

Financial Summary

For the First Quarter Ended June 30, 2009



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

<u>Contents</u>	<u>Page</u>
Section 1. Consolidated Information	..... 1
<i>Results of Operations -Table 1- (Consolidated)</i>	..... 1
<i>Items included in Results of Operations - Table 1-1- (Consolidated)</i>	..... 3
<i>Interest-Earning Assets and Interest-Bearing Liabilities -Table 2- (Consolidated)</i>	..... 4
<i>Non-Interest Income -Table 3- (Consolidated)</i>	..... 5
<i>General and Administrative Expenses -Table 4- (Consolidated)</i>	..... 6
<i>Net Credit Costs -Table 5- (Consolidated)</i>	..... 7
<i>Amortization of Goodwill and Other Intangible Assets -Table 6- (Consolidated)</i>	..... 7
<i>Other Gains (Losses) -Table 7- (Consolidated)</i>	..... 7
<i>Minority Interests in Net Income of Subsidiaries -Table 8- (Consolidated)</i>	..... 8
<i>Major Balance Sheet Data -Table 9- (Consolidated)</i>	..... 9
<i>Risk-Monitored Loans -Table 10- (Consolidated)</i>	..... 10
<i>Reserve for Credit Losses -Table 11- (Consolidated)</i>	..... 10
<i>Loans by Borrower Industry -Table 12- (Consolidated)</i>	.....11
<i>Securities Being Held to Maturity with Readily Determinable Fair Value -Table 13- (Consolidated)</i>	.....11
<i>Marketable Securities, at Fair Value -Table 14- (Consolidated)</i>	..... 12
<i>Deposits, Including Negotiable Certificates of Deposit (NCDs) -Table 15- (Consolidated)</i>	..... 12
<i>Financial Ratios -Table 16- (Consolidated)</i>	..... 13
<i>Capital Adequacy Data -Table 17- (Consolidated)</i>	..... 13
<i>Per Share Data -Table 18- (Consolidated)</i>	..... 14
<i>Business Lines Results -Table 19- (Consolidated)</i>	..... 15
<i>Institutional Group -Table 20- (Consolidated)</i>	..... 16
<i>Individual Group -Table 21- (Consolidated)</i>	..... 18
<i>Consolidated Balance Sheets (Consolidated)</i>	..... 20
<i>Consolidated Statements of Operations (Consolidated)</i>	..... 22

<i>Section 2. Non-Consolidated Information</i>	..... 23
<i>Results of Operations -Table 22- (Non-Consolidated)</i>	..... 23
<i>Net Credit Costs -Table 23- (Non-Consolidated)</i>	..... 24
<i>Interest-Earning Assets and Interest-Bearing Liabilities -Table 24- (Non-Consolidated)</i>	..... 25
<i>Risk-Monitored Loans -Table 25- (Non-Consolidated)</i>	..... 26
<i>Loans by Borrower Industry -Table 26- (Non-Consolidated)</i>	..... 26
<i>Risk Monitored Loans by Borrower Industry -Table 27- (Non-Consolidated)</i>	..... 27
<i>Overseas and Offshore Loans by Region -Table 28- (Non-Consolidated)</i>	..... 27
<i>Risk Monitored Loans of Overseas and Offshore Loans by Region -Table 29- (Non-Consolidated)</i>	..... 28
<i>Claims Classified under the Financial Revitalization Law -Table 30- (Non-Consolidated)</i>	..... 28
<i>Reserve for Credit Losses -Table 31- (Non-Consolidated)</i>	..... 28
<i>Securities Being Held to Maturity with Readily Determinable Fair Value -Table 32- (Non-Consolidated)</i>	29
<i>Marketable Securities, at Fair Value -Table 33- (Non-Consolidated)</i>	..... 29
<i>Capital Adequacy Data -Table 34- (Non-Consolidated)</i>	..... 30
<i>Non-Consolidated Balance Sheets (Unaudited) (Non-Consolidated)</i>	..... 31
<i>Non-Consolidated Statements of Operations (Unaudited) (Non-Consolidated)</i>	..... 33
<i>Section 3. Earnings Forecast -Table 35- (Consolidated and Non-Consolidated)</i>	..... 34
<i>Section 4. Exposure to Securitized Products and Related Investments</i>	..... 35
<i>Balance of Securitized Products (Breakdown by Region and Type of Securities) -Table 36- (Non-Consolidated)</i>	..... 35
<i>Securitized Products, Recorded under “Securities” and “Other Monetary Claims Purchased” and OCI -Table 37- (Non-Consolidated)</i>	..... 36
<i>LBO, Monoline, SIV, ABCP, CDS -Table 38- (Non-Consolidated)</i>	..... 37
<i>Definitions -Table 39-</i>	..... 38

The following discussion should be read in conjunction with the consolidated and non-consolidated financial statements prepared in accordance with generally accepted accounting principles in Japan for banks. Except as otherwise indicated, the financial information in the following discussion is based on the consolidated financial statements. Financial and operational data that are stated in multiples of 0.1 billion have been truncated. All percentages have been rounded to the nearest 0.1%.

Section 1. Consolidated Information

⁽¹⁾
Results of Operations - Table 1- (Consolidated)

	(Billions of yen, except percentages)			
	1QFY2009 (3 months)	1QFY2008 (3 months)	% Change	FY2008 (12 months)
Net interest income	57.4	35.7	60.9	202.9
Non-interest income	30.0	25.2	18.7	55.2
Net fees and commissions	4.9	9.3	(46.8)	26.5
Net trading income (loss)	(0.3)	2.7	(114.3)	(4.6)
Net other business income	25.4	13.2	93.0	33.3
Total revenue	87.5	61.0	43.4	258.2
General and administrative expenses	44.5	40.9	8.6	178.7
Ordinary business profit	43.0	20.0	114.8	79.4
Net credit costs	26.0	8.3	211.1	129.0
Amortization of goodwill and other intangible assets⁽²⁾	5.3	2.9	80.2	17.5
Other gains (losses)	(4.1)	6.2	(167.0)	(51.8)
Income (loss) before income taxes and minority interests	7.4	14.8	(50.2)	(119.0)
Current income tax	0.3	2.0	(81.4)	3.4
Deferred income tax (benefit)	(0.8)	(2.3)	63.3	7.0
Minority interests in net income of subsidiaries	2.7	4.2	(36.8)	13.5
Net income (loss)	5.1	10.8	(52.4)	(143.0)
Cash basis net income (loss)⁽³⁾	9.7	13.4	(27.7)	(97.0)

(1) Represents results based on management accounting basis.

(2) In our consolidated financial statements, amortization of goodwill and other intangible assets is recorded in total general and administrative expenses from fiscal year 2006.

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

Note 1: Quarterly information is available in the Quarterly Data Book

Shinsei Bank reported **total revenue** for the first quarter of fiscal year 2009 of ¥87.5 billion. This was ¥26.5 billion, or 43.4% higher than the total revenue recorded in the first quarter of fiscal year 2008.

Net interest income rose to ¥57.4 billion during the current period from ¥35.7 billion in the first quarter of fiscal year 2008. This increase was primarily driven by ¥28.4 billion in net interest income contribution from Shinsei Financial, which has been incorporated into our financial results from the third quarter of fiscal year 2008.

Non-interest income increased to ¥30.0 billion in the current quarter versus ¥25.2 billion in the previous period. Our net fees and commissions income declined to ¥4.9 billion during the current quarter from ¥9.3 billion during the first quarter of fiscal year 2008 due to the inclusion of Shinsei Financial customer ATM usage and other customer related fees of ¥1.4 billion in the current quarter, as well as due to the lower level of economic activity. In addition, we incurred a net trading loss of ¥0.3 billion in the first quarter of fiscal year 2009 compared to generating net trading income of ¥2.7 billion in the prior period. Declines in net fees and commissions income and net trading income were offset by higher net other business income. **Net other business income** for the first quarter of fiscal year 2009 increased to ¥25.4 billion from ¥13.2 billion in the first quarter of fiscal

year 2008. During the current quarter, we benefited from the global tightening of credit spreads and improved pricing of financial instruments. Major items included in **net other business income** are a gain of ¥9.4 billion on the repurchase of our subordinated debt and gains of ¥8.7 billion on the sale of collateralized loan obligations (CLOs) and ¥1.1 billion on the sale of corporate bonds. These gains were partially offset by ¥4.6 billion of losses on our equity method affiliate Jih Sun Financial Holding Co., Ltd. We further incurred mark-downs and impairments of ¥1.8 billion on our real estate principal investments and ¥2.2 billion on asset-backed investments, asset-backed securities and European investments.

General and administrative expenses during the first quarter of fiscal year 2009 were ¥44.5 billion, an increase of ¥3.5 billion or 8.6% compared to the first quarter of fiscal year 2008. This increase occurred as a result of our acquisition of Shinsei Financial from GE Japan Holdings Corporation on September 22, 2008 and the inclusion of Shinsei Financial's expenses from October 1, 2008. Excluding Shinsei Financial's expenses for the first quarter of fiscal year 2009, our expenses declined to ¥32.8 billion, a decrease of ¥8.1 billion or 19.9% from the first quarter of fiscal year 2008. The reduction in expenses on a normalized basis reflects the results of the restructuring that

we undertook in fiscal year 2008, as well as ongoing expense reduction initiatives that we have implemented in the current period.

Our expense-to-revenue ratio was 50.9% for the first quarter of fiscal year 2009, or 57.0% excluding the ¥9.4 billion gain on the repurchase of our subordinated debt. This compares to an expense-to-revenue ratio of 67.2% in the first quarter of fiscal year 2008 and reflects the progress that we have made in reducing our expense base over the past twelve months.

Net credit costs of ¥26.0 billion for the first quarter of fiscal year 2009 were ¥17.6 billion higher compared to the first quarter of the prior fiscal year. The increase was driven primarily by ¥8.9 billion of net credit costs within Shinsei Financial, ¥3.8 billion of reserves for overseas loans within our Basic Banking business, ¥3.3 billion of reserves for real estate non-recourse finance related loans, and ¥1.1 billion in net credit costs associated with our holdings of asset-backed investments.

Amortization of goodwill and other intangible assets associated with the acquisition of consumer and commercial finance companies was ¥5.3 billion for the first quarter of fiscal year 2009 as compared with ¥2.9 billion in the first quarter of fiscal year 2008. The higher amounts reflect the **amortization of goodwill and other intangible assets** associated with our acquisition of Shinsei Financial, partially offset by a reduction in the amortization of goodwill and other intangible assets of APLUS as a result of APLUS' accelerated goodwill amortization taken at the end of fiscal year 2008.

Other losses of ¥4.1 billion largely included grey zone expenses of ¥4.5 billion at Shinki and ¥1.0 billion at Shinsei Financial. The Shinsei Financial grey zone charges incurred during the first quarter of fiscal year 2009 were for the portion of the portfolio not covered by the GE indemnity included in the purchase of Shinsei Financial from GE. The first quarter of fiscal year 2008 results included a ¥7.2 billion gain on the sale of the Bank's Meguro Production Center, net of restoration and future relocation costs.

Current and deferred income taxes reflected a net benefit of ¥0.4 billion compared to a net benefit of ¥0.2 billion in the first quarter of the prior fiscal year.

Minority interests in net income of subsidiaries for the first quarter of fiscal year 2009 amounting to ¥2.7 billion largely reflected dividends paid on perpetual preferred securities and minority interests relating to APLUS' preferred shareholders as well as minority interests in other subsidiaries.

The Bank recognized consolidated **net income** of ¥5.1 billion for the first quarter of fiscal year 2009, a decrease of ¥5.6 billion or 52.4% as compared to the first quarter of fiscal year 2008.

Consolidated **cash basis net income** for the first quarter of fiscal year 2009 was ¥9.7 billion, a decrease of ¥3.7 billion or 27.7% as compared to the first quarter of fiscal year 2008. The **cash basis net income** is calculated by excluding amortization of goodwill and other intangible assets, net of tax benefit, from net income under Japanese generally accepted accounting principles (JGAAP).

⁽¹⁾
Items included in Results of Operations - Table 1-1- (Consolidated)

(Billions of yen)

1QFY2009
(3 months)

	1QFY2009 (3 months)
Mark-downs/impairments included in revenue	
Losses on our equity method affiliate Jih Sun Financial Holding Co., Ltd.	(4.6)
Asset-backed securities, asset-backed investments and European investments	(2.2)
Others	(2.3)
Subtotal (i)	(9.2)
Items included in net credit costs	
Real estate non-recourse finance	(3.3)
Asset-backed investments	(1.1)
Others (reserve for overseas loans within Basic Banking)	(3.8)
Subtotal (ii)	(8.2)
Other losses	
Grey zone related provisions	(5.5)
Losses related to Jih Sun Financial Holding Co., Ltd.	(0.8)
Others	(1.5)
Subtotal (iii)	(7.9)
Total (i) + (ii) + (iii)	(25.5)
Breakdown by Category	
Grey zone related provisions	(5.5)
Jih Sun Financial Holding Co., Ltd.	(5.4)
Asset-backed securities, asset-backed investments and European investments	(3.4)
Real estate non-recourse finance	(3.3)
Others	(7.7)
Total	(25.5)
Gains included in revenue	
Gain from buy back of subordinated debt	9.4
Gain from the sale of collateralized loan obligations (CLOs)	8.7
Others (gain from the sale of corporate bonds)	1.1
Total	19.4

(1) This table shows items which are considered to be largely non-recurring.

