

# **Financial Summary**

**For the Fiscal Year Ended March 31, 2019**



**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 Highlights<sup>1</sup>

(Billions of yen, except percentages)

Results of operations (Consolidated) [Page 3]	<b>FY2018</b> (12 months)	FY2017 (12 months)	Change (Amount)	1H FY2018 (6 months)
Net interest income	<b>133.8</b>	128.7	5.0	66.3
Noninterest income	<b>95.9</b>	103.2	-7.3	48.3
Total revenue	<b>229.7</b>	232.0	-2.3	114.7
General and administrative expenses	<b>-144.7</b>	-142.5	-2.1	-70.9
Net credit costs	<b>-29.3</b>	-37.2	7.9	-14.4
Income before income taxes	<b>54.5</b>	55.4	-0.8	29.5
Profit attributable to owners of the parent	<b>52.3</b>	51.4	0.9	27.6

(Billions of yen)

Balance sheets (Consolidated) [Page 17]	<b>Mar 31</b> <b>2019</b>	Mar 31 2018	Change (Amount)
Cash and due from banks	<b>1,355.9</b>	1,465.6	-109.6
Securities	<b>1,130.2</b>	1,123.5	6.7
Loans and bills discounted	<b>4,986.8</b>	4,895.9	90.8
Total assets	<b>9,571.1</b>	9,456.6	114.5
Deposits and negotiable certificates of deposit	<b>5,922.1</b>	6,067.0	-144.9
Total liabilities	<b>8,674.5</b>	8,600.6	73.9
Total equity	<b>896.6</b>	856.0	40.6

Financial ratios (Consolidated) [Page 4, 15, 16, 25]	<b>FY2018</b> (12 months)	FY2017 (12 months)	1H FY2018 (6 months)
Net interest margin	<b>2.46%</b>	2.42%	2.43%
Expense-to-revenue ratio	<b>63.0%</b>	61.5%	61.9%

	<b>Mar 31</b> <b>2019</b>	Mar 31 2018
Capital adequacy ratio (Basel III, domestic standard)	<b>11.85%</b>	12.83%
NPL ratio based on Financial Revitalization Law (nonconsolidated)	<b>0.20%</b>	0.17%

(Billions of yen)

Results of operations (Nonconsolidated) [Page 21]	<b>FY2018</b> (12 months)	FY2017 (12 months)	Change (Amount)	1H FY2018 (6 months)
Net interest income	<b>106.5</b>	105.4	1.0	51.6
Noninterest income	<b>2.2</b>	5.3	-3.1	-0.1
Total revenue	<b>108.8</b>	110.8	-2.0	51.4
General and administrative expenses	<b>-71.5</b>	-79.0	7.5	-35.2
Net credit costs	<b>0.7</b>	-1.2	2.0	-0.3
Net income	<b>35.4</b>	40.5	-5.0	14.8

1. Represents results based on management accounting basis.

The Shinsei Bank Group recorded a consolidated net income of 52.3 billion yen for fiscal year 2018 (from April 1, 2018 to March 31, 2019), increased 0.9 billion yen compared to fiscal year 2017. Total revenue decreased due to absence of gains on sales of shares held and decrease of revenue from derivative transactions despite the continuing increase in loan interest from our growth business areas including unsecured loan and Structured Finance Business. General and administrative expenses increased due to increase of expense for IT systems in accordance with the launch of our new core banking system. Net credit cost decreased due to sluggish loan growth of unsecured loan and a reversal due to the calculation of general reserves for loan losses corresponding to the expansion of the portfolio in project finance and other areas in Institutional Business. As a result, consolidated net income increased compared to the same period of fiscal year 2017.

## Results of operations

- Total revenue was 229.7 billion yen, decreased 2.3 billion yen compared to fiscal year 2017.
  - Net interest income totaled 133.8 billion yen, increased 5.0 billion yen from 128.7 billion yen in fiscal year 2017 due to increase of loan interest income from unsecured loan and Structured Finance Business.
  - Noninterest income totaled 95.9 billion yen, decreased 7.3 billion yen from 103.2 billion yen in fiscal year 2017. The decrease reflected factors such as absence of gains on sales of shares held and decrease of revenues from derivative transactions, while revenues related to sales of asset management products in Retail Banking Business and shopping credit business in APLUS FINANCIAL increased.
- General and administrative expenses totaled 144.7 billion yen, increased 2.1 billion yen from fiscal year 2017. Expenses for IT systems in accordance with the launch of our new core banking system increased, while productivity enhancement project contributed to decrease of personnel and premises expenses.
- Net credit costs of 29.3 billion yen (expense) were recorded, decreased 7.9 billion yen from fiscal year 2017. Net credit costs decreased due to sluggish loan growth of unsecured loan and a reversal due to the calculation of general reserves for loan losses corresponding to the expansion of the portfolio in project finance and other areas in Institutional Business.
- Nonconsolidated net income totaled 35.4 billion yen, decreased 5.0 billion yen compared to fiscal year 2017. Gains on sales of shares held and revenues from redemption of stocks of subsidiaries and affiliates recorded in fiscal year 2017 fell off in this fiscal year.

## Balance sheets

- Total assets increased 114.5 billion yen from March 31, 2018, to 9,571.1 billion yen at March 31, 2019, due to increase of operating assets such as loans and bills discounted.
- Loans and bills discounted increased 90.8 billion yen from March 31, 2018, to 4,986.8 billion yen at March 31, 2019. The loan balance in Structured Finance Business and Consumer Finance Businesses increased while the loan balance in Corporate Business and housing loan decreased.
- Deposits and negotiable certificates of deposit decreased 1,44.9 billion yen from March 31, 2018, to 5,922.1 billion yen.

## Financial ratios

- Net interest margin was 2.46%, increased from 2.42% recorded in fiscal year 2017. The yield on interest-earning assets increased due to the increase in Structured Finance Business and Corporate Business while the yield on interest-bearing liabilities slightly increased.
- Basel III domestic standard (grandfathering basis) consolidated core capital adequacy ratio was 11.85% as of March 31, 2019, decrease by 0.98% points from 12.83% as of March 31, 2018. Core capital decreased due to the redemption of subordinated term debts and repurchase of bank's common shares, while accumulating retained earnings. Risk weighted assets increased due to the increase in operating assets at Structured Finance Business and Consumer Finance Business and increase resulting from revisions of Basel regulation. Basel III international standard (fully loaded basis) common equity Tier 1 capital ratio was 12.0% as of March 31, 2019 slightly changed from 12.2% as of March 31, 2018. We maintain sufficient capital adequacy ratio.
- Claims classified under the Financial Revitalization Law (nonconsolidated) increased 1.8 billion yen from March 31, 2018, to 10.2 billion yen as of March 31, 2019. Nonperforming loan ratio was 0.20% as of March 31, 2019 from 0.17% as of March 31, 2018, maintaining low level.

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

(Billions of yen)

	<b>FY2018 (12 months)</b>	FY2017 (12 months)	Change (Amount)	1H FY2018 (6 months)
Net interest income	<b>133.8</b>	128.7	5.0	66.3
Noninterest income	<b>95.9</b>	103.2	-7.3	48.3
Net fees and commissions	<b>31.3</b>	25.0	6.2	14.5
Net trading income	<b>6.6</b>	8.5	-1.8	1.8
Net other business income	<b>57.8</b>	69.6	-11.7	31.9
Income on lease transactions and installment receivables	<b>37.5</b>	37.0	0.4	18.1
Total revenue	<b>229.7</b>	232.0	-2.3	114.7
General and administrative expenses	<b>-144.7</b>	-142.5	-2.1	-70.9
Ordinary business profit	<b>84.9</b>	89.4	-4.4	43.7
Net credit costs	<b>-29.3</b>	-37.2	7.9	-14.4
Ordinary business profit after net credit costs	<b>55.6</b>	52.1	3.4	29.3
Amortization of goodwill and other intangible assets <sup>2</sup>	<b>-2.8</b>	-3.9	1.1	-1.7
Other gains	<b>1.7</b>	7.2	-5.4	1.9
Income before income taxes	<b>54.5</b>	55.4	-0.8	29.5
Current income tax	<b>-3.8</b>	-1.2	-2.5	-0.8
Deferred income tax	<b>1.3</b>	-2.5	3.8	-1.0
Profit attributable to noncontrolling interests	<b>0.2</b>	-0.1	0.3	0.0
Profit attributable to owners of the parent	<b>52.3</b>	51.4	0.9	27.6

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)

	FY2018 (12 months)			FY2017 (12 months)			1H FY2018 (6 months)		
	Average Balance	Interest	Yield/rate <sup>1</sup> (%)	Average Balance	Interest	Yield/rate <sup>1</sup> (%)	Average Balance	Interest	Yield/rate <sup>1</sup> (%)
Interest-earning assets:									
Loans and bills discounted	4,954.6	140.1	2.83	4,903.7	134.8	2.75	4,921.1	69.6	2.82
Lease receivables and leased investment assets / installment receivables <sup>4</sup>	746.4	37.5	5.03	746.6	37.0	4.96	746.3	18.1	4.86
Securities	1,150.6	12.5	1.09	1,109.1	11.7	1.06	1,176.1	5.9	1.01
Other interest-earning assets <sup>2, 3</sup>	190.0	2.1	***	162.1	1.9	***	179.5	1.0	***
Interest-earning assets totals (A) <sup>4</sup>	7,041.7	192.3	2.73	6,921.7	185.5	2.68	7,023.2	94.8	2.69
Interest-bearing liabilities:									
Deposits, including negotiable certificates of deposit	6,033.0	7.8	0.13	5,965.9	9.0	0.15	6,072.0	4.0	0.13
Borrowed money	786.5	3.3	0.43	785.2	3.4	0.44	732.6	1.7	0.49
Subordinated debt	3.7	0.0	2.36	12.4	0.2	2.37	7.4	0.0	2.36
Other borrowed money	782.8	3.2	0.42	772.8	3.1	0.41	725.1	1.7	0.47
Corporate bonds	89.9	0.4	0.52	98.1	0.9	0.97	85.4	0.2	0.68
Subordinated bonds	12.8	0.2	1.88	28.6	0.6	2.43	18.6	0.1	1.96
Other corporate bonds	77.1	0.2	0.29	69.5	0.2	0.37	66.8	0.1	0.33
Other interest-bearing liabilities <sup>2</sup>	864.2	9.3	***	741.7	6.2	***	864.6	4.0	***
Interest-bearing liabilities totals (B) <sup>4</sup>	7,773.8	21.0	0.27	7,591.2	19.7	0.26	7,754.8	10.2	0.26
Net interest margin (A)-(B)	-	171.3	2.46	-	165.8	2.42	-	84.5	2.43
Noninterest-bearing sources of funds:									
Noninterest-bearing (assets) liabilities, net	-1,605.8	-	-	-1,506.3	-	-	-1,594.1	-	-
Total equity excluding noncontrolling interests in subsidiaries <sup>5</sup>	873.8	-	-	836.8	-	-	862.6	-	-
Total noninterest-bearing sources of funds (C)	-732.0	-	-	-669.5	-	-	-731.5	-	-
Sum of total expense on interest-bearing liabilities and noninterest-bearing sources of funds (D)=(B)+(C)	7,041.7	21.0	0.30	6,921.7	19.7	0.29	7,023.2	10.2	0.29
Interest income / yield on interest earning assets (A)-(D)	-	171.3	2.43	-	165.8	2.40	-	84.5	2.40
Reconciliation of total revenue on interest-earning									
Total revenue on interest-earning assets	7,041.7	192.3	2.73	6,921.7	185.5	2.68	7,023.2	94.8	2.69
Less: Income on lease transactions and installment receivables	746.4	37.5	5.03	746.6	37.0	4.96	746.3	18.1	4.86
Total interest income <sup>4</sup>	6,295.3	154.8	2.46	6,175.0	148.5	2.40	6,276.9	76.6	2.43
Total interest expense	-	21.0	-	-	19.7	-	-	10.2	-
Net interest income	-	133.8	-	-	128.7	-	-	66.3	-

