

Financial Summary

For the Fiscal Year Ended March 31, 2010



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

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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%.

Financial Highlights ⁽¹⁾

(Billions of yen, except percentages)

	FY2009	FY2008	Change % or Amount	1HFY2009
Selected income statement items				
Net interest income	207.9	202.9	2.5%	109.4
Non-interest income	77.5	55.2	40.5%	56.4
Net fees and commissions	25.1	26.5	(5.2)%	10.9
Net trading income	9.0	(4.6)	293.3%	3.1
Net other business income	43.3	33.3	30.2%	42.4
Total revenue	285.5	258.2	10.6%	165.8
General and administrative expenses	168.3	178.7	(5.8)%	86.5
Ordinary business profit	117.1	79.4	47.5%	79.3
Net credit costs	112.2	129.0	(13.0)%	39.2
Ordinary business profit after net credit costs	4.8	(49.6)	109.8%	40.1
Amortization of goodwill and other intangible assets ⁽²⁾	20.9	17.5	19.2%	10.8
Other gains (losses)	(107.0)	(51.8)	(106.3)%	(9.1)
Income (loss) before income taxes and minority interests	(123.0)	(119.0)	(3.4)%	20.1
Current income tax	1.5	3.4	(55.6)%	0.5
Deferred income tax	6.7	7.0	(4.2)%	3.3
Minority interests in net income of subsidiaries	8.8	13.5	(35.0)%	5.1
Net income (loss)	(140.1)	(143.0)	2.1%	11.0
Cash basis net income (loss) ⁽³⁾	(53.7)	(97.0)	44.6%	20.2
Selected balance sheet items				
Securities	3,233.3	2,174.1	1,059.1	3,282.2
Loans and bills discounted	5,163.7	5,876.9	(713.1)	5,469.9
Customers' liabilities for acceptances and guarantees	623.7	675.2	(51.4)	652.4
Reserve for credit losses	(196.6)	(192.5)	(4.1)	(198.6)
Total assets	11,376.7	11,949.1	(572.4)	12,183.5
Deposits and negotiable certificates of deposit	6,475.3	6,272.1	203.2	7,046.5
Debentures	483.7	675.5	(191.8)	527.5
Borrowed money	1,186.8	1,012.3	174.5	800.2
Reserve for losses on interest repayments	70.0	193.8	(123.7)	119.5
Total liabilities	10,741.8	11,181.7	(439.9)	11,383.5
Total equity	634.9	767.4	(132.5)	799.9
Financial ratios (%)				
Net interest margin	2.47	2.46		2.54
Return on assets	(1.2)	(1.2)		0.2
Return on equity	(27.6)	(22.4)		3.8
Cash basis return on assets	(0.5)	(0.8)		0.3
Cash basis return on equity	(10.6)	(15.2)		6.9
Expense-to revenue ratio	59.0	69.2		52.2
Capital adequacy data				
Tier I	490.7	580.0	(89.2)	591.5
Total capital	645.4	803.4	(158.0)	791.5
Risk weighted assets	7,722.1	9,621.0	(1,898.9)	8,449.2
Capital adequacy ratio	8.35%	8.35%		9.36%
Tier I capital ratio	6.35%	6.02%		7.00%
Core Tier I ratio ⁽⁴⁾	4.05%	4.03%		4.87%
TCE ratio ⁽⁵⁾	3.09%	3.00%		3.47%

(Billions of yen, except percentages)

	FY2009	FY2008	Change % or Amount	1HFY2009
Per share data				
Common equity	232.72	284.95	(18.3)%	312.05
Fully diluted equity	232.72	284.95	(18.3)%	312.05
Basic net income (loss)	(71.36)	(72.85)	2.1%	5.63
Diluted net income (loss)	(71.36)	(72.85)	2.1%	5.63
Cash basis basic net income (loss)	(27.37)	(49.39)	44.6%	10.31
Cash basis diluted net income (loss)	(27.37)	(49.39)	44.6%	10.31
Non-performing loans (Non-Consolidated)				
Claims classified under the Financial Revitalization Law	333.0	145.8	187.1	181.6
Ratio to total claims	6.70%	2.51%		3.41%
Reserve for credit losses	102.2	118.9	(16.7)	107.5
Reserve ratio	30.6%	81.6%		59.2%
Coverage ratio	97.6%	96.0%		97.1%

(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.

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

(4) Core Tier I capital ratio: Tier I, excluding preferred securities and preferred stock minus deferred tax assets (net) divided by risk weighted assets.

(5) Tangible common equity ratio: Net assets minus preferred stock, intangible assets and minority interests divided by total assets, excluding intangible assets.

- Consolidated **cash basis net loss** for fiscal year 2009 was ¥53.7 billion, compared to a **cash basis net loss** of ¥97.0 billion for fiscal year 2008.
- The Bank recognized a consolidated **net loss** of ¥140.1 billion on a reported basis for fiscal year 2009, compared to a consolidated net loss of ¥143.0 billion for fiscal year 2008.
- The Shinsei Bank Group's fiscal year 2009 results were significantly impacted by three major items which were partially offset by gains:
 - First, changes to Japanese consumer finance regulations and the Japanese economic recession have impacted our consumer finance businesses, leading to charges of approximately ¥104.7 billion against these businesses.
 - Second, the Japanese economic recession has significantly impacted Japanese commercial real-estate, leading to charges of approximately ¥70.2 billion against our domestic real estate businesses.
 - Third, we have taken further mark-downs, impairments and credit reserves against our European investments and overseas and domestic asset-backed securities and asset-backed investments of ¥18.9 billion.
- To offset the above, the Bank generated ¥42.7 billion of gains through opportunistic preferred and subordinated securities buy-backs, and sales of collateralized loan obligations (CLO) and corporate debt and equities. Other highlights include:
 - Top-line revenues up 10.6% due mainly to improvements in the Institutional Group and full-year contribution from Shinsei Financial.
 - Overall expenses down 5.8% and normalized expenses down 16.7% year-on-year and 21.7% over two years through business right-sizing.
 - Funding costs declined to 0.81% and net interest margin improved to 2.47%.
 - We maintained or improved the level of our capital ratios despite the net loss in fiscal year 2009 mainly by reducing risk weighted assets:
 - Total capital adequacy ratio was maintained at 8.35% and Tier I capital ratio improved to 6.35% at March 31, 2010 from 6.02% at March 31, 2009 as risk weighted assets declined from ¥9.6 trillion at March 31, 2009 to ¥7.7 trillion at March 31, 2010.
 - **Loans and bills discounted** balance reduced by ¥713.1 billion to ¥5,163.7 billion and non Japanese government bond securities balance decreased by ¥98.2 billion to ¥871.7 billion as at March 31, 2010.
 - **Diluted net loss per share** for fiscal year 2009 was ¥71.36, as compared to **diluted net loss per share** of ¥72.85 for fiscal year 2008. **Cash basis diluted net loss per share** for fiscal year 2009 was ¥27.37, as compared to **cash basis diluted net loss per share** of ¥49.39 for fiscal year 2008.

Financial and Economic Environment

- In June 2009, the Nikkei Stock Average recovered to the 10,000 yen mark after falling to a post-bubble record low of below 8,000 yen in March 2009. As this fact indicates, this fiscal year was one in which both the Japanese and global economy moved towards a recovery from the financial crisis.
 - However, the recovery has not proceeded smoothly, given that mistrust in the economic environment remains. To give some examples, the yen-dollar exchange rate spiked to 86 yen level for the first time in 14 years in November 2009, and the Nikkei Stock Average again dropped below 10,000 yen.
 - Overseas, Dubai World requested a debt rescheduling in November 2009 – the so-called “Dubai shock” – which brought further credit concerns to the surface. Early in the New Year, government bonds of countries such as Greece and Portugal were traded at a loss as a result of underlying concerns over national finances. These events suggest that there are still many issues to be resolved as the recovery progresses.
 - In Japan, the country experienced a change of government and subsequently, political and economic reforms have progressed during this fiscal year.
- However, in its monthly economic report for November 2009, the government announced that the country had entered a deflationary phase. In response, the Bank of Japan acknowledged that a full scale recovery is still some time away as it continued and expanded its low interest rate measures.
- In response to these monetary policy easing measures, short term interest rates fell, with the six month LIBOR interest rate falling more than 0.3% against the March 2009 rate.
 - On the other hand, long-term interest rates over ten years (and longer) were stable or rose with the recovery of the stock market, and the yield curve steepened.
 - The financial situation has slowly improved due to the various policies implemented to date, and the focus going forward will be on whether this trend is set to continue. In addition, taking the financial crisis as a lesson, the Basel Committee on Banking Supervision has begun a review of the methods of regulation, supervision and risk management of financial institutions.

Section 1. Consolidated Information

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

(Billions of yen, except percentages)

	FY2009 (12 months)	FY2008 (12 months)	% Change	1HFY2009 (6 months)
Net interest income	207.9	202.9	2.5	109.4
Non-interest income	77.5	55.2	40.5	56.4
Net fees and commissions	25.1	26.5	(5.2)	10.9
Net trading income	9.0	(4.6)	293.3	3.1
Net other business income	43.3	33.3	30.2	42.4
Total revenue	285.5	258.2	10.6	165.8
General and administrative expenses	168.3	178.7	(5.8)	86.5
Ordinary business profit	117.1	79.4	47.5	79.3
Net credit costs	112.2	129.0	(13.0)	39.2
Ordinary business profit after net credit costs	4.8	(49.6)	109.8	40.1
Amortization of goodwill and other intangible assets ⁽²⁾	20.9	17.5	19.2	10.8
Other gains (losses)	(107.0)	(51.8)	(106.3)	(9.1)
Income (loss) before income taxes and minority interests	(123.0)	(119.0)	(3.4)	20.1
Current income tax	1.5	3.4	(55.6)	0.5
Deferred income tax	6.7	7.0	(4.2)	3.3
Minority interests in net income of subsidiaries	8.8	13.5	(35.0)	5.1
Net income (loss)	(140.1)	(143.0)	2.1	11.0
Cash basis net income (loss) ⁽³⁾	(53.7)	(97.0)	44.6	20.2

(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.

(3) Excludes amortization or impairment 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 fiscal year 2009 of ¥285.5 billion. This was ¥27.3 billion or 10.6% higher than the ¥258.2 billion total revenue recorded in fiscal year 2008.
 - This included income of ¥43.0 billion from the leased assets and installment receivables businesses of Showa Leasing, APLUS FINANCIAL, Shinsei Financial and others.
- **Net interest income** rose to ¥207.9 billion during the current period from ¥202.9 billion in fiscal year 2008.
 - Major non-recurring items included in **net other business income** are gains of ¥20.9 billion on the repurchase of our preferred securities and subordinated debt, gains of ¥17.7 billion on the sale of collateralized loan obligations (CLOs) and gains of ¥3.5 billion on corporate bonds and equities.
 - These gains were largely offset by mark-downs and impairments of ¥35.5 billion on our legacy Japanese real estate principal investments, ¥3.8 billion of losses on our equity method affiliate Jih Sun Financial Holding Co., Ltd. (Jih Sun) and mark-downs and impairments of ¥3.2 billion on asset-backed investments, asset-backed securities and European investments.
- **Non-interest income** increased to ¥77.5 billion in the current period versus ¥55.2 billion in the previous period.
 - During fiscal year 2008, in the **net trading loss** and **net other business income** accounts we incurred ¥50.7 billion in impairments of our collateralized loan obligation (CLO) portfolio, ¥27.9 billion of losses related to our holdings of European investments, asset-backed investments and asset-backed securities, ¥11.6 billion of impairments within our capital markets area, ¥11.5 billion of impairments of Japanese equities, ¥8.7 billion in losses on bonds incurred upon the bankruptcy of Lehman Brothers Holdings, Inc. (Lehman Brothers) and ¥7.0 billion of losses on other asset-backed investments.
 - Fiscal year 2008 losses were partially offset by a gain of ¥74.1 billion recorded on the repurchase of preferred securities and subordinated debt.
 - Our **net fees and commissions** income remained largely flat at ¥25.1 billion during the current period from ¥26.5 billion during fiscal year 2008 despite the inclusion of Shinsei Financial customer ATM usage and other customer related fees of ¥4.8 billion in the current period versus ¥2.7 billion in the prior period.
 - We generated **net trading income** of ¥9.0 billion in fiscal year 2009 compared to incurring a net trading loss of ¥4.6 billion in the prior period.
- **Net other business income** for fiscal year 2009 increased to ¥43.3 billion from ¥33.3 billion in fiscal year 2008.

- **General and administrative expenses** during fiscal year 2009 were ¥168.3 billion, a decrease of ¥10.4 billion or 5.8% compared to fiscal year 2008.
 - Expenses declined from fiscal year 2008 despite the inclusion of Shinsei Financial's expenses from October 1, 2008, as we have placed a significant focus upon reducing expenses across all areas of our business.
 - Excluding Shinsei Financial's direct expenses for fiscal year 2009, our expenses declined to ¥127.1 billion from ¥152.6 billion in the prior period, a decrease of ¥25.5 billion or 16.7% from fiscal year 2008.
 - Excluding both Shinsei Financial's and Shinki's direct expenses for fiscal year 2009 for direct comparison purposes to fiscal year 2007, our expenses declined to ¥119.3 billion from ¥152.3 billion in fiscal year 2007, a decrease of 21.7% over the two year period.
- Our expense-to-revenue ratio was 59.0% for fiscal year 2009.
 - This compares to an expense-to-revenue ratio of 69.2% in fiscal year 2008 and reflects the progress that we have made in reducing our expense base over the past twelve months.
 - Prior period results were impacted by reduced revenues in fiscal year 2008 resulting from the Lehman Brothers' bankruptcy and resulting financial market turmoil.
- **Net credit costs** of ¥112.2 billion for fiscal year 2009 were ¥16.7 billion, or 13.0% lower compared to the ¥129.0 billion net credit costs recorded in the prior fiscal year, primarily due to ¥20.6 billion in credit costs incurred in the prior period for a loan to a subsidiary of Lehman Brothers.
 - Current period results were significantly impacted by declines in the domestic commercial real estate market, changes to the domestic consumer finance market, and continued weakness in domestic and overseas asset-backed investments.
 - Net credit costs included net provisions of ¥32.8 billion for domestic real estate non-recourse finance, ¥25.3 billion net credit costs within Shinsei Financial, ¥21.0 billion net credit costs within APLUS FINANCIAL, and ¥15.6 billion in net provisions associated with our holdings of domestic and overseas asset-backed investments.
 - The results of fiscal year 2008 were impacted by ¥20.6 billion of credit costs incurred for a loan to a subsidiary of Lehman Brothers, ¥18.9 billion of reserves for real estate finance and ¥15.7 billion in credit costs associated with our holdings of European asset-backed investments.
- **Amortization of goodwill and other intangible assets** associated with the acquisition of consumer and commercial finance companies was ¥20.9 billion for fiscal year 2009 as compared with ¥17.5 billion in 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 reduced amortization of goodwill and other intangible assets of APLUS FINANCIAL due to APLUS FINANCIAL's accelerated goodwill amortization taken at the end of fiscal year 2008.
- **Other losses** of ¥107.0 billion included impairment of goodwill and intangibles in our investment in APLUS FINANCIAL of ¥66.0 billion, net of taxes, and impairment of Shinki intangible assets of ¥2.5 billion, net of taxes, grey zone provisions of ¥17.8 billion at Shinki, ¥10.8 billion at APLUS FINANCIAL and ¥0.9 billion at Shinsei Financial, as well as restructuring charges of ¥6.5 billion at APLUS FINANCIAL and Shinki, which were partially offset by recoveries of written-off claims of ¥10.7 billion.
 - The Shinsei Financial grey zone charges incurred during 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.
 - Fiscal year 2008 results included a gain of ¥8.2 billion on the sale of Showa Auto Rental & Leasing and a ¥7.2 billion gain on the sale of the Bank's Meguro Production Center, net of restoration and future relocation costs, and were offset by a ¥30.9 billion accelerated goodwill amortization charge in APLUS FINANCIAL, restructuring expenses of ¥20.3 billion and grey zone expenses of ¥15.0 billion at APLUS FINANCIAL and Shinki, as well as a ¥3.6 billion loss for litigation expenses.
- **Current and deferred income taxes** reflected a net tax of ¥8.2 billion compared to a net tax of ¥10.4 billion in the prior fiscal year.
 - Fiscal year 2009 results include a Shinsei Bank ¥8.3 billion charge for a reversal of deferred tax assets, while fiscal year 2008 included recognition of a deferred tax asset of ¥1.9 billion by Showa Leasing.
- **Minority interests in net income of subsidiaries** for fiscal year 2009 amounting to ¥8.8 billion largely reflected dividends paid on perpetual preferred securities, minority interests relating to APLUS FINANCIAL's preferred shareholders and minority interests in other subsidiaries.
- The Bank recognized a consolidated **net loss** of ¥140.1 billion on a reported basis for fiscal year 2009, compared to a consolidated net loss of ¥143.0 billion for fiscal year 2008.
- Consolidated **cash basis net loss** for fiscal year 2009 was ¥53.7 billion, compared to a **cash basis net loss** of ¥97.0 billion for fiscal year 2008. The **cash basis net income** is calculated by excluding amortization and impairment of goodwill and other intangible assets, net of tax benefit, from net income under Japanese generally accepted accounting principles (JGAAP).

