.1	-14.2
Ordinary business profit	33.5	27.2	6.3	12.3
Net credit costs	-3.0	19.8	-22.9	-0.4
Ordinary business profit after net credit costs	30.4	47.0	-16.6	11.8
<i>Global Markets Business:</i>				
Net interest income	2.2	1.8	0.4	1.0
Noninterest income	8.7	6.0	2.6	4.2
Total revenue	11.0	7.8	3.1	5.2
General and administrative expenses	-6.9	-7.3	0.3	-3.4
Ordinary business profit	4.0	0.5	3.5	1.7
Net credit costs	0.0	0.3	-0.2	0.0
Ordinary business profit after net credit costs	4.1	0.9	3.2	1.7
<i>Individual Business:</i>				
Net interest income	98.0	90.7	7.2	48.4
Noninterest income	48.0	48.5	-0.4	23.3
Total revenue	146.0	139.3	6.7	71.8
General and administrative expenses	-103.9	-102.5	-1.3	-52.6
Ordinary business profit	42.1	36.7	5.3	19.1
Net credit costs	-28.7	-23.9	-4.7	-14.2
Ordinary business profit after net credit costs	13.4	12.7	0.6	4.9
<i>Corporate/Other¹:</i>				
Net interest income	-0.0	4.3	-4.3	0.1
Noninterest income	9.2	8.0	1.2	9.3
Total revenue	9.2	12.4	-3.1	9.5
General and administrative expenses	-2.9	-0.9	-2.0	-1.0
Ordinary business profit	6.3	11.5	-5.1	8.5
Net credit costs	-0.2	0.0	-0.2	-0.0
Ordinary business profit after net credit costs	6.1	11.5	-5.3	8.5
<i>Total:</i>				
Net interest income	122.2	122.3	-0.0	60.4
Noninterest income	106.2	94.2	11.9	52.7
Total revenue	228.5	216.6	11.9	113.2
General and administrative expenses	-142.4	-140.5	-1.9	-71.3
Ordinary business profit	86.0	76.0	10.0	41.8
Net credit costs	-31.8	-3.7	-28.1	-14.7
Ordinary business profit after net credit costs	54.1	72.3	-18.1	27.1

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.

Segment Information

Effective April 1, 2016, in order to further invigorate the facilitation of inter-Division collaboration within the Shinsei Bank Group as well as to enhance the mobility of the Bank's organization, the Bank retired its "Group" and "Sub-Group" structures and has introduced a new organizational structure under which the "Division" is the fundamental business management unit. Additionally, the Bank has revised its organizational structure through measures such as the reorganization of the segments within the Institutional Business and reportable segments have been changed as follows:

The "Corporate Business" segment of the "Institutional Business" now includes the business of "Shinsei Trust & Banking," previously included in the "Structured Finance" segment, and the business of the "New Business Promotion & Support Department," previously included in the "Principal Transactions" segment. Additionally, the expense allocation methods utilized in the "Institutional Business" have been revised and headquarter function associated expenses previously included within the "Corporate Business" segment have been allocated to the respective segments.

The "Shinsei Personal Loan" segment is now included as "NOLOAN" within the "Shinsei Financial and Shinsei Bank Lake" segment of the "Individual Business."

The operations of the "Financial Research Division," previously included in the "Other Global Markets" segment of the "Global Markets Business," is now included within the "Corporate/Other" segment.

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.

Global Markets Business:	Focuses primarily on financial markets business.
Markets	"Markets" is engaged in foreign exchange, derivatives, equity related and other capital markets transactions.
Others	"Others" consists of the profit and loss attributable to Shinsei Securities, asset management, wealth management and other products and services of the Global Markets Business.

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.
Others	The "Others" consists of profit and loss attributable to unallocated consumer finance business and other subsidiaries.

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)

	FY2016 (12 months)	FY2015 (12 months)	Change (Amount)	1H FY2016 (6 months)
<i>Corporate Business</i> ^{2,3} :				
Net interest income	11.2	10.3	0.8	5.4
Noninterest income	5.8	5.2	0.6	2.4
Total revenue	17.0	15.5	1.4	7.8
General and administrative expenses	-10.5	-11.6	1.0	-5.4
Ordinary business profit	6.4	3.9	2.5	2.4
Net credit costs	-0.3	-0.7	0.3	-0.1
Ordinary business profit after net credit costs	6.1	3.2	2.8	2.3
<i>Structured Finance</i> ^{2,3} :				
Net interest income	9.4	12.8	-3.4	4.6
Noninterest income	12.4	5.1	7.3	4.4
Total revenue	21.8	17.9	3.9	9.1
General and administrative expenses	-4.9	-4.7	-0.1	-2.4
Ordinary business profit	16.9	13.1	3.7	6.6
Net credit costs	-3.5	20.4	-24.0	-0.8
Ordinary business profit after net credit costs	13.3	33.6	-20.3	5.7
<i>Principal Transactions</i> ^{2,3} :				
Net interest income	2.5	4.3	-1.7	1.3
Noninterest income	7.3	2.8	4.5	1.6
Total revenue	9.9	7.2	2.7	2.9
General and administrative expenses	-4.3	-4.7	0.4	-2.1
Ordinary business profit	5.6	2.4	3.2	0.8
Net credit costs	-0.1	-0.2	0.1	0.1
Ordinary business profit after net credit costs	5.5	2.1	3.3	0.9
<i>Showa Leasing</i> ³ :				
Net interest income	-1.2	-2.1	0.9	-0.6
Noninterest income	14.4	18.4	-3.9	7.2
Total revenue	13.2	16.2	-3.0	6.5
General and administrative expenses	-8.8	-8.5	-0.2	-4.2
Ordinary business profit	4.4	7.6	-3.2	2.3
Net credit costs	1.0	0.4	0.6	0.3
Ordinary business profit after net credit costs	5.4	8.0	-2.5	2.7
<i>Institutional Business:</i>				
Net interest income	21.9	25.3	-3.3	10.8
Noninterest income	40.1	31.6	8.5	15.7
Total revenue	62.1	56.9	5.1	26.5
General and administrative expenses	-28.6	-29.7	1.1	-14.2
Ordinary business profit	33.5	27.2	6.3	12.3
Net credit costs	-3.0	19.8	-22.9	-0.4
Ordinary business profit after net credit costs	30.4	47.0	-16.6	11.8

1. Net of consolidation adjustments, if applicable.

2. The "Corporate Business" segment of the "Institutional Business" now includes the business of "Shinsei Trust & Banking," previously included in the "Structured Finance" segment, and the business of the "New Business Promotion & Support Department," previously included in the "Principal Transactions" segment.

3. The expense allocation methods utilized in the "Institutional Business" have been revised and headquarter function associated expenses previously included within the "Corporate Business" segment have been allocated to the respective segments.

Global Markets Business¹ (Consolidated)

(Billions of yen)

	FY2016 (12 months)	FY2015 (12 months)	Change (Amount)	1H FY2016 (6 months)
<i>Markets:</i>				
Net interest income	1.9	1.7	0.2	0.9
Noninterest income	6.4	3.3	3.0	3.3
Total revenue	8.3	5.1	3.2	4.3
General and administrative expenses	-3.3	-3.4	0.1	-1.6
Ordinary business profit	5.0	1.6	3.4	2.6
Net credit costs	0.0	0.1	-0.0	0.0
Ordinary business profit after net credit costs	5.1	1.7	3.4	2.7
<i>Others:</i>				
Net interest income	0.3	0.0	0.2	0.1
Noninterest income	2.2	2.6	-0.3	0.8
Total revenue	2.6	2.7	-0.1	0.9
General and administrative expenses	-3.6	-3.8	0.2	-1.8
Ordinary business profit	-1.0	-1.1	0.0	-0.8
Net credit costs	-0.0	0.2	-0.2	-0.0
Ordinary business profit after net credit costs	-1.0	-0.8	-0.1	-0.9
<i>Global Markets Business:</i>				
Net interest income	2.2	1.8	0.4	1.0
Noninterest income	8.7	6.0	2.6	4.2
Total revenue	11.0	7.8	3.1	5.2
General and administrative expenses	-6.9	-7.3	0.3	-3.4
Ordinary business profit	4.0	0.5	3.5	1.7
Net credit costs	0.0	0.3	-0.2	0.0
Ordinary business profit after net credit costs	4.1	0.9	3.2	1.7

1. Net of consolidation adjustments, if applicable.

Individual Business (Consolidated)¹

(Billions of yen)

	FY2016 (12 months)	FY2015 (12 months)	Change (Amount)	1H FY2016 (6 months)
<i>Retail banking:</i>				
Net interest income	23.4	21.5	1.9	11.8
Loans	10.8	10.3	0.4	5.4
Deposits	12.6	11.1	1.4	6.4
Noninterest income	2.5	5.4	-2.8	1.3
Asset Management Products	7.1	9.6	-2.5	3.6
Other Fees (ATM, Fund Transfer, FX etc.)	-4.6	-4.2	-0.3	-2.2
Total revenue	26.0	27.0	-0.9	13.2
General and administrative expenses	-33.5	-33.3	-0.2	-16.5
Ordinary business profit	-7.5	-6.3	-1.2	-3.2
Net credit costs	0.6	-0.1	0.8	0.6
Ordinary business profit after net credit costs	-6.8	-6.4	-0.3	-2.6
<i>Shinsei Financial and Shinsei Bank Lake^{2, 3}:</i>				
Net interest income	64.2	61.2	3.0	31.7
Shinsei Bank Lake	38.0	31.7	6.2	18.2
NOLOAN	6.5	6.9	-0.3	3.3
Noninterest income	-0.9	-2.0	1.1	-0.6
Total revenue	63.2	59.1	4.1	31.0
General and administrative expenses	-32.4	-32.2	-0.2	-16.9
Ordinary business profit	30.7	26.8	3.9	14.1
Net credit costs	-20.5	-15.2	-5.3	-10.1
Ordinary business profit after net credit costs	10.2	11.6	-1.3	3.9
<i>APLUS FINANCIAL:</i>				
Net interest income	9.0	6.8	2.1	4.3
Noninterest income	45.7	44.9	0.8	22.5
Total revenue	54.8	51.7	3.0	26.8
General and administrative expenses	-37.0	-36.1	-0.8	-18.7
Ordinary business profit	17.8	15.6	2.1	8.1
Net credit costs	-8.6	-8.7	0.1	-4.7
Ordinary business profit after net credit costs	9.2	6.8	2.3	3.3
<i>Others⁴:</i>				
Net interest income	1.2	1.1	0.1	0.4
Noninterest income	0.6	0.2	0.4	0.1
Total revenue	1.8	1.3	0.5	0.6
General and administrative expenses	-0.8	-0.7	-0.0	-0.3
Ordinary business profit	1.0	0.5	0.4	0.2
Net credit costs	-0.2	0.1	-0.4	0.0
Ordinary business profit after net credit costs	0.8	0.7	0.0	0.2
<i>Individual Business:</i>				
Net interest income	98.0	90.7	7.2	48.4
Noninterest income	48.0	48.5	-0.4	23.3
Total revenue	146.0	139.3	6.7	71.8
General and administrative expenses	-103.9	-102.5	-1.3	-52.6
Ordinary business profit	42.1	36.7	5.3	19.1
Net credit costs	-28.7	-23.9	-4.7	-14.2
Ordinary business profit after net credit costs	13.4	12.7	0.6	4.9

1. Net of consolidation adjustments, if applicable.

2. Results for Shinsei Financial and "Shinsei Bank Card Loan - Lake" in the Lake business (started on October 1, 2011) are combined on a management accounting basis.

