

# **Financial Summary**

**For the Fiscal Year Ended March 31, 2013**



**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 and Economic Environment

- During the fiscal year 2012, the Japanese economy initially showed signs of a gradual recovery, despite the effects of the prolonged strong yen and deflation. However, later in the year, the recovery showed signs of weakness due to the continuing European debt crisis and a worldwide economic slump. In addition to these circumstances, due to the continuous political confusion and the strengthening tendency of worldwide easy money, it became evident that domestic developments in comprehensive social security, tax reform and other economic policies which were tackled by the Noda government and the gradual expansion of monetary easing policies by the Bank of Japan would not be enough to enable economic recovery.
- However, the new Abe government, which was formed in December 2012 following a Lower House General Election, has clearly declared its intention to work swiftly to implement aggressive monetary easing measures, dynamic fiscal measures and a growth strategy aimed at stimulating private demand in order to overcome deflation, correct the strong yen trend and revitalize the domestic economy. In response to this and due in part to the worldwide economic growth, the Japanese economy has again shown positive signs of recovery, including the correction of the strong yen and an increase in stock prices. The recovery is expected to continue steadily, while supported by improved consumer and business sentiment, better export conditions, and governmental and monetary policy. However, the Japanese economic outlook still remains unclear due to the high level of uncertainty in the global economy caused by the ongoing debt crisis in several southern European nations, and the severity of Japan's domestic labor market and income conditions.
- Until December 2012, the yen continued to appreciate due to the European debt crisis and the global economic slump. However, the new Abe government's intention to deploy aggressive monetary easing measures and correct the strong yen trend has caused the yen to depreciate from December 2012. At the end of March 2013, the U.S. dollar-Japanese yen exchange rate was approximately ¥94 per USD (approximately ¥11 lower than 12 months earlier) and the euro-Japanese yen exchange rate was approximately ¥121 per EURO (approximately ¥10 lower than 12 months earlier).
- The interest rate for domestic long-term (10 year) government bond yields was approximately 1.0% at the beginning of the fiscal year, but fell to less than 0.6% by the end of March 2013 due to inflows of capital seeking a safe haven in Japanese government bonds as well as expectations of further monetary easing. The short term interest rate, which was already low, went even lower during the fourth quarter of the fiscal year.
- While deepening risk aversion weighed down the Nikkei 225, the index began to rise after the dissolution of the House of Representatives in November 2012. The Nikkei 225 reached ¥12,397.91 at the end of March 2013 (approximately ¥2,310 higher than 12 months earlier).

Financial Highlights<sup>(1)</sup>

(Billions of yen, except percentages)

|   | FY2012<br>(12 months) | FY2011<br>(12 months) | Change<br>% or Amount | 1HFY2012<br>(6 months) |
|---|-----------------------|-----------------------|-----------------------|------------------------|
| <b>Selected income statement items (Consolidated)</b>               |                       |                       |                       |                        |
| Net interest income   | 111.6                 | 116.9                 | (4.5)%                | 56.1                   |
| Non-interest income   | 87.3                  | 86.0                  | 1.5%                  | 47.9                   |
| Net fees and commissions  | 19.1                  | 25.2                  | (23.9)%               | 8.7                    |
| Net trading income  | 20.0                  | 13.6                  | 46.9%                 | 9.5                    |
| Net other business income   | 48.1                  | 47.2                  | 1.9%                  | 29.5                   |
| Total revenue   | 199.0                 | 202.9                 | (1.9)%                | 104.1                  |
| General and administrative expenses                                 | 128.6                 | 127.9                 | 0.5%                  | 63.7                   |
| Ordinary business profit  | 70.3                  | 74.9                  | (6.1)%                | 40.3                   |
| Net credit costs  | 5.5                   | 12.2                  | (55.0)%               | 6.2                    |
| Ordinary business profit after net credit costs                     | 64.8                  | 62.7                  | 3.4%                  | 34.0                   |
| Amortization of goodwill and other intangible assets <sup>(2)</sup> | 10.7                  | 11.9                  | (9.7)%                | 5.6                    |
| Other gains (losses)  | (0.1)                 | (35.4)                | 99.5%                 | (0.4)                  |
| Income before income taxes and minority interests                   | 53.8                  | 15.3                  | 251.1%                | 27.9                   |
| Current income tax  | 0.5                   | 2.9                   | (79.7)%               | 0.8                    |
| Deferred income tax   | (1.3)                 | 2.4                   | (154.8)%              | (0.4)                  |
| Minority interests in net income of subsidiaries                    | 3.5                   | 3.5                   | (0.6)%                | 1.7                    |
| Net income  | 51.0                  | 6.4                   | 694.3%                | 25.7                   |
| Cash basis net income <sup>(3)</sup>                                | 60.4                  | 16.0                  | 276.2%                | 30.6                   |
| <b>Selected balance sheet items (Consolidated)</b>                  |                       |                       |                       |                        |
| Securities  | 1,842.3               | 1,873.4               | (31.1)                | 2,003.4                |
| Loans and bills discounted  | 4,292.4               | 4,136.8               | 155.6                 | 4,281.9                |
| Customers' liabilities for acceptances and guarantees               | 532.9                 | 562.6                 | (51.5)                | 550.2                  |
| Reserve for credit losses   | (161.8)               | (180.6)               | 18.8                  | (171.9)                |
| Total assets  | 9,029.3               | 8,609.6               | 419.6                 | 8,882.5                |
| Deposits and negotiable certificates of deposit                     | 5,457.5               | 5,362.4               | 95.1                  | 5,374.6                |
| Debentures  | 262.3                 | 294.1                 | (31.7)                | 277.6                  |
| Borrowed money  | 719.2                 | 476.7                 | 242.5                 | 718.3                  |
| Reserve for losses on interest repayments                           | 34.9                  | 50.9                  | (15.9)                | 41.5                   |
| Total liabilities   | 8,345.6               | 7,982.0               | 363.6                 | 8,235.2                |
| Total equity  | 683.6                 | 627.6                 | 55.9                  | 647.2                  |
| <b>Financial ratios (%) (Consolidated)</b>                          |                       |                       |                       |                        |
| Net interest margin   | 2.02                  | 2.04                  |                       | 2.08                   |
| Expense-to-revenue ratio  | 64.6                  | 63.1                  |                       | 61.3                   |
| Return on assets  | 0.6                   | 0.1                   |                       | 0.6 <sup>(4)</sup>     |
| Return on equity (fully diluted)                                    | 8.6                   | 1.2                   |                       | 8.9 <sup>(4)</sup>     |
| Cash basis return on assets   | 0.7                   | 0.2                   |                       | 0.7 <sup>(4)</sup>     |
| Cash basis return on equity (fully diluted)                         | 11.1                  | 3.2                   |                       | 11.6 <sup>(4)</sup>    |
| <b>Capital adequacy data (Consolidated)</b>                         |                       |                       |                       |                        |
| Tier I  | 608.8                 | 537.1                 | 71.6                  | 573.8                  |
| Total capital   | 715.8                 | 626.9                 | 88.8                  | 687.8                  |
| Risk assets   | 5,847.7               | 6,102.5               | (254.7)               | 5,869.2                |
| Capital adequacy ratio  | 12.24%                | 10.27%                |                       | 11.71%                 |
| Tier I capital ratio  | 10.41%                | 8.80%                 |                       | 9.77%                  |

(Billions of yen, except percentages)

|   | FY2012<br>(12 months) | FY2011<br>(12 months) | Change<br>% or Amount | 1HFY2012<br>(6 months) |
|---|-----------------------|-----------------------|-----------------------|------------------------|
| <b>Per share data (Consolidated)</b>                      |                       |                       |                       |                        |
| Common equity   | 233.65                | 212.67                | 9.9%                  | 220.70                 |
| Basic net income  | 19.24                 | 2.42                  | 694.3%                | 9.70                   |
| Cash basis basic net income                               | 22.77                 | 6.05                  | 276.2%                | 11.56                  |
| <b>Non-performing loans (Non-Consolidated)</b>            |                       |                       |                       |                        |
| Claims classified under the Financial Revitalization Law  | 242.6                 | 295.9                 | (53.3)                | 274.6                  |
| Ratio to total claims                                     | 5.32%                 | 6.66%                 |                       | 6.16%                  |
| Reserve for credit losses                                 | 106.5                 | 121.1                 | (14.6)                | 113.5                  |
| Coverage ratio for non-performing claims                  | 95.9%                 | 96.7%                 |                       | 97.2%                  |
| <b>Selected income statement items (Non-Consolidated)</b> |                       |                       |                       |                        |
| Net interest income                                       | 62.0                  | 70.3                  | (11.7)%               | 34.8                   |
| Non-interest income                                       | 31.2                  | 24.5                  | 27.2%                 | 17.3                   |
| Net fees and commissions                                  | 10.3                  | 18.0                  | (42.7)%               | 7.5                    |
| Net trading income  | 14.5                  | 13.4                  | 8.1%                  | 8.5                    |
| Net other business income (loss)                          | 6.3                   | (6.9)                 | 191.7%                | 1.2                    |
| Total revenue   | 93.3                  | 94.8                  | (1.6)%                | 52.1                   |
| General and administrative expenses                       | 67.3                  | 62.6                  | 7.4%                  | 33.3                   |
| Ordinary business profit                                  | 25.9                  | 32.1                  | (19.2)%               | 18.7                   |
| Net credit costs (recoveries)                             | (1.2)                 | 10.9                  | (111.4)%              | 1.5                    |
| Net income  | 24.6                  | 13.8                  | 77.4%                 | 15.6                   |

(1) Represents results based on management accounting basis.

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

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

(4) Annualized basis.

- The Shinsei Bank Group recognized consolidated net income of ¥51.0 billion and consolidated cash basis net income of ¥60.4 billion for fiscal year 2012 (April 1, 2012 to March 31, 2013), a significant increase as compared to ¥6.4 billion and ¥16.0 billion for fiscal year 2011 (April 1, 2011 to March 31, 2012), respectively. Fiscal year 2012 was the last year of bank's First Medium-Term Management Plan. In line with the Medium-Term Management Plan, potential losses including non-core assets were significantly reduced, and continuous efforts were made to expand the customer base. As a result, impact of non-recurring factors was restricted, and Bank's earning capacity became steady and firm, due to which the Bank's performance stabilized during fiscal year 2012 and the net income target of ¥51.0 billion set in the Medium-Term Management Plan was achieved.
- Total revenue amounted to ¥199.0 billion for fiscal year 2012, including net interest income of ¥111.6 billion, a decrease as compared to ¥116.9 billion for fiscal year 2011. This was due to reduction in non-core assets and the declining balance of consumer finance loans on account of the ongoing effects of the revised Money-Lending Business Control and Regulation Law. However, the loan balance has increased during the fiscal year 2012, and quarterly net interest income has been trending stably. Non-interest income was ¥87.3 billion for fiscal year 2012, an increase as compared to ¥86.0 billion for fiscal year 2011.
- Regarding general and administrative expenses, we continued promoting operational efficiency. However, as we continued to expand our business base, the general and administrative expenses were ¥128.6 billion for fiscal year 2012, a slight increase as compared to ¥127.9 billion for fiscal year 2011.
- Net credit costs amounted to ¥5.5 billion. The institutional loan balance increased due to efforts to make new loan disbursements and additional provisions were recorded for real estate finance. However, large reserves for credit losses were not recorded as in previous years, as a result of reduction in non-core assets aimed at limiting potential risks. In addition, collections on written-off claims were recorded. As a result, net credit costs improved as compared to ¥12.2 billion for fiscal year 2011.
- Regarding performance within respective business groups, ordinary business profit after net credit costs was recorded at all groups, as the bank's earnings continued to stabilize.
  - In the Institutional Group, the rebuilding of the customer base and stabilization of earnings continue, as ordinary business profit after net credit costs of ¥26.3 billion was recorded for fiscal year 2012, an increase as compared to ¥19.4 billion for fiscal year 2011, and performance remained stable.
  - In the Global Markets Group, ordinary business profit after net credit costs of ¥12.7 billion was recorded for fiscal year 2012, an increase as compared to ¥4.2 billion for fiscal year 2011. Revenue accumulation was steady, due to efforts made towards expansion of the customer base, and development and provision of products tailored to the needs of our customers. In addition, collections on written-off claims were recorded.
  - In the Individual Group, revenue decreased as compared to fiscal year 2011 due to the decrease in loan balance in the consumer finance business. However, as the pace of the decline in loan balance decreased, ordinary business profit after net credit costs of ¥26.9 billion was recorded for fiscal year 2012.
- Balance of loans and bills discounted increased from ¥4,136.8 billion as of March 31, 2012, to ¥4,292.4 billion as of March 31, 2013. This was mainly due to an

increase in loans to institutional customers and housing loans. While the pace of decrease in the consumer finance loan balance slowed, and although marginal, the balance increased during the fourth quarter of fiscal year 2012.

- Net interest margin of 2.02% was recorded for fiscal year 2012, a slight decrease as compared to 2.04% for fiscal year 2011. This was mainly due to the decrease in the balance of consumer finance loans bearing relatively high interest rates resulting in a decrease in the yield on interest-earning assets. However, time deposits bearing high interest rates sold in previous years reached maturity, and expenses on interest-bearing liabilities of deposits and negotiable certificates of deposit also decreased, which mitigated the decrease in the net interest margin.
- Regarding capital ratios, Tier I capital and total capital increased due to the accumulation of consolidated net income and amortization of goodwill and other intangible assets during the fiscal year 2012, which resulted in improvement of the total capital adequacy ratio and Tier I capital ratio on a consolidated basis, to 12.24% and 10.41%, respectively, as of March 31, 2013 compared to 10.27% and 8.80% as of March 31, 2012.
- Balance of non-performing loans under the Financial Revitalization Law (non-consolidated) totaled ¥242.6 billion as of March 31, 2013, a decrease of ¥53.3 billion during the fiscal year 2012, mainly due to sales and collections of non-performing loans etc. In addition, the proportion of non-performing claims to the balance of total claims improved from 6.66% at the end of March 2012, to 5.32% as at March 31, 2013.

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

(Billions of yen)

|  | FY2012<br>(12 months) | FY2011<br>(12 months) |
|--|-----------------------|-----------------------|
| <b>Gains included in revenue</b>   |                       |                       |
| Large gains from the sale of non-core assets / the redemption of non-core assets | -                     | 6.3                   |
| Others   | 1.3                   | 1.1                   |
| <b>Subtotal (i)</b>  | <b>1.3</b>            | <b>7.4</b>            |
| <b>Losses included in revenue</b>  |                       |                       |
| Impairment of major listed shares  | -                     | (5.2)                 |
| Domestic real estate non-recourse finance (bonds)                                | (2.5)                 | (3.3)                 |
| Others   | (5.0)                 | (3.3)                 |
| <b>Subtotal (ii)</b>   | <b>(7.5)</b>          | <b>(11.9)</b>         |
| <b>Items included in net credit costs</b>  |                       |                       |
| Reversal of major institutional credit reserve                                   | -                     | 17.2                  |
| Specialty finance  | (4.5)                 | (18.8)                |
| Domestic real estate non-recourse finance  | (3.7)                 | (8.0)                 |
| Large net credit costs related to non-core assets                                | (4.0)                 | (2.2)                 |
| Others   | 6.6                   | 1.6                   |
| <b>Subtotal (iii)</b>  | <b>(5.6)</b>          | <b>(10.1)</b>         |
| <b>Other gains (losses)</b>  |                       |                       |
| Grey zone related provisions   | -                     | (32.8)                |
| Others   | -                     | (0.2)                 |
| <b>Subtotal (iv)</b>   | <b>-</b>              | <b>(33.1)</b>         |
| <b>Corporate tax adjustment due to tax reform (v)</b>                            | <b>-</b>              | <b>(1.3)</b>          |
| <b>Total (i) + (ii) + (iii) + (iv) + (v)</b>                                     | <b>(11.8)</b>         | <b>(49.1)</b>         |
| <b>Breakdown by Category</b>   |                       |                       |
| Grey zone related provisions   | -                     | (32.8)                |
| Specialty finance  | (4.5)                 | (18.8)                |
| Domestic real estate non-recourse finance  | (6.2)                 | (11.3)                |
| Impairment of major listed shares  | -                     | (5.2)                 |
| Corporate tax adjustment due to tax reform                                       | -                     | (1.3)                 |
| Reversal of major institutional credit reserve                                   | -                     | 17.2                  |
| Non-core assets related  | (4.0)                 | 4.0                   |
| Others   | 2.9                   | (0.8)                 |
| <b>Total</b>   | <b>(11.8)</b>         | <b>(49.1)</b>         |

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

## Section 1. Consolidated Information

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

*(Billions of yen, except percentages)*

|  | FY2012<br>(12 months) | FY2011<br>(12 months) | %<br>Change    | 1HFY2012<br>(6 months) |
|--|-----------------------|-----------------------|----------------|------------------------|
| Net interest income  | 111.6                 | 116.9                 | (4.5)          | 56.1                   |
| Non-interest income  | 87.3                  | 86.0                  | 1.5            | 47.9                   |
| Net fees and commissions   | 19.1                  | 25.2                  | (23.9)         | 8.7                    |
| Net trading income   | 20.0                  | 13.6                  | 46.9           | 9.5                    |
| Net other business income  | 48.1                  | 47.2                  | 1.9            | 29.5                   |
| <b>Total revenue</b>   | <b>199.0</b>          | <b>202.9</b>          | <b>(1.9)</b>   | <b>104.1</b>           |
| <b>General and administrative expenses</b>                                 | <b>128.6</b>          | <b>127.9</b>          | <b>0.5</b>     | <b>63.7</b>            |
| <b>Ordinary business profit</b>  | <b>70.3</b>           | <b>74.9</b>           | <b>(6.1)</b>   | <b>40.3</b>            |
| <b>Net credit costs</b>  | <b>5.5</b>            | <b>12.2</b>           | <b>(55.0)</b>  | <b>6.2</b>             |
| <b>Ordinary business profit after net credit costs</b>                     | <b>64.8</b>           | <b>62.7</b>           | <b>3.4</b>     | <b>34.0</b>            |
| <b>Amortization of goodwill and other intangible assets</b> <sup>(2)</sup> | <b>10.7</b>           | <b>11.9</b>           | <b>(9.7)</b>   | <b>5.6</b>             |
| <b>Other gains (losses)</b>  | <b>(0.1)</b>          | <b>(35.4)</b>         | <b>99.5</b>    | <b>(0.4)</b>           |
| <b>Income before income taxes and minority interests</b>                   | <b>53.8</b>           | <b>15.3</b>           | <b>251.1</b>   | <b>27.9</b>            |
| <b>Current income tax</b>  | <b>0.5</b>            | <b>2.9</b>            | <b>(79.7)</b>  | <b>0.8</b>             |
| <b>Deferred income tax</b>   | <b>(1.3)</b>          | <b>2.4</b>            | <b>(154.8)</b> | <b>(0.4)</b>           |
| <b>Minority interests in net income of subsidiaries</b>                    | <b>3.5</b>            | <b>3.5</b>            | <b>(0.6)</b>   | <b>1.7</b>             |
| <b>Net income</b>  | <b>51.0</b>           | <b>6.4</b>            | <b>694.3</b>   | <b>25.7</b>            |
| Cash basis net income <sup>(3)</sup>                                       | 60.4                  | 16.0                  | 276.2          | 30.6                   |

(1) Represents results based on management accounting basis.

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

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

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

- Shinsei Bank reported total revenue of ¥199.0 billion for fiscal year 2012, which represents a slight decrease as compared to ¥202.9 billion for fiscal year 2011. While net interest income decreased due to the reduction in non-core assets and the lower balance of consumer finance loans, non-interest income increased as compared to fiscal year 2011.
- Net interest income of ¥111.6 billion recorded for fiscal year 2012 decreased by ¥5.2 billion from ¥116.9 billion recorded for fiscal year 2011. This was mainly due to compression of non-core assets, and the lower balance of consumer finance loans. However, the pace of decrease in consumer finance loans has slowed, and although marginal, the balance increased during the fourth quarter of fiscal year 2012. In addition, steady accumulation was recorded in loans for institutional customers and housing loans, resulting in an increase in the loan balance as of March 31, 2013. As a result, quarterly net interest income has been trending stably in fiscal year 2012, although a decrease in the balance of consumer finance loans with higher interest rates had a considerable impact.

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

|   | (Billions of yen, except percentages) |              |                     |                       |              |                     |                        |             |                     |
|---|---------------------------------------|--------------|---------------------|-----------------------|--------------|---------------------|------------------------|-------------|---------------------|
|   | FY2012<br>(12 months)                 |              |                     | FY2011<br>(12 months) |              |                     | 1HFY2012<br>(6 months) |             |                     |
|   | Average<br>Balance                    | Interest     | Yield/rate<br>(%)   | Average<br>Balance    | Interest     | Yield/rate<br>(%)   | Average<br>Balance     | Interest    | Yield/rate<br>(%)   |
| <b>Interest-earning assets <sup>(1)</sup> :</b>   |                                       |              |                     |                       |              |                     |                        |             |                     |
| Loans and bills discounted  | 4,246.2                               | 128.5        | 3.03                | 4,159.8               | 140.3        | 3.37                | 4,185.6                | 64.7        | 3.08                |
| Lease receivables and leased investment assets / installment receivables <sup>(1)</sup>                           | 568.4                                 | 35.6         | 6.26                | 545.6                 | 36.6         | 6.72                | 563.4                  | 17.6        | 6.24                |
| Securities  | 2,014.3                               | 17.0         | 0.85                | 2,394.6               | 17.8         | 0.74                | 1,886.7                | 8.6         | 0.91                |
| Other interest-earning assets <sup>(2)(3)</sup>   | 420.8                                 | 2.2          | n.m. <sup>(5)</sup> | 351.3                 | 1.5          | n.m. <sup>(5)</sup> | 376.5                  | 0.8         | n.m. <sup>(5)</sup> |
| <b>Total revenue on interest-earning assets (A) <sup>(1)</sup></b>  | <b>7,249.9</b>                        | <b>183.4</b> | <b>2.53</b>         | <b>7,451.4</b>        | <b>196.4</b> | <b>2.64</b>         | <b>7,012.4</b>         | <b>91.7</b> | <b>2.61</b>         |
| <b>Interest-bearing liabilities:</b>  |                                       |              |                     |                       |              |                     |                        |             |                     |
| Deposits, including negotiable certificates of deposit  | 5,450.2                               | 23.4         | 0.43                | 5,623.5               | 29.0         | 0.52                | 5,345.7                | 11.8        | 0.44                |
| Debentures  | 281.5                                 | 0.9          | 0.35                | 320.5                 | 1.4          | 0.46                | 289.2                  | 0.5         | 0.38                |
| Borrowed money  | 654.4                                 | 5.2          | 0.80                | 647.2                 | 5.5          | 0.86                | 608.8                  | 2.6         | 0.85                |
| Subordinated debt   | 92.5                                  | 1.9          | 2.08                | 94.5                  | 1.7          | 1.86                | 93.0                   | 0.9         | 2.07                |
| Other borrowed money  | 561.8                                 | 3.3          | 0.59                | 552.7                 | 3.8          | 0.69                | 515.8                  | 1.6         | 0.64                |
| Corporate bonds   | 176.9                                 | 5.4          | 3.09                | 170.1                 | 5.7          | 3.38                | 164.0                  | 2.5         | 3.09                |
| Subordinated bonds  | 153.7                                 | 5.0          | 3.30                | 145.6                 | 5.3          | 3.67                | 140.2                  | 2.3         | 3.40                |
| Other corporate bonds   | 23.2                                  | 0.3          | 1.70                | 24.5                  | 0.4          | 1.67                | 23.7                   | 0.1         | 1.25                |
| Other interest-bearing liabilities <sup>(2)</sup>   | 490.8                                 | 0.9          | n.m. <sup>(5)</sup> | 476.0                 | 0.9          | n.m. <sup>(5)</sup> | 383.6                  | 0.4         | n.m. <sup>(5)</sup> |
| <b>Total expense on interest-bearing liabilities (B)</b>  | <b>7,054.0</b>                        | <b>36.1</b>  | <b>0.51</b>         | <b>7,237.5</b>        | <b>42.8</b>  | <b>0.59</b>         | <b>6,791.5</b>         | <b>17.9</b> | <b>0.53</b>         |
| <b>Net interest margin (A)-(B) <sup>(1)</sup></b>   | <b>-</b>                              | <b>147.2</b> | <b>2.02</b>         | <b>-</b>              | <b>153.5</b> | <b>2.04</b>         | <b>-</b>               | <b>73.8</b> | <b>2.08</b>         |
| <b>Non interest-bearing sources of funds:</b>   |                                       |              |                     |                       |              |                     |                        |             |                     |
| Non interest-bearing (assets) liabilities, net  | (397.8)                               | -            | -                   | (342.8)               | -            | -                   | (355.4)                | -           | -                   |
| Total equity excluding minority interests in subsidiaries <sup>(4)</sup>  | 593.7                                 | -            | -                   | 556.7                 | -            | -                   | 576.4                  | -           | -                   |
| <b>Total non interest-bearing sources of funds (C)</b>  | <b>195.8</b>                          | <b>-</b>     | <b>-</b>            | <b>213.8</b>          | <b>-</b>     | <b>-</b>            | <b>220.9</b>           | <b>-</b>    | <b>-</b>            |
| <b>Sum of total expense on interest-bearing liabilities and non-interest-bearing sources of funds (D)=(B)+(C)</b> | <b>7,249.9</b>                        | <b>36.1</b>  | <b>0.50</b>         | <b>7,451.4</b>        | <b>42.8</b>  | <b>0.57</b>         | <b>7,012.4</b>         | <b>17.9</b> | <b>0.51</b>         |
| <b>Net revenue/yield on interest-earning assets (A)-(D) <sup>(1)</sup></b>  | <b>-</b>                              | <b>147.2</b> | <b>2.03</b>         | <b>-</b>              | <b>153.5</b> | <b>2.06</b>         | <b>-</b>               | <b>73.8</b> | <b>2.10</b>         |
| <b>Reconciliation of total revenue on interest-earning assets to total interest income:</b>                       |                                       |              |                     |                       |              |                     |                        |             |                     |
| Total revenue on interest-earning assets  | 7,249.9                               | 183.4        | 2.53                | 7,451.4               | 196.4        | 2.64                | 7,012.4                | 91.7        | 2.61                |
| Less: Income on lease transactions and installment receivables  | 568.4                                 | 35.6         | 6.26                | 545.6                 | 36.6         | 6.72                | 563.4                  | 17.6        | 6.24                |
| <b>Total interest income</b>  | <b>6,681.4</b>                        | <b>147.8</b> | <b>2.21</b>         | <b>6,905.7</b>        | <b>159.7</b> | <b>2.31</b>         | <b>6,448.9</b>         | <b>74.1</b> | <b>2.29</b>         |
| Total interest expense  | -                                     | 36.1         | -                   | -                     | 42.8         | -                   | -                      | 17.9        | -                   |
| <b>Net interest income</b>  | <b>-</b>                              | <b>111.6</b> | <b>-</b>            | <b>-</b>              | <b>116.9</b> | <b>-</b>            | <b>-</b>               | <b>56.1</b> | <b>-</b>            |

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

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

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

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

(5) n.m. is not meaningful.

