

# **Financial Summary**

**For the Third Quarter Ended December 31, 2012**



**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 first nine months of fiscal year 2012, the Japanese economy showed a gradual recovery up to a point, despite the effects of the prolonged strong yen and deflation. However, thereafter, there were signs of weakness due to the continuing European debt crisis and a worldwide economic slump. Nevertheless, signs of a bottoming out were visible in some areas from around the end of 2012. Looking forward, while there are expectations for the economic recovery to remain on track on the back of continuing post-earthquake reconstruction demand, improvements in exports and the effect of the Japanese government's economic policies, there are lingering concerns about a potential slowdown due to the high level of uncertainty in the global economy and severity of the domestic labor market and income conditions.
- Against this backdrop, PM Shinzo Abe's new government, which was formed after a Lower House General Election in December 2012, has declared its intention to work swiftly to draw up aggressive monetary easing measures, dynamic fiscal measures and a growth strategy aimed at stimulating private demand in order to overcome deflation, correct the yen's appreciation and spur a recovery in the domestic economy. The Bank of Japan implemented monetary easing policies in April, September, October and December of 2012, and in January 2013. Under a Joint Statement by the Government and the Bank of Japan, going forward the Bank will in principle implement a more aggressive monetary policy aiming to achieve a 2% inflation target.
- Amidst these circumstances, the yen's tendency to appreciate continued due to the European debt crisis and global economic slump. However, speculation around the new government's intention to deploy aggressive monetary easing measures and correct the strong yen brought about a depreciation in the yen's value towards the end of 2012. As at the end of December 2012, the U.S. dollar-Japanese yen exchange rate was ¥86 (a weakening of ¥4 from the end of March 2012) and the euro-Japanese yen exchange rate was ¥114 (a weakening of ¥4 from the end of March 2012). This trend has continued into the new year.
- The domestic long-term (10 year government bond yields) interest rate was 1.0% at the beginning of the fiscal year, but declined to 0.7% due to inflows of capital seeking a safe haven in Japanese government bonds, and expectations for further monetary easing. In the latter part of December 2012, however, the interest rate was hovering around 0.8% due to outflows of capital following a rally in the equity markets. The short-term interest rate remained at a low level.
- Finally, while deepening risk aversion had weighed down the Nikkei 225 throughout the period, the index began rising particularly from around the time of the dissolution of the House of Representatives in November 2012, to reach ¥10,395.18 (a rise of approximately ¥310 from the end of March 2012) at the end of December 2012.

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

(Billions of yen, except percentages)

	3QFY2012 (9 months)	3QFY2011 (9 months)	Change % or Amount	FY2011
<b>Selected income statement items (Consolidated)</b>				
Net interest income	84.2	88.6	(5.0)%	116.9
Non-interest income	66.0	66.3	(0.4)%	86.0
Net fees and commissions	13.9	20.0	(30.4)%	25.2
Net trading income	13.9	7.9	75.8%	13.6
Net other business income	38.0	38.2	(0.5)%	47.2
Total revenue	150.3	155.0	(3.0)%	202.9
General and administrative expenses	95.6	95.5	0.1%	127.9
Ordinary business profit	54.6	59.4	(8.1)%	74.9
Net credit costs	4.8	11.9	(59.6)%	12.2
Ordinary business profit after net credit costs	49.8	47.5	4.8%	62.7
Amortization of goodwill and other intangible assets <sup>(2)</sup>	8.2	9.1	(9.4)%	11.9
Other gains (losses)	(0.8)	(9.7)	91.2%	(35.4)
Income before income taxes and minority interests	40.7	28.7	41.8%	15.3
Current income tax	1.1	2.6	(57.6)%	2.9
Deferred income tax	(0.8)	2.7	(132.8)%	2.4
Minority interests in net income of subsidiaries	2.6	2.7	(1.9)%	3.5
Net income	37.8	20.6	83.3%	6.4
Cash basis net income <sup>(3)</sup>	44.9	27.8	61.6%	16.0
<b>Selected balance sheet items (Consolidated)</b>				
Securities	2,168.3	1,895.5	272.8	1,873.4
Loans and bills discounted	4,270.1	4,076.5	193.6	4,136.8
Customers' liabilities for acceptances and guarantees	514.5	558.7	(44.2)	562.6
Reserve for credit losses	(170.9)	(185.2)	14.3	(180.6)
Total assets	9,113.7	8,604.5	509.2	8,609.6
Deposits and negotiable certificates of deposit	5,429.3	5,526.5	(97.2)	5,362.4
Debentures	272.1	305.5	(33.3)	294.1
Borrowed money	617.2	457.9	159.3	476.7
Reserve for losses on interest repayments	38.0	35.2	2.8	50.9
Total liabilities	8,448.8	7,972.7	476.1	7,982.0
Total equity	664.8	631.7	33.1	627.6
<b>Financial ratios (%) (Consolidated)</b>				
Net interest margin	2.04	2.02		2.04
Expense-to-revenue ratio	63.6	61.6		63.1
Return on assets	0.6 <sup>(4)</sup>	0.3 <sup>(4)</sup>		0.1
Return on equity (fully diluted)	8.6 <sup>(4)</sup>	4.9 <sup>(4)</sup>		1.2
Cash basis return on assets	0.7 <sup>(4)</sup>	0.4 <sup>(4)</sup>		0.2
Cash basis return on equity (fully diluted)	11.2 <sup>(4)</sup>	7.4 <sup>(4)</sup>		3.2
<b>Capital adequacy data (Consolidated)</b>				
Tier I	589.9	541.2	48.6	537.1
Total capital	698.7	634.1	64.6	626.9
Risk assets	5,875.4	6,223.7	(348.3)	6,102.5
Capital adequacy ratio	11.89%	10.18%		10.27%
Tier I capital ratio	10.04%	8.69%		8.80%

(Billions of yen, except percentages)

	3QFY2012 (9 months)	3QFY2011 (9 months)	Change % or Amount	FY2011
<b>Per share data (Consolidated)</b>				
Common equity	226.79	214.66	5.6%	212.67
Basic net income	14.24	7.77	83.3%	2.42
Cash basis basic net income	16.94	10.48	61.6%	6.05
<b>Non-performing loans (Non-Consolidated)</b>				
Claims classified under the Financial Revitalization Law	269.4	308.1	(38.6)	295.9
Ratio to total claims	6.01%	7.11%		6.66%
Reserve for credit losses	113.5	116.4	(2.8)	121.1
Coverage ratio for non-performing claims	96.6%	96.7%		96.7%
<b>Selected income statement items (Non-Consolidated)</b>				
Net interest income	48.1	42.3	13.7%	70.3
Non-interest income	23.0	16.9	35.7%	24.5
Net fees and commissions	8.6	15.6	(44.8)%	18.0
Net trading income	10.4	8.3	24.7%	13.4
Net other business income (loss)	3.9	(7.0)	155.7%	(6.9)
Total revenue	71.1	59.3	20.0%	94.8
General and administrative expenses	50.1	44.8	11.8%	62.6
Ordinary business profit	21.0	14.4	45.5%	32.1
Net credit costs	0.1	8.6	(98.4)%	10.9
Net income	17.9	0.9	1,777.3%	13.8

(1) Represents results based on management accounting basis.

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

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

(4) Annualized basis.

- The Shinsei Bank Group recognized consolidated net income of ¥37.8 billion and consolidated cash basis net income of ¥44.9 billion for the first nine months of fiscal year 2012 (April 1, 2012 to December 31, 2012), an increase as compared to ¥20.6 billion and ¥27.8 billion for the first nine months of fiscal year 2011, respectively. This significant increase of the first nine months of fiscal year 2012 compared to the first nine months of fiscal year 2011 resulted from steady performance of each quarter since the beginning of this fiscal year 2012, due to reduced potential losses including reduction of non-core assets in line with the Bank's current Medium-Term Management Plan and continuous efforts to expand the customer base. Previously, performance had been fluctuating on a quarterly basis due to the impact of non-recurring factors until the end of fiscal year 2011.
- Total revenue amounted to ¥150.3 billion for the first nine months of fiscal year 2012, including net interest income of ¥84.2 billion, a decrease as compared to ¥88.6 billion for the first nine months of 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 first nine months of fiscal year 2012, and quarterly net interest income has been trending stably. Non-interest income was ¥66.0 billion for the first nine months of fiscal year 2012, almost at the same level of ¥66.3 billion for the first nine months of fiscal year 2011.
- General and administrative expenses were ¥95.6 billion for the first nine months of fiscal year 2012, almost at the same level of ¥95.5 billion for the first nine months of fiscal year 2011, as we continued to expand our business base, while also promoting operational efficiency.
- Net credit costs amounted to ¥4.8 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, as well as strict credit management. As a result, net credit costs improved as compared to ¥11.9 billion for the first nine months of 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, reconstruction of the customer base and stabilization of earnings continue, as ordinary business profit after net credit costs of ¥24.3 billion was recorded for the first nine months of fiscal year 2012, an increase as compared to ¥21.4 billion for the first nine months of fiscal year 2011, and performance remained stable.
  - In the Global Markets Group, ordinary business profit after net credit costs of ¥5.4 billion was recorded for the first nine months of fiscal year 2012, an increase as compared to ¥1.9 billion for the first nine months of 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 the Individual Group, revenue decreased as compared to the first nine months of 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 ¥19.5 billion was recorded for the first nine months of fiscal year 2012.

- Balance of loans and bills discounted increased from ¥4,136.8 billion as of March 31, 2012, to ¥4,270.1 billion as of December 31, 2012. 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.
- Net interest margin of 2.04% was recorded for the first nine months of fiscal year 2012, a slight increase as compared to 2.02% for the first nine months of fiscal year 2011. This was mainly due to maturities of time deposits bearing relatively high interest rates sold in previous years resulting in a reduction in the cost of deposits and negotiable certificates of deposit, and decrease in expenses on interest-bearing liabilities. However, the increase in net interest margin remained low, as the balance of consumer finance loans bearing relatively high interest rates decreased resulting in a decrease in the yield on interest-earning assets.
- Regarding capital ratios, Tier I capital and total capital increased due to accumulation of consolidated net income and amortization of goodwill and other intangible assets over the first nine months of fiscal year 2012, which resulted in improvement of the total capital adequacy ratio and Tier I capital ratio on a consolidated basis, to 11.89% and 10.04%, respectively, as of December 31, 2012 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 ¥269.4 billion as of December 31, 2012, a decrease of ¥26.5 billion during the first nine months of 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 6.01% as at December 31, 2012.

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

	<i>(Billions of yen)</i>				
	3QFY2012 (9 months) (a)+(b)	3QFY2012 (3 months) (a)	2QFY2012 (6 months) (b)	(Reference) 3QFY2011 (9 months)	(Reference) FY2011 (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	6.3
Others	-	-	-	-	1.1
<b>Subtotal (i)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6.3</b>	<b>7.4</b>
<b>Losses included in revenue</b>					
Impairment of major listed shares	-	-	-	(5.2)	(5.2)
Domestic real estate non-recourse finance (bonds)	(1.6)	(0.7)	(0.9)	(2.6)	(3.3)
Others	-	-	-	(0.8)	(3.3)
<b>Subtotal (ii)</b>	<b>(1.6)</b>	<b>(0.7)</b>	<b>(0.9)</b>	<b>(8.7)</b>	<b>(11.9)</b>
<b>Items included in net credit costs</b>					
Reversal of major institutional credit reserve	-	-	-	17.2	17.2
Specialty finance	0.8	-	0.8	(18.8)	(18.8)
Domestic real estate non-recourse finance	(5.5)	(1.0)	(4.4)	(5.6)	(8.0)
Large net credit costs related to non-core assets	(1.2)	-	(1.2)	-	(2.2)
Others	1.6	0.4	1.1	1.6	1.6
<b>Subtotal (iii)</b>	<b>(4.3)</b>	<b>(0.6)</b>	<b>(3.7)</b>	<b>(5.5)</b>	<b>(10.1)</b>
<b>Other gains (losses)</b>					
Grey zone related provisions	-	-	-	(11.8)	(32.8)
Others	-	-	-	1.6	(0.2)
<b>Subtotal (iv)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(10.1)</b>	<b>(33.1)</b>
<b>Corporate tax adjustment due to tax reform (v)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(0.7)</b>	<b>(1.3)</b>
<b>Total (i) + (ii) + (iii) + (iv) + (v)</b>	<b>(6.0)</b>	<b>(1.3)</b>	<b>(4.7)</b>	<b>(18.9)</b>	<b>(49.1)</b>
<b>Breakdown by Category</b>					
Grey zone related provisions	-	-	-	(11.8)	(32.8)
Specialty finance	0.8	-	0.8	(18.8)	(18.8)
Domestic real estate non-recourse finance	(7.1)	(1.7)	(5.4)	(8.3)	(11.3)
Impairment of major listed shares	-	-	-	(5.2)	(5.2)
Corporate tax adjustment due to tax reform	-	-	-	(0.7)	(1.3)
Reversal of major institutional credit reserve	-	-	-	17.2	17.2
Non-core assets related	(1.2)	-	(1.2)	6.3	4.0
Others	1.6	0.4	1.1	2.4	(0.8)
<b>Total</b>	<b>(6.0)</b>	<b>(1.3)</b>	<b>(4.7)</b>	<b>(18.9)</b>	<b>(49.1)</b>

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

## Section 1. Consolidated Information

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

*(Billions of yen, except percentages)*

	3QFY2012 (9 months)	3QFY2011 (9 months)	% Change	FY2011 (12 months)
Net interest income	84.2	88.6	(5.0)	116.9
Non-interest income	66.0	66.3	(0.4)	86.0
Net fees and commissions	13.9	20.0	(30.4)	25.2
Net trading income	13.9	7.9	75.8	13.6
Net other business income	38.0	38.2	(0.5)	47.2
<b>Total revenue</b>	<b>150.3</b>	<b>155.0</b>	<b>(3.0)</b>	<b>202.9</b>
<b>General and administrative expenses</b>	<b>95.6</b>	<b>95.5</b>	<b>0.1</b>	<b>127.9</b>
<b>Ordinary business profit</b>	<b>54.6</b>	<b>59.4</b>	<b>(8.1)</b>	<b>74.9</b>
<b>Net credit costs</b>	<b>4.8</b>	<b>11.9</b>	<b>(59.6)</b>	<b>12.2</b>
<b>Ordinary business profit after net credit costs</b>	<b>49.8</b>	<b>47.5</b>	<b>4.8</b>	<b>62.7</b>
<b>Amortization of goodwill and other intangible assets</b> <sup>(2)</sup>	<b>8.2</b>	<b>9.1</b>	<b>(9.4)</b>	<b>11.9</b>
<b>Other gains (losses)</b>	<b>(0.8)</b>	<b>(9.7)</b>	<b>91.2</b>	<b>(35.4)</b>
<b>Income before income taxes and minority interests</b>	<b>40.7</b>	<b>28.7</b>	<b>41.8</b>	<b>15.3</b>
<b>Current income tax</b>	<b>1.1</b>	<b>2.6</b>	<b>(57.6)</b>	<b>2.9</b>
<b>Deferred income tax</b>	<b>(0.8)</b>	<b>2.7</b>	<b>(132.8)</b>	<b>2.4</b>
<b>Minority interests in net income of subsidiaries</b>	<b>2.6</b>	<b>2.7</b>	<b>(1.9)</b>	<b>3.5</b>
<b>Net income</b>	<b>37.8</b>	<b>20.6</b>	<b>83.3</b>	<b>6.4</b>
Cash basis net income <sup>(3)</sup>	44.9	27.8	61.6	16.0

(1) Represents results based on management accounting basis.

