

For Immediate Press Release

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

### **Shinsei Bank Announces Third Quarter Financial Results for Fiscal Year 2004**

Tokyo (Thursday, January 27, 2005) -- Shinsei Bank, Limited ("Shinsei Bank") today announced its financial results as of December 31, 2004 and nine-month period ended (Three Quarter FY2004, "3Q-FY2004"). All figures are unaudited.

#### **3Q-FY2004 Financial Highlights**

(All figures compare to nine-month period of FY2003 ("3Q-FY2003"))

- Consolidated revenue grew 28.5% to 116.6 billion yen (management accounting basis)
- Consolidated reported net income grew 10.4% to 53.1 billion yen
- Consolidated cash basis net income grew 19.7% to 57.6 billion yen
- Non-interest income as a percentage of total revenue increased to 63% from 55% (management accounting basis)
- Problem claims to total claims decreased to 1.98% (non-consolidated) as of December, 2004

#### **1. Results of Operations:**

Shinsei Bank reported consolidated net income of 53.1 billion yen for 3Q-FY2004, an increase of 10.4% compared to 3Q-FY2003, representing 81.8% of the annual forecast of 65.0 billion yen. Diluted earnings per share for the period were 27.60 yen.

For the 3Q-FY2004, consolidated revenue increased 28.5% to 116.6 billion yen. Non-interest income increased to 73.3 billion yen from 50.0 billion yen in 3Q-FY2003. Non-interest income now represents 63% of total revenue. Consolidated net operating income for the period was 40.8 billion yen. Asset quality improved further as the Bank recorded a credit recovery of 11.4 billion yen for 3Q-FY2004.

Shinsei Bank's consolidated cash basis net income, excluding the amortization of total intangibles was 57.6 billion yen for the period, an increase of 19.7% compared to 3Q-FY2003.

## **2. Financial Condition:**

At the end of 3Q-FY2004, Shinsei Bank's loan balance stood at 3,110.8 billion yen, an increase of 36.2 billion yen compared to the end of September 2004, reflecting growth in retail housing loans and increase in consolidated subsidiaries' lending. Total assets decreased by 445.6 billion yen to 7,879.7 billion yen compared to the end of September 2004, primarily by the decrease of customers' liabilities for acceptances and guarantees for 179.5 billion yen recorded at Aplus, a consolidated subsidiary.

Total deposits increased by 79.9 billion yen to 3,248.7 billion yen during the same period from September to December 2004, primarily due to strong sales of structured deposits in retail business, represented by the "Powered One" time deposit. Total debentures and corporate bonds decreased by 39.2 billion yen to 1,323.5 billion yen. Total shareholders' equity increased by 10.1 billion yen to 773.8 billion yen.

## **3. Asset Quality (non-consolidated):**

At the end of 3Q-FY2004, total problem claims were 71.1 billion yen, a decline of 2.5 billion yen from the end of September 2004. This represents 1.98% of total claims outstanding at the end of 3Q-FY2004.

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*Shinsei Bank is a Japanese banking institution founded on global standards of governance and management. With over \$60 billion in assets and 29 branches throughout Japan (non-consolidated, as of December 2004), Shinsei provides a broad range of value-added financial solutions to institutional and individual customers under the banner of "Better Banking." Our PowerFlex account, free ATM network and internet banking service, and customer friendly financial centers have redefined the Japanese retail banking experience. Shinsei is committed to long-term growth and profitability by expanding its customer-focused business model.*

*News and other information about Shinsei Bank are available at <http://www.shinseibank.com/english/index.html>.*

# Financial Highlights - Consolidated

## Results of operations

(billions of yen)

	for the nine months ended				for the six months ended
	Dec. 2004 (Unaudited)	Dec. 2003 (Unaudited)	Change		Sep. 2004
	a	b	a-b	%	
Total revenue *1	116.6	90.7	25.9	28.5%	72.8
Net interest income	43.3	40.7	2.6	6.4%	25.3
General and administrative expenses *1	67.4	50.7	16.7	32.9%	38.5
Net business profit ( <i>jisshitsu gyomu jun-eki</i> ) *1	49.2	40.0	9.2	23.0%	34.3
Net operating income	40.8	36.4	4.4	12.2%	28.5
Reported net income	53.1	48.1	5.0	10.4%	40.7
Cash basis net income *2	57.6	48.1 *3	9.5	19.7%	

