

Financial Summary

For the Nine Months Ended December 31, 2008



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

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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 yen have been truncated. All percentages have been rounded to the nearest 0.1%.

Section 1. Consolidated Information

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

(Billions of yen, except percentages)

	3QFY2008 (9 months)	3QFY2007 (9 months)	% Change	FY2007 (12 months)
Net interest income	137.4	97.1	41.4	137.7
Non-interest income	52.9	111.7	(52.6)	125.0
Net fees and commissions	21.9	32.4	(32.3)	40.8
Net trading income (loss)	(2.2)	8.5	(126.6)	9.0
Net other business income	33.2	70.7	(53.0)	75.0
Total revenue	190.3	208.9	(8.9)	262.7
General and administrative expenses	127.2	117.6	8.2	157.8
Ordinary business profit	63.1	91.3	(30.9)	104.9
Net credit costs	79.6	40.7	95.3	73.5
Amortization of goodwill and other intangible assets ⁽²⁾	10.3	9.4	10.0	12.5
Other gains (losses)	7.7	17.8	(56.9)	73.7
Income (loss) before income taxes and minority interests	(19.1)	58.9	(132.5)	92.5
Current income tax (benefit)	2.8	4.6	(39.3)	4.9
Deferred income tax (benefit)	(0.8)	5.1	(115.8)	9.5
Minority interests in net income of subsidiaries	10.9	15.6	(29.9)	18.0
Net income (loss)	(32.1)	33.5	(195.8)	60.1
Cash basis net income (loss) ⁽³⁾	(23.3)	42.0	(155.5)	71.3

(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. GE Consumer Finance's results have been incorporated in our Results of Operations from the current period.

Shinsei Bank reported "total revenue" for the first nine months of fiscal year 2008 of 190.3 billion yen or 8.9% lower than in the first nine months of the previous fiscal year.

"Net interest income" revenues rose to 137.4 billion yen during the current period from 97.1 billion yen in the first nine months of fiscal year 2007. This increase was primarily driven by 34.0 billion yen in net interest income from GE Consumer Finance, which has been incorporated into our financial results from the third quarter, and 16.4 billion yen in net interest income from Shinki Co., Ltd. ("Shinki") which became a consolidated subsidiary from the second half of fiscal year 2007.

"Non-interest income" decreased to 52.9 billion yen versus 111.7 billion yen in the same period of the previous year.

Our "non-interest income" was impacted by a decline of 10.4 billion yen of fee and commission revenues. In addition, we generated a net trading loss of 2.2 billion yen and a decline in other business income to 33.2 billion yen from 70.7 billion yen. Included in the trading loss and other business income are 8.2 billion yen in losses on bonds incurred upon the bankruptcy of Lehman Brothers Holdings, Inc. (Lehman Brothers), 24.5 billion yen of losses related to our holdings of European investments, asset-backed investments and asset-backed securities, 6.2 billion yen of losses on other asset backed investments, 7.1 billion yen of impairments within our capital markets area, and 10.0 billion of impairment of Japanese equities. These losses have been partially offset by a gain of 24.3 billion yen recorded on the repurchase of subordinated debt.

"General and administrative expenses" during the first nine months of fiscal year 2008 were 127.2 billion yen, an increase of 9.5 billion yen compared to the first nine months of the prior fiscal year. This increase occurred as a result of the consolidation of expenses of Shinki from the second half

of fiscal year 2007 and the inclusion of GE Consumer Finance's expenses from October 1, 2008. Excluding Shinki and GE Consumer Finance's expenses, our expenses declined to 106.8 billion yen, a decrease of 7.6 billion yen from the prior period.

Our expense-to-revenue ratio of 66.8% for the nine months ended December 31, 2008 is primarily a result of the drop in "total revenue," and compares to an expense-to-revenue ratio of 56.3% in the first nine months of fiscal year 2007.

"Net credit costs" of 79.6 billion yen for the first nine months of fiscal year 2008 were 38.8 billion yen higher compared to the same period in the previous fiscal year. The increase was driven primarily by 18.6 billion yen in credit costs related to a loan to a Lehman Brothers subsidiary, 10.8 billion yen in credit costs associated with our holdings of European asset backed investments, and 13.8 billion yen of reserves for real estate finance. Excluding GE Consumer Finance, "net credit costs" within our consumer finance subsidiaries improved to 23.7 billion yen from 30.5 billion yen in the prior period.

"Amortization of goodwill and other intangible assets" associated with the acquisition of consumer and commercial finance companies was 10.3 billion yen for the nine months ended December 31, 2008 as compared with 9.4 billion yen in the first nine months of the previous fiscal year.

"Other gains" of 7.7 billion yen largely included a 7.2 billion yen 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 yen on the sale of Showa Auto Rental & Leasing, offset by a 3.6 billion yen loss for litigation expenses taken in the third quarter of fiscal year 2008. The

first nine months fiscal year 2007 results include a gain from the sale of Life Housing Loan Co, Ltd. of 20.3 billion yen, 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 1.9 billion yen compared to a net expense of 9.8 billion yen in the first nine months of the previous fiscal year. Deferred taxes for the current nine months period include the recognition of a 2.0 billion yen deferred tax asset by Showa Leasing.

"Minority interests in net income of subsidiaries" for the first nine months of fiscal year 2008 amounting to 10.9 billion yen largely reflected dividends paid on perpetual preferred securities and minority interests relating to APLUS' preferred shareholders.

The Bank recognized a consolidated "net loss" of 32.1 billion yen for the first nine months of fiscal year 2008, a decrease of 65.6 billion yen, or 195.8%, as compared to the same period in the previous fiscal year.

Consolidated "cash basis net loss" for the first nine months of fiscal year 2008 was 23.3 billion yen, a decrease of 65.3 billion yen, or 155.5%, as compared to the first nine months of 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).

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

	(Billions of yen, except percentages)								
	3QFY2008 (9 months)			3QFY2007 (9 months)			FY2007 (12 months)		
	Average balance	Interest	Yield/rate (%)	Average balance	Interest	Yield/rate (%)	Average balance	Interest	Yield/rate (%)
Interest-earning assets ⁽¹⁾ :									
Loans and bills discounted	5,766.5	179.5	4.13	5,414.5	136.6	3.36	5,390.3	186.7	3.46
Leased assets and installment receivables ⁽¹⁾	708.4	36.2	6.80	774.9	39.5	6.79	765.6	52.1	6.81
Securities	2,438.2	30.0	1.64	2,099.4	32.4	2.06	2,058.7	42.7	2.08
Other interest-earning assets ⁽²⁾⁽³⁾	1,107.6	7.9	n.m. ⁽⁵⁾	936.8	10.5	n.m. ⁽⁵⁾	988.2	12.6	n.m. ⁽⁵⁾
Total revenue on interest-earning assets ⁽¹⁾	10,020.8	253.8	3.36	9,225.7	219.2	3.16	9,202.9	294.3	3.20
Interest-bearing liabilities:									
Deposits, including negotiable certificates of deposit	6,140.6	38.8	0.84	5,695.5	35.5	0.83	5,734.4	47.9	0.84
Debentures	705.7	3.6	0.69	683.1	2.4	0.47	679.5	3.3	0.50
Borrowed money ⁽⁶⁾	1,129.2	12.8	1.51	1,145.4	13.4	1.56	1,131.7	15.2	1.35
Subordinated debt	108.0	1.1	1.42	108.0	0.9	1.18	108.0	1.3	1.24
Other borrowed money	1,021.2	11.6	1.52	1,037.4	12.5	1.60	1,023.7	13.9	1.36
Corporate bonds ⁽⁶⁾	359.2	9.5	3.54	444.8	11.6	3.49	425.6	15.2	3.59
Subordinated bonds	279.5	8.5	4.08	362.8	10.6	3.92	343.4	13.9	4.07
Other corporate bonds	79.7	0.9	1.65	82.0	0.9	1.61	82.1	1.3	1.59
Other interest-bearing liabilities ⁽²⁾	1,079.1	15.1	n.m. ⁽⁵⁾	1,135.1	19.4	n.m. ⁽⁵⁾	1,094.5	22.5	n.m. ⁽⁵⁾
Total expense on interest-bearing liabilities	9,414.0	80.1	1.13	9,104.1	82.5	1.21	9,065.8	104.3	1.15
Non interest-bearing sources of funds:									
Non interest-bearing (assets) liabilities, net	(83.3)	-	-	△ 528.7	-	-	(543.1)	-	-
Total equity — Minority interests in subsidiaries ⁽⁴⁾	690.2	-	-	650.2	-	-	680.2	-	-
Total interest-bearing liabilities and non interest-bearing sources of funds	10,020.8	-	-	9,225.7	-	-	9,202.9	-	-
Net interest margin ⁽¹⁾	-	-	2.23	-	-	1.96	-	-	2.05
Impact of non interest-bearing sources	-	-	0.07	-	-	0.02	-	-	0.02
Net revenue/yield on interest-earning assets ⁽¹⁾	-	173.7	2.30	-	136.7	1.97	-	189.9	2.06
Reconciliation of total revenue on interest-earning assets to total interest income:									
Total revenue on interest-earning assets	10,020.8	253.8	3.36	9,225.7	219.2	3.16	9,202.9	294.3	3.20
Less: Income on leased assets and installment receivables, net	708.4	36.2	6.80	774.9	39.5	6.79	765.6	52.1	6.81
Total interest income	9,312.4	217.5	3.10	8,450.8	179.7	2.83	8,437.3	242.1	2.87
Total interest expense	-	80.1	-	-	82.5	-	-	104.3	-
Net interest income	-	137.4	-	-	97.1	-	-	137.7	-

(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 nine months ended December 31, 2008 was 173.7 billion yen, an

increase of 37.0 billion yen compared to the first nine months of the prior fiscal year. “Total revenue on interest-earning assets” increased by 34.5 billion yen and “total expense on interest-bearing liabilities” decreased by 2.4 billion yen in the first nine months of fiscal year 2008 from the first nine months of the previous fiscal year. The “net yield on interest-earning assets” was 2.30% in the first nine months of fiscal year 2008, compared with 1.97% for the same period in the prior fiscal year, an increase of 0.33%.

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

From the nine months ended December 31, 2007 to the nine months ended December 31, 2008	(Billions of yen)		
	Due to change in ⁽¹⁾		Net Change
	Volume	Rate	
Increase (decrease) in interest revenue:			
Loans and bills discounted	8.8	33.9	42.8
Leased assets and installment receivables	(3.3)	0.1	(3.2)
Securities	5.2	(7.6)	(2.4)
Other interest-earning assets	1.9	(4.5)	(2.5)
Total revenue on interest-earning assets			34.5
Increase (decrease) in interest expenses:			
Deposits, including negotiable certificates of deposit	2.7	0.4	3.2
Debentures	0.0	1.1	1.2
Borrowed money ⁽²⁾	(0.1)	(0.4)	(0.6)
Subordinated debt	0.0	0.1	0.1
Other borrowed money	(0.1)	(0.6)	(0.8)
Corporate bonds ⁽²⁾	(2.2)	0.1	(2.0)
Subordinated bonds	(2.4)	0.3	(2.0)
Other corporate bonds	0.0	0.0	0.0
Other interest-bearing liabilities	(0.9)	(3.2)	(4.2)
Total expense on interest-bearing liabilities			(2.4)
Net increase in net revenue on interest-earning assets			37.0
Reconciliation of total revenue on interest-earning assets to total interest income:			
Total revenue on interest-earning assets			34.5
Less: Income on leased assets and installment receivables			(3.2)
Total interest income			37.8
Total interest expenses			(2.4)
Net increase in net interest income			40.2

(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 34.5 billion yen increase in "total revenue on interest-earning assets" in the first nine months of 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 GE Consumer Finance and Shinki and growth in retail housing loans, which also benefited from increasing yields on those loans. GE Consumer Finance and Shinki contributed 37.2 billion yen and 9.9 billion yen, respectively, to the net increase in "loans and bills discounted" on a consolidated basis. Lower "leased assets and installment receivables" average volumes lead to 3.3 billion yen lower 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 2.4 billion yen 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 6,140.6 billion yen from 5,695.5 billion yen.

