

Financial Summary

For the Fiscal Year Ended March 31, 2012



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

<u>Contents</u>	<u>Page</u>
Financial Highlights1
Financial and Economic Environment4
Section 1. Consolidated Information5
<i>Results of Operations -Table 1-</i>	<i>(Consolidated)5</i>
<i>Items included in Results of Operations -Table 1-1-</i>	<i>(Consolidated)7</i>
<i>Interest-Earning Assets and Interest-Bearing Liabilities -Table 2-</i>	<i>(Consolidated)8</i>
<i>Non-Interest Income -Table 3-</i>	<i>(Consolidated)9</i>
<i>General and Administrative Expenses -Table 4-</i>	<i>(Consolidated)9</i>
<i>Net Credit Costs -Table 5-</i>	<i>(Consolidated)10</i>
<i>Amortization of Goodwill and Other Intangible Assets -Table 6-</i>	<i>(Consolidated)11</i>
<i>Other Gains (Losses) -Table 7-</i>	<i>(Consolidated)11</i>
<i>Minority Interests in Net Income of Subsidiaries -Table 8-</i>	<i>(Consolidated)12</i>
<i>Major Balance Sheet Data -Table 9-</i>	<i>(Consolidated)13</i>
<i>Risk-Monitored Loans -Table 10-</i>	<i>(Consolidated)14</i>
<i>Reserve for Credit Losses -Table 11-</i>	<i>(Consolidated)14</i>
<i>Loans by Borrower Industry -Table 12-</i>	<i>(Consolidated)15</i>
<i>Securities by Category -Table 13-</i>	<i>(Consolidated)16</i>
<i>Securities Being Held to Maturity -Table 14-</i>	<i>(Consolidated)16</i>
<i>Available-for-Sale Securities -Table 15-</i>	<i>(Consolidated)17</i>
<i>Hedge-Accounting Derivative Transactions -Table 16-</i>	<i>(Consolidated)18</i>
<i>Deposits, Including Negotiable Certificates of Deposit (NCDs) -Table 17-</i>	<i>(Consolidated)18</i>
<i>Financial Ratios -Table 18-</i>	<i>(Consolidated)19</i>
<i>Capital Adequacy Data -Table 19-</i>	<i>(Consolidated)20</i>
<i>Per Share Data -Table 20-</i>	<i>(Consolidated)20</i>
<i>Business Lines Results -Table 21-</i>	<i>(Consolidated)21</i>
<i>Institutional Group -Table 22-</i>	<i>(Consolidated)22</i>
<i>Global Markets Group Revenue by Product -Table 23-</i>	<i>(Consolidated)24</i>
<i>Individual Group -Table 24-</i>	<i>(Consolidated)26</i>
<i>Individual Group Revenue by Product/Entity -Table 25-</i>	<i>(Consolidated)27</i>
<i>Segment Information</i>	<i>.....29</i>
<i>Consolidated Balance Sheets</i>	<i>(Consolidated)30</i>
<i>Consolidated Statements of Income</i>	<i>(Consolidated)32</i>
<i>Consolidated Statements of Comprehensive Income</i>	<i>(Consolidated)33</i>
<i>Consolidated Statements of Changes in Equity</i>	<i>(Consolidated)34</i>
<i>Consolidated Statements of Cash Flows</i>	<i>(Consolidated)36</i>

Section 2. Non-Consolidated Information37
<i>Results of Operations -Table 26-</i>	<i>(Non-Consolidated)37</i>
<i>Net Credit Costs -Table 27-</i>	<i>(Non-Consolidated)38</i>
<i>Interest-Earning Assets and Interest-Bearing Liabilities -Table 28-</i>	<i>(Non-Consolidated)39</i>
<i>Risk-Monitored Loans -Table 29-</i>	<i>(Non-Consolidated)39</i>
<i>Loans by Borrower Industry -Table 30-</i>	<i>(Non-Consolidated)40</i>
<i>Risk Monitored Loans by Borrower Industry -Table 31-</i>	<i>(Non-Consolidated)41</i>
<i>Overseas and Offshore Loans by Region -Table 32-</i>	<i>(Non-Consolidated)41</i>
<i>Risk-Monitored Overseas and Offshore Loans by Region -Table 33-</i>	<i>(Non-Consolidated)42</i>
<i>Claims Classified under the Financial Revitalization Law -Table 34-</i>	<i>(Non-Consolidated)42</i>
<i>Coverage Ratio for Non-Performing Claims Classified under the Financial Revitalization Law -Table 35-</i>	<i>(Non-Consolidated)43</i>
<i>Reserve for Credit Losses -Table 36-</i>	<i>(Non-Consolidated)43</i>
<i>Reserve Ratios for Borrowers' Category -Table 37-</i>	<i>(Non-Consolidated)43</i>
<i>Housing Loans -Table 38-</i>	<i>(Non-Consolidated)44</i>
<i>Loans to Small- and Medium Sized Entities -Table 39-</i>	<i>(Non-Consolidated)44</i>
<i>Securities Being Held to Maturity -Table 40-</i>	<i>(Non-Consolidated)44</i>
<i>Available-for-Sale Securities -Table 41-</i>	<i>(Non-Consolidated)45</i>
<i>Hedge-Accounting Derivative Transactions-Table 42-</i>	<i>(Non-Consolidated)46</i>
<i>Employees' Retirement Benefit-Table 43-</i>	<i>(Non-Consolidated)46</i>
<i>Capital Adequacy Data-Table 44-</i>	<i>(Non-Consolidated)47</i>
<i>Non-Consolidated Balance Sheets</i>	<i>(Non-Consolidated)48</i>
<i>Non-Consolidated Statements of Operations</i>	<i>(Non-Consolidated)50</i>
<i>Non-Consolidated Statements of Changes in Equity</i>	<i>(Non-Consolidated)51</i>
Section 3. Earnings Forecast -Table 45-	(Consolidated and Non-Consolidated)53
Section 4. Exposure to Securitized Products and Related Investments	(Non-Consolidated)54
<i>Balance of Securitized Products (Breakdown by Region and Type of Securities) -Table 46-</i>	<i>(Non-Consolidated)54</i>
<i>Securitized Products, Recorded under "Securities" and "Other Monetary Claims Purchased" and OCI -Table 47-</i>	<i>(Non-Consolidated)55</i>
<i>LBO, Monoline, SIV, ABCP, CDS -Table 48-</i>	<i>(Non-Consolidated)56</i>
<i>Definitions -Table 49-</i>	<i>....57</i>
<i>(Reference 1) BOJ Press Club Format</i>	<i>....58</i>
<i>(Reference 2) Calculation Grounds of Deferred Tax Assets</i>	<i>....60</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 Highlights ⁽¹⁾

(Billions of yen, except percentages)

	FY2011	FY2010	Change % or Amount	1HFY2011
Selected income statement items (Consolidated)				
Net interest income	116.9	156.6	(25.4)%	60.7
Non-interest income	86.0	135.4	(36.5)%	44.9
Net fees and commissions	25.2	26.0	(3.2)%	13.8
Net trading income	13.6	11.6	17.0%	6.5
Net other business income	47.2	97.7	(51.7)%	24.4
Total revenue	202.9	292.1	(30.5)%	105.6
General and administrative expenses	127.9	142.8	(10.4)%	63.3
Ordinary business profit	74.9	149.2	(49.8)%	42.3
Net credit costs	12.2	68.3	(82.1)%	8.8
Ordinary business profit after net credit costs	62.7	80.8	(22.5)%	33.5
Amortization of goodwill and other intangible assets ⁽²⁾	11.9	13.0	(8.7)%	6.2
Other gains (losses)	(35.4)	(10.0)	(253.4)%	(1.5)
Income before income taxes and minority interests	15.3	57.7	(73.4)%	25.7
Current income tax	2.9	1.9	46.8%	1.6
Deferred income tax	2.4	5.2	(53.5)%	1.7
Minority interests in net income of subsidiaries	3.5	7.9	(55.0)%	1.9
Net income	6.4	42.6	(84.9)%	20.3
Cash basis net income ⁽³⁾	16.0	53.8	(70.2)%	25.6
Selected balance sheet items (Consolidated)				
Securities	1,873.4	3,286.3	(1,412.8)	2,220.1
Loans and bills discounted	4,136.8	4,291.4	(154.6)	4,125.5
Customers' liabilities for acceptances and guarantees	562.6	575.7	(13.0)	557.2
Reserve for credit losses	(180.6)	(199.2)	18.5	(184.3)
Total assets	8,609.6	10,231.5	(1,621.8)	8,940.5
Deposits and negotiable certificates of deposit	5,362.4	5,610.6	(248.2)	5,537.3
Debentures	294.1	348.2	(54.1)	313.1
Borrowed money	476.7	1,672.7	(1,196.0)	547.2
Reserve for losses on interest repayments	50.9	43.1	7.7	29.9
Total liabilities	7,982.0	9,620.3	(1,638.3)	8,310.4
Total equity	627.6	611.1	16.5	630.1
Financial ratios (%) (Consolidated)				
Net interest margin	2.04	2.19		2.00
Expense-to-revenue ratio	63.1	48.9		60.0
Return on assets	0.1	0.4		0.4 ⁽⁴⁾
Return on equity (fully diluted)	1.2	8.5		7.3 ⁽⁴⁾
Cash basis return on assets	0.2	0.5		0.5 ⁽⁴⁾
Cash basis return on equity (fully diluted)	3.2	12.4		10.3 ⁽⁴⁾
Capital adequacy data (Consolidated)				
Tier I	537.1	516.7	20.4	542.7
Total capital	626.9	649.9	(23.0)	648.8
Risk assets	6,102.5	6,653.7	(551.2)	6,203.3
Capital adequacy ratio	10.27%	9.76%		10.46%
Tier I capital ratio	8.80%	7.76%		8.74%

(Billions of yen, except percentages)

	FY2011	FY2010	Change % or Amount	1HFY2011
Per share data (Consolidated)				
Common equity	212.67	205.83	3.3%	214.07
Basic net income	2.42	21.36	(88.7)%	7.66
Cash basis basic net income	6.05	26.96	(77.5)%	9.67
Non-performing loans (Non-Consolidated)				
Claims classified under the Financial Revitalization Law	295.9	279.6	16.3	254.4
Ratio to total claims	6.66%	6.78%		5.96%
Reserve for credit losses	121.1	114.8	6.3	110.1
Coverage ratio for non-performing claims	96.7%	96.8%		97.0%
Selected income statement items (Non-Consolidated)				
Net interest income	70.3	70.5	(0.4)%	29.3
Non-interest income	24.5	44.6	(44.9)%	8.9
Net fees and commissions	18.0	15.5	15.8%	9.4
Net trading income	13.4	10.6	27.0%	6.7
Net other business income (loss)	(6.9)	18.4	(137.6)%	(7.1)
Total revenue	94.8	115.1	(17.6)%	38.3
General and administrative expenses	62.6	60.5	3.6%	27.4
Ordinary business profit	32.1	54.6	(41.1)%	10.8
Net credit costs	10.9	40.3	(72.7)%	2.8
Net income	13.8	11.1	24.4%	4.5

(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 ordinary business profit after net credit costs of ¥62.7 billion for fiscal year 2011 (April 1, 2011 to March 31, 2012), mainly due to continuous efforts since last year to expand the customer base, intensive cost reduction measures and reduction of credit costs, which resulted in steady performance. However, regarding additional reserves for losses on interest repayment, additional reserves of ¥32.8 billion against future potential costs have been recorded in fiscal year 2011, resulting in ¥6.4 billion of consolidated net income for fiscal year 2011. This represents a decline compared to the net income of ¥42.6 billion recorded in fiscal year 2010. Net income in fiscal year 2010 included considerable non-recurring gains, such as gains on repurchases of perpetual preferred securities and subordinated debts. Consolidated cash basis net income for fiscal year 2011 was ¥16.0 billion, declining from ¥53.8 billion in fiscal year 2010.
 - Regarding total revenue for fiscal year 2011, the net loan balance increased during the fourth quarter of fiscal year 2011, from ¥4,076.5 billion at the end of December 2011 to ¥4,136.8 billion at the end of March 2012, due to commencement of consumer finance operations provided through the Bank, and as a result of active commitment by each of our businesses to continuously expand our customer base. However, as compared to fiscal year 2010, the loan balance has decreased, mainly due to decrease in non-core assets, and lower revenue from derivatives and securities stemming from stagnant financial markets, resulting in total revenue of ¥202.9 billion for fiscal year 2011, a decrease of ¥89.1 billion compared to fiscal year 2010. The absence of gains on repurchases of perpetual preferred securities and subordinated debt, of which ¥29.4 billion were recorded for fiscal year 2010, was another reason for the decrease in total revenue.
 - Regarding general and administrative expenses, as a result of continued efforts at each business group, expenses decreased to ¥127.9 billion for fiscal year 2011, a reduction of ¥14.8 billion compared to the results for fiscal year 2010.
 - Regarding net credit costs, despite additional provisions recorded for specialty finance and others in our aim to reduce future credit costs, credit quality improved due to continued divestiture of non-core assets, strict credit management and the strong framework for loan collections within Shinsei Financial Co., Ltd. as well as the impact from the income-linked borrowing limitation regulations implemented last fiscal year. In addition to the above factors, the overall decrease in loan balance, recoveries of written-off claims and large amount of credit recoveries resulted in net credit costs of ¥12.2 billion for fiscal year 2011, a significant decrease compared to fiscal year 2010.
 - Regarding the reserve for losses on interest repayment, additional reserves of ¥32.8 billion against future potential costs have been recorded in fiscal year 2011, a considerable increase as compared to ¥10.1 billion recorded in fiscal year 2010.
- As of April 1, 2011, Shinsei Bank carried out certain organizational changes in its institutional banking business to better serve customers. The existing Institutional Group and Markets and Investment Banking Group were reorganized into a newly defined Institutional Group and a newly established Global Markets Group. The Institutional Group focuses primarily on corporate and public sector finance and advisory business, while the Global Markets Group concentrates on financial markets business and serves financial institution clients.
- The Institutional Group performance for fiscal year 2011 saw an improvement as compared to fiscal year 2010, due to a steady increase in the number of borrowers as a result of continued efforts made to rebuild our customer franchise, and a decrease

in both expenses and net credit costs which included non-core asset reduction.

- The Global Markets Group's performance for fiscal year 2011 was lower compared to fiscal year 2010 mainly due to stagnant financial markets, the European debt crisis, and the absence of gains on repurchases of perpetual preferred securities and subordinated debt in fiscal year 2011 which were recorded in fiscal year 2010.
- The Individual Group ordinary business profit after net credit costs for fiscal year 2011 improved considerably as compared to fiscal year 2010, as the pace of decline in loan balance in our Consumer Finance business as a result of the revised Money-Lending Business Control and Regulation Law has become less pronounced, and due to continued efforts to reduce expenses and net credit costs which contributed to better results. However, a part of income was offset due to a considerable amount of reserves for losses on interest repayments recorded.
- Balance of loans and bills discounted declined from ¥4,291.4 billion as of March 31, 2011 to ¥4,136.8 billion as of March 31, 2012. This was mainly due to a reduction of non-core assets and the decrease in loan balance in the Consumer Finance business. However, the balance increased by ¥60.3 billion during the fourth quarter of fiscal year 2011. This was because the rate of decrease in the Consumer Finance loan balance has gradually become less pronounced, mainly due to commencement of Consumer Finance operations provided through the Bank, and loans for institutional customers and housing loans expanded.
- Net interest margin declined to 2.04% for fiscal year 2011, as compared to 2.19% for fiscal year 2010, mainly due to loan balance reductions within our consumer finance operations. However, it increased by 4 basis points as compared to the first half of fiscal year 2011, due in part to an increase in yield on interest-earning assets.
- In terms of capital ratios, Tier I capital and total capital increased due to accumulation of yearly net income over fiscal year 2011 and amortization of goodwill and other intangible assets, which resulted in improvement of the total capital adequacy ratio and Tier I capital ratio to 10.27% and 8.80%, as of March 31, 2012 respectively, compared to 9.76% and 7.76% as of March 31, 2011.
- The ratio of non-performing loans to total claims was 6.66%, a decrease of 12 basis points compared to the ratio as of March 31, 2011. Balance of non-performing loans under the Financial Revitalization Law totaled ¥295.9 billion as of March 31, 2012, an increase of ¥16.3 billion over the previous fiscal year, due to additional provisions recorded in the specialty finance and other businesses in our aim to reduce future credit cost burdens. Although the balance of non-performing loan increased, an increase in the amount of total claims resulted in an improvement in the ratio.

Financial and Economic Environment

- During fiscal year 2011, domestic production activity and individual consumption, which temporarily declined due to the impact of the Great East Japan Earthquake of March 11, 2011 (“Earthquake”), have both recovered. However, many issues related to the Earthquake remain unsolved such as the recovery of the disaster-affected areas, resolution of the nuclear power plant accident in Fukushima and reconstruction of the electric power supply system. This difficult situation for the Japanese economy has been exacerbated by the prolonged strength of the yen, severe employment conditions, deflation, the European debt crisis and the stagnation of the world economy, especially after the summer season and the flooding in Thailand.
- In light of these circumstances, the Japanese government (Government) and the Bank of Japan (BOJ) intervened in the foreign exchange market and took other actions to support and achieve continuing economic growth. The Government tried to promote and accomplish important policies, including getting approval of a supplementary budget for post-Earthquake disaster reconstruction. However, it was sometimes difficult to achieve swift decisions on policy due to the instability of the political situation in Japan during fiscal year 2011. Meanwhile, the BOJ promoted an aggressive monetary policy, including further monetary easing measures.
- Since January 2012, due to the effects of the governmental policies and expectations for the recovery of the European and US economies, the Japanese economy has partly shown an upward tendency. However, the real recovery of the Japanese economy has been delayed by recent risks, such as the lengthening of the European debt crisis and rising oil prices, and the downward risk for the Japanese economy posed by a slump in the world economy related to these and other factors.
- Under these circumstances, the yen’s appreciation, which had continued until the 3rd quarter of fiscal year 2011, relaxed to some degree during the fourth quarter of fiscal year 2011. As of the end of March 2012, the euro-Japanese yen exchange rate was approximately ¥110 (a decline of approximately ¥7 from the end of March 2011) and the U.S. dollar -Japanese yen exchange rate was ¥82 (a slight decline from the end of March 2011).
- The domestic long-term (10 year government bond yields) interest rate was approximately 1.3% at the beginning of fiscal year, but moved to approximately 1.0% after August 2011 due to the severe domestic and international economic environment and an inflow of capital to the Japanese bond market as a safety asset. The short-term interest rate remained at a low level. Domestic interest rates have continued to decline as a result of the monetary policy described above.
- The Nikkei 225 recorded over ¥10,000 at one point in July 2011, and then declined to a low point of ¥8,160.01 on November 25, 2011. Since January 2012, the Nikkei 225 has risen again due to expectations of economic recovery. The Nikkei 225 was ¥10,083.56 at the end of March 2012 (an increase of approximately of ¥330 from the end of March 2011).

