Contents

Selected Consolidated Financial Data	56
Financial Review	57
Consolidated Balance Sheets	66
Consolidated Statements of Operations	67
Consolidated Statements of Earned Surplus	68
Consolidated Statements of Cash Flows	69
Notes to Consolidated Financial Statements	71
Independent Certified Public Accountants' Report	97
Non-Consolidated Financial Highlights	98
Business Performance	98
Non-Consolidated Balance Sheets	99
Non-Consolidated Statements of Operations	100
Non-Consolidated Statements of Earned Surplus	101
Supplemental Data	102
Assets and Liabilities	110
Facilities	115
Derivative Financial Instruments Transactions (Non-Consolidated)	116

Selected Consolidated Financial Data

Years Ended March 31 Millions of Yen	2000	1999	Change
Statements of Operations Data:			
Interest Income	**¥1,398,941**	¥1,629,912	¥(230,971)
Interest Expenses	**745,550**	1,027,406	(281,856)
Net Interest Income	**653,390**	602,505	50,885
Provision for Possible Loan Losses	**224,003**	469,486	(245,483)
Net Interest Income after Provision for Possible Loan Losses	**429,387**	133,019	296,368
Fees and Commissions, Net	**119,799**	115,995	3,804
Trading Revenue	**17,484**	23,788	(6,304)
Trading Expenses	**994**	—	994
Other Operating Income, Net	**31,378**	63,778	(32,400)
General and Administrative Expenses	**487,472**	517,241	(29,769)
Other Income	**455,196**	267,656	187,540
Other Expenses	**438,643**	793,303	(354,660)
Transfer from Other Reserves, Net	**3**	48	(45)
Income (Loss) before Income Taxes and Minority Interests	**126,139**	(706,257)	832,396
Income Taxes	**82,079**	(217,818)	299,897
Minority Interests in Net Loss of Consolidated Subsidiaries	**18,521**	9,172	9,349
Net Income (Loss)	**¥ 62,581**	¥ (479,266)	¥ 541,847
Per Share (in Yen):			
Net Income (Loss)	**¥ 12.58**	¥(124.72)	¥137.30
Stockholders' Equity	**340.98**	331.28	9.70
Cash Dividends:			
Common Stock	**6.00**	7.25	(1.25)
Preferred Stock:			
Series II	**15.00**	15.00	0
Series III	**13.70**	0.04	13.66

Net Interest Income

The Bank's net interest income on a consolidated basis increased ¥50.8 billion, or 8.4%, to ¥653.3 billion (US$6,155 million) from the previous fiscal year. This increase was mainly due to the decrease of interest expenses, reflecting the reduction of deposits in the International Banking Group.

Indicators of Net Interest Income (Consolidated)

Years Ended March 31
Millions of Yen

	2000	1999	Change
Interest Income			
Interest on Loans and Discounts	**¥ 767,063**	¥ 909,981	¥(142,918)
Interest and Dividends on Securities	**117,759**	146,093	(28,334)
Other Interest Income	**514,118**	573,837	(59,719)
	¥1,398,941	¥1,629,912	¥(230,971)
Interest Expenses			
Interest on Deposits	**¥ 170,171**	¥ 352,968	¥(182,797)
Interest on Borrowings, Bonds and Rediscounts	**84,923**	128,404	(43,481)
Other Interest Expenses	**490,455**	546,034	(55,579)
	¥ 745,550	¥1,027,406	¥(281,856)
Net Interest Income	**¥ 653,390**	¥ 602,505	¥ 50,885

Provision for Possible Loan Losses

On a consolidated basis, the Bank decreased its provision for possible loan losses ¥245.4 billion, from ¥469.4 billion in fiscal 1998, ended March 31, 1999, to ¥224.0 billion (US$2,110 million) in fiscal 1999, ended March 31, 2000. On a non-consolidated basis, the Bank disposed of nonaccrual loans to strengthen its credibility and financial position and recognized ¥449.9 billion (US$4,238 million) in loan losses. This total included a provision and written-off claims of ¥293.4 billion (US$2,764 million) based on the result of the Bank's self-assessment; losses of ¥35.2 billion (US$331 million) arising from financial assistance provided to supported companies; and losses of ¥121.2 billion (US$1,141 million) on sales of nonaccrual loans and others.

Fees and Commissions, Net

Fees and commissions (income) decreased ¥1.0 billion, or 0.6%, to ¥186.2 billion (US$1,754 million), because of a reduction in the fees and commissions in the International Banking Group. Fees and commissions (expenses) decreased by ¥4.9 billion, or 6.9%, to ¥66.4 billion (US$625 million). Fees and commissions, net, therefore, rose ¥3.8 billion, or 3.3%, to ¥119.7 billion (US$1,128 million). Other includes fees and commissions from deposit and loan operations and securities operations.

Indicators of Fees and Commissions, Net (Consolidated)

Years Ended March 31 Millions of Yen	2000	1999	Change
Fees and Commissions (Income)			
Remittances and Transfers	**¥ 50,816**	¥ 52,658	¥(1,842)
Other	**135,397**	134,652	745
	¥186,213	¥187,311	¥(1,098)
Fees and Commissions (Expenses)			
Remittances and Transfers	**¥ 10,311**	¥ 11,793	¥(1,482)
Other	**56,103**	59,522	(3,419)
	¥ 66,414	¥ 71,316	¥(4,902)
Fees and Commissions, Net	**¥119,799**	¥115,995	¥3,804

Trading Revenue, Net (Consolidated)

Years Ended March 31 Millions of Yen	2000	1999	Change
Trading Revenue			
Revenue from Trading Securities and Derivatives	**¥ 3,650**	¥13,778	¥(10,128)
Revenue from Securities and Derivatives Related to Trading Transactions	**—**	3,058	(3,058)
Revenue from Trading-related Financial Derivatives Transactions	**12,246**	4,051	8,195
Other Trading Revenue	**1,588**	2,900	(1,312)
Total	**¥17,484**	¥23,788	¥ (6,304)
Trading Expenses			
Expense for Securities and Derivatives Related to Trading Transactions	**¥ 994**	¥ —	¥ 994
Total	**¥ 994**	¥ —	¥ 994
Trading Revenue, Net	**¥16,490**	¥23,788	¥ (7,298)

Other Operating Income, Net

Other operating income on a consolidated basis decreased ¥5.2 billion, or 5.0%, to ¥99.2 billion (US$935 million). This decrease reflected primarily decreases in gains on sales of bonds in the domestic market.

Other operating expenses increased ¥27.1 billion, or 66.7%, to ¥67.8 billion (US$639 million), due mainly to the leasing subsidiary's cost.

Thus, other operating income, net, on a consolidated basis decreased ¥32.3 billion, or 50.8%, to ¥31.3 billion (US$295 million).

Indicators of Other Operating Income, Net (Consolidated)

Years Ended March 31 Millions of Yen	2000	1999	Change
Other Operating Income			
Gains on Foreign Exchange Transactions	**¥31,714**	¥ 18,753	¥ 12,961
Gains on Sales of Bonds	**22,206**	81,662	(59,456)
Gains on Redemption of Bonds	**3,690**	3,133	557
Other	**41,650**	954	40,696
Total	**¥99,261**	¥104,503	¥ (5,242)
Other Operating Expenses			
Losses on Sales of Bonds	**¥15,510**	¥ 22,395	¥ (6,885)
Losses on Redemption of Bonds	**6,262**	7,529	(1,267)
Losses on Devaluation of Bonds	**475**	3,920	(3,445)
Other	**45,635**	6,880	38,755
Total	**¥67,883**	¥ 40,725	¥ 27,158
Other Operating Income, Net	**¥31,378**	¥ 63,778	¥(32,400)

General and Administrative Expenses

As a result of continuing measures to enhance efficiency, the Bank and its subsidiaries' salaries and welfare expenses were down ¥17.1 billion, or 7.2%, to ¥221.3 billion (US$2,084 million). General and administrative expenses decreased ¥29.7 billion, to ¥487.4 billion (US$4,592 million).

General and Administrative Expenses (Consolidated)

Years Ended March 31 Millions of Yen	2000	1999	Change
Salaries and Welfare Expenses	**¥221,317**	¥238,437	¥(17,120)
Retirement Benefits	**5,069**	21,651	(16,582)
Depreciation	**35,029**	37,528	(2,499)
Rent and Lease Expenses	**44,793**	43,750	1,043
Taxes and Public Impositions	**25,430**	31,597	(6,167)
Other	**155,830**	144,275	11,555
Total	**¥487,472**	¥517,241	¥(29,769)

Other Income and Expenses

Other income on a consolidated basis was up ¥187.5 billion, or 70.1%, to ¥455.1 billion (US$4,288 million), primarily because of an increase of ¥271.5 billion in gains on sales of stocks and other securities.

Other expenses decreased ¥354.6 billion, or 44.7%, to ¥438.6 billion (US$4,132 million) due to a decrease of ¥329.6 billion in written-off claims.

Other income (expenses), net, rose ¥542.1 billion from the previous year, to register net other of ¥16.5 billion (US$155 million).

Other Income and Expenses (Consolidated)

Years Ended March 31
Millions of Yen

	2000	1999	Change
Other Income			
Gains on Sales of Stocks and Other Securities	**¥427,122**	¥ 155,531	¥ 271,591
Gains on Money Held in Trust	**471**	2,013	(1,542)
Gains on Dispositions of Premises and Equipment	**7,754**	72,683	(64,929)
Recoveries of Written-off Claims	**1,848**	1,262	586
Other	**17,998**	36,165	(18,167)
Total	**¥455,196**	¥ 267,656	¥ 187,540
Other Expenses			
Written-off Claims	**¥146,374**	¥ 476,048	¥(329,674)
Losses on Sales of Stocks and Other Securities	**50,925**	52,189	(1,264)
Losses on Devaluation of Stocks and Other Securities	**33,255**	108,369	(75,114)
Losses on Money Held in Trust	**1,097**	5,903	(4,806)
Losses on Dispositions of Premises and Equipment	**19,964**	4,062	15,902
Other	**187,026**	146,729	40,297
Total	**¥438,643**	¥ 793,303	¥(354,660)
Other Income (Expenses), Net	**¥ 16,552**	¥(525,646)	¥ 542,198

Net Income

Income before income taxes and minority interests on a consolidated basis recorded ¥126.1 billion (US$1,188 million), compared with a ¥706.2 billion loss for the previous fiscal year. Net income recorded ¥62.5 billion (US$589 million), compared with a ¥479.2 billion loss in the previous fiscal year.

Balance Sheet Analysis

Balance Sheet Data at Year-End (Consolidated)

March 31 Millions of Yen	2000	1999	Change
Total Assets	**¥48,495,608**	¥49,015,005	¥(519,397)
Loans and Bills Discounted	**32,333,211**	32,962,873	(629,662)
Securities	**6,928,746**	6,264,893	663,853
Total Liabilities	**45,967,816**	46,536,936	(569,120)
Deposits	**33,738,616**	33,368,615	370,001
Reserves	**137,872**	824,393	(686,521)
Total Stockholders' Equity	**2,208,554**	2,174,486	34,068

Asset Portfolio

The Bank's total assets fell ¥519.3 billion, or 1.1%, to ¥48,495.6 billion (US$456,859 million). This decrease was mainly due to the transfer of the reserve for possible loan losses from liabilities to the assets side as a deduction item.

Loan Portfolio

Loans and bills discounted at the end of fiscal 1999 were ¥32,333.2 billion (US$304,599 million), which constituted 66.7% of total assets. Loans and bills discounted decreased by ¥629.6 billion, or 1.9% from the previous fiscal year-end. This decrease was due primarily to the decrease of overseas loans and bills discounted, the appreciation of the Japanese yen, the direct deduction of the claims of "virtual bankruptcy" and "legal bankruptcy" exceeding the estimated value of those claims' collateral or guarantees and the disposition of nonaccrual loans.

The Bank's loans and bills discounted on a non-consolidated basis fell ¥351.3 billion, or 1.1%, to ¥31,939.9 billion (US$300,894 million). The breakdown for outstanding loans and bills discounted on a non-consolidated basis included ¥28,836.3 billion (US$271,656 million) for domestic lending and ¥3,103.5 billion (US$29,236 million) for international lending.

Securities Portfolio

To substantially increase the soundness of its assets, the Bank reviews its holdings of securities periodically, and, as a result, the Bank's securities portfolio on a consolidated basis increased ¥663.8 billion, or 10.6%, to ¥6,928.7 billion (US$65,273 million).

Funding

Total liabilities at the end of fiscal 1999 were ¥45,967.8 billion (US$433,045 million), which represented a ¥569.1 billion, or 1.2%, decrease from the previous year-end due primarily to a decrease in time deposits of ¥2,401.5 billion, or 15.5%, from the previous fiscal year-end because of low domestic interest rates.

Reserves

Reserve for possible loan losses was reported on the liabilities side in the previous period. Beginning this period, reserve for possible loan losses is presented on the last line of assets side of the balance sheet in a lump sum as a deduction item. Total reserves fell ¥686.5 billion, to ¥137.8 billion (US$1,298 million), on a consolidated basis, reflecting, in particular, a decrease of ¥682.1 billion (US$6,425 million) in the liabilities by the change of the method.

The "reserve for possible loan losses" has been established based on the Bank's internal rules for establishing a reserve for possible loan losses.

Customers are initially classified into 10 categories, in accordance with the Bank's own credit rating system. All claims that the Bank extended to its customers are then classified into five categories, including "normal," "caution," "possible bankruptcy," "virtual bankruptcy" and "legal bankruptcy," as defined by the report of the Japanese Institute of Certified Public Accountants.

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

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

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

Reserve for Possible Loan Losses (Consolidated)

March 31 Billions of Yen	2000	1999	Change
General Reserve	**¥227.3**	¥242.6	¥(15.3)
Specific Reserve	**454.8**	424.0	30.8
Total	**¥682.1**	¥666.6	¥ 15.5

Note: Specific reserve includes reserve for loans to restructuring countries.

Capital Resources

Total stockholders' equity rose ¥34.0 billion, or 1.6%, to ¥2,208.5 billion (US$20,805 million), on a consolidated basis. The Bank declared cash dividends of ¥3.00 per common share for the first half and ¥3.00 for the second half of fiscal 1999, bringing the total annual dividend to ¥6.00 per share. Cash dividends of ¥7.50 per Series II Preferred Stock were declared for the first and second halves of the fiscal year; thus, the total annual dividend per Series II Preferred Stock was ¥15.00 per share. Also, cash dividends of ¥6.85 per Series III Preferred Stock (Type-2) were declared for the first and second halves of the fiscal year; thus, the total annual dividend per Series III Preferred Stock (Type-2) was ¥13.70 per share.

Capital Adequacy

The Bank's capital ratio on a consolidated basis, as of March 31, 2000, based on requirements established by the Bank for International Settlements, was 12.53%, 0.2 percentage point higher than at March 31, 1999. Risk-adjusted assets fell ¥677.6 billion, to ¥32,721.5 billion (US$308,258 million), at the fiscal year-end as a result of the reduction in overseas interest-earning assets caused by appreciation of the yen. Total qualifying capital decreased by ¥19.7 billion, to ¥4,100.8 billion (US$38,632 million).

Capital Ratio (Consolidated, BIS Guidelines)

March 31
Millions of Yen, %

	2000	1999
Tier I Capital	**¥ 2,440,605**	¥ 2,396,833
Tier II Capital		
Unrealized Gains on Securities, after 55% Discount	**—**	—
Reserve for Unrealized Appreciation of Land, after 55% Discount	**51,672**	53,249
Reserve for Possible Loan Losses	**227,338**	242,654
Subordinated Term Debt (with Original Maturity of over Five Years)	**1,382,246**	1,428,886
Total	**1,661,257**	1,724,789
Tier II Capital Includable as Qualifying Capital	**1,661,257**	1,724,789
Short-term Subordinated Debt	**—**	—
Tier II Capital Includable as Qualifying Capital	**—**	—
Cross-holdings with Other Financial Institutions	**(999)**	(999)
Total Qualifying Capital	**¥ 4,100,864**	¥ 4,120,623
Risk-Adjusted Assets		
On-Balance-Sheet Items	**¥30,676,736**	¥30,629,473
Off-Balance-Sheet Items	**1,824,204**	2,518,086
Adjusted Risk-weighted Assets	**32,500,941**	33,147,559
Market Risk Equivalent Assets	**220,657**	251,725
Measure for Market Risk	**17,652**	20,138
Total	**¥32,721,599**	¥33,399,284
Capital Ratio		
Final Formula	**12.53%**	12.33%

Notes: 1. The above figures were calculated in accordance with guidelines established by the Ministry of Finance.
2. Reserve for possible loan losses excluded the specific reserve and reserve for loans to restructuring countries.
3. Following the introduction of BIS market risk regulations on January 1, 1998, an amount corresponding to the volume of market risk has been included as a supplementary item.

Capital Ratio (Non-Consolidated, BIS Guidelines)

March 31 Millions of Yen, %	2000	1999
Tier I Capital	**¥ 2,448,482**	¥ 2,470,975
Tier II Capital		
Unrealized Gains on Securities, after 55% Discount	**—**	—
Reserve for Unrealized Appreciation of Land, after 55% Discount	**37,831**	36,450
Reserve for Possible Loan Losses	**213,427**	198,802
Subordinated Term Debt (with Original Maturity of over Five Years)	**1,333,175**	1,286,823
Total	**1,584,433**	1,522,076
Tier II Capital Includable as Qualifying Capital	**1,584,433**	1,522,076
Short-term Subordinated Debt	**—**	—
Tier II Capital Includable as Qualifying Capital	**—**	—
Cross-holdings with Other Financial Institutions	**(999)**	(999)
Total Qualifying Capital	**¥ 4,031,916**	¥ 3,992,051
Risk-Adjusted Assets		
On-Balance-Sheet Items	**¥29,586,367**	¥29,627,511
Off-Balance-Sheet Items	**2,817,420**	2,151,879
Adjusted Risk-weighted Assets	**32,403,787**	31,779,391
Market Risk Equivalent Assets	**156,966**	137,925
Measure for Market Risk	**12,557**	11,034
Total	**¥32,560,754**	¥31,917,316
Capital Ratio		
Final Formula	**12.38%**	12.50%

Notes: 1. The above figures were calculated in accordance with guidelines established by the Ministry of Finance.
2. Reserve for possible loan losses excluded the specific reserve and reserve for loans to restructuring countries.
3. Following the introduction of BIS market risk regulations on January 1, 1998, an amount corresponding to the volume of market risk has been included as a supplementary item.