Interest-Earning Assets and Interest-Bearing Liabilities -Table 2- (Consolidated)

(Billions of yen, except percentages)

	1QFY2009 (3 months)			1QFY2008 (3 months)			FY2008 (12 months)		
	Average balance	Interest	Yield/rate (%)	Average balance	Interest	Yield/rate (%)	Average balance	Interest	Yield/rate (%)
Interest-earning assets⁽¹⁾ :									
Loans and bills discounted	5,683.9	68.3	4.83	5,714.7	47.3	3.32	5,910.3	256.1	4.33
Leased assets and installment receivables ⁽¹⁾	649.1	11.4	7.10	727.4	12.2	6.73	689.0	49.2	7.15
Securities	3,295.9	8.8	1.08	2,477.2	11.1	1.80	2,535.1	37.9	1.50
Other interest-earning assets ⁽²⁾⁽³⁾	702.0	2.1	n.m. ⁽⁵⁾	994.9	2.3	n.m. ⁽⁵⁾	963.0	9.2	n.m. ⁽⁵⁾
Total revenue on interest-earning assets⁽⁴⁾	10,331.0	90.8	3.53	9,914.4	72.9	2.95	10,097.5	352.7	3.49
Interest-bearing liabilities:									
Deposits, including negotiable certificates of deposit	6,690.5	14.4	0.87	5,998.1	12.1	0.81	6,195.6	52.2	0.84
Debentures	656.3	1.2	0.77	665.7	0.9	0.60	706.3	5.0	0.71
Borrowed money ⁽⁶⁾	982.0	3.2	1.34	1,093.6	4.2	1.55	1,135.9	17.0	1.50
Subordinated debt	102.0	0.3	1.30	108.0	0.3	1.41	107.9	1.4	1.33
Other borrowed money	880.0	2.9	1.34	985.6	3.8	1.57	1,028.0	15.5	1.51
Corporate bonds ⁽⁶⁾	261.8	2.0	3.15	435.6	4.1	3.81	351.6	11.5	3.27
Subordinated bonds	187.2	1.7	3.67	355.8	3.8	4.30	272.4	10.1	3.71
Other corporate bonds	74.6	0.3	1.85	79.7	0.3	1.63	79.2	1.3	1.76
Other interest-bearing liabilities ⁽²⁾	715.9	0.8	n.m. ⁽⁵⁾	1,185.7	3.5	n.m. ⁽⁵⁾	914.0	14.5	n.m. ⁽⁵⁾
Total expense on interest-bearing liabilities	9,306.6	21.8	0.94	9,378.8	25.0	1.07	9,303.7	100.4	1.08
Non interest-bearing sources of funds:									
Non interest-bearing (assets) liabilities, net	447.6	-	-	(180.1)	-	-	154.7	-	-
Total equity excluding minority interests in subsidiaries ⁽⁴⁾	576.7	-	-	715.7	-	-	639.1	-	-
Total interest-bearing liabilities and non interest-bearing sources of funds	10,331.0	-	-	9,914.4	-	-	10,097.5	-	-
Net interest margin ⁽¹⁾	-	-	2.58	-	-	1.88	-	-	2.41
Impact of non interest-bearing sources	-	-	0.09	-	-	0.06	-	-	0.08
Net revenue/yield on interest-earning assets⁽¹⁾	-	68.9	2.68	-	47.9	1.94	-	252.2	2.50
Reconciliation of total revenue on interest-earning assets to total interest income:									
Total revenue on interest-earning assets	10,331.0	90.8	3.53	9,914.4	72.9	2.95	10,097.5	352.7	3.49
Less: Income on leased assets and installment receivables, net	649.1	11.4	7.10	727.4	12.2	6.73	689.0	49.2	7.15
Total interest income	9,681.9	79.3	3.29	9,186.9	60.7	2.65	9,408.5	303.4	3.22
Total interest expense	-	21.8	-	-	25.0	-	-	100.4	-
Net interest income	-	57.4	-	-	35.7	-	-	202.9	-

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

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

(3) Excludes average balance of non interest-earning assets.

(4) Represents a simple average of the balance at the end of the current period and the balance at the end of the previous period.

(5) n.m. is not meaningful.

(6) Prior period has been adjusted to conform to current period presentation.

Note 1: Quarterly information is available in the Quarterly Data Book

Net revenue on interest-earning assets includes net interest income as well as revenue earned on the average balance of leased assets and installment receivables. The Bank considers income on leased assets and installment receivables to be a component of interest income, but JGAAP does not include income on leased assets and installment receivables in net interest income. Under JGAAP, therefore, income on leased assets and installment receivables is reported in net other business income in our consolidated statements of operations.

Net revenue on interest-earning assets for the first quarter of fiscal year 2009 was ¥68.9 billion, an increase of ¥21.0

billion compared to the first quarter of the prior fiscal year. Total revenue on interest-earning assets increased by ¥17.8 billion and total expense on interest-bearing liabilities decreased by ¥3.1 billion in the first quarter of fiscal year 2009 from the first quarter of the prior fiscal year. The net yield on interest-earning assets was 2.68% in the first quarter of fiscal year 2009, compared with 1.94% for the first quarter of fiscal year 2008, an increase of 0.74%. The higher net yield reflects the higher volume and rates on our consumer finance assets, as well as lower interest expense due to lower subordinated bond interest expense as well as lower expense for other interest-bearing liabilities.

Non-Interest Income -Table 3- (Consolidated)

	<i>(Billions of yen, except percentages)</i>			
	1QFY2009 (3 months)	1QFY2008 (3 months)	% Change	FY2008 (12 months)
Net fees and commissions	4.9	9.3	(46.8)	26.5
Net trading income (loss)	(0.3)	2.7	(114.3)	(4.6)
Net other business income	25.4	13.2	93.0	33.3
Income on leased assets and installment receivables, net	11.4	12.2	(5.9)	49.2
Total non-interest income	30.0	25.2	18.7	55.2

Note 1: Quarterly information is available in the Quarterly Data Book

Total non-interest income for the first quarter of fiscal year 2009 amounted to ¥30.0 billion, an increase of ¥4.7 billion or 18.7% compared to the first quarter of the prior fiscal year.

This includes revenue from fees and commissions, trading and other non-interest sources, including revenue from leased assets and installment receivables, gains on the repurchase of our subordinated debt and gains on the sale of available for sale securities.

Net fees and commissions mainly includes fees on non-recourse real estate finance, consumer finance related guarantees and other financing products and commissions on sales of asset management products. **Net fees and commissions** of ¥4.9 billion were earned in the first quarter of fiscal year 2009, a decrease of ¥4.3 billion or 46.8% compared to the first quarter of the prior fiscal year. The decline in net fees and commissions occurred due to the inclusion of Shinsei Financial customer ATM usage and other customer related fees of ¥1.4 billion in the current quarter, as well as lower fees, commissions and guarantee revenues earned due to the lower level of overall economic activity.

Net trading income reflects revenues from customer-driven transactions as well as transactions undertaken for trading purposes. During the first quarter of fiscal year 2009,

net trading income showed a loss of ¥0.3 billion, compared to a gain of ¥2.7 billion in the first quarter of the prior fiscal year.

Net other business income for the first quarter of fiscal year 2009 was ¥25.4 billion. This included income of ¥11.4 billion from the leased assets and installment receivables businesses of Showa Leasing, APLUS and Shinsei Financial. Excluding such income, **net other business income** for the first quarter of fiscal year 2009 showed a gain of ¥13.9 billion, an increase of ¥12.9 billion from the first quarter of the prior fiscal year. Major items included in **net other business income** are a gain of ¥9.4 billion on the repurchase of our subordinated debt and gains of ¥8.7 billion on the sale of collateralized loan obligations (CLOs) and ¥1.1 billion on the sale of corporate bonds. These gains were partially offset by ¥4.6 billion of losses on our equity method affiliate Jih Sun Financial Holding Co., Ltd. We further incurred mark-downs and impairments of ¥1.8 billion on our real estate principal investments and ¥2.2 billion on asset-backed investments, asset-backed securities and European investments.

General and Administrative Expenses -Table 4- (Consolidated)

	<i>(Billions of yen, except percentages)</i>			
	1QFY2009 (3 months)	1QFY2008 (3 months)	% Change	FY2008 (12 months)
Personnel expenses	17.0	17.0	(0.4)	69.0
Non-personnel expenses	27.4	23.9	15.0	109.7
Premises expenses	7.1	5.5	28.1	27.4
Technology and data processing expenses	6.1	5.8	5.1	24.4
Advertising expenses	3.0	2.1	43.0	12.5
Consumption and property taxes	2.3	1.8	27.2	8.2
Deposit insurance premium	1.0	0.9	12.8	3.8
Other general and administrative expenses	7.6	7.4	2.1	33.2
General and administrative expenses	44.5	40.9	8.6	178.7

Note 1: Quarterly information is available in the Quarterly Data Book

General and administrative expenses were ¥44.5 billion in the first quarter of fiscal year 2009, an increase of ¥3.5 billion or 8.6% compared to the first quarter of the prior fiscal year. Higher expenses were incurred as a result of our acquisition of Shinsei Financial from GE Japan Holdings Corporation on September 22, 2008 and the inclusion of Shinsei Financial's expenses from October 1, 2008. Excluding Shinsei Financial's expenses for the first quarter of fiscal year 2009, our expenses declined to ¥32.8 billion, a decrease of ¥8.1 billion or 19.9% from the prior period.

Personnel expenses of ¥17.0 billion were approximately the same as the first quarter of the prior fiscal year, despite the inclusion of Shinsei Financial's personnel expenses of ¥4.2 billion, as we were able to largely offset Shinsei

Financial's expenses through ongoing personnel expense reductions within other areas of our business.

Non-personnel expenses rose to ¥27.4 billion compared to ¥23.9 billion in the first quarter of the prior fiscal year mainly due to the inclusion of Shinsei Financial results. **Premises expenses** increased mainly due to Shinsei Financial premises expenses. **Advertising expenses** were ¥0.9 billion higher than the last fiscal year reflecting the inclusion of Shinsei Financial's expenses offset by continued optimization of advertising activities in other Individual Group businesses. **Consumption and property taxes** were ¥0.5 billion higher mainly due to the inclusion of consumption and property taxes incurred by Shinsei Financial.

Net Credit Costs -Table 5- (Consolidated)

	<i>(Billions of yen, except percentages)</i>			
	1QFY2009 (3 months)	1QFY2008 (3 months)	% Change	FY2008 (12 months)
Losses on write-off of loans/Losses on sale of loans	1.4	0.6	138.8	3.1
Net provision (reversal) of reserve for loan losses:	24.7	8.1	204.5	129.7
Net provision (reversal) of general reserve for loan losses	2.6	(0.5)	555.8	56.1
Net provision (reversal) of specific reserve for loan losses	22.1	8.6	154.3	73.6
Net provision (reversal) of reserve for loan losses to restructuring countries	-	-	-	(0.0)
Net provision (reversal) of specific reserve for other credit losses	(0.1)	(0.2)	38.3	(4.7)
Other credit costs relating to leasing business	0.0	(0.1)	114.7	0.8
Net credit costs	26.0	8.3	211.1	129.0

Note 1: Quarterly information is available in the Quarterly Data Book

We recorded net credit costs of ¥26.0 billion for the first quarter of fiscal year 2009 compared with net credit costs of ¥8.3 billion for the first quarter of fiscal year 2008. The ¥17.6 billion increase was driven primarily by ¥8.9 billion of net credit costs within Shinsei Financial, ¥3.8 billion of reserves

for overseas loans within Basic Banking, ¥3.3 billion of reserves for real estate non-recourse finance related loans and ¥1.1 billion in net credit costs associated with our holdings of asset-backed investments.

Amortization of Goodwill and Other Intangible Assets -Table 6- (Consolidated)

	<i>(Billions of yen, except percentages)</i>			
	1QFY2009 (3 months)	1QFY2008 (3 months)	% Change	FY2008 (12 months)
Shinsei Financial	2.8	-	-	5.6
APLUS	1.6	2.1	(24.3)	8.6
Shinki	0.1	0.2	(13.5)	0.8
Showa Leasing	0.7	0.5	33.2	2.9
Others	(0.0)	0.0	(100.4)	(0.4)
Amortization of Goodwill and Other Intangible Assets	5.3	2.9	80.2	17.5

Amortization of Goodwill and Other Intangible Assets totaled ¥5.3 billion in the current period, compared to ¥2.9 billion in the first quarter of the prior fiscal year. The ¥2.3 billion net increase in amortization of goodwill and other intangible assets reflects our acquisition of Shinsei Financial on September 22, 2008 and associated amortization of

goodwill and other intangible assets resulting from the acquisition, partially offset by a reduction in APLUS' amortization of goodwill and other intangible assets resulting from accelerated amortization of APLUS' goodwill at the end of fiscal year 2008.

Other Gains (Losses) -Table 7- (Consolidated)

	<i>(Billions of yen, except percentages)</i>			
	1QFY2009 (3 months)	1QFY2008 (3 months)	% Change	FY2008 (12 months)
Extraordinary income (loss)	2.0	7.0	(70.4)	(30.8)
Net gain on disposal of premises and equipment	(0.1)	10.1	(101.3)	8.7
Provision for loss on disposition of premises and equipment	-	(3.0)	-	(3.9)
Recoveries of written-off claims	2.1	0.5	295.3	5.7
Gain on sale of subsidiary's stock	-	-	-	8.2
Other extraordinary income (loss)	0.0	(0.6)	109.5	(49.7)
Other	(6.2)	(0.8)	(633.5)	(21.0)
Other Gains (Losses)	(4.1)	6.2	(167.0)	(51.8)

Other losses of ¥4.1 billion largely included recoveries of written off-claims of ¥2.1 billion, offset by grey zone expenses of ¥4.5 billion at Shinki and ¥1.0 billion at Shinsei Financial. The Shinsei Financial grey zone charges incurred during the first quarter of fiscal year 2009 were for

the portion of the portfolio not covered by the GE indemnity included in the purchase of Shinsei Financial from GE. The first quarter of fiscal year 2008 results include a ¥7.2 billion gain on the sale of the Bank's Meguro Production Center, net of restoration and future relocation costs.

Minority Interests in Net Income of Subsidiaries -Table 8- (Consolidated)

	<i>(Billions of yen, except percentages)</i>			
	1QFY2009 (3 months)	1QFY2008 (3 months)	% Change	FY2008 (12 months)
Dividends on preferred securities (hybrid Tier I capital) issued by foreign SPCs	2.6	2.6	0.9	9.8
Dividends on APLUS' preferred stock	0.1	0.7	(80.4)	3.5
Others	(0.1)	0.8	(113.1)	0.1
Minority Interests in Net Income of Subsidiaries	2.7	4.2	(36.8)	13.5

Minority interests in net income of subsidiaries for the first quarter of fiscal year 2009 amounting to ¥2.7 billion largely reflected dividends paid on perpetual preferred securities and minority interests relating to APLUS' preferred shareholders as well as minority interests in other

subsidiaries. Lower APLUS preferred stock dividends were received in the first quarter of fiscal year 2009 as a result of the redemption of APLUS' preferred securities which occurred during the fourth quarter of fiscal year 2008.