Section 1. Consolidated Information

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

(Billions of yen, except percentages)

	FY2011 (12 months)	FY2010 (12 months)	% Change	1HFY2011 (6 months)
Net interest income	116.9	156.6	(25.4)	60.7
Non-interest income	86.0	135.4	(36.5)	44.9
Net fees and commissions	25.2	26.0	(3.2)	13.8
Net trading income	13.6	11.6	17.0	6.5
Net other business income	47.2	97.7	(51.7)	24.4
Total revenue	202.9	292.1	(30.5)	105.6
General and administrative expenses	127.9	142.8	(10.4)	63.3
Ordinary business profit	74.9	149.2	(49.8)	42.3
Net credit costs	12.2	68.3	(82.1)	8.8
Ordinary business profit after net credit costs	62.7	80.8	(22.5)	33.5
Amortization of goodwill and other intangible assets ⁽²⁾	11.9	13.0	(8.7)	6.2
Other gains (losses)	(35.4)	(10.0)	(253.4)	(1.5)
Income (loss) before income taxes and minority interests	15.3	57.7	(73.4)	25.7
Current income tax	2.9	1.9	46.8	1.6
Deferred income tax	2.4	5.2	(53.5)	1.7
Minority interests in net income of subsidiaries	3.5	7.9	(55.0)	1.9
Net income	6.4	42.6	(84.9)	20.3
Cash basis net income ⁽³⁾	16.0	53.8	(70.2)	25.6

(1) Represents results based on management accounting basis.

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

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

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

- Shinsei Bank reported total revenue for fiscal year 2011 of ¥202.9 billion. This was ¥89.1 billion lower than the ¥292.1 billion total revenue recorded for fiscal year 2010.
 - Loans and bills discounted balance increased in the fourth quarter of fiscal year 2011, from ¥4,076.5 billion as of December 31, 2011 to ¥4,136.8 billion as of March 31, 2012. The core business assets increased due to commencement of Consumer Finance business provided through the Bank, active commitment by each business to provide high value-added financial products and services, and continuous efforts to expand our customer base. However, as compared to fiscal year 2010, net interest income decreased due to reduction in non-core assets and a lower loan balance of Consumer Finance loans. Non-interest income also decreased due to lower growth of revenue related to derivatives and securities caused by the slump in financial markets. In addition, a considerable gain on repurchases of perpetual preferred securities and subordinated debt, recorded for fiscal year 2010, was not present for fiscal year 2011, which resulted in the decrease in total revenue. Net interest income amounted to ¥116.9 billion for fiscal year 2011, a decrease of ¥39.7 billion, as compared to ¥156.6 billion for fiscal year 2010. Non-interest income amounted to ¥86.0 billion for fiscal year 2011, a decrease of ¥49.4 billion, as compared to ¥135.4 billion for fiscal year 2010.
 - Net fees and commissions decreased to ¥25.2 billion for fiscal year 2011 from ¥26.0 billion for fiscal year 2010 mainly due to lower income from investment products such as structured deposits. As compared to fiscal year 2010, net trading income increased from ¥11.6 billion to ¥13.6 billion, and net other business income decreased from ¥97.7 billion to ¥47.2 billion, respectively, for fiscal year 2011.
 - Net other business income included income on lease transactions and installment receivables from Showa Leasing, APLUS FINANCIAL and Shinsei Financial of ¥36.6 billion for fiscal year 2011, as compared to ¥38.7 billion for fiscal year 2010. Net other business income for fiscal year 2010 included non-recurring gains such as ¥29.4 billion of gains on repurchases of perpetual preferred securities and subordinated debt, ¥7.0 billion of gains on sales of asset backed investments and securities, and ¥4.3 billion of gains on sales of CLO.
- General and administrative expenses were ¥127.9 billion for fiscal year 2011, a decrease of ¥14.8 billion compared to fiscal year 2010. This was mainly due to substantial expense reductions achieved through rationalization and efficiency improvements across our business, especially within the consumer finance business where the business was appropriately scaled down in anticipation of a decrease in the loan balance due to the impact of the revised Money-Lending Business Control and Regulation Law.
- Net credit costs showed a significant decrease as compared to fiscal year 2010. Although additional provisions were recorded at specialty finance in anticipation of mitigating future costs, the decrease in net credit costs was a result of continued divestiture of risk potential bearing non-core assets, in addition to improvements in credit quality due to the stricter credit management and strengthening of collection systems that Shinsei Financial Co., Ltd. has been implementing

incrementally to date, as well as an improvement in asset quality following the income-linked borrowing limitation regulations implemented last year, coupled with large-scale credit recovery.

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 fiscal year 2011, net credit costs were ¥12.2 billion, while net credit costs excluding recoveries of written-off claims of ¥10.8 billion were ¥23.1 billion, showing a substantial decrease from ¥68.3 billion for fiscal year 2010.

- Amortization of goodwill and other intangible assets associated with the acquisition of consumer finance and commercial finance companies was ¥11.9 billion for fiscal year 2011 as compared to ¥13.0 billion for fiscal year 2010. The lower amount was attributable to factors including the sum-of-the-years' digits method for amortization of goodwill and intangible assets related to Shinsei Financial.
 - Other losses were ¥35.4 billion for fiscal year 2011, mainly due to ¥32.8 billion of additional reserves for losses on interest repayment, which were processed in fiscal year 2011 in case of additional future cost. 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. Other losses of ¥10.0 billion for fiscal year 2010 were recorded due to
- ¥10.1 billion of additional provisions of reserve for losses on interest repayment, ¥4.4 billion of restructuring cost at Shinsei Financial, ¥3.6 billion of asset retirement obligation costs at Shinsei Bank and its subsidiaries, offset by ¥14.8 billion of recoveries of written-off claims.
 - Current and deferred income taxes reflected a net expense of ¥5.3 billion for fiscal year 2011, mainly due to amount of deferred income tax recorded after the impact of tax reform.
 - Minority interests in net income of subsidiaries largely reflect dividends accrued on perpetual preferred securities and minority interests in consolidated subsidiaries. Due to factors including the repurchase of perpetual preferred securities in fiscal year 2010, minority interests in net income of subsidiaries declined by ¥4.3 billion from ¥7.9 billion for fiscal year 2010 to ¥3.5 billion for fiscal year 2011.
 - The Bank realized consolidated net income of ¥6.4 billion on a reported basis for fiscal year 2011. This is a decline compared to the net income of ¥42.6 billion recorded in fiscal year 2010. This reflects ¥32.8 billion of additional provisions of reserve for losses on interest repayment recorded in fiscal year 2011. In contrast, a considerable amount of non-recurring gains, such as ¥29.4 billion in gains on repurchases of perpetual preferred securities and subordinated debts were included in consolidated net income in fiscal year 2010, together with additional provisions of reserve for losses on interest repayment which were limited to ¥10.1 billion.
 - Consolidated cash basis net income for fiscal year 2011 was ¥16.0 billion, a decrease as compared to ¥53.8 billion for fiscal year 2010. The cash basis net income is calculated by excluding amortization and impairment of goodwill and other intangible assets, net of tax benefit, from net income under accounting principles generally accepted in Japan (Japanese GAAP).

Items included in Results of Operations ⁽¹⁾ - Table 1-1- (Consolidated)

	(Billions of yen)			
	FY2011 (12 months) (a)+(b)	Q4FY2011 (3 months) (a)	Q1-Q3FY2011 (9 months) (b)	(Reference) FY2010 (12 months)
Gains included in revenue				
Gain from the sale of foreign equity (net of withholding tax)	6.3	-	6.3	-
Gain from the sale of collateralized loan obligations (CLOs)	-	-	-	4.3
Gain from the sale of asset-backed securities and asset-backed investments	-	-	-	7.0
Gain from buy back of preferred securities and subordinated debt	-	-	-	29.4
Others	1.1	1.1	-	-
Total	7.4	1.1	6.3	40.9
Losses included in revenue				
Impairment of major listed shares	(5.2)	-	(5.2)	-
Domestic real estate non-recourse finance (bonds)	(3.3)	(0.6)	(2.6)	(3.7)
Japanese real estate principal investments	-	-	-	(1.1)
Others	(3.3)	(2.5)	(0.8)	(1.9)
Subtotal (i)	(11.9)	(3.2)	(8.7)	(6.8)
Items included in net credit costs				
Reversal of major institutional credit reserve	17.2	-	17.2	-
Domestic real estate non-recourse finance	(8.0)	(2.3)	(5.6)	(19.5)
Specialty finance	(18.8)	-	(18.8)	(19.9)
Asset-backed investments	(2.2)	(2.2)	-	3.7
Others	1.6	-	1.6	(6.1)
Subtotal (ii)	(10.1)	(4.5)	(5.5)	(41.7)
Other gains (losses)				
Grey zone related provisions	(32.8)	(21.0)	(11.8)	(10.1)
Losses on application of new accounting standard for asset retirement obligations	-	-	-	(3.6)
Others	(0.2)	(1.9)	1.6	(4.4)
Subtotal (iii)	(33.1)	(22.9)	(10.1)	(18.2)
Corporate tax adjustment due to tax reform (iv)	(1.3)	(0.5)	(0.7)	-
Total (i) + (ii) + (iii) +(iv)	(56.6)	(31.3)	(25.2)	(66.8)
Breakdown by Category				
Specialty finance	(18.8)	-	(18.8)	(19.9)
Grey zone related provisions	(32.8)	(21.0)	(11.8)	(10.1)
Domestic real estate non-recourse finance	(11.3)	(3.0)	(8.3)	(23.2)
Impairment of major listed shares	(5.2)	-	(5.2)	-
Corporate tax adjustment due to tax reform	(1.3)	(0.5)	(0.7)	-
Reversal of major institutional credit reserve	17.2	-	17.2	-
Japanese real estate principal investments	-	-	-	(1.1)
Losses on application of new accounting standard for asset retirement obligations	-	-	-	(3.6)
Asset-backed investments	(2.2)	(2.2)	-	1.8
Others	(2.0)	(4.4)	2.4	(10.5)
Total	(56.6)	(31.3)	(25.2)	(66.8)

(1) This table shows items which are considered to be largely non-recurring.

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

	(Billions of yen, except percentages)								
	FY2011 (12 months)			FY2010 (12 months)			1HFY2011 (6 months)		
	Average Balance	Interest	Yield/rate (%)	Average Balance	Interest	Yield/rate (%)	Average Balance	Interest	Yield/rate (%)
Interest-earning assets ⁽¹⁾ :									
Loans and bills discounted	4,159.8	140.3	3.37	4,680.7	178.5	3.82	4,220.3	72.5	3.43
Lease receivables and leased investment assets / installment receivables ⁽¹⁾	545.6	36.6	6.72	566.7	38.7	6.83	544.0	18.6	6.83
Securities	2,394.6	17.8	0.74	3,056.4	23.8	0.78	2,762.0	9.7	0.70
Other interest-earning assets ⁽²⁾⁽³⁾	351.3	1.5	n.m. ⁽⁵⁾	540.4	4.7	n.m. ⁽⁵⁾	331.9	0.8	n.m. ⁽⁵⁾
Total revenue on interest-earning assets (A) ⁽¹⁾	7,451.4	196.4	2.64	8,844.4	245.8	2.78	7,858.3	101.7	2.58
Interest-bearing liabilities:									
Deposits, including negotiable certificates of deposit	5,623.5	29.0	0.52	5,946.6	34.5	0.58	5,669.6	15.1	0.53
Debentures	320.5	1.4	0.46	426.3	2.3	0.56	333.4	0.8	0.50
Borrowed money	647.2	5.5	0.86	1,422.1	7.0	0.50	814.4	2.9	0.72
Subordinated debt	94.5	1.7	1.86	101.9	0.8	0.88	96.1	0.7	1.66
Other borrowed money	552.7	3.8	0.69	1,320.1	6.2	0.47	718.3	2.1	0.59
Corporate bonds	170.1	5.7	3.38	190.8	5.5	2.88	168.4	2.8	3.35
Subordinated bonds	145.6	5.3	3.67	157.0	5.1	3.28	141.9	2.6	3.68
Other corporate bonds	24.5	0.4	1.67	33.7	0.3	1.03	26.5	0.2	1.56
Other interest-bearing liabilities ⁽²⁾	476.0	0.9	n.m. ⁽⁵⁾	521.2	0.9	n.m. ⁽⁵⁾	635.1	0.6	n.m. ⁽⁵⁾
Total expense on interest-bearing liabilities (B)	7,237.5	42.8	0.59	8,507.2	50.4	0.59	7,621.1	22.3	0.59
Net interest margin (A)-(B) ⁽¹⁾	-	153.5	2.04	-	195.3	2.19	-	79.3	2.00
Non interest-bearing sources of funds:									
Non interest-bearing (assets) liabilities, net	(342.8)	-	-	(166.0)	-	-	(321.4)	-	-
Total equity excluding minority interests in subsidiaries ⁽⁴⁾	556.7	-	-	503.2	-	-	558.5	-	-
Total non interest-bearing sources of funds (C)	213.8	-	-	337.1	-	-	237.1	-	-
Sum of total expense on interest-bearing liabilities and non-interest-bearing sources of funds (D)=(B)+(C)	7,451.4	42.8	0.57	8,844.4	50.4	0.57	7,858.3	22.3	0.57
Net revenue/yield on interest-earning assets (A)-(D) ⁽¹⁾	-	153.5	2.06	-	195.3	2.21	-	79.3	2.01
Reconciliation of total revenue on interest-earning assets to total interest income:									
Total revenue on interest-earning assets	7,451.4	196.4	2.64	8,844.4	245.8	2.78	7,858.3	101.7	2.58
Less: Income on lease transactions and installment receivables	545.6	36.6	6.72	566.7	38.7	6.83	544.0	18.6	6.83
Total interest income	6,905.7	159.7	2.31	8,277.6	207.1	2.50	7,314.2	83.1	2.27
Total interest expense	-	42.8	-	-	50.4	-	-	22.3	-
Net interest income	-	116.9	-	-	156.6	-	-	60.7	-

(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 fiscal year 2011 was ¥153.5 billion, a decrease of ¥41.7 billion compared to fiscal year 2010.
- This decrease was because total revenue on interest-earning assets decreased by ¥49.4 billion exceeding the ¥7.6 billion of decrease in expense on interest-bearing liabilities for fiscal year 2011 compared to fiscal year 2010.
- The net interest margin was 2.04% for fiscal year 2011, compared to 2.19% for fiscal year 2010.
 - The change in net interest margin largely reflected lower volume and lower yield of loans and bills discounted and securities, partly offset by lower interest expense for deposits, including negotiable certificates of deposit and debentures.
 - However, at 2.04%, the net interest margin over fiscal year 2011 showed a slight improvement compared to the 2.00% recorded over the first half of fiscal year 2011 (April – September 2011). This improvement reflects an increase in the yield on interest-earning assets.

Non-Interest Income -Table 3- (Consolidated)

(Billions of yen, except percentages)

	FY2011 (12 months)	FY2010 (12 months)	% Change	1HFY2011 (6 months)
Net fees and commissions	25.2	26.0	(3.2)	13.8
Net trading income	13.6	11.6	17.0	6.5
Net other business income	47.2	97.7	(51.7)	24.4
Income on lease transactions and installment receivables	36.6	38.7	(5.2)	18.6
Total non-interest income	86.0	135.4	(36.5)	44.9

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 on lease transactions and installment receivables and gains and losses on sales of available-for-sale securities.

Total non-interest income amounted to ¥86.0 billion for fiscal year 2011, a decrease of ¥49.4 billion compared to fiscal year 2010. 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. However, as of fiscal year 2011, such non-recurring losses and gains have become relatively less significant and core businesses are now the main driver of financial performance. Profits from core businesses were the major contributors to total revenue for fiscal year 2011.

- Net fees and commissions were mainly from non-recourse finance on domestic real estate, guarantee and other businesses operated by consumer finance subsidiaries, and sales of mutual funds and variable annuities. Net fees and commissions of ¥25.2 billion were recorded for fiscal year 2011, a decrease of ¥0.8 billion from ¥26.0 billion for fiscal year 2010.
- Net trading income includes revenues from derivatives with customer-driven transactions and those from proprietary trading. ¥13.6 billion was recorded for fiscal

year 2011, an increase of ¥1.9 billion from ¥11.6 billion for fiscal year 2010.

- Net other business income was ¥47.2 billion for fiscal year 2011, compared to ¥97.7 billion for fiscal year 2010. This included income on lease transactions assets and installment receivables of ¥36.6 billion at Showa Leasing, APLUS FINANCIAL, Shinsei Financial and others, compared to ¥38.7 billion for fiscal year 2010.

Net other business income also included ¥6.3 billion, net of withholding tax, of gains on sale of foreign equities that had been classified as non-core assets, ¥5.2 billion of impairment of major listed shares, ¥3.3 billion of impairment of bonds related to domestic real estate non-recourse finance, and ¥1.5 billion of impairment to private equity investments for fiscal year 2011. Net other business income for fiscal year 2010 included ¥29.4 billion of gains on repurchases of perpetual preferred securities and subordinated debts, ¥7.0 billion of gains on sales of asset backed investments and securities, ¥4.3 billion of gains on sales of CLO, ¥3.7 billion of revaluation loss and impairments of bonds related to domestic real estate non-recourse finance, and ¥1.1 billion of revaluation loss and impairments of real estate related investments.

General and Administrative Expenses -Table 4- (Consolidated)

(Billions of yen, except percentages)

	FY2011 (12 months)	FY2010 (12 months)	% Change	1HFY2011 (6 months)
Personnel expenses	51.0	55.0	(7.3)	25.4
Non-personnel expenses	76.9	87.7	(12.4)	37.8
Premises expenses	20.4	23.2	(12.0)	10.2
Technology and data processing expenses	17.2	19.2	(10.1)	8.3
Advertising expenses	9.1	9.2	(1.0)	4.4
Consumption and property taxes	6.3	7.7	(18.1)	2.8
Deposit insurance premium	4.6	5.4	(14.1)	2.3
Other general and administrative expenses	18.9	22.8	(17.0)	9.5
General and administrative expenses	127.9	142.8	(10.4)	63.3

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

- General and administrative expenses were ¥127.9 billion for fiscal year 2011, a decrease of ¥14.8 billion compared to ¥142.8 billion for fiscal year 2010, as a result of steady expense reduction and streamlining for each expense category.
- Personnel expenses of ¥51.0 billion for fiscal year 2011 decreased by ¥4.0 billion from ¥55.0 billion for fiscal year 2010.
 - We have been able to reduce our personnel expenses through ongoing personnel expense rationalization and streamlining across our business.

- Non-personnel expenses of ¥76.9 billion decreased by ¥10.8 billion from ¥87.7 billion for fiscal year 2010, as we have worked to reduce expenses across all of our business lines through strict expense control discipline.
- Shinsei Bank relocated its head office from Uchisaiwai-cho to Nihonbashi-muromachi and began operations from its new head office building on January 4, 2011. We have been able to reduce our office space significantly and enhanced energy conservation through the relocation.
- Premises expenses declined by ¥2.7 billion to ¥20.4 billion, mainly due to Shinsei Bank's head office relocation and consumer finance subsidiaries' branch optimization. Technology and data processing expenses were ¥1.9 billion lower than fiscal year 2010 mainly due to automated contract machine sharing and optimization between Shinsei Financial and Shinki. Advertising expenses of ¥9.1 billion were lower than ¥9.2 billion for fiscal year 2010, as a result of efficient management of diversified advertising activities needed for our commencement of consumer finance business at the Bank in October 2011.

Net Credit Costs -Table 5- (Consolidated)

	<i>(Billions of yen, except percentages)</i>			
	FY2011 (12 months)	FY2010 (12 months)	% Change	1HFY2011 (6 months)
Losses on write-off of loans/Losses on sale of loans	5.7	7.5	(23.9)	4.1
Net provision of reserve for loan losses:	36.3	61.7	(41.2)	11.5
Net provision (reversal) of general reserve for loan losses	(5.9)	30.4	(119.5)	4.0
Net provision of specific reserve for loan losses	42.2	31.2	35.0	7.4
Net provision (reversal) of reserve for loan losses to restructuring countries	(0.0)	(0.0)	(971.3)	(0.0)
Net provision (reversal) of specific reserve for other credit losses	(17.2)	0.0	n.m. ⁽²⁾	-
Other credit costs (reversal) relating to leasing business	(1.6)	(0.9)	(86.8)	(0.9)
Recoveries of written-off claims ⁽¹⁾	(10.8)	-	-	(5.9)
Net credit costs	12.2	68.3	(82.1)	8.8

(1) Included in Net Credit Costs from FY2011.

