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Summary of Japanese Disclosure  
Material 2002 (English Translation)

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## Consolidated Financial Statements

The accompanying consolidated financial statements are the English translation of the financial statements of Shinsei Bank, Limited (the "Bank"), originally prepared in the Japanese language and are included in the Bank's annual report, which is derived from financial statements voluntarily prepared in accordance with Article 193 of the Securities and Exchange Law in Japan. Translation of notes to the 2001 financial statements is not presented.

The accompanying supplemental schedules are also the English translation of the schedules originally prepared in the Japanese language in accordance with Article 21 of the Banking Law, and are included in the Bank's annual report.

### Consolidated Balance Sheets

Shinsei Bank, Limited, and Subsidiaries

#### Assets

March 31, 2001 and 2002

(Millions of Yen)

	2001	2002
Loans and Bills Discounted (Notes 1-9) .....	¥6,187,320	¥4,801,904
Foreign Exchanges (Note 7) .....	10,771	149,251
Securities (Notes 8, 10 and 11) .....	1,988,518	1,462,281
Money Held in Trust .....	96,477	172,835
Trading Assets (Note 11) .....	382,222	443,972
Other Debt Purchased .....	18,555	68,980
Call Loans .....	276,000	296,559
Cash and Due from Banks (Note 8) .....	477,482	342,055
Other Assets (Note 8) .....	409,708	486,605
Premises and Equipment (Notes 8 and 13) .....	28,852	82,565
Deferred Discounts on and Issuance Expenses for Debentures .....	1,425	469
Deferred Tax Assets .....	30	17,695
Customers' Liabilities for Acceptances and Guarantees .....	172,238	114,411
Reserve for Loan Losses .....	(563,891)	(370,033)
<b>Total Assets</b> .....	<b>¥9,485,711</b>	<b>¥8,069,554</b>

#### Liabilities, Minority Interests in Subsidiaries and Stockholders' Equity

March 31, 2001 and 2002

(Millions of Yen)

	2001	2002
Debentures (Note 14) .....	¥3,670,417	¥2,786,355
Deposits (Note 8) .....	2,165,341	1,864,862
Negotiable Certificates of Deposit .....	1,053,493	395,893
Borrowed Money (Notes 8 and 15) .....	550,835	459,272
Trading Liabilities .....	253,684	173,580
Commercial Paper .....	62,000	1,000
Call Money (Note 8) .....	255,200	329,900
Foreign Exchanges .....	107	65
Collateral Related to Securities Lending Transactions .....	—	582,198
Other Liabilities (Note 12) .....	685,929	707,042
Reserve for Bonuses Payable .....	—	8,584
Reserve for Retirement Benefits .....	19,612	22,766
Reserve for Loss on Disposition of Premises and Equipment .....	3,921	53
Deferred Tax Liabilities .....	10,084	0
Acceptances and Guarantees (Note 8) .....	172,238	114,411
<b>Total Liabilities</b> .....	<b>¥8,902,865</b>	<b>¥7,445,987</b>
<b>Minority Interests in Subsidiaries</b> .....	<b>—</b>	<b>33</b>
Capital Stock .....	451,296	451,296
Capital Surplus .....	18,558	18,558
Earned Surplus .....	94,194	145,094
Net Unrealized Gains on Securities Available-for-Sale, Net of Taxes .....	16,341	5,790
Foreign Currency Translation Adjustments .....	2,455	2,794
Subtotal .....	582,846	623,534
Treasury Stock, at Cost .....	(0)	(0)
<b>Total Stockholders' Equity</b> .....	<b>582,846</b>	<b>623,534</b>
<b>Total Liabilities, Minority Interests in Subsidiaries and Stockholders' Equity</b> .....	<b>¥9,485,711</b>	<b>¥8,069,554</b>

See Notes to Consolidated Financial Statements.

## Consolidated Statements of Income

Shinsei Bank, Limited, and Subsidiaries

Years Ended March 31, 2001 and 2002

(Millions of Yen)

	2001	2002
<b>Operating Income</b> .....	¥299,281	¥235,967
Interest Income.....	211,468	155,481
Interest on Loans and Discounts.....	168,468	116,397
Interest and Dividends on Securities.....	16,141	24,213
Interest on Call Loans and Bills Discounted.....	673	180
Interest on Receivables under Resale Agreement.....	—	0
Interest on Deposits with Banks.....	11,687	4,538
Other Interest Income.....	14,496	10,151
Fees and Commissions.....	12,819	11,277
Trading Revenue.....	4,672	1,912
Other Business Income.....	3,890	35,648
Other Operating Income.....	66,430	31,647
<b>Operating Expenses</b> .....	203,735	196,511
Interest Expenses.....	125,624	67,072
Interest on Debentures.....	81,110	41,976
Amortization of Discount on Debentures.....	1,698	1,148
Interest on Deposits.....	11,532	4,737
Interest on Negotiable Certificates of Deposit.....	1,843	661
Interest on Borrowings.....	20,317	13,151
Interest on Commercial Paper.....	53	15
Interest on Call Money and Bills Rediscounted.....	276	56
Other Interest Expenses.....	8,791	5,325
Fees and Commissions.....	2,278	3,474
Trading Expenses.....	—	126
Other Business Expenses.....	4,697	21,452
General and Administrative Expenses.....	63,899	69,514
Other Operating Expenses.....	7,235	34,871
Provisions to Reserve for Loan Losses.....	—	728
Other Operating Expenses (Note 1).....	7,235	34,143
<b>Net Operating Income</b> .....	95,546	39,455
<b>Extraordinary Income</b> .....	8,737	10,593
Gain on Disposal of Premises and Equipment.....	2,014	10,587
Recoveries of Written-Off Claims.....	703	4
Reversal of Reserve for Contingent Liabilities from Brokering of Financial Futures Transactions.....	0	—
Other Extraordinary Income.....	6,018	1
<b>Extraordinary Expenses</b> .....	13,325	9,709
Loss on Disposal of Premises and Equipment.....	4,604	9,419
Provision for Loss on Disposition of Premises and Equipment.....	3,844	53
Other Extraordinary Expenses.....	4,876	237
<b>Income before Income Taxes and Minority Interests</b> .....	90,958	40,339
<b>Income Tax Expense—Current</b> .....	442	314
<b>Income Tax Expense (Benefit)—Deferred</b> .....	56	(21,227)
<b>Minority Interests in Net (Income) Loss of Subsidiaries</b> .....	(6)	32
<b>Net Income</b> .....	¥ 90,464	¥ 61,219

See Notes to Consolidated Financial Statements.

## Consolidated Statements of Earned Surplus (Deficit)

Shinsei Bank, Limited, and Subsidiaries

Years Ended March 31, 2001 and 2002

(Millions of Yen)

	2001	2002
<b>Balance at Beginning of Year</b> .....	¥(277,125)	¥ 94,194
<b>Increase</b> .....	280,854	—
Transfer from Capital Surplus.....	280,854	—
<b>Decrease</b> .....	—	10,319
Cash Dividends.....	—	10,319
<b>Net Income</b> .....	90,464	61,219
<b>Balance at End of Year</b> .....	¥ 94,194	¥145,094

See Notes to Consolidated Financial Statements.

## Consolidated Statements of Cash Flows

Shinsei Bank, Limited, and Subsidiaries

Years Ended March 31, 2001 and 2002

(Millions of Yen)

	2001	2002
<b>Cash Flows from Operating Activities:</b>		
Income before Income Taxes and Minority Interests .....	¥ 90,958	¥ 40,339
Depreciation .....	865	2,066
Amortization of Consolidation Goodwill .....	—	659
Equity in Losses of Affiliates .....	82	136
Decrease in Reserve for Loan Losses .....	(302,608)	(193,857)
Decrease in Reserve for Derivative-Related Credit Risk .....	(1,295)	—
Increase in Reserve for Bonuses Payable .....	—	8,584
Decrease in Reserve for Retirement Benefits .....	(15,512)	—
Increase in Reserve for Retirement Benefits .....	19,612	3,153
Increase (Decrease) in Reserve for Loss on Disposition of Premises and Equipment .....	3,841	(3,868)
Decrease in Other Reserve .....	(0)	—
Interest Income .....	(211,468)	(155,481)
Interest Expenses .....	125,624	67,072
Net (Gain) Loss on Sales, Redemption and Devaluation of Securities .....	(54,639)	8,425
Net Gain on Money Held in Trust .....	(340)	(1,793)
Net Exchange Loss (Gain) .....	11,930	(43,987)
Net Loss (Gain) on Sales of Premises and Equipment .....	2,589	(1,115)
Net Decrease (Increase) in Trading Assets .....	162,897	(59,286)
Net Decrease in Trading Liabilities .....	(24,192)	(80,103)
Net Decrease in Loans and Bills Discounted .....	1,528,145	1,403,255
Net Increase (Decrease) in Deposits .....	119,296	(300,479)
Net Increase (Decrease) in Negotiable Certificates of Deposit .....	322,022	(657,600)
Net Decrease in Debentures (Other Than Subordinated Debt) .....	(2,997,923)	(754,892)
Net (Decrease) Increase in Borrowed Money (Other Than Subordinated Borrowings) .....	(47,243)	35,605
Net Decrease in Due from Banks (Other Than Deposit with the Bank of Japan) .....	479,624	204,466
Net Decrease (Increase) in Call Loans and Other Debt Purchased .....	70,125	(70,983)
Net Decrease (Increase) in Collateral Related to Securities Borrowing Transactions .....	100,109	(122,394)
Net Increase in Call Money .....	9,993	74,700
Net Increase (Decrease) in Commercial Paper .....	61,500	(61,000)
Net (Decrease) Increase in Collateral Related to Securities Lending Transactions .....	(707,692)	442,857
Net Decrease in Payable Related to Trading Transactions .....	—	(12,511)
Net Decrease (Increase) in Foreign Exchange Assets .....	3,522	(138,479)
Net Decrease in Foreign Exchange Liabilities .....	(163)	(41)
Net Increase in Due to Trust Account .....	—	46,510
Interest Received .....	204,082	129,322
Interest Paid .....	(157,782)	(88,608)
Net (Increase) Decrease in Money Held in Trust .....	(94,455)	6,622
Other, Net .....	(236,127)	209,087
Subtotal .....	(1,534,618)	(63,620)
Income Taxes Paid .....	(618)	(141)
<b>Net Cash Used in Operating Activities .....</b>	<b>(1,535,236)</b>	<b>(63,761)</b>
<b>Cash Flows from Investing Activities:</b>		
Purchases of Securities .....	(7,192,332)	(2,660,233)
Proceeds from Sales of Securities .....	4,136,735	1,217,776
Proceeds from Redemption of Securities .....	3,996,997	1,993,880
Investment in Money Held in Trust (Other) .....	(1,681)	(2,113)
Proceeds from Disposition of Money Held in Trust (Other) .....	—	3,836
Investment in Money Held in Trust (Held to Maturity) .....	—	(82,910)
Purchases of Premises and Equipment .....	(1,238)	(63,258)
Proceeds from Sales of Premises and Equipment .....	6,332	15,260
Payment for Acquisition of New Subsidiary .....	—	(1,322)
Proceeds from Acquisition of New Subsidiary .....	1,118	—
Payment for Investing in New Affiliates .....	—	(410)
<b>Net Cash Provided by Investing Activities .....</b>	<b>945,932</b>	<b>420,505</b>
<b>Cash Flows from Financing Activities:</b>		
Repayment of Subordinated Borrowings .....	(309,900)	(134,500)
Payment for Redemption of Subordinated Debts .....	(74,188)	(135,915)
Redemption of Foreign Bonds .....	(3)	(11,700)
Dividends Paid .....	—	(10,319)
<b>Net Cash Used in Financial Activities .....</b>	<b>(384,092)</b>	<b>(292,435)</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents .....</b>	<b>(973,396)</b>	<b>64,308</b>
<b>Cash and Cash Equivalents at Beginning of Year .....</b>	<b>1,040,698</b>	<b>67,302</b>
<b>Increase in Cash and Cash Equivalents Due to Inclusion of Subsidiaries in Consolidation .....</b>	<b>0</b>	<b>—</b>
<b>Cash and Cash Equivalents at End of Year .....</b>	<b>¥ 67,302</b>	<b>¥ 131,610</b>

See Notes to Consolidated Financial Statements.

# Notes to Consolidated Financial Statements

Shinsei Bank, Limited, and Subsidiaries

## Principles of Consolidation and Significant Accounting Policies

(For the year ended March 31, 2002)

### 1. Consolidated Subsidiaries

Consolidated subsidiaries: 23 companies

Major subsidiaries:

Shinsei Trust & Banking Co., Ltd.

Shinsei Business Service Co., Ltd.

Shinsei Securities Co., Ltd.

From this consolidated fiscal year, Shinsei Investment Management Co., Ltd., is included due to its establishment; Chowa Tatemono Co., Ltd., and Chogin Card Co., Ltd., are included because of the purchase of stocks; BM Asset Management Co., Ltd., EQUION COMPANY, LIMITED, APOLLO FINANCE CO., LTD., Dolphin Japan Investment Y.K. and four other companies are included due to the acquisition of controlling power.

YMS3 is excluded because of sales of stocks during this consolidated fiscal year.

There are no unconsolidated subsidiaries.

### 2. Affiliate Accounted for using the Equity Method

Non-consolidated affiliate accounted for using the equity method: One company

Major company:

BlueBay Asset Management Limited

Value Management Institute, Inc., is excluded because of sales of stocks during this fiscal year.

In addition, Chowa Tatemono Co., Ltd., and Chogin Card Co., Ltd., are excluded because the Bank purchased their stocks and these companies are consolidated in the current fiscal year.

### 3. Fiscal Year-End of Consolidated Subsidiaries

(a) The respective fiscal periods of consolidated subsidiaries are as follows:

December 31: 2 companies

March 31: 21 companies

(b) One consolidated subsidiary with a fiscal period ending on December 31 is consolidated using its provisional financial statements as of March 31.

The other consolidated subsidiary with a fiscal period ending on December 31 is consolidated using its financial statements as of its respective fiscal period with appropriate adjustments.

### 4. Summary of Significant Accounting Policies

#### (a) Securities

Held-to-maturity securities are stated at net book value using the moving average method. Available-for-sale securities whose fair value is readily determinable are stated at fair value at the balance sheet date, and available-for-sale securities without fair value are stated at cost or net book value determined by the moving average method.

The unrealized gains and losses on available-for-sale securities are recorded directly in a separate component of stockholders' equity, net of income tax.

Securities included in money held in trust are stated at the same method as stated in (a) above and (b) below.

#### (b) Valuation of Trading Account Activities

Trading account positions entered into to generate gains arising from short-term changes in interest rates, currency exchange rates, or market prices of securities and other market-related indices or from price differences among markets are included in trading assets and trading liabilities on a trade date basis. Trading securities and monetary claims purchased for trading purposes are stated at fair value, and financial derivatives related to trading positions are stated at the estimated amounts that would be settled if such positions were terminated at the balance sheet date.

Trading revenue and trading expenses include interest received and paid, the amount of increases/decreases in valuation gains/losses on the balance sheet date for securities and monetary claims, and the net change in valuation gains/losses during the year using the estimated settlement prices assuming settlement in cash on the balance sheet date for derivatives.

In estimating the settlement prices for financial derivatives included in trading assets and trading liabilities assuming they were terminated at the balance sheet date, liquidation risks and credit risks are taken into account.

#### (c) Valuation of Derivatives

Derivatives (except those included in trading accounts) are stated at estimated fair value.

#### (d) Depreciation Method

Premises and equipment are principally depreciated as follows:

Buildings: The straight-line method over their estimated useful lives (6–50 years)

Equipment: The declining-balance method over their estimated useful lives (4–15 years)

The useful lives of the Bank's computers were changed from six years to four or five years. As a result, net operating income and income before income

taxes and minority interests decreased by ¥132 million.

Capitalized software for internal use is amortized using the straight-line method based on its estimated useful lives (principally five years) determined by the Bank and its consolidated subsidiaries.

Leased assets owned by the subsidiaries are depreciated principally by the straight-line method over their lease term.

#### (e) Deferred Charges

The Bank's deferred charges are amortized as follows:

- (i) Discounts on discount debentures are amortized using the straight-line method over the terms of the debentures.
- (ii) Debenture issuance expenses are amortized using the straight-line method over the shorter of the terms of the debentures or the maximum three-year period stipulated in the Commercial Code of Japan.
- (iii) Deferred charges related to the issuance of subsidiaries' debentures are amortized using the straight-line method over the terms of the debentures.
- (iv) Formation costs of the subsidiaries have been expensed in the period incurred.

#### (f) Reserve for Loan Losses

Reserve for loan losses of the Bank and the domestic trust and banking subsidiary have been established based on the Bank's internal rules for establishing the reserve, in accordance with the guidelines released by the Japanese Institute of Certified Public Accountants (JICPA) related to self-assessment of asset quality for financial institutions.

The precondition of exercise of the cancellation right has been taken into account in estimating the reserve amount. Under "Warranty of Loan-Related Assets" described in the Share Purchase Agreement dated February 9, 2000, a precondition of exercise of the cancellation right is the existence of a defect and a 20% reduction in value.

All loans and commitments that the Bank has extended to its customers are classified into one of five categories for self-assessment purposes: "normal," "caution, including special supervision segment," "possible bankruptcy," "virtual bankruptcy" and "legal bankruptcy."

The reserve for loan losses for the "normal" and "caution, including special supervision segment," categories is calculated based on the specific actual past loss ratio and is recorded as a general reserve.

The reserve for the "possible bankruptcy" category is calculated based on the residuals, if any, considering the debtor's ability to pay, where residual is the debt amount after deducting the estimated recoverable value from disposition of collateral and enforcement of any guarantees. The reserve for the "possible bankruptcy" category is recorded as a specific reserve.

The reserve for the "virtual bankruptcy" and "legal bankruptcy" categories is the amount in excess of the estimated value of collateral or guarantees, if any, and is recorded as a specific reserve.

For specific foreign claims, there is a reserve for loans to restructuring countries which has been established based on losses estimated by considering the political and economic conditions in those countries.

All claims are assessed by branches and credit supervision divisions based on the Bank's internal rules for the self-assessment of asset quality. The Credit Assessment Division, which is independent from the branches and credit supervision divisions, conducts audits of these assessments.

The consolidated subsidiaries, except the domestic trust bank subsidiary, calculate the general reserve for "normal" and "caution, including special supervision segment," categories based on the specific actual past loss ratio, and the specific reserve for "possible bankruptcy," "virtual bankruptcy" and "legal bankruptcy" categories based on estimated loss, considering the recoverable value.

#### (g) Reserve for Bonuses Payable

Of the estimated amount of bonuses to be paid to employees, the portion attributable to this consolidated fiscal year is accrued as reserve for bonuses payable.

#### (h) Reserve for Retirement Benefits

Reserve for retirement benefits is provided for the payment of employees' retirement benefits based on the estimated amounts of the actuarial retirement benefit obligation and pension assets as of the end of the fiscal year.

Net actuarial gain/loss is amortized using the straight-line method over the average remaining service period from the fiscal year of occurrence. The transitional unrecognized net retirement benefit obligation of ¥16,753 million is amortized using the straight-line method over 15 years.

#### (i) Reserve for Loss on Disposition of Premises and Equipment

Reserve for loss on disposition of premises and equipment is established based on an estimate of expenses for relocation of departments within the Head Office building. The reserve is stipulated by Section 2 of Article 287 of the Commercial Code of Japan.

#### (j) Translation of Foreign Currency

Foreign currency-denominated assets and liabilities and the accounts of overseas branches are translated into yen at the exchange rates prevailing at the balance sheet date.

Foreign currency-denominated assets and liabilities recorded by the consolidated subsidiaries are translated into yen at the exchange rates prevailing at the end of the fiscal year.

**(k) Accounting for Lease Transactions**

Equipment used under finance lease agreements is accounted for as equipment leased under operating leases, except for those leases which transfer the ownership of leased equipment to the lessee.

**(l) Hedge Accounting**

The interest rate risk arising from various financial instruments such as loans, deposits and other items is managed as a whole using the macro-hedging method, in which derivative transactions are used. This methodology of risk control is in line with the risk adjustment approach provided in "Tentative Treatment in Accounting and Auditing for Banks on Application of Accounting Standard for Financial Instruments" (JICPA Industry Audit Committee Report No. 15), and the deferred hedging method is applied by the Bank. The effectiveness of hedging is evaluated by reviewing whether the amount of risk arising from derivatives used for hedging has been within the limit of the approved amount of risk provided by the Bank's *Risk Management Policy*, and whether the interest rate risk related to hedged items has been decreased by this method.

In addition to macro hedge accounting, deferral hedge accounting and fair value hedge accounting are applied for certain assets and liabilities of the Bank.

The deferral hedge accounting is applied for certain assets and liabilities of the consolidated subsidiaries.

**(m) Consumption Tax**

Consumption tax and local consumption tax are excluded from transaction amounts.

**5. Valuation of Assets and Liabilities of Consolidated Subsidiaries**

The assets and liabilities of consolidated subsidiaries are wholly evaluated at fair value.

**6. Amortization of the Consolidation Adjustment Accounts**

The consolidation adjustment accounts have been written off in the fiscal period during which they occurred.

**7. Appropriation of Earned Surplus**

Cash dividends and transfer to legal reserve are recorded in the fiscal year that the relevant proposed appropriation of earned surplus is approved by the Board of Directors and/or at the General Meeting of Stockholders.

**8. Cash and Cash Equivalents**

Cash and cash equivalents in the consolidated statements of cash flows are defined as "cash," "deposits with Bank of Japan," and "non-interest deposits," which are all included in cash and due from banks in the consolidated balance sheets.

**Change of Presentation**

(For the year ended March 31, 2002)

As of March 31, 2001, collateral related to securities lending transactions was shown as a part of other liabilities. As of March 31, 2002, it is indicated separately, since it exceeded 5% of the total amount of liabilities, minority interests and stockholders' equity at March 31, 2002. Collateral related to securities lending transactions as of March 31, 2001, was ¥139,341 million.

**Supplementary Information**

(For the year ended March 31, 2002)

**Financial Instruments Accounting**

In accordance with the application of the accounting standard for financial instruments, the following accounting treatments have been applied effective April 2001.

*Gensaki* transactions, securities purchased under resale agreements and securities sold under repurchase agreements, which had been accounted for as purchases and sales until March 31, 2001, have changed to be accounted for as financial transactions in the *gensaki* purchased account and the *gensaki* sold account, effective April 1, 2001. However, there is no impact on the securities balance as there were no *gensaki* transactions outstanding at the end of the consolidated fiscal year.

**Foreign Currency Transactions Accounting**

Until the fiscal year ended March 31, 2001, the Bank applied the "New Accounting Standard for Foreign Currency Transactions" based on the report "Tentative Treatments for Auditing for Banks on an Occasion where the 'New Accounting Standard for Foreign Currency Transactions' has Continued to be Applied," issued by the JICPA on April 10, 2000. Effective April 1, 2001, the Bank adopted the revised accounting standard for foreign currency transactions (based on the report "Opinions on the Revision of the Accounting Standard for Foreign Currency Transactions" issued by the Business Accounting Deliberation Council on October 22, 1999), except transactions for which the Industry Audit Committee Report No. 20 "Tentative Treatments in Accounting and Auditing for Banks on Accounting Standard for Foreign Currency Transactions" issued by the JICPA is applied. In accordance with this change, securities decreased ¥30 million. However, this had no impact on net operating income or income before income taxes for the fiscal year ended

March 31, 2002.

To hedge exchange risks of foreign currency-denominated securities available-for-sale (except debt securities), deferral hedge accounting and fair value hedge accounting are adopted with the conditions that the foreign currency-denominated securities subject to hedging have been designated in advance, and that spot-forward liabilities exceeding the acquisition cost on a foreign currency basis exist in the relevant foreign currency-denominated securities, based on the Industry Audit Committee Report No. 20 "Temporary Treatment of Accounting and Auditing Concerning Accounting for Foreign Currency Transactions in the Banking Industry" issued by the JICPA.

For fund swap transactions, the amounts on the balance sheet are net yen conversions of the principal equivalents of assets and liabilities using the fiscal-year-end exchange rate. Differences between spot and forward rates in fund swap transactions are recorded in interest income or expense on an accrual basis for the period from the settlement date of spot foreign exchange to the settlement date of forward foreign exchange. Therefore, accrued interest income or expenses are recognized at the fiscal year-end. This treatment was based on the Industry Audit Committee Report No. 20 issued by the JICPA.

Fund swap transactions are foreign exchange swaps, and consist of spot foreign exchange either bought or sold and forward foreign exchange either sold or bought. Such transactions are contracted for the purpose of fund lending or borrowing in a different currency. Fund swap transactions are used to convert the principal equivalent amount into spot foreign exchange bought or sold with regard to the corresponding fund borrowing or lending. Also, such transactions convert the corresponding principal equivalents and foreign currency equivalents to pay and receive, whose amounts and due dates are predetermined at the time of the transactions, into forward foreign exchange either bought or sold.

For currency swap transactions which are for the purpose of fund borrowing/lending in different currencies and for which spot/forward are flat type, which means that paying or receiving amounts at the time of the currency swap contract are equal to receiving or paying amounts at the currency swap maturity dates and the swap rate applied to principal and interest is the current market rate (including the currency swap transactions for which the principal amount of one counterparty is revised in order to reflect each exchange rate at the interest payment date and are judged as spot/forward flat type for each interest payment date), the amounts on the balance sheet are net positions of financial asset and liability equivalents translated by using the fiscal-year-end exchange rate. The equivalent amounts of interest to exchange are booked in interest income and expense accounts on an accrual basis for the corresponding contract period. Therefore, accrued interest income or expenses are recognized at the fiscal year-end. This treatment is also pursuant to the provisions of Industry Audit Committee Report No. 20 issued by the JICPA.