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

- Net revenue on interest-earning assets includes net interest income as well as revenue earned on lease receivables and leased investment assets and installment receivables. The Bank considers income on lease transactions and installment receivables to be a component of interest income, but Japanese GAAP does not include income on lease transactions and installment receivables in net interest income. Under Japanese GAAP, therefore, income on lease transactions and installment receivables is reported in net other business income in our consolidated statements of operations.
- The net interest margin decreased slightly to 2.02% for fiscal year 2012, compared to 2.04% for fiscal year 2011.
  - This reflects the decrease in the yield on interest-earning assets caused by the lower balance of high-yield consumer finance loans. However, the decrease in the rate on interest-bearing liabilities

caused by a decrease in the rate on deposits including negotiable certificates of deposit, from 0.52% for fiscal year 2011 to 0.43% for fiscal year 2012, caused by maturities of relatively high-yield time deposits, mitigated the decrease in the net interest margin.

- The revenue on interest-earning assets for fiscal year 2012 was ¥147.2 billion, decreasing from ¥153.5 billion for fiscal year 2011.
  - While the total expense on interest-bearing liabilities decreased ¥6.7 billion from ¥42.8 billion for fiscal year 2011 to ¥36.1 billion for fiscal year 2012, this was offset by a ¥13.0 billion decrease in total revenue on interest-earning assets. The decrease in total revenue on interest-earning assets was due to the lower yield on loans and bills discounted, and a decrease in the balance of securities.

**Non-Interest Income -Table 3- (Consolidated)**

|  | <i>(Billions of yen, except percentages)</i> |                       |             |                        |
|--|--|-----------------------|-------------|------------------------|
|  | FY2012<br>(12 months)                        | FY2011<br>(12 months) | %<br>Change | 1HFY2012<br>(6 months) |
| Net fees and commissions                                 | 19.1   | 25.2                  | (23.9)      | 8.7                    |
| Net trading income                                       | 20.0   | 13.6                  | 46.9        | 9.5                    |
| Net other business income                                | 48.1   | 47.2                  | 1.9         | 29.5                   |
| Income on lease transactions and installment receivables | 35.6   | 36.6                  | (3.0)       | 17.6                   |
| <b>Total non-interest income</b>                         | <b>87.3</b>                                  | <b>86.0</b>           | <b>1.5</b>  | <b>47.9</b>            |

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

- Non-interest income consists of fees and commissions, trading income and other business income such as income from leased assets and installment receivables and gains and losses on sales of available-for-sale securities.
- Total non-interest income of ¥87.3 billion for fiscal year 2012 increased as compared to ¥86.0 billion for fiscal year 2011. In previous fiscal years, results were impacted significantly by substantial non-recurring investment-related losses, and gains realized from sales of non-core assets and repurchase of subordinated debt. However, during the fiscal year 2012 the impact of such non-recurring factors was limited. Also, efforts were made towards expansion of the customer base, and development and provision of products tailored to the needs of customers was implemented, which yielded results, and resulted in an increase of ¥1.2 billion as compared to fiscal year 2011.
- Net fees and commissions were mainly from non-recourse finance on domestic real estate, servicing fees in specialty finance and principal transactions, guarantee and other businesses operated by consumer finance subsidiaries, and sales of mutual funds and variable annuities. Net fees and commissions of ¥19.1 billion were recorded for fiscal year 2012, as compared to ¥25.2 billion for fiscal year 2011, mainly due to the decrease in servicing fee income of subsidiaries, while fees increased from mutual funds and structured bonds in retail banking.
- Net trading income includes revenues from derivatives with customer-driven transactions and those from proprietary trading. Net trading income of ¥20.0 billion was recorded for fiscal year 2012, an increase of ¥6.3 billion as compared to ¥13.6 billion for fiscal year 2011.
- Net other business income of ¥48.1 billion was recorded for fiscal year 2012, an increase of ¥0.8 billion as compared to ¥47.2 billion for fiscal year 2011. Income on installment receivables of ¥25.2 billion was recorded, an increase as compared to ¥23.7 billion for fiscal year 2011, combining the amount at APLUS FINANCIAL which steadily increased, and the results at Showa Leasing. Income from monetary trust management at the principal transactions business, which focuses on credit trading, was recorded at ¥8.2 billion, at approximately the same level as the ¥8.1 billion recorded in the fiscal year 2011. In ALM operations, net income from sales of Japanese national government bonds was recorded at ¥4.9 billion for fiscal year 2012, an increase as compared to ¥1.8 billion for fiscal year 2011. On the other hand, income from leased assets was recorded at ¥10.3 billion, a decrease as compared to ¥12.9 billion.

In addition, fiscal year 2011 included gains of ¥6.3 billion, net of withholding tax, on sales of foreign equities that had been classified as non-core assets, ¥5.2 billion of impairment of major listed securities, ¥3.3 billion of impairment of bonds related to domestic real estate non-recourse finance, and ¥1.5 billion of impairment of private equity investments. However, during the fiscal year 2012, no major gains on sales or impairments of securities were recorded; impairment of bonds related to domestic real estate non-recourse finance of ¥2.5 billion, and impairment of private equity investments of ¥1.0 billion were limited.

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

|  | <i>(Billions of yen, except percentages)</i> |                       |             |                        |
|--|--|-----------------------|-------------|------------------------|
|  | FY2012<br>(12 months)                        | FY2011<br>(12 months) | %<br>Change | 1HFY2012<br>(6 months) |
| Personnel expenses                         | 51.5   | 51.0                  | 1.0         | 25.2                   |
| Non-personnel expenses <sup>(1)</sup>      | 77.0   | 76.9                  | 0.2         | 38.5                   |
| Premises expenses                          | 19.4   | 20.4                  | (4.8)       | 9.6                    |
| Technology and data processing expenses    | 17.6   | 17.2                  | 2.0         | 8.9                    |
| Advertising expenses                       | 9.2  | 9.1                   | 0.6         | 4.3                    |
| Consumption and property taxes             | 6.5  | 6.3                   | 2.1         | 3.3                    |
| Deposit insurance premium                  | 3.5  | 4.6                   | (23.7)      | 2.1                    |
| Other general and administrative expenses  | 20.6   | 18.9                  | 9.0         | 10.0                   |
| <b>General and administrative expenses</b> | <b>128.6</b>                                 | <b>127.9</b>          | <b>0.5</b>  | <b>63.7</b>            |

(1) Items included in non-personnel expenses have been reclassified from 3Q FY2012.

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

- General and administrative expenses of ¥128.6 billion for fiscal year 2012 increased slightly from ¥127.9 billion for fiscal year 2011. With the aim of expanding our customer base and stabilizing our earnings, we prioritized the allocation of management resources to relevant business areas while promoting business rationalization and streamlining by practicing strict expense management for each expense category.
- Personnel expenses of ¥51.5 billion for fiscal year 2012 increased slightly from ¥51.0 billion for fiscal year 2011. Although we have allocated additional personnel to relevant business areas with the aim of expanding our customer base and stabilizing our earnings, we ensured there was not any excessive increase in personnel expenses by implementing personnel expense streamlining across our businesses.
- Non-personnel expenses were ¥77.0 billion for fiscal year 2012, almost at the same level of ¥76.9 billion for fiscal year 2011, as we have worked to rationalize expenses across all of our business lines through strict expense control discipline, while also enhancing our business infrastructure.
  - Premises expenses of ¥19.4 billion for fiscal year 2012 decreased from ¥20.4 billion for fiscal year 2011, reflecting our continuous efforts at expense streamlining.
  - Technology and data processing expenses of ¥17.6 billion for fiscal year 2012 increased from ¥17.2 billion for fiscal year 2011, mainly due to additional depreciation from capital expenditures related to system development.
  - Advertising expenses of ¥9.2 billion for fiscal year 2012 were almost at the same level as compared to ¥9.1 billion for fiscal year 2011, as we have promoted advertising activities with the aim to expand our customer base in concurrence with lowering of respective unit costs.
  - Consumption and property taxes of ¥6.5 billion for fiscal year 2012 increased from ¥6.3 billion for fiscal year 2011 due to the enhancement of business infrastructure including capital expenditures related to system development.
  - Deposit insurance premium expenses of ¥3.5 billion for fiscal year 2012 decreased from ¥4.6 billion for fiscal year 2011, mainly due to the reduction of the insurance premium rate.
  - Other general and administrative expenses of ¥20.6 billion for fiscal year 2012 increased from ¥18.9 billion for fiscal year 2011, including an increase in temporary staff expenses as we began operating a new IT system in parallel with the old system.

**Net Credit Costs -Table 5- (Consolidated)**

|  | <i>(Billions of yen, except percentages)</i> |                       |               |                        |
|--|--|-----------------------|---------------|------------------------|
|  | FY2012<br>(12 months)                        | FY2011<br>(12 months) | %<br>Change   | 1HFY2012<br>(6 months) |
| Losses on write-off of loans/Losses on sale of loans                           | 8.4  | 5.7                   | 46.6          | 3.2                    |
| Net provision of reserve for loan losses:                                      | 13.7   | 36.3                  | (62.0)        | 9.0                    |
| Net provision (reversal) of general reserve for loan losses                    | (5.3)  | (5.9)                 | 10.0          | 0.7                    |
| Net provision of specific reserve for loan losses                              | 19.1   | 42.2                  | (54.7)        | 8.3                    |
| Net provision (reversal) of reserve for loan losses to restructuring countries | -  | (0.0)                 | 100.0         | -                      |
| Net provision (reversal) of specific reserve for other credit losses           | (0.0)  | (17.2)                | 99.9          | (0.0)                  |
| Other credit costs (reversal) relating to leasing business                     | (0.4)  | (1.6)                 | 70.7          | (0.4)                  |
| Recoveries of written-off claims   | (16.2)                                       | (10.8)                | (49.9)        | (5.6)                  |
| <b>Net credit costs (recoveries)</b>   | <b>5.5</b>                                   | <b>12.2</b>           | <b>(55.0)</b> | <b>6.2</b>             |

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

- Net credit costs of ¥5.5 billion were recorded for fiscal year 2012, a significant improvement as compared to ¥12.2 billion for fiscal year 2011. We have been able to achieve this significant improvement because although the balance of loans and bills discounted increased due to accumulation of institutional business loans and housing loans, large reserves for credit losses were not recorded as in previous years as a result of reduction of non-core assets aimed at limiting potential risks, and strict credit management. There was also an improvement in the creditworthiness of some institutional accounts.
- For fiscal year 2012, recoveries of written-off claims were ¥16.2 billion, compared to ¥10.8 billion of recoveries of written-off claims for fiscal year 2011. This shows that the performance of ¥21.7 billion recorded for fiscal year 2012 has improved as compared to ¥23.1 billion recorded for fiscal year 2011, even when excluding recoveries of written-off claims from net credit costs.
- The recoveries of written-off claims for fiscal year 2012 of ¥16.2 billion included ¥8.5 billion at Shinsei Bank (non-consolidated basis), ¥6.5 billion at Shinsei Financial, and ¥1.0 billion at SHINKI.

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

|   | <i>(Billions of yen, except percentages)</i> |                       |              |                        |
|---|--|-----------------------|--------------|------------------------|
|   | FY2012<br>(12 months)                        | FY2011<br>(12 months) | %<br>Change  | 1HFY2012<br>(6 months) |
| Shinsei Financial   | 7.4  | 8.5                   | (13.1)       | 3.9                    |
| SHINKI  | (0.3)  | (0.3)                 | 0.0          | (0.1)                  |
| APLUS FINANCIAL   | 0.8  | 0.8                   | (0.0)        | 0.4                    |
| Showa Leasing   | 2.8  | 2.9                   | (1.1)        | 1.4                    |
| Others  | (0.0)  | (0.0)                 | 0.0          | (0.0)                  |
| <b>Amortization of goodwill and other intangible assets</b> | <b>10.7</b>                                  | <b>11.9</b>           | <b>(9.7)</b> | <b>5.6</b>             |

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

- Amortization of goodwill and other intangible assets associated with the acquisition of consumer and commercial finance companies totaled ¥10.7 billion for fiscal year 2012 compared to ¥11.9 billion for fiscal year 2011.
- The lower amount is attributable to factors including the sum-of-the-years' digits method for amortization of goodwill and intangible assets related to Shinsei Financial.
- Amortization of goodwill and other intangible assets of APLUS FINANCIAL was ¥0.8 billion for fiscal year 2012 related to the amortization of goodwill for Zen-Nichi Shinpan, a subsidiary of APLUS FINANCIAL. Full impairment of goodwill and intangible assets for APLUS FINANCIAL was taken at the end of fiscal year 2009.

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

*(Billions of yen, except percentages)*

|  | FY2012<br>(12 months) | FY2011<br>(12 months) | %<br>Change | 1HFY2012<br>(6 months) |
|--|-----------------------|-----------------------|-------------|------------------------|
| Extraordinary income (loss)                            | (0.6)                 | (1.4)                 | 55.9        | (0.2)                  |
| Net gain on disposal of premises and equipment         | 0.1                   | (0.5)                 | 135.4       | 0.2                    |
| Other extraordinary income (loss)                      | (0.8)                 | (0.8)                 | 9.3         | (0.4)                  |
| Provisions of reserve for losses on interest repayment | -                     | (32.8)                | 100.0       | -                      |
| Shinsei Financial                                      | -                     | (15.9)                | 100.0       | -                      |
| Shinki   | -                     | (11.5)                | 100.0       | -                      |
| APLUS FINANCIAL  | -                     | (5.3)                 | 100.0       | -                      |
| Other  | -                     | -                     | -           | -                      |
| Other  | 0.4                   | (1.1)                 | 138.8       | (0.2)                  |
| <b>Other gains (losses)</b>                            | <b>(0.1)</b>          | <b>(35.4)</b>         | <b>99.5</b> | <b>(0.4)</b>           |

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

- Other losses of ¥0.1 billion were recorded for fiscal year 2012, a significant improvement as compared to ¥35.4 billion for fiscal year 2011, which was mainly due to an absence of additional provisions for losses on interest repayment in fiscal year 2012, as provisions for losses on interest repayment of ¥32.8 billion, which were taken upfront as a measure to cover future costs, were recorded during fiscal year 2011. From fiscal year 2011, recoveries

of written-off claims are categorized into net credit costs and not included in other gains (losses), according to revised Report No.14 "Practical Guidelines on Accounting Standards for Financial Instruments" issued by the Accounting Practice Committee of the Japanese Institute of Certified Public Accountants (JICPA), on March 29, 2011.

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

*(Billions of yen, except percentages)*

|  | FY2012<br>(12 months) | FY2011<br>(12 months) | %<br>Change  | 1HFY2012<br>(6 months) |
|--|-----------------------|-----------------------|--------------|------------------------|
| Dividends on perpetual preferred securities (hybrid Tier I capital) issued by foreign SPCs | 3.1                   | 3.0                   | 1.6          | 1.5                    |
| Others   | 0.4                   | 0.4                   | (14.5)       | 0.2                    |
| <b>Minority interests in net income of subsidiaries</b>                                    | <b>3.5</b>            | <b>3.5</b>            | <b>(0.6)</b> | <b>1.7</b>             |

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

- Minority interests in net income of subsidiaries for fiscal year 2012 were ¥3.5 billion. Minority interests in net income of subsidiaries largely reflect dividends accrued on perpetual preferred securities issued by the bank's subsidiaries, and minority interests in the net income of

other consolidated subsidiaries for fiscal year 2012. Minority interests in net income of subsidiaries for fiscal year 2012 were the same as the ¥3.5 billion recorded for fiscal year 2011.

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

|   | (Billions of yen)     |                       |                   |                       |                   |
|---|-----------------------|-----------------------|-------------------|-----------------------|-------------------|
|   | Mar 31<br>2013<br>(a) | Mar 31<br>2012<br>(b) | Change<br>(a)-(b) | Sep 30<br>2012<br>(c) | Change<br>(a)-(c) |
| Loans and bills discounted                                    | 4,292.4               | 4,136.8               | 155.6             | 4,281.9               | 10.5              |
| Installment receivables                                       | 365.8                 | 347.9                 | 17.8              | 356.0                 | 9.7               |
| Leased assets, lease receivables and leased investment assets | 222.5                 | 214.7                 | 7.8               | 216.6                 | 5.8               |
| Securities  | 1,842.3               | 1,873.4               | (31.1)            | 2,003.4               | (161.0)           |
| Other monetary claims purchased                               | 112.3                 | 130.9                 | (18.6)            | 120.3                 | (8.0)             |
| Other interest earning assets <sup>(1)</sup>                  | 765.2                 | 561.9                 | 203.3             | 484.4                 | 280.8             |
| Trading assets  | 287.9                 | 202.6                 | 85.2              | 217.9                 | 69.9              |
| Monetary assets held in trust                                 | 233.8                 | 267.6                 | (33.7)            | 260.1                 | (26.3)            |
| Goodwill, net   | 35.3                  | 41.9                  | (6.5)             | 38.2                  | (2.8)             |
| Other intangible assets <sup>(2)</sup>                        | 12.4                  | 16.2                  | (3.7)             | 14.2                  | (1.7)             |
| Other assets  | 509.6                 | 433.3                 | 76.3              | 510.7                 | (1.1)             |
| Customer's liabilities for acceptances and guarantees         | 511.0                 | 562.6                 | (51.5)            | 550.2                 | (39.2)            |
| Reserve for credit losses                                     | (161.8)               | (180.6)               | 18.8              | (171.9)               | 10.1              |
| <b>Total assets</b>   | <b>9,029.3</b>        | <b>8,609.6</b>        | <b>419.6</b>      | <b>8,882.5</b>        | <b>146.8</b>      |
| Deposits and negotiable certificates of deposit               | 5,457.5               | 5,362.4               | 95.1              | 5,374.6               | 82.8              |
| Debentures  | 262.3                 | 294.1                 | (31.7)            | 277.6                 | (15.2)            |
| Borrowed money  | 719.2                 | 476.7                 | 242.5             | 718.3                 | 0.9               |
| Corporate bonds   | 174.2                 | 168.7                 | 5.4               | 163.5                 | 10.7              |
| Other interest bearing liabilities <sup>(3)</sup>             | 300.1                 | 409.4                 | (109.3)           | 432.8                 | (132.7)           |
| Trading liabilities   | 240.0                 | 176.0                 | 64.0              | 158.2                 | 81.8              |
| Reserve for losses on interest repayments                     | 34.9                  | 50.9                  | (15.9)            | 41.5                  | (6.5)             |
| Other liabilities   | 645.9                 | 480.8                 | 165.0             | 518.1                 | 127.7             |
| Acceptances and guarantees                                    | 511.0                 | 562.6                 | (51.5)            | 550.2                 | (39.2)            |
| <b>Total liabilities</b>                                      | <b>8,345.6</b>        | <b>7,982.0</b>        | <b>363.6</b>      | <b>8,235.2</b>        | <b>110.3</b>      |
| <b>Total equity</b>   | <b>683.6</b>          | <b>627.6</b>          | <b>55.9</b>       | <b>647.2</b>          | <b>36.4</b>       |

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

(2) Intangible assets recorded through consolidation of Shinsei 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

- Balance of Shinsei Bank's loans and bills discounted was ¥4,292.4 billion as of March 31, 2013, an increase of ¥155.6 billion from March 31, 2012.
  - The Institutional Group grew their balance of loans and bills discounted, due to efforts to make new loan disbursements, while housing loans increased in the Individual Group. On the other hand, we saw continued reduction of our non-core assets, and a lower loan balance within our consumer finance business due to the impact of the revised Money-Lending Business Control and Regulation Law. However, the pace of decrease in the consumer finance loan balance has gradually become less pronounced, mainly due to the commencement of the Bank-based consumer finance business from October 2011. The loan balance within our consumer finance business has increased slightly on a quarterly basis in the fourth quarter. The total loans and bills discounted increased due to an increase in core business loans and bills discounted which exceeded the negative factors.
- Securities balance as of March 31, 2013 was ¥1,842.3 billion, almost the same of ¥1,873.4 billion as of March 31, 2012.
  - This consists mainly of Japanese national government bonds for ALM purposes, including liquidity reserves, resulting in a total balance of Japanese national government bonds of ¥1,337.3 billion as of March 31, 2013, as compared to ¥1,285.1 as of March 31, 2012.
- Balance of total deposits and negotiable certificates of deposits was ¥5,457.5 billion as of March 31, 2013, compared to ¥5,362.4 billion as of March 31, 2012.
  - Shinsei Bank continues to optimize its funding base by focusing on deposits from retail customers.

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

|   | (Billions of yen)     |                       |                   |                       |                   |
|---|-----------------------|-----------------------|-------------------|-----------------------|-------------------|
|   | Mar 31<br>2013<br>(a) | Mar 31<br>2012<br>(b) | Change<br>(a)-(b) | Sep 30<br>2012<br>(c) | Change<br>(a)-(c) |
| Loans to bankrupt obligors                                  | 20.5                  | 8.1                   | 12.4              | 18.9                  | 1.6               |
| Non-accrual delinquent loans                                | 252.9                 | 316.7                 | (63.8)            | 284.6                 | (31.7)            |
| Loans past due for three months or more                     | 1.2                   | 1.7                   | (0.4)             | 1.7                   | (0.4)             |
| Restructured loans  | 38.1                  | 45.3                  | (7.2)             | 40.8                  | (2.6)             |
| <b>Total (A)</b>  | <b>312.8</b>          | <b>371.9</b>          | <b>(59.0)</b>     | <b>346.0</b>          | <b>(33.2)</b>     |
| <b>Loans and bills discounted (B)</b>                       | <b>4,292.4</b>        | <b>4,136.8</b>        | <b>155.6</b>      | <b>4,281.9</b>        | <b>10.5</b>       |
| Ratio to total loans and bills discounted (A / B X 100) (%) | 7.29%                 | 8.99%                 | /                 | 8.08%                 | /                 |
| <b>Reserve for credit losses (C)</b>                        | <b>161.8</b>          | <b>180.6</b>          | <b>(18.8)</b>     | <b>171.9</b>          | <b>(10.1)</b>     |
| Reserve ratio (C / A X 100)                                 | 51.7%                 | 48.6%                 | /                 | 49.7%                 | /                 |

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

- In accordance with the Bank's First Medium-Term Management Plan, we have worked to decrease potential losses as a key priority, including the reduction of non-core assets. Risk monitored loans totaled ¥312.8 billion as of March 31 2013, compared to ¥371.9 billion as of March 31, 2012, ¥395.0 billion as of March 31, 2011 and ¥432.3 billion as of March 31, 2010 at the start of the Bank's First Medium-Term Management Plan. During

fiscal year 2012, risk monitored loans decreased by ¥59.0 billion.

- The ratio of risk monitored loans to total loans and bills discounted was 7.29% as of March 31, 2013 and declined 170 basis points compared to March 31, 2012.

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

|  | (Billions of yen)     |                       |                   |                       |                   |
|--|-----------------------|-----------------------|-------------------|-----------------------|-------------------|
|  | Mar 31<br>2013<br>(a) | Mar 31<br>2012<br>(b) | Change<br>(a)-(b) | Sep 30<br>2012<br>(c) | Change<br>(a)-(c) |
| General reserve for loan losses              | 67.7                  | 80.9                  | (13.2)            | 77.8                  | (10.1)            |
| Specific reserve for loan losses             | 94.1                  | 99.6                  | (5.5)             | 94.1                  | (0.0)             |
| Reserve for loans to restructuring countries | 0.0                   | 0.0                   | -                 | 0.0                   | -                 |
| <b>Total reserve for credit losses</b>       | <b>161.8</b>          | <b>180.6</b>          | <b>(18.8)</b>     | <b>171.9</b>          | <b>(10.1)</b>     |

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

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

|   | (Billions of yen)     |                       |                   |                       |                   |
|---|-----------------------|-----------------------|-------------------|-----------------------|-------------------|
|   | Mar 31<br>2013<br>(a) | Mar 31<br>2012<br>(b) | Change<br>(a)-(b) | Sep 30<br>2012<br>(c) | Change<br>(a)-(c) |
| Domestic offices (excluding Japan offshore market account):   |                       |                       |                   |                       |                   |
| Manufacturing   | 242.9                 | 244.5                 | (1.5)             | 234.6                 | 8.3               |
| Agriculture and forestry  | 0.2                   | 0.3                   | (0.0)             | 0.2                   | (0.0)             |
| Fishery   | -                     | -                     | -                 | -                     | -                 |
| Mining, quarrying and gravel extraction   | 0.1                   | 0.2                   | (0.1)             | 0.2                   | (0.1)             |
| Construction  | 13.9                  | 15.9                  | (1.9)             | 16.8                  | (2.9)             |
| Electric power, gas, heat supply and water supply   | 124.8                 | 48.6                  | 76.1              | 110.2                 | 14.5              |
| Information and communications  | 31.7                  | 39.9                  | (8.1)             | 40.0                  | (8.2)             |
| Transportation and postal service   | 230.0                 | 245.0                 | (15.0)            | 232.4                 | (2.3)             |
| Wholesale and retail  | 74.4                  | 86.0                  | (11.5)            | 83.0                  | (8.6)             |
| Finance and insurance   | 720.0                 | 694.7                 | 25.2              | 748.9                 | (28.8)            |
| Real estate   | 597.7                 | 598.3                 | (0.6)             | 614.8                 | (17.1)            |
| Services  | 314.2                 | 307.5                 | 6.7               | 309.8                 | 4.4               |
| Local government  | 114.0                 | 139.5                 | (25.4)            | 118.0                 | (3.9)             |
| Others  | 1,768.1               | 1,622.4               | 145.7             | 1,687.2               | 80.9              |
| Loans to individual customers (retail banking, Shinsei Bank Lake,<br>Shinsei Financial, Shinki and APLUS FINANCIAL) | 1,561.3               | 1,439.4               | 121.8             | 1,493.2               | 68.0              |
| <b>Total domestic (A)</b>   | <b>4,232.7</b>        | <b>4,043.4</b>        | <b>189.2</b>      | <b>4,196.7</b>        | <b>35.9</b>       |
| Overseas offices (including Japan offshore market accounts):  |                       |                       |                   |                       |                   |
| Governments   | 1.8                   | 2.0                   | (0.1)             | 1.9                   | (0.0)             |
| Financial institutions  | 0.8                   | 1.0                   | (0.1)             | 0.8                   | 0.0               |
| Others  | 56.9                  | 90.2                  | (33.2)            | 82.3                  | (25.3)            |
| <b>Total overseas (B)</b>   | <b>59.7</b>           | <b>93.3</b>           | <b>(33.6)</b>     | <b>85.1</b>           | <b>(25.4)</b>     |
| <b>Total (A+B)</b>  | <b>4,292.4</b>        | <b>4,136.8</b>        | <b>155.6</b>      | <b>4,281.9</b>        | <b>10.5</b>       |