Derivative Financial Instruments and Foreign Exchange Forward Contracts

March 31 Billions of Yen	2000 Contract Value or Notional Principal Amount	2000 Credit Equivalent Amount	1999 Contract Value or Notional Principal Amount	1999 Credit Equivalent Amount
Interest Rate Swaps	**¥76,181.3**	**¥1,047.0**	¥ 85,027.2	¥1,457.8
Currency Swaps	**3,641.9**	**434.9**	4,498.6	425.7
Foreign Exchange Forward Contracts	**6,193.4**	**133.0**	9,371.8	336.7
Interest Rate Options (Buy)	**2,696.5**	**45.8**	2,668.9	52.4
Currency Options (Buy)	**330.6**	**8.6**	466.2	12.5
Other Derivative Instruments	**2,919.3**	**60.5**	6,669.7	64.9
Effects of Master Netting Agreements		**(574.4)**		(1,024.3)
Total	**¥91,963.2**	**¥1,155.7**	¥108,702.5	¥ 1,325.8

Notes: 1. Figures given above were computed according to capital adequacy guidelines set by the BIS. For the fiscal year under review, the current exposure method was used in computing the credit equivalent amounts.

2. Master netting agreements mitigate credit risk by permitting the offset of amounts due from and to individual counterparties in the even of counterparty default.

3. The amounts of transactions excluded from capital adequacy guidelines are transactions on public exchanges and foreign exchange related transactions for which the original contract has a duration of 14 days or less. The amounts of such transactions are shown below.

March 31 Billions of Yen	2000 Contract Value or Notional Principal Amount	1999 Contract Value or Notional Principal Amount
Foreign Exchange Forward Contracts	**¥ 1,108.1**	¥ 2,477.0
Interest Rate Options (Sell)	**26,690.8**	15,302.3
Interest Rate Options (Buy)	**11,418.2**	7,005.2
Currency Options (Sell)	**357.9**	472.2
Currency Options (Buy)	**4.2**	7.2
Interest Rate Futures Transactions	**38,932.8**	38,028.5
Other	**44.3**	1.1
Total	**¥78,556.5**	¥63,293.8

Credit-Related Transactions

March 31 Billions of Yen	2000 Contract Value	1999 Contract Value
Commitments	**¥5,809.2**	¥6,699.5
Guarantees	**1,491.6**	1,968.1
Other Credit-Related Transactions	**613.3**	1,186.4
Total	**¥7,914.2**	¥9,854.0

Consolidated Balance Sheets

The Sakura Bank, Limited and Subsidiaries

March 31, 2000 and 1999	Millions of Yen 2000	Millions of Yen 1999	Millions of U.S. Dollars (Note 1) 2000
Assets			
Cash and Due from Banks	**¥ 2,168,836**	¥ 1,415,978	**$ 20,431**
Call Loans	**182,712**	69,974	**1,721**
Commercial Paper and Other Debt Purchased	**42,256**	3,292	**398**
Trading Assets (Notes 2, 33)	**1,425,028**	1,448,784	**13,424**
Money Held in Trust (Note 32)	**72,581**	156,474	**683**
Securities (Notes 3, 9, 32)	**6,928,746**	6,264,893	**65,273**
Loans and Bills Discounted (Notes 4, 9)	**32,333,211**	32,962,873	**304,599**
Foreign Exchanges (Note 5)	**316,395**	309,438	**2,980**
Other Assets (Notes 6, 9)	**2,747,979**	2,967,669	**25,887**
Premises and Equipment (Notes 7, 9)	**855,726**	755,966	**8,061**
Deferred Income Taxes (Note 30)	**611,694**	689,017	**5,762**
Customers' Liabilities for Acceptances and Guarantees (Note 18)	**1,492,628**	1,970,640	**14,061**
Reserve for Possible Loan Losses (Note 8)	**(682,188)**	—	**(6,426)**
Total Assets	**¥48,495,608**	¥49,015,005	**$456,859**
Liabilities, Minority Interests in Consolidated Subsidiaries and Stockholders' Equity			
Liabilities			
Deposits (Notes 9, 10)	**¥33,738,616**	¥33,368,615	**$317,839**
Call Money (Notes 9, 11)	**2,579,499**	2,327,705	**24,300**
Commercial Paper	**467,268**	567,000	**4,401**
Trading Liabilities (Notes 12, 33)	**360,706**	381,077	**3,398**
Borrowed Money (Notes 9, 13)	**1,508,783**	1,677,674	**14,213**
Foreign Exchanges (Note 5)	**29,346**	22,378	**276**
Bonds (Note 14)	**1,053,354**	912,397	**9,923**
Convertible Bonds (Note 15)	**95**	2,208	**0**
Other Liabilities (Notes 9, 16)	**4,553,878**	4,433,381	**42,900**
Reserve for Possible Loan Losses (Note 8)	**—**	666,692	**—**
Reserve for Retirement Allowances	**41,366**	42,156	**389**
Reserve for Possible Losses from Loans Sold to CCPC	**95,992**	115,532	**904**
Other Reserves (Note 17)	**513**	12	**4**
Deferred Income Tax Liabilities (Note 30)	**271**	—	**2**
Deferred Income Tax Liabilities for Land Revaluation	**45,494**	49,462	**428**
Acceptances and Guarantees (Note 18)	**1,492,628**	1,970,640	**14,061**
Total Liabilities	**45,967,816**	46,536,936	**433,045**
Minority Interests in Consolidated Subsidiaries	**319,237**	303,581	**3,007**
Stockholders' Equity			
Capital Stock (Note 19):			
Common Stock	**639,934**	631,399	**6,028**
Preferred Stock			
Series II	**2,772**	11,307	**26**
Series III	**400,000**	400,000	**3,768**
Capital Surplus (Note 19)	**899,521**	899,521	**8,474**
Land Revaluation Excess	**69,333**	68,868	**653**
Earned Surplus (Note 20)	**198,161**	164,329	**1,866**
Treasury Stock	**(1,167)**	(938)	**(11)**
Total Stockholders' Equity	**2,208,554**	2,174,486	**20,805**
Total Liabilities, Minority Interests in Consolidated Subsidiaries and Stockholders' Equity	**¥48,495,608**	¥49,015,005	**$456,859**

See accompanying notes to consolidated financial statements.

Consolidated Statements of Operations

The Sakura Bank, Limited and Subsidiaries

Years Ended March 31, 2000 and 1999	Millions of Yen 2000	Millions of Yen 1999	Millions of U.S. Dollars (Note 1) 2000
Income			
Interest Income:			
Interest on Loans and Discounts	¥ 767,063	¥ 909,981	$ 7,226
Interest and Dividends on Securities	117,759	146,093	1,109
Other Interest Income (Note 21)	514,118	573,837	4,843
Fees and Commissions	186,213	187,311	1,754
Trading Revenue	17,484	23,788	164
Other Operating Income (Note 22)	99,261	104,503	935
Other Income (Note 23)	455,196	267,656	4,288
Transfer from Other Reserves (Note 24)	3	49	0
Total Income	2,157,102	2,213,222	20,321
Expenses			
Interest Expenses:			
Interest on Deposits	170,171	352,968	1,603
Interest on Borrowings, Bonds and Rediscounts	84,923	128,404	800
Other Interest Expenses (Note 25)	490,455	546,034	4,620
Fees and Commissions	66,414	71,316	625
Trading Expenses	994	—	9
Other Operating Expenses (Note 26)	67,883	40,725	639
General and Administrative Expenses (Note 27)	487,472	517,241	4,592
Provision for Possible Loan Losses	224,003	469,486	2,110
Other Expenses (Note 28)	438,643	793,303	4,132
Transfer to Other Reserves (Note 29)	0	0	0
Total Expenses	2,030,963	2,919,480	19,132
Income (Loss) before Income Taxes and Minority Interests	126,139	(706,257)	1,188
Income Taxes (Note 30):			
Current	7,831	10,582	73
Deferred	74,247	(228,401)	699
Minority Interests in Net Loss of Consolidated Subsidiaries	18,521	9,172	174
Net Income (Loss)	¥ 62,581	¥ (479,266)	$ 589
		Yen	U.S. Dollars
Per Share of Common Stock:			
Net Income (Loss)	¥12.58	¥(124.72)	$0.11
Fully Diluted Net Income	—	—	—

See accompanying notes to consolidated financial statements.

Consolidated Statements of Earned Surplus

The Sakura Bank, Limited and Subsidiaries

Years Ended March 31, 2000 and 1999	Millions of Yen		Millions of U.S. Dollars (Note 1)
	2000	1999	**2000**
Balance at Beginning of Year	**¥164,329**	¥ 670,761	**$1,548**
Earned Surplus	**—**	559,131	**—**
Legal Reserve (Note 20)	**—**	111,630	**—**
Increase:			
Adjustment of Earned Surplus Due to the Change of Scope of Consolidated Subsidiaries	**—**	3,275	**—**
Adjustment of Earned Surplus Due to the Change of Scope of Companies Accounted for Using the Equity Method	**—**	1,827	**—**
Transfer from Land Revaluation Excess	**2,115**	—	**19**
Decrease:			
Dividends Paid	**30,182**	32,269	**284**
Decrease of Earned Surplus Due to Consolidation of Additional Subsidiaries	**682**	—	**6**
Net Income (Loss)	**62,581**	(479,266)	**589**
Balance at End of Year (Note 20)	**¥198,161**	¥ 164,329	**$1,866**

See accompanying notes to consolidated financial statements.

Consolidated Statement of Cash Flows

The Sakura Bank, Limited and Subsidiaries

Year Ended March 31, 2000	Millions of Yen 2000	Millions of U.S. Dollars (Note 1) 2000
Cash Flows from Operating Activities		
Income before Income Taxes and Minority Interests	¥ 126,139	$ 1,188
Depreciation	35,029	329
Amortization of Consolidation Difference	5,330	50
Equity in Losses of Affiliates	1,487	14
Increase in Reserve for Possible Loan Losses	11,419	107
Increase in Reserve for Possible Losses from Loans Sold to CCPC	(19,539)	(184)
Increase in Reserve for Retirement Allowances	(3,614)	(34)
Interest Income	(1,398,941)	(13,178)
Interest Expenses	745,550	7,023
Net Losses on Sales, Redemption, and Devaluation of Securities	(346,591)	(3,265)
Net Losses on Money Held in Trust	625	5
Net Exchange Losses	145,561	1,371
Net Losses on Dispositions of Premises and Equipment	12,209	115
Net Increase in Trading Assets	(542)	(5)
Net Decrease in Trading Liabilities	(194)	(1)
Net Increase in Trading Account Payable	408,834	3,851
Net Decrease in Loans and Bills Discounted	503,351	4,741
Net Increase in Deposits	415,842	3,917
Net Decrease in Borrowed Money (Except Subordinated Debt)	(214,107)	(2,017)
Net Increase in Due from Banks (Except for Demand Deposits with the Bank of Japan)	(247,833)	(2,334)
Net Increase in Call Loans, Commercial Paper and Other Debt Purchased	(162,311)	(1,529)
Net Increase in Collateral under Securities Borrowing Transactions	(335,705)	(3,162)
Net Increase in Call Money	253,678	2,389
Net Decrease in Commercial Paper	(99,731)	(939)
Net Decrease in Collateral under Securities Lending Transactions	(34,993)	(329)
Net Increase in Foreign Exchanges (Assets)	(7,101)	(66)
Net Increase in Foreign Exchanges (Liabilities)	6,994	65
Proceeds from Issuance of Straight Bonds (Except for Subordinated Bonds)	155,486	1,464
Interest Received	1,625,911	15,317
Interest Paid	(1,005,204)	(9,469)
Others, Net	325,421	3,065
Subtotal	902,462	8,501
Income Taxes Paid	(13,719)	(129)
Net Cash Provided by Operating Activities	888,743	8,372
Cash Flows from Investing Activities		
Purchase of Securities	(7,671,286)	(72,268)
Proceeds from Sales of Securities	5,672,199	53,435
Proceeds from Redemption of Securities	1,535,603	14,466
Investment in Money Held in Trust	(31,319)	(295)
Proceeds from Money Held in Trust	113,981	1,073
Purchase of Premises and Equipment	(54,707)	(515)
Proceeds from Sales of Premises and Equipment	67,918	639
Net Cash Used in Investing Activities	(367,609)	(3,463)
Cash Flows from Financing Activities		
Repayments for Subordinated Debt	(15,000)	(141)
Proceeds from Issuance of Subordinated Bonds	136,088	1,282
Payments for Redemption of Subordinated Bonds and Convertible Bonds	(103,257)	(972)
Dividends Paid	(30,182)	(284)
Dividends Paid to the Minority Shareholders	(9,767)	(92)
Purchase of Treasury Stock	(25)	(0)
Proceeds from Sales of Treasury Stocks	18	0
Net Cash Used in Financing Activities	(22,124)	(208)
Effects of Exchange Rate Changes on Cash and Cash Equivalents	3,614	34
Net Increase in Cash and Cash Equivalents	502,623	4,735
Cash and Cash Equivalents at Beginning of Year	905,496	8,530
Net Increase in Cash and Cash Equivalents Due to the Inclusion of Subsidiaries in Consolidation	83	0
Net Decrease in Cash and Cash Equivalents Due to the Exclusion of Subsidiaries from Consolidation	(57)	(0)
Cash and Cash Equivalents at End of Year	¥1,408,146	$13,265

See accompanying notes to consolidated financial statements.

Consolidated Statement of Cash Flows

The Sakura Bank, Limited and Subsidiaries

Year Ended March 31, 1999	Millions of Yen 1999
Cash Flows from Operating Activities	
Net Loss	¥ (479,266)
Adjustments to Reconcile Net Income to Net Cash Used in Operating Activities:	
Depreciation	37,528
Provision for Possible Loan Losses	469,486
Net Gains on Sales of Stocks and Other Securities	(103,342)
Net Gains on Dispositions of Premises and Equipment	(68,620)
Written-off Claims	476,048
Losses on Devaluation of Stock and Other Securities	108,369
Provision for Retirement Allowances	(1,104)
Deferred Income Taxes	(228,401)
Other, Net (Note 3, below)	35,333
Net Decrease in Due from Banks	627,395
Net Increase in Trading Assets	(271,700)
Net Decrease in Loans and Bills Discounted	1,581,643
Net Decrease in Bonds and Call Loans	310,884
Net Decrease in Commercial Paper and Debt Purchased	8,366
Net Decrease in Deposits	(3,521,887)
Net Decrease in Call Money	(846,796)
Net Increase (Decrease) in Borrowed Money (Note 2, below)	(647,731)
Net Increase in Commercial Paper	565,019
Net Change in Foreign Exchanges	160,546
Net Change in Accrual, Prepaid, and Unearned	192,283
Other, Net	(88,359)
Net Cash Used in Operating Activities	(1,684,304)
Cash Flows from Investing Activities:	
Proceeds from Settlement of Money Held in Trust	91,907
Proceeds from Sales of Stocks and Other Securities	1,109,025
Proceeds from Sales of Premises and Equipment	101,448
Investment in Money Held in Trust	—
Purchase of Stocks and Other Securities	(1,042,346)
Purchase of Premises and Equipment	(20,312)
Other, Net	(935)
Net Cash Provided by Investing Activities	238,787
Cash Flows from Financing Activities:	
Issuance of Common Stock	86,247
Issuance of Preferred Stock	800,000
Increase in Minority Interests Related to a Subsidiary's Preferred Stock	283,750
Increase (Decrease) in Subordinated Debt and Bonds	(113,317)
Redemption of Convertible Bonds	(3,156)
Dividends Paid	(32,269)
Net Cash Provided by Financing Activities	1,021,254
Cash and Cash Equivalents at Beginning of Year	1,329,759
Cash and Cash Equivalents at End of Year	¥ 905,496
Supplemental Disclosure of Cash Flow Information	
Cash Paid during the Year for Income Taxes	¥ 111,034
Non-Cash Investing and Financing Activities	
Conversion of Preferred Stock to Common Stock	15,576

Notes: 1. For the purpose of reporting cash flows, cash and cash equivalents consist of cash and demand deposits with the Bank of Japan.

2. Borrowed money includes bonds other than subordinated bonds.

3. "Other, Net" includes provision for possible losses from loans sold to CCPC of ¥78,338 million and losses on sales of loans collateralized by real estate to CCPC of ¥99,985 million for the year ended March 31, 1998.

1. Basis of Consolidated Financial Statements and Summary of Significant Accounting Policies

(a) Basis of Consolidated Financial Statements

The accompanying consolidated financial statements have been prepared on the basis of accounting principles and practices generally accepted in Japan and in conformity with the "Consolidated Financial Statements Regulation" which may differ to some degree from accounting principles and practices generally accepted in countries and jurisdictions other than Japan and are compiled from the consolidated financial statements as required by the Securities and Exchange Law of Japan.

Certain reclassifications and rearrangements have been made to present the accompanying consolidated financial statements in a form which is familiar to readers outside Japan. In addition, the accompanying notes include information which is not required under accounting principles and practices generally accepted in Japan, but is presented herein as additional information.

References to fiscal 1999 and fiscal 1998 are to the Bank's fiscal years ended March 31, 2000 and 1999, respectively.

As permitted by the Securities and Exchange Law of Japan, amounts less than one million yen have been omitted. As a result, the totals do not necessarily agree with the sum of the individual amounts.

The Consolidated Statements of Cash Flows were not required as part of the basic financial statements in Japan until fiscal 1998 but were presented as additional information for the convenience of readers outside Japan for fiscal 1998. Effective April 1, 1999, the Bank adopted the new accounting standards for cash flows, which differ from those applied prior to fiscal 1999; the consolidated statement of cash flows for fiscal 1998 is not restated to be in conformity with the new standards.

