

Financial Summary

For the Third Quarter Ended December 31, 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)	Q3 FY2016 (9 months)	Q3 FY2015 (9 months)	Change (Amount)	FY2015 (12 months)
Net interest income	92.1	90.4	1.6	122.3
Noninterest income	79.8	73.8	5.9	94.2
Net fees and commissions	19.1	19.7	-0.6	25.5
Net trading income	4.4	6.4	-2.0	8.4
Net other business income	56.3	47.6	8.6	60.3
Income on lease transactions and installment receivables	29.0	29.2	-0.2	39.2
Total revenue	172.0	164.3	7.6	216.6
General and administrative expenses	-107.4	-104.6	-2.7	-140.5
Ordinary business profit	64.6	59.6	4.9	76.0
Net credit costs	-22.9	-3.5	-19.4	-3.7
Ordinary business profit after net credit costs	41.6	56.1	-14.4	72.3
Amortization of goodwill and other intangible assets ²	-4.1	-5.6	1.5	-7.2
Other gains	7.6	0.4	7.2	-2.1
Income before income taxes	45.2	50.9	-5.7	62.8
Current income tax	-2.5	-2.4	-0.0	-1.9
Deferred income tax	0.5	-0.0	0.5	0.5
Profit attributable to noncontrolling interests	0.1	-0.3	0.4	-0.3
Profit attributable to owners of the parent	43.3	48.1	-4.7	60.9

(Billions of yen)

Selected balance sheet items (Consolidated)	Dec 31 2016	Mar 31 2016	Change (Amount)
Cash and due from banks	1,405.3	1,129.2	276.1
Securities	1,090.4	1,227.8	-137.4
Loans and bills discounted	4,789.9	4,562.9	226.9
Customers' liabilities for acceptances and guarantees	306.8	280.6	26.2
Reserve for credit losses	-98.7	-91.7	-7.0
Total assets	9,210.7	8,928.7	282.0
Deposits and negotiable certificates of deposit	5,881.0	5,800.9	80.0
Borrowed money	753.6	801.7	-48.1
Reserve for losses on interest repayments	103.7	133.6	-29.9
Total liabilities	8,397.4	8,135.6	261.7
Total equity	813.3	793.1	20.2

Financial ratios (Consolidated)	Q3 FY2016 (9 months)	Q3 FY2015 (9 months)	FY2015 (12 months)
Net interest margin	2.41%	2.34%	2.40%
ROA ³	0.6%	0.7%	0.7%
ROE ³	7.2%	8.5%	8.1%
RORA ³	1.0%	1.1%	1.1%
Expense-to-revenue ratio	62.4%	63.7%	64.9%

(Billions of yen, except percentages)

Capital adequacy related information (Consolidated) <Basel 3, Domestic Standard>	Dec 31 2016	Mar 31 2016	Change (Amount)
Capital	820.4	809.5	10.9
Total amount of risk-weighted assets	5,809.1	5,698.1	110.9
Capital ratio	14.12%	14.20%	

(yen)

Per share data (Consolidated)	Q3 FY2016 (9 months)	Q3 FY2015 (9 months)	Change (Amount)	FY2015 (12 months)
Common equity	312.23	291.89	20.33	294.41
Basic EPS	16.61	18.13	-1.51	22.96

(Billions of yen, except percentages)

Nonperforming loans (Nonconsolidated)	Dec 31 2016	Mar 31 2016	Change (Amount)
Claims classified under the Financial Revitalization Law	35.0	34.7	0.2
Ratio to total claims	0.76%	0.79%	
Reserve for credit losses	30.5	28.2	2.2
Coverage ratio for nonperforming claims	97.0%	97.9%	

(Billions of yen)

Selected income statement items (Nonconsolidated)	Q3 FY2016 (9 months)	Q3 FY2015 (9 months)	Change (Amount)	FY2015 (12 months)
Net interest income	69.8	64.4	5.4	93.7
Noninterest income	14.9	13.4	1.4	15.4
Net fees and commissions	-0.6	1.9	-2.6	-0.3
Net trading income	2.6	3.5	-0.8	4.8
Net other business income	12.9	8.0	4.9	10.9
Total revenue	84.8	77.9	6.9	109.2
General and administrative expenses	-58.6	-56.3	-2.3	-75.2
Ordinary business profit	26.1	21.5	4.6	33.9
Net credit costs	-3.4	12.9	-16.4	20.1
Net income	32.1	28.7	3.3	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 ¥43.3 billion for the first three quarters of fiscal year 2016 (April 1, 2016 to December 31, 2016), decreased ¥4.7 billion compared to ¥48.1 billion recorded in the first three quarters of fiscal year 2015. While the Bank experienced a decline in markets related revenues, including those associated with the sale of asset management products, due to risk aversion caused by market turmoil, revenues increased due to strength in the performances of our growth area unsecured loan and Structured Finance Businesses as well as an increase in gains on bonds. However, due primarily to the nonrecurrence of the significant credit recoveries recorded in the Institutional Business during the first three quarters of the previous fiscal year, consolidated net income has declined compared to the first three quarters of fiscal year 2015.

- Total revenue of ¥172.0 billion was recorded in the first three quarters of fiscal year 2016, increased ¥7.6 billion compared to the first three quarters of fiscal year 2015. Of this amount, net interest income totaled ¥92.1 billion, increased ¥1.6 billion from ¥90.4 billion recorded in the first three quarters of fiscal year 2015. This outcome was the result of a strong performance in the lending operations of the Bank's Consumer Finance Business and the effects of the base rate reduction and spread compression due to greater competition caused by the introduction of the negative interest rate policy remaining within the Bank's original expectations. Noninterest income totaled ¥79.8 billion in the first three quarters of fiscal year 2016, increased ¥5.9 billion compared to ¥73.8 billion recorded in the first three quarters of fiscal year 2015. While markets related revenues including those associated with the sale of asset management products in the Retail Banking Business declined, fee income increased, primarily that which is associated with Structured Finance within the Institutional Business, gains on bonds in Treasury operations grew and the nonrecurrence of a loss recorded as a result of the reassessment of a fund investment recorded in the institutional business during the first three quarters of fiscal year 2015 resulted in this year on year noninterest income increase.
- Regarding general and administrative expenses, while having continued to promote operational efficiency, expenses such as those related to IT systems and advertising as well as the effects of the revision of the tax code related to consumption and property taxes have resulted in the recording of general and administrative expenses totaling ¥107.4 billion were recorded in the first three quarters of fiscal year 2016, increased ¥2.7 billion from ¥104.6 billion recorded in the first three quarters of fiscal year 2015.
- Regarding net credit costs (recoveries), the Bank recorded net credit costs of ¥22.9 billion (expense) in the first three quarters of fiscal year 2016, increased ¥19.4 billion compared to net credit costs of ¥3.5 billion (expense) recorded in the first three quarters of fiscal year 2015. This was primarily due to the absence of the major credit recoveries recorded in the Institutional Business in the first three quarters of fiscal year 2015 as well as the provisioning of general reserves for loan losses corresponding to the continuing steady growth of the loan balance of the Consumer Finance and Structured Finance Businesses.
- The balance of loans and bills discounted as of December 31, 2016 totaled ¥4,789.9 billion, increased ¥226.9 billion from ¥4,562.9 billion recorded as of March 31, 2016. While the balance of loans to institutional customers has declined, this growth in the overall balance was supported by the growth of the housing loan, Consumer Finance Business and Structures Finance Business loan balances.
- A net interest margin of 2.41% was recorded in the first three quarters of fiscal year 2016, increased from 2.34% recorded in the first three quarters of fiscal year 2015. This increase was due to factors such as the proportion of loans as a component of interest earning assets increasing as a result of a reduced securities balance, an improvement of the overall yield of interest earning assets, as well as the continuing decline of the overall rate on interest bearing liabilities.
- The Basel 3 domestic standard (grandfathering basis) consolidated core capital adequacy ratio was 14.12% as of December 31, 2016, reduced compared to 14.20% as of March 31, 2016. While core capital has increased in the first three quarters of fiscal year 2016 due to the accumulation of retained earnings despite the early redemption of subordinated debt and the undertaking of a share buyback, the consolidated core capital adequacy ratio has declined due to an increase in risk assets resulting from a greater loan balance. On the other hand, the Bank's Basel 3 international standard (fully loaded basis) Common Equity Tier 1 Capital Ratio has increased from 12.9% as of March 31, 2016, to 13.1%. Capital adequacy ratios continue to be maintained at adequate levels.
- The nonperforming loan balance (nonconsolidated basis) under the Financial Revitalization Law increased ¥0.2 billion during the first three quarters of fiscal year 2016 to ¥35.0 billion as of December 31, 2016. Additionally, the proportion of nonperforming claims to the overall loan balance was 0.76% as of December 31, 2016, compared to 0.79% recorded as of March 31, 2016, and continues to be maintained at a low level.

Results of Operations (Consolidated)¹

(Billions of yen)

	Q3 FY2016 (9 months)	Q3 FY2015 (9 months)	Change (Amount)	FY2015 (12 months)
Net interest income	92.1	90.4	1.6	122.3
Noninterest income	79.8	73.8	5.9	94.2
Net fees and commissions	19.1	19.7	-0.6	25.5
Net trading income	4.4	6.4	-2.0	8.4
Net other business income	56.3	47.6	8.6	60.3
Income on lease transactions and installment receivables	29.0	29.2	-0.2	39.2
Total revenue	172.0	164.3	7.6	216.6
General and administrative expenses	-107.4	-104.6	-2.7	-140.5
Ordinary business profit	64.6	59.6	4.9	76.0
Net credit costs	-22.9	-3.5	-19.4	-3.7
Ordinary business profit after net credit costs	41.6	56.1	-14.4	72.3
Amortization of goodwill and other intangible assets²	-4.1	-5.6	1.5	-7.2
Other gains	7.6	0.4	7.2	-2.1
Income before income taxes	45.2	50.9	-5.7	62.8
Current income tax	-2.5	-2.4	-0.0	-1.9
Deferred income tax	0.5	-0.0	0.5	0.5
Profit attributable to noncontrolling interests	0.1	-0.3	0.4	-0.3
Profit attributable to owners of the parent	43.3	48.1	-4.7	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 Treasury operations.