**Securities by Category -Table 13- (Consolidated)**

|  | (Billions of yen) |                |                |
|--|-------------------|----------------|----------------|
|  | Mar 31<br>2013    | Mar 31<br>2012 | Sep 30<br>2012 |
| Trading securities   | 0.6               | 0.6            | 0.5            |
| Securities being held to maturity  | 639.8             | 658.5          | 653.9          |
| Securities available for sale  | 1,162.7           | 1,175.6        | 1,312.2        |
| Securities carried at fair value   | 1,094.8           | 1,092.3        | 1,249.1        |
| Securities carried at cost whose fair value cannot be<br>reliably determined | 67.8              | 83.2           | 63.0           |
| Equity securities of unconsolidated subsidiaries and affiliates              | 39.1              | 38.6           | 36.7           |
| <b>Securities</b>  | <b>1,842.3</b>    | <b>1,873.4</b> | <b>2,003.4</b> |

**Securities Being Held to Maturity -Table 14- (Consolidated)***(Billions of yen)*

|  | March 31, 2013  |              |                        | March 31, 2012  |              |                        | September 30, 2012 |              |                        |
|--|-----------------|--------------|------------------------|-----------------|--------------|------------------------|--------------------|--------------|------------------------|
|  | Carrying amount | Fair value   | Unrealized gain (loss) | Carrying amount | Fair value   | Unrealized gain (loss) | Carrying amount    | Fair value   | Unrealized gain (loss) |
| Fair value exceeds carrying amount         |                 |              |                        |                 |              |                        |                    |              |                        |
| Japanese national government bonds         | 584.8           | 589.4        | 4.5                    | 585.6           | 590.9        | 5.3                    | 585.2              | 590.4        | 5.2                    |
| Japanese corporate bonds                   | -               | -            | -                      | 22.8            | 23.0         | 0.2                    | 21.5               | 21.7         | 0.1                    |
| Other                                      | 51.9            | 56.7         | 4.8                    | 40.2            | 44.2         | 4.0                    | 40.9               | 44.9         | 3.9                    |
| Subtotal                                   | 636.7           | 646.1        | 9.3                    | 648.7           | 658.2        | 9.5                    | 647.8              | 657.1        | 9.3                    |
| Fair value does not exceed carrying amount |                 |              |                        |                 |              |                        |                    |              |                        |
| Japanese national government bonds         | -               | -            | -                      | -               | -            | -                      | -                  | -            | -                      |
| Japanese corporate bonds                   | -               | -            | -                      | -               | -            | -                      | -                  | -            | -                      |
| Other                                      | 3.0             | 3.0          | (0.0)                  | 9.8             | 9.2          | (0.5)                  | 6.1                | 5.7          | (0.3)                  |
| Subtotal                                   | 3.0             | 3.0          | (0.0)                  | 9.8             | 9.2          | (0.5)                  | 6.1                | 5.7          | (0.3)                  |
| <b>Total</b>                               | <b>639.8</b>    | <b>649.1</b> | <b>9.3</b>             | <b>658.5</b>    | <b>667.5</b> | <b>8.9</b>             | <b>653.9</b>       | <b>662.9</b> | <b>9.0</b>             |

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

|   | (Billions of yen)               |                                |                        |                                 |                                |                        |                                 |                                |                        |
|---|---------------------------------|--------------------------------|------------------------|---------------------------------|--------------------------------|------------------------|---------------------------------|--------------------------------|------------------------|
|   | March 31, 2013                  |                                |                        | March 31, 2012                  |                                |                        | September 30, 2012              |                                |                        |
|   | Carrying amount<br>(Fair value) | Amortized/<br>Acquisition cost | Unrealized gain (loss) | Carrying amount<br>(Fair value) | Amortized/<br>Acquisition cost | Unrealized gain (loss) | Carrying amount<br>(Fair value) | Amortized/<br>Acquisition cost | Unrealized gain (loss) |
| <b>Carrying amount exceeds amortized/acquisition cost</b>           |                                 |                                |                        |                                 |                                |                        |                                 |                                |                        |
| Equity securities   | 16.4                            | 10.0                           | 6.4                    | 17.1                            | 11.5                           | 5.5                    | 11.0                            | 7.7                            | 3.2                    |
| Domestic bonds  | 80.6                            | 78.3                           | 2.2                    | 681.8                           | 679.4                          | 2.3                    | 739.8                           | 736.9                          | 2.8                    |
| Japanese national government bonds                                  | 39.6                            | 38.1                           | 1.4                    | 619.5                           | 617.6                          | 1.9                    | 671.4                           | 669.4                          | 1.9                    |
| Japanese local government bonds                                     | 0.5                             | 0.5                            | 0.0                    | 1.7                             | 1.7                            | 0.0                    | 1.7                             | 1.7                            | 0.0                    |
| Japanese corporate bonds  | 40.4                            | 39.6                           | 0.7                    | 60.4                            | 60.0                           | 0.3                    | 66.6                            | 65.7                           | 0.8                    |
| Other   | 89.1                            | 84.7                           | 4.4                    | 71.2                            | 66.8                           | 4.4                    | 85.1                            | 81.7                           | 3.4                    |
| Foreign securities  | 86.0                            | 81.9                           | 4.1                    | 55.7                            | 51.5                           | 4.1                    | 71.3                            | 68.2                           | 3.1                    |
| Foreign currency denominated foreign corporate and government bonds | 46.0                            | 43.4                           | 2.5                    | 31.4                            | 28.6                           | 2.8                    | 40.3                            | 37.9                           | 2.3                    |
| Yen-denominated foreign corporate and government bonds              | 37.9                            | 36.9                           | 1.0                    | 19.6                            | 19.4                           | 0.2                    | 29.4                            | 28.9                           | 0.4                    |
| Foreign equity securities and others                                | 2.0                             | 1.5                            | 0.5                    | 4.6                             | 3.4                            | 1.1                    | 1.6                             | 1.2                            | 0.3                    |
| Other securities  | 1.1                             | 0.9                            | 0.2                    | 1.1                             | 0.9                            | 0.1                    | 1.1                             | 0.9                            | 0.2                    |
| Other monetary claims purchased                                     | 1.9                             | 1.9                            | 0.0                    | 14.4                            | 14.4                           | 0.0                    | 12.6                            | 12.5                           | 0.0                    |
| Subtotal  | 186.3                           | 173.1                          | 13.1                   | 770.2                           | 757.9                          | 12.3                   | 835.9                           | 826.4                          | 9.5                    |
| <b>Carrying amount does not exceed amortized/acquisition cost</b>   |                                 |                                |                        |                                 |                                |                        |                                 |                                |                        |
| Equity securities   | 2.9                             | 3.6                            | (0.6)                  | 2.1                             | 2.7                            | (0.6)                  | 4.9                             | 6.2                            | (1.3)                  |
| Domestic bonds  | 856.0                           | 859.1                          | (3.0)                  | 247.7                           | 251.7                          | (3.9)                  | 368.5                           | 371.4                          | (2.8)                  |
| Japanese national government bonds                                  | 712.8                           | 713.8                          | (0.9)                  | 79.9                            | 80.7                           | (0.7)                  | 219.5                           | 220.1                          | (0.5)                  |
| Japanese local government bonds                                     | -                               | -                              | -                      | -                               | -                              | -                      | -                               | -                              | -                      |
| Japanese corporate bonds  | 143.1                           | 145.2                          | (2.0)                  | 167.7                           | 170.9                          | (3.2)                  | 149.0                           | 151.3                          | (2.3)                  |
| Other   | 51.4                            | 51.9                           | (0.5)                  | 88.1                            | 91.3                           | (3.1)                  | 52.2                            | 54.4                           | (2.1)                  |
| Foreign securities  | 50.8                            | 51.4                           | (0.5)                  | 86.1                            | 89.3                           | (3.1)                  | 51.7                            | 53.8                           | (2.1)                  |
| Foreign currency denominated foreign corporate and government bonds | 46.8                            | 47.1                           | (0.3)                  | 38.0                            | 40.6                           | (2.6)                  | 38.2                            | 39.7                           | (1.4)                  |
| Yen-denominated foreign corporate and government bonds              | 2.9                             | 3.0                            | (0.1)                  | 48.0                            | 48.5                           | (0.4)                  | 13.4                            | 14.0                           | (0.6)                  |
| Foreign equity securities and others                                | 1.1                             | 1.1                            | (0.0)                  | 0.0                             | 0.0                            | -                      | 0.0                             | 0.0                            | -                      |
| Other securities  | 0.5                             | 0.5                            | -                      | 0.5                             | 0.5                            | -                      | 0.5                             | 0.5                            | -                      |
| Other monetary claims purchased                                     | -                               | -                              | -                      | 1.4                             | 1.4                            | (0.0)                  | -                               | -                              | -                      |
| Subtotal  | 910.4                           | 914.7                          | (4.2)                  | 338.0                           | 345.7                          | (7.7)                  | 425.8                           | 432.1                          | (6.3)                  |
| <b>Total<sup>(1)(2)</sup></b>                                       | <b>1,096.7</b>                  | <b>1,087.9</b>                 | <b>8.8</b>             | <b>1,108.3</b>                  | <b>1,103.7</b>                 | <b>4.6</b>             | <b>1,261.8</b>                  | <b>1,258.5</b>                 | <b>3.2</b>             |

(1) Includes a part of other monetary claims purchased in addition to securities available for sale. Total amounts of securities available for sale excluding such other monetary claims purchased as of March 31, 2013, March 31, 2012 and September 30, 2012 were ¥1,094.8 billion, ¥1,092.3 billion and ¥1,249.1 billion, respectively.

(2) Securities whose fair value cannot be reliably determined are not included.

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

|  | (Billions of yen) |                |                    |
|--|-------------------|----------------|--------------------|
|  | March 31, 2013    | March 31, 2012 | September 30, 2012 |
| <b>Unrealized gain (loss) before deferred tax on:</b>  |                   |                |                    |
| Available-for-sale securities  | 8.8               | 4.6            | 3.2                |
| The Bank's interests in available-for-sale securities held by partnerships recorded as securities whose fair value cannot be reliably determined and other adjustments | 0.0               | (0.0)          | 0.1                |
| Securities being held to maturity, reclassified from available-for-sale in the past, under extremely illiquid market conditions  | (4.9)             | (5.1)          | (4.5)              |
| Deferred tax assets (liabilities)  | (0.4)             | (0.1)          | (0.1)              |
| <b>Unrealized gain (loss) on available-for-sale securities before interest adjustments</b>   |                   |                |                    |
| Minority interests   | (0.0)             | (0.0)          | 0.0                |
| The Bank's interests in unrealized gain (loss) on available-for-sale securities held by affiliates to which the equity method is applied                               | 0.3               | 0.0            | 0.2                |
| <b>Unrealized gain (loss) on available-for-sale securities</b>   | <b>3.8</b>        | <b>(0.6)</b>   | <b>(1.0)</b>       |

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

(Billions of yen)

| Notional Principal Amount (Consolidated) | March 31, 2013 |                        |              |              |
|--|----------------|------------------------|--------------|--------------|
|  | 1 year or less | Over 1 year to 5 years | Over 5 years | Total        |
| Interest rate swaps:                     |                |                        |              |              |
| Receive fixed and pay floating           | 209.5          | 315.2                  | 89.0         | 613.8        |
| Receive floating and pay fixed           | 12.4           | 83.2                   | 141.3        | 237.1        |
| Receive floating and pay floating        | —              | —                      | —            | —            |
| <b>Total notional principal amount</b>   | <b>222.0</b>   | <b>398.5</b>           | <b>230.3</b> | <b>850.9</b> |
| Currency swaps:                          |                |                        |              |              |
| <b>Total notional principal amount</b>   | <b>23.8</b>    | <b>9.4</b>             | <b>—</b>     | <b>33.3</b>  |

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

(Billions of yen)

|  | Mar 31 2013<br>(a) | Mar 31 2012<br>(b) | Change<br>(a)-(b) | Sep 30 2012<br>(c) | Change<br>(a)-(c) |
|--|--------------------|--------------------|-------------------|--------------------|-------------------|
| Deposits                                   | 5,252.9            | 5,184.3            | 68.6              | 5,058.2            | 194.7             |
| Liquid (current, ordinary, note) deposits  | 1,584.5            | 1,513.3            | 71.1              | 1,563.0            | 21.4              |
| Time deposits <sup>(1)</sup>               | 3,250.5            | 3,292.7            | (42.2)            | 3,112.1            | 138.3             |
| Other                                      | 417.8              | 378.1              | 39.7              | 383.0              | 34.8              |
| Negotiable certificates of deposits (NCDs) | 204.6              | 178.0              | 26.5              | 316.4              | (111.8)           |
| <b>Total</b>                               | <b>5,457.5</b>     | <b>5,362.4</b>     | <b>95.1</b>       | <b>5,374.6</b>     | <b>82.8</b>       |

(1) Includes two-week maturity deposits

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

**Financial Ratios -Table 18- (Consolidated)**

|   | FY2012<br>(12 months) | FY2011<br>(12 months) | 1HFY2012<br>(6 months) |
|---|-----------------------|-----------------------|------------------------|
| Return on assets <sup>(1)</sup>                               | <b>0.6%</b>           | 0.1%                  | 0.6% <sup>(5)</sup>    |
| Return on equity <sup>(2)</sup>                               | <b>8.6%</b>           | 1.2%                  | 8.9% <sup>(5)</sup>    |
| Return on equity (fully diluted) <sup>(3)</sup>               | <b>8.6%</b>           | 1.2%                  | 8.9% <sup>(5)</sup>    |
| Cash basis return on assets <sup>(1)</sup>                    | <b>0.7%</b>           | 0.2%                  | 0.7% <sup>(5)</sup>    |
| Cash basis return on equity <sup>(2)(4)</sup>                 | <b>11.1%</b>          | 3.2%                  | 11.6% <sup>(5)</sup>   |
| Cash basis return on equity (fully diluted) <sup>(3)(4)</sup> | <b>11.1%</b>          | 3.2%                  | 11.6% <sup>(5)</sup>   |
| Expense-to-revenue ratio <sup>(6)(7)</sup>                    | <b>64.6%</b>          | 63.1%                 | 61.3%                  |

(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:

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

(3) Return on equity (fully diluted):

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

(4) The denominator is calculated as:

((Total capital – goodwill – intangible assets acquired in business combinations (net of associated deferred tax liability) at the beginning of the period) + (the same values at the end of the period)) / 2.

(5) Annualized basis.

(6) Management accounting basis.

(7) Expense denotes general and administrative expenses.

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

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

(Billions of yen, except percentages)

|   | Mar 31<br>2013<br>(a) | Mar 31<br>2012<br>(b) | Change<br>(a)-(b) | Sep 30<br>2012<br>(c) | Change<br>(a)-(c) |
|---|-----------------------|-----------------------|-------------------|-----------------------|-------------------|
| Basic items (Tier I)  | 608.8                 | 537.1                 | 71.6              | 573.8                 | 34.9              |
| Amount eligible for inclusion in capital (Tier II)  | 178.7                 | 197.0                 | (18.2)            | 186.4                 | (7.6)             |
| General reserve for loan losses   | 8.9                   | 9.1                   | (0.2)             | 8.7                   | 0.1               |
| Perpetual/non-perpetual preferred stocks and<br>perpetual/non-perpetual subordinated debt and bonds | 169.7                 | 187.8                 | (18.0)            | 177.6                 | (7.8)             |
| Deductions  | -                     | -                     | -                 | -                     | -                 |
| Deduction   | (71.7)                | (107.2)               | 35.5              | (72.4)                | 0.6               |
| <b>Total capital</b> <sup>(2)</sup>   | <b>715.8</b>          | <b>626.9</b>          | <b>88.8</b>       | <b>687.8</b>          | <b>27.9</b>       |
| Risk assets   | 5,847.7               | 6,102.5               | (254.7)           | 5,869.2               | (21.4)            |
| Capital adequacy ratio  | 12.24%                | 10.27%                |                   | 11.71%                |                   |
| Tier I capital ratio  | 10.41%                | 8.80%                 |                   | 9.77%                 |                   |

(1) Calculated according to Basel II, F-IRB. Figures are calculated in accordance with FSA Notification Number 79 issued in December 2008 and FSA Notification Number 56 issued in June 2012 (special treatment of FSA Notification Number 19 issued in 2006). As a result, ¥0.6 billion net unrealized losses on securities available-for-sale, net of taxes, as of March 31, 2012 and ¥1.0 billion as of September 30, 2012 are not included in BIS capital. Net unrealized gains on securities available-for-sale were recorded as of March 31, 2013.

(2) Consolidated total required capital is ¥374.5 billion as of March 31, 2013, ¥440.3 billion as at March 31, 2012 and ¥383.9 billion as at September 30, 2012.

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

**Per Share Data -Table 20- (Consolidated)**

(Yen, except percentages)

|  | FY2012<br>(12 months) | FY2011<br>(12 months) | %<br>Change | 1HFY2012<br>(6 months) | %<br>Change |
|--|-----------------------|-----------------------|-------------|------------------------|-------------|
| Common equity  | 233.65                | 212.67                | 9.9         | 220.70                 | 5.9         |
| Fully diluted equity   | 233.65                | 212.67                | 9.9         | 220.70                 | 5.9         |
| Basic net income   | 19.24                 | 2.42                  | 694.3       | 9.70                   |             |
| Diluted net income   | 19.24                 | 2.42                  | 694.3       | 9.70                   |             |
| Cash basis:  |                       |                       |             |                        |             |
| Basic net income   | 22.77                 | 6.05                  | 276.2       | 11.56                  |             |
| Diluted net income   | 22.77                 | 6.05                  | 276.2       | 11.56                  |             |
| For calculation of per share data (Does not include treasury shares) : |                       |                       |             |                        |             |
| Equity:  |                       |                       |             |                        |             |
| Number of common shares <sup>(1)</sup>                                 | 2,653,919,247         | 2,653,919,247         |             | 2,653,919,247          |             |
| Fully diluted number of shares <sup>(1)</sup>                          | 2,653,919,247         | 2,653,919,247         |             | 2,653,919,247          |             |
| Net income:  |                       |                       |             |                        |             |
| Number of common shares <sup>(2)</sup>                                 | 2,653,919,247         | 2,653,919,247         |             | 2,653,919,247          |             |
| Fully diluted number of shares <sup>(2)</sup>                          | 2,653,919,247         | 2,653,919,247         |             | 2,653,919,247          |             |

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

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

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

- We achieved ¥51.0 billion in consolidated net income for fiscal year 2012, a steady increase compared to fiscal year 2011, and the number of shares did not change from fiscal year 2011 to fiscal year 2012. As a result, the diluted

net income per share for fiscal year 2012 increased to ¥19.24 from ¥2.42 for fiscal year 2011. Cash basis diluted net income per share for fiscal year 2012 also increased to ¥22.77 from ¥6.05 for fiscal year 2011.

## Business Lines Results -Table 21- (Consolidated)

|  | (Billions of yen, except percentages) |                       |                |                        |
|--|---------------------------------------|-----------------------|----------------|------------------------|
|  | FY2012<br>(12 months)                 | FY2011<br>(12 months) | %<br>Change    | 1HFY2012<br>(6 months) |
| <b>Institutional Group:</b>  |                                       |                       |                |                        |
| Net interest income  | 29.8                                  | 27.2                  | 9.3            | 14.5                   |
| Non-interest income  | 27.0                                  | 35.0                  | (22.7)         | 16.9                   |
| <b>Total revenue</b>   | <b>56.8</b>                           | <b>62.3</b>           | <b>(8.7)</b>   | <b>31.4</b>            |
| <b>General and administrative expenses</b>                                 | <b>24.2</b>                           | <b>25.0</b>           | <b>(3.0)</b>   | <b>12.0</b>            |
| <b>Ordinary business profit</b>  | <b>32.6</b>                           | <b>37.3</b>           | <b>(12.5)</b>  | <b>19.4</b>            |
| <b>Net credit costs</b>  | <b>6.3</b>                            | <b>17.8</b>           | <b>(64.5)</b>  | <b>3.3</b>             |
| <b>Ordinary business profit after net credit costs</b>                     | <b>26.3</b>                           | <b>19.4</b>           | <b>35.0</b>    | <b>16.1</b>            |
| <b>Global Markets Group:</b>   |                                       |                       |                |                        |
| Net interest income  | 2.9                                   | 3.0                   | (3.0)          | 1.5                    |
| Non-interest income  | 11.2                                  | 8.1                   | 37.2           | 6.0                    |
| <b>Total revenue</b>   | <b>14.2</b>                           | <b>11.2</b>           | <b>26.2</b>    | <b>7.6</b>             |
| <b>General and administrative expenses</b>                                 | <b>9.0</b>                            | <b>9.7</b>            | <b>(7.1)</b>   | <b>4.5</b>             |
| <b>Ordinary business profit</b>  | <b>5.2</b>                            | <b>1.5</b>            | <b>233.8</b>   | <b>3.0</b>             |
| <b>Net credit costs (recoveries)</b>                                       | <b>(7.5)</b>                          | <b>(2.6)</b>          | <b>(181.6)</b> | <b>(1.7)</b>           |
| <b>Ordinary business profit after net credit costs (recoveries)</b>        | <b>12.7</b>                           | <b>4.2</b>            | <b>200.8</b>   | <b>4.7</b>             |
| <b>Individual Group:</b>   |                                       |                       |                |                        |
| Net interest income  | 84.4                                  | 98.7                  | (14.5)         | 43.0                   |
| Non-interest income  | 42.0                                  | 39.3                  | 6.7            | 20.3                   |
| <b>Total revenue</b>   | <b>126.4</b>                          | <b>138.1</b>          | <b>(8.4)</b>   | <b>63.4</b>            |
| <b>General and administrative expenses</b>                                 | <b>93.3</b>                           | <b>92.6</b>           | <b>0.7</b>     | <b>46.9</b>            |
| <b>Ordinary business profit</b>  | <b>33.1</b>                           | <b>45.4</b>           | <b>(27.0)</b>  | <b>16.5</b>            |
| <b>Net credit costs (recoveries)</b>                                       | <b>6.2</b>                            | <b>(1.7)</b>          | <b>450.4</b>   | <b>4.3</b>             |
| <b>Ordinary business profit after net credit costs (recoveries)</b>        | <b>26.9</b>                           | <b>47.2</b>           | <b>(43.0)</b>  | <b>12.1</b>            |
| <b>Corporate/Other<sup>(1)</sup>:</b>                                      |                                       |                       |                |                        |
| Net interest income  | (5.6)                                 | (12.2)                | 54.2           | (2.9)                  |
| Non-interest income  | 6.9                                   | 3.4                   | 103.6          | 4.5                    |
| <b>Total revenue</b>   | <b>1.3</b>                            | <b>(8.8)</b>          | <b>115.6</b>   | <b>1.5</b>             |
| <b>General and administrative expenses</b>                                 | <b>2.0</b>                            | <b>0.5</b>            | <b>257.0</b>   | <b>0.2</b>             |
| <b>Ordinary business profit (loss)</b>                                     | <b>(0.6)</b>                          | <b>(9.3)</b>          | <b>93.1</b>    | <b>1.3</b>             |
| <b>Net credit costs (recoveries)</b>                                       | <b>0.5</b>                            | <b>(1.0)</b>          | <b>147.4</b>   | <b>0.2</b>             |
| <b>Ordinary business profit (loss) after net credit costs (recoveries)</b> | <b>(1.1)</b>                          | <b>(8.2)</b>          | <b>86.0</b>    | <b>1.0</b>             |
| <b>Total:</b>  |                                       |                       |                |                        |
| Net interest income  | 111.6                                 | 116.9                 | (4.5)          | 56.1                   |
| Non-interest income  | 87.3                                  | 86.0                  | 1.5            | 47.9                   |
| <b>Total revenue</b>   | <b>199.0</b>                          | <b>202.9</b>          | <b>(1.9)</b>   | <b>104.1</b>           |
| <b>General and administrative expenses</b>                                 | <b>128.6</b>                          | <b>127.9</b>          | <b>0.5</b>     | <b>63.7</b>            |
| <b>Ordinary business profit</b>  | <b>70.3</b>                           | <b>74.9</b>           | <b>(6.1)</b>   | <b>40.3</b>            |
| <b>Net credit costs</b>  | <b>5.5</b>                            | <b>12.2</b>           | <b>(55.0)</b>  | <b>6.2</b>             |
| <b>Ordinary business profit after net credit costs</b>                     | <b>64.8</b>                           | <b>62.7</b>           | <b>3.4</b>     | <b>34.0</b>            |

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

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

<sup>(1)</sup>  
**Institutional Group - Table 22- (Consolidated)**

(Billions of yen, except percentages)

|   | FY2012<br>(12 months) | FY2011<br>(12 months) | %<br>Change    | 1HFY2012<br>(6 months) |
|---|-----------------------|-----------------------|----------------|------------------------|
| <b>Institutional Business Sub-Group: <sup>(2)</sup></b>             |                       |                       |                |                        |
| Net interest income   | 10.1                  | 9.2                   | 9.2            | 5.2                    |
| Non-interest income   | 4.7                   | 0.3                   | 1,110.1        | 1.5                    |
| <b>Total revenue</b>  | <b>14.8</b>           | <b>9.6</b>            | <b>54.3</b>    | <b>6.7</b>             |
| <b>General and administrative expenses</b>                          | <b>6.3</b>            | <b>6.9</b>            | <b>(8.3)</b>   | <b>3.2</b>             |
| <b>Ordinary business profit</b>                                     | <b>8.5</b>            | <b>2.6</b>            | <b>215.6</b>   | <b>3.5</b>             |
| <b>Net credit costs (recoveries)</b>                                | <b>(3.2)</b>          | <b>1.4</b>            | <b>(331.3)</b> | <b>(0.9)</b>           |
| <b>Ordinary business profit after net credit costs (recoveries)</b> | <b>11.7</b>           | <b>1.2</b>            | <b>820.6</b>   | <b>4.5</b>             |
| <b>Structured Finance Sub-Group:</b>                                |                       |                       |                |                        |
| Net interest income   | 16.3                  | 16.9                  | (3.2)          | 8.8                    |
| Non-interest income   | 4.0                   | 4.1                   | (0.9)          | 1.4                    |
| <b>Total revenue</b>  | <b>20.4</b>           | <b>21.0</b>           | <b>(2.7)</b>   | <b>10.2</b>            |
| <b>General and administrative expenses</b>                          | <b>4.6</b>            | <b>4.8</b>            | <b>(4.0)</b>   | <b>2.3</b>             |
| <b>Ordinary business profit</b>                                     | <b>15.8</b>           | <b>16.2</b>           | <b>(2.4)</b>   | <b>7.9</b>             |
| <b>Net credit costs</b>   | <b>6.0</b>            | <b>14.1</b>           | <b>(57.1)</b>  | <b>3.2</b>             |
| <b>Ordinary business profit after net credit costs</b>              | <b>9.7</b>            | <b>2.0</b>            | <b>374.0</b>   | <b>4.6</b>             |
| <b>Principal Transactions Sub-Group:</b>                            |                       |                       |                |                        |
| Net interest income   | 5.0                   | 4.5                   | 10.1           | 1.9                    |
| Non-interest income   | 6.3                   | 6.6                   | (3.8)          | 5.6                    |
| <b>Total revenue</b>  | <b>11.4</b>           | <b>11.2</b>           | <b>1.9</b>     | <b>7.6</b>             |
| <b>General and administrative expenses</b>                          | <b>3.8</b>            | <b>3.8</b>            | <b>(1.1)</b>   | <b>1.9</b>             |
| <b>Ordinary business profit</b>                                     | <b>7.5</b>            | <b>7.3</b>            | <b>3.4</b>     | <b>5.7</b>             |
| <b>Net credit costs (recoveries)</b>                                | <b>(0.5)</b>          | <b>0.9</b>            | <b>(157.5)</b> | <b>0.0</b>             |
| <b>Ordinary business profit after net credit costs (recoveries)</b> | <b>8.1</b>            | <b>6.4</b>            | <b>26.7</b>    | <b>5.6</b>             |
| <b>Showa Leasing:</b>   |                       |                       |                |                        |
| Net interest income   | (1.6)                 | (2.5)                 | 37.5           | (1.4)                  |
| Non-interest income   | 15.7                  | 15.0                  | 4.4            | 7.7                    |
| <b>Total revenue</b>  | <b>14.0</b>           | <b>12.4</b>           | <b>13.1</b>    | <b>6.3</b>             |
| <b>General and administrative expenses</b>                          | <b>7.8</b>            | <b>7.8</b>            | <b>0.7</b>     | <b>3.8</b>             |
| <b>Ordinary business profit</b>                                     | <b>6.2</b>            | <b>4.6</b>            | <b>33.8</b>    | <b>2.5</b>             |
| <b>Net credit costs (recoveries)</b>                                | <b>(0.0)</b>          | <b>(1.3)</b>          | <b>93.8</b>    | <b>(0.3)</b>           |
| <b>Ordinary business profit after net credit costs (recoveries)</b> | <b>6.3</b>            | <b>6.0</b>            | <b>4.8</b>     | <b>2.9</b>             |
| <b>Others: <sup>(2)</sup></b>                                       |                       |                       |                |                        |
| Net interest income   | (0.0)                 | (0.8)                 | 92.3           | (0.1)                  |
| Non-interest income   | (3.8)                 | 8.8                   | (144.1)        | 0.5                    |
| <b>Total revenue</b>  | <b>(3.9)</b>          | <b>7.9</b>            | <b>(149.6)</b> | <b>0.3</b>             |
| <b>General and administrative expenses</b>                          | <b>1.5</b>            | <b>1.5</b>            | <b>(0.6)</b>   | <b>0.7</b>             |
| <b>Ordinary business profit (loss)</b>                              | <b>(5.4)</b>          | <b>6.4</b>            | <b>(185.4)</b> | <b>(0.3)</b>           |
| <b>Net credit costs</b>   | <b>4.1</b>            | <b>2.7</b>            | <b>52.8</b>    | <b>1.3</b>             |
| <b>Ordinary business profit (loss) after net credit costs</b>       | <b>(9.6)</b>          | <b>3.7</b>            | <b>(359.4)</b> | <b>(1.7)</b>           |
| <b>Institutional Group:</b>   |                       |                       |                |                        |
| Net interest income   | 29.8                  | 27.2                  | 9.3            | 14.5                   |
| Non-interest income   | 27.0                  | 35.0                  | (22.7)         | 16.9                   |
| <b>Total revenue</b>  | <b>56.8</b>           | <b>62.3</b>           | <b>(8.7)</b>   | <b>31.4</b>            |
| <b>General and administrative expenses</b>                          | <b>24.2</b>           | <b>25.0</b>           | <b>(3.0)</b>   | <b>12.0</b>            |
| <b>Ordinary business profit</b>                                     | <b>32.6</b>           | <b>37.3</b>           | <b>(12.5)</b>  | <b>19.4</b>            |
| <b>Net credit costs</b>   | <b>6.3</b>            | <b>17.8</b>           | <b>(64.5)</b>  | <b>3.3</b>             |
| <b>Ordinary business profit after net credit costs</b>              | <b>26.3</b>           | <b>19.4</b>           | <b>35.0</b>    | <b>16.1</b>            |

(1) Net of consolidation adjustments, if applicable.

