

Non-Consolidated Balance Sheets (Unaudited)

Shinsei Bank, Limited
As of March 31, 2006 and 2005

	Millions of yen		Thousands of U.S. dollars (Note)
	2006	2005	2006
ASSETS			
Cash and due from banks	¥ 315,282	¥ 162,208	\$ 2,683,937
Call loans	50,000	70,000	425,641
Collateral related to securities borrowing transactions	33,107	3,744	281,837
Other monetary claims purchased	40,233	108,410	342,503
Trading assets	173,315	166,817	1,475,406
Monetary assets held in trust	556,448	415,395	4,736,938
Securities	1,809,798	1,820,753	15,406,474
Loans and bills discounted	3,961,246	3,443,721	33,721,349
Foreign exchanges	12,140	8,550	103,349
Other assets	282,669	220,972	2,406,309
Premises and equipment	26,701	26,499	227,305
Deferred discounts on and issuance expenses for debentures	177	285	1,515
Deferred tax assets	27,965	23,543	238,067
Customers' liabilities for acceptances and guarantees	30,985	49,896	263,776
Reserve for credit losses	(111,421)	(124,499)	(948,513)
Total assets	¥7,208,651	¥6,396,302	\$61,365,893
LIABILITIES AND SHAREHOLDERS' EQUITY			
Liabilities:			
Deposits, including negotiable certificates of deposit	¥4,158,192	¥3,528,879	\$35,397,913
Debentures	1,021,419	1,246,862	8,695,148
Call money	30,000	204,295	255,384
Trading liabilities	129,059	64,296	1,098,656
Borrowed money	314,789	325,394	2,679,743
Foreign exchanges	325	289	2,775
Corporate bonds	447,024	50,000	3,805,439
Other liabilities	213,567	128,663	1,818,059
Accrued employees' bonuses	10,040	7,616	85,473
Reserve for retirement benefits	200	1,010	1,703
Reserve for loss on disposition of premises and equipment	—	153	—
Acceptances and guarantees	30,985	49,896	263,776
Total liabilities	6,355,605	5,607,357	54,104,069
Shareholders' equity:			
Capital stock:			
Common stock	180,853	180,853	1,539,574
Preferred stock	270,443	270,443	2,302,232
Capital surplus	18,558	18,558	157,984
Retained earnings:			
Legal reserve	7,777	6,249	66,206
Unappropriated retained earnings	372,749	307,022	3,173,148
Net unrealized gain on securities available-for-sale, net of taxes	2,670	5,822	22,735
Treasury stock, at cost			
9,772 shares in 2006 and 6,749 shares in 2005	(6)	(4)	(55)
Total shareholders' equity	853,046	788,945	7,261,824
Total liabilities and shareholders' equity	¥7,208,651	¥6,396,302	\$61,365,893

Note: U.S. dollar amounts, presented solely for the readers' convenience, are translated at ¥117.47=U.S.\$1.00, the rate of exchange prevailing on the Tokyo Foreign Exchange Market on March 31, 2006.

Non-Consolidated Statements of Income (Unaudited)

Shinsei Bank, Limited
For the fiscal years ended March 31, 2006 and 2005

	Millions of yen		Thousands of U.S. dollars (Note)
	2006	2005	2006
Interest income:			
Interest on loans and bills	¥ 57,917	¥ 58,595	\$ 493,041
Interest and dividends on securities	21,036	15,551	179,077
Interest on deposits with banks	2,019	2,775	17,195
Other interest income	1,647	4,903	14,023
Total interest income	82,620	81,826	703,336
Interest expenses:			
Interest on deposits, including negotiable certificates of deposit	16,994	13,713	144,674
Interest and discounts on debentures	4,720	6,201	40,184
Interest on other borrowings	5,895	8,896	50,191
Other interest expenses	4,787	316	40,757
Total interest expenses	32,398	29,127	275,806
Net interest income	50,221	52,698	427,530
Fees and commissions income	22,065	20,516	187,841
Fees and commissions expenses	10,659	8,859	90,739
Net fees and commissions	11,406	11,657	97,102
Net trading income	20,276	22,192	172,611
Other business income, net:			
Income on monetary assets held in trust, net	39,508	29,361	336,330
Net gain (loss) on foreign exchanges	10,266	(208)	87,397
Net (loss) gain on securities	(2,756)	3,377	(23,462)
Net gain on other monetary claims purchased	2,241	3,848	19,081
Other, net	4,901	144	41,725
Net other business income	54,162	36,523	461,071
Total revenue	136,067	123,071	1,158,314
General and administrative expenses:			
Personnel expenses	30,009	29,805	255,465
Premises expenses	11,028	11,152	93,885
Technology and data processing expenses	9,695	8,120	82,534
Advertising expenses	2,562	3,358	21,811
Consumption and property taxes	3,815	3,393	32,481
Deposit insurance premium	2,307	2,115	19,645
Other general and administrative expenses	14,442	12,142	122,943
Total general and administrative expenses	73,860	70,088	628,764
Net business profit	62,206	52,982	529,550
Net credit recoveries	(4,937)	(16,364)	(42,034)
Other losses, net	(504)	(4,487)	(4,294)
Income before income taxes	66,639	64,859	567,290
Income tax (benefit):			
Current	(5,991)	(2,374)	(51,002)
Deferred	(2,260)	(864)	(19,239)
Net income	¥ 74,890	¥ 68,097	\$ 637,531
		Yen	U.S. dollars (Note)
Basic net income per common share	¥ 52.27	¥ 47.27	\$ 0.44
Diluted net income per common share	37.15	35.32	0.32

Non-Consolidated Statements of Retained Earnings (Unaudited)

Shinsei Bank, Limited
For the fiscal years ended March 31, 2006 and 2005

	Millions of yen		Thousands of U.S. dollars (Note)
	2006	2005	2006
Legal reserve:			
Balance at beginning of year	¥ 6,249	¥ 4,823	\$ 53,204
Transfer from unappropriated retained earnings	1,527	1,426	13,002
Balance at end of year	¥ 7,777	¥ 6,249	\$ 66,206
Unappropriated retained earnings:			
Balance at beginning of year	¥307,022	¥247,485	\$2,613,623
Appropriation:			
Transfer to legal reserve	(1,527)	(1,426)	(13,002)
Dividends paid	(7,635)	(7,133)	(65,004)
Net income	74,890	68,097	637,531
Balance at end of year	¥372,749	¥307,022	\$3,173,148

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