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*Financial Results*  
*Annual Data for FY 99*

*June 2000*

*The Sakura Bank, Limited*

# Summary of Financial Results for FY99

( Billions of Yen,%)

		FY 98	FY 99			FY99 (b)
			(a)	Change	(a)-(b)	The Plan(*2)
<b>Gross Operating Profit</b>	1	699.1	711.9	12.8	(8.7)	720.6
<b>General and Administrative Expenses</b>	2	425.0	397.7	(27.3)	(18.4)	416.1
<b>Bond Issue Costs</b>	3	-	0.6	-	-	-
<b>Transfer to Reserve for Possible Loan Losses</b>	4	101.1	(14.6)	(115.7)	(9.6)	(5.0)
<b>Net Operating Profit</b>	5	172.9	328.0	155.1	18.5	309.5
<b>Core Net Operating Profit (*1)</b>	6	222.9	310.9	88.0	8.1	302.8
<b>Loan Losses</b>	7	922.3	464.5	(457.8)	359.5	105.0
<b>Gains/(Losses) on Stock and Other Securities</b>	8	12.5	341.7	329.2	391.7	(50.0)
<b>Operating Profit</b>	9	(754.1)	159.9	914.0	36.6	123.3
<b>Extraordinary Profit/(Loss)</b>	10	105.4	(5.8)	(111.2)	(10.8)	5.0
<b>Income Taxes</b>	11	(273.3)	96.9	370.2	44.3	52.6
<b>Net Income</b>	12	(375.3)	57.1	432.4	(18.6)	75.7

(\*1) Net Operating Profit before Transfer to Reserve for Possible Loan Loss excluding Gains/(Loss) on Bonds

(\*2) The Plan here stands for "Plan toward Soundness of Management" submitted to FRC

# Summary of Net Operating Profit

(Billions of Yen )

		FY98	FY99			FY99(b) The Plan
			(a)	Change	(a)-(b)	
<b>Gross Operating Profit</b>	1	699.1	711.9	12.8	(8.7)	720.6
<i>( Excluding Gains/(Losses) on Bonds )</i>	2	648.0	709.4	61.4	(9.5)	718.9
<b>Domestic Operations</b>	3	627.2	665.5	38.3		
<i>( Excluding Gains/(Losses) on Bonds )</i>	4	575.6	664.9	89.3		
<b>International Operations</b>	5	71.9	46.3	(25.6)		
<i>( Excluding Gains/(Losses) on Bonds )</i>	6	72.3	44.5	(27.8)		
<b>General and Administrative Expenses</b>	7	425.0	397.7	(27.3)	(18.4)	416.1
<b>Bond Issue Costs</b>	8	-	0.6	-	-	-
<b>Transfer to Reserve for Possible Loan Losses</b>	9	101.1	(14.6)	(115.7)	(9.6)	(5.0)
<b>Net Operating Profit</b>	10	172.9	328.0	155.1	18.5	309.5
<b>Net Operating Profit before Transfer to Reserve for P.L.L.</b>	11	274.0	313.4	39.4	8.9	304.5
<b>Core Net Operating Profit (*)</b>	12	222.9	310.9	88.0	8.1	302.8

(\*) Gains/(Losses) on Bonds are excluded from Net Operating Profit before General Reserve for Possible Loan Losses.

## Breakdown of Net Operating Profit - 1) Gross Operating Profit

(Billions of Yen, % )