Major Balance Sheet Data -Table 9- (Consolidated)

	(Billions of yen)				
	June 30 2009	June 30 2008	Change	March 31 2009	Change
	(a)	(b)	(a)-(b)	(c)	(a)-(c)
Other monetary claims purchased	415.3	468.3	(53.0)	408.0	7.3
Monetary assets held in trust	339.4	370.2	(30.8)	348.8	(9.4)
Securities	3,262.3	2,587.9	674.4	2,174.1	1,088.2
Loans and bills discounted	5,341.5	5,664.1	(322.6)	5,876.9	(535.4)
Lease receivables and leased investment assets	228.1	249.9	(21.8)	232.5	(4.4)
Other assets	1,070.5	1,064.1	6.4	1,125.7	(55.2)
Installment receivables	393.3	408.6	(15.3)	404.7	(11.4)
Premises and equipment	49.6	74.6	(25.0)	50.9	(1.3)
Tangible leased assets	9.6	43.1	(33.5)	10.8	(1.2)
Intangible assets	203.5	191.5	12.0	209.1	(5.6)
Goodwill, net	129.5	139.9	(10.4)	132.9	(3.4)
Other intangible assets ⁽¹⁾	42.7	22.7	20.0	44.7	(2.0)
Intangible leased assets	0.4	1.5	(1.1)	0.7	(0.3)
Customers' liabilities for acceptances and guarantees	666.0	705.5	(39.5)	675.2	(9.2)
Reserve for credit losses	(202.5)	(128.4)	(74.1)	(192.5)	(10.0)
Total assets	12,249.3	12,532.6	(283.3)	11,949.1	300.2
Deposits and negotiable certificates of deposit	6,994.6	6,109.1	885.5	6,272.1	722.5
Debentures	621.5	684.6	(63.1)	675.5	(54.0)
Borrowed money	879.5	1,060.0	(180.5)	1,012.3	(132.8)
Corporate bonds	236.4	431.4	(195.0)	266.4	(30.0)
Other liabilities	805.0	611.0	194.0	819.9	(14.9)
Reserve for losses on interest repayments	157.9	34.4	123.5	193.8	(35.9)
Acceptances and guarantees	666.0	705.5	(39.5)	675.2	(9.2)
Total liabilities	11,451.8	11,556.8	(105.0)	11,181.7	270.1
Total equity	797.4	975.8	(178.4)	767.4	30.0

(1) Intangible assets recorded through consolidation of Shinsei Financial, APLUS, Showa Leasing and Shinki.

Note 1: Quarterly information is available in the Quarterly Data Book

Shinsei Bank's [loans and bills discounted](#) balance was ¥5,341.5 billion as at June 30, 2009 as compared to ¥5,876.9 billion as at March 31, 2009. The decrease mainly occurred due to a decline of ¥456.9 billion in our Institutional Group loans outstanding as we worked to reduce our Institutional Group loan exposures and risk assets during the current period. This was offset by the inclusion of loans to Shinsei Financial's customers, which totaled ¥657.7 billion at June 30, 2009.

Corporate loans decreased 16.8% to ¥2,004.9 billion at June 30, 2009 compared to ¥2,409.8 billion at March 31, 2009, and the real estate finance balance decreased 2.5% to ¥805.1 billion at June 30, 2009 from ¥825.7 billion at March 31, 2009 as we have continued to work to reduce our loan exposures and risk weighted assets. Excluding non-recourse real estate loans, other real estate finance

loans decreased by approximately 4.2% during the quarter ended June 30, 2009.

[Securities](#) balance as of June 30, 2009 amounted to ¥3,262.3 billion as compared to ¥2,174.1 billion as of March 31, 2009. This increase occurred largely due to purchases of Japanese government bonds, the balance of which increased to ¥2,299.4 billion at June 30, 2009 from ¥1,204.2 billion at March 31, 2009, for liquidity purposes.

Shinsei Bank continues to strengthen its funding base through deposits from retail customers. Total [deposits and negotiable certificates of deposit](#) increased ¥722.5 billion from March 31, 2009 to ¥6,994.6 billion at June 30, 2009. The retail deposits balance totaled ¥5,656.7 billion at June 30, 2009, an increase of ¥633.7 billion compared to March 31, 2009. Retail Banking represents 78.2% of the Bank's total funding through customer deposits and [debentures](#).

Risk-Monitored Loans -Table 10- (Consolidated)

(Billions of yen, except percentages)

	June 30 2009	June 30 2008	Change	March 31 2009	Change
	(a)	(b)	(a)-(b)	(c)	(a)-(c)
Loans to bankrupt obligors	39.5	2.7	36.8	39.5	0.0
Non-accrual delinquent loans	213.2	53.9	159.3	178.5	34.7
Loans past due for three months or more	13.8	5.1	8.7	5.9	7.9
Restructured loans	61.6	31.2	30.4	59.6	2.0
Total (A)	328.3	93.0	235.2	283.6	44.7
Loans and bills discounted (B)	5,341.5	5,664.1	(322.5)	5,876.9	(535.3)
Ratio to total loans and bills discounted (A / B)	6.15%	1.64%	4.50%	4.83%	1.32%
Reserve for credit losses (C)	202.5	128.4	74.1	192.5	10.0
Reserve ratio (C / A)	61.7%	138.0%	(76.3%)	67.9%	(6.2%)

Note 1: Quarterly information is available in the Quarterly Data Book

As at June 30, 2009, risk monitored loans totaled ¥328.3 billion, and the ratio of risk monitored loans to total loans and bills discounted was 6.15%. This represents an increase in risk monitored loans and the ratio of risk monitored loans to total loans and bills discounted of ¥44.7 billion, and 1.32%, respectively, from March 31, 2009. This increase was primarily due to an increase of ¥42.3 billion of risk monitored loans within Shinsei Bank.

For the period from June 30, 2008 to June 30, 2009, risk monitored loans increased by ¥235.2 billion, and the ratio of

risk monitored loans to total loans and bills discounted increased by 4.50%. This increase occurred in part due to the inclusion of ¥70.6 billion of Shinsei Financial's risk monitored loans as of June 30, 2009, as well as due to an increase of ¥147.3 billion of risk monitored loans within Shinsei Bank. The ratio of risk monitored loans to total loans and bills discounted also increased in part due to the ¥322.5 billion decrease in total loans and bills discounted over the period.

Reserve for Credit Losses -Table 11- (Consolidated)

(Billions of yen)

	June 30 2009	June 30 2008	Change	March 31 2009	Change
	(a)	(b)	(a)-(b)	(c)	(a)-(c)
General reserve for loan losses	109.8	82.1	27.6	105.6	4.2
Specific reserve for loan losses	92.6	46.2	46.4	86.8	5.8
Reserve for loans to restructuring countries	0.0	0.0	0.0	0.0	0.0
Total reserve for credit losses	202.5	128.4	74.1	192.5	10.0

Loans by Borrower Industry -Table 12- (Consolidated)

	(Billions of yen)				
	June 30 2009 (a)	June 30 2008 (b)	Change (a)-(b)	March 31 2009 (c)	Change (a)-(c)
Domestic offices (excluding Japan offshore market account):					
Manufacturing	252.0	202.4	49.5	243.1	8.8
Agriculture, forestry	0.0	0.0	(0.0)	0.0	(0.0)
Fishery	2.6	2.8	(0.2)	2.7	(0.1)
Mining, quarrying, gravel extraction	3.5	4.5	(0.9)	3.6	(0.0)
Construction	8.7	18.2	(9.5)	13.0	(4.3)
Electric power, gas, heat supply and water supply	43.7	75.7	(32.0)	45.4	(1.7)
Information and communications	30.2	48.9	(18.7)	48.1	(17.9)
Transportation, postal service	324.7	368.7	(43.9)	336.9	(12.2)
Wholesale and retail	127.7	134.1	(6.4)	132.1	(4.4)
Finance and insurance	782.9	1,040.9	(258.0)	1,152.7	(369.8)
Real estate	992.3	1,278.7	(286.4)	1,011.3	(18.9)
Services	301.3	359.9	(58.5)	332.7	(31.3)
Local government	172.4	283.2	(110.8)	156.5	15.8
Others	2,191.0	1,703.2	487.7	2,280.8	(89.8)
Loans to individual customers (retail banking, Shinsei Financial, APLUS and Shinki)	1,808.8	1,239.7	569.0	1,887.6	(78.7)
Total domestic (A)	5,233.4	5,521.8	(288.4)	5,759.5	(526.1)
Overseas offices (including Japan offshore market accounts):					
Governments	1.6	1.3	0.3	1.4	0.1
Financial institutions	-	-	-	-	-
Others	106.4	140.9	(34.4)	115.8	(9.4)
Total overseas (B)	108.0	142.2	(34.1)	117.3	(9.2)
Total (A+B)	5,341.5	5,664.1	(322.5)	5,876.9	(535.3)

Note: Presentation of some industries has changed with the revision of Japan Standard Industry Classification (November 2007).
The figures on or before March 31, 2009 were not adjusted as the impact from this change is negligible.

Securities Being Held to Maturity with Readily Determinable Fair Value -Table 13- (Consolidated)

	(Billions of yen)								
	June 30, 2009			June 30, 2008			March 31, 2009		
	Book Value	Fair Value	Difference	Book Value	Fair Value	Difference	Book Value	Fair Value	Difference
Japanese national government bonds	427.3	430.7	3.3	304.2	304.7	0.4	229.1	231.0	1.8
Japanese corporate bonds	75.3	76.8	1.5	75.1	75.7	0.5	75.2	76.6	1.3
Other	57.6	52.0	(5.5)	11.6	12.6	0.9	58.2	51.5	(6.6)
Total	560.3	559.7	(0.6)	391.1	393.0	1.9	362.6	359.2	(3.4)

Note: Among the securities that were previously classified as available-for-sale, certain of the foreign bonds with high credit ratings were reclassified to held-to-maturity on October 1, 2008 at their fair values of ¥102.6 billion, in accordance with "Tentative Solution on Reclassification of Debt Securities" (December 5, 2008, Practical Issue Task Force No.26).

Subsequent to this date, an impairment of ¥50.7 billion was recognized for certain of these reclassified securities as a result of the worsening credit environment, and the value of such securities after impairment (¥19.6 billion) was reclassified from held-to-maturity back to available-for-sale as of March 31, 2009.

Marketable Securities, at Fair Value -Table 14- (Consolidated)

(Billions of yen)

	June 30, 2009				June 30, 2008				March 31, 2009			
	Net unrealized gain (loss) (a) - (b)				Net unrealized gain (loss) (a) - (b)				Net unrealized gain (loss) (a) - (b)			
	Fair value	Net	Gross unrealized gains (a)	Gross unrealized losses (b)	Fair value	Net	Gross unrealized gains (a)	Gross unrealized losses (b)	Fair value	Net	Gross unrealized gains (a)	Gross unrealized losses (b)
Equity securities	16.0	(2.3)	1.7	4.0	20.8	(1.4)	1.4	2.8	15.0	(3.4)	0.4	3.9
Bonds	1,890.7	3.5	4.5	0.9	1,126.1	(4.8)	0.5	5.4	1,011.9	(0.7)	1.2	1.9
Japanese national government bonds	1,872.0	4.3	4.3	-	937.2	(4.6)	0.3	5.0	975.0	0.3	1.0	0.7
Japanese local government bonds	1.7	0.0	0.0	-	2.2	0.0	0.0	-	1.7	0.0	0.0	-
Japanese corporate bonds	16.8	(0.8)	0.0	0.9	186.6	(0.2)	0.2	0.4	35.0	(1.1)	0.1	1.2
Other	296.5	(5.6)	11.5	17.1	483.3	(29.7)	6.1	35.8	273.1	(25.9)	1.9	27.8
Foreign securities	295.6	(5.6)	11.4	17.1	479.8	(29.8)	5.9	35.7	272.2	(25.9)	1.9	27.8
Foreign currency denominated foreign corporate and government bonds	161.3	0.1	7.5	7.4	322.6	(32.0)	0.4	32.5	136.3	(12.5)	0.3	12.9
Yen-denominated foreign corporate and government bonds	121.1	(9.6)	0.0	9.7	139.2	(3.2)	0.0	3.2	123.7	(14.6)	-	14.6
Foreign equity securities	9.1	3.4	3.4	-	11.5	5.1	5.1	-	6.6	0.9	1.2	0.3
Other securities	0.9	0.0	0.0	-	3.5	0.1	0.1	0.0	0.9	-	-	-
Total	2,203.3	(4.4)	17.7	22.1	1,630.3	(36.0)	8.1	44.1	1,300.0	(30.1)	3.6	33.7

Note: Among the securities that were previously classified as available-for-sale, certain of the foreign bonds with high credit ratings were reclassified to held-to-maturity on October 1, 2008 at their fair values of ¥102.6 billion, in accordance with "Tentative Solution on Reclassification of Debt Securities" (December 5, 2008, Practical Issue Task Force No.26). This reclassification was pursuant to a change in the investment policy based on management's judgment that it would be difficult to sell these securities at their fair values under the extremely illiquid market condition which currently exist.

Subsequent to this date, an impairment of ¥50.7 billion was recognized for certain of these reclassified securities as a result of the worsening credit environment, and the value of such securities after impairment (¥19.6 billion) was reclassified from held-to-maturity back to available-for-sale as of March 31, 2009.