(2) Results for Advisory business are included in the Institutional Business Sub-Group on a management accounting basis from 1Q FY2012.

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

Shinsei Bank Group provides various financial products and services to our institutional and individual customers through the Institutional Group, the Global Markets Group and the Individual Group. Concerning business for institutional customers, the Institutional Group primarily undertakes corporate and public sector finance and advisory business, and the Global Markets Group mainly undertakes financial markets business and serves financial institution clients.

#### **Institutional Group:**

- The Institutional Group reporting segments consist of: 1) Institutional Business Sub-Group which provides financial products and services for the corporate and public sectors, 2) Structured Finance Sub-Group which includes businesses such as real estate finance and specialty finance, 3) Principal Transactions Sub-Group which covers credit trading and private equity business, 4) Showa Leasing and 5) others including asset-backed investment. From April 1, 2013 onwards, the Structured Finance Sub-Group will be integrated into the Institutional Business Sub-Group, as per the organizational changes.

#### **Total revenue**

- The Institutional Group business recorded net interest income of ¥29.8 billion for fiscal year 2012, an increase from ¥27.2 billion for fiscal year 2011, as the progress made in rebuilding our customer franchise led to an increase in the loan balance. Non-interest income was ¥27.0 billion for fiscal year 2012, a decline from ¥35.0 billion for fiscal year 2011. However, the amount recorded in fiscal year 2011 included gains of ¥6.3 billion, net of withholding tax, from sales of foreign equities categorized as non-core assets.
- Regarding sub-groups in the Institutional Group, the Institutional Business Sub-Group put efforts into identifying new outlets for corporate lending and increasing the loan balance as well as strengthening relationships with existing customers, in order to rebuild our client base. As a result, net interest income grew steadily to ¥10.1 billion for fiscal year 2012 from ¥9.2 billion for fiscal year 2011. In addition, non-interest income also increased to ¥4.7 billion for fiscal year 2012 from ¥0.3 billion for fiscal year 2011 which included ¥3.9 billion of impairment on listed shares.
- The Structured Finance Sub-Group recorded total revenue of ¥20.4 billion for fiscal year 2012, a decrease from ¥21.0 billion for fiscal year 2011. Reduction of non-performing loans in real estate finance and new loan disbursements in specialty finance and other businesses led to higher quality asset replacement. As a result, revenue was almost at the same level as compared to fiscal year 2011.
- The Principal Transactions Sub-Group recorded total revenue of ¥11.4 billion for fiscal year 2012, an increase

from ¥11.2 billion for fiscal year 2011. The performance continued to be stable mainly due to continued domestic credit trading operations efforts. In addition, ¥1.0 billion of impairment on private equity investment was recognized for fiscal year 2012, compared to ¥1.5 billion for fiscal year 2011.

- Total revenue at Others was a loss of ¥3.9 billion for fiscal year 2012. Total revenue for fiscal year 2011 included gains of ¥6.3 billion, net of withholding tax, from sales of foreign equities categorized as non-core assets.

#### **Expenses**

- General and administrative expenses were ¥24.2 billion for fiscal year 2012, marking a slight decrease from ¥25.0 billion for fiscal year 2011. This small decrease was due to the scale-down and exit from non-core businesses and efficiency improvements in each business, while the group focused on areas where the Bank can demonstrate its strengths to improve profitability.

#### **Net credit costs**

- Net credit costs were ¥6.3 billion for fiscal year 2012, a decrease from ¥17.8 billion for fiscal year 2011. This significant improvement of net credit costs reflects the absence of large credit reserves recorded in previous years, as a result of continued divestiture of non-core assets to mitigate potential risks, and also an improvement in the creditworthiness of some accounts during fiscal year 2012 in the Institutional Group, despite an increase in the loan balance due to an expansion of new financing and additional reserves for real estate finance.

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

- As a result, the Institutional Group recorded an ordinary business profit after net credit costs of ¥26.3 billion for fiscal year 2012, an increase from ¥19.4 billion for fiscal year 2011. In addition, we believe this performance to be relatively stable and steady, as there was limited impact of non-recurring factors during fiscal year 2012, while net interest income increased in line with the increase in the loan balance.

#### **Showa Leasing**

- Showa Leasing recorded ¥6.3 billion of ordinary business profit after net credit costs for fiscal year 2012, a marginal increase as compared to ¥6.0 billion for fiscal year 2011. Revenue recorded was ¥14.0 billion for fiscal year 2012, an increase as compared to ¥12.4 billion for fiscal year 2011 which included impairment recorded on equity holdings. However, net credit recoveries were ¥85 million for fiscal year 2012, compared to recoveries of ¥1.3 billion for fiscal year 2011, resulting in a marginal increase in ordinary business profit after net credit costs (recoveries).

Global Markets Group <sup>(1)</sup> - Table 23- (Consolidated)

(Billions of yen, except percentages)

|  | FY2012<br>(12 months) | FY2011<br>(12 months) | %<br>Change      | 1HFY2012<br>(6 months) |
|--|-----------------------|-----------------------|------------------|------------------------|
| <b>Financial Institutions Sub-Group:</b>                                   |                       |                       |                  |                        |
| Net interest income  | 1.6                   | 1.4                   | 10.3             | 0.8                    |
| Non-interest income  | 2.9                   | 1.9                   | 54.7             | 1.6                    |
| <b>Total revenue</b>   | <b>4.5</b>            | <b>3.3</b>            | <b>35.5</b>      | <b>2.4</b>             |
| <b>General and administrative expenses</b>                                 | <b>2.3</b>            | <b>2.3</b>            | <b>(1.4)</b>     | <b>1.1</b>             |
| <b>Ordinary business profit</b>  | <b>2.2</b>            | <b>1.0</b>            | <b>119.4</b>     | <b>1.2</b>             |
| <b>Net credit costs (recoveries)</b>                                       | <b>(6.2)</b>          | <b>(0.4)</b>          | <b>(1,180.3)</b> | <b>(1.3)</b>           |
| <b>Ordinary business profit after net credit costs (recoveries)</b>        | <b>8.5</b>            | <b>1.5</b>            | <b>461.7</b>     | <b>2.6</b>             |
| <b>Markets Sub-Group:</b>  |                       |                       |                  |                        |
| Net interest income  | 1.2                   | 1.1                   | 11.5             | 0.6                    |
| Non-interest income  | 5.9                   | 5.1                   | 16.7             | 3.3                    |
| <b>Total revenue</b>   | <b>7.2</b>            | <b>6.2</b>            | <b>15.8</b>      | <b>4.0</b>             |
| <b>General and administrative expenses</b>                                 | <b>3.1</b>            | <b>3.2</b>            | <b>(1.9)</b>     | <b>1.6</b>             |
| <b>Ordinary business profit</b>  | <b>4.0</b>            | <b>2.9</b>            | <b>35.2</b>      | <b>2.4</b>             |
| <b>Net credit costs (recoveries)</b>                                       | <b>(1.0)</b>          | <b>(1.4)</b>          | <b>28.6</b>      | <b>(0.1)</b>           |
| <b>Ordinary business profit after net credit costs (recoveries)</b>        | <b>5.0</b>            | <b>4.4</b>            | <b>14.1</b>      | <b>2.5</b>             |
| <b>Others:</b>   |                       |                       |                  |                        |
| Net interest income  | 0.1                   | 0.5                   | (73.4)           | 0.0                    |
| Non-interest income  | 2.3                   | 1.1                   | 98.0             | 1.0                    |
| <b>Total revenue</b>   | <b>2.4</b>            | <b>1.6</b>            | <b>46.2</b>      | <b>1.1</b>             |
| <b>General and administrative expenses</b>                                 | <b>3.5</b>            | <b>4.1</b>            | <b>(14.5)</b>    | <b>1.7</b>             |
| <b>Ordinary business profit (loss)</b>                                     | <b>(1.0)</b>          | <b>(2.4)</b>          | <b>56.4</b>      | <b>(0.6)</b>           |
| <b>Net credit costs (recoveries)</b>                                       | <b>(0.2)</b>          | <b>(0.7)</b>          | <b>66.8</b>      | <b>(0.2)</b>           |
| <b>Ordinary business profit (loss) after net credit costs (recoveries)</b> | <b>(0.8)</b>          | <b>(1.7)</b>          | <b>52.0</b>      | <b>(0.4)</b>           |
| <b>Global Markets Group: <sup>(2)</sup></b>                                |                       |                       |                  |                        |
| Net interest income  | 2.9                   | 3.0                   | (3.0)            | 1.5                    |
| Non-interest income  | 11.2                  | 8.1                   | 37.2             | 6.0                    |
| <b>Total revenue</b>   | <b>14.2</b>           | <b>11.2</b>           | <b>26.2</b>      | <b>7.6</b>             |
| <b>General and administrative expenses</b>                                 | <b>9.0</b>            | <b>9.7</b>            | <b>(7.1)</b>     | <b>4.5</b>             |
| <b>Ordinary business profit</b>  | <b>5.2</b>            | <b>1.5</b>            | <b>233.8</b>     | <b>3.0</b>             |
| <b>Net credit costs (recoveries)</b>                                       | <b>(7.5)</b>          | <b>(2.6)</b>          | <b>(181.6)</b>   | <b>(1.7)</b>           |
| <b>Ordinary business profit after net credit costs (recoveries)</b>        | <b>12.7</b>           | <b>4.2</b>            | <b>200.8</b>     | <b>4.7</b>             |

(1) Net of consolidation adjustments, if applicable.

(2) From the FY2012 interim period, financial results for the Treasury Sub-Group have been transferred from the "Global Markets Group" to the "Corporate/Other" account.

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

**Global Markets Group:**

The Global Markets Group reporting segments consist of: 1) Financial Institutions Sub-Group which provides financial products and services for financial institutions, 2) Markets Sub-Group which deals with foreign exchange, derivatives and other capital markets business and 3) others which covers asset management, wealth management, and Shinsei Securities' businesses. The Treasury Sub-Group, which governs the ALM for the Bank overall, was transferred to the Finance Group as part of organizational changes implemented on July 1, 2012, and its results are now included in the Corporate/Other segment.

**Total revenue**

- The Global Markets Group generated total revenue of ¥14.2 billion for fiscal year 2012, an increase from ¥11.2 billion for fiscal year 2011. The total revenue improved because of continuous efforts to rebuild the client base, as well as development and provision of financial products which meet customers' needs.
- The Financial Institutions Sub-Group's total revenue was ¥4.5 billion for fiscal year 2012, increasing from ¥3.3 billion for fiscal year 2011. The sub-group deepened cooperation with the Markets Sub-Group to reinforce its sales promotion efforts, and strived to provide various products and transactions in line with customers' needs. The strong performance reflects solid revenues from transactions with customers.
- The Markets Sub-Group earned total revenue of ¥7.2 billion for fiscal year 2012, increasing from ¥6.2 billion for fiscal year 2011. The volume of customer transactions in fiscal year 2011 was low. However, the volume of customer transactions increased during fiscal year 2012, and total revenue rose due to the sub-group's efforts to

improve its business structure and enhance its capabilities to meet customers' needs.

- Others earned total revenue of ¥2.4 billion for fiscal year 2012, compared to ¥1.6 billion for fiscal year 2011.

**Expenses**

- The Global Markets Group recorded ¥9.0 billion of general and administrative expenses for fiscal year 2012, a decrease from ¥9.7 billion for fiscal year 2011. Continuous cost rationalization was implemented across the group, while the allocation of resources to relevant business areas for rebuilding the client base was prioritized. As a result, expenses decreased as compared to fiscal year 2011.

**Net credit costs**

- Net credit recoveries of ¥7.5 billion were recorded for fiscal year 2012, compared to recoveries of ¥2.6 billion for the fiscal year 2011. The Global Markets Group has continued to reduce non-core assets, recording a reversal of reserve for these assets and recoveries of written-off claims during fiscal year 2011. The group proceeded to collect on written-off claims and recorded recoveries of written-off claims during fiscal year 2012 as well, thereby recording net credit recoveries.

**Ordinary business profit after net credit costs**

- As a result, the Global Markets Group recorded ¥12.7 billion of ordinary business profit after net credit costs for fiscal year 2012, a significant increase from ¥4.2 billion for fiscal year 2011. This significant increase at the Global Markets Group is mainly due to the earnings derived from transactions with customers and continuous efforts to rebuild the client base, in addition to recoveries of written-off claims being recorded.

<sup>(1)</sup>  
**Individual Group - Table 24- (Consolidated)**

(Billions of yen, except percentages)

|   | FY2012<br>(12 months) | FY2011<br>(12 months) | %<br>Change    | 1HFY2012<br>(6 months) |
|---|-----------------------|-----------------------|----------------|------------------------|
| <b>Retail banking:</b>  |                       |                       |                |                        |
| Net interest income   | 26.0                  | 29.1                  | (10.8)         | 13.1                   |
| Non-interest income   | 7.0                   | 6.9                   | 2.2            | 3.5                    |
| <b>Total revenue</b>  | <b>33.1</b>           | <b>36.0</b>           | <b>(8.3)</b>   | <b>16.7</b>            |
| <b>General and administrative expenses</b>                          | <b>30.2</b>           | <b>31.3</b>           | <b>(3.6)</b>   | <b>15.3</b>            |
| <b>Ordinary business profit</b>                                     | <b>2.8</b>            | <b>4.7</b>            | <b>(39.3)</b>  | <b>1.3</b>             |
| <b>Net credit costs (recoveries)</b>                                | <b>0.0</b>            | <b>1.2</b>            | <b>(98.6)</b>  | <b>(0.0)</b>           |
| <b>Ordinary business profit after net credit costs (recoveries)</b> | <b>2.8</b>            | <b>3.5</b>            | <b>(18.6)</b>  | <b>1.3</b>             |
| <b>Shinsei Financial and Shinsei Bank Lake <sup>(2)</sup>:</b>      |                       |                       |                |                        |
| Net interest income   | 40.9                  | 47.0                  | (13.0)         | 20.7                   |
| Non-interest income   | (3.2)                 | (3.0)                 | (7.1)          | (1.6)                  |
| <b>Total revenue</b>  | <b>37.6</b>           | <b>43.9</b>           | <b>(14.4)</b>  | <b>19.0</b>            |
| <b>General and administrative expenses</b>                          | <b>25.2</b>           | <b>27.2</b>           | <b>(7.2)</b>   | <b>12.6</b>            |
| <b>Ordinary business profit</b>                                     | <b>12.3</b>           | <b>16.7</b>           | <b>(26.1)</b>  | <b>6.4</b>             |
| <b>Net credit costs (recoveries)</b>                                | <b>(0.1)</b>          | <b>(8.0)</b>          | <b>98.5</b>    | <b>0.9</b>             |
| <b>Ordinary business profit after net credit costs (recoveries)</b> | <b>12.4</b>           | <b>24.7</b>           | <b>(49.6)</b>  | <b>5.4</b>             |
| <b>Shinki:</b>  |                       |                       |                |                        |
| Net interest income   | 6.9                   | 8.4                   | (18.4)         | 3.5                    |
| Non-interest income   | (0.5)                 | (0.6)                 | 9.1            | (0.3)                  |
| <b>Total revenue</b>  | <b>6.3</b>            | <b>7.8</b>            | <b>(19.1)</b>  | <b>3.2</b>             |
| <b>General and administrative expenses</b>                          | <b>4.0</b>            | <b>3.4</b>            | <b>17.3</b>    | <b>1.9</b>             |
| <b>Ordinary business profit</b>                                     | <b>2.2</b>            | <b>4.3</b>            | <b>(48.5)</b>  | <b>1.3</b>             |
| <b>Net credit costs (recoveries)</b>                                | <b>(0.0)</b>          | <b>(0.4)</b>          | <b>88.8</b>    | <b>0.0</b>             |
| <b>Ordinary business profit after net credit costs (recoveries)</b> | <b>2.2</b>            | <b>4.7</b>            | <b>(52.1)</b>  | <b>1.2</b>             |
| <b>APLUS FINANCIAL:</b>   |                       |                       |                |                        |
| Net interest income   | 9.2                   | 12.5                  | (26.5)         | 4.9                    |
| Non-interest income   | 38.5                  | 35.9                  | 7.3            | 18.6                   |
| <b>Total revenue</b>  | <b>47.8</b>           | <b>48.5</b>           | <b>(1.5)</b>   | <b>23.5</b>            |
| <b>General and administrative expenses</b>                          | <b>33.2</b>           | <b>30.2</b>           | <b>9.8</b>     | <b>16.6</b>            |
| <b>Ordinary business profit</b>                                     | <b>14.6</b>           | <b>18.2</b>           | <b>(20.1)</b>  | <b>6.8</b>             |
| <b>Net credit costs</b>   | <b>6.4</b>            | <b>5.2</b>            | <b>24.8</b>    | <b>3.4</b>             |
| <b>Ordinary business profit after net credit costs</b>              | <b>8.1</b>            | <b>13.0</b>           | <b>(38.0)</b>  | <b>3.4</b>             |
| <b>Others <sup>(3)</sup>:</b>                                       |                       |                       |                |                        |
| Net interest income   | 1.4                   | 1.5                   | (10.4)         | 0.6                    |
| Non-interest income   | 0.1                   | 0.1                   | 9.3            | 0.1                    |
| <b>Total revenue</b>  | <b>1.6</b>            | <b>1.7</b>            | <b>(8.4)</b>   | <b>0.8</b>             |
| <b>General and administrative expenses</b>                          | <b>0.5</b>            | <b>0.3</b>            | <b>38.2</b>    | <b>0.2</b>             |
| <b>Ordinary business profit</b>                                     | <b>1.1</b>            | <b>1.3</b>            | <b>(20.5)</b>  | <b>0.5</b>             |
| <b>Net credit costs (recoveries)</b>                                | <b>(0.0)</b>          | <b>0.2</b>            | <b>(138.5)</b> | <b>(0.0)</b>           |
| <b>Ordinary business profit after net credit costs (recoveries)</b> | <b>1.1</b>            | <b>1.1</b>            | <b>3.0</b>     | <b>0.5</b>             |
| <b>Individual Group:</b>  |                       |                       |                |                        |
| Net interest income   | 84.4                  | 98.7                  | (14.5)         | 43.0                   |
| Non-interest income   | 42.0                  | 39.3                  | 6.7            | 20.3                   |
| <b>Total revenue</b>  | <b>126.4</b>          | <b>138.1</b>          | <b>(8.4)</b>   | <b>63.4</b>            |
| <b>General and administrative expenses</b>                          | <b>93.3</b>           | <b>92.6</b>           | <b>0.7</b>     | <b>46.9</b>            |
| <b>Ordinary business profit</b>                                     | <b>33.1</b>           | <b>45.4</b>           | <b>(27.0)</b>  | <b>16.5</b>            |
| <b>Net credit costs (recoveries)</b>                                | <b>6.2</b>            | <b>(1.7)</b>          | <b>450.4</b>   | <b>4.3</b>             |
| <b>Ordinary business profit after net credit costs (recoveries)</b> | <b>26.9</b>           | <b>47.2</b>           | <b>(43.0)</b>  | <b>12.1</b>            |

(1) Net of consolidation adjustments, if applicable.

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

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

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

**Individual Group Revenue by Product/Entity - Table 25- (Consolidated)**<sup>(1)</sup>

|  | <i>(Billions of yen, except percentages)</i> |                       |              |                        |
|--|--|-----------------------|--------------|------------------------|
|  | FY2012<br>(12 months)                        | FY2011<br>(12 months) | %<br>Change  | 1HFY2012<br>(6 months) |
| Retail Banking:  | 33.1   | 36.0                  | (8.3)        | 16.7                   |
| Deposits and debentures net interest income            | 17.6   | 21.3                  | (17.2)       | 9.1                    |
| Deposits and debentures non-interest income            | 3.6  | 4.1                   | (12.6)       | 1.9                    |
| Asset management                                       | 4.3  | 4.3                   | 1.5          | 2.0                    |
| Loans  | 7.4  | 6.3                   | 17.8         | 3.4                    |
| Shinsei Financial and Shinsei Bank Lake <sup>(2)</sup> | 37.6   | 43.9                  | (14.4)       | 19.0                   |
| SHINKI   | 6.3  | 7.8                   | (19.1)       | 3.2                    |
| APLUS FINANCIAL  | 47.8   | 48.5                  | (1.5)        | 23.5                   |
| Others <sup>(3)</sup>                                  | 1.6  | 1.7                   | (8.4)        | 0.8                    |
| <b>Total revenue</b>                                   | <b>126.4</b>                                 | <b>138.1</b>          | <b>(8.4)</b> | <b>63.4</b>            |

(1) Net of consolidation adjustments, if applicable.

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

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

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

- The Individual Group consists of the Retail Banking business as well as Shinsei Bank Card Loan – Lake, and the subsidiaries Shinsei Financial, SHINKI, APLUS FINANCIAL and Shinsei Property Finance. In addition, the foreign remittance service "GoRemit Shinsei Overseas Remittance Service" which was acquired from Lloyds TSB Bank on March 1, 2013, is included in Retail Banking.
- Individual Group's ordinary business profit after net credit costs decreased to ¥26.9 billion for fiscal year 2012 from ¥47.2 billion for fiscal year 2011.

#### Retail Banking

- Total revenue of retail banking decreased to ¥33.1 billion for fiscal year 2012, from ¥36.0 billion for fiscal year 2011. Net interest income increased in tandem with the increase in the net loan balance due to a focus on new housing loan disbursements. However, net interest income from deposits including liquid deposits decreased due to prevailing low interest rates. As a result, net interest income decreased to ¥26.0 billion for fiscal year 2012, from ¥29.1 billion for fiscal year 2011. Non-interest income was ¥7.0 billion for fiscal year 2012, as compared to ¥6.9 billion for fiscal year 2011. Non-interest income was at the same level of fiscal year 2011, due to the efforts undertaken to accrue fee income from other investment products by developing and offering products which meet customer's needs, such as products with a limited risk range, despite the sale of structured yen deposits being temporarily discontinued.
- Due to the implementation of various rationalization and efficiency measures, such as reconsidering the unit price for advertising or the impact of a substantial reduction of deposit insurance premium rates, general and administrative expenses decreased to ¥30.2 billion for fiscal year 2012 compared to ¥31.3 billion for fiscal year 2011.
- Net credit costs totaled ¥16 million for fiscal year 2012, compared to ¥1.2 billion for fiscal year 2011. As a result, ordinary business profit after net credit costs was ¥2.8 billion for fiscal year 2012, compared to ordinary business profit after net credit costs of ¥3.5 billion for fiscal year 2011.

