

## Non-Consolidated Interim Balance Sheets (Unaudited)

Shinsei Bank, Limited  
September 30, 2005 and 2004, and March 31, 2005

|  | Millions of yen   |                   |                   | Thousands of<br>U.S. dollars |
|--|-------------------|-------------------|-------------------|------------------------------|
|  | Sept. 30, 2005    | Sept. 30, 2004    | Mar. 31, 2005     | Sept. 30, 2005               |
| <b>ASSETS</b>  |                   |                   |                   |                              |
| Cash and due from banks  | ¥ 206,602         | ¥ 288,759         | ¥ 162,208         | \$ 1,824,950                 |
| Call loans   | 117,000           | 50,866            | 70,000            | 1,033,478                    |
| Collateral related to securities borrowing transactions            | 5,232             | 146,333           | 3,744             | 46,219                       |
| Other monetary claims purchased                                    | 40,365            | 67,987            | 108,410           | 356,551                      |
| Trading assets   | 111,506           | 436,893           | 166,817           | 984,949                      |
| Monetary assets held in trust                                      | 440,625           | 464,325           | 415,395           | 3,892,109                    |
| Securities   | 2,016,488         | 1,396,928         | 1,820,753         | 17,811,930                   |
| Loans and bills discounted   | 3,788,017         | 3,372,519         | 3,443,721         | 33,460,092                   |
| Foreign exchanges  | 12,881            | 12,361            | 8,550             | 113,788                      |
| Other assets   | 215,141           | 342,755           | 220,972           | 1,900,378                    |
| Premises and equipment   | 27,204            | 26,170            | 26,499            | 240,303                      |
| Deferred discounts on and issuance expenses for debentures         | 206               | 264               | 285               | 1,826                        |
| Deferred tax assets  | 24,979            | 24,942            | 23,543            | 220,643                      |
| Customers' liabilities for acceptances and guarantees              | 51,456            | 61,723            | 49,896            | 454,527                      |
| Reserve for credit losses  | (114,598)         | (158,652)         | (124,499)         | (1,012,268)                  |
| <b>Total assets</b>  | <b>¥6,943,109</b> | <b>¥6,534,178</b> | <b>¥6,396,302</b> | <b>\$61,329,475</b>          |
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>                        |                   |                   |                   |                              |
| <b>Liabilities:</b>  |                   |                   |                   |                              |
| Deposits, including negotiable certificates of deposit             | ¥4,046,936        | ¥3,238,229        | ¥3,528,879        | \$35,747,166                 |
| Debentures   | 1,185,538         | 1,337,451         | 1,246,862         | 10,472,033                   |
| Call money   | 170,664           | 173,397           | 204,295           | 1,507,501                    |
| Payables under repurchase agreements                               | —                 | 44,994            | —                 | —                            |
| Collateral related to securities lending transactions              | 5,672             | —                 | —                 | 50,103                       |
| Trading liabilities  | 68,963            | 71,471            | 64,296            | 609,168                      |
| Borrowed money   | 339,962           | 338,010           | 325,394           | 3,002,935                    |
| Foreign exchanges  | 447               | 289               | 289               | 3,954                        |
| Corporate bonds  | 50,000            | —                 | 50,000            | 441,657                      |
| Other liabilities  | 194,904           | 502,298           | 128,663           | 1,721,616                    |
| Accrued employees bonuses  | 4,830             | 3,774             | 7,616             | 42,666                       |
| Reserve for retirement benefits                                    | 811               | 1,421             | 1,010             | 7,170                        |
| Reserve for loss on disposition of premises and equipment          | 153               | 153               | 153               | 1,351                        |
| Reserve for loss on sale of bonds                                  | —                 | 1,529             | —                 | —                            |
| Acceptances and guarantees   | 51,456            | 61,723            | 49,896            | 454,527                      |
| <b>Total liabilities</b>   | <b>6,120,341</b>  | <b>5,774,746</b>  | <b>5,607,357</b>  | <b>54,061,847</b>            |
| <b>Shareholders' equity:</b>                                       |                   |                   |                   |                              |
| Capital stock:   |                   |                   |                   |                              |
| Common stock   | 180,853           | 180,853           | 180,853           | 1,597,507                    |
| Preferred stock  | 270,443           | 270,443           | 270,443           | 2,388,863                    |
| Capital surplus  | 18,558            | 18,558            | 18,558            | 163,928                      |
| Retained earnings:   |                   |                   |                   |                              |
| Legal reserve  | 6,987             | 5,512             | 6,249             | 61,725                       |
| Unappropriated retained earnings                                   | 341,749           | 280,647           | 307,022           | 3,018,718                    |
| Net unrealized gain on securities available-for-sale, net of taxes | 4,181             | 3,419             | 5,822             | 36,939                       |
| Treasury stock, at cost  | (5)               | (2)               | (4)               | (52)                         |
| <b>Total shareholders' equity</b>                                  | <b>822,768</b>    | <b>759,431</b>    | <b>788,945</b>    | <b>7,267,628</b>             |
| <b>Total liabilities and shareholders' equity</b>                  | <b>¥6,943,109</b> | <b>¥6,534,178</b> | <b>¥6,396,302</b> | <b>\$61,329,475</b>          |

