

Shinsei Bank announces Quarterly Information for the 1st Quarter of Fiscal 2003

Tokyo (Friday, August 1, 2003)—Shinsei Bank, Limited ("Shinsei Bank") today announced its quarterly information of the first quarter of fiscal year 2003 (April 1 to June 30, 2003). The attached information was disclosed voluntarily by Shinsei Bank based on the "Front-Loaded Reform Program" of the Ministerial Meeting on Economic Measures and the "Program for Structural Reform of Securities Markets" of the Financial Service Agency. The information in this press release is unaudited.

Information as of the end of June 2003

1. Disclosure of Problem Loans ---to be classified in categories under the Financial Revitalization Law

<Non-consolidated>		(in billions of Yen)	
	as of June 03 <Result* (a)>	as of Mar 03 <Result (b)>	changes <(a)-(b)>
Bankrupt and Quasi-Bankrupt	32.3	35.7	(3.4)
Doubtful	104.9	99.0	5.9
Substandard	68.0	98.4	(30.4)
Total	205.2	233.2	(28.0)

*Result: based on self-assessment as of the end of June 2003.

2. Capital Adequacy Ratio

<Consolidated>		(Reference)
	as of Sep 03 <Estimated*>	as of Mar 03 <Result>
Capital Ratio	about 20%	20.10%
Tier 1 Ratio	about 14%	14.27%

* The actual ratios as of September 2003 are subject to change.

3. Deposit & Debenture <Non-consolidated>

		(in billions of Yen)	
	as of June 03	as of Mar 03	changes
Deposits & Debentures (including NCD)	4,096.9	4,491.3	(394.5)
Deposits from individuals	1,537.7	1,473.3	64.4
Term Deposits	1,145.0	1,115.1	29.8

4. Summary of Unrealized Gains or Losses on Securities & Derivatives

4.1. Securities Available-for-Sale <Non-consolidated>

	(in billions of yen)				<Reference> (in billions of yen)			
	as of June 30, 2003 *				as of March 31, 2003			
	Market Value	Net Appraisal		Losses	Market Value	Net Appraisal		Losses
Gains			Gains					
Japanese Stocks	3.4	0.0	0.1	0.1	2.0	(0.2)	0.0	0.2
Japanese Bonds	1,189.1	5.1	6.3	1.2	1,374.3	11.3	11.7	0.4
Others	245.2	18.8	24.0	5.1	269.9	12.4	21.6	9.2
Total	1,437.7	23.9	30.4	6.4	1,646.2	23.5	33.3	9.8

*1: Net Appraisals (Gains/Losses) as of the end of June-2003 are calculated by book value after amortization and before devaluation.

*2: Shinsei Bank has no Securities Being Held to Maturity.

4.2. Derivatives <Consolidated>

(a) Interest Rate-Related Transactions	(in billions of Yen)			<Reference> (in billions of Yen)		
	as of June 30, 2003			as of March 31, 2003		
	Contractual Value or Notional Principal Amount	Market Value	Unrealized Gain(Loss)	Contractual Value or Notional Principal Amount	Market Value	Unrealized Gain(Loss)
Interest Rate Futures (Listed)	227.0	(0.1)	(0.1)	34.4	(0.0)	(0.0)
Interest Rate Options (Listed)	884.9	1.4	(0.0)	—	—	—
Interest Rate Swaps (OTC)	6,449.3	(12.4)	(12.4)	6,038.8	20.1	20.1
Interest Rate Options (OTC)	2,999.2	2.1	3.5	1,853.2	2.3	3.4
Total		(8.9)	(9.0)		22.4	23.5

*1 Derivatives for which hedge accounting was adopted are excluded from the above table.

*2 The market values (listed) represent the closing price on the Tokyo Financial Future Exchange and other exchange at the date. The market values of over-the-counter transactions are calculated mainly by using the discounted present value or an option pricing model.

(b) Currency-Related Transactions	(in billions of Yen)			<Reference> (in billions of Yen)		
	as of June 30, 2003			as of March 31, 2003		
	Contractual Value or Notional Principal Amount	Market Value	Unrealized Gain(Loss)	Contractual Value or Notional Principal Amount	Market Value	Unrealized Gain(Loss)
Currency Swaps (OTC)	457.6	(3.1)	(3.1)	492.4	(2.5)	(2.5)

*1 Swaps for which hedge accounting was adopted and mentioned in *3 below were excluded from the table above.

