

# **Financial Summary**

**For the First Quarter Ended June 30, 2012**



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

<b><u>Contents</u></b>	<b><u>Page</u></b>
Financial and Economic Environment	.....1
Financial Highlights	.....2
Items included in Results of Operations	(Consolidated) .....5
Section 1. Consolidated Information	.....6
<i>Results of Operations -Table 1-</i>	<i>(Consolidated) .....6</i>
<i>Interest-Earning Assets and Interest-Bearing Liabilities -Table 2-</i>	<i>(Consolidated) .....7</i>
<i>Non-Interest Income -Table 3-</i>	<i>(Consolidated) .....8</i>
<i>General and Administrative Expenses -Table 4-</i>	<i>(Consolidated) .....8</i>
<i>Net Credit Costs -Table 5-</i>	<i>(Consolidated) .....9</i>
<i>Amortization of Goodwill and Other Intangible Assets -Table 6-</i>	<i>(Consolidated) ....10</i>
<i>Other Gains (Losses) -Table 7-</i>	<i>(Consolidated) ....10</i>
<i>Minority Interests in Net Income of Subsidiaries -Table 8-</i>	<i>(Consolidated) ....11</i>
<i>Major Balance Sheet Data -Table 9-</i>	<i>(Consolidated) ....12</i>
<i>Risk-Monitored Loans -Table 10-</i>	<i>(Consolidated) ....13</i>
<i>Reserve for Credit Losses -Table 11-</i>	<i>(Consolidated) ....13</i>
<i>Loans by Borrower Industry -Table 12-</i>	<i>(Consolidated) ....14</i>
<i>Securities Being Held to Maturity -Table 13-</i>	<i>(Consolidated) ....15</i>
<i>Available-for-Sale Securities -Table 14-</i>	<i>(Consolidated) ....16</i>
<i>Deposits, Including Negotiable Certificates of Deposit (NCDs) -Table 15-</i>	<i>(Consolidated) ....17</i>
<i>Financial Ratios -Table 16-</i>	<i>(Consolidated) ....17</i>
<i>Capital Adequacy Data -Table 17-</i>	<i>(Consolidated) ....18</i>
<i>Per Share Data -Table 18-</i>	<i>(Consolidated) ....18</i>
<i>Business Lines Results -Table 19-</i>	<i>(Consolidated) ....19</i>
<i>Institutional Group -Table 20-</i>	<i>(Consolidated) ....20</i>
<i>Global Markets Group -Table 21-</i>	<i>(Consolidated) ....22</i>
<i>Individual Group -Table 22-</i>	<i>(Consolidated) ....24</i>
<i>Individual Group Revenue by Product/Entity -Table 23-</i>	<i>(Consolidated) ....25</i>
<i>Segment Information</i>	<i>....27</i>
<i>Consolidated Balance Sheets</i>	<i>(Consolidated) ....28</i>
<i>Consolidated Statements of Income</i>	<i>(Consolidated) ....30</i>
<i>Consolidated Statements of Comprehensive Income</i>	<i>(Consolidated) ....31</i>

Section 2. Non-Consolidated Information	....32
<i>Results of Operations -Table 24-</i>	<i>(Non-Consolidated) ....32</i>
<i>Net Credit Costs -Table 25-</i>	<i>(Non-Consolidated) ....33</i>
<i>Interest-Earning Assets and Interest-Bearing Liabilities -Table 26-</i>	<i>(Non-Consolidated) ....34</i>
<i>Risk-Monitored Loans -Table 27-</i>	<i>(Non-Consolidated) ....34</i>
<i>Loans by Borrower Industry -Table 28-</i>	<i>(Non-Consolidated) ....35</i>
<i>Risk Monitored Loans by Borrower Industry –Table29 -</i>	<i>(Non-Consolidated) ....36</i>
<i>Overseas and Offshore Loans by Region -Table 30-</i>	<i>(Non-Consolidated) ....36</i>
<i>Risk-Monitored Overseas and Offshore Loans by Region -Table 31-</i>	<i>(Non-Consolidated) ....37</i>
<i>Claims Classified under the Financial Revitalization Law -Table 32-</i>	<i>(Non-Consolidated) ....37</i>
<i>Coverage Ratio for Non-Performing Claims Classified</i> <i>under the Financial Revitalization Law -Table 33-</i>	<i>(Non-Consolidated) ....38</i>
<i>Reserve for Credit Losses -Table 34-</i>	<i>(Non-Consolidated) ....38</i>
<i>Securities Being Held to Maturity -Table 35-</i>	<i>(Non-Consolidated) ....38</i>
<i>Available-for-Sale Securities -Table 36-</i>	<i>(Non-Consolidated) ....39</i>
<i>Capital Adequacy Data-Table 37-</i>	<i>(Non-Consolidated) ....40</i>
<i>Non-Consolidated Balance Sheets</i>	<i>(Non-Consolidated) ....41</i>
<i>Non-Consolidated Statements of Operations</i>	<i>(Non-Consolidated) ....43</i>
Section 3. Earnings Forecast -Table 38-	(Consolidated and Non-Consolidated) ....44
Section 4. Exposure to Securitized Products and Related Investments	(Non-Consolidated) ....45
<i>Balance of Securitized Products (Breakdown by Region and Type of Securities) -Table 39-</i>	<i>(Non-Consolidated)45</i>
<i>Securitized Products, Recorded under “Securities” and</i> <i>“Other Monetary Claims Purchased” and OCI -Table 40-</i>	<i>(Non-Consolidated) ....46</i>
<i>LBO, Monoline, SIV, ABCP, CDS -Table 41-</i>	<i>(Non-Consolidated) ....47</i>
<i>Definitions -Table 42-</i>	<i>....48</i>

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 have been rounded to the nearest 0.1%.

## Financial and Economic Environment

- During the first three months of fiscal year 2012, the Japanese economy has shown a gradual recovery, as evidenced by signs of increasing individual consumption, production activity and corporate profits. However, the environment surrounding the Japanese economy remains severe, with the ongoing European debt crisis and slow-down in the global economy, compounded by the prolonged strong yen, continuing deflation and restriction of electricity supply in Japan. Despite expectations for a firmer economic recovery on the back of demand related to recovery from the Great East Japan Earthquake, concern for the outlook going forward has not been dispelled.
- Against this backdrop, the Japanese government has tried to pursue comprehensive reform of the social security and tax systems. However, the related legislation has been mired in political confusion characterized by conflict between the incumbent party and the opposition party, and internal divisions within the incumbent party itself. Meanwhile, the Bank of Japan has strengthened monetary easing policies. At a Monetary Policy Meeting held on April 27, 2012, the Bank decided to increase the size of its asset-buying scheme and extend the maximum duration of long-term Japanese government bonds it purchases.
- Amidst these circumstances, the tendency for the yen to appreciate has increased due to the European debt crisis. As at the end of June 2012, the euro-Japanese yen exchange rate was ¥100 (with the yen appreciating ¥10 from the end of March 2012) and the U.S. dollar-Japanese yen exchange rate was ¥80 (with the yen appreciating ¥3 from the end of March 2012).
- The domestic long-term (10 year government bond yields) interest rate was 1.0% at the beginning of fiscal year, but declined to 0.8% at the end of June 2012, due to the severity of the domestic and international economic environment and an inflow of capital to the Japanese bond market as investors sought a safe haven. The short-term interest rate remained at a low level.
- The Nikkei 225 declined to approximately ¥8,200 during the first half of June 2012, as risk aversion took hold in response to the European debt crisis. However, the Nikkei 225 did subsequently rally to ¥9,006.78 at the end of June 2012 (a decline of approximately ¥1,080 from the end of March 2012), as investors factored in the countermeasures to deal with the Euro crisis announced at a summit of European leaders.

Financial Highlights<sup>(1)</sup>

(Billions of yen, except percentages)

	1QFY2012 (3 months)	1QFY2011 (3 months)	Change % or Amount	FY2011
<b>Selected income statement items (Consolidated)</b>				
Net interest income	28.2	31.2	(9.8)%	116.9
Non-interest income	23.8	26.1	(8.6)%	86.0
Net fees and commissions	4.7	7.1	(33.5)%	25.2
Net trading income	4.3	3.5	23.2%	13.6
Net other business income	14.7	15.4	(4.5)%	47.2
Total revenue	52.0	57.4	(9.3)%	202.9
General and administrative expenses	31.7	31.1	2.0%	127.9
Ordinary business profit	20.2	26.2	(22.7)%	74.9
Net credit costs (recoveries)	(0.6)	2.1	(131.1)%	12.2
Ordinary business profit after net credit costs (recoveries)	20.9	24.0	(13.1)%	62.7
Amortization of goodwill and other intangible assets <sup>(2)</sup>	2.8	3.1	(9.0)%	11.9
Other gains (losses)	(0.3)	(0.7)	46.8%	(35.4)
Income before income taxes and minority interests	17.7	20.2	(12.5)%	15.3
Current income tax	0.2	1.0	(70.5)%	2.9
Deferred income tax	0.0	0.0	(98.3)%	2.4
Minority interests in net income of subsidiaries	0.9	1.0	(1.9)%	3.5
Net income	16.4	18.1	(9.5)%	6.4
Cash basis net income <sup>(3)</sup>	18.8	20.8	(9.3)%	16.0
<b>Selected balance sheet items (Consolidated)</b>				
Securities	1,864.2	2,703.3	(839.1)	1,873.4
Loans and bills discounted	4,237.2	4,214.0	23.2	4,136.8
Customers' liabilities for acceptances and guarantees	559.0	570.9	(11.8)	562.6
Reserve for credit losses	(170.2)	(192.5)	22.2	(180.6)
Total assets	8,563.1	9,473.9	(910.8)	8,609.6
Deposits and negotiable certificates of deposit	5,333.2	5,777.3	(444.1)	5,362.4
Debentures	287.1	329.7	(42.6)	294.1
Borrowed money	586.4	594.3	(7.9)	476.7
Reserve for losses on interest repayments	45.8	36.0	9.7	50.9
Total liabilities	7,922.2	8,844.2	(922.0)	7,982.0
Total equity	640.9	629.7	11.1	627.6
<b>Financial ratios (%) (Consolidated)</b>				
Net interest margin	2.13	2.00		2.04
Expense-to-revenue ratio	61.1	54.3		63.1
Return on assets	0.8 <sup>(4)</sup>	0.7 <sup>(4)</sup>		0.1
Return on equity (fully diluted)	11.6 <sup>(4)</sup>	13.2 <sup>(4)</sup>		1.2
Cash basis return on assets	0.9 <sup>(4)</sup>	0.9 <sup>(4)</sup>		0.2
Cash basis return on equity (fully diluted)	14.6 <sup>(4)</sup>	16.9 <sup>(4)</sup>		3.2
<b>Capital adequacy data (Consolidated)</b>				
Tier I	552.3	533.2	19.0	537.1
Total capital	658.1	651.7	6.3	626.9
Risk assets	6,019.7	6,559.5	(539.8)	6,102.5
Capital adequacy ratio	10.93%	9.93%		10.27%
Tier I capital ratio	9.17%	8.12%		8.80%

(Billions of yen, except percentages)

	1QFY2012 (3 months)	1QFY2011 (3 months)	Change % or Amount	FY2011
<b>Per share data (Consolidated)</b>				
Common equity	217.39	212.70	2.2%	212.67
Basic net income	6.19	6.84	(9.5)%	2.42
Cash basis basic net income	7.11	7.84	(9.3)%	6.05
<b>Non-performing loans (Non-Consolidated)</b>				
Claims classified under the Financial Revitalization Law	283.5	254.5	29.0	295.9
Ratio to total claims	6.20%	6.04%		6.66%
Reserve for credit losses	112.4	110.5	1.8	121.1
Coverage ratio for non-performing claims	97.0%	96.6%		96.7%
<b>Selected income statement items (Non-Consolidated)</b>				
Net interest income	16.2	12.4	30.0%	70.3
Non-interest income	8.6	1.5	472.5%	24.5
Net fees and commissions	4.4	3.7	20.0%	18.0
Net trading income	4.1	3.2	26.2%	13.4
Net other business income (loss)	0.1	(5.4)	102.1%	(6.9)
Total revenue	24.8	13.9	78.0%	94.8
General and administrative expenses	16.7	13.4	24.0%	62.6
Ordinary business profit	8.1	0.5	1500.7%	32.1
Net credit costs (recoveries)	(0.9)	(0.4)	(99.7)%	10.9
Net income	7.4	6.6	10.9%	13.8

(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 ¥16.4 billion for the first quarter of fiscal year 2012 (April 1, 2012 to June 30, 2012), making steady progress towards the attainment of our full year earnings forecast of ¥51.0 billion in net income. The current fiscal year is the last of the Bank's current Medium-Term Management Plan, and continuous efforts were made until now to expand the customer base, and reduce potential losses, including reduction of non-core assets. This has resulted in steady performance. Consolidated cash basis net income for the first quarter of fiscal year 2012 was ¥18.8 billion.
- Total revenue for the first quarter of fiscal year 2012 was ¥52.0 billion, an increase of ¥4.1 billion compared to the fourth quarter of fiscal year 2011 (January 1, 2012 to March 31, 2012), as the customer base continued to expand, while the loans and bills discounted balance also increased from the fourth quarter of the prior fiscal year. However, the balance decreased by ¥5.3 billion from that of the first quarter of fiscal year 2011, which included non-recurring gains such as a gain on sales of equities categorized as non-core assets of ¥6.3 billion, net of withholding taxes etc.
- General and administrative expenses were ¥31.7 billion for the first quarter of fiscal year 2012, a slight increase as compared to ¥31.1 billion for the first quarter of fiscal year 2011, although we continued to promote efficient expense management.
- Net credit recoveries of ¥0.6 billion, improved considerably as compared to net credit costs of ¥2.1 billion for the first quarter of fiscal year 2011, mainly due to reversal of reserves for credit losses from sales of non-performing loans, recording of recoveries of written-off claims, and due to continuous improvement of credit quality and decrease in loan balance in the consumer finance business.
- Regarding performance within individual business groups, ordinary business profit after net credit costs was recorded at each Group.
  - In the Institutional Group, reconstruction of customer base and stabilization of profitability continue, as the loan balance increased during the first quarter of fiscal year 2012 and performance remained stable.
  - In the Global Markets Group, the ordinary business loss after net credit costs recorded in the first quarter of fiscal year 2011 turned to profit for the first quarter of fiscal year 2012, due to improvement in total revenue through expanding the customer base. By contrast, results in the first quarter of fiscal year 2011 were impacted by stagnant financial markets.
  - In the Individual Group, ordinary business profit after net credit costs of ¥8.5 billion was recorded for the first quarter of fiscal year 2012, mainly due to significant improvement in net credit costs. While loan assets at consumer finance subsidiaries continue to decrease as a result of the revised Money-Lending Business Control and Regulation Law, the pace of decrease has slowed.
- Balance of loans and bills discounted increased from ¥4,136.8 billion as of March 31, 2012 to ¥4,237.2 billion as of June 30, 2012. This was mainly due to an increase in loans for institutional customers and housing loans, while the pace of decrease in the consumer finance loan balance slowed.
- Net interest margin of 2.13% was recorded for the first quarter of fiscal year 2012, an increase as compared

to 2.00% for the first quarter of fiscal year 2011. This was mainly due to a decrease in the balance of relatively low-yield Japanese national government bonds, and lower interest expense for deposits, including negotiable certificates of deposit.

- Regarding capital ratios, Tier I capital and total capital increased due to accumulation of consolidated net income and amortization of goodwill and other intangible assets over the first quarter of fiscal year 2012, which resulted in improvement of the total capital adequacy ratio and Tier I capital ratio to 10.93% and 9.17%, as of June 30, 2012 respectively, compared to 10.27% and 8.80% as of March 31, 2012.
- Balance of non-performing loans under the Financial Revitalization Law totaled ¥283.5 billion as of June 30, 2012, a decrease of ¥12.4 billion during the first quarter of fiscal year 2012, mainly due to sales and collections of non-performing loans etc. In addition, the proportion of non-performing claims to the balance of total claims improved from 6.66% at the end of March 2012, to 6.20%.

Items included in Results of Operations <sup>(1)</sup> (Consolidated)

	<i>(Billions of yen)</i>		
	1QFY2012 (3 months)	1QFY2011 (3 months)	FY2011 (12 months)
<b>Gains included in revenue</b>			
Large gains from the sale of non-core assets / the redemption of non-core assets	-	6.3	6.3
Others	-	-	1.1
<b>Subtotal (i)</b>	<b>-</b>	<b>6.3</b>	<b>7.4</b>
<b>Losses included in revenue</b>			
Impairment of major listed shares	-	-	<b>(5.2)</b>
Domestic real estate non-recourse finance (bonds)	(0.0)	(1.0)	(3.3)
Others	-	-	(3.3)
<b>Subtotal (ii)</b>	<b>(0.0)</b>	<b>(1.0)</b>	<b>(11.9)</b>
<b>Items included in net credit costs</b>			
Reversal of major institutional credit reserve	-	-	17.2
Specialty finance	0.8	-	(18.8)
Domestic real estate non-recourse finance	(0.8)	(1.8)	(8.0)
Large net credit costs related to non-core assets	(0.4)	-	(2.2)
Others	0.6	1.6	1.6
<b>Subtotal (iii)</b>	<b>0.2</b>	<b>(0.2)</b>	<b>(10.1)</b>
<b>Other losses</b>			
Grey zone related provisions	-	(0.8)	(32.8)
Others	-	-	(0.2)
<b>Subtotal (iv)</b>	<b>-</b>	<b>(0.8)</b>	<b>(33.1)</b>
<b>Corporate tax adjustment due to tax reform (v)</b>	<b>-</b>	<b>-</b>	<b>(1.3)</b>
<b>Total (i) + (ii) + (iii) + (iv) + (v)</b>	<b>0.2</b>	<b>4.1</b>	<b>(49.1)</b>
<b>Breakdown by Category</b>			
Grey zone related provisions	-	(0.8)	(32.8)
Specialty finance	0.8	-	(18.8)
Domestic real estate non-recourse finance	(0.8)	(2.9)	(11.3)
Impairment of major listed shares	-	-	(5.2)
Corporate tax adjustment due to tax reform	-	-	(1.3)
Reversal of major institutional credit reserve	-	-	17.2
Non-core assets related	(0.4)	6.3	4.0
Others	0.6	1.6	(0.8)
<b>Total</b>	<b>0.2</b>	<b>4.1</b>	<b>(49.1)</b>

(1) This table shows items which are considered to be largely non-recurring considering its historically disclosed information.