Interest-Earning Assets and Interest-Bearing Liabilities (Consolidated)
(Billions of yen, except percentages)

	Q3 FY2016 (9 months)			Q3 FY2015 (9 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	4,644.8	95.3	2.72	4,428.8	93.6	2.81	4,434.2	124.9	2.82
Lease receivables and leased investment assets / installment receivables ⁴	734.9	29.0	5.24	712.5	29.2	5.46	717.1	39.2	5.47
Securities	1,138.5	7.1	0.83	1,402.3	8.9	0.84	1,336.9	13.3	0.99
Other interest-earning assets ^{2,3}	196.7	1.5	***	293.0	1.8	***	277.8	2.5	***
Interest-earning assets totals (A)⁴	6,715.1	133.0	2.63	6,836.7	133.7	2.60	6,766.2	179.9	2.66
Interest-bearing liabilities:									
Deposits, including negotiable certificates of deposit	5,843.8	5.6	0.13	5,573.8	6.2	0.15	5,624.2	8.4	0.15
Borrowed money	736.2	2.6	0.47	779.4	3.6	0.62	775.6	4.7	0.62
Subordinated debt	22.0	0.4	2.71	58.1	1.2	2.83	56.9	1.6	2.88
Other borrowed money	714.1	2.1	0.40	721.2	2.3	0.44	718.7	3.1	0.44
Corporate bonds	107.2	0.8	1.06	143.5	2.5	2.38	130.8	2.8	2.20
Subordinated bonds	31.5	0.5	2.52	90.0	2.3	3.43	74.7	2.5	3.41
Other corporate bonds	75.6	0.2	0.45	53.4	0.2	0.59	56.0	0.3	0.58
Other interest-bearing liabilities ²	575.5	2.7	***	648.3	1.4	***	611.9	2.2	***
Interest-bearing liabilities totals (B)⁴	7,262.8	11.8	0.22	7,145.1	13.9	0.26	7,142.7	18.3	0.26
Net interest margin (A)-(B)	-	121.1	2.41	-	119.7	2.34	-	161.5	2.40
Noninterest-bearing sources of funds:									
Noninterest-bearing (assets) liabilities, net	-1,344.6	-	-	-1,062.0	-	-	-1,133.5	-	-
Total equity excluding noncontrolling interests in subsidiaries ⁵	796.8	-	-	753.7	-	-	757.0	-	-
Total noninterest-bearing sources of funds (C)	-547.7	-	-	-308.3	-	-	-376.4	-	-
Sum of total expense on interest-bearing liabilities and noninterest-bearing sources of funds (D) = (B)+(C)	6,715.1	11.8	0.23	6,836.7	13.9	0.27	6,766.2	18.3	0.27
Interest income / yield on interest earning assets (A)-(D)⁴	-	121.1	2.39	-	119.7	2.33	-	161.5	2.39
Reconciliation of total revenue on interest-earning									
Total revenue on interest-earning assets	6,715.1	133.0	2.63	6,836.7	133.7	2.60	6,766.2	179.9	2.66
Less: Income on lease transactions and installment receivables	734.9	29.0	5.24	712.5	29.2	5.46	717.1	39.2	5.47
Total interest income⁴	5,980.1	104.0	2.31	6,124.2	104.4	2.26	6,049.0	140.7	2.33
Total interest expense	-	11.8	-	-	13.9	-	-	18.3	-
Net interest income	-	92.1	-	-	90.4	-	-	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)			
	Q3 FY2016 (9 months)	Q3 FY2015 (9 months)	Change (Amount)	FY2015 (12 months)
Institutional Business	28.0	24.4	3.5	31.6
Corporate Business	3.9	4.1	-0.1	5.2
Structured Finance	5.7	4.0	1.6	5.1
Principal Transactions	7.1	1.5	5.6	2.8
Showa Leasing	11.1	14.7	-3.6	18.4
Global Markets Business	6.6	7.4	-0.7	6.0
Markets	5.2	5.3	-0.1	3.3
Others	1.4	2.1	-0.6	2.6
Individual Business	35.9	37.1	-1.2	48.5
Retail Banking	1.7	4.6	-2.9	5.4
Shinsei Financial and Shinsei Bank Card Loan - Lake ^{1,2}	-0.8	-1.6	0.8	-2.0
APLUS FINANCIAL	34.4	34.0	0.4	44.9
Others	0.5	0.1	0.3	0.2
Corporate/Other	9.2	4.7	4.4	8.0
Noninterest income	79.8	73.8	5.9	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.

The Institutional Business recorded noninterest income totaling ¥28.0 billion in the first three quarters of fiscal year 2016, increased ¥3.5 billion compared to ¥24.4 billion recorded in the first three quarters of fiscal year 2015. While the gains recorded on the sale of investment securities in Showa Leasing in the first three quarters of fiscal year 2015 did not recur, the recording of significant revenues in the Principal Transactions Business and an increase in fee income recorded in the Structured Finance Business during the first three quarters of fiscal year 2016 as well as the non-recurrence of the loss recorded due to the reassessment of a fund investment in the Principal Transactions Business during the first three quarters of fiscal year 2015 were the underlying factors of this performance.

The Global Markets Business recorded noninterest income totaling ¥6.6 billion in the first three quarters of fiscal year 2016, decreased ¥0.7 billion compared to ¥7.4 billion recorded in the first three quarters of fiscal year 2015. This was due to factors such as softness in the performances of the Markets Related Business and the Securities Brokerage Business resulting from the volatile market environment.

The Individual Business recorded noninterest income totaling ¥35.9 billion in the first three quarters of fiscal year 2016, decreased ¥1.2 billion compared to ¥37.1 billion recorded in the first three quarters of fiscal year 2015. This decline was the result of a decrease in revenues related to the sale of asset management products in the Retail Banking Business despite robust performances in APLUS FINANCIAL businesses including Credit Cards.

Corporate/Others recorded noninterest income totaling ¥9.2 billion in the first three quarters of fiscal year 2016, increased ¥4.4 billion compared to the first three quarters of fiscal year 2015. This increase was primarily the result of greater gains on bonds in Treasury operations.

General and Administrative Expenses (Consolidated)

(Billions of yen)

	Q3 FY2016 (9 months)	Q3 FY2015 (9 months)	Change (Amount)	FY2015 (12 months)
Personnel expenses	-42.6	-42.7	0.0	-56.9
Nonpersonnel expenses	-64.7	-61.9	-2.8	-83.5
Premises expenses	-14.7	-14.2	-0.4	-19.3
Technology and data processing expenses	-15.1	-14.2	-0.8	-19.3
Advertising expenses	-7.9	-7.4	-0.5	-10.4
Consumption, property taxes, etc.	-7.9	-6.8	-1.1	-8.6
Deposit insurance premium	-1.5	-1.5	0.0	-2.0
Other general and administrative expenses	-17.4	-17.6	0.1	-23.7
General and administrative expenses	-107.4	-104.6	-2.7	-140.5

Net Credit Costs (Consolidated) 1

(Billions of yen)

	Q3 FY2016 (9 months)	Q3 FY2015 (9 months)	Change (Amount)	FY2015 (12 months)
Losses on write-off of loans/Losses on sale of loans	-0.8	-0.7	-0.1	-1.3
Net provision of reserve for loan losses:	-25.9	-9.7	-16.1	-10.8
Net provision of general reserve for loan losses	-17.9	-16.3	-1.6	-21.8
Net provision of specific reserve for loan losses	-7.9	6.5	-14.5	11.0
Net provision of reserve for loan losses to restructuring countries	0.0	-	0.0	0.0
Net provision of specific reserve for other credit losses	-0.2	-	-0.2	-
Other credit costs relating to leasing business	0.0	0.1	-0.1	0.2
Recoveries of written-off claims	4.0	6.8	-2.8	8.1
Net credit costs	-22.9	-3.5	-19.4	-3.7

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

Amortization of Goodwill and Other Intangible Assets (Consolidated)

(Billions of yen)

	Q3 FY2016 (9 months)	Q3 FY2015 (9 months)	Change (Amount)	FY2015 (12 months)
Shinsei Financial	-2.4	-3.2	0.8	-4.1
Shinsei Personal Loan	0.2	0.2	-	0.3
APLUS FINANCIAL	-	-0.6	0.6	-0.8
Showa Leasing	-1.9	-2.0	0.0	-2.6
Others	0.0	0.0	-	0.0
Amortization of goodwill and other intangible assets	-4.1	-5.6	1.5	-7.2

Other Gains (Consolidated)

(Billions of yen)

	Q3 FY2016 (9 months)	Q3 FY2015 (9 months)	Change (Amount)	FY2015 (12 months)
Extraordinary income	4.6	0.3	4.2	0.7
Net gain on disposal of premises and equipment	-0.0	-0.0	0.0	0.4
Other extraordinary income	4.6	0.4	4.2	0.2
Provisions of reserve for losses on interest repayment	-	-	-	-2.7
Shinsei Financial	-	-	-	-
Shinsei Personal Loan	-	-	-	-
APLUS FINANCIAL	-	-	-	-2.7
Other	-	-	-	-
Other	3.0	0.0	2.9	-0.2
Other gains	7.6	0.4	7.2	-2.1

Profit Attributable to Noncontrolling Interests (Consolidated)

(Billions of yen)

	Q3 FY2016 (9 months)	Q3 FY2015 (9 months)	Change (Amount)	FY2015 (12 months)
Dividends on perpetual preferred securities (hybrid Tier I capital) issued by foreign SPCs	-0.1	-0.5	0.3	-0.6
Others	0.2	0.1	0.1	0.2
Profit attributable to noncontrolling interests	0.1	-0.3	0.4	-0.3

Business Line Results (Consolidated)