Note: U.S. dollar amounts, presented solely for the readers' convenience, are translated at ¥113.21=U.S.\$1.00, the rate of exchange prevailing on the Tokyo Foreign Exchange Market on September 30, 2005.

## Non-Consolidated Interim Statements of Income (Unaudited)

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

|   | Millions of yen              |                              |                           | Thousands of<br>U.S. dollars |
|---|------------------------------|------------------------------|---------------------------|------------------------------|
|   | Sept. 30, 2005<br>(6 months) | Sept. 30, 2004<br>(6 months) | Mar. 31, 2005<br>(1 year) | Sept. 30, 2005<br>(6 months) |
| <b>Interest income:</b>   |                              |                              |                           |                              |
| Interest on loans and bills   | ¥28,837                      | ¥28,775                      | ¥ 58,595                  | \$254,729                    |
| Interest and dividends on securities                                  | 11,823                       | 6,832                        | 15,551                    | 104,435                      |
| Interest on deposits with banks                                       | 1,060                        | 1,633                        | 2,775                     | 9,371                        |
| Other interest income   | 983                          | 2,808                        | 4,903                     | 8,687                        |
| <b>Total interest income</b>  | <b>42,705</b>                | <b>40,049</b>                | <b>81,826</b>             | <b>377,222</b>               |
| <b>Interest expenses:</b>   |                              |                              |                           |                              |
| Interest on deposits, including negotiable certificates<br>of deposit | 8,102                        | 7,304                        | 13,713                    | 71,574                       |
| Interest and discounts on debentures                                  | 2,626                        | 3,214                        | 6,201                     | 23,205                       |
| Interest on other borrowings  | 3,637                        | 4,992                        | 8,896                     | 32,132                       |
| Other interest expenses   | 867                          | 171                          | 316                       | 7,661                        |
| <b>Total interest expenses</b>  | <b>15,234</b>                | <b>15,682</b>                | <b>29,127</b>             | <b>134,572</b>               |
| <b>Net interest income</b>  | <b>27,470</b>                | <b>24,366</b>                | <b>52,698</b>             | <b>242,650</b>               |
| Fees and commissions income   | 10,308                       | 8,731                        | 20,516                    | 91,056                       |
| Fees and commissions expenses   | 4,766                        | 4,661                        | 8,859                     | 42,100                       |
| <b>Net fees and commissions</b>                                       | <b>5,542</b>                 | <b>4,070</b>                 | <b>11,657</b>             | <b>48,956</b>                |
| <b>Net trading income</b>   | <b>10,081</b>                | <b>14,483</b>                | <b>22,192</b>             | <b>89,049</b>                |
| <b>Other business income, net:</b>                                    |                              |                              |                           |                              |
| Income on monetary assets held in trust, net                          | 12,130                       | 15,593                       | 29,361                    | 107,149                      |
| Net gain on securities and foreign exchanges                          | 15,232                       | 3,695                        | 3,168                     | 134,547                      |
| Other, net  | (6)                          | 2,454                        | 3,992                     | (55)                         |
| <b>Net other business income</b>                                      | <b>27,356</b>                | <b>21,744</b>                | <b>36,523</b>             | <b>241,641</b>               |
| <b>Total revenue</b>  | <b>70,450</b>                | <b>64,665</b>                | <b>123,071</b>            | <b>622,296</b>               |
| <b>General and administrative expenses:</b>                           |                              |                              |                           |                              |
| Personnel expenses  | 14,440                       | 15,089                       | 29,805                    | 127,554                      |
| Premises expenses   | 5,441                        | 5,552                        | 11,152                    | 48,065                       |
| Technology and data processing expenses                               | 4,625                        | 3,888                        | 8,120                     | 40,859                       |
| Advertising expenses  | 1,489                        | 1,856                        | 3,358                     | 13,156                       |
| Consumption and property taxes  | 2,044                        | 1,968                        | 3,393                     | 18,056                       |
| Deposit insurance premium   | 1,153                        | 1,057                        | 2,115                     | 10,192                       |
| Other general and administrative expenses                             | 7,296                        | 6,913                        | 12,142                    | 64,454                       |
| <b>Total general and administrative expenses</b>                      | <b>36,491</b>                | <b>36,325</b>                | <b>70,088</b>             | <b>322,336</b>               |
| <b>Net business profit</b>  | <b>33,958</b>                | <b>28,339</b>                | <b>52,982</b>             | <b>299,960</b>               |
| Net credit costs (recoveries)   | 527                          | (10,342)                     | (16,364)                  | 4,659                        |
| Other gains (losses), net   | 2,503                        | (2,993)                      | (4,487)                   | 22,117                       |
| <b>Income before income taxes</b>                                     | <b>35,934</b>                | <b>35,688</b>                | <b>64,859</b>             | <b>317,418</b>               |
| <b>Income tax (benefit):</b>  |                              |                              |                           |                              |
| Current   | (2,908)                      | (993)                        | (2,374)                   | (25,695)                     |
| Deferred  | (310)                        | (614)                        | (864)                     | (2,738)                      |
| <b>Net income</b>   | <b>¥39,153</b>               | <b>¥37,296</b>               | <b>¥ 68,097</b>           | <b>\$345,851</b>             |