#### Shinsei Financial and Shinsei Bank Card Loan - Lake

- The ordinary business profit after net credit costs of Shinsei Financial and Shinsei Bank Card Loan - Lake after related consolidation adjustments was ¥12.4 billion for fiscal year 2012, compared to ¥24.7 billion for fiscal year 2011.
- Total revenue was ¥37.6 billion for fiscal year 2012, compared to ¥43.9 billion for fiscal year 2011, as the loan balance continued to decrease due to the ongoing effects of the revised Money-Lending Business Control and Regulation Law. However, the declining pace of the combined loan balances at Shinsei Financial and Shinsei Bank Card Loan – Lake has slowed, due to the commencement of the Bank-based consumer finance business from October 2011, and although marginal, there has been an increase in the fourth quarter of fiscal year 2012. Specifically, the loan balance decreased by ¥64.8 billion in the fiscal year 2011, however the decrease was ¥16.6 billion in the first nine months of fiscal year 2012, and an increase of ¥2.3 billion was recorded in the fourth quarter of fiscal year 2012 (after including the loan balance of the Bank's consumer finance business).
- Consumer finance is expected to incur a certain amount of net credit costs due to the inherent nature of the business. However, we are implementing strict credit management and have established a strong structure for loan collections, while credit quality continues to improve due to the income-linked borrowing limitation regulation implemented in 2010. Combined with the decline in loan balance, this resulted in net credit recoveries of ¥0.1 billion in fiscal year 2012. Also, the fact that net credit recoveries of ¥8.0 billion were recorded for fiscal year 2011 reflects the impact of a significant decrease in the loan balance of fiscal year 2011.

#### SHINKI

- The ordinary business profit after net credit costs of SHINKI after related consolidation adjustments was ¥2.2 billion for fiscal year 2012, compared to ¥4.7 billion for fiscal year 2011. Similar to Shinsei Financial, SHINKI's total revenue also decreased due to the revised Money-Lending Business Control and Regulation Law. However, the pace of decline has slowed.

**APLUS FINANCIAL**

- The ordinary business profit after net credit costs of APLUS FINANCIAL after the related consolidation adjustments amounted to ¥8.1 billion for fiscal year 2012, compared to ¥13.0 billion for fiscal year 2011. Net interest income decreased to ¥9.2 billion for fiscal year 2012, compared to ¥12.5 billion for fiscal year 2011 due to the decrease in loan balance following implementation of the revised Money-Lending Business Control and Regulation Law. However, non-interest income increased to ¥38.5 billion for fiscal year 2012, compared to ¥35.9 billion for fiscal year 2011 due to the steady increase in volume in the installment sales credit and settlement business. General and administrative expenses increased to ¥33.2 billion for fiscal year 2012, from ¥30.2 billion for fiscal year 2011, due to an increase in depreciation for technology, despite continued rationalization and efficient business processes. Net credit costs increased to ¥6.4 billion for fiscal year 2012, from ¥5.2 billion for fiscal year 2011.
- Others include the financial results of Shinsei Property Finance Co., Ltd and the Consumer Finance Sub-Group.

**Interest Repayment**

- Regarding reserve for losses on interest repayment, following provision of additional reserves of ¥32.8 billion in fiscal year 2011, no additional reserves were made in

fiscal year 2012. The usage of reserve for losses on interest repayment for fiscal year 2012 decreased, compared to fiscal year 2011 at Shinsei Financial, SHINKI and APLUS FINANCIAL.

- Shinsei Financial's usage of reserve for losses on interest repayment and others amounted to ¥4.8 billion for fiscal year 2012, from ¥7.7 billion for fiscal year 2011. Additional reserves were not made resulting in a total balance of ¥21.3 billion in reserves for losses on interest repayment as of March 31, 2013, compared to ¥26.2 billion as of March 31, 2012. Losses on interest repayment at Shinsei Financial have been recorded for the portion of the portfolio not covered by the GE indemnity included in the purchase agreement of Shinsei Financial from GE.
- SHINKI's usage of reserve for losses on interest repayment amounted to ¥6.2 billion for fiscal year 2012, from ¥11.0 billion for fiscal year 2011. Additional reserves were not made resulting in a total balance of ¥7.8 billion in reserves for losses on interest repayment as of March 31, 2013, compared to ¥14.0 billion as of March 31, 2012.
- APLUS FINANCIAL and its consolidated subsidiaries' usage of reserve for losses on interest repayment amounted to ¥4.8 billion for fiscal year 2012, from ¥6.4 billion for fiscal year 2011. Additional reserves were not made resulting in a total balance of ¥5.7 billion in reserves for losses on interest repayment as of March 31, 2013, compared to ¥10.6 billion as of March 31, 2012.

## Corporate/Other -Table 26- (Consolidated)

|  | (Billions of yen, except percentages) |                       |                |                        |
|--|---------------------------------------|-----------------------|----------------|------------------------|
|  | FY2012<br>(12 months)                 | FY2011<br>(12 months) | %<br>Change    | 1HFY2012<br>(6 months) |
| <b>Treasury Sub-Group<sup>(2)</sup> :</b>                                  |                                       |                       |                |                        |
| Net interest income  | (2.7)                                 | (9.2)                 | 70.8           | (1.6)                  |
| Non-interest income  | 7.2                                   | 3.1                   | 129.1          | 4.3                    |
| <b>Total revenue</b>   | <b>4.4</b>                            | <b>(6.1)</b>          | <b>173.4</b>   | <b>2.6</b>             |
| <b>General and administrative expenses</b>                                 | <b>1.2</b>                            | <b>1.0</b>            | <b>17.0</b>    | <b>0.6</b>             |
| <b>Ordinary business profit (loss)</b>                                     | <b>3.2</b>                            | <b>(7.2)</b>          | <b>144.9</b>   | <b>1.9</b>             |
| <b>Net credit costs</b>  | <b>-</b>                              | <b>-</b>              | <b>-</b>       | <b>-</b>               |
| <b>Ordinary business profit (loss) after net credit costs</b>              | <b>3.2</b>                            | <b>(7.2)</b>          | <b>144.9</b>   | <b>1.9</b>             |
| <b>Corporate/Other (excluding Treasury Sub-Group):<sup>(1)</sup></b>       |                                       |                       |                |                        |
| Net interest income  | (2.8)                                 | (2.9)                 | 2.9            | (1.2)                  |
| Non-interest income  | (0.2)                                 | 0.2                   | (176.6)        | 0.2                    |
| <b>Total revenue</b>   | <b>(3.1)</b>                          | <b>(2.6)</b>          | <b>(15.6)</b>  | <b>(1.0)</b>           |
| <b>General and administrative expenses</b>                                 | <b>0.7</b>                            | <b>(0.5)</b>          | <b>249.2</b>   | <b>(0.3)</b>           |
| <b>Ordinary business profit (loss)</b>                                     | <b>(3.8)</b>                          | <b>(2.1)</b>          | <b>(77.6)</b>  | <b>(0.6)</b>           |
| <b>Net credit costs (recoveries)</b>                                       | <b>0.5</b>                            | <b>(1.0)</b>          | <b>147.4</b>   | <b>0.2</b>             |
| <b>Ordinary business profit (loss) after net credit costs (recoveries)</b> | <b>(4.3)</b>                          | <b>(1.0)</b>          | <b>(300.6)</b> | <b>(0.9)</b>           |
| <b>Corporate/Other:<sup>(1)</sup></b>                                      |                                       |                       |                |                        |
| Net interest income  | (5.6)                                 | (12.2)                | 54.2           | (2.9)                  |
| Non-interest income  | 6.9                                   | 3.4                   | 103.6          | 4.5                    |
| <b>Total revenue</b>   | <b>1.3</b>                            | <b>(8.8)</b>          | <b>115.6</b>   | <b>1.5</b>             |
| <b>General and administrative expenses</b>                                 | <b>2.0</b>                            | <b>0.5</b>            | <b>257.0</b>   | <b>0.2</b>             |
| <b>Ordinary business profit (loss)</b>                                     | <b>(0.6)</b>                          | <b>(9.3)</b>          | <b>93.1</b>    | <b>1.3</b>             |
| <b>Net credit costs (recoveries)</b>                                       | <b>0.5</b>                            | <b>(1.0)</b>          | <b>147.4</b>   | <b>0.2</b>             |
| <b>Ordinary business profit (loss) after net credit costs (recoveries)</b> | <b>(1.1)</b>                          | <b>(8.2)</b>          | <b>86.0</b>    | <b>1.0</b>             |

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

(2) From the FY2012 interim period, financial results for the Treasury Sub-Group have been transferred from the "Global Markets Group" to the "Corporate/Other" account.

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

The Treasury Sub-Group, which governs the ALM for the Bank overall, was transferred to the Finance Group as part of organizational changes implemented on July 1, 2012, and its results are now included in the Corporate/Other segment. Treasury Sub-Group's total revenue was a profit of ¥4.4 billion for fiscal year 2012, compared to a loss of ¥6.1 billion for fiscal year 2011. The sub-group holds liquidity reserves

and Japanese national government bonds for ALM purposes, and during fiscal year 2012 the sub-group also traded Japanese national government bonds to facilitate liquidity management and earned sales gains at the same time. Net sales gains increased from ¥1.8 billion for fiscal year 2011 to ¥4.9 billion for fiscal year 2012.

**Segment Information**

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

**Consolidated Balance Sheets (Consolidated)****Assets**

|   | <i>(Millions of yen)</i>       |                       |                   |
|---|--------------------------------|-----------------------|-------------------|
|   | <b>Mar 31<br/>2013<br/>(a)</b> | Mar 31<br>2012<br>(b) | Change<br>(a)-(b) |
| <b>&lt;&lt;Assets&gt;&gt;</b>                         |                                |                       |                   |
| Cash and due from banks                               | <b>648,897</b>                 | 413,721               | 235,175           |
| Call loans and bills bought                           | <b>18,806</b>                  | 15,745                | 3,060             |
| Receivables under resale agreements                   | <b>78,507</b>                  | 18,362                | 60,145            |
| Receivables under securities borrowing transactions   | <b>19,083</b>                  | 114,080               | (94,996)          |
| Other monetary claims purchased                       | <b>112,318</b>                 | 130,943               | (18,625)          |
| Trading assets  | <b>287,907</b>                 | 202,675               | 85,231            |
| Monetary assets held in trust                         | <b>233,847</b>                 | 267,628               | (33,781)          |
| Securities  | <b>1,842,344</b>               | 1,873,493             | (31,148)          |
| Loans and bills discounted                            | <b>4,292,464</b>               | 4,136,827             | 155,637           |
| Foreign exchanges                                     | <b>33,857</b>                  | 18,896                | 14,961            |
| Lease receivables and leased investment assets        | <b>203,590</b>                 | 197,432               | 6,158             |
| Other assets  | <b>770,905</b>                 | 686,716               | 84,189            |
| Premises and equipment                                | <b>52,716</b>                  | 54,131                | (1,415)           |
| Intangible assets                                     | <b>68,429</b>                  | 81,053                | (12,623)          |
| Goodwill  | <b>35,394</b>                  | 41,951                | (6,556)           |
| Deferred issuance expenses for debentures             | <b>95</b>                      | 135                   | (40)              |
| Deferred tax assets                                   | <b>16,339</b>                  | 15,834                | 504               |
| Customers' liabilities for acceptances and guarantees | <b>511,032</b>                 | 562,624               | (51,591)          |
| Reserve for credit losses                             | <b>(161,810)</b>               | (180,633)             | 18,822            |
| <b>Total assets</b>                                   | <b>9,029,335</b>               | 8,609,672             | 419,663           |

## Liabilities and Equity

(Millions of yen)

|  | Mar 31<br>2013<br>(a) | Mar 31<br>2012<br>(b) | Change<br>(a)-(b) |
|--|-----------------------|-----------------------|-------------------|
| <b>&lt;&lt;Liabilities&gt;&gt;</b>                         |                       |                       |                   |
| Deposits   | 5,252,935             | 5,184,326             | 68,609            |
| Negotiable certificates of deposit                         | 204,600               | 178,084               | 26,515            |
| Debentures   | 262,342               | 294,139               | (31,797)          |
| Call money and bills sold                                  | 170,094               | 210,163               | (40,069)          |
| Payables under securities lending transactions             | 47,069                | 148,590               | (101,521)         |
| Trading liabilities  | 240,099               | 176,044               | 64,055            |
| Borrowed money   | 719,292               | 476,731               | 242,561           |
| Foreign exchanges  | 174                   | 11                    | 162               |
| Short-term corporate bonds                                 | 82,800                | 50,700                | 32,100            |
| Corporate bonds  | 174,286               | 168,797               | 5,488             |
| Other liabilities  | 630,759               | 465,698               | 165,060           |
| Accrued employees' bonuses                                 | 7,604                 | 7,262                 | 342               |
| Accrued directors' bonuses                                 | 54                    | 40                    | 14                |
| Reserve for employees' retirement benefits                 | 7,309                 | 7,027                 | 282               |
| Reserve for directors' retirement benefits                 | 245                   | 231                   | 14                |
| Reserve for losses on interest repayments                  | 34,983                | 50,913                | (15,930)          |
| Reserve under special law                                  | 0                     | 1                     | (0)               |
| Deferred tax liabilities                                   | 7                     | 626                   | (619)             |
| Acceptances and guarantees                                 | 511,032               | 562,624               | (51,591)          |
| <b>Total liabilities</b>                                   | <b>8,345,690</b>      | <b>7,982,014</b>      | <b>363,675</b>    |
| <b>&lt;&lt;Equity&gt;&gt;</b>                              |                       |                       |                   |
| <b>Shareholders' equity:</b>                               |                       |                       |                   |
| Common stock   | 512,204               | 512,204               | -                 |
| Capital surplus  | 79,461                | 79,461                | -                 |
| Retained earnings  | 107,288               | 58,863                | 48,425            |
| Treasury stock, at cost                                    | (72,558)              | (72,558)              | -                 |
| <b>Total shareholders' equity</b>                          | <b>626,395</b>        | <b>577,970</b>        | <b>48,425</b>     |
| <b>Accumulated other comprehensive income :</b>            |                       |                       |                   |
| Unrealized gain (loss) on available-for-sale securities    | 3,825                 | (674)                 | 4,499             |
| Deferred gain (loss) on derivatives under hedge accounting | (11,605)              | (11,754)              | 148               |
| Foreign currency translation adjustments                   | 1,475                 | (1,117)               | 2,592             |
| <b>Total accumulated other comprehensive income</b>        | <b>(6,305)</b>        | <b>(13,545)</b>       | <b>7,240</b>      |
| Stock acquisition rights                                   | 1,238                 | 1,354                 | (115)             |
| Minority interests   | 62,315                | 61,877                | 438               |
| <b>Total equity</b>  | <b>683,644</b>        | <b>627,657</b>        | <b>55,987</b>     |
| <b>Total liabilities and equity</b>                        | <b>9,029,335</b>      | <b>8,609,672</b>      | <b>419,663</b>    |

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

|   | FY2012<br>(12 months) | FY2011<br>(12 months) | Change   |         |
|---|-----------------------|-----------------------|----------|---------|
|   |                       |                       | Amount   | %       |
| <b>Ordinary income</b>  | <b>386,079</b>        | 413,232               | (27,153) | (6.6)   |
| Interest income   | 147,834               | 159,722               | (11,887) | (7.4)   |
| Interest on loans and bills discounted                              | 128,560               | 140,336               | (11,776) | (8.4)   |
| Interest and dividends on securities                                | 17,028                | 17,811                | (783)    | (4.4)   |
| Other interest income   | 2,246                 | 1,573                 | 672      | 42.7    |
| Fees and commissions income   | 40,309                | 46,915                | (6,605)  | (14.1)  |
| Trading income  | 22,698                | 16,730                | 5,968    | 35.7    |
| Other business income   | 141,266               | 150,212               | (8,946)  | (6.0)   |
| Other ordinary income   | 33,969                | 39,652                | (5,682)  | (14.3)  |
| <b>Ordinary expenses</b>  | <b>331,584</b>        | 396,481               | (64,897) | (16.4)  |
| Interest expenses   | 36,149                | 42,821                | (6,672)  | (15.6)  |
| Interest on deposits  | 23,066                | 28,664                | (5,598)  | (19.5)  |
| Interest on borrowings  | 5,264                 | 5,582                 | (318)    | (5.7)   |
| Interest on corporate bonds   | 5,467                 | 5,749                 | (281)    | (4.9)   |
| Other interest expenses   | 2,351                 | 2,825                 | (474)    | (16.8)  |
| Fees and commissions expenses                                       | 21,134                | 21,723                | (589)    | (2.7)   |
| Trading losses  | 2,669                 | 3,094                 | (425)    | (13.7)  |
| Other business expenses   | 99,833                | 112,336               | (12,502) | (11.1)  |
| General and administrative expenses                                 | 141,798               | 142,354               | (555)    | (0.4)   |
| Amortization of goodwill  | 7,036                 | 7,697                 | (660)    | (8.6)   |
| Amortization of intangible assets acquired in business combinations | 3,774                 | 4,258                 | (483)    | (11.3)  |
| Other general and administrative expenses                           | 130,987               | 130,399               | 588      | 0.5     |
| Other ordinary expenses   | 29,998                | 74,150                | (44,151) | (59.5)  |
| Provision of reserve for credit losses                              | 13,785                | 19,020                | (5,235)  | (27.5)  |
| Other   | 16,213                | 55,130                | (38,916) | (70.6)  |
| <b>Ordinary profit</b>  | <b>54,495</b>         | 16,750                | 37,744   | 225.3   |
| Extraordinary gains   | 1,162                 | 3,014                 | (1,851)  | (61.4)  |
| Extraordinary losses  | 1,782                 | 4,419                 | (2,636)  | (59.7)  |
| <b>Income before income taxes and minority interests</b>            | <b>53,875</b>         | 15,345                | 38,529   | 251.1   |
| Income taxes (benefit):   |                       |                       |          |         |
| Income taxes (benefit) - current                                    | 595                   | 2,925                 | (2,330)  | (79.7)  |
| Income taxes (benefit) - deferred                                   | (1,334)               | 2,433                 | (3,767)  | (154.8) |
| Total income taxes (benefit)  | (738)                 | 5,359                 | (6,098)  | (113.8) |
| <b>Income before minority interests</b>                             | <b>54,614</b>         | 9,986                 | 44,627   | 446.9   |
| Minority interests in net income of subsidiaries                    | 3,534                 | 3,555                 | (20)     | (0.6)   |
| <b>Net income</b>   | <b>51,079</b>         | 6,430                 | 44,648   | 694.4   |

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

|  | FY2012<br>(12 months) | FY2011<br>(12 months) | Change   |         |
|--|-----------------------|-----------------------|----------|---------|
|  |                       |                       | Amount   | %       |
| Income before minority interests                           | <b>54,614</b>         | 9,986                 | 44,627   | 446.9   |
| Other comprehensive income                                 |                       |                       |          |         |
| Unrealized gain (loss) on available-for-sale securities    | <b>4,266</b>          | 14,516                | (10,250) | (70.6)  |
| Deferred gain (loss) on derivatives under hedge accounting | <b>148</b>            | (1,556)               | 1,704    | 109.5   |
| Foreign currency translation adjustments                   | <b>2,889</b>          | 1,027                 | 1,862    | 181.3   |
| Share of other comprehensive income in affiliates          | <b>794</b>            | 32                    | 762      | 2,361.0 |
| Other comprehensive income                                 | <b>8,098</b>          | 14,019                | (5,920)  | (42.2)  |
| Comprehensive income                                       | <b>62,713</b>         | 24,006                | 38,707   | 161.2   |
| (Breakdown)  |                       |                       |          |         |
| Attributable to:   |                       |                       |          |         |
| Owners of the parent                                       | <b>58,319</b>         | 20,820                | 37,499   | 180.1   |
| Minority interests   | <b>4,393</b>          | 3,185                 | 1,207    | 37.9    |

## Consolidated Statements of Changes in Equity (Consolidated)

(Millions of yen)

|  | FY2012<br>(12 months) | FY2011<br>(12 months) |
|--|-----------------------|-----------------------|
| <b>Shareholders' equity</b>                        |                       |                       |
| Common stock :                                     |                       |                       |
| Balance at beginning of the year                   | 512,204               | 512,204               |
| Changes during the year                            |                       |                       |
| Total changes during the year                      | -                     | -                     |
| Balance at end of the year                         | 512,204               | 512,204               |
| Capital surplus :                                  |                       |                       |
| Balance at beginning of the year                   | 79,461                | 79,461                |
| Changes during the year                            |                       |                       |
| Total changes during the year                      | -                     | -                     |
| Balance at end of the year                         | 79,461                | 79,461                |
| Retained earnings :                                |                       |                       |
| Balance at beginning of the year                   | 58,863                | 55,087                |
| Changes during the year                            |                       |                       |
| Dividends  | (2,653)               | (2,653)               |
| Net income   | 51,079                | 6,430                 |
| Increase by inclusion of consolidated subsidiaries | 0                     | -                     |
| Decrease by inclusion of consolidated subsidiaries | (0)                   | (0)                   |
| Decrease by exclusion of consolidated subsidiaries | (0)                   | (0)                   |
| Total changes during the year                      | 48,425                | 3,775                 |
| Balance at end of the year                         | 107,288               | 58,863                |
| Treasury stock at cost :                           |                       |                       |
| Balance at beginning of the year                   | (72,558)              | (72,558)              |
| Changes during the year                            |                       |                       |
| Total changes during the year                      | -                     | -                     |
| Balance at end of the year                         | (72,558)              | (72,558)              |
| Total shareholders' equity :                       |                       |                       |
| Balance at beginning of the year                   | 577,970               | 574,195               |
| Changes during the year                            |                       |                       |
| Dividends  | (2,653)               | (2,653)               |
| Net income   | 51,079                | 6,430                 |
| Increase by inclusion of consolidated subsidiaries | 0                     | -                     |
| Decrease by inclusion of consolidated subsidiaries | (0)                   | (0)                   |
| Decrease by exclusion of consolidated subsidiaries | (0)                   | (0)                   |
| Total changes during the year                      | 48,425                | 3,775                 |
| Balance at end of the year                         | 626,395               | 577,970               |

(Millions of yen)

|  | FY2012<br>(12 months) | FY2011<br>(12 months) |
|--|-----------------------|-----------------------|
| <b>Accumulated other comprehensive income</b>                |                       |                       |
| Unrealized gain (loss) on available-for-sale securities :    |                       |                       |
| Balance at beginning of the year                             | (674)                 | (15,225)              |
| Changes during the year                                      |                       |                       |
| Net changes during the year excluding shareholders' equity   | 4,499                 | 14,551                |
| Total changes during the year                                | 4,499                 | 14,551                |
| Balance at end of the year                                   | 3,825                 | (674)                 |
| Deferred gain (loss) on derivatives under hedge accounting : |                       |                       |
| Balance at beginning of the year                             | (11,754)              | (10,197)              |
| Changes during the year                                      |                       |                       |
| Net changes during the year excluding shareholders' equity   | 148                   | (1,556)               |
| Total changes during the year                                | 148                   | (1,556)               |
| Balance at end of the year                                   | (11,605)              | (11,754)              |
| Foreign currency translation adjustments :                   |                       |                       |
| Balance at beginning of the year                             | (1,117)               | (2,511)               |
| Changes during the year                                      |                       |                       |
| Net changes during the year excluding shareholders' equity   | 2,592                 | 1,394                 |
| Total changes during the year                                | 2,592                 | 1,394                 |
| Balance at end of the year                                   | 1,475                 | (1,117)               |
| Total accumulated other comprehensive income :               |                       |                       |
| Balance at beginning of the year                             | (13,545)              | (27,935)              |
| Changes during the year                                      |                       |                       |
| Net changes during the year excluding shareholders' equity   | 7,240                 | 14,389                |
| Total changes during the year                                | 7,240                 | 14,389                |
| Balance at end of the year                                   | (6,305)               | (13,545)              |
| <b>Stock acquisition rights</b>                              |                       |                       |
| Balance at beginning of the year                             | 1,354                 | 1,413                 |
| Changes during the year                                      |                       |                       |
| Net changes during the year excluding shareholders' equity   | (115)                 | (58)                  |
| Total changes during the year                                | (115)                 | (58)                  |
| Balance at end of the year                                   | 1,238                 | 1,354                 |
| <b>Minority interests</b>                                    |                       |                       |
| Balance at beginning of the year                             | 61,877                | 63,481                |
| Changes during the year                                      |                       |                       |
| Net changes during the year excluding shareholders' equity   | 438                   | (1,603)               |
| Total changes during the year                                | 438                   | (1,603)               |
| Balance at end of the year                                   | 62,315                | 61,877                |
| <b>Total equity</b>  |                       |                       |
| Balance at beginning of the year                             | 627,657               | 611,154               |
| Changes during the year                                      |                       |                       |
| Dividends  | (2,653)               | (2,653)               |
| Net income   | 51,079                | 6,430                 |
| Increase by inclusion of consolidated subsidiaries           | 0                     | -                     |
| Decrease by inclusion of consolidated subsidiaries           | (0)                   | (0)                   |
| Decrease by exclusion of consolidated subsidiaries           | (0)                   | (0)                   |
| Net changes during the year excluding shareholders' equity   | 7,562                 | 12,727                |
| Total changes during the year                                | 55,987                | 16,502                |
| Balance at end of the year                                   | 683,644               | 627,657               |

