

# CONSOLIDATED STATEMENTS OF OPERATIONS

Shinsei Bank, Limited, and Consolidated Subsidiaries  
For the fiscal years ended March 31, 2008 and 2007

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2008	2007	2008
Interest income:			
Interest on loans and bills discounted	¥ 187,782	¥ 127,026	\$ 1,882,907
Interest and dividends on securities	42,768	32,309	428,844
Interest on deposits with banks	5,359	4,284	53,738
Other interest income	6,261	9,198	62,780
<b>Total interest income</b>	<b>242,171</b>	<b>172,818</b>	<b>2,428,269</b>
Interest expenses:			
Interest on deposits, including negotiable certificates of deposit	47,925	34,341	480,557
Interest and discounts on debentures	3,398	3,006	34,074
Interest on other borrowings	30,176	16,964	302,579
Interest on corporate bonds	15,278	10,409	153,194
Other interest expenses	7,617	12,600	76,382
<b>Total interest expenses</b>	<b>104,395</b>	<b>77,322</b>	<b>1,046,786</b>
<b>Net interest income</b>	<b>137,775</b>	<b>95,496</b>	<b>1,381,483</b>
Fees and commissions income	65,977	70,858	661,562
Fees and commissions expenses	25,141	24,409	252,098
<b>Net fees and commissions</b>	<b>40,835</b>	<b>46,449</b>	<b>409,464</b>
<b>Net trading income</b> (Note 27)	<b>9,090</b>	<b>17,809</b>	<b>91,152</b>
Other business income (loss), net:			
Income on leased assets and installment receivables, net	52,157	51,123	522,985
Income on monetary assets held in trust, net	20,967	14,725	210,245
Net gain on foreign exchanges	2,701	10,423	27,093
Net gain (loss) on securities	(10,427)	15,144	(104,561)
Net gain on other monetary claims purchased	15,408	19,978	154,499
Other, net (Note 28)	(5,816)	(14,772)	(58,327)
<b>Net other business income</b>	<b>74,990</b>	<b>96,622</b>	<b>751,934</b>
<b>Total revenue</b>	<b>262,692</b>	<b>256,378</b>	<b>2,634,033</b>
General and administrative expenses:			
Personnel expenses	64,526	62,701	647,011
Premises expenses	18,677	17,359	187,285
Technology and data processing expenses	21,803	20,116	218,626
Advertising expenses	9,958	10,971	99,856
Consumption and property taxes	8,455	7,386	84,785
Deposit insurance premium	3,431	2,835	34,409
Other general and administrative expenses	31,907	28,862	319,937
<b>General and administrative expenses</b>	<b>158,761</b>	<b>150,233</b>	<b>1,591,909</b>
<b>Amortization of goodwill and other intangible assets</b>	<b>12,534</b>	<b>20,800</b>	<b>125,688</b>
<b>Total general and administrative expenses</b>	<b>171,295</b>	<b>171,034</b>	<b>1,717,597</b>
<b>Net business profit</b>	<b>91,396</b>	<b>85,343</b>	<b>916,436</b>
Net credit costs (Note 29)	73,591	51,934	737,904
Other gains (losses), net (Note 30)	74,750	(99,117)	749,533
<b>Income (loss) before income taxes and minority interests</b>	<b>92,556</b>	<b>(65,708)</b>	<b>928,065</b>
Income taxes (benefit) (Note 33):			
Current	4,902	3,249	49,154
Deferred	9,500	(24,615)	95,261
Minority interests in net income of subsidiaries	18,044	16,643	180,938
<b>Net income (loss)</b>	<b>¥ 60,108</b>	<b>¥ (60,984)</b>	<b>\$ 602,712</b>
	Yen		U.S. dollars (Note 1)
<b>Basic net income (loss) per common share</b> (Note 37)	<b>¥ 38.98</b>	<b>¥ (45.92)</b>	<b>\$ 0.39</b>
<b>Diluted net income per common share</b> (Note 37)	<b>32.44</b>		<b>0.32</b>
<b>Cash dividends applicable to the year:</b>			
<b>Common share</b> (Note 38)	<b>2.94</b>	2.66	<b>0.03</b>
<b>Class-A preferred share</b> (Note 38)	<b>6.50</b>	13.00	<b>0.07</b>
<b>Class-B preferred share</b> (Note 38)	<b>—</b>	4.84	<b>—</b>

See accompanying "Notes to Consolidated Financial Statements," which are an integral part of these statements.