

# **Financial Summary**

**For the Third Quarter Ended December 31, 2011**



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

<b><u>Contents</u></b>	<b><u>Page</u></b>
Financial Highlights	.....1
Financial and Economic Environment	.....4
Section 1. Consolidated Information	.....5
<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 Being Held to Maturity -Table 13-</i>	<i>(Consolidated) ....16</i>
<i>Available-for-Sale Securities -Table 14-</i>	<i>(Consolidated) ....17</i>
<i>Deposits, Including Negotiable Certificates of Deposit (NCDs) -Table 15-</i>	<i>(Consolidated) ....18</i>
<i>Financial Ratios -Table 16-</i>	<i>(Consolidated) ....18</i>
<i>Capital Adequacy Data -Table 17-</i>	<i>(Consolidated) ....19</i>
<i>Per Share Data -Table 18-</i>	<i>(Consolidated) ....19</i>
<i>Business Lines Results -Table 19-</i>	<i>(Consolidated) ....20</i>
<i>Institutional Group -Table 20-</i>	<i>(Consolidated) ....21</i>
<i>Global Markets Group Revenue by Product -Table 21-</i>	<i>(Consolidated) ....23</i>
<i>Individual Group -Table 22-</i>	<i>(Consolidated) ....25</i>
<i>Individual Group Revenue by Product/Entity -Table 23-</i>	<i>(Consolidated) ....26</i>
<i>Segment Information</i>	.....28
<i>Consolidated Balance Sheets (Unaudited)</i>	<i>(Consolidated) ....29</i>
<i>Consolidated Statements of Income (Unaudited)</i>	<i>(Consolidated) ....31</i>
<i>Consolidated Statements of Comprehensive Income (Unaudited)</i>	<i>(Consolidated) ....32</i>

Section 2. Non-Consolidated Information	....33
<i>Results of Operations -Table 24-</i>	<i>(Non-Consolidated) ....33</i>
<i>Net Credit Costs -Table 25-</i>	<i>(Non-Consolidated) ....34</i>
<i>Interest-Earning Assets and Interest-Bearing Liabilities -Table 26-</i>	<i>(Non-Consolidated) ....35</i>
<i>Risk-Monitored Loans -Table 27-</i>	<i>(Non-Consolidated) ....35</i>
<i>Loans by Borrower Industry -Table 28-</i>	<i>(Non-Consolidated) ....36</i>
<i>Risk Monitored Loans by Borrower Industry -Table 29-</i>	<i>(Non-Consolidated) ....37</i>
<i>Overseas and Offshore Loans by Region -Table 30-</i>	<i>(Non-Consolidated) ....37</i>
<i>Risk-Monitored Overseas and Offshore Loans by Region -Table 31-</i>	<i>(Non-Consolidated) ....38</i>
<i>Claims Classified under the Financial Revitalization Law -Table 32-</i>	<i>(Non-Consolidated) ....38</i>
<i>Coverage Ratio for Non-Performing Claims Classified under the Financial Revitalization Law -Table 33-</i>	<i>(Non-Consolidated) ....39</i>
<i>Reserve for Credit Losses -Table 34-</i>	<i>(Non-Consolidated) ....39</i>
<i>Securities Being Held to Maturity -Table 35-</i>	<i>(Non-Consolidated) ....39</i>
<i>Available-for-Sale Securities -Table 36-</i>	<i>(Non-Consolidated) ....40</i>
<i>Capital Adequacy Data-Table 37-</i>	<i>(Non-Consolidated) ....41</i>
<i>Non-Consolidated Balance Sheets (Unaudited)</i>	<i>(Non-Consolidated) ....42</i>
<i>Non-Consolidated Statements of Operations (Unaudited)</i>	<i>(Non-Consolidated) ....44</i>
Section 3. Earnings Forecast -Table 38-	(Consolidated and Non-Consolidated) ....45
Section 4. Exposure to Securitized Products and Related Investments	(Non-Consolidated) ....46
<i>Balance of Securitized Products (Breakdown by Region and Type of Securities) -Table 39-</i>	<i>(Non-Consolidated)46</i>
<i>Securitized Products, Recorded under “Securities” and “Other Monetary Claims Purchased” and OCI -Table 40-</i>	<i>(Non-Consolidated) ....47</i>
<i>LBO, Monoline, SIV, ABCP, CDS -Table 41-</i>	<i>(Non-Consolidated) ....48</i>
<i>Definitions -Table 42-</i>	<i>....49</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 <sup>(1)</sup>

(Billions of yen, except percentages)

	3QFY2011 (9 months)	3QFY2010 (9 months)	Change % or Amount	FY2010 (12 months)
<b>Selected income statement items (Consolidated)</b>				
Net interest income	88.6	122.8	(27.8)%	156.6
Non-interest income	66.3	119.3	(44.4)%	135.4
Net fees and commissions	20.0	18.3	9.6%	26.0
Net trading income	7.9	7.8	0.9%	11.6
Net other business income	38.2	93.0	(58.9)%	97.7
Total revenue	155.0	242.1	(36.0)%	292.1
General and administrative expenses	95.5	108.4	(11.9)%	142.8
Ordinary business profit	59.4	133.6	(55.5)%	149.2
Net credit costs	11.9	49.3	(75.8)%	68.3
Ordinary business profit after net credit costs	47.5	84.3	(43.6)%	80.8
Amortization of goodwill and other intangible assets <sup>(2)</sup>	9.1	10.0	(8.9)%	13.0
Other gains (losses)	(9.7)	1.9	(597.3)%	(10.0)
Income before income taxes and minority interests	28.7	76.3	(62.4)%	57.7
Current income tax	2.6	1.6	62.2%	1.9
Deferred income tax	2.7	3.4	(20.3)%	5.2
Minority interests in net income of subsidiaries	2.7	7.1	(61.8)%	7.9
Net income	20.6	64.0	(67.8)%	42.6
Cash basis net income <sup>(3)</sup>	27.8	72.6	(61.7)%	53.8
<b>Selected balance sheet items (Consolidated)</b>				
Securities	1,895.5	3,153.8	(1,258.2)	3,286.3
Loans and bills discounted	4,076.5	4,411.3	(334.8)	4,291.4
Customers' liabilities for acceptances and guarantees	558.7	593.9	(35.1)	575.7
Reserve for credit losses	(185.2)	(190.7)	5.5	(199.2)
Total assets	8,604.5	10,428.2	(1,823.6)	10,231.5
Deposits and negotiable certificates of deposit	5,526.5	5,684.4	(157.8)	5,610.6
Debentures	305.5	384.4	(78.8)	348.2
Borrowed money	457.9	1,291.2	(833.3)	1,672.7
Reserve for losses on interest repayments	35.2	39.4	(4.1)	43.1
Total liabilities	7,972.7	9,863.5	(1,890.7)	9,620.3
Total equity	631.7	564.6	67.1	611.1
<b>Financial ratios (%) (Consolidated)</b>				
Net interest margin	2.02	2.28		2.19
Expense-to-revenue ratio	61.6	44.8		48.9
Return on assets	0.3 <sup>(4)</sup>	0.8 <sup>(4)</sup>		0.4
Return on equity (fully diluted)	4.9 <sup>(4)</sup>	17.8 <sup>(4)</sup>		8.5
Cash basis return on assets	0.4 <sup>(4)</sup>	0.9 <sup>(4)</sup>		0.5
Cash basis return on equity (fully diluted)	7.4 <sup>(4)</sup>	23.6 <sup>(4)</sup>		12.4
<b>Capital adequacy data (Consolidated)</b>				
Tier I	541.2	464.0	77.1	516.7
Total capital	634.1	599.7	34.4	649.9
Risk assets	6,223.7	6,770.2	(546.5)	6,653.7
Capital adequacy ratio	10.18%	8.85%		9.76%
Tier I capital ratio	8.69%	6.85%		7.76%

(Billions of yen, except percentages)

	3QFY2011 (9 months)	3QFY2010 (9 months)	Change % or Amount	FY2010 (12 months)
<b>Per share data (Consolidated)</b>				
Common equity	214.66	253.49	(15.3)%	205.83
Basic net income	7.77	32.63	(76.2)%	21.36
Cash basis basic net income	10.48	36.97	(71.6)%	26.96
<b>Non-performing loans (Non-Consolidated)</b>				
Claims classified under the Financial Revitalization Law	308.1	292.0	16.0	279.6
Ratio to total claims	7.11%	6.49%		6.78%
Reserve for credit losses	116.4	105.3	11.0	114.8
Coverage ratio for non-performing claims	96.7%	96.2%		96.8%
<b>Selected income statement items (Non-Consolidated)</b>				
Net interest income	42.3	51.0	(17.0)%	70.5
Non-interest income	16.9	40.4	(58.1)%	44.6
Net fees and commissions	15.6	14.5	7.1%	15.5
Net trading income	8.3	6.6	26.4%	10.6
Net other business income (loss)	(7.0)	19.2	(136.7)%	18.4
Total revenue	59.3	91.4	(35.1)%	115.1
General and administrative expenses	44.8	45.7	(1.8)%	60.5
Ordinary business profit	14.4	45.7	(68.4)%	54.6
Net credit costs	8.6	30.0	(71.2)%	40.3
Net income	0.9	12.1	(92.2)%	11.1

(1) Represents results based on management accounting basis.

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

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

(4) Annualized basis.

- The Shinsei Bank Group recognized consolidated net income of ¥20.6 billion for the first nine months of fiscal year 2011 (April 1, 2011 to December 31, 2011), 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. While this represents a decline compared to the net income of ¥64.0 billion recorded in the first nine months of 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 the first nine months of fiscal year 2011 was ¥27.8 billion, declining from ¥72.6 billion for the first nine months of fiscal year 2010.
  - Regarding total revenue for the first nine months of fiscal year 2011, the pace of reduction in core business assets has slowed down due to commencement of consumer finance operations provided through the Bank, and as a result of active commitment by each of our businesses to provide higher value-added financial products and services, alongside continuous efforts to expand our customer base. However, due to a decrease in assets compared to the first nine months of fiscal year 2010, and lower revenue from derivatives and securities stemming from stagnant financial markets, total revenue was ¥155.0 billion for the first nine months of fiscal year 2011, a decrease of ¥87.1 billion compared to the first nine months of fiscal year 2010. The absence of gains on repurchases of perpetual preferred securities and subordinated debt, of which ¥28.9 billion were recorded for the first nine months of fiscal year 2010, was another reason for the decrease in total revenue.
  - However, through continued rationalization, especially within our consumer finance business where the business was appropriately scaled down in anticipation of the impact of the revised Money-Lending Business Control and Regulation Law, general and administrative expenses decreased to ¥95.5 billion for the first nine months of fiscal year 2011, a reduction of ¥12.9 billion compared to the results for the first nine months of 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 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 ¥11.9 billion for the first nine months of fiscal year 2011, a significant decrease compared to the first nine months of fiscal year 2010.
  - Regarding the reserve for losses on interest repayment, an additional reserve of ¥11.8 billion was recorded for the first nine months of fiscal year 2011.
- 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 the first nine months of fiscal year 2011 improved on the first nine months of 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 as a result of non-core asset reduction.

- The Global Markets Group's performance for the first nine months of fiscal year 2011 was lower compared to the first nine months of 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 the first nine months of fiscal year 2011 which were recorded in the first nine months of fiscal year 2010.
- The Individual Group's performance for the first nine months of fiscal year 2011 improved on the first nine months of 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.
- Balance of loans and bills discounted declined from ¥4,291.4 billion as of March 31, 2011 to ¥4,076.5 billion as of December 31, 2011 mainly due to reduction of non-core assets and the decrease in loan balance in

the Consumer Finance business. However, 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.

- Net interest margin declined to 2.02% mainly due to loan balance reductions within our consumer finance operations.
- In terms of capital ratios, Tier I capital and total capital increased due to accumulation of quarterly net income over the first nine months of this fiscal year, which resulted in improvement of the total capital adequacy ratio and Tier I capital ratio to 10.18% and 8.69%, as of December 31, 2011 respectively, compared to 9.76% and 7.76% as of March 31, 2011.
- Balance of non-performing loans under the Financial Revitalization Law totaled ¥308.1 billion as of December 31, 2011 compared to ¥279.6 billion as of March 31, 2011, an increase of ¥28.5 billion for the first nine months of fiscal year 2011, due to additional provisions recorded in the specialty finance and other businesses in our aim to reduce future credit cost burdens. The ratio of non-performing loans to total claims was 7.11%, an increase of 33 basis points compared to the ratio as of March 31, 2011.

## Financial and Economic Environment

- Over the first nine months of fiscal year 2011, production and personal consumption in Japan have gradually recovered after the sudden slump in the aftermath of the Great East Japan Earthquake which occurred on March 11, 2011. 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.
- In addition, some Japanese companies have been forced to scale back production, and lose income as a result, due to disruptions in global supply chains caused by flooding in Thailand. Furthermore, against the backdrop of a strong yen, deflation and ongoing severe employment conditions in Japan, concern still remains over the European debt crisis, precipitated by the financial troubles in Greece, and the outlook for economic conditions in Europe, the U.S. and other nations, while there is a risk of a prolonged downturn in global financial markets. Given these circumstances, it seems likely that a full-scale recovery of the Japanese economy is still some way off.
- In this situation, while the third supplementary budget, which includes measures to expedite the recovery from the Earthquake, was approved in the 179<sup>th</sup> (extraordinary) session of the Diet, other important bills have been postponed. Moreover, it may become more difficult for important policies to be put into action due to the tense political situation caused by conflict regarding consumption tax and other matters. At the beginning of August and the end of October 2011, the government and BOJ announced market interventions to sell the yen and buy dollars. However, these interventions were executed unilaterally, in contrast to the international, coordinated intervention that was made immediately after the March 11 Earthquake. As such, the latest interventions have failed to make a significant impact on the trend towards a strong yen.
- Amid these circumstances, the foreign exchange market has been showing a tendency toward a strong yen in spite of multiple market interventions, as described above, because of the European debt crisis and sluggish economy in Europe and the U.S. At the end of December 2011, the Euro-Japanese Yen exchange rate was just under ¥100 (strengthening ¥18 from the end of March 2011), and the U.S. Dollar-Japanese Yen exchange rate was ¥77 (strengthening ¥6 from the end of March 2011). This tendency has continued into January 2012.
- The domestic long-term (10-year government bond yields) interest rate, which was 1.3% at the beginning of this fiscal year, came down to approximately 1.0 % after August 2011, due to a flow of funds into Japanese national government bonds, which are considered as safe assets, in consideration of the stagnant domestic and overseas economy. The short-term interest rate remained at a low level.
- The Nikkei 225, which had surpassed the ¥10,000 level temporarily in July 2011, closed at ¥8,160.01 on November 25, 2011 - the lowest closing price in 2011. The price was ¥8,455.35 at the end of December 2011, which represents a decrease of approximately ¥1,300 compared to the price at the end of March 2011. Moreover, annual purchase and sales volume on the First Section of the Tokyo Stock Exchange was at its lowest level for 7 years in 2011, as the stock market remained in a slump throughout the year.

## Section 1. Consolidated Information

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

*(Billions of yen, except percentages)*

	3QFY2011 (9 months)	3QFY2010 (9 months)	% Change	FY2010 (12 months)
Net interest income	88.6	122.8	(27.8)	156.6
Non-interest income	66.3	119.3	(44.4)	135.4
Net fees and commissions	20.0	18.3	9.6	26.0
Net trading income	7.9	7.8	0.9	11.6
Net other business income	38.2	93.0	(58.9)	97.7
<b>Total revenue</b>	<b>155.0</b>	<b>242.1</b>	<b>(36.0)</b>	<b>292.1</b>
<b>General and administrative expenses</b>	<b>95.5</b>	<b>108.4</b>	<b>(11.9)</b>	<b>142.8</b>
<b>Ordinary business profit</b>	<b>59.4</b>	<b>133.6</b>	<b>(55.5)</b>	<b>149.2</b>
<b>Net credit costs</b>	<b>11.9</b>	<b>49.3</b>	<b>(75.8)</b>	<b>68.3</b>
<b>Ordinary business profit after net credit costs</b>	<b>47.5</b>	<b>84.3</b>	<b>(43.6)</b>	<b>80.8</b>
<b>Amortization of goodwill and other intangible assets <sup>(2)</sup></b>	<b>9.1</b>	<b>10.0</b>	<b>(8.9)</b>	<b>13.0</b>
<b>Other gains (losses)</b>	<b>(9.7)</b>	<b>1.9</b>	<b>(597.3)</b>	<b>(10.0)</b>
<b>Income (loss) before income taxes and minority interests</b>	<b>28.7</b>	<b>76.3</b>	<b>(62.4)</b>	<b>57.7</b>
<b>Current income tax</b>	<b>2.6</b>	<b>1.6</b>	<b>62.2</b>	<b>1.9</b>
<b>Deferred income tax</b>	<b>2.7</b>	<b>3.4</b>	<b>(20.3)</b>	<b>5.2</b>
<b>Minority interests in net income of subsidiaries</b>	<b>2.7</b>	<b>7.1</b>	<b>(61.8)</b>	<b>7.9</b>
<b>Net income</b>	<b>20.6</b>	<b>64.0</b>	<b>(67.8)</b>	<b>42.6</b>
Cash basis net income <sup>(3)</sup>	27.8	72.6	(61.7)	53.8

(1) Represents results based on management accounting basis.

