

Notes to Consolidated Financial Statements

Sumitomo Mitsui Banking Corporation (Formerly The Sakura Bank, Limited and Subsidiaries)
Years ended March 31, 2001 and 2000

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

(1) Basis of consolidated financial statements

Sumitomo Mitsui Banking Corporation (formerly The Sakura Bank, Limited) (the "Bank"), a Japanese corporation, maintains its record and prepares its financial statements in Japanese yen.

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 "Regulation for consolidated financial statements," 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 2000 and fiscal 1999 are to the Bank's fiscal years ended March 31, 2001 and 2000, 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 in Japanese yen shown in the financial statements do not necessarily agree with the sum of the individual amounts.

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 ¥123.90 to US\$1, the exchange rate prevailing as of March 31, 2001. The inclusion of such U.S. dollar amounts is solely for convenience and not intended to imply that yen amounts have been or could have been converted, realized or settled in U.S. dollars at that or at any other rate.

(2) Principles of consolidation

The consolidated financial statements of the Bank include accounts of the Bank and its significant subsidiaries. Major consolidated subsidiaries for fiscal 2000 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 operations are to be accounted for by the equity method.

The number of consolidated subsidiaries and affiliates as of March 31, 2001 and 2000, was as follows:

	2001	2000
Consolidated subsidiaries	65	51
Subsidiaries and affiliates accounted for by the equity method	12	32

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.

(3) 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. In accordance with the revised accounting standard for foreign currency translation, the presentation of Foreign currency translation adjustments is changed from Assets to Stockholders' equity and Minority interests.
- (ii) (a) Foreign currency denominated assets and liabilities and the accounts of overseas branches are translated into Japanese 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.

(4) 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 profits and trading losses include interest received and paid, the amount of increase/decrease in evaluation gains/losses on the balance sheet date for securities and monetary claims, and the amount of increase/decrease 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.

(5) Valuation of securities

Prior to April 1, 2000, securities, including stocks, corporate bonds, and Japanese national and local government bonds, were stated at moving-average cost.

Securities included in money held in trust were also recorded at moving-average cost.

Effective April 1, 2000, as for securities other than those in trading portfolio, debt securities that the Bank and consolidated subsidiaries have the intent and ability to hold to maturity (held-to-maturity securities) are carried at amortized cost, using the moving-average method.

Investments in nonconsolidated subsidiaries and affiliates that are not accounted for by the equity method are carried at cost, using the moving-average method.

Securities excluding those classified as trading securities, held-to-maturity or investments in nonconsolidated subsidiaries and affiliates are defined as other securities. Debt securities in other securities are carried at amortized cost, using the moving-average method. Equity securities in other securities are carried at cost, using the moving-average method.

Valuation of securities held in individually managed money trusts for asset management purposes are determined by the same method as above.

(6) Valuation of derivatives for nontrading purposes

Derivative financial instruments other than those held for trading purposes are accounted for by the market value method.

(7) Hedge accounting

In accordance with the Industry Audit Committee Report No. 15 'Temporary Treatment for Accounting and Auditing of Application of Accounting Standard for Financial Instruments in Banking Industry' issued by JICPA in 2000, the Bank applies hedge accounting, abiding by the following requirements:

- (i) Loans, deposits and other interest-bearing assets and liabilities as a whole shall be recognized as the hedged portfolio.
- (ii) Derivatives as hedging instruments shall effectively reduce the interest rate exposure of the hedged portfolio.
- (iii) Effectiveness of hedging activities shall be evaluated on a quarterly basis.

Certain derivatives are recorded on a cost basis using the short-cut method for interest rate swaps in view of consistency with the risk management policy.

The subsidiaries use the deferred hedge accounting or the short-cut method for interest rate swaps.

Net of deferred unrealized gains and losses from hedging instruments is reported in other liabilities. Deferred unrealized losses and unrealized gains from hedging instruments are ¥191,628 million (\$1,546 million) and ¥208,232 million (\$1,680 million), respectively.

(8) Depreciation method

Premises and equipment are stated at cost less accumulated depreciation.

The depreciation of premises and equipment of the Bank is computed by the declining balance method (except for that of buildings, which is computed by the straight-line method.)

Depreciation of buildings (which were acquired on or before March 31, 1998), building fixtures and structures were computed by the declining balance method before this term. The Bank reviewed the actual condition of buildings and related assets and observed that they had been consistently used for branch offices and other purposes over a long period of time. As a result, the Bank found that the straight-line method, which calculates level depreciation charges over their useful lives, was a more reasonable method to reflect profit and loss for each accounting term more properly. Accordingly, we have changed the depreciation method to the straight-line method from this fiscal year. As a result of this change, Income before income taxes for this fiscal year increased by ¥1,482 million (\$11 million) from the corresponding amount that would have been recorded if the declining balance method was adopted.

The estimated useful lives of major items are as follows:

Buildings	10 to 50 years
Equipment	5 to 20 years

Depreciation of premises and equipment of subsidiaries is computed mainly by the straight-line method based on estimated useful life.

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

(9) 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 financing leases where the ownership of the property is deemed to transfer to the lessee are capitalized, while other financing leases can be accounted for as operating leases if necessary information is disclosed in the notes to the lessee's consolidated financial statements.

(10) 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. Based on the results of the self-assessment, those customers are classified into five categories: such as "Normal Borrowers," "Borrowers Requiring Caution," "Potentially Bankrupt Borrowers," "Effectively Bankrupt Borrowers" and "Bankrupt Borrowers," as defined by the report of JICPA.

The reserve for possible loan losses was calculated based on the specific actual past loss ratio for Normal Borrowers and Borrowers Requiring 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 Effectively Bankrupt Borrowers and Bankrupt Borrowers, the amount exceeding the estimated value of collateral or guarantees was deducted, as deemed uncollectible, directly from those claims. The deducted amount was ¥1,121,687 million (\$9,053 million) and ¥1,125,967 million for fiscal 2000 and fiscal 1999, 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 are based on prior experience with loan losses.

(11) Reserve for employee retirement benefit

Under the terms of the Bank's retirement plan, substantially all employees are entitled to a lump-sum payment at the time of retirement. The amount of reserve for employee retirement benefit is, in general, based on length of service, basic salary at the time of retirement and reason for retirement. Prior to April 1, 2000, the

liability for lump-sum payments is stated at the amount which would be required to be paid by the Bank if all eligible employees voluntarily retired at the balance sheet date.

In addition, the Bank has defined benefit pension plans which substantially cover all employees. Annual contributions, which consist of normal costs and amortization of prior service costs, are included in general and administrative expenses.

Effective April 1, 2000, a new accounting standard for pension plans and severance indemnity plans, reserve for employee retirement benefit is recorded based on an actuarial computation, which uses the present value of the projected benefit obligation and pension assets, due to employee's credited years of services at the balance sheet date.

Prior service cost and unrecognized net actuarial differences are amortized as follows respectively.

Prior service cost:

Amortized by the straight-line basis over the prescribed years within the average remaining service period (primarily 11 years) of active employees.

Unrecognized net actuarial differences:

Amortized from the next fiscal year by the straight-line basis over the prescribed years within the average remaining service period (primarily 11 years) of active employees.

Unrecognized net obligation from initial application of the new accounting standard of ¥193,823 million (\$1,564 million) is amortized using the straight-line method over mainly five years.

Due to the new accounting standard, Income before income taxes and minority interests for the year ended March 31, 2001 has decreased compared with prior accounting method by ¥29,590 million (\$238 million).

(12) Reserve for possible losses on loans sold

Reserve for possible losses on loans sold to the 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 into account of the value of real estate collateral securing these loans.

(13) 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 account and deferred 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 the Law of Land Revaluation.