(Billions of yen)

	Q3 FY2016 (9 months)	Q3 FY2015 (9 months)	Change (Amount)	FY2015 (12 months)
Institutional Business:				
Net interest income	16.9	18.1	-1.1	25.3
Noninterest income	28.0	24.4	3.5	31.6
Total revenue	44.9	42.6	2.3	56.9
General and administrative expenses	-21.3	-22.1	0.8	-29.7
Ordinary business profit	23.6	20.4	3.1	27.2
Net credit costs	-2.2	13.5	-15.8	19.8
Ordinary business profit after net credit costs	21.3	34.0	-12.6	47.0
Global Markets Business:				
Net interest income	1.7	1.4	0.3	1.8
Noninterest income	6.6	7.4	-0.7	6.0
Total revenue	8.4	8.8	-0.3	7.8
General and administrative expenses	-5.2	-5.5	0.3	-7.3
Ordinary business profit	3.2	3.3	-0.0	0.5
Net credit costs	0.0	0.3	-0.3	0.3
Ordinary business profit after net credit costs	3.2	3.6	-0.4	0.9
Individual Business:				
Net interest income	73.3	67.6	5.6	90.7
Noninterest income	35.9	37.1	-1.2	48.5
Total revenue	109.3	104.8	4.4	139.3
General and administrative expenses	-78.3	-75.7	-2.5	-102.5
Ordinary business profit	30.9	29.0	1.9	36.7
Net credit costs	-20.5	-17.4	-3.0	-23.9
Ordinary business profit after net credit costs	10.4	11.6	-1.1	12.7
Corporate/Other¹:				
Net interest income	0.0	3.2	-3.1	4.3
Noninterest income	9.2	4.7	4.4	8.0
Total revenue	9.2	7.9	1.2	12.4
General and administrative expenses	-2.4	-1.1	-1.3	-0.9
Ordinary business profit	6.7	6.8	-0.0	11.5
Net credit costs	-0.2	0.0	-0.2	0.0
Ordinary business profit after net credit costs	6.5	6.8	-0.2	11.5
Total:				
Net interest income	92.1	90.4	1.6	122.3
Noninterest income	79.8	73.8	5.9	94.2
Total revenue	172.0	164.3	7.6	216.6
General and administrative expenses	-107.4	-104.6	-2.7	-140.5
Ordinary business profit	64.6	59.6	4.9	76.0
Net credit costs	-22.9	-3.5	-19.4	-3.7
Ordinary business profit after net credit costs	41.6	56.1	-14.4	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 "Shinsei Personal Loan" 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)

	Q3 FY2016 (9 months)	Q3 FY2015 (9 months)	Change (Amount)	FY2015 (12 months)
Corporate Business^{2,3} :				
Net interest income	8.6	7.7	0.8	10.3
Noninterest income	3.9	4.1	-0.1	5.2
Total revenue	12.6	11.9	0.6	15.5
General and administrative expenses	-8.0	-8.8	0.8	-11.6
Ordinary business profit	4.5	3.0	1.5	3.9
Net credit costs	-0.5	-0.8	0.2	-0.7
Ordinary business profit after net credit costs	3.9	2.2	1.7	3.2
Structured Finance^{2,3} :				
Net interest income	7.0	8.5	-1.4	12.8
Noninterest income	5.7	4.0	1.6	5.1
Total revenue	12.7	12.5	0.1	17.9
General and administrative expenses	-3.7	-3.5	-0.1	-4.7
Ordinary business profit	9.0	8.9	0.0	13.1
Net credit costs	-3.2	13.3	-16.6	20.4
Ordinary business profit after net credit costs	5.7	22.3	-16.6	33.6
Principal Transactions^{2,3} :				
Net interest income	2.2	3.3	-1.1	4.3
Noninterest income	7.1	1.5	5.6	2.8
Total revenue	9.4	4.8	4.5	7.2
General and administrative expenses	-3.2	-3.5	0.3	-4.7
Ordinary business profit	6.1	1.3	4.8	2.4
Net credit costs	0.3	0.0	0.3	-0.2
Ordinary business profit after net credit costs	6.4	1.3	5.1	2.1
Showa Leasing³ :				
Net interest income	-0.9	-1.5	0.5	-2.1
Noninterest income	11.1	14.7	-3.6	18.4
Total revenue	10.1	13.2	-3.0	16.2
General and administrative expenses	-6.3	-6.2	-0.1	-8.5
Ordinary business profit	3.8	7.0	-3.2	7.6
Net credit costs	1.2	1.0	0.2	0.4
Ordinary business profit after net credit costs	5.1	8.0	-2.9	8.0
Institutional Business:				
Net interest income	16.9	18.1	-1.1	25.3
Noninterest income	28.0	24.4	3.5	31.6
Total revenue	44.9	42.6	2.3	56.9
General and administrative expenses	-21.3	-22.1	0.8	-29.7
Ordinary business profit	23.6	20.4	3.1	27.2
Net credit costs	-2.2	13.5	-15.8	19.8
Ordinary business profit after net credit costs	21.3	34.0	-12.6	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)

	Q3 FY2016 (9 months)	Q3 FY2015 (9 months)	Change (Amount)	FY2015 (12 months)
Markets:				
Net interest income	1.5	1.3	0.1	1.7
Noninterest income	5.2	5.3	-0.1	3.3
Total revenue	6.7	6.6	0.0	5.1
General and administrative expenses	-2.4	-2.6	0.1	-3.4
Ordinary business profit	4.2	4.0	0.2	1.6
Net credit costs	0.0	0.0	-0.0	0.1
Ordinary business profit after net credit costs	4.3	4.1	0.1	1.7
Others:				
Net interest income	0.2	0.0	0.1	0.0
Noninterest income	1.4	2.1	-0.6	2.6
Total revenue	1.7	2.2	-0.4	2.7
General and administrative expenses	-2.7	-2.9	0.1	-3.8
Ordinary business profit	-1.0	-0.7	-0.2	-1.1
Net credit costs	-0.0	0.2	-0.3	0.2
Ordinary business profit after net credit costs	-1.0	-0.4	-0.5	-0.8
Global Markets Business:				
Net interest income	1.7	1.4	0.3	1.8
Noninterest income	6.6	7.4	-0.7	6.0
Total revenue	8.4	8.8	-0.3	7.8
General and administrative expenses	-5.2	-5.5	0.3	-7.3
Ordinary business profit	3.2	3.3	-0.0	0.5
Net credit costs	0.0	0.3	-0.3	0.3
Ordinary business profit after net credit costs	3.2	3.6	-0.4	0.9

1. Net of consolidation adjustments, if applicable.

Individual Business (Consolidated)¹

(Billions of yen)

	Q3 FY2016 (9 months)	Q3 FY2015 (9 months)	Change (Amount)	FY2015 (12 months)
Retail banking:				
Net interest income	17.7	16.0	1.7	21.5
Loans	8.1	7.8	0.3	10.3
Deposits	9.5	8.2	1.3	11.1
Noninterest income	1.7	4.6	-2.9	5.4
Asset Management Products	5.1	7.8	-2.6	9.6
Other Fees (ATM, Fund Transfer, FX etc.)	-3.4	-3.1	-0.2	-4.2
Total revenue	19.4	20.6	-1.1	27.0
General and administrative expenses	-25.0	-24.7	-0.2	-33.3
Ordinary business profit	-5.5	-4.1	-1.4	-6.3
Net credit costs	0.6	-0.2	0.9	-0.1
Ordinary business profit after net credit costs	-4.8	-4.4	-0.4	-6.4
Shinsei Financial and Shinsei Bank Lake^{2, 3}:				
Net interest income	48.0	45.8	2.2	61.2
Shinsei Bank Lake	28.0	23.3	4.6	31.7
NOLOAN	4.9	5.2	-0.2	6.9
Noninterest income	-0.8	-1.6	0.8	-2.0
Total revenue	47.2	44.1	3.1	59.1
General and administrative expenses	-24.5	-23.1	-1.4	-32.2
Ordinary business profit	22.7	20.9	1.7	26.8
Net credit costs	-14.2	-11.1	-3.1	-15.2
Ordinary business profit after net credit costs	8.4	9.8	-1.4	11.6
APLUS FINANCIAL:				
Net interest income	6.7	4.9	1.7	6.8
Noninterest income	34.4	34.0	0.4	44.9
Total revenue	41.1	39.0	2.1	51.7
General and administrative expenses	-28.1	-27.2	-0.8	-36.1
Ordinary business profit	13.0	11.7	1.2	15.6
Net credit costs	-6.5	-6.1	-0.4	-8.7
Ordinary business profit after net credit costs	6.4	5.5	0.8	6.8
Others⁴:				
Net interest income	0.8	0.8	-0.0	1.1
Noninterest income	0.5	0.1	0.3	0.2
Total revenue	1.3	1.0	0.3	1.3
General and administrative expenses	-0.6	-0.5	-0.0	-0.7
Ordinary business profit	0.7	0.4	0.3	0.5
Net credit costs	-0.3	0.1	-0.4	0.1
Ordinary business profit after net credit costs	0.4	0.5	-0.1	0.7
Individual Business:				
Net interest income	73.3	67.6	5.6	90.7
Noninterest income	35.9	37.1	-1.2	48.5
Total revenue	109.3	104.8	4.4	139.3
General and administrative expenses	-78.3	-75.7	-2.5	-102.5
Ordinary business profit	30.9	29.0	1.9	36.7
Net credit costs	-20.5	-17.4	-3.0	-23.9
Ordinary business profit after net credit costs	10.4	11.6	-1.1	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.