(2) n.m. is not meaningful.

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

- Net credit costs for fiscal year 2011 showed a significant decrease as compared to fiscal year 2010. Net credit costs in the Institutional Group decreased as a result of continued divestiture of non-core assets, coupled with large-scale credit recovery. This was despite additional provisions recorded in fiscal year 2011 in the specialty finance and other businesses, in our aim to reduce future credit costs. In consumer finance, improvements in credit quality due to stricter credit management and strengthening of collection systems that Shinsei Financial Co., Ltd. has been implementing incrementally to date, as well as an improvement in asset quality following the income-linked borrowing limitation regulations implemented last year, coupled with the overall decrease in operating assets, resulted in a significant decrease in net credit costs.
- 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 fiscal year 2011, net credit costs were ¥12.2 billion, while net credit costs excluding recoveries of written-off claims of ¥10.8 billion were ¥23.1 billion, showing a substantial decrease from ¥68.3 billion for fiscal year 2010.
- Shinsei Financial and Shinsei Bank Card Loan – Lake recorded net recoveries of ¥8.0 billion for fiscal year 2011. Net credit recoveries, excluding recoveries of written-off claims, were ¥0.4 billion, an improvement compared to net credit costs of ¥7.7 billion for fiscal year 2010.
- ¥10.8 billion of recoveries of written-off claims for fiscal year 2011 include ¥7.6 billion at Shinsei Financial, ¥2.0 billion at Shinsei Bank (non-consolidated basis), and ¥1.0 billion at Shinki.

Amortization of Goodwill and Other Intangible Assets -Table 6- (Consolidated)*(Billions of yen, except percentages)*

	FY2011 (12 months)	FY2010 (12 months)	% Change	1HFY2011 (6 months)
Shinsei Financial	8.5	9.6	(11.0)	4.5
Shinki	(0.3)	(0.3)	0.0	(0.1)
APLUS FINANCIAL	0.8	0.8	(6.0)	0.4
Showa Leasing	2.9	2.9	(1.1)	1.4
Others	(0.0)	(0.0)	(0.0)	(0.0)
Amortization of goodwill and other intangible assets	11.9	13.0	(8.7)	6.2

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 ¥11.9 billion for fiscal year 2011 compared to ¥13.0 billion for fiscal year 2010.
- 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 ¥0.8 billion for fiscal year 2011 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)*

	FY2011 (12 months)	FY2010 (12 months)	% Change	1HFY2011 (6 months)
Extraordinary income (loss)	(1.4)	3.8	(136.5)	(1.1)
Net gain on disposal of premises and equipment	(0.5)	(0.5)	6.2	(0.1)
Recoveries of written-off claims	-	14.8	(100.0)	-
Losses on application of new accounting standard for asset retirement obligations	-	(3.6)	100.0	-
Other extraordinary income (loss)	(0.8)	(6.8)	87.0	(1.0)
Provisions of reserve for losses on interest repayment	(32.8)	(10.1)	(224.1)	(0.8)
Shinsei Financial	(15.9)	(4.7)	(237.6)	(0.8)
Shinki	(11.5)	(2.1)	(445.3)	-
APLUS FINANCIAL	(5.3)	(3.2)	(62.6)	-
Other	-	-	-	-
Other	(1.1)	(3.7)	70.1	0.4
Other gains (losses)	(35.4)	(10.0)	(253.4)	(1.5)

- Other losses of ¥35.4 billion were recorded for fiscal year 2011, including additional provisions of reserve for losses on interest repayment of ¥15.9 billion in Shinsei Financial, ¥11.5 billion in Shinki, and ¥5.3 billion in APLUS FINANCIAL. Additional provisions for losses on interest repayment in Shinsei Financial were recorded for the portion of the portfolio not covered by the GE indemnity included in the purchase agreement of Shinsei Financial from GE. 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. Other losses of ¥10.0 billion for fiscal year 2010 were recorded due to asset retirement obligation costs of ¥3.6 billion at Shinsei Bank and its subsidiaries, partially offset by ¥14.8 billion of recoveries of written-off claims.

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

(Billions of yen, except percentages)

	FY2011 (12 months)	FY2010 (12 months)	% Change	1HFY2011 (6 months)
Dividends on perpetual preferred securities (hybrid Tier I capital) issued by foreign SPCs	3.0	7.5	(59.4)	1.5
Others	0.4	0.3	36.4	0.3
Minority interests in net income of subsidiaries	3.5	7.9	(55.0)	1.9

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

- Minority interests in net income of subsidiaries for fiscal year 2011 were ¥3.5 billion. Minority interests in net income of subsidiaries largely reflect dividends accrued on perpetual preferred securities and minority interests in the net income of other consolidated subsidiaries for fiscal year 2011. Due to factors including the repurchase of perpetual preferred securities in fiscal year 2010, minority interests in net income of subsidiaries declined by ¥4.3 billion from ¥7.9 billion for fiscal year 2010.

Major Balance Sheet Data -Table 9- (Consolidated)

	(Billions of yen)				
	Mar 31 2012 (a)	Mar 31 2011 (b)	Change (a)-(b)	Sep 30 2011 (c)	Change (a)-(c)
Loans and bills discounted	4,136.8	4,291.4	(154.6)	4,125.5	11.2
Installment receivables	347.9	330.4	17.4	324.4	23.5
Leased assets, lease receivables and leased investment assets	214.7	219.9	(5.2)	212.2	2.4
Securities	1,873.4	3,286.3	(1,412.8)	2,220.1	(346.6)
Other monetary claims purchased	130.9	157.0	(26.0)	147.0	(16.0)
Other interest earning assets ⁽¹⁾	561.9	463.1	98.7	412.0	149.8
Trading assets	202.6	195.3	7.2	239.1	(36.5)
Monetary assets held in trust	267.6	253.6	13.9	276.4	(8.8)
Goodwill, net	41.9	49.5	(7.5)	45.5	(3.5)
Other intangible assets ⁽²⁾	16.2	20.5	(4.2)	18.2	(2.0)
Other assets	433.3	587.4	(154.1)	546.7	(113.4)
Customer's liabilities for acceptances and guarantees	562.6	575.7	(13.0)	557.2	5.3
Reserve for credit losses	(180.6)	(199.2)	18.5	(184.3)	3.6
Total assets	8,609.6	10,231.5	(1,621.8)	8,940.5	(330.8)
Deposits and negotiable certificates of deposit	5,362.4	5,610.6	(248.2)	5,537.3	(174.9)
Debentures	294.1	348.2	(54.1)	313.1	(19.0)
Borrowed money	476.7	1,672.7	(1,196.0)	547.2	(70.5)
Corporate bonds	168.7	179.6	(10.8)	163.6	5.1
Other interest bearing liabilities ⁽³⁾	409.4	452.8	(43.4)	406.9	2.5
Trading liabilities	176.0	147.7	28.2	191.2	(15.2)
Reserve for losses on interest repayments	50.9	43.1	7.7	29.9	20.9
Other liabilities	480.8	589.4	(108.5)	563.7	(82.8)
Acceptances and guarantees	562.6	575.7	(13.0)	557.2	5.3
Total liabilities	7,982.0	9,620.3	(1,638.3)	8,310.4	(328.4)
Total equity	627.6	611.1	16.5	630.1	(2.4)

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

(2) Intangible assets recorded through consolidation of Shinsei Financial, Shinki, APLUS 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

- Shinsei Bank's loans and bills discounted balance was ¥4,136.8 billion as of March 31, 2012. It declined compared to the balance of ¥4,291.4 billion as of March 31, 2011, but increased compared to the balance of ¥4,076.5 billion as of December 31, 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 Global Markets Group accumulated core business assets, and the rate of decrease of the loan balance in Consumer Finance has gradually become less pronounced, mainly due to the commencement of the Consumer Finance business from October 2011 through the bank.
- Securities balance as of March 31, 2012 was ¥1,873.4 billion compared to ¥3,286.3 billion as of March 31, 2011.
 - 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 ¥1,285.1 billion as of March 31, 2012, down from ¥2,462.6 billion as of March 31, 2011.
- Shinsei Bank continues to optimize its funding base through focusing on deposits from retail customers. Total deposits and negotiable certificates of deposit changed from ¥5,610.6 billion as of March 31, 2011 to ¥5,362.4 billion as of March 31, 2012.
 - The retail deposits balance totaled ¥4,662.4 billion as of March 31, 2012, compared to ¥4,752.2 billion as of March 31, 2011. Retail Banking constitutes 87.2% of the Bank's total funding through customer deposits and debentures.

Risk-Monitored Loans -Table 10- (Consolidated)

	(Billions of yen)				
	Mar 31 2012 (a)	Mar 31 2011 (b)	Change (a)-(b)	Sep 30 2011 (c)	Change (a)-(c)
Loans to bankrupt obligors	8.1	13.9	(5.7)	14.9	(6.8)
Non-accrual delinquent loans	316.7	317.9	(1.2)	274.1	42.5
Loans past due for three months or more	1.7	2.2	(0.5)	1.7	(0.0)
Restructured loans	45.3	60.9	(15.6)	54.9	(9.6)
Total (A)	371.9	395.0	(23.0)	345.9	26.0
Loans and bills discounted (B)	4,136.8	4,291.4	(154.6)	4,125.5	11.2
Ratio to total loans and bills discounted (A / B X 100) (%)	8.99%	9.21%	/	8.39%	/
Reserve for credit losses (C)	180.6	199.2	(18.5)	184.3	(3.6)
Reserve ratio (C / A X 100)	48.6%	50.4%	/	53.3%	/

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

- Risk monitored loans totaled ¥371.9 billion as of March 31, 2012 compared to ¥395.0 billion as of March 31, 2011 and ¥432.3 billion as of March 31, 2010. During fiscal year 2011, risk monitored loans decreased by ¥23.0 billion.
- The ratio of risk monitored loans to total loans and bills discounted was 8.99% as of March 31, 2012 and declined 22 basis points compared to March 31, 2011.

Reserve for Credit Losses -Table 11- (Consolidated)

	(Billions of yen)				
	Mar 31 2012 (a)	Mar 31 2011 (b)	Change (a)-(b)	Sep 30 2011 (c)	Change (a)-(c)
General reserve for loan losses	80.9	102.7	(21.8)	96.9	(15.9)
Specific reserve for loan losses	99.6	96.4	3.2	87.4	12.2
Reserve for loans to restructuring countries	0.0	0.0	(0.0)	0.0	-
Total reserve for credit losses	180.6	199.2	(18.5)	184.3	(3.6)

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

Loans by Borrower Industry -Table 12- (Consolidated)

	(Billions of yen)				
	Mar 31 2012 (a)	Mar 31 2011 (b)	Change (a)-(b)	Sep 30 2011 (c)	Change (a)-(c)
Domestic offices (excluding Japan offshore market account):					
Manufacturing	244.5	231.5	13.0	246.9	(2.4)
Agriculture and forestry	0.3	0.0	0.3	1.2	(0.9)
Fishery	-	2.2	(2.2)	1.0	(1.0)
Mining, quarrying and gravel extraction	0.2	0.4	(0.1)	0.4	(0.1)
Construction	15.9	8.3	7.5	16.1	(0.2)
Electric power, gas, heat supply and water supply	48.6	27.1	21.5	37.6	11.0
Information and communications	39.9	12.6	27.2	34.9	4.9
Transportation and postal service	245.0	284.3	(39.2)	276.0	(30.9)
Wholesale and retail	86.0	101.4	(15.4)	80.2	5.7
Finance and insurance	694.7	722.6	(27.9)	680.0	14.6
Real estate	598.3	597.4	0.8	610.8	(12.4)
Services	307.5	330.4	(22.9)	310.8	(3.3)
Local government	139.5	158.8	(19.2)	140.9	(1.3)
Others	1,622.4	1,752.1	(129.6)	1,603.9	18.5
Loans to individual customers (retail banking, Shinsei Bank Lake, Shinsei Financial, Shinki and APLUS FINANCIAL)	1,439.4	1,527.8	(88.3)	1,430.3	9.1
Total domestic (A)	4,043.4	4,229.7	(186.3)	4,041.4	1.9
Overseas offices (including Japan offshore market accounts):					
Governments	2.0	2.2	(0.1)	2.1	(0.0)
Financial institutions	1.0	1.6	(0.5)	1.1	(0.1)
Others	90.2	57.7	32.4	80.7	9.5
Total overseas (B)	93.3	61.6	31.7	84.0	9.3
Total (A+B)	4,136.8	4,291.4	(154.6)	4,125.5	11.2

Securities by Category -Table 13- (Consolidated)

(Billions of yen)

	Mar 31 2012	Mar 31 2011	Sep 30 2011
Trading securities	0.6	1.0	0.7
Securities being held to maturity	658.5	553.9	669.1
Securities available for sale	1,175.6	2,695.6	1,516.3
Securities carried at fair value	1,092.3	2,600.0	1,428.5
Securities carried at cost whose fair value cannot be reliably determined	83.2	95.5	87.8
Equity securities of unconsolidated subsidiaries and affiliates	38.6	35.7	33.7
Securities	1,873.4	3,286.3	2,220.1

Securities Being Held to Maturity -Table 14- (Consolidated)

(Billions of yen)

	March 31, 2012			March 31, 2011			September 30, 2011		
	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	585.6	590.9	5.3	393.6	397.7	4.0	554.6	559.7	5.1
Japanese corporate bonds	22.8	23.0	0.2	59.5	60.2	0.6	27.6	28.0	0.4
Other	40.2	44.2	4.0	40.1	43.7	3.6	37.4	40.7	3.3
Subtotal	648.7	658.2	9.5	493.3	501.7	8.3	619.7	628.6	8.8
Fair value does not exceed carrying amount									
Japanese national government bonds	-	-	-	50.1	50.0	(0.0)	40.1	40.0	(0.0)
Japanese corporate bonds	-	-	-	-	-	-	-	-	-
Other	9.8	9.2	(0.5)	10.4	9.9	(0.4)	9.3	8.7	(0.5)
Subtotal	9.8	9.2	(0.5)	60.6	60.0	(0.5)	49.4	48.8	(0.6)
Total	658.5	667.5	8.9	553.9	561.7	7.7	669.1	677.4	8.2

Available-for-Sale Securities -Table 15- (Consolidated)

	(Billions of yen)								
	March 31, 2012			March 31, 2011			September 30, 2011		
	Carrying amount (Fair value)	Amortized/ Acquisition cost	Unrealized gain (loss)	Carrying amount (Fair value)	Amortized/ Acquisition cost	Unrealized gain (loss)	Carrying amount (Fair value)	Amortized/ Acquisition cost	Unrealized gain (loss)
Carrying amount exceeds amortized/acquisition cost									
Equity securities	17.1	11.5	5.5	5.8	4.2	1.6	4.9	3.8	1.0
Domestic bonds	681.8	679.4	2.3	1,219.6	1,217.9	1.6	923.7	920.8	2.8
Japanese national government bonds	619.5	617.6	1.9	1,152.2	1,151.3	0.8	843.1	841.1	2.0
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	60.4	60.0	0.3	65.5	64.8	0.7	78.7	78.0	0.6
Other	71.2	66.8	4.4	88.9	84.7	4.1	68.7	65.6	3.1
Foreign securities	55.7	51.5	4.1	73.0	69.1	3.9	49.6	46.7	2.9
Foreign currency denominated foreign corporate and government bonds	31.4	28.6	2.8	36.7	33.7	2.9	31.0	28.5	2.4
Yen-denominated foreign corporate and government bonds	19.6	19.4	0.2	34.2	33.7	0.5	16.6	16.5	0.0
Foreign equity securities and others	4.6	3.4	1.1	2.1	1.7	0.3	2.0	1.6	0.3
Other securities	1.1	0.9	0.1	1.0	0.9	0.1	1.0	0.9	0.1
Other monetary claims purchased	14.4	14.4	0.0	14.7	14.6	0.1	18.0	18.0	0.0
Subtotal	770.2	757.9	12.3	1,314.4	1,306.9	7.5	997.4	990.3	7.0
Carrying amount does not exceed amortized/acquisition cost									
Equity securities	2.1	2.7	(0.6)	8.9	13.4	(4.5)	8.8	9.7	(0.8)
Domestic bonds	247.7	251.7	(3.9)	1,085.3	1,093.2	(7.8)	331.1	334.6	(3.5)
Japanese national government bonds	79.9	80.7	(0.7)	866.4	869.0	(2.5)	166.5	167.4	(0.8)
Japanese local government bonds	-	-	-	-	-	-	-	-	-
Japanese corporate bonds	167.7	170.9	(3.2)	218.9	224.1	(5.2)	164.6	167.2	(2.6)
Other	88.1	91.3	(3.1)	219.5	223.7	(4.1)	109.4	114.5	(5.0)
Foreign securities	86.1	89.3	(3.1)	204.9	209.0	(4.1)	108.6	113.7	(5.0)
Foreign currency denominated foreign corporate and government bonds	38.0	40.6	(2.6)	145.5	148.9	(3.3)	38.5	42.4	(3.8)
Yen-denominated foreign corporate and government bonds	48.0	48.5	(0.4)	54.8	55.5	(0.6)	67.1	68.2	(1.1)
Foreign equity securities and others	0.0	0.0	-	4.5	4.5	(0.0)	2.9	2.9	(0.0)
Other securities	0.5	0.5	-	1.0	1.0	-	0.5	0.5	-
Other monetary claims purchased	1.4	1.4	(0.0)	13.6	13.6	(0.0)	0.2	0.2	(0.0)
Subtotal	338.0	345.7	(7.7)	1,313.9	1,330.4	(16.5)	449.5	458.9	(9.4)
Total⁽¹⁾⁽²⁾	1,108.3	1,103.7	4.6	2,628.3	2,637.4	(9.0)	1,446.9	1,449.3	(2.4)

(1) Includes a part of other monetary claims purchased in addition to securities available for sale. Total amounts of securities available for sale excluding such other monetary claims purchased as of March 31, 2012, March 31, 2011 and September 30, 2011 were ¥1,092.3 billion, ¥2,600.0 billion and ¥1,428.5 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)		
	March 31, 2012	March 31, 2011	September 30, 2011
Unrealized gain (loss) before deferred tax on:			
Available-for-sale securities	4.6	(9.0)	(2.4)
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	(5.1)	(5.9)	(5.1)
Deferred tax assets (liabilities)	(0.1)	(0.2)	0.0
Unrealized gain (loss) on available-for-sale securities before interest adjustments	(0.7)	(15.2)	(7.5)
Minority interests	(0.0)	(0.0)	0.0
The Bank's interests in unrealized gain (loss) on available-for-sale securities held by affiliates to which the equity method is applied	0.0	0.0	0.0
Unrealized gain (loss) on available-for-sale securities	(0.6)	(15.2)	(7.4)

Hedge-Accounting Derivative Transactions -Table 16- (Consolidated)

(Billions of yen)

Notional Principal Amount (Consolidated)	March 31, 2012			
	1 year or less	Over 1 year to 5 years	Over 5 years	Total
Interest rate swaps:				
Receive fixed and pay floating	27.4	516.8	89.0	633.2
Receive floating and pay fixed	22.9	93.2	174.7	290.9
Receive floating and pay floating	-	-	-	-
Total notional principal amount	50.3	610.1	263.7	924.2
Currency swaps:				
Total notional principal amount	31.5	20.4	-	51.9

