

# Financial Statements and Notes

For the Nine Months Ended December 31, 2009

\*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. The notes for the previous periods can be found in the respective documents from the previous fiscal year.

**Shinsei Bank, Limited**

**(Code 8303, TSE First Section)**

## Consolidated Balance Sheets

Shinsei Bank, Limited, and Consolidated Subsidiaries  
As of December 31, 2009 and March 31, 2009

(Millions of yen)

	December 31, 2009	March 31, 2009
<b>ASSETS</b>		
Cash and due from banks	※2 ¥ 430,458	¥ 605,089
Call loans	25,966	—
Collateral related to securities borrowing transactions	4,935	280
Other monetary claims purchased	320,624	408,035
Trading assets	239,291	375,107
Monetary assets held in trust	317,829	348,840
Securities	※2 3,147,851	2,174,198
Loans and bills discounted	※1.※2 5,134,653	5,876,910
Foreign exchanges	13,109	37,138
Lease receivables and leased investment assets	※2 217,236	232,554
Other assets	※1.※2.※3 936,431	1,125,768
Premises and equipment	※2.※4 53,938	50,964
Intangible assets	※5.※6 186,885	209,175
Deferred issuance expenses for debentures	172	161
Deferred tax assets	21,357	22,254
Customers' liabilities for acceptances and guarantees	650,462	675,225
Reserve for credit losses	(194,863)	(192,511)
[Total assets]	11,506,341	11,949,196
<b>LIABILITIES AND EQUITY</b>		
<b>Liabilities:</b>		
Deposits	※2 ¥ 6,463,565	¥ 6,012,455
Negotiable certificates of deposit	240,457	259,659
Debentures	503,142	675,567
Call money	※2 310,481	281,513
Payables under repurchase agreements	—	53,805
Collateral related to securities lending transactions	※2 504,897	569,566
Commercial paper	※2 99	198
Trading liabilities	195,384	307,562
Borrowed money	※2 783,074	1,012,324
Foreign exchanges	27	4
Short-term corporate bonds	30,500	11,500
Corporate bonds	194,814	266,489
Other liabilities	※2 707,487	819,900
Accrued employees' bonuses	7,491	10,425
Accrued directors' bonuses	139	318
Reserve for employees' retirement benefits	7,692	18,219
Reserve for directors' retirement benefits	196	234
Reserve for losses on interest repayments	81,789	193,850
Reserve for losses on disposal of premises and equipment	6,948	7,559
Reserve for losses on litigation	5,409	3,662
Reserve under special law	4	4
Deferred tax liabilities	1,265	1,665
Acceptances and guarantees	※2 650,462	675,225
[Total liabilities]	10,695,332	11,181,714
<b>Equity:</b>		
<b>Shareholders' equity:</b>		
Capital stock	476,296	476,296
Capital surplus	43,554	43,554
Retained earnings	174,839	152,855
Treasury stock, at cost	(72,558)	(72,558)
[Total shareholders' equity]	622,132	600,147
<b>Net unrealized gain (loss) and translation adjustments:</b>		
Unrealized gain (loss) on available-for-sale securities	4,934	(38,813)
Deferred gain (loss) on derivatives under hedge accounting	(4,965)	(2,996)
Foreign currency translation adjustments	(1,091)	1,297
[Total net unrealized gain (loss) and translation adjustments]	(1,121)	(40,511)
Stock acquisition rights	1,631	1,808
Minority interests in subsidiaries	188,366	206,037
[Total equity]	811,008	767,481
[Total liabilities and equity]	¥ 11,506,341	¥ 11,949,196

## Consolidated Statements of Operations

Shinsei Bank, Limited, and Consolidated Subsidiaries

For the nine months ended December 31, 2009 and 2008

(Millions of yen)

