

SAKURA BANK

Annual Report

2000

Profile

(March 31, 2000)

Head Office:

3-1, Kudan Minami 1-chome,
Chiyoda-ku, Tokyo 100-8611, Japan
Tel: +81 3 3230-3111
Telex: J22378 MITKBK

Total Assets (Non-Consolidated) ¥46,559.4 billion

Cash and Certificate of Deposit
(Non-Consolidated) ¥33,342.6 billion

Loan and Bills Discounted
(Non-Consolidated) ¥31,939.9 billion

Network:

Domestic Offices:

Branches	376
Sub-branches	40
Agencies	4

Overseas Offices:

Branches	18
Sub-branches	2
Representative Offices	6

Number of Employees: 14,930

Long-Term Ratings: A3 (Moody's, issuer outlook: stable);
(As of June 30, 2000) BBB (S&P, outlook: positive);
A- (Fitch, Rating Alert positive);
AA- (R&I)

Short-Term Ratings: Prime-1 (Moody's); A-2 (S&P);
(As of June 30, 2000) F1 (Fitch); a-1+ (R&I)

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Investor Relations Department

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Tel: +81 3 3230-3111

This material contains certain forward-looking statements. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may materially differ from those contained in the forward-looking statements as a result of various factors. Important factors that might cause such a material difference include, but are not limited to, those economic conditions referred to in this material as assumptions.

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

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Chairman
Masahiro Takasaki

President
Akishige Okada

The industrial and social structures of Japan are undergoing total changes on a historic scale. In the financial sector, Japan's "Big Bang" reforms are forging ahead, a large number of big scale restructuring and mergers are announced almost daily, and the boundaries between industries are disappearing as companies from other sectors and geographical areas enter the Japanese financial industry. In short, the nation's financial institutions face a paradigm shift characterized by intensifying competition no longer contained within established industry boundaries or borders. To thrive and achieve new growth in these circumstances, Sakura Bank is making full use of scientific

data analysis to build on its strengths in the commercial banking arena and to raise profitability.

The information technology (IT) revolution that is sweeping the world has also touched down in Japan, where the Internet is rapidly being embraced. The influence of the IT revolution has been particularly pervasive in the nation's financial industry, helping to shape its very substance in recent years. Viewing this as a fresh opportunity, Sakura Bank, with creativity and originality, has eagerly adopted a forward-looking, distinctive approach in tune with the modern pace of change that will help it create a new base for growth in the 21st century to

complement its current strengths.

As part of this bold new future, we have announced that Sakura Bank will merge with Sumitomo Bank, subject to regulatory approval, on April 1, 2001. Although the Bank will operate as a new entity, Sumitomo Mitsui Banking Corporation, it will continue to focus on earning the trust of all stakeholders and raising shareholder value by providing consistent value to customers.

We look forward to the continued support of all stakeholders as we transform our vision for the future into reality.

July 2000

A handwritten signature in black ink, appearing to read "Masahiro Takasaki".

Masahiro Takasaki
Chairman

A handwritten signature in black ink, appearing to read "Akishige Okada".

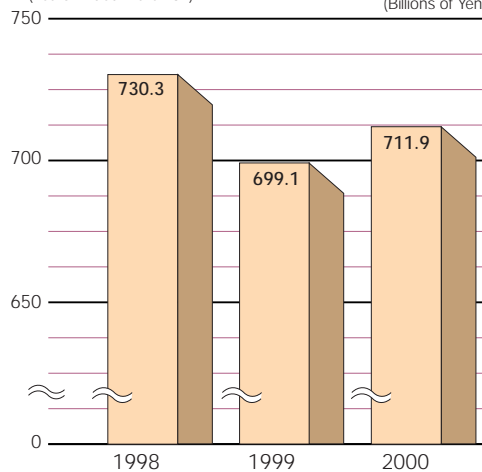
Akishige Okada
President

Financial Highlights

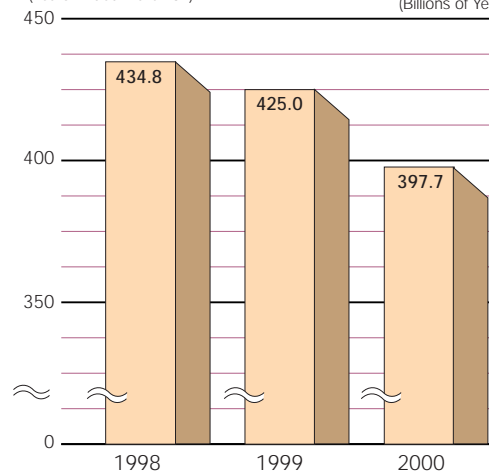
The Sakura Bank, Limited and Subsidiaries

