

**Sumitomo Mitsui Banking Corporation (SMBC)**  
**(Former The Sumitomo Bank, Limited)**

Consolidated Financial Results for Fiscal 2000 ended March 31, 2001

Head Office : 1-2, Yurakucho 1-chome, Chiyoda-ku, Tokyo, Japan

Date of Approval by the Board of Directors : May 24, 2001

Listing : Tokyo, Osaka, Nagoya, Sapporo, London

1. Performance (for Fiscal 2000 ended March 31, 2001)

(1) Financial Results

Amounts less than one million have been omitted.

		Operating Income		Operating Profit		Net Income	
		¥ million	%	¥ million	%	¥ million	%
March	2001	2,725,995	(9.2)	310,741	31.0	83,469	34.9
March	2000	3,002,923	12.1	237,285	—	61,875	—

		Net Income per Share	Net Income per Share (Diluted)	Return on Stockholders' Equity	Operating Profit on Total Assets	Operating Profit on Operating Income
		¥	¥	%	%	%
March	2001	25.50	24.93	6.1	0.5	11.4
March	2000	18.61	18.17	4.6	0.4	7.9

Notes: 1. Net income/(loss) from unconsolidated entities accounted for by the equity method

(a) FY2000: 36,479 million yen, (b) FY1999: (35,549) million yen

2. Average number of shares outstanding during the year (consolidated)

		Common Share	Preferred Share (First Series Type I)	Preferred Share (Second Series Type I)
March	2001	3,134,457,110	67,000,000	100,000,000
March	2000	3,134,777,004	67,000,000	100,000,000

3. There is no change in accounting methods.

4. Percent (%) of Operating Income, Operating Profit and Net Income means the ratio of increase/(decrease) from previous year.

(2) Financial Position

		Total Assets	Stockholders' Equity	Stockholders' Equity to Total Assets	Stockholders' Equity per Share	Capital Ratio (BIS Guidelines)
		¥ million	¥ million	%	¥	%
March	2001	67,392,974	1,837,151	2.7	426.32	10.94 (Preliminary)
March	2000	53,767,504	1,804,358	3.4	415.77	11.60

Note: Number of shares outstanding at year end (consolidated)

		Common Share	Preferred Share (First Series Type I)	Preferred Share (Second Series Type I)
March	2001	3,134,135,352	67,000,000	100,000,000
March	2000	3,134,778,868	67,000,000	100,000,000

(3) Cash Flows

(Millions of yen)

		Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at end of year
March	2001	3,557,706	(3,913,743)	(103,642)	868,132
March	2000	2,630,143	(2,289,615)	63,179	1,323,157

(4) Scope of Consolidation and Application of Equity Method

(a) Number of consolidated subsidiaries : 84

(b) Number of unconsolidated subsidiaries accounted for by the equity method : 0

(c) Number of affiliated companies accounted for by the equity method : 29

(5) Changes under Scope of Consolidation and Application of Equity Method (from March 2000)

Consolidation: Newly consolidated	17	Equity method: Newly applied	2
Excluded	8	Excluded	11

2. Performance Forecast (for Fiscal 2001 ended March 31, 2002)

(Millions of yen)

		Operating Income	Operating Profit	Net Income
First Half (Sept. 2001)		1,800,000	180,000	75,000
Annual (Mar. 2002)		3,650,000	410,000	180,000

(Reference) Forecasted net income per share for FY2001 is 29.15 yen.

The amount is calculated under the condition that average number of forecasted common shares outstanding is 5,676,465,582.

## 1. Overview of the Group

Sumitomo Bank Group provides mainly banking service, and other financial services in the fields of leasing business, securities business, credit card business, investment banking, loan business, factoring business and venture capital etc. The Group is composed of Sumitomo Mitsui Banking Corporation (former the Sumitomo Bank, Limited) and its 84 consolidated subsidiaries and 29 affiliates accounted for by the equity method at March 31, 2001.

<b>Sumitomo Mitsui Banking Corporation</b> (former The Sumitomo Bank, Limited)	<b>BANKING BUSINESS</b>	<p>270 domestic branches and 17 overseas branches</p> <p>Principal subsidiaries and affiliated companies</p> <p>Domestic</p> <ul style="list-style-type: none"> <li>- The Bank of Kansai, Ltd. (*) (Listed on the First Section of Osaka Securities Exchange)</li> <li>- Sumigin Guarantee Company, Limited (*)</li> </ul> <p>Overseas</p> <ul style="list-style-type: none"> <li>- Sumitomo Mitsui Banking Corporation of Canada (*) (former The Sumitomo Bank of Canada)</li> <li>- Banco Sumitomo Mitsui Brasileiro S.A. (*) (former Banco Sumitomo Brasileiro S.A.)</li> <li>- PT Bank Sumitomo Mitsui Indonesia (*) (former PT Bank Sumitomo Indonesia)</li> </ul>
	<b>LEASING</b>	<p>Principal subsidiaries and affiliated companies</p> <p>Domestic</p> <ul style="list-style-type: none"> <li>- SB Leasing Company, Limited (*)</li> </ul> <p>Overseas</p> <ul style="list-style-type: none"> <li>- SMBC Leasing and Finance, Inc. (*) (former Sumitomo Bank Leasing and Finance, Inc.)</li> </ul>
	<b>OTHER</b>	<p>Principal subsidiaries and affiliated companies</p> <p>Domestic</p> <ul style="list-style-type: none"> <li>- Sumitomo Mitsui Card Company, Limited (*) (Credit card business) (former The Sumitomo Credit Service Company, Limited)</li> <li>- Sumigin General Finance Company, Limited (*) (Mortgage securities, factoring and loan business) (former Sumigin General Finance Company, Limited)</li> <li>- SMBC Capital Co., Ltd. (*) (Venture capital business) (former SB Investment Co., Ltd.)</li> <li>- The Japan Research Institute, Limited (*) (Economic research, system engineering and management consulting)</li> <li>- Daiwa Securities SMBC Co. Ltd. (**) (Securities business and derivatives) (former Daiwa Securities SB Capital Markets Co. Ltd.)</li> <li>- Daiwa SB Investments Ltd. (**) (Investment advisory and investment trust business) (former Daiwa SB Investments Ltd.)</li> <li>- QUOQ Inc. (**) (Purchase of monetary assets)</li> <li>- DLJ direct SFG Securities Inc. (**) (On-line discount brokerage services)</li> </ul> <p>Overseas</p> <ul style="list-style-type: none"> <li>- SMBC Capital Markets, Inc. (*) (Investment and derivative business) (former Sumitomo Bank Capital Markets, Inc.)</li> </ul>

(\*): consolidated subsidiaries

(\*\*): affiliates accounted for by the equity method

(Note) As for the subsidiaries and affiliates whose names were changed after the merger date (April 1, 2001), both new and former names are shown in the above table.

## **2. Principles of Management**

The Sumitomo Bank, Limited (the Bank) merged with The Sakura Bank, Limited on April 1, 2001 and changed its corporate name to Sumitomo Mitsui Banking Corporation (SMBC).

### 1. Basic Principles of Management

The Bank's basic management principles are as follows:

- To provide higher value-added services to our customers and together with them achieve growth
- To create sustainable shareholder value through business growth.
- To provide a challenging and professionally rewarding work environment for our dedicated employees.

Under these principles, the Bank will endeavor to meet customer and market expectations and its economic and social responsibilities in order to acquire solid "customer credibility" and "market credibility".

### 2. Dividend Policy

With respect to the interest of shareholders, the Bank subscribes to a fundamental policy of conducting appropriate dividends, with certain outlook for enriching capital and preserving sound management basis.

As for the dividend of this year end, in view of enriching capital by appropriate retained earnings, the Bank will refer to the ordinary general meetings of shareholders the proposal to maintain the dividend on common share at 3.00 yen per share (6.00 yen on annual basis) and the dividend on preferred share as prescribed (5.25 yen per share (10.50 yen on annual basis) for First Series Type 1, and 14.25 yen per share (28.50 yen on annual basis) for Second Series Type 1), which are the same as the last year-end and this interim one.

Upon merger, the Bank issued 2,470,846,767 par value common shares (par value of 50 yen per share) and allotted these common shares to each of Sakura's shareholders (including the real shareholders; the same shall apply hereinafter) listed in Sakura's final shareholders' registration (including the real shareholders' registration; the same shall apply hereinafter) in the ratio of 1 to 0.6 of Sakura's common share to Sumitomo's common share.

Upon merger, the Bank issued 2,577 thousand of non-par-value Type 6 preferred shares and allotted these Type 6 preferred shares to each shareholder listed in Sakura's final shareholders' registration on the day immediately preceding the appointed date of merger in the ratio of 1 to 1 of Sakura's Series-II preferred share to Sumitomo's Type 6 preferred share.

Upon merger, the Bank issued 800 million non-par-value Type 5 preferred shares and allotted these Type 5 shares to each shareholder listed in Sakura's final shareholders' registration on the day immediately preceding the appointed date of merger in the ratio of 1 to 1 of Sakura's Series-III preferred share (Type 2) to Sumitomo's Type 5 preferred share.

### 3. Management Strategy

The Bank will improve its earning power by fully and quickly realizing benefits of the merger in terms of gross banking profit and expenses. In addition to effectively utilizing the greatly expanded customer base, the Bank will establish a solid earning base by moving beyond conventional banking business models.

Besides realizing benefits of the merger and effectively utilizing name recognition and loyalty built up over the years by the two predecessor banks, the Bank will provide higher value-added financial services by enhancing its ability to provide sophisticated financial solutions, expanding and improving its product and service line-ups, and integrating and upgrading networks to achieve further growth.

Details of the plan for each business are as follows:

(a) Improving profitability in consumer banking

The Bank will improve profitability in consumer banking through refined customer segmentation, increased sales of profitable products and services, and enhanced operational efficiency.

(b) Achieving higher asset efficiency in corporate finance

The Bank will endeavor to achieve higher asset efficiency by increasing fee income from financial solutions that meet the specific needs of clients and strengthening “market-driven financial intermediation” such as loan syndication, etc.

(c) Renewed initiatives in international banking business

As for international banking business, management resources will be aggressively allocated based on selective regional focus and targeted strategies.

In specific terms, the Bank will strengthen its business in Asia by leveraging both geographic advantage and the combined customer base with rationalized branch network of the two predecessor banks.

(d) Strategic investment in IT

In order to heighten its competitiveness, the Bank will aggressively invest in strategic IT areas. For example, the Bank will further increase investment in improvement of database marketing in consumer banking.

(e) Displaying leadership in Internet-related financial business.

As a new financial services complex, the Bank will pursue alliances with various partners and strive to be the leader in Internet-related financial businesses.

#### 4. Issues to be Addressed

(a) Further strengthening balance sheet

In order to be able to respond to the drastically changing business environment and to establish a firm foundation for future growth, a strong financial base is essential. To this end, the Bank will accelerate the final resolution of bad-loan problems. Furthermore, the Bank will reduce its cross-shareholdings to reduce the volatility risk of its stock portfolio. In addition to these asset-side developments, the Bank will improve its capital by increasing retained earnings through enhanced earning power and paying back publicly funded loans.

(b) Cost reduction through early realization of merger benefits

The Bank will accelerate the pace of cost reduction implemented by the two predecessor banks. Unconstrained by conventional ideas, the Bank will carry out a wide range of cost cutting measures from streamlining branch network and reviewing products and services to restructuring of business.

(c) Improving gross banking profit

The Bank will greatly expand gross banking profit by establishing new business models at an early date and enhancing customer credibility. In consumer banking, the Bank will increase transactions by providing optimum services and convenience that match individual customer's life style and cycle based on understanding of each customer's situation. In corporate banking, the Bank will provide solutions tailored for each company based on a thorough examination of its management and financial needs. In international banking, the Bank will fine-tune its strategy for each region to enhance profitability.