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

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

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

- Shinsei Bank reported total revenue for the first nine months of fiscal year 2011 of ¥155.0 billion. This was ¥87.1 billion lower than the ¥242.1 billion total revenue recorded for the first nine months of fiscal year 2010.
  - The pace of decline in core business assets has slowed down due to commencement of Consumer Finance business provided through the Bank, active commitment by each of our businesses to provide high value-added financial products and services, and continuous efforts to expand our customer base. However, as compared to the first nine months of 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 the first nine months of fiscal year 2010, was not present for the first nine months of fiscal year 2011, which resulted in the decrease in total revenue. Net interest income amounted to ¥88.6 billion for the first nine months of fiscal year 2011, a decrease of ¥34.1 billion, as compared to ¥122.8 billion for the first nine months of fiscal year 2010. Non-interest income amounted to ¥66.3 billion for the first nine months of fiscal year 2011, a decrease of ¥52.9 billion, as compared to ¥119.3 billion for the first nine months of fiscal year 2010.
  - Net fees and commissions increased by ¥1.7 billion to ¥20.0 billion for the first nine months of fiscal year 2011 from ¥18.3 billion for the first nine months of fiscal year 2010. As compared to the first nine months of fiscal year 2010, net trading income remained almost flat, changing from ¥7.8 billion to ¥7.9 billion, and net other business income decreased from ¥93.0 billion to ¥38.2 billion, respectively, for the first nine months of fiscal year 2011.
  - Net other business income included income on lease transactions and installment receivables from Showa Leasing, APLUS FINANCIAL and Shinsei Financial of ¥27.7 billion for the first nine months of fiscal year 2011, as compared to ¥29.5 billion for the first nine months of fiscal year 2010. Net other business income for the first nine months of fiscal year 2010 included ¥28.9 billion of gains on repurchases of perpetual preferred securities and subordinated debt, ¥4.3 billion of gains on sales of CLO and ¥5.2 billion of gains on sales of asset backed investments and securities.
- General and administrative expenses were ¥95.5 billion for the first nine months of fiscal year 2011, a decrease of ¥12.9 billion compared to the first nine months of 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 the nine months of fiscal year 2010. The decrease in net credit costs was a result of continued divestiture of 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 the overall decrease in operating assets and large-scale credit recovery. This decrease in net credit costs year-on-year was despite additional provisions recorded in the first nine months of fiscal year 2011 in the specialty finance and other businesses in our aim to reduce future cost burden.

From fiscal year 2011, recoveries of written-off claims are categorized into net credit costs according to revised Report No.14 "Practical Guidelines on Accounting Standards for Financial Instruments" issued by the Accounting Practice Committee of the Japanese Institute of Certified Public Accountants (JICPA), on March 29 2011, while net credit costs stated in previous periods consisted of provision of reserve for loan losses, reversal of reserve for loan losses, losses on write-off of loans and losses on sale of loans. For the first nine months of fiscal year 2011, net credit costs were ¥11.9 billion, while net credit costs excluding recoveries of written-off claims of ¥8.6 billion were ¥20.5 billion, showing a substantial decrease from ¥49.3 billion for the first nine months of fiscal year 2010.

Shinsei Financial and Shinsei Bank Card Loan – Lake recorded net recoveries of ¥2.5 billion for the first nine months of fiscal year 2011. Excluding recoveries of written-off claims, net credit costs were ¥3.3 billion, an improvement compared to net credit costs of ¥8.0 billion for the first nine months of fiscal year 2010.

- Amortization of goodwill and other intangible assets associated with the acquisition of consumer finance and commercial finance companies was ¥9.1 billion for the first nine months of fiscal year 2011 as compared to ¥10.0 billion for the first nine months of 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 ¥9.7 billion for the first nine months of fiscal year 2011, mainly due to ¥11.8 billion of additional reserves for losses on interest repayment. Reserves for

losses on interest repayments were not recorded in other income (losses) for the first nine months of fiscal year 2010. 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 gains of ¥1.9 billion for the first nine months of fiscal year 2010 were recorded due to asset retirement obligation costs of ¥3.5 billion at Shinsei Bank and its subsidiaries, offset by ¥10.2 billion of recoveries of written-off claims.

- Current and deferred income taxes reflected a net expense of ¥5.3 billion for the first nine months of 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 the fiscal year 2010, minority interests in net income of subsidiaries declined ¥4.4 billion from ¥7.1 billion for the first nine months of fiscal year 2010 to ¥2.7 billion for the first nine months of fiscal year 2011.
- The Bank realized consolidated net income of ¥20.6 billion on a reported basis for the first nine months of fiscal year 2011. While this represents a decline compared to the net income of ¥64.0 billion recorded in the first nine months of 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 the first nine months of fiscal year 2011 was ¥27.8 billion, decreasing from a cash basis net income of ¥72.6 billion for the first nine months of 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).

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

(Billions of yen)

	3QFY2011 (9 months) (a)+(b)	3QFY2011 (3 months) (a)	2QFY2011 (6 months) (b)	(Reference) 3QFY2010 (9 months)
<b>Gains included in revenue</b>				
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	-	-	-	5.2
Gain from buy back of preferred securities and subordinated debt	-	-	-	28.9
<b>Total</b>	<b>6.3</b>	<b>-</b>	<b>6.3</b>	<b>38.6</b>
<b>Losses included in revenue</b>				
Impairment of major listed shares	(5.2)	-	(5.2)	-
Domestic real estate non-recourse finance (bonds)	(2.6)	(0.4)	(2.2)	(2.7)
Japanese real estate principal investments	-	-	-	(0.5)
Others	(0.8)	(0.0)	(0.7)	-
Subtotal (i)	(8.7)	(0.5)	(8.2)	(3.3)
<b>Items included in net credit costs</b>				
Reversal of major institutional credit reserve	17.2	17.2	-	-
Domestic real estate non-recourse finance	(5.6)	(0.9)	(4.7)	(15.1)
Specialty finance	(18.8)	(18.8)	-	(17.1)
Asset-backed investments	-	-	-	1.1
Others	1.6	-	1.6	-
Subtotal (ii)	(5.5)	(2.4)	(3.0)	(31.1)
<b>Other gains (losses)</b>				
Grey zone related provisions	(11.8)	(11.0)	(0.8)	-
Losses on application of new accounting standard for asset retirement obligations	-	-	-	(3.5)
Others	1.6	1.6	-	-
Subtotal (iii)	(10.1)	(9.3)	(0.8)	(3.5)
<b>Corporate tax adjustment due to tax reform (iv)</b>	<b>(0.7)</b>	<b>(0.7)</b>	<b>-</b>	<b>-</b>
<b>Total (i) + (ii) + (iii) +(iv)</b>	<b>(25.2)</b>	<b>(13.1)</b>	<b>(12.1)</b>	<b>(38.0)</b>
<b>Breakdown by Category</b>				
Specialty finance	(18.8)	(18.8)	-	(17.1)
Grey zone related provisions	(11.8)	(11.0)	(0.8)	-
Domestic real estate non-recourse finance	(8.3)	(1.3)	(6.9)	(17.8)
Impairment of major listed shares	(5.2)	-	(5.2)	-
Corporate tax adjustment due to tax reform	(0.7)	(0.7)	-	-
Reversal of major institutional credit reserve	17.2	17.2	-	-
Japanese real estate principal investments	-	-	-	(0.5)
Losses on application of new accounting standard for asset retirement obligations	-	-	-	(3.5)
Asset-backed investments	-	-	-	1.1
Others	2.4	1.5	0.8	-
<b>Total</b>	<b>(25.2)</b>	<b>(13.1)</b>	<b>(12.1)</b>	<b>(38.0)</b>

(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)								
	3QFY2011 (9 months)			3QFY2010 (9 months)			FY2010 (12 months)		
	Average Balance	Interest	Yield/rate (%)	Average Balance	Interest	Yield/rate (%)	Average Balance	Interest	Yield/rate (%)
<b>Interest-earning assets <sup>(1)</sup> :</b>									
Loans and bills discounted	4,166.3	106.8	3.40	4,758.7	138.7	3.87	4,680.7	178.5	3.82
Lease receivables and leased investment assets / installment receivables <sup>(1)</sup>	543.7	27.7	6.78	572.4	29.5	6.84	566.7	38.7	6.83
Securities	2,544.5	13.7	0.72	2,884.0	17.8	0.82	3,056.4	23.8	0.78
Other interest-earning assets <sup>(2)(3)</sup>	336.9	1.1	n.m. <sup>(5)</sup>	574.3	4.9	n.m. <sup>(5)</sup>	540.4	4.7	n.m. <sup>(5)</sup>
<b>Total revenue on interest-earning assets (A) <sup>(1)</sup></b>	<b>7,591.6</b>	<b>149.5</b>	<b>2.61</b>	<b>8,789.5</b>	<b>191.0</b>	<b>2.88</b>	<b>8,844.4</b>	<b>245.8</b>	<b>2.78</b>
<b>Interest-bearing liabilities:</b>									
Deposits, including negotiable certificates of deposit	5,655.4	22.6	0.53	6,015.3	26.8	0.59	5,946.6	34.5	0.58
Debentures	326.1	1.1	0.48	443.8	1.9	0.57	426.3	2.3	0.56
Borrowed money	698.9	4.2	0.81	1,306.7	5.3	0.54	1,422.1	7.0	0.50
Subordinated debt	95.0	1.2	1.79	102.0	0.6	0.90	101.9	0.8	0.88
Other borrowed money	603.8	2.9	0.66	1,204.7	4.6	0.51	1,320.1	6.2	0.47
Corporate bonds	165.1	4.2	3.40	188.4	3.8	2.71	190.8	5.5	2.88
Subordinated bonds	140.1	3.9	3.72	155.0	3.6	3.10	157.0	5.1	3.28
Other corporate bonds	25.0	0.3	1.59	33.3	0.2	0.91	33.7	0.3	1.03
Other interest-bearing liabilities <sup>(2)</sup>	534.8	0.7	n.m. <sup>(5)</sup>	492.1	0.6	n.m. <sup>(5)</sup>	521.2	0.9	n.m. <sup>(5)</sup>
<b>Total expense on interest-bearing liabilities (B)</b>	<b>7,380.5</b>	<b>33.0</b>	<b>0.59</b>	<b>8,446.4</b>	<b>38.6</b>	<b>0.61</b>	<b>8,507.2</b>	<b>50.4</b>	<b>0.59</b>
<b>Net interest margin (A)-(B) <sup>(1)</sup></b>	<b>-</b>	<b>116.4</b>	<b>2.02</b>	<b>-</b>	<b>152.3</b>	<b>2.28</b>	<b>-</b>	<b>195.3</b>	<b>2.19</b>
<b>Non interest-bearing sources of funds:</b>									
Non interest-bearing (assets) liabilities, net	(348.2)	-	-	(135.9)	-	-	(166.0)	-	-
Total equity excluding minority interests in subsidiaries <sup>(4)</sup>	559.3	-	-	479.0	-	-	503.2	-	-
<b>Total non interest-bearing sources of funds (C)</b>	<b>211.1</b>	<b>-</b>	<b>-</b>	<b>343.1</b>	<b>-</b>	<b>-</b>	<b>337.1</b>	<b>-</b>	<b>-</b>
<b>Sum of total expense on interest-bearing liabilities and non-interest-bearing sources of funds (D)=(B)+(C)</b>	<b>7,591.6</b>	<b>33.0</b>	<b>0.58</b>	<b>8,789.5</b>	<b>38.6</b>	<b>0.58</b>	<b>8,844.4</b>	<b>50.4</b>	<b>0.57</b>
<b>Net revenue/yield on interest-earning assets (A)-(D) <sup>(1)</sup></b>	<b>-</b>	<b>116.4</b>	<b>2.04</b>	<b>-</b>	<b>152.3</b>	<b>2.30</b>	<b>-</b>	<b>195.3</b>	<b>2.21</b>
<b>Reconciliation of total revenue on interest-earning assets to total interest income:</b>									
Total revenue on interest-earning assets	7,591.6	149.5	2.61	8,789.5	191.0	2.88	8,844.4	245.8	2.78
Less: Income on lease transactions and installment receivables	543.7	27.7	6.78	572.4	29.5	6.84	566.7	38.7	6.83
Total interest income	7,047.8	121.7	2.29	8,217.0	161.5	2.61	8,277.6	207.1	2.50
Total interest expense	-	33.0	-	-	38.6	-	-	50.4	-
<b>Net interest income</b>	<b>-</b>	<b>88.6</b>	<b>-</b>	<b>-</b>	<b>122.8</b>	<b>-</b>	<b>-</b>	<b>156.6</b>	<b>-</b>

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

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

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

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

(5) n.m. is not meaningful.

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

- Net revenue on interest-earning assets includes net interest income as well as revenue earned on lease receivables and leased investment assets and installment receivables. The Bank considers income on lease transactions and installment receivables to be a component of interest income, but Japanese GAAP does not include income on lease transactions and installment receivables in net interest income. Under Japanese GAAP, therefore, income on lease transactions and installment receivables is reported in net other business income in our consolidated statements of operations.
- Net revenue on interest-earning assets for the first nine months of fiscal year 2011 was ¥116.4 billion, a decrease of ¥35.9 billion compared to the first nine months of fiscal year 2010.
- Total revenue on interest-earning assets decreased by ¥41.5 billion and total expense on interest-bearing

liabilities decreased by ¥5.6 billion for the first nine months of fiscal year 2011 compared to the first nine months of fiscal year 2010.

- The net interest margin was 2.02% for the first nine months of fiscal year 2011, compared to 2.28% for the first nine months of 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 and debentures.
  - However, at 2.02%, the net interest margin over the nine months of 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)

	<i>(Billions of yen, except percentages)</i>			
	3QFY2011 (9 months)	3QFY2010 (9 months)	% Change	FY2010 (12 months)
Net fees and commissions	20.0	18.3	9.6	26.0
Net trading income	7.9	7.8	0.9	11.6
Net other business income	38.2	93.0	(58.9)	97.7
Income on lease transactions and installment receivables	27.7	29.5	(5.9)	38.7
<b>Total non-interest income</b>	<b>66.3</b>	<b>119.3</b>	<b>(44.4)</b>	<b>135.4</b>

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

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

Total non-interest income amounted to ¥66.3 billion for the first nine months of fiscal year 2011, a decrease of ¥52.9 billion compared to the first nine months of 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 the first nine months 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 leading the total revenue for the first nine months of 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 ¥20.0 billion were earned for the first nine months of fiscal year 2011, up by ¥1.7 billion from ¥18.3 billion for the first nine months of fiscal year 2010.
- Net trading income includes revenues from derivatives with customer-driven transactions and those from

proprietary trading. ¥7.9 billion was recorded for the first nine months of fiscal year 2011, at the same level as ¥7.8 billion for the first nine months of fiscal year 2010.

- Net other business income was ¥38.2 billion for the first nine months of fiscal year 2011, compared to ¥93.0 billion for the first nine months of fiscal year 2010. This included income on lease transactions assets and installment receivables of ¥27.7 billion by Showa Leasing, APLUS FINANCIAL, Shinsei Financial and others, compared to ¥29.5 billion for the first nine months of 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, ¥2.6 billion of impairment of bonds related to domestic real estate non-recourse finance, and ¥0.8 billion of impairment to private equity investments, for the first nine months of fiscal year 2011. Net other business income for the first nine months of fiscal year 2010 included ¥28.9 billion of gains on repurchases of subordinated debts, ¥4.3 billion of gains on sales of CLO and ¥5.2 billion of gains on sales of asset backed investments and securities, ¥2.7 billion of revaluation loss and impairments of bonds related to domestic real estate non-recourse finance, and ¥0.5 billion of revaluation loss and impairments of real estate related investments.

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

	<i>(Billions of yen, except percentages)</i>			
	3QFY2011 (9 months)	3QFY2010 (9 months)	% Change	FY2010 (12 months)
Personnel expenses	38.3	41.5	(7.6)	55.0
Non-personnel expenses	57.1	66.9	(14.6)	87.7
Premises expenses	15.4	17.7	(13.0)	23.2
Technology and data processing expenses	12.4	14.5	(14.2)	19.2
Advertising expenses	6.8	7.6	(10.4)	9.2
Consumption and property taxes	4.7	6.1	(23.2)	7.7
Deposit insurance premium	3.5	4.1	(14.2)	5.4
Other general and administrative expenses	14.1	16.8	(15.6)	22.8
<b>General and administrative expenses</b>	<b>95.5</b>	<b>108.4</b>	<b>(11.9)</b>	<b>142.8</b>

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

- General and administrative expenses were ¥95.5 billion for the first nine months of fiscal year 2011, a decrease of ¥12.9 billion compared to ¥108.4 billion for the first nine months of fiscal year 2010.

- Personnel expenses of ¥38.3 billion decreased by ¥3.1 billion from ¥41.5 billion for the first nine months of 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 ¥57.1 billion decreased by ¥9.7 billion from ¥66.9 billion for the first nine months of 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 ¥2.3 billion to ¥15.4 billion, mainly due to Shinsei Bank's head office relocation and consumer finance subsidiaries' branch optimization. Technology and data processing expenses were ¥2.0 billion lower than the first nine months of fiscal year 2010 mainly due to automated contract machine sharing and optimization between Shinsei Financial and Shinki. Advertising expenses of ¥6.8 billion were lower than ¥7.6 billion for the first nine months of 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)

*(Billions of yen, except percentages)*

	3QFY2011 (9 months)	3QFY2010 (9 months)	% Change	FY2010 (12 months)
Losses on write-off of loans/Losses on sale of loans	5.1	7.3	(30.1)	7.5
Net provision of reserve for loan losses:	33.9	42.8	(20.8)	61.7
Net provision (reversal) of general reserve for loan losses	(2.8)	24.8	(111.3)	30.4
Net provision of specific reserve for loan losses	36.7	17.9	104.3	31.2
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. <sup>(2)</sup>	0.0
Other credit costs (reversal) relating to leasing business	(1.2)	(0.9)	(31.6)	(0.9)
Recoveries of written-off claims <sup>(1)</sup>	(8.6)	-	-	-
<b>Net credit costs</b>	<b>11.9</b>	<b>49.3</b>	<b>(75.8)</b>	<b>68.3</b>

(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 the first nine months of fiscal year 2011 showed a significant decrease as compared to the nine months of fiscal year 2010. Net credit costs in the Institutional Group decreased as a result of continued divestiture of non-core assets, coupled with a large-scale credit recovery. This was despite additional provisions recorded in the first nine months of 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 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 the overall decrease in operating assets also 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 the first nine months of fiscal year 2011, net credit costs were ¥11.9 billion, while net credit costs excluding recoveries of written-off claims of ¥8.6 billion were ¥20.5 billion, showing a substantial decrease from ¥49.3 billion for the first nine months of fiscal year 2010.

