

Financial Summary

For the Nine Months Ended December 31, 2010



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

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

Financial Highlights ⁽¹⁾

(Billions of yen, except percentages)

	3QFY2010	3QFY2009	Change % or Amount	FY2009
Selected income statement items (Consolidated)				
Net interest income	122.8	162.3	(24.4)%	207.9
Non-interest income	119.3	86.8	37.3%	77.5
Net fees and commissions	18.3	17.2	6.1%	25.1
Net trading income	7.8	5.4	45.4%	9.0
Net other business income	93.0	64.1	45.1%	43.3
Total revenue	242.1	249.2	(2.9)%	285.5
General and administrative expenses	108.4	127.6	(15.0)%	168.3
Ordinary business profit	133.6	121.6	9.9%	117.1
Net credit costs	49.3	62.3	(20.9)%	112.2
Ordinary business profit after net credit costs	84.3	59.3	42.2%	4.8
Amortization of goodwill and other intangible assets ⁽²⁾	10.0	15.9	(37.1)%	20.9
Other gains (losses)	1.9	(9.1)	121.2%	(107.0)
Income (loss) before income taxes and minority interests	76.3	34.2	123.0%	(123.0)
Current income tax	1.6	0.9	64.1%	1.5
Deferred income tax	3.4	2.8	19.0%	6.7
Minority interests in net income of subsidiaries	7.1	8.1	(11.4)%	8.8
Net income (loss)	64.0	22.2	188.0%	(140.1)
Cash basis net income (loss) ⁽³⁾	72.6	35.7	103.0%	(53.7)
Selected balance sheet items (Consolidated)				
Securities	3,153.8	3,147.8	5.9	3,233.3
Loans and bills discounted	4,411.3	5,134.6	(723.2)	5,163.7
Customers' liabilities for acceptances and guarantees	593.9	650.4	(56.5)	623.7
Reserve for credit losses	(190.7)	(194.8)	4.0	(196.6)
Total assets	10,428.2	11,506.3	(1,078.1)	11,376.7
Deposits and negotiable certificates of deposit	5,684.4	6,704.0	(1,019.5)	6,475.3
Debentures	384.4	503.1	(118.7)	483.7
Borrowed money	1,291.2	783.0	508.1	1,186.8
Reserve for losses on interest repayments	39.4	81.7	(42.3)	70.0
Total liabilities	9,863.5	10,695.3	(831.7)	10,741.8
Total equity	564.6	811.0	(246.3)	634.9
Financial ratios (%) (Consolidated)				
Net interest margin	2.28	2.52		2.47
Expense-to-revenue ratio	44.8	51.2		59.0
Return on assets	0.8 ⁽⁴⁾	0.3 ⁽⁴⁾		(1.2)
Return on equity (fully diluted)	17.8 ⁽⁴⁾	5.0 ⁽⁴⁾		(27.6)
Cash basis return on assets	0.9 ⁽⁴⁾	0.4 ⁽⁴⁾		(0.5)
Cash basis return on equity (fully diluted)	20.2 ⁽⁴⁾	8.0 ⁽⁴⁾		(10.6)
Capital adequacy data (Consolidated)				
Tier I	464.0	619.4	(155.4)	490.7
Total capital	599.7	827.8	(228.1)	645.4
Risk assets	6,770.2	7,911.5	(1,141.2)	7,722.1
Capital adequacy ratio	8.85%	10.46%		8.35%
Tier I capital ratio	6.85%	7.83%		6.35%

(Billions of yen, except percentages)

	3QFY2010	3QFY2009	Change % or Amount	FY2009
Per share data				
Common equity	253.49	316.20	(19.8)%	232.72
Fully diluted equity	253.49	316.20	(19.8)%	232.72
Basic net income (loss)	32.63	11.32	188.0%	(71.36)
Diluted net income (loss)	32.63	11.32	188.0%	(71.36)
Cash basis basic net income (loss)	36.97	18.21	103.0%	(27.37)
Cash basis diluted net income (loss)	36.97	18.21	103.0%	(27.37)
Non-performing loans (Non-Consolidated)				
Claims classified under the Financial Revitalization Law	292.0	176.6	115.4	333.0
Ratio to total claims	6.49%	3.46%		6.70%
Reserve for credit losses	105.3	101.9	3.3	102.2
Coverage ratio for non-performing claims	96.2%	99.1%		97.6%
Selected income statement items (Non-Consolidated)				
Net interest income	51.0	47.3	7.8	80.5
Non-interest income	40.4	34.9	15.6	7.7
Net fees and commissions	14.5	8.9	62.0	(8.8)
Net trading income	6.6	4.7	40.4	7.7
Net other business income	19.2	21.2	(9.6)	8.8
Total revenue	91.4	82.2	11.1	88.2
General and administrative expenses	45.7	51.8	(11.8)	67.3
Ordinary business profit	45.7	30.4	50.1	20.9
Net credit costs	30.0	19.3	55.0	52.6
Net income (loss)	12.1	6.2	94.9	(47.6)

(1) Represents results based on management accounting basis.

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

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

(4) Annualized basis.

- 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.
- Shinsei Group's results for the first nine months of fiscal year 2010 show increasing profitability as a result of consistent progress in innovative business strategies. A gain of ¥28.9 from capital repurchase was recorded in the first nine months of fiscal year 2010, an increase from ¥14.8 billion recorded in the first nine months of fiscal year 2009. The Bank recognized a large increase in consolidated **net income** to ¥64.0 billion on a reported basis for the first nine months of fiscal year 2010, compared to consolidated **net income** of ¥22.2 billion for the first nine months of fiscal year 2009.
- Consolidated **cash basis net income** for the first nine months of fiscal year 2010 also increased to ¥72.6 billion from ¥35.7 billion in the first nine months of fiscal year 2009.
 - The Institutional Group focused on rebuilding its client base and recorded higher revenue and ordinary business profit after net credit costs compared to the first nine months of fiscal year 2009.
 - The Markets and Investment Banking Group demonstrated steady performance in the core businesses, continued the reduction of non-core assets, made provisions of additional reserves against potential risks in our domestic real estate non-recourse finance and other businesses and recorded non-recurring gains from the divestiture of non-core business assets, resulting in higher ordinary business profit after net credit costs compared to the first nine months of fiscal year 2009.
- The Individual Group performed well due to the solid performance of 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.
- Top line revenue decreased by ¥7.1 billion compared to the first nine months of fiscal year 2009 due mainly to lower revenues in the consumer finance business. Revenue from other businesses steadily increased.
- Expenses decreased significantly by ¥19.1 billion compared to the first nine months of fiscal year 2009 as a result of business right sizing in the Individual Group including consumer finance business and continued rationalization of business processes.
- Although provision of additional reserves was made in our Markets and Investment Banking Group, net credit costs decreased by ¥13.0 billion compared to the first nine months of fiscal year 2009 due to a decrease in loans in our consumer finance subsidiaries.
- The net interest margin declined to 2.28% largely as a

result of interest rate and loan balance reductions within our consumer finance subsidiaries.

- Despite a significant decrease in total capital and Tier I capital due to a cash tender offering for preferred securities, capital ratios slightly improved in the first nine months of fiscal year 2010 mainly due to strong financial results and reduced risk weighted assets as a result of non-core assets reduction in light of potential risks in the Markets and Investment Banking Group.
 - Total capital adequacy ratio improved to 8.85% and Tier I capital ratio improved to 6.85% at December 31, 2010 from 8.35% and 6.35%, respectively, at March 31, 2010 as risk weighted assets declined from ¥7.7 trillion at March 31, 2010 to ¥6.7 trillion at December 31, 2010.
- **Loans and bills discounted** balance declined by ¥752.3 billion to ¥4,411.3 billion and **Securities** balance declined by ¥79.5 billion to ¥3,153.8 billion in the period from March 31, 2010 to December 31, 2010 due mainly to reductions in the Markets and Investment Banking Group's non-core business assets and a decrease in the balance of Japanese national government bond securities.
- **Diluted net income per share** for the first nine months of fiscal year 2010 increased to ¥32.63, compared to **diluted net income per share** of ¥11.32 for the first nine months of fiscal year 2009, reflecting strong consolidated net income for the first nine months of fiscal year 2010. **Cash basis diluted net income per share** for the first nine months of fiscal year 2010 was ¥36.97, as compared to **cash basis diluted net income per share** of ¥18.21 for the first nine months of fiscal year 2009.

Financial and Economic Environment

- During the first nine months of fiscal year 2010, the Japanese economy has generally been on a recovery course. However, concerns regarding the outlook of the world economy including Europe and the U.S., the strengthening of the yen, slowdown of export growth and ongoing severe employment conditions heighten risks that may weigh down on the economy, and there is a growing consensus that the Japanese economy is faltering. While there have been glimpses of recovery in certain areas since the beginning of the year and there is speculation in some quarters that the economy will return to a recovery trend sooner or later, the outlook going forward remains uncertain.
- Against this backdrop, the Japanese government (Government) and the Bank of Japan (BOJ) intervened in the foreign exchange market in mid-September 2010 to prevent a sharp rise in the value of the yen, while the BOJ decided to adopt a practically-zero-interest-rate policy and other measures at the beginning of October 2010. Furthermore, after passing a supplementary budget for the current fiscal year during an extraordinary Diet session, the Government has proposed a reduction of the corporate income tax rate by 5%, as a part of measures to stimulate growth in the budget plan for the upcoming fiscal year. However, it seems likely that formulation and execution of the government's nationwide growth strategy to gain genuine global competitiveness will be tortuous due to the strained national finances, a divided Diet and mounting political issues.
- Amid these circumstances, the yen continued to appreciate even after the Government's intervention in foreign currency markets. As at the end of December 2010, the U.S. dollar-Japanese yen exchange rate was ¥81 (a strengthening of ¥12 from the end of March 2010) and the euro-Japanese yen exchange rate was ¥108 (a strengthening of ¥18 from the end of March 2010).
- The domestic long-term (10-year government bond yields) interest rate, which at one point declined to as low as 0.9%, was 1.1% (a decline of 0.3% from the end of March 2010) at the end of December, due to upward pressure from the rise in US bond yields. The short-term interest rate remained at a low level.
- The Nikkei 225, which trended below ¥9,000 between the end of August and the beginning of September 2010, was ¥10,228.92 at the end of December 2010, which represents a decrease of more than ¥850 compared to the end of March 2010.

Section 1. Consolidated Information

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

(Billions of yen, except percentages)

	3QFY2010 (9 months)	3QFY2009 (9 months)	% Change	FY2009 (12 months)
Net interest income	122.8	162.3	(24.4)	207.9
Non-interest income	119.3	86.8	37.3	77.5
Net fees and commissions	18.3	17.2	6.1	25.1
Net trading income	7.8	5.4	45.4	9.0
Net other business income	93.0	64.1	45.1	43.3
Total revenue	242.1	249.2	(2.9)	285.5
General and administrative expenses	108.4	127.6	(15.0)	168.3
Ordinary business profit	133.6	121.6	9.9	117.1
Net credit costs	49.3	62.3	(20.9)	112.2
Ordinary business profit after net credit costs	84.3	59.3	42.2	4.8
Amortization of goodwill and other intangible assets ⁽²⁾	10.0	15.9	(37.1)	20.9
Other gains (losses)	1.9	(9.1)	121.2	(107.0)
Income (loss) before income taxes and minority interests	76.3	34.2	123.0	(123.0)
Current income tax	1.6	0.9	64.1	1.5
Deferred income tax	3.4	2.8	19.0	6.7
Minority interests in net income of subsidiaries	7.1	8.1	(11.4)	8.8
Net income (loss)	64.0	22.2	188.0	(140.1)
Cash basis net income (loss) ⁽³⁾	72.6	35.7	103.0	(53.7)

(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 ¥242.1 billion for the first nine months of fiscal year 2010. This was ¥7.1 billion lower than the ¥249.2 billion total revenue recorded in the first nine months of fiscal year 2009.
- **Net interest income** declined by ¥39.5 billion to ¥122.8 billion during the current period from ¥162.3 billion in the first nine months of 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 ¥32.4 billion to ¥119.3 billion in the first nine months of fiscal year 2010 compared to ¥86.8 billion in the first nine months of 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 ¥1.0 billion to ¥18.3 billion during the first nine months of fiscal year 2010 from ¥17.2 billion during the first nine months of fiscal year 2009.
 - We generated **net trading income** of ¥7.8 billion in the first nine months of fiscal year 2010, an increase of ¥2.4 billion compared to ¥5.4 billion generated in the first nine months of fiscal year 2009.
- **Net other business income** for the first nine months of fiscal year 2010 increased to ¥93.0 billion from ¥64.1 billion in the first nine months of fiscal year 2009.
 - The first nine months of fiscal year 2010 include other business income of ¥29.5 billion from the lease transaction and installment receivables business of Showa Leasing, APLUS FINANCIAL, Shinsei Financial and others compared to ¥32.9 billion in the first nine months of fiscal year 2009.
 - Major non-recurring **net other business income** recorded in the first nine months of fiscal year 2010 includes a gain of ¥28.9 billion on the repurchase of our preferred securities and subordinated debt, a gain of ¥4.3 billion on the sale of collateralized loan obligations (CLOs), a gain of ¥5.2 billion on the sale and revaluation of asset-backed investments and asset-backed securities. These gains were partially offset by impairments of ¥2.7 billion on domestic non-recourse real estate bonds and mark-downs and impairments of ¥0.5 billion on our real estate principal investments.
 - **Net other business income** for the first nine months of fiscal year 2009 included a gain of ¥15.6 billion on the sale of CLOs and a gain of ¥14.8 billion on subordinated debt repurchase. These gains were partially offset by mark-downs and impairments of ¥8.1 billion on our real estate principal investments, a loss of ¥4.2 billion by an 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** during the first nine months of fiscal year 2010 were ¥108.4 billion, a decrease of ¥19.1 billion compared to the first nine months of 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 44.8% for the first nine months of fiscal year 2010 compared to an expense-to-revenue ratio of 51.2% for the first nine months of fiscal year 2009.
- **Net credit costs** of ¥49.3 billion for the first nine months of fiscal year 2010 were ¥13.0 billion lower compared to the ¥62.3 billion net credit costs recorded in the first nine months of fiscal year 2009. Although the first nine months of fiscal year 2010 included provisions of additional reserves in our Markets and Investment Banking Group, there was a much greater reduction in net credit costs in our consumer finance business.
 - **Net credit costs** for the first nine months of fiscal year 2010 include a net provision of ¥17.1 billion for specialty finance, ¥15.1 billion of net credit costs for domestic real estate non-recourse finance, ¥9.7 billion of net credit costs for APLUS FINANCIAL and ¥8.0 billion of net credit costs for Shinsei Financial.
 - The results of the first nine months of fiscal year 2009 included ¥23.9 billion of credit costs incurred for Shinsei Financial, ¥16.1 billion of net credit costs for APLUS FINANCIAL, ¥8.1 billion in net credit costs associated with our holdings of asset-backed investments, and ¥4.8 billion of credit costs for domestic real estate non-recourse finance related loans. We also recorded ¥6.4 billion of credit recoveries within Shinki.
- **Amortization of goodwill and other intangible assets** associated with the acquisition of consumer and commercial finance companies was ¥10.0 billion for the first nine months of fiscal year 2010 as compared with ¥15.9 billion in the first nine months of 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 gains** of ¥1.9 billion included recoveries of written off-claims of ¥10.2 billion at Shinsei Financial, Shinsei Bank, Shinki and APLUS FINANCIAL, offset by asset retirement obligation costs of ¥3.5 billion.
- **Current and deferred income taxes** reflected a net expense of ¥5.0 billion compared to a net expense of ¥3.8 billion in the first nine months of fiscal year 2009.
- **Minority interests in net income of subsidiaries** for the first nine months of fiscal year 2010 amounting to ¥7.1 billion largely reflected dividends accrued on perpetual preferred securities and minority interests in other subsidiaries.
- The Bank recognized consolidated **net income** of ¥64.0 billion on a reported basis for the first nine months of fiscal year 2010, compared to consolidated **net income** of ¥22.2 billion for the first nine months of fiscal year 2009.
- Consolidated **cash basis net income** for the first nine months of fiscal year 2010 was ¥72.6 billion, compared to **cash basis net income** of ¥35.7 billion for the first nine months of 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 - Table 1-1- (Consolidated)⁽¹⁾