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

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

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

- Shinsei Bank reported total revenue for the first nine months of fiscal year 2012 of ¥150.3 billion, which represents a slight decrease as compared to ¥155.0 billion for the first nine months of fiscal year 2011. While net interest income decreased due to reduction in non-core assets and the lower balance of consumer finance loans, non-interest income was almost at the same level as compared to the first nine months of fiscal year 2011.
- Net interest income of ¥84.2 billion recorded for the first nine months of fiscal year 2012 was lower than the ¥88.6 billion recorded for the first nine months of fiscal year 2011. This was mainly due to a reduction in non-core assets, and the lower balance of consumer finance loans, although the pace of decrease in consumer finance loans has slowed. In addition, loans for institutional customers and housing loans increased during the first nine months of fiscal year 2012, and as a result the loan balance as of December 31, 2012 showed an increase. 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)								
	3QFY2012 (9 months)			3QFY2011 (9 months)			FY2011 (12 months)		
	Average Balance	Interest	Yield/rate (%)	Average Balance	Interest	Yield/rate (%)	Average Balance	Interest	Yield/rate (%)
<b>Interest-earning assets <sup>(1)</sup> :</b>									
Loans and bills discounted	4,230.6	97.3	3.05	4,166.3	106.8	3.40	4,159.8	140.3	3.37
Lease receivables and leased investment assets / installment receivables <sup>(1)</sup>	565.4	26.7	6.27	543.7	27.7	6.78	545.6	36.6	6.72
Securities	1,952.4	12.5	0.85	2,544.5	13.7	0.72	2,394.6	17.8	0.74
Other interest-earning assets <sup>(2)(3)</sup>	400.6	1.3	n.m. <sup>(5)</sup>	336.9	1.1	n.m. <sup>(5)</sup>	351.3	1.5	n.m. <sup>(5)</sup>
<b>Total revenue on interest-earning assets (A) <sup>(1)</sup></b>	<b>7,149.2</b>	<b>137.9</b>	<b>2.56</b>	<b>7,591.6</b>	<b>149.5</b>	<b>2.61</b>	<b>7,451.4</b>	<b>196.4</b>	<b>2.64</b>
<b>Interest-bearing liabilities:</b>									
Deposits, including negotiable certificates of deposit	5,389.7	17.5	0.43	5,655.4	22.6	0.53	5,623.5	29.0	0.52
Debentures	285.0	0.7	0.36	326.1	1.1	0.48	320.5	1.4	0.46
Borrowed money	636.5	3.9	0.83	698.9	4.2	0.81	647.2	5.5	0.86
Subordinated debt	92.7	1.4	2.06	95.0	1.2	1.79	94.5	1.7	1.86
Other borrowed money	543.7	2.5	0.62	603.8	2.9	0.66	552.7	3.8	0.69
Corporate bonds	174.0	3.9	3.03	165.1	4.2	3.40	170.1	5.7	3.38
Subordinated bonds	150.3	3.6	3.26	140.1	3.9	3.72	145.6	5.3	3.67
Other corporate bonds	23.6	0.2	1.58	25.0	0.3	1.59	24.5	0.4	1.67
Other interest-bearing liabilities <sup>(2)</sup>	425.4	0.6	n.m. <sup>(5)</sup>	534.8	0.7	n.m. <sup>(5)</sup>	476.0	0.9	n.m. <sup>(5)</sup>
<b>Total expense on interest-bearing liabilities (B)</b>	<b>6,910.8</b>	<b>27.0</b>	<b>0.52</b>	<b>7,380.5</b>	<b>33.0</b>	<b>0.59</b>	<b>7,237.5</b>	<b>42.8</b>	<b>0.59</b>
<b>Net interest margin (A)-(B) <sup>(1)</sup></b>	<b>-</b>	<b>110.9</b>	<b>2.04</b>	<b>-</b>	<b>116.4</b>	<b>2.02</b>	<b>-</b>	<b>153.5</b>	<b>2.04</b>
<b>Non interest-bearing sources of funds:</b>									
Non interest-bearing (assets) liabilities, net	(345.9)	-	-	(348.2)	-	-	(342.8)	-	-
Total equity excluding minority interests in subsidiaries <sup>(4)</sup>	584.3	-	-	559.3	-	-	556.7	-	-
<b>Total non interest-bearing sources of funds (C)</b>	<b>238.4</b>	<b>-</b>	<b>-</b>	<b>211.1</b>	<b>-</b>	<b>-</b>	<b>213.8</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>7,149.2</b>	<b>27.0</b>	<b>0.50</b>	<b>7,591.6</b>	<b>33.0</b>	<b>0.58</b>	<b>7,451.4</b>	<b>42.8</b>	<b>0.57</b>
<b>Net revenue/yield on interest-earning assets (A)-(D) <sup>(1)</sup></b>	<b>-</b>	<b>110.9</b>	<b>2.06</b>	<b>-</b>	<b>116.4</b>	<b>2.04</b>	<b>-</b>	<b>153.5</b>	<b>2.06</b>
<b>Reconciliation of total revenue on interest-earning assets to total interest income:</b>									
Total revenue on interest-earning assets	7,149.2	137.9	2.56	7,591.6	149.5	2.61	7,451.4	196.4	2.64
Less: Income on lease transactions and installment receivables	565.4	26.7	6.27	543.7	27.7	6.78	545.6	36.6	6.72
Total interest income	6,583.8	111.2	2.24	7,047.8	121.7	2.29	6,905.7	159.7	2.31
Total interest expense	-	27.0	-	-	33.0	-	-	42.8	-
<b>Net interest income</b>	<b>-</b>	<b>84.2</b>	<b>-</b>	<b>-</b>	<b>88.6</b>	<b>-</b>	<b>-</b>	<b>116.9</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 increased slightly to 2.04% for the first nine months of fiscal year 2012, compared to 2.02% for the first nine months of fiscal year 2011.
  - This reflects the decrease in the rate on interest-bearing liabilities caused by a decrease in the rate on deposits including negotiable certificates of deposit, from 0.53% for the first nine months of fiscal year 2011 to 0.43% for the first nine months of fiscal year 2012, caused by

maturities of relatively high-yield time deposits and the prevailing lower interest rate market environment. However this reflects also the decrease in the yield on interest-earning assets caused by the lower balance of high-yield consumer finance loans.

- The revenue on interest-earning assets for the first nine months of fiscal year 2012 was ¥110.9 billion, decreasing from ¥116.4 billion for the first nine months of fiscal year 2011.
  - While total expense on interest-bearing liabilities decreased ¥6.0 billion from ¥33.0 billion for the first nine months of fiscal year 2011 to ¥27.0 billion in the first nine months of fiscal year 2012, this was offset by a ¥11.5 billion decrease in total revenue on interest-earning assets. The decrease in total revenue on interest-earning assets was due to 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>			
	<b>3QFY2012</b>	3QFY2011	%	FY2011
	<b>(9 months)</b>	(9 months)	Change	(12 months)
Net fees and commissions	<b>13.9</b>	20.0	(30.4)	25.2
Net trading income	<b>13.9</b>	7.9	75.8	13.6
Net other business income	<b>38.0</b>	38.2	(0.5)	47.2
Income on lease transactions and installment receivables	<b>26.7</b>	27.7	(3.8)	36.6
<b>Total non-interest income</b>	<b>66.0</b>	66.3	(0.4)	86.0

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 ¥66.0 billion for the first nine months of fiscal year 2012 was almost at the same level as compared to ¥66.3 billion for the first nine months of 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 first nine months of fiscal year 2012 the impact of such non-recurring factors was limited. However the results for the third quarter of fiscal year 2012 underperformed those of the first and second quarter of fiscal year 2012 due to the impact of temporary discontinuation of offering and sales of structured yen deposits from September 6 through December 17, 2012.
- 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 ¥13.9 billion were recorded for the first nine months of fiscal year 2012, as compared to ¥20.0 billion for the first nine months of fiscal year 2011, mainly due to the decrease in mutual funds related fees in retail banking, and decrease in servicing fee income of subsidiaries.
- Net trading income includes revenues from derivatives with customer-driven transactions and those from proprietary trading. Net trading income of ¥13.9 billion was recorded for the first nine months of fiscal year 2012, an increase of ¥6.0 billion compared to ¥7.9 billion for the first nine months of fiscal year 2011.
- Net other business income of ¥38.0 billion for the first nine months of fiscal year 2012 was almost at the same level as compared to ¥38.2 billion for the first nine months of fiscal year 2011. Income on installment receivables of ¥18.7 billion was recorded, an increase as compared to ¥17.7 billion for the first nine months of fiscal year 2011, combining the amount at APLUS FINANCIAL which steadily increased, and the results at Showa Leasing. In the principal transactions business which mainly operates credit trading, income from monetary trust management was recorded at ¥6.6 billion, at approximately the same level as the ¥6.6 billion recorded in the first nine months of fiscal year 2011. In ALM operations, net income from sales of Japanese national government bonds was recorded at ¥3.2 billion for the first nine months of fiscal year 2012, an increase as compared to ¥1.6 billion for the first nine months of fiscal year 2011. On the other hand, income from leased assets was recorded at ¥7.9 billion, a decrease as compared to ¥10.0 billion, due to the impact of changes in the lease accounting system. In addition, the first nine months of 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, ¥2.6 billion of impairment of bonds related to domestic real estate non-recourse finance, and ¥0.8 billion of impairment of private equity investments. However, during the first nine months of 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 ¥1.6 billion, and impairment of private equity investments of ¥0.6 billion, were limited.

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

	<i>(Billions of yen, except percentages)</i>			
	3QFY2012 (9 months)	3QFY2011 (9 months)	% Change	FY2011 (12 months)
Personnel expenses	38.0	38.3	(0.9)	51.0
Non-personnel expenses <sup>(1)</sup>	57.6	57.1	0.8	76.9
Premises expenses	14.4	15.4	(6.1)	20.4
Technology and data processing expenses	13.2	12.4	6.0	17.2
Advertising expenses	6.6	6.8	(3.4)	9.1
Consumption and property taxes	5.0	4.7	7.6	6.3
Deposit insurance premium	3.2	3.5	(7.9)	4.6
Other general and administrative expenses	14.9	14.1	5.6	18.9
<b>General and administrative expenses</b>	<b>95.6</b>	<b>95.5</b>	<b>0.1</b>	<b>127.9</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 ¥95.6 billion for the first nine months of fiscal year 2012 were almost at the same level as compared to ¥95.5 billion for the first nine months of fiscal year 2011. With the aim of expanding our customer base and stabilizing our earnings, we prioritized 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 ¥38.0 billion for the first nine months of fiscal year 2012 decreased slightly from ¥38.3 billion for the first nine months of fiscal year 2011. We have allocated additional personnel to relevant business areas, but our personnel expenses decreased as a result of ongoing personnel expense streamlining across our businesses.
  - Non-personnel expenses of ¥57.6 billion for the first nine months of fiscal year 2012 increased from ¥57.1 billion for the first nine months of fiscal year 2011. We have worked to rationalize expenses across all of our business lines through strict expense control discipline, but non-personnel expenses increased largely due to enhancement of business infrastructure.
- Premises expenses of ¥14.4 billion for the first nine months of fiscal year 2012 decreased from ¥15.4 billion for the first nine months of fiscal year 2011, reflecting our continuous efforts at expense streamlining.
  - Technology and data processing expenses of ¥13.2 billion for the first nine months of fiscal year 2012 increased from ¥12.4 billion for the first nine months of fiscal year 2011, mainly due to additional depreciation from capital expenditures related to system development.
  - Advertising expenses of ¥6.6 billion for the first nine months of fiscal year 2012 decreased slightly from ¥6.8 billion for the first nine months of 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 ¥5.0 billion for the first nine months of fiscal year 2012 increased from ¥4.7 billion for the first nine months of fiscal year 2011 due to the enhancement of business infrastructure including capital expenditures related to system development.
  - Other general and administrative expenses of ¥14.9 billion for the first nine months of fiscal year 2012 increased from ¥14.1 billion for the first nine months of fiscal year 2011, including an increase in temporary staff expenses as we began operating a new system in parallel with the old system.

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

	<i>(Billions of yen, except percentages)</i>			
	<b>3QFY2012</b> <b>(9 months)</b>	3QFY2011 (9 months)	% Change	FY2011 (12 months)
Losses on write-off of loans/Losses on sale of loans	3.5	5.1	(31.5)	5.7
Net provision of reserve for loan losses:	<b>10.2</b>	33.9	(69.8)	36.3
Net provision (reversal) of general reserve for loan losses	<b>1.1</b>	(2.8)	142.2	(5.9)
Net provision of specific reserve for loan losses	<b>9.0</b>	36.7	(75.3)	42.2
Net provision (reversal) of reserve for loan losses to restructuring countries	-	(0.0)	100.0	(0.0)
Net provision (reversal) of specific reserve for other credit losses	<b>(0.0)</b>	(17.2)	99.9	(17.2)
Other credit costs (reversal) relating to leasing business	<b>(0.6)</b>	(1.2)	47.2	(1.6)
Recoveries of written-off claims	<b>(8.2)</b>	(8.6)	4.0	(10.8)
<b>Net credit costs (recoveries)</b>	<b>4.8</b>	11.9	(59.6)	12.2

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

- Net credit costs of ¥4.8 billion were recorded for the first nine months of fiscal year 2012, a significant improvement as compared to ¥11.9 billion for the first nine months of fiscal year 2011. We have been able to make 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 the first nine months of fiscal year 2012, recoveries of written-off claims were ¥8.2 billion, compared to ¥8.6 billion of recoveries of written-off claims for the first nine months of fiscal year 2011. This shows that performance of ¥13.1 billion recorded for the first nine months of fiscal year 2012 has improved as compared to ¥20.5 billion recorded for the first nine months of fiscal year 2011, even when weighed against the fluctuation of net credit costs excluding recoveries of written-off claims.
- The recoveries of written-off claims for the first nine months of fiscal year 2012 of ¥8.2 billion included ¥5.0 billion at Shinsei Financial, ¥2.3 billion at Shinsei Bank (non-consolidated basis), and ¥0.7 billion at Shinki.

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

	<i>(Billions of yen, except percentages)</i>			
	<b>3QFY2012</b> <b>(9 months)</b>	3QFY2011 (9 months)	% Change	FY2011 (12 months)
Shinsei Financial	5.7	6.5	(12.7)	8.5
Shinki	<b>(0.2)</b>	(0.2)	0.0	(0.3)
APLUS FINANCIAL	<b>0.6</b>	0.6	(0.0)	0.8
Showa Leasing	<b>2.1</b>	2.1	(1.1)	2.9
Others	<b>(0.0)</b>	(0.0)	0.0	(0.0)
<b>Amortization of goodwill and other intangible assets</b>	<b>8.2</b>	9.1	(9.4)	11.9

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 ¥8.2 billion for the first nine months of fiscal year 2012 compared to ¥9.1 billion for the first nine months of 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 ¥0.6 billion for the first nine months of 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)**

	<i>(Billions of yen, except percentages)</i>			
	<b>3QFY2012 (9 months)</b>	3QFY2011 (9 months)	% Change	FY2011 (12 months)
Extraordinary income (loss)	<b>(0.6)</b>	0.7	(187.9)	(1.4)
Net gain on disposal of premises and equipment	<b>0.2</b>	(0.1)	221.2	(0.5)
Other extraordinary income (loss)	<b>(0.9)</b>	0.9	(194.8)	(0.8)
Provisions of reserve for losses on interest repayment	-	(11.8)	100.0	(32.8)
Shinsei Financial	-	(5.8)	100.0	(15.9)
Shinki	-	(5.0)	100.0	(11.5)
APLUS FINANCIAL	-	(1.0)	100.0	(5.3)
Other	-	-	-	-
Other	<b>(0.1)</b>	1.3	(113.4)	(1.1)
<b>Other gains (losses)</b>	<b>(0.8)</b>	(9.7)	91.2	(35.4)

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

- Other losses of ¥0.8 billion were recorded for the first nine months of fiscal year 2012, a significant improvement as compared to ¥9.7 billion for the first nine months of fiscal year 2011 mainly due to an absence of additional provisions for losses on interest repayment in the first nine months of fiscal year 2012, whereas provisions for losses on interest repayment of ¥11.8 billion were recorded for the first nine months of fiscal year 2011. Provisions for losses on interest repayment of ¥32.8 billion, which were taken upfront as a measure to cover future costs, were

recorded during the fiscal year 2011, and therefore no additional provisions for losses on interest repayment were recorded in the first nine months of fiscal year 2012. 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)**

	<i>(Billions of yen, except percentages)</i>			
	<b>3QFY2012 (9 months)</b>	3QFY2011 (9 months)	% Change	FY2011 (12 months)
Dividends on perpetual preferred securities (hybrid Tier I capital) issued by foreign SPCs	<b>2.3</b>	2.2	1.2	3.0
Others	<b>0.3</b>	0.4	(17.6)	0.4
<b>Minority interests in net income of subsidiaries</b>	<b>2.6</b>	2.7	(1.9)	3.5

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

- Minority interests in net income of subsidiaries for the first nine months of fiscal year 2012 were ¥2.6 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 the

first nine months of fiscal year 2012. Minority interests in net income of subsidiaries for the first nine months of fiscal year 2012 were almost the same as the ¥2.7 billion recorded for the first nine months for fiscal year 2011.