The U.S. dollar amounts shown in the accompanying consolidated financial statements and notes thereto represent the arithmetical results of translating original Japanese yen amounts of respective account balances to U.S. dollars on a basis of ¥106.15 to US$1, the exchange rate effective at the latest balance sheet date of March 31, 2000. The inclusion of such dollar amounts is solely for convenience and is not intended to imply that yen amounts have been or could have been converted, realized or settled in dollars at that or at any other rate.

(b) Principles of Consolidation

The consolidated financial statements of The Sakura Bank, Limited (the "Bank") include accounts of the Bank and its significant subsidiaries. Major consolidated subsidiaries for fiscal 1999 are listed below:

Name	Location	Percentage Ownership
Sakura Securities Co., Ltd.	Tokyo	100%
Manufacturers Bank	Los Angeles	100%
Sakura Finance International Limited	London	100%
Sakura Finance Australia Limited	Sydney	100%

Under the control and influence concept, those companies in which the Bank, directly or indirectly, is able to exercise control over operations are to be fully consolidated and those companies in which the Bank, directly or indirectly, is able to exercise significant influence over operation are to be accounted for by the equity method.

The change of earned surplus arising from the change in the consolidation scope is recognized as "Adjustment of Earned Surplus Due to the Change of Scope of Consolidated Subsidiaries" and "Adjustment of Earned Surplus Due to the Change of Scope of Companies Accounted for Using the Equity Method" in the Consolidated Statements of Earned Surplus for the year ended March 31, 1999.

The number of consolidated subsidiaries and affiliates as of March 31, 2000 and 1999, was as follows:

	2000	1999
Consolidated Subsidiaries	**51**	53
Subsidiaries and Affiliates accounted for using the equity method	**32**	39

The net decrease in the number of consolidated subsidiaries and equity method subsidiaries and affiliates listed above is mainly due to stock sales or mergers whereby consolidation or equity method accounting for certain subsidiaries or affiliates was no longer required. The decrease was partially offset by the establishment of new subsidiaries, the purchase of additional stock or the injection of capital that required their consolidation or the equity method of accounting.

All significant intercompany transactions, account balances and unrealized profits and losses have been eliminated in consolidation.

The financial statements of consolidated subsidiaries, whose fiscal year-ends are principally December 31, are included in the consolidated financial statements on the basis of their respective fiscal years after making appropriate adjustments for significant transactions during the periods from their respective year-ends to the date of the consolidated financial statements.

Any difference between the cost of an investment in a consolidated subsidiary and the Bank's share of the underlying equity in the net assets fair value of the consolidated subsidiary is charged or credited to income, as the case may be, in the year incurred.

(c) Translation of Foreign Currency Financial Statements

(i) The financial statements of foreign consolidated subsidiaries and affiliates are translated into Japanese yen at exchange rates as of the balance sheet date, except for stockholders' equity, which is translated at the historical exchange rate. Differences arising from such translation are shown as other assets in the accompanying consolidated balance sheets.

(ii) (a) Foreign currency denominated assets and liabilities and the accounts of overseas branches are translated into yen at the exchange rates prevailing at the balance sheet date, except that certain assets and liabilities are translated at the relevant historical exchange rates.

(b) Foreign currency accounts held by consolidated foreign subsidiaries are translated into the currency of the subsidiary at the respective year-end exchange rates.

(d) Valuation of Trading Account Activities

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

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

Trading revenue and trading expenses include interest received and paid, the amount of increase/decreases in evaluation gains/losses on the balance sheet date for securities and monetary claims, and amounts of increases/decreases of evaluation gains/losses incurred from the estimated settlement price assuming settlement in cash on the balance sheet date for derivatives, compared with that at the end of the previous term.

(e) Valuation of Securities

Securities held by the Bank and its domestic banking subsidiaries are carried at cost determined by the moving average method. Values of securities held in individually managed money trusts for asset management purposes are determined by the same method.

Securities held by other consolidated subsidiaries are principally carried at cost, determined primarily by the moving average method.

(f) Depreciation Method

Premises and equipment are stated at cost less accumulated depreciation.

Depreciation of premises and equipment owned by the Bank and its domestic banking subsidiaries is computed by the declining-balance method over the estimated useful lives of the relevant assets while the straight-line method is applied to buildings acquired on or after April 1, 1998.

Depreciation of premises and equipment owned by other consolidated subsidiaries is principally computed by the straight-line method over the estimated useful lives of the relevant assets.

Capitalized software for internal use is depreciated by the straight-line method based on the Bank and its subsidiaries' estimated useful lives (mainly five years). Capitalized software for internal use was included in other assets.

(g) Accounting for Leases

All leases by the Bank and its domestic consolidated subsidiaries have been accounted for as operating leases. Under Japanese accounting standards for leases, if finance leases where the ownership of the property is deemed to transfer to the lessee are capitalized, while other finance leases can be accounted for as operating leases if necessary information is disclosed in the notes to the lessee's consolidated financial statements.

(h) Reserve for Possible Loan Losses

The reserve for possible loan losses of the Bank has been established based on the Bank's internal rules for establishing a reserve for possible loan losses.

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

The reserve for possible loan losses was calculated based on the specific actual past loss ratio for normal and caution categories as a general reserve, and the fair value of the collateral for collateral-dependent loans and other factors of solvency for other self-assessment categories for a specific reserve. For collateral or guaranteed claims of "virtual bankruptcy" and "legal bankruptcy," the amount exceeding the estimated value of collateral or guarantees was deducted, as deemed uncollectible, directly from those claims. The deducted amount was ¥1,125,967 million and ¥1,457,662 million for fiscal 1999 and 1998, respectively.

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

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

The consolidated subsidiaries provide reserves for possible loan losses at the amounts considered reasonable in accordance with local accounting standards and also based on prior experience with loan losses.

(i) Reserve for Retirement Allowances and Pension Plans

Under most circumstances, employees of the Bank terminating their employment are entitled to certain severance payments based on the rate of pay at the time of termination, years of service and certain other factors. If the termination is involuntary, employees are usually entitled to greater payments than in the case of voluntary termination. The accrued provision for retirement allowances of the Bank is calculated to state the estimated liability at the amount which would be required if all employees eligible for retirement allowances were to voluntarily terminate their employment at the balance sheet date.

In addition, the Bank has a contributory pension plan for eligible employees. The unamortized balance of prior service costs at March 31, 1999 (based on the latest available accounts of the pension plan), was ¥60,758 million. Prior service costs are being amortized and the remaining amortization period is 15 years.

Consolidated subsidiaries principally have funded pension plans for employees.

(j) Reserve for Possible Losses from Loans Sold to CCPC

The reserve for possible losses from loans sold to Cooperative Credit Purchasing Company, Limited (CCPC), is made to provisions in amounts which it views to be necessary based on estimates of possible losses it may sustain in the future on loans sold to the CCPC, taking account of the value of real estate collateral securing these loans.

(k) Land Revaluation Excess

Under the Law of Land Revaluation, effective on March 31, 1998, the Bank elected the one-time revaluation for its own-use land to current value based on real estate appraisal information as of March 31, 1998. Continuous readjustment is not permitted unless the value of the land subsequently declines significantly such that the amount of the decline in value should be removed from the land revaluation excess (or the reserve for unrealized application of land) account and deferred income tax liabilities.The amount equivalent to the tax on the revaluation is provided as deferred tax liability for land revaluation, and the remaining amount after the deferred tax liability is included in stockholders' equity as land revaluation excess.

The details of the one-time revaluation were as follows:

The date of land revaluation: March 31, 1998

The revaluation of land used for banking business was rationally made, reflecting appropriate adjustments for land shape, timing of the appraisal, etc., based on the appraisal reports for real estate issued by real estate appraisers under Law of Land Revaluation.

The excess of book value over current value was ¥29,181 million as of March 31, 2000 and ¥12,265 million as of March 31, 1999.

(l) Income Taxes

Deferred income taxes relating to temporary differences between financial and tax reporting have been recognized.

(m) Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and demand deposits with the Bank of Japan.

(n) Appropriation of Earned Surplus

Cash dividends are recorded in the financial year that the relevant proposed appropriation of earned surplus is approved by the Board of Directors and/or at the General Meeting of Stockholders.

(o) Net Income Per Share

Net income per share calculations represent net income less dividends on preferred shares, divided by the weighted average number of outstanding shares of common stock during the respective year.

The calculation considers the dilutive effect of common stock equivalents which includes preferred shares and certain convertible bonds, assuming that all convertible bonds and preferred shares were converted into common stock. Diluted net income per common share is to be appropriately adjusted for free distributions of common stock. For fiscal 1998, however, this calculation of dilution is not applicable due to a net loss. For fiscal 1999, diluted net income per common share is not applicable because it is anti-dilutive.

(p) Differences between the Accounting Principles and Practices Adopted in the Accompanying Consolidated Financial Statements and International Accounting Standards

The accompanying consolidated financial statements conform with accounting principles and practices generally accepted in Japan. Such principles and practices differ from International Accounting Standards in several respects, such as methods for valuation of securities, accounting for leases and accounting for pension plans, among others.

2. Trading Assets

Trading assets as of March 31, 2000 and 1999, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2000	1999	**2000**
Trading Securities	**¥ 507,191**	¥ 487,708	**$ 4,778**
Trading-Related Financial Derivatives	**112,498**	222,816	**1,059**
Other Trading Assets	**805,338**	738,259	**7,586**
Total	**¥1,425,028**	¥1,448,784	**$13,424**

Other trading assets includes commercial paper and other debt purchased related to trading transactions.

3. Securities

Securities as of March 31, 2000 and 1999, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2000	1999	2000
Japanese Government Bonds	**¥1,870,908**	¥1,436,408	**$17,625**
Japanese Local Government Bonds	**137,619**	123,369	**1,296**
Corporate Bonds	**448,294**	428,361	**4,223**
Corporate Stocks	**3,515,820**	3,282,088	**33,121**
Other	**956,102**	994,665	**9,007**
Total	**¥6,928,746**	¥6,264,893	**$65,273**

Corporate stocks and other include investments in unconsolidated subsidiaries and affiliates totaling ¥27,425 million (US$258 million) and ¥29,130 million as of March 31, 2000 and 1999, respectively.

4. Loans and Bills Discounted

Loans and bills discounted as of March 31, 2000 and 1999, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2000	1999	2000
Bills Discounted	**¥ 585,254**	¥ 448,138	**$ 5,513**
Loans on Bills	**3,469,320**	3,627,844	**32,683**
Loans on Deeds	**21,817,990**	22,816,758	**205,539**
Overdrafts	**6,440,517**	6,058,077	**60,673**
Financing Receivables, Including Leasing	**20,127**	12,055	**189**
Total	**¥32,333,211**	¥32,962,873	**$304,599**

"Past due loans" includes loans classified as "possible bankruptcy" and "virtual bankruptcy" under the Bank's self-assessment guidelines. Accrual interest receivable for these categories is not recognized as accrual for accounting purposes.

The loans and bills discounted include loans held by the Bank and its consolidated subsidiaries to borrowers in bankruptcy totaling ¥176,313 million (US$1,660 million) and ¥169,347 million as of March 31, 2000 and 1999, respectively, as well as past due loans held by the Bank and its consolidated subsidiaries totaling ¥1,274,607 million (US$12,007 million) and ¥1,276,109 million as of March 31, 2000 and 1999, respectively.

In addition to "Past due loans" as defined, certain other loans classified as "caution" under the Bank's self-assessment guidelines include "Past due loans (3 months or more)."

"Past due loans (3 months or more)" are consisted of loans for which the principal and/or interest is three months or more past due but exclude "loans to borrowers in bankruptcy" and "past due loans." The balances of past due loans (3 months or more) as of March 31, 2000 and 1999, were ¥39,777 million (US$374 million) and ¥84,304 million, respectively.

"Restructured loans" are loans in respect of which the Bank and its subsidiaries are relaxing lending conditions, such as reduction of the original interest rate, forbearance of interests payments or principal repayments to support the borrowers' reorganization, but exclude "loans to borrowers in bankruptcy," "past due loans" or "past due loans (3 months or more)." The outstanding balances of restructured loans as of March 31, 2000 and 1999, were ¥170,741 million (US$1,608 million) and ¥237,105 million, respectively.

The Bank's total principal balance of loans transferred to the participating entities under loan participation agreements, which are accounted for as sold due to their non-recourse nature, was ¥578,900 million as of March 31, 1999.

5. Foreign Exchanges

Foreign exchange assets and foreign exchange liabilities as of March 31, 2000 and 1999, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2000	1999	**2000**
Assets:			
Due from Foreign Banks	**¥ 14,786**	¥ 16,068	**$ 139**
Foreign Bills of Exchange Bought	**217,114**	179,570	**2,045**
Foreign Bills of Exchange Receivables	**84,493**	113,799	**795**
Total	**¥316,395**	¥309,438	**$2,980**
Liabilities:			
Due to Foreign Banks	**¥ 17,321**	¥ 13,700	**$ 163**
Foreign Bills of Exchange Sold	**3,066**	2,951	**28**
Foreign Bills of Exchange Payables	**8,958**	5,726	**84**
Total	**¥ 29,346**	¥ 22,378	**$ 276**

6. Other Assets

Other assets as of March 31, 2000 and 1999, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2000	1999	**2000**
Prepaid Expenses	**¥ 68,333**	¥ 41,176	**$ 643**
Accrued Income	**557,122**	659,555	**5,248**
Other	**2,122,524**	2,266,937	**19,995**
Total	**¥2,747,979**	¥2,967,669	**$25,887**

7. Premises and Equipment

Premises and equipment as of March 31, 2000 and 1999, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2000	1999	**2000**
Land	**¥ 495,244**	¥ 477,958	**$ 4,665**
Buildings	**268,480**	231,722	**2,529**
Equipment	**212,059**	213,753	**1,997**
Other	**301,508**	130,666	**2,840**
Total	**1,277,293**	1,054,100	**12,032**
Accumulated Depreciation	**421,566**	298,133	**3,971**
Net Book Value	**¥ 855,726**	¥ 755,966	**$ 8,061**

Under the "Law of Land Revaluation," effective on March 31, 1998, the Bank elected the one-time revaluation for its own-use land to current value based on real estate appraisal information as of March 31, 1998.

The amount of unrealized appreciation of land related to the one-time revaluation were ¥114,827 million (US$1,081 million) and ¥118,331 million as of March 31, 2000 and 1999, respectively.

8. Reserve for Possible Loan Losses

Reserve for possible loan losses as of March 31, 2000 and 1999, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2000	1999	**2000**
General Reserve	**¥227,338**	¥242,654	**$2,141**
Specific Reserve	**454,849**	424,038	**4,284**
Total	**¥682,188**	¥666,692	**$6,426**

The specific reserve includes reserve for loans to restructuring countries.

The reserve for possible loan losses of the Bank was reported on the liabilities side of the balance sheet in fiscal 1998. Beginning fiscal 1999, all reserves for possible loan losses are presented on the last line of the asset side of the balance sheet in a lump sum as a deduction from the accounts subject to the reserve, because of the amendment of the Banking Law Ministerial Ordinance. This change in method decreased the asset and liability amounts by ¥682,188 million (US$6,426 million).

9. Assets Pledged as Collateral

Assets pledged as collateral and debts collateralized as of March 31, 2000, consisted of the following:

	Millions of Yen	Millions of U.S. Dollars
	2000	**2000**
Assets Pledged as Collateral		
Securities	**¥ 654,854**	**$ 6,169**
Loans and Bills Discounted	**1,122,063**	**10,570**
Other Assets	**39,308**	**370**
Premises and Equipment	**1,414**	**13**
Debts Collateralized		
Deposits	**78,711**	**741**
Call Money	**945,700**	**8,909**
Borrowed Money	**96,754**	**911**
Other Liabilities	**72,706**	**684**

In addition, securities with a balance of ¥1,107,597 million (US$10,434 million), loans of ¥9,627 million (US$90 million) and other assets of ¥97,638 million (US$919 million) were collateral for exchange settlement and replacement of margin for future tradings and so on.

10. Deposits

Deposits as of March 31, 2000 and 1999, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2000	1999	2000
Current Deposits	¥ 1,947,618	¥ 1,814,069	$ 18,347
Ordinary Deposits	8,902,508	7,181,470	83,867
Deposits at Notice	3,981,865	3,552,245	37,511
Time Deposits	13,137,772	15,539,304	123,766
Negotiable Certificates of Deposits	3,512,634	2,735,842	33,091
Other	2,256,217	2,545,682	21,254
Total	¥33,738,616	¥33,368,615	$317,839

11. Call Money

Call money as of March 31, 2000 and 1999, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2000	1999	2000
Call Money	¥2,283,799	¥2,195,205	$21,514
Bills Sold	295,700	132,500	2,785
Total	¥2,579,499	¥2,327,705	$24,300

12. Trading Liabilities

Trading liabilities as of March 31, 2000 and 1999, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2000	1999	2000
Trading Securities	¥146,536	¥141,242	$1,380
Trading-Related Financial Derivatives	214,169	239,835	2,017
Total	¥360,706	¥381,077	$3,398

13. Borrowed Money

Borrowed money as of March 31, 2000 and 1999, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2000	1999	2000
Bills Rediscounted	¥ 23,053	¥ 9,334	$ 217
Borrowings from The Bank of Japan and Other Financial Institutions	559,519	403,532	5,271
Subordinated Debt	716,237	729,589	6,747
Other	209,972	535,218	1,978
Total	¥1,508,783	¥1,677,674	$14,213

14. Bonds

Bonds as of March 31, 2000 and 1999, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2000	1999	**2000**
Subordinated Bonds	**¥ 877,767**	¥889,616	**$8,269**
Other	**175,586**	22,780	**1,654**
Total	**¥1,053,354**	¥912,397	**$9,923**

15. Convertible Bonds

Convertible bonds as of March 31, 2000 and 1999, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2000	1999	**2000**
2.625% U.S. Dollar Convertible Bonds Due 2003	**¥95**	¥ 95	**$ 0**
1.750% U.S. Dollar Convertible Bonds Due 2002	**—**	2,113	**—**
Total	**¥95**	¥2,208	**$ 0**

The above 1.750% U.S. dollar convertible bonds due 2002 were redeemed at October 25, 1999. The balance at redemption was ¥2,113 million.

