

Financial Summary

For the Fiscal Year Ended March 31, 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⁾

	<i>(Billions of yen, except percentages)</i>			
	FY2010 (12 months)	FY2009 (12 months)	Change % or Amount	1HFY2009 (6 months)
Selected income statement items (Consolidated)				
Net interest income	156.6	207.9	(24.7)%	86.1
Non-interest income	135.4	77.5	74.7%	69.4
Net fees and commissions	26.0	25.1	3.5%	12.3
Net trading income	11.6	9.0	29.2%	7.1
Net other business income	97.7	43.3	125.4%	50.0
Total revenue	292.1	285.5	2.3%	155.6
General and administrative expenses	142.8	168.3	(15.2)%	72.8
Ordinary business profit	149.2	117.1	27.4%	82.8
Net credit costs	68.3	112.2	(39.1)%	52.3
Ordinary business profit after net credit costs	80.8	4.8	1559.7%	30.4
Amortization of goodwill and other intangible assets ⁽²⁾	13.0	20.9	(37.4)%	6.8
Other gains (losses)	(10.0)	(107.0)	90.6%	1.0
Income (loss) before income taxes and minority interests	57.7	(123.0)	146.9%	24.7
Current income tax	1.9	1.5	29.4%	1.1
Deferred income tax	5.2	6.7	(22.1)%	1.7
Minority interests in net income of subsidiaries	7.9	8.8	(10.2)%	4.8
Net income (loss)	42.6	(140.1)	130.4%	16.8
Cash basis net income (loss) ⁽³⁾	53.8	(53.7)	200.1%	22.7
Selected balance sheet items (Consolidated)				
Securities	3,286.3	3,233.3	53.0	2,639.9
Loans and bills discounted	4,291.4	5,163.7	(872.3)	4,604.4
Customers' liabilities for acceptances and guarantees	575.7	623.7	(48.0)	606.1
Reserve for credit losses	(199.2)	(196.6)	(2.5)	(218.1)
Total assets	10,231.5	11,376.7	(1,145.2)	10,464.0
Deposits and negotiable certificates of deposit	5,610.6	6,475.3	(864.6)	5,890.1
Debentures	348.2	483.7	(135.4)	425.2
Borrowed money	1,672.7	1,186.8	485.9	1,336.1
Reserve for losses on interest repayments	43.1	70.0	(26.8)	46.7
Total liabilities	9,620.3	10,741.8	(1,121.4)	9,849.8
Total equity	611.1	634.9	(23.8)	614.1
Financial ratios (%) (Consolidated)				
Net interest margin	2.19	2.47	//	2.31
Expense-to-revenue ratio	48.9	59.0	//	46.8
Return on assets	0.4	(1.2)	//	0.3
Return on equity (fully diluted)	8.5	(27.6)	//	7.4
Cash basis return on assets	0.5	(0.5)	//	0.4
Cash basis return on equity (fully diluted)	10.7	(10.6)	//	9.9
Capital adequacy data (Consolidated)				
Tier I	516.7	490.7	25.9	500.5
Total capital	649.9	645.4	4.5	642.1
Risk assets	6,653.7	7,722.1	(1,068.3)	7,180.8
Capital adequacy ratio	9.76%	8.35%	//	8.94%
Tier I capital ratio	7.76%	6.35%	//	6.97%

(Billions of yen, except percentages)

	FY2010 (12 months)	FY2009 (12 months)	Change % or Amount	1HFY2009 (6 months)
Per share data (Consolidated)				
Common equity	205.83	232.72	(11.6)%	232.54
Basic net income (loss)	21.36	(71.36)	129.9%	8.59
Cash basis basic net income (loss)	26.96	(27.37)	198.5%	11.57
Non-performing loans (Non-Consolidated)				
Claims classified under the Financial Revitalization Law	279.6	333.0	(53.4)	316.6
Ratio to total claims	6.78%	6.70%		6.52%
Reserve for credit losses	114.8	102.2	12.6	121.9
Coverage ratio for non-performing claims	96.8%	97.6%		96.3%
Selected income statement items (Non-Consolidated)				
Net interest income	70.5	80.5	(12.4)	38.3
Non-interest income	44.6	7.7	476.6	31.9
Net fees and commissions	15.5	(8.8)	276.1	10.5
Net trading income	10.6	7.7	37.8	5.4
Net other business income	18.4	8.8	107.9	15.8
Total revenue	115.1	88.2	30.5	70.2
General and administrative expenses	60.5	67.3	(10.1)	30.0
Ordinary business profit	54.6	20.9	160.6	40.2
Net credit costs	40.3	52.6	(23.4)	31.3
Net income (loss)	11.1	(47.6)	123.5	9.3

(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 or impairment of goodwill and other intangible assets, net of tax benefit, related to the acquisition of consumer and commercial finance companies.

- As of October 1, 2010, the previous Institutional Group has been divided into a new Institutional Group (incorporating Institutional Banking and Showa Leasing), and the Markets and Investment Banking Group.
- As of April 1, 2011, Shinsei Bank has implemented further 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. However, the previous organizational structure is used when discussing results for the fiscal year ended March 31, 2011.
- The Shinsei Bank Group's results for fiscal year 2010 show a significant increase in profitability as a result of consistent progress in implementing innovative business strategies and drastic cost reductions, in addition to ¥29.4 billion recorded on gains on repurchases of our preferred securities and subordinated debt. These factors offset losses such as reserves for domestic real estate non-recourse finance, specialty finance and grey zone provisions, in addition to provisions related to the Great East Japan Earthquake (earthquake-related provisions). The Bank recognized a large increase in consolidated net income, recording ¥42.6 billion on a reported basis for fiscal year 2010, compared to a consolidated net loss of ¥140.1 billion for fiscal year 2009.
- Consolidated cash basis net income for fiscal year 2010 also improved significantly to ¥53.8 billion from consolidated cash basis net loss of ¥53.7 billion for fiscal year 2009.
 - The Institutional Group focused on rebuilding the client base and acquired more loan obligors. However, the ordinary business profit after net credit costs decreased slightly compared to fiscal year 2009 due to earthquake-related provisions made in Showa Leasing.
 - The Markets and Investment Banking Group recorded steady performance in core businesses, continued the reduction of non-core assets, made provisions of additional reserves against potential risks in our domestic real estate finance and other businesses and recorded non-recurring gains from the divestiture of non-core business assets, resulting in significantly higher ordinary business profit after net credit costs for fiscal year 2010 compared to an ordinary business loss after net credit costs for fiscal year 2009.
 - The Individual Group performed well, led by the solid performance of the Retail Banking business. However, the decrease in operating assets in our consumer finance subsidiaries due to the revised Money-Lending Business Control and Regulation Law resulted in a decrease in revenue. As this was anticipated earlier, we took measures to right-size the business, resulting in a substantial reduction in expenses and net credit costs which helped in sustaining the business' performance. Additional earthquake-related provisions resulted in lower ordinary business profit after net credit costs for fiscal year 2010 compared to fiscal year 2009.

- Top line revenue increased by ¥6.6 billion compared to fiscal year 2009 due mainly to the increased revenue in the Markets and Investment Banking Group and higher gains on repurchases of our preferred securities and subordinated debt which increased to ¥29.4 billion for fiscal year 2010 compared to ¥20.9 billion for fiscal year 2009.
- Expenses decreased significantly by ¥25.5 billion compared to fiscal year 2009 as a result of business right sizing especially in the Individual Group including the consumer finance business.
- Net credit costs decreased by ¥43.9 billion compared to fiscal year 2009. While earthquake-related provisions were recorded, credit costs decreased in our consumer finance business due to the decrease in operating assets while the Markets and Investment Group continued with the divestiture of non-core assets to mitigate potential risks, despite recording additional reserves in the domestic real estate finance and specialty finance businesses.
- Net interest margin declined to 2.19% largely as a result of interest rate and loan balance reductions within our consumer finance subsidiaries.
- In terms of total capital ratio, Tier I capital and total capital increased compared to fiscal year 2009 due to the ¥71.8 billion common stock issuance in March 2011 and strong financial results, while a cash tender offering for preferred securities resulted in a decrease in Tier I capital and total capital. Risk assets also decreased due to the divestiture of non-core assets in our aim to mitigate potential risk in the Markets and Investment Banking Group. As a result, total capital adequacy ratio improved considerably in fiscal year 2010.
 - Total capital adequacy ratio improved to 9.76% and Tier I capital ratio improved to 7.76% at March 31, 2011 from 8.35% and 6.35%, respectively, at March 31, 2010, as risk weighted assets declined from approximately ¥7.7 trillion at March 31, 2010 to ¥6.6 trillion at March 31, 2011.
- Loans and bills discounted balance declined from ¥5,163.7 billion on March 31, 2010 to ¥4,291.4 billion on March 31, 2011 due mainly to reductions in the Markets and Investment Banking Group's non-core assets and real estate related portfolio, as well as lower loan balance in the consumer finance business.
- Diluted net income per share for fiscal year 2010 improved sharply to ¥21.36, as compared to diluted net loss per share of ¥71.36 for fiscal year 2009, reflecting strong consolidated net income. Cash basis diluted net income per share for fiscal year 2010 also improved to ¥26.96, as compared to cash basis diluted net loss per share of ¥27.37 for fiscal year 2009.

Financial and Economic Environment

- While the world economy experienced a slowdown in recovery due to sovereign debt problems in eurozone countries in the first half of this fiscal year, it gradually began recovering in the second half as the economy of emerging countries grew and the excessively pessimistic view of the U.S. economy subsided.
- During the period above, the Japanese economy failed to achieve self-sustaining recovery due to decreased government expenditure. Unable to climb out of the deflationary trend, the pace of the recovery slowed down towards the autumn of 2010, fueled also by the abrupt appreciation of the yen caused by the difference between interest rates in Japan and the United States after the additional money easing policy was introduced in the United States.
- In this situation, the government and the Bank of Japan (BOJ) intervened in the currency markets by selling the yen in September 2010, and the BOJ announced a comprehensive monetary easing policy in October. Although the appreciation of the yen continued even after the announcement, and the yen reached its highest value in the last 15 and-a-half years in November, the yen appreciation trend was curbed after the introduction of an additional monetary easing policy in the United States.
- As long-term interest rates fell sharply as an effect of the BOJ's monetary easing policy, the interest rate of 10-year Japanese government bonds temporarily reached 0.820% before returning to the 1.3% level. On the other hand, short-term interest rates continued to fall, causing a widening between long-term and short-term rates.
- From the beginning of 2011 the Japanese economy gradually showed signs of self-sustaining recovery from its previous lull. However, the Great East Japan Earthquake, which occurred in the middle of March, caused enormous damage to economic activities. As a result, negative impact on the economy from the next fiscal year onwards seems unavoidable.
- In the financial markets, an unstable market environment continued due to concerns over the future of the Japanese economy, together with the turmoil in the Middle East, which caused a substantial drop in the Nikkei stock average from a year-high of 10,800 yen level in February, and the further appreciation of the yen, which temporarily reached the 76 yen level, its highest ever, against the US dollar.

Section 1. Consolidated Information

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

(Billions of yen, except percentages)

	FY2010 (12 months)	FY2009 (12 months)	% Change	1HFY2010 (6 months)
Net interest income	156.6	207.9	(24.7)	86.1
Non-interest income	135.4	77.5	74.7	69.4
Net fees and commissions	26.0	25.1	3.5	12.3
Net trading income	11.6	9.0	29.2	7.1
Net other business income	97.7	43.3	125.4	50.0
Total revenue	292.1	285.5	2.3	155.6
General and administrative expenses	142.8	168.3	(15.2)	72.8
Ordinary business profit	149.2	117.1	27.4	82.8
Net credit costs	68.3	112.2	(39.1)	52.3
Ordinary business profit after net credit costs	80.8	4.8	1559.7	30.4
Amortization of goodwill and other intangible assets ⁽²⁾	13.0	20.9	(37.4)	6.8
Other gains (losses)	(10.0)	(107.0)	90.6	1.0
Income (loss) before income taxes and minority interests	57.7	(123.0)	146.9	24.7
Current income tax	1.9	1.5	29.4	1.1
Deferred income tax	5.2	6.7	(22.1)	1.7
Minority interests in net income of subsidiaries	7.9	8.8	(10.2)	4.8
Net income (loss)	42.6	(140.1)	130.4	16.8
Cash basis net income (loss) ⁽³⁾	53.8	(53.7)	200.1	22.7

(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 or impairment 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** of ¥292.1 billion for fiscal year 2010. This was ¥6.6 billion higher than the ¥285.5 billion total revenue recorded in fiscal year 2009.
- **Net interest income** declined by ¥51.3 billion to ¥156.6 billion during the current period from ¥207.9 billion in fiscal year 2009.
 - The decrease is due to reduced net interest income within our consumer finance subsidiaries as interest rates have been reset below the legal maximum rates in compliance with the revised Money-Lending Business Control and Regulation Law.
- **Non-interest income** increased by ¥57.9 billion to ¥135.4 billion in fiscal year 2010 compared to ¥77.5 billion in fiscal year 2009. Non-interest income increased due to the steady performance of core businesses within our Markets and Investment Banking Group and also due to an increase in non-recurring gains.
 - Our **net fees and commissions** income increased by ¥0.8 billion to ¥26.0 billion during fiscal year 2010 from ¥25.1 billion during fiscal year 2009.
 - We generated **net trading income** of ¥11.6 billion in fiscal year 2010, an increase of ¥2.6 billion compared to ¥9.0 billion generated in fiscal year 2009.
- **Net other business income** for fiscal year 2010 increased to ¥97.7 billion from ¥43.3 billion in fiscal year 2009.
 - Major non-recurring **net other business income** recorded in fiscal year 2010 includes a gain of ¥29.4 billion on the repurchase of our preferred securities and subordinated debt, a gain of ¥7.0 billion on the sale and revaluation of asset-backed investments and asset-backed securities, and a gain of ¥4.3 billion on the sale of collateralized loan obligations (CLOs). These gains were partially offset by impairments of ¥3.7 billion on domestic real estate non-recourse bonds, ¥1.9 billion on mark-downs and impairments of asset-backed securities and asset-backed investments, and mark-downs and impairments of ¥1.1 billion on our real estate principal investments.
 - **Net other business income** for fiscal year 2009 included a gain of ¥20.9 billion on subordinated debt repurchase and a gain of ¥17.7 billion on the sale of CLOs. These gains were partially offset by mark-downs and impairments of ¥35.1 billion on our real estate principal investments, a loss of ¥3.8 billion on equity method affiliate Jih Sun Financial Holding Co., Ltd. and mark-downs and impairments of ¥3.3 billion on asset-backed investments, asset-backed securities and other European investments.
 - Fiscal year 2010 net other business income includes ¥38.7 billion from the lease transaction and installment receivables business of Showa Leasing, APLUS FINANCIAL, Shinsei Financial and others compared to ¥43.0 billion in fiscal year 2009.
- **General and administrative expenses** during fiscal year 2010 were ¥142.8 billion, a decrease of ¥25.5 billion compared to fiscal year 2009. The loan balance has declined at our consumer finance subsidiaries due to the revised Money-Lending Business Control and Regulation Law. As this was anticipated earlier, we scaled down our business appropriately, resulting in substantial cost reductions. In addition to the above, cost rationalization implemented from the prior fiscal year also contributed to the decrease in expenses.

- Our expense-to-revenue ratio was 48.9% for fiscal year 2010 compared to an expense-to-revenue ratio of 59.0% for fiscal year 2009, reflecting cost reduction well above decline in revenue.
- **Net credit costs** of ¥68.3 billion for fiscal year 2010 were ¥43.9 billion lower compared to the ¥112.2 billion net credit costs recorded in fiscal year 2009. Although fiscal year 2010 included provisions of earthquake-related reserves, and additional reserves for specialty finance and domestic real estate non-recourse finance in our Markets and Investment Banking Group, there was a much greater reduction in net credit costs. This was due to the decrease in loan assets in consumer finance as a result of the revised Money-Lending Business Control and Regulation Law, and the non-core assets reduction in the Markets and Investment Banking Group to mitigate potential risk.
 - **Net credit costs** for fiscal year 2010 include a net provision of ¥19.9 billion for specialty finance, ¥19.5 billion of net credit costs for domestic real estate non-recourse finance, ¥13.8 billion of net credit costs for APLUS FINANCIAL and ¥7.7 billion of net credit costs for Shinsei Financial. Net credit costs for APLUS FINANCIAL and Shinsei Financial included earthquake-related provisions of ¥1.6 billion and ¥1.8 billion respectively.
 - The results of fiscal year 2009 included ¥32.8 billion of net credit costs for domestic real estate non-recourse finance related loans, ¥25.3 billion of net credit costs incurred for Shinsei Financial, ¥21.0 billion of net credit costs for APLUS FINANCIAL and ¥15.6 billion in net credit costs associated with our holdings of asset-backed investments.
- **Amortization of goodwill and other intangible assets** associated with the acquisition of consumer and commercial finance companies was ¥13.0 billion for fiscal year 2010 as compared with ¥20.9 billion in fiscal year 2009. The lower amounts primarily reflect the impairment of goodwill and other intangible assets of APLUS FINANCIAL taken in fiscal year 2009.
- **Other losses** of ¥10.0 billion for fiscal year 2010 included provision for losses on interest repayment of ¥10.1 billion, restructuring charges of ¥4.4 billion at Shinsei Financial, and asset retirement obligation costs of ¥3.5 billion, offset by recoveries of written off-claims of ¥14.8 billion at Shinsei Financial, Shinsei Bank, Shinki and APLUS FINANCIAL.
 - The results of fiscal year 2009 included impairment of goodwill and intangibles in our investment in APLUS FINANCIAL of ¥66.0 billion, net of taxes, and impairment of Shinki intangible assets of ¥2.5 billion, net of taxes, provision for losses on interest repayment of ¥29.6 billion, as well as restructuring charges of ¥6.5 billion at APLUS FINANCIAL and Shinki, which were partially offset by recoveries of written-off claims of ¥10.7 billion.
- **Current and deferred income taxes** reflected a net expense of ¥7.2 billion compared to a net expense of ¥8.2 billion in fiscal year 2009.
- **Minority interests in net income of subsidiaries** for fiscal year 2010 amounting to ¥7.9 billion largely reflected dividends accrued on perpetual preferred securities and minority interests in other subsidiaries.
- The Bank realized consolidated **net income** of ¥42.6 billion on a reported basis for fiscal year 2010, compared to a consolidated **net loss** of ¥140.1 billion for fiscal year 2009.
- Consolidated **cash basis net income** for fiscal year 2010 was ¥53.8 billion, compared to a **cash basis net loss** of ¥53.7 billion for fiscal year 2009. 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 ⁽¹⁾ - Table 1-1- (Consolidated)

