

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

**CORPORATE AND STOCK INFORMATION**

HEAD OFFICE : 3-1, Kudan Minami, 1-chome, Chiyoda-ku, Tokyo, Japan  
 ACCOUNTING PERIOD : Year Ending March 31  
 DISBURSAL OF INTERIM DIVIDENDS : To be disbursed  
 DATE OF APPROVAL BY THE BOARD OF DIRECTORS : May 21, 1999  
 DATE OF STOCKHOLDERS' MEETING : June 29, 1999

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

**(1) PRINCIPAL INDICATORS**

Years Ended March 31	Millions of Yen			
	1999	Inc./(Dec.)	1998	Inc./(Dec.)
Operating Income	1,937,086	(23.4%)	2,527,364	(0.3%)
Operating Profit / (Loss)	(754,187)	--	(417,223)	--
Net Income / (Loss)	(375,315)	--	(220,516)	--
Net Income / (Loss) Per Share (yen)	(97.63)	--	(62.93)	--
Net Income / (Loss) Per Share After Assuming Dilution (yen)	--	--	--	--
Return on Stockholders' Equity	--	--	--	--
Operating Expenses to Income Ratio	138.9%		116.5%	
Total Deposits	30,110,714		32,825,723	

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

2. Number of shares outstanding (average) :

Thousand	Year Ended March 31	
	1999	1998
Ordinary Share	3,847,567	3,533,779
Preference Share (Series I)	--	24,422
Preference Share (Series II)	19,946	64,096
Preference Share (Series III)	2,192	--

3. Accounting procedures are in accordance with generally accepted standards for preparation of financial accounts in Japan and there is no change in accounting methods.

4. From this fiscal year, the Bank adopts tax effect accounting.

5. Series I Preference Shares were fully converted to Ordinary Shares on October 1, 1997.

**(2) DIVIDEND PER SHARE**

Years Ended March 31	1999		1998	
	Ordinary		Ordinary	
Annual Dividend per Share (yen)	7.25		8.50	
Interim-end (yen)	4.25		4.25	
Year-end (yen)	3.00		4.25	
Total Annual Dividend (millions of yen)	28,203		30,478	
Dividend Payout Ratio	-- %		-- %	
% of Total Annual Dividend to Stockholders' Equity	2.0%		2.4%	

**(3) FINANCIAL POSITION**

Millions of Yen	March 31	
	1999	1998
Total Assets	47,208,716	51,650,386
Stockholders' Equity	2,223,521	1,298,113
Equity Ratio	4.7%	2.5%
Stockholders' Equity per Share (yen)	343.10	332.08
Capital Ratio (Consolidated, BIS Guidelines)	12.33%	9.12%

Notes: 1. Number of shares outstanding were as follows:

Thousand *	March 31	
	1999	1998
Ordinary Share (50 yen par value)	4,083,121	3,747,135
Preference Share (No par value) (Series II)	11,307	26,883
(Series III)	800,000	--

\* One trading unit consists of 1,000 shares

2. Unrealized Gain / (Losses) of Listed Securities : (156,032) million yen

3. Unrealized Gain / (Losses) of Derivative Financial Instruments : 117,642 million yen

4. Capital Ratio (Non-Consolidated) : 12.38%.

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

Millions of Yen	Interim	Annual
Operating Income	850,000	1,700,000
Operating Profit	45,000	125,000
Net Income	30,000	76,000
Dividend per Ordinary Share (yen)	3.00	6.00
Net Income per Share (yen)	--	15.89

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

**NON-CONSOLIDATED BALANCE SHEET**

March 31, 1999

Millions of Yen

<b>Assets</b>		<b>Liabilities &amp; Stockholders' Equity</b>	
Cash and Due from Banks	1,413,680	<b>Liabilities</b>	
(a)Cash	737,108	Deposits	30,110,714
(b)Due from Banks	676,571	(a)Current Deposits	1,776,541
Call Loans	84,978	(b)Ordinary deposits	7,113,846
Commercial Paper and Other Debt Purchased	2,182	(c)Savings Deposits	520,396
Trading Assets	1,091,216	(d)Deposits at Notice	3,598,381
(a)Trading Securities	220,066	(e)Time Deposits	15,086,887
(b)Derivatives of Trading Securities	12	(f)Installment Savings	19
(c)Derivatives of Securities Related to Trading Transactions	20	(g)Others	2,014,640
(d)Trading-related Financial Derivatives	157,904	Negotiable Certificates of Deposits	2,854,907
(e)Other Trading Assets	713,212	Call Money	2,204,641
Money Held in Trust	151,470	Bills Sold	130,900
Securities	6,217,570	Commercial Paper	567,000
(a)Japanese Government Bonds	1,404,591	Trading Liabilities	194,133
(b)Japanese Local Government Bonds	121,455	(a)Trading Securities Sold for Short Sales	4,834
(c)Corporate Bonds	381,061	(b)Derivatives of Trading Securities	80
(d)Corporate Stocks	3,291,097	(c)Derivatives of Securities Related to Trading Transactions	3
(e)Others	1,001,079	(d)Trading-related Financial Derivatives	189,215
(f)Securities Lent	18,284	Borrowed Money	1,960,790
Loans and Bills Discounted	32,291,263	(a)Bills Rediscounted	9,190
(a)Bills Discounted	431,290	(b)Borrowings from Other Banks	1,951,600
(b)Loans on Bills	3,484,595	Foreign Exchanges	35,170
(c)Loans on Deeds	21,729,480	(a)Due to Foreign Bank Credits	20,102
(d)Overdrafts	6,645,897	(b)Due to Foreign Bank Debits	6,390
Foreign Exchanges	320,981	(c)Foreign Bills of Exchange Sold	2,951
(a)Due from Foreign Bank Credits	23,233	(d)Foreign Bills of Exchange Payable	5,726
(b)Due from Foreign Bank Debits	5,047	Corporate Bonds	100,000
(c)Foreign Bills of Exchange Bought	179,254	Convertible Bonds	2,208
(d)Foreign Bills of Exchange Receivable	113,446	Other Liabilities	2,946,007
Other Assets	1,654,079	(a)Domestic Exchange Settlement Account	529
(a)Prepaid Expenses	41,285	(b)Reserve for Taxes	11,215
(b)Accrued Income	623,929	(c)Accrued Expenses	418,749
(c)Guarantee Deposits on Futures	10,246	(d)Unearned Income	31,105
(d)Market-to-market for Futures	23,614	(e)Employees' Deposits	29
(e)Securities Held in Custody	599,389	(f)Reserve for Interest on Installment Savings	0
(f)Others	355,613	(g)Guarantee Deposit from Customers on Futures	169
Premises and Equipment	346,840	(h)Market-to-Market for Futures	4,232
(a)Land, Building and Equipment	236,278	(i)Trading Account Bonds Borrowed	12,500
(b)Construction in Process	412	(j)Securities Borrowed	586,720
(c)Fixed Leasehold Deposits	110,149	(k)Deposit for Security Lending Transaction	882,057
Deferred Tax Assets	677,740	(l)Accounts Payable for Trading Transaction	575,514
Customers' Liabilities for Acceptance and Guarantees	2,956,710	(m)Other (Sundry Liabilities)	423,184
<b>Total Assets</b>	<b>47,208,716</b>	Reserve for Possible Loan Losses	735,562
		Reserve for Retirement Allowances	36,484
		Reserve for Possible Losses from Loans Sold	
		to the Cooperative Credit Purchasing Company	114,812
		Other Reserves Required by Special Law	9
		(a)Res. for Contingent Liabilities from Broking of	
		Financial Futures Transactions	9
		Deferred Tax Liability for Revaluation	35,140
		Acceptances and Guarantees	2,956,710
		<b>Total Liabilities</b>	<b>44,985,195</b>
		<b>Stockholders' Equity</b>	
		Capital Stock	1,042,706
		Legal Reserve	1,017,605
		(a)Capital Surplus	899,521
		(b)Earned Reserve	118,084
		Land Revaluation Excess	48,928
		Earned Surplus	114,281
		(a)Voluntary Reserve	91,025
		(a.1)Reserve for Losses on Overseas Investments	34
		(a.2)Reserve for Retirement Allowances	166
		(a.3)Special Voluntary Earned Reserve	90,825
		Undivided Profit at the End of the Term	23,255
		Net Income / (Loss)	(375,315)
		<b>Total Stockholders' Equity</b>	<b>2,223,521</b>
		<b>Total Liabilities and Stockholders' Equity</b>	<b>47,208,716</b>