## Section 1. Consolidated Information

<sup>(1)</sup>  
Results of Operations -Table 1- (Consolidated)

	(Billions of yen, except percentages)			
	1QFY2012 (3 months)	1QFY2011 (3 months)	% Change	FY2011 (12 months)
Net interest income	28.2	31.2	(9.8)	116.9
Non-interest income	23.8	26.1	(8.6)	86.0
Net fees and commissions	4.7	7.1	(33.5)	25.2
Net trading income	4.3	3.5	23.2	13.6
Net other business income	14.7	15.4	(4.5)	47.2
<b>Total revenue</b>	<b>52.0</b>	<b>57.4</b>	<b>(9.3)</b>	<b>202.9</b>
<b>General and administrative expenses</b>	<b>31.7</b>	<b>31.1</b>	<b>2.0</b>	<b>127.9</b>
<b>Ordinary business profit</b>	<b>20.2</b>	<b>26.2</b>	<b>(22.7)</b>	<b>74.9</b>
<b>Net credit costs (recoveries)</b>	<b>(0.6)</b>	<b>2.1</b>	<b>(131.1)</b>	<b>12.2</b>
<b>Ordinary business profit after net credit costs (recoveries)</b>	<b>20.9</b>	<b>24.0</b>	<b>(13.1)</b>	<b>62.7</b>
<b>Amortization of goodwill and other intangible assets <sup>(2)</sup></b>	<b>2.8</b>	<b>3.1</b>	<b>(9.0)</b>	<b>11.9</b>
<b>Other gains (losses)</b>	<b>(0.3)</b>	<b>(0.7)</b>	<b>46.8</b>	<b>(35.4)</b>
<b>Income (loss) before income taxes and minority interests</b>	<b>17.7</b>	<b>20.2</b>	<b>(12.5)</b>	<b>15.3</b>
<b>Current income tax</b>	<b>0.2</b>	<b>1.0</b>	<b>(70.5)</b>	<b>2.9</b>
<b>Deferred income tax</b>	<b>0.0</b>	<b>0.0</b>	<b>(98.3)</b>	<b>2.4</b>
<b>Minority interests in net income of subsidiaries</b>	<b>0.9</b>	<b>1.0</b>	<b>(1.9)</b>	<b>3.5</b>
<b>Net income</b>	<b>16.4</b>	<b>18.1</b>	<b>(9.5)</b>	<b>6.4</b>
Cash basis net income <sup>(3)</sup>	18.8	20.8	(9.3)	16.0

(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

- Shinsei Bank reported total revenue for the first quarter of fiscal year 2012 of ¥52.0 billion, which consists of ¥28.2 billion of net interest income and ¥23.8 billion of non-interest income, as continuous efforts towards expansion of the customer base were undertaken. This represents a ¥5.3 billion decrease compared to ¥57.4 billion for the first quarter of fiscal year 2011, which included non-recurring gains, such as gains on sales of non-core asset equities of ¥6.3 billion, net of withholding taxes etc. This result, however, represented a ¥4.1 billion increase from ¥47.9 billion recorded in the fourth quarter of fiscal year 2011.
- Net interest income of ¥28.2 billion recorded for the first quarter of fiscal year 2012 was at the same level as ¥28.2 billion recorded for the fourth quarter of fiscal year 2011, although ¥3.0 billion lower than the first quarter of fiscal year 2011. This was mainly due to a reduction in non-core assets, and the lower balance of Consumer Finance loans, although the pace of decrease of these loans has slowed. In addition, loans for institutional customers and housing loans increased during the first quarter of fiscal year 2012, and net interest income for the first quarter of fiscal year 2012 was recorded at almost the same level as net interest income for the fourth quarter of fiscal year 2011.

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

	(Billions of yen, except percentages)								
	1QFY2012 (3 months)			1QFY2011 (3 months)			FY2011 (12 months)		
	Average Balance	Interest	Yield/rate (%)	Average Balance	Interest	Yield/rate (%)	Average Balance	Interest	Yield/rate (%)
<b>Interest-earning assets <sup>(1)</sup> :</b>									
Loans and bills discounted	4,148.6	32.2	3.12	4,259.6	37.0	3.49	4,159.8	140.3	3.37
Lease receivables and leased investment assets / installment receivables <sup>(1)</sup>	561.5	8.8	6.29	547.9	9.3	6.82	545.6	36.6	6.72
Securities	1,843.3	4.5	0.99	3,019.1	5.1	0.69	2,394.6	17.8	0.74
Other interest-earning assets <sup>(2)(3)</sup>	378.9	0.4	n.m. <sup>(5)</sup>	282.1	0.4	n.m. <sup>(5)</sup>	351.3	1.5	n.m. <sup>(5)</sup>
<b>Total revenue on interest-earning assets (A) <sup>(1)</sup></b>	<b>6,932.4</b>	<b>46.0</b>	<b>2.66</b>	<b>8,108.8</b>	<b>51.9</b>	<b>2.57</b>	<b>7,451.4</b>	<b>196.4</b>	<b>2.64</b>
<b>Interest-bearing liabilities:</b>									
Deposits, including negotiable certificates of deposit	5,341.3	5.9	0.45	5,686.5	7.5	0.53	5,623.5	29.0	0.52
Debentures	292.4	0.2	0.39	339.6	0.4	0.51	320.5	1.4	0.46
Borrowed money	543.9	1.2	0.94	1,003.1	1.4	0.58	647.2	5.5	0.86
Subordinated debt	93.0	0.4	2.07	98.4	0.3	1.29	94.5	1.7	1.86
Other borrowed money	450.9	0.7	0.70	904.6	1.1	0.50	552.7	3.8	0.69
Corporate bonds	163.7	1.2	3.10	178.1	1.4	3.23	170.1	5.7	3.38
Subordinated bonds	140.0	1.1	3.38	149.4	1.3	3.56	145.6	5.3	3.67
Other corporate bonds	23.6	0.0	1.46	28.7	0.1	1.52	24.5	0.4	1.67
Other interest-bearing liabilities <sup>(2)</sup>	405.2	0.2	n.m. <sup>(5)</sup>	736.9	0.4	n.m. <sup>(5)</sup>	476.0	0.9	n.m. <sup>(5)</sup>
<b>Total expense on interest-bearing liabilities (B)</b>	<b>6,746.7</b>	<b>9.0</b>	<b>0.54</b>	<b>7,944.5</b>	<b>11.3</b>	<b>0.57</b>	<b>7,237.5</b>	<b>42.8</b>	<b>0.59</b>
<b>Net interest margin (A)-(B) <sup>(1)</sup></b>	<b>-</b>	<b>37.0</b>	<b>2.13</b>	<b>-</b>	<b>40.5</b>	<b>2.00</b>	<b>-</b>	<b>153.5</b>	<b>2.04</b>
<b>Non interest-bearing sources of funds:</b>									
Non interest-bearing (assets) liabilities, net	(386.3)	-	-	(392.4)	-	-	(342.8)	-	-
Total equity excluding minority interests in subsidiaries <sup>(4)</sup>	572.0	-	-	556.7	-	-	556.7	-	-
<b>Total non interest-bearing sources of funds (C)</b>	<b>185.6</b>	<b>-</b>	<b>-</b>	<b>164.3</b>	<b>-</b>	<b>-</b>	<b>213.8</b>	<b>-</b>	<b>-</b>
<b>Sum of total expense on interest-bearing liabilities and non-interest-bearing sources of funds (D)=(B)+(C)</b>	<b>6,932.4</b>	<b>9.0</b>	<b>0.52</b>	<b>8,108.8</b>	<b>11.3</b>	<b>0.56</b>	<b>7,451.4</b>	<b>42.8</b>	<b>0.57</b>
<b>Net revenue/yield on interest-earning assets (A)-(D) <sup>(1)</sup></b>	<b>-</b>	<b>37.0</b>	<b>2.14</b>	<b>-</b>	<b>40.5</b>	<b>2.01</b>	<b>-</b>	<b>153.5</b>	<b>2.06</b>
<b>Reconciliation of total revenue on interest-earning assets to total interest income:</b>									
Total revenue on interest-earning assets	6,932.4	46.0	2.66	8,108.8	51.9	2.57	7,451.4	196.4	2.64
Less: Income on lease transactions and installment receivables	561.5	8.8	6.29	547.9	9.3	6.82	545.6	36.6	6.72
<b>Total interest income</b>	<b>6,370.9</b>	<b>37.2</b>	<b>2.34</b>	<b>7,560.9</b>	<b>42.6</b>	<b>2.26</b>	<b>6,905.7</b>	<b>159.7</b>	<b>2.31</b>
Total interest expense	-	9.0	-	-	11.3	-	-	42.8	-
<b>Net interest income</b>	<b>-</b>	<b>28.2</b>	<b>-</b>	<b>-</b>	<b>31.2</b>	<b>-</b>	<b>-</b>	<b>116.9</b>	<b>-</b>

(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.

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

- Net revenue on interest-earning assets includes net interest income as well as revenue earned on lease receivables and leased investment assets and installment receivables. The Bank considers income on lease transactions and installment receivables to be a component of interest income, but Japanese GAAP does not include income on lease transactions and installment receivables in net interest income. Under Japanese GAAP, therefore, income on lease transactions and installment receivables is reported in net other business income in our consolidated statements of operations.
- Net revenue on interest-earning assets for the first quarter of fiscal year 2012 was ¥37.0 billion, decreasing from ¥40.5 billion for the first quarter of fiscal year 2011.
- This decrease was because total revenue on interest-earning assets decreased by ¥5.9 billion exceeding the ¥2.3 billion of decrease in total expense on interest-bearing liabilities for the first quarter of fiscal year 2012 compared to the first quarter of fiscal year 2011.
- The net interest margin rose to 2.13% for the first quarter of fiscal year 2012, compared to 2.00% for the first quarter of fiscal year 2011.
  - The change in net interest margin largely reflected the increase in the yield on interest-earning assets caused by lower volume of securities, consisting mainly of low-yield Japanese national government bonds as well as the decrease in the yield on interest-bearing liabilities due to lower interest expense for deposits, including negotiable certificates of deposit.
  - At 2.13%, the net interest margin for the first quarter of fiscal year 2012 also showed improvement compared to the 2.04% recorded over the fiscal year 2011 (April 2011 – March 2012).

**Non-Interest Income -Table 3- (Consolidated)**

	<i>(Billions of yen, except percentages)</i>			
	1QFY2012 (3 months)	1QFY2011 (3 months)	% Change	FY2011 (12 months)
Net fees and commissions	4.7	7.1	(33.5)	25.2
Net trading income	4.3	3.5	23.2	13.6
Net other business income	14.7	15.4	(4.5)	47.2
Income on lease transactions and installment receivables	8.8	9.3	(5.5)	36.6
<b>Total non-interest income</b>	<b>23.8</b>	<b>26.1</b>	<b>(8.6)</b>	<b>86.0</b>

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

- Non-interest income consists of fees and commissions, trading income and other business income such as income from leased assets and installment receivables and gains and losses on sales of available-for-sale securities.
- Total non-interest income amounted to ¥23.8 billion for the first quarter of fiscal year 2012, a decrease of ¥2.2 billion compared to ¥26.1 billion for the first quarter of fiscal year 2011, which included gains on sales of equities categorized as non-core assets of ¥6.3 billion. However, it increased by ¥4.1 billion compared to ¥19.7 billion for the fourth quarter of fiscal year 2011. In previous fiscal years, results were impacted significantly by substantial non-recurring investment-related losses, and gains realized from sales of non-core assets and repurchase of subordinated debt.
- Net fees and commissions were mainly from non-recourse finance on domestic real estate, servicing fees in specialty finance and principal transactions, guarantee and other businesses operated by consumer finance subsidiaries, and sales of mutual funds and variable annuities. Net fees and commissions of ¥4.7 billion were recorded for the first quarter of fiscal year 2012, a decrease of ¥2.3 billion from ¥7.1 billion for the first quarter of fiscal year 2011, mainly due to the decrease in mutual funds related fees in retail banking, and decrease in servicing fee income from subsidiaries against the backdrop of the European debt crisis etc.
- Net trading income includes revenues from derivatives with customer-driven transactions and those from proprietary trading. Net trading income of ¥4.3 billion was recorded for the first quarter of fiscal year 2012, an increase of ¥0.8 billion compared to ¥3.5 billion for the first quarter of fiscal year 2011, mainly due to expansion of the customer base and an increase in customer-driven income.
- Net other business income was ¥14.7 billion for the first quarter of fiscal year 2012, compared to ¥15.4 billion for the first quarter of fiscal year 2011. However, the net other business income for the first quarter of fiscal year 2011 included ¥6.3 billion, net of withholding tax, of gains on sales of foreign equities that had been classified as non-core assets, ¥1.0 billion of impairment of bonds related to domestic real estate non-recourse finance, and ¥0.7 billion of impairment to private equity investments. In addition, the net other business income included income on lease transactions assets and installment receivables of ¥8.8 billion for the first quarter of fiscal year 2012, at Showa Leasing, APLUS FINANCIAL, Shinsei Financial and others, compared to ¥9.3 billion for the first quarter of fiscal year 2011.

**General and Administrative Expenses -Table 4- (Consolidated)**

	<i>(Billions of yen, except percentages)</i>			
	1QFY2012 (3 months)	1QFY2011 (3 months)	% Change	FY2011 (12 months)
Personnel expenses	12.4	12.5	(0.9)	51.0
Non-personnel expenses	19.3	18.6	4.0	76.9
Premises expenses	4.8	5.0	(3.3)	20.4
Technology and data processing expenses	4.3	4.1	4.6	17.2
Advertising expenses	2.1	2.1	2.0	9.1
Consumption and property taxes	1.8	1.4	23.5	6.3
Deposit insurance premium	1.0	1.1	(7.9)	4.6
Other general and administrative expenses	5.0	4.6	9.4	18.9
<b>General and administrative expenses</b>	<b>31.7</b>	<b>31.1</b>	<b>2.0</b>	<b>127.9</b>

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

- General and administrative expenses were ¥31.7 billion for the first quarter of fiscal year 2012, a slight increase from ¥31.1 billion for the first quarter of fiscal year 2011, although we continued to promote efficient expense management. With the aim to expand our customer base and stabilize our profitability, we allocated our management resources preferentially to relevant business areas while we promoted business rationalization and streamlining. This slight increase from the first quarter of fiscal year 2011 was largely due to depreciation from capital expenditures related to system development, though we continued strict expense management for each expense category.

- Personnel expenses of ¥12.4 billion for the first quarter of fiscal year 2012 decreased by ¥0.1 billion from ¥12.5 billion for the first quarter of fiscal year 2011. We have allocated additional personnel to relevant business areas, but our personnel expenses decreased slightly as a result of ongoing personnel expense streamlining across our businesses.
- Non-personnel expenses of ¥19.3 billion for the first quarter of fiscal year 2012 increased by ¥0.7 billion from ¥18.6 billion for the first quarter of fiscal year 2011. We have worked to reduce expenses across all of our business lines through strict expense control discipline, but non-personnel expenses increased largely due to enhancement of business infrastructure.
  - Premises expenses of ¥4.8 billion for the first quarter of fiscal year 2012 declined by ¥0.1 billion from ¥5.0 billion for the first quarter of fiscal year 2011, reflecting our continuous efforts at expense streamlining. Technology and data processing expenses of ¥4.3

billion for the first quarter of fiscal year 2012 increased from ¥4.1 billion for the first quarter of fiscal year 2011, mainly due to additional depreciation from capital expenditures related to system development. Advertising expenses of ¥2.1 billion for the first quarter of fiscal year 2012 were almost at the same level of those for the first quarter of fiscal year 2011, as we have promoted advertising activities with the aim to expand our customer base in concurrence with lowering of respective unit costs for advertisement. Consumption and property taxes of ¥1.8 billion for the first quarter of fiscal year 2012 increased from ¥1.4 billion for the first quarter of fiscal year 2011 under the enhancement of business infrastructure including capital expenditures related to system development. Other general and administrative expenses of ¥5.0 billion for the first quarter of fiscal year 2012 increased from ¥4.6 billion for the first quarter of fiscal year 2011, including an increase in temporary staff expenses as we began operating a new system in parallel with the old system.

### Net Credit Costs -Table 5- (Consolidated)

	<i>(Billions of yen, except percentages)</i>			
	1QFY2012 (3 months)	1QFY2011 (3 months)	% Change	FY2011 (12 months)
Losses on write-off of loans/Losses on sale of loans	1.1	1.3	(17.5)	5.7
Net provision of reserve for loan losses:	1.4	4.5	(67.3)	36.3
Net provision (reversal) of general reserve for loan losses	(1.1)	(0.1)	(811.2)	(5.9)
Net provision of specific reserve for loan losses	2.6	4.6	(42.6)	42.2
Net provision (reversal) of reserve for loan losses to restructuring countries	-	-	-	(0.0)
Net provision (reversal) of specific reserve for other credit losses	(0.0)	-	n.a.	(17.2)
Other credit costs (reversal) relating to leasing business	(0.3)	(0.7)	44.6	(1.6)
Recoveries of written-off claims	(2.8)	(3.0)	5.0	(10.8)
<b>Net credit costs (recoveries)</b>	<b>(0.6)</b>	2.1	(131.1)	12.2

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

- Although, the balance of loans and bills discounted increased, reversal of reserves for credit losses from sales of non-performing loans, and recoveries of written-off claims were recorded in the institutional loan business. Also, in the consumer finance business, net provision of reserve for loan losses declined due to continuous improvement of credit quality and decrease in loan balance, while recoveries of written-off claims were also recorded. As a result of the above, net credit recoveries of ¥0.6 billion were recorded for the first quarter of fiscal year 2012, marking a significant decrease as compared to net credit costs of ¥2.1 billion for the first quarter of fiscal year 2011.
- From fiscal year 2011, recoveries of written-off claims are categorized into net credit costs according to revised Report No.14 "Practical Guidelines on Accounting Standards for Financial Instruments" issued by the Accounting Practice Committee of the Japanese Institute of Certified Public Accountants (JICPA), on March 29, 2011, while net credit costs stated in previous periods consisted of provision of reserve for loan losses, reversal of reserve for loan losses, losses on write-off of loans and losses on sale of loans.
  - For the first quarter of fiscal year 2012, recoveries of written-off claims were ¥2.8 billion, almost the same as ¥3.0 billion of recoveries of written-off claims for the first quarter of fiscal year 2011. This shows that performance in the first quarter of fiscal year 2012 has improved as compared to the first quarter of fiscal year 2011, even when weighed against the fluctuation of net credit costs excluding recoveries of written-off claims.
  - The recoveries of written-off claims for the first quarter of fiscal year 2012 of ¥2.8 billion included ¥ 1.8 billion at Shinsei Financial, ¥0.7 billion at Shinsei Bank (non-consolidated basis), and ¥0.2 billion at Shinki.