5. Financial Targets

The Bank aims to achieve banking profit (excluding transfer to general reserve) of 950.0 billion yen and consolidated ROE of more than 10% in FY2004 through business restructuring and strengthening of earning power. The Bank intends to pay back half of the public funds by FY2004, but will strive to accelerate this schedule as much as possible.

6. Pursuit of Enlightened Corporate Governance

The Bank has two principal institutions for corporate governance: the Board of Directors and Executive Officers. This division aims to clearly define the responsibility between "providing strategic direction and oversight for its operations" and "policy implementation".

The role of the Board of Directors to supervise the Bank's operation from the view point of the interest of shareholders has come to be more emphasized than before, and the day-to-day running of the Bank is in the Executive Officers' charge. In addition, Risk Management Committee, Compensation Committee, and Personnel Committee have been constituted from within the Board of Directors. These committees include directors from outside the Bank and have been established in order to deliberate from a broad and objective perspective matters such as risk management, compliance, compensation and personnel affairs of members of the Board of Directors and Executive Officers

To supplement the functions of the Board of Directors, the Bank will establish an advisory board consisting of members such as former directors of blue-chip companies, leading management consultants, and academics, to provide wide-ranging and unhindered management advices.

### **3. Performance**

1. Overview of Consolidated Performance for Fiscal 2000

(a) Profit and Loss

Operating expense decreased because both income and expense relating to derivative transactions to which hedge accounting is applied are recognized by net amount on each account applying the new accounting standards for financial instruments. The decrease of operating income was comparatively limited because a consolidated subsidiary in the U.S. recognized gains on sales of stocks, and moreover, net income/loss from unconsolidated entities by the equity method was improved. Consequently, operating income becomes to 2,725.9 billion yen (down 9.2% from fiscal 1999) and operating expense becomes to 2,415.2 billion yen (down

12.7%).

In summary, operating profit becomes to 310.7 billion yen (up 31.0%) and net income becomes to 83.4 billion yen (up 34.9%).

(b) Assets and Liabilities

Deposits become 31,045.0 billion yen (up 2,682.9 billion yen from fiscal 1999) and negotiable certificates of deposit become 7,025.9 billion yen (up 156.6 billion yen).

Loans and bills discounted become 32,630.3 billion yen (down 310.4 billion yen). Securities increased by 7,877.1 billion yen to 16,845.9 billion yen because the negative effect from sales of cross-shareholdings was outweighed by the positive effect from increase of pledged securities due to introduction of RTGS and the change of accounting method for repo transactions due to application of the new accounting standards for financial instruments.

Total assets become 67,392.9 billion yen (up 13,625.4 billion yen).

(c) Stockholders' Equity

Stockholders' equity becomes 1,837.1 billion yen (up 32.7 billion yen from fiscal 1999) because retained earnings increased though minus 32.1 billion yen of foreign currency translation adjustments that are newly recognized

on stockholders' equity made a negative impact on stockholders' equity.

(d) Cash Flows

The amount of cash and cash equivalents becomes 868.1 billion yen (down 455.0 billion yen from fiscal 1999).

Cash flows from operating activities become 3,557.7 billion yen and Cash flows from investing activities become minus 3,913.7 billion yen.

(e) Segments

In terms of business segments, the share of total assets before elimination of internal transactions becomes 92% (up 2 points from fiscal 1999) for banking business, 2% (the same point) for leasing business, and 6% (down 2 points) for other business. The share of operating income before elimination of internal transactions becomes 66% (down 5 points from fiscal 1999) for banking business, 18% (up 1 point) for leasing business, and 16% (up 4 points) for other business.

In terms of geographic segments, the share of total assets before elimination of internal transactions becomes 86% (up 1 point from fiscal 1999) for Japan, 7% (the same point) for the Americas, 4% (up 1 point) for Europe, and 3% (down 2 points) for Asia and Oceania. The share of operating income before elimination of internal transactions becomes 73% (down 3 points from fiscal 1999) for Japan, 14% (up 3 points) for the Americas, 8% (up 2 points) for Europe, and 5% (down 2 points) for Asia and Oceania.

(f) Capital Ratio (BIS Guideline) (for immediate release)

Capital ratio becomes 10.94% by consolidated basis, and 11.80% by nonconsolidated basis.

2. Performance Forecast for Fiscal 2001

(1) Performance Forecast

Through the fiscal 2001, which is the first fiscal year for the new bank, by efficient management of assets and liabilities in domestic and international market and by restructuring of every aspect of business, the Bank will aim

to enhance its profitability and resolve problem assets. As for financial forecast by consolidated basis, operating income, operating profit and net income is projected to be 3,650 billion yen, 410 billion yen, and 180 billion yen, respectively. By nonconsolidated basis, operating income, operating profit and net income is projected to be 2,650 billion yen, 295 billion yen, and 150 billion yen, respectively.

(2) Forecast of Dividend

In view of enriching capital with appropriate retained earnings through controlling cash outflows, the Bank will maintain the dividend on common share at 3.00 yen per share and 6.00 yen on annual basis, which are the same as the last year-end and this interim one. The dividend on preferred share will be kept as prescribed: 10.50 yen annually per share for First Series Type 1, 28.50 yen annually per share for Second Series Type 1, 13.70 yen annually per share for Type 5, and 7.50 yen annually per share for Type 6.

## **4. Consolidated Financial Statements**

### Basis of presentation

#### 1. Scope of consolidation

(1) Consolidated subsidiaries      84 companies

The Bank of Kansai, Ltd

SB Leasing Company, Ltd

The Sumitomo Credit Service Company, Ltd (new name: Sumitomo Mitsui Card Company, Limited)

Sumigin General Finance Company, Ltd

SB Investment Co., Ltd (new name: SMBC Capital Co., Ltd.)

The Japan Research Institute, Limited

Sumitomo Bank Capital Markets, Inc. (new name: SMBC Capital Markets, Inc.) and others

As for nine companies such as the Japan Research Institute, Limited which were accounted for by the equity method in the previous fiscal year, the Bank increased its share of voting rights and acquired substantial control over them, and accordingly they are consolidated from this fiscal year. Other eight companies which are newly established are consolidated from this fiscal year.

As three subsidiaries such as SB Trust Bank Co., Ltd were sold and five subsidiaries such as Sumitomo Bank (Deutschland) GmbH were liquidated, they were excluded from consolidation.

#### (2) Unconsolidated subsidiaries

Fifty-two subsidiaries, such as S.B.L. Management Company Limited, are anonymous partnerships for lease transactions and their assets and profits/losses do not belong to them substantially. Therefore, based on Article 5 Paragraph 1 Item 2 of Consolidated Financial Statements Regulations, they were not treated as consolidated subsidiaries.

Assets, operating income, net income and surplus of other nonconsolidated subsidiaries have no significant impact on the consolidated financials.

#### 2. Application of the equity method

(1) Subsidiaries accounted for by the equity method

None

(2) Affiliates accounted for by the equity method      29 companies

Daiwa Securities SB Capital Markets Co. Ltd (new name: Daiwa Securities SMBC Co. Ltd.)

QUOQ Inc. and others

As shares of two companies, such as Japan Pension Navigator Co., Ltd, were obtained, they were newly included in affiliates accounted for by the equity method.

As nine affiliates such as the Japan Research Institute, Limited which were accounted for by the equity method

are newly consolidated and other two companies were sold and liquidated, they are excluded from affiliates accounted for by the equity method.

(3) Subsidiaries and affiliates that are neither consolidated nor accounted for by the equity method

Fifty-two subsidiaries, such as S.B.L.Management Company Limited, are anonymous partnerships for lease transactions and their assets and profits/losses do not belong to them substantially. Therefore, based on Article 10 Paragraph 1 Item 2 of the Consolidated Financial Statements Regulations, they were not treated as affiliates accounted for by the equity method.

Net income and surplus of other nonconsolidated subsidiaries and affiliates which are not accounted for by the equity method have no significant impact on the consolidated financials.

3. Balance sheet dates of consolidated subsidiaries

(1) The dates of account closing of consolidated subsidiaries are as follows:

September 30	5	Companies
October 31	1	Company
December 31	35	Companies
January 31	1	Company
March 31	42	Companies

(2) As for the companies whose balance sheet dates are September 30 and October 31, the accounts were closed provisionally for consolidation as of March 31 and January 31, respectively. The other companies are consolidated on the basis of their respective balance sheet dates. Appropriate adjustments were made for any significant transactions during the periods from their respective balance sheet dates to March 31.

4. Accounting policies

Please refer to the footnotes of the consolidated balance sheet and the consolidated statement of income.

5. Evaluation of consolidated subsidiaries' assets and liabilities

All assets and liabilities of consolidated subsidiaries are evaluated for consolidation at fair value when the Bank acquires their control.

6. Amortization of goodwill

Goodwill on The Sumitomo Credit Service Company, Ltd is amortized using the straight-line method over five years and other is charged or credited to income directly.

7. Appropriation of profit

The consolidated statement of retained earnings reflects the appropriation of profit made during the consolidated fiscal year.

8. Scope of "Cash and cash equivalents" on the consolidated statement of cash flows

Please refer to the footnotes of the consolidated statements of cash flows.

(Reference)

- Net Income per Share :

$$\frac{\text{Net income} - \text{Preferred share dividends}}{\text{Average number of common shares outstanding during Fiscal 2000 (*)}}$$

- Return on Stockholders' Equity

$$\frac{\text{Net income} - \text{Preferred share dividends}}{\{( \text{Stockholders' equity at beginning of year} - \text{Number of preferred shares outstanding at beginning of year} \times \text{Issue price} ) + ( \text{Stockholders' equity at year end} - \text{Number of preferred shares outstanding at year end} \times \text{Issue price} )\} / 2} \times 100$$

- Stockholders' Equity per Share :

$$\frac{\text{Stockholders' equity at year end} - \text{Number of preferred shares outstanding at year end} \times \text{Issue price}}{\text{Number of common shares outstanding at year end (*)}}$$

- Forecasted Net Income per Share :

$$\frac{\text{Forecasted net income} - \text{Forecasted preferred share dividends}}{\text{Average number of forecasted common shares outstanding during Fiscal 2000 (*)}}$$

Notes: The numbers to which (\*) is attached exclude treasury stocks and the Bank's shares held by consolidated subsidiaries.

