

Financial Statements and Notes

For the Nine Months Ended December 31, 2008

*This is an English translation of quarterly financial statements and notes prepared in Japanese under JGAAP in accordance with Rule 12g3-2(b) under the U.S. Securities Exchange Act of 1934.

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

Consolidated Balance Sheets

(Millions of yen)

	as of December 31, 2008	as of March 31, 2008
ASSETS		
Cash and due from banks	*2 ¥ 397,777	*2 ¥ 505,630
Call loans	49,041	—
Receivables under resale agreements	—	2,014
Collateral related to securities borrowing transactions	240,616	18,753
Other monetary claims purchased	*2 439,794	*2 468,880
Trading assets	*2 385,357	315,287
Monetary assets held in trust	360,483	371,572
Securities	*2 1,932,979	*2 1,980,292
Loans and bills discounted	*1, *2 5,930,607	*1, *2 5,622,266
Foreign exchanges	22,293	17,852
Lease receivables and leased investment assets	*2 241,775	—
Other assets	*1, *2, *3 1,417,282	*1, *2, *3 1,100,151
Premises and equipment	*2, *4 57,063	*2, *4 305,771
Intangible assets	*5, *6 219,333	*5, *6 233,174
Deferred issuance expenses for debentures	156	125
Deferred tax assets	22,003	28,238
Customers' liabilities for acceptances and guarantees	685,009	701,717
Reserve for credit losses	(170,485)	(145,966)
[Total assets]	12,231,090	11,525,762
LIABILITIES AND EQUITY		
Liabilities:		
Deposits	*2 ¥ 5,599,666	*2 ¥ 5,229,444
Negotiable certificates of deposit	461,387	577,189
Debentures	721,400	662,434
Call money	*2 159,170	*2 632,117
Collateral related to securities lending transactions	*2 303,132	*2 148,421
Commercial paper	*2 99	—
Trading liabilities	315,153	205,011
Borrowed money	*2 1,469,580	*2 1,127,227
Foreign exchanges	7	39
Short-term corporate bonds	26,600	73,600
Corporate bonds	*2 324,485	426,286
Other liabilities	999,837	708,749
Accrued employees' bonuses	10,202	14,572
Accrued directors' bonuses	262	249
Reserve for employees' retirement benefits	9,295	4,660
Reserve for directors' retirement benefits	247	132
Reserve for losses on interest repayments	220,631	39,333
Reserve for losses on disposal of premises and equipment	7,820	5,025
Reserve for losses on litigation	*7 3,662	—
Reserve under special law	4	4
Deferred tax liabilities	12,306	4,283
Acceptances and guarantees	*2 685,009	*2 701,717
[Total liabilities]	11,329,966	10,560,501
Equity:		
Shareholders' equity:		
Capital stock	476,296	476,296
Capital surplus	43,554	43,558
Retained earnings	264,463	302,535
Treasury stock, at cost	(72,558)	(72,566)
[Total shareholders' equity]	711,756	749,823
Net unrealized gain (loss) and translation adjustments:		
Unrealized gain (loss) on available-for-sale securities	(51,762)	(35,073)
Deferred gain (loss) derivatives under hedge accounting	1,532	(1,057)
Foreign currency translation adjustments	354	1,872
[Total net unrealized gain (loss) and translation adjustments]	(49,875)	(34,258)
Stock acquisition rights	1,730	1,257
Minority interests in subsidiaries	237,511	248,437
[Total equity]	901,123	965,261
[Total liabilities and equity]	¥ 12,231,090	¥ 11,525,762

* Please refer to notes on page 7 and 8.