Non-Interest Income -Table 4- (Consolidated)

(Billions of yen, except percentages)

	3QFY2008 (9 months)	3QFY2007 (9 months)	% Change	FY2007 (12 months)
Net fees and commissions	21.9	32.4	(32.3)	40.8
Net trading income (loss)	(2.2)	8.5	(126.6)	9.0
Net other business income	33.2	70.7	(53.0)	75.0
Income on leased assets and installment receivables, net	36.2	39.5	(8.2)	52.1
Total non-interest income	52.9	111.7	(52.6)	125.0

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

“Total non-interest income” for the nine months ended December 31, 2008 amounted to 52.9 billion yen, a decrease of 58.8 billion yen or 52.6% compared to the first nine months of 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 21.9 billion yen were earned in the nine months ended December 31, 2008, a decrease of 10.4 billion yen compared to the same period of the previous year, primarily as a result of the ongoing turmoil in the global financial markets.

“Net trading income” reflects revenues from customer-driven transactions as well as transactions undertaken for trading purposes. During the first nine months of fiscal year 2008, “net trading income” showed a loss of 2.2 billion yen, a decline of 10.8 billion yen from the same period in the previous fiscal year. The decline in the “net trading income”

includes 3.3 billion yen in losses on positions related to Lehman Brothers.

“Net other business income” for the first nine months ended December 31, 2008 was 33.2 billion yen. This included income of 36.2 billion yen from the leased assets and installment receivables businesses of Showa Leasing, GE Consumer Finance and APLUS. Excluding such income, “net other business income” for the first nine months of fiscal year 2008 showed a loss of 3.0 billion yen, a decrease of 34.2 billion yen from the same period in the previous fiscal year. Included in “net other business income” are 4.9 billion yen of additional losses on Lehman bonds, 24.5 billion yen of losses related to our holdings of European investments, asset-backed investments and asset-backed securities, 6.2 billion yen of losses on other asset backed investments, 7.1 billion yen of impairments within our capital markets area, and 10.0 billion of impairment of Japanese equities. These losses have been partially offset by a gain of 24.3 billion yen recorded on the repurchase of subordinated debt.

General and Administrative Expenses -Table 5- (Consolidated)

(Billions of yen, except percentages)

	3QFY2008 (9 months)	3QFY2007 (9 months)	% Change	FY2007 (12 months)
Personnel expenses	50.3	48.9	3.0	63.6
Premises expenses	19.0	13.8	37.3	18.6
Technology and data processing expenses	17.9	15.9	12.4	21.8
Advertising expenses	7.9	7.4	7.6	9.9
Consumption and property taxes	5.7	5.9	(1.8)	8.4
Deposit insurance premium	2.9	2.5	13.5	3.4
Other general and administrative expenses	23.1	22.9	0.8	31.9
General and administrative expenses	127.2	117.6	8.2	157.8

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

“General and administrative expenses” were 127.2 billion yen in the first nine months of fiscal year 2008, an increase of 9.5 billion yen compared to same period in the previous fiscal year.

Higher expenses were incurred primarily due to the acquisition of GE Consumer Finance, as well as the consolidation of Shinki’s financial results for the first nine months of fiscal year 2008, which for the first six months of FY2007 was accounted for as an equity method affiliate. Excluding Shinki and GE Consumer Finance’s expenses, our expenses declined to 106.8 billion yen, a decrease of 7.6 billion yen from the prior period.

“Personnel expenses” of 50.3 billion yen were 1.4 billion yen higher than in the first nine months of the previous fiscal year. This was largely due to the inclusion of GE Consumer Finance’s expenses, which were partially offset by ongoing expense reductions within other areas of our business.

“Non-personnel expenses” rose compared to the same period in the prior fiscal year mainly due to the inclusion of GE Consumer Finance and Shinki’s financial results.

“Premises expenses” increased mainly due to GE Consumer Finance and Shinki’s “premises expenses” and office rent for the Shinsei Bank headquarters building. “Advertising expenses” were 0.5 billion yen higher than the same period last fiscal year reflecting the inclusion of GE Consumer Finance’s expenses offset by continued optimization of advertising activities in Individual Group businesses. Consumption and property taxes were 0.1 billion yen 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 GE Consumer Finance.

Net Credit Costs -Table 6- (Consolidated)

(Billions of yen, except percentages)

	3QFY2008 (9 months)	3QFY2007 (9 months)	%	FY2007 (12 months)
			Change	
Losses on write-off of loans/Losses on sale of loans	2.8	0.2	988.7	3.1
Net provision (reversal) of reserve for loan losses:	79.2	37.3	112.2	73.3
Net provision (reversal) of general reserve for loan losses	30.4	(8.3)	466.3	22.8
Net provision (reversal) of specific reserve for loan losses	48.8	45.6	6.9	50.4
Net provision (reversal) of reserve for loan losses to restructuring countries	(0.0)	(0.0)	(42.9)	0.0
Net provision (reversal) of specific reserve for other credit losses	(2.2)	1.0	(324.0)	(6.3)
Other credit costs relating to leasing business	(0.1)	2.1	(108.1)	3.4
Net credit costs	79.6	40.7	95.3	73.5

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

We recorded “net credit costs” of 79.6 billion yen for the nine months ended December 31, 2008 compared with “net credit costs” of 40.7 billion yen for the nine months ended December 31, 2007. The 38.8 billion yen increase in “net credit costs” was driven by higher credit costs for a loan to a

subsidiary of Lehman Brothers of 18.6 billion yen, reserves for real estate finance of 13.8 billion and an increase in our provisions for European asset-backed investments which totaled 10.8 billion yen for the period.

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

(Billions of yen, except percentages)

	3QFY2008 (9 months)	3QFY2007 (9 months)	%	FY2007 (12 months)
			Change	
Extraordinary income (loss)	13.5	20.6	(34.2)	81.3
Net gain (loss) on disposal of premises and equipment	9.4	0.3	2,703.1	66.1
Provision for loss on disposition of premises and equipment	(3.9)	-	n.m.	(5.0)
Recoveries of written-off claims	3.9	0.4	789.7	1.0
Gain on sale of subsidiary's stock	8.2	20.3	(59.6)	20.3
Other extraordinary income (loss)	(4.1)	(0.5)	(689.0)	(1.2)
Other	(5.8)	(2.7)	(114.3)	(7.5)
Other Gains (Losses)	7.7	17.8	(56.9)	73.7

“Other gains” of 7.7 billion yen largely included a 7.2 billion yen 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 yen on the sale of Showa Auto Rental & Leasing, offset by 3.6 billion yen loss on litigation expenses

taken in the third quarter of FY2008. The first nine months fiscal year 2007 results include a gain from the sale of Life Housing Loan Co, Ltd. of 20.3 billion yen, net of consolidation adjustments.

Major Balance Sheet Data -Table 8- (Consolidated)

(Billions of yen, except percentages)

	Dec 31 2008 (a)	Dec 31 2007 (b)	Change (a)-(b)	Mar 31 2008 (c)	Change (a)-(c)
Call loans	49.0	544.7	(495.7)	-	49.0
Other monetary claims purchased	439.7	467.0	(27.3)	468.8	(29.1)
Monetary assets held in trust	360.4	400.4	(40.0)	371.5	(11.1)
Securities	1,932.9	2,047.8	(114.9)	1,980.2	(47.3)
Loans and bills discounted	5,930.6	5,503.6	427.0	5,622.2	308.4
Lease receivables and leased investment assets	241.7				
Other assets	1,417.2	1,007.2	410.0	1,100.1	317.1
Installment receivables	420.3	435.8	(15.5)	421.8	(1.5)
Premises and equipment	57.0	367.0	(310.0)	305.7	(248.7)
Tangible leased assets	11.8	273.8	(262.0)	264.9	(253.1)
Intangible assets	219.3	236.8	(17.5)	233.1	(13.8)
Goodwill, net	140.8	144.5	(3.7)	142.2	(1.4)
Other intangible assets ⁽¹⁾	46.7	24.6	22.1	23.6	23.1
Intangible leased assets	0.9	40.5	(39.6)	39.6	(38.7)
Customers' liabilities for acceptances and guarantees	685.0	713.0	(28.0)	701.7	(16.7)
Reserve for credit losses	(170.4)	(141.6)	(28.8)	(145.9)	(24.5)
Total assets	12,231.0	11,848.1	382.9	11,525.7	705.3
Deposits and negotiable certificates of deposit	6,061.0	6,198.3	(137.3)	5,806.6	254.4
Debentures	721.4	670.3	51.1	662.4	59.0
Call money	159.1	751.3	(592.2)	632.1	(473.0)
Borrowed money	1,469.5	1,111.9	357.6	1,127.2	342.3
Corporate bonds	324.4	443.7	(119.3)	426.2	(101.8)
Other liabilities	999.8	549.3	450.5	708.7	291.1
Reserve for losses on interest repayments	220.6	43.3	177.3	39.3	181.3
Acceptances and guarantees	685.0	713.0	(28.0)	701.7	(16.7)
Total liabilities	11,329.9	10,912.0	417.9	10,560.5	769.4
Total equity	901.1	936.0	(34.9)	965.2	(64.1)

(1) Intangible assets recorded through consolidation of GE Consumer Finance, 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 5,930.6 billion yen as at December 31, 2008 as compared to 5,622.2 billion yen as at March 31, 2008. Loan growth in the first nine months of fiscal year 2008 was largely due to the acquisition of GE Consumer Finance on September 22, 2008. Loans at GE Consumer Finance totaled 735.7 billion yen at December 31, 2008. In addition to the increase in consumer finance loans, loans to retail customers, including lending to high net worth individuals, grew 10.0% or 90.7 billion yen to 998.1 billion yen. Corporate loans decreased 15.0% to 2,426.6 billion yen and the non-recourse real estate finance balance decreased 3.6% to 670.5 billion yen. "Securities" balance as of December 31, 2008 amounted to

1,932.9 billion yen as compared to 1,980.2 billion yen as of March 31, 2008.

Shinsei Bank continues to diversify its funding base through deposits from retail customers. Total "deposits and negotiable certificate of deposit" increased 254.4 billion yen or 4.4% from March 31, 2008 to 6,061.0 billion yen in the first nine months ended December 31, 2008. The retail deposits balance, including high net worth customers, totaled 4,528.4 billion yen at December 31, 2008, an increase of 534.6 billion yen compared to March 31, 2008. Retail Banking represents 71.5% of the Bank's total funding through customer deposits and "debentures".