3. Results for Shinsei Bank Lake and "Shinsei Bank Smart Card Loan Plus" (started on November 9, 2015) are combined on a management accounting basis.

4. Includes Shinsei Property Finance and unallocated consumer finance business financials.

Corporate/Other (Consolidated)¹

(Billions of yen)

	FY2016 (12 months)	FY2015 (12 months)	Change (Amount)	1H FY2016 (6 months)
<i>Treasury:</i>				
Net interest income	-0.0	4.3	-4.4	0.1
Noninterest income	7.1	7.1	-0.0	7.5
Total revenue	7.0	11.5	-4.4	7.7
General and administrative expenses	-1.7	-1.6	-0.0	-0.8
Ordinary business profit	5.3	9.8	-4.4	6.8
Net credit costs	-	-	-	-
Ordinary business profit after net credit costs	5.3	9.8	-4.4	6.8
<i>Corporate/Other (excluding Treasury)¹:</i>				
Net interest income	0.0	-0.0	0.0	0.0
Noninterest income	2.1	0.8	1.2	1.8
Total revenue	2.1	0.8	1.3	1.8
General and administrative expenses	-1.2	0.7	-2.0	-0.1
Ordinary business profit	0.9	1.6	-0.7	1.6
Net credit costs	-0.2	0.0	-0.2	-0.0
Ordinary business profit after net credit costs	0.7	1.6	-0.9	1.6
<i>Corporate/Other¹:</i>				
Net interest income	-0.0	4.3	-4.3	0.1
Noninterest income	9.2	8.0	1.2	9.3
Total revenue	9.2	12.4	-3.1	9.5
General and administrative expenses	-2.9	-0.9	-2.0	-1.0
Ordinary business profit	6.3	11.5	-5.1	8.5
Net credit costs	-0.2	0.0	-0.2	-0.0
Ordinary business profit after net credit costs	6.1	11.5	-5.3	8.5

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.

Major Balance Sheet Data

(Consolidated)

(Billions of yen)

	Mar 31 2017	Mar 31 2016	Change (Amount)
Loans and bills discounted	4,833.4	4,562.9	270.5
Installment receivables	541.4	516.3	25.0
Leased assets, lease receivables and leased investment assets	213.9	232.5	-18.6
Securities	1,014.6	1,227.8	-213.2
Other monetary claims purchased	44.2	81.7	-37.5
Other interest earning assets ¹	1,404.7	1,133.4	271.3
Trading assets	244.1	336.3	-92.2
Monetary assets held in trust	241.6	255.5	-13.8
Goodwill, net	14.6	18.1	-3.4
Other intangible assets ²	2.5	4.1	-1.6
Other assets	456.3	370.8	85.5
Customer's liabilities for acceptances and guarantees	346.6	280.6	66.0
Reserve for credit losses	-100.1	-91.7	-8.4
Total assets (includes others)	9,258.3	8,928.7	329.5
Deposits and negotiable certificates of deposit	5,862.9	5,800.9	61.9
Borrowed money	789.6	801.7	-12.0
Corporate bonds	112.6	95.1	17.4
Other interest bearing liabilities ³	602.6	328.1	274.5
Trading liabilities	212.2	294.3	-82.0
Reserve for losses on interest repayments	101.8	133.6	-31.8
Other liabilities	408.8	401.0	7.8
Acceptances and guarantees	346.6	280.6	66.0
Total liabilities (includes others)	8,437.5	8,135.6	301.8
Total equity	820.7	793.1	27.6

1. Includes cash and due from banks, call loans, receivables under resale agreements and collateral related to securities borrowing transactions.

2. Intangible assets recorded through consolidation of Shinsei Financial and Showa Leasing.

3. Includes call money, payables under repurchase agreements, collateral related to securities lending transactions, debentures and short-term corporate bonds.

Reserve for Credit Losses

(Consolidated)

(Billions of yen)

	Mar 31 2017	Mar 31 2016	Change (Amount)
General reserve for loan losses	68.9	64.5	4.4
Specific reserve for loan losses	31.2	27.1	4.0
Reserve for loans to restructuring countries	0.0	0.0	-0.0
Total reserve for credit losses	100.1	91.7	8.4

Risk Monitored Loans

(Consolidated)

(Billions of yen)

	Mar 31 2017	Mar 31 2016	Change (Amount)
Loans to bankrupt obligors	4.6	4.3	0.3
Nonaccrual delinquent loans	33.3	62.3	-28.9
Loans past due for three months or more	1.7	1.6	0.0
Restructured loans	32.0	26.9	5.0
Total (A)	71.7	95.3	-23.6
Loans and bills discounted (B)	4,833.4	4,562.9	270.5
Ratio to total loans and bills discounted (A/B X 100)	1.48%	2.09%	
Reserve for credit losses (C)	100.1	91.7	8.4
Reserve ratio (C/A X 100) (%)	139.6%	96.2%	

Loans by Borrower Industry (Consolidated)

(Billions of yen)

	Mar 31 2017	Mar 31 2016	Change (Amount)
Domestic offices (excluding Japan offshore market accounts):			
Manufacturing	198.9	197.3	1.5
Agriculture and forestry	0.0	0.0	-0.0
Fishery	0.0	0.1	-0.0
Mining, quarrying and gravel extraction	0.3	0.2	0.1
Construction	8.9	10.5	-1.5
Electrical, natural gas and water supply	230.7	235.6	-4.8
Information and communications	42.9	37.3	5.5
Transportation and postal service	188.0	181.4	6.5
Wholesale and retail	114.5	104.3	10.2
Finance and insurance	573.8	541.4	32.3
Real estate	575.6	608.1	-32.5
Services	330.1	308.2	21.8
Local government	76.7	79.4	-2.7
Others	2,389.1	2,157.9	231.2
Loans to individual customers (retail banking, Shinsei Bank Lake, Shinsei Financial, and APLUS FINANCIAL)	1,974.4	1,806.4	167.9
Total domestic (A)	4,730.0	4,462.2	267.7
Overseas offices (including Japan offshore market accounts):			
Governments	0.5	0.7	-0.1
Financial institutions	7.3	8.5	-1.2
Others	95.4	91.3	4.1
Total overseas (B)	103.3	100.6	2.7
Total (A+B)	4,833.4	4,562.9	270.5

Securities by Category (Consolidated)

	<i>(Billions of yen)</i>		
	Mar 31 2017	Mar 31 2016	Change (Amount)
Trading securities	0.0	0.0	-0.0
Securities being held to maturity	496.2	559.5	-63.2
Available-for-sale Securities	468.3	621.1	-152.7
Securities carried at fair value	424.0	574.7	-150.7
Securities carried at cost whose fair value cannot be reliably determined	44.3	46.4	-2.0
Equity securities of unconsolidated subsidiaries and affiliates	49.9	47.1	2.8
Securities	1,014.6	1,227.8	-213.2

Securities Being Held to Maturity (Consolidated)

	<i>(Billions of yen)</i>					
	Mar 31, 2017			Mar 31, 2016		
	Carrying amount	Fair value	Unrealized gain (loss)	Carrying amount	Fair value	Unrealized gain (loss)
Fair value exceeds carrying amount						
Japanese national government bonds	493.5	499.1	5.5	535.8	544.2	8.3
Other	2.7	2.8	0.1	23.7	24.4	0.7
Subtotal	496.2	502.0	5.7	559.5	568.6	9.0
Fair value does not exceed carrying amount						
Japanese national government bonds	-	-	-	-	-	-
Other	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-
Total	496.2	502.0	5.7	559.5	568.6	9.0

Securities Available for Sale (Consolidated)

(Billions of yen)

	Mar 31, 2017			Mar 31, 2016		
	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	26.6	11.8	14.7	20.0	11.0	8.9
Domestic bonds	33.9	33.5	0.3	231.2	226.7	4.4
Japanese national government bonds	2.0	2.0	0.0	194.3	191.3	2.9
Japanese local government bonds	-	-	-	0.5	0.5	0.0
Japanese corporate bonds	31.8	31.5	0.3	36.4	34.8	1.5
Other	144.1	141.4	2.7	159.0	156.0	3.0
Foreign securities	133.6	132.1	1.5	150.7	148.7	1.9
Foreign currency denominated foreign corporate and government bonds	87.6	86.6	0.9	104.8	103.1	1.7
Yen-denominated foreign corporate and government bonds	46.0	45.4	0.5	45.8	45.6	0.2
Foreign equity securities and others	0.0	0.0	0.0	0.0	0.0	0.0
Other securities	6.6	5.5	1.0	8.0	7.0	1.0
Other monetary claims purchased	3.8	3.7	0.1	0.2	0.2	0.0
Subtotal	204.7	186.8	17.8	410.3	393.9	16.4
Carrying amount does not exceed amortized/acquisition cost						
Equity securities	0.8	1.0	-0.2	2.0	2.2	-0.2
Domestic bonds	85.9	87.0	-1.0	52.6	53.0	-0.4
Japanese national government bonds	-	-	-	19.9	20.0	-0.1
Japanese local government bonds	-	-	-	-	-	-
Japanese corporate bonds	85.9	87.0	-1.0	32.7	33.0	-0.2
Other	137.6	139.9	-2.3	126.5	127.4	-0.8
Foreign securities	135.5	137.9	-2.3	109.8	110.5	-0.7
Foreign currency denominated foreign corporate and government bonds	83.4	85.0	-1.6	58.8	59.2	-0.3
Yen-denominated foreign corporate and government bonds	50.9	51.6	-0.6	50.7	51.1	-0.3
Foreign equity securities and others	1.1	1.2	-0.0	0.1	0.1	-
Other securities	0.7	0.8	-0.0	0.1	0.1	-0.0
Other monetary claims purchased	1.2	1.2	-0.0	16.6	16.7	-0.1
Subtotal	224.4	228.0	-3.6	181.2	182.7	-1.5
Total ^{1, 2}	429.1	414.9	14.2	591.6	576.6	14.9