- Shinsei Financial and Shinsei Bank Card Loan – Lake recorded net recoveries of ¥2.5 billion for the first nine months of fiscal year 2011. Excluding recoveries of written-off claims, net credit costs were ¥3.3 billion, an improvement compared to net credit costs of ¥8.0 billion for the first nine months of fiscal year 2010.
- ¥8.6 billion of recoveries of written-off claims for the first nine months of fiscal year 2011 include ¥5.9 billion at Shinsei Financial, ¥1.8 billion at Shinsei Bank (non-consolidated basis), and ¥0.8 billion at Shinki.

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

(Billions of yen, except percentages)

	3QFY2011 (9 months)	3QFY2010 (9 months)	% Change	FY2010 (12 months)
Shinsei Financial	6.5	7.3	(11.0)	9.6
Shinki	(0.2)	(0.2)	0.0	(0.3)
APLUS FINANCIAL	0.6	0.6	(7.9)	0.8
Showa Leasing	2.1	2.2	(1.1)	2.9
Others	(0.0)	(0.0)	(0.0)	(0.0)
<b>Amortization of goodwill and other intangible assets</b>	<b>9.1</b>	<b>10.0</b>	<b>(8.9)</b>	<b>13.0</b>

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

- Amortization of Goodwill and Other Intangible Assets associated with the acquisition of consumer and commercial finance companies totaled ¥9.1 billion for the first nine months of fiscal year 2011 compared to ¥10.0 billion for the first nine months of 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 ¥0.6 billion for the first nine months of 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)

	3QFY2011 (9 months)	3QFY2010 (9 months)	% Change	FY2010 (12 months)
Extraordinary income (loss)	0.7	4.5	(83.1)	3.8
Net gain on disposal of premises and equipment	(0.1)	(0.3)	41.8	(0.5)
Recoveries of written-off claims	-	10.2	(100.0)	14.8
Losses on application of new accounting standard for asset retirement obligations	-	(3.5)	100.0	(3.6)
Other extraordinary income (loss)	0.9	(1.8)	151.4	(6.8)
Provisions of reserve for losses on interest repayment	(11.8)	-	-	(10.1)
Shinsei Financial	(5.8)	-	-	(4.7)
Shinki	(5.0)	-	-	(2.1)
APLUS FINANCIAL	(1.0)	-	-	(3.2)
Other	-	-	-	-
Other	1.3	(2.5)	153.5	(3.7)
<b>Other gains (losses)</b>	<b>(9.7)</b>	<b>1.9</b>	<b>(597.3)</b>	<b>(10.0)</b>

- Other losses of ¥9.7 billion were recorded for the first nine months of fiscal year 2011, including additional provisions of reserve for losses on interest repayment of ¥5.8 billion in Shinsei Financial, ¥5.0 billion in Shinki, and ¥1.0 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 gains of ¥1.9 billion for the first nine months of fiscal year 2010 were recorded due to asset retirement obligation costs of ¥3.5 billion at Shinsei Bank and its subsidiaries, partially offset by ¥10.2 billion of recoveries of written-off claims.

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

*(Billions of yen, except percentages)*

	<b>3QFY2011 (9 months)</b>	3QFY2010 (9 months)	% Change	FY2010 (12 months)
Dividends on perpetual preferred securities (hybrid Tier I capital) issued by foreign SPCs	2.2	6.7	(66.0)	7.5
Others	0.4	0.4	(0.5)	0.3
<b>Minority interests in net income of subsidiaries</b>	<b>2.7</b>	<b>7.1</b>	<b>(61.8)</b>	<b>7.9</b>

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

- Minority interests in net income of subsidiaries for the first nine months of fiscal year 2011 were ¥2.7 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 the first nine

months of 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 ¥4.4 billion from ¥7.1 billion for the first nine months of fiscal year 2010.

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

(Billions of yen)

	Dec 31 2011 (a)	Dec 31 2010 (b)	Change (a)-(b)	March 31 2011 (c)	Change (a)-(c)
Loans and bills discounted	4,076.5	4,411.3	(334.8)	4,291.4	(214.9)
Installment receivables	338.7	340.8	(2.1)	330.4	8.2
Leased assets, lease receivables and leased investment assets	212.5	220.3	(7.8)	219.9	(7.4)
Securities	1,895.5	3,153.8	(1,258.2)	3,286.3	(1,390.8)
Other monetary claims purchased	131.5	163.7	(32.1)	157.0	(25.4)
Other interest earning assets <sup>(1)</sup>	540.4	561.2	(20.8)	463.1	77.3
Trading assets	209.2	210.6	(1.4)	195.3	13.8
Monetary assets held in trust	274.1	262.0	12.0	253.6	20.4
Goodwill, net	43.7	51.5	(7.7)	49.5	(5.7)
Other intangible assets <sup>(2)</sup>	17.2	21.6	(4.3)	20.5	(3.2)
Other assets	491.3	627.7	(136.4)	587.4	(96.1)
Customer's liabilities for acceptances and guarantees	558.7	593.9	(35.1)	575.7	(16.9)
Reserve for credit losses	(185.2)	(190.7)	5.5	(199.2)	13.9
<b>Total assets</b>	<b>8,604.5</b>	<b>10,428.2</b>	<b>(1,823.6)</b>	<b>10,231.5</b>	<b>(1,626.9)</b>
Deposits and negotiable certificates of deposit	5,526.5	5,684.4	(157.8)	5,610.6	(84.0)
Debentures	305.5	384.4	(78.8)	348.2	(42.7)
Borrowed money	457.9	1,291.2	(833.3)	1,672.7	(1,214.8)
Corporate bonds	163.7	176.9	(13.1)	179.6	(15.8)
Other interest bearing liabilities <sup>(3)</sup>	249.1	509.1	(260.0)	452.8	(203.7)
Trading liabilities	161.7	167.4	(5.7)	147.7	13.9
Reserve for losses on interest repayments	35.2	39.4	(4.1)	43.1	(7.9)
Other liabilities	514.0	1,016.5	(502.4)	589.4	(75.4)
Acceptances and guarantees	558.7	593.9	(35.1)	575.7	(16.9)
<b>Total liabilities</b>	<b>7,972.7</b>	<b>9,683.5</b>	<b>(1,890.7)</b>	<b>9,620.3</b>	<b>(1,647.6)</b>
<b>Total equity</b>	<b>631.7</b>	<b>564.6</b>	<b>67.1</b>	<b>611.1</b>	<b>20.6</b>

(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 declined to ¥4,076.5 billion as of December 31, 2011 compared to ¥4,291.4 billion as of March 31, 2011.
  - The decrease was mainly due to continued reduction of risk assets including non-core assets by the Institutional Group, selling certain housing loans in order to optimize the retail banking credit portfolio and also 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.
  - However, 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, provided through the bank. More specifically, although the loan balance of Shinsei Financial decreased by ¥98.0 billion for the first nine months of fiscal year 2010, the decrease was controlled at ¥53.1 billion for the first nine months of fiscal year 2011 (after including the loan balance of the Bank's Consumer Finance business.)
- Securities balance as of December 31, 2011 was ¥1,895.5 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 ¥1,300.2 billion as of December 31, 2011, down from ¥2,462.6 billion as of March 31, 2011.
- Shinsei Bank continues to optimize its funding base through increasing the amount of deposits from retail customers. Total deposits and negotiable certificates of deposit decreased from ¥5,610.6 billion as of March 31, 2011 to ¥5,526.5 billion as of December 31, 2011.
  - The retail deposits balance totaled ¥4,807.3 billion as of December 31, 2011, an increase of ¥55.0 billion compared to ¥4,752.2 billion as of March 31, 2011. Retail Banking constitutes 87.1% of the Bank's total funding through customer deposits and debentures.



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

	(Billions of yen)				
	Dec 31 2011 (a)	Dec 31 2010 (b)	Change (a)-(b)	March 31 2011 (c)	Change (a)-(c)
Loans to bankrupt obligors	12.7	16.9	(4.1)	13.9	(1.1)
Non-accrual delinquent loans	328.0	330.2	(2.1)	317.9	10.1
Loans past due for three months or more	1.5	3.7	(2.1)	2.2	(0.6)
Restructured loans	51.7	59.9	(8.1)	60.9	(9.1)
<b>Total (A)</b>	<b>394.1</b>	<b>410.7</b>	<b>(16.6)</b>	<b>395.0</b>	<b>(0.8)</b>
<b>Loans and bills discounted (B)</b>	<b>4,076.5</b>	<b>4,411.3</b>	<b>(334.8)</b>	<b>4,291.4</b>	<b>(214.9)</b>
Ratio to total loans and bills discounted (A / B X 100) (%)	9.67%	9.31%	/	9.21%	/
<b>Reserve for credit losses (C)</b>	<b>185.2</b>	<b>190.7</b>	<b>(5.5)</b>	<b>199.2</b>	<b>(13.9)</b>
Reserve ratio (C / A X 100)	47.0%	46.4%	/	50.4%	/

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

- Risk monitored loans totaled ¥394.1 billion as of December 31, 2011 compared to ¥395.0 billion as of March 31, 2011 and ¥432.3 billion as of March 31, 2010. During the first nine months of fiscal year 2011, risk monitored loans decreased by ¥0.8 billion.
- The ratio of risk monitored loans to total loans and bills discounted was 9.67%, an increase of 46 basis points compared to that of March 31, 2011 due to lower total balance of loans.

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

	(Billions of yen)				
	Dec 31 2011 (a)	Dec 31 2010 (b)	Change (a)-(b)	March 31 2011 (c)	Change (a)-(c)
General reserve for loan losses	87.6	101.5	(13.8)	102.7	(15.1)
Specific reserve for loan losses	97.6	89.2	8.3	96.4	1.1
Reserve for loans to restructuring countries	0.0	0.0	(0.0)	0.0	(0.0)
<b>Total reserve for credit losses</b>	<b>185.2</b>	<b>190.7</b>	<b>(5.5)</b>	<b>199.2</b>	<b>(13.9)</b>

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

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

(Billions of yen)

	Dec 31 2011 (a)	Dec 31 2010 (b)	Change (a)-(b)	Mar 31 2011 (c)	Change (a)-(c)
Domestic offices (excluding Japan offshore market account):					
Manufacturing	246.2	233.4	12.8	231.5	14.7
Agriculture and forestry	2.2	0.0	2.2	0.0	2.2
Fishery	-	2.2	(2.2)	2.2	(2.2)
Mining, quarrying and gravel extraction	0.2	2.0	(1.7)	0.4	(0.2)
Construction	23.6	5.2	18.4	8.3	15.2
Electric power, gas, heat supply and water supply	38.7	24.6	14.0	27.1	11.5
Information and communications	38.7	11.7	26.9	12.6	26.1
Transportation and postal service	251.6	299.2	(47.6)	284.3	(32.6)
Wholesale and retail	73.8	93.1	(19.3)	101.4	(27.6)
Finance and insurance	660.2	785.6	(125.3)	722.6	(62.3)
Real estate	609.8	623.6	(13.7)	597.4	12.3
Services	309.5	339.3	(29.8)	330.4	(20.9)
Local government	142.4	163.2	(20.8)	158.8	(16.4)
Others	1,591.8	1,767.4	(175.6)	1,752.1	(160.2)
Loans to individual customers (retail banking, Shinsei Bank Lake, Shinsei Financial, Shinki and APLUS FINANCIAL)	1,416.4	1,543.2	(126.7)	1,527.8	(111.3)
<b>Total domestic (A)</b>	<b>3,989.4</b>	<b>4,351.1</b>	<b>(361.7)</b>	<b>4,229.7</b>	<b>(240.3)</b>
Overseas offices (including Japan offshore market accounts):					
Governments	2.1	2.3	(0.1)	2.2	(0.0)
Financial institutions	1.2	1.6	(0.4)	1.6	(0.4)
Others	83.7	56.2	27.4	57.7	25.9
<b>Total overseas (B)</b>	<b>87.0</b>	<b>60.2</b>	<b>26.8</b>	<b>61.6</b>	<b>25.4</b>
<b>Total (A+B)</b>	<b>4,076.5</b>	<b>4,411.3</b>	<b>(334.8)</b>	<b>4,291.4</b>	<b>(214.9)</b>

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

(Billions of yen)

	December 31, 2011			December 31, 2010			March 31, 2011		
	Book value	Fair value	Unrealized gain (loss)	Book value	Fair value	Unrealized gain (loss)	Book value	Fair value	Unrealized gain (loss)
<b>Items with fair value exceeding book value</b>									
Japanese national government bonds	585.7	590.9	5.1	293.2	297.5	4.3	393.6	397.7	4.0
Japanese corporate bonds	23.0	23.3	0.3	69.5	70.3	0.8	59.5	60.2	0.6
Other	38.0	41.4	3.3	39.3	42.5	3.1	40.1	43.7	3.6
<b>Total</b>	<b>646.8</b>	<b>655.6</b>	<b>8.8</b>	<b>402.1</b>	<b>410.5</b>	<b>8.4</b>	<b>493.3</b>	<b>501.7</b>	<b>8.3</b>
<b>Items with fair value not exceeding book value</b>									
Japanese national government bonds	-	-	-	-	-	-	50.1	50.0	(0.0)
Japanese corporate bonds	-	-	-	-	-	-	-	-	-
Other	9.0	8.4	(0.5)	9.6	8.8	(0.7)	10.4	9.9	(0.4)
<b>Total</b>	<b>9.0</b>	<b>8.4</b>	<b>(0.5)</b>	<b>9.6</b>	<b>8.8</b>	<b>(0.7)</b>	<b>60.6</b>	<b>60.0</b>	<b>(0.5)</b>
<b>Total</b>	<b>655.8</b>	<b>664.1</b>	<b>8.3</b>	<b>411.7</b>	<b>419.4</b>	<b>7.7</b>	<b>553.9</b>	<b>561.7</b>	<b>7.7</b>

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

(Billions of yen)

	December 31, 2011			December 31, 2010			March 31, 2011		
	Book value (Fair value)	Amortized/ Acquisition cost	Unrealized gain (loss)	Book value (Fair value)	Amortized/ Acquisition cost	Unrealized gain (loss)	Book value (Fair value)	Amortized/ Acquisition cost	Unrealized gain (loss)
<b>Items with book value exceeding amortized/acquisition cost</b>									
Equity securities	3.9	3.1	0.8	5.8	4.2	1.5	5.8	4.2	1.6
Domestic bonds	743.9	741.4	2.5	983.3	981.1	2.1	1,219.6	1,217.9	1.6
Japanese national government bonds	665.0	663.1	1.9	920.8	919.5	1.2	1,152.2	1,151.3	0.8
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	77.1	76.5	0.5	60.7	59.8	0.8	65.5	64.8	0.7
Other	62.9	58.7	4.2	104.3	98.5	5.7	88.9	84.7	4.1
Foreign securities	45.6	41.7	3.9	88.0	82.7	5.3	73.0	69.1	3.9
Foreign currency denominated foreign corporate and government bonds	28.2	25.7	2.5	43.9	39.7	4.2	36.7	33.7	2.9
Yen-denominated foreign corporate and government bonds	11.4	11.4	0.0	37.5	36.9	0.6	34.2	33.7	0.5
Foreign equity securities and others	5.9	4.5	1.3	6.6	6.1	0.5	2.1	1.7	0.3
Other securities	1.1	0.9	0.2	1.1	0.9	0.2	1.0	0.9	0.1
Other monetary claims purchased	16.1	16.0	0.0	15.0	14.9	0.1	14.7	14.6	0.1
<b>Total</b>	<b>810.8</b>	<b>803.3</b>	<b>7.5</b>	<b>1,093.4</b>	<b>1,084.0</b>	<b>9.4</b>	<b>1,314.4</b>	<b>1,306.9</b>	<b>7.5</b>
<b>Items with book value not exceeding amortized/acquisition cost</b>									
Equity securities	9.1	10.1	(0.9)	9.3	13.5	(4.1)	8.9	13.4	(4.5)
Domestic bonds	207.3	210.7	(3.3)	1,322.5	1,328.5	(5.9)	1,085.3	1,093.2	(7.8)
Japanese national government bonds	49.3	50.1	(0.7)	1,064.5	1,067.2	(2.6)	866.4	869.0	(2.5)
Japanese local government bonds	-	-	-	-	-	-	-	-	-
Japanese corporate bonds	158.0	160.6	(2.5)	258.0	261.3	(3.3)	218.9	224.1	(5.2)
Other	107.5	112.7	(5.2)	213.1	216.8	(3.7)	219.5	223.7	(4.1)
Foreign securities	106.7	112.0	(5.2)	196.5	199.9	(3.4)	204.9	209.0	(4.1)
Foreign currency denominated foreign corporate and government bonds	37.7	41.6	(3.8)	139.1	141.8	(2.7)	145.5	148.9	(3.3)
Yen-denominated foreign corporate and government bonds	68.9	70.2	(1.3)	57.2	57.9	(0.7)	54.8	55.5	(0.6)
Foreign equity securities and others	0.0	0.0	(0.0)	0.0	0.0	-	4.5	4.5	(0.0)
Other securities	0.5	0.5	-	1.0	1.0	-	1.0	1.0	-
Other monetary claims purchased	0.1	0.1	(0.0)	15.5	15.8	(0.3)	13.6	13.6	(0.0)
<b>Total</b>	<b>324.0</b>	<b>333.6</b>	<b>(9.5)</b>	<b>1,545.0</b>	<b>1,558.9</b>	<b>(13.9)</b>	<b>1,313.9</b>	<b>1,330.4</b>	<b>(16.5)</b>
<b>Total</b>	<b>1,134.9</b>	<b>1,136.9</b>	<b>(1.9)</b>	<b>2,638.5</b>	<b>2,642.9</b>	<b>(4.4)</b>	<b>2,628.3</b>	<b>2,637.4</b>	<b>(9.0)</b>

(1) Includes a part of other monetary claims purchased in addition to securities available for sale. Total amount of securities available for sale excluding such other monetary claims purchased are ¥1,118.6 billion as of December 31, 2011, ¥2,607.8 billion as of December 31, 2010, and ¥2,600.0 billion as of March 31, 2011.

