

For Immediate Press Release:

Shinsei Bank Announces Financial Results for Fiscal 2002

- Consolidated Net Income of JPY 53.0 billion
- Non-interest income represents 40% of total revenue
- Non-Performing Assets decreased by 79%
- Capital Adequacy Ratio increased to 20.10%

Tokyo (Monday, May 26, 2003) – Shinsei Bank, Limited (“Shinsei Bank”) today announced its financial results for the fiscal year 2002 (FY2002), which ended on March 31, 2003.

Profit & Loss

Consolidated

For FY2002, Shinsei Bank posted consolidated Net Income After Tax of 53.0 billion yen, down from 61.2 billion yen in FY2001. The decrease was partly due to an approximately 20 billion yen cost associated with the disposition and devaluation of US corporate bond investments reflecting the tough US economic environment. This decrease was off set by an increase in fees and commissions, higher trading income, and net credit recoveries.

Consolidated Net Business Profit Before General Reserve for Loan Losses (jisshitsu gyomu jun-eki) was 41.8 billion yen. This figure is reported for regulatory purposes and indicates core earnings before credit cost.

Non-consolidated

The Bank posted Gross Business Profit (gyomu so-rieki, or revenue) of 108.9 billion yen on a non-consolidated basis, down from 123.8 billion yen in FY2001. The decrease was partly due to the approximately 20 billion yen cost associated with the disposition and devaluation of US corporate bond investments. This decrease was off set by an increase in fees and commissions, as well as in trading income, reflecting growth in the Bank’s investment banking businesses.

Expenses on a non-consolidated basis decreased by 2.2 billion yen from FY2001 to 63.7 billion yen due to continued efforts to streamline operations.

Net Business Profit Before General Reserve for Loan Losses (jisshitsu gyomu jun-eki) decreased by 12.7 billion yen to 45.3 billion yen.

Non-consolidated Net Income After Tax was 59.1 billion yen, including a 3.0 billion yen gain from returning substituted employee pension to the government, a 10.1 billion yen net credit recovery, and a 7.4 billion recognition of deferred tax assets.

Non-consolidated Net Income of 59.1 billion yen exceeded 58.6 billion yen, the amount set in the Plan for Restoring Sound Management (“the Plan”) submitted to the Financial Services Agency as the Bank’s annual target for FY2002. Expense of 63.7 billion yen was below the 70.0 billion yen target amount set in the Plan for FY2002.

Balance Sheet (non-consolidated)

On the assets side, Loans and Bills Discounted stood at 3.6732 trillion yen as of the end of March 2003, a decrease of 1.339 trillion yen from the end of March 2002. This was attributed to a reduction of approximately 1.1 trillion yen in loans to borrowers categorized as “Need Caution” and below; this included the disposal of about 660 billion yen in nonperforming loans, or loans to borrowers categorized as “Need Special Supervision” and below, through measures such as direct write-offs and assignments.

As for loans to small- and medium-sized enterprises, the Bank believes it achieved the target volume set in the Plan, although the official result has yet to be determined.

On the liabilities side, Debentures decreased from the end of March 2002 by 846.8 billion yen to 1.8884 trillion yen, while total Deposits and NCDs increased by 218.9 billion yen to 2.6029 trillion yen. In particular, retail deposits increased more than 600 billion yen in FY2002, reflecting the successful implementation of the Bank’s strategy to put more weight on deposits in its funding.

Asset Quality (non-consolidated)

The total bad assets classified “Substandard (or Need Special Supervision)” (yo-kanri) or below decreased by 880.4 billion yen from the end of March 2002 to 233.2 billion yen, well below the target of 300 billion yen. The majority of the reduction was due to the Bank’s collection efforts. These efforts were based on intensive discussions with borrowers, in some cases resulting in Shinsei Bank’s supporting the securitization or liquidation of their assets. In addition, loan assignments were made to third parties other than the Deposit Insurance Corporation of Japan (“DIC”). The portion of bad assets returned to the DIC through the cancellation right represents approximately 30% of the total reduction of bad

assets achieved in FY2002. The ratio of bad assets to total credit decreased to 5.7%. The Bank took a more conservative approach in reserve provisioning, including applying DCF (discounted cash-flow) methods. As a result, the balance of Reserve for Loan Losses stood at 216.5 billion yen. As of March 2003, Shinsei Bank has virtually finished resolving its bad asset disposition as planned.

Capital Adequacy (consolidated)

The capital adequacy ratio on a consolidated basis stood at 20.10% and Tier 1 ratio at 14.27% as of the end of March 2003.