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

	(Billions of yen)				
	Dec 31 2012 (a)	Dec 31 2011 (b)	Change (a)-(b)	Mar 31 2012 (c)	Change (a)-(c)
Loans and bills discounted	4,270.1	4,076.5	193.6	4,136.8	133.3
Installment receivables	360.1	338.7	21.4	347.9	12.1
Leased assets, lease receivables and leased investment assets	216.7	212.5	4.2	214.7	2.0
Securities	2,168.3	1,895.5	272.8	1,873.4	294.8
Other monetary claims purchased	122.8	131.5	(8.7)	130.9	(8.1)
Other interest earning assets <sup>(1)</sup>	574.3	540.4	33.8	561.9	12.4
Trading assets	312.9	209.2	103.7	202.6	110.3
Monetary assets held in trust	249.7	274.1	(24.4)	267.6	249.7
Goodwill, net	36.5	43.7	(7.1)	41.9	(5.3)
Other intangible assets <sup>(2)</sup>	13.3	17.2	(3.8)	16.2	(2.8)
Other assets	444.9	491.3	(46.3)	433.3	11.6
Customer's liabilities for acceptances and guarantees	514.5	558.7	(44.2)	562.6	(48.0)
Reserve for credit losses	(170.9)	(185.2)	14.3	(180.6)	9.6
<b>Total assets</b>	<b>9,113.7</b>	<b>8,604.5</b>	<b>509.2</b>	<b>8,609.6</b>	<b>504.1</b>
Deposits and negotiable certificates of deposit	5,429.3	5,526.5	(97.2)	5,362.4	66.9
Debentures	272.1	305.5	(33.3)	294.1	(21.9)
Borrowed money	617.2	457.9	159.3	476.7	140.5
Corporate bonds	172.4	163.7	8.7	168.7	3.6
Other interest bearing liabilities <sup>(3)</sup>	553.8	249.1	304.7	409.4	144.4
Trading liabilities	244.3	161.7	82.6	176.0	68.3
Reserve for losses on interest repayments	38.0	35.2	2.8	50.9	(12.8)
Other liabilities	606.8	514.0	92.7	480.8	125.9
Acceptances and guarantees	514.5	558.7	(44.2)	562.6	(48.0)
<b>Total liabilities</b>	<b>8,448.8</b>	<b>7,972.7</b>	<b>476.1</b>	<b>7,982.0</b>	<b>466.8</b>
<b>Total equity</b>	<b>664.8</b>	<b>631.7</b>	<b>33.1</b>	<b>627.6</b>	<b>37.2</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 ¥4,270.1 billion as of December 31, 2012, an increase of ¥133.3 billion from March 31, 2012.
  - The Institutional Group and the Global Markets 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. This trend, together with the increase in core business loans and bills discounted offset the negative factors.
- Securities balance as of December 31, 2012 was ¥2,168.3 billion, an increase from ¥1,873.4 billion as of March 31, 2012.
  - This was mainly due to an increase in Japanese national government bonds for ALM purposes, including liquidity reserves, resulting in a total balance of Japanese national government bonds of ¥1,596.4 billion as of December 31, 2012, as compared to ¥1,285.1 as of March 31, 2012.
- Balance of total deposits and negotiable certificates of deposits was ¥5,429.3 billion as of December 31, 2012, compared to ¥5,362.4 billion as of March 31, 2012.
  - Shinsei Bank continues to optimize its funding base through focusing on deposits from retail customers.

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

	(Billions of yen)				
	Dec 31 2012 (a)	Dec 31 2011 (b)	Change (a)-(b)	Mar 31 2012 (c)	Change (a)-(c)
Loans to bankrupt obligors	18.9	12.7	6.2	8.1	10.8
Non-accrual delinquent loans	278.9	328.0	(49.1)	316.7	(37.7)
Loans past due for three months or more	1.8	1.5	0.2	1.7	0.0
Restructured loans	41.0	51.7	(10.7)	45.3	(4.2)
<b>Total (A)</b>	<b>340.7</b>	<b>394.1</b>	<b>(53.4)</b>	<b>371.9</b>	<b>(31.1)</b>
<b>Loans and bills discounted (B)</b>	<b>4,270.1</b>	<b>4,076.5</b>	<b>193.6</b>	<b>4,136.8</b>	<b>133.3</b>
Ratio to total loans and bills discounted (A / B X 100) (%)	7.98%	9.67%	/	8.99%	/
<b>Reserve for credit losses (C)</b>	<b>170.9</b>	<b>185.2</b>	<b>(14.3)</b>	<b>180.6</b>	<b>(9.6)</b>
Reserve ratio (C / A X 100)	50.2%	47.0%	/	48.6%	/

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

- In accordance with the Bank's current Medium-Term Management Plan, we are working to decrease potential losses as a key priority, including the reduction of non-core assets. Risk monitored loans totaled ¥340.7 billion as of December 31, 2012, 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 current Medium-Term Management Plan.

During the first nine months of fiscal year 2012, risk monitored loans decreased by ¥31.1 billion.

- The ratio of risk monitored loans to total loans and bills discounted was 7.98% as of December 31, 2012 and declined 101 basis points compared to March 31, 2012.

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

	(Billions of yen)				
	Dec 31 2012 (a)	Dec 31 2011 (b)	Change (a)-(b)	Mar 31 2012 (c)	Change (a)-(c)
General reserve for loan losses	76.3	87.6	(11.2)	80.9	(4.5)
Specific reserve for loan losses	94.5	97.6	(3.0)	99.6	(5.0)
Reserve for loans to restructuring countries	0.0	0.0	-	0.0	-
<b>Total reserve for credit losses</b>	<b>170.9</b>	<b>185.2</b>	<b>(14.3)</b>	<b>180.6</b>	<b>(9.6)</b>

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

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

	(Billions of yen)				
	Dec 31 2012 (a)	Dec 31 2011 (b)	Change (a)-(b)	Mar 31 2012 (c)	Change (a)-(c)
Domestic offices (excluding Japan offshore market account):					
Manufacturing	236.8	246.2	(9.4)	244.5	(7.7)
Agriculture and forestry	0.2	2.2	(1.9)	0.3	(0.0)
Fishery	-	-	-	-	-
Mining, quarrying and gravel extraction	0.1	0.2	(0.1)	0.2	(0.1)
Construction	18.4	23.6	(5.2)	15.9	2.5
Electric power, gas, heat supply and water supply	107.7	38.7	69.0	48.6	59.0
Information and communications	34.9	38.7	(3.8)	39.9	(4.9)
Transportation and postal service	234.3	251.6	(17.2)	245.0	(10.7)
Wholesale and retail	82.7	73.8	8.9	86.0	(3.2)
Finance and insurance	699.0	660.2	38.7	694.7	4.2
Real estate	616.3	609.8	6.4	598.3	18.0
Services	310.1	309.5	0.6	307.5	2.6
Local government	117.9	142.4	(24.4)	139.5	(21.6)
Others	1,723.5	1,591.8	131.6	1,622.4	101.0
Loans to individual customers (retail banking, Shinsei Bank Lake, Shinsei Financial, Shinki and APLUS FINANCIAL)	1,516.8	1,416.4	100.3	1,439.4	77.3
<b>Total domestic (A)</b>	<b>4,182.5</b>	<b>3,989.4</b>	<b>193.1</b>	<b>4,043.4</b>	<b>139.1</b>
Overseas offices (including Japan offshore market accounts):					
Governments	1.9	2.1	(0.1)	2.0	(0.0)
Financial institutions	0.9	1.2	(0.2)	1.0	(0.0)
Others	84.6	83.7	0.9	90.2	(5.6)
<b>Total overseas (B)</b>	<b>87.5</b>	<b>87.0</b>	<b>0.4</b>	<b>93.3</b>	<b>(5.8)</b>
<b>Total (A+B)</b>	<b>4,270.1</b>	<b>4,076.5</b>	<b>193.6</b>	<b>4,136.8</b>	<b>133.3</b>

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

	(Billions of yen)								
	December 31, 2012			December 31, 2011			March 31, 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	585.0	589.7	4.6	585.7	590.9	5.1	585.6	590.9	5.3
Japanese corporate bonds	17.8	17.8	0.0	23.0	23.3	0.3	22.8	23.0	0.2
Other	45.0	49.4	4.3	38.0	41.4	3.3	40.2	44.2	4.0
<b>Subtotal</b>	<b>647.9</b>	<b>657.0</b>	<b>9.0</b>	<b>646.8</b>	<b>655.6</b>	<b>8.8</b>	<b>648.7</b>	<b>658.2</b>	<b>9.5</b>
Fair value does not exceed carrying amount									
Japanese national government bonds	-	-	-	-	-	-	-	-	-
Japanese corporate bonds	-	-	-	-	-	-	-	-	-
Other	7.0	6.7	(0.2)	9.0	8.4	(0.5)	9.8	9.2	(0.5)
<b>Subtotal</b>	<b>7.0</b>	<b>6.7</b>	<b>(0.2)</b>	<b>9.0</b>	<b>8.4</b>	<b>(0.5)</b>	<b>9.8</b>	<b>9.2</b>	<b>(0.5)</b>
<b>Total</b>	<b>654.9</b>	<b>663.8</b>	<b>8.8</b>	<b>655.8</b>	<b>664.1</b>	<b>8.3</b>	<b>658.5</b>	<b>667.5</b>	<b>8.9</b>

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

	(Billions of yen)								
	December 31, 2012			December 31, 2011			March 31, 2012		
	Carrying amount (Fair value)	Amortized/ Acquisition cost	Unrealized gain (loss)	Carrying amount (Fair value)	Amortized/ Acquisition cost	Unrealized gain (loss)	Carrying amount (Fair value)	Amortized/ Acquisition cost	Unrealized gain (loss)
<b>Carrying amount exceeds amortized/acquisition cost</b>									
Equity securities	13.2	9.1	4.1	3.9	3.1	0.8	17.1	11.5	5.5
Domestic bonds	111.1	108.6	2.4	743.9	741.4	2.5	681.8	679.4	2.3
Japanese national government bonds	47.3	45.6	1.6	665.0	663.1	1.9	619.5	617.6	1.9
Japanese local government bonds	1.7	1.7	0.0	1.7	1.7	0.0	1.7	1.7	0.0
Japanese corporate bonds	62.0	61.2	0.7	77.1	76.5	0.5	60.4	60.0	0.3
Other	74.5	71.1	3.4	62.9	58.7	4.2	71.2	66.8	4.4
Foreign securities	69.8	66.7	3.1	45.6	41.7	3.9	55.7	51.5	4.1
Foreign currency denominated foreign corporate and government bonds	34.3	32.3	2.0	28.2	25.7	2.5	31.4	28.6	2.8
Yen-denominated foreign corporate and government bonds	32.6	31.9	0.6	11.4	11.4	0.0	19.6	19.4	0.2
Foreign equity securities and others	2.8	2.4	0.4	5.9	4.5	1.3	4.6	3.4	1.1
Other securities	1.1	0.9	0.2	1.1	0.9	0.2	1.1	0.9	0.1
Other monetary claims purchased	3.4	3.4	0.0	16.1	16.0	0.0	14.4	14.4	0.0
Subtotal	198.9	188.9	10.0	810.8	803.3	7.5	770.2	757.9	12.3
<b>Carrying amount does not exceed amortized/acquisition cost</b>									
Equity securities	3.6	4.5	(0.8)	9.1	10.1	(0.9)	2.1	2.7	(0.6)
Domestic bonds	1,110.3	1,113.5	(3.2)	207.3	210.7	(3.3)	247.7	251.7	(3.9)
Japanese national government bonds	964.0	965.0	(1.0)	49.3	50.1	(0.7)	79.9	80.7	(0.7)
Japanese local government bonds	-	-	-	-	-	-	-	-	-
Japanese corporate bonds	146.3	148.5	(2.1)	158.0	160.6	(2.5)	167.7	170.9	(3.2)
Other	95.3	96.8	(1.5)	107.5	112.7	(5.2)	88.1	91.3	(3.1)
Foreign securities	94.7	96.3	(1.5)	106.7	112.0	(5.2)	86.1	89.3	(3.1)
Foreign currency denominated foreign corporate and government bonds	84.9	86.2	(1.2)	37.7	41.6	(3.8)	38.0	40.6	(2.6)
Yen-denominated foreign corporate and government bonds	9.8	10.0	(0.2)	68.9	70.2	(1.3)	48.0	48.5	(0.4)
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	-	-	-	0.1	0.1	(0.0)	1.4	1.4	(0.0)
Subtotal	1,209.3	1,215.0	(5.6)	324.0	333.6	(9.5)	338.0	345.7	(7.7)
<b>Total<sup>(1)(2)</sup></b>	<b>1,408.3</b>	<b>1,403.9</b>	<b>4.3</b>	<b>1,134.9</b>	<b>1,136.9</b>	<b>(1.9)</b>	<b>1,108.3</b>	<b>1,103.7</b>	<b>4.6</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 December 31, 2012, December 31, 2011 and March 31, 2012 were ¥1,404.8 billion, ¥1,118.6 billion and ¥1,092.3 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)		
	December 31, 2012	December 31, 2011	March 31, 2012
<b>Unrealized gain (loss) before deferred tax on:</b>			
Available-for-sale securities	4.3	(1.9)	4.6
The Bank's interests in available-for-sale securities held by partnerships recorded as securities whose fair value cannot be reliably determined and other adjustments	0.0	0.0	(0.0)
Securities being held to maturity, reclassified from available-for-sale in the past, under extremely illiquid market conditions	(4.8)	(5.0)	(5.1)
Deferred tax assets (liabilities)	(0.3)	(0.0)	(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	0.2	0.0	0.0
<b>Unrealized gain (loss) on available-for-sale securities</b>	<b>(0.4)</b>	<b>(6.9)</b>	<b>(0.6)</b>

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

(Billions of yen)

	Dec 31 2012 (a)	Dec 31 2011 (b)	Change (a)-(b)	Mar 31 2012 (c)	Change (a)-(c)
Deposits	5,213.4	5,347.1	(133.7)	5,184.3	29.0
Liquid (current, ordinary, note) deposits	1,569.9	1,486.6	83.2	1,513.3	56.5
Time deposits <sup>(1)</sup>	3,238.6	3,490.4	(251.7)	3,292.7	(54.1)
Other	404.7	370.0	34.7	378.1	26.6
Negotiable certificates of deposits (NCDs)	215.9	179.4	36.4	178.0	37.8
<b>Total</b>	<b>5,429.3</b>	<b>5,526.5</b>	<b>(97.2)</b>	<b>5,362.4</b>	<b>66.9</b>

(1) Includes two-week maturity deposits

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

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

	3QFY2012 (9 months)	3QFY2011 (9 months)	FY2011 (12 months)
Return on assets <sup>(1)</sup>	0.6% <sup>(5)</sup>	0.3% <sup>(5)</sup>	0.1%
Return on equity <sup>(2)</sup>	8.6% <sup>(5)</sup>	4.9% <sup>(5)</sup>	1.2%
Return on equity (fully diluted) <sup>(3)</sup>	8.6% <sup>(5)</sup>	4.9% <sup>(5)</sup>	1.2%
Cash basis return on assets <sup>(1)</sup>	0.7% <sup>(5)</sup>	0.4% <sup>(5)</sup>	0.2%
Cash basis return on equity <sup>(2)(4)</sup>	11.2% <sup>(5)</sup>	7.4% <sup>(5)</sup>	3.2%
Cash basis return on equity (fully diluted) <sup>(3)(4)</sup>	11.2% <sup>(5)</sup>	7.4% <sup>(5)</sup>	3.2%
Expense-to-revenue ratio <sup>(6)(7)</sup>	63.6%	61.6%	63.1%

(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 17- (Consolidated)**<sup>(1)</sup>

	(Billions of yen, except percentages)				
	Dec 31 2012	Dec 31 2011	Change	Mar 31 2012	Change
	(a)	(b)	(a)-(b)	(c)	(a)-(c)
Basic items (Tier I)	589.9	541.2	48.6	537.1	52.7
Amount eligible for inclusion in capital (Tier II)	187.7	203.5	(15.7)	197.0	(9.2)
General reserve for loan losses	9.0	9.8	(0.7)	9.1	(0.1)
Perpetual/non-perpetual preferred stocks and perpetual/non-perpetual subordinated debt and bonds	178.7	193.7	(14.9)	187.8	(9.1)
Deductions	-	-	-	-	-
Deduction	(78.9)	(110.6)	31.6	(107.2)	28.3
<b>Total capital</b> <sup>(2)</sup>	<b>698.7</b>	<b>634.1</b>	<b>64.6</b>	<b>626.9</b>	<b>71.8</b>
Risk assets	5,875.4	6,223.7	(348.3)	6,102.5	(227.0)
Capital adequacy ratio	11.89%	10.18%		10.27%	
Tier I capital ratio	10.04%	8.69%		8.80%	

(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, ¥0.4 billion net unrealized losses on securities available-for-sale, net of taxes, as of December 31, 2012, ¥6.9 billion as of December 31, 2011 and ¥0.6 billion as of March 31, 2012 are not included in BIS capital.

(2) Consolidated total required capital is ¥390.4 billion as of December 31, 2012, ¥458.6 billion as at December 31, 2011 and ¥440.3 billion as at March 31, 2012.

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

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

	(Yen, except percentages)				
	3QFY2012 (9 months)	3QFY2011 (9 months)	% Change	FY2011 (12 months)	% Change
Common equity	226.79	214.66	5.6	212.67	6.6
Fully diluted equity	226.79	214.66	5.6	212.67	6.6
Basic net income	14.24	7.77	83.3	2.42	
Diluted net income	14.24	7.77	83.3	2.42	
Cash basis:					
Basic net income	16.94	10.48	61.6	6.05	
Diluted net income	16.94	10.48	61.6	6.05	
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 realized ¥37.8 billion in consolidated net income for the first nine months of fiscal year 2012, a steady increase compared to the first nine months of fiscal year 2011, and the number of shares did not change from the first nine months of fiscal year 2011 to the first nine months of the fiscal year 2012. As a result, the diluted net income per

share for the first nine months of fiscal year 2012 increased to ¥14.24 from ¥7.77 for the first nine months of fiscal year 2011. Cash basis diluted net income per share for the first nine months of fiscal year 2012 also increased to ¥16.94 from ¥10.48 for the first nine months of fiscal year 2011.