Deposits, Including Negotiable Certificates of Deposit (NCDs) -Table 17- (Consolidated)

(Billions of yen)

	Mar 31	Mar 31	Change	Sep 30	Change
	2012	2011	(a)-(b)	2011	(a)-(c)
	(a)	(b)	(a)-(b)	(c)	(a)-(c)
Deposits	5,184.3	5,436.6	(252.3)	5,384.3	(200.0)
Liquid (current, ordinary, note) deposits	1,513.3	1,476.3	37.0	1,428.4	84.9
Time deposits ⁽¹⁾	3,292.7	3,602.9	(310.1)	3,584.4	(291.6)
Other	378.1	357.2	20.8	371.4	6.7
Negotiable certificates of deposits (NCDs)	178.0	174.0	4.0	152.9	25.0
Total	5,362.4	5,610.6	(248.2)	5,537.3	(174.9)

(1) Includes two-week maturity deposits

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

Financial Ratios -Table 18- (Consolidated)

	FY2011 (12 months)	FY2010 (12 months)	1HFY2011 (6 months)
Return on assets ⁽¹⁾	0.1%	0.4%	0.4% ⁽⁵⁾
Return on equity ⁽²⁾	1.2%	8.5%	7.3% ⁽⁵⁾
Return on equity (fully diluted) ⁽³⁾	1.2%	8.5%	7.3% ⁽⁵⁾
Cash basis return on assets ⁽¹⁾	0.2%	0.5%	0.5% ⁽⁵⁾
Cash basis return on equity ⁽²⁾⁽⁴⁾	3.2%	12.4%	10.3% ⁽⁵⁾
Cash basis return on equity (fully diluted) ⁽³⁾⁽⁴⁾	3.2%	12.4%	10.3% ⁽⁵⁾
Expense-to-revenue ratio ⁽⁶⁾⁽⁷⁾	63.1%	48.9%	60.0%

(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 19- (Consolidated)⁽¹⁾

(Billions of yen, except percentages)

	Mar 31 2012 (a)	Mar 31 2011 (b)	Change (a)-(b)	Sep 30 2011 (c)	Change (a)-(c)
Basic items (Tier I)	537.1	516.7	20.4	542.7	(5.5)
Amount eligible for inclusion in capital (Tier II)	197.0	231.8	(34.8)	211.2	(14.1)
General reserve for loan losses	9.1	9.4	(0.2)	8.6	0.5
Perpetual/non-perpetual preferred stocks and perpetual/non-perpetual subordinated debt and bonds	187.8	222.4	(34.5)	202.6	(14.7)
Deductions	-	-	-	-	-
Deduction	(107.2)	(98.6)	(8.6)	(105.0)	(2.2)
Total capital ⁽²⁾	626.9	649.9	(23.0)	648.8	(21.9)
Risk assets	6,102.5	6,653.7	(551.2)	6,203.3	(100.8)
Capital adequacy ratio	10.27%	9.76%		10.46%	
Tier I capital ratio	8.80%	7.76%		8.74%	

(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, ¥0.6 billion net unrealized losses on securities available-for-sale, net of taxes, as of March 31, 2012, ¥15.2 billion as of March 31, 2011 and ¥7.4 billion as of September 30, 2011 are not included in BIS capital.

(2) Consolidated total required capital is ¥440.3 billion as at March 31, 2012, ¥469.7 billion as at March 31, 2011 and ¥451.7 billion as at September 30, 2011.

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

Per Share Data -Table 20- (Consolidated)

(Yen, except percentages)

	FY2011 (12 months)	FY2010 (12 months)	% Change	1HFY2011 (6 months)	% Change
Common equity	212.67	205.83	3.3	214.07	(0.7)
Fully diluted equity	212.67	205.83	3.3	214.07	(0.7)
Basic net income	2.42	21.36	(88.7)	7.66	
Diluted net income	2.42	21.36	(88.7)	7.66	
Cash basis:					
Basic net income	6.05	26.96	(77.5)	9.67	
Diluted net income	6.05	26.96	(77.5)	9.67	
For calculation of per share data (Does not include treasury shares) :					
Equity:					
Number of common shares ⁽¹⁾	2,653,919,247	2,653,919,247		2,653,919,247	
Fully diluted number of shares ⁽¹⁾	2,653,919,247	2,653,919,247		2,653,919,247	
Net income:					
Number of common shares ⁽²⁾	2,653,919,247	1,996,056,234		2,653,919,247	
Fully diluted number of shares ⁽²⁾	2,653,919,247	1,996,056,234		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

Regarding per share figures, Shinsei Bank issued 690 million new shares through an international offering in March 2011. As a result, the average number of common shares for fiscal year 2011 increased from fiscal year 2010, and the consolidated net income for fiscal year 2011 decreased from for fiscal year 2010, which included a large amount of

non-recurring gains such as gains on repurchases of perpetual preferred securities and subordinated debt. As a result, the diluted net income per share for fiscal year 2011 decreased to ¥2.42 from ¥21.36 for fiscal year 2010. Cash basis diluted net income per share for fiscal year 2011 also fell to ¥6.05 from ¥26.96 for fiscal year 2010.

Business Lines Results -Table 21- (Consolidated)

	(Billions of yen, except percentages)			
	FY2011 (12 months)	FY2010 (12 months)	% Change	1HFY2011 (6 months)
Institutional Group:				
Net interest income	27.2	34.0	(19.9)	12.7
Non-interest income	35.0	39.5	(11.3)	19.7
Total revenue	62.3	73.5	(15.3)	32.5
General and administrative expenses	25.0	27.2	(8.3)	12.4
Ordinary business profit	37.3	46.3	(19.4)	20.0
Net credit costs	17.8	37.9	(53.0)	3.2
Ordinary business profit after net credit costs	19.4	8.3	132.2	16.8
Global Markets Group:				
Net interest income	(6.1)	9.2	(166.5)	(2.4)
Non-interest income	11.3	54.3	(79.1)	5.4
Total revenue	5.1	63.6	(91.9)	2.9
General and administrative expenses	10.8	12.1	(10.7)	5.4
Ordinary business profit (loss)	(5.6)	51.5	(110.9)	(2.4)
Net credit costs (recoveries)	(2.6)	1.4	(289.9)	(2.1)
Ordinary business profit (loss) after net credit costs (recoveries)	(2.9)	50.1	(105.9)	(0.3)
Individual Group:				
Net interest income	98.7	117.3	(15.8)	51.9
Non-interest income	39.3	39.8	(1.1)	19.5
Total revenue	138.1	157.1	(12.1)	71.5
General and administrative expenses	92.6	104.5	(11.3)	46.0
Ordinary business profit	45.4	52.6	(13.6)	25.5
Net credit costs (recoveries)	(1.7)	28.6	(106.2)	7.5
Ordinary business profit after net credit costs (recoveries)	47.2	24.0	96.8	17.9
Corporate/Other⁽¹⁾:				
Net interest income	(2.9)	(4.0)	26.3	(1.5)
Non-interest income	0.2	1.7	(83.8)	0.1
Total revenue	(2.6)	(2.2)	(18.4)	(1.4)
General and administrative expenses	(0.5)	(1.0)	50.9	(0.5)
Ordinary business profit (loss)	(2.1)	(1.2)	(76.9)	(0.8)
Net credit costs (recoveries)	(1.0)	0.4	(355.1)	0.1
Ordinary business profit (loss) after net credit costs (recoveries)	(1.0)	(1.6)	34.0	(1.0)
Total:				
Net interest income	116.9	156.6	(25.4)	60.7
Non-interest income	86.0	135.4	(36.5)	44.9
Total revenue	202.9	292.1	(30.5)	105.6
General and administrative expenses	127.9	142.8	(10.4)	63.3
Ordinary business profit	74.9	149.2	(49.8)	42.3
Net credit costs	12.2	68.3	(82.1)	8.8
Ordinary business profit after net credit costs	62.7	80.8	(22.5)	33.5

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

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

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

(Billions of yen, except percentages)

	FY2011 (12 months)	FY2010 (12 months)	% Change	1HFY2011 (6 months)
Institutional Business Sub-Group:				
Net interest income	9.2	9.3	(0.8)	4.3
Non-interest income	0.1	1.4	(92.9)	(2.2)
Total revenue	9.3	10.7	(13.2)	2.1
General and administrative expenses	5.8	6.2	(7.2)	2.9
Ordinary business profit (loss)	3.5	4.4	(21.6)	(0.8)
Net credit costs (recoveries)	1.4	(0.1)	n.m.	(3.1)
Ordinary business profit (loss) after net credit costs (recoveries)	2.0	4.6	(54.6)	2.3
Structured Finance Sub-Group:				
Net interest income	16.9	21.4	(21.3)	8.5
Non-interest income	4.1	1.1	272.9	1.7
Total revenue	21.0	22.5	(6.9)	10.3
General and administrative expenses	4.8	5.8	(17.1)	2.4
Ordinary business profit	16.2	16.7	(3.4)	7.9
Net credit costs	14.1	39.0	(63.8)	7.7
Ordinary business profit (loss) after net credit costs	2.0	(22.2)	109.2	0.2
Principal Transactions Sub-Group:				
Net interest income	4.5	2.8	61.5	1.3
Non-interest income	6.6	5.7	15.6	4.7
Total revenue	11.2	8.5	30.7	6.1
General and administrative expenses	3.8	4.2	(8.5)	1.9
Ordinary business profit	7.3	4.3	69.3	4.1
Net credit costs (recoveries)	0.9	(0.6)	251.7	(0.3)
Ordinary business profit after net credit costs (recoveries)	6.4	4.9	29.6	4.5
Showa Leasing:				
Net interest income	(2.5)	(3.1)	18.6	(1.5)
Non-interest income	15.0	18.5	(18.7)	8.7
Total revenue	12.4	15.3	(18.7)	7.1
General and administrative expenses	7.8	8.0	(3.0)	3.8
Ordinary business profit	4.6	7.2	(36.1)	3.2
Net credit costs (recoveries)	(1.3)	3.4	(139.6)	(1.4)
Ordinary business profit after net credit costs (recoveries)	6.0	3.8	57.6	4.6
Others:				
Net interest income	(0.8)	3.6	(123.4)	0.0
Non-interest income	9.1	12.6	(28.1)	6.8
Total revenue	8.2	16.3	(49.3)	6.8
General and administrative expenses	2.6	2.8	(7.6)	1.2
Ordinary business profit	5.6	13.4	(58.2)	5.5
Net credit costs (recoveries)	2.7	(3.8)	170.7	0.5
Ordinary business profit after net credit costs (recoveries)	2.9	17.2	(83.2)	5.0
Institutional Group:				
Net interest income	27.2	34.0	(19.9)	12.7
Non-interest income	35.0	39.5	(11.3)	19.7
Total revenue	62.3	73.5	(15.3)	32.5
General and administrative expenses	25.0	27.2	(8.3)	12.4
Ordinary business profit	37.3	46.3	(19.4)	20.0
Net credit costs	17.8	37.9	(53.0)	3.2
Ordinary business profit after net credit costs	19.4	8.3	132.2	16.8

(1) Net of consolidation adjustments, if applicable.

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

Institutional Group:

- As of April 1, 2011, Shinsei Bank has implemented organizational changes as part of its efforts to achieve an even more appropriate provision of financial products and services that meet customer needs, by building a more strategic and systematic business promotion structure for growth businesses centered around institutional customers. To better serve our customers, the structure of the existing Institutional Group and Markets and Investment Banking Group has been reorganized into a newly defined Institutional Group and a newly established Global Markets Group. The Institutional Group focuses primarily on corporate and public sector finance and advisory business, while the Global Markets Group concentrates on financial markets business and serving financial institution clients.
- 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 advisory business and asset-backed investment.

Total revenue

- The Institutional Group business recorded total revenue of ¥62.3 billion for fiscal year 2011, compared to ¥73.5 billion for fiscal year 2010. The decrease was mainly due to impairment on securities caused by a sluggish financial market, despite an increase in the number of new borrowers as we continued to focus on rebuilding our customer franchise.
- In order to rebuild our client base, the Institutional Business Sub-Group focused on areas where the Bank can demonstrate its strengths and put efforts into identifying new outlets for corporate lending. However, ¥3.9 billion in impairment of listed stocks was recorded as a result of the stagnant financial market, resulting in total revenue of ¥9.3 billion for fiscal year 2011 compared to ¥10.7 billion for fiscal year 2010, or ¥1.4 billion lower year-on-year.
- The Structured Finance Sub-Group recorded total revenue of ¥21.0 billion for fiscal year 2011, compared to ¥22.5 billion for fiscal year 2010. Total revenue decreased due to ¥3.3 billion in impairment on bonds related to real estate non-recourse finance and lower interest income as a result of divestitures in the real estate finance portfolio in fiscal year 2010 to optimize risk weighted assets. However, there have been new loan disbursements in specialty finance and progress with higher quality asset replacement for fiscal year 2011.
- The Principal Transactions Sub-Group recorded total revenue of ¥11.2 billion for fiscal year 2011, compared to

¥8.5 billion for fiscal year 2010. This was a result of the solid performance of credit trading business in spite of ¥1.5 billion of impairment on private equity investment.

- Others recorded total revenue of ¥8.2 billion, including gains of ¥6.3 billion, net of withholding tax from sales of foreign equities which had been classified as non-core assets offset by ¥1.2 billion of impairment on listed stocks for fiscal year 2011. Total revenue for fiscal year 2010 included ¥7.0 billion gains on the sales and valuation gains on asset-backed securities and asset-backed investments.

Expenses

- General and administrative expenses were ¥25.0 billion for fiscal year 2011, decreasing by ¥2.2 billion from ¥27.2 billion for fiscal year 2010. The decrease was chiefly due to the scale-down and exit from non-core businesses and cost controls in each section. However, the Bank is channeling financial resources into areas where it can demonstrate its strengths to rebuild the client base.

Net credit costs

- Net credit costs were ¥17.8 billion for fiscal year 2011, considerably lower than ¥37.9 billion recorded for fiscal year 2010. Net credit costs improved significantly as a result of the continued divestiture of non-core assets to mitigate potential risks, and strict credit management and collection from unprofitable obligors as well as a large amount of credit recoveries, in spite of additional provision of reserve in specialty finance to prevent further costs arising in the future.
- From fiscal year 2011, credit costs include recoveries of written-off claims. Excluding recoveries of written-off claims, credit costs for fiscal year 2011 were ¥18.5 billion for the overall Institutional Group.

Ordinary business profit after net credit costs

- As a result, the Institutional Group recorded an ordinary business profit after net credit costs of ¥19.4 billion for fiscal year 2011, improving by ¥11.0 billion from ¥8.3 billion for fiscal year 2010.

Showa Leasing

- Showa Leasing recorded ¥12.4 billion of total revenue for fiscal year 2011 lower than the ¥15.3 billion in fiscal year 2010 as operating assets declined amidst the stagnant economy while impairment of equity holdings were realized. However, lower expenses and net credit recoveries contributed to ¥6.0 billion of ordinary business profit after net credit costs including consolidation adjustments for fiscal year 2011, compared to ¥3.8 billion for fiscal year 2010.

Global Markets Group Revenue by Product -Table 23- (Consolidated)

(Billions of yen, except percentages)

	FY2011 (12 months)	FY2010 (12 months)	% Change	1HFY2011 (6 months)
Financial Institutions Sub-Group:				
Net interest income	1.4	1.2	17.2	0.7
Non-interest income	1.9	1.3	39.9	0.8
Total revenue	3.3	2.6	29.1	1.5
General and administrative expenses	2.3	2.5	(7.1)	1.1
Ordinary business profit	1.0	0.0	n.m.	0.3
Net credit costs (recoveries)	(0.4)	(0.8)	41.5	(0.2)
Ordinary business profit after net credit costs (recoveries)	1.5	0.9	63.6	0.6
Markets Sub-Group:				
Net interest income	1.1	2.6	(57.6)	0.4
Non-interest income	5.1	9.8	(48.3)	2.0
Total revenue	6.2	12.5	(50.2)	2.5
General and administrative expenses	3.2	4.6	(30.1)	1.6
Ordinary business profit	2.9	7.8	(62.2)	0.9
Net credit costs (recoveries)	(1.4)	1.5	(195.3)	(1.3)
Ordinary business profit after net credit costs (recoveries)	4.4	6.3	(29.6)	2.2
Treasury Sub-Group:				
Net interest income	(9.2)	4.8	(290.1)	(3.9)
Non-interest income	3.1	40.9	(92.3)	1.3
Total revenue	(6.1)	45.8	(113.4)	(2.6)
General and administrative expenses	1.0	1.1	(7.9)	0.5
Ordinary business profit (loss)	(7.2)	44.6	(116.1)	(3.1)
Net credit costs	-	-	-	-
Ordinary business profit (loss) after net credit costs	(7.2)	44.6	(116.1)	(3.1)
Others:				
Net interest income	0.5	0.5	(3.7)	0.2
Non-interest income	1.1	2.1	(46.4)	1.2
Total revenue	1.6	2.7	(38.1)	1.5
General and administrative expenses	4.1	3.7	10.1	2.0
Ordinary business profit (loss)	(2.4)	(1.0)	(137.8)	(0.5)
Net credit costs (recoveries)	(0.7)	0.7	(202.4)	(0.5)
Ordinary business profit (loss) after net credit costs (recoveries)	(1.7)	(1.7)	1.5	(0.0)
Global Markets Group:				
Net interest income	(6.1)	9.2	(166.5)	(2.4)
Non-interest income	11.3	54.3	(79.1)	5.4
Total revenue	5.1	63.6	(91.9)	2.9
General and administrative expenses	10.8	12.1	(10.7)	5.4
Ordinary business profit (loss)	(5.6)	51.5	(110.9)	(2.4)
Net credit costs (recoveries)	(2.6)	1.4	(289.9)	(2.1)
Ordinary business profit (loss) after net credit costs (recoveries)	(2.9)	50.1	(105.9)	(0.3)

(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 covers asset management, wealth management, and Shinsei Securities' businesses.

Total revenue

- The Global Markets Group generated total revenue of ¥5.1 billion for fiscal year 2011, compared to ¥63.6 billion for fiscal year 2010 due to stagnant financial markets following the European debt crisis and the Great East Japan Earthquake as well as the absence of gains on repurchases of perpetual preferred securities and subordinated debt for fiscal year 2011 which were recorded for fiscal year 2010.
- The Financial Institutions Sub-Group's total revenue was ¥3.3 billion for fiscal year 2011, compared to ¥2.6 billion for fiscal year 2010. Steady revenues from transactions with clients contributed to the solid performance.
- The Markets Sub-Group earned total revenue of ¥6.2 billion for fiscal year 2011, compared to ¥12.5 billion for fiscal year 2010. Total revenue decreased due to the absence of gains on sales of CLO, which are non-core assets, for fiscal year 2011 while gains on CLO sales of ¥4.3 billion were included for fiscal year 2010. Other factors include a decrease in net interest income as a result of the divestiture of non-core assets, as well as stagnant trade activities due to sluggish financial markets following the European debt crisis and other events.
- The Treasury Sub-Group's total revenue was a loss of ¥6.1 billion for fiscal year 2011, compared to total revenue of ¥45.8 billion for fiscal year 2010. This sub-group manages ALM for the bank overall. For fiscal year 2011, there were no gains recorded through the repurchase of perpetual preferred securities and subordinated debt, and only limited gains were recorded from Japanese national

government bond trading. In contrast, for fiscal year 2010 the Treasury Sub-Group traded Japanese government bonds frequently to facilitate liquidity management, earning gains on sales, while also recording ¥29.4 billion of gains on repurchases of perpetual preferred securities and subordinated debt.