	December 31, 2008 ( 9 months)	December 31, 2009 ( 9 months)
<b>ORDINARY INCOME</b>		
Interest income	¥ 217,568	¥ 222,565
Interest on loans and bills discounted	179,509	190,752
Interest and dividends on securities	30,059	25,205
Fees and commissions income	40,586	37,283
Trading profits	15,743	7,986
Other business income	164,756	※1 160,891
Other ordinary income	44,548	※2 12,902
Total ordinary income	483,204	441,629
<b>ORDINARY EXPENSES</b>		
Interest expenses	80,147	60,177
Interest on deposits	34,727	40,801
Interest on borrowings	12,848	8,258
Interest on corporate bonds	9,580	5,219
Fees and commissions expenses	18,683	20,039
Trading losses	18,016	2,560
Other business expenses	152,065	※3 107,522
General and administrative expenses	139,012	※4 145,660
Other ordinary expenses	108,032	※5 90,019
Total ordinary expenses	515,958	425,980
<b>NET ORDINARY INCOME (LOSS)</b>	<b>(32,754)</b>	<b>15,648</b>
Special gains	23,349	※6 24,124
Special losses	9,779	※7 5,549
Income (loss) before income taxes and minority interests	(19,184)	34,223
Income taxes - current	2,812	981
Income taxes - deferred	(815)	2,881
Total Income taxes (benefit)	<b>1,996</b>	<b>3,862</b>
Minority interest in net income of subsidiaries	10,951	8,110
<b>NET INCOME (LOSS)</b>	<b>(¥32,132)</b>	<b>¥ 22,250</b>

## Consolidated Statements of Cash Flows

Shinsei Bank, Limited, and Consolidated Subsidiaries  
For the nine months ended December 31, 2009 and 2008

(Millions of yen)

	December 31, 2008 ( 9 months)	December 31, 2009 ( 9 months)
<b>I. Cash flows from operating activities:</b>		
Income (loss) before income taxes and minority interests	( ¥ 19,184)	¥34,223
Depreciation (other than leased assets as lessor)	10,144	10,986
Amortization of goodwill	6,486	10,033
Amortization of intangible assets	3,892	5,873
Equity in net (income) loss of affiliates	2,245	4,928
Net change in reserve for credit losses	24,602	2,352
Net change in reserve for losses on interest repayments	(44,123)	(112,060)
Interest income	(217,568)	(222,565)
Interest expenses	80,147	60,177
(Gain) loss on securities sold	38,959	(17,516)
Net exchange (gain) loss	8,825	1,163
Gains from the cancellation of issued bond and other instruments	-	(15,211)
Net change in trading assets	(70,070)	137,052
Net change in trading liabilities	110,142	(112,178)
Net change in loans and bills discounted	430,267	719,959
Net change in deposits	370,222	450,707
Net change in negotiable certificates of deposit	(115,802)	(19,201)
Net change in debentures	58,966	(172,424)
Net change in borrowed money (other than subordinated debt)	374,003	(229,362)
Net change in corporate bonds (other than subordinated bonds)	(1,206)	(21,749)
Net change in deposits (other than non-interest-bearing deposits)	(87,823)	(2,561)
Net change in call loans	(47,026)	(25,966)
Net change in other monetary claims purchased	50	89,766
Net change in collateral related to securities borrowing transactions	(221,862)	(4,654)
Net change in call money	(472,946)	(24,837)
Net change in collateral related to securities lending transactions	154,711	(64,669)
Net change in short-term corporate bonds (liabilities)	(47,000)	19,000
Net change in net trust account	(2,137)	(4,932)
Interest received	217,477	222,976
Interest paid	(80,907)	(42,686)
Net change in securities for trading purposes	41,390	12,587
Net change in monetary assets held in trust for trading purposes	6,173	23,882
Net change in lease receivables and leased investment assets	13,458	19,140
Others, net	(42,107)	58,216
Subtotal	482,400	790,451
Income taxes paid	(5,817)	(3,065)
Net cash provided by (used in) operating activities	476,583	787,385
<b>II. Cash flows from investing activities:</b>		
Purchase of investments	(2,114,301)	(2,744,818)
Proceeds from sale of investments	981,479	1,219,147
Proceeds from maturity of investments	1,062,036	599,218
Investment in monetary assets held in trust	(33,747)	(34,828)
Proceeds from disposal of monetary assets held in trust	33,739	39,977
Purchase of premises and equipment (other than leased assets as lessor)	(3,590)	(3,715)
Proceeds from sale of premises and equipment (other than leased assets as lessor)	19,659	-
Payment for acquisition of new subsidiaries	(573,371)	-
Proceeds from sale of subsidiary's stocks resulting exclusion from consolidation	13,989	-
Others, net	(23,555)	(8,816)
Net cash provided by (used in) investing activities	(637,663)	(933,833)
<b>III. Cash flows from financing activities:</b>		
Proceeds from issuance of subordinated corporate bonds	-	4,951
Payment for redemption of subordinated corporate bonds	(19,650)	(23,351)
Proceeds from minority shareholders of subsidiaries	2,034	9,000
Repayments to minority shareholders	-	(11,772)
Dividends paid	(5,773)	-
Dividends paid to minority shareholders of subsidiaries	(13,865)	(9,254)
Others, net	(484)	(0)
Net cash provided by (used in) financing activities	(37,740)	(30,427)
<b>IV. Foreign currency translation adjustments on cash and cash equivalents</b>	<b>(67)</b>	<b>2</b>
<b>V. Net change in cash and cash equivalents</b>	<b>(198,888)</b>	<b>(176,872)</b>
<b>VI. Cash and cash equivalents at beginning of period</b>	<b>405,926</b>	<b>483,259</b>
<b>VII. Cash and cash equivalents at end of period</b>	<b>¥ 207,038</b>	<b>※1 ¥ 306,386</b>

