

Financial Summary

For the Three Months Ended June 30, 2016



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%.
 - Quarterly information is available in the Quarterly Data Book.

Financial Highlights¹

(Billions of yen, except percentages)

Selected income statement items (Consolidated)	Q1 FY2016 (3 months)	Q1 FY2015 (3 months)	Change (Amount)	FY2015 (12 months)
Net interest income	30.3	31.1	(0.7)	122.3
Noninterest income	25.2	26.8	(1.5)	94.2
Net fees and commissions	5.9	6.2	(0.3)	25.5
Net trading income	2.9	3.2	(0.3)	8.4
Net other business income	16.3	17.2	(0.9)	60.3
Income on lease transactions and installment receivables	9.6	9.5	0.1	39.2
Total revenue	55.6	57.9	(2.3)	216.6
General and administrative expenses	(35.4)	(34.9)	(0.5)	(140.5)
Ordinary business profit	20.1	23.0	(2.8)	76.0
Net credit costs	(8.0)	2.0	(10.1)	(3.7)
Ordinary business profit after net credit costs	12.1	25.0	(12.9)	72.3
Amortization of goodwill and other intangible assets ²	(1.5)	(1.9)	0.3	(7.2)
Other gains	0.1	0.3	(0.2)	(2.1)
Income before income taxes	10.7	23.5	(12.8)	62.8
Current income tax	(2.8)	(1.0)	(1.8)	(1.9)
Deferred income tax	0.3	0.2	0.1	0.5
Profit attributable to noncontrolling interests	(0.0)	(0.1)	0.1	(0.3)
Profit attributable to owners of the parent	8.1	22.5	(14.3)	60.9

(Billions of yen)

Selected balance sheet items (Consolidated)	Jun 30 2016	Mar 31 2016	Change (Amount)
Cash and due from banks	1,384.3	1,129.2	255.1
Securities	1,190.9	1,227.8	(36.9)
Loans and bills discounted	4,547.4	4,562.9	(15.4)
Customers' liabilities for acceptances and guarantees	285.4	280.6	4.8
Reserve for credit losses	(94.5)	(91.7)	(2.8)
Total assets	9,270.4	8,928.7	341.6
Deposits and negotiable certificates of deposit	5,804.5	5,800.9	3.5
Borrowed money	755.4	801.7	(46.3)
Reserve for losses on interest repayments	122.6	133.6	(11.0)
Total liabilities	8,483.2	8,135.6	347.5
Total equity	787.1	793.1	(5.9)

Financial ratios (Consolidated)	Q1 FY2016 (3 months)	Q1 FY2015 (3 months)	FY2015 (12 months)
Net interest margin	2.42%	2.35%	2.40%
ROA ³	0.4%	1.0%	0.7%
ROE ³	4.2%	12.2%	8.1%
RORA ³	0.6%	1.6%	1.1%
Expense-to-revenue ratio	63.7%	60.3%	64.9%

(Billions of yen, except percentages)

Capital adequacy related information (Consolidated) <Basel 3, Domestic Standard>	Jun 30 2016	Mar 31 2016	Change (Amount)
Capital	795.9	809.5	(13.5)
Total amount of risk-weighted assets	5,733.6	5,698.1	35.4
Capital ratio	13.88%	14.20%	

(yen)

Per share data (Consolidated)	Q1 FY2016 (3 months)	Q1 FY2015 (3 months)	Change (Amount)	FY2015 (12 months)
Common equity	296.25	283.96	12.28	294.41
Basic EPS	3.09	8.48	(5.39)	22.96

(Billions of yen, except percentages)

Nonperforming loans (Nonconsolidated)	Jun 30 2016	Mar 31 2016	Change (Amount)
Claims classified under the Financial Revitalization Law	36.0	34.7	1.3
Ratio to total claims	0.82%	0.79%	
Reserve for credit losses	29.0	28.2	0.7
Coverage ratio for nonperforming claims	96.4%	97.9%	

(Billions of yen)

Selected income statement items (Nonconsolidated)	Q1 FY2016 (3 months)	Q1 FY2015 (3 months)	Change (Amount)	FY2015 (12 months)
Net interest income	24.6	24.5	0.0	93.7
Noninterest income	6.0	6.6	(0.6)	15.4
Net fees and commissions	(0.8)	2.4	(3.3)	(0.3)
Net trading income	2.3	1.3	1.0	4.8
Net other business income	4.5	2.8	1.6	10.9
Total revenue	30.6	31.2	(0.5)	109.2
General and administrative expenses	(19.3)	(18.5)	(0.7)	(75.2)
Ordinary business profit	11.3	12.6	(1.2)	33.9
Net credit costs	(1.0)	6.2	(7.2)	20.1
Net income	7.5	19.4	(11.8)	41.5

1. Represents results based on management accounting basis.

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

3. Annualized basis.

The Shinsei Bank Group recorded a consolidated net income of ¥8.1 billion in the first quarter of fiscal year 2016 (April 1, 2016 to June 30, 2016), decreased ¥14.3 billion compared to ¥22.5 billion recorded in the first quarter of fiscal year 2015. This reduction in the first quarter of the current fiscal year compared to the same period of the previous fiscal year is the result of factors such as a reduction in markets related revenue, including revenue associated with the sale of asset management products, due to a decline in investment appetite due to market stagnation, the absence of major revenues recorded in the Institutional Business in the first quarter of fiscal year 2015 as well as the absence of major credit recoveries also recorded in the Institutional Business during the first quarter of fiscal year 2015.

- Total revenue for the first quarter of fiscal year 2016 totaled ¥55.6 billion, decreased ¥2.3 billion compared to the first quarter of fiscal year 2015. Of this amount, net interest income totaled ¥30.3 billion, decreased ¥0.7 billion from the first quarter of fiscal year 2015. This decrease was due to a reduction in dividend income from securities despite an increase in net interest income resulting from the growth of the asset balance of the Consumer Finance business. Additionally, noninterest income totaled ¥25.2 billion in the first quarter of fiscal year 2016, decreased ¥1.5 billion from ¥26.8 billion recorded in the first quarter of fiscal year 2015. This decline compared to the first quarter of fiscal year 2015 was due to factors such as a reduction in markets related revenues, including revenue associated with the sale of asset management products in the Retail Banking business, and the absence of major revenues recorded in the Institutional Business in the first quarter of fiscal year 2015 despite the recording of strong gains on the sale of securities including government bonds in ALM operations.
- Regarding general and administrative expenses, while having continued to promote efficient business operations, the Bank strategically invested management resources in areas such as IT systems and advertising in growth areas in order to expand its business base. As a result, general and administrative expenses of ¥35.4 billion were recorded in the first quarter of fiscal year 2016, increased ¥0.5 billion from ¥34.9 billion recorded in the first quarter of fiscal year 2015.
- Regarding net credit costs (recoveries), the Bank recorded an expense of ¥8.0 billion in the first quarter of fiscal year 2016, increased ¥10.1 billion from recoveries of ¥2.0 billion recorded in the first quarter of fiscal year 2015. This was primarily due to the absence of the major credit recoveries recorded in the first quarter of fiscal year 2015 in the Institutional Business as well as the provisioning of general reserves for loan losses as a result of the steady growth of the loan balance of the Consumer Finance business.
- The balance of loans and bills discounted declined ¥15.4 billion from ¥4,562.9 billion recorded as of March 31, 2016, to ¥4,547.4 billion as of June 30, 2016. While the balances of the Housing Loan and Consumer Finance businesses continued to grow, in institutional lending, competition to seize opportunities to fulfill funding needs of clients remained fierce and there was progression in collections on existing loans resulting in the contraction of the overall balance.
- A net interest margin of 2.42% was recorded in the first quarter of fiscal year 2016, increased from 2.35% recorded in the first quarter of fiscal year 2015. This was due to the increased proportion of loans and bill discounted as a component of interest earning assets due to a decline in the balance of securities, a rise in the overall yield of interest earning assets, as well as the continuing reduction of the rate on interest earning liabilities.
- The Basel 3 domestic standard (grandfathering basis) consolidated core capital adequacy ratio decreased from 14.20% as of March 31, 2016, to 13.88% as of June 30, 2016. The consolidated core capital adequacy ratio declined in the first quarter of fiscal year 2016 as a result of a reduction in core capital due to the early redemption of dated subordinated loans as well as an increase in risk assets due to new real estate nonrecourse loan disbursements. The Bank's Basel 3 international standard (fully loaded basis) Common Equity Tier 1 Capital Ratio decreased from 12.9% as of March 31, 2016, to 12.8% as of June 30, 2016.

- The nonperforming loan balance (nonconsolidated basis) under the Financial Revitalization Law, due in part to factors such as a revision of obligor ratings of a portion of assets currently held by the Bank, increased ¥1.3 billion during the first quarter of fiscal year 2016 to ¥36.0 billion as of June 30, 2016. In addition, the proportion of nonperforming claims to the overall loan balance increased from 0.79% as of March 31, 2016, to 0.82% as of June 30, 2016.

Results of Operations (Consolidated)¹

(Billions of yen)

	Q1 FY2016 (3 months)	Q1 FY2015 (3 months)	Change (Amount)	FY2015 (12 months)
Net interest income	30.3	31.1	(0.7)	122.3
Noninterest income	25.2	26.8	(1.5)	94.2
Net fees and commissions	5.9	6.2	(0.3)	25.5
Net trading income	2.9	3.2	(0.3)	8.4
Net other business income	16.3	17.2	(0.9)	60.3
Income on lease transactions and installment receivables	9.6	9.5	0.1	39.2
Total revenue	55.6	57.9	(2.3)	216.6
General and administrative expenses	(35.4)	(34.9)	(0.5)	(140.5)
Ordinary business profit	20.1	23.0	(2.8)	76.0
Net credit costs	(8.0)	2.0	(10.1)	(3.7)
Ordinary business profit after net credit costs	12.1	25.0	(12.9)	72.3
Amortization of goodwill and other intangible assets²	(1.5)	(1.9)	0.3	(7.2)
Other gains	0.1	0.3	(0.2)	(2.1)
Income before income taxes	10.7	23.5	(12.8)	62.8
Current income tax	(2.8)	(1.0)	(1.8)	(1.9)
Deferred income tax	0.3	0.2	0.1	0.5
Profit attributable to noncontrolling interests	(0.0)	(0.1)	0.1	(0.3)
Profit attributable to owners of the parent	8.1	22.5	(14.3)	60.9

1. Represents results based on management accounting basis.

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

Noninterest income in the table above is comprised of net fees and commissions, net trading income and net other business income.

Net fees and commissions is primarily comprised of domestic real estate nonrecourse finance fee income, fee income such as servicing fees associated with specialty finance and principal transactions, fee income associated with the guarantee and other business in consumer finance and fee income from the sale of products such as mutual funds and insurance.

Net trading income is comprised of derivative related income from transactions with customers, as well as income from proprietary trading undertaken by the Bank.