Consolidated Statement of Operations

From April 1, 2008 to December 31, 2008

(Millions of yen)

ORDINARY INCOME	
Interest income	¥ 217,568
Interest on loans and bills discounted	179,509
Interest and dividends on securities	30,059
Fees and commissions income	40,586
Trading profits	15,743
Other business income	*1 164,756
Other ordinary income	*2 44,548
	483,204
ORDINARY EXPENSES	
Interest expenses	80,147
Interest on deposits	34,727
Interest on borrowings	12,848
Interest on corporate bonds	9,580
Fees and commissions expenses	18,683
Trading losses	18,016
Other business expenses	*3 152,065
General and administrative expenses	*4 139,012
Other ordinary expenses	*5 108,032
Total ordinary expenses	515,958
NET ORDINARY EXPENSES	(32,754)
Special gains	*6 23,349
Special losses	*7 9,779
Loss before income taxes and minority interests	(19,184)
Income taxes - current	2,812
Income taxes - deferred	(815)
Total Income taxes	1,996
Minority interest in net income of subsidiaries	10,951

* Please refer to notes on page 9.

Consolidated Statement of Cash Flows

Shinsei Bank, Limited, and Consolidated Subsidiaries
For the nine months ended December 31, 2008

	Millions of yen
I. Cash flows from operating activities:	
Income (loss) before income taxes and minority interests	¥ (19,184)
Depreciation (other than leased assets)	10,144
Amortization of goodwill	6,486
Amortization of intangible assets	3,892
Equity in net (income) loss of affiliates	2,245
Net change in reserve for credit losses	24,602
Net change in reserve for losses on interest repayments	(44,123)
Interest income	(217,568)
Interest expenses	80,147
Investment (gains) losses	38,959
Net exchange (gain) loss	8,825
Net change in trading assets	(70,070)
Net change in trading liabilities	110,142
Net change in loans and bills discounted	430,267
Net change in deposits	370,222
Net change in negotiable certificates of deposit	(115,802)
Net change in debentures	58,966
Net change in borrowed money (other than subordinated debt)	374,003
Net change in corporate bonds (other than subordinated bonds)	(1,206)
Net change in deposits (other than non-interest-bearing deposits)	(87,823)
Net change in call loans	(47,026)
Net change in other monetary claims purchased	50
Net change in collateral related to securities borrowing transactions	(221,862)
Net change in call money	(472,946)
Net change in collateral related to securities lending transactions	154,711
Net change in short-term corporate bonds (liabilities)	(47,000)
Net change in net trust account	(2,137)
Interest received	217,477
Interest paid	(80,907)
Net change in securities for trading purposes	41,390
Net change in monetary assets held in trust for trading purposes	6,173
Net change in lease receivables and leased investment assets	13,458
Others, net	(42,107)
Subtotal	482,400
Income taxes paid	(5,817)
Net cash provided by (used in) operating activities	476,583
II. Cash flows from investing activities:	
Purchase of investments	(2,114,301)
Proceeds from sale of investments	981,479
Proceeds from maturity of investments	1,062,036
Investment in monetary assets held in trust	(33,747)
Proceeds from disposal of monetary assets held in trust	33,739
Purchase of premises and equipment (other than leased assets)	(3,590)
Proceeds from sale of premises and equipment (other than leased assets)	19,659
Payment for acquisition of new subsidiaries	(573,371)
Proceeds from sale of subsidiary's stocks	13,989
Others, net	(23,555)
Net cash provided by (used in) investing activities	(637,663)
III. Cash flows from financing activities:	
Payment for redemption of subordinated corporate bonds	(19,650)
Proceeds from minority shareholders of subsidiaries	2,034
Dividends paid	(5,773)
Dividends paid to minority shareholders of subsidiaries	(13,865)
Others, net	(484)
Net cash provided by (used in) financing activities	(37,740)
IV. Foreign currency translation adjustments on cash and cash equivalents	(67)
V. Net change in cash and cash equivalents	(198,888)
VI. Cash and cash equivalents at beginning of period	405,926
VII. Cash and cash equivalents at end of period	*1 ¥ 207,038

* Please refer to notes on page 9.

1. Change in the scope of consolidation

(a) Change in the scope of consolidated subsidiaries

From this period, Shinsei Asset Management (India) Private Limited and 11 other companies are included as newly established subsidiaries, GE Consumer Finance Co., Ltd. and 11 other companies ^(note) are included due to the acquisition of their equity shares, and KNE2 Loan GmbH and 3 other companies are included due to the gain of its controlling interest.