	(Billions of yen)			
	FY2010 (12 months) (a) + (b)	4QFY2010 (3 months) (a)	1-3QFY2010 ⁽²⁾ (9 months) (b)	(Reference) FY2009 (12 months)
Gains included in revenue				
Gain from buy back of preferred securities and subordinated debt	29.4	0.5	28.9	20.9
Gain from the sales and revaluation of asset-backed securities and asset-backed investments	7.0	1.8	5.2	-
Gain from the sale of collateralized loan obligations (CLOs)	4.3	-	4.3	17.7
Gain from corporate bonds and equities	-	-	-	4.0
Total	40.9	2.3	38.6	42.7
Mark-downs/impairments included in revenue				
Domestic real estate non-recourse finance (bonds)	(3.7)	(0.9)	(2.7)	-
Asset-backed securities, asset-backed investments and European investments	(1.9)	(1.9)	-	(3.3)
Domestic real estate principal investments	(1.1)	(0.6)	(0.5)	(35.1)
Subtotal (i)	(6.8)	(3.5)	(3.3)	(38.4)
Items included in net credit costs				
Specialty finance	(19.9)	(2.7)	(17.1)	0.0
Domestic real estate non-recourse finance	(19.5)	(4.3)	(15.1)	(32.8)
Provisions related to the Great East Japan Earthquake	(6.1)	(6.1)	-	-
Asset-backed investments	3.7	2.6	1.1	(15.6)
Credit recovery at Shinki	-	-	-	6.4
Subtotal (ii)	(41.7)	(10.6)	(31.1)	(42.0)
Other gains (losses)				
Grey zone related provisions	(10.1)	(10.1)	-	(29.6)
Restructuring costs at subsidiaries	(4.4)	(4.4)	-	(6.5)
Asset retirement obligation costs	(3.5)	-	(3.5)	-
Impairment of goodwill and intangible assets, net of tax (APLUS FINANCIAL)	-	-	-	(66.0)
Impairment of intangible assets, net of tax (Shinki)	-	-	-	(2.5)
Domestic real estate principal investments	-	-	-	(1.9)
Subtotal (iii)	(18.0)	(14.5)	(3.5)	(106.7)
Deferred income tax (Shinsei Bank non-consolidated basis) (iv)	(1.5)	0.2	(1.8)	(8.3)
Total (i) + (ii) + (iii) + (iv)	(68.2)	(28.4)	(39.8)	(195.5)
Breakdown by Category				
Domestic real estate non-recourse finance	(23.2)	(5.3)	(17.8)	(32.8)
Specialty finance	(19.9)	(2.7)	(17.1)	-
Grey zone related provisions	(10.1)	(10.1)	-	(29.6)
Provisions related to the Great East Japan Earthquake	(6.1)	(6.1)	-	-
Restructuring costs at subsidiaries	(4.4)	(4.4)	-	(6.5)
Asset retirement obligation costs	(3.5)	-	(3.5)	-
Deferred income tax (Shinsei Bank non-consolidated basis)	(1.5)	0.2	(1.8)	(8.3)
Domestic real estate principal investments	(1.1)	(0.6)	(0.5)	(37.0)
Asset-backed securities, asset-backed investments and European investments	1.8	0.7	1.1	(19.0)
Impairment of goodwill and intangible assets, net of tax (APLUS FINANCIAL)	-	-	-	(66.0)
Impairment of intangible assets, net of tax (Shinki)	-	-	-	(2.5)
Credit recovery at Shinki	-	-	-	6.4
Total	(68.2)	(28.4)	(39.8)	(195.5)

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

(2) Prior period has been adjusted to conform to current period presentation.

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

	(Billions of yen, except percentages)								
	FY2010 (12months)			FY2009 (12 months)			1HFY2010 (6 months)		
	Average Balance	Interest	Yield/rate (%)	Average Balance	Interest	Yield/rate (%)	Average Balance	Interest	Yield/rate (%)
Interest-earning assets ⁽¹⁾ :									
Loans and bills discounted	4,680.7	178.5	3.82	5,457.6	245.2	4.49	4,870.9	96.5	3.96
Lease receivables and leased investment assets / installment receivables ⁽¹⁾	566.7	38.7	6.83	619.0	43.0	6.95	575.6	19.7	6.84
Securities	3,056.4	23.8	0.78	3,212.6	30.5	0.95	2,941.8	12.7	0.87
Other interest-earning assets ⁽²⁾⁽³⁾	540.4	4.7	n.m. ⁽⁵⁾	664.6	7.7	n.m. ⁽⁵⁾	637.3	3.4	n.m. ⁽⁵⁾
Total revenue on interest-earning assets (A) ⁽¹⁾	8,844.4	245.8	2.78	9,953.9	326.5	3.28	9,025.7	132.5	2.93
Interest-bearing liabilities:									
Deposits, including negotiable certificates of deposit	5,946.6	34.5	0.58	6,803.0	52.9	0.78	6,127.4	18.5	0.61
Debentures	426.3	2.3	0.56	562.5	3.8	0.69	460.1	1.3	0.59
Borrowed money	1,422.1	7.0	0.50	933.6	10.2	1.09	1,301.5	3.7	0.58
Subordinated debt	101.9	0.8	0.88	102.0	1.1	1.09	102.0	0.4	0.91
Other borrowed money	1,320.1	6.2	0.47	831.6	9.0	1.09	1,199.5	3.2	0.55
Corporate bonds	190.8	5.5	2.88	229.3	6.5	2.84	187.1	2.4	2.65
Subordinated bonds	157.0	5.1	3.28	166.8	5.7	3.45	155.6	2.3	3.05
Other corporate bonds	33.7	0.3	1.03	62.4	0.7	1.21	31.5	0.1	0.65
Other interest-bearing liabilities ⁽²⁾	521.2	0.9	n.m. ⁽⁵⁾	825.9	2.0	n.m. ⁽⁵⁾	543.1	0.4	n.m. ⁽⁵⁾
Total expense on interest-bearing liabilities (B)	8,507.2	50.4	0.59	9,354.5	75.5	0.81	8,619.4	26.6	0.62
Net interest margin (A)-(B) ⁽¹⁾	-	195.3	2.19	-	250.9	2.47	-	105.9	2.31
Non interest-bearing sources of funds:									
Non interest-bearing (assets) liabilities, net	(166.0)	-	-	89.3	-	-	(52.2)	-	-
Total equity excluding minority interests in subsidiaries ⁽⁴⁾	503.2	-	-	510.0	-	-	458.5	-	-
Total non interest-bearing sources of funds (C)	337.1	-	-	599.3	-	-	406.2	-	-
Sum of total expense on interest-bearing liabilities and non-interest-bearing sources of funds (D)=(B)+(C)	8,844.4	50.4	0.57	9,953.9	75.5	0.76	9,025.7	26.6	0.59
Net revenue/yield on interest-earning assets (A)-(D) ⁽¹⁾	-	195.3	2.21	-	250.9	2.52	-	105.9	2.34
Reconciliation of total revenue on interest-earning assets to total interest income:									
Total revenue on interest-earning assets	8,844.4	245.8	2.78	9,953.9	326.5	3.28	9,025.7	132.5	2.93
Less: Income on lease transactions and installment receivables	566.7	38.7	6.83	619.0	43.0	6.95	575.6	19.7	6.84
Total interest income	8,277.6	207.1	2.50	9,334.9	283.5	3.04	8,450.1	112.8	2.66
Total interest expense	-	50.4	-	-	75.5	-	-	26.6	-
Net interest income	-	156.6	-	-	207.9	-	-	86.1	-

(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 the average balance of 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** for fiscal year 2010 was ¥195.3 billion, a decrease of ¥55.6 billion compared to the prior fiscal year.
- **Total revenue on interest-earning assets** decreased by ¥80.7 billion and **total expense on interest-bearing liabilities** decreased by ¥25.1 billion in fiscal year 2010 from the prior fiscal year.
- The **net interest margin** and **net yield on interest-earning assets** were 2.19% and 2.21%, respectively, in fiscal year 2010, compared with 2.47% and 2.52%, respectively, for fiscal year 2009.
 - The changes in **net interest margin** and net yield largely reflect the lower yield and lower volume of loans and bills discounted, lease receivables and leased investment assets and installment receivables, and securities, offset by lower interest expense for deposits and borrowed money.

Non-Interest Income -Table 3- (Consolidated)

(Billions of yen, except percentages)

	FY2010 (12 months)	FY2009 (12 months)	% Change	1HFY2010 (6 months)
Net fees and commissions	26.0	25.1	3.5	12.3
Net trading income	11.6	9.0	29.2	7.1
Net other business income	97.7	43.3	125.4	50.0
Income on leased assets and installment receivables	38.7	43.0	(10.0)	19.7
Total non-interest income	135.4	77.5	74.7	69.4

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

- **Total non-interest income** for fiscal year 2010 was ¥135.4 billion, an increase of ¥57.9 billion compared to fiscal year 2009. The main reason for the increase in non-interest income is good performance of core businesses as well as the absence of any major losses on investments that were recognized in the previous fiscal year while gains were recorded on sales of overseas asset-backed securities, asset-backed investments and other non-core business assets. Furthermore, a gain of ¥29.4 billion on the repurchase of our preferred securities as well as subordinated debt, following tender offers for certain preferred securities, was recorded in fiscal year 2010 compared to ¥20.9 billion in fiscal year 2009.
 - Non-interest income includes revenue from fees and commissions, trading and other non-interest sources, including revenue from lease transactions and installment receivables, gains on the repurchase of our preferred securities and subordinated debt and gains on the sale of available-for sale securities.
- **Net fees and commissions** mainly includes fees on domestic real estate non-recourse finance, consumer finance related guarantees, fees and commission from other business, upfront fees on sale of mutual funds and variable annuity products. **Net fees and commissions** of ¥26.0 billion was earned in fiscal year 2010, an increase of ¥0.8 billion compared to fiscal year 2009.
- **Net trading income** reflects revenues from customer-driven transactions, such as option trading income, as well as transactions undertaken for trading purposes.
 - During fiscal year 2010, **net trading income** recorded a gain of ¥11.6 billion, an increase of ¥2.6 billion compared to fiscal year 2009.
- **Net other business income** for fiscal year 2010 was ¥97.7 billion.
 - This includes income of ¥38.7 billion from the lease transactions and installment receivables of Showa Leasing, APLUS FINANCIAL, Shinsei Financial and others, compared to ¥43.0 billion in fiscal year 2009.
 - Major non-recurring **net other business income** recorded in fiscal year 2010 includes a gain of ¥29.4 billion on the repurchases of our preferred securities and subordinated debt, a gain of ¥7.0 billion on the sale and revaluation of asset-backed investments and asset-backed securities, and a gain of ¥4.3 billion on the sale of collateralized loan obligations (CLOs). These gains were partially offset by losses of ¥3.7 billion on our real estate non-recourse finance bond portfolio and mark-downs and impairments of ¥1.1 billion on our real estate principal investments.
 - **Net other business income** for fiscal year 2009 included a gain of ¥17.7 billion on the sale of CLOs and a gain of ¥20.9 billion on our preferred securities and subordinated debt repurchases. These gains were partially offset by mark-downs and impairments of ¥35.1 billion on real estate principal investments, a loss of ¥3.8 billion on our equity method affiliate Jih Sun Financial Holding Co., Ltd. and mark-downs and impairments of ¥3.3 billion on asset-backed investments, asset-backed securities and other European investments.

General and Administrative Expenses -Table 4- (Consolidated)

(Billions of yen, except percentages)

	FY2010 (12 months)	FY2009 (12 months)	% Change	1HFY2010 (6 months)
Personnel expenses	55.0	62.3	(11.7)	27.7
Non-personnel expenses	87.7	105.9	(17.2)	45.0
Premises expenses	23.2	27.4	(15.2)	11.6
Technology and data processing expenses	19.2	23.9	(19.7)	9.9
Advertising expenses	9.2	12.2	(24.2)	5.1
Consumption and property taxes	7.7	9.0	(14.4)	4.1
Deposit insurance premium	5.4	4.3	24.3	2.7
Other general and administrative expenses	22.8	28.9	(21.2)	11.4
General and administrative expenses	142.8	168.3	(15.2)	72.8

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

- **General and administrative expenses** were ¥142.8 billion for fiscal year 2010, a decrease of ¥25.5 billion compared to the prior fiscal year.
- **Personnel expenses** of ¥55.0 billion decreased by ¥7.3 billion from fiscal year 2009.
 - We have been able to reduce our **personnel expenses** through the termination of all manned branches at Shinsei Financial reflecting a forecast for further decline in loan balance 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** declined by ¥18.2 billion to ¥87.7 billion despite one-time costs related to Shinsei Bank's head office relocation, 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. The cost reduction effect from our headquarters relocation has been realized from the fourth quarter of fiscal year 2010 onwards, while one-time costs have already been recognized in fiscal year 2010.
 - **Premises expenses** declined by ¥4.1 billion to ¥23.2 billion, mainly due to consumer finance subsidiaries' branch optimization. **Technology and data processing expenses** were ¥4.7 billion lower than fiscal year 2009 mainly due to automated contract machine sharing and optimization between Shinsei Financial and Shinki. **Advertising expenses** were ¥2.9 billion lower than fiscal year 2009 as a result of continued optimization of advertising activities in the Individual Group.

Net Credit Costs -Table 5- (Consolidated)

	<i>(Billions of yen, except percentages)</i>			
	FY2010 (12 months)	FY2009 (12 months)	% Change	1HFY2010 (6 months)
Losses on write-off of loans/Losses on sale of loans	7.5	18.5	(59.2)	7.4
Net provision of reserve for loan losses:	61.7	95.5	(35.4)	45.2
Net provision of general reserve for loan losses	30.4	40.0	(24.0)	28.0
Net provision of specific reserve for loan losses	31.2	55.5	(43.7)	17.2
Net provision (reversal) of reserve for loan losses to restructuring countries	(0.0)	(0.0)	9.2	(0.0)
Net provision (reversal) of specific reserve for other credit losses	0.0	(0.1)	113.8	0.0
Other credit costs (reversal) relating to leasing business	(0.9)	(1.7)	47.3	(0.3)
Net credit costs	68.3	112.2	(39.1)	52.3

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

- **Net credit costs** of ¥68.3 billion for fiscal year 2010 were ¥43.9 billion lower compared to the ¥112.2 billion net credit costs recorded in fiscal year 2009.
 - Although fiscal year 2010 included provisions of earthquake-related reserves and additional reserves for specialty finance and domestic real estate non-recourse finance in our Markets and Investment Banking Group, there was a much greater reduction in net credit costs. This was due to the decrease in loan assets in consumer finance as a result of the revised Money-Lending Business Control and Regulation Law, and the non-core assets reduction in the Markets and Investment Banking Group to mitigate potential risk.
 - **Net credit costs** for fiscal year 2010 include a net provision of ¥19.9 billion for specialty finance, ¥19.5 billion of net credit costs for domestic real estate non-recourse finance, ¥13.8 billion of net credit costs for APLUS FINANCIAL and ¥7.7 billion of net credit costs for Shinsei Financial. Net credit costs for APLUS FINANCIAL and Shinsei Financial include earthquake-related provisions of ¥1.6 billion and ¥1.8 billion respectively. Earthquake-related provisions included ¥1.6 billion for Showa Leasing, ¥0.5 billion for housing loans at Shinsei Bank, and ¥0.4 billion for Shinki.
 - The results of fiscal year 2009 included ¥32.8 billion of net credit costs for domestic real estate non-recourse finance related loans, ¥25.3 billion of net credit costs incurred for Shinsei Financial, ¥21.0 billion of net credit costs for APLUS FINANCIAL and ¥15.6 billion in net credit costs associated with our holdings of asset-backed investments.

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

	<i>(Billions of yen, except percentages)</i>			
	FY2010 (12 months)	FY2009 (12 months)	% Change	1HFY2010 (6 months)
Shinsei Financial	9.6	10.7	(10.2)	5.0
Shinki	(0.3)	0.7	(150.8)	(0.1)
APLUS FINANCIAL	0.8	6.5	(86.3)	0.4
Showa Leasing	2.9	2.9	(1.0)	1.4
Others	(0.0)	(0.0)	0.0	(0.0)
Amortization of goodwill and other intangible assets	13.0	20.9	(37.4)	6.8

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

- **Amortization of Goodwill and Other Intangible Assets** totaled ¥13.0 billion for fiscal year 2010 compared to ¥20.9 billion for fiscal year 2009.
 - The decrease of ¥7.8 billion in **amortization of goodwill and other intangible assets** is primarily due to impairment of goodwill for APLUS FINANCIAL taken at the end of fiscal year 2009. The **amortization of goodwill and other intangible assets** for APLUS FINANCIAL was ¥0.8 billion in fiscal year 2010. This is related to the amortization of goodwill for Zen-Nichi Shinpan, a subsidiary of APLUS FINANCIAL.