**Relating to the Consolidated Balance Sheets**

As of March 31, 2001, accrued bonuses to employees were included in other liabilities. As of March 31, 2002, the payable amounts are shown as a reserve for bonuses payable based on "the display subject in the financial statement of bonus payable" (the JICPA research center trial information No. 15). The effects on this change were to decrease other liabilities by ¥8,584 million and to increase the reserve for bonuses payable by the same amount.

**Notes to Consolidated Balance Sheets**

(As of March 31, 2002)

1. Loans and bills discounted held by the Bank and its subsidiaries include loans to borrowers in bankruptcy and past due loans, totaling ¥200,697 million and ¥475,200 million, respectively, as March 31, 2002.

Loans are generally placed on nonaccrual status when substantial doubt is judged to exist as to ultimate collectibility of either principal or interest if they are past due for a certain period or for other reasons. "Loans to borrowers in bankruptcy" represent nonaccrual loans to debtors who are legally bankrupt (prescribed by Corporation Tax Law Enforcement Order), "past due loans" are nonaccrual loans other than loans to customers in bankruptcy and loans for which interest payments are deferred in order to assist the financial recovery of debtors in financial difficulties.

2. "Past due loans (three months or more)" amounted to ¥93,568 million at March 31, 2002.

"Past due loans (three months or more)" are loans for which the principal and/or interest is three months or more past due, but exclude "loans to borrowers in bankruptcy" and "past due loans."

3. "Restructured loans" amounted to ¥274,049 million at March 31, 2002.

"Restructured loans" are loans where the Bank and its subsidiaries relax lending conditions, such as by reducing the original interest rate, or by forbearing interest or principal repayments to support the borrowers' reorganization, but exclude "loans to borrowers in bankruptcy," "past due loans" and "past due loans (three months or more)."

4. The total amounts of "loans to borrowers in bankruptcy," "past due loans," "past due loans (three months or more)," and "restructured loans" reflected in items 1 to 3 (totaling ¥1,043,516 million) represent the contractual principal balance prior to reduction for the reserve for loan losses.

5. As for "loan participation," the total outstanding amount deducted from the loan account is ¥126,281 million. This "off balance" treatment is in accordance with guidelines issued by the JICPA.

6. The amount of loans sold through senior certificates under a collateralized loan obligation (CLO) securitization totaled ¥172,945 million for the year ended March 31, 2002, with the subordinated certificates retained by the Bank, totaling ¥65,253 million as of March 31, 2002, recorded as loans. A loan loss reserve was established based on the entire loan balance in the amount of ¥238,198 million of the senior certificates portion, taking into consideration all credit risks to be absorbed by the subordinated certificates.

7. The total face amounts of commercial bills, bills of exchange under documentary credits, etc., held as a result of discounting bills was ¥2,597 million.

8. Assets pledged as collateral and debt collateralized at the end of the fiscal year are as follows:

Loans and bills discounted	¥133,422 million
Securities	¥416,756 million
Cash and due from banks	¥3,290 million
Other assets	¥9 million
Debts collateralized:	
Deposits	¥1,550 million
Borrowed money	¥20 million
Call money and bills sold	¥240,800 million
Acceptances and guarantees	¥6,226 million

In addition, securities with a carrying value of ¥296,018 million are pledged as collateral for transactions, including exchange settlements, swap transactions and the replacement of margin for future trading.

Furthermore, the amount of security deposit and others included in premises and equipment is ¥6,251 million, margin for future transactions included in other assets is ¥1,064 million and collateral related to securities borrowing transactions is ¥125,262 million.

9. The overdraft agreements and commitment line agreements in connection with loans are agreements wherein disbursements of funds up to a certain limited amount upon request by the customer concerned is committed unless there is any breach of terms and conditions stipulated in the agreement. The balance of the amount yet to be drawn down with respect to such agreements is ¥1,352,246 million, out of which the remaining agreement term is less than one year for ¥1,119,730 million.

Since many of such agreements expire without any draw down, the balance of the amount yet to be drawn down does not necessarily affect the future cash flow of the Bank. Many of such agreements include conditions to the effect that the Bank has the right to reject the draw down of the loan requested or to reduce the amount of the credit line depending on changes in financial circumstances, protection of claims or other reasonable grounds. Further, in addition to taking real estate or securities, etc., as collateral at the time of conclusion of the agreements, after the conclusion of agreements the Bank periodically checks the financial performance, etc., of the customers according to the pre-instituted internal rules, and whenever necessary reviews the agreements or takes measures for protection of claims.

10. Securities includes shares of affiliated companies of ¥639 million.

11. Securities loaned based on a loan agreement of a deposit agreement (including securities lending transactions and securities lending transactions with cash as collateral) are included in securities and trading securities shown in trading assets, and amounted to ¥606,796 million in total.

12. Unrealized gain or loss with respect to hedging items is stated as deferred loss on hedging transactions and is included in other assets after netting. The gross amount of deferred loss on hedge transactions before such setoff is ¥49,113 million and the gross amount of deferred gain on hedge transactions is ¥37,428 million.

13. Accumulated depreciation of premises and equipment totaled ¥7,584 million.

14. Subordinated debentures of ¥54,262 million is included in debentures at the end of the fiscal year.

15. Subordinated debt of ¥349,600 million is included in borrowed money at the end of the fiscal year.

#### Note to Consolidated Statements of Income (For the year ended March 31, 2002)

1. Loss on redemption of bonds of ¥10,033 million is included in other operating expenses at March 31, 2002.

#### Note to Consolidated Statements of Cash Flows

(For the year ended March 31, 2002)

1. The relationship between cash and cash equivalents at end of year and cash and due from banks in the consolidated balance sheets is explained as follows:

Cash and due from banks	¥ 342,055 million
Interest bearing deposits included in due from banks (other than deposits with the Bank of Japan)	¥(210,445) million
Cash and cash equivalents	¥ 131,610 million

#### Lease Transactions

(For the year ended March 31, 2002)

1. Finance lease transactions, under which the ownership of the property is not deemed to transfer to the lessee, at March 31, 2002, were as shown below.

##### As Lessee

• Acquisition cost, accumulated depreciation and net balance of leased property at March 31, 2002, were as follows:

	Equipment	Other	Total
Acquisition cost	¥1,629 million	¥529 million	¥2,158 million
Accumulated depreciation	¥1,086 million	¥378 million	¥1,465 million
Net balance	¥542 million	¥150 million	¥693 million

• Lease obligations at March 31, 2002 consisted of the following:

	Due within One Year	Due after One Year	Total
Obligations	¥373 million	¥340 million	¥714 million

• Total lease payments were ¥718 million, and depreciation expense was ¥671 million for the year ended March 31, 2002. Depreciation is calculated using the straight-line method over the lives of the respective leased assets, with zero residual value. Interest expense was ¥29 million for the year ended March 31, 2002.

##### As Lessor

• Acquisition cost, accumulated depreciation and net balance of leased property at March 31, 2002, were as follows:

	Equipment	Other	Total
Acquisition cost	¥7,596 million	¥1,925 million	¥9,522 million
Accumulated depreciation	¥3,941 million	¥758 million	¥4,699 million
Net balance	¥3,655 million	¥1,167 million	¥4,822 million

• Future lease payment receivables as of March 31, 2002, consisted of the following:

	Due within One Year	Due after One Year	Total
Receivables	¥3,144 million	¥1,676 million	¥4,821 million

• Total lease revenue, depreciation expense and interest received for the year ended March 31, 2002, were ¥10,929 million, ¥8,988 million and ¥1,940 million, respectively. Depreciation is calculated using the straight-line method over the lease term, with zero residual value.

2. Operating leases as lessee at March 31, 2002, consisted of the following:

	Due within One Year	Due after One Year	Total
Obligations	¥2 million	¥6 million	¥8 million

#### Derivative Financial Instruments

(For the year ended March 31, 2002)

##### Purposes

The Bank and its subsidiaries use derivative financial instruments primarily to hedge risks for customers and to manage the potential risks in their own portfolios of assets and liabilities as a part of asset and liability management.

##### Risk Exposure

Derivatives transactions may be subject to complex risk factors, including market risk, credit risk, liquidity risk, operational risk and legal risk. The Bank controls these risks under its risk management system. To manage market risk, the Bank and its subsidiaries use Value-at-Risk (VaR) modeling to quantify the maximum total exposure. In the internal model, the Bank measures the VaR based on one year of historical data and the assumptions of a 10-day holding period and a 99% confidence interval. According to this model, the maximum VaR due to general market risk in the Bank's trading account including derivatives during the year ended March 31, 2002, was ¥1,205 million, the minimum was ¥98 million and the average was ¥587 million. During the year ended March 31, 2001, the maximum VaR was ¥407 million, the minimum was ¥113 million and the average was ¥233 million. To manage credit risk, the Bank analyzes the current exposure and potential exposure, particularly for over-the-counter (OTC) derivatives such as swap transactions. The consolidated credit risk amount under the capital adequacy ratio for domestic banking was calculated as ¥297.4 billion as of March 31, 2002.

##### Risk Management System

The Risk Management Division, which is independent of the front office, is responsible for risk management for the entire Bank. This division controls market risk measures on a daily basis, monitors the market risk status of both the banking and trading divisions and reports to the directors in charge periodically. Credit risk is also controlled by the unified credit line established for major derivatives products. Credit exposure is monitored accordingly and the Bank may require collateral, etc., to reduce credit risk as the case may be.

It should be noted that the nominal contract value or notional principal amount is used in determining the value of receipts or payments of interest



and as an indicator representative of the volume of transactions, but that those values do not necessarily reflect market risk or credit risk, etc.

## Reserve for Retirement Benefits

(For the year ended March 31, 2002)

1. The Bank and certain of its subsidiaries have contributory and non-contributory defined benefit pension plans as well as unfunded severance indemnities plans covering most of their regular employees.

2. The following presents the funded status and actuarial assumptions at March 31, 2002.

Projected benefit obligation (A)	¥(80,560) million
Fair value of plan assets (B)	¥40,364 million
Funded status (projected benefit obligation in excess of plan assets) (C)=(A)+(B)	¥(40,196) million
Unrecognized obligation at transition (D)	¥14,519 million
Unrecognized net actuarial losses (E)	¥2,910 million
Reserve for retirement benefits (F)=(C)+(D)+(E)	¥(22,766) million

3. The following components of net periodic retirement benefit cost for the plans are included in general and administrative expenses and other expenses for the year ended March 31, 2002.

Service cost	¥2,103 million
Interest cost	¥2,149 million
Expected return on plan assets	¥(1,254) million
Amortization of net actuarial losses (amortized over 14.74 years)	¥223 million
Amortization of unrecognized obligation at transition (amortized over 15 years)	¥1,116 million
Other (extraordinary severance benefit expensed, etc.)	¥3,311 million
Net periodic retirement benefit cost	¥7,650 million

### 4. Actuarial Assumptions

(a) Discount rate:	2.8%
(b) Expected rate of return on plan assets:	3.1%
(c) Periodic distribution method for the estimated total amount of retirement benefits:	Equal amount standard
(d) The actuarial difference is amortized over 14.74 years using the straight-line method.	
(e) The unrecognized obligation at transition is amortized over 15 years using the straight-line method.	

## Income Taxes

(For the year ended March 31, 2002)

1. The tax effects of significant temporary differences and loss carryforwards, which resulted in deferred tax assets and liabilities at March 31, 2002, were as follows:

Deferred tax assets	
Reserve for loan losses	¥126,838 million
Tax loss carryforwards	¥281,671 million
Securities	¥6,859 million
Unamortized gain on swap cancellation	¥4,051 million
Reserve for retirement benefits	¥8,167 million
Unrealized losses on money held in trust	¥2,934 million
Reserve for bonuses payable	¥2,489 million
Other	¥6,893 million
Subtotal	¥439,905 million
Valuation allowance	¥(418,637) million
Total deferred tax assets	¥21,268 million

Deferred tax liabilities	
Unrealized gains on securities available-for-sale	¥3,562 million
Other	¥10 million
Total deferred liabilities	¥3,573 million
Net deferred tax assets	¥17,695 million

2. A reconciliation of the actual effective tax rate with the normal effective statutory tax rate for the year ended March 31, 2002, was as follows:

Normal effective statutory tax rate	38.1%
Increase (decrease) in taxes resulting from:	
Permanently non-deductible expenses	0.1
Valuation allowance	(94.0)
Change in enacted tax rate	2.1
Other	1.9
Effective income tax rate	(51.8)%

## Per Share Information

(For the year ended March 31, 2002)

Total stockholders' equity	¥105.50
Net income	¥21.11
Diluted net income	¥15.10

## Related Party Transactions

(For the year ended March 31, 2002)

### 1. Parent Company and Major Corporate Stockholders

There are no corresponding items.

### 2. Directors and Major Individual Stockholders

(Millions of Yen)

Attribute	Name of Company	Location	Capital	Business Field	Voting Stock Held (%)	Relationship		Description of the Transactions	Transaction Amount	Account	End of Term Balance
						Concurrent Directors, etc.	Business Relationship				
Company in which the majority vote is owned by a director of the Bank	Rippleweed Holdings Management LLC (Note 1)	Delaware, United States of America	0	Advisory and consulting services	—	One concurrent office holder	Advisory services, etc.	Purchase of advice and other services relating to the management of the Bank	472	Prepaid expenses	177
Company in which the majority vote is owned by a director of the Bank	JCF Management L.P. (Note 2)	Delaware, United States of America	—	Advisory and consulting services	—	One concurrent office holder	Advisory services, etc.	Purchase of advice and other services relating to the management of the Bank	492	—	—
Company in which the majority vote is owned by a director of the Bank	J.C. Flowers & Co., LLC (Note 3)	Delaware, United States of America	0	Advisory and consulting services	—	One concurrent office holder	Sublease of office space	Rental income through a sublet of vacant space in the New York Representative Office	65	—	—

Notes: 1. A director of the Bank, Mr. Timothy C. Collins, essentially holds the majority vote and serves concurrently as Senior Managing Director and CEO of the company.

2. A director of the Bank, Mr. J. Christopher Flowers, essentially holds the majority vote and concurrently holds the position of General Partner at the company.

3. A director of the Bank, Mr. J. Christopher Flowers, essentially holds the majority vote and serves concurrently as Chairman of the company.

### 3. Subsidiaries

There are no corresponding items.

### 4. Other Affiliates

There are no corresponding items.

## Income Analysis (Consolidated)

Note: "Domestic" refers to the Bank (excluding overseas branches) and subsidiaries whose head offices are in Japan. "Overseas" refers to the overseas branches of the Bank and subsidiaries whose head offices are overseas.

### Operating Income, Classified by Domestic and Overseas Operations

Years Ended March 31

(Millions of Yen)

	2000				2001				2002			
	Domestic	Overseas	Elimination	Total	Domestic	Overseas	Elimination	Total	Domestic	Overseas	Elimination	Total
<b>Interest Income, Net</b> .....	19,973	1,621	—	21,595	89,817	3,153	6,663	86,308	93,344	2,281	5,940	89,685
Interest Income.....	318,050	29,863	7,427	340,486	214,507	17,046	20,085	211,468	161,842	8,908	15,269	155,481
Interest Expenses.....	298,076	28,241	7,427	318,890	124,689	13,893	13,422	125,160	68,497	6,627	9,329	65,795
<b>Fees and Commissions, Net</b> .....	5,445	(554)	—	4,891	10,482	299	241	10,541	8,326	128	650	7,803
Fees and Commissions (Income)...	7,497	1,791	—	9,289	12,717	420	318	12,819	11,720	263	706	11,277
Fees and Commissions (Expenses)	2,052	2,345	—	4,398	2,234	121	77	2,278	3,394	135	55	3,474
<b>Trading Income, Net</b> .....	524	2,124	—	2,649	2,340	2,331	—	4,672	806	1,927	948	1,785
Trading Revenue.....	591	2,137	—	2,728	2,340	2,331	—	4,672	933	1,927	948	1,912
Trading Expenses.....	66	12	—	79	—	—	—	—	126	—	0	126
<b>Other Business Income (Loss), Net</b> .....	(6,165)	(3,150)	—	(9,315)	(403)	(403)	—	(807)	13,587	(250)	(859)	14,195
Other Business Income.....	7,406	434	—	7,841	3,890	—	—	3,890	34,789	493	(366)	35,648
Other Business Expenses.....	13,571	3,584	—	17,156	4,294	403	—	4,697	21,202	743	493	21,452

Note: Interest expenses excludes funding costs of money held in trust (¥865 million in 2000, ¥464 million in 2001, ¥1,276 million in 2002).

### Average Balance of Interest-Earning Assets and Interest-Bearing Liabilities, Interest and Yields

#### Domestic

Years Ended March 31

(Millions of Yen)

	2000			2001			2002		
	Average Balance	Interest	Earnings Yield	Average Balance	Interest	Earnings Yield	Average Balance	Interest	Earnings Yield
<b>Interest-Earning Assets</b> .....	13,231,976	318,050	2.40%	11,234,998	214,507	1.90%	8,196,749	161,842	1.97%
Loans and Bills Discounted.....	10,407,676	197,440	1.89	7,258,836	166,588	2.29	5,512,495	116,397	2.11
Trading Securities.....	—	—	—	—	—	—	—	—	—
Securities.....	1,977,772	25,126	1.27	2,775,531	21,953	0.79	1,983,661	29,518	1.48
Call Loans.....	408,382	132	0.03	385,047	673	0.17	128,933	180	0.13
Interest on Receivables under Resale Agreement	—	—	—	—	—	—	3,025	0	0.00
Cash and Due from Banks.....	414,756	6,623	1.59	674,982	12,182	1.80	386,904	5,276	1.36
<b>Interest-Earning Liabilities</b> .....	14,162,069	298,076	2.10	9,509,312	124,689	1.31	6,651,628	68,497	1.02
Debentures.....	7,404,240	140,366	1.89	4,994,591	72,168	1.44	3,463,506	38,345	1.10
Deposits.....	2,306,122	16,741	0.72	2,202,330	13,082	0.59	1,505,295	6,996	0.46
Negotiable Certificates of Deposit.....	1,025,270	2,785	0.27	569,922	1,843	0.32	856,431	661	0.07
Commercial Paper.....	290	8	2.82	27,052	53	0.19	12,968	15	0.12
Call Money.....	685,623	2,006	0.29	105,311	276	0.26	90,380	56	0.06
Borrowed Money.....	2,791,479	44,533	1.59	920,236	28,935	3.14	600,898	18,358	3.05

Notes: 1. Interest-earning assets excludes the average balance of non-interest-bearing deposits included in due from banks (¥142,075 million in 2000, ¥26,228 million in 2001, ¥33,470 million in 2002).

2. Interest-earning liabilities excludes the average funding balance of money held in trust (¥51,961 million in 2000, ¥23,366 million in 2001, ¥141,560 million in 2002).

#### Overseas

Years Ended March 31

(Millions of Yen)

	2000			2001			2002		
	Average Balance	Interest	Earnings Yield	Average Balance	Interest	Earnings Yield	Average Balance	Interest	Earnings Yield
<b>Interest-Earning Assets</b> .....	676,784	29,863	4.41%	317,960	17,046	5.36%	242,326	8,908	3.67%
Loans and Bills Discounted.....	504,499	19,527	3.87	241,908	11,127	4.59	157,627	5,207	3.30
Trading Securities.....	—	—	—	—	—	—	—	—	—
Securities.....	8,330	232	2.79	—	—	—	—	—	—
Call Loans.....	42,888	1,616	3.76	—	—	—	—	—	—
Interest on Receivables under Resale Agreement	—	—	—	—	—	—	—	—	—
Cash and Due from Banks.....	121,063	3,640	3.00	76,052	3,321	4.36	84,699	3,007	3.55
<b>Interest-Earning Liabilities</b> .....	1,016,300	28,241	2.77	721,415	13,893	1.92	608,107	6,627	1.08
Debentures.....	276,011	8,653	3.13	242,527	10,999	4.53	158,252	5,155	3.25
Deposits.....	437,638	10,003	2.28	385,223	1,356	0.35	351,047	748	0.21
Negotiable Certificates of Deposit.....	203	12	5.99	—	—	—	—	—	—
Commercial Paper.....	—	—	—	—	—	—	—	—	—
Call Money.....	9,403	0	0.00	—	—	—	—	—	—
Borrowed Money.....	292,433	4,478	1.53	93,664	1,538	1.64	98,807	738	0.74

Note: Interest-earning assets excludes the average balance of non-interest-bearing deposits included in due from banks (¥1,405 million in 2000).

**Total**

Years Ended March 31

(Millions of Yen)

	2000						
	Average Balance			Interest			Earnings Yield
	Subtotal	Elimination	Total	Subtotal	Elimination	Total	
<b>Interest-Earning Assets</b>	13,908,760	448,160	13,460,599	347,913	7,427	340,486	2.52%
Loans and Bills Discounted	10,912,175	258,764	10,653,410	216,968	5,403	211,564	1.98
Trading Securities	—	—	—	—	—	—	—
Securities	1,986,102	726	1,985,376	25,359	—	25,359	1.27
Call Loans	451,271	—	451,271	1,749	—	1,749	0.38
Cash and Due from Banks	535,819	188,669	347,150	10,263	2,023	8,240	2.37
<b>Interest-Earning Liabilities</b>	15,178,370	447,434	14,730,936	326,317	7,427	318,890	2.16
Debentures	7,680,251	—	7,680,251	149,020	—	149,020	1.94
Deposits	2,743,760	66,111	2,677,648	26,745	2,023	24,721	0.92
Negotiable Certificates of Deposit	1,025,473	—	1,025,473	2,797	—	2,797	0.27
Commercial Paper	290	—	290	8	—	8	2.82
Call Money	695,027	—	695,027	2,007	239	1,767	0.25
Borrowed Money	3,083,913	381,322	2,702,590	49,011	5,163	43,847	1.62

(Millions of Yen)

	2001						
	Average Balance			Interest			Earnings Yield
	Subtotal	Elimination	Total	Subtotal	Elimination	Total	
<b>Interest-Earning Assets</b>	11,552,959	392,614	11,160,344	231,554	20,085	211,468	1.89%
Loans and Bills Discounted	7,500,745	241,784	7,258,961	177,715	9,246	168,468	2.32
Trading Securities	—	—	—	—	—	—	—
Securities	2,775,531	24,012	2,751,519	21,953	5,811	16,141	0.58
Call Loans	385,047	—	385,047	673	—	673	0.17
Cash and Due from Banks	751,034	126,817	624,216	15,504	3,816	11,687	1.87
<b>Interest-Earning Liabilities</b>	10,230,728	391,548	9,839,179	138,582	13,422	125,160	1.27
Debentures	5,237,119	23,483	5,213,636	83,168	358	82,809	1.58
Deposits	2,587,553	51,784	2,535,768	14,439	2,906	11,532	0.45
Negotiable Certificates of Deposit	569,922	—	569,922	1,843	—	1,843	0.32
Commercial Paper	27,052	—	27,052	53	—	53	0.19
Call Money	105,311	—	105,311	276	—	276	0.26
Borrowed Money	1,013,901	316,281	697,620	30,474	10,156	20,317	2.91

(Millions of Yen)

	2002						
	Average Balance			Interest			Earnings Yield
	Subtotal	Elimination	Total	Subtotal	Elimination	Total	
<b>Interest-Earning Assets</b>	8,439,075	363,462	8,075,613	170,750	15,269	155,481	1.92%
Loans and Bills Discounted	5,670,122	157,627	5,512,495	121,605	5,207	116,397	2.11
Trading Securities	—	—	—	—	—	—	—
Securities	1,983,661	36,486	1,947,175	29,518	5,304	24,213	1.24
Call Loans	128,933	—	128,933	180	—	180	0.13
Interest on Receivables under Resale Agreement	3,025	—	3,025	0	—	0	0.00
Cash and Due from Banks	471,603	169,348	302,255	8,283	3,744	4,538	1.50
<b>Interest-Earning Liabilities</b>	7,259,735	334,388	6,925,347	75,124	9,329	65,795	0.95
Debentures	3,621,759	7,412	3,614,346	43,501	376	43,124	1.19
Deposits	1,856,343	84,699	1,771,644	7,744	3,007	4,737	0.26
Negotiable Certificates of Deposit	856,431	—	856,431	661	—	661	0.07
Commercial Paper	12,968	—	12,968	15	—	15	0.12
Call Money	90,380	—	90,380	56	—	56	0.06
Borrowed Money	699,705	242,276	457,428	19,096	5,945	13,151	2.87

Notes: 1. Interest-earning assets excludes the average balance of non-interest-bearing deposits included in due from banks (¥143,480 million in 2000, ¥26,228 million in 2001, ¥33,470 million in 2002).

2. Interest-earning liabilities excludes the average funding balance of money held in trust (¥51,961 million in 2000, ¥23,366 million in 2001, ¥141,560 million in 2002).