\*1 Based on the management accounting basis

\*2 Exclude the amortization of total intangibles recorded through Aplus' transaction

\*3 Assuming reported net income is equal to cash basis net income for the nine months ended December 2003

Credit costs	(7.2)	(9.8)	2.6	(26.5)%	(10.6)
Reserve for credit losses	(11.4)	(11.1)	(0.3)	2.7%	(12.7)

## Balance Sheet data

(billions of yen)

	as of the end of				as of the end of
	Dec. 2004 (Unaudited)	Sep. 2004	Change		Mar. 2004
	a	b	a-b	%	
Total assets	7,879.7	8,325.3	(445.6)	(5.4)%	6,343.7
Cash and due from banks	227.6	468.9	(241.2)	(51.4)%	312.7
Trading assets	187.1	443.6	(256.5)	(57.8)%	635.0
Securities	1,620.0	1,339.8	280.1	20.9%	1,483.2
Loans and bills discounted	3,110.8	3,074.6	36.2	1.2%	3,047.0
Intangible assets *	68.2	70.2	(1.9)	(2.7)%	-
Consolidation goodwill, net	195.1	200.8	(5.6)	(2.8)%	-
Customers' liabilities for acceptances and guarantees	1,058.2	1,237.8	(179.5)	(14.5)%	38.3
Total liabilities	7,104.2	7,560.6	(456.3)	(6.0)%	5,612.7
Deposits (including NCDs)	3,248.7	3,168.8	79.9	2.5%	2,734.4
Debentures and corporate bonds	1,323.5	1,362.7	(39.2)	(2.9)%	1,388.6
Call money	42.5	173.3	(130.8)	(75.5)%	112.5
Minority interests in subsidiaries	1.6	1.0	0.5	50.0%	0.9
Total shareholders' equity	773.8	763.7	10.1	1.3%	730.0

\* Identified intangible assets of Aplus acquisition

## Per share data

(yen)

	for the nine months ended	for the fiscal year ended
	Dec. 2004 (Unaudited)	Mar. 2004
	Common shareholder's equity	321.66
Basic net income	37.73	46.03
Diluted net income	27.60	32.75

Items pertaining to preparation of quarterly financial data

### (1) Adoption of simplified accounting methods

The reserve for credit losses is stated based on the self-assessment as of the base date, except for reserves for certain other assets and those set aside by subsidiaries, and the loss ratios on loans are calculated based on the actual loss ratios as of the end of the previous half year.

Corporate income taxes have been computed based on the statutory effective tax rate. The tax effects have, in principle, not been reviewed since the end of the previous half year except for those related to unrealized gains or losses on securities available-for-sale securities.

### (2) Change in accounting policies

The depreciation method of computers (ATMs, etc.) other than personal computers has been changed from the declining-balance method to the straight-line method to ensure a reasonable correlation with profits. As a result, operating expenses decreased by 264 million yen for the nine months ended December 31, 2004.

### (3) Changes in scope of consolidation and equity-method affiliates

Consolidated subsidiaries	(Addition) 21	(Exclusion) 2
Equity-method affiliates	(Addition) 2	(Exclusion) 0

## Projections for Fiscal Year 2004 Results

(Consolidated)

(billions of yen)

for the fiscal year ended

	<b>Mar. 2005</b>	Mar. 2004
	<b>Projection</b>	Actual
Net operating income	<b>64.0</b>	47.3
Reported net income	<b>65.0</b>	66.4
Cash basis net income *	<b>74.0</b>	66.4

\* Exclude the amortization of total intangibles recorded through Aplus' transaction (no amortization in the fiscal year ended March 2004).

(Non-consolidated)

(billions of yen ( other than dividends))

for the fiscal year ended

	<b>Mar. 2005</b>	Mar. 2004
	<b>Projection</b>	Actual
Net business profit	<b>56.0</b>	47.4
Net operating income	<b>52.0</b>	44.8
Net income	<b>66.0</b>	65.3
Dividends (in yen )		
Common stock	<b>2.58</b>	2.22
Class A preferred share	<b>13.00</b>	13.00
Class B preferred share	<b>4.84</b>	4.84

\* Revitalization basis

Above projections are based on information, which is available at this moment, and assumptions of uncertain factors, which may have an influence on future operating results. Actual results may differ materially from these projections, depending on future events.