Corporate/Other (Consolidated)¹

(Billions of yen)

	Q3 FY2016 (9 months)	Q3 FY2015 (9 months)	Change (Amount)	FY2015 (12 months)
Treasury:				
Net interest income	0.0	3.2	-3.1	4.3
Noninterest income	7.1	4.0	3.1	7.1
Total revenue	7.1	7.2	-0.0	11.5
General and administrative expenses	-1.2	-1.2	-0.0	-1.6
Ordinary business profit	5.9	5.9	-0.0	9.8
Net credit costs	-	-	-	-
Ordinary business profit after net credit costs	5.9	5.9	-0.0	9.8
Corporate/Other (excluding Treasury)¹:				
Net interest income	0.0	-0.0	0.0	-0.0
Noninterest income	2.0	0.7	1.2	0.8
Total revenue	2.0	0.7	1.3	0.8
General and administrative expenses	-1.1	0.1	-1.3	0.7
Ordinary business profit	0.8	0.8	0.0	1.6
Net credit costs	-0.2	0.0	-0.2	0.0
Ordinary business profit after net credit costs	0.6	0.8	-0.1	1.6
Corporate/Other¹:				
Net interest income	0.0	3.2	-3.1	4.3
Noninterest income	9.2	4.7	4.4	8.0
Total revenue	9.2	7.9	1.2	12.4
General and administrative expenses	-2.4	-1.1	-1.3	-0.9
Ordinary business profit	6.7	6.8	-0.0	11.5
Net credit costs	-0.2	0.0	-0.2	0.0
Ordinary business profit after net credit costs	6.5	6.8	-0.2	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>		
	Dec 31 2016	Mar 31 2016	Change (Amount)
Loans and bills discounted	4,789.9	4,562.9	226.9
Installment receivables	534.5	516.3	18.1
Leased assets, lease receivables and leased investment assets	216.0	232.5	-16.5
Securities	1,090.4	1,227.8	-137.4
Other monetary claims purchased	43.9	81.7	-37.8
Other interest earning assets ¹	1,411.1	1,133.4	277.7
Trading assets	249.3	336.3	-87.0
Monetary assets held in trust	224.9	255.5	-30.5
Goodwill, net	15.4	18.1	-2.6
Other intangible assets ²	2.8	4.1	-1.3
Other assets	424.0	370.8	53.2
Customer's liabilities for acceptances and guarantees	306.8	280.6	26.2
Reserve for credit losses	-98.7	-91.7	-7.0
Total assets (includes others)	9,210.7	8,928.7	282.0
Deposits and negotiable certificates of deposit	5,881.0	5,800.9	80.0
Borrowed money	753.6	801.7	-48.1
Corporate bonds	118.6	95.1	23.4
Other interest bearing liabilities ³	587.2	328.1	259.1
Trading liabilities	229.0	294.3	-65.3
Reserve for losses on interest repayments	103.7	133.6	-29.9
Other liabilities	417.2	401.0	16.2
Acceptances and guarantees	306.8	280.6	26.2
Total liabilities (includes others)	8,397.4	8,135.6	261.7
Total equity	813.3	793.1	20.2

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>		
	Dec 31 2016	Mar 31 2016	Change (Amount)
General reserve for loan losses	70.0	64.5	5.5
Specific reserve for loan losses	28.7	27.1	1.5
Reserve for loans to restructuring countries	0.0	0.0	-0.0
Total reserve for credit losses	98.7	91.7	7.0

Risk Monitored Loans (Consolidated)

	<i>(Billions of yen)</i>		
	Dec 31 2016	Mar 31 2016	Change (Amount)
Loans to bankrupt obligors	4.7	4.3	0.4
Nonaccrual delinquent loans	56.4	62.3	-5.8
Loans past due for three months or more	1.8	1.6	0.1
Restructured loans	30.9	26.9	3.9
Total (A)	94.0	95.3	-1.2
Loans and bills discounted (B)	4,789.9	4,562.9	226.9
Ratio to total loans and bills discounted (A/B X 100)	1.96%	2.09%	
Reserve for credit losses (C)	98.7	91.7	7.0
Reserve ratio (C/A X 100) (%)	105.0%	96.2%	

Loans by Borrower Industry (Consolidated)

(Billions of yen)

	Dec 31 2016	Mar 31 2016	Change (Amount)
Domestic offices (excluding Japan offshore market accounts):			
Manufacturing	210.4	197.3	13.1
Agriculture and forestry	0.0	0.0	-0.0
Fishery	0.2	0.1	0.0
Mining, quarrying and gravel extraction	0.4	0.2	0.2
Construction	15.5	10.5	4.9
Electrical, natural gas and water supply	240.0	235.6	4.4
Information and communications	46.9	37.3	9.6
Transportation and postal service	186.7	181.4	5.3
Wholesale and retail	106.6	104.3	2.2
Finance and insurance	558.3	541.4	16.9
Real estate	569.9	608.1	-38.2
Services	330.9	308.2	22.6
Local government	73.5	79.4	-5.9
Others	2,340.8	2,157.9	182.8
Loans to individual customers (retail banking, Shinsei Bank Lake, Shinsei Financial, and APLUS FINANCIAL)	1,934.7	1,806.4	128.2
Total domestic (A)	4,680.5	4,462.2	218.2
Overseas offices (including Japan offshore market accounts):			
Governments	0.6	0.7	-0.0
Financial institutions	7.5	8.5	-0.9
Others	101.0	91.3	9.7
Total overseas (B)	109.3	100.6	8.6
Total (A+B)	4,789.9	4,562.9	226.9

Securities Being Held to Maturity (Consolidated)

	<i>(Billions of yen)</i>					
	Dec 31, 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	494.1	499.7	5.6	535.8	544.2	8.3
Other	4.4	4.6	0.2	23.7	24.4	0.7
Subtotal	498.5	504.4	5.9	559.5	568.6	9.0
Fair value does not exceed carrying amount						
Japanese national government bonds	-	-	-	-	-	-
Other	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-
Total	498.5	504.4	5.9	559.5	568.6	9.0

Securities Available for Sale (Consolidated)

(Billions of yen)

	Dec 31, 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	23.4	11.1	12.2	20.0	11.0	8.9
Domestic bonds	41.8	40.0	1.8	231.2	226.7	4.4
Japanese national government bonds	2.0	2.0	0.0	194.3	191.3	2.9
Japanese local government bonds	-	-	-	0.5	0.5	0.0
Japanese corporate bonds	39.7	37.9	1.8	36.4	34.8	1.5
Other	127.9	124.9	3.0	159.0	156.0	3.0
Foreign securities	111.9	110.4	1.5	150.7	148.7	1.9
Foreign currency denominated foreign corporate and government bonds	72.3	71.4	0.8	104.8	103.1	1.7
Yen-denominated foreign corporate and government bonds	39.5	38.9	0.5	45.8	45.6	0.2
Foreign equity securities and others	0.0	0.0	0.0	0.0	0.0	0.0
Other securities	11.8	10.5	1.3	8.0	7.0	1.0
Other monetary claims purchased	4.2	3.9	0.2	0.2	0.2	0.0
Subtotal	193.2	176.0	17.2	410.3	393.9	16.4
Carrying amount does not exceed amortized/acquisition cost						
Equity securities	0.8	1.0	-0.2	2.0	2.2	-0.2
Domestic bonds	149.6	151.0	-1.3	52.6	53.0	-0.4
Japanese national government bonds	77.6	78.0	-0.4	19.9	20.0	-0.1
Japanese local government bonds	-	-	-	-	-	-
Japanese corporate bonds	72.0	72.9	-0.9	32.7	33.0	-0.2
Other	158.7	162.8	-4.0	126.5	127.4	-0.8
Foreign securities	151.9	155.3	-3.4	109.8	110.5	-0.7
Foreign currency denominated foreign corporate and government bonds	85.6	88.1	-2.4	58.8	59.2	-0.3
Yen-denominated foreign corporate and government bonds	62.6	63.4	-0.8	50.7	51.1	-0.3
Foreign equity securities and others	3.6	3.6	-0.0	0.1	0.1	-
Other securities	5.4	6.1	-0.6	0.1	0.1	-0.0
Other monetary claims purchased	1.3	1.3	-0.0	16.6	16.7	-0.1
Subtotal	309.2	314.8	-5.6	181.2	182.7	-1.5
Total^{1, 2}	502.4	490.9	11.5	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 December 31, 2016 and March 31, 2016 were ¥496.9 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)

	Dec 31, 2016	Mar 31, 2016
Unrealized gain (loss) before deferred tax on:		
Available-for-sale securities	11.5	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	1.0	2.2
Securities being held to maturity, reclassified from available-for-sale in the past, under extremely illiquid market conditions	-0.2	-0.7
Other monetary assets held in trust	-0.7	-1.0
(-) Deferred tax liabilities	1.7	3.6
Unrealized gain (loss) on available-for-sale securities before interest adjustments	9.8	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	-1.2	0.1
Unrealized gain (loss) on available-for-sale securities	8.6	11.9

Deposits (Consolidated)

(Billions of yen)

	Dec 31 2016	Mar 31 2016	Change (Amount)
Deposits	5,520.0	5,499.9	20.0
Liquid (current, ordinary, notice) deposits	2,232.7	2,049.2	183.5
Time deposits ¹	2,824.9	3,005.6	-180.7
Other	462.3	445.1	17.1
Negotiable certificates of deposits (NCDs)	361.0	301.0	60.0
Total	5,881.0	5,800.9	80.0

1. Includes two-week maturity deposits

Financial Ratios (Consolidated)

	Q3 FY2016 (9 months)	Q3 FY2015 (9 months)	FY2015 (12 months)
Return on assets ¹	0.6% ⁵	0.7% ⁵	0.7%
Return on equity ²	7.2% ⁵	8.5% ⁵	8.1%
Return on equity (fully diluted) ³	7.2% ⁵	8.5% ⁵	8.1%
Return on risk asset ⁴	1.0% ⁵	1.1% ⁵	1.1%
Expense-to-revenue ratio ^{6, 7}	62.4%	63.7%	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)		
	Dec 31 2016	Mar 31 2016	Change (Amount)
Core capital: instruments and reserves	864.7	855.9	8.7
Core capital: regulatory adjustments	-44.2	-46.4	2.2
Capital	820.4	809.5	10.9
Total amount of Risk-weighted assets	5,809.1	5,698.1	110.9
Consolidated core capital adequacy ratio	14.12%	14.20%	

1. Calculated according to F-IRB.

Consolidated total required capital is ¥507.7billion as at Dec 31, 2016, ¥501.3billion as at March 31, 2016.

