

For Immediate Press Release

Shinsei Bank, Limited
(Code: 8303, TSE First Section)

Shinsei Bank Reports Financial Results for First Nine Months of Fiscal Year 2006

Tokyo (Tuesday, January 30, 2007) – Shinsei Bank, Limited (“Shinsei Bank”) today reported its financial results for the first nine months of fiscal year 2006 ended December 31, 2006.

“Our results for the first nine months of this fiscal year have been significantly impacted by the current situation affecting the consumer finance industry” said Mr. Thierry Porté, President and Chief Executive Officer of Shinsei Bank. “We have responded quickly and decisively to these changes through a number of major measures, including prudent provisioning and by accelerating the transformation process that ensures the viability and profitability of this business from fiscal year 2007 onwards.”

Financial Overview: First Nine Months of Fiscal Year 2006

(All figures compared to the first nine months of Fiscal Year 2005)

- Revenue grew 12.2 billion yen or 6.0% to 215.7 billion yen
- Ordinary business profit increased 1.1 billion yen or 1.1% to 103.2 billion yen
- Net income declined 12.5 billion yen to 47.1 billion yen¹. Cash basis net income declined 17.8 billion yen to 60.1 billion yen
- Cash basis diluted EPS of 30.98 yen
- Return on assets 0.6%; on a cash basis 0.8%
- Return on equity (diluted) 7.8%; on a cash basis 9.9%
- Return on tangible equity 14.7%
- Expense-to-revenue ratio was 52.1% compared to 49.8% a year ago
- Non-performing loans (non-consolidated) decreased 19.8 billion yen to 22.7 billion yen, representing 0.5% of total claims outstanding

¹ Net income (excluding non-recurring costs in consumer finance businesses) increased 4.8 billion yen or 8.1% to 64.5 billion yen. The non-recurring costs refer to impact of costs for possible losses on reimbursements of excess payments in APLUS Co., Ltd. (11.2 billion yen) and Shinsei Bank's equity in the non-consolidated net loss of Shinki Co., Ltd., an equity-method affiliate, net of consolidation adjustments (6.0 billion yen). Excluding these non-recurring costs, return on assets was 0.8% and return on equity was 9.6% for the nine months ended December 31, 2006.

Key Highlights: First Nine Months of Fiscal Year 2006

- On November 14, 2006, Shinsei Bank concluded an important partnership with UTI Asset Management Company Pvt., Ltd., (“UTI”) for the management and distribution of off-shore funds invested in Indian securities. UTI is the oldest and largest mutual fund company in India with 375 billion Indian Rupees (approximately one-trillion yen) in assets under management and 12% market share in India’s fast-growing mutual fund industry.

- On November 16, 2006, Shinsei Bank canceled 85 million Shinsei Bank common shares held as treasury stock. Canceling 85 million common shares reduced share count by 4.2% on a fully diluted basis.

- On December 6, 2006, Shinsei successfully completed the issuance of GBP 400 million Upper Tier 2 GBP Callable Perpetual Subordinated Notes. The notes bear an interest rate of Gilts +107bps and are callable after seven years.

- On January 16, 2007, Shinsei Bank revised its financial forecast for fiscal year 2006 due primarily to increases in reserves for possible losses on reimbursements of excess interest payments, higher credit reserves and restructuring costs relating to its consumer finance business.

1. Income Statement:

For the nine months ended December 31, 2006, Shinsei Bank reported total revenue of 215.7 billion yen, an increase of 12.2 billion yen, or 6.0%, as compared to the same period in the previous fiscal year.

Net interest income grew 13.6 billion yen, or 22.5%, to 74.1 billion yen due partly to an increase in interest-earning assets in all three strategic pillars (Institutional Banking, Consumer and Commercial Finance and Retail Banking).

Non-interest income, consisting of net fees and commissions, net trading income and net other business income, declined 1.3 billion yen, or 1.0%, to 141.6 billion yen. The primary factors causing a decline in non-interest income were lower upfront fees from retail banking’s structured deposits and Shinsei Bank’s equity in the non-consolidated net loss of equity-method affiliate, Shinki Co., Ltd.

("Shinki"). Shinki incurred a non-consolidated net loss of 17.1 billion yen, and Shinsei Bank's equity in such loss was 6.0 billion yen, net of consolidation adjustments, which is included in net other business income. Shinki's non-consolidated net loss was due primarily to provisions for potential losses from the reimbursement of excess interest payments and other related costs ("grey zone interest"). Declines in non-interest income caused by Shinsei Bank's equity in Shinki's net loss and other factors were largely offset by gains on the partial sale of Shinsei Bank's equity investment in an asset management company.

General and administrative expenses for the nine months ended December 31, 2006 were 112.5 billion yen, an increase of 11.0 billion yen, or 10.9%, as compared to the same period in the previous fiscal year. The increase is due mainly to increased product and customer support required for business expansion in all three business pillars as well as to the addition of expenses related to the newly acquired consumer finance company, Zen-Nichi Shinpan Co., Ltd., ("Zen-Nichi Shinpan").

Net credit costs were 19.6 billion yen for the nine months ended December 31, 2006, as compared to 22.8 billion yen for the same period in the previous fiscal year. The decrease in net credit costs was mainly attributable to net credit recoveries in Shinsei Bank (non-consolidated) of 9.3 billion yen. The decrease in net credit costs for the first nine months of this fiscal year were offset in part by higher credit provisions in APLUS relating primarily to delays in collection and provisions for grey zone interest.

Shinsei Bank's financial results for the nine months ended December 31, 2006 were impacted by provisions made by APLUS and Shinki for future possible losses on reimbursements of excess interest payments and loan losses in response to the changes in legislation as promulgated on December 20, 2006. These changes stipulate that consumer finance companies make provisions for possible losses on reimbursements of excess interest payments and loan losses related to consumer finance loans extended at interest rates in excess of the maximum interest rate prescribed in the Interest Rate Restriction Law. In response to these changes, APLUS (including Zen-Nichi Shinpan) made an additional provision and incurred other related costs of 11.2 billion yen, of which 1.3 billion yen is included in net credit costs and 9.9 billion yen is included in taxes and others. Shinki also made substantial provisions and incurred other related costs, but since Shinki is an equity-method accounted affiliate its provision affects our consolidated income statement at the revenue level, as discussed above.

The acquisition of majority stakes in APLUS, Showa Leasing and other consumer and commercial finance (CCF) companies resulted in the creation of goodwill and other intangibles. The amortization

of goodwill and other intangibles declined 5.5 billion yen to 15.4 billion yen for the nine months ended December 31, 2006 compared with the same period in the previous fiscal year. The amortization of goodwill and other intangibles relating to APLUS (including Zen-Nichi Shinpan) and Showa Leasing was 12.8 billion yen and 2.6 billion yen, respectively.

Taxes and others for the first nine months of fiscal year 2006 totaled 20.9 billion yen and mainly include minority interests in net income of subsidiaries and provisions for grey zone interest. For the nine months ended December 31, 2006, minority interests in net income of subsidiaries amounted to 12.5 billion yen and provisions of grey zone interest totaled 9.9 billion yen.

As a result, net income for the nine months ended December 31, 2006 amounted to 47.1 billion yen, a decline of 12.5 billion yen, compared with the same period in the previous fiscal year.

Cash Basis Net Income

Shinsei Bank also reports cash basis net income on a voluntary basis in order to provide greater transparency and understanding of its underlying performance. Cash basis net income is calculated by excluding amortization of goodwill and other intangibles, net of tax benefit, from net income under Japanese GAAP. The first nine months of this fiscal year included 12.9 billion yen of amortized goodwill and other intangibles, net of tax benefit, related to the acquisition of CCF companies. Consolidated cash basis net income for the period was 60.1 billion yen, compared to 77.9 billion yen a year ago. Cash basis diluted net income per share for the nine-month period of fiscal year 2006 was 30.98 yen, a decrease of 19.9%, compared to the same period last year.