## Fees and Commissions

Years Ended March 31

(Millions of Yen)

	2000				2001				2002			
	Domestic	Overseas	Elimination	Total	Domestic	Overseas	Elimination	Total	Domestic	Overseas	Elimination	Total
<b>Fees and Commissions (Income)</b> .....	7,497	1,791	—	9,289	12,717	420	318	12,819	11,720	263	706	11,277
Debtentures, Deposits and Loans .....	3,154	737	—	3,892	7,485	—	—	7,485	4,157	—	—	4,157
Remittances and Transfers .....	341	0	—	342	291	—	—	291	256	—	—	256
Securities-Related Business .....	2,095	—	—	2,095	2,565	—	—	2,565	2,357	—	—	2,357
Agency .....	344	—	—	344	391	—	—	391	717	—	—	717
Safe Deposits.....	37	—	—	37	28	—	—	28	14	—	—	14
Guarantees .....	828	197	—	1,026	644	—	77	566	496	—	—	496
<b>Fees and Commissions (Expenses)</b> .....	2,052	2,345	—	4,398	2,234	121	77	2,278	3,394	135	55	3,474
Remittances and Transfers .....	109	0	—	109	86	—	—	86	122	—	—	122

## Trading Transactions

Years Ended March 31

(Millions of Yen)

	2000			2001				2002			
	Domestic	Overseas	Total	Domestic	Overseas	Elimination	Total	Domestic	Overseas	Elimination	Total
<b>Trading Revenue</b> .....	591	2,137	2,728	2,340	2,331	—	4,672	933	1,927	948	1,912
Revenue from Trading Securities ...	—	—	—	102	—	—	102	542	—	—	542
Revenue from Securities Related to Trading Transactions .....	—	—	—	—	66	—	66	391	(234)	—	156
Revenue from Trading-Related Financial Derivatives Transactions	—	2,037	2,037	1,695	2,265	—	3,960	—	2,161	948	1,213
Other.....	591	100	691	542	—	—	542	—	—	—	—
<b>Trading Expenses</b> .....	66	12	79	—	—	—	—	126	—	0	126
Expenses on Trading Securities .....	66	—	66	—	—	—	—	0	—	0	—
Expenses on Securities Related to Trading Transactions .....	—	12	12	—	—	—	—	—	—	—	—
Expenses on Trading-Related Financial Derivatives Transactions	—	—	—	—	—	—	—	—	—	—	—
Other.....	—	—	—	—	—	—	—	126	—	—	126

## Trading Assets and Liabilities (Year-End Balance)

March 31

(Millions of Yen)

	2000				2001				2002			
	Domestic	Overseas	Elimination	Total	Domestic	Overseas	Elimination	Total	Domestic	Overseas	Elimination	Total
<b>Trading Assets</b> .....	543,859	56,141	54,880	545,120	382,187	60,685	60,650	382,222	444,425	18,896	19,350	443,972
Trading Securities.....	224,184	—	—	224,184	1,086	—	—	1,086	256,500	—	399	256,100
Derivatives of Trading Securities ...	—	—	—	—	1	—	—	1	—	—	—	—
Securities Related to Trading Transactions .....	—	—	—	—	—	—	—	—	—	—	—	—
Derivatives of Securities Related to Trading Transactions .....	—	—	—	—	—	—	—	—	—	—	—	—
Trading-Related Financial Derivatives.....	314,677	56,141	54,880	315,938	272,649	60,685	60,650	272,685	187,924	18,896	18,950	187,871
Other .....	4,997	—	—	4,997	108,449	—	—	108,449	—	—	—	—
<b>Trading Liabilities</b> .....	323,550	—	45,674	277,876	277,593	—	23,909	253,684	192,215	9,064	27,699	173,580
Trading Securities Sold for Short Sales.....	—	—	—	—	—	—	—	—	—	—	—	—
Derivatives of Trading Securities ...	0	—	—	0	—	—	—	—	—	—	—	—
Securities Related to Trading Transactions Sold for Short Sales	—	—	—	—	—	—	—	—	—	—	—	—
Derivatives of Securities Related to Trading Transactions .....	—	—	—	—	—	—	—	—	—	—	—	—
Trading-Related Financial Derivatives.....	323,550	—	45,674	277,875	277,593	—	23,909	253,684	192,215	9,064	27,699	173,580
Other.....	—	—	—	—	—	—	—	—	—	—	—	—

## Details of Operations (Consolidated)

Note: "Domestic" refers to the Bank (excluding overseas branches) and subsidiaries whose head offices are in Japan. "Overseas" refers to the overseas branches of the Bank and subsidiaries whose head offices are overseas.

### Debentures and Deposits

#### Outstanding Balance of Debentures

March 31

(Millions of Yen)

	2000			2001				2002			
	Domestic	Overseas	Total	Domestic	Overseas	Elimination	Total	Domestic	Overseas	Elimination	Total
Coupon Debentures.....	5,932,523	—	5,932,523	2,949,633	—	—	2,949,633	2,437,936	—	—	2,437,936
Discount Debentures.....	528,868	—	528,868	518,924	—	—	518,924	292,484	—	—	292,484
Other.....	15,190	254,212	269,402	11,700	238,293	48,133	201,859	—	70,888	14,953	55,934
<b>Total .....</b>	<b>6,476,582</b>	<b>254,212</b>	<b>6,730,795</b>	<b>3,480,257</b>	<b>238,293</b>	<b>48,133</b>	<b>3,670,417</b>	<b>2,730,421</b>	<b>70,888</b>	<b>14,953</b>	<b>2,786,355</b>

#### Balance of Deposits

March 31

(Millions of Yen)

	2000			2001				2002			
	Domestic	Overseas	Total	Domestic	Overseas	Elimination	Total	Domestic	Overseas	Elimination	Total
<b>Deposits</b>											
Liquid Deposits.....	504,093	—	504,093	444,414	—	—	444,414	528,839	—	—	528,839
Fixed-Term Deposits..	979,632	395,616	1,375,249	1,250,342	370,860	—	1,621,203	921,282	318,279	—	1,239,561
Other.....	166,702	—	166,702	162,800	—	63,076	99,724	150,642	—	54,181	96,460
<b>Subtotal .....</b>	<b>1,650,428</b>	<b>395,616</b>	<b>2,046,045</b>	<b>1,857,557</b>	<b>370,860</b>	<b>63,076</b>	<b>2,165,341</b>	<b>1,600,764</b>	<b>318,279</b>	<b>54,181</b>	<b>1,864,862</b>
<b>Negotiable Certificates of Deposit .....</b>											
	731,470	—	731,470	1,053,493	—	—	1,053,493	395,893	—	—	395,893
<b>Total .....</b>	<b>2,381,899</b>	<b>395,616</b>	<b>2,777,516</b>	<b>2,911,051</b>	<b>370,860</b>	<b>63,076</b>	<b>3,218,835</b>	<b>1,996,657</b>	<b>318,279</b>	<b>54,181</b>	<b>2,260,755</b>

### Loans

#### Loans and Bills Discounted, Classified by Industry

March 31

(Millions of Yen)

	2000		2001		2002	
	Year-End Balance	Percentage of Total	Year-End Balance	Percentage of Total	Year-End Balance	Percentage of Total
	<b>Domestic Operations (Excluding Japan Offshore Market Account) .....</b>	<b>7,703,340</b>	<b>100.00%</b>	<b>6,171,362</b>	<b>100.00%</b>	<b>4,759,871</b>
Manufacturing .....	968,760	12.58	873,237	14.15	628,928	13.21
Agriculture .....	2,037	0.03	1,888	0.03	341	0.01
Forestry.....	1,113	0.01	1,051	0.02	996	0.02
Fisheries .....	15,724	0.20	15,271	0.25	12,031	0.25
Mining .....	35,779	0.46	30,368	0.49	23,184	0.49
Construction .....	373,185	4.84	159,260	2.58	107,737	2.26
Electric Power, Gas, Heat Supply and Water Supply .....	502,996	6.53	424,896	6.88	351,332	7.38
Transportation and Communications .....	704,486	9.15	646,623	10.48	483,442	10.16
Wholesale and Retail .....	830,503	10.78	556,445	9.02	310,759	6.53
Finance and Insurance.....	1,711,480	22.22	1,442,157	23.37	1,541,881	32.39
Real Estate.....	1,005,578	13.05	887,771	14.39	674,338	14.17
Services .....	1,012,925	13.15	728,977	11.81	390,972	8.21
Local Government .....	112,526	1.46	96,619	1.57	—	—
Other .....	426,242	5.54	306,793	4.96	233,922	4.92
<b>Overseas Operations and Japan Offshore Market Account.....</b>	<b>7,683</b>	<b>100.00%</b>	<b>15,957</b>	<b>100.00%</b>	<b>42,032</b>	<b>100.00%</b>
Public Sector .....	—	—	—	—	—	—
Financial Institutions.....	—	—	—	—	—	—
Other .....	7,683	100.00	15,957	100.00	42,032	100.00
<b>Total.....</b>	<b>7,711,024</b>		<b>6,187,320</b>		<b>4,801,904</b>	

## Risk-Monitored Loans

March 31

(Millions of Yen)

	2000		2001		2002	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
Loans and Bills Discounted .....	7,711,024	100.00%	6,187,320	100.00%	4,801,904	100.00%
Loans to Borrowers in Bankruptcy .....	188,166	2.44	358,653	5.80	200,697	4.18
Past Due Loans .....	800,716	10.38	402,880	6.51	475,200	9.90
Past Due Loans (Three Months or More) .....	22,665	0.29	12,853	0.21	93,568	1.95
Restructured Loans .....	778,815	10.10	440,250	7.12	274,049	5.71
<b>Total</b> .....	<b>1,790,362</b>	<b>23.22</b>	<b>1,214,637</b>	<b>19.63</b>	<b>1,043,516</b>	<b>21.73</b>

## Reserve for Loan Losses

March 31

(Millions of Yen)

	2000	2001	2002
General Reserve .....	317,557	220,677	191,768
Specific Reserve .....	548,652	342,916	178,108
Reserve for Loans to Restructuring Countries .....	308	296	156
<b>Total</b> .....	<b>866,518</b>	<b>563,891</b>	<b>370,033</b>

## Loans to Restructuring Countries, Classified by Country

March 31

(Millions of Yen)

2000		2001		2002	
Country	Year-End Balance	Country	Year-End Balance	Country	Year-End Balance
Indonesia .....	722	Indonesia .....	618	Indonesia .....	398
Russia .....	91	Russia .....	114	Russia .....	92
Others (Three Countries) .....	8	Other (One Country) .....	0	Others (Two Countries) .....	5
<b>Total</b> .....	<b>822</b>	<b>Total</b> .....	<b>733</b>	<b>Total</b> .....	<b>496</b>
Ratio of Total Amounts to Total Assets .....	0.00%	Ratio of Total Amounts to Total Assets .....	0.01%	Ratio of Total Amounts to Total Assets .....	0.01%

Note: Restructuring countries include foreign governments, foreign central banks, other foreign government-related bodies, foreign nationally owned corporations and privately owned corporations of these countries. They also include foreign governments and related bodies against which the Bank is required to make provisions to the reserve for loans to restructuring countries in accordance with the JICPA Ad Hoc Committee for Audit of Banks Report No. 4.

## Securities

### Breakdown of Balance of Securities

March 31

(Millions of Yen)

	2000			2001			2002		
	Domestic	Overseas	Total	Domestic	Overseas	Total	Domestic	Overseas	Total
Japanese Government Bonds .....	2,385,948	—	2,385,948	1,329,888	—	1,329,888	939,435	—	939,435
Japanese Local Government Bonds .....	11,994	—	11,994	124	—	124	29	—	29
Japanese Corporate Bonds .....	31,029	—	31,029	82,280	—	82,280	48,573	—	48,573
Equity Securities .....	357,591	—	357,591	9,234	—	9,234	4,610	—	4,610
Other Securities .....	18,139	—	18,139	566,990	—	566,990	469,632	—	469,632
Securities Loaned .....	—	—	—	/	/	/	/	/	/
<b>Total</b> .....	<b>2,804,703</b>	<b>—</b>	<b>2,804,703</b>	<b>1,988,518</b>	<b>—</b>	<b>1,988,518</b>	<b>1,462,281</b>	<b>—</b>	<b>1,462,281</b>

Note: Other securities includes foreign bonds and foreign equity securities.

## Off-Balance Sheet Transactions (Consolidated)

### Notional Amounts of Derivatives and Forward Foreign Exchange Transactions

March 31

(Billions of Yen)

	2000			2001			2002		
	Portion Applicable to Capital Adequacy Ratio	Portion Not Applicable to Capital Adequacy Ratio	Total Notional Amount	Portion Applicable to Capital Adequacy Ratio	Portion Not Applicable to Capital Adequacy Ratio	Total Notional Amount	Portion Applicable to Capital Adequacy Ratio	Portion Not Applicable to Capital Adequacy Ratio	Total Notional Amount
<b>Swaps</b> .....	16,754.4	—	16,754.4	14,364.2	—	14,364.2	10,384.4	—	10,384.4
Interest Rate Swaps.....	15,468.0	—	15,468.0	13,006.8	—	13,006.8	9,337.8	—	9,337.8
Currency Swaps.....	1,286.3	—	1,286.3	1,357.3	—	1,357.3	1,046.5	—	1,046.5
Forward Foreign Exchange Transactions	3.5	34.6	38.2	524.6	78.2	602.9	389.9	82.1	472.1
<b>Options</b> .....	282.9	237.8	520.8	272.1	363.1	635.2	318.0	365.4	683.5
Interest Rate Options.....	282.9	233.7	516.7	256.8	330.5	587.3	228.7	292.0	520.7
Sold.....	—	233.7	233.7	—	330.5	330.5	—	292.0	292.0
Bought.....	282.9	—	282.9	256.8	—	256.8	228.7	—	228.7
Currency Options.....	—	4.0	4.0	15.2	32.5	47.8	89.3	73.4	162.7
Sold.....	—	4.0	4.0	—	32.5	32.5	—	73.4	73.4
Bought.....	—	—	—	15.2	—	15.2	89.3	—	89.3
Other Derivatives Transactions.....	—	1,745.4	1,745.4	—	76.3	76.3	—	569.9	569.9
Credit Derivatives Transactions.....	—	—	—	—	—	—	106.6	—	106.6
<b>Total</b> .....	17,040.9	2,018.0	19,058.9	15,161.0	517.7	15,678.8	11,199.0	1,017.5	12,216.6

Notes: 1. Notional amounts, with which actual interest payments are calculated, represent the volume of transactions and do not measure the exposure to credit or market risk.

2. At March 31, 2002, credit risk assets related to derivatives and forward foreign exchange transactions accounted for 1.15% of total consolidated risk assets. At March 31, 2001, the corresponding figure was 1.38%. At March 31, 2002, the Bank's total risk assets on a consolidated basis were ¥5,759.2 billion, and credit risk assets related to derivatives and forward foreign exchange transactions amounted to ¥66.5 billion. The corresponding amounts at March 31, 2001, were ¥6,586.0 billion and ¥91.0 billion, respectively.

### Credit Risk Equivalent Amounts of Derivatives and Forward Foreign Exchange Transactions

March 31

(Billions of Yen)

	2000	2001	2002
<b>Swaps</b> .....	277.1	279.6	220.6
Interest Rate Swaps.....	140.2	145.7	128.2
Currency Swaps.....	136.9	133.8	92.3
Forward Foreign Exchange Transactions.....	42.5	24.1	13.4
<b>Options</b> .....	2.1	3.1	5.9
Interest Rate Options, Bought.....	2.1	2.7	2.0
Currency Options, Bought.....	0.0	0.3	3.8
Other Derivatives Transactions.....	—	—	—
Credit Derivatives Transactions.....	—	—	57.4
<b>Total</b> .....	321.8	306.9	297.4

Notes: 1. Credit risk equivalent amounts are calculated using the current exposure method.

2. For transactions carried out under a legally binding master netting agreement, netting is applied in calculating the credit risk equivalent amounts.

### Credit-Related Financial Instruments (Notional Amounts)

March 31

(Billions of Yen)

	2000	2001	2002
Commitments.....	1,622.2	1,174.8	1,346.0
Guaranteed Transactions.....	243.0	172.2	114.4
Other.....	1,238.0	251.5	173.0
<b>Total</b> .....	3,103.3	1,598.5	1,633.5

Note: At March 31, 2002, risk assets in credit-related financial instruments extended by the Bank represented 7.33% of total consolidated risk assets. At March 31, 2001, the corresponding figure was 2.19%. At March 31, 2002, risk assets in credit-related financial instruments extended by the Bank amounted to ¥422.5 billion. At March 31, 2001, the corresponding amount was ¥144.8 billion.

## Securities (Consolidated)

### Securities Classified as Trading

March 31

(Millions of Yen)

	2001		2002	
	Net Book Value	Gains Included in Profit/Loss	Net Book Value	Gains Included in Profit/Loss
Securities Classified as Trading .....	109,536	86	256,100	12

### Bonds Classified as Held-to-Maturity with Fair Value

March 31

(Millions of Yen)

	2001					2002				
	Net Book Value		Net Unrealized Gains (Losses)		Unrealized Gains	Unrealized Losses	Net Book Value		Net Unrealized Gains (Losses)	
	Net Book Value	Fair Value	Unrealized Gains	Unrealized Losses			Net Book Value	Fair Value	Unrealized Gains	Unrealized Losses
Japanese Government Bonds ....	20	22	1	1	—	20	22	1	1	—

### Available-for-Sale Securities with Fair Value

March 31

(Millions of Yen)

	2001					2002								
	Acquisition Cost		Net Book Value		Net Unrealized Gains (Losses)	Unrealized Gains	Unrealized Losses	Acquisition Cost		Net Book Value		Net Unrealized Gains (Losses)	Unrealized Gains	Unrealized Losses
	Acquisition Cost	Net Book Value	Unrealized Gains	Unrealized Losses				Acquisition Cost	Net Book Value	Unrealized Gains	Unrealized Losses			
Equity Securities .....	1,750	1,986	235	258	22	1,904	1,887	(18)	10	27				
Debentures .....	1,409,197	1,412,126	2,928	3,104	175	957,362	958,908	1,545	1,725	179				
Japanese Government Bonds .....	1,328,351	1,329,868	1,516	1,596	80	938,099	939,415	1,315	1,489	174				
Japanese Local Government Bonds .....	119	124	4	4	—	25	25	0	0	—				
Japanese Corporate Bonds .....	80,725	82,133	1,408	1,503	95	19,238	19,467	229	235	5				
Other .....	465,511	488,772	23,261	24,310	1,049	447,414	455,238	7,824	13,907	6,082				
<b>Total</b> .....	<b>1,876,459</b>	<b>1,902,885</b>	<b>26,426</b>	<b>27,673</b>	<b>1,247</b>	<b>1,406,681</b>	<b>1,416,034</b>	<b>9,352</b>	<b>15,642</b>	<b>6,290</b>				

Notes: 1. Other is mainly foreign bonds.

2. If the fair value is lower than 50% of the net book value, book value is marked to market, unless there is solid evidence that the fair value will recover. If the fair value is higher than 50% but lower than 70%, the Bank assesses the probability of recovery of value, and, if necessary, book value is marked to market.

### Available-for-Sale Securities Sold

March 31

(Millions of Yen)

	2001			2002		
	Sales Amount	Gains on Sales	Losses on Sales	Sales Amount	Gains on Sales	Losses on Sales
Available-for-Sale Securities .....	4,135,707	59,356	2,838	1,217,776	9,403	6,330

### Securities with No Available Fair Value

Years Ended March 31

(Millions of Yen)

	2001	2002
Available-for-Sale Securities .....	85,587	45,587
Non-Listed Equity Securities (Except Over-the-Counter Stocks) .....	7,225	2,083
Non-Listed Corporate Bonds .....	146	29,106
Non-Listed Foreign Securities .....	76,844	13,189
Other Securities .....	1,372	1,208
Affiliates' Stocks .....	21	639

### Redemption Schedule on Available-for-Sale Securities with Maturities and Bonds Classified as Held-to-Maturity

March 31

(Millions of Yen)

	2001				2002			
	One Year or Less	One to Five Years	Five to Ten Years	More than Ten Years	One Year or Less	One to Five Years	Five to Ten Years	More than Ten Years
Debentures .....	1,372,990	27,157	12,005	139	541,171	88,897	356,690	39
Japanese Government Bonds .....	1,317,885	11,981	20	—	530,111	66,483	342,730	—
Japanese Local Government Bonds .....	94	25	5	—	17	6	4	—
Japanese Corporate Bonds .....	55,010	15,150	11,979	139	11,041	22,406	13,955	39
Other .....	2,745	170,247	305,686	22,602	10,927	147,864	268,780	26,336
<b>Total</b> .....	<b>1,375,735</b>	<b>197,404</b>	<b>317,692</b>	<b>22,741</b>	<b>552,098</b>	<b>236,761</b>	<b>625,470</b>	<b>26,376</b>



## Money Held in Trust (Consolidated)

### Money Held in Trust Classified as Trading

March 31	(Millions of Yen)			
	2001		2002	
	Net Book Value	Gains Included in Profit/Loss	Net Book Value	Gains Included in Profit/Loss
Money Held in Trust Classified as Trading .....	94,455	70	87,832	(7,703)

### Money Held in Trust Classified as Held-to-Maturity

March 31	(Millions of Yen)							
	2001			2002				
	Net Book Value	Fair Value	Net Unrealized Gains (Losses)	Net Book Value	Fair Value	Net Unrealized Gains (Losses)		
			Unrealized Gains	Unrealized Losses		Unrealized Gains	Unrealized Losses	
Money Held in Trust Classified as Held-to-Maturity	—	—	—	—	82,910	82,910	—	—

### Other Money Held in Trust (Money Held in Trust that is Classified Neither as Trading Nor as Held-to-Maturity)

March 31	(Millions of Yen)							
	2001			2002				
	Acquisition Cost	Net Book Value	Net Unrealized Gains (Losses)	Acquisition Cost	Net Book Value	Net Unrealized Gains (Losses)		
			Unrealized Gains	Unrealized Losses		Unrealized Gains	Unrealized Losses	
Other Money Held in Trust .....	2,022	2,022	—	—	2,092	2,092	—	—

## Net Unrealized Gains on Available-for-Sale Securities and Other Money Held in Trust (Consolidated)

### Net Unrealized Gains on Available-for-Sale Securities and Other Money Held in Trust

March 31	(Millions of Yen)	
	2001	2002
Net Unrealized Gains .....	26,426	9,352
Available-for-Sale Securities .....	26,426	9,352
Other Money Held in Trust .....	—	—
Deferred Tax Liabilities .....	(10,084)	(3,562)
Net Unrealized Gains (Before Adjustment) .....	16,341	5,790
Minority Interest .....	—	—
Parent Company's Share in Net Unrealized Gains on Valuation of Available-for-Sale Securities Held by Affiliates Accounted for by the Equity Method .....	—	—
Net Unrealized Gains .....	16,341	5,790

## Derivative Financial Instruments (Consolidated)

### Estimated Fair Value Information for Derivatives Transactions

#### Interest Rate-Related Transactions

March 31	(Millions of Yen)									
	2001				2002					
		Contractual Value or Notional Principal Amount	Maturity over One Year	Estimated Fair Value	Unrealized Gains (Losses)	Contractual Value or Notional Principal Amount	Maturity over One Year	Estimated Fair Value	Unrealized Gains (Losses)	
Listed	Future Contracts	Sold .....	15,966	—	1	1	191,902	12,602	263	263
		Bought .....	58,917	1,468	34	34	93,172	29,531	(342)	(342)
	Interest Rate Options	Sold .....	—	—	—	—	—	—	—	—
		Bought .....	—	—	—	—	—	—	—	—
Over-the-Counter	Forward Rate Agreements	Sold .....	—	—	—	—	—	—	—	—
		Bought .....	—	—	—	—	—	—	—	—
	Interest Rate Swaps	Receive Fixed and Pay Floating .....	5,306,030	3,569,858	256,094	256,094	3,719,928	2,384,640	182,319	182,319
		Receive Floating and Pay Fixed .....	4,378,647	3,027,089	(200,877)	(200,877)	3,275,534	2,149,398	(147,998)	(147,998)
		Receive Floating and Pay Floating ..	322,173	259,042	2,364	2,364	242,800	158,872	1,119	1,119
		Receive Fixed and Pay Fixed .....	5,302	4,302	41	41	9,301	9,211	18	18
	Interest Rate Options	Sold .....	428,154	364,597	(2,846)	(2,846)	367,081	325,028	(2,148)	(2,148)
		Bought .....	214,443	187,200	938	938	193,432	144,800	841	841
	Others	Sold .....	—	—	—	—	—	—	—	—
		Bought .....	—	—	—	—	—	—	—	—
<b>Total</b> .....				55,750	55,750			34,072	34,072	

Note: Derivatives mentioned above were marked to market and the unrealized gains and losses were reported in the consolidated statements of income. Derivatives for which hedge accounting was adopted were excluded from the table above.

Currency-Related Transactions

March 31

(Millions of Yen)

		2001			2002				
		Contractual Value or Notional Principal Amount	Maturity over One Year	Estimated Fair Value	Unrealized Gains (Losses)	Contractual Value or Notional Principal Amount	Maturity over One Year	Estimated Fair Value	Unrealized Gains (Losses)
Over-the-Counter	Currency Swaps.....	897,139	583,535	(5,970)	(5,970)	582,380	330,387	(5,570)	(5,570)
	Forward Exchange Contracts								
	Sold.....	—	—	—	—	—	—	—	—
	Bought..	—	—	—	—	—	—	—	—
	Currency Options								
	Sold.....	—	—	—	—	—	—	—	—
	Bought..	—	—	—	—	—	—	—	—
	Other								
	Sold.....	—	—	—	—	—	—	—	—
	Bought..	—	—	—	—	—	—	—	—
<b>Total</b>				<b>(5,970)</b>	<b>(5,970)</b>			<b>(5,570)</b>	<b>(5,570)</b>

Notes: 1. The derivatives mentioned above were marked to market and unrealized gains and losses were reported in the consolidated statements of income. Swaps for which hedge accounting was adopted and the swaps mentioned in 2 below are excluded from the table above.

