

Financial Summary

For the Third Quarter Ended December 31, 2013



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

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The following discussion should be read in conjunction with the consolidated and non-consolidated 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 data 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 and Economic Environment

During the first nine months of fiscal year 2013 (April 1, 2013- December 31, 2013), improvements in economic sentiment, pickups in personal spending and industrial manufacturing, increases in public investment and housing construction, and improvements in the job market were seen as a result of the “Abenomics” of the Abe administration. In addition, with improvements in the U.S. economy acting as a tailwind, 2013 overall was a year in which the entire Japanese economy moved in the direction of a gradual recovery.

In these circumstances, the Japanese Government (Government) and Bank of Japan (BOJ) have worked to promote a variety of policies to enable the realization of “Abenomics.” Of these, on April 4, 2013, the BOJ chose to introduce new monetary easing measures that are “of a different dimension, both in terms of quantity and quality.” Additionally, the Government will undertake a flexible financial policy known as a “fifteen-month budget,” and promote the establishment of a growth strategy that will stimulate private investment. On October 1, the Government announced plans for the reform of the social security system and fiscal consolidation, as well as its decision to raise the consumption tax from 5% to 8% in April 2014, and, in a December cabinet meeting, approved economic measures totaling JPY5.5 trillion, a supplementary budget for fiscal year 2013, and a budget for fiscal year 2014.

Going forward, as exports begin to recover, it is expected that the economic recovery will continue as various policies are executed and private sector earnings and investments rise. At the same time, there are concerns regarding the negative effects of the consumption tax hike and downturns in overseas economies, and close attention must be paid to developments in these areas.

In the financial market, exchange rates, interest rates and stock prices have seen large fluctuations since the decision by the BOJ to implement an unprecedented monetary easing policy at the beginning of fiscal year 2013.

First, regarding the exchange rate, while there were buybacks of the yen following the drop in its value at the beginning of the fiscal year, fluctuations in its value have

remained small from June 2013 onwards. Since November 2013, as a result of growing expectations of recovery in the U.S. Economy and the settling of the European Economy, the yen has been sold off, and the exchange rate for the yen as of December 31, 2013 was approximately JPY105/USD1 (depreciation of approximately JPY11 versus end of March, 2013) and JPY145/EUR1 (depreciation of approximately JPY24 versus end of March, 2013).

Next, regarding domestic interest rates, the domestic long-term interest rate (10 year government bond yields) which was under the 0.6% level as of March 2013, temporarily plummeted to 0.3% immediately following the announcement of the monetary easing policy, was then seen touching the 1% level in the later half of May 2013. From June onwards, as the effects of the long-term bond buying operations by the BOJ penetrated the market, the long-term interest rate once again entered a downward trend, and, from the end of October to early November, once again settled around the 0.6% level. From November onwards, due to the transfer of funds following the rise in stock prices, the long-term interest rate once again began to rise, and was above the 0.7% level as of December 31, 2013. Additionally, the short term interest rate continues to remain at low levels.

Finally, regarding the Nikkei Stock Average, due to rising expectations of an economic recovery, the Stock Average rose at a rapid rate in the beginning of the fiscal period. There were days in May where corrections in the form of large drops were seen, but these price movements began to be subdued from June onwards. From November, the rise in prices began to strengthen once again, and as of December 31, 2013, the Nikkei Stock Average reached JPY16,291.31 (a rise of JPY3,890 compared to March 31, 2013), the highest price reached year to date. This represents a rise of more than 50% in a single year (calendar year), and is the greatest rate of increase amongst major economies.

Financial Highlights⁽¹⁾

(Billions of yen, except percentages)

	Q3 FY2013 (9 months)	Q3 FY2012 (9 months)	Change % or Amount	FY2012 (12 months)
Selected income statement items (Consolidated)				
Net interest income	82.5	84.2	(2.0)%	111.6
Non-interest income	69.5	66.0	5.3%	87.3
Net fees and commissions	17.1	13.9	22.3%	19.1
Net trading income	10.9	13.9	(21.7)%	20.0
Net other business income	41.5	38.0	9.0%	48.1
Total revenue	152.1	150.3	1.2%	199.0
General and administrative expenses	99.4	95.6	4.0%	128.6
Ordinary business profit	52.6	54.6	(3.6)%	70.3
Net credit costs	0.6	4.8	(86.7)%	5.5
Ordinary business profit after net credit costs	52.0	49.8	4.4%	64.8
Amortization of goodwill and other intangible assets ⁽²⁾	7.3	8.2	(10.7)%	10.7
Other gains (losses)	(15.0)	(0.8)	(1,654.9)%	(0.1)
Income before income taxes and minority interests	29.6	40.7	(27.1)%	53.8
Current income tax	3.0	1.1	179.1%	0.5
Deferred income tax	(3.4)	(0.8)	(282.1)%	(1.3)
Minority interests in net income of subsidiaries	2.3	2.6	(14.5)%	3.5
Net income	27.7	37.8	(26.7)%	51.0
Cash basis net income ⁽³⁾	34.2	44.9	(23.9)%	60.4
Selected balance sheet items (Consolidated)				
Securities	1,882.6	2,168.3	(285.6)	1,842.3
Loans and bills discounted	4,215.4	4,270.1	(54.6)	4,292.4
Customers' liabilities for acceptances and guarantees	433.5	514.5	(81.0)	511.0
Reserve for credit losses	(143.0)	(170.9)	27.9	(161.8)
Total assets	9,154.2	9,113.7	40.4	9,029.3
Deposits and negotiable certificates of deposit	5,954.2	5,429.3	524.8	5,457.5
Debentures	43.6	272.1	(228.5)	262.3
Borrowed money	630.0	617.2	12.8	719.2
Reserve for losses on interest repayments	39.2	38.0	1.1	34.9
Total liabilities	8,442.4	8,448.8	(6.4)	8,345.6
Total equity	711.8	664.8	46.9	683.6
Financial ratios (%) (Consolidated)				
Net interest margin	2.03	2.04		2.02
Expense-to-revenue ratio	65.4	63.6		64.6
Return on assets	0.4 ⁽⁴⁾	0.6 ⁽⁴⁾		0.6
Return on equity (fully diluted)	5.8 ⁽⁴⁾	8.6 ⁽⁴⁾		8.6
Cash basis return on assets	0.5 ⁽⁴⁾	0.7 ⁽⁴⁾		0.7
Cash basis return on equity (fully diluted)	7.6 ⁽⁴⁾	11.2 ⁽⁴⁾		11.1
Capital adequacy data (Consolidated)				
Tier I	659.8	589.9	69.9	608.8
Total capital	782.3	698.7	83.5	715.8
Risk assets	5,370.8	5,875.4	(504.5)	5,847.7
Capital adequacy ratio	14.56%	11.89%		12.24%
Tier I capital ratio	12.28%	10.04%		10.41%

(Billions of yen, except percentages)

	Q3 FY2013 (9 months)	Q3 FY2012 (9 months)	Change % or Amount	FY2012 (12 months)
Per share data (Consolidated)				
Common equity	243.96	226.79	7.6%	233.65
Basic net income	10.43	14.24	(26.7)%	19.24
Cash basis basic net income	12.89	16.94	(23.9)%	22.77
Non-performing loans (Non-Consolidated)				
Claims classified under the Financial Revitalization Law	191.3	269.4	(78.0)	242.6
Ratio to total claims	4.49%	6.01%		5.32%
Reserve for credit losses	89.0	113.5	(24.5)	106.5
Coverage ratio for non-performing claims	95.7%	96.6%		95.9%
Selected income statement items (Non-Consolidated)				
Net interest income	53.9	48.1	12.0%	62.0
Non-interest income	14.9	23.0	(35.0)%	31.2
Net fees and commissions	5.3	8.6	(38.0)%	10.3
Net trading income	4.2	10.4	(59.5)%	14.5
Net other business income	5.3	3.9	36.8%	6.3
Total revenue	68.9	71.1	(3.2)%	93.3
General and administrative expenses	51.9	50.1	3.5%	67.3
Ordinary business profit	16.9	21.0	(19.2)%	25.9
Net credit costs (recoveries)	(3.2)	0.1	(2,461.5)%	(1.2)
Net income	21.8	17.9	21.9%	24.6

(1) Represents results based on management accounting basis.

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

(3) Excludes amortization of goodwill and other intangible assets, net of tax benefit, related to the acquisition of consumer and commercial finance companies.

(4) Annualized basis.

The Shinsei Bank Group recognized consolidated net income of ¥27.7 billion for the first nine months of fiscal year 2013 (April 1, to December 31, 2013), ¥10.1 billion lower than consolidated net income of ¥37.8 billion in the first nine months of fiscal year 2012. Fiscal year 2013 is the first year of the Bank's Second Medium-Term Management Plan (MTMP), which was disclosed in March 2013. While a stable net income was recorded in this interim period, mainly due to the provisioning of additional reserves for losses on interest repayment of ¥12.8 billion for SHINKI Co., Ltd. and ¥0.7 billion for Shinsei Financial Ltd., profit for the third quarter of fiscal year 2013 (October 1, to December 31, 2013) was ¥0.4 billion.

- Total revenue was ¥152.1 billion for the first nine months of fiscal year 2013. Of this, net interest income was ¥82.5 billion, a decrease as compared to ¥84.2 billion for the first nine months of fiscal year 2012. This was largely due to the sluggish growth of operating assets. On the other hand, due to the recognition of gains on the sale of equities in the Institutional Group, as well as firm growth in fee income on the sale of investment products in Retail Banking, non-interest income for the first nine months of fiscal year 2013 was ¥69.5 billion, an increase compared to ¥66.0 billion in the first nine months of fiscal year 2012.
- Regarding general and administrative expenses, while continuing to promote operational efficiency, a total expenditure of ¥99.4 billion was recorded for the first nine months of fiscal year 2013, an increase compared to ¥95.6 billion spent in the first nine months of fiscal year 2012. This spending was the result of proactive allocation of management resources in areas necessary to expand the business base of Shinsei Bank such as human resources and advertising.
- Regarding net credit costs, there were no major additional provisions necessary as were recorded in the past due to measures such as the reduction in non-core assets. In addition, due to factors such as the

reversal of reserves for loan losses upon the sale of non-performing loans and improvements in loan quality in the consumer finance business, total net credit costs were ¥0.6 billion, an improvement versus ¥4.8 billion recorded in the first nine months of fiscal year 2012.

- Regarding reserves for losses on interest repayment, additional reserves of ¥13.6 billion were provisioned in the third quarter of fiscal year 2013, while no additional reserves were provisioned in the third quarter of fiscal year 2012. While reserves were made in fiscal year 2011 to cover additional expenses, based upon the trend of interest repayments that followed, additional reserves have been recalculated and provisioned for in order to cover future costs.
- Regarding performance of separate business groups, all groups continue to post ordinary business profits after net credit costs from the first nine months of fiscal year 2012.
 - In the Institutional Group, due to continued efforts aimed at strengthening earnings, as well as reversals of reserves for loan losses being recognized on the sale of non-performing loans, results were strong with ordinary business profit after net credit costs increasing from ¥24.3 billion recorded for the first nine months of fiscal year 2012, to ¥39.4 billion recorded for the first nine months of fiscal year 2013.
 - The Global Markets Group, while continuing to work to develop and provide products that meet the needs of customers, due to the combined effect of the absence revenues from major collections on written-off claims recorded in the first nine months of fiscal year 2013, which had a material impact in the first nine months of fiscal year 2012, and growth in the total volume of market related-transactions being sluggish, recorded an ordinary business profit after net credit costs for the first nine months of

fiscal year 2013 of ¥1.5 billion, down from ¥5.4 billion in the first nine months of fiscal year 2012.

- In the Individual Group, as a result of the consumer finance loan balance having shifted to a growth trend in the fourth quarter of fiscal year 2012 and the balance continuing to grow in fiscal year 2013, as well as sales of investment products in the retail banking business continuing to be strong, net income has risen from ¥94.8 billion in the first nine months of fiscal year 2012, to ¥96.4 in the first nine months of fiscal year 2013. However, due to increases in expenses and credit costs, ordinary business profit after net credit costs was ¥17.0 billion for the first nine months of fiscal year 2013, a decrease compared to ¥19.5 billion for the first nine months of fiscal year 2012. It should be noted that ¥13.6 billion of reserves for losses on interest repayment were provisioned in the consumer finance business.
- The balance of loans and bills discounted went from ¥4,292.4 billion as of March 31, 2013, to ¥4,215.4 billion as of December 31, 2013. In loans to institutional customers, while efforts to meet demand for funding continue to be met with fierce competition, the balance has decreased somewhat due to collections on non-performing loans. In loans to individual customers, however, housing loan disbursements continued to be strong, and the consumer finance loan balance shifted to a growth trend in the fourth quarter of fiscal year 2012, and the balance continues to grow in fiscal year 2013.
- Net interest margin of 2.03% was recorded for the first nine months of fiscal year 2013, a decrease as compared to 2.04% for the first nine months of fiscal year 2012. This was mainly due to the sluggish growth of operating assets, as well as a decline in the balance of high interest rate assets, while heightened competition resulted in a decrease in the yield on interest-earning assets compared to the first nine months of fiscal year 2012. However, due to factors such as a portion of high interest rate time deposits made in previous years reaching maturity, expenses on interest-bearing liabilities such as deposits and negotiable certificates of deposit also decreased, which mitigated the decrease in the yield on interest earning assets. As a result, net interest margin was up compared to 2.02% on March 31, 2013.
- Regarding capital ratios, Tier I capital and total capital increased due to the accumulation of net income and amortization of goodwill and other intangible assets during the first nine months of fiscal year 2013, which resulted in an improvement of the consolidated capital adequacy ratio from 12.24% as of March 31, 2013, to 14.56% as of December 31, 2013, and the Tier I capital ratio rose from 10.41% as of March 31, 2013 to 12.28% on December 31, 2013.
- The balance of non-performing loans under the Financial Revitalization Law (non-consolidated) totaled ¥191.3 billion as of December 31, 2013, decreasing ¥51.2 billion during the first nine months of fiscal year 2013, mainly due to sales and collections of non-performing loans. In addition, the proportion of non-performing claims to the balance of total claims improved from 5.32% as of March 2013, to 4.49% as of December 31, 2013.

Section 1. Consolidated Information

Results of Operations ⁽¹⁾-Table 1- (Consolidated)

(Billions of yen, except percentages)

	Q3 FY2013 (9 months)	Q3 FY2012 (9 months)	% Change	FY2012 (12 months)
Net interest income	82.5	84.2	(2.0)	111.6
Non-interest income	69.5	66.0	5.3	87.3
Net fees and commissions	17.1	13.9	22.3	19.1
Net trading income	10.9	13.9	(21.7)	20.0
Net other business income	41.5	38.0	9.0	48.1
Total revenue	152.1	150.3	1.2	199.0
General and administrative expenses	99.4	95.6	4.0	128.6
Ordinary business profit	52.6	54.6	(3.6)	70.3
Net credit costs	0.6	4.8	(86.7)	5.5
Ordinary business profit after net credit costs	52.0	49.8	4.4	64.8
Amortization of goodwill and other intangible assets ⁽²⁾	7.3	8.2	(10.7)	10.7
Other gains (losses)	(15.0)	(0.8)	(1,654.9)	(0.1)
Income before income taxes and minority interests	29.6	40.7	(27.1)	53.8
Current income tax	3.0	1.1	179.1	0.5
Deferred income tax	(3.4)	(0.8)	(282.1)	(1.3)
Minority interests in net income of subsidiaries	2.3	2.6	(14.5)	3.5
Net income	27.7	37.8	(26.7)	51.0
Cash basis net income ⁽³⁾	34.2	44.9	(23.9)	60.4

(1) Represents results based on management accounting basis.

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

(3) Excludes amortization of goodwill and other intangible assets, net of tax benefit, related to the acquisition of consumer and commercial finance companies.

Note 1: Quarterly information is available in the Quarterly Data Book

Total Revenue

Shinsei Bank reported total revenue of ¥152.1 billion for the first nine months of fiscal year 2013, and increase compared to the first nine months of fiscal year 2012. Net interest income was ¥82.5 billion and non-interest income was ¥69.5 billion. In previous fiscal years there was a focus on the disposal of non core assets, which has resulted in the near absence of impairments and non-recurring losses. However, asset growth has been sluggish compared to the original plan, and revenues from market related transactions are also below expectations.

Net Interest Income

Net interest income of ¥82.5 billion was recorded for the first nine months of fiscal year 2013, a decline compared to ¥84.2 billion recorded for the first nine months of fiscal year 2012. This was a result of factors such as the overall balance growth of the Institutional Group, Global Markets Group, and other consumer finance businesses being less than originally planned as well as net interest income of newly executed transactions being lower than what was expected due to increases in competition, despite the housing loan, Shinsei Financial and Shinsei Bank Card Loan —Lake balances growing largely in line with our plans.