Also, the following are excluded during this period:

Shinsei Capital (USA), Ltd. and 4 other companies due to dissolution, Showa Auto Rental and Leasing Co., Ltd. and SARL Service Co., Ltd. due to the disposal of shares. Also, Pan Shinpan Co., Ltd. was merged into Shinki Co., Ltd.

^(Note) GE Consumer Finance Co., Ltd. and its 5 subsidiaries became subsidiaries of Shinsei Bank on September 22, 2008. Statement of income of these companies are consolidated from the period after October 1, 2008.

(b) Consolidated subsidiaries after the change in scope: 124 companies

2. Change in the application of the equity method

(a) Change in the scope of affiliates accounted for using the equity method

Woori SB Tenth Asset Securitization Specialty Co., Ltd. and 2 other newly established companies are included as the affiliates accounted for using the equity method from this period.

Shinsei Macquarie Advisory Co., Ltd. is excluded from the scope of affiliates accounted for the equity method due to liquidation, and Servicegesellschaft Kreditmanagement GmbH and Showa Rental Leasing Morioka Co., Ltd. are excluded due to the disposal of the shares.

(b) Affiliates accounted for using the equity method after the change in scope: 30 companies

3. Change in accounting policies

(a) Lease accounting

Previously, finance lease transactions that do not deem to transfer ownership of the leased property to the lessee were accounted for as operating lease transactions. From the beginning of this consolidated fiscal year, "Accounting Standard for Lease Transactions" (March 30, 2007; ASBJ Statement No.13) and "Practical Solutions for the Accounting Standard for Lease Transactions" (March 30, 2007; ASBJ Practical Solutions Report No.16) have been applied as they became effective for periods beginning on or after April 1, 2008, under which leased properties are accounted for as if they were purchased.

The impact from this change on Consolidated Statements of Operations for the period is negligible.

(Lessee)

Depreciation of leased properties (and leased intangible assets) from finance lease transactions that do not deem to transfer ownership of the leased property to the lessee is computed using the straight-line method over the leasing period. Residual values of leased assets are the guaranteed value for those assets that have guarantee on disposed value in the lease contract and zero for assets without such guarantee.

With regard to the finance lease transactions that do not deem to transfer ownership of the leased property to the lessee, and the leasing period of which started prior to April 1, 2008, leased asset is recognized at the value of lease payables as of the end of March 31, 2008 on the assumption that those assets were purchased at the beginning of this period.

(Lessor)

In connection with finance lease transactions that do not deem to transfer ownership of the leased property to the lessee, previously recognized leased assets (both tangible and intangible) presented in premises and equipment and intangible assets are no longer recognized. Instead, leased investment assets are recognized, similar to lease receivables in the case of the finance lease transactions that deem to transfer ownership of the leased property.

For related revenues and expenses for finance lease transactions that do not deem to transfer ownership of the leased property to the lessee are concerned, lease income is recognized based on lease payments for each of the leasing period, and lease cost is recognized as the amount that interest allocated for each period and is deducted from the lease income.

For transactions where the leasing period started prior to April 1, 2008, leased assets are recognized at the values of lease payables as of the end of March 31, 2008 on the assumption that those assets were purchased at the beginning of this period. As a result, loss before income taxes for the period for the consolidated subsidiary as a lessor has increased by ¥10,613 million than it would be if this new accounting method was applied retroactively to all the leased assets from their initial acquisition.

(b) Reclassification of Available-for-sale securities to held-to-maturity securities

In accordance with "Tentative Solution on Reclassification of Debt Securities" (December 5, 2008, Practical Issue Task Force No.26), a part of foreign securities with high credit ratings classified as available-for-sale was reclassified to held-to-maturity securities on October 1, 2008. As a result, the amount of securities and unrealized gain (loss) on available-for-sale securities on the balance sheets are smaller by ¥1,514 million than they would be if no reclassification was made.

4. Simplified accounting policies

(a) Depreciation of fixed assets

Depreciation of premises and equipment for which the declining-balance method is applied is computed as the amount attributable to each period based on the amount to be recognized for the consolidated fiscal year.