## Consolidated Statements of Cash Flows (Consolidated)

(Millions of yen)

|  | FY2012<br>(12 months) | FY2011<br>(12 months) | Change      |
|--|-----------------------|-----------------------|-------------|
| <b>I. Cash flows from operating activities:</b>  |                       |                       |             |
| Income (loss) before income taxes and minority interests   | 53,875                | 15,345                | 38,529      |
| Depreciation (other than leased assets as lessor)  | 10,502                | 10,130                | 372         |
| Amortization of goodwill   | 7,036                 | 7,697                 | (660)       |
| Amortization of intangible assets acquired in business combinations                              | 3,774                 | 4,258                 | (483)       |
| Impairment losses  | 916                   | 1,092                 | (175)       |
| Equity in net (income) loss of affiliates  | 1,309                 | (3,429)               | 4,739       |
| Net change in reserve for credit losses  | (18,942)              | (11,946)              | (6,996)     |
| Net change in accrued employees' bonuses   | 336                   | (833)                 | 1,169       |
| Net change in reserve for employees' retirement benefits   | 291                   | (3,988)               | 4,279       |
| Net change in reserve for losses on interest repayments  | (15,930)              | 7,714                 | (23,644)    |
| Net change in other reserves   | 29                    | (52)                  | 81          |
| Interest income  | (147,834)             | (159,722)             | 11,887      |
| Interest expenses  | 36,149                | 42,821                | (6,672)     |
| (Gain) loss on securities sold   | (5,324)               | 1,971                 | (7,295)     |
| (Gain) loss on monetary assets held in trust   | (5,027)               | (5,685)               | 658         |
| Net exchange (gain) loss   | (31,199)              | 9,216                 | (40,415)    |
| Net (gain) loss on disposal of premises and equipment  | (183)                 | 518                   | (702)       |
| Net change in trading assets   | (85,231)              | (7,279)               | (77,951)    |
| Net change in trading liabilities  | 64,055                | 28,257                | 35,797      |
| Net change in loans and bills discounted   | (153,821)             | 128,328               | (282,150)   |
| Net change in deposits   | 68,609                | (251,086)             | 319,695     |
| Net change in negotiable certificates of deposit   | 26,515                | 4,038                 | 22,477      |
| Net change in debentures   | (31,797)              | (54,131)              | 22,333      |
| Net change in borrowed money (other than subordinated debt)                                      | 243,287               | (1,182,159)           | 1,425,446   |
| Net change in corporate bonds (other than subordinated corporate bonds)                          | (2,510)               | (6,546)               | 4,035       |
| Net change in deposits (other than non-interest-bearing deposits)                                | 8,776                 | 69,883                | (61,106)    |
| Net change in call loans   | (63,205)              | (34,108)              | (29,097)    |
| Net change in other monetary claims purchased  | 22,312                | 23,991                | (1,678)     |
| Net change in receivables under securities borrowing transactions                                | 94,996                | (103,692)             | 198,689     |
| Net change in call money and bills sold  | (40,069)              | 49,833                | (89,903)    |
| Net change in payables under securities lending transactions                                     | (101,521)             | (121,106)             | 19,584      |
| Net change in foreign exchange assets and liabilities  | (14,798)              | 23,144                | (37,943)    |
| Net change in short-term corporate bonds (liabilities)   | 32,100                | 27,900                | 4,200       |
| Net change in net trust account  | (7,146)               | 139                   | (7,286)     |
| Interest received  | 149,077               | 163,093               | (14,015)    |
| Interest paid  | (26,279)              | (39,870)              | 13,591      |
| Net change in trading securities   | (49)                  | 438                   | (487)       |
| Net change in monetary assets held in trust  | 33,743                | 31,937                | 1,805       |
| Net change in leased receivables and leased investment assets                                    | (5,499)               | 9,629                 | (15,128)    |
| Others, net  | 59,437                | 6,078                 | 53,358      |
| Subtotal   | 160,762               | (1,318,177)           | 1,478,939   |
| Income taxes paid  | (696)                 | (3,092)               | 2,396       |
| Net cash provided by (used in) operating activities  | 160,065               | (1,321,270)           | 1,481,335   |
| <b>II. Cash flows from investing activities:</b>   |                       |                       |             |
| Purchase of securities   | (8,549,411)           | (699,368)             | (7,850,042) |
| Proceeds from sale of securities   | 8,200,931             | 1,232,903             | 6,968,027   |
| Proceeds from maturity of securities   | 423,914               | 883,190               | (459,276)   |
| Investment in monetary assets held in trust  | (85,270)              | (87,433)              | 2,163       |
| Proceeds from disposition of monetary assets held in trust                                       | 90,342                | 46,006                | 44,336      |
| Purchase of premises and equipment (other than leased assets as lessor)                          | (3,209)               | (5,944)               | 2,734       |
| Purchase of intangible assets (other than leased assets as lessor)                               | (4,249)               | (6,702)               | 2,452       |
| Proceeds from sales of investments in subsidiaries resulting in change in scope of consolidation | 14,588                | 4,912                 | 9,675       |
| Others, net  | 133                   | 1,006                 | (873)       |
| Net cash provided by (used in) investing activities  | 87,769                | 1,368,571             | (1,280,801) |
| <b>III. Cash flows from financing activities:</b>  |                       |                       |             |
| Proceeds from subordinated debt  | -                     | 38,600                | (38,600)    |
| Repayment of subordinated debt   | (1,000)               | (47,000)              | 46,000      |
| Proceeds from issuance of subordinated corporate bonds   | 6,349                 | -                     | 6,349       |
| Payment for redemption of subordinated corporate bonds   | (5,000)               | -                     | (5,000)     |
| Proceeds from minority shareholders of subsidiaries  | 262                   | 91                    | 171         |
| Repayments to minority shareholders  | (1,043)               | (760)                 | (283)       |
| Dividends paid   | (2,653)               | (2,653)               | -           |
| Dividends paid to minority shareholders of subsidiaries  | (3,145)               | (3,297)               | 151         |
| Net cash provided by (used in) financing activities  | (6,230)               | (15,019)              | 8,788       |
| <b>IV. Foreign currency translation adjustments on cash and cash equivalents</b>                 | 68                    | 43                    | 25          |
| <b>V. Net change in cash and cash equivalents</b>  | 241,672               | 32,324                | 209,347     |
| <b>VI. Cash and cash equivalents at beginning of the year</b>                                    | 332,798               | 300,474               | 32,324      |
| <b>VII. Cash and cash equivalents at end of the year</b>   | 574,470               | 332,798               | 241,672     |

## Section 2. Non-Consolidated Information

## Results of Operations -Table 27- (Non-Consolidated)

|  | (Billions of yen, except percentages) |                       |               |                        |
|--|---------------------------------------|-----------------------|---------------|------------------------|
|  | FY2012<br>(12 months)                 | FY2011<br>(12 months) | %<br>Change   | 1HFY2012<br>(6 months) |
| Net interest income  | 62.0                                  | 70.3                  | (11.7)        | 34.8                   |
| Non-interest income  | 31.2                                  | 24.5                  | 27.2          | 17.3                   |
| Net fees and commissions <sup>(1)</sup>  | 10.3                                  | 18.0                  | (42.7)        | 7.5                    |
| Net trading income   | 14.5                                  | 13.4                  | 8.1           | 8.5                    |
| Net other business income  | 6.3                                   | (6.9)                 | 191.7         | 1.2                    |
| <b>Total revenue <sup>(1)</sup></b>  | <b>93.3</b>                           | <b>94.8</b>           | <b>(1.6)</b>  | <b>52.1</b>            |
| Personnel expenses   | 21.1                                  | 19.9                  | 6.2           | 10.1                   |
| Non-personnel expenses   | 42.9                                  | 39.2                  | 9.4           | 21.5                   |
| Taxes  | 3.2                                   | 3.5                   | (8.8)         | 1.6                    |
| <b>General and administrative expenses</b>                                       | <b>67.3</b>                           | <b>62.6</b>           | <b>7.4</b>    | <b>33.3</b>            |
| <b>Net business profit <sup>(1)</sup></b>  | <b>25.9</b>                           | <b>32.1</b>           | <b>(19.2)</b> | <b>18.7</b>            |
| <b>Other gains (losses)</b>  |                                       |                       |               |                        |
| Gains (losses) on the sales of equities  | 1.7                                   | 1.5                   | 15.1          | 0.1                    |
| Net reversal of reserve for credit losses (Provision of reserve for loan losses) | (0.4)                                 | (14.0)                | 97.0          | (0.6)                  |
| Losses on write-off of loans   | (6.8)                                 | (2.1)                 | (220.8)       | (2.5)                  |
| Recoveries of written-off claims   | 8.5                                   | 5.2                   | 63.0          | 1.6                    |
| Expenses for employees' retirement benefits                                      | (2.3)                                 | (2.7)                 | 12.2          | (0.9)                  |
| Other losses, expenses   | (0.9)                                 | (1.9)                 | 51.5          | (0.7)                  |
| <b>Net ordinary income</b>   | <b>25.7</b>                           | <b>18.1</b>           | <b>41.9</b>   | <b>15.6</b>            |
| <b>Special gains (losses)</b>  |                                       |                       |               |                        |
| Gains (losses) from sales of fixed assets  | (0.8)                                 | (1.7)                 | 53.4          | (0.2)                  |
| Other special gains (losses)   | (1.4)                                 | (0.1)                 | (986.6)       | (0.3)                  |
| <b>Income before income taxes</b>  | <b>23.4</b>                           | <b>16.2</b>           | <b>44.1</b>   | <b>15.1</b>            |
| <b>Income taxes (benefit)</b>  |                                       |                       |               |                        |
| Current  | (0.7)                                 | 0.1                   | (583.9)       | (0.1)                  |
| Deferred   | (0.4)                                 | 2.1                   | (121.1)       | (0.4)                  |
| <b>Net income</b>  | <b>24.6</b>                           | <b>13.8</b>           | <b>77.4</b>   | <b>15.6</b>            |

(1) Includes income from monetary assets held in trust of ¥5.1 billion in FY2012, ¥12.2 billion in FY2011 and ¥5.1 billion in 1HFY2012.

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

- The gap between net income on non-consolidated basis and consolidated basis results derives from the profits or losses at our consolidated subsidiaries including Showa Leasing, Shinsei Financial, APLUS FINANCIAL and SHINKI, gains or losses on our investment in our equity method affiliate, Jih Sun Financial Holding Co., Ltd., and whether or not dividends are received from our major consolidated subsidiaries.
- In addition, gains (losses) on the sale of equities and impairments are recorded as other business income in the consolidated financial statement, reflecting the nature of the transaction. However, in the above non-consolidated statement, the same transactions are recorded as other gains (losses) in accordance with the reporting requirements on a Revitalization Plan basis.
- Net income of Shinsei Bank on non-consolidated basis, increased significantly to ¥24.6 billion for fiscal year 2012 from ¥13.8 billion for fiscal year 2011. Total revenue on a non-consolidated basis was ¥93.3 billion for fiscal year 2012, a decrease as compared to ¥94.8 billion for fiscal year 2011. Net interest income on a non-consolidated basis was ¥62.0 billion for fiscal year 2012, a decrease as compared to ¥70.3 billion for fiscal year 2011. This was mainly due to the dividends received from subsidiaries including Shinsei Financial of ¥7.1 billion for fiscal year 2012, as compared to ¥20.5 billion for fiscal year 2011. Net interest income excluding dividends received from subsidiaries, was an increase of ¥5.1 billion. This was mainly due to efforts undertaken to expand the customer base in the institutional business and the commencement of the consumer finance business in October 2011, at the Bank. Non interest income on a non-consolidated basis was ¥31.2 billion for fiscal year 2012, an increase as compared to ¥24.5 billion for fiscal year 2011. This was due to efforts undertaken to provide various products and transactions in line with customers' needs, accumulating stable income from transactions with customers, also with no major impairment recorded.
- Despite continued rationalization and efficient business processes across business groups, general and administrative expenses were ¥67.3 billion on a non-consolidated basis for fiscal year 2012, compared to ¥62.6 billion for fiscal year 2011. This was due to the inclusion of expenses related to the Bank's consumer finance business, starting from October 2011, on a full year basis; which were included for only six months in fiscal year 2011.

- Net income increased significantly, due to continuous efforts to reduce potential risks like compression of non-core assets, resulting in the elimination of

non-recurring factors in impairment and credit costs, and the core earnings capacity becoming steady and firm.

**Net Credit Costs -Table 28- (Non-Consolidated)**

|  | <i>(Billions of yen, except percentages)</i> |                               |                     |                                |
|--|--|-------------------------------|---------------------|--------------------------------|
|  | <b>FY2012<br/>(12 months)</b>                | <b>FY2011<br/>(12 months)</b> | <b>%<br/>Change</b> | <b>1HFY2012<br/>(6 months)</b> |
| Losses on write-off of loans   | <b>6.8</b>                                   | 2.1                           | 217.0               | 2.5                            |
| Net provision (reversal) of reserve for loan losses                            | <b>0.4</b>                                   | 14.0                          | (97.0)              | 0.6                            |
| Net provision (reversal) of general reserve for loan losses                    | <b>(10.0)</b>                                | (5.3)                         | (89.2)              | (5.0)                          |
| Net provision of specific reserve for loan losses                              | <b>10.4</b>                                  | 19.3                          | (46.0)              | 5.6                            |
| Net provision (reversal) of reserve for loan losses to restructuring countries | -  | (0.0)                         | 100.0               | -                              |
| Recoveries of written-off claims   | <b>(8.5)</b>                                 | (5.2)                         | (63.0)              | (1.6)                          |
| <b>Net credit costs (recoveries)</b>   | <b>(1.2)</b>                                 | 10.9                          | (111.4)             | 1.5                            |

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

**Interest-Earning Assets and Interest-Bearing Liabilities -Table 29- (Non-Consolidated)**

|   | <b>FY2012<br/>(12 months)</b> |             |                     | <b>FY2011<br/>(12 months)</b> |              |                     | <i>(Billions of yen, except percentages)</i><br><b>1HFY2012<br/>(6 months)</b> |             |                     |
|---|-------------------------------|-------------|---------------------|-------------------------------|--------------|---------------------|--|-------------|---------------------|
|   | Average<br>balance            | Interest    | Yield/rate<br>(%)   | Average<br>balance            | Interest     | Yield/rate<br>(%)   | Average<br>balance   | Interest    | Yield/rate<br>(%)   |
| <b>Interest-earning assets:</b>                             |                               |             |                     |                               |              |                     |  |             |                     |
| Cash and due from banks                                     | 20.5                          | 0.2         | 1.21                | 24.6                          | 0.2          | 1.05                | 21.2   | 0.1         | 1.08                |
| Call loans  | 60.4                          | 0.0         | 0.12                | 38.4                          | 0.0          | 0.22                | 44.9   | 0.0         | 0.13                |
| Receivables under resale agreements                         | 46.8                          | 0.1         | 0.39                | 6.2                           | 0.0          | 0.38                | 30.1   | 0.0         | 0.39                |
| Collateral related to securities borrowing transactions     | 15.7                          | 0.0         | 0.11                | 9.7                           | 0.0          | 0.10                | 16.2   | 0.0         | 0.11                |
| Securities  | 2,382.7                       | 26.1        | 1.09                | 2,790.5                       | 42.8         | 1.53                | 2,303.3  | 17.6        | 1.52                |
| Loans and bills discounted                                  | 4,169.6                       | 67.0        | 1.60                | 4,022.2                       | 63.9         | 1.59                | 4,123.9  | 32.7        | 1.58                |
| Other interest-earning assets                               | 239.6                         | 2.0         | 0.84                | 269.2                         | 2.7          | 1.01                | 242.6  | 1.0         | 0.86                |
| Interest rate and funding swaps                             | -                             | 0.2         | -                   | -                             | 0.0          | -                   | -  | 0.0         | -                   |
| <b>Total interest-earning assets</b>                        | <b>6,935.6</b>                | <b>96.0</b> | <b>1.38</b>         | <b>7,161.0</b>                | <b>109.9</b> | <b>1.53</b>         | <b>6,782.6</b>   | <b>51.6</b> | <b>1.51</b>         |
| <b>Interest-bearing liabilities:</b>                        |                               |             |                     |                               |              |                     |  |             |                     |
| Deposits  | 5,407.6                       | 23.0        | 0.42                | 5,576.6                       | 28.6         | 0.51                | 5,431.0  | 11.6        | 0.42                |
| Negotiable certificates of deposit                          | 257.8                         | 0.3         | 0.14                | 229.2                         | 0.3          | 0.16                | 236.8  | 0.1         | 0.14                |
| Debentures  | 282.0                         | 0.9         | 0.34                | 321.2                         | 1.4          | 0.46                | 289.7  | 0.5         | 0.37                |
| Call money  | 141.4                         | 0.1         | 0.10                | 147.8                         | 0.1          | 0.11                | 130.9  | 0.0         | 0.10                |
| Payable under repurchase agreements                         | 5.5                           | 0.0         | 0.19                | -                             | -            | -                   | 0.5  | 0.0         | 0.23                |
| Collateral related to securities lending transactions       | 222.7                         | 0.2         | 0.11                | 252.3                         | 0.3          | 0.15                | 144.8  | 0.0         | 0.11                |
| Borrowed money  | 401.1                         | 2.6         | 0.66                | 390.0                         | 2.3          | 0.60                | 350.0  | 1.2         | 0.73                |
| Corporate bonds   | 211.8                         | 8.3         | 3.95                | 214.0                         | 8.6          | 4.02                | 207.1  | 4.0         | 3.86                |
| Other interest-bearing liabilities                          | 0.2                           | 0.0         | n.m. <sup>(1)</sup> | 0.1                           | 0.0          | n.m. <sup>(1)</sup> | 0.1  | 0.0         | n.m. <sup>(1)</sup> |
| Interest rate and funding swaps                             | -                             | -           | -                   | -                             | -            | -                   | -  | -           | -                   |
| <b>Total interest-bearing liabilities</b>                   | <b>6,930.5</b>                | <b>35.8</b> | <b>0.51</b>         | <b>7,131.5</b>                | <b>42.0</b>  | <b>0.59</b>         | <b>6,791.3</b>   | <b>17.8</b> | <b>0.52</b>         |
| <b>Net interest income/yield on interest-earning assets</b> | <b>6,935.6</b>                | <b>60.1</b> | <b>0.86</b>         | <b>7,161.0</b>                | <b>67.8</b>  | <b>0.94</b>         | <b>6,782.6</b>   | <b>33.8</b> | <b>0.99</b>         |

(1) n.m. is not meaningful.

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

**Risk-Monitored Loans -Table 30- (Non-Consolidated)**

|   | (Billions of yen) |                |               |                |               |
|---|-------------------|----------------|---------------|----------------|---------------|
|   | Mar 31<br>2013    | Mar 31<br>2012 | Change        | Sep 30<br>2012 | Change        |
|   | (a)               | (b)            | (a)-(b)       | (c)            | (a)-(c)       |
| Loans to bankrupt obligors                            | 8.1               | 3.5            | 4.5           | 5.3            | 2.8           |
| Non-accrual delinquent loans                          | 211.2             | 263.3          | (52.0)        | 241.7          | (30.5)        |
| Loans past due for three months or more               | 1.1               | 0.7            | 0.4           | 0.7            | 0.4           |
| Restructured loans                                    | 4.5               | 0.8            | 3.6           | 1.9            | 2.5           |
| <b>Total (A)</b>                                      | <b>225.0</b>      | <b>268.4</b>   | <b>(43.3)</b> | <b>249.8</b>   | <b>(24.7)</b> |
| <b>Loans and bills discounted (B)</b>                 | <b>4,224.4</b>    | <b>4,102.6</b> | <b>121.7</b>  | <b>4,264.1</b> | <b>(39.6)</b> |
| Ratio to total loans and bills discounted (A / B) (%) | 5.33%             | 6.54%          |               | 5.86%          |               |
| <b>Reserve for credit losses (C)</b>                  | <b>106.5</b>      | <b>121.1</b>   | <b>(14.6)</b> | <b>113.5</b>   | <b>(6.9)</b>  |
| Reserve ratio (C / A) (%)                             | 47.3%             | 45.1%          |               | 45.4%          |               |

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

**Loans by Borrower Industry -Table 31- (Non-Consolidated)**

|  | (Billions of yen) |                |               |                |               |
|--|-------------------|----------------|---------------|----------------|---------------|
|  | Mar 31<br>2013    | Mar 31<br>2012 | Change        | Sep 30<br>2012 | Change        |
|  | (a)               | (b)            | (a)-(b)       | (c)            | (a)-(c)       |
| Domestic offices (excluding Japan offshore market account):  |                   |                |               |                |               |
| Manufacturing  | 232.0             | 241.4          | (9.3)         | 222.5          | 9.4           |
| Agriculture and forestry                                     | 0.2               | 0.2            | (0.0)         | 0.2            | (0.0)         |
| Fishery  | -                 | -              | -             | -              | -             |
| Mining, quarrying and gravel extraction                      | 0.1               | 0.2            | (0.1)         | 0.2            | (0.1)         |
| Construction   | 10.6              | 10.5           | 0.1           | 13.7           | (3.0)         |
| Electric power, gas, heat supply and water supply            | 124.7             | 48.6           | 76.0          | 110.2          | 14.5          |
| Information and communications                               | 30.4              | 38.4           | (8.0)         | 38.6           | (8.2)         |
| Transportation and postal service                            | 219.0             | 236.7          | (17.6)        | 222.7          | (3.7)         |
| Wholesale and retail   | 70.2              | 82.6           | (12.4)        | 80.1           | (9.9)         |
| Finance and insurance  | 1,098.8           | 1,178.4        | (79.5)        | 1,205.6        | (106.7)       |
| Real estate  | 581.1             | 578.8          | 2.2           | 594.7          | (13.6)        |
| Services   | 369.5             | 371.0          | (1.5)         | 372.7          | (3.1)         |
| Local government   | 114.0             | 139.5          | (25.4)        | 118.0          | (3.9)         |
| Individual   | 1,166.1           | 966.8          | 199.2         | 1,065.5        | 100.6         |
| Overseas yen loan and overseas loans booked domestically     | 160.6             | 131.9          | 28.6          | 145.3          | 15.2          |
| <b>Total domestic</b>  | <b>4,178.0</b>    | <b>4,025.8</b> | <b>152.1</b>  | <b>4,190.6</b> | <b>(12.6)</b> |
| Overseas offices (including Japan offshore market accounts): |                   |                |               |                |               |
| Governments  | 1.8               | 2.0            | (0.1)         | 1.9            | (0.0)         |
| Financial institutions                                       | 0.8               | 1.0            | (0.1)         | 0.8            | 0.0           |
| Commerce and industry  | 43.6              | 73.6           | (30.0)        | 70.6           | (27.0)        |
| Others   | -                 | -              | -             | -              | -             |
| <b>Total overseas</b>  | <b>46.4</b>       | <b>76.8</b>    | <b>(30.3)</b> | <b>73.5</b>    | <b>(27.0)</b> |
| <b>Total</b>   | <b>4,224.4</b>    | <b>4,102.6</b> | <b>121.7</b>  | <b>4,264.1</b> | <b>(39.6)</b> |

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

## Risk Monitored Loans by Borrower Industry -Table 32 - (Non-Consolidated)

|  | (Billions of yen)     |                       |                   |                       |                   |
|--|-----------------------|-----------------------|-------------------|-----------------------|-------------------|
|  | Mar 31<br>2013<br>(a) | Mar 31<br>2012<br>(b) | Change<br>(a)-(b) | Sep 30<br>2012<br>(c) | Change<br>(a)-(c) |
| Domestic offices (excluding Japan offshore market account):  |                       |                       |                   |                       |                   |
| Manufacturing  | 7.5                   | 10.8                  | (3.3)             | 7.4                   | 0.0               |
| Agriculture and forestry                                     | -                     | -                     | -                 | -                     | -                 |
| Fishery  | -                     | -                     | -                 | -                     | -                 |
| Mining, quarrying and gravel extraction                      | -                     | -                     | -                 | -                     | -                 |
| Construction   | -                     | -                     | -                 | 0.0                   | (0.0)             |
| Electric power, gas, heat supply and water supply            | -                     | -                     | -                 | -                     | -                 |
| Information and communications                               | 2.1                   | -                     | 2.1               | -                     | 2.1               |
| Transportation and postal service                            | 2.9                   | 5.5                   | (2.5)             | 2.9                   | 0.0               |
| Wholesale and retail   | -                     | -                     | -                 | -                     | -                 |
| Finance and insurance  | 41.9                  | 43.7                  | (1.7)             | 43.3                  | (1.3)             |
| Real estate  | 128.4                 | 158.5                 | (30.0)            | 151.6                 | (23.1)            |
| Services   | 28.2                  | 26.2                  | 2.0               | 26.2                  | 2.0               |
| Local government   | -                     | -                     | -                 | -                     | -                 |
| Individual   | 4.1                   | 3.6                   | 0.5               | 3.5                   | 0.6               |
| Overseas yen loan and overseas loans booked domestically     | 9.4                   | 19.9                  | (10.4)            | 14.6                  | (5.1)             |
| <b>Total domestic</b>  | <b>225.0</b>          | <b>268.4</b>          | <b>(43.3)</b>     | <b>249.8</b>          | <b>(24.7)</b>     |
| Overseas offices (including Japan offshore market accounts): |                       |                       |                   |                       |                   |
| Governments  | -                     | -                     | -                 | -                     | -                 |
| Financial institutions                                       | -                     | -                     | -                 | -                     | -                 |
| Commerce and industry  | -                     | -                     | -                 | -                     | -                 |
| Others   | -                     | -                     | -                 | -                     | -                 |
| <b>Total overseas</b>  | <b>-</b>              | <b>-</b>              | <b>-</b>          | <b>-</b>              | <b>-</b>          |
| <b>Total</b>   | <b>225.0</b>          | <b>268.4</b>          | <b>(43.3)</b>     | <b>249.8</b>          | <b>(24.7)</b>     |

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

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

|   | (Billions of yen)     |                       |                   |                       |                   |
|---|-----------------------|-----------------------|-------------------|-----------------------|-------------------|
|   | Mar 31<br>2013<br>(a) | Mar 31<br>2012<br>(b) | Change<br>(a)-(b) | Sep 30<br>2012<br>(c) | Change<br>(a)-(c) |
| <b>US</b>   | <b>8.3</b>            | 40.2                  | (31.8)            | 44.0                  | (35.6)            |
| Asset-backed investments <sup>(1)</sup> in US       | -                     | 5.2                   | (5.2)             | 5.3                   | (5.3)             |
| <b>Europe</b>                                       | <b>43.6</b>           | 50.3                  | (6.7)             | 43.9                  | (0.3)             |
| Asset-backed investments <sup>(1)</sup> in Europe   | 18.5                  | 27.6                  | (9.0)             | 22.3                  | (3.7)             |
| <b>Others</b>                                       | <b>155.0</b>          | 118.1                 | 36.8              | 130.8                 | 24.1              |
| <b>Total overseas and offshore loans</b>            | <b>207.0</b>          | 208.7                 | (1.7)             | 218.8                 | (11.7)            |
| <b>Total asset-backed investments<sup>(1)</sup></b> | <b>18.5</b>           | 32.9                  | (14.3)            | 27.6                  | (9.1)             |

(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.

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

**Risk-Monitored Overseas and Offshore Loans by Region -Table 34- (Non-Consolidated)**

|   | (Billions of yen)     |                       |                   |                       |                   |
|---|-----------------------|-----------------------|-------------------|-----------------------|-------------------|
|   | Mar 31<br>2013<br>(a) | Mar 31<br>2012<br>(b) | Change<br>(a)-(b) | Sep 30<br>2012<br>(c) | Change<br>(a)-(c) |
| US  | -                     | -                     | -                 | -                     | -                 |
| Asset-backed investments <sup>(1)</sup> in US     | -                     | -                     | -                 | -                     | -                 |
| Europe  | 5.9                   | 16.1                  | (10.1)            | 11.2                  | (5.2)             |
| Asset-backed investments <sup>(1)</sup> in Europe | 5.9                   | 15.9                  | (9.9)             | 11.2                  | (5.2)             |
| Others  | 3.5                   | 3.7                   | (0.2)             | 3.3                   | 0.1               |
| Total overseas and offshore loans                 | 9.4                   | 19.9                  | (10.4)            | 14.6                  | (5.1)             |
| Total asset-backed investments <sup>(1)(2)</sup>  | 5.9                   | 15.9                  | (9.9)             | 11.2                  | (5.2)             |

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

(2) As of March 31, 2013, reserve for loan losses and collateral/guarantees for risk monitored loans related to asset-backed investments were ¥0.3billion and ¥5.0billion, respectively, and the coverage ratio was 91.6%.