	(Billions of yen)			
	3QFY2010 (9 months) (a) + (b)	3QFY2010 (3 months) (a)	1HFY2010 ⁽²⁾ (6 months) (b)	(Reference) 3QFY2009 ⁽²⁾ (9 months)
Gains included in revenue				
Gain from the sale of collateralized loan obligations (CLOs)	4.3	-	4.3	15.6
Gain from buy back of preferred securities and subordinated debt	28.9	24.6	4.3	14.8
Gain from the sales and revaluation of asset-backed securities and asset-backed investments	5.2	1.0	4.1	-
Total	38.6	25.7	12.8	30.5
Mark-downs/impairments included in revenue				
Domestic real estate non-recourse finance (bonds)	(2.7)	(0.8)	(1.8)	-
Japanese real estate principal investments	(0.5)	-	(0.5)	(8.1)
Asset-backed securities, asset-backed investments and European investments	-	-	-	(3.3)
Subtotal (i)	(3.3)	(0.8)	(2.4)	(11.4)
Items included in net credit costs				
Specialty finance	(17.1)	0.7	(17.9)	(3.9)
Domestic real estate non-recourse finance	(15.1)	(0.5)	(14.5)	(4.8)
Asset-backed investments	1.1	0.4	0.6	(8.1)
Credit recovery at Shinki	-	-	-	6.4
Subtotal (ii)	(31.1)	0.6	(31.7)	(10.4)
Other gains (losses)				
Asset retirement obligation costs	(3.5)	-	(3.5)	-
Grey zone related provisions	-	-	-	(9.9)
Subtotal (iii)	(3.5)	-	(3.5)	(9.9)
Deferred income tax (Shinsei Bank non-consolidated basis) (iv)	(1.8)	-	(1.8)	(4.6)
Total (i) + (ii) + (iii) + (iv)	(39.8)	(0.2)	(39.5)	(36.5)
Breakdown by Category				
Specialty finance	(17.1)	0.7	(17.9)	(3.9)
Domestic real estate non-recourse finance	(17.8)	(1.4)	(16.4)	(4.8)
Asset retirement obligation costs	(3.5)	-	(3.5)	-
Japanese real estate principal investments	(0.5)	-	(0.5)	(8.1)
Grey zone related provisions	-	-	-	(9.9)
Asset-backed securities, asset-backed investments and European investments	1.1	0.4	0.6	(11.4)
Deferred income tax (Shinsei Bank non-consolidated basis)	(1.8)	-	(1.8)	(4.6)
Credit recovery at Shinki	-	-	-	6.4
Total	(39.8)	(0.2)	(39.5)	(36.5)

(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)								
	3QFY2010 (9 months)			3QFY2009 (9 months)			FY2009 (12 months)		
	Average Balance	Interest	Yield/rate (%)	Average Balance	Interest	Yield/rate (%)	Average Balance	Interest	Yield/rate (%)
Interest-earning assets ⁽¹⁾ :									
Loans and bills discounted	4,758.7	138.7	3.87	5,509.0	190.7	4.60	5,457.6	245.2	4.49
Lease receivables and leased investment assets / installment receivables ⁽¹⁾	572.4	29.5	6.84	631.6	32.9	6.92	619.0	43.0	6.95
Securities	2,884.0	17.8	0.82	3,210.1	25.2	1.04	3,212.6	30.5	0.95
Other interest-earning assets ⁽²⁾⁽³⁾	574.3	4.9	n.m. ⁽⁵⁾	714.8	6.6	n.m. ⁽⁵⁾	664.6	7.7	n.m. ⁽⁵⁾
Total revenue on interest-earning assets ⁽¹⁾	8,789.5	191.0	2.88	10,065.7	255.5	3.37	9,953.9	326.5	3.28
Interest-bearing liabilities:									
Deposits, including negotiable certificates of deposit	6,015.3	26.8	0.59	6,820.2	41.8	0.82	6,803.0	52.9	0.78
Debentures	443.8	1.9	0.57	584.1	3.1	0.71	562.5	3.8	0.69
Borrowed money	1,306.7	5.3	0.54	906.1	8.2	1.21	933.6	10.2	1.09
Subordinated debt	102.0	0.6	0.90	102.0	0.8	1.13	102.0	1.1	1.09
Other borrowed money	1,204.7	4.6	0.51	804.1	7.3	1.22	831.6	9.0	1.09
Corporate bonds	180.3	3.8	2.84	236.4	5.2	2.93	229.3	6.5	2.84
Subordinated bonds	147.0	3.6	3.27	169.4	4.5	3.55	166.8	5.7	3.45
Other corporate bonds	33.3	0.2	0.91	66.9	0.6	1.35	62.4	0.7	1.21
Other interest-bearing liabilities ⁽²⁾	492.1	0.6	n.m. ⁽⁵⁾	837.5	1.6	n.m. ⁽⁵⁾	825.9	2.0	n.m. ⁽⁵⁾
Total expense on interest-bearing liabilities	8,438.3	38.6	0.61	9,384.4	60.1	0.85	9,354.5	75.5	0.81
Non interest-bearing sources of funds:									
Non interest-bearing (assets) liabilities, net	(127.8)	-	-	89.1	-	-	89.3	-	-
Total equity excluding minority interests in subsidiaries ⁽⁴⁾	479.0	-	-	592.0	-	-	510.0	-	-
Total interest-bearing liabilities and non interest-bearing sources of funds	8,789.5	-	-	10,065.7	-	-	9,953.9	-	-
Net interest margin ⁽¹⁾	-	-	2.28	-	-	2.52	-	-	2.47
Impact of non interest-bearing sources	-	-	0.02	-	-	0.06	-	-	0.05
Net revenue/yield on interest-earning assets ⁽¹⁾	-	152.3	2.30	-	195.3	2.58	-	250.9	2.52
Reconciliation of total revenue on interest-earning assets to total interest income:									
Total revenue on interest-earning assets	8,789.5	191.0	2.88	10,065.7	255.5	3.37	9,953.9	326.5	3.28
Less: Income on lease transactions and installment receivables	572.4	29.5	6.84	631.6	32.9	6.92	619.0	43.0	6.95
Total interest income	8,217.0	161.5	2.61	9,434.0	222.5	3.13	9,334.9	283.5	3.04
Total interest expense	-	38.6	-	-	60.1	-	-	75.5	-
Net interest income	-	122.8	-	-	162.3	-	-	207.9	-

(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 the first nine months of fiscal year 2010 was ¥152.3 billion, a decrease of ¥42.9 billion compared to the first nine months of the prior fiscal year.
- **Total revenue on interest-earning assets** decreased by ¥64.4 billion and **total expense on interest-bearing liabilities** decreased by ¥21.5 billion in the first nine months of fiscal year 2010 from the first nine months of the prior fiscal year.
- The **net interest margin** and **net yield on interest-earning assets** were 2.28% and 2.30%, respectively, in the first nine months of fiscal year 2010, compared with 2.52% and 2.58%, respectively, for the first nine months of 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, borrowed money and corporate bonds.

Non-Interest Income -Table 3- (Consolidated)

	<i>(Billions of yen, except percentages)</i>			
	3QFY2010 (9 months)	3QFY2009 (9 months)	% Change	FY2009 (12 months)
Net fees and commissions	18.3	17.2	6.1	25.1
Net trading income	7.8	5.4	45.4	9.0
Net other business income	93.0	64.1	45.1	43.3
Income on leased assets and installment receivables	29.5	32.9	(10.5)	43.0
Total non-interest income	119.3	86.8	37.3	77.5

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

- **Total non-interest income** for the first nine months of fiscal year 2010 was ¥119.3 billion, an increase of ¥32.4 billion compared to the first nine months of 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 ¥28.9 billion on the repurchase of our preferred securities as well as subordinated debt, following tender offers for certain preferred securities, was recorded in the first nine months of fiscal year 2010 compared to ¥14.8 billion in the first nine months of 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 non-recourse real estate non-recourse finance, consumer finance related guarantees, fees and commission from other business, upfront fees on sale of mutual fund and variable annuity products. **Net fees and commissions** of ¥18.3 billion was earned in the first nine months of fiscal year 2010, an increase of ¥1.0 billion compared to the first nine months of 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 the first nine months of fiscal year 2010, **net trading income** recorded a gain of ¥7.8 billion, an increase of ¥2.4 billion compared to the first nine months of fiscal year 2009.

- **Net other business income** for the first nine months of fiscal year 2010 was ¥93.0 billion.

➢ This includes income of ¥29.5 billion from the lease transactions and installment receivables of Showa Leasing, APLUS FINANCIAL, Shinsei Financial and others, compared to ¥32.9 billion in the first nine months of fiscal year 2009.

➢ Major non-recurring **net other business income** recorded in the first nine months of fiscal year 2010 includes a gain of ¥28.9 billion on the repurchases of our preferred securities and subordinated debt, a gain of ¥4.3 billion on the sale of collateralized loan obligations (CLOs), and a gain of ¥5.2 billion on the sale and revaluation of asset-backed investments and asset-backed securities. These gains were partially offset by losses of ¥2.7 billion on our real estate non-recourse finance bond portfolio and mark-downs and impairments of ¥0.5 billion on our real estate principal investments.

➢ **Net other business income** for the first nine months of fiscal year 2009 included a gain of ¥15.6 billion on the sale of CLOs and a gain of ¥14.8 billion on subordinated debt repurchases. These gains were partially offset by mark-downs and impairments of ¥8.1 billion on real estate principal investments, a loss of ¥4.2 billion by an equity method affiliate Jih Sun Financial Holding Co. 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)

	<i>(Billions of yen, except percentages)</i>			
	3QFY2010 (9 months)	3QFY2009 (9 months)	% Change	FY2009 (12 months)
Personnel expenses	41.5	48.7	(14.9)	62.3
Non-personnel expenses	66.9	78.8	(15.1)	105.9
Premises expenses	17.7	20.4	(13.5)	27.4
Technology and data processing expenses	14.5	18.0	(19.1)	23.9
Advertising expenses	7.6	9.3	(18.0)	12.2
Consumption and property taxes	6.1	6.7	(8.9)	9.0
Deposit insurance premium	4.1	3.3	24.3	4.3
Other general and administrative expenses	16.8	21.0	(20.0)	28.9
General and administrative expenses	108.4	127.6	(15.0)	168.3

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

- **General and administrative expenses** were ¥108.4 billion for the first nine months of fiscal year 2010, a decrease of ¥19.1 billion compared to the first nine months of the previous fiscal year.
- **Personnel expenses** of ¥41.5 billion decreased by ¥7.2 billion from the first nine months of 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 ¥11.8 billion to ¥66.9 billion in spite of 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 is expected to be realized in the fourth quarter of fiscal year 2010 or later, while one-time costs have already been recognized for the first nine months of fiscal year 2010.
 - **Premises expenses** declined by ¥2.7 billion to ¥17.7 billion, mainly due to consumer finance subsidiaries' branch optimization. **Technology and data processing expenses** were ¥3.4 billion lower than the first nine months of fiscal year 2009 mainly due to automated contract machine sharing and optimization between Shinsei Financial and Shinki. **Advertising expenses** were ¥1.6 billion lower than the first nine months of 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>			
	3QFY2010 (9 months)	3QFY2009 (9 months)	%	FY2009 (12 months)
			Change	
Losses on write-off of loans/Losses on sale of loans	7.3	8.8	(16.5)	18.5
Net provision of reserve for loan losses:	42.8	54.8	(21.8)	95.5
Net provision of general reserve for loan losses	24.8	30.3	(18.0)	40.0
Net provision of specific reserve for loan losses	17.9	24.4	(26.6)	55.5
Net provision (reversal) of reserve for loan losses to restructuring countries	(0.0)	(0.0)	(88.2)	(0.0)
Net provision (reversal) of specific reserve for other credit losses	0.0	(0.1)	113.8	(0.1)
Other credit costs (reversal) relating to leasing business	(0.9)	(1.2)	22.9	(1.7)
Net credit costs	49.3	62.3	(20.9)	112.2

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

- **Net credit costs** for the first nine months of fiscal year 2010 were ¥49.3 billion, or ¥13.0 billion lower than the first nine months of fiscal year 2009.
 - Although the first nine months of fiscal year 2010 included provision of additional reserves in our domestic real estate non-recourse finance and specialty finance businesses, there has been a greater reduction of **net credit costs** compared to the first nine months of fiscal year 2009 due to the decrease in loan assets in our subsidiaries including Shinsei Financial and APLUS FINANCIAL as a result of the revised Money-Lending Business Control and Regulation Law.
 - **Net credit costs** included net provisions of ¥17.1 billion for specialty finance, ¥15.1 billion of net credit costs for domestic real estate non-recourse finance, ¥9.7 billion net credit costs for APLUS FINANCIAL and ¥8.0 billion net credit costs for Shinsei Financial.
 - The results of the first nine months of fiscal year 2009 included ¥23.9 billion of credit costs incurred within Shinsei Financial, ¥16.1 billion of net credit costs within APLUS FINANCIAL, ¥8.1 billion in net credit costs associated with our holdings of asset-backed investments, and ¥4.8 billion of credit costs for domestic real estate non-recourse finance related loans. We also recorded ¥6.4 billion of credit recoveries within Shinki.