See accompanying notes to balance sheet.

Notes

1. Japanese yen accounts are presented in millions of yen and are rounded down to the nearest million yen.
2. Trading account positions representing earnings or losses derived from trades made for the purpose of seeking to capture gains arising from short-term changes in interest rates, currency exchange rates, or market prices of securities and other market related indices or from gaps among markets are included in trading assets and trading liabilities on a trade date basis.

Trading securities and monetary claims purchased for trading purposes recorded in these accounts are stated at market value and financial derivatives related to trading transactions are at the amounts that would be settled if they were terminated at the end of the fiscal year.

3. Securities are carried at cost determined by the moving average method. Valuation of securities held in individually managed money trusts for asset management purposes are determined by the same method.
4. Depreciation of premises and equipment is computed in accordance with the Accounting Standards for Banks issued by Bankers Association of Japan (The former name, Federation of Bankers Association of Japan) as follows:

*Buildings acquired before April 1, 1998:* Computed by the declining balance method at the rate prescribed by the Corporate Tax Law.

*Buildings acquired on and after April 1, 1998:* Computed by the straight-line method at the rate prescribed by the Corporate Tax Law according to the amendment of the Corporate Tax Law. The effect of this application was to decrease operating loss and loss before income taxes by ¥13 million.

*Equipment:* Computed by the declining balance method at the rate prescribed by the Corporate Tax Law.

*Others:* Computed by the method prescribed by the Corporate Tax Law.

As the estimated useful lives of depreciable assets established by the law were shortened, those of the buildings were changed according to the Corporate Tax Law. The effect of this application was to increase operating loss and loss before income taxes by ¥335 million.

5. All share issue costs are charged to expense as they are incurred.
6. Assets and liabilities denominated in foreign currencies and the accounts of overseas branches are translated into yen at the exchange rates prevailing at the balance sheet date.
7. The reserve for possible loan losses of the Bank has been established based on the Bank's internal rules for establishing a reserve for possible loan losses, in accordance with the Accounting Standards for Banks issued by Bankers Association of Japan.

Customers are initially classified into ten categories, in accordance with the Bank's own credit rating system. All claims that the Bank extended to its customers are classified into five categories for self-assessment purposes such as "normal," "caution," "possible bankruptcy," "virtual bankruptcy" and "legal bankruptcy," as defined by the report of the Japanese Institute of Certified Public Accountants ("JICPA").

The reserve for possible loan losses is calculated based on the specific actual past loss ratio for normal and caution categories, and the fair value of the collateral for collateral-dependent loans and other factors of solvency for other self-assessment categories.

For foreign claims, there is a reserve for loans to restructuring countries which has been established based on losses estimated by considering political and economic situations in those countries.

All claims are being assessed by the branches and credit supervision divisions based on the Bank's internal rules for the self-assessment of asset quality. The Asset Review and Inspection Division, which is independent from branches and credit supervision divisions, conducts audits of these assessments.

For collateral or guaranteed claims of "virtual bankruptcy" and "legal bankruptcy," the amount exceeding the estimated value of collateral or guarantees is deducted, as deemed uncollectible, directly from those claims. The deducted amount is ¥789,439 million.

8. In conformity with the Accounting Standards for Banks issued by Bankers Association of Japan, the Bank's reserve for retirement allowances is stated based on the amount which would be required to be paid if all employees covered by the retirement allowances plan were to terminate their employment voluntarily at the balance sheet date.
9. The "Reserve for Possible Losses from Loans Sold to the Cooperative Credit Purchasing Company ("CCPC")" represents the amount that the Bank recognized as necessary for possible losses arising from loans sold to the CCPC after considering the values of the real estate mortgaged for those loans and estimating the possibility of future losses on those loans.
- The "Reserve for Possible Losses from Loans Sold to CCPC" is established in accordance with Article 287-2 of the Commercial Code.

10. Finance Leases except for leases which transfer the ownership to the lessee are treated as rental transactions.
11. Consumption tax and local consumption tax payments are accounted for as independent items.
12. Other Reserve required by Special Law are as follows:

*Reserve for Contingent Liabilities from Broking of Futures Transactions*

This reserve was established in accordance with Article 82 of the Financial Futures Transaction Law.

13. Until the prior fiscal year, corporate taxes, inhabitant tax and enterprise taxes were calculated based on the taxable income of each fiscal year. From this fiscal year, the Bank adopts tax effect accounting and the effect of this application was to increase total assets by ¥677,740 million, to decrease net loss by ¥279,923 million, and to increase retained earnings by ¥677,765 million.
14. The Bank's securities holdings include ¥3 million of treasury stock.
15. Total value of stock held of subsidiaries accounted to ¥222,939 million.
16. Total value of all claims on subsidiaries of the Bank accounted to ¥489,617 million.
17. Total value of claims of subsidiaries on the parent bank amounted to ¥1,608,188 million.
18. Accumulated depreciation of the Bank's premises and equipment amounted to ¥245,567 million.
19. Advanced depreciation of the Bank's premises and equipment amounted to ¥35,110 million.
20. In addition to the Bank's premises and equipment which are on the balance sheet, a part of the Bank's electronic computer systems are in use by lease.
21. Loans and Bills Discounted includes:

*Loans to borrowers in bankruptcy:* ¥165,105 million

*Past due loans* : ¥994,862 million

From this fiscal year, "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 both of them are not recognized as accrual for the accounting purpose.

As certain interests receivable are not included in interest income as the results of the self-assessment of asset quality, Loans to borrowers in bankruptcy and Past due loans above include the claims that should be classified into the loans shown below if the criteria of claim classification based on the Corporate Tax Law, which the Bank adopted in the prior fiscal year, were used in this fiscal year.

For *Loans to borrowers in bankruptcy*:

*Past due loans (3 months or more)* : ¥5,107 million

*Restructured loans* : ¥13,145 million

For *Past due loans*:

*Past due loans (3 months or more)* : ¥114,636 million

*Restructured loans* : ¥43,580 million

*Loans not regarded as Past due loans* : ¥544,718 million.