(b) Reserve for credit losses

For claims to obligors other than legally bankrupt or virtually bankrupt, possibly bankrupt and substandard, for which specific reserve is provided, a general reserve is provided based on the expected loss at the end of the latest interim consolidated period.

(c) Judgment on the realizability of deferred tax assets

In circumstances that no significant change is recognized in the status of timing differences since the end of the latest interim consolidated period, future earnings projection and the tax planning used at the end of the latest interim consolidated period are used as the base for the judgment on the realizability of deferred tax assets.

5. Accounting policies specific to quarterly consolidated financial statements

(a) Income Taxes

Income taxes for the period is computed as the product of the estimated effective tax rate for the fiscal year that includes this quarter period and the income (loss) before income tax for the period up to the end of this quarter.

6. Supplementary information

(Change in the method of fair value measurement for a part of available-for-sale securities)

The fair value of floating rate Japanese government bonds used to be measured at their market prices. However, through considerations regarding the recent market environment, judgment has been made that current market prices are not appropriate as fair values. For the third quarter of this fiscal year, the fair values of these bonds are measured at the values reasonably estimated by a broker dealer. As a result, the amount of securities and unrealized gain (loss) on available-for-sale securities on the balance sheet are larger by ¥4,101 million than they would be if measured by the market prices.

The reasonably estimated values by a broker dealer is computed as the sum of discounted future cash flow based on the convexity-adjusted forward curve and zero-floor option value of floating rate Japanese government bonds. Major variables in that measurement methodology are the yield of government bonds and volatility of those yields.

Notes to Quarterly Consolidated Financial Statements

(Quarterly Consolidated Balance Sheet as of December 31, 2008)

1. Risk-monitored loans included in loans and bills discounted are as follows:

(Millions of yen)	
Loans to bankrupt obligors	¥ 35,105
Non-accrual delinquent loans	115,317
Loans past due for three months or more	12,339
Restructured loans	61,205

- Risk-monitored loans included in installment receivables in other assets are as follows:

(Millions of yen)	
Claims to bankrupt obligors	¥ 826
Non-accrual delinquent claims	3,277
Claims past due for three months or more	1,733
Restructured loans	9,557

The above claims represent the contractual gross receivable balance before the reduction of the reserve for credit losses.

2. Assets pledged as collateral are as follows:

(Millions of yen)	
Cash and due from banks	¥ 783
Other monetary claims purchased	57,679
Trading assets	15,742
Securities	620,702
Loans and bills discounted	208,880
Lease receivables and lease investment assets	23,032
Other assets	1,153
Premises and equipment	2,295

Liabilities related to pledged assets are as follows:

(Millions of yen)	
Deposits	¥ 599
Call money	120,000
Collateral related to securities lending transactions	299,692
Commercial paper	99
Borrowed money	537,314
Corporate bonds	10,200
Acceptances and guarantees	909

In addition, securities of ¥254,302 million are pledged as collateral for transactions, including exchange settlements, swap transactions and the substitution of margin on

futures transactions.

In addition, ¥3,929 million of margin deposits for futures transactions outstanding, ¥26,939 million of security deposits and ¥5,223 million of cash collateral pledged for derivative transactions are included in other assets.

3. Installment receivables of ¥420,305 million are included in other assets.
4. Accumulated depreciation on premises and equipment is ¥103,442 million.
5. Goodwill and negative goodwill are set off and included in intangible assets by the net amount. The gross amounts are as follows:

Goodwill	¥ 147,673 million
Negative goodwill	¥ 6,803 million
Net	¥ 140,870 million
6. Intangible assets of ¥46,779 million that have been recognized by applying the fair values method to the acquisition of consolidated subsidiaries are included in intangible assets.
7. Reserve for losses on litigation is for the possible future losses with regard to unsettled litigation.