		FY98	FY99			FY99(b) The Plan
			(a)	Change	(a)-(b)	
<b>Gross Operating Profit</b>	1	699.1	711.9	12.8	(8.7)	720.6
<i>( Excluding Gains/(Losses) on Bonds )</i>	2	647.9	709.4	61.5	(9.5)	718.9
<b>Domestic Operations</b>	3	627.2	665.5	38.3		
<i>( Excluding Gains/(Losses) on Bonds )</i>	4	575.6	664.9	89.3		
<b>Net Interest Income</b>	5	519.5	612.0	92.5		
<b>Fees and Commissions</b>	6	50.4	52.0	1.6		
<b>Trading</b>	7	5.7	0.7	(5.0)		
<b>Other Operating</b>	8	51.4	0.7	(50.7)		
<i>( Gains/(Losses) on Bonds )</i>	9	(51.6)	(0.7)	(50.9)		
<b>International Operations</b>	10	71.9	46.3	(25.6)		
<i>( Excluding Gains/(Losses) on Bonds )</i>	11	72.3	44.5	(27.8)		
<b>Domestic Overall Interest Spread</b>	12	0.34	0.71	0.37	-	-
<b>Domestic Interest Spread</b>	13	0.44	0.73	0.29	-	-

## Breakdown of Net Operating Profit - 2) Improvement of Yield

### Yield in Domestic Operations Non-Consolidated

( % )

		FY98	FY99	Change
<b>Yield on Total Funds ( a )</b>	1	2.33	2.38	0.05
<b>Interest Earned on Loans ( b )</b>	2	2.09	2.05	(0.04)
<b>Interest Earned on Securities</b>	3	1.52	1.21	(0.31)
<b>Cost of Funds ( c )</b>	4	1.99	1.67	(0.32)
<b>Cost of Deposits etc. ( d )</b>	5	1.65	1.32	(0.33)
<b>Interest Paid on Deposits, etc</b>	6	0.40	0.17	(0.23)
<b>Expense Ratio</b>	7	1.25	1.14	(0.11)
<b>Interest Paid on Other Liabilities</b>	8	0.99	0.85	(0.14)
<b>Overall Interest Spread ( a ) - ( c )</b>	9	0.34	0.71	0.37
<b>Interest Spread ( b ) - ( d )</b>	10	0.44	0.73	0.29

# Breakdown of Net Operating Profit - 3) Gross Operating Profit Growth

Performance for FY1999 in Accordance with  
“The Plan toward Soundness of Management”