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

	<i>(Billions of yen, except percentages)</i>			
	3QFY2010 (9 months)	3QFY2009 (9 months)	%	FY2009 (12 months)
			Change	
Shinsei Financial	7.3	8.1	(10.1)	10.7
Shinki	(0.2)	0.5	(86.1)	0.7
APLUS FINANCIAL	0.6	4.9	(149.0)	6.5
Showa Leasing	2.2	2.2	(0.9)	2.9
Others	(0.0)	(0.0)	0.0	(0.0)
Amortization of goodwill and other intangible assets	10.0	15.9	(37.1)	20.9

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

- **Amortization of Goodwill and Other Intangible Assets** totaled ¥10.0 billion in the first nine months of fiscal year 2010 compared to ¥15.9 billion in the first nine months of fiscal year 2009.
 - The decrease of ¥5.8 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 ¥0.6 billion in the first nine months of 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)

	<i>(Billions of yen, except percentages)</i>			
	3QFY2010 (9 months)	3QFY2009 (9 months)	%	FY2009 (12 months)
			Change	
Extraordinary income (loss)	4.5	3.3	34.0	(71.6)
Net gain on disposal of premises and equipment	(0.3)	(1.8)	81.7	(1.9)
Provision for loss on disposition of premises and equipment	-	(0.0)	100.0	(0.2)
Recoveries of written-off claims	10.2	6.6	55.3	10.7
Other extraordinary income (loss)	(5.4)	(1.3)	(296.3)	(80.2)
Provisions of reserve for losses on interest repayment	-	(9.9)	100.0	(29.6)
Shinsei Financial	-	(0.4)	100.0	(0.9)
Shinki	-	(8.4)	100.0	(17.8)
APLUS FINANCIAL	-	(1.0)	100.0	(10.8)
Other	-	0.0	(100.0)	0.0
Other	(2.5)	(2.6)	2.5	(5.6)
Other gains (Losses)	1.9	(9.1)	121.2	(107.0)

- Other gains of ¥1.9 billion in the first nine months of fiscal year 2010 include [recoveries of written off-claims](#) of ¥10.2 billion at Shinsei Financial, Shinsei Bank, Shinki and APLUS FINANCIAL, offset by asset retirement obligation costs of ¥3.5 billion.
- [Other losses](#) of ¥9.1 billion recorded in the first nine months of fiscal year 2009 included [provision for losses on interest repayment](#) of ¥8.4 billion for Shinki, ¥1.0 billion for APLUS FINANCIAL and ¥0.4 billion for Shinsei Financial totaling ¥9.9 billion.

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

	<i>(Billions of yen, except percentages)</i>			
	3QFY2010 (9 months)	3QFY2009 (9 months)	%	FY2009 (12 months)
			Change	
Dividends on perpetual preferred securities (hybrid Tier I capital) issued by foreign SPCs	6.7	7.7	(12.8)	10.3
Dividends on APLUS FINANCIAL's preferred stock	-	0.3	(100.0)	0.4
Others	0.4	0.0	550.9	(1.9)
Minority interests in net income of subsidiaries	7.1	8.1	(11.4)	8.8

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

- [Minority interests in net income of subsidiaries](#) for the first nine months of fiscal year 2010 was ¥7.1 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 the first nine months of fiscal year 2010.

Major Balance Sheet Data -Table 9- (Consolidated)

(Billions of yen)

	Dec 31 2010 (a)	Dec 31 2009 (b)	Change (a)-(b)	Mar 31 2010 (c)	Change (a)-(c)
Loans and bills discounted	4,411.3	5,134.6	(723.2)	5,163.7	(752.3)
Installment receivables	340.8	362.7	(21.9)	347.8	(6.9)
Leased assets, Lease receivables and leased investment assets	220.4	234.0	(13.5)	229.5	(9.1)
Securities	3,153.8	3,147.8	5.9	3,233.3	(79.5)
Other monetary claims purchased	163.7	320.6	(156.8)	252.7	(89.0)
Other interest earning assets ⁽¹⁾	561.2	461.3	99.9	515.0	46.2
Trading Assets	210.6	239.2	(28.6)	223.2	(12.6)
Monetary assets held in trust	262.0	317.8	(55.7)	292.2	(30.1)
Goodwill, net	51.5	117.0	(65.4)	57.8	(6.3)
Other intangible assets	21.6	38.9	(17.2)	25.2	(3.6)
Other assets	627.7	676.4	(48.7)	608.7	18.9
Customer's liabilities for acceptances and guarantees	593.9	650.4	(56.5)	623.7	(29.8)
Reserve for credit losses	(190.7)	(194.8)	4.0	(196.6)	5.8
Total assets	10,428.2	11,506.3	(1,078.1)	11,376.7	(948.5)
Deposits and negotiable certificates of deposit	5,684.4	6,704.0	(1,019.5)	6,475.3	(790.9)
Debentures	384.4	503.1	(118.7)	483.7	(99.3)
Borrowed money	1,291.2	783.0	508.1	1,186.8	104.4
Corporate bonds	176.9	194.8	(17.8)	188.2	(11.3)
Other interest bearing liabilities ⁽²⁾	509.1	846.0	(336.8)	885.1	(375.9)
Trading liabilities	167.4	195.3	(27.9)	177.8	(10.4)
Reserve for losses on interest repayments	39.4	81.7	(42.3)	70.0	(30.6)
Other liabilities	1,016.5	736.6	279.9	650.7	365.7
Acceptances and guarantees	593.9	650.4	(56.5)	623.7	(29.8)
Total liabilities	9,863.5	10,695.3	(831.7)	10,741.8	(878.2)
Total equity	564.6	811.0	(246.3)	634.9	(70.2)

(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 ¥4,411.3 billion as of December 31, 2010 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, overall loan balance as of December 31, 2010 decreased by ¥343.2 billion on March 31, 2010. This includes a decrease of ¥242.9 billion in real estate finance loans within our Real Estate Finance Sub-Group from ¥750.3 billion as of March 31, 2010 to ¥507.4 billion as of December 31, 2010
 - Loans to individual customers, which include retail banking loans, and loans at Shinsei Financial, Shinki and APLUS FINANCIAL, decreased by ¥128.8 billion from ¥1,713.0 billion as of March 31, 2010 to ¥1,584.2 billion as of December 31, 2010. Retail housing loans remained stable at ¥886.9 billion as of December 31, 2010 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 ¥98.0 billion from ¥512.1 billion as of March 31, 2010 to ¥414.1 billion as of December 31, 2010. Loans to APLUS FINANCIAL's customers decreased by ¥22.7 billion from ¥166.6 billion as of March 31, 2010 to ¥143.8 billion as of December 31, 2010. Loans to Shinki's customers decreased by ¥16.4 billion from ¥79.5 billion as of March 31, 2010 to ¥63.1 billion as of December 31, 2010.
- **Securities** balance as of December 31, 2010 was ¥3,153.8 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 decreased to ¥2,278.5 billion as of December 31, 2010 from ¥2,361.6 billion as of March 31, 2010.
 - The domestic non-recourse real estate bonds within our Real Estate Finance Sub-Group declined to ¥274.4 billion as of December 31, 2010 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 ¥5,684.4 billion as of December 31, 2010.
- The retail deposits balance totaled ¥4,782.6 billion as of December 31, 2010, a decrease of ¥522.3 billion compared to March 31, 2010. Retail Banking constitutes 83.5% of the Bank's total funding through customer deposits and debentures.

Risk-Monitored Loans -Table 10- (Consolidated)

	(Billions of yen)				
	Dec 31 2010 (a)	Dec 31 2009 (b)	Change (a)-(b)	Mar 31 2010 (c)	Change (a)-(c)
Loans to bankrupt obligors	16.9	32.1	(15.2)	21.5	(4.6)
Non-accrual delinquent loans	330.2	196.2	133.9	346.7	(16.4)
Loans past due for three months or more	3.7	15.6	(11.8)	2.7	0.9
Restructured loans	59.9	61.9	(2.0)	61.3	(1.4)
Total (A)	410.7	306.0	104.7	432.3	(21.5)
Loans and bills discounted (B)	4,411.3	5,134.6	(723.2)	5,163.7	(752.3)
Ratio to total loans and bills discounted (A / B X 100) (%)	9.31%	5.96%	/	8.37%	/
Reserve for credit losses (C)	190.7	194.8	(4.0)	196.6	(5.8)
Reserve ratio (C / A X 100)	46.4%	63.7%	/	45.5%	/

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

- As of December 31, 2010 risk monitored loans totaled ¥410.7 billion which was ¥21.5 billion lower on March 31, 2010.
 - Compared to March 31, 2010 the ratio of risk monitored loans to total loans and bills discounted increased by 0.94 points to 9.31%.
 - The increase in the ratio of risk monitored loans to total loans and bills discounted was mainly due to the decrease in total loans and bills discounted by ¥752.3 billion compared to March 31, 2010.

Reserve for Credit Losses -Table 11- (Consolidated)

	(Billions of yen)				
	Dec 31 2010 (a)	Dec 31 2009 (b)	Change (a)-(b)	Mar 31 2010 (c)	Change (a)-(c)
General reserve for loan losses	101.5	127.2	(25.7)	110.0	(8.5)
Specific reserve for loan losses	89.2	67.6	21.6	86.5	2.6
Reserve for loans to restructuring countries	0.0	0.0	(0.0)	0.0	(0.0)
Total reserve for credit losses	190.7	194.8	(4.0)	196.6	(5.8)

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

Loans by Borrower Industry -Table 12- (Consolidated)

	(Billions of yen)				
	Dec 31 2010	Dec 31 2009	Change	Mar 31 2010	Change
	(a)	(b)	(a)-(b)	(c)	(a)-(c)
Domestic offices (excluding Japan offshore market account):					
Manufacturing	233.4	262.7	(29.2)	249.0	(15.6)
Agriculture and forestry	0.0	0.0	(0.0)	0.0	(0.0)
Fishery	2.2	2.5	(0.3)	2.5	(0.3)
Mining, quarrying and gravel extraction	2.0	2.9	(0.9)	2.7	(0.7)
Construction	5.2	9.8	(4.6)	8.7	(3.5)
Electric power, gas, heat supply and water supply	24.6	39.2	(14.6)	32.3	(7.7)
Information and communications	11.7	19.1	(7.3)	17.0	(5.2)
Transportation and postal service	299.2	298.5	0.6	293.6	5.6
Wholesale and retail	93.1	115.9	(22.7)	109.6	(16.4)
Finance and insurance	785.6	836.4	(50.8)	1,095.9	(310.2)
Real estate	623.6	946.0	(322.3)	875.6	(252.0)
Services	339.3	273.9	65.4	262.7	76.5
Local government	163.2	170.8	(7.5)	171.3	(8.1)
Others	1,767.4	2,063.5	(296.0)	1,956.2	(188.7)
Loans to individual customers (retail banking, Shinsei Financial, Shinki and APLUS FINANCIAL)	1,543.2	1,707.7	(164.5)	1,667.0	(123.7)
Total domestic (A)	4,351.1	5,041.7	(690.5)	5,077.6	(726.5)
Overseas offices (including Japan offshore market accounts):					
Governments	2.3	1.7	0.5	1.9	0.3
Financial institutions	1.6	-	1.6	1.8	(0.2)
Others	56.2	91.2	(34.9)	82.2	(25.9)
Total overseas (B)	60.2	92.9	(32.7)	86.0	(25.8)
Total (A+B)	4,411.3	5,134.6	(723.2)	5,163.7	(752.3)

(1)
Securities Being Held to Maturity - Table 13- (Consolidated)

(Billions of yen)

	December 31, 2010			March 31, 2010		
	Book Value	Fair Value	Net unrealized gain (loss)	Book Value	Fair Value	Net unrealized gain (loss)
Items with fair value exceeding book value						
Japanese national government bonds	293.2	297.5	4.3	353.3	357.9	4.6
Japanese corporate bonds	69.5	70.3	0.8	70.4	71.8	1.3
Other	39.3	42.5	3.1	44.6	47.8	3.2
Total	402.1	410.5	8.4	468.4	477.7	9.2
Items with fair value not exceeding book value						
Japanese national government bonds	-	-	-	-	-	-
Japanese corporate bonds	-	-	-	-	-	-
Other	9.6	8.8	(0.7)	11.1	10.0	(1.1)
Total	9.6	8.8	(0.7)	11.1	10.0	(1.1)
Total	411.7	419.4	7.7	479.5	487.7	8.1

	December 31, 2009		
	Book Value	Fair Value	Difference
Japanese national government bonds	373.3	378.7	5.4
Japanese corporate bonds	70.4	71.9	1.5
Other	55.7	56.4	0.7
Total	499.4	507.1	7.7

(1) The presentation format has been changed from March 2010 with the application of "Accounting Standards for Financial Instruments" (revised on March 10, 2008). The format for December 2009 has not been changed.

Available for Sale Securities, at Fair Value - Table 14- (Consolidated) ⁽¹⁾

(Billions of yen)

	December 31, 2010			March 31, 2010		
	Book value (Fair value)	Amortized/ Acquisition Cost	Net unrealized gain (loss)	Book value (Fair value)	Amortized/ Acquisition Cost	Net unrealized gain (loss)
Items with book value exceeding amortized/acquisition cost⁽²⁾						
Equity securities	5.8	4.2	1.5	6.8	5.7	1.1
Bonds	983.3	981.1	2.1	1,585.0	1,578.5	6.4
Japanese national government bonds	920.8	919.5	1.2	1,543.7	1,537.6	6.0
Japanese local government bonds	1.7	1.7	0.0	1.7	1.7	0.0
Japanese corporate bonds	60.7	59.8	0.8	39.5	39.2	0.3
Other ⁽³⁾	104.3	98.5	5.7	127.0	110.7	16.2
Foreign securities	88.0	82.7	5.3	101.9	86.1	15.8
Foreign currency denominated foreign corporate and government bonds	43.9	39.7	4.2	73.1	60.5	12.6
Yen-denominated foreign corporate and government bonds	37.5	36.9	0.6	18.5	18.3	0.2
Foreign equity securities and others	6.6	6.1	0.5	10.1	7.2	2.9
Other securities	1.1	0.9	0.2	1.1	0.9	0.2
Other monetary claims purchased	15.0	14.9	0.1	23.9	23.7	0.2
Total	1,093.4	1,084.0	9.4	1,718.9	1,695.0	23.9
Items with book value not exceeding amortized/acquisition cost⁽²⁾						
Equity securities	9.3	13.5	(4.1)	8.8	12.0	(3.2)
Bonds	1,322.5	1,328.5	(5.9)	746.9	754.5	(7.6)
Japanese national government bonds	1,064.5	1,067.2	(2.6)	464.5	467.2	(2.6)
Japanese local government bonds	-	-	-	-	-	-
Japanese corporate bonds	258.0	261.3	(3.3)	282.3	287.3	(4.9)
Other ⁽³⁾	213.1	216.8	(3.7)	170.8	175.1	(4.2)
Foreign securities	196.5	199.9	(3.4)	165.6	169.8	(4.2)
Foreign currency denominated foreign corporate and government bonds	139.1	141.8	(2.7)	72.2	74.5	(2.2)
Yen-denominated foreign corporate and government bonds	57.2	57.9	(0.7)	93.2	95.1	(1.8)
Foreign equity securities and others	0.0	0.0	-	0.1	0.1	(0.0)
Other securities	1.0	1.0	-	1.1	1.1	(0.0)
Other monetary claims purchased	15.5	15.8	(0.3)	19.7	19.8	(0.0)
Total	1,545.0	1,558.9	(13.9)	942.3	957.4	(15.1)
Total	2,638.5	2,642.9	(4.4)	2,661.3	2,652.5	8.7

	December 31, 2009			
	Net unrealized gain (loss) (a) - (b)			
	Fair value	Net	Gross unrealized gains (a)	Gross unrealized losses (b)
Equity securities	16.0	(2.7)	1.0	3.8
Bonds	1,841.5	8.3	9.0	0.7
Japanese national government bonds	1,822.1	8.8	8.8	-
Japanese local government bonds	1.7	0.0	0.0	-
Japanese corporate bonds	17.6	(0.6)	0.1	0.7
Other	320.6	7.9	14.6	6.7
Foreign securities	319.4	7.6	14.4	6.7
Foreign currency denominated foreign corporate and government bonds	187.5	8.4	11.5	3.0
Yen-denominated foreign corporate and government bonds	121.8	(3.0)	0.1	3.1
Foreign equity securities	7.4	2.1	2.1	0.0
Other securities	1.1	0.2	0.2	-
Total	2,178.2	13.5	24.8	11.3

(1) The presentation format has been changed from March 2010 with the application of "Accounting Standards for Financial Instruments" (revised on March 10, 2008). The format for December 2009 has not been changed.