Interest-Earning Assets and Interest-Bearing Liabilities -Table 2- (Consolidated)

	(Billions of yen, except percentages)								
	Q3 FY2013 (9 months)			Q3 FY2012 (9 months)			FY2012 (12 months)		
	Average Balance	Interest	Yield/rate ⁽⁶⁾ (%)	Average Balance	Interest	Yield/rate ⁽⁶⁾ (%)	Average Balance	Interest	Yield/rate ⁽⁶⁾ (%)
Interest-earning assets⁽¹⁾ :									
Loans and bills discounted	4,251.5	93.8	2.93	4,230.6	97.3	3.05	4,246.2	128.5	3.03
Lease receivables and leased investment assets / installment receivables ⁽¹⁾	600.9	27.0	5.98	565.4	26.7	6.27	568.4	35.6	6.26
Securities	1,928.9	12.1	0.83	1,952.4	12.5	0.85	2,014.3	17.0	0.85
Other interest-earning assets ⁽²⁾⁽³⁾	425.5	2.2	n.m. ⁽⁵⁾	400.6	1.3	n.m. ⁽⁵⁾	420.8	2.2	n.m. ⁽⁵⁾
Total revenue on interest-earning assets (A)⁽¹⁾	7,207.0	135.3	2.49	7,149.2	137.9	2.56	7,249.9	183.4	2.53
Interest-bearing liabilities:									
Deposits, including negotiable certificates of deposit	5,785.6	16.4	0.38	5,389.7	17.5	0.43	5,450.2	23.4	0.43
Debentures	71.8	0.1	0.26	285.0	0.7	0.36	281.5	0.9	0.35
Borrowed money	639.2	3.7	0.78	636.5	3.9	0.83	654.4	5.2	0.80
Subordinated debt	90.2	1.5	2.23	92.7	1.4	2.06	92.5	1.9	2.08
Other borrowed money	548.9	2.2	0.54	543.7	2.5	0.62	561.8	3.3	0.59
Corporate bonds	194.8	4.5	3.11	174.0	3.9	3.03	176.9	5.4	3.09
Subordinated bonds	175.3	4.3	3.32	150.3	3.6	3.26	153.7	5.0	3.30
Other corporate bonds	19.5	0.1	1.17	23.6	0.2	1.58	23.2	0.3	1.70
Other interest-bearing liabilities ⁽²⁾	732.2	0.8	n.m. ⁽⁵⁾	425.4	0.6	n.m. ⁽⁵⁾	490.8	0.9	n.m. ⁽⁵⁾
Total expense on interest-bearing liabilities (B)	7,423.6	25.7	0.46	6,910.8	27.0	0.52	7,054.0	36.1	0.51
Net interest margin (A)-(B)⁽¹⁾	-	109.6	2.03	-	110.9	2.04	-	147.2	2.02
Non interest-bearing sources of funds:									
Non interest-bearing (assets) liabilities, net	(851.5)	-	-	(346.0)	-	-	(397.6)	-	-
Total equity excluding minority interests in subsidiaries ⁽⁴⁾	635.0	-	-	584.4	-	-	593.5	-	-
Total non interest-bearing sources of funds (C)	(216.5)	-	-	238.4	-	-	195.8	-	-
Sum of total expense on interest-bearing liabilities and non-interest-bearing sources of funds (D)=(B)+(C)	7,207.0	25.7	0.47	7,149.2	27.0	0.50	7,249.9	36.1	0.50
Net revenue/yield on interest-earning assets (A)-(D)⁽¹⁾	-	109.6	2.02	-	110.9	2.06	-	147.2	2.03
Reconciliation of total revenue on interest-earning assets to total interest income:									
Total revenue on interest-earning assets	7,207.0	135.3	2.49	7,149.2	137.9	2.56	7,249.9	183.4	2.53
Less: Income on lease transactions and installment receivables	600.9	27.0	5.98	565.4	26.7	6.27	568.4	35.6	6.26
Total interest income	6,606.1	108.2	2.18	6,583.8	111.2	2.24	6,681.4	147.8	2.21
Total interest expense	-	25.7	-	-	27.0	-	-	36.1	-
Net interest income	-	82.5	-	-	84.2	-	-	111.6	-

(1) Includes lease transactions and installment receivables and related yields.

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

(3) Excludes average balance of non interest-earning assets.

(4) Represents a simple average of the balance at the end of the current period and the balance at the end of the previous period.

(5) n.m. is not meaningful.

(6) Percentages have been rounded from the third decimal place.

Note 1: Quarterly information is available in the Quarterly Data Book

The line item "Net revenue/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 interest income, Japanese GAAP does not include income on lease transactions and installment accounts receivables in net interest income. (Under Japanese GAAP, income on lease transactions and installment accounts receivables is reported in net other business income in our consolidated statements of operations).

Net interest margin of 2.03% was recorded for the first nine months of fiscal year 2013, compared to 2.04% for the first nine months of fiscal year 2012. This was mainly due to the sluggish growth of operating assets, a decline in the balance of high interest rate assets, as well as heightened competition resulting in a decrease in the yield on

interest-earning assets. At the same time, rates on deposits including negotiable certificates of deposit have fallen from 0.43% in the first nine months of fiscal year 2012 to 0.38% in the first nine months of fiscal year 2013, due in part to the maturation of high-yield time deposits made in previous years. This, together with a reduction of interest rates on interest bearing liabilities, such as bonds and borrowed money due to declines in market interest rates, has softened the decrease in the net interest margin.

The revenue on interest-earning assets including leasing and installment receivables for the first nine months of fiscal year 2013 was ¥109.6 billion, decreasing from ¥110.9 billion in the first nine months of fiscal year 2012. While the total expense on interest-bearing liabilities decreased by ¥1.3 billion from ¥27.0 billion in the first nine months of fiscal year 2012 to ¥25.7 billion in the first nine months of fiscal year 2013, this was offset by a ¥2.5 billion decrease in total revenue on interest-earning assets.

Non-Interest Income -Table 3- (Consolidated)

(Billions of yen, except percentages)

	Q3 FY2013 (9 months)	Q3 FY2012 (9 months)	% Change	FY2012 (12 months)
Net fees and commissions	17.1	13.9	22.3	19.1
Net trading income	10.9	13.9	(21.7)	20.0
Net other business income	41.5	38.0	9.0	48.1
Income on lease transactions and installment receivables	27.0	26.7	1.4	35.6
Total non-interest income	69.5	66.0	5.3	87.3

Note 1: Quarterly information is available in the Quarterly Data Book

Non-interest income

Non-interest income consists of fees and commissions, trading income and other business income such as income on lease transactions and installment receivables and gains and losses on sales of available-for-sale securities.

Total non-interest income of ¥69.5 billion was recorded for the first nine months of fiscal year 2013, an increase compared to ¥66.0 billion in the first nine months of fiscal year 2012. Some of the factors for this increase compared to the first nine months in fiscal year 2012 are the recognition of gains on the sale of equities in the Institutional Group, and the increase in fee income in investment product sales and foreign exchange transactions in Retail Banking. At the same time, due to revenues from market related transactions being less than expected and losses sustained in the ALM business, growth in non-interest income was sluggish compared to the original plan.

Net fees and commissions

Net fees and commissions consists mainly of fees from non-recourse finance on domestic real estate, servicing fees from specialty finance and principal transactions, fees from guarantee and other businesses in consumer finance operations, and fees from sales of mutual funds and insurance products. Net fees and commissions of ¥17.1 billion were recorded for the first nine months of fiscal year 2013, increasing from ¥13.9 billion for the first nine months of fiscal year 2012, mainly due to an increase in fees from mutual funds and structured bonds in retail banking.

Net trading income

Net trading income includes revenue from derivatives associated with transactions with customers, and revenue from proprietary trading. Net trading income of ¥10.9 billion was recorded for the first nine months of fiscal year 2013, a decline from ¥13.9 billion for the first nine months of fiscal year 2012 as a result of less than expected growth in revenue from market related transactions.

Net other business income

Net other business income of ¥41.5 billion was recorded in the first nine months of fiscal year 2013 as compared to ¥38.0 billion in the first nine months of fiscal year 2012. Income on lease transactions and installment receivables of ¥27.0 billion was recorded for the first nine months of fiscal year 2013, somewhat of an increase as compared to the first nine months of fiscal year 2012, and profits of ¥3.1 billion recorded for the gain on sale of private equities in the first nine months of fiscal year 2013, up from a profit of ¥0 billion in the first nine months of fiscal year 2012, have resulted in an increase in net other business income as compared to the first nine months of fiscal year 2012. However, in the ALM business, a loss of ¥1.4 billion was incurred in the first quarter of fiscal year 2013 on the sales of Japanese national government bonds made in order to avoid interest rate risk resulting from volatility in the market, which has resulted in a portion of these profits being offset.

General and Administrative Expenses -Table 4- (Consolidated)

(Billions of yen, except percentages)

	Q3 FY2013 (9 months)	Q3 FY2012 (9 months)	% Change	FY2012 (12 months)
Personnel expenses	39.5	38.0	3.9	51.5
Non-personnel expenses	59.9	57.6	4.1	77.0
Premises expenses	14.7	14.4	1.6	19.4
Technology and data processing expenses	13.3	13.2	0.4	17.6
Advertising expenses	7.5	6.6	14.2	9.2
Consumption and property taxes	4.9	5.0	(1.8)	6.5
Deposit insurance premium	3.1	3.2	(3.9)	3.5
Other general and administrative expenses	16.3	14.9	9.0	20.6
General and administrative expenses	99.4	95.6	4.0	128.6

Note 1: Quarterly information is available in the Quarterly Data Book

- **General and administrative expenses**

General and administrative expenses of ¥99.4 billion were recorded in the first nine months of fiscal year 2013, an increase compared to the ¥95.6 billion recorded in the first nine months of fiscal year 2012. This was a result of prioritized allocation of management resources in relevant business areas in order to further expand our customer base and to smoothly enhance our profitability, both of which are major strategic targets established in the Second MTMP.

- **Personnel expenses**

Personnel expenses of ¥39.5 billion were recorded in the first nine months of fiscal year 2013, an increase as compared to ¥38.0 billion in the first nine months of fiscal year 2012. This is a result of the allocation of additional personnel to each business area in order to expand our customer base and enhance our profitability.

- **Non-personnel expenses**

While having worked to rationalize expenses across all of our business lines through strict expense control while also investing in necessary resources in order to expand our business base, non-personnel expenses were ¥59.9 billion in the first nine months of fiscal year 2013, an increase as compared to ¥57.6 billion in the first nine months of fiscal year 2012.

These expenses were comprised of the following: Branch premises expenses of ¥14.7 billion were recorded in the first nine months of fiscal year 2013, up only slightly compared to the first nine months of fiscal year 2012, reflecting our continuing efforts to streamline expenses.

Technology and data processing expenses of ¥13.3 billion were recorded in the first nine months of fiscal year 2013, up slightly compared to the first nine months of fiscal year 2012, while investments to stabilize our information technology infrastructure are becoming fully realized.

Advertising expenses of ¥7.5 billion were recorded in the first nine months of fiscal year 2013, an increase from ¥6.6 billion in the first nine months of fiscal year 2012, as we have actively expanded advertising activities with the aim of expanding our customer base.

Consumption and property taxes in the first nine months of fiscal year 2013 were ¥4.9 billion, almost the same level as compared to the first nine months of fiscal year 2012. Consumption tax costs that are expected to arise from capital expenditures related to stabilization of our information technology infrastructure is to be accounted for hereafter.

Deposit insurance premium expenses of ¥3.1 billion in the first nine months of fiscal year 2013 were roughly flat compared to the first nine months of fiscal year 2012, since average balance of deposits, which form the basis for calculating our deposit insurance premium, did not fluctuate drastically and the insurance premium rate did not change.

Other general and administrative expenses of ¥16.3 billion were recorded in the first nine months of fiscal year 2013, an increase from ¥14.9 billion in the first nine months of fiscal year 2012, as there were increases in expenses such as temporary staff expenses for ensuring stable operation of our information technology systems.

Net Credit Costs -Table 5- (Consolidated)

(Billions of yen, except percentages)

	Q3 FY2013 (9 months)	Q3 FY2012 (9 months)	% Change	FY2012 (12 months)
Losses on write-off of loans/Losses on sale of loans	1.6	3.5	(54.6)	8.4
Net provision of reserve for loan losses:	5.1	10.2	(50.1)	13.7
Net provision (reversal) of general reserve for loan losses	4.3	1.1	268.6	(5.3)
Net provision of specific reserve for loan losses	0.7	9.0	(91.6)	19.1
Net provision (reversal) of reserve for loan losses to restructuring countries	-	-	-	-
Net provision (reversal) of specific reserve for other credit losses	-	(0.0)	100.0	(0.0)
Other credit costs (reversal) relating to leasing business	(0.1)	(0.6)	79.3	(0.4)
Recoveries of written-off claims	(5.9)	(8.2)	28.4	(16.2)
Net credit costs (recoveries)	0.6	4.8	(86.7)	5.5

Note 1: Quarterly information is available in the Quarterly Data Book

- Net credit costs of ¥0.6 billion were recorded in the first nine months of fiscal year 2013, as compared to net credit costs of ¥4.8 billion in the first nine months of fiscal year 2012. We were able to see an improvement in this area as no large reserves for credit losses were recorded as in previous years due to the reduction in non-core assets aimed at limiting underlying risks, the reversal of reserves for loan losses on the sale of non-performing loans, and an improvement in the credit quality of loans in our consumer finance operations and Showa Leasing.
- For the first nine months of fiscal year 2013, recoveries of written-off claims were ¥5.9 billion, compared to ¥8.2 billion in the first nine months of fiscal year 2012. Overall, net credit costs have improved even if recoveries for written off claims are discounted, with net credit costs at ¥6.5 billion in the first nine months of fiscal year 2013, an improvement compared to ¥13.1 billion recorded in the first nine months of fiscal year 2012.
- Additionally, recoveries of written-off claims in the first nine months of fiscal year 2013 of ¥5.9 billion included ¥4.2 billion from Shinsei Financial, ¥0.7 billion from SHINKI Co., Ltd. (SHINKI), and ¥0.9 billion from Shinsei Bank (non-consolidated basis).

Amortization of Goodwill and Other Intangible Assets -Table 6- (Consolidated)

(Billions of yen, except percentages)

	Q3 FY2013 (9 months)	Q3 FY2012 (9 months)	% Change	FY2012 (12 months)
Shinsei Financial	4.9	5.7	(14.3)	7.4
SHINKI	(0.2)	(0.2)	0.0	(0.3)
APLUS FINANCIAL	0.6	0.6	2.4	0.8
Showa Leasing	2.0	2.1	(3.9)	2.8
Others	(0.0)	(0.0)	0.0	(0.0)
Amortization of goodwill and other intangible assets	7.3	8.2	(10.7)	10.7

Note 1: Quarterly information is available in the Quarterly Data Book

Amortization of goodwill and other intangible assets associated with the acquisition of consumer and commercial finance companies totaled ¥7.3 billion in the first nine months of fiscal year 2013 compared to ¥8.2 billion in the first nine months of fiscal year 2012. The lower amount is attributable to factors including the sum-of-the-years' digits method for amortization of goodwill and intangible assets related to Shinsei Financial.

Amortization of goodwill and other intangible assets of APLUS FINANCIAL Co., Ltd. (APLUS FINANCIAL) was ¥0.6 billion in the first nine months of fiscal year 2013, which was due to the amortization of goodwill for Zen-Nichi Shinpan, a subsidiary of APLUS FINANCIAL. Full impairment of goodwill and intangible assets for APLUS FINANCIAL was taken as of fiscal year 2009.

Other Gains (Losses) -Table 7- (Consolidated)

(Billions of yen, except percentages)

	Q3 FY2013 (9 months)	Q3 FY2012 (9 months)	% Change	FY2012 (12 months)
Extraordinary income (loss)	(1.1)	(0.6)	(68.3)	(0.6)
Net gain on disposal of premises and equipment	(0.1)	0.2	(168.1)	0.1
Other extraordinary income (loss)	(0.9)	(0.9)	(6.0)	(0.8)
Provisions of reserve for losses on interest repayment	(13.6)	-	-	-
Shinsei Financial	(0.7)	-	-	-
SHINKI	(12.8)	-	-	-
APLUS FINANCIAL	-	-		-
Other	-	-		-
Other	(0.2)	(0.1)	(27.9)	0.4
Other gains (losses)	(15.0)	(0.8)	(1,654.9)	(0.1)

Note 1: Quarterly information is available in the Quarterly Data Book

Other losses of ¥15.0 billion were recorded in the first nine months of fiscal year 2013, a large increase as compared to ¥0.8 billion in the first nine months of fiscal year 2012. This was mainly due to the provisioning of additional reserves for losses on interest repayments of ¥12.8 billion for SHINKI

and ¥0.7 billion for Shinsei Financial.

