

SUMMARY OF CONSOLIDATED FINANCIAL RESULTS (March 31, 2000 / Unaudited)

May 24, 2000

The Asahi Bank, Ltd.

1-1-2 Otemachi, Chiyoda-ku, Tokyo, Japan

1. Financial Highlights (April 1, 1999 - March 31, 2000)

(1) Business Results

	Ordinary Income	Change from previous fiscal year	Ordinary Net Income	Change from previous fiscal year	Net Income	Change from previous fiscal year
	million yen		million yen		million yen	
Mar. 31, 2000	1,160,265	0	94,051	- %	31,404	- %
Mar. 31, 1999	950,487	-0	-412,040	- %	-254,065	- %

	Net Income per share	Net Income per share (latent equity adjusted)	Ratio of net income to stockholders' equity	Ratio of ordinary net income to total assets	Ratio of ordinary net income to ordinary income
	yen sen	yen sen			
Mar. 31, 2000	9 40	8 70	0	0	0
Mar. 31, 1999	-106 12	- -	-0	-0	-0

Note: (1) Equity in net loss of affiliated companies : 385 million yen (Fiscal year ended March 31, 2000)

Equity in net loss of affiliated companies : 53 million yen (Fiscal year ended March 31, 1999)

(2) Unrealized gains on securities : 554,510 million yen (As of March 31, 2000)

Unrealized losses on derivatives : 22,638 million yen (As of March 31, 2000)

(3) Accounting policies were not changed

(2) Financial Position

	Total Assets	Stockholders' equity	Stockholders' equity ratio	Stockholders' equity per share	Capital ratio (BIS standard)
	million yen	million yen		yen sen	(preliminary)
Mar. 31, 2000	28,788,131	1,388,104	0	347 95	0
Mar. 31, 1999	29,296,192	1,370,325	0	341 02	0

(3) Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and Cash Equivalents
	million yen	million yen	million yen	million yen
Mar. 31, 2000	-113,012	268,920	-46,165	712,120
Mar. 31, 1999	-	-	-	-

(4) Principles of Consolidation and the application of the equity method

Number of consolidated subsidiaries : 27

Number of nonconsolidated subsidiaries applying the equity method : -

Number of affiliated companies accounted for by the equity method : 4

(5) Change of Consolidation and the application of the equity method

Added number of consolidated subsidiaries : 2

Excluded number of consolidated subsidiaries: 3

Added number of affiliated companies accounted for by the equity method : -

Excluded number of affiliated companies accounted for by the equity method : 2

2. Forecast of Next Term's Performance (April 1, 2000 - March 31, 2001)

	Ordinary Income	Ordinary Net Income	Net Income
	million yen	million yen	million yen
Sep. 30, 2000	450,000	25,000	15,000
Mar. 31, 2001	900,000	50,000	30,000

Reference : Forecast of Net Income per share for Fiscal Year 8.88 yen

1. Situation of the Asahi Bank, Ltd. (the "Bank") group

(1) Operations of the Bank group

The company group provides financial services which include banking, trust banking, general leasing business and so on.

(2) business network

<u>The Asahi Bank, Ltd. Domestic:</u>	Main office, branches 328, subbranches 30, agencies 2, consolidated subsidiaries 30, affiliates 19 Principal consolidated subsidiaries (operations) <ul style="list-style-type: none">• Asahi Trust and Banking Co., Ltd. (trust banking business)• Asahi Bank Investment Co., Ltd. (investment and financing for small and medium-sized businesses)• Asahi Bank Factoring Co., Ltd. (financing business)• Asahi Bank Finance Service Co., Ltd. (factoring business)• Asahi Tokyo Investment Trust Management Co., Ltd. (sales of investment trust products business)• Asahi Card Co., Ltd. (credit card administration business)• Asahigin Guarantee Co., Ltd. (loan guarantee services business)• Asahigin Systems Co., Ltd. (Information management, software development business) Principal affiliated companies (operations) <ul style="list-style-type: none">• Asahigin Leasing Co., Ltd. (general leasing business)• Showa Leasing Co., Ltd. (general leasing business)• Kyodo Mortgage Acceptance Co., Ltd. (mortgage securities business)
<u>Americas:</u>	Branch 1, consolidated subsidiaries 3, affiliates 24 Principal consolidated subsidiaries (operations) <ul style="list-style-type: none">• Asahi Bank of California (banking business)• Asahi Finance (Cayman) Ltd. (financing business)
<u>Europe:</u>	Branch 1, consolidated subsidiaries 4
<u>Asia/Oceania:</u>	Branches 7, subbranch 1, consolidated subsidiaries 3, affiliates 10 Principal consolidated subsidiaries (operations) <ul style="list-style-type: none">• Asahi Finance (Hong Kong) Ltd. (banking business) This company is on liquidation.

2. Management Policy

(1) Basic Policy

Such developments as the rapid development of information technology (IT) and the entry of new participants into the financial services industry have substantially accelerated the pace of change in the operating environment. Moreover, the era of government restrictions has ended, and establishing management systems for financial institutions based on market principles is necessary. Based on this awareness of the operating environment, the Bank has set the objective of being a financial institution with an overwhelming presence that can earn the confidence and support of the stockholding and investor communities, customers, and financial markets.

(2) Medium-Term Management Strategy

The Bank is currently implementing its Retail Innovation Plan, its fourth long-term management plan, that began in April 1999. Under this plan, the Bank's corporate vision contains the following basic concepts:

- Basic management philosophy: "Innovation, Reliability, and Soundness"
- Targeted bank image: "A retail bank with an overwhelming presence"
- Organizational guideline for action: "The Pursuit of Speed"

To implement these concepts, the Bank is building a "New Retail Banking System" that incorporates the introduction of new, high-value-added, retail banking operations at low cost, and concentrates management resources in fields where the Bank is strong.

To achieve the goal of establishing an overwhelming presence in the corporate-middle, small and medium-sized, and individual banking markets, the Bank agreed to form a joint holding company with Tokai Bank, Limited, in October 1999, with the aim of consolidating the operations of the two banks. However, as the speed of change in the financial services industry continued to accelerate substantially, we reached a basic agreement with the Sanwa Bank, Limited, to establish a bank holding company with Sanwa as the third partner. Our goal is to create “a new financial services company.”