- Others earned total revenue of ¥1.6 billion for fiscal year 2011, compared to ¥2.7 billion for fiscal year 2010.

Expenses

- The Global Markets Group reduced general and administrative expenses by ¥1.2 billion from ¥12.1 billion for fiscal year 2010 to ¥10.8 billion for fiscal year 2011. The decrease was largely due to continuous cost rationalization and efficiency improvements implemented by the overall group and the scale-down and exit from non-core businesses.

Net credit costs

- Net credit recoveries of ¥2.6 billion were recorded for fiscal year 2011 compared to net credit costs of ¥1.4 billion for fiscal year 2010.
- The Global Markets Group has continued to reduce non-core assets and also recorded a reversal of reserve for these assets for fiscal year 2011 as well as for fiscal year 2010.
- Credit costs include recoveries of written-off claims from fiscal year 2011. Excluding recoveries of written-off claims, net credit recoveries of ¥1.3 billion were recorded for fiscal year 2011.

Ordinary business profit after net credit costs

- As a result, the Global Markets Group recorded a ¥2.9 billion ordinary business loss after net credit costs for fiscal year 2011, compared with a ¥50.1 billion ordinary business profit after net credit costs for fiscal year 2010. Excluding the Treasury Sub-Group's losses related to the ALM activities of the overall Bank, the Global Markets Group recorded an ordinary business profit after net credit costs of ¥4.2 billion.

⁽¹⁾
Individual Group - Table 24- (Consolidated)

(Billions of yen, except percentages)

	FY2011 (12 months)	FY2010 (12 months)	% Change	1HFY2011 (6 months)
Retail banking:				
Net interest income	29.1	33.8	(13.8)	15.3
Non-interest income	6.9	9.5	(26.9)	3.9
Total revenue	36.0	43.3	(16.7)	19.2
General and administrative expenses	31.3	33.1	(5.5)	15.4
Ordinary business profit	4.7	10.1	(53.4)	3.7
Net credit costs	1.2	2.5	(52.6)	1.2
Ordinary business profit after net credit costs	3.5	7.5	(53.7)	2.5
Shinsei Financial and Shinsei Bank Lake ⁽²⁾:				
Net interest income	47.0	64.1	(26.6)	24.5
Non-interest income	(3.0)	(5.1)	40.8	(1.7)
Total revenue	43.9	58.9	(25.4)	22.8
General and administrative expenses	27.2	33.4	(18.6)	13.3
Ordinary business profit	16.7	25.4	(34.3)	9.4
Net credit costs (recoveries)	(8.0)	7.7	(203.7)	(0.2)
Ordinary business profit after net credit costs (recoveries)	24.7	17.7	39.7	9.6
Shinki:				
Net interest income	8.4	11.7	(28.1)	4.5
Non-interest income	(0.6)	(1.0)	35.3	(0.3)
Total revenue	7.8	10.7	(27.5)	4.1
General and administrative expenses	3.4	4.6	(24.6)	1.8
Ordinary business profit	4.3	6.1	(29.6)	2.3
Net credit costs (recoveries)	(0.4)	3.6	(111.3)	0.1
Ordinary business profit after net credit costs (recoveries)	4.7	2.4	92.4	2.1
APLUS FINANCIAL:				
Net interest income	12.5	14.4	(13.4)	6.7
Non-interest income	35.9	36.3	(1.1)	17.6
Total revenue	48.5	50.8	(4.6)	24.3
General and administrative expenses	30.2	32.8	(7.9)	15.0
Ordinary business profit	18.2	18.0	1.3	9.3
Net credit costs	5.2	13.8	(62.3)	6.2
Ordinary business profit after net credit costs	13.0	4.2	208.5	3.0
Others ⁽³⁾:				
Net interest income	1.5	(6.8)	122.9	0.8
Non-interest income	0.1	0.1	15.1	0.0
Total revenue	1.7	(6.7)	126.2	0.8
General and administrative expenses	0.3	0.4	(17.4)	0.2
Ordinary business profit (loss)	1.3	(7.1)	119.5	0.6
Net credit costs	0.2	0.8	(72.1)	0.1
Ordinary business profit (loss) after net credit costs	1.1	(7.9)	114.6	0.5
Total Individual Group:				
Net interest income	98.7	117.3	(15.8)	51.9
Non-interest income	39.3	39.8	(1.1)	19.5
Total revenue	138.1	157.1	(12.1)	71.5
General and administrative expenses	92.6	104.5	(11.3)	46.0
Ordinary business profit	45.4	52.6	(13.6)	25.5
Net credit costs (recoveries)	(1.7)	28.6	(106.2)	7.5
Ordinary business profit after net credit costs (recoveries)	47.2	24.0	96.8	17.9

(1) Net of consolidation adjustments, if applicable.

(2) Results for Shinsei Financial and "Shinsei Bank Card Loan – Lake" in the Lake business (started on October 1, 2011) are combined on a management accounting basis 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 25- (Consolidated)⁽¹⁾

(Billions of yen, except percentages)

	FY2011 (12 months)	FY2010 (12 months)	% Change	1HFY2011 (6 months)
Retail Banking:	36.0	43.3	(16.7)	19.2
Deposits and debentures net interest income	21.3	24.9	(14.3)	11.3
Deposits and debentures non-interest income	4.1	5.8	(29.8)	2.5
Asset management	4.3	4.5	(6.1)	2.3
Loans	6.3	7.9	(20.5)	3.1
Shinsei Financial and Shinsei Bank Lake ⁽²⁾	43.9	58.9	(25.4)	22.8
Shinki	7.8	10.7	(27.5)	4.1
APLUS FINANCIAL	48.5	50.8	(4.6)	24.3
Others ⁽³⁾	1.7	(6.7)	126.2	0.8
Total revenue	138.1	157.1	(12.1)	71.5

(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, the subsidiaries Shinsei Financial, Shinki, APLUS FINANCIAL and Shinsei Property Finance.
- Individual Group's ordinary business profit after net credit costs increased to ¥47.2 billion for fiscal year 2011 compared to ¥24.0 billion for fiscal year 2010. The ordinary business profit after net credit costs of Shinsei Financial and Shinsei Bank Card Loan - Lake, Shinki and APLUS FINANCIAL for fiscal year 2011 were above their respective performance for fiscal year 2010.

Retail Banking

- Total revenue of Retail Banking decreased to ¥36.0 billion for fiscal year 2011 from ¥43.3 billion for fiscal year 2010. Net interest income decreased to ¥29.1 billion for fiscal year 2011 from ¥33.8 billion for fiscal year 2010. This was due to prevailing low interest rates resulting in a decrease in net interest income from deposits. Non-interest income also decreased to ¥6.9 billion for fiscal year 2011 from ¥9.5 billion for fiscal year 2010. 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 and the Great East Japan Earthquake.
- Due to continued rationalization and efficient business processes, general and administrative expenses decreased to ¥31.3 billion for fiscal year 2011 compared to ¥33.1 billion for fiscal year 2010.
- Net credit costs totaled ¥1.2 billion for fiscal year 2011 compared to ¥2.5 billion for fiscal year 2010. As a result, the ordinary business profit after net credit costs was ¥3.5 billion for fiscal year 2011 compared to an ordinary business profit after net credit costs of ¥7.5 billion for fiscal year 2010.

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 ¥24.7 billion for fiscal year 2011 compared to ¥17.7 billion for fiscal year 2010.
- Total revenue decreased for fiscal year 2011 due to the decrease in loan balance caused by the revised Money-Lending Business Control and Regulation Law.

However, as the Bank itself started Consumer Finance business from October 2011, the decrease has become less pronounced. 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 last year helped to improve credit quality. In addition to the above, the decrease in loan balance also helped in reducing the net credit costs resulting in an increase in ordinary business profit after net credit costs.

- From fiscal year 2011, recoveries of written-off claims are included in net credit costs. Net credit costs for fiscal year 2011 included ¥7.6 billion from recoveries of written-off claims. The ordinary business profit after net credit costs excluding recoveries of written-off claims for fiscal year 2011 was ¥17.1 billion.
- Although the loan balance of Shinsei Financial decreased by ¥126.3 billion in fiscal year 2010, the decrease was limited to ¥64.8 billion for fiscal year 2011 (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 ¥4.7 billion for fiscal year 2011 compared to ¥2.4 billion for fiscal year 2010. 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 total revenue was offset by decrease in expense and credit costs.
- From fiscal year 2011, recoveries of written-off claims are included in net credit costs. Net credit costs for fiscal year 2011 included ¥1.0 billion from recoveries of written-off claims. The ordinary business profit after net credit costs excluding recoveries of written-off claims for fiscal year 2011 was ¥3.6 billion which is still higher than the ¥2.4 billion for fiscal year 2010.

APLUS FINANCIAL

- The ordinary business profit after net credit costs of APLUS FINANCIAL after the related consolidation

adjustments increased to ¥13.0 billion for fiscal year 2011, compared to ¥4.2 billion for fiscal year 2010. Total revenue decreased to ¥48.5 billion for fiscal year 2011, compared to ¥50.8 billion for fiscal year 2010 due to the decrease in loan balance following implementation of the revised Money-Lending Business Control and Regulation Law. However, due to continued rationalization and efficient business processes, general and administrative expenses decreased to ¥30.2 billion for fiscal year 2011 from ¥32.8 billion for fiscal year 2010. Also, due to strict credit management, net credit costs decreased to ¥5.2 billion for fiscal year 2011 from ¥13.8 billion for fiscal year 2010.

- 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, an additional reserve of ¥32.8 billion was made for fiscal year 2011.
- Shinsei Financial's usage of reserve for losses on interest repayment and others amounted to ¥7.7 billion for fiscal year 2011. The business made an additional reserve of

¥15.9 billion for losses on interest repayment resulting in a total balance of ¥26.2 billion in reserve for losses on interest repayment as of March 31, 2012 compared to ¥18.0 billion as of March 31, 2011. Additional provisions for losses on interest repayment at Shinsei Financial were 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 ¥11.0 billion for fiscal year 2011. The business made an additional reserve of ¥11.5 billion for losses on interest repayment resulting in a total balance of ¥14.0 billion in reserve for losses on interest repayment as of March 31, 2012 compared to ¥13.4 billion as of March 31, 2011.
- APLUS FINANCIAL and its consolidated subsidiaries' usage of reserve for losses on interest repayment amounted to ¥6.4 billion for fiscal year 2011. The business made an additional reserve of ¥5.3 billion for losses on interest repayment resulting in a total balance of ¥10.6 billion in reserve for losses on interest repayment as of March 31, 2012 compared to ¥11.7 billion as of March 31, 2011.

Segment Information

Institutional Group:	Focuses primarily on corporate and public sector finance and advisory business.
Institutional Business	The "Institutional Business Sub-Group" provides financial products and services, including healthcare finance for corporations, and the public sector.
Structured Finance	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.
Principal Transactions	The "Principal Transactions Sub-Group" comprises the credit trading and private equity businesses.
Showa Leasing	"Showa Leasing" primarily provides leasing related financial products and services.
Other Institutional Group	The "Other Institutional Group" consists of the asset-backed investment business and advisory business.
Global Markets Group:	Focuses primarily on financial markets business and serving financial institution clients.
Financial Institutions	The "Financial Institutions Sub-Group" provides financial products and services for financial institutions.
Markets	The "Markets Sub-Group" is engaged in foreign exchange, derivatives, equity related, and other capital markets transactions.
Treasury	The "Treasury Sub-Group" undertakes ALM related operations and includes gains and losses from equity and subordinated debt financing activities.
Other Global Markets Group	The "Other Global Markets Group" consists of the profit and loss attributable to Shinsei Securities, alternative investment, asset management, wealth management, and other products and services in the Global Markets Group.
Individual Group:	Focuses on retail financial products and services.
Retail Banking	The "Retail Banking Sub-Group" provides financial products and services for retail customers such as yen/foreign currency/structured deposit services, investment trusts, brokerage services (through a partner institution), life and non-life insurance (through partner institutions) and home mortgages.
Shinsei Financial	"Shinsei Financial" provides consumer finance products and services and guarantee services (Shinsei Financial, Shinsei Bank Lake, Shinki).
APLUS FINANCIAL	"APLUS FINANCIAL" provides installment sales credit, credit cards, guarantees, financing and settlement services.
Other Individual Group	The "Other Individual Group" consists of profit and loss attributable to the Consumer Finance Sub-Group and other subsidiaries.
Corporate/Other:	"Corporate/Other" includes company-wide accounts which are not included in our reportable segments, allocation variance of indirect expense and elimination amount of inter-segment transactions.

Consolidated Balance Sheets (Consolidated)**Assets**

	<i>(Millions of yen)</i>		
	Mar 31 2012	Mar 31 2011	Change
	a	b	a-b
<<Assets>>			
Cash and due from banks	413,721	452,751	(39,030)
Call loans	15,745	-	15,745
Receivables under resale agreements	18,362	-	18,362
Receivables under securities borrowing transactions	114,080	10,388	103,692
Other monetary claims purchased	130,943	157,006	(26,063)
Trading assets	202,675	195,396	7,279
Monetary assets held in trust	267,628	253,688	13,940
Securities	1,873,493	3,286,382	(1,412,888)
Loans and bills discounted	4,136,827	4,291,462	(154,634)
Foreign exchanges	18,896	42,069	(23,173)
Lease receivables and leased investment assets	197,432	206,216	(8,784)
Other assets	686,716	794,798	(108,081)
Premises and equipment	54,131	50,099	4,031
Intangible assets	81,053	96,013	(14,959)
Goodwill	41,951	49,526	(7,575)
Deferred issuance expenses for debentures	135	182	(46)
Deferred tax assets	15,834	18,603	(2,768)
Customers' liabilities for acceptances and guarantees	562,624	575,700	(13,076)
Reserve for credit losses	(180,633)	(199,211)	18,578
Total assets	8,609,672	10,231,548	(1,621,876)

Liabilities and Equity

(Millions of yen)

	Mar 31 2012 a	Mar 31 2011 b	Change a-b
<<Liabilities>>			
Deposits	5,184,326	5,436,640	(252,314)
Negotiable certificates of deposit	178,084	174,046	4,038
Debentures	294,139	348,270	(54,131)
Call money and bills sold	210,163	160,330	49,833
Payables under securities lending transactions	148,590	269,697	(121,106)
Trading liabilities	176,044	147,787	28,257
Borrowed money	476,731	1,672,790	(1,196,059)
Foreign exchanges	11	39	(28)
Short-term corporate bonds	50,700	22,800	27,900
Corporate bonds	168,797	179,611	(10,814)
Other liabilities	465,698	569,362	(103,664)
Accrued employees' bonuses	7,262	8,084	(822)
Accrued directors' bonuses	40	38	1
Reserve for employees' retirement benefits	7,027	11,016	(3,989)
Reserve for directors' retirement benefits	231	285	(53)
Reserve for losses on interest repayments	50,913	43,199	7,714
Reserve under special law	1	1	(0)
Deferred tax liabilities	626	690	(63)
Acceptances and guarantees	562,624	575,700	(13,076)
Total liabilities	7,982,014	9,620,394	(1,638,379)
<<Equity>>			
Shareholders' equity:			
Common stock	512,204	512,204	-
Capital surplus	79,461	79,461	-
Retained earnings	58,863	55,087	3,775
Treasury stock, at cost	(72,558)	(72,558)	-
Total shareholders' equity	577,970	574,195	3,775
Accumulated other comprehensive income:			
Unrealized gain (loss) on available-for-sale securities	(674)	(15,225)	14,551
Deferred gain (loss) on derivatives under hedge accounting	(11,754)	(10,197)	(1,556)
Foreign currency translation adjustments	(1,117)	(2,511)	1,394
Total accumulated other comprehensive income	(13,545)	(27,935)	14,389
Stock acquisition rights	1,354	1,413	(58)
Minority interests	61,877	63,481	(1,603)
Total equity	627,657	611,154	16,502
Total liabilities and equity	8,609,672	10,231,548	(1,621,876)

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

	FY2011 (12 months)	FY2010 (12 months)	Change Amount	%
Ordinary income	413,232	465,823	(52,590)	(11.3)
Interest income	159,722	207,137	(47,415)	(22.9)
Interest on loans and bills discounted	140,336	178,579	(38,242)	(21.4)
Interest and dividends on securities	17,811	23,857	(6,045)	(25.3)
Other interest income	1,573	4,701	(3,127)	(66.5)
Fees and commissions income	46,915	49,112	(2,197)	(4.5)
Trading income	16,730	14,506	2,223	15.3
Other business income	150,212	180,209	(29,996)	(16.6)
Other ordinary income	39,652	14,856	24,795	166.9
Ordinary expenses	396,481	441,381	(44,899)	(10.2)
Interest expenses	42,821	50,475	(7,653)	(15.2)
Interest on deposits	28,664	33,950	(5,285)	(15.6)
Interest on borrowings	5,582	7,098	(1,516)	(21.4)
Interest on corporate bonds	5,749	5,504	244	4.4
Other interest expenses	2,825	3,920	1,095	27.9
Fees and commissions expenses	21,723	23,080	(1,357)	(5.9)
Trading losses	3,094	2,857	237	8.3
Other business expenses	112,336	118,612	(6,276)	(5.3)
General and administrative expenses	142,354	158,459	(16,105)	(10.2)
Amortization of goodwill	7,697	8,371	(674)	(8.1)
Amortization of intangible assets acquired in business combinations	4,258	4,728	(469)	(9.9)
Other general and administrative expenses	130,399	145,360	14,961	10.3
Other ordinary expenses	74,150	87,895	(13,744)	(15.6)
Provision of reserve for credit losses	19,020	61,718	(42,697)	(69.2)
Other	55,130	26,176	(28,953)	(110.6)
Ordinary profit	16,750	24,441	(7,690)	(31.5)
Extraordinary gains	3,014	45,847	(42,833)	(93.4)
Extraordinary losses	4,419	12,507	(8,088)	(64.7)
Income before income taxes and minority interests	15,345	57,782	(42,436)	(73.4)
Income taxes (benefit):				
Income taxes (benefit) - current	2,925	1,993	932	46.8
Income taxes (benefit) - deferred	2,433	5,229	(2,796)	(53.5)
Total income taxes (benefit)	5,359	7,223	(1,863)	(25.8)
Income before minority interests	9,986	50,558	(40,572)	(80.2)
Minority interests in net income of subsidiaries	3,555	7,908	(4,353)	(55.0)
Net income	6,430	42,650	(36,219)	(84.9)

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

	FY2011 (12 months)	FY2010 (12 months)	Change	
			Amount	%
Income before minority interests	9,986	50,558	(40,572)	(80.2)
Other comprehensive income				
Unrealized gain (loss) on available-for-sale securities	14,516	(16,703)	31,219	186.9
Deferred gain (loss) on derivatives under hedge accounting	(1,556)	(6,870)	5,314	77.3
Foreign currency translation adjustments	1,027	(11,897)	12,924	108.6
Share of other comprehensive income in affiliates	32	(110)	142	129.2
Other comprehensive income	14,019	(35,581)	49,601	139.4
Comprehensive income	24,006	14,977	9,028	60.3
(Breakdown)				
Attributable to:				
Owners of the parent	20,820	17,385	3,435	19.8
Minority interests	3,185	(2,407)	5,593	232.3

Consolidated Statements of Changes in Equity (Consolidated)