2. Business Line Results

Shinsei Bank's three strategic business lines: Institutional Banking, Consumer and Commercial Finance and Retail Banking cover a broad range of businesses and customer segments which provide diversified revenues.

Institutional Banking

Shinsei's institutional banking business model seeks to diversify sources of income. In particular, Shinsei Bank has developed investment banking businesses that generate not only loan income but also fees, commissions, capital gains and other types of non-interest income. In the first nine months of fiscal year 2006, the Institutional Banking business earned revenue of 94.2 billion yen, 9.9% or 8.5 billion yen higher than the same period a year ago. The business made good progress in real estate finance, corporate lending, equity investments and in both the domestic and international credit trading business. General and administrative expenses for the period increased 3.5 billion yen to 33.1

billion yen, relating to expansion of the business. Net credit recoveries for the period of 14.2 billion yen are in part attributable to an improvement in the credit ratings of several obligors. As a result, ordinary business profit after net credit recoveries totaled 75.3 billion yen, a 17.3 billion yen increase over the same period last fiscal year.

Consumer and Commercial Finance

The Consumer and Commercial Finance business provides consumer finance, commercial finance and specialty property finance for both consumers and small businesses. This business has been built up through the acquisition of a number of subsidiaries which now form an integral part of the Shinsei Bank Group with a dedicated team providing operational and managerial direction to each subsidiary to leverage core competencies and intra-bank synergies. The business generated total revenue of 91.6 billion yen in the first nine months of fiscal year 2006. This is 2.4 billion yen higher than a year ago. General and administrative expenses increased 6.1 billion yen, partly due to expenses relating to Zen-Nichi Shinpan, a newly acquired subsidiary of APLUS.

The first nine months of fiscal year 2006 have been a challenging period for the Consumer and Commercial Finance business. Though Showa Leasing and the specialty property businesses posted good results during the period, the additional provision requirements following recent regulatory changes affecting the consumer finance industry have affected the financial performance of consumer finance related subsidiary APLUS and affiliate Shinki. APLUS made additional "Grey Zone" provisions and other related costs of 11.2 billion yen and Shinki also made substantial provisions, as discussed earlier.

Net credit costs during the first nine months of fiscal year 2006 increased 8.0 billion yen to 31.5 billion yen largely due to delays in portfolio collection and to 1.3 billion yen of provisions for reserves for possible losses on reimbursements of excess interest payments at APLUS. The remaining 9.9 billion yen of provisions for reserves for possible losses on reimbursements of excess interest payments at APLUS which totaled 11.2 billion yen, is included in taxes and others. Ordinary business profit after net credit costs was 8.8 billion yen which was 11.6 billion yen lower than the same period a year ago.

Retail Banking

Shinsei's retail banking business provides a wide range of innovative financial products and services to a growing retail customer base. The Retail Banking customer base continues to grow at a significant rate, reaching over 1.9 million accounts as of the end of December 2006. In the first nine months of the fiscal year, Shinsei Bank added over 224,000 new *Powerflex* relationships. The Bank

continues to launch new products such as off-shore funds invested in Indian securities following the Bank's recent tie-up with UTI Asset Management.

During the period under review, savings and structured deposits continued to grow steadily but slower growth and spread compression on structured deposits impacted overall revenue growth. In the first nine months of fiscal year 2006, the business generated revenue of 27.3 billion yen, 5.3 billion yen lower than same period last year due to a decline in upfront income from structured deposits. The business earned 9.7 billion yen from structured deposits in the first nine months of this fiscal year, 5.6 billion yen lower than a year ago. Fees on asset management products and net-interest income continue to grow steadily. The ability to sell an increasingly diverse range of products is gradually contributing to more balanced and recurring revenue growth. The increase in general and administrative expenses of 2.4 billion yen to 28.5 billion yen relates to the full impact of retail banking facilities established in the prior year, increased investments in new technology systems and customer driven transaction activities. Ordinary business loss after net credit costs for the period was 1.2 billion yen as compared to an ordinary business profit of 6.2 billion yen a year ago.

ALM/Corporate/Other

ALM, Corporate and Other primarily includes results of corporate treasury activities, inter-company adjustments, and corporate level expenses. In the first nine months of this fiscal year ordinary business profit after net credit costs was 0.5 billion yen.

3. Balance Sheet:

Total loans and bills discounted balance increased to 4,977.0 billion yen at December 31, 2006 as compared to 4,087.5 billion yen as at March 31, 2006. In the nine months ended December 31, 2006, Shinsei achieved loan growth in all three business pillars. Corporate loans increased 3.6% to 2,955.6 billion yen, non-recourse real estate finance loans increased 53.4% to 707.6 billion yen, loans to retail customers, including lending to high net worth individuals, grew 18.4% to 584.6 billion yen and loans to consumer and commercial finance customers increased 14.7% to 428.2 billion yen.

Total deposits, including negotiable certificates of deposit, increased 987.4 billion yen, or 24.3%, to 5,059.2 billion yen at December 31, 2006, compared with March 31, 2006. The retail deposit balance, including high net worth individuals, grew 426.4 billion yen, or 13.7%, in the nine months ended December 31, 2006 as compared to March 31, 2006 and now exceeds 3.5 trillion yen. As a result, retail funding represented 68.0% of total customer deposits and debentures at December 31, 2006.

4. Non-performing Loans (non-consolidated):

Non-performing loans (NPLs) under the Financial Revitalization Law as of December 31, 2006, declined to 22.7 billion yen, a reduction of 19.8 billion yen, or 46.6%, as compared to the NPLs balance at March 31, 2006. The NPLs balance now represents 0.5% of total non-consolidated claims outstanding.

5. Fiscal Year 2006 Net Income Forecast:

In the fourth quarter of fiscal year 2006, Shinsei Bank's consumer finance businesses¹ plan to record incremental credit and restructuring expenses. In particular, as announced on January 16, 2007, APLUS plans to record costs associated with increases in loan losses of 8.3 billion yen, expenses related to voluntary retiring employees of 5.5 billion yen, costs of disposal of non-performing loans of 2.9 billion yen and other restructuring costs of 1.1 billion yen totaling 17.8 billion yen. As a result, Shinsei Bank's (consolidated basis) reported net income forecast for fiscal year 2006 is 40.0 billion yen.

Shinsei Bank is also currently assessing together with its external auditors the additional impact on the consolidated and non-consolidated financials of both Shinsei Bank and APLUS on account of impairment of investments in subsidiaries/affiliate and of goodwill and other intangibles. The Bank will release details of any such additional impact in a timely and appropriate manner.

¹ Shinsei Bank's consumer finance business encompasses its 68.9% owned subsidiary APLUS Co. Ltd which, in turn owns 97.3% of Zen-Nichi Shinpan, and its 36.4% stake in equity-method affiliate Shinki Co., Ltd.

