

THE SAKURA BANK, LIMITED
 SUMMARY OF NON-CONSOLIDATED ACCOUNTS
 FOR THE PERIOD FROM APRIL 1, 1999 TO SEPTEMBER 30, 1999

CORPORATE AND STOCK INFORMATION

HEAD OFFICE : 3-1, Kudan Minami, 1-chome, Chiyoda-ku, Tokyo, Japan
 ACCOUNTING PERIOD : Year Ending March 31
 DISBURSAL OF INTERIM DIVIDENDS : To be disbursed
 DATE OF APPROVAL BY THE BOARD OF DIRECTORS : November 19, 1999
 DATE OF DISBURSAL OF INTERIM CASH DIVIDENDS : December 10, 1999
 ESTABLISHMENT OF TRADING ACCOUNT : Established

PERFORMANCE (FOR THE PERIOD FROM APRIL 1, 1999 TO SEPTEMBER 30, 1999)

(1) PRINCIPAL INDICATORS

Millions of Yen	1999	Six Months Ended September 30		Year Ended March 31		
		Inc./(Dec.)*	1998	Inc./(Dec.)*	1999	Inc./(Dec.)*
Operating Income	816,974	(20.9%)	1,033,149	(16.6%)	1,937,086	(23.4%)
Operating Profit	57,484	128.2%	25,193	42.0%	(754,187)	--
Net Income	33,070	2.6%	32,234	88.9%	(375,315)	--
Net Income Per Share** (Yen)	6.74		8.55		(97.63)	
Net Income Per Share After Assuming Dilution (Yen)	6.69		--		--	

* Change from the previous (interim) term.

Notes: 1. Figures less than one million are rounded down.

2. Number of shares outstanding (average) :

	Six Months Ended September 30		Year Ended March 31
	1999	1998	1999
Ordinary Share	4,083,834,033	3,749,511,975	3,847,566,598
Preference Share (Series II)	11,129,000	26,277,951	19,945,536
Preference Share (Series III)(Type-2)	800,000,000	--	2,191,780

3. Accounting procedures are in accordance with generally accepted standards for preparation of financial accounts in Japan and there is no change in accounting methods.

** Net income per share = $\frac{(\text{Interim}) \text{ Net income} - \text{Total amount of preference share dividends}}{\text{Number of ordinary shares outstanding (average)}}$

(2) DIVIDEND PER SHARE

Yen	Six Months Ended September 30		Year Ended March 31
	1999	1998	1999
Ordinary Share	3.00	4.25	7.25

(3) FINANCIAL POSITION

Millions of Yen	1999	September 30	March 31
		1998	1999
Total Assets	47,141,479	51,221,593	47,208,716
Stockholders' Equity	2,244,015	1,314,220	2,223,521
Equity Ratio	4.8%	2.6%	4.7%
Stockholders' Equity per Share (Yen)	348.18	336.69	343.10
Capital Ratio (for immediate release)	12.42%	-	12.38%

Notes: Number of shares outstanding were as follows:

	March 31	September 30	March 31
	1999	1998	1999
Ordinary Share	4,084,803,048	3,753,841,838	4,083,121,287
Preference Share (Series II)	10,887,000	25,176,000	11,307,000
Preference Share (Series III) (Type-2)	800,000,000	--	800,000,000

(4) PERFORMANCE PROJECTION FOR FY1999 (YEAR THROUGH MARCH 31, 2000)

Millions of Yen	Annual
Operating Income	1,700,000
Operating Profit	125,000
Net Income	76,000
Dividend per Ordinary Share (yen)	6.00 (3.00 yen for the second half of FY1999)

Reference: Estimated Net Income per Share for FY1999: 15.88 yen

(calculated without taking conversion of Preference Shares to Ordinary shares into consideration)

NON-CONSOLIDATED BALANCE SHEET

September 30, 1999

Millions of Yen

Assets

Cash and Due from Banks	1,444,931
Call Loans	140,842
Commercial Paper and Other Debt Purchased	948
Trading Assets	1,033,071
Money Held in Trust	107,843
Securities	6,576,841
Loans and Bills Discounted	32,143,364
Foreign Exchanges	291,485
Other Assets	1,756,230
Premises and Equipment	334,875
Deferred Income Taxes	657,761
Customers' Liabilities for Acceptance and Guarantees	2,653,283
Total Assets	47,141,479