	(Millions of yen)	
	FY2011 (12 months)	FY2010 (12 months)
Shareholders' equity		
Common stock :		
Balance at beginning of the year	512,204	476,296
Changes during the year		
Issuance of new shares	-	35,907
Total changes during the year	-	35,907
Balance at end of the year	512,204	512,204
Capital surplus :		
Balance at beginning of the year	79,461	43,554
Changes during the year		
Issuance of new shares	-	35,907
Total changes during the year	-	35,907
Balance at end of the year	79,461	79,461
Retained earnings :		
Balance at beginning of the year	55,087	12,438
Changes during the year		
Dividends from surplus	(2,653)	-
Net income	6,430	42,650
Decrease by inclusion of consolidated subsidiaries	(0)	(0)
Increase by exclusion of consolidated subsidiaries	-	0
Decrease by exclusion of consolidated subsidiaries	(0)	(1)
Total changes during the year	3,775	42,649
Balance at end of the year	58,863	55,087
Treasury stock at cost :		
Balance at beginning of the year	(72,558)	(72,558)
Changes during the year		
Total changes during the year	-	-
Balance at end of the year	(72,558)	(72,558)
Total shareholders' equity :		
Balance at beginning of the year	574,195	459,730
Changes during the year		
Issuance of new shares	-	71,815
Dividends from surplus	(2,653)	-
Net income	6,430	42,650
Decrease by inclusion of consolidated subsidiaries	(0)	(0)
Increase by exclusion of consolidated subsidiaries	-	0
Decrease by exclusion of consolidated subsidiaries	(0)	(1)
Total changes during the year	3,775	114,464
Balance at end of the year	577,970	574,195

(Millions of yen)

	FY2011 (12 months)	FY2010 (12 months)
Accumulated other comprehensive income		
Unrealized gain (loss) on available-for-sale securities :		
Balance at beginning of the year	(15,225)	1,398
Changes during the year		
Net changes during the year excluding shareholders' equity	14,551	(16,624)
Total changes during the year	14,551	(16,624)
Balance at end of the year	(674)	(15,225)
Deferred gain (loss) on derivatives under hedge accounting :		
Balance at beginning of the year	(10,197)	(3,327)
Changes during the year		
Net changes during the year excluding shareholders' equity	(1,556)	(6,870)
Total changes during the year	(1,556)	(6,870)
Balance at end of the year	(11,754)	(10,197)
Foreign currency translation adjustments :		
Balance at beginning of the year	(2,511)	(741)
Changes during the year		
Net changes during the year excluding shareholders' equity	1,394	(1,770)
Total changes during the year	1,394	(1,770)
Balance at end of the year	(1,117)	(2,511)
Total accumulated other comprehensive income :		
Balance at beginning of the year	(27,935)	(2,669)
Changes during the year		
Net changes during the year excluding shareholders' equity	14,389	(25,265)
Total changes during the year	14,389	(25,265)
Balance at end of the year	(13,545)	(27,935)
Stock acquisition rights		
Balance at beginning of the year	1,413	1,672
Changes during the year		
Net changes during the year excluding shareholders' equity	(58)	(259)
Total changes during the year	(58)	(259)
Balance at end of the year	1,354	1,413
Minority interests		
Balance at beginning of the year	63,481	176,221
Changes during the year		
Net changes during the year excluding shareholders' equity	(1,603)	(112,740)
Total changes during the year	(1,603)	(112,740)
Balance at end of the year	61,877	63,481
Total equity		
Balance at beginning of the year	611,154	634,954
Changes during the year		
Issuance of new shares	-	71,815
Dividends from surplus	(2,653)	-
Net income	6,430	42,650
Decrease by inclusion of consolidated subsidiaries	(0)	(0)
Increase by exclusion of consolidated subsidiaries	-	0
Decrease by exclusion of consolidated subsidiaries	(0)	(1)
Net changes during the year excluding shareholders' equity	12,727	(138,264)
Total changes during the year	16,502	(23,800)
Balance at end of the year	627,657	611,154

Consolidated Statements of Cash Flows (Consolidated)

(Millions of yen)

	FY2011 (12 months)	FY2010 (12 months)	Change
I. Cash flows from operating activities:			
Income (loss) before income taxes and minority interests	15,345	57,782	(42,436)
Depreciation (other than leased assets as lessor)	10,130	11,823	(1,693)
Amortization of goodwill	7,697	8,371	(674)
Amortization of intangible assets acquired in business combinations	4,258	4,728	(469)
Impairment losses	1,092	2,367	(1,275)
Equity in net (income) loss of affiliates	(3,429)	(1,333)	(2,096)
Net change in reserve for credit losses	(11,946)	2,568	(14,515)
Net change in accrued employees' bonuses	(833)	(738)	(94)
Net change in reserve for employees' retirement benefits	(3,988)	3,301	(7,289)
Net change in reserve for losses on interest repayments	7,714	(26,889)	34,604
Net change in other reserves	(52)	(5,923)	5,871
Interest income	(159,722)	(207,137)	47,415
Interest expenses	42,821	50,475	(7,653)
(Gain) loss on securities sold	1,971	(4,660)	6,631
(Gain) loss on monetary assets held in trust	(5,685)	(2,942)	(2,743)
Net exchange (gain) loss	9,216	15,215	(5,999)
Net (gain) loss on disposal of premises and equipment	518	552	(34)
Gains from the cancellation of issued bond and other instruments	-	(29,486)	29,486
Net change in trading assets	(7,279)	27,688	(34,967)
Net change in trading liabilities	28,257	(30,048)	58,305
Net change in loans and bills discounted	128,328	897,712	(769,384)
Net change in deposits	(251,086)	(753,845)	502,758
Net change in negotiable certificates of deposit	4,038	(110,863)	114,901
Net change in debentures	(54,131)	(135,443)	81,312
Net change in borrowed money (other than subordinated debt)	(1,182,159)	486,924	(1,669,084)
Net change in corporate bonds (other than subordinated corporate bonds)	(6,546)	4,357	(10,904)
Net change in deposits (other than non-interest-bearing deposits)	69,883	5,007	64,875
Net change in call loans	(34,108)	19,129	(53,237)
Net change in other monetary claims purchased	23,991	63,643	(39,652)
Net change in receivables under securities borrowing transactions	(103,692)	(7,586)	(96,105)
Net change in call money and bills sold	49,833	(158,587)	208,420
Net change in payables under securities lending transactions	(121,106)	(278,781)	157,674
Net change in foreign exchange assets and liabilities	23,144	(31,070)	54,215
Net change in short-term corporate bonds (liabilities)	27,900	5,100	22,800
Net change in net trust account	139	527	(387)
Interest received	163,093	212,983	(49,890)
Interest paid	(39,870)	(41,372)	1,502
Net change in trading securities	438	1,887	(1,449)
Net change in monetary assets held in trust	31,937	36,246	(4,308)
Net change in leased receivables and leased investment assets	9,629	9,158	470
Others, net	6,078	(4,956)	11,035
Subtotal	(1,318,177)	95,889	(1,414,066)
Income taxes paid	(3,092)	(1,326)	(1,766)
Net cash provided by (used in) operating activities	(1,321,270)	94,562	(1,415,832)
II. Cash flows from investing activities:			
Purchase of securities	(699,368)	(3,868,336)	3,168,967
Proceeds from sale of securities	1,232,903	1,873,814	(640,910)
Proceeds from maturity of securities	883,190	1,899,787	(1,016,596)
Investment in monetary assets held in trust	(87,433)	(42,631)	(44,802)
Proceeds from disposition of monetary assets held in trust	46,006	47,804	(1,798)
Purchase of premises and equipment (other than leased assets as lessor)	(5,944)	(7,284)	1,340
Purchase of intangible assets (other than leased assets as lessor)	(6,702)	(7,842)	1,139
Proceeds from sales of investments in subsidiaries resulting in change in scope of consolidation	4,912	708	4,203
Others, net	1,006	(120)	1,126
Net cash provided by (used in) investing activities	1,368,571	(104,099)	1,472,670
III. Cash flows from financing activities:			
Proceeds from subordinated debt	38,600	2,400	36,200
Repayment of subordinated debt	(47,000)	(3,000)	(44,000)
Payment for redemption of subordinated corporate bonds	-	(3,607)	3,607
Proceeds from minority shareholders of subsidiaries	91	9	81
Repayments to minority shareholders	(760)	(81,425)	80,665
Proceeds from issuance of stock	-	71,313	(71,313)
Dividends paid	(2,653)	-	(2,653)
Dividends paid to minority shareholders of subsidiaries	(3,297)	(9,833)	6,536
Net cash provided by (used in) financing activities	(15,019)	(24,144)	9,124
IV. Foreign currency translation adjustments on cash and cash equivalents	43	(82)	125
V. Net change in cash and cash equivalents	32,324	(33,763)	66,087
VI. Cash and cash equivalents at beginning of the year	300,474	334,238	(33,763)
VII. Cash and cash equivalents at end of the year	332,798	300,474	32,324

Section 2. Non-Consolidated Information

Results of Operations -Table 26- (Non-Consolidated)

	<i>(Billions of yen, except percentages)</i>			
	FY2011 (12 months)	FY2010 (12 months)	% Change	1HFY2011 (6 months)
Net interest income	70.3	70.5	(0.4)	29.3
Non-interest income	24.5	44.6	(44.9)	8.9
Net fees and commissions ⁽¹⁾	18.0	15.5	15.8	9.4
Net trading income	13.4	10.6	27.0	6.7
Net other business income	(6.9)	18.4	(137.6)	(7.1)
Total revenue ⁽¹⁾	94.8	115.1	(17.6)	38.3
Personnel expenses	19.9	19.9	0.0	9.7
Non-personnel expenses	39.2	37.4	4.8	16.3
Taxes	3.5	3.1	12.3	1.3
General and administrative expenses	62.6	60.5	3.6	27.4
Net business profit ⁽¹⁾	32.1	54.6	(41.1)	10.8
Other gains (losses)				
Gains (losses) on the sales of equities	1.5	1.5	(0.4)	1.8
Provision of reserve for loan losses	(14.0)	(35.1)	(59.9)	(2.2)
Losses on write-off of loans	(2.1)	(5.1)	(58.3)	(2.0)
Recoveries of written-off claims ⁽²⁾	5.2	-	-	1.4
Expenses for employees' retirement benefits	(2.7)	(3.4)	(20.4)	(1.1)
Other losses, expenses	(1.9)	(4.6)	(57.9)	(0.4)
Net ordinary income	18.1	7.9	127.4	8.3
Special gains (losses)				
Gains (losses) from sales of fixed assets	(1.7)	(1.1)	55.3	(1.2)
Recoveries of written-off claims ⁽²⁾	-	5.6	-	-
Other special gains (losses)	(0.1)	(0.3)	(62.3)	(0.1)
Income before income taxes	16.2	12.1	34.0	6.9
Income taxes (benefit)				
Current	0.1	(0.5)	127.3	0.3
Deferred	2.1	1.5	40.8	2.0
Net income	13.8	11.1	24.4	4.5

(1) Includes income from monetary assets held in trust of ¥12.2 billion in FY2011, ¥11.5 billion in FY2010 and ¥6.4 billion in 1HFY2011.

(2) Included in Other gains (losses) from FY2011.

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

- Difference between the net incomes on a non-consolidated basis and consolidated basis for fiscal year 2011 comes from the fact that the non-consolidated results do not include the gains and losses from our consolidated subsidiaries including Showa Leasing, Shinsei Financial, APLUS FINANCIAL and Shinki, gains and losses on our investment in our equity method affiliate, Jih Sun Financial Holding Co., Ltd., and dividends 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 on 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.
- Until fiscal year 2010, net credit costs included provision of reserve for loan losses, reversal of reserve for loan losses, losses on loan write-offs and losses on sale of

loans. However, from fiscal year 2011, recoveries of written-off claims are also included in net credit costs in accordance with the 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. The net credit costs for fiscal year 2011 includes ¥5.2 billion from recoveries of written-off claims.

- Shinsei Bank recorded total revenue of ¥94.8 billion on a non-consolidated basis for fiscal year 2011, down by ¥20.3 billion compared to the ¥115.1 billion recorded for fiscal year 2010. Net interest income for fiscal year 2011 remained almost the same level as fiscal year 2010 as a result of the effort to expanding the customer base in Institutional business in addition to the commencement of Consumer Finance business at the Bank. However, a ¥25.3 billion decrease in net other business income was caused by a significant decrease in gains on the sale of bonds (including Japanese national government bonds) due to the absence of gains on the sale of CLO and

asset-backed securities which were recorded for fiscal year 2010.

- Although general and administrative expenses related to the Bank's Consumer Finance business were included from October 2011, due to continued rationalization and efficient business processes across business groups, general and administrative expenses were ¥62.6 billion on a non-consolidated basis for fiscal year 2011 compared to ¥60.5 billion for fiscal year 2010.
- While net business profit for fiscal year 2011 decreased by ¥22.4 billion to ¥32.1 billion on a non-consolidated basis, a ¥29.3 billion decrease in net credit costs and ¥0.6 billion

decrease in expenses for employees' retirement benefits resulted in net ordinary income of ¥18.1 billion, an increase of ¥10.1 billion compared to fiscal year 2010.

- Shinsei Bank recorded a non-consolidated net income of ¥13.8 billion for fiscal year 2011, a modest increase of ¥2.7 billion compared to fiscal year 2010 due to the absence of recoveries of written-off claims and gain on the repurchase of our subordinated debt that were recorded as special gains (losses) for fiscal year 2010.

Net Credit Costs -Table 27- (Non-Consolidated)

	<i>(Billions of yen, except percentages)</i>			
	FY2011 (12 months)	FY2010 (12 months)	% Change	1HFY2011 (6 months)
Losses on write-off of loans	2.1	5.2	(58.5)	2.0
Net provision of reserve for loan losses	14.0	35.1	(59.9)	2.2
Net provision (reversal) of general reserve for loan losses	(5.3)	17.3	(130.5)	(0.6)
Net provision of specific reserve for loan losses	19.3	17.7	9.5	2.9
Net provision (reversal) of reserve for loan losses to restructuring countries	(0.0)	(0.0)	971.3	(0.0)
Recoveries of written-off claims ⁽¹⁾	(5.2)	-	-	(1.4)
Net credit costs	10.9	40.3	(72.7)	2.8

(1) Included in Net credit costs from FY2011.

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

Interest-Earning Assets and Interest-Bearing Liabilities -Table 28- (Non-Consolidated)

	<i>(Billions of yen, except percentages)</i>								
	FY2011 (12 months)			FY2010 (12 months)			1HFY2011 (6 months)		
	Average balance	Interest	Yield/rate (%)	Average balance	Interest	Yield/rate (%)	Average balance	Interest	Yield/rate (%)
Interest-earning assets:									
Cash and due from banks	24.6	0.2	1.05	21.4	0.1	0.82	25.6	0.1	1.21
Call loans	38.4	0.0	0.22	63.4	0.1	0.16	24.7	0.0	0.18
Receivables under resale agreements	6.2	0.0	0.38	-	-	-	-	-	-
Collateral related to securities borrowing transactions	9.7	0.0	0.10	124.1	0.1	0.11	8.7	0.0	0.08
Securities	2,790.5	42.8	1.53	3,472.9	39.3	1.13	3,169.3	16.0	1.01
Loans and bills discounted	4,022.2	63.9	1.59	4,288.9	70.7	1.65	4,029.8	32.0	1.59
Other interest-earning assets	269.2	2.7	1.01	460.7	6.1	1.34	287.7	1.4	1.03
Interest rate and funding swaps	-	0.0	-	-	3.1	-	-	0.1	-
Total interest-earning assets	7,161.0	109.9	1.53	8,431.7	119.9	1.42	7,546.1	49.9	1.32
Interest-bearing liabilities:									
Deposits	5,576.6	28.6	0.51	5,922.8	33.9	0.57	5,531.5	14.9	0.54
Negotiable certificates of deposit	229.2	0.3	0.16	294.2	0.5	0.20	251.7	0.2	0.16
Debentures	321.2	1.4	0.46	427.0	2.3	0.56	334.1	0.8	0.49
Call money	147.8	0.1	0.11	177.0	0.2	0.11	150.7	0.0	0.11
Payable under repurchase agreements	-	-	-	2.6	0.0	0.10	-	-	-
Collateral related to securities lending transactions	252.3	0.3	0.15	304.3	0.4	0.14	429.1	0.3	0.16
Borrowed money	390.0	2.3	0.60	1,084.0	2.1	0.20	529.5	1.1	0.43
Corporate bonds	214.0	8.6	4.02	295.8	12.6	4.28	219.2	4.2	3.87
Other interest-bearing liabilities	0.1	0.0	n.m. ⁽¹⁾	0.2	0.0	n.m. ⁽¹⁾	0.1	0.0	n.m. ⁽¹⁾
Interest rate and funding swaps	-	-	-	-	-	-	-	-	-
Total interest-bearing liabilities	7,131.5	42.0	0.59	8,508.4	52.5	0.61	7,446.2	21.8	0.58
Net interest income/yield on interest-earning assets	7,161.0	67.8	0.94	8,431.7	67.3	0.79	7,546.1	28.1	0.74

(1) n.m. is not meaningful.