Performance Forecast for FY2003

For FY2003 ending March 31, 2004, the Bank forecasts Net Income of 65 billion yen on both a consolidated and non-consolidated basis.

President Yashiro's comment

At the press conference announcing these results, Masamoto Yashiro, the Chairman, President and CEO of Shinsei Bank, stated the following:

“For the last three years we pursued two key strategies, one being to reduce nonperforming loans and strengthen our financial position, and the other to implement a new business model, including launching a full retail business and establishing investment banking business. Thanks to our customers' support, we believe we have achieved these goals in a satisfactory manner during the past three years.”

“In the retail business, which will celebrate its second anniversary on June 5, 2003, we launched various new, creative products and services, including the comprehensive PowerFlex account. These services are supported by our totally renovated information technology with open architecture that has replaced legacy mainframe computer systems. We actively promote fee-free ATMs, internet banking and call center operations, all of which are available around-the-clock. We recently opened Shinsei Financial Centers in a shopping mall and large business complexes, including Roppongi Hills.”

“Our customers continue to benefit from our ATM alliances with I-Y Bank and Keihin Electric Express Railway, and the number of PowerFlex accounts had increased to 320,000 at the end of April, with a total balance of 1.4 trillion yen. We hope our retail business will achieve break-even this summer.”

“In the investment banking area, we recruited skilled and experienced personnel from outside the Bank, retrained existing staff, and have worked effectively leverage our substantial institutional customer base. We integrated the relationship management and products groups, enabling us to quickly provide sophisticated financial solutions to our institutional customers’ challenging funding and business restructuring needs.”

“These solutions include securitization, M&A, loan trading and non-recourse lending, all rather new to the traditional Japanese banking industry, and all with good growth potential. A new corporate revitalization team established in March 2003 has already started working with a number of customers, representing Shinsei’s commitment to providing solutions.”

“Total non-interest income on a consolidated basis represents approximately 40% of total gross business profit for FY2002, exceeding our initial target of 30% within three years.”

“The greatest achievement over the last three years is the fact that, going forward, we can continue to be confident about the business model that we have chosen to follow.”

“With our customers’ support, we aim to maintain our financial strength and asset quality and to focus on long-term sustainable growth of business and profit. For FY2003, we hope to have non-interest income represent 50% of total revenue, further diversify and stabilize revenue sources, and increase our earning assets in order to better utilize our strong capital.”

Financial Highlights - Consolidated

Balance Sheet data at the end of	billions of yen			
	Mar. 2003	Mar. 2002	change	
	a	b	a-b	%
Total Assets	6,707.0	8,069.6	-1,362.6	-16.9%
Loans and Bills Discounted	3,502.3	4,801.9	-1,299.6	-27.1%
Securities	1,771.0	1,462.3	308.7	21.1%
Cash and Due from Banks	245.3	342.1	-96.7	-28.3%
Debentures	1,913.6	2,786.4	-872.8	-31.3%
Deposits (including CDs)	2,576.9	2,260.8	316.2	14.0%
Total Stockholders' Equity	679.8	623.5	56.3	9.0%
Capital Adequacy Ratios	20.10%	17.04%	-	-
Risk Assets	4,622.8	5,759.2	-1,136.4	-19.7%

Profit for the Fiscal Years Ended	billions of yen			
	Mar. 2003	Mar. 2002	change	
	a	b	a-b	%
Total Operating Income	201.2	236.0	-34.8	-14.8%
Net Business Profit (<i>jisshitsu gyomu jun-eki</i>)*	41.8	58.8	-17.0	-29.0%
Net Operating Income (<i>keijo rieki</i>)	34.0	39.5	-5.5	-13.9%
Net Income	53.0	61.2	-8.2	-13.3%
Net Income per Share (yen)	18.09	21.11	-3.0	-0.1

* before general loan loss reserves, including gain/losses from loan trading business

References	Mar. 2003	Mar. 2002
Exchange Rate (¥/\$)	120.20	133.20
Nikkei Average	7,972.71	11,024.94

