

THE SAKURA BANK, LIMITED
 SUMMARY OF CONSOLIDATED ACCOUNTS
 FOR THE PERIOD FROM APRIL 1, 1998 TO MARCH 31, 1999

CORPORATE AND STOCK INFORMATION

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ACCOUNTING PERIOD : Year Ending March 31

PERFORMANCE (FOR THE PERIOD FROM APRIL 1, 1998 TO MARCH 31, 1999)

Years Ended March 31	Millions of Yen			
	1999	Inc./.(Dec.)	1998	Inc./.(Dec.)
Operating Income	2,139,226	(18.2%)	2,613,698	2.3%
Operating Profit / (Loss)	(776,190)	-	(403,600)	-
Net Income / (Loss)	(479,266)	-	(88,301)	-
Net Income Per Share (Yen)	(124.72)		(25.51)	
Net Income / (Loss) Per Share				
After Assuming Dilution (yen)	-		-	
Return on Stockholders' Equity	-		-	
Operating Profits to Total Asset Ratio	-		-	
Operating Profits to Revenue Ratio	-		-	

Notes: 1. Figures less than one million are rounded down.

2. Equity in Net Income of unconsolidated subsidiaries and affiliates was 655 million yen for the year ended March 31, 1999 and 629 million yen for the year ended March 31, 1998.

(2) FINANCIAL POSITION

Millions of Yen	March 31	
	1999	1998
Total Assets	49,015,005	53,160,330
Stockholders' Equity	2,174,486	1,726,737
Equity Ratio	4.4%	3.2%
Stockholders' Equity per Share (yen)	331.28	446.47

(3) APPLICATION OF CONSOLIDATED AND EQUITY METHODS: See next page

(4) CHANGES IN ACCOUNTING METHODS AND OTHERS: See next page

2. PERFORMANCE PROJECTION FOR FY1999 (YEAR THROUGH MARCH 31, 2000)

Millions of Yen		Yen	
Operating Income	1,900,000	Net Income per Share	
Operating Profit	130,000	Consolidated	16.88
Net Income	80,000	Non-Consolidated	15.89

Notes: Projected net income per share is calculated without taking conversion of Series II Preference Shares to Ordinary shares into consideration.

(Ref.) PRINCIPAL INDICATORS OF THE PARENT COMPANY

Year Ended March 31, 1999	Millions of Yen	Inc./.(Dec.)
Operating Income	1,937,086	(23.4%)
Operating Profit/(Loss)	(754,187)	-
Net Income/(Loss)	(375,315)	-
Net Income/(Loss) per Share (yen)	(97.63)	
Net Income/(Loss) Per Share		
After Assuming Dilution (yen)	-	
Total Assets	47,208,716	
Stockholders' Equity	2,223,521	

(3) APPLICATION OF CONSOLIDATED AND EQUITY METHODS

(a) Number of Consolidated Subsidiaries: 53

Principal Consolidated Subsidiaries:

Manufacturers Bank,
Sakura Finance Asia, Limited,
Sakura Finance International Limited,
Sakura Capital, Inc.

(b) Number of Unconsolidated Subsidiaries: 13

(b.1) Number of Affiliated Companies Accounted for Using the Equity Method: 8

(b.2) Principal Affiliated Company Accounted for using the Equity Method:

Sakura Institute of Research Inc.

(c) Number of Affiliated Companies: 31

(c.1) Number of Affiliated Companies Accounted for Using the Equity Method: 31

(c.2) Principal Affiliated Company Accounted for using the Equity Method:

Far East Bank and Trust Company

(4) CHANGES IN ACCOUNTING METHODS AND OTHERS

(a) Changes in Application of the Consolidated Method

(a1) Newly consolidated companies: 13

Principal Consolidated Subsidiaries:

Sakura Mortgage Co., Ltd.,
Mitsui Finance Service Co., Ltd.,
Sakura Finance Service Co., Ltd.,
Sakura Guarantee Co., Ltd.,
Sakura Card Co., Ltd.,
Sakura Preferred Capital (Cayman) Limited,
Sakura Loan Adviser Co., Ltd.,
Sakura Human Resources Development Center Co., Ltd.
Sakura Servicing Co., Ltd.

Exclusion: 1

Sakura Bank (Deutschland) GmbH

(a2) New Companies Accounted for Using the Equity Method: 31

Principal Company:

Sakura Investment Trust Management Co., Ltd.