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 March 31, 2017 and March 31, 2016 were ¥424.0 billion and ¥574.7 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)

	Mar 31, 2017	Mar 31, 2016
Unrealized gain (loss) before deferred tax on:		
Available-for-sale securities	14.2	14.9
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	1.2	2.2
Securities being held to maturity, reclassified from available-for-sale in the past, under extremely illiquid market conditions	-0.1	-0.7
Other monetary assets held in trust	-0.6	-1.0
(-) Deferred tax liabilities	3.1	3.6
Unrealized gain (loss) on available-for-sale securities before interest adjustments	11.5	11.8
(-) Noncontrolling interests	0.0	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	-1.2	0.1
Unrealized gain (loss) on available-for-sale securities	10.2	11.9

Deposits (Consolidated)

(Billions of yen)

	Mar 31 2017	Mar 31 2016	Change (Amount)
Deposits	5,489.2	5,499.9	-10.7
Liquid (current, ordinary, notice) deposits	2,262.5	2,049.2	213.3
Time deposits ¹	2,756.7	3,005.6	-248.9
Other	469.9	445.1	24.8
Negotiable certificates of deposits (NCDs)	373.6	301.0	72.6
Total	5,862.9	5,800.9	61.9

1. Includes two-week maturity deposits

Hedge-Accounting Derivative Transactions (Consolidated)

(Billions of yen)

Notional Principal Amount	Mar 31, 2017			Total
	1 year or less	Over 1 year to 5 years	Over 5 years	
Interest rate swaps:				
Receive fixed and pay floating	86.4	360.0	46.0	492.4
Receive floating and pay fixed	10.5	96.4	136.9	243.9
Receive floating and pay floating	-	-	-	-
Total notional principal amount	96.9	456.4	182.9	736.3
Currency swaps				
Total notional principal amount	51.6	190.4	50.2	292.4

Financial Ratios (Consolidated)

	FY2016 (12 months)	FY2015 (12 months)	1H FY2016 (6 months)
Return on assets ¹	0.6%	0.7%	0.6% ⁵
Return on equity ²	6.3%	8.1%	6.3% ⁵
Return on equity (fully diluted) ³	6.3%	8.1%	6.3% ⁵
Return on risk asset ⁴	0.8%	1.1%	0.9% ⁵
Expense-to-revenue ratio ^{6, 7}	62.3%	64.9%	63.0%

1. Return on assets:

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

2. Return on equity:

Profit (Losses) Attributable to Owners of the Parent
(Total equity eligible for common shareholders at the BOP + Total equity eligible for common shareholders at the EOP)/2

3. 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

4. Return on Risk Asset:

Profit (Losses) Attributable to Owners of the Parent
Risk-weighted assets at the EOP (Basel 3, international standard fully loaded basis)

5. Annualized basis.

6. Management accounting basis.

7. Expense denotes general and administrative expenses.

Capital Adequacy Related Information (Consolidated)

<Basel 3, Domestic Standard¹>

	<i>(Billions of yen, except percentages)</i>		
	Mar 31 2017	Mar 31 2016	Change (Amount)
Core capital: instruments and reserves	866.3	855.9	10.3
Core capital: regulatory adjustments	-53.9	-46.4	-7.4
Capital	812.3	809.5	2.8
Total amount of Risk-weighted assets	6,219.9	5,698.1	521.8
Consolidated core capital adequacy ratio	13.06%	14.20%	

1. Calculated according to F-IRB.

Consolidated total required capital is ¥551.3billion as at March 31, 2017, ¥501.3billion as at March 31, 2016.

Per Share Data (Consolidated)

(Yen)

	FY2016 (12 months)	FY2015 (12 months)	Change (Amount)	1H FY2016 (6 months)
Common equity	316.38	294.41	21.97	303.96
Fully diluted equity	316.37	294.41	21.95	303.94
Basic EPS	19.46	22.96	-3.50	9.51
Diluted EPS	19.46	22.96	-3.50	9.50
For calculation of per share data (Does not include treasury shares) :				
Equity:				
Number of common shares (Consolidated)	2,588,390,929	2,653,917,147		2,588,353,147
Fully diluted number of shares (Consolidated)	2,588,524,471	2,653,918,679		2,588,486,586
EPS				
Number of common shares (Consolidated)	2,607,680,782	2,653,918,029		2,622,093,355
Fully diluted number of shares (Consolidated)	2,607,794,202	2,653,919,561		2,622,186,690

Consolidated Balance Sheets

(Millions of yen)

	Mar 31 2017	Mar 31 2016	Change (Amount)
<<Assets>>			
Cash and due from banks	1,398,691	1,129,213	269,478
Call loans and bills bought	4,472	—	4,472
Receivables under securities borrowing transactions	1,625	4,243	(2,617)
Other monetary claims purchased	44,243	81,763	(37,519)
Trading assets	244,113	336,345	(92,231)
Monetary assets held in trust	241,681	255,526	(13,845)
Securities	1,014,635	1,227,859	(213,224)
Loans and bills discounted	4,833,452	4,562,923	270,528
Foreign exchanges	19,617	17,024	2,593
Lease receivables and leased investment assets	191,488	211,453	(19,965)
Other assets	895,158	799,420	95,738
Premises and equipment	47,980	48,781	(800)
Intangible assets	52,020	48,897	3,123
Goodwill	14,683	18,114	(3,430)
Assets for retirement benefits	7,075	2,394	4,681
Deferred issuance expenses for debentures	0	3	(2)
Deferred tax assets	15,542	14,050	1,492
Customers' liabilities for acceptances and guarantees	346,675	280,620	66,054
Reserve for credit losses	(100,154)	(91,732)	(8,422)
Total assets	9,258,324	8,928,789	329,534
<<Liabilities>>			
Deposits	5,489,248	5,499,992	(10,744)
Negotiable certificates of deposit	373,673	301,001	72,672
Debentures	6,561	16,740	(10,178)
Call money and bills sold	53,600	40,000	13,600
Payables under repurchase agreements	36,467	23,779	12,688
Payables under securities lending transactions	337,952	118,139	219,812
Trading liabilities	212,241	294,326	(82,085)
Borrowed money	789,670	801,742	(12,071)
Foreign exchanges	102	75	27
Short-term corporate bonds	168,000	129,400	38,600
Corporate bonds	112,600	95,121	17,478
Other liabilities	388,307	380,458	7,848
Accrued employees' bonuses	8,519	8,419	100
Accrued directors' bonuses	75	77	(1)
Liabilities for retirement benefits	8,256	8,791	(535)
Reserve for reimbursement of debentures	3,737	2,903	833
Reserve for losses on interest repayments	101,846	133,695	(31,849)
Deferred tax liabilities	—	378	(378)
Acceptances and guarantees	346,675	280,620	66,054
Total liabilities	8,437,537	8,135,665	301,872
<<Equity>>			
Shareholders' equity:			
Common stock	512,204	512,204	—
Capital surplus	78,506	79,461	(955)
Retained earnings	312,538	267,716	44,822
Treasury stock, at cost	(79,539)	(72,559)	(6,980)
Total shareholders' equity	823,710	786,823	36,886
Accumulated other comprehensive income:			
Unrealized gain (loss) on available-for-sale securities	10,299	11,911	(1,612)
Deferred gain (loss) on derivatives under hedge accounting	(13,925)	(14,770)	845
Foreign currency translation adjustments	199	362	(163)
Defined retirement benefit plans	(1,344)	(2,970)	1,625
Total accumulated other comprehensive income	(4,770)	(5,466)	696
Stock acquisition rights	584	512	71
Noncontrolling interests	1,262	11,254	(9,992)
Total equity	820,786	793,124	27,662
Total liabilities and equity	9,258,324	8,928,789	329,534

Consolidated Statements of Income

(Millions of yen)

	FY2016 (12 months)	FY2015 (12 months)	Change (Amount)
Ordinary income	380,444	375,732	4,712
Interest income	138,488	140,739	(2,251)
Interest on loans and bills discounted	127,468	124,928	2,539
Interest and dividends on securities	8,991	13,300	(4,309)
Other interest income	2,028	2,510	(481)
Fees and commissions income	49,207	47,357	1,849
Trading income	7,373	8,598	(1,224)
Other business income	159,280	150,925	8,355
Other ordinary income	26,095	28,111	(2,016)
Ordinary expenses	332,901	313,641	19,259
Interest expenses	16,209	18,394	(2,184)
Interest on deposits	7,761	8,212	(450)
Interest on borrowings	3,413	4,792	(1,378)
Interest on corporate bonds	1,126	2,877	(1,751)
Other interest expenses	3,907	2,512	1,395
Fees and commissions expenses	23,704	21,864	1,840
Trading losses	—	170	(170)
Other business expenses	96,463	100,883	(4,419)
General and administrative expenses	149,497	148,791	705
Amortization of goodwill	3,559	5,256	(1,696)
Amortization of intangible assets acquired in business combinations	1,684	2,161	(477)
Other general and administrative expenses	144,253	141,373	2,879
Other ordinary expenses	47,026	23,537	23,489
Provision of reserve for credit losses	34,828	10,802	24,025
Other	12,198	12,734	(535)
Ordinary profit	47,542	62,090	(14,547)
Extraordinary gains	5,756	1,714	4,042
Extraordinary losses	1,544	987	556
Income before income taxes	51,755	62,817	(11,061)
Income taxes (benefit):			
Income taxes (benefit) - current	2,139	1,999	139
Income taxes (benefit) - deferred	(900)	(511)	(388)
Income taxes (benefit)	1,238	1,488	(249)
Profit	50,517	61,329	(10,812)
Profit (loss) attributable to noncontrolling interests	(242)	378	(620)
Profit attributable to owners of the parent	50,759	60,951	(10,191)

Consolidated Statements of Comprehensive Income

(Millions of yen)

	FY2016 (12 months)	FY2015 (12 months)	Change (Amount)
Profit	50,517	61,329	(10,812)
Other comprehensive income			
Unrealized gain (loss) on available-for-sale securities	(273)	993	(1,267)
Deferred gain (loss) on derivatives under hedge accounting	845	(3,269)	4,114
Foreign currency translation adjustments	(2,289)	(1,474)	(814)
Defined retirement benefit plans	1,625	(2,475)	4,100
Share of other comprehensive income in affiliates	192	(2,415)	2,607
Other comprehensive income	100	(8,641)	8,741
Comprehensive income	50,617	52,687	(2,070)
(Breakdown)			
Attributable to:			
Owners of the parent	51,455	52,988	(1,532)
Noncontrolling interests	(838)	(300)	(537)