<Progress on Main Objectives >

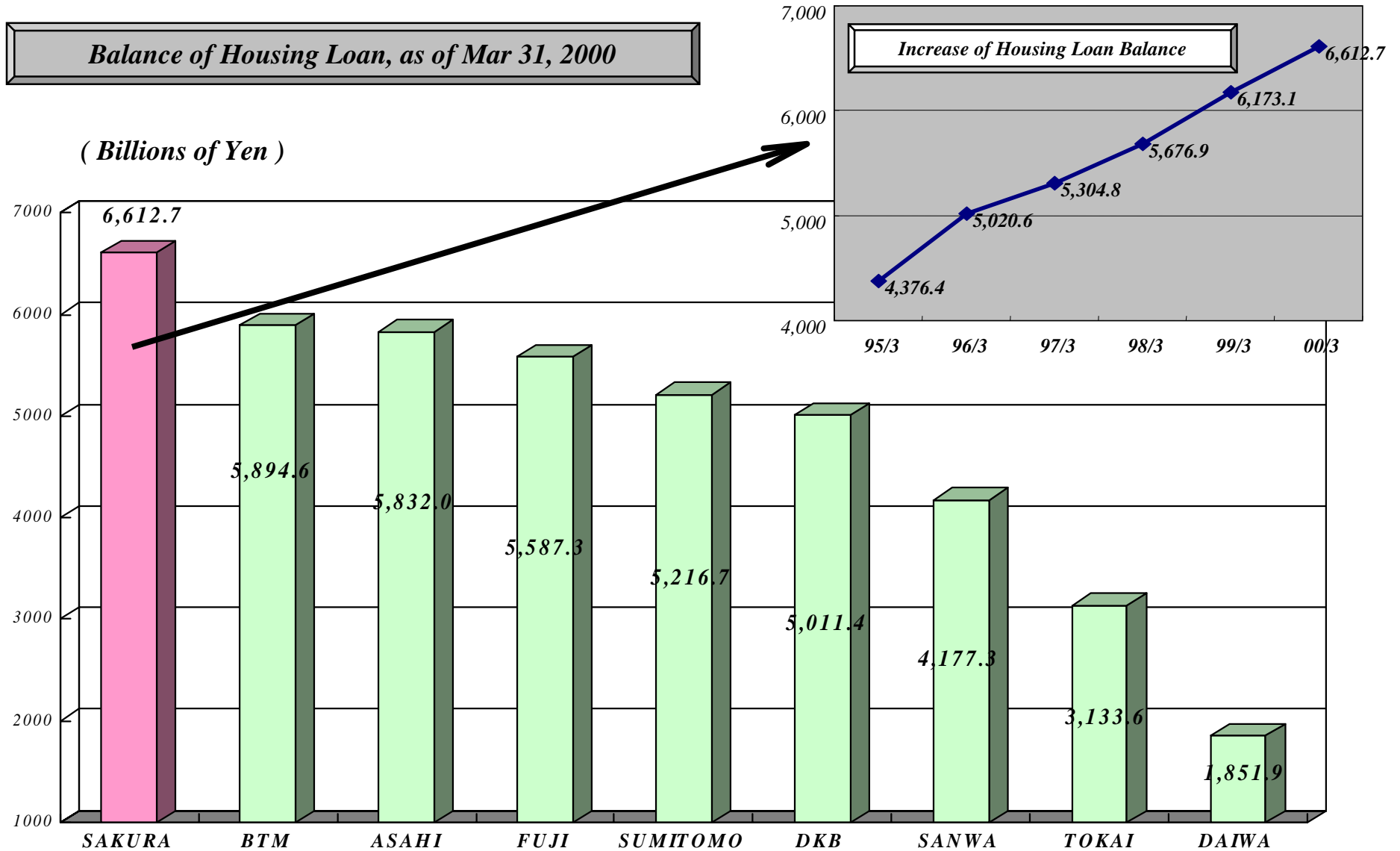
(Billions of Yen)

	FY98	FY99	Change	Contribution to Gross Operating Profit Growth
<b>1. Spread Increase in Domestic Loans</b>	<i>Improvement of Margin</i>		<b>+15 bp</b>	<b>+33.0</b>
<b>2. Increase in Individual Loans</b>	<i>Increase of Average Balance</i>		<b>+400.0</b>	<b>+7.2</b>
(Ref.) Balance of Housing Loans as of Mar. 31	6,173.1	6,612.7	+439.6	
<b>3. Sales of New Products / Services</b>	<i>Increase of Sales Amount</i>			<b>+4.8</b>
(Ref.) Sales Amount of Investment Trusts as of Mar. 31	51.4	616.8	+565.4	+3.1
(Ref.) Amount of Foreign Currency Individual Deposits as of Mar.31	56.1	162.6	+106.5	+1.7