2. Certain swaps are accounted for on an accrual basis, in accordance with the report "Temporary Auditing Treatment for Continuous Application of the New Foreign Exchange Accounting Standard in the Banking Industry" issued by the JICPA on April 10, 2000. Contract value or notional principal of these currency swaps is as follows:

March 31

(Millions of Yen)

		2001			2002		
		Contractual Value or Notional Principal Amount	Estimated Fair Value	Unrealized Gains (Losses)	Contractual Value or Notional Principal Amount	Estimated Fair Value	Unrealized Gains (Losses)
Over-the-Counter	Currency Swaps.....	207,129	(12,665)	(12,665)	35,797	(229)	(229)

The following types of forward foreign exchange and currency options are excluded from the table above: (1) Those marked to market at the fiscal year-end and on which any unrealized gains or losses are reported in the consolidated statements of income; (2) those involving financial assets and liabilities denominated in foreign currencies and recognized in the consolidated balance sheets; and (3) those denominated in foreign currencies which have been eliminated in the consolidation process.

The contract value of currency derivatives which are marked to market at the consolidated balance sheet date is as follows:

March 31

(Millions of Yen)

			2001		2002	
			Contractual Value or Notional Principal Amount	Estimated Fair Value	Contractual Value or Notional Principal Amount	Estimated Fair Value
Listed	Currency Futures	Sold .....	—	—	—	—
		Bought .....	—	—	—	—
	Currency Options	Sold .....	—	—	—	—
		Bought .....	—	—	—	—
Over-the-Counter	Forward Exchange Contracts	Sold .....	212,472	198,997	106,105	163,201
		Bought .....	106,105	163,201	23,156	64,855
	Currency Options	Sold .....	23,156	64,855	24,706	97,939
		Bought .....	24,706	97,939	—	—
	Other	Sold .....	—	—	—	—
		Bought .....	—	—	—	—

## Stock-Related Transactions

March 31

(Millions of Yen)

		2001				2002			
		Contractual Value or Notional Principal Amount		Estimated Fair Value	Unrealized Gains (Losses)	Contractual Value or Notional Principal Amount		Estimated Fair Value	Unrealized Gains (Losses)
		Maturity over One Year				Maturity over One Year			
Listed	Stock Price Index Futures Sold .....	—	—	—	—	55	—	—	—
	Bought .....	—	—	—	—	225	—	(3)	(3)
	Stock Price Index Options Sold .....	—	—	—	—	—	—	—	—
	Bought .....	—	—	—	—	—	—	—	—
Over-the-Counter	Equity Options								
	Sold .....	—	—	—	—	—	—	—	—
	Bought .....	—	—	—	—	—	—	—	—
	Stock Price Index Swaps								
	Stock Price Index Receivable/ Interest Floating Rate Payable .....	—	—	—	—	—	—	—	—
	Stock Price Index Payable/ Interest Floating Rate Receivable	—	—	—	—	—	—	—	—
	Other								
Sold .....	—	—	—	—	—	—	—	—	
Bought .....	—	—	—	—	—	—	—	—	
<b>Total</b> .....				—	—			(3)	(3)

Note: Derivatives mentioned above were marked to market and the unrealized gains and losses were reported in the consolidated statements of income. Derivatives for which hedge accounting was adopted were excluded from the table above.

## Bond-Related Transactions

March 31

(Millions of Yen)

		2001				2002			
		Contractual Value or Notional Principal Amount		Estimated Fair Value	Unrealized Gains (Losses)	Contractual Value or Notional Principal Amount		Estimated Fair Value	Unrealized Gains (Losses)
		Maturity over One Year				Maturity over One Year			
Listed	Bond Futures								
	Sold .....	1,492	—	1	1	63,637	—	(376)	(376)
	Bought .....	—	—	—	—	60,905	—	486	486
	Bond Futures Options								
	Sold .....	—	—	—	—	—	—	—	—
	Bought .....	—	—	—	—	—	—	—	—
Over-the-Counter	Bond Options								
	Sold .....	—	—	—	—	—	—	—	—
	Bought .....	—	—	—	—	—	—	—	—
	Others								
	Sold .....	—	—	—	—	—	—	—	—
	Bought .....	—	—	—	—	—	—	—	—
<b>Total</b> .....				1	1			110	110

Note: Derivatives mentioned above were marked to market and the unrealized gains and losses were reported in the consolidated statements of income. Derivatives for which hedge accounting was adopted were excluded from the table above.

## Commodity Derivatives Transactions

The Bank and its subsidiaries have no outstanding positions arising from commodity derivatives transactions as of March 31, 2001 and 2002.

## Credit Derivatives Transactions

March 31

(Millions of Yen)

		2001				2002			
		Contractual Value or Notional Principal Amount		Estimated Fair Value	Unrealized Gains (Losses)	Contractual Value or Notional Principal Amount		Estimated Fair Value	Unrealized Gains (Losses)
		Maturity over One Year				Maturity over One Year			
Over-the-Counter	Credit Default Options								
	Sold .....	—	—	—	—	41,651	41,651	(568)	(568)
	Bought .....	—	—	—	—	8,664	3,664	31	31
	Other								
	Sold .....	—	—	—	—	—	—	—	—
	Bought .....	—	—	—	—	—	—	—	—
<b>Total</b> .....				—	—			(537)	(537)

Notes: 1. Derivatives mentioned above were marked to market and the unrealized gains and losses were reported in the consolidated statements of income. Derivatives for which hedge accounting was adopted were excluded from the table above.

2. "Sold" represents transactions in which credit risk is accepted; "bought" represents transactions in which credit risk is transferred.

## Non-Consolidated Financial Statements

The accompanying non-consolidated financial statements are the English translation of the Bank's financial statements originally prepared in the Japanese language and are included in the Bank's annual report, which is derived from financial statements voluntarily prepared in accordance with Article 193 of the Securities and Exchange Law in Japan. Translation of notes to the 2001 financial statements is not presented.

The accompanying supplemental schedules are also the English translation of the schedules originally prepared in the Japanese language in accordance with Article 21 of the Banking Law, and are included in the Bank's annual report.

### Non-Consolidated Balance Sheets

Shinsei Bank, Limited

#### Assets

March 31, 2001 and 2002

(Millions of Yen)

	2001	2002
<b>Loans and Bills Discounted</b> (Notes 1–6, 8 and 9) .....	¥ 6,183,585	¥5,012,174
Loans on Deeds .....	3,706,254	3,153,592
Loans on Notes .....	1,756,376	1,277,126
Overdrafts .....	712,512	579,417
Bills Discounted (Note 7) .....	8,441	2,038
<b>Foreign Exchanges</b> .....	10,771	149,251
Foreign Bills Bought (Note 7) .....	661	559
Foreign Bills Receivable .....	4,205	3,128
Due from Foreign Banks .....	5,904	145,563
<b>Securities</b> (Note 8) .....	2,052,403	1,493,048
Japanese Government Bonds (Note 11) .....	1,329,367	938,413
Japanese Local Government Bonds .....	124	29
Japanese Corporate Bonds .....	82,270	49,683
Equity Securities (Note 10) .....	24,990	20,079
Other Securities (Note 11) .....	615,650	484,841
<b>Money Held in Trust</b> .....	154,638	130,328
<b>Trading Assets</b> .....	596,450	591,014
Trading Securities (Note 11) .....	1,086	247,637
Derivatives of Trading Securities .....	1	—
Trading-Related Financial Derivatives .....	486,913	343,376
Other Trading Assets .....	108,449	—
<b>Commercial Paper and Other Debt Purchased</b> .....	20	2,798
<b>Call Loans</b> .....	276,000	296,559
<b>Cash and Due from Banks</b> (Note 8) .....	558,891	376,301
Cash .....	25,783	28,114
Due from Banks .....	533,107	348,186
<b>Other Assets</b> (Note 8) .....	374,237	467,463
Prepaid Expenses .....	961	861
Accrued Income .....	49,158	42,419
Margin on Futures Transactions .....	50	69
Suspense Payment on Futures Transactions .....	—	30
Derivatives .....	66,283	36,065
Deferred Loss of Hedge Transactions (Note 12) .....	—	13,326
Collateral Related to Securities Lending Transactions .....	—	122,394
Other Assets .....	257,782	252,297
<b>Premises and Equipment</b> (Notes 13 and 14) .....	28,482	17,375
Land, Buildings and Others .....	17,523	10,243
Suspense Payment for Construction in Progress .....	167	1,104
Security Deposit and Others .....	10,791	6,026
<b>Deferred Discounts on and Issuance Expenses for Debentures</b> .....	1,062	345
Deferred Discounts on Debentures .....	883	176
Deferred Expenses for Issuance of Debentures .....	178	169
<b>Deferred Tax Assets</b> .....	—	17,644
<b>Customers' Liabilities for Acceptances and Guarantees</b> .....	378,993	183,783
<b>Reserve for Loan Losses</b> .....	(564,290)	(371,461)
<b>Total Assets</b> .....	¥10,051,246	¥8,366,626

## Liabilities and Stockholders' Equity

March 31, 2001 and 2002

(Millions of Yen)

	2001	2002
<b>Debentures</b> .....	¥ 3,483,957	¥2,735,251
Issuance of Debentures.....	3,483,957	2,735,251
<b>Deposits (Note 8)</b> .....	2,240,115	1,988,139
Time Deposits.....	1,621,283	1,239,561
Deposits at Notice.....	140,355	71,565
Savings Deposits.....	253,201	497,797
Current Accounts.....	62,474	26,231
Other Deposits.....	162,800	152,982
<b>Negotiable Certificates of Deposit</b> .....	1,062,693	395,893
<b>Borrowed Money</b> .....	773,458	515,061
Borrowed Money (Notes 8 and 15).....	773,458	515,061
<b>Trading Liabilities</b> .....	491,856	347,667
Trading-Related Financial Derivatives.....	491,856	347,667
<b>Bills Sold (Note 8)</b> .....	185,200	169,100
<b>Commercial Paper</b> .....	62,000	1,000
<b>Call Money (Note 8)</b> .....	70,000	160,800
<b>Foreign Exchanges</b> .....	142	66
Foreign Bills Sold.....	2	—
Foreign Bills Payable.....	—	0
Advances from Foreign Banks.....	3	—
Due to Foreign Banks.....	136	65
<b>Other Liabilities</b> .....	692,113	1,221,949
Accrued Expenses.....	86,002	57,867
Income Taxes Payable.....	33	34
Unearned Revenue.....	11,503	6,403
Borrowed Securities.....	—	123,426
Differences on Futures Transactions.....	4	69
Derivatives.....	67,412	51,204
Deferred Gain on Hedge Transactions (Note 12).....	2,900	—
Collateral Related to Securities Lending Transactions.....	139,341	582,198
Payables on Trading Transactions.....	108,374	95,863
Other Liabilities.....	276,540	304,880
<b>Reserve for Bonuses Payable</b> .....	—	7,802
<b>Reserve for Retirement Benefits</b> .....	19,322	22,732
<b>Reserve for Loss on Disposition of Premises and Equipment</b> .....	3,844	53
<b>Deferred Tax Liabilities</b> .....	10,084	—
<b>Acceptances and Guarantees (Note 8)</b> .....	378,993	183,783
<b>Total Liabilities</b> .....	9,473,781	7,749,299
<b>Capital Stock</b> .....	451,296	451,296
<b>Capital Surplus</b> .....	18,558	18,558
<b>Legal Reserve</b> .....	—	2,064
<b>Earned Surplus</b> .....	91,267	139,622
Net Income.....	91,267	139,622
<b>Net Unrealized Gain on Securities Available-for-Sale, Net of Taxes</b> .....	16,342	5,785
<b>Treasury Stock, at Cost</b> .....	—	(0)
<b>Total Stockholders' Equity</b> .....	577,465	617,327
<b>Total Liabilities and Stockholders' Equity</b> .....	¥10,051,246	¥8,366,626

## Non-Consolidated Statements of Income

Shinsei Bank, Limited

Years Ended March 31, 2001 and 2002

(Millions of Yen)

	2001	2002
<b>Operating Income</b> .....	¥298,774	¥220,531
<b>Interest Income</b> .....	214,418	163,060
Interest on Loans and Discounts.....	166,500	117,632
Interest and Dividends on Securities.....	21,953	29,518
Interest on Bills Discounted.....	135	5
Interest on Call Loans.....	537	174
Interest on Receivables under Resale Agreement.....	—	0
Interest on Deposits with Banks.....	12,182	5,271
Interest on Swaps.....	11,202	9,744
Other Interest Income.....	1,906	712
<b>Fees and Commissions</b> .....	12,222	10,908
Domestic and Foreign Exchange Commissions.....	291	258
Other Fees and Commissions.....	11,931	10,650
<b>Trading Revenue</b> .....	2,340	561
Revenue from Trading Securities and Derivatives.....	102	541
Revenue from Trading-Related Financial Derivatives.....	1,695	—
Other Trading Revenue.....	542	—
Revenue from Securities Related to Trading Transactions.....	—	19
<b>Other Business Income</b> .....	3,336	10,448
Gains on Foreign Exchange Transactions.....	1,449	2,260
Gains on Sales of Investment Bonds.....	1,098	3,985
Other Business Income.....	789	4,202
<b>Other Operating Income</b> .....	66,456	35,551
Gains on Sales of Stocks and Other Equity-Related Securities.....	58,300	5,417
Gains on Money Held in Trust.....	1,985	26,760
Other Income.....	6,169	3,373
<b>Operating Expenses</b> .....	202,746	182,047
<b>Interest Expenses</b> .....	126,599	70,508
Interest on Coupon Debentures.....	70,547	37,227
Amortization of Discount on Debentures.....	1,698	1,148
Interest on Deposits.....	14,452	7,755
Interest on Negotiable Certificates of Deposit.....	1,843	661
Interest on Borrowings.....	28,935	18,313
Interest on Bills Rediscounted.....	113	17
Interest on Commercial Paper.....	53	15
Interest on Call Money.....	162	38
Other Interest Expenses.....	8,791	5,330
<b>Fees and Commissions</b> .....	2,231	3,441
Domestic and Foreign Exchange Commissions.....	86	121
Other Fees and Commissions.....	2,145	3,319
<b>Trading Expenses</b> .....	—	300
Expenses on Trading Securities and Derivatives.....	—	174
Other Trading Expenses.....	—	126
<b>Other Business Expenses</b> .....	3,695	8,210
Amortization of Expenses on Debenture Issuance.....	467	334
Loss on Sales of Investment Bonds.....	2,825	5,485
Devaluation of Investment Bonds.....	192	1,618
Expenses on Derivatives.....	167	771
Other Business Expenses.....	42	—
<b>General and Administrative Expenses</b> .....	63,163	66,867
<b>Other Operating Expenses</b> .....	7,056	32,717
Provision to Reserve for Loan Losses.....	—	2,450
Write-Off of Bad Loans.....	29	159
Losses on Sales of Stocks and Other Equity-Related Securities.....	182	866
Losses on Devaluation of Stocks and Other Securities.....	1,394	10,033
Losses on Money Held in Trust.....	1,888	6,766
Other Expenses.....	3,560	12,442
<b>Net Operating Income</b> .....	96,027	38,484

(Continued on next page)

(Continued from previous page)

(Millions of Yen)

	2001	2002
<b>Extraordinary Income</b> .....	8,779	10,591
Gain on Disposal of Premises and Equipment.....	2,014	10,587
Recoveries of Written-Off Claims.....	703	4
Reversal of Reserve for Contingent Liabilities from Brokering of Financial Futures Transactions.....	0	—
Other Extraordinary Income .....	6,061	—
<b>Extraordinary Expenses</b> .....	13,317	9,403
Loss on Disposal of Premises and Equipment.....	4,604	9,350
Provision to Reserve for Loss on Disposal of Premises and Equipment .....	3,844	53
Other Extraordinary Expenses .....	4,868	—
<b>Income before Income Taxes</b> .....	91,490	39,672
<b>Income Tax Expense—Current</b> .....	222	137
<b>Income Tax Expense (Benefit)—Deferred</b> .....	—	(21,204)
<b>Net Income</b> .....	¥ 91,267	¥ 60,738
<b>Earned Surplus Brought Forward from Previous Term</b> .....	—	83,001
<b>Interim Dividends Paid</b> .....	—	3,430
<b>Legal Reserve of Retained Earnings for Interim Dividends</b> .....	—	686
<b>Unappropriated Earned Surplus</b> .....	¥ 91,267	¥139,622

See Notes to Non-Consolidated Financial Statements.

## Non-Consolidated Statements of Appropriation of Earned Surplus

Shinsei Bank, Limited

Years Ended March 31, 2001 and 2002

(Millions of Yen)

	2001 (Approved by the General Meeting of Stockholders June 29, 2001)	2002 (Approved by the General Meeting of Stockholders June 28, 2002)
<b>Unappropriated Earned Surplus</b> .....	¥91,267	¥139,622
<b>Appropriation:</b> .....	8,266	4,149
Dividends Paid:		
Transferred to Legal Reserve (Earned Surplus Reserve).....	1,378	692
For Preferred Stock A .....	(¥13.00 per share) 968	(¥6.50 per share) 484
For Preferred Stock B.....	(¥4.84 per share) 2,904	(¥2.42 per share) 1,452
For Common Stock .....	(¥1.11 per share) 3,015	(¥0.56 per share) 1,521
<b>Balance Brought Forward to Next Term</b> .....	¥83,001	¥135,472

See Notes to Non-Consolidated Financial Statements.

# Notes to Non-Consolidated Financial Statements

Shinsei Bank, Limited

## Summary of Significant Accounting Policies (For the year ended March 31, 2002)

### 1. Securities

(a) Stocks of subsidiaries and affiliates are stated at cost determined by the moving average method. Available-for-sale securities whose fair value is readily determinable are stated at the fair value at the balance sheet date and other non-marketable securities are stated at cost or net book value determined by the moving average method. The unrealized gains and losses on available-for-sale securities are recorded directly in a separate component of stockholders' equity, net of income tax.

No debt securities were classified as held-to-maturity at the balance sheet date.

(b) Securities included in money held in trust are stated using the same method as stated in Notes 1(a) above or 2 below.

### 2. Valuation of Trading Account Activities

Trading account positions entered into to generate gains arising from short-term changes in interest rates, currency exchange rates, or market prices of securities and other market-related indices or from price differences among markets are included in trading assets and trading liabilities on a trade date basis.

Trading securities and monetary claims purchased for trading purposes are stated at fair value and financial derivatives related to trading positions are stated at the estimated amounts that would be settled if such positions were terminated at the balance sheet date.

Trading revenue and trading expenses include interest received and paid, the amount of increases/decreases in valuation gains/losses on the balance sheet date for securities and monetary claims, and the net change in valuation gains/losses during the year using the estimated settlement prices assuming settlement in cash on the balance sheet date for derivatives.

In estimating the settlement prices for financial derivatives included in trading assets and trading liabilities assuming they were terminated at the balance sheet date, liquidation risks and credit risks are taken into account.

### 3. Valuation of Derivatives

Derivatives (except those included in trading accounts) are stated at estimated fair value.

### 4. Depreciation Method

(a) Depreciation of buildings is computed using the straight-line method, and equipment is computed using the declining-balance method. Useful lives are as follows:

Buildings: 17 – 50 years

Equipment: 4 – 15 years

Useful lives of computers were changed from six years to four or five years. As a result, net operating income and income before income taxes decreased by ¥132 million.

(b) Capitalized software for internal use is amortized using the straight-line method based on its estimated useful lives (five years).

### 5. Deferred Charges

Deferred charges are amortized as follows:

(a) Discounts on discount debentures are amortized using the straight-line method over the terms of the debentures.

(b) Debenture issuance expenses are amortized using the straight-line method over the shorter of the terms of the debentures or the maximum three-year period stipulated in the Commercial Code of Japan.

### 6. Translation of Foreign Currency

Foreign currency-denominated assets and liabilities and the accounts of overseas branches are translated into yen at the exchange rates prevailing at the balance sheet date, except that foreign currency-denominated shares of subsidiaries and affiliated companies are translated at the historical exchange rates.

### 7. Reserves

#### (a) Reserve for Loan Losses

Reserve for loan losses have been established based on the Bank's internal rules for establishing the reserve, in accordance with the guidelines released by the JICPA related to self-assessment of asset quality for financial institutions.

To estimate the reserve amount, the precondition of exercise of the cancellation right has been taken into account. Under "Warranty of Loan-Related Assets" described in the Share Purchase Agreement, a precondition of exercise of the cancellation right is the existence of a defect and a 20% reduction in value.

All loans and commitments that have been extended to customers are classified into one of five categories for self-assessment purposes: "normal," "caution, including special supervision segment," "possible bankruptcy," "virtual bankruptcy" and "legal bankruptcy."

The reserve for loan losses for the "normal" and "caution, including special supervision segment" categories is calculated based on the specific actual past loss ratio and is recorded as a general reserve.

The reserve for the "possible bankruptcy" category is calculated based on the residuals, if any, considering the debtor's ability to pay, where residual is the debt amount after deducting the estimated recoverable value from disposition of collateral and enforcement of any guarantees. The reserve for the "possible bankruptcy" category is recorded as a specific reserve.

The reserve for the "virtual bankruptcy" and "legal bankruptcy" categories is the amount in excess of the estimated value of collateral or guarantees, if any, and is recorded as a specific reserve.

For specific foreign claims, there is a reserve for loans to restructuring countries which has been established based on losses estimated by considering the political and economic conditions in those countries.

All claims are assessed by the branches and credit supervision divisions based on the internal rules for the self-assessment of asset quality. The Credit Assessment Division, which is independent from the branches and credit supervision divisions, conducts audits of these assessments.

#### (b) Reserve for Bonuses Payable

Of the estimated amount of bonuses to be paid to employees, the portion attributable to this fiscal year is accrued as reserve for bonuses payable.

#### (c) Reserve for Retirement Benefits

Reserve for retirement benefits is provided for the payment of employees' retirement benefits based on the estimated amounts of the actuarial retirement benefit obligation and pension assets as of the end of the fiscal year.

Net actuarial gain/loss is amortized using the straight-line method over the average remaining service period from the fiscal year of occurrence. The transitional unrecognized net retirement benefit obligation of ¥16,753 million is amortized using the straight-line method over 15 years.

#### (d) Reserve for Loss on Disposition of Premises and Equipment

Reserve for loss on disposition of premises and equipment is established based on an estimate of expenses for relocation of departments within the Head Office building.

This reserve fulfills the necessary conditions under Section 2 of Article 287 of the Commercial Code of Japan.

### 8. Accounting for Lease Transactions

Equipment used under finance lease agreements is accounted for as equipment leased under operating leases, except for those leases which transfer the ownership of leased equipment to the lessee.

### 9. Hedge Accounting

The interest rate risk arising from various financial instruments, such as loans, deposits and other items, is managed as a whole by the macro-hedging method, in which derivatives transactions are used. This methodology of risk control is in line with the risk adjustment approach provided in "Tentative Treatment in Accounting and Auditing for Banks on Application of Accounting Standard for Financial Instruments" (JICPA Industry Audit Committee Report No. 15), and the deferred hedging method is applied by the Bank. The effectiveness of hedging is evaluated by reviewing whether the amount of risk arising from derivatives used for hedging has been within the limit of the approved amount of risk provided by the Bank's *Risk Management Policy*, and whether the interest rate risk related to hedged objects has been decreased by this method.

Deferral hedge accounting and fair value hedge accounting are applied for certain assets and liabilities.

### 10. Consumption Tax

Consumption tax and local consumption tax are excluded from transacted amounts.

## Supplementary Information

(For the year ended March 31, 2002)

### Financial Instruments Accounting

In accordance with the application of the accounting standard for financial instruments, the following accounting treatments have been applied effective April 2001.

*Gensaki* transactions, securities purchased under resale agreements and securities sold under repurchase agreements, which had been accounted for as purchases and sales until March 31, 2001, have changed to be accounted for as financial transactions in the *gensaki* purchased account and the *gensaki* sold account, effective April 1, 2001. However, there is no impact on the securities balance as there were no *gensaki* transactions outstanding at the end of the fiscal year.



## Foreign Currency Transactions Accounting

Until the fiscal year ended March 31, 2001, the Bank applied the "New Accounting Standard for Foreign Currency Transactions" based on the report "Tentative Treatments for Auditing for Banks on an Occasion where the 'New Accounting Standard for Foreign Currency Transactions' has Continued to be Applied," issued by the JICPA on April 10, 2000. Effective April 1, 2001, the Bank adopted the revised accounting standard for foreign currency transactions (based on the report "Opinions on the Revision of the Accounting Standard for Foreign Currency Transactions" issued by the Business Accounting Deliberation Council on October 22, 1999), except transactions for which the Industry Audit Committee Report No. 20 "Tentative Treatments in Accounting and Auditing for Banks on Accounting Standard for Foreign Currency Transactions" issued by the JICPA is applied. In accordance with this change, securities decreased by ¥79 million. However, this had no impact on net operating income or income before income taxes for the fiscal year ended March 31, 2002.

To hedge exchange risks of foreign currency-denominated shares of subsidiaries and affiliated companies and foreign currency-denominated securities available-for-sale (except debt securities), deferral hedge accounting and fair value hedge accounting are adopted with the conditions that the foreign currency-denominated securities subject to hedging have been designated in advance, and that spot-forward liabilities exceeding the acquisition cost on a foreign currency basis exist in the relevant foreign currency-denominated securities, based on the Industry Audit Committee Report No. 20 "Temporary Treatment of Accounting and Auditing Concerning Accounting for Foreign Currency Transactions in the Banking Industry" issued by the JICPA.

For fund swap transactions, the amounts on the balance sheet are net yen conversions of the principal equivalents of assets and liabilities using the fiscal-year-end exchange rate. Differences between spot and forward rates in fund swap transactions are recorded in interest income or expense on an accrual basis for the period from the settlement date of spot foreign exchange to the settlement date of forward foreign exchange. Therefore, accrued interest income or expenses are recognized at the fiscal year-end. This treatment was based on the Industry Audit Committee Report No. 20 issued by the JICPA.