Net other business income is comprised of income on lease transactions and installment receivables, gains and losses on monetary trusts primarily associated with credit trading of the Principal Transactions business and gains and losses on the sale of securities in ALM operations.

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

(Billions of yen, except percentages)

	Q1 FY2016 (3 months)			Q1 FY2015 (3 months)			FY2015 (12 months)		
	Average Balance	Interest	Yield/rate ¹ (%)	Average Balance	Interest	Yield/rate ¹ (%)	Average Balance	Interest	Yield/rate ¹ (%)
Interest-earning assets⁴ :									
Loans and bills discounted	4,542.1	31.3	2.77	4,413.1	30.9	2.82	4,434.2	124.9	2.82
Lease receivables and leased investment assets / installment receivables ⁴	732.2	9.6	5.29	704.1	9.5	5.43	717.1	39.2	5.47
Securities	1,192.4	2.4	0.83	1,528.3	4.0	1.05	1,336.9	13.3	0.99
Other interest-earning assets ^{2,3}	210.8	0.5	***	326.3	0.5	***	277.8	2.5	***
Interest-earning assets totals (A)⁴	6,677.6	44.0	2.64	6,971.9	45.1	2.60	6,766.2	179.9	2.66
Interest-bearing liabilities:									
Deposits, including negotiable certificates of deposit	5,759.2	1.8	0.13	5,505.6	1.6	0.12	5,624.2	8.4	0.15
Borrowed money	750.1	0.9	0.53	789.7	1.2	0.61	775.6	4.7	0.62
Subordinated debt	38.4	0.2	2.92	58.4	0.4	2.83	56.9	1.6	2.88
Other borrowed money	711.7	0.7	0.40	731.3	0.7	0.43	718.7	3.1	0.44
Corporate bonds	96.6	0.2	1.20	161.5	1.1	2.83	130.8	2.8	2.20
Subordinated bonds	31.4	0.2	2.57	119.1	1.0	3.62	74.7	2.5	3.41
Other corporate bonds	65.2	0.0	0.53	42.3	0.0	0.62	56.0	0.3	0.58
Other interest-bearing liabilities ²	607.1	0.8	***	705.8	0.4	***	611.9	2.2	***
Interest-bearing liabilities totals (B)	7,213.2	3.9	0.22	7,162.7	4.4	0.25	7,142.7	18.3	0.26
Net interest margin (A)-(B)⁴	-	40.0	2.42	-	40.6	2.35	-	161.5	2.40
Noninterest-bearing sources of funds:									
Noninterest-bearing (assets) liabilities, net	(1,315.1)	-	-	(934.0)	-	-	(1,133.5)	-	-
Total equity excluding noncontrolling interests in subsidiaries ⁵	779.6	-	-	743.1	-	-	757.0	-	-
Total noninterest-bearing sources of funds (C)	(535.5)	-	-	(190.8)	-	-	(376.4)	-	-
Sum of total expense on interest-bearing liabilities and noninterest-bearing sources of funds (D)=(B)+(C)	6,677.6	3.9	0.24	6,971.9	4.4	0.26	6,766.2	18.3	0.27
Interest income / yield on interest earning assets (A)-(D)⁴	-	40.0	2.41	-	40.6	2.34	-	161.5	2.39
Reconciliation of total revenue on interest-earning									
Total revenue on interest-earning assets	6,677.6	44.0	2.64	6,971.9	45.1	2.60	6,766.2	179.9	2.66
Less: Income on lease transactions and installment receivables	732.2	9.6	5.29	704.1	9.5	5.43	717.1	39.2	5.47
Total interest income	5,945.3	34.3	2.32	6,267.8	35.5	2.28	6,049.0	140.7	2.33
Total interest expense	-	3.9	-	-	4.4	-	-	18.3	-
Net interest income	-	30.3	-	-	31.1	-	-	122.3	-

1. Percentages have been rounded from the third decimal place.

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

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

4. Includes lease transactions and installment receivables and related yields.

5. Represents a simple average of the balance at the end of the current period and the balance at the end of the previous period.

The line item "Interest income/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 (Consolidated)

(Billions of yen)

	Q1 FY2016 (3 months)	Q1 FY2015 (3 months)	Change (Amount)	FY2015 (12 months)
Institutional Business	7.2	9.3	(2.1)	31.6
Corporate Business	0.9	1.1	(0.1)	5.2
Structured Finance	1.3	1.6	(0.3)	5.1
Principal Transactions	1.5	3.0	(1.4)	2.8
Showa Leasing	3.3	3.5	(0.1)	18.4
Global Markets Business	2.4	3.0	(0.6)	6.0
Markets	1.8	2.0	(0.1)	3.3
Others	0.5	0.9	(0.4)	2.6
Individual Business	11.4	12.5	(1.0)	48.5
Retail Banking	0.6	2.0	(1.3)	5.4
Shinsei Financial and <i>Shinsei Bank Card Loan - Lake</i> ^{1,2}	(0.3)	(0.6)	0.2	(2.0)
APLUS FINANCIAL	11.1	11.0	0.0	44.9
Others	0.0	0.0	(0.0)	0.2
Corporate/Other	4.1	1.8	2.2	8.0
Noninterest income	25.2	26.8	(1.5)	94.2

1. Income of Shinsei Financial and "Shinsei Bank Card Loan - Lake" in the Lake business (started on October 1, 2011) are combined on a management accounting basis.

2. Results for Shinsei Bank Lake and "Shinsei Bank Smart Card Loan Plus" (started on November 9, 2015) are combined on a management accounting basis.

Noninterest income in the Institutional Business in first quarter of fiscal year 2016 totaled ¥7.2 billion, decreased ¥2.1 billion compared to ¥9.3 billion recorded in the first quarter of fiscal year 2015. This reduction was due to factors such as the absence of the major revenues recorded in the Principal Transactions Business in the first quarter of fiscal year 2015.

Noninterest income in the Global Markets Business in the first quarter of fiscal year 2016 totaled ¥2.4 billion, decreased ¥0.6 billion compared to ¥3.0 billion recorded in the first quarter of fiscal year 2015. This decrease was due to soft performances in the Markets business and the securities brokerage business resulting from the recent volatility in markets.

Noninterest income in the Individual Business in the first quarter of fiscal year 2016 totaled ¥11.4 billion, decreased ¥1.0 billion compared to ¥12.5 billion recorded in the first quarter of fiscal year 2015. This was due to factors such as a decrease in revenues related to the sale of asset management products in the Retail Banking business.

Noninterest income in Corporate/Others in the first quarter of fiscal year 2016 totaled ¥4.1 billion, increased ¥2.2 billion compared to the first quarter of fiscal year 2015. This increase was primarily the result of the recording of strong gains on the sale of bonds such as Japanese Government Bonds in ALM operations.

General and Administrative Expenses (Consolidated)

(Billions of yen)

	Q1 FY2016 (3 months)	Q1 FY2015 (3 months)	Change (Amount)	FY2015 (12 months)
Personnel expenses	(14.1)	(14.2)	0.1	(56.9)
Nonpersonnel expenses	(21.3)	(20.6)	(0.6)	(83.5)
Premises expenses	(4.7)	(4.7)	(0.0)	(19.3)
Technology and data processing expenses	(5.0)	(4.6)	(0.3)	(19.3)
Advertising expenses	(2.9)	(2.7)	(0.2)	(10.4)
Consumption, property taxes, etc.	(2.4)	(2.2)	(0.2)	(8.6)
Deposit insurance premium	(0.5)	(0.5)	0.0	(2.0)
Other general and administrative expenses	(5.6)	(5.7)	0.1	(23.7)
General and administrative expenses	(35.4)	(34.9)	(0.5)	(140.5)

Net Credit Costs (Consolidated) ¹

(Billions of yen)

	Q1 FY2016 (3 months)	Q1 FY2015 (3 months)	Change (Amount)	FY2015 (12 months)
Losses on write-off of loans/Losses on sale of loans	(0.4)	(0.2)	(0.2)	(1.3)
Net provision of reserve for loan losses:	(8.9)	0.8	(9.7)	(10.8)
Net provision of general reserve for loan losses	(5.8)	(4.8)	(1.0)	(21.8)
Net provision of specific reserve for loan losses	(3.0)	5.7	(8.7)	11.0
Net provision of specific reserve for other credit losses	-	-	-	0.0
Other credit costs relating to leasing business	0.0	(0.0)	0.0	0.2
Recoveries of written-off claims	1.2	1.4	(0.1)	8.1
Net credit costs	(8.0)	2.0	(10.1)	(3.7)

1. Amounts of losses, net provision and costs are shown in parentheses (minus). Amounts of recoveries and reversals are shown in plus.

Amortization of Goodwill and Other Intangible Assets (Consolidated)

(Billions of yen)

	Q1 FY2016 (3 months)	Q1 FY2015 (3 months)	Change (Amount)	FY2015 (12 months)
Shinsei Financial	(0.8)	(1.1)	0.2	(4.1)
SHINKI	0.0	0.0	-	0.3
APLUS FINANCIAL	-	(0.2)	0.2	(0.8)
Showa Leasing	(0.7)	(0.6)	(0.1)	(2.6)
Others	0.0	0.0	-	0.0
Amortization of goodwill and other intangible assets	(1.5)	(1.9)	0.3	(7.2)

Other Gains (Consolidated)

(Billions of yen)

	Q1 FY2016 (3 months)	Q1 FY2015 (3 months)	Change (Amount)	FY2015 (12 months)
Extraordinary income	(0.2)	0.6	(0.8)	0.7
Net gain on disposal of premises and equipment	0.0	(0.0)	0.0	0.4
Other extraordinary income	(0.2)	0.6	(0.9)	0.2
Provisions of reserve for losses on interest repayment	-	-	-	(2.7)
Shinsei Financial	-	-	-	-
SHINKI	-	-	-	-
APLUS FINANCIAL	-	-	-	(2.7)
Other	-	-	-	-
Other	0.3	(0.2)	0.6	(0.2)
Other gains	0.1	0.3	(0.2)	(2.1)

Profit Attributable to Noncontrolling Interests (Consolidated)

(Billions of yen)

	Q1 FY2016 (3 months)	Q1 FY2015 (3 months)	Change (Amount)	FY2015 (12 months)
Dividends on perpetual preferred securities (hybrid Tier I capital) issued by foreign SPCs	(0.1)	(0.2)	0.1	(0.6)
Others	0.0	0.0	0.0	0.2
Profit attributable to noncontrolling interests	(0.0)	(0.1)	0.1	(0.3)

Business Line Results (Consolidated)

(Billions of yen)