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

	(Billions of yen)		
	FY2009 (12 months) (a) + (b)	4QFY2009 (3 months) (a)	1Q-3QFY2009 ⁽²⁾ (9 months) (b)
Gains included in revenue			
Gain from buy back of preferred securities and subordinated debt	20.9	6.0	14.8
Gain from the sale of collateralized loan obligations (CLOs)	17.7	2.0	15.6
Gain from corporate bonds and equities	4.0	0.2	3.8
Total	42.7	8.3	34.3
Mark-downs/impairments included in revenue			
Japanese real estate principal investments	(35.5)	(27.3)	(8.1)
Losses on our equity method affiliate Jih Sun Financial Holding Co., Ltd.	(3.8)	0.3	(4.2)
Asset-backed securities, asset-backed investments and European investments	(3.2)	0.0	(3.3)
Subtotal (i)	(42.6)	(26.9)	(15.7)
Items included in net credit costs			
Domestic real estate non-recourse finance	(32.8)	(28.0)	(4.8)
Asset-backed investments	(15.6)	(7.5)	(8.1)
Credit recovery at Shinki	6.4	0.0	6.4
Subtotal (ii)	(42.0)	(35.5)	(6.5)
Other losses			
Impairment of goodwill and intangible assets, net of tax (APLUS FINANCIAL)	(66.0)	(66.0)	-
Grey zone related provisions	(29.6)	(19.7)	(9.9)
Restructuring costs at APLUS FINANCIAL and Shinki	(6.5)	(4.2)	(2.2)
Impairment of intangible assets, net of tax (Shinki)	(2.5)	(2.5)	-
Losses related to Jih Sun Financial Holding Co., Ltd.	(0.8)	0.0	(0.8)
Japanese real estate principal investments	(1.9)	(1.9)	-
Other	(4.0)	(0.2)	(3.7)
Subtotal (iii)	(111.5)	(94.7)	(16.8)
Deferred income tax (Shinsei Bank non-consolidated basis) (iv)	(8.3)	(3.6)	(4.6)
Total (i) + (ii) + (iii) + (iv)	(204.7)	(160.9)	(43.7)
Breakdown by Category			
Impairment of goodwill and intangible assets, net of tax (APLUS FINANCIAL and Shinki)	(68.5)	(68.5)	-
Japanese real estate principal investments	(37.4)	(29.2)	(8.1)
Domestic real estate non-recourse finance	(32.8)	(28.0)	(4.8)
Grey zone related provisions	(29.6)	(19.7)	(9.9)
Asset-backed securities, asset-backed investments and European investments	(18.9)	(7.5)	(11.4)
Deferred income tax (Shinsei Bank non-consolidated basis)	(8.3)	(3.6)	(4.6)
Restructuring costs at APLUS FINANCIAL and Shinki	(6.5)	(4.2)	(2.2)
Jih Sun Financial Holding Co., Ltd.	(4.7)	0.3	(5.0)
Credit recovery at Shinki	6.4	0.0	6.4
Other	(4.0)	(0.2)	(3.7)
Total	(204.7)	(160.9)	(43.7)

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

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

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

	(Billions of yen, except percentages)								
	FY2009 (12 months)			FY2008 (12 months)			1HFY2009 (6 months)		
	Average Balance	Interest	Yield/rate (%)	Average ⁽⁶⁾ Balance	Interest	Yield/rate ⁽⁶⁾ (%)	Average ⁽⁶⁾ Balance	Interest	Yield/rate ⁽⁶⁾ (%)
Interest-earning assets⁽¹⁾ :									
Loans and bills discounted	5,457.6	245.2	4.49	5,910.3	256.1	4.33	5,558.4	130.2	4.67
Leased assets and installment receivables ⁽¹⁾	619.0	43.0	6.95	689.0	49.2	7.15	640.9	22.2	6.93
Securities	3,212.6	30.5	0.95	2,388.7	37.9	1.59	3,197.3	16.8	1.05
Other interest-earning assets ⁽²⁾⁽³⁾	664.6	7.7	n.m. ⁽⁵⁾	963.0	9.2	n.m. ⁽⁵⁾	724.7	4.3	n.m. ⁽⁵⁾
Total revenue on interest-earning assets⁽¹⁾	9,953.9	326.5	3.28	9,951.2	352.7	3.54	10,121.4	173.7	3.42
Interest-bearing liabilities:									
Deposits, including negotiable certificates of deposit	6,803.0	52.9	0.78	6,195.6	52.2	0.84	6,842.2	28.7	0.84
Debentures	562.5	3.8	0.69	706.3	5.0	0.71	618.4	2.2	0.74
Borrowed money	933.6	10.2	1.09	1,135.9	17.0	1.50	932.9	6.0	1.29
Subordinated debt	102.0	1.1	1.09	107.9	1.4	1.33	102.0	0.5	1.17
Other borrowed money	831.6	9.0	1.09	1,028.0	15.5	1.51	830.9	5.4	1.30
Corporate bonds	229.3	6.5	2.84	351.6	11.5	3.27	252.1	3.7	2.94
Subordinated bonds	166.8	5.7	3.45	272.4	10.1	3.71	178.1	3.1	3.53
Other corporate bonds	62.4	0.7	1.21	79.2	1.3	1.76	74.0	0.5	1.53
Other interest-bearing liabilities ⁽²⁾	825.9	2.0	n.m. ⁽⁵⁾	914.0	14.5	n.m. ⁽⁵⁾	822.6	1.2	n.m. ⁽⁵⁾
Total expense on interest-bearing liabilities	9,354.5	75.5	0.81	9,303.7	100.4	1.08	9,468.5	42.0	0.89
Non interest-bearing sources of funds:									
Non interest-bearing (assets) liabilities, net	89.3	-	-	8.3	-	-	65.0	-	-
Total equity excluding minority interests in subsidiaries ⁽⁴⁾	510.0	-	-	639.1	-	-	587.9	-	-
Total interest-bearing liabilities and non interest-bearing sources of funds	9,953.9	-	-	9,951.2	-	-	10,121.4	-	-
Net interest margin ⁽¹⁾	-	-	2.47	-	-	2.46	-	-	2.54
Impact of non interest-bearing sources	-	-	0.05	-	-	0.07	-	-	0.06
Net revenue/yield on interest-earning assets⁽¹⁾	-	250.9	2.52	-	252.2	2.54	-	131.6	2.59
Reconciliation of total revenue on interest-earning assets to total interest income:									
Total revenue on interest-earning assets	9,953.9	326.5	3.28	9,951.2	352.7	3.54	10,121.4	173.7	3.42
Less: Income on leased assets and installment receivables	619.0	43.0	6.95	689.0	49.2	7.15	640.9	22.2	6.93
Total interest income	9,334.9	283.5	3.04	9,262.1	303.4	3.28	9,480.5	151.4	3.19
Total interest expense	-	75.5	-	-	100.4	-	-	42.0	-
Net interest income	-	207.9	-	-	202.9	-	-	109.4	-

(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) Previous period figures for average balance and yield are adjusted to conform to recalculation of the average balance of securities.

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 fiscal year 2009 was ¥250.9 billion, a decrease of ¥1.2 billion compared to the prior fiscal year.
- **Total revenue on interest-earning assets** decreased by ¥26.1 billion and **total expense on interest-bearing liabilities** decreased by ¥24.8 billion in fiscal year 2009 from the prior fiscal year.
- The net interest margin and **net yield on interest-earning assets** were 2.47% and 2.52%, respectively, in fiscal year 2009, compared with 2.46% and 2.54%, respectively, for fiscal year 2008.
 - The changes in net interest margin and net yield reflect the lower volume of loans and bills discounted and leased assets and installment receivables and lower yields on securities that have been invested for liquidity purposes, offset by lower expense for other borrowed money and other interest-bearing liabilities and lower subordinated bond interest expense.

Non-Interest Income -Table 3- (Consolidated)

(Billions of yen, except percentages)

	FY2009 (12 months)	FY2008 (12 months)	% Change	1HFY2009 (6 months)
Net fees and commissions	25.1	26.5	(5.2)	10.9
Net trading income (loss)	9.0	(4.6)	293.3	3.1
Net other business income	43.3	33.3	30.2	42.4
Income on leased assets and installment receivables	43.0	49.2	(12.7)	22.2
Total non-interest income	77.5	55.2	40.5	56.4

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

- **Total non-interest income** for fiscal year 2009 amounted to ¥77.5 billion, an increase of ¥22.3 billion or 40.5% compared to 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 ¥25.1 billion were earned in fiscal year 2009, a decrease of ¥1.3 billion or 5.2% compared to the prior fiscal year.
 - Net fees and commissions remained largely flat despite the inclusion of Shinsei Financial customer ATM usage and other customer related fees of ¥4.8 billion in the current period versus ¥2.7 billion in the prior period.
- **Net trading income** reflects revenues from customer-driven transactions, such as option trading income, as well as transactions undertaken for trading purposes. During fiscal year 2009, **net trading income** showed a gain of ¥9.0 billion, compared to a loss of ¥4.6 billion in the prior fiscal year. The prior period **net trading loss** includes ¥3.9 billion of losses on Lehman Brothers bonds and related swaps. In the current period, we booked a gain of ¥0.5 billion on the sale of the Lehman Brothers bonds.
 - This included income of ¥43.0 billion from the leased assets and installment receivables businesses of Showa Leasing, APLUS FINANCIAL, Shinsei Financial and others. Excluding such income, **net other business income** for fiscal year 2009 showed a gain of ¥0.3 billion, an increase of ¥16.3 billion from the prior fiscal year.
 - Major items included in **net other business income** are gains of ¥20.9 billion on the repurchase of our preferred securities and subordinated debt, gains of ¥17.7 billion on the sale of collateralized loan obligations (CLOs) and gains of ¥3.5 billion on corporate bonds and equities.
 - These gains were offset by mark-downs and impairments of ¥35.5 billion on our legacy Japanese real estate principal investments, ¥3.8 billion of losses on our equity method affiliate Jih Sun and mark-downs and impairments of ¥3.2 billion on asset-backed investments, asset-backed securities and European investments.
 - Fiscal year 2008 **net other business income** includes ¥50.7 billion in impairments of our CLO portfolio, ¥27.9 billion of losses related to our holdings of European investments, asset-backed investments and asset-backed securities, ¥11.6 billion of impairments within our capital markets area, ¥11.5 billion of impairments of Japanese equities, ¥7.0 billion of losses on other asset-backed investments and ¥4.7 billion in losses on bonds incurred upon the bankruptcy of Lehman Brothers.
 - Fiscal year 2008 losses within net other business income were partially offset by a gain of ¥74.1 billion recorded on the repurchase of our preferred securities and subordinated debt.
- **Net other business income** for fiscal year 2009 was ¥43.3 billion.

General and Administrative Expenses -Table 4- (Consolidated)

(Billions of yen, except percentages)

	FY2009 (12 months)	FY2008 (12 months)	% Change	1HFY2009 (6 months)
Personnel expenses	62.3	69.0	(9.6)	32.8
Non-personnel expenses	105.9	109.7	(3.5)	53.7
Premises expenses	27.4	27.4	(0.0)	13.9
Technology and data processing expenses	23.9	24.4	(2.2)	12.3
Advertising expenses	12.2	12.5	(2.4)	6.1
Consumption and property taxes	9.0	8.2	10.8	4.7
Deposit insurance premium	4.3	3.8	12.8	2.1
Other general and administrative expenses	28.9	33.2	(13.0)	14.4
General and administrative expenses	168.3	178.7	(5.8)	86.5

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

- **General and administrative expenses** were ¥168.3 billion in fiscal year 2009, a decrease of ¥10.4 billion or 5.8% compared to the prior fiscal year.
 - Expenses declined despite 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, as we have placed a significant focus upon reducing expenses across all of our business lines.
 - Excluding Shinsei Financial's direct expenses for fiscal year 2009, our expenses declined to ¥127.1 billion from ¥152.6 billion in the prior period, a decrease of ¥25.5 billion or 16.7% from fiscal year 2008.
 - Excluding both Shinsei Financial's and Shinki's direct expenses for fiscal year 2009 for direct comparison purposes to fiscal year 2007, our expenses declined to ¥119.3 billion from ¥152.3 billion in fiscal year 2007, a decrease of 21.7% over the two year period.
- **Personnel expenses** of ¥62.3 billion decreased by ¥6.6 billion or 9.6% from the prior fiscal year.
 - Despite the inclusion of Shinsei Financial's personnel expenses of ¥13.7 billion for the current period versus ¥9.1 billion for the prior period, we were able to reduce our personnel expense through ongoing personnel expense reductions across our business, as group employees decreased from 7,006 at March 2009 to 6,116 at March 2010, a reduction of 890 employees.
- **Non-personnel expenses** declined to ¥105.9 billion compared to ¥109.7 billion in the prior fiscal year mainly through strict control of our **Other general and administrative expenses**.
 - **Premises expenses** were largely flat, mainly due to increased Shinsei Financial premises expenses offset by lower premises expenses in other areas of our business. **Advertising expenses and technology and data processing expenses** were lower than the prior fiscal year despite the inclusion of Shinsei Financial's expenses, as we have offset these expenses through continued optimization of expenses in other businesses. **Consumption and property taxes** were ¥0.8 billion higher mainly due to the inclusion of consumption and property taxes incurred by Shinsei Financial.

Net Credit Costs -Table 5- (Consolidated)

(Billions of yen, except percentages)

	FY2009 (12 months)	FY2008 (12 months)	% Change	1HFY2009 (6 months)
Losses on write-off of loans/Losses on sale of loans	18.5	3.1	482.3	4.6
Net provision of reserve for loan losses:	95.5	129.7	(26.4)	35.4
Net provision of general reserve for loan losses	40.0	56.1	(28.7)	12.2
Net provision of specific reserve for loan losses	55.5	73.6	(24.6)	23.1
Net provision (reversal) of reserve for loan losses to restructuring countries	(0.0)	(0.0)	(14.9)	(0.0)
Net provision (reversal) of specific reserve for other credit losses	(0.1)	(4.7)	97.6	(0.1)
Other credit costs relating to leasing business	(1.7)	0.8	(297.3)	(0.7)
Net credit costs	112.2	129.0	(13.0)	39.2

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

- **Net credit costs** of ¥112.2 billion for fiscal year 2009 were ¥16.7 billion or 13.0% lower compared to the prior fiscal year.
 - Net credit costs included net provisions of ¥32.8 billion for domestic real estate non-recourse finance, ¥25.3 billion net credit costs within Shinsei Financial, ¥21.0 billion net credit costs within APLUS FINANCIAL, and ¥15.6 billion in net provisions associated with our holdings of domestic and overseas asset-backed investments.
 - The fiscal year 2009 net credit costs decrease from the prior period resulted primarily from higher prior period credit costs driven by ¥20.6 billion of credit costs incurred for a loan to a subsidiary of Lehman Brothers, ¥18.9 billion of reserves for real estate finance and ¥15.7 billion in credit costs associated with our holdings of European asset-backed investments.
 - We also recorded ¥0.8 billion of net credit recoveries within Shinki due to better collections within that business.

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

(Billions of yen, except percentages)

	FY2009 (12 months)	FY2008 (12 months)	% Change	1HFY2009 (6 months)
Shinsei Financial	10.7	5.6	90.8	5.6
APLUS FINANCIAL	6.5	8.6	(24.6)	3.2
Shinki	0.7	0.8	(13.8)	0.3
Showa Leasing	2.9	2.9	3.0	1.4
Others	(0.0)	(0.4)	99.9	(0.0)
Amortization of goodwill and other intangible assets	20.9	17.5	19.2	10.8

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

- **Amortization of Goodwill and Other Intangible Assets** totaled ¥20.9 billion in the current period, compared to ¥17.5 billion in the prior fiscal year.
 - The ¥3.3 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 FINANCIAL's **amortization of goodwill and other intangible assets** resulting from accelerated amortization of APLUS FINANCIAL's goodwill at the end of fiscal year 2008.

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

(Billions of yen, except percentages)

	FY2009 (12 months)	FY2008 (12 months)	% Change	1HFY2009 (6 months)
Extraordinary income (loss)	(71.6)	(30.8)	(132.5)	2.8
Net gain on disposal of premises and equipment	(1.9)	8.7	(122.3)	(1.5)
Provision for loss on disposition of premises and equipment	(0.2)	(3.9)	93.2	(0.0)
Recoveries of written-off claims	10.7	5.7	85.8	4.3
Gain on sale of subsidiary's stock	0.0	8.2	(100.0)	-
Other extraordinary income (loss)	(80.2)	(49.7)	(61.3)	0.1
Provisions of reserve for losses on interest repayment	(29.6)	(15.0)	(97.4)	(9.9)
Shinsei Financial	(0.9)	-	-	(0.9)
APLUS FINANCIAL	(10.8)	(8.7)	(24.8)	(0.5)
Shinki	(17.8)	(6.3)	(182.5)	(8.4)
Other	0.0	0.0	(52.0)	0.0
Other	(5.6)	(6.0)	5.5	(2.1)
Other gains (Losses)	(107.0)	(51.8)	(106.3)	(9.1)

- **Other losses** of ¥107.0 billion included impairment of goodwill and intangible assets in our investment in APLUS FINANCIAL of ¥66.0 billion, net of taxes, impairment of Shinki intangibles of ¥2.5 billion, net of taxes, grey zone provisions of ¥17.8 billion at Shinki, ¥10.8 billion at APLUS FINANCIAL and ¥0.9 billion at Shinsei Financial, as well as restructuring charges of ¥6.5 billion at APLUS FINANCIAL and Shinki, offset by recoveries of written off-claims of ¥10.7 billion at Shinsei Financial, Shinsei Bank, Shinki and APLUS FINANCIAL.

➢ The Shinsei Financial grey zone charges incurred during 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.

- Fiscal year 2008 other losses include a gain of ¥8.2 billion on the sale of Showa Auto Rental & Leasing and a ¥7.2 billion gain on the sale of the Bank's Meguro Production Center, net of restoration and future relocation costs, offset by a ¥30.9 billion accelerated goodwill amortization charge in APLUS FINANCIAL, restructuring expenses of ¥20.3 billion and grey zone expenses of ¥15.0 billion at APLUS FINANCIAL and Shinki, as well as a ¥3.6 billion loss for litigation expenses.

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

(Billions of yen, except percentages)

	FY2009 (12 months)	FY2008 (12 months)	% Change	1HFY2009 (6 months)
Dividends on perpetual preferred securities (hybrid Tier I capital) issued by foreign SPCs	10.3	9.8	5.1	5.0
Dividends on APLUS FINANCIAL's preferred stock	0.4	3.2	(86.4)	0.2
Others	(1.9)	0.5	(467.4)	(0.0)
Minority interests in net income of subsidiaries	8.8	13.5	(35.0)	5.1

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

- **Minority interests in net income of subsidiaries** for fiscal year 2009 amounting to ¥8.8 billion largely reflected dividends paid on perpetual preferred securities and minority interests relating to APLUS FINANCIAL's preferred shareholders as well as minority interests in other subsidiaries. Lower APLUS FINANCIAL preferred

stock dividends were paid in fiscal year 2009 as a result of the redemption of APLUS FINANCIAL's preferred securities which occurred during the fourth quarter of fiscal year 2008.