The three banks have set April 2001 as the target date for establishing the holding company, and each bank will become a wholly owned subsidiary of the joint holding company. To enhance services for our customers, in those areas where the merits of consolidation are believed to be greatest, the three banks will proceed immediately with joint action and consolidation of their operations, working to accelerate the enhancement of their profitability. In addition, from the perspective of efficiency, we are scheduled to give priority to the consolidation of our operations in areas where the greatest efficiencies can be realized, such as in systems and back-office operations.

(3) Policies to Upgrade the Management Organization

To strengthen corporate governance, the Bank is implementing management reforms. In specific terms, in June 1999, a Board of Auditors' Secretariat was created to increase the effectiveness of the Bank's corporate auditors and establish the independence of the Board of Auditors.

In addition, in June 2000 (following the 9th Regular General Meeting of Shareholders), we will introduce the Executive Officer System. This system will have the aim of separating the decision-making functions associated with the conduct of operations and the functions of corporate oversight. We anticipate that this system will enhance the effectiveness of the oversight role of the Board of Directors, as substantially greater authority and responsibility are delegated to executive officers to enable them to increase the speed and efficiency of operations.

(4) Key Tasks

In this age of intense market competition, the Bank must be able to respond accurately to changes in the operating environment for financial institutions and implement strategies that ensure survival. Also, in view of the intent of the infusion of public funds, we have an important social mission to strengthen our financial position and ensure the repayment of these funds.

With this awareness, we will devote our fullest efforts to implementing our fourth long-term management plan and, together with our alliance partners, strive to create “a new financial services company.” We will work to enhance corporate value through the development of our operations with the fullest measure of speed and vision as well as aim to become Japan’s most comprehensive financial services group with the largest customer base, centered around the retail market, having with the strengths to offer the highest level of services and functions.

3. Management Performance

(1) Outline of the Period

During the fiscal year ended March 31, 2000, Asahi Bank, Ltd., and its consolidated subsidiaries reported ordinary income of ¥ 1,160.2 billion, ordinary net income amounting to ¥ 94 billion, and net income of ¥ 31.4 billion. By business line, the banking operations of the parent company accounted for the largest portion of income, followed by trust business and other financial services.

The ordinary income of the parent company rose ¥ 184.1 billion over the previous fiscal year to ¥ 1,083 billion—even though income from earning assets declined, owing to interest rates in Japan remained low—as income from the sale of stock and other securities holdings increased.

In addition, operating profit from the Bank's core business posted a gain of ¥ 71.5 billion, to ¥ 155.4 billion, as domestic operating profit rose and provisions to the general reserve for possible loan losses declined. Moreover, the Bank disposed of approximately ¥ 200 billion in nonperforming assets and recorded losses on the value of stockholdings, owing to the decline in equity prices. Accordingly, ordinary net income amounted to ¥ 88 billion, and, after adjustments for extraordinary profits and losses and corporate income and other taxes, the Bank reported net income of ¥ 31.5 billion.

On a consolidated basis, the Bank's capital adequacy ratio (under BIS uniform standards) stood at 11.80 % at fiscal year-end (preliminary).

Among cash flow items, although net cash provided by operations declined, net cash flow from investing activities increased. Consequently, net cash flow increased ¥ 109.5 billion. In view of the infusion of public funds and other circumstances, we are strongly aware of the necessity of substantially strengthening our financial position through building an appropriate level of retained earnings. We are therefore scheduled to pay a cash dividend of ¥ 3.00 per common share for the second half of the fiscal year ended March 31, 2000 (¥ 6.00 per share for the full fiscal year, including the interim dividend).

(2) Outlook for the Year Ending March 31, 2001

As the pace of change in the operating environment for financial institutions accelerates, the Bank and its consolidated subsidiaries will work together to strengthen profitability and enhance the efficiency of their operations.

For the year ending March 31, 2001, the Bank and consolidated subsidiaries anticipate ordinary income of ¥ 900 billion, ordinary net income amounting to ¥ 50 billion, and net income of ¥ 30 billion. In addition, the parent company is expected to report ordinary income amounting ¥ 800 billion, ordinary net income of ¥ 50 billion, and net income of ¥ 30 billion.

In addition, from the year ending March 31, 2001, new accounting standards for retirement payments will be adopted. The Bank estimates that its unfunded pension liabilities for prior years service amount to approximately ¥ 130 billion. To ensure soundness of financial situations, these liabilities will be amortized over a five-year period after examining usage of trust for retirement payments.

The Bank will pay a cash dividend of ¥ 6.00 per common share for for the fiscal year 2000.

Follow-Up on the Year 2000 Issue

The Bank placed maximum management priority on taking measures to cope with the Year 2000 (Y2K) problem and implemented countermeasures both within its operations in Japan as well as in its overseas offices and associated companies. As a consequence, no problems arose over the year-end or around leap day (February 29, 2000), which were regarded as the likeliest times for computer systems to malfunction. Accordingly, the Bank was able to conduct its operations and provide customer services without incident.

The total cost of Y2K countermeasures taken by the Asahi Bank Group (all related expenditures, including investments in computer hardware and software, maintenance, and supervisory expenses prior to the beginning of 2000 and the use of internal resources for software and systems development converted to an expense basis) is expected to total ¥ 7.2 billion. To date, actual expenditures of ¥ 7.05 billion have been disbursed for this purpose.

This amount includes only those costs that can be clearly identified as related to the Y2K problem and does not include expenditures made on a discretionary basis to replace older equipment or add to systems functions. Moreover, in developing the Bank's third-generation on-line system, measures were taken to eliminate any problems related to calendar years, and the cost of these measures is not included in the above-mentioned total.

