

Financial Summary

For the First Half Ended September 30, 2011



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

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The following discussion should be read in conjunction with the consolidated and non-consolidated financial statements prepared in accordance with generally accepted accounting principles in Japan for banks. Except as otherwise indicated, the financial information in the following discussion is based on the consolidated financial statements. Financial and operational data that are stated in multiples of ¥0.1 billion have been truncated. All percentages have been rounded to the nearest 0.1%.

Financial Highlights ⁽¹⁾*(Billions of yen, except percentages)*

	1HFY2011 (6 months)	1HFY2010 (6 months)	Change % or Amount	FY2010 (12 months)
Selected income statement items (Consolidated)				
Net interest income	60.7	86.1	(29.5)%	156.6
Non-interest income	44.9	69.4	(35.4)%	135.4
Net fees and commissions	13.8	12.3	12.8%	26.0
Net trading income	6.5	7.1	(8.9)%	11.6
Net other business income	24.4	50.0	(51.0)%	97.7
Total revenue	105.6	155.6	(32.1)%	292.1
General and administrative expenses	63.3	72.8	(13.0)%	142.8
Ordinary business profit	42.3	82.8	(48.9)%	149.2
Net credit costs	8.8	52.3	(83.2)%	68.3
Ordinary business profit after net credit costs	33.5	30.4	10.0%	80.8
Amortization of goodwill and other intangible assets ⁽²⁾	6.2	6.8	(9.0)%	13.0
Other gains (losses)	(1.5)	1.0	(237.1)%	(10.0)
Income before income taxes and minority interests	25.7	24.7	4.3%	57.7
Current income tax	1.6	1.1	44.3%	1.9
Deferred income tax	1.7	1.7	0.8%	5.2
Minority interests in net income of subsidiaries	1.9	4.8	(60.7)%	7.9
Net income	20.3	16.8	20.5%	42.6
Cash basis net income ⁽³⁾	25.6	22.7	12.9%	53.8
Selected balance sheet items (Consolidated)				
Securities	2,220.1	2,639.9	(419.8)	3,286.3
Loans and bills discounted	4,125.5	4,604.4	(478.9)	4,291.4
Customers' liabilities for acceptances and guarantees	557.2	606.1	(48.8)	575.7
Reserve for credit losses	(184.3)	(218.1)	33.8	(199.2)
Total assets	8,940.5	10,464.0	(1,523.5)	10,231.5
Deposits and negotiable certificates of deposit	5,537.3	5,890.1	(352.8)	5,610.6
Debentures	313.1	425.2	(112.0)	348.2
Borrowed money	547.2	1,336.1	(788.9)	1,672.7
Reserve for losses on interest repayments	29.9	46.7	(16.8)	43.1
Total liabilities	8,310.4	9,849.8	(1,539.4)	9,620.3
Total equity	630.1	614.1	15.9	611.1
Financial ratios (%) (Consolidated)				
Net interest margin	2.00	2.31		2.19
Expense-to-revenue ratio	60.0	46.8		48.9
Return on assets	0.4 ⁽⁴⁾	0.3 ⁽⁴⁾		0.4
Return on equity (fully diluted)	7.3 ⁽⁴⁾	7.4 ⁽⁴⁾		8.5
Cash basis return on assets	0.5 ⁽⁴⁾	0.4 ⁽⁴⁾		0.5
Cash basis return on equity (fully diluted)	9.2 ⁽⁴⁾	9.9 ⁽⁴⁾		10.7
Capital adequacy data (Consolidated)				
Tier I	542.7	500.5	42.1	516.7
Total capital	648.8	642.1	6.7	649.9
Risk assets	6,203.3	7,180.8	(977.4)	6,653.7
Capital adequacy ratio	10.46%	8.94%		9.76%
Tier I capital ratio	8.74%	6.97%		7.76%

(Billions of yen, except percentages)

	1HFY2011 (6 months)	1HFY2010 (6 months)	Change % or Amount	FY2010 (12 months)
Per share data (Consolidated)				
Common equity	214.07	232.54	(7.9)%	205.83
Basic net income	7.66	8.59	(10.8)%	21.36
Cash basis basic net income	9.67	11.57	(16.4)%	26.96
Non-performing loans (Non-Consolidated)				
Claims classified under the Financial Revitalization Law	254.4	316.6	(62.2)	279.6
Ratio to total claims	5.96%	6.52%		6.78%
Reserve for credit losses	110.1	121.9		114.8
Coverage ratio for non-performing claims	97.0%	96.3%		96.8%
Selected income statement items (Non-Consolidated)				
Net interest income	29.3	38.3	(23.5)%	70.5
Non-interest income	8.9	31.9	(72.0)%	44.6
Net fees and commissions	9.4	10.5	(11.1)%	15.5
Net trading income	6.7	5.4	22.3%	10.6
Net other business income (loss)	(7.1)	15.8	(145.3)%	18.4
Total revenue	38.3	70.2	(45.5)%	115.1
General and administrative expenses	27.4	30.0	(8.7)%	60.5
Ordinary business profit	10.8	40.2	(73.0)%	54.6
Net credit costs	2.8	31.3	(90.9)%	40.3
Net income	4.5	9.3	(50.8)%	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's results in the first half of fiscal year 2011 were affected by instability in the economy and domestic and foreign financial markets, due to the European debt crisis and the Great East Japan Earthquake, but showed better performance compared to the results in the first half of fiscal year 2010. This was due to continuous efforts to raise the level of profitability since last year, through intensive cost reduction measures and reduction of credit costs, resulting in steady results.
 - The Bank recognized higher consolidated net income of ¥20.3 billion on a reported basis in the first half of fiscal year 2011, compared to ¥16.8 billion in the first half of fiscal year 2010. Consolidated cash basis net income in the first half of fiscal year 2011 also improved to ¥25.6 billion compared to ¥22.7 billion in the first half of fiscal year 2010.
 - Regarding revenue in the first half of fiscal year 2011, each business actively committed to provide high value added financial products and services, resulting in increased net fees and commission income. However, impairments of securities were recorded as a result of a slump in financial markets. In addition, non-core assets were reduced to minimize potential risks, and the loan balance decreased due to the impact of the revised Money-Lending Business Control and Regulation Law in the Consumer Finance business. These factors resulted in revenue of ¥105.6 billion, a decrease of ¥50.0 billion compared to the results in the first half of fiscal year 2010.
 - However, through rationalization improvements, especially within the 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 were ¥63.3 billion, ¥9.4 billion lower compared to the results in the first half of fiscal year 2010.
 - Net credit costs of ¥8.8 billion showed a significant decrease as compared to the first half 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.
- 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 recorded impairment of securities due to the downturn in financial markets. However, results in the first half of fiscal year 2011 outperformed the first half of fiscal year 2010, due to increase in number of borrowers as a result of continuous progress made in rebuilding our client base and a decrease in expenses and net credit costs as a result of non-core asset reduction.
 - The Global Markets Group's performance in the first half of fiscal year 2011 was lower compared to the first half of fiscal year 2010 due to the impact of stagnation in financial markets, due to the European debt crisis and the Great East Japan Earthquake, and because no gains on repurchases of subordinated debt were recorded in the first half of fiscal year 2011 unlike as in the first half of fiscal

year 2010.

- The Individual Group performed well compared to the first half of fiscal year 2010. In the Consumer Finance business, the pace of decline in operating assets due to implementation of the revised Money-Lending Business Control and Regulation Law gradually became less pronounced in the first half of fiscal year 2011. In addition, continued efforts to reduce expenses and net credit costs contributed to better results.
- Balance of loans and bills discounted declined from ¥4,291.4 billion as of March 2011 to ¥4,125.5 billion as of September 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 of loan balance in Consumer Finance has gradually become less pronounced.
- Net interest margin declined to 2.00% mainly due to loan balance reductions within our consumer finance subsidiaries.
- In terms of capital ratios, Tier I capital and total capital increased due to strong financial results, which resulted in improvement of the total capital adequacy ratio and Tier I capital ratio to 10.46% and 8.74%, as of September 30, 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 ¥254.4 billion as of September 30, 2011 compared to ¥279.6 billion as of March 31, 2011, a decrease of ¥25.1 billion in the first half of fiscal year 2011. The non-performing loan ratio to total claims improved to 5.96%, a decrease of 82 basis points compared to the ratio as of March 31, 2011.

Financial and Economic Environment

- During the first six months of fiscal year 2011, production activity and personal consumption in Japan have gradually recovered from a sudden slump caused by the Great East Japan Earthquake on March 11, 2011. However, many issues brought to light by the Earthquake remain unsolved, including the recovery of the disaster area, raising financial resources to aid the recovery, resolution of the nuclear power plant accident in Fukushima and reformulation of energy policy in response to restrictions on electric power supply.
- Moreover, heightened concerns still remain over the outlook of the global economy and the downturn in global financial markets, triggered by the European debt crisis including financial troubles in Greece, sluggish economic conditions in Europe and the U.S., and the slowdown of economic growth in certain developing countries. In addition, considering the various downward risk factors such as ongoing severe employment conditions and the deflationary situation in Japan, full scale recovery of the Japanese economy will likely be delayed for a while.
- Under such circumstances, the new Noda administration, inaugurated in September 2011, has been pressured to swiftly yet appropriately resolve and execute many political issues and pull itself out of the existing political doldrums. Undoubtedly, it will be an uphill battle considering the present political situation such as a divided Diet.
- Amid these circumstances, the foreign exchange market has been showing a tendency toward the strong yen, especially in the second quarter of this fiscal year, as a result of the European debt crisis and sluggish economy in Europe and the U.S., in spite of an international coordinated intervention to curb the effects of the rapid strengthening of the yen immediately after the Earthquake. At the end of September 2011, the Euro-Japanese Yen exchange rate was approximately ¥103 (strengthening ¥15 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 trend has continued after October 2011.
- The domestic long-term (10-year government bond yields) interest rate, which was 1.3% at the beginning of April 2011, came down to approximately 1.0 % at the end of September 2011, due to the stagnant domestic and overseas economy. The short-term interest rate remained at a low level.
- The Nikkei 225 recorded ¥8,374.13 on September 26, 2011, setting a year-low on a closing price basis in 2011. The price was ¥8,700.29 at the end of September 2011, which represents a decrease of more than ¥1,050 compared to the price at the end of March 2011.

Section 1. Consolidated Information

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

(Billions of yen, except percentages)

	1HFY2011 (6 months)	1HFY2010 (6 months)	% Change	FY2010 (12 months)
Net interest income	60.7	86.1	(29.5)	156.6
Non-interest income	44.9	69.4	(35.4)	135.4
Net fees and commissions	13.8	12.3	12.8	26.0
Net trading income	6.5	7.1	(8.9)	11.6
Net other business income	24.4	50.0	(51.0)	97.7
Total revenue	105.6	155.6	(32.1)	292.1
General and administrative expenses	63.3	72.8	(13.0)	142.8
Ordinary business profit	42.3	82.8	(48.9)	149.2
Net credit costs	8.8	52.3	(83.2)	68.3
Ordinary business profit after net credit costs	33.5	30.4	10.0	80.8
Amortization of goodwill and other intangible assets ⁽²⁾	6.2	6.8	(9.0)	13.0
Other gains (losses)	(1.5)	1.0	(237.1)	(10.0)
Income (loss) before income taxes and minority interests	25.7	24.7	4.3	57.7
Current income tax	1.6	1.1	44.3	1.9
Deferred income tax	1.7	1.7	0.8	5.2
Minority interests in net income of subsidiaries	1.9	4.8	(60.7)	7.9
Net income	20.3	16.8	20.5	42.6
Cash basis net income ⁽³⁾	25.6	22.7	12.9	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 half of fiscal year 2011 of ¥105.6 billion. This was ¥50.0 billion lower than the ¥155.6 billion total revenue recorded in the first half of fiscal year 2010.
 - Net Interest income decreased due to reduction in non-core assets and decreasing loan balance in Consumer Finance. Non-interest income also decreased due to impairments of securities caused by the slump in financial markets. In addition, gains on repurchases of subordinated debt, which were recorded in first half of fiscal year 2010, were not present in first half of fiscal year 2011. This resulted in the decrease in revenue. Net interest income amounted to ¥60.7 billion in the first half of fiscal year 2011, a decrease of ¥25.4 billion, as compared to ¥86.1 billion in the first half of fiscal year 2010. Non interest income amounted to ¥44.9 billion in the first half of fiscal year 2011, a decrease of ¥24.5 billion, as compared to ¥69.4 billion in the first half of fiscal year 2010.
 - Net fees and commission income increased by ¥1.5 billion to ¥13.8 billion in the first half of fiscal year 2011 from ¥12.3 billion in the first half of fiscal year 2010. However, in the first half of fiscal year 2011, net trading income decreased by ¥0.6 billion from ¥7.1 billion to ¥6.5 billion, and net other business income decreased to ¥24.4 billion from ¥50.0 billion, respectively compared with the first half of fiscal year 2010.
 - Net other business income included income on leased assets and installment receivables from Showa Leasing, APLUS FINANCIAL and Shinsei Financial of ¥18.6 billion for the first half of fiscal year 2011, as compared to ¥19.7 billion for the first half 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 stocks, ¥2.2 billion of impairment of bonds related to domestic real estate non-recourse finance, and ¥0.7 billion of impairment to private equity investments, for the first half of fiscal year 2011. Net other business income in the first half of fiscal year 2010 included ¥4.3 billion of gains on repurchases of subordinated debts, ¥4.3 billion of gains on sales of CLO and ¥4.1 billion of gains on sales of asset backed investments and securities, ¥1.8 billion of 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 were ¥63.3 billion for the first half of fiscal year 2011, a decrease of ¥9.4 billion compared to the first half of fiscal year 2010. This was mainly due to substantial expense reductions achieved through rationalization and efficiency improvements, 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 for the first half of fiscal year 2011 included non-recurring additional provisions of ¥4.7 billion for domestic real estate non-recourse finance, but this was a sharp decrease compared to the ¥14.5 billion recorded for this business in the first half of fiscal year 2010, while efforts to reduce non-core assets continued. Furthermore, in our consumer finance business, further

improvements in asset quality as a result of the stricter credit management and strengthening of collection systems that Shinsei Financial Co., Ltd. has been implementing incrementally to date, as well as the income-linked borrowing limitation regulations implemented last year, coupled with the overall decrease in operating assets, has led to substantially reduced net credit costs.

From fiscal year 2011, recoveries of written-off claims are categorized into net credit costs according to Revision of Accounting Practice Committee Statement No.14 "Practical Guidelines on Accounting Standards for Financial Instruments" released 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 half of fiscal year 2011, net credit costs were ¥8.8 billion, while net credit costs excluding recoveries of written-off claims of ¥5.9 billion were ¥14.7 billion, showing a substantial decrease from ¥52.3 billion in the first half of fiscal year 2010.

Shinsei Financial recorded net recoveries of ¥0.2 billion for the first half of fiscal year 2011. Excluding recoveries of written-off claims, net credit costs were ¥3.7 billion, an improvement compared to net credit costs of ¥10.3 billion for the first half of fiscal year 2010.

- Amortization of goodwill and other intangible assets associated with the acquisition of consumer finance and commercial finance companies was ¥6.2 billion for the first half of fiscal year 2011 as compared to ¥6.8 billion for the first half 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 ¥1.5 billion for the first half of fiscal year 2011. From fiscal year 2011, recoveries of written-off claims are categorized into net credit costs and not included in other gains (losses), according to Revision of Accounting Practice Committee Statement No.14 "Practical Guidelines on Accounting Standards for Financial Instruments" released on March 29, 2011. Other gains of ¥1.0 billion for the first half of fiscal year 2010 were recorded due to costs related to asset retirement obligation costs of ¥3.5 billion at Shinsei Bank and its subsidiaries, offset by ¥7.0 billion of recoveries of written-off claims.
- Current and deferred income taxes reflected a net expense of ¥3.4 billion for the first half of fiscal year 2011, including withholding tax of ¥0.6 billion on sale of foreign equities that had been classified as non-core assets.
- 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 preferred securities in the fiscal year 2010, minority interests in net income of subsidiaries declined ¥2.9 billion from ¥4.8 billion in the first half of fiscal year 2010 to ¥1.9 billion in the first half of fiscal year 2011.
- The Bank realized consolidated net income of ¥20.3 billion on a reported basis for the first half of fiscal year 2011, improving from a consolidated net income of ¥16.8 billion for the first half of fiscal year 2010.
- Consolidated cash basis net income for the first half of fiscal year 2011 was ¥25.6 billion, improving from a cash basis net income of ¥22.7 billion for the first half 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 Japanese generally accepted accounting principles (JGAAP).