	Q1 FY2016 (3 months)	Q1 FY2015 (3 months)	Change (Amount)	FY2015 (12 months)
Institutional Business:				
Net interest income	5.8	7.0	(1.1)	25.3
Noninterest income	7.2	9.3	(2.1)	31.6
Total revenue	13.1	16.4	(3.3)	56.9
General and administrative expenses	(6.9)	(7.3)	0.3	(29.7)
Ordinary business profit	6.1	9.1	(2.9)	27.2
Net credit costs	(0.7)	7.3	(8.1)	19.8
Ordinary business profit after net credit costs	5.4	16.5	(11.0)	47.0
Global Markets Business:				
Net interest income	0.4	0.3	0.1	1.8
Noninterest income	2.4	3.0	(0.6)	6.0
Total revenue	2.9	3.4	(0.5)	7.8
General and administrative expenses	(1.7)	(1.8)	0.1	(7.3)
Ordinary business profit	1.1	1.5	(0.3)	0.5
Net credit costs	0.0	0.0	0.0	0.3
Ordinary business profit after net credit costs	1.2	1.5	(0.3)	0.9
Individual Business:				
Net interest income	23.9	22.3	1.5	90.7
Noninterest income	11.4	12.5	(1.0)	48.5
Total revenue	35.3	34.8	0.5	139.3
General and administrative expenses	(26.4)	(25.6)	(0.8)	(102.5)
Ordinary business profit	8.9	9.2	(0.2)	36.7
Net credit costs	(7.3)	(5.3)	(2.0)	(23.9)
Ordinary business profit after net credit costs	1.5	3.8	(2.3)	12.7
Corporate/Other¹:				
Net interest income	0.1	1.3	(1.2)	4.3
Noninterest income	4.1	1.8	2.2	8.0
Total revenue	4.2	3.2	0.9	12.4
General and administrative expenses	(0.2)	(0.1)	(0.1)	(0.9)
Ordinary business profit	3.9	3.1	0.8	11.5
Net credit costs	(0.0)	(0.0)	(0.0)	0.0
Ordinary business profit after net credit costs	3.9	3.1	0.8	11.5
Total:				
Net interest income	30.3	31.1	(0.7)	122.3
Noninterest income	25.2	26.8	(1.5)	94.2
Total revenue	55.6	57.9	(2.3)	216.6
General and administrative expenses	(35.4)	(34.9)	(0.5)	(140.5)
Ordinary business profit	20.1	23.0	(2.8)	76.0
Net credit costs	(8.0)	2.0	(10.1)	(3.7)
Ordinary business profit after net credit costs	12.1	25.0	(12.9)	72.3

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.

Segment Information

Effective April 1, 2016, in order to further invigorate the facilitation of inter-Division collaboration within the Shinsei Bank Group as well as to enhance the mobility of the Bank's organization, the Bank retired its "Group" and "Sub-Group" structures and has introduced a new organizational structure under which the "Division" is the fundamental business management unit. Additionally, the Bank has revised its organizational structure through measures such as the reorganization of the segments within the Institutional Business and reportable segments have been changed as follows:

The "Corporate Business" segment of the "Institutional Business" now includes the business of "Shinsei Trust & Banking," previously included in the "Structured Finance" segment, and the business of the "New Business Promotion & Support Department," previously included in the "Principal Transactions" segment. Additionally, the expense allocation methods utilized in the "Institutional Business" have been revised and headquarter function associated expenses previously included within the "Corporate Business" segment have been allocated to the respective segments.

The "SHINKI" segment is now included as "NOLOAN" within the "Shinsei Financial and Shinsei Bank Lake" segment of the "Individual Business."

The operations of the "Financial Research Division," previously included in the "Other Global Markets" segment of the "Global Markets Business," is now included within the "Corporate/Other" segment.

Institutional Business	Focuses primarily on corporate, public and financial sector finance and advisory businesses.
Corporate Business	"Corporate Business" provides financial products and services, advisory services, health care finance and trust services to businesses and public corporations and financial institutions.
Structured Finance	"Structured Finance" provides real estate related nonrecourse and corporate finance, project finance, M&A related finance, and specialty finance.
Principal Transactions	"Principal Transactions" is engaged in the credit trading businesses, private equity, corporate revitalization support business, the provision of business succession and business switching and withdrawal support services and asset-backed investment.
Showa Leasing	"Showa Leasing" primarily provides leasing related financial products and services.

Global Markets Business:	Focuses primarily on financial markets business.
Markets	"Markets" is engaged in foreign exchange, derivatives, equity related and other capital markets transactions.
Others	"Others" consists of the profit and loss attributable to Shinsei Securities, asset management, wealth management and other products and services of the Global Markets Business.

Individual Business:	Focuses on retail financial products and services.
Retail Banking	"Retail Banking" provides financial transactions and services to retail customers such as yen/foreign currency, structured deposits services, investment trust, brokerage service (through a partner institution), life and nonlife insurance (through partner institutions) and housing loans.
Shinsei Financial	"Shinsei Financial" provides consumer finance products and services and guarantee services (Shinsei Financial, Shinsei Bank Lake, NOLOAN).
APLUS FINANCIAL	"APLUS FINANCIAL" provides installment sales credit, credit cards, guarantees, financing and settlement services.
Others	The "Others" consists of profit and loss attributable to unallocated consumer finance business and other subsidiaries.

Corporate/Other:	"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.
Treasury	The "Treasury" undertakes ALM related operations and includes gains and losses from equity and subordinated debt financing activities.

Institutional Business¹ (Consolidated)

(Billions of yen)

	Q1 FY2016 (3 months)	Q1 FY2015 (3 months)	Change (Amount)	FY2015 (12 months)
Corporate Business^{2,3} :				
Net interest income	2.8	2.7	0.1	10.3
Noninterest income	0.9	1.1	(0.1)	5.2
Total revenue	3.7	3.8	(0.0)	15.5
General and administrative expenses	(2.6)	(2.9)	0.2	(11.6)
Ordinary business profit	1.0	0.8	0.1	3.9
Net credit costs	(0.1)	(0.6)	0.5	(0.7)
Ordinary business profit after net credit costs	0.9	0.1	0.7	3.2
Structured Finance^{2,3} :				
Net interest income	2.3	3.1	(0.7)	12.8
Noninterest income	1.3	1.6	(0.3)	5.1
Total revenue	3.7	4.8	(1.0)	17.9
General and administrative expenses	(1.2)	(1.2)	(0.0)	(4.7)
Ordinary business profit	2.5	3.6	(1.1)	13.1
Net credit costs	(0.7)	7.0	(7.7)	20.4
Ordinary business profit after net credit costs	1.7	10.6	(8.8)	33.6
Principal Transactions^{2,3} :				
Net interest income	0.9	1.6	(0.7)	4.3
Noninterest income	1.5	3.0	(1.4)	2.8
Total revenue	2.5	4.7	(2.2)	7.2
General and administrative expenses	(1.0)	(1.1)	0.1	(4.7)
Ordinary business profit	1.5	3.5	(2.0)	2.4
Net credit costs	(0.1)	0.1	(0.2)	(0.2)
Ordinary business profit after net credit costs	1.3	3.6	(2.3)	2.1
Showa Leasing³ :				
Net interest income	(0.2)	(0.4)	0.2	(2.1)
Noninterest income	3.3	3.5	(0.1)	18.4
Total revenue	3.1	3.0	0.0	16.2
General and administrative expenses	(2.0)	(2.0)	(0.0)	(8.5)
Ordinary business profit	1.0	1.0	0.0	7.6
Net credit costs	0.2	0.9	(0.6)	0.4
Ordinary business profit after net credit costs	1.3	1.9	(0.6)	8.0
Institutional Business:				
Net interest income	5.8	7.0	(1.1)	25.3
Noninterest income	7.2	9.3	(2.1)	31.6
Total revenue	13.1	16.4	(3.3)	56.9
General and administrative expenses	(6.9)	(7.3)	0.3	(29.7)
Ordinary business profit	6.1	9.1	(2.9)	27.2
Net credit costs	(0.7)	7.3	(8.1)	19.8
Ordinary business profit after net credit costs	5.4	16.5	(11.0)	47.0

1. Net of consolidation adjustments, if applicable.

2. The "Corporate Business" segment of the "Institutional Business" now includes the business of "Shinsei Trust & Banking," previously included in the "Structured Finance" segment, and the business of the "New Business Promotion & Support Department," previously included in the "Principal Transactions" segment.

3. The expense allocation methods utilized in the "Institutional Business" have been revised and headquarter function associated expenses previously included within the "Corporate Business" segment have been allocated to the respective segments.

Global Markets Business¹ (Consolidated)

(Billions of yen)

	Q1 FY2016 (3 months)	Q1 FY2015 (3 months)	Change (Amount)	FY2015 (12 months)
Markets:				
Net interest income	0.4	0.3	0.1	1.7
Noninterest income	1.8	2.0	(0.1)	3.3
Total revenue	2.3	2.4	(0.0)	5.1
General and administrative expenses	(0.8)	(0.8)	0.0	(3.4)
Ordinary business profit	1.5	1.5	(0.0)	1.6
Net credit costs	0.0	0.0	(0.0)	0.1
Ordinary business profit after net credit costs	1.5	1.5	(0.0)	1.7
Others:				
Net interest income	0.0	0.0	0.0	0.0
Noninterest income	0.5	0.9	(0.4)	2.6
Total revenue	0.5	1.0	(0.4)	2.7
General and administrative expenses	(0.9)	(0.9)	0.0	(3.8)
Ordinary business profit	(0.3)	0.0	(0.3)	(1.1)
Net credit costs	0.0	(0.0)	0.0	0.2
Ordinary business profit after net credit costs	(0.3)	0.0	(0.3)	(0.8)
Global Markets Business:				
Net interest income	0.4	0.3	0.1	1.8
Noninterest income	2.4	3.0	(0.6)	6.0
Total revenue	2.9	3.4	(0.5)	7.8
General and administrative expenses	(1.7)	(1.8)	0.1	(7.3)
Ordinary business profit	1.1	1.5	(0.3)	0.5
Net credit costs	0.0	0.0	0.0	0.3
Ordinary business profit after net credit costs	1.2	1.5	(0.3)	0.9

1. Net of consolidation adjustments, if applicable.

Individual Business (Consolidated)¹

(Billions of yen)

