

# **Financial Summary**

**For the Three Months Ended June 30, 2014**



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

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The following document should be read in conjunction with the consolidated and nonconsolidated 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 figures that are stated in multiples of ¥0.1 billion have been truncated. All percentages unless otherwise noted have been rounded to the nearest 0.1%.

## Financial Highlights<sup>1</sup>

(Billions of yen, except percentages)

	Q1 FY2014 (3 months)	Q1 FY2013 (3 months)	Change (Amount)	FY2013 (12 months)
<b>Selected income statement items (Consolidated)</b>				
Net interest income	30.9	26.9	3.9	110.5
Noninterest income	26.9	23.5	3.4	92.5
Net fees and commissions	4.8	5.7	(0.8)	22.4
Net trading income	3.5	3.5	0.0	13.9
Net other business income	18.5	14.2	4.2	56.0
Total revenue	57.8	50.5	7.3	203.0
General and administrative expenses	(35.0)	(32.6)	(2.3)	(132.8)
Ordinary business profit	22.8	17.8	5.0	70.1
Net credit costs	0.7	0.0	0.6	(0.2)
Ordinary business profit after net credit costs	23.5	17.9	5.6	69.8
Amortization of goodwill and other intangible assets <sup>2</sup>	(2.2)	(2.5)	0.3	(9.6)
Other gains (losses)	0.1	(0.8)	0.9	(14.2)
Income before income taxes and minority interests	21.4	14.5	6.9	46.0
Current income tax	(0.9)	(1.3)	0.3	(2.4)
Deferred income tax	0.2	0.3	(0.0)	0.7
Minority interests in net income of subsidiaries	(0.8)	(0.8)	0.0	(2.9)
Net income	19.9	12.7	7.2	41.3
Cash basis net income <sup>3</sup>	21.9	15.0	6.9	49.8
<b>Selected balance sheet items (Consolidated)</b>				
Cash and Due from Banks	1,385.9	481.7	904.1	1,451.4
Securities	1,653.2	1,871.5	(218.3)	1,557.0
Loans and bills discounted	4,217.0	4,232.9	(15.9)	4,319.8
Customers' liabilities for acceptances and guarantees	353.7	485.5	(131.8)	358.4
Reserve for credit losses	(116.5)	(147.1)	30.6	(137.3)
Total assets	9,538.9	8,811.3	727.6	9,321.1
Deposits and negotiable certificates of deposit	5,754.9	5,680.7	74.1	5,850.4
Debentures	40.1	49.5	(9.4)	41.7
Borrowed money	672.7	587.9	84.8	643.4
Reserve for losses on interest repayments	196.2	31.6	164.5	208.2
Total liabilities	8,800.4	8,119.6	680.8	8,598.5
Total equity	738.4	691.6	46.8	722.5
<b>Financial ratios (%) (Consolidated)</b>				
Net interest margin	2.33	1.98		2.07
Expense-to-revenue ratio	60.5	64.7		65.4
Return on assets	0.9 <sup>4</sup>	0.6 <sup>4</sup>		0.5
Return on equity (fully diluted)	12.1 <sup>4</sup>	8.2 <sup>4</sup>		6.5
Cash basis return on assets	0.9 <sup>4</sup>	0.7 <sup>4</sup>		0.5
Cash basis return on equity (fully diluted)	14.0 <sup>4</sup>	10.4 <sup>4</sup>		8.3
<b>Capital adequacy data (Consolidated)</b>				
<b>&lt;Basel 3, Domestic Standard&gt;</b>				
Capital	830.1			817.6
Total amount of Risk-weighted assets	5,867.5			6,016.7
Capital ratio	14.14%			13.58%

(Billions of yen, except percentages)

	Q1 FY2014 (3 months)	Q1 FY2013 (3 months)	Change (Amount)	FY2013 (12 months)
<b>Per share data (Consolidated)</b>				
Common equity	253.54	236.25	17.28	247.82
Basic net income	7.53	4.81	2.71	15.59
Cash basis basic net income	8.28	5.66	2.61	18.78
<b>Nonperforming loans (Nonconsolidated)</b>				
Claims classified under the Financial Revitalization Law	134.9	216.4	(81.4)	164.7
Ratio to total claims	3.12%	4.80%		3.81%
Reserve for credit losses	63.9	94.6	(30.7)	83.5
Coverage ratio for nonperforming claims	95.9%	96.3%		95.3%
<b>Selected income statement items (Nonconsolidated)</b>				
Net interest income	24.2	21.2	3.0	80.9
Noninterest income	8.6	5.9	2.7	17.9
Net fees and commissions	6.5	2.8	3.6	7.9
Net trading income	1.8	1.5	0.3	5.3
Net other business income	0.2	1.5	(1.2)	4.6
Total revenue	32.8	27.1	5.7	98.9
General and administrative expenses	(18.4)	(16.9)	(1.5)	(69.0)
Ordinary business profit	14.3	10.1	4.2	29.8
Net credit costs	2.9	(1.5)	4.4	7.2
Net income	16.7	8.4	8.2	36.4

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 posted a consolidated net income of ¥19.9 billion for the first quarter of fiscal year 2014 (April 1, 2014 to June 30, 2014), an increase of ¥7.2 billion compared to ¥12.7 billion in the first quarter of fiscal year 2013, a firm start toward the achievement the ¥55.0 billion full-year net income target.

- Total revenue for the first quarter of fiscal year 2014 was ¥57.8 billion. Of this amount, net interest income was ¥30.9 billion, an increase from ¥26.9 billion in the first quarter of fiscal year 2013. This was due to a reduction in funding costs, greater revenue due to loan growth in the consumer finance business, and greater dividend income from securities in the Institutional Group and the Global Markets Group. Noninterest income was ¥26.9 billion in the first quarter of fiscal year 2014 compared to ¥23.5 billion in the first quarter of fiscal year 2013. The increase in noninterest income was a result of steady revenue earned in the domestic credit trading business and the absence of losses on the sale of Japanese national government bonds (“JGBs”) posted in the first quarter of fiscal year 2013, which was undertaken to avoid interest rate risk resulting from major fluctuations in the market.
- Regarding general and administrative expenses, while we continued to promote operational efficiency, we actively allocated management resources to increase personnel and advertising in order to expand our business base. As a result, general and administrative

expenses rose to ¥35.0 billion in the first quarter of fiscal year 2014 from ¥32.6 billion in the first quarter of fiscal year 2013.

- Regarding net credit costs (recoveries), the Bank recorded recoveries of ¥0.7 billion in the first quarter of fiscal year 2014 compared to recoveries of ¥0.0 billion (¥95 million) in the first quarter of fiscal year 2013. This was mainly due to the reversal of reserves for loan losses on the sales of and collections on nonperforming loans and improvements in asset quality.
- The balance of loans and bills discounted declined from ¥4,319.8 billion as of March 31, 2014 to ¥4,217.0 billion as of June 30, 2014. In loans to individuals, housing loans continued to steadily increase, and the consumer finance loan balance continued to increase compared to the previous fiscal year. On the other hand, in the institutional business, while we worked to satisfy the funding needs of customers, competition remained fierce, and as there were some collections in existing loans, the overall balance shrank.
- Net interest margin of 2.33% was recorded for the first quarter of fiscal year 2014, a considerable increase from 1.98% in the first quarter of fiscal year 2013. This was primarily due to a significant reduction in funding costs on deposits, including negotiable certificates of deposits, due to the maturation of a portion of high interest rate time deposits sold in previous years. It was

also due to a significant increase in the yield on interest-earning assets, securities in particular, as a result of an increase in dividend income on securities in the Institutional Group and the Global Markets Group compared to the first quarter of fiscal year 2013. It should be noted that the yield on loans included in interest-earning assets was almost at the same level as that of the first quarter of fiscal year 2013.

- Regarding capital ratios under Basel III domestic standard (grandfathering basis), the consolidated core capital adequacy ratio rose from 13.58% as of March 31, 2014 to 14.14% as of June 30, 2014 due to the accumulation of profits, progression in the write-off of goodwill and intangible assets as well as a reduction in

risk assets due to factors such as collections on major claims in the first quarter of fiscal year 2014. Our Basel III international standard Common Equity Tier 1 Capital Ratio (fully loaded basis) increased from 9.2% as of March 31, 2014 to 10.1% as of June 30, 2014.

- The balance of nonperforming loans under the Financial Revitalization Law (nonconsolidated basis) was ¥134.9 billion, decreased by ¥29.8 billion during the first quarter of fiscal year 2014, mainly due to the sales of and collections on nonperforming loans. In addition, the proportion of nonperforming claims to the overall loan balance improved from 3.81% as of March 31, 2014 to 3.12% as of June 30, 2014.

## Section 1. Consolidated Information

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

	(Billions of yen)			
	Q1 FY2014 (3 months)	Q1 FY2013 (3 months)	Change (Amount)	FY2013 (12 months)
Net interest income	30.9	26.9	3.9	110.5
Noninterest income	26.9	23.5	3.4	92.5
Net fees and commissions	4.8	5.7	(0.8)	22.4
Net trading income	3.5	3.5	0.0	13.9
Net other business income	18.5	14.2	4.2	56.0
<b>Total revenue</b>	<b>57.8</b>	<b>50.5</b>	<b>7.3</b>	<b>203.0</b>
<b>General and administrative expenses</b>	<b>(35.0)</b>	<b>(32.6)</b>	<b>(2.3)</b>	<b>(132.8)</b>
<b>Ordinary business profit</b>	<b>22.8</b>	<b>17.8</b>	<b>5.0</b>	<b>70.1</b>
<b>Net credit costs</b>	<b>0.7</b>	<b>0.0</b>	<b>0.6</b>	<b>(0.2)</b>
<b>Ordinary business profit after net credit costs</b>	<b>23.5</b>	<b>17.9</b>	<b>5.6</b>	<b>69.8</b>
<b>Amortization of goodwill and other intangible assets<sup>2</sup></b>	<b>(2.2)</b>	<b>(2.5)</b>	<b>0.3</b>	<b>(9.6)</b>
<b>Other gains (losses)</b>	<b>0.1</b>	<b>(0.8)</b>	<b>0.9</b>	<b>(14.2)</b>
<b>Income before income taxes and minority interests</b>	<b>21.4</b>	<b>14.5</b>	<b>6.9</b>	<b>46.0</b>
<b>Current income tax</b>	<b>(0.9)</b>	<b>(1.3)</b>	<b>0.3</b>	<b>(2.4)</b>
<b>Deferred income tax</b>	<b>0.2</b>	<b>0.3</b>	<b>(0.0)</b>	<b>0.7</b>
<b>Minority interests in net income of subsidiaries</b>	<b>(0.8)</b>	<b>(0.8)</b>	<b>0.0</b>	<b>(2.9)</b>
<b>Net income</b>	<b>19.9</b>	<b>12.7</b>	<b>7.2</b>	<b>41.3</b>
Cash basis net income <sup>3</sup>	21.9	15.0	6.9	49.8

1. Represents results based on management accounting basis.

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

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

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

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

(Billions of yen, except percentages)

	Q1 FY2014 (3 months)			Q1 FY2013 (3 months)			FY2013 (12 months)		
	Average Balance	Interest	Yield/rate <sup>5</sup> (%)	Average Balance	Interest	Yield/rate <sup>5</sup> (%)	Average Balance	Interest	Yield/rate <sup>5</sup> (%)
<b>Interest-earning assets<sup>1</sup> :</b>									
Loans and bills discounted	4,287.8	31.6	2.96	4,283.8	31.4	2.95	4,241.5	124.4	2.93
Lease receivables and leased investment assets / installment receivables <sup>1</sup>	664.7	9.4	5.70	585.7	8.8	6.06	610.3	36.5	5.99
Securities	1,719.7	4.5	1.06	2,016.4	3.6	0.73	1,892.7	15.6	0.83
Other interest-earning assets <sup>2, 3</sup>	345.3	0.7	***	390.4	0.6	***	423.5	3.1	***
<b>Total revenue on interest-earning assets (A)<sup>1</sup></b>	<b>7,017.7</b>	<b>46.3</b>	<b>2.65</b>	<b>7,276.4</b>	<b>44.6</b>	<b>2.46</b>	<b>7,168.1</b>	<b>179.8</b>	<b>2.51</b>
<b>Interest-bearing liabilities:</b>									
Deposits, including negotiable certificates of deposit	5,793.2	3.2	0.22	5,666.8	5.7	0.41	5,821.9	20.6	0.35
Debentures	40.9	0.0	0.14	121.7	0.0	0.30	64.6	0.1	0.24
Borrowed money	635.8	1.1	0.73	641.8	1.2	0.79	642.9	4.9	0.77
Subordinated debt	67.4	0.4	2.71	91.9	0.5	2.22	88.2	1.9	2.26
Other borrowed money	568.4	0.7	0.50	549.9	0.7	0.55	554.6	2.9	0.54
Corporate bonds	176.0	1.3	3.02	181.7	1.4	3.21	192.4	5.9	3.09
Subordinated bonds	152.8	1.2	3.34	161.3	1.3	3.46	172.5	5.7	3.31
Other corporate bonds	23.1	0.0	0.95	20.4	0.0	1.25	19.8	0.2	1.12
Other interest-bearing liabilities <sup>2</sup>	855.5	0.3	***	715.0	0.2	***	743.5	1.0	***
<b>Total expense on interest-bearing liabilities (B)</b>	<b>7,501.7</b>	<b>6.0</b>	<b>0.32</b>	<b>7,327.3</b>	<b>8.8</b>	<b>0.48</b>	<b>7,465.5</b>	<b>32.7</b>	<b>0.44</b>
<b>Net interest margin (A)-(B)<sup>1</sup></b>	<b>-</b>	<b>40.3</b>	<b>2.33</b>	<b>-</b>	<b>35.8</b>	<b>1.98</b>	<b>-</b>	<b>147.0</b>	<b>2.07</b>
<b>Noninterest-bearing sources of funds:</b>									
Noninterest-bearing (assets) liabilities, net	(1,150.4)	-	-	(675.6)	-	-	(937.5)	-	-
Total equity excluding minority interests in subsidiaries <sup>4</sup>	666.5	-	-	624.7	-	-	640.1	-	-
<b>Total noninterest-bearing sources of funds (C)</b>	<b>(483.9)</b>	<b>-</b>	<b>-</b>	<b>(50.8)</b>	<b>-</b>	<b>-</b>	<b>(297.3)</b>	<b>-</b>	<b>-</b>
<b>Sum of total expense on interest-bearing liabilities and noninterest-bearing sources of funds (D)=(B)+(C)</b>	<b>7,017.7</b>	<b>6.0</b>	<b>0.34</b>	<b>7,276.4</b>	<b>8.8</b>	<b>0.49</b>	<b>7,168.1</b>	<b>32.7</b>	<b>0.46</b>
<b>Net revenue/yield on interest-earning assets (A)-(D)<sup>1</sup></b>	<b>-</b>	<b>40.3</b>	<b>2.31</b>	<b>-</b>	<b>35.8</b>	<b>1.98</b>	<b>-</b>	<b>147.0</b>	<b>2.05</b>
<b>Reconciliation of total revenue on interest-earning assets to total interest income:</b>									
Total revenue on interest-earning assets	7,017.7	46.3	2.65	7,276.4	44.6	2.46	7,168.1	179.8	2.51
Less: Income on lease transactions and installment receivables	664.7	9.4	5.70	585.7	8.8	6.06	610.3	36.5	5.99
<b>Total interest income</b>	<b>6,352.9</b>	<b>36.9</b>	<b>2.33</b>	<b>6,690.7</b>	<b>35.8</b>	<b>2.15</b>	<b>6,557.8</b>	<b>143.2</b>	<b>2.18</b>
Total interest expense	-	6.0	-	-	8.8	-	-	32.7	-
<b>Net interest income</b>	<b>-</b>	<b>30.9</b>	<b>-</b>	<b>-</b>	<b>26.9</b>	<b>-</b>	<b>-</b>	<b>110.5</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.