Due to the directly deducted claims mentioned above, Loans to borrowers in bankruptcy and Past due loans are

decreased by ¥389,384 million and ¥390,658 million, respectively.

22. Past due loans (3 months or more) amounted to ¥58,962 million.

“Past due loans (3 months or more)” consisted of loans for which the principal and /or interest is three months or more past due but exclude “loans to borrowers in bankruptcy” and “past due loans.”

23. Restructured loans amount to ¥541,634 million.

“Restructured loans” are loans in respect of which the Bank is relaxing lending conditions such as reduction of the original interest rate, forbearance of interests payments and principal repayments to support the borrowers’ reorganization but exclude “loans to borrowers in bankruptcy”, “Past due loans” and “Past due loans (3 months or more).”

24. Total of “Loans to borrowers in bankruptcy”, “Past due loans” and “Past due loans (3 months or more)” amounted to ¥1,760,563 million.

25. Total principal balance of loans transferred to the participating entities under loan participation agreements, which are accounted for as sold, based on Report No.3 Committee for Accounting System of the JICPA, was ¥578,900 million.

26. Under the Law of Land Revaluation, effective on March 31, 1998, the Bank elected the one-time revaluation for its own-use land to current value based on real estate appraisal information as of March 31, 1998. Until the prior fiscal year, the amounts of unrealized appreciation of land is stated as a liability. From this fiscal year, as the revision of the Law, effective on March 31, 1999, the amount of equivalent to the tax on the reserve is provided as “Deferred tax liability for Revaluation”, and the reserve out of the amount of revaluation deferred tax liability is included in stockholders’ equity as “Land revaluation excess”.

The effect of this application was to decrease liabilities and to increase stockholder’s equity by ¥48,928 million, respectively.

*The date of reassessment:* March 31, 1998

*The reassessment of land used for banking business was rationally made, reflecting appropriate adjustments for land shape, timing of the appraisal, etc., based on the appraisal reports for real estate issued by real estate appraisers under “Law Concerning Reassessment of Real Property”.*

The difference between the market value of land used for banking business at the end of this fiscal year and the book value of land used for banking business after reassessment: ¥12,265 million

27. At the balance sheet date, the balance of the subordinated debt of borrowings was ¥1,691,341 million.

28. “Corporate Bonds” were subordinated bonds with no scheduled maturity.

29. Net loss per share was ¥97.62

30. The settled but unpaid amounts related to trading activities transactions and secured amounts related to lending bond, both of which were previously included in “Other liabilities,” are shown separately in “Deposit for security lending transaction” and “Accounts payable-other for trading transaction” in this fiscal year.

**NON-CONSOLIDATED STATEMENT OF INCOME**

Year Ended March 31, 1999	Millions of Yen
<b>Operating Income</b>	<b>1,937,086</b>
Interest Income	1,542,712
(a)Interest on Loans and Discounts	860,757
(b)Interest and Dividends on Securities	132,213
(c)Interest on Call Loans	4,410
(d)Interest on Bills Purchased	8
(e)Interest on Deposits with Banks	47,798
(f)Interest on Interest Swaps	398,020
(g)Other Interest Income	99,504
Fees and Commissions	103,679
(a)Domestic and Foreign Exchange	51,898
(b)Others	51,780
Trading Revenue	10,824
(a)Revenue from Trading Securities and Derivatives	2,404
(b)Revenue from Securities and Derivatives related to Trading Transactions	0
(c)Revenue from Trading-related Financial Derivatives Transactions	5,030
(d)Other Trading Revenue	3,389
Other Operating Income	104,365
(a)Gains on Foreign Exchange Transactions	22,129
(b)Gains on Sales of Bonds	78,346
(c)Gains on Redemption of Bonds	3,011
(d)Others	878
Other Income	175,504
(a)Gains on Sales of Stocks and Other Securities	150,916
(b)Gains on Money Held in Trust	2,013
(c)Others	22,574
<b>Operating Expenses</b>	<b>2,691,274</b>
Interest Expenses	979,218
(a)Interest on Deposits	314,030
(b)Interest on Negotiable Certificates of Deposits	31,912
(c)Interest on Call Money	32,414
(d)Interest on Bills Sold	1,944
(e)Interest on Commercial Paper	2,760
(f)Interest on Borrowed Money	68,101
(g)Interest on Corporate Bonds	1,825
(h)Interest on Convertible Bonds	92
(i)Interest on Interest Swaps	382,728
(j)Other Interest Expenses	143,407
Fees & Commissions	50,173
(a)Domestic and Foreign Exchange	11,677
(b)Others	38,496
Other Operating Expenses	37,082
(a)Losses on Sales of Bonds	21,090
(b)Losses on Redemption of Bonds	7,253
(c)Losses on Diminution in Value of Bonds	1,873
(d)Others	6,865
General and Administrative Expenses	446,473
Other Expenses	1,178,325
(a)Transfer to Reserve for Possible Loan Losses	558,880
(b)Written-Off Claims	149,326
(c)Losses on Sales of Stocks and Other Securities	40,941
(d)Losses on Diminution in Value of Stocks & Other Securities	97,415
(e)Losses on Money Held in Trust	834
(f)Others	330,928
<b>Operating Loss</b>	<b>754,187</b>
<b>Extraordinary Profit</b>	<b>108,052</b>
(a)Gains on Disposition of Premises and Equipment	108,037
(b)Collection of Written-off Claims	15
<b>Extraordinary Loss</b>	<b>2,553</b>
(a)Losses on Disposition of Premises and Equipment	2,552
(b)Transfer to Res. for Contingent Liabilities from Broking of Financial Futures Transactions	0
<b>Loss Before Income Taxes</b>	<b>648,688</b>
Income Taxes	
Current	6,550
Deferred	(279,923)
<b>Net Loss</b>	<b>375,315</b>
Undivided Profit Brought Forward from Previous Term	20,100
Adjustment for Past Tax Effect	397,816
Transfer from Reserve for Losses on Overseas Investments due to Adoption of Tax Effect Accounting	24
Interim Dividends Paid	16,142
Transfer to Legal Reserve	3,228
Undivided Profit at the End of the Term	23,255

*See accompanying notes to balance sheet.*

Notes:

1. Japanese yen accounts are presented in millions of yen and are rounded down to the nearest million yen.
2. Total income from the operation with subsidiaries was ¥175,358 million.  
Total expenses from the operation with subsidiaries were ¥274,337 million.
3. Trading revenue and trading expenses include interest received and paid, the amount of increases/decreases in evaluation gains/losses on the balance sheet date for securities and monetary claims, and amounts of increases/decreases of evaluation gains/losses incurred from the estimated settlement price assuming settlement in cash on the balance sheet date for derivatives, compared with that at the end of the previous term.
4. Until the prior fiscal year, Enterprise Tax was included in "Other Operating Expenses". From this fiscal year, it is included in "Income Taxes." No enterprise tax accrued during this fiscal year.
5. "Other expenses" includes ¥189,800 million of Loss on Financial Assistance to Supported Companies.