Risk-Monitored Loans -Table 9- (Consolidated)

(Billions of yen, except percentages)

	Dec 31 2008 (a)	Sep 30 2008 (b)	Change (a)-(b)	Mar 31 2008 (c)	Change (a)-(c)
Loans to bankrupt obligors	35.1	26.4	8.6	2.1	32.9
Non-accrual delinquent loans	115.3	64.8	50.4	42.5	72.7
Loans past due for three months or more	12.3	1.5	10.7	4.7	7.5
Restructured loans	61.2	73.4	(12.1)	54.9	6.2
Total (A)	223.9	166.2	57.6	104.4	119.4
Loans and bills discounted (B)	5,930.6	6,579.7	(649.0)	5,622.2	308.3
Ratio to total loans and bills discounted (A / B X 100)(%)	3.78	2.53	1.25	1.86	1.92
Reserve for credit losses (C)	170.4	135.1	35.3	145.9	24.5
Reserve ratio (C / A X 100)(%)	76.1	81.3	(5.2)	139.7	(63.6)

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

Reserve for Credit Losses -Table 10- (Consolidated)

(Billions of yen)

	Dec 31 2008 (a)	Sep 30 2008 (b)	Change (a)-(b)	Mar 31 2008 (c)	Change (a)-(c)
General reserve for loan losses	95.2	82.0	13.1	96.6	(1.4)
Specific reserve for loan losses	75.2	53.0	22.1	49.3	25.9
Reserve for loans to restructuring countries	0.0	0.0	-	0.0	0.0
Total reserve for credit losses	170.4	135.1	35.3	145.9	24.5

Loans by Borrower Industry -Table 11- (Consolidated)

(Billions of yen)

	Dec 31 2008 (a)	Sep 30 2008 (b)	Change (a)-(b)	Mar 31 2008 (c)	Change (a)-(c)
Domestic offices (excluding Japan offshore market account):					
Manufacturing	247.2	224.0	23.2	191.8	55.4
Agriculture	0.0	0.0	(0.0)	0.0	(0.0)
Forestry	-	-	-	-	-
Fishery	2.7	2.8	(0.1)	2.9	(0.2)
Mining	4.6	4.6	0.0	4.5	0.1
Construction	19.9	15.3	4.6	20.4	(0.4)
Electric power, gas, heat supply and water supply	53.2	66.8	(13.6)	74.6	(21.4)
Information and communications	49.0	47.5	1.5	50.0	(0.9)
Transportation	352.8	362.9	(10.0)	379.4	(26.5)
Wholesale and retail	134.2	129.0	5.2	138.0	(3.7)
Finance and insurance	946.9	1,179.9	(232.9)	1,248.0	(301.0)
Real estate	1,103.5	1,270.0	(166.4)	1,295.1	(191.5)
Services	362.9	373.2	(10.2)	374.0	(11.1)
Local government	182.7	301.1	(118.4)	118.1	64.5
Others	2,354.4	2,460.9	(106.5)	1,597.9	756.4
Loans to individual customers (retail banking, GE Consumer Finance, APLUS and Shinki)	1,972.4	2,008.6	(36.1)	1,174.7	797.7
Total domestic (A)	5,814.6	6,438.5	(623.8)	5,495.3	319.2
Overseas offices (including Japan offshore market accounts):					
Governments	1.3	1.2	0.0	1.1	0.1
Financial institutions	-	-	-	-	-
Others	114.6	139.8	(25.2)	125.6	(11.0)
Total overseas (B)	115.9	141.1	(25.2)	126.8	(10.9)
Total (A+B)	5,930.6	6,579.7	(649.0)	5,622.2	308.3

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

	(Billions of yen)								
	Dec 31, 2008			Sep 30, 2008			Mar 31, 2008		
	Book value	Fair value	Difference	Book value	Fair value	Difference	Book value	Fair value	Difference
Japanese national government bonds	244.2	246.4	2.2	244.2	244.9	0.7	304.3	306.1	1.8
Japanese corporate bonds	75.2	76.7	1.4	75.2	75.8	0.6	75.1	76.5	1.3
Other	99.0	102.6	3.6	11.5	12.6	1.1	11.0	12.3	1.3
Total	418.4	425.9	7.4	330.9	333.4	2.5	390.4	395.0	4.5

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" 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).

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

	(Billions of yen)											
	Dec 31, 2008				Sep 30, 2008				Mar 31, 2008			
	Fair value	Net unrealized gain (loss) (a) - (b)			Fair value	Net unrealized gain (loss) (a) - (b)			Fair value	Net unrealized gain (loss) (a) - (b)		
Net		Gross unrealized gains (a)	Gross unrealized losses (b)	Net		Gross unrealized gains (a)	Gross unrealized losses (b)	Net		Gross unrealized gains (a)	Gross unrealized losses (b)	
Equity securities	13.8	(3.8)	0.7	4.6	17.2	(4.8)	0.7	5.6	19.1	(3.1)	1.0	4.2
Bonds	702.2	1.0	2.8	1.8	668.9	(5.3)	0.4	5.7	544.9	(3.4)	1.0	4.4
Japanese national government bonds	648.8	1.9	2.6	0.6	553.0	(4.8)	0.2	5.1	341.0	(3.7)	0.3	4.1
Japanese local government bonds	1.7	0.0	0.0	-	1.7	0.0	0.0	-	2.2	0.0	0.0	-
Japanese corporate bonds	51.6	(0.9)	0.1	1.1	114.2	(0.4)	0.1	0.5	201.6	0.3	0.6	0.3
Other ⁽¹⁾	264.1	(20.4)	1.6	22.0	414.5	(48.4)	5.8	54.3	491.5	(28.6)	8.4	37.1
Foreign securities	261.9	(20.1)	1.6	21.8	411.3	(48.3)	5.8	54.2	487.9	(28.8)	8.2	37.1
Foreign currency denominated foreign corporate and government bonds	119.8	(11.4)	0.4	11.8	258.1	(47.3)	0.1	47.5	329.2	(32.2)	1.0	33.2
Yen-denominated foreign corporate and government bonds	130.6	(9.8)	0.0	9.8	135.8	(6.6)	-	6.6	139.2	(3.6)	0.0	3.7
Foreign equity securities	6.3	1.0	1.0	-	11.6	5.4	5.4	-	12.8	6.9	6.9	-
Other securities	2.2	(0.2)	-	0.2	3.2	(0.1)	0.0	0.1	3.5	0.2	0.2	0.0
Total	980.2	(23.2)	5.2	28.5	1,100.7	(58.6)	7.1	65.7	1,055.6	(35.2)	10.6	45.8

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" 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.

Securities reclassified from "available-for-sale" to "held to maturity" (as of December 31, 2008)

	(Billions of yen)		
	Book value	Fair value	Net unrealized gain (loss)
Securities reclassified from "available-for-sale" to "held to maturity"	89.0	90.5	(28.4)

Deposits -Table 14- (Consolidated)

	(Billions of yen)				
	Dec 31, 2008 (a)	Sep 30, 2008 (b)	Change (a)-(b)	Mar 31, 2008 (c)	Change (a)-(c)
Deposits	5,599.6	5,671.1	(71.5)	5,229.4	370.2
Liquid (current, ordinary, note) deposits	1,374.4	1,375.7	(1.3)	1,421.3	(46.9)
Time deposits	3,977.4	4,054.9	(77.5)	3,523.7	453.7
Other	247.7	240.4	7.3	284.3	(36.6)
Negotiable certificates of deposits (NCDs)	461.3	744.4	(283.1)	577.1	(115.8)
Total	6,061.0	6,415.6	(354.6)	5,806.6	254.4

Financial Ratios -Table 15- (Consolidated)

	3QFY2008 (9 months)	3QFY2007 (9 months)	FY2007 (12 months)
Return on assets ⁽¹⁾	(0.4)% ⁽⁴⁾	0.4% ⁽⁴⁾	0.5%
Return on equity ⁽²⁾	(6.2)% ⁽⁴⁾	8.9% ⁽⁴⁾	10.4%
Return on equity (fully diluted) ⁽³⁾	(6.2)% ⁽⁴⁾	6.9% ⁽⁴⁾	8.8%
Cash basis return on assets ⁽¹⁾	(0.3)% ⁽⁴⁾	0.5% ⁽⁴⁾	0.6%
Cash basis return on equity ⁽²⁾	(4.5)% ⁽⁴⁾	11.2% ⁽⁴⁾	12.4%
Cash basis return on equity (fully diluted) ⁽³⁾	(4.5)% ⁽⁴⁾	8.6% ⁽⁴⁾	10.5%
Expense-to-revenue ratio ^{(5) (6)}	66.8%	56.3%	60.1%

(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) Annualized basis.

(5) Management accounting basis.

(6) Expense denotes general and administrative expenses.

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

Capital Adequacy Data -Table 16- (Consolidated) ⁽¹⁾

	<i>(Billions of yen, except percentages)</i>				
	Dec 31 2008 (a)	Dec 31 2007 (b)	Change (a)-(b)	Mar 31 2008 (c)	Change (a)-(c)
Basic items (Tier I)	642.1	651.3	(9.1)	679.7	(37.6)
Amount eligible for inclusion in capital (Tier II)	441.3	536.7	(95.3)	530.2	(88.9)
General reserve for loan losses	13.8	15.5	(1.7)	5.7	8.0
Perpetual/non-perpetual preferred stocks and Perpetual/non-perpetual subordinated debt and bonds	427.5	560.8	(133.3)	529.2	(101.7)
Amount net eligible for inclusion in capital	0.0	(39.6)	39.6	(4.7)	4.7
Deduction	(115.4)	(130.3)	14.9	(128.0)	12.6
Total capital ⁽²⁾	968.0	1,057.6	(89.6)	1,081.9	(113.8)
Risk assets	9,670.0	8,738.5	931.5	9,212.5	457.4
Capital adequacy ratio	10.01%	12.10%	—	11.74%	—
Tier I capital ratio	6.64%	7.45%	—	7.37%	—

(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 December 31 2008. As a result, 51.7 billion yen of net unrealized losses on securities available-for-sale, net taxes as of December 31 2008 is not included in BIS capital.

(2) Consolidated total required capital is 712.6 billion yen as at December 31, 2008, 657.9 billion yen as at December 31, 2007, and 683.6 billion yen as at March 31, 2008.

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

Per Share Data -Table 17- (Consolidated)

(Yen, except percentages)

	3QFY2008 (9 months)	3QFY2007 (9 months)	%	FY2007 (12 months)	%
			Change		Change
Common equity	337.02	354.44	(4.9)	364.35	(7.5)
Fully diluted equity	337.02	355.25	(5.1)	364.35	(7.5)
Basic net income (loss)	(16.36)	22.21	(173.7)	38.98	(142.0)
Diluted net income (loss)	(16.36)	18.33	(189.3)	32.44	(150.4)
Cash basis:					
Basic net income (loss)	(11.88)	27.91	(142.6)	46.31	(125.7)
Diluted net income (loss)	(11.88)	22.97	(151.7)	38.50	(130.9)
For calculation of per share data:					
Equity:	Number of common shares ⁽¹⁾	1,963,920,673	1,577,136,497	1,963,910,456	
	Fully diluted number of shares ⁽¹⁾	1,963,920,673	1,846,265,385	1,963,910,456	
Net income:	Number of common shares ⁽²⁾	1,963,914,775	1,488,414,487	1,529,530,977	
	Fully diluted number of shares ⁽²⁾	1,963,914,775	1,829,973,801	1,852,346,309	

(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 the nine -month period ended December 31, 2008 was 16.36 yen. “Cash basis diluted net loss per share” for the nine month period ended December 31, 2008 was 11.88 yen, a decline of 151.7%, as compared to the same period last year.