(Quarterly Consolidated Statement of Operations for the nine-month period ended December 31, 2008)

1. "Other business income" includes leasing revenue of ¥105,545 million.
2. "Other ordinary income" includes income on monetary assets held in trust of ¥13,409 million and gain from the cancellation of issued bond of ¥26,057.
3. "Other business expenses" includes leasing cost of ¥2,945 million.
4. "General administrative expenses" includes amortization of goodwill of ¥6,486 million and that of intangible assets that have been recognized by applying the fair values method to the acquisition of consolidated subsidiaries of ¥3,892 million.
5. "Other ordinary expenses" includes provision of reserve for loan loss of ¥76,981 million and loss on monetary assets held in trust of ¥8,454 million.
6. "Other special gains" includes gain on disposal of fixed assets of ¥10,410 million and gain on sale of subsidiaries' stocks of ¥8,226 million.
7. "Other special losses" includes provision for losses on disposal of fixed assets of ¥3,925 million and provision for losses on litigation of ¥3,662 million.

(Quarterly Consolidated Statement of Cash Flows for the nine-month period ended December 31, 2008)

1. The relation of "cash and cash equivalents at end of year" and "cash and due from banks" in the consolidated balance sheet is explained as follows:

	(Millions of yen)
"Cash and due from banks"	¥397,777
Interest bearing deposits included in "due from banks"	¥(190,739)
<hr/>	<hr/>
"Cash and cash equivalents"	¥207,038

(Quarterly Consolidated Statement of Changes in Equity for the nine-month period ended December 31, 2008)

1. The types and numbers of issued shares and treasury stock

(Thousands of shares)

	Number of shares at the end of the third quarter
Issued shares	
Common shares	2,060,346
Total	2,060,346
Treasury stock	
Common shares	96,426
Total	96,426

2. Stock acquisition rights

All of the stock acquisition rights are Shinsei Bank's stock options.

3. The Bank's dividend is as follows:

a) Dividend paid during the period ended December 31, 2008

Resolution	Type of shares	Total amount of dividend	Per share amount	Record date	Effective date	Source of dividend
The Board of Directors meeting on May 14, 2008	Common shares	¥5,773 million	¥2.94	March 31, 2008	June 5, 2008	Retained earnings

b) There is no dividend from which the effective date is after the end of the third quarter of this fiscal year.

(Segment information)

(a) Business segment information (for the period from April 1, 2008 to December 31, 2008)

The Group is engaged in banking and other related activities such as trust, securities and other businesses. Business segment information, however, is not presented as the percentage of the other activities and is not material to the banking business.

(b) Geographic segment information (for the period from April 1, 2008 to December 31, 2008)

Since the proportion of business that the Group conducts in Japan exceeds 90% of operating income and total assets, geographic segment information is not presented.

(c) Foreign operating income (for the period from April 1, 2008 to December 31, 2008)

Foreign operating income is comprised of income from transactions at overseas branches and consolidated overseas subsidiaries. The composition of the volume of such transactions for the Group does not reach 10% of its operating income, therefore foreign operating income information is not presented.

(Securities)

1. Securities being held to maturity with readily determinable fair value (as of December 31, 2008)

(Millions of yen)

	Carrying amount	Fair value	Net unrealized gain (loss)
Japanese government bonds	¥244,213	¥246,498	¥2,284
Japanese corporate bonds	75,253	76,743	1,489
Other	99,028	102,694	3,665
Total	¥418,495	¥425,935	¥7,439

(Note) Fair value is based on the market prices or quotes as of the end of the third quarter of this fiscal year.

2. Available-for-sale securities with readily determinable fair value (as of December 31, 2008)

(Millions of yen)

	Amortized cost	Carrying amount (fair value)	Net unrealized gain (loss)
Equity securities	¥17,689	¥13,812	¥ (3,877)
Domestic bonds:	701,277	702,295	1,018
Japanese government bonds	646,964	648,899	1,935
Japanese municipal bonds	1,710	1,761	50
Japanese corporate bonds	52,602	51,634	(967)
Other	284,583	264,180	(20,402)
Total	¥1,003,549	¥980,288	¥ (23,261)

(Note)