As a result, the foreign bonds that were reclassified to held-to-maturity as of October 1, 2008, and are accounted for as held-to-maturity were as follows:

Securities reclassified from available-for-sale to held-to-maturity

(Billions of yen)

	June 30, 2009			June 30, 2008			March 31, 2009		
	Fair value	Amortized cost	Unrealized loss on available-for-sale securities	Fair value	Amortized cost	Unrealized loss on available-for-sale securities	Fair value	Amortized cost	Unrealized loss on available-for-sale securities
Other (foreign debt securities)	40.3	47.0	8.1	-	-	-	38.7	47.3	8.4

Deposits, Including Negotiable Certificates of Deposit (NCDs) -Table 15- (Consolidated)

(Billions of yen)

	June 30	June 30	Change	March 31	Change
	2009	2008	(a)-(b)	2009	(a)-(c)
	(a)	(b)	(a)-(b)	(c)	(a)-(c)
Deposits	6,599.2	5,424.0	1,175.2	6,012.4	586.8
Liquid (current, ordinary, note) deposits	1,304.9	1,449.6	(144.7)	1,315.0	(10.1)
Time deposits	5,043.2	3,719.5	1,323.7	4,435.7	607.5
Other	251.0	254.8	(3.8)	261.6	(10.6)
Negotiable certificates of deposits (NCDs)	395.4	685.0	(289.6)	259.6	135.8
Total	6,994.6	6,109.1	885.5	6,272.1	722.5

Note 1: Quarterly information is available in the Quarterly Data Book

Financial Ratios -Table 16- (Consolidated)

	1QFY2009 (3 months)	1QFY2008 (3 months)	FY2008 (12 months)
Return on assets ⁽¹⁾	0.2% ⁽⁴⁾	0.4% ⁽⁴⁾	(1.2)%
Return on equity ⁽²⁾	3.6% ⁽⁴⁾	6.1% ⁽⁴⁾	(22.4)%
Return on equity (fully diluted) ⁽³⁾	3.6% ⁽⁴⁾	6.1% ⁽⁴⁾	(22.4)%
Cash basis return on assets ⁽¹⁾	0.3% ⁽⁴⁾	0.5% ⁽⁴⁾	(0.8)%
Cash basis return on equity ⁽²⁾	6.8% ⁽⁴⁾	7.6% ⁽⁴⁾	(15.2)%
Cash basis return on equity (fully diluted) ⁽³⁾	6.8% ⁽⁴⁾	7.6% ⁽⁴⁾	(15.2)%
Expense-to-revenue ratio ^{(5) (6)}	50.9% ⁽⁴⁾	67.2% ⁽⁴⁾	69.2%

(1) Return on assets:

$$\frac{\text{Net income}}{(\text{Total assets at the BOP} + \text{Total assets at the EOP}) / 2}$$

BOP: beginning of period
EOP: end of period

For the calculation of cash basis return on assets, goodwill and other intangibles are excluded from the amount of total assets.

(2) Return on equity:

$$\frac{\text{Net income} - \text{dividends on preferred shares}}{(\text{Total equity eligible for common shareholders at the BOP} + \text{Total equity eligible for common shareholders at the EOP}) / 2}$$

(3) Return on equity (fully diluted):

$$\frac{\text{Net income}}{((\text{Total equity at the BOP} - \text{Share warrants at the BOP} - \text{Minority interests at the BOP}) + (\text{Total equity at the EOP} - \text{Share warrants at the EOP} - \text{Minority interests at the EOP})) / 2}$$

(4) Annualized basis.

(5) Management accounting basis.

(6) Expense denotes general and administrative expenses.

Note 1: Quarterly information is available in the Quarterly Data Book

Capital Adequacy Data -Table 17- (Consolidated)

	June 30 2009 (a)	June 30 2008 (b)	Change (a)-(b)	March 31 2009 (c)	Change (a)-(c)
Basic items (Tier I)	581.3	699.9	(118.5)	580.0	1.3
Amount eligible for inclusion in capital (Tier II)	310.5	544.5	(234.0)	327.3	(16.7)
General reserve for loan losses	12.5	6.1	6.4	13.0	(0.5)
Perpetual/non-perpetual preferred stocks and Perpetual/non-perpetual subordinated debt and bonds	297.9	538.7	(240.7)	314.2	(16.2)
Amount net eligible for inclusion in capital	-	(0.3)	0.3	-	-
Deduction	(102.4)	(135.3)	32.9	(103.9)	1.4
Total capital ⁽²⁾	789.4	1,109.1	(319.6)	803.4	(13.9)
Risk assets	8,491.2	9,231.9	(740.6)	9,621.0	(1,129.7)
Total capital adequacy ratio	9.29%	12.01%	-	8.35%	-
Tier I capital ratio	6.84%	7.58%	-	6.02%	-

(1) Calculated by new standard (Basel II, F-IRB). And also calculated in accordance with FSA Notification Number 79 issued in December 2008 (special treatment of FSA Notification Number 19 issued in 2006) regarding figures of March 31 2009 and June 30 2009. As a result, ¥38.8 billion of net unrealized losses on securities available-for-sale, net taxes as of March 31 2009 and ¥12.8 billion of net unrealized losses on securities available-for-sale, net taxes as of June 30 2009 are not included in BIS capital.

(2) Consolidated total required capital is ¥637.0 billion as at June 30, 2009, ¥691.8 billion yen as at June 30, 2008 and ¥682.6 billion as at March 31, 2009.

Note 1: Quarterly information is available in the Quarterly Data Book

Per Share Data -Table 18- (Consolidated)*(Yen, except percentages)*

	1QFY2009 (3 months)	1QFY2008 (3 months)	% Change	FY2008 (12 months)
Common equity	300.62	363.15	(17.2)	284.95
Fully diluted equity	300.62	363.15	(17.2)	284.95
Basic net income (loss)	2.63	5.53	(52.4)	(72.85)
Diluted net income (loss)	2.63	5.53	(52.4)	(72.85)
Cash basis:				
Basic net income (loss)	4.96	6.86	(27.7)	(49.39)
Diluted net income (loss)	4.96	6.86	(27.7)	(49.39)
For calculation of per share data (excluding treasury shares):				
Equity:				
Number of common shares ⁽¹⁾	1,963,919,453	1,963,909,876		1,963,919,853
Fully diluted number of shares ⁽¹⁾	1,963,919,453	1,963,909,876		1,963,919,853
Net income:				
Number of common shares ⁽²⁾	1,963,919,704	1,963,909,970		1,963,916,133
Fully diluted number of shares ⁽²⁾	1,963,919,704	1,963,909,970		1,963,916,133

(1) Outstanding shares at the end of the respective periods.

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

Note 1: Quarterly information is available in the Quarterly Data Book

Diluted net income per share for the first quarter of fiscal year 2009 was ¥2.63. **Cash basis diluted net income per share** for the first quarter of fiscal year 2009 was ¥4.96, a

decline of 27.7%, as compared to the first quarter of fiscal year 2008.

Business Lines Results -Table 19- (Consolidated)

	<i>(Billions of yen, except percentages)</i>			
	1QFY2009	1QFY2008 ⁽²⁾	%	FY2008
	(3 months)	(3 months)	Change	(12 months)
Institutional Group:				
Net interest income	8.7	11.8	(26.4)	44.6
Non-interest income	12.0	10.8	11.3	(74.0)
Total revenue	20.7	22.6	(8.4)	(29.3)
General and administrative expenses	11.5	16.8	(31.2)	57.8
Ordinary business profit (loss)	9.2	5.8	57.1	(87.2)
Net credit costs (recoveries)	9.0	(0.6)	1,425.7	80.8
Ordinary business profit (loss) after net credit costs (recoveries)	0.1	6.5	(98.0)	(168.0)
Individual Group:				
Net interest income	48.4	22.0	119.9	152.8
Non-interest income	10.4	14.0	(25.2)	50.7
Total revenue	58.9	36.0	63.5	203.5
General and administrative expenses	33.3	23.8	39.9	120.1
Ordinary business profit	25.6	12.2	109.5	83.3
Net credit costs	17.0	9.0	88.4	49.5
Ordinary business profit after net credit costs	8.6	3.2	169.0	33.8
Corporate/Other⁽¹⁾:				
Net interest income	0.3	1.8	(82.7)	5.5
Non-interest income	7.4	0.4	1,609.1	78.5
Total revenue	7.8	2.2	241.1	84.0
General and administrative expenses	(0.3)	0.3	(201.5)	0.7
Ordinary business profit	8.1	1.9	324.7	83.2
Net credit costs (recoveries)	(0.0)	0.0	(196.6)	(1.3)
Ordinary business profit after net credit costs (recoveries)	8.2	1.8	334.1	84.6
Total:				
Net interest income	57.4	35.7	60.9	202.9
Non-interest income	30.0	25.2	18.7	55.2
Total revenue	87.5	61.0	43.4	258.2
General and administrative expenses	44.5	40.9	8.6	178.7
Ordinary business profit	43.0	20.0	114.8	79.4
Net credit costs	26.0	8.3	211.1	129.0
Ordinary business profit (loss) after net credit costs	16.9	11.6	45.6	(49.6)

(1) Corporate/Other largely includes results of equity and sub-debt finance activities, corporate level expenses and credit costs.

(2) Prior period has been adjusted to conform to current period presentation.

Note 1: Quarterly information is available in the Quarterly Data Book

⁽¹⁾
Institutional Group -Table 20- (Consolidated)

(Billions of yen, except percentages)

	1QFY2009 (3 months)	1QFY2008 ⁽³⁾ (3 months)	% Change	FY2008 (12 months)
Institutional Banking⁽²⁾:				
Net interest income	9.8	13.2	(25.7)	49.7
Non-interest income	6.3	3.5	81.0	(100.1)
Total revenue	16.2	16.7	(3.4)	(50.4)
General and administrative expenses	9.5	13.6	(29.7)	46.9
Ordinary business profit (loss)	6.6	3.1	110.0	(97.4)
Net credit costs (recoveries)	6.9	(2.0)	441.9	72.7
Ordinary business profit (loss) after net credit costs (recoveries)	(0.3)	5.2	(106.7)	(170.1)
Showa Leasing:				
Net interest income	(1.1)	(1.4)	20.1	(5.0)
Non-interest income	5.7	7.3	(22.1)	26.1
Total revenue	4.5	5.9	(22.6)	21.0
General and administrative expenses	1.9	3.1	(37.7)	10.8
Ordinary business profit	2.5	2.7	(4.6)	10.1
Net credit costs	2.0	1.3	54.8	8.1
Ordinary business profit after net credit costs	0.4	1.3	(64.5)	2.0
Institutional Group:				
Net interest income	8.7	11.8	(26.4)	44.6
Non-interest income	12.0	10.8	11.3	(74.0)
Total revenue	20.7	22.6	(8.4)	(29.3)
General and administrative expenses	11.5	16.8	(31.2)	57.8
Ordinary business profit (loss)	9.2	5.8	57.1	(87.2)
Net credit costs (recoveries)	9.0	(0.6)	1,425.7	80.8
Ordinary business profit (loss) after net credit costs (recoveries)	0.1	6.5	(98.0)	(168.0)

(1) Net of consolidation adjustments, if applicable.

(2) Represents "Institutional Group excluding Showa Leasing."

(3) Prior period has been adjusted to conform to current period presentation.

Note 1: Quarterly information is available in the Quarterly Data Book

The Institutional Group consists of the Institutional Banking business and Showa Leasing.

The Institutional Banking business recorded total revenue of ¥16.2 billion in the first quarter of fiscal year 2009. This is ¥0.5 billion, or 3.4%, lower than the first quarter of fiscal year 2008. Our real estate finance business generated revenue of ¥4.9 billion, a decrease of ¥0.7 billion or 13.2% compared to the first quarter of fiscal year 2008. "Basic Banking" generated total revenues of ¥3.3 billion in the first quarter of fiscal year 2009, in line with the ¥3.3 billion generated in the first quarter of fiscal year 2008. "Credit Trading" generated ¥1.3 billion in total revenue in the first quarter of fiscal year 2009, a decrease of ¥3.2 billion from the first quarter of the prior fiscal year. "Foreign Exchange, Derivatives and Equity-Related Transactions" showed a gain of ¥2.8 billion in the current quarter, up from the ¥1.5 billion gain recorded in the first quarter of the prior fiscal year. Our "Principal Investments" business generated a loss of ¥5.2 billion including ¥4.6 billion of losses in Jih Sun Financial Holding Co., Ltd., compared to a gain of ¥4.5 billion in the first quarter of fiscal year 2008. Securitization recognized a loss of ¥0.9 billion during the first quarter of fiscal year 2009 as

compared to a loss of ¥3.7 billion during the first quarter of fiscal year 2008. Our "Other Capital Markets" businesses generated revenue of ¥9.3 billion for the current period including ¥8.7 billion of gains from the sale of CLOs, compared to revenue of ¥0.0 billion in the first quarter of the prior fiscal year.

In the first quarter of fiscal year 2009, Institutional Banking's general and administrative expenses were ¥9.5 billion, a ¥4.0 billion or 29.7% decrease from the first quarter of the prior fiscal year. The decrease was largely due to the restructuring that we carried out during fiscal year 2008, as well as stricter cost controls and cost reduction measures enacted during the current period.

The increase in net credit costs to ¥6.9 billion in the current period from ¥2.0 billion of recoveries in the prior period was primarily driven by ¥3.3 billion of credit costs related to our real estate non-recourse finance portfolio and ¥3.8 billion of overseas credit costs related to loans made within our Basic Banking business.

As a result, Institutional Banking showed an ordinary business loss after net credit costs of ¥0.3 billion for the first quarter of fiscal year 2009, compared to an ordinary

business profit after net credit costs of ¥5.2 billion in the first quarter of fiscal year 2008.

Showa Leasing's ordinary business profit after net credit costs declined to ¥0.4 billion for the first quarter of fiscal year

2009 from ¥1.3 billion in the first quarter of the prior fiscal year, mainly due to our sale of Showa Auto Rental Leasing at the end of the second quarter of fiscal year 2008.