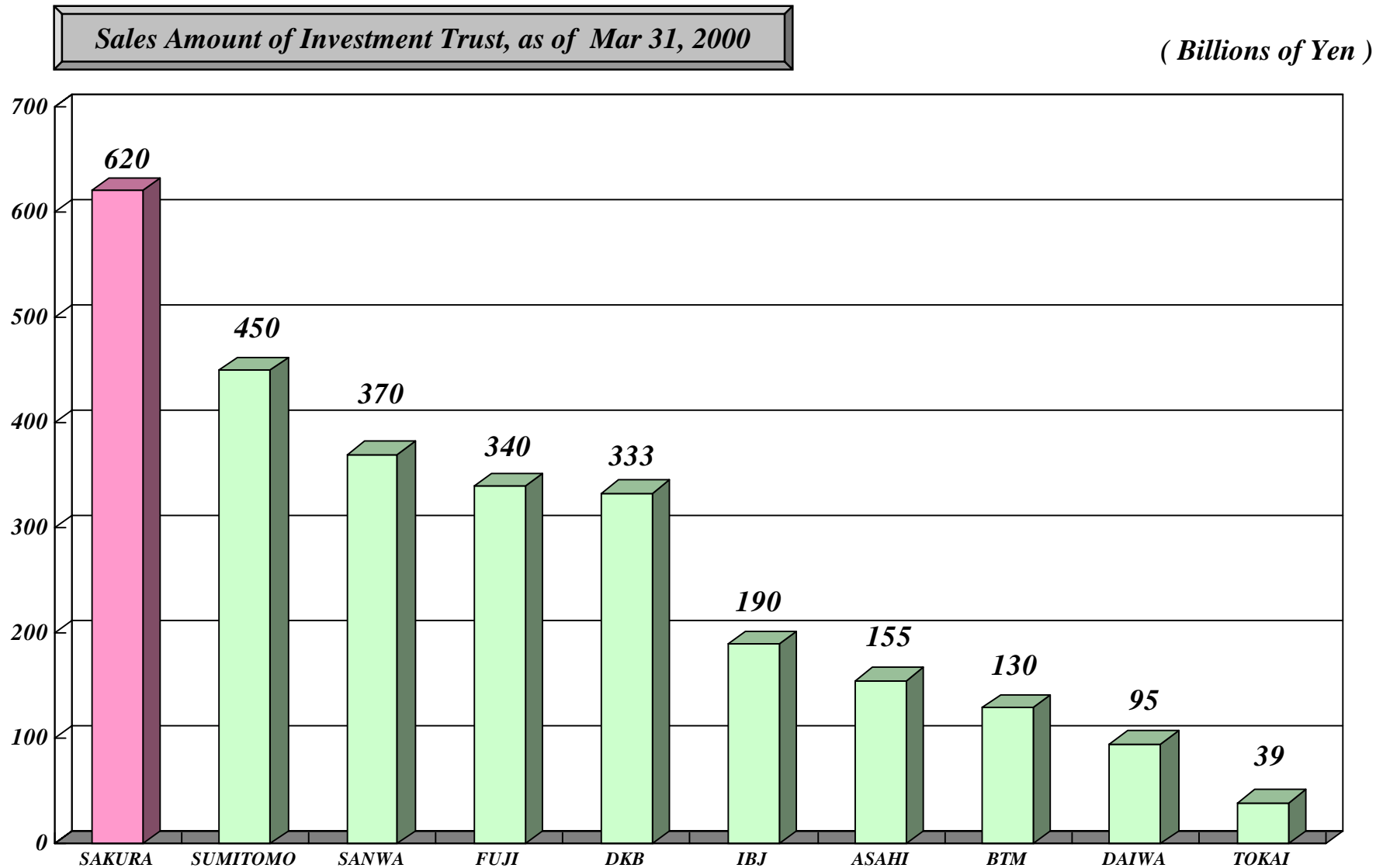
<Projection for Increasing Gross Operating Profit >

	FY98	FY99	Change	Total
Gross Operating Profit	699.1	711.9	12.8	
(Gross Operating Profit Excluding Gains/(Losses) on Bonds)	648.0	709.4	61.4	<b>+45.0</b>

# ( Ref. ) Comparison of Housing Loan



## *( Ref. ) Comparison of Investment Trust*



( Source: The Nihon Keizai Shinbun, May 7, 2000 )

## Breakdown of Net Operating Profit - 4) Progress in Restructuring Plan

( Billions of Yen , % )

		FY98	FY99			FY99(b)
			(a)	Change	(a)-(b)	The Plan
<b>General and Administrative Expenses</b>	1	425.0	397.7	(27.3)	(18.4)	416.1
<b>Personnel</b>	2	178.1	161.7	(16.4)	(3.2)	164.9
<b>Non - Personnel</b>	3	223.0	216.1	(6.9)	(11.3)	227.4
<b>Deposit Insurance Premiums</b>	4	20.6	21.6	1.0	-	-
<b>Taxes</b>	5	23.8	19.8	(4.0)	(4.0)	23.8
<b>Expense Ratio</b>	6	60.8	55.9	(4.9)	(1.9)	57.7
<b>Expense Ratio excluding Gains / (Losses) on Bonds</b>	7	65.6	56.1	(9.5)	(1.8)	57.9