**NON-CONSOLIDATED STATEMENT OF APPROPRIATION OF PROFIT  
(PROPOSITION)**

Year ended March 31, 1999	Yen
<b>Undivided Profit at the End of the Term</b>	23,255,616,433
<b>Transfer from Voluntary Reserve :</b>	35,004,185,279
(a)Transfer from Reserve for Losses on Overseas Investments	4,185,279
(b)Transfer from Special Voluntary Earned Reserve	35,000,000,000
<b>Total</b>	58,259,801,712
<b>Profit to be Appropriated</b>	14,839,359,728
(a)Transfer to Legal Reserve	2,473,227,000
(b)Dividends on Series II Preference Shares (7.50 yen per share)	84,802,500
(c)Dividends on Series III Preference Shares (Type-2) (0.04 yen per share)	32,000,000
(d)Dividends on Ordinary Shares (3.00 yen per share)	12,249,330,228
<b>Profit Carried Forward to Next Term</b>	43,420,441,984



**COMPARATIVE NON-CONSOLIDATED BALANCE SHEET**  
(SELECTED DATA)

March 31	1999	1998	Millions of Yen Inc./(Dec.)
<b>Assets</b>			
Cash & Due from Banks	1,413,680	2,537,620	(1,123,940)
Call Loans	84,978	256,761	(171,783)
Commercial Paper & Other Debt Purchased	2,182	6,152	(3,970)
Trading Assets	1,091,216	1,303,734	(212,518)
Money Held in Trust	151,470	239,983	(88,513)
Securities	6,217,570	6,449,372	(231,802)
Loan & Bills Discounted	32,291,263	35,083,771	(2,792,508)
Foreign Exchange	320,981	490,679	(169,698)
Other Assets	1,654,079	1,484,502	169,577
Premises & Equipment	346,840	490,062	(143,222)
Deferred Tax Assets	677,740	-	677,740
Customers' Liabilities for Acceptances & Guarantees	2,956,710	3,307,744	(351,034)
<b>Total Assets</b>	<b>47,208,716</b>	<b>51,650,386</b>	<b>(4,441,670)</b>
<b>Liabilities and Stockholders' Equity</b>			
<b>Liabilities</b>			
Deposits	30,110,714	32,825,723	(2,715,009)
Negotiable Certificates of Deposits	2,854,907	3,555,047	(700,140)
Call Money	2,204,641	2,751,121	(546,480)
Bills Sold	130,900	376,100	(245,200)
Commercial Paper	567,000	-	567,000
Trading Liabilities	194,133	298,134	(104,001)
Borrowed Money	1,960,790	2,760,699	(799,909)
Foreign Exchange	35,170	44,061	(8,891)
Corporate Bonds	100,000	100,000	-
Convertible Bonds	2,208	5,365	(3,157)
Other Liabilities	2,946,007	2,910,651	35,356
Reserve for Possible Loan Losses	735,562	1,044,082	(308,520)
Reserve for Retirement Allowances	36,484	40,053	(3,569)
Reserve for Possible Losses from Loans Sold to the Cooperative Credit Purchasing Company	114,812	116,472	(1,660)
Other Reserves	9	8	1
Deferred Tax Liability for Revaluation	35,140	-	35,140
Acceptances & Guarantees	2,956,710	3,307,744	(351,034)
Reserve for Unrealized Appreciation of Land Used for Banking Business	-	217,007	(217,007)
<b>Total Liabilities</b>	<b>44,985,195</b>	<b>50,352,273</b>	<b>(5,367,078)</b>
<b>Stockholders' Equity</b>			
Capital Stock	1,042,706	599,445	443,261
Legal Reserve	1,017,605	568,164	449,441
Land Revaluation Excess	48,928	-	48,928
Earned Surplus	114,281	130,503	(16,222)
Voluntary Reserve	91,025	338,546	(247,521)
Undivided Profit at the end of the Term	23,255	(208,042)	231,297
Net Income / (Loss)	(375,315)	(220,516)	(154,799)
<b>Total Stockholders' Equity</b>	<b>2,223,521</b>	<b>1,298,113</b>	<b>925,408</b>
<b>Total Liabilities &amp; Stockholders' Equity</b>	<b>47,208,716</b>	<b>51,650,386</b>	<b>(4,441,670)</b>

Notes: Changes in number of shares during the year ended March 31, 1999 were as follows:

	Conversion of Series II Preference Share to Ordinary Share	Capital Enhancement through Third Party Allocation	Issuance of Series III Preference Share
Increased Number of Ordinary Shares (thousand)	62,184	273,802	800,000
Amount Newly Included in Capital (million yen)	--	43,260	400,000

**COMPARATIVE NON-CONSOLIDATED STATEMENT OF INCOME**  
(SELECTED DATA)

Year Ended March 31	1999	1998	Millions of Yen Inc./Dec.)
<b>Operating Income</b>	<b>1,937,086</b>	2,527,364	(590,278)
Interest Income	1,542,712	1,692,779	(150,067)
Interest on Loans and Discounts	860,757	972,696	(111,939)
Interest and Dividends on Securities	132,213	165,477	(33,264)
Fees and Commissions	103,679	113,960	(10,281)
Trading Revenue	10,824	9,297	1,527
Other Operating Income	104,365	73,371	30,994
Other Income	175,504	637,955	(462,451)
 <b>Operating Expenses</b>	 <b>2,691,274</b>	 2,944,588	 (253,314)
Interest Expenses	979,218	1,103,787	(124,569)
Interest on Deposits	314,030	486,172	(172,142)
Fees and Commissions	50,173	46,211	3,962
Other Operating Expenses	37,082	14,123	22,959
General and Administrative Expenses	446,473	456,774	(10,301)
Other Expenses	1,178,325	1,323,692	(145,367)
 <b>Operating Profit</b>	 <b>(754,187)</b>	 (417,223)	 (336,964)
 <b>Extraordinary Profit</b>	 <b>108,052</b>	 305,801	 (197,749)
<b>Extraordinary Loss</b>	<b>2,553</b>	3,843	(1,290)
 Income / (Loss) before Income Taxes	 <b>(648,688)</b>	 (115,265)	 (533,423)
Income Taxes			
Current	6,550	105,251	(98,701)
Deferred	(279,923)	-	(279,923)
<b>Net Income / (Loss)</b>	<b>(375,315)</b>	(220,516)	(154,799)
 Profit Brought Forward from Previous Term	 <b>20,100</b>	 31,927	 (11,827)
Adjustment for Past Tax Effect	397,816	-	397,816
Transfer from Reserve for Losses on Overseas Investments			
Due to Adoption of Tax Effect Accounting	24	-	24
Interim Dividend Paid	16,142	16,210	(68)
Transfer to Legal Reserves	3,228	3,242	(14)
Undivided Profit/(Loss) at the End of the Term	<b>23,255</b>	(208,042)	231,297

**COMPARATIVE NON-CONSOLIDATED STATEMENTS OF APPROPRIATION OF PROFITS  
(PROPOSITION)**  
(SELECTED DATA)

Years Ended March 31	<b>1999</b>	Millions of Yen	
		1998	Inc./Dec.)
<b>Undivided Profit at the End of the Term</b>	<b>23,255</b>	(208,042)	231,297
<b>Transfer from Voluntary Reserve:</b>	<b>35,004</b>	247,507	(212,503)
Transfer from Reserve for Losses on Overseas Investments	4	7	(3)
Transfer from Special Voluntary Earned Reserve	35,000	247,500	(212,500)
<b>Total</b>	<b>58,259</b>	39,464	18,795
<b>Profit to be Appropriated</b>	<b>14,839</b>	19,364	(4,525)
Legal Reserve	2,473	3,225	(752)
Dividends	12,366	16,126	(3,760)
Voluntary Reserve	--	11	(11)
Transfer to Reserve for Losses on Overseas Investment	--	11	(11)
<b>Profit Carried Forward to Next Term</b>	<b>43,420</b>	20,100	23,320