Major Balance Sheet Data -Table 9- (Consolidated)

(Billions of yen)

	Mar 31 2010 (a)	Mar 31 2009 (b)	Change (a)-(b)	Sep 30 2009 (c)	Change (a)-(c)
Other monetary claims purchased	252.7	408.0	(155.2)	361.5	(108.7)
Monetary assets held in trust	292.2	348.8	(56.6)	329.1	(36.9)
Securities	3,233.3	2,174.1	1,059.1	3,282.2	(48.8)
Loans and bills discounted	5,163.7	5,876.9	(713.1)	5,469.9	(306.2)
Lease receivables and leased investment assets	213.7	232.5	(18.8)	224.0	(10.3)
Other assets	863.2	1,125.7	(262.4)	1,023.7	(160.4)
Installment receivables	347.8	404.7	(56.8)	376.7	(28.9)
Premises and equipment	52.1	50.9	1.1	55.8	(3.6)
Tangible leased assets	15.4	10.8	4.6	17.5	(2.0)
Intangible assets	109.9	209.1	(99.2)	197.4	(87.5)
Goodwill, net	57.8	132.9	(75.1)	125.3	(67.5)
Other intangible assets ⁽¹⁾	25.2	44.7	(19.5)	40.7	(15.5)
Customers' liabilities for acceptances and guarantees	623.7	675.2	(51.4)	652.4	(28.6)
Reserve for credit losses	(196.6)	(192.5)	(4.1)	(198.6)	2.0
Total assets	11,376.7	11,949.1	(572.4)	12,183.5	(806.7)
Deposits and negotiable certificates of deposit	6,475.3	6,272.1	203.2	7,046.5	(571.1)
Debentures	483.7	675.5	(191.8)	527.5	(43.8)
Borrowed money	1,186.8	1,012.3	174.5	800.2	386.5
Corporate bonds	188.2	266.4	(78.2)	205.2	(16.9)
Other liabilities	619.2	819.9	(200.6)	745.8	(126.6)
Reserve for losses on interest repayments	70.0	193.8	(123.7)	119.5	(49.4)
Acceptances and guarantees	623.7	675.2	(51.4)	652.4	(28.6)
Total liabilities	10,741.8	11,181.7	(439.9)	11,383.5	(641.7)
Total equity	634.9	767.4	(132.5)	799.9	(165.0)

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

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

- Shinsei Bank's **loans and bills discounted** balance was ¥5,163.7 billion as at March 31, 2010 as compared to ¥5,876.9 billion as at March 31, 2009.
 - The decrease mainly occurred due to a decline of ¥518.4 billion in our Institutional Group loans outstanding as we worked to optimize our Institutional Group risk assets during the current period.
 - Corporate loans decreased 11.2% to ¥2,141.1 billion at March 31, 2010 compared to ¥2,409.8 billion at March 31, 2009, and the real estate finance balance decreased 9.6% to ¥1,043.3 billion at March 31, 2010 from ¥1,154.0 billion at March 31, 2009 as we have continued to work to optimize our loan exposures and risk assets.
 - Excluding non-recourse real estate loans, other real estate finance loans decreased from ¥180.9 billion to ¥98.9 billion, or approximately 45.3% during the fiscal year ended March 31, 2010.
 - Loans to individual customers, which include loans in retail banking, loans at Shinsei Financial, APLUS FINANCIAL and Shinki, decreased 10.2% to ¥1,713.0 billion at March 31, 2010 from ¥1,907.8 billion at March 31, 2009. Retail housing loans remained flat at ¥882.3 billion at March 31, 2010 compared to ¥882.6 billion at March 31, 2009 as ¥67.5 billion in housing loans were transferred from Shinsei Financial to Retail Banking during the fourth quarter of fiscal year 2009.
- Loans to Shinsei Financial customers decreased by 24.0% to ¥512.1 billion at March 31, 2010 from ¥673.6 billion at March 31, 2009. Loans to APLUS FINANCIAL customers decreased by 15.9% to ¥166.6 billion at March 31, 2010 from ¥198.1 billion at March 31, 2009, and loans to Shinki customers decreased by 11% to ¥79.5 billion at March 31, 2010 from ¥89.3 billion at March 31, 2009.
- **Securities** balance as of March 31, 2010 amounted to ¥3,233.3 billion as compared to ¥2,174.1 billion as of March 31, 2009.
 - This increase occurred largely due to purchases of short-term Japanese national government bonds. The total balance of Japanese national government bonds increased to ¥2,361.6 billion at March 31, 2010 from ¥1,204.2 billion at March 31, 2009, for liquidity purposes.
- Shinsei Bank continues to optimize its funding base through deposits from retail customers. Total **deposits and negotiable certificates of deposit** increased from ¥6,272.1 billion at March 31, 2009 to ¥6,475.3 billion at March 31, 2010.
 - The retail deposits balance totaled ¥5,305.0 billion at March 31, 2010, an increase of ¥282.0 billion compared to March 31, 2009. Retail Banking represents 80.3% of the Bank's total funding through customer **deposits and debentures**.

Risk-Monitored Loans -Table 10- (Consolidated)

(Billions of yen, except percentages)

	Mar 31 2010 (a)	Mar 31 2009 (b)	Change (a)-(b)	Sep 30 2009 (c)	Change (a)-(c)
Loans to bankrupt obligors	21.5	39.5	(18.0)	33.7	(12.2)
Non-accrual delinquent loans	346.7	178.5	168.1	192.2	154.4
Loans past due for three months or more	2.7	5.9	(3.1)	26.4	(23.6)
Restructured loans	61.3	59.6	1.6	62.5	(1.2)
Total (A)	432.3	283.6	148.6	315.0	117.3
Loans and bills discounted (B)	5,163.7	5,876.9	(713.1)	5,469.9	(306.2)
Ratio to total loans and bills discounted (A / B X 100) (%)	8.37%	4.83%	/	5.76%	/
Reserve for credit losses (C)	196.6	192.5	4.1	198.6	(2.0)
Reserve ratio (C / A X 100)	45.5%	67.9%	/	63.1%	/

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

- As at March 31, 2010, risk monitored loans totaled ¥432.3 billion, and the ratio of risk monitored loans to total loans and bills discounted was 8.37%.
 - Compared to March 31, 2009, risk monitored loans and the ratio of risk monitored loans to total loans and bills discounted increased by ¥148.6 billion, and 3.55%, respectively.
 - This increase occurred mainly due to a net increase of ¥165.2 billion of risk monitored loans within Shinsei

Bank.

- Non-accrual delinquent loans increased by ¥168.1 billion, driven primarily by real estate non-accrual delinquent loans.
- The ratio of risk monitored loans to total loans and bills discounted also increased in part due to the ¥713.1 billion decrease in total loans and bills discounted compared to March 31, 2009.

Reserve for Credit Losses -Table 11- (Consolidated)

(Billions of yen)

	Mar 31 2010 (a)	Mar 31 2009 (b)	Change (a)-(b)	Sep 30 2009 (c)	Change (a)-(c)
General reserve for loan losses	110.0	105.6	4.4	120.4	(10.3)
Specific reserve for loan losses	86.5	86.8	(0.2)	78.2	8.3
Reserve for loans to restructuring countries	0.0	0.0	(0.0)	0.0	(0.0)
Total reserve for credit losses	196.6	192.5	4.1	198.6	(2.0)

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

Loans by Borrower Industry -Table 12- (Consolidated)

	(Billions of yen)				
	Mar 31 2010 (a)	Mar 31 2009 (b)	Change (a)-(b)	Sep 30 2009 (c)	Change (a)-(c)
Domestic offices (excluding Japan offshore market account):					
Manufacturing	249.0	243.1	5.9	257.2	(8.1)
Agriculture, forestry	0.0	0.0	0.0	0.0	0.0
Fishery	2.5	2.7	(0.2)	2.6	(0.1)
Mining, quarrying, gravel extraction	2.7	3.6	(0.8)	3.2	(0.4)
Construction	8.7	13.0	(4.3)	9.3	(0.5)
Electric power, gas, heat supply and water supply	32.3	45.4	(13.1)	39.6	(7.3)
Information and communications	17.0	48.1	(31.0)	20.1	(3.0)
Transportation, postal service	293.6	336.9	(43.3)	313.9	(20.2)
Wholesale and retail	109.6	132.1	(22.5)	126.0	(16.4)
Finance and insurance	1,095.9	1,152.7	(56.8)	1,107.8	(11.9)
Real estate	875.6	1,011.3	(135.6)	929.8	(54.1)
Services	262.7	332.7	(70.0)	266.6	(3.9)
Local government	171.3	156.5	14.8	168.3	2.9
Others	1,956.2	2,280.8	(324.6)	2,124.8	(168.6)
Loans to individual customers (retail banking, Shinsei Financial, APLUS FINANCIAL and Shinki)	1,667.0	1,887.6	(220.6)	1,752.9	(85.9)
Total domestic (A)	5,077.6	5,759.5	(681.8)	5,369.7	(292.1)
Overseas offices (including Japan offshore market accounts):					
Governments	1.9	1.4	0.4	1.5	0.4
Financial institutions	1.8	-	1.8	-	1.8
Others	82.2	115.8	(33.6)	98.6	(16.3)
Total overseas (B)	86.0	117.3	(31.2)	100.1	(14.1)
Total (A+B)	5,163.7	5,876.9	(713.1)	5,469.9	(306.2)

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⁽¹⁾ - Table 13- (Consolidated)

(Billions of yen)

	Mar 31, 2010		
	Book Value	Fair Value	Difference
Items with fair value exceeding book value			
Japanese national government bonds	353.3	357.9	4.6
Japanese corporate bonds	70.4	71.8	1.3
Other ⁽²⁾	44.6	47.8	3.2
Total	468.4	477.7	9.2
Items with fair value not exceeding book value			
Japanese national government bonds	-	-	-
Japanese corporate bonds	-	-	-
Other ⁽²⁾	11.1	10.0	(1.1)
Total	11.1	10.0	(1.1)
Total	479.5	487.7	8.1

(Billions of yen)

	Mar 31, 2009			Sep 30, 2009		
	Book Value	Fair Value	Difference	Book Value	Fair Value	Difference
Japanese national government bonds	229.1	231.0	1.8	373.3	377.9	4.5
Japanese corporate bonds	75.2	76.6	1.3	70.3	71.9	1.5
Other ⁽²⁾	58.2	51.5	(6.6)	54.4	53.0	(1.4)
Total	362.6	359.2	(3.4)	498.2	502.9	4.7

(1) The presentation format has been changed from March 2010 with the application of "Accounting Standards for Financial Instruments" (revised on March 10, 2008). The format for March 31, 2009 and September 30, 2009 has not been changed.

(2) "Other" includes foreign bonds with high credit ratings that were reclassified from available-for-sale to held-to-maturity on October 1, 2008, due to the extremely illiquid market conditions. The book value and the fair value of the securities reclassified from available-for-sale to held-to-maturity as of March 31, 2010 are ¥45.4 billion and ¥46.5 billion, respectively.

Available for Sale Securities, at Fair Value ⁽¹⁾-Table 14- (Consolidated)

(Billions of yen)

	Mar 31, 2010		
	Book value (Fair value)	Amortized Cost	Difference
Items with book value exceeding amortized cost⁽²⁾			
Equity securities	6.8	5.7	1.1
Bonds	1,585.0	1,578.5	6.4
Japanese national government bonds	1,543.7	1,537.6	6.0
Japanese local government bonds	1.7	1.7	0.0
Japanese corporate bonds	39.5	39.2	0.3
Other ⁽³⁾	127.0	110.7	16.2
Foreign securities	101.9	86.1	15.8
Foreign currency denominated foreign corporate and government bonds	73.1	60.5	12.6
Yen-denominated foreign corporate and government bonds	18.5	18.3	0.2
Foreign equity securities and others	10.1	7.2	2.9
Other securities	1.1	0.9	0.2
Other monetary claims purchased	23.9	23.7	0.2
Total	1,718.9	1,695.0	23.9
Items with book value not exceeding amortized cost⁽²⁾			
Equity securities	8.8	12.0	(3.2)
Bonds	746.9	754.5	(7.6)
Japanese national government bonds	464.5	467.2	(2.6)
Japanese local government bonds	-	-	-
Japanese corporate bonds	282.3	287.3	(4.9)
Other ⁽³⁾	170.8	175.1	(4.2)
Foreign securities	165.6	169.8	(4.2)
Foreign currency denominated foreign corporate and government bonds	72.2	74.5	(2.2)
Yen-denominated foreign corporate and government bonds	93.2	95.1	(1.8)
Foreign equity securities and others	0.1	0.1	(0.0)
Other securities	1.1	1.1	(0.0)
Other monetary claims purchased	19.7	19.8	(0.0)
Total	942.3	957.4	(15.1)
Total	2,661.3	2,652.5	8.7

(Billions of yen)

	Mar 31, 2009				Sep 30, 2009			
	Fair value	Net unrealized gain (loss) (a) - (b)			Fair value	Net unrealized gain (loss) (a) - (b)		
		Net	Gross unrealized gains (a)	Gross unrealized losses (b)		Net	Gross unrealized gains (a)	Gross unrealized losses (b)
Equity securities	15.0	(3.4)	0.4	3.9	16.4	(1.7)	1.4	3.2
Bonds	1,011.9	(0.7)	1.2	1.9	1,984.8	6.4	7.4	0.9
Japanese national government bonds	975.0	0.3	1.0	0.7	1,965.6	7.2	7.2	0.0
Japanese local government bonds	1.7	0.0	0.0	-	1.7	0.0	0.0	-
Japanese corporate bonds	35.0	(1.1)	0.1	1.2	17.3	(0.8)	0.0	0.9
Other	273.1	(25.9)	1.9	27.8	299.5	7.0	15.3	8.3
Foreign securities	272.2	(25.9)	1.9	27.8	298.5	6.9	15.2	8.3
Foreign currency denominated foreign corporate and government bonds	136.3	(12.5)	0.3	12.9	158.4	8.7	12.0	3.2
Yen-denominated foreign corporate and government bonds	123.7	(14.6)	-	14.6	129.1	(4.9)	0.0	5.0
Foreign equity securities	6.6	0.9	1.2	0.3	7.9	2.8	2.8	-
Other securities	0.9	-	-	-	0.9	0.0	0.0	-
Total	1,300.0	(30.1)	3.6	33.7	2,300.8	11.7	24.2	12.5

(1) The presentation format has been changed from March 2010 with the application of "Accounting Standards for Financial Instruments" (revised on March 10, 2008). The format for March 31, 2009 and September 30, 2009 has not been changed.

(2) "Japanese corporate bonds" and "Foreign securities," which were previously carried at cost are measured at fair value from March 2010. Above tables do not include securities whose fair value is hardly determinable.

(3) "Other" as of March 2010 includes "Foreign securities," "Other securities" and "Other monetary claims purchased."

Hedge-Accounting Derivative Transactions -Table 15- (Consolidated)

(Billions of yen)

Notional Principal Amount (Consolidated)	Mar 31, 2010			
	1 year or less	Over 1 year to 5 years	Over 5 years	Total
Interest rate swaps:				
Receive fixed and pay floating	153.6	190.1	113.7	457.5
Receive floating and pay fixed	298.5	160.8	236.0	695.5
Receive floating and pay floating	-	-	-	-
Total notional principal amount	452.2	351.0	349.8	1,153.0
Currency swaps:				
Total notional principal amount	380.2	153.6	252.2	786.1

Deposits, Including Negotiable Certificates of Deposit (NCDs) -Table 16- (Consolidated)

(Billions of yen)

	Mar 31	Mar 31	Change	Sep 30	Change
	2010	2009	(a)-(b)	2009	(a)-(c)
	(a)	(b)	(a)-(b)	(c)	(a)-(c)
Deposits	6,190.4	6,012.4	178.0	6,667.8	(477.3)
Liquid (current, ordinary, note) deposits	1,490.1	1,315.0	175.1	1,376.4	113.7
Time deposits	4,420.7	4,435.7	(14.9)	5,028.0	(607.2)
Other	279.5	261.6	17.8	263.3	16.1
Negotiable certificates of deposits (NCDs)	284.9	259.6	25.2	378.6	(93.7)
Total	6,475.3	6,272.1	203.2	7,046.5	(571.1)

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

Financial Ratios -Table 17- (Consolidated)

	FY2009 (12 months)	FY2008 (12 months)	1HFY2009 (6 months)
Return on assets ⁽¹⁾	(1.2)%	(1.2)%	0.2% ⁽⁴⁾
Return on equity ⁽²⁾	(27.6)%	(22.4)%	3.8% ⁽⁴⁾
Return on equity (fully diluted) ⁽³⁾	(27.6)%	(22.4)%	3.8% ⁽⁴⁾
Cash basis return on assets ⁽¹⁾	(0.5)%	(0.8)%	0.3% ⁽⁴⁾
Cash basis return on equity ⁽²⁾	(10.6)%	(15.2)%	6.9% ⁽⁴⁾
Cash basis return on equity (fully diluted) ⁽³⁾	(10.6)%	(15.2)%	6.9% ⁽⁴⁾
Expense-to-revenue ratio ⁽⁵⁾⁽⁶⁾	59.0%	69.2%	52.2%

(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 18- (Consolidated)

	<i>(Billions of yen, except percentages)</i>				
	Mar 31 2010 (a)	Mar 31 2009 (b)	Change (a)-(b)	Sep 30 2009 (c)	Change (a)-(c)
Basic items (Tier I)	490.7	580.0	(89.2)	591.5	(100.7)
Amount eligible for inclusion in capital (Tier II)	268.7	327.3	(58.5)	289.6	(20.9)
General reserve for loan losses	10.9	13.0	(2.0)	12.5	(1.5)
Perpetual/non-perpetual preferred stocks and Perpetual/non-perpetual subordinated debt and bonds	257.7	314.2	(56.4)	277.1	(19.3)
Deductions	-	-	-	-	-
Deduction	(114.0)	(103.9)	(10.1)	(89.6)	(24.4)
Total capital ⁽²⁾	645.4	803.4	(158.0)	791.5	(146.0)
Risk assets	7,722.1	9,621.0	(1,898.9)	8,449.2	(727.1)
Capital adequacy ratio	8.35%	8.35%		9.36%	
Tier I capital ratio	6.35%	6.02%		7.00%	
Core Tier I capital ratio ⁽³⁾	4.05%	4.03%		4.87%	
TCE ratio ⁽⁴⁾	3.09%	3.00%		3.47%	

(1) Calculated according to Basel II, F-IRB. Figures are calculated in accordance with FSA Notification Number 79 issued in December 2008 (special treatment of FSA Notification Number 19 issued in 2006). As a result, ¥38.8 billion net unrealized losses on securities available-for-sale, net of taxes, as of March 31, 2009 are not included in BIS capital. Net unrealized gain on securities available-for-sale, net of taxes, is recorded as of March 31, 2010 and September 30, 2009.