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. Percentages have been rounded from the third decimal place.

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

The line item "Net revenue/yield on interest-earning assets" on the chart above includes revenues from net received interest, revenue earned on lease receivables and leased investment assets, and installment account receivables. However, while the Bank considers income on lease transactions and installment receivables to be a component of net interest income, Japanese GAAP does not

include income on lease transactions and installment accounts receivables in net interest income (in accordance with Japanese GAAP, income on lease transactions and installment accounts receivables is reported in net other business income in our consolidated statements of operations).



### Noninterest Income -Table 3- (Consolidated)

(Billions of yen)

	Q1 FY2014 (3 months)	Q1 FY2013 (3 months)	Change (Amount)	FY2013 (12 months)
Net fees and commissions	4.8	5.7	(0.8)	22.4
Net trading income	3.5	3.5	0.0	13.9
Net other business income	18.5	14.2	4.2	56.0
Income on lease transactions and installment receivables	9.4	8.8	0.5	36.5
<b>Total noninterest income</b>	<b>26.9</b>	<b>23.5</b>	<b>3.4</b>	<b>92.5</b>

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

#### Noninterest income

Noninterest income consists of fees and commissions, trading income and other business income such as income on lease transactions and installment receivables and gains and losses on sales of available-for-sale securities.

Total noninterest income of ¥26.9 billion was recorded in the first quarter of fiscal year 2014, an increase from ¥23.5 billion in the first quarter of fiscal year 2013. This increase, which was despite a decline in fee income caused by lower profitability in investment product sales in retail banking, was due to stable income from monetary assets held in trust in the principal transactions business as well as the absence of a one-off loss on the sale of JGBs which was incurred in the first quarter of fiscal year 2013 in our ALM operations.

#### Net fees and commissions

Net fees and commissions consists mainly of fees from nonrecourse finance on domestic real estate, servicing fees from specialty finance and principal transactions, fees from guarantee and other businesses in consumer finance operations, and fees from sales of mutual funds and insurance products. Net fees and commissions of ¥4.8 billion were recorded in the first quarter of fiscal year 2014, a decline from ¥5.7 billion in the first quarter of fiscal year 2013, mainly as a result of fees from mutual funds and structured bonds in Retail Banking trending at low levels despite an

increase in revenue associated with the guarantee business at consumer finance subsidiaries.

#### Net trading income

Net trading income includes revenue from derivatives associated with transactions with customers as well as revenue from proprietary trading at the Bank. Net trading income in the first quarter of fiscal year 2014 was ¥3.5 billion, at the same level as in the first quarter of fiscal year 2013.

#### Net other business income

Net other business income of ¥18.5 billion was recorded in the first quarter of fiscal year 2014 compared to ¥14.2 billion in the first quarter of fiscal year 2013. This increase was due to factors such as income on lease transactions and installment receivables increasing somewhat from ¥8.8 billion in the first quarter of fiscal year 2013 to ¥9.4 billion in the first quarter of fiscal year 2014, stable income from monetary assets held in trust resulting in revenue of ¥4.2 billion in the principal transactions business, which centers on credit trading, compared to ¥2.6 billion in the first quarter of fiscal year 2013, as well as the ALM business posting of a profit of ¥0.6 billion in the first quarter of fiscal year 2014 on the sale of JGBs, compared to a loss of ¥1.8 billion in the first quarter of fiscal year 2013 on the sale of government bonds, which included a one-off loss of ¥1.4 billion on the sale of JGBs.

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

(Billions of yen)

	Q1 FY2014 (3 months)	Q1 FY2013 (3 months)	Change (Amount)	FY2013 (12 months)
Personnel expenses	(13.9)	(12.7)	(1.2)	(52.8)
Nonpersonnel expenses	(21.0)	(19.9)	(1.1)	(79.9)
Premises expenses	(4.7)	(4.8)	0.0	(20.0)
Technology and data processing expenses	(4.6)	(4.4)	(0.2)	(18.1)
Advertising expenses	(2.8)	(2.4)	(0.4)	(10.0)
Consumption and property taxes	(2.0)	(1.7)	(0.3)	(6.1)
Deposit insurance premium	(1.0)	(1.0)	(0.0)	(3.4)
Other general and administrative expenses	(5.6)	(5.4)	(0.2)	(22.0)
<b>General and administrative expenses</b>	<b>(35.0)</b>	<b>(32.6)</b>	<b>(2.3)</b>	<b>(132.8)</b>

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

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

	(Billions of yen)			
	Q1 FY2014 (3 months)	Q1 FY2013 (3 months)	Change (Amount)	FY2013 (12 months)
Losses on write-off of loans/Losses on sale of loans	(0.9)	(0.4)	(0.4)	(3.1)
Net provision of reserve for loan losses:	(0.9)	(1.3)	0.4	(6.2)
Net provision of general reserve for loan losses	0.0	0.0	(0.0)	(2.8)
Net provision of specific reserve for loan losses	(1.0)	(1.4)	0.4	(3.4)
Net provision of specific reserve for other credit losses	-	-	-	-
Other credit costs relating to leasing business	0.0	0.0	0.0	0.2
Recoveries of written-off claims	2.5	1.9	0.6	8.9
<b>Net credit costs</b>	<b>0.7</b>	<b>0.0</b>	<b>0.6</b>	<b>(0.2)</b>

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

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

	(Billions of yen)			
	Q1 FY2014 (3 months)	Q1 FY2013 (3 months)	Change (Amount)	FY2013 (12 months)
Shinsei Financial	(1.4)	(1.7)	0.2	(6.3)
SHINKI	0.0	0.0	-	0.3
APLUS FINANCIAL	(0.2)	(0.2)	0.0	(0.8)
Showa Leasing	(0.6)	(0.7)	0.0	(2.7)
Others	0.0	0.0	-	0.0
<b>Amortization of goodwill and other intangible assets</b>	<b>(2.2)</b>	<b>(2.5)</b>	<b>0.3</b>	<b>(9.6)</b>

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

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

	(Billions of yen)			
	Q1 FY2014 (3 months)	Q1 FY2013 (3 months)	Change (Amount)	FY2013 (12 months)
Extraordinary income (loss)	0.1	(0.5)	0.6	1.8
Net gain on disposal of premises and equipment	0.3	(0.0)	0.3	1.4
Other extraordinary income (loss)	(0.1)	(0.5)	0.3	0.4
Provisions of reserve for losses on interest repayment	-	-	-	(15.6)
Shinsei Financial	-	-	-	(0.7)
SHINKI	-	-	-	(12.8)
APLUS FINANCIAL	-	-	-	(2.0)
Other	-	-	-	-
Other	0.0	(0.3)	0.3	(0.4)
<b>Other gains (losses)</b>	<b>0.1</b>	<b>(0.8)</b>	<b>0.9</b>	<b>(14.2)</b>

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

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

	(Billions of yen)			
	Q1 FY2014 (3 months)	Q1 FY2013 (3 months)	Change (Amount)	FY2013 (12 months)
Dividends on perpetual preferred securities (hybrid Tier I capital) issued by foreign SPCs	(0.7)	(0.7)	(0.0)	(3.1)
Others	(0.0)	(0.0)	0.0	0.1
<b>Minority interests in net income of subsidiaries</b>	<b>(0.8)</b>	<b>(0.8)</b>	<b>0.0</b>	<b>(2.9)</b>

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

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

	(Billions of yen)				
	June 30 2014 (a)	June 30 2013 (b)	Change (Amount) (a)-(b)	March 31 2014 (c)	Change (Amount) (a)-(c)
Loans and bills discounted	4,217.0	4,232.9	(15.9)	4,319.8	(102.8)
Installment receivables	423.8	364.7	59.0	421.9	1.8
Leased assets, lease receivables and leased investment assets	240.6	222.6	17.9	245.5	(4.9)
Securities	1,653.2	1,871.5	(218.3)	1,557.0	96.2
Other monetary claims purchased	96.8	105.4	(8.5)	105.8	(8.9)
Other interest earning assets <sup>1</sup>	1,518.1	581.1	936.9	1,564.8	(46.6)
Trading assets	274.3	304.4	(30.0)	249.1	25.2
Monetary assets held in trust	186.9	228.6	(41.7)	199.1	(12.2)
Goodwill, net	27.4	33.6	(6.2)	28.9	(1.5)
Other intangible assets <sup>2</sup>	8.4	11.6	(3.1)	9.1	(0.7)
Other assets	654.8	515.9	138.9	398.6	256.1
Customer's liabilities for acceptances and guarantees	353.7	485.5	(131.8)	358.4	(4.6)
Reserve for credit losses	(116.5)	(147.1)	30.6	(137.3)	20.8
<b>Total assets</b>	<b>9,538.9</b>	<b>8,811.3</b>	<b>727.6</b>	<b>9,321.1</b>	<b>217.8</b>
Deposits and negotiable certificates of deposit	5,754.9	5,680.7	74.1	5,850.4	(95.4)
Debentures	40.1	49.5	(9.4)	41.7	(1.6)
Borrowed money	672.7	587.9	84.8	643.4	29.3
Corporate bonds	175.6	187.9	(12.2)	177.2	(1.6)
Other interest bearing liabilities <sup>3</sup>	777.0	261.8	515.2	584.5	192.5
Trading liabilities	236.8	265.0	(28.1)	218.5	18.2
Reserve for losses on interest repayments	196.2	31.6	164.5	208.2	(11.9)
Other liabilities	592.9	569.2	23.7	515.9	77.0
Acceptances and guarantees	353.7	485.5	(131.8)	358.4	(4.6)
<b>Total liabilities</b>	<b>8,800.4</b>	<b>8,119.6</b>	<b>680.8</b>	<b>8,598.5</b>	<b>201.9</b>
<b>Total equity</b>	<b>738.4</b>	<b>691.6</b>	<b>46.8</b>	<b>722.5</b>	<b>15.8</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 Show a 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.

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

	(Billions of yen)				
	June 30 2014 (a)	June 30 2013 (b)	Change (Amount) (a)-(b)	March 31 2014 (c)	Change (Amount) (a)-(c)
Loans to bankrupt obligors	6.9	12.8	(5.9)	10.0	(3.1)
Nonaccrual delinquent loans	150.2	227.7	(77.5)	177.7	(27.5)
Loans past due for three months or more	1.2	1.2	(0.0)	1.1	0.0
Restructured loans	30.9	36.2	(5.3)	31.7	(0.7)
<b>Total (A)</b>	<b>189.3</b>	<b>278.2</b>	<b>(88.8)</b>	<b>220.7</b>	<b>(31.3)</b>
<b>Loans and bills discounted (B)</b>	<b>4,217.0</b>	<b>4,232.9</b>	<b>(15.9)</b>	<b>4,319.8</b>	<b>(102.8)</b>
Ratio to total loans and bills discounted (A/B X 100) (%)	4.49%	6.57%	/	5.11%	/
<b>Reserve for credit losses (C)</b>	<b>116.5</b>	<b>147.1</b>	<b>(30.6)</b>	<b>137.3</b>	<b>(20.8)</b>
Reserve ratio (C/A X 100)	61.5%	52.9%	/	62.2%	/

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

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

	(Billions of yen)				
	June 30 2014 (a)	June 30 2013 (b)	Change (Amount) (a)-(b)	March 31 2014 (c)	Change (Amount) (a)-(c)
General reserve for loan losses	57.1	65.7	(8.5)	59.8	(2.6)
Specific reserve for loan losses	59.3	81.3	(22.0)	77.5	(18.2)
Reserve for loans to restructuring countries	0.0	0.0	-	0.0	-
<b>Total reserve for credit losses</b>	<b>116.5</b>	<b>147.1</b>	<b>(30.6)</b>	<b>137.3</b>	<b>(20.8)</b>

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

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

	(Billions of yen)				
	June 30 2014 (a)	June 30 2013 (b)	Change (Amount) (a)-(b)	Mar 31 2014 (c)	Change (Amount) (a)-(c)
Domestic offices (excluding Japan offshore market account):					
Manufacturing	203.5	231.9	(28.4)	212.4	(8.9)
Agriculture and forestry	0.1	0.2	(0.0)	0.1	(0.0)
Fishery	0.0	-	0.0	0.0	(0.0)
Mining, quarrying and gravel extraction	0.0	0.1	(0.1)	0.1	(0.1)
Construction	9.2	12.5	(3.2)	9.9	(0.6)
Electric power, gas, heat supply and water supply	178.4	133.5	44.9	170.1	8.3
Information and communications	38.0	31.1	6.8	40.7	(2.6)
Transportation and postal service	199.3	224.1	(24.7)	203.2	(3.9)
Wholesale and retail	80.2	73.2	7.0	89.2	(8.9)
Finance and insurance	607.8	691.8	(84.0)	662.6	(54.8)
Real estate	526.4	568.3	(41.8)	580.0	(53.6)
Services	315.3	313.7	1.5	317.9	(2.5)
Local government	101.5	109.1	(7.5)	104.3	(2.7)
Others	1,914.6	1,797.3	117.3	1,897.0	17.5
Loans to individual customers (retail banking, Shinsei Bank Lake, Shinsei Financial, SHINKI and APLUS FINANCIAL)	1,676.4	1,589.7	86.7	1,657.5	18.9
<b>Total domestic (A)</b>	<b>4,175.0</b>	<b>4,187.4</b>	<b>(12.3)</b>	<b>4,288.2</b>	<b>(113.2)</b>
Overseas offices (including Japan offshore market accounts):					
Governments	1.5	1.8	(0.3)	1.5	-
Financial institutions	0.2	0.9	(0.6)	0.5	(0.2)
Others	40.1	42.7	(2.5)	29.4	10.6
<b>Total overseas (B)</b>	<b>41.9</b>	<b>45.5</b>	<b>(3.6)</b>	<b>31.5</b>	<b>10.4</b>
<b>Total (A+B)</b>	<b>4,217.0</b>	<b>4,232.9</b>	<b>(15.9)</b>	<b>4,319.8</b>	<b>(102.8)</b>

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

	(Billions of yen)								
	June 30, 2014			June 30, 2013			March 31, 2014		
	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	502.8	504.8	1.9	584.6	587.7	3.1	497.4	499.1	1.7
Japanese corporate bonds	-	-	-	-	-	-	-	-	-
Other	43.2	46.7	3.5	55.6	60.3	4.7	48.2	52.3	4.1
<b>Subtotal</b>	<b>546.0</b>	<b>551.6</b>	<b>5.5</b>	<b>640.3</b>	<b>648.1</b>	<b>7.8</b>	<b>545.6</b>	<b>551.5</b>	<b>5.8</b>
Fair value does not exceed carrying amount									
Japanese national government bonds	-	-	-	-	-	-	-	-	-
Japanese corporate bonds	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>546.0</b>	<b>551.6</b>	<b>5.5</b>	<b>640.3</b>	<b>648.1</b>	<b>7.8</b>	<b>545.6</b>	<b>551.5</b>	<b>5.8</b>