Consolidated Balance Sheets - Assets : FY'01-FY'02

<i>in millions of yen</i>					
	#	Mar.31,2003 a	Mar.31,2002 b	Change	
				a-b	%
Loans and Bills Discounted	1	3,502,349	4,801,904	-1,299,555	-27.1%
Foreign Exchanges	2	10,273	149,251	-138,977	-93.1%
Securities	3	1,770,996	1,462,281	308,714	21.1%
Money Held in Trust	4	170,045	172,835	-2,790	-1.6%
Trading Assets	5	361,175	443,972	-82,796	-18.6%
Other Debt Purchased	6	201,943	68,980	132,963	192.8%
Collateral Related to Securities Borrowing Transactions	7	1,966	-	1,966	-
Call Loans and Bills Bought	8	536	296,559	-296,023	-99.8%
Cash and Due from Banks	9	245,337	342,055	-96,718	-28.3%
Other Assets	10	503,635	486,605	17,030	3.5%
Premises and Equipment	11	86,117	82,565	3,552	4.3%
Deferred Discounts and Issuance Expenses on Debentures	12	185	469	-283	-60.3%
Deferred Tax Assets	13	18,435	17,695	740	4.2%
Customers' Liabilities for Acceptances and Guarantees	14	50,544	114,411	-63,866	-55.8%
Reserve for Loan Losses	15	-216,570	-370,033	153,462	-41.5%
Total Assets	16	6,706,971	8,069,554	-1,362,583	-16.9%

US\$ / yen @120.20 @133.20

Consolidated Balance Sheets

-Liabilities, Minority Interests in Subsidiaries and Stockholders' Equity : FY'01-FY'02

in millions of yen

	#	Mar.31,2003	Mar.31,2002	Change	
		a	b	a-b	%
Debentures	1	1,913,556	2,786,355	-872,798	-31.3%
Deposits	2	2,246,888	1,864,862	382,026	20.5%
Negotiable Certificates of Deposits	3	330,034	395,893	-65,858	-16.6%
Borrowed Money	4	336,888	459,272	-122,384	-26.6%
Trading Liabilities	5	117,497	173,580	-56,083	-32.3%
Commercial Paper	6	-	1,000	-1,000	-100.0%
Payables under Repurchase Agreements	7	164,958	-	164,958	-
Collateral-Related to Securities Lending Transactions	8	397,344	582,198	-184,854	-31.8%
Call Money and Bills Sold	9	-	329,900	-329,900	-100.0%
Foreign Exchanges	10	13	65	-52	-80.0%
Other Liabilities	11	452,587	707,042	-254,455	-36.0%
Reserve for Bonus Payable	12	9,098	8,584	513	6.0%
Reserve for Retirement Benefits	13	5,856	22,766	-16,909	-74.3%
Reserve for Loss on Disposition of Premises and Equipment	14	450	53	397	749.1%
Reserve for Loss on Sale of Bonds	15	1,248	-	1,248	-
Deferred Tax Liabilities	16	-	0	-0	-
Acceptances and Guarantees	17	50,544	114,411	-63,866	-55.8%
Total Liabilities	18	6,026,968	7,445,987	-1,419,019	-19.1%
Minority Interests in Subsidiaries	19	166	33	132	400.0%
Capital Stock	20	451,296	451,296	-	-
Capital Surplus	21	18,558	18,558	-	-
Retained Earnings	22	194,666	145,094	49,572	34.2%
Net Unrealized Gain or Loss on Securities Available-for-Sale, Net of Taxes	23	13,243	5,790	7,453	128.7%
Foreign Currency Translation Adjustments	24	2,071	2,794	-723	-25.9%
Treasury Stock, at Cost	25	-0	-0	-	-
Total Stockholders' Equity	26	679,837	623,534	56,303	9.0%
Total Liabilities, Minority Interests in Subsidiaries and Stockholders' Equity	27	6,706,971	8,069,554	-1,362,583	-16.9%

US\$ / yen

@120.20

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Consolidated Statements of Income : FY'01-FY'02