Consolidated Balance Sheet (Main Items) (Unaudited)

As of March 31,2000

Millions of yen

Assets

Cash and due from banks	¥	1,187,769
Call loans		153,563
Commercial paper and other debt purchased		429
Trading assets		438,962
Money held in trust		210,000
Securities		3,639,112
Loans and bills discounted		20,581,734
Foreign exchanges		65,141
Other assets		419,820
Premises and equipment		478,342
Deferred tax assets		303,657
Consolidation differences		8,192
Customers' liabilities for acceptances and guarantees		1,760,192
Reserve for possible loan losses		-458,786

Total Assets ¥ 28,788,131**Liabilities**

Deposits	¥	19,921,465
Negotiable certificates of deposit		1,976,091
Call money and bills sold		1,278,836
Commercial papers		120,000
Trading liabilities		40,310
Borrowed money		823,458
Foreign exchanges		4,775
Bonds issued		370,615
Other liabilities		910,490
Reserve for severance payments		27,224
Reserve for contingent liabilities related to loans sold		64,073
Reserve for supporting specific borrowers		6,603
Other reserves		0
Deferred tax liabilities on land revaluation		87,272
Acceptances and guarantees		1,760,192

Total Liabilities ¥ 27,391,409**Minority interest in consolidated subsidiaries** ¥ 8,617**Stockholders' Equity**

Common stock	¥	605,356
Capital surplus		509,486
Land revaluation difference		131,400
Retained earnings		141,886
Common stock in treasury		9
Common stock held by subsidiaries		16

Total Stockholders' Equity ¥ 1,388,104**Total Liabilities, Minority interest in consolidated subsidiaries,
and Stockholders' Equity** ¥ 28,788,131

Note:

1. Amounts of less than one million yen have been rounded down.

2. Balances incurred by transactions whose purpose is to earn a profit by taking advantage of short-term fluctuations in a market or discrepancies in different markets of interest rates, currency exchange rates, share prices or other indices (hereinafter referred to as "trading purpose") are included in "Trading assets" or "Trading liabilities" on the balance sheets as of the date on which the transactions have been contracted. "Trading assets" and "trading liabilities" are valued, in case of securities and commercial paper, etc., at the market value as of the date of the consolidated balance sheets and, in the case of derivatives, including swaps, futures and options, at the amount due if the transactions were to be settled based on the date of the consolidated balance sheets.

3. Securities are mainly carried at cost, determined by the moving average method.

For securities held as trust assets, mainly for securities investment purposes, in individually managed money held in trusts, those listed on stock exchanges are carried at the lower of cost or market, cost being determined by the moving average method. Securities that do not fit this category are carried at cost, determined by the moving average method.

4. Premises and equipment held by the Bank are stated as follows:

- Buildings: Straight-line method, based at rates in the Corporation Tax Law of Japan.
- Equipment: Declining balance method, based at rates in the Corporation Tax Law of Japan.
- Other: As provided by the Corporation Tax Law of Japan.

Premises and equipment held by the consolidated subsidiaries are depreciated mainly by the straight-line method based on the estimated useful lives.

5. Software has been depreciated by the straight-line method based on the estimated useful lives (principally 5 years) decided by the Bank and the domestic consolidated subsidiaries.

And Software formerly in "other assets" is still included in "other assets" in accordance with "Practical Guidelines Concerning Accounting for Research and Development Costs and Software" (JICPA Accounting Committee Report No. 12, March 31, 1999).

6. Foreign currency assets and liabilities held by the Bank are mainly translated into yen at the market rates prevailing at the consolidated balance sheet date. Foreign currency assets and liabilities held by the consolidated subsidiaries are mainly translated into yen at the market rates prevailing at the each balance sheet date.

7. The Bank and a consolidated subsidiary which is engaged in the trust business made provisions for possible loan losses as described as follows, based on their criteria for writing-off and making provisions.

For loans to insolvent customers who are undergoing bankruptcy or other collection proceedings or in a similar financial condition, the reserve for possible loan losses is provided in the full amount of such loans, excluding the portion that is estimated to be recoverable due to the disposal of collateral pledged or guarantees.

For the unsecured and unguaranteed portion of loans to customers not presently in the above circumstances, but in a high probability of becoming so, the reserve for loan losses is provided for estimated unrecoverable amounts determined after a valuation of collateral pledged, guarantees and the customer's overall financial condition.

For other loans, the reserve for possible loan losses is provided based on the actual rate of loan losses in the past.

The reserve includes a special reserve for possible losses on overseas loans likely to become uncollectible due to political and economic circumstances of relevant countries.

Regarding each loan, the Credit Review Office, which is controlled separately from operating divisions, reviews asset valuations of collectibility of each loan made by operating divisions based on the Bank's assets self-assessment standards. Provisions for possible loan losses are based on the results of these reviews.

In the fiscal year ended March 31, 2000, some secured loans have been written off to the amount which are appraised to be uncollectible. The loans which have been written-off amounted to 472,518 million yen.

Although "reserve for possible loan losses" had been recorded as liabilities until the fiscal year ended March 31, 1999, the account is recorded in the assets of the balance sheets as a deduction item from this fiscal year ended March 31, 2000 with the change of forms regulated by "Bank Law Enforcement Regulations". As a result of this change, both total assets and total liabilities as of March 31, 2000 decreased by 458,786 million yen.

The other consolidated subsidiaries made necessary provisions for possible loan losses principally based on their actual rate of loan losses in the past.

8. The Bank and its domestic consolidated subsidiaries set aside a reserve for severance payments based on the amount required to be paid if all employees voluntarily retired at the consolidated balance sheet date.

In addition, the Bank has adopted adjusted pension plans for a portion of its pension system, and some of the Bank's consolidated subsidiaries have also pension systems.

9. The reserve for contingent liabilities related to loans sold is set aside based on the estimated liabilities of further losses on the loans collateralized by real estate sold to the Cooperative Credit Purchasing Company, Limited.

10. The reserve for supporting specific borrowers is set aside based on the estimated amount to assist specified borrowers in management restructuring.

11. Noncancelable lease transactions of the Bank and its domestic consolidated subsidiaries are accounted for as operating leases regardless of whether such leases are classified as operating leases or finance leases except that lease agreements which stipulate the transfer of ownership of the leased property to the lessee are accounted for as finance leases.

12. The Bank and its domestic consolidated subsidiaries account for consumption taxes and local consumption taxes principally using the tax-excluded method.