1. Fair value is based on the market prices or quotes as of the end of the third quarter of this fiscal year.
2. "Other" mainly consists of foreign bonds.
3. If the decline in fair value of available-for-sale securities with readily determinable fair value is deemed to be significant, impairment loss is recognized in the book values of the securities since the decline in fair values is deemed to be other than temporary. Impairment loss recognized in the third quarter of this fiscal year is ¥33,008 million. To determine whether an other-than-temporary impairment has occurred, the Bank applies the following rule depending on the credit risk category the issuer of a security falls

under based on the Bank's internal rules for establishing the reserve for credit losses:

Securities issued by "legally and virtually bankrupt" obligors and "possibly bankrupt" obligors	The fair value of a security is less than its book value
Securities issued by "need caution" obligors	The decline in fair value of a security is more than 30% of its book value
Securities issued by "normal" obligors	The decline in fair value of a security is in excess of 50% of its book value

"Legally bankrupt" is obligors who have already gone bankrupt from a legal and/or formal perspective.

"Virtually bankrupt" is obligors who have not yet gone legally or formally bankrupt but who are substantially bankrupt because they are in serious financial difficulty and are not deemed to be capable of restructuring.

"Possibly bankrupt" is obligors who are not yet bankrupt but are in financial difficulties and are very likely to go bankrupt in the future.

"Need Caution" is obligors who require close attention because there are problems with their borrowings.

"Normal" is obligors whose business conditions are favorable and who are deemed not to have any particular problems in terms of their financial position.

(Supplementary information)

The fair value of floating rate Japanese government bonds used to be measured at their market prices. However, through considerations regarding the recent market environment, judgment has been made that current market prices are not appropriate as fair values. For the third quarter of this fiscal year, the fair values of these bonds are measured at the values reasonably estimated by a broker dealer. As a result, the amount of securities and unrealized gain (loss) on available-for-sale securities on the balance sheet are larger by ¥4,101 million than they would be if measured by the market prices.

The reasonably estimated values by a broker dealer is computed as the sum of discounted future cash flow based on the convexity-adjusted forward curve and zero-floor option value of floating rate Japanese government bonds. Major variables in that measurement methodology are the yield of government bonds and volatility of those yields.

3. Securities reclassified from available-for-sale to Held to maturity

Among the securities that were previously classified as available-for-sale, a part of the foreign bonds with high credit ratings was reclassified to held-to-maturity securities on October 1, 2008 by the fair value of ¥102,670 million as of that date. 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

condition for a lengthy period of time.

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

(Millions of yen)			
	Carrying amount	Fair value	Net unrealized gain(loss)
Other (foreign debt securities)	¥90,554	¥89,039	¥(28,484)

Previously, prices obtained from a broker dealer were used as fair value above. However, through considerations regarding the recent market environment, judgment has been made that those prices are not appropriate as fair values. For the third quarter of this fiscal year, values estimated by internal valuation methodology are used as fair values for these debt securities. As a result, the fair value above is higher by ¥28,145 million than it would be if the prices from a broker dealer were used.

The values by internal methodology are derived from the discounted future cash flow method taking into account the estimated default rates, collection and prepayment rates concerning the underlying assets of those securities.

(Monetary assets held in trust)

1. There are no monetary assets held in trust held to maturity (as of December 31, 2008)
2. Other monetary assets held in trust (other than trading purposes and held to maturity) (as of December 31, 2008)

(Millions of yen)			
	Acquisition Cost	Carrying amount	Net Unrealized gain (loss)
Other monetary assets held in trust for other than trading purposes	¥117,904	¥117,904	—

(Note) Fair value is based on the market prices or quotes as of the end of the third quarter of this fiscal year.