in millions of yen

	#	FY'02	FY'01	Change	
		a	b	a-b	%
Operating Income	1	201,166	235,967	-34,801	-14.7%
Interest Income	2	111,289	155,481	-44,192	-28.4%
Interest on Loans and Discounts	3	88,848	116,397	-27,548	-23.7%
Interest and Dividends on Securities	4	14,158	24,213	-10,054	-41.5%
Interest on Collateral Related to Securities Borrowing	5	23	0	23	-
Interest on Call Loans and Bills Discounted	6	16	180	-164	-91.1%
Interest on Deposits with Banks	7	1,324	4,538	-3,214	-70.8%
Other Interest Income	8	6,917	10,151	-3,234	-31.9%
Fees and Commissions	9	20,767	11,277	9,489	84.1%
Trading Revenue	10	8,513	1,912	6,601	345.2%
Other Business Income	11	29,024	35,648	-6,624	-18.6%
Other Operating Income	12	31,570	31,647	-77	-0.2%
Operating Expenses	13	167,175	196,511	-29,336	-14.9%
Interest Expenses	14	45,172	67,072	-21,899	-32.6%
Interest on Debentures	15	20,213	41,976	-21,762	-51.8%
Amortization of Discount on Debentures	16	198	1,148	-949	-82.7%
Interest on Deposits	17	10,007	4,737	5,270	111.3%
Interest on Negotiable C.D.s	18	516	661	-145	-21.9%
Interest on Borrowings	19	12,179	13,151	-972	-7.4%
Interest on Commercial Paper	20	3	56	-53	-94.6%
Interest on Bills Rediscounted	21	10	-	10	-
Interest on Collateral Related to Securities Lending	22	311	-	311	-
Interest on Call Money and Bills Rediscounted	23	28	15	13	86.7%
Other Interest Expenses	24	1,702	5,325	-3,623	-68.0%
Fees and Commissions	25	4,183	3,474	708	20.4%
Trading Expenses	26	-	126	-126	-
Other Business Expenses	27	34,454	21,452	13,002	60.6%
General and Administrative Expenses	28	69,748	69,514	234	0.3%
Other Operating Expenses	29	13,616	34,871	-21,255	-61.0%
Net Operating Income	30	33,990	39,455	-5,465	-13.9%
Extraordinary Income	31	15,306	10,593	4,712	44.5%
Profit on Property Sold	32	371	10,587	-10,216	
Bad Debt Recovered	33	0	4	-4	
Other Extraordinary Income	34	14,933	1	14,932	
Extraordinary Expenses	35	2,966	9,709	-6,743	-69.5%
Loss on Property Sold	36	2,504	9,419	-6,915	
Provision for Loss on Disposition of Premises and Equipment	37	450	53	397	
Other Extraordinary Expenses	38	12	237	-225	
Income before Income Taxes and Minority Interests	39	46,330	40,339	5,990	14.8%
Income Tax Expense - Current	40	824	314	510	162.4%
Income Tax Expense (Benefit) - Deferred	41	-7,525	-21,227	13,702	-64.5%
Minority Interest in Net Income of Consolidated Subsidiaries	42	0	32	-31	-
Net Income	43	53,030	61,219	-8,189	-13.4%

US\$/yen @120.20 @133.20

Financial Data - Consolidated

1. Business Profit

in millions of yen

	FY'02	FY'01	Change	
	a	b	a-b	%
Gross Business Profit	109,912	127,328	-17,416	-13.7%
Net Business Profit (jisshitsu gyomu jun-eki)*	41,771	58,813	-17,042	-29.0%

* before general loan loss reserves, including gain/losses from loan trading business

2. Loan Loss Reserves

in billions of yen

	Mar.31, '03	Mar.31, '02	Change	
	a	b	a-b	
Loan Loss Reserves	216.6	370.0	-153.5	
General	96.4	191.8	-95.4	
Specific	120.1	178.1	-58.0	
Country Risk	0.1	0.2	-0.1	

3. Capital Adequacy Ratio

in billions of yen

	Mar.31, '03	Mar.31, '02	Change	
	a	b	a-b	%
Capital Adequacy Ratio	20.10%	17.04%	3.06%	
Tier I Capital	659.8	614.3	45.5	
Tier II Capital	273.3	368.1	-94.8	
Subordinated Debt included in Tier II	244.4	332.1	-87.7	
Risk Assets	4,622.8	5,759.2	-1,136.4	-19.7%

4. Risk Monitored Loan

in billions of yen

	Mar.31, '03	Mar.31, '02	Change	
	a	b	a-b	%
Loans under Bankruptcy	13.4	200.7	-187.3	-93.3%
(% of loans)	(0.4%)	(4.2%)	-3.80%	
Loans Past Due (Six Months)	117.3	475.2	-357.9	-75.3%
(% of loans)	(3.3%)	(9.9%)	-6.60%	
Loans Past Due Three Months or More	74.3	93.6	-19.3	-20.6%
(% of loans)	(2.1%)	(1.9%)	0.20%	
Restructured Loans	24.3	274.0	-166.2	-60.7%
(% of loans)	(0.7%)	(5.7%)	-5.00%	
Total	229.4	1,043.5	-814.1	-78.0%
(% of loans)	(6.5%)	(21.7%)	-15.20%	
ref. Total Loan Balance	3,502,349	4,801,904	-1,299,555	-27.1%

Financial Highlights - Non-Consolidated

Balance Sheet data at the end of	billions of yen			
	Mar. 2003	Mar. 2002	change	
	a	b	a-b	%
Total Assets	6,763.7	8,366.6	-1,602.9	-19.2%
Loans and Bills Discounted	3,673.2	5,012.2	-1,339.0	-26.7%
Securities	1,768.0	1,493.0	275.0	18.4%
Corporate Equities	21.5	20.1	1.4	7.0%
Cash and Due from Banks	242.7	376.3	-133.6	-35.5%
Debentures	1,888.4	2,735.3	-846.8	-31.0%
Deposits (including CDs)	2,602.9	2,384.0	218.9	9.2%
Total Stockholders' Equity	680.4	617.3	63.0	10.2%