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

(Billions of yen, except percentages)

	FY2010 (12 months)	FY2009 (12 months)	% Change	1HFY2010 (6 months)
Extraordinary income (loss)	3.8	(71.6)	105.4	2.1
Net gain on disposal of premises and equipment	(0.5)	(1.9)	71.8	(0.2)
Provision for loss on disposition of premises and equipment	-	(0.2)	100.0	0.0
Recoveries of written-off claims	14.8	10.7	38.0	7.0
Other extraordinary income (loss)	(10.4)	(80.2)	87.0	(4.6)
Provisions of reserve for losses on interest repayment	(10.1)	(29.6)	65.8	0.0
Shinsei Financial	(4.7)	(0.9)	(391.8)	0.0
Shinki	(2.1)	(17.8)	88.1	0.0
APLUS FINANCIAL	(3.2)	(10.8)	69.7	0.0
Other	-	0.0	(100.0)	0.0
Other	(3.7)	(5.6)	34.4	(1.0)
Other gains (Losses)	(10.0)	(107.0)	90.6	1.0

- Other losses of ¥10.0 billion in fiscal year 2010 include ¥10.1 billion of additional provisions for loss on interest repayment, ¥4.4 billion for restructuring costs in Shinsei Financial and ¥3.5 billion from asset retirement obligation costs, offset by recoveries of written off-claims of ¥14.8 billion at Shinsei Financial, Shinsei Bank, Shinki and APLUS FINANCIAL. Additional provisions for losses on interest repayment of ¥4.7 billion at Shinsei Financial, ¥3.2 billion at APLUS FINANCIAL, and ¥2.1 billion at Shinki were recorded in light of the operating environment of the consumer finance business following the bankruptcy of Takefuji. Additional provisions for losses on interest repayment in Shinsei Financial were recorded for

the portion of the portfolio not covered by the GE indemnity included in the purchase agreement of Shinsei Financial from GE.

- **Other losses** of ¥107.0 billion recorded in fiscal year 2009 included impairment of goodwill and intangible assets in our investment in APLUS FINANCIAL of ¥66.0 billion, net of taxes, impairment of Shinki intangibles of ¥2.5 billion, net of taxes, additional grey zone provisions of ¥29.6 billion, as well as restructuring charges of ¥6.5 billion at APLUS FINANCIAL and Shinki, offset by recoveries of written off-claims of ¥10.7 billion.

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

(Billions of yen, except percentages)

	FY2010 (12 months)	FY2009 (12 months)	% Change	1HFY2010 (6 months)
Dividends on perpetual preferred securities (hybrid Tier I capital) issued by foreign SPCs	7.5	10.3	(26.7)	4.6
Dividends on APLUS FINANCIAL's preferred stock	-	0.4	(100.0)	-
Others	0.3	(1.9)	118.5	0.2
Minority interests in net income of subsidiaries	7.9	8.8	(10.2)	4.8

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

- Minority interests in net income of subsidiaries** for fiscal year 2010 was ¥7.9 billion largely due to dividends on perpetual preferred securities and minority interests in consolidated subsidiaries. Due to the redemption of APLUS FINANCIAL's preferred securities during the

fourth quarter of fiscal year 2009, no preferred stock dividends were paid in fiscal year 2010.

Major Balance Sheet Data - Table 9- (Consolidated)

	(Billions of yen)				
	Mar 31 2011 (a)	Mar 31 2010 (b)	Change (a)-(b)	Sep 30 2010 (c)	Change (a)-(c)
Loans and bills discounted	4,291.4	5,163.7	(872.3)	4,604.4	(313.0)
Installment receivables	330.4	347.8	(17.3)	347.7	(17.3)
Leased assets, lease receivables and leased investment assets	219.9	229.5	(9.5)	222.1	(2.1)
Securities	3,286.3	3,233.3	53.0	2,639.9	646.4
Other monetary claims purchased	157.0	252.7	(95.7)	178.4	(21.4)
Other interest earning assets ⁽¹⁾	463.1	515.0	(51.9)	534.7	(71.6)
Trading assets	195.3	223.2	(27.8)	246.9	(51.5)
Monetary assets held in trust	253.6	292.2	(38.5)	278.6	(24.9)
Goodwill, net	49.5	57.8	(8.3)	53.5	(3.9)
Other intangible assets ⁽²⁾	20.5	25.2	(4.7)	22.7	(2.2)
Other assets	587.4	608.7	(21.2)	946.5	(359.1)
Customer's liabilities for acceptances and guarantees	575.7	623.7	(48.0)	606.1	(30.4)
Reserve for credit losses	(199.2)	(196.6)	(2.5)	(218.1)	18.9
Total assets	10,231.5	11,376.7	(1,145.2)	10,464.0	(232.5)
Deposits and negotiable certificates of deposit	5,610.6	6,475.3	(864.6)	5,890.1	(279.4)
Debentures	348.2	483.7	(135.4)	425.2	(76.9)
Borrowed money	1,672.7	1,186.8	485.9	1,336.1	336.6
Corporate bonds	179.6	188.2	(8.6)	180.8	(1.2)
Other interest bearing liabilities ⁽³⁾	452.8	885.1	(432.2)	321.7	131.1
Trading liabilities	147.7	177.8	(30.0)	0.1	147.5
Reserve for losses on interest repayments	43.1	70.0	(26.8)	46.7	(3.5)
Other liabilities	589.4	650.7	(61.2)	0.8	588.6
Acceptances and guarantees	575.7	623.7	(48.0)	606.1	(30.4)
Total liabilities	9,620.3	10,741.8	(1,121.4)	9,849.8	(229.5)
Total equity	611.1	634.9	(23.8)	614.1	(3.0)

(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 ¥4,291.4 billion as of March 31, 2011 compared to ¥5,163.7 billion as of March 31, 2010.
 - The decrease was mainly due to continued reduction of risk assets by our Markets and Investment Banking Group 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.
 - Due to the continued effort to optimize our loan exposures and risk assets within our Markets and Investment Banking Group, the overall loan balance as of March 31, 2011 decreased by ¥375.3 billion on March 31, 2010. This includes a decrease of ¥261.0 billion in real estate finance loans within our Real Estate Finance Sub-Group from ¥750.3 billion as of March 31, 2010 to ¥489.2 billion as of March 31, 2011
 - Loans to individual customers, which include retail banking loans, and loans at Shinsei Financial, Shinki and APLUS FINANCIAL, decreased by ¥146.6 billion from ¥1,713.0 billion as of March 31, 2010 to ¥1,566.4 billion as of March 31, 2011. Retail housing loans remained stable at ¥905.7 billion as of March 31, 2011 compared to ¥882.3 billion as of March 31, 2010.
- Due to compliance with the revised Money-Lending Business Control and Regulation Law, loans to Shinsei Financial's customers decreased by ¥126.3 billion from ¥512.1 billion as of March 31, 2010 to ¥385.7 billion as of March 31, 2011. Loans to APLUS FINANCIAL's customers decreased by ¥32.1 billion from ¥166.6 billion as of March 31, 2010 to ¥134.4 billion as of March 31, 2011. Loans to Shinki's customers decreased by ¥21.3 billion from ¥79.5 billion as of March 31, 2010 to ¥58.2 billion as of March 31, 2011.
- **Securities** balance as of March 31, 2011 was ¥3,286.3 billion compared to ¥3,233.3 billion as of March 31, 2010.
 - Investments were made in Japanese national government bonds for liquidity purposes. The total balance of Japanese national government bonds increased to ¥2,462.6 billion as of March 31, 2011 from ¥2,361.6 billion as of March 31, 2010.
 - The balance of domestic real estate non-recourse bonds within our Real Estate Finance Sub-Group declined to ¥237.8 billion as of March 31, 2011 from ¥298.6 billion as of March 31, 2010.
- Shinsei Bank continues to optimize its funding base through deposits from retail customers. Total **deposits and negotiable certificates of deposit** decreased from ¥6,475.3

billion as of March 31, 2010 to ¥5,610.6 billion as of March 31, 2011.

- The retail deposits balance totaled ¥4,752.2 billion as of March 31, 2011, a decrease of ¥552.7 billion

compared to March 31, 2010. Retail Banking constitutes 84.4% of the Bank's total funding through customer deposits and debentures.

Risk-Monitored Loans -Table 10- (Consolidated)

	(Billions of yen)				
	Mar 31 2011 (a)	Mar 31 2010 (b)	Change (a)-(b)	Sep 30 2010 (c)	Change (a)-(c)
Loans to bankrupt obligors	13.9	21.5	(7.6)	18.5	(4.6)
Non-accrual delinquent loans	317.9	346.7	(28.7)	357.2	(39.2)
Loans past due for three months or more	2.2	2.7	(0.4)	2.2	0.0
Restructured loans	60.9	61.3	(0.4)	61.5	(0.6)
Total (A)	395.0	432.3	(37.2)	439.5	(44.5)
Loans and bills discounted (B)	4,291.4	5163.7	(872.3)	4604.4	(313.0)
Ratio to total loans and bills discounted (A / B X 100) (%)	9.21%	8.37%	/	9.55%	/
Reserve for credit losses (C)	199.2	196.6	2.5	218.1	(18.9)
Reserve ratio (C / A X 100)	50.4%	45.5%	/	49.6%	/

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

- Risk monitored loans totaled ¥395.0 billion as at the end of fiscal year 2010, which was ¥37.2 billion lower than as at March 31, 2010.
- The ratio of risk monitored loans to total loans and bills discounted was 9.21%, an increase of 0.84 points compared to March 31, 2010.
- The increase in the ratio of risk monitored loans to total loans and bills discounted was mainly due to the decrease of ¥872.3 billion in total loans and bills discounted compared to March 31, 2010.

Reserve for Credit Losses -Table 11- (Consolidated)

	(Billions of yen)				
	Mar 31 2011 (a)	Mar 31 2010 (b)	Change (a)-(b)	Sep 30 2010 (c)	Change (a)-(c)
General reserve for loan losses	102.7	110.0	(7.3)	124.3	(21.5)
Specific reserve for loan losses	96.4	86.5	9.8	93.8	2.6
Reserve for loans to restructuring countries	0.0	0.0	(0.0)	0.0	(0.0)
Total reserve for credit losses	199.2	196.6	2.5	218.1	(18.9)

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

Loans by Borrower Industry -Table 12- (Consolidated)

	(Billions of yen)				
	Mar 31 2011 (a)	Mar 31 2010 (b)	Change (a)-(b)	Sep 30 2010 (c)	Change (a)-(c)
Domestic offices (excluding Japan offshore market account):					
Manufacturing	231.5	249.0	(17.5)	252.0	(20.4)
Agriculture and forestry	0.0	0.0	(0.0)	0.0	0.0
Fishery	2.2	2.5	(0.3)	2.4	(0.2)
Mining, quarrying and gravel extraction	0.4	2.7	(2.2)	2.2	(1.8)
Construction	8.3	8.7	(0.3)	5.6	2.7
Electric power, gas, heat supply and water supply	27.1	32.3	(5.2)	25.9	1.1
Information and communications	12.6	17.0	(4.4)	16.1	(3.5)
Transportation and postal service	284.3	293.6	(9.3)	272.7	11.5
Wholesale and retail	101.4	109.6	(8.1)	99.0	2.3
Finance and insurance	722.6	1,095.9	(373.2)	892.6	(169.9)
Real estate	597.4	875.6	(278.2)	722.2	(124.7)
Services	330.4	262.7	67.6	255.5	74.8
Local government	158.8	171.3	(12.5)	164.1	(5.3)
Others	1,752.1	1,956.2	(204.0)	1,820.8	(68.7)
Loans to individual customers (retail banking, Shinsei Financial, Shinki and APLUS FINANCIAL)	1,527.8	1,667.0	(139.1)	1,577.5	(49.7)
Total domestic (A)	4,229.7	5,077.6	(847.9)	4,531.7	(301.9)
Overseas offices (including Japan offshore market accounts):					
Governments	2.2	1.9	0.2	2.2	(0.0)
Financial institutions	1.6	1.8	(0.2)	2.1	(0.4)
Others	57.7	82.2	(24.4)	68.4	(10.6)
Total overseas (B)	61.6	86.0	(24.3)	72.7	(11.0)
Total (A+B)	4,291.4	5,163.7	(872.3)	4,604.4	(313.0)

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

	(Billions of yen)					
	March 31, 2011					
	Book Value	Fair Value	Unrealized gain (loss)			
Items with fair value exceeding book value						
Japanese national government bonds	393.6	397.7	4.0			
Japanese corporate bonds	59.5	60.2	0.6			
Other	40.1	43.7	3.6			
Total	493.3	501.7	8.3			
Items with fair value not exceeding book value						
Japanese national government bonds	50.1	50.0	(0.0)			
Japanese corporate bonds	-	-	-			
Other	10.4	9.9	(0.4)			
Total	60.6	60.0	(0.5)			
Total	553.9	561.7	7.7			
	September 30, 2010			March 31, 2010		
	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	293.2	298.7	5.5	353.3	357.9	4.6
Japanese corporate bonds	69.4	70.5	1.0	70.4	71.8	1.3
Other	40.2	43.6	3.4	44.6	47.8	3.2
Total	402.9	412.9	10.0	468.4	477.7	9.2
Items with fair value not exceeding book value						
Japanese national government bonds	-	-	-	-	-	-
Japanese corporate bonds	-	-	-	-	-	-
Other	10.0	9.2	(0.7)	11.1	10.0	(1.1)
Total	10.0	9.2	(0.7)	11.1	10.0	(1.1)
Total	413.0	422.2	9.2	479.5	487.7	8.1

Available for Sale Securities, at Fair Value -Table 14- (Consolidated)

(Billions of yen)

	March 31, 2011		
	Book value (Fair value)	Amortized/ Acquisition Cost	Unrealized gain (loss)
Items with book value exceeding amortized/acquisition cost			
Equity securities	5.8	4.2	1.6
Bonds	1,219.6	1,217.9	1.6
Japanese national government bonds	1,152.2	1,151.3	0.8
Japanese local government bonds	1.7	1.7	0.0
Japanese corporate bonds	65.5	64.8	0.7
Other	88.9	84.7	4.1
Foreign securities	73.0	69.1	3.9
Foreign currency denominated foreign corporate and government bonds	36.7	33.7	2.9
Yen-denominated foreign corporate and government bonds	34.2	33.7	0.5
Foreign equity securities and others	2.1	1.7	0.3
Other securities	1.0	0.9	0.1
Other monetary claims purchased	14.7	14.6	0.1
Total	1,314.4	1,306.9	7.5
Items with book value not exceeding amortized/acquisition cost			
Equity securities	8.9	13.4	(4.5)
Bonds	1,085.3	1,093.2	(7.8)
Japanese national government bonds	866.4	869.0	(2.5)
Japanese local government bonds	-	-	-
Japanese corporate bonds	218.9	224.1	(5.2)
Other	219.5	223.7	(4.1)
Foreign securities	204.9	209.0	(4.1)
Foreign currency denominated foreign corporate and government bonds	145.5	148.9	(3.3)
Yen-denominated foreign corporate and government bonds	54.8	55.5	(0.6)
Foreign equity securities and others	4.5	4.5	(0.0)
Other securities	1.0	1.0	-
Other monetary claims purchased	13.6	13.6	(0.0)
Total	1,313.9	1,330.4	(16.5)
Total	2,628.3	2,637.4	(9.0)

	September 30, 2010			March 31, 2010		
	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	2.0	1.4	0.6	6.8	5.7	1.1
Bonds	1,050.9	1,047.1	3.7	1,585.0	1,578.5	6.4
Japanese national government bonds	981.3	978.7	2.6	1,543.7	1,537.6	6.0
Japanese local government bonds	1.8	1.7	0.0	1.7	1.7	0.0
Japanese corporate bonds	67.7	66.6	1.1	39.5	39.2	0.3
Other	146.1	138.3	7.7	127.0	110.7	16.2
Foreign securities	127.4	120.0	7.3	101.9	86.1	15.8
Foreign currency denominated foreign corporate and government bonds	74.9	70.1	4.7	73.1	60.5	12.6
Yen-denominated foreign corporate and government bonds	48.6	48.0	0.5	18.5	18.3	0.2
Foreign equity securities and others	3.8	1.8	2.0	10.1	7.2	2.9
Other securities	1.1	0.9	0.2	1.1	0.9	0.2
Other monetary claims purchased	17.5	17.3	0.1	23.9	23.7	0.2
Total	1,199.1	1,186.9	12.2	1,718.9	1,695.0	23.9
Items with book value not exceeding amortized/acquisition cost						
Equity securities	11.6	16.7	(5.1)	8.8	12.0	(3.2)
Bonds	754.9	760.0	(5.0)	746.9	754.5	(7.6)
Japanese national government bonds	503.4	505.3	(1.8)	464.5	467.2	(2.6)
Japanese local government bonds	-	-	-	-	-	-
Japanese corporate bonds	251.4	254.6	(3.2)	282.3	287.3	(4.9)
Other	167.1	171.4	(4.2)	170.8	175.1	(4.2)
Foreign securities	149.9	154.0	(4.0)	165.6	169.8	(4.2)
Foreign currency denominated foreign corporate and government bonds	86.7	89.2	(2.4)	72.2	74.5	(2.2)
Yen-denominated foreign corporate and government bonds	59.2	60.1	(0.8)	93.2	95.1	(1.8)
Foreign equity securities and others	3.8	4.6	(0.7)	0.1	0.1	(0.0)
Other securities	1.0	1.0	-	1.1	1.1	(0.0)
Other monetary claims purchased	16.2	16.3	(0.1)	19.7	19.8	(0.0)
Total	933.7	948.2	(14.4)	942.3	957.4	(15.1)
Total	2,132.8	2,135.1	(2.2)	2,661.3	2,652.5	8.7

Hedge-Accounting Derivative Transactions -Table 15- (Consolidated)

(Billions of yen)

Notional Principal Amount (Consolidated)	Mar 31, 2011			Total
	1 year or less	Over 1 year to 5 years	Over 5 years	
Interest rate swaps:				
Receive fixed and pay floating	81.8	551.8	39.0	672.6
Receive floating and pay fixed	50.1	103.8	205.7	359.7
Receive floating and pay floating	-	-	-	-
Total notional principal amount	131.9	655.7	244.7	1,032.4
Currency swaps:				
	148.8	11.1	3.9	164.0
Total notional principal amount	148.8	11.1	3.9	164.0

Deposits, Including Negotiable Certificates of Deposit (NCDs) -Table 16- (Consolidated)

(Billions of yen)

	Mar 31	Mar 31	Change	Sep 30	Change
	2011	2010	(a)-(b)	2010	(a)-(c)
	(a)	(b)	(a)-(b)	(c)	(a)-(c)
Deposits	5,436.6	6,190.4	(753.8)	5,570.5	(133.8)
Liquid (current, ordinary, note) deposits	1,476.3	1,490.1	(13.8)	1,496.5	(20.2)
Time deposits	3,602.9	4,420.7	(817.7)	3,743.2	(140.2)
Other	357.2	279.5	77.7	330.7	26.5
Negotiable certificates of deposits (NCDs)	174.0	284.9	(110.8)	319.6	(145.6)
Total	5,610.6	6,475.3	(864.6)	5,890.1	(279.4)

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

Financial Ratios -Table 17- (Consolidated)

	FY2010 (12 months)	FY2009 (12 months)	1HFY2010 (6 months)
Return on assets ⁽¹⁾	0.4%	(1.2)%	0.3%
Return on equity ⁽²⁾	8.5%	(27.6)%	7.4%
Return on equity (fully diluted) ⁽³⁾	8.5%	(27.6)%	7.4%
Cash basis return on assets ⁽¹⁾	0.5%	(0.5)%	0.4%
Cash basis return on equity ⁽²⁾	10.7%	(10.6)%	9.9%
Cash basis return on equity (fully diluted) ⁽³⁾	10.7%	(10.6)%	9.9%
Expense-to-revenue ratio ⁽⁴⁾⁽⁵⁾	48.9%	59.0%	46.8%

(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:

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

(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) Management accounting basis.