(Derivative transactions)

(a) Interest rate related transactions (as of December 31, 2008)

(Millions of yen)

	Contract type	Notional principal	Fair value	Unrealized gain (loss)
Listed	Future contracts	¥125,537	¥ (64)	¥ (64)
	Interest rate options	6,746	1	1
Over the counter	Future contracts	—	—	—
	Interest rate swaps	11,825,824	81,354	81,354
	Interest rate swaptions	5,113,938	(50,366)	(39,083)
	Interest rate options	242,789	(236)	(109)
	Other	—	—	—
	Total	—	¥30,689	¥42,098

(Note)

1. Derivatives included in the table are measured at fair value and unrealized gains (losses) are recognized in the statement of operations. Derivatives for which hedge accounting is adopted are excluded from the table above.
2. The fair value estimates for derivatives are adjusted for credit risk and liquidity risk by reductions of ¥1,769 million and ¥6,021 million, respectively, although the amounts of those risks are not reflected in the fair values shown in each table down to (e) credit related transactions.

(b) Currency related transactions (as of December 31, 2008)

(Millions of yen)

	Contract type	Notional principal	Fair value	Unrealized gain (loss)
Listed	Forward foreign exchange contracts	—	—	—
	Currency options	—	—	—
Over the counter	Currency swaps	¥1,184,558	¥ (59,719)	¥ (59,719)
	Forward foreign exchange contracts	3,315,123	13,951	13,951
	Currency options	17,655,897	49,012	56,195
	Other	—	—	—
	Total	—	¥3,244	¥10,427

(Note) Derivatives included in the table are measured at fair value and unrealized gains (losses) are recognized in the statement of operations. Fund swap transactions and currency swap transactions for which hedge accounting is adopted in accordance with Industry Audit Committee Report No.25 of JICPA are excluded from the table above.

(c) Equity related transactions (as of December 31, 2008)

(Millions of yen)

	Contract type	Notional principal	Fair value	Unrealized gain (loss)
Listed	Equity index futures	¥24,707	¥2,470	¥2,470
	Equity index options	39,475	3,495	(434)
	Equity options	—	—	—
Over the counter	Equity options	227,800	9,476	6,329
	Equity index swaps	1,000	88	88
	Other	192,285	17,935	17,912
	Total	—	¥33,467	¥26,368

(Note) Derivatives included in the table are measured at fair value and unrealized gains (losses) are recognized in the statement of operations. Derivatives for which hedge accounting is adopted are excluded from the table above.

(d) Bond related transactions (as of December 31, 2008)

(Millions of yen)

	Contract type	Notional principal	Fair value	Unrealized gain (loss)
Listed	Bond futures	¥1,113	¥ (7)	¥ (7)
	Bond futures options	—	—	—
Over the counter	Bond options	—	—	—
	Other	—	—	—
	Total	—	¥ (7)	¥ (7)

(Note) Derivatives included in the table are measured at fair value and unrealized gains (losses) are recognized in the statement of operations. Derivatives for which hedge accounting is adopted are excluded from the table above.

(e) Credit related transactions (as of December 31, 2008)

(Millions of yen)

	Contract type	Notional principal	Fair value	Unrealized gain (loss)
Over the counter	Credit default options	¥2,805,973	¥16,055	¥16,055
	Other	—	—	—
	Total	—	¥16,055	¥16,055

(Note) Derivatives included in the table are measured at fair value and unrealized gains (losses) are recognized in the statement of operations. Derivatives for which hedge accounting is adopted are excluded from the table above.

(Stock options)

The matter concerning the stock options vested for the period from October 1, 2008 to December 31, 2008 is as follows.

(1) Expense amount and accounting item related to stock options in the period

Stock reward expenses in operating expenses ¥ 222 million

(2) Details of stock options vested during the period

	The 23rd stock acquisition right	
Number of grantees by category	Directors and employees in subsidiaries: 17	
Number of options granted (Note 1)	Common Shares: 54,000 shares	Common Shares: 43,000 shares
Grant date	December 1, 2008	
Vesting conditions	(Note 2)	
Vesting period	From December 1, 2008 to December 1, 2010	From December 1, 2008 to December 1, 2012
Exercise period	From December 1, 2010 to November 11, 2018	From December 1, 2012 to November 11, 2018
Exercise price	¥221	
Fair value of the grant date	¥53	¥57

Notes:

1. Stated in terms of the number of shares.
2. In principle, grantees must continue to be employed by the company during the service period for the rights to be vested. However, the right will be vested or forfeited upon occurrence of certain events specified in the "Agreement on Granting Stock Acquisition Rights".