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

*(Billions of yen, except percentages)*

	1QFY2012 (3 months)	1QFY2011 (3 months)	% Change	FY2011 (12 months)
Shinsei Financial	1.9	2.2	(12.1)	8.5
Shinki	(0.0)	(0.0)	0.0	(0.3)
APLUS FINANCIAL	0.2	0.2	0.0	0.8
Showa Leasing	0.7	0.7	(1.2)	2.9
Others	(0.0)	(0.0)	0.0	(0.0)
<b>Amortization of goodwill and other intangible assets</b>	<b>2.8</b>	<b>3.1</b>	<b>(9.0)</b>	<b>11.9</b>

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 ¥2.8 billion for the first quarter of fiscal year 2012 compared to ¥3.1 billion for the first quarter of fiscal year 2011.
- 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 was ¥0.2 billion for the first quarter of fiscal year 2012 related 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 at the end of fiscal year 2009.

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

*(Billions of yen, except percentages)*

	1QFY2012 (3 months)	1QFY2011 (3 months)	% Change	FY2011 (12 months)
Extraordinary income (loss)	(0.1)	(0.0)	(125.1)	(1.4)
Net gain on disposal of premises and equipment	0.2	0.0	183.5	(0.5)
Other extraordinary income (loss)	(0.4)	(0.1)	(157.9)	(0.8)
Provisions of reserve for losses on interest repayment	-	(0.8)	100.0	(32.8)
Shinsei Financial	-	(0.8)	100.0	(15.9)
Shinki	-	-		(11.5)
APLUS FINANCIAL	-	-		(5.3)
Other	-	-		-
Other	(0.2)	0.1	(263.8)	(1.1)
<b>Other gains (losses)</b>	<b>(0.3)</b>	<b>(0.7)</b>	<b>46.8</b>	<b>(35.4)</b>

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

- Other losses of ¥0.3 billion were recorded for the first quarter of fiscal year 2012, an improvement as compared to ¥0.7 billion for the first quarter of fiscal year 2011. Provisions for losses on interest repayment of ¥32.8 billion, which were taken upfront as a measure to cover future costs, were recorded during the fiscal year 2011, and no additional provisions for losses on interest repayment were recorded in the first quarter of fiscal year

2012. From fiscal year 2011, recoveries of written-off claims are categorized into net credit costs and not included in other gains (losses), according to revised Report No.14 "Practical Guidelines on Accounting Standards for Financial Instruments" issued by the Accounting Practice Committee of the Japanese Institute of Certified Public Accountants (JICPA), on March 29, 2011.

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

*(Billions of yen, except percentages)*

	<b>1QFY2012 (3 months)</b>	1QFY2011 (3 months)	% Change	FY2011 (12 months)
Dividends on perpetual preferred securities (hybrid Tier I capital) issued by foreign SPCs	0.7	0.7	(0.4)	3.0
Others	<b>0.2</b>	0.2	(6.6)	0.4
<b>Minority interests in net income of subsidiaries</b>	<b>0.9</b>	1.0	(1.9)	3.5

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

Minority interests in net income of subsidiaries for the first quarter of fiscal year 2012 were ¥0.9 billion. Minority interests in net income of subsidiaries largely reflect dividends accrued on perpetual preferred securities issued by bank's subsidiaries, and minority interests in the net income of other consolidated subsidiaries for the first

quarter of fiscal year 2012. Minority interests in net income of subsidiaries for the first quarter of fiscal year 2012 was almost the same as the ¥1.0 billion recorded for the first quarter for fiscal year 2011.

## Major Balance Sheet Data -Table 9- (Consolidated)

	(Billions of yen)				
	June 30 2012 (a)	June 30 2011 (b)	Change (a)-(b)	March 31 2012 (c)	Change (a)-(c)
Loans and bills discounted	4,237.2	4,214.0	23.2	4,136.8	100.4
Installment receivables	348.5	325.1	23.3	347.9	0.6
Leased assets, lease receivables and leased investment assets	214.7	213.8	0.9	214.7	0.0
Securities	1,864.2	2,703.3	(839.1)	1,873.4	(9.2)
Other monetary claims purchased	129.0	135.8	(6.8)	130.9	(1.9)
Other interest earning assets <sup>(1)</sup>	455.6	419.5	36.1	561.9	(106.2)
Trading assets	211.8	210.7	1.1	202.6	9.1
Monetary assets held in trust	262.9	241.4	21.4	267.6	(4.7)
Goodwill, net	40.1	47.5	(7.4)	41.9	(1.8)
Other intangible assets <sup>(2)</sup>	15.2	19.4	(4.1)	16.2	(0.9)
Other assets	394.5	564.6	(170.0)	433.3	(38.7)
Customer's liabilities for acceptances and guarantees	559.0	570.9	(11.8)	562.6	(3.5)
Reserve for credit losses	(170.2)	(192.5)	22.2	(180.6)	10.3
<b>Total assets</b>	<b>8,563.1</b>	<b>9,473.9</b>	<b>(910.8)</b>	<b>8,609.6</b>	<b>(46.5)</b>
Deposits and negotiable certificates of deposit	5,333.2	5,777.3	(444.1)	5,362.4	(29.1)
Debentures	287.1	329.7	(42.6)	294.1	(7.0)
Borrowed money	586.4	594.3	(7.9)	476.7	109.6
Corporate bonds	164.3	177.1	(12.8)	168.7	(4.4)
Other interest bearing liabilities <sup>(3)</sup>	287.3	648.0	(360.6)	409.4	(122.1)
Trading liabilities	154.7	160.4	(5.6)	176.0	(21.2)
Reserve for losses on interest repayments	45.8	36.0	9.7	50.9	(5.1)
Other liabilities	504.1	550.2	(46.1)	480.8	23.2
Acceptances and guarantees	559.0	570.9	(11.8)	562.6	(3.5)
<b>Total liabilities</b>	<b>7,922.2</b>	<b>8,844.2</b>	<b>(922.0)</b>	<b>7,982.0</b>	<b>(59.8)</b>
<b>Total equity</b>	<b>640.9</b>	<b>629.7</b>	<b>11.1</b>	<b>627.6</b>	<b>13.2</b>

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

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

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

Note: Quarterly information is available in the Quarterly Data Book

- Balance of Shinsei Bank's loans and bills discounted was ¥4,237.2 billion as of June 30, 2012, an increase of ¥100.4 billion from March 31, 2012, showing a net increase compared to the fourth quarter of fiscal year 2011.
  - Although we saw continued reduction of risk assets including non-core assets, and a decrease in the loan balance within our consumer finance subsidiaries due to the impact of the revised Money-Lending Business Control and Regulation Law, the Institutional Group and the Global Markets Group accumulated core business assets, and housing loans increased in Retail Banking, while the rate of decrease of the loan balance in Consumer Finance has also gradually become less pronounced, mainly due to the commencement of the bank-based Consumer Finance business from October 2011.
- Securities balance as of June 30, 2012 was ¥1,864.2 billion compared to ¥1,873.4 billion as of March 31, 2012.
  - Over half of the investments in securities were made in Japanese national government bonds for ALM purposes as a liquidity reserve. In the course of portfolio management, the total balance of Japanese national government bonds was ¥1,298.2 billion as of June 30, 2012, up from ¥1,285.1 billion as of March 31, 2012.
  - Total deposits and negotiable certificates of deposit changed from ¥5,362.4 billion as of March 31, 2012 to ¥5,333.2 billion as of June 30, 2012. Shinsei Bank continues to optimize its funding base through focusing on deposits from retail customers. The retail deposits balance totaled ¥4,597.4 billion as of June 30, 2012. Retail Banking constitutes 86.5% of the Bank's total funding through customer deposits and debentures.



**Risk-Monitored Loans -Table 10- (Consolidated)**

	(Billions of yen)				
	June 30 2012 (a)	June 30 2011 (b)	Change (a)-(b)	March 31 2012 (c)	Change (a)-(c)
Loans to bankrupt obligors	13.3	14.9	(1.5)	8.1	5.1
Non-accrual delinquent loans	301.7	295.6	6.1	316.7	(14.9)
Loans past due for three months or more	1.1	7.0	(5.8)	1.7	(0.5)
Restructured loans	43.8	58.7	(14.9)	45.3	(1.5)
<b>Total (A)</b>	<b>360.1</b>	<b>376.4</b>	<b>(16.3)</b>	<b>371.9</b>	<b>(11.8)</b>
<b>Loans and bills discounted (B)</b>	<b>4,237.2</b>	<b>4,214.0</b>	<b>23.2</b>	<b>4,136.8</b>	<b>100.4</b>
Ratio to total loans and bills discounted (A / B X 100) (%)	8.50%	8.93%	/	8.99%	/
<b>Reserve for credit losses (C)</b>	<b>170.2</b>	<b>192.5</b>	<b>(22.2)</b>	<b>180.6</b>	<b>(10.3)</b>
Reserve ratio (C / A X 100)	47.3%	51.1%	/	48.6%	/

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

- Risk monitored loans totaled ¥360.1 billion as of June 30, 2012, compared to ¥371.9 billion as of March 31, 2012, ¥395.0 billion as of March 31, 2011 and ¥432.3 billion as of March 31, 2010. During the first quarter of fiscal year 2012, risk monitored loans decreased by ¥11.8 billion.
- The ratio of risk monitored loans to total loans and bills discounted was 8.50% as of June 30, 2012 and declined 49 basis points compared to March 31, 2012.

**Reserve for Credit Losses -Table 11- (Consolidated)**

	(Billions of yen)				
	June 30 2012 (a)	June 30 2011 (b)	Change (a)-(b)	March 31 2012 (c)	Change (a)-(c)
General reserve for loan losses	77.9	98.4	(20.5)	80.9	(3.0)
Specific reserve for loan losses	92.3	94.0	(1.7)	99.6	(7.3)
Reserve for loans to restructuring countries	0.0	0.0	(0.0)	0.0	-
<b>Total reserve for credit losses</b>	<b>170.2</b>	<b>192.5</b>	<b>(22.2)</b>	<b>180.6</b>	<b>(10.3)</b>

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



## Loans by Borrower Industry -Table 12- (Consolidated)

	(Billions of yen)				
	June 30 2012 (a)	June 30 2011 (b)	Change (a)-(b)	March 31 2012 (c)	Change (a)-(c)
Domestic offices (excluding Japan offshore market account):					
Manufacturing	248.1	235.2	12.9	244.5	3.5
Agriculture and forestry	0.3	0.0	0.2	0.3	(0.0)
Fishery	-	2.2	(2.2)	-	-
Mining, quarrying and gravel extraction	0.2	0.4	(0.1)	0.2	(0.0)
Construction	13.8	16.9	(3.1)	15.9	(2.0)
Electric power, gas, heat supply and water supply	77.0	27.1	49.9	48.6	28.4
Information and communications	40.5	15.0	25.4	39.9	0.6
Transportation and postal service	241.5	288.7	(47.1)	245.0	(3.5)
Wholesale and retail	82.6	84.8	(2.2)	86.0	(3.3)
Finance and insurance	772.9	704.7	68.2	694.7	78.1
Real estate	595.8	592.6	3.2	598.3	(2.4)
Services	304.7	314.6	(9.8)	307.5	(2.7)
Local government	118.3	157.5	(39.1)	139.5	(21.1)
Others	1,650.6	1,713.7	(63.1)	1,622.4	28.1
Loans to individual customers (retail banking, Shinsei Bank Lake, Shinsei Financial, Shinki and APLUS FINANCIAL)	1,457.4	1,521.0	(63.5)	1,439.4	17.9
<b>Total domestic (A)</b>	<b>4,147.0</b>	<b>4,154.1</b>	<b>(7.0)</b>	<b>4,043.4</b>	<b>103.6</b>
Overseas offices (including Japan offshore market accounts):					
Governments	2.0	2.2	(0.1)	2.0	-
Financial institutions	1.0	1.6	(0.5)	1.0	(0.0)
Others	87.1	56.0	31.0	90.2	(3.1)
<b>Total overseas (B)</b>	<b>90.2</b>	<b>59.8</b>	<b>30.3</b>	<b>93.3</b>	<b>(3.1)</b>
<b>Total (A+B)</b>	<b>4,237.2</b>	<b>4,214.0</b>	<b>23.2</b>	<b>4,136.8</b>	<b>100.4</b>

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

*(Billions of yen)*

	June 30, 2012			June 30, 2011			March 31, 2012		
	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	585.4	591.1	5.7	544.5	549.1	4.6	585.6	590.9	5.3
Japanese corporate bonds	22.4	22.6	0.1	56.1	56.6	0.5	22.8	23.0	0.2
Other	39.1	43.0	3.8	39.1	43.0	3.9	40.2	44.2	4.0
Subtotal	647.0	656.8	9.7	639.8	648.9	9.0	648.7	658.2	9.5
Fair value does not exceed carrying amount									
Japanese national government bonds	-	-	-	-	-	-	-	-	-
Japanese corporate bonds	-	-	-	-	-	-	-	-	-
Other	9.0	8.5	(0.4)	10.4	10.1	(0.2)	9.8	9.2	(0.5)
Subtotal	9.0	8.5	(0.4)	10.4	10.1	(0.2)	9.8	9.2	(0.5)
<b>Total</b>	<b>656.0</b>	<b>665.3</b>	<b>9.2</b>	<b>650.3</b>	<b>659.0</b>	<b>8.7</b>	<b>658.5</b>	<b>667.5</b>	<b>8.9</b>

**Available-for-Sale Securities -Table 14- (Consolidated)**

	(Billions of yen)								
	June 30, 2012			June 30, 2011			March 31, 2012		
	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)
<b>Carrying amount exceeds amortized/acquisition cost</b>									
Equity securities	12.1	8.2	3.8	7.6	5.8	1.7	17.1	11.5	5.5
Domestic bonds	538.6	534.9	3.6	981.6	978.9	2.7	681.8	679.4	2.3
Japanese national government bonds	463.3	460.2	3.0	914.7	913.0	1.7	619.5	617.6	1.9
Japanese local government bonds	1.7	1.7	0.0	1.7	1.7	0.0	1.7	1.7	0.0
Japanese corporate bonds	73.5	72.9	0.5	65.0	64.1	0.9	60.4	60.0	0.3
Other	81.3	77.6	3.7	83.1	78.8	4.2	71.2	66.8	4.4
Foreign securities	67.7	64.2	3.4	70.1	66.1	4.0	55.7	51.5	4.1
Foreign currency denominated foreign corporate and government bonds	46.0	43.5	2.4	36.4	33.3	3.1	31.4	28.6	2.8
Yen-denominated foreign corporate and government bonds	17.6	17.4	0.1	31.6	31.1	0.5	19.6	19.4	0.2
Foreign equity securities and others	4.0	3.2	0.8	2.0	1.6	0.3	4.6	3.4	1.1
Other securities	1.1	0.9	0.2	1.0	0.9	0.1	1.1	0.9	0.1
Other monetary claims purchased	12.5	12.4	0.0	11.9	11.8	0.0	14.4	14.4	0.0
Subtotal	632.1	620.9	11.2	1,072.4	1,063.6	8.7	770.2	757.9	12.3
<b>Carrying amount does not exceed amortized/acquisition cost</b>									
Equity securities	4.8	5.7	(0.9)	7.5	11.7	(4.2)	2.1	2.7	(0.6)
Domestic bonds	402.7	406.1	(3.3)	706.6	712.2	(5.5)	247.7	251.7	(3.9)
Japanese national government bonds	249.5	250.1	(0.5)	496.5	497.4	(0.9)	79.9	80.7	(0.7)
Japanese local government bonds	-	-	-	-	-	-	-	-	-
Japanese corporate bonds	153.2	156.0	(2.7)	210.0	214.7	(4.6)	167.7	170.9	(3.2)
Other	80.8	83.7	(2.9)	151.6	155.9	(4.3)	88.1	91.3	(3.1)
Foreign securities	78.9	81.9	(2.9)	148.3	152.4	(4.1)	86.1	89.3	(3.1)
Foreign currency denominated foreign corporate and government bonds	33.7	36.3	(2.6)	89.8	92.5	(2.7)	38.0	40.6	(2.6)
Yen-denominated foreign corporate and government bonds	45.2	45.5	(0.3)	54.9	55.5	(0.5)	48.0	48.5	(0.4)
Foreign equity securities and others	0.0	0.0	-	3.5	4.4	(0.9)	0.0	0.0	-
Other securities	0.5	0.5	-	1.0	1.0	-	0.5	0.5	-
Other monetary claims purchased	1.3	1.3	(0.0)	2.2	2.4	(0.1)	1.4	1.4	(0.0)
Subtotal	488.4	495.6	(7.1)	865.7	879.9	(14.1)	338.0	345.7	(7.7)
<b>Total<sup>(1)(2)</sup></b>	<b>1,120.6</b>	<b>1,116.5</b>	<b>4.0</b>	<b>1,938.2</b>	<b>1,943.6</b>	<b>(5.3)</b>	<b>1,108.3</b>	<b>1,103.7</b>	<b>4.6</b>

(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 June 30, 2012, June 30, 2011 and March 31, 2012 were ¥1,106.8 billion, ¥1,924.0 billion and ¥1,092.3 billion, respectively.

(2) Securities whose fair value cannot be reliably determined are not included in available-for-sale securities.