(5) Expense denotes general and administrative expenses.

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

Capital Adequacy Data -Table 18- (Consolidated)

	<i>(Billions of yen, except percentages)</i>				
	Mar 31 2011 (a)	Mar 31 2010 (b)	Change (a)-(b)	Sep 30 2010 (c)	Change (a)-(c)
Basic items (Tier I)	516.7	490.7	25.9	500.5	16.1
Amount eligible for inclusion in capital (Tier II)	231.8	268.7	(36.8)	251.2	(19.3)
General reserve for loan losses	9.4	10.9	(1.5)	10.2	(0.7)
Perpetual/non-perpetual preferred stocks and perpetual/non-perpetual subordinated debt and bonds	222.4	257.7	(35.3)	240.9	(18.5)
Deductions	-	-	-	-	-
Deduction	(98.6)	(114.0)	15.4	(109.6)	10.9
Total capital ⁽²⁾	649.9	645.4	4.5	642.1	7.7
Risk assets	6,653.7	7,722.1	(1,068.3)	7,180.8	(527.0)
Capital adequacy ratio	9.76%	8.35%		8.94%	
Tier I capital ratio	7.76%	6.35%		6.97%	

(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, ¥15.2 billion net unrealized losses on securities available-for-sale, net of taxes, as of March 31, 2011 and ¥8.2 billion as of September 30, 2010 are not included in BIS capital. Net unrealized gain on securities available-for-sale, net of taxes is recorded as of March 31, 2010.

(2) Consolidated total required capital is ¥469.7 billion as at March 31, 2011, ¥550.8 billion as at March 31, 2010 and ¥514.0 billion as at September 30, 2010.

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

Per Share Data -Table 19- (Consolidated)

(Yen, except percentages)

	FY2010 (12 months)	FY2009 (12 months)	% Change	1HFY2010 (6 months)	% Change
Common equity	205.83	232.72	(11.6)	232.54	(11.5)
Fully diluted equity	205.83	232.72	(11.6)	232.54	(11.5)
Basic net income (loss)	21.36	(71.36)	129.9	8.59	
Diluted net income (loss)	21.36	(71.36)	129.9	8.59	
Cash basis:					
Basic net income (loss)	26.96	(27.37)	198.5	11.57	
Diluted net income (loss)	26.96	(27.37)	198.5	11.57	
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		1,963,919,247	
Fully diluted number of shares ⁽¹⁾	2,653,919,247	1,963,919,247		1,963,919,247	
Net income:					
Number of common shares ⁽²⁾	1,996,056,234	1,963,919,464		1,963,919,247	
Fully diluted number of shares ⁽²⁾	1,996,056,234	1,963,919,464		1,963,919,247	

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

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

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

- Diluted net income per share for fiscal year 2010 was ¥21.36 compared to a diluted net loss per share of ¥71.36 for fiscal year 2009. Cash basis diluted net income per share for fiscal year 2010 was ¥26.96, as compared to a cash basis diluted net loss per share of ¥27.37 for fiscal year 2009.
- Shinsei Bank issued 690 million new shares through an international offering in March 2011.

Business Lines Results -Table 20- (Consolidated)

	(Billions of yen, except percentages)			
	FY2010 (12 months)	FY2009 (12 months)	% Change	1HFY2010 (6 months)
Institutional Group:				
Net interest income	7.3	7.0	5.1	3.5
Non-interest income	21.2	21.3	(0.2)	11.0
Total revenue	28.6	28.3	1.1	14.5
General and administrative expenses	17.0	16.0	6.0	8.6
Ordinary business profit	11.6	12.2	(5.2)	5.9
Net credit (recoveries) costs	2.5	3.0	(17.9)	(0.2)
Ordinary business profit (loss) after net credit costs	9.1	9.2	(1.0)	6.1
Markets and Investment Banking Group:				
Net interest income	35.1	36.3	(3.1)	14.6
Non-interest income	41.6	(4.9)	937.7	33.1
Total revenue	76.8	31.3	145.2	47.8
General and administrative expenses	22.0	27.6	(20.3)	11.3
Ordinary business profit	54.8	3.7	1,368.3	36.5
Net credit costs	36.8	63.0	(41.6)	30.5
Ordinary business profit (loss) after net credit costs	18.0	(59.2)	130.5	5.9
Individual Group:				
Net interest income	117.3	167.1	(29.8)	68.2
Non-interest income	39.8	41.0	(3.1)	19.9
Total revenue	157.1	208.2	(24.5)	88.2
General and administrative expenses	104.5	124.2	(15.9)	53.2
Ordinary business profit	52.6	84.0	(37.3)	34.9
Net credit costs	28.6	46.2	(38.1)	21.8
Ordinary business profit after net credit costs	24.0	37.7	(36.5)	13.1
Corporate/Other⁽¹⁾:				
Net interest income (loss)	(3.2)	(2.5)	(27.3)	(0.2)
Non-interest income	32.6	20.1	62.3	5.3
Total revenue	29.4	17.5	67.4	5.0
General and administrative expenses	(0.7)	0.4	(257.1)	(0.4)
Ordinary business profit	30.1	17.1	76.0	5.4
Net credit costs (recoveries)	0.4	(0.0)	1,152.7	0.1
Ordinary business profit after net credit costs (recoveries)	29.7	17.1	73.1	5.3
Total:				
Net interest income	156.6	207.9	(24.7)	86.1
Non-interest income	135.4	77.5	74.7	69.4
Total revenue	292.1	285.5	2.3	155.6
General and administrative expenses	142.8	168.3	(15.2)	72.8
Ordinary business profit	149.2	117.1	27.4	82.8
Net credit costs	68.3	112.2	(39.1)	52.3
Ordinary business profit after net credit costs	80.8	4.8	1,559.7	30.4

(1) Corporate/Other largely includes results of equity and subordinated debt finance activities, corporate level expenses and credit costs.

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

⁽¹⁾
Institutional Group - Table 21- (Consolidated)

(Billions of yen, except percentages)

	FY2010 (12 months)	FY2009 (12 months)	% Change	1HFY2010 (6 months)
Institutional Banking ⁽²⁾ :				
Net interest income	10.5	11.1	(4.7)	5.2
Non-interest income	2.7	1.4	91.9	1.7
Total revenue	13.3	12.5	6.3	7.0
General and administrative expenses	9.0	7.8	14.2	4.6
Ordinary business profit	4.3	4.6	(6.9)	2.3
Net credit (recoveries) costs	(0.9)	(2.1)	55.3	(1.7)
Ordinary business profit after net credit costs	5.2	6.7	(22.0)	4.1
Showa Leasing:				
Net interest income (loss)	(3.1)	(4.0)	21.8	(1.7)
Non-interest income	18.5	19.8	(6.8)	9.2
Total revenue	15.3	15.8	(3.0)	7.5
General and administrative expenses	8.0	8.1	(1.9)	3.9
Ordinary business profit	7.2	7.6	(4.2)	3.5
Net credit (recoveries) costs	3.4	5.1	(33.2)	1.5
Ordinary business profit after net credit costs	3.8	2.4	57.7	1.9
Institutional Group:				
Net interest income	7.3	7.0	5.1	3.5
Non-interest income	21.2	21.3	(0.2)	11.0
Total revenue	28.6	28.3	1.1	14.5
General and administrative expenses	17.0	16.0	6.0	8.6
Ordinary business profit	11.6	12.2	(5.2)	5.9
Net credit (recoveries) costs	2.5	3.0	(17.9)	(0.2)
Ordinary business profit after net credit costs	9.1	9.2	(1.0)	6.1

(1) Net of consolidation adjustments, if applicable.

(2) Represents "Institutional Group excluding Showa Leasing."

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

Institutional Group:

- The Institutional Group consists of the Institutional Banking business (banking business for corporate clients) and Showa Leasing.
- Disclosure items have changed due to a revision of the Segment Information since December 2010. Please refer to "Segment Information" on page 29 for more details.

Institutional Banking business:**Revenue**

- The Institutional Banking business recorded **total revenue** of ¥13.3 billion in fiscal year 2010, an increase of ¥0.7 billion compared to total revenue of ¥12.5 billion recorded in fiscal year 2009.
- In fiscal year 2010, in order to rebuild our client base, we focused on areas such as health care business where the Bank can demonstrate its strength and also put efforts into identifying new outlets for corporate lending. As a result, despite the current stagnant economy, with few prospects for an increase in demand for funds, total revenue has increased compared to fiscal year 2009.

Expenses

- In fiscal year 2010, the Institutional Banking business recorded **general and administrative expenses** of ¥9.0 billion, an increase of ¥1.1 billion compared to fiscal year 2009. The increase was largely due to investments in areas such as health care business where the Bank can demonstrate its unique strengths, and efforts towards rebuilding our client base.

Net credit (recoveries) costs

- **Net credit recoveries** decreased by ¥1.1 billion from ¥2.1 billion in fiscal year 2009 to ¥0.9 billion in fiscal year 2010. Strict credit management resulting in collections on doubtful debts also enabled the reversal of provisions for credit losses in fiscal year 2010.

Ordinary business profit after net credit costs

- As a result, Institutional Banking business recorded an **ordinary business profit after net credit costs** of ¥5.2 billion for fiscal year 2010, an decrease of ¥1.4 billion compared to an **ordinary business profit after net credit costs** of ¥6.7 billion recorded in fiscal year 2009.

Showa Leasing

- For fiscal year 2010, including consolidation adjustments, Showa Leasing's **ordinary business profit after net credit costs** increased to ¥3.8 billion from ¥2.4 billion in fiscal year 2009.
- With the current stagnant economy, and reduced operating assets, the total revenue for fiscal year 2010 decreased to ¥15.3 billion from ¥15.8 billion in fiscal year 2009. **Net credit costs** for fiscal year 2010 decreased to ¥3.4 billion compared to ¥5.1 billion net credit costs recorded in fiscal year 2009, mainly due to strict credit management and the decrease in operating assets.
- Showa Leasing's net credit costs for fiscal year 2010 include ¥1.6 billion of earthquake-related reserves.

Markets and Investment Banking Group Revenue by Product -Table 22- (Consolidated)

(Billions of yen, except percentages)

	FY2010 (12 months)	FY2009 (12 months)	% Change	1HFY2010 (6 months)
Real estate finance:				
Net interest income	16.2	22.9	(29.3)	8.8
Non-interest income	(2.1)	(32.5)	93.5	(1.4)
Total revenue	14.1	(9.5)	247.2	7.4
General and administrative expenses	3.6	4.8	(25.2)	1.9
Ordinary business profit	10.4	(14.4)	172.4	5.5
Net credit costs	19.0	34.4	(44.6)	14.1
Ordinary business profit (loss) after net credit costs	(8.6)	(48.9)	82.4	(8.5)
Principal transactions:				
Net interest income (loss)	4.6	6.1	(24.1)	2.5
Non-interest income	15.7	12.2	28.6	8.4
Total revenue	20.4	18.4	11.0	11.0
General and administrative expenses	4.5	5.1	(11.3)	2.2
Ordinary business profit	15.9	13.3	19.5	8.7
Net credit costs	19.2	7.2	164.5	17.6
Ordinary business profit (loss) after net credit costs	(3.3)	6.0	(154.9)	(8.9)
Markets:				
Net interest income	2.6	1.8	38.3	1.7
Non-interest income	11.6	31.1	(62.7)	8.8
Total revenue	14.2	33.0	(56.9)	10.6
General and administrative expenses	6.8	10.2	(32.7)	3.5
Ordinary business profit	7.3	22.7	(67.8)	7.0
Net credit (recoveries) costs	1.5	0.8	83.4	(0.6)
Ordinary business profit after net credit costs	5.7	21.9	(73.6)	7.7
Treasury:				
Net interest income	4.0	(5.1)	178.9	(2.5)
Non-interest income	10.0	6.4	56.3	9.9
Total revenue	14.1	1.2	1,044.8	7.4
General and administrative expenses	0.8	0.9	(9.0)	0.4
Ordinary business profit	13.2	0.3	4,281.7	7.0
Net credit costs	-	-	-	-
Ordinary business profit after net credit costs	13.2	0.3	4,281.7	7.0
Others:				
Net interest income	7.5	10.5	(27.9)	4.0
Non-interest income	6.3	(22.2)	128.6	7.2
Total revenue	13.9	(11.7)	219.0	11.3
General and administrative expenses	6.1	6.4	(5.7)	3.1
Ordinary business profit	7.8	(18.2)	143.2	8.1
Net credit (recoveries) costs	(3.0)	20.4	(115.1)	(0.5)
Ordinary business profit (loss) after net credit costs	10.9	(38.6)	128.3	8.6
Markets and Investment Banking Group :				
Net interest income	35.1	36.3	(3.1)	14.6
Non-interest income	41.6	(4.9)	937.7	33.1
Total revenue	76.8	31.3	145.2	47.8
General and administrative expenses	22.0	27.6	(20.3)	11.3
Ordinary business profit	54.8	3.7	1,368.3	36.5
Net credit costs	36.8	63.0	(41.6)	30.5
Ordinary business profit (loss) after net credit costs	18.0	(59.2)	130.5	5.9

(1) Net of consolidation adjustments, if applicable.

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

Markets and Investment Banking Group:**Revenue**

- Disclosure items have changed due to a revision of the Segment Information since December 2010. Please refer to "Segment Information" on page 29 for more details.
- The Markets and Investment Banking Group recorded **total revenue** of ¥76.8 billion in fiscal year 2010, an increase of ¥45.5 billion compared to total revenue of ¥31.3 billion recorded in fiscal year 2009.
- Our Real Estate Finance Sub-Group generated a **total revenue** of ¥14.1 billion for fiscal year 2010 compared to loss of ¥9.5 billion recorded in fiscal year 2009. The improvement in revenue is due to continuous efforts to reduce risk assets, which resulted in impairment on real estate non-recourse bonds of ¥3.7 billion and mark-downs and impairments of ¥1.1 billion on real estate principal investments, in contrast to mark-downs and impairments of ¥35.1 billion on real estate principal investments recorded in fiscal year 2009.
- The Principal Transactions Sub-Group's total revenues, with the inclusion of gains from domestic credit trading business, increased to ¥20.4 billion in fiscal year 2010 compared to ¥18.4 billion recorded in fiscal year 2009. The reason for the increase in fiscal year 2010 includes a gain of ¥2.1 billion on our equity method affiliate Jih Sun Financial Holding Co., Ltd. as compared to a loss of ¥3.8 billion in fiscal year 2009. Core businesses such as credit trading business also contributed positively.
- The Markets Sub-Group generated total revenue of ¥14.2 billion in fiscal year 2010, compared to the ¥33.0 billion recorded in fiscal year 2009. The reason for the decrease in revenue is due to lower non-recurring gains on the sale of securities in fiscal year 2010. Customer transactions and the performance of the trading business demonstrate steady progress. Fiscal year 2010 results include a ¥4.3 billion gain on the sale of CLOs while the results of fiscal year 2009 included a ¥17.7 billion gain on the sale of CLOs.
- The Treasury Sub-Group generated total revenue of ¥14.1 billion in fiscal year 2010 compared to ¥1.2 billion in fiscal year 2009. In fiscal year 2010, in order to facilitate liquidity management, we repeatedly traded Japanese national government bonds reducing the ending balance, recording a gain and higher revenues.

- Other businesses in the Markets and Investment Banking Group include the Advisory business, Asset Management business, Overseas Credit Trading business and Asset-Backed Investment business. The total revenue from the other businesses was a gain of ¥13.9 billion in fiscal year 2010 compared to a loss of ¥11.7 billion in fiscal year 2009. Included in fiscal year 2010 is ¥7.0 billion in gains on the sale and valuation gains on asset-backed securities and asset-backed investments, while in fiscal year 2009 impairment and mark-downs of ¥3.3 billion were recorded for asset-backed securities, asset-backed investments and other European investments.

Expenses

- In fiscal year 2010, Markets and Investment Banking Group general and administrative expenses were ¥22.0 billion, ¥5.6 billion lower than fiscal year 2009. The decrease was largely due to reductions and withdrawal from non-core businesses. Cost rationalization implemented from the previous fiscal year also contributed to the decrease in expenses.

Net credit costs

- **Net credit costs** were ¥36.8 billion in fiscal year 2010, a decrease of ¥26.2 billion compared to the ¥63.0 billion of credit costs recorded in fiscal year 2009.
 - **Net credit costs** decreased in fiscal year 2010 primarily due to continued divestiture of non-core assets to mitigate potential risks, while recording additional reserves against potential risks in our domestic real estate non-recourse finance and specialty finance businesses. **Net credit costs** for fiscal year 2010 include net provisions of ¥19.9 billion within specialty finance and ¥19.5 billion of net credit costs for domestic real estate non-recourse finance.
 - Fiscal year 2009 included ¥32.8 billion of net credit costs related to our domestic real estate non-recourse finance portfolio and ¥15.6 billion related to our asset-backed investment portfolio.

Ordinary business profit after net credit costs

- As a result, the Markets and Investment Banking Group showed an **ordinary business profit after net credit costs** of ¥18.0 billion for fiscal year 2010, a large improvement compared to an **ordinary business loss after net credit costs** of ¥59.2 billion recorded in fiscal year 2009.