(2) "Japanese corporate bonds" and "Foreign securities," which were previously carried at cost are measured at fair value since March 2010. Above tables do not include securities whose fair value cannot be reliably determined.

(3) "Other" as of March and December 2010 includes "Foreign securities," "Other securities" and "Other monetary claims purchased."

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

(Billions of yen)

	Dec 31 2010 (a)	Dec 31 2009 (b)	Change (a)-(b)	Mar 31 2010 (c)	Change (a)-(c)
Deposits	5,451.7	6,463.5	(1,011.8)	6,190.4	(738.7)
Liquid (current, ordinary, note) deposits	1,481.3	1,446.9	34.3	1,490.1	(8.8)
Time deposits	3,625.8	4,747.2	(1,121.3)	4,420.7	(794.9)
Other	344.5	269.3	75.1	279.5	64.9
Negotiable certificates of deposits (NCDs)	232.7	240.4	(7.7)	284.9	(52.1)
Total	5,684.4	6,704.0	(1,019.5)	6,475.3	(790.9)

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

Financial Ratios -Table 16- (Consolidated)

	3QFY2010 (9 months)	3QFY2009 (9 months)	FY2009 (12 months)
Return on assets ⁽¹⁾	0.8% ⁽⁴⁾	0.3% ⁽⁴⁾	(1.2)%
Return on equity ⁽²⁾	17.8% ⁽⁴⁾	5.0% ⁽⁴⁾	(27.6)%
Return on equity (fully diluted) ⁽³⁾	17.8% ⁽⁴⁾	5.0% ⁽⁴⁾	(27.6)%
Cash basis return on assets ⁽¹⁾	0.9% ⁽⁴⁾	0.4% ⁽⁴⁾	(0.5)%
Cash basis return on equity ⁽²⁾	20.2% ⁽⁴⁾	8.0% ⁽⁴⁾	(10.6)%
Cash basis return on equity (fully diluted) ⁽³⁾	20.2% ⁽⁴⁾	8.0% ⁽⁴⁾	(10.6)%
Expense-to-revenue ratio ⁽⁵⁾⁽⁶⁾	44.8%	51.2%	59.0%

(1) Return on assets:

$$\frac{\text{Net income}}{(\text{Total assets at the BOP} + \text{Total assets at the EOP}) / 2}$$

BOP: beginning of period

EOP: end of period

For the calculation of cash basis return on assets, goodwill and other intangibles are excluded from the amount of total assets.

(2) Return on equity:

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

(3) Return on equity (fully diluted):

$$\frac{\text{Net income}}{((\text{Total equity at the BOP} - \text{Share warrants at the BOP} - \text{Minority interests at the BOP}) + (\text{Total equity at the EOP} - \text{Share warrants at the EOP} - \text{Minority interests at the EOP})) / 2}$$

(4) Annualized basis.

(5) Management accounting basis.

(6) Expense denotes general and administrative expenses.

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

Capital Adequacy Data -Table 17- (Consolidated)⁽¹⁾

	<i>(Billions of yen, except percentages)</i>				
	Dec 31 2010	Dec 31 2009	Change	Mar 31 2010	Change
	(a)	(b)	(a)-(b)	(c)	(a)-(c)
Basic items (Tier I)	464.0	619.4	(155.4)	490.7	(26.6)
Amount eligible for inclusion in capital (Tier II)	239.7	291.3	(51.6)	268.7	(29.0)
General reserve for loan losses	9.7	11.5	(1.7)	10.9	(1.1)
Perpetual/non-perpetual preferred stocks and Perpetual/non-perpetual subordinated debt and bonds	229.9	279.7	(49.8)	257.7	(27.8)
Deductions	-	-	-	-	-
Deduction	(104.1)	(82.9)	(21.1)	(114.0)	9.9
Total capital ⁽²⁾	599.7	827.8	(228.1)	645.4	(45.7)
Risk assets	6,770.2	7,911.5	(1,141.2)	7,722.1	(951.8)
Capital adequacy ratio	8.85%	10.46%		8.35%	
Tier I capital ratio	6.85%	7.83%		6.35%	

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

Net unrealized gain on securities available-for-sale, net taxes is recorded as of March 31, 2010 and December 31, 2009.

(2) Consolidated total required capital is ¥486.7 billion as at December 31, 2010, ¥563.5 billion as at December 31, 2009 and ¥550.8 billion as at March 31, 2010.

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

Per Share Data -Table 18- (Consolidated)

	<i>(Yen, except percentages)</i>				
	3QFY2010 (9 months)	3QFY2009 (9 months)	% Change	FY2009 (12 months)	% Change
Common equity	253.49	316.20	(19.8)	232.72	8.9
Fully diluted equity	253.49	316.20	(19.8)	232.72	8.9
Basic net income (loss)	32.63	11.32	188.0	(71.36)	
Diluted net income (loss)	32.63	11.32	188.0	(71.36)	
Cash basis:					
Basic net income (loss)	36.97	18.21	103.0	(27.37)	
Diluted net income (loss)	36.97	18.21	103.0	(27.37)	
For calculation of per share data:					
Equity:					
Number of common shares ⁽¹⁾	1,963,919,247	1,963,919,247		1,963,919,247	
Fully diluted number of shares ⁽¹⁾	1,963,919,247	1,963,919,247		1,963,919,247	
Net income:					
Number of common shares ⁽²⁾	1,963,919,247	1,963,919,535		1,963,919,464	
Fully diluted number of shares ⁽²⁾	1,963,919,247	1,963,919,535		1,963,919,464	

(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 the first nine months of fiscal year 2010 was ¥32.63 compared to a **diluted net income per share** of ¥11.32 for the same period of fiscal year 2009. **Cash basis diluted net income per share** for

the first nine months of fiscal year 2010 was ¥36.97, as compared to a **cash basis diluted net income per share** of ¥18.21 for the same period of fiscal year 2009.

Business Lines Results -Table 19- (Consolidated)

	(Billions of yen, except percentages)			
	3QFY2010 (9 months)	3QFY2009 (9 months)	% Change	FY2009 (12 months)
Institutional Group:				
Net interest income	5.3	5.0	6.5	7.0
Non-interest income	15.9	16.1	(1.4)	21.3
Total revenue	21.2	21.1	0.5	28.3
General and administrative expenses	12.8	12.0	6.9	16.0
Ordinary business profit	8.4	9.1	(8.0)	12.2
Net credit (recoveries) costs	(3.0)	2.0	(250.0)	3.0
Ordinary business profit (loss) after net credit costs	11.4	7.1	60.3	9.2
Markets and Investment Banking Group:				
Net interest income	24.7	29.4	(16.0)	36.3
Non-interest income	41.9	25.0	67.2	(4.9)
Total revenue	66.6	54.5	22.2	31.3
General and administrative expenses	16.8	21.3	(21.3)	27.6
Ordinary business profit	49.8	33.2	50.2	3.7
Net credit costs	29.8	21.6	37.6	63.0
Ordinary business profit (loss) after net credit costs	20.0	11.5	73.7	(59.2)
Individual Group:				
Net interest income	94.3	130.1	(27.5)	167.1
Non-interest income	30.2	32.1	(5.9)	41.0
Total revenue	124.6	162.3	(23.2)	208.2
General and administrative expenses	79.1	93.8	(15.7)	124.2
Ordinary business profit	45.5	68.4	(33.4)	84.0
Net credit costs	22.2	38.1	(41.7)	46.2
Ordinary business profit after net credit costs	23.3	30.3	(23.1)	37.7
Corporate/Other⁽¹⁾:				
Net interest income (loss)	(1.6)	(2.2)	26.5	(2.5)
Non-interest income	31.1	13.4	131.8	20.1
Total revenue	29.5	11.1	163.7	17.5
General and administrative expenses	(0.2)	0.3	(167.5)	0.4
Ordinary business profit	29.7	10.8	175.6	17.1
Net credit costs (recoveries)	0.2	0.4	(53.6)	(0.0)
Ordinary business profit after net credit costs (recoveries)	29.5	10.3	186.4	17.1
Total:				
Net interest income	122.8	162.3	(24.4)	207.9
Non-interest income	119.3	86.8	37.3	77.5
Total revenue	242.1	249.2	(2.9)	285.5
General and administrative expenses	108.4	127.6	(15.0)	168.3
Ordinary business profit	133.6	121.6	9.9	117.1
Net credit costs	49.3	62.3	(20.9)	112.2
Ordinary business profit after net credit costs	84.3	59.3	42.2	4.8

(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 20- (Consolidated)

(Billions of yen, except percentages)

	3QFY2010 (9 months)	3QFY2009 (9 months)	% Change	FY2009 (12 months)
Institutional Banking ⁽²⁾ :				
Net interest income	7.9	8.3	(5.3)	11.1
Non-interest income	2.0	0.9	109.9	1.4
Total revenue	10.0	9.3	6.8	12.5
General and administrative expenses	6.8	5.9	15.2	7.8
Ordinary business profit	3.1	3.4	(7.7)	4.6
Net credit (recoveries) costs	(2.9)	(1.0)	(184.8)	2.1
Ordinary business profit after net credit costs	6.0	4.4	36.5	6.7
Showa Leasing:				
Net interest income (loss)	(2.5)	(3.3)	22.9	(4.0)
Non-interest income	13.8	15.1	(8.7)	19.8
Total revenue	11.2	11.7	(4.6)	15.8
General and administrative expenses	6.0	6.0	(1.3)	8.1
Ordinary business profit	5.2	5.7	(8.1)	7.6
Net credit (recoveries) costs	(0.1)	3.0	(103.4)	5.1
Ordinary business profit after net credit costs	5.3	2.6	100.0	2.4
Institutional Group:				
Net interest income	5.3	5.0	6.5	7.0
Non-interest income	15.9	16.1	(1.4)	21.3
Total revenue	21.2	21.1	0.5	28.3
General and administrative expenses	12.8	12.0	6.9	16.0
Ordinary business profit	8.4	9.1	(8.0)	12.2
Net credit (recoveries) costs	(3.0)	2.0	(250.0)	3.0
Ordinary business profit after net credit costs	11.4	7.1	60.3	9.2

(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 28 for more details.

Institutional Banking business:**Revenue**

- The Institutional Banking business recorded **total revenue** of ¥10.0 billion in the first nine months of fiscal year 2010, an increase of ¥0.6 billion compared to total revenue of ¥9.3 billion recorded in the first nine months of fiscal year 2009.
- In the first nine months of 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 in identifying new outlets for corporate lending. As a result, despite the current stagnant economy, with few prospects for an increase in demand for funds, the total revenue has increased compared to the first nine months of fiscal year 2009.

Expenses

- In the first nine months of fiscal year 2010, the Institutional Banking business recorded **general and administrative expenses** of ¥6.8 billion, an increase of ¥0.9 billion compared to the first nine months of fiscal year 2009. The increase was largely due to investments in areas such as health care business where the Bank can demonstrate its unique strength and the efforts towards rebuilding our client base.

Net credit (recoveries) costs

- **Net credit recoveries** increased by ¥1.8 billion from ¥1.0 billion in the first nine months of fiscal year 2009 to ¥2.9 billion in the first nine months of fiscal year 2010. The increase in net credit recoveries is due to strict credit management resulting in collections on doubtful debts enabling reversal of provisions for credit losses.

Ordinary business profit after net credit costs

- As a result, Institutional Banking business recorded an **ordinary business profit after net credit costs** of ¥6.0 billion for the first nine months of fiscal year 2010, an increase of ¥1.6 billion compared to an **ordinary business profit after net credit costs** of ¥4.4 billion recorded in the first nine months of fiscal year 2009.

Showa Leasing

- For the first nine months of fiscal year 2010, including consolidation adjustments, Showa Leasing's **ordinary business profit after net credit costs** increased to ¥5.3 billion from ¥2.6 billion in the first nine months of fiscal year 2009.
- With the current stagnant economy, and reduced operating assets, the total revenue for the first nine months of fiscal year 2010 decreased to ¥11.2 billion from ¥11.7 billion in the first nine months of fiscal year 2009. **Net credit costs** for the first nine months of fiscal year 2010 showed a gain of ¥0.1 billion compared to ¥3.0 billion net credit costs recorded in the first nine months of fiscal year 2009, mainly due to strict credit management and the decrease in operating assets.