(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)

	December 31, 2011	December 31, 2010	March 31, 2011
<b>Unrealized gain (loss) before deferred tax on:</b>			
Available-for-sale securities	(1.9)	(4.4)	(9.0)
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 October 2008 under extremely illiquid market conditions	(5.0)	(5.9)	(5.9)
Deferred tax assets (liabilities)	(0.0)	(0.2)	(0.2)
<b>Unrealized gain (loss) on available-for-sale securities before interest adjustments</b>	<b>(7.0)</b>	<b>(10.5)</b>	<b>(15.2)</b>
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
<b>Unrealized gain (loss) on available-for-sale securities</b>	<b>(6.9)</b>	<b>(10.4)</b>	<b>(15.2)</b>

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

(Billions of yen)

	Dec 31 2011 (a)	Dec 31 2010 (b)	Change (a)-(b)	March 31 2011 (c)	Change (a)-(c)
Deposits	5,347.1	5,451.7	(104.5)	5,436.6	(89.5)
Liquid (current, ordinary, note) deposits	1,486.6	1,481.3	5.3	1,476.3	10.3
Time deposits <sup>(1)</sup>	3,490.4	3,625.8	(135.4)	3,602.9	(112.5)
Other	370.0	344.5	25.5	357.2	12.7
Negotiable certificates of deposits (NCDs)	179.4	232.7	(53.2)	174.0	5.4
Total	5,526.5	5,684.4	(157.8)	5,610.6	(84.0)

(1) Includes two-week maturity deposits

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

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

	3QFY2011 (9 months)	3QFY2010 (9 months)	FY2010 (12 months)
Return on assets <sup>(1)</sup>	0.3% <sup>(5)</sup>	0.8% <sup>(5)</sup>	0.4%
Return on equity <sup>(2)</sup>	4.9% <sup>(5)</sup>	17.8% <sup>(5)</sup>	8.5%
Return on equity (fully diluted) <sup>(3)</sup>	4.9% <sup>(6)</sup>	17.8% <sup>(6)</sup>	8.5%
Cash basis return on assets <sup>(1)</sup>	0.4% <sup>(5)</sup>	0.9% <sup>(5)</sup>	0.5%
Cash basis return on equity <sup>(2)(4)</sup>	7.4% <sup>(5)</sup>	23.6% <sup>(5)</sup>	12.4%
Cash basis return on equity (fully diluted) <sup>(3)(4)</sup>	7.4% <sup>(6)</sup>	23.6% <sup>(6)</sup>	12.4%
Expense-to-revenue ratio <sup>(6)(7)</sup>	61.6%	44.8%	48.9%

(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) Previously, the denominator was calculated as:

(Total capital at the beginning of period (Net assets – Share warrants – Minority interests) + Total capital at the end of the period)/2.

However, in order to reflect the cash-basis standard more fully, from this disclosure, the denominator has been 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

<sup>(1)</sup>  
**Capital Adequacy Data -Table 17- (Consolidated)**

*(Billions of yen, except percentages)*

	Dec 31 2011 (a)	Dec 31 2010 (b)	Change (a)-(b)	March 31 2011 (c)	Change (a)-(c)
Basic items (Tier I)	541.2	464.0	77.1	516.7	24.5
Amount eligible for inclusion in capital (Tier II)	203.5	239.7	(36.2)	231.8	(28.3)
General reserve for loan losses	9.8	9.7	0.0	9.4	0.3
Perpetual/non-perpetual preferred stocks and perpetual/non-perpetual subordinated debt and bonds	193.7	229.9	(36.2)	222.4	(28.7)
Deductions	-	-	-	-	-
Deduction	(110.6)	(104.1)	(6.5)	(98.6)	(11.9)
<b>Total capital <sup>(2)</sup></b>	<b>634.1</b>	<b>599.7</b>	<b>34.4</b>	<b>649.9</b>	<b>(15.8)</b>
Risk assets	6,223.7	6,770.2	(546.5)	6,653.7	(430.0)
Capital adequacy ratio	10.18%	8.85%		9.76%	
Tier I capital ratio	8.69%	6.85%		7.76%	

(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, ¥6.9 billion net unrealized losses on securities available-for-sale, net of taxes, as of December 31, 2011, ¥10.4 billion as of December 31, 2010 and ¥15.2 billion as of March 31, 2011 are not included in BIS capital.

(2) Consolidated total required capital is ¥458.6 billion as at December 31, 2011, ¥486.7 billion as at December 31, 2010 and ¥469.7 billion as at March 31, 2011.

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

**Per Share Data -Table 18- (Consolidated)**

*(Yen, except percentages)*

	3QFY2011 (9 months)	3QFY2010 (9 months)	% Change	FY2010 (12 months)	% Change
Common equity	214.66	253.49	(15.3)	205.83	4.3
Fully diluted equity	214.66	253.49	(15.3)	205.83	4.3
Basic net income	7.77	32.63	(76.2)	21.36	
Diluted net income	7.77	32.63	(76.2)	21.36	
Cash basis:					
Basic net income	10.48	36.97	(71.6)	26.96	
Diluted net income	10.48	36.97	(71.6)	26.96	
For calculation of per share data (Does not include treasury shares) :					
Equity:					
Number of common shares <sup>(1)</sup>	2,653,919,247	1,963,919,247		2,653,919,247	
Fully diluted number of shares <sup>(1)</sup>	2,653,919,247	1,963,919,247		2,653,919,247	
Net income:					
Number of common shares <sup>(2)</sup>	2,653,919,247	1,963,919,247		1,996,056,234	
Fully diluted number of shares <sup>(2)</sup>	2,653,919,247	1,963,919,247		1,996,056,234	

(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 number of shares for the first nine months of fiscal year 2011 increased on the first nine months of fiscal year 2010, and the consolidated net income for the first nine months of fiscal year 2011 decreased on the same period of the previous fiscal year, 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 the first nine months of fiscal year 2011 decreased to ¥7.77 from ¥32.63 for the first nine months of fiscal year 2010. Cash basis diluted net income per share for the first nine months of fiscal year 2011 also fell to ¥10.48 from ¥36.97 for the first nine months of fiscal year 2010.

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

(Billions of yen, except percentages)

	3QFY2011 (9 months)	3QFY2010 (9 months)	% Change	FY2010 (12 months)
<b>Institutional Group:</b>				
Net interest income	19.5	25.3	(22.9)	34.0
Non-interest income	29.6	35.7	(17.0)	39.5
<b>Total revenue</b>	<b>49.2</b>	<b>61.1</b>	<b>(19.4)</b>	<b>73.5</b>
<b>General and administrative expenses</b>	<b>18.6</b>	<b>20.6</b>	<b>(9.4)</b>	<b>27.2</b>
<b>Ordinary business profit</b>	<b>30.5</b>	<b>40.5</b>	<b>(24.5)</b>	<b>46.3</b>
<b>Net credit costs</b>	<b>9.0</b>	<b>28.1</b>	<b>(67.7)</b>	<b>37.9</b>
<b>Ordinary business profit after net credit costs</b>	<b>21.4</b>	<b>12.3</b>	<b>73.4</b>	<b>8.3</b>
<b>Global Markets Group:</b>				
Net interest income	(4.6)	6.3	(173.5)	9.2
Non-interest income	6.8	52.5	(87.0)	54.3
<b>Total revenue</b>	<b>2.1</b>	<b>58.8</b>	<b>(96.4)</b>	<b>63.6</b>
<b>General and administrative expenses</b>	<b>8.1</b>	<b>9.2</b>	<b>(12.1)</b>	<b>12.1</b>
<b>Ordinary business profit (loss)</b>	<b>(6.0)</b>	<b>49.5</b>	<b>(112.1)</b>	<b>51.5</b>
<b>Net credit costs (recoveries)</b>	<b>(2.6)</b>	<b>(1.3)</b>	<b>(102.4)</b>	<b>1.4</b>
<b>Ordinary business profit (loss) after net credit costs (recoveries)</b>	<b>(3.3)</b>	<b>50.8</b>	<b>(106.6)</b>	<b>50.1</b>
<b>Individual Group:</b>				
Net interest income	76.0	94.3	(19.4)	117.3
Non-interest income	29.6	30.2	(2.1)	39.8
<b>Total revenue</b>	<b>105.7</b>	<b>124.6</b>	<b>(15.2)</b>	<b>157.1</b>
<b>General and administrative expenses</b>	<b>69.5</b>	<b>79.1</b>	<b>(12.1)</b>	<b>104.5</b>
<b>Ordinary business profit</b>	<b>36.2</b>	<b>45.5</b>	<b>(20.4)</b>	<b>52.6</b>
<b>Net credit costs</b>	<b>5.3</b>	<b>22.2</b>	<b>(76.1)</b>	<b>28.6</b>
<b>Ordinary business profit after net credit costs</b>	<b>30.9</b>	<b>23.3</b>	<b>32.8</b>	<b>24.0</b>
<b>Corporate/Other<sup>(1)</sup>:</b>				
Net interest income	(2.3)	(3.2)	29.6	(4.0)
Non-interest income	0.1	0.7	(75.2)	1.7
<b>Total revenue</b>	<b>(2.1)</b>	<b>(2.5)</b>	<b>15.3</b>	<b>(2.2)</b>
<b>General and administrative expenses</b>	<b>(0.7)</b>	<b>(0.5)</b>	<b>(53.4)</b>	<b>(1.0)</b>
<b>Ordinary business profit (loss)</b>	<b>(1.3)</b>	<b>(1.9)</b>	<b>33.1</b>	<b>(1.2)</b>
<b>Net credit costs</b>	<b>0.1</b>	<b>0.2</b>	<b>(12.5)</b>	<b>0.4</b>
<b>Ordinary business profit (loss) after net credit costs</b>	<b>(1.5)</b>	<b>(2.2)</b>	<b>31.0</b>	<b>(1.6)</b>
<b>Total:</b>				
Net interest income	88.6	122.8	(27.8)	156.6
Non-interest income	66.3	119.3	(44.4)	135.4
<b>Total revenue</b>	<b>155.0</b>	<b>242.1</b>	<b>(36.0)</b>	<b>292.1</b>
<b>General and administrative expenses</b>	<b>95.5</b>	<b>108.4</b>	<b>(11.9)</b>	<b>142.8</b>
<b>Ordinary business profit</b>	<b>59.4</b>	<b>133.6</b>	<b>(55.5)</b>	<b>149.2</b>
<b>Net credit costs</b>	<b>11.9</b>	<b>49.3</b>	<b>(75.8)</b>	<b>68.3</b>
<b>Ordinary business profit after net credit costs</b>	<b>47.5</b>	<b>84.3</b>	<b>(43.6)</b>	<b>80.8</b>

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

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

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

(Billions of yen, except percentages)

	3QFY2011 (9 months)	3QFY2010 (9 months)	% Change	FY2010 (12 months)
<b>Institutional Business Sub-Group:</b>				
Net interest income	6.7	6.9	(2.6)	9.3
Non-interest income	(1.7)	1.2	(240.2)	1.4
<b>Total revenue</b>	<b>5.0</b>	<b>8.2</b>	<b>(39.4)</b>	<b>10.7</b>
<b>General and administrative expenses</b>	<b>4.4</b>	<b>4.7</b>	<b>(7.8)</b>	<b>6.2</b>
<b>Ordinary business profit</b>	<b>0.5</b>	<b>3.4</b>	<b>(82.8)</b>	<b>4.4</b>
<b>Net credit costs (recoveries)</b>	<b>(1.5)</b>	<b>(1.9)</b>	<b>21.4</b>	<b>(0.1)</b>
<b>Ordinary business profit after net credit costs (recoveries)</b>	<b>2.1</b>	<b>5.4</b>	<b>(60.6)</b>	<b>4.6</b>
<b>Structured Finance Sub-Group:</b>				
Net interest income	12.8	17.0	(24.5)	21.4
Non-interest income	3.2	1.3	145.0	1.1
<b>Total revenue</b>	<b>16.0</b>	<b>18.3</b>	<b>(12.3)</b>	<b>22.5</b>
<b>General and administrative expenses</b>	<b>3.6</b>	<b>4.4</b>	<b>(18.1)</b>	<b>5.8</b>
<b>Ordinary business profit</b>	<b>12.4</b>	<b>13.9</b>	<b>(10.4)</b>	<b>16.7</b>
<b>Net credit costs</b>	<b>10.3</b>	<b>31.9</b>	<b>(67.6)</b>	<b>39.0</b>
<b>Ordinary business profit (loss) after net credit costs</b>	<b>2.0</b>	<b>(18.0)</b>	<b>111.6</b>	<b>(22.2)</b>
<b>Principal Transactions Sub-Group:</b>				
Net interest income	2.2	0.9	137.8	2.8
Non-interest income	7.0	7.3	(4.8)	5.7
<b>Total revenue</b>	<b>9.2</b>	<b>8.3</b>	<b>11.6</b>	<b>8.5</b>
<b>General and administrative expenses</b>	<b>2.8</b>	<b>3.1</b>	<b>(9.6)</b>	<b>4.2</b>
<b>Ordinary business profit</b>	<b>6.3</b>	<b>5.1</b>	<b>24.9</b>	<b>4.3</b>
<b>Net credit costs (recoveries)</b>	<b>(0.3)</b>	<b>(0.4)</b>	<b>29.2</b>	<b>(0.6)</b>
<b>Ordinary business profit after net credit costs (recoveries)</b>	<b>6.6</b>	<b>5.5</b>	<b>20.5</b>	<b>4.9</b>
<b>Showa Leasing:</b>				
Net interest income	(2.0)	(2.5)	20.8	(3.1)
Non-interest income	12.5	13.8	(9.3)	18.5
<b>Total revenue</b>	<b>10.5</b>	<b>11.2</b>	<b>(6.6)</b>	<b>15.3</b>
<b>General and administrative expenses</b>	<b>5.8</b>	<b>6.0</b>	<b>(3.3)</b>	<b>8.0</b>
<b>Ordinary business profit</b>	<b>4.7</b>	<b>5.2</b>	<b>(10.3)</b>	<b>7.2</b>
<b>Net credit costs (recoveries)</b>	<b>(0.2)</b>	<b>(0.1)</b>	<b>(116.8)</b>	<b>3.4</b>
<b>Ordinary business profit after net credit costs (recoveries)</b>	<b>4.9</b>	<b>5.3</b>	<b>(7.9)</b>	<b>3.8</b>
<b>Others:</b>				
Net interest income	(0.2)	3.0	(108.9)	3.6
Non-interest income	8.6	11.9	(27.4)	12.6
<b>Total revenue</b>	<b>8.3</b>	<b>14.9</b>	<b>(44.1)</b>	<b>16.3</b>
<b>General and administrative expenses</b>	<b>1.9</b>	<b>2.2</b>	<b>(11.8)</b>	<b>2.8</b>
<b>Ordinary business profit</b>	<b>6.4</b>	<b>12.7</b>	<b>(49.7)</b>	<b>13.4</b>
<b>Net credit costs (recoveries)</b>	<b>0.8</b>	<b>(1.3)</b>	<b>161.7</b>	<b>(3.8)</b>
<b>Ordinary business profit after net credit costs (recoveries)</b>	<b>5.6</b>	<b>14.0</b>	<b>(60.1)</b>	<b>17.2</b>
<b>Institutional Group:</b>				
Net interest income	19.5	25.3	(22.9)	34.0
Non-interest income	29.6	35.7	(17.0)	39.5
<b>Total revenue</b>	<b>49.2</b>	<b>61.1</b>	<b>(19.4)</b>	<b>73.5</b>
<b>General and administrative expenses</b>	<b>18.6</b>	<b>20.6</b>	<b>(9.4)</b>	<b>27.2</b>
<b>Ordinary business profit</b>	<b>30.5</b>	<b>40.5</b>	<b>(24.5)</b>	<b>46.3</b>
<b>Net credit costs</b>	<b>9.0</b>	<b>28.1</b>	<b>(67.7)</b>	<b>37.9</b>
<b>Ordinary business profit after net credit costs</b>	<b>21.4</b>	<b>12.3</b>	<b>73.4</b>	<b>8.3</b>

(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 ¥49.2 billion for the first nine months of fiscal year 2011, compared to ¥61.1 billion for the first nine months of 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 ¥5.0 billion for the first nine months of fiscal year 2011 compared to ¥8.2 billion for the first nine months of fiscal year 2010, or ¥3.2 billion lower year-on-year.
- The Structured Finance Sub-Group recorded total revenue of ¥16.0 billion for the first nine months of fiscal year 2011, compared to ¥18.3 billion for the first nine months of fiscal year 2010. Total revenue decreased due to ¥2.6 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 the first nine months of fiscal year 2011.
- The Principal Transactions Sub-Group recorded total revenue of ¥9.2 billion for the first nine months of fiscal

year 2011, compared to ¥8.3 billion for the first nine months of fiscal year 2010. This was a result of the solid performance of credit trading business in spite of ¥0.8 billion of impairment on private equity investment.

- Others recorded total revenue of ¥8.3 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 the first nine months of fiscal year 2011. Total revenue for the first nine months of fiscal year 2010 included ¥5.2 billion gains of the sales and valuation gains on asset-backed securities and asset-backed investments.