Per Share Data (Consolidated)

(Yen)

	Q3 FY2016 (9 months)	Q3 FY2015 (9 months)	Change (Amount)	FY2015 (12 months)
Common equity	312.23	291.89	20.33	294.41
Fully diluted equity	312.21	291.89	20.32	294.41
Basic EPS	16.61	18.13	-1.51	22.96
Diluted EPS	16.61	18.13	-1.51	22.96
For calculation of per share data (Does not include treasury shares) :				
Equity:				
Number of common shares (Consolidated)	2,598,390,929	2,653,918,082		2,653,917,147
Fully diluted number of shares (Consolidated)	2,598,524,423	2,653,923,913		2,653,918,679
EPS				
Number of common shares (Consolidated)	2,611,937,254	2,653,918,189		2,653,918,029
Fully diluted number of shares (Consolidated)	2,612,044,050	2,653,924,020		2,653,919,561

Consolidated Balance Sheets (Unaudited)

(Millions of yen)

	Dec 31 2016	Mar 31 2016	Change (Amount)
<<Assets>>			
Cash and due from banks	1,405,317	1,129,213	276,103
Call loans and bills bought	1,168	—	1,168
Receivables under securities borrowing transactions	4,684	4,243	441
Other monetary claims purchased	43,956	81,763	(37,807)
Trading assets	249,328	336,345	(87,016)
Monetary assets held in trust	224,988	255,526	(30,537)
Securities	1,090,419	1,227,859	(137,440)
Loans and bills discounted	4,789,911	4,562,923	226,987
Foreign exchanges	21,907	17,024	4,882
Lease receivables and leased investment assets	193,041	211,453	(18,411)
Other assets	859,385	799,420	59,964
Premises and equipment	49,013	48,781	232
Intangible assets	48,388	48,897	(508)
Goodwill	15,454	18,114	(2,659)
Assets for retirement benefits	4,543	2,394	2,149
Deferred issuance expenses for debentures	1	3	(2)
Deferred tax assets	16,648	14,050	2,598
Customers' liabilities for acceptances and guarantees	306,861	280,620	26,240
Reserve for credit losses	(98,774)	(91,732)	(7,042)
Total assets	9,210,791	8,928,789	282,002
<<Liabilities>>			
Deposits	5,520,026	5,499,992	20,033
Negotiable certificates of deposit	361,006	301,001	60,005
Debentures	8,179	16,740	(8,561)
Call money and bills sold	53,500	40,000	13,500
Payables under repurchase agreements	21,541	23,779	(2,237)
Payables under securities lending transactions	337,924	118,139	219,785
Trading liabilities	229,013	294,326	(65,312)
Borrowed money	753,617	801,742	(48,125)
Foreign exchanges	198	75	123
Short-term corporate bonds	165,900	129,400	36,500
Corporate bonds	118,600	95,121	23,478
Other liabilities	398,694	380,458	18,236
Accrued employees' bonuses	6,038	8,419	(2,380)
Accrued directors' bonuses	53	77	(24)
Liabilities for retirement benefits	8,946	8,791	154
Reserve for reimbursement of debentures	3,560	2,903	656
Reserve for losses on interest repayments	103,793	133,695	(29,902)
Deferred tax liabilities	4	378	(373)
Acceptances and guarantees	306,861	280,620	26,240
Total liabilities	8,397,462	8,135,665	261,796
<<Equity>>			
Shareholders' equity:			
Common stock	512,204	512,204	—
Capital surplus	78,474	79,461	(987)
Retained earnings	305,176	267,716	37,459
Treasury stock, at cost	(77,443)	(72,559)	(4,884)
Total shareholders' equity	818,411	786,823	31,587
Accumulated other comprehensive income:			
Unrealized gain (loss) on available-for-sale securities	8,602	11,911	(3,309)
Deferred gain (loss) on derivatives under hedge accounting	(13,366)	(14,770)	1,404
Foreign currency translation adjustments	348	362	(13)
Defined retirement benefit plans	(2,689)	(2,970)	280
Total accumulated other comprehensive income	(7,105)	(5,466)	(1,638)
Stock acquisition rights	578	512	66
Noncontrolling interests	1,445	11,254	(9,809)
Total equity	813,329	793,124	20,205
Total liabilities and equity	9,210,791	8,928,789	282,002

Consolidated Statements of Income (Unaudited)

(Millions of yen)

	Q3 FY2016 (9 months)	Q3 FY2015 (9 months)	Change (Amount)	FY2015 (12 months)
Ordinary income	285,210	278,958	6,251	375,732
Interest income	104,022	104,436	(413)	140,739
Interest on loans and bills discounted	95,323	93,675	1,647	124,928
Interest and dividends on securities	7,138	8,918	(1,779)	13,300
Other interest income	1,560	1,841	(280)	2,510
Fees and commissions income	36,760	35,612	1,147	47,357
Trading income	4,435	6,634	(2,198)	8,598
Other business income	118,364	109,951	8,412	150,925
Other ordinary income	21,627	22,324	(696)	28,111
Ordinary expenses	244,601	228,354	16,246	313,641
Interest expenses	11,880	13,949	(2,069)	18,394
Interest on deposits	5,641	6,127	(485)	8,212
Interest on borrowings	2,606	3,618	(1,012)	4,792
Interest on corporate bonds	854	2,570	(1,715)	2,877
Other interest expenses	2,777	1,633	1,143	2,512
Fees and commissions expenses	17,653	15,886	1,766	21,864
Trading losses	—	153	(153)	170
Other business expenses	71,409	74,807	(3,397)	100,883
General and administrative expenses	113,409	110,985	2,424	148,791
Amortization of goodwill	2,788	4,080	(1,291)	5,256
Amortization of intangible assets acquired in business combinations	1,322	1,679	(356)	2,161
Other general and administrative expenses	109,298	105,225	4,072	141,373
Other ordinary expenses	30,248	12,572	17,676	23,537
Provision of reserve for credit losses	26,161	9,791	16,369	10,802
Other	4,086	2,780	1,306	12,734
Ordinary profit	40,609	50,603	(9,994)	62,090
Extraordinary gains	5,402	1,161	4,240	1,714
Extraordinary losses	749	769	(20)	987
Income before income taxes	45,263	50,996	(5,733)	62,817
Income taxes (benefit)	1,995	2,502	(506)	1,488
Profit	43,267	48,494	(5,226)	61,329
Profit (loss) attributable to noncontrolling interests	(129)	368	(498)	378
Profit attributable to owners of the parent	43,397	48,125	(4,728)	60,951

Consolidated Statements of Comprehensive Income (Unaudited)

(Millions of yen)

	Q3 FY2016 (9 months)	Q3 FY2015 (9 months)	Change (Amount)	FY2015 (12 months)
Profit	43,267	48,494	(5,226)	61,329
Other comprehensive income				
Unrealized gain (loss) on available-for-sale securities	(2,027)	(886)	(1,140)	993
Deferred gain (loss) on derivatives under hedge accounting	1,404	(32)	1,437	(3,269)
Foreign currency translation adjustments	(2,109)	(184)	(1,925)	(1,474)
Defined retirement benefit plans	286	309	(22)	(2,475)
Share of other comprehensive income in affiliates	246	(1,014)	1,261	(2,415)
Other comprehensive income	(2,198)	(1,808)	(390)	(8,641)
Comprehensive income	41,068	46,685	(5,617)	52,687
(Breakdown)				
Attributable to:				
Owners of the parent	41,725	46,304	(4,578)	52,988
Noncontrolling interests	(657)	381	(1,038)	(300)

Consolidated Composition of Capital Disclosure

<Basel 3, Domestic Standard¹>

Millions of yen (except percentages)

	Dec 31 2016	Amounts excluded under transitional
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	818,411	
of which: capital and capital surplus	590,678	
of which: retained earnings	305,176	
of which: treasury stock (-)	77,443	
of which: earning to be distributed (-)	-	
of which: other than above	-	
Accumulated other comprehensive income (amount allowed to be included in Core capital)	(727)	(1,613)
of which: foreign currency translation adjustment	348	
of which: amount related defined benefit	(1,075)	(1,613)
Stock acquisition right to common shares and preferred shares with a compulsory conversion clause	578	
Adjusted noncontrolling interests (amount allowed to be included in Core capital)	9	
Total of reserves included in Core capital: instruments and reserves	1,247	
of which: general reserve for loan losses included in Core capital	1,247	
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)	43,800	
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)	1,388	
Core capital: instruments and reserves	864,708	
Core capital: regulatory adjustments		
Total amount of intangible assets (excluding those relating to mortgage servicing rights)	25,752	12,473
of which: goodwill (including those equivalent)	15,454	-
of which: other intangibles other than goodwill and mortgage servicing rights	10,297	12,473
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	2,935	4,403
Shortfall of eligible provisions to expected losses	7,999	-
Gain on sale of securitization	6,332	-
Gains and losses due to changes in own credit risk on fair valued liabilities	-	-
Net defined benefit asset	1,256	1,885
Investments in own shares (excluding those reported in the net assets section)	1	2
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	44,277	
Capital (consolidated)	820,430	
Risk-weighted assets, etc.		
Total amount of credit risk-weighted assets	5,270,022	
of which: total amount included in risk-weighted assets by transitional arrangements	13,273	
of which: intangible assets (excluding those relating to goodwill and mortgage servicing rights)	12,473	
of which: deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	4,403	
of which: net defined benefit asset	1,885	
of which: significant investments in the common stock of Other Financial Institutions (net of eligible short positions)	(5,494)	
of which: other than above	5	
Market risk (derived by multiplying the capital requirement by 12.5)	170,677	
Operational risk (derived by multiplying the capital requirement by 12.5)	368,477	
Credit risk-weighted assets adjustments	-	
Operational risk adjustments	-	
Total amount of Risk-weighted assets	5,809,177	
Capital ratio (consolidated)	14.12%	