Profit for the Fiscal Years Ended	billions of yen			
	Mar. 2003	Mar. 2002	change	
	a	b	a-b	%
Total Operating Income	189.9	220.5	-30.6	-13.9%
Net Business Profit (<i>jisshitsu gyomu jun-eki</i>)*	45.3	57.9	-12.7	-21.9%
Reference: (Bond Gains - net)	-15.1	-3.1	-12.0	386.8%
Net Operating Income (<i>keijo rieki</i>)	38.1	38.5	-0.4	-1.1%
Reference: (Stock Gains - net)	-0.8	-5.5	4.7	-85.6%
(Credit Cost)	-10.1	2.8	-12.9	-460.4%
Net Income	59.1	60.7	-1.6	-2.7%
Net Income per Share (yen)	20.32	20.93	0.61	
Dividend per Share (yen) Common	1.11	1.11	-	
Preferred II	13.00	13.00	-	
Preferred III	4.84	4.84	-	

* before general loan loss reserves, including gain/losses on money held in trust

References	Mar. 2003	Mar. 2002
Exchange Rate (¥/\$)	120.20	133.20
Nikkei Average	7,972.71	11,024.94

Non-Consolidated Balance Sheet - Assets : FY'01-FY'02

in millions of yen

	#	Mar.31,2003	Mar.31,2002	Change	
		a	b	a-b	%
Loans	1	3,673,158	5,012,174	-1,339,016	-26.7%
Loans on Deeds	2	2,774,443	3,153,592	-379,148	-12.0%
Loans on Notes	3	465,132	1,277,126	-811,994	-63.6%
Overdrafts	4	432,604	579,417	-146,812	-25.3%
Bills Discounted	5	977	2,038	-1,060	-52.0%
Foreign Exchanges	6	10,273	149,251	-138,977	-93.1%
Foreign Bills Bought	7	2	559	-556	-99.5%
Foreign Bills Receivable	8	4,130	3,128	1,002	32.0%
Due from Foreign Banks	9	6,140	145,563	-139,423	-95.8%
Securities	10	1,768,003	1,493,048	274,955	18.4%
Government Bonds	11	1,347,805	938,413	409,391	43.6%
Local Government Bonds	12	20	29	-8	-27.6%
Corporate Bonds	13	86,629	49,683	36,945	74.4%
Equities	14	21,510	20,079	1,430	7.1%
Other Securities	15	312,036	484,841	-172,804	-35.6%
Money Held in Trust	16	176,692	130,328	46,363	35.6%
Trading Assets	17	356,406	591,014	-234,607	-39.7%
Trading Securities	18	212,168	247,637	-35,469	-14.3%
Securities Related to Trading Securities	19	31,108	-	31,108	-
Derivatives of Securities Related to Trading Transactions	20	5	-	5	-
Trading-Related Financial Derivatives	21	113,124	343,376	-230,252	-67.1%
Commercial Paper and Other Debt Purchased	22	127,072	2,798	124,274	4441.5%
Collateral Related to Securities Borrowing Transactions	23	1,966	122,394	-120,428	-98.4%
Call Loans	24	536	296,559	-296,023	-99.8%
Cash and Due from Banks	25	242,713	376,301	-133,587	-35.5%
Cash	26	24,218	28,114	-3,895	-13.9%
Due from Banks	27	218,495	348,186	-129,691	-37.2%
Other Assets	28	495,490	345,069	150,421	43.6%
Prepaid Expenses	29	674	861	-187	-21.7%
Accrued Income	30	36,457	42,419	-5,961	-14.1%
Margin on Future Transactions	31	595	69	526	762.3%
Suspense Payment on Future Transactions	32	15	30	-14	-46.7%
Derivatives	33	20,124	36,065	-15,940	-44.2%
Deferred Loss of Hedge Transactions	34	42,546	13,326	29,219	219.3%
Financial Stabilization Donation Fund	35	70,239	70,239	-	-
Others	36	324,838	182,058	142,780	78.4%
Premises and Equipment	37	21,912	17,375	4,537	26.1%
Land, Buildings and Others	38	15,287	10,243	5,043	49.2%
Suspense Payment for Construction in Progress	39	509	1,104	-595	-53.9%
Security Deposit and Others	40	6,115	6,026	88	1.5%
Deferred Discounts and Issuance Expenses on Debentures	41	163	345	-182	-52.8%
Deferred Discounts on Debentures	42	26	176	-149	-84.7%
Deferred Expenses for Issuance of Debentures	43	136	169	-32	-18.9%
Deferred Tax Assets	44	18,330	17,644	685	3.9%
Customers' Liabilities for Acceptances and Guarantees	45	87,580	183,783	-96,202	-52.3%
Reserve for Possible Loan Losses	46	-216,590	-371,461	154,870	-41.7%
Total Assets	47	6,763,710	8,366,626	-1,602,916	-19.2%