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

	(Billions of yen)			
	1HFY2011 (6 months) (a)+(b)	2QFY2011 (3 months) (a)	1QFY2011 (3 months) (b)	(Reference) 1HFY2010 (6 months)
Gains included in revenue				
Gain from the sale of foreign equity (net of withholding tax)	6.3	-	6.3	-
Gain from the sale of collateralized loan obligations (CLOs)	-	-	-	4.3
Gain from the sale of asset-backed securities and asset-backed investments	-	-	-	4.1
Gain from buy back of subordinated debt	-	-	-	4.3
Total	6.3	-	6.3	12.8
Losses included in revenue				
Impairment of major listed shares	(5.2)	(5.2)	-	-
Domestic real estate non-recourse finance (bonds)	(2.2)	(1.1)	(1.0)	(1.8)
Japanese real estate principal investments	-	-	-	(0.5)
Others	(0.7)	-	(0.7)	(0.3)
Subtotal (i)	(8.2)	(6.4)	(1.8)	(2.7)
Items included in net credit costs				
Domestic real estate non-recourse finance	(4.7)	(2.8)	(1.8)	(14.5)
Specialty finance	-	-	-	(17.9)
Asset-backed investments	-	-	-	0.6
Others	1.6	-	1.6	-
Subtotal (ii)	(3.0)	(2.8)	(0.2)	(31.7)
Other gains (losses)				
Grey zone related provisions	(0.8)	-	(0.8)	-
Losses on application of new accounting standard for asset retirement obligations	-	-	-	(3.5)
Subtotal (iii)	(0.8)	-	(0.8)	(3.5)
Total (i) + (ii) + (iii)	(12.1)	(9.3)	(2.9)	(38.1)
Breakdown by Category				
Domestic real estate non-recourse finance	(6.9)	(4.0)	(2.9)	(16.4)
Impairment of major listed shares	(5.2)	(5.2)	-	-
Grey zone related provisions	(0.8)	-	(0.8)	-
Specialty finance	-	-	-	(17.9)
Japanese real estate principal investments	-	-	-	(0.5)
Losses on application of new accounting standard for asset retirement obligations	-	-	-	(3.5)
Asset-backed investments	-	-	-	0.6
Others	0.8	-	0.8	(0.3)
Total	(12.1)	(9.3)	(2.9)	(38.1)

(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)								
	1HFY2011 (6 months)			1HFY2010 (6 months)			FY2010 (12 months)		
	Average Balance	Interest	Yield/rate (%)	Average Balance	Interest	Yield/rate (%)	Average Balance	Interest	Yield/rate (%)
Interest-earning assets ⁽¹⁾ :									
Loans and bills discounted	4,220.3	72.5	3.43	4,870.9	96.5	3.96	4,680.7	178.5	3.82
Lease receivables and leased investment assets / installment receivables ⁽¹⁾	544.0	18.6	6.83	575.6	19.7	6.84	566.7	38.7	6.83
Securities	2,762.0	9.7	0.70	2,941.8	12.7	0.87	3,056.4	23.8	0.78
Other interest-earning assets ⁽²⁾⁽³⁾	331.9	0.8	n.m. ⁽⁵⁾	637.3	3.4	n.m. ⁽⁵⁾	540.4	4.7	n.m. ⁽⁵⁾
Total revenue on interest-earning assets (A) ⁽¹⁾	7,858.3	101.7	2.58	9,025.7	132.5	2.93	8,844.4	245.8	2.78
Interest-bearing liabilities:									
Deposits, including negotiable certificates of deposit	5,669.6	15.1	0.53	6,127.4	18.5	0.61	5,946.6	34.5	0.58
Debentures	333.4	0.8	0.50	460.1	1.3	0.59	426.3	2.3	0.56
Borrowed money	814.4	2.9	0.72	1,301.5	3.7	0.58	1,422.1	7.0	0.50
Subordinated debt	96.1	0.7	1.66	102.0	0.4	0.91	101.9	0.8	0.88
Other borrowed money	718.3	2.1	0.59	1,199.5	3.2	0.55	1,320.1	6.2	0.47
Corporate bonds	168.4	2.8	3.35	187.1	2.4	2.65	190.8	5.5	2.88
Subordinated bonds	141.9	2.6	3.68	155.6	2.3	3.05	157.0	5.1	3.28
Other corporate bonds	26.5	0.2	1.56	31.5	0.1	0.65	33.7	0.3	1.03
Other interest-bearing liabilities ⁽²⁾	635.1	0.6	n.m. ⁽⁵⁾	543.1	0.4	n.m. ⁽⁵⁾	521.2	0.9	n.m. ⁽⁵⁾
Total expense on interest-bearing liabilities (B)	7,621.1	22.3	0.59	8,619.4	26.6	0.62	8,507.2	50.4	0.59
Net interest margin (A)-(B) ⁽¹⁾	-	79.3	2.00	-	105.9	2.31	-	195.3	2.19
Non interest-bearing sources of funds:									
Non interest-bearing (assets) liabilities, net	(321.4)	-	-	(52.2)	-	-	(166.0)	-	-
Total equity excluding minority interests in subsidiaries ⁽⁴⁾	558.5	-	-	458.5	-	-	503.2	-	-
Total non interest-bearing sources of funds (C)	237.1	-	-	406.2	-	-	337.1	-	-
Sum of total expense on interest-bearing liabilities and non-interest-bearing sources of funds (D)=(B)+(C)	7,858.3	22.3	0.57	9,025.7	26.6	0.59	8,844.4	50.4	0.57
Net revenue/yield on interest-earning assets (A)-(D) ⁽¹⁾	-	79.3	2.01	-	105.9	2.34	-	195.3	2.21
Reconciliation of total revenue on interest-earning assets to total interest income:									
Total revenue on interest-earning assets	7,858.3	101.7	2.58	9,025.7	132.5	2.93	8,844.4	245.8	2.78
Less: Income on lease transactions and installment receivables	544.0	18.6	6.83	575.6	19.7	6.84	566.7	38.7	6.83
Total interest income	7,314.2	83.1	2.27	8,450.1	112.8	2.66	8,277.6	207.1	2.50
Total interest expense	-	22.3	-	-	26.6	-	-	50.4	-
Net interest income	-	60.7	-	-	86.1	-	-	156.6	-

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

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

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

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

(5) n.m. is not meaningful.

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 JGAAP does not include income on lease transactions and installment receivables in net interest income. Under JGAAP, 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 in the first half of fiscal year 2011 was ¥79.3 billion, a decrease of ¥26.5 billion compared to the first half of fiscal year 2010.
- Total revenue on interest-earning assets decreased by ¥30.8 billion and total expense on interest-bearing liabilities decreased by ¥4.2 billion in the first half of fiscal year 2011 compared to the first half of the fiscal year 2010.
- The net interest margin was 2.00% in the first half of fiscal year 2011, compared with 2.31% in the first half 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.

Non-Interest Income -Table 3- (Consolidated)

	<i>(Billions of yen, except percentages)</i>			
	1HFY2011 (6 months)	1HFY2010 (6 months)	%	FY2010 (12 months)
			Change	
Net fees and commissions	13.8	12.3	12.8	26.0
Net trading income	6.5	7.1	(8.9)	11.6
Net other business income	24.4	50.0	(51.0)	97.7
Income on leased assets and installment receivables	18.6	19.7	(5.5)	38.7
Total non-interest income	44.9	69.4	(35.4)	135.4

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

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

Total non-interest income amounted to ¥44.9 billion in the first half of fiscal year 2011, a decrease of ¥24.5 billion compared to the first half 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 half 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 in the first half of fiscal year 2011.

- Net fees and commissions were mainly from non-recourse finance on domestic real estate, guarantee and other business by consumer finance subsidiaries, and sales of mutual funds and variable annuities. Net fees and commissions of ¥13.8 billion were earned in the first half of fiscal year 2011, up by ¥1.5 billion from ¥12.3 billion in the first half of fiscal year 2010.
- Net trading income includes revenues from derivatives with customer-driven transactions and those from proprietary trading. ¥6.5 billion was recorded in the first

half of fiscal year 2011, a decrease of ¥0.6 billion from ¥7.1 billion in the first half of fiscal year 2010.

- Net other business income was ¥24.4 billion in the first half of fiscal year 2011, compared to ¥50.0 billion in the first half of fiscal year 2010. This included income on leased assets and installment receivables of ¥18.6 billion by Showa Leasing, APLUS FINANCIAL, Shinsei Financial and others, compared to ¥19.7 billion in the first half 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, ¥2.2 billion of impairment of bonds related to domestic real estate non-recourse finance, and ¥0.7 billion of impairment to private equity investments, for the first half of fiscal year 2011. Net other business income in the first half of fiscal year 2010 included ¥4.3 billion of gains on repurchases of subordinated debts, ¥4.3 billion of gains on sales of CLO and ¥4.1 billion of gains on sales of asset backed investments and securities, ¥1.8 billion 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>			
	1HFY2011 (6 months)	1HFY2010 (6 months)	%	FY2010 (12 months)
			Change	
Personnel expenses	25.4	27.7	(8.2)	55.0
Non-personnel expenses	37.8	45.0	(16.0)	87.7
Premises expenses	10.2	11.6	(11.7)	23.2
Technology and data processing expenses	8.3	9.9	(15.8)	19.2
Advertising expenses	4.4	5.1	(14.1)	9.2
Consumption and property taxes	2.8	4.1	(30.0)	7.7
Deposit insurance premium	2.3	2.7	(14.1)	5.4
Other general and administrative expenses	9.5	11.4	(16.6)	22.8
General and administrative expenses	63.3	72.8	(13.0)	142.8

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

- General and administrative expenses were ¥63.3 billion for the first half of fiscal year 2011, a decrease of ¥9.4 billion compared to the first half of fiscal year 2010.
- Personnel expenses of ¥25.4 billion decreased by ¥2.2 billion from the first half of fiscal year 2010.

➤ We have been able to reduce our personnel expenses through the integration of call centers and the termination of all manned branches at Shinsei Financial during fiscal year 2010, reflecting a forecast for decline in loan balances due to the revision of the Money-Lending Business Control and Regulation Law,

and through ongoing personnel expense rationalization across our business.

- Non-personnel expenses of ¥37.8 billion decreased by ¥7.1 billion from the first half 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 ¥1.3 billion to ¥10.2 billion, mainly due to Shinsei Bank's head office relocation and consumer finance subsidiaries' branch optimization. Technology and data processing expenses were ¥1.5 billion lower than the first half of fiscal year 2010 mainly due to automated contract machine sharing and optimization between Shinsei Financial and Shinki.

Net Credit Costs -Table 5- (Consolidated)

	<i>(Billions of yen, except percentages)</i>			
	1HFY2011 (6 months)	1HFY2010 (6 months)	% Change	FY2010 (12 months)
Losses on write-off of loans/Losses on sale of loans	4.1	7.4	(44.0)	7.5
Net provision of reserve for loan losses:	11.5	45.2	(74.5)	61.7
Net provision of general reserve for loan losses	4.0	28.0	(85.4)	30.4
Net provision of specific reserve for loan losses	7.4	17.2	(56.6)	31.2
Net provision (reversal) of reserve for loan losses to restructuring countries	(0.0)	(0.0)	(2,159.7)	(0.0)
Net provision (reversal) of specific reserve for other credit losses	-	0.0	(100.0)	0.0
Other credit costs (reversal) relating to leasing business	(0.9)	(0.3)	(175.3)	(0.9)
Recoveries of written-off claims ⁽¹⁾	(5.9)	-	-	-
Net credit costs	8.8	52.3	(83.2)	68.3

(1) Included in Net Credit Costs from FY2011.

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

- Net credit costs for the first half of fiscal year 2011 included non-recurring additional provisions of ¥4.7 billion for domestic real estate non-recourse finance but this was a sharp decrease compared to the ¥14.5 billion recorded for this business in the first half of fiscal year 2010, while efforts to reduce non-core assets continued.
- Showa Leasing recorded net credit recoveries of ¥1.4 billion in the first half of fiscal year 2011 compared to net credit costs of ¥1.5 billion in the first half of fiscal year 2010 due to strict credit management and a decrease in operating assets. In our consumer finance business, further improvements in asset quality as a result of the stricter credit management and strengthening of collection systems that Shinsei Financial Co., Ltd. has been implementing incrementally to date, as well as the income-linked borrowing limitation regulations implemented last year, coupled with the overall decrease in operating assets, has led to substantially reduced net credit costs.
- From fiscal year 2011, recoveries of written-off claims are categorized into net credit costs according to Revision of Accounting Practice Committee Statement No.14

"Practical Guidelines on Accounting Standards for Financial Instruments" released 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 half of fiscal year 2011, net credit costs were ¥8.8 billion, while net credit costs excluding recoveries of written-off claims of ¥5.9 billion were ¥14.7 billion, showing a substantial decrease from ¥52.3 billion in the first half of fiscal year 2010.

Shinsei Financial recorded net recoveries of ¥0.2 billion for the first half of fiscal year 2011; excluding recoveries of written-off claims, credit costs were ¥3.7 billion, an improvement compared to net credit costs of ¥10.3 billion for the first half of fiscal year 2010.

- Recoveries of written-off claims of ¥5.9 billion included ¥3.9 billion at Shinsei Financial, ¥1.4 billion at Shinsei Bank (non-consolidated) and ¥0.5 billion at Shinki.

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

	1HFY2011 (6 months)	1HFY2010 (6 months)	% Change	FY2010 (12 months)
Shinsei Financial	4.5	5.0	(10.8)	9.6
Shinki	(0.1)	(0.1)	0.0	(0.3)
APLUS FINANCIAL	0.4	0.4	(11.4)	0.8
Showa Leasing	1.4	1.4	(1.1)	2.9
Others	(0.0)	(0.0)	(0.0)	(0.0)
Amortization of goodwill and other intangible assets	6.2	6.8	(9.0)	13.0

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 ¥6.2 billion in the first half of fiscal year 2011 compared to ¥6.8 billion in the first half 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 ¥0.4 billion in the first half 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)*

	1HFY2011 (6 months)	1HFY2010 (6 months)	% Change	FY2010 (12 months)
Extraordinary income (loss)	(1.1)	2.1	(152.1)	3.8
Net gain on disposal of premises and equipment	(0.1)	(0.2)	47.9	(0.5)
Provision for loss on disposition of premises and equipment	-	-	-	-
Recoveries of written-off claims	-	7.0	(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)	(1.0)	(1.0)	5.1	(6.8)
Provisions of reserve for losses on interest repayment	(0.8)	-	-	(10.1)
Shinsei Financial	(0.8)	-	-	(4.7)
Shinki	-	-	-	(2.1)
APLUS FINANCIAL	-	-	-	(3.2)
Other	-	-	-	-
Other	0.4	(1.0)	142.7	(3.7)
Other gains (Losses)	(1.5)	1.0	(237.1)	(10.0)

- Other losses of ¥1.5 billion were recorded in the first half of fiscal year 2011, including additional provisions of reserve for losses on interest repayment of ¥0.8 billion in Shinsei Financial. From fiscal year 2011, recoveries of written-off claims are categorized into net credit costs and not included in other gains (losses), according to Revision of Accounting Practice Committee Statement No.14 "Practical Guidelines on

Accounting Standards for Financial Instruments" released on March 29, 2011. Other losses of ¥1.0 billion for the first half of fiscal year 2010, were recorded due to costs related to asset retirement obligation costs of ¥3.5 billion at Shinsei Bank and its subsidiaries, partially offset by ¥7.0 billion of recoveries of written-off claims.

Minority Interests in Net Income of Subsidiaries -Table 8- (Consolidated)*(Billions of yen, except percentages)*

	1HFY2011 (6 months)	1HFY2010 (6 months)	% Change	FY2010 (12 months)
Dividends on perpetual preferred securities (hybrid Tier I capital) issued by foreign SPCs	1.5	4.6	(67.0)	7.5
Others	0.3	0.2	54.5	0.3
Minority interests in net income of subsidiaries	1.9	4.8	(60.7)	7.9

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

- Minority interests in net income of subsidiaries for the first half of fiscal year 2011 were ¥1.9 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 half of fiscal

year 2011. Due to factors including the repurchase of preferred securities in the previous fiscal year, minority interests in net income of subsidiaries declined by ¥2.9 billion from ¥4.8 billion in the first half of fiscal year 2010.

Major Balance Sheet Data - Table 9- (Consolidated)

	(Billions of yen)				
	Sep 30 2011 (a)	Sep 30 2010 (b)	Change (a)-(b)	March 31 2011 (c)	Change (a)-(c)
Loans and bills discounted	4,125.5	4,604.4	(478.9)	4,291.4	(165.9)
Installment receivables	324.4	347.7	(23.3)	330.4	(6.0)
Leased assets, lease receivables and leased investment assets	212.2	222.1	(9.8)	219.9	(7.7)
Securities	2,220.1	2,639.9	(419.8)	3,286.3	(1,066.2)
Other monetary claims purchased	147.0	178.4	(31.4)	157.0	(9.9)
Other interest earning assets ⁽¹⁾	412.0	534.7	(122.7)	463.1	(51.0)
Trading assets	239.1	246.9	(7.7)	195.3	43.7
Monetary assets held in trust	276.4	278.6	(2.1)	253.6	22.8
Goodwill, net	45.5	53.5	(7.9)	49.5	(4.0)
Other intangible assets ⁽²⁾	18.2	22.7	(4.4)	20.5	(2.2)
Other assets	546.7	946.6	(399.8)	587.4	(40.7)
Customer's liabilities for acceptances and guarantees	557.2	606.1	(48.8)	575.7	(18.4)
Reserve for credit losses	(184.3)	(218.1)	33.8	(199.2)	14.8
Total assets	8,940.5	10,464.0	(1,523.5)	10,231.5	(1,290.9)
Deposits and negotiable certificates of deposit	5,537.3	5,890.1	(352.8)	5,610.6	(73.3)
Debentures	313.1	425.2	(112.0)	348.2	(35.0)
Borrowed money	547.2	1,336.1	(788.9)	1,672.7	(1,125.5)
Corporate bonds	163.6	180.8	(17.2)	179.6	(16.0)
Other interest bearing liabilities ⁽³⁾	406.9	321.7	85.1	452.8	(45.9)
Trading liabilities	191.2	196.9	(5.7)	147.7	43.4
Reserve for losses on interest repayments	29.9	46.7	(16.8)	43.1	(13.2)
Other liabilities	563.7	845.7	(282.0)	589.4	(25.7)
Acceptances and guarantees	557.2	606.1	(48.8)	575.7	(18.4)
Total liabilities	8,310.4	9,849.8	(1,539.4)	9,620.3	(1,309.9)
Total equity	630.1	614.1	15.9	611.1	18.9

(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 ¥4,125.5 billion as of September 30, 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.
 - The pace of decline in the consumer finance business loan balance has become less pronounced. Loans to Shinsei Financial customers were ¥347.0 billion as of September 30, 2011, although they had previously decreased by ¥126.3 billion from ¥512.1 billion as of March 31, 2010 to ¥385.7 billion as of March 31, 2011.
- Securities balance as of September 30, 2011 was ¥2,220.1 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 declined to ¥1,604.4 billion as of September 30, 2011 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 ¥5,537.3 billion as of September 30, 2011.
 - The retail deposits balance totaled ¥4,781.5 billion as of September 30, 2011, an increase of ¥29.2 billion compared to ¥4,752.2 billion as of March 31, 2011. Retail Banking constitutes 86.4% of the Bank's total funding through customer deposits and debentures.