Impairment losses on fixed assets of ¥1.2 billion were recorded in the first nine months of fiscal year 2013, which were incurred due to the optimization of our branches and equipment to smoothly carry out the Second MTMP.

Minority Interests in Net Income of Subsidiaries -Table 8- (Consolidated)

(Billions of yen, except percentages)

	Q3 FY2013 (9 months)	Q3 FY2012 (9 months)	% Change	FY2012 (12 months)
Dividends on perpetual preferred securities (hybrid Tier I capital) issued by foreign SPCs	2.3	2.3	2.3	3.1
Others	(0.0)	0.3	(117.6)	0.4
Minority interests in net income of subsidiaries	2.3	2.6	(14.5)	3.5

Note 1: Quarterly information is available in the Quarterly Data Book

In minority interests in net income of subsidiaries in the first nine months of fiscal year 2013 a loss of ¥2.3 billion was recorded. Minority interests in net income of subsidiaries largely reflect dividends accrued on perpetual preferred securities issued by the bank's subsidiaries, and minority

interests in the consolidated net income of other consolidated subsidiaries. It should be noted that, minority interests in net income of subsidiaries in the first nine months of fiscal year 2012 was a loss of ¥2.6 billion.

Major Balance Sheet Data - Table 9- (Consolidated)

	(Billions of yen)				
	Dec 31 2013	Dec 31 2012	Change	Mar 31 2013	Change
	(a)	(b)	(a)-(b)	(c)	(a)-(c)
Loans and bills discounted	4,215.4	4,270.1	(54.6)	4,292.4	(77.0)
Installment receivables	400.1	360.1	40.0	365.8	34.3
Leased assets, lease receivables and leased investment assets	233.0	216.7	16.3	222.5	10.5
Securities	1,882.6	2,168.3	(285.6)	1,842.3	40.3
Other monetary claims purchased	111.3	122.8	(11.4)	112.3	(0.9)
Other interest earning assets ⁽¹⁾	950.7	574.3	376.4	765.2	185.4
Trading assets	301.9	312.9	(11.0)	287.9	14.0
Monetary assets held in trust	203.0	249.7	(46.6)	233.8	(30.7)
Goodwill, net	30.4	36.5	(6.1)	35.3	(4.9)
Other intangible assets ⁽²⁾	9.9	13.3	(3.4)	12.4	(2.5)
Other assets	524.7	444.9	79.7	509.6	15.0
Customer's liabilities for acceptances and guarantees	433.5	514.5	(81.0)	511.0	(77.4)
Reserve for credit losses	(143.0)	(170.9)	27.9	(161.8)	18.7
Total assets	9,154.2	9,113.7	40.4	9,029.3	124.8
Deposits and negotiable certificates of deposit	5,954.2	5,429.3	524.8	5,457.5	496.6
Debentures ⁽³⁾	43.6	272.1	(228.5)	262.3	(218.7)
Borrowed money	630.0	617.2	12.8	719.2	(89.2)
Corporate bonds	202.1	172.4	29.7	174.2	27.9
Other interest bearing liabilities ⁽⁴⁾	282.3	553.8	(271.5)	300.1	(17.8)
Trading liabilities	262.5	244.3	18.2	240.0	22.4
Reserve for losses on interest repayments	39.2	38.0	1.1	34.9	4.2
Other liabilities	594.6	606.8	(12.2)	645.9	(51.3)
Acceptances and guarantees	433.5	514.5	(81.0)	511.0	(77.4)
Total liabilities	8,442.4	8,448.8	(6.4)	8,345.6	96.7
Total equity	711.8	664.8	46.9	683.6	28.1

(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) In accordance with migration from Zaikei debentures to Zaikei time deposits in April 2013, the amount of debentures has been moved into time deposits.

(4) Includes call money, collateral related to securities lending transactions and short-term corporate bonds

Note: Quarterly information is available in the Quarterly Data Book

Loans and Bills Discounted

The balance of Shinsei Bank's loans and bills discounted as of December 31, 2013 was ¥4,215.4 billion compared to ¥4,292.4 billion as of March 31, 2013. Regarding the Institutional Group balance of loans and bills discounted, competition remains fierce in satisfying demand for capital, and the overall balance has declined as there were some recoveries of bad debts. However, in the Individual Group, the balance of housing loans has continued to steadily increase, and the loan balance of our consumer finance business which began growing from the fourth quarter of fiscal year 2012 continues to increase in fiscal year 2013.

Securities balance

The securities balance on December 31, 2013 increased to ¥1,882.6 billion, compared to ¥1,842.3 billion on March 31, 2013. While holdings of corporate bonds has been reduced due to the redemption of bonds associated with the disposal

of non-performing loans, holdings of U.S. treasury notes and Japanese national government bonds have increased. In addition, investment in securities including REITs, private equity investments and structured bonds will continue to be assessed with ample consideration of credit risks.

Deposits and Negotiable Certificates of Deposits

The balance of total deposits and negotiable certificates of deposits, as a result of actively selling products in line with customer needs, as well as a portion of Zaikei debentures being converted to deposits, increased to ¥5,954.2 billion as of December 31, 2013, compared to ¥5,457.5 billion as of March 31, 2013. Shinsei Bank is continuing to optimize its funding base by further promoting its retail banking operations.

Risk-Monitored Loans -Table 10- (Consolidated)

	(Billions of yen)				
	Dec 31 2013 (a)	Dec 31 2012 (b)	Change (a)-(b)	Mar 31 2013 (c)	Change (a)-(c)
Loans to bankrupt obligors	13.0	18.9	(5.9)	20.5	(7.5)
Non-accrual delinquent loans	200.5	278.9	(78.3)	252.9	(52.3)
Loans past due for three months or more	1.1	1.8	(0.6)	1.2	(0.1)
Restructured loans	34.5	41.0	(6.4)	38.1	(3.5)
Total (A)	249.3	340.7	(91.4)	312.8	(63.5)
Loans and bills discounted (B)	4,215.4	4,270.1	(54.6)	4,292.4	(77.0)
Ratio to total loans and bills discounted (A / B X 100) (%)	5.91%	7.98%	/	7.29%	/
Reserve for credit losses (C)	143.0	170.9	(27.9)	161.8	(18.7)
Reserve ratio (C / A X 100)	57.4%	50.2%	/	51.7%	/

Note 1: Quarterly information is available in the Quarterly Data Book

Risk monitored loans totaled ¥249.3 billion as of December 31, 2013, compared to ¥312.8 billion as of March 31, 2013, and ¥432.3 billion as of March 31, 2010 at the start of the Bank's First MTMP. During the first nine months of fiscal year 2013, risk monitored loans decreased by ¥63.5 billion, and continue to steadily decrease. Additionally, the ratio of risk monitored loans to total loans and bills

discounted was 5.91% as of December 31, 2013 representing a decline of 138 basis points compared to March 31, 2013.

Reserve for Credit Losses -Table 11- (Consolidated)

	(Billions of yen)				
	Dec 31 2013 (a)	Dec 31 2012 (b)	Change (a)-(b)	Mar 31 2013 (c)	Change (a)-(c)
General reserve for loan losses	64.6	76.3	(11.7)	67.7	(3.0)
Specific reserve for loan losses	78.3	94.5	(16.2)	94.1	(15.7)
Reserve for loans to restructuring countries	0.0	0.0	-	0.0	-
Total reserve for credit losses	143.0	170.9	(27.9)	161.8	(18.7)

Note 1: Quarterly information is available in the Quarterly Data Book

Loans by Borrower Industry -Table 12- (Consolidated)

	(Billions of yen)				
	Dec 31 2013 (a)	Dec 31 2012 (b)	Change (a)-(b)	Mar 31 2013 (c)	Change (a)-(c)
Domestic offices (excluding Japan offshore market account):					
Manufacturing	208.6	236.8	(28.2)	242.9	(34.3)
Agriculture and forestry	0.2	0.2	(0.0)	0.2	(0.0)
Fishery	-	-	-	-	-
Mining, quarrying and gravel extraction	-	0.1	(0.1)	0.1	(0.1)
Construction	12.2	18.4	(6.1)	13.9	(1.7)
Electric power, gas, heat supply and water supply	157.1	107.7	49.3	124.8	32.3
Information and communications	35.1	34.9	0.1	31.7	3.3
Transportation and postal service	214.2	234.3	(20.0)	230.0	(15.7)
Wholesale and retail	74.5	82.7	(8.2)	74.4	0.1
Finance and insurance	663.4	699.0	(35.5)	720.0	(56.5)
Real estate	554.2	616.3	(62.1)	597.7	(43.5)
Services	291.2	310.1	(18.9)	314.2	(23.0)
Local government	107.4	117.9	(10.4)	114.0	(6.6)
Others	1,847.7	1,723.5	124.2	1,768.1	79.5
Loans to individual customers (retail banking, Shinsei Bank Card Loan Lake, Shinsei Financial, SHINKI and APLUS FINANCIAL)	1,637.3	1,516.8	120.5	1,561.3	76.0
Total domestic (A)	4,166.3	4,182.5	(16.1)	4,232.7	(66.3)
Overseas offices (including Japan offshore market accounts):					
Governments	1.6	1.9	(0.2)	1.8	(0.1)
Financial institutions	0.5	0.9	(0.4)	0.8	(0.3)
Others	46.8	84.6	(37.8)	56.9	(10.1)
Total overseas (B)	49.0	87.5	(38.5)	59.7	(10.6)
Total (A+B)	4,215.4	4,270.1	(54.6)	4,292.4	(77.0)

Securities Being Held to Maturity -Table 13- (Consolidated)

	December 31, 2013			December 31, 2012			March 31, 2013		
	Carrying amount	Fair value	Unrealized gain (loss)	Carrying amount	Fair value	Unrealized gain (loss)	Carrying amount	Fair value	Unrealized gain (loss)
Fair value exceeds carrying amount									
Japanese national government bonds	584.3	586.4	2.1	585.0	589.7	4.6	584.8	589.4	4.5
Japanese corporate bonds	-	-	-	17.8	17.8	0.0	-	-	-
Other	54.0	58.7	4.6	45.0	49.4	4.3	51.9	56.7	4.8
Subtotal	638.3	645.1	6.8	647.9	657.0	9.0	636.7	646.1	9.3
Fair value does not exceed carrying amount									
Japanese national government bonds	66.3	66.0	(0.2)	-	-	-	-	-	-
Japanese corporate bonds	-	-	-	-	-	-	-	-	-
Other	-	-	-	7.0	6.7	(0.2)	3.0	3.0	(0.0)
Subtotal	66.3	66.0	(0.2)	7.0	6.7	(0.2)	3.0	3.0	(0.0)
Total	704.6	711.2	6.5	654.9	663.8	8.8	639.8	649.1	9.3

Securities Available for Sale - Table 14- (Consolidated)

	(Billions of yen)								
	December 31, 2013			December 31, 2012			March 31, 2013		
	Carrying amount (Fair value)	Amortized/ Acquisition cost	Unrealized gain (loss)	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	19.2	11.5	7.7	13.2	9.1	4.1	16.4	10.0	6.4
Domestic bonds	73.2	72.3	0.8	111.1	108.6	2.4	80.6	78.3	2.2
Japanese national government bonds	6.4	6.4	0.0	47.3	45.6	1.6	39.6	38.1	1.4
Japanese local government bonds	0.5	0.5	0.0	1.7	1.7	0.0	0.5	0.5	0.0
Japanese corporate bonds	66.2	65.4	0.8	62.0	61.2	0.7	40.4	39.6	0.7
Other	99.1	94.4	4.7	74.5	71.1	3.4	89.1	84.7	4.4
Foreign securities	94.5	90.2	4.2	69.8	66.7	3.1	86.0	81.9	4.1
Foreign currency denominated foreign corporate and government bonds	49.3	46.7	2.5	34.3	32.3	2.0	46.0	43.4	2.5
Yen-denominated foreign corporate and government bonds	42.1	40.9	1.1	32.6	31.9	0.6	37.9	36.9	1.0
Foreign equity securities and others	3.1	2.5	0.5	2.8	2.4	0.4	2.0	1.5	0.5
Other securities	3.1	2.7	0.4	1.1	0.9	0.2	1.1	0.9	0.2
Other monetary claims purchased	1.4	1.4	0.0	3.4	3.4	0.0	1.9	1.9	0.0
Subtotal	191.6	178.2	13.3	198.9	188.9	10.0	186.3	173.1	13.1
Carrying amount does not exceed amortized/acquisition cost									
Equity securities	1.5	2.0	(0.4)	3.6	4.5	(0.8)	2.9	3.6	(0.6)
Domestic bonds	776.2	779.5	(3.2)	1,110.3	1,113.5	(3.2)	856.0	859.1	(3.0)
Japanese national government bonds	723.4	725.9	(2.4)	964.0	965.0	(1.0)	712.8	713.8	(0.9)
Japanese local government bonds	-	-	-	-	-	-	-	-	-
Japanese corporate bonds	52.7	53.6	(0.8)	146.3	148.5	(2.1)	143.1	145.2	(2.0)
Other	93.1	95.0	(1.8)	95.3	96.8	(1.5)	51.4	51.9	(0.5)
Foreign securities	91.1	93.0	(1.8)	94.7	96.3	(1.5)	50.8	51.4	(0.5)
Foreign currency denominated foreign corporate and government bonds	89.6	91.4	(1.7)	84.9	86.2	(1.2)	46.8	47.1	(0.3)
Yen-denominated foreign corporate and government bonds	-	-	-	9.8	10.0	(0.2)	2.9	3.0	(0.1)
Foreign equity securities and others	1.4	1.5	(0.0)	0.0	0.0	-	1.1	1.1	(0.0)
Other securities	1.9	1.9	(0.0)	0.5	0.5	-	0.5	0.5	-
Other monetary claims purchased	-	-	-	-	-	-	-	-	-
Subtotal	870.9	876.5	(5.6)	1,209.3	1,215.0	(5.6)	910.4	914.7	(4.2)
Total⁽¹⁾⁽²⁾	1,062.6	1,054.8	7.7	1,408.3	1,403.9	4.3	1,096.7	1,087.9	8.8

(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 December 31, 2013, December 31, 2012 and March 31, 2013 were ¥1,061.1 billion, ¥1,404.8 billion and ¥1,094.8 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)		
	December 31, 2013	December 31, 2012	March 31, 2013
Unrealized gain (loss) before deferred tax on:			
Available-for-sale securities	7.7	4.3	8.8
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	(0.0)	0.0	0.0
Securities being held to maturity, reclassified from available-for-sale in the past, under extremely illiquid market conditions	(4.2)	(4.8)	(4.9)
Deferred tax assets (liabilities)	(0.8)	(0.3)	(0.4)
Unrealized gain (loss) on available-for-sale securities before interest adjustments	2.5	(0.7)	3.5
Minority interests	(0.0)	(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	0.2	0.2	0.3
Unrealized gain (loss) on available-for-sale securities	2.8	(0.4)	3.8

Deposits, Including Negotiable Certificates of Deposit (NCDs) -Table 15- (Consolidated)

(Billions of yen)

	Dec 31 2013 (a)	Dec 31 2012 (b)	Change (a)-(b)	Mar 31 2013 (c)	Change (a)-(c)
Deposits	5,754.4	5,213.4	541.0	5,252.9	501.4
Liquid (current, ordinary, note) deposits	1,759.2	1,569.9	189.3	1,584.5	174.7
Time deposits ⁽¹⁾⁽²⁾	3,597.2	3,238.6	358.5	3,250.5	346.6
Other	397.9	404.7	(6.8)	417.8	(19.9)
Negotiable certificates of deposits (NCDs)	199.7	215.9	(16.1)	204.6	(4.8)
Total	5,954.2	5,429.3	524.8	5,457.5	496.6

(1) Includes two-week maturity deposits

(2) In accordance with migration from Zaikai debentures to Zaikai time deposits in April 2013, the amount of debentures has been moved into time deposits.