### ( Ref. ) Comparison of Expense Ratio (\*)

	( % )							
	Sakura	Sumitomo	BTM	DKB	Fuji	Sanwa	Tokai	Asahi
<b>Expense Ratio for FY98</b>	65.5	50.4	48.6	62.4	61.2	51.4	63.6	63.7
<b>Expense Ratio for FY99</b>	56.1	45.3	51.6	51.8	57.6	53.8	55.7	61.2
<b>Change</b>	(9.4)	(5.1)	3.0	(10.6)	(3.6)	2.4	(7.9)	(2.5)

(\*) Expense Ratio: General and Administrative Expenses / Gross Operating Profit excluding Gains / (Losses) on Bonds

# Disposition of Problem Loans

( Billions of Yen)

		FY98	FY99	Change
<i>Net Operating Profit before Transfer to General Reserve</i>	1	274.1	313.4	39.3
<i>Transfer to Reserve for Possible Loan Losses</i>	2	101.1	(14.6)	(115.7)
<i>Net Operating Profit</i>	3	172.9	328.0	155.1
<i>Gains / (Losses) on Bonds</i>	4	51.1	2.4	(48.7)
<i>Core Net Operating Profit (*)</i>	5	222.9	310.9	88.0

(\*) Gains/(Losses) on Bonds are excluded from Net Operating Profit before General Reserve for Possible Loan Losses.

<i>Others</i>	6	(927.1)	(168.1)	759.0
<i>Loan Losses</i>	7	922.3	464.5	(457.8)
<i>Direct Written-offs</i>	8	149.3	113.3	(36.0)
<i>Net Addition to Specific Reserves</i>	9	304.4	194.7	(109.7)
<i>Losses on Bulk Sales</i>	10	5.9	14.1	8.2
<i>Losses on Sales of Loans to CCPC</i>	11	24.1	37.1	13.0
<i>Net Addition to Reserve for Possible Losses from Loans Sold to CCPC</i>	12	10.2	55.4	45.2
<i>Losses on Financial Assistance Provided to Supported Companies</i>	13	331.9	35.2	(296.7)
<i>Net Reversals from Reserve for Loans to Restructuring Countries</i>	14	8.3	(2.6)	(10.9)
<i>Others</i>	15	87.9	17.1	(70.8)

# Status of Coverage According to Financial Revitalization Law

( Billions of Yen, % )

	Amount ( A )			Secured Amount ( B )		
	31-Mar-99	31-Mar-00	Change	31-Mar-99	31-Mar-00	Change
<i>Bankruptcy Etc.</i>	390.2	394.7	4.5	390.2	394.7	4.5
<i>In Danger of Bankruptcy</i>	809.2	880.8	71.6	642.1	720.5	78.4
<i>Special Attention</i>	600.5	448.0	(152.5)	280.2	178.5	(101.7)
<i>(Excluding Non-Bank Affiliates)</i>	282.5	199.7	(82.8)	137.7	74.6	19.4
<i>Total</i>	1,800.0	1,723.5	(76.5)	1,312.5	1,293.8	(18.7)
<i>(Excluding Non-Bank Affiliates)</i>	1,482.0	1,475.2	(6.8)	1,170.1	1,189.9	19.8