⁽¹⁾
Individual Group -Table 23- (Consolidated)

(Billions of yen, except percentages)

	FY2010 (12 months)	FY2009 (12 months)	% Change	1HFY2010 (6 months)
Retail banking:				
Net interest income	33.8	32.0	5.5	17.3
Non-interest income	9.5	9.4	0.4	4.8
Total revenue	43.3	41.5	4.3	22.1
General and administrative expenses	33.1	35.2	(5.8)	16.1
Ordinary business profit	10.1	6.3	60.9	5.9
Net credit costs (recoveries)	2.5	(0.0)	6,358.6	1.2
Ordinary business profit after net credit costs	7.5	6.3	19.3	4.6
(Reference) Revenue from structured deposits	6.2	6.2	(0.1)	2.9
Shinsei Financial:				
Net interest income	64.1	92.5	(30.7)	34.9
Non-interest income (loss)	(5.1)	(3.9)	(29.8)	(2.5)
Total revenue	58.9	88.5	(33.5)	32.3
General and administrative expenses	33.4	42.6	(21.5)	17.3
Ordinary business profit	25.4	45.9	(44.6)	15.0
Net credit costs	7.7	25.3	(69.4)	10.3
Ordinary business profit after net credit costs	17.7	20.6	(14.1)	4.6
Shinki:				
Net interest income	11.7	15.2	(22.9)	6.5
Non-interest income (loss)	(1.0)	(1.1)	14.8	(0.5)
Total revenue	10.7	14.0	(23.6)	5.9
General and administrative expenses	4.6	8.0	(42.5)	2.6
Ordinary business profit	6.1	6.0	1.5	3.3
Net credit costs (recoveries)	3.6	(0.8)	513.8	1.9
Ordinary business profit after net credit costs	2.4	6.9	(64.5)	1.3
APLUS FINANCIAL:				
Net interest income	14.4	25.9	(44.2)	8.8
Non-interest income	36.3	36.6	(0.7)	18.1
Total revenue	50.8	62.6	(18.7)	26.9
General and administrative expenses	32.8	37.9	(13.6)	16.9
Ordinary business profit	18.0	24.6	(26.7)	10.0
Net credit costs	13.8	21.0	(34.5)	7.9
Ordinary business profit after net credit costs	4.2	3.5	19.4	2.1
Others ⁽²⁾ :				
Net interest income	(6.8)	1.2	(630.5)	0.6
Non-interest income	0.1	0.1	(13.3)	0.0
Total revenue	(6.7)	1.4	(554.2)	0.7
General and administrative expenses	0.4	0.3	14.9	0.1
Ordinary business profit	(7.1)	1.0	(753.6)	0.6
Net credit costs	0.8	0.7	6.0	0.3
Ordinary business profit (loss) after net credit costs	(7.9)	0.3	(2,665.3)	0.3
Total Individual Group:				
Net interest income	117.3	167.1	(29.8)	68.2
Non-interest income	39.8	41.0	(3.1)	19.9
Total revenue	157.1	208.2	(24.5)	88.2
General and administrative expenses	104.5	124.2	(15.9)	53.2
Ordinary business profit	52.6	84.0	(37.3)	34.9
Net credit costs	28.6	46.2	(38.1)	21.8
Ordinary business profit after net credit costs	24.0	37.7	(36.5)	13.1

(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

Individual Group Revenue by Product/Entity - Table 24- (Consolidated)⁽¹⁾

(Billions of yen, except percentages)

	FY2010 (12 months)	FY2009 (12 months)	% Change	1HFY2010 (6 months)
Retail Banking:	43.3	41.5	4.3	22.1
Deposits and debentures net interest income	24.9	25.3	(1.7)	12.9
Deposits and debentures non-interest income	5.8	5.2	12.3	2.8
Asset management	4.5	4.9	(7.1)	2.4
Loans	7.9	6.0	32.3	3.9
(Reference) Revenue from structured deposits	6.2	6.2	(0.1)	2.9
Shinsei Financial	58.9	88.5	(33.5)	32.3
Shinki	10.7	14.0	(23.6)	5.9
APLUS FINANCIAL	50.8	62.6	(18.7)	26.9
Others ⁽²⁾	(6.7)	1.4	(554.2)	0.7
Total revenue	157.1	208.2	(24.5)	88.2

(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.
- Interest rates have been reset below the legal maximum rates in compliance with the revised Money-Lending Business Control and Regulation Law. Due to the impact, Individual Group generated an **ordinary business profit after net credit costs** of ¥24.0 billion in fiscal year 2010 compared to ¥37.7 billion in fiscal year 2009. This reduction was due to lower **ordinary business profit after net credit costs** within Shinsei Financial and Shinki, partially offset by higher ordinary business profit after net credit costs within our Retail Banking business and APLUS FINANCIAL.

Retail Banking

- **Total revenue** of Retail Banking increased from ¥41.5 billion in fiscal year 2009 to ¥43.3 billion in fiscal year 2010. The main sources of **revenue** were interest income from retail deposits, net interest income from loan products, income from structured deposits and fees from asset management products.
- **Net interest income** increased from ¥32.0 billion in fiscal year 2009 to ¥33.8 billion in fiscal year 2010. The increase in **net interest income** comes primarily from the increase in interest income from the housing loans acquired from Shinsei Financial in March 2010 and an increase in interest income from the housing loans offered by Shinsei Bank.
- **Non-interest income** remained stable at ¥9.5 billion in fiscal year 2010 compared to ¥9.4 billion in fiscal year 2009. The decrease in fees from asset management products was offset by the increase in introduction fees for financial instruments such as structured bonds.
- **General and administrative expenses** of ¥33.1 billion in fiscal year 2010 showed a decrease of ¥2.0 billion compared to fiscal year 2009.
- **Net credit costs** were ¥2.5 billion mainly due to the housing loans acquired from Shinsei Financial. This also includes additional **earthquake-related provisions** of ¥0.5 billion for housing loans in fiscal year 2010. As a result, the **ordinary business profit after net credit costs** was ¥7.5 billion in fiscal year 2010, as compared to an **ordinary business profit after net credit costs** of ¥6.3 billion in fiscal year 2009.

Shinsei Financial

- Shinsei Financial's **total revenue** including the related consolidation adjustments was ¥58.9 billion, **general and administrative expenses** were ¥33.4 billion and **net credit costs**, which include **earthquake-related provisions** of ¥1.8 billion, was ¥7.7 billion, resulting in an **ordinary business profit after net credit costs** of ¥17.7 billion for fiscal year 2010. The balance of loans has declined due to the revised Money-Lending Business Control and Regulation Law. As this was anticipated earlier, we scaled down our business appropriately, reducing expenses and net credit costs, thereby limiting the decline in **ordinary business profit after net credit costs**.

Shinki

- Shinki's **total revenue** including the related consolidation adjustments was ¥10.7 billion, **general and administrative expenses** were ¥4.6 billion and **net credit costs**, which include **earthquake-related provisions** of ¥0.4 billion, were ¥3.6 billion, resulting in an **ordinary business profit after net credit costs** of ¥2.4 billion. Shinki recorded a reversal of reserves for credit losses due to higher collections on loans in fiscal year 2009, and as a result the **ordinary business profit after net credit costs** for fiscal year 2010 was lower than **ordinary business profit after net credit costs** of fiscal year 2009.

APLUS FINANCIAL

- APLUS FINANCIAL's **total revenue** including the related consolidation adjustments was ¥50.8 billion in fiscal year 2010, compared to ¥62.6 billion in fiscal year 2009. The reason for the decrease in **revenue** is lower **net interest income** due to the revised Money-Lending Business Control and Regulation Law. However, due to continued rationalization and improved efficiency of business processes, **general and administrative expenses** declined to ¥32.8 billion in fiscal year 2010 from ¥37.9 billion in fiscal year 2009. Also, due to strict credit management, **net credit costs** decreased to ¥13.8 billion in fiscal year 2010 from ¥21.0 billion in fiscal year 2009. Additional **earthquake-related provisions** of ¥1.6 billion were included in the results of fiscal year 2010. As a result, the business generated **ordinary business profit after net credit costs** of ¥4.2 billion in fiscal year 2010, compared to ¥3.5 billion in fiscal year 2009.
- Others include the financial results of Shinsei Property Finance Co., Ltd and the Consumer Finance Sub-Group.

Grey Zone Payments and Write-offs

- Shinsei Financial's usage of reserves for grey zone payments and write-offs, and reversal of grey zone reserves amounted to ¥15.4 billion and ¥2.4 billion, respectively, in fiscal year 2010. The business made an additional reserve of ¥4.7 billion for grey zone payments resulting in a total balance of ¥18.0 billion for grey zone reserves as at March 31, 2011 compared to ¥31.1 billion as at March 31, 2010. The Shinsei Financial purchase agreement from GE includes an indemnity from GE that provides protection for potential losses beyond ¥203.9 billion from the majority of the legacy accounts with grey zone interest exposure.
- Shinki's usage of reserve for grey zone payments and write-offs amounted to ¥12.4 billion in fiscal year 2010. The business made an additional reserve of ¥2.1 billion for grey zone related payments resulting in a total balance of ¥13.4 billion for grey zone reserves as at March 31, 2011 compared to ¥23.7 billion as at March 31, 2010.
- APLUS FINANCIAL's usage of reserve for grey zone payments and write-offs amounted to ¥6.7 billion in fiscal year 2010. The business made an additional reserve of ¥3.2 billion for grey zone related payments resulting in a total balance of ¥11.7 billion for grey zone reserves as at March 31, 2011 compared to ¥15.1 billion as at March 31, 2010.

Segment Information

Names	Definitions
Institutional Group:	
Institutional Banking	"Institutional Banking" provides financial products and services for corporations, financial institutions and the public sector.
Showa Leasing	"Showa Leasing" primarily provides leasing related financial products and services.
Markets and Investment Banking Group:	
Real Estate Finance	The "Real Estate Finance Sub-Group" provides real estate finance, such as non-recourse loans, and financial products and services for the real estate and construction industries.
Principal Transactions	The "Principal Transactions Sub-Group" provides financial products and services related to credit trading and specialty finance (leveraged finance, acquisition finance).
Markets	The "Markets Sub-Group" is engaged in foreign exchange, derivatives, equity related, securitization, and other capital markets transactions, including Shinsei Securities' businesses.
Treasury	The "Treasury Sub-Group" provides ALM related transactions.
Other Markets and Investment Banking Group	The "Other Markets and Investment Banking Group" consists of the profit and loss attributable to the asset-backed securities and asset-backed investment businesses, alternative investment and trust businesses, wealth management, advisory service, and other products and services in the Markets and Investment Banking 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 business.
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.

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

	Mar 31 2011 a	Mar 31 2010 b	Change a-b
<<Assets>>			
Cash and due from banks	452,751	493,141	(40,390)
Call loans	-	19,129	(19,129)
Collateral related to securities borrowing transactions	10,388	2,801	7,587
Other monetary claims purchased	157,006	252,761	(95,755)
Trading assets	195,396	223,279	(27,883)
Monetary assets held in trust	253,688	292,227	(38,539)
Securities	3,286,382	3,233,312	53,070
Loans and bills discounted	4,291,462	5,163,763	(872,301)
Foreign exchanges	42,069	10,976	31,093
Lease receivables and leased investment assets	206,216	213,702	(7,486)
Other assets	794,798	863,272	(68,474)
Premises and equipment	50,099	52,154	(2,055)
Intangible fixed assets	96,013	109,953	(13,940)
Goodwill, net	49,526	57,844	(8,318)
Deferred issuance expenses for debentures	182	176	6
Deferred tax assets	18,603	18,969	(366)
Customers' liabilities for acceptances and guarantees	575,700	623,786	(48,086)
Reserve for credit losses	(199,211)	(196,642)	(2,569)
Total assets	10,231,548	11,376,767	(1,145,219)

Liabilities and Equity

	(Millions of yen)		
	Mar 31 2011 a	Mar 31 2010 b	Change a-b
<<Liabilities>>			
Deposits	5,436,640	6,190,477	(753,837)
Negotiable certificates of deposit	174,046	284,909	(110,863)
Debentures	348,270	483,713	(135,443)
Call money	160,330	310,487	(150,157)
Payables under repurchase agreements	-	8,430	(8,430)
Collateral related to securities lending transactions	269,697	548,479	(278,782)
Trading liabilities	147,787	177,835	(30,048)
Borrowed money	1,672,790	1,186,837	485,953
Foreign exchanges	39	17	22
Short-term corporate bonds	22,800	17,700	5,100
Corporate bonds	179,611	188,278	(8,667)
Other liabilities	569,362	619,201	(49,839)
Accrued employees' bonuses	8,084	8,842	(758)
Accrued directors' bonuses	38	126	(88)
Reserve for employees' retirement benefits	11,016	7,718	3,298
Reserve for directors' retirement benefits	285	244	41
Reserve for losses on interest repayments	43,199	70,088	(26,889)
Reserve for losses on disposal of premises and equipment	-	7,212	(7,212)
Reserve for losses on litigation	-	5,873	(5,873)
Reserve under special law	1	3	(2)
Deferred tax liabilities	690	1,547	(857)
Acceptances and guarantees	575,700	623,786	(48,086)
Total liabilities	9,620,394	10,741,812	(1,121,418)
<<Equity>>			
Shareholders' equity:			
Capital stock	512,204	476,296	35,907
Capital surplus	79,461	43,554	35,907
Retained earnings	55,087	12,438	42,649
Treasury stock, at cost	(72,558)	(72,558)	-
Total shareholders' equity	574,195	459,730	114,464
Accumulated other comprehensive income:			
Unrealized gain (loss) on available-for-sale securities	(15,225)	1,398	(16,623)
Deferred gain (loss) on derivatives under hedge accounting	(10,197)	(3,327)	(6,870)
Foreign currency translation adjustments	(2,511)	(741)	(1,770)
Total accumulated other comprehensive income	(27,935)	(2,669)	(25,266)
Stock acquisition rights	1,413	1,672	(259)
Minority interests in subsidiaries	63,481	176,221	(112,740)
Total equity	611,154	634,954	(23,800)
Total liabilities and equity	10,231,548	11,376,767	(1,145,219)

Consolidated Statements of Operations (Consolidated)

(Millions of yen, except percentages)

	FY2010 (12 months)	FY2009 (12 months)	Change	
			Amount	%
Total interest income	207,137	283,581	(76,444)	(27.0)
Interest on loans and bills discounted	178,579	245,289	(66,710)	(27.2)
Interest and dividends on securities	23,857	30,560	(6,703)	(21.9)
Other interest income	4,701	7,731	(3,030)	(39.2)
Fees and commissions income	49,112	51,190	(2,078)	(4.1)
Trading profits	14,506	9,014	5,492	60.9
Other business income	180,209	208,085	(27,876)	(13.4)
Other ordinary income	14,856	14,471	385	2.7
Ordinary income	465,823	566,343	(100,520)	(17.7)
Total interest expenses	50,475	75,595	(25,120)	(33.2)
Interest on deposits	33,950	51,659	(17,709)	(34.3)
Interest on borrowings	7,098	10,208	(3,110)	(30.5)
Interest on corporate bonds	5,504	6,517	(1,013)	(15.5)
Other interest expenses	3,920	7,210	(3,290)	(45.6)
Fees and commissions expenses	23,080	26,060	(2,980)	(11.4)
Trading losses	2,857	-	2,857	-
Other business expenses	118,612	170,405	(51,793)	(30.4)
Total general and administrative expenses	158,459	191,772	(33,313)	(17.4)
General and administrative expenses	145,360	170,845	(25,485)	(14.9)
Amortization of goodwill	8,371	13,242	(4,871)	(36.8)
Amortization of intangible assets	4,728	7,685	(2,957)	(38.5)
Other ordinary expenses	87,895	175,168	(87,273)	(49.8)
Provision of reserve for loan losses	61,718	95,433	(33,715)	(35.3)
Others	26,176	79,734	(53,558)	(67.2)
Ordinary expenses	441,381	639,002	(197,621)	(30.9)
Net ordinary income (loss)	24,441	(72,659)	97,100	133.6
Special gains	45,847	34,711	11,136	32.1
Special losses	12,507	85,140	(72,633)	(85.3)
Income (loss) before income taxes and minority interests	57,782	(123,089)	180,871	146.9
Income taxes (benefit):				
Current	1,993	1,540	453	29.4
Deferred	5,229	6,713	(1,484)	(22.1)
Total income taxes (benefit)	7,223	8,254	(1,031)	(12.5)
Income before minority interests	50,558	-	/	-
Minority interests in net income of subsidiaries	7,908	8,807	(899)	(10.2)
Net income (loss)	42,650	(140,150)	182,800	130.4

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

	FY2010 (12 months)	FY2009 (12 months)	Change	
			Amount	%
Income before minority interests	50,558	-	-	-
Other comprehensive income				
Unrealized gain (loss) on available-for-sale securities	(16,703)	-	-	-
Deferred gain (loss) on derivatives under hedge accounting	(6,870)	-	-	-
Foreign currency translation adjustments	(11,897)	-	-	-
Attributable to equity method affiliate	(110)	-	-	-
Other comprehensive income	(35,581)	-	-	-
Comprehensive income	14,977	-	-	-
(Breakdown)				
Attributable to:				
Parent company's interests	17,385	-	-	-
Minority interests	(2,407)	-	-	-

Consolidated Statements of Change in Equity (Consolidated)

	(Millions of yen)	
	FY2010 (12 months)	FY2009 (12 months)
Shareholders' Equity		
Capital stock		
Balance at beginning of the period	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
Capital surplus		
Balance at beginning of the period	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
Retained earnings		
Balance at beginning of the period	12,438	152,855
Changes in amounts during the period		
Net income (loss)	42,650	(140,150)
Decrease by increase of consolidated subsidiary	(0)	(0)
Increase by decrease of consolidated subsidiary	0	-
Decrease by decrease of consolidated subsidiary	(1)	(266)
Total changes in amounts during the period	42,649	(140,416)
Balance at the end of the period	55,087	12,438
Treasury stock		
Balance at beginning of the period	(72,558)	(72,558)
Changes in amounts during the period		
Acquisition of treasury stock	-	(0)
Total changes in amounts during the period	-	(0)
Balance at the end of the period	(72,558)	(72,558)
Shareholders' Equity		
Balance at beginning of the period	459,730	600,147
Changes in amounts during the period		
Issuance of new shares	71,815	-
Net income (loss)	42,650	(140,150)
Decrease by increase of consolidated subsidiary	(0)	(0)
Increase by decrease of consolidated subsidiary	0	-
Decrease by decrease of consolidated subsidiary	(1)	(266)
Acquisition of treasury stock	-	(0)
Total changes in amounts during the period	114,464	(140,416)
Balance at the end of the period	574,195	459,730