Business Lines Results -Table 18- (Consolidated)

(Billions of yen, except percentages)

	3QFY2008 (9 months)	3QFY2007 ⁽²⁾ (9 months)	% Change	FY2007 ⁽²⁾ (12 months)
Institutional Group:				
Net interest income	33.0	32.6	1.0	49.5
Non-interest income	(13.6)	69.1	(119.8)	68.2
Total revenue	19.3	101.8	(81.0)	117.7
General and administrative expenses	44.5	48.8	(8.9)	63.3
Ordinary business (loss) profit	(25.2)	52.9	(147.6)	54.4
Net credit costs	46.8	8.3	459.2	28.3
Ordinary business (loss) profit after net credit costs	(72.1)	44.6	(261.7)	26.1
Individual Group:				
Net interest income	100.5	57.6	74.3	80.8
Non-interest income	39.1	41.0	(4.8)	54.6
Total revenue	139.6	98.7	41.4	135.5
General and administrative expenses	82.4	68.6	20.1	93.1
Ordinary business profit	57.2	30.0	90.3	42.3
Net credit costs	34.5	30.7	12.3	43.9
Ordinary business profit (loss) after net credit costs	22.6	(0.6)	3,423.1	(1.5)
Corporate/Other⁽¹⁾:				
Net interest income	3.8	6.8	(43.3)	7.3
Non-interest income	27.4	1.5	1,719.0	2.0
Total revenue	31.3	8.3	277.0	9.4
General and administrative expenses	0.2	0.0	317.7	1.3
Ordinary business profit	31.1	8.2	276.8	8.1
Net credit (recoveries) costs	(1.7)	1.6	(206.8)	1.3
Ordinary business profit after net credit (recoveries) costs	32.9	6.6	397.9	6.7
Total:				
Net interest income	137.4	97.1	41.4	137.7
Non-interest income	52.9	111.7	(52.6)	125.0
Total revenue	190.3	208.9	(8.9)	262.7
General and administrative expenses	127.2	117.6	8.2	157.8
Ordinary business profit	63.1	91.3	(30.9)	104.9
Net credit costs	79.6	40.7	95.3	73.5
Ordinary business (loss) profit after net credit costs	(16.5)	50.5	(132.7)	31.3

(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 19- (Consolidated)

(Billions of yen, except percentages)

	3QFY2008 (9 months)	3QFY2007 ⁽²⁾ (9 months)	% Change	FY2007 ⁽³⁾ (12 months)
Institutional Banking ⁽²⁾ :				
Net interest income	36.8	37.2	(1.2)	55.8
Non-interest income	(32.8)	44.0	(174.5)	36.1
Total revenue	3.9	81.2	(95.1)	91.9
General and administrative expenses	35.9	39.1	(8.1)	50.5
Ordinary business (loss) profit	(31.9)	42.1	(175.8)	41.4
Net credit costs	43.9	2.6	1,556.6	19.6
Ordinary business (loss) profit after net credit costs	(75.9)	39.5	(292.2)	21.8
Showa Leasing :				
Net interest income	(3.8)	(4.5)	16.4	(6.2)
Non-interest income	19.1	25.1	(23.8)	32.1
Total revenue	15.3	20.5	(25.4)	25.8
General and administrative expenses	8.6	9.7	(11.8)	12.8
Ordinary business profit	6.7	10.8	(37.7)	13.0
Net credit costs	2.9	5.7	(49.3)	8.7
Ordinary business profit after net credit costs	3.8	5.0	(24.6)	4.3
Institutional Group:				
Net interest income	33.0	32.6	1.0	49.5
Non-interest income	(13.6)	69.1	(119.8)	68.2
Total revenue	19.3	101.8	(81.0)	117.7
General and administrative expenses	44.5	48.8	(8.9)	63.3
Ordinary business (loss) profit	(25.2)	52.9	(147.6)	54.4
Net credit costs	46.8	8.3	459.2	28.3
Ordinary business (loss) profit after net credit costs	(72.1)	44.6	(261.7)	26.1

(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 market turmoil. The Institutional Banking business generated "total revenue" of 3.9 billion yen in the first nine months of this fiscal year. This is 77.3 billion yen, or 95.1%, lower than the same period last fiscal year. Our non-recourse real estate finance business generated revenue of 16.2 billion yen, an increase of 1.9 billion yen compared to the same period in the last fiscal year. Basic Banking and Credit Trading generated total revenues of 9.9 billion yen and 14.6 billion yen respectively in the first nine months of fiscal year 2008, below the 11.9 billion yen and 18.1 billion yen generated in the same period of the previous year. Foreign exchange, derivatives and equity-related transactions showed a loss of 13.9 billion yen from the 11.0 billion yen revenue recorded in the first nine months of the previous fiscal year. This includes 3.3 billion yen of Lehman bond and swap losses. Our principal investments business generated a loss of 6.9

billion yen, 20.8 billion yen lower than in the prior year, reflecting 10.5 billion yen of mark downs on European investments. Securitization recognized a loss of 13.7 billion yen during the first nine months of fiscal year 2008 as compared to revenue of 0.9 billion yen during the prior period. Securitization loss includes mark-downs of 13.9 billion yen on European asset-backed investments and asset-backed securities. Our "Other Capital Markets" businesses generated a loss of 8.7 billion yen for the current period, compared to revenue of 2.8 billion yen in the prior period. This includes a loss of 4.9 billion yen related to Lehman Brothers bonds.

In the first nine months of this fiscal year, Institutional Banking "general and administrative expenses" were 35.9 billion yen, a 3.1 billion yen decrease from the first nine months in 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 the first nine months of fiscal

year 2008 was 31.9 billion yen, compared to an “ordinary business profit” of 42.1 billion yen in the prior period. The increase in “net credit costs” to 43.9 billion yen from 2.6 billion yen in the prior period was primarily driven by 18.6 billion yen of credit costs related to a loan to a subsidiary of Lehman Brothers, 10.8 billion yen of credit costs related to our European ABI portfolio, and 13.8 billion yen of credit costs related to our real estate portfolio. As a result, Institutional Banking showed an “ordinary business loss after

net credit costs” of 75.9 billion yen for the first nine months of fiscal year 2008, compared to an “ordinary business profit after net credit costs” of 39.5 billion yen in the prior period. Showa Leasing’s “ordinary business profit after net credit costs” declined to 3.8 billion yen for the first nine months of fiscal year 2008 from 5.0 billion yen in the same period of the prior fiscal year, reflecting lower revenues largely offset by lower expenses and credit costs.

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

(Billions of yen, except percentages)

	3QFY2008 (9 months)	3QFY2007 ⁽²⁾ (9 months)	% Change	FY2007 ⁽³⁾ (12 months)
Retail Banking:				
Net interest income	20.4	15.3	32.9	21.0
Non-interest income	8.7	10.5	(16.6)	13.0
Total revenue	29.1	25.8	12.8	34.0
General and administrative expenses	28.1	30.3	(7.3)	40.1
Ordinary business profit (loss)	1.0	(4.4)	123.4	(6.0)
Net credit costs	0.1	0.2	(44.6)	0.3
Ordinary business profit (loss) after net credit costs	0.9	(4.7)	119.6	(6.3)
(Reference) Revenue from structured deposits	4.9	4.4	11.6	5.7
GE Consumer Finance:				
Net interest income	34.0			
Non-interest income	0.5			
Total revenue	34.6			
General and administrative expenses	12.1			
Ordinary business profit	22.4			
Net credit costs	10.6			
Ordinary business profit after net credit costs	11.8			
APLUS:				
Net interest income	26.6	31.8	(16.5)	41.8
Non-interest income	30.4	37.0	(17.8)	48.2
Total revenue	57.0	68.8	(17.2)	90.0
General and administrative expenses	32.3	33.6	(3.9)	45.1
Ordinary business profit	24.7	35.2	(29.9)	44.8
Net credit costs	18.2	28.3	(35.7)	38.2
Ordinary business profit after net credit costs	6.4	6.8	(5.8)	6.6
Shinki:				
Net interest income	16.4	7.2	125.9	13.7
Non-interest income	(0.9)	(7.1)	86.3	(7.4)
Total revenue	15.4	0.1	12,262.1	6.3
General and administrative expenses	8.2	3.1	162.8	5.6
Ordinary business profit (loss)	7.2	(2.9)	343.4	0.7
Net credit costs	2.4	1.9	26.2	4.5
Ordinary business profit (loss) after net credit costs	4.8	(4.9)	197.2	(3.8)
Other Subsidiaries ⁽²⁾:				
Net interest income	2.9	3.1	(6.1)	4.2
Non-interest income	0.3	0.6	(55.4)	0.8
Total revenue	3.2	3.8	(15.0)	5.0
General and administrative expenses	1.6	1.5	2.3	2.2
Ordinary business profit	1.6	2.2	(27.1)	2.8
Net credit costs	3.0	0.1	1,661.6	0.8
Ordinary business (loss) profit after net credit costs	(1.3)	2.0	(165.5)	2.0
Total Individual Group:				
Net interest income	100.5	57.6	74.3	80.8
Non-interest income	39.1	41.0	(4.8)	54.6
Total revenue	139.6	98.7	41.4	135.5
General and administrative expenses	82.4	68.6	20.1	93.1
Ordinary business profit	57.2	30.0	90.3	42.3
Net credit costs	34.5	30.7	12.3	43.9
Ordinary business profit (loss) after net credit costs	22.6	(0.6)	3,423.1	(1.5)

(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 GE Consumer Finance, APLUS, Shinki and Shinsei Property Finance. GE Consumer Finance was acquired on September 22, 2008 from GE Japan Holdings Corporation and GE Consumer Finance's results have been incorporated in our Results of Operations from the third quarter of fiscal year 2008.

During the first nine months of this fiscal year, the Individual Group generated "ordinary business profit after net credit costs" of 22.6 billion yen compared to an "ordinary business loss after net credit costs" of 0.6 billion yen during the first nine months of the previous fiscal year. The improved "ordinary business profit after net credit costs" reflects the incorporation of GE Consumer Finance within our Individual Group as well as progress that we have made in our Retail Banking and Shinki businesses.

During the first nine months of this fiscal year, total Retail Banking revenue was 29.1 billion yen as compared to 25.8 billion yen during the first nine months of 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 nine months of the current period, we generated "net interest income" of 20.4 billion yen compared to 15.3 billion yen 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 8.7 billion yen from 10.5 billion yen in the prior fiscal year period as fees from asset management products declined.

Retail Banking incurred general and administrative expenses of 28.1 billion yen during the nine-month period, a decrease of 7.3% as compared to the first nine months in the previous fiscal year. The business generated "ordinary business profit" of 0.9 billion yen for the first nine months of fiscal year 2008, as compared to an "ordinary business loss" of 4.7 billion yen during the first nine months of the previous fiscal year. The net profit 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 three months ended December 31, 2008, GE Consumer Finance generated total revenue of 34.6 billion yen, incurred general and administrative expenses of 12.1 billion yen and incurred net credit costs of 10.6 billion yen. As a result, our ordinary business profit after net credit costs was 11.8 billion yen.

In the nine months ended December 31, 2008, APLUS generated "total revenue" of 57.0 billion yen, compared to

68.8 billion yen in the same period of the prior fiscal year. The decline in revenue was due both to lower spending as well as tighter credit controls that we enacted earlier in this fiscal year. The revenue shortfall was largely offset by lower "general and administrative expenses" and "net credit costs." "General and administrative expenses" declined to 32.3 billion yen from 33.6 billion yen in the previous fiscal year, while "net credit costs" declined to 18.2 billion yen from 28.3 billion yen in the previous period. As a result, the business generated "ordinary business profit after net credit costs" of 6.4 billion yen in the first nine months of fiscal year 2008, compared to 6.8 billion yen from the same period 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 the first nine months of fiscal year 2008, Shinki recorded "total revenue" of 15.4 billion yen, "general and administrative expenses" of 8.2 billion yen and "net credit costs" of 2.4 billion yen, for an "ordinary business profit after net credit costs" of 4.8 billion yen. This compares to an "ordinary business loss after net credit costs" of 4.9 billion yen in the first nine months of fiscal year 2007.

