

Business and Financial Results

Financial Summary

Shinsei Bank, Limited, and Consolidated Subsidiaries
For the fiscal years ended March 31, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018 and 2019¹

	FY2008	FY2009	FY2010	FY2011
For the fiscal year (Billions of yen)¹:				
Total revenue	183.1	264.2	262.6	202.9
General and administrative expenses	182.0	170.8	145.3	130.3
Net credit costs	129.0	112.2	68.3	12.2
Income before income taxes	(119.0)	(123.0)	57.7	15.3
Profit attributable to owners of the parent	(143.0)	(140.1)	42.6	6.4
Balances at fiscal year-end (Billions of yen):				
Securities	2,174.1	3,233.3	3,286.3	1,873.4
Loans and bills discounted	5,876.9	5,163.7	4,291.4	4,136.8
Lease receivables and leased investment assets	232.5	213.7	206.2	197.4
Total assets	11,949.1	11,376.7	10,231.5	8,609.6
Deposits and negotiable certificates of deposit	6,272.1	6,475.3	5,610.6	5,362.4
Total liabilities	11,181.7	10,741.8	9,620.3	7,982.0
Total equity	767.4	634.9	611.1	627.6
Per share data (Yen):				
Common equity	284.95	232.72	205.83	212.67
Basic profit	(72.85)	(71.36)	21.36	2.42
Dividends	—	—	1.00	1.00
Ratios (%):				
Return on assets ²	(1.2)	(1.2)	0.4	0.1
Return on equity ³	(22.4)	(27.6)	8.5	1.2
Expenses-to-revenue ratio	99.4	64.6	55.3	64.2
Total capital adequacy ratio (Basel II, Domestic Standard)	8.35	8.35	9.76	10.27
Capital ratio (Basel III, Domestic Standard)	—	—	—	—
Ratio of nonperforming claims classified under the Financial Revitalization Law to total claims	2.51	6.70	6.78	6.66

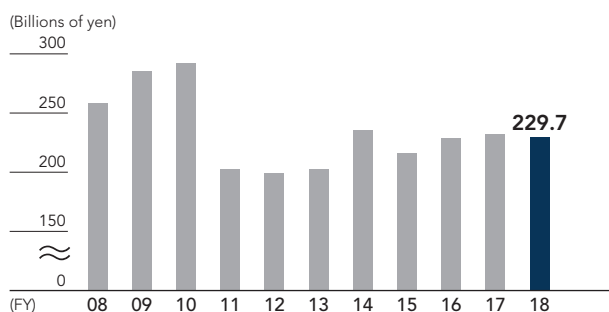
¹ Since all yen figures have been truncated rather than rounded, the totals do not necessarily equal the sum of the individual amounts.

² Return on assets is calculated by dividing profit (loss) attributable to owners of the parent by the average of total assets at the beginning and end of the period presented.

³ Return on equity (fully diluted) is calculated by dividing profit (loss) attributable to owners of the parent by the average amount of (total equity – share warrants – noncontrolling interests) at the beginning and end of the period presented.

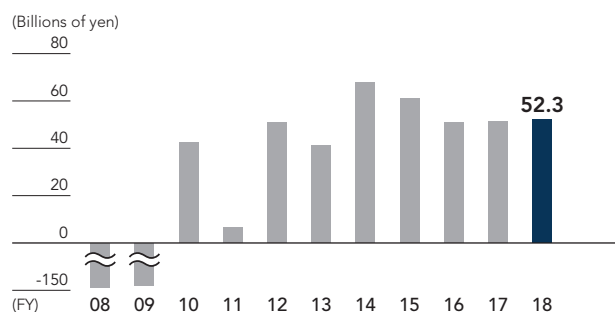
⁴ Shinsei Bank consolidated its shares with a rate of ten shares of common stock into one share on October 1, 2017. Common equity per share and basic profit per share are calculated as if the consolidation of shares had occurred at the beginning of FY2016.

■ Total revenue



• While earnings have been lifted since fiscal 2010 on factors such as gains from repurchasing preferred securities and items such as gains on the sale of assets on which loss disposals had been recorded in the prior years, total revenue has steadily grown since fiscal 2012 when such one-off gains dropped out of the picture. From fiscal 2016 onward, we applied “selection and concentration” tests to our businesses in accordance with the Group’s strengths and the growth potential of each business to identify growth areas, and we have actively invested management resources into them.

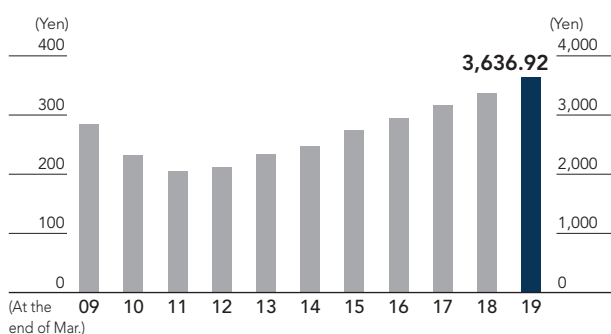
■ Profit attributable to owners of the parent



• The Shinsei Bank Group recorded losses in fiscal 2008 and 2009 on the effects of the global financial crisis sparked by the collapse of Lehman Brothers but the Group has continued to book profits every year since fiscal 2010. The Group is working to improve the quality of earnings by adding more heft to core profits and limiting profits from nonrecurring and high-volatility sources.