13. Other Reserves:

The Reserve for financial futures transactions : 0 million yen

This reserve is set aside by the Bank in accordance with Article 82 of the Financial Futures Transactions Law.

14. Amount of accumulated depreciation of premises and equipment : 228,800 million yen

15. Amount of the reduction entry on acquisition cost of premises and equipment : 62,784 million yen

16. Some computers are used on lease agreements besides premises and equipment on the consolidated balance sheets.

17. Loans to borrowers in legal bankruptcy amounted to 76,530 million yen, and past due loans (6 months or more) amounted to 647,460 million yen.

Loans to borrowers in legal bankruptcy are those loans - among all loans for which payment of principal or interest has not been received for a substantial period and for which, for other reasons, there are no prospects for recovery or repayment of principal or interest, and, accordingly, no interest has been accrued (excluding loans written off and hereinafter referred to as nonaccrual loans) - for which the circumstances apply as stated in the Implementation Ordinances for the Corporation Tax Law (Government Ordinance No.97, 1965), items i through v in Article 96, Section 1, Part 3 or the circumstances stated in Part 4 of the same article.

Past due loans (6 months or more) are those nonaccrual loans other than Loans to borrowers in legal bankruptcy and other than loans for which interest payments have been rescheduled with the objective of assisting these borrowers in management restructuring.

18. Loans past due 3 months or more amounted to 88,790 million yen.

Loans past due 3 months or more are loans in respect of which payment of principal or interest has been over due by 3 months or more from the contract payment date, except "loans to borrowers in legal bankruptcy" or "past due loans (6 months or more)".

19. Restructured loans amounted to 95,398 million yen.

Restructured loans are those for which the Bank has provided terms and conditions - including reducing interest rates, rescheduling interest and principal payments, or waiving of claims on the borrower - more favorable to the borrower than those in the original loan agreement, excluding "loans to borrowers in legal bankruptcy", "past due loans (6 months or more)", and "loans past due 3 months or more".

20. Total amount of loans to borrowers in legal bankruptcy, past due loans (6 months or more), loans past due 3 months or more, and restructured loans were 908,180 million yen.

The amounts in these notes from No. 17 to No. 20 are before deduction of reserve for possible loan losses.

21. Assets pledged as collateral were as follows:

- Securities 35,713 million yen
- Loans 323,080 million yen

Liabilities corresponding to assets which were pledged as collateral:

- Deposits 134,348 million yen
- Call money 220,000 million yen
- Bills sold 15,000 million yen
- Borrowed money 21,575 million yen
- Other liabilities 224 million yen

Besides above, securities for exchange payment or securities for dealings in futures:

- Securities 318,932 million yen
- Loans 13,041 million yen
- Other assets 4 million yen

22. As “Regulation concerning the exception for taxable standards of the business tax of banks in Tokyo” was passed and approved on March 30, 2000, the taxable standards of the business tax of the Bank in Tokyo has been changed from former taxable income to gross operating profit from the fiscal year ending March 31, 2001. Therefore, as the business tax in Tokyo should not be included in the base of calculation of new accounting for income taxes any more, the Bank has changed the effective tax rate from 41.86% to 39.91% from the fiscal year ended March 31, 2000 with the calculation of deferred tax assets and deferred tax liabilities are made.

Due to this change, deferred tax assets decrease by 13,833 million yen and deferred income taxes increased by the same amount. Deferred tax liabilities on land revaluation decreased by 4,264 million yen and land revaluation difference increased by the same amount.

23. The Bank had revalued land used for business purposes based on the Law Concerning Land Revaluation (Law 34, announced on March 31, 1998).

Deferred tax in the revaluation difference has been recorded in liabilities, and the rest has been recorded in stockholders' equity.

Revaluation date : March 31, 1998

Revaluation method as stated in Article 3-3 of the Land Revaluation Law:

The value of land is based on the official notice prices stated in the Law of the Public Notice of Land Price (assessed date, January 1, 1998), as stipulated in Article 2-1 of the Ordinance for the Land Revaluation Law (announced on March 31, 1998), after making reasonable adjustments such as for location and quality of sites.

The difference between the current value of revalued land used for business purpose based on the Article 10 of this law as of March 31,2000 and the book value of this land was 53,836 million yen.

24. Borrowed money included subordinated debt amounting to 642,000 million yen, which, by special covenants, are subordinated to other obligations in the order of their performance.

25. All of the Bonds issued are subordinated bonds.

26. Net assets per share: 347.95 yen

Consolidated Statement of Operations (Main Items) (Unaudited)

Fiscal Year ended March 31, 2000

Millions of yen

Income

Operating Income	¥	589,148
Interest on loans and discounts	(458,688)
Interest and dividends on securities	(56,136)
Fees and commissions		86,453
Trading income		1,787
Other operating income		24,207
Other income		458,668

<i>Total Income (Ordinary Income)</i>	¥	1,160,265
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Expenses

Operating expenses	¥	208,490
Interest on deposits	(74,000)
Fees and commissions		21,117
Trading expenses		3
Other operating expenses		23,857
General and administrative expenses		275,437
Other expenses		537,308

<i>Total Expenses (Ordinary Expenses)</i>	¥	1,066,214
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<i>Ordinary Net Income</i>	¥	94,051
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Extraordinary profits		489
Extraordinary losses		16,011
Income before Income Taxes		78,529
Income Taxes:		
Current		18,069
Deferred		29,462
Minority interests in net Income		-407

<i>Net Income</i>	¥	31,404
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Note:

1. Amounts of less than one million yen have been rounded down.

2. Net income per share: 9.40 yen

3. Net income per share (latent equity adjusted): 8.70 yen

4. Profits and losses from transactions of trading purposes are included in "Trading income" or "Trading expenses" in the consolidated statement of operations, as of the date when the transactions has been contracted.

"Trading income" and "trading expenses" include amounts of interest received or paid during the period plus the amount of difference between the profits or losses generated from valuation for securities, commercial papers, derivatives, etc. as at the end of the preceding period and those as at the end of this period.