GE Consumer Finance's grey zone payments and write-offs amounted to 30.1 billion yen in the three months ended December 31, 2008. In addition, 3.1 billion yen of grey zone reserves were reversed during the period. The total balance of the grey zone reserve was 192.1 billion yen as of December 31, 2008, as compared to 225.4 billion yen as of September 31, 2008.

APLUS' grey zone payments and write-offs amounted to 5.1 billion yen in the first nine months of fiscal year 2008. The business made new grey zone related provisions of 3.6 billion yen and, as a result, the total balance of the grey zone reserve was 7.1 billion yen as of December 31, 2008, as compared to 8.6 billion yen as of March 31, 2008.

Shinki's grey zone payments and write-offs amounted to 11.2 billion yen in the first nine months of fiscal year 2008. The total balance of the grey zone reserve was 21.3 billion yen as of December 31, 2008, as compared to 30.6 billion yen 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 21- (Consolidated)

For the nine months ended December 31, 2008

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

Amortization of goodwill and other intangible assets	
Amortization of other intangible assets	3.8
Associated deferred tax liability	(1.5)
Amortization of goodwill	6.4
Total amortization of goodwill and other intangible assets, net of tax benefit	8.7
Reconciliation of net income to cash basis net income	
Net income	(32.1)
Amortization of goodwill and other intangible assets, net of tax benefit	8.7
Cash basis net income	(23.3)
Reconciliation of basic net income per share to cash basis basic net income per share	
Basic net income per share	(16.3)
Effect of amortization of goodwill and other intangible assets, net of tax benefit	4.4
Cash basis basic net income per share	(11.8)
Reconciliation of fully diluted net income per share to cash basis fully diluted net income per share	
Fully diluted net income per share	(16.3)
Effect of amortization of goodwill and other intangible assets, net of tax benefit	4.4
Cash basis fully diluted net income per share	(11.8)
Reconciliation of return on assets to cash basis return on assets	
Return on assets	(0.4)
Effect of amortization of goodwill and other intangible assets, net of tax benefit	0.1
Cash basis return on assets	(0.3)
Reconciliation of return on equity to cash basis return on equity	
Return on equity (fully diluted)	(6.2)
Effect of amortization of goodwill and other intangible assets, net of tax benefit	1.7
Cash basis return on equity (fully diluted)	(4.5)
Reconciliation of return on equity to return on tangible equity	
Return on equity (fully diluted)	(6.2)
Effect of goodwill and other intangible assets	0.3
Return on tangible equity (fully diluted) ⁽¹⁾	(5.9)

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

	3QFY2008 (9 months)	3QFY2007 (9 months)	Change		FY2007
			Amount	%	
Total interest income	217,568	179,754	37,814	21.0	242,171
Interest on loans and bills discounted	179,509	136,678	42,831	31.3	186,747
Interest and dividends on securities	30,059	32,499	(2,440)	(7.5)	42,768
Other interest income	7,999	10,576	(2,577)	(24.4)	12,654
Fees and commissions income	40,586	50,719	(10,133)	(20.0)	65,977
Trading profits	15,743	8,572	7,171	83.7	9,719
Other business income	164,756	190,158	(25,402)	(13.4)	246,601
Other ordinary income	44,548	24,164	20,384	84.4	29,032
Ordinary income	483,204	453,370	29,834	6.6	593,503
Total interest expenses	80,147	82,576	(2,429)	(2.9)	104,395
Interest on deposits	34,727	32,293	2,434	7.5	43,467
Interest on borrowings	12,848	13,461	(613)	(4.6)	15,256
Interest on corporate bonds	9,580	11,672	(2,092)	(17.9)	15,278
Other interest expenses	22,990	25,149	(2,159)	(8.6)	30,394
Fees and commissions expenses	18,683	18,323	360	2.0	25,141
Trading losses	18,016	29	17,987	62,024.1	629
Other business expenses	152,065	133,838	18,227	13.6	187,320
Total general and administrative expenses	139,012	127,229	11,783	9.3	171,295
General and administrative expenses	128,634	117,794	10,840	9.2	158,761
Amortization of goodwill	6,486	7,116	(630)	(8.9)	9,277
Amortization of intangible assets	3,892	2,318	1,574	67.9	3,257
Other ordinary expenses	108,032	53,009	55,023	103.8	93,498
Provision of reserve for loan losses	76,981	38,382	38,599	100.6	66,966
Others	31,051	14,626	16,425	112.3	26,531
Ordinary expenses	515,958	415,007	100,951	24.3	582,281
Net ordinary income (loss)	(32,754)	38,363	(71,117)	(185.4)	11,222
Special gains	23,349	21,957	1,392	6.3	88,916
Special losses	9,779	1,334	8,445	633.1	7,582
Income (loss) before income taxes and minority interests:	(19,184)	58,986	(78,170)	(132.5)	92,556
Income taxes (benefit)					
Current	2,812	4,632	(1,820)	(39.3)	4,902
Deferred	(815)	5,178	(5,993)	(115.7)	9,500
Minority interests in net income of subsidiaries	10,951	15,630	(4,679)	(29.9)	18,044
Net income (loss)	(32,132)	33,544	(65,676)	(195.8)	60,108

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

	<i>(millions of yen)</i>				
	Dec 31 2008	Dec 31 2007	Change a-b	Mar 31 2008	Change a-c
	a	b	Amount	c	Amount
<<Assets>>					
Cash and due from banks	397,777	316,137	81,640	505,630	(107,853)
Call loans	49,041	544,700	(495,659)	—	49,041
Receivables under resale agreements	—	3,500	(3,500)	2,014	(2,014)
Collateral related to securities borrowing transactions	240,616	93,342	147,274	18,753	221,863
Other monetary claims purchased	439,794	467,025	(27,231)	468,880	(29,086)
Trading assets	385,357	232,334	153,023	315,287	70,070
Monetary assets held in trust	360,483	400,402	(39,919)	371,572	(11,089)
Securities	1,932,979	2,047,864	(114,885)	1,980,292	(47,313)
Loans and bills discounted	5,930,607	5,503,656	426,951	5,622,266	308,341
Foreign exchanges	22,293	18,813	3,480	17,852	4,441
Lease receivables and leased investment assets	241,775	/	/	/	/
Other assets	1,417,282	1,007,275	410,007	1,100,151	317,131
Premises and equipment	57,063	367,033	(309,970)	305,771	(248,708)
Intangible assets	219,333	236,868	(17,535)	233,174	(13,841)
Goodwill, net	140,870	144,503	(3,633)	142,239	(1,369)
Deferred issuance expenses for debentures	156	116	40	125	31
Deferred tax assets	22,003	37,740	(15,737)	28,238	(6,235)
Customers' liabilities for acceptances and guarantees	685,009	713,007	(27,998)	701,717	(16,708)
Reserve for credit losses	(170,485)	(141,671)	(28,814)	(145,966)	(24,519)
Total assets	12,231,090	11,848,148	382,942	11,525,762	705,328

Liabilities and Equity

(millions of yen)

	Dec 31 2008 a	Dec 31 2007 b	Change a-b Amount	Mar 31 2008 c	Change a-c Amount
<<Liabilities>>					
Deposits	5,599,666	5,262,597	337,069	5,229,444	370,222
Negotiable certificates of deposit	461,387	935,749	(474,362)	577,189	(115,802)
Debentures	721,400	670,396	51,004	662,434	58,966
Call money	159,170	751,392	(592,222)	632,117	(472,947)
Collateral related to securities lending transactions	303,132	156,986	146,146	148,421	154,711
Commercial paper	99	—	99	—	99
Trading liabilities	315,153	127,949	187,204	205,011	110,142
Borrowed money	1,469,580	1,111,987	357,593	1,127,227	342,353
Foreign exchanges	7	40	(33)	39	(32)
Short-term corporate bonds	26,600	126,300	(99,700)	73,600	(47,000)
Corporate bonds	324,485	443,772	(119,287)	426,286	(101,801)
Other liabilities	999,837	549,319	450,518	708,749	291,088
Accrued employees' bonuses	10,202	11,366	(1,164)	14,572	(4,370)
Accrued directors' bonuses	262	440	(178)	249	13
Reserve for employees' retirement benefits	9,295	3,171	6,124	4,660	4,635
Reserve for directors' retirement benefits	247	118	129	132	115
Reserve for losses on interest repayments	220,631	43,337	177,294	39,333	181,298
Reserve for losses on disposal of premises and equipment	7,820	—	7,820	5,025	2,795
Reserve for losses on litigation	3,662	—	3,662	—	3,662
Reserve under special law	4	3	1	4	—
Deferred tax liabilities	12,306	4,126	8,180	4,283	8,023
Acceptances and guarantees	685,009	713,007	(27,998)	701,717	(16,708)
Total liabilities	11,329,966	10,912,064	417,902	10,560,501	769,465
<<Equity>>					
Shareholders' equity:					
Capital stock	476,296	451,296	25,000	476,296	—
Capital surplus	43,554	18,558	24,996	43,558	(4)
Retained earnings	264,463	275,971	(11,508)	302,535	(38,072)
Treasury stock, at cost	(72,558)	(72,566)	8	(72,566)	8
Total shareholders' equity	711,756	673,260	38,496	749,823	(38,067)
Net unrealized gain (loss) and translation adjustments:					
Unrealized gain (loss) on available-for-sale securities	(51,762)	(13,428)	(38,334)	(35,073)	(16,689)
Deferred gain (loss) on derivatives under hedge accounting	1,532	(7,238)	8,770	(1,057)	2,589
Foreign currency translation adjustments	354	3,300	(2,946)	1,872	(1,518)
Total net unrealized gain (loss) and translation adjustments	(49,875)	(17,366)	(32,509)	(34,258)	(15,617)
Stock acquisition rights	1,730	1,060	670	1,257	473
Minority interests in subsidiaries	237,511	279,129	(41,618)	248,437	(10,926)
Total equity	901,123	936,084	(34,961)	965,261	(64,138)
Total liabilities and equity	12,231,090	11,848,148	382,942	11,525,762	705,328

Section 2. Non-Consolidated Information

Results of Operations -Table 22- (Non-Consolidated)

	(Billions of yen, except percentages)			
	3QFY2008 (9 months)	3QFY2007 (9 months)	% Change	FY2007 (12 months)
Net interest income	57.1	70.5	(19.1)	107.5
Non-interest income	(21.9)	46.8	(146.9)	44.4
Net fees and commissions ⁽¹⁾	13.7	39.4	(65.1)	48.8
Net trading income	(2.2)	6.1	(136.1)	6.9
Net other business income	(33.5)	1.2	(2,753.9)	(11.4)
Total revenue ⁽¹⁾	35.1	117.4	(70.1)	152.0
Personnel expenses	23.5	25.9	(9.0)	33.1
Non-personnel expenses	33.7	34.5	(2.5)	47.3
Taxes	2.5	2.9	(11.9)	4.2
General and administrative expenses	59.8	63.4	(5.6)	84.7
Net business profit ⁽¹⁾	(24.7)	53.9	(145.8)	67.2
Other gains (losses)				
Gains (losses) on the sales of equities	(6.0)	0.8	(838.3)	(0.5)
Provision of reserve for loan losses	46.0	4.5	902.1	19.2
Losses on write-off of loans	1.8	0.0	24,182.3	1.2
Expenses for employees' retirement benefits	0.9	0.5	86.9	2.5
Other losses, expenses	(18.5)	6.9	(369.3)	11.1
Net ordinary income (loss)	(61.0)	42.7	(242.7)	32.5
Special gains (losses) ⁽²⁾⁽³⁾				
Gains (losses) from sales of fixed assets	(0.6)	0.3	(294.9)	0.2
Gains on bad debt recovered	1.2	0.0	1,678.3	0.3
Reversal of reserve for loan losses	-	-	-	-
Other special gains (losses) ⁽²⁾⁽³⁾	(28.9)	(27.0)	6.9	25.1
Income (loss) before income taxes	(89.3)	16.1	(654.6)	58.3
Income taxes (benefit)				
Current	(3.0)	(8.1)	(63.3)	(7.6)
Deferred	0.8	6.7	(86.8)	12.7
Net income (loss)	(87.2)	17.5	(597.5)	53.2

(1) Includes income from monetary assets held in trust of 8.6 billion yen in 3QFY2008, 30.5 billion yen in 3QFY2007, and 37.3 billion yen in FY2007.