	Q1 FY2016 (3 months)	Q1 FY2015 (3 months)	Change (Amount)	FY2015 (12 months)
Retail banking:				
Net interest income	5.8	5.4	0.4	21.5
Noninterest income	0.6	2.0	(1.3)	5.4
Total revenue	6.5	7.4	(0.9)	27.0
General and administrative expenses	(8.4)	(8.2)	(0.1)	(33.3)
Ordinary business profit	(1.8)	(0.7)	(1.0)	(6.3)
Net credit costs	(0.0)	(0.1)	0.0	(0.1)
Ordinary business profit after net credit costs	(1.9)	(0.9)	(1.0)	(6.4)
Shinsei Financial and Shinsei Bank Lake^{2,3}:				
Net interest income	15.7	14.9	0.7	61.2
Shinsei Bank Lake	8.8	7.3	1.5	31.7
NOLOAN	1.6	1.7	(0.0)	6.9
Noninterest income	(0.3)	(0.6)	0.2	(2.0)
Total revenue	15.3	14.3	1.0	59.1
General and administrative expenses	(8.4)	(8.0)	(0.4)	(32.2)
Ordinary business profit	6.8	6.2	0.6	26.8
Net credit costs	(5.1)	(3.4)	(1.6)	(15.2)
Ordinary business profit after net credit costs	1.7	2.8	(1.0)	11.6
APLUS FINANCIAL :				
Net interest income	2.0	1.6	0.4	6.8
Noninterest income	11.1	11.0	0.0	44.9
Total revenue	13.1	12.6	0.5	51.7
General and administrative expenses	(9.3)	(9.1)	(0.2)	(36.1)
Ordinary business profit	3.8	3.5	0.2	15.6
Net credit costs	(2.1)	(1.9)	(0.2)	(8.7)
Ordinary business profit after net credit costs	1.6	1.6	(0.0)	6.8
Others⁴:				
Net interest income	0.2	0.3	(0.0)	1.1
Noninterest income	0.0	0.0	(0.0)	0.2
Total revenue	0.3	0.3	(0.0)	1.3
General and administrative expenses	(0.2)	(0.1)	(0.0)	(0.7)
Ordinary business profit	0.0	0.1	(0.0)	0.5
Net credit costs	0.0	0.1	(0.1)	0.1
Ordinary business profit after net credit costs	0.1	0.3	(0.2)	0.7
Individual Business:				
Net interest income	23.9	22.3	1.5	90.7
Noninterest income	11.4	12.5	(1.0)	48.5
Total revenue	35.3	34.8	0.5	139.3
General and administrative expenses	(26.4)	(25.6)	(0.8)	(102.5)
Ordinary business profit	8.9	9.2	(0.2)	36.7
Net credit costs	(7.3)	(5.3)	(2.0)	(23.9)
Ordinary business profit after net credit costs	1.5	3.8	(2.3)	12.7

1. Net of consolidation adjustments, if applicable.

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

3. Results for Shinsei Bank Lake and "Shinsei Bank Smart Card Loan Plus" (started on November 9, 2015) are combined on a management accounting basis.

4. Includes Shinsei Property Finance and unallocated consumer finance business financials.

Revenues by Individual Business (Consolidated)¹

(Billions of yen)

	Q1 FY2016 (3 months)	Q1 FY2015 (3 months)	Change (Amount)	FY2015 (12 months)
Retail Banking:	6.5	7.4	(0.9)	27.0
Deposits and debentures net interest income	3.2	2.8	0.4	11.1
Deposits and debentures noninterest income	(0.4)	0.9	(1.3)	0.5
Asset management	1.4	1.4	0.0	6.1
Loans	2.3	2.3	0.0	9.0
Shinsei Financial and Shinsei Bank Card Loan - Lake ^{2,3}	15.3	14.3	1.0	59.1
APLUS FINANCIAL	13.1	12.6	0.5	51.7
Others ⁴	0.3	0.3	(0.0)	1.3
Total revenue	35.3	34.8	0.5	139.3

1. Net of consolidation adjustments, if applicable.

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

3. Results for Shinsei Bank Lake and "Shinsei Bank Smart Card Loan Plus" (started on November 9, 2015) are combined on a management accounting basis.

4. Includes Shinsei Property Finance and unallocated consumer finance business financials.

Corporate/Other (Consolidated)¹

(Billions of yen)

	Q1 FY2016 (3 months)	Q1 FY2015 (3 months)	Change (Amount)	FY2015 (12 months)
Treasury :				
Net interest income	0.1	1.3	(1.2)	4.3
Noninterest income	3.9	1.6	2.3	7.1
Total revenue	4.0	3.0	1.0	11.5
General and administrative expenses	(0.4)	(0.4)	(0.0)	(1.6)
Ordinary business profit	3.6	2.5	1.0	9.8
Net credit costs	0.0	0.0	0.0	0.0
Ordinary business profit after net credit costs	3.6	2.5	1.0	9.8
Corporate/Other (excluding Treasury)¹ :				
Net interest income	(0.0)	(0.0)	0.0	(0.0)
Noninterest income	0.1	0.2	(0.0)	0.8
Total revenue	0.1	0.2	(0.0)	0.8
General and administrative expenses	0.1	0.2	(0.1)	0.7
Ordinary business profit	0.2	0.5	(0.2)	1.6
Net credit costs	(0.0)	(0.0)	(0.0)	0.0
Ordinary business profit after net credit costs	0.2	0.5	(0.2)	1.6
Corporate/Other¹ :				
Net interest income	0.1	1.3	(1.2)	4.3
Noninterest income	4.1	1.8	2.2	8.0
Total revenue	4.2	3.2	0.9	12.4
General and administrative expenses	(0.2)	(0.1)	(0.1)	(0.9)
Ordinary business profit	3.9	3.1	0.8	11.5
Net credit costs	(0.0)	(0.0)	(0.0)	0.0
Ordinary business profit after net credit costs	3.9	3.1	0.8	11.5

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.

Major Balance Sheet Data (Consolidated)

	<i>(Billions of yen)</i>		
	June 30 2016	March 31 2016	Change (Amount)
Loans and bills discounted	4,547.4	4,562.9	(15.4)
Installment receivables	512.1	516.3	(4.2)
Leased assets, lease receivables and leased investment assets	219.1	232.5	(13.4)
Securities	1,190.9	1,227.8	(36.9)
Other monetary claims purchased	74.5	81.7	(7.1)
Other interest earning assets ¹	1,427.2	1,133.4	293.8
Trading assets	381.5	336.3	45.2
Monetary assets held in trust	259.3	255.5	3.8
Goodwill, net	17.1	18.1	(0.9)
Other intangible assets ²	3.7	4.1	(0.4)
Other assets	446.1	370.8	75.3
Customer's liabilities for acceptances and guarantees	285.4	280.6	4.8
Reserve for credit losses	(94.5)	(91.7)	(2.8)
Total assets (includes others)	9,270.4	8,928.7	341.6
Deposits and negotiable certificates of deposit	5,804.5	5,800.9	3.5
Borrowed money	755.4	801.7	(46.3)
Corporate bonds	104.5	95.1	9.4
Other interest bearing liabilities ³	613.8	328.1	285.6
Trading liabilities	340.8	294.3	46.5
Reserve for losses on interest repayments	122.6	133.6	(11.0)
Other liabilities	455.9	401.0	54.8
Acceptances and guarantees	285.4	280.6	4.8
Total liabilities (includes others)	8,483.2	8,135.6	347.5
Total equity	787.1	793.1	(5.9)

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

2. Intangible assets recorded through consolidation of Shinsei Financial and Showa Leasing.

3. Includes call money, payables under repurchase agreements, collateral related to securities lending transactions, debentures and short-term corporate bonds.

Reserve for Credit Losses (Consolidated)

	<i>(Billions of yen)</i>		
	Jun 30 2016	Mar 31 2016	Change (Amount)
General reserve for loan losses	66.7	64.5	2.2
Specific reserve for loan losses	27.7	27.1	0.6
Reserve for loans to restructuring countries	0.0	0.0	-
Total reserve for credit losses	94.5	91.7	2.8

Risk Monitored Loans (Consolidated)

	<i>(Billions of yen)</i>		
	Jun 30 2016	Mar 31 2016	Change (Amount)
Loans to bankrupt obligors	4.3	4.3	0.0
Nonaccrual delinquent loans	61.9	62.3	(0.4)
Loans past due for three months or more	1.6	1.6	(0.0)
Restructured loans	29.2	26.9	2.2
Total (A)	97.2	95.3	1.8
Loans and bills discounted (B)	4,547.4	4,562.9	(15.4)
Ratio to total loans and bills discounted (A/B X 100) (%)	2.14%	2.09%	/
Reserve for credit losses (C)	94.5	91.7	2.8
Reserve ratio (C/A X 100) (%)	97.2%	96.2%	/

Loans by Borrower Industry (Consolidated)

(Billions of yen)

	Jun 30 2016	Mar 31 2016	Change (Amount)
Domestic offices (excluding Japan offshore market accounts):			
Manufacturing	193.9	197.3	(3.3)
Agriculture and forestry	0.0	0.0	(0.0)
Fishery	0.1	0.1	(0.0)
Mining, quarrying and gravel extraction	0.3	0.2	0.1
Construction	10.8	10.5	0.2
Electrical, natural gas and water supply	231.1	235.6	(4.4)
Information and communications	34.7	37.3	(2.5)
Transportation and postal service	182.9	181.4	1.4
Wholesale and retail	95.7	104.3	(8.5)
Finance and insurance	506.9	541.4	(34.4)
Real estate	592.9	608.1	(15.2)
Services	317.7	308.2	9.5
Local government	82.4	79.4	2.9
Others	2,197.1	2,157.9	39.2
Loans to individual customers (retail banking, Shinsei Bank Lake, Shinsei Financial, and APLUS FINANCIAL)	1,848.3	1,806.4	41.9
Total domestic (A)	4,447.1	4,462.2	(15.1)
Overseas offices (including Japan offshore market accounts):			
Governments	0.7	0.7	-
Financial institutions	7.3	8.5	(1.2)
Others	92.1	91.3	0.8
Total overseas (B)	100.2	100.6	(0.3)
Total (A+B)	4,547.4	4,562.9	(15.4)

Securities Being Held to Maturity (Consolidated)

	<i>(Billions of yen)</i>					
	Jun 30, 2016			Mar 31, 2016		
	Carrying amount	Fair value	Unrealized gain (loss)	Carrying amount	Fair value	Unrealized gain (loss)
Fair value exceeds carrying amount						
Japanese national government bonds	515.2	525.1	9.8	535.8	544.2	8.3
Other	13.3	13.7	0.4	23.7	24.4	0.7
Subtotal	528.5	538.8	10.2	559.5	568.6	9.0
Fair value does not exceed carrying amount						
Japanese national government bonds	-	-	-	-	-	-
Other	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-
Total	528.5	538.8	10.2	559.5	568.6	9.0

Securities Available for Sale (Consolidated)

(Billions of yen)