## INFORMATION ON BUSINESS RESULT

### 1. GROSS OPERATING PROFIT

Years Ended March 31 Millions of Yen	1999	1998	Inc./.(Dec.)
(1) Gross Operating Profit (Domestic)	<b>627,268</b>	615,458	11,810
Gross Profit Margin on Domestic Operation	<b>1.74%</b>	1.71%	0.03%
(2) Gross Operating Profit (International)	<b>71,912</b>	114,933	(43,021)
Gross Profit Margin on International Operations	<b>0.96%</b>	1.00%	(0.04%)
(3) Gross Operating Profit (Total)	<b>699,181</b>	730,391	(31,210)
(4) Net Operating profit	<b>172,947</b>	293,778	(120,831)

### 2. YIELD (Domestic Operations)

Years Ended March 31	1999	1998	Inc./.(Dec.)
(1) Yield on Total Fund Use (A)	<b>2.33%</b>	2.39%	(0.06%)
Interest Earned on Loans	<b>2.09%</b>	2.12%	(0.03%)
Interest Earned on Securities	<b>1.52%</b>	1.79%	(0.27%)
(2) Cost of Funds (B)	<b>1.99%</b>	2.01%	(0.02%)
Interest Paid on Deposits	<b>0.40%</b>	0.45%	(0.05%)
Interest Paid on Other Liabilities	<b>0.99%</b>	0.99%	0.00%
(3) Overall Interest Spread (A) - (B)	<b>0.34%</b>	0.38%	(0.04%)

## INFORMATION ON BUSINESS RESULT

### 3. Dividend Policies

It is the Bank's policy with respect to its ordinary shares that, in light of public nature of the banking business, the Bank will make efforts to maintain an appropriate level of retained earnings in view of preserving a sound management basis, and will pay dividends at a steady level upon giving consideration to the long-term prospect for profits and the level of dividends in the past.

Dividends on the preference shares are non-cumulative, and it is the Bank's policy that, subject to the level of distributable profits and to prospects for profits, etc., the Bank will continue to pay preferred dividends recommended by the Board of Directors at the issuance of preference shares for each fiscal year from the time of issuance until the Mandatory Conversion takes place.

As the result of the disposition of large amount of nonaccrual loans by making appropriate additions to reserves to provide for every contingency arising from Japan's ongoing economic slump in order to strengthen its financial base and fiscal soundness, the Bank recorded the net loss this fiscal year. Taking this into consideration, the Bank plans to propose at the General Meeting of Shareholders for the payment of dividends of 3.00 yen per ordinary share for the six months ended March 31, 1999, 1.25yen decrease from the dividend for the six months ended March 31, 1998, which would result in dividends of 7.25 yen in total for this fiscal year to further reinforce the retained earnings held within the Bank.

As for payment of dividends on preference shares, the Bank plans to propose at the General Meeting of Shareholders for preferred dividends of 7.50 yen per Series II Preference Share for the six months ended March 31, 1999 (15.00 yen in total for this fiscal year) and 0.04yen per Series III Preference Share for the six months ended March 31, 1999 in accordance with the recommendation by the Board of Directors at the time of issuance.

It is our consideration that the retained earnings held within the Bank will contribute the benefit of Shareholders in future through such appropriate measures as enlargement of business base and strengthening management structure.

## INFORMATION ON BUSINESS RESULT

### 4. RESERVE FOR POSSIBLE LOAN LOSSES

Years Ended March 31	1999	1998	Billions of Yen Inc./(Dec.)
<b>Breakdown of Balances of Reserves</b>			
General Reserve	213.4	112.2	101.2
Specific Reserve	511.8	929.9	(418.1)
Reserve for Loans to Restructuring Countries	10.2	1.9	8.3
<b>Specific Reserve</b>			
Transfer to Specific Reserve (A)	511.8	682.0	(170.2)
Transfer from Specific Reserve (B)	65.2	77.3	(12.1)
Net (A) - (B)	446.5	604.6	(158.1)
<b>Reserve for Loans to Restructuring Countries</b>			
Number of Countries	10	8	2
Balance of Loans	185.2	3.4	181.8
Transfer to Reserve for Loans to Restructuring Countries	10.2	--	10.2
Transfer from Reserve for Loans to Restructuring Countries	1.8	4.3	(2.5)
<b>Written-Off Claims</b>	<b>149.3</b>	<b>11.8</b>	<b>137.5</b>

### 5. SECURITIES

March 31	1999	1998	Billions of Yen Inc./(Dec.)
<b>Gains/(Losses) on Bonds</b>			
Gains on Sales (A)	78.3	55.3	23.0
Gains on Redemption (B)	3.0	3.0	0.0
Losses on Sales (C)	21.0	4.9	16.1
Losses on Redemption (D)	7.2	7.6	(0.4)
Losses on Diminution (E)	1.8	0.9	0.9
(A) + (B) - (C) - (D) - (E)	51.1	44.9	6.2
<b>Gains/(Losses) on Stocks &amp; Other Securities</b>			
Gains on Sales (F)	150.9	620.6	(469.7)
Losses on Sales (G)	40.9	77.3	(36.4)
Losses on Diminution (H)	97.4	10.2	87.2
(F) - (G) - (H)	12.5	533.0	(520.5)
<b>Unrealized Gains/(Losses)</b>			
Listed Securities	(156.0)	(40.6)	(115.4)
Stocks	(110.8)	(37.9)	(72.9)
Derivative Financial Instruments	117.6	(16.2)	133.8

## INFORMATION ON BUSINESS RESULT

### 6. CAPITAL RATIO (CONSOLIDATED, BIS GUIDELINES)

March 31 Billions of Yen	1999	1998	Inc./(Dec.)
(1) Capital Ratio	<b>12.33%</b>	9.12%	3.21%
(2) Tier I Capital	<b>2,395.8</b>	1,711.3	684.5
(3) Tier II Capital	<b>1,724.7</b>	1,711.3	13.4
(a) Unrealized Gains on Investment Securities Calculated in Tier II	--	--	--
(b) Land Revaluation Excess	<b>53.2</b>	23.2	30.0
(c) Outstanding of Subordinated Debt	<b>1,428.8</b>	1,570.3	(141.5)
(4) Risk-Adjusted Assets	<b>33,399.2</b>	37,500.7	(4,101.5)

### 7. LOANS

March 31 Billions of Yen	1999	1998	Inc./(Dec.)
(1) Loans to Individuals	<b>7,687.7</b>	7,279.5	408.2
(a) Housing Loans	<b>6,173.1</b>	5,676.9	496.2
(b) Other Loans	<b>1,514.6</b>	1,602.5	(87.9)
(2) % of Loans & Discounts to Individuals and Small & Medium-sized Companies	<b>69.8%</b>	70.6%	(0.80%)
(3) Loans to Real Estate Companies	<b>4,426.7</b>	4,633.3	(206.6)
(4) Loans to Borrowers in Bankruptcy	<b>165.1</b>	402.8	(237.7)
% to Total Loans and Discounts	<b>0.51%</b>	1.15%	(0.64%)
Past Due Loans	<b>994.8</b>	592.4	402.4
% to Total Loans and Discounts	<b>3.08%</b>	1.69%	1.39%
(5) Past Due Loans (3 months or more)	<b>58.9</b>	216.7	(157.8)
% to Total Loans and Discounts	<b>0.18%</b>	0.62%	(0.44%)
(6) Restructured Loans	<b>541.6</b>	263.3	278.3
% to Total Loans and Discounts	<b>1.68%</b>	0.75%	0.93%