Note 1: Quarterly information is available in the Quarterly Data Book

Financial Ratios -Table 16- (Consolidated)

	Q3 FY2013 (9 months)	Q3 FY2012 (9 months)	FY2012 (12 months)
Return on assets ⁽¹⁾	0.4% ⁽⁵⁾	0.6% ⁽⁵⁾	0.6%
Return on equity ⁽²⁾	5.8% ⁽⁵⁾	8.6% ⁽⁵⁾	8.6%
Return on equity (fully diluted) ⁽³⁾	5.8% ⁽⁵⁾	8.6% ⁽⁵⁾	8.6%
Cash basis return on assets ⁽¹⁾	0.5% ⁽⁵⁾	0.7% ⁽⁵⁾	0.7%
Cash basis return on equity ⁽²⁾⁽⁴⁾	7.6% ⁽⁵⁾	11.2% ⁽⁵⁾	11.1%
Cash basis return on equity (fully diluted) ⁽³⁾⁽⁴⁾	7.6% ⁽⁵⁾	11.2% ⁽⁵⁾	11.1%
Expense-to-revenue ratio ⁽⁶⁾⁽⁷⁾	65.4%	63.6%	64.6%

(1) Return on assets:

$$\frac{\text{Net income}}{(\text{Total assets at the BOP} + \text{Total assets at the EOP}) / 2}$$

BOP: beginning of period

EOP: end of period

For the calculation of cash basis return on assets, goodwill and other intangibles are excluded from the amount of total assets.

(2) Return on equity:

$$\frac{\text{Net income}}{(\text{Total equity eligible for common shareholders at the BOP} + \text{Total equity eligible for common shareholders at the EOP}) / 2}$$

(3) Return on equity (fully diluted):

$$\frac{\text{Net income}}{((\text{Total equity at the BOP} - \text{Share warrants at the BOP} - \text{Minority interests at the BOP}) + (\text{Total equity at the EOP} - \text{Share warrants at the EOP} - \text{Minority interests at the EOP})) / 2}$$

(4) The denominator is calculated as:

((Total capital – goodwill – intangible assets acquired in business combinations (net of associated deferred tax liability) at the beginning of the period) + (the same values at the end of the period)) / 2.

(5) Annualized basis.

(6) Management accounting basis.

(7) Expense denotes general and administrative expenses.

Note 1: Quarterly information is available in the Quarterly Data Book

Capital Adequacy Data -Table 17- (Consolidated)

(Billions of yen, except percentages)

	Dec 31 2013 (a)	Dec 31 2012 (b)	Change (a)-(b)	Mar 31 2013 (c)	Change (a)-(c)
Basic items (Tier I)	659.8	589.9	69.9	608.8	51.0
Amount eligible for inclusion in capital (Tier II)	182.7	187.7	(5.0)	178.7	3.9
General reserve for loan losses	8.7	9.0	(0.3)	8.9	(0.2)
Perpetual/non-perpetual preferred stocks and perpetual/non-perpetual subordinated debt and bonds	174.0	178.7	(4.7)	169.7	4.2
Deductions	-	-	-	-	-
Deduction	(60.2)	(78.9)	18.6	(71.7)	11.5
Total capital ⁽²⁾	782.3	698.7	83.5	715.8	66.5
Risk assets	5,370.8	5,875.4	(504.5)	5,847.7	(476.9)
Capital adequacy ratio	14.56%	11.89%		12.24%	
Tier I capital ratio	12.28%	10.04%		10.41%	

(1) Calculated according to Basel II, F-IRB. Figures are calculated in accordance with FSA Notification Number 79 issued in December 2008 and FSA Notification Number 56 issued in June 2012 (special treatment of FSA Notification Number 19 issued in 2006). As a result, ¥0.4 billion net unrealized losses on securities available-for-sale, net of taxes, as of December 31, 2012 are not included in BIS capital.

Net unrealized gains on securities available-for-sale were recorded as of December 31, 2013 and March 31, 2013.

(2) Consolidated total required capital is ¥322.6 billion as at December 31, 2013, ¥390.4 billion as at December 31, 2012 and ¥374.5 billion as at March 31, 2013.

Note 1: Quarterly information is available in the Quarterly Data Book

Per Share Data -Table 18- (Consolidated)

(Yen, except percentages)

	Q3 FY2013 (9 months)	Q3 FY2012 (9 months)	% Change	FY2012 (12 months)	% Change
Common equity	243.96	226.79	7.6	233.65	4.4
Fully diluted equity	243.96	226.79	7.6	233.65	4.4
Basic net income	10.43	14.24	(26.7)	19.24	
Diluted net income	10.43	14.24	(26.7)	19.24	
Cash basis:					
Basic net income	12.89	16.94	(23.9)	22.77	
Diluted net income	12.89	16.94	(23.9)	22.77	
For calculation of per share data (Does not include treasury shares) :					
Equity:					
Number of common shares ⁽¹⁾	2,653,919,247	2,653,919,247		2,653,919,247	
Fully diluted number of shares ⁽¹⁾	2,653,922,643	2,653,919,247		2,653,919,247	
Net income:					
Number of common shares ⁽²⁾	2,653,919,247	2,653,919,247		2,653,919,247	
Fully diluted number of shares ⁽²⁾	2,653,922,643	2,653,919,247		2,653,919,247	

(1) Outstanding shares at the end of the respective periods.

(2) Weighted average number of outstanding shares during the respective period.

Note 1: Quarterly information is available in the Quarterly Data Book

We recorded ¥27.7 billion in consolidated net income in the first nine months of fiscal year 2013, compared to ¥37.8 billion in the first nine months of fiscal year 2012. As a result, the diluted net income per share in the first nine months of fiscal year 2013 declined to ¥10.43 from ¥14.24 in the first

nine months of fiscal year 2012. Cash basis diluted net income per share in the first nine months of fiscal year 2013 was ¥12.89, a decrease from ¥16.94 in the first nine months of fiscal year 2012.

Business Lines Results -Table 19- (Consolidated)

(Billions of yen, except percentages)

	Q3 FY2013 (9 months)	Q3 FY2012 (9 months)	% Change	FY2012 (12 months)
Institutional Group:				
Net interest income	21.4	21.7	(1.4)	29.8
Non-interest income	31.0	21.8	42.3	27.0
Total revenue	52.5	43.5	20.5	56.8
General and administrative expenses	18.2	18.0	1.5	24.2
Ordinary business profit	34.2	25.5	33.9	32.6
Net credit costs (recoveries)	(5.1)	1.1	(532.5)	6.3
Ordinary business profit after net credit costs (recoveries)	39.4	24.3	61.8	26.3
Global Markets Group:				
Net interest income	2.8	2.3	21.0	2.9
Non-interest income	5.4	7.8	(30.5)	11.2
Total revenue	8.2	10.1	(18.7)	14.2
General and administrative expenses	6.6	6.8	(1.8)	9.0
Ordinary business profit	1.5	3.3	(53.3)	5.2
Net credit costs (recoveries)	0.0	(2.0)	102.1	(7.5)
Ordinary business profit after net credit costs (recoveries)	1.5	5.4	(72.1)	12.7
Individual Group:				
Net interest income	63.7	64.1	(0.7)	84.4
Non-interest income	32.6	30.7	6.5	42.0
Total revenue	96.4	94.8	1.6	126.4
General and administrative expenses	73.5	70.0	5.0	93.3
Ordinary business profit	22.8	24.8	(7.8)	33.1
Net credit costs	5.7	5.2	9.8	6.2
Ordinary business profit after net credit costs	17.0	19.5	(12.6)	26.9
Corporate/Other⁽¹⁾:				
Net interest income	(5.4)	(4.0)	(35.2)	(5.6)
Non-interest income	0.3	5.7	(93.2)	6.9
Total revenue	(5.0)	1.7	(391.9)	1.3
General and administrative expenses	0.9	0.7	25.1	2.0
Ordinary business profit (loss)	(5.9)	0.9	(722.4)	(0.6)
Net credit costs (recoveries)	(0.0)	0.4	(101.1)	0.5
Ordinary business profit (loss) after net credit costs (recoveries)	(5.9)	0.5	(1,242.2)	(1.1)
Total:				
Net interest income	82.5	84.2	(2.0)	111.6
Non-interest income	69.5	66.0	5.3	87.3
Total revenue	152.1	150.3	1.2	199.0
General and administrative expenses	99.4	95.6	4.0	128.6
Ordinary business profit	52.6	54.6	(3.6)	70.3
Net credit costs	0.6	4.8	(86.7)	5.5
Ordinary business profit after net credit costs	52.0	49.8	4.4	64.8

(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.

Note 1: Quarterly information is available in the Quarterly Data Book

Institutional Group - Table 20- (Consolidated)

(Billions of yen, except percentages)

	Q3 FY2013 (9 months)	Q3 FY2012 (9 months)	% Change	FY2012 (12 months)
Institutional Business Sub-Group - Institutional Business: ⁽²⁾⁽³⁾				
Net interest income	7.2	7.0	2.6	9.4
Non-interest income	2.3	2.6	(11.9)	4.4
Total revenue	9.5	9.7	(1.4)	13.9
General and administrative expenses	4.7	4.6	1.0	6.1
Ordinary business profit	4.8	5.0	(3.6)	7.7
Net credit costs (recoveries)	0.7	(3.2)	122.3	(3.0)
Ordinary business profit after net credit costs (recoveries)	4.1	8.3	(50.4)	10.8
Institutional Business Sub-Group - Structured Finance: ⁽³⁾				
Net interest income	12.4	13.1	(4.9)	17.0
Non-interest income	6.5	2.3	182.6	4.3
Total revenue	19.0	15.4	23.1	21.4
General and administrative expenses	3.6	3.6	(0.2)	4.8
Ordinary business profit	15.3	11.8	30.3	16.5
Net credit costs (recoveries)	(6.0)	4.6	(231.2)	5.8
Ordinary business profit after net credit costs (recoveries)	21.4	7.1	199.4	10.7
Principal Transactions Sub-Group:				
Net interest income	3.5	3.4	2.5	5.0
Non-interest income	9.9	5.2	87.9	6.3
Total revenue	13.4	8.7	54.3	11.4
General and administrative expenses	3.1	2.8	9.5	3.8
Ordinary business profit	10.3	5.8	75.9	7.5
Net credit costs (recoveries)	0.0	(0.4)	103.4	(0.5)
Ordinary business profit after net credit costs (recoveries)	10.3	6.3	62.8	8.1
Showa Leasing:				
Net interest income	(2.0)	(1.6)	(20.4)	(1.6)
Non-interest income	12.1	11.4	5.3	15.7
Total revenue	10.0	9.8	2.7	14.0
General and administrative expenses	5.8	5.7	2.1	7.8
Ordinary business profit	4.2	4.0	3.5	6.2
Net credit costs (recoveries)	(1.5)	(1.3)	(12.4)	(0.0)
Ordinary business profit after net credit costs (recoveries)	5.7	5.4	5.7	6.3
Others: ⁽²⁾				
Net interest income	0.1	(0.2)	188.7	(0.0)
Non-interest income	0.1	0.0	80.2	(3.8)
Total revenue	0.3	(0.1)	403.2	(3.9)
General and administrative expenses	0.9	1.1	(14.8)	1.5
Ordinary business profit (loss)	(0.6)	(1.2)	52.1	(5.4)
Net credit costs	1.6	1.6	0.0	4.1
Ordinary business profit (loss) after net credit costs	(2.2)	(2.9)	22.6	(9.6)
Institutional Group:				
Net interest income	21.4	21.7	(1.4)	29.8
Non-interest income	31.0	21.8	42.3	27.0
Total revenue	52.5	43.5	20.5	56.8
General and administrative expenses	18.2	18.0	1.5	24.2
Ordinary business profit	34.2	25.5	33.9	32.6
Net credit costs (recoveries)	(5.1)	1.1	(532.5)	6.3
Ordinary business profit after net credit costs (recoveries)	39.4	24.3	61.8	26.3

(1) Net of consolidation adjustments, if applicable.

(2) Results for Advisory business are included in the Institutional Business Sub-Group on a management accounting basis from Q1 FY2012.

(3) In accordance with the organizational changes implemented on April 1, 2013, results of shipping finance have been transferred from Institutional Banking to Structured Finance from Q1 FY2012.

Note 1: Quarterly information is available in the Quarterly Data Book

The Shinsei Bank Group provides various financial products and services to our institutional and individual customers through the Institutional Group, the Global Markets Group and the Individual Group. Concerning business for institutional customers, the Institutional Group engages primarily in the provision of corporate and public sector finance and solutions, and the Global Markets Group engages primarily in the financial markets business and serves financial institution clients.

Institutional Group:

The Institutional Group reporting segments consist of: 1) Institutional Business Sub-Group which provides financial products and services to corporate and public entities, and also provides structured finance businesses such as real estate finance and project finance, 2) Principal Transactions Sub-Group which covers credit trading and private equity business, 3) Showa Leasing Co., Ltd. (Showa Leasing) and 4) Others including asset-backed investments.

It should be noted the Structured Finance Sub-Group was integrated into the Institutional Business Sub-Group as per the organizational changes put into effect on April 1, 2013. Also, as per the restructuring from July 1, 2013 onwards, the Shinsei Principal Investments Group was formed through the integration of Shinsei Corporate Investment Limited, Shinsei Investment & Finance Limited, and Shinsei Servicing & Consulting Limited, which come under the umbrella of Shinsei Principal Investments Ltd. and the Bank has transferred the front office operations of the key functions of credit trading and private equity business from the Principal Transactions Sub-Group to the newly consolidated subsidiary.

Total revenue

Revenue for the Institutional Group increased to ¥52.5 billion in the first nine months of fiscal year 2013, a strong performance compared to ¥43.5 billion in the first nine months of fiscal year 2012, as the progress made during the First MTMP towards rebuilding our customer base and stabilizing our profitability are steadily yielding good results. Net interest income was ¥21.4 billion in the first nine months of fiscal year 2013 compared to ¥21.7 billion in the first nine months of fiscal year 2012. Non-interest income was ¥31.0 billion in the first nine months of fiscal year 2013, an increase from ¥21.8 billion in the first nine months of fiscal year 2012.

In the Institutional Business Sub-Group, a sub-group under the Institutional Group, revenue was ¥9.5 billion in the first nine months of fiscal year 2013, versus ¥9.7 billion in the first nine months of fiscal year 2012. Efforts continue to be made to identify new outlets for corporate lending and increasing the loan balance, with the promotion of cross selling, focusing on the development and provision of financial products and services tailored to the needs of our customers in order to expand our client base. Structured Finance recorded total revenue of ¥19.0 billion in the first nine months of fiscal year 2013 as compared to ¥15.4 billion in the first nine months of fiscal year 2012. This increase in the first nine months of fiscal year 2013 was due in part to dividend income from past investments in real estate, and fee income from new undertakings in

institutional real estate such as REITs and specialty finance.

The Principal Transactions Sub-Group recorded total revenue of ¥13.4 billion in the first nine months of fiscal year 2013, an increase from ¥8.7 billion in the first nine months of fiscal year 2012. The performance continued to be stable mainly due to continued efforts in domestic credit trading operations, as well as a profit of ¥1.1 billion on sales of private equity investments being recorded. It should be noted ¥0.6 billion of impairments on private equity investment was recognized in the first nine months of fiscal year 2012, which was contained to under ¥0.1 billion in the first nine months of fiscal year 2013.

Total Other revenue of the Institutional Group was a profit of ¥0.3 billion in the first nine months of fiscal year 2013, as compared to a loss of ¥0.1 billion in the first nine months of fiscal year 2012. The impact on the profit and loss was limited due to the continuous reduction of non-core assets.

Expenses

General and administrative expenses were ¥18.2 billion in the first nine months of fiscal year 2013, an increase from ¥18.0 billion in the first nine months of fiscal year 2012. While efforts to improve efficiency in each business line are being continued, expenses were up very slightly due to investment of management resources in strategic focus areas to increase headcount and to expand the business base in order to strengthen profitability.

Net credit costs

Net credit recoveries were ¥5.1 billion in the first nine months of fiscal year 2013, as compared to net credit costs of ¥1.1 billion in the first nine months of fiscal year 2012. Net credit costs remained limited, as no large reserves for credit losses were recorded due to reduction of non-core assets aimed at limiting potential risks during the Bank's First MTMP. In addition, the creditworthiness of some accounts improved, and there were some reversals of reserves for loan losses due to the sale of non-performing loans, resulting in an overall improvement in net credit costs of the Institutional Group.

Ordinary business profit after net credit costs

As a result of the preceding, the Institutional Group recorded an ordinary business profit after net credit costs of ¥39.4 billion in the first nine months of fiscal year 2013, an increase from ¥24.3 billion in the first nine months of fiscal year 2012.

Showa Leasing

Showa Leasing recorded ¥5.7 billion of ordinary business profit after net credit costs in the first nine months of fiscal year 2013, an increase as compared to ¥5.4 billion in the first nine months of fiscal year 2012. Total revenue was ¥10.0 billion in the first nine months of fiscal year 2013, steady as compared to ¥9.8 billion in the first nine months of fiscal year 2012. Net credit recoveries were ¥1.5 billion in the first nine months of fiscal year 2013, compared to ¥1.3 billion in the first nine months of fiscal year 2012, due to improvements in credit quality of loans and the progression of collections.