	Coverage Ratio ( B / A )		
	31-Mar-99	31-Mar-00	Change
<i>Bankruptcy Etc.</i>	100.0%	100.0%	0.0%
<i>In Danger of Bankruptcy</i>	79.3%	81.8%	2.5%
<i>Special Attention</i>	46.7%	39.8%	-6.8%
<i>(Excluding Non-Bank Affiliates)</i>	48.7%	37.4%	-2.2%
<i>Total</i>	72.9%	75.1%	2.2%
<i>(Excluding Non-Bank Affiliates)</i>	78.9%	80.7%	1.8%

Classification by Self-Assessment	Reserve Ratio
<i>Legal Bankruptcy</i>	100%
<i>Virtual Bankruptcy</i>	
<i>Possible Bankruptcy</i>	70.2%
<i>Special Attention</i>	18.4%
<i>Caution excluding Special Attention</i>	5.0%
<i>Normal (*)</i>	0.15%

(\*) Reserve Ratio is calculated based on the reserve amount to the claims.

## Other Profit / (Loss), Net Income (Loss)

( Billions of Yen )

		FY98	FY99	Change
<b>Others</b>	1	(927.1)	(168.1)	759.0
<b>Gains/(Losses) on Stock and Other Securities</b>	2	12.5	341.7	329.2
<b>Gains on Sales</b>	3	150.9	406.3	255.4
<b>Losses on Sales</b>	4	40.9	29.9	(11.0)
<b>Losses on Diminution in Value</b>	5	97.4	34.6	(62.8)
<b>Loan Losses</b>	6	922.3	464.5	(457.8)
<b>Operating Profit</b>	7	(754.1)	159.9	914.0
<b>Extraordinary Profit/(Loss)</b>	8	105.4	(5.8)	(111.2)
<b>Gains/(Losses) on Dispositions Premises and Equipment</b>	9	105.4	(6.1)	(111.5)
<b>Gains on Disposition</b>	10	108.0	0.6	(107.4)
<b>Losses in Disposition</b>	11	2.5	6.8	4.3
<b>Income/(Loss) before Income Taxes</b>	12	(648.6)	154.0	802.6
<b>Income Taxes (Current)</b>	13	6.5	3.9	(2.6)
<b>Income Taxes (Deferred)</b>	14	(279.9)	92.9	372.8
<b>Effect by Tokyo Municipal's Special Treatment</b>	15	-	35.7	35.7
<b>Net Income/(Loss)</b>	16	(375.3)	57.1	432.4

# Unrealized Gains/(Losses) on Securities

## Non- Consolidated

( Billions of Yen )