Risk-Monitored Loans -Table 10- (Consolidated)

	(Billions of yen)				
	Sep 30 2011 (a)	Sep 30 2010 (b)	Change (a)-(b)	March 31 2011 (c)	Change (a)-(c)
Loans to bankrupt obligors	14.9	18.5	(3.6)	13.9	1.0
Non-accrual delinquent loans	274.1	357.2	(83.0)	317.9	(43.7)
Loans past due for three months or more	1.7	2.2	(0.4)	2.2	(0.4)
Restructured loans	54.9	61.5	(6.5)	60.9	(5.9)
Total (A)	345.9	439.5	(93.6)	395.0	(49.0)
Loans and bills discounted (B)	4,125.5	4,604.4	(478.9)	4,291.4	(165.9)
Ratio to total loans and bills discounted (A / B X 100) (%)	8.39%	9.55%	/	9.21%	/
Reserve for credit losses (C)	184.3	218.1	(33.8)	199.2	(14.8)
Reserve ratio (C / A X 100)	53.3%	49.6%	/	50.4%	/

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

- Risk monitored loans totaled ¥345.9 billion as of September 30, 2011 compared to ¥395.0 billion as of March 31, 2011 and ¥432.3 billion as of March 31, 2010. During the first half of fiscal year 2011, risk monitored loans decreased by ¥49.0 billion demonstrating a steady and continuous decline.
- The ratio of risk monitored loans to total loans and bills discounted improved to 8.39%, a decrease of 82 basis points compared to that of March 31, 2011.

Reserve for Credit Losses -Table 11- (Consolidated)

	(Billions of yen)				
	Sep 30 2011 (a)	Sep 30 2010 (b)	Change (a)-(b)	March 31 2011 (c)	Change (a)-(c)
General reserve for loan losses	96.9	124.3	(27.4)	102.7	(5.8)
Specific reserve for loan losses	87.4	93.8	(6.4)	96.4	(9.0)
Reserve for loans to restructuring countries	0.0	0.0	(0.0)	0.0	(0.0)
Total reserve for credit losses	184.3	218.1	(33.8)	199.2	(14.8)

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

Loans by Borrower Industry -Table 12- (Consolidated)

	(Billions of yen)				
	Sep 30 2011 (a)	Sep 30 2010 (b)	Change (a)-(b)	Mar 31 2011 (c)	Change (a)-(c)
Domestic offices (excluding Japan offshore market account):					
Manufacturing	246.9	252.0	(5.0)	231.5	15.4
Agriculture and forestry	1.2	0.0	1.2	0.0	1.2
Fishery	1.0	2.4	(1.4)	2.2	(1.2)
Mining, quarrying and gravel extraction	0.4	2.2	(1.8)	0.4	(0.0)
Construction	16.1	5.6	10.5	8.3	7.8
Electric power, gas, heat supply and water supply	37.6	25.9	11.6	27.1	10.4
Information and communications	34.9	16.1	18.8	12.6	22.3
Transportation and postal service	276.0	272.7	3.3	284.3	(8.2)
Wholesale and retail	80.2	99.0	(18.8)	101.4	(21.2)
Finance and insurance	680.0	892.6	(212.5)	722.6	(42.6)
Real estate	610.8	722.2	(111.4)	597.4	13.3
Services	310.8	255.5	55.3	330.4	(19.5)
Local government	140.9	164.1	(23.2)	158.8	(17.8)
Others	1,603.9	1,820.8	(216.9)	1,752.1	(148.2)
Loans to individual customers (retail banking, Shinsei Financial, Shinki and APLUS FINANCIAL)	1,430.3	1,577.5	(147.2)	1,527.8	(97.4)
Total domestic (A)	4,041.4	4,531.7	(490.2)	4,229.7	(188.3)
Overseas offices (including Japan offshore market accounts):					
Governments	2.1	2.2	(0.0)	2.2	(0.0)
Financial institutions	1.1	2.1	(0.9)	1.6	(0.4)
Others	80.7	68.4	12.3	57.7	22.9
Total overseas (B)	84.0	72.7	11.3	61.6	22.4
Total (A+B)	4,125.5	4,604.4	(478.9)	4,291.4	(165.9)

Securities by Category -Table 13- (Consolidated)

	(Billions of yen)		
	Sep 30 2011	Sep 30 2010	Mar 31 2011
Trading securities	0.7	2.4	1.0
Securities being held to maturity	669.1	413.0	553.9
Securities available for sale	1,516.3	2,186.9	2,695.6
Marketable securities, at fair value	1,428.5	2,099.0	2,600.0
Securities whose fair value cannot be reliably determined	87.8	87.8	95.5
Equity securities of unconsolidated subsidiaries and affiliates	33.7	37.6	35.7
Securities	2,220.1	2,639.9	3,286.3

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

(Billions of yen)

	September 30, 2011			September 30, 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)
Items with fair value exceeding book value									
Japanese national government bonds	554.6	559.7	5.1	293.2	298.7	5.5	393.6	397.7	4.0
Japanese corporate bonds	27.6	28.0	0.4	69.4	70.5	1.0	59.5	60.2	0.6
Other	37.4	40.7	3.3	40.2	43.6	3.4	40.1	43.7	3.6
Total	619.7	628.6	8.8	402.9	412.9	10.0	493.3	501.7	8.3
Items with fair value not exceeding book value									
Japanese national government bonds	40.1	40.0	(0.0)	-	-	-	50.1	50.0	(0.0)
Japanese corporate bonds	-	-	-	-	-	-	-	-	-
Other	9.3	8.7	(0.5)	10.0	9.2	(0.7)	10.4	9.9	(0.4)
Total	49.4	48.8	(0.6)	10.0	9.2	(0.7)	60.6	60.0	(0.5)
Total	669.1	677.4	8.2	413.0	422.2	9.2	553.9	561.7	7.7

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

	(Billions of yen)								
	September 30, 2011			September 30, 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	4.9	3.8	1.0	2.0	1.4	0.6	5.8	4.2	1.6
Domestic bonds	923.7	920.8	2.8	1,050.9	1,047.1	3.7	1,219.6	1,217.9	1.6
Japanese national government bonds	843.1	841.1	2.0	981.3	978.7	2.6	1,152.2	1,151.3	0.8
Japanese local government bonds	1.7	1.7	0.0	1.8	1.7	0.0	1.7	1.7	0.0
Japanese corporate bonds	78.7	78.0	0.6	67.7	66.6	1.1	65.5	64.8	0.7
Other	68.7	65.6	3.1	146.1	138.3	7.7	88.9	84.7	4.1
Foreign securities	49.6	46.7	2.9	127.4	120.0	7.3	73.0	69.1	3.9
Foreign currency denominated foreign corporate and government bonds	31.0	28.5	2.4	74.9	70.1	4.7	36.7	33.7	2.9
Yen-denominated foreign corporate and government bonds	16.6	16.5	0.0	48.6	48.0	0.5	34.2	33.7	0.5
Foreign equity securities and others	2.0	1.6	0.3	3.8	1.8	2.0	2.1	1.7	0.3
Other securities	1.0	0.9	0.1	1.1	0.9	0.2	1.0	0.9	0.1
Other monetary claims purchased	18.0	18.0	0.0	17.5	17.3	0.1	14.7	14.6	0.1
Total	997.4	990.3	7.0	1,199.1	1,186.9	12.2	1,314.4	1,306.9	7.5
Items with book value not exceeding amortized/acquisition cost									
Equity securities	8.8	9.7	(0.8)	11.6	16.7	(5.1)	8.9	13.4	(4.5)
Domestic bonds	331.1	334.6	(3.5)	754.9	760.0	(5.0)	1,085.3	1,093.2	(7.8)
Japanese national government bonds	166.5	167.4	(0.8)	503.4	505.3	(1.8)	866.4	869.0	(2.5)
Japanese local government bonds	-	-	-	-	-	-	-	-	-
Japanese corporate bonds	164.6	167.2	(2.6)	251.4	254.6	(3.2)	218.9	224.1	(5.2)
Other	109.4	114.5	(5.0)	167.1	171.4	(4.2)	219.5	223.7	(4.1)
Foreign securities	108.6	113.7	(5.0)	149.9	154.0	(4.0)	204.9	209.0	(4.1)
Foreign currency denominated foreign corporate and government bonds	38.5	42.4	(3.8)	86.7	89.2	(2.4)	145.5	148.9	(3.3)
Yen-denominated foreign corporate and government bonds	67.1	68.2	(1.1)	59.2	60.1	(0.8)	54.8	55.5	(0.6)
Foreign equity securities and others	2.9	2.9	(0.0)	3.8	4.6	(0.7)	4.5	4.5	(0.0)
Other securities	0.5	0.5	-	1.0	1.0	-	1.0	1.0	-
Other monetary claims purchased	0.2	0.2	(0.0)	16.2	16.3	(0.1)	13.6	13.6	(0.0)
Total	449.5	458.9	(9.4)	933.7	948.2	(14.4)	1,313.9	1,330.4	(16.5)
Total	1,446.9	1,449.3	(2.4)	2,132.8	2,135.1	(2.2)	2,628.3	2,637.4	(9.0)

(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 ¥1,428.5 billion as of September 30, 2011, ¥2,099.0 billion as of September 30, 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)		
	September 30, 2011	September 30, 2010	March 31, 2011
Unrealized gain (loss) before deferred tax on:			
Available-for-sale securities	(2.4)	(2.2)	(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)	0.1	(0.0)
Securities being held to maturity, reclassified from available-for-sale in October 2008 under extremely illiquid market conditions	(5.1)	(6.2)	(5.9)
Deferred tax assets (liabilities)	0.0	0.0	(0.2)
Unrealized gain (loss) on available-for-sale securities before interest adjustments	(7.5)	(8.3)	(15.2)
Minority interests	0.0	0.0	(0.0)
The Bank's interests in unrealized gain (loss) on available-for-sale securities held by affiliates to which the equity method is applied	0.0	0.0	0.0
Unrealized gain (loss) on available-for-sale securities	(7.4)	(8.2)	(15.2)

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

(Billions of yen)

Notional Principal Amount (Consolidated)	September 30, 2011			
	1 year or less	Over 1 year to 5 years	Over 5 years	Total
Interest rate swaps:				
Receive fixed and pay floating	61.0	505.7	49.0	615.7
Receive floating and pay fixed	34.3	87.3	201.0	322.6
Receive floating and pay floating	-	-	-	-
Total notional principal amount	95.3	593.0	250.0	938.4
Currency swaps:				
Total notional principal amount	69.4	19.0	-	88.5

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

(Billions of yen)

	Sep 30 2011	Sep 30 2010	Change	March 31 2011	Change
	(a)	(b)	(a)-(b)	(c)	(a)-(c)
Deposits	5,384.3	5,570.5	(186.1)	5,436.6	(52.2)
Liquid (current, ordinary, note) deposits	1,428.4	1,496.5	(68.1)	1,476.3	(47.8)
Time deposits ⁽¹⁾	3,584.4	3,743.2	(158.7)	3,602.9	(18.5)
Other	371.4	330.7	40.7	357.2	14.1
Negotiable certificates of deposits (NCDs)	152.9	319.6	(166.6)	174.0	(21.0)
Total	5,537.3	5,890.1	(352.8)	5,610.6	(73.3)

(1) Includes two-week maturity deposits

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

Financial Ratios -Table 18- (Consolidated)

	1HFY2011 (6 months)	1HFY2010 (6 months)	FY2010 (12 months)
Return on assets ⁽¹⁾	0.4% ⁽⁴⁾	0.3% ⁽⁴⁾	0.4%
Return on equity ⁽²⁾	7.3% ⁽⁴⁾	7.4% ⁽⁴⁾	8.5%
Return on equity (fully diluted) ⁽³⁾	7.3% ⁽⁴⁾	7.4% ⁽⁴⁾	8.5%
Cash basis return on assets ⁽¹⁾	0.5% ⁽⁴⁾	0.4% ⁽⁴⁾	0.5%
Cash basis return on equity ⁽²⁾	9.2% ⁽⁴⁾	9.9% ⁽⁴⁾	10.7%
Cash basis return on equity (fully diluted) ⁽³⁾	9.2% ⁽⁴⁾	9.9% ⁽⁴⁾	10.7%
Expense-to-revenue ratio ⁽⁵⁾⁽⁶⁾	60.0%	46.8%	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) Annualized basis.

(5) Management accounting basis.

(6) Expense denotes general and administrative expenses.

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

Capital Adequacy Data -Table 19- (Consolidated)⁽¹⁾

(Billions of yen, except percentages)

	Sep 30 2011 (a)	Sep 30 2010 (b)	Change (a)-(b)	March 31 2011 (c)	Change (a)-(c)
Basic items (Tier I)	542.7	500.5	42.1	516.7	25.9
Amount eligible for inclusion in capital (Tier II)	211.2	251.2	(40.0)	231.8	(20.6)
General reserve for loan losses	8.6	10.2	(1.6)	9.4	(0.8)
Perpetual/non-perpetual preferred stocks and perpetual/non-perpetual subordinated debt and bonds	202.6	240.9	(38.3)	222.4	(19.8)
Deductions	-	-	-	-	-
Deduction	(105.0)	(109.6)	4.5	(98.6)	(6.3)
Total capital ⁽²⁾	648.8	642.1	6.7	649.9	(1.0)
Risk assets	6,203.3	7,180.8	(977.4)	6,653.7	(450.4)
Capital adequacy ratio	10.46%	8.94%		9.76%	
Tier I capital ratio	8.74%	6.97%		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, ¥7.4 billion net unrealized losses on securities available-for-sale, net of taxes, as of September 30, 2011, ¥8.2 billion as of September 30, 2010 and ¥15.2 billion as of March 31, 2011 are not included in BIS capital.

(2) Consolidated total required capital is ¥451.7 billion as at September 30, 2011, ¥514.0 billion as at September 30, 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 20- (Consolidated)

(Yen, except percentages)

	1HFY2011 (6 months)	1HFY2010 (6 months)	% Change	FY2010 (12 months)	% Change
Common equity	214.07	232.54	(7.9)	205.83	4.0
Fully diluted equity	214.07	232.54	(7.9)	205.83	4.0
Basic net income	7.66	8.59	(10.8)	21.36	
Diluted net income	7.66	8.59	(10.8)	21.36	
Cash basis:					
Basic net income	9.67	11.57	(16.4)	26.96	
Diluted net income	9.67	11.57	(16.4)	26.96	
For calculation of per share data (Does not include treasury shares) :					
Equity:					
Number of common shares ⁽¹⁾	2,653,919,247	1,963,919,247		2,653,919,247	
Fully diluted number of shares ⁽¹⁾	2,653,919,247	1,963,919,247		2,653,919,247	
Net income:					
Number of common shares ⁽²⁾	2,653,919,247	1,963,919,247		1,996,056,234	
Fully diluted number of shares ⁽²⁾	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

Consolidated net income improved from ¥16.8 billion for the first half of fiscal year 2010 to ¥20.3 billion for the first half of fiscal year 2011. However, Shinsei Bank issued 690 million new shares through an international offering in March 2011. As a result, the diluted net income per share for the first half

of fiscal year 2011 decreased to ¥7.66 from ¥8.59 for the first half of fiscal year 2010. Cash basis diluted net income per share for the first half of fiscal year 2011 fell to ¥9.67 from ¥11.57 for the first half of fiscal year 2010.