(Millions of yen)

	FY2010 (12 months)	FY2009 (12 months)
Accumulated comprehensive income		
Unrealized gain (loss) on available-for-sale securities		
Balance at beginning of the period	1,398	(38,813)
Changes in amounts during the period		
Total changes in amounts during the period excluding shareholders' equity (net)	(16,624)	40,211
Total changes in amounts during the period	(16,624)	40,211
Balance at the end of the period	(15,225)	1,398
Deferred gain (loss) on derivatives under hedge accounting		
Balance at beginning of the period	(3,327)	(2,996)
Changes in amounts during the period		
Total changes in amounts during the period excluding shareholders' equity (net)	(6,870)	(330)
Total changes in amounts during the period	(6,870)	(330)
Balance at the end of the period	(10,197)	(3,327)
Foreign currency translation adjustments		
Balance at beginning of the period	(741)	1,297
Changes in amounts during the period		
Total changes in amounts during the period excluding shareholders' equity (net)	(1,770)	(2,038)
Total changes in amounts during the period	(1,770)	(2,038)
Balance at the end of the period	(2,511)	(741)
Total accumulated other comprehensive income		
Balance at beginning of the period	(2,669)	(40,511)
Changes in amounts during the period		
Total changes in amounts during the period excluding shareholders' equity (net)	(25,265)	37,842
Total changes in amounts during the period	(25,265)	37,842
Balance at the end of the period	(27,935)	(2,669)
Stock acquisition rights		
Balance at beginning of the period	1,672	1,808
Changes in amounts during the period		
Total changes in amounts during the period excluding shareholders' equity (net)	(259)	(135)
Total changes in amounts during the period	(259)	(135)
Balance at the end of the period	1,413	1,672
Minority interests in subsidiaries		
Balance at beginning of the period	176,221	206,037
Changes in amounts during the period		
Total changes in amounts during the period excluding shareholders' equity (net)	(112,740)	(29,816)
Total changes in amounts during the period	(112,740)	(29,816)
Balance at the end of the period	63,481	176,221
Total equity		
Balance at beginning of the period	634,954	767,481
Changes in amounts during the period		
Issuance of new shares	71,815	-
Net income (loss)	42,650	(140,150)
Decrease by increase of consolidated subsidiary	(0)	(0)
Increase by decrease of consolidated subsidiary	0	-
Decrease by decrease of consolidated subsidiary	(1)	(266)
Acquisition of treasury stock	-	(0)
Total changes in amounts during the period excluding shareholders' equity (net)	(138,264)	7,889
Total changes in amounts during the period	(23,800)	(132,527)
Balance at the end of the period	611,154	634,954

Consolidated Statements of Cash Flows (Consolidated)

(Millions of yen)

	FY2010 (12 months)	FY2009 (12 months)	Change
I. Cash flows from operating activities:			
Income (loss) before income taxes and minority interests	57,782	(123,089)	180,871
Depreciation (other than leased assets as lessor)	11,823	14,532	(2,709)
Amortization of goodwill	8,371	13,242	(4,871)
Amortization of intangible assets	4,728	7,685	(2,957)
Impairment losses on goodwill	-	61,538	(61,538)
Impairment losses on intangible assets	-	11,857	(11,857)
Other impairment losses	2,367	2,349	18
Equity in net (income) loss of affiliates	(1,333)	4,181	(5,514)
Net change in reserve for credit losses	2,568	4,131	(1,563)
Net change in accrued employees' bonuses	(738)	(1,583)	845
Net change in reserve for employees' retirement benefits	3,301	(10,505)	13,806
Net change in reserve for losses on interest repayments	(26,889)	(123,761)	96,872
Net change in other reserves	(5,923)	1,777	(7,700)
Interest income	(207,137)	(283,581)	76,444
Interest expenses	50,475	75,595	(25,120)
(Gain) loss on securities sold	(4,660)	(64)	(4,596)
(Gain) loss on monetary assets held in trust	(2,942)	11,213	(14,155)
Net exchange (gain) loss	15,215	4,221	10,994
Net (gain) loss on disposal of premises and equipment	552	1,961	(1,409)
Gains from the cancellation of issued bond and other instruments	(29,486)	(21,269)	(8,217)
Net change in trading assets	27,688	153,064	(125,376)
Net change in trading liabilities	(30,048)	(129,727)	99,679
Net change in loans and bills discounted	897,712	714,081	183,631
Net change in deposits	(753,845)	177,619	(931,464)
Net change in negotiable certificates of deposit	(110,863)	25,249	(136,112)
Net change in debentures	(135,443)	(191,853)	56,410
Net change in borrowed money (other than subordinated debt)	486,924	174,826	312,098
Net change in corporate bonds (other than subordinated corporate bonds)	4,357	(24,082)	28,439
Net change in deposits (other than non-interest-bearing deposits)	5,007	(37,469)	42,476
Net change in call loans	19,129	(19,129)	38,258
Net change in other monetary claims purchased	63,643	129,506	(65,863)
Net change in collateral related to securities borrowing transactions	(7,586)	(2,520)	(5,066)
Net change in call money	(158,587)	(16,401)	(142,186)
Net change in commercial paper	-	(198)	198
Net change in collateral related to securities lending transactions	(278,781)	(21,087)	(257,694)
Net change in foreign exchange assets and liabilities	(31,070)	26,175	(57,245)
Net change in short-term corporate bonds (liabilities)	5,100	6,200	(1,100)
Net change in net trust account	527	570	(43)
Interest received	212,983	296,156	(83,173)
Interest paid	(41,372)	(58,660)	17,288
Net change in trading securities	1,887	14,421	(12,534)
Net change in monetary assets held in trust	36,246	35,585	661
Net change in leased receivables and leased investment assets	9,158	22,674	(13,516)
Others, net	(4,956)	36,237	(41,193)
Subtotal	95,889	961,674	(865,785)
Income taxes paid	(1,326)	(3,407)	2,081
Net cash provided by (used in) operating activities	94,562	958,266	(863,704)
II. Cash flows from investing activities:			
Purchase of securities	(3,868,336)	(3,344,226)	(524,110)
Proceeds from sale of securities	1,873,814	1,474,571	399,243
Proceeds from maturity of securities	1,899,787	812,391	1,087,396
Investment in monetary assets held in trust	(42,631)	(46,484)	3,853
Proceeds from disposition of monetary assets held in trust	47,804	56,164	(8,360)
Purchase of premises and equipment (other than leased assets as lessor)	(7,284)	(5,167)	(2,117)
Purchase of intangible fixed assets (other than leased assets as lessor)	(7,842)	(9,615)	1,773
Purchase of investments in subsidiaries	-	(485)	485
Proceeds from sales of investments in subsidiaries resulting in change in scope of consolidation	708	-	708
Others, net	(120)	(483)	363
Net cash provided by (used in) investing activities	(104,099)	(1,063,336)	959,237
III. Cash flows from financing activities:			
Proceeds from subordinated debt	2,400	-	2,400
Repayment of subordinated debt	(3,000)	-	(3,000)
Proceeds from issuance of subordinated corporate bonds	-	4,951	(4,951)
Payment for redemption of subordinated corporate bonds	(3,607)	(23,351)	19,744
Proceeds from minority shareholders of subsidiaries	9	9,001	(8,992)
Repayments to minority shareholders	(81,425)	(25,174)	(56,251)
Proceeds from issuance of stock	71,313	-	71,313
Dividends paid to minority shareholders of subsidiaries	(9,833)	(9,374)	(459)
Purchase of treasury stock	-	(0)	0
Net cash provided by (used in) financing activities	(24,144)	(43,948)	19,804
IV. Foreign currency translation adjustments on cash and cash equivalents	(82)	(3)	(79)
V. Net change in cash and cash equivalents	(33,763)	(149,021)	115,258
VI. Cash and cash equivalents at beginning of year	334,238	483,259	(149,021)
VII. Cash and cash equivalents at end of year	300,474	334,238	(33,764)

Section 2. Non-Consolidated Information

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

(Billions of yen, except percentages)

	FY2010 (12 months)	FY2009 (12 months)	% Change	1HFY2010 (6 months)
Net interest income	70.5	80.5	(12.4)	38.3
Non-interest income	44.6	7.7	476.6	31.9
Net fees and commissions ⁽¹⁾	15.5	(8.8)	276.1	10.5
Net trading income	10.6	7.7	37.8	5.4
Net other business income	18.4	8.8	107.9	15.8
Total revenue ⁽¹⁾	115.1	88.2	30.5	70.2
Personnel expenses	19.9	23.0	(13.6)	9.9
Non-personnel expenses	37.4	40.8	(8.3)	18.6
Taxes	3.1	3.4	(8.3)	1.4
General and administrative expenses	60.5	67.3	(10.1)	30.0
Net business profit ⁽¹⁾	54.6	20.9	160.6	40.2
Other gains (losses)				
Gains (losses) on the sales of equities	1.5	(2.1)	173.8	0.1
Provision of reserve for loan losses	35.1	36.1	(2.9)	25.2
Losses on write-off of loans	5.1	16.3	(68.6)	6.1
Expenses for employees' retirement benefits	3.4	2.7	22.1	1.6
Other losses, expenses	4.6	7.7	(40.8)	1.3
Net ordinary income (loss)	7.9	(44.2)	118.0	6.1
Special gains (losses)				
Gains (losses) from sales of fixed assets	(1.1)	(0.6)	64.4	(0.6)
Gains on bad debt recovered	5.6	2.7	105.4	2.1
Reversal of reserve for loan losses	-	-	-	-
Other special gains (losses)	(0.3)	2.8	(112.9)	3.0
Income (loss) before income taxes	12.1	(39.3)	130.8	10.7
Income taxes (benefit)				
Current	(0.5)	(0.0)	1,655.5	(0.3)
Deferred	1.5	8.3	(81.5)	1.8
Net income (loss)	11.1	(47.6)	123.5	9.3

(1) Includes income from monetary assets held in trust of ¥11.5 billion in FY2010, ¥-15.9 billion in FY2009 and ¥8.8 billion in 1HFY2010.

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

- Shinsei Bank recorded a non-consolidated net income of ¥11.1 billion in fiscal year 2010.
- As the Bank strives for higher levels of operational efficiency and profitability within the consumer finance business as a whole, Shinsei Bank transferred its entire holding of APLUS FINANCIAL common shares to Shinsei Financial in a reorganization that made APLUS FINANCIAL a subsidiary of Shinsei Financial. As a result, Shinsei Bank recorded an extraordinary loss of ¥31.7 billion on a non-consolidated basis. Although we recorded amortization of goodwill and other intangible assets for APLUS FINANCIAL on a consolidated basis at the end of fiscal year 2009, no such losses impacting the consolidated net income were recorded in fiscal year 2010.
- Differences between the net incomes on a non-consolidated basis and consolidated basis are mainly because 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 the dividends received from our major consolidated subsidiaries.
- Extraordinary loss of ¥31.7 billion from the sale of APLUS FINANCIAL shares was recorded on a non-consolidated basis offset by ¥29.4 billion of extraordinary profit from the repurchase of our preferred securities and subordinated debt also recorded on a non-consolidated basis.
- As a recipient of public funds, Shinsei Bank is required to update and report its achievement of non-consolidated performance targets set forth in its revitalization plan on a quarterly basis.

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

(Billions of yen, except percentages)

	FY2010 (12 months)	FY2009 (12 months)	% Change	1HFY2010 (6 months)
Losses on write-off of loans	5.2	16.4	(68.4)	6.1
Net provision of reserve for loan losses	35.1	36.1	(2.9)	25.2
Net provision of general reserve for loan losses	17.3	11.5	50.9	16.0
Net provision of specific reserve for loan losses	17.7	24.6	(28.1)	9.1
Net provision (reversal) of reserve for loan losses to restructuring countries	(0.0)	(0.0)	(9.2)	(0.0)
Net credit costs	40.3	52.6	(23.4)	31.3

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

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

(Billions of yen, except percentages)

	FY2010 (12 months)			FY2009 (12 months)			1HFY2010 (6 months)		
	Average balance	Interest	Yield/rate (%)	Average balance	Interest	Yield/rate (%)	Average balance	Interest	Yield/rate (%)
Interest-earning assets:									
Cash and due from banks	21.4	0.1	0.82	10.3	0.0	0.64	23.9	0.0	0.69
Call loans	63.4	0.1	0.16	79.6	0.1	0.14	55.2	0.0	0.16
Receivables under resale agreements	-	-	-	-	-	-	-	-	-
Collateral related to securities borrowing transactions	124.1	0.1	0.11	60.0	0.0	0.12	151.3	0.0	0.12
Securities	3,472.9	39.3	1.13	3,662.2	51.2	1.39	3,378.7	20.5	1.21
Loans and bills discounted	4,288.9	70.7	1.65	4,750.0	86.4	1.82	4,461.6	38.1	1.70
Other interest-earning assets	460.7	6.1	1.34	574.5	10.1	1.75	477.6	3.2	1.36
Interest rate and funding swaps	-	3.1	-	-	4.9	-	-	2.6	-
Total interest-earning assets	8,431.7	119.9	1.42	9,136.8	153.0	1.67	8,548.5	64.8	1.51
Interest-bearing liabilities:									
Deposits	5,922.8	33.9	0.57	6,844.7	51.7	0.75	6,131.8	18.2	0.59
Negotiable certificates of deposit	294.2	0.5	0.20	380.0	1.3	0.34	309.4	0.3	0.20
Debentures	427.0	2.3	0.56	563.1	3.8	0.68	460.7	1.3	0.58
Call money	177.0	0.2	0.11	247.8	0.2	0.12	189.7	0.1	0.11
Payable under repurchase agreements	2.6	0.0	0.10	44.9	0.0	0.12	5.2	0.0	0.10
Collateral related to securities lending transactions	304.3	0.4	0.14	502.6	0.6	0.12	317.4	0.1	0.11
Borrowed money	1,084.0	2.1	0.20	396.0	2.9	0.74	944.9	1.0	0.22
Corporate bonds	295.8	12.6	4.28	369.2	16.4	4.46	330.2	6.8	4.15
Other interest-bearing liabilities	0.2	0.0	n.m. ⁽¹⁾	0.2	0.5	n.m. ⁽¹⁾	0.3	0.0	n.m. ⁽¹⁾
Interest rate and funding swaps	-	-	-	-	-	-	-	-	-
Total interest-bearing liabilities	8,508.4	52.5	0.61	9,348.8	77.9	0.83	8,690.0	28.2	0.64
Net interest income/yield on interest-earning assets	8,431.7	67.3	0.79	9,136.8	75.1	0.82	8,548.5	36.6	0.85

(1) n.m. is not meaningful.

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

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

	(Billions of yen)				
	Mar 31 2011	Mar 31 2010	Change	Sep 30 2010	Change
	(a)	(b)	(a)-(b)	(c)	(a)-(c)
Loans to bankrupt obligors	7.2	11.1	(3.8)	10.1	(2.9)
Non-accrual delinquent loans	237.7	290.0	(52.3)	273.0	(35.3)
Loans past due for three months or more	1.6	2.0	(0.4)	1.7	(0.1)
Restructured loans	4.7	3.0	1.7	4.5	0.2
Total (A)	251.3	306.2	(54.9)	289.6	(38.2)
Loans and bills discounted (B)	3,973.2	4,732.8	(759.6)	4,176.9	(203.6)
Ratio to total loans and bills discounted (A / B) (%)	6.33%	6.47%		6.93%	
Reserve for credit losses (C)	114.8	102.2	12.6	121.9	(7.0)
Reserve ratio (C / A) (%)	45.7%	33.4%		42.1%	

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

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

	(Billions of yen)				
	Mar 31 2011	Mar 31 2010	Change	Sep 30 2010	Change
	(a)	(b)	(a)-(b)	(c)	(a)-(c)
Domestic offices (excluding Japan offshore market account):					
Manufacturing	230.1	246.8	(16.6)	250.6	(20.5)
Agriculture and forestry	-	-	-	-	-
Fishery	2.2	2.5	(0.3)	2.4	(0.2)
Mining, quarrying and gravel extraction	0.4	2.7	(2.2)	2.2	(1.8)
Construction	6.7	5.6	1.0	3.7	3.0
Electric power, gas, heat supply and water supply	27.1	32.3	(5.2)	25.9	1.1
Information and communications	12.1	16.4	(4.2)	15.6	(3.4)
Transportation and postal service	279.6	288.4	(8.8)	268.5	11.0
Wholesale and retail	99.3	107.0	(7.7)	97.2	2.1
Finance and insurance	1,077.8	1,486.1	(408.3)	1,239.0	(161.2)
Real estate	544.5	845.2	(300.7)	663.5	(119.0)
Services	387.3	318.1	69.2	311.4	75.9
Local government	158.8	171.3	(12.5)	164.1	(5.3)
Individual	937.3	913.2	24.0	891.1	46.1
Overseas yen loan and overseas loans booked domestically	172.9	248.6	(75.7)	201.4	(28.5)
Total domestic	3,936.5	4,684.9	(748.3)	4,137.1	(200.5)
Overseas offices (including Japan offshore market accounts):					
Governments	2.2	1.9	0.2	2.2	(0.0)
Financial institutions	1.6	1.8	(0.2)	2.1	(0.4)
Commerce and industry	32.7	44.1	(11.3)	35.3	(2.5)
Others	-	-	-	-	-
Total overseas	36.6	47.9	(11.2)	39.7	(3.0)
Total	3,973.2	4,732.8	(759.6)	4,176.9	(203.6)

(1) Presentation of some industries has changed with the revision of Japan Standard Industry Classification (November 2007).