Individual Group - Table 21- (Consolidated)

	(Billions of yen, except percentages)			
	1QFY2009 (3 months)	1QFY2008 (3 months)	% Change	FY2008 (12 months)
Retail Banking:				
Net interest income	7.9	5.7	38.5	28.4
Non-interest income	2.7	3.6	(25.1)	11.1
Total revenue	10.7	9.4	13.8	39.6
General and administrative expenses	8.9	9.7	(8.3)	37.3
Ordinary business profit (loss)	1.7	(0.3)	622.3	2.3
Net credit costs (recoveries)	(0.0)	0.0	127.9	0.0
Ordinary business profit (loss) after net credit costs (recoveries)	1.7	(0.4)	519.2	2.2
(Reference) Revenue from structured deposits	2.3	1.3	68.9	7.0
Shinsei Financial:				
Net interest income	28.4			65.3
Non-interest income	(0.8)			(0.3)
Total revenue	27.5			64.9
General and administrative expenses	12.0			26.6
Ordinary business profit	15.4			38.3
Net credit costs	8.9			14.9
Ordinary business profit after net credit costs	6.4			23.3
APLUS:				
Net interest income	7.4	9.2	(19.6)	34.2
Non-interest income	8.7	10.3	(15.4)	40.6
Total revenue	16.2	19.6	(17.4)	74.9
General and administrative expenses	9.9	10.7	(7.7)	43.3
Ordinary business profit	6.3	8.9	(29.2)	31.6
Net credit costs	6.2	7.3	(15.1)	24.3
Ordinary business profit after net credit costs	0.0	1.5	(94.0)	7.2
Shinki:				
Net interest income	4.3	5.9	(27.3)	21.0
Non-interest income	(0.2)	(0.2)	10.8	(1.2)
Total revenue	4.1	5.6	(28.0)	19.7
General and administrative expenses	2.3	2.8	(17.8)	10.8
Ordinary business profit	1.7	2.8	(38.0)	8.9
Net credit costs	1.6	1.0	49.7	3.9
Ordinary business profit after net credit costs	0.1	1.7	(91.4)	4.9
Other Subsidiaries⁽²⁾:				
Net interest income	0.2	1.0	(72.6)	3.6
Non-interest income	0.0	0.2	(82.2)	0.5
Total revenue	0.3	1.2	(74.3)	4.1
General and administrative expenses	0.0	0.5	(86.2)	1.9
Ordinary business profit	0.2	0.7	(66.5)	2.1
Net credit costs	0.1	0.5	(66.0)	6.1
Ordinary business profit (loss) after net credit costs	0.0	0.2	(67.4)	(3.9)
Total Individual Group:				
Net interest income	48.4	22.0	119.9	152.8
Non-interest income	10.4	14.0	(25.2)	50.7
Total revenue	58.9	36.0	63.5	203.5
General and administrative expenses	33.3	23.8	39.9	120.1
Ordinary business profit	25.6	12.2	109.5	83.3
Net credit costs	17.0	9.0	88.4	49.5
Ordinary business profit after net credit costs	8.6	3.2	169.0	33.8

(1) Net of consolidation adjustments, if applicable.

(2) Includes Shinsei Property Finance and unallocated Consumer Finance Sub-Group financials.

Note 1: Quarterly information is available in the Quarterly Data Book

The Individual Group consists of the Retail Banking business as well as the subsidiaries Shinsei Financial, APLUS, Shinki and Shinsei Property Finance. Shinsei Financial was acquired on September 22, 2008 from GE Japan Holdings Corporation and Shinsei Financial's results

have been incorporated in our Results of Operations from the third quarter of fiscal year 2008.

During the first quarter of fiscal year 2009, the Individual Group generated ordinary business profit after net credit costs of ¥8.6 billion compared to an ordinary business profit after net credit costs of ¥3.2 billion during the first quarter of

the prior fiscal year. The improved **ordinary business profit after net credit costs** for the current quarter reflects the incorporation of Shinsei Financial within our Individual Group as well as improved results within our Retail Banking business, offset by lower **ordinary business profit after net credit costs** within our APLUS and Shinki businesses.

During the first quarter of fiscal year 2009, total Retail Banking **revenue** was ¥10.7 billion as compared to ¥9.4 billion during the first quarter of the prior fiscal year. The main sources of revenue were interest income from retail deposits, fees from asset management products, income from structured deposits and fees and net interest income from loan products. During the current period, we generated **net interest income** of ¥7.9 billion compared to ¥5.7 billion during the first quarter of the prior fiscal year. The increase in **net interest income** comes primarily from increases in “deposits and debentures net interest income” as well as from loans. **Non-interest income** declined to ¥2.7 billion from ¥3.6 billion in the first quarter of the prior fiscal year as fees from asset management products continued to decline with the lower level of investment activity in the marketplace.

Retail Banking incurred **general and administrative expenses** of ¥8.9 billion during the first quarter of fiscal year 2009, a decrease of 8.3% as compared to the first quarter of the prior fiscal year. The business generated **ordinary business profit** of ¥1.7 billion for the first quarter of fiscal year 2009, as compared to an **ordinary business loss** of ¥0.3 billion during the first quarter of the prior fiscal year. The ordinary business profit after net credit costs within Retail Banking reflects the steps that we have made to restructure our business and focus upon providing profitable products and services to our customer base.

For the first quarter of fiscal year 2009, Shinsei Financial generated total revenue of ¥27.5 billion, incurred **general and administrative expenses** of ¥12.0 billion and incurred **net credit costs** of ¥8.9 billion. As a result, Shinsei Financial's **ordinary business profit after net credit costs** was ¥6.4 billion for the current quarter.

For the first quarter of fiscal year 2009, APLUS generated **total revenue** of ¥16.2 billion, compared to ¥19.6 billion in the first quarter of the prior fiscal year. The decline in revenue was due both to the slowdown in economic activity as well

as tighter credit controls that we enacted during the prior fiscal year. The revenue shortfall was partially offset by lower **general and administrative expenses** and **net credit costs**. **General and administrative expenses** declined to ¥9.9 billion from ¥10.7 billion in the first quarter of the prior fiscal year, while **net credit costs** declined to ¥6.2 billion from ¥7.3 billion in the previous period. As a result, the business generated **ordinary business profit after net credit costs** of ¥0.0 billion in the first quarter of fiscal year 2009, compared to ¥1.5 billion in the first quarter of the prior fiscal year.

For the first quarter of fiscal year 2009, Shinki recorded **total revenue** of ¥4.1 billion, **general and administrative expenses** of ¥2.3 billion and **net credit costs** of ¥1.6 billion, for an **ordinary business profit after net credit costs** of ¥0.1 billion. This compares to an **ordinary business profit after net credit costs** of ¥1.7 billion in the first quarter of fiscal year 2008.

Shinsei Financial's grey zone payments and write-offs amounted to ¥35.5 billion in the first quarter of fiscal year 2009. The Shinsei Financial purchase agreement from GE includes an indemnity from GE that provides protection for potential losses beyond ¥203.9 billion from the majority of the legacy accounts with grey zone interest exposure. The business made new grey zone related provisions of ¥1.0 billion for the non-indemnified portion, and as a result, the total balance of Shinsei Financial's grey zone reserves was ¥126.5 billion as of June 30, 2009, as compared to ¥161.0 billion as of March 31, 2009.

APLUS' grey zone payments and write-offs amounted to ¥1.5 billion in the first quarter of fiscal year 2009. The business made no new grey zone related provisions and the total balance of the grey zone reserve was ¥9.4 billion as of June 30, 2009, as compared to ¥11.0 billion as of March 31, 2009.

Shinki's grey zone payments and write-offs amounted to ¥4.4 billion in the first quarter of fiscal year 2009. The business made new grey zone related provisions of ¥4.5 billion. The total balance of the grey zone reserve was ¥21.8 billion as of June 30, 2009, as compared to ¥21.7 billion as of March 31, 2009.

Other subsidiaries' financials mainly include the financial results of Shinsei Property Finance Co., Ltd.

Consolidated Balance Sheets (Consolidated)**Assets***(millions of yen)*

	June 30 2009 a	June 30 2008 b	Change a-b Amount	March 31 2009 c	Change a-c Amount
<<Assets>>					
Cash and due from banks	294,984	544,913	(249,929)	605,089	(310,105)
Call loans	19,690	315,356	(295,666)	—	19,690
Collateral related to securities borrowing transactions	235,393	104,111	131,282	280	235,113
Other monetary claims purchased	415,311	468,392	(53,081)	408,035	7,276
Trading assets	287,815	270,961	16,854	375,107	(87,292)
Monetary assets held in trust	339,432	370,278	(30,846)	348,840	(9,408)
Securities	3,262,378	2,587,902	674,476	2,174,198	1,088,180
Loans and bills discounted	5,341,527	5,664,102	(322,575)	5,876,910	(535,383)
Foreign exchanges	11,949	13,541	(1,592)	37,138	(25,189)
Lease receivables and leased investment assets	228,103	249,903	(21,800)	232,554	(4,451)
Other assets	1,070,520	1,064,183	6,337	1,125,768	(55,248)
Premises and equipment	49,632	74,660	(25,028)	50,964	(1,332)
Intangible assets	203,572	191,530	12,042	209,175	(5,603)
Goodwill, net	129,545	139,975	(10,430)	132,952	(3,407)
Deferred issuance expenses for debentures	161	138	23	161	0
Deferred tax assets	25,353	35,620	(10,267)	22,254	3,099
Customers' liabilities for acceptances and guarantees	666,069	705,545	(39,476)	675,225	(9,156)
Reserve for credit losses	(202,572)	(128,459)	(74,113)	(192,511)	(10,061)
Total assets	12,249,324	12,532,682	(283,358)	11,949,196	300,128

Liabilities and Equity

(millions of yen)

	June 30 2009 a	June 30 2008 b	Change a-b Amount	March 31 2009 c	Change a-c Amount
<<Liabilities>>					
Deposits	6,599,201	5,424,081	1,175,120	6,012,455	586,746
Negotiable certificates of deposit	395,414	685,042	(289,628)	259,659	135,755
Debentures	621,579	684,602	(63,023)	675,567	(53,988)
Call money	155,500	773,835	(618,335)	281,513	(126,013)
Payables under repurchase agreements	60,975	—	60,975	53,805	7,170
Collateral related to securities lending transactions	598,892	863,543	(264,651)	569,566	29,326
Commercial paper	99	—	99	198	(99)
Trading liabilities	217,085	158,949	58,136	307,562	(90,477)
Borrowed money	879,550	1,060,038	(180,488)	1,012,324	(132,774)
Foreign exchanges	10	19	(9)	4	6
Short-term corporate bonds	23,500	101,300	(77,800)	11,500	12,000
Corporate bonds	236,425	431,411	(194,986)	266,489	(30,064)
Other liabilities	805,018	611,040	193,978	819,900	(14,882)
Accrued employees' bonuses	3,865	6,195	(2,330)	10,425	(6,560)
Accrued directors' bonuses	40	99	(59)	318	(278)
Reserve for employees' retirement benefits	17,980	4,540	13,440	18,219	(239)
Reserve for directors' retirement benefits	237	187	50	234	3
Reserve for losses on interest repayments	157,958	34,427	123,531	193,850	(35,892)
Reserve for losses on disposal of premises and equipment	7,308	8,008	(700)	7,559	(251)
Reserve for losses on litigation	3,662	—	3,662	3,662	—
Reserve under special law	4	4	0	4	—
Deferred tax liabilities	1,487	3,993	(2,506)	1,665	(178)
Acceptances and guarantees	666,069	705,545	(39,476)	675,225	(9,156)
Total liabilities	11,451,867	11,556,868	(105,001)	11,181,714	270,153
<<Equity>>					
Shareholders' equity:					
Capital stock	476,296	476,296	—	476,296	—
Capital surplus	43,554	43,558	(4)	43,554	—
Retained earnings	157,761	307,459	(149,698)	152,855	4,906
Treasury stock, at cost	(72,558)	(72,567)	9	(72,558)	0
Total shareholders' equity	605,053	754,748	(149,695)	600,147	4,906
Net unrealized gain (loss) and translation adjustments:					
Unrealized gain (loss) on available-for-sale securities	(12,808)	(36,136)	23,328	(38,813)	26,005
Deferred gain (loss) on derivatives under hedge accounting	(3,568)	(9,030)	5,462	(2,996)	(572)
Foreign currency translation adjustments	1,728	3,613	(1,885)	1,297	431
Total net unrealized gain (loss) and translation adjustments	(14,648)	(41,553)	26,905	(40,511)	25,863
Stock acquisition rights	1,624	1,444	180	1,808	(184)
Minority interests in subsidiaries	205,428	261,175	(55,747)	206,037	(609)
Total equity	797,457	975,813	(178,356)	767,481	29,976
Total liabilities and equity	12,249,324	12,532,682	(283,358)	11,949,196	300,128

Consolidated Statements of Operations (Consolidated)*(millions of yen, except percentages)*

	1QFY2009 (3 months)	1QFY2008 (3 months)	Change		FY2008 (12 months)
			Amount	%	
Total interest income	79,344	60,773	18,571	30.6	303,421
Interest on loans and bills discounted	68,382	47,362	21,020	44.4	256,180
Interest and dividends on securities	8,856	11,106	(2,250)	(20.3)	37,997
Other interest income	2,105	2,304	(199)	(8.6)	9,243
Fees and commissions income	12,475	14,929	(2,454)	(16.4)	52,676
Trading profits	4,304	4,696	(392)	(8.3)	11,918
Other business income	56,134	56,856	(722)	(1.3)	211,588
Other ordinary income	3,385	4,764	(1,379)	(28.9)	22,071
Ordinary income	155,644	142,020	13,624	9.6	601,677
Total interest expenses	21,874	25,066	(3,192)	(12.7)	100,425
Interest on deposits	13,998	10,886	3,112	28.6	47,426
Interest on borrowings	3,281	4,238	(957)	(22.6)	17,001
Interest on corporate bonds	2,059	4,137	(2,078)	(50.2)	11,509
Other interest expenses	2,535	5,803	(3,268)	(56.3)	24,488
Fees and commissions expenses	7,528	5,622	1,906	33.9	26,162
Trading losses	4,702	1,918	2,784	145.2	16,582
Other business expenses	35,280	46,510	(11,230)	(24.1)	244,914
Total general and administrative expenses	50,584	44,215	6,369	14.4	199,597
General and administrative expenses	45,196	41,266	3,930	9.5	182,043
Amortization of goodwill	3,387	2,060	1,327	64.4	11,673
Amortization of intangible assets	2,000	928	1,072	115.5	5,880
Other ordinary expenses	39,813	10,888	28,925	265.7	177,311
Provision of reserve for loan losses	24,592	7,888	16,704	211.8	124,973
Others	15,221	2,999	12,222	407.5	52,338
Ordinary expenses	159,784	134,221	25,563	19.0	764,993
Net ordinary income (loss)	(4,140)	7,798	(11,938)	(153.1)	(163,316)
Special gains	12,608	11,049	1,559	14.1	100,947
Special losses	1,067	3,984	(2,917)	(73.2)	56,684
Income (loss) before income taxes and minority interests:	7,400	14,863	(7,463)	(50.2)	(119,054)
Current	382	2,061	(1,679)	(81.5)	3,466
Deferred	(858)	(2,339)	1,481	(63.3)	7,004
Total income taxes (benefit)	(475)	-	/	-	10,471
Minority interests in net income of subsidiaries	2,703	4,279	(1,576)	(36.8)	13,558
Net income (loss)	5,172	10,863	(5,691)	(52.4)	(143,084)

Section 2. Non-Consolidated Information

Results of Operations -Table 22- (Non-Consolidated)