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

**Claims Classified under the Financial Revitalization Law -Table 35- (Non-Consolidated)**

|   | (Billions of yen)     |                       |                   |                       |                   |
|---|-----------------------|-----------------------|-------------------|-----------------------|-------------------|
|   | Mar 31<br>2013<br>(a) | Mar 31<br>2012<br>(b) | Change<br>(a)-(b) | Sep 30<br>2012<br>(c) | Change<br>(a)-(c) |
| Claims against bankrupt and quasi-bankrupt obligors | 38.6                  | 49.1                  | (10.4)            | 51.0                  | (12.3)            |
| Doubtful claims                                     | 198.3                 | 245.2                 | (46.9)            | 221.0                 | (22.6)            |
| Substandard claims                                  | 5.7                   | 1.6                   | 4.1               | 2.7                   | 2.9               |
| <b>Total (A)</b>                                    | <b>242.6</b>          | <b>295.9</b>          | <b>(53.3)</b>     | <b>274.6</b>          | <b>(32.0)</b>     |
| Coverage ratio                                      | 95.9%                 | 96.7%                 | /                 | 97.2%                 | /                 |
| <b>Total claims (B)</b>                             | <b>4,560.5</b>        | <b>4,445.8</b>        | <b>114.6</b>      | <b>4,457.8</b>        | <b>102.6</b>      |
| Loans and bills discounted                          | 4,224.4               | 4,102.6               | 121.7             | 4,264.1               | (39.6)            |
| Others  | 336.0                 | 343.2                 | (7.1)             | 193.7                 | 142.3             |
| Ratio to total claims (A / B) X 100 (%)             | 5.32%                 | 6.66%                 | /                 | 6.16%                 | /                 |
| (Ref. 1) Amount of write-off                        | 58.2                  | 75.0                  | (16.7)            | 69.0                  | (10.7)            |
| (Ref. 2) Below need caution level                   | 438.6                 | 589.8                 | (151.1)           | 529.9                 | (91.2)            |

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

**Coverage Ratios for Non-Performing Claims Classified under the Financial Revitalization Law -Table 36- (Non-Consolidated)**

(Billions of yen, except percentages)

| March 31, 2013                                      |              |                         |                           |                |              |
|---|--------------|-------------------------|---------------------------|----------------|--------------|
| Amounts of coverage                                 |              |                         |                           |                |              |
| Amounts of claims                                   | Total        | Reserve for loan losses | Collateral and guarantees | Coverage ratio |              |
| Claims against bankrupt and quasi-bankrupt obligors | 38.6         | 38.6                    | -                         | 38.6           | 100.0%       |
| Doubtful claims                                     | 198.3        | 191.0                   | 72.9                      | 118.0          | 96.3%        |
| Substandard claims                                  | 5.7          | 3.1                     | 1.1                       | 2.0            | 55.1%        |
| <b>Total</b>  | <b>242.6</b> | <b>232.7</b>            | <b>74.1</b>               | <b>158.7</b>   | <b>95.9%</b> |

(Billions of yen, except percentages)

| March 31, 2012                                      |              |                         |                           |                | September 30, 2012  |              |                         |                           |                |              |
|---|--------------|-------------------------|---------------------------|----------------|---------------------|--------------|-------------------------|---------------------------|----------------|--------------|
| Amounts of coverage                                 |              |                         |                           |                | Amounts of coverage |              |                         |                           |                |              |
| Amounts of claims                                   | Total        | Reserve for loan losses | Collateral and guarantees | Coverage ratio | Amounts of claims   | Total        | Reserve for loan losses | Collateral and guarantees | Coverage ratio |              |
| Claims against bankrupt and quasi-bankrupt obligors | 49.1         | 49.1                    | 3.6                       | 45.5           | 100.0%              | 51.0         | 51.0                    | 3.9                       | 47.0           | 100.0%       |
| Doubtful claims                                     | 245.2        | 235.4                   | 72.5                      | 162.9          | 96.0%               | 221.0        | 213.8                   | 70.2                      | 143.5          | 96.7%        |
| Substandard claims                                  | 1.6          | 1.6                     | 0.5                       | 1.1            | 99.0%               | 2.7          | 2.1                     | 0.8                       | 1.3            | 78.3%        |
| <b>Total</b>  | <b>295.9</b> | <b>286.1</b>            | <b>76.6</b>               | <b>209.5</b>   | <b>96.7%</b>        | <b>274.6</b> | <b>266.8</b>            | <b>75.0</b>               | <b>191.9</b>   | <b>97.2%</b> |

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

**Reserve for Credit Losses -Table 37- (Non-Consolidated)**

(Billions of yen)

|  | Mar 31 2013  | Mar 31 2012  | Change        | Sep 30 2012  | Change       |
|--|--------------|--------------|---------------|--------------|--------------|
|  | (a)          | (b)          | (a)-(b)       | (c)          | (a)-(c)      |
| Reserve for credit losses                    | 102.6        | 117.2        | (14.6)        | 109.6        | (6.9)        |
| General reserve for loan losses              | 28.5         | 39.6         | (11.1)        | 34.1         | (5.6)        |
| Specific reserve for loan losses             | 74.0         | 77.6         | (3.5)         | 75.4         | (1.3)        |
| Reserve for loans to restructuring countries | 0.0          | 0.0          | -             | 0.0          | -            |
| Specific reserve for other credit losses     | 3.9          | 3.9          | (0.0)         | 3.9          | -            |
| <b>Total reserve for credit losses</b>       | <b>106.5</b> | <b>121.1</b> | <b>(14.6)</b> | <b>113.5</b> | <b>(6.9)</b> |

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

**Reserve Ratios for Borrowers' Category -Table 38- (Non-Consolidated)**

(Percentages)

|  | Mar 31 2013 | Mar 31 2012 | Change   | Sep 30 2012 | Change  |
|--|-------------|-------------|----------|-------------|---------|
|  | (a)         | (b)         | (a)-(b)  | (c)         | (a)-(c) |
| Legally and virtually bankrupt (unsecured portion) | 100.00      | 100.00      | -        | 100.00      | -       |
| Possibly bankrupt (unsecured portion)              | 96.14       | 95.42       | 0.72     | 97.72       | (1.58)  |
| Substandard (unsecured portion)                    | 36.92       | 240.86      | (203.94) | 82.98       | (46.06) |
| Need caution (total claims)                        | 5.55        | 5.76        | (0.21)   | 5.86        | (0.31)  |
| (unsecured portion)                                | 27.41       | 15.08       | 12.33    | 18.65       | 8.76    |
| Normal (total claims)                              | 0.40        | 0.55        | (0.15)   | 0.45        | (0.05)  |

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

**Housing Loans -Table 39- (Non-Consolidated)**

(Billions of yen)

|               | Mar 31<br>2013<br>(a) | Mar 31<br>2012<br>(b) | Change<br>(a)-(b) | Sep 30<br>2012<br>(c) | Change<br>(a)-(c) |
|---------------|-----------------------|-----------------------|-------------------|-----------------------|-------------------|
| Housing loans | 1,085.1               | 931.0                 | 154.0             | 1,011.2               | 73.9              |

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

**Loans to Small- and Medium Sized Entities -Table 40- (Non-Consolidated)**

(Billions of yen)

|  | Mar 31<br>2013<br>(a) | Mar 31<br>2012<br>(b) | Change<br>(a)-(b) | Sep 30<br>2012<br>(c) | Change<br>(a)-(c) |
|--|-----------------------|-----------------------|-------------------|-----------------------|-------------------|
| Loans to small- and medium-sized entities (SMEs) | 2,749.7               | 2,624.9               | 124.7             | 2,706.3               | 43.4              |
| % of loans to small- and medium-sized entities   | 65.8%                 | 65.2%                 |                   | 64.6%                 |                   |

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

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

**Securities Being Held to Maturity -Table 41- (Non-Consolidated)**

(Billions of yen)

|  | March 31, 2013  |            |                        | March 31, 2012  |            |                        | September 30, 2012 |            |                        |
|--|-----------------|------------|------------------------|-----------------|------------|------------------------|--------------------|------------|------------------------|
|  | Carrying amount | Fair value | Unrealized gain (loss) | Carrying amount | Fair value | Unrealized gain (loss) | Carrying amount    | Fair value | Unrealized gain (loss) |
| Fair value exceeds carrying amount         |                 |            |                        |                 |            |                        |                    |            |                        |
| Japanese national government bonds         | 584.8           | 589.4      | 4.5                    | 585.6           | 590.9      | 5.3                    | 585.2              | 590.4      | 5.2                    |
| Japanese corporate bonds                   | -               | -          | -                      | 22.8            | 23.0       | 0.2                    | 21.5               | 21.7       | 0.1                    |
| Other                                      | 51.9            | 56.7       | 4.8                    | 40.2            | 44.2       | 4.0                    | 40.9               | 44.9       | 3.9                    |
| Subtotal                                   | 636.7           | 646.1      | 9.3                    | 648.7           | 658.2      | 9.5                    | 647.8              | 657.1      | 9.3                    |
| Fair value does not exceed carrying amount |                 |            |                        |                 |            |                        |                    |            |                        |
| Japanese national government bonds         | -               | -          | -                      | -               | -          | -                      | -                  | -          | -                      |
| Japanese corporate bonds                   | -               | -          | -                      | -               | -          | -                      | -                  | -          | -                      |
| Other                                      | 3.0             | 3.0        | (0.0)                  | 9.8             | 9.2        | (0.5)                  | 6.1                | 5.7        | (0.3)                  |
| Subtotal                                   | 3.0             | 3.0        | (0.0)                  | 9.8             | 9.2        | (0.5)                  | 6.1                | 5.7        | (0.3)                  |
| Total                                      | 639.8           | 649.1      | 9.3                    | 658.5           | 667.5      | 8.9                    | 653.9              | 662.9      | 9.0                    |

**Securities Available for Sale -Table 42- (Non-Consolidated)**

|   | (Billions of yen)               |                                |                        |                                 |                                |                        |                                 |                                |                        |
|---|---------------------------------|--------------------------------|------------------------|---------------------------------|--------------------------------|------------------------|---------------------------------|--------------------------------|------------------------|
|   | March 31, 2013                  |                                |                        | March 31, 2012                  |                                |                        | September 30, 2012              |                                |                        |
|   | Carrying amount<br>(Fair value) | Amortized/<br>Acquisition cost | Unrealized gain (loss) | Carrying amount<br>(Fair value) | Amortized/<br>Acquisition cost | Unrealized gain (loss) | Carrying amount<br>(Fair value) | Amortized/<br>Acquisition cost | Unrealized gain (loss) |
| <b>Carrying amount exceeds amortized/acquisition cost</b>           |                                 |                                |                        |                                 |                                |                        |                                 |                                |                        |
| Equity securities   | 12.4                            | 7.4                            | 4.9                    | 13.4                            | 8.7                            | 4.6                    | 8.0                             | 5.2                            | 2.7                    |
| Domestic bonds  | 80.5                            | 78.2                           | 2.2                    | 681.8                           | 679.4                          | 2.3                    | 739.7                           | 736.8                          | 2.8                    |
| Japanese national government bonds                                  | 39.5                            | 38.0                           | 1.4                    | 619.5                           | 617.5                          | 1.9                    | 671.3                           | 669.4                          | 1.9                    |
| Japanese local government bonds                                     | 0.5                             | 0.5                            | 0.0                    | 1.7                             | 1.7                            | 0.0                    | 1.7                             | 1.7                            | 0.0                    |
| Japanese corporate bonds  | 40.4                            | 39.6                           | 0.7                    | 60.4                            | 60.0                           | 0.3                    | 66.6                            | 65.7                           | 0.8                    |
| Other   | 87.7                            | 82.9                           | 4.7                    | 66.4                            | 62.0                           | 4.4                    | 83.6                            | 80.1                           | 3.4                    |
| Foreign securities  | 84.6                            | 80.1                           | 4.4                    | 55.7                            | 51.5                           | 4.1                    | 71.9                            | 68.7                           | 3.1                    |
| Foreign currency denominated foreign corporate and government bonds | 44.5                            | 41.6                           | 2.9                    | 31.4                            | 28.6                           | 2.8                    | 40.9                            | 38.5                           | 2.3                    |
| Yen-denominated foreign corporate and government bonds              | 37.9                            | 36.9                           | 1.0                    | 19.6                            | 19.4                           | 0.2                    | 29.4                            | 28.9                           | 0.4                    |
| Foreign equity securities and others                                | 2.0                             | 1.5                            | 0.5                    | 4.6                             | 3.4                            | 1.1                    | 1.6                             | 1.2                            | 0.3                    |
| Other securities  | 1.1                             | 0.9                            | 0.2                    | 1.1                             | 0.9                            | 0.1                    | 1.1                             | 0.9                            | 0.2                    |
| Other monetary claims purchased                                     | 1.9                             | 1.9                            | 0.0                    | 9.6                             | 9.6                            | 0.0                    | 10.4                            | 10.4                           | 0.0                    |
| Subtotal  | 180.8                           | 168.7                          | 12.0                   | 761.7                           | 750.2                          | 11.4                   | 831.4                           | 822.2                          | 9.1                    |
| <b>Carrying amount does not exceed amortized/acquisition cost</b>   |                                 |                                |                        |                                 |                                |                        |                                 |                                |                        |
| Equity securities   | 2.1                             | 2.6                            | (0.5)                  | 1.2                             | 1.5                            | (0.3)                  | 3.8                             | 4.9                            | (1.0)                  |
| Domestic bonds  | 858.7                           | 861.8                          | (3.0)                  | 250.4                           | 254.4                          | (4.0)                  | 371.3                           | 374.2                          | (2.9)                  |
| Japanese national government bonds                                  | 712.8                           | 713.8                          | (0.9)                  | 79.9                            | 80.7                           | (0.7)                  | 219.5                           | 220.1                          | (0.5)                  |
| Japanese local government bonds                                     | -                               | -                              | -                      | -                               | -                              | -                      | -                               | -                              | -                      |
| Japanese corporate bonds  | 145.9                           | 147.9                          | (2.0)                  | 170.4                           | 173.7                          | (3.2)                  | 151.7                           | 154.1                          | (2.3)                  |
| Other   | 50.3                            | 50.8                           | (0.5)                  | 92.9                            | 95.9                           | (3.0)                  | 50.3                            | 52.3                           | (2.0)                  |
| Foreign securities  | 49.7                            | 50.2                           | (0.5)                  | 91.0                            | 94.0                           | (3.0)                  | 49.8                            | 51.8                           | (2.0)                  |
| Foreign currency denominated foreign corporate and government bonds | 46.7                            | 47.1                           | (0.3)                  | 42.8                            | 45.4                           | (2.5)                  | 36.3                            | 37.7                           | (1.3)                  |
| Yen-denominated foreign corporate and government bonds              | 2.9                             | 3.0                            | (0.1)                  | 48.0                            | 48.5                           | (0.4)                  | 13.4                            | 14.0                           | (0.6)                  |
| Foreign equity securities and others                                | 0.0                             | 0.0                            | (0.0)                  | 0.0                             | 0.0                            | -                      | 0.0                             | 0.0                            | -                      |
| Other securities  | 0.5                             | 0.5                            | -                      | 0.5                             | 0.5                            | -                      | 0.5                             | 0.5                            | -                      |
| Other monetary claims purchased                                     | -                               | -                              | -                      | 1.3                             | 1.3                            | (0.0)                  | -                               | -                              | -                      |
| Subtotal  | 911.2                           | 915.3                          | (4.1)                  | 344.6                           | 351.9                          | (7.3)                  | 425.5                           | 431.5                          | (6.0)                  |
| <b>Total<sup>(1)(2)</sup></b>                                       | <b>1,092.0</b>                  | <b>1,084.1</b>                 | <b>7.9</b>             | <b>1,106.3</b>                  | <b>1,102.1</b>                 | <b>4.1</b>             | <b>1,256.9</b>                  | <b>1,253.8</b>                 | <b>3.1</b>             |

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

(2) Securities whose fair value cannot be reliably determined are not included.

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

|   | (Billions of yen) |                |                    |
|---|-------------------|----------------|--------------------|
|   | March 31, 2013    | March 31, 2012 | September 30, 2012 |
| <b>Unrealized gain (loss) before deferred tax on:</b>   |                   |                |                    |
| Available-for-sale securities   | 7.9               | 4.1            | 3.1                |
| Interests in available-for-sale securities held by partnerships recorded as securities whose fair value cannot be reliably determined | 0.0               | 0.0            | 0.1                |
| Securities being held to maturity, reclassified from available-for-sale in the past, under extremely illiquid market conditions       | (4.9)             | (5.1)          | (4.5)              |
| Deferred tax assets (liabilities)   | -                 | -              | -                  |
| <b>Unrealized gain (loss) on available-for-sale securities</b>  | <b>2.9</b>        | <b>(1.0)</b>   | <b>(1.3)</b>       |

**Hedge-Accounting Derivative Transactions -Table 43- (Non-Consolidated)**

(Billions of yen)

| Notional Principal Amount              | March 31, 2013 |                        |              |              |
|--|----------------|------------------------|--------------|--------------|
|  | 1 year or less | Over 1 year to 5 years | Over 5 years | Total        |
| Interest rate swaps:                   |                |                        |              |              |
| Receive fixed and pay floating         | 209.5          | 315.2                  | 89.0         | 613.8        |
| Receive floating and pay fixed         | 12.4           | 83.2                   | 141.3        | 237.1        |
| Receive floating and pay floating      | —              | —                      | —            | —            |
| <b>Total notional principal amount</b> | <b>222.0</b>   | <b>398.5</b>           | <b>230.3</b> | <b>850.9</b> |
| Currency swaps                         |                |                        |              |              |
| <b>Total notional principal amount</b> | <b>23.8</b>    | <b>9.4</b>             | <b>—</b>     | <b>33.3</b>  |

**Employees' Retirement Benefit -Table 44- (Non-Consolidated)****Projected Benefit Obligation (Non-Consolidated)**

(Billions of yen)

|   | Mar 31, 2013  |       |
|---|---------------|-------|
|   | (A)           |       |
| Projected benefit obligation                        | (A)           | 58.5  |
| Discount rate                                       |               | 1.2%  |
| Fair value of plan assets                           | (B)           | 51.2  |
| Prepaid pension cost                                | (C)           | (1.5) |
| Unrecognized prior service cost                     | (D)           | (1.3) |
| Unrecognized net actuarial losses                   | (E)           | 8.9   |
| Other (Unrecognized obligation at transition, etc.) | (F)           | 1.2   |
| Reserve for retirement benefits                     | (A-B-C-D-E-F) | -     |

**Pension Expenses (Non-Consolidated)**

(Billions of yen)

|   | FY2012<br>(12 months) |
|---|-----------------------|
| Service cost  | 1.9                   |
| Interest  | 1.1                   |
| Expected return on plan assets                        | (1.0)                 |
| Amortization of prior service cost                    | (0.3)                 |
| Amortization of net actuarial losses                  | 2.0                   |
| Amortization of unrecognized obligation at transition | 0.6                   |
| Other (extraordinary severance benefit expense, etc.) | 0.1                   |
| <b>Net periodic retirement benefit cost</b>           | <b>4.6</b>            |

<sup>(1)</sup>  
**Capital Adequacy Data-Table 45- (Non-Consolidated)**

*(Billions of yen, except percentages)*

|                               | Mar 31<br>2013<br>(a) | Mar 31<br>2012<br>(b) | Change<br>(a)-(b) | Sep 30<br>2012<br>(c) | Change<br>(a)-(c) |
|-------------------------------|-----------------------|-----------------------|-------------------|-----------------------|-------------------|
| Basic items (Tier I)          | 690.4                 | 662.3                 | 28.1              | 679.5                 | 10.9              |
| Supplementary items (Tier II) | 172.2                 | 189.9                 | (17.7)            | 179.8                 | (7.6)             |
| Deduction                     | (39.0)                | (76.1)                | 37.1              | (44.2)                | 5.2               |
| Total capital <sup>(2)</sup>  | 823.7                 | 776.1                 | 47.5              | 815.1                 | 8.5               |
| Risk assets                   | 5,754.6               | 5,923.6               | (168.9)           | 5,786.7               | (32.1)            |
| Capital adequacy ratio        | 14.31%                | 13.10%                | 1.21%             | 14.08%                | 0.23%             |
| Tier I capital ratio          | 11.99%                | 11.18%                | 0.81%             | 11.74%                | 0.25%             |

(1) Calculated according to Basel II, F-IRB. Figures are calculated in accordance with FSA Notification Number 79 issued in December 2008 and FSA Notification Number 56 issued in June 2012 (special treatment of FSA Notification Number 19 issued in 2006). As a result, ¥1.0 billion of net unrealized losses on securities available-for-sale, net of taxes, as of March 31, 2012 and ¥1.3 billion as of September 30, 2012 are not included in BIS capital. Net unrealized gains on securities available-for-sale were recorded as of March 31, 2013.

(2) Non-Consolidated total required capital is ¥302.7 billion as at March 31, 2013, ¥352.5 billion as at March 31, 2012 and ¥313.1 billion as at September 30, 2012.

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

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

|   | <b>Mar 31<br/>2013<br/>(a)</b> | Mar 31<br>2012<br>(b) | Change<br>(a)-(b) |
|---|--------------------------------|-----------------------|-------------------|
| <b>&lt;&lt;Assets&gt;&gt;</b>                         |                                |                       |                   |
| Cash and due from banks                               | <b>546,411</b>                 | 330,047               | 216,363           |
| Call loans  | <b>18,806</b>                  | 15,745                | 3,060             |
| Receivables under resale agreements                   | <b>78,507</b>                  | 18,362                | 60,145            |
| Receivables under securities borrowing transactions   | <b>-</b>                       | 57,647                | (57,647)          |
| Other monetary claims purchased                       | <b>198,768</b>                 | 210,693               | (11,925)          |
| Trading assets  | <b>258,902</b>                 | 156,661               | 102,240           |
| Monetary assets held in trust                         | <b>255,505</b>                 | 307,526               | (52,020)          |
| Securities  | <b>2,282,624</b>               | 2,286,669             | (4,045)           |
| Valuation allowance for investments                   | <b>(3,370)</b>                 | (3,370)               | -                 |
| Loans and bills discounted                            | <b>4,224,433</b>               | 4,102,638             | 121,795           |
| Foreign exchanges                                     | <b>33,857</b>                  | 18,896                | 14,961            |
| Other assets  | <b>476,920</b>                 | 450,254               | 26,665            |
| Other   | <b>476,920</b>                 | 450,254               | 26,665            |
| Premises and equipment                                | <b>19,600</b>                  | 21,471                | (1,871)           |
| Intangible assets                                     | <b>9,333</b>                   | 10,650                | (1,316)           |
| Deferred issuance expenses for debentures             | <b>95</b>                      | 135                   | (40)              |
| Deferred tax assets                                   | <b>1,210</b>                   | -                     | 1,210             |
| Customers' liabilities for acceptances and guarantees | <b>12,566</b>                  | 11,600                | 966               |
| Reserve for credit losses                             | <b>(106,518)</b>               | (121,193)             | 14,674            |
| <b>Total assets</b>                                   | <b>8,307,655</b>               | 7,874,437             | 433,217           |

## Liabilities and Equity

|   | <i>(Millions of yen)</i> |                       |                   |
|---|--------------------------|-----------------------|-------------------|
|   | Mar 31<br>2013<br>(a)    | Mar 31<br>2012<br>(b) | Change<br>(a)-(b) |
| <b>&lt;&lt;Liabilities&gt;&gt;</b>                                  |                          |                       |                   |
| Deposits  | 5,631,651                | 5,610,134             | 21,516            |
| Negotiable certificates of deposit                                  | 204,600                  | 178,084               | 26,515            |
| Debentures  | 265,042                  | 296,839               | (31,797)          |
| Call money  | 170,094                  | 210,163               | (40,069)          |
| Payables under securities lending transactions                      | 28,377                   | 91,805                | (63,428)          |
| Trading liabilities   | 226,202                  | 127,697               | 98,505            |
| Borrowed money  | 479,854                  | 245,728               | 234,126           |
| Foreign exchanges   | 368                      | 184                   | 184               |
| Corporate bonds   | 220,713                  | 212,235               | 8,477             |
| Other liabilities   | 398,199                  | 240,790               | 157,409           |
| Income taxes payable  | 317                      | 369                   | (52)              |
| Lease obligations   | 1                        | 2                     | (1)               |
| Asset retirement obligations  | 6,986                    | 6,751                 | 234               |
| Other   | 390,894                  | 233,666               | 157,228           |
| Accrued employees' bonuses  | 4,091                    | 3,728                 | 363               |
| Deferred tax liabilities  | -                        | 1,265                 | (1,265)           |
| Acceptances and guarantees  | 12,566                   | 11,600                | 966               |
| <b>Total liabilities</b>  | <b>7,641,761</b>         | <b>7,230,258</b>      | <b>411,503</b>    |
| <b>&lt;&lt;Equity&gt;&gt;</b>                                       |                          |                       |                   |
| <b>Shareholders' equity:</b>  |                          |                       |                   |
| Common stock  | 512,204                  | 512,204               | -                 |
| Capital surplus   | 79,465                   | 79,465                | -                 |
| Additional paid-in capital  | 79,465                   | 79,465                | -                 |
| Retained earnings   | 151,223                  | 129,221               | 22,002            |
| Legal reserve   | 12,097                   | 11,566                | 530               |
| Other retained earnings   | 139,126                  | 117,654               | 21,471            |
| Unappropriated retained earnings                                    | 139,126                  | 117,654               | 21,471            |
| Treasury stock, at cost   | (72,558)                 | (72,558)              | -                 |
| <b>Total shareholders' equity</b>                                   | <b>670,335</b>           | <b>648,332</b>        | <b>22,002</b>     |
| <b>Net unrealized gain (loss) and translation adjustments</b>       |                          |                       |                   |
| Unrealized gain (loss) on available-for-sale securities             | 2,976                    | (1,031)               | 4,008             |
| Deferred gain (loss) on derivatives under hedge accounting          | (8,657)                  | (4,476)               | (4,180)           |
| <b>Total net unrealized gain (loss) and translation adjustments</b> | <b>(5,680)</b>           | <b>(5,508)</b>        | <b>(172)</b>      |
| Stock acquisition rights  | 1,238                    | 1,354                 | (115)             |
| <b>Total equity</b>   | <b>665,893</b>           | <b>644,178</b>        | <b>21,714</b>     |
| <b>Total liabilities and equity</b>                                 | <b>8,307,655</b>         | <b>7,874,437</b>      | <b>433,217</b>    |