### **Expenses**

- General and administrative expenses were ¥18.6 billion for the first nine months of fiscal year 2011, decreasing by ¥1.9 billion from ¥20.6 billion for the first nine months of 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 such as health care and corporate restructuring businesses where it can demonstrate its strengths to rebuild the client base.

### **Net credit costs**

- Net credit costs were ¥9.0 billion for the first nine months of fiscal year 2011, considerably lower than ¥28.1 billion recorded for the first nine months of 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 the first nine months of fiscal year 2011 were ¥9.5 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 ¥21.4 billion for the first nine months of fiscal year 2011, improving by ¥9.0 billion from ¥12.3 billion for the first nine months of fiscal year 2010.

### **Showa Leasing**

- Showa Leasing recorded ¥4.9 billion of ordinary business profit after net credit costs including consolidation adjustments for the first nine months of fiscal year 2011, compared to ¥5.3 billion for the first nine months of fiscal year 2010. Total revenue decreased to ¥10.5 billion for the first nine months of fiscal year 2011 from ¥11.2 billion for the first nine months of fiscal year 2010 as operating assets declined amidst the stagnant economy.

**Global Markets Group Revenue by Product -Table 21- (Consolidated)**

(Billions of yen, except percentages)

	3QFY2011 (9 months)	3QFY2010 (9 months)	% Change	FY2010 (12 months)
<b>Financial Institutions Sub-Group:</b>				
Net interest income	1.0	0.9	11.4	1.2
Non-interest income	1.0	0.8	26.5	1.3
<b>Total revenue</b>	<b>2.1</b>	<b>1.8</b>	<b>18.4</b>	<b>2.6</b>
<b>General and administrative expenses</b>	<b>1.7</b>	<b>1.9</b>	<b>(10.2)</b>	<b>2.5</b>
<b>Ordinary business profit (loss)</b>	<b>0.3</b>	<b>(0.1)</b>	<b>345.2</b>	<b>0.0</b>
<b>Net credit costs (recoveries)</b>	<b>(0.2)</b>	<b>(0.9)</b>	<b>70.1</b>	<b>(0.8)</b>
<b>Ordinary business profit after net credit costs (recoveries)</b>	<b>0.6</b>	<b>0.7</b>	<b>(16.8)</b>	<b>0.9</b>
<b>Markets Sub-Group:</b>				
Net interest income	0.8	2.3	(62.2)	2.6
Non-interest income	2.1	8.9	(75.3)	9.8
<b>Total revenue</b>	<b>3.0</b>	<b>11.2</b>	<b>(72.6)</b>	<b>12.5</b>
<b>General and administrative expenses</b>	<b>2.4</b>	<b>3.5</b>	<b>(30.9)</b>	<b>4.6</b>
<b>Ordinary business profit</b>	<b>0.6</b>	<b>7.6</b>	<b>(92.0)</b>	<b>7.8</b>
<b>Net credit costs (recoveries)</b>	<b>(1.6)</b>	<b>(0.8)</b>	<b>(95.7)</b>	<b>1.5</b>
<b>Ordinary business profit after net credit costs (recoveries)</b>	<b>2.2</b>	<b>8.5</b>	<b>(73.1)</b>	<b>6.3</b>
<b>Treasury Sub-Group:</b>				
Net interest income	(7.0)	2.5	(369.7)	4.8
Non-interest income	2.4	41.0	(93.9)	40.9
<b>Total revenue</b>	<b>(4.5)</b>	<b>43.6</b>	<b>(110.3)</b>	<b>45.8</b>
<b>General and administrative expenses</b>	<b>0.8</b>	<b>0.8</b>	<b>(5.4)</b>	<b>1.1</b>
<b>Ordinary business profit (loss)</b>	<b>(5.3)</b>	<b>42.7</b>	<b>(112.5)</b>	<b>44.6</b>
<b>Net credit costs</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Ordinary business profit (loss) after net credit costs</b>	<b>(5.3)</b>	<b>42.7</b>	<b>(112.5)</b>	<b>44.6</b>
<b>Others:</b>				
Net interest income	0.3	0.4	(12.5)	0.5
Non-interest income	1.0	1.7	(39.1)	2.1
<b>Total revenue</b>	<b>1.4</b>	<b>2.1</b>	<b>(33.8)</b>	<b>2.7</b>
<b>General and administrative expenses</b>	<b>3.1</b>	<b>2.8</b>	<b>7.6</b>	<b>3.7</b>
<b>Ordinary business profit (loss)</b>	<b>(1.6)</b>	<b>(0.7)</b>	<b>(134.3)</b>	<b>(1.0)</b>
<b>Net credit costs (recoveries)</b>	<b>(0.6)</b>	<b>0.4</b>	<b>(238.3)</b>	<b>0.7</b>
<b>Ordinary business profit (loss) after net credit costs (recoveries)</b>	<b>(0.9)</b>	<b>(1.2)</b>	<b>18.9</b>	<b>(1.7)</b>
<b>Global Markets Group:</b>				
Net interest income	(4.6)	6.3	(173.5)	9.2
Non-interest income	6.8	52.5	(87.0)	54.3
<b>Total revenue</b>	<b>2.1</b>	<b>58.8</b>	<b>(96.4)</b>	<b>63.6</b>
<b>General and administrative expenses</b>	<b>8.1</b>	<b>9.2</b>	<b>(12.1)</b>	<b>12.1</b>
<b>Ordinary business profit (loss)</b>	<b>(6.0)</b>	<b>49.5</b>	<b>(112.1)</b>	<b>51.5</b>
<b>Net credit costs (recoveries)</b>	<b>(2.6)</b>	<b>(1.3)</b>	<b>(102.4)</b>	<b>1.4</b>
<b>Ordinary business profit (loss) after net credit costs (recoveries)</b>	<b>(3.3)</b>	<b>50.8</b>	<b>(106.6)</b>	<b>50.1</b>

(1) Net of consolidation adjustments, if applicable.

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

### **Global Markets Group:**

The Global Markets Group reporting segments consist of: 1) Financial Institutions Sub-Group which provides financial products and services for financial institutions, 2) Markets Sub-Group which deals with foreign exchange, derivatives and other capital markets business, 3) Treasury Sub-Group which undertakes ALM related transactions, and 4) others which covers asset management, wealth management, and Shinsei Securities' businesses.

### **Total revenue**

- The Global Markets Group generated total revenue of ¥2.1 billion for the first nine months of fiscal year 2011, compared to ¥58.8 billion for the first nine months of 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 the first nine months of fiscal year 2011 which were recorded for the first nine months of fiscal year 2010.
- The Financial Institutions Sub-Group's total revenue was ¥2.1 billion for the first nine months of fiscal year 2011, compared to ¥1.8 billion for the first nine months of fiscal year 2010. Steady revenues from transactions with clients contributed to the solid performance.
- The Markets Sub-Group earned total revenue of ¥3.0 billion for the first nine months of fiscal year 2011, compared to ¥11.2 billion for the first nine months of fiscal year 2010. Total revenue decreased due to the absence of gains on sales of CLO, which are non-core assets, for the first nine months of fiscal year 2011 while gains on CLO sales of ¥4.3 billion were included for the first nine months of 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 ¥4.5 billion for the first nine months of fiscal year 2011, compared to total revenue of ¥43.6 billion for the first nine months of fiscal year 2010. This sub-group manages ALM for the bank overall. For the first nine months of 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 the first nine months of fiscal year 2010 the Treasury Sub-Group traded Japanese government bonds frequently to facilitate liquidity management, earning gains on sales, while also recording ¥28.9 billion of gains on repurchases of perpetual preferred securities and subordinated debt.

- Others earned ¥1.4 billion for the first nine months of fiscal year 2011, compared to ¥2.1 billion for the first nine months of fiscal year 2010.

### **Expenses**

- The Global Markets Group reduced general and administrative expenses by ¥1.1 billion from ¥9.2 billion for the first nine months of fiscal year 2010 to ¥8.1 billion for the first nine months of 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 the first nine months of fiscal year 2011, compared to net credit recoveries of ¥1.3 billion for the first nine months of fiscal year 2010.
- The Global Markets Group has continued to reduce non-core assets and also recorded a reversal in provisions for these assets for the first nine months of fiscal year 2011 as well as for the first nine months of 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 the first nine months of fiscal year 2011.

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

As a result, the Global Markets Group recorded a ¥3.3 billion ordinary business loss after net credit costs for the first nine months of fiscal year 2011, compared with a ¥50.8 billion ordinary business profit after net credit costs for the first nine months of 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 ¥1.9 billion.

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

(Billions of yen, except percentages)

	3QFY2011 (9 months)	3QFY2010 (9 months)	% Change	FY2010 (12 months)
<b>Retail banking:</b>				
Net interest income	22.3	25.6	(12.7)	33.8
Non-interest income	5.3	7.1	(24.9)	9.5
<b>Total revenue</b>	<b>27.7</b>	<b>32.8</b>	<b>(15.4)</b>	<b>43.3</b>
<b>General and administrative expenses</b>	<b>23.3</b>	<b>24.5</b>	<b>(4.8)</b>	<b>33.1</b>
<b>Ordinary business profit</b>	<b>4.3</b>	<b>8.2</b>	<b>(46.9)</b>	<b>10.1</b>
<b>Net credit costs</b>	<b>1.2</b>	<b>1.3</b>	<b>(4.6)</b>	<b>2.5</b>
<b>Ordinary business profit after net credit costs</b>	<b>3.1</b>	<b>6.9</b>	<b>(55.1)</b>	<b>7.5</b>
<b>Shinsei Financial and Shinsei Bank Lake (2) :</b>				
Net interest income	36.1	50.2	(28.0)	64.1
Non-interest income	(2.3)	(3.7)	38.3	(5.1)
<b>Total revenue</b>	<b>33.8</b>	<b>46.4</b>	<b>(27.1)</b>	<b>58.9</b>
<b>General and administrative expenses</b>	<b>20.5</b>	<b>25.5</b>	<b>(19.5)</b>	<b>33.4</b>
<b>Ordinary business profit</b>	<b>13.3</b>	<b>20.9</b>	<b>(36.4)</b>	<b>25.4</b>
<b>Net credit costs (recoveries)</b>	<b>(2.5)</b>	<b>8.0</b>	<b>(132.1)</b>	<b>7.7</b>
<b>Ordinary business profit after net credit costs (recoveries)</b>	<b>15.8</b>	<b>12.8</b>	<b>23.5</b>	<b>17.7</b>
<b>Shinki:</b>				
Net interest income	6.5	9.3	(29.5)	11.7
Non-interest income	(0.4)	(0.8)	42.6	(1.0)
<b>Total revenue</b>	<b>6.1</b>	<b>8.5</b>	<b>(28.3)</b>	<b>10.7</b>
<b>General and administrative expenses</b>	<b>2.6</b>	<b>3.7</b>	<b>(28.7)</b>	<b>4.6</b>
<b>Ordinary business profit</b>	<b>3.4</b>	<b>4.7</b>	<b>(28.0)</b>	<b>6.1</b>
<b>Net credit costs (recoveries)</b>	<b>(0.4)</b>	<b>2.5</b>	<b>(116.1)</b>	<b>3.6</b>
<b>Ordinary business profit after net credit costs</b>	<b>3.8</b>	<b>2.2</b>	<b>73.1</b>	<b>2.4</b>
<b>APLUS FINANCIAL:</b>				
Net interest income	9.8	12.0	(18.6)	14.4
Non-interest income	26.9	27.5	(2.3)	36.3
<b>Total revenue</b>	<b>36.7</b>	<b>39.6</b>	<b>(7.3)</b>	<b>50.8</b>
<b>General and administrative expenses</b>	<b>22.6</b>	<b>24.8</b>	<b>(9.1)</b>	<b>32.8</b>
<b>Ordinary business profit</b>	<b>14.0</b>	<b>14.7</b>	<b>(4.2)</b>	<b>18.0</b>
<b>Net credit costs</b>	<b>6.8</b>	<b>9.7</b>	<b>(29.7)</b>	<b>13.8</b>
<b>Ordinary business profit after net credit costs</b>	<b>7.2</b>	<b>4.9</b>	<b>46.2</b>	<b>4.2</b>
<b>Others (3) :</b>				
Net interest income	1.1	(2.8)	141.5	(6.8)
Non-interest income	0.1	0.1	17.3	0.1
<b>Total revenue</b>	<b>1.3</b>	<b>(2.7)</b>	<b>148.7</b>	<b>(6.7)</b>
<b>General and administrative expenses</b>	<b>0.2</b>	<b>0.3</b>	<b>(28.7)</b>	<b>0.4</b>
<b>Ordinary business profit (loss)</b>	<b>1.0</b>	<b>(3.0)</b>	<b>134.7</b>	<b>(7.1)</b>
<b>Net credit costs</b>	<b>0.1</b>	<b>0.5</b>	<b>(71.8)</b>	<b>0.8</b>
<b>Ordinary business profit (loss) after net credit costs</b>	<b>0.9</b>	<b>(3.6)</b>	<b>125.0</b>	<b>(7.9)</b>
<b>Total Individual Group:</b>				
Net interest income	76.0	94.3	(19.4)	117.3
Non-interest income	29.6	30.2	(2.1)	39.8
<b>Total revenue</b>	<b>105.7</b>	<b>124.6</b>	<b>(15.2)</b>	<b>157.1</b>
<b>General and administrative expenses</b>	<b>69.5</b>	<b>79.1</b>	<b>(12.1)</b>	<b>104.5</b>
<b>Ordinary business profit</b>	<b>36.2</b>	<b>45.5</b>	<b>(20.4)</b>	<b>52.6</b>
<b>Net credit costs</b>	<b>5.3</b>	<b>22.2</b>	<b>(76.1)</b>	<b>28.6</b>
<b>Ordinary business profit after net credit costs</b>	<b>30.9</b>	<b>23.3</b>	<b>32.8</b>	<b>24.0</b>

(1) Net of consolidation adjustments, if applicable.

(2) Results for Shinsei Financial and "Shinsei Bank Card Loan – Lake" in the Lake business (started on October 1, 2011) are combined on a management accounting basis from 3Q FY2011.

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

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

(1)

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

(Billions of yen, except percentages)

	3QFY2011 (9 months)	3QFY2010 (9 months)	% Change	FY2010 (12 months)
Retail Banking:	27.7	32.8	(15.4)	43.3
Deposits and debentures net interest income	16.4	19.0	(13.4)	24.9
Deposits and debentures non-interest income	3.2	4.3	(24.8)	5.8
Asset management	3.3	3.5	(5.6)	4.5
Loans	4.7	5.9	(20.5)	7.9
Shinsei Financial and Shinsei Bank Lake <sup>(2)</sup>	33.8	46.4	(27.1)	58.9
Shinki	6.1	8.5	(28.3)	10.7
APLUS FINANCIAL	36.7	39.6	(7.3)	50.8
Others <sup>(3)</sup>	1.3	(2.7)	148.7	(6.7)
<b>Total revenue</b>	<b>105.7</b>	<b>124.6</b>	<b>(15.2)</b>	<b>157.1</b>

(1) Net of consolidation adjustments, if applicable.

(2) Results for Shinsei Financial and "Shinsei Bank Card Loan – Lake" in the Lake business (started on October 1, 2011) are combined on a management accounting basis from 3Q FY2011.

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

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

- 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 ¥30.9 billion for the first nine months of fiscal year 2011 compared to ¥23.3 billion for the first nine months of 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 the first nine months of fiscal year 2011 were above their respective performance for the first nine months of fiscal year 2010.

### Retail Banking

- Total revenue of Retail Banking decreased to ¥27.7 billion for the first nine months of fiscal year 2011 from ¥32.8 billion for the first nine months of fiscal year 2010. Net interest income decreased to ¥22.3 billion for the first nine months of fiscal year 2011 from ¥25.6 billion for the first nine months of 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 ¥5.3 billion for the first nine months of fiscal year 2011 from ¥7.1 billion for the first nine months of 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 ¥23.3 billion for the first nine months of fiscal year 2011 compared to ¥24.5 billion for the first nine months of fiscal year 2010
- Net credit costs remained at the same level as the first nine months of fiscal year 2010 at ¥1.2 billion. As a result, the ordinary business profit after net credit costs was ¥3.1 billion for the first nine months of fiscal year 2011 compared to an ordinary business profit after net credit costs of ¥6.9 billion for the first nine months of 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 ¥15.8 billion for the first nine months of fiscal year 2011 compared to ¥12.8 billion for the first nine months of fiscal year 2010.

- Total revenue decreased for the first nine months of 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 the first nine months of fiscal year 2011 included ¥5.9 billion from recoveries of written-off claims. The ordinary business profit after net credit costs excluding recoveries of written-off claims for the first nine months of fiscal year 2011 was ¥9.9 billion.
- Although the loan balance of Shinsei Financial decreased by ¥98.0 billion for the first nine months of fiscal year 2010, the decrease was controlled at ¥53.1 billion for the first nine months of 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 ¥3.8 billion for the first nine months of fiscal year 2011 compared to ¥2.2 billion for the first nine months of 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 the first nine months of fiscal year 2011 included ¥0.8 billion from

recoveries of written-off claims. The ordinary business profit after net credit costs excluding recoveries of written-off claims for the first nine months of fiscal year 2011 was ¥3.0 billion which is still higher than the ¥2.2 billion for the first nine months of fiscal year 2010.