	Jun 30, 2016			Mar 31, 2016		
	Carrying amount (Fair value)	Amortized/ Acquisition cost	Unrealized gain (loss)	Carrying amount (Fair value)	Amortized/ Acquisition cost	Unrealized gain (loss)
Carrying amount exceeds amortized/acquisition cost						
Equity securities	19.2	10.9	8.3	20.0	11.0	8.9
Domestic bonds	200.7	195.1	5.5	231.2	226.7	4.4
Japanese national government bonds	171.4	167.1	4.2	194.3	191.3	2.9
Japanese local government bonds	0.5	0.5	0.0	0.5	0.5	0.0
Japanese corporate bonds	28.8	27.4	1.3	36.4	34.8	1.5
Other	179.2	174.1	5.0	159.0	156.0	3.0
Foreign securities	170.9	166.9	3.9	150.7	148.7	1.9
Foreign currency denominated foreign corporate and government bonds	122.9	121.0	1.9	104.8	103.1	1.7
Yen-denominated foreign corporate and government bonds	45.9	45.4	0.5	45.8	45.6	0.2
Foreign equity securities and others	1.9	0.4	1.5	0.0	0.0	0.0
Other securities	8.1	7.0	1.0	8.0	7.0	1.0
Other monetary claims purchased	0.2	0.2	0.0	0.2	0.2	0.0
Subtotal	399.2	380.2	19.0	410.3	393.9	16.4
Carrying amount does not exceed amortized/acquisition cost						
Equity securities	1.4	1.8	(0.3)	2.0	2.2	(0.2)
Domestic bonds	56.9	57.4	(0.5)	52.6	53.0	(0.4)
Japanese national government bonds	17.2	17.2	(0.0)	19.9	20.0	(0.1)
Japanese local government bonds	-	-	-	-	-	-
Japanese corporate bonds	39.6	40.1	(0.5)	32.7	33.0	(0.2)
Other	131.4	132.9	(1.5)	126.5	127.4	(0.8)
Foreign securities	110.3	111.3	(0.9)	109.8	110.5	(0.7)
Foreign currency denominated foreign corporate and government bonds	48.4	48.7	(0.2)	58.8	59.2	(0.3)
Yen-denominated foreign corporate and government bonds	61.7	62.4	(0.7)	50.7	51.1	(0.3)
Foreign equity securities and others	0.1	0.1	-	0.1	0.1	-
Other securities	7.7	8.1	(0.4)	0.1	0.1	(0.0)
Other monetary claims purchased	13.4	13.4	(0.0)	16.6	16.7	(0.1)
Subtotal	189.8	192.2	(2.3)	181.2	182.7	(1.5)
Total^{1, 2}	589.1	572.5	16.6	591.6	576.6	14.9

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, 2016 and March 31, 2016 were ¥575.5 billion and ¥574.7 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)

	Jun 30, 2016	Mar 31, 2016
Unrealized gain (loss) before deferred tax on:		
Available-for-sale securities	16.6	14.9
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	2.4	2.2
Securities being held to maturity, reclassified from available-for-sale in the past, under extremely illiquid market conditions	(0.5)	(0.7)
Other monetary assets held in trust	(1.0)	(1.0)
(-) Deferred tax liabilities	4.2	3.6
Unrealized gain (loss) on available-for-sale securities before interest adjustments	13.2	11.8
(-) Noncontrolling interests	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	0.1	0.1
Unrealized gain (loss) on available-for-sale securities	13.3	11.9

Deposits (Consolidated)

(Billions of yen)

	Jun 30 2016	Mar 31 2016	Change (Amount)
Deposits	5,470.7	5,499.9	(29.2)
Liquid (current, ordinary, notice) deposits	2,140.9	2,049.2	91.7
Time deposits ¹	2,919.0	3,005.6	(86.6)
Other	410.7	445.1	(34.3)
Negotiable certificates of deposits (NCDs)	333.7	301.0	32.7
Total	5,804.5	5,800.9	3.5

1. Includes two-week maturity deposits

Financial Ratios (Consolidated)

	Q1 FY2016 (3 months)	Q1 FY2015 (3 months)	FY2015 (12 months)
Return on assets ¹	0.4% ⁵	1.0% ⁵	0.7%
Return on equity ²	4.2% ⁵	12.2% ⁵	8.1%
Return on equity (fully diluted) ³	4.2% ⁵	12.2% ⁵	8.1%
Return on risk asset ⁴	0.6% ⁵	1.6% ⁵	1.1%
Expense-to-revenue ratio ^{6,7}	63.7%	60.3%	64.9%

1. Return on assets:

Profit (Losses) Attributable to Owners of the Parent	BOP: beginning of period
(Total assets at the BOP + Total assets at the EOP)/2	EOP: end of period

2. Return on equity:

Profit (Losses) Attributable to Owners of the Parent
(Total equity eligible for common shareholders at the BOP + Total equity eligible for common shareholders at the EOP)/2

3. Return on equity (fully diluted):

Profit (Losses) Attributable to Owners of the Parent
((Total equity at the BOP - Share warrants at the BOP - Noncontrolling interests at the BOP) + (Total equity at the EOP - Share warrants at the EOP - Noncontrolling interests at the EOP))/2

4. Return on Risk Asset:

Profit (Losses) Attributable to Owners of the Parent
Risk-weighted assets at the EOP (Basel 3, international standard fully loaded basis)

5. Annualized basis.

6. Management accounting basis.

7. Expense denotes general and administrative expenses.

Capital Adequacy Related Information (Consolidated)

<Basel 3, Domestic Standard¹>

(Billions of yen, except percentages)

	Jun 30 2016	Mar 31 2016	Change (Amount)
Core capital: instruments and reserves	839.8	855.9	(16.1)
Core capital: regulatory adjustments	(43.8)	(46.4)	2.6
Capital	795.9	809.5	(13.5)
Total amount of Risk-weighted assets	5,733.6	5,698.1	35.4
Consolidated core capital adequacy ratio	13.88%	14.20%	

1. Calculated according to F-IRB.

Consolidated total required capital is ¥501.3billion as at June 30, 2016, ¥501.3billion as at March 31, 2016.

Per Share Data (Consolidated)

(Yen)

	Q1 FY2016 (3 months)	Q1 FY2015 (3 months)	Change (Amount)	FY2015 (12 months)
Common equity	296.25	283.96	12.28	294.41
Fully diluted equity	296.24	283.96	12.27	294.41
Basic EPS	3.09	8.48	(5.39)	22.96
Diluted EPS	3.09	8.48	(5.39)	22.96
For calculation of per share data (Does not include treasury shares) :				
Equity:				
Number of common shares (Consolidated)	2,622,181,147	2,653,918,339		2,653,917,147
Fully diluted number of shares (Consolidated)	2,622,314,606	2,653,923,680		2,653,918,679
EPS				
Number of common shares (Consolidated)	2,647,457,367	2,653,918,339		2,653,918,029
Fully diluted number of shares (Consolidated)	2,647,510,164	2,653,923,680		2,653,919,561

Consolidated Balance Sheets (Unaudited)

(Millions of yen)

	Jun 30 2016	Mar 31 2016	Change (Amount)
<<Assets>>			
Cash and due from banks	1,384,369	1,129,213	255,155
Call loans and bills bought	23,455	—	23,455
Receivables under securities borrowing transactions	19,457	4,243	15,214
Other monetary claims purchased	74,586	81,763	(7,177)
Trading assets	381,581	336,345	45,235
Monetary assets held in trust	259,357	255,526	3,831
Securities	1,190,937	1,227,859	(36,921)
Loans and bills discounted	4,547,434	4,562,923	(15,489)
Foreign exchanges	24,027	17,024	7,002
Lease receivables and leased investment assets	194,742	211,453	(16,710)
Other assets	863,853	799,420	64,433
Premises and equipment	52,094	48,781	3,313
Intangible assets	47,516	48,897	(1,381)
Goodwill	17,176	18,114	(937)
Assets for retirement benefits	3,087	2,394	692
Deferred issuance expenses for debentures	2	3	(0)
Deferred tax assets	12,984	14,050	(1,065)
Customers' liabilities for acceptances and guarantees	285,489	280,620	4,868
Reserve for credit losses	(94,549)	(91,732)	(2,817)
Total assets	9,270,429	8,928,789	341,639
<<Liabilities>>			
Deposits	5,470,720	5,499,992	(29,272)
Negotiable certificates of deposit	333,788	301,001	32,787
Debentures	14,705	16,740	(2,034)
Call money and bills sold	10,000	40,000	(30,000)
Payables under repurchase agreements	17,153	23,779	(6,625)
Payables under securities lending transactions	416,577	118,139	298,438
Trading liabilities	340,882	294,326	46,555
Borrowed money	755,408	801,742	(46,333)
Foreign exchanges	73	75	(1)
Short-term corporate bonds	155,300	129,400	25,900
Corporate bonds	104,542	95,121	9,421
Other liabilities	441,310	380,458	60,852
Accrued employees' bonuses	2,482	8,419	(5,937)
Accrued directors' bonuses	17	77	(59)
Liabilities for retirement benefits	8,941	8,791	149
Reserve for reimbursement of debentures	2,929	2,903	25
Reserve for losses on interest repayments	122,689	133,695	(11,005)
Deferred tax liabilities	245	378	(132)
Acceptances and guarantees	285,489	280,620	4,868
Total liabilities	8,483,260	8,135,665	347,594
<<Equity>>			
Shareholders' equity:			
Common stock	512,204	512,204	—
Capital surplus	78,786	79,461	(675)
Retained earnings	273,227	267,716	5,511
Treasury stock, at cost	(77,559)	(72,559)	(4,999)
Total shareholders' equity	786,659	786,823	(164)
Accumulated other comprehensive income:			
Unrealized gain (loss) on available-for-sale securities	13,368	11,911	1,457
Deferred gain (loss) on derivatives under hedge accounting	(17,980)	(14,770)	(3,209)
Foreign currency translation adjustments	(2,224)	362	(2,586)
Defined retirement benefit plans	(2,986)	(2,970)	(16)
Total accumulated other comprehensive income	(9,822)	(5,466)	(4,355)
Stock acquisition rights	560	512	47
Noncontrolling interests	9,771	11,254	(1,482)
Total equity	787,168	793,124	(5,955)
Total liabilities and equity	9,270,429	8,928,789	341,639

Consolidated Statements of Income (Unaudited)

(Millions of yen)

	Q1 FY2016 (3 months)	Q1 FY2015 (3 months)	Change (Amount)	FY2015 (12 months)
Ordinary income	90,658	94,474	(3,816)	375,732
Interest income	34,356	35,598	(1,242)	140,739
Interest on loans and bills discounted	31,311	30,996	315	124,928
Interest and dividends on securities	2,462	4,005	(1,542)	13,300
Other interest income	581	596	(15)	2,510
Fees and commissions income	11,721	11,610	111	47,357
Trading income	2,975	3,322	(346)	8,598
Other business income	37,327	36,450	877	150,925
Other ordinary income	4,276	7,492	(3,215)	28,111
Ordinary expenses	79,699	71,560	8,139	313,641
Interest expenses	3,957	4,458	(501)	18,394
Interest on deposits	1,812	1,665	146	8,212
Interest on borrowings	982	1,200	(218)	4,792
Interest on corporate bonds	288	1,140	(852)	2,877
Other interest expenses	873	451	422	2,512
Fees and commissions expenses	5,800	5,322	477	21,864
Trading losses	9	43	(34)	170
Other business expenses	22,788	23,969	(1,181)	100,883
General and administrative expenses	37,018	37,118	(100)	148,791
Amortization of goodwill	1,067	1,353	(286)	5,256
Amortization of intangible assets acquired in business combinations	474	592	(118)	2,161
Other general and administrative expenses	35,477	35,172	304	141,373
Other ordinary expenses	10,126	646	9,479	23,537
Provision of reserve for credit losses	8,906	—	8,906	10,802
Other	1,219	646	573	12,734
Ordinary profit	10,958	22,914	(11,955)	62,090
Extraordinary gains	309	710	(400)	1,714
Extraordinary losses	542	81	460	987
Income before income taxes	10,726	23,543	(12,817)	62,817
Income taxes (benefit)	2,494	822	1,672	1,488
Profit	8,231	22,721	(14,489)	61,329
Profit attributable to noncontrolling interests	41	198	(157)	378
Profit attributable to owners of the parent	8,190	22,522	(14,332)	60,951