	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018
	199.0	203.0	235.3	216.6	228.5	232.0	229.6
	130.9	135.0	144.2	141.3	144.2	142.9	145.7
	5.5	0.2	11.8	3.7	31.8	37.2	29.3
	53.8	46.0	72.7	62.8	51.7	55.4	54.5
	51.0	41.3	67.8	60.9	50.7	51.4	52.3
	1,842.3	1,557.0	1,477.3	1,227.8	1,014.6	1,123.5	1,130.2
	4,292.4	4,319.8	4,461.2	4,562.9	4,833.4	4,895.9	4,986.8
	203.5	227.7	227.0	211.4	191.4	171.4	176.5
	9,029.3	9,321.1	8,889.8	8,928.7	9,258.3	9,456.6	9,571.1
	5,457.5	5,850.4	5,452.7	5,800.9	5,862.9	6,067.0	5,922.1
	8,345.6	8,598.5	8,136.0	8,135.6	8,437.5	8,600.6	8,674.5
	683.6	722.5	753.7	793.1	820.7	8,560.0	896.6
	233.65	247.82	275.45	294.41	3,163.89 ⁴	3,376.39 ⁴	3,636.92
	19.24	15.59	25.57	22.96	194.65 ⁴	199.01 ⁴	211.24
	1.00	1.00	1.00	1.00	1.00	10.00 ⁴	10.00
	0.6	0.5	0.7	0.7	0.6	0.5	0.5
	8.6	6.5	9.8	8.1	6.3	6.1	6.0
	65.8	66.5	61.3	65.3	63.1	61.6	63.5
	12.24	—	—	—	—	—	—
	—	13.58	14.86	14.20	13.06	12.83	11.85
	5.32	3.81	1.42	0.79	0.22	0.17	0.20

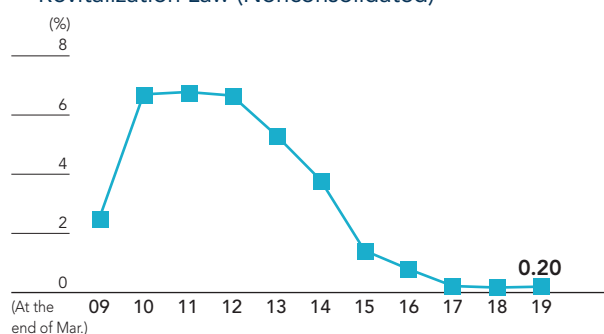
Common equity per share



- Common equity per share has continued to increase on a steady buildup of profits.

Note: Shinsei Bank consolidated its shares with a rate of ten shares of common stock into one share on October 1, 2017.

Nonperforming loan ratio under the Financial Revitalization Law (Nonconsolidated)



- As we have sharply reduced claims classified as nonperforming loans stemming from the global financial crisis sparked by the collapse of Lehman Brothers, the nonperforming loan ratio under the Financial Revitalization Law has fallen to its lowest level, and our asset quality has improved.

Review of Fiscal 2018

Results of Operations

(FY)	(Unit: ¥ billion)		YoY % B(+)/W(-)
	2017	2018	
Consolidated			
Total Revenue	232.0	229.7	-1%
Net Interest Income	128.7	133.8	+4%
Noninterest Income	103.2	95.9	-7%
Expenses	-142.5	-144.7	-2%
Ordinary Business Profit (OBP)	89.4	84.9	-5%
Net Credit Costs	-37.2	-29.3	+21%
OBP after Net Credit Costs	52.1	55.6	+7%
Others	-0.7	-3.3	-371%
Provisions of reserve for losses on interest repayment	6.0	2.3	-62%
Income Tax, etc.	-3.8	-2.5	+34%
Net Income	51.4	52.3	+2%

Total revenue decreased by 1% year on year to ¥229.7 billion, reflecting a decrease in noninterest income due mainly to absence of gains on stock transactions recorded in the previous fiscal year despite an increase of 4% in net interest income as we grew the average balance of operational assets in growth business areas.

Total expenses were at ¥144.7 billion, an increase of 2% year on year due to an increase in new core banking system related IT expenses.

Since total revenue was below the original plan, expenses-to-revenue ratio increased to 63% from 61.5% in fiscal 2017.

Net credit costs significantly decreased to ¥29.3 billion, reflecting net credit recoveries in Institutional Businesses as well as release of reserve due to a decline in loan balance and better collections in unsecured loan. This was partly offset by one-time credit provision in APLUS Financial related to its delinquent loan portfolio.