## CONSOLIDATED BALANCE SHEET AS OF MARCH 31, 2001

(Millions of yen)

<b>Assets:</b>	
Cash and due from banks	4,623,597
Call loans and bills bought	139,189
Receivables under resale agreements	2,905,306
Commercial paper and other debt purchased	168,497
Trading assets	1,913,404
Money held in trust	52,912
Securities	16,845,970
Loans and bills discounted	32,630,388
Foreign exchanges	470,092
Other assets	4,297,808
Premises and equipment	683,833
Lease assets	827,134
Deferred tax assets	598,280
Goodwill	6,224
Customers' liabilities for acceptances and guarantees	1,987,164
Reserve for possible loan losses	(756,830)
<b>Total assets</b>	<b>67,392,974</b>
<b>Liabilities:</b>	
Deposits	31,045,062
Negotiable certificates of deposit	7,025,950
Call money and bills sold	5,332,877
Payables under repurchase agreements	5,262,187
Commercial paper	594,456
Trading liabilities	1,068,607
Borrowed money	2,322,477
Foreign exchanges	213,813
Bonds	2,061,693
Convertible bonds	101,106
Pledged money for securities lending transactions	4,607,098
Other liabilities	3,116,359
Reserve for employee retirement benefit	7,972
Reserve for possible losses on loans sold	74,639
Other reserves	8
Deferred tax liabilities	24,271
Deferred tax liabilities for land revaluation	103,401
Acceptances and guarantees	1,987,164
<b>Total liabilities</b>	<b>64,949,149</b>
<b>Minority interests</b>	<b>606,673</b>
<b>Stockholders' equity:</b>	
Capital stock	752,848
Capital surplus	643,080
Land revaluation excess	167,613
Retained earnings	319,924
Foreign currency translation adjustments	(32,171)
<b>Subtotal</b>	<b>1,851,296</b>
Treasury Stock	(4)
Parent bank stock held by subsidiaries	(14,140)
<b>Total stockholders' equity</b>	<b>1,837,151</b>
<b>Total liabilities, minority interests and stockholders' equity</b>	<b>67,392,974</b>

**Notes to Consolidated Balance Sheet**

1. Amounts less than one million have been omitted.
2. Standards for recognition and measurement of trading assets and liabilities are as follows:  
Recognition:  
Trading account positions relating to trades made for the purposes of seeking gains arising from short-term changes in interest rate, currency exchange rates, or market prices of securities and other market related indices or from variation among markets, are included in Trading assets and Trading liabilities on the consolidated balance sheet on a contract date basis.  
Measurement:  
Trading securities and monetary claims purchased for trading purposes are stated at market value, and financial derivatives such as swaps, futures and options, are at the amounts that would be settled if the transactions were terminated at the year end date.
3. As for securities other than those of trading portfolio, debt securities which the Bank and consolidated subsidiaries has the intent and ability to hold to maturity (held-to-maturity securities) are carried at amortized cost, using the moving-average method.  
Investments in unconsolidated subsidiaries and affiliates that are not accounted for by the equity method are carried at cost, using the moving-average method.  
Securities excluding those classified as trading securities, held-to-maturity or investments in unconsolidated subsidiaries and affiliates that are not accounted for by the equity method are defined as *other securities*. Debt securities in *other securities* are carried at amortized cost, using the moving-average method. Equity securities in *other securities* are carried at cost, using the moving-average method.
4. Securities included in money held in trust account are carried in the same way as mentioned in notes 2 and 3.
5. Derivative transactions, excluding those classified as trading derivatives, are carried at fair value, though some consolidated overseas subsidiaries account for derivative transactions in accordance with local accounting standards.
6. Depreciation for premises and equipment of the Bank is computed by the straight-line method (the declining-balance method is used as for equipment). The estimated useful lives of major items are as follows:  
Buildings 7 to 50 years  
Equipment 3 to 20 years  
As for consolidated domestic subsidiaries, depreciation for premises and equipment is computed mainly using the declining-balance method over the estimated useful lives of the respective assets and depreciation for lease assets is computed mainly using the straight-line method over the lease term based on the value of assets that will remain at the end of the lease term.  
As for consolidated overseas subsidiaries, depreciation for premises and equipment is computed mainly using the straight-line method over the estimated useful lives of the respective assets.
7. Capitalized software for internal use is depreciated using the straight-line method over its estimated useful lives (mainly five years) at the Bank or consolidated domestic subsidiaries.
8. Foreign currency assets and liabilities of the Bank are translated into Japanese yen at the exchange rate prevailing at the consolidated balance sheet date, though certain items deemed inappropriate to be added to the balance of foreign currency assets and liabilities at current exchange rate, such as investments in foreign companies (as long as the investments are funded in Japanese yen), are translated at the historical exchange

rate. The accounts of overseas branches of the Bank are translated into Japanese yen at the exchange rate prevailing at the consolidated balance sheet date.

Foreign currency assets and liabilities of consolidated subsidiaries are translated into Japanese yen at the exchange rate prevailing at their respective balance sheet date.

Commencing from this consolidated fiscal year, consolidated domestic subsidiaries adopt the revised 'Accounting Standards for Foreign Currency Transactions' (issued by the Business Accounting Deliberation Council in October 1999). As a result, Operating profit and Income before income taxes and minority interests have decreased compared with prior accounting method by 48 million yen respectively.

In accordance with the revision of Regulation for consolidated financial statements, the presentation of Foreign currency translation adjustments is changed from Assets at the last year end to Stockholders' equity and Minority interests. As a result, Assets decreased by 32,778 million yen, Stockholders' equity decreased by 32,171 million yen, and Minority interests decreased by 607 million yen.

9. Reserves for possible loan losses of the Bank and major consolidated subsidiaries are provided as detailed below, in accordance with the internal standards for write-offs and reserves.  
For claims on borrowers who are legally bankrupt ('bankrupt borrowers') or borrowers who are regarded as substantially in the same situation ('effectively bankrupt borrowers'), a reserve is provided based on the amount of claims net of the expected amount of recoveries from collateral and guarantees net of the deducted amount mentioned below.  
For claims on borrowers who are not currently in the status of bankrupt but are likely to become bankrupt in future, a reserve is provided by the amount deemed necessary based on overall solvency assessment, out of the amount of claims net of the expected amount of recoveries from collateral and guarantees.  
For other claims, a reserve is provided based on the historical loan-loss ratio.  
For claims originated in certain countries, an additional reserve (including a reserve for losses on overseas investments prescribed in Article 55-2 of Specific Taxation Measures Law) is provided by the amount deemed necessary based on assessment of political and economic conditions in such countries.  
All claims are assessed by business units and credit supervision departments in accordance with the internal rule for self-assessment of assets. Subsequently, the Credit Review Department, independent from these operating sections, audits their assessment. The reserve is provided based on these layers of review.  
Reserve for possible loan losses of other consolidated subsidiaries is provided for general claims by the amount deemed necessary based on the historical loan-loss ratio, and for doubtful claims by the amount deemed uncollectible based on respective assessments.  
For claims on 'bankrupt' or 'effectively bankrupt' borrowers, the amount exceeding the estimated value of collateral and guarantees is deducted, as deemed uncollectible, directly from those claims. The deducted amount is 887,791 million yen.
10. Reserve for employee retirement benefit (prepaid pension cost) is recorded based on an actuarial computation, which uses the present value of the projected benefit obligation and pension assets, due to employee's credited years of services at the balance sheet date. Unrecognized net actuarial gain or loss are amortized from the next fiscal year using the straight-line method over certain years (mainly 10 years) within the average remaining service period of active employees. Unrecognized net obligation from initial application of the new accounting standard for employee retirement benefit in Japan of 105,290 million yen is amortized using the straight-line method over 5 years.
11. Reserve for possible losses on loans sold provides for contingent losses arising from decline of market value of underlying collateral for loans sold to the Cooperative Credit Purchasing Company, Limited. This reserve is established in accordance with Article 287-2 of the Commercial Code.
12. Finance leases of the Bank and consolidated domestic subsidiaries, except for those which transfer the ownership of the property to the lessee, are accounted for in the same manner as operating leases.

13. In accordance with the Industry Audit Committee Report No.15 ‘Temporary Treatment for Accounting and Auditing of Application of Accounting Standard for Financial Instruments in Banking Industry’ issued by JICPA in 2000, the Bank decided to apply hedge accounting, abiding by the following requirements:
- (1) Loans, deposits and other interest bearing assets and liabilities as a whole shall be recognized as the hedged portfolio.
  - (2) Derivatives as the hedging instruments shall effectively reduce the interest rate exposure of the hedged portfolio.
  - (3) Eligibility of hedging activities shall be evaluated on a quarterly basis.
- Certain derivatives managed by some of foreign branches are recorded on a cost basis using the short-cut method for interest rate swaps in view of consistency with the risk management policy.
- In accordance with the Industry Audit Committee Report No.19 ‘Temporary Treatment for Accounting and Auditing of Application of Accounting Standard for Financial Instruments in Leasing Industry’ issued by JICPA in 2000, one of the consolidated domestic subsidiaries in leasing industry applies ‘Deferred Hedge Accounting Related to Portfolio Hedge on Liabilities.’
- Other domestic subsidiaries use the deferred hedge accounting or the short-cut method for interest rate swaps. Derivative transactions, such as interest rate swaps, are used in this hedging activities, and the contract amount is 564,560 million yen, the fair value is minus 12,688 million yen, and the difference is minus 12,688 million yen.
14. Consumption tax and local consumption tax of the Bank and consolidated domestic subsidiaries are accounted for using the tax-excluded method.
15. The Other reserve required by Special Law is as follows:  
Reserve for financial futures transaction liabilities is recorded at 8 million yen.  
This reserve was established in accordance with Article 82 of the Financial Futures Transaction Law.
16. Accumulated depreciation of premises and equipment amounted to 342,946 million yen.  
Accumulated depreciation of lease assets amounted to 1,304,562 million yen.
17. Bankrupt loans and Non-accrual loans are 75,729 million yen and 1,535,566 million yen, respectively.  
‘Bankrupt loans’ consist of loans on which the Bank and consolidated subsidiaries do not currently accrue interest income due to the nonpayment status or other credit conditions of the borrower and which meet certain conditions defined in Article 96-1-3 and 96-1-4 of the Enforcement Ordinance No.97 for the Japanese Corporate Tax Law, issued in 1965. ‘Non-accrual loans’ is defined as loans for which the Bank and/or consolidated subsidiaries do not currently accrue interest income but excluding ‘Bankrupt loans’ and loans for which the Bank and/or consolidated subsidiaries are forbearing interest payments to support the borrowers’ recovery from financial difficulty.
18. Past due loans (3 months or more) are 49,909 million yen. ‘Past due loans (3 months or more)’ consist of loans of which principal and/or interest is past due for three months or more but exclude Bankrupt loans and Non-accrual loans.
19. Restructured loans are 128,581 million yen. ‘Restructured loans’ are loans for which the Bank and consolidated subsidiaries relax lending terms, such as reduction of the original interest rate, forbearance of interest payments or principal repayments to support the borrowers’ recovery from financial difficulty, but excluding Bankrupt loans, Non-accrual loans and Past due loans (3 months or more).
20. The total amount of Bankrupt loans, Non-accrual loans, Past due loans (3 months or more) and Restructured loans is 1,789,785 million yen as of the consolidated year end date.

The amounts of loans presented above through 17 to 20 are amounts before reserve for possible loan losses is deducted.

21. The total face value of loans and bills discounted that consists of Bank acceptance bought, Commercial bills discounted and Documentary bills is 658,073 million yen.

22. Assets pledged as collateral at the consolidated year end date are as follows:

	(Millions of yen)
Assets pledged	
Cash and due from banks	60,462
Trading assets	1,143,569
Securities	7,103,992
Loans and bills discounted	1,671,141
Other assets (installment account receivable)	2,255
Liabilities corresponding to assets pledged	
Deposits	699
Call money and bills sold	3,944,800
Payables under repurchase agreements	5,262,187
Trading liabilities	22,740
Borrowed money	107,769
Acceptances and guarantees	42,373

In addition, cash and due from banks of 62,978 million yen, trading assets of 3,072 million, securities of 3,549,337 million yen, loans and bills discounted of 120,089 million yen and other assets (securities in custody) of 263,550 million yen were pledged as collateral for exchange settlements, variation margins of futures markets and certain other purpose.

Premises and equipment include surety deposits and intangible of 70,478 million yen, and other assets include initial margins of futures markets of 17,539 million yen and pledged money for securities borrowing transactions of 823,711 million yen.

23. Net of deferred unrealized gains and losses from hedging instruments is reported in deferred profit on hedge in other liabilities. Gross deferred unrealized losses and gross unrealized gains from hedging instruments are 668,099 million yen and 680,130 million yen, respectively.