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

	(Billions of yen)		
	June 30, 2012	June 30, 2011	March 31, 2012
<b>Unrealized gain (loss) before deferred tax on:</b>			
Available-for-sale securities	4.0	(5.3)	4.6
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	(4.8)	(5.6)	(5.1)
Deferred tax assets (liabilities)	(0.1)	(0.2)	(0.1)
Unrealized gain (loss) on available-for-sale securities before interest adjustments	(0.9)	(11.2)	(0.7)
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	0.0	0.0
<b>Unrealized gain (loss) on available-for-sale securities</b>	<b>(0.7)</b>	<b>(11.2)</b>	<b>(0.6)</b>

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

(Billions of yen)

	June 30 2012 (a)	June 30 2011 (b)	Change (a)-(b)	March 31 2012 (c)	Change (a)-(c)
Deposits	5,126.5	5,469.2	(342.6)	5,184.3	(57.7)
Liquid (current, ordinary, note) deposits	1,556.6	1,468.2	88.4	1,513.3	43.2
Time deposits <sup>(1)</sup>	3,197.2	3,637.9	(440.7)	3,292.7	(95.5)
Other	372.6	363.0	9.6	378.1	(5.4)
Negotiable certificates of deposits (NCDs)	206.7	308.1	(101.4)	178.0	28.6
<b>Total</b>	<b>5,333.2</b>	<b>5,777.3</b>	<b>(444.1)</b>	<b>5,362.4</b>	<b>(29.1)</b>

(1) Includes two-week maturity deposits

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

**Financial Ratios -Table 16- (Consolidated)**

	1QFY2012 (3 months)	1QFY2011 (3 months)	FY2011 (12 months)
Return on assets <sup>(1)</sup>	0.8% <sup>(5)</sup>	0.7% <sup>(5)</sup>	0.1%
Return on equity <sup>(2)</sup>	11.6% <sup>(5)</sup>	13.2% <sup>(5)</sup>	1.2%
Return on equity (fully diluted) <sup>(3)</sup>	11.6% <sup>(5)</sup>	13.2% <sup>(5)</sup>	1.2%
Cash basis return on assets <sup>(1)</sup>	0.9% <sup>(5)</sup>	0.9% <sup>(5)</sup>	0.2%
Cash basis return on equity <sup>(2)(4)</sup>	14.6% <sup>(5)</sup>	16.9% <sup>(5)</sup>	3.2%
Cash basis return on equity (fully diluted) <sup>(3)(4)</sup>	14.6% <sup>(5)</sup>	16.9% <sup>(5)</sup>	3.2%
Expense-to-revenue ratio <sup>(6)(7)</sup>	61.1%	54.3%	63.1%

(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:

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

(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)**<sup>(1)</sup>*(Billions of yen, except percentages)*

	June 30 2012 (a)	June 30 2011 (b)	Change (a)-(b)	March 31 2012 (c)	Change (a)-(c)
Basic items (Tier I)	552.3	533.2	19.0	537.1	15.1
Amount eligible for inclusion in capital (Tier II)	188.0	221.5	(33.4)	197.0	(8.9)
General reserve for loan losses	8.5	9.3	(0.7)	9.1	(0.5)
Perpetual/non-perpetual preferred stocks and perpetual/non-perpetual subordinated debt and bonds	179.4	212.1	(32.6)	187.8	(8.3)
Deductions	-	-	-	-	-
Deduction	(82.2)	(103.0)	20.7	(107.2)	25.0
<b>Total capital</b> <sup>(2)</sup>	<b>658.1</b>	<b>651.7</b>	<b>6.3</b>	<b>626.9</b>	<b>31.2</b>
Risk assets	6,019.7	6,559.5	(539.8)	6,102.5	(82.7)
Capital adequacy ratio	10.93%	9.93%		10.27%	
Tier I capital ratio	9.17%	8.12%		8.80%	

(1) Calculated according to Basel II, F-IRB. Figures are calculated in accordance with FSA Notification Number 79 issued in December 2008 (special treatment of FSA Notification Number 19 issued in 2006). As a result, ¥0.7 billion net unrealized losses on securities available-for-sale, net of taxes, as of June 30, 2012, ¥11.2 billion as of June 30, 2011 and ¥0.6 billion as of March 31, 2012 are not included in BIS capital.

(2) Consolidated total required capital is ¥412.7 billion as of June 30, 2012, ¥471.5 billion as at June 30, 2011 and ¥440.3 billion as at March 31, 2012.

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

**Per Share Data -Table 18- (Consolidated)***(Yen, except percentages)*

	1QFY2012 (3 months)	1QFY2011 (3 months)	% Change	FY2011 (12 months)	% Change
Common equity	217.39	212.70	2.2	212.67	2.2
Fully diluted equity	217.39	212.70	2.2	212.67	2.2
Basic net income	6.19	6.84	(9.5)	2.42	
Diluted net income	6.19	6.84	(9.5)	2.42	
Cash basis:					
Basic net income	7.11	7.84	(9.3)	6.05	
Diluted net income	7.11	7.84	(9.3)	6.05	
For calculation of per share data (Does not include treasury shares) :					
Equity:					
Number of common shares <sup>(1)</sup>	2,653,919,247	2,653,919,247		2,653,919,247	
Fully diluted number of shares <sup>(1)</sup>	2,653,919,247	2,653,919,247		2,653,919,247	
Net income:					
Number of common shares <sup>(2)</sup>	2,653,919,247	2,653,919,247		2,653,919,247	
Fully diluted number of shares <sup>(2)</sup>	2,653,919,247	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 realized ¥16.4 billion in consolidated net income for the first quarter of fiscal year 2012. However, this represented a decrease from ¥18.1 billion for the first quarter of fiscal year 2011, which included gains of ¥6.3 billion, net of withholding tax from sales of foreign equities. As a result, the diluted net

income per share for the first quarter of fiscal year 2012 decreased to ¥6.19 from ¥6.84 for the first quarter of fiscal year 2011. Cash basis diluted net income per share for the first quarter of fiscal year 2012 also fell to ¥7.11 from ¥7.84 for the first quarter of fiscal year 2011.

## Business Lines Results -Table 19- (Consolidated)

	(Billions of yen, except percentages)			
	1QFY2012 (3 months)	1QFY2011 (3 months)	% Change	FY2011 (12 months)
<b>Institutional Group:</b>				
Net interest income	6.9	6.2	11.9	27.2
Non-interest income	8.3	14.0	(41.0)	35.0
<b>Total revenue</b>	<b>15.2</b>	<b>20.3</b>	<b>(24.8)</b>	<b>62.3</b>
<b>General and administrative expenses</b>	<b>6.0</b>	<b>6.2</b>	<b>(2.7)</b>	<b>25.0</b>
<b>Ordinary business profit</b>	<b>9.2</b>	<b>14.1</b>	<b>(34.5)</b>	<b>37.3</b>
<b>Net credit costs (recoveries)</b>	<b>0.0</b>	<b>(0.4)</b>	<b>121.5</b>	<b>17.8</b>
<b>Ordinary business profit after net credit costs (recoveries)</b>	<b>9.1</b>	<b>14.5</b>	<b>(37.0)</b>	<b>19.4</b>
<b>Global Markets Group:</b>				
Net interest income	0.0	(1.1)	102.6	(6.1)
Non-interest income	5.3	2.0	157.9	11.3
<b>Total revenue</b>	<b>5.3</b>	<b>0.9</b>	<b>462.0</b>	<b>5.1</b>
<b>General and administrative expenses</b>	<b>2.5</b>	<b>2.7</b>	<b>(5.0)</b>	<b>10.8</b>
<b>Ordinary business profit (loss)</b>	<b>2.7</b>	<b>(1.7)</b>	<b>254.7</b>	<b>(5.6)</b>
<b>Net credit costs (recoveries)</b>	<b>(0.8)</b>	<b>(1.2)</b>	<b>29.7</b>	<b>(2.6)</b>
<b>Ordinary business profit (loss) after net credit costs (recoveries)</b>	<b>3.6</b>	<b>(0.5)</b>	<b>742.9</b>	<b>(2.9)</b>
<b>Individual Group:</b>				
Net interest income	21.8	26.9	(18.9)	98.7
Non-interest income	10.1	10.0	1.2	39.3
<b>Total revenue</b>	<b>31.9</b>	<b>36.9</b>	<b>(13.5)</b>	<b>138.1</b>
<b>General and administrative expenses</b>	<b>23.4</b>	<b>22.8</b>	<b>2.4</b>	<b>92.6</b>
<b>Ordinary business profit</b>	<b>8.5</b>	<b>14.0</b>	<b>(39.3)</b>	<b>45.4</b>
<b>Net credit costs (recoveries)</b>	<b>(0.0)</b>	<b>3.7</b>	<b>(100.9)</b>	<b>(1.7)</b>
<b>Ordinary business profit after net credit costs (recoveries)</b>	<b>8.5</b>	<b>10.3</b>	<b>(17.2)</b>	<b>47.2</b>
<b>Corporate/Other<sup>(1)</sup>:</b>				
Net interest income	(0.6)	(0.7)	18.8	(2.9)
Non-interest income	0.1	(0.0)	506.5	0.2
<b>Total revenue</b>	<b>(0.5)</b>	<b>(0.7)</b>	<b>35.3</b>	<b>(2.6)</b>
<b>General and administrative expenses</b>	<b>(0.2)</b>	<b>(0.6)</b>	<b>59.9</b>	<b>(0.5)</b>
<b>Ordinary business profit (loss)</b>	<b>(0.2)</b>	<b>(0.1)</b>	<b>(68.8)</b>	<b>(2.1)</b>
<b>Net credit costs (recoveries)</b>	<b>0.1</b>	<b>0.0</b>	<b>71.7</b>	<b>(1.0)</b>
<b>Ordinary business profit (loss) after net credit costs (recoveries)</b>	<b>(0.3)</b>	<b>(0.2)</b>	<b>(69.7)</b>	<b>(1.0)</b>
<b>Total:</b>				
Net interest income	28.2	31.2	(9.8)	116.9
Non-interest income	23.8	26.1	(8.6)	86.0
<b>Total revenue</b>	<b>52.0</b>	<b>57.4</b>	<b>(9.3)</b>	<b>202.9</b>
<b>General and administrative expenses</b>	<b>31.7</b>	<b>31.1</b>	<b>2.0</b>	<b>127.9</b>
<b>Ordinary business profit</b>	<b>20.2</b>	<b>26.2</b>	<b>(22.7)</b>	<b>74.9</b>
<b>Net credit costs (recoveries)</b>	<b>(0.6)</b>	<b>2.1</b>	<b>(131.1)</b>	<b>12.2</b>
<b>Ordinary business profit after net credit costs (recoveries)</b>	<b>20.9</b>	<b>24.0</b>	<b>(13.1)</b>	<b>62.7</b>

(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

<sup>(1)</sup>  
**Institutional Group - Table 20- (Consolidated)**

(Billions of yen, except percentages)

	1QFY2011 (3 months)	1QFY2011 (3 months)	% Change	FY2011 (12 months)
<b>Institutional Business Sub-Group: <sup>(2)</sup></b>				
Net interest income	2.6	2.3	11.2	9.2
Non-interest income	0.7	0.4	82.2	0.3
<b>Total revenue</b>	<b>3.4</b>	<b>2.7</b>	<b>21.8</b>	<b>9.6</b>
<b>General and administrative expenses</b>	<b>1.6</b>	<b>1.7</b>	<b>(5.7)</b>	<b>6.9</b>
<b>Ordinary business profit</b>	<b>1.7</b>	<b>1.0</b>	<b>66.7</b>	<b>2.6</b>
<b>Net credit costs (recoveries)</b>	<b>0.2</b>	<b>(1.1)</b>	<b>125.8</b>	<b>1.4</b>
<b>Ordinary business profit after net credit costs (recoveries)</b>	<b>1.4</b>	<b>2.1</b>	<b>(31.4)</b>	<b>1.2</b>
<b>Structured Finance Sub-Group:</b>				
Net interest income	4.1	4.1	0.9	16.9
Non-interest income	1.4	0.6	123.8	4.1
<b>Total revenue</b>	<b>5.5</b>	<b>4.7</b>	<b>17.2</b>	<b>21.0</b>
<b>General and administrative expenses</b>	<b>1.1</b>	<b>1.2</b>	<b>(4.5)</b>	<b>4.8</b>
<b>Ordinary business profit</b>	<b>4.4</b>	<b>3.5</b>	<b>24.7</b>	<b>16.2</b>
<b>Net credit costs</b>	<b>0.1</b>	<b>2.0</b>	<b>(91.8)</b>	<b>14.1</b>
<b>Ordinary business profit after net credit costs</b>	<b>4.2</b>	<b>1.5</b>	<b>174.6</b>	<b>2.0</b>
<b>Principal Transactions Sub-Group:</b>				
Net interest income	0.8	0.5	47.2	4.5
Non-interest income	1.7	1.0	65.5	6.6
<b>Total revenue</b>	<b>2.5</b>	<b>1.6</b>	<b>59.0</b>	<b>11.2</b>
<b>General and administrative expenses</b>	<b>0.9</b>	<b>0.9</b>	<b>(7.4)</b>	<b>3.8</b>
<b>Ordinary business profit</b>	<b>1.6</b>	<b>0.6</b>	<b>158.0</b>	<b>7.3</b>
<b>Net credit costs (recoveries)</b>	<b>(0.0)</b>	<b>0.1</b>	<b>(131.5)</b>	<b>0.9</b>
<b>Ordinary business profit after net credit costs (recoveries)</b>	<b>1.7</b>	<b>0.5</b>	<b>233.0</b>	<b>6.4</b>
<b>Showa Leasing:</b>				
Net interest income	(0.6)	(0.9)	28.5	(2.5)
Non-interest income	3.7	4.3	(14.2)	15.0
<b>Total revenue</b>	<b>3.0</b>	<b>3.4</b>	<b>(10.4)</b>	<b>12.4</b>
<b>General and administrative expenses</b>	<b>1.9</b>	<b>1.8</b>	<b>1.2</b>	<b>7.8</b>
<b>Ordinary business profit</b>	<b>1.1</b>	<b>1.5</b>	<b>(24.6)</b>	<b>4.6</b>
<b>Net credit costs (recoveries)</b>	<b>(0.7)</b>	<b>(1.8)</b>	<b>60.2</b>	<b>(1.3)</b>
<b>Ordinary business profit after net credit costs (recoveries)</b>	<b>1.9</b>	<b>3.3</b>	<b>(44.0)</b>	<b>6.0</b>
<b>Others: <sup>(2)</sup></b>				
Net interest income	(0.0)	0.0	(253.7)	(0.8)
Non-interest income	0.6	7.6	(91.4)	8.8
<b>Total revenue</b>	<b>0.5</b>	<b>7.6</b>	<b>(92.2)</b>	<b>7.9</b>
<b>General and administrative expenses</b>	<b>0.4</b>	<b>0.3</b>	<b>9.7</b>	<b>1.5</b>
<b>Ordinary business profit</b>	<b>0.1</b>	<b>7.2</b>	<b>(97.6)</b>	<b>6.4</b>
<b>Net credit costs</b>	<b>0.4</b>	<b>0.3</b>	<b>5.8</b>	<b>2.7</b>
<b>Ordinary business profit (loss) after net credit costs</b>	<b>(0.2)</b>	<b>6.8</b>	<b>(103.6)</b>	<b>3.7</b>
<b>Institutional Group:</b>				
Net interest income	6.9	6.2	11.9	27.2
Non-interest income	8.3	14.0	(41.0)	35.0
<b>Total revenue</b>	<b>15.2</b>	<b>20.3</b>	<b>(24.8)</b>	<b>62.3</b>
<b>General and administrative expenses</b>	<b>6.0</b>	<b>6.2</b>	<b>(2.7)</b>	<b>25.0</b>
<b>Ordinary business profit</b>	<b>9.2</b>	<b>14.1</b>	<b>(34.5)</b>	<b>37.3</b>
<b>Net credit costs (recoveries)</b>	<b>0.0</b>	<b>(0.4)</b>	<b>121.5</b>	<b>17.8</b>
<b>Ordinary business profit after net credit costs (recoveries)</b>	<b>9.1</b>	<b>14.5</b>	<b>(37.0)</b>	<b>19.4</b>

(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 1Q FY2012.

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

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 primarily performs corporate and public sector finance and advisory business, and the Global Markets Group mainly performs 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 for the corporate and public sectors, 2) Structured Finance Sub-Group which includes businesses such as real estate finance and specialty finance, 3) Principal Transactions Sub-Group which covers credit trading and private equity business, 4) Showa Leasing and 5) others including asset-backed investment.

#### **Total revenue**

- The Institutional Group business recorded total revenue of ¥15.2 billion for the first quarter of fiscal year 2012, reflecting the progress made in rebuilding our customer franchise. However, total revenue declined from ¥20.3 billion for the first quarter of fiscal year 2011, which included gains of ¥6.3 billion, net of withholding tax from sales of foreign equities categorized as non-core assets.
- In order to rebuild our client base, the Institutional Business Sub-Group focused on areas where the Bank can demonstrate its strengths, put efforts into identifying new outlets for corporate lending and promoted cross-selling to provide financial products and services other than loans. Total revenue increased steadily to ¥3.4 billion for the first quarter of fiscal year 2012 from ¥2.7 billion for the first quarter of fiscal year 2011.
- The Structured Finance Sub-Group recorded total revenue of ¥5.5 billion for the first quarter of fiscal year 2012, compared to ¥4.7 billion for the first quarter of fiscal year 2011. Divestitures of non-performing loans and new loan disbursements in real estate finance and in specialty finance brought about the higher quality asset replacement. While there was ¥1.0 billion in impairment on bonds related to real estate non-recourse finance in the first quarter of fiscal year 2011, the amount decreased to less than ¥0.1 billion in the first quarter of fiscal year 2012.
- The Principal Transactions Sub-Group recorded total revenue of ¥2.5 billion for the first quarter of fiscal year 2012, compared to ¥1.6 billion in the first quarter of

fiscal year 2011. This was a result of profits realized in the credit trading business during the first quarter of fiscal year 2012. In addition, ¥0.5 billion of impairment on private equity investment was recognized for the first quarter of fiscal year 2012, compared to ¥0.7 billion for the first quarter of fiscal year 2011.

- Others recorded total revenue of ¥0.5 billion for the first quarter of fiscal year 2012, compared to ¥7.6 billion including gains of ¥6.3 billion, net of withholding tax from sales of foreign equities for the first quarter of fiscal year 2011.

#### **Expenses**

- General and administrative expenses were ¥6.0 billion for the first quarter of fiscal year 2012, marking a decrease of ¥0.1 billion from ¥6.2 billion for the first quarter of fiscal year 2011. This small decrease was due to the scale-down and exit from non-core businesses and efficiency improvements in each business, while the group focused on areas where the Bank can demonstrate its strengths to rebuild the client base.

#### **Net credit costs**

- Net credit costs were ¥0.0 billion (¥90 million) for the first quarter of fiscal year 2012, down from ¥0.4 billion of recoveries for the first quarter of fiscal year 2011. Despite continued divestiture of non-core assets to mitigate potential risks and strict credit management and collection from unprofitable obligors, small net credit costs were marked because the loan balance increased by expanding new financing.

#### **Ordinary business profit after net credit costs**

- As a result, the Institutional Group recorded an ordinary business profit after net credit costs of ¥9.1 billion for the first quarter of fiscal year 2012, compared to ¥14.5 billion for the first quarter of fiscal year 2011.

#### **Showa Leasing**

- Showa Leasing recorded ¥3.0 billion of total revenue for the first quarter of fiscal year 2012, a decrease from ¥3.4 billion for the first quarter of fiscal year 2011, mainly because operating assets declined amidst the stagnant economy. Net credit recoveries were ¥0.7 billion for the first quarter of fiscal year 2012, compared to significant recoveries of ¥1.8 billion for the first quarter of fiscal year 2011. Finally, Showa Leasing recorded ¥1.9 billion of ordinary business profit after net credit costs including consolidation adjustments for the first quarter of fiscal year 2012, compared to ¥3.3 billion for the first quarter of fiscal year 2011.