Business Lines Results -Table 21- (Consolidated)

(Billions of yen, except percentages)

	1HFY2011 (6 months)	1HFY2010 (6 months)	% Change	FY2010 (12 months)
Institutional Group:				
Net interest income	12.7	17.9	(28.9)	34.0
Non-interest income	19.7	24.2	(18.7)	39.5
Total revenue	32.5	42.2	(23.0)	73.5
General and administrative expenses	12.4	13.8	(10.3)	27.2
Ordinary business profit	20.0	28.4	(29.3)	46.3
Net credit costs	3.2	31.6	(89.8)	37.9
Ordinary business profit after net credit costs	16.8	(3.2)	619.7	8.3
Global Markets Group:				
Net interest income	(2.4)	2.3	(204.8)	9.2
Non-interest income	5.4	24.6	(77.8)	54.3
Total revenue	2.9	26.9	(89.0)	63.6
General and administrative expenses	5.4	6.2	(13.1)	12.1
Ordinary business profit (loss)	(2.4)	20.7	(111.8)	51.5
Net credit costs (recoveries)	(2.1)	(1.2)	(71.5)	1.4
Ordinary business profit (loss) after net credit costs (recoveries)	(0.3)	21.9	(101.4)	50.1
Individual Group:				
Net interest income	51.9	68.2	(23.9)	117.3
Non-interest income	19.5	19.9	(2.1)	39.8
Total revenue	71.5	88.2	(18.9)	157.1
General and administrative expenses	46.0	53.2	(13.6)	104.5
Ordinary business profit	25.5	34.9	(27.0)	52.6
Net credit costs	7.5	21.8	(65.5)	28.6
Ordinary business profit after net credit costs	17.9	13.1	37.0	24.0
Corporate/Other⁽¹⁾:				
Net interest income (loss)	(1.5)	(2.4)	37.2	(4.0)
Non-interest income	0.1	0.6	(77.0)	1.7
Total revenue	(1.4)	(1.8)	24.3	(2.2)
General and administrative expenses	(0.5)	(0.5)	2.4	(1.0)
Ordinary business profit (loss)	(0.8)	(1.2)	34.2	(1.2)
Net credit costs	0.1	0.1	51.4	0.4
Ordinary business profit (loss) after net credit costs	(1.0)	(1.3)	27.5	(1.6)
Total:				
Net interest income	60.7	86.1	(29.5)	156.6
Non-interest income	44.9	69.4	(35.4)	135.4
Total revenue	105.6	155.6	(32.1)	292.1
General and administrative expenses	63.3	72.8	(13.0)	142.8
Ordinary business profit	42.3	82.8	(48.9)	149.2
Net credit costs	8.8	52.3	(83.2)	68.3
Ordinary business profit after net credit costs	33.5	30.4	10.0	80.8

(1) Corporate/Other largely includes results of corporate level expenses and credit costs.

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

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

(Billions of yen, except percentages)

	1HFY2011 (6 months)	1HFY2010 (6 months)	% Change	FY2010 (12 months)
Institutional Business Sub-Group:				
Net interest income	4.3	4.6	(5.4)	9.3
Non-interest income	(2.2)	0.9	(336.7)	1.4
Total revenue	2.1	5.5	(61.9)	10.7
General and administrative expenses	2.9	3.2	(9.8)	6.2
Ordinary business profit (loss)	(0.8)	2.3	(134.9)	4.4
Net credit (recoveries) costs	(3.1)	(0.9)	(233.1)	(0.1)
Ordinary business profit after net credit costs (recoveries)	2.3	3.2	(27.0)	4.6
Structured Finance Sub-Group:				
Net interest income	8.5	11.7	(27.3)	21.4
Non-interest income	1.7	0.1	1,011.7	1.1
Total revenue	10.3	11.9	(13.4)	22.5
General and administrative expenses	2.4	2.9	(18.8)	5.8
Ordinary business profit	7.9	8.9	(11.7)	16.7
Net credit costs	7.7	32.0	(76.0)	39.0
Ordinary business profit after net credit costs	0.2	(23.0)	101.0	(22.2)
Principal Transactions Sub-Group:				
Net interest income (loss)	1.3	0.5	143.5	2.8
Non-interest income	4.7	6.6	(28.5)	5.7
Total revenue	6.1	7.1	(14.8)	8.5
General and administrative expenses	1.9	2.3	(17.1)	4.2
Ordinary business profit	4.1	4.7	(13.6)	4.3
Net credit (recoveries) costs	(0.3)	(0.2)	(34.8)	(0.6)
Ordinary business profit after net credit costs (recoveries)	4.5	5.0	(11.1)	4.9
Showa Leasing:				
Net interest income (loss)	(1.5)	(1.7)	11.5	(3.1)
Non-interest income	8.7	9.2	(6.2)	18.5
Total revenue	7.1	7.5	(4.9)	15.3
General and administrative expenses	3.8	3.9	(3.1)	8.0
Ordinary business profit	3.2	3.5	(6.9)	7.2
Net credit (recoveries) costs	(1.4)	1.5	(192.0)	3.4
Ordinary business profit after net credit costs (recoveries)	4.6	1.9	134.3	3.8
Others:				
Net interest income	0.0	2.7	(99.0)	3.6
Non-interest income	6.8	7.3	(6.9)	12.6
Total revenue	6.8	10.0	(32.4)	16.3
General and administrative expenses	1.2	1.2	(1.1)	2.8
Ordinary business profit	5.5	8.8	(37.0)	13.4
Net credit costs	0.5	(0.6)	173.8	(3.8)
Ordinary business profit after net credit costs	5.0	9.4	(46.8)	17.2
Institutional Group:				
Net interest income	12.7	17.9	(28.9)	34.0
Non-interest income	19.7	24.2	(18.7)	39.5
Total revenue	32.5	42.2	(23.0)	73.5
General and administrative expenses	12.4	13.8	(10.3)	27.2
Ordinary business profit	20.0	28.4	(29.3)	46.3
Net credit costs	3.2	31.6	(89.8)	37.9
Ordinary business profit after net credit costs	16.8	(3.2)	619.7	8.3

(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.

Revenue

- The Institutional Group business recorded total revenue of ¥32.5 billion in the first half of fiscal year 2011, compared to ¥42.2 billion in the first half 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 on listed stocks was recorded as a result of the stagnant financial market, resulting in total revenue of ¥2.1 billion in the first half of fiscal year 2011 compared to ¥5.5 billion in the first half of fiscal year 2010, or ¥3.4 billion lower year-on-year.
- The Structured Finance Sub-Group recorded total revenue of ¥10.3 billion in the first half of fiscal year 2011, compared to ¥11.9 billion in the first half of fiscal year 2010. Revenues decreased due to ¥2.2 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 the previous period to optimize risk weighted assets. However, there have been new loan disbursements in specialty finance and non-recourse real estate finance as well as higher quality asset replacement in the first half of fiscal year 2011.
- The Principal Transactions Sub-Group recorded total revenue of ¥6.1 billion in the first half of fiscal year 2011, compared to ¥7.1 billion in the first half of fiscal year 2010. This was caused by ¥0.7 billion of impairment on private equity investment as well as the effects of a stagnant domestic and overseas economy.

- Others recorded total revenue of ¥6.8 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 in the first half of fiscal year 2011. The revenue in the first half of fiscal year 2010 included ¥4.1 billion gains from the sales on asset-backed securities and asset-backed investments.

Expenses

- General and administrative expenses were ¥12.4 billion in the first half of fiscal year 2011, decreasing by ¥1.4 billion from ¥13.8 billion in the first half 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 ¥3.2 billion in the first half of fiscal year 2011, considerably lower than ¥31.6 billion recorded in the first half 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. The Structured Finance Sub-Group, which includes specialty finance and domestic real estate non-recourse finance, achieved significant credit cost reduction, decreasing costs to ¥7.7 billion in the first half of fiscal year 2011 from ¥32.0 billion in the first half of fiscal year 2010.
- From fiscal year 2011, credit costs include recoveries of written-off claims. Excluding recoveries of written-off claims, credit costs were ¥3.6 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 ¥16.8 billion in the first half of fiscal year 2011, improving significantly from losses of ¥3.2 billion in the first half of fiscal year 2010.

Showa Leasing

- Showa Leasing recorded ¥4.6 billion of ordinary business profit after net credit costs including consolidation adjustments, improving from ¥1.9 billion in the first half of fiscal year 2010.
- Total revenue decreased to ¥7.1 billion in the first half of fiscal year 2011 from ¥7.5 billion in the first half of fiscal year 2010 as operating assets declined amidst the stagnant economy. On the other hand, ordinary business profit after net credit costs improved due to strict credit management and the decrease in operating assets, resulting in net credit recoveries of ¥1.4 billion in the first half of fiscal year 2011 compared to net credit costs of ¥1.5 billion in the first half of fiscal year 2010.

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

(Billions of yen, except percentages)

	1HFY2011 (6 months)	1HFY2010 (6 months)	% Change	FY2010 (12 months)
Financial Institutions Sub-Group:				
Net interest income	0.7	0.6	10.8	1.2
Non-interest income	0.8	0.7	2.1	1.3
Total revenue	1.5	1.4	6.0	2.6
General and administrative expenses	1.1	1.3	(14.7)	2.5
Ordinary business profit	0.3	0.0	327.0	0.0
Net credit (recoveries) costs	(0.2)	(0.7)	63.0	(0.8)
Ordinary business profit after net credit costs (recoveries)	0.6	0.8	(22.6)	0.9
Markets Sub-Group:				
Net interest income	0.4	1.7	(72.6)	2.6
Non-interest income	2.0	7.8	(74.2)	9.8
Total revenue	2.5	9.6	(73.9)	12.5
General and administrative expenses	1.6	2.4	(32.4)	4.6
Ordinary business profit	0.9	7.2	(87.6)	7.8
Net credit (recoveries) costs	(1.3)	(0.6)	(96.7)	1.5
Ordinary business profit after net credit costs (recoveries)	2.2	7.9	(72.0)	6.3
Treasury Sub-Group:				
Net interest income (loss)	(3.9)	(0.3)	(984.8)	4.8
Non-interest income	1.3	14.6	(90.5)	40.9
Total revenue	(2.6)	14.3	(118.2)	45.8
General and administrative expenses	0.5	0.5	(3.9)	1.1
Ordinary business profit (loss)	(3.1)	13.7	(123.1)	44.6
Net credit costs	-	-	-	-
Ordinary business profit (loss) after net credit costs	(3.1)	13.7	(123.1)	44.6
Others:				
Net interest income	0.2	0.2	4.6	0.5
Non-interest income	1.2	1.2	(4.4)	2.1
Total revenue	1.5	1.5	(2.8)	2.7
General and administrative expenses	2.0	1.8	9.6	3.7
Ordinary business profit (loss)	(0.5)	(0.3)	(65.9)	(1.0)
Net credit (recoveries) costs	(0.5)	0.1	(396.5)	0.7
Ordinary business profit (loss) after net credit costs (recoveries)	(0.0)	(0.5)	95.7	(1.7)
Global Markets Group:				
Net interest income	(2.4)	2.3	(204.8)	9.2
Non-interest income	5.4	24.6	(77.8)	54.3
Total revenue	2.9	26.9	(89.0)	63.6
General and administrative expenses	5.4	6.2	(13.1)	12.1
Ordinary business profit (loss)	(2.4)	20.7	(111.8)	51.5
Net credit (recoveries) costs	(2.1)	(1.2)	(71.5)	1.4
Ordinary business profit (loss) after net credit costs (recoveries)	(0.3)	21.9	(101.4)	50.1

(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.

Revenue

- The Global Markets Group generated total revenue of ¥2.9 billion in the first half of fiscal year 2011, compared to ¥26.9 billion in the first half 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 subordinated debt in the first half of fiscal year 2011 which were recorded in the first half of fiscal year 2010.
- The Financial Institutions Sub-Group's total revenue was ¥1.5 billion in the first half of fiscal year 2011, compared to ¥1.4 billion in the first half of fiscal year 2010. Steady revenues from transactions with clients contributed to the solid performance.
- The Markets Sub-Group earned total revenue of ¥2.5 billion in the first half of fiscal year 2011, compared to ¥9.6 billion in the first half of fiscal year 2010. Total revenue decreased due to the absence of gains on sales of CLO, which are non-core assets, in the first half of fiscal year 2011 while gains on CLO sales of ¥4.3 billion were included in the first half 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 the Great East Japan Earthquake.
- The Treasury Sub-Group recorded a loss of ¥2.6 billion in the first half of fiscal year 2011, compared to revenue of ¥14.3 billion in the first half of fiscal year 2010. This sub-group manages ALM for the bank overall. In the first half of fiscal year 2011, there were no gains recorded through the repurchase of subordinated debt, and only

limited gains were recorded from Japanese national government bond trading. In contrast, in the first half of fiscal year 2010 the Treasury Sub-Group traded Japanese government bonds frequently to facilitate liquidity management, earning gains on sales, while also recording ¥4.3 billion of gains on repurchases of subordinated debt.

- Others earned ¥1.5 billion in the first half of fiscal year 2011, flat on ¥1.5 billion in the first half of fiscal year 2010.

Expenses

- The Global Markets Group reduced general and administrative expenses by ¥0.8 billion from ¥6.2 billion in the first half of fiscal year 2010 to ¥5.4 billion in the first half of fiscal year 2011. The decrease was largely due to the scale-down and exit from non-core businesses and also continuous cost rationalization and efficiency improvements implemented by the overall group.

Net credit costs

- Net credit recoveries of ¥2.1 billion were recorded in the first half of fiscal year 2011, compared to net credit recoveries of ¥1.2 billion in the first half of fiscal year 2010.
- In the first half of fiscal year 2010, the Global Markets Group earned ¥1.2 billion of reversals in provisions due to the divestiture of non-core assets to mitigate potential risks. The Global Markets Group has continued to reduce non-core assets and also recorded a reversal in provisions for these assets for the first half of fiscal year 2011.
- Credit costs include recoveries of written-off claims from fiscal year 2011. Excluding recoveries of written-off claims, net credit recoveries of ¥1.1 billion were recorded in the first half of fiscal year 2011.

Ordinary business profit after net credit costs

As a result, the Global Markets Group recorded a ¥0.3 billion ordinary business loss after net credit costs in the first half of fiscal year 2011, compared with a ¥21.9 billion ordinary business profit after net credit costs in the first half of fiscal year 2010. The ordinary business profit after net credit costs was a gain of ¥2.8 billion, excluding the Treasury Sub-Group's losses related to the ALM activities of the overall bank.

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

(Billions of yen, except percentages)

	1HFY2011 (6 months)	1HFY2010 (6 months)	% Change	FY2010 (12 months)
Retail banking:				
Net interest income	15.3	17.3	(11.2)	33.8
Non-interest income	3.9	4.8	(19.6)	9.5
Total revenue	19.2	22.1	(13.0)	43.3
General and administrative expenses	15.4	16.1	(4.3)	33.1
Ordinary business profit	3.7	5.9	(36.7)	10.1
Net credit costs	1.2	1.2	(2.2)	2.5
Ordinary business profit after net credit costs	2.5	4.6	(46.3)	7.5
Shinsei Financial:				
Net interest income	24.5	34.9	(29.7)	64.1
Non-interest income (loss)	(1.7)	(2.5)	31.4	(5.1)
Total revenue	22.8	32.3	(29.5)	58.9
General and administrative expenses	13.3	17.3	(22.9)	33.4
Ordinary business profit	9.4	15.0	(37.2)	25.4
Net credit costs (recoveries)	(0.2)	10.3	(102.0)	7.7
Ordinary business profit after net credit costs (recoveries)	9.6	4.6	107.8	17.7
Shinki:				
Net interest income	4.5	6.5	(30.6)	11.7
Non-interest income (loss)	(0.3)	(0.5)	43.9	(1.0)
Total revenue	4.1	5.9	(29.3)	10.7
General and administrative expenses	1.8	2.6	(28.4)	4.6
Ordinary business profit	2.3	3.3	(30.1)	6.1
Net credit costs	0.1	1.9	(93.7)	3.6
Ordinary business profit after net credit costs	2.1	1.3	58.5	2.4
APLUS FINANCIAL:				
Net interest income	6.7	8.8	(23.7)	14.4
Non-interest income	17.6	18.1	(3.0)	36.3
Total revenue	24.3	26.9	(9.7)	50.8
General and administrative expenses	15.0	16.9	(11.3)	32.8
Ordinary business profit	9.3	10.0	(7.1)	18.0
Net credit costs	6.2	7.9	(21.2)	13.8
Ordinary business profit after net credit costs	3.0	2.1	45.6	4.2
Others ⁽²⁾:				
Net interest income	0.8	0.6	16.0	(6.8)
Non-interest income	0.0	0.0	13.0	0.1
Total revenue	0.8	0.7	15.7	(6.7)
General and administrative expenses	0.2	0.1	54.2	0.4
Ordinary business profit	0.6	0.6	5.8	(7.1)
Net credit costs	0.1	0.3	(65.1)	0.8
Ordinary business profit (loss) after net credit costs	0.5	0.3	77.9	(7.9)
Total Individual Group:				
Net interest income	51.9	68.2	(23.9)	117.3
Non-interest income	19.5	19.9	(2.1)	39.8
Total revenue	71.5	88.2	(18.9)	157.1
General and administrative expenses	46.0	53.2	(13.6)	104.5
Ordinary business profit	25.5	34.9	(27.0)	52.6
Net credit costs	7.5	21.8	(65.5)	28.6
Ordinary business profit after net credit costs	17.9	13.1	37.0	24.0

(1) Net of consolidation adjustments, if applicable.

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

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

Individual Group Revenue by Product/Entity - Table 25- (Consolidated)⁽¹⁾*(Billions of yen, except percentages)*

	1HFY2011 (6 months)	1HFY2010 (6 months)	% Change	FY2010 (12 months)
Retail Banking:	19.2	22.1	(13.0)	43.3
Deposits and debentures net interest income	11.3	12.9	(12.5)	24.9
Deposits and debentures non-interest income	2.5	2.8	(11.6)	5.8
Asset management	2.3	2.4	(5.2)	4.5
Loans	3.1	3.9	(20.6)	7.9
Shinsei Financial	22.8	32.3	(29.5)	58.9
Shinki	4.1	5.9	(29.3)	10.7
APLUS FINANCIAL	24.3	26.9	(9.7)	50.8
Others ⁽²⁾	0.8	0.7	15.7	(6.7)
Total revenue	71.5	88.2	(18.9)	157.1

(1) Net of consolidation adjustments, if applicable.