24. On June 9, 2000, the Osaka Prefecture Government promulgated the Special Ordinance Concerning Taxation Standard for Enterprise Taxes in Relation to Banks in the Osaka Prefecture (Osaka Prefectural Ordinance 131 of Fiscal year 2000). Owing to it, the effective statutory tax rate used by the Bank to calculate deferred tax assets and deferred tax liabilities has been changed from 39.83% in the previous accounting period to 38.05%. As a result of this change, Deferred tax assets decrease by 24,802 million yen, and Deferred income taxes increase by the equivalent amount. Further, as Deferred tax liabilities for land revaluation decreased by 4,795 million yen due to this change, Land revaluation excess increased by the same amount.

25. Pursuant to Enforcement Ordinance for the Law concerning Revaluation Reserve for Land (the "Law"), effective March 31, 1998, the Bank recorded the own land for business activities at fair value at March 31, 1998, and one of the consolidated domestic subsidiaries in banking industry recorded the own land at fair value at March 31, 1999. The Bank determined the fair value basically using nearest value on the Revaluation Act of Land Properties published by the Government with certain appropriate adjustment for land shape, timing of the Revaluation Act of Land Properties. The consolidated domestic subsidiary in

banking industry determined the fair value based on assessment by certified real estate appraisers, in accordance with the Revaluation Act of Land Properties. According to the Law, net unrealized gains are reported in a separate component of Stockholders' equity net of applicable income taxes as 'Land revaluation excess,' and the related deferred tax liabilities are reported in liabilities as 'Deferred tax liabilities for land revaluation.'

The total amount of fair value at this fiscal year end of the land is 72,126 million yen lower than the total amount of book value after revaluation.

26. The balance of subordinated debt included in Borrowed money is 642,315 million yen.

27. The balance of subordinated bonds included in Bonds is 1,082,130 million yen.

28. Shareholders' equity per share is 426.32 yen.

29. Market value and unrealized gain/loss on securities are shown as below.

Those amounts include 'Securities', trading securities, negotiable certificates of deposit and commercial paper within 'Trading assets,' negotiable certificates of deposit within 'Cash and due from banks,' and commercial paper and beneficiary claim on loan trust within 'Commercial paper and other debt purchased.'

(1) Securities classified as trading

	(Millions of yen)
Consolidated balance sheet amount	998,998
Gains included in profit/loss during this fiscal year	713

(2) Bonds classified as held-to-maturity and with market value

	(Millions of yen)				
	Consolidated balance sheet amount	Market value	Net unrealized gain/(loss)	Gain	Loss
Japanese government bonds	114	114	0	0	0
Others	18,451	18,367	(83)	46	130
Total	18,565	18,482	(82)	47	130

(3) *Other securities* with market value

*Other securities* with market value are not stated at market value. Summary information on them based on Ordinance of Ministry of Finance 8-4 in 2000 is shown in the following table.

	(Millions of yen)
Consolidated balance sheet amount	15,590,773
Market value	15,642,511
Difference	51,738
Deferred tax liabilities	(19,935)
Minority interests	(1,713)
Parent company's interest in net unrealized gain/loss on valuation of other securities held by affiliates accounted for by the equity method	13
Net unrealized gain/loss on valuation	30,102

30. The amount of 'Other securities' sold during this consolidated fiscal year is as follows:

(Millions of yen)		
Sales amount	Gains on sales	Losses on sales
12,148,851	501,662	41,367

31. Summary information on securities without market value is shown in the following table.

(Millions of yen)	
Consolidated balance sheet amount	
Bonds classified as held-to-maturity	
Non-listed foreign securities	31,163
Other	5,091
<i>Other securities</i>	
Non-listed foreign securities	668,428
Non-listed bonds	226,332
Non-listed stocks (except OTC stocks)	112,592
Other	224,483

32. Redemption schedule on *other securities* with maturities and bonds classified as held-to-maturity is shown in the following table.

(Millions of yen)				
	1 year or less	1 to 5 years	5 to 10 years	over 10 years
Bonds	4,829,489	4,668,333	2,178,313	3,563
Japanese government bonds	4,676,663	4,248,153	1,766,475	-
Japanese local government bonds	22,556	54,534	244,466	563
Japanese corporate bonds	130,269	365,646	167,370	3,000
Other	445,721	1,079,457	148,466	352,019
Total	5,275,210	5,747,790	2,326,779	355,582

33. Information on money held in trust is shown as follows:

Money held in trust classified as trading

(Millions of yen)	
Consolidated balance sheet amount	2,467
Gains included in profit/loss during this fiscal year	-

Other money held in trust

Market value is not reflected in consolidated financial statements. Summary information on other money held in trust that has market value is shown in the following table.

(Millions of yen)				
Consolidated balance sheet amount	Market value	Difference	Net unrealized gains/(losses)	Deferred tax assets
50,444	46,335	(4,108)	(2,545)	1,563

34. 1,956,646 million yen of securities, which are used for securities lending transactions for consumption, are included in Securities, Other assets and Trading assets.

9 million yen of securities, which are used for securities lending transactions for use, are included in 'Japanese Government Bonds' as a sub-account of Securities. Due to the revision of accounting rule, the presentation of this kind of securities is changed from 'Securities loaned' as a sub-account of Securities to 'Japanese Government Bonds'.

35. Commitment line contracts on overdrafts and loans are agreements to lend to customers when they apply for borrowing, to the prescribed amount as long as there is no violation of any condition established in the contracts. The amount of unused commitments upon is 17,349,040 million yen, and the amount of unused commitments whose original contract terms are within one year or unconditionally cancelable at any time is 15,538,193 million yen. Since many of these commitments are expected to expire without being drawn upon, the total amount of unused commitments does not necessarily represent actual future cash flow requirements. Many of these commitments have clauses that the Bank and consolidated subsidiaries can reject the application from customers or reduce the contract amounts in case economic conditions are changed, the Bank and consolidated subsidiaries need to secure claims or others occur. In addition, the Bank and consolidated subsidiaries request the customers to pledge collateral such as premises and securities at conclusion of the contracts, and take necessary measures such as grasping customers' financial positions, revising contracts when need arises and securing claims after conclusion of the contracts.

36. Information on projected benefit obligation and others at consolidated fiscal year end is shown as follows:

	(Millions of yen)
Projected benefit obligation	(495,409)
Pension assets (fair value)	410,572
<hr/>	
Unfunded projected benefit obligation	(84,836)
Unrecognized net obligation from initial application of the new accounting standard for employee retirement benefit	85,988
Unrecognized actuarial net gain or loss	50,585
<hr/>	
Net amount recorded on the consolidated balance sheet	51,737
Prepaid pension cost	59,710
Reserve for employee retirement benefit	(7,972)

37. Effective April 1, 2000, two new accounting standards for financial instruments and employee retirement benefit are adopted in Japan. According to these new accounting standards, the Enforcement Ordinance for the Banking Law has been revised and the disclosure requirements for consolidated balance sheet have been changed as follows:

- (1) Certain transactions under resale agreements and repurchase agreements are recognized as financing activities, not as purchasing or selling activities, and reported in Receivables under resale agreements and Payables under repurchase agreements. As a result, the amount of Securities increased by 1,610,677 million yen compared with the prior treatment as purchasing or selling activities.
- (2) Presentation of reserve for retirement allowances has been changed, and now it is included in Reserve for employee retirement benefit, and prepaid pension cost at fiscal year end is reported in 'Other assets.'

38. Till the last fiscal year pledged money that was pledged in securities lending transactions was included in 'Other liabilities,' and from this consolidated fiscal year it is presented as 'Pledged money for securities lending transactions' on the consolidated balance sheet.

**CONSOLIDATED STATEMENT OF INCOME  
FOR FISCAL 2000 ENDED MARCH 31, 2001**

	(Millions of yen)
<b>Operating income:</b>	2,725,995
Interest income	1,328,056
Interest on loans and discounts	851,820
Interest and dividends on securities	193,828
Interest on call loans and bills bought	7,106
Interest on receivables under resale agreements	10,861
Interest on deposits with banks	217,874
Other interest income	46,564
Fees and commissions	202,836
Trading profits	84,376
Other operating income	552,060
Lease-related income	338,282
Installment-related income	144,151
Other	69,626
Other income	558,665
<b>Operating expenses:</b>	2,415,254
Interest expenses	674,508
Interest on deposits	374,606
Interest on negotiable certificates of deposit	23,010
Interest on call money and bills sold	15,575
Interest on payables under repurchase agreements	22,224
Interest on commercial paper	2,229
Interest on borrowed money	56,768
Interest on bonds	60,210
Interest on convertible bonds	406
Other interest expenses	119,476
Fees and commissions	33,918
Trading losses	2,146
Other operating expenses	505,193
Lease-related expenses	289,660
Installment-related expenses	128,186
Other	87,346
General and administrative expenses	450,268
Other expenses	749,218
Transfer to reserve for possible loan losses	32,103
Other	717,115
<b>Operating profit</b>	<b>310,741</b>
<b>Extraordinary profit</b>	1,590
Gains on disposition of premises and equipment	963
Collection of written-off claims	627
<b>Extraordinary loss</b>	38,863
Losses on disposition of premises and equipment	16,060
Other extraordinary loss	22,803
<b>Income before income taxes and minority interests</b>	<b>273,468</b>
Income taxes, Current	57,439
Income taxes, Deferred	128,327
Minority interests in net income	4,231
<b>Net income</b>	<b>83,469</b>

**Notes to Consolidated Statement of Income**

1. Amounts less than one million have been omitted.
2. Net income per share is 25.50 yen.
3. Net income per share (diluted) is 24.93 yen.
4. Trading profits and trading losses are recognized on a contract date basis, and include interest received/paid and the amount of change in valuation gains/losses for securities, monetary claims and derivatives as of the consolidated term end date compared with that at the end of the previous year. The amount of valuation gains/losses for derivatives is measured using the estimated settlement price assuming settlement in cash at the consolidated year end date.
5. Standards for recognizing rental income on lease transactions and income/expenses on installment sales are as follows:
  - (1) Recognition of Lease-related income on lease transactions  
Basically, Lease-related income is recognized on a straight-line basis over the full term of the lease, based on the contractual amount of lease fees per month.
  - (2) Recognition of income and expenses on installment sales  
Basically, Installment-related income and Installment-related expenses are recognized on a due-date basis over the full term of the installment.
6. Other income includes gains on sales of stocks and other securities, net gain from unconsolidated entities by the equity method and gain on establishment of trust for employee retirement benefit, of 475,976 million yen, 36,479 million yen and 24,006 million yen, respectively.
7. Other expenses include write-offs of loans of 556,661 million yen.
8. Extraordinary loss includes amortized cost of unrecognized net obligation from initial application of the new accounting standard for employees retirement benefit in Japan of 21,058 million yen.
9. Effective April 1, 2000, a new accounting standard of employees retirement benefit is adopted in Japan. Accordingly, Operating profit and Income before income taxes and minority interests have increased compared with prior accounting method by 10,360 million yen and 11,266 million yen, respectively.
10. Effective April 1, 2000, a new accounting standard for financial instruments is adopted in Japan. Accordingly, the valuation methods of securities and derivatives excluding those in trading portfolio have been changed, and the hedge accounting has been applied. As a result, both Operating profit and Income before income taxes and minority interests have increased compared with prior accounting by 20,738 million yen. And income and expenses relating to derivative transactions that meet the criteria for hedge accounting are presented by net by each account, which has been changed from prior accounting that presented net by each transaction. As a result, Operating income and Operating expenses have decreased by 493,177 million yen, respectively, though Operating profit and Income before income taxes and minority interests have not changed.
11. Enterprise taxes other than relating to income are included in Other expenses. Effective April 1, 2000, the Special Ordinance Concerning Taxation Standard for Enterprise Taxes in Relation to Banks in the Tokyo Metropolis (Tokyo Metropolis Ordinance 145 of 2000) is enacted, and the enterprise taxes in Tokyo, which were included in Current income taxes for prior period, are now included in Other expenses by the amount of 8,100 million yen.