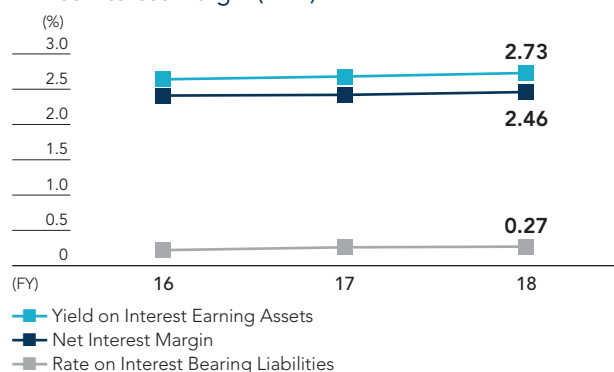
As for **Excess Interest Repayments (Kabarai)**, we released reserve of ¥2.3 billion on a net basis. APLUS recorded ¥3.5 billion of additional provisions which was fully offset by ¥5.6 billion of reserve release in Shinsei Financial and ¥0.1 billion reversal in Shinsei Personal Loan.

Income tax expenses decreased reflecting final disposal of legacy assets.

Net income increased to ¥52.3 billion.

Net Interest Margin (NIM): increased to 2.46%, reflecting improvement in yields on loan assets coupled with flattish overall funding rate.

Net Interest Margin (NIM)



Asset Quality

Risk-Monitored Loan Ratio (Consolidated) stood at 1.56%,

Nonperforming Loan (NPL) Ratio based on Financial Revitalization Law (Nonconsolidated) stood at 0.20%. Both ratios remained at a low level.

Capital Adequacy

Common Equity Tier 1 Ratio (International Standard; Fully Loaded Basis) was 12.0%. Increase in risk assets reflects asset growth in project finance and real estate nonrecourse loans in structured finance (including securitization exposure) and APLUS FINANCIAL, resulting in a decline in common equity tier 1 ratio.

Shareholder Return

A total ¥13 billion in acquisition of treasury shares was included in fiscal 2018, aiming to improve per share value, considering current share price, financial/capital and market environment.

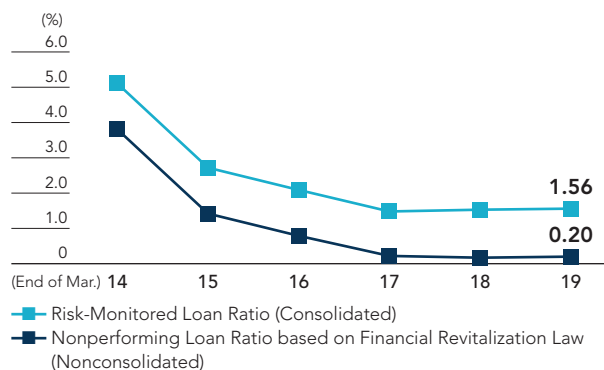
As a result of steady profits and share buyback, EPS increased by 6% to ¥211 and BPS increased by 8% to ¥3,636 compared to fiscal 2017.

In fiscal 2019, a share buyback program up to ¥23.5 billion has been approved by the Board of Directors, resulting in total payout ratio of 50% towards the result of fiscal 2018 net income.

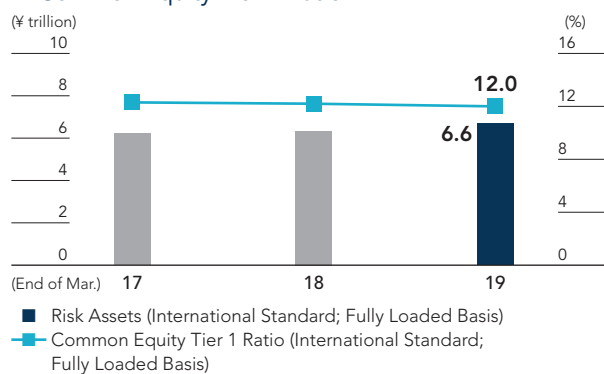
Shinsei Bank has decided the shareholder return for fiscal 2018 up to the maximum available share buyback program by taking into consideration the capital policy as stated in the Revitalization Plan that, "we will maintain or improve the total payout ratio within the range of average Japanese banks" as we think that the current share price is undervalued and it does not reflect its true share value.

However, the scheme/amount of shareholder return and the total payout ratio will be decided at each time period based on prevailing share price, financial/capital position and market conditions at the time. The total payout ratio based on this year's shareholder return does not necessarily make any reference to future total payout ratios.

