

Financial Summary

For the Fiscal Year Ended March 31, 2009



Shinsei Bank, Limited
(Code 8303, TSE First Section)

<u>Contents</u>	<u>Page</u>
Section 1. Consolidated Information	..... 1
<i>Results of Operations -Table 1- (Consolidated)</i>	..... 1
<i>Major Negative and Positive Items - Table 1-1- (Consolidated)</i>	..... 3
<i>Interest-Earning Assets and Interest-Bearing Liabilities -Table 2- (Consolidated)</i>	..... 4
<i>Analysis of Changes in Net Revenue on Interest-Earning Assets -Table 3- (Consolidated)</i>	..... 5
<i>Non-Interest Income -Table 4- (Consolidated)</i>	..... 6
<i>General and Administrative Expenses -Table 5- (Consolidated)</i>	..... 7
<i>Net Credit Costs -Table 6- (Consolidated)</i>	..... 8
<i>Other Gains (Losses) -Table 7- (Consolidated)</i>	..... 8
<i>Major Balance Sheet Data -Table 8- (Consolidated)</i>	..... 9
<i>Risk-Monitored Loans -Table 9- (Consolidated)</i>	..... 10
<i>Reserve for Credit Losses -Table 10- (Consolidated)</i>	..... 10
<i>Loans by Borrower Industry -Table 11- (Consolidated)</i>	..... 10
<i>Securities Being Held to Maturity with Readily Determinable Fair Value -Table 12- (Consolidated)</i>	.....11
<i>Marketable Securities, at Fair Value -Table 13- (Consolidated)</i>	.....11
<i>Hedge-Accounting Derivative Transactions -Table 14- (Consolidated)</i>	..... 12
<i>Deposits, Including Negotiable Certificates of Deposit (NCDs) -Table 15- (Consolidated)</i>	..... 12
<i>Financial Ratios -Table 16- (Consolidated)</i>	..... 13
<i>Capital Adequacy Data -Table 17- (Consolidated)</i>	..... 13
<i>Per Share Data -Table 18- (Consolidated)</i>	..... 14
<i>Business Lines Results -Table 19- (Consolidated)</i>	..... 15
<i>Institutional Group -Table 20- (Consolidated)</i>	..... 16
<i>Individual Group -Table 21- (Consolidated)</i>	..... 18
<i>Supplemental Cash Basis Financial Data and Reconciliation to Japanese GAAP Measures -Table 22-</i> <div style="text-align: right;"><i>(Consolidated)</i></div>	..... 20
<i>Consolidated Balance Sheets (Consolidated)</i>	..... 21
<i>Consolidated Statements of Operations (Consolidated)</i>	..... 23
<i>Consolidated Statements of Change in Equity (Consolidated)</i>	..... 24
<i>Consolidated Statements of Cash Flows (Consolidated)</i>	..... 26
Section 2. Non-Consolidated Information	..... 27
<i>Results of Operations -Table 23- (Non-Consolidated)</i>	..... 27
<i>Net Credit Costs -Table 24- (Non-Consolidated)</i>	..... 28
<i>Interest-Earning Assets and Interest-Bearing Liabilities -Table 25- (Non-Consolidated)</i>	..... 29
<i>Risk-Monitored Loans -Table 26- (Non-Consolidated)</i>	..... 30
<i>Loans by Borrower Industry -Table 27- (Non-Consolidated)</i>	..... 30
<i>Risk Monitored Loans by Borrower Industry -Table 28- (Non-Consolidated)</i>	..... 31

<i>Overseas and Offshore Loans by Region -Table 29- (Non-Consolidated)</i>	..... 31
<i>Risk Monitored Loans of Overseas and Offshore Loans by Region -Table 30- (Non-Consolidated)</i>	..... 32
<i>Claims Classified under the Financial Revitalization Law -Table 31- (Non-Consolidated)</i>	..... 32
<i>Coverage Ratios for Non-Performing Claims Disclosed under the Financial Revitalization Law -Table 32-</i> <i>(Non-Consolidated)</i>	..... 32
<i>Reserve for Credit Losses -Table 33- (Non-Consolidated)</i>	..... 33
<i>Reserve Ratios for Borrowers' Category -Table 34- (Non-Consolidated)</i>	..... 33
<i>Housing Loans -Table 35- (Non-Consolidated)</i>	..... 33
<i>Loans to Small- and Medium-Sized Entities -Table 36- (Non-Consolidated)</i>	..... 33
<i>Securities Being Held to Maturity with Readily Determinable Fair Value -Table 37- (Non-Consolidated)</i>	34
<i>Marketable Securities, at Fair Value -Table 38- (Non-Consolidated)</i>	..... 34
<i>Hedge-Accounting Derivative Transactions -Table 39- (Non-Consolidated)</i>	..... 34
<i>Employees' Retirement Benefit -Table 40- (Non-Consolidated)</i>	..... 35
<i>Capital Adequacy Data -Table 41- (Non-Consolidated)</i>	..... 35
<i>Non-Consolidated Balance Sheets (Unaudited) (Non-Consolidated)</i>	..... 36
<i>Non-Consolidated Statements of Operations (Unaudited) (Non-Consolidated)</i>	..... 38
<i>Non-Consolidated Statements of Changes in Equity (Unaudited) (Non-Consolidated)</i>	..... 39
<i>Section 3. Earnings Forecast -Table 42- (Consolidated and Non-Consolidated)</i>	..... 41
<i>Section 4. Exposure to U.S. Residential Mortgage, Securitized Products and Related Investments</i>	..... 42
<i>Mark-Downs and Credit Costs for U.S. Residential Mortgage Exposure -Table 43- (Consolidated)</i>	..... 42
<i>U.S. Residential Mortgage Exposure (Securities and Loans) -Table 44- (Consolidated)</i>	..... 42
<i>Balance of Securitized Products (Breakdown by Region and Type of Securities) -Table 45-</i> <i>(Non-Consolidated)</i>	..... 43
<i>Securitized Products, Recorded under "Securities" and "Other Monetary Claims Purchased"</i> <i>and OCI -Table 46- (Non-Consolidated)</i>	..... 44
<i>LBO, Monoline, SIV, ABCP, CDS -Table 47- (Non-Consolidated)</i>	..... 45
<i>Definitions -Table 48-</i>	..... 46
<i>(Appendix 1) English translation originally prepared in Japanese using the format required by</i> <i>Bank of Japan Press Club</i>	..... 47
<i>(Appendix 2) Calculation grounds of deferred tax assets</i>	..... 48

The following discussion should be read in conjunction with the consolidated and non-consolidated financial statements prepared in accordance with generally accepted accounting principles in Japan for banks. Except as otherwise indicated, the financial information in the following discussion is based on the consolidated financial statements. Financial and operational data that are stated in multiples of 0.1 billion have been truncated. All percentages have been rounded to the nearest 0.1%.

Section 1. Consolidated Information

Results of Operations⁽¹⁾ - Table 1- (Consolidated)

	<i>(Billions of yen, except percentages)</i>		
	FY2008 (12 months)	FY2007 (12 months)	% Change
Net interest income	202.9	137.7	47.3
Non-interest income	55.2	125.0	(55.8)
Net fees and commissions	26.5	40.8	(35.1)
Net trading income (loss)	(4.6)	9.0	(151.3)
Net other business income	33.3	75.0	(55.6)
Total revenue	258.2	262.7	(1.7)
General and administrative expenses	178.7	157.8	13.3
Ordinary business profit	79.4	104.9	(24.3)
Net credit costs	129.0	73.5	75.3
Amortization of goodwill and other intangible assets ⁽²⁾	17.5	12.5	40.0
Other gains (losses)	(51.8)	73.7	(170.3)
Income (loss) before income taxes and minority interests	(119.0)	92.5	(228.6)
Current income tax (benefit)	3.4	4.9	(29.3)
Deferred income tax (benefit)	7.0	9.5	(26.3)
Minority interests in net income of subsidiaries	13.5	18.0	(24.9)
Net income (loss)	(143.0)	60.1	(338.0)
Cash basis net income (loss) ⁽³⁾	(97.0)	71.3	(236.0)

(1) Represents results based on management accounting basis.

(2) In our consolidated financial statements, amortization of goodwill and other intangible assets is recorded in total general and administrative expenses from fiscal year 2006.

(3) Excludes amortization of goodwill and other intangible assets, net of tax benefit, related to the acquisition of consumer and commercial finance companies.

Note 1: Quarterly information is available in the Quarterly Data Book

Note: On September 22, 2008, we acquired GE Consumer Finance Co., Ltd. ("GE Consumer Finance") from GE Japan Holdings Corporation and have subsequently renamed the company "Shinsei Financial Co., Ltd." (Shinsei Financial). Shinsei Financial's results have been incorporated in our Results of Operations from October 1, 2008.

Shinsei Bank reported "total revenue" for the fiscal year ended March 31, 2009 (fiscal year 2008) of ¥258.2 billion, 1.7% lower than the previous fiscal year.

"Net interest income" rose to ¥202.9 billion during the current fiscal year from ¥137.7 billion in fiscal year 2007. This increase was primarily driven by ¥65.3 billion in net interest income from Shinsei Financial, which has been incorporated into our financial results from the third quarter.

"Non-interest income" decreased to ¥55.2 billion versus ¥125.0 billion in the previous year. Our "non-interest income" was impacted by a decline of ¥14.3 billion of fee and commission revenues. In addition, we incurred a net trading loss of ¥4.6 billion compared to a gain of ¥9.0 billion in the prior period. "Net other business income" decreased to

¥33.3 billion from ¥75.0 billion. Included in the "net trading loss" and "net other business income" are ¥50.7 billion in impairments of our collateralized loan obligation (CLO) portfolio, ¥27.9 billion of losses related to our holdings of European investments and asset-backed securities, ¥11.6 billion of impairments within our capital markets area, ¥11.5 billion of impairments of Japanese equities, ¥8.7 billion in losses incurred upon the bankruptcy of Lehman Brothers Holdings, Inc. (Lehman Brothers), and ¥7.0 billion of losses on other asset backed investments. These losses have been partially offset by a gain of ¥74.1 billion on the repurchase of our preferred securities and subordinated debt. Please see table 1-1 for a full breakdown of major negative and positive items contained within our fiscal year 2008 results.

"General and administrative expenses" during fiscal year 2008 were ¥178.7 billion, an increase of ¥20.9 billion compared to the prior fiscal year. This increase occurred as a result of the consolidation of expenses of Shinki Co., Ltd. ("Shinki"), which became a consolidated subsidiary from the second half of fiscal year 2007 and the inclusion of Shinsei Financial's expenses from October 1, 2008. Excluding

Shinki and Shinsei Financial's expenses, our expenses declined to ¥141.9 billion, a decrease of ¥10.4 billion from the prior period.

Our expense-to-revenue ratio of 69.2% for the fiscal year ended March 31, 2009 compares to an expense-to-revenue ratio of 60.1% in fiscal year 2007.

"Net credit costs" of ¥129.0 billion for fiscal year 2008 were ¥55.4 billion higher compared to the same period in the previous fiscal year. The increase was driven primarily by ¥20.6 billion in credit costs related to a loan to a Lehman Brothers subsidiary, ¥18.9 billion of reserves for real estate finance, ¥15.7 billion in credit costs associated with our holdings of European asset backed investments and ¥14.9 billion of credit costs within Shinsei Financial. Excluding Shinsei Financial, "net credit costs" within our consumer finance subsidiaries improved to ¥34.4 billion from ¥43.6 billion in the prior period.

"Amortization of goodwill and other intangible assets" associated with the acquisition of consumer and commercial finance companies was ¥17.5 billion for the fiscal year ended March 31, 2009 as compared with ¥12.5 billion in the previous fiscal year. The higher amounts reflect the amortization of goodwill and other intangible assets associated with our acquisition of Shinsei Financial.

"Other losses" of ¥51.8 billion largely included a ¥30.9 billion accelerated goodwill amortization in APLUS resulting from the impairment of our preferred shares investment on a non-consolidated basis, restructuring expenses of ¥20.3 billion and grey zone expenses of ¥15.0 billion at APLUS and Shinki, a ¥3.6 billion loss for litigation expenses, a ¥7.2 billion gain on the sale of the Bank's Meguro Production

Center, net of relocation and future relocation costs and a gain of ¥8.2 billion on the sale of Showa Auto Rental & Leasing. The fiscal year 2007 results include a gain of ¥61.7 billion on the sale of our headquarters building and a gain from the sale of Life Housing Loan Co, Ltd. of ¥20.3 billion, net of consolidation adjustments. In addition, the tax impact of these gains has been reflected in "income taxes (benefit)."

"Current and deferred income taxes" reflected a net expense of ¥10.4 billion compared to a net expense of ¥14.4 billion in the previous fiscal year.

"Minority interests in net income of subsidiaries" for fiscal year 2008 amounting to ¥13.5 billion largely reflected dividends paid on perpetual preferred securities and minority interests relating to APLUS' preferred shareholders as well as minority interests in other subsidiaries. Lower minority interests reflect the decline in net income generated within our subsidiaries during the current period.

The Bank recognized a consolidated "net loss" of ¥143.0 billion for fiscal year 2008, a decrease of ¥203.1 billion as compared to the same period in the previous fiscal year.

Consolidated "cash basis net loss" for fiscal year 2008 was ¥97.0 billion, a decrease of ¥168.3 billion as compared to the previous fiscal year. The "cash basis net income" is calculated by excluding amortization of goodwill and other intangible assets, net of tax benefit, from net income under Japanese generally accepted accounting principles (JGAAP).

Major Negative and Positive Items⁽¹⁾ - Table 1-1- (Consolidated)

	(Billions of yen)		
	FY2008 (12 months) (a) + (b)	4QFY2008 (3 months) (a)	1Q-3QFY2008 (9 months) (b)
[Negative Items]			
Major losses included in revenue			
Impairment of CLO portfolio ⁽²⁾	50.7	50.7	-
European ABS ⁽³⁾ /ABI ⁽⁴⁾ and European investments	27.9	3.4	24.5
Other ABS ⁽³⁾	7.0	0.7	6.2
Lehman Brothers related (bonds)	8.7	0.4	8.3
Impairment within capital markets	11.6	4.4	7.2
Impairment of Japanese equities	11.5	1.5	10.0
Others	12.6	7.0	5.5
Subtotal (i)	130.4	68.4	62.0
Major net credit costs			
European ABI ⁽⁴⁾	15.7	4.9	10.8
Other ABI ⁽⁴⁾	4.9	2.3	2.5
Lehman Brothers related (loans)	20.6	-	20.6
Real estate non-recourse finance related	18.9	5.1	13.8
Others	11.4	9.9	1.5
Subtotal (ii)	71.7	22.3	49.4
Other losses			
Accelerated goodwill amortization of APLUS	30.9	30.9	-
Restructuring related costs	20.3	18.6	1.6
Grey zone related provisions (APLUS, Shinki)	15.0	9.5	5.5
Subtotal (iii)	66.2	59.0	7.2
Total (i) + (ii) + (iii)	268.4	149.8	118.6
Negative Impact on Net Income by Each Category			
European ABS ⁽³⁾ /ABI ⁽⁴⁾ , European investments and Other ABS ⁽³⁾ /ABI ⁽⁴⁾	55.7	11.4	44.2
Impairment of CLO portfolio ⁽²⁾	50.7	50.7	-
Accelerated goodwill amortization of APLUS	30.9	30.9	-
Lehman Brothers related	29.4	0.4	29.0
Restructuring related costs	20.3	18.6	1.6
Real estate non-recourse finance related	18.9	5.1	13.8
Grey zone related provisions (APLUS, Shinki)	15.0	9.5	5.5
Impairment within capital markets	11.6	4.4	7.2
Impairment of Japanese equity	11.5	1.5	10.0
Others	24.0	16.9	7.0
Total	268.4	149.8	118.6
[Positive Items]			
Major gains included in revenue and other gains			
Gain from buy back of preferred securities and subordinated debt	74.1	49.8	24.3
Gain from the sale of Showa Auto Rental & Leasing	8.2	-	8.2
Gain from the sale of Meguro Production Center	7.2	-	7.2
Others	6.4	2.1	4.3
Total	96.1	51.9	44.1

(1) This table shows items which are considered as largely non-recurring.

(2) Impairment of CLOs was determined using market prices based on quotes provided by independent brokers rather than fair value derived through our internally developed model.