Financial Highlights - Consolidated

Results of Operations ⁽¹⁾

(Three months comparison)	Three months ended	Three months ended	Change	Three months ended	Change
	December 31, 2006 (3Q-FY2006)	December 31, 2005 (3Q-FY2005)		September 30, 2006 (2Q-FY2006)	
	a	b	a-b (%)	c	a-c (%)
Net interest income	22.3	20.3	9.8%	27.1	(17.5)%
Net fees and commissions	13.2	12.7	4.5%	11.0	20.0%
Net trading income	3.3	8.3	(59.5)%	4.2	(20.1)%
Net other business income	38.1	31.5	21.1%	27.9	36.7%
Non-interest income	54.8	52.6	4.3%	43.2	26.9%
Total revenue ⁽²⁾	77.2	72.9	5.8%	70.3	9.7%
General and administrative expenses ⁽³⁾	36.7	34.7	5.9%	38.4	(4.2)%
Ordinary business profit (<i>jissuitsu gyomu jun-eki</i>) ⁽²⁾	40.4	38.2	5.8%	31.9	26.5%
Net credit costs	14.4 ⁽⁵⁾	8.2	74.1%	1.4	880.1%
Amortization of goodwill and other intangibles	4.9	6.2	(21.6)%	4.3	13.4%
Taxes and others	(12.8) ⁽⁶⁾	(1.7)	650.4%	(6.5)	96.2%
Net income	8.2	21.9	(62.3)%	19.6	(57.8)%
Cash basis net income ⁽⁴⁾	12.4	27.3	(54.4)%	23.1	(46.0)%

(Nine months comparison)	Nine months ended	Nine months ended	Change	Six months ended
	December 31, 2006	December 31, 2005		%
Net interest income	74.1	60.5	22.5%	51.7
Fees and commissions	35.5	36.2	(1.9)%	22.2
Net trading income	14.6	21.1	(30.5)%	11.2
Other business income	91.4	85.6	6.7%	53.2
Non-interest income	141.6	143.0	(1.0)%	86.8
Total revenue ⁽²⁾	215.7	203.5	6.0%	138.5
General and administrative expenses ⁽³⁾	112.5	101.4	10.9%	75.7
Ordinary business profit (<i>jissuitsu gyomu jun-eki</i>) ⁽²⁾	103.2	102.0	1.1%	62.8
Net credit costs	19.6 ⁽⁷⁾	22.8	(14.0)%	5.2
Amortization of goodwill and other intangibles	15.4	20.9	(26.2)%	10.5
Taxes and others	(20.9) ⁽⁸⁾	1.4	(1599.3)%	(8.1)
Net income	47.1	59.6	(21.0)%	38.8
Cash basis net income ⁽⁴⁾	60.1	77.9	(22.8)%	47.6

(1) Certain prior period amounts have been reclassified to conform to current period presentation.

(2) Represents results based on management accounting basis

(3) In our consolidated financial statements, amortization of goodwill and other intangibles is recorded in general and administrative expenses from fiscal year commenced on April 1, 2006.

(4) Excludes amortization of goodwill and other intangibles, net of tax benefit, related to the acquisition of consumer and commercial finance companies.

(5) Includes grey zone related costs of 0.4 billion yen for three months ended December 31, 2006.

(6) Includes grey zone related costs of 8.5 billion yen for three months ended December 31, 2006.

(7) Includes grey zone related costs of 1.3 billion yen for nine months ended December 31, 2006.

(8) Includes grey zone related costs of 9.9 billion yen for nine months ended December 31, 2006.

Selected Balance Sheet Data

	(billions of yen)						
	As of	As of	Change		As of	Change	
	December 31, 2006 a	September 30, 2006 b	Amount a-b	%	Mar. 31, 2006 c	Amount a-c	%
Securities	1,880.0	1,771.7	108.3	6.1%	1,494.4	385.6	25.8%
Loans and bills discounted	4,977.0	4,781.4	195.6	4.1%	4,087.5	889.5	21.8%
Leased assets and installment receivables ⁽⁹⁾	828.2	835.4	(7.2)	(0.9)%	825.0	3.2	0.4%
Other intangibles ⁽¹⁰⁾	62.0	63.8	(1.8)	(2.8)%	68.1	(6.1)	(9.0)%
Goodwill, net	216.2	219.4	(3.2)	(1.5)%	226.6	(10.4)	(4.6)%
Customers' liabilities for acceptances and guarantees	773.8	789.4	(15.6)	(2.0)%	813.4	(39.6)	(4.9)%
Total assets	10,989.6	10,433.6	556.0	5.3%	9,405.0	1,584.6	16.8%
Deposits (including Negotiable Certificates of Deposit)	5,059.2	4,945.7	113.5	2.3%	4,071.7	987.5	24.3%
Debentures and corporate bonds	1,112.6	1,059.5	53.1	5.0%	1,316.9	(204.3)	(15.5)%
Borrowed money	1,139.2	1,213.9	(74.7)	(6.2)%	1,205.7	(66.5)	(5.5)%
Acceptances and guarantees	773.8	789.4	(15.6)	(2.0)%	813.4	(39.6)	(4.9)%
Total liabilities	9,965.8	9,422.9	542.9	5.8%	8,287.8	1,678.0	20.2%
Minority interests in subsidiaries	/	/	/	/	261.8	/	/
Total net assets ⁽¹¹⁾	1,023.8	1,010.7	13.1	1.3%	855.3	168.5	19.7%

(9) Leased assets are included in tangible/intangible fixed assets and installment receivables are a part of other assets in the consolidated balance sheet.

(10) Identified intangible assets recorded through acquisitions of consumer and commercial finance companies.

(11) 268.9 billions of yen and 264.6 billions of yen of minority interest in subsidiaries are included in total net assets as of the end of December 2006 and September 2006, respectively.

References

	As of	As of	As of
	December 31, 2006	September 30, 2006	March 31, 2006
Exchange rate (¥/\$)	118.98	117.91	117.47
Nikkei average	17,225.83	16,127.58	17,059.66

Per Share Data

	(yen)			
	Nine months ended December 31, 2006	Nine months ended December 31, 2005	Six months ended September 30, 2006 (1H-FY2006)	Fiscal year ended March 31, 2006 (FY2005)
Common shareholders' equity ⁽¹⁾	390.37	369.84	383.20	380.20
Fully diluted shareholders' equity ⁽¹⁾	416.47	413.81	411.58	421.62
Basic net income	33.24	42.51	27.19	53.16
Diluted net income	24.29	29.61	19.54	37.75

Note:

For calculation of per share data

(net assets)	Number of common shares ⁽²⁾	1,377,140,253	1,358,520,605	1,377,120,053	1,358,520,547
	Fully diluted number of shares ⁽²⁾	1,811,582,326	2,028,296,959	1,812,055,674	2,028,676,851
(net income)	Number of common shares ⁽³⁾	1,381,768,242	1,358,521,379	1,384,101,577	1,358,521,302
	Fully diluted number of shares ⁽³⁾	1,941,080,746	2,015,452,740	1,988,114,409	2,015,832,613

(1) Calculated by deducting stock acquisition rights, minority interests in subsidiaries, preferred shares and dividends related to preferred shares from the total net assets on the consolidated interim balance sheets as of September 30, 2006.

(2) Outstanding shares at the end of the respective period

(3) Weighted average number of outstanding shares during the respective period

Cash Basis Per Share Data

	(yen)			
	Nine months ended December 31, 2006	Nine months ended December 31, 2005	Six months ended September 30, 2006 (1H-FY2006)	Fiscal year ended March 31, 2006 (FY2005)
Basic net income	42.64	55.94	33.55	72.16
Diluted net income	30.98	38.67	23.96	50.55

Performance Ratios

	(%)			
	Nine months ended December 31, 2006	Nine months ended December 31, 2005	Six months ended September 30, 2006 (1H-FY2006)	Fiscal year ended March 31, 2006 (FY2005)
Return on assets	0.6%	0.9%	0.8%	0.8%
Return on equity (fully diluted)	7.8%	9.7%	9.7%	9.3%
Cash basis return on assets	0.8%	1.2%	1.0%	1.2%
Cash basis return on equity (fully diluted)	9.9%	12.7%	11.9%	12.4%
Expense to revenue (overhead) ratio ⁽³⁾	52.1%	49.8%	54.7%	49.7%

Supplemental Financial Data and Reconciliation to Japanese GAAP Measures⁽¹⁾

Nine months ended December 31, 2006

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

Amortization of goodwill and other intangibles

Amortization of other intangibles	6.0
Associated deferred tax liability	(2.4)
Amortization of goodwill	9.3
Total amortization of goodwill and other intangibles, net of tax benefit	12.9