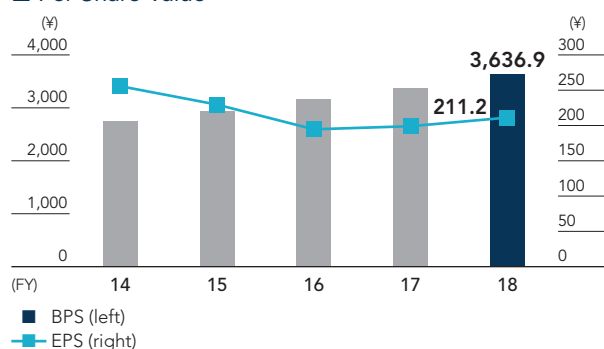
Risk-Monitored Loan Ratio NPL Ratio based on Financial Revitalization Law



Common Equity Tier 1 Ratio

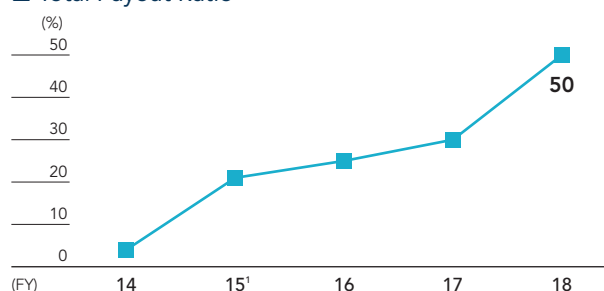


Per Share Value¹



¹ Reserve stock split (10 stocks to 1 stock) was executed in October 2017. Per share data for previous years has been adjusted to conform to current period presentation

Total Payout Ratio



¹ Excluding ¥2 billion relating to acquisition of treasury shares in order to attain full ownership of Showa Leasing

Status of SME Management Improvement and Regional Revitalization Initiatives

To improve the management of Small and Medium-sized Enterprises (SMEs) and contribute to regional revitalization, Shinsei Bank engages in initiatives such as those described below, providing our expertise and, depending on the initiative, cooperating with regional financial institutions and the SME Business Support Cooperative. With respect to supporting SMEs and local businesses that have technologies or business models with unrealized growth potential as well as new business fields or business domains that contribute to regional economic revitalization, the Bank goes beyond merely satisfying funding needs to provide financing that emphasizes cash flows and multifaceted solutions to such management issues as business strategy planning and implementation support and other complementary functions. Through such efforts, the Bank aims to expand the operations of growth-stage SME clients and contribute to the development of new business opportunities that accompany innovation.

Examples of Shinsei Bank Initiatives

Supporting management improvement and business expansion

A car dealership: Amid concern that the market will shrink due to the declining birth rate and population aging along with the growth of the sharing economy, the company needed to strengthen its financial position as well as its sales capabilities in order to demonstrate its presence amid the restructuring trend in the industry. The company was also facing the issue of disposing of unprofitable, non core businesses, and the Bank helped the company quickly resolve the urgent problem of enhancing its equity capital by providing equity financing through the underwriting of preferred stock. Currently, the company is expanding its domestic sales area and growing its overseas business as a means of effectively utilizing the equity funds procured, and is expected to further enhance its corporate value.

Supporting management improvement

A regenerative medicine startup: Having applied its unique cell lamination technology, the company has had success in putting into practical use a device for producing three-dimensional cellular tissue. The company's innovative technology is expected to lead to dramatic advances in regenerative medicine, but the company also aimed to develop an improved device capable of producing three-dimensional cellular structures in a shorter time, therefore a partnership with a company possessing extremely precise manufacturing technologies was indispensable in realizing that aim. Recognizing the possibility that the advanced equipment design know-how and other technologies possessed by a semiconductor-related venture company that the Bank has a business relationship with could meet the demands of the company in question, Shinsei Bank matched the two companies and, as a result, by overcoming these issues they promoted the development of an improved device. In the years to come, the company's product will be utilized by many research institutes and universities, and it is expected that it will greatly contribute to the development of regenerative medicine.

Supporting business rehabilitation

A regional supermarket: Through management by local capital, this supermarket had met the daily shopping needs of people in the local community for many years, but in

recent years business results have declined due to changes in the business environment, such as a decline in the number of residents living in the commercial area, the aging of the population, and competition with drug stores. The company ended up posting losses and was considering going under the umbrella of a sponsor that is large in scale and possesses abundant know-how. The company initially sought support from its main bank, but when these talks hit a snag, the company approached us for help. By accurately grasping the characteristics of the stores and product mix, and utilizing our nationwide network, the Bank succeeded in recruiting a strong sponsor capable of leveraging the company's potential from outside the region. The business transfer was concluded based on the conditions that the company desired, including maintaining the company's employees, and the Bank was highly commended by both the company and its main bank.

Business succession support

A regional meal service company: As one of the few business operators conforming to the standards set by local government, in addition to being entrusted with providing the meals for local schools the company had supplied dishes and ingredients for food supermarkets and hospitals. In recent years, however, the company had been suffering a deterioration in business performance due to factors such as a decrease in the number of pupils. Despite having worked on a raft of management improvement measures, the company had reached the point where it had ceased rebuilding under its own power. Through its main bank, a local financial institution, Shinsei Bank was approached to cooperate in inviting an outside sponsor. The company concerned presented local social conditions to be taken into consideration, such as keeping its workers in employment and the continuation of the school lunch program. Shinsei Bank utilized its network, backed by its abundant experience and track record on business revitalization M&A, and succeeded in engaging a prominent sponsor that met the conditions desired by the company. Following the business succession of the new sponsor, performance improved in an extremely short period of time. The local government, which was concerned about the continuation of the school lunch program, and the local financial institution have both been unstinting in their praise of Shinsei Bank with regard to this initiative.