5. Other ordinary income include:

Gains on sale of stocks and other securities 415,456 million yen

6. Other ordinary expenses include:

Losses on sale of stocks and other securities : 161,174 million yen

Write-off of of stocks and other securities : 93,273 million yen

Write-off of claims : 68,097 million yen

Provisions for reserve for contingent liabilities related to loans sold : 22,556 million yen

Losses on the sale of loans collateralized by real estate to the CCPC : 15,899 million yen

Consolidated Statement of Retained Earnings (Unaudited)

Fiscal Year ended March 31, 2000

	Millions of yen	
Balance of retained earnings at the beginning of the fiscal year	¥	124,183
Increase of retained earnings		4,329
Due to increase of retained earnings with reversal of land revaluation difference	(4,329)
Decrease of retained earnings		18,031
Cash dividends	(17,996)
Due to change of the scope of consolidation	(35)
Net Income		31,404
<i>Balance at end of year</i>	¥	141,886

Amounts of less than one million yen have been rounded down.

Consolidated Statement of Cash Flow (March 31,2000 / Unaudited)

(Millions of yen)

	Fiscal 1999
Cash flows from operating activities:	
Net income before income taxes	78,529
Depreciation	23,179
Amortization of consolidation difference	6,555
Increase in reserve for possible loan losses	-18,201
Equity in net loss of affiliated company	385
Increase in reserve for contingent liabilities related to loans sold	-13,706
Increase in reserve for supporting specific borrowers	6,603
Increase in reserve for severance payments	1,511
Operating income	-589,148
Operating expenses	208,490
(Gains) losses in investment securities	-252,537
(Gains) losses from exchange rate changes	12,961
(Gains) losses from disposition of premises and equipment	-15,736
Net (increase) decrease in trading assets	-155,873
Net increase (decrease) in trading liabilities	5,977
Net (increase) decrease in loans and bill discounted	390,628
Net increase (decrease) in deposits	127,558
Net increase (decrease) in negotiable certificate of deposit	559,147
Net (increase) decrease in due from banks (excluding due from the Bank of Japan)	-223,664
Net (increase) decrease in call loans and others	-47,606
Net increase (decrease) in call money and others	-1,074,258
Net increase (decrease) in commercial papers	50,000
Net increase (decrease) in collateral deposit on securities lent	11,364
Net (increase) decrease in foreign exchanges (assets)	44,791
Net increase (decrease) in foreign exchanges (liabilities)	-1,293
Net increase (decrease) in due to trust account	133,977
Proceeds from interest-earning assets	588,768
Payments on interest-bearing liabilities	-234,704
Others	266,707
Total	-109,596
Income taxes	-3,415
Net cash provided by (used in) operating activities	-113,012
Cash flows from investing activities:	
Payments for purchase of securities	-6,786,339
Proceeds from sales of securities	6,591,092
Proceeds from maturities of securities	610,399
Payments for increase of money held in trust	-190,000
Proceeds from decrease of money held in trust	63,316
Payments for acquisition of premises and equipment	-24,965
Proceeds from sales of premises and equipment	5,416
Net cash provided by (used in) investing activities	268,920
Cash flows from financing activities:	
Payment of subordinated debt	-25,000
Payment of subordinated bonds and convertible bonds	-2,988
Dividends paid	-17,996
Payment of dividends to minority interests	-180
Net cash provided by (used in) financing activities	-46,165
Effect of exchange rate changes on cash and cash equivalents	-189
Net increase (decrease) in cash and cash equivalents	109,553
Cash and cash equivalents at beginning of year	602,563
Net increase in cash and cash equivalents with new consolidation	4
Cash and cash equivalents at end of the fiscal 1999	712,120

Note:

1. Amounts of less than one million yen have been rounded down.

2. In the consolidated statement of cash flow, scope of capital is cash and due from the Bank of Japan in “cash and due from banks” in the consolidated balance sheets.

3. Cash and cash equivalents as of March 31, 2000 consisted of the following:

	<i>(Millions of yen)</i>
Cash and due from banks	1,187,769
Due from banks excluding due from The Bank of Japan	- 475,648
Cash and cash equivalents	<u>712,120</u>

4. Assets and liabilities of newly consolidated subsidiaries due to acquisition of stocks:

	<i>(Millions of yen)</i>
Assets	179,393
Liabilities	- 187,526
Others	- 110
Minority interest in consolidated subsidiaries	- 259
Consolidation difference	<u>8,541</u>
Payment for acquisition of stocks of newly consolidated subsidiaries	37
Cash and cash equivalents of newly consolidated subsidiaries	<u>4</u>
Net payment for acquisition of stocks of newly consolidated subsidiaries	33

5. Material non-cash transactions are as follows:

	<i>(Millions of yen)</i>
Increase of common stock due to conversion of convertible bonds	69
Increase of capital surplus due to conversion of convertible bonds	69
Decrease of convertible bonds due to Conversion	<u>139</u>

Consolidated Balance Sheets (Main Items) (Unaudited)

As of March 31, 2000 and 1999

Millions of yen

	As of Mar. 31, 2000	As of Mar. 31, 1999
Assets		
Cash and due from banks	¥ 1,187,769	¥ 833,085
Call loans	153,563	105,956
Commercial paper and other debt purchased	429	-
Trading assets	438,962	283,088
Money held in trust	210,000	83,316
Securities	3,639,112	3,914,008
Loans and bills discounted	20,581,734	20,806,683
Foreign exchanges	65,141	109,932
Other assets	419,820	408,131
Premises and equipment	478,342	480,888
Deferred tax assets	303,657	336,198
Consolidation differences	8,192	-
Customers' liabilities for acceptances and guarantees	1,760,192	1,934,903
Reserve for possible loan losses	-458,786	-
Total Assets	¥ 28,788,131	¥ 29,296,192
Liabilities		
Deposits	¥ 19,921,465	¥ 19,793,906
Negotiable certificates of deposit	1,976,091	1,416,944
Call money and bills sold	1,278,836	2,353,095
Commercial papers	120,000	70,000
Trading liabilities	40,310	34,332
Borrowed money	823,458	800,944
Foreign exchanges	4,775	6,068
Bonds issued	370,615	372,055
Convertible bonds and notes	-	3,127
Other liabilities	910,490	503,941
Reserve for possible loan losses	-	428,030
Reserve for severance payments	27,224	25,698
Reserve for contingent liabilities related to loans sold	64,073	77,780
Reserve for supporting specific borrowers	6,603	-
Other reserves	0	2
Deferred tax liabilities on land revaluation	87,272	94,654
Consolidation differences	-	414
Acceptances and guarantees	1,760,192	1,934,903
Total Liabilities	¥ 27,391,409	¥ 27,915,901
Minority interests in consolidated subsidiaries	¥ 8,617	¥ 9,965
Stockholders' Equity		
Common stock	¥ 605,356	¥ 605,287
Capital surplus	509,486	509,416
Land revaluation difference	131,400	131,466
Retained earnings	141,886	124,183
Common stock in treasury	9	12
Common stock held by subsidiaries	16	16
Total Stockholders' Equity	¥ 1,388,104	¥ 1,370,325
Total Liabilities, Minority interests in consolidated subsidiaries, and Stockholders' Equity	¥ 28,788,131	¥ 29,296,192