The excess of book value over current value was ¥35,942 million (\$290 million) as of March 31, 2001 and ¥29,181 million as of March 31, 2000.

(14) Income taxes

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

(15) Cash and cash equivalents

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

The assets and liabilities of the newly consolidated company due to acquisition of stocks of The Minato Bank, Ltd. and net expenditure of cash and cash equivalents due to the acquisition of The Minato Bank, Ltd. is as follows:

	Millions of yen
Assets (including ¥1,806,408 million of loans)	¥2,342,587
Liabilities	(2,264,968)
Minority interests	(46,981)
Goodwill	3,359
Cost of investment of The Minato Bank, Ltd.	33,997
Cash and cash equivalents of The Minato Bank, Ltd.	32,972
Net: Expenditure for acquisition of The Minato Bank, Ltd.	1,024

(16) Appropriation of retained earnings

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

(17) 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 1999, however, diluted net income per common share is not applicable because it is anti-dilutive.

(18) 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, hedge accounting and accounting for leases, among others.

(19) New accounting standard for financial instruments

Effective April 1, 2000, a new accounting standard for financial instruments was adopted in Japan. Accordingly, the valuation methods of securities and derivatives, excluding those in the trading portfolio, have been changed, and hedge accounting has been adopted. As a result, Income before income taxes and minority interests has increased ¥36,146 million (\$291 million) compared with the prior accounting method. Income and expenses relating to derivative transactions that meet the criteria for hedge accounting are presented net by account, which represents a change from the prior accounting that presented net by transaction. As a result, Income and expenses for 2001 have decreased ¥155,585 million (\$1,255 million), though Income before income taxes and minority interests did not change.

2. Trading Assets

Trading assets as of March 31, 2001 and 2000, consisted of the following:

	Millions of yen		Millions of U.S. dollars
	2001	2000	2001
Trading securities	¥ 41,360	¥ 466,397	\$ 333
Derivatives of trading securities	—	273	—
Securities related to trading transactions	5,403	40,793	43
Trading-related financial derivatives	108,374	112,225	874
Other trading assets*	422,439	805,338	3,409
Total	¥577,578	¥1,425,028	\$4,661

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

3. Securities

Securities as of March 31, 2001 and 2000, consisted of the following:

	Millions of yen		Millions of U.S. dollars
	2001	2000	2001
Japanese government bonds	¥ 4,903,153	¥1,870,908	\$39,573
Japanese local government bonds	20,769	137,619	167
Japanese corporate bonds	588,893	448,294	4,752
Japanese stocks	3,899,246	3,515,820	31,470
Other	1,054,465	956,102	8,510
Total	¥10,466,528	¥6,928,746	\$84,475

Japanese stocks and other include investments in unconsolidated subsidiaries and affiliates of ¥3,784 million (\$30 million) and ¥27,425 million as of March 31, 2001 and 2000, respectively.

Securities of ¥292,171 million (\$2,358 million), which are used for securities lending transactions for consumption are included in securities, other assets and trading assets as of March 31, 2001.

4. Loans and Bills Discounted

Loans and bills discounted as of March 31, 2001 and 2000, consisted of the following:

	Millions of yen		Millions of U.S. dollars
	2001	2000	2001
Bills discounted	¥ 738,621	¥ 585,254	\$ 5,961
Loans on bills	3,490,209	3,469,320	28,169
Loans on deeds	22,543,959	21,817,990	181,952
Overdrafts	6,119,474	6,440,517	49,390
Financing receivables, including leasing	14,437	20,127	116
Total	¥32,906,703	¥32,333,211	\$265,590

“Non-accrual Loans” includes loans classified as “Potentially Bankrupt Borrowers” and “Effectively Bankrupt Borrowers” under the Bank’s self-assessment guidelines. Accrual interest receivable for these categories is not recognized on an accrual basis for accounting purposes.

Loans and bills discounted includes loans held by the Bank and its consolidated subsidiaries to borrowers in bankruptcy totaling ¥197,398 million (\$1,593 million) and ¥176,313 million as of March 31, 2001 and 2000, respectively, as well as Non-accrual Loans held by the Bank and its consolidated subsidiaries totaling ¥1,041,951 million (\$8,409 million) and ¥1,274,607 million as of March 31, 2001 and 2000, respectively.

In addition to “Non-accrual Loans” as defined, certain other loans classified as “Borrowers Requiring Caution” under the Bank’s self-assessment guidelines include “Past due loans (3 months or more).”

“Past due loans (3 months or more)” consist of loans for which the principal and/or interest is three months or more past due but exclude “Bankrupt Loans” and “Non-accrual Loans.” The balances of Past due loans (3 months or more) as of March 31, 2001 and 2000, were ¥75,870 million (\$612 million) and ¥39,777 million, respectively.

“Restructured loans” are loans in 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 “Bankrupt Loans,” “Non-accrual Loans” or “Past due loans (3 months or more).” The outstanding balances of restructured loans as of March 31, 2001 and 2000, were ¥151,413 million (\$1,222 million) and ¥170,741 million, respectively.

5. Foreign Exchanges

Foreign exchange assets and foreign exchange liabilities as of March 31, 2001 and 2000, consisted of the following:

	Millions of yen		Millions of U.S. dollars
	2001	2000	2001
Assets:			
Due from foreign banks	¥ 32,427	¥ 14,786	\$ 261
Foreign bills bought	150,719	217,114	1,216
Foreign bills receivable	85,522	84,493	690
Total	¥268,669	¥316,395	\$2,168
Liabilities:			
Due to foreign banks	¥ 28,272	¥ 17,321	\$ 228
Foreign bills sold	2,254	3,066	18
Foreign bills payable	6,566	8,958	52
Total	¥ 37,094	¥ 29,346	\$ 299

6. Other Assets

Other assets as of March 31, 2001 and 2000, consisted of the following:

	Millions of yen		Millions of U.S. dollars
	2001	2000	2001
Prepaid expenses	¥ 50,025	¥ 68,333	\$ 403
Accrued income	369,163	557,122	2,979
Other	940,254	2,122,524	7,588
Total	¥1,359,442	¥2,747,979	\$10,972

7. Premises and Equipment

Premises and equipment as of March 31, 2001 and 2000, consisted of the following:

	Millions of yen		Millions of U.S. dollars
	2001	2000	2001
Land*	¥ 483,335	¥ 495,244	\$ 3,901
Building	277,874	268,480	2,242
Equipment	222,702	212,059	1,797
Other	334,879	301,508	2,702
Total	¥1,318,791	¥1,277,293	\$10,643
Accumulated depreciation	435,732	421,566	3,516
Net book value	¥ 883,059	¥ 855,726	\$ 7,127

* Land includes land revaluation excess with related taxes referred to in Note 1 (13).

8. Reserve for Possible Loan Losses

Reserve for possible loan losses as of March 31, 2001 and 2000, consisted of the following:

	Millions of yen		Millions of U.S. dollars
	2001	2000	2001
General reserve	¥163,151	¥227,338	\$1,316
Specific reserve	348,872	454,849	2,815
Total	¥512,023	¥682,188	\$4,132

9. Assets Pledged as Collateral

Assets pledged as collateral as of March 31, 2001 and 2000, consisted of the following:

	Millions of yen		Millions of U.S. dollars
	2001	2000	2001
Assets pledged as collateral:			
Cash and due from banks	¥ 1	¥ —	\$ 0
Trading assets	3,037	—	24
Securities	1,932,374	654,854	15,596
Loans and bills discounted	701,282	1,122,063	5,660
Other assets	58,620	39,308	473
Premises and equipment	559	1,414	4
Liabilities corresponding to assets pledged as collateral:			
Deposits	¥ 62,243	¥ 78,711	\$ 502
Call money and bills sold	2,116,699	945,700	17,083
Borrowed money	68,774	96,754	555
Other liabilities	17,928	72,706	144

In addition, securities with a balance of ¥3,096,063 million (\$2,988 million) and ¥1,107,597 million, loans and bills discounted of ¥397,546 million (\$3,208 million) and ¥9,627 million, cash and due from banks of ¥3 million (\$0 million) and ¥— million

and other assets of ¥10 million (\$0 million) and ¥97,638 million are pledged as collateral for cash settlement and replacement of initial margins of futures markets and so on as of March 31, 2001 and 2000, respectively.