#### **APLUS FINANCIAL**

- The ordinary business profit after net credit costs of APLUS FINANCIAL after the related consolidation adjustments increased to ¥7.2 billion for the first nine months of fiscal year 2011, compared to ¥4.9 billion for the first nine months of fiscal year 2010. Total revenue decreased to ¥36.7 billion for the first nine months of fiscal year 2011, compared to ¥39.6 billion for the first nine months of fiscal year 2010 due to the decrease in loan balance caused by the revised Money-Lending Business Control and Regulation Law. However, due to continued rationalization and efficient business processes, general and administrative expenses decreased to ¥22.6 billion for the first nine months of fiscal year 2011 from ¥24.8 billion for the first nine months of fiscal year 2010. Also, due to strict credit management, net credit costs decreased to ¥6.8 billion for the first nine months of fiscal year 2011 from ¥9.7 billion for the first nine months of 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 ¥11.8 billion was made for the first nine months of fiscal year 2011.
- Shinsei Financial's usage of reserve for losses on interest repayment and others amounted to ¥6.3 billion for the first nine months of fiscal year 2011. The business made an additional reserve of ¥5.8 billion for losses on interest repayment resulting in a total balance of ¥17.4 billion in reserve for losses on interest repayment as of December 31, 2011 compared to ¥18.0 billion as of March 31, 2011. 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.
- Shinki's usage of reserve for losses on interest repayment amounted to ¥8.3 billion for the first nine months of fiscal year 2011. The business made an additional reserve of ¥5.0 billion for losses on interest repayment resulting in a total balance of ¥10.1 billion in reserve for losses on interest repayment as of December 31, 2011 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 ¥5.1 billion for the first nine months of fiscal year 2011. The business made an additional reserve of ¥1.0 billion for losses on interest repayment resulting in a total balance of ¥7.5 billion in reserve for losses on interest repayment as of December 31, 2011 compared to ¥11.7 billion as of March 31, 2011.

## **Segment Information**

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

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

**Assets**

	<i>(millions of yen)</i>				
	Dec 31 2011	Dec 31 2010	Change	March 31 2011	Change
	a	b	a-b	c	a-c
<b>&lt;&lt;Assets&gt;&gt;</b>					
Cash and due from banks	496,199	519,078	(22,879)	452,751	43,447
Call loans	-	8,625	(8,625)	-	-
Receivables under resale agreements	15,032	-	15,032	-	15,032
Collateral related to securities borrowing transactions	29,248	33,578	(4,330)	10,388	18,859
Other monetary claims purchased	131,558	163,731	(32,172)	157,006	(25,447)
Trading assets	209,239	210,676	(1,436)	195,396	13,842
Monetary assets held in trust	274,140	262,047	12,093	253,688	20,452
Securities	1,895,514	3,153,811	(1,258,296)	3,286,382	(1,390,867)
Loans and bills discounted	4,076,506	4,411,390	(334,883)	4,291,462	(214,955)
Foreign exchanges	24,688	15,098	9,590	42,069	(17,380)
Lease receivables and leased investment assets	195,700	203,582	(7,882)	206,216	(10,516)
Other assets	729,359	869,406	(140,046)	794,798	(65,438)
Premises and equipment	52,170	54,593	(2,422)	50,099	2,071
Intangible fixed assets	86,066	98,877	(12,811)	96,013	(9,946)
Goodwill, net	43,785	51,505	(7,720)	49,526	(5,741)
Deferred issuance expenses for debentures	146	181	(35)	182	(35)
Deferred tax assets	15,475	20,391	(4,915)	18,603	(3,127)
Customers' liabilities for acceptances and guarantees	558,799	593,934	(35,135)	575,700	(16,900)
Reserve for credit losses	(185,275)	(190,786)	5,510	(199,211)	13,935
<b>Total assets</b>	<b>8,604,572</b>	<b>10,428,218</b>	<b>(1,823,645)</b>	<b>10,231,548</b>	<b>(1,626,976)</b>



## Liabilities and Equity

(Millions of yen)

	Dec 31 2011 a	Dec 31 2010 b	Change a-b	March 31 2011 c	Change a-c
<b>&lt;&lt;Liabilities&gt;&gt;</b>					
Deposits	5,347,133	5,451,722	(104,589)	5,436,640	(89,507)
Negotiable certificates of deposit	179,456	232,720	(53,264)	174,046	5,410
Debentures	305,522	384,402	(78,879)	348,270	(42,747)
Call money	140,155	165,482	(25,327)	160,330	(20,175)
Collateral related to securities lending transactions	45,954	315,496	(269,542)	269,697	(223,742)
Trading liabilities	161,719	167,430	(5,710)	147,787	13,932
Borrowed money	457,942	1,291,271	(833,328)	1,672,790	(1,214,847)
Foreign exchanges	52	89	(37)	39	12
Short-term corporate bonds	63,000	28,100	34,900	22,800	40,200
Corporate bonds	163,752	176,934	(13,182)	179,611	(15,859)
Other liabilities	501,220	1,002,619	(501,399)	569,362	(68,142)
Accrued employees' bonuses	5,115	5,807	(691)	8,084	(2,969)
Accrued directors' bonuses	31	35	(4)	38	(7)
Reserve for employees' retirement benefits	7,053	7,257	(204)	11,016	(3,962)
Reserve for directors' retirement benefits	213	268	(55)	285	(72)
Reserve for losses on interest repayments	35,214	39,413	(4,199)	43,199	(7,984)
Reserve under special law	1	3	(2)	1	-
Deferred tax liabilities	439	561	(122)	690	(251)
Acceptances and guarantees	558,799	593,934	(35,135)	575,700	(16,900)
<b>Total liabilities</b>	<b>7,972,778</b>	<b>9,863,553</b>	<b>(1,890,774)</b>	<b>9,620,394</b>	<b>(1,647,616)</b>
<b>&lt;&lt;Equity&gt;&gt;</b>					
<b>Shareholders' equity:</b>					
Capital stock	512,204	476,296	35,907	512,204	-
Capital surplus	79,461	43,554	35,907	79,461	-
Retained earnings	73,063	76,522	(3,458)	55,087	17,975
Treasury stock, at cost	(72,558)	(72,558)	-	(72,558)	-
Total shareholders' equity	592,170	523,814	68,356	574,195	17,975
<b>Accumulated other comprehensive income:</b>					
Unrealized gain (loss) on available-for-sale securities	(6,913)	(10,495)	3,581	(15,225)	8,312
Deferred gain (loss) on derivatives under hedge accounting	(12,737)	(12,607)	(129)	(10,197)	(2,539)
Foreign currency translation adjustments	(2,809)	(2,864)	55	(2,511)	(297)
Total accumulated other comprehensive income	(22,459)	(25,967)	3,507	(27,935)	5,475
Stock acquisition rights	1,357	1,588	(231)	1,413	(55)
Minority interests in subsidiaries	60,725	65,229	(4,503)	63,481	(2,755)
<b>Total equity</b>	<b>631,794</b>	<b>564,665</b>	<b>67,129</b>	<b>611,154</b>	<b>20,640</b>
<b>Total liabilities and equity</b>	<b>8,604,572</b>	<b>10,428,218</b>	<b>(1,823,645)</b>	<b>10,231,548</b>	<b>(1,626,976)</b>

**Consolidated Statements of Income (Unaudited) (Consolidated)**

(millions of yen, except percentages)

	3QFY2011 (9 months)	3QFY2010 (9 months)	Change		FY2010 (12 months)
			Amount	%	
<b>Total interest income</b>	<b>121,772</b>	161,514	(39,742)	(24.6)	207,137
Interest on loans and bills discounted	106,874	138,708	(31,834)	(23.0)	178,579
Interest and dividends on securities	13,777	17,895	(4,117)	(23.0)	23,857
Other interest income	1,120	4,909	(3,789)	(77.2)	4,701
<b>Fees and commissions income</b>	<b>36,393</b>	35,819	574	1.6	49,112
Trading profits	11,022	12,179	(1,156)	(9.5)	14,506
<b>Other business income</b>	<b>122,080</b>	137,799	(15,718)	(11.4)	180,209
Other ordinary income	31,314	13,799	17,515	126.9	14,856
<b>Ordinary income</b>	<b>322,583</b>	361,112	(38,528)	(10.7)	465,823
<b>Total interest expenses</b>	<b>33,079</b>	38,672	(5,593)	(14.5)	50,475
Interest on deposits	22,306	26,415	(4,109)	(15.6)	33,950
Interest on borrowings	4,272	5,359	(1,086)	(20.3)	7,098
Interest on corporate bonds	4,228	3,853	374	9.7	5,504
Other interest expenses	2,271	3,043	(771)	(25.3)	3,920
<b>Fees and commissions expenses</b>	<b>16,305</b>	17,498	(1,192)	(6.8)	23,080
Trading losses	3,064	4,288	(1,224)	(28.5)	2,857
<b>Other business expenses</b>	<b>91,878</b>	81,293	9,955	12.2	118,612
<b>Total general and administrative expenses</b>	<b>106,380</b>	120,338	(13,958)	(11.6)	158,459
General and administrative expenses	97,260	110,329	(13,069)	(11.8)	145,360
Amortization of goodwill	5,863	6,392	(529)	(8.3)	8,371
Amortization of intangible assets	3,256	3,616	(359)	(9.9)	4,728
Other ordinary expenses	43,917	55,575	(11,658)	(21.0)	87,895
Provision of reserve for loan losses	16,660	42,855	(26,194)	(61.1)	61,718
Others	27,256	12,720	14,536	114.3	26,176
<b>Ordinary expenses</b>	<b>294,625</b>	318,298	(23,672)	(7.4)	441,381
<b>Net ordinary income</b>	<b>27,958</b>	42,813	(14,855)	(34.7)	24,441
Special gains	2,762	39,928	(37,166)	(93.1)	45,847
Special losses	1,998	6,436	(4,437)	(68.9)	12,507
<b>Income before income taxes and minority interests</b>	<b>28,721</b>	76,306	(47,584)	(62.4)	57,782
Income taxes (benefit)	5,345	5,039	305	6.1	7,223
<b>Income before minority interests</b>	<b>23,376</b>	71,266	(47,889)	(67.2)	50,558
Minority interests in net income of subsidiaries	2,745	7,182	(4,436)	(61.8)	7,908
<b>Net income</b>	<b>20,630</b>	64,083	(43,452)	(67.8)	42,650

**Consolidated Statements of Comprehensive Income (Unaudited) (Consolidated)**

(Millions of yen, except percentages)

	3QFY2011 (9 months)	3QFY2010 (9 months)	Change	
			Amount	%
Income before minority interests	<b>23,376</b>	71,266	(47,889)	(67.2)
Other comprehensive income				
Unrealized gain (loss) on available-for-sale securities	<b>8,277</b>	(12,006)	20,284	168.9
Deferred gain (loss) on derivatives under hedge accounting	<b>(2,539)</b>	(9,280)	6,740	72.6
Foreign currency translation adjustments	<b>(565)</b>	(12,396)	11,831	95.4
Share of other comprehensive income in affiliates	<b>(406)</b>	(32)	(374)	(1,155.4)
Other comprehensive income	<b>4,766</b>	(33,715)	38,482	114.1
Comprehensive income	<b>28,142</b>	37,550	(9,407)	(25.1)
(Breakdown)				
Attributable to:				
Owners of the parent	<b>26,106</b>	40,785	(14,679)	(36.0)
Minority interests	<b>2,036</b>	(3,235)	5,272	162.9

## Section 2. Non-Consolidated Information

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

	<i>(Billions of yen, except percentages)</i>			
	<b>3QFY2011</b> <b>(9 months)</b>	3QFY2010 (9 months)	%	FY2010 (12 months)
			Change	
Net interest income	42.3	51.0	(17.0)	70.5
Non-interest income	16.9	40.4	(58.1)	44.6
Net fees and commissions <sup>(1)</sup>	15.6	14.5	7.1	15.5
Net trading income	8.3	6.6	26.4	10.6
Net other business income	(7.0)	19.2	(136.7)	18.4
<b>Total revenue <sup>(1)</sup></b>	<b>59.3</b>	<b>91.4</b>	<b>(35.1)</b>	<b>115.1</b>
Personnel expenses	14.9	15.1	(1.1)	19.9
Non-personnel expenses	27.4	28.3	(3.3)	37.4
Taxes	2.4	2.2	12.3	3.1
<b>General and administrative expenses</b>	<b>44.8</b>	<b>45.7</b>	<b>(1.8)</b>	<b>60.5</b>
<b>Net business profit <sup>(1)</sup></b>	<b>14.4</b>	<b>45.7</b>	<b>(68.4)</b>	<b>54.6</b>
<b>Other gains (losses)</b>				
Gains (losses) on the sales of equities	1.3	1.7	(22.2)	1.5
Provision of reserve for loan losses	(8.7)	(24.8)	(64.7)	(35.1)
Losses on write-off of loans	(2.0)	(5.2)	(61.4)	(5.1)
Recoveries of written-off claims <sup>(2)</sup>	2.1	-	-	-
Expenses for employees' retirement benefits	(1.7)	(2.6)	(34.0)	(3.4)
Other losses, expenses	(0.5)	(2.8)	(79.8)	(4.6)
<b>Net ordinary income</b>	<b>4.8</b>	<b>11.9</b>	<b>(59.4)</b>	<b>7.9</b>
<b>Special gains (losses)</b>				
Gains (losses) from sales of fixed assets	(1.3)	(0.6)	89.8	(1.1)
Recoveries of written-off claims <sup>(2)</sup>	-	3.2	-	5.6
Other special gains (losses)	(0.1)	(1.0)	(89.1)	(0.3)
<b>Income before income taxes</b>	<b>3.4</b>	<b>13.4</b>	<b>(74.6)</b>	<b>12.1</b>
<b>Income taxes (benefit)</b>				
Current	0.3	(0.4)	176.8	(0.5)
Deferred	2.0	1.8	14.9	1.5
<b>Net income</b>	<b>0.9</b>	<b>12.1</b>	<b>(92.2)</b>	<b>11.1</b>

(1) Includes income from monetary assets held in trust of ¥11.3 billion in 3QFY2011, ¥11.7 billion in 3QFY2010 and ¥11.5 billion in FY2010.

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

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

- Difference between the quarterly net incomes on a non-consolidated basis and consolidated basis for the first nine months of 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.
- Previously, 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 the first nine months of fiscal year 2011 includes ¥2.1 billion from recoveries of written-off claims.
- Shinsei Bank recorded total revenue of ¥59.3 billion on a non-consolidated basis for the first nine months of fiscal year 2011, down by ¥32.1 billion compared to the ¥91.4 billion recorded for the first nine months of fiscal year 2010. This is due to an ¥8.6 billion decrease in net interest income as a result of factors including reduction of non-core assets, as well as ¥26.2 billion decrease in net other business income 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 the first nine months of 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 ¥44.8 billion on a non-consolidated basis for the first nine months of fiscal year 2011, ¥0.8 billion lower than the first nine months of fiscal year 2010.
- While net business profit for the first nine months of fiscal year 2011 decreased by ¥31.2 billion to ¥14.4 billion on a non-consolidated basis, a ¥21.3 billion decrease in net

credit costs and ¥0.8 billion decrease in expenses for employees' retirement benefits resulted in net ordinary income of ¥4.8 billion, a decrease of ¥7.1 billion compared to the first nine months of fiscal year 2010.

- Shinsei Bank recorded a non-consolidated net income of ¥0.9 billion for the first nine months of fiscal year 2011, down by ¥11.1 billion compared to the first nine months of 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 the first nine months of fiscal year 2010.

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

	<i>(Billions of yen, except percentages)</i>			
	<b>3QFY2011</b>	3QFY2010	%	FY2010
	<b>(9 months)</b>	(9 months)	Change	(12 months)
Losses on write-off of loans	<b>2.0</b>	5.2	(60.9)	5.2
Net provision of reserve for loan losses	<b>8.7</b>	24.8	(64.7)	35.1
Net provision (reversal) of general reserve for loan losses	<b>(4.1)</b>	16.4	(125.1)	17.3
Net provision of specific reserve for loan losses	<b>12.9</b>	8.3	54.4	17.7
Net provision (reversal) of reserve for loan losses to restructuring countries	<b>(0.0)</b>	(0.0)	971.3	(0.0)
Recoveries of written-off claims <sup>(1)</sup>	<b>(2.1)</b>	-	-	-
<b>Net credit costs</b>	<b>8.6</b>	30.0	(71.2)	40.3

(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 26- (Non-Consolidated)**

	<i>(Billions of yen, except percentages)</i>								
	3QFY2011 (9 months)			3QFY2010 (9 months)			FY2010 (12 months)		
	Average balance	Interest	Yield/rate (%)	Average balance	Interest	Yield/rate (%)	Average balance	Interest	Yield/rate (%)
<b>Interest-earning assets:</b>									
Cash and due from banks	24.9	0.1	1.05	23.9	0.1	0.69	21.4	0.1	0.82
Call loans	28.7	0.0	0.26	60.0	0.0	0.17	63.4	0.1	0.16
Receivables under resale agreements	3.0	0.0	0.40	-	-	-	-	-	-
Collateral related to securities borrowing transactions	6.8	0.0	0.08	153.2	0.1	0.11	124.1	0.1	0.11
Securities	2,952.2	22.4	1.01	3,320.6	25.9	1.03	3,472.9	39.3	1.13
Loans and bills discounted	4,025.2	48.0	1.58	4,375.9	55.0	1.66	4,288.9	70.7	1.65
Other interest-earning assets	277.0	2.1	1.00	466.4	4.7	1.34	460.7	6.1	1.34
Interest rate and funding swaps	-	0.0	-	-	3.6	-	-	3.1	-
<b>Total interest-earning assets</b>	<b>7,318.0</b>	<b>72.9</b>	<b>1.32</b>	<b>8,400.2</b>	<b>89.7</b>	<b>1.41</b>	<b>8,431.7</b>	<b>119.9</b>	<b>1.42</b>
<b>Interest-bearing liabilities:</b>									
Deposits	5,570.8	22.3	0.53	6,031.2	26.4	0.58	5,922.8	33.9	0.57
Negotiable certificates of deposit	244.9	0.3	0.16	301.4	0.4	0.20	294.2	0.5	0.20
Debentures	326.8	1.1	0.47	444.5	1.9	0.57	427.0	2.3	0.56
Call money	147.2	0.1	0.11	181.9	0.1	0.11	177.0	0.2	0.11
Payable under repurchase agreements	-	-	-	3.5	0.0	0.10	2.6	0.0	0.10
Collateral related to securities lending transactions	321.2	0.3	0.15	272.4	0.2	0.13	304.3	0.4	0.14
Borrowed money	439.0	1.7	0.53	968.4	1.5	0.21	1,084.0	2.1	0.20
Corporate bonds	216.0	6.3	3.92	320.4	10.4	4.31	295.8	12.6	4.28
Other interest-bearing liabilities	0.1	0.0	n.m. <sup>(1)</sup>	0.2	0.0	n.m. <sup>(1)</sup>	0.2	0.0	n.m. <sup>(1)</sup>
Interest rate and funding swaps	-	-	-	-	-	-	-	-	-
<b>Total interest-bearing liabilities</b>	<b>7,266.4</b>	<b>32.4</b>	<b>0.59</b>	<b>8,524.2</b>	<b>41.2</b>	<b>0.64</b>	<b>8,508.4</b>	<b>52.5</b>	<b>0.61</b>
<b>Net interest income/yield on interest-earning assets</b>	<b>7,318.0</b>	<b>40.5</b>	<b>0.73</b>	<b>8,400.2</b>	<b>48.4</b>	<b>0.76</b>	<b>8,431.7</b>	<b>67.3</b>	<b>0.79</b>

(1) n.m. is not meaningful.