The aforementioned bonds are convertible into common stock of the Bank at the conversion prices (set forth below), subject to adjustment under certain circumstances.

The conversion price per share is as follows:

	Conversion Price Per Share March 31, 2000	Fixed Exchange Rate
2.625% U.S. Dollar Convertible Bonds Due 2003	¥2,332.60	¥131.40=US$1

16. Other Liabilities

Other liabilities as of March 31, 2000 and 1999, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2000	1999	**2000**
Accrued Expenses	**¥ 202,906**	¥ 434,465	**$ 1,911**
Unearned Income	**97,681**	97,250	**920**
Reserves for Taxes	**8,325**	14,082	**78**
Trading Account Payable	**988,801**	580,633	**9,315**
Collateral under Securities Lending Transactions	**1,081,122**	1,116,115	**10,184**
Other	**2,175,041**	2,190,834	**20,490**
Total	**¥4,553,878**	¥4,433,381	**$42,900**

17. Other Reserves

Other reserves as of March 31, 2000 and 1999, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2000	1999	**2000**
Reserve for Contingent Liabilities from Brokering of Financial Futures Transactions	**¥ 9**	¥ 9	**$0**
Reserve for Contingent Liabilities from Brokering of Securities Transactions	**503**	2	**4**
Total	**¥513**	¥12	**$4**

18. Acceptances and Guarantees

Acceptances and guarantees as of March 31, 2000 and 1999, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2000	1999	**2000**
Acceptances	**¥ 31,909**	¥ 10,849	**$ 300**
Letters of Credit	**178,131**	224,104	**1,678**
Guarantees	**1,282,586**	1,735,687	**12,082**
Total	**¥1,492,628**	¥1,970,640	**$14,061**

All contingent liabilities arising in connection with customers' foreign trade and other transactions are classified under "Acceptances and Guarantees." A contra account, "Customers' Liabilities for Acceptances and Guarantees," is classified as an asset representing the Bank and its subsidiaries' right of indemnity from customers.

19. Capital Stock and Capital Surplus

The authorized number of shares of capital stock (common stock and preferred stock) as of March 31, 2000, was as follows:

(i) 10,000,000 thousand common shares, voting and ranking equally with any other class of shares except preferred shares with respect to payment of dividends and distributions on liquidation or winding-up of the Bank.

(ii) 1,027,772 thousand preferred shares, non-voting and ranking prior to common shares with respect to payment of dividends and distributions on liquidation or winding-up of the Bank. The dividend rate, redemption and conversion rights, if any, are to be determined prior to issuance by the Board of Directors of the Bank.

The Bank is authorized to repurchase, at management's discretion, up to 350 million shares of the Bank's stock for the purpose of canceling shares by crediting them against retained earnings.

The changes in the capital stock and capital surplus accounts for the years ended March 31, 2000 and 1999, were as follows:

					Millions of Yen
	Common Stock		Preferred Stock		Capital Surplus
	Shares (thousands)	Stated Value	Shares (thousands)	Stated Value	Stated Value
March 31, 1998	3,747,134	¥ 572,562	26,883	¥ 26,883	¥ 456,534
Issuance of New Stocks	273,802	43,260	800,000	400,000	442,986
Conversion of Preferred Stocks	62,184	15,576	(15,576)	(15,576)	—
March 31, 1999	4,083,121	631,399	811,307	411,307	899,521
Conversion of Preferred Stocks	34,175	8,535	(8,535)	(8,535)	—
March 31, 2000	**4,117,297**	**¥639,934**	**802,772**	**¥402,772**	**¥899,521**
Millions of U.S. Dollars	**—**	**$6,028**	**—**	**$3,794**	**$8,474**

Under the Japanese Commercial Code (the "Code"), at least 50% of the issue price of new shares, with a minimum of the par value thereof, is required to be designated as stated capital. The portion which is to be designated as stated capital is determined by resolution of the Board of Directors. Proceeds in excess of the amounts designated as stated capital have been credited to capital surplus.

Under the Code,

(i) the Bank may, by resolution of the stockholders, transfer a portion of earned surplus available for dividends to the capital stock account, and

(ii) the Bank may, by resolution of the Board of Directors, issue new shares of common stock to the existing stockholders without consideration to the extent that the amount calculated by multiplying the number of outstanding shares after the issuance by par value per share does not exceed the stated capital, or that the amount calculated by dividing the total amount of stockholders' equity by the number of outstanding shares after the issuance shall not be less than ¥50. These issuances of the new shares are treated as stock splits.

Holders of Series II preferred shares issued on October 1, 1996, are entitled, to priority as to the payment of dividends and as to distributions on liquidation of the Bank to common stock of the Bank, to receive noncumulative dividends of ¥15 and a distribution of ¥2,000 per preferred share.

Series II preferred shares are convertible on or after October 1, 1997, and up to and including September 30, 2001, at the option of the stockholders, into fully paid shares of common stock of the Bank at an initial exchange price of ¥1,122.

Unless previously converted at the option of Series II preferred stockholders, all outstanding Series II preferred shares will be mandatorily exchanged for fully paid shares of common stock of the Bank on October 1, 2001, at the number of common shares calculated by dividing ¥2,000 by the average market price per share during a certain period immediately preceding October 1, 2001.

The Bank received on December 24, 1998, the proceeds from the offering of 273,802 thousand common shares issued on December 25, 1998, at a price of ¥315 per share for gross proceeds of ¥86,247 million, of which ¥43,260 million was transferred to the capital surplus account in accordance with the Code. The issue costs were expensed when paid.

The Bank received on March 30, 1999, the proceeds from the offering of 800,000 thousand Series III preferred shares issued on March 31,1999, in accordance with the Financial Function Early Strengthening Law, at a price of ¥1,000 per share for gross proceeds of ¥800,000 million, of which ¥400,000 million was transferred to the capital surplus account in accordance with the Code. The issue costs were expensed when paid. The Series III preferred stockholders are entitled, to priority as to the payment of dividends and as to distributions on liquidation of the Bank, ranking equally with Series II Preferred Stocks, to common stock of the Bank, to receive noncumulative dividends of ¥13.70 and a distribution of ¥1,000 per preferred share. Series III preferred shares are convertible on or after October 1, 2002, and up to and including September 30, 2009, at the option of stockholders, into fully paid shares of common stock of the Bank.

At the general stockholders' meeting held on June 29, 1999, the Bank's stockholders approved the following stock option plan for the Bank's directors and certain employees:

Stock option plan

The plan provides for granting options to directors and certain employees to purchase up to 279 thousand shares of the Bank's common stock in the period from June 30, 2001 to June 29, 2009. The issue price of the stock is ¥674 per share.

20. Earned Surplus

Legal reserve as of March 31, 2000 and 1999, is included in earned surplus. The changes for the years ended March 31, 2000 and 1999, were as follows:

	Millions of Yen		Millions of U.S. Dollars
	2000	1999	**2000**
Balance at Beginning of Year	**¥118,084**	¥111,630	**$1,112**
Appropriation of Earned Surplus	**6,036**	6,453	**56**
Balance at End of Year	**¥124,120**	¥118,084	**$1,169**

Under the Banking Law of Japan, an amount equivalent to at least 20% of any distribution of profits must be appropriated as a legal reserve until such reserve equals 100% of stated capital. This reserve is not available for dividends, but may be used to reduce a deficit by resolution of the stockholders or may be transferred to the capital stock account by resolution of the Board of Directors.

21. Other Interest Income

The composition of other interest income for the years ended March 31, 2000 and 1999, was as follows:

	Millions of Yen		Millions of U.S. Dollars
	2000	1999	**2000**
Deposits with Banks	**¥ 25,884**	¥ 52,260	**$ 243**
Interest Swaps	**371,105**	407,157	**3,496**
Other	**117,128**	114,419	**1,103**
Total	**¥514,118**	¥573,837	**$4,843**

22. Other Operating Income

The composition of other operating income for the years ended March 31, 2000 and 1999, was as follows:

	Millions of Yen		Millions of U.S. Dollars
	2000	1999	**2000**
Gains on Foreign Exchange Transactions	**¥31,714**	¥ 18,753	**$298**
Gains on Sales of Bonds	**22,206**	81,662	**209**
Gains on Redemption of Bonds	**3,690**	3,133	**34**
Other	**41,650**	954	**392**
Total	**¥99,261**	¥104,503	**$935**

23. Other Income

The composition of other income for the years ended March 31, 2000 and 1999, was as follows:

	Millions of Yen		Millions of U.S. Dollars
	2000	1999	**2000**
Gains on Sales of Stocks and Other Securities	**¥427,122**	¥155,531	**$4,023**
Gains on Money Held in Trust	**471**	2,013	**4**
Gains on Dispositions of Premises and Equipment	**7,754**	72,683	**73**
Recoveries of Written-off Claims	**1,848**	1,262	**17**
Equity in Earnings of Affiliates	**—**	655	**—**
Other	**17,998**	35,509	**169**
Total	**¥455,196**	¥267,656	**$4,288**

24. Transfer from Other Reserves

The composition of transfer from other reserves for the years ended March 31, 2000 and 1999, was as follows:

	Millions of Yen		Millions of U.S. Dollars
	2000	1999	**2000**
Reserve for Possible Losses from Trading Account Securities Transactions	**¥—**	¥49	**$—**
Reserve for Contingent Liabilities from Brokering of Securities Transactions	**3**	0	**0**
Total	**¥ 3**	¥49	**$ 0**

25. Other Interest Expenses

The composition of other interest expenses for the years ended March 31, 2000 and 1999, was as follows:

	Millions of Yen		Millions of U.S. Dollars
	2000	1999	**2000**
Convertible Bonds	**¥ 17**	¥ 92	**$ 0**
Interest Swaps	**370,907**	392,421	**3,494**
Other	**119,530**	153,519	**1,126**
Total	**¥490,455**	¥546,034	**$4,620**

26. Other Operating Expenses

The composition of other operating expenses for the years ended March 31, 2000 and 1999, was as follows:

	Millions of Yen		Millions of U.S. Dollars
	2000	1999	**2000**
Losses on Sales of Bonds	**¥15,510**	¥22,395	**$146**
Losses on Redemption of Bonds	**6,262**	7,529	**58**
Losses on Devaluation of Bonds	**475**	3,920	**4**
Other	**45,635**	6,880	**429**
Total	**¥67,883**	¥40,725	**$639**

27. General and Administrative Expenses

The composition of general and administrative expenses for the years ended March 31, 2000 and 1999, was as follows:

	Millions of Yen		Millions of U.S. Dollars
	2000	1999	**2000**
Salaries and Welfare Expenses	**¥221,317**	¥238,437	**$2,084**
Retirement Benefits	**32,611**	21,651	**307**
Depreciation	**35,029**	37,528	**329**
Rent and Lease Expenses	**44,793**	43,750	**421**
Taxes and Public Impositions	**25,430**	31,597	**239**
Other	**128,289**	144,275	**1,208**
Total	**¥487,472**	¥517,241	**$4,592**

Other includes the cost of research and development of ¥225 million (US$2 million) for fiscal 1999.

28. Other Expenses

The composition of other expenses for the years ended March 31, 2000 and 1999, was as follows:

	Millions of Yen		Millions of U.S. Dollars
	2000	1999	**2000**
Written-off Claims	**¥146,374**	¥476,048	**$1,378**
Losses on Sales of Stocks and Other Securities	**50,925**	52,189	**479**
Losses on Devaluation of Stocks and Other Securities	**33,255**	108,369	**313**
Losses on Money Held in Trust	**1,097**	5,903	**10**
Losses on Dispositions of Premises and Equipment	**19,964**	4,062	**188**
Other	**187,026**	146,729	**1,761**
Total	**¥438,643**	¥793,303	**$4,132**

Other includes provisions for possible losses from loans sold to CCPC of ¥55,905 million (US$526 million) and equity in losses of affiliates of ¥1,487 million (US$14 million) for fiscal 1999.

29. Transfer to Other Reserves

The composition of transfer to other reserves for the years ended March 31, 2000 and 1999, was as follows:

	Millions of Yen		Millions of U.S. Dollars
	2000	1999	**2000**
Reserve for Contingent Liabilities from Broking of Financial Futures Transactions	**¥0**	¥0	**$0**
Total	**¥0**	¥0	**$0**

30. Income Taxes

The Bank is subject to a number of taxes based on income such as corporation tax, inhabitants tax, and enterprise tax which, in the aggregate, resulted in a normal Japanese statutory tax rate of approximately 42.05% for fiscal 1999, and 46.4% for fiscal 1998.

The actual effective tax rates for fiscal 1999 and 1998, as shown below, differed from the normal Japanese statutory rate due to a number of factors, including, among others, (1) certain expenses permanently not deductible for tax purposes, (2) the new establishment of Tokyo Metropolitan Government's ordinance concerning the special treatment for the standard of enterprise taxes to banking industries, (3) different tax rates for the subsidiaries outside Japan, (4) valuation allowance for deferred income tax assets, and (5) dividend excluded from taxable income in fiscal 1999.

	Millions of Yen		Millions of U.S. Dollars
	2000	1999	**2000**
Income Taxes (Corporation, Inhabitants and Enterprise) (a)	**¥ 82,079**	¥(217,818)	**$ 773**
Income (Loss) before Income Taxes and Minority Interests (b)	**¥126,139**	¥(706,257)	**$1,188**
Actual Effective Tax Rates ((a)/(b))	**65.0%**	30.8%	**65.0%**

The tax effects of significant temporary differences and loss carryforwards, which resulted in deferred income taxes (assets and liabilities) at March 31, 2000 and 1999, were as follows:

	Millions of Yen		Millions of U.S. Dollars
	2000	1999	**2000**
Deferred Income Taxes (Assets):			
Non-Deductible Portion of Reserve for Possible Loan Losses	**¥440,289**	¥456,342	**$4,147**
Tax Loss Carryforwards	**90,826**	124,697	**855**
Other	**88,352**	107,998	**832**
Subtotal	**¥619,467**	¥689,038	**$5,835**
Valuation Allowance	**(7,749)**	—	**(73)**
Total	**¥611,718**	¥689,038	**$5,762**
Deferred Income Taxes (Liabilities):			
Reserve for Losses on Overseas Investment	**¥ (24)**	¥ (21)	**$ (0)**
Other	**(271)**	—	**(2)**
Total	**(295)**	(21)	**(2)**
Net Deferred Income Taxes	**¥611,423**	¥689,017	**$5,759**

Due to the establishment of the Tokyo Metropolitan Government's ordinance concerning the special treatment for the standard of enterprise taxes to banking industries on March 31, 2000, the normal statutory tax rate for the computation of deferred income tax assets and liabilities decreased from 42.05% to 39.62%. This change decreased the amount of deferred income tax assets by ¥35,791 million and increased deferred income tax in fiscal 1999 by the same amount. The amount of deferred income tax liabilities for land revaluation decreased by ¥1,968 million as a result of the revaluation and increased the land revaluation excess by the same amount.

Due to the establishment of the Osaka Prefectural Government's ordinance concerning the special treatment for the standard of enterprise taxes to banking industries on June 9, 2000, the normal statutory tax rate for the computation of deferred tax assets and liabilities will decrease from 39.62% to 39.20%. This change will decrease the amount of deferred income tax assets and deferred income tax liabilities for land revaluation by ¥6,186 million and ¥340 million, respectively. The actual figure may differ from the above because of the calculation considering the temporary difference at the end of next period.

31. Leases

Finance leases where the ownership of the property is not deemed to transfer to the lessee as of March 31, 2000 and 1999, consisted of the following:

(i) As Lessee

Acquisition cost, accumulated depreciation and net balance of the leased property as of March 31, 2000 and 1999, were as follows:

	Millions of Yen		Millions of U.S. Dollars
	2000	1999	**2000**
Acquisition Cost	**¥7,078**	¥38,039	**$66**
Accumulated Depreciation	**5,324**	18,922	**50**
Net Balance	**¥1,754**	¥19,117	**$16**

The acquisition cost amount includes the imputed interest expense portion, because of its immateriality.

Obligations as of March 31, 2000 and 1999, were as follows:

	Millions of Yen		Millions of U.S. Dollars
	2000	1999	2000
Due within One Year	¥1,060	¥ 5,177	$ 9
Due after One Year	693	13,939	6
Total	¥1,754	¥19,117	$16

The amount of the obligations includes the imputed interest expenses portion, because of its immateriality.

Total lease payments were ¥1,847 million (US$17 million) and ¥6,436 million, and depreciation were ¥1,847 million (US$17 million) and ¥6,436 million for the year ended March 31, 2000 and 1999, respectively. Depreciation was calculated based on the straight-line method with zero residual value.

(ii) As Lessor

Acquisition cost, accumulated depreciation and net balance of the leased property as of March 31, 2000 and 1999, were as follows:

	Millions of Yen		Millions of U.S. Dollars
	2000	1999	2000
Acquisition Cost	¥143,665	¥33,487	$1,353
Accumulated Depreciation	74,077	15,251	697
Net Balance	¥ 69,587	¥18,235	$ 655

Future lease payment receivables as of March 31, 2000 and 1999, were as follows:

	Millions of Yen		Millions of U.S. Dollars
	2000	1999	2000
Due within One Year	¥31,004	¥ 6,355	$292
Due after One Year	63,428	23,002	597
Total	¥94,432	¥29,357	$889

The amount of the future lease payment receivables includes the imputed interest income portion, because of its immateriality.

Total lease revenues were ¥23,585 million (US$222 million) and ¥7,608 million, and depreciation were ¥14,642 million (US$137 million) and ¥3,188 million for the year ended March 31, 2000 and 1999, respectively.