(3) Asset-backed securities

(4) Asset-backed investments

Interest-Earning Assets and Interest-Bearing Liabilities -Table 2- (Consolidated)

(Billions of yen, except percentages)

	FY2008 (12 months)			FY2007 (12 months)			1HFY2008 (6 months)		
	Average balance	Interest	Yield/rate (%)	Average balance	Interest	Yield/rate (%)	Average balance	Interest	Yield/rate (%)
Interest-earning assets ⁽¹⁾ :									
Loans and bills discounted	5,910.3	256.1	4.33	5,390.3	186.7	3.46	5,780.3	98.0	3.38
Leased assets and installment receivables ⁽¹⁾	689.0	49.2	7.15	765.6	52.1	6.81	718.4	24.3	6.76
Securities	2,535.1	37.9	1.50	2,058.7	42.7	2.08	2,531.9	20.9	1.65
Other interest-earning assets ⁽²⁾⁽³⁾	963.0	9.2	n.m. ⁽⁵⁾	988.2	12.6	n.m. ⁽⁵⁾	1,074.0	5.4	n.m. ⁽⁵⁾
Total revenue on interest-earning assets ⁽⁴⁾	10,097.5	352.7	3.49	9,202.9	294.3	3.20	10,104.8	148.7	2.94
Interest-bearing liabilities:									
Deposits, including negotiable certificates of deposit	6,195.6	52.2	0.84	5,734.4	47.9	0.84	6,117.2	25.1	0.82
Debentures	706.3	5.0	0.71	679.5	3.3	0.50	690.8	2.2	0.64
Borrowed money ⁽⁶⁾	1,135.9	17.0	1.50	1,131.7	15.2	1.35	1,132.9	8.6	1.52
Subordinated debt	107.9	1.4	1.33	108.0	1.3	1.24	108.0	0.7	1.41
Other borrowed money	1,028.0	15.5	1.51	1,023.7	13.9	1.36	1,024.9	7.8	1.54
Corporate bonds ⁽⁶⁾	351.6	11.5	3.27	425.6	15.2	3.59	409.0	7.3	3.57
Subordinated bonds	272.4	10.1	3.71	343.4	13.9	4.07	329.4	6.6	4.03
Other corporate bonds	79.2	1.3	1.76	82.1	1.3	1.59	79.6	0.6	1.65
Other interest-bearing liabilities ⁽²⁾	914.0	14.5	n.m. ⁽⁵⁾	1,094.5	22.5	n.m. ⁽⁵⁾	1,267.2	10.5	n.m. ⁽⁵⁾
Total expense on interest-bearing liabilities	9,303.7	100.4	1.08	9,065.8	104.3	1.15	9,617.4	53.9	1.12
Non interest-bearing sources of funds:									
Non interest-bearing (assets) liabilities, net	154.7	-	-	(543.1)	-	-	(203.7)	-	-
Total equity excluding minority interests in subsidiaries ⁽⁴⁾	639.1	-	-	680.2	-	-	691.1	-	-
Total interest-bearing liabilities and non interest-bearing sources of funds	10,097.5	-	-	9,202.9	-	-	10,104.8	-	-
Net interest margin ⁽¹⁾	-	-	2.41	-	-	2.05	-	-	1.82
Impact of non interest-bearing sources	-	-	0.08	-	-	0.02	-	-	0.05
Net revenue/yield on interest-earning assets ⁽¹⁾	-	252.2	2.50	-	189.9	2.06	-	94.8	1.87
Reconciliation of total revenue on interest-earning assets to total interest income:									
Total revenue on interest-earning assets	10,097.5	352.7	3.49	9,202.9	294.3	3.20	10,104.8	148.7	2.94
Less: Income on leased assets and installment receivables, net	689.0	49.2	7.15	765.6	52.1	6.81	718.4	24.3	6.76
Total interest income	9,408.5	303.4	3.22	8,437.3	242.1	2.87	9,386.4	124.4	2.64
Total interest expense	-	100.4	-	-	104.3	-	-	53.9	-
Net interest income	-	202.9	-	-	137.7	-	-	70.5	-

(1) Includes leased assets and installment receivables and related yields.

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

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

(4) Represents a simple average of the balance at the end of the current period and the balance at the end of the previous period.

(5) n.m. is not meaningful.

(6) Prior period has been adjusted to conform to current period presentation.

Note 1: Quarterly information is available in the Quarterly Data Book

“Net revenue on interest-earning assets” includes net interest income as well as revenue earned on the average balance of leased assets and installment receivables. The Bank considers income on leased assets and installment receivables to be a component of interest income, but JGAAP does not include income on leased assets and installment receivables in net interest income. Under JGAAP, therefore, income on leased assets and installment receivables is reported in “net other business income” in our consolidated statements of operations.

“Net revenue on interest-earning assets” for the fiscal year ended March 31, 2009 was ¥252.2 billion, an increase of ¥62.3 billion compared to the prior fiscal year. “Total revenue on interest-earning assets” increased by ¥58.3 billion and “total expense on interest-bearing liabilities” decreased by ¥3.9 billion in fiscal year 2008 from the previous fiscal year. The “net yield on interest-earning assets” was 2.50% in fiscal year 2008, compared with 2.06% for the prior fiscal year, an increase of 0.44%.

Analysis of Changes in Net Revenue on Interest-Earning Assets -Table 3- (Consolidated)

From the twelve months ended March 31, 2008 to the twelve months ended March 31, 2009	(Billions of yen)		
	Due to change in ⁽¹⁾		Net Change
	Volume	Rate	
Increase (decrease) in interest revenue:			
Loans and bills discounted	18.0	51.4	69.4
Leased assets and installment receivables	(5.2)	2.3	(2.8)
Securities	9.8	(14.6)	(4.7)
Other interest-earning assets	(0.3)	(3.0)	(3.4)
Total revenue on interest-earning assets			58.3
Increase (decrease) in interest expenses:			
Deposits, including negotiable certificates of deposit	3.8	0.5	4.3
Debentures	0.1	1.4	1.6
Borrowed money ⁽²⁾	0.0	1.6	1.7
Subordinated debt	(0.0)	0.0	0.0
Other borrowed money	0.0	1.5	1.6
Corporate bonds ⁽²⁾	(2.6)	(1.1)	(3.7)
Subordinated bonds	(2.8)	(0.9)	(3.8)
Other corporate bonds	(0.0)	0.1	0.0
Other interest-bearing liabilities	(3.7)	(4.2)	(7.9)
Total expense on interest-bearing liabilities			(3.9)
Net increase in net revenue on interest-earning assets			62.3
Reconciliation of total revenue on interest-earning assets to total interest income:			
Total revenue on interest-earning assets			58.3
Less: Income on leased assets and installment receivables			(2.8)
Total interest income			61.2
Total interest expenses			(3.9)
Net increase in net interest income			65.2

(1) The changes in interest income and expense for each category are divided into the portion of change attributable to the variance in volume or rate for that category. The attribution of the volume variance is calculated by multiplying the change in volume by the previous year's rate.

The attribution of the rate variance is calculated by multiplying the change in rate by the current year's balance.

(2) Prior period has been adjusted to conform to current period presentation.

The ¥58.3 billion increase in “total revenue on interest-earning assets” in fiscal year 2008 is primarily attributable to both a higher volume and rate on loans and bills discounted. The increase in average balance of loans and bills discounted was primarily the result of inclusion of consumer loans by Shinsei Financial. Shinsei Financial contributed ¥673.6 billion to the net increase in “loans and bills discounted” on a consolidated basis. Lower “leased assets and installment receivables” average volumes offset by higher rates led to ¥2.8 billion lower net revenues on these assets. Securities interest revenue decreased due

primarily to low yields on Japanese National Government bonds despite the increased average balance of these assets.

The ¥3.9 billion decrease in “total expense on interest-bearing liabilities” was primarily due to the decreased rates on “other interest-bearing liabilities” as well as decreased volumes of “subordinated bonds”. The increase in “deposits including NCD” interest expense was primarily due to an increase in the average balance to ¥6,195.6 billion from ¥5,734.4 billion.

Non-Interest Income -Table 4- (Consolidated)

	<i>(Billions of yen, except percentages)</i>		
	FY2008 (12 months)	FY2007 (12 months)	% Change
Net fees and commissions	26.5	40.8	(35.1)
Net trading income (loss)	(4.6)	9.0	(151.3)
Net other business income	33.3	75.0	(55.6)
Income on leased assets and installment receivables, net	49.2	52.1	(5.5)
Total non-interest income	55.2	125.0	(55.8)

Note 1: Quarterly information is available in the Quarterly Data Book

“Total non-interest income” for fiscal year 2008 amounted to ¥55.2 billion, a decrease of ¥69.8 billion or 55.8% compared to the previous fiscal year. This includes revenue from fees and commissions, trading and other non-interest sources, including revenue from leased assets and installment receivables.

“Net fees and commissions” mainly includes fees on non-recourse real estate finance, consumer finance related guarantees and other financing products and commissions on sales of asset management products. “Net fees and commissions” of ¥26.5 billion were earned in fiscal year 2008, a decrease of ¥14.3 billion compared to the same period of the previous year.

“Net trading income” reflects revenues from customer-driven transactions as well as transactions undertaken for trading purposes. During fiscal year 2008, “net trading income” showed a loss of ¥4.6 billion, compared to a gain of ¥9.0 billion in the same period of the previous fiscal year. The decline in the “net trading income” includes ¥3.9 billion in losses on positions related to Lehman Brothers.

“Net other business income” for fiscal year 2008 was ¥33.3 billion. This included income of ¥49.2 billion from the leased assets and installment receivables businesses of Showa Leasing, Shinsei Financial and APLUS. Excluding such income, “net other business income” for fiscal year 2008 showed a loss of ¥15.9 billion, a decrease of ¥38.8 billion from the previous fiscal year. Included in the “net other business income” are ¥50.7 billion in impairments of our CLO portfolio, ¥27.9 billion of losses related to our holdings of European investments and asset-backed securities, ¥11.6 billion of impairments within our capital markets area, ¥11.5 billion of impairments of Japanese equities, ¥4.7 billion in losses incurred upon the bankruptcy of Lehman Brothers and ¥7.0 billion of losses on other asset backed investments. These losses have been partially offset by a gain of ¥74.1 billion on the repurchase of our preferred securities and subordinated debt.

General and Administrative Expenses -Table 5- (Consolidated)

	<i>(Billions of yen, except percentages)</i>		
	FY2008 (12 months)	FY2007 (12 months)	% Change
Personnel expenses	69.0	63.6	8.5
Nonpersonnel expenses	109.7	94.2	16.5
Premises expenses	27.4	18.6	46.7
Technology and data processing expenses	24.4	21.8	12.3
Advertising expenses	12.5	9.9	25.7
Consumption and property taxes	8.2	8.4	(3.0)
Deposit insurance premium	3.8	3.4	13.3
Other general and administrative expenses	33.2	31.9	4.3
General and administrative expenses	178.7	157.8	13.3

Note 1: Quarterly information is available in the Quarterly Data Book

“General and administrative expenses” were ¥178.7 billion in fiscal year 2008, an increase of ¥20.9 billion or 13.3% compared to the previous fiscal year.

Higher expenses were incurred primarily due to the acquisition of Shinsei Financial, as well as the consolidation of Shinki’s financial results for fiscal year 2008, which for the first six months of FY2007 was accounted for as an equity method affiliate. Excluding Shinki and Shinsei Financial’s expenses, our expenses declined to ¥141.9 billion, a decrease of ¥10.4 billion or 6.8% from the prior period.

“Personnel expenses” of ¥69.0 billion were ¥5.3 billion higher than in the previous fiscal year. This was largely due to the inclusion of Shinsei Financial’s personnel expenses of ¥9.1 billion, which were partially offset by ongoing expense reductions within other areas of our business.

“Non-personnel expenses” rose to ¥109.7 billion compared

to ¥94.2 billion in the prior fiscal year mainly due to the inclusion of Shinsei Financial and Shinki’s financial results.

“Premises expenses” increased mainly due to Shinsei Financial and Shinki’s “premises expenses” and office rent for the Shinsei Bank headquarters building. “Advertising expenses” were ¥2.5 billion higher than the last fiscal year reflecting the inclusion of Shinsei Financial’s expenses offset by continued optimization of advertising activities in Individual Group businesses. “Consumption and property taxes” were ¥0.2 billion lower mainly due to the absence of property taxes caused by the sale of the Shinsei Bank headquarters building in March 2008, offset by consumption and property taxes within Shinsei Financial.

Net Credit Costs -Table 6- (Consolidated)

	<i>(Billions of yen, except percentages)</i>		
	FY2008	FY2007	%
	(12 months)	(12 months)	Change
Losses on write-off of loans/Losses on sale of loans	3.1	3.1	0.3
Net provision (reversal) of reserve for loan losses:	129.7	73.3	76.9
Net provision (reversal) of general reserve for loan losses	56.1	22.8	145.7
Net provision (reversal) of specific reserve for loan losses	73.6	50.4	45.8
Net provision (reversal) of reserve for loan losses to restructuring countries	(0.0)	0.0	(116.4)
Net provision (reversal) of specific reserve for other credit losses	(4.7)	(6.3)	25.1
Other credit costs relating to leasing business	0.8	3.4	(74.6)
Net credit costs	129.0	73.5	75.3

Note 1: Quarterly information is available in the Quarterly Data Book

We recorded “net credit costs” of ¥129.0 billion for fiscal year 2008 compared with “net credit costs” of ¥73.5 billion for fiscal year 2007. The ¥55.4 billion increase in “net credit costs” was driven by higher credit costs for a loan to a subsidiary of Lehman Brothers of ¥20.6 billion, reserves for real estate finance of ¥18.9 billion and provisions for European asset-backed investments of ¥15.7 billion. Our

consumer finance credit costs also increased by ¥5.8 compared to the prior period. This occurred primarily as a result of the inclusion of ¥14.9 billion of Shinsei Financial's credit costs and an increase of ¥5.3 billion of Shinsei Property Finance credit costs. These credit costs were largely offset by declines in credit costs within APLUS of ¥13.8 billion.

Other Gains (Losses) -Table 7- (Consolidated)

	<i>(Billions of yen, except percentages)</i>		
	FY2008	FY2007	%
	(12 months)	(12 months)	Change
Extraordinary income (loss)	(30.8)	81.3	(137.9)
Net gain on disposal of premises and equipment	8.7	66.1	(86.7)
Provision for loss on disposition of premises and equipment	(3.9)	(5.0)	22.4
Recoveries of written-off claims	5.7	1.0	447.7
Gain on sale of subsidiary's stock	8.2	20.3	(59.6)
Other extraordinary income (loss)	(49.7)	(1.2)	(3,950.7)
Other	(21.0)	(7.5)	(177.3)
Other Gains (Losses)	(51.8)	73.7	(170.3)

“Other losses” of ¥51.8 billion largely included a ¥30.9 billion accelerated goodwill amortization in APLUS resulting from our impairment of preferred shares investment on a non-consolidated basis, restructuring expenses of ¥20.3 billion and grey zone expenses of ¥15.0 billion at APLUS and Shinki, a ¥3.6 billion loss for litigation expenses, a ¥7.2 billion gain on the sale of the Bank's Meguro Production

Center, net of relocation and future relocation costs and a gain of ¥8.2 billion on the sale of Showa Auto Rental & Leasing. The fiscal year 2007 results include a gain of ¥61.7 billion on the sale of our headquarters building and a gain from the sale of Life Housing Loan Co, Ltd. of ¥20.3 billion, net of consolidation adjustments.

Major Balance Sheet Data -Table 8- (Consolidated)

	(Billions of yen)				
	March 31 2009 (a)	March 31 2008 (b)	Change (a)-(b)	September 30 2008 (c)	Change (a)-(c)
Other monetary claims purchased	408.0	468.8	(60.8)	454.6	(46.6)
Monetary assets held in trust	348.8	371.5	(22.7)	377.2	(28.4)
Securities	2,174.1	1,980.2	193.9	1,994.3	179.8
Loans and bills discounted	5,876.9	5,622.2	254.7	6,579.7	(702.8)
Lease receivables and leased investment assets	232.5			252.6	(20.1)
Other assets	1,125.7	1,100.1	25.6	1,109.7	16.0
Installment receivables	404.7	421.8	(17.1)	420.6	(15.9)
Premises and equipment	50.9	305.7	(254.8)	53.7	(2.8)
Tangible leased assets	10.8	264.9	(254.1)	11.6	(0.8)
Intangible assets	209.1	233.1	(24.0)	228.5	(19.4)
Goodwill, net	132.9	142.2	(9.3)	146.5	(13.6)
Other intangible assets ⁽¹⁾	44.7	23.6	21.1	48.8	(4.1)
Intangible leased assets	0.7	39.6	(38.9)	1.5	(0.8)
Customers' liabilities for acceptances and guarantees	675.2	701.7	(26.5)	695.5	(20.3)
Reserve for credit losses	(192.5)	(145.9)	(46.6)	(135.1)	(57.4)
Total assets	11,949.1	11,525.7	423.4	12,446.2	(497.1)
Deposits and negotiable certificates of deposit	6,272.1	5,806.6	465.5	6,415.6	(143.5)
Debentures	675.5	662.4	13.1	748.2	(72.7)
Borrowed money	1,012.3	1,127.2	(114.9)	1,062.7	(50.4)
Corporate bonds	266.4	426.2	(159.8)	407.4	(141.0)
Other liabilities	819.9	708.7	111.2	669.3	150.6
Reserve for losses on interest repayments	193.8	39.3	154.5	256.2	(62.4)
Acceptances and guarantees	675.2	701.7	(26.5)	695.5	(20.3)
Total liabilities	11,181.7	10,560.5	621.2	11,527.8	(346.1)
Total equity	767.4	965.2	(197.8)	918.4	(151.0)

(1) Intangible assets recorded through consolidation of Shinsei Financial, APLUS, Showa Leasing and Shinki.

Note 1: Quarterly information is available in the Quarterly Data Book

Shinsei Bank's "loans and bills discounted" balance was ¥5,876.9 billion as at March 31, 2009 as compared to ¥5,622.2 billion as at March 31, 2008. Loan growth in fiscal year 2008 was largely due to the acquisition of Shinsei Financial on September 22, 2008. Loans at Shinsei Financial totaled ¥673.6 billion at March 31, 2009. In addition to the increase in consumer finance loans, loans to retail customers, including lending to high net worth individuals, grew 7.1% or ¥64.1 billion to ¥971.5 billion. Corporate loans decreased 11.6% to ¥2,526.0 billion and the non-recourse real estate loan balance decreased 7.3% to ¥644.8 billion. Excluding non-recourse real estate loans, loans to the real estate industry decreased by approximately

40% during the fiscal year 2008. "Securities" balance as of March 31, 2009 amounted to ¥2,174.1 billion as compared to ¥1,980.2 billion as of March 31, 2008.