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

(Billions of yen, except percentages)

	1QFY2012 (3 months)	1QFY2011 (3 months)	% Change	FY2011 (12 months)
<b>Financial Institutions Sub-Group:</b>				
Net interest income	0.4	0.3	16.8	1.4
Non-interest income	1.1	0.3	238.4	1.9
<b>Total revenue</b>	<b>1.5</b>	<b>0.7</b>	<b>121.2</b>	<b>3.3</b>
<b>General and administrative expenses</b>	<b>0.5</b>	<b>0.5</b>	<b>(8.5)</b>	<b>2.3</b>
<b>Ordinary business profit</b>	<b>1.0</b>	<b>0.1</b>	<b>666.0</b>	<b>1.0</b>
<b>Net credit costs (recoveries)</b>	<b>(0.6)</b>	<b>0.2</b>	<b>(345.1)</b>	<b>(0.4)</b>
<b>Ordinary business profit (loss) after net credit costs (recoveries)</b>	<b>1.6</b>	<b>(0.1)</b>	<b>1,545.7</b>	<b>1.5</b>
<b>Markets Sub-Group:</b>				
Net interest income	0.4	0.2	50.7	1.1
Non-interest income	2.0	0.6	231.7	5.1
<b>Total revenue</b>	<b>2.4</b>	<b>0.9</b>	<b>172.9</b>	<b>6.2</b>
<b>General and administrative expenses</b>	<b>0.8</b>	<b>0.8</b>	<b>7.0</b>	<b>3.2</b>
<b>Ordinary business profit</b>	<b>1.6</b>	<b>0.0</b>	<b>1,608.1</b>	<b>2.9</b>
<b>Net credit costs (recoveries)</b>	<b>(0.1)</b>	<b>(1.2)</b>	<b>88.8</b>	<b>(1.4)</b>
<b>Ordinary business profit after net credit costs (recoveries)</b>	<b>1.7</b>	<b>1.3</b>	<b>33.2</b>	<b>4.4</b>
<b>Treasury Sub-Group:</b>				
Net interest income	(0.8)	(1.8)	52.6	(9.2)
Non-interest income	1.6	0.5	193.2	3.1
<b>Total revenue</b>	<b>0.7</b>	<b>(1.3)</b>	<b>157.5</b>	<b>(6.1)</b>
<b>General and administrative expenses</b>	<b>0.3</b>	<b>0.2</b>	<b>15.4</b>	<b>1.0</b>
<b>Ordinary business profit (loss)</b>	<b>0.4</b>	<b>(1.5)</b>	<b>127.6</b>	<b>(7.2)</b>
<b>Net credit costs</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Ordinary business profit (loss) after net credit costs</b>	<b>0.4</b>	<b>(1.5)</b>	<b>127.6</b>	<b>(7.2)</b>
<b>Others:</b>				
Net interest income	0.0	0.0	(71.3)	0.5
Non-interest income	0.5	0.5	(7.3)	1.1
<b>Total revenue</b>	<b>0.5</b>	<b>0.6</b>	<b>(14.7)</b>	<b>1.6</b>
<b>General and administrative expenses</b>	<b>0.8</b>	<b>1.0</b>	<b>(17.4)</b>	<b>4.1</b>
<b>Ordinary business profit (loss)</b>	<b>(0.3)</b>	<b>(0.4)</b>	<b>21.4</b>	<b>(2.4)</b>
<b>Net credit costs (recoveries)</b>	<b>(0.0)</b>	<b>(0.2)</b>	<b>63.9</b>	<b>(0.7)</b>
<b>Ordinary business profit (loss) after net credit costs (recoveries)</b>	<b>(0.2)</b>	<b>(0.1)</b>	<b>(43.6)</b>	<b>(1.7)</b>
<b>Global Markets Group:</b>				
Net interest income	0.0	(1.1)	102.6	(6.1)
Non-interest income	5.3	2.0	157.9	11.3
<b>Total revenue</b>	<b>5.3</b>	<b>0.9</b>	<b>462.0</b>	<b>5.1</b>
<b>General and administrative expenses</b>	<b>2.5</b>	<b>2.7</b>	<b>(5.0)</b>	<b>10.8</b>
<b>Ordinary business profit (loss)</b>	<b>2.7</b>	<b>(1.7)</b>	<b>254.7</b>	<b>(5.6)</b>
<b>Net credit costs (recoveries)</b>	<b>(0.8)</b>	<b>(1.2)</b>	<b>29.7</b>	<b>(2.6)</b>
<b>Ordinary business profit (loss) after net credit costs (recoveries)</b>	<b>3.6</b>	<b>(0.5)</b>	<b>742.9</b>	<b>(2.9)</b>

(1) Net of consolidation adjustments, if applicable.

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

**Global Markets Group:**

The Global Markets Group reporting segments consist 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, 3) Treasury Sub-Group which undertakes ALM related transactions, and 4) others which cover asset management, wealth management, and Shinsei Securities' businesses.

**Total revenue**

- The Global Markets Group generated total revenue of ¥5.3 billion for the first quarter of fiscal year 2012, an increase from ¥0.9 billion for the first quarter of fiscal year 2011, when the financial markets were stagnant due to the Great East Japan Earthquake and lower volume of customer transactions. In the first quarter of fiscal year 2012, markets were not yet stabilized due to the ongoing European debt crisis. However, the total revenue improved because of continuous efforts to rebuild the client base as well as development and provision of financial products which conform to customers' needs.
- The Financial Institutions Sub-Group's total revenue was ¥1.5 billion for the first quarter of fiscal year 2012, increasing from ¥0.7 billion for the first quarter of fiscal year 2011. This solid performance resulted from revenues from transactions with customers.
- The Markets Sub-Group earned total revenue of ¥2.4 billion for the first quarter of fiscal year 2012, also increasing from ¥0.9 billion for the first quarter of fiscal year 2011. Markets were stagnant due to the Great East Japan Earthquake and there was a lower volume of customer transactions in the first quarter of fiscal year 2011. The improvement in total revenue for the first quarter of fiscal year 2012 in spite of the ongoing European debt crisis may be attributed to the continuous efforts to develop and provide financial products which conform to customers' needs.
- The Treasury Sub-Group's total revenue was profit of ¥0.7 billion for the first quarter of fiscal year 2012, compared to a loss of ¥1.3 billion for the first quarter of fiscal year 2011. The sub-group manages ALM for the Bank overall. For the

first quarter of fiscal year 2012, the sub-group traded Japanese national government bonds frequently to facilitate liquidity management and earned sales gains at the same time.

- Others earned total revenue of ¥0.5 billion for the first quarter of fiscal year 2012, compared to ¥0.6 billion for the first quarter of fiscal year 2011.

**Expenses**

- The Global Markets Group recorded ¥2.5 billion of general and administrative expenses for the first quarter of fiscal year 2012, a slight decrease from ¥2.7 billion for the first quarter of fiscal year 2011. Continuous cost rationalization was implemented by the overall group, while the group focused on areas where the Bank can demonstrate its strengths to rebuild the client base. As a result, the expenses decreased slightly since the first quarter of fiscal year 2011.

**Net credit costs**

- Net credit recoveries of ¥0.8 billion were recorded for the first quarter of fiscal year 2012, compared to the recoveries of ¥1.2 billion for the first quarter of fiscal year 2011. The Global Markets Group has continued to reduce non-core assets and recorded a reversal of reserve for these assets and recoveries of written-off claims for the first quarter of fiscal year 2011. The group proceeded to collect the non-performing debts and recorded recoveries of written-off claims for the first quarter of fiscal year 2012 as well.
- Excluding recoveries of written-off claims, net credit costs were ¥0.1 billion of recoveries for the first quarter of fiscal year 2012.

**Ordinary business profit after net credit costs**

- As a result, the Global Markets Group recorded ¥3.6 billion in ordinary business profit after net credit costs for the first quarter of fiscal year 2012, compared with a ¥0.5 billion ordinary business loss after net credit costs for the first quarter of fiscal year 2011. Excluding the Treasury Sub-Group's results, which are related to the ALM activities of the overall Bank, the group recorded ¥3.1 billion of ordinary business profit after net credit costs.

<sup>(1)</sup>  
Individual Group - Table 22- (Consolidated)

	(Billions of yen, except percentages)			
	1QFY2012 (3 months)	1QFY2011 (3 months)	% Change	FY2011 (12 months)
<b>Retail banking:</b>				
Net interest income	6.6	8.1	(18.5)	29.1
Non-interest income	1.8	2.2	(17.9)	6.9
<b>Total revenue</b>	<b>8.4</b>	<b>10.3</b>	<b>(18.4)</b>	<b>36.0</b>
<b>General and administrative expenses</b>	<b>7.7</b>	<b>7.8</b>	<b>(1.6)</b>	<b>31.3</b>
<b>Ordinary business profit</b>	<b>0.7</b>	<b>2.5</b>	<b>(70.6)</b>	<b>4.7</b>
<b>Net credit costs</b>	<b>0.0</b>	<b>0.2</b>	<b>(84.9)</b>	<b>1.2</b>
<b>Ordinary business profit after net credit costs</b>	<b>0.7</b>	<b>2.3</b>	<b>(69.2)</b>	<b>3.5</b>
<b>Shinsei Financial and Shinsei Bank Lake <sup>(2)</sup>:</b>				
Net interest income	10.4	12.6	(17.2)	47.0
Non-interest income	(0.7)	(1.0)	30.4	(3.0)
<b>Total revenue</b>	<b>9.7</b>	<b>11.5</b>	<b>(15.9)</b>	<b>43.9</b>
<b>General and administrative expenses</b>	<b>6.3</b>	<b>6.6</b>	<b>(4.9)</b>	<b>27.2</b>
<b>Ordinary business profit</b>	<b>3.3</b>	<b>4.8</b>	<b>(31.0)</b>	<b>16.7</b>
<b>Net credit costs (recoveries)</b>	<b>(1.4)</b>	<b>(0.3)</b>	<b>(285.8)</b>	<b>(8.0)</b>
<b>Ordinary business profit after net credit costs (recoveries)</b>	<b>4.8</b>	<b>5.2</b>	<b>(8.1)</b>	<b>24.7</b>
<b>Shinki:</b>				
Net interest income	1.8	2.3	(22.4)	8.4
Non-interest income	(0.1)	(0.1)	2.4	(0.6)
<b>Total revenue</b>	<b>1.6</b>	<b>2.1</b>	<b>(23.8)</b>	<b>7.8</b>
<b>General and administrative expenses</b>	<b>0.9</b>	<b>0.9</b>	<b>(0.1)</b>	<b>3.4</b>
<b>Ordinary business profit</b>	<b>0.6</b>	<b>1.1</b>	<b>(43.1)</b>	<b>4.3</b>
<b>Net credit costs (recoveries)</b>	<b>(0.1)</b>	<b>0.0</b>	<b>(329.0)</b>	<b>(0.4)</b>
<b>Ordinary business profit after net credit costs (recoveries)</b>	<b>0.8</b>	<b>1.1</b>	<b>(29.7)</b>	<b>4.7</b>
<b>APLUS FINANCIAL:</b>				
Net interest income	2.5	3.4	(24.8)	12.5
Non-interest income	9.1	8.9	2.1	35.9
<b>Total revenue</b>	<b>11.6</b>	<b>12.3</b>	<b>(5.3)</b>	<b>48.5</b>
<b>General and administrative expenses</b>	<b>8.2</b>	<b>7.2</b>	<b>13.4</b>	<b>30.2</b>
<b>Ordinary business profit</b>	<b>3.4</b>	<b>5.0</b>	<b>(32.0)</b>	<b>18.2</b>
<b>Net credit costs</b>	<b>1.5</b>	<b>3.7</b>	<b>(58.6)</b>	<b>5.2</b>
<b>Ordinary business profit after net credit costs</b>	<b>1.9</b>	<b>1.3</b>	<b>40.3</b>	<b>13.0</b>
<b>Others <sup>(3)</sup>:</b>				
Net interest income	0.3	0.4	(14.2)	1.5
Non-interest income	0.0	0.0	17.6	0.1
<b>Total revenue</b>	<b>0.4</b>	<b>0.4</b>	<b>(11.4)</b>	<b>1.7</b>
<b>General and administrative expenses</b>	<b>0.1</b>	<b>0.0</b>	<b>33.9</b>	<b>0.3</b>
<b>Ordinary business profit (loss)</b>	<b>0.2</b>	<b>0.3</b>	<b>(22.5)</b>	<b>1.3</b>
<b>Net credit costs</b>	<b>(0.0)</b>	<b>0.0</b>	<b>(118.2)</b>	<b>0.2</b>
<b>Ordinary business profit (loss) after net credit costs</b>	<b>0.3</b>	<b>0.2</b>	<b>9.0</b>	<b>1.1</b>
<b>Total Individual Group:</b>				
Net interest income	21.8	26.9	(18.9)	98.7
Non-interest income	10.1	10.0	1.2	39.3
<b>Total revenue</b>	<b>31.9</b>	<b>36.9</b>	<b>(13.5)</b>	<b>138.1</b>
<b>General and administrative expenses</b>	<b>23.4</b>	<b>22.8</b>	<b>2.4</b>	<b>92.6</b>
<b>Ordinary business profit</b>	<b>8.5</b>	<b>14.0</b>	<b>(39.3)</b>	<b>45.4</b>
<b>Net credit costs (recoveries)</b>	<b>(0.0)</b>	<b>3.7</b>	<b>(100.9)</b>	<b>(1.7)</b>
<b>Ordinary business profit after net credit costs (recoveries)</b>	<b>8.5</b>	<b>10.3</b>	<b>(17.2)</b>	<b>47.2</b>

(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 from 3Q FY2011.

(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)**<sup>(1)</sup>

(Billions of yen, except percentages)

	1QFY2012 (3 months)	1QFY2011 (3 months)	% Change	FY2011 (12 months)
Retail Banking:	8.4	10.3	(18.4)	36.0
Deposits and debentures net interest income	4.6	5.8	(19.6)	21.3
Deposits and debentures non-interest income	0.8	1.3	(36.5)	4.1
Asset management	1.2	1.2	(0.9)	4.3
Loans	1.7	1.9	(12.8)	6.3
Shinsei Financial and Shinsei Bank Lake <sup>(2)</sup>	9.7	11.5	(15.9)	43.9
Shinki	1.6	2.1	(23.8)	7.8
APLUS FINANCIAL	11.6	12.3	(5.3)	48.5
Others <sup>(3)</sup>	0.4	0.4	(11.4)	1.7
Total revenue	31.9	36.9	(13.5)	138.1

(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 from 3Q FY2011.

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

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

- The Individual Group consists of the Retail Banking business as well as Shinsei Bank Card Loan – Lake, and the subsidiaries Shinsei Financial, Shinki, APLUS FINANCIAL and Shinsei Property Finance.
- Individual Group's ordinary business profit after net credit costs was ¥8.5 billion for the first quarter of fiscal year 2012 compared to ¥10.3 billion for the first quarter of fiscal year 2011.

**Retail Banking**

- Total revenue of Retail Banking decreased to ¥8.4 billion for the first quarter of fiscal year 2012 from ¥10.3 billion for the first quarter of fiscal year 2011. Net interest income decreased to ¥6.6 billion for the first quarter of fiscal year 2012 from ¥8.1 billion for the first quarter of fiscal year 2011. This was due to prevailing low interest rates resulting in a decrease in net interest income from deposits. Non-interest income also decreased to ¥1.8 billion for the first quarter of fiscal year 2012 from ¥2.2 billion for the first quarter of fiscal year 2011. This decrease was due to lower fee income from investment products such as structured deposits caused by the stagnant domestic and international markets following the European debt crisis.
- Due to continued rationalization and efficient business processes, general and administrative expenses decreased to ¥7.7 billion for the first quarter of fiscal year 2012 compared to ¥7.8 billion for the first quarter of fiscal year 2011.
- Net credit costs totaled ¥0.0 billion (¥33 million) for the first quarter of fiscal year 2012 compared to ¥0.2 billion for the first quarter of fiscal year 2011. As a result, the ordinary business profit after net credit costs was ¥0.7 billion for the first quarter of fiscal year 2012 compared to an ordinary business profit after net credit costs of ¥2.3 billion for the first quarter of fiscal year 2011.

**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 ¥4.8 billion for the first quarter of fiscal year 2012 compared to ¥5.2 billion for the first quarter of fiscal year 2011.

- Total revenue decreased for the first quarter of fiscal year 2012 due to the decrease in loan balance caused by the revised Money-Lending Business Control and Regulation Law. As the impact of the revised Money-Lending Business Control and Regulation Law was anticipated earlier, business was appropriately scaled down to reduce expenses. Also, we were able to greatly reduce net credit costs by implementing strict credit management and establishing a strong structure for loan collections. This, together with the income-linked borrowing limitation regulation implemented in 2010 helped to improve credit quality. In addition to the above, the decrease in loan balance also helped in reducing the net credit costs, which in turn helped to limit the decrease in ordinary business profit after net credit costs.
- Also, as the Bank started its Consumer Finance business from October 2011, the decrease in loan balance as become less pronounced. Although the loan balance of Shinsei Financial and Shinsei Bank Card Loan - Lake decreased by ¥20.8 billion in the first quarter of fiscal year 2011, the decrease was limited to ¥9.0 billion for the first quarter of fiscal year 2012 (after including the loan balance of the Bank's Consumer Finance business).

**Shinki**

- The ordinary business profit after net credit costs of Shinki after related consolidation adjustments was ¥0.8 billion for the first quarter of fiscal year 2012 compared to ¥1.1 billion for the first quarter of fiscal year 2011. Similar to Shinsei Financial, Shinki's total revenue also decreased due to the revised Money-Lending Business Control and Regulation Law. However, the decrease in part of total revenue was partially offset by the decrease in expense and credit costs.

**APLUS FINANCIAL**

- The ordinary business profit after net credit costs of APLUS FINANCIAL after the related consolidation adjustments increased to ¥1.9 billion for the first quarter of fiscal year 2012, compared to ¥1.3 billion for the first quarter of fiscal year 2011. Total revenue decreased to ¥11.6 billion for the first quarter of fiscal year 2012, compared to ¥12.3 billion for the first quarter of fiscal year 2011 due to the decrease in loan balance following implementation of the revised Money-Lending Business Control and Regulation Law. Also, due to the increase of depreciation for technology, general and administrative

expenses increased to ¥8.2 billion for the first quarter of fiscal year 2012 from ¥7.2 billion for the first quarter of fiscal year 2011 despite continued rationalization and efficient business processes. However, due to strict credit management, net credit costs decreased to ¥1.5 billion for the first quarter of fiscal year 2012 from ¥3.7 billion for the first quarter of fiscal year 2011.

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

### Interest Repayment

- With regard to reserve for losses on interest repayment, following provision of additional reserves of ¥32.8 billion in fiscal year 2011, no additional reserves were made in the first quarter of fiscal year 2012.
- Shinsei Financial's usage of reserve for losses on interest repayment and others amounted to ¥1.4 billion for the first quarter of fiscal year 2012, However, additional reserves

were not made resulting in a total balance of ¥24.8 billion in reserves for losses on interest repayment as of June 30, 2012 compared to ¥26.2 billion as of March 31, 2012. 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.