(Earnings per share information)

1. Net asset amount per share

(Yen)

	The end of the third quarter of this fiscal year (December 31, 2008)	The end of the prior fiscal year (March 31, 2008)
Net asset amount per share	¥337.02	¥364.35

2. Net loss from operations per common share for the quarter

(Yen)

	Nine months ended December 31, 2008 (April 1, 2008 to December 31, 2008)
Net loss from operations per common share	¥16.36

(Note)

- (a) Diluted net income per share for the nine months ended December 31, 2008 is not disclosed because of the Group's net loss position.
- (b) The calculation bases for net loss from operations per common share for the quarter are as follows:

		Nine months ended December 31, 2008 (April 1, 2008 to December 31, 2008)
Net loss from operations per common share for the quarter		
Net loss from operations for the quarter	(Millions of yen)	¥32,132
The amount which is not attributable to common share holders	(Millions of yen)	—
Net loss from operations for the quarter attributable to common share holders	(Millions of yen)	¥32,132
The average common shares during the period	(Thousands of shares)	1,963,914

(Financial information for the period from October 1, 2008 to December 31, 2008)

1. Consolidated Statement of Operations

(From October 1, 2008 to December 31, 2008)

(Millions of yen)

ORDINARY INCOME	
Interest income	¥ 93,117
Interest on loans and bills discounted	81,456
Interest and dividends on securities	9,122
Fees and commissions income	11,697
Trading profits	10,516
Other business income	52,285
Other ordinary income	*1 32,251
Total ordinary income	199,868
ORDINARY EXPENSES	
Interest expenses	26,246
Interest on deposits	12,264
Interest on borrowings	4,190
Interest on corporate bonds	2,262
Fees and commissions expenses	7,037
Trading losses	11,797
Other business expenses	51,578
General and administrative expenses	55,731
Other ordinary expenses	55,167
Total ordinary expenses	207,559
NET ORDINARY EXPENSES	(7,690)
Special gains	3,078
Special losses	*2 5,376
Loss before income taxes and minority interests	(9,989)
Income taxes - current	400
Income taxes - deferred	(218)
Minority interest in net income of subsidiaries	2,677
NET LOSS	¥ (12,848)

(Note)

1. "Other ordinary income" includes gain from the cancellation of issued bond of ¥26,057 million.
2. "Special losses" includes provision for losses on litigation of ¥3,662 million.

2. Segment information

(a) Business segment information (for the period from October 1, 2008 to December 31, 2008)

The Group is engaged in banking and other related activities such as trust, securities and other businesses. Business segment information, however, is not presented as the percentage of the other activities is not material to the banking business.

- (b) Geographic segment information (for the period from October 1, 2008 to December 31, 2008)

Since the proportion of business that the Group conducts in Japan exceeds 90% of operating income and total assets, geographic segment information is not presented.

- (c) Foreign operating income (for the period from October 1, 2008 to December 31, 2008)

Foreign operating income is comprised of income from transactions at overseas branches and consolidated overseas subsidiaries. The composition of the volume of such transactions for the Group does not reach 10% of its operating income, therefore foreign operating income information is not presented.

3. Net loss from operations per common share for the quarter

(Yen)

	The third quarter period (From October 1, 2008 To December 31, 2008)
Net loss from operations per common share	¥6.54

(note)

- (a) Diluted net income per share for the period from October 1 to December 31, 2008 is not disclosed because of the Group's net loss position.
- (b) The calculation bases for net loss from operations per common share for the quarter are as follows:

		The third quarter period (From October 1, 2008 To December 31, 2008)
Net loss from operations per common share for the quarter		
Net loss from operations for the quarter	(Millions of yen)	¥12,848
The amount which is not attributable to common share holders	(Millions of yen)	—
Net loss from operations for the quarter attributable to common share holders	(Millions of yen)	¥12,848
The average common shares during the period	(Thousands of shares)	1,963,921