**Securities Available for Sale -Table 14- (Consolidated)**
*(Billions of yen)*

	June 30, 2014			June 30, 2013			March 31, 2014		
	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	18.9	11.2	7.7	18.9	10.4	8.5	18.0	11.1	6.8
Domestic bonds	742.4	741.4	1.0	43.4	42.6	0.8	62.0	61.2	0.8
Japanese national government bonds	677.8	677.5	0.3	10.6	10.2	0.3	-	-	-
Japanese local government bonds	0.5	0.5	0.0	0.5	0.5	0.0	0.5	0.5	0.0
Japanese corporate bonds	64.0	63.3	0.6	32.2	31.8	0.4	61.4	60.7	0.7
Other	107.3	103.3	3.9	89.9	85.8	4.1	101.0	96.5	4.5
Foreign securities	101.1	97.8	3.3	87.0	83.1	3.8	95.5	91.5	3.9
Foreign currency denominated foreign corporate and government bonds	61.6	59.5	2.0	44.8	42.5	2.2	48.1	45.7	2.3
Yen-denominated foreign corporate and government bonds	38.1	36.9	1.1	39.9	38.9	0.9	45.0	43.9	1.0
Foreign equity securities and others	1.3	1.2	0.1	2.2	1.6	0.6	2.3	1.8	0.4
Other securities	5.0	4.4	0.6	1.1	0.9	0.2	4.2	3.7	0.5
Other monetary claims purchased	1.1	1.1	0.0	1.7	1.7	0.0	1.3	1.2	0.0
Subtotal	868.7	856.0	12.7	152.4	138.8	13.5	181.1	168.9	12.1
<b>Carrying amount does not exceed amortized/acquisition cost</b>									
Equity securities	1.9	2.2	(0.3)	2.8	3.4	(0.5)	1.9	2.3	(0.4)
Domestic bonds	109.6	110.5	(0.8)	886.8	895.2	(8.4)	684.0	685.2	(1.1)
Japanese national government bonds	80.6	80.6	(0.0)	737.2	743.3	(6.1)	629.3	630.1	(0.7)
Japanese local government bonds	-	-	-	-	-	-	-	-	-
Japanese corporate bonds	29.0	29.8	(0.8)	149.5	151.9	(2.3)	54.6	55.0	(0.4)
Other	20.4	20.7	(0.2)	79.2	81.1	(1.8)	35.4	35.7	(0.3)
Foreign securities	13.1	13.2	(0.0)	77.6	79.5	(1.8)	27.6	27.7	(0.1)
Foreign currency denominated foreign corporate and government bonds	11.9	12.0	(0.0)	72.1	73.8	(1.7)	25.2	25.2	(0.0)
Yen-denominated foreign corporate and government bonds	-	-	-	3.0	3.1	(0.0)	0.9	1.0	(0.0)
Foreign equity securities and others	1.2	1.2	(0.0)	2.4	2.6	(0.1)	1.4	1.5	(0.0)
Other securities	1.4	1.4	(0.0)	1.5	1.5	-	1.9	1.9	(0.0)
Other monetary claims purchased	5.8	6.0	(0.1)	-	-	-	5.8	6.0	(0.1)
Subtotal	132.0	133.4	(1.4)	968.9	979.8	(10.9)	721.4	723.3	(1.9)
<b>Total<sup>1,2</sup></b>	<b>1,000.8</b>	<b>989.4</b>	<b>11.3</b>	<b>1,121.3</b>	<b>1,118.7</b>	<b>2.6</b>	<b>902.5</b>	<b>892.2</b>	<b>10.2</b>

1. Includes a part of other monetary claims purchased in addition to securities available for sale. Total amounts of securities available for sale excluding such other monetary claims purchased as of June 30, 2014, June 30, 2013 and March 31, 2014 were ¥993.8 billion, ¥1,119.6 billion and ¥895.4 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)*

	June 30, 2014	June 30, 2013	March 31, 2014
<b>Unrealized gain (loss) before deferred tax on:</b>			
Available-for-sale securities	11.3	2.6	10.2
The Bank's interests in available-for-sale securities held by partnerships recorded as securities whose fair value cannot be reliably determined and other adjustments	0.8	(0.0)	1.5
Securities being held to maturity, reclassified from available-for-sale in the past, under extremely illiquid market conditions	(2.9)	(4.8)	(3.5)
Deferred tax assets (liabilities)	(2.3)	(0.5)	(1.9)
Unrealized gain (loss) on available-for-sale securities before interest adjustments	6.9	(2.7)	6.3
Minority interests	(0.0)	(0.0)	(0.0)
The Bank's interests in unrealized gain (loss) on available-for-sale securities held by affiliates to which the equity method is applied	0.0	0.3	0.0
Unrealized gain (loss) on available-for-sale securities	6.8	(2.4)	6.2

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

(Billions of yen)

	June 30 2014 (a)	June 30 2013 (b)	Change (Amount) (a)-(b)	March 31 2014 (c)	Change (Amount) (a)-(c)
Deposits	5,627.7	5,526.4	101.3	5,733.2	(105.4)
Liquid (current, ordinary, note) deposits <sup>1</sup>	1,901.4	1,612.9	288.4	1,741.8	159.5
Time deposits <sup>1</sup>	3,329.5	3,489.0	(159.4)	3,576.9	(247.3)
Other	396.7	424.3	(27.5)	414.4	(17.6)
Negotiable certificates of deposits (NCDs)	127.2	154.3	(27.1)	117.2	9.9
Total	5,754.9	5,680.7	74.1	5,850.4	(95.4)

1. Includes two-week maturity deposits

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

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

	Q1 FY2014 (3 months)	Q1 FY2013 (3 months)	FY2013 (12 months)
Return on assets <sup>1</sup>	0.9% <sup>5</sup>	0.6% <sup>5</sup>	0.5%
Return on equity <sup>2</sup>	12.1% <sup>5</sup>	8.2% <sup>5</sup>	6.5%
Return on equity (fully diluted) <sup>3</sup>	12.1% <sup>5</sup>	8.2% <sup>5</sup>	6.5%
Cash basis return on assets <sup>1</sup>	0.9% <sup>5</sup>	0.7% <sup>5</sup>	0.5%
Cash basis return on equity <sup>2,4</sup>	14.0% <sup>5</sup>	10.4% <sup>5</sup>	8.3%
Cash basis return on equity (fully diluted) <sup>3,4</sup>	14.0% <sup>5</sup>	10.4% <sup>5</sup>	8.3%
Expense-to-revenue ratio <sup>6,7</sup>	60.5%	64.7%	65.4%

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)

< Basel 3, Domestic Standard <sup>1</sup> >

(Billions of yen, except percentages)

	June 30 2014 (a)	June 30 2013 (b)	Change (Amount) (a)-(b)	March 31 2014 (c)	Change (Amount) (a)-(c)
Core capital: instruments and reserves	898.4			889.5	8.8
Core capital: regulatory adjustments	(68.2)			(71.9)	3.6
Capital	830.1			817.6	12.5
Total amount of Risk-weighted assets	5,867.5			6,016.7	(149.2)
Capital ratio	14.14%			13.58%	

1. Calculated according to F-IRB.

Consolidated total required capital is ¥534.8 billion as at June 30, 2014 and ¥550.3 billion as at March 31, 2014.

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

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

(Yen)

	Q1 FY2014 (3 months)	Q1 FY2013 (3 months)	Change (Amount)	FY2013 (12 months)	Change (Amount)
Common equity	253.54	236.25	17.28	247.82	5.72
Fully diluted equity	253.54	236.25	17.28	247.82	5.72
Basic net income	7.53	4.81	2.71	15.59	
Diluted net income	7.53	4.81	2.71	15.59	
Cash basis:					
Basic net income	8.28	5.66	2.61	18.78	
Diluted net income	8.28	5.66	2.61	18.78	

For calculation of per share data (Does not include treasury shares) :

Equity:	Number of common shares (Consolidated) <sup>1</sup>	2,653,919,247	2,653,919,247		2,653,919,247	
	Fully diluted number of shares (Consolidated) <sup>1</sup>	2,653,919,247	2,653,924,683		2,653,921,423	
Net income:	Number of common shares (Consolidated) <sup>2</sup>	2,653,919,247	2,653,919,247		2,653,919,247	
	Fully diluted number of shares (Consolidated) <sup>2</sup>	2,653,919,247	2,653,924,683		2,653,921,423	

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.

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

(Billions of yen)

	Q1 FY2014 (3 months)	Q1 FY2013 (3 months)	Change (Amount)	FY2013 (12 months)
<b>Institutional Group:</b>				
Net interest income	7.9	7.1	0.7	27.6
Noninterest income	12.5	11.6	0.9	41.8
<b>Total revenue</b>	<b>20.5</b>	<b>18.8</b>	<b>1.7</b>	<b>69.5</b>
<b>General and administrative expenses</b>	<b>(6.7)</b>	<b>(5.8)</b>	<b>(0.9)</b>	<b>(24.8)</b>
<b>Ordinary business profit</b>	<b>13.7</b>	<b>12.9</b>	<b>0.8</b>	<b>44.6</b>
<b>Net credit costs</b>	<b>2.8</b>	<b>(0.0)</b>	<b>2.8</b>	<b>8.5</b>
<b>Ordinary business profit after net credit costs</b>	<b>16.5</b>	<b>12.8</b>	<b>3.7</b>	<b>53.2</b>
<b>Global Markets Group:</b>				
Net interest income	1.3	1.0	0.2	3.9
Noninterest income	2.3	2.0	0.2	7.3
<b>Total revenue</b>	<b>3.6</b>	<b>3.1</b>	<b>0.5</b>	<b>11.2</b>
<b>General and administrative expenses</b>	<b>(2.2)</b>	<b>(2.1)</b>	<b>(0.0)</b>	<b>(8.9)</b>
<b>Ordinary business profit</b>	<b>1.3</b>	<b>0.9</b>	<b>0.4</b>	<b>2.3</b>
<b>Net credit costs</b>	<b>0.1</b>	<b>0.0</b>	<b>0.1</b>	<b>0.4</b>
<b>Ordinary business profit after net credit costs</b>	<b>1.5</b>	<b>0.9</b>	<b>0.5</b>	<b>2.8</b>
<b>Individual Group:</b>				
Net interest income	21.7	20.6	1.1	85.3
Noninterest income	10.8	10.9	(0.1)	44.0
<b>Total revenue</b>	<b>32.6</b>	<b>31.6</b>	<b>0.9</b>	<b>129.3</b>
<b>General and administrative expenses</b>	<b>(25.7)</b>	<b>(24.4)</b>	<b>(1.2)</b>	<b>(97.3)</b>
<b>Ordinary business profit</b>	<b>6.8</b>	<b>7.1</b>	<b>(0.2)</b>	<b>31.9</b>
<b>Net credit costs</b>	<b>(2.2)</b>	<b>0.3</b>	<b>(2.5)</b>	<b>(9.3)</b>
<b>Ordinary business profit after net credit costs</b>	<b>4.6</b>	<b>7.4</b>	<b>(2.7)</b>	<b>22.6</b>
<b>Corporate/Other<sup>1</sup>:</b>				
Net interest income	(0.2)	(1.8)	1.6	(6.4)
Noninterest income	1.2	(1.1)	2.4	(0.7)
<b>Total revenue</b>	<b>1.0</b>	<b>(3.0)</b>	<b>4.1</b>	<b>(7.1)</b>
<b>General and administrative expenses</b>	<b>(0.2)</b>	<b>(0.1)</b>	<b>(0.1)</b>	<b>(1.6)</b>
<b>Ordinary business profit (loss)</b>	<b>0.8</b>	<b>(3.2)</b>	<b>4.0</b>	<b>(8.8)</b>
<b>Net credit costs</b>	<b>(0.0)</b>	<b>(0.1)</b>	<b>0.1</b>	<b>0.0</b>
<b>Ordinary business profit after net credit costs</b>	<b>0.8</b>	<b>(3.3)</b>	<b>4.1</b>	<b>(8.8)</b>
<b>Total:</b>				
Net interest income	30.9	26.9	3.9	110.5
Noninterest income	26.9	23.5	3.4	92.5
<b>Total revenue</b>	<b>57.8</b>	<b>50.5</b>	<b>7.3</b>	<b>203.0</b>
<b>General and administrative expenses</b>	<b>(35.0)</b>	<b>(32.6)</b>	<b>(2.3)</b>	<b>(132.8)</b>
<b>Ordinary business profit</b>	<b>22.8</b>	<b>17.8</b>	<b>5.0</b>	<b>70.1</b>
<b>Net credit costs</b>	<b>0.7</b>	<b>0.0</b>	<b>0.6</b>	<b>(0.2)</b>
<b>Ordinary business profit after net credit costs</b>	<b>23.5</b>	<b>17.9</b>	<b>5.6</b>	<b>69.8</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.



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

(Billions of yen)

	Q1 FY2014 (3 months)	Q1 FY2013 (3 months)	Change (Amount)	FY2013 (12 months)
<b>Institutional Business Sub-Group - Institutional Business<sup>2</sup>:</b>				
Net interest income	2.9	2.4	0.4	9.4
Noninterest income	0.3	0.7	(0.3)	3.2
<b>Total revenue</b>	<b>3.3</b>	<b>3.2</b>	<b>0.1</b>	<b>12.7</b>
<b>General and administrative expenses</b>	<b>(1.7)</b>	<b>(1.6)</b>	<b>(0.1)</b>	<b>(6.4)</b>
<b>Ordinary business profit</b>	<b>1.6</b>	<b>1.6</b>	<b>(0.0)</b>	<b>6.2</b>
<b>Net credit costs</b>	<b>0.2</b>	<b>0.4</b>	<b>(0.2)</b>	<b>2.0</b>
<b>Ordinary business profit after net credit costs</b>	<b>1.8</b>	<b>2.1</b>	<b>(0.2)</b>	<b>8.3</b>
<b>Institutional Business Sub-Group - Structured Finance<sup>2</sup>:</b>				
Net interest income	4.0	4.0	0.0	15.6
Noninterest income	2.3	2.7	(0.4)	8.1
<b>Total revenue</b>	<b>6.4</b>	<b>6.7</b>	<b>(0.3)</b>	<b>23.7</b>
<b>General and administrative expenses</b>	<b>(1.3)</b>	<b>(1.1)</b>	<b>(0.1)</b>	<b>(4.7)</b>
<b>Ordinary business profit</b>	<b>5.1</b>	<b>5.5</b>	<b>(0.4)</b>	<b>19.0</b>
<b>Net credit costs</b>	<b>1.2</b>	<b>(1.3)</b>	<b>2.5</b>	<b>8.0</b>
<b>Ordinary business profit after net credit costs</b>	<b>6.3</b>	<b>4.2</b>	<b>2.1</b>	<b>27.0</b>
<b>Principal Transactions Sub-Group:</b>				
Net interest income	1.5	1.3	0.2	5.2
Noninterest income	5.7	4.1	1.6	12.6
<b>Total revenue</b>	<b>7.3</b>	<b>5.4</b>	<b>1.8</b>	<b>17.9</b>
<b>General and administrative expenses</b>	<b>(1.4)</b>	<b>(0.9)</b>	<b>(0.5)</b>	<b>(4.2)</b>
<b>Ordinary business profit</b>	<b>5.8</b>	<b>4.5</b>	<b>1.3</b>	<b>13.7</b>
<b>Net credit costs</b>	<b>0.1</b>	<b>0.0</b>	<b>0.1</b>	<b>0.2</b>
<b>Ordinary business profit after net credit costs</b>	<b>6.0</b>	<b>4.5</b>	<b>1.4</b>	<b>13.9</b>
<b>Showa Leasing:</b>				
Net interest income	(0.5)	(0.6)	0.0	(2.4)
Noninterest income	3.6	3.9	(0.2)	17.6
<b>Total revenue</b>	<b>3.0</b>	<b>3.3</b>	<b>(0.2)</b>	<b>15.1</b>
<b>General and administrative expenses</b>	<b>(1.9)</b>	<b>(1.9)</b>	<b>(0.0)</b>	<b>(8.2)</b>
<b>Ordinary business profit</b>	<b>1.1</b>	<b>1.4</b>	<b>(0.2)</b>	<b>6.9</b>
<b>Net credit costs</b>	<b>1.2</b>	<b>1.2</b>	<b>0.0</b>	<b>2.6</b>
<b>Ordinary business profit after net credit costs</b>	<b>2.3</b>	<b>2.6</b>	<b>(0.2)</b>	<b>9.5</b>
<b>Others:</b>				
Net interest income	(0.0)	(0.0)	(0.0)	(0.2)
Noninterest income	0.4	0.1	0.3	0.1
<b>Total revenue</b>	<b>0.3</b>	<b>0.0</b>	<b>0.3</b>	<b>(0.1)</b>
<b>General and administrative expenses</b>	<b>(0.3)</b>	<b>(0.2)</b>	<b>(0.0)</b>	<b>(1.1)</b>
<b>Ordinary business profit (loss)</b>	<b>0.0</b>	<b>(0.2)</b>	<b>0.2</b>	<b>(1.2)</b>
<b>Net credit costs</b>	<b>(0.0)</b>	<b>(0.4)</b>	<b>0.4</b>	<b>(4.4)</b>
<b>Ordinary business profit after net credit costs</b>	<b>(0.0)</b>	<b>(0.6)</b>	<b>0.6</b>	<b>(5.6)</b>
<b>Institutional Group:</b>				
Net interest income	7.9	7.1	0.7	27.6
Noninterest income	12.5	11.6	0.9	41.8
<b>Total revenue</b>	<b>20.5</b>	<b>18.8</b>	<b>1.7</b>	<b>69.5</b>
<b>General and administrative expenses</b>	<b>(6.7)</b>	<b>(5.8)</b>	<b>(0.9)</b>	<b>(24.8)</b>
<b>Ordinary business profit</b>	<b>13.7</b>	<b>12.9</b>	<b>0.8</b>	<b>44.6</b>
<b>Net credit costs</b>	<b>2.8</b>	<b>(0.0)</b>	<b>2.8</b>	<b>8.5</b>
<b>Ordinary business profit after net credit costs</b>	<b>16.5</b>	<b>12.8</b>	<b>3.7</b>	<b>53.2</b>

1. Net of consolidation adjustments, if applicable.

2. In accordance with the organizational changes implemented on April 1, 2013, results of shipping finance have been transferred from Institutional Banking to Structured Finance.