Consolidated Statement of Changes in Equity

For the fiscal year ended March 31, 2017

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock at cost	Total shareholders' equity
Balance at beginning of the year	512,204	79,461	267,716	(72,559)	786,823
Changes during the year					
Dividends			(2,653)		(2,653)
Profit attributable to owners of the parent			50,759		50,759
Purchase of treasury stock				(12,096)	(12,096)
Disposal of treasury stock		(3,258)		5,115	1,856
Transfer to capital surplus from retained earnings		3,258	(3,258)		—
Changes in ownership interest of the parent related to transactions with noncontrolling interests		(955)			(955)
Decrease by inclusion of consolidated subsidiaries			(2)		(2)
Increase by exclusion of consolidated subsidiaries			1		1
Decrease by exclusion of consolidated subsidiaries			(23)		(23)
Net changes during the year excluding shareholders' equity					
Total changes during the year	—	(955)	44,822	(6,980)	36,886
Balance at end of the year	512,204	78,506	312,538	(79,539)	823,710

	Accumulated other comprehensive income					Stock acquisition rights	Noncontrolling interests	Total equity
	Unrealized gain (loss) on available-for-sale securities	Deferred gain (loss) on derivatives under hedge accounting	Foreign currency translation adjustments	Defined retirement benefit plans	Total accumulated other comprehensive income			
Balance at beginning of the year	11,911	(14,770)	362	(2,970)	(5,466)	512	11,254	793,124
Changes during the year								
Dividends								(2,653)
Profit attributable to owners of the parent								50,759
Purchase of treasury stock								(12,096)
Disposal of treasury stock								1,856
Transfer to capital surplus from retained earnings								—
Changes in ownership interest of the parent related to transactions with noncontrolling interests								(955)
Decrease by inclusion of consolidated subsidiaries								(2)
Increase by exclusion of consolidated subsidiaries								1
Decrease by exclusion of consolidated subsidiaries								(23)
Net changes during the year excluding shareholders' equity	(1,612)	845	(163)	1,625	696	71	(9,992)	(9,224)
Total changes during the year	(1,612)	845	(163)	1,625	696	71	(9,992)	27,662
Balance at end of the year	10,299	(13,925)	199	(1,344)	(4,770)	584	1,262	820,786

Consolidated Statements of Cash Flows

(Millions of yen)

	FY2016 (12 months)	FY2015 (12 months)	Change
I. Cash flows from operating activities:			
Income (loss) before income taxes	51,755	62,817	(11,061)
Depreciation (other than leased assets as lessor)	12,517	10,436	2,081
Amortization of goodwill	3,559	5,256	(1,696)
Amortization of intangible assets acquired in business combinations	1,684	2,161	(477)
Impairment losses	450	636	(186)
Equity in net (income) loss of affiliates	(2,821)	(2,126)	(694)
Net change in reserve for credit losses	8,788	(16,500)	25,289
Net change in accrued employees' bonuses	114	(354)	469
Net change in assets for retirement benefits	(4,681)	1,231	(5,912)
Net change in liabilities for retirement benefits	(535)	49	(585)
Net change in reserve for reimbursement of debentures	833	2,903	(2,070)
Net change in reserve for losses on interest repayments	(31,849)	(36,555)	4,705
Net change in other reserves	(1)	(106)	104
Interest income	(138,488)	(140,739)	2,251
Interest expenses	16,209	18,394	(2,184)
(Gain) loss on securities sold	(13,673)	(1,949)	(11,723)
(Gain) loss on monetary assets held in trust	(2,561)	(5,485)	2,924
Net exchange (gain) loss	1,768	20,111	(18,342)
Net (gain) loss on disposal of premises and equipment	219	(473)	693
Net change in trading assets	92,231	(18,946)	111,178
Net change in trading liabilities	(82,085)	26,349	(108,435)
Net change in loans and bills discounted	(270,492)	(101,633)	(168,859)
Net change in deposits	(10,763)	132,803	(143,567)
Net change in negotiable certificates of deposit	72,672	215,436	(142,763)
Net change in debentures	(10,178)	(15,560)	5,381
Net change in borrowed money (other than subordinated debt)	36,428	4,139	32,289
Net change in corporate bonds (other than subordinated corporate bonds)	17,478	22,875	(5,397)
Net change in deposits (other than cash equivalents)	(21,747)	5,755	(27,503)
Net change in call loans	(4,472)	83,216	(87,689)
Net change in other monetary claims purchased	37,682	9,134	28,547
Net change in receivables under securities borrowing transactions	2,617	4,507	(1,889)
Net change in call money and bills sold	26,288	(195,372)	221,660
Net change in payables under securities lending transactions	219,812	14,769	205,043
Net change in foreign exchange assets and liabilities	(2,566)	1,560	(4,127)
Net change in short-term corporate bonds (liabilities)	38,600	33,400	5,200
Net change in net trust account	—	(162)	162
Interest received	140,878	137,928	2,949
Interest paid	(14,216)	(17,039)	2,823
Net change in trading securities	7	38	(30)
Net change in monetary assets held in trust	12,269	16,217	(3,948)
Net change in leased receivables and leased investment assets	9,271	15,623	(6,351)
Others, net	(14,782)	(116,326)	101,544
Subtotal	178,224	178,422	(198)
Income taxes paid	(2,548)	(2,620)	72
Net cash provided by (used in) operating activities	175,676	175,802	(125)
II. Cash flows from investing activities:			
Purchase of securities	(1,687,840)	(4,129,938)	2,442,098
Proceeds from sale of securities	1,670,739	4,137,694	(2,466,955)
Proceeds from maturity of securities	164,298	225,688	(61,390)
Investment in monetary assets held in trust	(106,728)	(153,252)	46,523
Proceeds from cancellation, sale and dividends of monetary assets held in trust	111,222	121,137	(9,914)
Purchase of premises and equipment (other than leased assets as lessor)	(4,799)	(3,982)	(816)
Purchase of intangible assets (other than leased assets as lessor)	(14,064)	(11,279)	(2,784)
Purchase of investments in subsidiaries resulting in change in scope of consolidation	(443)	(1,479)	1,036
Proceeds from sale of investments in subsidiaries resulting in change in scope of consolidation	3,062	—	3,062
Others, net	(38)	1,587	(1,626)
Net cash provided by (used in) investing activities	135,407	186,174	(50,767)
III. Cash flows from financing activities:			
Repayment of subordinated debt	(38,600)	(7,400)	(31,200)
Payment for redemption of subordinated corporate bonds	—	(87,849)	87,849
Proceeds from noncontrolling shareholders of subsidiaries	50	1	48
Repayments to noncontrolling shareholders	(6,439)	(9,000)	2,560
Dividends paid	(2,653)	(2,653)	0
Dividends paid to noncontrolling shareholders of subsidiaries	(451)	(987)	535
Purchase of treasury stock	(12,096)	(0)	(12,095)
Purchase of investments in subsidiaries not resulting in change in scope of consolidation	(1,321)	(0)	(1,321)
Net cash provided by (used in) financing activities	(61,512)	(107,889)	46,376
IV. Foreign currency translation adjustments on cash and cash equivalents	(60)	(95)	35
V. Net change in cash and cash equivalents	249,510	253,991	(4,481)
VI. Cash and cash equivalents at beginning of the year	1,080,357	826,365	253,991
VII. Cash and cash equivalents at end of the year	1,329,867	1,080,357	249,510

COMPOSITION OF CAPITAL DISCLOSURE (CONSOLIDATED)

Shinsei Bank and subsidiaries

As of March 31, 2017

Items	Millions of yen (except percentages)	
	Basel III (Domestic Standard)	Amounts excluded under transitional
Core capital: instruments and reserves (1)		
Directly issued qualifying common share capital or preferred share capital with a compulsory conversion clause plus related capital surplus and retained earnings	¥ 821,122	
of which: capital and capital surplus	590,711	
of which: retained earnings	312,538	
of which: treasury stock (-)	79,539	
of which: earning to be distributed (-)	2,588	
of which: other than above	-	
Accumulated other comprehensive income (amount allowed to be included in Core capital)	(607)	¥ (537)
of which: foreign currency translation adjustment	199	
of which: amount related defined benefit	(806)	(537)
Stock acquisition right to common shares and preferred shares with a compulsory conversion clause	584	
Adjusted noncontrolling interests (amount allowed to be included in Core capital)	8	
Total of reserves included in Core capital: instruments and reserves	216	
of which: general reserve for loan losses included in Core capital	216	
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)	43,800	
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)	1,192	
Core capital: instruments and reserves (A)	¥ 866,317	
Core capital: regulatory adjustments (2)		
Total amount of intangible assets (excluding those relating to mortgage servicing rights)	¥ 30,865	¥ 9,633
of which: goodwill (including those equivalent)	14,683	-
of which: other intangibles other than goodwill and mortgage servicing rights	16,181	9,633
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	4,823	3,215
Shortfall of eligible provisions to expected losses	9,891	-
Gain on sale of securitization	5,442	-
Gains and losses due to changes in own credit risk on fair valued liabilities	-	-
Net defined benefit asset	2,935	1,956
Investments in own shares (excluding those reported in the net assets section)	-	-
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)	¥ 53,957	
Capital (consolidated)		
Capital (consolidated)((A)-(B))(C)	¥ 812,359	
Risk-weighted assets, etc.		
Total amount of credit risk-weighted assets	¥ 5,686,247	
of which: total amount included in risk-weighted assets by transitional arrangements	12,229	
of which: intangible assets (excluding those relating to goodwill and mortgage servicing rights)	9,633	
of which: deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	3,215	
of which: net defined benefit asset	1,956	
of which: significant investments in the common stock of Other Financial Institutions (net of eligible short positions)	(2,575)	
of which: other than above	-	
Market risk (derived by multiplying the capital requirement by 12.5)	158,920	
Operational risk (derived by multiplying the capital requirement by 12.5)	374,813	
Credit risk-weighted assets adjustments	-	
Operational risk adjustments	-	
Total amount of Risk-weighted assets (D)	¥ 6,219,981	
Capital ratio (consolidated)		
Capital ratio (consolidated)((C)/(D))	13.06%	

(Reference) Results of Operations (Consolidated)

(Millions of yen)