Exclusion: nil

(b) Changes in Accounting Methods: nil

CONSOLIDATED BALANCE SHEET

March 31, 1999	Millions of Yen
Assets	
Cash & Due from Banks	1,415,978
Call Loans	69,974
Commercial Paper and Other Debt Purchased	3,292
Trading Assets	1,448,784
Money Held in Trust	156,474
Securities	6,264,893
Loans and Bills Discounted	32,962,873
Foreign Exchange	309,438
Other Assets	2,967,669
Premises and Equipment	755,966
Deferred Tax Assets	689,017
Customers' Liabilities for Acceptances and Guarantees	1,970,640
Total Assets	49,015,005
 Liabilities, Minority Interest in Consolidated Subsidiaries, and Stockholders' Equity	
Liabilities	
Deposits	30,632,773
Negotiable Certificates of Deposits	2,735,842
Call Money and Bills Sold	2,327,705
Commercial Paper	567,000
Trading Liabilities	381,077
Borrowed Money	1,677,674
Foreign Exchange	22,378
Corporate Bonds	912,397
Convertible Bonds	2,208
Other Liabilities	4,433,381
Reserve for Possible Loan Losses	666,692
Reserve for Retirement Allowances	42,156
Reserve for Possible Losses from Loans Sold to the Cooperative Credit Purchasing Company ("CCPC")	115,532
Other Reserves	12
Deferred Tax Liabilities for Revaluation	49,462
Acceptances and Guarantees	1,970,640
Total Liabilities	46,536,936
Minority Interest in Net Income of Consolidated Subsidiaries	303,581
Stockholders' Equity	
Capital Stock	1,042,706
Capital Surplus	899,521
Land revaluation Excess	68,868
Earned Surplus	164,329
Treasury Stock	3
Stock of Parent Company Owned	934
Total Stockholders' Equity	2,174,486
Total Liabilities, Minority Interest in Consolidated Subsidiaries and Stockholders' Equity	49,015,005

Note: Figures of less than one million are rounded down.

CONSOLIDATED STATEMENT OF INCOME

Year Ended March 31, 1999	Millions of Yen
Operating Income	2,139,226
Interest Income	1,629,912
(a) Interest on Loans and Discounts	905,229
(b) Interest and Dividends on Securities	146,093
(c) Interest on Call Loans	4,752
(d) Interest on Deposits with Banks	52,260
(e) Other Interest Income	521,577
Fees and Commissions	187,311
Trading Revenue	23,788
Other Operating Income	104,503
Other Income	193,710
Operating Expenses	2,915,416
Interest Expenses	1,027,406
(a) Interest on Deposits	320,664
(b) Interest on Negotiable Certificates of Deposits	32,303
(c) Interest on Call Money and Bills Sold	36,602
(d) Interest on Commercial Paper	2,760
(e) Interest on Borrowed Money	51,222
(f) Interest on Corporate Bonds	37,819
(g) Interest on Convertible Bond	92
(h) Other Interest Expenses	545,941
Fees and Commissions	71,316
Other Operating Expenses	40,725
General and Administrative Expenses	517,241
Other Expenses	1,258,726
(a) Transfer to Reserve for Possible Loan Losses and Written-Off Claims	945,534
(b) Others	313,192
Operating Loss	776,190
Extraordinary Profit	73,995
Gains on Dispositions of Premises and Equipment	72,683
Collection of Written-Off Claims	1,262
Transfer from Res. for Possible Losses from Trading A/C Securities	49
Transfer from Reserve for Contingent Liabilities from Broking of Financial Futures Transactions	0
Extraordinary Loss	4,063
Losses on Dispositions of Premises and Equipment	4,062
Transfer to Res. for Contingent Liabilities from Broking of Financial Futures Transactions	0
Income/(Loss) before Income Taxes	(706,257)
Income Taxes	
(a) Current	10,582
(b) Deferred	(228,401)
Minority Interest in Net Income of Consolidated Subsidiaries	9,172
Net Income /(Loss)	(479,266)

Note: Figures of less than one million yen are rounded down.

CONSOLIDATED STATEMENTS OF EARNED SURPLUS

Year Ended March 31, 1999	Millions of Yen
Balance of Consolidated Eaned Surplus at Beginning of Year	670,761
(a)Earned Surplus	559,131
(b)Legal Reserve	111,630
Additions	5,103
(a)Increase of Earned Surplus Due to the Change of Scope of Consolidated Subsidiaries	3,275
(b)Increase of Earned Surplus Due to the Change of Scope of Companies Accounted for Using the Equity Method	1,827
Deductions	32,269
Dividends Paid	32,269
Net Loss	479,266
Balance at End of Year	164,329

Note: Figures of less than one million yen are rounded down.