(2) In 3Q FY2007, includes impairment charges on investments in Aplus and Shinki's common shares of 15.9 billion yen and 6.0 billion yen, and losses on exposure to U.S. residential mortgage market (Taku Investments, Ltd.) of 3.7 billion yen.

(3) In FY 2007, includes (i) income from investment in Tokumei Kumiai (silent partnership) of 66.0 billion yen 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 yen and 6.0 billion yen, respectively, and (iii) losses on exposure to U.S. residential mortgage market of 8.9 billion yen.

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

Shinsei Bank recorded a "net loss" for the nine months ended December 31, 2008 of 87.2 billion yen 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, GE Consumer Finance, APLUS and Shinki. During the current period, we recorded impairment charges of 21.0 billion yen on our investment in Jih-Sun Financial Holding Co., Ltd., an affiliate accounted for using the equity method. This charge was

recorded in "other special gains (losses)". Our gain on the sale of the Meguro Production Center was booked within a subsidiary of the Bank and can not be recognized on a non-consolidated basis unless and until these funds have been received as a dividend by the Bank. On a non-consolidated basis, we recorded 3.0 billion yen in write-offs and disposal costs on the furniture and equipment which are owned by Shinsei Bank in the Meguro Production Center and a current income taxes benefit of 3.0 billion yen in accordance with the consolidated corporate tax system in the first nine months of fiscal year 2008. In addition, our

non-consolidated results do not include the 8.2 billion yen gain on the sale of Showa Auto Rental & Leasing. 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 23- (Non-Consolidated)

	<i>(Billions of yen, except percentages)</i>			
	3QFY2008	3QFY2007	%	FY2007
	(9 months)	(9 months)	Change	(12 months)
Losses on write-off of loans	2.0	0.0	27,673.1	1.2
Net provision of reserve for loan losses	46.0	4.5	902.1	19.2
Net provision (reversal) of general reserve for loan losses	36.2	(6.6)	(646.1)	23.8
Net provision (reversal) of specific reserve for loan losses	9.8	11.2	(12.0)	(4.6)
Net provision (reversal) of reserve for loan losses to restructuring countries	(0.0)	(0.0)	42.9	0.0
Net credit costs	48.1	4.6	945.7	20.5

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

Interest-Earning Assets and Interest-Bearing Liabilities -Table 24- (Non-Consolidated)

	<i>(Billions of yen, except percentages)</i>								
	3QFY2008 (9 months)			3QFY2007 (9 months)			FY2007 (12 months)		
	Average balance	Yield/rate Interest	(%)	Average balance	Yield/rate Interest	(%)	Average balance	Yield/rate Interest	(%)
Interest-earning assets:									
Cash and due from banks	72.9	1.4	2.62	178.1	4.1	3.10	158.4	4.6	2.96
Call loans	162.3	0.8	0.69	128.8	0.6	0.62	166.7	1.0	0.62
Receivables under resale agreements	0.5	0.0	1.67	0.7	0.0	3.63	0.7	0.0	3.27
Collateral related to securities borrowing transactions	156.9	0.6	0.57	93.9	0.6	0.86	129.4	0.9	0.75
Securities	2,687.6	32.7	1.61	2,297.0	49.5	2.87	2,316.6	76.9	3.32
Loans and bills discounted	5,434.4	84.3	2.06	5,169.0	82.2	2.11	5,183.5	110.5	2.13
Other interest-earning assets	324.4	7.0	2.88	159.7	4.0	3.39	161.8	5.2	3.23
Interest rate and funding swaps	-	-	-	-	0.8	-	-	0.3	-
Total interest-earning assets	8,839.3	127.1	1.90	8,027.4	142.1	2.35	8,117.4	199.8	2.46
Interest-bearing liabilities:									
Deposits	5,564.0	34.8	0.83	5,097.0	32.3	0.84	5,178.7	43.5	0.84
Negotiable certificates of deposit	686.5	4.1	0.80	648.7	3.3	0.67	634.2	4.4	0.70
Debentures	704.2	3.6	0.68	683.2	2.4	0.47	680.4	3.3	0.49
Call money	610.8	4.7	1.04	869.7	12.4	1.89	862.2	14.9	1.73
Payable under repurchase agreements	0.2	0.0	2.11	0.0	0.0	3.73	0.1	0.0	3.67
Collateral related to securities lending transactions	401.5	2.9	0.98	113.4	0.9	1.12	111.2	1.1	1.06
Borrowed money	355.0	3.9	1.47	282.0	2.6	1.22	286.5	3.7	1.32
Corporate bonds	513.0	15.6	4.04	571.0	19.6	4.57	564.0	24.5	4.35
Other interest-bearing liabilities	0.2	4.3	n.m. ⁽¹⁾	0.3	5.0	n.m. ⁽¹⁾	0.3	5.0	n.m. ⁽¹⁾
Interest rate and funding swaps	-	2.0	-	-	-	-	-	-	-
Total interest-bearing liabilities	8,835.8	76.3	1.14	8,265.6	78.7	1.26	8,317.9	100.9	1.21
Net interest income/yield on interest-earning assets	8,839.3	50.7	0.76	8,027.4	63.3	1.05	8,117.4	98.8	1.21

(1) n.m. is not meaningful.

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

Risk-Monitored Loans -Table 25- (Non-Consolidated)

(Billions of yen, except percentages)

	Dec 31 2008 (a)	Dec 31 2007 (b)	Change (a)-(b)	Mar 31 2008 (c)	Change (a)-(c)
Loans to bankrupt obligors	22.4	0.3	22.1	0.5	21.8
Non-accrual delinquent loans	57.4	32.4	25.0	22.8	34.5
Loans past due for three months or more	10.3	0.0	10.3	0.1	10.2
Restructured loans	7.1	6.0	1.0	29.4	(22.3)
Total (A)	97.4	38.8	58.5	53.0	44.3
Loans and bills discounted (B)	5,122.2	5,273.4	(151.2)	5,356.3	(234.1)
Ratio to total loans and bills discounted (A / B X 100)(%)	1.90	0.74	1.16	0.99	0.91
Reserve for credit losses (C)	107.5	99.6	7.8	93.6	13.8
Reserve ratio (C / A X 100)(%)	110.4	256.4	(145.9)	176.5	(66.1)

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

Loans by Borrower Industry -Table 26- (Non-Consolidated)

	<i>(Billions of yen)</i>				
	Dec 31 2008	Sep 30 2008	Change	Mar 31 2008	Change
	(a)	(b)	(a)-(b)	(c)	(a)-(c)
Domestic offices (excluding Japan offshore market account):					
Manufacturing	242.9	219.9	22.9	187.9	55.0
Agriculture	-	-	-	-	-
Forestry	-	-	-	-	-
Fishery	2.7	2.8	(0.1)	2.9	(0.2)
Mining	4.6	4.6	0.0	4.5	0.1
Construction	19.0	14.3	4.6	18.5	0.5
Electric power, gas, heat supply and water supply	53.2	66.8	(13.6)	74.6	(21.4)
Information and communications	48.1	46.5	1.5	49.1	(0.9)
Transportation	346.3	359.2	(12.8)	377.6	(31.2)
Wholesale and retail	124.7	119.5	5.2	127.6	(2.8)
Finance and insurance	1,288.2	1,470.1	(181.9)	1,446.5	(158.2)
Real estate	1,052.6	1,211.2	(158.5)	1,234.8	(182.2)
Services	346.3	340.5	5.8	357.4	(11.0)
Local government	182.7	301.1	(118.4)	118.1	64.5
Individual	943.4	962.6	(19.2)	865.8	77.6
Overseas yen loan and overseas loans booked domestically	395.0	450.4	(55.4)	408.6	(13.6)
Total domestic	5,050.3	5,570.1	(519.8)	5,274.3	(224.0)
Overseas offices (including Japan offshore market accounts):					
Governments	1.3	1.2	0.0	1.1	0.1
Financial institutions	-	-	-	-	-
Commerce and industry	70.5	88.6	(18.1)	80.7	(10.2)
Others	-	-	-	-	-
Total overseas	71.8	89.9	(18.0)	81.9	(10.1)
Total	5,122.2	5,660.1	(537.9)	5,356.3	(234.1)

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

	<i>(Billions of yen)</i>				
	Dec 31 2008	Sep 30 2008	Change	Mar 31 2008	Change
	(a)	(b)	(a)-(b)	(c)	(a)-(c)
Domestic offices (excluding Japan offshore market account):					
Manufacturing	1.8	1.8	-	3.0	(1.2)
Agriculture	-	-	-	-	-
Forestry	-	-	-	-	-
Fishery	-	-	-	-	-
Mining	-	-	-	-	-
Construction	4.0	3.0	0.9	3.1	0.9
Electric power, gas, heat supply and water supply	-	-	-	-	-
Information and communications	0.7	0.6	0.1	-	0.7
Transportation	6.4	6.6	(0.1)	7.6	(1.1)
Wholesale and retail	0.0	0.0	-	3.5	(3.5)
Finance and insurance	6.8	6.7	0.0	0.4	6.4
Real estate	23.4	1.9	21.4	1.0	22.4
Services	4.9	4.0	0.8	6.5	(1.6)
Local government	-	-	-	-	-
Individual	4.3	4.2	0.1	1.2	3.0
Overseas yen loan and overseas loans booked domestically	44.6	23.2	21.3	26.4	18.2
Total domestic	97.4	52.4	44.9	53.0	44.3
Overseas offices (including Japan offshore market accounts):					
Governments	-	-	-	-	-
Financial institutions	-	-	-	-	-
Commerce and industry	-	-	-	-	-
Others	-	-	-	-	-
Total overseas	-	-	-	-	-
Total	97.4	52.4	44.9	53.0	44.3

Overseas and Offshore Loans by Region -Table 28- (Non-Consolidated)

	(Billions of yen)				
	Dec 31 2008 (a)	Sep 30 2008 (b)	Change (a)-(b)	Mar 31 2008 (c)	Change (a)-(c)
US	106.8	103.0	3.7	76.8	29.9
Asset backed investments ⁽¹⁾ in US	5.9	5.3	0.6	6.0	0.0
Europe	174.3	235.9	(61.6)	235.5	(61.1)
Asset backed investments ⁽¹⁾ in Europe	127.1	175.4	(48.3)	187.2	(60.0)
Others	185.7	201.3	(15.6)	178.2	7.4
Total overseas and offshore loans	466.8	540.4	(73.5)	490.6	(23.7)

(1) One of our product programs

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

	(Billions of yen)				
	Dec 31 2008 (a)	Sep 30 2008 (b)	Change (a)-(b)	Mar 31 2008 (c)	Change (a)-(c)
US	1.2	-	1.2	6.0	(4.7)
Asset backed investments ⁽¹⁾ in US	1.2	-	1.2	6.0	(4.7)
Europe	43.3	23.1	20.1	20.3	22.9
Asset backed investments ⁽¹⁾ in Europe	39.0	23.1	15.8	20.3	18.6
Others	0.0	0.0	0.0	0.0	0.0
Total overseas and offshore loans	44.6	23.2	21.3	26.4	18.2