Reconciliation of net income to cash basis net income

Net income	47.1
Amortization of goodwill and other intangibles, net of tax benefit	12.9
Cash basis net income	60.1

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

Basic net income per share	33.24
Effect of amortization of goodwill and other intangibles, net of tax benefit	9.40
Cash basis basic net income per share	42.64

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

Fully diluted net income per share	24.29
Effect of amortization of goodwill and other intangibles, net of tax benefit	6.69
Cash basis fully diluted net income per share	30.98

Reconciliation of return on assets to cash basis return on assets

Return on assets	0.6
Effect of amortization of goodwill and other intangibles, net of tax benefit	0.2
Cash basis return on assets	0.8

Reconciliation of return on equity to cash basis return on equity

Return on equity (fully diluted)	7.8
Effect of amortization of goodwill and other intangibles, net of tax benefit	2.1
Cash basis return on equity (fully diluted)	9.9

Reconciliation of return on equity to return on tangible equity

Return on equity (fully diluted)	7.8
Effect of goodwill and other intangibles ⁽²⁾	6.9
Return on tangible equity (fully diluted)	14.7

(1) Reflects adjustments of goodwill and other intangibles associated with the acquisition of consumer and commercial finance companies.

(2) Net income excludes amortization of goodwill and other intangibles, net of tax benefit. Average shareholders' equity excludes goodwill and other intangibles, net of associated deferred tax liability.

Interest-Earning Assets and Interest-Bearing Liabilities (Consolidated) ⁽¹⁾
(billions of yen, except percentages)

	Nine months ended Dec. 31, 2006			Nine months ended Dec. 31, 2005			Fiscal year ended Mar. 31, 2006 (FY2005)		
	Average balance	Interest	Yield/rate (%)	Average balance	Interest	Yield/rate (%)	Average balance	Interest	Yield/rate (%)
Interest-earning assets ⁽²⁾:									
Loans and bills discounted	4,474.6	92.5	2.75	3,685.9	76.0	2.74	3,730.7	104.4	2.80
Leased assets and installment receivables ⁽²⁾	838.3	38.2	6.05	787.1	35.0	5.90	793.7	46.0	5.80
Securities	1,711.7	23.9	1.86	1,720.5	12.9	1.00	1,721.4	16.8	0.98
Other interest-earning assets ⁽³⁾⁽⁴⁾	705.7	9.9	n.m.	382.7	2.7	n.m.	503.7	3.7	n.m.
Total revenue on interest-earning assets ⁽²⁾	7,730.4	164.7	2.83	6,576.3	126.8	2.56	6,749.7	171.0	2.53
Interest-bearing liabilities:									
Deposits and negotiable certificates of deposit	4,671.9	23.2	0.66	3,708.5	12.3	0.44	3,776.8	16.9	0.45
Debentures	824.5	2.2	0.37	1,180.6	3.7	0.42	1,152.9	4.7	0.41
Subordinated debt	377.7	6.0	2.14	245.9	4.0	2.17	259.7	5.5	2.13
Borrowed money and corporate bonds	1,125.1	8.2	0.97	976.8	9.3	1.28	999.3	12.2	1.22
Other interest-bearing liabilities ⁽⁴⁾	582.5	12.5	n.m.	245.2	1.8	n.m.	229.5	3.3	n.m.
Total expense on interest-bearing liabilities	7,581.9	52.4	0.92	6,357.2	31.3	0.65	6,418.4	42.7	0.67
Non interest-bearing sources of funds:									
Non interest-bearing (assets) liabilities, net	(656.6)	-	-	(593.9)	-	-	(489.7)	-	-
Total equity ⁽⁵⁾	805.1	-	-	812.9	-	-	821.0	-	-
Total interest-bearing liabilities and non interest-bearing sources of funds	7,730.4	-	-	6,576.3	-	-	6,749.7	-	-
Net interest margin ⁽²⁾	-	-	1.91	-	-	1.91	-	-	1.87
Impact of non interest-bearing sources	-	-	0.02	-	-	0.02	-	-	0.03
Net revenue on interest-earning assets/yield on interest-earning assets ⁽²⁾	-	112.3	1.93	-	95.5	1.93	-	128.3	1.90

Note:
Reconciliation of total revenue on interest-earning assets to total interest income.

Total revenue on interest-earning assets	7,730.4	164.7	2.83	6,576.3	126.8	2.56	6,749.7	171.0	2.53
Less: Income on leased assets and installment receivables	838.3	38.2	6.05	787.1	35.0	5.90	793.7	46.0	5.80
Total interest income	6,892.1	126.5	2.44	5,789.1	91.8	2.11	5,955.9	125.0	2.10
Total interest expense	-	52.4	-	-	31.3	-	-	42.7	-
Net interest income	-	74.1	-	-	60.5	-	-	82.2	-

(1) Certain prior period numbers have been reclassified to conform to current period presentation.

(2) Includes leased assets and installment receivables and related yields.

(3) Interest earning deposits have been restated, by excluding cash deposits, to be consistent with prior period reporting.

(4) Other interest-earning assets and other interest-bearing liabilities include interest swaps and funding swaps.

(5) Represents a simple average of the balance at the end of the current period and the balance at the end of the previous period (excludes minority interests).

Interest-Earning Assets and Interest-Bearing Liabilities (Non-consolidated)
(billions of yen, except percentages)

	Nine months ended Dec. 31, 2006			Nine months ended Dec. 31, 2005			Fiscal year ended Mar. 31, 2006 (FY2005)		
	Average balance	Interest	Yield/rate (%)	Average balance	Interest	Yield/rate (%)	Average balance	Interest	Yield/rate (%)
Interest-earning assets:									
Cash and due from banks	104.0	2.1	2.79	75.9	1.5	2.63	86.3	2.0	2.33
Call loans	68.4	0.1	0.23	76.7	0.0	0.01	100.9	0.0	0.02
Receivables under resale agreements	-	-	-	-	-	-	-	-	-
Collateral related to securities borrowing transactions	141.9	0.3	0.30	5.4	0.0	0.47	10.2	0.0	0.29
Securities	1,979.4	30.9	2.07	1,999.5	16.6	1.10	1,997.4	21.0	1.05
Loans and bills discounted	4,295.3	52.3	1.61	3,578.5	43.4	1.61	3,612.3	57.8	1.60
Other interest-earning assets	64.2	1.1	2.45	72.1	0.6	1.18	65.4	0.9	1.40
Interest rate and funding swaps	-	5.9	-	-	0.5	-	-	0.6	-
Total interest-earning assets	6,653.4	93.1	1.85	5,808.5	62.8	1.43	5,872.8	82.6	1.40
Interest-bearing liabilities:									
Deposits	4,424.4	22.6	0.67	3,617.7	12.3	0.45	3,746.5	16.9	0.45
Negotiable certificates of deposit	301.3	0.6	0.28	222.0	0.0	0.02	199.7	0.0	0.03
Debentures	826.0	2.2	0.36	1,187.9	3.7	0.42	1,158.6	4.7	0.40
Call money	309.8	3.1	1.33	154.7	0.0	0.06	127.3	0.0	0.07
Payable under repurchase agreements	-	-	-	0.8	0.0	0.00	0.6	0.0	0.00
Collateral related to securities lending transactions	91.2	0.1	0.26	6.2	0.0	0.57	4.9	0.0	0.55
Borrowed money	285.8	1.5	0.70	311.1	4.6	1.97	308.4	5.8	1.88
Corporate bonds	462.7	14.5	4.18	65.6	0.3	0.72	105.3	1.7	1.64
Other interest-bearing liabilities	0.3	8.5	n.m.	1.4	1.6	n.m.	0.3	3.0	n.m.
Interest rate and funding swaps	-	-	-	-	-	-	-	-	-
Total interest-bearing liabilities	6,701.9	53.5	1.06	5,567.7	22.8	0.54	5,652.1	32.3	0.57
Net interest income/yield on interest-earning assets	6,653.4	39.5	0.78	5,808.5	39.9	0.91	5,872.8	50.2	0.85

n.m.: not meaningful

Business Line Ordinary Business Profit (Loss) After Net Credit Costs (Recoveries)⁽¹⁾⁽²⁾