Operating leases as of March 31, 2000 and 1999, consisted of the following:

(i) As Lessee

The minimum rental commitments under noncancellable operating leases as of March 31, 2000 and 1999, were as follows:

	Millions of Yen		Millions of U.S. Dollars
	2000	1999	2000
Due within One Year	¥ 1,344	¥ 1,819	$12
Due after One Year	8,693	10,364	81
Total	¥10,038	¥12,183	$94

(ii) As Lessor

There were no minimum rental commitments receivable under noncancelable operating leases as of March 31, 2000 and 1999, respectively.

32. Market Value of Marketable Securities

The market value of marketable securities as of March 31, 2000, was as follows:

Securities

Millions of Yen

March 31, 2000	Book Value	Market Value	Net Unrealized Gain (Loss)	Unrealized Gain	Unrealized Loss
Bonds	¥ 485,177	¥ 460,384	¥ (24,793)	¥ 3,490	¥ 28,284
Stocks	3,361,262	3,977,851	616,588	1,011,530	394,941
Others	461,115	461,187	72	14,540	14,468
Total	¥4,307,555	¥4,899,422	¥591,866	¥1,029,561	¥437,694

Notes: 1. Figures in the above table are for marketable securities listed on Securities Exchanges. The fair market value of listed bonds is calculated mainly using the closing prices on the Tokyo Stock Exchange at the consolidated balance sheet date or the prices calculated under the yield published on the Japan Securities Dealers Association's Indication Chart in most cases. Other listed securities are calculated primarily using the closing price on the Tokyo Stock Exchange at the balance sheet date. "Others" are mainly foreign bonds.

2. Listed below are figures calculated to correspond to the fair market value of unlisted securities if it is possible to calculate.

Millions of Yen

March 31, 2000	Book Value	Market Value	Net Unrealized Gain (Loss)	Unrealized Gain	Unrealized Loss
Bonds	¥1,571,230	¥1,569,330	¥ (1,900)	¥ 5,331	¥ 7,231
Stocks	37,807	101,720	63,913	71,806	7,893
Others	100,291	101,176	884	2,756	1,872
Total	¥1,709,330	¥1,772,226	¥62,896	¥79,894	¥16,998

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

3. Securities excluded from the above information on values of the consolidated balance sheet are principally as follows:

Millions of Yen

March 31, 2000	Book Value
Bonds	¥400,413
Stocks	116,750
Others	394,696

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 operations.

Money Held in Trust

Millions of Yen

March 31, 2000	Book Value	Market Value	Net Unrealized Gain (Loss)	Unrealized Gain	Unrealized Loss
Money Held in Trust	¥72,581	¥72,887	¥305	¥542	¥237

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

1. The fair market value of listed securities is calculated mainly using the closing prices on the Tokyo Stock Exchange at the consolidated balance sheet date.
2. Values of non-listed stocks are calculated using the Japan Securities Dealers Association's figures for securities traded over the counter.

33. Derivatives Transactions

Purpose of Derivatives Transactions

The Bank and its subsidiaries actively use derivative financial instruments to hedge risks for customers, to manage the potential risks in its own portfolio of assets and liabilities, to earn trading profits through market fluctuations and to stabilize earnings over the medium- to long-term.

Risk Exposure

Derivatives transactions may be subject to complex risk factors, including market risk from changes in prices or interest rates and credit risk from counterparty default. Sophisticated risk management is required to deal with these transactions, which may create exposures disproportionate to the funds initially committed. To manage market risk, the Bank and its subsidiaries use advanced value at risk (VaR) modeling to quantify the maximum total exposure worldwide. In the internal model, we measure the VaR using Monte Carlo simulations based on one year of historical data and the assumptions of a two-week holding period and a 99% confidence interval, which are in accordance with BIS guidelines. According to this model, the maximum VaR due to general market risk in the Bank's trading account, including derivatives, was ¥8.9 billion in fiscal 1999, the minimum was ¥3.1 billion and the average was ¥5.0 billion. To manage credit risk, we quantify the credit-equivalent amount that would arise if the counterparties defaulted. The consolidated credit-equivalent amount at March 31, 2000, as calculated according to the current-exposure method specified in BIS guidelines, came to ¥1,155.7 billion.

Risk Management System

Enhancing the risk management system is an ongoing policy priority at all levels of management to help secure a sound financial position and stable profits. All transactions involving exposure to market risk, including derivatives transactions, are governed within the Bank by a set of rules specifying approval authority, risk limits and operating procedures. These regulations and limits are reviewed semiannually by the Executive Committee. Risk management for the trading account is conducted according to regulations established for each type of transaction.

Credit risk is quantified in a manner consistent with that for market risk and the two risk factors are captured on an integrated basis to set risk limits within the scope of the Bank's capital resources. This is in line with our current management challenge to ensure that the returns are commensurate with the risks undertaken.

The Corporate Risk Management Division, which is independent of the revenue-generating divisions, is responsible for risk management for the entire Bank, including overseas business units. This division controls the risk measures on a daily basis and reports to the directors in charge on a weekly basis and also to the monthly ALM Committee chaired by the president of the Bank.

It should be noted that the nominal contract value or notional principal amount is used in determining the value of reciepts or payments of interest and as an indicator representative of the volume of transactions, but those values do not necessarily reflect the volume of actual transactions or risk. Moreover, the unrealized gains or losses arising from derivatives transactions used to hedge interest rate and currency risks associated with the Bank's assets and liabilities—including loans, securities and deposits—are offset by the unrealized gains and losses of such assets or liabilities. Accordingly, the unrealized gains and losses of derivatives transactions noted in this report do not necessarily have an impact on the balance sheets. Moreover, with the adoption of the Trading Account, both the notional amounts and market value of these derivatives transactions included in this account are shown in a separate column from other derivatives transactions.

Derivative Financial Instruments Transactions

Outstanding derivative financial instruments as of March 31, 2000, were as follows:

Interest Rate Related Transactions

March 31 Millions of Yen	2000 Contract Values or Notional Principal Amounts Total	 Over One Year	 Market Values	 Unrealized Gain (Loss)
Listed Transactions:				
Futures Contracts:				
Sell	¥ 9,784,429	¥ 670,310	¥9,765,752	¥ 18,677
Buy	5,657,962	249,452	5,651,207	(6,754)
Options:				
Sell				
Call	13,776,338	—		
Option Premiums	*3,441*		*556*	*2,884*
Put	12,329,538	—		
Option Premiums	*2,609*		*1,786*	*822*
Buy				
Call	6,025,776	—		
Option Premiums	*1,059*		*407*	*(652)*
Put	5,323,445	—		
Option Premiums	*1,720*		*1,581*	*(139)*
Unlisted Transactions:				
Swaps:				
Receive Fixed Rate				
Pay Floating Rate	34,478,328	15,236,759	573,908	573,908
Receive Floating Rate				
Pay Fixed Rate	24,638,127	8,588,126	(267,975)	(267,975)
Receive Floating Rate				
Pay Floating Rate, etc.	25,024	17,796	(135)	(135)
Others:				
Sell	609,287	599,271		
Option Premiums	*2,688*		*1,148*	*1,539*
Buy	123,982	113,966		
Option Premiums	*1,429*		*827*	*(603)*
Total	¥ /	¥ /	¥ /	¥321,572

Notes: 1. Market values

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

The market values of unlisted transactions are calculated by using mainly the discounted present value or option pricing model.

2. Option premiums shown in this table are accounted for on the consolidated balance sheet.
3. "Others" consists of cap, floor and swaption transactions.
4. The market value and unrealized gain/(loss) on interest swap transaction at March 31, 2000, include ¥343,651 million of accrued swap interest that was stated in the consolidated statements of operations.

5. Details of interest rate swap notional amounts according to time to maturity are as follows:

March 31 Millions of Yen	One Year or Less	More than One Year to Three Years	Over Three Years	Total
				2000
Receive Fixed Rate				
Pay Floating Rate	**¥19,241,568**	**¥12,494,950**	**¥2,741,809**	**¥34,478,328**
Receive Floating Rate				
Pay Fixed Rate	**16,050,001**	**5,586,090**	**3,002,035**	**24,638,127**
Receive Floating Rate				
Pay Floating Rate, etc.	**7,227**	**4,350**	**13,446**	**25,024**

6. Derivative financial products transactions that are included in the trading account are not shown above because those transactions were valued at their fair market prices and evaluation gain/(loss) was included in the consolidated statements of operations.

Contract values or notional principal amounts included in the trading account are as follows:

March 31 Millions of Yen	Contract Values or Notional Principal Amounts	Market Values
		2000
Listed Transactions		
Futures Contracts:		
Sell	**¥ 422,513**	**¥ 422,244**
Buy	**585,857**	**583,533**
Options:		
Sell		
Call	**1,891,590**	
Option Premiums	***260***	***23***
Put	**2,560,186**	
Option Premiums	***446***	***231***
Buy		
Call	**736,133**	
Option Premiums	***173***	***27***
Put	**1,332,250**	
Option Premiums	***279***	***126***
Unlisted Transactions		
Forward Rate Agreements:		
Sell	**678,521**	**678,458**
Buy	**1,324,902**	**1,325,226**
Swaps:		
Receive Fixed Rate/Pay Floating Rate	**34,706,694**	**385,949**
Receive Floating Rate/Pay Fixed Rate	**32,590,848**	**(506,149)**
Receive Floating Rate/Pay Floating Rate, etc.	**1,636,745**	**(13,467)**
Others:		
Sell	**3,411,883**	
Option Premiums	***9,329***	***21,935***
Buy	**3,077,923**	
Option Premiums	***4,886***	***58,646***

Currency and Foreign Exchange Related Transactions

March 31 Millions of Yen	2000 Contract Values or Notional Principal Amounts Total	 Over One Year	 Market Values	 Unrealized Loss
Unlisted Transactions:				
Currency Swaps:	**¥2,779,199**	**¥1,179,058**	**¥(54,273)**	**¥54,273**
U.S. Dollar	**1,866,061**	**935,342**	**(43,375)**	**43,375**
Others	**913,137**	**243,715**	**(10,897)**	**10,897**

Notes: 1. Market values
The market values are calculated by using discounted present value.
2. The market value or unrealized loss for currency swap transaction at March 31, 2000, includes ¥6,647 million (loss) of accrued swap interest that was stated in the consolidated statements of operations.
3. Derivative financial products transactions that are included in the trading account are not shown above because those transactions were valued at their fair market prices and evaluation gain (loss) was included in the consolidated statements of operations.

Contract values or notional principal amounts included in the trading account are as follows:

March 31 Millions of Yen	2000 Contract Values or Notional Principal Amounts	 Market Values
Unlisted Transactions		
Currency Swaps:	**¥3,887,543**	**¥ (5,539)**
U.S. Dollar	**2,599,267**	**(15,018)**
German Mark	**554,556**	**(2,833)**
Others	**733,720**	**12,312**

4. Forward foreign exchange contracts, currency options and other currency-related derivative financial instruments are not shown here because they were revalued at the consolidated balance sheet date and their gain/(loss) were included in the consolidated statements of operations, or because they are reflected on the consolidated balance sheets as foreign currency denominated monetary assets and liabilities.

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

March 31 Millions of Yen	2000 Contract Values or Notional Principal Amounts
Listed Transactions	
Currency Futures:	
Sell	**¥ 356**
Buy	**20**
Unlisted Transactions	
Forward Foreign Exchange Contracts:	
Sell	**¥2,185,551**
Buy	**3,697,674**
Currency Options:	
Sell	
Call	**188,930**
Option Premiums	***4,105***
Put	**170,453**
Option Premiums	***3,600***
Buy	
Call	**156,601**
Option Premiums	***2,368***
Put	**178,950**
Option Premiums	***4,473***

Equity-Related Transactions

March 31 Millions of Yen	2000 Contract Values or Notional Principal Amounts Total	 Over One Year	 Market Values	 Unrealized Gain/(Loss)
Unlisted Transactions:				
Options:				
Sell				
Call	¥ 198	¥—		
Option Premiums	*1*		¥ *0*	¥ *1*
Put	—	—		
Option Premiums			—	—
Buy				
Call	198	—		
Option Premiums	*1*		*0*	*(0)*
Put	—	—		
Option Premiums			—	—
Equity-Related Swaps	897,438	—	(18,554)	(18,554)
Total	¥ /	¥ /	¥ /	¥(18,554)

Notes: 1. Market values
The market values is calculated by using the pricing method, based on the closing prices on the Tokyo Stock Exchange at the consolidated balance sheet date.
2. Option premiums shown in this table are accounted for on the consolidated balance sheet.
3. Derivative financial products transactions that are included in trading account are not shown here because those transactions were valued at their fair market prices and evaluation gain/(loss) was included in the consolidated statements of operations.

Contract values included in trading account are as follows:

March 31 Millions of Yen	2000 Contract Values or Notional Principal Amounts	 Market Values
Listed Transactions		
Stock Index Futures Contracts:		
Sell	¥ 1,536	¥1,530
Buy	101	101
Stock Index Options:		
Sell		
Call	11,740	
Option Premiums	*36*	*37*
Put	21,880	
Option Premiums	*26*	*31*
Buy		
Call	4,578	
Option Premiums	*53*	*97*
Put	1,902	
Option Premiums	*53*	*30*

Bond-Related Transactions

March 31 Millions of Yen	2000 Contract Values or Notional Principal Amounts Total	 Over One Year	 Market Values	 Unrealized Loss
Listed Transactions:				
Futures Contracts:				
Sell	¥74,904	¥—	¥76,182	¥1,277
Buy	—	—	—	—
Total	¥ /	¥ /	¥ /	¥1,277

Notes: 1. The market values listed represent the closing prices on the Tokyo Stock Exchange and other exchanges at the consolidated balance sheet date.

2. Derivative financial products transactions that are included in the trading account are not shown above because those transactions were valued at their fair market prices and evaluation gain/(loss) was included in the consolidated statements of operations.

Contract values or notional principal amounts included in the trading account are as follows:

March 31 Millions of Yen	2000 Contract Values or Notional Principal Amounts	 Market Values
Listed Transactions		
Futures Contracts:		
Sell	¥28,726	¥28,818
Buy	35,094	35,147
Futures Options:		
Sell		
Call	838	
Option Premiums	*5*	*2*
Put	8,580	
Option Premiums	*11*	*7*
Buy		
Call	4,477	
Option Premiums	*16*	*11*
Put	37,370	
Option Premiums	*90*	*14*
Unlisted Transactions		
Options:		
Sell		
Call	—	
Option Premiums	—	—
Put	21,670	
Option Premiums	*251*	*118*
Buy		
Call	29,272	
Option Premiums	*167*	*106*
Put	7,837	
Option Premiums	*51*	*14*

34. Segment Information

(a) Business Segment Information

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

(b) Geographic Segment Information

Millions of Yen

Year Ended March 31, 2000	Domestic	Americas	Europe	Asia and Oceania	Interarea Elimination	Subtotal	Reclassification	Consolidated Total
Ordinary Income/ Total Income								
Customers	¥ 1,808,407	¥ 129,272	¥ 90,029	¥ 119,786	¥ —	¥ 2,147,495	¥ 9,606	¥ 2,157,102
Intersegment	77,421	23,014	21,863	15,752	(138,052)	—	—	—
Total	1,885,829	152,286	111,893	135,539	(138,052)	2,147,495	9,606	2,157,102
Ordinary Expenses/ Total Expenses	1,772,018	143,625	109,852	122,775	(137,274)	2,010,998	19,964	2,030,963
Ordinary Profit (Loss)/ Income (Loss) before Income Taxes	¥ 113,810	¥ 8,661	¥ 2,040	¥ 12,764	¥ (778)	¥ 136,497	¥(10,357)	¥ 126,139
Millions of U.S. Dollars	$ 1,072	$ 81	$ 19	$ 120	$ (7)	$ 1,285	$ (97)	$ 1,188
Assets	¥44,745,840	¥2,319,292	¥1,062,201	¥3,070,871	¥(2,702,596)	¥48,495,608	¥ —	¥48,495,608
Millions of U.S. Dollars	$ 421,534	$ 21,849	$ 10,006	$ 28,929	$ (25,460)	$ 456,859	$ —	$ 456,859

Millions of Yen

Year Ended March 31, 1999	Domestic	Americas	Europe	Asia and Oceania	Interarea Elimination	Subtotal	Reclassification	Consolidated Total
Ordinary Income/ Total Income								
Customers	¥ 1,602,689	¥ 188,936	¥ 168,259	¥ 179,341	¥ —	¥ 2,139,226	¥73,996	¥ 2,213,222
Intersegment	172,340	101,640	1,951	2,325	(278,257)	—	—	—
Total	1,775,029	290,576	170,210	181,666	(278,257)	2,139,226	73,996	2,213,222
Ordinary Expenses/ Total Expenses	2,555,086	292,774	176,029	169,107	(277,580)	2,915,416	4,063	2,919,480
Ordinary Profit (Loss)/ Income (Loss) before Income Taxes	¥ (780,057)	¥ (2,198)	¥ (5,819)	¥ 12,558	¥ (676)	¥ (776,190)	¥69,933	¥ (706,257)
Assets	¥45,516,552	¥2,577,289	¥1,070,154	¥2,887,072	¥(3,036,064)	¥49,015,005	¥ —	¥49,015,005

Ordinary income or expenses represent total income or expenses excluding Gains or Losses on Dispositions of Premises and Equipment, Recoveries of Written-off Claims, and Transfer to (from) Other Reserves.

For the years ended March 31, 2000 and 1999, the Bank reported ordinary income and ordinary profit/(loss) which correspond to sales and operating profit for other types of enterprises for its Head Office and consolidated subsidiaries according to the classification domestic and country or region, in view of the geographical proximity, similarities in economic activities, and interrelationships among these activities.

Countries or economies in the regions shown include, but are not limited to, the following: Americas: the United States and Canada; Europe: the United Kingdom and Germany; and Asia and Oceania: Singapore, Hong Kong, and Australia.

(c) Foreign Operating Income

	Millions of Yen	Millions of U.S. Dollars
	2000	2000
(i) Foreign Operations	¥ 339,087	$ 3,194
(ii) Consolidated Total Income	2,147,495	20,230
(i) / (ii)	15.7%	15.7%

From fiscal 1999, foreign operating income is listed in place of ordinary income from international operations to express foreign trading activities more correctly. Foreign operating income comprises transactions at the Bank's overseas branches and income from overseas consolidated subsidiaries. The composition of this substantial volume of transactions is not broken down by counterparty, and, therefore, data by region and country have not been included.

