

## 1. Outline of the financial statement for the fiscal 1998

### (1) Income Data

Years Ended March 31		1999			1998
		(a)	(a)-(b)	(*)	(b)
<b>Gross Operating Profit</b>	1	699.1	(31.2)	9.2	730.3
Domestic	2	627.2	11.8	-	615.4
International	3	71.9	(43.0)	-	114.9
Interest	4	567.5	(26.5)	2.1	594.0
Fees and Commissions	5	53.5	(14.2)	(6.4)	67.7
Trading	6	10.8	1.6	2.1	9.2
Other Operating	7	67.2	8.0	11.3	59.2
<b>General and Administrative Expenses</b> [-]	8	425.0	(9.8)	(6.6)	434.8
Personnel	9	178.1	(17.5)	(1.8)	195.6
Non-Personnel	10	223.0	18.7	(4.0)	204.3
Taxes	11	23.8	(11.0)	(0.9)	34.8
<b>Net Operating Profit(excluding (A))</b>	12	274.1	(21.3)	15.8	295.4
<b>Net Operating Profit(including (A))</b>	13	172.9	(120.8)	13.5	293.7
<b>Loan Losses</b> [-]	14	1,023.5	(157.5)	29.3	1,181.0
Transfer to Reserve for Possible Loan Losses (A)	15	101.1	99.4	2.2	1.7
Net Addition to Specific Reserves and Direct Written-off etc.	16	546.0	(66.1)	(23.2)	612.1
Losses on Financial Assistance to Supported Companies	17	331.9	26.2	43.9	305.7
Losses on Sales of Loan to CCPC	18	44.4	(217.0)	6.3	261.4
Gains/(Losses)on Stock and Other Securities	19	12.5	(520.5)	(0.6)	533.0
Others	20	(17.3)	47.4	(8.3)	(64.7)
<b>Operating Profit/(Loss)</b>	21	(754.1)	(336.9)	(22.3)	(417.2)
Extraordinary Profit/(Loss)	22	105.4	(196.5)	5.4	301.9
Income Taxes	23	(273.3)	(378.5)	(14.1)	105.2
<b>Net Income/(Loss)</b>	24	(375.3)	(154.8)	(2.7)	(220.5)
<b>Stockholders' Equity</b>	25	2,223.5	925.4	53.5	1,298.1
<b>ROE&lt;Based on Net Operating Profit&gt;</b>	26	15.6%	(5.2%)	-	20.7%

$$\text{ROE} = \frac{\text{Net Operating Profit(excluding Reserve for Possible Loan Losses)}}{(\text{Stockholder's equity at the beginning of the term} + \text{Stockholder's equity at the end of the term})/2}$$

(\*) Difference from the figures in Bank's "Plan Toward Soundness of Management"

### (2) Capital Ratio

#### Capital Ratio (Consolidated, BIS Guidelines)

		Billions of Yen		
		March 31, 1999	September 30, 1998	March 31, 1998
Total Capital	27	4,120.6	3,450.1	3,422.7
Tier I	28	2,395.8	1,725.0	1,711.3
Tier II	29	1,724.7	1,725.0	1,711.3
Risk-Adjusted Assets	30	33,399.2	35,914.3	37,500.7
<b>Capital Ratio</b>	31	12.33%	9.60%	9.12%

#### Capital Ratio (Non-Consolidated, BIS Guidelines)

		Billions of Yen	
Total Capital	32	4,031.9	
Tier I	33	2,447.4	
Tier II	34	1,584.4	
Risk-Adjusted Assets	35	32,560.7	
<b>Capital Ratio</b>	36	12.38%	