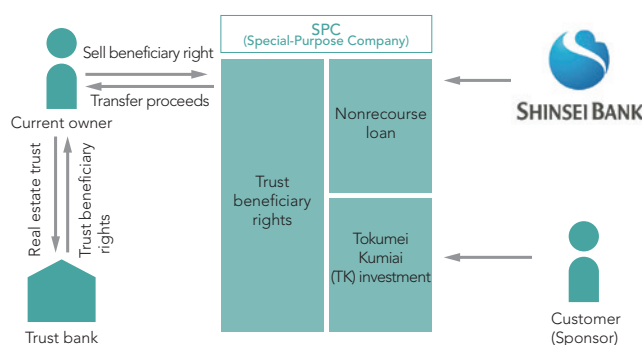
●●● Glossary

Management/Finance	
Common equity per share	Common equity per share is calculated by dividing common equity by the total number of common shares outstanding at the end of the term.
Earnings per share	Earnings per share is calculated by dividing net income by the total number of common shares outstanding for a period of the term.
ESG	An acronym for Environment, Social and Corporate Governance, which refers to perspectives important to the long-term growth and development of a company.
Excess Interest Repayment (Kabarai)	Prior to the interest rate reduction implemented as part of the revisions to the Money Lending Business Law, the interest rates on some consumer finance products offered by the Shinsei Bank Group's subsidiaries exceeded the upper limit stipulated by the Investment Law. Following a ruling by the Supreme Court in January 2006, customers who paid more than the upper limit stipulated by the Investment Law have been allowed to request a refund of the extra interest paid. Accordingly, consumer finance companies have recorded reserves in order to cover losses on (grey zone) excess interest repayments.
Net Credit Costs	Net Credit Costs are the sum of reserves for loan losses set aside (credit costs) according to the credit standing of borrowers, write-off (losses), reversal (gains) of reserves for loan losses and recoveries of written-off claims resulting from their disposal.
Nonperforming loan ratio under the Financial Revitalization Law	Nonperforming Loan ratio is the ratio of nonperforming claims under the Financial Revitalization Law to total claims.
Ordinary Business Profit (Loss)	Ordinary Business Profit (Loss)—the indicator of profit (loss) from core business after expenses—is calculated by subtracting "expenses" from "total revenue." "Net credit costs" are excluded from this calculation.
Profit attributable to owners of the parent	Profit attributable to owners of the parent indicates the final profit over a twelve-month fiscal term in accounting terms.
Total Return Ratio	The Total Return Ratio shows the magnitude of a company's shareholder returns.
Total Revenue	Total Revenue is composed of "Net interest income" such as interest from loans and "Noninterest income" such as fee income, as indicated by gross profit from core business operations.

Business	
Advisory	Shinsei Bank's advisory business proposes solutions to meet customers' diverse needs in areas such as M&A, corporate restructuring and fundraising in Japan and overseas.
Alternative investment	Alternative investment is a new investment method, such as private equity and real estate investment, not traditional asset management such as equity or bond.
API	API, abbreviation of Application Programming Interface, means to link and coordinate more than one software.
Business Succession Support	The provision of investments and loans to meet capital requirements for the transfer of shares, etc. to customers considering family members or employees as business successors in order to facilitate the smooth handover of business ownership.
Derivative	Derivative is a collective term referring to transactions that are derived from or linked to other underlying transactions such as interest rate, bond, foreign exchange and equity transactions. They are also called "financial derivatives" since most of the transactions originate from financial products.

●●● Glossary

Economic Ecosystem	The Economic Ecosystem refers to the entire industry environment and all of its constituent moving parts and their interactions, much like the ecosystems of the natural world.
Fiduciary Duty	The responsibility held by a trustee towards their beneficiary. In finance, this refers to the responsibility that financial institutions have towards their customers and their entrusted assets.
Finance as a Service	Financial product is unbundled and provided as each of functions rather than as a package.
Nonrecourse Loan	Nonrecourse Loans are finances for which repayment is made solely from the cash flows generated from specific businesses or assets (typically, but not always real estate), with no recourse to the sponsor.