Shinsei Bank continues to strengthen its funding base through deposits from retail customers. Total "deposits and negotiable certificate of deposit" increased ¥465.5 billion or 8.0% from March 31, 2008 to ¥6,272.1 billion in fiscal year 2008. The retail deposits balance, including high net worth customers, totaled ¥5,073.0 billion at March 31, 2009, an increase of ¥1,079.2 billion compared to March 31, 2008. Retail Banking represents 77.5% of the Bank's total funding through customer deposits and "debentures".

Risk-Monitored Loans -Table 9- (Consolidated)

(Billions of yen, except percentages)

	March 31 2009 (a)	March 31 2008 (b)	Change (a)-(b)	September 30 2008 (c)	Change (a)-(c)
Loans to bankrupt obligors	39.5	2.1	37.3	26.4	13.0
Non-accrual delinquent loans	178.5	42.5	136.0	64.8	113.6
Loans past due for three months or more	5.9	4.7	1.1	1.5	4.3
Restructured loans	59.6	54.9	4.6	73.4	(13.7)
Total (A)	283.6	104.4	179.2	166.2	117.3
Loans and bills discounted (B)	5,876.9	5,622.2	254.6	6,579.7	(702.7)
Ratio to total loans and bills discounted (A / B)	4.83%	1.86%	2.97%	2.53%	2.3%
Reserve for credit losses (C)	192.5	145.9	46.5	135.1	57.3
Reserve ratio (C / A)	67.9%	139.7%	(71.9%)	81.3%	(13.4%)

Note 1: Quarterly information is available in the Quarterly Data Book

Reserve for Credit Losses -Table 10- (Consolidated)

(Billions of yen)

	March 31 2009 (a)	March 31 2008 (b)	Change (a)-(b)	September 30 2008 (c)	Change (a)-(c)
General reserve for loan losses	105.6	96.6	8.9	82.0	23.5
Specific reserve for loan losses	86.8	49.3	37.5	53.0	33.7
Reserve for loans to restructuring countries	0.0	0.0	0.0	0.0	0.0
Total reserve for credit losses	192.5	145.9	46.5	135.1	57.3

Loans by Borrower Industry -Table 11- (Consolidated)

(Billions of yen)

	March 31 2009 (a)	March 31 2008 (b)	Change (a)-(b)	September 30 2008 (c)	Change (a)-(c)
Domestic offices (excluding Japan offshore market account):					
Manufacturing	243.1	191.8	51.3	224.0	19.1
Agriculture	0.0	0.0	(0.0)	0.0	(0.0)
Forestry	-	-	-	-	-
Fishery	2.7	2.9	(0.2)	2.8	(0.1)
Mining	3.6	4.5	(0.9)	4.6	(0.9)
Construction	13.0	20.4	(7.4)	15.3	(2.2)
Electric power, gas, heat supply and water supply	45.4	74.6	(29.2)	66.8	(21.3)
Information and communications	48.1	50.0	(1.9)	47.5	0.6
Transportation	336.9	379.4	(42.5)	362.9	(26.0)
Wholesale and retail	132.1	138.0	(5.8)	129.0	3.1
Finance and insurance	1,152.7	1,248.0	(95.3)	1,179.9	(27.2)
Real estate	1,011.3	1,295.1	(283.8)	1,270.0	(258.7)
Services	332.7	374.0	(41.3)	373.2	(40.4)
Local government	156.5	118.1	38.3	301.1	(144.6)
Others	2,280.8	1,597.9	682.9	2,460.9	(180.0)
Loans to individual customers (retail banking, Shinsei Financial, APLUS and Shinki)	1,887.6	1,174.7	712.8	2,008.6	(121.0)
Total domestic (A)	5,759.5	5,495.3	264.1	6,438.5	(678.9)
Overseas offices (including Japan offshore market accounts):					
Governments	1.4	1.1	0.2	1.2	0.2
Financial institutions	-	-	-	-	-
Others	115.8	125.6	(9.8)	139.8	(24.0)
Total overseas (B)	117.3	126.8	(9.5)	141.1	(23.8)
Total (A+B)	5,876.9	5,622.2	254.6	6,579.7	(702.7)

Securities Being Held to Maturity with Readily Determinable Fair Value -Table 12- (Consolidated)

(Billions of yen)

	March 31, 2009			March 31, 2008			September 30, 2008		
	Book Value	Fair Value	Difference	Book Value	Fair Value	Difference	Book Value	Fair Value	Difference
Japanese national government bonds	229.1	231.0	1.8	304.3	306.1	1.8	244.2	244.9	0.7
Japanese corporate bonds	75.2	76.6	1.3	75.1	76.5	1.3	75.2	75.8	0.6
Other	58.2	51.5	(6.6)	11.0	12.3	1.3	11.5	12.6	1.1
Total	362.6	359.2	(3.4)	390.4	395.0	4.5	330.9	333.4	2.5

Note: Among the securities that were previously classified as available-for-sale, a part of the foreign bonds with high credit ratings was reclassified to held-to-maturity securities on October 1, 2008 by the fair value of ¥102.6 billion as of that date, in accordance with "Tentative Solution on Reclassification of Debt Securities" (December 5, 2008, Practical Issue Task Force No.26).

However, under the situation where impairment of ¥50.7 billion was recognized for a part of the securities reclassified to held-to-maturity securities as of March 31, 2009 with the worsened credit risk, the remaining value after the impairment of ¥19.6 billion for those securities was reclassified again from held-to-maturity to available-for-sale securities.

Marketable Securities, at Fair Value -Table 13- (Consolidated)

(Billions of yen)

	March 31, 2009				March 31, 2008				September 30, 2008			
	Net unrealized gain (loss) (a) - (b)				Net unrealized gain (loss) (a) - (b)				Net unrealized gain (loss) (a) - (b)			
	Fair value	Net	Gross unrealized gains (a)	Gross unrealized losses (b)	Fair value	Net	Gross unrealized gains (a)	Gross unrealized losses (b)	Fair value	Net	Gross unrealized gains (a)	Gross unrealized losses (b)
Equity securities	15.0	(3.4)	0.4	3.9	19.1	(3.1)	1.0	4.2	17.2	(4.8)	0.7	5.6
Bonds	1,011.9	(0.7)	1.2	1.9	544.9	(3.4)	1.0	4.4	668.9	(5.3)	0.4	5.7
Japanese national government bonds	975.0	0.3	1.0	0.7	341.0	(3.7)	0.3	4.1	553.0	(4.8)	0.2	5.1
Japanese local government bonds	1.7	0.0	0.0	-	2.2	0.0	0.0	-	1.7	0.0	0.0	-
Japanese corporate bonds	35.0	(1.1)	0.1	1.2	201.6	0.3	0.6	0.3	114.2	(0.4)	0.1	0.5
Other	273.1	(25.9)	1.9	27.8	491.5	(28.6)	8.4	37.1	414.5	(48.4)	5.8	54.3
Foreign securities	272.2	(25.9)	1.9	27.8	487.9	(28.8)	8.2	37.1	411.3	(48.3)	5.8	54.2
Foreign currency denominated foreign corporate and government bonds	136.3	(12.5)	0.3	12.9	329.2	(32.2)	1.0	33.2	258.1	(47.3)	0.1	47.5
Yen-denominated foreign corporate and government bonds	123.7	(14.6)	-	14.6	139.2	(3.6)	0.0	3.7	135.8	(6.6)	-	6.6
Foreign equity securities	6.6	0.9	1.2	0.3	12.8	6.9	6.9	-	11.6	5.4	5.4	-
Other securities	0.9	-	-	-	3.5	0.2	0.2	0.0	3.2	(0.1)	0.0	0.1
Total	1,300.0	(30.1)	3.6	33.7	1,055.6	(35.2)	10.6	45.8	1,100.7	(58.6)	7.1	65.7

Note: Among the securities that were previously classified as available-for-sale, a part of the foreign bonds with high credit ratings was reclassified to held-to-maturity securities on October 1, 2008 by the fair value of ¥102.6 billion yen as of that date, in accordance with "Tentative Solution on Reclassification of Debt Securities" (December 5, 2008, Practical Issue Task Force No.26). This reclassification was pursuant to the change in the investment policy based on the judgment that it has been difficult to sell these securities at their fair values under the extremely illiquid market conditions for a lengthy period of time.

However, under the situation where impairment of ¥50.7 billion was recognized for a part of the securities reclassified to held-to-maturity securities as of March 31, 2009 with the worsened credit risk, the remaining value after the impairment of ¥19.6 billion for those securities was reclassified again from held-to-maturity to available-for-sale securities.

As a result, the foreign bonds that were reclassified to held-to-maturity as of October 1, 2008, and are accounted for as held-to-maturity as of March 31, 2009 are as follows:

Securities reclassified from "available-for-sale" to "held to maturity" (as of March 31, 2009)

(Billions of yen)

	Fair value	Book Value	Net unrealized gain (loss)
Other (foreign debt securities)	38.7	47.3	(8.4)

Hedge-Accounting Derivative Transactions -Table 14- (Consolidated)

Notional Principal Amount (Consolidated)	(Billions of yen)			
	March 31, 2009			
	1 year or less	Over 1 year to 5 years	Over 5 years	Total
Interest rate swaps:				
Receive fixed and pay floating	4.1	362.1	131.1	497.4
Receive floating and pay fixed	85.9	270.6	259.9	616.4
Receive floating and pay floating	-	-	-	-
Total notional principal amount	90	632.8	391	1113.9
Currency swaps	288.8	189.3	270.1	748.3
Total notional principal amount	288.8	189.3	270.1	748.3

Deposits, Including Negotiable Certificates of Deposit (NCDs) -Table 15- (Consolidated)

	(Billions of yen)				
	March 31 2009 (a)	March 31 2008 (b)	Change (a)-(b)	September 30 2008 (c)	Change (a)-(c)
Deposits	6,012.4	5,229.4	783.0	5,671.1	341.3
Liquid (current, ordinary, note) deposits	1,315.0	1,421.3	(106.3)	1,375.7	(60.7)
Time deposits	4,435.7	3,523.7	912.0	4,054.9	380.8
Other	261.6	284.3	(22.7)	240.4	21.2
Negotiable certificates of deposits (NCDs)	259.6	577.1	(317.5)	744.4	(484.8)
Total	6,272.1	5,806.6	465.5	6,415.6	(143.5)

Note 1: Quarterly information is available in the Quarterly Data Book

Financial Ratios -Table 16- (Consolidated)

	FY2008 (12 months)	FY2007 (12 months)	1HFY2008 (6 months)
Return on assets ⁽¹⁾	(1.2)%	0.5%	(0.3)%
Return on equity ⁽²⁾	(22.4)%	10.4%	(5.6)%
Return on equity (fully diluted) ⁽³⁾	(22.4)%	8.8%	(5.6)%
Cash basis return on assets ⁽¹⁾	(0.8)%	0.6%	(0.2)%
Cash basis return on equity ⁽²⁾	(15.2)%	12.4%	(4.1)%
Cash basis return on equity (fully diluted) ⁽³⁾	(15.2)%	10.5%	(4.1)%
Expense-to-revenue ratio ^{(4) (5)}	69.2%	60.1%	75.0%

(1) Return on assets:

$$\frac{\text{Net income}}{(\text{Total assets at the BOP} + \text{Total assets at the EOP}) / 2}$$

BOP: beginning of period
EOP: end of period

For the calculation of cash basis return on assets, goodwill and other intangibles are excluded from the amount of total assets.

(2) Return on equity:

$$\frac{\text{Net income} - \text{dividends on preferred shares}}{(\text{Total equity eligible for common shareholders at the BOP} + \text{Total equity eligible for common shareholders at the EOP}) / 2}$$

(3) Return on equity (fully diluted):

$$\frac{\text{Net income}}{((\text{Total equity at the BOP} - \text{Share warrants at the BOP} - \text{Minority interests at the BOP}) + (\text{Total equity at the EOP} - \text{Share warrants at the EOP} - \text{Minority interests at the EOP})) / 2}$$

(4) Management accounting basis.

(5) Expense denotes general and administrative expenses.

Note 1: Quarterly information is available in the Quarterly Data Book

Capital Adequacy Data -Table 17- (Consolidated)

	<i>(Billions of yen, except percentages)</i>				
	March 31 2009 (a)	March 31 2008 (b)	Change (a)-(b)	September 30 2008 (c)	Change (a)-(c)
Basic items (Tier I)	580.0	679.7	(99.7)	613.6	(33.6)
Amount eligible for inclusion in capital (Tier II)	327.3	530.2	(202.9)	499.8	(172.5)
General reserve for loan losses	13.0	5.7	7.2	13.8	(0.7)
Perpetual/non-perpetual preferred stocks and Perpetual/non-perpetual subordinated debt and bonds	314.2	529.2	(214.9)	513.1	(198.9)
Amount net eligible for inclusion in capital	—	(4.7)	4.7	(27.2)	27.2
Deduction	(103.9)	(128.0)	24.1	(110.8)	6.9
Total capital ⁽²⁾	803.4	1,081.9	(278.5)	1,002.6	(199.2)
Risk assets	9,621.0	9,212.5	408.4	9,558.9	62.0
Total capital adequacy ratio	8.35%	11.74%	—	10.48%	—
Tier I capital ratio	6.02%	7.37%	—	6.41%	—

(1) Calculated by new standard (Basel II, F-IRB). And also calculated in accordance with FSA Notification Number 79 issued in December 2008 (special treatment of FSA Notification Number 19 issued in 2006) regarding figures of March 31, 2009. As a result, ¥38.8 billion of net unrealized losses on securities available-for-sale, net of taxes as of March 31, 2009 is not included in BIS capital.

(2) Consolidated total required capital is ¥682.6 billion as at March 31, 2009, ¥683.6 billion as at March 31, 2008, and ¥703.8 billion as at September 30, 2008.

Note 1: Quarterly information is available in the Quarterly Data Book

Per Share Data -Table 18- (Consolidated)

(Yen, except percentages)

	FY2008 (12 months)	FY2007 (12 months)	% Change	1HFY2008 (6 months)	% Change
Common equity	284.95	364.35	(21.8)	338.12	(15.7)
Fully diluted equity	284.95	364.35	(21.8)	338.12	(15.7)
Basic net income (loss)	(72.85)	38.98	(286.9)	(9.81)	642.0
Diluted net income (loss)	(72.85)	32.44	(324.5)	(9.81)	642.0
Cash basis:					
Basic net income (loss)	(49.39)	46.31	(206.7)	(7.28)	578.1
Diluted net income (loss)	(49.39)	38.50	(228.3)	(7.28)	578.1
For calculation of per share data (excluding treasury shares):					
Equity:					
Number of common shares ⁽¹⁾	1,963,919,853	1,963,910,456		1,963,922,463	
Fully diluted number of shares ⁽¹⁾	1,963,919,853	1,963,910,456		1,963,922,463	
Net income:					
Number of common shares ⁽²⁾	1,963,916,133	1,529,530,977		1,963,911,372	
Fully diluted number of shares ⁽²⁾	1,963,916,133	1,852,346,309		1,963,911,372	

(1) Outstanding shares at the end of the respective periods.

(2) Weighted average number of outstanding shares during the respective period.

Note 1: Quarterly information is available in the Quarterly Data Book

“Diluted net loss per share” for fiscal year 2008 was ¥72.85 yen. “Cash basis diluted net loss per share” for fiscal year 2008 was ¥49.39 yen, a decline of 228.3%, as compared to the same period last year.

Business Lines Results -Table 19- (Consolidated)

	<i>(Billions of yen, except percentages)</i>		
	FY2008 (12 months)	FY2007 ⁽²⁾ (12 months)	% Change
Institutional Group:			
Net interest income	44.6	49.5	(9.8)
Non-interest income	(74.0)	68.2	(208.4)
Total revenue	(29.3)	117.7	(124.9)
General and administrative expenses	57.8	63.3	(8.6)
Ordinary business profit (loss)	(87.2)	54.4	(260.1)
Net credit costs	80.8	28.3	185.5
Ordinary business profit (loss) after net credit costs	(168.0)	26.1	(743.0)
Individual Group:			
Net interest income	152.8	80.8	89.0
Non-interest income	50.7	54.6	(7.2)
Total revenue	203.5	135.5	50.1
General and administrative expenses	120.1	93.1	28.9
Ordinary business profit	83.3	42.3	96.8
Net credit costs	49.5	43.9	12.7
Ordinary business profit (loss) after net credit costs	33.8	(1.5)	2,226.2
Corporate/Other⁽¹⁾:			
Net interest income	5.5	7.3	(25.1)
Non-interest income	78.5	2.0	3,696.1
Total revenue	84.0	9.4	789.5
General and administrative expenses	0.7	1.3	(42.2)
Ordinary business profit	83.2	8.1	926.1
Net credit costs (recoveries)	(1.3)	1.3	(201.7)
Ordinary business profit after net credit costs (recoveries)	84.6	6.7	1,145.3
Total:			
Net interest income	202.9	137.7	47.3
Non-interest income	55.2	125.0	(55.8)
Total revenue	258.2	262.7	(1.7)
General and administrative expenses	178.7	157.8	13.3
Ordinary business profit	79.4	104.9	(24.3)
Net credit costs	129.0	73.5	75.3
Ordinary business profit (loss) after net credit costs	(49.6)	31.3	(258.3)

(1) Corporate/Other largely includes results of equity and sub-debt finance activities, corporate level expenses and credit costs.