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)

	<b>FY2018 (12 months)</b>	FY2017 (12 months)	Change (Amount)	1H FY2018 (6 months)
Institutional Business	<b>33.8</b>	40.2	-6.3	18.2
Corporate Business	<b>6.7</b>	8.7	-2.0	2.6
Structured Finance	<b>7.2</b>	7.4	-0.2	3.4
Principal Transactions	<b>5.6</b>	7.8	-2.2	5.0
Showa Leasing	<b>14.2</b>	16.1	-1.8	7.1
Global Markets Business	<b>7.3</b>	9.2	-1.8	3.3
Markets	<b>5.5</b>	6.8	-1.3	2.3
Others	<b>1.8</b>	2.3	-0.5	1.0
Individual Business	<b>50.8</b>	48.8	2.0	24.8
Retail Banking	<b>2.9</b>	1.0	1.8	1.0
Shinsei Financial <sup>1</sup>	<b>-0.0</b>	-0.1	0.0	0.0
APLUS FINANCIAL	<b>47.1</b>	45.0	2.0	22.9
Others	<b>0.8</b>	2.7	-1.9	0.8
Corporate/Other	<b>3.8</b>	4.9	-1.1	1.8
<b>Noninterest income</b>	<b>95.9</b>	103.2	-7.3	48.3

1. Income of Shinsei Financial, "Shinsei Bank Card Loan - Lake", and "Shinsei Bank Smart Card Loan Plus" are combined on a management accounting basis.

The Institutional Business recorded noninterest income totaling 33.8 billion yen in fiscal year 2018, decreased 6.3 billion yen compared to 40.2 billion yen recorded in fiscal year 2017. This was the result of absence of large gains on sales of shares held in Corporate Business, Principal Transactions and Showa Leasing.

The Global Markets Business recorded noninterest income totaling 7.3 billion yen in fiscal year 2018 from 9.2 billion yen in fiscal year 2017, decreased 1.8 billion yen compared to fiscal year 2017. This was due to decrease of revenue from derivative transactions.

The Individual Business recorded noninterest income totaling 50.8 billion yen in fiscal year 2018, increased 2.0 billion yen compared to 48.8 billion yen recorded in fiscal year 2017. Revenues increased related to the sale of asset management products and the effect of the revision of Shinsei Step Up Program, charging ATM fees on Standard-stage customers in Retail Banking Business and shopping credit in APLUS FINANCIAL.

Corporate/Others recorded noninterest income totaling 3.8 billion yen in fiscal year 2018, decreased 1.1 billion yen compared to fiscal year 2017.



## General and Administrative Expenses (Consolidated)

(Billions of yen)

	<b>FY2018 (12 months)</b>	<b>FY2017 (12 months)</b>	<b>Change (Amount)</b>	<b>1H FY2018 (6 months)</b>
Personnel expenses	<b>-55.5</b>	-55.8	0.3	-27.6
Nonpersonnel expenses	<b>-89.2</b>	-86.7	-2.4	-43.2
Premises expenses	<b>-19.6</b>	-20.0	0.3	-9.7
Technology and data processing expenses	<b>-23.2</b>	-20.8	-2.4	-10.9
Advertising expenses	<b>-10.9</b>	-11.0	0.1	-5.4
Consumption, property taxes, etc.	<b>-10.4</b>	-9.3	-1.0	-4.7
Deposit insurance premium	<b>-1.6</b>	-1.7	0.1	-0.8
Other general and administrative expenses	<b>-23.2</b>	-23.6	0.3	-11.5
<b>General and administrative expenses</b>	<b>-144.7</b>	-142.5	-2.1	-70.9

## Net Credit Costs (Consolidated) <sup>1</sup>

(Billions of yen)

	<b>FY2018 (12 months)</b>	<b>FY2017 (12 months)</b>	<b>Change (Amount)</b>	<b>1H FY2018 (6 months)</b>
Losses on write-off of loans/Losses on sale of loans	<b>-0.4</b>	-0.5	0.1	-0.2
Net provision of reserve for loan losses:	<b>-35.2</b>	-43.0	7.7	-17.1
Net provision of general reserve for loan losses	<b>-17.2</b>	-28.0	10.8	-8.1
Net provision of specific reserve for loan losses	<b>-17.9</b>	-14.9	-3.0	-8.9
Net provision of reserve for loan losses to restructuring countries	<b>-</b>	0.0	-0.0	-
Other credit costs relating to leasing business	<b>-0.3</b>	-0.6	0.3	-0.1
Recoveries of written-off claims	<b>6.6</b>	6.9	-0.2	3.1
<b>Net credit costs</b>	<b>-29.3</b>	-37.2	7.9	-14.4

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

## Other Gains (Consolidated)

(Billions of yen)

	<b>FY2018 (12 months)</b>	<b>FY2017 (12 months)</b>	<b>Change (Amount)</b>	<b>1H FY2018 (6 months)</b>
Extraordinary income	<b>-0.8</b>	-1.4	0.5	-0.1
Net gain on disposal of premises and equipment	<b>-0.0</b>	0.5	-0.6	-0.0
Other extraordinary income	<b>-0.7</b>	-1.9	1.1	-0.1
Provisions of reserve for losses on interest repayment	<b>2.3</b>	6.0	-3.7	1.7
Shinsei Financial	<b>5.6</b>	11.8	-6.1	1.5
Shinsei Personal Loan	<b>0.1</b>	-2.7	2.9	0.1
APLUS FINANCIAL	<b>-3.5</b>	-3.0	-0.5	-
Other	<b>-</b>	-	-	-
Other	<b>0.2</b>	2.5	-2.3	0.3
<b>Other gains</b>	<b>1.7</b>	7.2	-5.4	1.9

## Business Line Results (Consolidated)

(Billions of yen)

	FY2018 (12 months)	FY2017 (12 months)	Change (Amount)	1H FY2018 (6 months)
<i>Institutional Business:</i>				
Net interest income	24.1	24.4	-0.3	11.3
Noninterest income	33.8	40.2	-6.3	18.2
Total revenue	58.0	64.6	-6.6	29.6
General and administrative expenses	-33.5	-32.4	-1.0	-16.6
Ordinary business profit	24.5	32.2	-7.7	13.0
Net credit costs	1.9	-3.6	5.5	2.2
Ordinary business profit after net credit costs	26.4	28.6	-2.1	15.2
<i>Global Markets Business:</i>				
Net interest income	2.0	2.1	-0.1	0.9
Noninterest income	7.3	9.2	-1.8	3.3
Total revenue	9.4	11.4	-2.0	4.3
General and administrative expenses	-7.0	-7.0	0.0	-3.5
Ordinary business profit	2.3	4.3	-1.9	0.7
Net credit costs	-0.0	-0.0	0.0	-0.0
Ordinary business profit after net credit costs	2.3	4.3	-1.9	0.6
<i>Individual Business:</i>				
Net interest income	104.8	103.4	1.4	52.8
Noninterest income	50.8	48.8	2.0	24.8
Total revenue	155.7	152.3	3.4	77.6
General and administrative expenses	-101.1	-99.6	-1.4	-50.0
Ordinary business profit	54.6	52.6	2.0	27.6
Net credit costs	-31.2	-33.6	2.3	-16.5
Ordinary business profit after net credit costs	23.3	19.0	4.3	11.0
<i>Corporate/Other<sup>1</sup>:</i>				
Net interest income	2.6	-1.3	4.0	1.1
Noninterest income	3.8	4.9	-1.1	1.8
Total revenue	6.5	3.6	2.9	3.0
General and administrative expenses	-3.0	-3.4	0.3	-0.7
Ordinary business profit	3.5	0.2	3.2	2.2
Net credit costs	-0.0	0.0	-0.0	-0.0
Ordinary business profit after net credit costs	3.4	0.2	3.2	2.2
<i>Total:</i>				
Net interest income	133.8	128.7	5.0	66.3
Noninterest income	95.9	103.2	-7.3	48.3
Total revenue	229.7	232.0	-2.3	114.7
General and administrative expenses	-144.7	-142.5	-2.1	-70.9
Ordinary business profit	84.9	89.4	-4.4	43.7
Net credit costs	-29.3	-37.2	7.9	-14.4
Ordinary business profit after net credit costs	55.6	52.1	3.4	29.3

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.

2.Costs associated with the funding operations have been allocated to the interest earning businesses on a management accounting basis.

## Segment Information

Due to revision of business segment, a part of income and loss is included in "Corporate Business" and "Retail Banking" from "Corporate Other".

<b>Institutional Business</b>	Focuses primarily on corporate, public and financial sector finance and advisory businesses.
<b>Corporate Business</b>	"Corporate Business" provides financial products and services, advisory services, health care finance and trust services to businesses and public corporations and financial institutions.
<b>Structured Finance</b>	"Structured Finance" provides real estate related nonrecourse and corporate finance, project finance, M&A related finance, and specialty finance.
<b>Principal Transactions</b>	"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.
<b>Showa Leasing</b>	"Showa Leasing" primarily provides leasing related financial products and services.
<b>Global Markets Business:</b>	Focuses primarily on financial markets business.
<b>Markets</b>	"Markets" is engaged in foreign exchange, derivatives, equity related and other capital markets transactions.
<b>Others</b>	"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.
<b>Individual Business:</b>	Focuses on retail financial products and services.
<b>Retail Banking</b>	"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.
<b>Shinsei Financial</b>	"Shinsei Financial" provides consumer finance products and services and guarantee services (Shinsei Financial, Shinsei Bank Lake, NOLOAN).
<b>APLUS FINANCIAL</b>	"APLUS FINANCIAL" provides installment sales credit, credit cards, guarantees, financing and settlement services.
<b>Others</b>	The "Others" consists of profit and loss attributable to unallocated consumer finance business and other subsidiaries.
<b>Corporate/Other:</b>	"Corporate/Other" includes company-wide accounts which are not included in our reportable segments, allocation variance of indirect expense and elimination amount of inter-segment transactions.
<b>Treasury</b>	The "Treasury" undertakes ALM related operations and includes gains and losses from equity and subordinated debt financing activities.