(2) 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 the subsidiaries Shinsei Financial, Shinki, APLUS FINANCIAL and Shinsei Property Finance.
- Individual Group's ordinary business profit after net credit costs increased to ¥17.9 billion in the first half of fiscal year 2011 compared to ¥13.1 billion in the first half of fiscal year 2010. The ordinary business profit after net credit costs of Shinsei Financial, Shinki and APLUS FINANCIAL for the first half of fiscal year 2011 was above their respective performance in the first half of fiscal year 2010.

Retail Banking

- Total revenue of Retail Banking decreased to ¥19.2 billion in the first half of fiscal year 2011 from ¥22.1 billion in the first half of fiscal year 2010. Net interest income decreased to ¥15.3 billion in the first half of fiscal year 2011 from ¥17.3 billion in the first half 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 ¥3.9 billion in the first half of fiscal year 2011 from ¥4.8 billion in the first half 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 ¥15.4 billion in the first half of fiscal year 2011 compared to ¥16.1 billion in the first half of fiscal year 2010.
- Net credit costs remained at the same level as the first half of fiscal year 2010 at ¥1.2 billion. As a result, the ordinary business profit after net credit costs was ¥2.5 billion in the first half of fiscal year 2011 compared to an ordinary business profit after net credit costs of ¥4.6 billion in the first half of fiscal year 2010.

Shinsei Financial

- The ordinary business profit after net credit costs of Shinsei Financial after related consolidation adjustments was ¥9.6 billion in the first half of fiscal year 2011 compared to ¥4.6 billion in the first half of fiscal year 2010.
- Revenue decreased in the first half of fiscal year 2011 due to the decrease in loan balance caused by the revised Money-Lending Business Control and Regulation Law. As

this 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 half of fiscal year 2011 included ¥3.9 billion from recoveries of written-off claims. The ordinary business profit after net credit costs excluding recoveries of written-off claims for the first half of fiscal year 2011 was ¥5.6 billion which is still higher than the ¥4.6 billion recorded in the first half of fiscal year 2010.
- Although the loan balance of Shinsei Financial decreased by ¥126.3 billion from ¥512.1 billion as of March 31, 2010 to ¥385.7 billion as of March 31, 2011, the loan balance as of September 30, 2011 was ¥347.0 billion, showing that the rate of decrease has become less pronounced.

Shinki

- The ordinary business profit after net credit costs of Shinki after related consolidation adjustments was ¥2.1 billion in the first half of fiscal year 2011 compared to ¥1.3 billion in the first half of fiscal year 2010. Similar to Shinsei Financial, Shinki's revenue decreased due to the decrease in loan balance as a result of the revised Money-Lending Business Control and Regulation Law. However, the decrease in revenue was offset by the 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 half of fiscal year 2011 included ¥0.5 billion from recoveries of written-off claims. The ordinary business profit after net credit costs excluding recoveries of written-off claims for the first half of fiscal year 2011 was ¥1.6 billion which is still higher than the ¥1.3 billion in the first half of fiscal year 2010.

APLUS FINANCIAL

- The ordinary business profit after net credit costs of APLUS FINANCIAL after the related consolidation adjustments increased to ¥3.0 billion in the first half of fiscal year 2011, compared to ¥2.1 billion in the first half of

fiscal year 2010. Revenue decreased to ¥24.3 billion in the first half of fiscal year 2011, compared to ¥26.9 billion in the first half 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 ¥15.0 billion in the first half of fiscal year 2011 from ¥16.9 billion in the first half of fiscal year 2010. Also, due to strict credit management, net credit costs decreased to ¥6.2 billion in the first half of fiscal year 2011 from ¥7.9 billion in the first half of fiscal year 2010.

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

Interest Repayment

- Shinsei Financial's usage of reserve for losses on interest repayment, etc. amounted to ¥4.7 billion in the first half of fiscal year 2011. The business made an additional reserve of ¥0.8 billion for losses on interest repayment resulting in a total balance of ¥14.0 billion in reserve for losses on interest repayment as of September 30, 2011

compared to ¥18.0 billion as of March 31, 2011. When the consumer finance business was purchased from GE, the purchase agreement included an indemnity from GE that provides protection on the purchased assets of Shinsei Financial against potential losses beyond ¥203.9 billion from the majority of the legacy accounts with interest repayment exposure.

- Shinki's usage of reserve for losses on interest repayment amounted to ¥5.8 billion in the first half of fiscal year 2011. The business made no additional reserve for losses on interest repayment resulting in a total balance of ¥7.6 billion in reserve for losses on interest repayment as of September 30, 2011 compared to ¥13.4 billion as of March 31, 2011.
- APLUS FINANCIAL's usage of reserve for losses on interest repayment amounted to ¥3.4 billion in the first half of fiscal year 2011. The business made no additional reserve for losses on interest repayment resulting in a total balance of ¥8.2 billion in reserve for losses on interest repayment as of September 30, 2011 compared to ¥11.7 billion as of March 31, 2011.

Segment Information

Names	Major businesses
Institutional Group:	
Institutional Business	The "Institutional Business Sub-Group" provides financial products and services for corporations and the public sector.
Structured Finance	The "Structured Finance Sub-Group" provides real estate finance business, financial products and services to corporations including construction and real estate companies, specialty finance and trust businesses.
Principal Transactions	The "Principal Transactions Sub-Group" provides credit trading business.
Showa Leasing	"Showa Leasing" primarily provides leasing related financial products and services.
Other Institutional Group	The "Other Institutional Group" consists of the asset-backed investment business and advisory business.
Global Markets Group:	
Financial Institutions	The "Financial Institutions Sub-Group" provides financial products and services for financial institutions.
Markets	The "Markets Sub-Group" is engaged in foreign exchange, derivatives, equity related, and other capital markets transactions.
Treasury	The "Treasury Sub-Group" undertakes ALM related operations.
Other Global Markets Group	The "Other Global Markets Group" consists of the profit and loss attributable to Shinsei Securities, alternative investment, asset management, wealth management, and other products and services in the Global Markets Group.
Individual Group:	
Retail Banking	The "Retail Banking Sub-Group" provides financial products and services for retail customers.
Shinsei Financial	"Shinsei Financial" provides consumer finance products and services and guarantee services.
APLUS FINANCIAL	"APLUS FINANCIAL" provides installment sales credit, credit cards, guarantees, financing and settlement services.
Other Individual Group	The "Other Individual Group" consists of profit and loss attributable to the Consumer Finance Sub-Group and other subsidiaries and affiliates.

Interim Consolidated Balance Sheets (Consolidated)

Assets

(millions of yen)

	Sep 30 2011	Sep 30 2010	Change	March 31 2011	Change
	a	b	a-b	c	a-c
<<Assets>>					
Cash and due from banks	329,447	469,875	(140,427)	452,751	(123,304)
Call loans	30,187	31,526	(1,338)	-	30,187
Collateral related to securities borrowing transactions	52,412	33,352	19,059	10,388	42,023
Other monetary claims purchased	147,015	178,448	(31,432)	157,006	(9,991)
Trading assets	239,195	246,955	(7,760)	195,396	43,798
Monetary assets held in trust	276,498	278,681	(2,182)	253,688	22,810
Securities	2,220,124	2,639,967	(419,843)	3,286,382	(1,066,257)
Loans and bills discounted	4,125,538	4,604,494	(478,956)	4,291,462	(165,923)
Foreign exchanges	22,201	12,327	9,874	42,069	(19,868)
Lease receivables and leased investment assets	198,368	204,766	(6,397)	206,216	(7,848)
Other assets	772,359	1,204,899	(432,539)	794,798	(22,438)
Premises and equipment	48,647	51,216	(2,569)	50,099	(1,452)
Intangible fixed assets	89,499	102,959	(13,460)	96,013	(6,513)
Goodwill, net	45,524	53,513	(7,989)	49,526	(4,001)
Deferred issuance expenses for debentures	159	181	(22)	182	(23)
Deferred tax assets	16,017	16,496	(479)	18,603	(2,585)
Customers' liabilities for acceptances and guarantees	557,226	606,101	(48,875)	575,700	(18,474)
Reserve for credit losses	(184,330)	(218,155)	33,825	(199,211)	14,880
Total assets	8,940,569	10,464,094	(1,523,525)	10,231,548	(1,290,979)

Liabilities and Equity

(Millions of yen)

	Sep 30 2011 a	Sep 30 2010 b	Change a-b	March 31 2011 c	Change a-c
<<Liabilities>>					
Deposits	5,384,373	5,570,500	(186,127)	5,436,640	(52,267)
Negotiable certificates of deposit	152,986	319,674	(166,688)	174,046	(21,060)
Debentures	313,190	425,248	(112,057)	348,270	(35,079)
Call money	140,229	160,494	(20,264)	160,330	(20,100)
Collateral related to securities lending transactions	223,069	140,806	82,262	269,697	(46,628)
Trading liabilities	191,246	196,999	(5,752)	147,787	43,459
Borrowed money	547,252	1,336,159	(788,906)	1,672,790	(1,125,537)
Foreign exchanges	16	46	(30)	39	(23)
Short-term corporate bonds	43,600	20,400	23,200	22,800	20,800
Corporate bonds	163,603	180,897	(17,293)	179,611	(16,007)
Other liabilities	551,702	830,551	(278,848)	569,362	(17,660)
Accrued employees' bonuses	4,335	4,921	(586)	8,084	(3,749)
Accrued directors' bonuses	22	29	(7)	38	(16)
Reserve for employees' retirement benefits	7,085	7,423	(338)	11,016	(3,931)
Reserve for directors' retirement benefits	195	252	(57)	285	(89)
Reserve for losses on interest repayments	29,934	46,777	(16,842)	43,199	(13,264)
Reserve under special law	1	3	(2)	1	-
Deferred tax liabilities	381	2,606	(2,225)	690	(309)
Acceptances and guarantees	557,226	606,101	(48,875)	575,700	(18,474)
Total liabilities	8,310,453	9,849,897	(1,539,443)	9,620,394	(1,309,941)
<<Equity>>					
Shareholders' equity:					
Capital stock	512,204	476,296	35,907	512,204	-
Capital surplus	79,461	43,554	35,907	79,461	-
Retained earnings	72,783	29,321	43,461	55,087	17,696
Treasury stock, at cost	(72,558)	(72,558)	-	(72,558)	-
Total shareholders' equity	591,891	476,614	115,277	574,195	17,696
Accumulated other comprehensive income:					
Unrealized gain (loss) on available-for-sale securities	(7,489)	(8,274)	785	(15,225)	7,736
Deferred gain (loss) on derivatives under hedge accounting	(12,870)	(7,959)	(4,910)	(10,197)	(2,672)
Foreign currency translation adjustments	(3,406)	(3,680)	273	(2,511)	(895)
Total accumulated other comprehensive income	(23,766)	(19,914)	(3,851)	(27,935)	4,168
Stock acquisition rights	1,357	1,611	(253)	1,413	(55)
Minority interests in subsidiaries	60,633	155,886	(95,253)	63,481	(2,847)
Total equity	630,116	614,197	15,918	611,154	18,961
Total liabilities and equity	8,940,569	10,464,094	(1,523,525)	10,231,548	(1,290,979)

Interim Consolidated Statements of Income (Consolidated)

(millions of yen, except percentages)

	1HFY2011 (6 months)	1HFY2010 (6 months)	Change		FY2010 (12 months)
			Amount	%	
Total interest income	83,123	112,837	(29,713)	(26.3)	207,137
Interest on loans and bills discounted	72,580	96,596	(24,016)	(24.9)	178,579
Interest and dividends on securities	9,715	12,763	(3,047)	(23.9)	23,857
Other interest income	827	3,476	(2,649)	(76.2)	4,701
Fees and commissions income	25,146	24,426	720	2.9	49,112
Trading profits	9,340	12,624	(3,284)	(26.0)	14,506
Other business income	85,400	97,122	(11,721)	(12.1)	180,209
Other ordinary income	20,758	7,774	12,984	167.0	14,856
Ordinary income	223,770	254,785	(31,015)	(12.2)	465,823
Total interest expenses	22,374	26,660	(4,286)	(16.1)	50,475
Interest on deposits	14,966	18,275	(3,308)	(18.1)	33,950
Interest on borrowings	2,924	3,762	(838)	(22.3)	7,098
Interest on corporate bonds	2,828	2,483	345	13.9	5,504
Other interest expenses	1,654	2,139	(485)	(22.7)	3,920
Fees and commissions expenses	11,269	12,131	(861)	(7.1)	23,080
Trading losses	2,798	5,443	(2,645)	(48.6)	2,857
Other business expenses	66,756	55,841	10,915	19.5	118,612
Total general and administrative expenses	70,751	80,935	(10,184)	(12.6)	158,459
General and administrative expenses	64,506	74,070	(9,563)	(12.9)	145,360
Amortization of goodwill	4,001	4,384	(382)	(8.7)	8,371
Amortization of intangible assets	2,242	2,480	(237)	(9.6)	4,728
Other ordinary expenses	22,932	55,560	(32,628)	(58.7)	87,895
Provision of reserve for loan losses	11,540	45,221	(33,680)	(74.5)	61,718
Others	11,391	10,339	1,052	10.2	26,176
Ordinary expenses	196,882	236,571	(39,689)	(16.8)	441,381
Net ordinary income	26,888	18,214	8,674	47.6	24,441
Special gains	509	11,821	(11,311)	(95.7)	45,847
Special losses	1,635	5,323	(3,688)	(69.3)	12,507
Income before income taxes and minority interests	25,762	24,711	1,050	4.2	57,782
Income taxes (benefit):					
Current	1,699	1,177	522	44.4	1,993
Deferred	1,799	1,785	14	0.8	5,229
Total income taxes (benefit)	3,499	2,962	536	18.1	7,223
Income before minority interests	22,262	21,748	514	2.4	50,558
Minority interests in net income of subsidiaries	1,911	4,865	(2,953)	(60.7)	7,908
Net income	20,350	16,883	3,467	20.5	42,650

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

	1HFY2011 (6 months)	1HFY2010 (6 months)	Change	
			Amount	%
Income before minority interests	22,262	21,748	514	2.4
Other comprehensive income				
Unrealized gain (loss) on available-for-sale securities	7,714	(9,754)	17,468	179.1
Deferred gain (loss) on derivatives under hedge accounting	(2,672)	(4,632)	1,960	42.3
Foreign currency translation adjustments	(1,421)	(13,518)	12,096	89.5
Share of other comprehensive income in affiliates	(577)	(668)	91	13.6
Other comprehensive income	3,042	(28,573)	31,616	110.6
Comprehensive income	25,305	(6,825)	32,130	470.8
(Breakdown)				
Attributable to:				
Owners of the parent	24,519	(361)	24,880	6,892.0
Minority interests	785	(6,463)	7,249	112.2

Interim Consolidated Statements of Changes in Equity (Consolidated)

(millions of yen)

	1HFY2011 (6 months)	1HFY2010 (6 months)	FY2010 (12 months)
Shareholders' Equity			
Capital stock			
Balance at beginning of the period	512,204	476,296	476,296
Changes in amounts during the period			
Issuance of new shares	-	-	35,907
Total changes in amounts during the period	-	-	35,907
Balance at the end of the period	512,204	476,296	512,204
Capital surplus			
Balance at beginning of the period	79,461	43,554	43,554
Changes in amounts during the period			
Issuance of new shares	-	-	35,907
Total changes in amounts during the period	-	-	35,907
Balance at the end of the period	79,461	43,554	79,461
Retained earnings			
Balance at beginning of the period	55,087	12,438	12,438
Changes in amounts during the period			
Dividends from surplus	(2,653)	-	-
Net income	20,350	16,883	42,650
Decrease by increase of consolidated subsidiary	(0)	-	(0)
Increase by decrease of consolidated subsidiary	-	-	0
Decrease by decrease of consolidated subsidiary	(0)	-	(1)
Total changes in amounts during the period	17,696	16,883	42,649
Balance at the end of the period	72,783	29,321	55,087
Treasury stock			
Balance at beginning of the period	(72,558)	(72,558)	(72,558)
Changes in amounts during the period			
Total changes in amounts during the period	-	-	-
Balance at the end of the period	(72,558)	(72,558)	(72,558)
Shareholders' Equity			
Balance at beginning of the period	574,195	459,730	459,730
Changes in amounts during the period			
Dividends from surplus	(2,653)	-	-
Issuance of new shares	-	-	71,815
Net income	20,350	16,883	42,650
Decrease by increase of consolidated subsidiary	(0)	-	(0)
Increase by decrease of consolidated subsidiary	-	-	0
Decrease by decrease of consolidated subsidiary	(0)	-	(1)
Total changes in amounts during the period	17,696	16,883	114,464
Balance at the end of the period	591,891	476,614	574,195

(millions of yen)