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

	(Billions of yen, except percentages)			
	3QFY2012 (9 months)	3QFY2011 (9 months)	% Change	FY2011 (12 months)
<b>Institutional Group:</b>				
Net interest income	21.7	19.5	11.2	27.2
Non-interest income	21.8	29.6	(26.4)	35.0
<b>Total revenue</b>	<b>43.5</b>	<b>49.2</b>	<b>(11.5)</b>	<b>62.3</b>
<b>General and administrative expenses</b>	<b>18.0</b>	<b>18.6</b>	<b>(3.4)</b>	<b>25.0</b>
<b>Ordinary business profit</b>	<b>25.5</b>	<b>30.5</b>	<b>(16.4)</b>	<b>37.3</b>
<b>Net credit costs</b>	<b>1.1</b>	<b>9.0</b>	<b>(86.8)</b>	<b>17.8</b>
<b>Ordinary business profit after net credit costs</b>	<b>24.3</b>	<b>21.4</b>	<b>13.4</b>	<b>19.4</b>
<b>Global Markets Group:</b>				
Net interest income	2.3	2.3	(1.3)	3.0
Non-interest income	7.8	4.3	81.1	8.1
<b>Total revenue</b>	<b>10.1</b>	<b>6.6</b>	<b>52.1</b>	<b>11.2</b>
<b>General and administrative expenses</b>	<b>6.8</b>	<b>7.3</b>	<b>(7.2)</b>	<b>9.7</b>
<b>Ordinary business profit (loss)</b>	<b>3.3</b>	<b>(0.6)</b>	<b>592.9</b>	<b>1.5</b>
<b>Net credit costs (recoveries)</b>	<b>(2.0)</b>	<b>(2.6)</b>	<b>21.6</b>	<b>(2.6)</b>
<b>Ordinary business profit (loss) after net credit costs (recoveries)</b>	<b>5.4</b>	<b>1.9</b>	<b>173.4</b>	<b>4.2</b>
<b>Individual Group:</b>				
Net interest income	64.1	76.0	(15.7)	98.7
Non-interest income	30.7	29.6	3.5	39.3
<b>Total revenue</b>	<b>94.8</b>	<b>105.7</b>	<b>(10.3)</b>	<b>138.1</b>
<b>General and administrative expenses</b>	<b>70.0</b>	<b>69.5</b>	<b>0.8</b>	<b>92.6</b>
<b>Ordinary business profit</b>	<b>24.8</b>	<b>36.2</b>	<b>(31.6)</b>	<b>45.4</b>
<b>Net credit costs (recoveries)</b>	<b>5.2</b>	<b>5.3</b>	<b>(0.7)</b>	<b>(1.7)</b>
<b>Ordinary business profit after net credit costs (recoveries)</b>	<b>19.5</b>	<b>30.9</b>	<b>(36.8)</b>	<b>47.2</b>
<b>Corporate/Other<sup>(1)</sup>:</b>				
Net interest income	(4.0)	(9.3)	57.0	(12.2)
Non-interest income	5.7	2.6	112.9	3.4
<b>Total revenue</b>	<b>1.7</b>	<b>(6.6)</b>	<b>126.0</b>	<b>(8.8)</b>
<b>General and administrative expenses</b>	<b>0.7</b>	<b>0.0</b>	<b>2,407.9</b>	<b>0.5</b>
<b>Ordinary business profit (loss)</b>	<b>0.9</b>	<b>(6.6)</b>	<b>114.4</b>	<b>(9.3)</b>
<b>Net credit costs (recoveries)</b>	<b>0.4</b>	<b>0.1</b>	<b>122.6</b>	<b>(1.0)</b>
<b>Ordinary business profit (loss) after net credit costs (recoveries)</b>	<b>0.5</b>	<b>(6.8)</b>	<b>107.6</b>	<b>(8.2)</b>
<b>Total:</b>				
Net interest income	84.2	88.6	(5.0)	116.9
Non-interest income	66.0	66.3	(0.4)	86.0
<b>Total revenue</b>	<b>150.3</b>	<b>155.0</b>	<b>(3.0)</b>	<b>202.9</b>
<b>General and administrative expenses</b>	<b>95.6</b>	<b>95.5</b>	<b>0.1</b>	<b>127.9</b>
<b>Ordinary business profit</b>	<b>54.6</b>	<b>59.4</b>	<b>(8.1)</b>	<b>74.9</b>
<b>Net credit costs</b>	<b>4.8</b>	<b>11.9</b>	<b>(59.5)</b>	<b>12.2</b>
<b>Ordinary business profit after net credit costs</b>	<b>49.8</b>	<b>47.5</b>	<b>4.8</b>	<b>62.7</b>

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

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

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

	(Billions of yen, except percentages)			
	3QFY2012 (9 months)	3QFY2011 (9 months)	% Change	FY2011 (12 months)
<b>Institutional Business Sub-Group: <sup>(2)</sup></b>				
Net interest income	7.5	6.7	11.2	9.2
Non-interest income	2.8	(1.5)	281.0	0.3
<b>Total revenue</b>	<b>10.4</b>	<b>5.2</b>	<b>100.1</b>	<b>9.6</b>
<b>General and administrative expenses</b>	<b>4.8</b>	<b>5.2</b>	<b>(7.9)</b>	<b>6.9</b>
<b>Ordinary business profit (loss)</b>	<b>5.6</b>	<b>(0.0)</b>	<b>19,367.7</b>	<b>2.6</b>
<b>Net credit costs (recoveries)</b>	<b>(2.4)</b>	<b>(1.5)</b>	<b>(59.8)</b>	<b>1.4</b>
<b>Ordinary business profit (loss) after net credit costs (recoveries)</b>	<b>8.0</b>	<b>1.5</b>	<b>431.3</b>	<b>1.2</b>
<b>Structured Finance Sub-Group:</b>				
Net interest income	12.6	12.8	(1.3)	16.9
Non-interest income	2.0	3.2	(35.8)	4.1
<b>Total revenue</b>	<b>14.7</b>	<b>16.0</b>	<b>(8.3)</b>	<b>21.0</b>
<b>General and administrative expenses</b>	<b>3.4</b>	<b>3.6</b>	<b>(4.0)</b>	<b>4.8</b>
<b>Ordinary business profit</b>	<b>11.2</b>	<b>12.4</b>	<b>(9.5)</b>	<b>16.2</b>
<b>Net credit costs</b>	<b>3.8</b>	<b>10.3</b>	<b>(63.2)</b>	<b>14.1</b>
<b>Ordinary business profit after net credit costs</b>	<b>7.4</b>	<b>2.0</b>	<b>257.0</b>	<b>2.0</b>
<b>Principal Transactions Sub-Group:</b>				
Net interest income	3.4	2.2	51.6	4.5
Non-interest income	5.2	7.0	(24.5)	6.6
<b>Total revenue</b>	<b>8.7</b>	<b>9.2</b>	<b>(5.9)</b>	<b>11.2</b>
<b>General and administrative expenses</b>	<b>2.8</b>	<b>2.8</b>	<b>(1.6)</b>	<b>3.8</b>
<b>Ordinary business profit</b>	<b>5.8</b>	<b>6.3</b>	<b>(7.8)</b>	<b>7.3</b>
<b>Net credit costs (recoveries)</b>	<b>(0.4)</b>	<b>(0.3)</b>	<b>(44.7)</b>	<b>0.9</b>
<b>Ordinary business profit after net credit costs (recoveries)</b>	<b>6.3</b>	<b>6.6</b>	<b>(5.3)</b>	<b>6.4</b>
<b>Showa Leasing:</b>				
Net interest income	(1.6)	(2.0)	18.5	(2.5)
Non-interest income	11.4	12.5	(8.6)	15.0
<b>Total revenue</b>	<b>9.8</b>	<b>10.5</b>	<b>(6.6)</b>	<b>12.4</b>
<b>General and administrative expenses</b>	<b>5.7</b>	<b>5.8</b>	<b>(1.2)</b>	<b>7.8</b>
<b>Ordinary business profit</b>	<b>4.0</b>	<b>4.7</b>	<b>(13.3)</b>	<b>4.6</b>
<b>Net credit costs (recoveries)</b>	<b>(1.3)</b>	<b>(0.2)</b>	<b>(499.2)</b>	<b>(1.3)</b>
<b>Ordinary business profit after net credit costs (recoveries)</b>	<b>5.4</b>	<b>4.9</b>	<b>10.0</b>	<b>6.0</b>
<b>Others: <sup>(2)</sup></b>				
Net interest income	(0.2)	(0.2)	19.5	(0.8)
Non-interest income	0.0	8.4	(98.8)	8.8
<b>Total revenue</b>	<b>(0.1)</b>	<b>8.1</b>	<b>(101.5)</b>	<b>7.9</b>
<b>General and administrative expenses</b>	<b>1.1</b>	<b>1.1</b>	<b>3.4</b>	<b>1.5</b>
<b>Ordinary business profit (loss)</b>	<b>(1.2)</b>	<b>7.0</b>	<b>(118.0)</b>	<b>6.4</b>
<b>Net credit costs</b>	<b>1.6</b>	<b>0.8</b>	<b>104.6</b>	<b>2.7</b>
<b>Ordinary business profit (loss) after net credit costs</b>	<b>(2.9)</b>	<b>6.2</b>	<b>(147.1)</b>	<b>3.7</b>
<b>Institutional Group:</b>				
Net interest income	21.7	19.5	11.2	27.2
Non-interest income	21.8	29.6	(26.4)	35.0
<b>Total revenue</b>	<b>43.5</b>	<b>49.2</b>	<b>(11.5)</b>	<b>62.3</b>
<b>General and administrative expenses</b>	<b>18.0</b>	<b>18.6</b>	<b>(3.4)</b>	<b>25.0</b>
<b>Ordinary business profit</b>	<b>25.5</b>	<b>30.5</b>	<b>(16.4)</b>	<b>37.3</b>
<b>Net credit costs</b>	<b>1.1</b>	<b>9.0</b>	<b>(86.8)</b>	<b>17.8</b>
<b>Ordinary business profit after net credit costs</b>	<b>24.3</b>	<b>21.4</b>	<b>13.4</b>	<b>19.4</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.

#### **Total revenue**

- The Institutional Group business recorded net interest income of ¥21.7 billion for the first nine months of fiscal year 2012, an increase from ¥19.5 billion for the first nine months of the fiscal year 2011, as the progress made in rebuilding our customer franchise led to an increase in the loan balance. Non-interest income was ¥21.8 billion for the first nine months of fiscal year 2012, a decline from ¥29.6 billion for the first nine months of fiscal year 2011. However, the amount recorded in the first nine months of 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 ¥7.5 billion for the first nine months of fiscal year 2012 from ¥6.7 billion for the first nine months of fiscal year 2011. In addition, non-interest income improved to a positive income of ¥2.8 billion for the first nine months of fiscal year 2012 from ¥1.5 billion of losses for the first nine months of fiscal year 2011 which included ¥3.9 billion of impairment on listed shares.
- The Structured Finance Sub-Group recorded total revenue of ¥14.7 billion for the first nine months of fiscal year 2012, a decrease from ¥16.0 billion for the first nine months of 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. While there was ¥2.6 billion in impairment on bonds related to real estate non-recourse finance in the first nine months of fiscal year 2011, this amount decreased to ¥1.6 billion in the first nine months of fiscal year 2012.
- The Principal Transactions Sub-Group recorded total revenue of ¥8.7 billion for the first nine months of fiscal year 2012, a decrease from ¥9.2 billion in the first nine months of fiscal year 2011. The performance was still solid mainly due to continued credit trading operations

efforts. In addition, ¥0.6 billion of impairment on private equity investment was recognized for the first nine months of fiscal year 2012, compared to ¥0.8 billion for the first nine months of fiscal year 2011.

- Others recorded total losses of ¥0.1 billion for the first nine months of fiscal year 2012, compared to ¥8.1 billion for the first nine months of fiscal year 2011 which 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 ¥18.0 billion for the first nine months of fiscal year 2012, marking a slight decrease from ¥18.6 billion for the first nine months of 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 ¥1.1 billion for the first nine months of fiscal year 2012, a decrease from ¥9.0 billion for the first nine months of fiscal year 2011. This significant improvement of net credit costs reflected 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 strict credit management, and also an improvement in the creditworthiness of some accounts during the first nine months of 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 as a result of the economic slow-down.

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

- As a result, the Institutional Group recorded an ordinary business profit after net credit costs of ¥24.3 billion for the first nine months of fiscal year 2012, an increase from ¥21.4 billion for the first nine months of fiscal year 2011. In addition, we believe this performance to be relatively stable and steady, as there was less impact from non-recurring factors for the first nine months of the fiscal year, while net interest income increased in line with the increase in the loan balance.

#### **Showa Leasing**

- Showa Leasing recorded ¥9.8 billion of total revenue for the first nine months of fiscal year 2012, a decrease from ¥10.5 billion for the first nine months of fiscal year 2011, mainly due to a change in accounting standards for leases and the stagnant economy. Net credit recoveries were ¥1.3 billion for the first nine months of fiscal year 2012, compared to recoveries of ¥0.2 billion for the first nine months of fiscal year 2011. As a result, Showa Leasing recorded ¥5.4 billion of ordinary business profit after net credit costs including consolidation adjustments for the first nine months of fiscal year 2012, compared to ¥4.9 billion for the first nine months of fiscal year 2011.

Global Markets Group <sup>(1)</sup> - Table 21- (Consolidated)

(Billions of yen, except percentages)

	3QFY2012 (9 months)	3QFY2011 (9 months)	% Change	FY2011 (12 months)
<b>Financial Institutions Sub-Group:</b>				
Net interest income	1.2	1.0	13.3	1.4
Non-interest income	2.0	1.0	95.8	1.9
<b>Total revenue</b>	<b>3.2</b>	<b>2.1</b>	<b>54.0</b>	<b>3.3</b>
<b>General and administrative expenses</b>	<b>1.7</b>	<b>1.7</b>	<b>(0.6)</b>	<b>2.3</b>
<b>Ordinary business profit</b>	<b>1.5</b>	<b>0.3</b>	<b>308.9</b>	<b>1.0</b>
<b>Net credit costs (recoveries)</b>	<b>(1.8)</b>	<b>(0.2)</b>	<b>(540.6)</b>	<b>(0.4)</b>
<b>Ordinary business profit after net credit costs (recoveries)</b>	<b>3.3</b>	<b>0.6</b>	<b>408.4</b>	<b>1.5</b>
<b>Markets Sub-Group:</b>				
Net interest income	1.0	0.8	15.8	1.1
Non-interest income	4.0	2.1	82.4	5.1
<b>Total revenue</b>	<b>5.0</b>	<b>3.0</b>	<b>63.3</b>	<b>6.2</b>
<b>General and administrative expenses</b>	<b>2.4</b>	<b>2.4</b>	<b>(2.1)</b>	<b>3.2</b>
<b>Ordinary business profit</b>	<b>2.6</b>	<b>0.6</b>	<b>324.6</b>	<b>2.9</b>
<b>Net credit costs (recoveries)</b>	<b>(0.0)</b>	<b>(1.6)</b>	<b>96.8</b>	<b>(1.4)</b>
<b>Ordinary business profit after net credit costs (recoveries)</b>	<b>2.6</b>	<b>2.2</b>	<b>16.3</b>	<b>4.4</b>
<b>Others:</b>				
Net interest income	0.0	0.3	(83.0)	0.5
Non-interest income	1.7	1.0	63.9	1.1
<b>Total revenue</b>	<b>1.8</b>	<b>1.4</b>	<b>25.2</b>	<b>1.6</b>
<b>General and administrative expenses</b>	<b>2.6</b>	<b>3.1</b>	<b>(15.1)</b>	<b>4.1</b>
<b>Ordinary business profit (loss)</b>	<b>(0.8)</b>	<b>(1.6)</b>	<b>49.9</b>	<b>(2.4)</b>
<b>Net credit costs (recoveries)</b>	<b>(0.2)</b>	<b>(0.6)</b>	<b>69.8</b>	<b>(0.7)</b>
<b>Ordinary business profit (loss) after net credit costs (recoveries)</b>	<b>(0.6)</b>	<b>(0.9)</b>	<b>35.9</b>	<b>(1.7)</b>
<b>Global Markets Group: <sup>(2)</sup></b>				
Net interest income	2.3	2.3	(1.3)	3.0
Non-interest income	7.8	4.3	81.1	8.1
<b>Total revenue</b>	<b>10.1</b>	<b>6.6</b>	<b>52.1</b>	<b>11.2</b>
<b>General and administrative expenses</b>	<b>6.8</b>	<b>7.3</b>	<b>(7.2)</b>	<b>9.7</b>
<b>Ordinary business profit (loss)</b>	<b>3.3</b>	<b>(0.6)</b>	<b>592.9</b>	<b>1.5</b>
<b>Net credit costs (recoveries)</b>	<b>(2.0)</b>	<b>(2.6)</b>	<b>21.6</b>	<b>(2.6)</b>
<b>Ordinary business profit (loss) after net credit costs (recoveries)</b>	<b>5.4</b>	<b>1.9</b>	<b>173.4</b>	<b>4.2</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 cover asset management, wealth management, and Shinsei Securities' businesses. The Treasury Sub-Group, which manages 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 ¥10.1 billion for the first nine months of fiscal year 2012, an increase from ¥6.6 billion for the first nine months of fiscal year 2011, when the financial markets were stagnant due to the European debt crisis. In the first nine months of fiscal year 2012, 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 ¥3.2 billion for the first nine months of fiscal year 2012, increasing from ¥2.1 billion for the first nine months of 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 ¥5.0 billion for the first nine months of fiscal year 2012, increasing from ¥3.0 billion for the first nine months of fiscal year 2011. There was a lower volume of customer transactions in the first nine months of fiscal year 2011. By contrast, for the first nine months of fiscal year 2012, the volume of customer transactions increased and total

revenue rose because the sub-group improved its business structure and enhanced its capabilities to meet customers' needs.