Institutional Business<sup>1</sup> (Consolidated)

(Billions of yen)

	FY2018 (12 months)	FY2017 (12 months)	Change (Amount)	1H FY2018 (6 months)
<i>Corporate Business:</i>				
Net interest income	10.0	10.0	0.0	5.0
Noninterest income	6.7	8.7	-2.0	2.6
Total revenue	16.7	18.7	-2.0	7.6
General and administrative expenses	-11.8	-11.8	0.0	-5.9
Ordinary business profit	4.9	6.9	-1.9	1.6
Net credit costs	-0.8	-0.2	-0.5	-1.6
Ordinary business profit after net credit costs	4.0	6.6	-2.5	0.0
<i>Structured Finance:</i>				
Net interest income	10.3	9.5	0.8	4.9
Noninterest income	7.2	7.4	-0.2	3.4
Total revenue	17.6	17.0	0.5	8.3
General and administrative expenses	-7.7	-6.8	-0.9	-3.9
Ordinary business profit	9.8	10.1	-0.3	4.4
Net credit costs	2.1	-1.7	3.9	3.0
Ordinary business profit after net credit costs	12.0	8.4	3.6	7.5
<i>Principal Transactions:</i>				
Net interest income	3.7	5.0	-1.2	1.5
Noninterest income	5.6	7.8	-2.2	5.0
Total revenue	9.3	12.8	-3.4	6.6
General and administrative expenses	-4.0	-4.7	0.6	-1.9
Ordinary business profit	5.3	8.1	-2.7	4.6
Net credit costs	-0.0	1.2	-1.2	0.0
Ordinary business profit after net credit costs	5.3	9.3	-4.0	4.6
<i>Showa Leasing:</i>				
Net interest income	-0.0	-0.1	0.0	-0.1
Noninterest income	14.2	16.1	-1.8	7.1
Total revenue	14.2	15.9	-1.7	7.0
General and administrative expenses	-9.8	-8.9	-0.8	-4.7
Ordinary business profit	4.3	7.0	-2.6	2.2
Net credit costs	0.6	-2.7	3.4	0.7
Ordinary business profit after net credit costs	4.9	4.2	0.7	3.0
<i>Institutional Business:</i>				
Net interest income	24.1	24.4	-0.3	11.3
Noninterest income	33.8	40.2	-6.3	18.2
Total revenue	58.0	64.6	-6.6	29.6
General and administrative expenses	-33.5	-32.4	-1.0	-16.6
Ordinary business profit	24.5	32.2	-7.7	13.0
Net credit costs	1.9	-3.6	5.5	2.2
Ordinary business profit after net credit costs	26.4	28.6	-2.1	15.2

1.Net of consolidation adjustments, if applicable.

Global Markets Business<sup>1</sup> (Consolidated)

(Billions of yen)

	<b>FY2018 (12 months)</b>	FY2017 (12 months)	Change (Amount)	1H FY2018 (6 months)
<i>Markets:</i>				
Net interest income	<b>1.5</b>	1.6	-0.1	0.7
Noninterest income	<b>5.5</b>	6.8	-1.3	2.3
Total revenue	<b>7.1</b>	8.5	-1.4	3.0
General and administrative expenses	<b>-3.7</b>	-3.7	0.0	-1.9
Ordinary business profit	<b>3.3</b>	4.8	-1.4	1.1
Net credit costs	<b>-0.0</b>	0.0	-0.0	-0.0
Ordinary business profit after net credit costs	<b>3.3</b>	4.8	-1.5	1.1
<i>Others<sup>2</sup>:</i>				
Net interest income	<b>0.5</b>	0.5	-0.0	0.2
Noninterest income	<b>1.8</b>	2.3	-0.5	1.0
Total revenue	<b>2.3</b>	2.8	-0.5	1.2
General and administrative expenses	<b>-3.3</b>	-3.3	0.0	-1.6
Ordinary business profit	<b>-1.0</b>	-0.4	-0.5	-0.4
Net credit costs	<b>-0.0</b>	-0.0	0.0	-0.0
Ordinary business profit after net credit costs	<b>-1.0</b>	-0.5	-0.4	-0.4
<i>Global Markets Business:</i>				
Net interest income	<b>2.0</b>	2.1	-0.1	0.9
Noninterest income	<b>7.3</b>	9.2	-1.8	3.3
Total revenue	<b>9.4</b>	11.4	-2.0	4.3
General and administrative expenses	<b>-7.0</b>	-7.0	0.0	-3.5
Ordinary business profit	<b>2.3</b>	4.3	-1.9	0.7
Net credit costs	<b>-0.0</b>	-0.0	0.0	-0.0
Ordinary business profit after net credit costs	<b>2.3</b>	4.3	-1.9	0.6

1.Net of consolidation adjustments, if applicable.

Individual Business (Consolidated) <sup>1</sup>

(Billions of yen)

	FY2018 (12 months)	FY2017 (12 months)	Change (Amount)	1H FY2018 (6 months)
<i>Retail banking:</i>				
Net interest income	23.9	22.4	1.5	11.8
Loans	9.8	10.5	-0.6	5.0
Deposits	14.1	11.9	2.2	6.8
Noninterest income	2.9	1.0	1.8	1.0
Asset Management Products	6.8	6.5	0.3	3.5
Other Fees (ATM, Fund Transfer, FX etc.)	-3.8	-5.4	1.6	-2.4
Total revenue	26.9	23.5	3.4	12.9
General and administrative expenses	-27.6	-29.2	1.5	-13.9
Ordinary business profit	-0.7	-5.7	4.9	-1.0
Net credit costs	0.0	-0.1	0.1	-0.0
Ordinary business profit after net credit costs	-0.7	-5.8	5.1	-1.0
<i>Shinsei Financial<sup>2</sup>:</i>				
Net interest income	69.3	69.0	0.3	34.9
Lake Business	63.4	62.9	0.5	32.0
Noninterest income	-0.0	-0.1	0.0	0.0
Total revenue	69.2	68.9	0.3	35.0
General and administrative expenses	-33.4	-32.4	-1.0	-16.4
Ordinary business profit	35.7	36.4	-0.7	18.5
Net credit costs	-14.5	-22.7	8.1	-8.3
Ordinary business profit after net credit costs	21.2	13.7	7.4	10.2
<i>APLUS FINANCIAL:</i>				
Net interest income	10.7	11.3	-0.5	5.5
Noninterest income	47.1	45.0	2.0	22.9
Total revenue	57.8	56.4	1.4	28.5
General and administrative expenses	-38.1	-36.6	-1.5	-18.7
Ordinary business profit	19.6	19.7	-0.0	9.7
Net credit costs	-16.5	-10.6	-5.9	-8.1
Ordinary business profit after net credit costs	3.1	9.1	-6.0	1.6
<i>Others<sup>5</sup>:</i>				
Net interest income	0.8	0.6	0.1	0.3
Noninterest income	0.8	2.7	-1.9	0.8
Total revenue	1.6	3.4	-1.7	1.2
General and administrative expenses	-1.7	-1.3	-0.4	-0.8
Ordinary business profit	-0.1	2.0	-2.1	0.3
Net credit costs	-0.1	-0.0	-0.0	-0.1
Ordinary business profit after net credit costs	-0.2	2.0	-2.2	0.2
<i>Individual Business:</i>				
Net interest income	104.8	103.4	1.4	52.8
Noninterest income	50.8	48.8	2.0	24.8
Total revenue	155.7	152.3	3.4	77.6
General and administrative expenses	-101.1	-99.6	-1.4	-50.0
Ordinary business profit	54.6	52.6	2.0	27.6
Net credit costs	-31.2	-33.6	2.3	-16.5
Ordinary business profit after net credit costs	23.3	19.0	4.3	11.0

1.Net of consolidation adjustments, if applicable.

2.Income of Shinsei Financial, "Shinsei Bank Card Loan - Lake", and "Shinsei Bank Smart Card Loan Plus" are combined on a management accounting basis.

Corporate/Other (Consolidated)<sup>1</sup>

(Billions of yen)

	<b>FY2018 (12 months)</b>	FY2017 (12 months)	Change (Amount)	1H FY2018 (6 months)
<i>Treasury:</i>				
Net interest income	<b>2.6</b>	-1.3	4.0	1.1
Noninterest income	<b>3.3</b>	4.2	-0.8	1.5
Total revenue	<b>6.0</b>	2.8	3.1	2.6
General and administrative expenses	<b>-1.6</b>	-1.7	0.0	-0.8
Ordinary business profit	<b>4.3</b>	1.0	3.2	1.8
Net credit costs	-	-	-	-
Ordinary business profit after net credit costs	<b>4.3</b>	1.0	3.2	1.8
<i>Corporate/Other (excluding Treasury)<sup>1</sup>:</i>				
Net interest income	<b>-0.0</b>	-0.0	0.0	-0.0
Noninterest income	<b>0.4</b>	0.7	-0.2	0.3
Total revenue	<b>0.4</b>	0.7	-0.2	0.3
General and administrative expenses	<b>-1.3</b>	-1.6	0.2	0.1
Ordinary business profit	<b>-0.8</b>	-0.8	-0.0	0.4
Net credit costs	<b>-0.0</b>	0.0	-0.0	-0.0
Ordinary business profit after net credit costs	<b>-0.8</b>	-0.8	-0.0	0.4
<i>Corporate/Other<sup>1</sup>:</i>				
Net interest income	<b>2.6</b>	-1.3	4.0	1.1
Noninterest income	<b>3.8</b>	4.9	-1.1	1.8
Total revenue	<b>6.5</b>	3.6	2.9	3.0
General and administrative expenses	<b>-3.0</b>	-3.4	0.3	-0.7
Ordinary business profit	<b>3.5</b>	0.2	3.2	2.2
Net credit costs	<b>-0.0</b>	0.0	-0.0	-0.0
Ordinary business profit after net credit costs	<b>3.4</b>	0.2	3.2	2.2

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.

## Loans by Borrower Industry (Consolidated)

(Billions of yen)

	Mar 31 2019	Mar 31 2018	Change (Amount)
Domestic offices (excluding Japan offshore market accounts):			
Manufacturing	190.0	189.6	0.4
Agriculture and forestry	0.0	0.0	-0.0
Fishery	-	-	-
Mining, quarrying and gravel extraction	0.3	0.4	-0.0
Construction	9.1	7.6	1.5
Electrical, natural gas and water supply	320.7	250.1	70.6
Information and communications	55.1	70.5	-15.4
Transportation and postal service	195.2	197.9	-2.6
Wholesale and retail	122.5	114.5	7.9
Finance and insurance	521.5	509.1	12.3
Real estate	584.9	565.9	19.0
Services	341.8	344.6	-2.7
Local government	52.4	68.4	-15.9
Others	2,402.7	2,437.3	-34.5
Loans to individual customers (Housing Loan, Unsecured Loan, Cashing by Credit Card, Housing Related Loan, etc.)	1,934.5	1,998.2	-63.7
<b>Total domestic (A)</b>	<b>4,796.9</b>	<b>4,756.4</b>	<b>40.5</b>
Overseas offices (including Japan offshore market accounts):			
Governments	0.1	0.3	-0.1
Financial institutions	32.6	30.8	1.7
Others	157.1	108.3	48.8
<b>Total overseas (B)</b>	<b>189.9</b>	<b>139.5</b>	<b>50.3</b>
<b>Total (A+B)</b>	<b>4,986.8</b>	<b>4,895.9</b>	<b>90.8</b>

## Securities Being Held to Maturity (Consolidated)

(Billions of yen)

	Mar 31, 2019			Mar 31, 2018		
	Carrying amount	Fair value	Unrealized gain (loss)	Carrying amount	Fair value	Unrealized gain (loss)
Fair value exceeds carrying amount						
Japanese national government bonds	399.2	402.4	3.2	481.3	484.6	3.3
Subtotal	399.2	402.4	3.2	481.3	484.6	3.3
Fair value does not exceed carrying amount						
Japanese national government bonds	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-
<b>Total</b>	<b>399.2</b>	<b>402.4</b>	<b>3.2</b>	<b>481.3</b>	<b>484.6</b>	<b>3.3</b>



## Securities Available for Sale (Consolidated)

(Billions of yen)