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

Risk Monitored Loans by Borrower Industry⁽¹⁾ -Table 30- (Non-Consolidated)

	(Billions of yen)				
	Mar 31 2011 (a)	Mar 31 2010 (b)	Change (a)-(b)	Sep 30 2010 (c)	Change (a)-(c)
Domestic offices (excluding Japan offshore market account):					
Manufacturing	3.5	1.5	2.0	3.3	0.2
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	-	14.2	(14.2)	13.2	(13.2)
Wholesale and retail	0.0	0.0	-	0.0	-
Finance and insurance	22.7	34.4	(11.6)	26.5	(3.7)
Real estate	172.3	231.6	(59.3)	218.3	(46.0)
Services	2.0	3.7	(1.7)	2.9	(0.8)
Local government	-	-	-	-	-
Individual	6.8	4.8	1.9	6.1	0.6
Overseas yen loan and overseas loans booked domestically	43.3	15.2	28.0	18.4	24.8
Total domestic	251.3	306.2	(54.9)	289.6	(38.2)
Overseas offices (including Japan offshore market accounts):					
Governments	-	-	-	-	-
Financial institutions	-	-	-	-	-
Commerce and industry	-	-	-	-	-
Others	-	-	-	-	-
Total overseas	-	-	-	-	-
Total	251.3	306.2	(54.9)	289.6	(38.2)

(1) Presentation of some industries has changed with the revision of Japan Standard Industry Classification (November 2007).

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

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

	(Billions of yen)				
	Mar 31 2011 (a)	Mar 31 2010 (b)	Change (a)-(b)	Sep 30 2010 (c)	Change (a)-(c)
US	35.1	39.8	(4.7)	35.7	(0.6)
Asset-backed investments ⁽¹⁾ in US	4.1	3.7	0.3	3.7	0.4
Europe	66.2	135.7	(69.4)	94.2	(27.9)
Asset-backed investments ⁽¹⁾ in Europe	30.9	95.6	(64.7)	56.9	(25.9)
Others	108.1	120.9	(12.7)	111.2	(3.0)
Total overseas and offshore loans	209.5	296.5	(87.0)	241.2	(31.6)
Total asset-backed investments⁽¹⁾	35.1	99.4	(64.3)	60.6	(25.5)

(1) "Asset-backed investments" is another term for the Asset-Backed Investments Program, one of our old product programs. Under this program, loans backed mainly by collateral (including infrastructure related assets or equipment, real estate, business and operating assets) are referred to as "asset-backed investments" for disclosure purposes. For the asset-backed securities which we disclose as securitized products, please see table 45 Balance of Securitized Products (Breakdown by Region and Type of Securities) on page 53.

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

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

(Billions of yen)

	Mar 31 2011 (a)	Mar 31 2010 (b)	Change (a)-(b)	Sep 30 2010 (c)	Change (a)-(c)
US	6.7	-	6.7	-	6.7
Asset-backed investments ⁽¹⁾ in US	-	-	-	-	-
Europe	36.4	15.1	21.3	18.4	18.0
Asset-backed investments ⁽¹⁾ in Europe	13.1	14.0	(0.8)	17.7	(4.5)
Others	0.0	0.0	(0.0)	0.0	(0.0)
Total overseas and offshore loans	43.3	15.2	28.0	18.4	24.8
Total asset-backed investments ⁽¹⁾	13.1	14.0	(0.8)	17.7	(4.5)

(1) "Asset-backed investments" is another term for the Asset-Backed Investments Program, one of our old product programs. Under this program, loans backed mainly by collateral (including infrastructure related assets or equipment, real estate, business and operating assets) are referred to as "asset-backed investments" for disclosure purposes. For the asset-backed securities which we disclose as securitized products, please see table 45 Balance of Securitized Products (Breakdown by Region and Type of Securities) on page 53.

(2) As of March 31, 2011, reserve for loan losses and collateral/guarantees for risk monitored loans related to asset-backed investments were ¥3.7billion and ¥9.4billion, 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 33- (Non-Consolidated)

(Billions of yen)

	Mar 31 2011 (a)	Mar 31 2010 (b)	Change (a)-(b)	Sep 30 2010 (c)	Change (a)-(c)
Claims against bankrupt and quasi-bankrupt obligors	62.5	112.2	△ 49.7	92.1	(29.6)
Doubtful claims	210.7	215.7	△ 4.9	218.2	(7.4)
Substandard claims	6.4	5.1	1.2	6.3	0.0
Total (A)	279.6	333.0	△ 53.4	316.6	(37.0)
Coverage ratio	96.8%	97.6%		96.3%	
Total claims (B)	4,120.4	4,970.1	(849.7)	4,858.4	(737.9)
Loans and bills discounted	3,973.2	4,732.8	(759.6)	4,176.9	(203.6)
Others	147.1	237.3	(90.1)	681.5	(534.3)
Ratio to total claims (A / B) X 100 (%)	6.78%	6.70%		6.52%	
(Ref. 1) Amount of write-off	90.3	96.8	(6.5)	97.3	(7.0)
(Ref. 2) Below need caution level	730.4	739.6	(9.1)	852.8	(122.3)

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

Coverage Ratio for Non-Performing Claims Classified under the Financial Revitalization Law -Table 34- (Non-Consolidated)

(Billions of yen, except percentages)

March 31, 2011					
Amounts of coverage					
Amounts of claims	Total	Reserve for loan losses	Collateral and guarantees	Coverage ratio	
Claims against bankrupt and quasi-bankrupt obligors	62.5	62.5	3.7	58.7	100.0%
Doubtful claims	210.7	203.7	39.1	164.7	96.7%
Substandard claims	6.4	4.4	2.5	2.0	69.1%
Total	279.6	270.6	45.2	225.3	96.8%

(Billions of yen, except percentages)

September 30, 2010										
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%	112.2	112.2	5.7	106.5	100.0%
Doubtful claims	218.2	208.0	31.1	176.9	95.3%	215.7	208.9	22.3	186.5	96.8%
Substandard claims	6.3	4.7	3.1	1.7	74.8%	5.1	4.0	1.6	2.4	79.0%
Total	316.6	304.9	39.6	265.2	96.3%	333.0	325.1	29.7	295.5	97.6%

Reserve for Credit Losses -Table 35- (Non-Consolidated)

	(Billions of yen)				
	Mar 31 2011	Mar 31 2010	Change	Sep 30 2010	Change
	(a)	(b)	(a)-(b)	(c)	(a)-(c)
Reserve for credit losses	93.6	81.0	12.6	100.7	(7.0)
General reserve for loan losses	48.3	50.6	(2.2)	62.2	(13.8)
Specific reserve for loan losses	45.2	30.3	14.9	38.5	6.7
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	0.0	21.1	-
Total reserve for credit losses	114.8	102.2	12.6	121.9	(7.0)

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

Reserve Ratios for Borrowers' Category -Table 36- (Non-Consolidated)

		(Percentages)				
		Mar 31 2011	Mar 31 2010	Change	Sep 30 2010	Change
		(a)	(b)	(a)-(b)	(c)	(a)-(c)
Legally and virtually bankrupt	(unsecured portion)	100.00	100.00	-	100.00	-
Possibly bankrupt	(unsecured portion)	92.06	78.75	13.31	78.44	13.62
Substandard	(unsecured portion)	55.06	70.44	(15.38)	66.50	(11.44)
Need caution	(total claims)	4.84	6.60	(1.76)	6.50	(1.66)
	(unsecured portion)	17.70	17.24	0.46	23.47	(5.77)
Normal	(total claims)	0.58	0.45	0.13	0.50	0.08

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

Housing Loans -Table 37- (Non-Consolidated)

	(Billions of yen)				
	Mar 31 2011	Mar 31 2010	Change	Sep 30 2010	Change
	(a)	(b)	(a)-(b)	(c)	(a)-(c)
Housing loans	892.0	882.3	9.7	864.1	27.9

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

Loans to Small- and Medium-Sized Entities (SMEs) -Table 38- (Non-Consolidated)

	(Billions of yen)				
	Mar 31 2011	Mar 31 2010	Change	Sep 30 2010	Change
	(a)	(b)	(a)-(b)	(c)	(a)-(c)
Loans to small- and medium-sized entities (SMEs)	2,392.2	2,822.2	(430.0)	2,557.8	(165.5)
% of loans to small- and medium-sized entities	60.8%	60.2%		61.8%	

Note: 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).

Securities Being Held to Maturity -Table 39- (Non-Consolidated)

	(Billions of yen)					
	March 31, 2011					
	Book Value	Fair Value	Unrealized gain (loss)			
Items with fair value exceeding book value						
Japanese national government bonds	393.6	397.7	4.0			
Japanese corporate bonds	59.5	60.2	0.6			
Other	40.1	43.7	3.6			
Total	493.3	501.7	8.3			
Items with fair value not exceeding book value						
Japanese national government bonds	50.1	50.0	(0.0)			
Japanese corporate bonds	-	-	-			
Other	10.4	9.9	(0.4)			
Total	60.6	60.0	(0.5)			
Total	553.9	561.7	7.7			
	September 30, 2010			March 31, 2010		
	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	293.2	298.7	5.5	353.3	357.9	4.6
Japanese corporate bonds	69.4	70.5	1.0	70.4	71.8	1.3
Other	40.2	43.6	3.4	44.6	47.8	3.2
Total	402.9	412.9	10.0	468.4	477.7	9.2
Items with fair value not exceeding book value						
Japanese national government bonds	-	-	-	-	-	-
Japanese corporate bonds	-	-	-	-	-	-
Other	10.0	9.2	(0.7)	11.1	10.0	(1.1)
Total	10.0	9.2	(0.7)	11.1	10.0	(1.1)
Total	413.0	422.2	9.2	479.5	487.7	8.1

Available for Sale Securities, at Fair Value -Table 40- (Non-Consolidated)

(Billions of yen)

	March 31, 2011		
	Book value (Fair value)	Amortized/ Acquisition Cost	Unrealized gain (loss)
Items with book value exceeding amortized/acquisition cost			
Equity securities	2.4	1.7	0.6
Bonds	1,229.6	1,227.9	1.6
Japanese national government bonds	1,152.2	1,151.3	0.8
Japanese local government bonds	1.7	1.7	0.0
Short-term corporate bonds	9.9	9.9	0.0
Japanese corporate bonds	65.5	64.8	0.7
Other	85.7	81.3	4.3
Foreign securities	82.5	78.3	4.1
Foreign currency denominated foreign corporate and government bonds	46.1	42.9	3.2
Yen-denominated foreign corporate and government bonds	34.2	33.7	0.5
Foreign equity securities and others	2.1	1.7	0.3
Other securities	1.0	0.9	0.1
Other monetary claims purchased	2.1	2.0	0.0
Total	1,317.7	1,311.0	6.7
Items with book value not exceeding amortized/acquisition cost			
Equity securities	7.3	11.3	(4.0)
Bonds	1,089.9	1,097.8	(7.9)
Japanese national government bonds	866.4	869.0	(2.5)
Japanese local government bonds	-	-	-
Short-term corporate bonds	-	-	-
Japanese corporate bonds	223.4	228.8	(5.3)
Other	206.8	210.9	(4.0)
Foreign securities	203.7	207.7	(4.0)
Foreign currency denominated foreign corporate and government bonds	144.4	147.7	(3.2)
Yen-denominated foreign corporate and government bonds	54.8	55.5	(0.6)
Foreign equity securities and others	4.4	4.5	(0.0)
Other securities	1.0	1.0	-
Other monetary claims purchased	2.0	2.0	(0.0)
Total	1,304.0	1,320.1	(16.0)
Total	2,621.8	2,631.2	(9.3)

	September 30, 2010			March 31, 2010		
	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	0.4	0.3	0.1	3.4	2.9	0.4
Bonds	1,050.8	1,047.0	3.7	1,584.9	1,578.5	6.4
Japanese national government bonds	981.3	978.7	2.6	1,543.6	1,537.6	6.0
Japanese local government bonds	1.8	1.7	0.0	1.7	1.7	0.0
Short-term corporate bonds	-	-	-	-	-	-
Japanese corporate bonds	67.7	66.6	1.1	39.5	39.2	0.3
Other	131.7	123.9	7.7	107.4	91.2	16.2
Foreign securities	127.4	120.0	7.3	101.9	86.1	15.8
Foreign currency denominated foreign corporate and government bonds	74.9	70.1	4.7	73.1	60.5	12.6
Yen-denominated foreign corporate and government bonds	48.6	48.0	0.5	18.5	18.3	0.2
Foreign equity securities and others	3.8	1.8	2.0	10.1	7.2	2.9
Other securities	1.1	0.9	0.2	1.1	0.9	0.2
Other monetary claims purchased	3.1	2.9	0.1	4.3	4.2	0.1
Total	1,183.0	1,171.3	11.6	1,695.9	1,672.7	23.1
Items with book value not exceeding amortized/acquisition cost						
Equity securities	8.8	13.3	(4.5)	7.4	10.3	(2.8)
Bonds	758.7	763.8	(5.1)	750.7	758.3	(7.6)
Japanese national government bonds	503.4	505.3	(1.8)	464.5	467.2	(2.6)
Japanese local government bonds	-	-	-	-	-	-
Short-term corporate bonds	-	-	-	-	-	-
Japanese corporate bonds	255.2	258.5	(3.2)	286.1	291.1	(5.0)
Other	169.0	174.4	(5.3)	188.4	193.4	(5.0)
Foreign securities	164.8	170.0	(5.1)	183.3	188.2	(4.9)
Foreign currency denominated foreign corporate and government bonds	101.7	105.2	(3.5)	89.9	93.0	(3.0)
Yen-denominated foreign corporate and government bonds	59.2	60.1	(0.8)	93.2	95.1	(1.8)
Foreign equity securities and others	3.8	4.6	(0.7)	0.1	0.1	(0.0)
Other securities	1.0	1.0	-	1.0	1.0	-
Other monetary claims purchased	3.1	3.3	(0.1)	4.0	4.1	(0.0)
Total	936.6	951.6	(15.0)	946.6	962.2	(15.5)
Total	2,119.7	2,123.0	(3.3)	2,642.5	2,634.9	7.5

Hedge-Accounting Derivative Transactions -Table 41- (Non-Consolidated)

(Billions of yen)

Notional Principal Amount	March 31, 2011			
	1 year or less	Over 1 year to 5 years	Over 5 years	Total
Interest rate swaps:				
Receive fixed and pay floating	81.8	551.8	39.0	672.6
Receive floating and pay fixed	50.1	103.8	205.7	359.7
Receive floating and pay floating	-	-	-	-
Total notional principal amount	131.9	655.7	244.7	1,032.4
Currency swaps				
	148.8	11.1	3.9	164.0
Total notional principal amount	148.8	11.1	3.9	164.0

Employees' Retirement Benefit-Table 42- (Non-Consolidated)**Projected Benefit Obligation (Non-Consolidated)**

(Billions of yen)

		Mar 31, 2011
Projected benefit obligation	(A)	51.9
Discount rate		2.2%
Fair value of plan assets	(B)	44.5
Prepaid pension cost	(C)	(1.7)
Unrecognized prior service cost	(D)	(2.0)
Unrecognized net actuarial losses	(E)	8.7
Other (Unrecognized obligation at transition, etc.)	(F)	2.4
Reserve for retirement benefits	(A-B-C-D-E-F)	-

Pension Expenses (Non-Consolidated)

(Billions of yen)

		FY2010 (12 months)
Service cost		2.1
Interest		1.1
Expected return on plan assets		(0.9)
Amortization of prior service cost		(0.3)
Amortization of net actuarial losses		2.0
Amortization of unrecognized obligation at transition		0.6
Other (extraordinary severance benefit expense, etc.)		1.7
Net periodic retirement benefit cost		6.4

Capital Adequacy Data-Table 43- (Non-Consolidated)

(Billions of yen, except percentages)

	Mar 31 2011 (a)	Mar 31 2010 (b)	Change (a)-(b)	Sep 30 2010 (c)	Change (a)-(c)
Basic items (Tier I)	642.5	655.0	(12.5)	656.4	(13.9)
Supplementary items (Tier II)	226.8	260.6	(33.7)	244.5	(17.6)
Deduction	(73.6)	(86.6)	13.0	(83.2)	9.6
Total capital ⁽²⁾	795.6	829.0	(33.3)	817.6	(21.9)
Risk assets	6,338.7	7,241.8	(903.0)	6,828.2	(489.4)
Capital adequacy ratio	12.55%	11.44%	1.11%	11.97%	0.58%
Tier I capital ratio	10.13%	9.04%	1.09%	9.61%	0.52%

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

Net unrealized gain on securities available-for-sale, net taxes is recorded as of March 31, 2010 .

(2) Non-Consolidated total required capital is ¥372.9 billion as at March 31, 2011, ¥434.0 billion as at March 31, 2010, and ¥410.2 billion as at September 30, 2010.