Fund swap transactions are foreign exchange swaps, and consist of spot foreign exchange either bought or sold and forward foreign exchange either sold or bought. Such transactions are contracted for the purpose of fund lending or borrowing in a different currency. Fund swap transactions are used to convert the principal equivalent amount into spot foreign exchange bought or sold with regard to the corresponding fund borrowing or lending. Also, such transactions convert the corresponding principal equivalents and foreign currency equivalents to pay and receive, whose amounts and due dates are predetermined at the time of the transactions, into forward foreign exchange either bought or sold.

For currency swap transactions which are for the purpose of fund borrowing/lending in different currencies and for which spot/forward are flat type, which means that paying or receiving amounts at the time of the currency swap contract are equal to receiving or paying amounts at the currency swap maturity dates and the swap rate applied to principal and interest is the current market rate (including the currency swap transactions for which the principal amount of one counterparty is revised in order to reflect each exchange rate at the interest payment date and are judged as spot/forward flat type for each interest payment date), the amounts on the balance sheet are net positions of financial asset and liability equivalents translated by using the fiscal-year-end exchange rate. The equivalent amounts of interest to exchange are booked in interest income and expense accounts on an accrual basis for the corresponding contract period. Therefore, accrued interest income or expenses are recognized at the fiscal year-end. This treatment is also pursuant to the provisions of Industry Audit Committee Report No. 20 issued by the JICPA.

## Relating to the Non-Consolidated Balance Sheets

(a) As of March 31, 2001, accrued bonuses to employees were included in accrued expenses. As of March 31, 2002, however, they are listed as reserve for bonuses payable, based on the JICPA's reports.

Owing to this change, accrued expenses decreased by ¥7,802 million and reserve for bonuses payable increased by the same amount.

(b) Treasury stock was included in securities as of March 31, 2001. As a result of the amendment of "Rule of Financial Statements" and the Attached Form to the Enforcement Regulation of the Long Term Banking Law by the "Ordinance by the Cabinet Office to Amend a Part of the Enforcement Regulation of the Long Term Banking Law" (Ordinance by the Cabinet Office No. 37, dated April 19, 2002), treasury stock appears as the last item in the stockholders' equity section as a contra equity account as of March 31, 2002. As a result of this change, total assets is reduced by ¥0 million and total stockholders' equity is reduced by ¥0 million.

## Notes to Non-Consolidated Balance Sheets

(As of March 31, 2002)

1. Loans and bills discounted include "loans to borrowers in bankruptcy" and "past due loans" totaling ¥200,693 million and ¥476,377 million, respectively, at the balance sheet date.

Loans are generally placed on nonaccrual status when substantial doubt is judged to exist as to ultimate collectability of either principal or interest if they are past due for a certain period or for other reasons. "Loans to borrowers in bankruptcy" represent nonaccrual loans to debtors who are legally bankrupt (prescribed by Corporation Tax Law Enforcement Order), "past due loans" are nonaccrual loans other than loans to customers in bankruptcy and loans of which interest payments are deferred in order to assist the financial recovery of debtors in financial difficulties.

2. "Past due loans (three months or more)" amounted to ¥93,075 million at the balance sheet date.

"Past due loans (three months or more)" are loans for which the principal and/or interest is three months or more past due, but exclude "loans to borrowers in bankruptcy" and "past due loans."

3. "Restructured loans" amounted to ¥273,909 million at the balance sheet date.

"Restructured loans" are loans where the Bank relaxes its lending conditions, such as by reducing the original interest rate, or by forbearing interest or principal repayments to support the borrowers' reorganization, but exclude "loans to borrowers in bankruptcy," "past due loans" or "past due loans (three months or more)."

4. The total amount of "loans to borrowers in bankruptcy," "past due loans," "past due loans (three months or more)," and "restructured loans" was ¥1,044,056 million. The amount respectively represents the contractual principal balance prior to reduction for the reserve for loan losses.

5. As for "loan participation," the total outstanding amount deducted from the loan account is ¥126,281 million. This "off balance" treatment is in accordance with guidelines issued by the JICPA.

6. The amount of loans sold through senior certificates under a collateralized loan obligation (CLO) securitization totaled ¥172,945 million for the year ended March 31, 2002, with the subordinated certificates retained by the Bank, totaling ¥65,253 million as of March 31, 2002, recorded as loans. A loan loss reserve was placed upon the entire loan balance in the amount of ¥238,198 million, which includes the senior certificates portion, taking into consideration all credit risks to be absorbed by the subordinated certificates.

7. The total of face amounts of commercial bills, bills of exchange under documentary credits and so on held as a result of discounting bills was ¥2,597 million.

8. Assets pledged as collateral and debt collateralized at the balance sheet date are as follows:

Loans and bills discounted	¥133,422 million
Securities	¥413,151 million
Cash and due from banks	¥3,290 million
Other assets	¥9 million

### Debts collateralized:

Deposits	¥1,550 million
Borrowed money	¥20 million
Bills sold	¥169,100 million
Call money	¥71,700 million
Acceptances and guarantees	¥6,226 million

In addition, securities with a carrying value of ¥296,018 million are pledged as collateral for transactions, including exchange settlements, swap transactions and the replacement of margin for future trading.

9. The overdraft agreements and commitment line agreements in connection with loans are agreements wherein disbursements of funds up to a certain limited amount upon request by the customer concerned are committed unless there is any breach of terms and conditions stipulated in the agreement. The balance of the amount yet to be drawn down with respect to such agreements was ¥1,396,083 million, out of which the remaining agreement term is less than one year for ¥1,163,567 million.

Since many of such agreements expire without any draw down, the balance of the amount itself yet to be drawn down does not necessarily affect the future cash flow of the Bank. Many of such agreements include conditions to the effect that the Bank has the right to reject the draw down of the loan requested or to reduce the amount of the credit line depending on changes in financial circumstances, protection of claims, or other reasonable grounds. Further, in addition to taking real estate, securities, etc., as collateral at the time of conclusion of agreements, after the conclusion of agreements the Bank periodically checks the financial performance, etc., of the customers according to the pre-instituted internal rules, and whenever necessary reviews the agreements or takes measures for protection of claims.

10. Total shares of subsidiaries amounted to ¥16,369 million.

11. Securities loaned based on a loan agreement or a deposit agreement (including security lending transactions and security lending transactions with cash collateral) are included in government bonds, other securities and trading securities, and amounted to ¥606,796 million in total.

12. Unrealized gain or loss with respect to hedging items is stated as deferred loss on hedge transactions and is included in other assets after netting. The gross amount of deferred loss on hedge transactions before such setoff was ¥49,113 million and the gross amount of deferred gain of hedge transactions was ¥35,786 million.

13. Accumulated depreciation of premises and equipment totaled ¥6,490 million.

14. Deferred gain on sales of real estate of ¥3,668 million was deducted from the acquisition cost of newly acquired premises.

15. Subordinated debt of ¥418,476 million was included in borrowed money at the balance sheet date.

## Lease Transactions

(For the year ended March 31, 2002)

1. Finance lease transactions, under which the ownership of the property is not deemed to transfer to the lessee, at March 31, 2002, were as shown below.

• Acquisition cost, accumulated depreciation and net balance of leased property at March 31, 2002, were as follows:

	Equipment	Other	Total
Acquisition cost	¥1,602 million	¥307 million	¥1,909 million
Accumulated depreciation	¥1,073 million	¥227 million	¥1,300 million
Net balance	¥ 528 million	¥ 79 million	¥ 608 million

• Lease obligations at March 31, 2002, consisted of the following:

	Due within One Year	Due after One Year	Total
Acquisition cost	¥333 million	¥294 million	¥627 million

• Total lease payments were ¥660 million, and depreciation expense was ¥616 million, for the year ended March 31, 2002. Depreciation is calculated using the straight-line method over the lives of the respective leased assets, with zero residual value. Interest expense was ¥26 million for the year ended March 31, 2002.

2. Operating leases as lessee at March 31, 2002, consisted of the following:

	Due within One Year	Due after One Year	Total
Obligations	¥2 million	¥6 million	¥8 million

## Income Taxes

(For the year ended March 31, 2002)

1. The tax effects of significant temporary differences and loss carryforwards, which resulted in deferred tax assets and liabilities at March 31, 2002, were as follows:

Deferred tax assets	
Reserve for loan losses	¥127,889 million
Tax loss carryforwards	¥281,533 million
Securities	¥6,864 million
Reserve for retirement benefits	¥8,157 million
Unamortized gains on swap cancellation	¥4,051 million
Unrealized losses on money held in trust	¥3,029 million
Reserve for bonuses payable	¥2,197 million
Other	¥7,080 million
Subtotal	¥440,802 million
Valuation allowance	¥(419,598) million
Total deferred tax assets	¥21,204 million

Deferred tax liabilities	
Unrealized gains on securities available-for-sale	¥3,559 million
Total deferred liabilities	¥3,559 million
Net deferred tax assets	¥17,644 million

2. A reconciliation of the actual effective tax rate with the normal effective statutory tax rate for the year ended March 31, 2002, was as follows:

Normal effective statutory tax rate	38.1%
Increase (decrease) in taxes resulting from:	
Permanently non-deductible expenses	0.8
Valuation allowance	(93.3)
Change in enacted tax rate	2.1
Other	(0.8)
Effective income tax rate	(53.1)%

## Per Share Information

(For the year ended March 31, 2002)

Total stockholders' equity	¥103.21
Net income	¥20.92
Diluted net income	¥14.97

## Income Analysis (Non-Consolidated)

Note: "Domestic" refers to yen-denominated transactions at domestic branches. "Overseas" refers to foreign currency-denominated transactions at domestic branches and all transactions at overseas branches.

### Gross Business Profit, Classified by Domestic and Overseas Operations

Years Ended March 31

(Millions of Yen)

	2000			2001			2002		
	Domestic Operations	Overseas Operations	Total	Domestic Operations	Overseas Operations	Total	Domestic Operations	Overseas Operations	Total
<b>Interest Income (Loss), Net</b> .....	28,144	(8,768)	19,376	82,248	6,035	88,283	84,583	9,245	93,828
Interest Income .....	258,283	77,488	334,310	188,858	43,169	214,418	141,410	41,654	163,060
Interest Expenses .....	230,139	86,256	314,934	106,610	37,134	126,135	56,827	32,409	69,232
			[1,461]			[4,462]			[3,450]
<b>Fees and Commissions, Net</b> .....	4,344	(979)	3,365	10,861	(845)	10,015	7,352	134	7,487
Fees and Commissions (Income) ...	5,691	2,739	8,431	11,223	999	12,222	9,444	1,463	10,908
Fees and Commissions (Expenses) ..	1,346	3,719	5,065	362	1,845	2,207	2,091	1,328	3,420
<b>Trading Income (Loss), Net</b> .....	2,365	(2,087)	277	4,853	(2,513)	2,340	849	(588)	261
Trading Revenue .....	591		591	4,853	(2,513)	2,340	561	—	561
Trading Expenses .....	(1,774)	2,087	313	—	—	—	(287)	588	300
<b>Other Business Income (Loss), Net</b> .....	(1,767)	(6,412)	(8,179)	(434)	52	(382)	(4,953)	7,171	2,217
Other Business Income .....	4,272	3,458	7,731	1,791	1,545	3,336	4,823	5,625	10,448
Other Business Expenses .....	6,040	9,870	15,911	2,226	1,493	3,719	9,777	(1,546)	8,231
<b>Gross Business Profit (Loss)</b> .....	33,086	(18,247)	14,839	97,527	2,728	100,256	87,831	15,963	103,794
<b>Gross Business Profit Rate (%)</b> .....	0.27%	(1.28%)	0.11%	0.93%	0.21%	0.89%	1.18%	1.33%	1.27%

Notes: 1. Interest expenses excludes funding costs of money held in trust (¥865 million in 2000, ¥464 million in 2001, ¥1,276 million in 2002).  
2. Fees and commissions (expenses) excludes bond-related commissions (¥112 million in 2000, ¥23 million in 2001, ¥20 million in 2002).  
3. Other business expenses excludes amortization costs of debenture issuance expenses (¥754 million in 2000).

### Average Balance of Interest-Earning Assets and Interest-Bearing Liabilities, Interest and Yields

Years Ended March 31

(Millions of Yen)

	2000			2001			2002		
	Domestic Operations	Overseas Operations	Total	Domestic Operations	Overseas Operations	Total	Domestic Operations	Overseas Operations	Total
<b>Interest-Earning Assets</b>									
Average Balance .....	12,161,740	1,420,040	13,479,634	10,380,651	1,263,813	11,241,286	7,408,238	1,193,478	8,159,335
Interest .....	258,283	77,488	334,310	188,858	43,169	214,418	141,410	41,654	163,060
Earnings Yield .....	2.12%	5.45%	2.48%	1.81%	3.41%	1.90%	1.90%	3.49%	1.99%
<b>Interest-Earning Liabilities</b>									
Average Balance .....	13,859,400	923,666	14,680,920	9,117,184	1,186,117	9,900,122	6,369,088	1,138,014	7,064,722
Interest .....	230,139	86,256	314,934	106,610	37,134	126,135	56,827	32,409	69,232
Earnings Yield .....	1.66%	9.33%	2.14%	1.16%	3.13%	1.27%	0.89%	2.84%	0.97%

Notes: 1. Interest-earning assets excludes the average balance of non-interest-bearing deposits included in due from banks (domestic: ¥141,149 million in 2000, ¥25,430 million in 2001, ¥32,748 million in 2002; foreign: ¥2,283 million in 2000, ¥795 million in 2001, ¥668 million in 2002).  
2. Interest-earning liabilities excludes the average funding balance of money held in trust (domestic: ¥51,921 million in 2000, ¥13,617 million in 2001, ¥140,879 million in 2002; foreign: ¥40 million in 2000, ¥9,748 million in 2001, ¥681 million in 2002). Interest within interest-earning liabilities also excludes the average funding balance of money held in trust (domestic: ¥862 million in 2000, ¥159 million in 2001, ¥1,256 million in 2002; foreign: ¥3 million in 2000, ¥305 million in 2001, ¥19 million in 2002).

### Analysis of Interest Income and Interest Expenses

Years Ended March 31

(Millions of Yen)

	2000			2001			2002		
	Domestic Operations	Overseas Operations	Total	Domestic Operations	Overseas Operations	Total	Domestic Operations	Overseas Operations	Total
<b>Interest Income</b>									
Volume-Related Decrease .....	(157,281)	(83,005)	(211,610)	(37,759)	(8,514)	(55,511)	(53,800)	(2,398)	(58,557)
Rate-Related Increase (Decrease) .....	(82,633)	(25,868)	(126,927)	(31,666)	(25,805)	(64,381)	6,352	883	7,199
Net (Decrease) Increase .....	(239,914)	(108,873)	(338,537)	(69,425)	(34,319)	(119,892)	(47,448)	(1,515)	(51,358)
<b>Interest Expenses</b>									
Volume-Related (Decrease) Increase .....	(49,195)	(126,097)	(96,422)	(78,720)	24,486	(102,309)	(31,877)	(1,505)	(36,009)
Rate-Related (Decrease) Increase .....	(50,039)	4,679	(113,981)	(44,809)	(73,608)	(86,490)	(17,906)	(3,220)	(20,894)
Net (Decrease) Increase .....	(99,234)	(121,418)	(210,403)	(123,529)	(49,122)	(188,799)	(49,783)	(4,725)	(56,903)

### Fund Management Yield, Funding Costs and Net Interest Margin

Years Ended March 31

	2000			2001			2002		
	Domestic Operations	Overseas Operations	Total	Domestic Operations	Overseas Operations	Total	Domestic Operations	Overseas Operations	Total
Fund Management Yield .....	2.12%	5.45%	2.48%	1.81%	3.41%	1.90%	1.90%	3.49%	1.99%
Funding Costs .....	2.03	10.36	2.55	1.77	3.52	1.88	1.84	3.20	1.89
Net Interest Margin .....	0.09	(4.91)	(0.07)	0.04	(0.11)	0.02	0.06	0.29	0.10

## Interest Margin (Domestic Operations)

Years Ended March 31

	2000	2001	2002
<b>Fund Management Yield</b> .....	2.12%	1.81%	1.90%
Average Interest Rate of Loans and Bills Discounted .....	1.76	2.16	2.01
Average Yield on Securities .....	1.08	0.35	0.29
<b>Funding Costs</b> .....	2.03	1.77	1.84
Average Coupon Rate of Debentures .....	1.89	1.44	1.10
Average Interest Rate on Deposits .....	0.32	0.32	0.16
<b>Net Interest Margin</b> .....	0.09	0.04	0.06

## Fees and Commissions

Years Ended March 31

(Millions of Yen)

	2000			2001			2002		
	Domestic Operations	Overseas Operations	Total	Domestic Operations	Overseas Operations	Total	Domestic Operations	Overseas Operations	Total
<b>Fees and Commissions (Income)</b> .....	5,691	2,739	8,431	11,223	999	12,222	9,444	1,463	10,908
Debentures, Deposits and Loans .....	2,580	1,311	3,892	7,337	147	7,485	4,041	116	4,157
Remittances and Transfers .....	224	117	342	204	86	291	176	81	258
Securities-Related Business .....	2,018	74	2,093	2,633	40	2,674	1,948	98	2,046
Agency .....	256	87	344	269	122	391	662	54	717
Safe Deposits .....	37	—	37	28	—	28	14	—	14
Guarantees .....	295	731	1,026	267	376	644	207	283	490
<b>Fees and Commissions (Expenses)</b> .....	1,346	3,719	5,065	362	1,845	2,207	2,091	1,328	3,420
Remittances and Transfers .....	79	29	109	60	25	86	90	31	121
<b>Fees and Commissions, Net</b> .....	4,344	(979)	3,365	10,861	(845)	10,015	7,352	134	7,487

## Trading Transactions

Years Ended March 31

(Millions of Yen)

	2000			2001			2002		
	Domestic Operations	Overseas Operations	Total	Domestic Operations	Overseas Operations	Total	Domestic Operations	Overseas Operations	Total
<b>Trading Revenue</b> .....	591	—	591	4,853	(2,513)	2,340	561	—	561
Revenue from Trading Securities .....	—	—	—	102	—	102	541	—	541
Revenue from Securities Related to Trading Transactions .....	—	—	—	—	—	—	19	—	19
Revenue from Trading-Related Financial Derivatives .....	—	—	—	4,208	(2,513)	1,695	—	—	—
Other .....	591	—	591	542	—	542	—	—	—
<b>Trading Expenses</b> .....	(1,774)	2,087	313	—	—	—	(287)	588	300
Expenses on Trading Securities .....	66	—	66	—	—	—	—	—	—
Expenses on Securities Related to Trading Transactions .....	—	—	—	—	—	—	—	—	—
Expenses on Trading-Related Financial Derivatives .....	(1,840)	2,087	246	—	—	—	(414)	588	174
Other .....	—	—	—	—	—	—	126	—	126
<b>Trading Income (Loss), Net</b> .....	2,365	(2,087)	277	4,853	(2,513)	2,340	849	(588)	261

## Breakdown of Other Business Income

Years Ended March 31

(Millions of Yen)

	2000			2001			2002		
	Domestic Operations	Overseas Operations	Total	Domestic Operations	Overseas Operations	Total	Domestic Operations	Overseas Operations	Total
<b>Other Business Income</b> .....	(1,767)	(6,412)	(8,179)	(434)	52	(382)	(4,953)	7,171	2,217
Gains and Losses on Bonds .....	(1,468)	148	(1,319)	(738)	(1,181)	(1,920)	(2,306)	(811)	(3,118)
Gains and Losses on Foreign Exchange Transactions .....	—	2,277	2,277	—	1,449	1,449	—	2,260	2,260
Gains and Losses on Derivatives .....	—	—	—	16	(183)	(167)	(6,500)	5,728	(771)
Bond Issuance Expenses .....	—	—	—	(490)	(1)	(491)	(348)	(6)	(355)
Other .....	(299)	(8,837)	(9,137)	777	(30)	746	4,202	—	4,202

## Breakdown of General and Administrative Expenses

Years Ended March 31

(Millions of Yen)

	2000	2001	2002
Salaries and Related Expenses .....	20,263	25,306	24,531
Retirement Benefits .....	198		
Provision to Reserve for Retirement Allowance .....	1,012		
Retirement Benefit Cost .....		3,256	3,030
Welfare Expenses .....	4,412	2,253	2,774
Depreciation .....	1,497	943	1,831
Rent and Lease Expenses .....	14,426	10,103	8,241
Building and Maintenance Expenses .....	2,868	2,443	1,959
Supplies Expenses .....	354	585	1,056
Water, Lighting and Fuel Expenses .....	923	878	854
Travel Expenses .....	573	458	481
Communication Expenses .....	896	747	876
Publicity and Advertising Expenses .....	929	1,670	3,881
Taxes, Other than Income Taxes .....	2,431	2,046	2,647
Other .....	10,329	12,469	14,700
<b>Total .....</b>	<b>61,116</b>	<b>63,163</b>	<b>66,867</b>

## Other Income and Expenses

Years Ended March 31

(Millions of Yen)

	2000	2001	2002
<b>Other Income .....</b>	<b>505,080</b>	<b>66,456</b>	<b>35,551</b>
Gains on Sales of Stocks and Other Securities .....	486,234	58,300	5,417
Gains on Money Held in Trust .....	16,416	1,985	26,760
Other .....	2,429	6,169	3,373
<b>Other Expenses .....</b>	<b>667,119</b>	<b>9,192</b>	<b>61,150</b>
Losses on Sales of Stocks and Other Securities .....	145,531	182	866
Losses on Devaluation of Stocks and Other Securities .....	2,215	1,394	10,033
Losses on Money Held in Trust .....	20,356	1,888	6,766
Total Credit Costs .....	474,899	113	28,945
Write-Offs of Bad Loans .....	948	29	159
Provisions to Specific Reserve for Loan Losses .....	467,816	—	28,761
Provisions to Reserve for Losses on Loan Sales .....	15,215	83	179
Provisions to Country Risk Reserve .....	(9,081)	—	(155)
Other .....	24,118	5,613	14,538
<b>Other (Expenses) Income, Net .....</b>	<b>(162,039)</b>	<b>57,263</b>	<b>(25,598)</b>

Notes: 1. Other expenses include corresponding expenses for money held in trust.

2. For the fiscal year ended March 31, 2000, in addition to the total credit costs of ¥474,899 million shown in the table above, the Bank reported losses on sales of inappropriate assets of ¥843,967 million. The Bank also posted a ¥271,097 million gain on reversal of the excess portion of the specific reserve for loan losses on transfer to the RCC (inappropriate assets) and a ¥13,162 million gain on reversal of the excess portion of the reserve for disposition of specified assets. Total costs of the disposal of non-performing loans and other claims for the fiscal year ended March 31, 2000, including the abovementioned items, were ¥1,043,688 million.

3. For the fiscal year ended March 31, 2001, reversal of the reserve for loan losses exceeded the provision to the reserve for loan losses. As a result, the Bank posted a ¥6,061 million gain on reversal of reserves for loan losses.