- Others earned total revenue of ¥1.8 billion for the first nine months of fiscal year 2012, compared to ¥1.4 billion for the first nine months of fiscal year 2011.

**Expenses**

- The Global Markets Group recorded ¥6.8 billion of general and administrative expenses for the first nine months of fiscal year 2012, a slight decrease from ¥7.3 billion for the first nine months of fiscal year 2011. Continuous cost rationalization was implemented across the group, while it prioritized the allocation of resources to relevant business areas to rebuild the client base. As a result, expenses decreased slightly from the first nine months of fiscal year 2011.

**Net credit costs**

- Net credit recoveries of ¥2.0 billion were recorded for the first nine months of fiscal year 2012, compared to recoveries of ¥2.6 billion for the first nine months of fiscal year 2011. The Global Markets Group has continued to reduce non-core assets and recorded a reversal of reserve for these assets and recoveries of written-off claims for the first nine months of fiscal year 2011. The group proceeded to collect on written-off claims and recorded recoveries of written-off claims for the first nine months of 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 ¥5.4 billion in ordinary business profit after net credit costs for the first nine months of fiscal year 2012, a significant increase from ¥1.9 billion of ordinary business profit after net credit costs for the first nine months of fiscal year 2011. The Global Markets Group's main source of earnings is derived from transactions with customers and continuous efforts to rebuild the client base are now bearing results.

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

	(Billions of yen, except percentages)			
	3QFY2012 (9 months)	3QFY2011 (9 months)	% Change	FY2011 (12 months)
<b>Retail banking:</b>				
Net interest income	19.7	22.3	(11.9)	29.1
Non-interest income	4.8	5.3	(10.9)	6.9
<b>Total revenue</b>	<b>24.5</b>	<b>27.7</b>	<b>(11.7)</b>	<b>36.0</b>
<b>General and administrative expenses</b>	<b>23.0</b>	<b>23.3</b>	<b>(1.6)</b>	<b>31.3</b>
<b>Ordinary business profit</b>	<b>1.5</b>	<b>4.3</b>	<b>(65.6)</b>	<b>4.7</b>
<b>Net credit costs (recoveries)</b>	<b>(0.0)</b>	<b>1.2</b>	<b>(101.7)</b>	<b>1.2</b>
<b>Ordinary business profit after net credit costs (recoveries)</b>	<b>1.5</b>	<b>3.1</b>	<b>(50.9)</b>	<b>3.5</b>
<b>Shinsei Financial and Shinsei Bank Lake <sup>(2)</sup>:</b>				
Net interest income	30.9	36.1	(14.4)	47.0
Non-interest income	(2.3)	(2.3)	(2.4)	(3.0)
<b>Total revenue</b>	<b>28.5</b>	<b>33.8</b>	<b>(15.6)</b>	<b>43.9</b>
<b>General and administrative expenses</b>	<b>18.9</b>	<b>20.5</b>	<b>(7.9)</b>	<b>27.2</b>
<b>Ordinary business profit</b>	<b>9.6</b>	<b>13.3</b>	<b>(27.5)</b>	<b>16.7</b>
<b>Net credit costs (recoveries)</b>	<b>1.0</b>	<b>(2.5)</b>	<b>140.9</b>	<b>(8.0)</b>
<b>Ordinary business profit after net credit costs (recoveries)</b>	<b>8.5</b>	<b>15.8</b>	<b>(46.0)</b>	<b>24.7</b>
<b>Shinki:</b>				
Net interest income	5.2	6.5	(19.7)	8.4
Non-interest income	(0.4)	(0.4)	3.2	(0.6)
<b>Total revenue</b>	<b>4.8</b>	<b>6.1</b>	<b>(21.0)</b>	<b>7.8</b>
<b>General and administrative expenses</b>	<b>2.9</b>	<b>2.6</b>	<b>8.8</b>	<b>3.4</b>
<b>Ordinary business profit</b>	<b>1.8</b>	<b>3.4</b>	<b>(44.5)</b>	<b>4.3</b>
<b>Net credit costs (recoveries)</b>	<b>0.0</b>	<b>(0.4)</b>	<b>122.7</b>	<b>(0.4)</b>
<b>Ordinary business profit after net credit costs (recoveries)</b>	<b>1.8</b>	<b>3.8</b>	<b>(52.8)</b>	<b>4.7</b>
<b>APLUS FINANCIAL:</b>				
Net interest income	7.1	9.8	(26.9)	12.5
Non-interest income	28.5	26.9	6.2	35.9
<b>Total revenue</b>	<b>35.7</b>	<b>36.7</b>	<b>(2.6)</b>	<b>48.5</b>
<b>General and administrative expenses</b>	<b>24.8</b>	<b>22.6</b>	<b>9.7</b>	<b>30.2</b>
<b>Ordinary business profit</b>	<b>10.9</b>	<b>14.0</b>	<b>(22.5)</b>	<b>18.2</b>
<b>Net credit costs</b>	<b>4.2</b>	<b>6.8</b>	<b>(38.6)</b>	<b>5.2</b>
<b>Ordinary business profit after net credit costs</b>	<b>6.7</b>	<b>7.2</b>	<b>(7.1)</b>	<b>13.0</b>
<b>Others <sup>(3)</sup>:</b>				
Net interest income	1.0	1.1	(9.8)	1.5
Non-interest income	0.1	0.1	7.9	0.1
<b>Total revenue</b>	<b>1.2</b>	<b>1.3</b>	<b>(7.9)</b>	<b>1.7</b>
<b>General and administrative expenses</b>	<b>0.3</b>	<b>0.2</b>	<b>44.4</b>	<b>0.3</b>
<b>Ordinary business profit</b>	<b>0.8</b>	<b>1.0</b>	<b>(20.4)</b>	<b>1.3</b>
<b>Net credit costs (recoveries)</b>	<b>(0.0)</b>	<b>0.1</b>	<b>(146.0)</b>	<b>0.2</b>
<b>Ordinary business profit after net credit costs (recoveries)</b>	<b>0.9</b>	<b>0.9</b>	<b>1.5</b>	<b>1.1</b>
<b>Individual Group:</b>				
Net interest income	64.1	76.0	(15.7)	98.7
Non-interest income	30.7	29.6	3.5	39.3
<b>Total revenue</b>	<b>94.8</b>	<b>105.7</b>	<b>(10.3)</b>	<b>138.1</b>
<b>General and administrative expenses</b>	<b>70.0</b>	<b>69.5</b>	<b>0.8</b>	<b>92.6</b>
<b>Ordinary business profit</b>	<b>24.8</b>	<b>36.2</b>	<b>(31.6)</b>	<b>45.4</b>
<b>Net credit costs (recoveries)</b>	<b>5.2</b>	<b>5.3</b>	<b>(0.7)</b>	<b>(1.7)</b>
<b>Ordinary business profit after net credit costs (recoveries)</b>	<b>19.5</b>	<b>30.9</b>	<b>(36.8)</b>	<b>47.2</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 23- (Consolidated)**<sup>(1)</sup>

	(Billions of yen, except percentages)			
	3QFY2012 (9 months)	3QFY2011 (9 months)	% Change	FY2011 (12 months)
Retail Banking:	24.5	27.7	(11.7)	36.0
Deposits and debentures net interest income	13.5	16.4	(17.5)	21.3
Deposits and debentures non-interest income	2.4	3.2	(25.2)	4.1
Asset management	3.0	3.3	(7.2)	4.3
Loans	5.4	4.7	14.5	6.3
Shinsei Financial and Shinsei Bank Lake <sup>(2)</sup>	28.5	33.8	(15.6)	43.9
Shinki	4.8	6.1	(21.0)	7.8
APLUS FINANCIAL	35.7	36.7	(2.6)	48.5
Others <sup>(3)</sup>	1.2	1.3	(7.9)	1.7
<b>Total revenue</b>	<b>94.8</b>	<b>105.7</b>	<b>(10.3)</b>	<b>138.1</b>

(1) Net of consolidation adjustments, if applicable.

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

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

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

- The Individual Group consists of the Retail Banking business as well as Shinsei Bank Card Loan – Lake, and the subsidiaries Shinsei Financial, Shinki, APLUS FINANCIAL and Shinsei Property Finance.
- Individual Group's ordinary business profit after net credit costs was ¥19.5 billion for the first nine months of fiscal year 2012 compared to ¥30.9 billion for the first nine months of fiscal year 2011.

#### Retail Banking

- Total revenue of retail banking decreased to ¥24.5 billion for the first nine months of fiscal year 2012 from ¥27.7 billion for the first nine months of fiscal year 2011. Net interest income decreased to ¥19.7 billion for the first nine months of fiscal year 2012 from ¥22.3 billion for the first nine months of fiscal year 2011. Net interest income increased in tandem with the increase in the net loan balance due to a focus on new loan disbursements. However, net interest income from deposits decreased significantly due to prevailing low interest rates. Overall, net interest income decreased. Non-interest income also decreased to ¥4.8 billion for the first nine months of fiscal year 2012 from ¥5.3 billion for the first nine months of fiscal year 2011. Non-interest income decreased due to the impact of temporary discontinuation of sales of structured yen deposits, in spite of efforts 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.
- Due to the implementation of various rationalization and efficiency measures, such as reconsidering the unit price for advertising, general and administrative expenses decreased slightly to ¥23.0 billion for the first nine months of fiscal year 2012 compared to ¥23.3 billion for the first nine months of fiscal year 2011.
- Net credit recoveries totaled ¥0.0 billion (¥22 million) for the first nine months of fiscal year 2012 compared to ¥1.2 billion of costs for the first nine months of fiscal year 2011. As a result, ordinary business profit after net credit costs was ¥1.5 billion for the first nine months of fiscal year 2012 compared to an ordinary business profit after net credit costs of ¥3.1 billion for the first nine months of 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 ¥8.5 billion for the first nine months of fiscal year 2012 compared to ¥15.8 billion for the first nine months of fiscal year 2011.
- Total revenue was ¥28.5 billion for the first nine months of fiscal year 2012, compared to ¥33.8 billion for the first nine months of 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 pace of decrease in the combined loan balance 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. Specifically, although the loan balance decreased by ¥53.1 billion in the first nine months of fiscal year 2011, the decrease was limited to ¥16.6 billion for the first nine months 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 costs of ¥1.0 billion in the first nine months of fiscal year 2012. Also, the fact that net credit recoveries of ¥2.5 billion were recorded for the first nine months of fiscal year 2011 reflects the impact of the bigger decrease in the loan balance in the first nine months of fiscal year 2011.

#### Shinki

- The ordinary business profit after net credit costs of Shinki after related consolidation adjustments was ¥1.8 billion for the first nine months of fiscal year 2012 compared to ¥3.8 billion for the first nine months of 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 decrease has slowed.

**APLUS FINANCIAL**

- The ordinary business profit after net credit costs of APLUS FINANCIAL after the related consolidation adjustments amounted to ¥6.7 billion for the first nine months of fiscal year 2012, compared to ¥7.2 billion for the first nine months of fiscal year 2011. Net interest income decreased to ¥7.1 billion for the first nine months of fiscal year 2012, compared to ¥9.8 billion for the first nine months of 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 ¥28.5 billion for the first nine months of fiscal year 2012, compared to ¥26.9 billion for the first nine months of fiscal year 2011 due to the steady increase in volume in the installment sales credit and settlement business. Due to an increase in depreciation for technology, general and administrative expenses increased to ¥24.8 billion for the first nine months of fiscal year 2012 from ¥22.6 billion for the first nine months of fiscal year 2011 despite continued rationalization and efficient business processes. However, due to strict credit management, net credit costs decreased to ¥4.2 billion for the first nine months of fiscal year 2012 from ¥6.8 billion for the first nine months of fiscal year 2011.
- Others include the financial results of Shinsei Property Finance Co., Ltd and the Consumer Finance Sub-Group.

**Interest Repayment**

- With regard to reserve for losses on interest repayment, following provision of additional reserves of ¥32.8 billion in

fiscal year 2011, no additional reserves were made in the first nine months of fiscal year 2012. The usage of reserve for losses on interest repayment for the first nine months of fiscal year 2012 decreased compared to the first nine months of fiscal year 2011 in Shinsei Financial, Shinki and APLUS FINANCIAL.

- Shinsei Financial's usage of reserve for losses on interest repayment and others amounted to ¥3.8 billion for the first nine months of fiscal year 2012 from ¥6.3 billion for the first nine months of fiscal year 2011. Additional reserves were not made resulting in a total balance of ¥22.4 billion in reserves for losses on interest repayment as of December 31, 2012 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 ¥5.0 billion for the first nine months of fiscal year 2012 from ¥8.3 billion for the first nine months of fiscal year 2011. Additional reserves were not made resulting in a total balance of ¥8.9 billion in reserves for losses on interest repayment as of December 31, 2012 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 ¥3.9 billion for the first nine months of fiscal year 2012 from ¥5.1 billion for the first nine months of fiscal year 2011. Additional reserves were not made resulting in a total balance of ¥6.6 billion in reserves for losses on interest repayment as of December 31, 2012 compared to ¥10.6 billion as of March 31, 2012.