(1) One of our product programs

Claims Classified under the Financial Revitalization Law -Table 30- (Non-Consolidated)

	(Billions of yen, except percentages)				
	Dec 31 2008 (a)	Dec 31 2007 (b)	Change (a)-(b)	Mar 31 2008 (c)	Change (a)-(c)
Claims against bankrupt and quasi-bankrupt obligors	31.9	9.9	22.0	8.0	23.9
Doubtful claims	48.0	23.2	24.8	15.5	32.5
Substandard claims	17.5	6.2	11.3	29.6	(12.0)
Total (A)	97.5	39.3	58.2	53.1	44.3
Total claims (B)	5,453.0	5,546.1	(93.0)	5,566.0	(113.0)
Ratio to total claims (A / B X 100)(%)	1.79	0.71	1.08	0.95	0.83
Reserve for credit losses (C)	107.5	99.6	7.8	93.6	13.8
Reserve ratio (C / A X 100)(%)	110.3	253.9	(143.5)	176.3	(65.9)
(Ref. 1) Amount of write-off	54.6	15.7	38.8	34.6	20.0
(Ref. 2) Below need caution level	448.9	130.2	318.6	159.3	289.5

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

Securities Being Held to Maturity with Readily Determinable Fair Value -Table 31- (Non-Consolidated)

(Billions of yen)

	Dec 31, 2008			Sep 30, 2008			Mar 31, 2008		
	Book Value	Fair Value	Difference	Book Value	Fair Value	Difference	Book Value	Fair Value	Difference
Japanese national government bonds	244.2	246.4	2.2	244.2	244.9	0.7	304.3	306.1	1.8
Japanese corporate bonds	75.2	76.7	1.4	75.2	75.8	0.6	75.1	76.5	1.3
Other ⁽¹⁾	99.0	102.6	3.6	11.5	12.6	1.1	11.0	12.3	1.3
Total	418.4	425.9	7.4	330.9	333.4	2.5	390.4	395.0	4.5

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" on October 1, 2008, in accordance with "Tentative Solution on Reclassification of Debt Securities" (December 5, 2008, Practical Issue Task Force No.26).

Marketable Securities, at Fair Value -Table 32- (Non-Consolidated)

(Billions of yen)

	Dec 31, 2008				Sep 30, 2008				Mar 31, 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	9.5	(3.2)	0.5	3.8	12.0	(4.6)	0.4	5.0	13.0	(3.1)	0.3	3.4
Bonds	703.9	0.9	2.8	1.8	669.6	(5.3)	0.4	5.7	545.5	(3.4)	1.0	4.4
Japanese national government bonds	648.8	1.9	2.6	0.6	552.9	(4.8)	0.2	5.1	341.0	(3.7)	0.3	4.1
Japanese local government bonds	1.7	0.0	0.0	-	1.7	0.0	0.0	-	2.2	0.0	0.0	-
Japanese corporate bonds	53.3	(0.9)	0.2	1.1	114.9	(0.4)	0.1	0.5	202.3	0.3	0.6	0.3
Other ⁽¹⁾	258.8	(20.4)	1.6	22.0	408.3	(48.4)	5.8	54.3	487.6	(28.6)	8.4	37.1
Foreign securities	256.6	(20.1)	1.6	21.8	405.1	(48.3)	5.8	54.2	484.0	(28.8)	8.2	37.1
Foreign currency denominated foreign corporate and government bonds	117.3	(11.4)	0.4	11.8	255.1	(47.2)	0.1	47.4	329.2	(32.2)	1.0	33.2
Yen-denominated foreign corporate and government bonds	130.6	(9.8)	0.0	9.8	135.8	(6.6)	-	6.6	139.2	(3.6)	0.0	3.7
Foreign equity securities	6.3	1.0	1.0	-	11.6	5.4	5.4	-	12.8	6.9	6.9	-
Other securities	2.2	(0.2)	-	0.2	3.2	(0.1)	0.0	0.1	3.5	0.2	0.2	0.0
Total	972.4	(22.6)	5.1	27.8	1,090.0	(58.4)	6.7	65.2	1,046.2	(35.1)	9.9	45.1

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" on October 1, 2008, in accordance with "Tentative Solution on Reclassification of Debt Securities" (December 5, 2008, Practical Issue Task Force No.26).

Capital Adequacy Data -Table 33- (Non-Consolidated)

(Billions of yen, except percentages)

	Dec 31 2008	Dec 31 2007	Change	Mar 31 2008	Change
	(a)	(b)	(a)-(b)	(c)	(a)-(c)
Basic items (Tier I)	770.2	811.8	(41.6)	845.7	(75.5)
Amount eligible for inclusion in capital (Tier II)	349.5	469.8	(120.2)	450.8	(101.3)
Deduction	(85.1)	(84.0)	(1.1)	(92.7)	7.5
Total capital	1,034.5	1,197.6	(163.1)	1,203.8	(169.3)
Risk assets	8,592.5	7,593.7	998.7	7,893.4	699.0
Capital adequacy ratio	12.04%	15.77%	—	15.25%	—
Tier I capital ratio	8.96%	10.69%	—	10.71%	—

(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 December 31 2008. As a result, 51.2 billion yen of net unrealized losses on securities available-for-sale, net taxes as of December 31 2008 is not included in BIS capital.

(2) Non-Consolidated total required capital is 462.2 billion yen as at December 31, 2008, 406.8 billion yen as at December 31, 2007, and 432.2 billion yen as at March 31.

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

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

	3QFY2008 (9 months)	3QFY2007 (9 months)	Change		FY2007
			Amount	%	
Total interest income	127,155	142,132	(14,977)	(10.5)	199,803
Interest on loans and bills discounted	84,353	82,254	2,099	2.6	110,567
Interest and dividends on securities	32,770	49,590	(16,820)	(33.9)	76,969
Other interest income	10,031	10,288	(257)	(2.5)	12,266
Fees and commissions income	15,104	20,921	(5,817)	(27.8)	27,459
Trading profits	8,018	6,185	1,833	29.6	7,133
Other business income	8,360	6,801	1,559	22.9	3,845
Other ordinary income	46,993	34,064	12,929	38.0	41,442
Ordinary income	205,633	210,106	(4,473)	(2.1)	279,684
Total interest expenses	76,385	78,755	(2,370)	(3.0)	100,993
Interest on deposits	34,828	32,363	2,465	7.6	43,560
Interest on corporate bonds	15,627	19,641	(4,014)	(20.4)	24,564
Other interest expenses	25,930	43,961	(18,031)	(41.0)	32,868
Fees and commissions expenses	10,043	12,049	(2,006)	(16.6)	15,960
Trading losses	10,224	76	10,148	13352.6	142
Other business expenses	41,846	5,510	36,336	659.5	15,202
General and administrative expenses	61,027	63,590	(2,563)	(4.0)	85,681
Other ordinary expenses	67,162	7,337	59,825	815.4	29,174
Ordinary expenses	266,689	167,320	99,369	59.4	247,155
Net ordinary income (loss)	(61,055)	42,786	(103,841)	(242.7)	32,528
Special gains	1,948	1,149	799	69.5	67,699
Special losses	30,291	27,817	2,474	8.9	41,910
Income (loss) before income taxes	(89,398)	16,118	(105,516)	(654.6)	58,317
Income taxes (benefit)					
Current	(3,005)	(8,189)	5,184	(63.3)	(7,666)
Deferred	894	6,762	(5,868)	(86.8)	12,780
Net income (loss)	(87,287)	17,546	(104,833)	(597.5)	53,203

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

(millions of yen)

	Dec 31 2008	Dec 31 2007	Change a-b	Mar 31 2008	Change a-c
	a	b	Amount	c	Amount
<<Assets>>					
Cash and due from banks	157,081	161,933	(4,852)	272,940	(115,859)
Call loans	49,041	544,700	(495,659)	—	49,041
Receivables under resale agreements	—	3,500	(3,500)	2,014	(2,014)
Collateral related to securities borrowing transactions	240,616	92,591	148,025	13,850	226,766
Other monetary claims purchased	599,449	151,073	448,376	161,344	438,105
Trading assets	342,117	199,573	142,544	275,136	66,981
Monetary assets held in trust	593,664	625,394	(31,730)	606,018	(12,354)
Securities	2,346,627	2,300,430	46,197	2,300,303	46,324
Valuation allowance for investments	(3,370)	—	(3,370)	(3,370)	—
Loans and bills discounted	5,122,211	5,273,457	(151,246)	5,356,363	(234,152)
Foreign exchanges	22,293	18,813	3,480	17,852	4,441
Other assets	940,442	429,738	510,704	577,856	362,586
Premises and equipment	19,809	21,996	(2,187)	20,895	(1,086)
Intangible assets	14,122	14,736	(614)	14,560	(438)
Deferred issuance expenses for debentures	156	116	40	125	31
Deferred tax assets	9,785	28,630	(18,845)	14,697	(4,912)
Customers' liabilities for acceptances and guarantees	15,863	16,552	(689)	11,746	4,117
Reserve for credit losses	(107,553)	(99,660)	(7,893)	(93,662)	(13,891)
Total assets	10,362,358	9,783,578	578,780	9,548,673	813,685

Liabilities and Equity

(millions of yen)

	Dec 31 2008 a	Dec 31 2007 b	Change a-b Amount	Mar 31 2008 c	Change a-c Amount
<<Liabilities>>					
Deposits	5,807,855	5,300,862	506,993	5,287,941	519,914
Negotiable certificates of deposit	461,387	935,749	(474,362)	577,189	(115,802)
Debentures	722,600	671,696	50,904	663,134	59,466
Call money	159,170	751,392	(592,222)	632,117	(472,947)
Collateral related to securities lending transactions	303,132	157,671	145,461	148,421	154,711
Trading liabilities	328,912	124,621	204,291	203,716	125,196
Borrowed money	772,357	294,017	478,340	304,078	468,279
Foreign exchanges	213	302	(89)	269	(56)
Corporate bonds	406,670	561,083	(154,413)	519,902	(113,232)
Other liabilities	739,833	303,495	436,338	450,643	289,190
Income taxes payable	35	—	/	767	(732)
Lease debt	13	—	/	—	/
Other liabilities	739,784	—	/	—	/
Accrued employees' bonuses	6,285	8,506	(2,221)	10,341	(4,056)
Reserve for retirement benefits	652	348	304	1,554	(902)
Reserve for losses on disposal of premises and equipment	7,086	—	7,086	4,913	2,173
Reserve for losses on litigation	3,662	—	3,662	—	3,662
Acceptances and guarantees	15,863	16,552	(689)	11,746	4,117
Total liabilities	9,735,683	9,126,301	609,382	8,815,970	919,713
<<Equity>>					
Shareholders' equity:					
Capital stock	476,296	451,296	25,000	476,296	—
Capital surplus	43,558	18,558	25,000	43,558	—
Additional paid-in capital	43,558	18,558	25,000	43,558	—
Retained earnings	224,215	281,618	(57,403)	317,276	(93,061)
Legal reserve	11,035	9,880	1,155	9,880	1,155
Other retained earnings	213,179	271,737	(58,558)	307,395	(94,216)
Unappropriated retained earnings	213,179	271,737	(58,558)	307,395	(94,216)
Treasury stock, at cost	(72,558)	(72,556)	(2)	(72,557)	(1)
Total shareholders' equity	671,511	678,917	(7,406)	764,573	(93,062)
Net unrealized gain (loss):					
Unrealized gain (loss) on available-for-sale securities	(51,268)	(13,421)	(37,847)	(35,024)	(16,244)
Deferred gain (loss) on derivatives under hedge accounting	4,700	(9,278)	13,978	1,896	2,804
Total net unrealized gain (loss)	(46,567)	(22,699)	(23,868)	(33,128)	(13,439)
Stock acquisition rights	1,730	1,060	670	1,257	473
Total equity	626,675	657,277	(30,602)	732,703	(106,028)
Total liabilities and equity	10,362,358	9,783,578	578,780	9,548,673	813,685

Section 3. Earnings Forecast -Table 34- (Consolidated and Non-Consolidated)

(Consolidated)	<i>(Billions of yen)</i>		
	<i>Fiscal year ending</i>	<i>Fiscal year ended</i>	
	<u>Mar. 2009</u>	<u>Mar. 2008</u>	
	<u>(FY2008)</u>	<u>(FY2007)</u>	
	<u>Forecast ⁽¹⁾</u>	<u>Actual</u>	
Cash Basis Net income	(31.0)	71.3	
Net income	(48.0)	60.1	
<hr/>			
(Non-Consolidated)	<i>Fiscal year ending</i>		<i>Fiscal year ended</i>
	<u>Mar. 2009</u>		<u>Mar. 2008</u>
	<u>(FY2008)</u>		<u>(FY2007)</u>
	<u>Forecast ⁽¹⁾</u>		<u>Actual</u>
Net business profit ⁽²⁾	(32.0)	67.2	
Net income	(98.0)	53.2	
<hr/>			
Dividends (in yen)			
Common stock	0.00 ⁽³⁾	2.94 yen	
Class-A preferred share ^{(4) (5)}	- yen	6.50 yen	

(1) Revised figures announced on February 3, 2009.