Markets and Investment Banking Group Revenue by Product -Table 21- (Consolidated)

(Billions of yen, except percentages)

	3QFY2010 (9 months)	3QFY2009 (9 months)	% Change	FY2009 (12 months)
Real estate finance:				
Net interest income	12.5	18.6	(33.1)	22.9
Non-interest income	(1.3)	(6.2)	78.9	(32.5)
Total revenue	11.1	12.4	(10.2)	(9.5)
General and administrative expenses	2.7	3.6	(24.0)	4.8
Ordinary business profit	8.3	8.7	(4.5)	(14.4)
Net credit costs	14.8	6.2	135.3	34.4
Ordinary business profit after net credit costs	(6.4)	2.4	(357.4)	(48.9)
Principal transactions:				
Net interest income (loss)	3.9	4.4	(12.1)	6.1
Non-interest income	14.8	9.5	55.1	12.2
Total revenue	18.7	14.0	33.7	18.4
General and administrative expenses	3.4	3.7	(7.3)	5.1
Ordinary business profit	15.2	10.2	48.5	13.3
Net credit costs	16.6	4.9	235.2	7.2
Ordinary business profit after net credit costs	(1.3)	5.3	(126.1)	6.0
Markets:				
Net interest income	2.3	1.4	57.1	1.8
Non-interest income	10.2	26.3	(61.2)	31.1
Total revenue	12.5	27.7	(54.9)	33.0
General and administrative expenses	5.2	7.7	(31.9)	10.2
Ordinary business profit	7.2	20.0	(63.8)	22.7
Net credit (recoveries) costs	(0.8)	0.5	(250.0)	0.8
Ordinary business profit after net credit costs	8.1	19.4	(58.3)	21.9
Treasury:				
Net interest income	0.9	(3.9)	124.3	(5.1)
Non-interest income	10.6	5.2	102.3	6.4
Total revenue	11.6	1.2	818.5	1.2
General and administrative expenses	0.6	0.6	(11.5)	0.9
Ordinary business profit	10.9	0.5	1,825.4	0.3
Net credit costs	-	-	-	-
Ordinary business profit after net credit costs	10.9	0.5	1,825.4	0.3
Others:				
Net interest income	5.0	8.8	(42.8)	10.5
Non-interest income	7.5	(9.8)	177.3	(22.2)
Total revenue	12.6	(0.9)	1,436.9	(11.7)
General and administrative expenses	4.6	5.5	(15.2)	6.4
Ordinary business profit	7.9	(6.4)	223.2	(18.2)
Net credit (recoveries) costs	(0.7)	9.8	(108.0)	20.4
Ordinary business profit after net credit costs	8.7	(16.3)	153.7	(38.6)
Markets and Investment Banking Group :				
Net interest income	24.7	29.4	(16.0)	36.3
Non-interest income	41.9	25.0	67.2	(4.9)
Total revenue	66.6	54.5	22.2	31.3
General and administrative expenses	16.8	21.3	(21.3)	27.6
Ordinary business profit	49.8	33.2	50.2	3.7
Net credit costs	29.8	21.6	37.6	63.0
Ordinary business profit after net credit costs	20.0	11.5	73.7	(59.2)

(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 28 for more details.
- Markets and Investment Banking Group business recorded **total revenue** of ¥66.6 billion in the first nine months of fiscal year 2010, an increase of ¥12.1 billion compared to total revenue of ¥54.5 billion recorded in the first nine months of fiscal year 2009.
- Our Real Estate Finance Sub-Group generated a **total revenue** of ¥11.1 billion for the first nine months of fiscal year 2010 compared to ¥12.4 billion recorded in the first nine months of fiscal year 2009. The decrease in revenue is due to reduced interest income as certain areas of real estate finance were scaled down in an effort to reduce risk assets. The first nine months of fiscal year 2010 included impairments on non-recourse real estate bonds of ¥2.7 billion, mark-downs and impairments of ¥0.5 billion on our real estate principal investments. The first nine months of fiscal year 2009 included mark-downs and impairments of ¥8.1 billion on our real estate principal investments.
- The Principal Transactions Sub-Group's total revenues, with the inclusion of gains from domestic credit trading business, increased to ¥18.7 billion in the first nine months of fiscal year 2010 compared to ¥14.0 billion recorded in the first nine months of fiscal year 2009. The reason for the increase in the first nine months of fiscal year 2010 includes a gain of ¥1.9 billion by an equity method affiliate Jih Sun Financial Holding Co. as compared to a loss of ¥4.2 billion in the first nine months of fiscal year 2009. Core businesses such as credit trading business also contributed positively.
- Markets Sub-Group generated total revenue of ¥12.5 billion in the first nine months of fiscal year 2010, compared to the ¥27.7 billion recorded in the first nine months of fiscal year 2009. The reason for the decrease in revenue is due to lower non-recurring gains on the sale of securities in the first nine months of fiscal year 2010. Customer transactions and the performance of the trading business demonstrate steady progress. The first nine months of fiscal year 2010 results include a ¥4.3 billion gain on the sale of CLOs while the results of the first nine months of fiscal year 2009 included a ¥15.6 billion gain on the sale of CLOs and a ¥3.8 billion gain on the sale of corporate bonds and equity.
- Treasury Sub-Group generated total revenue of ¥11.6 billion in the first nine months of fiscal year 2010 compared to ¥1.2 billion in the first nine months of fiscal year 2009. In the first nine months of fiscal year 2010, in order to facilitate liquidity management, we repeatedly traded Japanese national government bonds reducing the ending balance, recording a gain and increased 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 ¥12.6 billion in the first nine months of fiscal year 2010 compared to a loss of ¥0.9 billion in the first nine months of fiscal year 2009. Included in the first nine months of fiscal year 2010 is ¥5.2 billion in gains on the sale and valuation gains on asset-backed securities and asset-backed investments, while in the first nine months of 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 the first nine months of fiscal year 2010, Markets and Investment Banking Group **general and administrative expenses** were ¥16.8 billion, ¥4.5 billion lower than the first nine months of 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 ¥29.8 billion in the first nine months of fiscal year 2010, an increase of ¥8.1 billion compared to the ¥21.6 billion of credit costs recorded in the first nine months of fiscal year 2009.
 - **Net credit costs** increased in the first nine months of fiscal year 2010 primarily due to provision of additional reserves against potential risks in our domestic real estate non-recourse finance and specialty finance businesses. **Net credit costs** for the first nine months of fiscal year 2010 include net provisions of ¥17.1 billion within specialty finance and ¥15.1 billion of net credit costs for domestic real estate non-recourse finance.
 - The first nine months of fiscal year 2009 included net credit costs of ¥8.1 billion related to our asset-backed investment portfolio and ¥4.8 billion of credit costs related to our domestic real estate non-recourse finance portfolio.

Ordinary business profit after net credit costs

- As a result, Markets and Investment Banking Group showed an **ordinary business profit after net credit costs** of ¥20.0 billion for the first nine months of fiscal year 2010, an increase of ¥8.5 billion compared to an **ordinary business profit after net credit costs** of ¥11.5 billion recorded in the first nine months of fiscal year 2009.

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

(Billions of yen, except percentages)

	3QFY2010 (9 months)	3QFY2009 (9 months)	% Change	FY2009 (12 months)
Retail banking:				
Net interest income	25.6	24.1	6.1	32.0
Non-interest income	7.1	7.8	(8.5)	9.4
Total revenue	32.8	32.0	2.5	41.5
General and administrative expenses	24.5	26.5	(7.6)	35.2
Ordinary business profit	8.2	5.4	52.2	6.3
Net credit costs (recoveries)	1.3	(0.0)	3,254.0	(0.0)
Ordinary business profit after net credit costs	6.9	5.4	26.6	6.3
(Reference) Revenue from structured deposits	4.5	5.2	(12.2)	6.2
Shinsei Financial:				
Net interest income	50.2	72.4	(30.6)	92.5
Non-interest income (loss)	(3.7)	(2.7)	(37.8)	(3.9)
Total revenue	46.4	69.6	(33.3)	88.5
General and administrative expenses	25.5	32.1	(20.6)	42.6
Ordinary business profit	20.9	37.4	(44.2)	45.9
Net credit costs	8.0	23.9	(66.3)	25.3
Ordinary business profit after net credit costs	12.8	13.5	(5.2)	20.6
Shinki:				
Net interest income	9.3	11.9	(21.9)	15.2
Non-interest income (loss)	(0.8)	(0.8)	0.3	(1.1)
Total revenue	8.5	11.1	(23.4)	14.0
General and administrative expenses	3.7	6.4	(41.2)	8.0
Ordinary business profit	4.7	4.7	0.8	6.0
Net credit costs (recoveries)	2.5	(2.1)	219.5	(0.8)
Ordinary business profit after net credit costs (recoveries)	2.2	6.8	(67.7)	6.9
APLUS FINANCIAL:				
Net interest income	12.0	20.6	(41.8)	25.9
Non-interest income	27.5	27.7	(0.7)	36.6
Total revenue	39.6	48.4	(18.3)	62.6
General and administrative expenses	24.8	28.3	(12.3)	37.9
Ordinary business profit	14.7	20.0	(26.7)	24.6
Net credit costs	9.7	16.1	(39.6)	21.0
Ordinary business profit after net credit costs	4.9	3.9	26.7	3.5
Others ⁽²⁾ :				
Net interest income	(2.8)	0.9	(396.4)	1.2
Non-interest income	0.1	0.1	(6.8)	0.1
Total revenue	(2.7)	1.0	(349.1)	1.4
General and administrative expenses	0.3	0.3	7.1	0.3
Ordinary business profit	(3.0)	0.7	(506.9)	1.0
Net credit costs	0.5	0.1	191.2	0.7
Ordinary business profit after net credit costs	(3.6)	0.5	(746.5)	0.3
Total Individual Group:				
Net interest income	94.3	130.1	(27.5)	167.1
Non-interest income	30.2	32.1	(5.9)	41.0
Total revenue	124.6	162.3	(23.2)	208.2
General and administrative expenses	79.1	93.8	(15.7)	124.2
Ordinary business profit	45.5	68.4	(33.4)	84.0
Net credit costs	22.2	38.1	(41.7)	46.2
Ordinary business profit after net credit costs	23.3	30.3	(23.1)	37.7

(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 23- (Consolidated)⁽¹⁾

(Billions of yen, except percentages)

	3QFY2010 (9 months)	3QFY2009 (9 months)	% Change	FY2009 (12 months)
Retail Banking:	32.8	32.0	2.5	41.5
Deposits and debentures net interest income	19.0	19.1	(0.7)	25.3
Deposits and debentures non-interest income	4.3	4.5	(5.2)	5.2
Asset management	3.5	3.8	(8.0)	4.9
Loans	5.9	4.4	33.4	6.0
(Reference) Revenue from structured deposits	4.5	5.2	(12.2)	6.2
Shinsei Financial	46.4	69.6	(33.3)	88.5
Shinki	8.5	11.1	(23.4)	14.0
APLUS FINANCIAL	39.6	48.4	(18.3)	62.6
Others ⁽²⁾	(2.7)	1.0	(349.1)	1.4
Total revenue	124.6	162.3	(23.2)	208.2

(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.
- The Individual Group generated **ordinary business profit after net credit costs** of ¥23.3 billion for the first nine months of fiscal year 2010 compared to ¥30.3 billion during the first nine months of fiscal year 2009.
 - The **ordinary business profit after net credit costs** for the first nine months of fiscal year 2010 reflects higher **ordinary business profit after net credit costs** within our Retail Banking business and APLUS FINANCIAL offset by lower **ordinary business profit after net credit costs** within Shinsei Financial and Shinki.

Retail Banking

- During the first nine months of fiscal year 2010, total Retail Banking **revenue** increased to ¥32.8 billion from ¥32.0 billion during the first nine months of fiscal year 2009.
 - 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.
- During the first nine months of fiscal year 2010, **net interest income** increased to ¥25.6 billion from ¥24.1 billion during the first nine months of fiscal year 2009. The increase in **net interest income** comes primarily from the increase in housing loans acquired from Shinsei Financial in March 2010 and an increase in Shinsei Bank's housing loans.
- **Non-interest income** declined slightly to ¥7.1 billion in the first nine months of fiscal year 2010 from ¥7.8 billion in the first nine months of fiscal year 2009 largely due to a decrease in fees from asset management products and decrease in revenue from structured deposits.
- Retail Banking incurred **general and administrative expenses** of ¥24.5 billion during the first nine months of fiscal year 2010, a decrease of ¥2.0 billion compared to the first nine months of fiscal year 2009.
- Retail Banking incurred net credit costs of ¥1.3 billion mainly due to the housing loans acquired from Shinsei

Financial resulting in an **ordinary business profit after net credit costs** of ¥6.9 billion for the first nine months of fiscal year 2010, as compared to an **ordinary business profit after net credit costs** of ¥5.4 billion during the first nine months of fiscal year 2009.

Shinsei Financial

- For the first nine months of fiscal year 2010, with consolidation adjustments included, Shinsei Financial generated **total revenue** of ¥46.4 billion, incurred **general and administrative expenses** of ¥25.5 billion and incurred **net credit costs** of ¥8.0 billion resulting in an **ordinary business profit after net credit costs** of ¥12.8 billion. The balance of loans have declined due to the revised Money-Lending Business Control and Regulation Law. As this was anticipated earlier, we scaled down our business appropriately. As a result, the revenue, expenses and net credit costs have decreased compared to the first nine months of fiscal year 2009. However, we were able to continue to maintain **ordinary business profit after net credit costs** above ¥10.0 billion.

Shinki

- For the first nine months of fiscal year 2010, with consolidation adjustments included, Shinki recorded **total revenue** of ¥8.5 billion, **general and administrative expenses** of ¥3.7 billion and incurred **net credit costs** of ¥2.5 billion resulting in an **ordinary business profit after net credit costs** of ¥2.2 billion. The **ordinary business profit after net credit costs** for the first nine months of fiscal year 2010 was lower than **ordinary business profit after net credit costs** for the first nine months of fiscal year 2009 as Shinki recorded a reversal of the reserve for credit losses due to higher collection on loans in the first nine months of fiscal year 2009.

APLUS FINANCIAL

- For the first nine months of fiscal year 2010, with consolidation adjustments included, APLUS FINANCIAL generated **total revenue** of ¥39.6 billion, compared to ¥48.4 billion in the first nine months of 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, **general and administrative expenses** declined to ¥24.8 billion from ¥28.3 billion in the first nine months of fiscal year 2009 due to continued rationalization and improved efficiency of business processes. Also, due to strict credit management, **net credit costs** decreased from ¥16.1

billion in the first nine months of fiscal year 2009 to ¥9.7 billion. As a result, the business generated **ordinary business profit after net credit costs** of ¥4.9 billion in the first nine months of fiscal year 2010, compared to ¥3.9 billion in the first nine months of fiscal year 2009.