### 8. OTHERS

Year Ended March 31 Billions of Yen	1999	1998	Inc./(Dec.)
(1) Fees & Commissions			
(a) Amount (A)	<b>103.6</b>	113.9	(10.3)
(b) (A) % Total Operating Income	<b>5.4%</b>	4.5%	0.9%
(2) Foreign Exchange Transactions (US\$ Million)	<b>97,673.7</b>	115,971.9	(18,298.2)
(3) Gains on Foreign Exchange Transactions	<b>22.1</b>	14.0	8.1

**APPENDIX: DIVIDEND PER SHARE**

**(1) DIVIDEND PER SHARE**

Yen, Years Ended March 31	1999			1998		
	Annual Dividend per Share	Interim-end	Year-end	Annual Dividend per Share	Interim-end	Year-end
Ordinary Share	7.25	4.25	3.00	8.50	4.25	4.25
Preference Share (Series I)	--	--	--	22.50	22.50	--
Preference Share (Series II)	15.00	7.50	7.50	15.00	7.50	7.50
Preference Share (Series III)	0.04	--	0.04	--	--	--

*Series I Preference Shares were fully converted to Ordinary Shares on October 1, 1997.*

**(2) PROJECTION OF DIVIDEND PER SHARE**

Yen, Year Ended March 31	2000		
	Annual Dividend per Share	Interim-end	Year-end
Ordinary Share	6.00	3.00	3.00
Preference Share (Series II)	15.00	7.50	7.50
Preference Share (Series III)	13.70	6.85	6.85



**APPENDIX : FAIR MARKET VALUES OF SECURITIES**

**(1) INFORMATION ON MARKET VALUES OF MARKETABLE SECURITIES**

March 31 Millions of Yen	1999					1998				
	Book Value	Market Value	Net			Book Value	Market Value	Net		
			Unrealized Gain/ (Loss)	Unrealized Gain	Unrealized Loss			Unrealized Gain/ (Loss)	Unrealized Gain	Unrealized Loss
<b>Securities</b>										
Bonds	816,333	774,442	(41,891)	2,687	44,579	339,455	351,410	11,955	11,997	42
Stocks	3,050,891	2,940,014	(110,877)	198,264	309,142	3,128,979	3,091,076	(37,902)	223,688	261,591
Treasury Stock	3	4	0	0	--	3	3	(0)	--	0
Others	512,349	509,085	(3,263)	5,197	8,461	333,609	318,925	(14,683)	6,989	21,672
Affiliated Company - Related	23,421	22,226	(1,195)	--	1,195	22,639	22,462	(176)	--	176
<b>Total</b>	<b>4,379,575</b>	<b>4,223,542</b>	<b>(156,032)</b>	<b>206,149</b>	<b>362,182</b>	<b>3,802,043</b>	<b>3,761,412</b>	<b>(40,630)</b>	<b>242,675</b>	<b>283,306</b>

Notes: 1. Figures on Trading Account Securities and Securities listed in the above table are for marketable securities listed on Securities Exchanges. In most cases, the fair market value listed represents the closing prices on the Tokyo Stock Exchange at the Balance Sheet Date. The fair market value at the end of FY1998 is calculated using the closing prices on the Tokyo Stock Exchange at the Balance Sheet Date or the prices calculated under the yield published on the Securities Industry Association's Indication Chart in most cases. "Others" in securities are mainly foreign bonds.

2. Listed below are figures calculated to correspond to the fair market value of the Bank's marketable securities not listed on Exchanges, when it is possible to calculate such market value.

March 31 Millions of Yen	1999					1998				
	Book Value	Market Value	Net			Book Value	Market Value	Net		
			Unrealized Gain/ (Loss)	Unrealized Gain	Unrealized Loss			Unrealized Gain/ (Loss)	Unrealized Gain	Unrealized Loss
<b>Securities</b>										
Bonds	664,671	679,150	14,479	16,214	1,734	1,021,885	1,048,451	26,566	26,854	287
Stocks	39,150	61,561	22,410	29,179	6,769	67,523	58,190	(9,333)	21,637	30,970
Others	38,846	37,896	(949)	1,177	2,127	56,212	53,692	(2,520)	312	2,833
<b>Total</b>	<b>742,668</b>	<b>778,608</b>	<b>35,939</b>	<b>46,571</b>	<b>10,631</b>	<b>1,145,621</b>	<b>1,160,334</b>	<b>14,713</b>	<b>48,804</b>	<b>34,091</b>

Values of non-listed securities are calculated using the Securities Industry Association's figures for securities traded over the counter, using the prices calculated under the yield published on the Securities Industry Association's Indication Chart for public bonds, and using standard prices for the beneficiary certificate of securities investment trusts. "Others" in securities are mainly beneficiary certificates of securities investment trust.

3. The statements of the above listed Bonds, Stocks, Others are based on those of Balance Sheet.

4. Securities excluded from the above information on fair market values are principally as follows:

March 31 Millions of Yen	1999	Book Value 1998
<b>Securities</b>		
Unlisted Domestic Bonds by Private Placement	<b>388,904</b>	470,021

5. Figures on Trading Account Securities and Securities Related to Trading Transactions on March 31, 1998 are omitted from the above tables because those securities are valued at market prices and evaluation gains/losses are stated in the statement of income.

**APPENDIX : MONEY HELD IN TRUST**

**(1) INFORMATION ON MARKET VALUES OF MARKETABLE SECURITIES**

March 31 Millions of Yen	1999					1998				
	Book Value	Market Value	Net			Book Value	Market Value	Net		
			Unrealized Gain/ (Loss)	Unrealized Gain	Unrealized Loss			Unrealized Gain/ (Loss)	Unrealized Gain	Unrealized Loss
<b>Money Held in Trust</b>	<b>151,470</b>	<b>150,310</b>	<b>(1,159)</b>	<b>319</b>	<b>1,479</b>	239,983	239,888	(94)	877	972

*Note: The market value represents the prices that the fiduciaries of money held in trust calculated in accordance with the following methods:*

*1. The fair market value of listed securities represents the closing prices on the Tokyo Stock Exchange at the Balance Sheet Date or the prices calculated under the yield published on the Securities Industry Association's Indication Chart in most cases.*

*2. Values of non-listed stocks are calculated using the Securities Industry Association's figures.*

**APPENDIX : INFORMATION ON CONTRACT VALUE OR NOTIONAL PRINCIPAL AMOUNT, MARKET VALUES,  
 AND UNREALIZED GAIN/(LOSS) OF DERIVATIVE FINANCIAL INSTRUMENTS**