	FY2016 (12 months) (A)	FY2015 (12 months) (B)	Change (A)-(B)
Gross Business Profit	221,949	212,838	9,110
(excluding Gains on Monetary Assets Held in Trust)	218,017	206,232	11,785
Net Interest Income	122,278	122,345	(67)
Net Fees and Commissions	25,522	25,515	7
Net Trading Income	7,373	8,427	(1,053)
Net Other Business Income	66,775	56,551	10,224
Gains on Monetary Assets Held in Trust	3,931	6,606	(2,674)
Gains related to Bonds	9,131	5,753	3,378
General and Administrative Expenses	147,723	147,855	(131)
Personnel Expenses	56,629	56,980	(351)
Nonpersonnel Expenses	81,340	82,236	(896)
Amortization of Goodwill and Intangible Assets	5,243	7,417	(2,173)
Taxes	9,754	8,638	1,115
Net Business Profit	74,225	64,983	9,242
Credit Costs	31,898	3,730	28,168
Gains on Stock Transactions	3,759	1,636	2,123
Equity in Net Income (Loss) of Affiliates	2,821	2,126	694
Other	(1,364)	(2,925)	1,560
Ordinary Profit	47,542	62,090	(14,547)
Extraordinary Gains	4,212	726	3,486
Gains from Sales of Fixed Assets and Impairment losses	(669)	(162)	(507)
Income before Income Taxes	51,755	62,817	(11,061)
Income Taxes - Current	2,139	1,999	139
Income Taxes - Deferred	(900)	(511)	(388)
Profit Attributable to Noncontrolling Interests	(242)	378	(620)
Profit Attributable to Owners of the Parents	50,759	60,951	(10,191)

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)

	FY2016 (12 months)	FY2015 (12 months)	Change (Amount)	1H FY2016 (6 months)
Net interest income	90.9	93.7	-2.7	47.7
Noninterest income	20.1	15.4	4.6	10.5
Net fees and commissions ¹	-2.9	-0.3	-2.6	-2.4
Net trading income	4.0	4.8	-0.7	3.7
Net other business income	19.0	10.9	8.1	9.2
Total revenue ¹	111.1	109.2	1.9	58.2
Personnel expenses	-26.9	-26.6	-0.3	-13.6
Nonpersonnel expenses	-44.8	-43.5	-1.3	-22.1
Taxes	-5.8	-5.0	-0.7	-2.8
General and administrative expenses	-77.6	-75.2	-2.3	-38.7
Net business profit ¹	33.5	33.9	-0.4	19.5
Other gains				
Gains on the sales of equities	2.7	-2.9	5.7	1.7
Net provision of reserve for credit losses ²	-2.3	17.1	-19.4	0.2
Losses on write-off of loans	-1.8	-0.4	-1.3	-0.7
Recoveries of written-off claims	0.2	3.5	-3.2	0.1
Expenses for employees' retirement benefits	-0.0	-0.9	0.9	-0.0
Others	0.5	-0.8	1.3	0.1
Net ordinary income	32.8	49.3	-16.5	21.0
Extra ordinary profit				
Gains from sales of fixed assets and impairment losses	-0.2	-0.5	0.3	-0.0
Others	8.2	-5.9	14.2	3.1
Income before income taxes	40.8	42.8	-1.9	24.1
Income taxes - Current	0.0	0.6	-0.6	-0.0
Income taxes - Deferred	2.5	-1.8	4.4	-0.0
Net income	43.4	41.5	1.8	24.1

1. Includes income from monetary assets held in trust of ¥4.4 billion in FY2016, ¥4.4 billion in FY2015 and ¥0.6 billion in 1HFY2016.

2. Provision of reserve for loan losses was ¥2.3 billion in FY2016.

Reversals of reserve for loan losses was ¥17.1 billion in FY2015 and ¥0.2 billion in 1HFY2016.

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 including Jih Sun Financial Holding Co., Ltd., and whether or not dividends are received from our consolidated subsidiaries.

Reflecting their nature, gains and losses on sales of equity securities and impairments related to equity securities 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) according to the reporting format of the Revitalization Plan.

Nonconsolidated total revenue totaled ¥111.1 billion in fiscal year 2016, a ¥1.9 billion increase from fiscal year 2015. Of this amount, net interest income totaled ¥90.9 billion, a ¥2.7 billion decrease from fiscal year 2015. This resulted from reduced dividend income received from subsidiaries, while the effects of the introduction of the negative interest rate policy (NIRP) remained within the Bank's assumptions and interest income of the Consumer Finance Business increased. It should be noted that dividend income received from subsidiaries totaled ¥3.8 billion (¥3.0 billion from Shinsei Financial and ¥0.8 billion from Showa Leasing), a ¥5.4 billion decrease from the dividend income received in fiscal year 2015. Noninterest income totaled ¥20.1 billion, a ¥4.6 billion increase from fiscal year 2015. This resulted from increased fee income recorded in the Structured Finance as well as the recording of a large gain on sales of securities in the Institutional Business, while revenues related to the sale of asset management products decreased in the Retail Banking Business.

General and administrative expenses totaled ¥77.6 billion, a ¥2.3 billion increase from fiscal year 2015. This was due to increased expenses according to the growth of the Consumer Finance Business operated by the Bank.

As a result, nonconsolidated ordinary business profit totaled ¥33.5 billion, a ¥0.4 billion decrease from fiscal year 2015.

Net credit costs totaled ¥3.9 billion (expense), a ¥24.0 billion increase from fiscal year 2015, due to the non-recurrence of the large credit recoveries recorded in the Institutional Business in fiscal year 2015. Meanwhile, net income totaled ¥43.4 billion, a ¥1.8 billion increase from fiscal year 2015 due to the recording of an extraordinary profit related to the redemption of affiliate company shares, the non-recurrence of the loss recorded in fiscal year 2015 as a result of the revaluation of a fund investment in the Institutional Business, and the recording of income taxes.

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

(Billions of yen, except percentages)

	FY2016 (12 months)			FY2015 (12 months)			1H FY2016 (6 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	4,379.0	85.3	1.94	4,210.4	80.3	1.90	4,295.7	41.6	1.93
Securities	1,483.1	16.3	1.10	1,726.8	25.9	1.50	1,543.3	11.0	1.43
Other interest-earning assets ^{2, 3}	230.9	2.1	***	320.4	2.8	***	256.1	1.1	***
Total interest-earning assets	6,093.0	103.8	1.70	6,257.7	109.1	1.74	6,095.1	53.9	1.76
Interest-bearing liabilities:									
Deposits, including negotiable certificates of deposit	5,909.1	7.8	0.13	5,735.8	8.4	0.14	5,880.3	3.7	0.12
Borrowed money	347.5	0.6	0.18	405.0	2.0	0.51	355.5	0.3	0.22
Subordinated debt	19.6	0.5	2.65	56.9	1.6	2.87	26.9	0.3	2.79
Other borrowed money	327.8	0.1	0.04	348.0	0.4	0.12	328.6	0.0	0.01
Corporate bonds	54.8	1.0	1.87	102.8	3.4	3.30	53.5	0.5	2.22
Subordinated bonds	34.3	0.9	2.79	89.4	3.3	3.75	37.3	0.5	3.03
Other corporate bonds	20.4	0.0	0.32	13.4	0.0	0.35	16.2	0.0	0.36
Other interest-bearing liabilities ²	453.9	3.5	***	508.6	1.8	***	465.2	1.5	***
Total interest-bearing liabilities	6,765.4	13.0	0.19	6,752.2	15.7	0.23	6,754.6	6.2	0.18
Net interest income/yield on interest-earning assets	6,093.0	90.7	1.48	6,257.7	93.3	1.49	6,095.1	47.6	1.55

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)

	FY2016 (12 months)	FY2015 (12 months)	Change	1H FY2016 (6 months)
Yield on interest earning assets (A)	1.70	1.74	-0.04	1.76
Total cost of funding (B)	1.34	1.35	-0.01	1.33
Cost of interest bearing liabilities (C)	0.19	0.23	-0.04	0.18
Overall interest margin (A)–(B)	0.36	0.39	-0.03	0.43
Net interest margin (A)–(C)	1.51	1.51	-0.00	1.58

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

(Domestic)¹ (Percentages)

	FY2016 (12 months)	FY2015 (12 months)	Change	1H FY2016 (6 months)
Yield on interest earning assets (A)	1.61	1.65	-0.04	1.70
Interest earned on loans and bills discounted	1.95	1.93	0.02	1.95
Interest earned on securities	1.01	1.39	-0.38	1.48
Total cost of funding (B) ²	1.31	1.34	-0.03	1.31
Cost of interest bearing liabilities (C)	0.10	0.17	-0.07	0.10
Interest paid on deposits ³	0.08	0.11	-0.03	0.07
Overall interest margin (A)–(B)	0.30	0.31	-0.01	0.39
Net interest margin (A)–(C)	1.51	1.48	0.03	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)

	FY2016 (12 months)	FY2015 (12 months)	Change	1H FY2016 (6 months)
Gains (losses) on bonds	10.2	5.7	4.5	7.6
Gains on sales	14.5	6.9	7.6	8.6
Gains on redemption	1.1	-	1.1	1.1
Losses on sales	-5.4	-1.1	-4.2	-2.0
Losses on redemption	-	-	-	-
Losses on devaluation	-	-	-	-
Gains (losses) on stocks	2.7	-2.9	5.7	1.7
Gains on sales	3.8	1.2	2.5	2.1
Losses on sales	-1.0	-3.6	2.5	-0.4
Losses on devaluation	-	-0.6	0.6	-

Net Credit Costs (Nonconsolidated) ¹

(Billions of yen)

	FY2016 (12 months)	FY2015 (12 months)	Change (Amount)	1H FY2016 (6 months)
Losses on write-off of loans	-1.8	-0.4	-1.3	-0.7
Net provision of reserve for loan losses	-2.3	17.1	-19.4	0.2
Net provision of general reserve for loan losses	-1.8	-4.0	2.2	0.0
Net provision of specific reserve for loan losses	-0.5	21.1	-21.7	0.1
Net Provision of Reserve for Loan Losses to Restructuring Countries	0.0	0.0	0.0	0.0
Recoveries of written-off claims	0.2	3.5	-3.2	0.1
Net credit costs	-3.9	20.1	-24.0	-0.3

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)