	1HFY2011 (6 months)	1HFY2010 (6 months)	FY2010 (12 months)
Accumulated comprehensive income			
Unrealized gain (loss) on available-for-sale securities			
Balance at beginning of the period	(15,225)	1,398	1,398
Changes in amounts during the period			
Total changes in amounts during the period excluding shareholders' equity (net)	7,736	(9,673)	(16,624)
Total changes in amounts during the period	7,736	(9,673)	(16,624)
Balance at the end of the period	(7,489)	(8,274)	(15,225)
Deferred gain (loss) on derivatives under hedge accounting			
Balance at beginning of the period	(10,197)	(3,327)	(3,327)
Changes in amounts during the period			
Total changes in amounts during the period excluding shareholders' equity (net)	(2,672)	(4,632)	(6,870)
Total changes in amounts during the period	(2,672)	(4,632)	(6,870)
Balance at the end of the period	(12,870)	(7,959)	(10,197)
Foreign currency translation adjustments			
Balance at beginning of the period	(2,511)	(741)	(741)
Changes in amounts during the period			
Total changes in amounts during the period excluding shareholders' equity (net)	(895)	(2,939)	(1,770)
Total changes in amounts during the period	(895)	(2,939)	(1,770)
Balance at the end of the period	(3,406)	(3,680)	(2,511)
Total accumulated other comprehensive income			
Balance at beginning of the period	(27,935)	(2,669)	(2,669)
Changes in amounts during the period			
Total changes in amounts during the period excluding shareholders' equity (net)	4,168	(17,244)	(25,265)
Total changes in amounts during the period	4,168	(17,244)	(25,265)
Balance at the end of the period	(23,766)	(19,914)	(27,935)
Stock acquisition rights			
Balance at beginning of the period	1,413	1,672	1,672
Changes in amounts during the period			
Total changes in amounts during the period excluding shareholders' equity (net)	(55)	(60)	(259)
Total changes in amounts during the period	(55)	(60)	(259)
Balance at the end of the period	1,357	1,611	1,413
Minority interests in subsidiaries			
Balance at beginning of the period	63,481	176,221	176,221
Changes in amounts during the period			
Total changes in amounts during the period excluding shareholders' equity (net)	(2,847)	(20,334)	(112,740)
Total changes in amounts during the period	(2,847)	(20,334)	(112,740)
Balance at the end of the period	60,633	155,886	63,481
Total equity			
Balance at beginning of the period	611,154	634,954	634,954
Changes in amounts during the period			
Dividends from surplus	(2,653)	-	-
Issuance of new shares	-	-	71,815
Net income	20,350	16,883	42,650
Decrease by increase of consolidated subsidiary	(0)	-	(0)
Increase by decrease of consolidated subsidiary	-	-	0
Decrease by decrease of consolidated subsidiary	(0)	-	(1)
Total changes in amounts during the period excluding shareholders' equity (net)	1,265	(37,640)	(138,264)
Total changes in amounts during the period	18,961	(20,756)	(23,800)
Balance at the end of the period	630,116	614,197	611,154

Section 2. Non-Consolidated Information

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

	<i>(Billions of yen, except percentages)</i>			
	1HFY2011 (6 months)	1HFY2010 (6 months)	% Change	FY2010 (12 months)
Net interest income	29.3	38.3	(23.5)	70.5
Non-interest income	8.9	31.9	(72.0)	44.6
Net fees and commissions ⁽¹⁾	9.4	10.5	(11.1)	15.5
Net trading income	6.7	5.4	22.3	10.6
Net other business income	(7.1)	15.8	(145.3)	18.4
Total revenue ⁽¹⁾	38.3	70.2	(45.5)	115.1
Personnel expenses	9.7	9.9	(2.0)	19.9
Non-personnel expenses	16.3	18.6	(12.2)	37.4
Taxes	1.3	1.4	(9.8)	3.1
General and administrative expenses	27.4	30.0	(8.7)	60.5
Net business profit ⁽¹⁾	10.8	40.2	(73.0)	54.6
Other gains (losses)				
Gains (losses) on the sales of equities	1.8	0.1	1,021.8	1.5
Provision of reserve for loan losses	2.2	25.2	(91.0)	35.1
Losses on write-off of loans	2.0	6.1	(67.1)	5.1
Recoveries of written-off claims ⁽²⁾	1.4	-	-	-
Expenses for employees' retirement benefits	1.1	1.6	(30.4)	3.4
Other losses, expenses	0.4	1.3	(68.4)	4.6
Net ordinary income	8.3	6.1	36.2	7.9
Special gains (losses)				
Gains (losses) from sales of fixed assets	(1.2)	(0.6)	100.3	(1.1)
Recoveries of written-off claims ⁽²⁾	-	2.1	-	5.6
Other special gains (losses)	(0.1)	3.0	(103.4)	(0.3)
Income before income taxes	6.9	10.7	(35.2)	12.1
Income taxes (benefit)				
Current	0.3	(0.3)	204.0	(0.5)
Deferred	2.0	1.8	11.0	1.5
Net income	4.5	9.3	(50.8)	11.1

(1) Includes income from monetary assets held in trust of ¥6.4 billion in 1HFY2011, ¥8.8 billion in 1HFY2010 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

- Differences between the interim net incomes on a non-consolidated basis and consolidated basis in the first half of fiscal year 2011 come 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 Revision of Accounting Practice Committee Statement No.14 "Practical Guidelines on Accounting Standards for Financial Instruments" released on March 29, 2011. The net credit costs for the first half of fiscal year 2011 includes ¥1.4 billion from recoveries of written-off claims.

- Shinsei Bank recorded total revenue for the first half of fiscal year 2011 of ¥38.3 billion on a non-consolidated basis, down ¥31.9 billion compared to the ¥70.2 billion recorded in the same period of the previous fiscal year. This is due to a ¥9.0 billion decline in net interest income caused by factors including a reduction in non-core assets, as well as a ¥22.9 billion decrease in net other business income caused by a significant decline in gains on the sale of bonds including JGBs due to the absence of gains on the sale of CLO and asset-backed securities which were recorded in the first half of the previous fiscal year.
- General and administrative expenses were ¥27.4 billion for the first half of fiscal year 2011, or ¥2.6 billion lower than in the same period of the previous fiscal year, achieved through rationalization and efficiency

improvements made across business groups. As a result, net business profit for the first half of fiscal year 2011 decreased ¥29.3 billion to ¥10.8 billion. However, net ordinary income increased ¥2.2 billion to ¥8.3 billion, due to the ¥28.4 billion decline in net credit costs as a result of a substantial improvement in credit costs related to specialty finance and domestic real estate non-recourse finance, as well as the ¥1.7 billion increase in equity-related gains, as gain on sale of foreign equities that had been classified as non-core assets offset the impairment of major listed stocks.

- Shinsei Bank recorded a non-consolidated net income of ¥4.5 billion in the first half of fiscal year 2011, down ¥4.7 billion compared to the same period of the previous fiscal year, due to the absence of recoveries of written-off claims (included in net credit costs from fiscal year 2011) and gain on the repurchase of our subordinated debt that were recorded as special gains in the first half of fiscal year 2010.

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

	<i>(Billions of yen, except percentages)</i>			
	1HFY2011	1HFY2010	%	FY2010
	(6 months)	(6 months)	Change	(12 months)
Losses on write-off of loans	2.0	6.1	(66.6)	5.2
Net provision of reserve for loan losses	2.2	25.2	(91.0)	35.1
Net provision (reversal) of general reserve for loan losses	(0.6)	16.0	(104.1)	17.3
Net provision of specific reserve for loan losses	2.9	9.1	(67.9)	17.7
Net provision (reversal) of reserve for loan losses to restructuring countries	(0.0)	(0.0)	2,159.7	(0.0)
Recoveries of written-off claims ⁽¹⁾	(1.4)	-	-	-
Net credit costs	2.8	31.3	(90.9)	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 28- (Non-Consolidated)

	<i>(Billions of yen, except percentages)</i>								
	1HFY2011 (6 months)			1HFY2010 (6 months)			FY2010 (12 months)		
	Average balance	Interest	Yield/rate (%)	Average balance	Interest	Yield/rate (%)	Average balance	Interest	Yield/rate (%)
Interest-earning assets:									
Cash and due from banks	25.6	0.1	1.21	23.9	0.0	0.69	21.4	0.1	0.82
Call loans	24.7	0.0	0.18	55.2	0.0	0.16	63.4	0.1	0.16
Receivables under resale agreements	-	-	-	-	-	-	-	-	-
Collateral related to securities borrowing transactions	8.7	0.0	0.08	151.3	0.0	0.12	124.1	0.1	0.11
Securities	3,169.3	16.0	1.01	3,378.7	20.5	1.21	3,472.9	39.3	1.13
Loans and bills discounted	4,029.8	32.0	1.59	4,461.6	38.1	1.70	4,288.9	70.7	1.65
Other interest-earning assets	287.7	1.4	1.03	477.6	3.2	1.36	460.7	6.1	1.34
Interest rate and funding swaps	-	0.1	-	-	2.6	-	-	3.1	-
Total interest-earning assets	7,546.1	49.9	1.32	8,548.5	64.8	1.51	8,431.7	119.9	1.42
Interest-bearing liabilities:									
Deposits	5,531.5	14.9	0.54	6,131.8	18.2	0.59	5,922.8	33.9	0.57
Negotiable certificates of deposit	251.7	0.2	0.16	309.4	0.3	0.20	294.2	0.5	0.20
Debentures	334.1	0.8	0.49	460.7	1.3	0.58	427.0	2.3	0.56
Call money	150.7	0.0	0.11	189.7	0.1	0.11	177.0	0.2	0.11
Payable under repurchase agreements	-	-	-	5.2	0.0	0.10	2.6	0.0	0.10
Collateral related to securities lending transactions	429.1	0.3	0.16	317.4	0.1	0.11	304.3	0.4	0.14
Borrowed money	529.5	1.1	0.43	944.9	1.0	0.22	1,084.0	2.1	0.20
Corporate bonds	219.2	4.2	3.87	330.2	6.8	4.15	295.8	12.6	4.28
Other interest-bearing liabilities	0.1	0.0	n.m. ⁽¹⁾	0.3	0.0	n.m. ⁽¹⁾	0.2	0.0	n.m. ⁽¹⁾
Interest rate and funding swaps	-	-	-	-	-	-	-	-	-
Total interest-bearing liabilities	7,446.2	21.8	0.58	8,690.0	28.2	0.64	8,508.4	52.5	0.61
Net interest income/yield on interest-earning assets	7,546.1	28.1	0.74	8,548.5	36.6	0.85	8,431.7	67.3	0.79

(1) n.m. is not meaningful.

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

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

	<i>(Billions of yen)</i>				
	Sep 30 2011	Sep 30 2010	Change	March 31 2011	Change
	(a)	(b)	(a)-(b)	(c)	(a)-(c)
Loans to bankrupt obligors	6.5	10.1	(3.6)	7.2	(0.7)
Non-accrual delinquent loans	216.2	273.0	(56.8)	237.7	(21.4)
Loans past due for three months or more	0.7	1.7	(1.0)	1.6	(0.8)
Restructured loans	3.5	4.5	(0.9)	4.7	(1.2)
Total (A)	227.1	289.6	(62.4)	251.3	(24.2)
Loans and bills discounted (B)	4,060.8	4,176.9	(116.0)	3,973.2	87.6
Ratio to total loans and bills discounted (A / B) (%)	5.59%	6.93%		6.33%	
Reserve for credit losses (C)	110.1	121.9	(11.7)	114.8	(4.7)
Reserve ratio (C / A) (%)	48.5%	42.1%		45.7%	

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

(1)

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

(Billions of yen)

	Sep 30 2011 (a)	Sep 30 2010 (b)	Change (a)-(b)	March 31 2011 (c)	Change (a)-(c)
Domestic offices (excluding Japan offshore market account):					
Manufacturing	245.3	250.6	(5.3)	230.1	15.2
Agriculture and forestry	1.2	-	1.2	-	1.2
Fishery	1.0	2.4	(1.4)	2.2	(1.2)
Mining, quarrying and gravel extraction	0.4	2.2	(1.8)	0.4	(0.0)
Construction	12.5	3.7	8.7	6.7	5.7
Electric power, gas, heat supply and water supply	37.6	25.9	11.6	27.1	10.4
Information and communications	34.1	15.6	18.5	12.1	22.0
Transportation and postal service	269.5	268.5	1.0	279.6	(10.0)
Wholesale and retail	77.6	97.2	(19.5)	99.3	(21.6)
Finance and insurance	1,200.8	1,239.0	(38.2)	1,077.8	122.9
Real estate	580.1	663.5	(83.3)	544.5	35.6
Services	371.3	311.4	59.9	387.3	(16.0)
Local government	140.9	164.1	(23.2)	158.8	(17.8)
Individual	900.7	891.1	9.6	937.3	(36.5)
Overseas yen loan and overseas loans booked domestically	125.3	201.4	(76.1)	172.9	(47.5)
Total domestic	3,998.9	4,137.1	(138.2)	3,936.5	62.3
Overseas offices (including Japan offshore market accounts):					
Governments	2.1	2.2	(0.0)	2.2	(0.0)
Financial institutions	1.1	2.1	(0.9)	1.6	(0.4)
Commerce and industry	58.5	35.3	23.1	32.7	25.7
Others	-	-	-	-	-
Total overseas	61.9	39.7	22.1	36.6	25.2
Total	4,060.8	4,176.9	(116.0)	3,973.2	87.6

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

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

	(Billions of yen)				
	Sep 30 2011 (a)	Sep 30 2010 (b)	Change (a)-(b)	March 31 2011 (c)	Change (a)-(c)
Domestic offices (excluding Japan offshore market account):					
Manufacturing	3.2	3.3	(0.0)	3.5	(0.3)
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	(0.0)	0.5	(0.0)
Transportation and postal service	-	13.2	(13.2)	-	-
Wholesale and retail	0.0	0.0	-	0.0	-
Finance and insurance	23.8	26.5	(2.6)	22.7	1.1
Real estate	183.0	218.3	(35.2)	172.3	10.7
Services	0.1	2.9	(2.8)	2.0	(1.9)
Local government	-	-	-	-	-
Individual	4.2	6.1	(1.8)	6.8	(2.5)
Overseas yen loan and overseas loans booked domestically	11.9	18.4	(6.5)	43.3	(31.3)
Total domestic	227.1	289.6	(62.4)	251.3	(24.2)
Overseas offices (including Japan offshore market accounts):					
Governments	-	-	-	-	-
Financial institutions	-	-	-	-	-
Commerce and industry	-	-	-	-	-
Others	-	-	-	-	-
Total overseas	-	-	-	-	-
Total	227.1	289.6	(62.4)	251.3	(24.2)

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

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

	(Billions of yen)				
	Sep 30 2011 (a)	Sep 30 2010 (b)	Change (a)-(b)	March 31 2011 (c)	Change (a)-(c)
US	52.1	35.7	16.3	35.1	16.9
Asset-backed investments ⁽¹⁾ in US	4.6	3.7	0.9	4.1	0.5
Europe	33.5	94.2	(60.7)	66.2	(32.7)
Asset-backed investments ⁽¹⁾ in Europe	25.7	56.9	(31.1)	30.9	(5.2)
Others	101.5	111.2	(9.6)	108.1	(6.5)
Total overseas and offshore loans	187.2	241.2	(53.9)	209.5	(22.3)
Total asset-backed investments⁽¹⁾	30.4	60.6	(30.2)	35.1	(4.6)

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

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

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

(Billions of yen)

	Sep 30 2011 (a)	Sep 30 2010 (b)	Change (a)-(b)	March 31 2011 (c)	Change (a)-(c)
US	-	-	-	6.7	(6.7)
Asset-backed investments ⁽¹⁾ in US	-	-	-	-	-
Europe	11.9	18.4	(6.4)	36.4	(24.5)
Asset-backed investments ⁽¹⁾ in Europe	11.6	17.7	(6.0)	13.1	(1.4)
Others	0.0	0.0	(0.0)	0.0	(0.0)
Total overseas and offshore loans	11.9	18.4	(6.5)	43.3	(31.3)
Total asset-backed investments ⁽¹⁾	11.6	17.7	(6.0)	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 September 30, 2011, reserve for loan losses and collateral/guarantees for risk monitored loans related to asset-backed investments were ¥3.6 billion and ¥8.0 billion, respectively, and the coverage ratio was 100.0%.