**(1) INTEREST RATE RELATED TRANSACTIONS**

Millions of Yen

	March 31, 1999				March 31, 1998			
	Contract Value or Notional Principal		Market Values	Unrealized Gain/ (Loss)	Contract Value or Notional Principal		Market Values	Unrealized Gain/ (Loss)
	Amount	Over 1 Year			Amount	Over 1 Year		
Listed Transactions								
Futures Contracts								
Sell	9,570,800	1,964,110	9,596,440	(25,640)	8,986,898	1,064,381	9,011,395	(24,496)
Buy	5,799,956	168,095	5,806,920	6,963	5,591,773	258,424	5,598,225	6,451
Options								
Sell								
Call	14,864,734	97,255			4,369,988	132,100		
[Option Premiums]	[5,020]		3,379	1,641	[2,090]		1,726	364
Put	8,698,421	97,255			2,934,551	--		
[Option Premiums]	[2,632]		2,065	566	[1,014]		651	363
Buy								
Call	6,353,113	--			7,350,499	--		
[Option Premiums]	[2,753]		1,574	(1,179)	[1,132]		955	(176)
Put	5,010,869	--			1,374,871	--		
[Option Premiums]	[1,781]		1,031	(749)	[141]		143	1
Unlisted Transactions								
Forward Rate Agreement								
Sell	--	--	--	--	--	--	--	--
Bu	--	--	--	--	--	--	--	--
Swaps								
Receive Fixed Rate	38,179,785	12,548,881	913,074	913,074	30,571,972	20,466,371	718,839	718,839
Pay Floating Rate								
Receive Floating Rate	38,864,522	8,895,243	(711,558)	(711,558)	37,545,601	13,852,413	(436,983)	(436,983)
Pay Fixed Rate								
Receive Floating Rate	108,749	21,092	864	864	120,880	85,688	(292)	(292)
Pay Floating Rate etc.								
Others								
Sell	1,525,001	1,474,893			222,562	218,007		
[Option Premiums]	[2,995]		2,518	477	[1,618]		889	728
Bu	119,674	69,361			136,295	132,240		
[Option Premiums]	[897]		506	(390)	[1,124]		492	(631)
Total				184,068				264,167

Notes: 1. Market value

The market value listed represents the closing prices on the Tokyo International Financial Futures Exchange and other exchanges at the balance sheet date.

The market value of non-listed transactions is calculated by using mainly discounted present value or option pricing model.

2. Option premiums shown in this table are accounted for on the balance sheet.

3. "Others" consists of cap, floor, and swaption transactions.

4. Market values and unrealized gain (loss) of interest swap transactions included 202,692 million yen of accrued swap interest that was satated on the satatement of income.

5. Derivative financial products transactions that are included in trading account are not shown here because those transactions were valued at their fair market prices and evaluation gain/(loss) was included in the Statements of Income. Contract values or notional principal amounts included in trading account are as follows:

Millions of Yen

	March 31, 1999		March 31, 1998	
	Contract Value or Notional Principal Amount	Market Values	Contract Value or Notional Principal Amount	Market Values
Listed Transactions				
Futures Contracts				
Sell	1,231,764	1,235,372	1,453,061	1,453,041
Buy	1,231,991	1,235,677	1,338,286	1,338,589
Options				
Sell				
Call	627,971		194,352	
[Option Premiums]	[91]	66	[64]	83
Put	602,178		52,840	
[Option Premiums]	[76]	36	[9]	32
Buy				
Call	248,448		849,851	
[Option Premiums]	[86]	70	[174]	146
Put	1,184,604		513,032	
[Option Premiums]	[171]	123	[7]	0
Unlisted Transactions				
Forward Rate Agreement				
Sell	419,110	418,871	167,975	167,970
Buy	642,886	642,636	391,007	390,665
Swaps				
Receive Fixed Rate Pay Floating Rate	12,010,668	376,544	12,460,909	367,905
Receive Floating Rate Pay Fixed Rate	11,516,559	(389,420)	11,187,856	(368,362)
Receive Floating Rate Pay Floating Rate etc.	128,732	(1,865)	153,451	(540)
Others				
Sell	2,304,806		824,109	
[Option Premiums]	[11,357]	6,199	[10,095]	3,121
Buy	2,214,898		812,546	
[Option Premiums]	[9,941]	8,574	[9,265]	4,973
Total				

Note: Option premiums shown in this table are accounted for on the balance sheet.

(2) CURRENCY AND FOREIGN EXCHANGE RELATED TRANSACTIONS

Millions of Yen

	March 31, 1999				March 31, 1998			
	Contract Value or Notional Principal Amount		Market Values	Unrealized Gain/ (Loss)	Contract Value or Notional Principal Amount		Market Values	Unrealized Gain/ (Loss)
		Over 1 Year				Over 1 Year		
Unlisted Transactions								
Currency Swaps	3,753,307	1,622,651	(68,415)	(68,415)	4,628,437	2,391,751	(70,509)	(70,509)
US Dollar	3,131,000	1,258,694	(24,020)	(24,020)	3,389,325	1,899,438	(12,815)	(12,815)
Others	622,307	363,956	(44,394)	(44,394)	1,239,111	492,312	(57,694)	(57,694)

Notes. 1. Market values

The market value is calculated by using discounted present value.

2. Market values and unrealized gain (loss) of currency swap transactions included 2,511 million yen of accrued swap interest that was satated on the satatement of income.

3. Derivative financial products transactions that are included in trading account are not shown here because those transactions were valued at their fair market prices and evaluation gain/(loss) was included in the Statements of Income.

Contract values included in trading account are as follows:

Millions of Yen

	March 31, 1999		March 31, 1998	
	Contract Value or Notional Principal Amount	Market Values	Contract Value or Notional Principal Amount	Market Values
Unlisted Transactions				
Currency Swaps	3,196,023	(19,096)	4,082,900	(40,608)
US Dollar	2,465,992	(12,813)	3,065,207	(36,681)
DM	361,289	(1,282)	601,660	(593)
Others	368,741	(4,999)	416,033	(3,332)

4. Forward Foreign Exchange Contracts, Currency Options and other currency related derivative financial instruments are not shown here because those were revalued at the balance sheet date and their profit/(loss) were included in the Statements of Income.

Contract values of currency and foreign exchange related derivative financial instruments revalued at the balance sheet date are as follows:

Millions of Yen

	March 31, 1999		March 31, 1998	
	Contract Value or Notional Principal Amount		Contract Value or Notional Principal Amount	
Listed Transactions				
Currency Options				
Sell				
Call		--		--
[Option Premiums]		[ -- ]		[ -- ]
Put		--		--
[Option Premiums]		[ -- ]		[ -- ]
Buy				
Call		--		--
[Option Premiums]		[ -- ]		[ -- ]
Put		--		3,249
[Option Premiums]		[ -- ]		[10]
Unlisted Transactions				
Forward Foreign Exchange Contracts				
Sell		3,635,842		9,640,721
Buy		5,853,484		14,788,951
Currency Options				
Sell				
Call		261,599		847,137
[Option Premiums]		[3,923]		[36,214]
Put		210,810		881,915
[Option Premiums]		[5,404]		[7,611]
Buy				
Call		245,400		779,030
[Option Premiums]		[3,032]		[41,916]
Put		219,436		751,310
[Option Premiums]		[5,568]		[9,760]
Total				

Note: Option premiums shown in this table are accounted for on the balance sheet.