	<i>(Billions of yen, except percentages)</i>			
	1QFY2009 (3 months)	1QFY2008 (3 months)	% Change	FY2008 (12 months)
Net interest income	14.6	20.1	(27.4)	93.9
Non-interest income	13.2	4.0	224.8	(80.8)
Net fees and commissions ⁽¹⁾	3.2	11.4	(71.3)	11.3
Net trading income	0.4	0.9	(51.2)	(5.6)
Net other business income	9.4	(8.3)	(213.4)	(86.5)
Total revenue⁽¹⁾	27.8	24.2	15.0	13.0
Personnel expenses	6.4	9.1	(29.9)	29.8
Non-personnel expenses	10.2	11.9	(13.9)	45.1
Taxes	0.7	1.0	(21.4)	3.4
General and administrative expenses	17.4	22.0	(20.9)	78.4
Net business profit (loss)⁽¹⁾	10.3	2.1	383.8	(65.3)
Other gains (losses)				
Gains (losses) on the sales of equities	(0.1)	(0.0)	757.3	(7.6)
Provision of reserve for loan losses	4.5	-	(310.2)	75.8
Losses on write-off of loans	0.8	0.1	380.9	1.8
Expenses for employees' retirement benefits	0.9	0.3	215.1	5.2
Other losses, expenses	2.0	2.3	(14.5)	8.8
Net ordinary income (loss)	1.7	(0.7)	(342.8)	(164.8)
Special gains (losses)⁽²⁾				
Gains (losses) from sales of fixed assets	(0.1)	(0.1)	(8.6)	(1.0)
Gains on bad debt recovered	0.1	0.2	(19.9)	1.1
Reversal of reserve for loan losses	-	2.1	(100.0)	-
Other special gains (losses) ⁽²⁾	8.5	(2.8)	(396.6)	13.3
Income (loss) before income taxes	10.4	(1.3)	(872.6)	(151.3)
Income taxes (benefit)				
Current	(0.0)	(3.1)	(98.3)	(4.1)
Deferred	-	-	-	9.8
Net income (loss)	10.4	1.8	466.8	(157.0)

(1) Includes income from monetary assets held in trust of ¥2.1 billion in 1QFY2009, ¥8.1 billion in 1QFY2008, and ¥5.7 billion in FY2008.

(2) In the first quarter of fiscal year 2008, reversals of general reserve for loan losses were included in extraordinary income of ¥2.1 billion. Provision of reserve for loan losses was ¥4.5 billion in the first quarter of fiscal year 2009 and ¥75.8 billion in FY2008.

Note 1: Quarterly information is available in the Quarterly Data Book

Shinsei Bank recorded net income for the first quarter of fiscal year 2009 of ¥10.4 billion on a non-consolidated basis. Current results on a non-consolidated basis differ from our consolidated results primarily because our non-consolidated results do not include the net income or loss from our consolidated subsidiaries, including Showa Leasing, Shinsei Financial, APLUS and Shinki, nor does it include the loss from our share in the net loss of our equity method affiliate,

Jih Sun Financial Holding Co., Ltd. During the current period, we recorded gains of ¥10.9 billion on the repurchase of our subordinated debt on a non-consolidated basis. As a recipient of public funds, Shinsei Bank is required to update and report its achievement of non-consolidated performance targets set forth in its revitalization plan on a quarterly basis.

Net Credit Costs -Table 23- (Non-Consolidated)

(Billions of yen, except percentages)

	1QFY2009 (3 months)	1QFY2008 (3 months)	% Change	FY2008 (12 months)
Losses on write-off of loans	0.8	0.1	388.6	2.1
Net provision of reserve for loan losses	4.5	(2.1)	(310.2)	75.8
Net provision (reversal) of general reserve for loan losses	(4.6)	(1.5)	198.7	53.6
Net provision (reversal) of specific reserve for loan losses	9.1	(0.6)	(1,594.0)	22.2
Net provision (reversal) of reserve for loan losses to restructuring countries	-	-	-	(0.0)
Net credit costs	5.4	(1.9)	(373.9)	77.9

Note 1: Quarterly information is available in the Quarterly Data Book

Interest-Earning Assets and Interest-Bearing Liabilities -Table 24- (Non-Consolidated)

(Billions of yen, except percentages)

	1QFY2009 (3 months)			1QFY2008 (3 months)			FY2008 (12 months)		
	Average balance	Interest	Yield/rate (%)	Average balance	Interest	Yield/rate (%)	Average balance	Interest	Yield/rate (%)
Interest-earning assets:									
Cash and due from banks	7.6	0.0	1.16	79.0	0.4	2.45	57.7	1.4	2.57
Call loans	44.8	0.0	0.18	221.7	0.4	0.73	135.6	0.8	0.65
Receivables under resale agreements	-	-	-	1.7	0.0	1.67	0.4	0.0	1.67
Collateral related to securities borrowing transactions	45.1	0.0	0.14	95.9	0.1	0.64	142.3	0.7	0.51
Securities	3,413.5	8.2	0.96	2,661.1	12.1	1.83	2,665.9	59.4	2.23
Loans and bills discounted	4,850.4	21.9	1.81	5,424.3	27.8	2.05	5,345.5	109.8	2.05
Other interest-earning assets	716.1	3.4	1.91	168.1	1.0	2.62	398.8	10.2	2.57
Interest rate and funding swaps	-	0.9	-	-	-	-	-	-	-
Total interest-earning assets	9,077.8	34.5	1.52	8,652.1	42.1	1.95	8,746.6	182.7	2.08
Interest-bearing liabilities:									
Deposits	6,994.6	14.0	0.80	5,336.1	10.9	0.82	5,731.9	47.5	0.82
Negotiable certificates of deposit	378.4	0.4	0.47	708.9	1.2	0.73	616.5	4.8	0.79
Debentures	655.7	1.2	0.77	664.3	0.9	0.59	705.9	5.0	0.71
Call money	221.8	0.0	0.15	789.3	1.9	0.98	496.3	4.8	0.98
Payable under repurchase agreements	24.7	0.0	0.13	0.6	0.0	2.29	0.9	0.0	0.58
Collateral related to securities lending transactions	454.2	0.1	0.14	293.9	0.6	0.85	354.9	2.6	0.74
Borrowed money	363.2	0.9	1.10	301.4	1.1	1.55	403.6	5.2	1.30
Corporate bonds	383.0	4.2	4.45	529.8	6.5	4.95	484.4	20.2	4.18
Other interest-bearing liabilities	0.2	0.3	n.m. ⁽¹⁾	0.2	0.3	n.m. ⁽¹⁾	0.2	4.7	n.m. ⁽¹⁾
Interest rate and funding swaps	-	-	-	-	0.2	-	-	1.0	-
Total interest-bearing liabilities	9,476.2	21.6	0.91	8,625.0	24.1	1.12	8,795.1	96.3	1.09
Net interest income/yield on interest-earning assets	9,077.8	12.9	0.57	8,652.1	18.0	0.83	8,746.6	86.3	0.98

(1) n.m. is not meaningful.

Note 1: Quarterly information is available in the Quarterly Data Book

Risk-Monitored Loans -Table 25- (Non-Consolidated)

(Billions of yen, except percentages)

	June 30 2009 (a)	June 30 2008 (b)	Change (a)-(b)	March 31 2009 (c)	Change (a)-(c)
Loans to bankrupt obligors	23.0	0.0	23.0	23.9	(0.9)
Non-accrual delinquent loans	146.9	30.7	116.2	110.2	36.7
Loans past due for three months or more	10.7	0.0	10.7	3.7	7.0
Restructured loans	2.6	5.2	(2.6)	3.1	(0.4)
Total (A)	183.4	36.0	147.3	141.0	42.3
Loans and bills discounted (B)	4,737.3	5,447.1	(709.7)	5,168.0	(430.6)
Ratio to total loans and bills discounted (A / B)	3.87%	0.66%	3.21%	2.73%	1.14%
Reserve for credit losses (C)	113.9	81.0	32.9	118.9	(4.9)
Reserve ratio (C / A)	62.1%	225.0%	(162.9%)	84.3%	(22.2%)

Note 1: Quarterly information is available in the Quarterly Data Book

Loans by Borrower Industry -Table 26- (Non-Consolidated)

(Billions of yen)

	June 30 2009 (a)	June 30 2008 (b)	Change (a)-(b)	March 31 2009 (c)	Change (a)-(c)
Domestic offices (excluding Japan offshore market account):					
Manufacturing	248.9	199.2	49.6	239.3	9.5
Agriculture, forestry	-	-	-	-	-
Fishery	2.6	2.8	(0.2)	2.7	(0.1)
Mining, quarrying, gravel extraction	3.5	4.5	(0.9)	3.6	(0.0)
Construction	7.9	16.8	(8.9)	12.2	(4.2)
Electric power, gas, heat supply and water supply	43.6	75.7	(32.0)	45.4	(1.7)
Information and communications	29.4	48.0	(18.6)	47.3	(17.8)
Transportation, postal service	319.5	366.3	(46.7)	331.6	(12.0)
Wholesale and retail	118.3	124.1	(5.7)	123.0	(4.6)
Finance and insurance	1,203.9	1,293.8	(89.9)	1,521.2	(317.2)
Real estate	950.3	1,210.5	(260.1)	966.4	(16.1)
Services	321.4	344.2	(22.7)	352.0	(30.6)
Local government	172.4	283.2	(110.8)	156.5	15.8
Individual	876.8	931.0	(54.1)	905.3	(28.5)
Overseas yen loan and overseas loans booked domestically	377.4	459.5	(82.1)	389.7	(12.2)
Total domestic	4,676.5	5,360.2	(683.6)	5,096.7	(420.1)
Overseas offices (including Japan offshore market accounts):					
Governments	1.6	1.3	0.3	1.4	0.1
Financial institutions	-	-	-	-	-
Commerce and industry	59.1	85.5	(26.4)	69.7	(10.6)
Others	-	-	-	-	-
Total overseas	60.7	86.8	(26.0)	71.2	(10.4)
Total	4,737.3	5,447.1	(709.7)	5,168.0	(430.6)

Note: Presentation of some industries has changed with the revision of Japan Standard Industry Classification (November 2007).
The figures on or before March 31, 2009 were not adjusted as the impact from this change is negligible.

Risk Monitored Loans by Borrower Industry -Table 27- (Non-Consolidated)

	(Billions of yen)				
	June 30 2009	June 30 2008	Change	March 31 2009	Change
	(a)	(b)	(a)-(b)	(c)	(a)-(c)
Domestic offices (excluding Japan offshore market account):					
Manufacturing	1.6	2.0	(0.3)	1.6	0.0
Agriculture, forestry	-	-	-	-	-
Fishery	-	-	-	-	-
Mining, quarrying, gravel extraction	-	-	-	-	-
Construction	-	3.0	(3.0)	1.0	(1.0)
Electric power, gas, heat supply and water supply	-	-	-	-	-
Information and communications	0.5	-	0.5	0.5	-
Transportation, postal service	5.8	7.2	(1.3)	6.0	(0.1)
Wholesale and retail	0.0	0.0	-	0.0	-
Finance and insurance	53.8	0.4	53.3	51.1	2.6
Real estate	85.9	1.0	84.9	32.0	53.9
Services	1.1	3.9	(2.7)	3.4	(2.3)
Local government	-	-	-	-	-
Individual	5.4	1.1	4.2	5.3	0.0
Overseas yen loan and overseas loans booked domestically	25.3	17.1	8.2	39.8	(14.4)
Total domestic	179.8	36.0	143.8	141.0	38.8
Overseas offices (including Japan offshore market accounts):					
Governments	-	-	-	-	-
Financial institutions	-	-	-	-	-
Commerce and industry	3.5	-	3.5	-	3.5
Others	-	-	-	-	-
Total overseas	3.5	-	3.5	-	3.5
Total	183.4	36.0	147.3	141.0	42.3

Note: Presentation of some industries has changed with the revision of Japan Standard Industry Classification (November 2007).

The figures on or before March 31, 2009 were not adjusted as the impact from this change is negligible.

Overseas and Offshore Loans by Region -Table 28- (Non-Consolidated)

	(Billions of yen)				
	June 30 2009	June 30 2008	Change	March 31 2009	Change
	(a)	(b)	(a)-(b)	(c)	(a)-(c)
US	92.5	85.5	6.9	103.1	(10.6)
Asset-backed investments ⁽¹⁾ in US	4.4	4.7	(0.3)	5.4	(1.0)
Europe	156.9	251.4	(94.4)	166.1	(9.1)
Asset-backed investments ⁽¹⁾ in Europe	113.4	198.0	(84.5)	122.2	(8.7)
Others	188.7	209.4	(20.7)	191.7	(2.9)
Total overseas and offshore loans	438.2	546.4	(108.2)	460.9	(22.7)
Total asset-backed investments⁽¹⁾	117.9	202.8	(84.9)	127.7	(9.8)

(1) "Asset-backed investments" is another term for the Asset-Backed Investments Program, one of our old product programs. Under this program, loans backed mainly by collateral (including infrastructure related assets or equipment, real estate, business and operating assets) are referred to as "asset-backed investments" for disclosure purposes. For the asset-backed securities which we disclose as securitized products, please see table 36 "Balance of Securitized Products (Breakdown by Region and Type of Securities)" on page 35.

Risk Monitored Loans of Overseas and Offshore Loans by Region -Table 29- (Non-Consolidated)

	(Billions of yen)				
	June 30 2009	June 30 2008	Change	March 31 2009	Change
	(a)	(b)	(a)-(b)	(c)	(a)-(c)
US	9.2	4.7	4.4	0.7	8.4
Asset-backed investments ⁽¹⁾ in US	0.6	4.7	(4.1)	0.7	(0.1)
Europe	19.6	12.2	7.3	38.9	(19.3)
Asset-backed investments ⁽¹⁾ in Europe	17.8	12.2	5.5	37.0	(19.2)
Others	0.0	0.0	0.0	0.0	0.0
Total overseas and offshore loans	28.9	17.1	11.7	39.8	(10.9)
Total asset-backed investments⁽¹⁾⁽²⁾	18.4	17.0	1.3	37.8	(19.4)

(1) "Asset-backed investments" is another term for the Asset-Backed Investments Program, one of our old product programs. Under this program, loans backed mainly by collateral (including infrastructure related assets or equipment, real estate, business and operating assets) are referred to as "asset-backed investments" for disclosure purposes. For the asset-backed securities which we disclose as securitized products, please see table 36 "Balance of Securitized Products (Breakdown by Region and Type of Securities)" on page 35.