Global Markets Group ⁽¹⁾-Table 21- (Consolidated)

(Billions of yen, except percentages)

	Q3 FY2013 (9 months)	Q3 FY2012 (9 months)	% Change	FY2012 (12 months)
Financial Institutions Sub-Group:				
Net interest income	1.1	1.2	(2.6)	1.6
Non-interest income	1.4	2.0	(31.6)	2.9
Total revenue	2.6	3.2	(20.8)	4.5
General and administrative expenses	1.6	1.7	(8.5)	2.3
Ordinary business profit	1.0	1.5	(34.7)	2.2
Net credit costs (recoveries)	0.0	(1.8)	103.3	(6.2)
Ordinary business profit after net credit costs (recoveries)	0.9	3.3	(71.9)	8.5
Markets Sub-Group:				
Net interest income	1.5	1.0	51.1	1.2
Non-interest income	1.9	4.0	(52.5)	5.9
Total revenue	3.4	5.0	(31.4)	7.2
General and administrative expenses	2.4	2.4	0.8	3.1
Ordinary business profit	1.0	2.6	(61.0)	4.0
Net credit costs (recoveries)	0.0	(0.0)	136.3	(1.0)
Ordinary business profit after net credit costs (recoveries)	1.0	2.6	(62.5)	5.0
Others:				
Net interest income	0.0	0.0	(9.1)	0.1
Non-interest income	2.1	1.7	21.7	2.3
Total revenue	2.1	1.8	20.6	2.4
General and administrative expenses	2.6	2.6	0.4	3.5
Ordinary business profit (loss)	(0.4)	(0.8)	43.1	(1.0)
Net credit costs (recoveries)	(0.0)	(0.2)	82.1	(0.2)
Ordinary business profit (loss) after net credit costs (recoveries)	(0.4)	(0.6)	30.2	(0.8)
Global Markets Group: ⁽²⁾				
Net interest income	2.8	2.3	21.0	2.9
Non-interest income	5.4	7.8	(30.5)	11.2
Total revenue	8.2	10.1	(18.7)	14.2
General and administrative expenses	6.6	6.8	(1.8)	9.0
Ordinary business profit	1.5	3.3	(53.3)	5.2
Net credit costs (recoveries)	0.0	(2.0)	102.1	(7.5)
Ordinary business profit after net credit costs (recoveries)	1.5	5.4	(72.1)	12.7

(1) Net of consolidation adjustments, if applicable.

(2) From the FY2012 interim period, financial results for the Treasury Sub-Group have been transferred from the "Global Markets Group" to the "Corporate/Other" account.

Note 1: Quarterly information is available in the Quarterly Data Book

Global Markets Group:

The Global Markets Group reporting segments consists of: 1) Financial Institutions Sub-Group which provides financial products and services for financial institutions, 2) Markets Sub-Group which deals with foreign exchange, derivatives and other capital markets business, and 3) Others which covers asset management, wealth management, and Shinsei Securities' businesses. The Treasury Sub-Group, which governs the ALM for the Bank overall, was transferred to the Finance Group as part of organizational changes implemented on July 1, 2012, and their results are now included in the Corporate/Other segment.

Total revenue

The Global Markets Group generated total revenue of ¥8.2 billion in the first nine months of fiscal year 2013, compared to ¥10.1 billion in the first nine months of fiscal year 2012. The group continued efforts to expand the customer base, as well as developing and providing financial products which meet customers' needs, however total revenue decreased due to sluggish growth in the total volume of customer transactions and market related-transactions.

The Financial Institutions Sub-Group's total revenue was ¥2.6 billion in the first nine months of fiscal year 2013, compared to ¥3.2 billion in the first nine months of fiscal year 2012. For the first nine months of fiscal year 2013, the Sub-Group promoted business alliances utilizing their well developed network with financial institutions, while simultaneously striving to promote sales providing various products and transactions in line with customers' needs. However, growth in revenue from transactions with customers was sluggish, and total revenue decreased compared to the first nine months of fiscal year 2012.

The Markets Sub-Group similarly experienced sluggish growth in revenue from transactions with customers and market related transactions, and as a result total revenue decreased to ¥3.4 billion in the first nine months of fiscal year 2013, a decline from ¥5.0 billion in the first nine months of fiscal year 2012.

Others revenue of the Global Markets Group was ¥2.1 billion for the first nine months of fiscal year 2013, an increase as compared to ¥1.8 billion for the first nine months of fiscal year 2012.

Expenses

The Global Markets Group recorded ¥6.6 billion of general and administrative expenses for the first nine months of fiscal year 2013, compared to ¥6.8 billion in the first nine months of fiscal year 2012. While the allocation of resources to relevant business areas for rebuilding the client base was prioritized, continuous cost rationalization was implemented across the group. As a result, expenses decreased slightly as compared to the first nine months of fiscal year 2012.

Net credit costs

Net credit costs of ¥0.0 billion (¥43 million) were recorded in the first nine months of fiscal year 2013, compared to recoveries of ¥2.0 billion in the first nine months of fiscal year 2012. The group's performance in this area in the first nine months of fiscal year 2012 was due to the collection of written-off claims and the recording of major credit recoveries.

Ordinary business profit after net credit costs

As a result of the preceding, the Global Markets Group recorded ¥1.5 billion of ordinary business profit after net credit costs in the first nine months of fiscal year 2013, compared to ¥5.4 billion in the first nine months of fiscal year 2012.

⁽¹⁾
Individual Group - Table 22- (Consolidated)

(Billions of yen, except percentages)

	Q3 FY2013 (9 months)	Q3 FY2012 (9 months)	% Change	FY2012 (12 months)
Retail banking:				
Net interest income	19.1	19.7	(2.7)	26.0
Non-interest income	5.6	4.8	17.1	7.0
Total revenue	24.8	24.5	1.2	33.1
General and administrative expenses	24.2	23.0	5.2	30.2
Ordinary business profit	0.6	1.5	(59.8)	2.8
Net credit costs (recoveries)	0.1	(0.0)	818.2	0.0
Ordinary business profit after net credit costs (recoveries)	0.4	1.5	(70.8)	2.8
Shinsei Financial and Shinsei Bank Card Loan Lake ⁽²⁾ :				
Net interest income	32.6	30.9	5.4	40.9
Non-interest income	(2.5)	(2.3)	(8.3)	(3.2)
Total revenue	30.0	28.5	5.2	37.6
General and administrative expenses	19.6	18.9	3.9	25.2
Ordinary business profit	10.3	9.6	7.7	12.3
Net credit costs (recoveries)	0.9	1.0	(10.1)	(0.1)
Ordinary business profit after net credit costs (recoveries)	9.4	8.5	9.9	12.4
SHINKI:				
Net interest income	5.0	5.2	(4.5)	6.9
Non-interest income	(0.4)	(0.4)	2.1	(0.5)
Total revenue	4.5	4.8	(4.7)	6.3
General and administrative expenses	3.1	2.9	8.3	4.0
Ordinary business profit	1.4	1.8	(24.9)	2.2
Net credit costs (recoveries)	0.0	0.0	(52.8)	(0.0)
Ordinary business profit after net credit costs (recoveries)	1.3	1.8	(23.5)	2.2
APLUS FINANCIAL:				
Net interest income	5.7	7.1	(19.6)	9.2
Non-interest income	29.8	28.5	4.6	38.5
Total revenue	35.6	35.7	(0.3)	47.8
General and administrative expenses	26.0	24.8	4.8	33.2
Ordinary business profit	9.6	10.9	(11.7)	14.6
Net credit costs	4.7	4.2	11.5	6.4
Ordinary business profit after net credit costs	4.9	6.7	(26.3)	8.1
Others ⁽³⁾ :				
Net interest income	1.1	1.0	6.1	1.4
Non-interest income	0.1	0.1	21.1	0.1
Total revenue	1.3	1.2	8.0	1.6
General and administrative expenses	0.5	0.3	35.9	0.5
Ordinary business profit	0.8	0.8	(4.1)	1.1
Net credit costs (recoveries)	(0.0)	(0.0)	5.6	(0.0)
Ordinary business profit after net credit costs (recoveries)	0.8	0.9	(4.2)	1.1
Individual Group:				
Net interest income	63.7	64.1	(0.7)	84.4
Non-interest income	32.6	30.7	6.5	42.0
Total revenue	96.4	94.8	1.6	126.4
General and administrative expenses	73.5	70.0	5.0	93.3
Ordinary business profit	22.8	24.8	(7.8)	33.1
Net credit costs (recoveries)	5.7	5.2	9.8	6.2
Ordinary business profit after net credit costs (recoveries)	17.0	19.5	(12.6)	26.9

(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) Includes Shinsei Property Finance and unallocated Consumer Finance Sub-Group financials.

Note 1: Quarterly information is available in the Quarterly Data Book

Individual Group Revenue by Product/Entity - Table 23- (Consolidated)⁽¹⁾

(Billions of yen, except percentages)

	Q3 FY2013 (9 months)	Q3 FY2012 (9 months)	% Change	FY2012 (12 months)
Retail Banking:	24.8	24.5	1.2	33.1
Deposits and debentures net interest income	11.9	13.5	(12.2)	17.6
Deposits and debentures non-interest income	2.1	2.4	(12.7)	3.6
Asset management	3.9	3.0	28.3	4.3
Loans	6.7	5.4	25.7	7.4
Shinsei Financial and Shinsei Bank Card Loan Lake ⁽²⁾	30.0	28.5	5.2	37.6
SHINKI	4.5	4.8	(4.7)	6.3
APLUS FINANCIAL	35.6	35.7	(0.3)	47.8
Others ⁽³⁾	1.3	1.2	8.0	1.6
Total revenue	96.4	94.8	1.6	126.4

(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) Includes Shinsei Property Finance and unallocated Consumer Finance Sub-Group financials.

Note 1: Quarterly information is available in the Quarterly Data Book

Individual Group:

The Individual Group consists of Retail Banking, as well as Shinsei Bank Card Loan - Lake, and the subsidiaries Shinsei Financial, SHINKI, APLUS FINANCIAL and Shinsei Property Finance. In addition, the foreign remittance service "GoRemit Shinsei Overseas Remittance Service" which was acquired from Lloyds TSB Bank on March 1, 2013, is included in Retail Banking.

The Individual Group's ordinary business profit after net credit costs was ¥17.0 billion in the first nine months of fiscal year 2013, compared to ¥19.5 billion in the first nine months of fiscal year 2012.

Retail Banking

Total revenue of retail banking went from ¥24.5 billion in the first nine months of fiscal year 2012, to ¥24.8 billion in the first nine months of fiscal year 2013. Net interest income totaled ¥19.1 billion in the first nine months of fiscal year 2013, compared to ¥19.7 billion in the first nine months of fiscal year 2012. The housing loan performance continues to be firm, with a net increase in the loan balance and an increase in revenues. However, as a result of net interest income from deposits including liquid deposits decreasing due to a decline in market interest rates, total net interest income declined compared to the first nine months of fiscal year 2012. Non-interest income increased to ¥5.6 billion in the first nine months of fiscal year 2013, as compared to ¥4.8 billion in the first nine months of fiscal year 2012. This was due to the offering of new products that meet the needs of customers in a timely manner resulting in the sales of investment products continuing to grow steadily.

General and administrative expenses were ¥24.2 billion in the first nine months of fiscal year 2013, an increase as compared to ¥23.0 billion in the first nine months of fiscal year 2012, due to measures taken to smoothly carry out the Second MTMP, while simultaneously implementing various rationalization and efficiency measures, such as reconsidering the unit price for advertising.

Regarding net credit costs, recoveries totaled ¥0 billion (¥22 million) in the first nine months of fiscal year 2012, compared to ¥0.1 billion of costs in the first nine months of fiscal year 2013. As a result, ordinary business profit after net credit costs was ¥0.4 billion in the first nine months of fiscal year 2013, compared to ¥1.5 billion in the first nine months of fiscal year 2012.

Shinsei Financial and Shinsei Bank Card Loan - Lake

The ordinary business profit after net credit costs of Shinsei Financial and Shinsei Bank Card Loan - Lake after related consolidation adjustments was ¥9.4 billion in the first nine months of fiscal year 2013, compared to ¥8.5 billion for the first nine months of fiscal year 2012.

Total revenue was ¥30.0 billion in the first nine months of fiscal year 2013, compared to ¥28.5 billion in the first nine months of fiscal year 2012, primarily due to the increase in the total loan balance. The combined loan balances at Shinsei Financial and Shinsei Bank Card Loan - Lake shifted to a growth trend since the fourth quarter of fiscal year 2012, and the balance (total balance including consumer finance operations conducted within the Bank) has grown by ¥11.0 billion in the first nine months of fiscal year 2013 as compared to the end of fiscal year 2012.

Following the implementation of strict credit management, the establishment of a strong structure for loan collections, and the introduction of total volume control, there has been a drastic improvement in credit quality, and net credit costs of ¥0.9 billion were recorded in the first nine months of fiscal year 2013 as compared to ¥1.0 billion of net credit costs recorded in the first nine months of fiscal year 2012.

SHINKI

The ordinary business profit after net credit costs of SHINKI after related consolidation adjustments was ¥1.3 billion in the first nine months of fiscal year 2013, compared to ¥1.8 billion in the first nine months of fiscal year 2012. While revenues have fallen compared to the first nine months of fiscal year 2012, the declining trend has switched to a growth trend in the first quarter of fiscal year 2013.

APLUS FINANCIAL

The ordinary business profit after net credit costs of APLUS FINANCIAL after the related consolidation adjustments totaled ¥4.9 billion in the first nine months of fiscal year 2013, a decline compared to ¥6.7 billion in the first nine months of fiscal year 2012. Total revenue for the first nine months of fiscal year 2013 was ¥35.6 billion, a slight decline compared to ¥35.7 billion recorded in the first nine months of fiscal year 2012. This decline is due to the decline in net interest income (¥5.7 billion in the first nine months of fiscal year 2013 compared to ¥7.1 billion in the first nine months of fiscal year 2012) that came about as a result of the decline in loan disbursements due to the effects of the revised Money-Lending Business Control and

Regulation Law being too large to be offset by the increase in non-interest income that was the result of an increase in transaction volume in the settlement and shopping credit businesses (¥29.8 billion in the first nine months of fiscal year 2013 compared to ¥28.5 billion in the first nine months of fiscal year 2012). Regarding expenses, while continuing to pursue rationalization and efficient business processes, general and administrative expenses increased to ¥26.0 billion in the first nine months of fiscal year 2013, from ¥24.8 billion in the first nine months of fiscal year 2012, due to factors such as an increase in temporary staff expenses to ensure the stable operation of the IT system. Net credit costs were ¥4.7 billion in the first nine months of fiscal year 2013, compared to ¥4.2 billion in the first nine months of fiscal year 2012.

Financial results of Others include the Shinsei Property Finance Co., Ltd and the Consumer Finance Sub-Group.

Interest Repayment

Regarding reserves for losses on interest repayment, while no additional reserves were made in the first nine months of fiscal year 2012, additional reserves of ¥12.8 billion were made for SHINKI, and ¥0.7 billion for Shinsei Financial, in the third quarter of fiscal year 2013. While reserves were made in fiscal year 2011 to cover additional expenses, based upon the trend of interest repayments that followed, additional reserves have been recalculated and provisioned in order to cover future costs. It should be noted that the usage of reserves for losses on interest repayment in the first nine months of fiscal year 2013 has decreased compared to the first nine months of fiscal year 2012 at Shinsei Financial, SHINKI, and APLUS FINANCIAL.

Shinsei Financial's usage of reserves for losses on interest repayment and others (intended for interest repayment and principal amortization) totaled to ¥3.5 billion in the first nine months of fiscal year 2013, compared to ¥3.8 billion in the first nine months of fiscal year 2012. Additional reserves of ¥0.7 billion were made in the first nine months of fiscal year 2013 resulting in a total balance of ¥18.6 billion in reserves for losses on interest repayment as of December 31, 2013, compared to ¥21.3 billion as of March 31, 2013. Additionally, reserves for losses on interest repayment at Shinsei Financial have been recorded for the portion of the portfolio not covered by the GE indemnity included in the purchase agreement of Shinsei Financial from GE Japan Holdings (GE).

SHINKI's usage of reserves for losses on interest repayment (intended for interest repayment and principal amortization) totaled ¥3.5 billion in the first nine months of fiscal year 2013, compared to ¥5.0 billion in the first nine months of fiscal year 2012. Additional reserves of ¥12.8 billion were made in the first nine months of fiscal year 2013 resulting in a total balance of ¥17.1 billion in reserves for losses on interest repayment as of December 31, 2013, compared to ¥7.8 billion as of March 31, 2013.