The following items are included in premises and equipment and other assets, respectively as of March 31, 2001.

Surety deposits and intangible: ¥70,421 million (\$568 million)
 Initial margins of futures markets in other assets: ¥ 3,006 million (\$24 million)

10. Deposits

Deposits as of March 31, 2001 and 2000, consisted of the following:

	Millions of yen		Millions of U.S. dollars
	2001	2000	2001
Current deposits	¥ 2,440,824	¥ 1,947,618	\$ 19,699
Ordinary deposits	9,425,381	8,902,508	76,072
Deposits at notice	3,923,656	3,981,865	31,667
Time deposits	13,972,593	13,137,772	112,773
Negotiable certificates of deposit	4,621,021	3,512,634	37,296
Other deposits	2,241,531	2,256,217	18,091
Total	¥36,625,010	¥33,738,616	\$295,601

11. Call Money and Bills Sold

Call money and Bills sold as of March 31, 2001 and 2000, consisted of the following:

	Millions of yen		Millions of U.S. dollars
	2001	2000	2001
Call money	¥3,320,493	¥2,283,799	\$26,799
Bills sold	1,287,700	295,700	10,393
Total	¥4,608,193	¥2,579,499	\$37,192

12. Trading Liabilities

Trading liabilities as of March 31, 2001 and 2000, consisted of the following:

	Millions of yen		Millions of U.S. dollars
	2001	2000	2001
Trading securities sold for short sales	¥ 3,914	¥146,536	\$ 31
Derivatives of trading securities	—	256	—
Securities related to trading transaction sold for short sales	3,756	—	30
Derivatives of securities related to trading transactions	—	3	—
Trading-related financial derivatives	193,736	213,909	1,563
Total	¥201,407	¥360,706	\$1,625

13. Borrowed Money

Borrowed money as of March 31, 2001 and 2000, consisted of the following:

	Millions of yen		Millions of U.S. dollars
	2001	2000	2001
Bills rediscounted	¥ 20,465	¥ 23,053	\$ 165
Borrowings from the Bank of Japan and other financial institutions	478,748	559,519	3,863
Subordinated debt	503,364	716,237	4,062
Other	135,726	209,972	1,095
Total	¥1,138,305	¥1,508,783	\$9,187

The repayment schedule within five years on borrowed money as of March 31, 2001, is shown as follows:

	Millions of yen				
	One year or less	One to two years	Two to three years	Three to four years	Four to five years
	¥296,200	¥80,670	¥70,546	¥139,777	¥167,847
	Millions of U.S. dollars				
	One year or less	One to two years	Two to three years	Three to four years	Four to five years
	\$2,390	\$651	\$569	\$1,128	\$1,354

14. Bonds

Bonds as of March 31, 2001 and 2000, consisted of the following:

	Millions of yen		Millions of U.S. dollars
	2001	2000	2001
Subordinated bonds	¥ 758,426	¥ 877,767	\$6,121
Other	374,942	175,586	3,026
Total	¥1,133,368	¥1,053,354	\$9,147

The redemption schedule within five years on bonds as of March 31, 2001, is shown as follows:

	Millions of yen				
	One year or less	One to two years	Two to three years	Three to four years	Four to five years
	¥1,079	¥—	¥29,039	¥170,539	¥126,453
	Millions of U.S. dollars				
	One year or less	One to two years	Two to three years	Three to four years	Four to five years
	\$8	\$—	\$234	\$1,376	\$1,020

15. Convertible Bonds

Convertible bonds as of March 31, 2001 and 2000, consisted of the following:

	Millions of yen		Millions of U.S. dollars
	2001	2000	2001
2.625% U.S. dollar convertible bonds due 2003	¥ —	¥95	\$ —
Total	¥ —	¥95	\$ —

16. Other Liabilities

Other liabilities as of March 31, 2001 and 2000, consisted of the following:

	Millions of yen		Millions of U.S. dollars
	2001	2000	2001
Accrued expenses	¥ 170,796	¥ 202,906	\$ 1,378
Unearned income	95,407	97,681	770
Income taxes payable	11,673	8,325	94
Trading account payable	400,651	988,801	3,233
Pledged money for securities lending transactions	283,686	1,081,122	2,289
Other	1,334,578	2,175,041	10,771
Total	¥2,296,793	¥4,553,878	\$18,537

Other includes delivered money due to merger of ¥17,853 million (\$144 million) as of March 31, 2001.

17. Other Reserves

Other reserves as of March 31, 2001 and 2000, consisted of the following:

	Millions of yen		Millions of U.S. dollars
	2001	2000	2001
Reserve for contingent liabilities from financial futures transactions	¥ 9	¥ 9	\$0
Reserve for contingent liabilities from securities transactions	633	503	5
Total	¥643	¥513	\$5

18. Acceptances and Guarantees

Acceptances and guarantees as of March 31, 2001 and 2000, consisted of the following:

	Millions of yen		Millions of U.S. dollars
	2001	2000	2001
Acceptances	¥ 17,939	¥ 31,909	\$ 144
Letters of credit	183,423	178,131	1,480
Guarantees	1,762,710	1,282,586	14,226
Total	¥1,964,073	¥1,492,628	\$15,852

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, 2001, 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 closing of the Bank.
- (ii) 1,027,577 thousand preferred shares, nonvoting and ranking prior to common shares with respect to payment of dividends

and distributions on liquidation or closing of the Bank. The dividend rate, redemption and conversion rights, if any, are to be determined prior to issuance by the Board of Directors.

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, 2001 and 2000, were as follows:

	Millions of yen				
	Common stock		Preferred stock		Capital surplus
	Shares (thousands)	Stated value	Shares (thousands)	Stated value	Stated value
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
Conversion of preferred stocks	780	195	(195)	(195)	—
March 31, 2001	4,118,077	¥640,129	802,577	¥402,577	¥899,521
Millions of U.S. dollars	—	\$ 5,166	—	\$ 3,249	\$ 7,260

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 retained earnings 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 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 shares, 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.

The Bank has the following stock option plan for the Bank's directors and certain employees:

A 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.

Another 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 is ¥772 per share.

20. Retained Earnings

Earned surplus reserve as of March 31, 2001 and 2000, is included in retained earnings. The changes for the years ended March 31, 2001 and 2000, were as follows:

	Millions of yen		Millions of U.S. dollars
	2001	2000	2001
Balance at beginning of year	¥198,161	¥164,329	\$1,599
Appropriation of retained earnings	(2,100)	33,832	(16)
Balance at end of year	¥196,060	¥198,161	\$1,582

Under the Banking Law of Japan, an amount equivalent to at least 20% of any distribution of profits must be appropriated as an earned surplus 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, 2001 and 2000, was as follows:

	Millions of yen		Millions of U.S. dollars
	2001	2000	2001
Deposits with banks	¥100,750	¥ 25,884	\$ 813
Interest rate swaps	—	371,105	—
Other	71,638	117,128	578
Total	¥172,389	¥514,118	\$1,391

Income and expenses relating to derivative transactions that meet the criteria for hedge accounting are presented net by account, which represents a change from the prior accounting that presented net by transaction.