Consolidated Statements of Operations (Main Items) (Unaudited)

Fiscal year ended March 31, 2000 and 1999

Millions of yen

	Fiscal 1999	Fiscal 1998
Income		
Operating Income	¥ 589,148	¥ 655,705
Fees and commissions	86,453	75,249
Trading income	1,787	3,689
Other operating income	24,207	48,524
Other income	458,668	167,318
Total Income (Ordinary Income)	¥ 1,160,265	¥ 950,487
Expenses		
Operating expenses	¥ 208,490	¥ 296,010
Fees and commissions	21,117	18,903
Trading expenses	3	12
Other operating expenses	23,857	29,978
General and administrative expenses	275,437	281,793
Other expenses	537,308	735,831
Total Expenses (Ordinary Expenses)	¥ 1,066,214	¥ 1,362,528
Ordinary Net Income	¥ 94,051	¥ -412,040
Extraordinary profits	489	36,954
Extraordinary losses	16,011	3,213
Income before Income Taxes	78,529	-378,299
Income Taxes:		
Current	18,069	3,542
Deferred	29,462	-124,750
Minority interests in net income	-407	3,026
Net Income	¥ 31,404	¥ -254,065

Principales of consolidation for consolidated financial statements (March 31,2000)

1. Scope of consolidation

(1) Consolidated subsidiaries: 27

Principal consolidated subsidiaries are Asahi Trust and Banking Co., Ltd., Asahigin Guarantee Co., Ltd. and Asahi Card Co., Ltd.

Asahi Bank Factoring Co., Ltd. and Asahi Bank Finance Service Co., Ltd. were affiliated companies accounted for by the equity method in the fiscal year 1998.

After additional acquisition of their stocks, they are consolidated from the fiscal year 1999.

Although Asahi Securities Co., Ltd. was liquidated and excluded from consolidation, the consolidated financial statements includes its operation.

And Asahi Investment Management Co., Ltd. was also excluded from consolidation because of the merger with Asahi Tokyo Investment Trust Management Co., Ltd.

(2) Nonconsolidated subsidiaries

Principal nonconsolidated subsidiaries are Yamabun Securities Co., Ltd., and Saiei Real Estate Co., Ltd.

The total assets, ordinary income, net income (based on the owned interest), and retained earnings (based on the owned interest) of these nonconsolidated subsidiaries have no material effect on the Bank's consolidated financial statements. So these subsidiaries are excluded from consolidation.

2. Application of the equity method

(1) Affiliated companies accounted for by the equity method : 4

Principal affiliated companies accounted for by the equity method are Showa Leasing Co., Ltd. and Asahigin Leasing Co., Ltd.

(2) Affiliated companies not accounted for by the equity method are Siam City-Showa Leasing Co., Ltd., and Asahigin Leasing (U.S.A.) Inc.

The net income (based on the owned interest), and retained earnings (based on the owned interest) of these nonconsolidated subsidiaries and affiliated companies not applying the equity method have no material effect on the Bank's consolidated financial statements. So these subsidiaries and companies are not accounted for by the equity method.

3. Fiscal balance sheet date of consolidated subsidiaries

(1) Fiscal balance sheet dates of consolidated subsidiaries are as follows:

December 31: 9 subsidiaries

March 31: 18 subsidiaries

(2) The subsidiaries mentioned above are consolidated based on their financial statements as of each balance sheet date. The accounts of these subsidiaries have been made appropriate adjustments for any material transactions during the period between December 31st and March 31st.

4. Valuation of assets and liabilities of consolidated subsidiaries:

Partial revaluation method is applied to value assets and liabilities of consolidated subsidiaries.

5. Amortization of consolidation difference:

Consolidation difference is amortized over 10 years by straight-line method.

6. Retained earnings:

Consolidated statements of retained earnings are made based on decision that has been made in the fiscal year 1999.

7. Scope of cash and cash equivalents on the fiscal consolidated cash flow statements:

For the purpose of the consolidated cash flow statements, "Cash and cash equivalents" consists of "Cash" and "Demand Deposit with the Bank of Japan" included in "Cash and due from banks" on the consolidated balance sheets.

Segment Information

1. Business Segment Information

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

2. Geographical Segment Information

Fiscal year ended March 31, 1999 (consolidated)

(millions of yen)

	Japan	Americas	Europe	Asia / Oceania	Combined total	Eliminations and intercompany	Consolidated total
I. Ordinary income							
(1) Customers	822,436	31,360	14,863	81,827	950,487	-	950,487
(2) Inter-segment	42,819	11,040	694	789	55,343	(55,343)	-
Total	865,255	42,400	15,558	82,616	1,005,831	(55,343)	950,487
Ordinary expenses	1,275,010	41,157	16,777	84,893	1,417,839	(55,311)	1,362,528
Ordinary net income (loss)	-409,755	1,242	-1,218	-2,277	-412,008	(32)	-412,040
II.Assets	31,267,326	802,557	549,051	2,312,960	34,931,895	(5,635,702)	29,296,192

Fiscal year ended March 31, 2000 (consolidated)