Ordinary income from international operations for fiscal 1998 was ¥839,959 million.

35. Subsequent Events

(a) The following appropriation of earned surplus of the Bank for the year ended March 31, 2000, was approved at the stockholders' meeting held on June 29, 2000.

	Millions of Yen	Millions of U.S. Dollars
Transfer to Legal Reserve	¥ 3,570	$ 33
Dividends:		
Series II Preferred (¥7.50 per Share)	20	0
Series III Preferred (¥6.85 per Share)	5,480	51
Common (¥3.00 per Share)	12,351	116
Total	¥21,423	$201

(b) At the general stockholders' meeting held on June 29, 2000, the Bank's stockholders approved the following stock option plan for the Bank's directors and certain employees:

Stock option plan

The plan provides for granting options to directors and certain employees to purchase up to 291 thousand shares of the Bank's common stock in the period from June 30, 2002 to June 29, 2010. The issue price of the stock equals 105% of the average of the closing prices of the Bank's common stock on the Tokyo Stock Exchange ("TSE") on each day (excluding a day or days on which no closing price is available) during the month immediately prior to the month in which stock option rights will be granted (amounts below one yen will be rounded up to the nearest one yen), but if such average is lower than the closing price of the Bank's common stock on the TSE on the date of grant of stock option rights, the issue price shall be equal to that day's closing price.

(c) Contract of Merger between Sakura Bank and Sumitomo Bank

The Bank and the Sumitomo Bank, Limited, have signed a contract of merger on May 22, 2000 and the terms of the merger were approved at the ordinary meeting of shareholders and shareholders' meetings of a particular class of shares held on June 29, 2000, and June 28, 2000, respectively.

Pursuant to the terms of the merger, the Bank will merge with the Sumitomo Bank on April 1, 2001, and the Sumitomo Bank will be the surviving entity of the merger legally. Concurrently, the Sumitomo Bank will change its corporate name to "Sumitomo Mitsui Banking Corporation".

Each share of the Bank's common stock, par value ¥50 per share, will be exchanged for 0.6 shares of a common stock of the surviving entity "Sumitomo Mitsui Banking Corporation".

(d) TOB (Take Over Bid) to the Minato Bank

The Bank carried out a TOB (take over bid) to the shareholders of the Minato Bank with the upper limit of 142 million shares and lower limit of 53 million shares to consolidate the Minato Bank in the accounting.

The bidding price was ¥240 per share and the purchase period was from June 13, 2000 to July 24, 2000.

Deloitte Touche Tohmatsu

CENTURY OTA SHOWA & CO.
ERNST & YOUNG INTERNATIONAL

To the Board of Directors of
The Sakura Bank, Limited

We have examined the consolidated balance sheets of The Sakura Bank, Limited, and consolidated subsidiaries as of March 31, 2000 and 1999, and the related consolidated statements of operations, earned surplus and cash flows for the years then ended, all expressed in Japanese yen. Our examinations were made in accordance with auditing standards, procedures and practices generally accepted and applied in Japan and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the consolidated financial statements referred to above present fairly the financial position of The Sakura Bank, Limited and consolidated subsidiaries as of March 31, 2000 and 1999, and the results of their operations and cash flows for the years then ended, in conformity with accounting principles and practices generally accepted in Japan applied on a consistent basis.

As described in Note 1 to the consolidated financial statements, The Sakura Bank, Limited and consolidated subsidiaries have adopted new accounting standards for the statements of cash flows in the preparation of their consolidated financial statements for the year ended March 31, 2000.

Our examinations also comprehended the translation of Japanese yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made in conformity with the basis stated in Note 1. Such U.S. dollar amounts are presented solely for the convenience of readers outside Japan.

As described in Note 35 to the consolidated financial statements, The Sakura Bank, Limited, and The Sumitomo Bank, Limited, have signed a contract of merger on May 22, 2000 and the terms of the merger were approved at the ordinary meeting of shareholders and shareholders' meetings of a particular class of shares held on June 29, 2000, and June 28, 2000, respectively.

Tohmatsu & Co.

Century Ota Showa & Co.

Tohmatsu & Co.

Century Ota Showa & Co.

Tokyo, Japan
June 29, 2000

See Note 1 to the consolidated financial statements which explains the basis of preparing the consolidated financial statements of The Sakura Bank, Limited and consolidated subsidiaries under Japanese accounting principles and practices.

Non-Consolidated Financial Highlights

Years Ended March 31 Millions of Yen	2000	1999	1998	1997	1996
For the Year					
Total Income	**¥ 1,930,928**	¥ 2,045,139	¥ 2,833,166	¥ 2,538,645	¥ 2,502,086
Total Expenses	**1,776,858**	2,693,827	2,948,431	2,480,239	2,882,511
Income (Loss) before Income Taxes	**154,069**	(648,688)	(115,265)	58,406	(380,425)
Net Income (Loss)	**57,117**	(375,315)	(220,516)	51,042	(426,830)
At Year-End					
Total Assets	**¥46,559,485**	¥47,208,716	¥51,650,386	¥53,131,014	¥52,824,386
Loans and Bills Discounted	**31,939,952**	32,291,263	35,083,771	36,833,937	36,713,909
Securities	**6,911,602**	6,217,570	6,449,372	7,062,157	6,893,715
Total Liabilities	**44,307,196**	44,985,195	50,352,273	51,579,961	51,443,079
Deposits	**33,342,655**	32,965,621	36,380,770	38,270,539	38,808,092
Total Stockholders' Equity	**2,252,289**	2,223,521	1,298,113	1,551,052	1,381,306
Common Stock	**639,934**	631,399	572,562	475,735	475,735
Preferred Stock	**402,772**	411,307	26,883	123,710	48,710

Business Performance

Years Ended March 31 Millions of Yen (Except per share data, %)	2000	1999	1998	1997	1996
Gross Operating Profit:	**¥ 711,915**	¥ 699,181	¥ 730,391	¥ 720,834	¥ 768,448
Loan Loss Provision (Reversal)	**(14,625)**	101,176	1,716	357	2,340
Expenses:	**397,771**	425,057	434,895	438,732	432,929
Personnel	**161,738**	178,163	195,696	206,375	216,718
Non-personnel	**216,133**	223,065	204,374	203,238	187,022
Tax	**19,899**	23,827	34,824	29,117	29,187
Net Operating Profit	**328,084**	172,947	293,778	281,745	333,179
Gains and Losses on Money Held in Trust	**(1,971)**	(2,895)	(2,876)	(3,315)	(12,113)
Extraordinary Loss, Net	**166,181**	924,239	708,126	219,451	703,336
Operating Profit (Loss)	**159,932**	(754,187)	(417,223)	58,978	(382,270)
Net Income (Loss)	**57,117**	(375,315)	(220,516)	51,042	(426,830)
Total Assets (Average Balance)	**¥46,559,485**	¥47,215,251	¥50,375,675	¥49,589,697	¥49,493,373
Per Share (Yen):					
Dividends Paid	**¥ 6.00**	¥ 7.25	¥ 8.50	¥ 8.50	¥ 8.50
Stockholders' Equity	**351.38**	343.09	332.07	380.72	374.94
Dividend Payout Ratio (%)	**53.42%**	—%	—%	60.27%	—%
ROA (Net Income) (%)	**0.122%**	—%	—%	0.103%	—%
ROA (Net Operating Profit) (%)	**0.705%**	0.366%	0.583%	0.568%	0.673%
% of Expenses to Gross Operating Profit	**55.9%**	60.8%	59.5%	60.9%	56.3%
Number of Employees	**14,930**	16,330	17,420	18,733	20,261

Notes: 1. Total assets (average balance) exclude customers' liabilities for acceptances and guarantees.
2. Stockholders' equity per share is calculated by subtracting the product of the number of preferred shares outstanding at the end of the fiscal year and the issue price per share of preferred shares from stockholders' equity at the end of the fiscal year, then dividing this amount by the number of common shares outstanding at the end of the fiscal year.

Non-Consolidated Balance Sheets

(Supplemental Information)
The Sakura Bank, Limited

March 31, 2000 and 1999	Millions of Yen 2000	Millions of Yen 1999	Millions of U.S. Dollars (Note 1) 2000
Assets			
Cash and Due from Banks	**¥ 2,095,204**	¥ 1,413,680	**$ 19,738**
Call Loans	**197,492**	84,978	**1,860**
Commercial Paper and Other Debt Purchased	**640**	2,182	**6**
Trading Assets	**1,104,111**	1,091,216	**10,401**
Money Held in Trust	**72,381**	151,470	**681**
Securities	**6,911,602**	6,217,570	**65,111**
Loans and Bills Discounted	**31,939,952**	32,291,263	**300,894**
Foreign Exchanges	**316,149**	320,981	**2,978**
Other Assets	**1,156,771**	1,654,079	**10,897**
Premises and Equipment	**317,774**	346,840	**2,993**
Deferred Income Taxes	**583,559**	677,740	**5,497**
Customers' Liabilities for Acceptances and Guarantees	**2,524,300**	2,956,710	**23,780**
Reserve For Possible Loan Losses	**(660,454)**	—	**(6,221)**
Total Assets	**¥46,559,485**	¥47,208,716	**$438,619**
Liabilities and Stockholders' Equity			
Liabilities			
Deposits	**¥33,342,655**	¥32,965,621	**$314,108**
Call Money	**2,558,919**	2,335,541	**24,106**
Commercial Paper	**451,000**	567,000	**4,248**
Trading Liabilities	**161,238**	194,133	**1,518**
Borrowed Money	**1,953,529**	1,960,790	**18,403**
Foreign Exchanges	**30,218**	35,170	**284**
Bonds	**270,000**	100,000	**2,543**
Convertible Bonds	**95**	2,208	**0**
Other Liabilities	**2,856,182**	2,946,007	**26,907**
Reserve for Possible Loan Losses	**—**	735,562	**—**
Reserve for Retirement Allowances	**32,099**	36,484	**302**
Reserve for Possible Losses from Loans Sold to CCPC	**94,853**	114,812	**893**
Other Reserves	**9**	9	**0**
Deferred Income Tax Liabilities for Land Revaluation	**32,092**	35,140	**302**
Acceptances and Guarantees	**2,524,300**	2,956,710	**23,780**
Total Liabilities	**44,307,196**	44,985,195	**417,401**
Stockholders' Equity			
Capital Stock:			
Common Stock	**639,934**	631,399	**6,028**
Preferred Stock	**402,772**	411,307	**3,794**
Capital Surplus	**899,521**	899,521	**8,474**
Legal Reserve	**124,120**	118,084	**1,169**
Land Revaluation Excess	**48,908**	48,928	**460**
Earned Surplus	**137,032**	114,281	**1,290**
Total Stockholders' Equity	**2,252,289**	2,223,521	**21,217**
Total Liabilities and Stockholders' Equity	**¥46,559,485**	¥47,208,716	**$438,619**

Notes: 1. Translation into U.S. dollars has been made on the basis of ¥106.15 to US$1, the effective exchange rate at March 31, 2000.
2. Amounts less than one million have been omitted.

Non-Consolidated Statements of Operations

(Supplemental Information)
The Sakura Bank, Limited

Years Ended March 31, 2000 and 1999

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	2000	1999	**2000**
Income			
Interest Income:			
Interest on Loans and Discounts	**¥ 729,354**	¥ 865,176	**$ 6,870**
Interest and Dividends on Securities	**111,654**	132,213	**1,051**
Other Interest Income	**497,809**	545,322	**4,689**
Fees and Commissions	**102,556**	103,679	**966**
Trading Revenue	**8,498**	10,824	**80**
Other Operating Income	**57,954**	104,365	**545**
Other Income	**423,100**	283,557	**3,985**
Total Income	**1,930,928**	2,045,139	**18,190**
Expenses			
Interest Expenses:			
Interest on Deposits	**166,591**	345,942	**1,569**
Interest on Borrowings, Bonds and Rediscounts	**81,685**	107,046	**769**
Other Interest Expenses	**482,863**	526,229	**4,548**
Fees and Commissions	**42,441**	50,173	**399**
Trading Expenses	**412**	—	**3**
Other Operating Expenses	**24,231**	37,082	**228**
General and Administrative Expenses	**430,417**	446,473	**4,054**
Provision for Possible Loan Losses	**155,208**	558,880	**1,462**
Other Expenses	**393,004**	621,997	**3,702**
Transfer to Other Reserves	**0**	0	**0**
Total Expenses	**1,776,858**	2,693,827	**16,739**
Income (Loss) before Income Taxes	**154,069**	(648,688)	**1,451**
Income Taxes			
Current	**3,986**	6,550	**37**
Deferred	**92,965**	(279,923)	**875**
Net Income (Loss)	**¥ 57,117**	¥ (375,315)	**$ 538**
		Yen	U.S. Dollars
Per Share of Common Stock:			
Net Income (Loss)	**¥11.24**	¥(97.62)	**$0.10**
Fully Diluted Net Income	**—**	—	**—**

Notes: 1. Translation into U.S. dollars has been made on the basis of ¥106.15 to US$1, the effective exchange rate at March 31, 2000.
2. Amounts less than one million have been omitted.

Non-Consolidated Statements of Earned Surplus

(Supplemental Information)
The Sakura Bank, Limited

Years Ended March 31, 2000 and 1999

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	2000	1999	**2000**
Balance at Beginning of Year	**¥114,281**	¥ 130,503	**$1,076**
Appropriations:			
Transfer to Legal Reserve	**6,036**	6,453	**56**
Dividends Paid	**30,182**	32,269	**284**
Transfer from Land Revaluation Excess	**1,852**	—	**17**
Cumulative Effect of Adopting Tax Effect Accounting Beginning Fiscal 1998	**—**	397,816	**—**
Net Income (Loss)	**57,117**	(375,315)	**538**
Balance at End of Year	**¥137,032**	¥ 114,281	**$1,290**

Notes: 1. Translation into U.S. dollars has been made on the basis of ¥106.15 to US$1, the effective exchange rate at March 31, 2000.
2. Amounts less than one million have been omitted.

Supplemental Data

Indicators of Income

Years Ended March 31

Millions of Yen	2000	1999	1998	1997	1996
Domestic Operations:					
Net Interest Income					
Interest Income	**¥832,456**	¥838,850	¥857,023	¥889,782	¥1,044,839
Interest Expenses	**220,375**	319,254	333,653	353,222	477,505
	¥612,081	¥519,595	¥523,370	¥536,560	¥ 567,334
Fees and Commissions, Net					
Fees and Commissions (Income)	**¥ 87,163**	¥ 84,677	¥ 87,919	¥ 82,326	¥ 77,889
Fees and Commissions (Expenses)	**35,163**	34,239	34,446	32,201	30,594
	¥ 52,000	¥ 50,438	¥ 53,472	¥ 50,124	¥ 47,294
Trading Revenue, Net					
Trading Income	**¥ 1,167**	¥ 5,794	¥ 2,765	¥ —	¥ —
Trading Expenses	**382**	—	—	—	—
	¥ 785	¥ 5,794	¥ 2,765	¥ —	¥ —
Other Operating Income, Net					
Other Operating Income	**¥ 17,214**	¥ 66,717	¥ 44,599	¥ 40,538	¥ 116,424
Other Operating Expenses	**16,491**	15,277	8,748	19,406	42,338
	¥ 723	¥ 51,440	¥ 35,850	¥ 21,132	¥ 74,086
Gross Operating Profit	**¥665,589**	¥627,268	¥615,458	¥607,817	¥ 688,714
International Operations:					
Net Interest Income					
Interest Income	**¥506,823**	¥706,083	¥837,290	¥931,489	¥ 927,518
Interest Expenses	**509,596**	658,111	766,562	831,853	868,523
	¥ (2,772)	¥ 47,972	¥ 70,727	¥ 99,635	¥ 58,995
Fees and Commissions, Net					
Fees and Commissions (Income)	**¥ 15,392**	¥ 19,001	¥ 26,041	¥ 25,314	¥ 22,776
Fees and Commissions (Expenses)	**7,278**	15,934	11,764	10,839	9,468
	¥ 8,114	¥ 3,067	¥ 14,276	¥ 14,474	¥ 13,308
Trading Revenue, Net					
Trading Income	**¥ 7,330**	¥ 5,030	¥ 6,532	¥ —	¥ —
Trading Expenses	**30**	—	—	¥ —	¥ —
	¥ 7,300	¥ 5,030	¥ 6,532	¥ —	¥ —
Other Operating Income (Loss), Net					
Other Operating Income	**¥ 40,739**	¥ 37,648	¥ 28,772	¥ 10,179	¥ 16,780
Other Operating Expenses	**7,056**	21,805	5,375	11,271	9,350
	¥ 33,683	¥ 15,842	¥ 23,397	¥ (1,092)	¥ 7,429
Gross Operating Profit	**¥ 46,325**	¥ 71,912	¥114,933	¥113,017	¥ 79,734

(Continued on page 103)

(Continued from page 102)

Years Ended March 31
Millions of Yen

	2000	1999	1998	1997	1996
Total Operations:					
Net Interest Income					
Interest Income	**¥1,338,818**	¥1,542,712	¥1,692,779	¥1,815,881	¥1,958,262
Interest Expenses	**729,509**	975,143	1,098,681	1,179,685	1,331,932
	¥ 609,308	¥ 567,568	¥ 594,097	¥ 636,195	¥ 626,330
Fees and Commissions, Net					
Fees and Commissions (Income)	**¥ 102,556**	¥ 103,679	¥ 113,960	¥ 107,641	¥ 100,666
Fees and Commissions (Expenses)	**42,441**	50,173	46,211	43,041	40,063
	¥ 60,114	¥ 53,505	¥ 67,748	¥ 64,599	¥ 60,603
Trading Revenue, Net					
Trading Income	**¥ 8,498**	¥ 10,824	¥ 9,297	¥ —	¥ —
Trading Expenses	**412**	—	—	¥ —	¥ —
	¥ 8,085	¥ 10,824	¥ 9,297	¥ —	¥ —
Other Operating Income, Net					
Other Operating Income	**¥ 57,954**	¥ 104,365	¥ 73,371	¥ 50,718	¥ 133,204
Other Operating Expenses	**23,547**	37,082	14,123	30,678	51,689
	¥ 34,406	¥ 67,282	¥ 59,247	¥ 20,039	¥ 81,515
Gross Operating Profit	**¥ 711,915**	¥ 699,181	¥ 730,391	¥ 720,834	¥ 768,448

Notes: 1. Interest expenses exclude those expenses incurred in connection with the management of money held in trust, which were as follows: March 1996, ¥6,812 million; March 1997, ¥5,046 million; March 1998, ¥5,105 million; March 1999, ¥4,075 million, and March 2000, ¥1,631 million.
2. Interest income and expenses do not include interest incurred in connection with lending or borrowing between domestic operations and international operations.
3. Other Operating Expenses exclude Bond Issuing Expenses, which was ¥684 million for fiscal 1999.