22. Other Operating Income

Other operating income for the years ended March 31, 2001 and 2000, was as follows:

	Millions of yen		Millions of U.S. dollars
	2001	2000	2001
Gains on foreign exchange transactions	¥17,015	¥31,714	\$137
Gains on sales of bonds	16,043	22,206	129
Gains on redemption of bonds	310	3,690	2
Other	64,251	41,650	518
Total	¥97,621	¥99,261	\$787

23. Other Income

Other income for the years ended March 31, 2001 and 2000, was as follows:

	Millions of yen		Millions of U.S. dollars
	2001	2000	2001
Gains on sales of stocks	¥175,756	¥427,122	\$1,418
Gains on money held in trust	942	471	7
Gains on disposition of premises and equipment	3,957	7,754	31
Collection of written-off claims	1,947	1,848	15
Net income from nonconsolidated entities by the equity method	7,883	—	63
Gains on exemption of obligation	44,525	—	359
Gains on securities contributed to employee retirement benefit trust	29,602	—	238
Gains on stock-related derivative transactions	43,661	—	352
Other	23,815	17,998	192
Total	¥332,094	¥455,196	\$2,680

24. Transfer from Other Reserves

Transfer from other reserves for the years ended March 31, 2001 and 2000, was as follows:

	Millions of yen		Millions of U.S. dollars
	2001	2000	2001
Reserve for contingent liabilities from securities transactions.	¥ —	¥3	\$ —
Total	¥ —	¥3	\$ —

25. Other Interest Expenses

Other interest expenses for the years ended March 31, 2001 and 2000, was as follows:

	Millions of yen		Millions of U.S. dollars
	2001	2000	2001
Convertible bonds	¥ 2	¥ 17	\$ 0
Interest rate swaps	18,606	370,907	150
Other	69,371	119,530	559
Total	¥87,979	¥490,455	\$710

Income and expenses relating to derivative transactions that meet the criteria for hedge accounting are presented net by account, which represents a change from the prior accounting that presented net by transaction.

26. Other Operating Expenses

Other operating expenses for the years ended March 31, 2001 and 2000, was as follows:

	Millions of yen		Millions of U.S. dollars
	2001	2000	2001
Losses on sales of bonds	¥ 4,710	¥15,510	\$ 38
Losses on redemption of bonds	2,290	6,262	18
Losses on devaluation of bonds	395	475	3
Other	48,074	45,635	388
Total	¥55,471	¥67,883	\$447

27. General and Administrative Expenses

General and administrative expenses for the years ended March 31, 2001 and 2000, was as follows:

	Millions of yen		Millions of U.S. dollars
	2001	2000	2001
Salaries and welfare expenses	¥218,548	¥221,317	\$1,763
Retirement benefits	21,689	32,611	175
Depreciation	35,123	35,029	283
Rent and lease expenses	44,785	44,793	361
Taxes and public impositions	24,314	25,430	196
Other	146,160	128,289	1,179
Total	¥490,621	¥487,472	\$3,959

Other includes cost of research and development of ¥212 million (\$1 million) and ¥225 million for fiscal 2000 and 1999, respectively.

28. Other Expenses

Other expenses for the years ended March 31, 2001 and 2000, was as follows:

	Millions of yen		Millions of U.S. dollars
	2001	2000	2001
Write-offs of loans	¥257,762	¥146,374	\$2,080
Losses on sales of stocks and other securities	44,653	50,925	360
Losses on devaluation of stocks and other securities	57,621	33,255	465
Losses on money held in trust	405	1,097	3
Losses on disposition of premises and equipment	22,767	19,964	183
Losses on disposal of loans at a subsidiary	40,354	—	325
Amortization of unrecognized net transition obligation for employee retirement benefit	39,135	—	315
Other	116,196	187,026	937
Total	¥578,896	¥438,643	\$4,672

Other includes provisions for possible losses on loans sold of ¥55,905 million and equity in losses of affiliates of ¥1,487 million for fiscal 1999.

29. Transfer to Other Reserves

Transfer to other reserves for the years ended March 31, 2001 and 2000, was as follows:

	Millions of yen		Millions of U.S. dollars
	2001	2000	2001
Reserve for contingent liabilities from financial futures transactions	¥ —	¥ 0	\$ —
Reserve for contingent liabilities from securities transactions	2	—	0
Total	¥ 2	¥ 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 39.62% for fiscal 2000, and 42.05% for fiscal 1999.

The actual effective tax rates for fiscal 2000 and 1999, 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) the new establishment of the Osaka Prefectural Government's ordinance concerning the special treatment for the standard of enterprise taxes to banking industries, (4) different tax rates for the subsidiaries outside Japan, (5) valuation allowance for deferred income tax assets and (6) dividend excluded from taxable income in fiscal 1999.

	Millions of yen		Millions of U.S. dollars
	2001	2000	2001
Income taxes (corporation, inhabitants and enterprise) (a)	¥ 77,991	¥ 82,079	\$ 629
Income before income taxes and minority interests (b)	¥132,046	¥126,139	\$1,065
Actual effective tax rates ((a) / (b))	59.0%	65.0%	59.0%

The tax effects of significant temporary differences and loss carryforwards, which resulted in deferred tax assets and liabilities at March 31, 2001 and 2000, were as follows:

	Millions of yen		Millions of U.S. dollars
	2001	2000	2001
Deferred tax assets:			
Reserve for possible loan losses	¥397,704	¥440,289	\$3,209
Net operating loss carryforwards	120,891	90,826	975
Other*	92,703	88,352	748
Subtotal	¥611,300	¥619,467	\$4,933
Valuation allowance	(34,317)	(7,749)	(276)
Total	¥576,982	¥611,718	\$4,656
Deferred tax liabilities:			
Gains on securities contributed to employee retirement benefit trust	¥ 11,604	¥ —	\$ 93
Reserve for losses on overseas investments	—	24	—
Other	7,513	271	60
Total	19,117	295	154
Net deferred tax assets	¥557,864	¥611,423	\$4,502

* The following items are included in Other of Deferred tax assets for the year ended March 31, 2001.

Reserve for possible losses on loans sold	¥27,783	(\$224 million)
Reserve for employee retirement benefit	26,437	(\$213 million)
Losses on devaluation of stocks and other securities	15,697	(\$126 million)

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 tax assets and liabilities decreased from 42.05% to 39.62%. This change decreased the amount of deferred tax assets by ¥35,791 million and increased deferred tax in fiscal 1999 by the same amount. The amount of deferred 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 decreased from 39.62% to 39.20%. This change decreased the amount of deferred tax assets and deferred tax liabilities for land revaluation by ¥5,616 million (\$45 million) and ¥294 million (\$2 million), respectively.

Enterprise taxes other than those relating to income are included in other expenses. Effective April 1, 2000, the Special Ordinance Concerning Taxation Standard for Enterprise Taxes in Relation to Banks in the Tokyo Metropolis (Tokyo Metropolis Ordinance 145 of April 1, 2000) was enacted, and enterprise taxes in Tokyo, which were included in income taxes, current for the prior period, are now included in other expenses in the amount of ¥8,733 million (\$70 million).

31. Reserve for Employee Retirement Benefit

(1) Outline of retirement benefit

The Bank and consolidated subsidiaries in Japan have contributory funded defined benefit pension plans, such as contributory pension plans, qualified pension plans and lump-sum severance indemnity plans. They may grant additional benefit in cases where certain requirements are met when employees retire.

The Bank contributed certain marketable equity securities to an employee retirement benefit trust.

At March 31, 2001, the Bank and The Minato Bank, Ltd. have contributed funded defined benefit pension plans. Sakura Friend Securities Co., Ltd. and SAKURA K.C.S. Corporation have qualified pension plans. The Bank and most subsidiaries in Japan have lump-sum severance indemnity plans.