(2) Consolidated total required capital is ¥550.8 billion as at March 31, 2010, ¥609.5 billion as at September 30, 2009 and ¥682.6 billion as at March 31, 2009.

(3) Core Tier I capital ratio: Tier I, excluding preferred securities and preferred stock minus deferred tax assets (net) divided by risk weighted assets.

(4) Tangible common equity ratio: Net assets minus preferred stock, intangible assets and minority interests divided by total assets, excluding intangible assets.

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

Per Share Data -Table 19- (Consolidated)

(Yen, except percentages)

	FY2009 (12 months)	FY2008 (12 months)	% Change	1HFY2009 (6 months)	% Change
Common equity	232.72	284.95	(18.3)	312.05	(25.4)
Fully diluted equity	232.72	284.95	(18.3)	312.05	(25.4)
Basic net income (loss)	(71.36)	(72.85)	2.1	5.63	
Diluted net income (loss)	(71.36)	(72.85)	2.1	5.63	
Cash basis:					
Basic net income (loss)	(27.37)	(49.39)	44.6	10.31	
Diluted net income (loss)	(27.37)	(49.39)	44.6	10.31	
For calculation of per share data:					
Equity:					
Number of common shares ⁽¹⁾	1,963,919,247	1,963,919,853		1,963,919,453	
Fully diluted number of shares ⁽¹⁾	1,963,919,247	1,963,919,853		1,963,919,453	
Net income:					
Number of common shares ⁽²⁾	1,963,919,464	1,963,916,133		1,963,919,578	
Fully diluted number of shares ⁽²⁾	1,963,919,464	1,963,916,133		1,963,919,578	

(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 loss per share for fiscal year 2009 was ¥71.36. Cash basis diluted net loss per share for fiscal year 2009 was ¥27.37, as compared to a cash basis diluted net loss per share of ¥49.39 for fiscal year 2008.

Business Lines Results -Table 20- (Consolidated)

(Billions of yen, except percentages)

	FY2009 (12 months)	FY2008 ⁽²⁾ (12 months)	% Change	1HFY2009 ⁽²⁾ (6 months)
Institutional Group:				
Net interest income	43.3	44.6	(2.9)	20.1
Non-interest income	16.3	(74.0)	122.1	24.7
Total revenue	59.7	(29.3)	303.4	44.9
General and administrative expenses	43.7	57.8	(24.5)	22.5
Ordinary business profit (loss)	16.0	(87.2)	118.4	22.3
Net credit costs	66.0	80.8	(18.3)	12.6
Ordinary business profit (loss) after net credit costs	(50.0)	(168.0)	70.2	9.7
Individual Group:				
Net interest income	167.1	152.8	9.4	89.9
Non-interest income	41.0	50.7	(19.0)	21.4
Total revenue	208.2	203.5	2.3	111.3
General and administrative expenses	124.2	120.1	3.4	63.9
Ordinary business profit	84.0	83.3	0.8	47.3
Net credit costs	46.2	49.5	(6.6)	26.1
Ordinary business profit after net credit costs	37.7	33.8	11.6	21.2
Corporate/Other⁽¹⁾:				
Net interest income	(2.5)	5.5	(146.4)	(0.6)
Non-interest income	20.1	78.5	(74.3)	10.3
Total revenue	17.5	84.0	(79.1)	9.6
General and administrative expenses	0.4	0.7	(40.7)	0.0
Ordinary business profit	17.1	83.2	(79.4)	9.5
Net credit costs (recoveries)	(0.0)	(1.3)	97.0	0.4
Ordinary business profit after net credit costs (recoveries)	17.1	84.6	(79.7)	9.1
Total:				
Net interest income	207.9	202.9	2.5	109.4
Non-interest income	77.5	55.2	40.5	56.4
Total revenue	285.5	258.2	10.6	165.8
General and administrative expenses	168.3	178.7	(5.8)	86.5
Ordinary business profit	117.1	79.4	47.5	79.3
Net credit costs	112.2	129.0	(13.0)	39.2
Ordinary business profit (loss) after net credit costs	4.8	(49.6)	109.8	40.1

(1) Corporate/Other largely includes results of equity and subordinated 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 21- (Consolidated)

(Billions of yen, except percentages)

	FY2009 (12 months)	FY2008 ⁽³⁾ (12 months)	% Change	1HFY2009 ⁽³⁾ (6 months)
Institutional Banking ⁽²⁾ :				
Net interest income	47.4	49.7	(4.6)	22.4
Non-interest income	(3.5)	(100.1)	96.5	14.4
Total revenue	43.9	(50.4)	187.0	36.8
General and administrative expenses	35.5	46.9	(24.4)	18.4
Ordinary business profit (loss)	8.3	(97.4)	108.6	18.3
Net credit costs	60.9	72.7	(16.3)	9.8
Ordinary business profit (loss) after net credit costs	(52.5)	(170.1)	69.1	8.5
Showa Leasing:				
Net interest income	(4.0)	(5.0)	20.1	(2.2)
Non-interest income	19.8	26.1	(24.1)	10.3
Total revenue	15.8	21.0	(25.1)	8.0
General and administrative expenses	8.1	10.8	(24.8)	4.0
Ordinary business profit	7.6	10.1	(25.4)	3.9
Net credit costs	5.1	8.1	(36.0)	2.7
Ordinary business profit after net credit costs	2.4	2.0	15.6	1.2
Institutional Group:				
Net interest income	43.3	44.6	(2.9)	20.1
Non-interest income	16.3	(74.0)	122.1	24.7
Total revenue	59.7	(29.3)	303.4	44.9
General and administrative expenses	43.7	57.8	(24.5)	22.5
Ordinary business profit (loss)	16.0	(87.2)	118.4	22.3
Net credit costs	66.0	80.8	(18.3)	12.6
Ordinary business profit (loss) after net credit costs	(50.0)	(168.0)	70.2	9.7

(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

Institutional Group Revenue by Product -Table 22- (Consolidated)

(Billions of yen, except percentages)

	FY2009 (12 months)	FY2008 ⁽¹⁾ (12 months)	% Change	1HFY2009 ⁽¹⁾ (6 months)
Basic banking	12.5	11.3	10.2	6.3
Real estate finance	23.9	24.1	(0.8)	10.4
Credit trading	(10.0)	11.5	(187.1)	1.5
Principal investments	(25.6)	(13.6)	(88.4)	(5.2)
Foreign exchange, derivatives, equity-related	11.4	(19.4)	159.1	6.6
Securitization	5.2	(11.9)	144.2	1.5
Other capital markets	20.4	(61.1)	133.4	13.7
ALM activities	1.2	5.1	(76.2)	(0.0)
Leasing (Showa Leasing)	15.8	21.0	(25.1)	8.0
Others	4.7	3.4	35.1	1.9
Total revenue (loss)	59.7	(29.3)	303.4	44.9

(1) 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.
- Overall, our Institutional Group businesses were severely impacted by the slump in Japan commercial real estate and by continued deterioration of our overseas and domestic asset-backed investments and asset-backed securities.
- Declines in commercial real estate caused the Institutional Group to record Real Estate Principal Investment impairment and other charges of ¥37.4 billion and Real Estate Non-Recourse Finance credit costs of ¥32.8 billion, for a total of ¥70.2 billion in losses.
- We recorded a further ¥18.9 billion in mark-downs, impairments and credit costs on our European investments and domestic and overseas asset-backed investments and asset-backed securities.
- Offsetting these losses, we booked gains of ¥17.7 billion on our CLO portfolio and ¥4.0 billion on the sale of corporate bonds, equities and others.
- Performance of each of our Institutional businesses is discussed below:
- The Institutional Group business recorded **total revenue** of ¥59.7 billion in fiscal year 2009, compared to total revenue of negative ¥29.3 billion in fiscal year 2008.
 - Basic Banking generated total revenue of ¥12.5 billion in fiscal year 2009, an increase of ¥1.1 billion or 10.2% compared to the ¥11.3 billion generated in fiscal year 2008.
 - Our real estate finance business generated revenue of ¥23.9 billion, a decrease of ¥0.2 billion or 0.8% compared to fiscal year 2008. While our total real estate exposure declined in fiscal year 2009, we were able to maintain our revenues through higher fees and net interest income on our non-recourse loans.
 - Credit Trading incurred negative revenue of ¥10.0 billion in fiscal year 2009, a decrease of ¥21.5 billion from the prior fiscal year due to mark-downs of certain international credit trading positions, mainly in Europe.
 - Principal Investments recorded a loss of ¥25.6 billion compared to a loss of ¥13.6 billion in fiscal year 2008, as we took mark-downs and impairments of ¥35.5 billion on our legacy Japanese real estate principal investments. In addition, Principal Investments recorded ¥3.8 billion of losses on our investment in Jih Sun.
 - Foreign Exchange, Derivatives and Equity-Related Transactions recorded a gain of ¥11.4 billion in the current period, up from a ¥19.4 billion loss recorded in the prior fiscal year. Positive foreign exchange, derivatives and equity-related transactions revenues reflect our efforts to de-emphasize proprietary trading starting in fiscal year 2008.
- Securitization recognized a gain of ¥5.2 billion during fiscal year 2009 as compared to a loss of ¥11.9 billion during fiscal year 2008.
- Our Other Capital Markets businesses generated revenue of ¥20.4 billion for the current period including ¥17.7 billion of gains from the sale of CLOs, compared to a loss of ¥61.1 billion in the prior fiscal year. Fiscal year 2008 results included impairments of ¥50.7 billion on our CLO portfolio and a loss of ¥4.7 billion related to Lehman Brothers bonds.
- In fiscal year 2009, Institutional Banking **general and administrative expenses** were ¥35.5 billion, a ¥11.4 billion or 24.4% decrease from 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.
- **Net credit costs** were ¥60.9 billion in the current period as compared to ¥72.7 billion in the prior period.
 - Current period net credit costs included ¥32.8 billion of net credit costs related to our domestic real estate non-recourse finance portfolio and ¥15.6 billion of net credit costs related to our holdings of domestic and overseas asset-backed investments.
 - During fiscal year 2008, we recorded net credit costs of ¥20.6 billion incurred for a loan to a subsidiary of Lehman Brothers, ¥18.9 billion of reserves for real estate finance and ¥15.7 billion in net credit costs associated with our holdings of European asset-backed investments.
- As a result, Institutional Banking showed an **ordinary business loss after net credit costs** of ¥52.5 billion for fiscal year 2009, compared to an **ordinary business loss after net credit costs** of ¥170.1 billion in fiscal year 2008.
- Showa Leasing's **ordinary business profit after net credit costs** was ¥2.4 billion for fiscal year 2009 compared to ¥2.0 billion in the prior fiscal year. While revenues have declined, in part due to our sale of Showa Auto Rental & Leasing at the end of the second quarter of fiscal year 2008, we have reduced our expenses and net credit costs for the period in line with the reduced revenue in this business.

Individual Group - Table 23- (Consolidated)

(Billions of yen, except percentages)

	FY2009 (12 months)	FY2008 ⁽³⁾ (12 months)	% Change	1HFY2009 (6 months)
Retail Banking:				
Net interest income	32.0	28.4	12.5	16.0
Non-interest income	9.4	11.1	(15.1)	5.6
Total revenue	41.5	39.6	4.8	21.7
General and administrative expenses	35.2	37.3	(5.6)	17.7
Ordinary business profit	6.3	2.3	172.7	3.9
Net credit costs (recoveries)	(0.0)	0.0	(141.9)	(0.0)
Ordinary business profit after net credit costs (recoveries)	6.3	2.2	186.6	4.0
(Reference) Revenue from structured deposits	6.2	7.0	(11.5)	4.0
Shinsei Financial:				
Net interest income	92.5	65.3	41.6	51.0
Non-interest income	(3.9)	(0.3)	(925.9)	(2.1)
Total revenue	88.5	64.9	36.3	48.8
General and administrative expenses	42.6	26.6	59.8	22.3
Ordinary business profit	45.9	38.3	19.9	26.4
Net credit costs	25.3	14.9	69.1	17.4
Ordinary business profit after net credit costs	20.6	23.3	(11.6)	9.0
APLUS FINANCIAL:				
Net interest income	25.9	34.2	(24.2)	14.0
Non-interest income	36.6	40.6	(9.9)	18.3
Total revenue	62.6	74.9	(16.5)	32.3
General and administrative expenses	37.9	43.3	(12.4)	19.1
Ordinary business profit	24.6	31.6	(22.1)	13.1
Net credit costs	21.0	24.3	(13.4)	11.7
Ordinary business profit after net credit costs	3.5	7.2	(51.3)	1.4
Shinki:				
Net interest income	15.2	21.0	(27.3)	8.2
Non-interest income	(1.1)	(1.2)	5.0	(0.5)
Total revenue	14.0	19.7	(28.7)	7.7
General and administrative expenses	8.0	10.8	(26.1)	4.4
Ordinary business profit	6.0	8.9	(32.0)	3.2
Net credit costs (recoveries)	(0.8)	3.9	(122.7)	(3.4)
Ordinary business profit after net credit costs (recoveries)	6.9	4.9	39.4	6.7
Other Subsidiaries⁽²⁾:				
Net interest income	1.2	3.6	(64.5)	0.5
Non-interest income	0.1	0.5	(66.0)	0.0
Total revenue	1.4	4.1	(64.7)	0.6
General and administrative expenses	0.3	1.9	(80.8)	0.1
Ordinary business profit	1.0	2.1	(50.0)	0.4
Net credit costs	0.7	6.1	(87.3)	0.4
Ordinary business profit (loss) after net credit costs	0.3	(3.9)	107.9	0.0
Total Individual Group:				
Net interest income	167.1	152.8	9.4	89.9
Non-interest income	41.0	50.7	(19.0)	21.4
Total revenue	208.2	203.5	2.3	111.3
General and administrative expenses	124.2	120.1	3.4	63.9
Ordinary business profit	84.0	83.3	0.8	47.3
Net credit costs	46.2	49.5	(6.6)	26.1
Ordinary business profit after net credit costs	37.7	33.8	11.6	21.2

(1) Net of consolidation adjustments, if applicable.

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

(3) Shinsei Financial is only for six months from October 2008 to March 2009.

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

Individual Group Revenue by Product/Entity -Table 24- (Consolidated)

(Billions of yen, except percentages)

	FY2009 (12 months)	FY2008 ⁽¹⁾ (12 months)	% Change	1HFY2009 (6 months)
Retail Banking:	41.5	39.6	4.8	21.7
Deposits and debentures net interest income	25.3	22.4	12.7	12.8
Deposits and debentures non-interest income	5.2	6.1	(14.3)	3.4
Asset management	4.9	4.7	4.5	2.5
Loans	6.0	6.3	(4.9)	2.8
(Reference) Revenue from structured deposits	6.2	7.0	(11.5)	4.0
Shinsei Financial	88.5	64.9	36.3	48.8
APLUS FINANCIAL	62.6	74.9	(16.5)	32.3
Shinki	14.0	19.7	(28.7)	7.7
Other subsidiaries	1.4	4.1	(64.7)	0.6
Total revenue	208.2	203.5	2.3	111.3

(1) Shinsei Financial is only for six months from October 2008 to March 2009.

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 FINANCIAL, 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.
- The Individual Group's overall operations have been negatively impacted by the revised Money Lending Business Control and Regulation Law. Specifically, we have taken ¥29.6 billion in grey zone charges, or provisions for possible losses on reimbursements of excess interest payments, in the current period.
- In addition, interest rates have been or will be reset below the legal maximum rates by June 2010 as stipulated in the revised Money Lending Business Control and Regulation Law and as agreed in our acquisition of Shinsei Financial from GE Japan Holdings Corporation.
- The impact upon our business of the combination of grey zone reserves and lower interest rates has led us to take ¥66.0 billion in impairment of goodwill and intangible assets charges, net of taxes, against our investment in APLUS FINANCIAL and ¥2.5 billion of Shinki intangibles impairment charges, net of taxes, as well as an additional ¥6.5 billion in APLUS FINANCIAL and Shinki restructuring charges in the current period.
- Despite the current period loss due to the above external factors, the Individual Group generated **ordinary business profit after net credit costs** of ¥37.7 billion compared to ¥33.8 billion during the prior fiscal year, an improvement of ¥3.9 billion, or 11.6%.
 - The improved **ordinary business profit after net credit costs** for the current period reflects higher **ordinary business profit after net credit costs** within our Retail Banking and Shinki businesses, offset by lower **ordinary business profit after net credit costs** within Shinsei Financial and APLUS FINANCIAL.
- Our strong Retail Banking results reflect the steps that we have made to restructure our business and focus upon providing value-added products and services to our customer base.
 - During fiscal year 2009, total Retail Banking **revenue** was ¥41.5 billion as compared to ¥39.6 billion during the prior fiscal year.
 - The main sources of revenue were interest income from retail deposits, income from structured deposits, net interest income from loan products, and fees from asset management products.
 - During the current period, we generated **net interest income** of ¥32.0 billion compared to ¥28.4 billion during the prior fiscal year. The increase in **net interest income** comes primarily from increases in deposits and debentures net interest income.
 - **Non-interest income** declined slightly to ¥9.4 billion in the current period from ¥11.1 billion in the prior fiscal year as revenue from structured deposits decreased.
 - Retail Banking incurred **general and administrative expenses** of ¥35.2 billion during fiscal year 2009, a decrease of 5.6% as compared to the prior fiscal year.
 - Retail Banking generated **ordinary business profit after net credit costs** of ¥6.3 billion for fiscal year 2009, as compared to an **ordinary business profit after net credit costs** of ¥2.2 billion during the prior fiscal year.
 - For fiscal year 2009, Shinsei Financial generated total revenue of ¥88.5 billion, incurred **general and administrative expenses** of ¥42.6 billion and incurred **net credit costs** of ¥25.3 billion. As a result, Shinsei Financial's **ordinary business profit after net credit costs** was ¥20.6 billion for the current period.
 - For fiscal year 2009, APLUS FINANCIAL generated **total revenue** of ¥62.6 billion, compared to ¥74.9 billion in the prior fiscal year. The decline in revenue was largely due to the slowdown in economic activity.
 - The revenue shortfall was partially offset by lower **general and administrative expenses** and **net credit costs**. **General and administrative expenses** declined to ¥37.9 billion from ¥43.3 billion in the prior fiscal year, while **net credit costs** declined to ¥21.0 billion from ¥24.3 billion in the previous period.