(2) Prior period has been adjusted to conform to current period presentation.

Note 1: Quarterly information is available in the Quarterly Data Book

Institutional Group⁽¹⁾ -Table 20- (Consolidated)

	<i>(Billions of yen, except percentages)</i>		
	FY2008 (12 months)	FY2007 ⁽³⁾ (12 months)	% Change
Institutional Banking ⁽²⁾ :			
Net interest income	49.7	55.8	(10.9)
Non-interest income	(100.1)	36.1	(377.5)
Total revenue	(50.4)	91.9	(154.9)
General and administrative expenses	46.9	50.5	(7.0)
Ordinary business profit (loss)	(97.4)	41.4	(335.2)
Net credit costs	72.7	19.6	271.1
Ordinary business profit (loss) after net credit costs	(170.1)	21.8	(880.4)
Showa Leasing:			
Net interest income	(5.0)	(6.2)	19.1
Non-interest income	26.1	32.1	(18.6)
Total revenue	21.0	25.8	(18.5)
General and administrative expenses	10.8	12.8	(15.1)
Ordinary business profit	10.1	13.0	(21.9)
Net credit costs	8.1	8.7	(7.1)
Ordinary business profit after net credit costs	2.0	4.3	(51.6)
Institutional Group:			
Net interest income	44.6	49.5	(9.8)
Non-interest income	(74.0)	68.2	(208.4)
Total revenue	(29.3)	117.7	(124.9)
General and administrative expenses	57.8	63.3	(8.6)
Ordinary business profit (loss)	(87.2)	54.4	(260.1)
Net credit costs	80.8	28.3	185.5
Ordinary business profit (loss) after net credit costs	(168.0)	26.1	(743.0)

(1) Net of consolidation adjustments, if applicable.

(2) Represents "Institutional Group excluding Showa Leasing."

(3) Prior period has been adjusted to conform to current period presentation.

Note 1: Quarterly information is available in the Quarterly Data Book

The Institutional Group consists of the Institutional Banking business and Showa Leasing. Our Institutional Banking business continues to be impacted by the global markets turmoil.

The Institutional Banking business recorded "total revenue" of negative ¥50.4 billion in fiscal year 2008. This is ¥142.3 billion, or 154.9%, lower than last fiscal year. Our non-recourse real estate finance business generated revenue of ¥21.7 billion, an increase of ¥2.4 billion compared to last fiscal year. Basic Banking and Credit Trading generated total revenues of ¥13.8 billion and ¥11.5 billion respectively in fiscal year 2008, below the ¥16.4 billion and ¥22.0 billion generated in the previous year. Foreign exchange, derivatives and equity-related transactions showed a loss of ¥19.4 billion from the ¥12.6 billion revenue recorded in the previous fiscal year. This includes ¥3.9 billion of Lehman bond and swap losses. Our principal investments business generated a loss of ¥13.8 billion, ¥25.3 billion lower than in the prior year, reflecting ¥20.7

billion of losses on our private equity investments, including ¥12.6 billion of losses on European investments. Securitization recognized a loss of ¥11.9 billion during fiscal year 2008 as compared to revenue of ¥0.5 billion during the prior period. Our securitization loss includes losses of ¥15.3 billion on European asset-backed investments and asset-backed securities. Our "Other Capital Markets" businesses generated a loss of ¥61.1 billion for the current period, compared to revenue of ¥1.2 billion in the prior period. This includes impairments of ¥50.7 billion on our CLO portfolio and a loss of ¥4.7 billion related to Lehman Brothers bonds.

In fiscal year 2008, Institutional Banking "general and administrative expenses" were ¥46.9 billion, a ¥3.5 billion decrease from the previous fiscal year. The decrease was largely due to stricter cost controls and cost reduction measures put in place across the business.

"Ordinary business loss" for fiscal year 2008 was ¥97.4 billion, compared to an "ordinary business profit" of ¥41.4

billion in the prior period. The increase in “net credit costs” to ¥72.7 billion from ¥19.6 billion in the prior period was primarily driven by ¥20.6 billion of credit costs related to a loan to a subsidiary of Lehman Brothers, ¥18.9 billion of credit costs related to our real estate portfolio and ¥15.7 billion of credit costs related to our holdings of European asset backed investments. As a result, Institutional Banking showed an “ordinary business loss after net credit costs” of

¥170.1 billion for fiscal year 2008, compared to an “ordinary business profit after net credit costs” of ¥21.8 billion in the prior period.

Showa Leasing’s “ordinary business profit after net credit costs” declined to ¥2.0 billion for fiscal year 2008 from ¥4.3 billion in the prior fiscal year, reflecting lower revenues largely offset by lower expenses and credit costs.

Individual Group - Table 21- (Consolidated)

	(Billions of yen, except percentages)		
	FY2008 (12 months)	FY2007 ⁽³⁾ (12 months)	% Change
Retail Banking:			
Net interest income	28.4	21.0	35.6
Non-interest income	11.1	13.0	(14.7)
Total revenue	39.6	34.0	16.3
General and administrative expenses	37.3	40.1	(7.0)
Ordinary business profit (loss)	2.3	(6.0)	138.1
Net credit costs	0.0	0.3	(71.0)
Ordinary business profit (loss) after net credit costs	2.2	(6.3)	134.6
(Reference) Revenue from structured deposits	7.0	5.7	22.0
Shinsei Financial:			
Net interest income	65.3	 	
Non-interest income	(0.3)	 	
Total revenue	64.9	 	
General and administrative expenses	26.6	 	
Ordinary business profit	38.3	 	
Net credit costs	14.9	 	
Ordinary business profit after net credit costs	23.3	 	
APLUS:			
Net interest income	34.2	41.8	(18.0)
Non-interest income	40.6	48.2	(15.6)
Total revenue	74.9	90.0	(16.7)
General and administrative expenses	43.3	45.1	(4.1)
Ordinary business profit	31.6	44.8	(29.5)
Net credit costs	24.3	38.2	(36.3)
Ordinary business profit after net credit costs	7.2	6.6	9.6
Shinki:			
Net interest income	21.0	13.7	52.8
Non-interest income	(1.2)	(7.4)	83.1
Total revenue	19.7	6.3	211.0
General and administrative expenses	10.8	5.6	92.5
Ordinary business profit	8.9	0.7	1,142.9
Net credit costs	3.9	4.5	(14.2)
Ordinary business profit (loss) after net credit costs	4.9	(3.8)	229.1
Other Subsidiaries⁽²⁾:			
Net interest income	3.6	4.2	(14.8)
Non-interest income	0.5	0.8	(33.1)
Total revenue	4.1	5.0	(17.7)
General and administrative expenses	1.9	2.2	(11.7)
Ordinary business profit	2.1	2.8	(22.5)
Net credit costs	6.1	0.8	651.1
Ordinary business profit (loss) after net credit costs	(3.9)	2.0	(297.4)
Total Individual Group:			
Net interest income	152.8	80.8	89.0
Non-interest income	50.7	54.6	(7.2)
Total revenue	203.5	135.5	50.1
General and administrative expenses	120.1	93.1	28.9
Ordinary business profit	83.3	42.3	96.8
Net credit costs	49.5	43.9	12.7
Ordinary business profit (loss) after net credit costs	33.8	(1.5)	2,227.8

(1) Net of consolidation adjustments, if applicable.

(2) Includes Shinsei Property Finance and unallocated Consumer Finance Sub-Group financials.

(3) Prior period has been adjusted to conform to current period presentation.

Note 1: Quarterly information is available in the Quarterly Data Book

The Individual Group consists of the Retail Banking business as well as the subsidiaries Shinsei Financial, APLUS, Shinki and Shinsei Property Finance. Shinsei Financial was acquired on September 22, 2008 from GE Japan Holdings Corporation and Shinsei Financial's results have been incorporated in our Results of Operations from the third quarter of fiscal year 2008.

During fiscal year 2008, the Individual Group generated "ordinary business profit after net credit costs" of ¥33.8 billion compared to an "ordinary business loss after net credit costs" of ¥1.5 billion during the previous fiscal year. The improved "ordinary business profit after net credit costs" reflects the incorporation of Shinsei Financial within our Individual Group as well as progress that we have made in our Retail Banking and Shinki businesses.

During fiscal year 2008, total Retail Banking "revenue" was ¥39.6 billion as compared to ¥34.0 billion during the previous fiscal year. The main sources of revenue were interest income from retail deposits, fees from asset management products, income from structured deposits and fees and net interest income from loan products. During the current period, we generated "net interest income" of ¥28.4 billion compared to ¥21.0 billion during the prior fiscal year. The increase in "net interest income" comes primarily from increases in "deposits and debentures net interest income" as well as from loans. "Non-interest income" declined to ¥11.1 billion from ¥13.0 billion in the prior fiscal year as fees from asset management products declined.

Retail Banking incurred "general and administrative expenses" of ¥37.3 billion during fiscal year 2008, a decrease of 7.0% as compared to the previous fiscal year. The business generated "ordinary business profit" of ¥2.3 billion for fiscal year 2008, as compared to an "ordinary business loss" of ¥6.0 billion during the previous fiscal year. The ordinary business profit after net credit costs within Retail Banking reflects the steps that we have made to restructure our business and focus upon providing profitable products and services to our customer base.

For the six months ended March 31, 2009, Shinsei Financial generated total revenue of ¥64.9 billion, incurred "general and administrative expenses" of ¥26.6 billion and incurred "net credit costs" of ¥14.9 billion. As a result, our "ordinary business profit after net credit costs" was ¥23.3 billion.

For fiscal year 2008, APLUS generated "total revenue" of ¥74.9 billion, compared to ¥90.0 billion in the prior fiscal year. The decline in revenue was due both to the slowdown in economic activity as well as tighter credit controls that we enacted earlier in this fiscal year. The revenue shortfall was offset by lower "general and administrative expenses" and "net credit costs." "General and administrative expenses" declined to ¥43.3 billion from ¥45.1 billion in the previous fiscal year, while "net credit costs" declined to ¥24.3 billion from ¥38.2 billion in the previous period. As a result, the business generated "ordinary business profit after net credit costs" of ¥7.2 billion in fiscal year 2008, compared to ¥6.6 billion in the previous fiscal year.

During the first six months of fiscal year 2007, Shinsei Bank accounted for its interest in Shinki under the equity-method of accounting. Accordingly, results for Shinki in the first six months of fiscal year 2007 reflect our equity interest in the company and credit provision for loans from Shinsei Bank to Shinki. For fiscal year 2008, Shinki recorded "total revenue" of ¥19.7 billion, "general and administrative expenses" of ¥10.8 billion and "net credit costs" of ¥3.9 billion, for an "ordinary business profit after net credit costs" of ¥4.9 billion. This compares to an "ordinary business loss after net credit costs" of ¥3.8 billion in fiscal year 2007.

Shinsei Financial's grey zone payments and write-offs amounted to ¥61.8 billion in fiscal year 2008. The Shinsei Financial purchase agreement from GE includes an indemnity from GE that provides protection for potential losses beyond ¥203.9 billion from the majority of the legacy accounts with grey zone interest exposure. The total balance of Shinsei Financial's grey zone reserves was ¥161.0 billion as of March 31, 2009, as compared to ¥225.4 billion as of September 30, 2008.

APLUS' grey zone payments and write-offs amounted to ¥6.3 billion in fiscal year 2008. The business made new grey zone related provisions of ¥8.7 billion and, as a result, the total balance of the grey zone reserve was ¥11.0 billion as of March 31, 2009, as compared to ¥8.6 billion as of March 31, 2008.

Shinki's grey zone payments and write-offs amounted to ¥15.2 billion in fiscal year 2008. The total balance of the grey zone reserve was ¥21.7 billion as of March 31, 2009, as compared to ¥30.6 billion as of March 31, 2008.

Other subsidiaries' financials mainly includes the financial results of Shinsei Property Finance Co., Ltd.

Supplemental Cash Basis Financial Data and Reconciliation to Japanese GAAP Measures -Table 22- (Consolidated)

For the twelve months ended March 31, 2009

(Billions of yen, except per share data and percentages)

Amortization of goodwill and other intangible assets	
Amortization of other intangible assets	5.8
Associated deferred tax liability	(2.3)
Amortization of goodwill	42.5
Total amortization of goodwill and other intangible assets, net of tax benefit	46.0
Reconciliation of net income to cash basis net income	
Net income	(143.0)
Amortization of goodwill and other intangible assets, net of tax benefit	46.0
Cash basis net income	(97.0)
Reconciliation of basic net income per share to cash basis basic net income per share	
Basic net income per share	(72.8)
Effect of amortization of goodwill and other intangible assets, net of tax benefit	23.4
Cash basis basic net income per share	(49.3)
Reconciliation of fully diluted net income per share to cash basis fully diluted net income per share	
Fully diluted net income per share	(72.8)
Effect of amortization of goodwill and other intangible assets, net of tax benefit	23.4
Cash basis fully diluted net income per share	(49.3)
Reconciliation of return on assets to cash basis return on assets	
Return on assets	(1.2)
Effect of amortization of goodwill and other intangible assets, net of tax benefit	0.4
Cash basis return on assets	(0.8)
Reconciliation of return on equity to cash basis return on equity	
Return on equity (fully diluted)	(22.4)
Effect of amortization of goodwill and other intangible assets, net of tax benefit	7.2
Cash basis return on equity (fully diluted)	(15.2)
Reconciliation of return on equity to return on tangible equity	
Return on equity (fully diluted)	(22.4)
Effect of goodwill and other intangible assets	2.2
Return on tangible equity (fully diluted)⁽¹⁾	(20.2)

(1) Net income excludes amortization of goodwill and other intangible assets, net of tax benefit. Average equity excludes goodwill and other intangible assets, net of associated deferred tax liability.

Consolidated Balance Sheets (Consolidated)**Assets**

	<i>(millions of yen)</i>		
	March 31	March 31	Change
	2009	2008	a-b
	a	b	Amount
<<Assets>>			
Cash and due from banks	605,089	505,630	99,459
Receivable under resale agreements	—	2,014	(2,014)
Collateral related to securities borrowing transactions	280	18,753	(18,473)
Other monetary claims purchased	408,035	468,880	(60,845)
Trading assets	375,107	315,287	59,820
Monetary assets held in trust	348,840	371,572	(22,732)
Securities	2,174,198	1,980,292	193,906
Loans and bills discounted	5,876,910	5,622,266	254,644
Foreign exchanges	37,138	17,852	19,286
Lease receivables and leased investment assets	232,554	/	/
Other assets	1,125,768	1,100,151	25,617
Premises and equipment	50,964	305,771	(254,807)
Intangible assets	209,175	233,174	(23,999)
Goodwill, net	132,952	142,239	(9,287)
Deferred issuance expenses for debentures	161	125	36
Deferred tax assets	22,254	28,238	(5,984)
Customers' liabilities for acceptances and guarantees	675,225	701,717	(26,492)
Reserve for credit losses	(192,511)	(145,966)	(46,545)
Total assets	11,949,196	11,525,762	423,434

Liabilities and Equity

(millions of yen)

	March 31 2009 a	March 31 2008 b	Change a-b Amount
<<Liabilities>>			
Deposits	6,012,455	5,229,444	783,011
Negotiable certificates of deposit	259,659	577,189	(317,530)
Debentures	675,567	662,434	13,133
Call money	281,513	632,117	(350,604)
Payables under repurchase agreements	53,805	—	53,805
Collateral related to securities lending transactions	569,566	148,421	421,145
Commercial paper	198	—	198
Trading liabilities	307,562	205,011	102,551
Borrowed money	1,012,324	1,127,227	(114,903)
Foreign exchanges	4	39	(35)
Short-term corporate bonds	11,500	73,600	(62,100)
Corporate bonds	266,489	426,286	(159,797)
Other liabilities	819,900	708,749	111,151
Accrued employees' bonuses	10,425	14,572	(4,147)
Accrued directors' bonuses	318	249	69
Reserve for employees' retirement benefits	18,219	4,660	13,559
Reserve for directors' retirement benefits	234	132	102
Reserve for losses on interest repayments	193,850	39,333	154,517
Reserve for losses on disposal of premises and equipment	7,559	5,025	2,534
Reserve for losses on litigation	3,662	—	3,662
Reserve under special law	4	4	0
Deferred tax liabilities	1,665	4,283	(2,618)
Acceptances and guarantees	675,225	701,717	(26,492)
Total liabilities	11,181,714	10,560,501	621,213
<<Equity>>			
Shareholders' equity:			
Capital stock	476,296	476,296	—
Capital surplus	43,554	43,558	(4)
Retained earnings	152,855	302,535	(149,680)
Treasury stock, at cost	(72,558)	(72,566)	8
Total shareholders' equity	600,147	749,823	(149,676)
Net unrealized gain (loss) and translation adjustments:			
Unrealized gain (loss) on available-for-sale securities	(38,813)	(35,073)	(3,740)
Deferred gain (loss) on derivatives under hedge accounting	(2,996)	(1,057)	(1,939)
Foreign currency translation adjustments	1,297	1,872	(575)
Total net unrealized gain (loss) and translation adjustments	(40,511)	(34,258)	(6,253)
Stock acquisition rights	1,808	1,257	551
Minority interests in subsidiaries	206,037	248,437	(42,400)
Total equity	767,481	965,261	(197,780)
Total liabilities and equity	11,949,196	11,525,762	423,434

Consolidated Statements of Operations (Consolidated)*(millions of yen, except percentages)*