(2) Revitalization plan basis

(3) No dividend to be paid on common shares in the fiscal year 2008.

(4) Class-A preferred shares were converted into common shares on March 31, 2008.

(5) There are no longer any preferred shares outstanding.

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 loss of 31.0 billion (consolidated reported basis net income of 12.0 billion yen revised to consolidated reported basis net loss of 48.0 billion yen) for the fiscal year ending March 31, 2009 due mainly to higher credit costs associated with our real estate operations, impairment of Japanese equities, additional mark downs and reserves for European asset backed investments and securities and other European investments, as well as business restructuring costs.

Shinsei Bank also revised its non-consolidated forecast for net income for the fiscal year ending March 31, 2009 from 12.0 billion yen to a net loss of 98.0 billion yen.

In light of the forecast for earnings for the fiscal year ending March 31, 2009, Shinsei Bank has decided not to pay a dividend on its common shares for the fiscal year 2008.

*Cash-basis figures are calculated by excluding amortization and impairment 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 35- (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			
Mark-downs	17	48	40	52	157	15.6	4	11	27	43	4.0	
Credit costs (recoveries) ⁽²⁾	0	107	(11)	38	134	13.4	0	(0)	5	4	0.3	
Total	17	155	29	90	291	29.1	4	11	32	47	4.4	

(1) The amount of credit costs during fiscal year 2007 and 1QFY2008 reflects adjustments due to different exchange rates (March 31, 2007: 117.78 yen per US dollar, March 31, 2008: 99.73 yen/dollar, September 30, 2008: 90.41 yen/dollar).

(2) Includes 2.1 billion yen and 0.1 billion yen of losses 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 36- (Consolidated)

(Millions of dollars, %) *(Billions of yen)*

	Balance Before Evaluation ⁽¹⁾	Mark-Down During 3HFY2008 (9 months) or Credit Reserve		Net Exposure Dec 31, 2008	Net Exposure Dec 31, 2008
		(a)	(b)		
Mark-to-Market Exposure	83.2	43.1 ⁽²⁾	(51.9)	40.0	3.6
Securities ⁽³⁾	83.2	43.1	(51.9)	40.0	3.6
AAA ⁽⁴⁾	12.7	3.7	(29.6)	8.9	0.8
Other ⁽⁴⁾	70.5	39.4	(55.9)	31.0	2.8
Loans and Other Credit Exposure	170.0	62.5 ⁽⁵⁾		107.4	9.7
Loans ⁽⁶⁾	170.0	62.5		107.4	9.7
Total	253.2	105.7		147.4	13.3

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

(2) Mark-downs of U.S. residential mortgage exposure during 3QFY2008 (9 months) totaled 4.0 billion yen (43.1 million dollars).

(3) Comprised of 2007-vintage securities except for one AAA-rated security of 2006-vintage amounting to 12.7 million dollars (1.1 billion yen) as of December 31, 2008. Of the total 3.6 billion yen of securities exposure, subprime-related exposure is 0.8 billion yen as of December 31, 2008.

(4) Based on ratings as of December 31, 2008.

(5) Net credit costs and others for U.S. residential mortgage exposure during 3QFY2008 (9 months) totaled 0.3 billion yen.

(6) Includes undrawn portion of commitment lines.

Balance of Securitized Products (Breakdown by Region and Type of Securities)⁽¹⁾ -Table 37- (Non-Consolidated)

(Billions of yen)

	Credit Ratings of Securities ⁽²⁾ (Dec 31, 2008)				Dec 31 2008 (a)	Sep 30 2008 (b)	Change (a)-(b)	Mar 31 2008 (c)	Change (a)-(c)
	AAA	AA	A or lower	N/A					
RMBS	26%	8%	12%	55%	55.5	73.3	(17.7)	76.2	(20.7)
Japan	25%	5%	9%	62%	49.6	48.7	0.8	45.6	3.9
U.S. ⁽³⁾	26%	0%	74%	0%	3.1	14.5	(11.4)	15.9	(12.8)
Europe	0%	100%	0%	0%	1.8	4.0	(2.2)	7.3	(5.4)
Other ⁽⁴⁾	100%	0%	0%	0%	0.9	5.8	(4.9)	7.2	(6.3)
CMBS⁽⁵⁾	0%	15%	85%	0%	20.6	24.9	(4.3)	30.3	(9.7)
Japan	0%	7%	93%	0%	14.2	14.2	0.0	17.6	(3.3)
U.S.	-	-	-	-	-	-	-	-	-
Europe	0%	0%	100%	0%	4.2	7.9	(3.7)	10.0	(5.8)
Other	0%	100%	0%	0%	2.1	2.6	(0.5)	2.6	(0.5)
CLO	53%	44%	2%	1%	92.2	107.5	(15.3)	149.5	(57.3)
Japan	-	-	-	-	-	-	-	-	-
U.S.	52%	46%	0%	2%	70.3	81.2	(10.9)	87.6	(17.2)
Europe	60%	40%	0%	0%	19.8	23.4	(3.5)	59.1	(39.3)
Other	0%	0%	100%	0%	2.0	2.8	(0.8)	2.7	(0.7)
ABS CDO (Resecuritized Products)	0%	0%	23%	77%	8.0	8.0	0.0	8.9	(0.9)
Japan ⁽⁶⁾	0%	0%	23%	77%	8.0	8.0	(0.0)	8.0	(0.0)
U.S. ⁽³⁾	-	-	-	-	-	0.0	0.0	0.8	(0.8)
Europe	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	36%	27%	16%	21%	176.4	213.9	(37.4)	265.1	(88.7)
Japan	17%	5%	27%	51%	71.8	71.1	0.7	71.4	0.4
U.S.	51%	44%	3%	2%	73.5	95.8	(22.3)	104.4	(30.9)
Europe	46%	38%	16%	0%	25.9	35.4	(9.5)	76.5	(50.6)
Other	18%	42%	40%	0%	5.1	11.4	(6.3)	12.7	(7.6)
Securities					107.8	146.0	(38.2)	199.1	(91.2)
RMBS					5.9	24.5	(18.6)	30.6	(24.6)
CMBS					9.6	13.9	(4.3)	18.1	(8.4)
CLO					92.2	107.5	(15.3)	149.5	(57.3)
ABS CDO					0.0	0.0	0.0	0.8	(0.8)
Other monetary claims purchased⁽⁷⁾					68.6	67.8	0.7	66.0	2.5
RMBS					49.6	48.7	0.8	45.6	3.9
CMBS					10.9	10.9	0.0	12.2	(1.2)
CLO					-	-	-	-	-
ABS CDO					8.0	8.0	(0.0)	8.0	(0.0)
Total					176.4	213.9	(37.4)	265.1	(88.7)

(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 December 31, 2008. The "N/A" rating for Japanese RMBS represents senior portions of other monetary claims purchased for the purpose of warehousing for future securitization.

(3) Securities related to U.S. residential mortgage market. Of the 3.1 billion yen in U.S. RMBS outstanding as of December 31, 2008, subprime-related exposure is 0.8 billion yen.

(4) Includes exposures guaranteed by a monoline insurer (0.9 billion yen as of December 31, 2008, 1.1 billion yen as of September 30, 2008, and 1.4 billion yen as of March 31, 2008).

(5) Breakdown of collateral: office building (50%), multi-family (35%), retail and shops (9%), hotel and others (7%)

(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 4.3 billion yen as at December 31, 2008.

LBO, Monoline, SIV, ABCP, CDS -Table 39- (Non-Consolidated)

(Billions of yen)					
	Dec 31 2008 (a)	Sep 30 2008 (b)	Change (a)-(b)	Mar 31 2008 (c)	Change (a)-(c)
LBO⁽¹⁾	296.6	313.8	(17.2)	277.1	19.5
Japan	284.4⁽²⁾	297.8	(13.4)	258.6	25.8
U.S.	3.1	3.6	(0.5)	3.6	(0.5)
Europe	-	-	-	-	-
Other	9.0	12.3	(3.3)	14.8	(5.8)
(Breakdown by Industry Sector as of December 31, 2008)					
Manufacturing	12.3%				
Information and communications	12.2%				
Wholesale and retail	9.5%				
Finance and Insurance	48.7%				
Services	9.0%				
Others	8.3%				
Total	100.0%				

(1) The amount includes unfunded commitment line.

(2) As of December 31, 2008, unfunded commitment line (only domestic) is 6.3 billion yen.

(Billions of yen)					
	Dec 31 2008 (a)	Sep 30 2008 (b)	Change (a)-(b)	Mar 31 2008 (c)	Change (a)-(c)
Monoline	0.9	1.1	(0.2)	1.4	(0.5)
Japan	-	-	-	-	-
U.S.	-	-	-	-	-
Europe	-	-	-	-	-
Other	0.9	1.1	(0.2)	1.4	(0.5)
SIV	-	-	-	-	-
ABCP	-	-	-	-	-

Credit Default Swaps (CDS)⁽¹⁾

(Billions of yen)								
	As of December 31, 2008							3QFY2008
	Nominal Amount		Fair Value		Netted Nominal Amount and Fair Value ⁽²⁾			Realized Profits (Losses)
	Protection (buy)	Protection (sell)	Protection (buy)	Protection (sell)	Nominal Amount	Protection (buy)	Protection (sell)	
Total	1,207.7	1,311.9	97.7	(83.8)	1,028.0	67.1	(66.1)	6.2
Japan	1,083.3	1,191.6	89.9	(75.5)	923.3	61.4	(59.9)	7.5
U.S.	55.6	55.0	3.2	(4.4)	44.5	2.3	(2.7)	(1.5)
Europe	32.0	27.7	1.7	(1.2)	25.6	1.1	(1.0)	0.1
Other	36.7	37.5	2.7	(2.5)	34.5	2.2	(2.3)	(0.0)

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

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

Definitions -Table 40-

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 is the total book value of securities whose underlying assets include U.S. subprime, Alt-A and/or second-lien loans. As of December 31, 2008, total subprime-related exposure stood at 0.8 billion yen.
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 December 31, 2008, the exposure guaranteed by monoline insurers is 0.9 billion yen 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.