# Consolidated Balance Sheets

## -- Assets

(millions of yen)

	Dec. 31, 2004	Mar. 31, 2004	Change	
	a	b	a-b	%
<b>&lt;&lt;Assets&gt;&gt;</b>				
Cash and due from banks	227,654	312,709	-85,055	-27.2%
Call loans and bills bought	138,000	-	138,000	100.0%
Collateral related to securities borrowing transactions	42,856	18,121	24,735	136.5%
Other monetary claims purchased	245,998	246,987	-989	-0.4%
Trading assets	187,118	635,096	-447,978	-70.5%
Monetary assets held in trust	326,000	242,750	83,250	34.3%
Securities	1,620,000	1,483,234	136,766	9.2%
Loans and bills discounted	3,110,887	3,047,042	63,845	2.1%
Foreign exchanges	9,143	9,490	-347	-3.7%
Other assets	764,421	375,075	389,346	103.8%
Premises and equipment	106,123	89,703	16,420	18.3%
Deferred discounts on and issuance expenses for debentures	262	179	83	46.4%
Deferred discounts on and issuance expenses for corporate bonds	5	-	5	100.0%
Deferred tax assets	25,259	22,941	2,318	10.1%
Consolidation goodwill, net	195,194	-	195,194	100.0%
Customers' liabilities for acceptances and guarantees	1,058,264	38,339	1,019,925	2660.3%
Reserve for credit losses	-177,462	-177,916	454	-0.3%
<b>Total assets</b>	<b>7,879,730</b>	<b>6,343,755</b>	<b>1,535,975</b>	<b>24.2%</b>

US\$ / yen

@104.2

@105.70

# Consolidated Balance Sheets

## -- Liabilities, minority interests in subsidiaries and shareholders' equity

(millions of yen)

	Dec. 31, 2004	Mar. 31, 2004	Change	
	a	b	a-b	%
<b>&lt;&lt;Liabilities&gt;&gt;</b>				
Deposits	2,864,212	2,263,421	600,791	26.5%
Negotiable certificates of deposit	384,579	471,068	-86,489	-18.4%
Debentures	1,292,231	1,388,696	-96,465	-6.9%
Call money and bills sold	42,511	112,559	-70,048	-62.2%
Payables under repurchase agreements	16,981	445,634	-428,653	-96.2%
Collateral related to securities lending transactions	20,093	29,275	-29,275	-100.0%
Commercial paper	16,900	-	16,900	100.0%
Trading liabilities	72,656	92,231	-19,575	-21.2%
Borrowed money	659,459	334,416	325,043	97.2%
Foreign exchanges	10	4	6	150.0%
Corporate bonds	31,293	-	31,293	100.0%
Other liabilities	623,066	424,899	198,167	46.6%
Accrued employees bonuses	7,201	8,722	-1,521	-17.4%
Reserve for retirement benefits	775	629	146	23.2%
Reserve for loss on disposition of premises and equipment	153	-	153	100.0%
Reserve for loss on sale of bonds	-	1,918	-1,918	-100.0%
Reserve under special law	0	0	-	-
Deferred tax liabilities	13,839	42	13,797	32850.0%
Consolidation negative goodwill	-	915	-915	-100.0%
Acceptances and guarantees	1,058,264	38,339	1,019,925	2660.3%
<b>Total liabilities</b>	<b>7,104,231</b>	<b>5,612,776</b>	<b>1,491,455</b>	<b>26.6%</b>
<b>Minority interests in subsidiaries</b>	<b>1,621</b>	<b>977</b>	<b>644</b>	<b>65.9%</b>
<b>&lt;&lt;Shareholders' equity&gt;&gt;</b>				
Capital stock	451,296	451,296	-	-
Capital surplus	18,558	18,558	-	-
Retained earnings	296,798	250,737	46,061	18.4%
Net unrealized gains on securities available-for-sale, net of taxes	4,694	7,154	-2,460	-34.4%
Foreign currency translation adjustments	2,533	2,255	278	12.3%
Treasury stock, at cost	-4	-1	-3	300.0%
<b>Total shareholders' equity</b>	<b>773,876</b>	<b>730,000</b>	<b>43,876</b>	<b>6.0%</b>
<b>Total liabilities, minority interest in subsidiaries and shareholders' equity</b>	<b>7,879,730</b>	<b>6,343,755</b>	<b>1,535,975</b>	<b>24.2%</b>