Nine months ended December 31, 2006

(billions of yen)

	Institutional Banking	Consumer and Commercial Finance (*)	Retail Banking	ALM/Corporate/Other ⁽³⁾	Total
Total revenue	94.2	91.6	27.3	2.5	215.7
General and administrative expenses	33.1	51.2	28.5	(0.3)	112.5
Ordinary business profit (loss)	61.1	40.3	(1.1)	2.9	103.2
Net credit costs (recoveries)	(14.2)	31.5	0.0	2.3	19.6
Ordinary business profit (loss) after net credit costs (recoveries)	75.3	8.8	(1.2)	0.5	83.6

(*) breakdown of Consumer and Commercial Finance

	APLUS	Showa Leasing	Other subsidiaries ⁽⁴⁾	Consumer and Commercial Finance
Total revenue	71.5	19.4	0.7	91.6
General and administrative expenses	39.3	8.1	3.7	51.2
Ordinary business profit (loss)	32.1	11.2	(3.0)	40.3
Net credit costs	28.0	1.8	1.6	31.5
Ordinary business profit (loss) after net credit costs	4.0	9.4	(4.7)	8.8

Nine months ended December 31, 2005

	Institutional Banking	Consumer and Commercial Finance (*)	Retail Banking	ALM/Corporate/Other ⁽³⁾	Total
Total revenue	85.7	89.1	32.6	(4.0)	203.5
General and administrative expenses	29.6	45.1	26.1	0.5	101.4
Ordinary business profit (loss)	56.1	43.9	6.5	(4.6)	102.0
Net credit costs (recoveries)	(1.8)	23.4	0.2	0.9	22.8
Ordinary business profit (loss) after net credit costs (recoveries)	58.0	20.4	6.2	(5.5)	79.2

(*) breakdown of Consumer and Commercial Finance

	APLUS	Showa Leasing	Other subsidiaries ⁽⁴⁾	Consumer and Commercial Finance
Total revenue	62.4	17.7	8.9	89.1
General and administrative expenses	32.2	8.0	4.9	45.1
Ordinary business profit	30.1	9.7	4.0	43.9
Net credit costs	20.2	2.2	1.0	23.4
Ordinary business profit after net credit costs	9.9	7.4	3.0	20.4

(1) Certain prior period amounts have been reclassified to conform to current period presentation.

(2) Represents results based on management accounting basis.

(3) ALM/Corporate/Other largely includes results of corporate treasury activities, income from proprietary investments, corporate level expenses and credit costs.

(4) Includes net profit (loss) of Shinki, an affiliate, and other Consumer and Commercial Finance companies.

Earnings Forecast for Fiscal Year 2006 Results

(Consolidated)

(billions of yen)

	Fiscal year ended	
	Mar. 31, 2007 (FY2006) Forecast	Mar. 31, 2006 (FY2005) Actual
Net income	40.0	76.0

(Non-consolidated)⁽⁵⁾

(billions of yen (other than dividends))

	Fiscal year ended	
	Mar. 31, 2007 (FY2006) Forecast	Mar. 31, 2006 (FY2005) Actual
Net business profit	59.0	69.1
Net income	75.0	74.8
Dividends (in yen)		
Common stock	3.3	3.0
Class A preferred share	13.0	13.0
Class B preferred share	4.8	4.8

(5) Revitalization plan basis

Above forecasts are based on current assumptions of future events and trends, which may be incorrect.

Actual results may differ materially from those in the statements of various factors.

Consolidated Statements of Income (Unaudited)

(millions of yen)

	Nine months ended December 31, 2006	Nine months ended December 31, 2005	Change		Fiscal year ended March 31, 2006 (FY2005)
	a	b	a-b	%	c
Interest on loans and bills	92,550	76,090	16,460	21.6%	104,438
Interest and dividends on securities	23,980	12,975	11,005	84.8%	16,879
Other interest income	9,994	2,770	7,224	260.8%	3,711
Interest income	126,525	91,836	34,689	37.8%	125,029
Fees and commissions income	53,215	52,654	561	1.1%	68,263
Trading profits	14,972	21,215	(6,243)	(29.4)%	27,665
Other business income	201,978	195,133	6,845	3.5%	268,611
Other ordinary income	21,395	29,591	(8,196)	(27.7)%	39,487
Ordinary income	418,087	390,431	27,656	7.1%	529,057
Interest on deposits	22,568	12,302	10,266	83.4%	16,872
Interest on debentures	2,280	3,756	(1,476)	(39.3)%	4,709
Interest on borrowings	7,820	11,387	(3,567)	(31.3)%	14,598
Other interest expenses	19,755	3,890	15,865	407.8%	6,549
Interest expenses	52,423	31,336	21,087	67.3%	42,729
Fees and commissions expenses	17,692	16,447	1,245	7.6%	22,767
Trading losses	304	100	204	204.0%	152
Other business expenses	135,528	134,977	551	0.4%	186,283
General and administrative expenses	112,804	101,942	10,862	10.7%	136,596
Amortization of goodwill	9,377	/	/	/	/
Amortization of other intangibles	6,082	/	/	/	/
Total general and administrative expenses	128,264	101,942	26,322	25.8%	136,596
Other ordinary expenses	37,188	27,926	9,262	33.2%	39,611
Amortization of consolidation goodwill	/	14,222	/	/	20,397
Amortization of other intangibles	/	6,737	/	/	9,047
Total other ordinary expenses	37,188	48,886	(11,698)	(23.9)%	69,057
Ordinary expenses	371,402	333,690	37,712	11.3%	457,586
Net ordinary income	46,685	56,741	(10,056)	(17.7)%	71,471
Special gains	14,520	3,134	11,386	363.3%	3,703
Special losses	1,541	1,272	269	21.1%	1,463
Income before income taxes and minority interests	59,664	58,603	1,061	1.8%	73,711
Income tax (current)	2,056	2,905	(849)	(29.2)%	3,733
Income tax (deferred)	(2,092)	(6,332)	4,240	(67.0)%	(11,414)
Minority interests in net income of subsidiaries	12,549	2,342	10,207	435.8%	5,293
Net income	47,150	59,687	(12,537)	(21.0)%	76,099

(billions of yen)

(Ref.) Ordinary business profit (<i>jisshitsu gyomu jun-eki</i>) ⁽¹⁾	103.2	102.0	1.2	2.6%	137.7
	yen / US\$	@118.98	@118.07		@117.47

(1) Management accounting basis

Consolidated Balance Sheets (Unaudited)

-- Assets

(millions of yen)