APLUS FINANCIAL and its consolidated subsidiaries' usage of reserves for losses on interest repayment (intended for interest repayment and principal amortization) totaled to ¥2.3 billion in the first nine months of fiscal year 2013, compared to ¥3.9 billion in the first nine months of fiscal year 2012. Additional reserves were not made during the first nine months of fiscal year 2013 resulting in a total balance of ¥3.3 billion in reserves for losses on interest repayment as of December 31, 2013, compared to ¥5.7 billion as of March 31, 2013.

(1) (2)

Corporate/Other -Table 24- (Consolidated)

(Billions of yen, except percentages)

	Q3 FY2013 (9 months)	Q3 FY2012 (9 months)	% Change	FY2012 (12 months)
Treasury Sub-Group⁽¹⁾ :				
Net interest income	(3.0)	(2.0)	(48.8)	(2.7)
Non-interest income	0.1	5.3	(97.4)	7.2
Total revenue	(2.8)	3.3	(185.9)	4.4
General and administrative expenses	1.1	0.9	20.7	1.2
Ordinary business profit (loss)	(4.0)	2.3	(270.4)	3.2
Net credit costs	-	-	-	-
Ordinary business profit (loss) after net credit costs	(4.0)	2.3	(270.4)	3.2
Corporate/Other (excluding Treasury Sub-Group):⁽²⁾				
Net interest income	(2.4)	(1.9)	(21.4)	(2.8)
Non-interest income	0.2	0.3	(31.6)	(0.2)
Total revenue	(2.1)	(1.6)	(33.4)	(3.1)
General and administrative expenses	(0.2)	(0.2)	(4.4)	0.7
Ordinary business profit (loss)	(1.9)	(1.4)	(37.7)	(3.8)
Net credit costs (recoveries)	(0.0)	0.4	(101.1)	0.5
Ordinary business profit (loss) after net credit costs (recoveries)	(1.9)	(1.8)	(4.8)	(4.3)
Corporate/Other:⁽²⁾				
Net interest income	(5.4)	(4.0)	(35.2)	(5.6)
Non-interest income	0.3	5.7	(93.2)	6.9
Total revenue	(5.0)	1.7	(391.9)	1.3
General and administrative expenses	0.9	0.7	25.1	2.0
Ordinary business profit (loss)	(5.9)	0.9	(722.4)	(0.6)
Net credit costs (recoveries)	(0.0)	0.4	(101.1)	0.5
Ordinary business profit (loss) after net credit costs (recoveries)	(5.9)	0.5	(1,242.2)	(1.1)

(1) From the FY2012 interim period, financial results for the Treasury Sub-Group have been transferred from the "Global Markets Group" to the "Corporate/Other" account.

(2) "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.

Note 1: Quarterly information is available in the Quarterly Data Book

The Treasury Sub-Group, which governs the ALM for the Bank overall, was transferred to the Finance Group as part of organizational changes implemented on July 1, 2012, and its results are now included in the Corporate/Other segment. The Treasury Sub-Group's total revenue was a loss of ¥2.8 billion in the first nine months of fiscal year 2013, compared to a profit of ¥3.3 billion in the first nine months of fiscal year 2012. While the Treasury Sub-Group holds liquidity reserves

and Japanese national government bonds for ALM purposes, a ¥1.4 billion loss was incurred on the sales of Japanese national government bonds as part of ALM operations in order to avoid interest rate risk resulting from major fluctuations in the market in the first quarter of fiscal year 2013, whereas a profit of ¥3.2 billion was recorded in the first nine months of fiscal year 2012 on the sale of Japanese national government bonds.

Segment Information

Institutional Group:	Focuses primarily on corporate and public sector finance and advisory business.
Institutional Business	The "Institutional Business Sub-Group" provides financial products and services, including healthcare finance for corporations and the public sector, advisory business and real estate-related non-recourse, corporate finance, M&A and other specialty finance, corporate restructuring, and trust businesses.
Principal Transactions	The "Principal Transactions Sub-Group" comprises the credit trading and private equity businesses.
Showa Leasing	"Showa Leasing" primarily provides leasing related financial products and services.
Other Institutional Group	The "Other Institutional Group" consists of the asset-backed investment business and other businesses.
Global Markets Group:	Focuses primarily on financial markets business and serving financial institution clients.
Financial Institutions	The "Financial Institutions Sub-Group" provides financial products and services for financial institutions.
Markets	The "Markets Sub-Group" is engaged in foreign exchange, derivatives, equity related, alternative investment and other capital markets transactions.
Other Global Markets Group	The "Other Global Markets Group" consists of the profit and loss attributable to Shinsei Securities, asset management, wealth management, and other products and services in the Global Markets Group.
Individual Group:	Focuses on retail financial products and services.
Retail Banking	The "Retail Banking Sub-Group" provides financial products and services for retail customers such as yen/foreign currency/structured deposit services, investment trusts, brokerage services (through a partner institution), life and non-life insurance (through partner institutions) and home mortgages.
Shinsei Financial	"Shinsei Financial" provides consumer finance products and services and guarantee services (Shinsei Financial, Shinsei Bank Card Loan Lake, SHINKI).
APLUS FINANCIAL	"APLUS FINANCIAL" provides installment sales credit, credit cards, guarantees, financing and settlement services.
Other Individual Group	The "Other Individual Group" consists of profit and loss attributable to the Consumer Finance Sub-Group 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 Sub-Group" undertakes ALM related operations and includes gains and losses from equity and subordinated debt financing activities.

Consolidated Balance Sheets (Unaudited) (Consolidated)**Assets**

	<i>(Millions of yen)</i>				
	Dec 31 2013	Dec 31 2012	Change	Mar 31 2013	Change
	(a)	(b)	(a)-(b)	(c)	(a)-(c)
<<Assets>>					
Cash and due from banks	828,942	460,203	368,738	648,897	180,044
Call loans and bills bought	25,000	-	25,000	18,806	6,194
Receivables under resale agreements	53,216	58,510	(5,294)	78,507	(25,291)
Receivables under securities borrowing transactions	43,623	55,659	(12,036)	19,083	24,539
Other monetary claims purchased	111,382	122,825	(11,443)	112,318	(936)
Trading assets	301,989	312,995	(11,005)	287,907	14,082
Monetary assets held in trust	203,056	249,704	(46,647)	233,847	(30,790)
Securities	1,882,690	2,168,342	(285,651)	1,842,344	40,345
Loans and bills discounted	4,215,437	4,270,130	(54,693)	4,292,464	(77,027)
Foreign exchanges	31,986	26,629	5,357	33,857	(1,871)
Lease receivables and leased investment assets	215,730	196,487	19,243	203,590	12,139
Other assets	821,781	707,070	114,711	770,905	50,876
Premises and equipment	50,748	54,780	(4,031)	52,716	(1,968)
Intangible assets	59,075	70,652	(11,576)	68,429	(9,354)
Goodwill	30,457	36,588	(6,130)	35,394	(4,936)
Deferred issuance expenses for debentures	39	103	(64)	95	(55)
Deferred tax assets	18,974	16,075	2,899	16,339	2,635
Customers' liabilities for acceptances and guarantees	433,567	514,586	(81,019)	511,032	(77,465)
Reserve for credit losses	(143,019)	(170,970)	27,951	(161,810)	18,791
Total assets	9,154,223	9,113,787	40,436	9,029,335	124,888

Liabilities and Equity

(Millions of yen)

	Dec 31 2013 (a)	Dec 31 2012 (b)	Change (a)-(b)	Mar 31 2013 (c)	Change (a)-(c)
<<Liabilities>>					
Deposits	5,754,427	5,213,424	541,003	5,252,935	501,491
Negotiable certificates of deposit	199,790	215,912	(16,121)	204,600	(4,809)
Debentures	43,628	272,165	(228,537)	262,342	(218,713)
Call money and bills sold	120,000	143,086	(23,086)	170,094	(50,094)
Payables under repurchase agreements	5,254	8,635	(3,380)	-	5,254
Payables under securities lending transactions	59,037	335,258	(276,220)	47,069	11,968
Trading liabilities	262,584	244,350	18,233	240,099	22,484
Borrowed money	630,089	617,249	12,840	719,292	(89,202)
Foreign exchanges	325	95	230	174	151
Short-term corporate bonds	97,700	66,800	30,900	82,800	14,900
Corporate bonds	202,195	172,457	29,738	174,286	27,909
Other liabilities	581,198	594,275	(13,077)	630,759	(49,561)
Accrued employees' bonuses	5,464	4,720	744	7,604	(2,140)
Accrued directors' bonuses	47	34	12	54	(6)
Reserve for employees' retirement benefits	7,634	7,275	358	7,309	325
Reserve for directors' retirement benefits	115	228	(112)	245	(129)
Reserve for losses on interest repayments	39,201	38,059	1,141	34,983	4,218
Deferred tax liabilities	142	274	(131)	7	135
Acceptances and guarantees	433,567	514,586	(81,019)	511,032	(77,465)
Total liabilities	8,442,405	8,448,890	(6,485)	8,345,690	96,714
<<Equity>>					
Shareholders' equity:					
Common stock	512,204	512,204	-	512,204	-
Capital surplus	79,461	79,461	-	79,461	-
Retained earnings	132,329	94,026	38,303	107,288	25,041
Treasury stock, at cost	(72,558)	(72,558)	-	(72,558)	-
Total shareholders' equity	651,437	613,133	38,303	626,395	25,041
Accumulated other comprehensive income :					
Unrealized gain (loss) on available-for-sale securities	2,825	(488)	3,314	3,825	(999)
Deferred gain (loss) on derivatives under hedge accounting	(8,525)	(11,415)	2,889	(11,605)	3,080
Foreign currency translation adjustments	1,716	660	1,055	1,475	241
Total accumulated other comprehensive income	(3,983)	(11,242)	7,259	(6,305)	2,322
Stock acquisition rights	1,222	1,238	(16)	1,238	(16)
Minority interests	63,142	61,767	1,375	62,315	826
Total equity	711,818	664,897	46,921	683,644	28,173
Total liabilities and equity	9,154,223	9,113,787	40,436	9,029,335	124,888

Consolidated Statements of Income (Unaudited) (Consolidated)*(Millions of yen, except percentages)*

	Q3 FY2013 (9 months)	Q3 FY2012 (9 months)	Change		FY2012 (12 months)
			Amount	%	
Ordinary income	280,864	281,615	(750)	(0.3)	386,079
Interest income	108,288	111,247	(2,959)	(2.7)	147,834
Interest on loans and bills discounted	93,880	97,365	(3,485)	(3.6)	128,560
Interest and dividends on securities	12,122	12,541	(418)	(3.3)	17,028
Other interest income	2,285	1,340	944	70.4	2,246
Fees and commissions income	33,263	29,921	3,342	11.2	40,309
Trading income	12,915	15,501	(2,586)	(16.7)	22,698
Other business income	105,677	103,393	2,284	2.2	141,266
Other ordinary income	20,719	21,551	(831)	(3.9)	33,969
Ordinary expenses	250,068	240,223	9,845	4.1	331,584
Interest expenses	25,713	27,018	(1,304)	(4.8)	36,149
Interest on deposits	16,239	17,306	(1,067)	(6.2)	23,066
Interest on borrowings	3,740	3,971	(230)	(5.8)	5,264
Interest on corporate bonds	4,558	3,976	581	14.6	5,467
Other interest expenses	1,175	1,763	(587)	(33.3)	2,351
Fees and commissions expenses	16,160	15,933	226	1.4	21,134
Trading losses	1,959	1,509	449	29.8	2,669
Other business expenses	73,776	72,314	1,461	2.0	99,833
General and administrative expenses	108,756	105,376	3,379	3.2	141,798
Amortization of goodwill	4,934	5,363	(429)	(8.0)	7,036
Amortization of intangible assets acquired in business combinations	2,544	2,897	(352)	(12.2)	3,774
Other general and administrative expenses	101,277	97,115	4,161	4.3	130,987
Other ordinary expenses	23,702	18,071	5,631	31.2	29,998
Provision of reserve for credit losses	5,114	10,244	(5,129)	(50.1)	13,785
Other	18,588	7,827	10,761	137.5	16,213
Ordinary profit	30,796	41,391	(10,595)	(25.6)	54,495
Extraordinary gains	144	561	(417)	(74.3)	1,162
Extraordinary losses	1,274	1,233	41	3.3	1,782
Income before income taxes and minority interests	29,666	40,720	(11,053)	(27.1)	53,875
Income taxes (benefit)	(337)	210	(547)	(260.5)	(738)
Income before minority interests	30,003	40,510	(10,506)	(25.9)	54,614
Minority interests in net income of subsidiaries	2,302	2,692	(390)	(14.5)	3,534
Net income	27,701	37,817	(10,116)	(26.7)	51,079

Consolidated Statements of Comprehensive Income (Unaudited) (Consolidated)*(Millions of yen, except percentages)*

	Q3 FY2013 (9 months)	Q3 FY2012 (9 months)	Change		FY2012 (12 months)
			Amount	%	
Income before minority interests	30,003	40,510	(10,506)	(25.9)	54,614
Other comprehensive income					
Unrealized gain (loss) on available-for-sale securities	(938)	(1)	(937)	(85,422.2)	4,266
Deferred gain (loss) on derivatives under hedge accounting	3,080	338	2,741	808.7	148
Foreign currency translation adjustments	970	1,590	(619)	(39.0)	2,889
Share of other comprehensive income in affiliates	60	720	(660)	(91.7)	794
Other comprehensive income	3,172	2,648	524	19.8	8,098
Comprehensive income	33,176	43,158	(9,982)	(23.1)	62,713
(Breakdown)					
Attributable to:					
Owners of the parent	30,023	40,120	(10,096)	(25.2)	58,319
Minority interests	3,152	3,038	114	3.8	4,393

Section 2. Non-Consolidated Information

Results of Operations -Table 25- (Non-Consolidated)

	(Billions of yen, except percentages)			
	Q3 FY2013 (9 months)	Q3 FY2012 (9 months)	% Change	FY2012 (12 months)
Net interest income	53.9	48.1	12.0	62.0
Non-interest income	14.9	23.0	(35.0)	31.2
Net fees and commissions ⁽¹⁾	5.3	8.6	(38.0)	10.3
Net trading income	4.2	10.4	(59.5)	14.5
Net other business income	5.3	3.9	36.8	6.3
Total revenue ⁽¹⁾	68.9	71.1	(3.2)	93.3
Personnel expenses	16.1	15.3	4.7	21.1
Non-personnel expenses	33.2	32.2	3.1	42.9
Taxes	2.5	2.5	1.5	3.2
General and administrative expenses	51.9	50.1	3.5	67.3
Net business profit ⁽¹⁾	16.9	21.0	(19.2)	25.9
Other gains (losses)				
Gains (losses) on the sales of equities	2.9	0.2	896.0	1.7
Net reversal of reserve for credit losses (Provision of reserve for loan losses) ⁽²⁾	2.9	0.1	1,965.4	(0.4)
Losses on write-off of loans	(0.6)	(2.6)	75.8	(6.8)
Recoveries of written-off claims	0.9	2.3	(60.2)	8.5
Expenses for employees' retirement benefits	(1.8)	(1.4)	(27.5)	(2.3)
Other losses, expenses	(0.2)	(1.5)	83.8	(0.9)
Net ordinary income	21.0	18.1	16.0	25.7
Special gains (losses)				
Gains (losses) from sales of fixed assets	(1.1)	(0.7)	(54.4)	(0.8)
Other special gains (losses)	(0.0)	(0.3)	86.8	(1.4)
Income before income taxes	19.9	17.1	16.3	23.4
Income taxes (benefit)				
Current	(0.0)	(0.2)	62.1	(0.7)
Deferred	(1.7)	(0.5)	(250.5)	(0.4)
Net income	21.8	17.9	21.9	24.6

(1) Includes income from monetary assets held in trust of ¥1.2 billion in Q3 FY2013, ¥4.8 billion in Q3 FY2012 and ¥5.1 billion in FY2012.

(2) Reversals of general reserve for loan losses was ¥2.9 billion in Q3 FY2013 and ¥0.1 billion in Q3 FY2012.

Provision of reserve for loan losses was ¥0.4 billion in FY2012.

Note 1: Quarterly information is available in the Quarterly Data Book

The gap between quarterly net income on a non-consolidated basis and consolidated basis results derives from the profits or losses at our consolidated subsidiaries including Showa Leasing, Shinsei Financial, APLUS FINANCIAL and SHINKI, gains or losses on our investment in our equity method affiliate, Jih Sun Financial Holding Co., Ltd., and whether or not dividends are received from our major consolidated subsidiaries.

It should be noted, gains (losses) on the sale of equities and impairments are recorded as other business income in the consolidated financial statement, reflecting the nature of the transaction. However, in the above non-consolidated statement, the same transactions are recorded as other gains (losses) in accordance with the reporting requirements on a Revitalization Plan basis.