(2) As of June 30, 2009, reserve for loan losses and collateral/guarantees for risk monitored loans related to asset-backed investments were ¥3.2 billion and ¥12.2 billion, respectively, and the coverage ratio was 84.1%.

Claims Classified under the Financial Revitalization Law -Table 30- (Non-Consolidated)

	(Billions of yen, except percentages)				
	June 30 2009	June 30 2008	Change	March 31 2009	Change
	(a)	(b)	(a)-(b)	(c)	(a)-(c)
Claims against bankrupt and quasi-bankrupt obligors	116.2	17.1	99.1	83.3	32.9
Doubtful claims	58.1	13.7	44.4	55.7	2.4
Substandard claims	13.4	5.3	8.1	6.9	6.5
Total (A)	187.8	36.1	151.7	145.8	41.9
Total claims (B)	5,145.8	5,677.2	(531.4)	5,815.6	(669.7)
Ratio to total claims (A / B) X 100	3.65%	0.64%	3.01%	2.51%	1.14%
Reserve for credit losses (C)	113.9	81.0	32.9	118.9	(4.9)
Reserve ratio (C / A) X 100	60.7%	224.6%	(163.9%)	81.6%	(20.9%)
(Ref. 1) Amount of write-off	65.8	45.4	20.4	71.3	(5.4)
(Ref. 2) Below need caution level	474.1	145.7	328.3	485.3	(11.2)

Note 1: Quarterly information is available in the Quarterly Data Book

Reserve for Credit Losses -Table 31- (Non-Consolidated)

	(Billions of yen)				
	June 30 2009	June 30 2008	Change	March 31 2009	Change
	(a)	(b)	(a)-(b)	(c)	(a)-(c)
Reserve for credit losses	92.8	55.2	37.6	97.6	(4.8)
General reserve for loan losses	56.2	46.0	10.2	65.5	(9.3)
Specific reserve for loan losses	36.5	9.2	27.3	32.1	4.4
Reserve for loans to restructuring countries	0.0	0.0	0.0	0.0	0.0
Specific reserve for other credit losses	21.1	25.8	(4.6)	21.2	(0.1)
Total reserve for credit losses	113.9	81.0	32.9	118.9	(4.9)

Note 1: Quarterly information is available in the Quarterly Data Book

Securities Being Held to Maturity with Readily Determinable Fair Value -Table 32- (Non-Consolidated)

	June 30, 2009			June 30, 2008			March 31, 2009		
	Book Value	Fair Value	Difference	Book Value	Fair Value	Difference	Book Value	Fair Value	Difference
Japanese national government bonds	427.3	430.7	3.3	304.2	304.7	0.4	229.1	231.0	1.8
Japanese corporate bonds	75.3	76.8	1.5	75.1	75.7	0.5	75.2	76.6	1.3
Other	57.6	52.0	(5.5)	11.6	12.6	0.9	58.2	51.5	(6.6)
Total	560.3	559.7	(0.6)	391.1	393.0	1.9	362.6	359.2	(3.4)

Note: Among the securities that were previously classified as available-for-sale, certain of the foreign bonds with high credit ratings were reclassified to held-to-maturity on October 1, 2008 at their fair values of ¥102.6 billion, in accordance with "Tentative Solution on Reclassification of Debt Securities" (December 5, 2008, Practical Issue Task Force No.26).

Subsequent to this date, an impairment of ¥50.7 billion was recognized for certain of these reclassified securities as a result of the worsening credit environment, and the value of such securities after impairment (¥19.6 billion) was reclassified from held-to-maturity back to available-for-sale as of March 31, 2009.

Marketable Securities, at Fair Value -Table 33- (Non-Consolidated)

	June 30, 2009				June 30, 2008				March 31, 2009			
	Net unrealized gain (loss) (a) - (b)				Net unrealized gain (loss) (a) - (b)				Net unrealized gain (loss) (a) - (b)			
	Fair value	Net	Gross unrealized gains (a)	Gross unrealized losses (b)	Fair value	Net	Gross unrealized gains (a)	Gross unrealized losses (b)	Fair value	Net	Gross unrealized gains (a)	Gross unrealized losses (b)
Equity securities	11.3	(2.3)	1.1	3.5	14.4	(1.8)	0.5	2.4	10.8	(2.8)	0.3	3.1
Bonds	1,891.6	3.6	4.5	0.9	1,127.5	(4.8)	0.5	5.4	1,014.5	(0.6)	1.3	1.9
Japanese national government bonds	1,872.0	4.3	4.3	-	937.2	(4.6)	0.3	5.0	975.0	0.3	1.0	0.7
Japanese local government bonds	1.7	0.0	0.0	-	2.2	0.0	0.0	-	1.7	0.0	0.0	-
Japanese corporate bonds	17.8	(0.8)	0.1	0.9	188.0	(0.2)	0.2	0.4	37.7	(1.0)	0.2	1.2
Other	292.5	(5.6)	11.5	17.1	479.2	(29.7)	6.1	35.8	267.6	(25.9)	1.9	27.8
Foreign securities	291.5	(5.6)	11.4	17.1	475.7	(29.8)	5.9	35.7	266.7	(25.9)	1.9	27.8
Foreign currency denominated foreign corporate and government bonds	158.6	0.1	7.5	7.4	322.6	(32.0)	0.4	32.5	133.7	(12.5)	0.3	12.9
Yen-denominated foreign corporate and government bonds	121.1	(9.6)	0.0	9.7	139.2	(3.2)	0.0	3.2	123.7	(14.6)	-	14.6
Foreign equity securities	9.1	3.4	3.4	-	11.5	5.1	5.1	-	6.6	0.9	1.2	0.3
Other securities	0.9	0.0	0.0	-	3.5	0.1	0.1	0.0	0.9	-	-	-
Total	2,195.4	(4.3)	17.2	21.6	1,621.2	(36.4)	7.3	43.7	1,293.1	(29.4)	3.5	33.0

Note: Among the securities that were previously classified as available-for-sale, certain of the foreign bonds with high credit ratings were reclassified to held-to-maturity on October 1, 2008 at their fair values of ¥102.6 billion, in accordance with "Tentative Solution on Reclassification of Debt Securities" (December 5, 2008, Practical Issue Task Force No.26). This reclassification was pursuant to a change in the investment policy based on management's judgment that it would be difficult to sell these securities at their fair values under the extremely illiquid market condition which currently exist.

Subsequent to this date, an impairment of ¥50.7 billion was recognized for certain of these reclassified securities as a result of the worsening credit environment, and the value of such securities after impairment (¥19.6 billion) was reclassified from held-to-maturity back to available-for-sale as of March 31, 2009.

As a result, the foreign bonds that were reclassified to held-to-maturity as of October 1, 2008, and are accounted for as held-to-maturity were as follows:

Securities reclassified from available-for-sale to held-to-maturity	June 30, 2009			June 30, 2008			March 31, 2009		
	Fair value	Amortized cost	Unrealized loss on available-for-sale securities	Fair value	Amortized cost	Unrealized loss on available-for-sale securities	Fair value	Amortized cost	Unrealized loss on available-for-sale securities
Other (foreign debt securities)	40.3	47.0	8.1	-	-	-	38.7	47.3	8.4

Capital Adequacy Data -Table 34- (Non-Consolidated)

(Billions of yen, except percentages)

	June 30 2009 (a)	June 30 2008 (b)	Change (a)-(b)	March 31 2009 (c)	Change (a)-(c)
Basic items (Tier I)	744.8	850.9	(106.1)	745.7	(0.9)
Amount eligible for inclusion in capital (Tier II)	284.8	460.5	(175.7)	301.2	(16.3)
Deduction	(70.5)	(90.9)	20.3	(75.0)	4.4
Total capital ⁽²⁾	959.0	1,220.5	(261.5)	971.9	(12.9)
Risk assets	8,140.2	7,911.5	228.6	8,875.5	(735.2)
Capital adequacy ratio	11.78%	15.42%	-	10.95%	-
Tier I capital ratio	9.14%	10.75%	-	8.40%	-

(1) Calculated by new standard (Basel II, F-IRB). And also calculated in accordance with FSA Notification Number 79 issued in December 2008 (special treatment of FSA Notification Number 19 issued in 2006) regarding figures of March 31 2009 and June 30 2009. As a result, ¥38.0 billion of net unrealized losses on securities available-for-sale, net taxes as of March 31, 2009 and ¥12.5 billion of net unrealized losses on securities available-for-sale, net taxes as of June 30, 2009 are not included in BIS capital.

(2) Non-Consolidated total required capital is ¥430.1 billion as at June 30, 2009, ¥434.5 billion as at June 30, 2008, and ¥455.7 billion as at March 31, 2009.

Note 1: Quarterly information is available in the Quarterly Data Book

Non-Consolidated Balance Sheets (Unaudited) (Non-Consolidated)**Assets***(millions of yen)*

	June 30 2009 a	June 30 2008 b	Change a-b Amount	March 31 2009 c	Change a-c Amount
<<Assets>>					
Cash and due from banks	97,487	353,289	(255,802)	411,999	(314,512)
Call loans	19,690	315,356	(295,666)	—	19,690
Collateral related to securities borrowing transactions	235,064	99,695	135,369	131	234,933
Other monetary claims purchased	766,831	159,232	607,599	666,126	100,705
Trading assets	253,641	215,080	38,561	326,038	(72,397)
Monetary assets held in trust	579,688	630,638	(50,950)	573,032	6,656
Securities	3,711,727	2,897,710	814,017	2,626,047	1,085,680
Valuation allowance for investments	(3,370)	(3,370)	—	(3,370)	—
Loans and bills discounted	4,737,371	5,447,134	(709,763)	5,168,004	(430,633)
Foreign exchanges	11,949	13,541	(1,592)	37,138	(25,189)
Other assets	745,077	516,904	228,173	977,924	(232,847)
Premises and equipment	18,358	20,339	(1,981)	18,856	(498)
Intangible assets	13,259	14,247	(988)	13,477	(218)
Deferred issuance expenses for debentures	161	138	23	161	0
Deferred tax assets	7,165	20,904	(13,739)	4,329	2,836
Customers' liabilities for acceptances and guarantees	10,705	18,109	(7,404)	12,556	(1,851)
Reserve for credit losses	(113,989)	(81,059)	(32,930)	(118,960)	4,971
Total assets	11,090,818	10,637,893	452,925	10,713,494	377,324

Liabilities and Equity

	(millions of yen)				
	June 30 2009 a	June 30 2008 b	Change a-b Amount	March 31 2009 c	Change a-c Amount
<<Liabilities>>					
Deposits	7,123,837	5,479,813	1,644,024	6,637,831	486,006
Negotiable certificates of deposit	395,414	685,042	(289,628)	259,659	135,755
Debentures	622,279	685,302	(63,023)	676,767	(54,488)
Call money	155,500	773,835	(618,335)	281,513	(126,013)
Payables under repurchase agreements	60,975	—	60,975	53,805	7,170
Collateral related to securities lending transactions	598,892	863,543	(264,651)	569,566	29,326
Trading liabilities	237,098	161,909	75,189	316,068	(78,970)
Borrowed money	328,958	302,108	26,850	425,371	(96,413)
Foreign exchanges	222	259	(37)	226	(4)
Corporate bonds	376,350	543,816	(167,466)	402,453	(26,103)
Other liabilities	567,999	394,221	173,778	495,016	72,983
Income taxes payable	134	—	/	34	100
Lease debt	9	—	/	11	(2)
Other liabilities	567,854	—	/	494,970	72,884
Accrued employees' bonuses	2,287	4,200	(1,913)	7,191	(4,904)
Reserve for retirement benefits	19	1,458	(1,439)	55	(36)
Reserve for losses on disposal of premises and equipment	6,825	7,896	(1,071)	6,911	(86)
Reserve for losses on litigation	3,662	—	3,662	3,662	—
Acceptances and guarantees	10,705	18,109	(7,404)	12,556	(1,851)
Total liabilities	10,491,030	9,921,517	569,513	10,148,658	342,372
<<Equity>>					
Shareholders' equity:					
Capital stock	476,296	476,296	—	476,296	—
Capital surplus	43,558	43,558	—	43,558	—
Additional paid-in capital	43,558	43,558	—	43,558	—
Retained earnings	164,929	313,350	(148,421)	154,454	10,475
Legal reserve	11,035	11,035	—	11,035	—
Other retained earnings	153,893	302,314	(148,421)	143,418	10,475
Unappropriated retained earnings	153,893	302,314	(148,421)	143,418	10,475
Treasury stock, at cost	(72,558)	(72,557)	(1)	(72,558)	0
Total shareholders' equity	612,226	760,647	(148,421)	601,750	10,476
Net unrealized gain (loss):					
Unrealized gain (loss) on available-for-sale securities	(12,532)	(36,432)	23,900	(38,049)	25,517
Deferred gain (loss) on derivatives under hedge accounting	(1,529)	(9,284)	7,755	(672)	(857)
Total net unrealized gain (loss)	(14,061)	(45,716)	31,655	(38,722)	24,661
Stock acquisition rights	1,624	1,444	180	1,808	(184)
Total equity	599,788	716,375	(116,587)	564,836	34,952
Total liabilities and equity	11,090,818	10,637,893	452,925	10,713,494	377,324

Non-Consolidated Statements of Operations (Unaudited) (Non-Consolidated)*(millions of yen, except percentages)*

	1QFY2009 (3 months)	1QFY2008 (3 months)	Change		FY2008 (12 months)
			Amount	%	
Total interest income	34,553	42,154	(7,601)	(18.0)	182,737
Interest on loans and bills discounted	21,936	27,857	(5,921)	(21.3)	109,886
Interest and dividends on securities	8,206	12,145	(3,939)	(32.4)	59,458
Other interest income	4,410	2,151	2,259	105.0	13,391
Fees and commissions income	3,765	5,842	(2,077)	(35.6)	18,963
Trading profits	3,611	2,954	657	22.2	5,277
Other business income	12,818	365	12,453	3411.8	16,956
Other ordinary income	4,147	8,519	(4,372)	(51.3)	22,389
Ordinary income	58,897	59,836	(939)	(1.6)	246,323
Total interest expenses	21,622	24,117	(2,495)	(10.3)	96,368
Interest on deposits	14,016	10,915	3,101	28.4	47,548
Interest on corporate bonds	4,255	6,543	(2,288)	(35.0)	20,266
Other interest expenses	3,351	6,658	(3,307)	(49.7)	28,553
Fees and commissions expenses	2,670	2,510	160	6.4	13,415
Trading losses	3,151	2,012	1,139	56.6	10,968
Other business expenses	3,354	8,698	(5,344)	(61.4)	103,456
General and administrative expenses	18,166	22,313	(4,147)	(18.6)	81,741
Other ordinary expenses	8,131	925	7,206	779.0	105,234
Ordinary expenses	57,097	60,577	(3,480)	(5.7)	411,184
Net ordinary income (loss)	1,799	(741)	2,540	(342.8)	(164,860)
Special gains	11,244	2,556	8,688	339.9	76,948
Special losses	2,624	3,164	(540)	(17.1)	63,487
Income (loss) before income taxes	10,420	(1,348)	11,768	(873.0)	(151,399)
Income taxes (benefit)					
Current	(54)	(3,196)	3,142	(98.3)	(4,184)
Deferred	-	-	-	-	9,833
Total income taxes (benefit)	(54)	-	/	/	5,648
Net income (loss)	10,475	1,847	8,628	467.1	(157,048)

Section 3. Earnings Forecast -Table 35- (Consolidated and Non-Consolidated)

(Consolidated)	<i>(Billions of yen)</i>	
	<i>Fiscal year ending</i> March 2010 (FY2009) Forecast	<i>Fiscal year ended</i> March 2009 (FY2008) Actual
Cash Basis Net income	28.0	(97.0)
Net income	10.0	(143.0)
<hr/>		
(Non-Consolidated)	<i>Fiscal year ending</i> March 2010 (FY2009) Forecast	<i>Fiscal year ended</i> March 2009 (FY2008) Actual
Net income	10.0	(157.0)
<hr/>		
Dividends (per share in yen)		
Common stock	to be determined	0.00 yen

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 as a result of various factors.