	FY2008 (12 months)	FY2007 (12 months)	Change	
			Amount	%
Total interest income	303,421	242,171	61,250	25.3
Interest on loans and bills discounted	256,180	186,747	69,433	37.2
Interest and dividends on securities	37,997	42,768	(4,771)	(11.2)
Other interest income	9,243	12,654	(3,411)	(27.0)
Fees and commissions income	52,676	65,977	(13,301)	(20.2)
Trading profits	11,918	9,719	2,199	22.6
Other business income	211,588	246,601	(35,013)	(14.2)
Other ordinary income	22,071	29,032	(6,961)	(24.0)
Ordinary income	601,677	593,503	8,174	1.4
Total interest expenses	100,425	104,395	(3,970)	(3.8)
Interest on deposits	47,426	43,467	3,959	9.1
Interest on borrowings	17,001	15,256	1,745	11.4
Interest on corporate bonds	11,509	15,278	(3,769)	(24.7)
Other interest expenses	24,488	30,394	(5,906)	(19.4)
Fees and commissions expenses	26,162	25,141	1,021	4.1
Trading losses	16,582	629	15,953	2,536.2
Other business expenses	244,914	187,320	57,594	30.7
Total general and administrative expenses	199,597	171,295	28,302	16.5
General and administrative expenses	182,043	158,761	23,282	14.7
Amortization of goodwill	11,673	9,277	2,396	25.8
Amortization of intangible assets	5,880	3,257	2,623	80.5
Other ordinary expenses	177,311	93,498	83,813	89.6
Provision of reserve for loan losses	124,973	66,966	58,007	86.6
Others	52,338	26,531	25,807	97.3
Ordinary expenses	764,993	582,281	182,712	31.4
Net ordinary income (loss)	(163,316)	11,222	(174,538)	(1,555.3)
Special gains	100,947	88,916	12,031	13.5
Special losses	56,684	7,582	49,102	647.6
Income (loss) before income taxes and minority interests:	(119,054)	92,556	(211,610)	(228.6)
Current	3,466	4,902	(1,436)	(29.3)
Deferred	7,004	9,500	(2,496)	(26.3)
Total income taxes (benefit)	10,471	—	—	—
Minority interests in net income of subsidiaries	13,558	18,044	(4,486)	(24.9)
Net income (loss)	(143,084)	60,108	(203,192)	(338.0)

Consolidated Statements of Change in Equity (Consolidated)*(millions of yen)*

	FY2008 (12 months)	FY2007 (12 months)
Shareholders' Equity		
Capital stock		
Balance at beginning of the period	476,296	451,296
Changes in amounts during the period		
Shares issued in the year		25,000
Total changes in amounts during the period	—	25,000
Balance at the end of the period	476,296	476,296
Capital surplus		
Balance at beginning of the period	43,558	18,558
Changes in amounts during the period		
Shares issued in the year		25,000
Disposal of treasury stock	(4)	
Total changes in amounts during the period	(4)	25,000
Balance at the end of the period	43,554	43,558
Retained earnings		
Balance at beginning of the period	302,535	245,499
Changes in amounts during the period		
Dividends from surplus	(5,773)	(3,072)
Net income (loss)	(143,084)	60,108
Decrease by exclusion of consolidated subsidiary	(822)	
Increase by inclusion of consolidated subsidiary		0
Decrease by inclusion of consolidated subsidiary		(0)
Total changes in amounts during the period	(149,680)	57,035
Balance at the end of the period	152,855	302,535
Treasury stock		
Balance at beginning of the period	(72,566)	(72,560)
Changes in amounts during the period		
Acquisition of treasury stock	(0)	(1)
Disposal of treasury stock	9	
Increase by inclusion of consolidated subsidiary		(4)
Total changes in amounts during the period	8	(6)
Balance at the end of the period	(72,558)	(72,566)
Shareholders' Equity		
Balance at beginning of the period	749,823	642,794
Changes in amounts during the period		
Shares issued in the year		50,000
Dividends from surplus	(5,773)	(3,072)
Net income (loss)	(143,084)	60,108
Acquisition of treasury stock	(0)	(1)
Disposal of treasury stock	5	
Decrease by exclusion of consolidated subsidiary	(822)	
Increase by inclusion of consolidated subsidiary		(4)
Decrease by inclusion of consolidated subsidiary		(0)
Total changes in amounts during the period	(149,676)	107,029
Balance at the end of the period	600,147	749,823

(millions of yen)

	FY2008 (12 months)	FY2007 (12 months)
Net unrealized gain (loss) and translation adjustments		
Unrealized gain (loss) on available-for-sale securities		
Balance at beginning of the period	(35,073)	5,091
Changes in amounts during the period		
Total changes in amounts during the period excluding capital stock (net)	(3,739)	(40,165)
Total changes in amounts during the period	(3,739)	(40,165)
Balance at the end of the period	(38,813)	(35,073)
Deferred gain (loss) on derivatives under hedge accounting		
Balance at beginning of the period	(1,057)	(7,744)
Changes in amounts during the period		
Total changes in amounts during the period excluding capital stock (net)	(1,938)	6,686
Total changes in amounts during the period	(1,938)	6,686
Balance at the end of the period	(2,996)	(1,057)
Foreign currency translation adjustments		
Balance at beginning of the period	1,872	2,952
Changes in amounts during the period		
Total changes in amounts during the period excluding capital stock (net)	(575)	(1,079)
Total changes in amounts during the period	(575)	(1,079)
Balance at the end of the period	1,297	1,872
Total net unrealized gain (loss) and translation adjustments		
Balance at beginning of the period	(34,258)	299
Changes in amounts during the period		
Total changes in amounts during the period excluding capital stock (net)	(6,253)	(34,558)
Total changes in amounts during the period	(6,253)	(34,558)
Balance at the end of the period	(40,511)	(34,258)
Stock acquisition rights		
Balance at beginning of the period	1,257	517
Changes in amounts during the period		
Total changes in amounts during the period excluding capital stock (net)	550	740
Total changes in amounts during the period	550	740
Balance at the end of the period	1,808	1,257
Minority interests in subsidiaries		
Balance at beginning of the period	248,437	289,642
Changes in amounts during the period		
Total changes in amounts during the period excluding capital stock (net)	(42,399)	(41,204)
Total changes in amounts during the period	(42,399)	(41,204)
Balance at the end of the period	206,037	248,437
Total equity		
Balance at beginning of the period	965,261	933,253
Changes in amounts during the period		
Shares issued in the year		50,000
Dividends from surplus	(5,773)	(3,072)
Net income (loss)	(143,084)	60,108
Acquisition of treasury stock	(0)	(1)
Disposal of treasury stock	5	
Decrease by exclusion of consolidated subsidiary	(822)	
Increase by inclusion of consolidated subsidiary		(4)
Decrease by inclusion of consolidated subsidiary		(0)
Total changes in amounts during the period excluding capital stock (net)	(48,103)	(75,022)
Total changes in amounts during the period	(197,779)	32,007
Balance at the end of the period	767,481	965,261

Consolidated Statements of Cash Flows (Consolidated)

(millions of yen)

	March 31, 2009 (12 months)	March 31, 2008 (12 months)	Change
I. Cash flows from operating activities:			
Income (loss) before income taxes and minority interests	(119,054)	92,556	(211,610)
Depreciation (other than leased assets)	15,158	12,541	2,617
Depreciation of leased assets	/	125,988	/
Amortization of goodwill	42,578	9,277	33,301
Amortization of intangible assets	5,880	3,257	2,623
Impairment losses	1,456	919	537
Equity in net (income) loss of affiliates	2,717	8,350	(5,633)
Net change in reserve for credit losses	46,628	(688)	47,316
Net change in accrued employees' bonuses	(5,602)	1,344	(6,946)
Net change in reserve for employees' retirement benefits	8,236	1,187	7,049
Net change in reserve for losses on interest repayments	(68,420)	(9,244)	(59,176)
Net change in reserve for losses on disposal of premises and equipment	/	5,025	/
Net change in reserve under special law	/	0	/
Net change in other reserves	6,622	/	/
Interest income	(303,421)	(242,171)	(61,250)
Interest expenses	100,425	104,395	(3,970)
(Gain) loss on securities sold	101,796	10,510	91,286
(Gain) loss on monetary assets held in trust	3,030	(6,591)	9,621
Net exchange (gain) loss	(5,594)	25,522	(31,116)
Net (gain) loss on disposal of premises and equipment	(8,787)	(66,161)	57,374
Gains from the cancellation of issued bond and other instruments	(75,106)	-	(75,106)
Net (gain) loss on disposal of leased assets	/	(1,216)	/
Net change in trading assets	(59,820)	(11,897)	(47,923)
Net change in trading liabilities	102,551	105,764	(3,213)
Net change in loans and bills discounted	439,904	(385,175)	825,079
Net change in deposits	783,011	292,121	490,890
Net change in negotiable certificates of deposit	(317,530)	96,990	(414,520)
Net change in debentures	13,132	(40,863)	53,995
Net change in borrowed money (other than subordinated debt)	(77,753)	(36,765)	(40,988)
Net change in corporate bonds (other than subordinated bonds)	(14,572)	22,595	(37,167)
Net change in deposits (other than non-interest-bearing deposits)	(18,445)	80,196	(98,641)
Net change in call loans	2,014	41,085	(39,071)
Net change in other monetary claims purchased	35,423	(95,202)	130,625
Net change in collateral related to securities borrowing transactions	18,473	(7,703)	26,176
Net change in call money	(296,798)	(60,675)	(236,123)
Net change in commercial paper	198	(179,300)	179,498
Net change in collateral related to securities lending transactions	421,144	140,088	281,056
Net change in foreign exchange assets	(19,286)	(2,805)	(16,481)
Net change in foreign exchange liabilities	(34)	(79)	45
Net change in short-term corporate bonds (liabilities)	(62,100)	73,600	(135,700)
Net change in net trust account	1,699	(10,594)	12,293
Interest received	307,784	246,447	61,337
Interest paid	(99,252)	(120,275)	21,023
Net change in trading securities	45,761	53,470	(7,709)
Net change in monetary assets held in trust	12,957	90,344	(77,387)
Net change in leased assets	/	(88,665)	/
Net change in leased receivables and leased investment assets	22,799	/	/
Others, net	124,297	40,630	83,667
Subtotal	1,114,103	318,135	795,968
Income taxes paid	(6,358)	(995)	(5,363)
Net cash provided by (used in) operating activities	1,107,745	317,139	790,606
II. Cash flows from investing activities:			
Purchase of securities	(2,770,791)	(2,764,575)	(6,216)
Proceeds from sale of securities	1,081,186	533,480	547,706
Proceeds from maturity of securities	1,316,087	1,902,928	(586,841)
Investment in monetary assets held in trust	(43,677)	(29,059)	(14,618)
Proceeds from disposition of monetary assets held in trust	49,363	63,852	(14,489)
Purchase of premises and equipment (other than leased assets)	(4,391)	(6,498)	2,107
Proceeds from sale of premises and equipment (other than leased assets)	19,598	119,795	(100,197)
Purchase of investments in subsidiaries	(70,405)	-	(70,405)
Payment for acquisition of new subsidiaries	(574,179)	-	(574,179)
Proceeds from purchase of investments in subsidiaries resulting in change in scope of consolidation	-	4,509	(4,509)
Proceeds from sales of investments in subsidiaries resulting in change in scope of consolidation	13,989	24,999	(11,010)
Payments for business transfer	-	(31,302)	31,302
Others, net	(25,420)	(9,335)	(16,085)
Net cash provided by (used in) investing activities	(1,008,640)	(191,205)	(817,435)
III. Cash flows from financing activities:			
Decrease in subordinated debt	(6,000)	-	(6,000)
Payment for redemption of subordinated bonds	(39,706)	(3,308)	(36,398)
Proceeds from minority shareholders of subsidiaries	50,247	1,223	49,024
Payment for capital refundment to minority shareholders of subsidiaries	-	(18,622)	18,622
Repayments to minority shareholders	(6,143)	-	(6,143)
Proceeds from issuance of stock	-	49,777	(49,777)
Dividends paid	(5,773)	(3,072)	(2,701)
Dividends paid to minority shareholders of subsidiaries	(14,349)	(17,407)	3,058
Purchase of treasury stock	(0)	(1)	1
Proceeds from sale of treasury stock	4	-	4
Net cash provided by (used in) financing activities	(21,721)	8,588	(30,309)
IV. Foreign currency translation adjustments on cash and cash equivalents	(50)	(89)	39
V. Net change in cash and cash equivalents	77,332	134,433	(57,101)
VI. Cash and cash equivalents at beginning of year	405,926	271,493	134,433
VII. Cash and cash equivalents at end of year	483,259	405,926	77,332

Section 2. Non-Consolidated Information

Results of Operations -Table 23- (Non-Consolidated)

	(Billions of yen, except percentages)		
	FY2008 (12 months)	FY2007 (12 months)	% Change
Net interest income	93.9	107.5	(12.7)
Non-interest income	(80.8)	44.4	(281.9)
Net fees and commissions ⁽¹⁾	11.3	48.8	(76.8)
Net trading income	(5.6)	6.9	(181.4)
Net other business income	(86.5)	(11.4)	658.8
Total revenue ⁽¹⁾	13.0	152.0	(91.4)
Personnel expenses	29.8	33.1	(9.8)
Non-personnel expenses	45.1	47.3	(4.7)
Taxes	3.4	4.2	(19.2)
General and administrative expenses	78.4	84.7	(7.4)
Net business profit (loss) ⁽¹⁾	(65.3)	67.2	(197.2)
Other gains (losses)			
Gains (losses) on the sales of equities	(7.6)	(0.5)	1,339.9
Provision of reserve for loan losses	75.8	19.2	294.0
Losses on write-off of loans	1.8	1.2	42.7
Expenses for employees' retirement benefits	5.2	2.5	104.7
Other losses, expenses	8.8	11.1	(20.6)
Net ordinary income (loss)	(164.8)	32.5	(606.8)
Special gains (losses) ⁽²⁾			
Gains (losses) from sales of fixed assets	(1.0)	0.2	(458.7)
Gains on bad debt recovered	1.1	0.3	250.4
Reversal of reserve for loan losses	-	-	-
Other special gains (losses) ⁽²⁾	13.3	25.1	(46.9)
Income (loss) before income taxes	(151.3)	58.3	(359.6)
Income taxes (benefit)			
Current	(4.1)	(7.6)	(45.4)
Deferred	9.8	12.7	(23.1)
Net income (loss)	(157.0)	53.2	(395.2)

(1) Includes income from monetary assets held in trust of ¥5.7 billion in FY2008, 37.3 billion yen in FY2007, and ¥7.5 billion in 1HFY2008.

(2) In FY2007, includes (i) income from investment in Tokumei Kumiai (silent partnership) of ¥66.0 billion from the sale of the Bank's headquarters building, which was included in the earnings distributed by Dolphin Japan Investment Y.K., the Bank's consolidated subsidiary, (ii) impairment charges on investments in APLUS' and Shinki's common shares of ¥15.9 billion and ¥6.0 billion, respectively, and (iii) losses on exposure to U.S. residential mortgage market of ¥8.9 billion.

Note 1: Quarterly information is available in the Quarterly Data Book

Shinsei Bank recorded a "net loss" for the fiscal year ended March 31, 2009 of ¥157.0 billion on a non-consolidated basis. Current results on a non-consolidated basis differ from our consolidated results primarily because our non-consolidated results do not include the net income or loss from our consolidated subsidiaries, including Showa Leasing, Shinsei Financial, APLUS and Shinki. During the current period, we recorded gains of ¥73.1 billion on the repurchase of our subordinated debt. We also recorded impairment charges of ¥30.9 billion on our investment in

APLUS' preferred shares and ¥22.4 billion on our investment in Jih-Sun Financial Holding Co., Ltd., an affiliate accounted for using the equity method within our consolidated financial statements. These charges were recorded in "other special gains (losses)." During fiscal year 2008, we received dividends from subsidiaries of ¥18.8 billion. As a recipient of public funds, Shinsei Bank is required to update and report its achievement of non-consolidated performance targets set forth in its revitalization plan on a quarterly basis.