1. Calculated according to F-IRB.

(Reference) Results of Operations (Consolidated)

(Millions of yen)

	Q3 FY2016 (9 months) (A)	Q3 FY2015 (9 months) (B)	Change (A)-(B)
Gross Business Profit	166,064	157,708	8,356
(excluding Gains on Monetary Assets Held in Trust)	162,705	151,688	11,017
Net Interest Income	92,142	90,486	1,656
Net Fees and Commissions	19,121	19,741	(620)
Net Trading Income	4,435	6,481	(2,045)
Net Other Business Income	50,364	40,999	9,365
Gains on Monetary Assets Held in Trust	3,358	6,020	(2,661)
Gains related to Bonds	5,421	2,963	2,457
General and Administrative Expenses	111,518	110,345	1,173
Personnel Expenses	42,694	42,791	(97)
Nonpersonnel Expenses	60,869	60,742	126
Amortization of Goodwill and Intangible Assets	4,111	5,760	(1,648)
Taxes	7,955	6,812	1,143
Net Business Profit	54,546	47,362	7,183
Credit Costs	22,952	3,517	19,435
Gains on Stock Transactions	3,817	4,858	(1,041)
Equity in Net Income (Loss) of Affiliates	2,155	1,815	340
Other	3,043	84	2,958
Ordinary Profit	40,609	50,603	(9,994)
Extraordinary Gains	4,653	392	4,261
Gains from Sales of Fixed Assets and Impairment losses	(82)	(487)	404
Income before Income Taxes	45,263	50,996	(5,733)
Income Taxes - Current	2,534	2,486	48
Income Taxes - Deferred	(538)	16	(554)
Profit Attributable to Noncontrolling Interests	(129)	368	(498)
Profit Attributable to Owners of the Parents	43,397	48,125	(4,728)

Note

1. Net Business Profit = Gross Business Profit - General and Administrative Expenses
2. Details of credit cost is available at "Net Credit Cost (Consolidated)" of Financial Summary.

Results of Operations (Nonconsolidated)

(Billions of yen)

	Q3 FY2016 (9 months)	Q3 FY2015 (9 months)	Change (Amount)	FY2015 (12 months)
Net interest income	69.8	64.4	5.4	93.7
Noninterest income	14.9	13.4	1.4	15.4
Net fees and commissions ¹	-0.6	1.9	-2.6	-0.3
Net trading income	2.6	3.5	-0.8	4.8
Net other business income	12.9	8.0	4.9	10.9
Total revenue¹	84.8	77.9	6.9	109.2
Personnel expenses	-20.4	-20.2	-0.1	-26.6
Nonpersonnel expenses	-33.4	-31.9	-1.5	-43.5
Taxes	-4.7	-4.1	-0.6	-5.0
General and administrative expenses	-58.6	-56.3	-2.3	-75.2
Net business profit¹	26.1	21.5	4.6	33.9
Other gains				
Gains on the sales of equities	2.7	0.5	2.2	-2.9
Net provision of reserve for credit losses ²	-3.2	9.7	-12.9	17.1
Losses on write-off of loans	-0.4	-0.2	-0.2	-0.4
Recoveries of written-off claims	0.2	3.4	-3.2	3.5
Expenses for employees' retirement benefits	-0.1	-0.6	0.5	-0.9
Others	0.2	0.5	-0.2	-0.8
Net ordinary income	25.4	34.8	-9.3	49.3
Extra ordinary profit				
Gains from sales of fixed assets and impairment losses	-0.0	-0.3	0.2	-0.5
Others	8.5	-5.2	13.8	-5.9
Income before income taxes	33.9	29.2	4.7	42.8
Income taxes - Current	-1.8	0.2	-2.0	0.6
Income taxes - Deferred	-0.0	-0.7	0.7	-1.8
Net income	32.1	28.7	3.3	41.5

1. Includes income from monetary assets held in trust of ¥5.1 billion in Q3FY2016, ¥5.1 billion in Q3FY2015 and ¥4.4 billion in FY2015.

2. Provision of reserve for loan losses was ¥3.2 billion in Q3FY2016.

Reversals of reserve for loan losses was ¥9.7 billion in Q3FY2015 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 Shinsei Personal Loan 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 in the first three quarters of fiscal year 2016 totaled ¥84.8 billion, increased ¥5.4 billion compared to the first three quarters of fiscal year 2015. Of this amount, net interest income totaled ¥69.8 billion, increased ¥5.4 billion compared to the first three quarters of fiscal year 2015. This performance was the result of the effects of the introduction of the negative interest rate policy (NIRP) remaining within the range of the Bank's original expectations, as well as positive effects such as an increase in interest income recorded from the Consumer Finance Business. It should be noted that dividend income received from subsidiaries in the first three quarters of fiscal year 2016 totaled ¥3.8 billion (¥3.0 billion from Shinsei Financial, ¥0.8 billion from Showa Leasing), reduced ¥0.4 billion compared to the amount received in the first three quarters of fiscal year 2015. Noninterest income totaled ¥14.9 billion, increased ¥1.4 billion compared to the first three quarters of fiscal year 2015. This was the result of increases in fee income recorded from Structured Finance in the Institutional Business and gains on bonds recorded in Treasury operations offsetting a reduction in markets related revenues, including revenues associated with the sale of asset management products in the Retail Banking Business.

General and administrative expenses totaled ¥58.6 billion in the first three quarters of fiscal year 2016, increased ¥2.3 billion compared to the first three quarters of fiscal year 2015. This was the result of an increase in expenses corresponding to the growth of the Consumer Finance Business operated through the Bank.

As a result of the preceding factors, Shinsei Bank recorded a nonconsolidated ordinary business profit of ¥26.1 billion in the first three quarters of fiscal year 2016, increased ¥4.6 billion compared to the first three quarters of fiscal year 2015. While net credit costs totaled ¥3.4 billion (expense) in the first three quarters of fiscal year 2016, an increase of ¥16.4 billion compared to the first three quarters of the previous fiscal year, due in part to the non-recurrence of the major credit recoveries recorded in the Institutional Business during the first three quarters of fiscal year 2015, due to factors such as the recording of an extraordinary profit related to the redemption of affiliate company shares, resulted in the Bank recording a net income of ¥32.1 billion in the first three quarters of fiscal year 2016, increased ¥3.3 billion compared to the first three quarters of fiscal year 2015.

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

(Billions of yen, except percentages)

	Q3 FY2016 (9 months)			Q3 FY2015 (9 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	4,330.9	63.3	1.94	4,193.2	59.9	1.90	4,210.4	80.3	1.90
Securities	1,498.4	14.2	1.26	1,783.6	14.2	1.06	1,726.8	25.9	1.50
Other interest-earning assets ^{2, 3}	238.1	1.6	***	321.4	2.0	***	320.4	2.8	***
Total interest-earning assets	6,067.6	79.2	1.73	6,298.2	76.2	1.61	6,257.7	109.1	1.74
Interest-bearing liabilities:									
Deposits, including negotiable certificates of deposit	5,890.7	5.6	0.12	5,670.6	6.2	0.14	5,735.8	8.4	0.14
Borrowed money	351.8	0.5	0.20	417.6	1.6	0.51	405.0	2.0	0.51
Subordinated debt	22.0	0.4	2.70	58.1	1.2	2.84	56.9	1.6	2.87
Other borrowed money	329.7	0.0	0.03	359.4	0.3	0.14	348.0	0.4	0.12
Corporate bonds	53.9	0.8	2.00	117.6	3.0	3.43	102.8	3.4	3.30
Subordinated bonds	35.3	0.7	2.88	105.2	3.0	3.80	89.4	3.3	3.75
Other corporate bonds	18.6	0.0	0.34	12.4	0.0	0.34	13.4	0.0	0.35
Other interest-bearing liabilities ²	436.6	2.4	***	543.5	1.1	***	508.6	1.8	***
Total interest-bearing liabilities	6,733.2	9.5	0.18	6,749.4	12.0	0.23	6,752.2	15.7	0.23
Net interest income/yield on interest-earning assets	6,067.6	69.7	1.52	6,298.2	64.1	1.35	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)

	Q3 FY2016 (9 months)	Q3 FY2015 (9 months)	Change	FY2015 (12 months)
Yield on interest earning assets (A)	1.73	1.61	0.12	1.74
Total cost of funding (B)	1.34	1.36	-0.02	1.35
Cost of interest bearing liabilities (C)	0.18	0.23	-0.05	0.23
Overall interest margin (A)–(B)	0.39	0.25	0.14	0.39
Net interest margin (A)–(C)	1.55	1.38	0.17	1.51

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

(Domestic)¹ (Percentages)

	Q3 FY2016 (9 months)	Q3 FY2015 (9 months)	Change	FY2015 (12 months)
Yield on interest earning assets (A)	1.64	1.51	0.13	1.65
Interest earned on loans and bills discounted	1.95	1.92	0.03	1.93
Interest earned on securities	1.19	0.85	0.34	1.39
Total cost of funding (B) ²	1.31	1.34	-0.03	1.34
Cost of interest bearing liabilities (C)	0.10	0.17	-0.07	0.17
Interest paid on deposits ³	0.07	0.12	-0.05	0.11
Overall interest margin (A)–(B)	0.33	0.17	0.16	0.31
Net interest margin (A)–(C)	1.54	1.34	0.20	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)

	Q3 FY2016 (9 months)	Q3 FY2015 (9 months)	Change	FY2015 (12 months)
Gains (losses) on bonds	6.5	2.9	3.5	5.7
Gains on sales	9.1	3.5	5.5	6.9
Gains on redemption	1.1	-	1.1	-
Losses on sales	-3.6	-0.6	-3.0	-1.1
Losses on redemption	-	-	-	-
Losses on devaluation	-	-	-	-
Gains (losses) on stocks	2.7	0.5	2.2	-2.9
Gains on sales	3.1	1.2	1.9	1.2
Losses on sales	-0.4	-0.3	-0.0	-3.6
Losses on devaluation	-	-0.3	0.3	-0.6