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

Risk-Monitored Loans -Table 29- (Non-Consolidated)

	<i>(Billions of yen)</i>				
	Mar 31 2012	Mar 31 2011	Change	Sep 30 2011	Change
	(a)	(b)	(a)-(b)	(c)	(a)-(c)
Loans to bankrupt obligors	3.5	7.2	(3.6)	6.5	(2.9)
Non-accrual delinquent loans	263.3	237.7	25.5	216.2	47.0
Loans past due for three months or more	0.7	1.6	(0.8)	0.7	(0.0)
Restructured loans	0.8	4.7	(3.9)	3.5	(2.7)
Total (A)	268.4	251.3	17.1	227.1	41.3
Loans and bills discounted (B)	4,102.6	3,973.2	129.3	4,060.8	41.7
Ratio to total loans and bills discounted (A / B) (%)	6.54%	6.33%		5.59%	
Reserve for credit losses (C)	121.1	114.8	6.3	110.1	11.0
Reserve ratio (C / A) (%)	45.1%	45.7%		48.5%	

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

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

(Billions of yen)

	Mar 31 2012 (a)	Mar 31 2011 (b)	Change (a)-(b)	Sep 30 2011 (c)	Change (a)-(c)
Domestic offices (excluding Japan offshore market account):					
Manufacturing	241.4	230.1	11.2	245.3	(3.9)
Agriculture and forestry	0.2	-	0.2	1.2	(0.9)
Fishery	-	2.2	(2.2)	1.0	(1.0)
Mining, quarrying and gravel extraction	0.2	0.4	(0.1)	0.4	(0.1)
Construction	10.5	6.7	3.7	12.5	(2.0)
Electric power, gas, heat supply and water supply	48.6	27.1	21.5	37.6	11.0
Information and communications	38.4	12.1	26.3	34.1	4.3
Transportation and postal service	236.7	279.6	(42.8)	269.5	(32.7)
Wholesale and retail	82.6	99.3	(16.6)	77.6	5.0
Finance and insurance	1,178.4	1,077.8	100.5	1,200.8	(22.3)
Real estate	578.8	544.5	34.3	580.1	(1.2)
Services	371.0	387.3	(16.2)	371.3	(0.2)
Local government	139.5	158.8	(19.2)	140.9	(1.3)
Individual	966.8	937.3	29.5	900.7	66.0
Overseas yen loan and overseas loans booked domestically	131.9	172.9	(40.9)	125.3	6.5
Total domestic	4,025.8	3,936.5	89.2	3,998.9	26.8
Overseas offices (including Japan offshore market accounts):					
Governments	2.0	2.2	(0.1)	2.1	(0.0)
Financial institutions	1.0	1.6	(0.5)	1.1	(0.1)
Commerce and industry	73.6	32.7	40.8	58.5	15.1
Others	-	-	-	-	-
Total overseas	76.8	36.6	40.1	61.9	14.9
Total	4,102.6	3,973.2	129.3	4,060.8	41.7

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

Risk Monitored Loans by Borrower Industry -Table 31- (Non-Consolidated)

	(Billions of yen)				
	Mar 31 2012 (a)	Mar 31 2011 (b)	Change (a)-(b)	Sep 30 2011 (c)	Change (a)-(c)
Domestic offices (excluding Japan offshore market account):					
Manufacturing	10.8	3.5	7.3	3.2	7.6
Agriculture and forestry	-	-	-	-	-
Fishery	-	-	-	-	-
Mining, quarrying and gravel extraction	-	-	-	-	-
Construction	-	-	-	-	-
Electric power, gas, heat supply and water supply	-	-	-	-	-
Information and communications	-	0.5	(0.5)	0.5	(0.5)
Transportation and postal service	5.5	-	5.5	-	5.5
Wholesale and retail	-	0.0	(0.0)	0.0	(0.0)
Finance and insurance	43.7	22.7	21.0	23.8	19.8
Real estate	158.5	172.3	(13.7)	183.0	(24.5)
Services	26.2	2.0	24.1	0.1	26.0
Local government	-	-	-	-	-
Individual	3.6	6.8	(3.1)	4.2	(0.6)
Overseas yen loan and overseas loans booked domestically	19.9	43.3	(23.3)	11.9	7.9
Total domestic	268.4	251.3	17.1	227.1	41.3
Overseas offices (including Japan offshore market accounts):					
Governments	-	-	-	-	-
Financial institutions	-	-	-	-	-
Commerce and industry	-	-	-	-	-
Others	-	-	-	-	-
Total overseas	-	-	-	-	-
Total	268.4	251.3	17.1	227.1	41.3

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

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

	(Billions of yen)				
	Mar 31 2012 (a)	Mar 31 2011 (b)	Change (a)-(b)	Sep 30 2011 (c)	Change (a)-(c)
US	40.2	35.1	5.0	52.1	(11.9)
Asset-backed investments ⁽¹⁾ in US	5.2	4.1	1.1	4.6	0.6
Europe	50.3	66.2	(15.9)	33.5	16.8
Asset-backed investments ⁽¹⁾ in Europe	27.6	30.9	(3.2)	25.7	1.9
Others	118.1	108.1	10.0	101.5	16.5
Total overseas and offshore loans	208.7	209.5	(0.8)	187.2	21.5
Total asset-backed investments⁽¹⁾	32.9	35.1	(2.1)	30.4	2.5

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

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

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

	(Billions of yen)				
	Mar 31 2012 (a)	Mar 31 2011 (b)	Change (a)-(b)	Sep 30 2011 (c)	Change (a)-(c)
US	-	6.7	(6.7)	-	-
Asset-backed investments ⁽¹⁾ in US	-	-	-	-	-
Europe	16.1	36.4	(20.3)	11.9	4.1
Asset-backed investments ⁽¹⁾ in Europe	15.9	13.1	2.8	11.6	4.2
Others	3.7	0.0	3.7	0.0	3.7
Total overseas and offshore loans	19.9	43.3	(23.3)	11.9	7.9
Total asset-backed investments ⁽¹⁾⁽²⁾	15.9	13.1	2.8	11.6	4.2

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

(2) As of March 31, 2012, reserve for loan losses and collateral/guarantees for risk monitored loans related to asset-backed investments were ¥6.8 billion and ¥8.6 billion, respectively, and the coverage ratio was 97.0%.

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

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

	(Billions of yen)				
	Mar 31 2012 (a)	March 31 2011 (b)	Change (a)-(b)	Sep 30 2011 (c)	Change (a)-(c)
Claims against bankrupt and quasi-bankrupt obligors	49.1	62.5	(13.3)	53.4	(4.2)
Doubtful claims	245.2	210.7	34.5	196.7	48.5
Substandard claims	1.6	6.4	(4.8)	4.3	(2.7)
Total (A)	295.9	279.6	16.3	254.4	41.5
Coverage ratio	96.7%	96.8%	/	97.0%	/
Total claims (B)	4,445.8	4,120.4	325.4	4,268.2	177.6
Loans and bills discounted	4,102.6	3,973.2	129.3	4,060.8	41.7
Others	343.2	147.1	196.0	207.3	135.8
Ratio to total claims (A / B) X 100 (%)	6.66%	6.78%	/	5.96%	/
(Ref. 1) Amount of write-off	75.0	90.3	(15.2)	83.1	(8.1)
(Ref. 2) Below need caution level	589.8	730.4	(140.5)	641.4	(51.5)

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

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

(Billions of yen, except percentages)

March 31, 2012

	Amounts of coverage				Coverage ratio
	Amounts of claims	Total	Reserve for loan losses	Collateral and guarantees	
Claims against bankrupt and quasi-bankrupt obligors	49.1	49.1	3.6	45.5	100.0%
Doubtful claims	245.2	235.4	72.5	162.9	96.0%
Substandard claims	1.6	1.6	0.5	1.1	99.0%
Total	295.9	286.1	76.6	209.5	96.7%

(Billions of yen, except percentages)

	March 31, 2011					September 30, 2011				
	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	62.5	62.5	3.7	58.7	100.0%	53.4	53.4	3.7	49.7	100.0%
Doubtful claims	210.7	203.7	39.1	164.7	96.7%	196.7	190.8	39.0	151.8	97.0%
Substandard claims	6.4	4.4	2.5	2.0	69.1%	4.3	2.7	1.7	1.0	62.8%
Total	279.6	270.6	45.2	225.3	96.8%	254.4	246.9	44.4	202.5	97.0%

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

(Billions of yen)

	Mar 31 2012	Mar 31 2011	Change	Sep 30 2011	Change
	(a)	(b)	(a)-(b)	(c)	(a)-(c)
Reserve for credit losses	117.2	93.6	23.5	88.9	28.3
General reserve for loan losses	39.6	48.3	(8.7)	44.8	(5.2)
Specific reserve for loan losses	77.6	45.2	32.3	44.0	33.5
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)	21.1	(17.2)
Total reserve for credit losses	121.1	114.8	6.3	110.1	11.0

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

Reserve Ratios for Borrowers' Category -Table 37- (Non-Consolidated)

(Percentages)

	Mar 31 2012	Mar 31 2011	Change	Sep 30 2011	Change
	(a)	(b)	(a)-(b)	(c)	(a)-(c)
Legally and virtually bankrupt (unsecured portion)	100.00	100.00	-	100.00	-
Possibly bankrupt (unsecured portion)	95.42	92.06	3.36	97.48	(2.06)
Substandard (unsecured portion)	240.86	55.06	185.80	51.99	188.87
Need caution (total claims)	5.76	4.84	0.92	3.74	2.02
(unsecured portion)	15.08	17.70	(2.62)	12.86	2.22
Normal (total claims)	0.55	0.58	(0.03)	0.66	(0.11)

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

Housing Loans -Table 38- (Non-Consolidated)

	(Billions of yen)				
	Mar 31 2012	Mar 31 2011	Change	Sep 30 2011	Change
	(a)	(b)	(a)-(b)	(c)	(a)-(c)
Housing loans	931.0	892.0	39.0	879.5	51.5

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

Loans to Small- and Medium Sized Entities -Table 39- (Non-Consolidated)

	(Billions of yen)				
	Mar 31 2012	Mar 31 2011	Change	Sep 30 2011	Change
	(a)	(b)	(a)-(b)	(c)	(a)-(c)
Loans to small- and medium-sized entities (SMEs)	2,624.9	2,392.2	232.6	2,514.3	110.6
% of loans to small- and medium-sized entities	65.2%	60.8%		62.9%	

Note: Small- and medium-sized enterprises in this table refer to companies with ¥300 million or fewer in capital (¥100 million for wholesale and ¥50 million for retail and services) as well as companies or individuals with 300 employees or less (100 for wholesale and services and 50 for retail).

Securities Being Held to Maturity -Table 40- (Non-Consolidated)

	(Billions of yen)								
	March 31, 2012			March 31, 2011			September 30, 2011		
	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	585.6	590.9	5.3	393.6	397.7	4.0	554.6	559.7	5.1
Japanese corporate bonds	22.8	23.0	0.2	59.5	60.2	0.6	27.6	28.0	0.4
Other	40.2	44.2	4.0	40.1	43.7	3.6	37.4	40.7	3.3
Subtotal	648.7	658.2	9.5	493.3	501.7	8.3	619.7	628.6	8.8
Fair value does not exceed carrying amount									
Japanese national government bonds	-	-	-	50.1	50.0	(0.0)	40.1	40.0	(0.0)
Japanese corporate bonds	-	-	-	-	-	-	-	-	-
Other	9.8	9.2	(0.5)	10.4	9.9	(0.4)	9.3	8.7	(0.5)
Subtotal	9.8	9.2	(0.5)	60.6	60.0	(0.5)	49.4	48.8	(0.6)
Total	658.5	667.5	8.9	553.9	561.7	7.7	669.1	677.4	8.2

Available-for-Sale Securities -Table 41- (Non-Consolidated)

	(Billions of yen)								
	March 31, 2012			March 31, 2011			September 30, 2011		
	Carrying amount (Fair value)	Amortized/ Acquisition cost	Unrealized gain (loss)	Carrying amount (Fair value)	Amortized/ Acquisition cost	Unrealized gain (loss)	Carrying amount (Fair value)	Amortized/ Acquisition cost	Unrealized gain (loss)
Carrying amount exceeds amortized/acquisition cost									
Equity securities	13.4	8.7	4.6	2.4	1.7	0.6	3.5	2.9	0.6
Domestic bonds	681.8	679.4	2.3	1,229.6	1,227.9	1.6	923.7	920.8	2.8
Japanese national government bonds	619.5	617.5	1.9	1,152.2	1,151.3	0.8	843.1	841.1	2.0
Japanese local government bonds	1.7	1.7	0.0	1.7	1.7	0.0	1.7	1.7	0.0
Short-term corporate bonds	-	-	-	9.9	9.9	0.0	-	-	-
Japanese corporate bonds	60.4	60.0	0.3	65.5	64.8	0.7	78.7	78.0	0.6
Other	66.4	62.0	4.4	85.7	81.3	4.3	62.1	58.5	3.5
Foreign securities	55.7	51.5	4.1	82.5	78.3	4.1	51.0	47.6	3.3
Foreign currency denominated foreign corporate and government bonds	31.4	28.6	2.8	46.1	42.9	3.2	32.3	29.4	2.8
Yen-denominated foreign corporate and government bonds	19.6	19.4	0.2	34.2	33.7	0.5	16.6	16.5	0.0
Foreign equity securities and others	4.6	3.4	1.1	2.1	1.7	0.3	2.0	1.6	0.3
Other securities	1.1	0.9	0.1	1.0	0.9	0.1	1.0	0.9	0.1
Other monetary claims purchased	9.6	9.6	0.0	2.1	2.0	0.0	10.0	9.9	0.0
Subtotal	761.7	750.2	11.4	1,317.7	1,311.0	6.7	989.3	982.3	7.0
Carrying amount does not exceed amortized/acquisition cost									
Equity securities	1.2	1.5	(0.3)	7.3	11.3	(4.0)	5.9	6.3	(0.3)
Domestic bonds	250.4	254.4	(4.0)	1,089.9	1,097.8	(7.9)	333.8	337.3	(3.5)
Japanese national government bonds	79.9	80.7	(0.7)	866.4	869.0	(2.5)	166.4	167.3	(0.8)
Japanese local government bonds	-	-	-	-	-	-	-	-	-
Short-term corporate bonds	-	-	-	-	-	-	-	-	-
Japanese corporate bonds	170.4	173.7	(3.2)	223.4	228.8	(5.3)	167.3	169.9	(2.6)
Other	92.9	95.9	(3.0)	206.8	210.9	(4.0)	113.3	118.2	(4.9)
Foreign securities	91.0	94.0	(3.0)	203.7	207.7	(4.0)	112.7	117.7	(4.9)
Foreign currency denominated foreign corporate and government bonds	42.8	45.4	(2.5)	144.4	147.7	(3.2)	42.7	46.4	(3.7)
Yen-denominated foreign corporate and government bonds	48.0	48.5	(0.4)	54.8	55.5	(0.6)	67.1	68.2	(1.1)
Foreign equity securities and others	0.0	0.0	-	4.4	4.5	(0.0)	2.9	2.9	(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)	2.0	2.0	(0.0)	-	-	-
Subtotal	344.6	351.9	(7.3)	1,304.0	1,320.1	(16.0)	453.1	461.9	(8.8)
Total⁽¹⁾⁽²⁾	1,106.3	1,102.1	4.1	2,621.8	2,631.2	(9.3)	1,442.5	1,444.2	(1.7)

(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)		
	March 31, 2012	March 31, 2011	September 30, 2011
Unrealized gain (loss) before deferred tax on:			
Available-for-sale securities	4.1	(9.3)	(1.7)
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	(5.1)	(5.9)	(5.1)
Deferred tax assets (liabilities)	-	-	-
Unrealized gain (loss) on available-for-sale securities	(1.0)	(15.3)	(6.9)

Hedge-Accounting Derivative Transactions-Table 42- (Non-Consolidated)

(Billions of yen)

Notional Principal Amount	March 31, 2012			
	1 year or less	Over 1 year to 5 years	Over 5 years	Total
Interest rate swaps:				
Receive fixed and pay floating	27.4	516.8	89.0	633.2
Receive floating and pay fixed	22.9	93.2	174.7	290.9
Receive floating and pay floating	-	-	-	-
Total notional principal amount	50.3	610.1	263.7	924.2
Currency swaps				
Total notional principal amount	31.5	20.4	-	51.9

Employees' Retirement Benefit-Table 43- (Non-Consolidated)**Projected Benefit Obligation (Non-Consolidated)**

(Billions of yen)

		March 31, 2011
Projected benefit obligation	(A)	52.5
Discount rate		2.2%
Fair value of plan assets	(B)	46.3
Prepaid pension cost	(C)	(1.6)
Unrecognized prior service cost	(D)	(1.6)
Unrecognized net actuarial losses	(E)	7.8
Other (Unrecognized obligation at transition, etc.)	(F)	1.8
Reserve for retirement benefits	(A-B-C-D-E-F)	-

Pension Expenses (Non-Consolidated)

(Billions of yen)

		FY2011 (12 months)
Service cost		1.9
Interest		1.1
Expected return on plan assets		(0.9)
Amortization of prior service cost		(0.3)
Amortization of net actuarial losses		2.0
Amortization of unrecognized obligation at transition		0.6
Other (extraordinary severance benefit expense, etc.)		0.8
Net periodic retirement benefit cost		5.2

Capital Adequacy Data-Table 44- (Non-Consolidated)

(Billions of yen, except percentages)

	Mar 31 2012 (a)	Mar 31 2011 (b)	Change (a)-(b)	Sep 30 2011 (c)	Change (a)-(c)
Basic items (Tier I)	662.3	642.5	19.7	652.1	10.1
Supplementary items (Tier II)	189.9	226.8	(36.8)	205.9	(15.9)
Deduction	(76.1)	(73.6)	(2.4)	(77.1)	1.0
Total capital ⁽²⁾	776.1	795.6	(19.5)	780.8	(4.7)
Risk assets	5,923.6	6,338.7	(415.1)	6,023.6	(100.0)
Capital adequacy ratio	13.10%	12.55%	0.55%	12.96%	0.14%
Tier I capital ratio	11.18%	10.13%	1.05%	10.82%	0.36%

(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, ¥1.0 billion of net unrealized losses on securities available-for-sale, net of taxes, as of March 31, 2012, ¥15.3 billion as of March 31, 2011 and ¥6.9 billion as of September 30, 2011 are not included in BIS capital.

(2) Non-Consolidated total required capital is ¥352.5 billion as at March 31, 2012, ¥372.9 billion as at March 31, 2011 and ¥359.5 billion as at September 30, 2011.

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

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

	Mar 31 2012 a	Mar 31 2011 b	Change a-b
<<Assets>>			
Cash and due from banks	330,047	313,424	16,622
Call loans	15,745	-	15,745
Receivables under resale agreements	18,362	-	18,362
Receivables under securities borrowing transactions	57,647	3,050	54,597
Other monetary claims purchased	210,693	408,701	(198,008)
Trading assets	156,661	182,828	(26,166)
Monetary assets held in trust	307,526	360,976	(53,449)
Securities	2,286,669	3,701,794	(1,415,125)
Valuation allowance for investments	(3,370)	(3,370)	-
Loans and bills discounted	4,102,638	3,973,251	129,386
Foreign exchanges	18,896	42,069	(23,173)
Other assets	450,254	350,248	100,005
Premises and equipment	21,471	18,236	3,235
Intangible assets	10,650	9,987	662
Deferred issuance expenses for debentures	135	182	(46)
Deferred tax assets	-	1,894	(1,894)
Customers' liabilities for acceptances and guarantees	11,600	9,603	1,997
Reserve for credit losses	(121,193)	(114,877)	(6,316)
Total assets	7,874,437	9,258,002	(1,383,564)

Liabilities and Equity

(Millions of yen)

	Mar 31 2012 a	Mar 31 2011 b	Change a-b
<<Liabilities>>			
Deposits	5,610,134	5,565,258	44,876
Negotiable certificates of deposit	178,084	174,046	4,038
Debentures	296,839	352,570	(55,731)
Call money	210,163	160,330	49,833
Payables under securities lending transactions	91,805	265,028	(173,223)
Trading liabilities	127,697	144,375	(16,677)
Borrowed money	245,728	1,405,648	(1,159,920)
Foreign exchanges	184	218	(33)
Corporate bonds	212,235	222,268	(10,032)
Other liabilities	240,790	335,798	(95,008)
Income taxes payable	369	314	55
Lease obligations	2	3	(1)
Asset retirement obligations	6,751	4,003	2,748
Other	233,666	331,476	(97,810)
Accrued employees' bonuses	3,728	4,149	(421)
Deferred tax liabilities	1,265	-	1,265
Acceptances and guarantees	11,600	9,603	1,997
Total liabilities	7,230,258	8,639,296	(1,409,037)
<<Equity>>			
Shareholders' equity:			
Common stock	512,204	512,204	-
Capital surplus	79,465	79,465	-
Additional paid-in capital	79,465	79,465	-
Retained earnings	129,221	117,980	11,240
Legal reserve	11,566	11,035	530
Other retained earnings	117,654	106,944	10,710
Unappropriated retained earnings	117,654	106,944	10,710
Treasury stock, at cost	(72,558)	(72,558)	-
Total shareholders' equity	648,332	637,091	11,240
Unrealized gain (loss) on available-for-sale securities	(1,031)	(15,346)	14,314
Deferred gain (loss) on derivatives under hedge accounting	(4,476)	(4,452)	(24)
Total net unrealized gain (loss) and translation adjustments	(5,508)	(19,799)	14,290
Stock acquisition rights	1,354	1,413	(58)
Total equity	644,178	618,705	25,473
Total liabilities and equity	7,874,437	9,258,002	(1,383,564)

Non-Consolidated Statements of Operations (Non-Consolidated)

(Millions of yen, except percentages)