US\$ / yen

@120.20

@133.20

Non-Consolidated Balance Sheet
- Liabilities and Stockholders' Equity : FY'01-FY'02

in millions of yen

	#	Mar.31,2003 a	Mar.31,2002 b	Change	
				a-b	%
Debentures	1	1,888,405	2,735,251	-846,846	-31.0%
Deposits	2	2,272,868	1,988,139	284,729	14.3%
Time Deposits	3	1,537,035	1,239,561	297,474	24.0%
Deposits at Notice	4	36,362	71,565	-35,202	-49.2%
Saving Deposits	5	526,450	497,797	28,652	5.8%
Current Account	6	21,253	26,231	-4,978	-19.0%
Others	7	151,765	152,982	-1,216	-0.8%
Negotiable Certificates of Deposits	8	330,034	395,893	-65,858	-16.6%
Borrowed Money	9	358,259	515,061	-156,802	-30.4%
Trading Liabilities	10	118,255	347,667	-229,411	-66.0%
Derivatives of Securities Related Trading Transactions	11	4	-	4	-
Trading-related Financial Derivatives	12	118,251	347,667	-229,415	-66.0%
Bills Sold	13	-	169,100	-169,100	-
Commercial Paper	14	-	1,000	-1,000	-
Payables under Repurchase Agreement	15	164,958	-	164,958	-
Collateral-Related Securities Lending Transactions	16	397,344	582,198	-184,854	-31.8%
Call Money	17	-	160,800	-160,800	-
Foreign Exchanges	18	8,918	66	8,852	13412.1%
Foreign Bills Payable	19	10	0	10	-
Due to Foreign Banks	20	8,907	65	8,842	13603.1%
Other Liabilities	21	441,904	639,750	-197,845	-30.9%
Accrued Expenses	22	46,318	57,867	-11,549	-20.0%
Income Taxes Payable	23	30	34	-4	-11.8%
Unearned Revenue	24	3,946	6,403	-2,457	-38.4%
Borrowed Securities	25	-	123,426	-123,426	-
Suspense Receipt on Futures Transactions	26	0	69	-68	-
Derivatives	27	63,923	51,204	12,719	24.8%
Payables on Trading Transactions	28	-	95,863	-95,863	-
Others	29	327,684	304,880	22,804	7.5%
Reserve for Bonuses Payable	30	7,293	7,802	-509	-6.5%
Reserve for Employee Retirement Benefit	31	5,813	22,732	-16,919	-74.4%
Reserve for Loss on Disposition of Premises and Equipment	32	450	53	397	749.1%
Reserve for Loss on Sale of Bonds	33	1,248	-	1,248	-
Acceptances and Guarantees	34	87,580	183,783	-96,202	-52.3%
Total Liabilities	35	6,083,335	7,749,299	-1,665,963	-21.5%
Capital Stock	36	451,296	451,296	-	-
Capital Surplus	37	18,558	18,558	-	-
Additional Paid-in Capital	38	18,558	18,558	-	-
Retained Earnings	39	197,320	141,687	55,633	39.3%
Appropriated for Legal Reserve	40	2,756	2,064	692	33.5%
Undivided Profit (Deficit) at Term End	41	194,564	139,622	54,941	39.3%
Net Income (Net Loss)	42	59,091	60,738	-1,647	-2.7%
Net Unrealized Gains on Securities Available-for-Sale, Net of Taxes	43	13,199	5,785	7,413	128.1%
Treasury Stock, at Cost	44	-0	-0	-	-
Total Stockholders' Equity	45	680,374	617,327	63,047	10.2%
Total Liabilities and Stockholders' Equity	46	6,763,710	8,366,626	-1,602,916	-19.2%