**INFORMATION ON BUSINESS RESULT
COMPARATIVE CONSOLIDATED BALANCE SHEET**

(SELECTED DATA) March 31	1999	1998	Millions of Yen Inc. / (Dec.)
Assets			
Cash and Due from Banks	1,415,978	2,467,636	(1,051,658)
Call Loans	69,974	219,096	(149,122)
Commercial Paper and Other Debt Purchased	3,292	11,658	(8,366)
Trading Assets	1,448,784	1,806,929	(358,145)
Money Held in Trust	156,474	247,415	(90,941)
Securities	6,264,893	6,446,756	(181,863)
Loans and Bills Discounted	32,962,873	35,982,912	(3,020,039)
Foreign Exchanges	309,438	489,484	(180,046)
Other Assets	2,967,669	2,548,127	419,542
Premises and Equipment	755,966	503,140	252,826
Deferred Tax Assets	689,017	460,569	228,448
Customers' Liabilities for Acceptance and Guarantees	1,970,640	1,976,602	(5,962)
Total Assets	49,015,005	53,160,330	(4,145,325)
Liabilities, Minority Interest in Consolidated Subsidiaries, and Stockholders' Equity			
Liabilities			
Deposits	30,632,773	33,400,630	(2,767,857)
Negotiable Certificates of Deposits	2,735,842	3,493,721	(757,879)
Call Money and Bills Sold	2,327,705	3,174,502	(846,797)
Commercial paper	567,000	--	567,000
Trading Liabilities	381,077	531,811	(150,734)
Borrowed Money	1,677,674	2,386,679	(709,005)
Foreign Exchanges	22,378	41,878	(19,500)
Corporate Bonds	912,397	966,422	(54,025)
Convertible Bonds	2,208	5,365	(3,157)
Other Liabilities	4,433,381	4,013,311	420,070
Reserve for Possible Loan Losses	666,692	1,064,355	(397,663)
Reserve for Retirement Allowances	42,156	43,261	(1,105)
Reserve for Possible Losses from Loans Sold to CCPC	115,532	117,201	(1,669)
Other Reserves	12	61	(49)
Minority Interest in Consolidated Subsidiaries	--	779	(779)
Deferred Tax Liabilities for Revaluation	49,462	--	49,462
Acceptance and Guarantees	1,970,640	1,976,602	(5,962)
Reserve for Unrealized Appreciation of Land Used for Banking Business	--	217,007	(217,007)
Total Liabilities	46,536,936	51,433,592	(4,896,656)
Minority Interest in Consolidated Subsidiaries	303,581	--	303,581
Total Stockholders' Equity	2,174,486	1,726,737	447,749
Total Liabilities, Minority Interest in Consolidated Subsidiaries and Stockholders' Equity	49,015,005	53,160,330	(4,145,325)

Notes: Figures of less than one million yen are rounded down.

INFORMATION ON BUSINESS RESULT
COMPARATIVE CONSOLIDATED STATEMENT OF INCOME
(SELECTED DATA)

Year Ended March 31	1999	1998	Millions of Yen Inc. / (Dec.)
Operating Income	2,139,226	2,613,698	(474,472)
Interest Income	1,629,912	1,760,318	(130,406)
(a)Interest on Loans and Discounts	905,229	1,009,920	(104,691)
(b)Interest and Dividends on Securities	146,093	181,790	(35,697)
Fees & Commissions	187,311	127,184	60,127
Trading Revenue	23,788	14,346	9,442
Other Operating Income	104,503	72,774	31,729
Other Income	193,710	639,074	(445,364)
Operating Expenses	2,915,416	3,017,298	(101,882)
Interest Expenses	1,027,406	1,151,604	(124,198)
(a)Interest on Deposits	320,664	491,625	(170,961)
Fees & Commissions	71,316	49,609	21,707
Other Operating Expenses	40,725	17,157	23,568
General and Administrative Expenses	517,241	494,105	23,136
Other Expenses	1,258,726	1,304,821	(46,095)
Operating Profit / (Loss)	(776,190)	(403,600)	(372,590)
Extraordinary Profit	73,995	307,830	(233,835)
Extraordinary Loss	4,063	4,580	(517)
Income/ (Loss) Before Income Taxes	(706,257)	(100,349)	(605,908)
Income Taxes			
(a)Current	10,582	106,695	(96,113)
(b)Deferred	(228,401)	(118,247)	(110,154)
Minority Interest in Net Income of Consolidated Subsidiaries	(9,172)	133	(9,305)
Equity in Earnings of Affiliates	--	629	(629)
Net Income / (Loss)	(479,266)	(88,301)	(390,965)

Note: Figures of less than one million yen are rounded down.