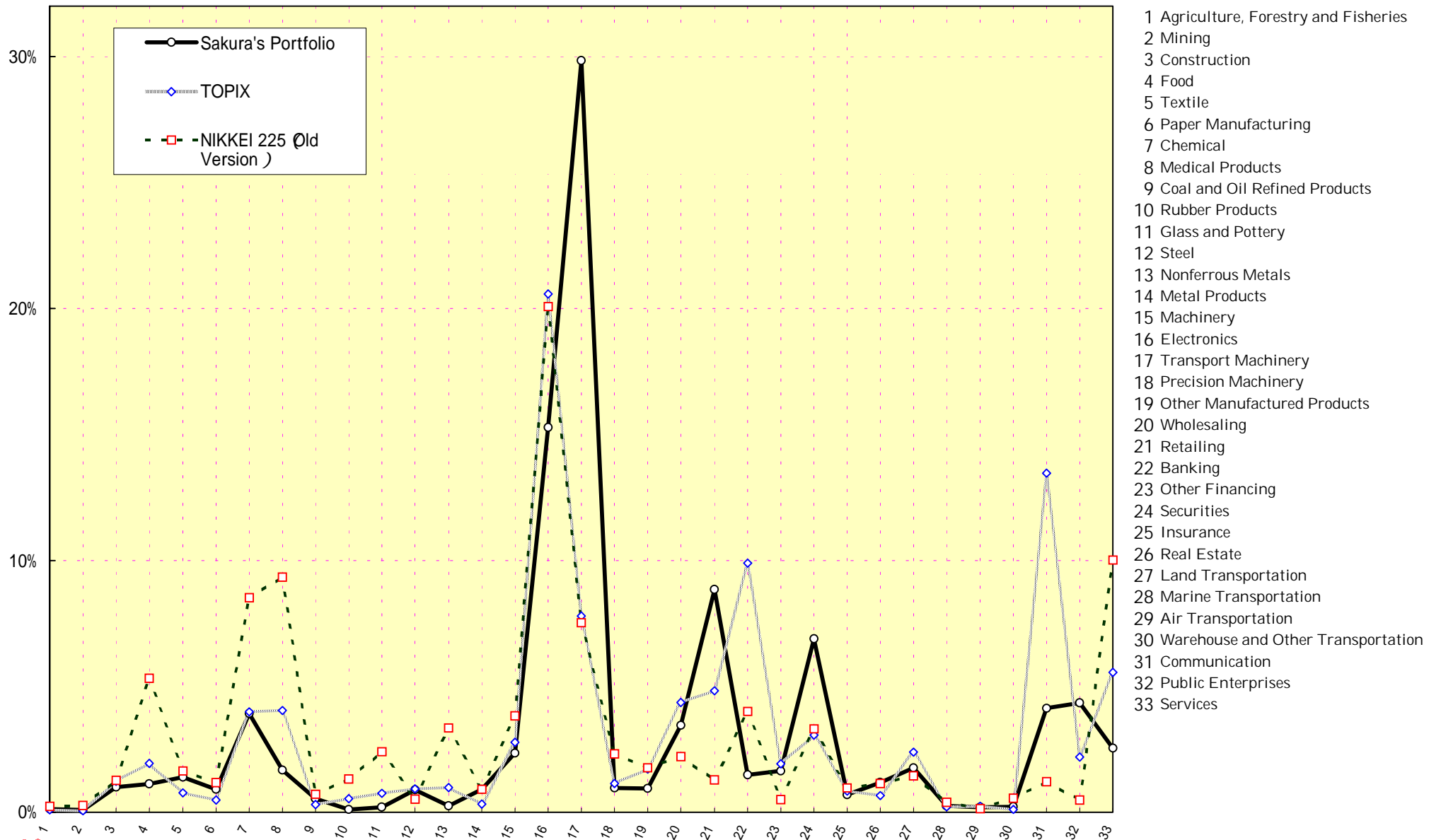
	31-Mar-99	31-Mar-00			Change
	Unrealized Gain/(Loss)	Unrealized Gain/(Loss)	Unrealized Gain	Unrealized Loss	
<b>Bonds</b>	(27.4)	(27.8)	7.2	35.1	(0.4)
<b>Listed</b>	(41.8)	(25.0)	2.9	27.9	16.8
<b>Stocks</b>	(88.4)	682.9	1,075.6	392.6	771.3
<b>Listed</b>	(110.8)	622.4	1,007.4	385.0	733.2
<b>Others</b>	(4.2)	7.7	21.0	13.2	11.9
<b>Listed</b>	(3.2)	6.3	18.3	12.0	9.5
<b>Total</b>	(120.0)	662.7	1,103.8	441.0	782.7
<b>Listed</b>	(156.0)	603.6	1,028.7	425.0	759.6

15,836      20,337  
Nikkei Stock Average (Yen)

## Consolidated

	31-Mar-99	31-Mar-00		
	Unrealized Gain/(Loss)	Unrealized Gain/(Loss)	Unrealized Gain	Unrealized Loss
<b>Bonds</b>		(26.6)	8.8	35.5
<b>Listed</b>		(24.7)	3.4	28.2
<b>Stocks</b>		680.5	1,083.3	402.8
<b>Listed</b>		616.5	1,011.5	394.9
<b>Others</b>		0.9	17.2	16.3
<b>Listed</b>		0.0	14.5	14.4
<b>Total</b>		654.7	1,109.4	454.6
<b>Listed</b>		591.8	10,295.5	437.6