## Details of Operations (Non-Consolidated)

### Debentures, Deposits and Exchange Transactions

#### Year-End Outstanding Balance of Debentures

March 31

(Millions of Yen)

	2000			2001			2002		
	Domestic Operations	Overseas Operations	Total	Domestic Operations	Overseas Operations	Total	Domestic Operations	Overseas Operations	Total
Five-Year Coupon Debentures .....	3,874,223	15,190	3,889,413	2,359,833	11,700	2,371,533	1,403,066	—	1,403,066
	59.77%	0.23%	60.00%	67.73%	0.34%	68.07%	51.30%	—	51.30%
Three-Year Coupon Debentures .....				31,400	—	31,400	130,400	—	130,400
				0.90%		0.90%	4.77%		4.77%
Two-Year Coupon Debentures .....	713,200	—	713,200	357,700	—	357,700	528,500	—	528,500
	11.00%		11.00%	10.27%		10.27%	19.32%		19.32%
One-Year Coupon Debentures .....	1,350,400	—	1,350,400	204,400	—	204,400	380,800	—	380,800
	20.83%		20.83%	5.87%		5.87%	13.92%		13.92%
Subtotal .....	5,937,823	15,190	5,953,013	2,953,333	11,700	2,965,033	2,442,766	—	2,442,766
	91.61%	0.23%	91.84%	84.77%	0.34%	85.11%	89.31%		89.31%
Discount Debentures .....	528,870	—	528,870	518,924	—	518,924	292,484	—	292,484
	8.16%		8.16%	14.89%		14.89%	10.69%		10.69%
<b>Total .....</b>	<b>6,466,694</b>	<b>15,190</b>	<b>6,481,884</b>	<b>3,472,257</b>	<b>11,700</b>	<b>3,483,957</b>	<b>2,735,251</b>	<b>—</b>	<b>2,735,251</b>
	99.77%	0.23%	100.00%	99.66%	0.34%	100.00%	100.00%		100.00%

#### Outstanding Balance of Debentures, Classified by Maturity

March 31

(Millions of Yen)

	2000	2001	2002
	<b>Coupon Debentures .....</b>	<b>5,953,013</b>	<b>2,965,033</b>
One Year or Less .....	3,470,395	1,376,413	1,379,450
One to Three Years .....	2,157,698	1,213,558	660,470
Three to Five Years .....	313,920	364,061	402,845
Five to Seven Years .....	11,000	11,000	—
More than Seven Years .....	—	—	—
<b>Discount Debentures .....</b>	<b>528,870</b>	<b>518,924</b>	<b>292,484</b>
One Year or Less .....	528,870	518,924	292,484
One to Three Years .....	—	—	—
Three to Five Years .....	—	—	—
Five to Seven Years .....	—	—	—
More than Seven Years .....	—	—	—
<b>Total .....</b>	<b>6,481,884</b>	<b>3,483,957</b>	<b>2,735,251</b>
One Year or Less .....	3,999,265	1,895,337	1,671,935
One to Three Years .....	2,157,698	1,213,558	660,470
Three to Five Years .....	313,920	364,061	402,845
Five to Seven Years .....	11,000	11,000	—
More than Seven Years .....	—	—	—

#### Average Outstanding Balance of Debentures

Years Ended March 31

(Millions of Yen)

	2000			2001			2002		
	Domestic Operations	Overseas Operations	Total	Domestic Operations	Overseas Operations	Total	Domestic Operations	Overseas Operations	Total
Five-Year Coupon Debentures .....	4,792,862	16,225	4,809,087	3,083,419	13,512	3,096,932	1,930,532	5,758	1,936,290
	64.69%	0.22%	64.91%	61.68%	0.27%	61.95%	55.66%	0.17%	55.83%
Three-Year Coupon Debentures .....				24,259	—	24,259	117,468	—	117,468
				0.49%		0.49%	3.39%		3.39%
Two-Year Coupon Debentures .....	757,665	—	757,665	654,103	—	654,103	557,728	—	557,728
	10.23%		10.23%	13.08%		13.08%	16.08%		16.08%
One-Year Coupon Debentures .....	1,198,157	—	1,198,157	703,922	—	703,922	421,784	—	421,784
	16.17%		16.17%	14.08%		14.08%	12.16%		12.16%
Subtotal .....	6,748,685	16,225	6,764,911	4,465,705	13,512	4,479,217	3,027,513	5,758	3,033,271
	91.08%	0.22%	91.30%	89.32%	0.27%	89.60%	87.29%	0.17%	87.46%
Discount Debentures .....	644,387	—	644,387	520,189	—	520,189	435,072	—	435,072
	8.70%		8.70%	10.41%		10.41%	12.54%		12.54%
<b>Total .....</b>	<b>7,393,073</b>	<b>16,225</b>	<b>7,409,298</b>	<b>4,985,895</b>	<b>13,512</b>	<b>4,999,407</b>	<b>3,462,585</b>	<b>5,758</b>	<b>3,468,343</b>
	99.78%	0.22%	100.00%	99.73%	0.27%	100.00%	99.83%	0.17%	100.00%

## Balance of Workers' Property Accumulation Savings

March 31

	2000	2001	2002
<b>Workers' Property Accumulation Savings</b>			
Number of Accounts .....	149,263	135,626	124,928
Balance (Millions of Yen) .....	¥352,798	¥337,185	¥318,858

## Year-End Balance of Deposits

March 31

(Millions of Yen)

	2000			2001			2002		
	Domestic Operations	Overseas Operations	Total	Domestic Operations	Overseas Operations	Total	Domestic Operations	Overseas Operations	Total
<b>Deposits</b>									
<b>Fixed-Term Deposits</b> .....	1,022,306	398,447	1,420,753	1,250,422	370,860	1,621,283	921,282	318,279	1,239,561
	36.20%	14.11%	50.31%	37.86%	11.23%	49.09%	38.64%	13.35%	51.99%
Fixed Interest Rates .....	1,022,306	/	1,022,306	1,250,422	/	1,250,422	921,282	/	921,282
	36.20%	/	36.20%	37.86%	/	37.86%	38.64%	/	38.64%
Floating Interest Rates .....	—	/	—	—	/	—	—	/	—
	0.00%	/	0.00%	0.00%	/	0.00%	0.00%	/	0.00%
<b>Liquid Deposits</b> .....	505,267	—	505,267	456,031	—	456,031	595,594	—	595,594
	17.89%	0.00%	17.89%	13.81%	0.00%	13.81%	24.98%	0.00%	24.98%
Interest-Bearing Deposits .....	435,940	0	435,940	393,557	0	393,557	569,363	—	569,363
	15.44%	0.00%	15.44%	11.92%	0.00%	11.92%	23.88%	0.00%	23.88%
<b>Other</b> .....	23,632	143,102	166,734	9,702	153,097	162,800	18,387	134,594	152,982
	0.84%	5.07%	5.90%	0.29%	4.64%	4.93%	0.77%	5.65%	6.42%
<b>Subtotal</b> .....	1,551,206	541,550	2,092,756	1,716,157	523,957	2,240,115	1,535,265	452,874	1,988,139
	54.93%	19.18%	74.10%	51.96%	15.86%	67.82%	64.40%	19.00%	83.39%
<b>Negotiable Certificates of Deposit</b> .....	731,470	0	731,470	1,062,643	50	1,062,693	395,893	—	395,893
	25.90%	0.00%	25.90%	32.17%	0.00%	32.18%	16.61%	0.00%	16.61%
<b>Total</b> .....	2,282,676	541,550	2,824,226	2,778,800	524,007	3,302,808	1,931,158	452,874	2,384,032
	80.82%	19.18%	100.00%	84.13%	15.87%	100.00%	81.00%	19.00%	100.00%

## Balance of Time Deposits, Classified by Maturity

March 31

(Millions of Yen)

	2000	2001	2002
<b>Time Deposits</b> .....	1,420,753	1,621,283	1,239,561
Less than Three Months .....	262,467	812,134	389,741
Three to Six Months .....	205,699	86,653	58,617
Six Months to One Year .....	74,769	209,062	257,122
One to Two Years .....	403,628	366,855	145,519
Two to Three Years .....	359,789	140,433	24,286
More than Three Years .....	114,399	6,143	364,274
<b>Fixed Interest Rates</b> .....	1,022,306	1,250,422	1,239,561
Less than Three Months .....	259,637	808,967	389,741
Three to Six Months .....	205,699	80,539	58,617
Six Months to One Year .....	66,505	181,116	257,122
One to Two Years .....	364,977	114,237	145,519
Two to Three Years .....	92,270	61,885	24,286
More than Three Years .....	33,218	3,674	364,274
<b>Floating Interest Rates</b> .....	—	—	—
Less than Three Months .....	—	—	—
Three to Six Months .....	—	—	—
Six Months to One Year .....	—	—	—
One to Two Years .....	—	—	—
Two to Three Years .....	—	—	—
More than Three Years .....	—	—	—

## Average Balance of Deposits

Years Ended March 31

(Millions of Yen)

	2000			2001			2002		
	Domestic Operations	Overseas Operations	Total	Domestic Operations	Overseas Operations	Total	Domestic Operations	Overseas Operations	Total
<b>Deposits</b>									
<b>Fixed-Term Deposits</b> .....	1,508,283	433,723	1,942,006	1,632,605	389,783	2,022,389	978,342	351,074	1,329,417
	40.30%	11.59%	51.89%	51.61%	12.32%	63.93%	35.26%	12.65%	47.91%
Fixed Interest Rates .....	1,508,281	/	1,508,281	1,632,605	/	1,632,605	978,342	/	978,342
	40.30%	/	40.30%	51.61%	/	51.61%	35.26%	/	35.26%
Floating Interest Rates.....	1	/	1	—	/	—	—	/	—
	0.00%	/	0.00%	0.00%	/	0.00%	0.00%	/	0.00%
<b>Liquid Deposits</b> .....	550,583	334	550,917	409,328	—	409,328	402,915	—	402,915
	14.71%	0.01%	14.72%	12.94%	0.00%	12.94%	14.52%	0.00%	14.52%
Interest-Bearing Deposits .....	411,710	67	411,778	57,102	0	57,102	378,498	—	378,498
	11.00%	0.00%	11.00%	1.81%	0.00%	1.81%	13.64%	0.00%	13.64%
<b>Other</b> .....	22,198	201,965	224,164	9,672	149,675	159,347	16,870	168,759	185,629
	0.59%	5.40%	5.99%	0.31%	4.73%	5.04%	0.61%	6.08%	6.69%
<b>Subtotal</b> .....	2,081,065	636,023	2,717,088	2,051,606	539,459	2,591,065	1,398,127	519,834	1,917,961
	55.61%	16.99%	72.60%	64.85%	17.05%	81.91%	50.39%	18.74%	69.13%
<b>Negotiable Certificates of Deposit</b> .....	1,025,016	456	1,025,473	572,381	22	572,404	856,609	3	856,613
	27.39%	0.01%	27.40%	18.09%	0.00%	18.09%	30.87%	0.00%	30.87%
<b>Total</b> .....	3,106,082	636,480	3,742,562	2,623,988	539,481	3,163,470	2,254,737	519,837	2,774,575
	82.99%	17.01%	100.00%	82.95%	17.05%	100.00%	81.26%	18.74%	100.00%

## Deposits Balance, Classified by Depositor

March 31

(Millions of Yen)

	2000		2001		2002	
	Balance	Percentage of Total	Balance	Percentage of Total	Balance	Percentage of Total
Corporate Deposits .....	830,458	52.62%	849,809	48.78%	464,323	29.73%
Individual Deposits .....	561,845	35.60	485,747	27.88	861,357	55.15
Public Deposits.....	67,932	4.30	70,278	4.03	37,689	2.41
Financial Institutions .....	117,935	7.47	336,273	19.30	198,441	12.71
<b>Total</b> .....	1,578,172	100.00	1,742,109	100.00	1,561,810	100.00

Note: Accounts at overseas branches and Japan Offshore Market accounts are excluded.

## Domestic Exchange Transactions

Years Ended March 31

	2000	2001	2002
<b>Exchanges for Remittance</b>			
Destined for Various Parts of the Country			
Number of Accounts (Thousands) .....	643	318	801
Amount (Millions of Yen) .....	¥17,148,786	¥10,399,188	¥14,363,762
Received from Various Parts of the Country			
Number of Accounts (Thousands) .....	296	173	351
Amount (Millions of Yen) .....	¥18,684,515	¥11,788,603	¥17,747,701
<b>Collection</b>			
Destined for Various Parts of the Country			
Number of Accounts (Thousands) .....	39	26	31
Amount (Millions of Yen) .....	¥365,922	¥251,571	¥363,186
Received from Various Parts of the Country			
Number of Accounts (Thousands) .....	1	0	1
Amount (Millions of Yen) .....	¥274,437	¥116,794	¥350,240

## Foreign Exchange Transactions

Years Ended March 31

(Millions of U.S. Dollars)

	2000	2001	2002
<b>Outward Exchanges</b>			
Foreign Bills Sold .....	8,181	5,651	6,060
Foreign Bills Bought .....	2,705	1,397	541
<b>Incoming Exchanges</b>			
Foreign Bills Payable .....	7,736	3,046	2,269
Foreign Bills Receivable .....	230	449	391
<b>Total</b> .....	18,854	10,545	9,263



## Loans

### Year-End Balance of Loans and Bills Discounted

March 31

(Millions of Yen)

	2000			2001			2002		
	Domestic Operations	Overseas Operations	Total	Domestic Operations	Overseas Operations	Total	Domestic Operations	Overseas Operations	Total
Loans on Deeds.....	4,459,392	326,621	4,786,013	3,446,617	259,637	3,706,254	2,929,159	224,433	3,153,592
	57.88%	4.24%	62.12%	55.74%	4.20%	59.94%	58.44%	4.48%	62.92%
Loans on Notes .....	2,070,765	33,985	2,104,750	1,741,758	14,617	1,756,376	1,266,565	10,561	1,277,126
	26.88%	0.44%	27.32%	28.17%	0.24%	28.40%	25.27%	0.21%	25.48%
Overdrafts.....	803,559	4,247	807,806	710,955	1,557	712,512	577,955	1,462	579,417
	10.43%	0.06%	10.48%	11.50%	0.03%	11.52%	11.53%	0.03%	11.56%
Bills Discounted.....	6,154	—	6,154	8,441	—	8,441	2,038	—	2,038
	0.08%		0.08%	0.14%		0.14%	0.04%		0.04%
<b>Total</b> .....	<b>7,339,871</b>	<b>364,853</b>	<b>7,704,725</b>	<b>5,907,772</b>	<b>275,812</b>	<b>6,183,585</b>	<b>4,775,717</b>	<b>236,456</b>	<b>5,012,174</b>
	95.26%	4.74%	100.00%	95.54%	4.46%	100.00%	95.28%	4.72%	100.00%

### Loans and Bills Discounted, Classified by Maturity

March 31

(Millions of Yen)

	2000	2001	2002
<b>Loans and Bills Discounted</b> .....	<b>7,704,725</b>	<b>6,183,585</b>	<b>5,012,174</b>
One Year or Less .....	3,575,641	2,692,295	1,890,295
One to Three Years .....	1,407,325	1,186,499	969,453
Three to Five Years .....	1,114,365	740,298	630,672
Five to Seven Years.....	477,135	363,145	260,810
More than Seven Years.....	804,465	649,848	559,645
No Designated Term .....	325,791	551,497	701,297
<b>Fixed Interest Rates</b> .....	<b>1,027,131</b>	<b>782,866</b>	<b>524,060</b>
One Year or Less .....	806,694	468,494	282,035
One to Three Years .....	347,484	242,161	153,075
Three to Five Years.....	700,241	575,511	459,414
Five to Seven Years.....	189,556	397,010	521,846
More than Seven Years.....			
No Designated Term .....			
<b>Floating Interest Rates</b> .....	<b>380,194</b>	<b>403,632</b>	<b>445,393</b>
One Year or Less .....	307,670	271,804	348,637
One to Three Years .....	129,650	120,984	107,735
Three to Five Years.....	104,224	74,336	100,231
Five to Seven Years.....	136,235	154,486	179,450
More than Seven Years.....			
No Designated Term .....			

Note: Loans with a maturity of one year or less are not classified by floating or fixed interest rates.

### Average Balance of Loans and Bills Discounted

Years Ended March 31

(Millions of Yen)

	2000			2001			2002		
	Domestic Operations	Overseas Operations	Total	Domestic Operations	Overseas Operations	Total	Domestic Operations	Overseas Operations	Total
Loans on Deeds.....	5,255,996	696,647	5,952,643	4,081,199	295,943	4,377,143	3,175,745	229,996	3,405,742
	49.65%	6.58%	56.23%	56.24%	4.08%	60.31%	57.10%	4.14%	61.23%
Loans on Notes .....	3,176,071	78,749	3,254,821	2,039,109	30,168	2,069,277	1,516,687	11,885	1,528,572
	30.00%	0.74%	30.75%	28.10%	0.42%	28.51%	27.27%	0.21%	27.48%
Overdrafts.....	1,367,168	4,704	1,371,872	801,541	3,586	805,127	622,066	1,515	623,581
	12.92%	0.04%	12.96%	11.04%	0.05%	11.09%	11.18%	0.03%	11.21%
Bills Discounted.....	6,036	—	6,036	5,736	—	5,736	4,062	—	4,062
	0.06%		0.06%	0.08%		0.08%	0.07%		0.07%
<b>Total</b> .....	<b>9,805,272</b>	<b>780,101</b>	<b>10,585,374</b>	<b>6,927,586</b>	<b>329,697</b>	<b>7,257,284</b>	<b>5,318,561</b>	<b>243,396</b>	<b>5,561,958</b>
	92.63%	7.37%	100.00%	95.46%	4.54%	100.00%	95.62%	4.38%	100.00%

## Loans and Bills Discounted, Classified by Funds

March 31

(Millions of Yen)

	2000		2001		2002	
	Balance	Percentage of Total	Balance	Percentage of Total	Balance	Percentage of Total
Funds for Capital Investment .....	2,299,771	29.85%	1,896,120	30.66%	1,584,533	31.61%
Funds for Working Capital .....	5,404,954	70.15	4,287,464	69.34	3,427,640	68.39
<b>Total</b> .....	<b>7,704,725</b>	<b>100.00</b>	<b>6,183,585</b>	<b>100.00</b>	<b>5,012,174</b>	<b>100.00</b>

## Loans and Bills Discounted, Classified by Industry

March 31

(Millions of Yen)

	2000		2001		2002	
	Balance	Percentage of Total	Balance	Percentage of Total	Balance	Percentage of Total
<b>Domestic Operations (Excluding Japan Offshore Market Accounts)</b> .....	<b>7,703,880</b>	<b>100.00%</b>	<b>6,167,627</b>	<b>100.00%</b>	<b>4,970,141</b>	<b>100.00%</b>
Manufacturing .....	968,760	12.57	872,655	14.15	628,773	12.65
Food .....	94,312	1.22	91,214	1.48	66,123	1.33
Textiles .....	42,446	0.55	41,482	0.67	25,675	0.52
Pulp and Paper .....	62,749	0.81	68,550	1.11	47,630	0.96
Chemicals .....	119,240	1.55	123,130	2.00	102,066	2.05
Petroleum Refining .....	78,413	1.02	63,634	1.03	42,056	0.85
Ceramics .....	47,247	0.61	38,885	0.63	24,057	0.48
Iron and Steel .....	109,529	1.42	96,371	1.56	77,058	1.55
Non-Ferrous Metals .....	46,030	0.60	34,537	0.56	29,594	0.60
Machinery .....	121,101	1.57	114,587	1.86	87,463	1.76
Electrical Machinery .....	72,026	0.93	55,767	0.90	37,097	0.75
Shipbuilding and Other Transport Equipment .....	74,897	0.97	56,072	0.91	33,397	0.67
Other Manufacturing .....	100,765	1.31	88,420	1.43	56,552	1.14
Agriculture .....	2,037	0.03	1,888	0.03	341	0.01
Forestry .....	1,113	0.01	1,051	0.02	996	0.02
Fisheries .....	15,724	0.20	15,271	0.25	12,031	0.24
Mining .....	35,779	0.46	30,368	0.49	23,184	0.47
Construction .....	373,185	4.84	159,200	2.58	107,737	2.17
Electric Power, Gas, Heat Supply and Water Supply .....	502,996	6.53	424,896	6.89	351,332	7.07
Transportation and Communications .....	704,486	9.14	646,525	10.48	483,442	9.73
Wholesale and Retail .....	830,503	10.78	555,833	9.01	310,377	6.24
Finance and Insurance .....	1,712,019	22.22	1,442,706	23.39	1,695,129	34.11
Real Estate .....	1,005,578	13.05	887,700	14.39	739,629	14.88
Services .....	1,012,925	13.15	726,126	11.77	388,714	7.82
Local Government .....	112,526	1.46	96,619	1.57	—	—
Individual .....	114,995	1.49	93,356	1.51	71,978	1.45
Overseas Yen Loans, Domestic Loans Transferred Overseas .....	311,247	4.04	213,430	3.46	156,471	3.15
<b>Overseas Operations and Japan Offshore Market Accounts</b> .....	<b>845</b>	<b>100.00%</b>	<b>15,957</b>	<b>100.00%</b>	<b>42,032</b>	<b>100.00%</b>
Public Sector .....	—	—	—	—	—	—
Financial Institutions .....	—	—	—	—	—	—
Commerce and Industry .....	845	100.00	15,957	100.00	42,032	100.00
Other .....	—	—	—	—	—	—
<b>Total</b> .....	<b>7,704,725</b>		<b>6,183,585</b>		<b>5,012,174</b>	

Note: Industry classifications are made according to Bank of Japan classifications.

## Loans and Bills Discounted, Classified by Collateral

March 31	(Millions of Yen)		
	2000	2001	2002
Securities .....	121,932	74,971	53,797
Commercial Claims .....	1,170,819	792,466	826,840
Commercial Goods .....	219	—	—
Land and Buildings .....	1,010,135	701,471	448,044
Factories .....	2,554	1,004	415
Foundations .....	507,875	435,819	271,331
Vessels.....	86,699	78,213	63,456
Others.....	1,677,193	1,357,807	1,065,828
<b>Subtotal</b> .....	<b>4,577,429</b>	<b>3,441,755</b>	<b>2,729,713</b>
Guaranteed.....	1,439,897	1,245,590	979,270
Unsecured.....	1,687,398	1,496,239	1,303,190
<b>Total</b> .....	<b>7,704,725</b>	<b>6,183,585</b>	<b>5,012,174</b>
Subordinated Loans .....	72,000	58,212	61,473

## Loans to Small and Medium-Sized Companies

March 31		2000	2001	2002
<b>Total Domestic Loans</b>	Number of Borrowers.....	22,634	19,047	14,778
	Amounts (Millions of Yen) .....	¥7,703,880	¥6,167,627	¥4,970,141
<b>Loans to Small and Medium-Sized Companies, etc.</b>	Number of Borrowers.....	21,047	17,699	13,789
	Amounts (Millions of Yen) .....	¥2,773,837	¥2,343,467	¥2,264,294
<b>Ratio</b>	Number of Borrowers.....	92.99%	92.92%	93.31%
	Amounts (Millions of Yen) .....	¥36.01	¥38.00	¥45.56

Notes: 1. The figures above exclude loans at overseas branches and Japan Offshore Market accounts.

2. Small and medium-sized corporations, etc., are defined as companies having capital of not more than ¥300 million (or ¥100 million in wholesale and ¥50 million in retail and services business categories), or companies and individuals with not more than 300 full-time employees (or 100 in wholesale, 50 in retail and 100 in services business categories).

## Loans to Individuals

March 31	(Millions of Yen)		
	2000	2001	2002
<b>Consumer Loans</b> .....	50,252	43,061	35,682
Housing Loans .....	50,252	43,061	35,682
Other Loans .....	—	—	—

## Risk-Monitored Loans

March 31	(Millions of Yen)					
	2000		2001		2002	
	Balance	Percentage of Total	Balance	Percentage of Total	Balance	Percentage of Total
<b>Loans</b> .....	<b>7,704,725</b>	<b>100.00%</b>	<b>6,183,585</b>	<b>100.00%</b>	<b>5,012,174</b>	<b>100.00%</b>
Loans to Borrowers in Bankruptcy.....	188,166	2.44	358,651	5.80	200,693	4.00
Past Due Loans.....	801,255	10.40	403,317	6.52	476,377	9.50
Past Due Loans (Three Months or More) .....	22,665	0.29	12,853	0.21	93,075	1.86
Restructured Loans .....	778,815	10.11	440,097	7.12	273,909	5.46
<b>Total</b> .....	<b>1,790,902</b>	<b>23.24</b>	<b>1,214,919</b>	<b>19.65</b>	<b>1,044,056</b>	<b>20.83</b>

## Coverage Ratios for Claims Classified under the Financial Revitalization Law

March 31

(Billions of Yen)

	2000		2001				2002				
	Year-End Balance	Year-End Balance	Total Coverage			Coverage Ratio	Total Coverage				
			Reserve for Loan Losses	Collateral and Guarantees	Coverage Ratio		Year-End Balance	Reserve for Loan Losses	Collateral and Guarantees	Coverage Ratio	
Bankrupt and Quasi-Bankrupt Assets .....	289.1	472.9	472.9	199.1	273.9	100.00%	306.6	306.6	61.6	244.9	100.00%
Doubtful Assets ( <i>kiken saiken</i> ) .....	774.2	370.1	316.8	143.6	173.2	85.60	440.1	406.2	113.1	293.2	92.31
Substandard Assets ( <i>yokanri saiken</i> ) .....	801.5	453.0	248.0	133.6	114.4	54.75	367.0	220.6	119.9	100.7	60.12
Normal Assets ( <i>seijou saiken</i> ) .....	6,625.4	5,513.5	/	/	/	/	4,452.0	/	/	/	/
<b>Total</b> .....	<b>8,490.2</b>	<b>6,809.4</b>	<b>1,037.7</b>	<b>476.2</b>	<b>561.5</b>	<b>80.07</b>	<b>5,565.7</b>	<b>933.4</b>	<b>294.6</b>	<b>638.8</b>	<b>83.82</b>

## Reserve for Loan Losses

Years Ended March 31

(Millions of Yen)

	2000				2001				2002				
	Balance at Beginning of the Fiscal Year	Increase During the Fiscal Year	Decrease During the Fiscal Year	Balance at End of the Fiscal Year	Balance at Beginning of the Fiscal Year	Increase During the Fiscal Year	Decrease During the Fiscal Year	Balance at End of the Fiscal Year	Balance at Beginning of the Fiscal Year	Increase During the Fiscal Year	Decrease During the Fiscal Year	Balance at End of the Fiscal Year	
General Reserve for Loan Losses .....	[331]	413,368	317,480	413,368	317,480	317,480	220,455	317,480	220,455	220,455	192,350	220,455	192,350
Specific Reserve .....	[8,073]	3,224,531	549,191	3,224,531	549,191	550,134	49,648	256,245	343,537	343,683	33,221	197,951	178,954
For Non-Resident Loans .....	[1,615]	196,624	39,599	196,624	39,599	40,623	—	25,349	15,274	15,206	—	8,398	6,807
Reserve for Loans to Restructuring Countries .....	[1,097]	9,390	308	9,390	308	352	296	352	296	311	156	311	156
<b>Total</b> .....	<b>3,647,290</b>	<b>866,981</b>	<b>3,647,290</b>	<b>866,981</b>	<b>867,967</b>	<b>270,401</b>	<b>574,078</b>	<b>564,290</b>	<b>564,451</b>	<b>225,728</b>	<b>418,718</b>	<b>371,461</b>	

Note: The amounts in [ ] above the balance at the beginning of the fiscal year indicate foreign exchange translation adjustments.

