

## Consolidated Financial Highlights

Shinsei Bank, Limited and Consolidated Subsidiaries  
For the six months ended September 30, 2005 and 2004, and the fiscal year ended March 31, 2005

	Billions of yen			Millions of U.S. dollars
	Sept. 30, 2005 (6 months)	Sept. 30, 2004 (6 months)	Mar. 31, 2005 (1 year)	Sept. 30, 2005 (6 months)
<b>Income statement data:</b>				
Net interest income	¥ 40.1	¥ 25.3	¥ 66.8	\$ 354.3
Net fees and commissions	23.4	8.3	32.4	207.6
Net trading income	12.7	15.3	23.9	112.6
Net other business income	54.0	23.6	54.5	477.5
Total revenue	130.4	72.6	177.8	1,152.0
Total general and administrative expenses	67.0	39.2	97.3	591.9
Net credit costs (recoveries)	14.5	(10.6)	(0.9)	128.6
Amortization of consolidation goodwill and other intangibles	14.6	—	8.8	129.8
Other gains (losses), net	1.6	(3.1)	(7.0)	14.6
Income before income taxes and minority interests	35.8	40.9	65.5	316.3
Income tax (benefit):				
Current	1.7	0.6	1.4	15.3
Deferred	(4.8)	(0.5)	(3.4)	(43.2)
Minority interests in net income of subsidiaries	1.2	0.0	0.1	11.1
Net income	¥ 37.7	¥ 40.7	¥ 67.4	\$ 333.1
<b>Balance sheet data:</b>				
Trading assets	¥ 119.8	¥ 443.6	¥ 168.5	\$ 1,058.9
Securities	1,678.2	1,339.8	1,478.2	14,824.6
Loans and bills discounted	3,828.0	3,074.6	3,430.4	33,813.9
Customers' liabilities for acceptances and guarantees	1,002.4	1,237.8	1,058.1	8,854.9
Reserve for credit losses	(155.9)	(157.5)	(149.7)	(1,377.8)
Total assets	9,142.7	8,325.3	8,576.3	80,759.5
Deposits, including negotiable certificates of deposit	3,964.3	3,168.8	3,452.8	35,018.0
Debentures	1,181.7	1,333.2	1,242.6	10,438.4
Trading liabilities	80.0	72.5	69.1	707.4
Borrowed money	1,166.9	656.1	1,160.2	10,308.0
Acceptances and guarantees	1,002.4	1,237.8	1,058.1	8,854.9
Total liabilities	8,261.6	7,560.6	7,735.7	72,976.2
Minority interests in subsidiaries	60.4	1.0	53.8	534.3
Capital stock	451.2	451.2	451.2	3,986.4
Total shareholders' equity	820.6	763.7	786.6	7,249.0
Total liabilities, minority interests in subsidiaries and shareholders' equity	¥9,142.7	¥8,325.3	¥8,576.3	\$80,759.5
<b>Per share data (in yen):</b>				
Common shareholders' equity	¥ 354.68	¥ 312.76	¥ 329.65	
Fully diluted shareholders' equity <sup>(1)</sup>	404.66	381.95	390.06	
Basic net income	26.33	28.60	46.78	
Diluted net income	18.71	21.16	34.98	
<b>Capital adequacy data:</b>				
Tier I capital ratio	7.47%	7.99%	7.00%	
Total capital adequacy ratio	12.16%	11.79%	11.78%	
<b>Average balance data:</b>				
Securities	1,698.5	1,310.8	1,509.4	
Loans and bills discounted	3,576.5	2,967.9	3,099.9	
Total assets	8,859.5	7,334.5	7,460.0	
Interest-bearing liabilities	6,192.4	4,939.2	5,216.0	
Total liabilities and minority interests in subsidiaries	8,055.8	6,587.7	6,701.7	
Shareholders' equity	803.6	746.8	758.3	