## Corporate/Other -Table 24- (Consolidated)

	(Billions of yen, except percentages)			
	3QFY2012 (9 months)	3QFY2011 (9 months)	% Change	FY2011 (12 months)
<b>Treasury Sub-Group<sup>(2)</sup> :</b>				
Net interest income	(2.0)	(7.0)	71.2	(9.2)
Non-interest income	5.3	2.4	114.8	3.1
<b>Total revenue</b>	<b>3.3</b>	<b>(4.5)</b>	<b>174.0</b>	<b>(6.1)</b>
<b>General and administrative expenses</b>	<b>0.9</b>	<b>0.8</b>	<b>18.7</b>	<b>1.0</b>
<b>Ordinary business profit (loss)</b>	<b>2.3</b>	<b>(5.3)</b>	<b>144.5</b>	<b>(7.2)</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>2.3</b>	<b>(5.3)</b>	<b>144.5</b>	<b>(7.2)</b>
<b>Corporate/Other (excluding Treasury Sub-Group):<sup>(1)</sup></b>				
Net interest income	(1.9)	(2.3)	14.2	(2.9)
Non-interest income	0.3	0.1	88.3	0.2
<b>Total revenue</b>	<b>(1.6)</b>	<b>(2.1)</b>	<b>23.6</b>	<b>(2.6)</b>
<b>General and administrative expenses</b>	<b>(0.2)</b>	<b>(0.7)</b>	<b>73.4</b>	<b>(0.5)</b>
<b>Ordinary business profit (loss)</b>	<b>(1.4)</b>	<b>(1.3)</b>	<b>(5.9)</b>	<b>(2.1)</b>
<b>Net credit costs (recoveries)</b>	<b>0.4</b>	<b>0.1</b>	<b>122.6</b>	<b>(1.0)</b>
<b>Ordinary business profit (loss) after net credit costs (recoveries)</b>	<b>(1.8)</b>	<b>(1.5)</b>	<b>(20.9)</b>	<b>(1.0)</b>
<b>Corporate/Other:<sup>(1)</sup></b>				
Net interest income	(4.0)	(9.3)	57.0	(12.2)
Non-interest income	5.7	2.6	112.9	3.4
<b>Total revenue</b>	<b>1.7</b>	<b>(6.6)</b>	<b>126.0</b>	<b>(8.8)</b>
<b>General and administrative expenses</b>	<b>0.7</b>	<b>0.0</b>	<b>2,407.9</b>	<b>0.5</b>
<b>Ordinary business profit (loss)</b>	<b>0.9</b>	<b>(6.6)</b>	<b>114.4</b>	<b>(9.3)</b>
<b>Net credit costs (recoveries)</b>	<b>0.4</b>	<b>0.1</b>	<b>122.6</b>	<b>(1.0)</b>
<b>Ordinary business profit (loss) after net credit costs (recoveries)</b>	<b>0.5</b>	<b>(6.8)</b>	<b>107.6</b>	<b>(8.2)</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 manages ALM for the Bank overall, was transferred to the Finance Group in organizational changes implemented on July 1, 2012, and its results are now included in the Corporate/Other segment. The Treasury Sub-Group's total revenue was a profit of ¥3.3 billion for the first nine months of fiscal year 2012, compared to a loss of ¥4.5 billion for the first nine months of fiscal year 2011. The sub-group holds liquidity reserves and Japanese

national government bonds for ALM purposes and during the first nine months of 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 ¥1.6 billion for the first nine months of fiscal year 2011 to ¥3.2 billion for the first nine months of 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 (Unaudited) (Consolidated)****Assets**

	(Millions of yen)				
	Dec 31 2012	Dec 31 2011	Change	Mar 31 2012	Change
	(a)	(b)	(a)-(b)	(c)	(a)-(c)
<b>&lt;&lt;Assets&gt;&gt;</b>					
Cash and due from banks	460,203	496,199	(35,995)	413,721	46,481
Call loans and bills bought	-	-	-	15,745	(15,745)
Receivables under resale agreements	58,510	15,032	43,478	18,362	40,147
Receivables under securities borrowing transactions	55,659	29,248	26,411	114,080	(58,421)
Other monetary claims purchased	122,825	131,558	(8,733)	130,943	(8,117)
Trading assets	312,995	209,239	103,755	202,675	110,319
Monetary assets held in trust	249,704	274,140	(24,436)	267,628	(17,924)
Securities	2,168,342	1,895,514	272,827	1,873,493	294,848
Loans and bills discounted	4,270,130	4,076,506	193,623	4,136,827	133,302
Foreign exchanges	26,629	24,688	1,940	18,896	7,732
Lease receivables and leased investment assets	196,487	195,700	786	197,432	(944)
Other assets	707,070	729,359	(22,289)	686,716	20,354
Premises and equipment	54,780	52,170	2,609	54,131	648
Intangible assets	70,652	86,066	(15,413)	81,053	(10,401)
Goodwill	36,588	43,785	(7,196)	41,951	(5,363)
Deferred issuance expenses for debentures	103	146	(42)	135	(31)
Deferred tax assets	16,075	15,475	600	15,834	241
Customers' liabilities for acceptances and guarantees	514,586	558,799	(44,212)	562,624	(48,037)
Reserve for credit losses	(170,970)	(185,275)	14,304	(180,633)	9,662
<b>Total assets</b>	<b>9,113,787</b>	<b>8,604,572</b>	<b>509,214</b>	<b>8,609,672</b>	<b>504,115</b>

## Liabilities and Equity

(Millions of yen)

	Dec 31 2012 (a)	Dec 31 2011 (b)	Change (a)-(b)	Mar 31 2012 (c)	Change (a)-(c)
<b>&lt;&lt;Liabilities&gt;&gt;</b>					
Deposits	5,213,424	5,347,133	(133,708)	5,184,326	29,097
Negotiable certificates of deposit	215,912	179,456	36,455	178,084	37,827
Debentures	272,165	305,522	(33,356)	294,139	(21,973)
Call money and bills sold	143,086	140,155	2,931	210,163	(67,077)
Payables under repurchase agreements	8,635	-	8,635	-	8,635
Payables under securities lending transactions	335,258	45,954	289,303	148,590	186,667
Trading liabilities	244,350	161,719	82,631	176,044	68,306
Borrowed money	617,249	457,942	159,306	476,731	140,517
Foreign exchanges	95	52	42	11	84
Short-term corporate bonds	66,800	63,000	3,800	50,700	16,100
Corporate bonds	172,457	163,752	8,704	168,797	3,659
Other liabilities	594,274	501,220	93,054	465,698	128,575
Accrued employees' bonuses	4,720	5,115	(395)	7,262	(2,541)
Accrued directors' bonuses	34	31	3	40	(5)
Reserve for employees' retirement benefits	7,275	7,053	221	7,027	248
Reserve for directors' retirement benefits	228	213	15	231	(2)
Reserve for losses on interest repayments	38,059	35,214	2,845	50,913	(12,854)
Reserve under special law	1	1	(0)	1	-
Deferred tax liabilities	274	439	(165)	626	(352)
Acceptances and guarantees	514,586	558,799	(44,212)	562,624	(48,037)
<b>Total liabilities</b>	<b>8,448,890</b>	<b>7,972,778</b>	<b>476,111</b>	<b>7,982,014</b>	<b>466,875</b>
<b>&lt;&lt;Equity&gt;&gt;</b>					
<b>Shareholders' equity:</b>					
Common stock	512,204	512,204	-	512,204	-
Capital surplus	79,461	79,461	-	79,461	-
Retained earnings	94,026	73,063	20,962	58,863	35,163
Treasury stock, at cost	(72,558)	(72,558)	-	(72,558)	-
Total shareholders' equity	613,133	592,170	20,962	577,970	35,163
<b>Accumulated other comprehensive income :</b>					
Unrealized gain (loss) on available-for-sale securities	(488)	(6,913)	6,424	(674)	185
Deferred gain (loss) on derivatives under hedge accounting	(11,415)	(12,737)	1,321	(11,754)	338
Foreign currency translation adjustments	660	(2,809)	3,470	(1,117)	1,778
Total accumulated other comprehensive income	(11,242)	(22,459)	11,217	(13,545)	2,302
Stock acquisition rights	1,238	1,357	(118)	1,354	(115)
Minority interests	61,767	60,725	1,041	61,877	(110)
<b>Total equity</b>	<b>664,897</b>	<b>631,794</b>	<b>33,102</b>	<b>627,657</b>	<b>37,239</b>
<b>Total liabilities and equity</b>	<b>9,113,787</b>	<b>8,604,572</b>	<b>509,214</b>	<b>8,609,672</b>	<b>504,115</b>

## Consolidated Statements of Income (Unaudited) (Consolidated)

(Millions of yen, except percentages)

	3QFY2012 (9 months)	3QFY2011 (9 months)	Change		FY2011 (12 months)
			Amount	%	
<b>Ordinary income</b>	<b>281,615</b>	322,583	(40,968)	(12.7)	413,232
Interest income	111,247	121,772	(10,524)	(8.6)	159,722
Interest on loans and bills discounted	97,365	106,874	(9,508)	(8.9)	140,336
Interest and dividends on securities	12,541	13,777	(1,236)	(9.0)	17,811
Other interest income	1,340	1,120	220	19.6	1,573
Fees and commissions income	29,921	36,393	(6,472)	(17.8)	46,915
Trading income	15,501	11,022	4,479	40.6	16,730
Other business income	103,393	122,080	(18,687)	(15.3)	150,212
Other ordinary income	21,551	31,314	(9,763)	(31.2)	39,652
<b>Ordinary expenses</b>	<b>240,223</b>	294,625	(54,401)	(18.5)	396,481
Interest expenses	27,018	33,079	(6,061)	(18.3)	42,821
Interest on deposits	17,306	22,306	(4,999)	(22.4)	28,664
Interest on borrowings	3,971	4,272	(301)	(7.0)	5,582
Interest on corporate bonds	3,976	4,228	(251)	(5.9)	5,749
Other interest expenses	1,763	2,271	(508)	(22.4)	2,825
Fees and commissions expenses	15,933	16,305	(371)	(2.3)	21,723
Trading losses	1,509	3,064	(1,554)	(50.7)	3,094
Other business expenses	72,314	91,878	(19,564)	(21.3)	112,336
General and administrative expenses	105,376	106,380	(1,003)	(0.9)	142,354
Amortization of goodwill	5,363	5,863	(500)	(8.5)	7,697
Amortization of intangible assets acquired in business combinations	2,897	3,256	(359)	(11.0)	4,258
Other general and administrative expenses	97,115	97,260	(144)	(0.1)	130,399
Other ordinary expenses	18,071	43,917	(25,846)	(58.9)	74,150
Provision of reserve for credit losses	10,244	16,660	(6,416)	(38.5)	19,020
Other	7,827	27,256	(19,429)	(71.3)	55,130
<b>Ordinary profit</b>	<b>41,391</b>	27,958	13,433	48.0	16,750
Extraordinary gains	561	2,762	(2,200)	(79.7)	3,014
Extraordinary losses	1,233	1,998	(765)	(38.3)	4,419
<b>Income before income taxes and minority interests</b>	<b>40,720</b>	28,721	11,998	41.8	15,345
Income taxes (benefit):	210	5,345	(5,135)	(96.1)	5,359
<b>Income before minority interests</b>	<b>40,510</b>	23,376	17,133	73.3	9,986
Minority interests in net income of subsidiaries	2,692	2,745	(53)	(1.9)	3,555
<b>Net income</b>	<b>37,817</b>	20,630	17,186	83.3	6,430

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

*(Millions of yen, except percentages)*

	<b>3QFY2012 (9 months)</b>	3QFY2011 (9 months)	Change		FY2011 (12 months)
			Amount	%	
Income before minority interests	<b>40,510</b>	23,376	17,133	73.3	9,986
Other comprehensive income					
Unrealized gain (loss) on available-for-sale securities	<b>(1)</b>	8,277	(8,278)	(100.0)	14,516
Deferred gain (loss) on derivatives under hedge accounting	<b>338</b>	(2,539)	2,878	113.3	(1,556)
Foreign currency translation adjustments	<b>1,590</b>	(565)	2,155	381.4	1,027
Share of other comprehensive income in affiliates	<b>720</b>	(406)	1,127	277.1	32
Other comprehensive income	<b>2,648</b>	4,766	(2,117)	(44.4)	14,019
Comprehensive income	<b>43,158</b>	28,142	15,016	53.4	24,006
(Breakdown)					
Attributable to:					
Owners of the parent	<b>40,120</b>	26,106	14,014	53.7	20,820
Minority interests	<b>3,038</b>	2,036	1,001	49.2	3,185

## Section 2. Non-Consolidated Information

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

	(Billions of yen, except percentages)			
	3QFY2012 (9 months)	3QFY2011 (9 months)	% Change	FY2011 (12 months)
Net interest income	48.1	42.3	13.7	70.3
Non-interest income	23.0	16.9	35.7	24.5
Net fees and commissions <sup>(1)</sup>	8.6	15.6	(44.8)	18.0
Net trading income	10.4	8.3	24.7	13.4
Net other business income	3.9	(7.0)	155.7	(6.9)
<b>Total revenue <sup>(1)</sup></b>	<b>71.1</b>	<b>59.3</b>	<b>20.0</b>	<b>94.8</b>
Personnel expenses	15.3	14.9	3.0	19.9
Non-personnel expenses	32.2	27.4	17.5	39.2
Taxes	2.5	2.4	1.3	3.5
<b>General and administrative expenses</b>	<b>50.1</b>	<b>44.8</b>	<b>11.8</b>	<b>62.6</b>
<b>Net business profit <sup>(1)</sup></b>	<b>21.0</b>	<b>14.4</b>	<b>45.5</b>	<b>32.1</b>
<b>Other gains (losses)</b>				
Gains (losses) on the sales of equities	0.2	1.3	(78.1)	1.5
Net reversal of reserve for credit losses (Provision of reserve for loan losses)	0.1	(8.7)	101.6	(14.0)
Losses on write-off of loans	(2.6)	(2.0)	(30.6)	(2.1)
Recoveries of written-off claims	2.3	2.1	8.7	5.2
Expenses for employees' retirement benefits	(1.4)	(1.7)	15.1	(2.7)
Other losses, expenses	(1.5)	(0.5)	(166.8)	(1.9)
<b>Net ordinary income</b>	<b>18.1</b>	<b>4.8</b>	<b>273.5</b>	<b>18.1</b>
<b>Special gains (losses)</b>				
Gains (losses) from sales of fixed assets	(0.7)	(1.3)	45.4	(1.7)
Other special gains (losses)	(0.3)	(0.1)	(167.5)	(0.1)
<b>Income before income taxes</b>	<b>17.1</b>	<b>3.4</b>	<b>399.8</b>	<b>16.2</b>
<b>Income taxes (benefit)</b>				
Current	(0.2)	0.3	(167.5)	0.1
Deferred	(0.5)	2.0	(124.5)	2.1
<b>Net income</b>	<b>17.9</b>	<b>0.9</b>	<b>1,777.3</b>	<b>13.8</b>

(1) Includes income from monetary assets held in trust of ¥4.8 billion in 3QFY2012, ¥11.3 billion in 3QFY2011 and ¥12.2 billion in FY2011.

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

- The gap between net income on a non-consolidated basis and consolidated basis 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.
- Total revenue of Shinsei Bank increased significantly to ¥71.1 billion for the first nine months of fiscal year 2012 from ¥59.3 billion for the first nine months of fiscal year 2011. Net interest income has grown steadily, reflecting efforts to expand the customer base in institutional business and the commencement of consumer finance business at the Bank. In addition, dividends from subsidiaries for the first nine months of fiscal year 2012 were ¥4.4 billion from Shinsei Financial and ¥1.7 billion from APLUS FINANCIAL and ¥0.8 billion from Showa Leasing. Dividends from subsidiaries for the first nine months of fiscal year 2011 were ¥3.9 billion from Shinsei Financial and ¥1.2 billion from Shinsei Trust & Banking. In the first nine months of fiscal year 2011, net other business income included an impairment on asset-backed securities.
- Despite continued rationalization and efficient business processes across business groups, general and administrative expenses were ¥50.1 billion on a non-consolidated basis for the first nine months of fiscal year 2012 compared to ¥44.8 billion for the first nine months of fiscal year 2011 due to expenses related to the Bank's consumer finance business that have been included from October 2011. As a result of the above, the total net business profit increased significantly to ¥21.0 billion for the first nine months of fiscal year 2012 from ¥14.4 billion for the first nine months of fiscal year 2011.
- Shinsei Bank recorded a non-consolidated net income of ¥17.9 billion for the first nine months of fiscal year 2012, representing a considerable increase from ¥0.9 billion for the first nine months of fiscal year 2011.

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

	(Billions of yen, except percentages)			
	3QFY2012 (9 months)	3QFY2011 (9 months)	% Change	FY2011 (12 months)
Losses on write-off of loans	2.6	2.0	29.0	2.1
Net provision (reversal) of reserve for loan losses	(0.1)	8.7	(101.6)	14.0
Net provision (reversal) of general reserve for loan losses	(5.6)	(4.1)	(37.9)	(5.3)
Net provision of specific reserve for loan losses	5.5	12.9	(57.0)	19.3
Net provision (reversal) of reserve for loan losses to restructuring countries	-	(0.0)	-	(0.0)
Recoveries of written-off claims	(2.3)	(2.1)	(8.7)	(5.2)
<b>Net credit costs (recoveries)</b>	<b>0.1</b>	<b>8.6</b>	<b>(98.4)</b>	<b>10.9</b>

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

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

	3QFY2012 (9 months)			3QFY2011 (9 months)			FY2011 (12 months)		
	Average balance	Interest	Yield/rate (%)	Average balance	Interest	Yield/rate (%)	Average balance	Interest	Yield/rate (%)
<b>Interest-earning assets:</b>									
Cash and due from banks	20.4	0.1	1.09	24.9	0.1	1.05	24.6	0.2	1.05
Call loans	51.8	0.0	0.13	28.7	0.0	0.26	38.4	0.0	0.22
Receivables under resale agreements	39.0	0.1	0.39	3.0	0.0	0.40	6.2	0.0	0.38
Collateral related to securities borrowing transactions	16.5	0.0	0.11	6.8	0.0	0.08	9.7	0.0	0.10
Securities	2,330.3	21.5	1.22	2,952.2	22.4	1.01	2,790.5	42.8	1.53
Loans and bills discounted	4,160.8	49.8	1.59	4,025.2	48.0	1.58	4,022.2	63.9	1.59
Other interest-earning assets	241.5	1.5	0.84	277.0	2.1	1.00	269.2	2.7	1.01
Interest rate and funding swaps	-	0.1	-	-	0.0	-	-	0.0	-
<b>Total interest-earning assets</b>	<b>6,860.6</b>	<b>73.4</b>	<b>1.42</b>	<b>7,318.0</b>	<b>72.9</b>	<b>1.32</b>	<b>7,161.0</b>	<b>109.9</b>	<b>1.53</b>
<b>Interest-bearing liabilities:</b>									
Deposits	5,363.9	17.3	0.42	5,570.8	22.3	0.53	5,576.6	28.6	0.51
Negotiable certificates of deposit	258.3	0.2	0.14	244.9	0.3	0.16	229.2	0.3	0.16
Debentures	285.5	0.7	0.36	326.8	1.1	0.47	321.2	1.4	0.46
Call money	136.0	0.1	0.11	147.2	0.1	0.11	147.8	0.1	0.11
Payable under repurchase agreements	1.4	0.0	0.27	-	-	-	-	-	-
Collateral related to securities lending transactions	172.6	0.1	0.11	321.2	0.3	0.15	252.3	0.3	0.15
Borrowed money	379.5	1.9	0.68	439.0	1.7	0.53	390.0	2.3	0.60
Corporate bonds	209.1	6.1	3.90	216.0	6.3	3.92	214.0	8.6	4.02
Other interest-bearing liabilities	0.2	0.0	***	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>6,806.9</b>	<b>26.7</b>	<b>0.52</b>	<b>7,266.4</b>	<b>32.4</b>	<b>0.59</b>	<b>7,131.5</b>	<b>42.0</b>	<b>0.59</b>
<b>Net interest income/yield on interest-earning assets</b>	<b>6,860.6</b>	<b>46.7</b>	<b>0.90</b>	<b>7,318.0</b>	<b>40.5</b>	<b>0.73</b>	<b>7,161.0</b>	<b>67.8</b>	<b>0.94</b>

(1) n.m. is not meaningful.