Total revenue of Shinsei Bank was ¥68.9 billion on a non-consolidated basis in the first nine months of fiscal year 2013 compared to ¥71.1 billion in the first nine months of fiscal year 2012. Net interest income on a non-consolidated basis was ¥53.9 billion in the first nine months of fiscal year 2013, an increase as compared to ¥48.1 billion in the first nine months of fiscal year 2012. This was mainly due to the continuation of the steady growth of the housing loan balance and the steady growth of earnings of the consumer finance business at the Bank which commenced operations in October 2011. Regarding dividends received from

subsidiaries, total dividends of ¥6.3 billion were received (¥5.4 billion from Shinsei Financial, ¥0.8 billion from Showa Leasing) in the first nine months of fiscal year 2013, versus dividends of ¥7.1 billion (¥4.4 billion from Shinsei Financial, ¥1.7 billion from APLUS FINANCIAL, and ¥0.8 billion from Showa Leasing) in the first nine months of fiscal year 2012. On the other hand, as a result of the sluggish growth of market related transactions, as well as losses suffered in the ALM business on the sale of Japanese national government bonds which were made in an effort to avoid market risk stemming from high levels of volatility that resulted from temporary turmoil in the financial markets, non-interest income for the first nine months of fiscal year 2013 was ¥14.9 billion, a decline compared to ¥23.0 billion recorded in the first nine months of fiscal year 2012.

General and administrative expenses were ¥51.9 billion in the first nine months of fiscal year 2013, an increase compared to ¥50.1 billion in the first nine months of fiscal year 2012. This was due to costs incurred for measures taken to smoothly carry out the Second MTMP.

As a result of the preceding, Shinsei Bank recorded a non-consolidated net income of ¥16.9 billion for the first nine months of fiscal year 2013, a decrease compared to ¥21.0 billion for the first nine months of fiscal year 2012. However, there were improvements in credit costs and equity related gains and losses, and net income for the third quarter of

fiscal year 2013 was ¥21.8 billion, and increase compared to ¥17.9 billion recorded for the third quarter of fiscal year 2012.

Net Credit Costs -Table 26- (Non-Consolidated)

	(Billions of yen, except percentages)			
	Q3 FY2013 (9 months)	Q3 FY2012 (9 months)	% Change	FY2012 (12 months)
Losses on write-off of loans	0.6	2.6	(75.8)	6.8
Net provision (reversal) of reserve for loan losses	(2.9)	(0.1)	(1,965.4)	0.4
Net provision (reversal) of general reserve for loan losses	(0.9)	(5.6)	83.9	(10.0)
Net provision of specific reserve for loan losses	(2.0)	5.5	(136.9)	10.4
Net provision (reversal) of reserve for loan losses to restructuring countries	-	-	-	-
Recoveries of written-off claims	(0.9)	(2.3)	60.2	(8.5)
Net credit costs (recoveries)	(3.2)	0.1	(2,461.5)	(1.2)

Note 1: Quarterly information is available in the Quarterly Data Book

Interest-Earning Assets and Interest-Bearing Liabilities -Table 27- (Non-Consolidated)

	Q3 FY2013 (9 months)			Q3 FY2012 (9 months)			FY2012 (12 months)		
	Average balance	Interest	Yield/rate ⁽⁴⁾ (%)	Average balance	Interest	Yield/rate ⁽⁴⁾ (%)	Average balance	Interest	Yield/rate ⁽⁴⁾ (%)
Interest-earning assets:									
Cash and due from banks	27.9	0.6	3.11	20.4	0.1	1.09	20.5	0.2	1.21
Call loans	76.2	0.0	0.15	51.8	0.0	0.13	60.4	0.0	0.12
Receivables under resale agreements	55.8	0.1	0.36	39.0	0.1	0.39	46.8	0.1	0.39
Collateral related to securities borrowing transactions	1.1	0.0	0.11	16.5	0.0	0.11	15.7	0.0	0.11
Securities	2,296.6	22.2	1.28	2,330.3	21.5	1.22	2,382.7	26.1	1.09
Loans and bills discounted	4,149.3	53.7	1.71	4,160.8	49.8	1.59	4,169.6	67.0	1.60
Other interest-earning assets ⁽²⁾	230.8	1.3	0.76	241.5	1.5	0.84	254.7	2.0	0.79
Interest rate and funding swaps	-	0.4	-	-	0.1	-	-	0.2	-
Total interest-earning assets	6,838.0	78.6	1.52	6,860.6	73.4	1.42	6,950.7	96.0	1.38
Interest-bearing liabilities:									
Deposits	5,768.1	16.2	0.37	5,363.9	17.3	0.42	5,407.6	23.0	0.42
Negotiable certificates of deposit	229.1	0.1	0.11	258.3	0.2	0.14	257.8	0.3	0.14
Debentures	72.0	0.1	0.25	285.5	0.7	0.36	282.0	0.9	0.34
Call money	122.7	0.0	0.10	136.0	0.1	0.11	141.4	0.1	0.10
Payable under repurchase agreements	5.5	0.0	0.22	1.4	0.0	0.27	5.5	0.0	0.19
Collateral related to securities lending transactions	450.6	0.2	0.07	172.6	0.1	0.11	222.7	0.2	0.11
Borrowed money	356.4	1.9	0.73	379.5	1.9	0.68	401.1	2.6	0.66
Corporate bonds	234.3	6.9	3.93	209.1	6.1	3.90	211.8	8.3	3.95
Other interest-bearing liabilities ⁽³⁾	5.3	0.0	n.m. ⁽¹⁾	0.2	0.0	n.m. ⁽¹⁾	4.5	0.0	n.m. ⁽¹⁾
Interest rate and funding swaps	-	-	-	-	-	-	-	-	-
Total interest-bearing liabilities	7,244.4	25.8	0.47	6,806.9	26.7	0.52	6,934.8	35.8	0.51
Net interest income/yield on interest-earning assets	6,838.0	52.8	1.02	6,860.6	46.7	0.90	6,950.7	60.1	0.86

(1) n.m. is not meaningful.

(2) Include Cash collateral paid for financial instruments in Q3 FY2013 (9 months) and FY2012 (12 months).

(3) Include Cash collateral received for financial instruments in Q3 FY2013 (9 months) and FY2012 (12 months).

(4) Percentages have been rounded from the third decimal place.

Note 1: Quarterly information is available in the Quarterly Data Book

Risk-Monitored Loans -Table 28- (Non-Consolidated)

	(Billions of yen)				
	Dec 31 2013	Dec 31 2012	Change	Mar 31 2013	Change
	(a)	(b)	(a)-(b)	(c)	(a)-(c)
Loans to bankrupt obligors	8.7	5.4	3.2	8.1	0.5
Non-accrual delinquent loans	160.5	236.7	(76.1)	211.2	(50.6)
Loans past due for three months or more	1.0	1.1	(0.1)	1.1	(0.1)
Restructured loans	5.4	4.6	0.7	4.5	0.8
Total (A)	175.8	248.1	(72.3)	225.0	(49.2)
Loans and bills discounted (B)	4,145.8	4,237.1	(91.2)	4,224.4	(78.5)
Ratio to total loans and bills discounted (A / B) (%)	4.24%	5.86%		5.33%	
Reserve for credit losses (C)	89.0	113.5	(24.5)	106.5	(17.5)
Reserve ratio (C / A) (%)	50.6%	45.8%		47.3%	

Note 1: Quarterly information is available in the Quarterly Data Book

Loans by Borrower Industry -Table 29- (Non-Consolidated)

	(Billions of yen)				
	Dec 31 2013	Dec 31 2012	Change	Mar 31 2013	Change
	(a)	(b)	(a)-(b)	(c)	(a)-(c)
Domestic (excluding Japan offshore market accounts):					
Manufacturing	205.6	226.9	(21.2)	232.0	(26.3)
Agriculture and forestry	0.2	0.2	(0.0)	0.2	(0.0)
Fishery	-	-	-	-	-
Mining, quarrying and gravel extraction	-	0.1	(0.1)	0.1	(0.1)
Construction	9.4	14.9	(5.4)	10.6	(1.2)
Electric power, gas, heat supply and water supply	157.0	107.6	49.3	124.7	32.3
Information and communications	33.8	33.5	0.2	30.4	3.4
Transportation and postal service	203.4	224.5	(21.1)	219.0	(15.6)
Wholesale and retail	72.2	80.6	(8.3)	70.2	2.0
Finance and insurance	989.5	1,116.5	(127.0)	1,098.8	(109.3)
Real estate	534.8	599.2	(64.4)	581.1	(46.2)
Services	349.7	369.9	(20.1)	369.5	(19.7)
Local government	107.4	117.9	(10.4)	114.0	(6.6)
Individuals	1,281.7	1,111.3	170.4	1,166.1	115.5
Overseas yen loans and overseas loans booked domestically	167.4	158.4	9.0	160.6	6.8
Total domestic	4,112.8	4,162.2	(49.3)	4,178.0	(65.1)
Overseas (including Japan offshore market accounts):					
Governments	1.6	1.9	(0.2)	1.8	(0.1)
Financial institutions	0.5	0.9	(0.4)	0.8	(0.3)
Commerce and industry	30.8	71.9	(41.1)	43.6	(12.8)
Others	-	-	-	-	-
Total overseas	33.0	74.9	(41.8)	46.4	(13.3)
Total	4,145.8	4,237.1	(91.2)	4,224.4	(78.5)

Note 1: Quarterly information is available in the Quarterly Data Book

Risk Monitored Loans by Borrower Industry - Table 30 - (Non-Consolidated)

(Billions of yen)

	Dec 31 2013 (a)	Dec 31 2012 (b)	Change (a)-(b)	Mar 31 2013 (c)	Change (a)-(c)
Domestic (excluding Japan offshore market accounts):					
Manufacturing	6.5	7.3	(0.7)	7.5	(0.9)
Agriculture and forestry	-	-	-	-	-
Fishery	-	-	-	-	-
Mining, quarrying and gravel extraction	-	-	-	-	-
Construction	-	-	-	-	-
Electric power, gas, heat supply and water supply	-	-	-	-	-
Information and communications	1.7	2.3	(0.5)	2.1	(0.4)
Transportation and postal service	2.9	2.7	0.2	2.9	-
Wholesale and retail	0.3	-	0.3	-	0.3
Finance and insurance	41.9	43.3	(1.3)	41.9	-
Real estate	74.9	145.5	(70.5)	128.4	(53.4)
Services	25.9	26.3	(0.4)	28.2	(2.3)
Local government	-	-	-	-	-
Individuals	3.8	3.9	(0.1)	4.1	(0.3)
Overseas yen loans and overseas loans booked domestically	17.2	16.3	0.9	9.4	7.7
Total domestic	175.8	248.1	(72.3)	225.0	(49.2)
Overseas (including Japan offshore market accounts):					
Governments	-	-	-	-	-
Financial institutions	-	-	-	-	-
Commerce and industry	-	-	-	-	-
Others	-	-	-	-	-
Total overseas	-	-	-	-	-
Total	175.8	248.1	(72.3)	225.0	(49.2)

Note 1: Quarterly information is available in the Quarterly Data Book

LBO -Table 31- (Non-Consolidated)

(Billions of yen)

	Dec 31 2013 (a)	Dec 31 2012 (b)	Change (a)-(b)	Mar 31 2013 (c)	Change (a)-(c)
LBO⁽¹⁾⁽³⁾	130.1	172.1	(42.0)	169.7	(39.6)
Japan	130.1⁽²⁾	170.2	(40.1)	167.7	(37.6)
U.S.	-	1.4	(1.4)	1.4	(1.4)
Europe	-	-	-	-	-
Other	-	0.5	(0.5)	0.5	(0.5)
(Breakdown by Industry Sector)					
Manufacturing	9.3%				
Information and communications	1.8%				
Wholesale and retail	4.7%				
Finance and Insurance	16.9%				
Services	67.3%				
Total	100.0%				

(1) The amount includes unfunded commitment line.

(2) As of December 31, 2013, unfunded commitment line (domestic only) totals ¥2.4 billion.

(3) This table includes deals made through foreign SPCs, but classification is by risk location.

Overseas and Offshore Loans by Region -Table 32- (Non-Consolidated)

(Billions of yen)

	Dec 31 2013 (a)	Dec 31 2012 (b)	Change (a)-(b)	Mar 31 2013 (c)	Change (a)-(c)
US	4.8	45.1	(40.2)	8.3	(3.5)
Asset-backed investments ⁽¹⁾ in US	-	6.4	(6.4)	-	-
Europe	27.6	46.6	(18.9)	43.6	(15.9)
Asset-backed investments ⁽¹⁾ in Europe	14.2	25.1	(10.9)	18.5	(4.3)
Others	168.0	141.6	26.3	155.0	12.9
Total overseas and offshore loans	200.5	233.3	(32.8)	207.0	(6.4)
Total asset-backed investments ⁽¹⁾	14.2	31.5	(17.3)	18.5	(4.3)

(1) "Asset-backed investments" is another term for the Asset-Backed Investments Program, one of our old product programs. Under this program, loans backed mainly by collateral (including infrastructure related assets or equipment, real estate, business and operating assets) are referred to as "asset-backed investments" for disclosure purposes.

Note 1: Quarterly information is available in the Quarterly Data Book

Risk-Monitored Overseas and Offshore Loans by Region -Table 33- (Non-Consolidated)

(Billions of yen)

	Dec 31 2013 (a)	Dec 31 2012 (b)	Change (a)-(b)	Mar 31 2013 (c)	Change (a)-(c)
US	-	-	-	-	-
Asset-backed investments ⁽¹⁾ in US	-	-	-	-	-
Europe	14.2	12.8	1.4	5.9	8.2
Asset-backed investments ⁽¹⁾ in Europe	14.2	12.7	1.4	5.9	8.2
Others	3.0	3.5	(0.5)	3.5	(0.4)
Total overseas and offshore loans	17.2	16.3	0.9	9.4	7.7
Total asset-backed investments ⁽¹⁾⁽²⁾	14.2	12.7	1.4	5.9	8.2

(1) "Asset-backed investments" is another term for the Asset-Backed Investments Program, one of our old product programs. Under this program, loans backed mainly by collateral (including infrastructure related assets or equipment, real estate, business and operating assets) are referred to as "asset-backed investments" for disclosure purposes.

(2) As of December 31, 2013, reserve for loan losses and collateral/guarantees for risk monitored loans related to asset-backed investments were ¥2.0 billion and ¥10.7 billion, respectively, and the coverage ratio was 90.5%.