	Mar 31, 2019			Mar 31, 2018		
	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	16.6	8.1	8.4	19.9	9.0	10.8
Domestic bonds	154.1	152.9	1.2	70.1	69.9	0.2
Japanese national government bonds	102.3	101.4	0.8	23.2	23.2	0.0
Japanese local government bonds	-	-	-	2.3	2.3	0.0
Japanese corporate bonds	51.7	51.4	0.3	44.6	44.3	0.2
Other	137.9	134.6	3.3	155.5	153.4	2.0
Foreign securities	137.9	134.6	3.3	151.2	149.7	1.4
Foreign currency denominated foreign corporate and government bonds	129.8	128.0	1.8	125.7	124.5	1.2
Yen-denominated foreign corporate and government bonds	6.5	6.5	0.0	25.1	25.1	0.0
Foreign equity securities and others	1.6	0.0	1.5	0.2	0.0	0.1
Other securities	-	-	-	4.3	3.7	0.5
Other monetary claims purchased	-	-	-	0.0	0.0	0.0
Subtotal	308.7	295.7	13.0	245.6	232.4	13.1
Carrying amount does not exceed amortized/acquisition cost						
Equity securities	0.7	1.0	-0.3	1.2	1.4	-0.2
Domestic bonds	119.3	120.8	-1.4	112.8	114.7	-1.9
Japanese national government bonds	-	-	-	-	-	-
Japanese local government bonds	-	-	-	-	-	-
Japanese corporate bonds	119.3	120.8	-1.4	112.8	114.7	-1.9
Other	195.7	197.6	-1.9	175.0	178.8	-3.7
Foreign securities	194.7	196.6	-1.9	174.9	178.7	-3.7
Foreign currency denominated foreign corporate and government bonds	129.9	131.2	-1.3	123.9	126.9	-3.0
Yen-denominated foreign corporate and government bonds	60.5	61.0	-0.4	47.3	47.9	-0.5
Foreign equity securities and others	4.2	4.3	-0.0	3.7	3.8	-0.0
Other securities	0.9	1.0	-0.0	0.1	0.1	-0.0
Other monetary claims purchased	-	-	-	-	-	-
Subtotal	315.7	319.5	-3.7	289.1	295.0	-5.9
Total <sup>1, 2</sup>	624.5	615.2	9.3	534.7	527.5	7.1

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 March 31, 2019 and March 31, 2018 were ¥624.5 billion and ¥534.7 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)

	Mar 31, 2019	Mar 31, 2018
Unrealized gain (loss) before deferred tax on:		
Available-for-sale securities	9.3	7.1
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	-1.4	0.2
Other monetary assets held in trust	-1.1	-0.5
(-) Deferred tax liabilities	1.4	1.3
Unrealized gain (loss) on available-for-sale securities before interest adjustments	5.2	5.5
(-) Noncontrolling interests	-	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	4.7	-0.3
Unrealized gain (loss) on available-for-sale securities	10.0	5.1

## Deposits (Consolidated)

(Billions of yen)

	Mar 31 2019	Mar 31 2018	Change (Amount)
Deposits	5,351.5	5,628.1	-276.6
Liquid (current, ordinary, notice) deposits	2,591.5	2,423.0	168.4
Time deposits <sup>1</sup>	2,271.9	2,691.0	-419.0
Other	487.9	514.0	-26.0
Negotiable certificates of deposits (NCDs)	570.5	438.9	131.6
<b>Total</b>	<b>5,922.1</b>	<b>6,067.0</b>	<b>-144.9</b>

1.Includes two-week maturity deposits

## Financial Ratios (Consolidated)

	FY2018 (12 months)	FY2017 (12 months)	1H FY2018 (6 months)
Return on assets <sup>1</sup>	0.5%	0.5%	0.6% <sup>5</sup>
Return on equity <sup>2</sup>	6.0%	6.1%	6.4% <sup>5</sup>
Return on equity (fully diluted) <sup>3</sup>	6.0%	6.1%	6.4% <sup>5</sup>
Return on risk asset <sup>4</sup>	0.8%	0.8%	0.9% <sup>5</sup>
Expense-to-revenue ratio <sup>6, 7</sup>	63.0%	61.5%	61.9%

1.Return on assets:

$\frac{\text{Profit (Losses) Attributable to Owners of the Parent}}{(\text{Total assets at the BOP} + \text{Total assets at the EOP})/2}$

BOP: beginning of period  
EOP: end of period

2.Return on equity:

$\frac{\text{Profit (Losses) Attributable to Owners of the Parent}}{(\text{Total equity eligible for common shareholders at the BOP} + \text{Total equity eligible for common shareholders at the EOP})/2}$

3.Return on equity (fully diluted):

$\frac{\text{Profit (Losses) Attributable to Owners of the Parent}}{((\text{Total equity at the BOP} - \text{Share warrants at the BOP} - \text{Noncontrolling interests at the BOP}) + (\text{Total equity at the EOP} - \text{Share warrants at the EOP} - \text{Noncontrolling interests at the EOP}))/2}$

4.Return on Risk Asset:

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

5.Annualized basis.

6.Management accounting basis.

7.Expense denotes general and administrative expenses.

## Capital Adequacy Related Information (Consolidated)

<Basel 3, Domestic Standard 1>

(Billions of yen, except percentages)

	Mar 31 2019	Mar 31 2018	Change (Amount)
Core capital:instruments and reserves	899.5	899.9	-0.3
Core capital:regulatory adjustments	-104.2	-85.8	-18.4
Capital	795.3	814.1	-18.8
Total amount of Risk-weighted assets	6,711.2	6,342.7	368.5
Consolidated core capital adequacy ratio	11.85%	12.83%	

1.Calculated according to F-IRB.

Consolidated total required capital is ¥640.5 billion as at Mar 31, 2019, ¥592.7 billion as at March 31, 2018.

## Per Share Data (Consolidated)<sup>1</sup>

(Yen)

	FY2018 (12 months)	FY2017 (12 months)	Change (Amount)	1H FY2018 (6 months)
Common equity	3,636.92	3,376.39	260.52	3,547.97
Fully diluted equity	3,636.49	3,375.99	260.50	3,547.56
Basic EPS	211.24	199.01	12.23	110.73
Diluted EPS	211.22	198.98	12.23	110.72
For calculation of per share data (excluding treasury shares):				
Equity: Number of common shares	245,274,499	252,868,614		245,490,159
Fully diluted number of shares	245,303,390	252,898,756		245,519,050
EPS Number of common shares	247,670,196	258,349,136		250,045,525
Fully diluted number of shares	247,700,391	258,376,805		250,077,018

1.Shinsei Bank consolidated its shares with a rate of ten shares of common stock into one share on October 1, 2017. Per Share Data is calculated as if the consolidation of shares had occurred at the beginning of the FY2017.

## Consolidated Balance Sheets

(Millions of yen)

	Mar 31 2019	Mar 31 2018	Change (Amount)
<b>&lt;&lt;Assets&gt;&gt;</b>			
Cash and due from banks	1,355,966	1,465,663	(109,697)
Call loans and bills bought	—	—	—
Receivables under securities borrowing transactions	2,119	2,629	(510)
Other monetary claims purchased	30,994	36,332	(5,337)
Trading assets	204,415	205,295	(880)
Monetary assets held in trust	305,879	234,924	70,954
Securities	1,130,286	1,123,522	6,764
Loans and bills discounted	4,986,839	4,895,963	90,875
Foreign exchanges	29,546	32,511	(2,965)
Lease receivables and leased investment assets	176,553	171,429	5,124
Other assets	851,287	856,213	(4,925)
Premises and equipment	45,341	50,261	(4,920)
Intangible assets	67,189	59,484	7,704
Goodwill	10,989	11,910	(920)
Assets for retirement benefits	10,931	13,261	(2,330)
Deferred tax assets	15,096	14,705	391
Customers' liabilities for acceptances and guarantees	456,759	395,301	61,458
Reserve for credit losses	(98,034)	(100,840)	2,805
<b>Total assets</b>	<b>9,571,172</b>	<b>9,456,660</b>	<b>114,511</b>
<b>&lt;&lt;Liabilities&gt;&gt;</b>			
Deposits	5,351,564	5,628,169	(276,604)
Negotiable certificates of deposit	570,580	438,927	131,653
Debentures	—	423	(423)
Call money and bills sold	145,000	—	145,000
Payables under repurchase agreements	59,098	55,919	3,179
Payables under securities lending transactions	510,229	433,462	76,767
Trading liabilities	182,363	184,582	(2,219)
Borrowed money	684,077	739,578	(55,500)
Foreign exchanges	471	102	368
Short-term corporate bonds	191,000	175,700	15,300
Corporate bonds	92,335	85,000	7,335
Other liabilities	347,383	367,734	(20,351)
Accrued employees' bonuses	8,598	8,489	108
Accrued directors' bonuses	44	51	(6)
Liabilities for retirement benefits	8,232	8,366	(134)
Reserve for reimbursement of debentures	3,764	4,130	(366)
Reserve for losses on interest repayments	63,025	74,687	(11,661)
Deferred tax liabilities	—	—	—
Acceptances and guarantees	456,759	395,301	61,458
<b>Total liabilities</b>	<b>8,674,529</b>	<b>8,600,625</b>	<b>73,903</b>
<b>&lt;&lt;Equity&gt;&gt;</b>			
Common stock	512,204	512,204	—
Capital surplus	78,506	78,506	(0)
Retained earnings	346,562	361,368	(14,805)
Treasury stock, at cost	(37,729)	(89,540)	51,811
<b>Total shareholders' equity</b>	<b>899,544</b>	<b>862,538</b>	<b>37,005</b>
Unrealized gain (loss) on available-for-sale securities	10,041	5,187	4,853
Deferred gain (loss) on derivatives under hedge accounting	(16,391)	(14,457)	(1,933)
Foreign currency translation adjustments	(1,527)	(1,573)	45
Defined retirement benefit plans	378	2,089	(1,711)
<b>Total accumulated other comprehensive income</b>	<b>(7,500)</b>	<b>(8,754)</b>	<b>1,253</b>
Stock acquisition rights	99	318	(219)
Noncontrolling interests	4,498	1,930	2,567
<b>Total equity</b>	<b>896,642</b>	<b>856,034</b>	<b>40,607</b>
<b>Total liabilities and equity</b>	<b>9,571,172</b>	<b>9,456,660</b>	<b>114,511</b>

## Consolidated Statements of Income

(Millions of yen)

	FY2018 (12 months)	FY2017 (12 months)	Change (Amount)
Ordinary income	372,243	383,869	(11,626)
Interest income	154,843	148,504	6,338
Interest on loans and bills discounted	140,176	134,857	5,319
Interest and dividends on securities	12,531	11,705	825
Other interest income	2,135	1,941	194
Fees and commissions income	55,332	50,129	5,203
Trading income	6,673	8,542	(1,869)
Other business income	134,051	141,370	(7,319)
Other ordinary income	21,341	35,321	(13,980)
Ordinary expenses	316,846	327,057	(10,211)
Interest expenses	21,027	19,728	1,298
Interest on deposits	7,765	8,998	(1,232)
Interest on borrowings	3,369	3,471	(101)
Interest on corporate bonds	466	952	(486)
Other interest expenses	9,425	6,306	3,118
Fees and commissions expenses	23,981	25,059	(1,077)
Trading losses	—	—	—
Other business expenses	84,157	87,820	(3,662)
General and administrative expenses	148,545	146,969	1,575
Amortization of goodwill	2,211	2,773	(562)
Amortization of intangible assets acquired in business combinations	599	1,213	(613)
Other general and administrative expenses	145,734	142,981	2,752
Other ordinary expenses	39,134	47,480	(8,345)
Provision of reserve for credit losses	35,241	43,030	(7,788)
Other	3,892	4,450	(557)
Ordinary profit	55,397	56,811	(1,414)
Extraordinary gains	218	917	(698)
Extraordinary losses	1,031	2,317	(1,285)
Income before income taxes	54,584	55,411	(827)
Income taxes (benefit):			
Income taxes (benefit) - current	3,810	1,266	2,543
Income taxes (benefit) - deferred	△1,306	2,574	△3,881
Total income taxes (benefit)	2,503	3,841	(1,337)
Profit	52,080	51,570	510
Profit (loss) attributable to noncontrolling interests	(239)	156	(395)
Profit attributable to owners of the parent	52,319	51,414	905

## Composition of Capital Disclosure(Consolidated)

Shinsei Bank and subsidiaries

Millions of yen (except percentages)