## Loans to Restructuring Countries, Classified by Country

March 31

(Millions of Yen)

2000		2001		2002	
Country	Year-End Balance	Country	Year-End Balance	Country	Year-End Balance
Indonesia .....	722	Indonesia .....	618	Indonesia .....	398
Russia .....	91	Russia .....	114	Russia .....	92
Others (Three Countries) .....	8	Other (One Country) .....	0	Others (Two Countries) .....	5
<b>Total</b> .....	<b>822</b>	<b>Total</b> .....	<b>733</b>	<b>Total</b> .....	<b>496</b>
Ratio of Total Amounts to Total Assets .....	0.00%	Ratio of Total Amounts to Total Assets .....	0.01%	Ratio of Total Amounts to Total Assets .....	0.01%

Notes: 1. Restructuring countries include foreign governments, foreign central banks, other foreign government-related bodies, foreign nationally owned corporations and privately owned corporations of these countries.

2. Loans to restructuring countries include those loans to foreign governments and related bodies against which the Bank is required to make provisions to the reserve for loans to restructuring countries in accordance with the JICPA Ad Hoc Committee for Audit of Banks Report No. 4.

## Acceptances and Guarantees

### Breakdown of Collateral for Customers' Liabilities for Acceptances and Guarantees

March 31

(Millions of Yen)

	2000	2001	2002
Securities .....	2,517	2,505	1,998
Commercial Claims .....	6,844	5,159	4,517
Commercial Goods .....	—	—	47
Real Estate .....	42,090	24,423	10,108
Other .....	77,633	53,676	24,125
<b>Subtotal</b> .....	<b>129,086</b>	<b>85,764</b>	<b>40,797</b>
Guaranteed .....	23,678	15,812	9,911
Unsecured .....	419,233	277,415	133,073
<b>Total</b> .....	<b>571,997</b>	<b>378,993</b>	<b>183,783</b>

## Securities

### Year-End Balance of Securities

March 31

(Millions of Yen)

	2000			2001			2002		
	Domestic Operations	Overseas Operations	Total	Domestic Operations	Overseas Operations	Total	Domestic Operations	Overseas Operations	Total
Japanese Government Bonds .....	2,385,927	—	2,385,927	1,329,367	—	1,329,367	938,413	—	938,413
	84.90%		84.90%	64.77%		64.77%	62.85%		62.85%
Japanese Local Government Bonds ...	11,994	—	11,994	124	—	124	29	—	29
	0.43%		0.43%	0.01%		0.01%	0.00%		0.00%
Japanese Corporate Bonds .....	31,019	—	31,019	81,651	619	82,270	49,683	—	49,683
	1.10%		1.10%	3.98%	0.03%	4.01%	3.33%		3.33%
Equity Securities .....	362,994	—	362,994	24,990	—	24,990	20,079	—	20,079
	12.92%		12.92%	1.22%		1.22%	1.34%		1.34%
Other Securities .....	4,115	14,113	18,228	2,744	612,906	615,650	2,572	482,269	484,841
	0.15%	0.50%	0.65%	0.13%	29.86%	30.00%	0.17%	32.30%	32.47%
Foreign Bonds .....	/	9,272	9,272	/	535,316	535,316	/	446,269	446,269
		0.33%	0.33%		26.08%	26.08%		29.89%	29.89%
Foreign Stocks .....	/	3,550	3,550	/	56,755	56,755	/	11,137	11,137
		0.13%	0.13%		2.77%	2.77%		0.75%	0.75%
Securities Loaned .....	—	—	—	/	/	/	/	/	/
<b>Total .....</b>	<b>2,796,051</b>	<b>14,113</b>	<b>2,810,164</b>	<b>1,438,877</b>	<b>613,525</b>	<b>2,052,403</b>	<b>1,010,778</b>	<b>482,269</b>	<b>1,493,048</b>
	99.50%	0.50%	100.00%	70.11%	29.89%	100.00%	67.70%	32.30%	100.00%

### Balance of Securities, Classified by Maturity

March 31

(Millions of Yen)

	One Year or Less	One to Three Years	Three to Five Years	Five to Seven Years	Seven to Ten Years	More than Ten Years	No Designated Term	Total
<b>2000</b>								
Japanese Government Bonds .....	2,353,632	523	31,772	—	—	—	—	2,385,927
Japanese Local Government Bonds .....	11,900	89	—	—	4	—	—	11,994
Japanese Corporate Bonds .....	11,721	9,489	7,540	1,807	300	160	—	31,019
Equity Securities .....	/	/	/	/	/	/	362,994	362,994
Other Securities .....	6,537	422	—	420	3,265	—	7,583	18,228
Foreign Bonds .....	6,272	—	—	—	3,000	—	—	9,272
Foreign Stocks .....	—	—	—	—	—	—	3,550	3,550
Securities Loaned .....	—	—	—	—	—	—	—	—
<b>2001</b>								
Japanese Government Bonds .....	1,317,886	8,019	3,462	—	—	—	—	1,329,367
Japanese Local Government Bonds .....	94	25	—	—	5	—	—	124
Japanese Corporate Bonds .....	55,011	10,621	4,519	11,979	—	139	—	82,270
Equity Securities .....	/	/	/	/	/	/	24,990	24,990
Other Securities .....	2,745	33,504	136,743	47,420	258,267	22,602	114,368	615,650
Foreign Bonds .....	2,417	33,504	134,239	43,534	258,267	11,492	51,861	535,316
Foreign Stocks .....	—	—	—	—	—	—	56,755	56,755
<b>2002</b>								
Japanese Government Bonds .....	529,721	34,718	31,243	140,112	202,618	—	—	938,413
Japanese Local Government Bonds .....	17	6	—	—	4	—	—	29
Japanese Corporate Bonds .....	11,041	13,089	11,556	13,955	—	39	—	49,683
Equity Securities .....	/	/	/	/	/	/	20,079	20,079
Other Securities .....	10,927	30,662	116,064	86,624	182,518	26,336	31,706	484,841
Foreign Bonds .....	10,914	30,662	113,860	81,833	181,816	13,849	13,333	446,269
Foreign Stocks .....	—	—	—	—	—	—	11,137	11,137

## Average Balance of Securities

Years Ended March 31

(Millions of Yen)

	2000			2001			2002		
	Domestic Operations	Overseas Operations	Total	Domestic Operations	Overseas Operations	Total	Domestic Operations	Overseas Operations	Total
Japanese Government Bonds .....	328,927	—	328,927	2,396,861	—	2,396,861	1,372,130	—	1,372,130
	16.59%		16.59%	86.11%		86.11%	68.61%		68.61%
Japanese Local Government Bonds ...	2,046	—	2,046	11,853	—	11,853	99	—	99
	0.10%		0.10%	0.43%		0.43%	0.00%		0.00%
Japanese Corporate Bonds .....	54,103	237	54,340	85,701	3	85,705	49,536	16	49,552
	2.73%	0.01%	2.74%	3.08%	0.00%	3.08%	2.48%	0.00%	2.48%
Equity Securities .....	1,554,616	—	1,554,616	42,200	—	42,200	22,037	—	22,037
	78.39%		78.39%	1.52%		1.52%	1.10%		1.10%
Other Securities .....	4,407	38,775	43,183	4,120	242,732	246,853	2,732	553,473	556,205
	0.22%	1.96%	2.18%	0.15%	8.72%	8.87%	0.14%	27.67%	27.81%
Foreign Bonds .....	/	12,031	12,031	/	220,181	220,181	/	480,325	480,325
		0.61%	0.61%		7.91%	7.91%		24.02%	24.02%
Foreign Stocks.....	/	19,053	19,053	/	17,003	17,003	/	46,029	46,029
		0.96%	0.96%		0.61%	0.61%		2.30%	2.30%
<b>Total</b> .....	<b>1,944,101</b>	<b>39,012</b>	<b>1,983,114</b>	<b>2,540,738</b>	<b>242,736</b>	<b>2,783,474</b>	<b>1,446,536</b>	<b>553,489</b>	<b>2,000,026</b>
	98.03%	1.97%	100.00%	91.28%	8.72%	100.00%	72.33%	27.67%	100.00%

## Underwriting of Public Bonds

Years Ended March 31

(Millions of Yen)

	2000	2001	2002
Japanese Government Bonds .....	162,980	168,673	197,923
Japanese Local Government Bonds and Japanese Government-Guaranteed Bonds .....	63,545	68,293	45,000
<b>Total</b> .....	<b>226,525</b>	<b>236,966</b>	<b>242,923</b>

## Over-the-Counter Sales of Public Bonds

Years Ended March 31

(Millions of Yen)

	2000	2001	2002
Japanese Government Bonds .....	665	289	—
Japanese Local Government Bonds and Japanese Government-Guaranteed Bonds .....	8,809	—	20,700
<b>Total</b> .....	<b>9,474</b>	<b>289</b>	<b>20,700</b>
Securities Investment Trusts .....	/	74,705	172,439

Note: The Bank commenced over-the-counter sales of securities investment trusts on April 3, 2000.

## Others

### Balance of Foreign Currency-Denominated Assets

March 31	(Millions of U.S. Dollars)		
	2000	2001	2002
Domestic Branches.....	5,103	9,577	7,339
Overseas Branches .....	—	—	—
<b>Total .....</b>	<b>5,103</b>	<b>9,577</b>	<b>7,339</b>

### Service Fees

July 1, 2002	(Yen)		
	To Accounts at Shinsei Bank	To Accounts at Other Banks	To Post Office Savings Accounts
Domestic Remittance	PowerFlex Accounts (All by Electronic Transfer).....Free of Charge	Over-the-Counter ..... 600 Telephone Banking ..... 300 Internet Banking.....Free of Charge	ATM ..... 400 Over-the-Counter..... 600
	Corporate Deposit Accounts .....Free of Charge	Over-the Counter by Electronic Transfer ..... 600 Over-the Counter by Mail Transfer ..... 600	
	PowerFlex Accounts.....	2,000	
	Corporate Deposit Accounts Per Bill from Remote Area ..... 420	Urgent Service..... 840 Standard Service ..... 630	
Bills for Collection	Per Bill from Same Area .....Free of Charge	Per Bill from Same Area ..... 210	
	Withdrawals Using Shinsei Bank Cards .....Free of Charge	Withdrawals Using Institution Cards.....Free of Charge	
Check and Promissory Note Books	Promissory Note Books ..... 1 Book ( 25 Notes ) 525	Check Books..... 1 Book ( 50 Checks ) 630	
	PowerFlex Accounts .....Free of Charge	Corporate Deposit Accounts ..... 525	
Issuance of Cashier's Check			

Notes: 1. All fees are inclusive of 5% consumption tax and local consumption tax.  
2. Certain ATMs operate different hours and days of the week.

### Automatic Teller Machines (ATMs)

March 31, 2002	Number of Machines
<b>ATMs.....</b>	<b>80</b>

Note: In addition to the above, the Bank operates six ATMs in cooperation with Keihin Electric Express Railway Co., Ltd., and 3,657 ATMs in cooperation with IY Bank Co., Ltd.

## Ratios (Non-Consolidated)

### Return on Equity (ROE)

Years Ended March 31

	(%)	
	2001	2002
ROE (Core Profit Basis) .....	18.73	<b>20.74</b>
ROE (Net Business Profit Basis).....	18.68	<b>23.11</b>
ROE (Net Income Basis).....	46.79	<b>21.83</b>

Notes: 1. ROE (%) =  $\frac{\text{Core profit (or net business profit, or net income)} - \text{dividends paid on preferred stock}}{\{(\text{Total stockholders' equity at beginning of term} - \text{Number of preferred shares outstanding at beginning of term} \times \text{Issue price}) + (\text{Total stockholders' equity at end of term} - \text{Number of preferred shares outstanding at end of term} \times \text{Issue price})\} / 2} \times 100$   
 2. Core profit = Net business profit before general reserve for loan losses, including gain from money held in trust

### Income Ratios

Years Ended March 31

	(%)		
	2000	2001	2002
Net Operating Income to Total Assets.....	-	0.85	<b>0.45</b>
Net Operating Income to Stockholders' Equity.....	-	49.34	<b>13.29</b>
Net Income to Total Assets.....	0.70	0.81	<b>0.71</b>
Net Income to Stockholders' Equity.....	-	46.79	<b>21.83</b>

Notes: 1. Net operating income (or net income) to total assets (%) =  $\frac{\text{Net operating income (or net income)}}{\text{Average balance of total assets (excluding customers' liabilities for acceptances and guarantees)}} \times 100$   
 2. Net operating income (or net income) to stockholders' equity (%) =  $\frac{\text{Net operating income (or net income)} - \text{Dividends paid on preferred stock}}{\text{Average balance of stockholders' equity (excluding preferred stock* and new stock subscriptions)}} \times 100$   
 \* Preferred stock = Number of preferred shares outstanding x Issue price

### Loan-Deposit Ratio and Securities-Deposit Ratio

Years Ended March 31

	2000			2001			2002		
	Domestic Operations	Overseas Operations	Total	Domestic Operations	Overseas Operations	Total	Domestic Operations	Overseas Operations	Total
Loan-Deposit Ratio for the Year Ended ..	83.89	65.53	82.79	94.51	51.49	91.11	<b>102.34</b>	<b>52.21</b>	<b>97.91</b>
Loan-Deposit Ratio by Average Balance for the Fiscal Year .....	93.39	119.51	94.92	91.03	59.62	88.91	<b>93.03</b>	<b>46.31</b>	<b>89.09</b>
Securities-Deposit Ratio for the Year Ended.....	31.95	2.53	30.19	23.02	114.53	30.24	<b>21.66</b>	<b>106.49</b>	<b>29.17</b>
Securities-Deposit Ratio by Average Balance for the Fiscal Year .....	18.51	5.97	17.78	33.39	43.89	34.10	<b>25.30</b>	<b>105.31</b>	<b>32.04</b>

Notes: 1. Loan-deposit ratio (%) =  $\frac{\text{Loans}}{\text{Debentures} + \text{Deposits}} \times 100$   
 2. Securities-deposit ratio (%) =  $\frac{\text{Securities}}{\text{Debentures} + \text{Deposits}} \times 100$   
 3. Deposits above include negotiable certificates of deposit.

### Deposits and Loans per Employee

March 31

	2000			2001			2002		
	Domestic	Overseas	Total	Domestic	Overseas	Total	Domestic	Overseas	Total
Deposits per Employee .....	4,507	2,673	4,379	3,572	—	3,778	<b>2,593</b>	—	<b>2,765</b>
Loans per Employee .....	3,897	—	3,625	3,442	—	3,442	<b>2,707</b>	—	<b>2,707</b>

### Deposits and Loans per Office

March 31

	2000			2001			2002		
	Domestic	Overseas	Total	Domestic	Overseas	Total	Domestic	Overseas	Total
Deposits per Office.....	371,270	395,616	372,244	267,329	370,860	271,470	<b>184,654</b>	<b>318,279</b>	<b>189,603</b>
Loans per Office .....	321,030	—	308,189	257,649	—	247,343	<b>192,775</b>	—	<b>185,636</b>



## Securities (Non-Consolidated)

### Securities Classified as Trading

	(Millions of Yen)			
	2001		2002	
	Net Book Value	Gains Included in Profit/Loss	Net Book Value	Gains Included in Profit/Loss
Securities Classified as Trading .....	109,536	86	247,637	12

### Securities Classified as Held-to-Maturity with Fair Value

At March 31, 2001 and 2002, the Bank held no stocks of subsidiaries and affiliates with fair value.

### Available-for-Sale Securities with Fair Value

	(Millions of Yen)									
	2001					2002				
	Acquisition Cost	Net Book Value	Net Unrealized Gains (Losses)		Unrealized Losses	Acquisition Cost	Net Book Value	Net Unrealized Gains (Losses)		Unrealized Losses
				Unrealized Gains						
<b>Equity Securities</b> .....	1,750	1,986	235	258	22	1,904	1,887	(18)	10	27
<b>Bonds</b> .....	1,408,686	1,411,615	2,929	3,104	174	957,479	959,016	1,537	1,724	187
Japanese Government Bonds .....	1,327,850	1,329,367	1,516	1,596	79	937,098	938,413	1,315	1,489	174
Japanese Local Government Bonds .....	119	124	4	4	—	25	25	0	0	-
Japanese Corporate Bonds .....	80,715	82,123	1,408	1,503	95	20,355	20,577	221	235	13
<b>Other</b> .....	465,511	488,772	23,261	24,310	1,049	447,414	455,238	7,824	13,907	6,082
<b>Total</b> .....	1,875,948	1,902,374	26,426	27,673	1,246	1,406,798	1,416,142	9,344	15,642	6,298

Notes: 1. Other is mainly foreign bonds.

2. The net unrealized gains and losses shown above carried a deferred tax liability. For the year ended March 31, 2001, the deferred tax liability was ¥10,084 million, resulting in an amount net of tax of ¥16,342 million. For the year ended March 31, 2002, the liability was ¥3,559 million, resulting in an amount net of tax of ¥5,785 million.

3. For the year ended March 31, 2001, the net book value shown above includes a ¥15 million equivalent gain on the sale of equity securities, in accordance with the transfer date adjustment standard.

4. On March 31, 2002, the Bank recognized impairment losses of ¥10,697 million on other securities with fair value.

### Available-for-Sale Securities Sold

	(Millions of Yen)					
	2001			2002		
	Sales Amount	Gains on Sales	Losses on Sales	Sales Amount	Gains on Sales	Losses on Sales
Available-for-Sale Securities .....	4,135,707	59,356	2,838	1,274,206	9,403	6,330

### Securities with No Available Fair Value

	(Millions of Yen)	
	2001	2002
<b>Stocks of Subsidiaries and Affiliates</b>		
Subsidiaries' Stocks .....	15,864	16,369
Affiliates' Stocks .....	173	724
<b>Available-for-Sale Securities</b>		
Non-Listed Stocks (Except Over-the-Counter Stocks) .....	7,225	2,083
Non-Listed Corporate Bonds .....	146	29,106
Non-Listed Foreign Securities .....	125,244	27,413
Other .....	1,372	1,208

### Redemption Schedule on Available-for-Sale Securities with Maturities and Bonds Classified as Held-to-Maturity

	(Millions of Yen)							
	2001				2002			
	One Year or Less	One to Five Years	Five to Ten Years	More Than Ten Years	One Year or Less	One to Five Years	Five to Ten Years	More Than Ten Years
<b>Bonds</b> .....	1,372,991	26,647	11,984	139	540,670	90,616	356,690	39
Japanese Government Bonds .....	1,317,886	11,481	-	-	529,610	65,962	342,730	-
Japanese Local Government Bonds .....	94	25	5	-	17	6	4	-
Japanese Corporate Bonds .....	55,011	15,140	11,979	139	11,041	24,646	13,955	39
<b>Other</b> .....	2,745	170,247	305,687	22,602	10,927	147,853	268,780	26,336
<b>Total</b> .....	1,375,736	196,894	317,671	22,742	551,598	238,469	625,470	26,376

## Money Held in Trust (Non-Consolidated)

### Money Held in Trust Classified as Trading

March 31

(Millions of Yen)

	2001		2002	
	Net Book Value	Gains Included in Profit/Loss	Net Book Value	Gains Included in Profit/Loss
Money Held in Trust Classified as Trading .....	109,381	70	127,276	6,496

### Money Held in Trust Classified as Held-to-Maturity

At March 31, 2001 and 2002, there are no corresponding items.

### Other Money Held in Trust (Money Held in Trust that is Classified Neither as Trading Nor as Held-to-Maturity)

March 31

(Millions of Yen)

	2001					2002				
	Acquisition Cost	Net Book Value	Net Unrealized Gains (Losses)		Unrealized Losses	Acquisition Cost	Net Book Value	Net Unrealized Gains (Losses)		Unrealized Losses
Unrealized Gains			Unrealized Losses	Unrealized Gains				Unrealized Losses		
Other Money Held in Trust .....	45,257	45,257	—	—	—	3,051	3,051	—	—	—

## Net Unrealized Gains on Available-for-Sale Securities and Other Money Held in Trust (Non-Consolidated)

### Net Unrealized Gains on Available-for-Sale Securities and Other Money Held in Trust

March 31

(Millions of Yen)

	2001	2002
<b>Net Unrealized Gains on Available-for-Sale Securities and Other Money Held in Trust .....</b>	<b>26,426</b>	<b>9,344</b>
Available-for-Sale Securities .....	26,426	9,344
Other Money Held in Trust .....	—	—
<b>Deferred Tax Liabilities .....</b>	<b>(10,084)</b>	<b>(3,559)</b>
<b>Net Unrealized Gains on Valuation (Before Adjustment) .....</b>	<b>16,342</b>	<b>5,785</b>
<b>Minority Interest .....</b>	<b>—</b>	<b>—</b>
<b>Parent Company's Share in Net Unrealized Gains on Valuation of Available-for-Sale Securities Held by Affiliates</b>		
Accounted for by the Equity Method .....	—	—
<b>Net Unrealized Gains on Valuation .....</b>	<b>16,342</b>	<b>5,785</b>

## Derivative Financial Instruments (Non-Consolidated)

**Current Status** (For the Years Ended March 31, 2002)

### ● Approach for Derivatives Transactions

The Bank handles interest rate swaps, interest rate futures options, interest rate futures, currency swaps, currency options, stock price index futures and bond futures, etc.

Derivatives transactions are an effective means to control price fluctuation risk that is becoming more diversified and complex as the result of ongoing deregulation in the international financial markets and progress of financial technology. The Bank conducts transactions under an integrated risk management system sufficient to monitor and manage such risk as market risk, credit risk, liquidity risk and operational risk associated with derivatives transactions.

### ● Purpose of Derivatives Transactions

Derivatives transactions handled by the Bank are utilized for (1) customer transactions for the purpose of providing a wide variety of financial products to accommodate various customer needs, and (2) asset and liability management for the purpose of achieving stable earnings by controlling risks resulting from the Bank's assets or liabilities, and other purposes.

### ● Contents of Risks Associated with Transactions

The Bank exercises control with a major emphasis on market risk and credit risk.

To control market risk, which is the risk of incurring future losses as a result of market price fluctuation of financial products, the Bank mainly uses the Value-at-Risk (VaR) method. According to this method, the maximum VaR due to general market risk in the Bank's trading account in the year ended March 31, 2002, was ¥1.2 billion, the minimum was ¥100 million, and the average was ¥590 million. [Method

applied: Variance-covariance method, confidence interval: 2.33 standard deviations (confidence interval of 99%), holding period: 10 days]

Furthermore, credit risk, which is the risk of suffering losses when a transaction counterparty becomes unable to meet its contractual obligations due to bankruptcy, etc., is assumed within the limits of credit lines using the current exposure method and the potential exposure method. Credit risk, based on the capital adequacy ratio (domestic standard) on a consolidated basis, was ¥297.4 billion as of March 31, 2002.

### ● Risk Management System

At the Bank, integrated risk management is conducted by the Risk Management Group, which has an independent risk management function.

With regard to market risk, the Market Risk Management Division establishes basic risk management policies, procedures and other necessary rules to prevent any improper or arbitrary operations. Market risk for both banking and trading activities is measured and monitored on a daily basis and reported to management.

Regarding credit risk, transactions are executed in accordance with approval procedures for off-balance transactions established by the Risk Management Group within the limits of predetermined credit lines. Observance of the credit lines is monitored by both the front-office sections and the back-office sections. When the exposure amount evaluated based on the current market exceeds the predetermined line amount, necessary measures are taken, such as the pledging of collateral.

## Estimated Fair Value Information for Derivatives Transactions

### Interest Rate-Related Transactions

March 31

(Millions of Yen)

			2001				2002			
			Contractual Value or Notional Principal Amount		Estimated Fair Value	Unrealized Gains (Losses)	Contractual Value or Notional Principal Amount		Estimated Fair Value	Unrealized Gains (Losses)
			Maturity over One Year				Maturity over One Year			
Listed	Futures Contracts	Sold .....	2,958	—	1	1	124,750	—	(25)	(25)
		Bought .....	5,914	—	(0)	(0)	—	—	—	—
	Interest Rate Options	Sold .....	—	—	—	—	—	—	—	—
		Bought .....	—	—	—	—	—	—	—	—
Over-the-Counter	Forward Rate Agreements	Sold .....	—	—	—	—	—	—	—	—
		Bought .....	—	—	—	—	—	—	—	—
	Interest Rate Swaps	Receive Fixed and Pay Floating....	9,487,086	6,396,862	449,217	449,217	6,805,243	4,488,081	325,207	325,207
		Receive Floating and Pay Fixed....	9,407,568	6,383,577	(449,273)	(449,273)	6,806,936	4,493,116	(326,993)	(326,993)
		Receive Floating and Pay Floating	640,646	515,085	64	64	482,568	317,745	12	12
		Receive Fixed and Pay Fixed.....	11,433	9,433	(21)	(21)	20,323	20,233	(16)	(16)
	Interest Rate Options	Sold .....	642,588	551,797	(3,784)	(3,784)	560,513	469,828	(2,990)	(2,990)
		Bought .....	642,588	551,797	3,790	3,790	560,513	469,828	2,989	2,989
	Others	Sold .....	—	—	—	—	—	—	—	—
		Bought .....	—	—	—	—	—	—	—	—
<b>Total</b> .....					(6)	(6)			(1,815)	(1,815)

Note: Derivatives mentioned above were marked to market and the unrealized gains and losses were reported in the statements of income. Derivatives for which hedge accounting was adopted were excluded from the table above.