- As a result, the business generated **ordinary business profit after net credit costs** of ¥3.5 billion in fiscal year 2009, compared to ¥7.2 billion in the prior fiscal year.
- For fiscal year 2009, Shinki recorded **total revenue** of ¥14.0 billion and **general and administrative expenses** of ¥8.0 billion.
 - Shinki recorded **net credit recoveries** of ¥0.8 billion, including ¥6.4 billion of credit recoveries due to better than forecast collections within that business.
 - As a result, Shinki recorded an **ordinary business profit after net credit costs** of ¥6.9 billion. This compares to an **ordinary business profit after net credit costs** of ¥4.9 billion in fiscal year 2008.
- Shinsei Financial's usage of reserve for grey zone payments and write-offs amounted to ¥130.8 billion in 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 ¥0.9 billion for the non-indemnified portion, and as a result, the total balance of Shinsei Financial's grey zone reserves was ¥31.1 billion as of March 31, 2010, as compared to ¥161.0 billion as of March 31, 2009.
- APLUS FINANCIAL's usage of reserve for grey zone payments and write-offs amounted to ¥6.7 billion in fiscal year 2009.
 - The business made ¥10.8 billion in grey zone related provisions and the total balance of the grey zone reserve was ¥15.1 billion as of March 31, 2010, as compared to ¥11.0 billion as of March 31, 2009.
 - APLUS FINANCIAL made ¥8.7 billion of grey zone related provisions and used ¥6.3 billion of reserves for grey zone payments and write-offs in fiscal year 2008.
- Shinki's usage of reserve for grey zone payments and write-offs amounted to ¥15.8 billion in fiscal year 2009.
 - The business made new grey zone related provisions of ¥17.8 billion. The total balance of the grey zone reserve was ¥23.7 billion as of March 31, 2010, as compared to ¥21.7 billion as of March 31, 2009.
 - Shinki made ¥6.3 billion of grey zone related provisions and used ¥15.2 billion of reserves for grey zone payments and write-offs in fiscal year 2008.
- Other subsidiaries' financials mainly include the financial results of Shinsei Property Finance Co., Ltd.

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

	Mar 31 2010	Mar 31 2009	Change a-b
	a	b	Amount
<<Assets>>			
Cash and due from banks	493,141	605,089	(111,948)
Call loans	19,129	-	19,129
Collateral related to securities borrowing transactions	2,801	280	2,521
Other monetary claims purchased	252,761	408,035	(155,274)
Trading assets	223,279	375,107	(151,828)
Monetary assets held in trust	292,227	348,840	(56,613)
Securities	3,233,312	2,174,198	1,059,114
Loans and bills discounted	5,163,763	5,876,910	(713,147)
Foreign exchanges	10,976	37,138	(26,162)
Lease receivables and leased investment assets	213,702	232,554	(18,852)
Other assets	863,272	1,125,768	(262,496)
Premises and equipment	52,154	50,964	1,190
Intangible assets	109,953	209,175	(99,222)
Goodwill, net	57,844	132,952	(75,108)
Deferred issuance expenses for debentures	176	161	15
Deferred tax assets	18,969	22,254	(3,285)
Customers' liabilities for acceptances and guarantees	623,786	675,225	(51,439)
Reserve for credit losses	(196,642)	(192,511)	(4,131)
Total assets	11,376,767	11,949,196	(572,429)

Liabilities and Equity

(millions of yen)

	Mar 31 2010 a	Mar 31 2009 b	Change a-b Amount
<<Liabilities>>			
Deposits	6,190,477	6,012,455	178,022
Negotiable certificates of deposit	284,909	259,659	25,250
Debentures	483,713	675,567	(191,854)
Call money	310,487	281,513	28,974
Payables under repurchase agreements	8,430	53,805	(45,375)
Collateral related to securities lending transactions	548,479	569,566	(21,087)
Commercial paper	-	198	(198)
Trading liabilities	177,835	307,562	(129,727)
Borrowed money	1,186,837	1,012,324	174,513
Foreign exchanges	17	4	13
Short-term corporate bonds	17,700	11,500	6,200
Corporate bonds	188,278	266,489	(78,211)
Other liabilities	619,201	819,900	(200,699)
Accrued employees' bonuses	8,842	10,425	(1,583)
Accrued directors' bonuses	126	318	(192)
Reserve for employees' retirement benefits	7,718	18,219	(10,501)
Reserve for directors' retirement benefits	244	234	10
Reserve for losses on interest repayments	70,088	193,850	(123,762)
Reserve for losses on disposal of premises and equipment	7,212	7,559	(347)
Reserve for losses on litigation	5,873	3,662	2,211
Reserve under special law	3	4	(1)
Deferred tax liabilities	1,547	1,665	(118)
Acceptances and guarantees	623,786	675,225	(51,439)
Total liabilities	10,741,812	11,181,714	(439,902)
<<Equity>>			
Shareholders' equity:			
Capital stock	476,296	476,296	-
Capital surplus	43,554	43,554	-
Retained earnings	12,438	152,855	(140,417)
Treasury stock, at cost	(72,558)	(72,558)	0
Total shareholders' equity	459,730	600,147	(140,417)
Net unrealized gain (loss) and translation adjustments:			
Unrealized gain (loss) on available-for-sale securities	1,398	(38,813)	40,211
Deferred gain (loss) on derivatives under hedge accounting	(3,327)	(2,996)	(331)
Foreign currency translation adjustments	(741)	1,297	(2,038)
Total net unrealized gain (loss) and translation adjustments	(2,669)	(40,511)	37,842
Stock acquisition rights	1,672	1,808	(136)
Minority interests in subsidiaries	176,221	206,037	(29,816)
Total equity	634,954	767,481	(132,527)
Total liabilities and equity	11,376,767	11,949,196	(572,429)

Consolidated Statements of Operations (Consolidated)

(millions of yen, except percentages)

	FY2009 (12 months)	FY2008 (12 months)	Change	
			Amount	%
Total interest income	283,581	303,421	(19,840)	(6.5)
Interest on loans and bills discounted	245,289	256,180	(10,891)	(4.3)
Interest and dividends on securities	30,560	37,997	(7,437)	(19.6)
Other interest income	7,731	9,243	(1,512)	(16.4)
Fees and commissions income	51,190	52,676	(1,486)	(2.8)
Trading profits	9,014	11,918	(2,904)	(24.4)
Other business income	208,085	211,588	(3,503)	(1.7)
Other ordinary income	14,471	22,071	(7,600)	(34.4)
Ordinary income	566,343	601,677	(35,334)	(5.9)
Total interest expenses	75,595	100,425	(24,830)	(24.7)
Interest on deposits	51,659	47,426	4,233	8.9
Interest on borrowings	10,208	17,001	(6,793)	(40.0)
Interest on corporate bonds	6,517	11,509	(4,992)	(43.4)
Other interest expenses	7,210	24,488	(17,278)	(70.6)
Fees and commissions expenses	26,060	26,162	(102)	(0.4)
Trading losses	-	16,582	(16,582)	(100.0)
Other business expenses	170,405	244,914	(74,509)	(30.4)
Total general and administrative expenses	191,772	199,597	(7,825)	(3.9)
General and administrative expenses	170,845	182,043	(11,198)	(6.2)
Amortization of goodwill	13,242	11,673	1,569	13.4
Amortization of intangible assets	7,685	5,880	1,805	30.7
Other ordinary expenses	175,168	177,311	(2,143)	(1.2)
Provision of reserve for loan losses	95,433	124,973	(29,540)	(23.6)
Others	79,734	52,338	27,396	52.3
Ordinary expenses	639,002	764,993	(125,991)	(16.5)
Net ordinary loss	72,659	163,316	(90,657)	(55.5)
Special gains	34,711	100,947	(66,236)	(65.6)
Special losses	85,140	56,684	28,456	50.2
Loss before income taxes and minority interests:	123,089	119,054	4,035	3.4
Income taxes (benefit)				
Current	1,540	3,466	(1,926)	(55.6)
Deferred	6,713	7,004	(291)	(4.2)
Total income taxes (benefit)	8,254	10,471	(2,217)	(21.2)
Minority interests in net income of subsidiaries	8,807	13,558	(4,751)	(35.0)
Net loss	140,150	143,084	(2,934)	(2.1)

Consolidated Statements of Change in Equity (Consolidated)

	(millions of yen)	
	FY2009 (12 months)	FY2008 (12 months)
Shareholders' Equity		
Capital stock		
Balance at beginning of the period	476,296	476,296
Changes in amounts during the period		
Total changes in amounts during the period	-	-
Balance at the end of the period	476,296	476,296
Capital surplus		
Balance at beginning of the period	43,554	43,558
Changes in amounts during the period		
Disposal of treasury stock		(4)
Total changes in amounts during the period	-	(4)
Balance at the end of the period	43,554	43,554
Retained earnings		
Balance at beginning of the period	152,855	302,535
Changes in amounts during the period		
Dividends from surplus		(5,773)
Net loss	(140,150)	(143,084)
Decrease by increase of consolidated subsidiary	(0)	
Decrease by decrease of consolidated subsidiary	(266)	(822)
Total changes in amounts during the period	(140,416)	(149,680)
Balance at the end of the period	12,438	152,855
Treasury stock		
Balance at beginning of the period	(72,558)	(72,566)
Changes in amounts during the period		
Acquisition of treasury stock	(0)	(0)
Disposal of treasury stock		9
Total changes in amounts during the period	(0)	8
Balance at the end of the period	(72,558)	(72,558)
Shareholders' Equity		
Balance at beginning of the period	600,147	749,823
Changes in amounts during the period		
Dividends from surplus		(5,773)
Net loss	(140,150)	(143,084)
Acquisition of treasury stock	(0)	(0)
Disposal of treasury stock		5
Decrease by increase of consolidated subsidiary	(0)	
Decrease by decrease of consolidated subsidiary	(266)	(822)
Total changes in amounts during the period	(140,416)	(149,676)
Balance at the end of the period	459,730	600,147

(millions of yen)

	FY2009 (12 months)	FY2008 (12 months)
Net unrealized gain (loss) and translation adjustments		
Unrealized gain (loss) on available-for-sale securities		
Balance at beginning of the period	(38,813)	(35,073)
Changes in amounts during the period		
Total changes in amounts during the period excluding capital stock (net)	40,211	(3,739)
Total changes in amounts during the period	40,211	(3,739)
Balance at the end of the period	1,398	(38,813)
Deferred gain (loss) on derivatives under hedge accounting		
Balance at beginning of the period	(2,996)	(1,057)
Changes in amounts during the period		
Total changes in amounts during the period excluding capital stock (net)	(330)	(1,938)
Total changes in amounts during the period	(330)	(1,938)
Balance at the end of the period	(3,327)	(2,996)
Foreign currency translation adjustments		
Balance at beginning of the period	1,297	1,872
Changes in amounts during the period		
Total changes in amounts during the period excluding capital stock (net)	(2,038)	(575)
Total changes in amounts during the period	(2,038)	(575)
Balance at the end of the period	(741)	1,297
Total net unrealized gain (loss) and translation adjustments		
Balance at beginning of the period	(40,511)	(34,258)
Changes in amounts during the period		
Total changes in amounts during the period excluding capital stock (net)	37,842	(6,253)
Total changes in amounts during the period	37,842	(6,253)
Balance at the end of the period	(2,669)	(40,511)
Stock acquisition rights		
Balance at beginning of the period	1,808	1,257
Changes in amounts during the period		
Total changes in amounts during the period excluding capital stock (net)	(135)	550
Total changes in amounts during the period	(135)	550
Balance at the end of the period	1,672	1,808
Minority interests in subsidiaries		
Balance at beginning of the period	206,037	248,437
Changes in amounts during the period		
Total changes in amounts during the period excluding capital stock (net)	(29,816)	(42,399)
Total changes in amounts during the period	(29,816)	(42,399)
Balance at the end of the period	176,221	206,037
Total equity		
Balance at beginning of the period	767,481	965,261
Changes in amounts during the period		
Dividends from surplus		(5,773)
Net loss	(140,150)	(143,084)
Acquisition of treasury stock	(0)	(0)
Disposal of treasury stock		5
Decrease by increase of consolidated subsidiary	(0)	
Decrease by decrease of consolidated subsidiary	(266)	(822)
Total changes in amounts during the period excluding capital stock (net)	7,889	(48,103)
Total changes in amounts during the period	(132,527)	(197,779)
Balance at the end of the period	634,954	767,481

Consolidated Statements of Cash Flows (Consolidated)

(millions of yen)

	FY2009 (12 months)	FY2008 (12 months)	Change
I. Cash flows from operating activities:			
Income (loss) before income taxes and minority interests	(123,089)	(119,054)	(4,035)
Depreciation (other than leased assets as lessor)	14,532	15,158	(626)
Amortization of goodwill	13,242	42,578	(29,336)
Amortization of intangible assets	7,685	5,880	1,805
Impairment losses on goodwill	61,538	—	61,538
Impairment losses on intangible assets	11,857	—	11,857
Other impairment losses	2,349	1,456	893
Equity in net (income) loss of affiliates	4,181	2,717	1,464
Net change in reserve for credit losses	4,131	46,628	(42,497)
Net change in accrued employees' bonuses	(1,583)	(5,602)	4,019
Net change in reserve for employees' retirement benefits	(10,505)	8,236	(18,741)
Net change in reserve for losses on interest repayments	(123,761)	(68,420)	(55,341)
Net change in other reserves	1,777	6,622	(4,845)
Interest income	(283,581)	(303,421)	19,840
Interest expenses	75,595	100,425	(24,830)
(Gain) loss on securities sold	(64)	101,796	(101,860)
(Gain) loss on monetary assets held in trust	11,213	3,030	8,183
Net exchange (gain) loss	4,221	(5,594)	9,815
Net (gain) loss on disposal of premises and equipment	1,961	(8,787)	10,748
Gains from the cancellation of issued bond and other instruments	(21,269)	(75,106)	53,837
Net change in trading assets	153,064	(59,820)	212,884
Net change in trading liabilities	(129,727)	102,551	(232,278)
Net change in loans and bills discounted	714,081	439,904	274,177
Net change in deposits	177,619	783,011	(605,392)
Net change in negotiable certificates of deposit	25,249	(317,530)	342,779
Net change in debentures	(191,853)	13,132	(204,985)
Net change in borrowed money (other than subordinated debt)	174,826	(77,753)	252,579
Net change in corporate bonds (other than subordinated corporate bonds)	(24,082)	(14,572)	(9,510)
Net change in deposits (other than non-interest-bearing deposits)	(37,469)	(18,445)	(19,024)
Net change in call loans	(19,129)	2,014	(21,143)
Net change in other monetary claims purchased	129,506	35,423	94,083
Net change in collateral related to securities borrowing transactions	(2,520)	18,473	(20,993)
Net change in call money	(16,401)	(296,798)	280,397
Net change in commercial paper	(198)	198	(396)
Net change in collateral related to securities lending transactions	(21,087)	421,144	(442,231)
Net change in foreign exchange assets	/	(19,286)	19,286
Net change in foreign exchange liabilities	/	(34)	34
Net change in foreign exchange assets and liabilities	26,175	/	26,175
Net change in short-term corporate bonds (liabilities)	6,200	(62,100)	68,300
Net change in net trust account	570	1,699	(1,129)
Interest received	296,156	307,784	(11,628)
Interest paid	(58,660)	(99,252)	40,592
Net change in trading securities	14,421	45,761	(31,340)
Net change in monetary assets held in trust	35,585	12,957	22,628
Net change in leased receivables and leased investment assets	22,674	22,799	(125)
Others, net	36,237	124,297	(88,060)
Subtotal	961,674	1,114,103	(152,429)
Income taxes paid	(3,407)	(6,358)	2,951
Net cash provided by (used in) operating activities	958,266	1,107,745	(149,479)
II. Cash flows from investing activities:			
Purchase of securities	(3,344,226)	(2,770,791)	(573,435)
Proceeds from sale of securities	1,474,571	1,081,186	393,385
Proceeds from maturity of securities	812,391	1,316,087	(503,696)
Investment in monetary assets held in trust	(46,484)	(43,677)	(2,807)
Proceeds from disposition of monetary assets held in trust	56,164	49,363	6,801
Purchase of premises and equipment (other than leased assets as lessor)	(5,167)	(4,391)	(776)
Proceeds from sale of premises and equipment (other than leased assets as lessor)	/	19,598	(19,598)
Purchase of intangible fixed assets (other than leased assets as lessor)	(9,615)	/	(9,615)
Purchase of investments in subsidiaries	(485)	(70,405)	69,920
Payment for acquisition of new subsidiaries	-	(574,179)	574,179
Proceeds from sales of investments in subsidiaries resulting in change in scope of consolidation	-	13,989	(13,989)
Others, net	(483)	(25,420)	24,937
Net cash provided by (used in) investing activities	(1,063,336)	(1,008,640)	(54,696)
III. Cash flows from financing activities:			
Decrease in subordinated debt	-	(6,000)	6,000
Proceeds from issuance of subordinated corporate bonds	4,951	-	4,951
Payment for redemption of subordinated corporate bonds	(23,351)	(39,706)	16,355
Proceeds from minority shareholders of subsidiaries	9,001	50,247	(41,246)
Repayments to minority shareholders	(25,174)	(6,143)	(19,031)
Dividends paid	-	(5,773)	5,773
Dividends paid to minority shareholders of subsidiaries	(9,374)	(14,349)	4,975
Purchase of treasury stock	(0)	(0)	0
Proceeds from sale of treasury stock	-	4	(4)
Net cash provided by (used in) financing activities	(43,948)	(21,721)	(22,227)
IV. Foreign currency translation adjustments on cash and cash equivalents	(3)	(50)	47
V. Net change in cash and cash equivalents	(149,021)	77,332	(226,353)
VI. Cash and cash equivalents at beginning of year	483,259	405,926	77,333
VII. Cash and cash equivalents at end of year	334,238	483,259	(149,021)