Net Credit Costs (Nonconsolidated) ¹

(Billions of yen)

	Q3 FY2016 (9 months)	Q3 FY2015 (9 months)	Change (Amount)	FY2015 (12 months)
Losses on write-off of loans	-0.4	-0.2	-0.2	-0.4
Net provision of reserve for loan losses	-3.2	9.7	-12.9	17.1
Net provision of general reserve for loan losses	-3.2	-3.0	-0.2	-4.0
Net provision of specific reserve for loan losses	0.0	12.8	-12.7	21.1
Recoveries of written-off claims	0.2	3.4	-3.2	3.5
Net credit costs	-3.4	12.9	-16.4	20.1

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

Loans by Borrower Industry (Nonconsolidated)

	<i>(Billions of yen)</i>		
	Dec 31 2016	Mar 31 2016	Change (Amount)
Domestic (excluding Japan offshore market accounts):			
Manufacturing	204.7	192.3	12.3
Agriculture and forestry	0.0	0.0	-0.0
Fishery	0.2	0.1	0.0
Mining, quarrying and gravel extraction	0.4	0.2	0.2
Construction	13.3	8.0	5.3
Electrical, natural gas and water supply	238.1	233.2	4.8
Information and communications	46.4	36.4	9.9
Transportation and postal service	168.8	165.1	3.7
Wholesale and retail	102.9	102.1	0.8
Finance and insurance	663.8	643.2	20.6
Real estate	546.7	577.8	-31.1
Services	383.2	360.0	23.1
Local government	73.5	79.4	-5.9
Individuals	1,570.0	1,474.2	95.8
Overseas yen loans and overseas loans booked domestically	387.1	328.1	59.0
Total domestic	4,399.7	4,200.7	198.9
Overseas (including Japan offshore market accounts):			
Governments	0.6	0.7	-0.0
Financial institutions	7.5	8.5	-0.9
Commerce and industry	100.1	90.0	10.1
Others	-	-	-
Total overseas	108.4	99.3	9.0
Total	4,508.1	4,300.1	207.9

Risk Monitored Loans (Nonconsolidated)

	<i>(Billions of yen)</i>		
	Dec 31 2016	Mar 31 2016	Change (Amount)
Loans to bankrupt obligors	1.2	1.3	-0.1
Nonaccrual delinquent loans	29.7	30.7	-0.9
Loans past due for three months or more	1.2	1.4	-0.2
Restructured loans	2.7	1.1	1.5
Total (A)	34.9	34.6	0.2
Loans and bills discounted (B)	4,508.1	4,300.1	207.9
Ratio to total loans and bills discounted (A/B) (%)	0.78%	0.81%	-0.03%
Reserve for credit losses (C)	30.5	28.2	2.2
Reserve ratio (C/A) (%)	87.3%	81.6%	5.7%

Risk Monitored Loans by Borrower Industry (Nonconsolidated)

	<i>(Billions of yen)</i>		
	Dec 31 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	0.0
Transportation and postal service	0.8	1.1	-0.2
Wholesale and retail	0.2	0.3	-0.0
Finance and insurance	-	-	-
Real estate	26.0	26.1	-0.1
Services	0.1	0.6	-0.4
Local government	-	-	-
Individuals	2.3	2.6	-0.3
Overseas yen loans and overseas loans booked domestically	2.5	2.9	-0.3
Total domestic	33.1	34.6	-1.5
Overseas (including Japan offshore market accounts):			
Governments	-	-	-
Financial institutions	-	-	-
Commerce and industry	1.8	-	1.8
Others	-	-	-
Total overseas	1.8	-	1.8
Total	34.9	34.6	0.2

Claims Classified under the Financial Revitalization Law (Nonconsolidated)

(Billions of yen)

	Dec 31 2016	Mar 31 2016	Change (Amount)
Claims against bankrupt and quasi-bankrupt obligors	4.2	5.0	-0.7
Doubtful claims	26.8	27.1	-0.3
Substandard claims	4.0	2.6	1.3
Total (A)	35.0	34.7	0.2
Coverage ratio	97.0%	97.9%	/
Total claims (B)	4,593.5	4,375.6	217.8
Loans and bills discounted	4,508.1	4,300.1	207.9
Others	85.3	75.5	9.8
Ratio to total claims (A/B X 100) (%) ¹	0.76%	0.79%	/
(Ref. 1) Amount of write-off	33.5	34.0	-0.5
(Ref. 2) Below need caution level	85.6	94.7	-9.0

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

(Billions of yen, except percentages)

	Dec 31, 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	4.2	4.2	-	4.2	100.0%	5.0	5.0	-	5.0	100.0%
Doubtful claims	26.8	26.6	1.7	24.9	99.3%	27.1	26.9	1.9	25.0	99.5%
Substandard claims	4.0	3.1	1.3	1.7	77.7%	2.6	2.1	0.5	1.6	78.0%
Total	35.0	33.9	3.0	30.9	97.0%	34.7	34.0	2.4	31.6	97.9%

Reserve for Credit Losses (Nonconsolidated)*(Billions of yen)*

	Dec 31 2016	Mar 31 2016	Change (Amount)
Reserve for credit losses	26.4	24.3	2.0
General reserve for loan losses	24.7	21.6	3.0
Specific reserve for loan losses	1.6	2.7	-1.0
Reserve for loans to restructuring countries	0.0	0.0	-0.0
Specific reserve for other credit losses	4.1	3.9	0.2
Total reserve for credit losses	30.5	28.2	2.2

Securities Being Held to Maturity (Nonconsolidated)

(Billions of yen)

	Dec 31, 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	494.1	499.7	5.6	535.8	544.2	8.3
Other	4.4	4.6	0.2	23.7	24.4	0.7
Subtotal	498.5	504.4	5.9	559.5	568.6	9.0
Fair value does not exceed carrying amount						
Japanese government bonds	-	-	-	-	-	-
Other	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-
Total	498.5	504.4	5.9	559.5	568.6	9.0

Securities Available for Sale (Nonconsolidated)

(Billions of yen)

	Dec 31, 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	18.7	9.0	9.6	13.9	8.2	5.7
Domestic bonds	39.7	37.9	1.8	228.5	224.1	4.4
Japanese national government bonds	-	-	-	192.2	189.3	2.9
Japanese local government bonds	-	-	-	0.5	0.5	0.0
Japanese corporate bonds	39.7	37.9	1.8	35.7	34.2	1.5
Other	125.4	122.4	3.0	158.0	154.1	3.9
Foreign securities	109.4	107.9	1.4	149.6	146.8	2.8
Foreign currency denominated foreign corporate and government bonds	69.8	68.9	0.8	103.8	101.1	2.6
Yen-denominated foreign corporate and government bonds	39.5	38.9	0.5	45.8	45.6	0.2
Foreign equity securities and others	0.0	0.0	0.0	0.0	0.0	0.0
Other securities	11.8	10.5	1.3	8.0	7.0	1.0
Other monetary claims purchased	4.2	3.9	0.2	0.2	0.2	0.0
Subtotal	184.0	169.4	14.5	400.5	386.4	14.1
Carrying amount does not exceed amortized/acquisition cost						
Equity securities	0.5	0.7	-0.1	1.2	1.3	-0.1
Domestic bonds	149.6	151.0	-1.3	52.6	53.0	-0.4
Japanese national government bonds	77.6	78.0	-0.4	19.9	20.0	-0.1
Japanese local government bonds	-	-	-	-	-	-
Japanese corporate bonds	72.0	72.9	-0.9	32.7	33.0	-0.2
Other	158.5	162.6	-4.0	126.4	127.3	-0.8
Foreign securities	151.7	155.1	-3.4	109.6	110.4	-0.7
Foreign currency denominated foreign corporate and government bonds	85.6	88.1	-2.4	58.8	59.2	-0.3
Yen-denominated foreign corporate and government bonds	62.6	63.4	-0.8	50.7	51.1	-0.3
Foreign equity securities and others	3.4	3.5	-0.0	-	-	-
Other securities	5.4	6.1	-0.6	0.1	0.1	-0.0
Other monetary claims purchased	1.3	1.3	-0.0	16.6	16.7	-0.1
Subtotal	308.7	314.3	-5.6	180.3	181.7	-1.4
Total^{1,2}	492.7	483.8	8.9	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)

	Dec 31, 2016	Mar 31, 2016
Unrealized gain (loss) before deferred tax on:		
Available-for-sale securities	8.9	12.6
Interests in available-for-sale securities held by partnerships recorded as securities whose fair value cannot be reliably determined	1.0	2.6
Securities being held to maturity, reclassified from available-for-sale in the past, under extremely illiquid market conditions	-0.2	-0.7
Other monetary assets held in trust	-0.7	-1.0
(-) Deferred tax liabilities	1.0	2.7
Unrealized gain (loss) on available-for-sale securities	7.9	10.7

Capital Adequacy Related Information (Nonconsolidated)

<Basel 3, Domestic Standard¹>

	<i>(Billions of yen, except percentages)</i>		
	Dec 31	Mar 31	Change
	2016	2016	(Amount)
Core capital: instruments and reserves	849.2	849.1	0.1
Core capital: regulatory adjustments	-15.1	-23.0	7.9
Capital	834.1	826.0	8.1
Total amount of Risk-weighted assets	5,279.1	5,208.5	70.6
Core capital adequacy ratio	15.80%	15.85%	

1. Calculated according to F-IRB.

Nonconsolidated total required capital is ¥437.2 billion as at Dec 31, 2016 and ¥439.5 billion as at March 31, 2016.