**CONSOLIDATED STATEMENT OF RETAINED EARNINGS  
FOR FISCAL 2000 ENDED MARCH 31, 2001**

	(Millions of yen)
Retained earnings:	
Balance at beginning of year	253,573
Increase of retained earnings:	5,281
Transfer from land revaluation excess	5,281
Decrease of retained earnings:	22,400
Dividends paid	22,399
Decrease of retained earnings due to decrease of consolidated subsidiaries	0
Net income	<u>83,469</u>
Balance at end of year	<u><u>319,924</u></u>

Note : Amounts less than one million have been omitted.

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR FISCAL 2000 ENDED MARCH 31, 2001**

	(Millions of yen)
<b>1. Cash flows from operating activities:</b>	
Income before income taxes and minority interests	273,468
Depreciation of premises and equipment	26,140
Depreciation of lease assets	268,700
Amortization of goodwill	1,571
Net (income) loss from unconsolidated entities accounted for by the equity method	(36,479)
Net change in reserve for possible loan losses	(192,154)
Net change in reserve for possible losses on loans sold	(41,600)
Net change in reserve for employee retirement benefit	(46,355)
Interest income	(1,328,056)
Interest expenses	674,508
Net (gains) losses on securities	(418,493)
Net (income) loss from money held in trust	(268)
Net exchange (gains) losses	(103,436)
Net (gains) losses from disposition of premises and equipment	15,097
Net (gains) losses from disposition of lease assets	3,575
Net change in trading assets	(303,615)
Net change in trading liabilities	433,148
Net change in loans and bills discounted	350,155
Net change in deposits	2,687,498
Net change in negotiable certificates of deposit	154,263
Net change in borrowed money (excluding subordinated debt)	(203,229)
Net change in deposits with banks	(1,087,125)
Net change in call loans, bills bought and receivables under resale agreements	(2,576,375)
Net change in pledged money for securities borrowing transactions	(652,884)
Net change in call money, bills sold and payables under repurchase agreements	3,166,244
Net change in commercial paper	401,621
Net change in pledged money for securities lending transactions	1,318,733
Net change in foreign exchanges (Assets)	(107,134)
Net change in foreign exchanges (Liabilities)	49,833
Issuance and redemption of bonds (excluding subordinated bonds)	478,453
Interest received	1,211,640
Interest paid	(837,803)
Other, net	25,236
<b>Subtotal</b>	<b>3,604,878</b>
Income taxes paid	(47,172)
<b>Net cash provided by operating activities</b>	<b>3,557,706</b>
<b>2. Cash flows from investing activities:</b>	
Purchases of securities	(28,751,233)
Proceeds from sale of securities	12,151,611
Proceeds from maturity of securities	12,930,322
Purchases of money held in trust	(91,300)
Proceeds from sale of money held in trust	148,488
Purchases of premises and equipment	(49,183)
Proceeds from sale of premises and equipment	21,260
Purchases of lease assets	(314,383)
Proceeds from sale of lease assets	35,590
Proceeds from sale of subsidiaries	5,083
<b>Net cash used in investing activities</b>	<b>(3,913,743)</b>
<b>3. Cash flows from financing activities:</b>	
Proceeds from issuance of subordinated debt	10,000
Repayment of subordinated debt	(52,000)
Proceeds from issuance of subordinated bonds and convertible bonds and notes	104,500
Repayment of subordinated bonds and convertible bonds and notes	(143,550)
Dividends paid	(22,406)
Dividends paid to minority stockholders	(192)
Purchases of treasury stock	(541)
Proceeds from sale of treasury stock	548
<b>Net cash used in financing activities</b>	<b>(103,642)</b>
<b>4. Foreign currency translation adjustments on cash and cash equivalents</b>	<b>2,525</b>
<b>5. Net change in cash and cash equivalents</b>	<b>(457,154)</b>
<b>6. Cash and cash equivalents at beginning of year</b>	<b>1,323,157</b>
<b>7. Change in cash and cash equivalents due to newly consolidated subsidiaries</b>	<b>2,129</b>
<b>8. Cash and cash equivalents at end of year</b>	<b>868,132</b>

Notes to Consolidated Statement of Cash Flows

1. Amounts less than one million have been omitted.
2. For the purposes of the consolidated statements of cash flows, 'Cash and cash equivalents' represents cash on hand and non-interest earning deposits with banks.
3. The reconciliation of Cash and due from banks in the consolidated balance sheet to Cash and cash equivalents at end of year is the following:

	(Millions of yen)
Cash and due from banks	4,623,597
Interest earning deposits	(3,755,464)
Cash and cash equivalents	<u>868,132</u>
(= Cash on hand and non-interest earning deposits with banks)	

**COMPARATIVE CONSOLIDATED BALANCE SHEETS  
AS OF MARCH 31, 2001 AND 2000**

	(Millions of yen)		
	2001	2000	Difference
	(A)	(B)	(A-B)
<b>Assets:</b>			
Cash and due from banks	4,623,597	3,965,717	657,880
Call loans and bills bought	139,189	252,075	(112,886)
Receivables under resale agreements	2,905,306	-	2,905,306
Commercial paper and other debt purchased	168,497	178,331	(9,834)
Trading assets	1,913,404	1,745,425	167,979
Money held in trust	52,912	109,039	(56,127)
Securities	16,845,970	8,968,853	7,877,117
Loans and bills discounted	32,630,388	32,940,880	(310,492)
Foreign exchanges	470,092	362,889	107,203
Other assets	4,297,808	2,425,278	1,872,530
Premises and equipment	683,833	680,334	3,499
Lease assets	827,134	823,859	3,275
Deferred tax assets	598,280	704,881	(106,601)
Goodwill	6,224	-	6,224
Customers' liabilities for acceptances and guarantees	1,987,164	1,560,437	426,727
Reserve for possible loan losses	(756,830)	(950,499)	193,669
<b>Total assets</b>	<b>67,392,974</b>	<b>53,767,504</b>	<b>13,625,470</b>
<b>Liabilities:</b>			
Deposits	31,045,062	28,362,065	2,682,997
Negotiable certificates of deposit	7,025,950	6,869,258	156,692
Call money and bills sold	5,332,877	2,745,132	2,587,745
Payables under repurchase agreements	5,262,187	-	5,262,187
Commercial paper	594,456	192,507	401,949
Trading liabilities	1,068,607	952,649	115,958
Borrowed money	2,322,477	2,518,700	(196,223)
Foreign exchanges	213,813	163,951	49,862
Bonds	2,061,693	1,566,242	495,451
Convertible bonds	101,106	101,106	-
Pledged money for securities lending transactions	4,607,098	-	4,607,098
Other liabilities	3,116,359	6,070,477	(2,954,118)
Reserve for retirement allowances	-	49,715	(49,715)
Reserve for employee retirement benefit	7,972	-	7,972
Reserve for possible losses on loans sold	74,639	116,240	(41,601)
Other reserves	8	8	-
Deferred tax liabilities	24,271	3,585	20,686
Deferred tax liabilities for land revaluation	103,401	111,692	(8,291)
Acceptances and guarantees	1,987,164	1,560,437	426,727
<b>Total liabilities</b>	<b>64,949,149</b>	<b>51,383,774</b>	<b>13,565,375</b>
<b>Minority interests</b>	<b>606,673</b>	<b>579,371</b>	<b>27,302</b>
<b>Total stockholders' equity</b>	<b>1,837,151</b>	<b>1,804,358</b>	<b>32,793</b>
<b>Total liabilities, minority interests and stockholders' equity</b>	<b>67,392,974</b>	<b>53,767,504</b>	<b>13,625,470</b>

Note : Amounts less than one million have been omitted.

**COMPARATIVE CONSOLIDATED STATEMENTS OF INCOME  
FOR YEAR ENDED MARCH 31, 2001 AND 2000**

	(Millions of yen)		
	2001	2000	Difference
	(A)	(B)	(A-B)
<b>Operating income:</b>	2,725,995	3,002,923	(276,928)
Interest income	1,328,056	1,528,031	(199,975)
Interest on loans and discounts	851,820	839,295	12,525
Interest and dividends on securities	193,828	162,129	31,699
Fees and commissions	202,836	182,637	20,199
Trading profits	84,376	69,760	14,616
Other operating income	552,060	589,638	(37,578)
Other income	558,665	632,855	(74,190)
<b>Operating expenses:</b>	2,415,254	2,765,637	(350,383)
Interest expenses	674,508	874,315	(199,807)
Interest on deposits	374,606	270,347	104,259
Fees and commissions	33,918	36,775	(2,857)
Trading losses	2,146	22,853	(20,707)
Other operating expenses	505,193	510,433	(5,240)
General and administrative expenses	450,268	466,140	(15,872)
Other expenses	749,218	855,118	(105,900)
<b>Operating profit</b>	<b>310,741</b>	<b>237,285</b>	<b>73,456</b>
<b>Extraordinary profit</b>	<b>1,590</b>	<b>10,694</b>	<b>(9,104)</b>
<b>Extraordinary loss</b>	<b>38,863</b>	<b>31,477</b>	<b>7,386</b>
<b>Income before income taxes and minority interests</b>	<b>273,468</b>	<b>216,503</b>	<b>56,965</b>
Income taxes, Current	57,439	50,794	6,645
Income taxes, Deferred	128,327	96,387	31,940
<b>Minority interests in net income</b>	<b>4,231</b>	<b>7,444</b>	<b>(3,213)</b>
<b>Net income</b>	<b>83,469</b>	<b>61,875</b>	<b>21,594</b>

Note : Amounts less than one million have been omitted.

**COMPARATIVE CONSOLIDATED STATEMENTS OF RETAINED EARNINGS  
FOR YEAR ENDED MARCH 31, 2001 AND 2000**

	(Millions of yen)		
	2001 (A)	2000 (B)	Difference (A-B)
Retained earnings:			
Balance at beginning of year	253,573	209,178	44,395
Increase of retained earnings:	5,281	3,152	2,129
Decrease of retained earnings:	22,400	20,633	1,767
Net income	83,469	61,875	21,594
Balance at end of year	319,924	253,573	66,351

Note : Amounts less than one million have been omitted.