Section 2. Non-Consolidated Information

Results of Operations -Table 25- (Non-Consolidated)

(Billions of yen, except percentages)

	FY2009 (12 months)	FY2008 (12 months)	% Change	1HFY2009 (6 months)
Net interest income	80.5	93.9	(14.3)	29.0
Non-interest income	7.7	(80.8)	109.6	24.1
Net fees and commissions ⁽¹⁾	(8.8)	11.3	(177.8)	5.5
Net trading income	7.7	(5.6)	235.4	3.5
Net other business income	8.8	(86.5)	110.3	15.0
Total revenue ⁽¹⁾	88.2	13.0	574.3	53.1
Personnel expenses	23.0	29.8	(22.8)	12.4
Non-personnel expenses	40.8	45.1	(9.6)	20.3
Taxes	3.4	3.4	(0.9)	1.7
General and administrative expenses	67.3	78.4	(14.2)	34.6
Net business profit ⁽¹⁾	20.9	(65.3)	132.1	18.5
Other gains (losses)				
Gains (losses) on the sales of equities	(2.1)	(7.6)	(72.6)	(0.5)
Provision of reserve for loan losses	36.1	75.8	(52.4)	4.8
Losses on write-off of loans	16.3	1.8	782.4	3.6
Expenses for employees' retirement benefits	2.7	5.2	(46.6)	1.6
Other losses, expenses	7.7	8.8	(11.7)	4.5
Net ordinary income (loss)	(44.2)	(164.8)	(73.2)	3.3
Special gains (losses)				
Gains (losses) from sales of fixed assets	(0.6)	(1.0)	(33.4)	(0.1)
Gains on bad debt recovered	2.7	1.1	148.6	0.3
Reversal of reserve for loan losses	-	-	-	-
Other special gains (losses)	2.8	13.3	(78.8)	10.0
Income (loss) before income taxes	(39.3)	(151.3)	(74.0)	13.5
Income taxes (benefit)				
Current	(0.0)	(4.1)	(99.2)	0.2
Deferred	8.3	9.8	(14.9)	4.6
Net income (loss)	(47.6)	(157.0)	(69.7)	8.6

(1) Includes income from monetary assets held in trust of ¥-15.9 billion in FY2009, ¥2.5 billion in 1HFY2009 and ¥5.7 billion in FY2008.

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

- Shinsei Bank recorded a net loss for fiscal year 2009 of ¥47.6 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 FINANCIAL and Shinki, nor do they include the loss from our share in the net loss of our equity method affiliate, Jih Sun Financial Holding Co., Ltd. We received dividends of ¥19.3 billion from our consolidated subsidiaries in fiscal year 2009.
 - During the current period, we recorded gains of ¥22.7 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 26- (Non-Consolidated)

(Billions of yen, except percentages)

	FY2009 (12 months)	FY2008 (12 months)	% Change	1HFY2009 (6 months)
Losses on write-off of loans	16.4	2.1	679.8	3.6
Net provision of reserve for loan losses	36.1	75.8	(52.4)	4.8
Net provision (reversal) of general reserve for loan losses	11.5	53.6	(78.5)	1.5
Net provision (reversal) of specific reserve for loan losses	24.6	22.2	10.8	3.2
Net provision (reversal) of reserve for loan losses to restructuring countries	(0.0)	(0.0)	14.9	(0.0)
Net credit costs	52.6	77.9	(32.5)	8.4

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

Interest-Earning Assets and Interest-Bearing Liabilities -Table 27- (Non-Consolidated)

(Billions of yen, except percentages)

	FY2009 (12 months)			FY2008 (12 months)			1HFY2009 (6 months)		
	Average balance	Interest	Yield/rate (%)	Average balance	Interest	Yield/rate (%)	Average balance	Interest	Yield/rate (%)
Interest-earning assets:									
Cash and due from banks	10.3	0.0	0.64	57.7	1.4	2.57	6.5	0.0	0.82
Call loans	79.6	0.1	0.14	135.6	0.8	0.65	77.0	0.0	0.14
Receivables under resale agreements	-	-	-	0.4	0.0	1.67	-	-	-
Collateral related to securities borrowing transactions	60.0	0.0	0.12	142.3	0.7	0.51	46.6	0.0	0.13
Securities	3,662.2	51.2	1.39	2,665.9	59.4	2.23	3,652.1	16.7	0.91
Loans and bills discounted	4,750.0	86.4	1.82	5,345.5	109.8	2.05	4,794.0	42.7	1.77
Other interest-earning assets	574.5	10.1	1.75	398.8	10.2	2.57	666.5	6.2	1.87
Interest rate and funding swaps	-	4.9	-	-	-	-	-	2.3	-
Total interest-earning assets	9,136.8	153.0	1.67	8,746.6	182.7	2.08	9,242.9	68.1	1.47
Interest-bearing liabilities:									
Deposits	6,844.7	51.7	0.75	5,731.9	47.5	0.82	6,986.5	27.9	0.79
Negotiable certificates of deposit	380.0	1.3	0.34	616.5	4.8	0.79	396.4	0.8	0.41
Debentures	563.1	3.8	0.68	705.9	5.0	0.71	619.0	2.2	0.73
Call money	247.8	0.2	0.12	496.3	4.8	0.98	239.2	0.1	0.12
Payable under repurchase agreements	44.9	0.0	0.12	0.9	0.0	0.58	53.6	0.0	0.12
Collateral related to securities lending transactions	502.6	0.6	0.12	354.9	2.6	0.74	504.5	0.3	0.13
Borrowed money	396.0	2.9	0.74	403.6	5.2	1.30	334.8	1.8	1.09
Corporate bonds	369.2	16.4	4.46	484.4	20.2	4.18	376.8	8.2	4.35
Other interest-bearing liabilities	0.2	0.5	n.m. ⁽¹⁾	0.2	4.7	n.m. ⁽¹⁾	0.2	0.5	n.m. ⁽¹⁾
Interest rate and funding swaps	-	-	-	-	1.0	-	-	-	-
Total interest-bearing liabilities	9,348.8	77.9	0.83	8,795.1	96.3	1.09	9,511.4	42.2	0.88
Net interest income/yield on interest-earning assets	9,136.8	75.1	0.82	8,746.6	86.3	0.98	9,242.9	25.9	0.56

(1) n.m. is not meaningful.

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

Risk-Monitored Loans -Table 28- (Non-Consolidated)

(Billions of yen, except percentages)

	Mar 31 2010	Mar 31 2009	Change	Sep 30 2009	Change
	(a)	(b)	(a)-(b)	(c)	(a)-(c)
Loans to bankrupt obligors	11.1	23.9	(12.8)	20.1	(9.0)
Non-accrual delinquent loans	290.0	110.2	179.7	129.4	160.6
Loans past due for three months or more	2.0	3.7	(1.7)	24.6	(22.5)
Restructured loans	3.0	3.1	(0.0)	3.1	(0.1)
Total (A)	306.2	141.0	165.2	177.3	128.9
Loans and bills discounted (B)	4,732.8	5,168.0	(435.1)	4,922.8	(190.0)
Ratio to total loans and bills discounted (A / B) (%)	6.47	2.73		3.60	
Reserve for credit losses (C)	102.2	118.9	(16.7)	107.5	(5.3)
Reserve ratio (C / A) (%)	33.4	84.3		60.7	

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

Loans by Borrower Industry -Table 29- (Non-Consolidated)

(Billions of yen)

	Mar 31 2010	Mar 31 2009	Change	Sep 30 2009	Change
	(a)	(b)	(a)-(b)	(c)	(a)-(c)
Domestic offices (excluding Japan offshore market account):					
Manufacturing	246.8	239.3	7.4	254.6	(7.8)
Agriculture, forestry	-	-	-	-	-
Fishery	2.5	2.7	(0.2)	2.6	(0.1)
Mining, quarrying, gravel extraction	2.7	3.6	(0.8)	3.2	(0.4)
Construction	5.6	12.2	(6.5)	8.2	(2.6)
Electric power, gas, heat supply and water supply	32.3	45.4	(13.1)	39.6	(7.3)
Information and communications	16.4	47.3	(30.8)	19.4	(2.9)
Transportation, postal service	288.4	331.6	(43.1)	308.9	(20.4)
Wholesale and retail	107.0	123.0	(15.9)	116.7	(9.6)
Finance and insurance	1,486.1	1,521.2	(35.0)	1,515.2	(29.0)
Real estate	845.2	966.4	(121.1)	892.6	(47.3)
Services	318.1	352.0	(33.9)	321.2	(3.1)
Local government	171.3	156.5	14.8	168.3	2.9
Individual	913.2	905.3	7.9	851.0	62.1
Overseas yen loan and overseas loans booked domestically	248.6	389.7	(141.0)	366.1	(117.4)
Total domestic	4,684.9	5,096.7	(411.8)	4,868.3	(183.4)
Overseas offices (including Japan offshore market accounts):					
Governments	1.9	1.4	0.4	1.5	0.4
Financial institutions	1.8	-	1.8	-	1.8
Commerce and industry	44.1	69.7	(25.6)	52.9	(8.8)
Others	-	-	-	-	-
Total overseas	47.9	71.2	(23.3)	54.5	(6.6)
Total	4,732.8	5,168.0	(435.1)	4,922.8	(190.0)

(1) 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.

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

Risk Monitored Loans by Borrower Industry -Table 30- (Non-Consolidated)

	(Billions of yen)				
	Mar 31 2010	Mar 31 2009	Change	Sep 30 2009	Change
	(a)	(b)	(a)-(b)	(c)	(a)-(c)
Domestic offices (excluding Japan offshore market account):					
Manufacturing	1.5	1.6	(0.0)	1.6	(0.0)
Agriculture, forestry	-	-	-	-	-
Fishery	-	-	-	-	-
Mining, quarrying, gravel extraction	-	-	-	-	-
Construction	-	1.0	(1.0)	-	-
Electric power, gas, heat supply and water supply	-	-	-	-	-
Information and communications	0.5	0.5	(0.0)	0.5	(0.0)
Transportation, postal service	14.2	6.0	8.2	5.3	8.8
Wholesale and retail	0.0	0.0	-	0.0	-
Finance and insurance	34.4	51.1	(16.7)	46.5	(12.1)
Real estate	231.6	32.0	199.5	93.3	138.2
Services	3.7	3.4	0.3	1.1	2.6
Local government	-	-	-	-	-
Individual	4.8	5.3	(0.4)	2.6	2.2
Overseas yen loan and overseas loans booked domestically	15.2	39.8	(24.6)	24.3	(9.1)
Total domestic	306.2	141.0	165.2	175.5	130.7
Overseas offices (including Japan offshore market accounts):					
Governments	-	-	-	-	-
Financial institutions	-	-	-	-	-
Commerce and industry	-	-	-	1.7	(1.7)
Others	-	-	-	-	-
Total overseas	-	-	-	1.7	(1.7)
Total	306.2	141.0	165.2	177.3	128.9

(1) 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.

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

Overseas and Offshore Loans by Region -Table 31- (Non-Consolidated)

	(Billions of yen)				
	Mar 31 2010	Mar 31 2009	Change	Sep 30 2009	Change
	(a)	(b)	(a)-(b)	(c)	(a)-(c)
US	39.8	103.1	(63.2)	86.1	(46.2)
Asset-backed investments ⁽¹⁾ in US	3.7	5.4	(1.7)	3.4	0.2
Europe	135.7	166.1	(30.3)	148.5	(12.7)
Asset-backed investments ⁽¹⁾ in Europe	95.6	122.2	(26.5)	106.0	(10.3)
Others	120.9	191.7	(70.7)	185.9	(65.0)
Total overseas and offshore loans	296.5	460.9	(164.4)	420.6	(124.1)
Total asset-backed investments⁽¹⁾	99.4	127.7	(28.2)	109.5	(10.1)

(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 45 Balance of Securitized Products (Breakdown by Region and Type of Securities) on page 49.

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

Risk-Monitored Overseas and Offshore Loans by Region -Table 32- (Non-Consolidated)

	(Billions of yen)				
	Mar 31 2010 (a)	Mar 31 2009 (b)	Change (a)-(b)	Sep 30 2009 (c)	Change (a)-(c)
US	-	0.7	(0.7)	7.2	(7.2)
Asset-backed investments ⁽¹⁾ in US	-	0.7	(0.7)	0.4	(0.4)
Europe	15.1	38.9	(23.8)	18.7	(3.6)
Asset-backed investments ⁽¹⁾ in Europe	14.0	37.0	(23.0)	17.2	(3.2)
Others	0.0	0.0	(0.0)	0.0	(0.0)
Total overseas and offshore loans	15.2	39.8	(24.6)	26.1	(10.9)
Total asset-backed investments ⁽¹⁾⁽²⁾	14.0	37.8	(23.8)	17.7	(3.6)

(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 45 Balance of Securitized Products (Breakdown by Region and Type of Securities) on page 49.

(2) As of March 31, 2010, reserve for loan losses and collateral/guarantees for risk monitored loans related to asset-backed investments were ¥5.4 billion and ¥8.5 billion, respectively, and the coverage ratio was 100.0%.

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

Claims Classified under the Financial Revitalization Law -Table 33- (Non-Consolidated)

	(Billions of yen, except percentages)				
	Mar 31 2010 (a)	Mar 31 2009 (b)	Change (a)-(b)	Sep 30 2009 (c)	Change (a)-(c)
Claims against bankrupt and quasi-bankrupt obligors	112.2	83.3	28.9	116.2	(3.9)
Doubtful claims	215.7	55.7	159.9	37.6	178.0
Substandard claims	5.1	6.9	(1.7)	27.8	(22.6)
Total (A)	333.0	145.8	187.1	181.6	151.3
Total claims (B)	4,970.1	5,815.6	(845.4)	5,325.7	(355.5)
Loans and bills discounted	4,732.8	5,168.0	(435.1)	4,922.8	(190.0)
Others	237.3	647.6	(410.2)	402.8	(165.5)
Ratio to total claims (A / B) X 100 (%)	6.70	2.51	/	3.41	/
Reserve for credit losses (C)	102.2	118.9	(16.7)	107.5	(5.3)
Reserve ratio (C / A) X 100 (%)	30.6	81.6	/	59.2	/
(Ref. 1) Amount of write-off	96.8	71.3	25.5	64.7	32.1
(Ref. 2) Below need caution level	739.6	485.3	254.2	471.9	267.6

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

Coverage Ratios for Non-Performing Claims Disclosed under the Financial Revitalization Law -Table 34 (Non-Consolidated)

(Billions of yen, except percentages)

Mar 31, 2010					
Amounts of coverage					
Amounts of claims	Total	Reserve for loan losses	Collateral and guarantees	Coverage ratio	
Claims against bankrupt and quasi-bankrupt obligors	112.2	112.2	5.7	106.5	100.0%
Doubtful claims	215.7	208.9	22.3	186.5	96.8%
Substandard claims	5.1	4.0	1.6	2.4	79.0%
Total	333.0	325.1	29.7	295.5	97.6%

(Billions of yen, except percentages)

Mar 31, 2009					Sep 30, 2009					
Amounts of coverage					Amounts of coverage					
Amounts of claims	Total	Reserve for loan losses	Collateral and guarantees	Coverage ratio	Amounts of claims	Total	Reserve for loan losses	Collateral and guarantees	Coverage ratio	
Claims against bankrupt and quasi-bankrupt obligors	83.3	83.3	-	83.3	100.0%	116.2	116.2	4.8	111.4	100.0%
Doubtful claims	55.7	50.6	23.3	27.2	90.7%	37.6	33.3	10.5	22.8	88.5%
Substandard claims	6.9	6.2	1.7	4.5	90.0%	27.8	26.8	2.2	24.6	96.5%
Total	145.8	140.0	25.0	115.0	96.0%	181.6	176.3	17.4	158.9	97.1%

Reserve for Credit Losses -Table 35 (Non-Consolidated)

(Billions of yen)

	Mar 31 2010 (a)	Mar 31 2009 (b)	Change (a)-(b)	Sep 30 2009 (c)	Change (a)-(c)
Reserve for credit losses	81.0	97.6	(16.6)	86.4	(5.3)
General reserve for loan losses	50.6	65.5	(14.8)	63.7	(13.0)
Specific reserve for loan losses	30.3	32.1	(1.7)	22.6	7.6
Reserve for loans to restructuring countries	0.0	0.0	(0.0)	0.0	(0.0)
Specific reserve for other credit losses	21.1	21.2	(0.1)	21.1	0.0
Total reserve for credit losses	102.2	118.9	(16.7)	107.5	(5.3)

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

Reserve Ratios for Borrowers' Category -Table 36- (Non-Consolidated)

(Percentages)

		Mar 31 2010 (a)	Mar 31 2009 (b)	Change (a)-(b)	Sep 30 2009 (c)	Change (a)-(c)
Legally and virtually bankrupt	(unsecured portion)	100.00	100.00	-	100.00	-
Possibly bankrupt	(unsecured portion)	78.75	81.89	(3.14)	75.54	3.21
Substandard	(unsecured portion)	70.44	83.41	(12.97)	85.38	(14.94)
Need caution	(total claims)	6.60	6.85	(0.25)	5.63	0.98
	(unsecured portion)	17.24	46.26	(29.02)	74.28	(57.04)
Normal	(total claims)	0.45	0.37	0.08	0.41	0.04

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

Housing Loans -Table 37- (Non-Consolidated)*(Billions of yen)*

	Mar 31 2010 (a)	Mar 31 2009 (b)	Change (a)-(b)	Sep 30 2009 (c)	Change (a)-(c)
Housing loans	882.3	860.0	22.3	816.7	65.6

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

Loans to Small- and Medium-Sized Entities (SMEs) -Table 38- (Non-Consolidated)*(Billions of yen)*

	Mar 31 2010 (a)	Mar 31 2009 (b)	Change (a)-(b)	Sep 30 2009 (c)	Change (a)-(c)
Loans to small- and medium-sized entities (SMEs)	2,822.2	2,937.8	(115.5)	2,694.2	128.0
% of loans to small- and medium-sized entities	60.2%	57.6%		55.3%	

Note: Small- and medium-sized enterprises in this table refer to companies with ¥300 million or fewer in capital (¥100 million for wholesale and ¥50 million for retail and services) as well as companies or individuals with 300 employees or less (100 for wholesale and services and 50 for retail).