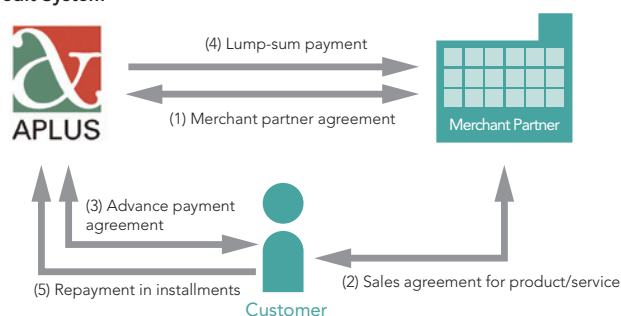


Principal Transactions	Principal Transactions generally refer to a bank's proprietary investments. Shinsei Bank proactively makes proprietary investments in the Credit Trading and Private Equity businesses in order to meet customers' needs for corporate restructuring, business succession and growth funds.
Private Equity	In general, Private Equity refers to privately placed shares and shares that are not traded in stock exchanges or over-the-counter markets. Private equity investments can be classified into venture capital, which is an investment to growing companies, and investments to acquire control of mature companies in order to implement restructuring. Shinsei Bank is proactively engaged in venture capital investments, investing in up to 5% of total shares with representative rights of customers planning a public share offering as well as making buyout investments related to business divestments from mature companies.
Project Finance	Project Finance refers to loans to finance specific projects for which the principal source of repayment is the cash flow generated from the project itself. Project Finance is often used for medium-to-long term projects in energy, natural resources and infrastructure.
RPA (Robotic Process Automation)	RPA refers to technology that allows for the streamlining and automation of the simple tasks such as white-collar labor.

Shopping Credit

Shopping Credit is a service that allows customers to pay for goods or services in installments without using a credit card. The Shinsei Bank Group offers this service primarily through APLUS.

Shopping Credit System



- (1) APLUS concludes a merchant partner agreement with the merchant partner
- (2) Customer purchases a product or a service from the merchant partner
- (3) Customer applies to APLUS for installment sales credit
- (4) APLUS pays the purchase price for the product/service as a lump sum to the merchant partner
- (5) Customer repays the purchase price to APLUS in installments

Specialty Finance

Specialty Finance at Shinsei Bank refers to M&A finance, LBO finance and other types of finance that focus on the cash flows and value generated by businesses and assets. It is a type of structured finance.

Structured Finance

Structured Finance refers to finance requiring special structures. In general, it takes the form of project finance or nonrecourse finance which focuses on the cash flows or value generated by a specific project or asset. Shinsei Bank is primarily active in real estate finance, project finance, M&A finance and corporate restructuring finance.

Syndicated Loan

Syndicated Loans are loans provided jointly by a syndication of multiple financial institutions (lender group) based on a single loan agreement.

UI/UX

UI (User Interface) is the space where interactions between humans and machines occur, such as font or graphical content. UX (User Experience) refers to a person's experience by using a particular product or service.

Unsecured Loan

A type of loan/product offered by financial institutions such as banks and consumer finance companies that enables a consumer to borrow without security.

Financial Statements (Consolidated)

Please see Shinsei Bank's Integrated Report 2019 Data Appendix for supplemental financial information (including Notes).

CONSOLIDATED BALANCE SHEET

Shinsei Bank, Limited, and its Consolidated Subsidiaries
As of March 31, 2019

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2019	2018	2019
ASSETS			
Cash and due from banks (Notes 4, 24, and 38)	¥ 1,355,966	¥ 1,465,663	\$ 12,244,592
Receivables under securities borrowing transactions (Note 38)	2,119	2,629	19,135
Other monetary claims purchased (Notes 5 and 38)	30,994	36,332	279,888
Trading assets (Notes 6, 24, 38 and 39)	204,415	205,295	1,845,901
Monetary assets held in trust (Notes 7, 24 and 38)	305,879	234,924	2,762,137
Securities (Notes 8, 24, 25 and 38)	1,130,286	1,123,522	10,206,669
Loans and bills discounted (Notes 9, 24, and 38)	4,986,839	4,895,963	45,031,963
Foreign exchanges (Note 10)	29,546	32,511	266,813
Lease receivables and leased investment assets (Notes 24, 35 and 38)	176,553	171,429	1,594,311
Other assets (Notes 11, 24, 38 and 39)	851,287	856,213	7,687,266
Premises and equipment (Notes 12, 24 and 35)	45,341	50,261	409,442
Intangible assets (Notes 13 and 35)	67,189	59,484	606,733
Assets for retirement benefits (Note 21)	10,931	13,261	98,711
Deferred tax assets (Note 32)	15,096	14,705	136,325
Customers' liabilities for acceptances and guarantees (Note 22)	456,759	395,301	4,124,607
Reserve for credit losses (Note 14)	(98,034)	(100,840)	(885,272)
Total assets	¥ 9,571,172	¥ 9,456,660	\$ 86,429,222
LIABILITIES AND EQUITY			
Liabilities:			
Deposits, including negotiable certificates of deposit (Notes 15, 24 and 38)	¥ 5,922,145	¥ 6,067,096	\$ 53,477,923
Debentures (Notes 16 and 38)	—	423	—
Call money (Notes 38)	145,000	—	1,309,373
Payables under repurchase agreements (Notes 24 and 38)	59,098	55,919	533,671
Payables under securities lending transactions (Notes 24 and 38)	510,229	433,462	4,607,458
Trading liabilities (Notes 17, 38 and 39)	182,363	184,582	1,646,776
Borrowed money (Notes 18, 24, 25 and 38)	684,077	739,578	6,177,334
Foreign exchanges (Note 10)	471	102	4,256
Short-term corporate bonds (Note 38)	191,000	175,700	1,724,761
Corporate bonds (Notes 19 and 38)	92,335	85,000	833,800
Other liabilities (Notes 20, 24, 38 and 39)	347,383	367,734	3,136,925
Accrued employees' bonuses	8,598	8,489	77,649
Accrued directors' bonuses	44	51	404
Liabilities for retirement benefits (Note 21)	8,232	8,366	74,337
Reserve for reimbursement of debentures	3,764	4,130	33,991
Reserve for losses on interest repayments	63,025	74,687	569,131
Acceptances and guarantees (Notes 22, 24 and 38)	456,759	395,301	4,124,607
Total liabilities	8,674,529	8,600,625	78,332,396
Equity:			
Common stock (Note 26)	512,204	512,204	4,625,290
Capital surplus	78,506	78,506	708,925
Stock acquisition rights (Note 27)	99	318	896
Retained earnings	346,562	361,368	3,129,519
Treasury stock, at cost (Note 26)	(37,729)	(89,540)	(340,699)
Accumulated other comprehensive income:			
Unrealized gain (loss) on available-for-sale securities (Note 8)	10,041	5,187	90,673
Deferred gain (loss) on derivatives under hedge accounting	(16,391)	(14,457)	(148,018)
Foreign currency translation adjustments	(1,527)	(1,573)	(13,798)
Defined retirement benefit plans (Note 21)	378	2,089	3,415
Total	892,143	854,103	8,056,202
Noncontrolling interests	4,498	1,930	40,623
Total equity	896,642	856,034	8,096,825
Total liabilities and equity	¥ 9,571,172	¥ 9,456,660	\$ 86,429,222