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

|  | FY2012<br>(12 months) | FY2011<br>(12 months) | Change   |         |
|--|-----------------------|-----------------------|----------|---------|
|  |                       |                       | Amount   | %       |
| <b>Ordinary income</b>                 | <b>161,220</b>        | 175,252               | (14,031) | (8.0)   |
| Interest income                        | <b>96,029</b>         | 109,976               | (13,946) | (12.7)  |
| Interest on loans and bills discounted | <b>67,040</b>         | 63,986                | 3,053    | 4.8     |
| Interest and dividends on securities   | <b>26,144</b>         | 42,800                | (16,656) | (38.9)  |
| Other interest income                  | <b>2,845</b>          | 3,189                 | (344)    | (10.8)  |
| Fees and commissions income            | <b>17,004</b>         | 15,447                | 1,557    | 10.1    |
| Trading income                         | <b>17,006</b>         | 16,697                | 309      | 1.9     |
| Other business income                  | <b>11,925</b>         | 4,521                 | 7,403    | 163.7   |
| Other ordinary income                  | <b>19,254</b>         | 28,610                | (9,355)  | (32.7)  |
| <b>Ordinary expenses</b>               | <b>135,510</b>        | 157,132               | (21,621) | (13.8)  |
| Interest expenses                      | <b>35,895</b>         | 42,078                | (6,182)  | (14.7)  |
| Interest on deposits                   | <b>23,085</b>         | 28,682                | (5,596)  | (19.5)  |
| Interest on corporate bonds            | <b>8,381</b>          | 8,613                 | (231)    | (2.7)   |
| Other interest expenses                | <b>4,428</b>          | 4,783                 | (354)    | (7.4)   |
| Fees and commissions expenses          | <b>11,865</b>         | 9,673                 | 2,191    | 22.7    |
| Trading losses                         | <b>2,427</b>          | 3,209                 | (782)    | (24.4)  |
| Other business expenses                | <b>5,551</b>          | 11,447                | (5,895)  | (51.5)  |
| General and administrative expenses    | <b>69,701</b>         | 65,101                | 4,600    | 7.1     |
| Other ordinary expenses                | <b>10,068</b>         | 25,621                | (15,552) | (60.7)  |
| <b>Ordinary profit</b>                 | <b>25,710</b>         | 18,119                | 7,590    | 41.9    |
| Extraordinary gains                    | <b>107</b>            | 72                    | 34       | 47.2    |
| Extraordinary losses                   | <b>2,410</b>          | 1,949                 | 461      | 23.7    |
| <b>Income before income taxes</b>      | <b>23,406</b>         | 16,243                | 7,163    | 44.1    |
| Income taxes (benefit):                |                       |                       |          |         |
| Income taxes (benefit) - current       | <b>(789)</b>          | 163                   | (952)    | (584.0) |
| Income taxes (benefit) - deferred      | <b>(460)</b>          | 2,185                 | (2,645)  | (121.1) |
| Total income taxes (benefit)           | <b>(1,249)</b>        | 2,348                 | (3,597)  | (153.2) |
| <b>Net income</b>                      | <b>24,656</b>         | 13,894                | 10,761   | 77.5    |

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

|                                   | (Millions of yen)     |                       |
|-----------------------------------|-----------------------|-----------------------|
|                                   | FY2012<br>(12 months) | FY2011<br>(12 months) |
| <b>Shareholders' equity</b>       |                       |                       |
| Common stock:                     |                       |                       |
| Balance at beginning of the year  | 512,204               | 512,204               |
| Changes during the year           |                       |                       |
| Total changes during the year     | -                     | -                     |
| Balance at end of the year        | 512,204               | 512,204               |
| Capital surplus:                  |                       |                       |
| Additional paid-in capital:       |                       |                       |
| Balance at beginning of the year  | 79,465                | 79,465                |
| Changes during the year           |                       |                       |
| Total changes during the year     | -                     | -                     |
| Balance at end of the year        | 79,465                | 79,465                |
| Total capital surplus:            |                       |                       |
| Balance at beginning of the year  | 79,465                | 79,465                |
| Changes during the year           |                       |                       |
| Total changes during the year     | -                     | -                     |
| Balance at end of the year        | 79,465                | 79,465                |
| Retained earnings:                |                       |                       |
| Legal reserve:                    |                       |                       |
| Balance at beginning of the year  | 11,566                | 11,035                |
| Changes during the year           |                       |                       |
| Dividends                         | 530                   | 530                   |
| Total changes during the year     | 530                   | 530                   |
| Balance at end of the year        | 12,097                | 11,566                |
| Other retained earnings:          |                       |                       |
| Unappropriated retained earnings: |                       |                       |
| Balance at beginning of the year  | 117,654               | 106,944               |
| Changes during the year           |                       |                       |
| Dividends                         | (3,184)               | (3,184)               |
| Net income                        | 24,656                | 13,894                |
| Total changes during the year     | 21,471                | 10,710                |
| Balance at end of the year        | 139,126               | 117,654               |
| Total retained earnings:          |                       |                       |
| Balance at beginning of the year  | 129,221               | 117,980               |
| Changes during the year           |                       |                       |
| Dividends                         | (2,653)               | (2,653)               |
| Net income                        | 24,656                | 13,894                |
| Total changes during the year     | 22,002                | 11,240                |
| Balance at end of the year        | 151,223               | 129,221               |

(Millions of yen)

|  | FY2012<br>(12 months) | FY2011<br>(12 months) |
|--|-----------------------|-----------------------|
| <b>Treasury stock, at cost:</b>                                      |                       |                       |
| Balance at beginning of the year                                     | (72,558)              | (72,558)              |
| <b>Changes during the year</b>                                       |                       |                       |
| Total changes during the year  | -                     | -                     |
| Balance at end of the year   | (72,558)              | (72,558)              |
| <b>Total shareholders' equity:</b>                                   |                       |                       |
| Balance at beginning of the year                                     | 648,332               | 637,091               |
| <b>Changes during the year</b>                                       |                       |                       |
| Dividends  | (2,653)               | (2,653)               |
| Net income   | 24,656                | 13,894                |
| Total changes during the year  | 22,002                | 11,240                |
| Balance at end of the year   | 670,335               | 648,332               |
| <b>Net unrealized gain (loss) and translation adjustments</b>        |                       |                       |
| <b>Unrealized gain (loss) on available-for-sale securities:</b>      |                       |                       |
| Balance at beginning of the year                                     | (1,031)               | (15,346)              |
| <b>Changes during the year</b>                                       |                       |                       |
| Net changes during the year excluding shareholders' equity           | 4,008                 | 14,314                |
| Total changes during the year  | 4,008                 | 14,314                |
| Balance at end of the year   | 2,976                 | (1,031)               |
| <b>Deferred gain (loss) on derivatives under hedge accounting:</b>   |                       |                       |
| Balance at beginning of the year                                     | (4,476)               | (4,452)               |
| <b>Changes during the year</b>                                       |                       |                       |
| Net changes during the year excluding shareholders' equity           | (4,180)               | (24)                  |
| Total changes during the year  | (4,180)               | (24)                  |
| Balance at end of the year   | (8,657)               | (4,476)               |
| <b>Total net unrealized gain (loss) and translation adjustments:</b> |                       |                       |
| Balance at beginning of the year                                     | (5,508)               | (19,799)              |
| <b>Changes during the year</b>                                       |                       |                       |
| Net changes during the year excluding shareholders' equity           | (172)                 | 14,290                |
| Total changes during the year  | (172)                 | 14,290                |
| Balance at end of the year   | (5,680)               | (5,508)               |
| <b>Stock acquisition rights</b>                                      |                       |                       |
| Balance at beginning of the year                                     | 1,354                 | 1,413                 |
| <b>Changes during the year</b>                                       |                       |                       |
| Net changes during the year excluding shareholders' equity           | (115)                 | (58)                  |
| Total changes during the year  | (115)                 | (58)                  |
| Balance at end of the year   | 1,238                 | 1,354                 |
| <b>Total equity</b>  |                       |                       |
| Balance at beginning of the year                                     | 644,178               | 618,705               |
| <b>Changes during the year</b>                                       |                       |                       |
| Dividends  | (2,653)               | (2,653)               |
| Net income   | 24,656                | 13,894                |
| Net changes during the year excluding shareholders' equity           | (288)                 | 14,232                |
| Total changes during the year  | 21,714                | 25,473                |
| Balance at end of the year   | 665,893               | 644,178               |

**Section 3. Earnings Forecast -Table 46- (Consolidated and Non-Consolidated)**

| (Consolidated)                | <i>(Billions of yen)</i>   |   |
|-------------------------------|--|---|
|                               | <b>Fiscal year ending<br/>March 2014<br/>(FY2013)<br/>Forecast</b> | <b>Fiscal year ended<br/>March 2013<br/>(FY2012)<br/>Actual</b> |
| Net income                    | 48.0   | 51.0  |
| Cash basis net income *       | 56.0   | 60.4  |
|                               |  |   |
| (Non-Consolidated)            | <b>Fiscal year ending<br/>March 2014<br/>(FY2013)<br/>Forecast</b> |   |
|                               | <b>Fiscal year ended<br/>March 2013<br/>(FY2012)<br/>Actual</b>    |   |
| Net business profit           | 36.2   | 25.9  |
| Net income                    | 26.0   | 24.6  |
| Dividends (per share in yen): |  |   |
| Common stock                  | 1.00   | 1.00  |

Above forecasts are based on current assumptions of future events and trends, which may be incorrect. Actual results may differ materially from those in the statements as a result of various factors.

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

Full fiscal year 2013 consolidated reported basis net income forecast at 48.0 billion yen, and consolidated cash basis net income forecast at 56.0 billion yen, as we envisage achieving stable normal earnings, free from the impact of non-recurring items going forward

as a result of the measures taken to date in previous fiscal years. Non-consolidated net income forecast at 26.0 billion yen as outlined in our Revitalization Plan. Dividends on common shares forecast at 1 yen per share, also as outlined in our Revitalization Plan.

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

**Balance of Securitized Products (Breakdown by Region and Type of Securities)<sup>(1)</sup> -Table 47- (Non-Consolidated)**

(Billions of yen)

|  | Credit Ratings<br>of Securities <sup>(2)</sup><br>(March 31, 2013) |      |               |     | Mar 31<br>2013<br>(a)     | Mar 31<br>2012<br>(b) | Change<br>(a)-(b) | Sept 30<br>2012<br>(c) | Change<br>(a)-(c) |
|--|--|------|---------------|-----|---------------------------|-----------------------|-------------------|------------------------|-------------------|
|  | AAA  | AA   | A or<br>lower | N/A |                           |                       |                   |                        |                   |
| <b>RMBS</b>  | 22%  | 3%   | 2%            | 73% | <b>33.0</b>               | 36.3                  | (3.3)             | 34.8                   | (1.7)             |
| Japan  | 22%  | 3%   | 2%            | 73% | <b>33.0</b>               | 36.3                  | (3.3)             | 34.8                   | (1.7)             |
| U.S.   | -  | -    | -             | -   | <b>0.0</b> <sup>(4)</sup> | 0.0                   | 0.0               | 0.0                    | 0.0               |
| Europe   | -  | -    | -             | -   | -                         | -                     | -                 | -                      | -                 |
| Other  | -  | -    | -             | -   | -                         | -                     | -                 | -                      | -                 |
| <b>CMBS</b>  | -  | -    | -             | -   | -                         | 0.0                   | 0.0               | 0.0                    | 0.0               |
| Japan  | -  | -    | -             | -   | -                         | 0.0                   | 0.0               | 0.0                    | 0.0               |
| U.S.   | -  | -    | -             | -   | -                         | -                     | -                 | -                      | -                 |
| Europe   | -  | -    | -             | -   | -                         | -                     | -                 | -                      | -                 |
| Other  | -  | -    | -             | -   | -                         | -                     | -                 | -                      | -                 |
| <b>CLO</b>   | 17%  | 82%  | 0%            | 1%  | <b>45.1</b>               | 41.6                  | 3.5               | 38.9                   | 6.1               |
| Japan  | -  | -    | -             | -   | -                         | -                     | -                 | -                      | -                 |
| U.S.   | 22%  | 77%  | 0%            | 2%  | <b>35.0</b>               | 31.7                  | 3.2               | 30.1                   | 4.9               |
| Europe   | 0%   | 100% | 0%            | 0%  | <b>10.0</b>               | 9.8                   | 0.2               | 8.8                    | 1.2               |
| Other  | -  | -    | -             | -   | -                         | -                     | -                 | -                      | -                 |
| <b>ABS CDO (Resecuritized Products)</b>              | -  | -    | -             | -   | -                         | -                     | -                 | -                      | -                 |
| Japan  | -  | -    | -             | -   | -                         | -                     | -                 | -                      | -                 |
| U.S.   | -  | -    | -             | -   | -                         | -                     | -                 | -                      | -                 |
| Europe   | -  | -    | -             | -   | -                         | -                     | -                 | -                      | -                 |
| Other  | -  | -    | -             | -   | -                         | -                     | -                 | -                      | -                 |
| <b>Total</b>   | 19%  | 48%  | 1%            | 32% | <b>78.1</b>               | 77.9                  | 0.1               | 73.7                   | 4.3               |
| Japan  | 22%  | 3%   | 2%            | 73% | <b>33.0</b>               | 36.3                  | (3.3)             | 34.8                   | (1.7)             |
| U.S.   | 22%  | 77%  | 0%            | 2%  | <b>35.0</b>               | 31.7                  | 3.2               | 30.1                   | 4.9               |
| Europe   | 0%   | 100% | 0%            | 0%  | <b>10.0</b>               | 9.8                   | 0.2               | 8.8                    | 1.2               |
| Other  | -  | -    | -             | -   | -                         | -                     | -                 | -                      | -                 |
| <b>Securities</b>                                    |  |      |               |     | <b>45.1</b>               | 41.6                  | 3.5               | 38.9                   | 6.1               |
| RMBS   |  |      |               |     | <b>0.0</b> <sup>(4)</sup> | 0.0                   | (0.0)             | 0.0                    | 0.0               |
| CMBS   |  |      |               |     | -                         | 0.0                   | (0.0)             | 0.0                    | 0.0               |
| CLO  |  |      |               |     | <b>45.1</b>               | 41.6                  | 3.5               | 38.9                   | 6.1               |
| ABS CDO  |  |      |               |     | -                         | -                     | -                 | -                      | -                 |
| <b>Other monetary claims purchased<sup>(3)</sup></b> |  |      |               |     | <b>33.0</b>               | 36.3                  | (3.3)             | 34.8                   | (1.7)             |
| RMBS (Japan)   |  |      |               |     | <b>33.0</b>               | 36.3                  | (3.3)             | 34.8                   | (1.7)             |
| CMBS (Japan)   |  |      |               |     | -                         | 0.0                   | 0.0               | 0.0                    | 0.0               |
| CLO (Japan)  |  |      |               |     | -                         | -                     | -                 | -                      | -                 |
| ABS CDO (Japan)                                      |  |      |               |     | -                         | -                     | -                 | -                      | -                 |
| <b>Total</b>   |  |      |               |     | <b>78.1</b>               | 77.9                  | 0.1               | 73.7                   | 4.3               |

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

(2) Based on ratings by S&P or ratings equivalent to S&P ratings matrix as of March 31, 2013. The "N/A" rating for Japanese RMBS represents senior portions of other monetary claims purchased for the purpose of warehousing for future securitization.

(3) Includes Japanese RMBS recorded as monetary assets held in trust of ¥5.1 billion as at March 31, 2013.

(4) Residual value

**Securitized Products, Recorded under "Securities" and "Other Monetary Claims Purchased" and OCI <sup>(1)</sup>-Table 48-  
(Non-Consolidated)**

| Securities  | <i>(Billions of yen, except percentages)</i>   |                            |                                     |   |
|---|--|----------------------------|-------------------------------------|---|
|   | As of March 31, 2013                           |                            |                                     |   |
|   | Balance before<br>Mark-to-Market<br>Evaluation | Market Value or<br>Balance | Unrealized<br>Gains/Losses<br>(OCI) | Price Increase<br>(Decrease) Ratio<br>(%) |
| Trading Securities  |  | 0.5                        |                                     |   |
| RMBS (U.S.)   |  | 0.0 <sup>(3)</sup>         |                                     |   |
| CLO (U.S.)  |  | 0.5                        |                                     |   |
| Securities Being Held to Maturity with<br>Readily Determinable Fair Value |  | 44.5                       |                                     |   |
| CLO (U.S.)  |  | 34.5                       |                                     |   |
| CLO (Europe)  |  | 10.0                       |                                     |   |
| Securities Available for Sale   | 0.0  | 0.0 <sup>(3)</sup>         | 0.0                                 | 0.0                                       |
| Other   | 0.0  | 0.0                        | 0.0                                 | 0.0                                       |
| Foreign Securities  | 0.0  | 0.0                        | 0.0                                 | 0.0                                       |
| Foreign Currency Denominated Foreign<br>Corporate and Government Bonds    | 0.0  | 0.0                        | 0.0                                 | 0.0                                       |
| CLO   | 0.0  | 0.0                        | 0.0                                 | 0.0                                       |
| U.S.  | 0.0  | 0.0                        | 0.0                                 | 0.0                                       |
| Securities  |  | 45.1                       |                                     |   |
| RMBS  |  | 0.0 <sup>(3)</sup>         |                                     |   |
| CLO   |  | 45.1                       |                                     |   |
| <i>(Billions of yen, except percentages)</i>                              |  |                            |                                     |   |
| Other Monetary Claims Purchased <sup>(2)</sup>                            | As of March 31, 2013                           |                            |                                     |   |
|   | Balance before<br>Mark-to-Market<br>Evaluation | Market Value or<br>Balance | Unrealized<br>Gains/Losses<br>(OCI) | Price Increase<br>(Decrease) Ratio<br>(%) |
|   |  |                            |                                     |   |
| Trading Purposes  |  | 7.7                        |                                     |   |
| RMBS (Japan) <sup>(2)</sup>   |  | 7.7                        |                                     |   |
| Others  | 25.2   | 25.3                       | 0.0                                 | 0.1                                       |
| RMBS (Japan)  | 25.2   | 25.3                       | 0.0                                 | 0.1                                       |
| Total   |  | 33.0                       |                                     |   |
| RMBS (Japan)  |  | 33.0                       |                                     |   |
| <b>Total</b>  |  | <b>78.1</b>                |                                     |   |
| Securities  |  | 45.1                       |                                     |   |
| Other Monetary Claims Purchased   |  | 33.0                       |                                     |   |

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

(2) Includes Japanese RMBS recorded as monetary assets held in trust of ¥5.1 billion as at March 31, 2013.

(3) Residual value

**LBO, Monoline, SIV, ABCP, CDS -Table 49- (Non-Consolidated)**

(Billions of yen)

|                                       | March 31<br>2013<br>(a)    | March 31<br>2012<br>(b) | Change<br>(a)-(b) | Sept 30<br>2012<br>(c) | Change<br>(a)-(c) |
|---------------------------------------|----------------------------|-------------------------|-------------------|------------------------|-------------------|
| <b>LBO<sup>(1)(3)</sup></b>           | <b>169.7</b>               | 198.1                   | (28.4)            | 183.9                  | (14.2)            |
| Japan                                 | <b>167.7<sup>(2)</sup></b> | 195.8                   | (28.1)            | 182.0                  | (14.3)            |
| U.S.                                  | <b>1.4</b>                 | 1.7                     | (0.3)             | 1.5                    | (0.1)             |
| Europe                                | -                          | -                       | -                 | -                      | -                 |
| Other                                 | <b>0.5</b>                 | 0.4                     | 0.1               | 0.5                    | 0.0               |
| <b>(Breakdown by Industry Sector)</b> |                            |                         |                   |                        |                   |
| Manufacturing                         | <b>11.1%</b>               |                         |                   |                        |                   |
| Information and communications        | <b>1.0%</b>                |                         |                   |                        |                   |
| Wholesale and retail                  | <b>6.4%</b>                |                         |                   |                        |                   |
| Finance and Insurance                 | <b>13.0%</b>               |                         |                   |                        |                   |
| Services                              | <b>68.5%</b>               |                         |                   |                        |                   |
| Total                                 | <b>100.0%</b>              |                         |                   |                        |                   |

(1) The amount includes unfunded commitment line.

(2) As of March 31, 2013, unfunded commitment line (only domestic) is ¥3.0 billion.

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

**Monoline, SIV, ABCP**

We have no exposure to Monoline, SIV, ABCP.

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

(Billions of yen)

|        | As of March 31, 2013 |                   |                  |                   |   |                  |                   | FY2012<br>(12 months)           |
|--------|----------------------|-------------------|------------------|-------------------|---|------------------|-------------------|---------------------------------|
|        | Nominal Amount       |                   | Fair Value       |                   | Netted Nominal Amount and Fair Value <sup>(2)</sup> |                  |                   | Realized<br>Profits<br>(Losses) |
|        | Protection (buy)     | Protection (sell) | Protection (buy) | Protection (sell) | Nominal Amount                                      | Fair Value       |                   |                                 |
|        |                      |                   |                  |                   |   | Protection (buy) | Protection (sell) |                                 |
| Total  | 442.5                | 447.5             | (2.0)            | 1.6               | 410.1   | (1.9)            | 1.4               | 1.6                             |
| Japan  | 375.1                | 379.0             | (1.4)            | 1.1               | 348.2   | (1.3)            | 1.0               | 1.7                             |
| U.S.   | 26.3                 | 27.4              | (0.2)            | 0.2               | 24.3  | (0.2)            | 0.2               | (0.0)                           |
| Europe | 23.4                 | 22.6              | (0.1)            | 0.1               | 22.2  | (0.1)            | 0.1               | (0.0)                           |
| Other  | 17.5                 | 18.3              | (0.1)            | 0.1               | 15.2  | (0.1)            | 0.1               | 0.0                             |

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

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

**Definitions -Table 50-**

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

**(Reference 1) BOJ Press Club Format**

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

|                  | Mar 31, 2011 | Sep 30, 2011 | Mar 31, 2012 | Sep 30, 2012 | Mar 31, 2013 |
|------------------|--------------|--------------|--------------|--------------|--------------|
| Non-consolidated | 6.78         | 5.96         | 6.66         | 6.16         | 5.32         |
| Consolidated     | 8.73         | 8.10         | 8.45         | 7.44         | 6.83         |

2. Equity holdings

 (1) Equity held (Non-consolidated) (Billions of yen)

|          | Book value |                      | Net unrealized gain<br>(loss) |
|----------|------------|----------------------|-------------------------------|
|          |            | Subsidiaries' shares |                               |
| FY2011   | 396.3      | 375.7                | 4.3                           |
| 1HFY2012 | 392.6      | 375.7                | 1.6                           |
| FY2012   | 395.4      | 375.8                | 4.4                           |

 (2) Impairment (Non-consolidated) (Billions of yen)

|          | Equity related profits<br>and losses<br>(net of three accounts) |                   |
|----------|---|-------------------|
|          |   | Impairment amount |
| 1HFY2012 | 0.1   | 0.7               |
| FY2012   | 1.7   | 1.2               |

\* Other extraordinary losses for 1HFY2012 do not contain mark-down of subsidiaries' equity.

\*\* Other extraordinary losses for FY2012 contains ¥1.2 billion in mark-down of subsidiaries' equity.

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

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

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

|              | Results | % Change | Ratio to<br>total loan balance |
|--------------|---------|----------|--------------------------------|
| Mar 31, 2012 | 2,624.9 | 4.40%    | 65.20%                         |
| Sep 30, 2012 | 2,706.3 | 3.10%    | 64.58%                         |
| Mar 31, 2013 | 2,749.7 | 1.60%    | 65.81%                         |

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

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

Achieved actual results of + ¥25.2 billion for FY2011 compared to the plan of + ¥1.0 billion.

4. Sales performance of investment trusts and insurance

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

|          | Handling commission for sales of investment trusts | Revenue from sales during the period | Amount of sales during the period |
|----------|--|--------------------------------------|-----------------------------------|
| 1HFY2011 | 2.0  | 0.9                                  | 36.4                              |
| FY2011   | 3.5  | 1.4                                  | 56.9                              |
| 1HFY2012 | 1.4  | 0.5                                  | 22.8                              |
| FY2012   | 3.5  | 1.5                                  | 71.1                              |

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

|          | Handling commission for sales of insurance | Revenue from sales during the period | Amount of sales during the period |
|----------|--|--------------------------------------|-----------------------------------|
| 1HFY2011 | 0.2  | 0.2                                  | 5.1                               |
| FY2011   | 0.7  | 0.7                                  | 28.2                              |
| 1HFY2012 | 0.5  | 0.5                                  | 25.7                              |
| FY2012   | 0.8  | 0.8                                  | 35.1                              |

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

(Accumulated data from December 4, 2009 to March 1, 2013)

(Number, Millions of yen)

|   | Total   |         | SME |         | Mortgage |        |
|---|---------|---------|-----|---------|----------|--------|
|   | #       | Amount  | #   | Amount  | #        | Amount |
| Request   | 837     | 277,754 | 183 | 261,042 | 654      | 16,712 |
| Execution   | 642     | 261,685 | 163 | 249,161 | 479      | 12,524 |
| Refusal   | 82      | 9,550   | 10  | 7,874   | 72       | 1,675  |
| Under Exam  | 20      | 1,089   | 1   | 713     | 19       | 376    |
| Withdrawal  | 93      | 5,428   | 9   | 3,293   | 84       | 2,135  |
|   | Amount  |         |     |         |          |        |
| Balance of claims related to execution of above requests as of March 31, 2013 | 131,900 |         |     |         |          |        |

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

\*\* "Refusal" as at March 31, 2013 includes four loans for a total of ¥2,916 million which were at one point counted as "Deemed Refusal" but executed by September-end. (Execution amount was ¥2,888 million due to the partial principal reduction.) "Refusal" of the Mortgage as at March 31, 2013 includes 53 loans for a total of ¥1,222 million which were counted as "Deemed Refusal" as we could not contact the obligor within three months after the request was filed. "Deemed Refusal" includes 28 loans for a total of ¥690 million which were executed with changes to terms and conditions by September-end.

\*\*\* The "Under Evaluation" of the Mortgage as at March 31, 2013 includes 13 loans for a total of ¥254 million on which changes to terms and conditions have been agreed and which are scheduled for execution.

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

(Billions of yen)

|   | Amount | % Change v. Mar 2012 |
|---|--------|----------------------|
| Loans to the companies located in Miyagi, Iwate and Fukushima Prefecture as of March 31, 2013 | 2.8    | (17.15)%             |

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

\*\* Aside from the above, real estate non-recourse loans for properties located in the three prefectures total ¥10.9 billion as of March 31, 2013.

## (Reference 2) Calculation Grounds of Deferred Tax Assets

Shinsei Bank has, due to losses recognized on securities, ¥160.0 billion (Non-consolidated) of tax loss carryforwards and the unrealized temporary differences of ¥395.0 billion as of March 31, 2013.

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

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

## 1. Future year taxable income estimate before adjustment

Taxable income for the next year before adjustment (under the consolidated tax system) is estimated to be ¥9.7 billion.

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

(Billions of yen)

| FY2008  | FY2009 | FY2010 | FY2011 | FY2012 |
|---------|--------|--------|--------|--------|
| (151.2) | (39.2) | (0.3)  | (2.7)  | 19.5   |

## 2. Net deferred tax assets (As of March 31, 2013 [Non-consolidated])

(Billions of yen)

Deferred tax assets corresponding to "total taxable income before adjustment"

(\*)6.6

Deferred tax liabilities

5.4

Net deferred tax assets on balance sheet

1.2

|              |   |                            |                     |
|--------------|---|----------------------------|---------------------|
| (*)Breakdown | } | Tax loss carryforwards     | 62.0                |
|              |   | Reserve for credit losses  | 58.8                |
|              |   | Securities                 | 44.9                |
|              |   | Net deferred loss on hedge | 5.5                 |
|              |   | Other                      | 38.3                |
|              |   | Sub total                  | 209.6               |
|              |   |                            | Valuation allowance |
|              |   | Total                      | 6.6                 |

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

(Billions of yen)

|   | FY2011 | 1H-FY2012 | FY2012 |
|---|--------|-----------|--------|
| Deferred tax assets (Except deferred tax liabilities) | 15.2   | 15.5      | 16.3   |
| Tier I  | 537.1  | 573.8     | 608.8  |
| Deferred tax assets to Tier I ratio                   | 2.8%   | 2.7%      | 2.7%   |