Securities Being Held to Maturity⁽¹⁾ - Table 39- (Non-Consolidated)

(Billions of yen)

	Mar 31, 2010		
	Book Value	Fair Value	Difference
Items with fair value exceeding book value			
Japanese national government bonds	353.3	357.9	4.6
Japanese corporate bonds	70.4	71.8	1.3
Other ⁽²⁾	44.6	47.8	3.2
Total	468.4	477.7	9.2
Items with fair value not exceeding book value			
Japanese national government bonds	-	-	-
Japanese corporate bonds	-	-	-
Other ⁽²⁾	11.1	10.0	(1.1)
Total	11.1	10.0	(1.1)
Total	479.5	487.7	8.1

(Billions of yen)

	Mar 31, 2009			Sep 30, 2009		
	Book Value	Fair Value	Difference	Book Value	Fair Value	Difference
Japanese national government bonds	229.1	231.0	1.8	373.3	377.9	4.5
Japanese corporate bonds	75.2	76.6	1.3	70.3	71.9	1.5
Other ⁽²⁾	58.2	51.5	(6.6)	54.4	53.0	(1.4)
Total	362.6	359.2	(3.4)	498.2	502.9	4.7

(1) The presentation format has been changed from March 2010 with the application of "Accounting Standards for Financial Instruments" (revised on March 10, 2008). The format for March 31, 2009 and September 30, 2009 has not been changed.

(2) "Other" includes foreign bonds with high credit ratings that were reclassified from available-for-sale to held-to-maturity on October 1, 2008, due to the extremely illiquid market conditions. The book value and the fair value of the securities reclassified from available-for-sale to held-to-maturity as of March 31, 2010 are ¥45.4 billion and ¥46.5 billion, respectively.

Available for Sale Securities, at Fair Value -Table 40- (Non-Consolidated)

	(Billions of yen)		
	Mar 31, 2010		
	Book value (Fair value)	Amortized Cost	Difference
Items with book value exceeding amortized cost⁽²⁾			
Equity securities	3.4	2.9	0.4
Bonds	1,584.9	1,578.5	6.4
Japanese national government bonds	1,543.6	1,537.6	6.0
Japanese local government bonds	1.7	1.7	0.0
Japanese corporate bonds	39.5	39.2	0.3
Other ⁽³⁾	107.4	91.2	16.2
Foreign securities	101.9	86.1	15.8
Foreign currency denominated foreign corporate and government bonds	73.1	60.5	12.6
Yen-denominated foreign corporate and government bonds	18.5	18.3	0.2
Foreign equity securities and others	10.1	7.2	2.9
Other securities	1.1	0.9	0.2
Other monetary claims purchase	4.3	4.2	0.1
Total	1,695.9	1,672.7	23.1
Items with book value not exceeding amortized cost⁽²⁾			
Equity securities	7.4	10.3	(2.8)
Bonds	750.7	758.3	(7.6)
Japanese national government bonds	464.5	467.2	(2.6)
Japanese local government bonds	-	-	-
Japanese corporate bonds	286.1	291.1	(5.0)
Other ⁽³⁾	188.4	193.4	(5.0)
Foreign securities	183.3	188.2	(4.9)
Foreign currency denominated foreign corporate and government bonds	89.9	93.0	(3.0)
Yen-denominated foreign corporate and government bonds	93.2	95.1	(1.8)
Foreign equity securities and others	0.1	0.1	(0.0)
Other securities	1.0	1.0	-
Other monetary claims purchase	4.0	4.1	(0.0)
Total	946.6	962.2	(15.5)
Total	2,642.5	2,634.9	7.5

	(Billions of yen)							
	Mar 31, 2009				Sep 30, 2009			
	Fair value	Net unrealized gain (loss) (a) - (b)			Fair value	Net unrealized gain (loss) (a) - (b)		
Net		Gross unrealized gains (a)	Gross unrealized losses (b)	Net		Gross unrealized gains (a)	Gross unrealized losses (b)	
Equity securities	10.8	(2.8)	0.3	3.1	11.9	(1.7)	0.9	2.7
Bonds	1,014.5	(0.6)	1.3	1.9	1,986.1	6.5	7.5	0.9
Japanese national government bonds	975.0	0.3	1.0	0.7	1,965.6	7.2	7.2	0.0
Japanese local government bonds	1.7	0.0	0.0	-	1.7	0.0	0.0	-
Japanese corporate bonds	37.7	(1.0)	0.2	1.2	18.6	(0.7)	0.1	0.9
Other	267.6	(25.9)	1.9	27.8	295.6	7.0	15.3	8.3
Foreign securities	266.7	(25.9)	1.9	27.8	294.9	6.9	15.2	8.3
Foreign currency denominated foreign corporate and government bonds	133.7	(12.5)	0.3	12.9	155.7	8.7	12.0	3.2
Yen-denominated foreign corporate and government bonds	123.7	(14.6)	-	14.6	129.1	(4.9)	0.0	5.0
Foreign equity securities	6.6	0.9	1.2	0.3	7.9	2.8	2.8	-
Other securities	0.9	-	-	-	0.9	0.0	0.0	-
Total	1,293.1	(29.4)	3.5	33.0	2,293.9	11.8	23.8	12.0

(1) The presentation format has been changed from March 2010 with the application of "Accounting Standards for Financial Instruments" (revised on March 10, 2008). The format for March 31, 2009 and September 30, 2009 has not been changed.

(2) "Japanese corporate bonds" and "Foreign securities," which were previously carried at cost are measured at fair value from March 2010. Above tables do not include securities whose fair value is hardly determinable.

(3) "Other" as of March 2010 includes "Foreign securities," "Other securities" and "Other monetary claims purchased."

Hedge-Accounting Derivative Transactions -Table 41- (Non-Consolidated)

(Billions of yen)

Notional Principal Amount	Mar 31, 2010			
	1 year or less	Over 1 year to 5 years	Over 5 years	Total
Interest rate swaps:				
Receive fixed and pay floating	153.6	190.1	113.7	457.5
Receive floating and pay fixed	298.5	160.8	236.0	695.5
Receive floating and pay floating	-	-	-	-
Total notional principal amount	452.2	351.0	349.8	1,153.0
Currency swaps				
Total notional principal amount	380.2	153.6	252.2	786.1

Employees' Retirement Benefit -Table 42- (Non-Consolidated)**Projected Benefit Obligation (Non-Consolidated)**

(Billions of yen)

	Mar 31, 2010	
Projected benefit obligation	(A)	52.3
Discount rate		2.2%
Fair value of plan assets	(B)	42.8
Prepaid pension cost	(C)	(1.8)
Unrecognized prior service cost	(D)	(2.3)
Unrecognized net actuarial losses	(E)	10.6
Other (Unrecognized obligation at transition, etc.)	(F)	3.0
Reserve for retirement benefits	(A-B-C-D-E-F)	-

Pension Expenses (Non-Consolidated)

(Billions of yen)

	FY2009 (12 months)
Service cost	2.4
Interest	1.1
Expected return on plan assets	(0.8)
Amortization of prior service cost	(0.3)
Amortization of net actuarial losses	2.0
Amortization of unrecognized obligation at transition	0.6
Other (extraordinary severance benefit expense, etc.)	1.2
Net periodic retirement benefit cost	6.3

Capital Adequacy Data -Table 43- (Non-Consolidated)⁽¹⁾*(Billions of yen, except percentages)*

	Mar 31 2010 (a)	Mar 31 2009 (b)	Change (a)-(b)	Sep 30 2009 (c)	Change (a)-(c)
Basic items (Tier I)	655.0	745.7	(90.7)	740.8	(85.8)
Supplementary items (Tier II)	260.6	301.2	(40.5)	269.6	(8.9)
Deduction	(86.6)	(75.0)	(11.6)	(60.6)	(26.0)
Total capital (2)	829.0	971.9	(142.9)	949.8	(120.8)
Risk assets	7,241.8	8,875.5	(1,633.7)	7,813.3	(571.5)
Capital adequacy ratio	11.44%	10.95%		12.15%	
Tier I capital ratio	9.04%	8.40%		9.48%	

(1) Calculated according to Basel II, F-IRB. Figures are calculated in accordance with FSA Notification Number 79 issued in December 2008 (special treatment of FSA Notification Number 19 issued in 2006). As a result, ¥38.0 billion of net unrealized losses on securities available-for-sale, net of taxes, as of March 31, 2009 are not included in BIS capital.

Unrealized gain on securities available-for-sale, net of taxes, is recorded as of March 31, 2010 and September 30, 2009.

(2) Non-Consolidated total required capital is ¥434.0 billion as at March 31, 2010, ¥401.5 billion as at September 30, 2009 and ¥455.7 billion as at March 31, 2009.

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

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

	Mar 31 2010 a	Mar 31 2009 b	Change a-b Amount
<<Assets>>			
Cash and due from banks	310,022	411,999	(101,977)
Call loans	19,129	-	19,129
Collateral related to securities borrowing transactions	2,801	131	2,670
Other monetary claims purchased	621,271	666,126	(44,855)
Trading assets	211,020	326,038	(115,018)
Monetary assets held in trust	463,467	573,032	(109,565)
Securities	3,674,523	2,626,047	1,048,476
Valuation allowance for investments	(3,370)	(3,370)	-
Loans and bills discounted	4,732,858	5,168,004	(435,146)
Foreign exchanges	10,976	37,138	(26,162)
Other assets	506,855	977,924	(471,069)
Premises and equipment	17,890	18,856	(966)
Intangible assets	11,891	13,477	(1,586)
Deferred issuance expenses for debentures	176	161	15
Deferred tax assets	-	4,329	(4,329)
Customers' liabilities for acceptances and guarantees	11,266	12,556	(1,290)
Reserve for credit losses	(102,213)	(118,960)	16,747
Total assets	10,488,567	10,713,494	(224,927)

Liabilities and Equity

(millions of yen)

	Mar 31 2010 a	Mar 31 2009 b	Change a-b Amount
<<Liabilities>>			
Deposits	6,533,555	6,637,831	(104,276)
Negotiable certificates of deposit	290,909	259,659	31,250
Debentures	487,513	676,767	(189,254)
Call money	310,487	281,513	28,974
Payables under repurchase agreements	8,430	53,805	(45,375)
Collateral related to securities lending transactions	548,479	569,566	(21,087)
Trading liabilities	176,668	316,068	(139,400)
Borrowed money	811,100	425,371	385,729
Foreign exchanges	222	226	(4)
Corporate bonds	342,518	402,453	(59,935)
Other liabilities	392,414	495,016	(102,602)
Income taxes payable	484	34	450
Lease debt	4	11	(7)
Other liabilities	391,925	494,970	(103,045)
Accrued employees' bonuses	5,423	7,191	(1,768)
Reserve for retirement benefits	-	55	(55)
Reserve for losses on disposal of premises and equipment	7,011	6,911	100
Reserve for losses on litigation	5,873	3,662	2,211
Deferred tax liability	745	-	745
Acceptances and guarantees	11,266	12,556	(1,290)
Total liabilities	9,932,620	10,148,658	(216,038)
<<Equity>>			
Shareholders' equity:			
Capital stock	476,296	476,296	-
Capital surplus	43,558	43,558	-
Additional paid-in capital	43,558	43,558	-
Retained earnings	106,809	154,454	(47,645)
Legal reserve	11,035	11,035	-
Other retained earnings	95,773	143,418	(47,645)
Unappropriated retained earnings	95,773	143,418	(47,645)
Treasury stock, at cost	(72,558)	(72,558)	(0)
Total shareholders' equity	554,105	601,750	(47,645)
Net unrealized gain (loss):			
Unrealized gain (loss) on available-for-sale securities	361	(38,049)	38,410
Deferred gain (loss) on derivatives under hedge accounting	(192)	(672)	480
Total net unrealized gain (loss)	168	(38,722)	38,890
Stock acquisition rights	1,672	1,808	(136)
Total equity	555,947	564,836	(8,889)
Total liabilities and equity	10,488,567	10,713,494	(224,927)

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

	FY2009 (12 months)	FY2008 (12 months)	Change	
			Amount	%
Total interest income	153,051	182,737	(29,686)	(16.2)
Interest on loans and bills discounted	86,463	109,886	(23,423)	(21.3)
Interest and dividends on securities	51,251	59,458	(8,207)	(13.8)
Other interest income	15,335	13,391	1,944	14.5
Fees and commissions income	16,937	18,963	(2,026)	(10.7)
Trading profits	7,892	5,277	2,615	49.6
Other business income	31,442	16,956	14,486	85.4
Other ordinary income	8,545	22,389	(13,844)	(61.8)
Ordinary income	217,868	246,323	(28,455)	(11.6)
Total interest expenses	77,918	96,368	(18,450)	(19.1)
Interest on deposits	51,714	47,548	4,166	8.8
Interest on corporate bonds	16,472	20,266	(3,794)	(18.7)
Other interest expenses	9,732	28,553	(18,821)	(65.9)
Fees and commissions expenses	9,843	13,415	(3,572)	(26.6)
Trading losses	186	10,968	(10,782)	(98.3)
Other business expenses	22,531	103,456	(80,925)	(78.2)
General and administrative expenses	69,780	81,741	(11,961)	(14.6)
Other ordinary expenses	81,814	105,234	(23,420)	(22.3)
Ordinary expenses	262,074	411,184	(149,110)	(36.3)
Net ordinary loss	44,205	164,860	(120,655)	(73.2)
Special gains	25,851	76,948	(51,097)	(66.4)
Special losses	20,955	63,487	(42,532)	(67.0)
Loss before income taxes	39,309	151,399	(112,090)	(74.0)
Income taxes (benefit)				
Current	(34)	(4,184)	4,150	99.2
Deferred	8,369	9,833	(1,464)	(14.9)
Total income taxes (benefit)	8,334	5,648	2,686	47.6
Net loss	47,644	157,048	(109,404)	(69.7)

Non-Consolidated Statements of Change in Equity (Non-Consolidated)

	(millions of yen)	
	FY2009 (12 months)	FY2008 (12 months)
Shareholders' Equity		
Capital stock		
Balance at beginning of the period	476,296	476,296
Changes in amounts during the period		
Total changes in amounts during the period	-	-
Balance at the end of the period	476,296	476,296
Capital surplus		
Capital reserve		
Balance at beginning of the period	43,558	43,558
Changes in amounts during the period		
Total changes in amounts during the period	-	-
Balance at the end of the period	43,558	43,558
Total capital surplus		
Balance at beginning of the period	43,558	43,558
Changes in amounts during the period		
Total changes in amounts during the period	-	-
Balance at the end of the period	43,558	43,558
Retained earnings		
Legal reserve for retained earnings		
Balance at beginning of the period	11,035	9,880
Changes in amounts during the period		
Dividends of retained earnings		1,154
Total changes in amounts during the period	-	1,154
Balance at the end of the period	11,035	11,035
Other retained earnings		
Retained earnings carried forward		
Balance at beginning of the period	143,418	307,395
Changes in amounts during the period		
Dividends of retained earnings		(6,928)
Net loss	(47,644)	(157,048)
Total changes in amounts during the period	(47,644)	(163,976)
Balance at the end of the period	95,773	143,418
Total retained earnings		
Balance at beginning of the period	154,454	317,276
Changes in amounts during the period		
Dividends of retained earnings		(5,773)
Net loss	(47,644)	(157,048)
Total changes in amounts during the period	(47,644)	(162,822)
Balance at the end of the period	106,809	154,454

(millions of yen)

	FY2009 (12 months)	FY2008 (12 months)
Treasury stock		
Balance at beginning of the period	(72,558)	(72,557)
Changes in amounts during the period		
Purchase of treasury stock	(0)	(0)
Total changes in amounts during the period	(0)	(0)
Balance at the end of the period	(72,558)	(72,558)
Shareholders' Equity		
Balance at beginning of the period	601,750	764,573
Changes in amounts during the period		
Dividends of retained earnings		(5,773)
Net loss	(47,644)	(157,048)
Purchase of treasury stock	(0)	(0)
Total changes in amounts during the period	(47,644)	(162,823)
Balance at the end of the period	554,105	601,750
Net unrealized gain (loss) and translation adjustments		
Unrealized gain (loss) on available-for-sale securities		
Balance at beginning of the period	(38,049)	(35,024)
Changes in amounts during the period		
Total changes in amounts during the period excluding capital stock (net)	38,411	(3,025)
Total changes in amounts during the period	38,411	(3,025)
Balance at the end of the period	361	(38,049)
Deferred gain (loss) on derivatives under hedge accounting		
Balance at beginning of the period	(672)	1,896
Changes in amounts during the period		
Total changes in amounts during the period excluding capital stock (net)	479	(2,568)
Total changes in amounts during the period	479	(2,568)
Balance at the end of the period	(192)	(672)
Total net unrealized gain (loss) and translation adjustments		
Balance at beginning of the period	(38,722)	(33,128)
Changes in amounts during the period		
Total changes in amounts during the period excluding capital stock (net)	38,890	(5,593)
Total changes in amounts during the period	38,890	(5,593)
Balance at the end of the period	168	(38,722)
Stock acquisition rights		
Balance at beginning of the period	1,808	1,257
Changes in amounts during the period		
Total changes in amounts during the period excluding capital stock (net)	(135)	550
Total changes in amounts during the period	(135)	550
Balance at the end of the period	1,672	1,808
Total equity		
Balance at beginning of the period	564,836	732,703
Changes in amounts during the period		
Dividends of retained earnings		(5,773)
Net loss	(47,644)	(157,048)
Purchase of treasury stock	(0)	(0)
Total changes in amounts during the period excluding capital stock (net)	38,755	(5,043)
Total changes in amounts during the period	(8,889)	(167,866)
Balance at the end of the period	555,947	564,836

Section 3. Earnings Forecast -Table 44- (Consolidated and Non-Consolidated)

(Consolidated)	<i>(Billions of yen)</i>	
	Fiscal year ending March 2011 (FY2010) Forecast	Fiscal year ended March 2010 (FY2009) Actual
Net income	12.5	(140.1)
Cash basis net income	23.6	(53.7)

(Non-Consolidated)	<i>(Billions of yen)</i>	
	Fiscal year ending March 2011 (FY2010) Forecast	Fiscal year ended March 2010 (FY2009) Actual
Net Business Profit	32.0	20.9
Net income	10.0	(47.6)
Dividends (per share in yen):		
Common stock	1.00	0.00 ⁽¹⁾

(1) No dividend to be paid on common shares for fiscal year 2009.