	<i>(Billions of yen)</i>		
	Mar 31 2017	Mar 31 2016	Change (Amount)
Domestic (excluding Japan offshore market accounts):			
Manufacturing	194.0	192.3	1.6
Agriculture and forestry	-	0.0	-0.0
Fishery	0.0	0.1	-0.0
Mining, quarrying and gravel extraction	0.3	0.2	0.1
Construction	6.9	8.0	-1.1
Electrical, natural gas and water supply	228.9	233.2	-4.3
Information and communications	42.4	36.4	5.9
Transportation and postal service	166.5	165.1	1.3
Wholesale and retail	112.4	102.1	10.3
Finance and insurance	676.1	643.2	32.9
Real estate	550.5	577.8	-27.2
Services	385.3	360.0	25.3
Local government	76.7	79.4	-2.7
Individuals	1,596.5	1,474.2	122.2
Overseas yen loans and overseas loans booked domestically	395.8	328.1	67.7
Total domestic	4,433.0	4,200.7	232.2
Overseas (including Japan offshore market accounts):			
Governments	0.5	0.7	-0.1
Financial institutions	7.3	8.5	-1.2
Commerce and industry	95.4	90.0	5.4
Others	-	-	-
Total overseas	103.3	99.3	4.0
Total	4,536.4	4,300.1	236.2

Risk Monitored Loans (Nonconsolidated)

	<i>(Billions of yen)</i>		
	Mar 31 2017	Mar 31 2016	Change (Amount)
Loans to bankrupt obligors	0.7	1.3	-0.5
Nonaccrual delinquent loans	5.7	30.7	-24.9
Loans past due for three months or more	1.1	1.4	-0.2
Restructured loans	2.6	1.1	1.4
Total (A)	10.3	34.6	-24.3
Loans and bills discounted (B)	4,536.4	4,300.1	236.2
Ratio to total loans and bills discounted (A/B) (%)	0.23%	0.81%	/
Reserve for credit losses (C)	29.3	28.2	1.0
Reserve ratio (C/A) (%)	283.1%	81.6%	/

Risk Monitored Loans by Borrower Industry (Nonconsolidated)

	<i>(Billions of yen)</i>		
	Mar 31 2017	Mar 31 2016	Change (Amount)
Domestic (excluding Japan offshore market accounts):			
Manufacturing	3.6	0.7	2.8
Agriculture and forestry	-	-	-
Fishery	-	-	-
Mining, quarrying and gravel extraction	-	-	-
Construction	0.0	-	0.0
Electrical, natural gas and water supply	-	-	-
Information and communications	0.0	0.0	0.0
Transportation and postal service	0.7	1.1	-0.3
Wholesale and retail	0.2	0.3	-0.1
Finance and insurance	-	-	-
Real estate	-	26.1	-26.1
Services	0.3	0.6	-0.3
Local government	-	-	-
Individuals	2.4	2.6	-0.2
Overseas yen loans and overseas loans booked domestically	1.1	2.9	-1.7
Total domestic	8.6	34.6	-25.9
Overseas (including Japan offshore market accounts):			
Governments	-	-	-
Financial institutions	-	-	-
Commerce and industry	1.6	-	1.6
Others	-	-	-
Total overseas	1.6	-	1.6
Total	10.3	34.6	-24.3

Claims Classified under the Financial Revitalization Law (Nonconsolidated)

	<i>(Billions of yen)</i>		
	Mar 31 2017	Mar 31 2016	Change (Amount)
Claims against bankrupt and quasi-bankrupt obligors	3.0	5.0	-2.0
Doubtful claims	3.6	27.1	-23.4
Substandard claims	3.8	2.6	1.1
Total (A)	10.4	34.7	-24.3
Coverage ratio	74.2%	97.9%	/
Total claims (B)	4,717.2	4,375.6	341.5
Loans and bills discounted	4,536.4	4,300.1	236.2
Others	180.7	75.5	105.2
Ratio to total claims (A/B X 100) (%) ¹	0.22%	0.79%	/
(Ref. 1) Amount of write-off	33.9	34.0	-0.1
(Ref. 2) Below need caution level	63.4	94.7	-31.2

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

(Billions of yen, except percentages)

	Mar 31, 2017					Mar 31, 2016				
	Amounts of coverage					Amounts of coverage				
	Amounts of claims (a)	Total (b)	Reserve for loan losses	Collateral and guarantees	Coverage ratio (b)/(a)	Amounts of claims (a)	Total (b)	Reserve for loan losses	Collateral and guarantees	Coverage ratio (b)/(a)
Claims against bankrupt and quasi-bankrupt	3.0	3.0	0.2	2.7	100.0%	5.0	5.0	-	5.0	100.0%
Doubtful claims	3.6	2.1	2.1	0.0	58.2%	27.1	26.9	1.9	25.0	99.5%
Substandard claims	3.8	2.7	1.1	1.6	69.4%	2.6	2.1	0.5	1.6	78.0%
Total	10.4	7.7	3.4	4.4	74.2%	34.7	34.0	2.4	31.6	97.9%

Reserve for Credit Losses (Nonconsolidated)

(Billions of yen)

	Mar 31 2017	Mar 31 2016	Change (Amount)
Reserve for credit losses	25.2	24.3	0.8
General reserve for loan losses	22.9	21.6	1.2
Specific reserve for loan losses	2.3	2.7	-0.4
Reserve for loans to restructuring countries	0.0	0.0	-0.0
Specific reserve for other credit losses	4.1	3.9	0.2
Total reserve for credit losses	29.3	28.2	1.0

Reserve Ratios for Borrowers' Category (Nonconsolidated)

		<i>(Percentage)</i>		
		Mar 31 2017	Mar 31 2016	Change (Amount)
Legally and virtually bankrupt	(unsecured portion)	100.0	100.0	-
Possibly bankrupt	(unsecured portion)	58.2	292.6	-234.4
Substandard	(unsecured portion)	52.3	56.2	-3.9
Need caution	(total claims)	3.7	6.4	-2.7
	(unsecured portion)	6.6	11.1	-4.5
Normal	(total claims)	0.4	0.4	0.0

Housing Loans (Nonconsolidated)

	<i>(Billions of yen)</i>		
	Mar 31 2017	Mar 31 2016	Change (Amount)
Housing loans	1,340.5	1,259.4	81.0

Securities Being Held to Maturity (Nonconsolidated)

(Billions of yen)

	Mar 31, 2017			Mar 31, 2016		
	Carrying amount	Fair value	Unrealized gain (loss)	Carrying amount	Fair value	Unrealized gain (loss)
Fair value exceeds carrying amount						
Japanese government bonds	493.5	499.1	5.5	535.8	544.2	8.3
Other	2.7	2.8	0.1	23.7	24.4	0.7
Subtotal	496.2	502.0	5.7	559.5	568.6	9.0
Fair value does not exceed carrying amount						
Japanese government bonds	-	-	-	-	-	-
Other	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-
Total	496.2	502.0	5.7	559.5	568.6	9.0

Securities Available for Sale (Nonconsolidated)

(Billions of yen)

	Mar 31, 2017			Mar 31, 2016		
	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	20.7	9.2	11.4	13.9	8.2	5.7
Domestic bonds	31.8	31.5	0.3	228.5	224.1	4.4
Japanese national government bonds	-	-	-	192.2	189.3	2.9
Japanese local government bonds	-	-	-	0.5	0.5	0.0
Japanese corporate bonds	31.8	31.5	0.3	35.7	34.2	1.5
Other	141.7	139.0	2.7	158.0	154.1	3.9
Foreign securities	131.2	129.7	1.4	149.6	146.8	2.8
Foreign currency denominated foreign corporate and government bonds	85.2	84.2	0.9	103.8	101.1	2.6
Yen-denominated foreign corporate and government bonds	46.0	45.4	0.5	45.8	45.6	0.2
Foreign equity securities and others	0.0	0.0	0.0	0.0	0.0	0.0
Other securities	6.6	5.5	1.0	8.0	7.0	1.0
Other monetary claims purchased	3.8	3.7	0.1	0.2	0.2	0.0
Subtotal	194.3	179.8	14.5	400.5	386.4	14.1
Carrying amount does not exceed amortized/acquisition cost						
Equity securities	0.4	0.7	-0.2	1.2	1.3	-0.1
Domestic bonds	85.9	87.0	-1.0	52.6	53.0	-0.4
Japanese national government bonds	-	-	-	19.9	20.0	-0.1
Japanese local government bonds	-	-	-	-	-	-
Japanese corporate bonds	85.9	87.0	-1.0	32.7	33.0	-0.2
Other	137.6	139.9	-2.3	126.4	127.3	-0.8
Foreign securities	135.5	137.9	-2.3	109.6	110.4	-0.7
Foreign currency denominated foreign corporate and government bonds	83.4	85.0	-1.6	58.8	59.2	-0.3
Yen-denominated foreign corporate and government bonds	50.9	51.6	-0.6	50.7	51.1	-0.3
Foreign equity securities and others	1.1	1.2	-0.0	-	-	-
Other securities	0.7	0.8	-0.0	0.1	0.1	-0.0
Other monetary claims purchased	1.2	1.2	-0.0	16.6	16.7	-0.1
Subtotal	224.1	227.7	-3.5	180.3	181.7	-1.4
Total ^{1, 2}	418.4	407.5	10.9	580.8	568.1	12.6

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)

	Mar 31, 2017	Mar 31, 2016
Unrealized gain (loss) before deferred tax on:		
Available-for-sale securities	10.9	12.6
Interests in available-for-sale securities held by partnerships recorded as securities whose fair value cannot be reliably determined	1.5	2.6
Securities being held to maturity, reclassified from available-for-sale in the past, under extremely illiquid market conditions	-0.1	-0.7
Other monetary assets held in trust	-0.6	-1.0
(-) Deferred tax liabilities	2.2	2.7
Unrealized gain (loss) on available-for-sale securities	9.4	10.7

Hedge-Accounting Derivative Transactions (Nonconsolidated)

(Billions of yen)

Notional Principal Amount	Mar 31, 2017			
	1 year or less	Over 1 year to 5 years	Over 5 years	Total
Interest rate swaps:				
Receive fixed and pay floating	86.4	360.0	46.0	492.4
Receive floating and pay fixed	10.5	96.4	136.9	243.9
Receive floating and pay floating	-	-	-	-
Total notional principal amount	96.9	456.4	182.9	736.3
Currency swaps				
Total notional principal amount	51.6	190.4	50.2	292.4

Employees' Retirement Benefit (Nonconsolidated)

(Billions of yen)

Project Benefit Obligation	Mar 31, 2017	
Projected benefit obligation	(A)	63.4
Discount rate		1.2%
Fair value of plan assets	(B)	67.6
Prepaid pension cost	(C)	-3.8
Unrecognized prior service cost	(D)	-0.1
Unrecognized net actuarial losses	(E)	-0.2
Other	(F)	-
Reserve for retirement benefits	(A-B-C-D-E-F)	-

(Billions of yen)

Pension Expenses	FY2016 (12 months)
Service cost	2.4
Interest	0.7
Expected return on plan assets	-1.3
Amortization of prior service cost	-0.2
Amortization of net actuarial losses	0.2
Other (extraordinary severance benefit expense, etc.)	0.0
Net periodic retirement benefit cost	1.8

Capital Adequacy Related Information (Nonconsolidated)
 <Basel 3, Domestic Standard¹>

	<i>(Billions of yen, except percentages)</i>		
	Mar 31	Mar 31	Change
	2017	2016	(Amount)
Core capital: instruments and reserves	855.6	849.1	6.5
Core capital: regulatory adjustments	-27.1	-23.0	-4.1
Capital	828.4	826.0	2.3
Total amount of Risk-weighted assets	5,630.0	5,208.5	421.4
Core capital adequacy ratio	14.71%	15.85%	

1. Calculated according to F-IRB.

Nonconsolidated total required capital is ¥477.5 billion as at March 31, 2017 and ¥439.5 billion as at March 31, 2016.