US\$ / yen

@104.2

@105.70

# Consolidated Statements of Income

(millions of yen)

	3Q/FY'04 a	FY'03 b
<b>Operating income</b>	<b>174,094</b>	172,359
Interest income	<b>68,610</b>	89,192
Interest on loans and discounts	51,972	64,312
Interest and dividends on securities	10,245	15,917
Fees and commissions (income)	<b>34,629</b>	26,193
Trading revenue	<b>19,700</b>	3,080
Other business income	<b>28,008</b>	23,743
Other operating income	<b>23,144</b>	30,149
<b>Operating expenses</b>	<b>133,230</b>	124,967
Interest expenses	<b>25,307</b>	32,009
Interest on deposits	10,259	12,038
Interest on debentures	4,756	9,135
Fees and commissions (expense)	<b>9,360</b>	7,249
Trading expenses	-	365
Other business expenses	<b>14,706</b>	2,482
General and administrative expenses	<b>68,278</b>	70,178
Other operating expenses	<b>15,577</b>	12,683
<b>Net operating income</b>	<b>40,864</b>	47,391
Extraordinary income	<b>11,954</b>	23,320
Extraordinary expenses	<b>625</b>	1,804
Income before income taxes and minority interests	<b>52,193</b>	68,907
Income taxes (current)	<b>1,344</b>	1,463
Income taxes (deferred)	<b>-2,237</b>	1,111
Minority interests in net loss of subsidiaries	<b>-106</b>	-71
<b>Net income</b>	<b>53,193</b>	66,404

in billions of yen

(Ref.) Net business profit ( <i>jisshitsu gyomu jun-eki</i> ) *	<b>49.2</b>	55.1
	US\$ / yen	@104.2                      @105.70

\* Management accounting basis, including income from investment in monetary assets held in trust

## Consolidated Statements of Capital Surplus and Retained Earnings

For the nine-month period ended December 31, 2004 and for the year ended March 31, 2004

(millions of yen)

	For the nine-month period ended December 31, 2004 (Unaudited)	For the year ended March 31, 2004
[Capital surplus]		
Balance at beginning of period/year	18,558	18,558
Balance at end of period/year	18,558	18,558
[Retained earnings]		
Balance at beginning of period/year	250,737	194,666
Increase	53,193	66,404
Net income	53,193	66,404
Decrease	7,133	10,333
Dividends paid	7,133	10,333
Balance at end of period/year	296,798	250,737

Note: The table represents a translation of the original consolidated statements of capital surplus and retained earnings prepared in the Japanese language in accordance with regulations of consolidated financial statements.



## Reference Material

(The tables below represent translations of the original disclosure in the Japanese language.)

### 1. Non-Consolidated Financial Results [and Projections]

*(millions of yen)*

	<b>Dec. 30, 2004 ( 9 months ) (Unaudited)</b>	Dec. 30, 2003 ( 9 months ) (Unaudited)	September 30, 2004 ( 6 months )	March 31, 2005 ( 1 year ) (Projection)
Gross business profit ( <i>gyomu sorieki</i> )*	<b>92,347</b>	79,723	64,845	-
Net interest income	<b>41,084</b>	41,002	25,516	-
General & administrative expenses	<b>52,916</b>	47,728	35,587	-
Net business profit ( <i>jisshitsu gyomu jyun-eki</i> )*	<b>39,430</b>	31,995	29,258	56,000
Net operating income ( <i>keijou rieki</i> )	<b>38,182</b>	32,447	24,621	52,000
Net income	<b>54,274</b>	42,441	37,296	66,000
Net credit recoveries	<b>(13,722)</b>	(6,588)		

(\* Includes income from monetary assets held in trust of 15,593 million yen for the interim period ended Sep. 30, 2004, 22,319 million yen for the nine months ended Dec. 31, 2004 and 20,522 million yen for the previous nine months ended Dec. 31, 2003.