**1. Change in the scope of consolidation**

(a) Change in the scope of consolidated subsidiaries

From this period, APLUS Personal Loan Co., Ltd. and five other companies, as newly established subsidiaries, and SL ASTRO Ltd., due to increased materiality, are included in the scope of consolidation.

Also, the following companies are excluded from the scope of consolidation: APLUS Business Services Co., Ltd. and four other companies due to dissolution, S. S. Solutions Co., Ltd. due to merger into Showa Leasing Co., Ltd., Chowa Tatemono Co., Ltd. due to merger into Shinsei Business Service Co., Ltd., and Big Sky 2008-1 TMK due to loss of substantial control

(b) Consolidated subsidiaries after the change in scope:

125 companies

**2. Change in the application of the equity method**

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

TYC Company Limited and three other companies are excluded from the scope of affiliates accounted for using the equity method due to liquidation, SB-HSH Seed Holding Limited and two other companies due to the disposal of shares, and Pensions First Group LLP due to loss of substantial control, are also excluded from affiliates.

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

22 companies

**3. 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 ratio at the end of the latest interim consolidated period.

(c) Judgment on the realizability of deferred tax assets

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

#### **4. Accounting policies specific to quarterly consolidated financial statements**

##### **(a) Income Taxes**

Income taxes for the period are computed as the product of the estimated effective tax rate for the fiscal year that includes the current quarterly period and the income before income tax for the period up to the end of the current quarter.

#### **5. Change in presentation of quarterly consolidated financial statements**

##### **(Quarterly Consolidated Statement of Cash Flows)**

"Proceeds from sales of premises and equipment (other than leased assets as lessor)" (¥35 million for the nine months ended December 31, 2009), which was previously presented under "Cash flows from investing activities", is included in "Other, net" from this period as the amount is immaterial.

## Notes to Quarterly Consolidated Financial Statements

### (Quarterly Consolidated Balance Sheet as of December 31, 2009)

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

(Millions of yen)

Loans to bankrupt obligors	¥ 32,198
Non-accrual delinquent loans	196,226
Loans past due for three months or more	15,620
Restructured loans	61,982

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

(Millions of yen)

Claims to bankrupt obligors	¥ 1,174
Non-accrual delinquent claims	3,718
Claims past due for three months or more	1,018
Restructured loans	9,682

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
Securities	957,423
Loans and bills discounted	168,321
Lease receivables and leased investment assets	33,523
Other assets	516
Premises and equipment	1,892

Liabilities related to pledged assets are as follows:

(Millions of yen)

Deposits	¥ 485
Call money	310,000
Collateral related to securities lending transactions	504,897
Commercial paper	99
Borrowed money	211,992
Other liabilities	49
Acceptances and guarantees	923

In addition, securities of ¥238,080 million are pledged as collateral for transactions including exchange settlements and swap transactions, and as the substitution of margin

on futures transactions.

Also, ¥275 million of margin deposits for futures transactions outstanding, ¥21,328 million of security deposits and ¥12,828 million of cash collateral pledged for derivative transactions are included in other assets.