## 2. Problem Loans

### <Disclosure under "Financial Revitalization Law" and "Risk Monitored Loans">

March 31, 1999

Billions of Yen

Self-Assessment of Asset Quality	Standard under Financial Revitalization Law		"Risk Monitored Loans"	
			Former Standard	New Standard
Legal Bankruptcy	Direct Written-off	(395.8)	Direct Written-off	(389.3)
	Bankruptcy etc.	(186.6)	Legal Bankruptcy	146.8
	Claims Excluding Loans and Bills Discounted	21.5	Past Due Loans (3 months or more)	5.1
			Restructured Loans	13.1
			(*)3	(*)3
Virtual Bankruptcy	Direct Written-off	(391.1)	Direct Written-off	(390.6)
	Bankruptcy etc.	203.5	Past Due Loans	291.9
	Claims Excluding Loans and Bills Discounted	4.9	Past Due Loans (3 months or more)	114.6
Possible Bankruptcy	In Danger of Bankruptcy	809.2	Restructured Loans	43.5
	Claims Excluding Loans and Bills Discounted	12.9		(544.7 *1)
			(*)3	(*)3
Caution	Special Attention	600.5	Past Due Loans (3 months or more)	58.9
			Restructured Loans (Affiliated Nonbank 318.0)	541.6 (Affiliated Nonbank 318.0)
Total		1,800.0		1,215.8
	Claims Excluding Loans and Bills Discounted	39.5		1,760.5
Total	Secured Ratio(*2)	72.9%		72.5%
	% to the Claims (*3)	5.0%		5.5%
Excluding Affiliated Nonbank Institutions	Secured Ratio(*2)	78.9%		78.6%
	% to the Claims (*3)	4.0%		4.5%
(*4)	Secured Ratio(*2)	86.1%		85.8%
	% to the Claims (*3)	3.4%		3.6%

(\*1)The Bank precautionary made specific reserve for the Loans, which were not regarded as "Past Due loans" under the former standard.

(\*2)Percentage of the claims secured by collateral, guarantees and reserve against all the claims.

(\*3) The Claims under "Financial Revitalization Law" covers the claims including loans and bills discounted.

(\*4) ("Risk Monitored Loans" is limited to loans and bills discounted.)

(\*4) "Bankruptcy etc." and "In Danger of Bankruptcy", or "Legal Bankruptcy" and "Past Due Loans".

### (Change of the Standard of "Risk Monitored Loans")

#### Change to the Standard based on the Self-Assessment of Asset Quality

##### New Standard

"Loans to Borrowers in Bankruptcy" is the same as the claims classified into "Legal Bankruptcy" under the self-assessment of asset quality and "Past Due Loans" is the same as the claims classified into "Possible Bankruptcy" and "Virtual Bankruptcy" under the self-assessment. Interests receivable accrued from the loans are not recognized as accrual for the accounting purpose.

##### Former Standard

###### "Legal Bankruptcy"

The loans, where the borrowers are in legal bankruptcy

###### "Past Due Loans"

The loans, on which interest is past due more than 6 months

( are the loans from which interests receivable accrued are not recognized as accrual for the accounting purpose)

<Risk Monitored Loans> (Consolidated) (March 31,1999)

Billions of Yen

	Consolidated	Difference From "Non-Consolidated"
Legal Bankruptcy / Past Due Loans	1445.4	285.5
Past Due Loans ( 3 months or more)	84.3	25.4
Restructured Loan	237.1	(304.5)
Total	1766.8	6.3

	Total Number	Standard Under the Control Concept
Number of Subsidiaries	53	9
Number of Affiliated Companies Accounted for Using the Equity Method	39	31

### 3. Plans for Restructuring

#### Outline of Restructuring Plan

##### 1. Efficiency of Human Resources and Branch Network

- (1) Reduce Number of Branches Through Delivery Channel Reform
- (2) Streamline / Reduce Number of Offices in the U.S. and Europe
- (3) Reduce Headquarters' Staff Through BPR (Business Process Reengineering) Promotion

(Plans From FY1997 through FY2002)

- Reduce 4,200 Employees (Reduce over 10,000, nearly 50% from its Peak in 1990)
- Domestic Network: Reduce almost 140 Branches ( 40% Reduction from its peak)  
Shift to Next Generation - Type Channels, such as Tie - Up with CVSs, etc.
- Overseas Network: Restructuring to Virtually 14 Offices, Comprizing of 5 Core Offices and Function- Specific Offices (70% Reduction from its Peak)

Expenses are to be Reduced by 45 Billion Yen in FY 2002 compared with those in FY 1997

##### 2. Measures

- (1) Introduce New Personnel System with emphasis on Employees Performance / Achievement ( July, 1999)
- (2) Review the Level of Employee's Bonuses ( Reduction by about 30% )
- (3) Reduce Number of Directors and Reform the Compensation Structure ( scheduled )
- (4) Enhance " Early Retirement Plan" ( New Career Selection Supporting Plan)
- (5) Review Welfare Facilities / Systems ( Closure/ Sales of its Clubhouses, Recreation facilities etc.)
- (6) Reduce Dramatically Non-Personnel Expenses Through the Revision of Procurement Process
- (7) Concentrate on IT Strategic Investments for the Purpose of Responding to Customers Needs and Strengthening Competitiveness