**COMPARATIVE CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR YEAR ENDED MARCH 31, 2001 AND 2000**

	(Millions of yen)		
	2001	2000	Difference
	(A)	(B)	(A-B)
<b>1. Cash flows from operating activities:</b>			
Income before income taxes and minority interests	273,468	216,503	56,965
Depreciation of premises and equipment	26,140	24,070	2,070
Depreciation of lease assets	268,700	272,031	(3,331)
Amortization of goodwill	1,571	1	1,570
Net (income) loss from unconsolidated entities accounted for by the equity method	(36,479)	35,549	(72,028)
Net change in reserve for possible loan losses	(192,154)	(315,850)	123,696
Net change in reserve for possible losses on loans sold	(41,600)	(23,545)	(18,055)
Net change in reserve for retirement allowances	-	(2,715)	2,715
Net change in reserve for employee retirement benefit	(46,355)	-	(46,355)
Interest income	(1,328,056)	(1,528,031)	199,975
Interest expenses	674,508	874,315	(199,807)
Net (gains) losses on securities	(418,493)	(508,327)	89,834
Net (income) loss from money held in trust	(268)	760	(1,028)
Net exchange (gains) losses	(103,436)	73,864	177,300
Net (gains) losses from disposition of premises and equipment	15,097	8,306	6,791
Net (gains) losses from disposition of lease assets	3,575	33,342	(29,767)
Gain on sale of business operation	-	(8,000)	8,000
Loss from additional payment for pension liabilities	-	21,460	(21,460)
Net change in trading assets	(303,615)	826,416	(1,130,031)
Net change in trading liabilities	433,148	(351,166)	784,314
Net change in loans and bills discounted	350,155	2,514,357	(2,164,202)
Net change in deposits	2,687,498	271,528	2,415,970
Net change in negotiable certificates of deposit	154,263	1,061,647	(907,384)
Net change in borrowed money (excluding subordinated debt)	(203,229)	(200,617)	(2,612)
Net change in deposits with banks	(1,087,125)	(1,875,746)	788,621
Net change in call loans, bills bought and receivables under resale agreements	(2,576,375)	235,178	(2,811,553)
Net change in pledged money for securities borrowing transactions	(652,884)	137,396	(790,280)
Net change in call money, bills sold and payables under repurchase agreements	3,166,244	(615,238)	3,781,482
Net change in commercial paper	401,621	(321,851)	723,472
Net change in pledged money for securities lending transactions	1,318,733	1,154,362	164,371
Net change in foreign exchanges (Assets)	(107,134)	30,430	(137,564)
Net change in foreign exchanges (Liabilities)	49,833	22,124	27,709
Net change in bonds (excluding subordinated bonds)	478,453	524,910	(46,457)
Interest received	1,211,640	1,430,203	(218,563)
Interest paid	(837,803)	(894,663)	56,860
Other, net	25,236	(429,627)	454,863
<b>Subtotal</b>	<b>3,604,878</b>	<b>2,693,381</b>	<b>911,497</b>
Additional payment for pension liabilities	-	(21,578)	21,578
Income taxes paid	(47,172)	(41,659)	(5,513)
<b>Net cash provided by operating activities</b>	<b>3,557,706</b>	<b>2,630,143</b>	<b>927,563</b>
<b>2. Cash flows from investing activities:</b>			
Purchases of securities	(28,751,233)	(38,223,957)	9,472,724
Proceeds from sale of securities	12,151,611	29,463,927	(17,312,316)
Proceeds from maturity of securities	12,930,322	6,821,306	6,109,016
Purchases of money held in trust	(91,300)	(59,516)	(31,784)
Proceeds from sale of money held in trust	148,488	34,750	113,738
Purchases of premises and equipment	(49,183)	(36,175)	(13,008)
Proceeds from sale of premises and equipment	21,260	11,365	9,895
Purchases of lease assets	(314,383)	(325,621)	11,238
Proceeds from sale of lease assets	35,590	16,304	19,286
Proceeds from sale of business operation	-	8,000	(8,000)
Proceeds from sale of subsidiaries	5,083	-	5,083
<b>Net cash used in investing activities</b>	<b>(3,913,743)</b>	<b>(2,289,615)</b>	<b>(1,624,128)</b>
<b>3. Cash flows from financing activities:</b>			
Proceeds from issuance of subordinated debt	10,000	5,000	5,000
Repayment of subordinated debt	(52,000)	(47,000)	(5,000)
Proceeds from issuance of subordinated bonds, convertible bonds and notes	104,500	149,150	(44,650)
Repayment of subordinated bonds, convertible bonds and notes	(143,550)	(23,000)	(120,550)
Dividends paid	(22,406)	(20,640)	(1,766)
Dividends paid to minority stockholders	(192)	(333)	141
Purchases of treasury stock	(541)	(714)	173
Proceeds from sale of treasury stock	548	717	(169)
<b>Net cash provided by (used in) financing activities</b>	<b>(103,642)</b>	<b>63,179</b>	<b>(166,821)</b>
<b>4. Foreign currency translation adjustments on cash and cash equivalents</b>	<b>2,525</b>	<b>(9,226)</b>	<b>11,751</b>
<b>5. Net change in cash and cash equivalents</b>	<b>(457,154)</b>	<b>394,481</b>	<b>(851,635)</b>
<b>6. Cash and cash equivalents at beginning of year</b>	<b>1,323,157</b>	<b>928,701</b>	<b>394,456</b>
<b>7. Change in cash and cash equivalents due to newly consolidated subsidiaries</b>	<b>2,129</b>	<b>-</b>	<b>2,129</b>
<b>8. Decrease of cash and cash equivalents caused from exception of consolidation</b>	<b>-</b>	<b>(25)</b>	<b>25</b>
<b>9. Cash and cash equivalents at end of year</b>	<b>868,132</b>	<b>1,323,157</b>	<b>(455,025)</b>

Note : Amounts less than one million have been omitted.

## 5. SEGMENT INFORMATION

### (1) Business segment information

Year ended March 31, 2001	(Millions of yen)					
	Banking Business	Leasing	Other	Total	Elimination	Consolidated
Operating income						
(1) External customers	1,843,146	516,850	365,998	2,725,995	-	2,725,995
(2) Intersegment	75,387	4,078	111,435	190,901	(190,901)	-
Total	1,918,534	520,929	477,434	2,916,897	(190,901)	2,725,995
Operating expenses	1,731,682	500,251	314,034	2,545,968	(130,713)	2,415,254
Operating profit	186,851	20,677	163,399	370,929	(60,187)	310,741
Assets	66,438,599	1,535,527	4,544,442	72,518,569	(5,125,594)	67,392,974
Depreciation	34,981	317,022	8,748	360,752	-	360,752
Capital expenditure	64,749	271,022	10,721	346,493	-	346,493

(Notes)

1. The business segmentation is decided based on the Bank's internal administrative purposes.
2. "Other Business" includes securities, credit card, investment banking, loans, factoring and venture capital etc.

Year ended March 31, 2000	(Millions of yen)					
	Banking Business	Leasing	Other	Total	Elimination	Consolidated
Operating income						
(1) External customers	2,208,367	522,953	271,602	3,002,923	-	3,002,923
(2) Intersegment	36,596	4,869	99,933	141,398	(141,398)	-
Total	2,244,963	527,822	371,535	3,144,322	(141,398)	3,002,923
Operating expenses	2,062,769	506,429	332,282	2,901,481	(135,843)	2,765,637
Operating profit	182,194	21,393	39,253	242,841	(5,555)	237,285
Assets	52,348,529	1,479,808	4,548,267	58,376,605	(4,609,101)	53,767,504
Depreciation	45,077	329,348	4,989	379,415	-	379,415
Capital expenditure	33,033	272,749	4,581	310,363	-	310,363

## (2) Geographic segment information

Year ended March 31, 2001	(Millions of yen)						
	Japan	The Americas	Europe	Asia and Oceania	Total	Elimination	Consolidated
Operating income							
(1) External customers	2,075,857	354,622	168,645	126,870	2,725,995	-	2,725,995
(2) Intersegment	116,616	53,979	63,382	40,438	274,417	(274,417)	-
Total	2,192,474	408,602	232,028	167,308	3,000,413	(274,417)	2,725,995
Operating expenses	2,015,569	249,594	230,040	137,464	2,632,669	(217,414)	2,415,254
Operating profit	176,904	159,007	1,988	29,843	367,744	(57,002)	310,741
Assets	60,600,462	5,051,346	2,575,486	2,300,560	70,527,854	(3,134,879)	67,392,974

### (Notes)

- The geographic segmentation is decided based on the degrees of following factors:  
geographic proximity, similarity of economic activities and relationship of business activities among regions.  
Operating income and Operating profit are presented as counterparts of sales and operating profit of companies in other industries.
- The Americas includes the United States, Brazil and others; Europe includes the United Kingdom, France and others; Asia and Oceania includes Hong Kong, Singapore and others except Japan.

Year ended March 31, 2000	(Millions of yen)						
	Japan	The Americas	Europe	Asia and Oceania	Total	Elimination	Consolidated
Operating income							
(1) External customers	2,388,478	296,813	128,364	189,267	3,002,923	-	3,002,923
(2) Intersegment	86,088	53,410	54,999	28,352	222,851	(222,851)	-
Total	2,474,567	350,224	183,363	217,619	3,225,775	(222,851)	3,002,923
Operating expenses	2,344,476	264,258	168,449	206,969	2,984,153	(218,516)	2,765,637
Operating profit	130,090	85,966	14,914	10,650	241,621	(4,335)	237,285
Assets	49,196,165	4,039,567	1,756,961	2,647,550	57,640,245	(3,872,740)	53,767,504

## (3) Operating income from overseas operations

	(Millions of yen)		
	Operating Income from Overseas Operations (A)	Consolidated Operating Income (B)	(A) / (B)
Fiscal year ended March 2001	650,138	2,725,995	23.9 %
Fiscal year ended March 2000	614,445	3,002,923	20.5 %

### (Notes)

- The above table shows operating income from transactions of the Bank's overseas branches and transactions of overseas consolidated subsidiaries, excluding internal income.
- The composition of this substantial volume of transactions is not broken down by counter party, and therefore, data by region and country have not been shown.

## **6. Products, Orders and Sales**

This information is not available because of the specialty of banking business.

## (Appendix) Market Value Information on Securities

### 1. Securities

(Notes) 1. In addition to 'Securities' in the consolidated balance sheet, negotiable certificates of deposits in Cash and due from banks and commercial paper and within Commercial paper and other debt purchased are included in the following amounts.

2. Stocks of subsidiaries and affiliates that have market value is mentioned in Notes to the nonconsolidated balance sheet.

#### (1) Bonds classified as Trading

As of March 31, 2001	(Millions of yen)	
	Consolidated balance sheet amount	Gains included in profit/loss during this fiscal year
Bonds classified as trading	998,998	713

#### (2) Bonds classified as held-to-maturity

As of March 31, 2001	(Millions of yen)				
	Consolidated balance sheet amount	Market value	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
Japanese government bonds	114	114	0	0	0
Japanese local government bonds	-	-	-	-	-
Japanese corporate bonds	-	-	-	-	-
Other	18,451	18,367	(83)	46	130
Total	18,565	18,482	(82)	47	130

(Notes) Market value is calculated by using market prices at the fiscal year end.

#### (3) *Other securities* that have market value

Market value is not reflected on consolidated financial statements.

Summary information on '*other securities*' that have market value are shown in the following table.

As of March 31, 2001	(Millions of yen)				
	Consolidated balance sheet amount	Market value	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
Stocks	2,738,365	2,581,842	(156,523)	166,678	323,201
Bonds	11,453,252	11,536,374	83,122	85,908	2,785
Japanese government bonds	10,691,178	10,752,965	61,787	64,163	2,375
Japanese local government bonds	260,232	271,306	11,073	11,077	3
Japanese corporate bonds	501,842	512,103	10,261	10,667	406
Other	1,399,155	1,524,294	125,139	135,120	9,981
Total	15,590,773	15,642,511	51,738	387,707	335,969

(Notes) Market value is calculated by using the market prices at the fiscal year end as for bonds and others, and by using the average market price during one month before the fiscal year end as for stocks.

#### (4) Bonds sold during this fiscal year that are classified as held-to-maturity

There are no corresponding items.

#### (5) *Other securities* sold during this fiscal year

Year ended March 31, 2001	(Millions of yen)		
	Sales amount	Gains on sales	Losses on sales
<i>Other securities</i>	12,148,851	501,662	41,367

(6) Securities that have no market value

As of March 31, 2001	(Millions of yen)
	Consolidated balance sheet amount
<b>Bonds classified as held-to-maturity</b>	
Non-listed foreign securities	31,163
Other	5,091
<b>Other securities</b>	
Non-listed foreign securities	668,428
Non-listed bonds	226,332
Non-listed stocks (except OTC stocks)	112,592
Other	224,483

(7) Change of classification of securities

There are no corresponding items.