*2 Market values are calculated by using the present value of estimated cash flows.

*3 Contract value or notional principal of the currency swap which were accounted for an accrual basis were as follows:

(Currency Swaps which were accounted for an accrual basis were excluded from the table below because of application of hedge accounting from this quarter.)

<Reference>	(in billions of Yen)		
	as of March 31, 2003		
	Contractual Value or Notional Principal Amount	Market Value	Unrealized Gain(Loss)
Currency Swaps (accrued)	95.7	0.2	0.2

And contractual values of the forward foreign exchange contracts and currency options that were marked to market were as follows:

(Forward foreign exchange contracts and currency options that were marked to market were excluded from the table below because of application of hedge accounting from this quarter.)

<Reference>	(in billions of Yen)
	as of March 31, 2003
	Contractual Value or Notional Principal Amount
Forward Foreign Exchange	333.8
Currency Options	111.5

4.2. Derivatives <Consolidated> --continued--

(c) Equity --Related Transactions (in billions of Yen)

	as of June 30, 2003		
	Contractual Value or Notional Principal Amount	Market Value	Unrealized Gain(Loss)
Equity Price Index Futures (Listed)	3.6	0.0	0.0
Equity Price Index Options (Listed)	10.8	0.6	(0.2)
Equity Options (Listed)	1.0	0.1	(0.0)
Equity Options (OTC)	—	—	—
Equity Swaps (OTC)	—	—	—
Other (OTC)	1.5	0.2	(0.2)
Total		0.9	(0.4)

<Reference> (in billions of Yen)

	as of March 31, 2003		
	Contractual Value or Notional Principal Amount	Market Value	Unrealized Gain(Loss)
	0.3	(0.0)	(0.0)
	16.9	0.0	(0.0)
	3.6	0.2	(0.0)
	—	—	—
	—	—	—
	0.1	0.0	(0.0)
Total		0.2	(0.1)

*1 Derivatives mentioned above were marked to market.

*2 The market values (listed) represent the closing price on the Tokyo Stock Exchange and other exchange at the time. The market values of over-the-counter transactions are calculated by using an option pricing model.

(d) Bond --Related Transactions (in billions of Yen)

	as of June 30, 2003		
	Contractual Value or Notional Principal Amount	Market Value	Unrealized Gain(Loss)
Bond Futures (Listed)	96.3	0.6	0.6
Bond Future Options (Listed)	48.1	0.2	0.0

<Reference> (in billions of Yen)

	as of March 31, 2003		
	Contractual Value or Notional Principal Amount	Market Value	Unrealized Gain(Loss)
	21.5	0.0	0.0
	—	—	—

*1 Derivatives mentioned above were marked to market.

*2 The market values represent the closing price on the Tokyo Stock Exchange and other exchange at the time.

(e) Commodity --Related Transactions ... No outstanding positions

(f) Credit-Related Transactions (in billions of Yen)

	as of June 30, 2003		
	Contractual Value or Notional Principal Amount	Market Value	Unrealized Gain(Loss)
Credit Default Options (OTC)	86.5	0.4	0.4

<Reference> (in billions of Yen)

	as of March 31, 2003		
	Contractual Value or Notional Principal Amount	Market Value	Unrealized Gain(Loss)
	90.2	0.3	0.3

*1 Derivatives mentioned above were marked to market.

*2 The market values are calculated by using the present value of estimated cash flows.

4.3. Derivatives for which hedge accounting was adopted <Consolidated>

[Contract amount of interest rate swaps (to which deferred hedge accounting is applied), classified by maturity.]

	(in billions of yen)			
	as of June 30, 2003			
	1 year or less	1 to 5 years	Over 5 years	Total
Interest Rate Swaps / Total contract amount	52.6	237.7	223.0	513.3
Receivable fixed rate / Payable floating rate	47.6	200.6	6.7	254.9
Receivable floating rate / Payable fixed rate	3.0	37.1	216.3	256.4
Receivable floating rate/Payable floating rate	2.0	—	—	2.0
Currency Swaps / Total contract amount	111.3	217.0	79.0	407.3

	<Reference> (in billions of yen)			
	as of March 31, 2003			
	1 year or less	1 to 5 years	Over 5 years	Total
	343.0	442.7	290.5	1,076.3
	297.5	258.0	14.6	570.3
	43.5	184.7	275.8	504.0
	2.0	—	—	2.0
	113.8	248.6	95.0	457.4