### 2. Problem Claims

#### ( i ) Claims Classified Under the Financial Revitalization Law ( Non-Consolidated )

*(millions of yen , %)*

	<b>As of Dec. 31, 2004 (Unaudited)</b> a	As of Sep. 30, 2004 (Unaudited)	Change a-b	As of Mar. 31, 2004
Claims against bankrupt and quasi-bankrupt obligors*	<b>10,380</b>	9,994	386	11,149
Doubtful claims	<b>54,278</b>	57,045	(2,767)	68,891
Substandard claims	<b>6,500</b>	6,670	(170)	17,286
Total (A)	<b>71,158</b>	73,711	(2,553)	97,327
Total claims (B)	<b>3,600,765</b>	3,672,282	(71,517)	3,501,185
(A) / (B)	<b>1.98</b>	2.01	(0.03)	2.78

\* The amount of claims exceeding the estimated value of collateral or guarantees, which is deemed uncollectible, has been charged off and totals 9,412 million yen, 9,399 million yen and 9,344 million yen as of Dec. 31, 2004, Sep. 30, 2004, and Mar. 31, 2004 respectively.

#### ( ii ) Risk Monitored Loans

##### (Consolidated )

*(millions of yen , %)*

	<b>As of Dec. 31, 2004 (Unaudited)</b> a	As of Sep. 30, 2004 (Unaudited)	Change a-b	As of Mar. 30, 2004
Loans to bankrupt obligors	<b>8,661</b>	7,806	855	7,960
Non-accrual delinquent loans	<b>58,203</b>	61,326	(3,123)	69,531
Loans past due three months or more	<b>4,807</b>	4,895	(88)	8,202
Restructured loans	<b>22,900</b>	22,912	(12)	9,232
Total (A)	<b>94,573</b>	96,941	(2,368)	94,927
Loans and bills discounted (B)	<b>3,110,887</b>	3,074,644	36,243	3,047,042
(A) / (B)	<b>3.04</b>	3.15	(0.11)	3.12
Reserve for credit losses (C)	<b>177,462</b>	157,597	19,865	177,916
Reserve ratios (C) / (A)	<b>187.64</b>	162.57	25.08	187.42

(Non-consolidated)

(millions of yen, %)

	As of Dec. 31, 2004 (Unaudited) a	As of Sep. 30, 2004 (Unaudited) b	Change a-b	As of Mar. 30, 2004
Loans to bankrupt obligors	8,138	7,246	892	7,545
Non-accrual delinquent loans	54,541	57,797	(3,256)	68,610
Loans past due three months or more	3,171	3,271	(100)	8,202
Restructured loans	3,329	3,399	(70)	9,083
Total (A)	69,180	71,715	(2,535)	93,441

Loans and bills discounted (B)	3,285,940	3,372,519	(86,579)	3,217,804
(A) / (B)	2.11	2.13	(0.02)	2.90

Reserve for credit losses (C)	156,025	158,652	(2,627)	177,960
Reserve ratios (C) / (A)	225.53	221.23	4.31	190.45

## 3. Securities

(Consolidated)

As of December 31, 2004 (Unaudited)

(millions of yen)

	Fair value	Net unrealized gain (loss)	Gross unrealized gains	Gross unrealized losses
Equity securities (domestic) *	7,158	493	573	79
Bonds (domestic)	1,307,326	791	1,041	250
Other **	93,463	1,366	2,209	843
Total	1,407,948	2,651	3,825	1,173

As of September 30, 2004

(millions of yen)

	Fair value	Net unrealized gain (loss)	Gross unrealized gains	Gross unrealized losses
Equity securities (domestic) *	8,172	1,160	1,165	5
Bonds (domestic)	1,037,795	53	800	747
Other **	121,055	4,607	5,500	893
Total	1,167,023	5,821	7,466	1,645

(Non-consolidated)

As of December 31, 2004 (Unaudited)

(millions of yen)

	Fair value	Net unrealized gain (loss)	Gross unrealized gains	Gross unrealized losses
Equity securities (domestic)	2,364	327	342	14
Bonds (domestic)	1,307,328	790	1,040	250
Other *	89,934	1,366	2,209	843
Total	1,399,627	2,484	3,593	1,108

As of September 30, 2004

(millions of yen)

	Fair value	Net unrealized gain (loss)	Gross unrealized gains	Gross unrealized losses
Equity securities (domestic)	2,638	1,160	1,165	5
Bonds (domestic)	1,036,798	(2)	744	746
Other *	117,712	4,607	5,500	893
Total	1,157,149	5,765	7,410	1,645

\* Exclude unrealized gain/loss of securities of subsidiaries and affiliates with market value of 5,208 million yen

\*\* "other" mainly consists of foreign securities.