US\$ / yen

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Non-Consolidated Statement of Income : FY'01-FY'02

in millions of yen

	#	FY'02	FY'01	Change	
		a	b	a-b	%
Operating Income	1	189,919	220,531	-30,612	-13.9%
Interest Income	2	120,196	163,060	-42,864	-26.3%
Interest on Loans and Discounts	3	90,594	117,632	-27,038	-23.0%
Interest and Dividends on Securities	4	21,538	29,518	-7,979	-27.0%
Interest on Bills Discounted	5	3	5	-1	-20.0%
Interest on Call Loans	6	13	174	-161	-92.5%
Interest on Collateral Related to Securities Borrowing	7	23	19	3	15.8%
Interest on Deposits with Banks	8	1,535	5,271	-3,736	-70.9%
Interest on Swaps	9	5,037	9,744	-4,706	-48.3%
Other Interest Income	10	1,449	692	756	109.2%
Fees and Commissions	11	18,399	10,908	7,490	68.7%
Domestic and Foreign Exchange Commissions	12	230	258	-27	-10.5%
Others	13	18,168	10,650	7,518	70.6%
Trading Revenue	14	2,807	561	2,245	400.2%
Revenue from Trading Securities and Derivatives	15	314	541	-227	-42.0%
Revenue from Securities and Derivatives Related to Trading Transactions	16	467	19	447	2352.6%
Revenue from Trading-Related Financial Derivatives Transactions	17	1,556	-	-1,556	-
Other Trading Revenue	18	469	-	469	-
Other Business Income	19	7,953	10,448	-2,495	-23.9%
Income on Foreign Exchange Transactions	20	-	2,260	-2,260	-
Income on Sales of Investment Bonds	21	7,494	3,985	3,508	88.0%
Income on Investment Bonds Redeemed	22	71	-	71	-
Others	22	387	4,202	-3,814	-90.8%
Other Operating Income	23	40,562	35,551	5,011	14.1%
Gains on Sales of Stocks and Other Equity-Related Securities	24	3,597	5,417	-1,820	-33.6%
Gains on Money Held in Trust	25	33,573	26,760	6,813	25.5%
Others	26	3,391	3,373	17	0.5%
Operating Expenses	27	151,830	182,047	-30,217	-16.6%
Interest Expenses	28	45,569	70,508	-24,939	-35.4%
Interest on Coupon Debentures	29	19,000	37,227	-18,227	-49.0%
Amortization of Discount on Debentures	30	198	1,148	-949	-82.7%
Interest on Deposits	31	10,474	7,755	2,719	35.1%
Interest on Negotiable C.D.s	32	516	661	-145	-21.9%
Interest on Borrowings	33	13,332	18,313	-4,981	-27.2%
Interest on Bills Rediscounted	34	0	17	-17	-
Interest on Commercial Paper	35	0	15	-15	-
Interest on Call Money	36	28	38	-9	-23.7%
Interest on Payables under Repurchase Agreements	37	10	-	10	-
Interest on Collateral Related to Securities Lending	38	311	117	194	165.8%
Other Interest Expenses	39	1,697	5,213	-3,516	-67.4%
Fees and Commissions	40	3,824	3,441	383	11.1%
Domestic and Foreign Exchange Commissions	41	404	121	282	233.1%
Others	42	3,420	3,319	100	3.0%
Trading Expenses	43	-	300	-300	-
Expenses on Trading-Related Financial Derivatives Transactions	44	-	174	-174	-
Others	45	-	126	-126	-
Other Business Expenses	46	25,439	8,210	17,228	209.8%
Amortization of Expenses on Debenture Issuance	47	278	334	-56	-16.8%
Loss on Foreign Exchange Transactions	48	1,914	-	1,914	-
Loss on Sales of Investment Bonds	49	5,583	5,485	97	1.8%
Loss on Investment Bonds Redemption	50	0	-	0	-
Devaluation of Investment Bonds	51	17,074	1,618	15,456	955.3%
Expenses on Derivatives	52	332	771	-439	-56.9%
Others	53	255	-	255	-
General and Administrative Expenses	54	65,278	66,867	-1,589	-2.4%
Other Operating Expenses	55	11,718	32,717	-20,999	-64.2%
Provision for Loan Losses	56	-	2,450	2,450	-
Write-Off of Bad Loans	57	381	159	221	139.0%
Loss on Sales of Stocks and Other Equity-Related Securities	58	294	866	-572	-66.1%
Loss on Devaluation of Stocks and Other Securities	59	4,098	10,033	-5,934	-59.1%
Loss on Money Held in Trust	60	510	6,766	-6,255	-92.4%
Provision to Reserve for Loss on Sale of Bonds	61	1,248	-	1,248	-
Others	62	5,185	12,442	-7,257	-58.3%
Net Operating Income	63	38,089	38,484	-394	-1.0%
Extraordinary Income	64	16,579	10,591	5,987	56.5%
Gain on Disposal of Premises and Equipment	65	371	10,587	-10,215	-96.5%
Recoveries of Written-Off Claims	66	0	4	-3	-
Others	67	16,206	-	16,206	-
Extraordinary Expenses	68	2,944	9,403	-6,459	-68.7%
Loss on Disposal of Premises and Equipment	69	2,494	9,350	-6,856	-73.3%
Provision to Reserve for Loss on Disposal of Premises and Equipment	70	450	53	397	749.1%
Income before Income Taxes	71	51,724	39,672	12,052	30.4%
Income Taxes Expense (Current)	72	71	137	-66	-48.2%
Income Taxes Expense (Deferred)	73	-7,438	-21,204	13,766	-64.9%
Net Income	74	59,091	60,738	-1,647	-2.7%
Profit Brought Forward from Previous Term	75	135,472	83,001	52,471	63.2%
Interim Dividends Paid	76	-	3,430	-3,430	-
Transfer to Legal Reserve	77	-	686	-686	-
Undivided Profit at Term End	78	194,564	139,622	54,941	39.3%