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

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

	Mar 31 2011 a	Mar 31 2010 b	Change a-b
<<Assets>>			
Cash and due from banks	313,424	310,022	3,402
Call loans	-	19,129	(19,129)
Collateral related to securities borrowing transactions	3,050	2,801	249
Other monetary claims purchased	408,701	621,271	(212,570)
Trading assets	182,828	211,020	(28,192)
Monetary assets held in trust	360,976	463,467	(102,491)
Securities	3,701,794	3,674,523	27,271
Valuation allowance for investments	(3,370)	(3,370)	-
Loans and bills discounted	3,973,251	4,732,858	(759,607)
Foreign exchanges	42,069	10,976	31,093
Other assets	350,248	506,855	(156,607)
Premises and equipment	18,236	17,890	346
Intangible assets	9,987	11,891	(1,904)
Deferred issuance expenses for debentures	182	176	6
Deferred tax assets	1,894	-	1,894
Customers' liabilities for acceptances and guarantees	9,603	11,266	(1,663)
Reserve for credit losses	(114,877)	(102,213)	(12,664)
Total assets	9,258,002	10,488,567	(1,230,565)

Liabilities and Equity

	<i>(Millions of yen)</i>		
	Mar 31 2011 a	Mr 31 2010 b	Change a-b
<<Liabilities>>			
Deposits	5,565,258	6,533,555	(968,297)
Negotiable certificates of deposit	174,046	290,909	(116,863)
Debentures	352,570	487,513	(134,943)
Call money	160,330	310,487	(150,157)
Payables under repurchase agreements	-	8,430	(8,430)
Collateral related to securities lending transactions	265,028	548,479	(283,451)
Trading liabilities	144,375	176,668	(32,293)
Borrowed money	1,405,648	811,100	594,548
Foreign exchanges	218	222	(4)
Corporate bonds	222,268	342,518	(120,250)
Other liabilities	335,798	392,414	(56,616)
Income taxes payable	314	484	(170)
Lease debt	3	4	(1)
Asset retirement obligations	4,003	-	4,003
Other liabilities	331,476	391,925	(60,449)
Accrued employees' bonuses	4,149	5,423	(1,274)
Reserve for losses on disposal of premises and equipment	-	7,011	(7,011)
Reserve for losses on litigation	-	5,873	(5,873)
Deferred tax liability	-	745	(745)
Acceptances and guarantees	9,603	11,266	(1,663)
Total liabilities	8,639,296	9,932,620	(1,293,324)
<<Equity>>			
Shareholders' equity:			
Capital stock	512,204	476,296	35,908
Capital surplus	79,465	43,558	35,907
Additional paid-in capital	79,465	43,558	35,907
Retained earnings	117,980	106,809	11,171
Legal reserve	11,035	11,035	-
Other retained earnings	106,944	95,773	11,171
Unappropriated retained earnings	106,944	95,773	11,171
Treasury stock, at cost	(72,558)	(72,558)	-
Total shareholders' equity	637,091	554,105	82,986
Net unrealized gain (loss):			
Unrealized gain (loss) on available-for-sale securities	(15,346)	361	(15,707)
Deferred gain (loss) on derivatives under hedge accounting	(4,452)	(192)	(4,260)
Total net unrealized gain (loss)	(19,799)	168	(19,967)
Stock acquisition rights	1,413	1,672	(259)
Total equity	618,705	555,947	62,758
Total liabilities and equity	9,258,002	10,488,567	(1,230,565)

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

	FY2010 (12 months)	FY2009 (12 months)	Change	
			Amount	%
Total interest income	119,908	153,051	(33,143)	(21.7)
Interest on loans and bills discounted	70,796	86,463	(15,667)	(18.1)
Interest and dividends on securities	39,337	51,251	(11,914)	(23.2)
Other interest income	9,774	15,335	(5,561)	(36.3)
Fees and commissions income	13,846	16,937	(3,091)	(18.2)
Trading profits	13,543	7,892	5,651	71.6
Other business income	27,612	31,442	(3,830)	(12.2)
Other ordinary income	16,949	8,545	8,404	98.3
Ordinary income	191,860	217,868	(26,008)	(11.9)
Total interest expenses	52,528	77,918	(25,390)	(32.6)
Interest on deposits	33,986	51,714	(17,728)	(34.3)
Interest on corporate bonds	12,676	16,472	(3,796)	(23.0)
Other interest expenses	5,865	9,732	(3,867)	(39.7)
Fees and commissions expenses	9,841	9,843	(2)	0.0
Trading losses	2,926	186	2,740	1,473.1
Other business expenses	9,156	22,531	(13,375)	(59.4)
General and administrative expenses	63,011	69,780	(6,769)	(9.7)
Other ordinary expenses	46,428	81,814	(35,386)	(43.3)
Ordinary expenses	183,892	262,074	(78,182)	(29.8)
Net ordinary income (loss)	7,968	(44,205)	52,173	118.0
Special gains	38,497	25,851	12,646	48.9
Special losses	34,341	20,955	13,386	63.9
Income (loss) before income taxes	12,124	(39,309)	51,433	130.8
Income taxes (benefit)				
Current	(597)	(34)	(563)	(1,655.9)
Deferred	1,551	8,369	(6,818)	(81.5)
Total income taxes (benefit)	954	8,334	(7,380)	(88.6)
Net income (loss)	11,170	(47,644)	58,814	123.4

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

	(Millions of yen)	
	FY2010 (12 months)	FY2009 (12 months)
Shareholders' Equity		
Capital stock		
Balance at beginning of the period	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
Capital surplus		
Capital reserve		
Balance at beginning of the period	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
Total capital surplus		
Balance at beginning of the period	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
Retained earnings		
Legal reserve for retained earnings		
Balance at beginning of the period	11,035	11,035
Changes in amounts during the period		
Total changes in amounts during the period	-	-
Balance at the end of the period	11,035	11,035
Other retained earnings		
Retained earnings carried forward		
Balance at beginning of the period	95,773	143,418
Changes in amounts during the period		
Net income (loss)	11,170	(47,644)
Total changes in amounts during the period	11,170	(47,644)
Balance at the end of the period	106,944	95,773
Total retained earnings		
Balance at beginning of the period	106,809	154,454
Changes in amounts during the period		
Net income (loss)	11,170	(47,644)
Total changes in amounts during the period	11,170	(47,644)
Balance at the end of the period	117,980	106,809

(Millions of yen)

	FY2010 (12 months)	FY2009 (12 months)
Treasury stock		
Balance at beginning of the period	(72,558)	(72,558)
Changes in amounts during the period		
Purchase of treasury stock	-	(0)
Total changes in amounts during the period	-	(0)
Balance at the end of the period	(72,558)	(72,558)
Shareholders' Equity		
Balance at beginning of the period	554,105	601,750
Changes in amounts during the period		
Issuance of new stock	71,815	-
Net income (loss)	11,170	(47,644)
Purchase of treasury stock	-	(0)
Total changes in amounts during the period	82,985	(47,644)
Balance at the end of the period	637,091	554,105
Net unrealized gain (loss) and translation adjustments		
Unrealized gain (loss) on available-for-sale securities		
Balance at beginning of the period	361	(38,049)
Changes in amounts during the period		
Total changes in amounts during the period excluding capital stock (net)	(15,707)	38,411
Total changes in amounts during the period	(15,707)	38,411
Balance at the end of the period	(15,346)	361
Deferred gain (loss) on derivatives under hedge accounting		
Balance at beginning of the period	(192)	(672)
Changes in amounts during the period		
Total changes in amounts during the period excluding capital stock (net)	(4,260)	479
Total changes in amounts during the period	(4,260)	479
Balance at the end of the period	(4,452)	(192)
Total net unrealized gain (loss) and translation adjustments		
Balance at beginning of the period	168	(38,722)
Changes in amounts during the period		
Total changes in amounts during the period excluding capital stock (net)	(19,967)	38,890
Total changes in amounts during the period	(19,967)	38,890
Balance at the end of the period	(19,799)	168
Stock acquisition rights		
Balance at beginning of the period	1,672	1,808
Changes in amounts during the period		
Total changes in amounts during the period excluding capital stock (net)	(259)	(135)
Total changes in amounts during the period	(259)	(135)
Balance at the end of the period	1,413	1,672
Total equity		
Balance at beginning of the period	555,947	564,836
Changes in amounts during the period		
Issuance of new stock	71,815	-
Net income (loss)	11,170	(47,644)
Purchase of treasury stock	-	(0)
Total changes in amounts during the period excluding capital stock (net)	(20,227)	38,755
Total changes in amounts during the period	62,758	(8,889)
Balance at the end of the period	618,705	555,947

Section 3. Earnings Forecast -Table 44- (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.

- Regarding the consolidated full year forecast for fiscal year 2011, due to the uncertainty in the economy caused by the Great East Japan Earthquake, the forecast will be the same as the target set forth in our revised Medium-Term Management Plan, a consolidated net income forecast of ¥22.0 billion and consolidated cash basis net income of ¥32.0 billion.
- Regarding non-consolidated net income, the forecast will be the same as the ¥15.0 billion target set forth in the Revitalization Plan. The dividend forecast will also be the same as that stated in the Revitalization Plan, a yearly dividend payment of ¥1 per share.

*Cash-basis figures are calculated by excluding amortization and impairment 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 45 (Non-Consolidated)

(Billions of yen)

	Credit Ratings of Securities ⁽²⁾ (March 31, 2011)				Mar 31 2011 (a)	Mar 31 2010 (b)	Change (a)-(b)	Sep 30 2010 (c)	Change (a)-(c)
	AAA	AA	A or lower	N/A					
RMBS	16%	7%	5%	72%	44.8	53.7	(8.8)	47.2	(2.3)
Japan	16%	7%	5%	72%	44.8	49.9	(5.0)	47.2	(2.3)
U.S.	-	-	-	-	0.0	0.0	0.0	0.0	0.0
Europe	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
CMBS⁽³⁾	0%	31%	69%	0%	7.9	19.0	(11.1)	12.8	(4.9)
Japan	0%	0%	100%	0%	5.5	10.9	(5.4)	8.1	(2.6)
U.S.	-	-	-	-	-	-	-	-	-
Europe	-	-	-	-	-	5.5	(5.5)	2.3	(2.3)
Other	0%	100%	0%	0%	2.4	2.5	(0.1)	2.4	0.0
CLO	24%	75%	0%	1%	42.0	56.7	(14.6)	43.1	(1.0)
Japan	-	-	-	-	-	-	-	-	-
U.S.	25%	73%	0%	2%	31.6	42.3	(10.7)	31.7	(0.1)
Europe	21%	79%	0%	0%	10.4	12.9	(2.4)	10.0	0.3
Other	-	-	-	-	-	1.4	(1.4)	1.3	(1.3)
ABS CDO (Resecuritized Products)	-	-	-	-	-	-	-	-	-
Japan	-	-	-	-	-	-	-	-	-
U.S.	-	-	-	-	-	-	-	-	-
Europe	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	18%	39%	8%	35%	94.9	129.5	(34.6)	103.2	(8.3)
Japan	14%	6%	16%	64%	50.3	60.8	(10.5)	55.3	(4.9)
U.S.	25%	73%	0%	2%	31.6	42.3	(10.7)	31.7	(0.1)
Europe	21%	79%	0%	0%	10.4	22.2	(11.7)	12.4	(1.9)
Other	0%	100%	0%	0%	2.4	4.0	(1.6)	3.7	(1.3)
Securities					48.3	74.3	(25.9)	53.1	(4.7)
RMBS					1.8	5.8	(4.0)	1.9	(0.1)
CMBS					4.4	11.6	(7.2)	8.0	(3.5)
CLO					42.0	56.7	(14.6)	43.1	(1.0)
ABS CDO					-	-	-	-	-
Other monetary claims purchased⁽⁴⁾					46.5	55.2	(8.7)	50.1	(3.5)
RMBS (Japan)					43.0	47.8	(4.7)	45.2	(2.1)
CMBS (Japan)					3.4	7.3	(3.9)	4.8	(1.3)
CLO (Japan)					-	-	-	-	-
ABS CDO (Japan)					-	-	-	-	-
Total					94.9	129.5	(34.6)	103.2	(8.3)

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

(2) Based on ratings by S&P or ratings equivalent to S&P ratings matrix as of March 31, 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) Breakdown of collateral: office building (71.5%), hotel and others (15.2%), retail and shops (12.0%), multi-family (1.3%)

(4) Includes Japanese RMBS recorded as monetary assets held in trust of ¥5.0 billion as at March 31, 2011.

**Securitized Products, Recorded under "Securities" and "Other Monetary Claims Purchased" and OCI ⁽¹⁾-Table 46-
(Non-Consolidated)**

Securities	(Billions of yen, except percentages)			
	As of March 31, 2011			
	Balance before Mark-to-Market Evaluation	Market Value or Balance	Unrealized Gains/Losses (OCI)	Price Increase (Decrease) Ratio (%)
Trading Securities		0.6		
RMBS (U.S.)		0.0		
CLO (U.S.)		0.6		
Securities Being Held to Maturity with Readily Determinable Fair Value		41.4		
CLO (U.S.)		31.0		
CLO (Europe)		10.4		
Securities Available for Sale	6.3	6.2	(0.0)	(0.3)
Other	6.3	6.2	(0.0)	(0.3)
Foreign Securities	6.3	6.2	(0.0)	(0.3)
Foreign Currency Denominated Foreign Corporate and Government Bonds	2.4	2.4	(0.0)	(1.2)
CMBS	2.4	2.4	(0.0)	(1.2)
Other foreign countries	2.4	2.4	(0.0)	(1.2)
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	3.8	3.8	0.0	0.2
RMBS (Japan)	1.7	1.8	0.0	0.0
CMBS (Japan)	2.0	2.0	0.0	0.0
Securities		48.3		
RMBS		1.8		
CMBS		4.4		
CLO		42.0		
Other Monetary Claims Purchased ⁽²⁾				
Trading Purposes		14.1		
RMBS (Japan) ⁽²⁾		11.5		
CMBS (Japan)		2.5		
Others	32.3	32.3	0.0	0.2
RMBS (Japan)	31.4	31.4	0.0	0.2
CMBS (Japan)	0.8	0.8	0.0	0.0
Total		46.5		
RMBS (Japan)		43.0		
CMBS (Japan)		3.4		
RMBS, CMBS, CLO, ABS CDO Total		94.9		
Securities		48.3		
Other Monetary Claims Purchased		46.5		

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

(2) Includes Japanese RMBS recorded as monetary assets held in trust of ¥5.0 billion as at March 31, 2011.

LBO, Monoline, SIV, ABCP, CDS -Table 47- (Non-Consolidated)

(Billions of yen)

	Mar 31 2011 (a)	Mar 31 2010 (b)	Change (a)-(b)	Sep 30 2010 (c)	Change (a)-(c)
LBO⁽¹⁾	203.3	194.4	8.9	215.1	(11.8)
Japan	199.7⁽²⁾	189.8	9.9	211.2	(11.5)
U.S.	2.1	2.8	(0.7)	2.3	(0.2)
Europe	-	-	-	-	-
Other	1.4	1.7	(0.3)	1.5	(0.1)
(Breakdown by Industry Sector)					
Manufacturing	12.6%	17.1%			
Information and communications	0.0%	0.0%			
Wholesale and retail	9.5%	12.6%			
Finance and Insurance	18.8%	55.0%			
Services	55.5%	11.4%			
Others	3.6%	3.8%			
Total	100.0%	100.0%			

(1) The amount includes unfunded commitment line.

(2) As of March 31, 2011, unfunded commitment line (only domestic) is ¥2.8 billion.

Monoline, SIV, ABCP

We have no exposure to Monoline, SIV, ABCP.

Credit Default Swaps (CDS)⁽¹⁾

(Billions of yen)

	As of March 31, 2010								FY2010
	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	689.5	713.8	0.9	(1.4)	578.5	0.3	(1.4)	(0.7)	
Japan	587.7	614.9	2.7	(2.9)	487.6	2.1	(2.7)	(0.6)	
U.S.	47.2	46.7	(0.7)	0.5	41.8	(0.7)	0.4	(0.0)	
Europe	22.1	21.9	(0.3)	0.3	21.5	(0.3)	0.3	(0.0)	
Other	32.4	30.1	(0.7)	0.5	27.4	(0.7)	0.5	(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 48-

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 ABS CDO as at December 31, 2010.
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	6.52	6.78
Consolidated	4.43	5.33	7.99	8.50	8.50	8.73

2. Equity holdings

(1) Equity held (Non-consolidated)

(Billions of yen)

	Book value		Net unrealized gain (loss)
		Subsidiaries' shares	
FY2009	441.0	423.3	(2.3)
1HFY2010	439.4	423.3	(4.3)
FY2010	392.0	375.5	(3.3)

(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

* 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.

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

Nikkei Stock Average	approximately ¥13,000
TOPIX	approximately ¥1,200

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

(Billions of yen)

	Results	% Change	Ratio to total loan balance
Mar 31, 2010	2,822.2	4.75%	60.24%
Sep 30, 2010	2,557.8	(9.37)%	61.83%
Mar 31, 2011	2,392.2	(6.47)%	60.77%

* 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 + ¥23.6 billion for FY2009 compared to the plan of + ¥0.1 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	Revenue from sales during the period	Amount of sales during the period
1HFY2009	2.3	1.1	43.6
FY2009	4.6	2.1	84.2
1HFY2010	2.1	0.9	37.9
FY2010	4.1	1.7	71.3

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
1HFY2009	0.2	0.1	5.5
FY2009	0.3	0.2	9.3
1HFY2010	0.2	0.2	6.0
FY2010	0.4	0.3	9.6

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

(Accumulated data from April 1, 2010 to March 31, 2011)

(Number, Millions of yen)

	Total		SME		Mortgage	
	#	Amount	#	Amount	#	Amount
Request	463	101,125	92	90,672	371	10,452
Execution	285	84,656	69	77,987	216	6,668
Refusal	81	9,500	9	7,824	72	1,675
Under Exam	35	3,230	10	2,722	25	508
Withdrawal	62	3,737	4	2,137	58	1,599

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

** "Refusal" as at March 31, 2011 includes four loans for a total of ¥2,916 million which were at one point counted as "Deemed Refusal" but executed by March-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 receive information on the obligors' current income etc. within three months after the request was filed. "Deemed Refusal" includes 19 loans for a total of ¥484 million which were executed with changes to terms and conditions by March-end.

*** The "Under Evaluation" of the Mortgage as at March 31, 2011 includes 21 loans for a total of ¥428 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
Loans to the companies located in Miyagi, Iwate and Fukushima Prefecture as of March 31, 2011	3.3	(25.21)%

*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 12.5 billion yen as of March 31, 2011

(Reference 2) Calculation Grounds of Deferred Tax Assets

Shinsei Bank has, due to losses recognized on securities and other factors, ¥120.0 billion of tax loss carryforwards and unrealized temporary differences of ¥460.0 billion as of March 31, 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 ¥22.1 billion

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

(Billions of yen)

FY2006	FY2007	FY2008	FY2009	FY2010
63.9	58.5	(151.2)	(39.2)	(0.3)

2. Net deferred tax liabilities (As of March 31, 2011 [Non-consolidated])

(Billions of yen)

Deferred tax assets corresponding to "total taxable income before adjustment"	(*) 8.7
Deferred tax liabilities	6.8
Net deferred tax liabilities on balance sheet	1.8

(*) Breakdown	Reserve for credit losses	83.5
	Securities	60.7
	Tax loss carryforwards	47.7
	Net unrealized loss on securities available-for-sale	5.5
	Net deferred loss on hedge	5.3
	Other	42.7
	Sub total	245.6
	Valuation allowance	(236.9)
Total	8.7	

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

(Billions of yen)

	FY2010	1HFY2010	FY2009
Deferred tax assets (except deferred tax liabilities)	17.9	13.8	17.4
Tier I	516.7	500.5	490.7
Deferred tax assets to Tier I capital ratio	3.5%	2.8%	3.5%