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

Grey Zone Payments and Write-offs

- Shinsei Financial's usage of reserve for grey zone payments and write-offs and reversal of grey zone reserves amounted to ¥13.5 billion and ¥2.1 billion, respectively, in the first nine months of fiscal year 2010.
 - The total balance of Shinsei Financial's grey zone reserves was ¥15.4 billion as of December 31, 2010 compared to ¥31.1 billion as of 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 ¥9.8 billion in the first nine months of fiscal year 2010.
 - The business made no new grey zone related provisions. The total balance of the grey zone reserve was ¥13.8 billion as of December 31, 2010 compared to ¥23.7 billion as of March 31, 2010.
- APLUS FINANCIAL's usage of reserve for grey zone payments and write-offs amounted to ¥5.0 billion in the first nine months of fiscal year 2010.
 - The business made no grey zone related provisions and the total balance of the grey zone reserve was ¥10.0 billion as of December 31, 2010 compared to ¥15.1 billion as of 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.
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 (Unaudited) (Consolidated)**Assets***(millions of yen)*

	Dec 31 2010 a	Dec 31 2009 b	Change a-b	Mar 31 2010 c	Change a-c
<<Assets>>					
Cash and due from banks	519,078	430,458	88,620	493,141	25,937
Call loans	8,625	25,966	(17,341)	19,129	(10,504)
Collateral related to securities borrowing transactions	33,578	4,935	28,643	2,801	30,777
Other monetary claims purchased	163,731	320,624	(156,893)	252,761	(89,030)
Trading assets	210,676	239,291	(28,615)	223,279	(12,603)
Monetary assets held in trust	262,047	317,829	(55,782)	292,227	(30,180)
Securities	3,153,811	3,147,851	5,960	3,233,312	(79,501)
Loans and bills discounted	4,411,390	5,134,653	(723,263)	5,163,763	(752,373)
Foreign exchanges	15,098	13,109	1,989	10,976	4,122
Lease receivables and leased investment assets	203,582	217,236	(13,654)	213,702	(10,120)
Other assets	869,406	936,431	(67,025)	863,272	6,134
Premises and equipment	54,593	53,938	655	52,154	2,439
Intangible assets	98,877	186,885	(88,008)	109,953	(11,076)
Goodwill, net	51,505	117,005	(65,500)	57,844	(6,339)
Deferred issuance expenses for debentures	181	172	9	176	5
Deferred tax assets	20,391	21,357	(966)	18,969	1,422
Customers' liabilities for acceptances and guarantees	593,934	650,462	(56,528)	623,786	(29,852)
Reserve for credit losses	(190,786)	(194,863)	4,077	(196,642)	5,856
Total assets	10,428,218	11,506,341	(1,078,123)	11,376,767	(948,549)

Liabilities and Equity

	<i>(millions of yen)</i>				
	Dec 31 2010 a	Dec 31 2009 b	Change a-b	Mar 31 2010 c	Change a-c
<<Liabilities>>					
Deposits	5,451,722	6,463,565	(1,011,843)	6,190,477	(738,755)
Negotiable certificates of deposit	232,720	240,457	(7,737)	284,909	(52,189)
Debentures	384,402	503,142	(118,740)	483,713	(99,311)
Call money	165,482	310,481	(144,999)	310,487	(145,005)
Payables under repurchase agreements	-	-	-	8,430	(8,430)
Collateral related to securities lending transactions	315,496	504,897	(189,401)	548,479	(232,983)
Commercial paper	-	99	(99)	-	-
Trading liabilities	167,430	195,384	(27,954)	177,835	(10,405)
Borrowed money	1,291,271	783,074	508,197	1,186,837	104,434
Foreign exchanges	89	27	62	17	72
Short-term corporate bonds	28,100	30,500	(2,400)	17,700	10,400
Corporate bonds	176,934	194,814	(17,880)	188,278	(11,344)
Other liabilities	1,002,619	707,487	295,132	619,201	383,418
Accrued employees' bonuses	5,807	7,491	(1,684)	8,842	(3,035)
Accrued directors' bonuses	35	139	(104)	126	(91)
Reserve for employees' retirement benefits	7,257	7,692	(435)	7,718	(461)
Reserve for directors' retirement benefits	268	196	72	244	24
Reserve for losses on interest repayments	39,413	81,789	(42,376)	70,088	(30,675)
Reserve for losses on disposal of premises and equipment	-	6,948	(6,948)	7,212	(7,212)
Reserve for losses on litigation	-	5,409	(5,409)	5,873	(5,873)
Reserve under special law	3	4	(1)	3	-
Deferred tax liabilities	561	1,265	(704)	1,547	(986)
Acceptances and guarantees	593,934	650,462	(56,528)	623,786	(29,852)
Total liabilities	9,863,553	10,695,332	(831,779)	10,741,812	(878,259)
<<Equity>>					
Shareholders' equity:					
Capital stock	476,296	476,296	-	476,296	-
Capital surplus	43,554	43,554	-	43,554	-
Retained earnings	76,522	174,839	(98,317)	12,438	64,084
Treasury stock, at cost	(72,558)	(72,558)	-	(72,558)	-
Total shareholders' equity	523,814	622,132	(98,318)	459,730	64,084
Net unrealized gain (loss) and translation adjustments:					
Unrealized gain (loss) on available-for-sale securities	(10,495)	4,934	(15,429)	1,398	(11,893)
Deferred gain (loss) on derivatives under hedge accounting	(12,607)	(4,965)	(7,642)	(3,327)	(9,280)
Foreign currency translation adjustments	(2,864)	(1,091)	(1,773)	(741)	(2,123)
Total net unrealized gain (loss) and translation adjustments	(25,967)	(1,121)	(24,846)	(2,669)	(23,298)
Stock acquisition rights	1,588	1,631	(43)	1,672	(84)
Minority interests in subsidiaries	65,229	188,366	(123,137)	176,221	(110,992)
Total equity	564,665	811,008	(246,343)	634,954	(70,289)
Total liabilities and equity	10,428,218	11,506,341	(1,078,123)	11,376,767	(948,549)

Consolidated Statements of Operations (Unaudited) (Consolidated)

(millions of yen, except percentages)

	3QFY2010 (9 months)	3QFY2009 (9 months)	Change		FY2009 (12 months)
			Amount	%	
Total interest income	161,514	222,565	(61,051)	(27.4)	283,581
Interest on loans and bills discounted	138,708	190,752	(52,044)	(27.3)	245,289
Interest and dividends on securities	17,895	25,205	(7,310)	(29.0)	30,560
Other interest income	4,909	6,607	(1,698)	(25.7)	7,731
Fees and commissions income	35,819	37,283	(1,464)	(3.9)	51,190
Trading profits	12,179	7,986	4,193	52.5	9,014
Other business income	137,799	160,891	(23,092)	(14.4)	208,085
Other ordinary income	13,799	12,902	897	7.0	14,471
Ordinary income	361,112	441,629	(80,517)	(18.2)	566,343
Total interest expenses	38,672	60,177	(21,505)	(35.7)	75,595
Interest on deposits	26,415	40,801	(14,386)	(35.3)	51,659
Interest on borrowings	5,359	8,258	(2,899)	(35.1)	10,208
Interest on corporate bonds	3,853	5,219	(1,366)	(26.2)	6,517
Other interest expenses	3,043	5,897	(2,854)	(48.4)	7,210
Fees and commissions expenses	17,498	20,039	(2,541)	(12.7)	26,060
Trading losses	4,288	2,560	1,728	67.5	-
Other business expenses	81,923	107,522	(25,599)	(23.8)	170,405
Total general and administrative expenses	120,338	145,660	(25,322)	(17.4)	191,772
General and administrative expenses	110,329	129,753	(19,424)	(15.0)	170,845
Amortization of goodwill	6,392	10,033	(3,641)	(36.3)	13,242
Amortization of intangible assets	3,616	5,873	(2,257)	(38.4)	7,685
Other ordinary expenses	55,575	90,019	(34,444)	(38.3)	175,168
Provision of reserve for loan losses	42,855	54,702	(11,847)	(21.7)	95,433
Others	12,720	35,317	(22,597)	(64.0)	79,734
Ordinary expenses	318,298	425,980	(107,682)	(25.3)	639,002
Net ordinary income (loss)	42,813	15,648	27,165	173.6	(72,659)
Special gains	39,928	24,124	15,804	65.5	34,711
Special losses	6,436	5,549	887	16.0	85,140
Income (loss) before income taxes and minority interests	76,306	34,223	42,083	123.0	(123,089)
Income taxes (benefit):					
Current	1,610	981	629	64.1	1,540
Deferred	3,429	2,881	548	19.0	6,713
Total income taxes (benefit)	5,039	3,862	1,177	30.5	8,254
Income before minority interests	71,266	-	/	-	-
Minority interests in net income of subsidiaries	7,182	8,110	(928)	(11.4)	8,807
Net income (loss)	64,083	22,250	41,833	188.0	(140,150)

Section 2. Non-Consolidated Information

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

	(Billions of yen, except percentages)			
	3QFY2010 (9 months)	3QFY2009 (9 months)	% Change	FY2009 (12 months)
Net interest income	51.0	47.3	7.8	80.5
Non-interest income	40.4	34.9	15.6	7.7
Net fees and commissions ⁽¹⁾	14.5	8.9	62.0	(8.8)
Net trading income	6.6	4.7	40.4	7.7
Net other business income	19.2	21.2	(9.6)	8.8
Total revenue ⁽¹⁾	91.4	82.2	11.1	88.2
Personnel expenses	15.1	18.7	(19.3)	23.0
Non-personnel expenses	28.3	30.5	(7.0)	40.8
Taxes	2.2	2.5	(14.7)	3.4
General and administrative expenses	45.7	51.8	(11.8)	67.3
Net business profit ⁽¹⁾	45.7	30.4	50.1	20.9
Other gains (losses)				
Gains (losses) on the sales of equities	1.7	(0.8)	298.0	(2.1)
Provision of reserve for loan losses	24.8	12.0	106.2	36.1
Losses on write-off of loans	5.2	7.3	(28.8)	16.3
Expenses for employees' retirement benefits	2.6	2.4	8.9	2.7
Other losses, expenses	2.8	6.2	(54.5)	7.7
Net ordinary income (loss)	11.9	1.5	663.1	(44.2)
Special gains (losses)				
Gains (losses) from sales of fixed assets	(0.6)	(0.3)	111.1	(0.6)
Gains on bad debt recovered	3.2	0.6	436.9	2.7
Reversal of reserve for loan losses	-	-	-	-
Other special gains (losses)	(1.0)	8.9	(112.1)	2.8
Income (loss) before income taxes	13.4	10.8	24.2	(39.3)
Income taxes (benefit)				
Current	(0.4)	(0.0)	562.7	(0.0)
Deferred	1.8	4.6	(61.2)	8.3
Net income (loss)	12.1	6.2	94.9	(47.6)

(1) Includes income from monetary assets held in trust of ¥11.7 billion in 3QFY2010, ¥4.6 billion in 3QFY2009 and ¥-15.9 billion in FY2009.

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

- Shinsei Bank recorded **net income** for the first nine months of fiscal year 2010 of ¥12.1 billion on a non-consolidated basis.
 - As it strives for higher levels of operational efficiency and profitability within the consumer finance business as a whole, Shinsei Bank has transferred its entire holding of APLUS FINANCIAL common shares to Shinsei Financial in a reorganization of the Group that makes APLUS FINANCIAL a subsidiary of Shinsei Financial. As a result, we recorded an extraordinary loss of ¥31.7 billion on a non-consolidated basis. However, as we recorded amortization of goodwill and other intangible assets for APLUS FINANCIAL on a consolidated basis at the end of fiscal year 2009 there is no impact on our consolidated results in the nine-months ended December 31, 2010.
 - Current results on a non-consolidated basis differ from our consolidated results primarily because our non-consolidated results do not include the **net income** or loss from our consolidated subsidiaries, including Showa Leasing, Shinsei Financial, APLUS FINANCIAL and Shinki, nor do they include any gain or loss from our share in the net gain or loss of our equity method affiliate, Jih Sun Financial Holding Co., Ltd. We received dividends of ¥7.4 billion from our major consolidated subsidiaries in the first nine months of fiscal year 2010.
 - An extraordinary loss of ¥31.7 billion recorded on a non-consolidated basis was offset by ¥28.9 billion of extraordinary profit recorded on the repurchase of preferred securities and subordinated debt.
 - 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 25- (Non-Consolidated)

	(Billions of yen, except percentages)			
	3QFY2010 (9 months)	3QFY2009 (9 months)	% Change	FY2009 (12 months)
Losses on write-off of loans	5.2	7.3	(29.0)	16.4
Net provision of reserve for loan losses	24.8	12.0	106.2	36.1
Net provision (reversal) of general reserve for loan losses	16.4	11.1	47.1	11.5
Net provision (reversal) of specific reserve for loan losses	8.3	0.8	878.5	24.6
Net provision (reversal) of reserve for loan losses to restructuring countries	(0.0)	(0.0)	88.3	(0.0)
Net credit costs	30.0	19.3	55.0	52.6

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

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

	3QFY2010 (9 months)			3QFY2009 (9 months)			FY2009 (12 months)		
	Average balance	Interest	Yield/rate (%)	Average balance	Interest	Yield/rate (%)	Average balance	Interest	Yield/rate (%)
Interest-earning assets:									
Cash and due from banks	23.9	0.1	0.69	7.7	0.0	0.66	10.3	0.0	0.64
Call loans	60.0	0.0	0.17	88.0	0.0	0.14	79.6	0.1	0.14
Receivables under resale agreements	-	-	-	-	-	-	-	-	-
Collateral related to securities borrowing transactions	153.2	0.1	0.11	55.6	0.0	0.13	60.0	0.0	0.12
Securities	3,320.6	25.9	1.03	3,662.4	25.4	0.92	3,662.2	51.2	1.39
Loans and bills discounted	4,375.9	55.0	1.66	4,774.8	66.5	1.84	4,750.0	86.4	1.82
Other interest-earning assets	466.4	4.7	1.34	615.9	8.4	1.81	574.5	10.1	1.75
Interest rate and funding swaps	-	3.6	-	-	3.7	-	-	4.9	-
Total interest-earning assets	8,400.2	89.7	1.41	9,204.7	104.3	1.50	9,136.8	153.0	1.67
Interest-bearing liabilities:									
Deposits	6,031.2	26.4	0.58	6,961.5	40.8	0.77	6,844.7	51.7	0.75
Negotiable certificates of deposit	301.4	0.4	0.20	392.5	1.0	0.37	380.0	1.3	0.34
Debentures	444.5	1.9	0.57	583.6	3.1	0.70	563.1	3.8	0.68
Call money	181.9	0.1	0.11	254.8	0.2	0.12	247.8	0.2	0.12
Payable under repurchase agreements	3.5	0.0	0.10	53.1	0.0	0.12	44.9	0.0	0.12
Collateral related to securities lending transactions	272.4	0.2	0.13	501.2	0.5	0.13	502.6	0.6	0.12
Borrowed money	968.4	1.5	0.21	342.2	2.5	0.97	396.0	2.9	0.74
Corporate bonds	320.4	10.4	4.31	371.7	12.4	4.45	369.2	16.4	4.46
Other interest-bearing liabilities	0.2	0.0	n.m. ⁽¹⁾	0.2	0.5	n.m. ⁽¹⁾	0.2	0.5	n.m. ⁽¹⁾
Interest rate and funding swaps	-	-	-	-	-	-	-	-	-
Total interest-bearing liabilities	8,524.2	41.2	0.64	9,461.1	61.4	0.86	9,348.8	77.9	0.83
Net interest income/yield on interest-earning assets	8,400.2	48.4	0.76	9,204.7	42.8	0.61	9,136.8	75.1	0.82

(1) n.m. is not meaningful.