4. Notional principal amount with derivatives qualifying hedge accounting  
(Consolidated)

(billions of yen)

	As of Dec. 31, 2004 (Unaudited)			
	within 1 year	1 year to 5 years	over 5 years	Total
Interest rate swaps				
Receive fixed and pay floating	41.0	48.6	4.1	93.8
Receive floating and pay fixed	13.9	0.2	-	14.2
Receive floating and pay floating	-	0.5	-	0.5
Total contract amount	54.9	49.4	4.1	108.5
Currency swaps				
Total contract amount	149.0	27.1	-	176.1

(billions of yen)

	As of September 30, 2004 (Unaudited)			
	within 1 year	1 year to 5 years	over 5 years	Total
Interest rate swaps				
Receive fixed and pay floating	45.2	59.7	4.6	109.6
Receive floating and pay fixed	13.1	4.1	7.7	25.0
Receive floating and pay floating	-	0.5	-	0.5
Total contract amount	58.4	64.4	12.3	135.2
Currency swaps				
Total contract amount	131.4	62.8	4.9	199.3

(Non-consolidated)

(billions of yen)

	As of Dec. 31, 2004 (Unaudited)			
	within 1 year	1 year to 5 years	over 5 years	Total
Interest rate swaps				
Receive fixed and pay floating	41.0	48.6	0.5	90.2
Receive floating and pay fixed	13.9	0.2	-	14.2
Receive floating and pay floating	-	0.5	-	0.5
Total contract amount	54.9	49.4	0.5	104.9
Currency swaps				
Total contract amount	149.0	27.1	-	176.1

(billions of yen)

	As of September 30, 2004 (Unaudited)			
	within 1 year	1 year to 5 years	over 5 years	Total
Interest rate swaps				
Receive fixed and pay floating	45.2	59.7	0.5	105.5
Receive floating and pay fixed	13.1	4.1	7.7	25.0
Receive floating and pay floating	-	0.5	-	0.5
Total contract amount	58.4	64.4	8.2	131.1
Currency swaps				
Total contract amount	131.4	62.8	4.9	199.3

5. Balance of deposits

(Non-consolidated)

(millions of yen)

	As of Dec. 31, 2004 (Unaudited)	As of Sep. 30, 2003 (Unaudited)	As of Mar. 31, 2004
Balance of deposits (including NCDs)	3,466,919	3,238,229	2,778,482
Balance of deposits from individuals	2,123,767	1,972,565	1,578,579

## Non-Consolidated Balance Sheets -- Assets

(millions of yen)

	Dec. 31, 2004	Mar. 31, 2004	Change	
	a	b	a-b	%
<b>&lt;&lt;Assets&gt;&gt;</b>				
Cash and due from banks	173,649	305,563	-131,914	-43.2%
Call loans	138,000	-	138,000	100.0%
Collateral related to securities borrowing transactions	42,856	18,121	24,735	136.5%
Other monetary claims purchased	87,569	91,286	-3,717	-4.1%
Trading assets	181,617	633,488	-451,871	-71.3%
Monetary assets held in trust	355,781	355,327	454	0.1%
Securities	1,679,146	1,508,204	170,942	11.3%
Loans and bills discounted	3,285,940	3,217,804	68,136	2.1%
Foreign exchanges	9,143	9,490	-347	-3.7%
Other assets	366,586	334,547	32,039	9.6%
Premises and equipment	26,575	24,123	2,452	10.2%
Deferred discounts on and issuance expenses for debentures	263	166	97	58.4%
Deferred tax assets	24,157	21,790	2,367	10.9%
Customers' liabilities for acceptances and guarantees	57,415	64,358	-6,943	-10.8%
Reserve for credit losses	-156,025	-177,960	21,935	-12.3%
<b>Total assets</b>	<b>6,272,678</b>	<b>6,406,313</b>	<b>-133,635</b>	<b>-2.1%</b>