#### Expenses

Years Ended March31	Billions of Yen					(Reference)	
	1998 (b)	(*)1999 (c)	1999 (a)	(a)-(b)	(a)-(c)	(*)2003 (d)	(d)-(b)
Expenses	434.9	431.6	425.0	(9.9)	(6.6)	390.4	(44.5)
Personnel	195.7	179.9	178.1	(17.6)	(1.8)	152.1	(43.6)
Non-Personnel	204.4	227.0	223.1	18.7	(3.9)	214.4	10.0
Taxes	34.8	24.7	23.8	(11.0)	(0.9)	23.9	(10.9)

(\*)Figures stated in the Bank's "Plan toward Soundness of Management"

#### Number of Employees and Offices

March 31	Billions of Yen					(Reference)	
	1998 (b)'	(*)1999 (c)'	1999 (a)'	(a)'-(b)'	(a)'-(c)'	(*)2003 (d)'	(d)'-(b)'
Total Domestic Offices	493	469	469	(24)	0	352	(141)
Domestic Branches	430	412	412	(18)	0	319	(111)
Total Overseas Offices	40	32	32	(8)	0	19	(21)
Overseas branches	23	18	18	(5)	0	13	(10)
Overseas Subsidiaries	23	22	22	(1)	0	19	(4)
Employees	17,420	16,700	16,330	(1,090)	(370)	13,200	(4,220)

(\*) Figures stated in the Bank's "Plan toward Soundness of Management"

#### 4. Performance Projection for FY1999

##### (1) Income Data

Billions of Yen

		FY1999	Change from FY1998
Net Operating profit (excluding(A))	1	305.0	30.9
Net Operating profit (including(A))	2	310.0	137.1
Loan losses	3	100.0	(923.5)
Transfer to Reserve for Possible Loan Losses(A)	4	(5.0)	(106.1)
Net Addition to Specific Reserves and Direct Written-off etc.	5	105.0	(817.3)
Others	6	(80.0)	(75.3)
Operating Profit / (Loss)	7	125.0	879.1
NetIncome / (Loss)	8	76.0	451.3

##### (2) Capital Ratio

	FY1999
Capital ratio ( Consolidated, BIS guidelines)	Approximately 12.3%

#### 5. Others

##### (1) Balance of Loans and Bills Discounted

Billions of yen

		March 31, 1999	Change from September30, 1998
Total	1	32,291.2	(2,584.8)
International	2	1,971.9	(1,045.5)
Domestic	3	30,319.3	(1,539.3)
Including Impact Loan	3	30,319.3	(1,539.3)
Excluding Impact Loan	4	28,712.3	(1,124.7)

After Taking Written-off, Sales of Domestic  
Loans and Bills Discounted etc. into Consideration :

Domestic	Including Impact Loan	5	31,660.9	(147.0)
	Excluding Impact Loan	6	30,053.9	267.6
Small and Medium- Sized Enterprises	Including Impact Loan	7	15,016.2	191.9
	Excluding Impact Loan	8	14,521.5	276.6

**(2) Loan Balance to Asia, Latin America and Russia**

Billions of yen

	March 31, 1999				
		Japanese	Non-Japanese	Financial Institutions	Sovereign
<b>Asia</b>	863.4	209.5	504.0	119.0	30.8
<b>Indonesia</b>	163.2	27.3	79.7	49.1	6.9
<b>Thailand</b>	172.6	74.0	93.0	5.0	0.6
<b>Republic of Korea</b>	115.7	1.1	54.6	59.4	0.4
<b>Republic of China</b>	83.2	25.2	39.7	3.9	14.3
<b>Hong Kong</b>	188.7	35.1	153.5	-	-
<b>Malaysia</b>	31.4	5.1	19.2	-	6.9
<b>Singapore</b>	60.0	38.1	21.9	-	-
<b>India</b>	37.9	3.0	33.4	-	1.3
<b>Others</b>	10.3	0.0	8.7	1.4	0.0
<b>Latin America</b>	25.1	2.4	14.0	1.7	6.8
<b>Russia</b>	0.1	-	-	-	0.1

**(3) Loans and Bills Discounted by Industry**

Billions of Yen

	March 31,1999	September 30,1998	Change
<b>Financing and Insurance</b>	2,624.3	2,898.7	(274.4)
<b>Construction</b>	1,530.7	1,635.4	(104.7)
<b>Real Estate</b>	4,426.7	4,673.8	(247.1)