(2) Projected benefit obligation

Information on projected benefit obligation and others at March 31, 2001 is shown as follows:

	Millions of yen	Millions of U.S. dollars
	2001	2001
Projected benefit obligation	¥(645,033)	\$(5,206)
Pension assets	390,318	3,150
Unfunded projected benefit obligation	¥(254,714)	\$(2,055)
Unrecognized net transition obligation	153,676	1,240
Unrecognized actuarial differences	70,985	572
Unrecognized prior service cost	(1,664)	(13)
Net amount recorded on the consolidated balance sheets	¥ (31,716)	\$ (255)
Reserve for employee retirement benefit	(31,716)	(255)

(3) Pension expenses

	Millions of yen	Millions of U.S. dollars
	2001	2001
Service cost	¥16,535	\$133
Interest cost on projected benefit obligation	21,114	170
Expected return on plan assets	(20,536)	(165)
Amortization of net transition obligation	39,164	316
Other	2,681	21
Pension expenses	¥58,959	\$475

(4) Assumptions

The principal assumptions used in determining benefit obligation and pension expenses at or for the year ended March 31, 2001, were as follows:

	2001
Discount rate	1.7% to 3.5%
Expected rate of return on plan assets	2.0% to 5.6%
Term to amortize prior service cost	Mainly 11 years
Term to amortize actuarial differences	Mainly 11 years
Term to amortize net transition obligation	Mainly 5 years

The estimated amount of all retirement benefits to be paid at the future retirement date is allocated equally to each service year using the estimated number of total service years.

32. Leases

Financing leases where the ownership of the property is not deemed to transfer to the lessee as of March 31, 2001 and 2000, consisted of the following:

(i) As lessee

Acquisition cost, accumulated depreciation and net balance of the leased property as of March 31, 2001 and 2000, were as follows:

	Millions of yen		Millions of U.S. dollars
	2001	2000	2001
Acquisition cost	¥10,527	¥7,078	\$84
Accumulated depreciation	4,216	5,324	34
Net balance	¥ 6,311	¥1,754	\$50

Acquisition cost includes the imputed interest expense portion because of its immateriality.

Obligations as of March 31, 2001 and 2000, were as follows:

	Millions of yen		Millions of U.S. dollars
	2001	2000	2001
Due within one year	¥2,553	¥1,060	\$20
Due after one year	3,757	693	30
Total	¥6,311	¥1,754	\$50

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

Total lease payments were ¥2,183 million (\$17 million) and ¥1,847 million, and depreciation was ¥2,183 million (\$17 million) and ¥1,847 million for the years ended March 31, 2001 and 2000, 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, 2001 and 2000, were as follows:

	Millions of yen		Millions of U.S. dollars
	2001	2000	2001
Acquisition cost	¥187,912	¥143,665	\$1,516
Accumulated depreciation	93,908	74,077	757
Net balance	¥ 94,004	¥ 69,587	\$ 758

Future lease payment receivables as of March 31, 2001 and 2000, were as follows:

	Millions of yen		Millions of U.S. dollars
	2001	2000	2001
Due within one year	¥ 34,949	¥31,004	\$282
Due after one year	78,938	63,428	637
Total	¥113,887	¥94,432	\$919

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

Total lease revenues were ¥32,980 million (\$266 million) and ¥23,585 million, and depreciation was ¥25,416 million (\$205 million) and ¥14,642 million for the years ended March 31, 2001 and 2000, respectively.

Operating leases as of March 31, 2001 and 2000, consisted of the following:

(i) As lessee

The minimum rental commitments under noncancellable operating leases as of March 31, 2001 and 2000, were as follows:

	Millions of yen		Millions of U.S. dollars
	2001	2000	2001
Due within one year	¥1,124	¥ 1,344	\$ 9
Due after one year	6,533	8,693	52
Total	¥7,657	¥10,038	\$61

(ii) As lessor

There were no minimum rental commitments receivable under noncancelable operating leases as of March 31, 2001 and 2000.

33. Loan Commitments

Commitment line contracts on overdrafts and loans are agreements to lend to customers when they apply for borrowing, to a prescribed amount, as long as there is no violation of any condition established in the contracts. The amount of unused commitments was ¥6,912,401 million (\$55,790 million), and the amount

of unused commitments whose original contract terms are within one year or unconditionally cancelable at any time was ¥6,322,207 million (\$51,026 million) as of March 31, 2001. Since many of these commitments are expected to expire without being drawn upon, the total amount of unused commitments does not

necessarily represent actual future cash flow requirements. Many of these commitments have clauses that the Bank and consolidated subsidiaries can reject an application from customers or reduce the contract amounts in case economic conditions are changed, the Bank and consolidated subsidiaries need to secure claims and other events occur. In addition, the Bank and

consolidated subsidiaries request the customers to pledge collateral such as premises and securities at the conclusion of the contracts, and take necessary measures such as grasping customers' financial positions, revising contracts when the need arises and securing claims after the conclusion of the contracts.

34. Market Value of Marketable Securities

(1) Securities

The market value of marketable securities as of March 31, 2001, was as follows:

In addition to securities in the consolidated balance sheets, trading securities, securities related to trading transactions, negotiable certificates of deposit and commercial paper within trading assets, negotiable certificates of deposit in cash and due from banks, and commercial paper within commercial paper and other debt purchased are included in the following amounts:

(a) Securities classified as trading

		Millions of yen	
March 31, 2001		Consolidated balance sheet amount	Gains included in profit/loss
Securities classified as trading		¥469,204	¥244
		Millions of U.S. dollars	
March 31, 2001		Consolidated balance sheet amount	Gains included in profit/loss
Securities classified as trading		\$3,786	\$1

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

		Millions of yen				
March 31, 2001		Consolidated balance sheet amount	Market value	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
Japanese government bonds		¥14,295	¥14,298	¥2	¥2	¥0
Japanese local government bonds		—	—	—	—	—
Japanese corporate bonds		—	—	—	—	—
Other		—	—	—	—	—
Total		¥14,295	¥14,298	¥2	¥2	¥0
		Millions of U.S. dollars				
March 31, 2001		Consolidated balance sheet amount	Market value	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
Japanese government bonds		\$115	\$115	\$0	\$0	\$0
Japanese local government bonds		—	—	—	—	—
Japanese corporate bonds		—	—	—	—	—
Other		—	—	—	—	—
Total		\$115	\$115	\$0	\$0	\$0

Note: Market value is calculated by using market prices at fiscal year-end.

(c) Other securities with market value

Market value is not reflected in the consolidated financial statements.

Summary information on other securities that have market value are shown in the following table:

March 31, 2001	Millions of yen				
	Consolidated balance sheet amount	Market value	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
Stocks	¥3,782,106	¥3,420,904	¥(361,202)	¥139,239	¥500,442
Bonds	5,182,955	5,207,684	24,728	27,743	3,014
Japanese government bonds	4,888,857	4,908,522	19,664	22,294	2,629
Japanese local government bonds	16,589	16,977	387	387	0
Japanese corporate bonds	277,507	282,184	4,676	5,061	385
Other	899,034	882,663	(16,371)	3,560	19,931
Total	¥9,864,096	¥9,511,251	¥(352,844)	¥170,544	¥523,388

March 31, 2001	Millions of U.S. dollars				
	Consolidated balance sheet amount	Market value	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
Stocks	\$30,525	\$27,610	\$(2,915)	\$1,123	\$4,039
Bonds	41,831	42,031	199	223	24
Japanese government bonds	39,458	39,616	158	179	21
Japanese local government bonds	133	137	3	3	0
Japanese corporate bonds	2,239	2,277	37	40	3
Other	7,256	7,123	(132)	28	160
Total	\$79,613	\$76,765	\$(2,847)	\$1,376	\$4,224

Note: For the Bank's stocks, market value is based on the average market price during one month before the fiscal year-end, and for the others the market prices at the balance sheet date.