**(3) EQUITY RELATED TRANSACTIONS**

Millions of Yen

	March 31, 1999				March 31, 1998			
	Contract Value or Notional Principal		Market Values	Unrealized Gain/ (Loss)	Contract Value or Notional Principal		Market Values	Unrealized Gain/ (Loss)
	Amount	Over 1 Year			Amount	Over 1 Year		
Listed Transactions								
Stock Price Index Futures								
Sell	18,540	--	18,112	428	--	--	--	--
Buy	--	--	--	--	--	--	--	--
Unlisted Transactions								
Equity Related Swaps	684,340	--	(1,434)	(1,434)	718,721	--	642	642
Total				(1,005)				642

Note: Market values

The market value listed represents the closing prices on the Tokyo Stock Exchange.

The market value of non-listed transactions is calculated by using the pricing model, based on the closing prices on the Tokyo Stock Exchange.

**(4) BOND RELATED TRANSACTIONS**

Millions of Yen

	March 31, 1999				March 31, 1998			
	Contract Value or Notional Principal		Market Values	Unrealized Gain/ (Loss)	Contract Value or Notional Principal		Market Values	Unrealized Gain/ (Loss)
	Amount	Over 1 Year			Amount	Over 1 Year		
Listed Transactions								
Futures Contracts								
Sell	160,433	--	157,404	3,028	108,527	--	107,403	1,123
Buy	1,427	--	1,428	0	4,596	--	4,603	6
Futures Options								
Sell								
Call	--	--			--	--		
[Option Premiums]	[ -- ]		--	--	[ -- ]		--	--
Put	--	--			--	--		
[Option Premiums]	[ -- ]		--	--	[ -- ]		--	--
Buy								
Call	--	--			--	--		
[Option Premiums]	[ -- ]		--	--	[ -- ]		--	--
Put	--	--			--	--		
[Option Premiums]	[ -- ]		--	--	[ -- ]		--	--
Unlisted Transactions								
Options								
Sell								
Call	5,000	--			10,000	--		
[Option Premiums]	[40]		73	(33)	[28]		4	23
Put	--	--			40,000	--		
[Option Premiums]	[ -- ]		--	--	[110]		162	(52)
Buy								
Call	--	--			--	--		
[Option Premiums]	[ -- ]		--	--	[ -- ]		--	--
Put	--	--			--	--		
[Option Premiums]	[ -- ]		--	--	[ -- ]		--	--
Total				2,995				1,102

Not 1. Market value

The market value listed represents the closing prices on the Tokyo Stock Exchange and other exchanges at the balance sheet date.

The market value of non-listed transactions is calculated by using mainly option pricing model.

2. Option premiums shown in this table are accounted for on the balance sheet.

3. *Derivative financial products transactions that are included in trading account are not shown here because those transactions were valued at their fair market prices and evaluation gain/(loss) was included in the Statements of Income.*

*Contract values included in trading account are as follows:*

Millions of Yen

	March 31, 1999		March 31, 1998	
	Contract Value or Notional Principal Amount	Market Values	Contract Value or Notional Principal Amount	Market Values
Listed Transactions				
Futures Contracts				
Sell	2,610	2,650	644	650
Buy	19,290	19,345	2,598	2,603
Futures Options				
Sell				
Call	17,500		--	
[Option Premiums]	[74]	82	[ -- ]	--
Put	500		--	
[Option Premiums]	[1]	1	[ -- ]	--
Buy				
Call	1,500		--	
[Option Premiums]	[4]	4	[ -- ]	--
Put	15,700		--	
[Option Premiums]	[98]	14	[ -- ]	--
Unlisted Transactions				
Options				
Sell				
Call	--		--	
[Option Premiums]	[ -- ]	--	[ -- ]	--
Put	--		--	
[Option Premiums]	[ -- ]	--	[ -- ]	--
Buy				
Call	--		--	
[Option Premiums]	[ -- ]	--	[ -- ]	--
Put	--		--	
[Option Premiums]	[ -- ]	--	[ -- ]	--
Total				

*Note: Option premiums shown in this table are accounted for on the balance sheet.*

(ATTACHED)

## THE YEAR 2000 ISSUE

### 1. The Bank's Measures and Current Status, etc. for the Year 2000 Issue

#### (1) Policy Measures

The Sakura Bank has positioned the Year 2000 issue as a high-priority concern and began to take its policy measures to deal with the issue in July, 1996.

Currently, the Bank has been taking steps to implement measures to prevent the problems from occurring, such as corrective actions of its systems, as well as to establish the risk management plans (contingency plan, etc.) so as to minimize the impact, if anything should happen.

#### (2) Organizational System

The "Year 2000 Council", which is comprised of general managers of all the divisions concerned, as its members, and managing directors in charge of Planning and Systems and Operations Planning Divisions, as its chairman and deputy chairman respectively, has been promoting measures for the Year 2000 issue as a whole and monitoring/managing its status of progress. Also, the Bank adopts the system to report its status to the Board of Directors every month.

The Bank has established the "Year 2000 Committee", which is an operating organization under the Council and also formed special committees for each item. Especially, the Bank has established the "Risk Management Committee" to prepare/ implement the contingency plan and assigned general manager-class special staff to the Planning Division

#### (3) Current Status of Progress for Measures

As for its core systems, which constitute major banking business such as deposits, money transfers, etc., the Bank has completed corrective actions by the end of December, 1998, and additionally implemented tests to confirm whether to smoothly work for possible dates which could become a trigger of the Year 2000 problem.

Also, during consecutive holidays in May, the Bank implemented and successfully completed its final confirming tests whether its currently utilizing system environments will work for Year 2000.



As for its systems other than core systems and tests of connections with external systems, etc., the Bank is proceeding on schedule and expects to complete by the end of June, 1999.

As for its systems of overseas offices, the Bank has established the special committee under the “Year 2000 Council”, thereby monitoring/managing them.

It expects that relevant measures will be completed by the end of June, 1999.

Also, some overseas offices have been inspected by the local authorities without any problem (the U.S., Singapore, etc.).

As for other equipment and business machines, etc., the Bank has completed relevant measures by the end of March and it plans to complete all the measures by the end of June, 1999.

## 2. Costs for Measures, etc.

The total cost of the Bank’s measures for the Year 2000 issue is expected to amount to approximately 7.8 billion yen (out of which about 6.0 billion yen has already been disbursed by the end of March, 1999). This is a total amount of costs of both the Bank and its domestic/overseas major subsidiaries primarily related to measures for their computer systems. More concretely, it consists primarily of costs for replacements of old-typed computers and other equipment made for the Year 2000 issue, measures for software provided by vendors, such as operating systems, etc., measures for internal development program and various confirmation tests performed, and it also includes other costs related to measures for business machines with micro-tips, such as equipment/communication machines, etc. and measures for various Electronic Banking services.

## 3. Risk Management Plans (Contingency Plan, etc.)

Recognizing that the Year 2000 issue has a broad range of risks, including not only the Bank’s computer systems but also social infrastructure, financial network, customers’ computer systems, etc., the Bank is preparing/promoting establishing its risk management plans (contingency plan, etc.) to provide for the occurrence of troubles.

More concretely, the Bank has fully examined potential risks caused by the issue and prepares its “manuals for the continuity/recovery of the operation”, thereby carrying out measures to quickly respond to problems that may arise in important business operations. The Bank has completed to prepare its primary risk management plans in March, 1999, and it is currently working for completing the final plans by the end of June, 1999.