	Billions of yen		
	Sept. 30, 2005 (6 months)	Sept. 30, 2004 (6 months)	Mar. 31, 2005 (1 year)
<b>Other data:</b>			
Return on assets	0.8%	1.3%	0.9%
Return on equity (fully diluted)	9.4%	10.9%	8.9%
Ratio of equity to total assets	9.1%	11.6%	10.2%
Ratio of deposits, including negotiable certificates of deposit, to total liabilities	48.0%	41.9%	44.6%
Net interest margin	1.9%	1.1%	1.5%
Overhead ratio <sup>(2)</sup>	51.4%	54.0%	54.7%
Non-performing claims, non-consolidated	¥46.0	¥73.7	¥51.7
Ratio of non-performing claims to total claims, non-consolidated	1.2%	2.0%	1.4%
Net deferred tax assets	¥9.2	¥7.4	¥4.3
Net deferred tax assets as a percentage of Tier I capital	1.8%	1.5%	0.9%

## Notes:

(1) Fully diluted shareholders' equity per share is calculated by dividing shareholders' equity at the end of the periods presented by the number of common shares that would have been outstanding had all securities convertible into or exercisable for common shares been converted or exercised with an applicable conversion or exercise price within the predetermined range at the end of the period.

(2) The overhead ratio is calculated by dividing general and administrative expenses for the periods presented by the total revenue for such period.

We recorded amortization of acquired goodwill and intangible assets, which we refer to as consolidation goodwill and other intangibles in our financial statements, of ¥12.8 billion, net of tax benefit, associated with the acquisition of APLUS and Showa Leasing for the six-month period ended September 30, 2005. To provide greater transparency and understanding of our underlying performance, we disclose cash basis net income, which excludes

the amortization of acquired goodwill and intangible assets, net of tax benefit, in our earnings announcements. Our cash basis net income for the six months ended September 30, 2005 was ¥50.5 billion, an increase of 23.9% compared to the same period in the prior fiscal year. A reconciliation of various earnings measures from our results reported under Japanese GAAP to a cash basis is given below.

### Supplemental Financial Data and Reconciliations to Japanese GAAP Measures

For the first half of FY2005 ended September 30, 2005

(Billions of yen, except per share data and percentages)

#### Amortization of acquired goodwill and intangible assets<sup>(1)</sup>

Amortization of intangible assets	4.5
Associated deferred tax liability	(1.8)
Amortization of acquired goodwill	10.1
<b>Total amortization of acquired goodwill and intangible assets, net of tax benefit</b>	<b>12.8</b>

#### Reconciliation of net income to cash basis net income

Net income	37.7
Total amortization of acquired goodwill and intangible assets, net of tax benefit	12.8
<b>Cash basis net income</b>	<b>50.5</b>

#### Reconciliation of basic net income per share to cash basis basic net income per share

Basic net income per share	26.33
Effect of amortization of acquired goodwill and intangible assets, net of tax benefit	9.46
<b>Cash basis basic net income per share</b>	<b>35.79</b>

#### Reconciliation of diluted net income per share to cash basis diluted net income per share

Diluted net income per share	18.71
Effect of amortization of acquired goodwill and intangible assets, net of tax benefit	6.37
<b>Cash basis diluted net income per share</b>	<b>25.08</b>

#### Reconciliation of return on assets to cash basis return on assets

Return on assets	0.8 <sup>(2)</sup>
Effect of amortization of acquired goodwill and intangible assets, net of tax benefit	0.3 <sup>(2)</sup>
<b>Cash basis return on assets</b>	<b>1.2<sup>(2)</sup></b>

#### Reconciliation of return on equity to cash basis return on equity

Return on equity (fully diluted)	9.4 <sup>(2)</sup>
Effect of amortization of acquired goodwill and intangible assets, net of tax benefit	3.2 <sup>(2)</sup>
<b>Cash basis return on equity (fully diluted)</b>	<b>12.5<sup>(2)</sup></b>

(1) Acquired goodwill and intangible assets are referred to as consolidation goodwill and other intangibles in our financial statements.

(2) Annualized basis