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

The Shinsei Bank Group provides a wide range of financial products and services to its institutional and individual customers through the Institutional Group, the Global Markets Group and the Individual Group. In businesses for institutional customers, the Institutional Group engages primarily in the provision of corporate and public sector finance and solutions, and the Global Markets Group engages primarily in promoting the financial markets and financial institution client businesses.

#### **Institutional Group:**

The Institutional Group reporting segments consist of: 1) Institutional Business Sub-Group which provides financial products and services to corporate and public entities, and also provides structured finance businesses such as real estate finance and project finance, 2) Principal Transactions Sub-Group which engages in credit trading and private equity business, 3) Showa Leasing Co., Ltd. (Showa Leasing) and 4) Others which includes asset-backed investments.

It should be noted the Structured Finance Sub-Group was integrated into the Institutional Business Sub-Group as per the organizational changes put into effect on April 1, 2013. Also, as per the restructuring implemented on July 1, 2013, the Shinsei Principal Investments Group was formed through the integration of Shinsei Corporate Investment Limited, Shinsei Investment & Finance Limited, and Shinsei Servicing & Consulting Limited, which come under the umbrella of Shinsei Principal Investments Ltd., and the Bank has transferred the front office operations of the key functions of credit trading and private equity business from the Bank to the consolidated subsidiary.

#### **Total revenue**

Revenue for the Institutional Group of ¥20.5 billion was recorded in the first quarter of fiscal year 2014, firm results compared to ¥18.8 billion in the first quarter of fiscal year 2013. Of this, net interest income was ¥7.9 billion in the first quarter of fiscal year 2014, an increase from ¥7.1 billion in the first quarter of fiscal year 2013. Noninterest income was ¥12.5 billion in the first quarter of fiscal year 2014, an increase from ¥11.6 billion in the first quarter of fiscal year 2013.

In the Institutional Business Sub-Group, a sub-group under the Institutional Group, total revenue from institutional business was ¥3.3 billion in the first quarter of fiscal year 2014 compared to ¥3.2 billion in the first quarter of fiscal year 2013. Continuing efforts were made to identify new customers for corporate lending and cross selling was promoted with a focus on the development and provision of financial products and services tailored to the needs of our customers in order to expand our client base. On the other hand, the total revenue of Structured Finance was ¥6.4 billion in the first quarter of fiscal year 2014 compared to ¥6.7 billion in the first quarter of fiscal year 2013. This decline was due to smaller fee income on

new loan origination, despite steady interest and dividend income.

The Principal Transactions Sub-Group posted total revenue of ¥7.3 billion in the first quarter of fiscal year 2014, an increase from ¥5.4 billion in the first quarter of fiscal year 2013. The Sub-Group's performance, which centers on domestic credit trading operations, continued to be stable.

Total revenue of Others was ¥0.3 billion for the first quarter of fiscal year 2014 compared to ¥0.0 billion (¥26 million) for the same quarter previous year. The increase was due to the impact of losses on asset-backed investments in the first quarter of fiscal year 2014 being less pronounced compared to the first quarter of fiscal year 2013.

#### **Expenses**

General and administrative expenses were ¥6.7 billion in the first quarter of fiscal year 2014 compared to ¥5.8 billion in the first quarter of fiscal year 2013. While efforts to improve efficiency in each business line are being continued, expenses were up due to allocation of management resources into strategic focus areas through measures such as increasing personnel and expanding the business base in order to strengthen profitability.

#### **Net credit costs**

Net credit recoveries were ¥2.8 billion in the first quarter of fiscal year 2014 compared to net credit costs of ¥0.0 billion (¥71 million) in the first quarter of fiscal year 2013. The Group's net credit costs improved due to the absence of new provisioning of large specific reserves for credit losses, the reversal of reserves for loan losses on the disposal of nonperforming loans, improvements in the credit standing of some borrowers, the recording of major recoveries on written-off claims, and improvements in loan loss reserve ratios at subsidiaries.

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

As a result of the preceding, the Institutional Group recorded an ordinary business profit after net credit costs of ¥16.5 billion in the first quarter of fiscal year 2014, a significant increase from ¥12.8 billion in the first quarter of fiscal year 2013.

#### **Showa Leasing**

Showa Leasing recorded ¥2.3 billion of ordinary business profit after net credit costs in the first quarter of fiscal year 2014, a decline from ¥2.6 billion in the first quarter of fiscal year 2013. Total revenue was ¥3.0 billion in the first quarter of fiscal year 2014, down from ¥3.3 billion in the first quarter of fiscal year 2013 as a result of factors such as a decline in transaction fee income. On the other hand, net credit recoveries of ¥1.2 billion were recorded in the first quarter of fiscal year 2014, the same amount as in the first quarter of fiscal year 2013, due to improvements in credit quality of assets and the progression of collections.

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

(Billions of yen)

	Q1 FY2014 (3 months)	Q1 FY2013 (3 months)	Change (Amount)	FY2013 (12 months)
<b>Financial Institutions Sub-Group:</b>				
Net interest income	0.4	0.4	(0.0)	1.5
Noninterest income	0.4	0.5	(0.0)	1.6
<b>Total revenue</b>	<b>0.9</b>	<b>0.9</b>	<b>(0.0)</b>	<b>3.2</b>
<b>General and administrative expenses</b>	<b>(0.5)</b>	<b>(0.5)</b>	<b>(0.0)</b>	<b>(2.1)</b>
<b>Ordinary business profit</b>	<b>0.3</b>	<b>0.4</b>	<b>(0.1)</b>	<b>1.1</b>
<b>Net credit costs</b>	<b>0.1</b>	<b>(0.0)</b>	<b>0.1</b>	<b>0.4</b>
<b>Ordinary business profit after net credit costs</b>	<b>0.4</b>	<b>0.4</b>	<b>0.0</b>	<b>1.5</b>
<b>Markets Sub-Group:</b>				
Net interest income	0.8	0.5	0.2	2.2
Noninterest income	1.2	0.7	0.4	2.6
<b>Total revenue</b>	<b>2.0</b>	<b>1.3</b>	<b>0.7</b>	<b>4.9</b>
<b>General and administrative expenses</b>	<b>(0.8)</b>	<b>(0.8)</b>	<b>(0.0)</b>	<b>(3.2)</b>
<b>Ordinary business profit</b>	<b>1.2</b>	<b>0.5</b>	<b>0.6</b>	<b>1.6</b>
<b>Net credit costs</b>	<b>(0.0)</b>	<b>0.0</b>	<b>(0.0)</b>	<b>(0.0)</b>
<b>Ordinary business profit after net credit costs</b>	<b>1.2</b>	<b>0.5</b>	<b>0.6</b>	<b>1.5</b>
<b>Others:</b>				
Net interest income	0.0	0.0	0.0	0.1
Noninterest income	0.6	0.7	(0.0)	3.0
<b>Total revenue</b>	<b>0.6</b>	<b>0.7</b>	<b>(0.0)</b>	<b>3.1</b>
<b>General and administrative expenses</b>	<b>(0.8)</b>	<b>(0.8)</b>	<b>(0.0)</b>	<b>(3.5)</b>
<b>Ordinary business profit (loss)</b>	<b>(0.2)</b>	<b>(0.0)</b>	<b>(0.1)</b>	<b>(0.4)</b>
<b>Net credit costs</b>	<b>0.0</b>	<b>0.0</b>	<b>(0.0)</b>	<b>0.1</b>
<b>Ordinary business profit after net credit costs</b>	<b>(0.1)</b>	<b>(0.0)</b>	<b>(0.1)</b>	<b>(0.3)</b>
<b>Global Markets Group :</b>				
Net interest income	1.3	1.0	0.2	3.9
Noninterest income	2.3	2.0	0.2	7.3
<b>Total revenue</b>	<b>3.6</b>	<b>3.1</b>	<b>0.5</b>	<b>11.2</b>
<b>General and administrative expenses</b>	<b>(2.2)</b>	<b>(2.1)</b>	<b>(0.0)</b>	<b>(8.9)</b>
<b>Ordinary business profit</b>	<b>1.3</b>	<b>0.9</b>	<b>0.4</b>	<b>2.3</b>
<b>Net credit costs</b>	<b>0.1</b>	<b>0.0</b>	<b>0.1</b>	<b>0.4</b>
<b>Ordinary business profit after net credit costs</b>	<b>1.5</b>	<b>0.9</b>	<b>0.5</b>	<b>2.8</b>

1. Net of consolidation adjustments, if applicable.

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

**Global Markets Group:**

The Global Markets Group reporting segments consists of: 1) Financial Institutions Sub-Group which provides financial products and services for financial institutions, 2) Markets Sub-Group which deals with foreign exchange, derivatives and other capital markets business, and 3) Others which covers asset management, wealth management, and Shinsei Securities' businesses.

**Total revenue**

The Global Markets Group generated total revenue of ¥3.6 billion in the first quarter of fiscal year 2014, compared to ¥3.1 billion in the first quarter of fiscal year 2013. The Group continued efforts to expand the customer base and to develop and provide financial products which meet customers' needs, and the total volume of customer transactions and market related-transactions remained on a stable trend.

The Financial Institutions Sub-Group's total revenue was ¥0.9 billion in the first quarter of fiscal year 2014, flat compared to the first quarter of fiscal year 2013.

The Markets Sub-Group, due to a solid performances in the transaction volume of customer-related transactions and revenue from market related transactions,, recorded total revenue of ¥2.0 billion in the first quarter of fiscal year 2014, an increase from ¥1.3 billion in the first quarter of fiscal year 2013.

Others revenue of the Global Markets Group was ¥0.6 billion in the first quarter of fiscal year 2014, a decrease from ¥0.7 billion in the first quarter of fiscal year 2013.

**Expenses**

The Global Markets Group recorded ¥2.2 billion of general and administrative expenses for the first quarter of fiscal year 2014, compared to ¥2.1 billion in the first quarter of fiscal year 2013. While continuous cost rationalization was promoted across each business line, the allocation of resources to relevant business areas in order to rebuild the client base was increased which resulted in this slight increase in expenses compared to the first quarter of fiscal year 2013.

**Net credit costs**

Net credit recoveries of ¥0.1 billion were recorded in the first quarter of fiscal year 2014, compared to recoveries of ¥0.0 billion (¥16 million) in the first quarter of fiscal year 2013. The Group's performance in this area in the first quarter of fiscal year 2014 was due to collections on major existing claims and the corresponding recording of credit recoveries.

**Ordinary business profit after net credit costs**

As a result of the preceding, the Global Markets Group recorded ¥1.5 billion of ordinary business profit after net credit costs in the first quarter of fiscal year 2014, compared to ¥0.9 billion in the first quarter of fiscal year 2013.

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

(Billions of yen)

	Q1 FY2014 (3 months)	Q1 FY2013 (3 months)	Change (Amount)	FY2013 (12 months)
<b>Retail banking:</b>				
Net interest income	5.9	6.3	(0.4)	25.3
Noninterest income	1.0	2.4	(1.4)	7.0
<b>Total revenue</b>	<b>6.9</b>	<b>8.7</b>	<b>(1.8)</b>	<b>32.4</b>
<b>General and administrative expenses</b>	<b>(8.3)</b>	<b>(8.1)</b>	<b>(0.2)</b>	<b>(31.7)</b>
<b>Ordinary business profit (loss)</b>	<b>(1.4)</b>	<b>0.6</b>	<b>(2.0)</b>	<b>0.6</b>
<b>Net credit costs</b>	<b>(0.0)</b>	<b>0.0</b>	<b>(0.0)</b>	<b>0.0</b>
<b>Ordinary business profit after net credit costs</b>	<b>(1.4)</b>	<b>0.6</b>	<b>(2.1)</b>	<b>0.6</b>
<b>Shinsei Financial and Shinsei Bank Lake <sup>2</sup>:</b>				
Net interest income	12.2	10.2	1.9	44.2
Noninterest income	(0.6)	(0.9)	0.3	(3.3)
<b>Total revenue</b>	<b>11.6</b>	<b>9.2</b>	<b>2.3</b>	<b>40.9</b>
<b>General and administrative expenses</b>	<b>(6.9)</b>	<b>(6.5)</b>	<b>(0.4)</b>	<b>(25.8)</b>
<b>Ordinary business profit</b>	<b>4.6</b>	<b>2.7</b>	<b>1.9</b>	<b>15.1</b>
<b>Net credit costs</b>	<b>0.1</b>	<b>1.6</b>	<b>(1.4)</b>	<b>(2.6)</b>
<b>Ordinary business profit after net credit costs</b>	<b>4.7</b>	<b>4.3</b>	<b>0.4</b>	<b>12.4</b>
<b>SHINKI:</b>				
Net interest income	1.6	1.6	(0.0)	6.7
Noninterest income	(0.1)	(0.1)	0.0	(0.5)
<b>Total revenue</b>	<b>1.5</b>	<b>1.5</b>	<b>0.0</b>	<b>6.1</b>
<b>General and administrative expenses</b>	<b>(1.1)</b>	<b>(1.0)</b>	<b>(0.0)</b>	<b>(4.2)</b>
<b>Ordinary business profit</b>	<b>0.3</b>	<b>0.4</b>	<b>(0.0)</b>	<b>1.8</b>
<b>Net credit costs</b>	<b>(0.2)</b>	<b>(0.0)</b>	<b>(0.2)</b>	<b>(0.1)</b>
<b>Ordinary business profit after net credit costs</b>	<b>0.1</b>	<b>0.4</b>	<b>(0.2)</b>	<b>1.7</b>
<b>APLUS FINANCIAL:</b>				
Net interest income	1.6	2.0	(0.3)	7.5
Noninterest income	10.5	9.6	0.8	40.6
<b>Total revenue</b>	<b>12.1</b>	<b>11.6</b>	<b>0.5</b>	<b>48.1</b>
<b>General and administrative expenses</b>	<b>(9.1)</b>	<b>(8.6)</b>	<b>(0.4)</b>	<b>(34.7)</b>
<b>Ordinary business profit</b>	<b>3.0</b>	<b>3.0</b>	<b>0.0</b>	<b>13.4</b>
<b>Net credit costs</b>	<b>(2.0)</b>	<b>(1.2)</b>	<b>(0.7)</b>	<b>(6.8)</b>
<b>Ordinary business profit after net credit costs</b>	<b>1.0</b>	<b>1.7</b>	<b>(0.7)</b>	<b>6.5</b>
<b>Others <sup>3</sup>:</b>				
Net interest income	0.3	0.3	(0.0)	1.4
Noninterest income	0.0	0.0	(0.0)	0.2
<b>Total revenue</b>	<b>0.3</b>	<b>0.4</b>	<b>(0.0)</b>	<b>1.7</b>
<b>General and administrative expenses</b>	<b>(0.1)</b>	<b>(0.1)</b>	<b>(0.0)</b>	<b>(0.7)</b>
<b>Ordinary business profit</b>	<b>0.2</b>	<b>0.2</b>	<b>(0.0)</b>	<b>0.9</b>
<b>Net credit costs</b>	<b>0.0</b>	<b>0.0</b>	<b>(0.0)</b>	<b>0.2</b>
<b>Ordinary business profit after net credit costs</b>	<b>0.2</b>	<b>0.3</b>	<b>(0.0)</b>	<b>1.1</b>
<b>Individual Group:</b>				
Net interest income	21.7	20.6	1.1	85.3
Noninterest income	10.8	10.9	(0.1)	44.0
<b>Total revenue</b>	<b>32.6</b>	<b>31.6</b>	<b>0.9</b>	<b>129.3</b>
<b>General and administrative expenses</b>	<b>(25.7)</b>	<b>(24.4)</b>	<b>(1.2)</b>	<b>(97.3)</b>
<b>Ordinary business profit</b>	<b>6.8</b>	<b>7.1</b>	<b>(0.2)</b>	<b>31.9</b>
<b>Net credit costs</b>	<b>(2.2)</b>	<b>0.3</b>	<b>(2.5)</b>	<b>(9.3)</b>
<b>Ordinary business profit after net credit costs</b>	<b>4.6</b>	<b>7.4</b>	<b>(2.7)</b>	<b>22.6</b>