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

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

(Billions of yen)

	Sep 30 2011 (a)	Sep 30 2010 (b)	Change (a)-(b)	March 31 2011 (c)	Change (a)-(c)
Claims against bankrupt and quasi-bankrupt obligors	53.4	92.1	(38.7)	62.5	(9.0)
Doubtful claims	196.7	218.2	(21.4)	210.7	(13.9)
Substandard claims	4.3	6.3	(2.0)	6.4	(2.0)
Total (A)	254.4	316.6	(62.2)	279.6	(25.1)
Coverage ratio	97.0%	96.3%		96.8%	
Total claims (B)	4,268.2	4,858.4	(590.1)	4,120.4	147.8
Loans and bills discounted	4,060.8	4,176.9	(116.0)	3,973.2	87.6
Others	207.3	681.5	(474.1)	147.1	60.2
Ratio to total claims (A / B) X 100 (%)	5.96%	6.52%		6.78%	
(Ref. 1) Amount of write-off	83.1	97.3	(14.1)	90.3	(7.1)
(Ref. 2) Below need caution level	641.4	852.8	(211.4)	730.4	(89.0)

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

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

(Billions of yen, except percentages)

September 30, 2011					
Amounts of coverage					
Amounts of claims	Total	Reserve for loan losses	Collateral and guarantees	Coverage ratio	
Claims against bankrupt and quasi-bankrupt obligors	53.4	53.4	3.7	49.7	100.0%
Doubtful claims	196.7	190.8	39.0	151.8	97.0%
Substandard claims	4.3	2.7	1.7	1.0	62.8%
Total	254.4	246.9	44.4	202.5	97.0%

(Billions of yen, except percentages)

September 30, 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	92.1	92.1	5.4	86.7	100.0%	62.5	62.5	3.7	58.7	100.0%
Doubtful claims	218.2	208.0	31.1	176.9	95.3%	210.7	203.7	39.1	164.7	96.7%
Substandard claims	6.3	4.7	3.1	1.7	74.8%	6.4	4.4	2.5	2.0	69.1%
Total	316.6	304.9	39.6	265.2	96.3%	279.6	270.6	45.2	225.3	96.8%

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

(Billions of yen)

	Sep 30 2011	Sep 30 2010	Change	March 31 2011	Change
	(a)	(b)	(a)-(b)	(c)	(a)-(c)
Reserve for credit losses	88.9	100.7	(11.7)	93.6	(4.7)
General reserve for loan losses	44.8	62.2	(17.3)	48.3	(3.4)
Specific reserve for loan losses	44.0	38.5	5.5	45.2	(1.2)
Reserve for loans to restructuring countries	0.0	0.0	(0.0)	0.0	(0.0)
Specific reserve for other credit losses	21.1	21.1	-	21.1	-
Total reserve for credit losses	110.1	121.9	(11.7)	114.8	(4.7)

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

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

(Percentages)

		Sep 30 2011	Sep 30 2010	Change	Mar 31 2011	Change
		(a)	(b)	(a)-(b)	(c)	(a)-(c)
Legally and virtually bankrupt	(unsecured portion)	100.00	100.00	-	100.00	-
Possibly bankrupt	(unsecured portion)	97.48	78.44	19.04	92.06	5.42
Substandard	(unsecured portion)	51.99	66.50	(14.51)	55.06	(3.07)
Need caution	(total claims)	3.74	6.50	(2.76)	4.84	(1.10)
	(unsecured portion)	12.86	23.47	(10.61)	17.70	(4.84)
Normal	(total claims)	0.66	0.50	0.16	0.58	0.08

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

Housing Loans -Table 38- (Non-Consolidated)

(Billions of yen)

	Sep 30 2011 (a)	Sep 30 2010 (b)	Change (a)-(b)	Mar 31 2011 (c)	Change (a)-(c)
Housing loans	879.5	864.1	15.3	892.0	(12.5)

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

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

(Billions of yen)

	Sep 30 2011 (a)	Sep 30 2010 (b)	Change (a)-(b)	Mar 31 2011 (c)	Change (a)-(c)
Loans to small- and medium-sized entities (SMEs)	2,514.3	2,557.8	(43.4)	2,392.2	122.0
% of loans to small- and medium-sized entities	62.9%	61.8%		60.8%	

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

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

(Billions of yen)

	September 30, 2011			September 30, 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)
Items with fair value exceeding book value									
Japanese national government bonds	554.6	559.7	5.1	293.2	298.7	5.5	393.6	397.7	4.0
Japanese corporate bonds	27.6	28.0	0.4	69.4	70.5	1.0	59.5	60.2	0.6
Other	37.4	40.7	3.3	40.2	43.6	3.4	40.1	43.7	3.6
Total	619.7	628.6	8.8	402.9	412.9	10.0	493.3	501.7	8.3
Items with fair value not exceeding book value									
Japanese national government bonds	40.1	40.0	(0.0)	-	-	-	50.1	50.0	(0.0)
Japanese corporate bonds	-	-	-	-	-	-	-	-	-
Other	9.3	8.7	(0.5)	10.0	9.2	(0.7)	10.4	9.9	(0.4)
Total	49.4	48.8	(0.6)	10.0	9.2	(0.7)	60.6	60.0	(0.5)
Total	669.1	677.4	8.2	413.0	422.2	9.2	553.9	561.7	7.7

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

	(Billions of yen)								
	September 30, 2011			September 30, 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	3.5	2.9	0.6	0.4	0.3	0.1	2.4	1.7	0.6
Domestic bonds	923.7	920.8	2.8	1,050.8	1,047.0	3.7	1,229.6	1,227.9	1.6
Japanese national government bonds	843.1	841.1	2.0	981.3	978.7	2.6	1,152.2	1,151.3	0.8
Japanese local government bonds	1.7	1.7	0.0	1.8	1.7	0.0	1.7	1.7	0.0
Short-term corporate bonds	-	-	-	-	-	-	9.9	9.9	0.0
Japanese corporate bonds	78.7	78.0	0.6	67.7	66.6	1.1	65.5	64.8	0.7
Other	62.1	58.5	3.5	131.7	123.9	7.7	85.7	81.3	4.3
Foreign securities	51.0	47.6	3.3	127.4	120.0	7.3	82.5	78.3	4.1
Foreign currency denominated foreign corporate and government bonds	32.3	29.4	2.8	74.9	70.1	4.7	46.1	42.9	3.2
Yen-denominated foreign corporate and government bonds	16.6	16.5	0.0	48.6	48.0	0.5	34.2	33.7	0.5
Foreign equity securities and others	2.0	1.6	0.3	3.8	1.8	2.0	2.1	1.7	0.3
Other securities	1.0	0.9	0.1	1.1	0.9	0.2	1.0	0.9	0.1
Other monetary claims purchased	10.0	9.9	0.0	3.1	2.9	0.1	2.1	2.0	0.0
Total	989.3	982.3	7.0	1,183.0	1,171.3	11.6	1,317.7	1,311.0	6.7
Items with book value not exceeding amortized/acquisition cost									
Equity securities	5.9	6.3	(0.3)	8.8	13.3	(4.5)	7.3	11.3	(4.0)
Domestic bonds	333.8	337.3	(3.5)	758.7	763.8	(5.1)	1,089.9	1,097.8	(7.9)
Japanese national government bonds	166.4	167.3	(0.8)	503.4	505.3	(1.8)	866.4	869.0	(2.5)
Japanese local government bonds	-	-	-	-	-	-	-	-	-
Short-term corporate bonds	-	-	-	-	-	-	-	-	-
Japanese corporate bonds	167.3	169.9	(2.6)	255.2	258.5	(3.2)	223.4	228.8	(5.3)
Other	113.3	118.2	(4.9)	169.0	174.4	(5.3)	206.8	210.9	(4.0)
Foreign securities	112.7	117.7	(4.9)	164.8	170.0	(5.1)	203.7	207.7	(4.0)
Foreign currency denominated foreign corporate and government bonds	42.7	46.4	(3.7)	101.7	105.2	(3.5)	144.4	147.7	(3.2)
Yen-denominated foreign corporate and government bonds	67.1	68.2	(1.1)	59.2	60.1	(0.8)	54.8	55.5	(0.6)
Foreign equity securities and others	2.9	2.9	(0.0)	3.8	4.6	(0.7)	4.4	4.5	(0.0)
Other securities	0.5	0.5	-	1.0	1.0	-	1.0	1.0	-
Other monetary claims purchased	-	-	-	3.1	3.3	(0.1)	2.0	2.0	(0.0)
Total	453.1	461.9	(8.8)	936.6	951.6	(15.0)	1,304.0	1,320.1	(16.0)
Total	1,442.5	1,444.2	(1.7)	2,119.7	2,123.0	(3.3)	2,621.8	2,631.2	(9.3)

(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)		
	September 30, 2011	September 30, 2010	March 31, 2011
Unrealized gain (loss) before deferred tax on:			
Available-for-sale securities	(1.7)	(3.3)	(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	0.1	(0.0)
Securities being held to maturity, reclassified from available-for-sale in October 2008 under extremely illiquid market conditions	(5.1)	(6.2)	(5.9)
Deferred tax assets (liabilities)	-	-	-
Unrealized gain (loss) on available-for-sale securities	(6.9)	(9.4)	(15.3)

Hedge-Accounting Derivative Transactions-Table –Table 42- (Non-Consolidated)*(Billions of yen)*

Notional Principal Amount	September 30, 2011			
	1 year or less	Over 1 year to 5 years	Over 5 years	Total
Interest rate swaps:				
Receive fixed and pay floating	61.0	505.7	49.0	615.7
Receive floating and pay fixed	34.3	87.3	201.0	322.6
Receive floating and pay floating	-	-	-	-
Total notional principal amount	95.3	593.0	250.0	938.4
Currency swaps				
Total notional principal amount	69.4	19.0	-	88.5

Employees' Retirement Benefit -Table 43- (Non-Consolidated)**Projected Benefit Obligation (Non-Consolidated)***(Billions of yen)***Sep 30, 2011**

Projected benefit obligation	(A)	51.9
Discount rate		2.2%
Fair value of plan assets	(B)	45.6
Prepaid pension cost	(C)	(1.8)
Unrecognized prior service cost	(D)	(1.9)
Unrecognized net actuarial losses	(E)	7.8
Other (Unrecognized obligation at transition, etc.)	(F)	2.1
Reserve for retirement benefits	(A-B-C-D-E-F)	0.0

Pension Expenses (Non-Consolidated)*(Billions of yen)***1HFY2011
(6 months)**

Service cost	1.1
Interest	0.6
Expected return on plan assets	(0.5)
Amortization of prior service cost	(0.2)
Amortization of net actuarial losses	1.0
Amortization of unrecognized obligation at transition	0.3
Other (extraordinary severance benefit expense, etc.)	0.0
Net periodic retirement benefit cost	2.3

⁽¹⁾
Capital Adequacy Data-Table 44- (Non-Consolidated)

(Billions of yen, except percentages)

	Sep 30 2011 (a)	Sep 30 2010 (b)	Change (a)-(b)	March 31 2011 (c)	Change (a)-(c)
Basic items (Tier I)	652.1	656.4	(4.2)	642.5	9.6
Supplementary items (Tier II)	205.9	244.5	(38.6)	226.8	(20.9)
Deduction	(77.1)	(83.2)	6.1	(73.6)	(3.4)
Total capital ⁽²⁾	780.8	817.6	(36.7)	795.6	(14.7)
Risk assets	6,023.6	6,828.2	(804.6)	6,338.7	(315.1)
Capital adequacy ratio	12.96%	11.97%	—	12.55%	—
Tier I capital ratio	10.82%	9.61%	—	10.13%	—

(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 of net unrealized losses on securities available-for-sale, net of taxes, as of September 30, 2011, ¥9.4 billion as of September 30, 2010 and ¥15.3 billion as of March 31, 2011 are not included in BIS capital.

(2) Non-Consolidated total required capital is ¥359.5 billion as at September 30, 2011, ¥410.2 billion as at September 30, 2010 and ¥372.9 billion as at March 31, 2011.

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

Interim Non-Consolidated Balance Sheets (Non-Consolidated)

Assets

	(Millions of yen)				
	Sep 30 2011	Sep 30 2010	Change	March 31 2011	Change
	a	b	a-b	c	a-c
<<Assets>>					
Cash and due from banks	223,180	343,621	(120,440)	313,424	(90,243)
Call loans	30,187	31,526	(1,338)	-	30,187
Collateral related to securities borrowing transactions	13,784	5,854	7,930	3,050	10,734
Other monetary claims purchased	237,564	495,599	(258,035)	408,701	(171,137)
Trading assets	193,654	213,588	(19,934)	182,828	10,825
Monetary assets held in trust	343,854	412,830	(68,976)	360,976	(17,121)
Securities	2,636,008	3,089,106	(453,097)	3,701,794	(1,065,786)
Valuation allowance for investments	(3,370)	(3,370)	-	(3,370)	-
Loans and bills discounted	4,060,852	4,176,902	(116,050)	3,973,251	87,600
Foreign exchanges	22,201	12,327	9,874	42,069	(19,868)
Accounts receivable	-	578,549	/	-	-
Other assets	397,683	408,706	(11,023)	350,248	47,434
Premises and equipment	17,956	14,874	3,081	18,236	(279)
Intangible assets	8,306	10,654	(2,348)	9,987	(1,681)
Deferred issuance expenses for debentures	159	181	(22)	182	(23)
Deferred tax assets	-	-	-	1,894	(1,894)
Customers' liabilities for acceptances and guarantees	9,104	13,828	(4,723)	9,603	(498)
Reserve for credit losses	(110,152)	(121,934)	11,782	(114,877)	4,724
Total assets	8,080,974	9,682,847	(1,601,872)	9,258,002	(1,177,027)

Liabilities and Equity

(Millions of yen)

	Sep 30 2011 a	Sep 30 2010 b	Change a-b	March 31 2011 c	Change a-c
<<Liabilities>>					
Deposits	5,641,687	5,940,337	(298,649)	5,565,258	76,429
Negotiable certificates of deposit	152,986	319,674	(166,688)	174,046	(21,060)
Debentures	315,890	429,048	(113,157)	352,570	(36,679)
Call money	140,229	160,494	(20,264)	160,330	(20,100)
Collateral related to securities lending transactions	178,987	112,204	66,783	265,028	(86,041)
Trading liabilities	155,221	174,084	(18,863)	144,375	10,846
Borrowed money	315,428	1,065,979	(750,551)	1,405,648	(1,090,220)
Foreign exchanges	179	227	(48)	218	(39)
Corporate bonds	208,185	313,026	(104,841)	222,268	(14,082)
Other liabilities	329,798	591,274	(261,475)	335,798	(5,999)
Income taxes payable	307	267	40	314	(6)
Lease debt	2	3	(1)	3	△0
Asset retirement obligations	4,109	2,042	2,066	4,003	105
Other liabilities	325,379	588,961	(263,581)	331,476	(6,097)
Accrued employees' bonuses	1,922	2,389	(466)	4,149	(2,226)
Deferred tax liability	2,299	6,417	(4,117)	-	2,299
Acceptances and guarantees	9,104	13,828	(4,723)	9,603	(498)
Total liabilities	7,451,922	9,128,987	(1,677,064)	8,639,296	(1,187,373)
<<Equity>>					
Shareholders' equity:					
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	119,910	116,124	3,786	117,980	1,930
Legal reserve	11,566	11,035	530	11,035	530
Other retained earnings	108,344	105,088	3,255	106,944	1,399
Unappropriated retained earnings	108,344	105,088	3,255	106,944	1,399
Treasury stock, at cost	(72,558)	(72,558)	-	(72,558)	-
Total shareholders' equity	639,022	563,420	75,601	637,091	1,930
Net unrealized gain (loss):					
Unrealized gain (loss) on available-for-sale securities	(6,935)	(9,402)	2,467	(15,346)	8,410
Deferred gain (loss) on derivatives under hedge accounting	(4,393)	(1,769)	(2,623)	(4,452)	59
Total net unrealized gain (loss)	(11,328)	(11,172)	(156)	(19,799)	8,470
Stock acquisition rights	1,357	1,611	(253)	1,413	(55)
Total equity	629,051	553,859	75,192	618,705	10,345
Total liabilities and equity	8,080,974	9,682,847	(1,601,872)	9,258,002	(1,177,027)

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

(Millions of yen, except percentages)

	1HFY2011 (6 months)	1HFY2010 (6 months)	Change		FY2010 (12 months)
			Amount	%	
Total interest income	49,978	64,840	(14,861)	(22.9)	119,908
Interest on loans and bills discounted	32,092	38,181	(6,088)	(15.9)	70,796
Interest and dividends on securities	16,056	20,513	(4,457)	(21.7)	39,337
Other interest income	1,829	6,145	(4,315)	(70.2)	9,774
Fees and commissions income	7,830	7,092	738	10.4	13,846
Trading profits	9,617	10,960	(1,343)	(12.3)	13,543
Other business income	2,768	20,118	(17,350)	(86.2)	27,612
Other ordinary income	16,181	10,552	5,629	53.3	16,949
Ordinary income	86,376	113,563	(27,187)	(23.9)	191,860
Total interest expenses	21,868	28,232	(6,364)	(22.5)	52,528
Interest on deposits	14,976	18,297	(3,320)	(18.1)	33,986
Interest on corporate bonds	4,247	6,871	(2,623)	(38.2)	12,676
Other interest expenses	2,643	3,063	(420)	(13.7)	5,865
Fees and commissions expenses	4,863	5,402	(539)	(10.0)	9,841
Trading losses	2,915	5,479	(2,564)	(46.8)	2,926
Other business expenses	9,939	4,278	5,660	132.3	9,156
General and administrative expenses	28,572	31,263	(2,691)	(8.6)	63,011
Other ordinary expenses	9,865	32,772	(22,907)	(69.9)	46,428
Ordinary expenses	78,024	107,429	(29,405)	(27.4)	183,892
Net ordinary income	8,351	6,134	2,217	36.1	7,968
Special gains	59	6,679	(6,620)	(99.1)	38,497
Special losses	1,427	2,044	(616)	(30.1)	34,341
Income before income taxes	6,983	10,769	(3,785)	(35.1)	12,124
Income taxes (benefit)					
Current	379	(365)	744	203.8	(597)
Deferred	2,019	1,820	199	10.9	1,551
Total income taxes (benefit)	2,399	1,454	944	64.9	954
Net income	4,584	9,314	(4,730)	(50.8)	11,170