Net Credit Costs -Table 24- (Non-Consolidated)

(Billions of yen, except percentages)

	FY2008 (12 months)	FY2007 (12 months)	% Change
Losses on write-off of loans	2.1	1.2	62.9
Net provision of reserve for loan losses	75.8	19.2	294.0
Net provision (reversal) of general reserve for loan losses	53.6	23.8	124.6
Net provision (reversal) of specific reserve for loan losses	22.2	(4.6)	(578.8)
Net provision (reversal) of reserve for loan losses to restructuring countries	(0.0)	0.0	(116.4)
Net credit costs	77.9	20.5	279.4

Note 1: Quarterly information is available in the Quarterly Data Book

Interest-Earning Assets and Interest-Bearing Liabilities -Table 25- (Non-Consolidated)

(Billions of yen, except percentages)

	FY2008 (12 months)			FY2007 (12 months)			1HFY2008 (6 months)		
	Average balance	Interest	Yield/rate (%)	Average balance	Interest	Yield/rate (%)	Average balance	Interest	Yield/rate (%)
Interest-earning assets:									
Cash and due from banks	57.7	1.4	2.57	158.4	4.6	2.96	93.7	1.2	2.68
Call loans	135.6	0.8	0.65	166.7	1.0	0.62	214.2	0.7	0.71
Receivables under resale agreements	0.4	0.0	1.67	0.7	0.0	3.27	0.8	0.0	1.67
Collateral related to securities borrowing transactions	142.3	0.7	0.51	129.4	0.9	0.75	159.6	0.4	0.60
Securities	2,665.9	59.4	2.23	2,316.6	76.9	3.32	2,743.0	22.9	1.66
Loans and bills discounted	5,345.5	109.8	2.05	5,183.5	110.5	2.13	5,476.5	56.9	2.07
Other interest-earning assets	398.8	10.2	2.57	161.8	5.2	3.23	191.8	2.7	2.88
Interest rate and funding swaps	-	-	-	-	0.3	-	-	-	-
Total interest-earning assets	8,746.6	182.7	2.08	8,117.4	199.8	2.46	8,880.0	85.1	1.91
Interest-bearing liabilities:									
Deposits	5,731.9	47.5	0.82	5,178.7	43.5	0.84	5,478.3	22.5	0.82
Negotiable certificates of deposit	616.5	4.8	0.79	634.2	4.4	0.70	706.0	2.7	0.76
Debentures	705.9	5.0	0.71	680.4	3.3	0.49	689.5	2.2	0.64
Call money	496.3	4.8	0.98	862.2	14.9	1.73	727.4	3.8	1.06
Payable under repurchase agreements	0.9	0.0	0.58	0.1	0.0	3.67	0.3	0.0	2.29
Collateral related to securities lending transactions	354.9	2.6	0.74	111.2	1.1	1.06	441.7	2.0	0.92
Borrowed money	403.6	5.2	1.30	286.5	3.7	1.32	302.5	2.3	1.55
Corporate bonds	484.4	20.2	4.18	564.0	24.5	4.35	535.5	12.0	4.49
Other interest-bearing liabilities	0.2	4.7	n.m. ⁽¹⁾	0.3	5.0	n.m. ⁽¹⁾	0.2	2.8	n.m. ⁽¹⁾
Interest rate and funding swaps	-	1.0	-	-	-	-	-	1.0	-
Total interest-bearing liabilities	8,795.1	96.3	1.09	8,317.9	100.9	1.21	8,881.8	51.6	1.16
Net interest income/yield on interest-earning assets	8,746.6	86.3	0.98	8,117.4	98.8	1.21	8,880.0	33.5	0.75

(1) n.m. is not meaningful.

Note 1: Quarterly information is available in the Quarterly Data Book

Risk-Monitored Loans -Table 26- (Non-Consolidated)

(Billions of yen, except percentages)

	March 31 2009	March 31 2008	Change	September 30 2008	Change
	(a)	(b)	(a)-(b)	(c)	(a)-(c)
Loans to bankrupt obligors	23.9	0.5	23.3	18.4	5.5
Non-accrual delinquent loans	110.2	22.8	87.3	16.1	94.0
Loans past due for three months or more	3.7	0.1	3.5	0.0	3.7
Restructured loans	3.1	29.4	(26.3)	17.7	(14.6)
Total (A)	141.0	53.0	87.9	52.4	88.6
Loans and bills discounted (B)	5,168.0	5,356.3	(188.3)	5,660.1	(492.1)
Ratio to total loans and bills discounted (A / B)	2.73%	0.99%	1.74%	0.93%	1.80%
Reserve for credit losses (C)	118.9	93.6	25.2	83.2	35.7
Reserve ratio (C / A)	84.3%	176.5%	(92.1%)	158.8%	(74.4%)

Note 1: Quarterly information is available in the Quarterly Data Book

Loans by Borrower Industry -Table 27- (Non-Consolidated)

(Billions of yen)

	March 31 2009	March 31 2008	Change	September 30 2008	Change
	(a)	(b)	(a)-(b)	(c)	(a)-(c)
Domestic offices (excluding Japan offshore market account):					
Manufacturing	239.3	187.9	51.4	219.9	19.3
Agriculture	-	-	-	-	-
Forestry	-	-	-	-	-
Fishery	2.7	2.9	(0.2)	2.8	(0.1)
Mining	3.6	4.5	(0.9)	4.6	(0.9)
Construction	12.2	18.5	(6.2)	14.3	(2.1)
Electric power, gas, heat supply and water supply	45.4	74.6	(29.1)	66.8	(21.3)
Information and communications	47.3	49.1	(1.8)	46.5	0.7
Transportation	331.6	377.6	(45.9)	359.2	(27.5)
Wholesale and retail	123.0	127.6	(4.5)	119.5	3.5
Finance and insurance	1,521.2	1,446.5	74.7	1,470.1	51.0
Real estate	966.4	1,234.8	(268.4)	1,211.2	(244.7)
Services	352.0	357.4	(5.3)	340.5	11.5
Local government	156.5	118.1	38.3	301.1	(144.6)
Individual	905.3	865.8	39.5	962.6	(57.2)
Overseas yen loan and overseas loans booked domestically	389.7	408.6	(18.9)	450.4	(60.7)
Total domestic	5,096.7	5,274.3	(177.6)	5,570.1	(473.4)
Overseas offices (including Japan offshore market accounts):					
Governments	1.4	1.1	0.2	1.2	0.2
Financial institutions	-	-	-	-	-
Commerce and industry	69.7	80.7	(11.0)	88.6	(18.8)
Others	-	-	-	-	-
Total overseas	71.2	81.9	(10.7)	89.9	(18.6)
Total	5,168.0	5,356.3	(188.3)	5,660.1	(492.1)

Risk Monitored Loans by Borrower Industry -Table 28- (Non-Consolidated)

	<i>(Billions of yen)</i>				
	March 31 2009	March 31 2008	Change	September 30 2008	Change
	(a)	(b)	(a)-(b)	(c)	(a)-(c)
Domestic offices (excluding Japan offshore market account):					
Manufacturing	1.6	3.0	(1.4)	1.8	(0.2)
Agriculture	-	-	-	-	-
Forestry	-	-	-	-	-
Fishery	-	-	-	-	-
Mining	-	-	-	-	-
Construction	1.0	3.1	(2.1)	3.0	(2.0)
Electric power, gas, heat supply and water supply	-	-	-	-	-
Information and communications	0.5	-	0.5	0.6	0.0
Transportation	6.0	7.6	(1.5)	6.6	(0.6)
Wholesale and retail	0.0	3.5	(3.5)	0.0	-
Finance and insurance	51.1	0.4	50.6	6.7	44.3
Real estate	32.0	1.0	31.0	1.9	30.0
Services	3.4	6.5	(3.0)	4.0	(0.6)
Local government	-	-	-	-	-
Individual	5.3	1.2	4.0	4.2	1.1
Overseas yen loan and overseas loans booked domestically	39.8	26.4	13.4	23.2	16.5
Total domestic	141.0	53.0	87.9	52.4	88.6
Overseas offices (including Japan offshore market accounts):					
Governments	-	-	-	-	-
Financial institutions	-	-	-	-	-
Commerce and industry	-	-	-	-	-
Others	-	-	-	-	-
Total overseas	-	-	-	-	-
Total	141.0	53.0	87.9	52.4	88.6

Overseas and Offshore Loans by Region -Table 29- (Non-Consolidated)

	<i>(Billions of yen)</i>				
	March 31 2009	March 31 2008	Change	September 30 2008	Change
	(a)	(b)	(a)-(b)	(c)	(a)-(c)
US	103.1	76.8	26.2	103.0	0.0
Asset backed investments ⁽¹⁾ in US	5.4	6.0	(0.5)	5.3	0.1
Europe	166.1	235.5	(69.4)	235.9	(69.8)
Asset backed investments ⁽¹⁾ in Europe	122.2	187.2	(65.0)	175.4	(53.2)
Others	191.7	178.2	13.4	201.3	(9.6)
Total overseas and offshore loans	460.9	490.6	(29.6)	540.4	(79.4)
Total asset backed investments	127.7	193.2	(65.5)	180.8	(53.0)

(1) One of our terminated product programs

Risk Monitored Loans of Overseas and Offshore Loans by Region -Table 30- (Non-Consolidated)

(Billions of yen)

	March 31 2009 (a)	March 31 2008 (b)	Change (a)-(b)	September 30 2008 (c)	Change (a)-(c)
US	0.7	6.0	(5.2)	-	0.7
Asset backed investments ⁽¹⁾ in US	0.7	6.0	(5.2)	-	0.7
Europe	38.9	20.3	18.6	23.1	15.7
Asset backed investments ⁽¹⁾ in Europe	37.0	20.3	16.7	23.1	13.8
Others	0.0	0.0	0.0	0.0	0.0
Total overseas and offshore loans	39.8	26.4	13.4	23.2	16.5
Total asset backed investments	37.8	26.3	11.4	23.1	14.6

(1) One of our terminated product programs

(2) As of March 31, 2009, reserve for loan losses and collateral/guarantees for risk monitored loans related with asset backed investments were 7.9 billion yen and 27.0 billion yen, respectively, and coverage ratio was 92.3%.

Claims Classified under the Financial Revitalization Law -Table 31- (Non-Consolidated)

(Billions of yen, except percentages)

	March 31 2009 (a)	March 31 2008 (b)	Change (a)-(b)	September 30 2008 (c)	Change (a)-(c)
Claims against bankrupt and quasi-bankrupt obligors	83.3	8.0	75.2	26.4	56.8
Doubtful claims	55.7	15.5	40.2	8.2	47.5
Substandard claims	6.9	29.6	(22.7)	17.8	(10.9)
Total (A)	145.8	53.1	92.7	52.5	93.3
Total claims (B)	5,815.6	5,566.0	249.5	5,840.2	(24.5)
Ratio to total claims (A / B)	2.51%	0.95%	1.55%	0.90%	(1.61%)
Reserve for credit losses (C)	118.9	93.6	25.2	83.2	35.7
Reserve ratio (C / A)	81.6%	176.3%	(94.7%)	158.6%	(77.1%)
(Ref. 1) Amount of write-off	71.3	34.6	36.7	58.4	12.8
(Ref. 2) Below need caution level	485.3	159.3	325.9	185.2	300.1

Note 1: Quarterly information is available in the Quarterly Data Book

Coverage Ratios for Non-Performing Claims Disclosed under the Financial Revitalization Law -Table 32- (Non-Consolidated)

(Billions of yen)

	March 31, 2009					March 31, 2008					September 30, 2008				
	Amounts of claims	Total	Reserve for loan losses	Collateral and guarantees	Coverage ratio	Amounts of claims	Total	Reserve for loan losses	Collateral and guarantees	Coverage ratio	Amounts of claims	Total	Reserve for loan losses	Collateral and guarantees	Coverage ratio
Claims against bankrupt and quasi-bankrupt obligors	83.3	83.3	-	83.3	100.0%	8.0	8.0	-	8.0	100.0%	26.4	26.4	-	26.4	100.0%
Doubtful claims	55.7	50.6	23.3	27.2	90.7%	15.5	13.5	7.7	5.9	87.1%	8.2	6.4	5.6	0.8	77.5%
Substandard claims	6.9	6.2	1.7	4.5	90.0%	29.6	11.5	9.2	2.3	38.9%	17.8	7.6	5.5	2.1	42.7%
Total	145.8	140.0	25.0	115.0	96.0%	53.1	33.0	16.9	16.2	62.2%	52.5	40.4	11.1	29.3	77.0%

Reserve for Credit Losses -Table 33- (Non-Consolidated)

	<i>(Billions of yen)</i>				
	March 31 2009	March 31 2008	Change	September 30 2008	Change
	(a)	(b)	(a)-(b)	(c)	(a)-(c)
Reserve for credit losses	97.6	67.5	30.0	59.4	38.2
General reserve for loan losses	65.5	57.9	7.6	51.1	14.3
Specific reserve for loan losses	32.1	9.6	22.4	8.2	23.8
Reserve for loans to restructuring countries	0.0	0.0	0.0	0.0	0.0
Specific reserve for other credit losses	21.2	26.0	(4.7)	23.7	(2.4)
Total reserve for credit losses	118.9	93.6	25.2	83.2	35.7

Note 1: Quarterly information is available in the Quarterly Data Book

Reserve Ratios for Borrowers' Category -Table 34- (Non-Consolidated)

		<i>(%)</i>				
		March 31 2009	March 31 2008	Change	September 30 2008	Change
		(a)	(b)	(a)-(b)	(c)	(a)-(c)
Legally and virtually bankrupt	(unsecured portion)	100.00	100.00	-	100.00	-
Possibly bankrupt	(unsecured portion)	81.89	79.25	2.64	75.16	6.73
Substandard	(unsecured portion)	83.41	34.17	49.24	34.99	48.42
Need caution	(total claims)	6.85	8.95	(2.10)	7.14	(0.29)
	(unsecured portion)	46.26	26.70	19.56	34.04	12.22
Normal	(total claims)	0.37	0.31	0.06	0.33	0.04

Note 1: Quarterly information is available in the Quarterly Data Book

Housing Loans -Table 35- (Non-Consolidated)

	<i>(Billions of yen)</i>				
	March 31 2009	March 31 2008	Change	September 30 2008	Change
	(a)	(b)	(a)-(b)	(c)	(a)-(c)
Housing loans	860.0	811.1	48.8	909.2	(49.2)

Loans to Small- and Medium-Sized Entities -Table 36- (Non-Consolidated)

	<i>(Billions of yen)</i>				
	March 31 2009	March 31 2008	Change	September 30 2008	Change
	(a)	(b)	(a)-(b)	(c)	(a)-(c)
Loans to small- and medium-sized entities (SMEs)	2,937.8	3,001.6	(63.8)	3,107.2	(169.3)
% of loans to small- and medium-sized entities	57.6%	56.9%	0.7%	55.8%	1.9%

Securities Being Held to Maturity with Readily Determinable Fair Value -Table 37- (Non-Consolidated)

(Billions of yen)

	March 31, 2009			March 31, 2008			September 30, 2008		
	Book Value	Fair Value	Difference	Book Value	Fair Value	Difference	Book Value	Fair Value	Difference
Japanese national government bonds	229.1	231.0	1.8	304.3	306.1	1.8	244.2	244.9	0.7
Japanese corporate bonds	75.2	76.6	1.3	75.1	76.5	1.3	75.2	75.8	0.6
Other	58.2	51.5	(6.6)	11.0	12.3	1.3	11.5	12.6	1.1
Total	362.6	359.2	(3.4)	390.4	395.0	4.5	330.9	333.4	2.5

Note: Among the securities that were previously classified as available-for-sale, a part of the foreign bonds with high credit ratings was reclassified to held-to-maturity securities on October 1, 2008 by the fair value of ¥102.6 billion as of that date, in accordance with "Tentative Solution on Reclassification of Debt Securities" (December 5, 2008, Practical Issue Task Force No.26).

However, under the situation where impairment of ¥50.7 billion was recognized for a part of the securities reclassified to held-to-maturity securities as of March 31, 2009 with the worsened credit risk, the remaining value after the impairment of ¥19.6 billion for those securities was reclassified again from held-to-maturity to available-for-sale securities.

Marketable Securities, at Fair Value -Table 38- (Non-Consolidated)

(Billions of yen)

	March 31, 2009				March 31, 2008				September 30, 2008			
	Net unrealized gain (loss) (a) - (b)				Net unrealized gain (loss) (a) - (b)				Net unrealized gain (loss) (a) - (b)			
	Fair value	Net	Gross unrealized gains (a)	Gross unrealized losses (b)	Fair value	Net	Gross unrealized gains (a)	Gross unrealized losses (b)	Fair value	Net	Gross unrealized gains (a)	Gross unrealized losses (b)
Equity securities	10.8	(2.8)	0.3	3.1	13.0	(3.1)	0.3	3.4	12.0	(4.6)	0.4	5.0
Bonds	1,014.5	(0.6)	1.3	1.9	545.5	(3.4)	1.0	4.4	669.6	(5.3)	0.4	5.7
Japanese national government bonds	975.0	0.3	1.0	0.7	341.0	(3.7)	0.3	4.1	552.9	(4.8)	0.2	5.1
Japanese local government bonds	1.7	0.0	0.0	-	2.2	0.0	0.0	-	1.7	0.0	0.0	-
Japanese corporate bonds	37.7	(1.0)	0.2	1.2	202.3	0.3	0.6	0.3	114.9	(0.4)	0.1	0.5
Other	267.6	(25.9)	1.9	27.8	487.6	(28.6)	8.4	37.1	408.3	(48.4)	5.8	54.3
Foreign securities	266.7	(25.9)	1.9	27.8	484.0	(28.8)	8.2	37.1	405.1	(48.3)	5.8	54.2
Foreign currency denominated foreign corporate and government bonds	133.7	(12.5)	0.3	12.9	329.2	(32.2)	1.0	33.2	255.1	(47.2)	0.1	47.4
Yen-denominated foreign corporate and government bonds	123.7	(14.6)	-	14.6	139.2	(3.6)	0.0	3.7	135.8	(6.6)	-	6.6
Foreign equity securities	6.6	0.9	1.2	0.3	12.8	6.9	6.9	-	11.6	5.4	5.4	-
Other securities	0.9	-	-	-	3.5	0.2	0.2	0.0	3.2	(0.1)	0.0	0.1
Total	1,293.1	(29.4)	3.5	33.0	1,046.2	(35.1)	9.9	45.1	1,090.0	(58.4)	6.7	65.2

Note: Among the securities that were previously classified as available-for-sale, a part of the foreign bonds with high credit ratings was reclassified to held-to-maturity securities on October 1, 2008 by the fair value of ¥102.6 billion yen as of that date, in accordance with "Tentative Solution on Reclassification of Debt Securities" (December 5, 2008, Practical Issue Task Force No.26). This reclassification was pursuant to the change in the investment policy based on the judgment that it has been difficult to sell these securities at their fair values under the extremely illiquid market conditions for a lengthy period of time.