- Shinki's usage of reserve for losses on interest repayment amounted to ¥2.1 billion for the first quarter of fiscal year 2012. However, additional reserves were not made resulting in a total balance of ¥11.8 billion in reserves for losses on interest repayment as of June 30, 2012 compared to ¥14.0 billion as of March 31, 2012.
- APLUS FINANCIAL and its consolidated subsidiaries' usage of reserve for losses on interest repayment amounted to ¥1.5 billion for the first quarter of fiscal year 2012. However, additional reserves were not made resulting in a total balance of ¥9.0 billion in reserves for losses on interest repayment as of June 30, 2012 compared to ¥10.6 billion as of March 31, 2012.

**Segment Information**

<b>Institutional Group:</b>	Focuses primarily on corporate and public sector finance and advisory business.
<b>Institutional Business</b>	The "Institutional Business Sub-Group" provides financial products and services, including healthcare finance for corporations and the public sector, and advisory business.
<b>Structured Finance</b>	The "Structured Finance Sub-Group" comprises real estate-related non-recourse and corporate finance, M&A and other specialty finance, corporate restructuring, and trust businesses.
<b>Principal Transactions</b>	The "Principal Transactions Sub-Group" comprises the credit trading and private equity businesses.
<b>Showa Leasing</b>	"Showa Leasing" primarily provides leasing related financial products and services.
<b>Other Institutional Group</b>	The "Other Institutional Group" consists of the asset-backed investment business and other businesses.
<b>Global Markets Group:</b>	Focuses primarily on financial markets business and serving financial institution clients.
<b>Financial Institutions</b>	The "Financial Institutions Sub-Group" provides financial products and services for financial institutions.
<b>Markets</b>	The "Markets Sub-Group" is engaged in foreign exchange, derivatives, equity related, alternative investment and other capital markets transactions.
<b>Treasury</b>	The "Treasury Sub-Group" undertakes ALM related operations and includes gains and losses from equity and subordinated debt financing activities.
<b>Other Global Markets Group</b>	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.
<b>Individual Group:</b>	Focuses on retail financial products and services.
<b>Retail Banking</b>	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.
<b>Shinsei Financial</b>	"Shinsei Financial" provides consumer finance products and services and guarantee services (Shinsei Financial, Shinsei Bank Lake, Shinki).
<b>APLUS FINANCIAL</b>	"APLUS FINANCIAL" provides installment sales credit, credit cards, guarantees, financing and settlement services.
<b>Other Individual Group</b>	The "Other Individual Group" consists of profit and loss attributable to the Consumer Finance Sub-Group and other subsidiaries.
<b>Corporate/Other:</b>	"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.

**Consolidated Balance Sheets (Consolidated)****Assets***(Millions of yen)*

	June 30 2012 a	June 30 2011 b	Change a-b	March 31 2012 c	Change a-c
<b>&lt;&lt;Assets&gt;&gt;</b>					
Cash and due from banks	373,590	371,416	2,173	413,721	(40,131)
Call loans	8,595	12,066	(3,470)	15,745	(7,149)
Receivables under resale agreements	38,387	—	38,387	18,362	20,024
Receivables under securities borrowing transactions	35,116	36,086	(969)	114,080	(78,964)
Other monetary claims purchased	129,041	135,857	(6,816)	130,943	(1,902)
Trading assets	211,866	210,703	1,162	202,675	9,190
Monetary assets held in trust	262,921	241,499	21,421	267,628	(4,707)
Securities	1,864,233	2,703,335	(839,102)	1,873,493	(9,260)
Loans and bills discounted	4,237,269	4,214,022	23,247	4,136,827	100,441
Foreign exchanges	16,772	29,792	(13,020)	18,896	(2,124)
Lease receivables and leased investment assets	195,363	199,569	(4,206)	197,432	(2,068)
Other assets	653,281	779,518	(126,236)	686,716	(33,434)
Premises and equipment	55,139	50,584	4,554	54,131	1,007
Intangible assets	77,181	92,836	(15,654)	81,053	(3,872)
Goodwill	40,117	47,532	(7,415)	41,951	(1,833)
Deferred issuance expenses for debentures	123	172	(48)	135	(11)
Deferred tax assets	15,457	18,099	(2,642)	15,834	(377)
Customers' liabilities for acceptances and guarantees	559,069	570,959	(11,889)	562,624	(3,554)
Reserve for credit losses	(170,283)	(192,527)	22,244	(180,633)	10,349
<b>Total assets</b>	<b>8,563,125</b>	<b>9,473,992</b>	<b>(910,866)</b>	<b>8,609,672</b>	<b>(46,546)</b>

## Liabilities and Equity

(Millions of yen)

	June 30 2012 a	June 30 2011 b	Change a-b	March 31 2012 c	Change a-c
<b>&lt;&lt;Liabilities&gt;&gt;</b>					
Deposits	5,126,543	5,469,222	(342,678)	5,184,326	(57,783)
Negotiable certificates of deposit	206,721	308,152	(101,430)	178,084	28,636
Debentures	287,113	329,720	(42,606)	294,139	(7,026)
Call money and bills sold	120,158	140,321	(20,162)	210,163	(90,005)
Payables under securities lending transactions	91,255	468,068	(376,812)	148,590	(57,334)
Trading liabilities	154,781	160,419	(5,638)	176,044	(21,262)
Borrowed money	586,420	594,338	(7,918)	476,731	109,689
Foreign exchanges	18	13	5	11	7
Short-term corporate bonds	75,900	39,600	36,300	50,700	25,200
Corporate bonds	164,300	177,125	(12,825)	168,797	(4,497)
Other liabilities	494,148	538,796	(44,647)	465,698	28,450
Accrued employees' bonuses	2,152	2,354	(201)	7,262	(5,109)
Accrued directors' bonuses	8	12	(4)	40	(31)
Reserve for employees' retirement benefits	7,095	8,279	(1,183)	7,027	68
Reserve for directors' retirement benefits	250	212	38	231	19
Reserve for losses on interest repayments	45,813	36,028	9,784	50,913	(5,100)
Reserve under special law	1	1	(0)	1	—
Deferred tax liabilities	447	609	(161)	626	(178)
Acceptances and guarantees	559,069	570,959	(11,889)	562,624	(3,554)
<b>Total liabilities</b>	<b>7,922,202</b>	<b>8,844,236</b>	<b>(922,034)</b>	<b>7,982,014</b>	<b>(59,812)</b>
<b>&lt;&lt;Equity&gt;&gt;</b>					
<b>Shareholders' equity:</b>					
Common stock	512,204	512,204	—	512,204	—
Capital surplus	79,461	79,461	—	79,461	—
Retained earnings	72,642	70,598	2,044	58,863	13,779
Treasury stock, at cost	(72,558)	(72,558)	—	(72,558)	—
Total shareholders' equity	591,750	589,706	2,044	577,970	13,779
<b>Accumulated other comprehensive income:</b>					
Unrealized gain (loss) on available-for-sale securities	(738)	(11,224)	10,486	(674)	(63)
Deferred gain (loss) on derivatives under hedge accounting	(11,797)	(11,387)	(410)	(11,754)	(43)
Foreign currency translation adjustments	(2,271)	(2,582)	311	(1,117)	(1,154)
Total accumulated other comprehensive income	(14,807)	(25,194)	10,386	(13,545)	(1,261)
Stock acquisition rights	1,338	1,364	(25)	1,354	(16)
Minority interests	62,641	63,879	(1,237)	61,877	764
<b>Total equity</b>	<b>640,923</b>	<b>629,756</b>	<b>11,167</b>	<b>627,657</b>	<b>13,265</b>
<b>Total liabilities and equity</b>	<b>8,563,125</b>	<b>9,473,992</b>	<b>(910,866)</b>	<b>8,609,672</b>	<b>(46,546)</b>



## Consolidated Statements of Income (Consolidated)

(Millions of yen, except percentages)

	1QFY2012 (3 months)	1QFY2011 (3 months)	Change		FY2011 (12 months)
			Amount	%	
<b>Ordinary income</b>	<b>95,328</b>	118,381	(23,052)	(19.5)	413,232
Interest income	37,205	42,635	(5,429)	(12.7)	159,722
Interest on loans and bills discounted	32,254	37,018	(4,764)	(12.9)	140,336
Interest and dividends on securities	4,536	5,179	(642)	(12.4)	17,811
Other interest income	414	437	(23)	(5.3)	1,573
Fees and commissions income	10,076	12,744	(2,668)	(20.9)	46,915
Trading income	5,697	4,963	734	14.8	16,730
Other business income	35,454	45,027	(9,572)	(21.3)	150,212
Other ordinary income	6,893	13,009	(6,115)	(47.0)	39,652
<b>Ordinary expenses</b>	<b>77,455</b>	98,073	(20,618)	(21.0)	396,481
Interest expenses	9,003	11,356	(2,352)	(20.7)	42,821
Interest on deposits	5,892	7,464	(1,571)	(21.0)	28,664
Interest on borrowings	1,269	1,438	(168)	(11.7)	5,582
Interest on corporate bonds	1,267	1,436	(168)	(11.7)	5,749
Other interest expenses	573	1,016	443	43.6	2,825
Fees and commissions expenses	5,338	5,620	(282)	(5.0)	21,723
Trading losses	1,339	1,426	(87)	(6.1)	3,094
Other business expenses	22,043	37,478	(15,435)	(41.2)	112,336
General and administrative expenses	35,141	34,845	295	0.8	142,354
Amortization of goodwill	1,833	1,993	(159)	(8.0)	7,697
Amortization of intangible assets acquired in business combinations	994	1,115	(120)	(10.8)	4,258
Other general and administrative expenses	32,313	31,736	(576)	(1.8)	130,399
Other ordinary expenses	4,589	7,346	(2,757)	(37.5)	74,150
Provision of reserve for credit losses	1,470	4,517	(3,047)	(67.5)	19,020
Other	3,118	2,828	(290)	(10.3)	55,130
<b>Ordinary profit</b>	<b>17,873</b>	20,307	(2,434)	(12.0)	16,750
Extraordinary gains	401	197	204	103.6	3,014
Extraordinary losses	556	265	290	109.4	4,419
<b>Income before income taxes and minority interests</b>	<b>17,718</b>	20,238	(2,519)	(12.4)	15,345
Income taxes (benefit)	297	1,066	(769)	(72.1)	5,359
<b>Income before minority interests</b>	<b>17,421</b>	19,172	(1,750)	(9.1)	9,986
Minority interests in net income of subsidiaries	987	1,006	(19)	(1.9)	3,555
<b>Net income</b>	<b>16,433</b>	18,165	(1,731)	(9.5)	6,430

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

	1QFY2012 (3 months)	1QFY2011 (3 months)	Change		FY2011 (12 months)
			Amount	%	
Income before minority interests	17,421	19,172	(1,750)	(9.1)	9,986
Other comprehensive income					
Unrealized gain (loss) on available-for-sale securities	(179)	3,983	(4,163)	(104.5)	14,516
Deferred gain (loss) on derivatives under hedge accounting	(43)	(1,189)	1,145	96.3	(1,556)
Foreign currency translation adjustments	(958)	(42)	(915)	(2130.0)	1,027
Share of other comprehensive income in affiliates	(267)	(31)	(236)	(739.2)	32
Other comprehensive income	(1,449)	2,719	(4,169)	(153.3)	14,019
Comprehensive income	15,971	21,891	(5,919)	(27.0)	24,006
(Breakdown)					
Attributable to:					
Owners of the parent	15,171	20,905	(5,734)	(27.4)	20,820
Minority interests	800	985	(185)	(18.8)	3,185

## Section 2. Non-Consolidated Information

## Results of Operations -Table 24- (Non-Consolidated)

	(Billions of yen, except percentages)			
	1QFY2012 (3 months)	1QFY2011 (3 months)	% Change	FY2011 (12 months)
Net interest income	16.2	12.4	30.0	70.3
Non-interest income	8.6	1.5	472.5	24.5
Net fees and commissions <sup>(1)</sup>	4.4	3.7	20.0	18.0
Net trading income	4.1	3.2	26.2	13.4
Net other business income	0.1	(5.4)	102.1	(6.9)
<b>Total revenue <sup>(1)</sup></b>	<b>24.8</b>	<b>13.9</b>	<b>78.0</b>	<b>94.8</b>
Personnel expenses	5.0	4.8	4.4	19.9
Non-personnel expenses	10.8	7.9	35.8	39.2
Taxes	0.8	0.6	25.3	3.5
<b>General and administrative expenses</b>	<b>16.7</b>	<b>13.4</b>	<b>24.0</b>	<b>62.6</b>
<b>Net business profit <sup>(1)</sup></b>	<b>8.1</b>	<b>0.5</b>	<b>1,500.7</b>	<b>32.1</b>
<b>Other gains (losses)</b>				
Gains (losses) on the sales of equities	(0.3)	7.1	(104.3)	1.5
Net reversal of reserve for credit losses (Provision of reserve for loan losses) <sup>(2)</sup>	0.7	(0.1)	490.4	(14.0)
Losses on write-off of loans	(0.5)	(0.0)	(1,694.0)	(2.1)
Recoveries of written-off claims	0.7	0.6	11.2	5.2
Expenses for employees' retirement benefits	(0.5)	(0.5)	10.1	(2.7)
Other losses, expenses	(0.5)	(0.2)	(96.1)	(1.9)
<b>Net ordinary income</b>	<b>7.7</b>	<b>7.2</b>	<b>7.2</b>	<b>18.1</b>
<b>Special gains (losses)</b>				
Gains (losses) from sales of fixed assets	(0.1)	(0.0)	(790.5)	(1.7)
Other special gains (losses)	(0.3)	(0.0)	(568.6)	(0.1)
<b>Income before income taxes</b>	<b>7.2</b>	<b>7.1</b>	<b>0.7</b>	<b>16.2</b>
<b>Income taxes (benefit)</b>				
Current	(0.1)	0.4	(135.5)	0.1
Deferred	(0.0)	(0.0)	(1,070.4)	2.1
<b>Net income</b>	<b>7.4</b>	<b>6.6</b>	<b>10.9</b>	<b>13.8</b>

(1) Includes income from monetary assets held in trust of ¥2.8 billion in 1QFY2012, ¥1.9 billion in 1QFY2011 and ¥12.2 billion in FY2011.

(2) In the first quarter fiscal year 2012, reversals of general reserve for loan losses was ¥0.7 billion.

Provision of reserve for loan losses was ¥0.1 billion in the first quarter fiscal year 2011, and ¥14 billion in FY2011.

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

- The gap between net income on a non-consolidated basis and consolidated basis 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.
- The gain on sale of non-core assets such as foreign equities and impairment of listed securities were 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 was recorded as other gains (losses) in accordance with the reporting requirements on a Revitalization Plan basis.
- Total revenue of Shinsei Bank was ¥24.8 billion on a non-consolidated basis for the first quarter of fiscal year 2012 compared to ¥13.9 billion for the first quarter of fiscal year 2011. Net interest income for the first quarter of fiscal year 2012 has increased significantly as a result of receiving dividends of ¥0.8 billion from Showa Leasing and ¥1.7 billion from APLUS FINANCIAL in addition to the efforts to expand the customer base in Institutional business and the commencement of Consumer Finance business at the Bank. Also, net other business income included an impairment of asset-backed securities for the first quarter of fiscal year 2011. As a result, total revenue increased by ¥10.9 billion.
- Despite continued rationalization and efficient business processes across business groups, general and administrative expenses were ¥16.7 billion on a non-consolidated basis for the first quarter of fiscal year 2012 compared to ¥13.4 billion for the first quarter of fiscal year 2011 due to expenses related to the Bank's Consumer Finance business that have been included from October 2011. As a result, the Bank recorded total net business profit of ¥8.1 billion for the first quarter of fiscal year 2012, an increase of ¥7.6 billion from the first quarter of fiscal year 2011.
- However, total net ordinary income of ¥7.7 billion for the first quarter of fiscal year 2012 was the same level as the first quarter of fiscal year 2011. This was due to a ¥7.1

billion gain on the sale of non-core assets such as foreign equities recorded in the first quarter of fiscal year 2011. Such gains were not recorded in the first quarter of fiscal year 2012.

- Shinsei Bank recorded a non-consolidated net income of ¥7.4 billion for the first quarter of fiscal year 2012, an increase of ¥0.7 billion compared to the first quarter of fiscal year 2011.

**Net Credit Costs -Table 25- (Non-Consolidated)**

*(Billions of yen, except percentages)*

	<b>1QFY2012 (3 months)</b>	1QFY2011 (3 months)	% Change	FY2011 (12 months)
Losses on write-off of loans	<b>0.5</b>	0.0	1,694.0	2.1
Net provision (reversal) of reserve for loan losses	<b>(0.7)</b>	0.1	(490.4)	14.0
Net provision (reversal) of general reserve for loan losses	<b>(1.6)</b>	(0.5)	(199.6)	(5.3)
Net provision of specific reserve for loan losses	<b>0.9</b>	0.7	24.7	19.3
Net provision (reversal) of reserve for loan losses to restructuring countries	-	-	-	(0.0)
Recoveries of written-off claims	<b>(0.7)</b>	(0.6)	(11.2)	(5.2)
<b>Net credit costs (recoveries)</b>	<b>(0.9)</b>	(0.4)	(99.7)	10.9

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

**Interest-Earning Assets and Interest-Bearing Liabilities -Table 26- (Non-Consolidated)**

	<i>(Billions of yen, except percentages)</i>								
	1QFY2012 (3 months)			1QFY2011 (3 months)			FY2011 (12 months)		
	Average balance	Interest	Yield/rate (%)	Average balance	Interest	Yield/rate (%)	Average balance	Interest	Yield/rate (%)
<b>Interest-earning assets:</b>									
Cash and due from banks	23.0	0.0	1.01	33.2	0.0	1.15	24.6	0.2	1.05
Call loans	42.3	0.0	0.16	26.7	0.0	0.15	38.4	0.0	0.22
Receivables under resale agreements	21.8	0.0	0.39	-	-	-	6.2	0.0	0.38
Collateral related to securities borrowing transactions	14.9	0.0	0.11	9.0	0.0	0.08	9.7	0.0	0.10
Securities	2,259.5	8.0	1.42	3,430.5	5.6	0.66	2,790.5	42.8	1.53
Loans and bills discounted	4,082.5	15.9	1.56	4,014.4	16.2	1.62	4,022.2	63.9	1.59
Other interest-earning assets	241.9	0.5	0.86	322.0	0.9	1.15	269.2	2.7	1.01
Interest rate and funding swaps	-	0.0	-	-	0.0	-	-	0.0	-
<b>Total interest-earning assets</b>	<b>6,686.2</b>	<b>24.6</b>	<b>1.47</b>	<b>7,836.0</b>	<b>22.9</b>	<b>1.18</b>	<b>7,161.0</b>	<b>109.9</b>	<b>1.53</b>
<b>Interest-bearing liabilities:</b>									
Deposits	5,499.1	5.8	0.43	5,520.3	7.4	0.54	5,576.6	28.6	0.51
Negotiable certificates of deposit	203.0	0.0	0.15	248.0	0.1	0.17	229.2	0.3	0.16
Debentures	292.9	0.2	0.39	340.4	0.4	0.50	321.2	1.4	0.46
Call money	129.6	0.0	0.10	155.8	0.0	0.11	147.8	0.1	0.11
Payable under repurchase agreements	-	-	-	-	-	-	-	-	-
Collateral related to securities lending transactions	160.1	0.0	0.10	535.2	0.2	0.16	252.3	0.3	0.15
Borrowed money	270.9	0.6	0.91	775.4	0.5	0.29	390.0	2.3	0.60
Corporate bonds	209.1	1.9	3.80	222.7	2.1	3.95	214.0	8.6	4.02
Other interest-bearing liabilities	0.1	0.0	n.m. <sup>(1)</sup>	0.1	0.1	n.m. <sup>(1)</sup>	0.1	0.0	n.m. <sup>(1)</sup>
Interest rate and funding swaps	-	-	-	-	-	-	-	-	-
<b>Total interest-bearing liabilities</b>	<b>6,765.1</b>	<b>8.9</b>	<b>0.52</b>	<b>7,798.2</b>	<b>11.1</b>	<b>0.57</b>	<b>7,131.5</b>	<b>42.0</b>	<b>0.59</b>
<b>Net interest income/yield on interest-earning assets</b>	<b>6,686.2</b>	<b>15.7</b>	<b>0.94</b>	<b>7,836.0</b>	<b>11.8</b>	<b>0.60</b>	<b>7,161.0</b>	<b>67.8</b>	<b>0.94</b>

(1) n.m. is not meaningful.