	As of December 31, 2006 a	As of December 31, 2005 b	Change a-b	As of March 31, 2006 c	Change a-c
<<Assets>>					
Cash and due from banks	417,294	398,103	19,191	488,601	(71,307)
Call loans	71,000	286,500	(215,500)	50,000	21,000
Collateral related to securities borrowing transactions	103,950	73,615	30,335	33,107	70,843
Other monetary claims purchased	383,153	243,847	139,306	273,937	109,216
Trading assets	368,809	151,930	216,879	193,581	175,228
Monetary assets held in trust	494,686	624,432	(129,746)	456,167	38,519
Securities	1,880,095	1,619,960	260,135	1,494,489	385,606
Loans and bills discounted	4,977,032	3,756,476	1,220,556	4,087,561	889,471
Foreign exchanges	10,735	11,982	(1,247)	12,140	(1,405)
Other assets	884,068	906,320	(22,252)	974,398	(90,330)
Premises and equipment	/	416,176	/	415,522	/
Tangible fixed assets	392,781	/	/	/	/
Intangible fixed assets	344,081	/	/	/	/
<i>(Goodwill, net)</i>	216,281	/	/	/	/
Deferred issuance expenses for debentures	107	177	(70)	177	(70)
Deferred tax assets	27,969	27,374	595	30,022	(2,053)
Consolidation goodwill, net	/	224,716	/	226,692	/
Customers' liabilities for acceptances and guarantees	773,800	785,908	(12,108)	813,480	(39,680)
Reserve for credit losses	(139,890)	(160,883)	20,993	(144,868)	4,978
Total assets	10,989,676	9,366,638	1,623,038	9,405,013	1,584,663
	yen / US\$	@118.98	@118.07	@117.47	

Consolidated Balance Sheets (Unaudited)

-- Liabilities and Net assets

(millions of yen)

	As of December 31, 2006 a	As of December 31, 2005 b	Change a-b	As of March 31, 2006 c	Change a-c
<<Liabilities>>					
Deposits	4,744,046	3,847,798	896,248	3,914,385	829,661
Negotiable certificates of deposit	315,177	230,802	84,375	157,373	157,804
Debentures	712,597	1,110,344	(397,747)	1,018,909	(306,312)
Call money	808,124	140,000	668,124	30,000	778,124
Collateral related to securities lending transactions	180,818	9,420	171,398	-	180,818
Commercial paper	241,000	112,500	128,500	133,200	107,800
Trading liabilities	107,832	91,360	16,472	149,990	(42,158)
Borrowed money	1,139,281	1,085,333	53,948	1,205,765	(66,484)
Foreign exchanges	380	117	263	39	341
Corporate bonds	400,061	155,449	244,612	298,002	102,059
Other liabilities	504,729	844,833	(340,104)	535,753	(31,024)
Accrued employees bonuses	10,394	9,417	977	13,886	(3,492)
Reserve for bonuses to directors	296	-	296	13	283
Reserve for retirement benefits	3,341	3,185	156	3,309	32
Reserve for losses on interest repayments	10,875	-	10,875	-	10,875
Reserve under special law	2	2	0	2	-
Deferred tax liabilities	13,072	16,375	(3,303)	13,718	(646)
Acceptances and guarantees	773,800	785,908	(12,108)	813,480	(39,680)
Total liabilities	9,965,834	8,442,848	1,522,986	8,287,832	1,678,002
<<Minority interests in subsidiaries>>					
Minority interests in subsidiaries	/	84,458	/	261,845	/
<<Net Assets>>		<<Shareholders' equity>>		<<Shareholders' equity>>	
Shareholders' equity					
Capital stock	451,296	451,296	-	451,296	-
Capital surplus	18,558	18,558	-	18,558	-
Retained earnings	355,297	363,090	(7,793)	379,502	(24,205)
Treasury stock, at cost	(72,564)	(11)	(72,553)	(12)	(72,552)
Total shareholders' equity	752,587	/	/	/	/
Net unrealized gain / loss and translation adjustments					
Net unrealized gain / loss on securities available-for-sale, net of taxes	4,515	2,868	1,647	2,208	2,307
Net deferred loss on hedge, net of taxes	(6,677)	/	/	/	/
Foreign currency translation adjustments	4,059	3,528	531	3,781	278
Total net unrealized gain / loss and translation adjustments	1,898	/	/	/	/
Stock acquisition rights	417	/	/	/	/
Minority interests in subsidiaries	268,939	/	/	/	/
Total net assets	1,023,842	839,331	/	855,335	/
Total liabilities and net assets	10,989,676	9,366,638	1,623,038	9,405,013	1,584,663

yen / US\$

@118.98

@118.07

@117.47

*1: Certain account titles of the balance sheets as of Dec.31,2005 (b) and Mar.31,2006 (c) are realigned in line with the balance sheet as of Dec.31,2006 (a).

*2: "Total liabilities and net assets " balances as of Dec.31,2005 (b) and Mar.31,2006 (c) include "Minority interests in subsidiaries".

Reference Material

(The tables below represent translations of the original disclosure in the Japanese language.)

1. Non-Consolidated Financial Results

(billions of yen)

	Nine months ended December 31, 2006	Nine months ended December 31, 2005	Three months ended December 31, 2006 (3Q-FY2006)	Three months ended December 31, 2005 (3Q-FY2005)	Three months ended September 30, 2006 (2Q-FY2006)	Six months ended September 30, 2006 (1H-FY2006)
Gross business profit (<i>gyomu sorieki</i>) ⁽¹⁾	101.4	109.5	34.1	39.1	36.1	67.3
Net interest income	45.1	42.0	14.7	13.3	16.7	30.4
Net fees and commissions ⁽¹⁾	35.4	36.9	13.8	19.2	12.4	21.6
Net trading income	12.2	15.5	3.1	5.5	3.9	9.0
Net other business income	8.6	14.9	2.4	1.0	2.9	6.1
General & administrative expenses	58.9	55.1	19.2	18.9	19.5	39.6
Net business profit (<i>jisshitsu gyomu jun-eki</i>) ⁽¹⁾	42.5	54.4	14.8	20.2	16.6	27.6
Net operating income (<i>Keijou-rieki</i>)	39.2	52.2	12.8	19.3	16.3	26.3
Net income	63.8	59.1	22.2	19.9	25.4	41.5
Credit recoveries	(9.3)	(1.0)	2.6	1.3	(7.0)	(11.9)
Reversal (provision) of reserve for credit losses	(10.1)	(1.5)	2.6	1.3	(7.8)	(12.8)

(1) Includes income from monetary assets held in trust of 23.5 billion yen for nine months ended December 31, 2006, 27.1 billion yen for nine months ended December 31, 2005 and 15.4 billion yen for six months ended September 30, 2006.

2. Problem Claims

(i) Claims Classified Under the Financial Revitalization Law (Non-Consolidated)

(billions of yen, %)

	As of December 31, 2006 (Unaudited) a	As of September 30, 2006 b	Change a-b	As of March 31, 2006 c	Change a-c
Claims against bankrupt and quasi-bankrupt obligors	0.9	0.3	0.6	0.7	0.2
Doubtful claims	6.0	8.3	(2.4)	20.7	(14.8)
Substandard claims	15.8	17.3	(1.5)	21.1	(5.3)
Total (A)	22.7	26.0	(3.3)	42.5	(19.8)
Total claims (B)	4,974.4	4,806.5	167.9	4,129.0	845.3
(A) / (B) x 100	0.46	0.54	(0.08)	1.03	(0.57)

(ref.) Amount of partial write-off

3.4

3.4

2.4

(ii) Risk Monitored Loans (Non-Consolidated)

(billions of yen, %)

	As of December 31, 2006 (Unaudited) a	As of September 30, 2006 b	Change a-b	As of March 31, 2006 c	Change a-c
Loans to bankrupt obligors	0.8	0.2	0.6	0.5	0.3
Non-accrual delinquent loans	5.7	8.1	(2.4)	20.4	(14.7)
Loans past due three months or more	0.0	0.0	(0.0)	0.0	0.0
Restructured loans	15.7	17.2	(1.5)	21.0	(5.3)
Total (A)	22.3	25.6	(3.3)	42.1	(19.8)

Loans and bills discounted (B)	4,847.0	4,683.7	163.3	3,961.2	885.8
(A) / (B) x 100	0.46	0.55	(0.09)	1.06	(0.60)

Reserve for credit losses (C)	101.1	98.4	2.7	111.4	(10.3)
Reserve ratios (C) / (A) x 100	452.24	384.16	68.08	264.51	187.73