Items	Basel III (Domestic Standard) Mar 31 2019	Amounts excluded under transitional arrangements	Basel III (Domestic Standard) Dec 31 2018	Amounts excluded under transitional arrangements
<b>Core capital:instruments and reserves (1)</b>				
Directly issued qualifying common share capital or preferred share capital with a compulsory conversion clause plus related capital surplus and retained earnings	¥ 897,092		¥ 889,062	
of which:capital and capital surplus	590,710		590,710	
of which:retained earnings	346,562		336,080	
of which:treasury stock (-)	37,729		37,729	
of which:earning to be distributed (-)	2,452		-	
of which:other than above	-		-	
Accumulated other comprehensive income (amount allowed to be included in Core capital)	(1,149)	¥ -	(26)	¥ 481
of which:foreign currency translation adjustment	(1,527)		(1,954)	
of which:amount related defined benefit	378	-	1,927	481
Stock acquisition right to common shares and preferred shares with a compulsory conversion clause	49		99	
Adjusted noncontrolling interests (amount allowed to be included in Core capital)	10		14	
Total of reserves included in Core capital:instruments and reserves	611		425	
of which:general reserve for loan losses included in Core capital	611		425	
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)	-		-	
Capital instruments issued through measures for capital enhancement by public institutions (amount allowed to be included in Core capital:instruments and reserves)	-		-	
Land revaluation excess after 55% discount (amount allowed to be included in Core capital:instruments and reserves)	-		-	
Noncontrolling interests subject to transitional arrangements (amount allowed to be included in Core capital:instruments and reserves)	2,964		2,253	
<b>Core capital:instruments and reserves (A)</b>	¥ 899,577		¥ 891,828	
<b>Core capital:regulatory adjustments (2)</b>				
Total amount of intangible assets (excluding those relating to mortgage servicing rights)	¥ 52,790	¥ -	¥ 42,127	¥ 7,790
of which:goodwill (including those equivalent)	13,798	-	10,445	-
of which:other intangibles other than goodwill and mortgage servicing rights	38,991	-	31,682	7,790
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	7,251	-	6,095	1,523
Shortfall of eligible provisions to expected losses	36,650	-	32,197	-
Gain on sale of securitization	-	-	5,370	-
Gains and losses due to changes in own credit risk on fair valued liabilities	-	-	-	-
Net defined benefit asset	7,584	-	8,066	2,016
Investments in own shares (excluding those reported in the net assets section)	0	-	0	0
Reciprocal cross-holdings in common equity	-	-	-	-
Investments in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation ("Other Financial Institutions"), net of eligible short positions, where the bank does not own more than 10% of the issued share capital (amount above the 10% threshold)	-	-	-	-
Amount exceeding the 10% threshold on specific items	-	-	-	-
of which:significant investments in the common stock of Other Financial Institutions, net of eligible short positions	-	-	-	-
of which:mortgage servicing rights	-	-	-	-
of which:deferred tax assets arising from temporary differences (net of related tax liability)	-	-	-	-
Amount exceeding the 15% threshold on specific items	-	-	-	-
of which:significant investments in the common stock of Other Financial Institutions, net of eligible short positions	-	-	-	-
of which:mortgage servicing rights	-	-	-	-
of which:deferred tax assets arising from temporary differences (net of related tax liability)	-	-	-	-
<b>Core capital:regulatory adjustments (B)</b>	¥ 104,276		¥ 93,857	
<b>Capital (consolidated)</b>				
Capital (consolidated)((A)-(B))(C)	¥ 795,301		¥ 797,970	
<b>Risk-weighted assets, etc.</b>				
Total amount of credit risk-weighted assets	¥6,177,810		¥5,881,043	
of which:total amount included in risk-weighted assets by transitional arrangements	(330)		9,740	
of which:intangible assets (excluding those relating to goodwill and mortgage servicing rights)	-		7,790	
of which:deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-		1,523	
of which:net defined benefit asset	-		2,016	
of which: significant investments in the common stock of Other Financial Institutions (net of eligible short positions)	(330)		(1,590)	
of which:other than above	-		0	
Market risk (derived by multiplying the capital requirement by 12.5)	154,082		169,848	
Operational risk (derived by multiplying the capital requirement by 12.5)	379,341		376,198	
Credit risk-weighted assets adjustments	-		-	
Operational risk adjustments	-		-	
<b>Total amount of Risk-weighted assets (D)</b>	¥6,711,235		¥6,427,091	
<b>Capital ratio (consolidated)</b>				
Capital ratio (consolidated)((C)/(D))	11.85%		12.41%	

## (Reference) Results of Operations (Consolidated)

(Millions of yen)

	FY2018 (12 months) (A)	FY2017 (12 months) (B)	Change (A)-(B)
Gross Business Profit	224,643	219,344	5,298
(excluding Gains on Monetary Assets Held in Trust)	222,107	216,584	5,523
Net Interest Income	133,816	128,775	5,040
Net Fees and Commissions	31,368	25,096	6,272
Net Trading Income	6,673	8,542	(1,869)
Net Other Business Income	52,784	56,930	(4,145)
Gains on Monetary Assets Held in Trust	2,535	2,760	(224)
Gains related to Bonds	2,654	2,655	(1)
General and Administrative Expenses	147,546	146,572	974
Personnel Expenses	55,516	55,852	(336)
Nonpersonnel Expenses	81,623	81,329	293
Amortization of Goodwill and Intangible Assets	2,811	3,987	(1,176)
Taxes	10,406	9,389	1,017
Net Business Profit	77,096	72,772	4,323
Credit Costs	29,348	37,270	(7,921)
Gains on Stock Transactions	(611)	7,533	(8,144)
Equity in Net Income (Loss) of Affiliates	5,697	5,152	545
Other	2,563	8,623	(6,060)
Ordinary Profit	55,397	56,811	(1,414)
Extraordinary Gains	(812)	(1,400)	587
Gains from Sales of Fixed Assets and Impairment losses	(1,023)	(1,290)	267
Income before Income Taxes	54,584	55,411	(827)
Income Taxes - Current	3,810	1,266	2,543
Income Taxes - Deferred	(1,306)	2,574	(3,881)
Profit Attributable to Noncontrolling Interests	(239)	156	(395)
Profit Attributable to Owners of the Parents	52,319	51,414	905

## 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)

	FY2018 (12 months)	FY2017 (12 months)	Change (Amount)	1H FY2018 (6 months)
Net interest income	106.5	105.4	1.0	51.6
Noninterest income	2.2	5.3	-3.1	-0.1
Net fees and commissions <sup>1</sup>	-8.6	-10.4	1.7	-5.2
Net trading income	4.1	4.5	-0.3	0.2
Net other business income	6.7	11.2	-4.4	4.8
Total revenue <sup>1</sup>	108.8	110.8	-2.0	51.4
Personnel expenses	-26.7	-27.4	0.6	-13.4
Nonpersonnel expenses	-38.9	-45.9	7.0	-19.2
Taxes	-5.8	-5.6	-0.1	-2.5
General and administrative expenses	-71.5	-79.0	7.5	-35.2
Net business profit <sup>1</sup>	37.3	31.8	5.5	16.2
Other gains				
Gains on the sales of equities	0.6	4.3	-3.7	-0.2
Net provision of reserve for credit losses	0.5	-2.5	3.0	-0.3
Losses on write-off of loans	-0.0	-0.1	0.0	-0.0
Recoveries of written-off claims	0.2	1.3	-1.1	0.0
Expenses for employees' retirement benefits	-0.9	-0.4	-0.5	-0.3
Others	0.9	2.1	-1.1	0.4
Net ordinary income	38.6	36.5	2.0	15.8
Extraordinary profit				
Gains from sales of fixed assets and impairment losses	-0.7	-1.1	0.4	-0.2
Others	-1.8	5.5	-7.4	-1.4
Income before income taxes	36.0	40.9	-4.9	14.1
Income taxes - Current	-1.6	2.6	-4.3	0.5
Income taxes - Deferred	1.0	-3.1	4.2	0.1
Net income	35.4	40.5	-5.0	14.8

<sup>1</sup>Includes income from monetary assets held in trust of ¥1.4 billion in FY2018, ¥2.0 billion in FY2017 and ¥0.5 billion in 1HFY2018.

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.

Reflecting their nature, gains and losses on sales of equity securities and impairments related to equity securities are recorded as other business income (loss) in the consolidated financial statements. However, in the above-mentioned explanation of nonconsolidated financial results, they are included in other gains (losses) according to the reporting format of the Revitalization Plan.

Nonconsolidated total revenue of Shinsei Bank in fiscal year 2018 totaled 108.8 billion yen, decreased 2 billion yen compared to fiscal year 2017. Net interest income totaled 106.5 billion yen, increase of 1.0 billion yen compared to fiscal year 2017 mainly due to increase of interest income from Structured Finance Business and cost-conscious funding while dividend income received from subsidiaries decreased in fiscal year 2018. Dividend income received from subsidiaries in fiscal year 2018 totaled 7.2 billion yen (5.0 billion yen from Shinsei Financial, 1.5 billion yen from Showa Leasing, and others), decreased 6.0 billion yen compared to the amount received in the fiscal year 2017. Noninterest income totaled 2.2 billion yen, decreased 3.1 billion yen compared to fiscal year 2017. The effect of revision of Shinsei Step UP Program, charging ATM fees on Standard-stage customers and increase of sales of asset management products in Retail Banking Business were not enough to cover decrease of revenues from derivative transactions in Institutional Business.

General and administrative expenses totaled 71.5 billion yen in fiscal year 2018, decreased 7.5 billion yen compared to fiscal year 2017. The main reason was transferring a part of nonpersonnel expenses to Shinsei Financial as Lake ALSA started from April 2018.

As a result of the preceding factors, Shinsei Bank recorded a nonconsolidated ordinary business profit of 37.3 billion yen in fiscal year 2018, increased 5.5 billion yen compared to fiscal year 2017.

Of Other gains, 6.0 billion yen of gains on sales of shares held in Corporate Business and 0.7 billion yen net credit costs recoveries resulting from calculation of general reserve for loan losses in accordance with portfolio growth such as project finance in Institutional Business were recorded.

Gains of redemption of equities of subsidiaries and affiliates recorded in extraordinary gains fell off in fiscal year 2018. As a result, the Bank's net income totaled 35.4 billion yen in fiscal year 2018, a decrease 5.0 billion yen compared to fiscal year 2017.