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

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

	(Billions of yen)				
	Dec 31 2012	Dec 31 2011	Change	Mar 31 2012	Change
	(a)	(b)	(a)-(b)	(c)	(a)-(c)
Loans to bankrupt obligors	5.4	3.3	2.1	3.5	1.9
Non-accrual delinquent loans	236.7	272.0	(35.3)	263.3	(26.5)
Loans past due for three months or more	1.1	0.5	0.6	0.7	0.4
Restructured loans	4.6	4.2	0.4	0.8	3.8
<b>Total (A)</b>	<b>248.1</b>	<b>280.1</b>	<b>(32.0)</b>	<b>268.4</b>	<b>(20.3)</b>
<b>Loans and bills discounted (B)</b>	<b>4,237.1</b>	<b>4,017.9</b>	<b>219.1</b>	<b>4,102.6</b>	<b>134.4</b>
Ratio to total loans and bills discounted (A / B) (%)	5.86%	6.97%		6.54%	
<b>Reserve for credit losses (C)</b>	<b>113.5</b>	<b>116.4</b>	<b>(2.8)</b>	<b>121.1</b>	<b>(7.6)</b>
Reserve ratio (C / A) (%)	45.8%	41.5%		45.1%	

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

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

	(Billions of yen)				
	Dec 31 2012	Dec 31 2011	Change	Mar 31 2012	Change
	(a)	(b)	(a)-(b)	(c)	(a)-(c)
Domestic offices (excluding Japan offshore market account):					
Manufacturing	226.9	244.5	(17.6)	241.4	(14.4)
Agriculture and forestry	0.2	2.2	(1.9)	0.2	(0.0)
Fishery	-	-	-	-	-
Mining, quarrying and gravel extraction	0.1	0.2	(0.1)	0.2	(0.1)
Construction	14.9	19.3	(4.4)	10.5	4.4
Electric power, gas, heat supply and water supply	107.6	38.7	68.9	48.6	59.0
Information and communications	33.5	37.4	(3.8)	38.4	(4.9)
Transportation and postal service	224.5	244.4	(19.9)	236.7	(12.1)
Wholesale and retail	80.6	71.7	8.9	82.6	(1.9)
Finance and insurance	1,116.5	1,145.2	(28.7)	1,178.4	(61.8)
Real estate	599.2	591.4	7.7	578.8	20.3
Services	369.9	370.1	(0.2)	371.0	(1.1)
Local government	117.9	142.4	(24.4)	139.5	(21.6)
Individual	1,111.3	922.1	189.1	966.8	144.4
Overseas yen loan and overseas loans booked domestically	158.4	121.8	36.6	131.9	26.5
<b>Total domestic</b>	<b>4,162.2</b>	<b>3,952.1</b>	<b>210.0</b>	<b>4,025.8</b>	<b>136.3</b>
Overseas offices (including Japan offshore market accounts):					
Governments	1.9	2.1	(0.1)	2.0	(0.0)
Financial institutions	0.9	1.2	(0.2)	1.0	(0.0)
Commerce and industry	71.9	62.4	9.5	73.6	(1.6)
Others	-	-	-	-	-
<b>Total overseas</b>	<b>74.9</b>	<b>65.8</b>	<b>9.1</b>	<b>76.8</b>	<b>(1.8)</b>
<b>Total</b>	<b>4,237.1</b>	<b>4,017.9</b>	<b>219.1</b>	<b>4,102.6</b>	<b>134.4</b>

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

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

	(Billions of yen)				
	Dec 31 2012	Dec 31 2011	Change	Mar 31 2012	Change
	(a)	(b)	(a)-(b)	(c)	(a)-(c)
Domestic offices (excluding Japan offshore market account):					
Manufacturing	7.3	10.7	(3.4)	10.8	(3.5)
Agriculture and forestry	-	-	-	-	-
Fishery	-	-	-	-	-
Mining, quarrying and gravel extraction	-	-	-	-	-
Construction	-	-	-	-	-
Electric power, gas, heat supply and water supply	-	-	-	-	-
Information and communications	2.3	-	2.3	-	2.3
Transportation and postal service	2.7	-	2.7	5.5	(2.7)
Wholesale and retail	-	0.0	(0.0)	-	-
Finance and insurance	43.3	43.7	(0.3)	43.7	(0.3)
Real estate	145.5	180.3	(34.7)	158.5	(12.9)
Services	26.3	26.2	0.1	26.2	0.1
Local government	-	-	-	-	-
Individual	3.9	3.4	0.5	3.6	0.3
Overseas yen loan and overseas loans booked domestically	16.3	15.6	0.7	19.9	(3.5)
<b>Total domestic</b>	<b>248.1</b>	<b>280.1</b>	<b>(32.0)</b>	<b>268.4</b>	<b>(20.3)</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>248.1</b>	<b>280.1</b>	<b>(32.0)</b>	<b>268.4</b>	<b>(20.3)</b>

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

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

	(Billions of yen)				
	Dec 31 2012	Dec 31 2011	Change	Mar 31 2012	Change
	(a)	(b)	(a)-(b)	(c)	(a)-(c)
US	45.1	44.7	0.3	40.2	4.8
Asset-backed investments <sup>(1)</sup> in US	6.4	4.6	1.8	5.2	1.1
Europe	46.6	33.0	13.5	50.3	(3.7)
Asset-backed investments <sup>(1)</sup> in Europe	25.1	25.3	(0.2)	27.6	(2.5)
Others	141.6	109.8	31.8	118.1	23.4
<b>Total overseas and offshore loans</b>	<b>233.3</b>	<b>187.6</b>	<b>45.7</b>	<b>208.7</b>	<b>24.6</b>
<b>Total asset-backed investments<sup>(1)</sup></b>	<b>31.5</b>	<b>29.9</b>	<b>1.5</b>	<b>32.9</b>	<b>(1.4)</b>

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

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

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

	(Billions of yen)				
	Dec 31 2012 (a)	Dec 31 2011 (b)	Change (a)-(b)	Mar 31 2012 (c)	Change (a)-(c)
US	-	-	-	-	-
Asset-backed investments <sup>(1)</sup> in US	-	-	-	-	-
Europe	12.8	14.8	(2.0)	16.1	(3.3)
Asset-backed investments <sup>(1)</sup> in Europe	12.7	14.6	(1.8)	15.9	(3.1)
Others	3.5	0.7	2.7	3.7	(0.2)
Total overseas and offshore loans	16.3	15.6	0.7	19.9	(3.5)
Total asset-backed investments <sup>(1)(2)</sup>	12.7	14.6	(1.8)	15.9	(3.1)

(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.

(2) As of December 31, 2012, reserve for loan losses and collateral/guarantees for risk monitored loans related to asset-backed investments were ¥4.8 billion and ¥7.4 billion, respectively, and the coverage ratio was 95.9%.

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

**Claims Classified under the Financial Revitalization Law -Table 33- (Non-Consolidated)**

	(Billions of yen)				
	Dec 31 2012 (a)	Dec 31 2011 (b)	Change (a)-(b)	Mar 31 2012 (c)	Change (a)-(c)
Claims against bankrupt and quasi-bankrupt obligors	51.4	49.1	2.2	49.1	2.2
Doubtful claims	212.2	254.2	(42.0)	245.2	(33.0)
Substandard claims	5.9	4.7	1.1	1.6	4.2
<b>Total (A)</b>	<b>269.4</b>	<b>308.1</b>	<b>(38.6)</b>	<b>295.9</b>	<b>(26.5)</b>
Coverage ratio	96.6%	96.7%	/	96.7%	/
<b>Total claims (B)</b>	<b>4,486.5</b>	<b>4,330.2</b>	<b>156.2</b>	<b>4,445.8</b>	<b>40.6</b>
Loans and bills discounted	4,237.1	4,017.9	219.1	4,102.6	134.4
Others	249.3	312.3	(62.9)	343.2	(93.8)
Ratio to total claims (A / B) X 100 (%)	6.01%	7.11%	/	6.66%	/
(Ref. 1) Amount of write-off	65.2	77.8	(12.6)	75.0	(9.8)
(Ref. 2) Below need caution level	488.9	678.1	(189.1)	589.8	(100.8)

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

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

(Billions of yen, except percentages)

December 31, 2012					
Amounts of coverage					
Amounts of claims	Total	Reserve for loan losses	Collateral and guarantees	Coverage ratio	
Claims against bankrupt and quasi-bankrupt obligors	51.4	51.4	4.5	46.9	100.0%
Doubtful claims	212.2	205.8	70.7	135.1	97.0%
Substandard claims	5.9	3.1	1.1	2.1	53.2%
<b>Total</b>	<b>269.4</b>	<b>260.3</b>	<b>76.2</b>	<b>184.1</b>	<b>96.6%</b>

(Billions of yen, except percentages)

December 31, 2011					March 31, 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	3.5	45.6	100.0%	49.1	49.1	3.6	45.5	100.0%
Doubtful claims	254.2	246.6	66.3	180.3	97.0%	245.2	235.4	72.5	162.9	96.0%
Substandard claims	4.7	2.3	1.1	1.2	47.5%	1.6	1.6	0.5	1.1	99.0%
<b>Total</b>	<b>308.1</b>	<b>298.0</b>	<b>70.9</b>	<b>227.0</b>	<b>96.7%</b>	<b>295.9</b>	<b>286.1</b>	<b>76.6</b>	<b>209.5</b>	<b>96.7%</b>

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

(Billions of yen)

	Dec 31 2012	Dec 31 2011	Change	Mar 31 2012	Change
	(a)	(b)	(a)-(b)	(c)	(a)-(c)
Reserve for credit losses	109.6	112.4	(2.8)	117.2	(7.6)
General reserve for loan losses	33.4	41.3	(7.9)	39.6	(6.2)
Specific reserve for loan losses	76.2	71.1	5.1	77.6	(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	0.0
<b>Total reserve for credit losses</b>	<b>113.5</b>	<b>116.4</b>	<b>(2.8)</b>	<b>121.1</b>	<b>(7.6)</b>

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

**Securities Being Held to Maturity -Table 36- (Non-Consolidated)**

(Billions of yen)

	December 31, 2012			December 31, 2011			March 31, 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	585.0	589.7	4.6	585.7	590.9	5.1	585.6	590.9	5.3
Japanese corporate bonds	17.8	17.8	0.0	23.0	23.3	0.3	22.8	23.0	0.2
Other	45.0	49.4	4.3	38.0	41.4	3.3	40.2	44.2	4.0
Subtotal	647.9	657.0	9.0	646.8	655.6	8.8	648.7	658.2	9.5
Fair value does not exceed carrying amount									
Japanese national government bonds	-	-	-	-	-	-	-	-	-
Japanese corporate bonds	-	-	-	-	-	-	-	-	-
Other	7.0	6.7	(0.2)	9.0	8.4	(0.5)	9.8	9.2	(0.5)
Subtotal	7.0	6.7	(0.2)	9.0	8.4	(0.5)	9.8	9.2	(0.5)
<b>Total</b>	<b>654.9</b>	<b>663.8</b>	<b>8.8</b>	<b>655.8</b>	<b>664.1</b>	<b>8.3</b>	<b>658.5</b>	<b>667.5</b>	<b>8.9</b>

**Securities Available for Sale -Table 37- (Non-Consolidated)**

	(Billions of yen)								
	December 31, 2012			December 31, 2011			March 31, 2012		
	Carrying amount (Fair value)	Amortized/ Acquisition cost	Unrealized gain (loss)	Carrying amount (Fair value)	Amortized/ Acquisition cost	Unrealized gain (loss)	Carrying amount (Fair value)	Amortized/ Acquisition cost	Unrealized gain (loss)
<b>Carrying amount exceeds amortized/acquisition cost</b>									
Equity securities	9.3	6.3	3.0	1.1	0.7	0.3	13.4	8.7	4.6
Domestic bonds	111.0	108.6	2.4	743.9	741.3	2.5	681.8	679.4	2.3
Japanese national government bonds	47.2	45.5	1.6	665.0	663.1	1.9	619.5	617.5	1.9
Japanese local government bonds	1.7	1.7	0.0	1.7	1.7	0.0	1.7	1.7	0.0
Short-term corporate bonds	-	-	-	-	-	-	-	-	-
Japanese corporate bonds	62.0	61.2	0.7	77.1	76.5	0.5	60.4	60.0	0.3
Other	73.1	69.3	3.8	57.9	53.2	4.7	66.4	62.0	4.4
Foreign securities	69.8	66.3	3.5	46.8	42.4	4.4	55.7	51.5	4.1
Foreign currency denominated foreign corporate and government bonds	35.4	32.9	2.5	29.4	26.4	3.0	31.4	28.6	2.8
Yen-denominated foreign corporate and government bonds	32.6	31.9	0.6	11.4	11.4	0.0	19.6	19.4	0.2
Foreign equity securities and others	1.8	1.4	0.3	5.9	4.5	1.3	4.6	3.4	1.1
Other securities	1.1	0.9	0.2	1.1	0.9	0.2	1.1	0.9	0.1
Other monetary claims purchased	2.0	2.0	0.0	9.8	9.8	0.0	9.6	9.6	0.0
Subtotal	193.6	184.2	9.4	802.9	795.3	7.5	761.7	750.2	11.4
<b>Carrying amount does not exceed amortized/acquisition cost</b>									
Equity securities	3.1	3.8	(0.7)	7.8	8.3	(0.5)	1.2	1.5	(0.3)
Domestic bonds	1,113.1	1,116.3	(3.2)	220.1	223.4	(3.3)	250.4	254.4	(4.0)
Japanese national government bonds	964.0	965.0	(1.0)	49.3	50.1	(0.7)	79.9	80.7	(0.7)
Japanese local government bonds	-	-	-	-	-	-	-	-	-
Short-term corporate bonds	-	-	-	9.9	9.9	-	-	-	-
Japanese corporate bonds	149.0	151.2	(2.1)	160.7	163.3	(2.5)	170.4	173.7	(3.2)
Other	93.0	94.5	(1.4)	111.2	116.3	(5.0)	92.9	95.9	(3.0)
Foreign securities	92.5	94.0	(1.4)	110.7	115.8	(5.0)	91.0	94.0	(3.0)
Foreign currency denominated foreign corporate and government bonds	82.7	83.9	(1.2)	41.7	45.4	(3.7)	42.8	45.4	(2.5)
Yen-denominated foreign corporate and government bonds	9.8	10.0	(0.2)	68.9	70.2	(1.3)	48.0	48.5	(0.4)
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	1,209.3	1,214.7	(5.4)	339.2	348.2	(8.9)	344.6	351.9	(7.3)
<b>Total<sup>(1)(2)</sup></b>	<b>1,402.9</b>	<b>1,398.9</b>	<b>3.9</b>	<b>1,142.2</b>	<b>1,143.6</b>	<b>(1.4)</b>	<b>1,106.3</b>	<b>1,102.1</b>	<b>4.1</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)		
	December 31, 2012	December 31, 2011	March 31, 2012
<b>Unrealized gain (loss) before deferred tax on:</b>			
Available-for-sale securities	3.9	(1.4)	4.1
Interests in available-for-sale securities held by partnerships recorded as securities whose fair value cannot be reliably determined	0.0	0.0	0.0
Securities being held to maturity, reclassified from available-for-sale in the past, under extremely illiquid market conditions	(4.8)	(5.0)	(5.1)
Deferred tax assets (liabilities)	-	-	-
<b>Unrealized gain (loss) on available-for-sale securities</b>	<b>(0.8)</b>	<b>(6.4)</b>	<b>(1.0)</b>

<sup>(1)</sup>  
**Capital Adequacy Data-Table 38- (Non-Consolidated)**

*(Billions of yen, except percentages)*

	Dec 31 2012 (a)	Dec 31 2011 (b)	Change (a)-(b)	Mar 31 2012 (c)	Change (a)-(c)
Basic items (Tier I)	679.6	642.4	37.1	662.3	17.3
Supplementary items (Tier II)	181.2	197.0	(15.8)	189.9	(8.7)
Deduction	(47.3)	(84.8)	37.4	(76.1)	28.7
Total capital <sup>(2)</sup>	813.4	754.7	58.7	776.1	37.3
Risk assets	5,812.0	6,101.8	(289.8)	5,923.6	(111.5)
Capital adequacy ratio	13.99%	12.36%	1.63%	13.10%	0.89%
Tier I capital ratio	11.69%	10.52%	1.17%	11.18%	0.51%

(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, ¥0.8 billion of net unrealized losses on securities available-for-sale, net of taxes, as of December 31, 2012, ¥6.4 billion as of December 31, 2011 and ¥1.0 billion as of March 31, 2012 are not included in BIS capital.