# (Ref.) Composite Weight of Each Industry, as of Mar 31, 2000



- 1 Agriculture, Forestry and Fisheries
- 2 Mining
- 3 Construction
- 4 Food
- 5 Textile
- 6 Paper Manufacturing
- 7 Chemical
- 8 Medical Products
- 9 Coal and Oil Refined Products
- 10 Rubber Products
- 11 Glass and Pottery
- 12 Steel
- 13 Nonferrous Metals
- 14 Metal Products
- 15 Machinery
- 16 Electronics
- 17 Transport Machinery
- 18 Precision Machinery
- 19 Other Manufactured Products
- 20 Wholesaling
- 21 Retailing
- 22 Banking
- 23 Other Financing
- 24 Securities
- 25 Insurance
- 26 Real Estate
- 27 Land Transportation
- 28 Marine Transportation
- 29 Air Transportation
- 30 Warehouse and Other Transportation
- 31 Communication
- 32 Public Enterprises
- 33 Services

# Capital Ratio (BIS Guidelines)

(Billions of Yen, %)

## Consolidated

		Mar 31, 99	Mar 31, 00	Change
<b>Capital Ratio</b>	1	12.33	12.53	0.20
<b>Tier Ratio</b>	2	7.17	7.45	0.28
<b>Total Capital</b>	3	4,120.6	4,100.8	(19.8)
<b>Tier</b>	4	2,396.8	2,440.6	43.8
<b>Tier</b>	5	1,724.7	1,661.2	(63.5)
<b>Unrealized Appreciation of Land</b>	6	53.2	51.6	(1.6)
<b>Reserve for Possible Loan Losses</b>	7	242.6	227.3	(15.3)
<b>Others</b>	8	1,428.8	1,382.2	(46.6)
<b>Lower Tier II</b>	9	744.6	735.9	(8.7)
<b>Subtraction Item</b>	10	(1.0)	(1.0)	0.0
<b>Risk-Adjusted Assets</b>	11	33,399.2	32,721.5	(677.7)
<b>Market Risk</b>	12	251.7	220.6	(31.1)
<b>Nikkei Stock Average (JPY)</b>	13	15,836	20,337	4,501
<b>JPY/US\$</b>	14	120.55	106.15	(14.40)

## Non-Consolidated

		Mar 31, 99	Mar 31, 00	Change
<b>Capital Ratio</b>	15	12.38	12.50	0.12
<b>Total Capital</b>	16	4,031.9	3,992.0	(39.9)
<b>Tier</b>	17	2,448.4	2,470.9	22.5
<b>Tier</b>	18	1,584.4	1,522.0	(62.4)
<b>Subtraction Item</b>	19	(1.0)	(1.0)	0.0
<b>Risk-Adjusted Assets</b>	20	32,560.7	31,917.3	(643.4)

# Performance Projection for FY2000

## Non-Consolidated

(Billions of Yen)

	FY99	FY00	
		Projection	Change
Net Operating Profit	328.0	360.0	32.0
Net Operating Profit before General Reserve	313.4	330.0	16.6
Operating Profit	159.9	250.0	90.1
Net Income	57.1	112.0	54.9

← Increase of Gross Operating Profit 7.0

Reduction of Expenses 11.0

Loan Losses(*)	449.9	155.0	(294.9)
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(\*) General Reserve for Possible Loan Losses and Loan Loss Related Expenses in "Other Expenses"

## Consolidated

	FY99	FY00	
		Projection	Change
Operating profit	136.4	270.0	133.6
Net Income	62.5	120.0	57.5

This material contains certain forward-looking statements. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may materially differ from those contained in the forward-looking statements as a result of various factors.

The following items are among the factors that could cause actual results to differ materially from the forward-looking statements in this material: business conditions in the banking industry, the regulatory environment, new legislation, competition with other financial services companies, changing technology and evolving banking industry standards and similar matters.