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

(Billions of yen, except percentages)

	FY2018 (12 months)			FY2017 (12 months)			1H FY2018 (6 months)		
	Average balance	Interest	Yield/rate <sup>1</sup> (%)	Average balance	Interest	Yield/rate <sup>1</sup> (%)	Average balance	Interest	Yield/rate <sup>1</sup> (%)
Interest-earning assets:									
Loans and bills discounted	<b>4,735.5</b>	<b>101.2</b>	<b>2.13</b>	4,581.5	94.3	2.05	4,682.4	50.3	2.14
Securities	<b>1,470.8</b>	<b>21.4</b>	<b>1.45</b>	1,457.6	25.4	1.74	1,488.7	8.9	1.20
Other interest-earning assets <sup>2, 3</sup>	<b>98.4</b>	<b>1.7</b>	<b>***</b>	192.1	2.0	***	124.8	0.9	***
<b>Total interest-earning assets</b>	<b>6,304.8</b>	<b>124.4</b>	<b>1.97</b>	6,231.4	121.8	1.95	6,296.0	60.2	1.90
Interest-bearing liabilities:									
Deposits, including negotiable certificates of deposit	<b>6,131.8</b>	<b>7.8</b>	<b>0.12</b>	6,055.4	9.0	0.14	6,153.1	4.0	0.13
Borrowed money	<b>223.3</b>	<b>0.6</b>	<b>0.26</b>	293.7	0.5	0.19	238.7	0.3	0.28
Subordinated debt	<b>3.7</b>	<b>0.0</b>	<b>2.36</b>	12.4	0.2	2.36	7.4	0.0	2.36
Other borrowed money	<b>219.6</b>	<b>0.5</b>	<b>0.23</b>	281.3	0.2	0.10	231.3	0.2	0.22
Corporate bonds	<b>44.5</b>	<b>0.3</b>	<b>0.70</b>	50.5	0.7	1.50	43.8	0.2	0.98
Subordinated bonds	<b>12.8</b>	<b>0.2</b>	<b>1.87</b>	28.6	0.6	2.43	18.6	0.1	1.95
Other corporate bonds	<b>31.7</b>	<b>0.0</b>	<b>0.22</b>	21.9	0.0	0.29	25.1	0.0	0.26
Other interest-bearing liabilities <sup>2</sup>	<b>674.8</b>	<b>9.2</b>	<b>***</b>	572.5	6.1	***	680.5	4.0	***
<b>Total interest-bearing liabilities</b>	<b>7,074.6</b>	<b>18.0</b>	<b>0.25</b>	6,972.2	16.4	0.23	7,116.3	8.6	0.24
<b>Net interest income/yield on interest-earning assets</b>	<b>6,304.8</b>	<b>106.4</b>	<b>1.68</b>	6,231.4	105.3	1.69	6,296.0	51.5	1.63

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)

	<b>FY2018 (12 months)</b>	<b>FY2017 (12 months)</b>	<b>Change</b>	<b>1H FY2018 (6 months)</b>
Yield on interest earning assets (A)	<b>1.97</b>	1.95	0.02	1.90
Total cost of funding (B)	<b>1.27</b>	1.36	-0.09	1.23
Cost of interest bearing liabilities (C)	<b>0.25</b>	0.23	0.02	0.24
Overall interest margin (A)-(B)	<b>0.70</b>	0.59	0.11	0.67
Net interest margin (A)-(C)	<b>1.72</b>	1.72	-0.00	1.66

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

(Domestic)<sup>1</sup>

(Percentages)

	<b>FY2018 (12 months)</b>	<b>FY2017 (12 months)</b>	<b>Change</b>	<b>1H FY2018 (6 months)</b>
Yield on interest earning assets (A)	<b>1.67</b>	1.80	-0.13	1.66
Interest earned on loans and bills discounted	<b>1.98</b>	2.03	-0.05	2.03
Interest earned on securities	<b>1.21</b>	1.78	-0.57	1.00
Total cost of funding (B) <sup>2</sup>	<b>1.15</b>	1.29	-0.14	1.13
Cost of interest bearing liabilities (C)	<b>0.07</b>	0.10	-0.03	0.08
Interest paid on deposits <sup>3</sup>	<b>0.05</b>	0.09	-0.04	0.06
Overall interest margin (A)-(B)	<b>0.52</b>	0.51	0.01	0.53
Net interest margin (A)-(C)	<b>1.60</b>	1.70	-0.10	1.58

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)

	<b>FY2018 (12 months)</b>	<b>FY2017 (12 months)</b>	<b>Change</b>	<b>1H FY2018 (6 months)</b>
Gains (losses) on bonds	<b>2.6</b>	2.6	-0.0	0.9
Gains on sales	<b>4.2</b>	3.7	0.5	1.4
Gains on redemption	-	0.0	-0.0	-
Losses on sales	<b>-1.1</b>	-1.1	-0.0	-0.5
Losses on redemption	-	-	-	-
Losses on devaluation	<b>-0.4</b>	-	-0.4	-
Gains (losses) on stocks	<b>0.6</b>	4.3	-3.7	-0.2
Gains on sales	<b>1.2</b>	4.9	-3.7	0.0
Losses on sales	<b>-0.2</b>	-0.4	0.2	-0.0
Losses on devaluation	<b>-0.3</b>	-0.1	-0.2	-0.2

Net Credit Costs (Nonconsolidated) <sup>1</sup>

(Billions of yen)

	FY2018 (12 months)	FY2017 (12 months)	Change (Amount)	1H FY2018 (6 months)
Losses on write-off of loans/Losses on sale of loans	-0.0	-0.1	0.0	-0.0
Net provision of reserve for loan losses	0.5	-2.5	3.0	-0.3
Net provision of general reserve for loan losses	2.4	-2.2	4.7	1.3
Net provision of specific reserve for loan losses	-1.9	-0.3	-1.6	-1.6
Net Provision of Reserve for Loan	-	0.0	-0.0	-
Losses to Restructuring Countries	-	0.0	-0.0	-
Recoveries of written-off claims	0.2	1.3	-1.1	0.0
Net credit costs	0.7	-1.2	2.0	-0.3

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)

(Billions of yen)

	Mar 31 2019	Mar 31 2018	Change (Amount)
Domestic (excluding Japan offshore market accounts):			
Manufacturing	186.1	185.3	0.7
Agriculture and forestry	-	-	-
Fishery	-	-	-
Mining, quarrying and gravel extraction	0.3	0.4	-0.0
Construction	7.4	5.9	1.5
Electrical, natural gas and water supply	317.6	246.1	71.4
Information and communications	54.7	70.3	-15.6
Transportation and postal service	173.5	174.8	-1.3
Wholesale and retail	117.3	110.0	7.3
Finance and insurance	983.0	705.5	277.5
Real estate	565.4	553.5	11.9
Services	375.0	393.7	-18.7
Local government	52.4	68.4	-15.9
Individuals	1,461.3	1,564.0	-102.6
Overseas yen loans and overseas loans booked domestically	447.9	419.9	28.0
Total domestic	4,742.7	4,498.4	244.2
Overseas (including Japan offshore market accounts):			
Governments	0.1	0.3	-0.1
Financial institutions	32.6	30.8	1.7
Others	157.1	108.3	48.8
Total overseas	189.9	139.5	50.3
Total	4,932.6	4,637.9	294.6

## Claims Classified under the Financial Revitalization Law (Nonconsolidated)

(Billions of yen)

	Mar 31 2019	Mar 31 2018	Change (Amount)
Claims against bankrupt and quasi-bankrupt obligors	2.1	1.8	0.3
Doubtful claims	6.1	3.6	2.5
Substandard claims	2.0	3.0	-1.0
<b>Total (A)</b>	<b>10.2</b>	<b>8.4</b>	<b>1.8</b>
Coverage ratio	67.8%	65.8%	
<b>Total claims (B)</b>	<b>5,010.6</b>	<b>4,724.1</b>	<b>286.5</b>
Loans and bills discounted	4,932.6	4,637.9	294.6
Others	78.0	86.1	-8.1
Ratio to total claims (A/B X 100) (%) <sup>1</sup>	0.20%	0.17%	
(Ref. 1) Amount of write-off	3.0	5.9	-2.8
(Ref. 2) Below need caution level	74.4	52.0	22.4

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

(Billions of yen, except percentages)

	Mar 31, 2019					Mar 31, 2018				
	Amounts of coverage					Amounts of coverage				
	Amounts of claims	Total	Reserve for loan losses	Collateral and guarantees	Coverage ratio	Amounts of claims	Total	Reserve for loan losses	Collateral and guarantees	Coverage ratio
	(a)	(b)			(b)/(a)	(a)	(b)			(b)/(a)
Claims against bankrupt and quasi-bankrupt	2.1	2.1	0.5	1.6	100.0%	1.8	1.8	0.4	1.4	100.0%
Doubtful claims	6.1	4.1	3.5	0.6	67.7%	3.6	2.0	1.9	0.1	57.4%
Substandard claims	2.0	0.7	0.3	0.4	34.0%	3.0	1.7	0.7	1.0	55.3%
<b>Total</b>	<b>10.2</b>	<b>6.9</b>	<b>4.3</b>	<b>2.6</b>	<b>67.8%</b>	<b>8.4</b>	<b>5.5</b>	<b>3.0</b>	<b>2.5</b>	<b>65.8%</b>

## Housing Loans (Nonconsolidated)

(Billions of yen)

	Mar 31 2019	Mar 31 2018	Change (Amount)
Housing loans	1,190.1	1,268.9	-78.8

Securities Being Held to Maturity (Nonconsolidated)

(Billions of yen)

	Mar 31, 2019			Mar 31, 2018		
	Carrying amount	Fair value	Unrealized gain (loss)	Carrying amount	Fair value	Unrealized gain (loss)
Fair value exceeds carrying amount						
Japanese national government bonds	399.2	402.4	3.2	481.3	484.6	3.3
Subtotal	399.2	402.4	3.2	481.3	484.6	3.3
Fair value does not exceed carrying amount						
Japanese national government bonds	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-
Total	399.2	402.4	3.2	481.3	484.6	3.3

## Securities Available for Sale (Nonconsolidated)

(Billions of yen)

	Mar 31, 2019			Mar 31, 2018		
	Carrying amount (Fair value)	Amortized/ Acquisition cost	Unrealized gain (loss)	Carrying amount (Fair value)	Amortized/ Acquisition cost	Unrealized gain (loss)
Carrying amount exceeds amortized/acquisition cost						
Equity securities	13.2	6.7	6.4	16.6	7.6	9.0
Domestic bonds	152.1	150.9	1.2	68.1	67.8	0.2
Japanese national government bonds	100.3	99.4	0.8	21.2	21.2	0.0
Japanese local government bonds	-	-	-	2.3	2.3	0.0
Japanese corporate bonds	51.7	51.4	0.3	44.6	44.3	0.2
Other	136.7	134.5	2.1	152.9	150.8	2.0
Foreign securities	136.7	134.5	2.1	148.5	147.1	1.4
Foreign currency denominated foreign corporate and government bonds	129.8	128.0	1.8	123.1	121.9	1.2
Yen-denominated foreign corporate and government bonds	6.5	6.5	0.0	25.1	25.1	0.0
Foreign equity securities and others	0.4	0.0	0.3	0.2	0.0	0.1
Other securities	-	-	-	4.3	3.7	0.5
Other monetary claims purchased	-	-	-	0.0	0.0	0.0
Subtotal	302.1	292.2	9.8	237.7	226.4	11.3
Carrying amount does not exceed amortized/acquisition cost						
Equity securities	0.6	0.9	-0.2	1.0	1.3	-0.2
Domestic bonds	119.3	120.8	-1.4	112.8	114.7	-1.9
Japanese national government bonds	-	-	-	-	-	-
Japanese local government bonds	-	-	-	-	-	-
Japanese corporate bonds	119.3	120.8	-1.4	112.8	114.7	-1.9
Other	195.7	197.6	-1.9	175.0	178.8	-3.7
Foreign securities	194.7	196.6	-1.9	174.9	178.7	-3.7
Foreign currency denominated foreign corporate and government bonds	129.9	131.2	-1.3	123.9	126.9	-3.0
Yen-denominated foreign corporate and government bonds	60.5	61.0	-0.4	47.3	47.9	-0.5
Foreign equity securities and others	4.2	4.3	-0.0	3.7	3.8	-0.0
Other securities	0.9	1.0	-0.0	0.1	0.1	-0.0
Other monetary claims purchased	-	-	-	-	-	-
Subtotal	315.6	319.3	-3.7	288.9	294.9	-5.9
Total <sup>1, 2</sup>	617.8	611.6	6.1	526.7	521.3	5.3

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)

	Mar 31, 2019	Mar 31, 2018
Unrealized gain (loss) before deferred tax on:		
Available-for-sale securities	6.1	5.3
Interests in available-for-sale securities held by partnerships recorded as securities whose fair value cannot be reliably determined	0.7	0.3
Other monetary assets held in trust	-1.1	-0.5
(-) Deferred tax liabilities	1.0	0.8
Unrealized gain (loss) on available-for-sale securities	4.7	4.2