(millions of yen)

	Japan	Americas	Europe	Asia / Oceania	Combined total	Eliminations and intercompany	Consolidated total
I. Ordinary income							
(1) Customers	1,089,045	19,385	4,136	47,699	1,160,265	-	1,160,265
(2) Inter-segment	36,777	22,021	3,931	4,825	67,554	(67,554)	-
Total	1,125,822	41,406	8,067	52,524	1,227,820	(67,554)	1,160,265
Ordinary expenses	1,029,954	44,366	8,805	53,657	1,136,784	(70,570)	1,066,214
Ordinary net income (loss)	95,867	-2,960	-737	-1,133	91,035	3,015	94,051
II.Assets	26,916,947	699,877	546,314	1,394,648	29,557,787	(769,656)	28,788,131

Notes: 1. Branches of the Bank and consolidated subsidiaries are divided into four segments in consideration of geographic proximity, similarity of economic activity, and interrelation of business activity. The Bank shows ordinary income and ordinary net income in these four segments in stead of sales and operating income figures.

2. The Americas comprises the United States; Europe includes the United Kingdom, Germany, and certain other countries; and Asia / Oceania comprises Hong Kong, Australia, and certain other countries.

3. Change of accounting policies

(1) Change of depreciation method

Depreciation of buildings is computed by the straight-line method based at rates in the Corporation Tax Law of Japan from the fiscal year ended March 31,2000.

Due to this change, in "Japan" ordinary expenses and ordinary net loss decreased by 2,975 million yen comparing with applying the former method.

And assets increased by the same amount.

(2) Change of useful lives of premises and equipment

Useful lives of buildings are shortened from fiscal 1999. Due to this change, in "Japan"ordinary expenses and ordinary net loss increase by 280 million yen comparing with applying the former useful lives of buildings. And assets decreased by the same amount.

(3) Change of financial statements description due to revision of the Consolidated Financial Statements Regulations.

Business Tax description on the financial statements is changed from fiscal1999. Due to this change, in "Japan" ordinary expenses and ordinary net loss decrease by 125 million yen comparing with former description. Although description of "amortization of consolidation difference" and "equity in net gain (loss) of affiliated company" are also changed, there is no influence of this change.

3. Overseas ordinary income

(millions of yen)

	Overseas ordinary income (A)	Consolidated ordinary income (B)	(A) / (B)
Fiscal year ended March 31, 2000	71,220	1,160,265	6.1%

Notes: 1. Although the Bank had reported "ordinary income from international operations" in stead of overseas sales, the Bank reports "overseas ordinary income" to show overseas transactions more definitely, starting from this first half of fiscal 1999.

2. Ordinary income from international operations comprises transactions of parent companies that are customers of the Bank with their overseas offices, and ordinary income arising from transactions with consolidated overseas subsidiaries (excluding inter-company ordinary income generated among consolidated subsidiaries). As the breakdown into countries or regions is the same as geographical segment information, it is therefore not presented here.

Securities

(millions of yen)

Listed Securities	Mar. 31, 2000				
	Book Value (consolidated) X	Market Value Y	Unrealized Gains / Losses Y-X	Unrealized Gains / Losses	
				Gains	Losses
Bonds	66,703	67,188	484	484	-
Stocks	2,002,648	2,515,354	512,706	572,281	59,574
Others	47,236	54,582	7,346	7,403	57
Total	2,116,588	2,637,125	520,536	580,169	59,632

Note: 1. Trading securities and Securities shown above are listed securities. Bonds include Japanese government, municipal and corporate bonds. Market values of listed securities are based on their closing prices on mainly the Tokyo Stock Exchange or derived from interest rates published on "Quotations for over-the-counter government and corporate bonds (base rates)" by the Japan Securities Dealers Association ("JASDA").

2. Unlisted securities for which market values can be calculated are shown in the table below.

(millions of yen)

Unlisted Securities	Mar. 31, 2000				
	Book Value (consolidated) X	Market Value Y	Unrealized Gains / Losses Y-X	Unrealized Gains / Losses	
				Gains	Losses
Bonds	828,658	838,571	9,912	11,694	1,781
Stocks	38,997	62,988	23,991	25,011	1,020
Others	8,601	8,671	69	276	206
Total	876,257	910,231	33,974	36,982	3,008

Calculation of estimated market values for unlisted securities: Those for over-the-counter securities are derived from trading prices released by the Japan Securities Dealers Association ("JSDA"), those for bonds publicly issued are derived from interest rates published on "Quotations for over-the-counter government and corporate bonds (base rates)" by JSDA, and those for securities held in securities investment trust are derived from the market prices announced by authorized fund management companies.

Market values of U.S. securities traded over-the-counter are calculated based on transaction prices indicated on NASDAQ in the U.S.A. and others.

3. Book values of main securities not included in the above disclosure are as follows :

(millions of yen)

Securities	BOOK VALUE
	Mar. 31, 2000
Bonds	471,518
Stocks	60,492
Others	114,255

4. The above schedules excludes trading securities and securities related to trading transactions, because these transactions are revalued at the market value prevailing at the consolidated balance sheet date. The gains (or losses) in consequence of the revaluation credited (or debited) to the consolidated statement of income.

Money held in trust

(millions of yen)

Money held in trust	Mar. 31, 2000				
	Book Value (consolidated) X	Market Value Y	Unrealized Gains / Losses Y-X	Unrealized Gains / Losses	
				Gains	Losses
Money held in trust	210,000	210,000	-	-	-

Note: The market value is calculated appropriately by the trustee of the money held in trust as follows:

1. Listed securities - Their final closing prices for term-end, primarily on the Tokyo Stock Exchange.
2. Over-the-counter securities - Trading price table published by the JSDA.