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

**Risk-Monitored Loans -Table 27- (Non-Consolidated)**

	<i>(Billions of yen)</i>				
	June 30 2012	June 30 2011	Change	March 31 2012	Change
	(a)	(b)	(a)-(b)	(c)	(a)-(c)
Loans to bankrupt obligors	3.2	7.3	(4.1)	3.5	(0.3)
Non-accrual delinquent loans	251.4	208.7	42.7	263.3	(11.8)
Loans past due for three months or more	0.8	6.0	(5.1)	0.7	0.1
Restructured loans	1.8	4.4	(2.6)	0.8	0.9
<b>Total (A)</b>	<b>257.3</b>	<b>226.5</b>	<b>30.8</b>	<b>268.4</b>	<b>(11.0)</b>
<b>Loans and bills discounted (B)</b>	<b>4,201.5</b>	<b>4,066.8</b>	<b>134.6</b>	<b>4,102.6</b>	<b>98.9</b>
Ratio to total loans and bills discounted (A / B) (%)	6.13%	5.57%		6.54%	
<b>Reserve for credit losses (C)</b>	<b>112.4</b>	<b>110.5</b>	<b>1.8</b>	<b>121.1</b>	<b>(8.7)</b>
Reserve ratio (C / A) (%)	43.7%	48.8%		45.1%	

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

## Loans by Borrower Industry -Table 28- (Non-Consolidated)

(Billions of yen)

	June 30 2012 (a)	June 30 2011 (b)	Change (a)-(b)	March 31 2012 (c)	Change (a)-(c)
Domestic offices (excluding Japan offshore market account):					
Manufacturing	240.8	233.5	7.2	241.4	(0.6)
Agriculture and forestry	0.2	-	0.2	0.2	0.0
Fishery	-	2.2	(2.2)	-	-
Mining, quarrying and gravel extraction	0.2	0.4	(0.1)	0.2	(0.0)
Construction	9.1	13.5	(4.3)	10.5	(1.3)
Electric power, gas, heat supply and water supply	77.0	27.1	49.9	48.6	28.4
Information and communications	39.0	14.6	24.4	38.4	0.5
Transportation and postal service	232.6	282.8	(50.1)	236.7	(4.0)
Wholesale and retail	79.5	82.4	(2.8)	82.6	(3.0)
Finance and insurance	1,232.8	1,203.0	29.7	1,178.4	54.3
Real estate	577.2	541.0	36.2	578.8	(1.5)
Services	368.5	371.0	(2.4)	371.0	(2.5)
Local government	118.3	157.5	(39.1)	139.5	(21.1)
Individual	1,007.1	963.9	43.2	966.8	40.2
Overseas yen loan and overseas loans booked domestically	143.0	138.4	4.5	131.9	11.0
<b>Total domestic</b>	<b>4,126.1</b>	<b>4,031.9</b>	<b>94.2</b>	<b>4,025.8</b>	<b>100.3</b>
Overseas offices (including Japan offshore market accounts):					
Governments	2.0	2.2	(0.1)	2.0	0.0
Financial institutions	1.0	1.6	(0.5)	1.0	(0.0)
Commerce and industry	72.3	31.1	41.1	73.6	(1.3)
Others	-	-	-	-	-
<b>Total overseas</b>	<b>75.4</b>	<b>34.9</b>	<b>40.4</b>	<b>76.8</b>	<b>(1.4)</b>
<b>Total</b>	<b>4,201.5</b>	<b>4,066.8</b>	<b>134.6</b>	<b>4,102.6</b>	<b>98.9</b>

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

## Risk Monitored Loans by Borrower Industry –Table29 - (Non-Consolidated)

	(Billions of yen)				
	June 30 2012 (a)	June 30 2011 (b)	Change (a)-(b)	March 31 2012 (c)	Change (a)-(c)
Domestic offices (excluding Japan offshore market account):					
Manufacturing	6.6	3.2	3.3	10.8	(4.2)
Agriculture and forestry	-	-	-	-	-
Fishery	-	-	-	-	-
Mining, quarrying and gravel extraction	-	-	-	-	-
Construction	0.0	-	0.0	-	0.0
Electric power, gas, heat supply and water supply	-	-	-	-	-
Information and communications	-	0.5	(0.5)	-	-
Transportation and postal service	4.9	-	4.9	5.5	(0.6)
Wholesale and retail	0.0	0.0	(0.0)	-	0.0
Finance and insurance	43.7	25.6	18.0	43.7	-
Real estate	156.4	173.5	(17.0)	158.5	(2.0)
Services	26.2	2.0	24.1	26.2	(0.0)
Local government	-	-	-	-	-
Individual	3.7	8.0	(4.2)	3.6	0.1
Overseas yen loan and overseas loans booked domestically	15.5	13.4	2.1	19.9	(4.3)
<b>Total domestic</b>	<b>257.3</b>	<b>226.5</b>	<b>30.8</b>	<b>268.4</b>	<b>(11.0)</b>
Overseas offices (including Japan offshore market accounts):					
Governments	-	-	-	-	-
Financial institutions	-	-	-	-	-
Commerce and industry	-	-	-	-	-
Others	-	-	-	-	-
<b>Total overseas</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>257.3</b>	<b>226.5</b>	<b>30.8</b>	<b>268.4</b>	<b>(11.0)</b>

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

## Overseas and Offshore Loans by Region -Table 30- (Non-Consolidated)

	(Billions of yen)				
	June 30 2012 (a)	June 30 2011 (b)	Change (a)-(b)	March 31 2012 (c)	Change (a)-(c)
US	39.5	26.9	12.5	40.2	(0.6)
Asset-backed investments <sup>(1)</sup> in US	4.8	3.9	0.9	5.2	(0.4)
Europe	45.6	40.7	4.9	50.3	(4.6)
Asset-backed investments <sup>(1)</sup> in Europe	23.0	28.3	(5.2)	27.6	(4.6)
Others	133.2	105.6	27.5	118.1	15.0
<b>Total overseas and offshore loans</b>	<b>218.4</b>	<b>173.3</b>	<b>45.0</b>	<b>208.7</b>	<b>9.6</b>
<b>Total asset-backed investments<sup>(1)</sup></b>	<b>27.9</b>	<b>32.2</b>	<b>(4.3)</b>	<b>32.9</b>	<b>(5.0)</b>

(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 31- (Non-Consolidated)**

	(Billions of yen)				
	June 30 2012 (a)	June 30 2011 (b)	Change (a)-(b)	March 31 2012 (c)	Change (a)-(c)
US	-	-	-	-	-
Asset-backed investments <sup>(1)</sup> in US	-	-	-	-	-
Europe	12.1	13.4	(1.3)	16.1	(4.0)
Asset-backed investments <sup>(1)</sup> in Europe	12.0	13.0	(1.0)	15.9	(3.9)
Others	3.4	0.0	3.4	3.7	(0.2)
Total overseas and offshore loans	15.5	13.4	2.1	19.9	(4.3)
Total asset-backed investments <sup>(1)(2)</sup>	12.0	13.0	(1.0)	15.9	(3.9)

(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 June 30, 2012, reserve for loan losses and collateral/guarantees for risk monitored loans related to asset-backed investments were ¥3.6 billion and ¥7.9 billion, respectively, and the coverage ratio was 96.0%.

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

**Claims Classified under the Financial Revitalization Law -Table 32- (Non-Consolidated)**

	(Billions of yen)				
	June 30 2012 (a)	June 30 2011 (b)	Change (a)-(b)	March 31 2012 (c)	Change (a)-(c)
Claims against bankrupt and quasi-bankrupt obligors	55.5	60.8	(5.3)	49.1	6.3
Doubtful claims	225.4	183.2	42.2	245.2	(19.8)
Substandard claims	2.7	10.5	(7.7)	1.6	1.0
<b>Total (A)</b>	<b>283.5</b>	<b>254.5</b>	<b>29.0</b>	<b>295.9</b>	<b>(12.4)</b>
Coverage ratio	97.0%	96.6%	/	96.7%	/
<b>Total claims (B)</b>	<b>4,574.0</b>	<b>4,209.9</b>	<b>364.1</b>	<b>4,445.8</b>	<b>128.2</b>
Loans and bills discounted	4,201.5	4,066.8	134.6	4,102.6	98.9
Others	372.5	143.0	229.4	343.2	29.2
Ratio to total claims (A / B) X 100 (%)	6.20%	6.04%	/	6.66%	/
(Ref. 1) Amount of write-off	70.2	88.5	(18.3)	75.0	(4.8)
(Ref. 2) Below need caution level	568.9	667.0	(98.0)	589.8	(20.8)

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



**Coverage Ratio for Non-Performing Claims Classified under the Financial Revitalization Law -Table 33- (Non-Consolidated)**

(Billions of yen, except percentages)

June 30, 2012					
Amounts of coverage					
Amounts of claims	Total	Reserve for loan losses	Collateral and guarantees	Coverage ratio	
Claims against bankrupt and quasi-bankrupt obligors	55.5	55.5	3.3	52.1	100.0%
Doubtful claims	225.4	217.6	66.0	151.6	96.5%
Substandard claims	2.7	2.1	0.9	1.2	78.1%
<b>Total</b>	<b>283.5</b>	<b>275.1</b>	<b>70.1</b>	<b>205.0</b>	<b>97.0%</b>

(Billions of yen, except percentages)

June 30, 2011					March 31, 2012					
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	60.8	60.8	3.7	57.1	100.0%	49.1	49.1	3.6	45.5	100.0%
Doubtful claims	183.2	176.4	37.4	139.0	96.3%	245.2	235.4	72.5	162.9	96.0%
Substandard claims	10.5	8.5	2.7	5.9	81.6%	1.6	1.6	0.5	1.1	99.0%
<b>Total</b>	<b>254.5</b>	<b>245.8</b>	<b>43.8</b>	<b>202.0</b>	<b>96.6%</b>	<b>295.9</b>	<b>286.1</b>	<b>76.6</b>	<b>209.5</b>	<b>96.7%</b>

**Reserve for Credit Losses -Table 34- (Non-Consolidated)**

(Billions of yen)

	June 30 2012	June 2011	Change	March 31 2012	Change
	(a)	(b)	(a)-(b)	(c)	(a)-(c)
Reserve for credit losses	108.5	89.3	19.1	117.2	(8.7)
General reserve for loan losses	37.7	47.0	(9.3)	39.6	(1.9)
Specific reserve for loan losses	70.7	42.3	28.4	77.6	(6.8)
Reserve for loans to restructuring countries	0.0	0.0	(0.0)	0.0	-
Specific reserve for other credit losses	3.9	21.1	(17.2)	3.9	(0.0)
<b>Total reserve for credit losses</b>	<b>112.4</b>	<b>110.5</b>	<b>1.8</b>	<b>121.1</b>	<b>(8.7)</b>

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

**Securities Being Held to Maturity -Table 35- (Non-Consolidated)**

(Billions of yen)

	June 30, 2012			June 30, 2011			March 31, 2012		
	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	585.4	591.1	5.7	544.5	549.1	4.6	585.6	590.9	5.3
Japanese corporate bonds	22.4	22.6	0.1	56.1	56.6	0.5	22.8	23.0	0.2
Other	39.1	43.0	3.8	39.1	43.0	3.9	40.2	44.2	4.0
Subtotal	647.0	656.8	9.7	639.8	648.9	9.0	648.7	658.2	9.5
Fair value does not exceed carrying amount									
Japanese national government bonds	-	-	-	-	-	-	-	-	-
Japanese corporate bonds	-	-	-	-	-	-	-	-	-
Other	9.0	8.5	(0.4)	10.4	10.1	(0.2)	9.8	9.2	(0.5)
Subtotal	9.0	8.5	(0.4)	10.4	10.1	(0.2)	9.8	9.2	(0.5)
<b>Total</b>	<b>656.0</b>	<b>665.3</b>	<b>9.2</b>	<b>650.3</b>	<b>659.0</b>	<b>8.7</b>	<b>658.5</b>	<b>667.5</b>	<b>8.9</b>

**Available-for-Sale Securities -Table 36- (Non-Consolidated)**

	(Billions of yen)								
	June 30, 2012			June 30, 2011			March 31, 2012		
	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)
<b>Carrying amount exceeds amortized/acquisition cost</b>									
Equity securities	8.7	5.6	3.1	4.2	3.5	0.7	13.4	8.7	4.6
Domestic bonds	538.6	534.9	3.6	981.6	978.9	2.7	681.8	679.4	2.3
Japanese national government bonds	463.3	460.2	3.0	914.7	913.0	1.7	619.5	617.5	1.9
Japanese local government bonds	1.7	1.7	0.0	1.7	1.7	0.0	1.7	1.7	0.0
Japanese corporate bonds	73.5	72.9	0.5	65.0	64.1	0.9	60.4	60.0	0.3
Other	78.2	74.5	3.7	74.5	70.0	4.5	66.4	62.0	4.4
Foreign securities	67.7	64.2	3.4	71.4	67.1	4.3	55.7	51.5	4.1
Foreign currency denominated foreign corporate and government bonds	46.0	43.5	2.4	37.7	34.3	3.4	31.4	28.6	2.8
Yen-denominated foreign corporate and government bonds	17.6	17.4	0.1	31.6	31.1	0.5	19.6	19.4	0.2
Foreign equity securities and others	4.0	3.2	0.8	2.0	1.6	0.3	4.6	3.4	1.1
Other securities	1.1	0.9	0.2	1.0	0.9	0.1	1.1	0.9	0.1
Other monetary claims purchased	9.3	9.2	0.0	2.0	1.9	0.0	9.6	9.6	0.0
Subtotal	625.5	615.0	10.5	1,060.4	1,052.4	7.9	761.7	750.2	11.4
<b>Carrying amount does not exceed amortized/acquisition cost</b>									
Equity securities	3.8	4.5	(0.6)	5.8	9.7	(3.8)	1.2	1.5	(0.3)
Domestic bonds	405.5	408.8	(3.3)	709.8	715.5	(5.6)	250.4	254.4	(4.0)
Japanese national government bonds	249.5	250.1	(0.5)	496.4	497.4	(0.9)	79.9	80.7	(0.7)
Japanese local government bonds	-	-	-	-	-	-	-	-	-
Japanese corporate bonds	155.9	158.7	(2.7)	213.3	218.0	(4.6)	170.4	173.7	(3.2)
Other	80.0	82.8	(2.8)	155.3	159.6	(4.2)	92.9	95.9	(3.0)
Foreign securities	78.2	81.0	(2.8)	152.5	156.5	(4.0)	91.0	94.0	(3.0)
Foreign currency denominated foreign corporate and government bonds	32.9	35.4	(2.4)	94.0	96.6	(2.6)	42.8	45.4	(2.5)
Yen-denominated foreign corporate and government bonds	45.2	45.5	(0.3)	54.9	55.5	(0.5)	48.0	48.5	(0.4)
Foreign equity securities and others	0.0	0.0	-	3.5	4.4	(0.9)	0.0	0.0	-
Other securities	0.5	0.5	-	1.0	1.0	-	0.5	0.5	-
Other monetary claims purchased	1.2	1.2	(0.0)	1.8	1.9	(0.1)	1.3	1.3	(0.0)
Subtotal	489.4	496.2	(6.8)	871.1	884.8	(13.7)	344.6	351.9	(7.3)
<b>Total<sup>(1)(2)</sup></b>	<b>1,115.0</b>	<b>1,111.3</b>	<b>3.6</b>	<b>1,931.6</b>	<b>1,937.3</b>	<b>(5.7)</b>	<b>1,106.3</b>	<b>1,102.1</b>	<b>4.1</b>

(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 in available-for-sale securities.

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

	(Billions of yen)		
	June 30, 2012	June 30, 2011	March 31, 2012
<b>Unrealized gain (loss) before deferred tax on:</b>			
Available-for-sale securities	3.6	(5.7)	4.1
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	(4.8)	(5.6)	(5.1)
Deferred tax assets (liabilities)	-	-	-
<b>Unrealized gain (loss) on available-for-sale securities</b>	<b>(1.1)</b>	<b>(11.3)</b>	<b>(1.0)</b>

**Capital Adequacy Data-Table 37- (Non-Consolidated)**

*(Billions of yen, except percentages)*

	June 30 2012 (a)	June 30 2011 (b)	Change (a)-(b)	March 31 2012 (c)	Change (a)-(c)
Basic items (Tier I)	663.6	651.0	12.6	662.3	1.3
Supplementary items (Tier II)	181.6	216.5	(34.9)	189.9	(8.3)
Deduction	(53.0)	(70.9)	17.9	(76.1)	23.0
Total capital <sup>(2)</sup>	792.2	796.6	(4.3)	776.1	16.1
Risk assets	5,850.9	6,293.7	(442.7)	5,923.6	(72.6)
Capital adequacy ratio	13.54%	12.65%	0.89%	13.10%	0.44%
Tier I capital ratio	11.34%	10.34%	1.00%	11.18%	0.16%

(1) Calculated according to Basel II, F-IRB. Figures are calculated in accordance with FSA Notification Number 79 issued in December 2008 (special treatment of FSA Notification Number 19 issued in 2006). As a result, ¥1.1 billion of net unrealized losses on securities available-for-sale, net of taxes, as of June 30, 2012, ¥11.3 billion as of June 30, 2011 and ¥1.0 billion as of March 31, 2012 are not included in BIS capital.