	FY2011 (12 months)	FY2010 (12 months)	Change	
			Amount	%
Ordinary income	175,252	191,860	(16,608)	(8.7)
Interest income	109,976	119,908	(9,932)	(8.3)
Interest on loans and bills discounted	63,986	70,796	(6,810)	(9.6)
Interest and dividends on securities	42,800	39,337	3,463	8.8
Other interest income	3,189	9,774	(6,585)	(67.4)
Fees and commissions income	15,447	13,846	1,600	11.6
Trading income	16,697	13,543	3,154	23.3
Other business income	4,521	27,612	(23,091)	(83.6)
Other ordinary income	28,610	16,949	11,660	68.8
Ordinary expenses	157,132	183,892	(26,759)	(14.6)
Interest expenses	42,078	52,528	(10,449)	(19.9)
Interest on deposits	28,682	33,986	(5,304)	(15.6)
Interest on corporate bonds	8,613	12,676	(4,063)	(32.1)
Other interest expenses	4,783	5,865	(1,082)	(18.4)
Fees and commissions expenses	9,673	9,841	(168)	(1.7)
Trading losses	3,209	2,926	283	9.7
Other business expenses	11,447	9,156	2,291	25.0
General and administrative expenses	65,101	63,011	2,090	3.3
Other ordinary expenses	25,621	46,428	(20,807)	(44.8)
Ordinary profit	18,119	7,968	10,150	127.4
Extraordinary gains	72	38,497	(38,425)	(99.8)
Extraordinary losses	1,949	34,341	(32,392)	(94.3)
Income before income taxes	16,243	12,124	4,118	34.0
Income taxes (benefit):				
Income taxes (benefit) - current	163	(597)	760	127.3
Income taxes (benefit) - deferred	2,185	1,551	633	40.8
Total income taxes (benefit)	2,348	954	1,394	146.1
Net income	13,894	11,170	2,723	24.4

Non-Consolidated Statements of Changes in Equity (Non-Consolidated)

	(Millions of yen)	
	FY2011 (12 months)	FY2010 (12 months)
Shareholders' equity		
Common stock:		
Balance at beginning of the year	512,204	476,296
Changes during the year		
Issuance of new shares	-	35,907
Total changes during the year	-	35,907
Balance at end of the year	512,204	512,204
Capital surplus:		
Additional paid-in capital:		
Balance at beginning of the year	79,465	43,558
Changes during the year		
Issuance of new shares	-	35,907
Total changes during the year	-	35,907
Balance at end of the year	79,465	79,465
Total capital surplus:		
Balance at beginning of the year	79,465	43,558
Changes during the year		
Issuance of new shares	-	35,907
Total changes during the year	-	35,907
Balance at end of the year	79,465	79,465
Retained earnings:		
Legal reserve:		
Balance at beginning of the year	11,035	11,035
Changes during the year		
Dividends from surplus	530	-
Total changes during the year	530	-
Balance at end of the year	11,566	11,035
Other retained earnings:		
Unappropriated retained earnings:		
Balance at beginning of the year	106,944	95,773
Changes during the year		
Dividends from surplus	(3,184)	-
Net income	13,894	11,170
Total changes during the year	10,710	11,170
Balance at end of the year	117,654	106,944
Total retained earnings:		
Balance at beginning of the year	117,980	106,809
Changes during the year		
Dividends from surplus	(2,653)	-
Net income	13,894	11,170
Total changes during the year	11,240	11,170
Balance at end of the year	129,221	117,980

(Millions of yen)

	FY2011 (12 months)	FY2010 (12 months)
Treasury stock, at cost:		
Balance at beginning of the year	(72,558)	(72,558)
Changes during the year		
Total changes during the year	-	-
Balance at end of the year	(72,558)	(72,558)
Total shareholders' equity:		
Balance at beginning of the year	637,091	554,105
Changes during the year		
Issuance of new shares	-	71,815
Dividends from surplus	(2,653)	-
Net income	13,894	11,170
Total changes during the year	11,240	82,985
Balance at end of the year	648,332	637,091
Net unrealized gain (loss) and translation adjustments		
Unrealized gain (loss) on available-for-sale securities:		
Balance at beginning of the year	(15,346)	361
Changes during the year		
Net changes during the year excluding shareholders' equity	14,314	(15,707)
Total changes during the year	14,314	(15,707)
Balance at end of the year	(1,031)	(15,346)
Deferred gain (loss) on derivatives under hedge accounting:		
Balance at beginning of the year	(4,452)	(192)
Changes during the year		
Net changes during the year excluding shareholders' equity	(24)	(4,260)
Total changes during the year	(24)	(4,260)
Balance at end of the year	(4,476)	(4,452)
Total net unrealized gain (loss) and translation adjustments:		
Balance at beginning of the year	(19,799)	168
Changes during the year		
Net changes during the year excluding shareholders' equity	14,290	(19,967)
Total changes during the year	14,290	(19,967)
Balance at end of the year	(5,508)	(19,799)
Stock acquisition rights		
Balance at beginning of the year	1,413	1,672
Changes during the year		
Net changes during the year excluding shareholders' equity	(58)	(259)
Total changes during the year	(58)	(259)
Balance at end of the year	1,354	1,413
Total equity		
Balance at beginning of the year	618,705	555,947
Changes during the year		
Issuance of new shares	-	71,815
Dividends from surplus	(2,653)	-
Net income	13,894	11,170
Net changes during the year excluding shareholders' equity	14,232	(20,227)
Total changes during the year	25,473	62,758
Balance at end of the year	644,178	618,705

Section 3. Earnings Forecast -Table 45- (Consolidated and Non-Consolidated)

(Consolidated)	<i>(Billions of yen)</i>	
	<i>Fiscal year ending</i> March 2013 <i>(FY2012)</i> Forecast	<i>Fiscal year ended</i> March 2012 <i>(FY2011)</i> Actual
Net income	51.0	6.4
Cash basis net income *	60.0	16.0

(Non-Consolidated)	<i>(Billions of yen)</i>	
	<i>Fiscal year ending</i> March 2013 <i>(FY2012)</i> Forecast	<i>Fiscal year ended</i> March 2012 <i>(FY2011)</i> Actual
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.

- Full fiscal year consolidated reported basis net income for fiscal year 2012 is forecast at ¥51.0 billion, and consolidated cash basis net income is forecast at ¥60.0 billion, as we envisage achieving stable normal earnings, free from the impact of non-recurring items going forward as a result of the measures taken to date in previous fiscal years.
- Regarding non-consolidated net income, the forecast will be the same as the ¥22.0 billion target set forth in the Revitalization Plan. The dividend forecast will also be the same as that stated in the Revitalization Plan, a yearly dividend payment of ¥1 per share.

*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)⁽¹⁾ -Table 46- (Non-Consolidated)

(Billions of yen)

	Credit Ratings of Securities ⁽²⁾ (March 31, 2012)				Mar 31 2012 (a)	Mar 31 2011 (b)	Change (a)-(b)	Sept 30 2011 (c)	Change (a)-(c)
	AAA	AA	A or lower	N/A					
RMBS	15%	0%	2%	83%	36.3	44.8	(8.4)	38.9	(2.5)
Japan	15%	0%	2%	83%	36.3	44.8	(8.4)	38.9	(2.5)
U.S.	-	-	-	-	0.0 ⁽⁴⁾	0.0	0.0	0.0	0.0
Europe	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
CMBS	-	-	-	-	0.0 ⁽⁴⁾	7.9	(7.9)	0.0	0.0
Japan	-	-	-	-	0.0	5.5	(5.5)	0.0	0.0
U.S.	-	-	-	-	-	-	-	-	-
Europe	-	-	-	-	-	0.0	(0.0)	-	-
Other	-	-	-	-	-	2.4	(2.4)	0.0	0.0
CLO	13%	86%	0%	1%	41.6	42.0	(0.4)	38.6	2.9
Japan	-	-	-	-	-	-	-	-	-
U.S.	17%	81%	0%	2%	31.7	31.6	0.1	29.3	2.3
Europe	0%	100%	0%	0%	9.8	10.4	(0.6)	9.3	0.5
Other	-	-	-	-	-	0.0	(0.0)	-	-
ABS CDO (Resecuritized Products)	-	-	-	-	-	-	-	-	-
Japan	-	-	-	-	-	-	-	-	-
U.S.	-	-	-	-	-	-	-	-	-
Europe	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	14%	46%	1%	39%	77.9	94.9	(16.9)	77.6	0.3
Japan	15%	0%	2%	83%	36.3	50.3	(14.0)	38.9	(2.5)
U.S.	17%	81%	0%	2%	31.7	31.6	0.1	29.3	2.3
Europe	0%	100%	0%	0%	9.8	10.4	(0.6)	9.3	0.5
Other	-	-	-	-	-	2.4	(2.4)	0.0	0.0
Securities					41.6	48.3	(6.7)	39.7	1.8
RMBS					0.0 ⁽⁴⁾	1.8	(1.8)	1.0	(1.0)
CMBS					-	4.4	(4.4)	0.0	0.0
CLO					41.6	42.0	(0.4)	38.6	2.9
ABS CDO					-	-	-	-	-
Other monetary claims purchased⁽³⁾					36.3	46.5	(10.1)	37.8	(1.4)
RMBS (Japan)					36.3	43.0	(6.6)	37.8	(1.4)
CMBS (Japan)					0.0 ⁽⁴⁾	3.4	(3.4)	0.0	0.0
CLO (Japan)					-	-	-	-	-
ABS CDO (Japan)					-	-	-	-	-
Total					77.9	94.9	(16.9)	77.6	0.3

(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 March 31, 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 March 31, 2012.

(4) Residual value

**Securitized Products, Recorded under "Securities" and "Other Monetary Claims Purchased" and OCI ⁽¹⁾-Table 47-
(Non-Consolidated)**

(Billions of yen, except percentages)

Securities	As of March 31, 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 ⁽³⁾		
CLO (U.S.)		0.5		
Securities Being Held to Maturity with Readily Determinable Fair Value		41.0		
CLO (U.S.)		31.2		
CLO (Europe)		9.8		
Securities Available for Sale	0.0	0.0 ⁽³⁾	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		41.6		
RMBS		0.0 ⁽³⁾		
CLO		41.6		

(Billions of yen, except percentages)

Other Monetary Claims Purchased ⁽²⁾	As of March 31, 2012			
	Balance before Mark-to-Market Evaluation	Market Value or Balance	Unrealized Gains/Losses (OCI)	Price Increase (Decrease) Ratio (%)
Trading Purposes		8.2		
RMBS (Japan) ⁽²⁾		8.2		
Others	28.1	28.1	0.0	0.1
RMBS (Japan)	28.1	28.1	0.0	0.1
CMBS (Japan)	0.0	0.0 ⁽³⁾	0.0	0.0
Total		36.3		
RMBS (Japan)		36.3		
CMBS (Japan)		0.0 ⁽³⁾		
RMBS, CMBS, CLO, ABS CDO Total		77.9		
Securities		41.6		
Other Monetary Claims Purchased		36.3		

(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 March 31, 2012.

(3) Residual

LBO, Monoline, SIV, ABCP, CDS -Table 48- (Non-Consolidated)

(Billions of yen)

	Mar 31 2012 (a)	Mar 31 2011 (b)	Change (a)-(b)	Sept 30 2011 (c)	Change (a)-(c)
LBO⁽¹⁾⁽³⁾	198.1	203.3	(5.2)	199.0	(0.9)
Japan	195.8⁽²⁾	199.7	(3.9)	195.9	(0.1)
U.S.	1.7	2.1	(0.4)	1.8	(0.1)
Europe	-	-	-	-	-
Other	0.4	1.4	(1.0)	1.2	(0.8)
(Breakdown by Industry Sector)					
Manufacturing	11.6%				
Information and communications	1.1%				
Wholesale and retail	6.5%				
Finance and Insurance	22.3%				
Services	58.5%				
Others	-				
Total	100.0%				

(1) The amount includes unfunded commitment line.

(2) As of March 31, 2012, unfunded commitment line (only domestic) is ¥2.9 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)⁽¹⁾

(Billions of yen)

	As of March 31, 2012							FY2011
	Nominal Amount		Fair Value		Netted Nominal Amount and Fair Value ⁽²⁾			Realized Profits (Losses)
	Protection (buy)	Protection (sell)	Protection (buy)	Protection (sell)	Nominal Amount	Fair Value		
						Protection (buy)	Protection (sell)	
Total	488.0	579.3	0.1	(0.6)	433.5	(0.1)	(0.2)	0.1
Japan	396.6	488.3	0.6	(0.9)	349.4	0.4	(0.5)	0.0
U.S.	40.4	41.6	(0.1)	0.1	37.5	(0.2)	0.1	0.0
Europe	23.9	23.7	0.0	(0.0)	23.4	0.0	(0.0)	0.0
Other	26.9	25.5	(0.3)	0.2	23.2	(0.3)	0.2	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 49-

Names	Definitions
RMBS	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."
CMBS	Commercial mortgage-backed securities. Recorded in "securities available-for-sale" and "other monetary claims." We have no U.S. CMBS exposure.
CLO	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."
ABS CDO (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.
LBO	Loans for leveraged buyout for acquisition finance including refinancing of past acquisitions.
Monoline	Monolines are insurance companies that insure against the risk of a bond or other security defaulting. We have no exposure to Monoline.
SIV	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.
ABCP	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.
CDS	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.

(Reference 1) BOJ Press Club Format

1. Ratio of non-performing claims classified under the Financial Revitalization Law (%)

	Mar 31, 2007	Sep 30, 2007	Mar 31, 2008	Sep 30, 2008	Mar 31, 2009	Sep 30, 2009
Non-consolidated	0.53	0.82	0.95	0.90	2.51	3.41
Consolidated	1.08	1.23	1.69	2.36	4.43	5.33
	Mar 31, 2010	Sep 30, 2010	Mar 31, 2011	Sep 30, 2011	Mar 31, 2012	
Non-consolidated	6.70	6.52	6.78	5.96	6.66	
Consolidated	7.99	8.50	8.73	8.10	8.45	

2. Equity holdings

(1) Equity held (Non-consolidated)

(Billions of yen)

	Book value		Net unrealized gain (loss)
		Subsidiaries' shares	
FY2010	392.0	375.5	(3.3)
1HFY2011	391.7	375.5	0.2
FY2011	396.3	375.7	4.3

(2) Impairment (Non-consolidated)

(Billions of yen)

	Equity related profits and losses (net of three accounts)	
		Impairment amount
1HFY2011	1.8	5.2
FY2011	1.5	7.0

* Other extraordinary losses for 1HFY2011 contains ¥0.1 billion in mark-down of subsidiaries' equity.

** Other extraordinary losses for FY2011 contains ¥0.1 billion in mark-down of subsidiaries' equity.

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

Nikkei Stock Average	approximately ¥7,000
TOPIX	approximately ¥600

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

(Billions of yen)

	Results	% Change	Ratio to total loan balance
Mar 31, 2011	2,392.2	(6.47)%	60.77%
Sep 30, 2011	2,514.3	5.10%	62.87%
Mar 31, 2012	2,624.9	4.40%	65.20%

* Small- and medium-sized enterprises in this table refer to companies with ¥300 million or less in capital (¥100 million for wholesale and ¥50 million for retail and services) as well as companies or individuals with 300 employees or fewer (100 for wholesale and services and 50 for retail).

** Revitalization Law (actual net increase/decrease excluding impact loan)

Achieved actual results of + ¥43.5 billion for 1HFY2011 compared to the plan of + ¥30.1 billion.

4. Sales performance of investment trusts and insurance

a. Investment trust sales performance and commission

(Billions of yen)

	Handling commission for sales of investment trusts	Revenue from sales during the period	Amount of sales during the period
1HFY2010	2.1	0.9	37.9
FY2010	4.1	1.7	71.3
1HFY2011	2.0	0.9	36.4
FY2011	3.5	1.4	56.9

b. Insurance sales performance and commission

(Billions of yen)

	Handling commission for sales of insurance	Revenue from sales during the period	Amount of sales during the period
1HFY2010	0.2	0.2	6.0
FY2010	0.4	0.3	9.6
1HFY2011	0.2	0.2	5.1
FY2011	0.7	0.7	28.2

5. Measures in Response to the Act concerning Temporary Measures to Facilitate Financing for SMEs, etc.

(Accumulated data from December 4, 2009 to March 31, 2012)

(Number, Millions of yen)

	Total		SME		Mortgage	
	#	Amount	#	Amount	#	Amount
Request	645	242,967	152	229,483	493	13,484
Execution	474	229,150	138	219,509	336	9,640
Refusal	81	9,500	9	7,824	72	1,675
Under Exam	17	348	0	0	17	348
Withdrawal	73	3,968	5	2,148	68	1,819
	Amount					
Balance of claims related to execution of above requests as of March 31, 2012		146,259				

* SME loans are not guaranteed by the Credit Guarantee Association or other organizations.

** "Refusal" as at March 31, 2012 includes four loans for a total of ¥2,916 million which were at one point counted as "Deemed Refusal" but executed by September-end. (Execution amount was ¥2,888 million due to the partial principal reduction.) "Refusal" of the Mortgage as at March 31, 2012 includes 53 loans for a total of ¥1,222 million which were counted as "Deemed Refusal" as we could not contact the obligor within three months after the request was filed.

"Deemed Refusal" includes 26 loans for a total of ¥673 million which were executed with changes to terms and conditions by September-end.

*** The "Under Evaluation" of the Mortgage as at March 31, 2012 includes 17 loans for a total of ¥348 million on which changes to terms and conditions have been agreed and which are scheduled for execution.

6. Great East Japan Earthquake related (% shows changes from the previous period) (Non-consolidated)

(Billions of yen)

	Amount	% Change v. Mar 2011
Loans to the companies located in Miyagi, Iwate and Fukushima Prefecture as of March 31, 2012	3.4	3.82%

* Companies whose head office is located in any of the three prefectures above.

** Aside from the above, real estate non-recourse loans for properties located in the three prefectures total ¥11.4 billion as of March 31, 2012

(Reference 2) Calculation Grounds of Deferred Tax Assets

Shinsei Bank has, due to losses recognized on securities, ¥130.0 billion of tax loss carryforwards and the unrealized temporary differences of ¥440.0 billion as of March 31, 2012.

We continue to recognize deferred tax assets based on our ability to reasonably estimate future taxable income for the next year.

Taxable income is calculated under the consolidated tax system, which was adopted in FY2003.

1. Future year taxable income estimate before adjustment

Taxable income for the next year before adjustment (under the consolidated tax system) is estimated to be ¥17.0 billion.

(Reference) Total taxable income before adjustment, past five years [Non-consolidated]

(Billions of yen)

FY2007	FY2008	FY2009	FY2010	FY2011
58.5	(151.2)	(39.2)	(0.3)	(2.7)

2. Net deferred tax liabilities (As of March 31, 2012 [Non-consolidated])

(Billions of yen)

Deferred tax assets corresponding to "total taxable income before adjustment"	(*) 6.3
Deferred tax liabilities	7.5
Net deferred tax liabilities on balance sheet	1.2

(*) Breakdown	}	Reserve for credit losses	70.2
		Securities	50.6
		Tax loss carryforwards	47.4
		Net deferred loss on hedge	5.2
		Net unrealized loss on securities available-for-sale	1.9
		Other	39.4
		Sub total	215.0
		Valuation allowance	(208.7)
Total	6.3		

3. Deferred tax assets to Tier I ratio [Consolidated]

(Billions of yen)

	FY2010	1H-FY2011	FY2011
Deferred tax assets (except deferred tax liabilities)	17.9	15.6	15.2
Tier I	516.7	542.7	537.1
Deferred tax assets to Tier I ratio	3.5%	2.9%	2.8%