Nonconsolidated Balance Sheets

(Millions of yen)

	Mar 31 2017	Mar 31 2016	Change (Amount)
<<Assets>>			
Cash and due from banks	1,313,376	1,049,396	263,979
Call loans	4,472	-	4,472
Other monetary claims purchased	133,245	192,146	(58,901)
Trading assets	227,608	311,832	(84,223)
Monetary assets held in trust	118,872	151,647	(32,774)
Securities	1,369,326	1,603,809	(234,482)
Loans and bills discounted	4,536,434	4,300,152	236,282
Foreign exchanges	19,617	17,024	2,593
Other assets	270,648	205,762	64,886
Other	270,648	205,762	64,886
Premises and equipment	16,550	17,813	(1,263)
Intangible assets	17,414	13,572	3,842
Prepaid pension cost	3,887	1,073	2,813
Deferred issuance expenses for debentures	0	3	(2)
Deferred tax assets	1,134	-	1,134
Customers' liabilities for acceptances and guarantees	48,526	21,730	26,796
Reserve for credit losses	(29,335)	(28,282)	(1,052)
Total assets	8,051,781	7,857,682	194,099
<<Liabilities>>			
Deposits	5,618,935	5,664,767	(45,832)
Negotiable certificates of deposit	373,673	301,001	72,672
Debentures	6,561	16,740	(10,178)
Call money	53,600	40,000	13,600
Payables under repurchase agreements	36,467	23,779	12,688
Payables under securities lending transactions	337,952	116,409	221,542
Trading liabilities	210,031	291,356	(81,324)
Borrowed money	336,519	374,827	(38,307)
Foreign exchanges	102	75	27
Corporate bonds	57,600	57,619	(19)
Other liabilities	155,454	162,635	(7,181)
Income taxes payable	1,580	748	832
Asset retirement obligations	7,492	7,443	48
Other	146,382	154,443	(8,061)
Accrued employees' bonuses	4,674	4,511	162
Reserve for reimbursement of debentures	3,737	2,903	833
Deferred tax liabilities	-	2,873	(2,873)
Acceptances and guarantees	48,526	21,730	26,796
Total liabilities	7,243,837	7,081,231	162,605
<<Equity>>			
Shareholders' equity:			
Common stock	512,204	512,204	-
Capital surplus	79,465	79,465	-
Additional paid-in capital	79,465	79,465	-
Retained earnings	301,729	264,216	37,513
Legal reserve	14,220	13,689	530
Other retained earnings	287,508	250,526	36,982
Unappropriated retained earnings	287,508	250,526	36,982
Treasury stock, at cost	(79,539)	(72,559)	(6,980)
Total shareholders' equity	813,860	783,327	30,532
Net unrealized gain (loss) and translation adjustments			
Unrealized gain (loss) on available-for-sale securities	9,444	10,777	(1,332)
Deferred gain (loss) on derivatives under hedge accounting	(15,894)	(18,166)	2,271
Total net unrealized gain (loss) and translation adjustments	(6,450)	(7,389)	939
Stock acquisition rights	534	512	21
Total equity	807,944	776,450	31,493
Total liabilities and equity	8,051,781	7,857,682	194,099

Nonconsolidated Statements of Income

(Millions of yen)

	FY2016 (12 months)	FY2015 (12 months)	Change (Amount)
Ordinary income	165,977	176,230	(10,252)
Interest income	103,802	109,149	(5,347)
Interest on loans and bills discounted	85,332	80,384	4,948
Interest and dividends on securities	16,352	25,952	(9,600)
Other interest income	2,118	2,813	(695)
Fees and commissions income	18,944	19,285	(340)
Trading income	4,103	5,031	(928)
Other business income	26,052	13,264	12,787
Other ordinary income	13,074	29,499	(16,424)
Ordinary expenses	133,119	126,863	6,255
Interest expenses	13,020	15,778	(2,757)
Interest on deposits	7,765	8,225	(459)
Interest on corporate bonds	1,028	3,403	(2,374)
Other interest expenses	4,226	4,149	76
Fees and commissions expenses	26,417	24,103	2,313
Trading losses	33	197	(164)
Other business expenses	6,945	2,285	4,659
General and administrative expenses	79,036	76,173	2,863
Other ordinary expenses	7,667	8,324	(657)
Ordinary profit	32,858	49,366	(16,508)
Extraordinary gains	9,300	842	8,458
Extraordinary losses	1,313	7,374	(6,061)
Income before income taxes	40,845	42,834	(1,988)
Income taxes (benefit)			
Income taxes (benefit) - current	(1)	(618)	616
Income taxes (benefit) - deferred	(2,578)	1,886	(4,464)
Total income taxes (benefit)	(2,579)	1,268	(3,847)
Net income	43,425	41,566	1,859

Nonconsolidated Statement of Changes in Equity
For the fiscal year ended March 31, 2017

(Millions of yen)

	Shareholders' equity								
	Common stock	Capital surplus			Retained earnings			Treasury stock, at cost	Total shareholders' equity
		Additional paid-in capital	Other capital surplus	Total capital surplus	Legal reserve	Other retained earnings	Total retained earnings		
						Unappropriated retained earnings			
Balance at beginning of the year	512,204	79,465	-	79,465	13,689	250,526	264,216	(72,559)	783,327
Changes during the year									
Dividends					530	(3,184)	(2,653)		(2,653)
Net income						43,425	43,425		43,425
Purchase of treasury stock								(12,096)	(12,096)
Disposal of treasury stock			(3,258)	(3,258)				5,115	1,856
Transfer to capital surplus from retained earnings			3,258	3,258		(3,258)	(3,258)		-
Net changes during the year excluding shareholders' equity									
Total changes during the year	-	-	-	-	530	36,982	37,513	(6,980)	30,532
Balance at end of the year	512,204	79,465	-	79,465	14,220	287,508	301,729	(79,539)	813,860

	Net unrealized gain (loss) and translation adjustments			Stock acquisition rights	Total equity
	Unrealized gain (loss) on available-for-sale securities	Deferred gain (loss) on derivatives under hedge accounting	Total net unrealized gain (loss) and translation adjustments		
Balance at beginning of the year	10,777	(18,166)	(7,389)	512	776,450
Changes during the year					
Dividends					(2,653)
Net income					43,425
Purchase of treasury stock					(12,096)
Disposal of treasury stock					1,856
Transfer to capital surplus from retained earnings					-
Net changes during the year excluding shareholders' equity	(1,332)	2,271	939	21	960
Total changes during the year	(1,332)	2,271	939	21	31,493
Balance at end of the year	9,444	(15,894)	(6,450)	534	807,944

COMPOSITION OF CAPITAL DISCLOSURE (NONCONSOLIDATED)

Shinsei Bank

As of March 31, 2017

Millions of yen (except percentages)

Items	Basel III (Domestic Standard)	Amounts excluded under transitional
Core capital: instruments and reserves (1)		
Directly issued qualifying common share capital or preferred share capital		
with a compulsory conversion clause plus related capital surplus and retained earnings	¥ 811,271	
of which: capital and capital surplus	591,670	
of which: retained earnings	301,729	
of which: treasury stock (-)	79,539	
of which: earning to be distributed (-)	2,588	
of which: other than above	-	
Stock acquisition right to common shares and preferred shares with a compulsory conversion clause	534	
Total of reserves included in Core capital: instruments and reserves	9	
of which: general reserve for loan losses included in Core capital	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)	43,800	
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)	¥ 855,615	
Core capital: regulatory adjustments (2)		
Total amount of intangible assets (excluding those relating to mortgage servicing rights)	¥ 7,947	¥ 4,412
of which: goodwill (including those equivalent)	1,035	-
of which: other intangibles other than goodwill and mortgage servicing rights	6,912	4,412
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	2,081	1,387
Shortfall of eligible provisions to expected losses	10,106	-
Gain on sale of securitization	5,442	-
Gains and losses due to changes in own credit risk on fair valued liabilities	-	-
Prepaid pension cost	1,612	1,075
Investments in own shares (excluding those reported in the net assets section)	-	-
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)	¥ 27,190	
Capital (nonconsolidated)		
Capital (nonconsolidated)((A)-(B))(C)	¥ 828,424	
Risk-weighted assets, etc.		
Total amount of credit risk-weighted assets	¥ 5,293,647	
of which: total amount included in risk-weighted assets by transitional arrangements	4,299	
of which: intangible assets (excluding those relating to goodwill and mortgage servicing rights)	4,412	
of which: deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	1,387	
of which: prepaid pension cost	1,075	
of which: significant investments in the common stock of Other Financial Institutions (net of eligible short positions)	(2,575)	
of which: other than above	-	
Market risk (derived by multiplying the capital requirement by 12.5)	144,020	
Operational risk (derived by multiplying the capital requirement by 12.5)	192,375	
Credit risk-weighted assets adjustments	-	
Operational risk adjustments	-	
Total amount of Risk-weighted assets (D)	¥ 5,630,043	
Capital ratio (nonconsolidated)		
Capital ratio (nonconsolidated)((C)/(D))	14.71%	

(Reference) Operating Results (Nonconsolidated)

(Millions of yen)