(2) Non-Consolidated total required capital is ¥332.3 billion as at June 30, 2012, ¥375.2 billion as at June 30, 2011 and ¥352.5 billion as at March 31, 2012.

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

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

	<i>(Millions of yen)</i>				
	June 30 2012 a	June 30 2011 b	Change a-b	March 31 2012 c	Change a-c
<b>&lt;&lt;Assets&gt;&gt;</b>					
Cash and due from banks	275,786	263,218	12,568	330,047	(54,260)
Call loans	8,595	12,066	(3,470)	15,745	(7,149)
Receivables under resale agreements	38,387	-	38,387	18,362	20,024
Receivables under securities borrowing transactions	-	4,877	(4,877)	57,647	(57,647)
Other monetary claims purchased	224,555	231,986	(7,431)	210,693	13,861
Trading assets	186,304	178,026	8,278	156,661	29,642
Monetary assets held in trust	298,519	341,506	(42,986)	307,526	(9,006)
Securities	2,280,460	3,111,425	(830,964)	2,286,669	(6,208)
Valuation allowance for investments	(3,370)	(3,370)	-	(3,370)	-
Loans and bills discounted	4,201,576	4,066,896	134,680	4,102,638	98,938
Foreign exchanges	16,772	29,792	(13,020)	18,896	(2,124)
Other assets	431,526	322,759	108,767	450,254	(18,727)
Premises and equipment	20,982	18,449	2,533	21,471	(488)
Intangible assets	9,954	9,561	393	10,650	(695)
Deferred issuance expenses for debentures	123	172	(48)	135	(11)
Deferred tax assets	-	1,514	(1,514)	-	-
Customers' liabilities for acceptances and guarantees	11,489	13,001	(1,511)	11,600	(110)
Reserve for credit losses	(112,408)	(110,558)	(1,849)	(121,193)	8,785
<b>Total assets</b>	<b>7,889,257</b>	<b>8,491,325</b>	<b>(602,068)</b>	<b>7,874,437</b>	<b>14,820</b>

## Liabilities and Equity

(Millions of yen)

	June 30 2012 a	June 30 2011 b	Change a-b	March 31 2012 c	Change a-c
<b>&lt;&lt;Liabilities&gt;&gt;</b>					
Deposits	5,559,224	5,613,988	(54,763)	5,610,134	(50,909)
Negotiable certificates of deposit	206,721	308,152	(101,430)	178,084	28,636
Debentures	289,813	333,020	(43,206)	296,839	(7,026)
Call money	120,158	140,321	(20,162)	210,163	(90,005)
Payables under securities lending transactions	60,467	434,879	(374,411)	91,805	(31,337)
Trading liabilities	127,606	137,346	(9,739)	127,697	(90)
Borrowed money	370,768	349,138	21,629	245,728	125,039
Foreign exchanges	184	185	(0)	184	(0)
Corporate bonds	206,450	221,179	(14,729)	212,235	(5,785)
Other liabilities	282,578	313,064	(30,485)	240,790	41,788
Income taxes payable	175	115	59	369	(194)
Lease obligations	1	3	(1)	2	(0)
Asset retirement obligations	6,924	4,044	2,880	6,751	173
Other	275,476	308,901	(33,424)	233,666	41,810
Accrued employees' bonuses	888	1,040	(152)	3,728	(2,839)
Deferred tax liabilities	2,396	-	2,396	1,265	1,131
Acceptances and guarantees	11,489	13,001	(1,511)	11,600	(110)
<b>Total liabilities</b>	<b>7,238,749</b>	<b>7,865,317</b>	<b>(626,568)</b>	<b>7,230,258</b>	<b>8,491</b>
<b>&lt;&lt;Equity&gt;&gt;</b>					
<b>Shareholders' equity:</b>					
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	133,993	122,025	11,967	129,221	4,772
Legal reserve	12,097	11,566	530	11,566	530
Other retained earnings	121,895	110,458	11,437	117,654	4,241
Unappropriated retained earnings	121,895	110,458	11,437	117,654	4,241
Treasury stock, at cost	(72,558)	(72,558)	-	(72,558)	-
Total shareholders' equity	653,104	641,137	11,967	648,332	4,772
Unrealized gain (loss) on available-for-sale securities	(1,135)	(11,354)	10,219	(1,031)	(103)
Deferred gain (loss) on derivatives under hedge accounting	(2,800)	(5,139)	2,338	(4,476)	1,676
Total net unrealized gain (loss) and translation adjustments	(3,935)	(16,493)	12,558	(5,508)	1,572
Stock acquisition rights	1,338	1,364	(25)	1,354	(16)
<b>Total equity</b>	<b>650,507</b>	<b>626,007</b>	<b>24,500</b>	<b>644,178</b>	<b>6,328</b>
<b>Total liabilities and equity</b>	<b>7,889,257</b>	<b>8,491,325</b>	<b>(602,068)</b>	<b>7,874,437</b>	<b>14,820</b>

## Non-Consolidated Statements of Operations (Non-Consolidated)

	1QFY2012 (3 months)	1QFY2011 (3 months)	Change		FY2011 (12 months)
			Amount	%	
<b>Ordinary income</b>	<b>41,128</b>	42,619	(1,491)	(3.5)	175,252
Interest income	24,648	22,996	1,651	7.2	109,976
Interest on loans and bills discounted	15,959	16,247	(288)	(1.8)	63,986
Interest and dividends on securities	8,025	5,634	2,390	42.4	42,800
Other interest income	663	1,114	(450)	(40.4)	3,189
Fees and commissions income	4,139	4,091	47	1.1	15,447
Trading income	5,472	4,728	743	15.7	16,697
Other business income	1,830	454	1,376	303.1	4,521
Other ordinary income	5,037	10,348	(5,310)	(51.3)	28,610
<b>Ordinary expenses</b>	<b>33,349</b>	35,362	(2,012)	(5.7)	157,132
Interest expenses	8,936	11,166	(2,229)	(20.0)	42,078
Interest on deposits	5,897	7,469	(1,572)	(21.0)	28,682
Interest on corporate bonds	1,985	2,190	(205)	(9.4)	8,613
Other interest expenses	1,054	1,506	(451)	(29.9)	4,783
Fees and commissions expenses	2,558	2,323	234	10.1	9,673
Trading losses	1,363	1,473	(109)	(7.4)	3,209
Other business expenses	1,713	5,904	(4,191)	(71.0)	11,447
General and administrative expenses	17,220	14,043	3,176	22.6	65,101
Other ordinary expenses	1,557	450	1,107	246.0	25,621
<b>Ordinary profit</b>	<b>7,778</b>	7,256	521	7.2	18,119
Extraordinary gains	5	49	(43)	(87.8)	72
Extraordinary losses	555	124	430	346.8	1,949
<b>Income before income taxes</b>	<b>7,229</b>	7,181	47	0.7	16,243
Income taxes (benefit)	(196)	482	(679)	(140.9)	2,348
<b>Net income</b>	<b>7,426</b>	6,698	727	10.9	13,894

## Section 3. Earnings Forecast -Table 38- (Consolidated and Non-Consolidated)

(Consolidated)	<i>(Billions of yen)</i>	
	<i>Fiscal year ending</i> <b>March 2013</b> <i>(FY2012)</i> <b>Forecast</b>	<i>Fiscal year ended</i> <b>March 2012</b> <i>(FY2011)</i> <b>Actual</b>
Net income	51.0	6.4
Cash basis net income *	60.0	16.0
(Non-Consolidated)	<i>Fiscal year ending</i> <b>March 2013</b> <i>(FY2012)</i> <b>Forecast</b>	<i>Fiscal year ended</i> <b>March 2012</b> <i>(FY2011)</i> <b>Actual</b>
Net Business Profit	35.0	32.1
Net income	22.0	13.8
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.

There has been no change to the full year earnings forecast or dividend forecast for fiscal year 2012 originally announced in May 2012.

\*Cash-basis figures are calculated by excluding amortization of goodwill and other intangible assets, net of tax benefit

## Section 4. Exposure to Securitized Products and Related Investments (Non-Consolidated)

**Balance of Securitized Products (Breakdown by Region and Type of Securities)<sup>(1)</sup> -Table 39- (Non-Consolidated)**

(Billions of yen)

	Credit Ratings of Securities <sup>(2)</sup> (June 30, 2012)				June 30 2012 (a)	June 30 2011 (b)	Change (a)-(b)	March 31 2012 (c)	Change (a)-(c)
	AAA	AA	A or lower	N/A					
<b>RMBS</b>	16%	0%	2%	82%	<b>35.5</b>	41.9	(6.4)	36.3	(0.8)
Japan	16%	0%	2%	82%	<b>35.5</b>	41.9	(6.4)	36.3	(0.8)
U.S.	-	-	-	-	<b>0.0</b> <sup>(4)</sup>	0.0	0.0	0.0	0.0
Europe	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>CMBS</b>	-	-	-	-	<b>0.0</b> <sup>(4)</sup>	2.4	(2.4)	0.0	0.0
Japan	-	-	-	-	<b>0.0</b>	2.4	(2.4)	0.0	0.0
U.S.	-	-	-	-	-	-	-	-	-
Europe	-	-	-	-	-	0.0	(0.0)	-	-
Other	-	-	-	-	-	0.0	(0.0)	0.0	0.0
<b>CLO</b>	13%	86%	0%	1%	<b>39.9</b>	41.2	(1.3)	41.6	(1.6)
Japan	-	-	-	-	-	-	-	-	-
U.S.	17%	81%	0%	2%	<b>30.9</b>	30.8	0.1	31.7	(0.8)
Europe	0%	100%	0%	0%	<b>9.0</b>	10.4	(1.4)	9.8	(0.8)
Other	-	-	-	-	-	0.0	(0.0)	-	-
<b>ABS CDO (Resecuritized Products)</b>	-	-	-	-	-	-	-	-	-
Japan	-	-	-	-	-	-	-	-	-
U.S.	-	-	-	-	-	-	-	-	-
Europe	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Total</b>	14%	45%	1%	39%	<b>75.4</b>	85.6	(10.2)	77.9	(2.5)
Japan	16%	0%	2%	82%	<b>35.5</b>	44.4	(8.8)	36.3	(0.8)
U.S.	17%	81%	0%	2%	<b>30.9</b>	30.8	0.1	31.7	(0.8)
Europe	0%	100%	0%	0%	<b>9.0</b>	10.4	(1.4)	9.8	(0.8)
Other	-	-	-	-	-	0.0	(0.0)	-	0.0
<b>Securities</b>					<b>39.9</b>	44.6	(4.7)	41.6	(1.6)
RMBS					<b>0.0</b> <sup>(4)</sup>	1.7	(1.7)	0.0	0.0
CMBS					-	1.6	(1.6)	0.0	0.0
CLO					<b>39.9</b>	41.2	(1.3)	41.6	(1.6)
ABS CDO					-	-	-	-	-
<b>Other monetary claims purchased<sup>(3)</sup></b>					<b>35.5</b>	41.0	(5.5)	36.3	(0.8)
RMBS (Japan)					<b>35.5</b>	40.2	(4.7)	36.3	(0.8)
CMBS (Japan)					<b>0.0</b> <sup>(4)</sup>	0.8	(0.8)	0.0	0.0
CLO (Japan)					-	-	-	-	-
ABS CDO (Japan)					-	-	-	-	-
<b>Total</b>					<b>75.4</b>	85.6	(10.2)	77.9	(2.5)

(1) The amount is the outstanding balance, after mark-downs and other comprehensive income (OCI) adjustments, at the end of each period. This table excludes securitized products backed by consumer loans, credit card loans, and other similar exposure to individuals.

(2) Based on ratings by S&P or ratings equivalent to S&P ratings matrix as of June 30, 2012. The "N/A" rating for Japanese RMBS represents senior portions of other monetary claims purchased for the purpose of warehousing for future securitization.

(3) Includes Japanese RMBS recorded as monetary assets held in trust of ¥5.0 billion as at June 30, 2012.

(4) Residual value



**Securitized Products, Recorded under "Securities" and "Other Monetary Claims Purchased" and OCI <sup>(1)</sup>-Table 40-  
(Non-Consolidated)**

*(Billions of yen, except percentages)*

Securities	As of June 30, 2012			
	Balance before Mark-to-Market Evaluation	Market Value or Balance	Unrealized Gains/Losses (OCI)	Price Increase (Decrease) Ratio (%)
Trading Securities		0.5		
RMBS (U.S.)		0.0 <sup>(3)</sup>		
CLO (U.S.)		0.5		
Securities Being Held to Maturity with Readily Determinable Fair Value		39.4		
CLO (U.S.)		30.4		
CLO (Europe)		9.0		
Securities Available for Sale	0.0	0.0 <sup>(3)</sup>	0.0	0.0
Other	0.0	0.0	0.0	0.0
Foreign Securities	0.0	0.0	0.0	0.0
Foreign Currency Denominated Foreign Corporate and Government Bonds	0.0	0.0	0.0	0.0
CLO	0.0	0.0	0.0	0.0
U.S.	0.0	0.0	0.0	0.0
Securities		39.9		
RMBS		0.0 <sup>(3)</sup>		
CLO		39.9		

*(Billions of yen, except percentages)*

Other Monetary Claims Purchased <sup>(2)</sup>	As of June 30, 2012			
	Balance before Mark-to-Market Evaluation	Market Value or Balance	Unrealized Gains/Losses (OCI)	Price Increase (Decrease) Ratio (%)
Trading Purposes		8.0		
RMBS (Japan) <sup>(2)</sup>		8.0		
Others	27.4	27.4	0.0	0.1
RMBS (Japan)	27.4	27.4	0.0	0.1
CMBS (Japan)	0.0	0.0 <sup>(3)</sup>	0.0	0.0
Total		35.5		
RMBS (Japan)		35.5		
CMBS (Japan)		0.0 <sup>(3)</sup>		

<b>RMBS, CMBS, CLO, ABS CDO Total</b>		<b>75.4</b>		
Securities		<b>39.9</b>		
Other Monetary Claims Purchased		<b>35.5</b>		

(1) This table excludes securitized products backed by consumer loans, credit card loans, and other similar exposure to individuals.

(2) Includes Japanese RMBS recorded as monetary assets held in trust of ¥5.0 billion as at June 30, 2012.

(3) Residual value

**LBO, Monoline, SIV, ABCP, CDS -Table 41- (Non-Consolidated)**

(Billions of yen)

	June 30 2012 (a)	June 30 2011 (b)	Change (a)-(b)	March 31 2012 (c)	Change (a)-(c)
<b>LBO<sup>(1)(3)</sup></b>	<b>198.9</b>	201.4	(2.5)	198.1	0.8
Japan	<b>196.8<sup>(2)</sup></b>	198.0	(1.2)	195.8	1.0
U.S.	<b>1.6</b>	2.0	(0.4)	1.7	(0.1)
Europe	-	-	-	-	-
Other	<b>0.4</b>	1.4	(1.0)	0.4	0.0
<b>(Breakdown by Industry Sector)</b>					
Manufacturing	<b>9.0%</b>				
Information and communications	<b>1.1%</b>				
Wholesale and retail	<b>8.8%</b>				
Finance and Insurance	<b>21.6%</b>				
Services	<b>59.5%</b>				
Others	-				
Total	<b>100.0%</b>				

(1) The amount includes unfunded commitment line.

(2) As of June 30, 2012, unfunded commitment line (only domestic) is ¥3.9 billion.

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

**Monoline, SIV, ABCP**

We have no exposure to Monoline, SIV, ABCP.

**Credit Default Swaps (CDS)<sup>(1)</sup>**

(Billions of yen)

	As of June 30, 2012							1QFY2012
	Nominal Amount		Fair Value		Netted Nominal Amount and Fair Value <sup>(2)</sup>			Realized Profits (Losses)
	Protection (buy)	Protection (sell)	Protection (buy)	Protection (sell)	Nominal Amount	Fair Value		
						Protection (buy)	Protection (sell)	
Total	448.3	514.1	2.8	(2.9)	399.6	2.3	(2.2)	0.5
Japan	364.4	427.4	2.9	(2.9)	321.0	2.6	(2.2)	0.5
U.S.	37.3	40.0	(0.0)	0.0	34.5	(0.1)	0.0	0.0
Europe	22.0	21.8	0.1	(0.1)	21.5	0.1	(0.1)	(0.0)
Other	24.4	24.7	(0.2)	0.1	22.5	(0.2)	0.1	(0.0)

(1) Represents transactions under both banking book and trading book. The above table is based on provisional financial and operational data at the time of the financial results announcement and may differ slightly from the final data.

(2) Transactions which are netted with buy and sell.

**Definitions -Table 42-**

Names	Definitions
<b>RMBS</b>	Residential mortgage-backed securities and other related assets, including beneficial interests backed by mortgage loans. Recorded in "trading securities," "securities available-for-sale" and "other monetary claims."
<b>CMBS</b>	Commercial mortgage-backed securities. Recorded in "securities available-for-sale" and "other monetary claims." We have no U.S. CMBS exposure.
<b>CLO</b>	Collateralized loan obligations (CLO) mainly backed by LBO debt, corporate loans and high-yield securities. Recorded in "trading securities," "securities being held to maturity with readily determinable fair value," and "securities available-for-sale."
<b>ABS CDO</b> (Re-securitized Products)	CDO backed by asset-backed securities (ABS) such as RMBS. Recorded in "securities available-for-sale" and "other monetary claims." We have no exposure to Monoline.
<b>LBO</b>	Loans for leveraged buyout for acquisition finance including refinancing of past acquisitions.
<b>Monoline</b>	Monolines are insurance companies that insure against the risk of a bond or other security defaulting. We have no exposure to Monoline.
<b>SIV</b>	A structured investment vehicle (SIV) is a fund which borrows money by issuing short-term securities at low interest rates, then lends that money by buying long-term securities (such as securitization products) at higher interest rates, making a profit for investors from the difference. We have no exposure to SIVs.
<b>ABCP</b>	An asset-backed commercial paper (ABCP) conduit is a limited-purpose entity that issues CP to finance the purchase of assets or to make loans. Some asset types include receivables generated from trade, credit card, auto loan, auto, and equipment leasing obligors, as well as collateralized loan obligations (CLOs) and collateralized bond obligations (CBOs). We have no exposure to ABCP.
<b>CDS</b>	Credit default swap is a type of derivative in which the buyer receives credit protection by making periodic payments to a counterparty and the seller provides credit protection by giving the promise of a payoff if a third-party defaults.