**Currency-Related Transactions**

March 31

(Millions of Yen)

		2001				2002			
		Contractual Value or Notional Principal Amount		Estimated Fair Value		Contractual Value or Notional Principal Amount		Estimated Fair Value	
		Maturity over One Year	Unrealized Gains (Losses)	Maturity over One Year	Unrealized Gains (Losses)	Maturity over One Year	Unrealized Gains (Losses)	Maturity over One Year	Unrealized Gains (Losses)
Over-the-Counter	Currency Swaps .....	1,578,715	954,537	(4,183)	(4,183)	1,014,539	558,819	(1,107)	(1,107)
	Forward Foreign Exchange Sold .....	—	—	—	—	—	—	—	—
	Bought ..	—	—	—	—	—	—	—	—
	Currency Options								
	Sold .....	—	—	—	—	—	—	—	—
	Bought ..	—	—	—	—	—	—	—	—
	Others								
	Sold .....	—	—	—	—	—	—	—	—
	Bought ..	—	—	—	—	—	—	—	—
<b>Total</b> .....				(4,183)	(4,183)			(1,107)	(1,107)

Notes: 1. The derivatives mentioned above were marked to market and the unrealized gains and losses were reported in the statements of income. Swaps for which hedge accounting was adopted and the swaps mentioned in note 2 below are excluded from the table above.  
 2. Certain swaps are accounted for on an accrual basis, in accordance with the report "Temporary Auditing Treatment for Continuous Application of the New Foreign Exchange Accounting Standard in the Banking Industry" issued by the JICPA on April 10, 2000. Contract value or notional principal of these currency swaps is as follows:

(Millions of Yen)

		2001			2002		
		Contractual Value or Notional Principal Amount	Estimated Fair Value	Unrealized Gains (Losses)	Contractual Value or Notional Principal Amount	Estimated Fair Value	Unrealized Gains (Losses)
	Currency Swaps .....	207,129	(12,665)	(12,665)	35,797	(229)	(229)

The following types of forward foreign exchange and currency options are excluded from the table above: (1) Those marked to market at the fiscal year-end and on which any unrealized gains or losses are reported in the statements of income; and (2) those involving financial assets and liabilities denominated in foreign currencies and recognized in the balance sheets. The contract value of currency derivatives which are marked to market at the balance sheet date is as follows:

(Millions of Yen)

		2001		2002	
		Contractual Value or Notional Principal Amount	Contractual Value or Notional Principal Amount	Contractual Value or Notional Principal Amount	Contractual Value or Notional Principal Amount
Listed	Currency Futures				
	Sold .....	—	—	—	—
	Bought .....	—	—	—	—
	Currency Options				
	Sold .....	—	—	—	—
	Bought .....	—	—	—	—
Over-the-Counter	Forward Foreign Exchange				
	Sold .....	214,800	199,678	214,800	199,678
	Bought .....	116,190	169,537	116,190	169,537
	Currency Options				
	Sold .....	23,156	64,855	23,156	64,855
	Bought .....	24,706	97,939	24,706	97,939
	Others				
	Sold .....	—	—	—	—
	Bought .....	—	—	—	—

**Stock-Related Transactions**

March 31

(Millions of Yen)

		2001				2002			
		Contractual Value or Notional Principal Amount		Estimated Fair Value		Contractual Value or Notional Principal Amount		Estimated Fair Value	
		Maturity over One Year	Unrealized Gains (Losses)	Maturity over One Year	Unrealized Gains (Losses)	Maturity over One Year	Unrealized Gains (Losses)	Maturity over One Year	Unrealized Gains (Losses)
Listed	Stock Price Index Futures								
	Sold .....	—	—	—	—	55	—	55	—
	Bought .....	—	—	—	—	225	—	222	(3)
	Stock Price Index Options								
	Sold .....	—	—	—	—	—	—	—	—
	Bought .....	—	—	—	—	—	—	—	—
Over-the-Counter	Equity Options								
	Sold .....	—	—	—	—	—	—	—	—
	Bought .....	—	—	—	—	—	—	—	—
	Stock Price Index Swaps								
	Stock Price Index Receivable/Interest Floating Rate Payable .....	—	—	—	—	—	—	—	—
	Stock Price Index Payable/Interest Floating Rate Receivable .....	—	—	—	—	—	—	—	—
	Others								
	Sold .....	—	—	—	—	—	—	—	—
	Bought .....	—	—	—	—	—	—	—	—
<b>Total</b> .....				—	—			277	(3)

Note: Derivatives mentioned above were marked to market and the unrealized gains and losses were reported in the statements of income. Derivatives for which hedge accounting was adopted were excluded from the table above.

## Bond-Related Transactions

March 31

(Millions of Yen)

			2001			2002					
			Contractual Value or Notional Principal Amount	Maturity over One Year	Estimated Fair Value	Unrealized Gains (Losses)	Contractual Value or Notional Principal Amount	Maturity over One Year	Estimated Fair Value	Unrealized Gains (Losses)	
Listed	Bond Futures	Sold .....	—	—	—	—	<b>63,637</b>	—	<b>(376)</b>	<b>(376)</b>	
		Bought .....	—	—	—	—	<b>60,905</b>	—	<b>486</b>	<b>486</b>	
	Bond Futures Options	Sold .....	418	—	1	1	—	—	—	—	1
		Bought .....	—	—	—	—	—	—	—	—	—
Over-the-Counter	Bond Options	Sold .....	—	—	—	—	—	—	—	—	
		Bought .....	—	—	—	—	—	—	—	—	
	Others	Sold .....	—	—	—	—	—	—	—	—	
		Bought .....	—	—	—	—	—	—	—	—	—
<b>Total .....</b>					<b>1</b>	<b>1</b>			<b>110</b>	<b>110</b>	

Note: Derivatives mentioned above were marked to market and the unrealized gains and losses were reported in the statements of income. Derivatives for which hedge accounting was adopted were excluded from the table above.

## Commodity Derivatives Transactions

The Bank had no outstanding positions arising from commodity derivatives transactions as of March 31, 2001 and 2002.

## Credit Derivatives Transactions

March 31

(Millions of Yen)

			2001			2002				
			Contractual Value or Notional Principal Amount	Maturity over One Year	Estimated Fair Value	Unrealized Gains (Losses)	Contractual Value or Notional Principal Amount	Maturity over One Year	Estimated Fair Value	Unrealized Gains (Losses)
Over-the-Counter	Credit Default Options	Sold .....	—	—	—	—	<b>41,651</b>	<b>41,651</b>	<b>(568)</b>	<b>(568)</b>
		Bought .....	—	—	—	—	<b>8,664</b>	<b>3,664</b>	<b>31</b>	<b>31</b>
	Others	Sold .....	—	—	—	—	—	—	—	—
		Bought .....	—	—	—	—	—	—	—	—
<b>Total .....</b>					—	—			<b>(537)</b>	<b>(537)</b>

Note: Derivatives mentioned above were marked to market and the unrealized gains and losses were reported in the statements of income. Derivatives for which hedge accounting was adopted were excluded from the table above.

## Progress toward Restoring Sound Management (Non-Consolidated)\*

To achieve smooth credit operations founded on a stable financial base, in March 2000 the Bank received public funds through the issuance of preferred shares. This was carried out in accordance with the Financial Function Early Strengthening Law, following review and approval by the Financial Reconstruction Commission.

The Bank is making the utmost effort to achieve the objectives set out in the *Plan for Restoring Sound Management* (the *Plan*) formulated at the time it applied for public funds, as revised in August 2001.

### Profitability

Gross business profit, including gain on money held in trust, for fiscal 2001, ended March 31, 2002, was ¥123.8 billion, up ¥23.5 billion from the year ended March 31, 2001, and exceeded the ¥114.8 billion targeted in the *Plan*, by ¥9.0 billion. This was mainly due to the improved funding and lending margin resulting in increased net interest income and increased non-interest income from investment banking business activities.

Net income was ¥60.7 billion, substantially exceeding the *Plan*'s target of ¥37.8 billion. Although this was a decrease of ¥30.6 billion from the previous year's net income of ¥91.3 billion, the previous year's total included a ¥55.0 billion gain from the sale of the equity portfolio to the Deposit Insurance Corporation of Japan (DIC). If such gain were excluded, the ¥60.7 billion in net income for fiscal 2001 would have amounted to an increase of 67.2%.

(Notes: 1. The gain from the sale of the equity portfolio to the DIC was stipulated in the Share Purchase Agreement.

2. Gross business profit is the sum of: interest income, net; fees and commissions, net; trading income, net; and other business income, net.)

### Gross Business Profit (Non-Consolidated)

	Years Ended March 31		
	(Billions of Yen)		
	2001	2002	
	Actual	Plan	Actual
Gross Business Profit .....	¥100.3	¥114.8	¥123.8

Note: Includes gain on money held in trust.

### Net Income (Non-Consolidated)

	Years Ended March 31		
	(Billions of Yen)		
	2001	2002	
	Actual	Plan	Actual
Net Income .....	¥91.3	¥37.8	¥60.7

### Progress in Rationalization of Operations

Through efforts to achieve further operational efficiency, the Bank reduced expenses to ¥65.9 billion for the year ended March 31, 2002, lower than the target of ¥67.0 billion set out in the *Plan*. Non-personnel expenses were ¥37.5 billion, lower than in the *Plan*, although higher than the year earlier by ¥4.6 billion, owing to the launch of new retail businesses and to IT-related expenses.

Personnel expenses were ¥28.4 billion, lower than in the *Plan* and the previous year, owing to the reduced number of employees, increased efficiency and the outsourcing of some operations.

### Expenses (Non-Consolidated)

	Years Ended March 31		
	(Billions of Yen)		
	2001	2002	
	Actual	Plan	Actual
Operating Expenses .....	¥61.5	¥67.0	¥65.9
Personnel Expenses .....	28.6	28.5	28.4
Non-Personnel Expenses (Including Tax) .....	32.9	38.5	37.5

### Loans to Small and Medium-Sized Enterprises (SMEs)

As of March 31, 2002, the SME loan balance was ¥2,456.9 billion (adjusted for regulatory reporting), an increase of ¥121.9 billion from March 31, 2001. Shinsei Bank received a business improvement order from the Financial Services Agency because it missed the volume target for SME loans stated in the fiscal 2000 *Plan*. The Bank recognized that clearing the target by March 31, 2002, to increase the amount of SME loans by ¥18.2 billion compared with the prior year was a management priority. The Bank established an SME Loan Committee chaired by Masamoto Yashiro, chairman and president of the Bank, and promoted SME loans actively and with the utmost effort to achieve the target. As a result, we exceeded the target by ¥103.7 billion. Furthermore, the Bank underwrote ¥2.5 billion in private bonds issued by SMEs. Including these, the Bank exceeded the target by ¥106.2 billion.

### SME Loans (Non-Consolidated)

	Years Ended March 31		
	(Billions of Yen)		
	2001	2002	
	Actual	Plan	Actual
SME Loans .....	¥2,335.0	¥2,353.2	¥2,456.9

Note: Adjusted for regulatory reporting; excludes impact loans and ¥2.5 billion in private bonds underwritten as of March 31, 2002.

\* In reporting on progress toward the *Plan for Restoring Sound Management*, figures are shown on a rounded basis, not on a truncated basis. Therefore, there are some differences between numbers on this page compared with those in the rest of this report.

## Subsidiaries and Affiliates

(As of March 31, 2002)



### Major Domestic Subsidiaries

Name	Establishment Date	Location	Main Business	Capital (Millions of Yen)	Equity Stake Held by Shinsei Bank and Consolidated Subsidiaries		
					Equity Stake Held by Shinsei Bank	Equity Stake Held by Consolidated Subsidiaries of Shinsei Bank	
Shinsei Trust & Banking Co., Ltd.	November 27, 1996	1-8, Uchisaiwai-cho 2-chome, Chiyoda-ku, Tokyo	Trust banking	5,000	100.00%	100.00%	—
Shinsei Information Technologies Co., Ltd.	August 1, 1983	13-30, Kamiosaki 2-chome, Shinagawa-ku, Tokyo	Contracted computer operations	100	100.00%	100.00%	—
Shinsei Business Services Co., Ltd.	February 1, 1985	1-8, Uchisaiwai-cho 2-chome, Chiyoda-ku, Tokyo	Office work outsourcing, temporary staff placement	54	100.00%	100.00%	—
Shinsei Real Estate Valuation Services Co., Ltd.	October 1, 1992	1-8, Uchisaiwai-cho 2-chome, Chiyoda-ku, Tokyo	Real estate valuation	50	100.00%	100.00%	—
Shinsei Card Co., Ltd.	March 16, 2000	1-8, Uchisaiwai-cho 2-chome, Chiyoda-ku, Tokyo	Credit cards	210	100.00%	100.00%	—
Shinsei Securities Co., Ltd.	August 11, 1997	6-12, Toranomon 1-chome, Minato-ku, Tokyo	Securities	5,500	100.00%	100.00%	—
Chogin Card Co., Ltd.	June 5, 1979	16-13, Nihonbashi 2-chome, Chuo-ku, Tokyo	Credit guarantees	130	100.00%	100.00%	—
Chowa Tatemono Co., Ltd.	August 11, 1997	17, Kandahigashimatsushita-cho, Chiyoda-ku, Tokyo	Real estate leasing	10	100.00%	100.00%	—
BM Finance Co., Ltd.	January 7, 1993	18-16, Shinbashi 1-chome, Minato-ku, Tokyo	Acquisition and sale of monetary claims	10	—	—	—
BM Enterprise Co., Ltd.	April 1, 1998	18-16, Shinbashi 1-chome, Minato-ku, Tokyo	Acquisition and sale of monetary claims	10	100.00%	—	100.00%
BM Asset Management Co., Ltd.	October 19, 2001	18-16, Shinbashi 1-chome, Minato-ku, Tokyo	Servicer	500	100.00%	—	100.00%
EQUION COMPANY, LIMITED	May 4, 1959	18-16, Shinbashi 1-chome, Minato-ku, Tokyo	Real estate collateral finance	200	100.00%	—	100.00%
APOLLO FINANCE CO., LTD.	February 5, 1988	2-15, Uchikanda 1-chome, Chiyoda-ku, Tokyo	Real estate collateral finance	200	100.00%	—	100.00%

### Major Overseas Subsidiary

Name	Establishment Date	Location	Main Business	Capital (Millions of U.S. Dollars)	Equity Stake Held by Shinsei Bank and Consolidated Subsidiaries		
					Equity Stake Held by Shinsei Bank	Equity Stake Held by Consolidated Subsidiaries of Shinsei Bank	
Shinsei Bank Finance N.V.	March 19, 1976	Curaçao, Netherlands Antilles	Banking	2.1	100.00%	100.00%	—

### Overseas Affiliate

Name	Establishment Date	Location	Main Business	Capital (Thousands of Pounds)	Equity Stake Held by Shinsei Bank and Consolidated Subsidiaries		
					Equity Stake Held by Shinsei Bank	Equity Stake Held by Consolidated Subsidiaries of Shinsei Bank	
BlueBay Asset Management Limited	July 3, 2001	London	Asset Management	11,922	25.00%	25.00%	—

## Capital Stock and Capital Surplus

### Outstanding Balance of Paid-in Capital

(Millions of Yen)

Date	Numbers of Shares Outstanding (Thousands)		Capital Stock		Capital Surplus		Details
	Increase/Decrease	Total after Increase	Amount of Capital Increase/Decrease	Capital Stock after Increase/Decrease	Amount of Capital Increase/Decrease	Capital Surplus after Increase/Decrease	
March 31, 1998	100,000	2,492,904	65,000	387,229	65,000	296,782	Third-party share allocation (series 2 preferred stock) Issue price: ¥1,300; amount designated as stated capital: ¥650
April 9, 1998	24,171	2,517,075	3,480	390,710	3,480	300,263	Third-party share allocation (common stock) Issue price: ¥288; amount designated as stated capital: ¥144
June 29, 1999	—	2,517,075	—	390,710	(300,263)	—	Transfer of capital surplus to deficit in accordance with a resolution of the General Meeting of Stockholders
March 2, 2000	300,000	2,817,075	60,000	450,710	60,000	60,000	Third-party share allocation (common stock) Issue price: ¥400; amount designated as stated capital: ¥200
March 31, 2000	(25,472)	2,791,603	(221,413)	229,296	221,413	281,413	Capital reduction without repayment Decrease in the stated value of common stock so that the aggregate par value of common stock outstanding does not exceed stated value: ¥(204,856) Retirement of 25,472 thousand series 2 preferred shares without repayment to stockholders: ¥(16,556)
April 1, 2000	600,000	3,391,603	222,000	451,296	18,000	299,413	Third-party share allocation (series 3 preferred stock) Issue price: ¥400; amount designated as stated capital: ¥370
June 28, 2000	—	3,391,603	—	451,296	(280,854)	18,558	Transfer of capital surplus to deficit in accordance with a resolution of the General Meeting of Stockholders

### Principal Shareholders

#### Common Stock

March 31, 2002

Name of Shareholder	Number of Shares Held (Thousands)	Percentage of Total Shares Outstanding
New LTCB Partners C.V.	2,688,535	98.94%
GGR Cayman L.P.	28,540	1.05%

Notes: 1. On October 28, 1998, the DIC acquired all the Bank's outstanding shares. On March 1, 2000, 2,417,075 thousand shares, or all outstanding ordinary stock excluding those shares below the minimum trading unit, were transferred to New LTCB Partners C.V., ending the temporary nationalization of the Bank. In addition, on March 2, 2000, New LTCB Partners C.V. acquired 300,000 thousand shares of ordinary stock newly issued by the Bank.

2. On October 24, 1998, the Bank's common stock was delisted from the Tokyo Stock Exchange.

#### Series 2 Preferred Stock

March 31, 2002

Name of Shareholder	Number of Shares Held (Thousands)	Percentage of Total Shares Outstanding
Deposit Insurance Corporation of Japan	74,528	100.00%

#### Series 3 Preferred Stock

March 31, 2002

Name of Shareholder	Number of Shares Held (Thousands)	Percentage of Total Shares Outstanding
Resolution and Collection Corporation	600,000	100.00%



## Dividends

### Per Share Information

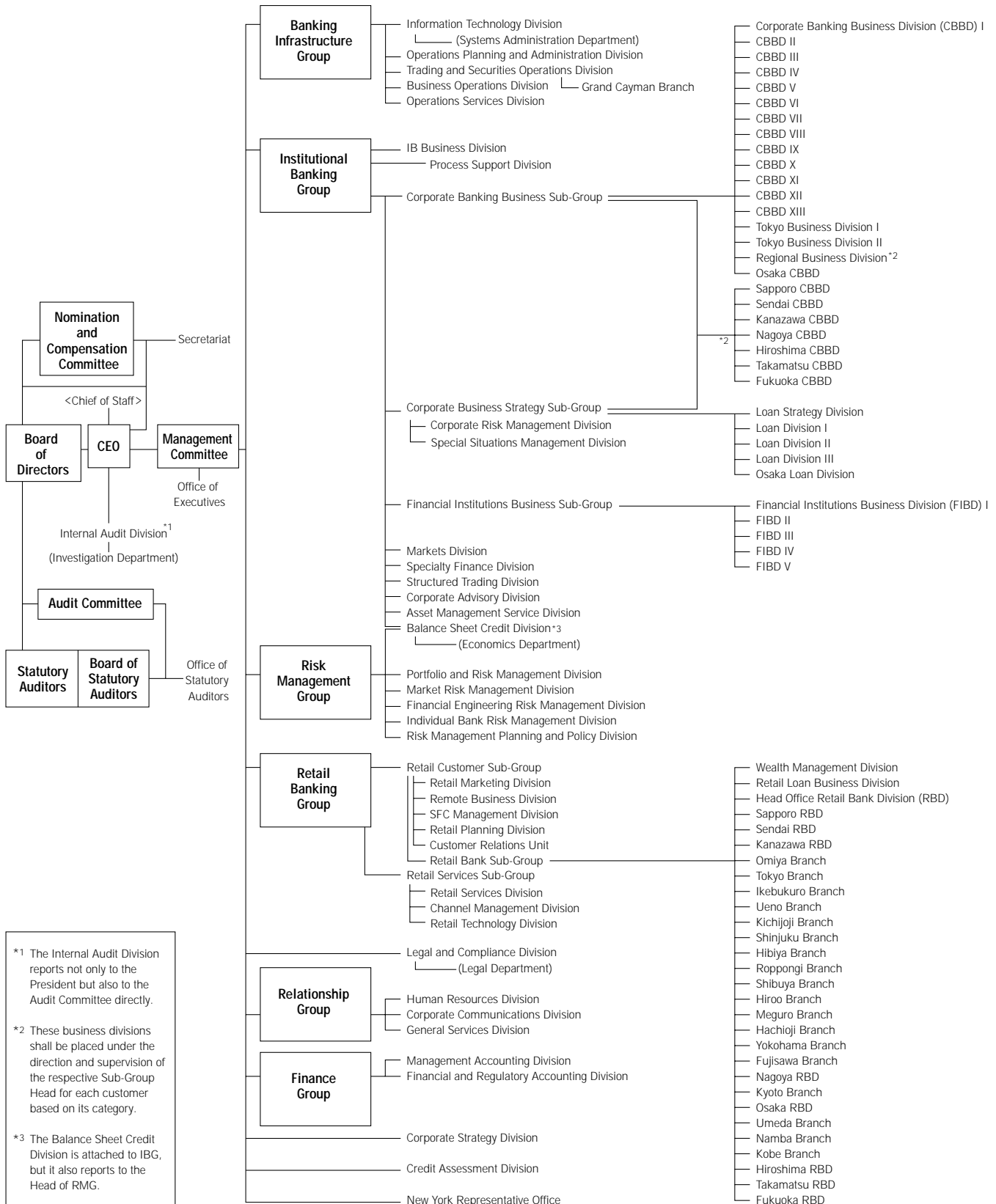
Years Ended March 31

		(Yen)				
		1998	1999	2000	2001	2002
Dividends	Common Stock .....	6.00	—	—	1.11	1.11
	Series 2 Preferred Stock.....	/	—	—	13.00	13.00
	Series 3 Preferred Stock.....	/	/	/	4.84	4.84
Net Income (Loss) .....		(117.03)	(325.65)	44.99	32.16	20.92
Total Stockholders' Equity .....		274.63	—	48.94	88.54	103.21
Payout Ratio .....		—	—	—	3.45%	5.30%

Notes: 1. Net income per share (or net loss per share) is equal to net income (or loss) minus total dividends paid on preferred shares, divided by the average number of shares outstanding during the term.  
 2. Stockholders' equity per share is equal to shareholders' equity at the end of the term minus the number of preferred shares outstanding at the end of the term times the issue price, divided by the number of shares outstanding at the end of the term.

The Bank will continue to pay dividends on preferred stock in accordance with the set terms attached to that stock. In determining the level of dividends paid on common stock, the Bank will consider a variety of factors, including profitability, outlook, financial health and capital level.

Corporate Structure (As of July 22, 2002)



\*1 The Internal Audit Division reports not only to the President but also to the Audit Committee directly.

\*2 These business divisions shall be placed under the direction and supervision of the respective Sub-Group Head for each customer based on its category.

\*3 The Balance Sheet Credit Division is attached to IBG, but it also reports to the Head of RMG.

## Management (As of June 28, 2002)

### Board of Directors and Statutory Auditors

Chairman and President	Masamoto Yashiro	
Senior Managing Director	Hidebumi Mori	
Senior Managing Director	Teruaki Yamamoto	
Director	Tadashi Ishikuro	
Director	Timothy C. Collins	CEO, Ripplewood Holdings, LLC
Director	J. Christopher Flowers	Vice Chairman, The Enstar Group, Inc.
Director	Akira Aoki	Counselor, Japan Securities Finance Co., Ltd.
Director	Takashi Imai	Chairman, Nippon Steel Corporation
Director	Minoru Makihara	Chairman, Mitsubishi Corporation
Director	Nobuaki Ogawa	Lawyer
Director	Michael J. Boskin	Professor, Stanford University
Director	Emilio Botín	Chairman, Banco Santander Central Hispano SA
Director	Donald B. Marron	Chairman, UBS America
Director	Martin G. McGuinn	Chairman and CEO, Mellon Financial Corporation
Director	David Rockefeller	
Standing Statutory Auditor	Koji Saito	
Statutory Auditor	Akira Sudo	CPA
Statutory Auditor	Makiko Yasuda	Lawyer

### Senior Advisors

Senior Advisor	Paul A. Volcker	
Senior Advisor	Vernon E. Jordan, Jr.	Managing Director, Lazard Frères & Co. LLC
Senior Advisor	John S. Reed	

### Corporate Executive Officers

CEO	Masamoto Yashiro
Senior Managing Director	Hidebumi Mori
Senior Managing Director, Institutional Banking Group	Teruaki Yamamoto
Director, Corporate Banking Business Sub-Group	Tadashi Ishikuro
CFO, Senior Corporate Executive Officer	David M. Fite
Chief of Staff, Retail Banking Group	K. Sajeeve Thomas
Banking Infrastructure Group	Dhananjaya Dvivedi
Institutional Banking Group	Brian F. Prince
Risk Management Group	Janak Raj
Relationship Group	Koichiro Nakaya
Financial Institutions Business Sub-Group	Masazumi Kato
Retail Bank Sub-Group	Satoru Katayama
Asset Management Service Division	Jun Daikuhara

## Employees (As of March 31, 2000, 2001 and 2002)

	2000	2001	2002
Number of Employees.....	2,178	2,024	2,125
Male .....	1,284	1,163	1,227
Female.....	894	861	898
Average Age.....	36 years 9 months	37 years 1 month	37 years
Average Years of Service .....	14 years 2 months	13 years 7 months	12 years 4 months
Average Monthly Salaries for March (Thousands of Yen) .....	486	499	476
Contract-Based Employees .....	98	82	64
Temporary Staff .....	9	7	8
Employees Hired Overseas.....	3	9	13

- Notes: 1. Average monthly salaries for March includes overtime payments but excludes bonuses.  
2. As of March 31, 2002, the number of employees plus employees hired overseas, less those who were seconded to other companies, was 1,879. The average age of the employees was 37 years old, the average years of service was 12 years 4 months, and the average annual salary including bonuses was ¥8,345 thousand.



For further information, please contact  
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