Liabilities & Stockholders' Equity

Liabilities

Deposits	31,621,560
Negotiable Certificates of Deposits	2,384,207
Call Money	2,126,286
Bills Sold	251,400
Commercial Papers	69,000
Trading Liabilities	241,321
Borrowed Money	1,997,413
Foreign Exchanges	57,107
Corporate Bonds	100,000
Convertible Bonds	2,208
Other Liabilities	2,557,728
Reserve for Possible Loan Losses	659,259
Reserve for Retirement Allowances	33,811
Reserves for Possible Losses from Loans Sold to CCPC	108,403
Other Reserves	9
Deferred Income Tax Liabilities for Land Revaluation	34,462
Acceptances and Guarantees	2,653,283
Total Liabilities	44,897,463

Stockholders' Equity

Capital Stock	1,042,706
Legal Reserve	1,020,078
Land Revaluation Excess	47,492
Retained Earnings	133,738
Voluntary Reserve	56,021
Undivided Profit at the End of the Term	77,716
(Interim) Net Income	33,070
Total Stockholders' Equity	2,244,015
Total Liabilities and Stockholders' Equity	47,141,479

See accompanying notes to non-consolidated interim balance sheet.

Notes

1. Japanese yen accounts are presented in millions of yen and are rounded down to the nearest million yen.
2. 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 at the amounts that would be settled if they were terminated on the balance sheet date.
3. Securities are carried at cost determined by the moving average method. Valuation of securities held in individually managed money trusts for asset management purposes are determined by the same method.
4. Depreciation of premises and equipment is computed as follows:
Buildings acquired before April 1, 1998: Computed by the declining balance method at the rate prescribed by the Corporate Tax Law.
Buildings acquired on and after April 1, 1998: Computed by the straight-line method at the rate prescribed by the Corporate Tax Law.
Equipment: Computed by the declining balance method at the rate prescribed by the Corporate Tax Law.
Others: Computed by the method prescribed by the Corporate Tax Law.
5. Assets and liabilities denominated in foreign currencies and the accounts of overseas branches are translated into yen at the exchange rates prevailing at the balance sheet date.
6. 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 ("JICPA").
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-dependent loans and other factors of solvency for other self-assessment categories. For claims of "virtual bankruptcy" and "legal bankruptcy", the amount exceeding the estimated value of collateral or guarantees was deducted from the below mentioned directly deducted amount.
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.
For collateral or guaranteed claims of "virtual bankruptcy" and "legal bankruptcy," the amount exceeding the estimated value of collateral or guarantees is deducted, as deemed uncollectible, directly from those claims. The deducted amount was ¥879,606 million.
7. The Bank's reserve for retirement allowances is stated based on the amount which would be required to be paid if all employees covered by the retirement allowances plan were to terminate their employment voluntarily at the balance sheet date.
8. The "Reserve for Possible Losses from Loans Sold to the Cooperative Credit Purchasing Company ("CCPC")" represents the amount that the Bank recognized as necessary for possible losses arising from loans sold to the CCPC after considering the values of the real estate mortgaged for those loans and estimating the possibility of future losses on those loans.
The "Reserve for Possible Losses from Loans Sold to CCPC" is established in accordance with Article 287-2 of the Commercial Code.
9. Finance Leases except for leases which transfer the ownership to the lessee are treated as rental transactions.
10. Consumption tax and local consumption tax payments are accounted for as independent items.

11. Other Reserves are as follows:

Reserve for Contingent Liabilities from Broking of Futures Transactions : ¥9 million

This reserve was established in accordance with Article 82 of the Financial Futures Transaction Law.

12. The Bank's securities holdings include ¥15 million of treasury stock.

13. Accumulated depreciation on the Bank's premises and equipment amounted to ¥247,420 million.

14. Advanced depreciation for the Bank's premises and equipment amounted to ¥34,393 million.

15. Non-accrual loans are as follows:

Loans to borrowers in bankruptcy : ¥172,391 million

Past due loans : ¥864,068 million

"Loans to borrowers in bankruptcy" is the same as the claims classified into "legal bankruptcy" under the self-assessment of asset quality and "Past due loans" is the same as the claims classified into "possible bankruptcy" and "virtual bankruptcy" under the self-assessment. Interests receivable accrued from both of them are not recognized as accrual for the accounting purpose.

16. Past due loans (3 months or more) amount to ¥65,538 million.

"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 "loans to borrowers in bankruptcy" and "past due loans."

17. Restructured loans amount to ¥654,663 million.

"Restructured loans" are loans in respect of which the Bank is relaxing lending conditions such as reduction of the original interest rate, forbearance of interests payments and principal repayments to support the borrowers' reorganization but exclude "loans to borrowers in bankruptcy",

"Past due loans" and "Past due loans (3 months or more)."

18. At the balance sheet date, the balance of the subordinated debt of borrowings was ¥1,756,660 million.

19. Total principal balance of loans transferred to the participating entities under loan participation agreements, which are accounted for as sold, based on Report No.3 Committee for Accounting System of the JICPA, was ¥501,148 million.