3. Securities (Non-Consolidated)

As of December 31, 2006 (Unaudited)

(billions of yen)

	Fair value	Net unrealized gain (loss)		
			Gross unrealized gains	Gross unrealized losses
Equity securities (domestic)	4.8	0.0	0.7	0.7
Bonds (domestic)	618.9	(3.5)	0.2	3.8
Other ⁽¹⁾	397.4	9.4	10.4	0.9
Total	1,021.1	5.9	11.5	5.5

As of September 30, 2006

(billions of yen)

	Fair value	Net unrealized gain (loss)		
			Gross unrealized gains	Gross unrealized losses
Equity securities (domestic)	4.5	0.2	0.6	0.4
Bonds (domestic)	646.7	(3.0)	0.3	3.3
Other ⁽¹⁾	275.2	1.2	1.6	0.3
Total	926.4	(1.6)	2.6	4.2

As of March 31, 2006

(billions of yen)

	Fair value	Net unrealized gain (loss)		
			Gross unrealized gains	Gross unrealized losses
Equity securities (domestic)	11.1	1.5	1.5	0.0
Bonds (domestic)	671.4	(4.7)	0.0	4.7
Other ⁽¹⁾	149.6	2.6	3.3	0.7
Total	832.2	(0.4)	5.0	5.4

(1) "Other" mainly consists of foreign securities.

4. Balance of Deposits (Non-Consolidated)

(billions of yen)

	As of December 31, 2006 (Unaudited)	As of September 30, 2006	Change	As of March 31, 2006	Change
Balance of deposits (including NCDs)	5,123.1	5,014.0	109.1	4,158.1	965.0
Balance of deposits from individuals	3,504.3	3,363.9	140.4	3,081.6	422.7

Non-Consolidated Statements of Income (Unaudited)

(millions of yen)

	Nine months ended December 31, 2006	Nine months ended December 31, 2005	Change		Fiscal year ended March 31, 2006 (FY2005)
	a	b	a-b	%	c
Interest on loans and bills	52,386	43,411	8,975	20.7%	57,895
Interest and dividends on securities	30,971	16,669	14,302	85.8%	21,036
Other interest income	9,792	2,764	7,028	254.3%	3,689
Interest income	93,151	62,844	30,307	48.2%	82,620
Fees and commissions income	21,054	17,160	3,894	22.7%	22,065
Trading profits	12,584	15,905	(3,321)	(20.9)%	20,740
Other business income	14,588	19,264	(4,676)	(24.3)%	23,523
Other ordinary income	33,449	33,939	(490)	(1.4)%	48,334
Ordinary income	174,827	149,114	25,713	17.2%	197,284
Interest on deposits	22,645	12,347	10,298	83.4%	16,932
Interest on debentures	2,283	3,765	(1,482)	(39.4)%	4,720
Other interest expenses	28,634	6,744	21,890	324.6%	10,746
Interest expenses	53,562	22,856	30,706	134.3%	32,398
Fees and commissions expenses	9,231	7,362	1,869	25.4%	10,659
Trading losses	382	322	60	18.6%	463
Other business expenses	5,938	4,311	1,627	37.7%	5,415
General and administrative expenses	59,210	55,616	3,594	6.5%	73,860
Other ordinary expenses	7,250	6,369	881	13.8%	13,990
Ordinary expenses	135,576	96,838	38,738	40.0%	136,787
Net ordinary income	39,250	52,276	(13,026)	(24.9)%	60,497
Special gains	21,719	2,051	19,668	958.9%	6,261
Special losses	505	95	410	431.6%	119
Income before income taxes	60,465	54,232	6,233	11.5%	66,639
Income taxes (current)	(2,234)	(4,589)	2,355	(51.3)%	(5,991)
Income taxes (deferred)	(1,150)	(310)	(840)	271.0%	(2,260)
Net income	63,849	59,131	4,718	8.0%	74,890

yen / US\$

@118.98

@118.07

@117.47

Non-Consolidated Balance Sheets (Unaudited)
-- Assets

(millions of yen)

	As of December 31, 2006 a	As of December 31, 2005 b	Change a-b	As of March 31, 2006 c	Change a-c
<<Assets>>					
Cash and due from banks	235,033	258,152	(23,119)	315,282	(80,249)
Call loans	71,000	286,500	(215,500)	50,000	21,000
Collateral related to securities borrowing transactions	103,950	73,615	30,335	33,107	70,843
Other monetary claims purchased	68,052	36,708	31,344	40,233	27,819
Trading assets	348,405	132,838	215,567	173,315	175,090
Monetary assets held in trust	690,641	675,825	14,816	556,448	134,193
Securities	2,150,077	1,970,700	179,377	1,809,798	340,279
Loans and bills discounted	4,847,065	3,690,615	1,156,450	3,961,246	885,819
Foreign exchanges	10,735	11,982	(1,247)	12,140	(1,405)
Other assets	284,173	243,818	40,355	282,669	1,504
Premises and equipment	/	27,046	/	26,701	/
Tangible fixed assets	21,172	/	/	/	/
Intangible fixed assets	13,080	/	/	/	/
Deferred issuance expenses for debentures	107	177	(70)	177	(70)
Deferred tax assets	26,715	25,701	1,014	27,965	(1,250)
Customers' liabilities for acceptances and guarantees	19,575	46,243	(26,668)	30,985	(11,410)
Reserve for credit losses	(101,146)	(115,828)	14,682	(111,421)	10,275
Total assets	8,788,639	7,364,098	1,424,541	7,208,651	1,579,988
	yen / US\$	@118.98	@118.07	@117.47	

Non-Consolidated Balance Sheets (Unaudited)

-- Liabilities and Net assets

(millions of yen)

	As of December 31, 2006 a	As of December 31, 2005 b	Change a-b	As of March 31, 2006 c	Change a-c
<<Liabilities>>					
Deposits	4,807,982	4,355,007	452,975	4,000,819	807,163
Negotiable certificates of deposit	315,177	230,802	84,375	157,373	157,804
Debentures	713,207	1,113,854	(400,647)	1,021,419	(308,212)
Call money	808,124	140,000	668,124	30,000	778,124
Collateral related to securities lending transactions	180,818	9,420	171,398	-	180,818
Trading liabilities	94,759	71,142	23,617	129,059	(34,300)
Borrowed money	287,398	285,699	1,699	314,789	(27,391)
Foreign exchanges	664	405	259	325	339
Corporate bonds	561,238	122,789	438,449	447,024	114,214
Other liabilities	226,558	142,618	83,940	213,567	12,991
Accrued employees bonuses	8,027	7,558	469	10,040	(2,013)
Reserve for retirement benefits	154	811	(657)	200	(46)
Acceptances and guarantees	19,575	46,243	(26,668)	30,985	(11,410)
Total liabilities	8,023,690	6,526,352	1,497,338	6,355,605	1,668,085
<<Net assets>>					
		<<Shareholders' Equity>>		<<Shareholders' Equity>>	
Shareholders' equity					
Capital stock	451,296	451,296	-	451,296	-
Capital surplus	18,558	18,558	-	18,558	-
Additional paid-in capital	18,558	18,558	-	18,558	-
Retained earnings	372,954	364,767	8,187	380,526	(7,572)
Appropriated for legal reserve	9,266	7,777	1,489	7,777	1,489
Other retained earnings	363,688	356,990	6,698	372,749	(9,061)
Earned surplus brought forward	363,688	356,990	6,698	372,749	(9,061)
Treasury stock, at cost	(72,559)	(6)	(72,553)	(6)	(72,553)
Total shareholders' equity	770,250	/	/	/	/
Net unrealized gain / loss and translation adjustments					
Net unrealized gain / loss on securities available-for-sale, net of taxes	3,699	3,128	571	2,670	1,029
Net deferred gain / loss on hedge, net of taxes	(9,418)	/	/	/	/
Total net unrealized gain / loss and translation adjustments	(5,718)	/	/	/	/
Stock acquisition rights	417	/	/	/	/
Total net assets	764,948	837,745	(72,797)	853,046	(88,098)
Total liabilities and net assets	8,788,639	7,364,098	1,424,541	7,208,651	1,579,988

yen / US\$

@118.98

@118.07

@117.47

Certain account titles of the balance sheets as of December 31,2005 (b) and March 31,2006 (c) are realigned in line with the balance sheet as of December31,2006 (a).