INFORMATION ON BUSINESS RESULT
COMPARATIVE CONSOLIDATED STATEMENTS OF EARNED SURPLUS
(SELECTED DATA)

Year Ended March 31	1999	1998	Millions of Yen Inc./.(Dec.)
Balance of Consolidated Eaned Surplus at Beginning of Year	670,761	686,339	(15,578)
(a)Earned Surplus	559,131	686,339	(127,208)
(b)Legal Reserve	111,630	--	111,630
Additions	5,103	--	5,103
(a)Increase of Earned Surplus Due to the Change of Scope of Consolidated Subsidiaries	3,275	--	3,275
(b)Increase of Earned Surplus Due to the Change of Scope of Companies Accountedfor Using the Equity Method	1,827	--	1,827
Deductions	32,269	38,906	(6,637)
(a)Transfer to Legal Reserve	--	6,484	(6,484)
(b)Dividend Paid	32,269	32,422	(153)
Net Income/(Loss)	(479,266)	(88,301)	(390,965)
Balance of Consolidated Eaned Surplus at End of Year	164,329	559,131	(394,802)
Balance of Eaned Surplus at End of Year	--	559,131	(559,131)

Note: Figures of less than one million yen are rounded down.

APPENDIX : SEGMENT INFORMATION

1. BUSINESS SEGMENT INFORMATION

Some of the consolidated subsidiaries are engaged in securities, trust, leasing and other businesses in addition to the commercial banking business. As those activities are not deemed material, business segment information has not been disclosed.

2. GEOGRAPHIC SEGMENT INFORMATION

Year Ended March 31, 1998						Asia	Inter-area	Consolidated
Millions of Yen	Domestic	Americas	Europe	and Oceania	Subtotal	Elimination	Total	
Operating Income								
Customers	2,131,277	94,646	135,070	252,703	2,613,698	--	2,613,698	
Inter-segment	229,443	150,975	44,388	9,489	434,297	(434,297)	--	
Total	2,360,720	245,622	179,459	262,192	3,047,995	(434,297)	2,613,698	
Operating Expenses	2,787,703	236,174	176,829	249,415	3,450,122	(432,823)	3,017,298	
Operating Profit	(426,982)	9,447	2,630	12,777	(402,126)	(1,473)	(403,600)	
Assets	45,723,010	3,290,017	2,062,609	4,931,856	56,007,494	(2,847,164)	53,160,330	
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Year Ended March 31, 1999						Asia	Inter-area	Consolidated
Millions of Yen	Domestic	Americas	Europe	and Oceania	Subtotal	Elimination	Total	
Operating Income								
Customers	1,602,689	188,936	168,259	179,341	2,139,226	--	2,139,226	
Inter-segment	172,340	101,640	1,951	2,325	278,257	(278,257)	--	
Total	1,775,029	290,576	170,210	181,666	2,417,484	(278,257)	2,139,226	
Operating Expenses	2,555,086	292,774	176,029	169,107	3,192,997	(277,580)	2,915,416	
Operating Profit	(780,057)	(2,198)	(5,819)	12,558	(775,514)	(676)	(776,190)	
Assets	45,516,552	2,577,289	1,070,154	2,887,072	52,051,068	(3,036,064)	49,015,005	

Notes: For this fiscal year, operating income or expenses of the Bank's head office, branches and subsidiaries are classified as Domestic or Foreign, according to the geographic closeness, the similarities of the economic activities, and the relevancy of the business activities. Foreign operating income or expenses are then classified as those of "Americas," "Europe," and "Asia and Oceania." The above table shows the operating income, corresponding to the sales figures ordinarily cited here by nonfinancial companies

3. OPERATING INCOME FROM INTERNATIONAL OPERATIONS

Year Ended March 31	Millions of Yen	
	1999	1998
International Operations (A)	839,959	975,899
Consolidated Total Income (B)	2,139,226	2,613,698
(A) / (B)	39.3%	37.3%

Notes: 1. For the banking industry, total income from international operations is generally seen as corresponding to the net export sales figures ordinarily cited here by non-financial companies. Thus, operating income from international operations is shown in the above table.

2. Operating income from international operations include that related to transactions denominated in foreign currencies, trade bill transactions denominated in yen, transactions with nonresidents, off-shore account transactions, and transactions of the Bank's foreign branches and foreign subsidiaries. Segment information by countries and regions has not been disclosed here as the counter parties of the transactions have not been separated by such manner.