Note: U.S. dollar amounts, presented solely for the readers' convenience, are translated at ¥113.21=U.S.\$1.00, the rate of exchange prevailing on the Tokyo Foreign Exchange Market on September 30, 2005.

## Directors and Executives

As of September 30, 2005

### Board of Directors

|                         |   |
|-------------------------|---|
| Masamoto Yashiro        | Chairman of the Board, Shinsei Bank, Limited                  |
| Thierry Porté           | President, CEO, Shinsei Bank, Limited                         |
| Junji Sugiyama          | Vice Chairman, Shinsei Bank, Limited                          |
| Akira Aoki*             | Senior Advisor, Japan Securities Finance Co., Ltd.            |
| Michael J. Boskin*      | Professor, Stanford University                                |
| Emilio Botín*           | Chairman, Grupo Santander                                     |
| Timothy C. Collins*     | CEO, Ripplewood Holdings, LLC                                 |
| J. Christopher Flowers* | Chairman, J. C. Flowers & Co., LLC                            |
| Takashi Imai*           | Senior Advisor, Honorary Chairman, Nippon Steel Corporation   |
| Shigeru Kani*           | Former Director, Administration Department, The Bank of Japan |
| Fred H. Langhammer*     | Chairman, Global Affairs, The Estée Lauder Companies, Inc.    |
| Minoru Makihara*        | Senior Corporate Advisor, Mitsubishi Corporation              |
| Yasuharu Nagashima*     | Lawyer  |
| Lucio A. Noto*          | Former Vice Chairman, Exxon Mobile Corporation                |
| Nobuaki Ogawa*          | Lawyer  |
| John S. Wadsworth, Jr.* | Advisory Director, Morgan Stanley                             |
| Teruaki Yamamoto        | President, APLUS Co., Ltd.                                    |

Notes: 1. \* Outside directors as stipulated in Article 188, Paragraph 2, 7-2 of the Commercial Code of Japan

2. Committee memberships:

Nomination Committee: Minoru Makihara (Chairman); Michael J. Boskin, Timothy C. Collins, J. Christopher Flowers, Lucio A. Noto, Thierry Porté, Masamoto Yashiro

Audit Committee: Akira Aoki (Chairman); Shigeru Kani, Yasuharu Nagashima, Nobuaki Ogawa

Compensation Committee: J. Christopher Flowers (Chairman); Emilio Botín, Timothy C. Collins, Fred H. Langhammer, Minoru Makihara, John S. Wadsworth, Jr.

### Senior Advisors

|                 |   |
|-----------------|---|
| John S. Reed    | Former Chairman, Citigroup Inc.                                   |
| Paul A. Volcker | Former Chairman, Board of Governors of the Federal Reserve System |