	FY2016 (12 months) (A)	FY2015 (12 months) (B)	Change (A)-(B)
Gross Business Profit	111,139	109,224	1,915
(excluding Gains on Monetary Assets Held in Trust)	106,665	104,732	1,933
Net Interest Income	90,960	93,738	(2,777)
Net Fees and Commissions	(2,978)	(304)	(2,673)
Gains on Monetary Assets Held in Trust	4,473	4,491	(17)
Net Trading Income	4,070	4,833	(763)
Net Other Business Income	19,087	10,956	8,130
Gains related to Bonds	10,265	5,753	4,512
General and Administrative Expenses	77,620	75,236	2,383
Personnel Expenses	26,925	26,619	305
Nonpersonnel Expenses	44,857	43,528	1,328
Amortization of Goodwill	165	234	(69)
Taxes	5,837	5,088	748
Net Operating Profit before Provision of General Reserve for Loan Losses	29,045	29,495	(450)
Provision of General Reserve for Loan Losses (1)	1,801	—	1,801
Net Operating Profit	27,243	29,495	(2,251)
Net Business Profit	33,519	33,987	(468)
Non-Recurring Gains	1,320	15,746	(14,426)
Gains related to Stocks	2,754	(2,951)	5,705
Credit Costs (2)	2,130	(20,125)	22,256
Losses on Write-Off of Loans	1,878	498	1,379
Provision of Specific Reserve for Loan Losses	543	—	543
Provision of Loans to Restructuring Countries	(0)	—	(0)
Recoveries of Written-off Claims	(290)	(3,505)	3,214
Reversal of Reserve for Loan Losses	—	(17,119)	17,119
Losses on Sale of Loans	—	—	—
Other	696	(1,427)	2,123
Ordinary Profit	32,858	49,366	(16,508)
Extraordinary Gains	7,987	(6,532)	14,519
Gains from Sales of Fixed Assets and Impairment losses	(230)	(537)	307
Income before Income Taxes	40,845	42,834	(1,988)
Income Taxes - Current	(1)	(618)	616
Income Taxes - Deferred	(2,578)	1,886	(4,464)
Net Income	43,425	41,566	1,859

(Reference)

Net Credit Costs (1) + (2)	3,932	(20,125)	24,058
----------------------------	-------	----------	--------

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]	FY2016 (12 months)			FY2015 (12 months)			1H FY2016 (6 months)		
	Average balance	Interest	Yield/rate ¹ (%)	Average balance	Interest	Yield/rate ¹ (%)	Average balance	Interest	Yield/rate ¹ (%)
Interest-earning assets:	6,093,078	103,802	1.70	6,257,753	109,149	1.74	6,095,172	53,912	1.76
Loans and bills discounted	4,379,006	85,332	1.94	4,210,433	80,384	1.90	4,295,727	41,696	1.93
Securities	1,483,103	16,352	1.10	1,726,866	25,952	1.50	1,543,330	11,068	1.43
Interest-bearing liabilities:	6,765,453	13,020	0.19	6,752,294	15,778	0.23	6,754,676	6,294	0.18
Deposits, including negotiable certificates of deposit	5,909,138	7,818	0.13	5,735,803	8,449	0.14	5,880,309	3,723	0.12
Borrowed money	347,515	654	0.18	405,015	2,088	0.51	355,568	398	0.22
Subordinated debt	19,684	522	2.65	56,952	1,638	2.87	26,930	377	2.79
Corporate bonds	54,852	1,028	1.87	102,874	3,403	3.30	53,541	597	2.22
Subordinated bonds	34,378	962	2.79	89,468	3,356	3.75	37,341	568	3.03
Net interest income/yield on interest-earning assets	6,093,078	90,781	1.48	6,257,753	93,371	1.49	6,095,172	47,618	1.55

[Domestic]

Interest-earning assets:	5,539,086	89,364	1.61	5,746,083	95,032	1.65	5,551,330	47,318	1.70
Loans and bills discounted	3,848,539	75,378	1.95	3,763,033	72,714	1.93	3,794,892	37,226	1.95
Securities	1,134,238	11,511	1.01	1,370,290	19,079	1.39	1,179,281	8,784	1.48
Interest-bearing liabilities:	6,197,396	6,532	0.10	6,243,003	10,928	0.17	6,184,037	3,310	0.10
Deposits, including negotiable certificates of deposit	5,475,254	4,549	0.08	5,365,966	6,394	0.11	5,462,984	2,170	0.07
Borrowed money	332,747	492	0.14	393,533	2,034	0.51	343,075	346	0.20
Subordinated debt	19,684	522	2.65	56,952	1,638	2.87	26,930	377	2.79
Corporate bonds	51,673	859	1.66	65,281	1,297	1.98	47,400	429	1.80
Subordinated bonds	31,400	793	2.52	52,136	1,250	2.39	31,400	400	2.54
Net interest income/yield on interest-earning assets	5,539,086	82,831	1.49	5,746,083	84,104	1.46	5,551,330	44,008	1.58

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

Earnings Forecasts¹

(Billions of yen)

(Consolidated)	FY2017 Forecast	FY2016 Actual
Profit attributable to owners of the parent	51.0	50.7

(Nonconsolidated)	FY 2017 Forecast	FY2016 Actual
Net business profit	31.0	33.5
Net income	36.0	43.4
Dividends (per share in yen): Common stock	1.00	1.00

1. Above 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.

English translation of Japanese original prepared using the format required by Bank of Japan Press Club

1. Nonperforming loan ratio (Financial Revitalization Law Standard) (%)

	Mar 31, 2015	Sep 30, 2015	Mar 31, 2016	Sep 30, 2016	Mar 31, 2017
Nonconsolidated	1.42	0.83	0.79	0.78	0.22
Consolidated	2.74	2.28	2.16	2.13	1.57

2. Equity holdings (domestic) (Nonconsolidated)

(1) Equity held

(Billions of yen)

	Book value		Net unrealized gain (loss)
		Subsidiaries' shares	
Mar 31, 2016	384.2	367.1	5.6
Sep.30, 2016	381.0	362.2	6.7
Mar.31, 2017	387.7	364.0	11.2

(2) Impairment

(Billions of yen)

	Equity related profits and losses (net of three accounts)	
		Impairment amount
FY2015	-2.9	0.6
1HFY2016	1.7	-
FY2016	2.7	-

1. Other extraordinary losses for FY2015 contains ¥6.7 billion in mark-down of subsidiaries' equity
2. Other extraordinary losses for 1HFY2016 contains ¥0.6 billion in mark-down of subsidiaries' equity.
3. Other extraordinary losses for FY2016 contains ¥1.0 billion in mark-down of subsidiaries' equity.

(3) Break-even level of profit and loss of equities held (domestic) (theoretical figure)

Nikkei Stock Average	approximately	¥	9,000
TOPIX	approximately		700

3. Loans to SMEs (% shows changes from the previous period) (Nonconsolidated)

(Billions of yen, except percentage)

	Results	% Change	Ratio to total loan balance (%)
Mar 31, 2016	2,811.9	2.07	66.94
Sep 30, 2016	2,853.9	1.49	67.37
Mar 31, 2017	2,985.8	4.62	67.35

1. Small- and medium-sized enterprises in this table refer to companies with ¥300 million or less in capital (¥100 million for wholesale and ¥50 million for retail and services) as well as companies or individuals 'with 300 employees or fewer (100 for wholesale and services and 50 for retail).
2. Revitalization Law (actual net increase/decrease excluding impact loan) achieved actual results of + ¥20.8 billion for FY2015 compared to the plan of + ¥10.0 billion.

4. Sales performance of investment trusts and insurance (Nonconsolidated)

a. Investment trust sales performance and commission

(Billions of yen)

	Handling commission for sales of investment trusts		Amount of sales during the period
		Upfront fees from investment trusts	
FY2015	4.5	2.2	165.7
1HFY2016	1.3	0.3	50.1
FY2016	2.7	0.6	110.4

b. Insurance sales performance and commission

(Billions of yen)

	Handling commission for sales of insurance		Amount of sales during the period
		Upfront fees from insurance	
FY2015	1.7	1.7	31.9
1HFY2016	1.5	1.5	21.9
FY2016	2.2	2.2	33.3

(Reference) Calculation Grounds of Deferred Tax Assets (Consolidated Tax Group Basis)

Shinsei Bank consolidated tax group has, due to losses recognized on securities, 250.0 billion yen of tax loss carryforwards and the unrealized temporary differences of 445.0 billion yen as of March 31, 2017.

We are classified as the Type 4 of the ASBJ Guidance No. 26 Implementation Guidance on Recovery of Deferred Tax Assets and we continuously calculate the realizability of deferred tax assets based on the estimated future taxable income for the next year.

We have adapted the consolidated tax system from FY 2003 and calculate the taxable income under consolidated tax basis.

1. Future year taxable income estimate before adjustment

Taxable income for the next year before adjustment is estimated to be 61.1 billion yen.

2. Net deferred tax liabilities (As of March, 2017)

Deferred tax assets corresponding to "total taxable income before adjustment" 19.7 billion yen^(*)

Deferred tax liabilities 7.5 billion yen

Net deferred tax assets on balance sheet 12.2 billion yen

(*)Breakdown	}	Tax loss carryforwards	90.5 billion yen
		Reserve for credit losses	51.8 billion yen
		Reserve for losses on interest repayment	32.8 billion yen
		Securities	21.1 billion yen
		Net deferred loss on hedge	6.3 billion yen
		Other	25.8 billion yen
		<u>Sub total</u>	<u>228.5 billion yen</u>
		Valuation allowance	△ 208.7 billion yen
<u>Total</u>	<u>19.7 billion yen</u>		

(Reference) Calculation Grounds of Deferred Tax Assets (Nonconsolidated)

Shinsei Bank has, due to losses recognized on securities, 227.0 billion yen of tax loss carryforwards and the unrealized temporary differences of 218.0 billion yen as of March 31, 2017.

We are classified as the Type 4 of the ASBJ Guidance No. 26 Implementation Guidance on Recovery of Deferred Tax Assets and we continuously calculate the realizability of deferred tax assets based on the estimated future taxable income for the next year.

We have adapted the consolidated tax system from FY 2003 and calculate the taxable income under consolidated tax basis.

1. Future year taxable income estimate before adjustment

Taxable income for the next year before adjustment is estimated to be 21.1 billion yen.

2. Net deferred tax liabilities (As of March 31, 2017)

Deferred tax assets corresponding to "total taxable income before adjustment" 7.5 billion yen^(*)

Deferred tax liabilities 6.3 billion yen

Net deferred tax assets on balance sheet 1.1 billion yen

(*)Breakdown	{	Tax loss carryforwards	71.1 billion yen
		Securities	21.1 billion yen
		Reserve for credit losses	19.4 billion yen
		Net deferred loss on hedge	6.3 billion yen
		Other	20.0 billion yen
		<u>Sub total</u>	<u>138.1 billion yen</u>
		Valuation allowance	△ 130.6 billion yen
<u>Total</u>	<u>7.5 billion yen</u>		