

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

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
Common stock:			
Balance at beginning of year	¥ 291,853	¥ 180,853	\$ 2,926,439
Issuance of new shares of common stock	25,000	—	250,677
Conversion from preferred stock	159,443	111,000	1,598,748
Balance at end of year	476,296	291,853	4,775,864
Preferred stock:			
Balance at beginning of year	159,443	270,443	1,598,748
Conversion into common stock	(159,443)	(111,000)	(1,598,748)
Balance at end of year	—	159,443	—
Capital surplus:			
Balance at beginning of year	18,558	18,558	186,086
Issuance of new shares of common stock	25,000	—	250,677
Balance at end of year	43,558	18,558	436,763
Stock acquisition rights:			
Balance at beginning of year	517	—	5,188
Net change during the year	740	517	7,424
Balance at end of year	1,257	517	12,612
Retained earnings:			
Balance at beginning of year	245,499	379,502	2,461,642
Dividends paid	(3,072)	(7,443)	(30,803)
Net income (loss)	60,108	(60,984)	602,712
Disposal of treasury stock	—	(15)	—
Retirement of treasury stock	—	(63,963)	—
Other changes by exclusion of affiliates	—	(1,595)	—
Changes by inclusion of subsidiaries (former non-consolidated subsidiaries)	(0)	—	(6)
Balance at end of year	302,535	245,499	3,033,545
Unrealized gain (loss) on available-for-sale securities:			
Balance at beginning of year	5,091	2,208	51,055
Net change during the year	(40,165)	2,882	(402,739)
Balance at end of year	(35,073)	5,091	(351,684)
Deferred gain (loss) on derivatives under hedge accounting:			
Balance at beginning of year	(7,744)	—	(77,653)
Net change during the year	6,686	(7,744)	67,049
Balance at end of year	(1,057)	(7,744)	(10,604)
Foreign currency translation adjustments:			
Balance at beginning of year	2,952	3,781	29,606
Net change during the year	(1,079)	(829)	(10,828)
Balance at end of year	1,872	2,952	18,778
Treasury stock, at cost:			
Balance at beginning of year	(72,560)	(12)	(727,571)
Purchase of treasury stock	(1)	(136,672)	(20)
Disposal of treasury stock	—	160	—
Retirement of treasury stock	—	63,963	—
Changes by inclusion of subsidiaries	(4)	—	(42)
Balance at end of year	(72,566)	(72,560)	(727,633)
Minority interests in subsidiaries:			
Balance at beginning of year	289,642	—	2,904,264
Net change during the year	(41,204)	289,642	(413,162)
Balance at end of year	248,437	289,642	2,491,102
Total equity	¥ 965,261	¥ 933,253	\$ 9,678,743

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