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

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

	<i>(Billions of yen)</i>				
	Dec 31 2011	Dec 31 2010	Change	March 31 2011	Change
	(a)	(b)	(a)-(b)	(c)	(a)-(c)
Loans to bankrupt obligors	3.3	8.6	(5.2)	7.2	(3.8)
Non-accrual delinquent loans	272.0	248.4	23.6	237.7	34.3
Loans past due for three months or more	0.5	3.0	(2.4)	1.6	(1.0)
Restructured loans	4.2	4.5	(0.3)	4.7	(0.5)
<b>Total (A)</b>	<b>280.1</b>	<b>264.5</b>	<b>15.6</b>	<b>251.3</b>	<b>28.8</b>
<b>Loans and bills discounted (B)</b>	<b>4,017.9</b>	<b>4,103.6</b>	<b>(85.7)</b>	<b>3,973.2</b>	<b>44.7</b>
Ratio to total loans and bills discounted (A / B) (%)	6.97%	6.45%		6.33%	
<b>Reserve for credit losses (C)</b>	<b>116.4</b>	<b>105.3</b>	<b>11.0</b>	<b>114.8</b>	<b>1.5</b>
Reserve ratio (C / A) (%)	41.5%	39.8%		45.7%	

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

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

(Billions of yen)

	Dec 31 2011 (a)	Dec 31 2010 (b)	Change (a)-(b)	March 31 2011 (c)	Change (a)-(c)
<b>Domestic offices (excluding Japan offshore market account):</b>					
Manufacturing	244.5	232.1	12.4	230.1	14.3
Agriculture and forestry	2.2	-	2.2	-	2.2
Fishery	-	2.2	(2.2)	2.2	(2.2)
Mining, quarrying and gravel extraction	0.2	2.0	(1.7)	0.4	(0.2)
Construction	19.3	3.8	15.4	6.7	12.5
Electric power, gas, heat supply and water supply	38.7	24.6	14.0	27.1	11.5
Information and communications	37.4	11.3	26.1	12.1	25.3
Transportation and postal service	244.4	295.7	(51.2)	279.6	(35.1)
Wholesale and retail	71.7	91.5	(19.8)	99.3	(27.5)
Finance and insurance	1,145.2	1,186.4	(41.1)	1,077.8	67.4
Real estate	591.4	565.8	25.6	544.5	46.9
Services	370.1	395.3	(25.2)	387.3	(17.2)
Local government	142.4	163.2	(20.8)	158.8	(16.4)
Individual	922.1	908.7	13.3	937.3	(15.1)
Overseas yen loan and overseas loans booked domestically	121.8	183.4	(61.5)	172.9	(51.0)
<b>Total domestic</b>	<b>3,952.1</b>	<b>4,066.5</b>	<b>(114.4)</b>	<b>3,936.5</b>	<b>15.5</b>
<b>Overseas offices (including Japan offshore market accounts):</b>					
Governments	2.1	2.3	(0.1)	2.2	(0.0)
Financial institutions	1.2	1.6	(0.4)	1.6	(0.4)
Commerce and industry	62.4	33.1	29.3	32.7	29.6
Others	-	-	-	-	-
<b>Total overseas</b>	<b>65.8</b>	<b>37.1</b>	<b>28.7</b>	<b>36.6</b>	<b>29.1</b>
<b>Total</b>	<b>4,017.9</b>	<b>4,103.6</b>	<b>(85.7)</b>	<b>3,973.2</b>	<b>44.7</b>

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

**Risk Monitored Loans by Borrower Industry -Table 29- (Non-Consolidated)**

	(Billions of yen)				
	Dec 31 2011 (a)	Dec 31 2010 (b)	Change (a)-(b)	March 31 2011 (c)	Change (a)-(c)
Domestic offices (excluding Japan offshore market account):					
Manufacturing	10.7	3.5	7.2	3.5	7.1
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	-	12.5	(12.5)	-	-
Wholesale and retail	0.0	0.0	-	0.0	-
Finance and insurance	43.7	26.4	17.2	22.7	21.0
Real estate	180.3	198.0	(17.6)	172.3	8.0
Services	26.2	4.3	21.8	2.0	24.1
Local government	-	-	-	-	-
Individual	3.4	6.2	(2.8)	6.8	(3.3)
Overseas yen loan and overseas loans booked domestically	15.6	12.7	2.8	43.3	(27.6)
<b>Total domestic</b>	<b>280.1</b>	<b>264.5</b>	<b>15.6</b>	<b>251.3</b>	<b>28.8</b>
Overseas offices (including Japan offshore market accounts):					
Governments	-	-	-	-	-
Financial institutions	-	-	-	-	-
Commerce and industry	-	-	-	-	-
Others	-	-	-	-	-
<b>Total overseas</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>280.1</b>	<b>264.5</b>	<b>15.6</b>	<b>251.3</b>	<b>28.8</b>

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

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

	(Billions of yen)				
	Dec 31 2011 (a)	Dec 31 2010 (b)	Change (a)-(b)	March 31 2011 (c)	Change (a)-(c)
US	44.7	35.1	9.6	35.1	9.6
Asset-backed investments <sup>(1)</sup> in US	4.6	4.0	0.6	4.1	0.4
Europe	33.0	84.6	(51.5)	66.2	(33.1)
Asset-backed investments <sup>(1)</sup> in Europe	25.3	49.2	(23.9)	30.9	(5.6)
Others	109.8	100.7	9.1	108.1	1.6
<b>Total overseas and offshore loans</b>	<b>187.6</b>	<b>220.5</b>	<b>(32.8)</b>	<b>209.5</b>	<b>(21.9)</b>
<b>Total asset-backed investments<sup>(1)</sup></b>	<b>29.9</b>	<b>53.2</b>	<b>(23.3)</b>	<b>35.1</b>	<b>(5.1)</b>

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

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



**Risk-Monitored Overseas and Offshore Loans by Region -Table 31- (Non-Consolidated)**

(Billions of yen)

	Dec 31 2011 (a)	Dec 31 2010 (b)	Change (a)-(b)	March 31 2011 (c)	Change (a)-(c)
US	-	-	-	6.7	(6.7)
Asset-backed investments <sup>(1)</sup> in US	-	-	-	-	-
Europe	14.8	12.7	2.1	36.4	(21.6)
Asset-backed investments <sup>(1)</sup> in Europe	14.6	12.1	2.5	13.1	1.4
Others	0.7	0.0	0.7	0.0	0.7
Total overseas and offshore loans	15.6	12.7	2.8	43.3	(27.6)
Total asset-backed investments <sup>(1)(2)</sup>	14.6	12.1	2.5	13.1	1.4

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

(2) As of December 31, 2011, reserve for loan losses and collateral/guarantees for risk monitored loans related to asset-backed investments were ¥4.4 billion and ¥7.7 billion, respectively, and the coverage ratio was 83.5%.

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

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

(Billions of yen)

	Dec 31 2011 (a)	Dec 31 2010 (b)	Change (a)-(b)	March 31 2011 (c)	Change (a)-(c)
Claims against bankrupt and quasi-bankrupt obligors	49.1	85.7	(36.5)	62.5	(13.3)
Doubtful claims	254.2	198.8	55.4	210.7	43.4
Substandard claims	4.7	7.5	(2.7)	6.4	(1.6)
<b>Total (A)</b>	<b>308.1</b>	<b>292.0</b>	<b>16.0</b>	<b>279.6</b>	<b>28.4</b>
Coverage ratio	96.7%	96.2%		96.8%	
<b>Total claims (B)</b>	<b>4,330.2</b>	<b>4,501.8</b>	<b>(171.5)</b>	<b>4,120.4</b>	<b>209.8</b>
Loans and bills discounted	4,017.9	4,103.6	(85.7)	3,973.2	44.7
Others	312.3	398.1	(85.7)	147.1	165.1
Ratio to total claims (A / B) X 100 (%)	7.11%	6.49%		6.78%	
(Ref. 1) Amount of write-off	77.8	95.5	(17.7)	90.3	(12.4)
(Ref. 2) Below need caution level	678.1	765.2	(87.1)	730.4	(52.3)

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

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

*(Billions of yen, except percentages)*

December 31, 2011					
Amounts of coverage					
	Amounts of claims	Total	Reserve for loan losses	Collateral and guarantees	Coverage ratio
Claims against bankrupt and quasi-bankrupt obligors	49.1	49.1	3.5	45.6	100.0%
Doubtful claims	254.2	246.6	66.3	180.3	97.0%
Substandard claims	4.7	2.3	1.1	1.2	47.5%
<b>Total</b>	<b>308.1</b>	<b>298.0</b>	<b>70.9</b>	<b>227.0</b>	<b>96.7%</b>

*(Billions of yen, except percentages)*

December 31, 2010					March 31, 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	85.7	85.7	5.2	80.5	100.0%	62.5	62.5	3.7	58.7	100.0%
Doubtful claims	198.8	189.4	28.8	160.6	95.3%	210.7	203.7	39.1	164.7	96.7%
Substandard claims	7.5	6.0	2.9	3.1	79.7%	6.4	4.4	2.5	2.0	69.1%
<b>Total</b>	<b>292.0</b>	<b>281.0</b>	<b>36.9</b>	<b>244.2</b>	<b>96.2%</b>	<b>279.6</b>	<b>270.6</b>	<b>45.2</b>	<b>225.3</b>	<b>96.8%</b>

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

*(Billions of yen)*

	Dec 31 2011	Dec 31 2010	Change	March 31 2011	Change
	(a)	(b)	(a)-(b)	(c)	(a)-(c)
Reserve for credit losses	112.4	84.1	28.3	93.6	18.8
General reserve for loan losses	41.3	48.5	(7.1)	48.3	(7.0)
Specific reserve for loan losses	71.1	35.5	35.5	45.2	25.8
Reserve for loans to restructuring countries	0.0	0.0	(0.0)	0.0	(0.0)
Specific reserve for other credit losses	3.9	21.1	(17.2)	21.1	(17.2)
<b>Total reserve for credit losses</b>	<b>116.4</b>	<b>105.3</b>	<b>11.0</b>	<b>114.8</b>	<b>1.5</b>

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

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

*(Billions of yen)*

	December 31, 2011			December 31, 2010			March 31, 2011		
	Book value	Fair value	Unrealized gain (loss)	Book value	Fair value	Unrealized gain (loss)	Book value	Fair value	Unrealized gain (loss)
<b>Items with fair value exceeding book value</b>									
Japanese national government bonds	585.7	590.9	5.1	293.2	297.5	4.3	393.6	397.7	4.0
Japanese corporate bonds	23.0	23.3	0.3	69.5	70.3	0.8	59.5	60.2	0.6
Other	38.0	41.4	3.3	39.3	42.5	3.1	40.1	43.7	3.6
<b>Total</b>	<b>646.8</b>	<b>655.6</b>	<b>8.8</b>	<b>402.1</b>	<b>410.5</b>	<b>8.4</b>	<b>493.3</b>	<b>501.7</b>	<b>8.3</b>
<b>Items with fair value not exceeding book value</b>									
Japanese national government bonds	-	-	-	-	-	-	50.1	50.0	(0.0)
Japanese corporate bonds	-	-	-	-	-	-	-	-	-
Other	9.0	8.4	(0.5)	9.6	8.8	(0.7)	10.4	9.9	(0.4)
<b>Total</b>	<b>9.0</b>	<b>8.4</b>	<b>(0.5)</b>	<b>9.6</b>	<b>8.8</b>	<b>(0.7)</b>	<b>60.6</b>	<b>60.0</b>	<b>(0.5)</b>
<b>Total</b>	<b>655.8</b>	<b>664.1</b>	<b>8.3</b>	<b>411.7</b>	<b>419.4</b>	<b>7.7</b>	<b>553.9</b>	<b>561.7</b>	<b>7.7</b>

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

(Billions of yen)

	December 31, 2011			December 31, 2010			March 31, 2011		
	Book value (Fair value)	Amortized/ Acquisition cost	Unrealized gain (loss)	Book value (Fair value)	Amortized/ Acquisition cost	Unrealized gain (loss)	Book value (Fair value)	Amortized/ Acquisition cost	Unrealized gain (loss)
Items with book value exceeding amortized/acquisition cost									
Equity securities	1.1	0.7	0.3	2.2	1.6	0.6	2.4	1.7	0.6
Domestic bonds	743.9	741.3	2.5	983.3	981.1	2.1	1,229.6	1,227.9	1.6
Japanese national government bonds	665.0	663.1	1.9	920.8	919.5	1.2	1,152.2	1,151.3	0.8
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	77.1	76.5	0.5	60.7	59.8	0.8	65.5	64.8	0.7
Other	57.9	53.2	4.7	91.8	86.1	5.7	85.7	81.3	4.3
Foreign securities	46.8	42.4	4.4	88.0	82.7	5.3	82.5	78.3	4.1
Foreign currency denominated foreign corporate and government bonds	29.4	26.4	3.0	43.9	39.6	4.2	46.1	42.9	3.2
Yen-denominated foreign corporate and government bonds	11.4	11.4	0.0	37.5	36.9	0.6	34.2	33.7	0.5
Foreign equity securities and others	5.9	4.5	1.3	6.6	6.1	0.5	2.1	1.7	0.3
Other securities	1.1	0.9	0.2	1.1	0.9	0.2	1.0	0.9	0.1
Other monetary claims purchased	9.8	9.8	0.0	2.6	2.4	0.1	2.1	2.0	0.0
<b>Total</b>	<b>802.9</b>	<b>795.3</b>	<b>7.5</b>	<b>1,077.4</b>	<b>1,068.9</b>	<b>8.4</b>	<b>1,317.7</b>	<b>1,311.0</b>	<b>6.7</b>
Items with book value not exceeding amortized/acquisition cost									
Equity securities	7.8	8.3	(0.5)	7.9	11.6	(3.7)	7.3	11.3	(4.0)
Domestic bonds	220.1	223.4	(3.3)	1,326.3	1,332.3	(6.0)	1,089.9	1,097.8	(7.9)
Japanese national government bonds	49.3	50.1	(0.7)	1,064.5	1,067.1	(2.6)	866.4	869.0	(2.5)
Japanese local government bonds	-	-	-	-	-	-	-	-	-
Short-term corporate bonds	9.9	9.9	-	-	-	-	-	-	-
Japanese corporate bonds	160.7	163.3	(2.5)	261.8	265.1	(3.3)	223.4	228.8	(5.3)
Other	111.2	116.3	(5.0)	207.4	211.1	(3.7)	206.8	210.9	(4.0)
Foreign securities	110.7	115.8	(5.0)	203.8	207.2	(3.4)	203.7	207.7	(4.0)
Foreign currency denominated foreign corporate and government bonds	41.7	45.4	(3.7)	146.5	149.2	(2.6)	144.4	147.7	(3.2)
Yen-denominated foreign corporate and government bonds	68.9	70.2	(1.3)	57.2	57.9	(0.7)	54.8	55.5	(0.6)
Foreign equity securities and others	0.0	0.0	(0.0)	0.0	0.0	-	4.4	4.5	(0.0)
Other securities	0.5	0.5	-	1.0	1.0	-	1.0	1.0	-
Other monetary claims purchased	-	-	-	2.5	2.8	(0.3)	2.0	2.0	(0.0)
<b>Total</b>	<b>339.2</b>	<b>348.2</b>	<b>(8.9)</b>	<b>1,541.7</b>	<b>1,555.2</b>	<b>(13.5)</b>	<b>1,304.0</b>	<b>1,320.1</b>	<b>(16.0)</b>
<b>Total</b>	<b>1,142.2</b>	<b>1,143.6</b>	<b>(1.4)</b>	<b>2,619.1</b>	<b>2,624.1</b>	<b>(5.0)</b>	<b>2,621.8</b>	<b>2,631.2</b>	<b>(9.3)</b>

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

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

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

(Billions of yen)

	December 31, 2011	December 31, 2010	March 31, 2011
Unrealized gain (loss) before deferred tax on:			
Available-for-sale securities	(1.4)	(5.0)	(9.3)
The Bank's 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 October 2008 under extremely illiquid market conditions	(5.0)	(5.9)	(5.9)
Deferred tax assets (liabilities)	-	-	-
<b>Unrealized gain (loss) on available-for-sale securities</b>	<b>(6.4)</b>	<b>(10.9)</b>	<b>(15.3)</b>

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

*(Billions of yen, except percentages)*

	Dec 31 2011 (a)	Dec 31 2010 (b)	Change (a)-(b)	March 31 2011 (c)	Change (a)-(c)
Basic items (Tier I)	642.4	572.5	69.9	642.5	(0.0)
Supplementary items (Tier II)	197.0	233.3	(36.2)	226.8	(29.7)
Deduction	(84.8)	(77.9)	(6.8)	(73.6)	(11.1)
Total capital <sup>(2)</sup>	754.7	727.9	26.7	795.6	(40.9)
Risk assets	6,101.8	6,344.0	(242.1)	6,338.7	(236.8)
Capital adequacy ratio	12.36%	11.47%	0.89%	12.55%	(0.19%)
Tier I capital ratio	10.52%	9.02%	1.50%	10.13%	0.39%

(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, ¥6.4 billion of net unrealized losses on securities available-for-sale, net of taxes, as of December 31, 2011, ¥10.9 billion as of December 31, 2010 and ¥15.3 billion as of March 31, 2011 are not included in BIS capital.