Consolidated Statements of Comprehensive Income (Unaudited)

(Millions of yen)

	Q1 FY2016 (3 months)	Q1 FY2015 (3 months)	Change (Amount)	FY2015 (12 months)
Profit	8,231	22,721	(14,489)	61,329
Other comprehensive income				
Unrealized gain (loss) on available-for-sale securities	1,365	(133)	1,498	993
Deferred gain (loss) on derivatives under hedge accounting	(3,209)	1,690	(4,899)	(3,269)
Foreign currency translation adjustments	(1,298)	531	(1,829)	(1,474)
Defined retirement benefit plans	(15)	186	(202)	(2,475)
Share of other comprehensive income in affiliates	(1,983)	652	(2,636)	(2,415)
Other comprehensive income	(5,141)	2,927	(8,069)	(8,641)
Comprehensive income	3,089	25,649	(22,559)	52,687
(Breakdown)				
Attributable to:				
Owners of the parent	3,826	25,263	(21,437)	52,988
Noncontrolling interests	(736)	385	(1,122)	(300)

Consolidated Composition of Capital Disclosure

<Basel 3, Domestic Standard¹>

	<i>Millions of yen (except percentages)</i>	
	June 30 2016	Amounts excluded under transitional arrangements
Core capital: instruments and reserves		
Directly issued qualifying common share capital or preferred share capital with a compulsory conversion clause plus related capital surplus and retained earnings	786,659	
of which: capital and capital surplus	590,990	
of which: retained earnings	273,227	
of which: treasury stock (-)	77,559	
of which: earning to be distributed (-)	-	
of which: other than above	-	
Accumulated other comprehensive income (amount allowed to be included in Core capital)	(3,419)	(1,792)
of which: foreign currency translation adjustment	(2,224)	
of which: amount related defined benefit	(1,194)	(1,792)
Stock acquisition right to common shares and preferred shares with a compulsory conversion clause	560	
Adjusted noncontrolling interests (amount allowed to be included in Core capital)	9	
Total of reserves included in Core capital: instruments and reserves	1,119	
of which: general reserve for loan losses included in Core capital	1,119	
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)	52,250	
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)	-	
Noncontrolling interests subject to transitional arrangements (amount allowed to be included in Core capital: instruments and reserves)	2,632	
Core capital: instruments and reserves	839,812	
Core capital: regulatory adjustments		
Total amount of intangible assets (excluding those relating to mortgage servicing rights)	27,108	11,045
of which: goodwill (including those equivalent)	17,176	-
of which: other intangibles other than goodwill and mortgage servicing rights	9,931	11,045
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	2,669	4,003
Shortfall of eligible provisions to expected losses	4,931	-
Gain on sale of securitization	8,253	-
Gains and losses due to changes in own credit risk on fair valued liabilities	-	-
Net defined benefit asset	853	1,280
Investments in own shares (excluding those reported in the net assets section)	3	5
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)	-	-
Core capital: regulatory adjustments	43,820	
Capital (consolidated)	795,991	
Risk-weighted assets, etc.		
Total amount of credit risk-weighted assets	5,175,178	
of which: total amount included in risk-weighted assets by transitional arrangements	9,552	
of which: intangible assets (excluding those relating to goodwill and mortgage servicing rights)	11,045	
of which: deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	4,003	
of which: net defined benefit asset	1,280	
of which: significant investments in the common stock of Other Financial Institutions (net of eligible short positions)	(6,789)	
of which: other than above	12	
Market risk (derived by multiplying the capital requirement by 12.5)	192,576	
Operational risk (derived by multiplying the capital requirement by 12.5)	365,887	
Credit risk-weighted assets adjustments	-	
Operational risk adjustments	-	
Total amount of Risk-weighted assets	5,733,641	
Capital ratio (consolidated)	13.88%	

1. Calculated according to F-IRB.

Results of Operations (Nonconsolidated)

(Billions of yen)

	Q1 FY2016 (3 months)	Q1 FY2015 (3 months)	Change (Amount)	FY2015 (12 months)
Net interest income	24.6	24.5	0.0	93.7
Noninterest income	6.0	6.6	(0.6)	15.4
Net fees and commissions ¹	(0.8)	2.4	(3.3)	(0.3)
Net trading income	2.3	1.3	1.0	4.8
Net other business income	4.5	2.8	1.6	10.9
Total revenue¹	30.6	31.2	(0.5)	109.2
Personnel expenses	(6.7)	(6.7)	(0.0)	(26.6)
Nonpersonnel expenses	(11.0)	(10.5)	(0.5)	(43.5)
Taxes	(1.4)	(1.3)	(0.1)	(5.0)
General and administrative expenses	(19.3)	(18.5)	(0.7)	(75.2)
Net business profit¹	11.3	12.6	(1.2)	33.9
Other gains				
Gains on the sales of equities	(0.0)	0.3	(0.3)	(2.9)
Net provision of reserve for credit losses ²	(0.8)	6.0	(6.9)	17.1
Losses on write-off of loans	(0.2)	(0.0)	(0.2)	(0.4)
Recoveries of written-off claims	0.0	0.1	(0.1)	3.5
Expenses for employees' retirement benefits	(0.0)	(0.2)	0.1	(0.9)
Others	0.1	(0.1)	0.3	(0.8)
Net ordinary income	10.3	18.7	(8.4)	49.3
Extra ordinary profit				
Gains from sales of fixed assets and impairment losses	(0.0)	(0.0)	0.0	(0.5)
Others	(0.5)	0.5	(1.0)	(5.9)
Income before income taxes	9.7	19.2	(9.4)	42.8
Income taxes - Current	(2.2)	0.2	(2.4)	0.6
Income taxes - Deferred	-	0.0	(0.0)	(1.8)
Net income	7.5	19.4	(11.8)	41.5

1. Includes income from monetary assets held in trust of ¥1.0 billion in Q1FY2016, ¥3.2 billion in Q1FY2015 and ¥4.4 billion in FY2015.

2. Provision of reserve for loan losses was ¥0.8 billion in Q1FY2016.

Reversals of reserve for loan losses was ¥6.0 billion in Q1FY2015 and ¥17.1 billion in FY2015.

The difference between nonconsolidated and consolidated basis net income results from factors such as profits or losses at consolidated subsidiaries including Showa Leasing Co., Ltd., Shinsei Financial Co., Ltd., APLUS FINANCIAL Co., Ltd. and SHINKI Co., Ltd., 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 that gains (losses) on the sale of equities and impairments related to equities are recorded as other business income (loss) in the consolidated financial statements, reflecting the nature of the transactions. However, in the preceding explanation of nonconsolidated financial results, the same transactions are included in other gains (losses) in accordance with the reporting format of the Revitalization Plan.

Nonconsolidated total revenue of Shinsei Bank for the first quarter of fiscal year 2016 totaled ¥30.6 billion, decreased ¥0.5 billion compared to the first quarter of fiscal year 2015. Of this, net interest income totaled ¥24.6 billion, a slight increase from the amount recorded in the first quarter of fiscal year 2015. This performance was the result of the absence of significant dividend income from securities investments recorded in the Institutional Business in the previous fiscal year being bridged by an increase in net interest income from the Consumer Finance business. It should be noted that dividend income received from subsidiaries in the first quarter of fiscal year 2016 totaled ¥3.8 billion (¥3.0 billion from Shinsei Financial, ¥0.8 billion from Showa Leasing), the same amount received in the first quarter of fiscal year 2015. Noninterest income totaled ¥6.0 billion, decreased ¥0.6 billion compared to the first quarter of fiscal year 2015. This performance was due to a reduction in markets related revenues including those associated with the sale of asset management products in the Retail Banking business.

General and administrative expenses totaled ¥19.3 billion in the first quarter of fiscal year 2016, increased ¥0.7 billion compared to the first quarter of fiscal year 2015. This was due to factors such as an increase in expenses resulting from the growth of the Consumer Finance business operations within the Bank.

As a result of the preceding factors, Shinsei Bank recorded a nonconsolidated ordinary business profit of ¥11.3 billion in the first quarter of fiscal year 2016, decreased ¥1.2 billion compared to the first quarter of fiscal year 2015. Additionally, due to the absence of the major credit recoveries recorded in the Institutional Business in the first quarter of fiscal year 2015, net credit costs in the first quarter of fiscal year 2016 increased ¥7.2 billion from the previous period to ¥ 1.0 billion, and furthermore, the recording of significantly greater income, residence and corporate taxes compared to the first quarter of fiscal year 2015, resulting in a net income for the first quarter of fiscal year 2016 of ¥7.5 billion, reduced ¥11.8 billion compared to the first quarter of fiscal year 2015.