3. Installment receivables of ¥362,794 million are included in other assets.
4. Accumulated depreciation on premises and equipment is ¥69,562 million.
5. Goodwill and negative goodwill are off set and the net amount is included in intangible assets. The gross amounts are as follows:

	(Millions of yen)
Goodwill	¥ 129,401
Negative goodwill	12,396
Net	¥ 117,005

6. Intangible assets include ¥38,917 million of intangibles that have been recognized by applying the fair value method to the acquisition of consolidated subsidiaries.



**(Quarterly Consolidated Statement of Operations for the nine-month period ended December 31, 2009)**

1. "Other business income" includes leasing revenue of ¥83,122 million.
2. "Other ordinary income" includes income on monetary assets held in trust of ¥6,436 million.
3. "Other business expenses" includes leasing costs of ¥71,036 million.
4. "General and administrative expenses" includes amortization of goodwill of ¥10,033 million and that of intangible assets of ¥5,873 million that have been recognized by applying the fair value method to the acquisition of consolidated subsidiaries.
5. "Other ordinary expenses" includes provision of reserve for loan loss of ¥54,702 million, loss on monetary assets held in trust of ¥4,205 million, and provision of reserve for losses on interest repayments of ¥9,927 million.
6. "Special gains" includes gain on the cancellation of issued bonds of ¥15,211 million.
7. "Special losses" includes losses on disposal of fixed assets of ¥1,868 million and provision of reserve for losses on litigation of ¥1,746 million.

**(Quarterly Consolidated Statement of Cash Flows for the nine-month period ended December 31, 2009)**

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"	¥ 430,458
Interest bearing deposits included in "due from banks"	(124,071)
"Cash and cash equivalents"	¥ 306,386

**(Quarterly Consolidated Statement of Changes in Equity for the nine-month period ended December 31, 2009)**

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	96,427
Total	96,427

2. Stock acquisition rights

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

3. Dividends

- a) No dividend is paid during the nine-month period ended December 31, 2009.
- b) There is no dividend for which the effective date is after the end of this period.

**(Segment information)**

(a) Business segment information (for the period from April 1, 2009 to December 31, 2009)

Shinsei Bank and its subsidiaries (“the Group”) are 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 April 1, 2009 to December 31, 2009)

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, 2009 to December 31, 2009)

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, 2009)

(Millions of yen)

	Carrying amount	Fair value	Net unrealized gain (loss)
Japanese government bonds	¥ 373,345	¥ 378,756	¥ 5,410
Japanese corporate bonds	70,400	71,984	1,584
Other	55,737	56,453	716
Total	¥ 499,482	¥ 507,194	¥ 7,712

(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, 2009)

(Millions of yen)

	Amortized cost	Carrying amount (fair value)	Net unrealized gain (loss)
Equity securities	¥ 18,807	¥ 16,045	¥ (2,762)
Domestic bonds:	1,833,253	1,841,587	8,333
Japanese government bonds	1,813,230	1,822,111	8,880
Japanese municipal bonds	1,718	1,790	71
Japanese corporate bonds	18,304	17,686	(618)
Other	312,687	320,629	7,942
Total	¥ 2,164,748	¥ 2,178,262	¥ 13,514

(Note)

1. Carrying amount is recorded at fair value 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 nine-month period of this consolidated fiscal year is ¥66 million.

To determine whether an other-than-temporary impairment has occurred, the Bank applies the following rule by the credit risk category of the security issuer based on the Bank's self-assessment guidelines:

Securities issued by "legally bankrupt" obligors, "virtually bankrupt" obligors and "possibly bankrupt" obligors	The fair value of securities is lower than the amortized cost
Securities issued by "need caution" obligors	The fair value of securities is 30% or more lower than the amortized cost
Securities issued by "normal" obligors	The fair value of securities is 50% or more lower than the amortized cost

"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 was previously measured at their market prices. However, after consideration of the recent market environment, a judgment has been made by management that current market prices are still not indicative of the fair values at the end of the third quarter of this fiscal year. Therefore, the fair values of these bonds as of this period are determined based on the values reasonably estimated by a broker dealer. As a result, securities, deferred tax liabilities and unrealized gain on available-for-sale securities were higher by ¥3,379 million, ¥1,375 million and ¥2,004 million, respectively, than they would have been if values are based on the market prices.