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

	(millions of yen)		
	1HFY2011 (6 months)	1HFY2010 (6 months)	FY2010 (12 months)
Shareholders' Equity			
Capital stock			
Balance at beginning of the period	512,204	476,296	476,296
Changes in amounts during the period			
Issuance of new stock	-	-	35,907
Total changes in amounts during the period	-	-	35,907
Balance at the end of the period	512,204	476,296	512,204
Capital surplus			
Capital reserve			
Balance at beginning of the period	79,465	43,558	43,558
Changes in amounts during the period			
Issuance of new stock	-	-	35,907
Total changes in amounts during the period	-	-	35,907
Balance at the end of the period	79,465	43,558	79,465
Total capital surplus			
Balance at beginning of the period	79,465	43,558	43,558
Changes in amounts during the period			
Issuance of new stock	-	-	35,907
Total changes in amounts during the period	-	-	35,907
Balance at the end of the period	79,465	43,558	79,465
Retained earnings			
Legal reserve for retained earnings			
Balance at beginning of the period	11,035	11,035	11,035
Changes in amounts during the period			
Dividends from surplus	530	-	-
Total changes in amounts during the period	530	-	-
Balance at the end of the period	11,566	11,035	11,035
Other retained earnings			
Retained earnings carried forward			
Balance at beginning of the period	106,944	95,773	95,773
Changes in amounts during the period			
Dividends from surplus	(3,184)	-	-
Net income	4,584	9,314	11,170
Total changes in amounts during the period	1,399	9,314	11,170
Balance at the end of the period	108,344	105,088	106,944
Total retained earnings			
Balance at beginning of the period	117,980	106,809	106,809
Changes in amounts during the period			
Dividends from surplus	(2,653)	-	-
Net income	4,584	9,314	11,170
Total changes in amounts during the period	1,930	9,314	11,170
Balance at the end of the period	119,910	116,124	117,980

(millions of yen)

	1HFY2011 (6 months)	1HFY2010 (6 months)	FY2010 (12 months)
Treasury stock			
Balance at beginning of the period	(72,558)	(72,558)	(72,558)
Changes in amounts during the period			
Total changes in amounts during the period	-	-	-
Balance at the end of the period	(72,558)	(72,558)	(72,558)
Shareholders' Equity			
Balance at beginning of the period	637,091	554,105	554,105
Changes in amounts during the period			
Issuance of new stock	-	-	71,815
Dividends from surplus	(2,653)	-	-
Net income	4,584	9,314	11,170
Total changes in amounts during the period	1,930	9,314	82,985
Balance at the end of the period	639,022	563,420	637,091
Net unrealized gain (loss) and translation adjustments			
Unrealized gain (loss) on available-for-sale securities			
Balance at beginning of the period	(15,346)	361	361
Changes in amounts during the period			
Total changes in amounts during the period excluding capital stock (net)	8,410	(9,764)	(15,707)
Total changes in amounts during the period	8,410	(9,764)	(15,707)
Balance at the end of the period	(6,935)	(9,402)	(15,346)
Deferred gain (loss) on derivatives under hedge accounting			
Balance at beginning of the period	(4,452)	(192)	(192)
Changes in amounts during the period			
Total changes in amounts during the period excluding capital stock (net)	59	(1,576)	(4,260)
Total changes in amounts during the period	59	(1,576)	(4,260)
Balance at the end of the period	(4,393)	(1,769)	(4,452)
Total net unrealized gain (loss) and translation adjustments			
Balance at beginning of the period	(19,799)	168	168
Changes in amounts during the period			
Total changes in amounts during the period excluding capital stock (net)	8,470	(11,341)	(19,967)
Total changes in amounts during the period	8,470	(11,341)	(19,967)
Balance at the end of the period	(11,328)	(11,172)	(19,799)
Stock acquisition rights			
Balance at beginning of the period	1,413	1,672	1,672
Changes in amounts during the period			
Total changes in amounts during the period excluding capital stock (net)	(55)	(60)	(259)
Total changes in amounts during the period	(55)	(60)	(259)
Balance at the end of the period	1,357	1,611	1,413
Total equity			
Balance at beginning of the period	618,705	555,947	555,947
Changes in amounts during the period			
Issuance of new stock	-	-	71,815
Dividends from surplus	(2,653)	-	-
Net income	4,584	9,314	11,170
Total changes in amounts during the period excluding capital stock (net)	8,415	(11,402)	(20,227)
Total changes in amounts during the period	10,345	(2,087)	62,758
Balance at the end of the period	629,051	553,859	618,705

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

(Consolidated)	<i>(Billions of yen)</i>	
	<i>Fiscal year ending</i>	<i>Fiscal year ended</i>
	March 2012	March 2011
	(FY2011)	(FY2010)
	Forecast	Actual
Net income	22.0	42.6
Cash basis net income *	32.0	53.8

(Non-Consolidated)	<i>Fiscal year ending</i>		<i>Fiscal year ended</i>	
	March 2012		March 2011	
	(FY2010)		(FY2009)	
	Forecast		Actual	
Net Business Profit	28.0	54.6		
Net income	15.0	11.1		
Dividends (per share in yen):				
Common stock	1.00	1.00		

Above forecasts are based on current assumptions of future events and trends, which may be incorrect.

Actual results may differ materially from those in the statements as a result of various factors.

- While we made good progress towards our full year forecasts, we have decided not to revise our full year consolidated reported net income forecast of ¥22.0 billion, consolidated cash basis net income of ¥32.0 billion or non-consolidated net income forecast of ¥15.0 billion, originally announced on May 12, 2011, due to the impact of the Great East Japan Earthquake and the uncertainty in the domestic and overseas economy. The dividend forecast is also the same as that stated in the Revitalization Plan, namely an annual dividend payment of ¥1 per share.

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

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

Balance of Securitized Products (Breakdown by Region and Type of Securities)⁽¹⁾ -Table 46- (Non-Consolidated)

(Billions of yen)

	Credit Ratings of Securities ⁽²⁾ (September 30, 2011)				Sept 30 2011 (a)	Sept 30 2010 (b)	Change (a)-(b)	Mar 31 2011 (c)	Change (a)-(c)
	AAA	AA	A or lower	N/A					
	RMBS	15%	1%	5%					
Japan	15%	1%	5%	79%	38.9	47.2	(8.2)	44.8	(5.9)
U.S.	-	-	-	-	0.0	0.0	0.0	0.0	0.0
Europe	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
CMBS	-	-	-	-	0.0	12.8	(12.8)	7.9	(7.9)
Japan	-	-	-	-	0.0	8.1	(8.1)	5.5	(5.5)
U.S.	-	-	-	-	-	-	-	-	-
Europe	-	-	-	-	-	2.3	(2.3)	-	-
Other	-	-	-	-	-	2.4	(2.4)	2.4	(2.4)
CLO	6%	93%	0%	1%	38.6	43.1	(4.4)	42.0	(3.3)
Japan	-	-	-	-	-	-	-	-	-
U.S.	8%	91%	0%	1%	29.3	31.7	(2.3)	31.6	(2.2)
Europe	0%	100%	0%	0%	9.3	10.0	(0.7)	10.4	(1.1)
Other	-	-	-	-	-	1.3	(1.3)	-	-
ABS CDO (Resecuritized Products)	-	-	-	-	-	-	-	-	-
Japan	-	-	-	-	-	-	-	-	-
U.S.	-	-	-	-	-	-	-	-	-
Europe	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	10%	47%	2%	40%	77.6	103.2	(25.6)	94.9	(17.2)
Japan	15%	1%	5%	79%	38.9	55.3	(16.3)	50.3	(11.4)
U.S.	8%	91%	0%	1%	29.3	31.7	(2.3)	31.6	(2.2)
Europe	0%	100%	0%	0%	9.3	12.4	(3.1)	10.4	(1.1)
Other	-	-	-	-	-	3.7	(3.7)	2.4	(2.4)
Securities					39.7	53.1	(13.3)	48.3	(8.5)
RMBS					1.0	1.9	(0.8)	1.8	(0.7)
CMBS					-	8.0	(8.0)	4.4	(4.4)
CLO					38.6	43.1	(4.4)	42.0	(3.3)
ABS CDO					-	-	-	-	-
Other monetary claims purchased⁽³⁾					37.8	50.1	(12.2)	46.5	(8.6)
RMBS (Japan)					37.8	45.2	(7.4)	43.0	(5.2)
CMBS (Japan)					0.0	4.8	(4.8)	3.4	(3.4)
CLO (Japan)					-	-	-	-	-
ABS CDO (Japan)					-	-	-	-	-
Total					77.6	103.2	(25.6)	94.9	(17.2)

(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 September 30, 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 ¥4.7 billion as at September 30, 2011.

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

Securities	(Billions of yen, except percentages)			
	As of June 30, 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		
CLO (U.S.)		0.4		
Securities Being Held to Maturity with Readily Determinable Fair Value		38.2		
CLO (U.S.)		28.9		
CLO (Europe)		9.3		
Securities Available for Sale	1.0	1.0	0.0	0.6
Other	1.0	1.0	0.0	0.6
Foreign Securities	1.0	1.0	0.0	0.6
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
Yen-Denominated Foreign Corporate and Government Bonds	1.0	1.0	0.0	0.6
RMBS (Japan)	1.0	1.0	0.0	0.6
Securities		39.7		
RMBS		1.0		
CLO		38.6		
Other Monetary Claims Purchased ⁽²⁾				
	As of June 30, 2011			
	Balance before Mark-to-Market Evaluation	Market Value or Balance	Unrealized Gains/Losses (OCI)	Price Increase (Decrease) Ratio (%)
Trading Purposes		8.2		
RMBS (Japan) ⁽²⁾		8.2		
Others	29.5	29.5	0.0	0.2
RMBS (Japan)	29.5	29.5	0.0	0.2
CMBS (Japan)	0.0	0.0	0.0	0.0
Total		37.8		
RMBS (Japan)		37.8		
CMBS (Japan)		0.0		
RMBS, CMBS, CLO, ABS CDO Total		77.6		
Securities		39.7		
Other Monetary Claims Purchased		37.8		

(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 ¥4.7 billion as at September 30, 2011.

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

(Billions of yen)

	Sept 30 2011 (a)	Sept 30 2010 (b)	Change (a)-(b)	Mar 31 2011 (c)	Change (a)-(c)
LBO⁽¹⁾⁽³⁾	199.0	215.1	(16.1)	203.3	(4.3)
Japan	195.9⁽²⁾	211.2	(15.3)	199.7	(3.8)
U.S.	1.8	2.3	(0.5)	2.1	(0.3)
Europe	-	-	-	-	-
Other	1.2	1.5	(0.3)	1.4	(0.2)
(Breakdown by Industry Sector)					
Manufacturing	12.2%				
Information and communications	1.2%				
Wholesale and retail	6.9%				
Finance and Insurance	23.4%				
Services	56.3%				
Others	-				
Total	100.0%				

(1) The amount includes unfunded commitment line.

(2) As of September 30, 2011, unfunded commitment line (only domestic) is ¥3.4 billion.

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

Monoline, SIV, ABCP

We have no exposure to Monoline, SIV, ABCP.

Credit Default Swaps (CDS)⁽¹⁾

(Billions of yen)

	As of September 30, 2011								1HFY2011
	Nominal Amount		Fair Value		Netted Nominal Amount and Fair Value ⁽²⁾			Realized Profits (Losses)	
	Protection (buy)	Protection (sell)	Protection (buy)	Protection (sell)	Nominal Amount	Fair Value			
						Protection (buy)	Protection (sell)		
Total	541.4	622.6	4.5	(5.0)	452.0	3.2	(3.8)	(0.2)	
Japan	447.3	532.1	3.6	(4.0)	367.8	2.6	(3.0)	(0.3)	
U.S.	41.8	41.0	0.3	(0.4)	37.5	0.1	(0.3)	0.0	
Europe	22.7	22.5	0.3	(0.4)	22.1	0.4	(0.4)	0.0	
Other	29.5	26.9	0.1	(0.1)	24.4	(0.0)	(0.1)	0.0	

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

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

Definitions -Table 49-

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

(Reference 1) BOJ Press Club Format

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

(%)

	Mar 31, 2006	Sep 30, 2006	Mar 31, 2007	Sep 30, 2007	Mar 31, 2008	Sep 30, 2008
Non-consolidated	1.03	0.54	0.53	0.82	0.95	0.90
Consolidated	1.76	1.18	1.08	1.23	1.69	2.36
	Mar 31, 2009	Sep 30, 2009	Mar 31, 2010	Sep 30, 2010	Mar 31, 2011	Sep 30, 2011
Non-consolidated	2.51	3.41	6.70	6.52	6.78	5.96
Consolidated	4.43	5.33	7.99	8.50	8.73	8.10

2. Equity holdings

(1) Equity held (Non-consolidated)

(Billions of yen)

	Book value		Net unrealized gain (loss)
		Subsidiaries' shares	
1HFY2010	439.4	423.3	(4.3)
FY2010	392.0	375.5	(3.3)
1HFY2011	391.7	375.5	0.2

(2) Impairment (Non-consolidated)

(Billions of yen)

	Equity related profits and losses (net of three accounts)	
		Impairment amount
1HFY2010	0.1	0.0
FY2010	1.5	0.7
1HFY2011	1.8	5.2

* Other extraordinary losses for 1HFY2010 contains ¥0.1 billion in mark-down of subsidiaries' equity.

** Other extraordinary losses for FY2010 contains ¥0.1 billion in mark-down of subsidiaries' equity.

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

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

Nikkei Stock Average	approximately ¥8,500
TOPIX	approximately ¥700

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

(Billions of yen)

	Results	% Change	Ratio to total loan balance
Sep 30, 2010	2,557.8	(9.37)%	61.83%
Mar 31, 2011	2,392.2	(6.47)%	60.77%
Sep 30, 2011	2,514.3	5.10%	62.87%

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

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

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

4. Sales performance of investment trusts and insurance

a. Investment trust sales performance and commission (Billions of yen)

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

b. Insurance sales performance and commission (Billions of yen)

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

5. Measures in Response to the Act concerning Temporary Measures to Facilitate Financing for SMEs, etc. (Accumulated data from April 1, 2010 to September 30, 2011)

(Number, Millions of yen)

	Total		SME		Mortgage	
	#	Amount	#	Amount	#	Amount
Request	561	194,540	133	182,663	428	11,877
Execution	392	179,490	111	171,285	281	8,205
Refusal	81	9,500	9	7,824	72	1,675
Under Exam	19	1,650	8	1,404	11	245
Withdrawal	69	3,899	5	2,148	64	1,750
	Amount					
Balance of claims related to execution of above requests as of September 30, 2011		126,633				

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

** "Refusal" as at September 30, 2011 includes four loans for a total of ¥2,916 million which were at one point counted as "Deemed Refusal" but executed by September-end. (Execution amount was ¥2,888 million due to the partial principal reduction.) "Refusal" of the Mortgage as at March 31, 2011 includes 53 loans for a total of ¥1,222 million which were counted as "Deemed Refusal" as we could not contact the obligor within three months after the request was filed. "Deemed Refusal" includes 22 loans for a total of ¥533 million which were executed with changes to terms and conditions by September-end.

*** The "Under Evaluation" of the Mortgage as at September 30, 2011 includes 10 loans for a total of ¥235 million on which changes to terms and conditions have been agreed and which are scheduled for execution.

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

(Billions of yen)

	Amount	% Change v. Mar 2011
Loans to the companies located in Miyagi, Iwate and Fukushima Prefecture as of September 30, 2011	2.6	(19.38)%

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

** Aside from the above, real estate non-recourse loans for properties located in the three prefectures total ¥12.0 billion as of September 30, 2011

7. Exposures to PIIGS (or GIIPS) (As of September 30, 2011)

(Billions of yen)

	Government bonds	Exposure (Excluding government bonds)
Portugal	0.0	0.0
Italy	0.0	1.7
Ireland	0.0	0.0
Greece	0.0	0.0
Spain	0.0	0.0
Total	0.0	1.7

* "Exposures to PIIGS (or GIIPS)" indicates the outstanding balance (including lending) after reserves, coverage, guarantee and hedge adjustments.

(Reference 2) Calculation Grounds of Deferred Tax Assets

Shinsei Bank has, due to losses recognized on securities, ¥140.0 billion of tax loss carryforwards and unrealized temporary differences of ¥440.0 billion as of September 30, 2011.

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

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

1. Future year taxable income estimate before adjustment

Taxable income for the next year before adjustment (under the consolidated tax system) is estimated to be ¥16.0 billion.

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

(Billions of yen)

FY2007	FY2008	FY2009	FY2010	FY2010
58.5	(151.2)	(39.2)	(0.3)	2.5

2. Net deferred tax liabilities (As of September 30, 2011 [Non-consolidated])

(Billions of yen)

Deferred tax assets corresponding to "total taxable income before adjustment"	(*) 6.6
Deferred tax liabilities	8.9
Net deferred tax liabilities on balance sheet	2.2

(*)Breakdown	{	Reserve for credit losses	78.6
		Securities	59.9
		Tax loss carryforwards	54.4
		Net deferred loss on hedge	6.5
		Net unrealized loss on securities available-for-sale	3.7
		Other	38.9
		Sub total	242.3
		Valuation allowance	(235.7)
		Total	6.6

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

(Billions of yen)

	1HFY2011	FY2010	1HFY2010
Deferred tax assets (except deferred tax liabilities)	156	17.9	13.8
Tier I	5,427	516.7	500.5
Deferred tax assets to Tier I capital ratio	2.9%	3.5%	2.8%