Analysis of Interest-Earning Assets and Interest-Bearing Liabilities

Years Ended March 31 Millions of Yen, %	2000 Average Balance	2000 Interest	2000 Average Rate*	1999 Average Balance	1999 Interest	1999 Average Rate*	1998 Average Balance	1998 Interest	1998 Average Rate*
Interest-Earning Assets									
Domestic	**¥34,852,646**	**¥ 832,456**	**2.38%**	¥35,887,893	¥ 838,850	2.33%	¥35,843,523	¥ 857,023	2.39%
International	**5,360,655**	**506,823**	**9.45**	7,474,974	706,083	9.44	11,443,084	837,290	7.31
Total	**¥40,029,393**	**¥1,338,818**	**3.34%**	¥42,975,475	¥1,542,712	3.58%	¥47,036,673	¥1,692,779	3.59%
Loans and Bills Discounted:									
Domestic	**¥28,855,023**	**¥ 592,848**	**2.05%**	¥29,759,388	¥ 624,114	2.09%	¥29,626,422	¥ 630,161	2.12%
International	**3,443,140**	**133,934**	**3.88**	5,161,622	236,642	4.58	7,448,762	342,534	4.59
Total	**¥32,298,163**	**¥ 726,783**	**2.25%**	¥34,921,011	¥ 860,757	2.46%	¥37,075,184	¥ 972,696	2.62%
Securities:									
Domestic	**¥ 5,882,989**	**¥ 71,373**	**1.21%**	¥ 5,623,374	¥ 85,567	1.52%	¥ 5,873,981	¥ 105,381	1.79%
International	**855,816**	**40,280**	**4.70**	945,845	46,645	4.93	1,101,427	60,096	5.45
Total	**¥ 6,738,805**	**¥ 111,654**	**1.65%**	¥ 6,569,219	¥ 132,213	2.01%	¥ 6,975,408	¥ 165,477	2.37%
Interest-Bearing Liabilities									
Domestic	**¥33,884,278**	**¥ 220,375**	**0.65%**	¥33,858,117	¥ 319,254	0.94%	¥34,679,428	¥ 333,653	0.96%
International	**4,722,198**	**509,596**	**10.79**	7,198,178	658,111	9.14	11,382,544	766,562	6.73
Total	**¥38,422,568**	**¥ 729,509**	**1.89%**	¥40,668,903	¥ 975,143	2.39%	¥45,812,038	¥1,098,681	2.39%

* Average Rate=Interest/Average Balance

Analysis of Net Interest Income

Years Ended March 31 Millions of Yen	2000 Due to Increase (Decrease) in Volume	2000 Due to Changes in Rate	2000 Net Change	1999 Due to Increase (Decrease) in Volume	1999 Due to Changes in Rate	1999 Net Change
Interest Income						
Domestic	**¥ (24,198)**	**¥ 17,805**	**¥ (6,393)**	¥ 1,060	¥ (19,233)	¥ (18,173)
International	**(199,717)**	**457**	**(199,260)**	(290,346)	159,140	(131,206)
Total	**¥(105,756)**	**¥ (98,137)**	**¥(203,893)**	¥(146,156)	¥ (3,911)	¥(150,067)
Loans and Bills Discounted:						
Domestic	**¥ (18,966)**	**¥ (12,300)**	**¥ (31,266)**	¥ 2,828	¥ (8,874)	¥ (6,046)
International	**(78,786)**	**(23,921)**	**(102,707)**	(105,175)	(717)	(105,892)
Total	**¥ (64,649)**	**¥ (69,325)**	**¥(133,974)**	¥ (56,516)	¥ (55,423)	¥(111,939)
Securities:						
Domestic	**¥ 3,950**	**¥ (18,143)**	**¥ (14,193)**	¥ (4,495)	¥ (15,318)	¥ (19,813)
International	**(4,439)**	**(1,925)**	**(6,364)**	(8,488)	(4,962)	(13,450)
Total	**¥ 3,413**	**¥ (23,971)**	**¥ (20,558)**	¥ (9,636)	¥ (23,628)	¥ (33,264)
Interest Expenses						
Domestic	**¥ 246**	**¥ (99,125)**	**¥ (98,879)**	¥ (7,901)	¥ (6,498)	¥ (14,399)
International	**(226,372)**	**77,858**	**(148,514)**	(281,798)	(173,347)	(108,451)
Total	**¥ (53,861)**	**¥(191,773)**	**¥(245,634)**	¥(123,344)	¥ (194)	¥(123,538)
Deposits:						
Domestic	**¥ 7,150**	**¥ (69,621)**	**¥ (62,471)**	¥ (1,789)	¥ (13,989)	¥ (15,778)
International	**(90,086)**	**(26,794)**	**(116,880)**	(158,633)	(16,601)	(175,234)
Total	**¥ (4,597)**	**¥(174,754)**	**¥(179,351)**	¥ (56,578)	¥(134,435)	¥(191,013)

Note: When net changes are due to changes in both volume and rate factors, these have been included in rate factors.

Overall Net Average Rate on Earning Assets

Years Ended March 31

%	2000	1999	1998	1997	1996
Average Rate on Earning Assets (A)					
Domestic	**2.38%**	2.33%	2.39%	2.44%	2.82%
International	**9.45**	9.44	7.31	7.70	7.86
Total	**3.34%**	3.58%	3.59%	3.80%	4.11%
Overall Cost of Funds (B)					
Domestic	**1.67%**	1.99%	2.01%	2.06%	2.38%
International	**11.75**	10.01	7.30	7.47	7.80
Total	**2.92%**	3.43%	3.33%	3.48%	3.79%
Overall Net Average Rate on Earning Assets ((A)–(B))					
Domestic	**0.71%**	0.34%	0.38%	0.38%	0.44%
International	**(2.30)**	(0.57)	0.01	0.23	0.06
Total	**0.42%**	0.15%	0.26%	0.32%	0.32%

Return on Equity (Non-Consolidated)

March 31

%	2000	1999
% to Average Stockholders' Equity:		
Net Operating Profit (before Net Addition to General Reserve for Possible Loan Losses)	**21.23%**	20.70%
Net Operating Profit	**22.26**	13.05
Core Net Operating Profit*	**21.06**	16.83
Net Income	**3.23**	(28.39)

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

Fees and Commissions

Years Ended March 31 Millions of Yen	2000	1999	1998	1997	1996
Fees and Commissions (Income)					
Domestic	**¥ 87,163**	¥ 84,677	¥ 87,919	¥ 82,326	¥ 77,889
International	**15,392**	19,001	26,041	25,314	22,776
Total	**¥102,556**	¥103,679	¥113,960	¥107,641	¥100,666
Deposits and Loans:					
Domestic	**¥ 8,968**	¥ 8,654	¥ 8,400	¥ 8,012	¥ 7,431
International	**2,489**	3,726	7,625	6,484	4,161
Total	**¥ 11,457**	¥ 12,380	¥ 16,025	¥ 14,496	¥ 11,592
Remittances and Transfers:					
Domestic	**¥ 41,197**	¥ 41,400	¥ 42,119	¥ 41,740	¥ 40,129
International	**9,159**	10,498	12,499	12,579	12,088
Total	**¥ 50,356**	¥ 51,898	¥ 54,619	¥ 54,320	¥ 52,217
Securities:					
Domestic	**¥ 9,146**	¥ 9,920	¥ 10,084	¥ 9,211	¥ 9,905
International	**5**	22	32	72	72
Total	**¥ 9,151**	¥ 9,942	¥ 10,116	¥ 9,283	¥ 9,977
Fees and Commissions (Expenses)					
Domestic	**¥ 35,163**	¥ 34,239	¥ 34,446	¥ 32,201	¥ 30,594
International	**7,278**	15,934	11,764	10,839	9,468
Total	**¥ 42,441**	¥ 50,173	¥ 46,211	¥ 43,041	¥ 40,063
Remittances and Transfers:					
Domestic	**¥ 7,166**	¥ 7,258	¥ 7,366	¥ 7,224	¥ 6,973
International	**2,952**	4,418	6,026	6,398	6,264
Total	**¥ 10,118**	¥ 11,677	¥ 13,393	¥ 13,622	¥ 13,238
Fees and Commissions, Net					
Domestic	**¥ 52,000**	¥ 50,438	¥ 53,472	¥ 50,124	¥ 47,294
International	**8,114**	3,067	14,276	14,474	13,308
Total	**¥ 60,114**	¥ 53,505	¥ 67,748	¥ 64,599	¥ 60,603

Domestic Exchange Transactions

Years Ended March 31 Trillions of Yen	2000	1999	1998	1997	1996
Total	**¥905.4**	¥1,165.0	¥1,191.9	¥1,113.9	¥1,061.4

Foreign Exchange Transactions

Years Ended March 31 Billions of U.S. Dollars	2000	1999	1998	1997	1996
Total	**$1,051.9**	$976.7	$1,159.7	$1,142.6	$1,239.6

Other Operating Income (Loss)

Years Ended March 31
Millions of Yen

	2000	1999	1998	1997	1996
Other Operating Income					
Domestic	**¥ 17,214**	¥ 66,717	¥44,599	¥40,538	¥116,424
International	**40,739**	37,648	28,772	10,179	16,780
Total	**¥ 57,954**	¥104,365	¥73,371	¥50,718	¥133,204
Gains on Foreign Exchange Transactions:					
Domestic	**¥ —**	¥ —	¥ —	¥ —	¥ —
International	**31,963**	22,129	14,067	—	2,620
Total	**¥ 31,963**	¥ 22,129	¥14,067	¥ —	¥ 2,620
Gains on Sales of Bonds:					
Domestic	**¥ 14,561**	¥ 64,486	¥41,997	¥31,109	¥111,305
International	**7,356**	13,860	13,392	7,876	12,284
Total	**¥ 21,918**	¥ 78,346	¥55,389	¥38,985	¥123,590
Gains on Redemption of Bonds:					
Domestic	**¥ 1,706**	¥ 1,362	¥ 1,764	¥ 1,219	¥ 728
International	**1,419**	1,648	1,308	2,303	1,874
Total	**¥ 3,126**	¥ 3,011	¥ 3,072	¥ 3,522	¥ 2,603
Other Operating Expenses					
Domestic	**¥ 16,491**	¥ 15,277	¥ 8,748	¥19,406	¥ 42,338
International	**7,056**	21,805	5,375	11,271	9,350
Total	**¥ 23,547**	¥ 37,082	¥14,123	¥30,678	¥ 51,689
Losses on Foreign Exchange Transactions:					
Domestic	**¥ —**	¥ —	¥ —	¥ —	¥ —
International	**—**	—	—	3,688	—
Total	**¥ —**	¥ —	¥ —	¥ 3,688	¥ —
Losses on Sales of Bonds:					
Domestic	**¥ 11,732**	¥ 9,719	¥ 672	¥ 9,738	¥ 31,036
International	**4,559**	11,370	4,232	5,904	7,116
Total	**¥ 16,292**	¥ 21,090	¥ 4,905	¥15,642	¥ 38,153
Losses on Redemption of Bonds:					
Domestic	**¥ 3,816**	¥ 4,326	¥ 6,960	¥ 9,636	¥ 10,841
International	**2,260**	2,927	664	678	2,106
Total	**¥ 6,076**	¥ 7,253	¥ 7,625	¥10,314	¥ 12,947
Losses on Devaluation of Bonds:					
Domestic	**¥ 41**	¥ 154	¥ 975	¥ —	¥ 453
International	**138**	1,719	—	1,000	127
Total	**¥ 180**	¥ 1,873	¥ 975	¥ 1,000	¥ 580
Other Operating Income (Loss), Net					
Domestic	**¥ 723**	¥ 51,440	¥35,850	¥21,132	¥ 74,086
International	**33,683**	15,842	23,397	(1,092)	7,429
Total	**¥ 34,406**	¥ 67,282	¥59,247	¥20,039	¥ 81,515

General and Administrative Expenses

March 31
Millions of Yen

	2000	1999	1998	1997	1996
Salaries and Related Expenses	**¥135,833**	¥149,571	¥166,392	¥174,845	¥185,334
Retirement Benefits	**26,944**	16,510	16,785	18,345	13,533
Transfer to Reserve for Retirement Allowance	**3,813**	4,190	5,142	5,976	5,620
Welfare Expenses	**32,415**	33,978	34,880	36,143	39,215
Depreciation	**28,562**	31,163	31,176	33,386	32,344
Rent and Lease Expenses	**62,089**	59,531	38,528	38,457	37,768
Building and Maintenance Expenses	**1,268**	1,548	2,922	2,166	2,063
Supplies Expenses	**5,333**	6,347	6,513	6,630	6,654
Water, Lighting and Heating Expenses	**4,392**	4,655	4,773	4,908	5,158
Traveling Expenses	**1,659**	1,930	2,195	2,207	2,149
Communication Expenses	**5,055**	5,256	5,446	5,046	5,008
Publicity and Advertising Expenses	**4,074**	5,498	4,572	4,328	4,735
Taxes, Other than Income Taxes	**19,899**	23,827	34,824	29,117	29,187
Other	**99,073**	102,462	102,619	100,771	83,061
Total	**¥430,417**	¥446,473	¥456,774	¥462,330	¥451,872

Assets and Liabilities

Loans and Bills Discounted by Collateral

March 31

Billions of Yen	2000	1999	1998	1997	1996
Securities	¥ 466.0	¥ 474.6	¥ 512.0	¥ 604.1	¥ 708.4
Claims	726.2	771.6	886.8	1,259.1	1,265.1
Commodities	5.8	11.0	8.0	14.7	7.4
Real Estate	5,969.0	6,558.9	7,446.4	7,848.2	8,525.6
Others	363.9	244.0	218.7	166.6	233.0
Total Secured Loans	7,531.0	8,060.2	9,072.1	9,892.8	10,739.8
Guarantees	14,575.1	14,444.2	14,868.8	14,541.6	13,746.6
Unsecured	9,833.7	9,786.7	11,142.7	12,399.4	12,227.4
Total	**¥31,939.9**	¥32,291.2	¥35,083.7	¥36,833.9	¥36,713.9

Loans and Bills Discounted by Use of Funds

March 31

Billions of Yen	2000	1999	1998	1997	1996
Funds for Capital Investments	¥13,014.9	¥12,904.5	¥13,291.4	¥12,833.1	¥12,472.9
Funds for Working Capital	18,925.0	19,386.7	21,792.3	24,000.7	24,240.9
Total	**¥31,939.9**	¥32,291.2	¥35,083.7	¥36,833.9	¥36,713.9

Loans and Bills Discounted by Industry

March 31

Billions of Yen	2000	1999	1998	1997	1996
Domestic Offices					
Manufacturing	¥ 3,915.3	¥ 3,738.5	¥ 3,889.2	¥ 4,080.2	¥ 4,522.5
Agriculture, Forestry, Fisheries and Mining	208.7	226.7	230.4	251.9	277.7
Construction	1,554.5	1,530.7	1,589.6	1,689.1	1,736.8
Wholesaling and Retailing	4,342.4	4,451.6	4,787.8	5,231.6	5,496.4
Financing and Insurance	2,533.8	2,624.3	2,727.4	3,076.5	3,250.1
Real Estate	4,397.1	4,426.7	4,633.3	4,453.1	4,314.4
Transportation, Communications and Other Public Enterprises	1,635.0	1,355.0	1,253.6	1,480.4	1,437.6
Services	3,026.5	3,383.0	3,386.5	3,697.2	3,867.4
Local Governments	332.3	307.1	240.1	219.5	277.7
Others	7,298.4	7,134.2	6,564.7	6,351.0	6,130.9
Total	**¥29,244.6**	¥29,178.1	¥29,303.1	¥30,531.0	¥31,312.0
Overseas Offices					
Public Sector	¥ 48.4	¥ 77.9	¥ 186.8	¥ 174.8	¥ 269.3
Financial Institutions	144.3	215.0	385.2	607.4	436.0
Commerce and Industry	2,432.4	2,450.4	4,733.4	5,370.3	4,451.2
Others	69.9	369.5	475.0	150.1	245.3
Total	**¥ 2,695.3**	¥ 3,113.0	¥ 5,780.6	¥ 6,302.8	¥ 5,401.8
Total	**¥31,939.9**	¥32,291.2	¥35,083.7	¥36,833.9	¥36,713.9

Note: The special account for international financial transactions is included in figures for overseas offices.