[All figures presented in the following tables are based on APLUS' disclosed financials and before consolidation to Shinsei's financials.]

(Reference) APLUS Key Data

(billions of yen)

Summary of Income Statement (Consolidated)	for the nine months ended		for the six months ended	
	Dec. 31, 2006	Dec. 31, 2005	Sep. 30, 2006	Mar. 31, 2006
Operating Revenue	84.9	73.4	57.3	51.7
Credit card shopping (Sogo)	6.5	4.7	4.2	3.4
Installment shopping credit (Kohin)	15.0	10.0	10.2	6.8
Credit guarantee	20.3	22.9	13.8	14.6
Loan	35.1	29.0	23.9	21.3
Consumer loan	34.9	28.7	23.7	21.1
Cashing by credit card	15.9	12.2	10.5	10.3
Loan card	16.4	14.7	11.5	9.5
Other consumer loan	2.5	1.7	1.6	1.2
Other loan	0.1	0.2	0.1	0.1
Financial income	1.7	1.4	1.0	1.0
Others	6.1	5.1	4.0	4.4
Operating Expenses	89.1	64.0	53.9	43.5
SG&A	85.0	60.3	51.3	41.3
Net provision of allowance for bad debts	28.0	19.6	17.5	13.0
Others	57.0	40.6	33.7	28.2
Financial expenses	4.0	3.7	2.5	2.2
Operating Income	(4.2)	9.3	3.4	8.1
Ordinary Income	(4.2)	9.5	3.5	8.1
Net Extraordinary Profit (Loss)	(1.4)	1.7	(1.4)	(1.3)
Net Income before Tax	(5.6)	11.2	2.1	6.8
Net Income	(7.3)	13.0	0.5	8.3

(billions of yen)

Summary of Financials and Other Major Business Information (Consolidated)	as of the end of		as of the end of	
	Dec. 2006	Dec. 2005	Sep. 2006	Mar. 2006
Total Assets	1,601.1	1,497.1	1,608.2	1,593.1
Total Liabilities	1,537.8	1,423.3	1,534.2	1,516.1
Total Net Assets	63.2	73.7	74.0	76.9
Total Account Receivables	1,314.8	/	1,329.1	1,315.0
Total installment receivables	603.3	/	604.7	568.7
Credit card shopping (Sogo)	44.0	/	39.4	36.9
Installment shopping credit (Kohin)	290.8	/	296.8	253.8
Loan	268.3	/	268.2	277.7
Consumer loan	252.7	/	253.3	234.0
Cashing by credit card	67.3	/	70.0	66.3
Loan card	133.5	/	133.7	131.9
Other consumer loan	51.8	/	49.5	35.7
Other loan	15.6	/	14.9	43.6
Others	0.1	/	0.1	0.1
Credit guarantee receivables	711.4	/	724.3	746.3
Number of Merchants (thousands)	/	/	897	648
Total Available Cardholders (thousands) (non-consolidated)	/	/	7,359	6,841
Number of New Card Issuance (thousands) (non-consolidated)	/	/	905	891
Loan Receivables Outstanding by Interest Rate Zone (non-consolidated) *	/	/	204.3	/
~15.0%	/	/	0.9	/
~18.0%	/	/	32.9	/
~20.0%	/	/	15.2	/
~25.0%	/	/	52.7	/
~29.2%	/	/	102.4	/
Cashing by credit card	/	/	75.7	/
Loan card	/	/	128.5	/
Credit Outstanding Per Account (thousand yen)	/	/	371	/
Cashing by credit card	/	/	242	/
Loan card	/	/	541	/

* This is a total of cashing by credit card / loan card outstanding (177.2 billion yen, non-consolidated, as of the end of Sep. 2006) based on managed assets basis, which include securitized receivables and uncollectible estimated amounts, etc.

■ Grey zone related:

In the nine months ended Dec 31, 2006, APLUS made an additional provision of 11.2 billion yen for future possible losses on reimbursements of excess interest payments.

As of the end of Dec. 2006, reserve for losses on interest repayments stood at 10.8 billion yen.

[All figures presented in the following tables are based on Shinki' disclosed financials]

(Reference) Shinki Key Data

(billions of yen)

Summary of Income Statement (non-consolidated)	(Reference)			
	for the nine months ended		for the six months ended	for the fiscal year ended
	Dec. 31, 2006	Dec. 31, 2005	Sep. 30, 2006	Mar. 31, 2006
Operating Income	34.0	38.1	23.0	50.5
Interest income	18.4	20.9	12.5	27.9
Interest on subordinated investor certificate	14.7	16.1	9.8	21.1
Others	0.8	1.0	0.6	1.3
Operating Expenses	35.7	30.7	22.2	43.7
Financial expenses	1.2	1.5	0.8	1.9
Other operating expenses	34.4	29.1	21.4	41.7
Allowance for bad debts and write offs	21.1	13.2	12.3	20.0
Others	13.3	15.9	9.0	21.7
Operating Profit	(1.6)	7.3	0.7	6.7
Ordinary Profit	(1.4)	7.5	0.8	6.8
Net Extraordinary Profit (Loss)	(13.3)	0.2	(13.3)	0.2
Net Income before Tax	(14.8)	7.7	(12.4)	7.0
Net Income	(17.1)	4.4	(15.4)	4.1

(billions of yen)

Summary of Financials and Other Major Business Information (non-consolidated)	as of the end of			
	Dec. 2006	Dec. 2005	Sep. 2006	Mar. 2006
	Total Assets	161.9	193.2	171.9
Total Liabilities	111.9	124.3	120.1	121.1
Total Net Assets	49.9	68.8	51.8	68.5
Loan Receivables Outstanding ⁽¹⁾	181.6	205.7	187.5	199.4
Consumer loans	128.0	141.4	130.0	136.8
Unsecured loans	127.2	140.9	129.6	136.3
Secured loans	0.7	0.5	0.4	0.4
Business loans	53.6	64.3	57.5	62.6
Loans on deeds	0.4	0.8	0.4	0.6
Noloan business	53.1	63.2	56.9	61.8
Secured loans	0.0	0.2	0.0	0.1
Number of Branch Offices	57	60	572	610
Weighted Average Rate of Loan Interest Rate (%)	27.06	27.20	27.18	26.60
Consumer loans	27.42	27.58	27.59	26.91
Unsecured loans	27.50	27.64	27.65	26.97
Secured loans	14.27	11.31	11.07	11.15
Business loans	26.19	26.37	26.24	25.93
Loans on deeds	21.50	22.12	21.29	21.26
Noloan business	26.25	26.49	26.30	26.02
Secured loans	11.33	9.54	11.54	9.68
Weighted Average Rate of Funding Rate (%)				
During the fiscal year	1.65	1.87	1.64	1.82
As of the end of the fiscal year	1.68	1.67	1.68	1.63

(1) Balance of loans include ones off-balanced through securitization program

■ Grey zone related:

In the nine months ended Dec. 2006, Shinki (non-consolidated basis) made an additional provision of 18.1 billion yen for future possible losses on reimbursements of excess interest payments. (6.7 billion yen was recorded in operating expenses and 11.4 billion yen was recorded in extraordinary losses.) As of the end of Dec. 2006, the reserve amount stood at 18.8 billion yen.