(8) Redemption schedule on *other securities* that have maturities and bonds classified as held-to-maturity

As of March 31, 2001	(Millions of yen)			
	1 year or less	1 to 5 years	5 to 10 years	over 10 years
<b>Bonds</b>	4,829,489	4,668,333	2,178,313	3,563
Japanese government bonds	4,676,663	4,248,153	1,766,475	-
Japanese local government bonds	22,556	54,534	244,466	563
Japanese corporate bonds	130,269	365,646	167,370	3,000
Other	445,721	1,079,457	148,466	352,019
<b>Total</b>	5,275,210	5,747,790	2,326,779	355,582

## 2. Money Held in Trust

(1) Money held in trust classified as trading

As of March 31, 2001	(Millions of yen)	
	Consolidated balance sheet amount	Gains included in profit/loss during this fiscal year
Money held in trust classified as trading	2,467	-

(2) Money held in trust classified as Held To Maturity

As of March 31, 2001	(Millions of yen)				
	Consolidated balance sheet amount	Market value	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
Money held in trust classified as held-to-maturity	-	-	-	-	-

(Notes) Market value is calculated by using market prices at the fiscal year end.

(3) Other money held in trust (money held in trust that are classified neither as trading nor as held-to-maturity)

Market value is not reflected on consolidated financial statements.

Summary information on other money held in trust that have market value is shown in the following table.

As of March 31, 2001	(Millions of yen)				
	Consolidated balance sheet amount	Market value	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
Other money held in trust	50,444	46,335	(4,108)	317	4,426

(Notes) Market value is calculated by using market prices at the fiscal year end.

### 3. Net Unrealized Gain/Loss on *Other Securities*

If *other securities* and other money held in trust were valued by market value, net unrealized gain/loss on valuation would be as shown in the following table.

<u>As of March 31, 2001</u>	<u>(Millions of yen)</u>
Difference (Market value - Balance sheet amount)	47,629
<i>Other securities</i>	51,738
Other money held in trust	(4,108)
(-) Deferred tax liabilities	<u>18,371</u>
Net unrealized gains/(losses) on valuation (before adjustment)	<u>29,257</u>
(-) Minority interests	1,713
(+) Parent company's interest in net unrealized gain/loss on valuation of <i>other securities</i> held by affiliates accounted for by the equity method	13
Net unrealized gain/loss on valuation	<u><u>27,557</u></u>

(Reference) Previous year's information on Securities (as of March 31, 2000)

1. Securities

As of March 31, 2000	(Millions of yen)				
	Consolidated balance sheet amount	Market value	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
Japanese Bonds	877,620	871,538	(6,081)	22,187	28,269
Japanese Stocks	3,131,298	3,987,659	856,360	1,178,416	322,055
Other	521,933	786,986	265,053	274,936	9,883
<b>Total</b>	<b>4,530,852</b>	<b>5,646,185</b>	<b>1,115,332</b>	<b>1,475,540</b>	<b>360,208</b>

Notes: 1. Amounts in the above table are for marketable securities listed on Securities exchanges. Japanese bonds include national government bonds, local government bonds and corporate bonds.

The market value is calculated using the closing prices on the Tokyo Stock Exchange at the balance sheet date or the prices calculated under the yield released by the Securities Dealers Association of Japan.

Market values of "Other" are calculated using the prices of Tokyo Stock Exchange.

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.

As of March 31, 2000	(Millions of yen)				
	Consolidated balance sheet amount	Market value	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
Japanese Bonds	3,169,079	3,174,359	5,279	12,030	6,750
Japanese Stocks	34,181	92,557	58,376	63,839	5,463
Other	66,800	67,264	464	2,331	1,867
<b>Total</b>	<b>3,270,060</b>	<b>3,334,181</b>	<b>64,120</b>	<b>78,201</b>	<b>14,081</b>

The estimated market value equivalents of unlisted securities are calculated as follows:

Japanese over-the-counter securities: based on purchase prices released by the Securities Dealers Association of Japan.

Public bonds: based on the earnings yield of the quotation of over-the-counter issues released by the Securities Dealers Association of Japan.

Beneficial securities of securities investment trust: based on the reference price.

U.S. over-the-counter securities: based on NASDAQ purchasing price of the National Association of Securities Dealers.

3. The following represents the book values of non-marketable securities, which have not been included in the market value information on marketable securities.

As of March 31, 2000	(Millions of yen)
	Consolidated balance sheet amount
Japanese Bonds	514,905
Japanese Stocks	231,067
Other	421,966

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

2. Money Held in Trust

As of March 31, 2000	(Millions of yen)				
	Consolidated balance sheet amount	Market value	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
Money Held in Trust	109,039	108,980	(59)	0	59

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

1. The market value is calculated using the closing prices on the Tokyo Stock Exchange at the balance sheet date or the prices calculated under the yield released on the Securities Dealers Association of Japan in most cases.

2. Over-the-counter stocks are valued by the purchase prices released by the Securities Dealers Association of Japan.

## **(Appendix) Market Value Information on Derivative Transactions**

### (1) Interest Rate Derivatives

As of March 31, 2001

(Millions of yen)

	Contract Amount	(Over 1 year)	Market Value	Net Valuated Gains (Losses)
<b>TRANSACTIONS LISTED ON EXCHANGE:</b>				
Interest rate futures				
sold	1,101,977	17,858	(437)	(437)
bought	5,697,426	485,657	8,991	8,991
Interest rate options				
sold	248,680	–	(10)	(10)
bought	109,340	–	6	6
<b>OVER-THE-COUNTER TRANSACTIONS:</b>				
Forward rate agreements				
sold	6,884,618	–	(649)	(649)
bought	1,777,431	–	841	841
Interest rate swaps	135,767,183	83,730,613	(69,662)	(69,662)
Receivable fixed rate/Payable floating rate	65,115,663	40,064,077	1,573,923	1,573,923
Receivable floating rate/Payable fixed rate	64,847,289	39,778,519	(1,644,551)	(1,644,551)
Receivable floating rate/Payable floating rate	5,165,148	3,359,612	(1,674)	(1,674)
Swaptions				
sold	400,466	248,801	(12,247)	(12,247)
bought	326,828	240,727	6,547	6,547
Caps				
sold	3,207,128	2,358,919	(4,459)	(4,459)
bought	2,107,655	1,535,957	4,673	4,673
Floors				
sold	151,911	140,436	(2,833)	(2,833)
bought	283,412	230,219	5,098	5,098
Other				
sold	32,799	29,850	99	99
bought	141,681	93,760	490	490
Total			(63,553)	(63,553)

(Notes)

- The above transactions are valued at market value and the valuated gains (losses) are accounted for in the consolidated statement of income.  
Derivative transactions to which hedge accounting method is applied are not included in the amounts above.  
Some consolidated overseas subsidiaries account for interest rate derivatives in accordance with local accounting standards. Such transactions are not included in the figures above, and the net unrealized gain of them amounts to 2,848 million yen.
- Market value of transactions listed on exchange is calculated mainly using the closing prices on the Tokyo International Financial Futures Exchange and others.  
Market value of OTC transactions is calculated mainly using discounted present value and option pricing models.

## (2) Currency Derivatives

As of March 31, 2001	(Millions of yen)			
	Contract Amount	(Over 1 year)	Market Value	Net Valuated Gains (Losses)
<b>OVER-THE-COUNTER TRANSACTIONS:</b>				
Currency swaps	10,574,656	4,808,279	(69,281)	(69,281)
Forward foreign exchange	787,136	187,702	(13,451)	(13,451)
Currency options				
sold	19,804	6,453	(1,583)	(1,583)
bought	22,702	5,554	1,466	1,466
Other				
sold	-	-	-	-
bought	-	-	-	-
<b>Total</b>			<b>(82,850)</b>	<b>(82,850)</b>

(Notes)

1. The above transactions are valued at market value and the valuated gains (losses) are accounted for in the consolidated statement of income.  
Derivative transactions to which hedge accounting method is applied are not included in the amounts above.  
Some consolidated overseas subsidiaries account for currency derivatives in accordance with local accounting standards. Such transactions are not included in the figures above, and the net unrealized gain of them amounts to 650 million yen.
2. Market value is calculated mainly using discounted present value.
3. Forward foreign exchange and currency options which are of the following types are not included in the figures above:
  - 1) Those that are revaluated at year end and the revaluated gain (loss) is accounted for in the consolidated statement of income.
  - 2) Those that were allotted to financial assets/liabilities by foreign currency and whose market values are already reflected in the amount of the financial assets/liabilities on the consolidated balance sheet.
  - 3) Those that were allotted to financial assets/liabilities by foreign currency and the financial assets/liabilities are eliminated in the process of consolidation.

The contract amount of currency swaps which are revaluated at the consolidated balance sheet date are as follows:

As of March 31, 2001	(Millions of yen)
	Contract Amount
<b>TRANSACTIONS LISTED ON EXCHANGE:</b>	
Currency futures	
sold	-
bought	-
Currency options	
sold	-
bought	-
<b>OVER-THE-COUNTER TRANSACTIONS:</b>	
Forward foreign exchange	48,193,991
Currency options	
sold	1,877,037
bought	1,606,427
Other	
sold	-
bought	-

### (3) Stock Derivatives

As of March 31, 2001	(Millions of yen)			
	Contract Amount	(Over 1 year)	Market Value	Net Valuated Gains (Losses)
<b>TRANSACTIONS LISTED ON EXCHANGE:</b>				
Stock price index futures				
sold	3,039	-	137	137
bought	-	-	-	-
Stock price index options				
sold	-	-	-	-
bought	-	-	-	-
<b>OVER-THE-COUNTER TRANSACTIONS:</b>				
Equity options				
sold	-	-	-	-
bought	-	-	-	-
Stock price index swaps	45,202	16,039	(805)	(805)
Other				
sold	79,457	61,219	10,685	10,685
bought	34,947	-	(1,072)	(1,072)
Total			8,944	8,944

(Notes)

- The above transactions are valued at market value and the valuated gains (losses) are accounted for in the consolidated statement of income.  
Derivative transactions to which hedge accounting method is applied are not included in the amounts above.
- Market value of transactions listed on exchange is calculated mainly using the closing prices on the Tokyo Stock Exchange.  
Market value of OTC transactions is calculated mainly using discounted present value and option pricing models.

### (4) Bond Derivatives

As of March 31, 2001	(Millions of yen)			
	Contract Amount	(Over 1 year)	Market Value	Net Valuated Gains (Losses)
<b>TRANSACTIONS LISTED ON EXCHANGE:</b>				
Bond futures				
sold	2,000	2,000	8	8
bought	-	-	-	-
Bond futures options				
sold	-	-	-	-
bought	-	-	-	-
<b>OVER-THE-COUNTER TRANSACTIONS:</b>				
Bond options				
sold	21,981	19,850	0	0
bought	25,457	18,562	0	0
Other				
sold	-	-	-	-
bought	-	-	-	-
Total			8	8

(Notes)

- The above transactions are valued at market value and the valuated gains (losses) are accounted for in the consolidated statement of income.  
Derivative transactions to which hedge accounting method is applied are not included in the amounts above.
- Market value of transactions listed on exchange is calculated mainly using the closing prices on the Tokyo Stock Exchange.  
Market value of OTC transactions is calculated mainly using discounted present value and option pricing models.

## (5) Commodity Derivatives

As of March 31, 2001	(Millions of Yen)			
	Contract Amount	(Over 1 year)	Market Value	Net Valuated Gains (Losses)
<b>OVER-THE-COUNTER TRANSACTIONS:</b>				
Commodity options				
sold	2,707	2,707	56	56
bought	2,707	2,707	(4)	(4)
Total			51	51

(Notes)

1. The above transactions are valued at market value and the valuated gains (losses) are accounted for in the consolidated statement of income.

Derivative transactions to which hedge accounting method is applied are not included in the amounts above.

2. Market value is calculated based on factors such as price of the relevant commodity and contract term.

## (6) Credit Derivative Transactions

As of March 31, 2001	(Millions of yen)			
	Contract Amount	(Over 1 year)	Market Value	Net Valuated Gains (Losses)
<b>OVER-THE-COUNTER TRANSACTIONS:</b>				
Credit default options				
sold	42,389	33,782	(366)	(366)
bought	55,966	43,746	465	465
Other				
sold	32,669	14,500	(8,276)	(8,276)
bought	62,942	58,978	7,334	7,334
Total			(842)	(842)

(Notes)

1. The above transactions are valued at market value and the valuated gains (losses) are accounted for in the consolidated statement of income.