20. Under the Law of Land Revaluation, effective on March 31, 1998, the Bank elected for fiscal 1997 the one-time revaluation for its own-use land to current value based on real estate appraisal information. The land revaluation excess account is stated in stockholder's equity and the related deferred tax portion is stated in liabilities.

21. At the balance sheet date, the balance of the subordinated debt of borrowings was ¥1,696,291 million.

22. "Corporate Bonds" were subordinated bonds with no scheduled maturity.

NON-CONSOLIDATED STATEMENT OF INCOME

Six Months Ended September 30, 1999

Millions of Yen

Income	
Interest Income	696,568
Interest on Loans and Discounts	364,279
Interest and Dividends on Securities	57,733
Fees and Commissions	52,883
Trading Revenue	3,985
Other Operating Income	34,175
Other Income	29,361
Total Operating Income	<u>816,974</u>
Expenses	
Interest Expenses	391,978
Interest on Deposits	(77,504)
Fees & Commissions	21,394
Trading Expenses	466
Other Operating Expenses	12,134
General and Administrative Expenses	223,335
Other Expenses	110,179
Total Operating Expenses	<u>759,489</u>
Operating Profits	<u>57,484</u>
Extraordinary Profits	50
Extraordinary Losses	<u>3,243</u>
Interim Income Before Income Taxes	54,291
Income Taxes	
Current	2,130
Deferred	19,090
Interim Net Income	<u>33,070</u>
Undivided Profit Brought Forward from Previous Term	43,420
Transfer from Land Revaluation Excess	<u>1,225</u>
Undivided Profit at the End of the Interim Term	<u><u>77,716</u></u>

See accompanying notes to non-consolidated interim statement of income.

(Notes)

1. Japanese yen accounts are presented in millions of yen and are rounded down to the nearest million yen.
2. Trading revenue and trading expenses include interest received and paid, the amount of increases/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.
3. "Other Expenses" includes a loss of ¥ 50,726 million on written-off claims and a loss of 15,193 million on diminution of bonds.

COMPARATIVE NON-CONSOLIDATED BALANCE SHEET
(SELECTED DATA)

Millions of Yen	September 30		Inc./(Dec.) (A)-(B)	March 31	
	1999 (A)	1998 (B)		1999 (C)	Inc./(Dec.) (A)-(C)
Assets					
Cash & Due from Banks	1,444,931	1,949,549	(504,618)	1,413,680	31,251
Call Loans	140,842	157,292	(16,450)	84,978	55,864
Commercial Paper & Other Debt Purchased	948	2,477	(1,529)	2,182	(1,234)
Trading Assets	1,033,071	1,442,979	(409,908)	1,091,216	(58,145)
Money Held in Trust	107,843	183,063	(75,220)	151,470	(43,627)
Securities	6,576,841	6,662,654	(85,813)	6,217,570	359,271
Loan & Bills Discounted	32,143,364	34,876,084	(2,732,720)	32,291,263	(147,899)
Foreign Exchange	291,485	427,852	(136,367)	320,981	(29,496)
Other Assets	1,756,230	1,956,668	(200,438)	1,654,079	102,151
Premises & Equipment	334,875	461,660	(126,785)	346,840	(11,965)
Deferred Income Taxes	657,761	--	657,761	677,740	(19,979)
Customers' Liabilities for Acceptances & Guarantees	2,653,283	3,101,310	(448,027)	2,956,710	(303,427)
Total Assets	47,141,479	51,221,593	(4,080,114)	47,208,716	(67,237)
Liabilities and Stockholders' Equity					
Liabilities					
Deposits	31,621,560	31,007,878	613,682	30,110,714	1,510,846
Negotiable Certificates of Deposits	2,384,207	2,461,704	(77,497)	2,854,907	(470,700)
Call Money	2,126,286	4,083,281	(1,956,995)	2,204,641	(78,355)
Bills Sold	251,400	469,900	(218,500)	130,900	120,500
Commercial Papers	69,000	168,800	(99,800)	567,000	(498,000)
Trading Liabilities	241,321	273,601	(32,280)	194,133	47,188
Borrowed Money	1,997,413	1,901,712	95,701	1,960,790	36,623
Foreign Exchange	57,107	41,900	15,207	35,170	21,937
Corporate Bonds	100,000	100,000	--	100,000	--
Convertible Bonds	2,208	5,365	(3,157)	2,208	--
Other Liabilities	2,557,728	4,862,632	(2,304,904)	2,946,007	(388,279)
Reserve for Possible Loan Losses	659,259	1,085,404	(426,145)	735,562	(76,303)
Reserve for Retirement Allowances	33,811	39,103	(5,292)	36,484	(2,673)
Reserves for Possible Losses from Loans Sold to the Cooperative Credit Purchasing Company	108,403	112,663	(4,260)	114,812	(6,409)
Other Reserves	9	9	0	9	0
Deferred Tax Liability for Land Revaluation	34,462	--	34,462	35,140	(678)
Acceptances & Guarantees	2,653,283	3,101,310	(448,027)	2,956,710	(303,427)
Reserve for Unrealized Appreciation of Land Used for Banking Business	--	192,106	(192,106)	--	--
Total Liabilities	44,897,463	49,907,373	(5,009,910)	44,985,195	(87,732)
Stockholders' Equity					
Capital Stock	1,042,706	599,445	443,261	1,042,706	--
Legal Reserve	1,020,078	571,390	448,688	1,017,605	2,473
Land Revaluation Excess	47,492	--	47,492	48,928	(1,436)
Retained Earnings	133,738	143,385	(9,647)	114,281	19,457
Voluntary Reserve	56,021	91,050	(35,029)	91,025	(35,004)
Undivided Profit at the end of the Term (Interim) Net Income	77,716	52,334	25,382	23,255	54,461
(Interim) Net Income	33,070	32,234	836	(375,315)	408,385
Total Stockholders' Equity	2,244,015	1,314,220	929,795	2,223,521	20,494
Total Liabilities & Stockholders' Equity	47,141,479	51,221,593	(4,080,114)	47,208,716	(67,237)