However, under the situation where impairment of ¥50.7 billion was recognized for a part of the securities reclassified to held-to-maturity securities as of March 31, 2009 with the worsened credit risk, the remaining value after the impairment of ¥19.6 billion for those securities was reclassified again from held-to-maturity to available-for-sale securities.

As a result, the foreign bonds that were reclassified to held-to-maturity as of October 1, 2008, and are accounted for as held-to-maturity as of March 31, 2009 are as follows:

Securities reclassified from "available-for-sale" to "held to maturity" (as of March 31, 2009)

(Billions of yen)

	Fair value	Book Value	Net unrealized (loss)
Other(foreign debt securities)	38.7	47.3	(8.4)

Hedge-Accounting Derivative Transactions -Table 39- (Non-Consolidated)

(Billions of yen)

Notional Principal Amount (Non-Consolidated)	March 31, 2009			
	1 year or less	Over 1 year to 5 years	Over 5 years	Total
Interest rate swaps:				
Receive fixed and pay floating	4.1	362.1	131.1	497.4
Receive floating and pay fixed	85.9	270.6	259.9	616.4
Receive floating and pay floating	-	-	-	-
Total notional principal amount	90	632.8	391	1113.9
Currency swaps	288.8	189.3	270.1	748.3
Total notional principal amount	288.8	189.3	270.1	748.3

Employees' Retirement Benefit -Table 40- (Non-Consolidated)**Projected Benefit Obligation (Non-Consolidated)**

		<i>(Billions of yen)</i>
		March 31, 2009
Projected benefit obligation	(A)	52.7
(Discount rate)		(2.2%)
Fair value of plan assets	(B)	38.0
Prepaid pension cost	(C)	(2.1)
Unrecognized prior service cost	(D)	(2.6)
Unrecognized net actuarial losses	(E)	15.7
Other (Unrecognized obligation at transition, etc.)	(F)	3.6
Reserve for retirement benefits (A-B-C-D-E-F)		0.1

Pension Expenses (Non-Consolidated)

		<i>(Billions of yen)</i>
		FY2008 (12 months)
Service cost		2.4
Interest		1.1
Expected return on plan assets		(1.0)
Amortization of prior service cost		(0.3)
Amortization of net actuarial losses		2.4
Amortization of unrecognized obligation at transition		0.6
Other (extraordinary severance benefit expense, etc.)		2.2
Net periodic retirement benefit cost		7.5

Capital Adequacy Data -Table 41- (Non-Consolidated)

<i>(Billions of yen, except percentages)</i>					
	March 31 2009	March 31 2008	Change	September 30 2008	Change
	(a)	(b)	(a)-(b)	(c)	(a)-(c)
Basic items (Tier I)	745.7	845.7	(99.9)	784.4	(38.6)
Amount eligible for inclusion in capital (Tier II)	301.2	450.8	(149.6)	435.3	(134.1)
Deduction	(75.0)	(92.7)	17.7	(80.8)	5.8
Total capital	971.9	1,203.8	(231.9)	1,138.9	(166.9)
Risk assets	8,875.5	7,893.4	982.0	8,308.4	567.0
Capital adequacy ratio	10.95%	15.25%	—	13.70%	—
Tier I capital ratio	8.40%	10.71%	—	9.44%	—

(1) Calculated by new standard (Basel II, F-IRB). And also calculated in accordance with FSA Notification Number 79 issued in December 2008 (special treatment of FSA Notification Number 19 issued in 2006) regarding figures of March 31 2009. As a result, ¥38.0 billion of net unrealized losses on securities available-for-sale, net taxes as of March 31 2009 is not included in BIS capital.

(2) Non-Consolidated total required capital is ¥455.7 billion as at March 31, 2009, ¥432.2 billion as at March 31, 2008 and ¥444.9 billion as at September 30, 2008.

Note 1: Quarterly information is available in the Quarterly Data Book

Non-Consolidated Balance Sheets (Unaudited) (Non-Consolidated)**Assets**

	<i>(millions of yen)</i>		
	March 31 2009	March 31 2008	Change a-b
	a	b	Amount
<<Assets>>			
Cash and due from banks	411,999	272,940	139,059
Receivables under resale agreements	-	2,014	(2,014)
Collateral related to securities borrowing transactions	131	13,850	(13,719)
Other monetary claims purchased	666,126	161,344	504,782
Trading assets	326,038	275,136	50,902
Monetary assets held in trust	573,032	606,018	(32,986)
Securities	2,626,047	2,300,303	325,744
Valuation allowance for investments	(3,370)	(3,370)	-
Loans and bills discounted	5,168,004	5,356,363	(188,359)
Foreign exchanges	37,138	17,852	19,286
Other assets	977,924	577,856	400,068
Premises and equipment	18,856	20,895	(2,039)
Intangible assets	13,477	14,560	(1,083)
Deferred issuance expenses for debentures	161	125	36
Deferred tax assets	4,329	14,697	(10,368)
Customers' liabilities for acceptances and guarantees	12,556	11,746	810
Reserve for credit losses	(118,960)	(93,662)	(25,298)
Total assets	10,713,494	9,548,673	1,164,821

Liabilities and Equity

(millions of yen)

	March 31 2009 a	March 31 2008 b	Change a-b Amount
<<Liabilities>>			
Deposits	6,637,831	5,287,941	1,349,890
Negotiable certificates of deposit	259,659	577,189	(317,530)
Debentures	676,767	663,134	13,633
Call money	281,513	632,117	(350,604)
Payables under repurchase agreements	53,805	—	53,805
Collateral related to securities lending transactions	569,566	148,421	421,145
Trading liabilities	316,068	203,716	112,352
Borrowed money	425,371	304,078	121,293
Foreign exchanges	226	269	(43)
Corporate bonds	402,453	519,902	(117,449)
Other liabilities	495,016	450,643	44,373
Accrued employees' bonuses	7,191	10,341	(3,150)
Reserve for retirement benefits	55	1,554	(1,499)
Reserve for losses on disposal of premises and equipment	6,911	4,913	1,998
Reserve for losses on litigation	3,662	—	3,662
Acceptances and guarantees	12,556	11,746	810
Total liabilities	10,148,658	8,815,970	1,332,688
<<Equity>>			
Shareholders' equity:			
Capital stock	476,296	476,296	—
Capital surplus	43,558	43,558	—
Additional paid-in capital	43,558	43,558	—
Retained earnings	154,454	317,276	(162,822)
Legal reserve	11,035	9,880	1,155
Other retained earnings	143,418	307,395	(163,977)
Unappropriated retained earnings	143,418	307,395	(163,977)
Treasury stock, at cost	(72,558)	(72,557)	(1)
Total shareholders' equity	601,750	764,573	(162,823)
Net unrealized gain (loss):			
Unrealized gain (loss) on available-for-sale securities	(38,049)	(35,024)	(3,025)
Deferred gain (loss) on derivatives under hedge accounting	(672)	1,896	(2,568)
Total net unrealized gain (loss)	(38,722)	(33,128)	(5,594)
Stock acquisition rights	1,808	1,257	551
Total equity	564,836	732,703	(167,867)
Total liabilities and equity	10,713,494	9,548,673	1,164,821

Non-Consolidated Statements of Operations (Unaudited) (Non-Consolidated)*(millions of yen, except percentages)*

	FY2008 (12 months)	FY2007 (12 months)	Change	
			Amount	%
Total interest income	182,737	199,803	(17,066)	(8.5)
Interest on loans and bills discounted	109,886	110,567	(681)	(0.6)
Interest and dividends on securities	59,458	76,969	(17,511)	(22.8)
Other interest income	13,391	12,266	1,125	9.2
Fees and commissions income	18,963	27,459	(8,496)	(30.9)
Trading profits	5,277	7,133	(1,856)	(26.0)
Other business income	16,956	3,845	13,111	341.0
Other ordinary income	22,389	41,442	(19,053)	(46.0)
Ordinary income	246,323	279,684	(33,361)	(11.9)
Total interest expenses	96,368	100,993	(4,625)	(4.6)
Interest on deposits	47,548	43,560	3,988	9.2
Interest on corporate bonds	20,266	24,564	(4,298)	(17.5)
Other interest expenses	28,553	32,868	(4,315)	(13.1)
Fees and commissions expenses	13,415	15,960	(2,545)	(15.9)
Trading losses	10,968	142	10,826	7623.9
Other business expenses	103,456	15,202	88,254	580.5
General and administrative expenses	81,741	85,681	(3,940)	(4.6)
Other ordinary expenses	105,234	29,174	76,060	260.7
Ordinary expenses	411,184	247,155	164,029	66.4
Net ordinary income (loss)	(164,860)	32,528	(197,388)	(606.8)
Special gains	76,948	67,699	9,249	13.7
Special losses	63,487	41,910	21,577	51.5
Income (loss) before income taxes	(151,399)	58,317	(209,716)	(359.6)
Current	(4,184)	(7,666)	3,482	(45.4)
Deferred	9,833	12,780	(2,947)	(23.1)
Total income taxes (benefit)	5,648	—	/	/
Net income (loss)	(157,048)	53,203	(210,251)	(395.2)

Non-Consolidated Statements of Changes in Equity (Unaudited) (Non-Consolidated)

	(millions of yen)	
	FY2008 (12 months)	FY2007 (12 months)
Shareholders' Equity		
Capital stock		
Balance at beginning of the period	476,296	451,296
Changes in amounts during the period		
Shares issued in the year		25,000
Total changes in amounts during the period	-	25,000
Balance at the end of the period	476,296	476,296
Capital surplus		
Capital reserve		
Balance at beginning of the period	43,558	18,558
Changes in amounts during the period		
Disposal of treasury stock		25,000
Total changes in amounts during the period	-	25,000
Balance at the end of the period	43,558	43,558
Total capital surplus		
Balance at beginning of the period	43,558	18,558
Changes in amounts during the period		
Disposal of treasury stock		25,000
Total changes in amounts during the period	-	25,000
Balance at the end of the period	43,558	43,558
Retained earnings		
Legal reserve for retained earnings		
Balance at beginning of the period	9,880	9,266
Changes in amounts during the period		
Dividends from surplus	1,154	614
Total changes in amounts during the period	1,154	614
Balance at the end of the period	11,035	9,880
Other retained earnings		
Retained earnings carried forward		
Balance at beginning of the period	307,395	257,878
Changes in amounts during the period		
Dividends of retained earnings	(6,928)	(3,686)
Net income (loss)	(157,048)	53,203
Total changes in amounts during the period	(163,976)	49,517
Balance at the end of the period	143,418	307,395
Total retained earnings		
Balance at beginning of the period	317,276	267,144
Changes in amounts during the period		
Dividends of retained earnings	(5,773)	(3,072)
Net income (loss)	(157,048)	53,203
Total changes in amounts during the period	(162,822)	50,131
Balance at the end of the period	154,454	317,276
Treasury stock		
Balance at beginning of the period	(72,557)	(72,555)
Changes in amounts during the period		
Acquisition of treasury stock	(0)	(1)
Total changes in amounts during the period	(0)	(1)
Balance at the end of the period	(72,558)	(72,557)
Shareholders' Equity		
Balance at beginning of the period	764,573	664,444
Changes in amounts during the period		
Shares issued in the year		50,000
Dividends from surplus	(5,773)	(3,072)
Net income (loss)	(157,048)	53,203
Acquisition of treasury stock	(0)	(1)
Total changes in amounts during the period	(162,823)	100,129
Balance at the end of the period	601,750	764,573

(millions of yen)

	FY2008 (12 months)	FY2007 (12 months)
Net unrealized gain (loss) and translation adjustments		
Unrealized gain (loss) on available-for-sale securities		
Balance at beginning of the period	(35,024)	4,181
Changes in amounts during the period		
Total changes in amounts during the period excluding capital stock (net)	(3,025)	(39,206)
Total changes in amounts during the period	(3,025)	(39,206)
Balance at the end of the period	(38,049)	(35,024)
Deferred gain (loss) on derivatives under hedge accounting		
Balance at beginning of the period	1,896	(10,275)
Changes in amounts during the period		
Total changes in amounts during the period excluding capital stock (net)	(2,568)	12,172
Total changes in amounts during the period	(2,568)	12,172
Balance at the end of the period	(672)	1,896
Total net unrealized gain (loss) and translation adjustments		
Balance at beginning of the period	(33,128)	(6,094)
Changes in amounts during the period		
Total changes in amounts during the period excluding capital stock (net)	(5,593)	(27,034)
Total changes in amounts during the period	(5,593)	(27,034)
Balance at the end of the period	(38,722)	(33,128)
Stock acquisition rights		
Balance at beginning of the period	1,257	517
Changes in amounts during the period		
Total changes in amounts during the period excluding capital stock (net)	550	740
Total changes in amounts during the period	550	740
Balance at the end of the period	1,808	1,257
Total equity		
Balance at beginning of the period	732,703	658,866
Changes in amounts during the period		
Shares issued in the year		50,000
Dividends from surplus	(5,773)	(3,072)
Net income (loss)	(157,048)	53,203
Acquisition of treasury stock	(0)	(1)
Total changes in amounts during the period excluding capital stock (net)	(5,043)	(26,293)
Total changes in amounts during the period	(167,866)	73,836
Balance at the end of the period	564,836	732,703

Section 3. Earnings Forecast -Table 42- (Consolidated and Non-Consolidated)

(Consolidated)	<i>(Billions of yen)</i>	
	Fiscal year ending March 2010 (FY2009) Forecast	Fiscal year ended March 2009 (FY2008) Actual
Cash Basis Net income	28.0	(97.0)
Net income	10.0	(143.0)
<hr/>		
(Non-Consolidated)	Fiscal year ending March 2010 (FY2009) Forecast	Fiscal year ended March 2009 (FY2008) Actual
Net income	10.0	(157.0)
Dividends (per share in yen)		
Common stock	to be determined	0.00 ⁽¹⁾ yen

(1) No dividend to be paid on common shares for fiscal year 2008.

Above forecasts are based on current assumptions of future events and trends, which may be incorrect. Actual results may differ materially from those in the statements as a result of various factors.

Shinsei Bank forecasts a consolidated cash basis* net income of ¥28.0 billion (consolidated reported basis net income of ¥10.0 billion) for the fiscal year ending March 31, 2010.

Shinsei Bank forecasts a non-consolidated net income for the fiscal year ending March 31, 2010 of ¥10.0 billion.

The amount of the dividend for common shares has yet to be determined for the period ending March 31, 2010.

*Cash-basis figures are calculated by excluding amortization of goodwill and net other intangible assets, net of tax benefit.

Section 4. Exposure to U.S. Residential Mortgage, Securitized Products and Related Investments
Mark-Downs and Credit Costs for U.S. Residential Mortgage Exposure -Table 43- (Consolidated)

(Millions of dollars or Billions of yen)

	FY2007				Total US Dollar	Total JPY ⁽¹⁾	FY2008				Total US Dollar	Total JPY ⁽¹⁾
	1Q (Apr 1 - Jun 30, 2007) US Dollar	2Q (Jul 1 - Sep 30, 2007) US Dollar	3Q (Oct 1 - Dec 31, 2007) US Dollar	4Q (Jan 1 - Mar 31, 2008) US Dollar			1Q (Apr 1 - Jun 30, 2008) US Dollar	2Q (July 1 - Sep 30, 2008) US Dollar	3Q (Oct 1 - Dec 31, 2008) US Dollar	4Q (Jan 1 - Mar 31, 2009) US Dollar		
Mark-downs	17	48	40	52	157	15.6	4	11	27	(9)	33	3.1
Credit costs (recoveries) ⁽²⁾	0	107	(11)	38	134	13.4	0	(0)	5	(2)	2	0.1
Total	17	155	29	90	291	29.1	4	11	32	(12)	35	3.3

(1) The amount of credit costs during fiscal year 2007 and 2008 reflects adjustments due to different exchange rates
(March 31, 2008: 99.73 yen/dollar, March 31, 2009: 98.23 yen/dollar).

(2) Includes ¥2.1 billion of losses and ¥0.6 billion of gains on a sale of security in fiscal year 2007 and 2008, respectively, and other substantive losses.

U.S. Residential Mortgage Exposure (Securities and Loans) -Table 44- (Consolidated)

(Millions of dollars, %)

(Billions of yen)

	Balance Before Evaluation ⁽¹⁾ (a)	Mark-Down During FY2008 (12 months) or Credit Reserve as of Mar 31, 2009 (b)		Net Exposure Mar 31, 2009 (c) = (a) - (b)	Net Exposure Mar 31, 2009 (c) x 98.23 yen
			% Decline		
Mark-to-Market Exposure	29.7	15.1 ⁽²⁾	(50.9)	14.5	1.4
Securities ⁽³⁾	29.7	15.1	(50.9)	14.5	1.4
AAA ⁽⁴⁾	11.0	1.4	(13.0)	9.5	0.9
Other ⁽⁴⁾	18.7	13.7	(73.3)	5.0	0.4
Loans and Other Credit Exposure	168.8	59.9 ⁽⁵⁾		108.8	10.6
Loans ⁽⁶⁾	168.8	59.9		108.8	10.6
Total	198.5	75.1		123.4	12.1

(1) Figures are balances before mark-to-market adjustments or credit reserves.

(2) Mark-downs of U.S. residential mortgage exposure during FY2008 (12 months) totaled ¥3.1 billion (\$33.3 million).