(d) Bonds sold during fiscal 2000 that are classified as held-to-maturity

There are no corresponding items.

(e) Other securities sold during fiscal 2000

March 31, 2001	Millions of yen		
	Sales amount	Gains on sale	Losses on sale
Other securities	¥9,773,852	¥192,631	¥42,095

March 31, 2001	Millions of U.S. dollars		
	Sales amount	Gains on sale	Losses on sale
Other securities	\$78,885	\$1,554	\$339

(f) Securities with no available market value

March 31, 2001	Millions of yen	Millions of U.S. dollars
	Consolidated balance sheet amount	Consolidated balance sheet amount
Bonds classified as held-to-maturity:		
Nonlisted foreign securities	¥ 7,094	\$ 57
Other securities:		
Nonlisted bonds	315,565	2,546
Nonlisted stocks (except OTC stocks)	117,140	945
Nonlisted foreign securities	63,341	511

(g) Change of classification of securities

There are no corresponding items.

(h) Redemption schedule on other securities with maturities and bonds classified as held-to-maturity

March 31, 2001	Millions of yen			
	1 year or less	1 to 5 years	5 to 10 years	Over 10 years
Bonds	¥2,428,170	¥2,031,335	¥ 994,009	¥ 59,300
Japanese government bonds	2,372,038	1,612,608	859,706	58,800
Japanese local government bonds	2,749	46,824	15,843	—
Japanese corporate bonds	53,382	371,903	118,459	500
Other	406,355	277,212	151,917	147,428
Total	¥2,834,526	¥2,308,547	¥1,145,927	¥206,728

March 31, 2001	Millions of U.S. dollars			
	1 year or less	1 to 5 years	5 to 10 years	Over 10 years
Bonds	\$19,597	\$16,394	\$8,022	\$ 478
Japanese government bonds	19,144	13,015	6,938	474
Japanese local government bonds	22	377	127	—
Japanese corporate bonds	430	3,001	956	4
Other	3,279	2,237	1,226	1,189
Total	\$22,877	\$18,632	\$9,248	\$1,668

(2) Money held in trust

(a) Money held in trust classified as trading

There are no corresponding items.

(b) Money held in trust classified as held-to-maturity

There are no corresponding items.

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

Market value is not reflected on consolidated financial statements.

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

March 31, 2001	Millions of yen				
	Consolidated balance sheet amount	Market value	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
Other money held in trust	¥22,208	¥22,677	¥468	¥494	¥25

March 31, 2001	Millions of U.S. dollars				
	Consolidated balance sheet amount	Market value	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
Other money held in trust	\$179	\$183	\$3	\$3	\$0

Note: Market value is calculated by using market prices at fiscal year-end.

(3) Net unrealized gains (losses) on other securities and other money held in trust

If other securities and other money held in trust were evaluated by market value, net unrealized gains (losses) on valuation would be as shown in the following table:

March 31, 2001	Millions of yen	Millions of U.S. dollars
	2001	2001
Difference (Market value – Balance sheet amount)	¥(352,375)	\$(2,844)
Other securities	(352,844)	(2,847)
Other money held in trust	468	3
(+) Deferred tax assets	138,131	1,114
Net unrealized gains (losses) on valuation (before following adjustment)	<u>(214,244)</u>	<u>(1,729)</u>
(–) Minority interests	(2,173)	(17)
(+) Parent company's share in net unrealized gains (losses) on valuation of other securities held by affiliates accounted for by the equity method	(42)	(0)
Net unrealized gains (losses) on valuation	<u>¥(212,113)</u>	<u>\$(1,711)</u>

(Appendix) Previous Year's Information on Market Value of Marketable Securities

(1) Securities

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

March 31, 2000	Millions of yen				
	Book value	Market value	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
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	<u>¥4,307,555</u>	<u>¥4,899,422</u>	<u>¥591,866</u>	<u>¥1,029,561</u>	<u>¥437,694</u>

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.

March 31, 2000	Millions of yen				
	Book value	Market value	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
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	<u>¥1,709,330</u>	<u>¥1,772,226</u>	<u>¥62,896</u>	<u>¥79,894</u>	<u>¥16,998</u>

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:

March 31, 2000	Millions of yen
	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 statements of income.

(2) Money held in trust

March 31, 2000	Millions of yen				
	Book value	Market value	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
Money held in trust	¥72,581	¥72,887	¥305	¥542	¥237

Notes: 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.

35. Derivative Transactions

(1) Interest Rate Transactions

March 31, 2001	Millions of yen			
	Contract amount		Market value	Net valuated gains (losses)
	Total	Over one year		
Listed transactions:				
Futures contracts:				
Sold	¥ 59,123	¥ —	¥ (431)	¥ (431)
Bought	262,802	—	2,151	2,151
Options:				
Sold	2,029,981	—	825	655
Bought	622,669	—	519	258
Unlisted transactions:				
Forward rate agreement:				
Sold	1,039,613	10,000	344	344
Bought	1,629,713	—	(1,589)	(1,589)
Swaps:				
Receivable fixed rate/Payable floating rate	43,061,905	25,195,263	755,835	755,835
Receivable floating rate/Payable fixed rate	40,592,544	24,860,084	(773,704)	(773,704)
Receivable floating rate/Payable floating rate, etc.	2,160,512	769,755	(17,494)	(17,494)
Others:				
Sold	3,267,592	2,954,530	23,119	(6,253)
Bought	2,444,194	2,191,101	27,933	19,066
Total	¥ /	¥ /	¥ (30,380)	¥(21,161)

(continued)

March 31, 2001	Millions of U.S. dollars			
	Contract amount		Market value	Net valuated gains (losses)
	Total	Over one year		
Listed transactions:				
Futures contracts:				
Sold	\$ 477	\$ —	\$ (3)	\$ (3)
Bought	2,121	—	17	17
Options:				
Sold	16,384	—	6	5
Bought	5,025	—	4	2
Unlisted transactions:				
Forward rate agreement:				
Sold	8,390	80	2	2
Bought	13,153	—	(12)	(12)
Swaps:				
Receivable fixed rate/Payable floating rate	347,553	203,351	6,100	6,100
Receivable floating rate/Payable fixed rate	327,623	200,646	(6,244)	(6,244)
Receivable floating rate/Payable floating rate, etc.	17,437	6,212	(141)	(141)
Others:				
Sold	26,372	23,846	186	(50)
Bought	19,727	17,684	225	153
Total	\$ /	\$ /	\$ (245)	\$ (170)

Notes: 1. The above transactions are valued by market value and the valuated gains (losses) are accounted for in the consolidated statements of income.

Derivative transactions to which hedge accounting method was applied are not included in the figures above.

2. Market value of transactions listed on exchange is calculated mainly using the closing prices on the Tokyo International Financial Futures Exchange and others.

Market value of OTC transactions is calculated mainly using discounted present value and option pricing models.

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

(2) Currency Derivatives

March 31, 2001	Millions of yen			
	Contract amount		Market value	Net valuated gains (losses)
	Total	Over one year		
Unlisted transactions:				
Currency swaps				
	¥4,309,192	¥3,169,586	¥1,482	¥1,482
Total	¥ /	¥ /	¥1,482	¥1,482

March 31, 2001	Millions of U.S. dollars			
	Contract amount		Market value	Net valuated gains (losses)
	Total	Over one year		
Unlisted transactions:				
Currency swaps				
	\$34,779	\$25,581	\$11	\$11
Total	\$ /	\$ /	\$11	\$11

Notes: 1. The above transactions are valued by market value and the valuated gains (losses) are accounted for in the consolidated statements of income.