1. Net of consolidation adjustments, if applicable.

2. Results for Shinsei Financial and "Shinsei Bank Lake" in the Lake business (started on October 1, 2011) are combined on a management accounting basis.

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)**

(Billions of yen)

	Q1 FY2014 (3 months)	Q1 FY2013 (3 months)	Change (Amount)	FY2013 (12 months)
Retail Banking:	6.9	8.7	(1.8)	32.4
Deposits and debentures net interest income	3.3	4.0	(0.6)	15.6
Deposits and debentures noninterest income	0.2	1.0	(0.7)	2.7
Asset management	1.0	1.4	(0.4)	4.9
Loans	2.2	2.2	0.0	9.0
Shinsei Financial and Shinsei Bank Lake <sup>2</sup>	11.6	9.2	2.3	40.9
SHINKI	1.5	1.5	0.0	6.1
APLUS FINANCIAL	12.1	11.6	0.5	48.1
Others <sup>3</sup>	0.3	0.4	(0.0)	1.7
Total revenue	32.6	31.6	0.9	129.3

1. Net of consolidation adjustments, if applicable.

2. Results for Shinsei Financial and "Shinsei Bank Lake" in the Lake business (started on October 1, 2011) are combined on a management accounting basis.

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:**

The Individual Group consists of Retail Banking, as well as Shinsei Bank Lake, and the subsidiaries Shinsei Financial Co., Ltd., SHINKI Co., Ltd., APLUS FINANCIAL Co., Ltd. and Shinsei Property Finance Co., Ltd.

The Individual Group's ordinary business profit after net credit costs was ¥4.6 billion in the first quarter of fiscal year 2014, compared to ¥7.4 billion in the first quarter of fiscal year 2013.

**Retail Banking**

Total revenue of Retail Banking went from ¥8.7 billion in the first quarter of fiscal year 2013, to ¥6.9 billion in the first quarter of fiscal year 2014. Net interest income totaled ¥5.9 billion in the first quarter of fiscal year 2014, compared to ¥6.3 billion in the first quarter of fiscal year 2013. The housing loan performance continues to be firm, with a net increase in the loan balance and an increase in revenues. However, as a result of net interest income from deposits, including deposits held for liquidity purposes, decreasing due to a decline in market interest rates, total net interest income declined compared to the first quarter of fiscal year 2013. Noninterest income was ¥1.0 billion in the first quarter of fiscal year 2014, compared to ¥2.4 billion in the first quarter of fiscal year 2013. This decline was a result of the profitability of investment product transactions declining compared to the first quarter of fiscal year 2013, despite the Bank's efforts to speedily provide new products that meet the needs of customers.

General and administrative expenses were ¥8.3 billion in the first quarter of fiscal year 2014, an increase from ¥8.1 billion in the first quarter of fiscal year 2013, due to the continued active implementation of initiatives to smoothly carry out the Second Medium Term Management Plan ("MTMP"), while continuing to simultaneously implement various rationalization and efficiency measures, such as reviewing the unit cost of advertising.

Regarding net credit costs, recoveries of ¥0.0 billion (¥3 million) were recorded in the first quarter of fiscal year 2013, compared to ¥0.0 billion (¥77 million) of costs in the first quarter of fiscal year 2014.

As a result of the preceding, ordinary business profit after net credit costs was a loss of ¥1.4 billion in the first quarter of fiscal year 2014, compared to a profit of ¥0.6 billion in the first quarter of fiscal year 2013.

**Shinsei Financial and Shinsei Bank Lake**

Ordinary business profit after net credit costs of Shinsei Financial and Shinsei Bank Lake, after related consolidation adjustments, was ¥4.7 billion in the first quarter of fiscal year 2014, compared to ¥4.3 billion in the first quarter of fiscal year 2013.

Total revenue was ¥11.6 billion in the first quarter of fiscal year 2014, compared to ¥9.2 billion in the first quarter of fiscal year 2013, primarily due to the increase in the total loan balance. The consolidated loan balance of Shinsei Financial and Shinsei Bank Lake is growing stably.

In net credit costs, while phased efforts to strengthen credit management and the structure for loan collections continue, the rate of growth of the total loan balance has increased in the first quarter of fiscal year 2014 compared to the first quarter of fiscal year 2013, and net credit recoveries of ¥0.1 billion were recorded in the first quarter of fiscal year 2014 compared to ¥1.6 billion of net credit recoveries recorded in the first quarter of fiscal year 2013.

**SHINKI**

The ordinary business profit after net credit costs of SHINKI after related consolidation adjustments was ¥0.1 billion in the first quarter of fiscal year 2014, compared to ¥0.4 billion in the first quarter of fiscal year 2013.

**APLUS FINANCIAL**

The ordinary business profit after net credit costs of APLUS FINANCIAL after related consolidation adjustments totaled ¥1.0 billion in the first quarter of fiscal year 2014, a decline from ¥1.7 billion in the first quarter of fiscal year 2013. Total revenue for the first quarter of fiscal year 2014 was ¥12.1 billion, an increase from ¥11.6 billion recorded in the first quarter of fiscal year 2013. Of total revenue, while net interest income was ¥1.6 billion in the first quarter of fiscal year 2014, down from ¥2.0 billion in the first quarter of fiscal year 2013 as a result of the continuing decline in the loan balance, due to an increase in transaction volume in the settlement and shopping credit businesses, noninterest income was ¥10.5 billion in the first quarter of fiscal year 2014, an increase from ¥9.6 billion in the first quarter of fiscal year 2013. Regarding expenses, while we have continued to pursue rationalization and efficiency, general and administrative expenses increased to ¥9.1 billion in the first quarter of fiscal year 2014, from ¥8.6 billion in the first

quarter of fiscal year 2013, due to factors such as systems costs associated with the implementation of measures aimed at expanding services offered to customers and increases in advertising expenses. Additionally, net credit costs were ¥2.0 billion in the first quarter of fiscal year 2014, compared to ¥1.2 billion in the first quarter of fiscal year 2013.

Financial results of Others includes the profits and losses of Shinsei Property Finance Co., Ltd. and the Consumer Finance Sub-Group.

### **Interest Repayment**

Regarding reserves for losses on interest repayment, in fiscal year 2013 the future expected losses associated with interest repayment was reevaluated and an additional ¥15.6 billion of reserves were provisioned in order to address these expected future losses, while no additional reserves were provisioned in the first quarter of fiscal year 2014.

At Shinsei Financial the usage of reserves for losses on interest repayment (intended for interest repayment and principal amortization) was ¥10.0 billion in the first quarter of fiscal year 2014 compared to ¥1.1 billion in the first quarter of fiscal year 2013. This increase in the usage of reserves for losses on interest repayment is the result of the conclusion of the GE Japan, Ltd. indemnity for losses on interest repayment in exchange for a lump sum, cash

payment of ¥175.0 billion from GE Japan, the provisioning of additional reserves for losses on interest repayment of the same magnitude, and the resulting expansion of the claims covered through reserves for losses on interest repayments. In the first quarter of fiscal year 2014 no additional provisions of reserves for losses on interest repayment were made and the total balance of reserves for losses on interest repayment as of June 30, 2014 was ¥177.2 billion compared to ¥187.3 billion as of March 31, 2014.

SHINKI's usage of reserves for losses on interest repayment (intended for interest repayment and principal amortization) totaled ¥1.1 billion in the first quarter of fiscal year 2014, compared to ¥1.3 billion in the first quarter of fiscal year 2013. No additional reserves were made in the first quarter of fiscal year 2014 and the total balance of reserves for losses on interest repayment as of June 30, 2014 was ¥15.1 billion compared to ¥16.2 billion as of March 31, 2014.

APLUS FINANCIAL and its consolidated subsidiaries' usage of reserves for losses on interest repayment (intended for interest repayment and principal amortization) totaled ¥0.7 billion in the first quarter of fiscal year 2014, at the same level as ¥0.7 billion in the first quarter of fiscal year 2013. No additional reserves were made in the first quarter of fiscal year 2014 and the total balance of reserves for losses on interest repayment as of June 30, 2014 was ¥3.8 billion compared to ¥4.6 billion as of March 31, 2014.

Corporate/Other<sup>1</sup>-Table 24- (Consolidated)

(Billions of yen)

	Q1 FY2014 (3 months)	Q1 FY2013 (3 months)	Change (Amount)	FY2013 (12 months)
<b>Treasury Sub-Group :</b>				
Net interest income	(0.2)	(1.0)	0.8	(3.3)
Noninterest income	1.1	(1.2)	2.4	(1.0)
<b>Total revenue</b>	<b>0.9</b>	<b>(2.3)</b>	<b>3.2</b>	<b>(4.4)</b>
<b>General and administrative expenses</b>	<b>(0.4)</b>	<b>(0.3)</b>	<b>(0.0)</b>	<b>(1.5)</b>
<b>Ordinary business profit (loss)</b>	<b>0.5</b>	<b>(2.7)</b>	<b>3.2</b>	<b>(5.9)</b>
<b>Net credit costs</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Ordinary business profit after net credit costs</b>	<b>0.5</b>	<b>(2.7)</b>	<b>3.2</b>	<b>(5.9)</b>
<b>Corporate/Other (excluding Treasury Sub-Group)<sup>1</sup> :</b>				
Net interest income	(0.0)	(0.8)	0.8	(3.1)
Noninterest income	0.1	0.0	0.0	0.3
<b>Total revenue</b>	<b>0.1</b>	<b>(0.7)</b>	<b>0.8</b>	<b>(2.7)</b>
<b>General and administrative expenses</b>	<b>0.1</b>	<b>0.2</b>	<b>(0.0)</b>	<b>(0.1)</b>
<b>Ordinary business profit (loss)</b>	<b>0.2</b>	<b>(0.4)</b>	<b>0.7</b>	<b>(2.8)</b>
<b>Net credit costs</b>	<b>(0.0)</b>	<b>(0.1)</b>	<b>0.1</b>	<b>0.0</b>
<b>Ordinary business profit after net credit costs</b>	<b>0.2</b>	<b>(0.6)</b>	<b>0.9</b>	<b>(2.8)</b>
<b>Corporate/Other<sup>1</sup> :</b>				
Net interest income	(0.2)	(1.8)	1.6	(6.4)
Noninterest income	1.2	(1.1)	2.4	(0.7)
<b>Total revenue</b>	<b>1.0</b>	<b>(3.0)</b>	<b>4.1</b>	<b>(7.1)</b>
<b>General and administrative expenses</b>	<b>(0.2)</b>	<b>(0.1)</b>	<b>(0.1)</b>	<b>(1.6)</b>
<b>Ordinary business profit (loss)</b>	<b>0.8</b>	<b>(3.2)</b>	<b>4.0</b>	<b>(8.8)</b>
<b>Net credit costs</b>	<b>(0.0)</b>	<b>(0.1)</b>	<b>0.1</b>	<b>0.0</b>
<b>Ordinary business profit after net credit costs</b>	<b>0.8</b>	<b>(3.3)</b>	<b>4.1</b>	<b>(8.8)</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.

Corporate/Other figures include the results of the Treasury Sub-Group, which governs the ALM for the Bank overall.

Corporate/Other's total revenue was a profit of ¥1.0 billion in the first quarter of fiscal year 2014, compared to a loss of ¥3.0 billion in the first quarter of fiscal year 2013. Net interest income was a loss of ¥0.2 billion in the first quarter of fiscal year 2014, a substantial improvement compared to a loss of ¥1.8 billion in the first quarter of fiscal year 2013. This improvement was partly the result of improvements in funding costs associated with the maturation of high interest rate time deposits which is reflected in the performance of Corporate/Other through internal funds transfers. Regarding noninterest income, a profit of ¥1.2 billion was recorded in the first quarter of fiscal year 2014 compared to a loss of ¥1.1 billion in the first quarter of fiscal year 2013. While a loss of ¥1.4 billion associated with the sale of JGBs was recorded in the first quarter of fiscal year 2013, as a result of efforts to mitigate interest rate risk arising from volatility in the financial markets in the same period, a profit of ¥0.6 billion associated with the sale of bonds including government bonds was recorded in the first quarter of fiscal year 2014 resulting from timely operations.



## **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, advisory business and real estate-related nonrecourse, 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 nonlife insurance (through partner institutions) and home mortgages.
<b>Shinsei Financial</b>	"Shinsei Financial" provides consumer finance products and services and guarantee services (Shinsei Financial, Shinsei Bank Lake, SHINKI).
<b>APLUS FINANCIAL</b>	"APLUS FINANCIAL" provides installment sales credit, credit cards, guarantees, financing and settlement services.
<b>Other Individual Group</b>	The "Other Individual Group" consists of profit and loss attributable to the Consumer Finance Sub-Group and other subsidiaries.
<b>Corporate/Other:</b>	"Corporate/Other" includes company-wide accounts which are not included in our reportable segments, allocation variance of indirect expense and elimination amount of inter-segment transactions.
<b>Treasury</b>	The "Treasury Sub-Group" undertakes ALM related operations and includes gains and losses from equity and subordinated debt financing activities.