Note 1: Quarterly information is available in the Quarterly Data Book

Claims Classified under the Financial Revitalization Law -Table 34- (Non-Consolidated)

(Billions of yen)

	Dec 31 2013 (a)	Dec 31 2012 (b)	Change (a)-(b)	Mar 31 2013 (c)	Change (a)-(c)
Claims against bankrupt and quasi-bankrupt obligors	34.2	51.4	(17.2)	38.6	(4.4)
Doubtful claims	150.7	212.2	(61.4)	198.3	(47.6)
Substandard claims	6.5	5.9	0.6	5.7	0.7
Total (A)	191.3	269.4	(78.0)	242.6	(51.2)
Coverage ratio	95.7%	96.6%		95.9%	
Total claims (B)	4,260.8	4,486.5	(225.6)	4,560.5	(299.6)
Loans and bills discounted	4,145.8	4,237.1	(91.2)	4,224.4	(78.5)
Others	114.9	249.3	(134.3)	336.0	(221.0)
Ratio to total claims (A / B) X 100 (%)	4.49%	6.01%		5.32%	
(Ref. 1) Amount of write-off	63.7	65.2	(1.4)	58.2	5.5
(Ref. 2) Below need caution level	304.3	488.9	(184.6)	438.6	(134.3)

Note 1: Quarterly information is available in the Quarterly Data Book

Coverage Ratios for Non-Performing Claims Classified under the Financial Revitalization Law -Table 35- (Non-Consolidated)

(Billions of yen, except percentages)

December 31, 2013

Amounts of coverage

	Amounts of claims	Total	Reserve for loan losses	Collateral and guarantees	Coverage ratio
Claims against bankrupt and quasi-bankrupt obligors	34.2	34.2	-	34.2	100.0%
Doubtful claims	150.7	144.9	56.7	88.2	96.1%
Substandard claims	6.5	4.0	2.0	2.1	62.1%
Total	191.3	183.1	58.6	124.5	95.7%

(Billions of yen, except percentages)

December 31, 2012

March 31, 2013

Amounts of coverage

Amounts of coverage

	Amounts of claims	Total	Reserve for loan losses	Collateral and guarantees	Coverage ratio	Amounts of claims	Total	Reserve for loan losses	Collateral and guarantees	Coverage ratio
Claims against bankrupt and quasi-bankrupt obligors	51.4	51.4	4.5	46.9	100.0%	38.6	38.6	-	38.6	100.0%
Doubtful claims	212.2	205.8	70.7	135.1	97.0%	198.3	191.0	72.9	118.0	96.3%
Substandard claims	5.9	3.1	1.1	2.1	53.2%	5.7	3.1	1.1	2.0	55.1%
Total	269.4	260.3	76.2	184.1	96.6%	242.6	232.7	74.1	158.7	95.9%

Note 1: Quarterly information is available in the Quarterly Data Book

Reserve for Credit Losses -Table 36- (Non-Consolidated)

(Billions of yen)

	Dec 31 2013 (a)	Dec 31 2012 (b)	Change (a)-(b)	Mar 31 2013 (c)	Change (a)-(c)
Reserve for credit losses	85.1	109.6	(24.5)	102.6	(17.5)
General reserve for loan losses	27.1	33.4	(6.2)	28.5	(1.3)
Specific reserve for loan losses	57.9	76.2	(18.3)	74.0	(16.1)
Reserve for loans to restructuring countries	0.0	0.0	-	0.0	-
Specific reserve for other credit losses	3.9	3.9	-	3.9	-
Total reserve for credit losses	89.0	113.5	(24.5)	106.5	(17.5)

Note 1: Quarterly information is available in the Quarterly Data Book

Securities Being Held to Maturity -Table 37- (Non-Consolidated)*(Billions of yen)*

	December 31, 2013			December 31, 2012			March 31, 2013		
	Carrying amount	Fair value	Unrealized gain (loss)	Carrying amount	Fair value	Unrealized gain (loss)	Carrying amount	Fair value	Unrealized gain (loss)
Fair value exceeds carrying amount									
Japanese national government bonds	584.3	586.4	2.1	585.0	589.7	4.6	584.8	589.4	4.5
Japanese corporate bonds	-	-	-	17.8	17.8	0.0	-	-	-
Other	54.0	58.7	4.6	45.0	49.4	4.3	51.9	56.7	4.8
Subtotal	638.3	645.1	6.8	647.9	657.0	9.0	636.7	646.1	9.3
Fair value does not exceed carrying amount									
Japanese national government bonds	66.3	66.0	(0.2)	-	-	-	-	-	-
Japanese corporate bonds	-	-	-	-	-	-	-	-	-
Other	-	-	-	7.0	6.7	(0.2)	3.0	3.0	(0.0)
Subtotal	66.3	66.0	(0.2)	7.0	6.7	(0.2)	3.0	3.0	(0.0)
Total	704.6	711.2	6.5	654.9	663.8	8.8	639.8	649.1	9.3

Securities Available for Sale -Table 38- (Non-Consolidated)

	(Billions of yen)								
	December 31, 2013			December 31, 2012			March 31, 2013		
	Carrying amount (Fair value)	Amortized/ Acquisition cost	Unrealized gain (loss)	Carrying amount (Fair value)	Amortized/ Acquisition cost	Unrealized gain (loss)	Carrying amount (Fair value)	Amortized/ Acquisition cost	Unrealized gain (loss)
Carrying amount exceeds amortized/acquisition cost									
Equity securities	13.7	8.6	5.0	9.3	6.3	3.0	12.4	7.4	4.9
Domestic bonds	73.1	72.3	0.8	111.0	108.6	2.4	80.5	78.2	2.2
Japanese national government bonds	6.4	6.3	0.0	47.2	45.5	1.6	39.5	38.0	1.4
Japanese local government bonds	0.5	0.5	0.0	1.7	1.7	0.0	0.5	0.5	0.0
Japanese corporate bonds	66.2	65.4	0.8	62.0	61.2	0.7	40.4	39.6	0.7
Other	96.2	90.9	5.2	73.1	69.3	3.8	87.7	82.9	4.7
Foreign securities	91.5	86.8	4.7	69.8	66.3	3.5	84.6	80.1	4.4
Foreign currency denominated foreign corporate and government bonds	47.6	44.6	3.0	35.4	32.9	2.5	44.5	41.6	2.9
Yen-denominated foreign corporate and government bonds	42.1	40.9	1.1	32.6	31.9	0.6	37.9	36.9	1.0
Foreign equity securities and others	1.7	1.2	0.5	1.8	1.4	0.3	2.0	1.5	0.5
Other securities	3.1	2.7	0.4	1.1	0.9	0.2	1.1	0.9	0.2
Other monetary claims purchased	1.4	1.4	0.0	2.0	2.0	0.0	1.9	1.9	0.0
Subtotal	183.1	171.9	11.1	193.6	184.2	9.4	180.8	168.7	12.0
Carrying amount does not exceed amortized/acquisition cost									
Equity securities	0.8	1.2	(0.3)	3.1	3.8	(0.7)	2.1	2.6	(0.5)
Domestic bonds	776.1	779.4	(3.2)	1,113.1	1,116.3	(3.2)	858.7	861.8	(3.0)
Japanese national government bonds	723.4	725.9	(2.4)	964.0	965.0	(1.0)	712.8	713.8	(0.9)
Japanese local government bonds	-	-	-	-	-	-	-	-	-
Japanese corporate bonds	52.7	53.5	(0.8)	149.0	151.2	(2.1)	145.9	147.9	(2.0)
Other	93.1	94.9	(1.8)	93.0	94.5	(1.4)	50.3	50.8	(0.5)
Foreign securities	91.1	92.9	(1.8)	92.5	94.0	(1.4)	49.7	50.2	(0.5)
Foreign currency denominated foreign corporate and government bonds	89.6	91.4	(1.7)	82.7	83.9	(1.2)	46.7	47.1	(0.3)
Yen-denominated foreign corporate and government bonds	-	-	-	9.8	10.0	(0.2)	2.9	3.0	(0.1)
Foreign equity securities and others	1.4	1.5	(0.0)	0.0	0.0	-	0.0	0.0	(0.0)
Other securities	1.9	1.9	(0.0)	0.5	0.5	-	0.5	0.5	-
Other monetary claims purchased	-	-	-	-	-	-	-	-	-
Subtotal	870.1	875.6	(5.5)	1,209.3	1,214.7	(5.4)	911.2	915.3	(4.1)
Total⁽¹⁾⁽²⁾	1,053.2	1,047.6	5.6	1,402.9	1,398.9	3.9	1,092.0	1,084.1	7.9

(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 (Non-Consolidated)

	(Billions of yen)		
	December 31, 2013	December 31, 2012	March 31, 2013
Unrealized gain (loss) before deferred tax on:			
Available-for-sale securities	5.6	3.9	7.9
Interests in available-for-sale securities held by partnerships recorded as securities whose fair value cannot be reliably determined	(0.0)	0.0	0.0
Securities being held to maturity, reclassified from available-for-sale in the past, under extremely illiquid market conditions	(4.2)	(4.8)	(4.9)
Deferred tax assets (liabilities)	-	-	-
Unrealized gain (loss) on available-for-sale securities	1.3	(0.8)	2.9

⁽¹⁾
Capital Adequacy Data-Table 39- (Non-Consolidated)

(Billions of yen, except percentages)

	Dec 31 2013 (a)	Dec 31 2012 (b)	Change (a)-(b)	Mar 31 2013 (c)	Change (a)-(c)
Basic items (Tier I)	725.4	679.6	45.8	690.4	34.9
Supplementary items (Tier II)	176.6	181.2	(4.5)	172.2	4.4
Deduction	(23.6)	(47.3)	23.6	(39.0)	15.3
Total capital ⁽²⁾	878.4	813.4	65.0	823.7	54.7
Risk assets	5,323.3	5,812.0	(488.7)	5,754.6	(431.3)
Capital adequacy ratio	16.50%	13.99%	2.51%	14.31%	2.19%
Tier I capital ratio	13.62%	11.69%	1.93%	11.99%	1.63%

(1) Calculated according to Basel II, F-IRB. Figures are calculated in accordance with FSA Notification Number 79 issued in December 2008 and FSA Notification Number 56 issued in June 2012 (special treatment of FSA Notification Number 19 issued in 2006). As a result, ¥0.8 billion of net unrealized losses on securities available-for-sale, net of taxes, as of December 31, 2012 are not included in BIS capital.

Net unrealized gains on securities available-for-sale were recorded as of December 31, 2013 and March 31, 2013.

(2) Non-Consolidated total required capital is ¥257.4 billion as at December 31, 2013, ¥319.7 billion as at December 31, 2012 and ¥302.7 billion as at March 31, 2013.

Note 1: Quarterly information is available in the Quarterly Data Book

Non-Consolidated Balance Sheets (Unaudited) (Non-Consolidated)**Assets**

(Millions of yen)

	Dec 31 2013 (a)	Dec 31 2012 (b)	Change (a)-(b)	March 31 2013 (c)	Change (a)-(c)
<<Assets>>					
Cash and due from banks	758,104	374,211	383,892	546,411	211,693
Call loans	25,000	-	25,000	18,806	6,194
Receivables under resale agreements	53,216	58,510	(5,294)	78,507	(25,291)
Other monetary claims purchased	191,851	211,988	(20,136)	198,768	(6,916)
Trading assets	250,014	245,984	4,029	258,902	(8,888)
Monetary assets held in trust	210,037	288,676	(78,638)	255,505	(45,468)
Securities	2,298,382	2,583,920	(285,538)	2,282,624	15,758
Valuation allowance for investments	(3,370)	(3,370)	-	(3,370)	-
Loans and bills discounted	4,145,889	4,237,131	(91,241)	4,224,433	(78,544)
Foreign exchanges	31,986	26,629	5,357	33,857	(1,871)
Other assets	267,437	309,042	(41,604)	476,920	(209,482)
Other	267,437	309,042	(41,604)	476,920	(209,482)
Premises and equipment	19,379	20,102	(723)	19,600	(220)
Intangible assets	8,503	9,151	(647)	9,333	(829)
Deferred issuance expenses for debentures	39	103	(64)	95	(55)
Deferred tax assets	5,168	-	5,168	1,210	3,957
Customers' liabilities for acceptances and guarantees	16,276	10,807	5,469	12,566	3,710
Reserve for credit losses	(89,018)	(113,568)	24,550	(106,518)	17,500
Total assets	8,188,900	8,259,320	(70,420)	8,307,655	(118,754)

Liabilities and Equity

(Millions of yen)

	Dec 31 2013 (a)	Dec 31 2012 (b)	Change (a)-(b)	March 31 2013 (c)	Change (a)-(c)
<<Liabilities>>					
Deposits	5,920,166	5,481,814	438,351	5,631,651	288,514
Negotiable certificates of deposit	199,790	215,912	(16,121)	204,600	(4,809)
Debentures	43,628	274,865	(231,237)	265,042	(221,413)
Call money	120,000	143,086	(23,086)	170,094	(50,094)
Payables under repurchase agreements	5,254	8,635	(3,380)	-	5,254
Payables under securities lending transactions	18,239	280,950	(262,711)	28,377	(10,138)
Trading liabilities	223,591	190,406	33,184	226,202	(2,610)
Borrowed money	373,979	397,048	(23,069)	479,854	(105,875)
Foreign exchanges	540	275	264	368	171
Corporate bonds	252,484	217,118	35,365	220,713	31,771
Other liabilities	332,108	377,678	(45,569)	398,199	(66,090)
Income taxes payable	170	157	12	317	(147)
Lease obligations	0	1	(1)	1	(0)
Asset retirement obligations	7,407	7,006	401	6,986	420
Other	324,530	370,513	(45,982)	390,894	(66,363)
Accrued employees' bonuses	3,013	2,513	500	4,091	(1,078)
Deferred tax liabilities	-	57	(57)	-	-
Acceptances and guarantees	16,276	10,807	5,469	12,566	3,710
Total liabilities	7,509,072	7,601,169	(92,097)	7,641,761	(132,689)
<<Equity>>					
Shareholders' equity:					
Common stock	512,204	512,204	-	512,204	-
Capital surplus	79,465	79,465	-	79,465	-
Additional paid-in capital	79,465	79,465	-	79,465	-
Retained earnings	170,385	144,468	25,916	151,223	19,161
Legal reserve	12,628	12,097	530	12,097	530
Other retained earnings	157,757	132,371	25,385	139,126	18,630
Unappropriated retained earnings	157,757	132,371	25,385	139,126	18,630
Treasury stock, at cost	(72,558)	(72,558)	-	(72,558)	-
Total shareholders' equity	689,496	663,580	25,916	670,335	19,161
Net unrealized gain (loss) and translation adjustments					
Unrealized gain (loss) on available-for-sale securities	1,368	(825)	2,193	2,976	(1,608)
Deferred gain (loss) on derivatives under hedge accounting	(12,259)	(5,843)	(6,416)	(8,657)	(3,602)
Total net unrealized gain (loss) and translation adjustments	(10,891)	(6,668)	(4,222)	(5,680)	(5,210)
Stock acquisition rights	1,222	1,238	(16)	1,238	(16)
Total equity	679,827	658,150	21,676	665,893	13,934
Total liabilities and equity	8,188,900	8,259,320	(70,420)	8,307,655	(118,754)

Non-Consolidated Statements of Income (Unaudited) (Non-Consolidated)*(Millions of yen, except percentages)*

	Q3 FY2013 (9 months)	Q3 FY2012 (9 months)	Change		FY2012 (12 months)
			Amount	%	
Ordinary income	120,012	115,156	4,856	4.2	161,220
Interest income	78,675	73,486	5,189	7.1	96,029
Interest on loans and bills discounted	53,756	49,861	3,895	7.8	67,040
Interest and dividends on securities	22,233	21,579	654	3.0	26,144
Other interest income	2,685	2,045	639	31.2	2,845
Fees and commissions income	15,666	12,289	3,377	27.5	17,004
Trading income	6,221	12,028	(5,807)	(48.3)	17,006
Other business income	9,386	7,887	1,499	19.0	11,925
Other ordinary income	10,062	9,465	597	6.3	19,254
Ordinary expenses	98,939	96,988	1,950	2.0	135,510
Interest expenses	25,868	26,780	(911)	(3.4)	35,895
Interest on deposits	16,253	17,321	(1,068)	(6.2)	23,085
Interest on corporate bonds	6,942	6,151	790	12.8	8,381
Other interest expenses	2,673	3,307	(634)	(19.2)	4,428
Fees and commissions expenses	11,570	8,529	3,040	35.6	11,865
Trading losses	1,986	1,571	415	26.4	2,427
Other business expenses	4,000	3,945	55	1.4	5,551
General and administrative expenses	53,832	51,626	2,206	4.3	69,701
Other ordinary expenses	1,679	4,534	(2,855)	(63.0)	10,068
Ordinary profit	21,073	18,167	2,905	16.0	25,710
Extraordinary gains	16	105	(89)	(84.8)	107
Extraordinary losses	1,168	1,143	25	2.2	2,410
Income before income taxes	19,922	17,130	2,791	16.3	23,406
Income taxes (benefit)	(1,893)	(770)	(1,122)	(145.7)	(1,249)
Net income	21,815	17,901	3,913	21.9	24,656

Section 3. Earnings Forecast -Table 40- (Consolidated and Non-Consolidated)

(Consolidated)	<i>(Billions of yen)</i>	
	<i>Fiscal year ending</i> March 2014 <i>(FY2013)</i> Forecast	<i>Fiscal year ended</i> March 2013 <i>(FY2012)</i> Actual
Ordinary profit	41.0	54.4
Net income	37.0	51.0
Cash basis net income *	45.0	60.4

(Non-Consolidated)	<i>(Billions of yen)</i>	
	<i>Fiscal year ending</i> March 2014 <i>(FY2013)</i> Forecast	<i>Fiscal year ended</i> March 2013 <i>(FY2012)</i> Actual
Net business profit	26.0	25.9
Net income	34.0	24.6
Dividends (per share in yen):		
Common stock	1.00	1.00

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.

* Net income minus the amortization of goodwill and intangible assets, and the associated reversal of deferred tax liabilities.

Regarding full year earnings forecasts for fiscal year 2013, forecasts for consolidated net income and consolidated cash basis net income that were made public on May 8, 2013 have been revised as follows:

Consolidated Net Income: ¥48.0 billion→¥37.0 billion

Consolidated Cash Basis Net income: ¥56.0 billion→¥45.0 billion

In addition, consolidated ordinary business profit outlook has been established at ¥41.0 billion. Regarding non consolidated forecasts, forecasts have been revised as follows:

Non-Consolidated Net Business Profit: ¥36.2 billion→¥26.0 billion

Non-Consolidated Net Income: ¥26.0 billion→¥34.0 billion

Revisions to the year end dividend forecast of 1.00 yen per share have not been made.