2. Market value is calculated mainly discounted present value.

(continued)

3. Currency swaps whose profit and loss are recognized on accrual basis based on 'Temporary Treatment of Auditing on Continuous Adoption of the Accounting Standard for Foreign Currency Transactions in Banking Industry' (published by JICPA, April 2000) are excluded from the previous table.

The contract amount to currency swaps which are recognized on accrual basis are as follows:

March 31, 2001	Millions of yen		
	Contract amount	Market value	Net valuated gains (losses)
Unlisted transactions:			
Currency swaps	¥1,833,414	¥(69,269)	¥(69,269)
March 31, 2001	Millions of U.S. dollars		
	Contract amount	Market value	Net valuated gains (losses)
Unlisted transactions:			
Currency swaps	\$14,797	\$(559)	\$(559)

4. Forward foreign exchange and currency options which are of the following types are not included in the figures above:

- 1) Those that are revaluated at year-end and the revaluated gains (losses) are accounted for in the consolidated statements of income.
- 2) Those that were allotted to financial assets/liabilities by foreign currency and whose market values are already reflected in the amount of the financial assets/liabilities on the consolidated balance sheets.
- 3) Those that were allotted to financial assets/liabilities by foreign currency and the financial assets/liabilities that are allotted to are eliminated in the process of consolidation.

The contract amount of currency and foreign exchange related transactions which are revaluated at the consolidated balance sheet date are as follows:

March 31, 2001	Millions of yen	Millions of U.S. dollars
	Contract amount	Contract amount
Unlisted transactions:		
Forward foreign exchange contracts:		
Sold	¥4,296,653	\$34,678
Bought	5,633,384	45,467
Currency options:		
Sold	694,904	5,608
Bought	689,497	5,564

(3) Bond Derivatives

March 31, 2001	Millions of yen			
	Contract amount		Market value	Net valuated gains (losses)
	Total	Over one year		
Listed transactions:				
Futures contracts:				
Sold	¥ 188	¥ —	¥ (6)	¥ (6)
Bought	23,066	—	112	112
Total	¥ /	¥ /	¥106	¥106

(continued)

March 31, 2001	Millions of U.S. dollars			
	Contract amount		Market value	Net valuated gains (losses)
	Total	Over one year		
Listed transactions:				
Futures contracts:				
Sold	\$ 1	\$ —	\$(0)	\$(0)
Bought	186	—	0	0
Total	\$ /	\$ /	\$ 0	\$ 0

Notes: 1. The above transactions are valuated by market value and the valuated gains (losses) are accounted for in the consolidated statements of income.

Derivative transactions to which hedge accounting method was applied are not included in the figures above.

2. Market value of transactions listed on exchange is calculated mainly using the closing prices on the Tokyo Stock Exchange Market.

(4) Credit Derivative Transactions

March 31, 2001	Millions of yen			
	Contract amount		Market value	Net valuated gains (losses)
	Total	Over one year		
Unlisted transactions:				
Others:				
Sold	¥147	¥ —	¥(4)	¥(4)
Bought	147	—	6	6
Total	¥ /	¥ /	¥ 2	¥ 2

March 31, 2001	Millions of U.S. dollars			
	Contract amount		Market value	Net valuated gains (losses)
	Total	Over one year		
Unlisted transactions:				
Others:				
Sold	\$1	\$ —	\$(0)	\$(0)
Bought	1	—	0	0
Total	\$ /	\$ /	\$ 0	\$ 0

Notes: 1. The above transactions are valuated by market value and the valuated gains (losses) are accounted for in the consolidated statements of income.

2. Market value is calculated based on factors such as price of the relevant commodity and contract term using discounted present value and option pricing models.

(Appendix) Previous Year's Information on Derivative Transactions

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

(1) Interest Rate-Related Transactions

March 31, 2000	Millions of yen			
	Contract amount		Market value	Unrealized gains (losses)
	Total	Over one year		
Listed transactions:				
Futures contracts:				
Sold	¥ 9,784,429	¥ 670,310	¥9,765,752	¥ 18,677
Bought	5,657,962	249,452	5,651,207	(6,754)
Options:				
Sold				
Call	13,776,338	—		
Option premiums	3,441		556	2,884
Put	12,329,538	—		
Option premiums	2,609		1,786	822
Bought				
Call	6,025,776	—		
Option premiums	1,059		407	(652)
Put	5,323,445	—		
Option premiums	1,720		1,581	(139)
Unlisted transactions:				
Swaps:				
Receivable fixed rate/Payable floating rate	34,478,328	15,236,759	573,908	573,908
Receivable floating rate/Payable fixed rate	24,638,127	8,588,126	(267,975)	(267,975)
Receivable floating rate/Payable floating rate, etc.	25,024	17,796	(135)	(135)
Others:				
Sold				
Option premiums	609,287	599,271		
	2,688		1,148	1,539
Bought				
	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 sheets.

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

4. The market value and unrealized gains (losses) on interest swap transaction at March 31, 2000, include ¥343,651 million of accrued swap interest that was stated in the consolidated statements of income.

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

March 31, 2000	Millions of yen			Total
	One year or less	More than one year to three years	Over three years	
Receivable fixed rate/Payable floating rate	¥19,241,568	¥12,494,950	¥2,741,809	¥34,478,328
Receivable floating rate/Payable fixed rate	16,050,001	5,586,090	3,002,035	24,638,127
Receivable floating rate/Payable 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 gains (losses) was included in the consolidated statements of income.

Contract amount included in the trading account are as follows:

March 31, 2000	Millions of yen	
	Contract amount	Market value
Listed transactions:		
Futures contracts:		
Sold	¥ 422,513	¥ 422,244
Bought	585,857	583,533
Options:		
Sold		
Call	1,891,590	
Option premiums	260	23
Put	2,560,186	
Option premiums	446	231
Bought		
Call	736,133	
Option premiums	173	27
Put	1,332,250	
Option premiums	279	126
Unlisted transactions:		
Forward rate agreements:		
Sold	678,521	678,458
Bought	1,324,902	1,325,226
Swaps:		
Receivable fixed rate/Payable floating rate	34,706,694	385,949
Receivable floating rate/Payable fixed rate	32,590,848	(506,149)
Receivable floating rate/Payable floating rate, etc.	1,636,745	(13,467)
Others:		
Sold		
Option premiums	9,329	21,935
Bought		
Option premiums	4,886	58,646

(2) Currency and Foreign Exchange-Related Transactions

March 31, 2000	Millions of yen			
	Contract amount		Market value	Unrealized gains (losses)
	Total	Over one year		
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.

- The market value or unrealized loss for currency swap transactions at March 31, 2000, includes ¥6,647 million (losses) of accrued swap interest that was stated in the consolidated statements of income.
- 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 gains (losses) was included in the consolidated statements of income.

Contract amount included in the trading account is as follows:

March 31, 2000	Millions of yen	
	Contract amount	Market value
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

- 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 gains (losses) were included in the consolidated statements of income, or because they are reflected on the consolidated balance sheets as foreign currency denominated monetary assets and liabilities.