Interest-Earning Assets and Interest-Bearing Liabilities (Nonconsolidated)

(Billions of yen, except percentages)

	Q1 FY2016 (3 months)			Q1 FY2015 (3 months)			FY2015 (12 months)		
	Average balance	Interest	Yield/rate ¹ (%)	Average balance	Interest	Yield/rate ¹ (%)	Average balance	Interest	Yield/rate ¹ (%)
Interest-earning assets:									
Loans and bills discounted	4,284.7	20.4	1.91	4,184.8	19.6	1.88	4,210.4	80.3	1.90
Securities	1,589.8	6.8	1.72	1,909.5	8.0	1.70	1,726.8	25.9	1.50
Other interest-earning assets ^{2, 3}	269.7	0.6	***	348.4	0.6	***	320.4	2.8	***
Total interest-earning assets	6,144.3	27.8	1.81	6,442.8	28.4	1.77	6,257.7	109.1	1.74
Interest-bearing liabilities:									
Deposits, including negotiable certificates of deposit	5,878.6	1.8	0.12	5,604.0	1.6	0.12	5,735.8	8.4	0.14
Borrowed money	359.8	0.2	0.33	438.3	0.5	0.50	405.0	2.0	0.51
Subordinated debt	38.4	0.2	2.91	58.4	0.4	2.84	56.9	1.6	2.87
Other borrowed money	321.4	0.0	0.02	379.9	0.1	0.14	348.0	0.4	0.12
Corporate bonds	57.4	0.3	2.28	149.4	1.3	3.71	102.8	3.4	3.30
Subordinated bonds	41.2	0.3	3.04	138.1	1.3	3.99	89.4	3.3	3.75
Other corporate bonds	16.2	0.0	0.36	11.3	0.0	0.34	13.4	0.0	0.35
Other interest-bearing liabilities ²	484.4	0.7	***	616.3	0.3	***	508.6	1.8	***
Total interest-bearing liabilities	6,780.3	3.2	0.19	6,808.1	3.9	0.23	6,752.2	15.7	0.23
Net interest income/yield on interest-earning assets	6,144.3	24.6	1.60	6,442.8	24.5	1.52	6,257.7	93.3	1.49

1. Percentages have been truncated from the third decimal place.

2. Other interest-earning assets and other interest-bearing liabilities include interest rate swaps.

3. Excludes average balance of noninterest-earning assets.

Margins (All, Domestic) (Nonconsolidated)

(All) (Percentages)

	Q1 FY2016 (3 months)	Q1 FY2015 (3 months)	Change	FY2015 (12 months)
Yield on interest earning assets (A)	1.81	1.77	0.04	1.74
Total cost of funding (B)	1.33	1.33	0.00	1.35
Cost of interest bearing liabilities (C)	0.19	0.23	(0.04)	0.23
Overall interest margin (A)–(B)	0.48	0.44	0.04	0.39
Net interest margin (A)–(C)	1.62	1.54	0.08	1.51

Total cost of funding includes expenses as a part of funding costs

(Domestic)¹ (Percentages)

	Q1 FY2016 (3 months)	Q1 FY2015 (3 months)	Change	FY2015 (12 months)
Yield on interest earning assets (A)	1.74	1.67	0.07	1.65
Interest earned on loans and bills discounted	1.92	1.90	0.02	1.93
Interest earned on securities	1.78	1.54	0.24	1.39
Total cost of funding (B) ²	1.31	1.29	0.02	1.34
Cost of interest bearing liabilities (C)	0.11	0.15	(0.04)	0.17
Interest paid on deposits ³	0.07	0.09	(0.02)	0.11
Overall interest margin (A)–(B)	0.43	0.38	0.05	0.31
Net interest margin (A)–(C)	1.63	1.52	0.11	1.48

1. Domestic includes transactions denominated in Japanese yen for residents in Japan (excluding Japan offshore market accounts).

2. Total cost of funding includes expenses as a part of funding costs.

3. Deposits include Negotiable certificates of deposits (NCDs).

Gains (Losses) on Securities (Nonconsolidated)

(All) (Billions of yen)

	Q1 FY2016 (3 months)	Q1 FY2015 (3 months)	Change	FY2015 (12 months)
Gains (losses) on bonds	4.9	0.9	3.9	5.7
Gains on sales	3.9	1.3	2.5	6.9
Gains on redemption	1.1	-	1.1	-
Losses on sales	(0.1)	(0.3)	0.2	(1.1)
Losses on redemption	-	-	-	-
Losses on devaluation	-	-	-	-
Gains (losses) on stocks	(0.0)	0.3	(0.3)	(2.9)
Gains on sales	0.2	0.3	(0.0)	1.2
Losses on sales	(0.3)	(0.0)	(0.2)	(3.6)
Losses on devaluation	-	-	-	(0.6)

Net Credit Costs (Nonconsolidated) ¹

(Billions of yen)

	Q1 FY2016 (3 months)	Q1 FY2015 (3 months)	Change (Amount)	FY2015 (12 months)
Losses on write-off of loans	(0.2)	(0.0)	(0.2)	(0.4)
Net provision of reserve for loan losses	(0.8)	6.0	(6.9)	17.1
Net provision of general reserve for loan losses	(0.6)	(2.3)	1.6	(4.0)
Net provision of specific reserve for loan losses	(0.1)	8.4	(8.5)	21.1
Recoveries of written-off claims	0.0	0.1	(0.1)	3.5
Net credit costs	(1.0)	6.2	(7.2)	20.1

1. Amounts of losses, net provision and costs are shown in parentheses (minus). Amounts of recoveries and reversals are shown in plus.

Loans by Borrower Industry (Nonconsolidated)

	<i>(Billions of yen)</i>		
	Jun 30 2016	Mar 31 2016	Change (Amount)
Domestic (excluding Japan offshore market accounts):			
Manufacturing	189.4	192.3	(2.9)
Agriculture and forestry	0.0	0.0	-
Fishery	0.1	0.1	(0.0)
Mining, quarrying and gravel extraction	0.3	0.2	0.1
Construction	7.4	8.0	(0.5)
Electrical, natural gas and water supply	229.2	233.2	(4.0)
Information and communications	34.0	36.4	(2.4)
Transportation and postal service	165.1	165.1	(0.0)
Wholesale and retail	93.3	102.1	(8.7)
Finance and insurance	604.6	643.2	(38.5)
Real estate	561.4	577.8	(16.3)
Services	367.7	360.0	7.6
Local government	82.4	79.4	2.9
Individuals	1,507.3	1,474.2	33.0
Overseas yen loans and overseas loans booked domestically	326.4	328.1	(1.6)
Total domestic	4,169.3	4,200.7	(31.4)
Overseas (including Japan offshore market accounts):			
Governments	0.7	0.7	-
Financial institutions	7.3	8.5	(1.2)
Commerce and industry	91.3	90.0	1.3
Others	-	-	-
Total overseas	99.4	99.3	0.0
Total	4,268.7	4,300.1	(31.4)

Risk Monitored Loans (Nonconsolidated)

	<i>(Billions of yen)</i>		
	Jun 30 2016	Mar 31 2016	Change (Amount)
Loans to bankrupt obligors	1.2	1.3	(0.1)
Nonaccrual delinquent loans	30.5	30.7	(0.1)
Loans past due for three months or more	1.3	1.4	(0.0)
Restructured loans	2.8	1.1	1.6
Total (A)	35.9	34.6	1.3
Loans and bills discounted (B)	4,268.7	4,300.1	(31.4)
Ratio to total loans and bills discounted (A/B) (%)	0.84%	0.81%	0.03%
Reserve for credit losses (C)	29.0	28.2	0.7
Reserve ratio (C/A) (%)	80.6%	81.6%	(1.0%)

Risk Monitored Loans by Borrower Industry (Nonconsolidated)

	<i>(Billions of yen)</i>		
	Jun 30 2016	Mar 31 2016	Change (Amount)
Domestic (excluding Japan offshore market accounts):			
Manufacturing	0.8	0.7	0.0
Agriculture and forestry	-	-	-
Fishery	-	-	-
Mining, quarrying and gravel extraction	-	-	-
Construction	0.0	-	0.0
Electrical, natural gas and water supply	-	-	-
Information and communications	0.0	0.0	-
Transportation and postal service	1.0	1.1	(0.0)
Wholesale and retail	0.3	0.3	0.0
Finance and insurance	-	-	-
Real estate	26.1	26.1	(0.0)
Services	0.4	0.6	(0.1)
Local government	-	-	-
Individuals	2.8	2.6	0.1
Overseas yen loans and overseas loans booked domestically	2.6	2.9	(0.2)
Total domestic	34.2	34.6	(0.3)
Overseas (including Japan offshore market accounts):			
Governments	-	-	-
Financial institutions	-	-	-
Commerce and industry	1.7	-	1.7
Others	-	-	-
Total overseas	1.7	-	1.7
Total	35.9	34.6	1.3

Claims Classified under the Financial Revitalization Law (Nonconsolidated)

(Billions of yen)

	Jun 30 2016	Mar 31 2016	Change (Amount)
Claims against bankrupt and quasi-bankrupt obligors	4.7	5.0	(0.3)
Doubtful claims	27.1	27.1	0.0
Substandard claims	4.3	2.6	1.6
Total (A)	36.0	34.7	1.3
Coverage ratio	96.4%	97.9%	
Total claims (B)	4,354.5	4,375.6	(21.0)
Loans and bills discounted	4,268.7	4,300.1	(31.4)
Others	85.8	75.5	10.3
Ratio to total claims (A/B X 100) (%) ¹	0.82%	0.79%	
(Ref. 1) Amount of write-off	31.5	34.0	(2.5)
(Ref. 2) Below need caution level	94.7	94.7	0.0

1. Truncating the numbers beyond the third decimal point from June 30, 2015.

Coverage Ratios for Nonperforming Claims Disclosed under the Financial Revitalization Law (Nonconsolidated)

(Billions of yen, except percentages)

	Jun 30, 2016					Mar 31, 2016				
	Amounts of coverage					Amounts of coverage				
	Amounts of claims (a)	Total (b)	Reserve for loan losses	Collateral and guarantees	Coverage ratio (b)/(a)	Amounts of claims (a)	Total (b)	Reserve for loan losses	Collateral and guarantees	Coverage ratio (b)/(a)
Claims against bankrupt and quasi-bankrupt	4.7	4.7	-	4.7	100.0%	5.0	5.0	-	5.0	100.0%
Doubtful claims	27.1	26.9	2.0	24.9	99.4%	27.1	26.9	1.9	25.0	99.5%
Substandard claims	4.3	3.1	1.1	2.1	74.0%	2.6	2.1	0.5	1.6	78.0%
Total	36.0	34.7	3.1	31.7	96.4%	34.7	34.0	2.4	31.6	97.9%

Reserve for Credit Losses (Nonconsolidated)

(Billions of yen)

	Jun 30 2016	Mar 31 2016	Change (Amount)
Reserve for credit losses	25.0	24.3	0.7
General reserve for loan losses	22.2	21.6	0.5
Specific reserve for loan losses	2.8	2.7	0.1
Reserve for loans to restructuring countries	0.0	0.0	-
Specific reserve for other credit losses	3.9	3.9	-
Total reserve for credit losses	29.0	28.2	0.7

Securities Being Held to Maturity (Nonconsolidated)

(Billions of yen)

	Jun 30, 2016			Mar 31, 2016		
	Carrying amount	Fair value	Unrealized gain (loss)	Carrying amount	Fair value	Unrealized gain (loss)
Fair value exceeds carrying amount						
Japanese government bonds	515.2	525.1	9.8	535.8	544.2	8.3
Other	13.3	13.7	0.4	23.7	24.4	0.7
Subtotal	528.5	538.8	10.2	559.5	568.6	9.0
Fair value does not exceed carrying amount						
Japanese government bonds	-	-	-	-	-	-
Other	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-
Total	528.5	538.8	10.2	559.5	568.6	9.0

Securities Available for Sale (Nonconsolidated)

(Billions of yen)