Loans to Individuals (Domestic Offices)

March 31 Billions of Yen	2000	1999	1998	1997	1996
Housing Loans	**¥6,612.7**	¥6,173.1	¥5,676.9	¥5,304.8	¥5,020.6
Other Loans	**1,361.9**	1,514.6	1,602.5	1,693.7	1,810.5
Total	**¥7,974.6**	¥7,687.7	¥7,279.5	¥6,998.5	¥6,831.2

Loans and Bills Discounted by Maturity and Interest Rate

	Maturity					
March 31, 2000 Billions of Yen	One Year or Less	More than One Year to Three Years	More than Three Years to Five Years	More than Five Years to Seven Years	Over Seven Years	Unspecified Term	Total
Floating Interest Rate		**¥2,218.4**	**¥2,107.5**	**¥ 842.2**	**¥8,390.9**	**¥7,004.9**	
Fixed Interest Rate		**2,202.6**	**969.3**	**611.3**	**1,003.9**	**0.7**	
Total	**¥6,587.7**	**¥4,421.1**	**¥3,076.9**	**¥1,453.5**	**¥9,394.8**	**¥7,005.6**	**¥31,939.9**

	Maturity					
March 31, 1999 Billions of Yen	One Year or Less	More than One Year to Three Years	More than Three Years to Five Years	More than Five Years to Seven Years	Over Seven Years	Unspecified Term	Total
Floating Interest Rate		¥2,705.5	¥2,232.8	¥ 932.1	¥8,189.8	¥6,889.6	
Fixed Interest Rate		2,024.7	1,073.6	563.5	1,149.7	1.0	
Total	¥6,528.4	¥4,730.3	¥3,306.5	¥1,495.6	¥9,339.5	¥6,890.6	¥32,291.2

Note: Loans and bills discounted with maturities of one year or less are not categorized by type of interest rate.

Reserve for Possible Loan Losses

March 31 Billions of Yen	2000	1999	1998	1997	1996
General Reserve	**¥198.8**	¥213.4	¥ 112.2	¥110.5	¥ 110.1
Specific Reserve:	**454.0**	511.8	929.9	718.3	910.1
Additions to Specific Reserve	**454.0**	511.8	682.0	234.3	657.7
Charges to Specific Reserve	**511.8**	929.9	470.5	426.1	118.3
Reserve for Loans to Restructuring Countries	**7.6**	10.2	1.9	6.1	6.9
Total	**¥660.4**	¥735.5	¥1,044.0	¥835.0	¥1,027.2

Securities

Years Ended March 31 Billions of Yen	2000	1999	1998	1997	1996
Japanese Government Bonds					
Domestic	**¥1,844.4**	¥1,404.5	¥1,193.2	¥1,322.1	¥1,398.0
International	**—**	—	—	—	—
Total	**¥1,844.4**	¥1,404.5	¥1,193.2	¥1,322.1	¥1,398.0
Japanese Local Government Bonds					
Domestic	**¥ 134.6**	¥ 121.4	¥ 175.3	¥ 188.7	¥ 154.9
International	**—**	—	—	—	—
Total	**¥ 134.6**	¥ 121.4	¥ 175.3	¥ 188.7	¥ 154.9
Corporate Bonds					
Domestic	**¥ 414.9**	¥ 381.0	¥ 462.7	¥ 573.1	¥ 743.1
International	**—**	—	—	—	—
Total	**¥ 414.9**	¥ 381.0	¥ 462.7	¥ 573.1	¥ 743.1
Corporate Stocks					
Domestic	**¥3,546.3**	¥3,291.0	¥3,395.0	¥3,761.0	¥3,615.4
International	**—**	—	—	—	—
Total	**¥3,546.3**	¥3,291.0	¥3,395.0	¥3,761.0	¥3,615.4
Others					
Domestic	**¥ 123.1**	¥ 162.3	¥ 221.1	¥ 187.3	¥ 165.9
International	**832.3**	838.7	984.5	1,014.1	756.5
Total	**¥ 955.4**	¥1,001.0	¥1,205.6	¥1,201.5	¥ 922.5
Securities Lent					
Domestic	**¥ 15.7**	¥ 18.2	¥ 17.2	¥ 15.4	¥ 59.5
International	**—**	—	—	—	—
Total	**¥ 15.7**	¥ 18.2	¥ 17.2	¥ 15.4	¥ 59.5
Total Securities					
Domestic	**¥6,079.2**	¥5,378.8	¥5,464.8	¥6,047.9	¥6,137.1
International	**832.3**	838.7	984.5	1,014.1	756.5
Total	**¥6,911.6**	¥6,217.5	¥6,449.3	¥7,062.1	¥6,893.7

Securities by Type and Maturity

March 31, 2000 Billions of Yen	Maturity One Year or Less	More than One Year to Three Years	More than Three Years to Five Years	More than Five Years to Seven Years	More than Seven Years to 10 Years	Over 10 Years	Unspecified Term	Total
Japanese Government Bonds	¥441.8	¥200.8	¥581.5	¥172.4	¥447.7	¥ —	¥ —	¥1,844.4
Japanese Local Government Bonds	0.2	2.2	0.0	2.9	129.0	—	—	134.6
Corporate Bonds	57.7	65.6	148.3	74.4	59.7	9.0	—	414.9
Corporate Stocks	—	—	—	—	—	—	3,546.3	3,546.3
Others:	197.2	209.1	55.9	41.2	103.0	181.0	167.8	955.4
Foreign Corporate Bonds	183.5	181.7	33.6	14.3	75.8	175.2	—	664.4
Foreign Corporate Stocks	—	—	—	—	—	—	167.8	167.8
Securities Lent	0.6	0.9	0.6	—	—	—	13.4	15.7

March 31, 1999 Billions of Yen	Maturity One Year or Less	More than One Year to Three Years	More than Three Years to Five Years	More than Five Years to Seven Years	More than Seven Years to 10 Years	Over 10 Years	Unspecified Term	Total
Japanese Government Bonds	¥ 76.8	¥172.8	¥279.7	¥78.0	¥797.0	¥ —	¥ —	¥1,404.5
Japanese Local Government Bonds	0.4	2.7	—	0.0	118.2	—	—	121.4
Corporate Bonds	81.4	89.4	78.7	74.2	48.0	9.0	—	381.0
Corporate Stocks	—	—	—	—	—	—	3,291.0	3,291.0
Others:	252.3	259.8	73.5	52.5	134.2	45.8	182.6	1,001.0
Foreign Corporate Bonds	212.2	235.2	41.9	18.6	103.5	44.3	—	656.0
Foreign Corporate Stocks	—	—	—	—	—	—	182.6	182.6
Securities Lent	0.0	2.2	3.1	0.7	—	—	12.2	18.2

Note: Treasury stocks are included in corporate stocks.

Value of Securities Quoted on Exchanges

March 31 Billions of Yen	2000 Book Value	Market Value	Unrealized Gains (Losses)	1999 Book Value	Market Value	Unrealized Gains (Losses)	1998 Book Value	Market Value	Unrealized Gains
Securities									
Bonds	¥ 465.5	¥ 440.5	¥ (25.0)	¥ 816.3	¥ 774.4	¥ (41.8)	¥ 339.4	¥ 351.4	¥ 11.9
Stocks	3,310.4	3,932.9	622.4	3,050.8	2,940.0	(110.8)	3,128.9	3,091.0	(37.9)
Others	438.2	444.5	6.3	512.3	509.0	(3.2)	333.6	318.9	(14.6)
Total	¥4,214.3	¥4,818.0	¥603.6	¥4,379.5	¥4,223.5	¥(156.0)	¥3,802.0	¥3,761.4	¥(40.6)

Deposits

March 31 Billions of Yen	2000	1999	1998	1997	1996
Liquid Deposits					
Domestic	**¥13,047.4**	¥11,357.6	¥10,952.3	¥10,836.5	¥10,260.3
International	**2,310.9**	1,651.5	4,817.7	5,889.9	5,145.0
Total	**¥15,358.4**	¥13,009.1	¥15,770.1	¥16,726.4	¥15,405.4
Time Deposits					
Domestic	**¥12,575.3**	¥14,910.8	¥14,483.3	¥13,732.3	¥15,190.7
International	**179.0**	176.0	407.2	844.0	669.9
Total	**¥12,754.4**	¥15,086.9	¥14,890.5	¥14,576.3	¥15,860.7
Negotiable Certificates of Deposits					
Domestic	**¥ 3,505.6**	¥ 2,783.3	¥ 3,128.2	¥ 3,303.3	¥ 3,734.6
International	**33.2**	71.5	426.8	402.7	316.9
Total	**¥ 3,538.9**	¥ 2,854.9	¥ 3,555.0	¥ 3,706.0	¥ 4,051.6
Others					
Domestic	**¥ 734.5**	¥ 730.8	¥ 674.2	¥ 1,000.5	¥ 887.8
International	**956.3**	1,283.8	1,490.7	2,261.0	2,602.4
Total	**¥ 1,690.8**	¥ 2,014.6	¥ 2,164.9	¥ 3,261.6	¥ 3,490.2
Total Deposits					
Domestic	**¥29,863.0**	¥29,782.6	¥29,238.1	¥28,872.7	¥30,073.6
International	**3,479.6**	3,182.9	7,142.6	9,397.8	8,734.4
Total	**¥33,342.6**	¥32,965.6	¥36,380.7	¥38,270.5	¥38,808.0

Note: Liquid deposits comprise current deposits, ordinary deposits, savings deposits, and deposits at notice.

Time Deposits by Type and Maturity

March 31, 2000 Billions of Yen	Maturity Less than Three Months	Three Months to Less than Six Months	Six Months to Less than One Year	One Year to Less than Two Years	Two Years to Less than Three Years	Three Years and Over	Total
Time Deposits with Deregulated Interest Rates (Fixed)	**¥6,651.0**	**¥1,839.7**	**¥2,565.8**	**¥724.3**	**¥680.6**	**¥ 92.8**	**¥12,554.5**
Time Deposits with Deregulated Interest Rates (Floating)	**0.4**	**0.2**	**2.1**	**0.5**	**0.9**	**0.1**	**4.4**
Total	**¥6,821.1**	**¥1,849.7**	**¥2,572.8**	**¥725.1**	**¥681.6**	**¥103.8**	**¥12,754.3**

March 31, 1999 Billions of Yen	Maturity Less than Three Months	Three Months to Less than Six Months	Six Months to Less than One Year	One Year to Less than Two Years	Two Years to Less than Three Years	Three Years and Over	Total
Time Deposits with Deregulated Interest Rates (Fixed)	¥7,571.6	¥2,146.7	¥2,984.0	¥1,276.0	¥771.3	¥135.0	¥14,884.9
Time Deposits with Deregulated Interest Rates (Floating)	0.3	0.1	3.6	0.6	0.4	0.1	5.3
Total	¥7,744.5	¥2,154.9	¥2,990.6	¥1,277.7	¥771.7	¥147.2	¥15,086.8

Note: Time deposits outstanding do not include installment time deposits.

Deposits by Type of Depositor (Domestic Offices)

March 31 Billions of Yen	2000	1999	1998	1997	1996
Individuals	**¥15,071.2**	¥15,352.7	¥15,317.4	¥15,056.6	¥14,682.0
Corporations	**12,014.4**	12,018.0	11,357.2	11,420.1	12,538.4
Total	**¥27,085.7**	¥27,370.7	¥26,674.7	¥26,476.7	¥27,220.5

Notes: 1. Figures have not been adjusted for deposits in transit between the Head Office and branches.
2. Negotiable certificates of deposit have been excluded.

Investment Trusts

March 31 Billions of Yen	2000	1999	1998	1997	1996
Total	**¥616.8**	¥51.4	¥—	¥—	¥—

Note: The balance of investment trusts sold is as of the end of March 31, 2000 and 1999, respectively.

Facilities

Number of Offices

March 31	2000	1999	1998	1997	1996
Total Domestic Offices	**420**	469	493	507	532
Branches	**376**	412	430	437	442
Sub-branches	**40**	50	56	61	80
Agencies	**4**	7	7	9	10
Total Overseas Offices	**26**	32	40	44	46
Branches	**18**	18	23	24	27
Sub-branches	**2**	2	2	3	2
Representative Offices	**6**	12	15	17	17
Total	**446**	501	533	551	578

Derivative Financial Instruments Transactions (Non-Consolidated)

Interest Rate Related Transactions

March 31 Millions of Yen	2000 Contract Values or Notional Principal Amounts Total	 Over One Year	 Market Values	 Unrealized Gain (Loss)	1999 Contract Values or Notional Principal Amounts Total	 Over One Year	 Market Values	 Unrealized Gain (Loss)
Listed Transactions								
Futures Contracts	**¥15,442,391**	**¥ 919,763**	**¥15,416,959**	**¥ 11,922**	¥15,370,756	¥ 2,132,205	¥15,403,360	¥ (18,677)
Options	**37,455,098**	**—**	**3,340**	**2,915**	34,927,138	194,510	8,051	279
Unlisted Transactions								
Swaps	**59,187,352**	**23,897,540**	**305,074**	**305,074**	77,153,057	21,465,217	202,379	202,379
Others	**733,269**	**713,237**	**1,976**	**936**	1,644,676	1,544,254	3,024	86
Total	**¥ /**	**¥ /**	**¥ /**	**¥320,849**	¥ /	¥ /	¥ /	¥184,068

Notes: 1. Market values
The market values listed represent the closing prices on the Tokyo International Financial Futures Exchange and other exchanges at the balance sheet date. The market values of unlisted transactions are calculated by using mainly the discounted present value or option pricing model.
2. "Others" consists of cap, floor and swaption transactions.
3. The market value and unrealized gain (loss) of interest swap transactions included ¥343,195 million and ¥202,692 million as of March 31, 2000 and 1999, respectively, of accrued swap interest that was stated on the statement of operations.
4. Derivative financial products transactions that are included in the trading account are not shown above because those transactions were valued at their fair market prices and evaluation gain (loss) was included in the statements of operations.

Contract values or notional principal amounts included in the trading account are as follows:

March 31 Millions of Yen	2000 Contract Values or Notional Principal Amounts	 Market Values	1999 Contract Values or Notional Principal Amounts	 Market Values
Listed Transactions				
Futures Contracts	**¥ 641,556**	**¥ 641,475**	¥ 2,463,756	¥2,471,050
Options	**6,350,214**	**109**	2,663,203	297
Unlisted Transactions				
Forward Rate Agreements	**1,045,494**	**1,045,706**	1,061,996	1,061,507
Swaps	**44,239,415**	**(73,062)**	23,655,959	(14,740)
Others	**2,884,887**	**9,487**	4,519,704	14,774

Currency and Foreign Exchange Related Transactions

March 31 Millions of Yen	2000 Contract Values or Notional Principal Amounts Total	 Over One Year	 Market Values	 Unrealized Loss	1999 Contract Values or Notional Principal Amounts Total	 Over One Year	 Market Values	 Unrealized Loss
Unlisted Transactions								
Currency Swaps	**¥2,741,972**	**¥1,160,267**	**¥(54,286)**	**¥54,286**	¥3,753,307	¥1,622,651	¥(68,415)	¥68,415

Notes: 1. Market values
The market values are calculated by using discounted present value.
2. The market value or unrealized loss for currency swaps includes ¥6,611 million (loss) and ¥2,511 million as of March 31, 2000 and 1999, of accrued interest, which has been accounted for in the statements of operations.

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

Contract values or notional principal amounts included in the trading account are as follows:

March 31 Millions of Yen	2000 Contract Values or Notional Principal Amounts	2000 Market Values	1999 Contract Values or Notional Principal Amounts	1999 Market Values
Unlisted Transactions				
Currency Swaps	**¥2,883,727**	**¥12,475**	¥3,196,023	¥(19,096)

4. Forward foreign exchange contracts, currency options and other currency-related derivative financial instruments are not shown above because those were revalued at the balance sheet date and their gains (losses) were included in the statements of operations.

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

March 31 Millions of Yen	2000 Contract Values or Notional Principal Amounts	1999 Contract Values or Notional Principal Amounts
Unlisted Transactions		
Forward Foreign Exchange Contracts	**¥5,965,345**	¥9,489,326
Currency Options	**691,457**	937,247

Equity-Related Transactions

March 31 Millions of Yen	2000 Contract Values or Notional Principal Amounts Total	2000 Contract Values or Notional Principal Amounts Over One Year	2000 Market Values	2000 Unrealized Gain (Loss)	1999 Contract Values or Notional Principal Amounts Total	1999 Contract Values or Notional Principal Amounts Over One Year	1999 Market Values	1999 Unrealized Gain (Loss)
Listed Transactions								
Stock Price Index Futures	**¥ —**	**¥—**	**¥ —**	**¥ —**	¥ 18,540	¥—	¥18,112	¥ 428
Unlisted Transactions								
Security Options	**397**	**—**	**1**	**0**	—	—	—	—
Equity-Related Swaps	**897,438**	**—**	**(18,554)**	**(18,554)**	684,340	—	(1,434)	(1,434)
Total	**¥ /**	**¥ /**	**¥ /**	**¥(18,554)**	¥ /	¥ /	¥ /	¥(1,005)

Notes: 1. The market values listed represent the closing prices on the Tokyo Stock Exchange.
2. The market values of unlisted transactions are calculated by using the pricing model, based on the closing prices on the Tokyo Stock Exchange.

Bond-Related Transactions

March 31 Millions of Yen	2000 Contract Values or Notional Principal Amounts Total	 Over One Year	 Market Values	 Unrealized Gain (Loss)	1999 Contract Values or Notional Principal Amounts Total	 Over One Year	 Market Values	 Unrealized Gain (Loss)
Listed Transactions								
Futures Contracts	**¥74,904**	**¥—**	**¥76,182**	**¥(1,277)**	¥161,861	¥—	¥158,833	¥3,029
Unlisted Transactions								
Options	**—**	**—**	**—**	**—**	5,000	—	73	(33)
Total	**¥ /**	**¥ /**	**¥ /**	**¥(1,277)**	¥ /	¥ /	¥ /	¥2,995

Notes: 1. The market values listed represent the closing prices on the Tokyo Stock Exchange and other exchanges at the balance sheet date. The market values of unlisted transactions are calculated by using mainly the option pricing model.

2. Derivative financial products transactions that are included in the trading account are not shown above because those transactions were valued at their fair market prices and evaluation gain (loss) was included in the statements of operations.

Contract values or notional principal amounts included in the trading account are as follows:

March 31 Millions of Yen	2000 Contract Values or Notional Principal Amounts	 Market Values	1999 Contract Values or Notional Principal Amounts	 Market Values
Listed Transactions				
Futures Contracts	**¥16,704**	**¥16,700**	¥21,901	¥21,995
Futures Options	**39,500**	**5,500**	35,200	102