Summary of Significant Differences Between Japanese GAAP and U.S. GAAP

The consolidated financial statements of the Bank and its consolidated subsidiaries presented in this annual report conform with Japanese Generally Accepted Accounting Principles (GAAP). Such principles vary from U.S. GAAP in the following significant respects.

Japanese GAAP	**U.S. GAAP**
Consolidated subsidiaries	
The consolidated financial statements include all enterprises that are controlled by the parent, irrespective of the percentage of the voting shares owned.	Statement of Financial Accounting Standards ("SFAS") No. 94 requires, with a few exceptions, a parent company to consolidate all of its majority-owned subsidiaries with more than 50% of outstanding voting shares.
Accounting for sales of loans with recourse	
Under Japanese GAAP, certain loan participations which meet specified criteria are allowed to be recorded as sales.	SFAS No. 140 specifies that sale of assets such as loans refers to an outright sale with legal title passing to the purchaser. A transfer of assets qualifying as a sale with recourse under SFAS No. 140 would result in the recording of an estimated liability.
Accounting for derivatives and hedging activities	
Under the new Japanese GAAP effective April 1, 2000, derivative instruments are carried at fair value with changes included in the current period income unless certain hedge accounting criteria are met. In general, if derivative instruments are used as hedges and meet certain hedging criteria, a company defers recognition of gains or losses resulting from changes in fair value of derivative instruments as either an asset or liability until the related losses or gains on the hedged items are recognized.	Derivative instruments are currently classified into trading and hedging instruments. Derivative instruments for a trading purpose and a hedging purpose are recorded at fair value and on an accrual basis, respectively. Under SFAS No. 133 and No. 137 effective all fiscal years beginning after June 15, 2000, derivative instruments are recorded at fair value with changes recognized currently in earnings unless precise hedge accounting criteria are met.
Securities	
Under the new Japanese GAAP effective April 1, 2000, debt securities that the Bank has the intent and ability to hold to maturity (held-to-maturity securities) are carried at amortized cost. Trading securities are carried at market value with gains or losses included in the current period income. Other securities (available-for-sale securities) can be carried at cost (effective April 1, 2001, other securities should be carried at fair value with unrealized gains or losses recorded directly to equity, net of taxes).	Under SFAS No. 115, debt securities intended to be held to maturity are carried at amortized cost. Equity securities and debt securities available for sale are carried at fair values with unrealized gains and losses reported as comprehensive income in the stockholders' equity section. Trading securities are carried at market value with gains and losses included in the current period income.
Loan fees	
Loan origination fees are recognized when income is received.	Loan origination fees are deferred and recognized over the life of the loan.
Accrued interest on non-performing loans	
The Bank places into the nonaccrual status the loans which management assessed as "Bankrupt" and "Effectively Bankrupt" and "Potentially Bankrupt."	Loans are generally placed on nonaccrual status when they become 90 days past due or when they are deemed uncollectible based on management's assessment.

Restructured loans	
Discounted present value is not used to measure impairment of a loan. Reserve for restructured loans is computed based on historical loss experience.	SFAS No. 114 requires that impaired loans be measured based on the present value of expected future cash flows discounted at the loan's effective interest rate or, as is practically expedient, at the loan's observable market price or the fair value of the collateral if the loan is collateral-dependent.
Earned surplus reserve	
An amount equivalent to at least 20% of cash disbursements, such as dividend distribution, must be appropriated as earned surplus reserve in the retained earnings.	Earned surplus reserve are not provided for under U.S. GAAP.
Leases	
Unless transfer of ownership occurs, financing leases may be accounted for as operating leases accompanied with sufficient footnote disclosure.	Leases are classified as either capital or operating, based on specified criteria. A lease which transfers substantially all of the benefits and risks of ownership to the lessee is reported as a capital lease. Other leases are accounted for as operating leases.
Land revaluation excess	
Land which had been recorded at cost was revalued at fair value. The resulting gains were recorded in land revaluation excess in the stockholders' equity section.	Such land revaluation excess is not permissible.
Guarantees	
Guarantees, including standby letters of credit and the related reimbursement obligations of customers, are included on the face of the financial statements and assets of equal amounts.	Such guarantees and reimbursement obligations are disclosed in the footnotes and not included in the balance sheet.
Directors' bonuses	
Directors' bonuses are charged directly to earned surplus.	Directors' compensation is generally expensed on an accrual basis.
Comprehensive income	
Reporting of other comprehensive income not included in net income is not required.	SFAS No. 130 requires the reporting of the revenues, expenses, gains and losses that are not included in net income as comprehensive income.