	Millions of Yen				
Years Ended March 31	2000	1999	1998	1997	1996
For the Year					
Total Income	¥ 2,157,102	¥ 2,213,222	¥ 2,921,528	¥ 2,561,157	¥ 2,516,597
Interest on Loans and Discounts	767,063	909,981	1,034,903	1,030,497	1,207,366
Total Expenses	2,030,963	2,919,480	3,021,878	2,510,976	2,839,066
Interest on Deposits	170,171	352,968	546,239	547,564	685,397
Income (Loss) before Income Taxes and Minority Interest	126,139	(706,257)	(100,349)	50,180	(322,469)
Net Income (Loss)	62,581	(479,266)	(88,301)	17,746	(181,769)
At Year-End					
Total Assets	¥48,495,608	¥49,015,005	¥53,160,330	¥54,719,655	¥52,931,522
Loans and Bills Discounted	32,333,211	32,962,873	35,982,912	37,807,236	37,108,718
Trading Account Securities	—	—	—	569,176	382,069
Trading Assets	1,425,028	1,448,784	1,806,929	—	—
Securities	6,928,746	6,264,893	6,446,756	7,137,463	6,860,986
Total Liabilities	45,967,816	46,536,936	51,433,592	52,872,194	51,220,518
Deposits	33,738,616	33,368,615	36,894,352	38,687,303	38,857,276
Call Money	2,579,499	2,327,705	3,174,502	5,925,255	4,950,470
Trading Liabilities	360,706	381,077	531,811	—	—
Borrowed Money	1,508,783	1,677,674	2,386,679	2,685,007	2,602,513
Acceptances and Guarantees	1,492,628	1,970,640	1,976,602	2,275,211	2,124,342
Minority Interests in Consolidated Subsidiaries	319,237	303,581	—	—	—
Total Stockholders' Equity	2,208,554	2,174,486	1,726,737	1,847,460	1,711,003
Capital Stock	1,042,706	1,042,706	599,445	599,445	524,445
Per Share (in Yen)					
Net Income (Loss)	¥ 12.58	¥ (124.72)	¥ (25.51)	¥ 4.38	¥ (54.15)
Stockholders' Equity	340.98	331.28	446.47	467.28	471.23

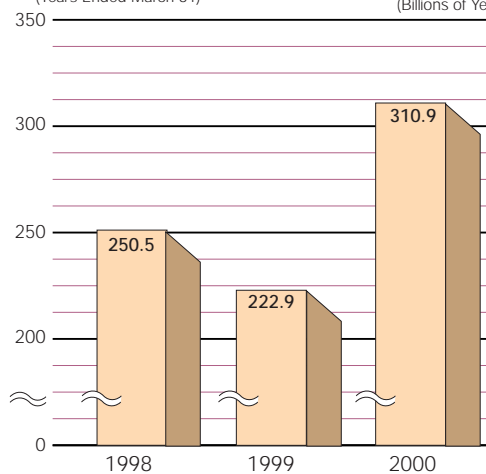
Gross Operating Profit [Non-Consolidated]
(Years Ended March 31) (Billions of Yen)



Expenses [Non-Consolidated]
(Years Ended March 31) (Billions of Yen)

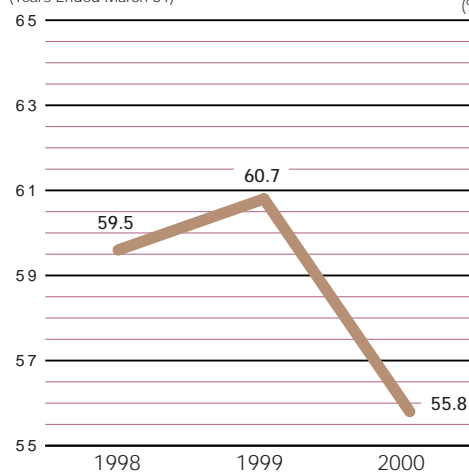


Core Net Operating Profit* [Non-Consolidated]
(Years Ended March 31) (Billions of Yen)

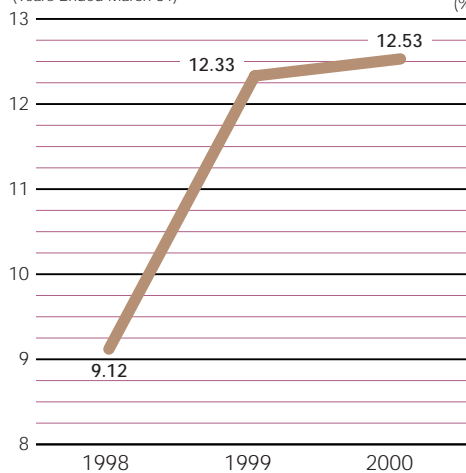


* Core Net Operating Profit is Net Operating Profit before Net Addition to General Reserve for Possible Loan Losses after the deduction of Gain and Losses on Bond Transactions.

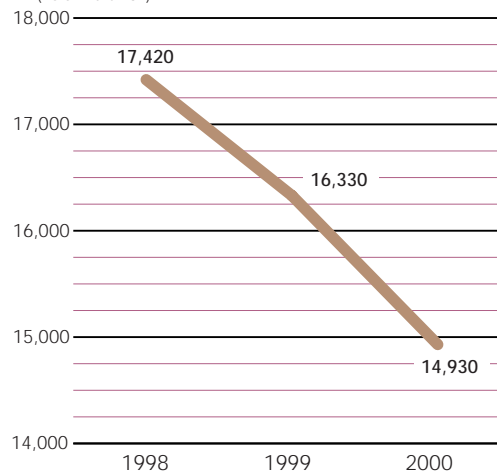
Expense Ratio [Non-Consolidated]
(Years Ended March 31) (%)



Capital Ratio [Consolidated, BIS Guidelines]
(Years Ended March 31) (%)



Number of Employees [Non-Consolidated]
(As of March 31)



Note: Please refer to the figures on page 34, 39 and 63.