See accompanying "Notes to Consolidated Financial Statements," which are an integral part of these statements.

CONSOLIDATED STATEMENT OF INCOME

Shinsei Bank, Limited, and its Consolidated Subsidiaries
For the fiscal year ended March 31, 2019

	Millions of yen		Thousands of
	2019	2018	U.S. dollars (Note 1)
Interest income:			
Interest on loans and bills discounted	¥ 140,177	¥ 134,858	\$ 1,265,827
Interest and dividends on securities	12,531	11,705	113,158
Interest on deposits with banks	1,162	1,069	10,501
Other interest income	971	871	8,774
Total interest income	154,843	148,504	1,398,261
Interest expenses:			
Interest on deposits, including negotiable certificates of deposit	7,802	9,021	70,457
Interest and discounts on debentures	0	3	1
Interest on other borrowings	3,356	3,432	30,311
Interest on corporate bonds	466	952	4,210
Other interest expenses	9,401	6,318	84,900
Total interest expenses	21,027	19,728	189,878
Net interest income	133,816	128,775	1,208,383
Fees and commissions income	55,332	50,129	499,665
Fees and commissions expenses	23,981	25,059	216,558
Net fees and commissions	31,351	25,070	283,107
Net trading income (loss) (Note 28)	6,673	8,542	60,265
Other business income (loss), net:			
Income on lease transactions and installment receivables, net	37,525	37,030	338,865
Net gain (loss) on monetary assets held in trust	2,535	2,760	22,897
Net gain (loss) on foreign exchanges	6,719	9,466	60,675
Net gain (loss) on securities	378	9,936	3,415
Net gain (loss) on other monetary claims purchased	809	1,193	7,307
Other, net (Note 29)	9,886	9,253	89,279
Net other business income (loss)	57,854	69,641	522,438
Total revenue	229,696	232,030	2,074,194
General and administrative expenses:			
Personnel expenses	56,509	56,249	510,288
Premises expenses	19,679	20,065	177,713
Technology and data processing expenses	23,265	20,810	210,088
Advertising expenses	10,951	11,052	98,897
Consumption and property taxes	10,406	9,389	93,976
Deposit insurance premium	1,645	1,775	14,862
Other general and administrative expenses	23,275	23,637	210,179
General and administrative expenses	145,734	142,981	1,316,002
Amortization of goodwill and intangible assets acquired in business combinations	2,811	3,987	25,386
Total general and administrative expenses	148,545	146,969	1,341,389
Net business profit (loss)	81,150	85,060	732,805
Net credit costs (recoveries) (Note 30)	29,348	37,270	265,024
Other gains (losses), net (Note 31)	2,782	7,621	25,123
Income (loss) before income taxes	54,584	55,411	492,904
Income taxes (benefit) (Note 32):			
Current	3,810	1,266	34,410
Deferred	(1,306)	2,574	(11,800)
Profit	52,080	51,570	470,293
Profit (loss) attributable to noncontrolling interests	(239)	156	(2,160)
Profit attributable to owners of the parent	¥ 52,319	¥ 51,414	\$ 472,453
		Yen	U.S. dollars (Note 1)
Basic earnings per share (Note 33)	¥ 211.24	¥ 199.01	\$ 1.91
Diluted earnings per share (Note 33)	¥ 211.22	¥ 198.98	\$ 1.91

See accompanying "Notes to Consolidated Financial Statements," which are an integral part of these statements.