### Statutory Executive Officers

|   |                  |
|---|------------------|
| Representative Statutory Executive Officer, President, Chief Executive Officer          | Thierry Porté    |
| Representative Statutory Executive Officer, Vice Chairman                               | Junji Sugiyama   |
| Executive Vice President, Institutional Banking Group                                   | Clark Graninger  |
| Senior Managing Executive Officer, Chief Financial Officer, Finance Group               | Rahul Gupta      |
| Senior Managing Executive Officer, Retail Banking Group                                 | Satoru Katayama  |
| Senior Managing Executive Officer, Financial Institutions and Capital Markets Sub-Group | Masazumi Kato    |
| Senior Managing Executive Officer, Corporate Banking Business Sub-Group                 | Junzo Tomii      |
| Managing Executive Officer, Corporate Affairs Group                                     | Kazumi Kojima    |
| Statutory Executive Officer, Public Sector Finance Sub-Group                            | Kazuya Fujimoto  |
| Statutory Executive Officer, Corporate Strategy Division                                | Norio Funayama   |
| Statutory Executive Officer, Financial Institutions Business Division III               | Michimasa Honda  |
| Statutory Executive Officer, Banking Infrastructure Group                               | Michiyuki Okano  |
| Statutory Executive Officer, Banking Infrastructure Group                               | Yoshikazu Sato   |
| Statutory Executive Officer, Strategic Business Unit I                                  | Takashi Tsuchiya |

## Employees

|                           | Sept. 30, 2005 | Mar. 31, 2005 | Sept. 30, 2004 |
|---------------------------|----------------|---------------|----------------|
| Number of employees ..... | <b>2,052</b>   | 2,041         | 2,131          |
| Male .....                | <b>1,133</b>   | 1,165         | 1,225          |
| Female .....              | <b>919</b>     | 876           | 906            |

Note: Excluding part-time employees

## Corporate Information

### Established

1952

### Fiscal Year

From April 1 to March 31

### Paid-in Capital

¥451,296 million

### Number of Shares Authorized

Common Shares<sup>(\*1)</sup>:

2,500,000,000

Preferred Shares:

674,528,000

### Number of Shares Issued

Common Shares<sup>(\*2, \*3)</sup>:

1,358,537,606

Preferred Shares:

Class A 74,528,000

Class B 600,000,000

### Ten Largest Shareholders<sup>(\*4)</sup>

J. Christopher Flowers

(6.49% of common shares)

State Street Bank and Trust Company

(5.20% of common shares)

Santander Investment Services,

C. Centralvarores

(4.69% of common shares)

The Chase Manhattan Bank N.A. London

(4.53% of common shares)

Mellon Bank Treaty Clients Omnibus

(4.14% of common shares)

State Street Bank and Trust

Company 505103

(3.52% of common shares)

Goldman, Sachs & Co. Regular Account

(3.00% of common shares)

The Master Trust Bank of Japan, Ltd.

(2.99% of common shares)

Morgan Stanley and Company Inc.

(2.98% of common shares)

Japan Trustee Services Bank, Ltd.

(2.53% of common shares)

(As of September 30, 2005)

### Network

#### Americas:

New York Representative Office

Shinsei Capital (USA), Ltd.

Grand Cayman Branch

Shinsei Bank Finance N.V.

#### Domestic Branches:

Head Office (Tokyo)

Marunouchi Annex

(Housing Loan Center Tokyo)

Ginza Annex

Ginza Corridor Street Annex

Kyobashi Annex

Sapporo Branch

Sendai Branch

Kanazawa Branch

Omiya Branch

LaLaport Branch

Tokyo Branch

Ikebukuro Branch

Ueno Branch

Kichijoji Branch

Shinjuku Branch

Shinjuku South Annex

Shiodome SIO-SITE Branch

Roppongi Hills Branch

Keyakizakadori Annex

Shibuya Branch

Hiroo Branch

Meguro Branch

Futakotamagawa Branch

Hachioji Branch

Yokohama Branch

Fujisawa Branch

Nagoya Branch

Kyoto Branch

Osaka Branch

Umeda Branch

Hankyu-Umeda Annex

Namba Branch

Shinsaibashi Annex

Kobe Branch

Hiroshima Branch

Takamatsu Branch

Fukuoka Branch

(As of December 1, 2005)

#### Domestic Sub-Branches (ATM only):

Tokyo Metro stations

18 locations

Keikyu Station Bank

37 locations

Other train stations

9 locations

Other

69 locations

(As of the end of November 2005)

Co-managed under a tie-up  
with Seven Bank, Ltd.

10,434 locations

(As of the end of September 2005)

(\*1) Reduced from 5,000,000,000 to 2,500,000,000 on July 29, 2003.

(\*2) There was a 1-for-2 reverse stock split on July 29, 2003.

(\*3) Since February 19, 2004, the Bank's common stock has been listed on the First Section of the Tokyo Stock Exchange.

(\*4) 1. Actual shareholdings have been reported to the full extent to which the Bank is aware.  
2. Mr. J. Christopher Flowers is a director of the Bank.