Derivative transactions to which hedge accounting method is applied are not included in the amounts above.

2. Market value is calculated based on factors such as price of the relevant commodity and contract term.

3. 'Sold' are transactions in which the Bank accepts the credit risk, 'Bought' are transactions in which the Bank transfers the credit risk.

(Reference) Previous year's information on Derivative transactions (as of March 31, 2000)

(1) Interest Rate Derivatives

Notes:

1. Contract amount columns list notional amount of swaps or contract value of futures, options and other derivatives. Option premiums accounted for on the consolidated balance sheets are denoted by brackets ([ ]).
2. Market values of contracts on exchanges are based on the closing prices on the relevant exchanges.

1. Interest Rate Derivatives

As of March 31	Millions of yen			
	2000			
	Contract Amount		Market	Unrealized
	Total	Over One Year	Value	Gain (Loss)
<b>TRANSACTIONS LISTED ON EXCHANGE:</b>				
Interest rate futures				
sold	11,123,048	52,429	11,074,094	48,953
bought	10,099,803	-	10,058,766	(41,036)
Interest rate options				
sold				
call	-	-		
	[-]		-	-
put	-	-		
	[-]		-	-
bought				
call	-	-		
	[-]		-	-
put	-	-		
	[-]		-	-
<b>OVER-THE-COUNTER TRANSACTIONS:</b>				
Forward rate agreements				
sold	2,160	-	2,111	49
bought	1,506	-	1,510	4
Interest rate swaps	48,250,014	22,256,360	125,780	125,780
Receivable fixed rate/Payable floating rate	27,361,147	11,051,720	499,210	499,210
Receivable floating rate/Payable fixed rate	20,031,787	10,429,396	(372,856)	(372,856)
Receivable floating rate/Payable floating rate	508,746	427,421	(395)	(395)

(Continued)

As of March 31	Millions of yen			
	<b>2000</b>		Market Value	Unrealized Gain (Loss)
	Contract Amount			
	Total	Over One Year		
Swaptions				
sold				
call	98,150	48,200		
	[3,309]		956	2,353
put	2,546	-		
	[-]		(88)	88
bought				
call	19,356	11,356		
	[266]		156	(110)
put	2,546	-		
	[-]		(68)	(68)
Caps				
sold	76,931	32,658		
	[67]		493	(426)
bought	249,635	200,907		
	[1,913]		1,132	(780)
Floors				
sold	55,026	47,088		
	[1,543]		2,025	(481)
bought	2,054	1,031		
	[5]		10	5
Other				
sold	-	-		
	[-]		-	-
bought	-	-		
	[-]		-	-
<b>Total</b>				<b>134,332</b>

(Notes)

- 1.Regarding over-the-counter transactions, market value calculation is based on net present value or option pricing model.
- 2.A swaption call is defined as a right to carry out interest rate swap with a floating receivable rate and fixed payable rate.  
A swaption put is defined as a right to carry out interest rate swap with a fixed receivable rate and a floating payable rate.
- 3.The market value or unrealized gain (loss) for interest rate swaps, excluding trading transactions, including 205,785 million yen of accrued interest, which has been accounted for in the consolidated statements of income.

4. Derivative transactions, which are classified as trading transactions, are not included in the figures on the previous page because revaluated gains (losses) are accounted for in the consolidated statements of income. Figures on trading transactions are as follows:

As of March 31	Millions of yen	
	Contract Amount	Market Value
<b>TRANSACTIONS LISTED ON EXCHANGE:</b>		
Interest rate futures		
sold	376,132	376,132
bought	2,993,460	2,993,460
Interest rate options		
sold		
call	-	-
put	[-]	-
bought		
call	-	-
put	-	-
	[-]	-
<b>OVER-THE-COUNTER TRANSACTIONS:</b>		
Forward rate agreements		
sold	4,459,803	4,459,860
bought	463,020	462,888
Interest rate swaps	123,131,402	(5,904)
Receivable fixed rate/Payable floating rate	62,619,490	705,951
Receivable floating rate/Payable fixed rate	56,298,809	(708,757)
Receivable floating rate/Payable floating rate	3,358,339	(1,964)
Swaptions		
sold		
call	125,840	
	[1,495]	(3,131)
put	173,210	
	[1,623]	(2,516)
bought		
call	118,000	
	[2,841]	(143)
put	143,939	
	[555]	646
Caps		
sold	3,262,039	
	[15,723]	(10,897)
bought	1,834,494	
	[7,413]	9,546
Floors		
sold	284,086	
	[3]	(2,020)
bought	329,676	
	[1,706]	3,597
Other		
sold	45,730	
	[349]	79
bought	125,263	
	[-]	(198)

(2) Currency Derivatives

As of March 31	Millions of yen			
	<b>2000</b>			
	Contract Amount		Market Value	Unrealized Gain (Loss)
Total	Over One Year			
<b>OVER-THE-COUNTER TRANSACTIONS:</b>				
Currency Swaps	2,854,232	1,541,624	(883)	(883)
US\$	2,207,137	1,254,151	(2,309)	(2,309)
£Stg.	86,458	59,235	1,216	1,216
Euro	5,043	-	15	15
Other	555,592	228,236	193	193
Other				
US\$	1,092	-	68	68
<b>Total</b>				<b>(815)</b>

Notes:

1. Market value calculation is based on net present value.
2. The market value or unrealized gain (loss) for currency swaps and other transactions, excluding trading transactions, includes 6,731 million yen of accrued interest, which has been accounted for in the consolidated statements of income.
3. Derivative transactions in trading account are not included in the figures above because revaluated gains (losses) are accounted for in the consolidated statements of income. Contract amounts, etc. are as follows:

As of March 31	Millions of yen	
	<b>2000</b>	
	Contract Amount	Market Value
<b>OVER-THE-COUNTER TRANSACTIONS:</b>		
Currency Swaps	9,046,598	(64,124)
US\$	7,919,579	(64,433)
Euro	343,486	39
SFr	3,171	200
Other	780,360	68
Forward Foreign exchange	565,868	16,132
Currency Options	5,557	(1,321)

4. Forward exchange and currency options which are revaluated at the end of fiscal year and revaluated gains (losses) are accounted for in the consolidated statements of income are not included in the figures on the previous page.

The contracts so treated are as follows:

	Millions of yen
	<b>2000</b>
	Contract
	Amount
As of March 31	
<b>TRANSACTIONS LISTED ON EXCHANGE:</b>	
Currency Futures	
sold	-
bought	-
Currency options	
sold	
call	-
	[-]
put	-
	[-]
bought	
call	-
	[-]
put	-
	[-]
<b>OVER-THE-COUNTER TRANSACTIONS:</b>	
Forward foreign exchange	41,745,624
Currency options	
sold	1,179,988
	(14,341)
bought	964,387
	(17,199)
Other	
sold	-
bought	-

(3) Stock Derivatives

As of March 31	Millions of yen			
	<b>2000</b>		Market Value	Unrealized Gain (Loss)
	Contract Amount Total	Over One Year		
<b>TRANSACTIONS LISTED ON EXCHANGE:</b>				
Stock price index futures				
sold	-	-	-	-
bought	-	-	-	-
Stock price index options				
sold				
call	-	-		
	[-]		-	-
put	-	-		
	[-]		-	-
bought				
call	-	-		
	[-]		-	-
put	-	-		
	[-]		-	-
<b>OVER-THE-COUNTER TRANSACTIONS:</b>				
Equity options				
sold				
call	-	-		
	[-]		-	-
put	-	-		
	[-]		-	-
bought				
call	-	-		
	[-]		-	-
put	-	-		
	[-]		-	-
Stock price index swaps				
Stock price index receivable				
/interest floating rate payable	-	-	-	-
Stock price index payable				
/interest floating rate receivable	-	-	-	-
Other				
sold	-	-		
	[-]		-	-
bought	58	-		
	[22]		9	(13)
<b>Total</b>				<b>(13)</b>

Notes:

1.Regarding over-the-counter transactions, market value calculation is based on net present value or option pricing model.

2. Derivative transactions, which are classified as trading transactions, are not included in the figures on the previous page because revaluated gains (losses) are accounted for in the consolidated statements of income. Figures on trading transactions are as follows:

As of March 31	Millions of yen	
	Contract Amount	Market Value
<b>TRANSACTIONS LISTED ON EXCHANGE:</b>		
Stock price index futures		
sold	-	-
bought	48,554	51,294
Stock price index options		
sold		
call	-	-
put	[-]	-
bought		
call	1,858	67
put	-	-
	[-]	-
<b>OVER-THE-COUNTER TRANSACTIONS:</b>		
Equity options		
sold		
call	74,558	(8,824)
put	14,135	95
bought		
call	36,269	1,197
put	22,497	(170)
Stock price index swaps	126,759	(905)
Other		
sold	-	-
bought	[-]	-
	-	-
	[-]	-

(4)Bond Derivatives

As of March 31	Millions of yen			
	<b>2000</b>			
	Contract Amount		Market Value	Unrealized Gain (Loss)
Total	Over One year			
<b>TRANSACTIONS LISTED ON EXCHANGE:</b>				
Bond futures				
sold	416,719	-	419,622	(2,902)
bought	47,866	-	48,035	168
Bond futures options				
sold				
call	-	-	-	-
put	[-]	-	-	-
bought				
call	-	-	-	-
put	[-]	-	-	-
	[-]		-	-
<b>OVER-THE-COUNTER TRANSACTIONS:</b>				
Bond options				
sold				
call	-	-	-	-
put	[-]	-	-	-
bought				
call	-	-	-	-
put	[-]	-	-	-
	[-]		-	-
Other				
sold	-	-	-	-
bought	-	-	-	-
<b>Total</b>				<b>(2,734)</b>

Notes:

Derivative transactions that are classified as trading transactions are not included in the figures above because revaluated gains (losses) are accounted for in the consolidated statements of income. Figures on trading transactions are on the following page.

	Millions of yen	
	<b>2000</b>	
	Contract Amount	Market Value
As of March 31		
<b>TRANSACTIONS LISTED ON EXCHANGE:</b>		
Bond futures		
sold	6,548	6,575
bought	4,804	4,862
Bond futures options		
sold		
call	-	-
put	[-]	-
bought		
call	-	-
put	[-]	-
	[-]	-
<b>OVER-THE-COUNTER TRANSACTIONS:</b>		
Bond options		
sold		
call	-	-
put	[-]	-
bought		
call	-	-
put	[-]	-
Other		
sold	-	-
bought	-	-
	-	-

## (5)Commodity Derivatives

There are no corresponding items.

## (6)Credit Derivative Transactions

All credit derivative transactions other than trading transactions are treated in the same way as guarantees and have been excluded from following table.

The transactions which are classified as trading transactions are recorded at estimated market value and related gains and losses are included in trading profits or losses on consolidated statements of income.

The contract amounts of derivative transactions included in trading transactions are as follows:

### OVER-THE-COUNTER TRANSACTIONS:

As of March 31	Millions of yen	
	Contract Amount	Market Value
sold	15,828	(25)
bought	117,465	9,890

#### Notes:

1. Market value is calculated based on the price of the reference assets or components such as the contract term.
2. "Sold" are transactions in which the Bank accepts the credit risk, "Bought" are transactions in which the Bank transfers the credit risk.

## Related Party Transactions

There are no material transactions with related parties to be reported for fiscal 2000 ended March 31, 2001.

There are no material transactions with related parties to be reported for fiscal 1999 ended March 31, 2000.