Shinsei Bank executed a 1-for-10 reverse stock split on October 1, 2017. The above earnings per share data is calculated as if the reverse stock split had been implemented at the beginning of the fiscal year ended March 31, 2018.

Equity and Credit Rating Information

Stock Information

(As of March 31, 2019)

■ Shares Outstanding and Capital

(1,000 shares, millions of yen)

Date	Shares outstanding		Capital		Capital surplus		Notes
	Change	Balance	Change	Balance	Change	Balance	
July 29, 2003	(1,358,537)	2,033,065 ¹	—	451,296	—	18,558	2-for-1 reverse share split for common shares Post reverse split common shares outstanding 1,358,537 thousand shares
July 31, 2006	(99,966)	1,933,098 ¹	—	451,296	—	18,558	Use of call feature for Series 3 Class-B preferred shares Issuance of 200,033 thousand common shares Retirement of Series 3 Class-B preferred shares -300,000 thousand shares
November 16, 2006	(85,000)	1,848,098 ¹	—	451,296	—	18,558	Cancellation of treasury shares (common) -85,000 thousand shares
August 1, 2007	(100,000)	1,748,098 ¹	—	451,296	—	18,558	Mandatory acquisition of Series 3 Class-B preferred shares Issuance of 200,000 thousand common shares Retirement of Series 3 Class-B preferred shares -300,000 thousand shares
February 4, 2008	117,647	1,865,746 ¹	25,000	476,296	25,000	43,558	Third-party allocation of shares (common shares) Subscription price ¥425, par value ¥212.5
March 31, 2008	194,600	2,060,346	—	476,296	—	43,558	Use of call feature for Series 2 Class-A preferred shares Issuance of 269,128 thousand common shares Retirement of Series 2 Class-A preferred shares -74,528 thousand shares
March 15, 2011	690,000	2,750,346	35,907	512,204	35,907	79,465	New shares issued through International Offering (common shares) Subscription price ¥108, par value ¥52.04
October 1, 2017	(2,475,312)	275,034	—	512,204	—	79,465	10-for-1 reverse share split for common shares Post reverse split common shares outstanding 275,034 thousand shares
May 18, 2018	(16,000)	259,034	—	512,204	—	79,465	Cancellation of treasury shares (common) -16,000 thousand shares

¹ Figures include number of preferred shares outstanding

■ Largest Shareholders

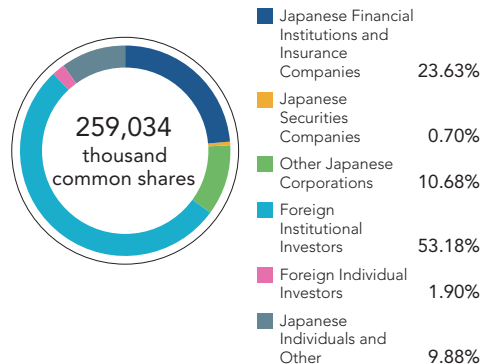
Common Stock

Rank	Shareholders	Thousands of Common Shares	%
1	SATURN IV SUB LP (JPMCB 380111)	32,368	12.49%
2	Deposit Insurance Corporation of Japan	26,912	10.38%
3	THE RESOLUTION AND COLLECTION CORPORATION	20,000	7.72%
4	SHINSEI BANK, LIMITED	13,760	5.31%
5	THE MASTER TRUST BANK OF JAPAN, LTD. (TRUST ACCOUNT)	12,680	4.89%
6	SATURN JAPAN III SUB C.V. (JPMCB 380113)	11,044	4.26%
7	STATE STREET BANK AND TRUST COMPANY	8,671	3.34%
8	JAPAN TRUSTEE SERVICE BANK, LTD. (TRUST ACCOUNT 9)	8,483	3.27%
9	J. CHRISTOPHER FLOWERS	7,675	2.96%
10	JAPAN TRUSTEE SERVICE BANK, LTD. (TRUST ACCOUNT)	6,238	2.40%
11	GOLDMAN SACHS INTERNATIONAL	4,750	1.83%
Total (includes treasury shares)		259,034	100.00%

Notes: 1 As of March 31, 2019, a group of investors, including affiliates of J.C. Flowers & Co. LLC., holds 55,366,348 common shares or 22.57% of Shinsei Bank's outstanding common shares, excluding treasury shares.

2 As of March 31, 2019, in total, the Deposit Insurance Corporation and the Resolution and Collection Corporation hold 46,912,888 common shares or 19.12% of Shinsei Bank's outstanding common shares, excluding treasury shares.

■ Beneficial Ownership/Type of Shareholder



Notes: 1 "Japanese Financial Institutions and Insurance Companies" includes the Resolution and Collection Corporation.

2 "Other Japanese Corporations" includes the Deposit Insurance Corporation.

3 "Japanese Individuals and Other" includes treasury shares.

Ratings Information

(As of May 31, 2019)

	Long-Term (Outlook)	Short-Term
R&I	A- (Stable)	a-1
JCR	A- (Stable)	J-1
S&P	BBB+ (Stable)	A-2
Moody's	Baa2 (Stable)	Prime-2