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Financial Data - Non-Consolidated

1. Business Profit

in millions of yen

	FY'02	FY'01	Change	
	a	b	a-b	%
Gross Business Profit *	108,937	123,788	-14,851	-12.0%
Net Business Profit (<i>jisshitsu gyomu jun-eki</i>) **	45,264	57,920	-12,656	-21.9%

* including gain/losses on money held in trust

** before general loan loss reserves, including gain/losses on money held in trust

2. Profitability (Domestic Business)

	FY'02	FY'01	Change
Average Yield on Earning Assets (a)	1.55%	1.90%	-0.35%
Loans	2.10%	2.01%	0.09%
Securities	0.19%	0.29%	-0.10%
Average Funding Cost (b)	1.69%	1.84%	-0.15%
Debentures	0.84%	1.10%	-0.26%
Deposits and Negotiable CDs	0.35%	0.16%	0.19%
Spread (a-b)	-0.14%	0.06%	-0.20%

Reference - Non-Consolidated

1. Risk Monitored Loans

<i>in millions of yen</i>						<ref.>
		Mar.31,'03	Mar.31,'02	Change		Mar.31,'03
		a	b	a-b	%	Consolidated
Loans under Bankruptcy	A	13,234	200,693	-187,459	-93.4%	13,443
Loans Past Due (Six Months)	B	116,033	476,377	-360,344	-75.6%	117,321
Loans Past Due Three Months or More	C	74,310	93,075	-18,765	-20.2%	74,310
Restructured Loans	D	24,137	273,909	-249,772	-91.2%	24,297
A+B+C+D		227,715	1,044,056	-816,341	-78.2%	229,372
		(6.2%)	(20.8%)			(6.5%)
ref. Total Loan Balance		3,673,158	5,012,174	-1,339,016	-26.7%	3,502,349

2. Loan Loss Reserves

<i>in millions of yen</i>			
	Mar.31, '03	Mar.31, '02	change
	a	b	a-b
General	96,557	192,350	-95,793
Specific	119,979	178,954	-58,975
Country Risk	53	156	-103
Total (E)	216,590	371,461	-154,871

3. Reserve Ratio

	Mar.31, '03	Mar.31, '02	change
	a	b	a-b
Reserve Ratio to Risk Monitored Loans (E / (A+B+C+D))	95.1%	35.6%	59.5%

4. Credit Cost

<i>in millions of yen</i>		
	FY'02	FY'01
	a	b
Written-off Claims	381	159
Specific Reserve Provisioning	57,829	28,761
Loss on Sale of Other Loans	1,457	179
Reversal of Reserve for Loss on Sale of Bonds	1,248	-
Reversal of General Reserve for Loan Losses	-70,925	-26,156
Reversal of Country Risk Reserve	-90	-155
Total	-10,099	2,789

5. Problem Loans (Based on Financial Reconstruction Law)

in billions of yen

	Mar.31,'03	Mar.31,'02	Change	
			a-b	%
Bankruptcy	35.7	306.6	-166.3	-54.2%
Doubtful	99.0	440.1	70.0	15.9%
Special Supervision	98.4	367.0	-86.0	-23.4%
Total (A)	233.2	1,113.6	-182.4	-16.4%
Total Loan Balance (B)	4,088.2	5,565.7	-1,477.5	-26.5%
Ratio (A) / (B)	5.7%	20.0%	-14.3%	

ref. At or below "Need Caution" level	482.3	1,674.0	-397.5	
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6. Average Balance of Assets and Liabilities

in billions of yen

	FY'02	FY'01	Change	
	a	b	a-b	%
Deposits	2,834.7	2,774.6	60.2	2.2%
Debentures	2,262.1	3,468.3	-1,206.2	-34.8%
Loans & Bills Discounted	4,128.8	5,562.0	-1,433.1	-25.8%