## Consolidated Balance Sheets (Consolidated)

### Assets

	(Millions of yen)				
	June 30 2014 (a)	June 30 2013 (b)	Change (Amount) (a)-(b)	March 31 2014 (c)	Change (Amount) (a)-(c)
<b>&lt;&lt;Assets&gt;&gt;</b>					
Cash and due from banks	1,385,902	481,784	904,118	1,451,492	(65,589)
Call loans and bills bought	62,448	-	62,448	36,451	25,996
Receivables under resale agreements	53,216	58,510	(5,294)	53,216	-
Receivables under securities borrowing transactions	16,575	40,856	(24,281)	23,651	(7,076)
Other monetary claims purchased	96,879	105,454	(8,575)	105,857	(8,978)
Trading assets	274,376	304,441	(30,065)	249,115	25,260
Monetary assets held in trust	186,911	228,645	(41,734)	199,117	(12,206)
Securities	1,653,257	1,871,582	(218,324)	1,557,020	96,237
Loans and bills discounted	4,217,003	4,232,998	(15,995)	4,319,830	(102,827)
Foreign exchanges	24,288	26,860	(2,571)	25,656	(1,368)
Lease receivables and leased investment assets	223,974	204,053	19,921	227,764	(3,789)
Other assets	984,970	784,063	200,906	724,963	260,006
Premises and equipment	48,149	51,450	(3,300)	50,143	(1,993)
Intangible assets	54,708	64,977	(10,268)	57,643	(2,934)
Goodwill	27,431	33,678	(6,246)	28,949	(1,517)
Asset for retirement benefit	2,838	/	/	1,567	1,270
Deferred issuance expenses for debentures	26	56	(30)	32	(6)
Deferred tax assets	16,168	17,124	(955)	16,519	(350)
Customers' liabilities for acceptances and guarantees	353,740	485,595	(131,855)	358,414	(4,674)
Reserve for credit losses	(116,522)	(147,149)	30,626	(137,358)	20,836
<b>Total assets</b>	<b>9,538,914</b>	<b>8,811,306</b>	<b>727,607</b>	<b>9,321,103</b>	<b>217,810</b>

## Liabilities and Equity

(Millions of yen)

	June 30 2014 (a)	June 30 2013 (b)	Change (Amount) (a)-(b)	March 31 2014 (c)	Change (Amount) (a)-(c)
<b>&lt;&lt;Liabilities&gt;&gt;</b>					
Deposits	5,627,765	5,526,411	101,354	5,733,223	(105,458)
Negotiable certificates of deposit	127,216	154,378	(27,161)	117,223	9,992
Debentures	40,136	49,594	(9,458)	41,747	(1,610)
Call money and bills sold	392,028	120,098	271,929	180,000	212,028
Payables under securities lending transactions	278,839	41,234	237,605	317,599	(38,760)
Trading liabilities	236,867	265,010	(28,142)	218,585	18,282
Borrowed money	672,792	587,951	84,840	643,431	29,360
Foreign exchanges	21	37	(16)	37	(16)
Short-term corporate bonds	106,200	100,500	5,700	86,900	19,300
Corporate bonds	175,619	187,912	(12,293)	177,248	(1,628)
Other liabilities	576,990	559,363	17,627	497,804	79,185
Accrued employees' bonuses	2,616	2,330	286	7,782	(5,166)
Accrued directors' bonuses	21	15	5	67	(46)
Reserve for employees' retirement benefits	/	7,380	/	/	/
Liability for retirement benefit	13,246	/	/	10,116	3,130
Reserve for directors' retirement benefits	74	119	(44)	119	(44)
Reserve for losses on interest repayments	196,255	31,695	164,560	208,201	(11,945)
Deferred tax liabilities	8	9	(1)	9	(0)
Acceptances and guarantees	353,740	485,595	(131,855)	358,414	(4,674)
<b>Total liabilities</b>	<b>8,800,439</b>	<b>8,119,638</b>	<b>680,800</b>	<b>8,598,512</b>	<b>201,927</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	161,538	117,414	44,123	146,002	15,535
Treasury stock, at cost	(72,558)	(72,558)	-	(72,558)	-
Total shareholders' equity	680,646	636,522	44,123	665,110	15,535
<b>Accumulated other comprehensive income:</b>					
Unrealized gain (loss) on available-for-sale securities	6,898	(2,420)	9,318	6,288	609
Deferred gain (loss) on derivatives under hedge accounting	(9,382)	(9,043)	(338)	(8,769)	(612)
Foreign currency translation adjustments	12	1,950	(1,938)	267	(255)
Accumulated adjustments for retirement benefit	(5,286)	/	/	(5,195)	(90)
Total accumulated other comprehensive income	(7,758)	(9,513)	1,755	(7,409)	(348)
Stock acquisition rights	1,220	1,208	11	1,221	(1)
Minority interests	64,366	63,450	915	63,667	698
<b>Total equity</b>	<b>738,474</b>	<b>691,668</b>	<b>46,806</b>	<b>722,590</b>	<b>15,883</b>
<b>Total liabilities and equity</b>	<b>9,538,914</b>	<b>8,811,306</b>	<b>727,607</b>	<b>9,321,103</b>	<b>217,810</b>

**Consolidated Statements of Income (Consolidated)**

(Millions of yen)

	Q1 FY2014 (3 months)	Q1 FY2013 (3 months)	Change (Amount)	FY2013 (12 months)
<b>Ordinary income</b>	<b>98,299</b>	93,493	4,806	375,232
Interest income	36,916	35,831	1,084	143,270
Interest on loans and bills discounted	31,648	31,491	156	124,400
Interest and dividends on securities	4,527	3,647	880	15,694
Other interest income	739	692	47	3,176
Fees and commissions income	10,189	11,410	(1,220)	43,603
Trading income	3,700	3,620	79	16,517
Other business income	38,050	35,229	2,821	142,640
Other ordinary income	9,442	7,401	2,041	29,200
<b>Ordinary expenses</b>	<b>76,941</b>	78,446	(1,505)	331,085
Interest expenses	6,015	8,836	(2,821)	32,752
Interest on deposits	3,168	5,667	(2,499)	20,358
Interest on borrowings	1,163	1,267	(104)	4,964
Interest on corporate bonds	1,327	1,453	(126)	5,940
Other interest expenses	356	448	(91)	1,487
Fees and commissions expenses	5,371	5,696	(325)	21,165
Trading losses	108	98	9	2,542
Other business expenses	24,623	25,183	(559)	100,438
General and administrative expenses	37,885	35,891	1,994	144,814
Amortization of goodwill	1,517	1,711	(194)	6,441
Amortization of intangible assets acquired in business combinations	760	878	(118)	3,305
Other general and administrative expenses	35,607	33,300	2,306	135,067
Other ordinary expenses	2,937	2,739	197	29,371
Provision of reserve for credit losses	952	1,375	(423)	6,279
Other	1,984	1,363	620	23,092
<b>Ordinary profit</b>	<b>21,358</b>	15,046	6,311	44,147
Extraordinary gains	350	30	319	3,879
Extraordinary losses	222	550	(328)	2,006
<b>Income before income taxes and minority interests</b>	<b>21,486</b>	14,526	6,959	46,020
Income taxes (benefit)	681	931	(249)	1,668
<b>Income before minority interests</b>	<b>20,804</b>	13,595	7,209	44,351
Minority interests in net income of subsidiaries	809	814	(4)	2,976
<b>Net income</b>	<b>19,994</b>	12,780	7,214	41,374

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

(Millions of yen)

	Q1 FY2014 (3 months)	Q1 FY2013 (3 months)	Change (Amount)	FY2013 (12 months)
Income before minority interests	20,804	13,595	7,209	44,351
Other comprehensive income				
Unrealized gain (loss) on available-for-sale securities	604	(6,258)	6,863	2,803
Deferred gain (loss) on derivatives under hedge accounting	(612)	2,562	(3,174)	2,835
Foreign currency translation adjustments	(363)	779	(1,142)	(655)
Adjustments for retirement benefit	556	/	/	/
Share of other comprehensive income in affiliates	15	39	(23)	(153)
Other comprehensive income	200	(2,878)	3,079	4,830
Comprehensive income	21,005	10,717	10,288	49,181
(Breakdown)				
Attributable to:				
Owners of the parent	20,294	9,572	10,721	45,466
Minority interests	711	1,144	(433)	3,715

## Consolidated Composition of Capital Disclosure (Consolidated)

<Basel 3, Domestic Standard<sup>1</sup>>

Millions of yen (except percentages)

	June 30 2014	Amounts excluded under transitional arrangements
<b>Core capital: instruments and reserves</b>		
Directly issued qualifying common share capital or preferred share capital with a compulsory conversion clause plus related capital surplus and retained earnings	680,646	
of which: capital and capital surplus	591,666	
of which: retained earnings	161,538	
of which: treasury stock (-)	(72,558)	
of which: earning to be distributed (-)	-	
of which: other than above	-	
Accumulated other comprehensive income (amount allowed to be included in Core capital)	12	△ 5,286
of which: foreign currency translation adjustment	12	
of which: amount related defined benefit	-	△ 5,286
Stock acquisition right to common shares and preferred shares with a compulsory conversion clause	1,220	
Adjusted minority interests (amount allowed to be included in Core capital)	-	
Total of reserves included in Core capital: instruments and reserves	2,848	
of which: general reserve for loan losses included in Core capital	2,848	
of which: eligible provision included in Core capital	-	
Eligible noncumulative perpetual preferred shares subject to transitional arrangements (amount allowed to be included in Core capital: instruments and reserves)	-	
Eligible capital instruments subject to transitional arrangements (amount allowed to be included in Core capital: instruments and reserves)	210,307	
Capital instruments issued through measures for capital enhancement by public institutions (amount allowed to be included in Core capital: instruments and reserves)	-	
Land revaluation excesses after 55% discount (amount allowed to be included in Core capital: instruments and reserves)	-	
Minority interests subject to transitional arrangements (amount allowed to be included in Core capital: instruments and reserves)	3,418	
<b>Core capital: instruments and reserves</b>	<b>898,453</b>	
<b>Core capital: regulatory adjustments</b>		
Total amount of intangible assets (excluding those relating to mortgage servicing rights)	32,851	12,135
of which: goodwill (including those equivalent)	27,431	-
of which: other intangibles other than goodwill and mortgage servicing rights	5,419	12,135
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	6,796
Shortfall of eligible provisions to expected losses	25,905	-
Gain on sale of securitization	9,497	-
Gains and losses due to changes in own credit risk on fair valued liabilities	-	-
Net defined benefit asset	-	1,826
Investments in own shares (excluding those reported in the net assets section)	-	0
Reciprocal cross-holdings in common equity	-	-
Investments in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation ("Other Financial Institutions"), net of eligible short positions, where the bank does not own more than 10% of the issued share capital (amount above the 10% threshold)	-	-
Amount exceeding the 10% threshold on specific items	-	-
of which: significant investments in the common stock of Other Financial Institutions, net of eligible short positions	-	-
of which: mortgage servicing rights	-	-
of which: deferred tax assets arising from temporary differences (net of related tax liability)	-	-
Amount exceeding the 15% threshold on specific items	-	-
of which: significant investments in the common stock of Other Financial Institutions, net of eligible short positions	-	-
of which: mortgage servicing rights	-	-
of which: deferred tax assets arising from temporary differences (net of related tax liability)	-	-
<b>Core capital: regulatory adjustments</b>	<b>68,255</b>	
<b>Capital (consolidated)</b>	<b>830,198</b>	
<b>Risk-weighted assets</b>		
Total amount of credit risk-weighted assets	5,384,076	
of which: total amount included in risk-weighted assets by transitional arrangements	(27,052)	
of which: intangible assets (excluding those relating to goodwill and mortgage servicing rights)	12,135	
of which: deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	6,796	
of which: net defined benefit asset	1,826	
of which: significant investments in the common stock of Other Financial Institutions (net of eligible short positions)	(47,812)	
of which: other than above	0	
Market risk (divided by multiplying the capital requirement by 12.5)	138,948	
Operational risk (divided by multiplying the capital requirement by 12.5)	344,483	
Credit risk adjustments	-	
Operational risk adjustments	-	
<b>Total amount of Risk-weighted assets</b>	<b>5,867,508</b>	
<b>Capital ratio (consolidated)</b>	<b>14.14%</b>	

1. Calculated according to F-IRB.

## Section 2. Nonconsolidated Information

### Results of Operations -Table 25- (Nonconsolidated)

	(Billions of yen)			
	Q1 FY2014 (3 months)	Q1 FY2013 (3 months)	Change (Amount)	FY2013 (12 months)
Net interest income	24.2	21.2	3.0	80.9
Noninterest income	8.6	5.9	2.7	17.9
Net fees and commissions <sup>1</sup>	6.5	2.8	3.6	7.9
Net trading income	1.8	1.5	0.3	5.3
Net other business income	0.2	1.5	(1.2)	4.6
<b>Total revenue<sup>1</sup></b>	<b>32.8</b>	<b>27.1</b>	<b>5.7</b>	<b>98.9</b>
Personnel expenses	(5.7)	(5.0)	(0.6)	(21.5)
Nonpersonnel expenses	(11.6)	(11.0)	(0.5)	(44.0)
Taxes	(1.1)	(0.8)	(0.2)	(3.4)
<b>General and administrative expenses</b>	<b>(18.4)</b>	<b>(16.9)</b>	<b>(1.5)</b>	<b>(69.0)</b>
<b>Net business profit<sup>1</sup></b>	<b>14.3</b>	<b>10.1</b>	<b>4.2</b>	<b>29.8</b>
<b>Other gains (losses)</b>				
Gains (losses) on the sales of equities	0.0	1.1	(1.1)	3.2
Net provision of reserve for credit losses <sup>2</sup>	2.4	(1.4)	3.9	7.2
Losses on write-off of loans	(0.4)	(0.2)	(0.2)	(2.0)
Recoveries of written-off claims	0.9	0.1	0.7	1.9
Expenses for employees' retirement benefits	(0.5)	(0.6)	0.0	(2.3)
Other losses, expenses	0.2	(0.4)	0.6	(0.3)
<b>Net ordinary income</b>	<b>17.1</b>	<b>8.7</b>	<b>8.3</b>	<b>37.6</b>
<b>Special gains (losses)</b>				
Gains (losses) from sales of fixed assets	(0.2)	(0.5)	0.3	(1.7)
Other special gains (losses)	(0.2)	0.0	(0.2)	(0.1)
<b>Income before income taxes</b>	<b>16.6</b>	<b>8.2</b>	<b>8.4</b>	<b>35.8</b>
<b>Income taxes</b>				
Current	(0.0)	0.1	(0.1)	0.3
Deferred	0.0	0.0	(0.0)	0.2
<b>Net income</b>	<b>16.7</b>	<b>8.4</b>	<b>8.2</b>	<b>36.4</b>

1. Includes income from monetary assets held in trust of ¥7.0 billion in Q1 FY2014, ¥0.7 billion in Q1 FY2013 and ¥3.8 billion in FY2013.

2. Reversals of general reserve for loan losses was ¥2.4 billion in Q1 FY2014 and ¥7.2 billion in FY2013.

Provision of reserve for loan losses was ¥1.4 billion in Q1 FY2013.

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

The gap between nonconsolidated basis net income and consolidated basis net income results from factors such as 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 consolidated subsidiaries.

It should be noted, gains (losses) on the sale of equities and impairments are recorded as other business income in the consolidated financial statements, reflecting the nature of the transaction. However, in the above nonconsolidated information, the same transactions are recorded as other gains (losses) in accordance with reporting requirements of the Revitalization Plan.