Derivatives

(Millions of Yen)

Interest rate related transactions			Mar. 31, 2000				
			Contract Value or Notional Principal Amount (option premium)		Market value	Unrealized Gains/Losses	
Listed	Futures	Sold		Over 1 year			
						144,769	-
		Bought	64,622	-	64,502	-119	
	Options	Sold	Call	-	-	-	
			Put	(-)	-	-	-
		Bought	Call	-	-	-	-
				(-)	-	-	-
			Put	-	-	-	-
				(-)	-	-	-
Unlisted	Forward Rate Agreements	Sold	-	-	-	-	
		Bought	-	-	-	-	
	Swaps	Receive-fix	5,063,877	3,047,759	92,348	92,348	
		Pay-fix	6,409,162	3,698,938	-111,617	-111,617	
		Basis	965,788	735,788	-703	-703	
		Rec. pay-fix	-	-	-	-	
	Options	Sold	Call	-	-	-	-
			(-)	-	-	-	
		Bought	Put	-	-	-	-
				(-)	-	-	-
			Call	-	-	-	-
				(-)	-	-	-
	Caps	Sold	36,300	31,300			
			(88)		65	23	
		Bought	428,000	353,000			
			(2,535)		1,395	-1,140	
	Floors	Sold	-	-			
			(-)	-			
	Others	Bought	-	-			
			(-)	-			
Sold		530	-	13	-13		
		(-)	-				
Total						-21,014	

Note: 1. The market value listed represents the closing prices on the Tokyo International Financial Futures Exchange and other exchanges at the end of March 31. Over-the-counter transactions are calculated by net present value or value based on option pricing models.

2. The above schedule excludes derivatives related to trading transactions, because those derivatives are revaluated at the market rates prevailing at the consolidated balance sheet date.

The gains (or losses) in consequence of the revaluation credited (or debited) to the consolidated statements of operations.

Contract Values or notional principal amounts and market values of derivatives mentioned above are as follows:

(Millions of Yen)

			Mar. 31, 2000		
			Contract Value or Notional Principal amount (option premium)	Market value	
Listed	Futures	Sold	167,125	167,128	
		Bought	212,881	212,620	
	Options	Sold	Call	-	-
			Put	(-)	-
		Bought	Call	-	-
			Put	(-)	-
	Unlisted	Forward Rate	Sold	45,905	-17
		Agreements	Bought	118,535	33
Swaps		Receive-fix	1,941,248	19,820	
		Pay-fix	2,083,426	-18,683	
		Basis	1,000	-2	
		Rec., pay-fix	-	-	
Options		Sold	Call	-	-
			Put	(-)	-
		Bought	Call	-	-
			Put	(-)	-
Caps	Sold	23,466			
		(233)	93		
	Bought	33,500			
Floors	Sold	-	-		
	Bought	(-)	-		
Others	Sold	-	-		
	Bought	(-)	-		

(Millions of Yen)

Currency Swaps		Mar. 31, 2000			
		Contract value or notional principal amount		Market Value	Unrealized Gains/Losses
			Over 1 year		
Unlisted	Currency Swaps	360,780	39,807	-1,453	-1,453
	U.S. Dollar	315,660	28,810	-1,227	-1,227
	Swiss Franc	15,985	-	-205	-205
	Hong Kong Dollar	13,633	8,180	-5	-5
	Others	15,500	2,816	-13	-13

Note : 1. Market values are calculated based on the discounted present values.

2. The above schedule excludes derivatives related to trading transactions, because those derivatives are revaluated at the market rates prevailing at the consolidated balance sheet date. The gains (or losses) in consequence of the revaluation credited (or debited) to the consolidated statement of operations.

Contract Values or notional principal amounts and market values of derivatives mentioned above are as follows:

(Millions of yen)

Currency Swaps		Mar. 31, 2000	
		Contract value or notional principal amount	Market Value
Unlisted	Currency Swaps	59,429	61
	U.S. Dollar	31,625	47
	Swiss Franc	23,179	11
	Others	4,624	1

3. The above schedule excludes transactions related to currency, for example foreign exchange forward contracts and currency options, because these transactions are revaluated at the market rates prevailing at the consolidated balance sheet date. The gains (or losses) in consequence of the revaluation credited (or debited) to the consolidated statements of operations.

Above mentioned transactions related to currency are as follows:

(Millions of Yen)

			Mar. 31, 2000		
			Contract value or notional principal amount	(option premium)	
Listed	Futures	Sold	-	-	
		Bought	-	-	
	Options	Sold	Call	-	(-)
			Put	-	(-)
		Bought	Call	-	(-)
			Put	-	(-)
	Unlisted	Forward	Sold	722,599	-
			Bought	730,093	-
Options		Sold	Call	15,108	(102)
			Put	12,040	(231)
		Bought	Call	16,273	(185)
			Put	11,523	(251)
Others		Sold	-	-	
		Bought	-	-	

There is no stock derivatives.

(Millions of Yen)

Bond contracts				Mar. 31, 2000		Market value	Unrealized Gains/Losses		
				Contracted amount (option premium)	Over 1 year				
Listed	Futures		Sold	80,036	-	80,215	-178		
			Bought	-	-	-	-		
	Options	Sold	Call	-	-	-	-		
			Put	(-)	-	-	-		
		Bought	Call	-	-	-	-		
			Put	(-)	-	-	-		
		Unlisted	Options	Sold	Call	20,016	-	4	19
					Put	(23)	-	-	25
Bought	Call		-	-	-	-			
	Put		24,897	-	26	-37			
Others		Sold	-	-	-	-			
		Bought	-	-	-	-			
Total							-170		

Note: 1. The market value listed represents the closing prices on the Tokyo Stock Exchange and other exchanges at the end of March 31, 2000.

Over-the-counter transactions are calculated by net present value or value based on option pricing models.

2. Gains / (losses) generated from valuation for derivatives in trading accounts are included in the consolidated statements of operations.

The contract amounts and market values of derivatives in trading accounts are as follows:

(Millions of Yen)

Bond contracts				Mar. 31, 2000			
				Contracted amount (option premium)	Market value		
Listed	Futures		Sold	4,190	4,208		
			Bought	525	526		
	Options	Sold	Call	-	-		
			Put	(-)	-		
		Bought	Call	-	-		
			Put	(-)	-		
		Unlisted	Options	Sold	Call	-	-
					Put	(-)	-
Bought	Call		-	-			
	Put		(-)	-			
Others		Sold	-	-			
		Bought	-	-			

There is no commodity derivatives.