Employees' Retirement Benefit (Nonconsolidated)

(Billions of yen)

Project Benefit Obligation	<b>Mar 31, 2019</b>
Projected benefit obligation (A)	<b>65.5</b>
Discount rate	<b>1.2%</b>
Fair value of plan assets (B)	<b>72.5</b>
Prepaid pension cost (C)	<b>-6.8</b>
Unrecognized net actuarial losses (D)	<b>-0.0</b>
Reserve for retirement benefits (A-B-C-D)	<b>-</b>

(Billions of yen)

Pension Expenses	<b>FY2018 (12 months)</b>
Service cost	<b>2.4</b>
Interest	<b>0.7</b>
Expected return on plan assets	<b>-1.5</b>
Amortization of net actuarial losses	<b>0.7</b>
Other (extraordinary severance benefit expense, etc.)	<b>0.1</b>
Net periodic retirement benefit cost	<b>2.5</b>

Capital Adequacy Related Information (Nonconsolidated)

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

(Billions of yen, except percentages)

	<b>Mar 31 2019</b>	Mar 31 2018	Change (Amount)
Core capital: instruments and reserves	<b>859.4</b>	876.9	-17.5
Core capital: regulatory adjustments	<b>-50.7</b>	-45.1	-5.6
Capital	<b>808.6</b>	831.8	-23.1
Total amount of Risk-weighted assets	<b>5,886.2</b>	5,600.2	285.9
Core capital adequacy ratio	<b>13.73%</b>	14.85%	

1. Calculated according to F-IRB.

Nonconsolidated total required capital is ¥521.6 billion as at Mar 31, 2019 and ¥493.1 billion as at March 31, 2018.

Nonconsolidated Balance Sheets

(Millions of yen)

	Mar 31 2019	Mar 31 2018	Change (Amount)
<b>&lt;&lt;Assets&gt;&gt;</b>			
Cash and due from banks	1,280,991	1,391,303	(110,311)
Other monetary claims purchased	10,809	115,458	(104,649)
Trading assets	200,276	199,866	409
Monetary assets held in trust	198,717	117,756	80,960
Securities	1,445,927	1,452,342	(6,415)
Loans and bills discounted	4,932,610	4,637,953	294,657
Foreign exchanges	29,546	32,511	(2,965)
Other assets	190,104	223,082	(32,977)
Other	190,104	223,082	(32,977)
Premises and equipment	12,610	14,031	(1,421)
Intangible assets	26,483	23,139	3,344
Prepaid pension cost	6,849	6,362	487
Deferred tax assets	1,127	573	553
Customers' liabilities for acceptances and guarantees	18,060	19,810	(1,749)
Reserve for credit losses	(25,519)	(26,721)	1,201
<b>Total assets</b>	<b>8,328,595</b>	<b>8,207,471</b>	<b>121,124</b>
<b>&lt;&lt;Liabilities&gt;&gt;</b>			
Deposits	5,636,286	5,789,256	(152,969)
Negotiable certificates of deposit	570,580	438,927	131,653
Debentures	—	423	(423)
Call money	145,000	—	145,000
Payables under repurchase agreements	59,098	55,919	3,179
Payables under securities lending transactions	510,229	433,462	76,767
Trading liabilities	179,749	181,337	(1,588)
Borrowed money	195,628	263,114	(67,486)
Foreign exchanges	471	102	368
Corporate bonds	42,335	45,000	(2,665)
Other liabilities	113,903	140,685	(26,782)
Income taxes payable	2,088	930	1,158
Lease obligations	18	24	(6)
Asset retirement obligations	7,410	7,471	(60)
Other	104,385	132,258	(27,873)
Accrued employees' bonuses	4,847	4,740	106
Reserve for reimbursement of debentures	3,764	4,130	(366)
Acceptances and guarantees	18,060	19,810	(1,749)
<b>Total liabilities</b>	<b>7,479,955</b>	<b>7,376,910</b>	<b>103,044</b>
<b>&lt;&lt;Equity&gt;&gt;</b>			
Common stock	512,204	512,204	—
Capital surplus	79,465	79,465	—
Additional paid-in capital	79,465	79,465	—
Retained earnings	307,855	339,650	(31,795)
Legal reserve	15,243	14,738	505
Other retained earnings	292,611	324,912	(32,301)
Unappropriated retained earnings	292,611	324,912	(32,301)
Treasury stock, at cost	(37,729)	(89,540)	51,811
<b>Total shareholders' equity</b>	<b>861,796</b>	<b>841,780</b>	<b>20,015</b>
Unrealized gain (loss) on available-for-sale securities	4,719	4,268	450
Deferred gain (loss) on derivatives under hedge accounting	(17,925)	(15,759)	(2,166)
<b>Total net unrealized gain (loss) and translation adjustments</b>	<b>(13,205)</b>	<b>(11,490)</b>	<b>(1,715)</b>
Stock acquisition rights	49	270	(220)
<b>Total equity</b>	<b>848,640</b>	<b>830,560</b>	<b>18,079</b>
<b>Total liabilities and equity</b>	<b>8,328,595</b>	<b>8,207,471</b>	<b>121,124</b>



## Nonconsolidated Statements of Income

(Millions of yen)

	FY2018 (12 months)	FY2017 (12 months)	Change (Amount)
Ordinary income	<b>164,135</b>	169,324	(5,188)
Interest income	<b>124,464</b>	121,833	2,631
Interest on loans and bills discounted	<b>101,292</b>	94,303	6,988
Interest and dividends on securities	<b>21,413</b>	25,441	(4,027)
Other interest income	<b>1,758</b>	2,088	(330)
Fees and commissions income	<b>19,484</b>	17,227	2,256
Trading income	<b>4,194</b>	4,575	(381)
Other business income	<b>11,002</b>	13,288	(2,285)
Other ordinary income	<b>4,989</b>	12,398	(7,408)
Ordinary expenses	<b>125,504</b>	132,737	(7,232)
Interest expenses	<b>18,002</b>	16,483	1,518
Interest on deposits	<b>7,770</b>	9,001	(1,231)
Interest on corporate bonds	<b>313</b>	761	(447)
Other interest expenses	<b>9,918</b>	6,720	3,197
Fees and commissions expenses	<b>29,660</b>	29,698	(37)
Other business expenses	<b>4,229</b>	2,055	2,174
General and administrative expenses	<b>72,498</b>	79,453	(6,954)
Other ordinary expenses	<b>1,113</b>	5,047	(3,933)
Ordinary profit	<b>38,630</b>	36,586	2,043
Extraordinary gains	<b>218</b>	6,581	(6,362)
Extraordinary losses	<b>2,817</b>	2,178	638
Income before income taxes	<b>36,032</b>	40,989	(4,957)
Income taxes (benefit)			
Income taxes (benefit) - current	<b>1,679</b>	(2,656)	4,336
Income taxes (benefit) - deferred	<b>(1,091)</b>	3,136	(4,227)
Total income taxes (benefit)	<b>588</b>	479	108
Net income	<b>35,443</b>	40,510	(5,066)

## Composition of Capital Disclosure (Nonconsolidated)

Shinsei Bank

Millions of yen (except percentages)

Items	Basel III (Domestic Standard) Mar 31 2019	Amounts excluded under transitional arrangements	Basel III (Domestic Standard) Dec 31 2018	Amounts excluded under transitional arrangements
<b>Core capital:instruments and reserves (1)</b>				
Directly issued qualifying common share capital or preferred share capital with a compulsory conversion clause plus related capital surplus and retained earnings	¥ 859,343		¥ 849,519	
of which:capital and capital surplus	591,670		591,670	
of which:retained earnings	307,855		295,577	
of which:treasury stock (-)	37,729		37,729	
of which:earning to be distributed (-)	2,452		-	
of which:other than above	-		-	
Stock acquisition right to common shares and preferred shares with a compulsory conversion clause	49		49	
Total of reserves included in Core capital:instruments and reserves	9		5	
of which:general reserve for loan losses included in Core capital	9		5	
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)	-		-	
Capital instruments issued through measures for capital enhancement by public institutions (amount allowed to be included in Core capital:instruments and reserves)	-		-	
Land revaluation excess after 55% discount (amount allowed to be included in Core capital:instruments and reserves)	-		-	
<b>Core capital:instruments and reserves (A)</b>	¥ 859,402		¥ 849,573	
<b>Core capital:regulatory adjustments (2)</b>				
Total amount of intangible assets (excluding those relating to mortgage servicing rights)	¥ 18,589	¥ -	¥ 15,258	¥ 3,628
of which:goodwill (including those equivalent)	703	-	744	-
of which:other intangibles other than goodwill and mortgage servicing rights	17,886	-	14,514	3,628
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	2,545	-	1,877	469
Shortfall of eligible provisions to expected losses	24,866	-	18,453	-
Gain on sale of securitization	-	-	5,370	-
Gains and losses due to changes in own credit risk on fair valued liabilities	-	-	-	-
Prepaid pension cost	4,752	-	3,982	995
Investments in own shares (excluding those reported in the net assets section)	0	-	0	0
Reciprocal cross-holdings in common equity	-	-	-	-
Investments in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation ("Other Financial Institutions"), net of eligible short positions, where the bank does not own more than 10% of the issued share capital (amount above the 10% threshold)	-	-	-	-
Amount exceeding the 10% threshold on specific items	-	-	-	-
of which:significant investments in the common stock of Other Financial Institutions, net of eligible short positions	-	-	-	-
of which:mortgage servicing rights	-	-	-	-
of which:deferred tax assets arising from temporary differences (net of related tax liability)	-	-	-	-
Amount exceeding the 15% threshold on specific items	-	-	-	-
of which:significant investments in the common stock of Other Financial Institutions, net of eligible short positions	-	-	-	-
of which:mortgage servicing rights	-	-	-	-
of which:deferred tax assets arising from temporary differences (net of related tax liability)	-	-	-	-
<b>Core capital:regulatory adjustments (B)</b>	¥ 50,754		¥ 44,942	
<b>Capital (nonconsolidated)</b>				
Capital (nonconsolidated)((A)-(B))(C)	¥ 808,647		¥ 804,630	
<b>Risk-weighted assets, etc.</b>				
Total amount of credit risk-weighted assets	¥5,554,802		¥5,243,990	
of which:total amount included in risk-weighted assets by transitional arrangements	(330)		3,503	
of which:intangible assets (excluding those relating to goodwill and mortgage servicing rights)	-		3,628	
of which:deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-		469	
of which:prepaid pension cost	-		995	
of which:significant investments in the common stock of Other Financial Institutions (net of eligible short positions)	(330)		(1,590)	
of which:other than above	-		0	
Market risk (derived by multiplying the capital requirement by 12.5)	143,617		162,747	
Operational risk (derived by multiplying the capital requirement by 12.5)	187,814		186,610	
Credit risk-weighted assets adjustments	-		-	
Operational risk adjustments	-		-	
<b>Total amount of Risk-weighted assets (D)</b>	¥5,886,234		¥5,593,349	
<b>Capital ratio (nonconsolidated)</b>				
Capital ratio (nonconsolidated)((C)/(D))	13.73%		14.38%	

## (Reference) Results of Operations (Nonconsolidated)

(Millions of yen)