The reasonably estimated values by a broker dealer are 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 the measurement methodology are the yield of government bonds and volatility of those yields.

### 3. Securities reclassified under extremely illiquid market conditions

The foreign debt securities that were reclassified from available-for-sale to held-to-maturity on October 1, 2008, and remain in held-to-maturity securities as of December 31, 2009 are as follows:

(Millions of yen)

	Fair value	Carrying amount	Net unrealized gain (loss) on available-for-sale securities
Other (foreign debt securities)	¥ 45,210	¥ 45,577	¥ (7,494)

(Note) Fair values are quoted from external brokers.

**(Monetary assets held in trust)**

1. There are no monetary assets held in trust being held to maturity (as of December 31, 2009)
2. Other monetary assets held in trust (other than trading purposes and held-to-maturity) (as of December 31, 2009)

(Millions of yen)

	Acquisition Cost	Carrying amount	Net Unrealized gain (loss)
Other monetary assets held in trust for other than trading purposes	¥ 105,916	¥ 105,916	—

(Note) Carrying amount 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, 2009)**

(Millions of yen)

	Contract type	Notional principal	Fair value	Unrealized gain (loss)
Listed	Future contracts	¥ 52,191	¥ (42)	¥ (42)
	Interest rate options	—	—	—
Over the counter	Future contracts	—	—	—
	Interest rate swaps	¥ 11,889,878	55,834	55,834
	Interest rate swaptions	3,349,154	(47,882)	(37,934)
	Interest rate options	252,126	(255)	(176)
	Other	—	—	—
	Total	—	¥ 7,654	¥ 17,680

**(Note)**

1. Derivatives included in the table are measured at fair value and unrealized gains (losses) are recognized in the quarterly consolidated statement of operations. Derivatives for which hedge accounting is adopted in accordance with Industry Audit Committee Report No.24 of JICPA are excluded from the table above.
2. The fair value estimates for derivatives are adjusted for credit risk and liquidity risk by reductions of ¥1,646 million and ¥3,715 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, 2009)**

(Millions of yen)

	Contract type	Notional principal	Fair value	Unrealized gain (loss)
Listed	Forward foreign exchange contracts	—	—	—
	Currency options	—	—	—
Over the counter	Currency swaps	¥ 1,508,021	¥ (41,255)	¥ (41,255)
	Forward foreign exchange contracts	2,719,628	8,315	8,315
	Currency options	13,804,776	(7,144)	21,987
	Other	—	—	—
	Total	—	¥ (40,084)	¥ (10,952)

(Note) Derivatives included in the table are measured at fair value and unrealized gains (losses) are recognized in the quarterly consolidated 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, 2009)

(Millions of yen)

	Contract type	Notional principal	Fair value	Unrealized gain (loss)
Listed	Equity index futures	¥ 14,714	¥ 49	¥ 49
	Equity index options	232,713	5,788	9,727
	Equity options	—	—	—
Over the counter	Equity options	139,201	1,996	8,534
	Equity index swaps	1,000	51	51
	Other	187,605	15,146	15,123
	Total	—	¥ 23,031	¥ 33,486

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

## (d) Bond related transactions (as of December 31, 2009)

(Millions of yen)

	Contract type	Notional principal	Fair value	Unrealized gain (loss)
Listed	Bond futures	¥ 3,636	¥ 4	¥ 4
	Bond futures options	—	—	—
Over the counter	Bond options	—	—	—
	Other	—	—	—
	Total	—	¥ 4	¥ 4

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

## (e) Credit related transactions (as of December 31, 2009)

(Millions of yen)

	Contract type	Notional principal	Fair value	Unrealized gain (loss)
Over the counter	Credit default options	¥ 2,263,269	¥ 4,542	¥ 4,542
	Other	—	—	—
	Total	—	¥ 4,542	¥ 4,542

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



**(Stock options)**

The matters concerning the stock options vested for the period from October 1, 2009 to December 31, 2009 is as follows.

1. Expensed amount and account name related to stock options in the period are not presented because of immaterial impact on the quarterly consolidated financial statements.
2. No stock option was vested during this quarter.