Shinsei Bank forecasts a consolidated cash basis* net income of ¥28.0 billion (consolidated reported basis net income of ¥10.0 billion) for the fiscal year ending March 31, 2010.

Shinsei Bank forecasts a non-consolidated net income for the fiscal year ending March 31, 2010 of ¥10.0 billion.

The amount of the dividend for common shares has yet to be determined for the period ending March 31, 2010.

*Cash-basis figures are calculated by excluding amortization of goodwill and net other intangible assets, net of tax benefit.

Section 4. Exposure to Securitized Products and Related Investments

Balance of Securitized Products (Breakdown by Region and Type of Securities)⁽¹⁾ -Table 36- (Non-Consolidated)

(Billions of yen)

	Credit Ratings of Securities ⁽²⁾ (June 30, 2009)				June 30 2009 (a)	June 30 2008 (b)	Change (a)-(b)	Mar 31 2009 (c)	Change (a)-(c)
	AAA	AA	A or lower	N/A					
RMBS	23%	7%	4%	67%	48.9	77.3	(28.3)	52.2	(3.3)
Japan	23%	5%	4%	68%	47.9	48.5	(0.5)	49.3	(1.3)
U.S.	-	-	-	-	0.0	16.2	(16.2)	0.9	(0.9)
Europe	0%	100%	0%	0%	0.9	5.5	(4.5)	1.1	(0.1)
Other	-	-	-	-	-	6.9	(6.9)	0.8	(0.8)
CMBS⁽³⁾	0%	17%	83%	0%	19.2	29.8	(10.6)	19.4	(0.2)
Japan	0%	8%	92%	0%	12.9	16.4	(3.4)	13.1	(0.2)
U.S.	-	-	-	-	-	-	-	-	-
Europe	0%	0%	100%	0%	4.0	10.5	(6.5)	3.9	0.0
Other	0%	100%	0%	0%	2.2	2.8	(0.6)	2.3	(0.1)
CLO	67%	27%	5%	2%	64.5	125.2	(60.7)	69.1	(4.6)
Japan	-	-	-	-	-	-	-	-	-
U.S.	63%	32%	4%	2%	49.1	93.9	(44.7)	53.2	(4.1)
Europe	88%	12%	0%	0%	14.1	28.3	(14.1)	14.5	(0.3)
Other	0%	0%	100%	0%	1.2	3.0	(1.8)	1.3	(0.1)
ABS CDO (Resecuritized Products)	0%	0%	23%	77%	7.9	8.6	(0.6)	7.9	0.0
Japan ⁽⁴⁾	0%	0%	23%	77%	7.9	8.0	(0.1)	7.9	(0.0)
U.S.	-	-	-	-	-	0.5	(0.5)	-	-
Europe	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	39%	17%	16%	28%	140.6	241.0	(100.4)	148.9	(8.2)
Japan	16%	5%	23%	56%	68.8	73.0	(4.1)	70.4	(1.6)
U.S.	63%	32%	4%	2%	49.1	110.7	(61.6)	54.2	(5.0)
Europe	65%	14%	21%	0%	19.1	44.3	(25.2)	19.6	(0.4)
Other	0%	65%	35%	0%	3.4	12.9	(9.4)	4.5	(1.0)
Securities					75.0	173.3	(98.3)	81.7	(6.6)
RMBS					0.9	28.7	(27.7)	2.9	(1.9)
CMBS					9.5	18.7	(9.1)	9.5	0.0
CLO					64.5	125.2	(60.7)	69.1	(4.6)
ABS CDO					0.0	0.5	(0.5)	0.0	0.0
Other monetary claims purchased⁽⁵⁾					65.6	67.7	(2.1)	67.2	(1.5)
RMBS (Japan)					47.9	48.5	(0.5)	49.3	(1.3)
CMBS (Japan)					9.6	11.1	(1.4)	9.8	(0.1)
CLO (Japan)					-	-	-	-	-
ABS CDO (Japan)					7.9	8.0	(0.1)	7.9	(0.0)
Total					140.6	241.0	(100.4)	148.9	(8.2)

(1) The amount is the outstanding balance, after mark-downs and other comprehensive income (OCI) adjustments, at the end of each period. This table excludes securitized products backed by consumer loans, credit card loans, and other similar exposure to individuals.

(2) Based on ratings by S&P or ratings equivalent to S&P ratings matrix as of June 30, 2009. The "N/A" rating for Japanese RMBS represents senior portions of other monetary claims purchased for the purpose of warehousing for future securitization.

(3) Breakdown of collateral: office building (49%), multi-family (34%), retail and shops (9%), hotel and others (8%)

(4) Backed by Japanese RMBS and CMBS and does not include subprime-related exposure.

(5) Includes Japanese RMBS recorded as monetary assets held in trust of ¥3.6 billion as at June 30, 2009.

Securitized Products, Recorded under "Securities" and "Other Monetary Claims Purchased" and OCI -Table 37-⁽¹⁾
(Non-Consolidated)

Securities	(Billions of yen, %)			
	As of June 30, 2009			
	Balance before Mark-to-Market Evaluation	Market Value or Balance	Unrealized Gains/Losses (OCI)	Price Decline Ratio (%)
Trading Securities		2.0		
RMBS (U.S.)		0.0		
CLO (U.S.)		0.8		
CLO (Other foreign countries)		1.2		
Securities Being Held to Maturity with Readily Determinable Fair Value ⁽²⁾		47.0		
CLO (U.S.)		34.9		
CLO (Europe)		12.0		
Securities Available for Sale	21.5	25.9	4.4	20.6
Other	21.5	25.9	4.4	20.6
Foreign Securities	21.5	25.9	4.4	20.6
Foreign Currency Denominated Foreign Corporate and Government Bonds	18.2	22.7	4.4	24.6
RMBS	1.3	0.9	(0.3)	(25.0)
Europe	1.3	0.9	(0.3)	(25.0)
CMBS	6.9	6.2	(0.6)	(9.0)
Europe	4.0	4.0	0.0	(0.7)
Other foreign countries	2.8	2.2	(0.5)	(20.8)
CLO	10.0	15.4	5.4	54.4
U.S.	8.2	13.3	5.0	61.8
Europe	1.7	2.1	0.3	19.8
Yen-Denominated Foreign Corporate and Government Bonds	3.2	3.2	0.0	(1.3)
CMBS (Japan)	3.2	3.2	0.0	(1.3)
Securities		75.0		
RMBS		0.9		
CMBS		9.5		
CLO		64.5		
Other Monetary Claims Purchased⁽³⁾				
Trading Purposes		17.8		
RMBS (Japan) ⁽³⁾		14.6		
CMBS (Japan)		3.1		
Others	47.7	47.7	-	-
RMBS (Japan)	33.3	33.3	-	-
CMBS (Japan)	6.4	6.4	-	-
ABS CDO (Japan)	7.9	7.9	-	-
Total		65.6		
RMBS (Japan)		47.9		
CMBS (Japan)		9.6		
ABS CDO (Japan)		7.9		
RMBS, CMBS, CLO, ABS CDO Total		140.6		
Securities		75.0		
Other Monetary Claims Purchased		65.6		

(1) This table excludes securitized products backed by consumer loans, credit card loans, and other similar exposure to individuals.

(2) Among the securities that were previously classified as available-for-sale, certain of the foreign bonds with high credit ratings were reclassified to held-to-maturity on October 1, 2008 at their fair values of ¥102.6 billion, in accordance with "Tentative Solution on Reclassification of Debt Securities" (December 5, 2008, Practical Issue Task Force No.26).

Subsequent to this date, an impairment of ¥50.7 billion was recognized for certain of these reclassified securities as a result of the worsening credit environment, and the value of such securities after impairment (¥19.6 billion) was reclassified from held-to-maturity back to available-for-sale as of March 31, 2009.

(3) Includes Japanese RMBS recorded as monetary assets held in trust of ¥3.6 billion as at June 30, 2009.

LBO, Monoline, SIV, ABCP, CDS -Table 38- (Non-Consolidated)

<i>(Billions of yen)</i>					
	June 30 2009 (a)	June 30 2008 (b)	Change (a)-(b)	Mar 31 2009 (c)	Change (a)-(c)
LBO⁽¹⁾	278.6	311.6	(33.0)	291.7	(13.1)
Japan	264.6 ⁽²⁾	293.2	(28.6)	278.6	(14.0)
U.S.	3.1	3.7	(0.6)	3.2	(0.1)
Europe	-	-	-	-	-
Other	10.8	14.5	(3.7)	9.8	1.0
(Breakdown by Industry Sector as of June 30, 2009)					
Manufacturing	12.7%				
Information and communications	8.6%				
Wholesale and retail	9.1%				
Finance and Insurance	51.7%				
Services	8.9%				
Others	8.9%				
Total	100.0%				

(1) The amount includes unfunded commitment line.

(2) As of June 30, 2009, unfunded commitment line (only domestic) is ¥5.6 billion.

<i>(Billions of yen)</i>					
	June 30 2009 (a)	June 30 2008 (b)	Change (a)-(b)	Mar 31 2009 (c)	Change (a)-(c)
Monoline	-	1.3	(1.3)	0.8	(0.8)
Japan	-	-	-	-	-
U.S.	-	-	-	-	-
Europe	-	-	-	-	-
Other	-	1.3	(1.3)	0.8	(0.8)
SIV	-	-	-	-	-
ABCP	-	-	-	-	-

Credit Default Swaps (CDS)⁽¹⁾

<i>(Billions of yen)</i>									
	As of June 30, 2009								1QFY2009
	Nominal Amount		Fair Value		Netted Nominal Amount and Fair Value ⁽²⁾			Realized Profits (Losses)	
	Protection (buy)	Protection (sell)	Protection (buy)	Protection (sell)	Nominal Amount	Fair Value			
					Protection (buy)	Protection (sell)			
Total	1,096.0	1,165.1	40.8	(31.1)	941.8	26.3	(26.8)	(6.8)	
Japan	963.5	1,044.7	36.8	(28.3)	827.8	24.4	(24.4)	(6.5)	
U.S.	61.5	54.3	3.3	(2.4)	50.0	1.7	(2.1)	0.1	
Europe	31.6	27.7	0.6	(0.2)	27.3	0.3	(0.1)	(0.0)	
Other	39.2	38.2	0.0	(0.1)	36.5	(0.1)	(0.0)	(0.4)	

(1) Represents transactions under both banking book and trading book.

(2) Transactions which are netted with buy and sell.

Definitions -Table 39-

Names	Definitions
RMBS	Residential mortgage-backed securities and other related assets, including beneficial interests backed by mortgage loans. Recorded in "trading securities," "securities available-for-sale" and "other monetary claims."
CMBS	Commercial mortgage-backed securities. Recorded in "securities available-for-sale" and "other monetary claims." We have no U.S. CMBS exposure.
CLO	Collateralized loan obligations (CLO) mainly backed by LBO debt, corporate loans and high-yield securities. Recorded in "trading securities," "securities being held to maturity with readily determinable fair value," and "securities available-for-sale."
ABS CDO (Re-securitized Products)	CDO backed by asset-backed securities (ABS) such as RMBS. Recorded in "securities available-for-sale" and "other monetary claims."
Subprime-Related	Subprime-related exposure refers to the total book value of securities whose underlying assets include U.S. subprime, Alt-A and/or second-lien loans. We have no subprime-related exposure as at June 30, 2009.
LBO	Loans for leveraged buyout for acquisition finance including refinancing of past acquisitions.
Monoline	Monolines are insurance companies that insure against the risk of a bond or other security defaulting. We have no exposure to Monoline as at June 30, 2009.
SIV	A structured investment vehicle (SIV) is a fund which borrows money by issuing short-term securities at low interest rates, then lends that money by buying long-term securities (such as securitization products) at higher interest rates, making a profit for investors from the difference. We have no exposure to SIVs.
ABCP	An asset-backed commercial paper (ABCP) conduit is a limited-purpose entity that issues CP to finance the purchase of assets or to make loans. Some asset types include receivables generated from trade, credit card, auto loan, auto, and equipment leasing obligors, as well as collateralized loan obligations (CLOs) and collateralized bond obligations (CBOs). We have no exposure to ABCP.
CDS	Credit default swap is a type of derivative in which the buyer receives credit protection by making periodic payments to a counterparty and the seller provides credit protection by giving the promise of a payoff if a third-party defaults.