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

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

	(Billions of yen)				
	Dec 31 2010	Dec 31 2009	Change	Mar 31 2010	Change
	(a)	(b)	(a)-(b)	(c)	(a)-(c)
Loans to bankrupt obligors	8.6	19.7	(11.1)	11.1	(2.5)
Non-accrual delinquent loans	248.4	136.1	112.2	290.0	(41.6)
Loans past due for three months or more	3.0	13.4	(10.4)	2.0	0.9
Restructured loans	4.5	2.9	1.5	3.0	1.4
Total (A)	264.5	172.3	92.2	306.2	(41.7)
Loans and bills discounted (B)	4,103.6	4,661.5	(557.8)	4,732.8	(629.1)
Ratio to total loans and bills discounted (A / B) (%)	6.45%	3.70%		6.47%	
Reserve for credit losses (C)	105.3	101.9	3.3	102.2	3.1
Reserve ratio (C / A) (%)	39.8%	59.2%		33.4%	

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

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

	(Billions of yen)				
	Dec 31 2010	Dec 31 2009	Change	Mar 31 2010	Change
	(a)	(b)	(a)-(b)	(c)	(a)-(c)
Domestic offices (excluding Japan offshore market account):					
Manufacturing	232.1	260.2	(28.1)	246.8	(14.7)
Agriculture and forestry	-	-	-	-	-
Fishery	2.2	2.5	(0.3)	2.5	(0.3)
Mining, quarrying and gravel extraction	2.0	2.9	(0.9)	2.7	(0.7)
Construction	3.8	8.7	(4.8)	5.6	(1.8)
Electric power, gas, heat supply and water supply	24.6	39.2	(14.6)	32.3	(7.7)
Information and communications	11.3	18.4	(7.1)	16.4	(5.0)
Transportation and postal service	295.7	293.7	2.0	288.4	7.2
Wholesale and retail	91.5	113.6	(22.1)	107.0	(15.4)
Finance and insurance	1,186.4	1,268.2	(81.7)	1,486.1	(299.7)
Real estate	565.8	912.0	(346.2)	845.2	(279.4)
Services	395.3	329.1	66.1	318.1	77.2
Local government	163.2	170.8	(7.5)	171.3	(8.1)
Individual	908.7	844.8	63.9	913.2	(4.4)
Overseas yen loan and overseas loans booked domestically	183.4	350.2	(166.8)	248.6	(65.2)
Total domestic	4,066.5	4,614.9	(548.3)	4,684.9	(618.3)
Overseas offices (including Japan offshore market accounts):					
Governments	2.3	1.7	0.5	1.9	0.3
Financial institutions	1.6	-	1.6	1.8	(0.2)
Commerce and industry	33.1	44.8	(11.6)	44.1	(10.9)
Others	-	-	-	-	-
Total overseas	37.1	46.5	(9.4)	47.9	(10.8)
Total	4,103.6	4,661.5	(557.8)	4,732.8	(629.1)

(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 29- (Non-Consolidated)

(Billions of yen)

	Dec 31 2010 (a)	Dec 31 2009 (b)	Change (a)-(b)	Mar 31 2010 (c)	Change (a)-(c)
Domestic offices (excluding Japan offshore market account):					
Manufacturing	3.5	1.4	2.0	1.5	1.9
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	12.5	14.7	(2.2)	14.2	(1.6)
Wholesale and retail	0.0	0.0	-	0.0	-
Finance and insurance	26.4	46.5	(2.2)	34.4	(7.9)
Real estate	198.0	85.9	112.1	231.6	(33.5)
Services	4.3	6.9	(2.2)	3.7	0.5
Local government	-	-	-	-	-
Individual	6.2	2.5	3.7	4.8	1.4
Overseas yen loan and overseas loans booked domestically	12.7	13.5	(0.7)	15.2	(2.4)
Total domestic	264.5	172.3	92.2	306.2	(41.7)
Overseas offices (including Japan offshore market accounts):					
Governments	-	-	-	-	-
Financial institutions	-	-	-	-	-
Commerce and industry	-	-	-	-	-
Others	-	-	-	-	-
Total overseas	-	-	-	-	-
Total	264.5	172.3	92.2	306.2	(41.7)

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

The figures on or before March 31, 2009 were not adjusted as the impact from this change is negligible.

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

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

(Billions of yen)

	Dec 31 2010 (a)	Dec 31 2009 (b)	Change (a)-(b)	Mar 31 2010 (c)	Change (a)-(c)
US	35.1	73.4	(38.3)	39.8	(4.7)
Asset-backed investments ⁽¹⁾ in US	4.0	3.8	0.1	3.7	0.2
Europe	84.6	138.9	(54.2)	135.7	(51.1)
Asset-backed investments ⁽¹⁾ in Europe	49.2	98.0	(48.7)	95.6	(46.4)
Others	100.7	184.4	(83.7)	120.9	(20.2)
Total overseas and offshore loans	220.5	396.8	(176.3)	296.5	(76.0)
Total asset-backed investments⁽¹⁾	53.2	101.9	(48.6)	99.4	(46.1)

(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 39 Balance of Securitized Products (Breakdown by Region and Type of Securities) on page 44.

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

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

(Billions of yen)

	Dec 31 2010 (a)	Dec 31 2009 (b)	Change (a)-(b)	Mar 31 2010 (c)	Change (a)-(c)
US	-	0.4	(0.4)	-	-
Asset-backed investments ⁽¹⁾ in US	-	0.4	(0.4)	-	-
Europe	12.7	12.9	(0.2)	15.1	(2.4)
Asset-backed investments ⁽¹⁾ in Europe	12.1	11.6	0.4	14.0	(1.9)
Others	0.0	0.0	(0.0)	0.0	(0.0)
Total overseas and offshore loans	12.7	13.5	(0.7)	15.2	(2.4)
Total asset-backed investments ⁽¹⁾⁽²⁾	12.1	12.1	(0.0)	14.0	(1.9)

(1) "Asset-backed investments" is another term for the Asset-Backed Investments Program, one of our old product programs. Under this program, loans backed mainly by collateral (including infrastructure related assets or equipment, real estate, business and operating assets) are referred to as "asset-backed investments" for disclosure purposes. For the asset-backed securities which we disclose as securitized products, please see table 39 Balance of Securitized Products (Breakdown by Region and Type of Securities) on page 44.

(2) As of December 31, 2010, reserve for loan losses and collateral/guarantees for risk monitored loans related to asset-backed investments were ¥5.1 billion and ¥6.9 billion, respectively, and the coverage ratio was 100.0%.

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

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

(Billions of yen)

	Dec 31 2010 (a)	Dec 31 2009 (b)	Change (a)-(b)	Mar 31 2010 (c)	Change (a)-(c)
Claims against bankrupt and quasi-bankrupt obligors	85.7	133.3	△ 47.6	112.2	(26.5)
Doubtful claims	198.8	26.9	171.9	215.7	(16.8)
Substandard claims	7.5	16.4	△ 8.8	5.1	2.4
Total (A)	292.0	176.6	115.4	333.0	(41.0)
Coverage ratio	96.2%	99.1%	/	97.6%	/
Total claims (B)	4,501.8	5,105.7	(603.9)	4,970.1	(468.3)
Loans and bills discounted	4,103.6	4,661.5	(557.8)	4,732.8	(629.1)
Others	398.1	444.2	(46.1)	237.3	160.7
Ratio to total claims (A / B) X 100 (%)	6.49%	3.46%	/	6.70%	/
(Ref. 1) Amount of write-off	95.5	77.2	18.3	96.8	(1.2)
(Ref. 2) Below need caution level	765.2	536.9	228.3	739.6	25.6

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

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

(Billions of yen, except percentages)

December 31, 2010

	Amounts of coverage				Coverage ratio
	Amounts of claims	Total	Reserve for loan losses	Collateral and guarantees	
Claims against bankrupt and quasi-bankrupt obligors	85.7	85.7	5.2	80.5	100.0%
Doubtful claims	198.8	189.4	28.8	160.6	95.3%
Substandard claims	7.5	6.0	2.9	3.1	79.7%
Total	292.0	281.0	36.9	244.2	96.2%

(Billions of yen, except percentages)

December 31, 2009

March 31, 2010

	December 31, 2009					March 31, 2010				
	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	133.3	113.3	0.0	133.3	100.0%	112.2	112.2	5.7	106.5	100.0%
Doubtful claims	26.9	26.1	4.5	21.6	97.1%	215.7	208.9	22.3	186.5	96.8%
Substandard claims	16.4	15.6	2.2	13.4	94.8%	5.1	4.0	1.6	2.4	79.0%
Total	176.6	175.0	6.6	168.3	99.1%	333.0	325.1	29.7	295.5	97.6%

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

(Billions of yen)

	Dec 31 2010 (a)	Dec 31 2009 (b)	Change (a)-(b)	Mar 31 2010 (c)	Change (a)-(c)
Reserve for credit losses	84.1	80.8	3.3	81.0	3.1
General reserve for loan losses	48.5	67.6	(19.0)	50.6	(2.1)
Specific reserve for loan losses	35.5	13.1	22.4	30.3	5.2
Reserve for loans to restructuring countries	0.0	0.0	(0.0)	0.0	(0.0)
Specific reserve for other credit losses	21.1	21.1	0.0	21.1	0.0
Total reserve for credit losses	105.3	101.9	3.3	102.2	3.1

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

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

(Billions of yen)

	December 31, 2010			March 31, 2010		
	Book Value	Fair Value	Net unrealized gain (loss)	Book Value	Fair Value	Net unrealized gain (loss)
Items with fair value exceeding book value						
Japanese national government bonds	293.2	297.6	4.4	353.3	357.9	4.6
Japanese corporate bonds	69.5	70.4	0.9	70.4	71.8	1.3
Other	39.4	42.6	3.2	44.6	47.8	3.2
Total	402.1	410.5	8.4	468.4	477.7	9.2
Items with fair value not exceeding book value						
Japanese national government bonds	-	-	-	-	-	-
Japanese corporate bonds	-	-	-	-	-	-
Other ⁽²⁾	9.6	8.9	(0.7)	11.1	10.0	(1.1)
Total	9.6	8.9	(0.7)	11.1	10.0	(1.1)
Total	411.7	419.4	7.7	479.5	487.7	8.1

	December 31, 2009		
	Book Value	Fair Value	Difference
Japanese national government bonds	373.3	378.7	5.4
Japanese corporate bonds	70.4	71.9	1.5
Other ⁽²⁾	55.7	56.4	0.7
Total	499.4	507.1	7.7

(1) The presentation format has been changed from March 2010 with the application of "Accounting Standards for Financial Instruments" (revised on March 10, 2008). The format for December 2009 has not been changed.

Available for Sale Securities, at Fair Value - Table 36- (Non-Consolidated) ⁽¹⁾

(Billions of yen)

	December 31, 2010			March 31, 2010		
	Book value (Fair value)	Amortized/ Acquisition Cost	Net unrealized gain (loss)	Book value (Fair value)	Amortized/ Acquisition Cost	Net unrealized gain (loss)
Items with book value exceeding amortized/acquisition cost ⁽²⁾						
Equity securities	2.2	1.6	0.6	3.4	2.9	0.4
Bonds	983.3	981.1	2.1	1,584.9	1,578.5	6.4
Japanese national government bonds	920.8	919.5	1.2	1,543.6	1,537.6	6.0
Japanese local government bonds	1.7	1.7	0.0	1.7	1.7	0.0
Japanese corporate bonds	60.7	59.8	0.8	39.5	39.2	0.3
Other ⁽³⁾	91.8	86.1	5.7	107.4	91.2	16.2
Foreign securities	88.0	82.7	5.3	101.9	86.1	15.8
Foreign currency denominated foreign corporate and government bonds	43.9	39.6	4.2	73.1	60.5	12.6
Yen-denominated foreign corporate and government bonds	37.5	36.9	0.6	18.5	18.3	0.2
Foreign equity securities and others	6.6	6.1	0.5	10.1	7.2	2.9
Other securities	1.1	0.9	0.2	1.1	0.9	0.2
Other monetary claims purchased	2.6	2.4	0.1	4.3	4.2	0.1
Total	1,077.4	1,068.9	8.4	1,695.9	1,672.7	23.1
Items with book value not exceeding amortized/acquisition cost ⁽²⁾						
Equity securities	7.9	11.6	(3.7)	7.4	10.3	(2.8)
Bonds	1,326.3	1,332.3	(6.0)	750.7	758.3	(7.6)
Japanese national government bonds	1,064.5	1,067.1	(2.6)	464.5	467.2	(2.6)
Japanese local government bonds	-	-	-	-	-	-
Japanese corporate bonds	261.8	265.1	(3.3)	286.1	291.1	(5.0)
Other ⁽³⁾	207.4	211.1	(3.7)	188.4	193.4	(5.0)
Foreign securities	203.8	207.2	(3.4)	183.3	188.2	(4.9)
Foreign currency denominated foreign corporate and government bonds	146.5	149.2	(2.6)	89.9	93.0	(3.0)
Yen-denominated foreign corporate and government bonds	57.2	57.9	(0.7)	93.2	95.1	(1.8)
Foreign equity securities and others	0.0	0.0	-	0.1	0.1	(0.0)
Other securities	1.0	1.0	-	1.0	1.0	-
Other monetary claims purchased	2.5	2.8	(0.3)	4.0	4.1	(0.0)
Total	1,541.7	1,555.2	(13.5)	946.6	962.2	(15.5)
Total	2,619.1	2,624.1	(5.0)	2,642.5	2,634.9	7.5

	December 31, 2009			
	Fair value	Net	Gross unrealized gains (a)	Gross unrealized losses (b)
Equity securities	11.7	(2.5)	0.5	3.1
Bonds	1,847.1	8.4	9.1	0.7
Japanese national government bonds	1,822.0	8.8	8.8	-
Japanese local government bonds	1.7	0.0	0.0	-
Japanese corporate bonds	23.3	(0.5)	0.1	0.7
Other	323.9	8.6	14.9	6.3
Foreign securities	322.8	8.3	14.7	6.3
Foreign currency denominated foreign corporate and government bonds	191.2	8.7	11.8	3.1
Yen-denominated foreign corporate and government bonds	121.8	(3.0)	0.1	3.1
Foreign equity securities	7.4	2.1	2.1	0.0
Other securities	1.1	0.2	0.2	-
Total	2,182.8	14.4	24.6	10.2

(1) The presentation format has been changed from March 2010 with the application of "Accounting Standards for Financial Instruments" (revised on March 10, 2008). The format for December 2009 has not been changed.

(2) "Japanese corporate bonds" and "Foreign securities," which were previously carried at cost are measured at fair value since March 2010. Above tables do not include securities whose fair value cannot be reliably determined.

(3) "Other" as of March and December 2010 includes "Foreign securities," "Other securities" and "Other monetary claims purchased."

Capital Adequacy Data ⁽¹⁾ –Table 37- (Non-Consolidated)

(Billions of yen, except percentages)

	Dec 31 2010 (a)	Dec 31 2009 (b)	Change (a)-(b)	Mar 31 2010 (c)	Change (a)-(c)
Basic items (Tier I)	572.5	744.9	(172.4)	655.0	(82.5)
Supplementary items (Tier II)	233.3	272.2	(38.9)	260.6	(27.2)
Deduction	(77.9)	(55.8)	(22.1)	(86.6)	8.7
Total capital ⁽²⁾	727.9	961.3	(233.4)	829.0	(101.0)
Risk assets	6,344.0	7,492.9	(1,148.9)	7,241.8	(897.7)
Capital adequacy ratio	11.47%	12.83%	/	11.44%	/
Tier I capital ratio	9.02%	9.94%	/	9.04%	/

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

Net unrealized gain on securities available-for-sale, net taxes is recorded as of March 31, 2010 and December 31, 2009.

(2) Non-Consolidated total required capital is ¥382.7 billion as at of December 31, 2010, ¥434.0 billion as at March 31, 2010, and ¥377.3 billion as at December 31, 2009.