**(Earnings per share information)**

## 1. Equity per share

(Yen)

	The end of the third quarter of this consolidated fiscal year (December 31, 2009)	The end of the prior consolidated fiscal year (March 31, 2009)
Amount of net assets per share	¥ 316.20	¥ 284.95

## 2. Net income from operations per common share for the quarter

(Yen)

	Nine months ended December 31, 2008 (April 1, 2008 to December 31, 2008)	Nine months ended December 31, 2009 (April 1, 2009 to December 31, 2009)
Net income (loss) from operations per common share	¥ (16.36)	¥ 11.32

(Note)

(a) Diluted net income from operations per share for the nine months ended December 31, 2009 is not presented because existing potential shares have no dilutive effect. Also, diluted net income per share for the nine months ended December 31, 2008 is not presented because of the Group's net loss position.

(b) The calculation basis for net income (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)	Nine months ended December 31, 2009 (April 1, 2009 to December 31, 2009)
Net income (loss) from operations per common share for the quarter			
Net income (loss) from operations for the quarter	(Millions of yen)	¥ (32,132)	¥ 22,250
The amount which is not attributable to common shareholders	(Millions of yen)	—	—
Net income (loss) from operations for the quarter attributable to common shareholders	(Millions of yen)	¥ (32,132)	¥ 22,250
The average common shares during the period	(Thousands of shares)	1,963,914	1,963,919

**Financial Information for the third quarter period ended December 31, 2009 and 2008**

**1. Consolidated Statement of Operations**

(Millions of yen)

	The third quarter period (from October 1, 2008, to December 31, 2008)	The third quarter period (from October 1, 2009, to December 31, 2009)
<b>ORDINARY INCOME</b>		
Interest Income	¥ 93,117	¥ 71,110
Interest on loans and bills discounted	81,456	60,537
Interest and dividends on securities	9,122	8,364
Fees and commissions income	11,697	12,341
Trading profits	10,516	3,864
Other business income	52,285	52,628
Other ordinary income	32,251	3,895
Total ordinary income	199,868	143,842
<b>ORDINARY EXPENSES</b>		
Interest expenses	26,246	18,125
Interest on deposits	12,264	12,869
Interest on borrowings	4,190	2,234
Interest on corporate bonds	2,262	1,502
Fees and commissions expenses	7,037	5,998
Trading losses	11,797	1,564
Other business expenses	51,578	34,586
General and administrative expenses	55,731	46,825
Other ordinary expenses	55,167	26,481
Total ordinary expenses	207,559	133,583
<b>NET ORDINARY INCOME (LOSS)</b>	(7,690)	10,258
Special gains	3,078	*1 6,424
Special losses	5,376	2,610
Income (loss) before income taxes and minority interests	(9,989)	14,072
Income taxes - current	400	465
Income taxes - deferred	(218)	(500)
Minority interest in net income of subsidiaries	2,677	2,919
<b>NET INCOME (LOSS)</b>	(12,848)	11,188

(Notes)

1. "Special gains" includes gain from the cancellation of issued bonds of ¥3,341 million.

## 2. Segment information

- (a) Business segment information (for the period from October 1, 2009 to December 31, 2009)

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, 2009 to December 31, 2009)

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, 2009 to December 31, 2009)

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 Income from operations per common share for the quarters

(Yen)

	The third quarter period (From October 1, 2008 To December 31, 2008)	The third quarter period (From October 1, 2009 To December 31, 2009)
Net Income (loss) from operations per common share	¥ (6.54)	¥ 5.69

(Notes)

- (a) Diluted net income per share for the period from October 1 to December 31, 2009 is not presented because existing potential common shares have no dilutive effect. Also, diluted net income per share for the period from October 1 to December 31, 2008 is not presented because of the Group's net loss position.

- (b) The calculation basis for net income from operations per common share for the quarters is as follows:

		The third quarter period (From October 1, 2008 To December 31, 2008)	The third quarter period (From October 1, 2009 To December 31, 2009)
Net Income (loss) from operations per common share for the quarter			
Net Income (loss) from operations for the quarter	(Millions of yen)	¥(12,848)	¥11,188

The amount which is not attributable to common share holders	(Millions of yen)	—	—
Net Income (loss) from operations for the quarter attributable to common share holders	(Millions of yen)	¥(12,848)	¥11,188
The average common shares during the period	(Thousands of shares)	1,963,921	1,963,919