Total revenue of Shinsei Bank was ¥32.8 billion on a nonconsolidated basis in the first quarter of fiscal year 2014 compared to ¥27.1 billion in the first quarter of fiscal year 2013. Net interest income on a nonconsolidated basis was ¥24.2 billion in the first quarter of fiscal year 2014, an increase from ¥21.2 billion in the first quarter of fiscal year 2013. In addition to the maturation of high interest rate time deposits, growth of net interest income from the consumer finance business and dividend income from securities more than offset a decrease in the dividends received from

subsidiaries (¥6.3 billion in the first quarter of fiscal year 2013 (¥5.4 billion from Shinsei Financial and ¥0.8 billion from Showa Leasing) to ¥4.8 billion in the first quarter of fiscal year 2014 (¥2.9 billion from Shinsei Financial, ¥1.0 billion from Shinsei Trust and Banking and ¥0.8 billion from Showa Leasing). On the other hand, due to the absence of losses incurred in our ALM operations on the sale of JGBs in the first quarter of fiscal year 2013 as well as stable income in the Institutional Group in the first quarter of fiscal year 2014, noninterest income rose from ¥5.9 billion in the first quarter of fiscal year 2013 to ¥8.6 billion in the first quarter of fiscal year 2014.

General and administrative expenses were ¥18.4 billion in the first quarter of fiscal year 2014, an increase from ¥16.9 billion in the first quarter of fiscal year 2013. This was due to costs incurred in the active implementation of measures aimed at smoothly carrying out the Second MTMP.

As a result of the preceding, Shinsei Bank recorded a nonconsolidated net business profit of ¥14.3 billion for the first quarter of fiscal year 2014, an increase from ¥10.1 billion for the first quarter of fiscal year 2013. Furthermore, there were improvements in credit costs, and net income for the first quarter of fiscal year 2014 was ¥16.7 billion, a significant increase from ¥8.4 billion recorded in the first quarter of fiscal year 2013.

## Net Credit Costs -Table 26- (Nonconsolidated)

(Billions of yen)

	Q1 FY2014 (3 months)	Q1 FY2013 (3 months)	Change (Amount)	FY2013 (12 months)
Losses on write-off of loans	(0.4)	(0.2)	(0.2)	(2.0)
Net provision of reserve for loan losses	2.4	(1.4)	3.9	7.2
Net provision of general reserve for loan losses	1.5	(0.5)	2.0	7.5
Net provision of specific reserve for loan losses	0.9	(0.9)	1.8	(0.2)
Recoveries of written-off claims	0.9	0.1	0.7	1.9
<b>Net credit costs</b>	<b>2.9</b>	<b>(1.5)</b>	<b>4.4</b>	<b>7.2</b>

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

## Interest-Earning Assets and Interest-Bearing Liabilities -Table 27- (Nonconsolidated)

(Billions of yen, except percentages)

	Q1 FY2014 (3 months)			Q1 FY2013 (3 months)			FY2013 (12 months)		
	Average balance	Interest	Yield/rate <sup>2</sup> (%)	Average balance	Interest	Yield/rate <sup>2</sup> (%)	Average balance	Interest	Yield/rate <sup>2</sup> (%)
<b>Interest-earning assets:</b>									
Loans and bills discounted	4,088.3	19.1	1.88	4,197.4	17.7	1.70	4,141.7	71.8	1.73
Securities	2,104.4	10.0	1.92	2,406.7	10.9	1.83	2,267.6	36.9	1.62
Other interest-earning assets <sup>3, 4</sup>	387.9	0.8	n.m. <sup>1</sup>	376.2	0.8	n.m. <sup>1</sup>	391.6	3.6	n.m. <sup>1</sup>
<b>Total interest-earning assets</b>	<b>6,580.7</b>	<b>30.1</b>	<b>1.83</b>	<b>6,980.5</b>	<b>29.6</b>	<b>1.70</b>	<b>6,801.0</b>	<b>112.4</b>	<b>1.65</b>
<b>Interest-bearing liabilities:</b>									
Deposits, including negotiable certificates of deposit	5,936.5	3.2	0.21	5,963.6	5.7	0.38	6,016.7	20.6	0.34
Debentures	41.1	0.0	0.13	122.0	0.0	0.30	64.8	0.1	0.23
Borrowed money	371.9	0.5	0.64	361.4	0.6	0.74	359.5	2.5	0.71
Subordinated debt	67.4	0.4	2.71	92.3	0.5	2.21	88.3	1.9	2.25
Other borrowed money	304.5	0.1	0.18	269.0	0.1	0.23	271.1	0.5	0.21
Corporate bonds	221.4	2.1	3.81	227.4	2.2	3.93	235.2	9.1	3.87
Subordinated bonds	216.9	2.1	3.89	222.5	2.2	4.01	230.3	9.0	3.94
Other corporate bonds	4.5	0.0	0.21	4.9	0.0	0.29	4.8	0.0	0.26
Other interest-bearing liabilities <sup>3</sup>	754.0	0.1	n.m. <sup>1</sup>	587.8	0.1	n.m. <sup>1</sup>	602.9	0.5	n.m. <sup>1</sup>
<b>Total interest-bearing liabilities</b>	<b>7,325.2</b>	<b>6.1</b>	<b>0.33</b>	<b>7,262.5</b>	<b>8.8</b>	<b>0.48</b>	<b>7,279.5</b>	<b>32.9</b>	<b>0.45</b>
<b>Net interest income/yield on interest-earning assets</b>	<b>6,580.7</b>	<b>24.0</b>	<b>1.46</b>	<b>6,980.5</b>	<b>20.7</b>	<b>1.19</b>	<b>6,801.0</b>	<b>79.5</b>	<b>1.16</b>

(1) n.m. is not meaningful.

(2) Percentages have been rounded from the third decimal place.

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

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

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



**Risk-Monitored Loans -Table 28- (Nonconsolidated)**

(Billions of yen)

	June 30 2014	June 30 2013	Change (Amount)	March 31 2014	Change (Amount)
	(a)	(b)	(a)-(b)	(c)	(a)-(c)
Loans to bankrupt obligors	3.6	8.5	(4.9)	7.2	(3.5)
Nonaccrual delinquent loans	112.4	185.6	(73.2)	138.6	(26.2)
Loans past due for three months or more	1.0	1.0	(0.0)	0.9	0.0
Restructured loans	3.7	4.2	(0.4)	3.8	(0.0)
<b>Total (A)</b>	<b>120.8</b>	<b>199.5</b>	<b>(78.6)</b>	<b>150.7</b>	<b>(29.8)</b>
<b>Loans and bills discounted (B)</b>	<b>3,985.5</b>	<b>4,193.5</b>	<b>(208.0)</b>	<b>4,235.7</b>	<b>(250.2)</b>
Ratio to total loans and bills discounted (A/B) (%)	3.03%	4.76%		3.56%	
<b>Reserve for credit losses (C)</b>	<b>63.9</b>	<b>94.6</b>	<b>(30.7)</b>	<b>83.5</b>	<b>(19.6)</b>
Reserve ratio (C/A) (%)	52.9%	47.4%		55.4%	

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

**Loans by Borrower Industry -Table 29- (Nonconsolidated)**

(Billions of yen)

	June 30 2014	June 30 2013	Change (Amount)	March 31 2014	Change (Amount)
	(a)	(b)	(a)-(b)	(c)	(a)-(c)
Domestic (excluding Japan offshore market accounts):					
Manufacturing	200.3	228.9	(28.5)	208.9	(8.5)
Agriculture and forestry	0.1	0.2	(0.0)	0.1	-
Fishery	0.0	-	0.0	0.0	(0.0)
Mining, quarrying and gravel extraction	0.0	0.1	(0.1)	0.1	(0.1)
Construction	7.3	9.9	(2.6)	7.6	(0.2)
Electric power, gas, heat supply and water supply	178.4	133.4	45.0	170.1	8.3
Information and communications	36.8	29.8	6.9	39.4	(2.5)
Transportation and postal service	185.8	213.2	(27.3)	191.1	(5.3)
Wholesale and retail	77.4	70.6	6.7	87.2	(9.8)
Finance and insurance	741.6	1,072.4	(330.8)	949.4	(207.8)
Real estate	506.7	551.5	(44.8)	560.2	(53.5)
Services	375.5	369.6	5.9	378.4	(2.8)
Local government	101.5	109.1	(7.5)	104.3	(2.7)
Individuals	1,335.5	1,210.6	124.9	1,310.4	25.0
Overseas yen loans and overseas loans booked domestically	197.6	162.3	35.3	198.1	(0.4)
<b>Total domestic</b>	<b>3,945.2</b>	<b>4,162.2</b>	<b>(217.0)</b>	<b>4,205.9</b>	<b>(260.6)</b>
Overseas (including Japan offshore market accounts):					
Governments	1.5	1.8	(0.3)	1.5	0.0
Financial institutions	0.2	0.9	(0.6)	0.5	(0.2)
Commerce and industry	38.4	28.5	9.9	27.7	10.7
Others	-	-	-	-	-
<b>Total overseas</b>	<b>40.2</b>	<b>31.3</b>	<b>8.9</b>	<b>29.7</b>	<b>10.4</b>
<b>Total</b>	<b>3,985.5</b>	<b>4,193.5</b>	<b>(208.0)</b>	<b>4,235.7</b>	<b>(250.2)</b>

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

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

(Billions of yen)

	June 30 2014 (a)	June 30 2013 (b)	Change (Amount) (a)-(b)	March 31 2014 (c)	Change (Amount) (a)-(c)
Domestic (excluding Japan offshore market accounts):					
Manufacturing	1.1	6.5	(5.4)	5.6	(4.5)
Agriculture and forestry	-	-	-	-	-
Fishery	-	-	-	-	-
Mining, quarrying and gravel extraction	-	-	-	-	-
Construction	-	-	-	-	-
Electric power, gas, heat supply and water supply	-	-	-	-	-
Information and communications	0.5	1.6	(1.1)	0.5	-
Transportation and postal service	-	2.9	(2.9)	2.9	(2.9)
Wholesale and retail	0.3	0.1	0.1	0.3	0.0
Finance and insurance	4.6	41.9	(37.3)	21.9	(17.3)
Real estate	73.9	104.3	(30.3)	74.6	(0.6)
Services	25.5	28.1	(2.6)	25.4	0.0
Local government	-	-	-	-	-
Individuals	3.3	4.1	(0.7)	3.5	(0.1)
Overseas yen loans and overseas loans booked domestically	11.4	9.4	1.9	15.6	(4.2)
<b>Total domestic</b>	<b>120.8</b>	<b>199.5</b>	<b>(78.6)</b>	<b>150.7</b>	<b>(29.8)</b>
Overseas (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>120.8</b>	<b>199.5</b>	<b>(78.6)</b>	<b>150.7</b>	<b>(29.8)</b>

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

**Claims Classified under the Financial Revitalization Law -Table 31- (Nonconsolidated)**

(Billions of yen)

	June 30 2014 (a)	June 30 2013 (b)	Change (Amount) (a)-(b)	March 31 2014 (c)	Change (Amount) (a)-(c)
Claims against bankrupt and quasi-bankrupt obligors	13.8	34.8	(20.9)	13.2	0.6
Doubtful claims	116.2	176.3	(60.0)	146.7	(30.4)
Substandard claims	4.8	5.2	(0.4)	4.9	(0.0)
<b>Total (A)</b>	<b>134.9</b>	<b>216.4</b>	<b>(81.4)</b>	<b>164.7</b>	<b>(29.8)</b>
Coverage ratio	95.9%	96.3%		95.3%	
<b>Total claims (B)</b>	<b>4,318.1</b>	<b>4,511.2</b>	<b>(193.0)</b>	<b>4,328.3</b>	<b>(10.1)</b>
Loans and bills discounted	3,985.5	4,193.5	(208.0)	4,235.7	(250.2)
Others	332.6	317.6	15.0	92.6	240.0
Ratio to total claims (A/B) X 100 (%)	3.12%	4.80%		3.81%	
(Ref. 1) Amount of write-off	53.3	63.1	(9.7)	63.5	(10.1)
(Ref. 2) Below need caution level	221.8	419.0	(197.1)	273.5	(51.6)

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

**Coverage Ratios for Nonperforming Claims Classified under the Financial Revitalization Law -Table 32- (Nonconsolidated)**

(Billions of yen, except percentages)

June 30, 2014					
Amounts of coverage					
Amounts of claims	Total	Reserve for loan losses	Collateral and guarantees	Coverage ratio	
Claims against bankrupt and quasi-bankrupt obligors	13.8	13.8	-	13.8	100.0%
Doubtful claims	116.2	112.2	40.5	71.7	96.5%
Substandard claims	4.8	3.3	1.8	1.5	68.4%
<b>Total</b>	<b>134.9</b>	<b>129.3</b>	<b>42.3</b>	<b>87.0</b>	<b>95.9%</b>

(Billions of yen, except percentages)

June 30, 2013					March 31, 2014					
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	34.8	34.8	-	34.8	100.0%	13.2	13.2	-	13.2	100.0%
Doubtful claims	176.3	170.4	60.6	109.8	96.7%	146.7	140.3	58.4	81.9	95.6%
Substandard claims	5.2	3.1	1.1	2.0	58.9%	4.9	3.5	1.9	1.6	71.8%
<b>Total</b>	<b>216.4</b>	<b>208.3</b>	<b>61.7</b>	<b>146.6</b>	<b>96.3%</b>	<b>164.7</b>	<b>157.0</b>	<b>60.3</b>	<b>96.7</b>	<b>95.3%</b>

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

**Reserve for Credit Losses -Table 33- (Nonconsolidated)**

(Billions of yen)

	June 30 2014 (a)	June 30 2013 (b)	Change (Amount) (a)-(b)	Mar 31 2014 (c)	Change (Amount) (a)-(c)
Reserve for credit losses	60.0	90.7	(30.7)	79.6	(19.6)
General reserve for loan losses	18.2	28.9	(10.6)	19.9	(1.6)
Specific reserve for loan losses	41.7	61.8	(20.0)	59.7	(17.9)
Reserve for loans to restructuring countries	0.0	0.0	-	0.0	-
Specific reserve for other credit losses	3.9	3.9	-	3.9	-
<b>Total reserve for credit losses</b>	<b>63.9</b>	<b>94.6</b>	<b>(30.7)</b>	<b>83.5</b>	<b>(19.6)</b>

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

**Securities Being Held to Maturity -Table 34- (Nonconsolidated)**

(Billions of yen)

	June 30, 2014			June 30, 2013			March 31, 2014		
	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	502.8	504.8	1.9	584.6	587.7	3.1	497.4	499.1	1.7
Japanese corporate bonds	-	-	-	-	-	-	-	-	-
Other	43.2	46.7	3.5	55.6	60.3	4.7	48.2	52.3	4.1
Subtotal	546.0	551.6	5.5	640.3	648.1	7.8	545.6	551.5	5.8
Fair value does not exceed carrying amount									
Japanese national government bonds	-	-	-	-	-	-	-	-	-
Japanese corporate bonds	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>546.0</b>	<b>551.6</b>	<b>5.5</b>	<b>640.3</b>	<b>648.1</b>	<b>7.8</b>	<b>545.6</b>	<b>551.5</b>	<b>5.8</b>