Nonconsolidated Balance Sheets (Unaudited)

(Millions of yen)

	Dec 31 2016	Mar 31 2016	Change (Amount)
<<Assets>>			
Cash and due from banks	1,327,813	1,049,396	278,416
Call loans	1,168	-	1,168
Other monetary claims purchased	133,406	192,146	(58,740)
Trading assets	244,602	311,832	(67,229)
Monetary assets held in trust	111,784	151,647	(39,863)
Securities	1,449,247	1,603,809	(154,561)
Loans and bills discounted	4,508,133	4,300,152	207,981
Foreign exchanges	21,907	17,024	4,882
Other assets	229,538	205,762	23,776
Other	229,538	205,762	23,776
Premises and equipment	16,890	17,813	(923)
Intangible assets	16,994	13,572	3,422
Prepaid pension cost	3,088	1,073	2,014
Deferred issuance expenses for debentures	1	3	(2)
Customers' liabilities for acceptances and guarantees	28,138	21,730	6,408
Reserve for credit losses	(30,520)	(28,282)	(2,238)
Total assets	8,062,194	7,857,682	204,512
<<Liabilities>>			
Deposits	5,665,181	5,664,767	413
Negotiable certificates of deposit	361,006	301,001	60,005
Debentures	8,179	16,740	(8,561)
Call money	53,500	40,000	13,500
Payables under repurchase agreements	21,541	23,779	(2,237)
Payables under securities lending transactions	335,367	116,409	218,958
Trading liabilities	226,278	291,356	(65,077)
Borrowed money	330,882	374,827	(43,944)
Foreign exchanges	198	75	123
Corporate bonds	57,600	57,619	(19)
Other liabilities	170,704	162,635	8,068
Income taxes payable	2,844	748	2,095
Asset retirement obligations	7,480	7,443	36
Other	160,379	154,443	5,936
Accrued employees' bonuses	3,507	4,511	(1,003)
Reserve for reimbursement of debentures	3,560	2,903	656
Deferred tax liabilities	367	2,873	(2,506)
Acceptances and guarantees	28,138	21,730	6,408
Total liabilities	7,266,017	7,081,231	184,785
<<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	290,468	264,216	26,252
Legal reserve	14,220	13,689	530
Other retained earnings	276,248	250,526	25,721
Unappropriated retained earnings	276,248	250,526	25,721
Treasury stock, at cost	(77,443)	(72,559)	(4,884)
Total shareholders' equity	804,695	783,327	21,368
Net unrealized gain (loss) and translation adjustments			
Unrealized gain (loss) on available-for-sale securities	7,997	10,777	(2,779)
Deferred gain (loss) on derivatives under hedge accounting	(17,049)	(18,166)	1,116
Total net unrealized gain (loss) and translation adjustments	(9,052)	(7,389)	(1,662)
Stock acquisition rights	534	512	21
Total equity	796,177	776,450	19,727
Total liabilities and equity	8,062,194	7,857,682	204,512

Nonconsolidated Statements of Income(Unaudited)

(Millions of yen)

	Q3 FY2016 (9 months)	Q3 FY2015 (9 months)	Change (Amount)	FY2015 (12 months)
Ordinary income	126,168	124,981	1,187	176,230
Interest income	79,221	76,232	2,988	109,149
Interest on loans and bills discounted	63,371	59,915	3,455	80,384
Interest and dividends on securities	14,229	14,232	(3)	25,952
Other interest income	1,620	2,083	(463)	2,813
Fees and commissions income	13,888	14,902	(1,014)	19,285
Trading income	2,686	3,680	(994)	5,031
Other business income	18,124	9,230	8,894	13,264
Other ordinary income	12,248	20,935	(8,687)	29,499
Ordinary expenses	100,675	90,106	10,569	126,863
Interest expenses	9,505	12,095	(2,590)	15,778
Interest on deposits	5,645	6,137	(492)	8,225
Interest on corporate bonds	816	3,039	(2,223)	3,403
Other interest expenses	3,044	2,918	125	4,149
Fees and commissions expenses	19,695	18,136	1,558	24,103
Trading losses	25	178	(152)	197
Other business expenses	5,148	1,185	3,962	2,285
General and administrative expenses	60,186	56,985	3,201	76,173
Other ordinary expenses	6,114	1,525	4,589	8,324
Ordinary profit	25,493	34,875	(9,381)	49,366
Extraordinary gains	9,289	813	8,475	842
Extraordinary losses	790	6,414	(5,623)	7,374
Income before income taxes	33,992	29,274	4,717	42,834
Income taxes (benefit)	1,827	482	1,344	1,268
Net income	32,165	28,791	3,373	41,566

Nonconsolidated Composition of Capital Disclosure

<Basel 3, Domestic Standard>

Millions of yen (except percentages)

	Dec 31 2016	Amounts excluded under transitional
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	804,695	
of which: capital and capital surplus	591,670	
of which: retained earnings	290,468	
of which: treasury stock (-)	77,443	
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	249	
of which: general reserve for loan losses included in Core capital	249	
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)	43,800	
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	849,279	
Core capital: regulatory adjustments		
Total amount of intangible assets (excluding those relating to mortgage servicing rights)	5,684	6,397
of which: goodwill (including those equivalent)	1,076	-
of which: other intangibles other than goodwill and mortgage servicing rights	4,608	6,397
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	775	1,163
Shortfall of eligible provisions to expected losses	1,472	-
Gain on sale of securitization	6,332	-
Gains and losses due to changes in own credit risk on fair valued liabilities	-	-
Prepaid pension cost	854	1,281
Investments in own shares (excluding those reported in the net assets section)	1	2
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	15,120	
Capital (nonconsolidated)	834,158	
Risk-weighted assets, etc.		
Total amount of credit risk-weighted assets	4,936,030	
of which: total amount included in risk-weighted assets by transitional arrangements	3,354	
of which: intangible assets (excluding those relating to goodwill and mortgage servicing rights)	6,397	
of which: deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	1,163	
of which: prepaid pension cost	1,281	
of which: significant investments in the common stock of Other Financial Institutions (net of eligible short positions)	(5,494)	
of which: other than above	5	
Market risk (derived by multiplying the capital requirement by 12.5)	149,079	
Operational risk (derived by multiplying the capital requirement by 12.5)	194,074	
Credit risk-weighted assets adjustments	-	
Operational risk adjustments	-	
Total amount of Risk-weighted assets	5,279,183	
Capital ratio (nonconsolidated)	15.80%	

1. Calculated according to F-IRB.

(Reference) Operating Results (Nonconsolidated)

(Millions of yen)

	Q3 FY2016 (9 months) (A)	Q3 FY2015 (9 months) (B)	Change (A)-(B)
Gross Business Profit	84,821	77,906	6,914
(excluding Gains on Monetary Assets Held in Trust)	79,689	72,743	6,945
Net Interest Income	69,858	64,430	5,428
Net Fees and Commissions	(660)	1,944	(2,605)
Gains on Monetary Assets Held in Trust	5,132	5,163	(30)
Net Trading Income	2,661	3,502	(841)
Net Other Business Income	12,962	8,029	4,932
Gains related to Bonds	6,523	2,963	3,559
General and Administrative Expenses	58,653	56,345	2,308
Personnel Expenses	20,414	20,273	140
Nonpersonnel Expenses	33,457	31,923	1,534
Amortization of Goodwill	124	181	(56)
Taxes	4,781	4,147	633
Net Operating Profit before Provision of General Reserve for Loan Losses	21,035	16,398	4,637
Provision of General Reserve for Loan Losses (1)	3,298	—	3,298
Net Operating Profit	17,736	16,398	1,338
Net Business Profit	26,167	21,561	4,606
Non-Recurring Gains	2,766	13,607	(10,840)
Gains related to Stocks	2,730	505	2,225
Credit Costs (2)	159	(12,963)	13,122
Losses on Write-Off of Loans	432	221	210
Provision of Specific Reserve for Loan Losses	(62)	—	(62)
Provision of Loans to Restructuring Countries	(0)	—	(0)
Recoveries of Written-off Claims	(210)	(3,447)	3,237
Reversal of Reserve for Loan Losses	—	(9,737)	9,737
Losses on Sale of Loans	—	—	—
Other	195	139	56
Ordinary Profit	25,493	34,875	(9,381)
Extraordinary Gains	8,498	(5,600)	14,099
Gains from Sales of Fixed Assets and Impairment losses	(93)	(365)	271
Income before Income Taxes	33,992	29,274	4,717
Income Taxes - Current	1,825	(239)	2,065
Income Taxes - Deferred	1	722	(721)
Net Income	32,165	28,791	3,373

(Reference)

Net Credit Costs (1) + (2)	3,457	(12,963)	16,421
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Note

1. Net Operating Profit = Gross Business Profit (excluding Gains on Monetary Assets Held in Trust) - General and Administrative Expenses - Provision of General Reserve for loan losses.
2. Net Business Profit = Gross Business Profit - General and Administrative Expenses.

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

(Millions of yen, %)

[All]	Q3 FY2016 (9 months)			Q3 FY2015 (9 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:	6,067,627	79,221	1.73	6,298,244	76,232	1.61	6,257,753	109,149	1.74
Loans and bills discounted	4,330,969	63,371	1.94	4,193,204	59,915	1.90	4,210,433	80,384	1.90
Securities	1,498,457	14,229	1.26	1,783,612	14,232	1.06	1,726,866	25,952	1.50
Interest-bearing liabilities:	6,733,235	9,505	0.18	6,749,492	12,095	0.23	6,752,294	15,778	0.23
Deposits, including negotiable certificates of deposit	5,890,762	5,690	0.12	5,670,648	6,277	0.14	5,735,803	8,449	0.14
Borrowed money	351,827	532	0.20	417,612	1,623	0.51	405,015	2,088	0.51
Subordinated debt	22,069	449	2.70	58,145	1,241	2.84	56,952	1,638	2.87
Corporate bonds	53,953	816	2.00	117,686	3,039	3.43	102,874	3,403	3.30
Subordinated bonds	35,353	768	2.88	105,204	3,007	3.80	89,468	3,356	3.75
Net interest income/yield on interest-earning assets	6,067,627	69,715	1.52	6,298,244	64,136	1.35	6,257,753	93,371	1.49

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

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.