	Jun 30, 2016			Mar 31, 2016		
	Carrying amount (Fair value)	Amortized/ Acquisition cost	Unrealized gain (loss)	Carrying amount (Fair value)	Amortized/ Acquisition cost	Unrealized gain (loss)
Carrying amount exceeds amortized/acquisition cost						
Equity securities	13.7	8.1	5.6	13.9	8.2	5.7
Domestic bonds	198.1	192.6	5.5	228.5	224.1	4.4
Japanese national government bonds	169.3	165.1	4.1	192.2	189.3	2.9
Japanese local government bonds	0.5	0.5	0.0	0.5	0.5	0.0
Japanese corporate bonds	28.2	26.9	1.3	35.7	34.2	1.5
Other	176.9	171.8	5.0	158.0	154.1	3.9
Foreign securities	168.6	164.6	3.9	149.6	146.8	2.8
Foreign currency denominated foreign corporate and government bonds	120.6	118.7	1.9	103.8	101.1	2.6
Yen-denominated foreign corporate and government bonds	45.9	45.4	0.5	45.8	45.6	0.2
Foreign equity securities and others	1.9	0.4	1.5	0.0	0.0	0.0
Other securities	8.1	7.0	1.0	8.0	7.0	1.0
Other monetary claims purchased	0.2	0.2	0.0	0.2	0.2	0.0
Subtotal	388.8	372.6	16.1	400.5	386.4	14.1
Carrying amount does not exceed amortized/acquisition cost						
Equity securities	1.1	1.4	(0.2)	1.2	1.3	(0.1)
Domestic bonds	56.9	57.4	(0.5)	52.6	53.0	(0.4)
Japanese national government bonds	17.2	17.2	(0.0)	19.9	20.0	(0.1)
Japanese local government bonds	-	-	-	-	-	-
Japanese corporate bonds	39.6	40.1	(0.5)	32.7	33.0	(0.2)
Other	131.3	132.8	(1.5)	126.4	127.3	(0.8)
Foreign securities	110.2	111.1	(0.9)	109.6	110.4	(0.7)
Foreign currency denominated foreign corporate and government bonds	48.4	48.7	(0.2)	58.8	59.2	(0.3)
Yen-denominated foreign corporate and government bonds	61.7	62.4	(0.7)	50.7	51.1	(0.3)
Foreign equity securities and others	-	-	-	-	-	-
Other securities	7.7	8.1	(0.4)	0.1	0.1	(0.0)
Other monetary claims purchased	13.4	13.4	(0.0)	16.6	16.7	(0.1)
Subtotal	189.4	191.7	(2.3)	180.3	181.7	(1.4)
Total^{1,2}	578.2	564.4	13.8	580.8	568.1	12.6

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)

	Jun 30, 2016	Mar 31, 2016
Unrealized gain (loss) before deferred tax on:		
Available-for-sale securities	13.8	12.6
Interests in available-for-sale securities held by partnerships recorded as securities whose fair value cannot be reliably determined	2.7	2.6
Securities being held to maturity, reclassified from available-for-sale in the past, under extremely illiquid market conditions	(0.5)	(0.7)
Other monetary assets held in trust	(1.0)	(1.0)
(-) Deferred tax liabilities	3.5	2.7
Unrealized gain (loss) on available-for-sale securities	11.4	10.7

Capital Adequacy Related Information (Nonconsolidated)

<Basel 3, Domestic Standard¹>

(Billions of yen, except percentages)

	Jun 30 2016	Mar 31 2016	Change (Amount)
Core capital: instruments and reserves	836.2	849.1	(12.8)
Core capital: regulatory adjustments	(23.6)	(23.0)	(0.5)
Capital	812.6	826.0	(13.4)
Total amount of Risk-weighted assets	5,241.4	5,208.5	32.9
Core capital adequacy ratio	15.50%	15.85%	-

1. Calculated according to F-IRB.

Nonconsolidated total required capital is ¥442.7 billion as at June 30, 2016 and ¥439.5 billion as at March 31, 2016.

Nonconsolidated Balance Sheets (Unaudited)

(Millions of yen)

	Jun 30 2016	Mar 31 2016	Change (Amount)
<<Assets>>			
Cash and due from banks	1,310,262	1,049,396	260,865
Call loans	23,455	-	23,455
Other monetary claims purchased	186,684	192,146	(5,462)
Trading assets	345,738	311,832	33,905
Monetary assets held in trust	149,848	151,647	(1,798)
Securities	1,575,311	1,603,809	(28,497)
Loans and bills discounted	4,268,742	4,300,152	(31,410)
Foreign exchanges	24,027	17,024	7,002
Other assets	274,803	205,762	69,041
Other	274,803	205,762	69,041
Premises and equipment	18,289	17,813	476
Intangible assets	14,286	13,572	714
Prepaid pension cost	1,730	1,073	656
Deferred issuance expenses for debentures	2	3	(0)
Customers' liabilities for acceptances and guarantees	24,626	21,730	2,895
Reserve for credit losses	(29,004)	(28,282)	(721)
Total assets	8,188,806	7,857,682	331,123
<<Liabilities>>			
Deposits	5,630,269	5,664,767	(34,498)
Negotiable certificates of deposit	333,788	301,001	32,787
Debentures	14,705	16,740	(2,034)
Call money	10,000	40,000	(30,000)
Payables under repurchase agreements	17,153	23,779	(6,625)
Payables under securities lending transactions	403,389	116,409	286,980
Trading liabilities	321,242	291,356	29,886
Borrowed money	350,739	374,827	(24,087)
Foreign exchanges	73	75	(1)
Corporate bonds	56,744	57,619	(874)
Other liabilities	238,743	162,635	76,107
Income taxes payable	2,549	748	1,800
Asset retirement obligations	7,424	7,443	(19)
Other	228,768	154,443	74,325
Accrued employees' bonuses	1,178	4,511	(3,332)
Reserve for reimbursement of debentures	2,929	2,903	25
Deferred tax liabilities	4,723	2,873	1,849
Acceptances and guarantees	24,626	21,730	2,895
Total liabilities	7,410,307	7,081,231	329,076
<<Equity>>			
Shareholders' equity:			
Common stock	512,204	512,204	-
Capital surplus	79,465	79,465	-
Additional paid-in capital	79,465	79,465	-
Retained earnings	269,145	264,216	4,929
Legal reserve	14,220	13,689	530
Other retained earnings	254,925	250,526	4,398
Unappropriated retained earnings	254,925	250,526	4,398
Treasury stock, at cost	(77,559)	(72,559)	(4,999)
Total shareholders' equity	783,257	783,327	(70)
Net unrealized gain (loss) and translation adjustments			
Unrealized gain (loss) on available-for-sale securities	11,447	10,777	669
Deferred gain (loss) on derivatives under hedge accounting	(16,740)	(18,166)	1,426
Total net unrealized gain (loss) and translation adjustments	(5,293)	(7,389)	2,096
Stock acquisition rights	534	512	21
Total equity	778,498	776,450	2,047
Total liabilities and equity	8,188,806	7,857,682	331,123

Nonconsolidated Statements of Income(Unaudited)

(Millions of yen)

	Q1 FY2016 (3 months)	Q1 FY2015 (3 months)	Change (Amount)	FY2015 (12 months)
Ordinary income	41,767	48,752	(6,985)	176,230
Interest income	27,846	28,449	(602)	109,149
Interest on loans and bills discounted	20,414	19,659	754	80,384
Interest and dividends on securities	6,825	8,099	(1,273)	25,952
Other interest income	607	690	(83)	2,813
Fees and commissions income	4,216	5,437	(1,220)	19,285
Trading income	2,396	1,364	1,031	5,031
Other business income	5,588	3,501	2,086	13,264
Other ordinary income	1,718	9,999	(8,280)	29,499
Ordinary expenses	31,439	29,999	1,440	126,863
Interest expenses	3,213	3,944	(731)	15,778
Interest on deposits	1,813	1,669	143	8,225
Interest on corporate bonds	327	1,380	(1,052)	3,403
Other interest expenses	1,072	894	177	4,149
Fees and commissions expenses	6,190	6,229	(39)	24,103
Trading losses	11	52	(40)	197
Other business expenses	1,075	670	404	2,285
General and administrative expenses	19,372	18,857	514	76,173
Other ordinary expenses	1,577	244	1,333	8,324
Ordinary profit	10,327	18,753	(8,425)	49,366
Extraordinary gains	-	696	(696)	842
Extraordinary losses	529	241	287	7,374
Income before income taxes	9,797	19,208	(9,410)	42,834
Income taxes (benefit)	2,214	(247)	2,461	1,268
Net income	7,583	19,456	(11,872)	41,566

Nonconsolidated Composition of Capital Disclosure

<Basel 3, Domestic Standard>

Millions of yen (except percentages)

	June 30 2016	Amounts excluded under transitional arrangements
Core capital: instruments and reserves		
Directly issued qualifying common share capital or preferred share capital with a compulsory conversion clause plus related capital surplus and retained earnings	783,257	
of which: capital and capital surplus	591,670	
of which: retained earnings	269,145	
of which: treasury stock (-)	77,559	
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	534	
Total of reserves included in Core capital: instruments and reserves	237	
of which: general reserve for loan losses included in Core capital	237	
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)	52,250	
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)	-	
Core capital: instruments and reserves	836,279	
Core capital: regulatory adjustments		
Total amount of intangible assets (excluding those relating to mortgage servicing rights)	5,054	5,181
of which: goodwill (including those equivalent)	1,159	-
of which: other intangibles other than goodwill and mortgage servicing rights	3,895	5,181
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	692	1,038
Shortfall of eligible provisions to expected losses	9,164	-
Gain on sale of securitization	8,253	-
Gains and losses due to changes in own credit risk on fair valued liabilities	-	-
Prepaid pension cost	478	717
Investments in own shares (excluding those reported in the net assets section)	3	5
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)	-	-
Core capital: regulatory adjustments	23,647	
Capital (nonconsolidated)	812,632	
Risk-weighted assets, etc.		
Total amount of credit risk-weighted assets	4,904,552	
of which: total amount included in risk-weighted assets by transitional arrangements	809	
of which: intangible assets (excluding those relating to goodwill and mortgage servicing rights)	5,181	
of which: deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	1,038	
of which: prepaid pension cost	717	
of which: significant investments in the common stock of Other Financial Institutions (net of eligible short positions)	(6,139)	
of which: other than above	12	
Market risk (derived by multiplying the capital requirement by 12.5)	144,423	
Operational risk (derived by multiplying the capital requirement by 12.5)	192,514	
Credit risk-weighted assets adjustments	-	
Operational risk adjustments	-	
Total amount of Risk-weighted assets	5,241,490	
Capital ratio (nonconsolidated)	15.50%	

1. Calculated according to F-IRB.

Earnings Forecasts¹

(Billions of yen)

(Consolidated)	FY2016 Forecast	FY2015 Actual
Profit attributable to owners of the parent	52.0	60.9

(Nonconsolidated)	FY 2016 Forecast	FY2015 Actual
Net business profit	36.0	33.9
Net income	36.0	41.5
Dividends (per share in yen): Common stock	1.00	1.00

1. 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.