**Securities Available for Sale -Table 35- (Nonconsolidated)**
*(Billions of yen)*

	June 30, 2014			June 30, 2013			March 31, 2014		
	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	13.3	8.4	4.9	14.5	7.7	6.7	12.6	8.4	4.1
Domestic bonds	742.4	741.4	1.0	43.4	42.5	0.8	62.0	61.2	0.8
Japanese national government bonds	678	678	0	10.6	10.2	0.3	-	-	-
Japanese local government bonds	0.5	0.5	0.0	0.5	0.5	0.0	0.5	0.5	0.0
Japanese corporate bonds	64.0	63.3	0.6	32.2	31.8	0.4	61.4	60.7	0.7
Other	104.5	100.0	4.4	88.4	83.9	4.5	98.1	93.1	5.0
Foreign securities	98.3	94.4	3.8	85.4	81.2	4.1	92.6	88.1	4.4
Foreign currency denominated foreign corporate and government bonds	60.1	57.5	2.6	43.3	40.6	2.6	46.6	43.6	3.0
Yen-denominated foreign corporate and government bonds	38.1	36.9	1.1	39.9	38.9	0.9	45.0	43.9	1.0
Foreign equity securities and others	0.0	0.0	0.0	2.2	1.6	0.6	0.9	0.5	0.3
Other securities	5.0	4.4	0.6	1.1	0.9	0.2	4.2	3.7	0.5
Other monetary claims purchased	1.1	1.1	0.0	1.7	1.7	0.0	1.3	1.2	0.0
Subtotal	860.3	849.8	10.4	146.4	134.2	12.1	172.8	162.8	10.0
<b>Carrying amount does not exceed amortized/acquisition cost</b>									
Equity securities	1.1	1.4	(0.2)	1.9	2.4	(0.4)	1.1	1.4	(0.3)
Domestic bonds	109.5	110.4	(0.8)	888.9	897.3	(8.4)	683.9	685.0	(1.1)
Japanese national government bonds	80.6	80.6	(0.0)	737.2	743.3	(6.1)	629.3	630.0	(0.7)
Japanese local government bonds	-	-	-	-	-	-	-	-	-
Japanese corporate bonds	28.9	29.7	(0.8)	151.7	154.0	(2.3)	54.5	54.9	(0.4)
Other	20.4	20.6	(0.2)	78.1	79.9	(1.8)	35.4	35.7	(0.3)
Foreign securities	13.1	13.2	(0.0)	76.5	78.3	(1.8)	27.6	27.7	(0.1)
Foreign currency denominated foreign corporate and government bonds	11.9	12.0	(0.0)	72.1	73.8	(1.7)	25.2	25.2	(0.0)
Yen-denominated foreign corporate and government bonds	-	-	-	3.0	3.1	(0.0)	0.9	1.0	(0.0)
Foreign equity securities and others	1.1	1.1	(0.0)	1.3	1.4	(0.0)	1.4	1.4	(0.0)
Other securities	1.4	1.4	(0.0)	1.5	1.5	-	1.9	1.9	(0.0)
Other monetary claims purchased	5.8	6.0	(0.1)	-	-	-	5.8	6.0	(0.1)
Subtotal	131.2	132.5	(1.3)	969.0	979.7	(10.7)	720.4	722.2	(1.8)
<b>Total<sup>1,2</sup></b>	<b>991.5</b>	<b>982.4</b>	<b>9.1</b>	<b>1,115.4</b>	<b>1,114.0</b>	<b>1.4</b>	<b>893.2</b>	<b>885.0</b>	<b>8.2</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 (Nonconsolidated)**
*(Billions of yen)*

	June 30, 2014	June 30, 2013	March 31, 2014
<b>Unrealized gain (loss) before deferred tax on:</b>			
Available-for-sale securities	9.1	1.4	8.2
Interests in available-for-sale securities held by partnerships recorded as securities whose fair value cannot be reliably determined	0.8	0.0	1.5
Securities being held to maturity, reclassified from available-for-sale in the past, under extremely illiquid market conditions	(2.9)	(4.8)	(3.5)
Deferred tax assets (liabilities)	(1.3)	-	(1.0)
<b>Unrealized gain (loss) on available-for-sale securities</b>	<b>5.6</b>	<b>(3.4)</b>	<b>5.1</b>

**Capital Adequacy Data-Table 36- (Nonconsolidated)**

< Basel 3, Domestic Standard<sup>1</sup> >

(Billions of yen, except percentages)

	June 30 2014 (a)	June 30 2013 (b)	Change (Amount) (a)-(b)	March 31 2014 (c)	Change (Amount) (a)-(c)
Core capital: instruments and reserves	929.3			924.3	4.9
Core capital: regulatory adjustments	(31.3)			(34.3)	3.0
Capital	897.9			890.0	7.9
Total amount of Risk-weighted assets	5,562.8			5,801.8	(238.9)
Capital ratio	16.14%			15.34%	

1. Calculated according to F-IRB.

Nonconsolidated total required capital is ¥474.0 billion as at June 30, 2014 and ¥496.1 billion as at March 31, 2014.

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

## Nonconsolidated Balance Sheets (Nonconsolidated)

### Assets

*(Millions of yen)*

	June 30 2014	June 30 2013	Change (Amount)	March 31 2014	Change (Amount)
	(a)	(b)	(a)-(b)	(c)	(a)-(c)
<b>&lt;&lt;Assets&gt;&gt;</b>					
Cash and due from banks	1,324,601	381,083	943,517	1,367,839	(43,237)
Call loans	62,448	-	62,448	36,451	25,996
Receivables under resale agreements	53,216	58,510	(5,294)	53,216	-
Other monetary claims purchased	193,231	194,588	(1,356)	195,287	(2,056)
Trading assets	246,741	242,163	4,578	235,097	11,644
Monetary assets held in trust	135,851	227,817	(91,965)	196,421	(60,569)
Securities	2,069,780	2,304,793	(235,012)	1,977,811	91,969
Valuation allowance for investments	(3,370)	(3,370)	-	(3,370)	-
Loans and bills discounted	3,985,503	4,193,585	(208,081)	4,235,713	(250,209)
Foreign exchanges	24,288	26,860	(2,571)	25,656	(1,368)
Other assets	420,984	462,102	(41,117)	204,706	216,277
Other	420,984	462,102	(41,117)	204,706	216,277
Premises and equipment	19,729	18,898	830	20,042	(313)
Intangible assets	9,010	9,190	(179)	9,485	(475)
Prepaid pension cost	-	1,524	(1,524)	1,830	(1,830)
Deferred issuance expenses for debentures	26	56	(30)	32	(6)
Deferred tax assets	2,449	2,764	(315)	2,458	(8)
Customers' liabilities for acceptances and guarantees	26,843	17,561	9,281	11,616	15,227
Reserve for credit losses	(63,912)	(94,633)	30,720	(83,550)	19,638
<b>Total assets</b>	<b>8,507,423</b>	<b>8,043,496</b>	<b>463,926</b>	<b>8,486,745</b>	<b>20,677</b>

## Liabilities and Equity

(Millions of yen)

	June 30 2014 (a)	June 30 2013 (b)	Change (Amount) (a)-(b)	March 31 2014 (c)	Change (Amount) (a)-(c)
<b>&lt;&lt;Liabilities&gt;&gt;</b>					
Deposits	5,729,119	5,885,917	(156,798)	6,076,993	(347,874)
Negotiable certificates of deposit	127,216	154,378	(27,161)	117,223	9,992
Debentures	40,136	51,794	(11,658)	41,747	(1,610)
Call money	392,028	120,098	271,929	180,000	212,028
Payables under securities lending transactions	263,386	2,000	261,386	300,690	(37,304)
Trading liabilities	222,832	226,083	(3,251)	206,587	16,245
Borrowed money	399,736	345,779	53,957	360,769	38,967
Foreign exchanges	21	239	(218)	37	(16)
Corporate bonds	220,704	236,202	(15,498)	221,891	(1,187)
Other liabilities	370,872	336,728	34,144	265,671	105,201
Income taxes payable	152	138	13	387	(235)
Lease obligations	-	0	(0)	-	-
Asset retirement obligations	7,338	7,176	161	7,396	(58)
Other	363,382	329,412	33,969	257,887	105,494
Accrued employees' bonuses	1,191	1,082	109	4,035	(2,843)
Reserve for retirement benefits	1,497	-	1,497	-	1,497
Acceptances and guarantees	26,843	17,561	9,281	11,616	15,227
<b>Total liabilities</b>	<b>7,795,584</b>	<b>7,377,865</b>	<b>417,718</b>	<b>7,787,262</b>	<b>8,322</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	196,295	157,024	39,271	185,023	11,272
Legal reserve	13,158	12,628	530	12,628	530
Other retained earnings	183,136	144,396	38,740	172,395	10,741
Unappropriated retained earnings	183,136	144,396	38,740	172,395	10,741
Treasury stock, at cost	(72,558)	(72,558)	-	(72,558)	-
Total shareholders' equity	715,407	676,136	39,271	704,135	11,272
<b>Net unrealized gain (loss) and translation adjustments</b>					
Unrealized gain (loss) on available-for-sale securities	5,661	(3,430)	9,091	5,140	520
Deferred gain (loss) on derivatives under hedge accounting	(10,449)	(8,282)	(2,166)	(11,013)	563
Total net unrealized gain (loss) and translation adjustments	(4,788)	(11,713)	6,924	(5,873)	1,084
Stock acquisition rights	1,220	1,208	11	1,221	(1)
<b>Total equity</b>	<b>711,839</b>	<b>665,631</b>	<b>46,207</b>	<b>699,483</b>	<b>12,355</b>
<b>Total liabilities and equity</b>	<b>8,507,423</b>	<b>8,043,496</b>	<b>463,926</b>	<b>8,486,745</b>	<b>20,677</b>

**Nonconsolidated Statements of Income (Nonconsolidated)**

(Millions of yen)

	Q1 FY2014 (3 months)	Q1 FY2013 (3 months)	Change (Amount)	FY2013 (12 months)
<b>Ordinary income</b>	<b>48,516</b>	43,727	4,788	170,404
Interest income	30,144	29,641	503	112,486
Interest on loans and bills discounted	19,178	17,797	1,381	71,891
Interest and dividends on securities	10,079	10,996	(916)	36,904
Other interest income	886	847	38	3,690
Fees and commissions income	3,906	5,790	(1,883)	20,194
Trading income	2,086	1,665	421	8,164
Other business income	1,063	4,287	(3,224)	10,862
Other ordinary income	11,314	2,342	8,972	18,697
<b>Ordinary expenses</b>	<b>31,410</b>	34,948	(3,537)	132,737
Interest expenses	6,120	8,851	(2,730)	32,969
Interest on deposits	3,174	5,672	(2,497)	20,377
Interest on corporate bonds	2,107	2,231	(123)	9,106
Other interest expenses	838	947	(108)	3,486
Fees and commissions expenses	4,468	3,694	773	16,121
Trading losses	229	107	121	2,770
Other business expenses	798	2,743	(1,944)	6,215
General and administrative expenses	19,095	17,638	1,457	71,381
Other ordinary expenses	698	1,913	(1,214)	3,279
<b>Ordinary profit</b>	<b>17,105</b>	8,778	8,326	37,667
Extraordinary gains	1	30	(28)	17
Extraordinary losses	415	530	(115)	1,838
<b>Income before income taxes</b>	<b>16,691</b>	8,278	8,412	35,845
Income taxes (benefit)	(41)	(176)	134	(608)
<b>Net income</b>	<b>16,733</b>	8,454	8,278	36,454



## Nonconsolidated Composition of Capital Disclosure (Nonconsolidated)

<Basel 3, Domestic Standard<sup>1</sup>>

Millions of yen (except percentages)

	June 30 2014	Amounts excluded under transitional arrangements
<b>Core capital: instruments and reserves</b>		
Directly issued qualifying common share capital or preferred share capital with a compulsory conversion clause plus related capital surplus and retained earnings	715,407	
of which: capital and capital surplus	591,670	
of which: retained earnings	196,295	
of which: treasury stock (-)	(72,558)	
of which: earning to be distributed (-)	-	
of which: other than above	-	
Stock acquisition right to common shares and preferred shares with a compulsory conversion clause	1,220	
Total of reserves included in Core capital: instruments and reserves	2,369	
Total of reserves included in Core capital: instruments and reserves	2,369	
of which: eligible provision included in Core capital	-	
Eligible noncumulative perpetual preferred shares subject to transitional arrangements (amount allowed to be included in Core capital: instruments and reserves)	-	
Eligible capital instruments subject to transitional arrangements (amount allowed to be included in Core capital: instruments and reserves)	210,307	
Capital instruments issued through measures for capital enhancement by public institutions (amount allowed to be included in Core capital: instruments and reserves)	-	
Land revaluation excess after 55% discount (amount allowed to be included in Core capital: instruments and reserves)	-	
<b>Core capital: instruments and reserves</b>	<b>929,304</b>	
<b>Core capital: regulatory adjustments</b>		
Total amount of intangible assets (excluding those relating to mortgage servicing rights)	1,738	4,403
of which: goodwill (including those equivalent)	961	-
of which: other intangibles other than goodwill and mortgage servicing rights	776	4,403
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	1,940
Shortfall of eligible provisions to expected losses	20,116	-
Gain on sale of securitization	9,497	-
Gains and losses due to changes in own credit risk on fair valued liabilities	-	-
Prepaid pension cost	-	-
Investments in own shares (excluding those reported in the net assets section)	-	0
Reciprocal cross-holdings in common equity	-	-
Investments in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation ("Other Financial Institutions"), net of eligible short positions, where the bank does not own more than 10% of the issued share capital (amount above the 10% threshold)	-	-
Amount exceeding the 10% threshold on specific items	-	-
of which: significant investments in the common stock of Other Financial Institutions, net of eligible short positions	-	-
of which: mortgage servicing rights	-	-
of which: deferred tax assets arising from temporary differences (net of related tax liability)	-	-
Amount exceeding the 15% threshold on specific items	-	-
of which: significant investments in the common stock of Other Financial Institutions, net of eligible short positions	-	-
of which: mortgage servicing rights	-	-
of which: deferred tax assets arising from temporary differences (net of related tax liability)	-	-
<b>Core capital: regulatory adjustments</b>	<b>31,352</b>	
<b>Capital (nonconsolidated)</b>	<b>897,952</b>	
<b>Risk-weighted assets</b>		
Total amount of credit risk-weighted assets	5,263,835	
of which: total amount included in risk-weighted assets by transitional arrangements	(41,467)	
of which: intangible assets (excluding those relating to goodwill and mortgage servicing rights)	4,403	
of which: deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	1,940	
of which: prepaid pension cost	-	
of which: significant investments in the common stock of Other Financial Institutions (net of eligible short positions)	(47,812)	
of which: other than above	0	
Market risk (divided by multiplying the capital requirement by 12.5)	125,386	
Operational risk (divided by multiplying the capital requirement by 12.5)	173,676	
Credit risk adjustments	-	
Operational risk adjustments	-	
<b>Total amount of Risk-weighted assets</b>	<b>5,562,899</b>	
<b>Capital ratio (non-consolidated)</b>	<b>16.14%</b>	

1. Calculated according to F-IRB.

### Section 3. Earnings Forecast -Table 37- (Consolidated and Nonconsolidated)

(Billions of yen)

(Consolidated)	<b><i>Fiscal year ending</i></b> <b>March 2015</b>	<b><i>Fiscal year ended</i></b> <b>March 2014</b>
	<b>(FY2014)</b>	<b>(FY2013)</b>
	<b>Forecast</b>	<b>Actual</b>
Net income	55.0	41.3
Cash basis net income *	62.0	49.8

(Nonconsolidated)	<b><i>Fiscal year ending</i></b> <b>March 2015</b>	<b><i>Fiscal year ended</i></b> <b>March 2014</b>
	<b>(FY2014)</b>	<b>(FY2013)</b>
	<b>Forecast</b>	<b>Actual</b>
Net business profit	42.0	29.8
Net income	34.0	36.4
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.

\* Net income minus the amortization of goodwill and intangible assets, and the associated reversal of deferred tax liabilities.