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

March 31, 2000	Millions of yen	
	Contract amount	
Listed transactions:		
Currency futures:		
Sold		¥ 356
Bought		20
Unlisted transactions:		
Forward foreign exchange contracts:		
Sold		¥2,185,551
Bought		3,697,674
Currency options:		
Sold		
Call		188,930
Option premiums		4,105
Put		170,453
Option premiums		3,600
Bought		
Call		156,601
Option premiums		2,368
Put		178,950
Option premiums		4,473

(3) Equity-Related Transactions

March 31, 2000	Millions of yen			
	Contract amount		Market value	Unrealized gains (losses)
	Total	Over one year		
Unlisted transactions:				
Options:				
Sold				
Call	¥ 198	¥—	¥ 0	¥ 1
Option premiums	1			
Put	—	—	—	—
Option premiums				
Bought				
Call	198	—	0	(0)
Option premiums	1			
Put	—	—	—	—
Option premiums				
Equity-related swaps	897,438	—	(18,554)	(18,554)
Total	¥ /	¥ /	¥ /	¥(18,554)

Notes: 1. Market values

Market values are 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 sheets.

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 gains (losses) was included in the consolidated statements of income.

Contract amount included in trading account is as follows:

March 31, 2000	Millions of yen	
	Contract amount	Market value
Listed transactions:		
Stock index futures contracts:		
Sold	¥ 1,536	¥1,530
Bought	101	101
Stock index options:		
Sold		
Call	11,740	
Option premiums	36	37
Put	21,880	
Option premiums	26	31
Bought		
Call	4,578	
Option premiums	53	97
Put	1,902	
Option Premiums	53	30

(4) Bond-Related Transactions

March 31, 2000	Millions of yen			
	Contract amount		Market value	Unrealized gains (losses)
	Total	Over one year		
Listed transactions:				
Futures contracts:				
Sold	¥74,904	¥—	¥76,182	¥(1,277)
Bought	—	—	—	—
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 gains (losses) was included in the consolidated statements of income.

Contract amount included in the trading account is as follows:

March 31, 2000	Millions of yen	
	Contract amount	Market value
Listed transactions:		
Futures contracts:		
Sold	¥28,726	¥28,818
Bought	35,094	35,147
Futures options:		
Sold		
Call	838	
Option premiums	5	2
Put	8,580	
Option premiums	11	7
Bought		
Call	4,477	
Option premiums	16	11
Put	37,370	
Option premiums	90	14
Unlisted transactions:		
Options:		
Sold		
Call	—	
Option premiums	—	—
Put	21,670	
Option premiums	251	118
Bought		
Call	29,272	
Option premiums	167	106
Put	7,837	
Option premiums	51	14

36. Segment Information

(1) 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.

(2) Geographic segment information

Year ended March 31, 2001	Millions of yen						
	Domestic	Americas	Europe	Asia and Oceania	Subtotal	Interarea elimination	Consolidated total
Operating income							
Customers	¥ 1,410,422	¥ 164,903	¥ 47,571	¥ 100,284	¥ 1,723,182	¥ —	¥ 1,723,182
Intersegment	111,842	111,432	17,058	38,530	278,864	(278,864)	—
Total	1,522,264	276,336	64,630	138,815	2,002,047	(278,864)	1,723,182
Operating expenses	1,347,019	259,322	74,385	133,426	1,814,154	(274,848)	1,539,306
Operating profit	¥ 175,245	¥ 17,013	¥ (9,755)	¥ 5,388	¥ 187,892	¥ (4,016)	¥ 183,876
Millions of U.S. dollars	\$ 1,414	\$ 137	\$ (78)	\$ 43	\$ 1,516	\$ (32)	\$ 1,484
Assets	¥47,434,438	¥2,322,229	¥1,279,831	¥2,920,478	¥53,956,977	¥(2,107,290)	¥51,849,687
Millions of U.S. dollars	\$ 382,844	\$ 18,742	\$ 10,329	\$ 23,571	\$ 435,488	\$ (17,007)	\$ 418,480

Year ended March 31, 2000	Millions of yen						
	Domestic	Americas	Europe	Asia and Oceania	Subtotal	Interarea elimination	Consolidated total
Operating income							
Customers	¥ 1,808,407	¥ 129,272	¥ 90,029	¥ 119,786	¥ 2,147,495	¥ —	¥ 2,147,495
Intersegment	77,421	23,014	21,863	15,752	138,052	(138,052)	—
Total	1,885,829	152,286	111,893	135,539	2,285,548	(138,052)	2,147,495
Operating expenses	1,772,018	143,625	109,852	122,775	2,148,272	(137,274)	2,010,998
Operating profit	¥ 113,810	¥ 8,661	¥ 2,040	¥ 12,764	¥ 137,276	¥ (778)	¥ 136,497
Assets	¥44,745,840	¥2,319,292	¥1,062,201	¥3,070,871	¥51,198,205	¥(2,702,596)	¥48,495,608

- Notes: 1. The geographic segmentation is decided based on the degrees of following factors: geographic proximity, similarity of economic activities and relationship of business activities among regions.
2. Americas includes the United States, Canada and others; Europe includes the United Kingdom, Germany and others; Asia and Oceania includes Singapore, Hong Kong, Australia and others except Japan.
3. (a) As shown in Notes to consolidated financial statements, the Bank changed the depreciation method from the declining balance method to the straight-line method from this fiscal year. Consequently, operating profit increased by ¥1,482 million (\$11 million) in Japan, compared with the prior accounting method.
- (b) As shown in Notes to consolidated financial statements, accounting standard for employee retirement benefit was applied from the fiscal year ended March 31, 2001. Consequently, operating profit increased by ¥9,558 million (\$77 million) in Japan, compared with the prior accounting method.
- (c) As shown in Notes to consolidated financial statements, accounting standard for financial instruments was applied from the fiscal year ended March 31, 2001, and the method to evaluate securities and derivatives and the method of hedge accounting were changed. Consequently, operating profit increased by ¥35,427 million (\$285 million) in Japan, by ¥572 million (\$4 million) in Americas, and by ¥31 million (\$0 million) in Europe, and by ¥114 million (\$0 million) in Asia and Oceania, compared with prior accounting method. Effective April 1, 2000, income and expenses relating to derivative transactions that meet the criteria for hedge accounting are presented net by account, which has been changed from prior accounting that presented net by transaction. As a result, operating income and expenses decreased by ¥132,394 million (\$1,068 million) in Japan, by ¥4,340 million (\$35 million) in Americas, by ¥14,269 million (\$115 million) in Europe, and by ¥4,580 million (\$36 million) in Asia and Oceania for 2001 compared with the prior accounting method.
- (d) As shown in Notes to consolidated financial statements, enterprise tax other than relating to pre-tax income was included in operating expenses. Effective April 1, 2000, the Special ordinance concerning taxation standard for enterprise taxes in relation to banks in the Tokyo Metropolis (Tokyo Metropolis Ordinance 145 of April 1, 2000) was enacted, and the enterprise tax in Tokyo, which was not included in operating expenses for prior period, was included in operating expenses in Japan by the amount of ¥8,733 million (\$70 million) for 2001.

Operating income or expenses represent total income or expenses excluding Gains or losses on dispositions of premises and equipment, Collection of written-off claims, Transfer to (from) Other

reserves, Gains on exemption of obligation, Losses on disposal of loans at a subsidiary and Amortization of unrecognized net transition obligation for employee retirement benefit.

(3) Operating income from overseas operations

	Millions of yen		Millions of U.S. dollars
	2001	2000	2001
(i) Operating income from overseas operations	¥ 312,760	¥ 339,087	\$ 2,524
(ii) Consolidated operating income	1,723,182	2,147,495	13,907
(i) / (ii)	18.2%	15.7%	18.2%

From fiscal 1999, operating income from overseas operations is listed in place of operating income from international operations to express foreign trading activities more correctly. Operating income from overseas operations 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.

37. Subsequent Events

The Bank merged with The Sumitomo Bank, Limited and transferred its assets, liabilities, all the claims and obligations and employees to The Sumitomo Bank, Limited as of April 1, 2001.