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

Non-Consolidated Balance Sheets (Unaudited) (Non-Consolidated)**Assets***(millions of yen)*

	Dec 31 2010	Dec 31 2009	Change	Mar 31 2010	Change
	a	b	a-b	c	a-c
<<Assets>>					
Cash and due from banks	358,010	257,199	100,811	310,022	47,988
Call loans	8,625	25,966	(17,341)	19,129	(10,504)
Collateral related to securities borrowing transactions	20,978	4,617	16,361	2,801	18,177
Other monetary claims purchased	395,854	433,722	(37,868)	621,271	(225,417)
Trading assets	182,159	227,301	(45,142)	211,020	(28,861)
Monetary assets held in trust	374,714	522,545	(147,831)	463,467	(88,753)
Securities	3,550,496	3,606,034	(55,538)	3,674,523	(124,027)
Valuation allowance for investments	(3,370)	(3,370)	-	(3,370)	-
Loans and bills discounted	4,103,688	4,661,513	(557,825)	4,732,858	(629,170)
Foreign exchanges	15,098	13,109	1,989	10,976	4,122
Other assets	687,509	758,768	(71,259)	506,855	180,654
Premises and equipment	18,804	17,751	1,053	17,890	914
Intangible assets	10,055	12,281	(2,226)	11,891	(1,836)
Deferred issuance expenses for debentures	181	172	9	176	5
Deferred tax assets	799	1,692	(893)	-	799
Customers' liabilities for acceptances and guarantees	15,942	14,124	1,818	11,266	4,676
Reserve for credit losses	(105,349)	(101,988)	(3,361)	(102,213)	(3,136)
Total assets	9,634,200	10,451,441	(817,241)	10,488,567	(854,367)

Liabilities and Equity

	(millions of yen)				
	Dec 31 2010	Dec 31 2009	Change	Mar 31 2010	Change
	a	b	a-b	c	a-c
<<Liabilities>>					
Deposits	5,816,550	6,890,357	(1,073,807)	6,533,555	(717,005)
Negotiable certificates of deposit	232,720	240,457	(7,737)	290,909	(58,189)
Debentures	388,202	503,142	(114,940)	487,513	(99,311)
Call money	165,482	310,481	(144,999)	310,487	(145,005)
Payables under repurchase agreements	-	-	-	8,430	(8,430)
Collateral related to securities lending transactions	306,643	504,897	(198,254)	548,479	(241,836)
Trading liabilities	147,754	192,493	(44,739)	176,668	(28,914)
Borrowed money	1,012,059	330,460	681,599	811,100	200,959
Foreign exchanges	266	230	36	222	44
Corporate bonds	219,322	369,038	(149,716)	342,518	(123,196)
Other liabilities	774,669	465,534	309,135	392,414	382,255
Income taxes payable	51	303	(252)	484	(433)
Lease debt	3	6	(3)	4	(1)
Asset retirement obligations	3,929	-	3,929	-	3,929
Other liabilities	770,684	465,224	305,460	391,925	378,759
Accrued employees' bonuses	3,208	5,216	(2,008)	5,423	(2,215)
Reserve for losses on disposal of premises and equipment	-	6,828	(6,828)	7,011	(7,011)
Reserve for losses on litigation	-	5,409	(5,409)	5,873	(5,873)
Deferred tax liability	-	-	-	745	(745)
Acceptances and guarantees	15,942	14,124	1,818	11,266	4,676
Total liabilities	9,082,822	9,838,670	(755,848)	9,932,620	(849,798)
<<Equity>>					
Shareholders' equity:					
Capital stock	476,296	476,296	-	476,296	-
Capital surplus	43,558	43,558	-	43,558	-
Additional paid-in capital	43,558	43,558	-	43,558	-
Retained earnings	118,960	160,687	(41,727)	106,809	12,151
Legal reserve	11,035	11,035	-	11,035	-
Other retained earnings	107,924	149,652	(41,728)	95,773	12,151
Unappropriated retained earnings	107,924	149,652	(41,728)	95,773	12,151
Treasury stock, at cost	(72,558)	(72,558)	-	(72,558)	-
Total shareholders' equity	566,256	607,984	(41,728)	554,105	12,151
Net unrealized gain (loss):					
Unrealized gain (loss) on available-for-sale securities	(10,927)	5,303	(16,230)	361	(11,288)
Deferred gain (loss) on derivatives under hedge accounting	(5,539)	(2,148)	(3,391)	(192)	(5,347)
Total net unrealized gain (loss)	(16,467)	3,154	(19,621)	168	(16,635)
Stock acquisition rights	1,588	1,631	(43)	1,672	(84)
Total equity	551,377	612,770	(61,393)	555,947	(4,570)
Total liabilities and equity	9,634,200	10,451,441	(817,241)	10,488,567	(854,367)

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

(millions of yen, except percentages)

	3QFY2010 (9 months)	3QFY2009 (9 months)	Change		FY2009 (12 months)
			Amount	%	
Total interest income	89,762	104,300	(14,538)	(13.9)	153,051
Interest on loans and bills discounted	55,058	66,546	(11,488)	(17.3)	86,463
Interest and dividends on securities	25,931	25,409	522	2.1	51,251
Other interest income	8,772	12,344	(3,572)	(28.9)	15,335
Fees and commissions income	10,404	11,744	(1,340)	(11.4)	16,937
Trading profits	11,013	4,847	6,166	127.2	7,892
Other business income	24,127	27,886	(3,759)	(13.5)	31,442
Other ordinary income	16,109	12,374	3,735	30.2	8,545
Ordinary income	151,417	161,153	(9,736)	(6.0)	217,868
Total interest expenses	41,297	61,409	(20,112)	(32.8)	77,918
Interest on deposits	26,446	40,844	(14,398)	(35.3)	51,714
Interest on corporate bonds	10,410	12,476	(2,066)	(16.6)	16,472
Other interest expenses	4,440	8,089	(3,649)	(45.1)	9,732
Fees and commissions expenses	7,632	7,454	178	2.4	9,843
Trading losses	4,379	123	4,256	3,460.2	186
Other business expenses	4,915	6,613	(1,698)	(25.7)	22,531
General and administrative expenses	47,554	53,956	(6,402)	(11.9)	69,780
Other ordinary expenses	33,662	30,026	3,636	12.1	81,814
Ordinary expenses	139,442	159,584	(20,142)	(12.6)	262,074
Net ordinary income (loss)	11,975	1,569	10,406	663.2	(44,205)
Special gains	35,326	15,598	19,728	126.5	25,851
Special losses	33,829	6,318	27,511	435.4	20,955
Income (loss) before income taxes	13,471	10,849	2,622	24.2	(39,309)
Income taxes (benefit)					
Current	(499)	(75)	(424)	(565.3)	(34)
Deferred	1,820	4,691	(2,871)	(61.2)	8,369
Total income taxes (benefit)	1,320	4,615	(3,295)	(71.4)	8,334
Net income (loss)	12,150	6,233	5,917	94.9	(47,644)

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

(Consolidated)	<i>(Billions of yen)</i>	
	Fiscal year ending March 2011	Fiscal year ended March 2010
	(FY2010)	(FY2009)
	Forecast	Actual
Net income	43.0	(140.1)
Cash basis net income *	54.0	(53.7)

(Non-Consolidated)	<i>(Billions of yen)</i>	
	Fiscal year ending March 2011	Fiscal year ended March 2010
	(FY2010)	(FY2009)
	Forecast	Actual
Net Business Profit	57.0	20.9
Net income	10.0	(47.6)
Dividends (per share in yen):		
Common stock	1.00	0.00

(Note) The above forecasts are the same as disclosed on February 3, 2011.

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.

- We revised our full year consolidated reported basis net income forecast upwards from ¥12.5 billion to ¥43.0 billion, and our consolidated cash basis net income forecast upwards from ¥23.6 billion to ¥54.0 billion, significantly above the initial forecasts, due to our strong performance and non-recurring profits related to capital management measures.
- In order to establish a stabilized earnings base for fiscal year 2011 and beyond, we will actively implement the following measures in the fourth quarter of this fiscal year to manage downside risks in an uncertain operating environment: 1) post additional reserves in our specialty finance business and record credit costs in our real estate portfolio to accelerate the clean up of non-performing loans; 2) make additional grey zone provisions for consumer finance subsidiaries; and 3) record Group-wide, one-off restructuring costs. We also expect to record tax-related expenses by taking into consideration the ongoing discussions regarding a reduction of the corporate income tax rate in Japan. While we expect a net loss in the fourth quarter of this fiscal year due to the above measures, we forecast our full year earnings to be significantly above our initial forecast, putting us in line to post positive net income for the first time in three fiscal years.
- We maintained our non-consolidated net income forecast at our initial forecast of ¥10.0 billion.
- For more information, please refer to our press release announced on February 3, 2011, entitled "Shinsei Bank Revises Earnings Forecasts Upwards for Fiscal Year 2010."

*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 39- (Non-Consolidated)

(Billions of yen)

	Credit Ratings of Securities ⁽²⁾ (December 31, 2010)				Dec 31 2010 (a)	Sep 30 2010 (b)	Change (a)-(b)	Mar 31 2010 (c)	Change (a)-(c)
	AAA	AA	A or lower	N/A					
RMBS	17%	7%	5%	71%	45.9	47.2	(1.2)	53.7	(7.7)
Japan	17%	7%	5%	71%	45.9	47.2	(1.2)	49.9	(3.9)
U.S.	-	-	-	-	0.0	0.0	0.0	0.0	0.0
Europe	-	-	-	-	-	-	-	3.7	(3.7)
Other	-	-	-	-	-	-	-	-	-
CMBS⁽³⁾	0%	19%	81%	0%	12.4	12.8	(0.4)	19.0	(6.6)
Japan	0%	0%	100%	0%	7.5	8.1	(0.5)	10.9	(3.3)
U.S.	-	-	-	-	-	-	-	-	-
Europe	0%	0%	100%	0%	2.4	2.3	0.1	5.5	(3.1)
Other	0%	100%	0%	0%	2.3	2.4	(0.0)	2.5	(0.2)
CLO	0%	93%	6%	1%	43.0	43.1	(0.0)	56.7	(13.6)
Japan	-	-	-	-	-	-	-	-	-
U.S.	0%	98%	0%	2%	31.0	31.7	(0.7)	42.3	(11.3)
Europe	0%	100%	0%	0%	9.6	10.0	(0.4)	12.9	(3.2)
Other	0%	0%	100%	0%	2.4	1.3	1.1	1.4	0.9
ABS CDO (Resecuritized Products)	-	-	-	-	-	-	-	-	-
Japan	-	-	-	-	-	-	-	-	-
U.S.	-	-	-	-	-	-	-	-	-
Europe	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	8%	45%	15%	33%	101.4	103.2	(1.7)	129.5	(28.0)
Japan	14%	6%	19%	61%	53.5	55.3	(1.7)	60.8	(7.3)
U.S.	0%	98%	0%	2%	31.0	31.7	(0.7)	42.3	(11.3)
Europe	0%	80%	20%	0%	12.0	12.4	(0.3)	22.2	(10.1)
Other	0%	49%	51%	0%	4.8	3.7	1.0	4.0	0.7
Securities					53.0	53.1	(0.0)	74.3	(21.2)
RMBS					1.8	1.9	(0.0)	5.8	(3.9)
CMBS					8.1	8.0	0.0	11.6	(3.5)
CLO					43.0	43.1	(0.0)	56.7	(13.6)
ABS CDO					-	-	-	-	-
Other monetary claims purchased⁽⁴⁾					48.3	50.1	(1.7)	55.2	(6.8)
RMBS (Japan)					44.0	45.2	(1.1)	47.8	(3.7)
CMBS (Japan)					4.2	4.8	(0.5)	7.3	(3.0)
CLO (Japan)					-	-	-	-	-
ABS CDO (Japan)					-	-	-	-	-
Total					101.4	103.2	(1.7)	129.5	(28.0)

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

(2) Based on ratings by S&P or ratings equivalent to S&P ratings matrix as of December 31, 2010. 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 (54.9%), multi-family (21.6%), retail and shops (11.6%), hotel and others (11.9%)

(4) Includes Japanese RMBS recorded as monetary assets held in trust of ¥4.6 billion as at December 31, 2010.

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

Securities	(Billions of yen, except percentages)			
	As of December 31, 2010			
	Balance before Mark-to-Market Evaluation	Market Value or Balance	Unrealized Gains/Losses (OCI)	Price Increase (Decrease) Ratio (%)
Trading Securities		3.0		
RMBS (U.S.)		0.0		
CLO (U.S.)		0.6		
CLO (Other foreign countries)		2.4		
Securities Being Held to Maturity with Readily Determinable Fair Value		40.0		
CLO (U.S.)		30.4		
CLO (Europe)		9.6		
Securities Available for Sale	8.9	9.9	1.0	11.5
Other	8.9	9.9	1.0	11.5
Foreign Securities	8.9	9.9	1.0	11.5
Foreign Currency Denominated Foreign Corporate and Government Bonds	3.7	4.8	1.0	29.2
CMBS	3.7	4.8	1.0	29.2
Europe	1.2	2.4	1.1	89.1
Other foreign countries	2.4	2.3	(0.0)	(2.5)
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	5.2	5.1	(0.0)	(1.2)
RMBS (Japan)	1.8	1.8	0.0	0.0
CMBS (Japan)	3.3	3.2	(0.0)	(2.1)
Securities		53.0		
RMBS		1.8		
CMBS		8.1		
CLO		43.0		
Other Monetary Claims Purchased ⁽²⁾				
Trading Purposes		14.4		
RMBS (Japan) ⁽²⁾		11.8		
CMBS (Japan)		2.5		
Others	34.1	33.9	(0.1)	(0.4)
RMBS (Japan)	32.1	32.2	0.0	0.3
CMBS (Japan)	1.9	1.7	(0.2)	(11.1)
Total		48.3		
RMBS (Japan)		44.0		
CMBS (Japan)		4.2		
RMBS, CMBS, CLO, ABS CDO Total		101.4		
Securities		53.0		
Other Monetary Claims Purchased		48.3		

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

(2) Includes Japanese RMBS recorded as monetary assets held in trust of ¥4.6 billion as at December 31, 2010.

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

	(Billions of yen)				
	Dec 31 2010 (a)	Sep 30 2010 (b)	Change (a)-(b)	Mar 31 2010 (c)	Change (a)-(c)
LBO⁽¹⁾	204.7	215.1	(10.4)	194.4	10.3
Japan	201.0 ⁽²⁾	211.2	(10.2)	189.8	11.2
U.S.	2.1	2.3	(0.2)	2.8	(0.7)
Europe	-	-	-	-	-
Other	1.5	1.5	0.0	1.7	(0.2)
(Breakdown by Industry Sector)					
Manufacturing	12.6%	14.7%			
Information and communications	0.0%	0.0%			
Wholesale and retail	9.7%	10.6%			
Finance and Insurance	18.6%	61.4%			
Services	55.6%	9.9%			
Others	3.5%	3.4%			
Total	100.0%	100.0%			

(1) The amount includes unfunded commitment line.

(2) As of December 31, 2010, unfunded commitment line (only domestic) is ¥3.9 billion.

Monoline, SIV, ABCP

We have no exposure to Monoline, SIV, ABCP.

Credit Default Swaps (CDS)⁽¹⁾

	(Billions of yen)							
	As of December 31, 2010							3QFY2010
	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	691.5	729.9	1.4	(1.5)	588.2	1.2	(1.7)	(0.3)
Japan	593.8	633.0	2.8	(2.5)	500.0	2.7	(2.7)	(0.2)
U.S.	47.0	46.5	(0.5)	0.3	41.2	(0.6)	0.2	0.0
Europe	20.3	20.2	(0.1)	0.1	19.8	(0.0)	0.1	(0.0)
Other	30.2	30.1	(0.7)	0.5	27.0	(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 42-

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.