(3) One AAA-rated security of 2006-vintage amounts to \$11.0 million (¥1.0 billion) as of March 31, 2009. Our exposure to this security was effectively zero as of the end of March 2009, since it was sold at the end of March 2009 with subsequent cash settlement. Of the total ¥1.4 billion of securities exposure, subprime-related exposure is ¥0.9 billion as of March 31, 2009.

(4) Based on ratings as of March 31, 2009.

(5) Net credit costs and others for U.S. residential mortgage exposure during FY2008 (12 months) totaled ¥0.1 billion.

(6) Includes undrawn portion of commitment lines.

Balance of Securitized Products (Breakdown by Region and Type of Securities)⁽¹⁾ -Table 45- (Non-Consolidated)

(Billions of yen)

	Credit Ratings of Securities ⁽²⁾ (Mar 31, 2009)				Mar 31 2009 (a)	Mar 31 2008 (b)	Change (a)-(b)	Sep 30 2008 (c)	Change (a)-(c)
	AAA	AA	A or lower	N/A					
RMBS	26%	7%	8%	59%	52.2	76.2	(24.0)	73.3	(21.0)
Japan	24%	5%	8%	63%	49.3	45.6	3.6	48.7	0.5
U.S. ⁽³⁾	100%	0%	0%	0%	0.9	15.9	(15.0)	14.5	(13.6)
Europe	0%	100%	0%	0%	1.1	7.3	(6.2)	4.0	(2.9)
Other ⁽⁴⁾	100%	0%	0%	0%	0.8	7.2	(6.4)	5.8	(5.0)
CMBS⁽⁵⁾	0%	17%	83%	0%	19.4	30.3	(10.9)	24.9	(5.4)
Japan	0%	8%	92%	0%	13.1	17.6	(4.5)	14.2	(1.1)
U.S.	-	-	-	-	-	-	-	-	-
Europe	0%	0%	100%	0%	3.9	10.0	(6.1)	7.9	(4.0)
Other	0%	100%	0%	0%	2.3	2.6	(0.2)	2.6	(0.3)
CLO	72%	25%	2%	1%	69.1	149.5	(80.3)	107.5	(38.3)
Japan	-	-	-	-	-	-	-	-	-
U.S.	71%	27%	0%	2%	53.2	87.6	(34.3)	81.2	(27.9)
Europe	82%	18%	0%	0%	14.5	59.1	(44.5)	23.4	(8.8)
Other	0%	0%	100%	0%	1.3	2.7	(1.4)	2.8	(1.5)
ABS CDO (Resecuritized Products)	0%	0%	23%	77%	7.9	8.9	(0.9)	8.0	0.0
Japan ⁽⁶⁾	0%	0%	23%	77%	7.9	8.0	(0.1)	8.0	(0.0)
U.S.	-	-	-	-	-	0.8	(0.8)	-	-
Europe	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	43%	16%	16%	25%	148.9	265.1	(116.2)	213.9	(64.9)
Japan	17%	5%	26%	53%	70.4	71.4	(0.9)	71.1	(0.6)
U.S.	72%	27%	0%	2%	54.2	104.4	(50.1)	95.8	(41.6)
Europe	60%	20%	20%	0%	19.6	76.5	(56.8)	35.4	(15.8)
Other	18%	52%	29%	0%	4.5	12.7	(8.1)	11.4	(6.8)
Securities					81.7	199.1	(117.3)	146.0	(64.3)
RMBS					2.9	30.6	(27.6)	24.5	(21.6)
CMBS					9.5	18.1	(8.5)	13.9	(4.3)
CLO					69.1	149.5	(80.3)	107.5	(38.3)
ABS CDO					0.0	0.8	(0.8)	0.0	0.0
Other monetary claims purchased⁽⁷⁾					67.2	66.0	1.1	67.8	(0.6)
RMBS (Japan)					49.3	45.6	3.6	48.7	0.5
CMBS (Japan)					9.8	12.2	(2.3)	10.9	(1.1)
CLO (Japan)					-	-	-	-	-
ABS CDO (Japan)					7.9	8.0	(0.1)	8.0	(0.0)
Total					148.9	265.1	(116.2)	213.9	(64.9)

(1) The amount is the outstanding balance, after mark-downs and other comprehensive income (OCI) adjustments, at the end of each period. This table excludes securitized products backed by consumer loans, credit card loans, and other similar exposure to individuals.

(2) Based on ratings by S&P or ratings equivalent to S&P ratings matrix as of March 31, 2009. The "N/A" rating for Japanese RMBS represents senior portions of other monetary claims purchased for the purpose of warehousing for future securitization.

(3) While this ¥0.9 billion in U.S. RMBS outstanding as of March 31, 2009 is subprime-related exposure, our exposure to this security was effectively zero as of the end of March 2009, since it was sold at the end of March 2009 with subsequent cash settlement.

(4) Includes exposures guaranteed by a monoline insurer (¥0.8 billion as of March 31, 2009, ¥1.1 billion as of September 30, 2008, and ¥1.4 billion as of March 31, 2008).

(5) Breakdown of collateral: office building (49%), multi-family (34%), retail and shops (9%), hotel and others (8%)

(6) Backed by Japanese RMBS and CMBS and does not include subprime-related exposure.

(7) Includes Japanese RMBS recorded as monetary assets held in trust of ¥4.1 billion as at March 31, 2009.

**Securitized Products, Recorded under "Securities" and "Other Monetary Claims Purchased" and OCI⁽¹⁾ -Table 46-
(Non-Consolidated)**

Securities	(Billions of yen, %)			
	As of March 31, 2009			
	Balance before Mark-to-Market Evaluation	Market Value or Balance	Unrealized Gains/Losses (OCI)	Price Decline Ratio (%)
Trading Securities		3.8		
RMBS (Japan)		-		
RMBS (U.S.) ⁽²⁾		0.9		
RMBS (Other foreign countries)		0.8		
CLO (U.S.)		0.6		
CLO (Other foreign countries)		1.3		
Securities Being Held to Maturity with Readily Determinable Fair Value ⁽³⁾		47.3		
CLO (U.S.)		35.8		
CLO (Europe)		11.5		
Securities Available for Sale		30.5	(0.5)	(1.9)
Other	31.1	30.5	(0.5)	(1.9)
Foreign Securities	31.1	30.5	(0.5)	(1.9)
Foreign Currency Denominated Foreign Corporate and Government Bonds	27.8	27.2	(0.5)	(2.0)
RMBS	1.1	1.1	0.0	0.0
Europe	1.1	1.1	0.0	0.0
CMBS	6.8	6.3	(0.5)	(8.1)
Europe	3.9	3.9	0.0	0.0
Other foreign countries	2.9	2.3	(0.5)	(18.9)
CLO	19.8	19.8	0.0	0.0
U.S.	16.7	16.7	0.0	0.0
Europe	3.0	3.0	0.0	0.0
Yen-Denominated Foreign Corporate and Government Bonds	3.2	3.2	0.0	-
CMBS (Japan)	3.2	3.2	0.0	(0.7)
Securities		81.7		
RMBS		2.9		
CMBS		9.5		
CLO		69.1		
Other Monetary Claims Purchased⁽⁴⁾				
Trading Purposes		19.2		
RMBS (Japan) ⁽⁴⁾		15.8		
CMBS (Japan)		3.3		
Others	47.9	47.9	0.0	-
RMBS (Japan)	33.4	33.4	0.0	-
CMBS (Japan)	6.4	6.4	0.0	-
ABS CDO (Japan)	7.9	7.9	0.0	-
Total		67.2		
RMBS (Japan)		49.3		
CMBS (Japan)		9.8		
ABS CDO (Japan)		7.9		
RMBS, CMBS, CLO, ABS CDO Total		148.9		
Securities		81.7		
Other Monetary Claims Purchased		67.2		

(1) This table excludes securitized products backed by consumer loans, credit card loans, and other similar exposure to individuals.

(2) Securities with exposure to U.S. residential mortgage market.

(3) Among the securities that were previously classified as "available-for-sale", a part of the foreign bonds with high credit ratings was reclassified to "held-to-maturity" on October 1, 2008, in accordance with "Tentative Solution on Reclassification of Debt Securities" (December 5, 2008, Practical Issue Task Force No.26).

(4) Includes Japanese RMBS recorded as monetary assets held in trust of ¥4.1 billion as at March 31, 2009.

LBO, Monoline, SIV, ABCP, CDS -Table 47- (Non-Consolidated)

(Billions of yen)						
	Mar 31 2009 (a)	Mar 31 2008 (b)	Change (a)-(b)	Sep 30 2008 (c)	Change (a)-(c)	
LBO⁽¹⁾	291.7	277.1	14.6	313.8	(22.1)	
Japan	278.6⁽²⁾	258.6	20.0	297.8	(19.2)	
U.S.	3.2	3.6	(0.4)	3.6	(0.4)	
Europe	-	-	-	-	-	
Other	9.8	14.8	(5.0)	12.3	(2.5)	
(Breakdown by Industry Sector as of March 31, 2009)						
Manufacturing	12.3%					
Information and communications	12.6%					
Wholesale and retail	8.7%					
Finance and Insurance	49.4%					
Services	8.5%					
Others	8.5%					
Total	100.0%					

(1) The amount includes unfunded commitment line.

(2) As of March 31, 2009, unfunded commitment line (only domestic) is ¥4.2 billion.

(Billions of yen)						
	Mar 31 2009 (a)	Mar 31 2008 (b)	Change (a)-(b)	Sep 30 2008 (c)	Change (a)-(c)	
Monoline	0.8	1.4	(0.6)	1.1	(0.3)	
Japan	-	-	-	-	-	
U.S.	-	-	-	-	-	
Europe	-	-	-	-	-	
Other	0.8	1.4	(0.6)	1.1	(0.3)	
SIV	-	-	-	-	-	
ABCP	-	-	-	-	-	

Credit Default Swaps (CDS)⁽¹⁾

(Billions of yen)									
	As of March 31, 2009								FY2008
	Nominal Amount		Fair Value		Netted Nominal Amount and Fair Value ⁽²⁾			Realized Profits (Losses)	
	Protection (buy)	Protection (sell)	Protection (buy)	Protection (sell)	Nominal Amount	Fair Value			
						Protection (buy)	Protection (sell)		
Total	1,195.4	1,282.2	122.0	(108.0)	1,021.0	86.7	(84.8)	6.0	
Japan	1,062.8	1,157.6	110.9	(96.3)	907.3	78.5	(76.0)	7.7	
U.S.	60.9	58.9	6.2	(7.7)	49.8	4.5	(5.0)	(1.8)	
Europe	31.8	26.7	2.0	(1.5)	26.3	1.6	(1.4)	(0.0)	
Other	39.8	38.8	2.8	(2.4)	37.5	2.0	(2.2)	0.1	

(1) Represents transactions under both banking book and trading book.

(2) Transactions which are netted with buy and sell.

Definitions -Table 48-

Names	Definitions
RMBS	Residential mortgage-backed securities and other related assets, including beneficial interests backed by mortgage loans. Recorded in "trading securities," "securities available-for-sale" and "other monetary claims."
CMBS	Commercial mortgage-backed securities. Recorded in "securities available-for-sale" and "other monetary claims." We have no U.S. CMBS exposure.
CLO	Collateralized loan obligations (CLO) mainly backed by LBO debt, corporate loans and high-yield securities. Recorded in "trading securities," "securities being held to maturity with readily determinable fair value," and "securities available-for-sale."
ABS CDO (Re-securitized Products)	CDO backed by asset-backed securities (ABS) such as RMBS. Recorded in "securities available-for-sale" and "other monetary claims."
Subprime-Related	Subprime-related exposure refers to the total book value of securities whose underlying assets include U.S. subprime, Alt-A and/or second-lien loans. While our total subprime-related exposure stood at ¥0.9 billion for one security as of March 31, 2009, our exposure to this security was effectively zero since it was sold at the end of March 2009 with subsequent cash settlement.
LBO	Loans for leveraged buyout for acquisition finance including refinancing of past acquisitions.
Monoline	Monolines are insurance companies that insure against the risk of a bond or other security defaulting. As of March 31, 2009, the exposure guaranteed by monoline insurers is ¥0.8 billion in Asia.
SIV	A structured investment vehicle (SIV) is a fund which borrows money by issuing short-term securities at low interest rates, then lends that money by buying long-term securities (such as securitization products) at higher interest rates, making a profit for investors from the difference. We have no exposure to SIVs.
ABCP	An asset-backed commercial paper (ABCP) conduit is a limited-purpose entity that issues CP to finance the purchase of assets or to make loans. Some asset types include receivables generated from trade, credit card, auto loan, auto, and equipment leasing obligors, as well as collateralized loan obligations (CLOs) and collateralized bond obligations (CBOs). We have no exposure to ABCP.
CDS	Credit default swap is a type of derivative in which the buyer receives credit protection by making periodic payments to a counterparty and the seller provides credit protection by giving the promise of a payoff if a third-party defaults.

(Appendix 1) English translation originally prepared in Japanese using the format required by Bank of Japan Press Club

1. Ratio of non-performing claims classified under the Financial Revitalization Law (%)

	Sep 30, 2004	Mar 31, 2005	Sep 30, 2005	Mar 31, 2006	Sep 30, 2006
Non-consolidated	2.01	1.43	1.16	1.03	0.54
Consolidated	2.19	1.83	2.06	1.76	1.18
	Mar 31, 2007	Sep 30, 2007	Mar 31, 2008	Sep 30, 2008	Mar 31, 2009
Non-consolidated	0.53	0.82	0.95	0.90	2.51
Consolidated	1.08	1.23	1.69	2.36	4.43

2. Equity holdings

(1) Equity held (Non-consolidated)

(Billions of yen)

	Book value		Net unrealized gain (loss)
		Subsidiaries' shares	
FY2007	301.9	275.8	(3.1)
1H-FY2008	422.6	399.3	(4.6)
FY2008	449.9	432.1	(2.8)

(2) Impairment (Non-consolidated)

(Billions of yen)

	Equity related profits and losses (net of three accounts)	
		Impairment amount
1H-FY2008	0.3	2.1
FY2008*	(7.6)	11.5

* Other extraordinary losses for FY2008 contains ¥53.4 billion in mark-down of subsidiaries' equity.

(4) Break-even level of profit and loss of equities held (domestic) (theoretical figure) (Non-consolidated)

Nikkei Stock Average	approximately 10,000 yen
TOPIX	approximately 1,000

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

(Billions of yen)

	Results*	% Change
Mar 31, 2008	3,001.6	(1.48)%
Sep 30, 2008	3,107.2	3.52%
Mar 31, 2009	2,937.8	(5.45)%

*Different from the amount of actual basis for Revitalization Plan.

*Revitalization Law (actual net increase/decrease excluding impact loan)

Achieved actual results of + ¥29.6 billion for FY2007 compared to the plan of + ¥0.1 billion

4. Sales performance of investment trusts and insurance

a. Sales performance and commission of investment trusts

(Billions of yen)

	Handling commission for sales of investment trusts	Revenue from sales during the period	Amount of sales during the period
Sep 30, 2007	5.6	3.0	133.4
Mar 31, 2008	7.9	3.8	187.9
Sep 30, 2008	2.2	0.5	33.0
Mar 31, 2009	3.6	0.9	58.7

b. Sales performance and commission of insurance

(Billions of yen)

	Handling commission for sales of insurance	Revenue from sales during the period	Amount of sales during the period
Sep 30, 2007	1.2	1.2	25.6
Mar 31, 2008	2.2	2.1	43.6
Sep 30, 2008	0.9	0.8	16.6
Mar 31, 2009	1.1	1.0	19.6

5. Securitization products

Please refer to the table 44, 45, and 46 of Financial Summary for the fiscal year 2008.

(Appendix 2) Calculation grounds of deferred tax assets

Calculation grounds of deferred tax assets

Shinsei Bank has, due to losses recognized on securities resulting from recent instability in the financial markets, ¥130.0 billion of tax loss carryforwards and the unrealized temporary differences of ¥450.0 billion as of March 31, 2009.

We continue to recognize deferred tax assets based on our ability to reasonably estimate future taxable income for the next year.

Taxable income is calculated under the consolidated tax system, which was adopted in FY2003.

1. Future year taxable income estimate before adjustment

Taxable income for the next year before adjustment (under the consolidated tax system) is estimated to be ¥43.5 billion.

(Reference) Total taxable income before adjustment, past five years 【Non-consolidated】

(billions of yen)				
FY2004	FY2005	FY2006	FY2007	FY2008
64.8	66.8	63.9	58.5	-151.2

2. Net deferred tax assets (As of March 31, 2009 【Non-consolidated】)

Deferred tax assets corresponding to "total taxable income before adjustment" (*) ¥17.80 billion

Deferred tax liabilities ¥13.50 billion

Net deferred tax assets on balance sheet ¥4.30 billion

(*)Breakdown	Reserve for credit losses	¥77.70 billion
	Securities	¥69.20 billion
	Tax loss carryforwards	¥54.70 billion
	Net unrealized loss on securities	
	available -for-sale	¥15.40 billion
	Net deferred loss on hedge	¥8.40 billion
	Other	¥38.90 billion
	Sub total	¥264.50 billion
	Valuation allowance	¥-246.70 billion
	Total	¥17.80 billion

3. Deferred tax assets as a percentage of Tier I capital 【Consolidated】

(billions of yen)			
	FY2007	1H-FY2008	FY2008
Deferred tax assets(except deferred tax liabilities)	23.9	17.8	20.5
Tier I capital	679.7	613.7	580.0
Deferred tax assets as a percentage of Tier I capital	3.5%	2.9%	3.5%