(2) Non-Consolidated total required capital is ¥319.7 billion as at December 31, 2012, ¥376.3 billion as at December 31, 2011 and ¥352.5 billion as at March 31, 2012.

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

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

## Assets

(Millions of yen)

	Dec 31 2012 (a)	Dec 31 2011 (b)	Change (a)-(b)	Mar 31 2012 (c)	Change (a)-(c)
<b>&lt;&lt;Assets&gt;&gt;</b>					
Cash and due from banks	374,211	399,868	(25,656)	330,047	44,164
Call loans	-	-	-	15,745	(15,745)
Receivables under resale agreements	58,510	15,032	43,478	18,362	40,147
Receivables under securities borrowing transactions	-	-	-	57,647	(57,647)
Other monetary claims purchased	211,988	227,826	(15,838)	210,693	1,294
Trading assets	245,984	173,409	72,575	156,661	89,322
Monetary assets held in trust	288,676	313,450	(24,773)	307,526	(18,850)
Securities	2,583,920	2,325,977	257,942	2,286,669	297,251
Valuation allowance for investments	(3,370)	(3,370)	-	(3,370)	-
Loans and bills discounted	4,237,131	4,017,954	219,176	4,102,638	134,493
Foreign exchanges	26,629	24,688	1,940	18,896	7,732
Other assets	309,042	456,465	(147,423)	450,254	(141,211)
Other	309,042	456,465	(147,423)	450,254	(141,211)
Premises and equipment	20,102	20,747	(644)	21,471	(1,368)
Intangible assets	9,151	11,309	(2,158)	10,650	(1,498)
Deferred issuance expenses for debentures	103	146	(42)	135	(31)
Customers' liabilities for acceptances and guarantees	10,807	11,560	(753)	11,600	(793)
Reserve for credit losses	(113,568)	(116,406)	2,837	(121,193)	7,624
<b>Total assets</b>	<b>8,259,320</b>	<b>7,878,660</b>	<b>380,660</b>	<b>7,874,437</b>	<b>384,883</b>

## Liabilities and Equity

(Millions of yen)

	Dec 31 2012 (a)	Dec 31 2011 (b)	Change (a)-(b)	Mar 31 2012 (c)	Change (a)-(c)
<b>&lt;&lt;Liabilities&gt;&gt;</b>					
Deposits	5,481,814	5,718,660	(236,845)	5,610,134	(128,320)
Negotiable certificates of deposit	215,912	179,456	36,455	178,084	37,827
Debentures	274,865	308,222	(33,356)	296,839	(21,973)
Call money	143,086	140,155	2,931	210,163	(67,077)
Payables under repurchase agreements	8,635	-	8,635	-	8,635
Payables under securities lending transactions	280,950	15,000	265,950	91,805	189,145
Trading liabilities	190,406	134,072	56,333	127,697	62,709
Borrowed money	397,048	238,998	158,049	245,728	151,319
Foreign exchanges	275	217	57	184	90
Corporate bonds	217,118	206,302	10,816	212,235	4,883
Other liabilities	377,678	293,785	83,892	240,790	136,888
Income taxes payable	157	153	4	369	(212)
Lease obligations	1	2	(1)	2	(0)
Asset retirement obligations	7,006	6,527	478	6,751	254
Other	370,513	287,103	83,410	233,666	136,847
Accrued employees' bonuses	2,513	2,821	(308)	3,728	(1,214)
Deferred tax liabilities	57	2,386	(2,328)	1,265	(1,208)
Acceptances and guarantees	10,807	11,560	(753)	11,600	(793)
<b>Total liabilities</b>	<b>7,601,169</b>	<b>7,251,640</b>	<b>349,529</b>	<b>7,230,258</b>	<b>370,911</b>
<b>&lt;&lt;Equity&gt;&gt;</b>					
<b>Shareholders' equity:</b>					
Common stock	512,204	512,204	-	512,204	-
Capital surplus	79,465	79,465	-	79,465	-
Additional paid-in capital	79,465	79,465	-	79,465	-
Retained earnings	144,468	116,279	28,189	129,221	15,247
Legal reserve	12,097	11,566	530	11,566	530
Other retained earnings	132,371	104,713	27,658	117,654	14,717
Unappropriated retained earnings	132,371	104,713	27,658	117,654	14,717
Treasury stock, at cost	(72,558)	(72,558)	-	(72,558)	-
<b>Total shareholders' equity</b>	<b>663,580</b>	<b>635,391</b>	<b>28,189</b>	<b>648,332</b>	<b>15,247</b>
<b>Net unrealized gain (loss) and translation adjustments</b>					
Unrealized gain (loss) on available-for-sale securities	(825)	(6,401)	5,576	(1,031)	206
Deferred gain (loss) on derivatives under hedge accounting	(5,843)	(3,327)	(2,515)	(4,476)	(1,366)
<b>Total net unrealized gain (loss) and translation adjustments</b>	<b>(6,668)</b>	<b>(9,728)</b>	<b>3,060</b>	<b>(5,508)</b>	<b>(1,160)</b>
Stock acquisition rights	1,238	1,357	(118)	1,354	(115)
<b>Total equity</b>	<b>658,150</b>	<b>627,020</b>	<b>31,130</b>	<b>644,178</b>	<b>13,971</b>
<b>Total liabilities and equity</b>	<b>8,259,320</b>	<b>7,878,660</b>	<b>380,660</b>	<b>7,874,437</b>	<b>384,883</b>

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

	3QFY2012 (9 months)	3QFY2011 (9 months)	Change		FY2011 (12 months)
			Amount	%	
<b>Ordinary income</b>	<b>115,156</b>	122,344	(7,188)	(5.9)	175,252
Interest income	<b>73,486</b>	72,948	538	0.7	109,976
Interest on loans and bills discounted	<b>49,861</b>	48,075	1,785	3.7	63,986
Interest and dividends on securities	<b>21,579</b>	22,437	(857)	(3.8)	42,800
Other interest income	<b>2,045</b>	2,435	(389)	(16.0)	3,189
Fees and commissions income	<b>12,289</b>	11,430	858	7.5	15,447
Trading income	<b>12,028</b>	11,617	411	3.5	16,697
Other business income	<b>7,887</b>	3,843	4,044	105.2	4,521
Other ordinary income	<b>9,465</b>	22,504	(13,039)	(57.9)	28,610
<b>Ordinary expenses</b>	<b>96,988</b>	117,481	(20,492)	(17.4)	157,132
Interest expenses	<b>26,780</b>	32,436	(5,655)	(17.4)	42,078
Interest on deposits	<b>17,321</b>	22,319	(4,998)	(22.4)	28,682
Interest on corporate bonds	<b>6,151</b>	6,370	(219)	(3.4)	8,613
Other interest expenses	<b>3,307</b>	3,745	(437)	(11.7)	4,783
Fees and commissions expenses	<b>8,529</b>	7,150	1,379	19.3	9,673
Trading losses	<b>1,571</b>	3,229	(1,658)	(51.3)	3,209
Other business expenses	<b>3,945</b>	10,888	(6,943)	(63.8)	11,447
General and administrative expenses	<b>51,626</b>	46,604	5,021	10.8	65,101
Other ordinary expenses	<b>4,534</b>	17,171	(12,636)	(73.6)	25,621
<b>Ordinary profit</b>	<b>18,167</b>	4,863	13,304	273.6	18,119
Extraordinary gains	<b>105</b>	62	43	69.4	72
Extraordinary losses	<b>1,143</b>	1,498	(355)	(23.7)	1,949
<b>Income before income taxes</b>	<b>17,130</b>	3,427	13,703	399.9	16,243
Income taxes (benefit)	<b>(770)</b>	2,473	(3,244)	(131.2)	2,348
<b>Net income</b>	<b>17,901</b>	953	16,948	1,778.4	13,894

**Section 3. Earnings Forecast -Table 39- (Consolidated and Non-Consolidated)**

(Consolidated)	<i>(Billions of yen)</i>	
	<i>Fiscal year ending</i>	<i>Fiscal year ended</i>
	<u>March 2013</u>	<u>March 2012</u>
	<i>(FY2012)</i>	<i>(FY2011)</i>
	Forecast	Actual
Ordinary profit	56.0	16.7
Net income	51.0	6.4
Cash basis net income *	60.0	16.0

  

(Non-Consolidated)	<i>Fiscal year ending</i>		<i>Fiscal year ended</i>	
	<u>March 2013</u>		<u>March 2012</u>	
	<i>(FY2012)</i>		<i>(FY2011)</i>	
	Forecast		Actual	
Net Business Profit	35.0	32.1		
Net income	22.0	13.8		
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

In consideration of the financial results for the period ended December 31, 2012 and the outlook going forward, the full-year forecast has been maintained at ¥51.0 billion for consolidated reported basis net income, ¥22.0 billion for non-consolidated net income and an annual dividend payment of ¥1 per share of common stock, unchanged from the forecast originally announced on May 8, 2012. In addition, consolidated ordinary profit for the full-year is forecast at ¥56.0 billion, unchanged from the forecast announced on November 8, 2012.

## 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 40- (Non-Consolidated)**

(Billions of yen)

	Credit Ratings of Securities <sup>(2)</sup> (December 31, 2012)				Dec 31 2012 (a)	Sept 30 2012 (b)	Change (a)-(b)	March 31 2012 (c)	Change (a)-(c)
	AAA	AA	A or lower	N/A					
	<b>RMBS</b>	23%	3%	2%					
Japan	23%	3%	2%	73%	<b>33.7</b>	34.8	(1.0)	36.3	(2.6)
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>	13%	85%	0%	1%	<b>43.1</b>	38.9	4.1	41.6	1.5
Japan	-	-	-	-	-	-	-	-	-
U.S.	17%	81%	0%	2%	<b>32.9</b>	30.1	2.8	31.7	1.2
Europe	0%	100%	0%	0%	<b>10.1</b>	8.8	1.2	9.8	0.3
Other	-	-	-	-	-	-	-	-	-
<b>ABS CDO (Resecuritized Products)</b>	-	-	-	-	-	-	-	-	-
Japan	-	-	-	-	-	-	-	-	-
U.S.	-	-	-	-	-	-	-	-	-
Europe	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Total</b>	17%	49%	1%	33%	<b>76.8</b>	73.7	3.1	77.9	(1.0)
Japan	23%	3%	2%	73%	<b>33.7</b>	34.8	(1.0)	36.3	(2.6)
U.S.	17%	81%	0%	2%	<b>32.9</b>	30.1	2.8	31.7	1.2
Europe	0%	100%	0%	0%	<b>10.1</b>	8.8	1.2	9.8	0.3
Other	-	-	-	-	-	-	-	-	-
<b>Securities</b>					<b>43.1</b>	38.9	4.1	41.6	1.5
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>43.1</b>	38.9	4.1	41.6	1.5
ABS CDO					-	-	-	-	-
<b>Other monetary claims purchased<sup>(3)</sup></b>					<b>33.7</b>	34.8	(1.0)	36.3	(2.6)
RMBS (Japan)					<b>33.7</b>	34.8	(1.0)	36.3	(2.6)
CMBS (Japan)					-	0.0	0.0	0.0	0.0
CLO (Japan)					-	-	-	-	-
ABS CDO (Japan)					-	-	-	-	-
<b>Total</b>					<b>76.8</b>	73.7	3.1	77.9	(1.0)

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

(2) Based on ratings by S&P or ratings equivalent to S&P ratings matrix as of December 31, 2012. 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 December 31, 2012.

(4) Residual value

**Securitized Products, Recorded under "Securities" and "Other Monetary Claims Purchased" and OCI<sup>(1)</sup>-Table 41-  
(Non-Consolidated)**

Securities	<i>(Billions of yen, except percentages)</i>			
	As of December 31, 2012			
	Balance before Mark-to-Market Evaluation	Market Value or Balance	Unrealized Gains/Losses (OCI)	Price Increase (Decrease) Ratio (%)
Trading Securities		0.5		
RMBS (U.S.)		0.0 <sup>(3)</sup>		
CLO (U.S.)		0.5		
Securities Being Held to Maturity with Readily Determinable Fair Value		42.5		
CLO (U.S.)		32.4		
CLO (Europe)		10.1		
Securities Available for Sale	0.0	0.0 <sup>(3)</sup>	0.0	0.0
Other	0.0	0.0	0.0	0.0
Foreign Securities	0.0	0.0	0.0	0.0
Foreign Currency Denominated Foreign Corporate and Government Bonds	0.0	0.0	0.0	0.0
CLO	0.0	0.0	0.0	0.0
U.S.	0.0	0.0	0.0	0.0
Securities		43.1		
RMBS		0.0 <sup>(3)</sup>		
CLO		43.1		
<i>(Billions of yen, except percentages)</i>				
Other Monetary Claims Purchased <sup>(2)</sup>	As of December 31, 2012			
	Balance before Mark-to-Market Evaluation	Market Value or Balance	Unrealized Gains/Losses (OCI)	Price Increase (Decrease) Ratio (%)
Trading Purposes		7.7		
RMBS (Japan) <sup>(2)</sup>		7.7		
Others	25.9	25.9	0.0	0.1
RMBS (Japan)	25.9	25.9	0.0	0.1
Total		33.7		
RMBS (Japan)		33.7		
<b>Total</b>		<b>76.8</b>		
Securities		43.1		
Other Monetary Claims Purchased		33.7		

(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 December 31, 2012.

(3) Residual value

**LBO, Monoline, SIV, ABCP, CDS -Table 42- (Non-Consolidated)**

(Billions of yen)

	Dec 31 2012 (a)	Sept 30 2012 (b)	Change (a)-(b)	March 31 2012 (c)	Change (a)-(c)
<b>LBO<sup>(1)(3)</sup></b>	<b>172.1</b>	183.9	(11.8)	198.1	(26.0)
Japan	<b>170.2<sup>(2)</sup></b>	182.0	(11.8)	195.8	(25.6)
U.S.	<b>1.4</b>	1.5	(0.1)	1.7	(0.3)
Europe	-	-	-	-	-
Other	<b>0.5</b>	0.5	0.0	0.4	0.1
<b>(Breakdown by Industry Sector)</b>					
Manufacturing	<b>11.5%</b>				
Information and communications	<b>1.1%</b>				
Wholesale and retail	<b>8.9%</b>				
Finance and Insurance	<b>13.2%</b>				
Services	<b>65.3%</b>				
Total	<b>100.0%</b>				

(1) The amount includes unfunded commitment line.

(2) As of December 31, 2012, unfunded commitment line (only domestic) is ¥3.7 billion.

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

**Monoline, SIV, ABCP**

We have no exposure to Monoline, SIV, ABCP.

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

(Billions of yen)

	As of December 31, 2012								3QFY2012 (9 months)
	Nominal Amount		Fair Value		Netted Nominal Amount and Fair Value <sup>(2)</sup>			Realized Profits (Losses)	
	Protection (buy)	Protection (sell)	Protection (buy)	Protection (sell)	Nominal Amount	Fair Value			
						Protection (buy)	Protection (sell)		
Total	494.9	508.5	(0.1)	(0.2)	455.2	(0.1)	0.0	1.4	
Japan	421.2	437.4	0.6	(0.8)	389.0	0.5	(0.6)	1.4	
U.S.	30.8	29.2	(0.2)	0.2	27.2	(0.2)	0.2	(0.0)	
Europe	24.4	23.1	(0.2)	0.1	22.7	(0.2)	0.1	(0.0)	
Other	18.3	18.5	(0.2)	0.2	16.1	(0.2)	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 43-**

Names	Definitions
<b>RMBS</b>	Residential mortgage-backed securities and other related assets, including beneficial interests backed by mortgage loans. Recorded in "trading securities," "securities available-for-sale" and "other monetary claims."
<b>CMBS</b>	Commercial mortgage-backed securities. Recorded in "securities available-for-sale" and "other monetary claims." We have no exposure to CMBS.
<b>CLO</b>	Collateralized loan obligations (CLO) mainly backed by LBO debt, corporate loans and high-yield securities. Recorded in "trading securities," "securities being held to maturity with readily determinable fair value," and "securities available-for-sale."
<b>ABS CDO</b> (Re-securitized Products)	CDO backed by asset-backed securities (ABS) such as RMBS. Recorded in "securities available-for-sale" and "other monetary claims." We have no exposure to 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.