Notes: Changes in number of shares during the year ended September 30, 1999 were as follows:

	Conversion of Series II Preference Share to Ordinary Share
Increased Number of Ordinary Shares	1,681,761
Amount Newly Included in Capital (million yen)	--

COMPARATIVE NON-CONSOLIDATED STATEMENT OF INCOME
(SELECTED DATA)

Millions of Yen	Six Months Ended September 30		Inc./.(Dec.)	Year Ended March 31
	1999	1998		1999
Income				
Total Operating Income	816,974	1,033,149	(216,175)	1,937,086
Interest Income	696,568	842,464	(145,896)	1,542,712
Interest on Loans and Discounts	364,279	464,518	(100,239)	860,757
Interest and Dividends on Securities	57,733	75,420	(17,687)	132,213
Fees and Commissions	52,883	56,532	(3,649)	103,679
Trading Revenue	3,985	4,250	(265)	10,824
Other Operating Income	34,175	50,838	(16,663)	104,365
Other Income	29,361	79,064	(49,703)	175,504
Expenses				
Total Operating Expenses	759,489	1,007,956	(248,467)	2,691,274
Interest Expenses	391,978	552,694	(160,716)	979,218
Interest on Deposits	77,504	195,581	(118,077)	314,030
Fees and Commissions	21,394	25,391	(3,997)	50,173
Trading Expenses	466	6	460	--
Other Operating Expenses	12,134	10,650	1,484	37,082
General and Administrative Expenses	223,335	227,008	(3,673)	446,473
Other Expenses	110,179	192,205	(82,026)	1,178,325
Operating Profits	57,484	25,193	32,291	(754,187)
Extraordinary Profits	50	21,691	(21,641)	108,052
Extraordinary Losses	3,243	706	2,537	2,553
(Interim) Income before Income Taxes	54,291	46,178	8,113	(648,688)
Provision for Income Taxes	2,130	13,944	(11,814)	6,550
	19,090	19,090	(279,923)	(279,923)
(Interim) Net Income	33,070	32,234	836	(375,315)
Profit Brought Forward from Previous Term	43,420	20,100	23,320	20,100
Adjustment for Past Tax Effect	--	--	--	397,816
Transfer from Reserve for Losses on Overseas	--	--	--	24
Investments Due to Adoption of Tax Effect Accounting	--	--	--	24
Transfer from Land Revaluation Excess	1,225	--	1,225	--
Interim Dividend Paid	--	--	--	16,142
Transfer to Legal Reserves	--	--	--	3,228
Undivided Profit at the End of the Term	77,716	52,334	25,382	23,255

APPENDIX : DIVIDEND PER SHARE

(1) DIVIDEND PER SHARE

Yen	Six Months Ended September 30		Year Ended March 31
	1999	1998	1999
Ordinary Share	3.00	4.25	7.25
Preference Share (Series II)	7.50	7.50	15.00
Preference Share (Series III) (Type-2)	6.85	--	0.04

(2) PROJECTION OF DIVIDEND PER SHARE

(Year Ended March 31, 2000)

Yen	Year-end	Annual Dividend per Share
Ordinary Share	3.00	6.00
Preference Share (Series II)	7.50	15.00
Preference Share (Series III) (Type-2)	6.85	13.70