(2) Non-Consolidated total required capital is ¥376.3 billion as at December 31, 2011, ¥382.7 billion as at December 31, 2010 and ¥372.9 billion as at March 31, 2011.

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

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

**Assets**

(Millions of yen)

	Dec 31 2011 a	Dec 31 2010 b	Change a-b	March 31 2011 c	Change a-c
<b>&lt;&lt;Assets&gt;&gt;</b>					
Cash and due from banks	399,868	358,010	41,857	313,424	86,443
Call loans	-	8,625	(8,625)	-	-
Receivables under resale agreements	15,032	-	15,032	-	15,032
Collateral related to securities borrowing transactions	-	20,978	(20,978)	3,050	(3,050)
Other monetary claims purchased	227,826	395,854	(168,028)	408,701	(180,875)
Trading assets	173,409	182,159	(8,749)	182,828	(9,419)
Monetary assets held in trust	313,450	374,714	(61,264)	360,976	(47,525)
Securities	2,325,977	3,550,496	(1,224,518)	3,701,794	(1,375,816)
Valuation allowance for investments	(3,370)	(3,370)	-	(3,370)	-
Loans and bills discounted	4,017,954	4,103,688	(85,734)	3,973,251	44,703
Foreign exchanges	24,688	15,098	9,590	42,069	(17,380)
Other assets	456,465	687,509	(231,043)	350,248	106,216
Premises and equipment	20,747	18,804	1,942	18,236	2,510
Intangible assets	11,309	10,055	1,254	9,987	1,321
Deferred issuance expenses for debentures	146	181	(35)	182	(35)
Deferred tax assets	-	799	(799)	1,894	(1,894)
Customers' liabilities for acceptances and guarantees	11,560	15,942	(4,381)	9,603	1,957
Reserve for credit losses	(116,406)	(105,349)	(11,057)	(114,877)	(1,529)
<b>Total assets</b>	<b>7,878,660</b>	<b>9,634,200</b>	<b>(1,755,540)</b>	<b>9,258,002</b>	<b>(1,379,341)</b>

## Liabilities and Equity

(Millions of yen)

	Dec 31 2011 a	Dec 31 2010 b	Change a-b	March 31 2011 c	Change a-c
<b>&lt;&lt;Liabilities&gt;&gt;</b>					
Deposits	5,718,660	5,816,550	(97,890)	5,565,258	153,401
Negotiable certificates of deposit	179,456	232,720	(53,264)	174,046	5,410
Debentures	308,222	388,202	(79,979)	352,570	(44,347)
Call money	140,155	165,482	(25,327)	160,330	(20,175)
Collateral related to securities lending transactions	15,000	306,643	(291,643)	265,028	(250,028)
Trading liabilities	134,072	147,754	(13,681)	144,375	(10,302)
Borrowed money	238,998	1,012,059	(773,061)	1,405,648	(1,166,650)
Foreign exchanges	217	266	(48)	218	(0)
Corporate bonds	206,302	219,322	(13,019)	222,268	(15,965)
Other liabilities	293,785	774,669	(480,883)	335,798	(42,012)
Income taxes payable	153	51	101	314	(161)
Lease debt	2	3	(1)	3	(0)
Asset retirement obligations	6,527	3,929	2,597	4,003	2,523
Other liabilities	287,103	770,684	(483,581)	331,476	(44,373)
Accrued employees' bonuses	2,821	3,208	(387)	4,149	(1,327)
Deferred tax liability	2,386	-	2,386	-	2,386
Acceptances and guarantees	11,560	15,942	(4,381)	9,603	1,957
<b>Total liabilities</b>	<b>7,251,640</b>	<b>9,082,822</b>	<b>(1,831,182)</b>	<b>8,639,296</b>	<b>(1,387,655)</b>
<b>&lt;&lt;Equity&gt;&gt;</b>					
<b>Shareholders' equity:</b>					
Capital stock	512,204	476,296	35,907	512,204	-
Capital surplus	79,465	43,558	35,907	79,465	-
Additional paid-in capital	79,465	43,558	35,907	79,465	-
Retained earnings	116,279	118,960	(2,680)	117,980	(1,700)
Legal reserve	11,566	11,035	530	11,035	530
Other retained earnings	104,713	107,924	(3,210)	106,944	(2,231)
Unappropriated retained earnings	104,713	107,924	(3,210)	106,944	(2,231)
Treasury stock, at cost	(72,558)	(72,558)	-	(72,558)	-
Total shareholders' equity	635,391	566,256	69,135	637,091	(1,700)
<b>Net unrealized gain (loss):</b>					
Unrealized gain (loss) on available-for-sale securities	(6,401)	(10,927)	4,525	(15,346)	8,944
Deferred gain (loss) on derivatives under hedge accounting	(3,327)	(5,539)	2,212	(4,452)	1,125
Total net unrealized gain (loss)	(9,728)	(16,467)	6,738	(19,799)	10,070
Stock acquisition rights	1,357	1,588	(231)	1,413	(55)
<b>Total equity</b>	<b>627,020</b>	<b>551,377</b>	<b>75,642</b>	<b>618,705</b>	<b>8,314</b>
<b>Total liabilities and equity</b>	<b>7,878,660</b>	<b>9,634,200</b>	<b>(1,755,540)</b>	<b>9,258,002</b>	<b>(1,379,341)</b>

**Non-Consolidated Statements of Operations (Unaudited) (Non-Consolidated)**

(Millions of yen, except percentages)

	3QFY2011 (9 months)	3QFY2010 (9 months)	Change		FY2010 (12 months)
			Amount	%	
Total interest income	72,948	89,762	(16,814)	(18.7)	119,908
Interest on loans and bills discounted	48,075	55,058	(6,983)	(12.7)	70,796
Interest and dividends on securities	22,437	25,931	(3,494)	(13.5)	39,337
Other interest income	2,435	8,772	(6,336)	(72.2)	9,774
Fees and commissions income	11,430	10,404	1,026	9.9	13,846
Trading profits	11,617	11,013	604	5.5	13,543
Other business income	3,843	24,127	(20,283)	(84.1)	27,612
Other ordinary income	22,504	16,109	6,395	39.7	16,949
<b>Ordinary income</b>	<b>122,344</b>	<b>151,417</b>	<b>(29,072)</b>	<b>(19.2)</b>	<b>191,860</b>
Total interest expenses	32,436	41,297	(8,861)	(21.5)	52,528
Interest on deposits	22,319	26,446	(4,126)	(15.6)	33,986
Interest on corporate bonds	6,370	10,410	(4,040)	(38.8)	12,676
Other interest expenses	3,745	4,440	(694)	(15.6)	5,865
Fees and commissions expenses	7,150	7,632	(482)	(6.3)	9,841
Trading losses	3,229	4,379	(1,149)	(26.2)	2,926
Other business expenses	10,888	4,915	5,973	121.5	9,156
General and administrative expenses	46,604	47,554	(949)	(2.0)	63,011
Other ordinary expenses	17,171	33,662	(16,491)	(49.0)	46,428
<b>Ordinary expenses</b>	<b>117,481</b>	<b>139,442</b>	<b>(21,960)</b>	<b>(15.7)</b>	<b>183,892</b>
<b>Net ordinary income</b>	<b>4,863</b>	<b>11,975</b>	<b>(7,111)</b>	<b>(59.4)</b>	<b>7,968</b>
Special gains	62	35,326	(35,264)	(99.8)	38,497
Special losses	1,498	33,829	(32,331)	(95.6)	34,341
<b>Income before income taxes</b>	<b>3,427</b>	<b>13,471</b>	<b>(10,044)</b>	<b>(74.6)</b>	<b>12,124</b>
Income taxes (benefit)	2,473	1,320	1,152	87.3	954
<b>Net income</b>	<b>953</b>	<b>12,150</b>	<b>(11,196)</b>	<b>(92.1)</b>	<b>11,170</b>

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

(Consolidated)	<i>(Billions of yen)</i>	
	<b>Fiscal year ending March 2012 (FY2011) Forecast</b>	<b>Fiscal year ended March 2011 (FY2010) Actual</b>
Net income	<b>5.0~9.0</b>	42.6
Cash basis net income *	<b>15.0~19.0</b>	53.8

  

(Non-Consolidated)	<i>(Billions of yen)</i>	
	<b>Fiscal year ending March 2012 (FY2011) Forecast</b>	<b>Fiscal year ended March 2011 (FY2010) Actual</b>
Net Business Profit	<b>28.0</b>	54.6
Net income	<b>12.0</b>	11.1
Dividends (per share in yen):		
Common stock	<b>1.00</b>	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.

- Shinsei Bank has revised downward the earnings forecasts provided on May 12, 2011 for the full fiscal year 2011. The forecast for consolidated reported basis net income has been revised from ¥22.0 billion to a range between ¥5.0 and ¥9.0 billion. The forecast for consolidated cash basis\* net income has been revised from ¥32.0 billion to a range between ¥15.0 and ¥19.0 billion. The revisions are due to factors including the expectation that the Bank will make lifetime provisions for grey zone reserves in the fourth quarter of fiscal year 2011, in our aim to eliminate any so-called grey zone risks in the future, reflecting a review of our reserve approach based on

an evaluation of factors including grey zone interest repayment trends in the fourth quarter. At this point in time we are in the process of estimating figures for the full fiscal year, and therefore, we have decided to provide the forecast for consolidated reported basis net income as a range between ¥5.0 and ¥9.0 billion. The forecast for non-consolidated reported basis net income has been revised from ¥15.0 billion to ¥12.0 billion. Shinsei Bank maintains its annual dividend forecast of 1 yen per common share for the full fiscal year ending March 31, 2012.

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



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

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

(Billions of yen)

	Credit Ratings of Securities <sup>(2)</sup> (December 31, 2011)				Dec 31 2011 (a)	Sept 30 2011 (b)	Change (a)-(b)	Mar 31 2011 (c)	Change (a)-(c)
	AAA	AA	A or lower	N/A					
	<b>RMBS</b>	16%	1%	2%					
Japan	16%	1%	2%	82%	<b>37.3</b>	38.9	(1.6)	44.8	(7.5)
U.S.	-	-	-	-	<b>0.0</b> <sup>(4)</sup>	0.0	0.0	0.0	0.0
Europe	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>CMBS</b>	-	-	-	-	<b>0.0</b> <sup>(4)</sup>	0.0	0.0	7.9	(7.9)
Japan	-	-	-	-	<b>0.0</b>	0.0	0.0	5.5	(5.5)
U.S.	-	-	-	-	-	-	-	-	-
Europe	-	-	-	-	-	0.0	(0.0)	-	-
Other	-	-	-	-	-	0.0	(0.0)	2.4	(2.4)
<b>CLO</b>	6%	93%	0%	1%	<b>38.9</b>	38.6	0.2	42.0	(3.1)
Japan	-	-	-	-	-	-	-	-	-
U.S.	8%	91%	0%	1%	<b>29.8</b>	29.3	0.4	31.6	(1.7)
Europe	0%	100%	0%	0%	<b>9.0</b>	9.3	(0.2)	10.4	(1.4)
Other	-	-	-	-	-	0.0	(0.0)	-	-
<b>ABS CDO (Resecuritized Products)</b>	-	-	-	-	-	-	-	-	-
Japan	-	-	-	-	-	-	-	-	-
U.S.	-	-	-	-	-	-	-	-	-
Europe	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Total</b>	11%	48%	1%	40%	<b>76.2</b>	77.6	(1.4)	94.9	(18.6)
Japan	16%	1%	2%	82%	<b>37.3</b>	38.9	(1.6)	50.3	(13.0)
U.S.	8%	91%	0%	1%	<b>29.8</b>	29.3	0.4	31.6	(1.7)
Europe	0%	100%	0%	0%	<b>9.0</b>	9.3	(0.2)	10.4	(1.4)
Other	-	-	-	-	-	0.0	(0.0)	2.4	(2.4)
<b>Securities</b>					<b>38.9</b>	39.7	(0.8)	48.3	(9.4)
RMBS					<b>0.0</b> <sup>(4)</sup>	1.0	(1.0)	1.8	(1.8)
CMBS					-	0.0	(0.0)	4.4	(4.4)
CLO					<b>38.9</b>	38.6	0.2	42.0	(3.1)
ABS CDO					-	-	-	-	-
<b>Other monetary claims purchased<sup>(3)</sup></b>					<b>37.3</b>	37.8	(0.5)	46.5	(9.2)
RMBS (Japan)					<b>37.3</b>	37.8	(0.5)	43.0	(5.7)
CMBS (Japan)					<b>0.0</b> <sup>(4)</sup>	0.0	0.0	3.4	(3.4)
CLO (Japan)					-	-	-	-	-
ABS CDO (Japan)					-	-	-	-	-
<b>Total</b>					<b>76.2</b>	77.6	(1.4)	94.9	(18.6)

(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 December 31, 2011. 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 ¥4.9 billion as at December 31, 2011.

(4) Residual value

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

*(Billions of yen, except percentages)*

Securities	As of December 31, 2011			
	Balance before Mark-to-Market Evaluation	Market Value or Balance	Unrealized Gains/Losses (OCI)	Price Increase (Decrease) Ratio (%)
Trading Securities		0.4		
RMBS (U.S.)		0.0 <sup>(3)</sup>		
CLO (U.S.)		0.4		
Securities Being Held to Maturity with Readily Determinable Fair Value		38.4		
CLO (U.S.)		29.4		
CLO (Europe)		9.0		
Securities Available for Sale	0.0	0.0 <sup>(3)</sup>	0.0	0.0
Other	0.0	0.0	0.0	0.0
Foreign Securities	0.0	0.0	0.0	0.0
Foreign Currency Denominated Foreign Corporate and Government Bonds	0.0	0.0	0.0	0.0
CLO	0.0	0.0	0.0	0.0
U.S.	0.0	0.0	0.0	0.0
Securities		38.9		
RMBS		0.0 <sup>(3)</sup>		
CLO		38.9		

*(Billions of yen, except percentages)*

Other Monetary Claims Purchased <sup>(2)</sup>	As of December 31, 2011			
	Balance before Mark-to-Market Evaluation	Market Value or Balance	Unrealized Gains/Losses (OCI)	Price Increase (Decrease) Ratio (%)
Trading Purposes		8.3		
RMBS (Japan) <sup>(2)</sup>		8.3		
Others	28.8	28.9	0.0	0.1
RMBS (Japan)	28.8	28.9	0.0	0.1
CMBS (Japan)	0.0	0.0 <sup>(3)</sup>	0.0	0.0
Total		37.3		
RMBS (Japan)		37.3		
CMBS (Japan)		0.0 <sup>(3)</sup>		
<b>RMBS, CMBS, CLO, ABS CDO Total</b>		<b>76.2</b>		
Securities		38.9		
Other Monetary Claims Purchased		37.3		

(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 ¥4.9 billion as at December 31, 2011.

(3) Residual

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

(Billions of yen)

	Dec 31 2011 (a)	Sept 30 2011 (b)	Change (a)-(b)	Mar 31 2011 (c)	Change (a)-(c)
<b>LBO<sup>(1)(3)</sup></b>	<b>196.6</b>	199.0	(2.4)	203.3	(6.7)
Japan	<b>193.7<sup>(2)</sup></b>	195.9	(2.2)	199.7	(6.0)
U.S.	<b>1.7</b>	1.8	(0.1)	2.1	(0.4)
Europe	-	-	-	-	-
Other	<b>1.1</b>	1.2	(0.1)	1.4	(0.3)
<b>(Breakdown by Industry Sector)</b>					
Manufacturing	<b>12.0%</b>				
Information and communications	<b>1.1%</b>				
Wholesale and retail	<b>6.6%</b>				
Finance and Insurance	<b>23.7%</b>				
Services	<b>56.6%</b>				
Others	-				
Total	<b>100.0%</b>				

(1) The amount includes unfunded commitment line.

(2) As of December 31, 2011, unfunded commitment line (only domestic) is ¥3.2 billion.

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

**Monoline, SIV, ABCP**

We have no exposure to Monoline, SIV, ABCP.

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

(Billions of yen)

	As of December 31, 2011								3QFY2011
	Nominal Amount		Fair Value		Netted Nominal Amount and Fair Value <sup>(2)</sup>			Realized Profits (Losses)	
	Protection (buy)	Protection (sell)	Protection (buy)	Protection (sell)	Nominal Amount	Fair Value			
						Protection (buy)	Protection (sell)		
Total	491.3	599.5	3.1	(3.9)	426.1	2.3	(2.7)	(0.1)	
Japan	400.6	512.2	2.5	(3.0)	344.9	1.9	(2.1)	(0.2)	
U.S.	42.3	40.3	0.3	(0.3)	36.7	0.1	(0.2)	0.0	
Europe	22.0	21.9	0.3	(0.4)	21.5	0.3	(0.4)	0.0	
Other	26.2	24.9	(0.0)	(0.0)	22.8	(0.1)	(0.0)	0.0	

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

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

**Definitions -Table 42-**

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