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 ¥23.6 billion (consolidated reported basis net income of ¥12.5 billion) for the fiscal year ending March 31, 2011.
- Shinsei Bank forecasts a non-consolidated net income for the fiscal year ending March 31, 2011 of ¥10.0 billion.
- Shinsei Bank forecasts a dividend payment to common shareholders of ¥1.00 per common share for the fiscal year 2010 ending March 31, 2011.

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

Section 4. Exposure to Securitized Products and Related Investments (Non-Consolidated)

Balance of Securitized Products (Breakdown by Region and Type of Securities)⁽¹⁾ -Table 45- (Non-Consolidated)

(Billions of yen)

	Credit Ratings of Securities ⁽²⁾ (March 31, 2010)				Mar 31 2010 (a)	Mar 31 2009 (b)	Change (a)-(b)	Sep 30 2009 (c)	Change (a)-(c)
	AAA	AA	A or lower	N/A					
RMBS	17%	13%	7%	63%	53.7	52.2	1.4	48.7	4.9
Japan	18%	6%	8%	68%	49.9	49.3	0.6	47.5	2.3
U.S.	-	-	-	-	0.0	0.9	(0.9)	0.0	0.0
Europe	0%	100%	0%	0%	3.7	1.1	2.5	1.1	2.5
Other	-	-	-	-	-	-	(0.8)	0.0	0.0
CMBS⁽³⁾	0%	14%	86%	0%	19.0	19.4	(0.3)	19.4	(0.3)
Japan	0%	0%	100%	0%	10.9	13.1	(2.2)	13.1	(2.2)
U.S.	-	-	-	-	-	-	-	-	-
Europe	0%	0%	100%	0%	5.5	3.9	1.6	4.0	1.5
Other	0%	100%	0%	0%	2.5	2.3	0.2	2.2	0.3
CLO	2%	91%	5%	3%	56.7	69.1	(12.4)	62.7	(6.0)
Japan	-	-	-	-	-	-	-	-	-
U.S.	2%	94%	0%	4%	42.3	53.2	(10.8)	47.5	(5.1)
Europe	0%	91%	9%	0%	12.9	14.5	(1.6)	13.9	(1.0)
Other	0%	0%	100%	0%	1.4	1.3	0.1	1.3	0.1
ABS CDO (Resecuritized Products)	-	-	-	-	-	7.9	(7.9)	4.9	(4.9)
Japan	-	-	-	-	-	7.9	(7.9)	4.9	(4.9)
U.S.	-	-	-	-	-	-	-	-	-
Europe	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	8%	47%	18%	27%	129.5	148.9	(19.3)	135.8	(6.3)
Japan	15%	5%	24%	55%	60.8	70.4	(9.5)	65.6	(4.7)
U.S.	2%	94%	0%	4%	42.3	54.2	(11.8)	47.5	(5.1)
Europe	0%	70%	30%	0%	22.2	19.6	2.5	19.1	3.0
Other	0%	64%	36%	0%	4.0	4.5	(0.5)	3.5	0.4
Securities					74.3	81.7	(7.4)	73.7	0.5
RMBS					5.8	2.9	2.9	1.1	4.6
CMBS					11.6	9.5	2.1	9.8	1.8
CLO					56.7	69.1	(12.4)	62.7	(6.0)
ABS CDO					-	0.0	0.0	0.0	0.0
Other monetary claims purchased⁽⁴⁾					55.2	67.2	(11.9)	62.0	(6.8)
RMBS (Japan)					47.8	49.3	(1.5)	47.5	0.2
CMBS (Japan)					7.3	9.8	(2.4)	9.6	(2.2)
CLO (Japan)					-	-	-	-	-
ABS CDO (Japan)					-	7.9	(7.9)	4.9	(4.9)
Total					129.5	148.9	(19.3)	135.8	(6.3)

(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 March 31, 2010. 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 (46.5%), multi-family (33.8%), retail and shops (10.8%), hotel and others (8.9%)

(4) Includes Japanese RMBS recorded as monetary assets held in trust of ¥4.2 billion as at March 31, 2010.

**Securitized Products, Recorded under "Securities" and "Other Monetary Claims Purchased" and OCI -Table 46-⁽¹⁾
(Non-Consolidated)**

(Billions of yen, except percentages)

Securities	As of March 31, 2010			
	Balance before Mark-to-Market Evaluation	Market Value or Balance	Unrealized Gains/Losses (OCI)	Price Increase (Decrease) Ratio (%)
Trading Securities		2.4		
RMBS (U.S.)		0.0		
CLO (U.S.)		0.9		
CLO (Other foreign countries)		1.4		
Securities Being Held to Maturity with Readily Determinable Fair Value		45.4		
CLO (U.S.)		34.3		
CLO (Europe)		11.1		
Securities Available for Sale	17.1	26.4	9.2	53.6
Other	17.1	26.4	9.2	53.6
Foreign Securities	17.1	26.4	9.2	53.6
Foreign Currency Denominated Foreign Corporate and Government Bonds	11.4	20.7	9.2	81.1
RMBS	1.1	3.7	2.5	225.0
Europe	1.1	3.7	2.5	225.0
CMBS	6.4	8.1	1.7	27.3
Europe	3.6	5.5	1.9	54.1
Other foreign countries	2.7	2.5	(0.2)	(7.3)
CLO	3.9	8.8	4.9	126.8
U.S.	2.9	7.0	4.0	137.2
Europe	0.9	1.7	0.8	93.6
Yen-Denominated Foreign Corporate and	5.7	5.6	0.0	(1.4)
RMBS (Japan)	2.1	2.1	0.0	0.0
CMBS (Japan)	3.6	3.5	0.0	(2.2)
Securities		74.3		
RMBS		5.8		
CMBS		11.6		
CLO		56.7		
Other Monetary Claims Purchased⁽²⁾				
	As of March 31, 2010			
	Balance before Mark-to-Market Evaluation	Market Value or Balance	Unrealized Gains/Losses (OCI)	Price Increase (Decrease) Ratio (%)
Trading Purposes		16.5		
RMBS (Japan) ⁽²⁾		13.4		
CMBS (Japan)		3.1		
Others	38.4	38.6	-	-
RMBS (Japan)	34.3	34.4	-	-
CMBS (Japan)	4.1	4.2	-	-
Total		55.2		
RMBS (Japan)		47.8		
CMBS (Japan)		7.3		
RMBS, CMBS, CLO, ABS CDO Total		129.5		
Securities		74.3		
Other Monetary Claims Purchased		55.2		

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

(2) Includes Japanese RMBS recorded as monetary assets held in trust of ¥4.2 billion as at March 31, 2010.

LBO, Monoline, SIV, ABCP, CDS -Table 47- (Non-Consolidated)

<i>(Billions of yen)</i>					
	Mar 31 2010 (a)	Mar 31 2009 (b)	Change (a)-(b)	Sep 30 2009 (c)	Change (a)-(c)
LBO⁽¹⁾	194.4	266.0	(97.3)	291.7	(71.6)
Japan	189.8⁽²⁾	252.2	(88.8)	278.6	(62.4)
U.S.	2.8	2.8	(0.4)	3.2	0.0
Europe	-	-	-	-	-
Other	1.7	10.8	(8.1)	9.8	(9.1)
(Breakdown by Industry Sector)					
Manufacturing	17.1%	12.3%			
Information and communications	0.0%	12.6%			
Wholesale and retail	12.6%	8.7%			
Finance and Insurance	55.0%	49.4%			
Services	11.4%	8.5%			
Others	3.8%	8.5%			
Total	100.0%	100.0%			

(1) The amount includes unfunded commitment line.

(2) As of March 31, 2010, unfunded commitment line (only domestic) is ¥5.0 billion.

<i>(Billions of yen)</i>					
	Mar 31 2010 (a)	Mar 31 2009 (b)	Change (a)-(b)	Sep 30 2009 (c)	Change (a)-(c)
Monoline	-	0.8	(0.8)	-	-
Japan	-	-	-	-	-
U.S.	-	-	-	-	-
Europe	-	-	-	-	-
Other	-	0.8	(0.8)	-	-
SIV	-	-	-	-	-
ABCP	-	-	-	-	-

Credit Default Swaps (CDS)⁽¹⁾

<i>(Billions of yen)</i>								
As of March 31, 2010							FY2009	
	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	894.6	934.6	9.3	(9.8)	777.0	7.3	(8.7)	(7.6)
Japan	773.4	817.6	11.6	(11.7)	668.2	9.8	(10.5)	(7.3)
U.S.	55.8	56.7	(0.5)	0.2	51.5	(0.6)	0.2	0.6
Europe	28.3	24.3	(0.6)	0.7	23.9	(0.6)	0.7	(0.3)
Other	37.0	35.8	(1.0)	0.8	33.2	(1.0)	0.7	(0.6)

(1) Represents transactions under both banking book and trading book. The above table is based on provisional financial and operational data at the time of the financial results announcement and may differ slightly from the final data.

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

Definitions -Table 48-

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." We have no exposure to ABS CDO as at March 31, 2010.
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 March 31, 2010.
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 March 31, 2010.
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.

(Appendix 1) English translation originally prepared in Japanese using the format required by Bank of Japan Press Club

1. Ratio of non-performing claims classified under the Financial Revitalization Law

(%)

	Mar 31, 2005	Sep 30, 2005	Mar 31, 2006	Sep 30, 2006	Mar 31, 2007	Sep 30, 2007
Non-consolidated	1.43	1.16	1.03	0.54	0.53	0.82
Consolidated	1.83	2.06	1.76	1.18	1.08	1.23
	Mar 31, 2008	Sep 30, 2008	Mar 31, 2009	Sep 30, 2009	Mar 31, 2010	
Non-consolidated	0.95	0.90	2.51	3.41	6.70	
Consolidated	1.69	2.36	4.43	5.33	7.99	

2. Equity holdings

(1) Equity held (Non-consolidated)

(Billions of yen)

	Book value		Net unrealized gain (loss)
		Subsidiaries' shares	
FY2008	449.9	432.1	(2.8)
1HFY2009	448.0	429.1	(1.7)
FY2009	441.0	423.3	(2.3)

(2) Impairment (Non-consolidated)

(Billions of yen)

	Equity related profits and losses (net of three accounts)	
		Impairment amount
1HFY2009	(0.5)	2.0
FY2009	(2.1)	4.5

* Other extraordinary losses for 1HFY2009 contains ¥3.2 billion in mark-down of subsidiaries' equity.

** Other extraordinary losses for FY2009 contains ¥34.5 billion in mark-down of subsidiaries' equity.

(3) Break-even level of profit and loss of equities held (domestic) (theoretical figure) (Non-consolidated)

Nikkei Stock Average	approximately ¥13,500
TOPIX	approximately ¥1,200

3. Loans to SMEs (% shows changes from the previous period)

(Billions of yen)

	Results	% Change	Ratio to total loan balance
Mar 31, 2009	2,937.8	(5.45%)	57.64%
Sep 30, 2009	2,694.2	(8.29%)	55.34%
Mar 31, 2010	2,822.2	4.75%	60.24%

* Small- and medium-sized enterprises in this table refer to companies with ¥300 million or less in capital (¥100 million for wholesale and ¥50 million for retail and services) as well as companies or individuals with 300 employees or fewer (100 for wholesale and services and 50 for retail).

** Revitalization Law (actual net increase/decrease excluding impact loan)

Actual loans to SMEs were JPY 20.6 billion above the annual plan in FY2009, as compared with JPY 0.1 billion above the plan in FY2008.

4. Sales performance of investment trusts and insurance

a. Investment trust sales performance and commission

(Billions of yen)

	Handling commission for sales of investment	Revenue from sales during the period	Amount of sales during the period
FY2008	3.6	0.9	58.7
1HFY2009	2.3	1.1	43.6
FY2009	4.6	2.1	84.2

b. Insurance sales performance and commission

(Billions of yen)

	Handling commission for sales of insurance	Revenue from sales during the period	Amount of sales during the period
FY2008	1.1	1.0	19.6
1HFY2009	0.2	0.1	5.5
FY2009	0.3	0.2	9.3

5. Securitization products

Please refer to tables 45, 46 and 47 of Financial Summary for the fiscal year 2009.

6. Capital adequacy ratio (Core Tier I)

Core Tier I capital ratio *	4.28%	Tier I, excluding preferred securities and non-convertible preferred stock minus deferred tax assets (net) divided by risk weighted assets.
Tier I common capital ratio	4.16%	Tier I, excluding preferred securities and non-convertible preferred stock minus minority interest in consolidated subsidiaries divided by risk weighted assets.
Tier I common capital ratio after DTA	3.94%	Tier I, excluding preferred securities and non-convertible preferred stock minus minority interest in consolidated subsidiaries and deferred tax assets divided by risk weighted assets.

* The above definition conforms to BOJ press club format and is different from Shinsei Bank's definition of Core Tier I ratio (please refer to p.2 and p.20 for Shinsei Bank's definition).

7. Measures in Response to the Act concerning Temporary Measures to Facilitate Financing for SMEs, etc.

(Accumulated data from Dec 4, 2009 to Mar 31, 2010)

(Unit: Number, Millions of yen)

	Total		SME Borrowers		Mortgage Borrowers	
	#	Amount	#	Amount	#	Amount
Request	102	30,469	25	28,327	77	2,142
Execution	25	18,563	14	18,163	11	400
Refusal	23	4,886	4	4,445	19	441
Under evaluation	52	6,896	6	5,618	46	1,278
Withdrawal	2	122	1	100	1	22

- * SME loans are not guaranteed by the Credit Guarantee Association, etc.
- ** "Refusal" as at Mar 31, 2010 includes two loans for a total of ¥2,836 million which were at one point counted as "Deemed Refusal" but executed by March-end. (Execution amount was ¥2,808 million due to the partial principal reduction.) "Refusal" of the Mortgage as at Mar 31, 2010 includes six loans for a total of ¥177 million which were counted as "Deemed Refusal" as we could not receive information on the obligors' current income etc. within three months after the request was filed.
- *** The "Under Evaluation" of the Mortgage as at Mar 31, 2010 includes 25 loans for a total of ¥511 million on which changes to terms and conditions have been agreed and which are scheduled for execution.

(Appendix 2) Calculation grounds of deferred tax assets

Calculation grounds of deferred tax assets

Shinsei Bank has, due to losses recognized on securities resulting from recent instability in the financial markets, ¥100.0 billion of tax loss carryforwards and unrealized temporary differences of ¥500.0 billion as of March 31, 2010.

We continue to recognize deferred tax assets based on our ability to reasonably estimate future taxable income for the upcoming year.

Taxable income is calculated under the consolidated tax system, which was adopted in fiscal year 2003.

1. Taxable income estimate for the upcoming year before adjustment

Taxable income for the upcoming year before adjustment (under the consolidated tax system) is estimated to be ¥23.2 billion.

(Reference) Total taxable income before adjustment, past five years 【Non-consolidated】
(billions of yen)

FY2005	FY2006	FY2007	FY2008	FY2009
66.8	63.9	58.5	-151.2	-39.2

2. Net deferred tax liabilities (As of March 31, 2010 【Non-consolidated】)

Deferred tax assets corresponding to "total taxable income before adjustment" (*) ¥9.4 billion

Deferred tax liabilities ¥10.2 billion

Net deferred tax liabilities on balance sheet ¥0.7 billion

(*)Breakdown	Reserve for credit losses	¥81.3 billion
	Securities	¥78.7 billion
	Tax loss carryforwards	¥41.6 billion
	Net deferred loss on hedge	¥6.2 billion
	Other	¥45.5 billion
	Sub total	¥253.5 billion
	Valuation allowance	¥-244.0 billion
Total	¥9.4 billion	

3. Deferred tax assets to Tier I capital ratio 【Consolidated】

(billions of yen)

	1H-FY2008	FY2008	FY2009
Deferred tax assets (Except deferred tax liabilities)	17.8	20.5	17.4
Tier I capital	613.7	580.0	490.7
Deferred tax assets to Tier I capital ratio	2.9%	3.5%	3.5%