	FY2018 (12 months) (A)	FY2017 (12 months) (B)	Change (A)-(B)
Gross Business Profit	108,842	110,856	(2,014)
(excluding Gains on Monetary Assets Held in Trust)	107,378	108,830	(1,452)
Net Interest Income	106,586	105,492	1,094
Net Fees and Commissions	(8,693)	(10,418)	1,724
Gains on Monetary Assets Held in Trust	1,464	2,026	(562)
Net Trading Income	4,194	4,575	(381)
Net Other Business Income	6,754	11,206	(4,451)
Gains related to Bonds	2,654	2,670	(16)
General and Administrative Expenses	71,505	79,055	(7,550)
Personnel Expenses	26,762	27,426	(664)
Nonpersonnel Expenses	38,921	45,999	(7,077)
Amortization of Goodwill	165	165	-
Taxes	5,821	5,629	191
Net Operating Profit before Provision of General Reserve for Loan Losses	35,872	29,774	6,097
Provision of General Reserve for Loan Losses (1)	-	2,212	(2,212)
Net Operating Profit	35,872	27,562	8,309
Net Business Profit	37,336	31,801	5,535
Non-Recurring Gains	1,418	7,139	(5,720)
Gains related to Stocks	612	4,371	(3,759)
Credit Costs (2)	(730)	(916)	186
Losses on Write-Off of Loans	27	114	(86)
Provision of Specific Reserve for Loan Losses	-	325	(325)
Provision of Loans to Restructuring Countries	-	(0)	0
Recoveries of Written-off Claims	(231)	(1,356)	1,125
Reversal of Reserve for Loan Losses	(526)	-	(526)
Losses on Sale of Loans	-	-	-
Other	76	1,851	(1,775)
Ordinary Profit	38,630	36,586	2,043
Extraordinary Gains	(2,598)	4,402	(7,001)
Gains from Sales of Fixed Assets and Impairment losses	(715)	(1,186)	470
Income before Income Taxes	36,032	40,989	(4,957)
Income Taxes - Current	1,679	(2,656)	4,336
Income Taxes - Deferred	(1,091)	3,136	(4,227)
Net Income	35,443	40,510	(5,066)

## (Reference)

Net Credit Costs (1)+(2)	(730)	1,295	(2,025)
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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]	FY2018 (12 months)			FY2017 (12 months)			1H FY2018 (6 months)		
	Average balance	Interest	Yield/rate <sup>1</sup> (%)	Average balance	Interest	Yield/rate <sup>1</sup> (%)	Average balance	Interest	Yield/rate <sup>1</sup> (%)
Interest-earning assets:	<b>6,304,868</b>	<b>124,464</b>	<b>1.97</b>	6,231,416	121,833	1.95	6,296,062	60,259	1.90
Loans and bills discounted	<b>4,735,551</b>	<b>101,292</b>	<b>2.13</b>	4,581,570	94,303	2.05	4,682,442	50,356	2.14
Securities	<b>1,470,890</b>	<b>21,413</b>	<b>1.45</b>	1,457,686	25,441	1.74	1,488,780	8,998	1.20
Interest-bearing liabilities:	<b>7,074,601</b>	<b>18,002</b>	<b>0.25</b>	6,972,291	16,483	0.23	7,116,313	8,690	0.24
Deposits, including negotiable certificates of deposit	<b>6,131,827</b>	<b>7,807</b>	<b>0.12</b>	6,055,461	9,025	0.14	6,153,168	4,084	0.13
Borrowed money	<b>223,337</b>	<b>602</b>	<b>0.26</b>	293,736	586	0.19	238,788	346	0.28
Subordinated debt	<b>3,729</b>	<b>88</b>	<b>2.36</b>	12,400	293	2.36	7,438	88	2.36
Corporate bonds	<b>44,569</b>	<b>313</b>	<b>0.70</b>	50,555	761	1.50	43,813	216	0.98
Subordinated bonds	<b>12,849</b>	<b>241</b>	<b>1.87</b>	28,647	696	2.43	18,661	183	1.95
Net interest income/yield on interest-earning assets	<b>6,304,868</b>	<b>106,462</b>	<b>1.68</b>	6,231,416	105,350	1.69	6,296,062	51,568	1.63

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

[Domestic]

Interest-earning assets:	<b>5,676,239</b>	<b>95,078</b>	<b>1.67</b>	5,644,118	102,015	1.80	5,665,343	47,313	1.66
Loans and bills discounted	<b>4,037,690</b>	<b>80,340</b>	<b>1.98</b>	3,944,885	80,215	2.03	4,015,886	40,908	2.03
Securities	<b>1,073,732</b>	<b>13,091</b>	<b>1.21</b>	1,082,892	19,300	1.78	1,090,304	5,489	1.00
Interest-bearing liabilities:	<b>6,426,964</b>	<b>4,627</b>	<b>0.07</b>	6,366,966	6,988	0.10	6,467,822	2,764	0.08
Deposits, including negotiable certificates of deposit	<b>5,650,008</b>	<b>2,929</b>	<b>0.05</b>	5,594,029	5,155	0.09	5,670,659	1,812	0.06
Borrowed money	<b>206,414</b>	<b>183</b>	<b>0.08</b>	275,713	330	0.11	221,545	144	0.13
Subordinated debt	<b>3,729</b>	<b>88</b>	<b>2.36</b>	12,400	293	2.36	7,438	88	2.36
Corporate bonds	<b>43,013</b>	<b>312</b>	<b>0.72</b>	50,422	761	1.50	43,032	216	1.00
Subordinated bonds	<b>12,849</b>	<b>241</b>	<b>1.87</b>	28,647	696	2.43	18,661	183	1.95
Net interest income/yield on interest-earning assets	<b>5,676,239</b>	<b>90,451</b>	<b>1.59</b>	5,644,118	95,027	1.68	5,665,343	44,548	1.56

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

Earnings Forecasts<sup>1</sup>*(Billions of yen)*

(Consolidated)	<b>FY2019 Forecast</b>	FY2018 Actual
Profit attributable to owners of the parent	<b>53.0</b>	52.3
(Nonconsolidated)	<b>FY 2019 Forecast</b>	FY2018 Actual
Net business profit	<b>36.0</b>	37.3
Net income	<b>33.0</b>	35.4
Dividends (per share in yen) <sup>2</sup> :Common stock	<b>not yet determined</b>	10.0

<sup>1</sup>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.

1. Nonperforming loan ratio (Financial Revitalization Law Standard) (%)

	Mar 31, 2017	Sep 30, 2017	Mar 31, 2018	Sep 30, 2018	Mar 31, 2019
Nonconsolidated	0.22	0.19	0.17	0.15	0.20
Consolidated	1.57	1.49	1.53	1.51	1.53

2. Equity holdings (domestic) (Nonconsolidated)

(1) Equity held

(Billions of yen)

	Book value		Net unrealized gain (loss)
		Subsidiaries' shares	
Mar.31, 2018	382.2	361.0	8.7
Sep.30, 2018	366.3	346.1	8.1
Mar.31, 2019	363.9	346.1	6.2

(2) Impairment

(Billions of yen)

	Equity related profits and losses (net of three accounts)	
		Impairment amount
FY2017	4.3	0.1
1HFY2018	-0.2	0.2
FY2018	0.6	0.3

1.Other extraordinary losses for FY2017 contains ¥ 0.9 billion in mark-down of subsidiaries' equity.

2.Other extraordinary losses for 1HFY2018 contains ¥ 1.6 billion in mark-down of subsidiaries' equity.

3.Other extraordinary losses for FY2018 contains ¥ 2.1 billion in mark-down of subsidiaries' equity.

(3) Break-even level of profit and loss of equities held (domestic) (theoretical figure)

Nikkei Stock Average	approximately	¥11,500
TOPIX	approximately	900

3. Loans to SMEs (% shows changes from the previous period) (Nonconsolidated)

(Billions of yen, except percentage)

	Results	% Change	Ratio to total loan balance (%)
Mar 31, 2018	3,029.5	0.55	67.35
Sep 30, 2018	3,214.3	6.10	69.17
Mar 31, 2019	3,267.1	1.64	68.89

1.The figures do not include Overseas and Japan Offshore Market Accounts.

2.Small- and medium-sized enterprises in this table refer to companies with ¥ 300 million or less in capital (¥ 100 million for wholesale and ¥ 50 million for retail and services) as well as companies or individuals 'with 300 employees or fewer (100 for wholesale and services and 50 for retail).

3.Revitalization Law (actual net increase/decrease excluding impact loan) achieved actual results of + ¥ 7.2 billion for FY2017 compared to the plan of + ¥ 1.0 billion.

4. Sales performance of investment trusts and insurance (Nonconsolidated)

a. Investment trust sales performance and commission

(Billions of yen)

	Handling commission for sales of investment trusts		Amount of sales during the period
		Upfront fees from investment trusts	
FY2017	2.6	0.5	92.1
1HFY2018	1.1	0.1	26.5
FY2018	2.1	0.2	49.4

b. Insurance sales performance and commission

(Billions of yen)

	Handling commission for sales of insurance		Amount of sales during the period
		Upfront fees from insurance	
FY2017	1.1	1.1	25.2
1HFY2018	1.3	1.3	26.9
FY2018	3.0	3.0	64.0

(Reference) Calculation Grounds of Deferred Tax Assets (Consolidated Tax Group Basis)

Shinsei Bank consolidated tax group has, due to losses recognized on securities, 147.0 billion yen of tax loss carryforwards and the unrealized temporary differences of 342.0 billion yen as of March 31, 2019.

We are classified as the Type 4 of the ASBJ Guidance No. 26 Implementation Guidance on Recovery of Deferred Tax Assets and we continuously calculate the realizability of deferred tax assets based on the estimated future taxable income for the next year.

We have adapted the consolidated tax system from FY 2003 and calculate the taxable income under consolidated tax basis.

1. Future year taxable income estimate before adjustment

Taxable income for the next year before adjustment is estimated to be 66.0 billion yen.

2. Net deferred tax liabilities (As of March 31, 2019)

Deferred tax assets corresponding to "total taxable income before adjustment"	18.7 billion yen <sup>(*)</sup>	
Deferred tax liabilities	7.8 billion yen	
Net deferred tax assets on balance sheet	10.9 billion yen	
(*)Breakdown	Tax loss carryforwards	57.6 billion yen
	Reserve for credit losses	46.1 billion yen
	Reserve for losses on interest repayment	19.3 billion yen
	Securities	17.4 billion yen
	Net deferred loss on hedge	6.4 billion yen
	Other	22.3 billion yen
	Sub total	169.4 billion yen
	Valuation allowance	(150.6) billion yen
Total	18.7 billion yen	

(Reference) Calculation Grounds of Deferred Tax Assets (Nonconsolidated)

Shinsei Bank has, due to losses recognized on securities, 128.0 billion yen of tax loss carryforwards and the unrealized temporary differences of 160.0 billion yen as of March 31, 2019.

We are classified as the Type 4 of the ASBJ Guidance No. 26 Implementation Guidance on Recovery of Deferred Tax Assets and we continuously calculate the realizability of deferred tax assets based on the estimated future taxable income for the next year.

We have adapted the consolidated tax system from FY 2003 and calculate the taxable income under consolidated tax basis.

1. Future year taxable income estimate before adjustment

Taxable income for the next year before adjustment is estimated to be 28.0 billion yen.

2. Net deferred tax liabilities(As of March 31, 2019)

Deferred tax assets corresponding to "total taxable income before adjustment"	6.3 billion yen <sup>(*)</sup>	
Deferred tax liabilities	5.1 billion yen	
Net deferred tax assets on balance sheet	1.1 billion yen	
(*)Breakdown	Tax loss carryforwards	40.6 billion yen
	Securities	17.4 billion yen
	Reserve for credit losses	8.9 billion yen
	Net deferred loss on hedge	6.4 billion yen
	Other	16.4 billion yen
	Sub total	89.9 billion yen
	Valuation allowance	(83.6) billion yen
Total	6.3 billion yen	