US\$ / yen

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# Non-Consolidated Balance Sheets

## -- Liabilities and shareholders' equity

(millions of yen)

	Dec. 31, 2004	Mar. 31, 2004	Change	
	a	b	a-b	%
<b>&lt;&lt;Liabilities&gt;&gt;</b>				
Deposits	3,082,339	2,307,413	774,926	33.6%
Negotiable certificates of deposits	384,579	471,068	-86,489	-18.4%
Debentures	1,297,271	1,362,261	-64,990	-4.8%
Call money	42,511	112,559	-70,048	-62.2%
Payable under repurchase agreements	16,981	445,634	-428,653	-96.2%
Collateral related to securities lending transactions	20,093	29,275	-9,182	-31.4%
Trading liabilities	69,882	90,336	-20,454	-22.6%
Borrowed money	294,440	335,311	-40,871	-12.2%
Foreign exchanges	274	280	-6	-2.1%
Other liabilities	226,684	449,169	-222,485	-49.5%
Accrued employees bonuses	5,583	6,971	-1,388	-19.9%
Reserve for retirement benefits	603	473	130	27.5%
Reserve for loss on disposition of premises and equipment	153	-	153	100.0%
Reserve for loss on sale of bonds	-	1,918	-1,918	-100.0%
Acceptances and guarantees	57,415	64,358	-6,943	-10.8%
<b>Total liabilities</b>	<b>5,498,814</b>	<b>5,677,033</b>	<b>-178,219</b>	<b>-3.1%</b>
<b>&lt;&lt;Shareholders' equity&gt;&gt;</b>				
Capital stock	451,296	451,296	-	-
Capital surplus	18,558	18,558	-	-
Additional paid-in capital	18,558	18,558	-	-
Retained earnings	299,449	252,308	47,141	18.7%
Legal reserve	6,249	4,823	1,426	29.6%
Undivided profit at term end	293,199	247,485	45,714	18.5%
Net income	54,274	65,320	-11,046	-16.9%
Net unrealized gains on securities available-for-sale, net of taxes	4,562	7,118	-2,556	-35.9%
Treasury stock, at cost	-3	-1	-2	-200.0%
<b>Total shareholders' equity</b>	<b>773,864</b>	<b>729,280</b>	<b>44,584</b>	<b>6.1%</b>
<b>Total liabilities and shareholders' equity</b>	<b>6,272,678</b>	<b>6,406,313</b>	<b>-133,635</b>	<b>-2.1%</b>

US\$ / yen

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## Non-Consolidated Statements of Income

(millions of yen)

	<b>3Q/FY'04</b>	FY'03
	<b>a</b>	b
<b>Operating income</b>	<b>132,639</b>	162,890
Interest income	<b>61,788</b>	87,833
Interest on loans and discounts	43,891	63,578
Interest and dividends on securities	11,882	16,467
Fees and commissions (income)	<b>13,740</b>	18,883
Trading revenue	<b>18,222</b>	2,590
Other business income	<b>8,986</b>	16,464
Other operating income	<b>29,901</b>	37,117
<b>Operating expenses</b>	<b>94,457</b>	118,083
Interest expenses	<b>22,442</b>	31,715
Interest on deposits	10,289	12,082
Interest on coupon debentures	4,770	8,397
Fees and commissions (expense)	<b>6,675</b>	7,138
Trading expenses	<b>87</b>	435
Other business expenses	<b>5,243</b>	2,388
General and administrative expenses	<b>53,781</b>	65,462
Other operating expenses	<b>6,226</b>	10,942
<b>Net operating income</b>	<b>38,182</b>	44,806
Extraordinary income	<b>13,824</b>	23,002
Extraordinary expenses	<b>594</b>	1,614
Income before income taxes	<b>51,413</b>	66,193
Income taxes (current)	<b>-2,247</b>	-1,095
Income taxes (deferred)	<b>-614</b>	1,968
<b>Net income</b>	<b>54,274</b>	65,320

US\$ / yen

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