

## Summary of September 30, 1999 Interim Results

### 1. Strengthened earnings base: Net operating profit up ¥13.0 billion to ¥82.2 billion

- Strong performance in core business ⇒ Domestic interest income rose ¥12.7 billion to ¥180.7 billion  
⇒ ROE based on net operating profit rose 4 percentage points to 11.89%
- High net interest margin improves further ⇒ Net interest margin on total funds improved 0.11% to 0.46%
- Steady progress in restructuring ⇒ Expenses (excluding IT expenditures) cut ¥2.2 billion to ¥108.6 billion

### 2. Contributing to a healthy financial system: Domestic loans grew sharply (by ¥513.3 billion excluding special factors)

- Increase in domestic loans continued ⇒ Domestic loans increased ¥460.6 billion (excluding impact loans)  
Adjusted increase (excluding special factors) of ¥513.3 billion  
⇒ Loans to small- and medium-sized companies accounted for ¥290.4 billion of the adjusted increase  
⇒ Growth continued in housing loans for year-on-year rise of ¥204.3 billion

### 3. Sounder, more efficient asset base: Large reduction in nonperforming loans

- Significant drop in nonperforming loans ⇒ Nonperforming loans (Financial Revitalization Law standards) were ¥828.3 billion, ¥101.6 billion less than the same period of the previous fiscal year, and the reserve coverage ratio improved by approximately two percentage points
- Responding to new accounting standards for market value accounting ⇒ Streamlined stock holdings by ¥129.4 billion (book value) from the previous fiscal year; unrealized gain on stock portfolio currently ¥412.9 billion

### 4. Japan's first multi-regional bank: Creation of a new financial group

- New financial group ⇒ Aiming to establish financial holding company in October 2000  
⇒ Financial group of regional banks and institutions from other sectors with dominant position in small- and middle-sized corporate and retail markets

## 1. Strengthened Earning Base

### ○ Earnings growth far exceeded initial forecasts

(100 million yen)

	Sept. 1999 a	Sept. 1998 b	Change (a-b)
Net operating profit [gyomu juneki]	822	691	130
Ordinary net income	357	136	220
Net income	183	118	65

\*Initial forecasts: Net operating profit of 650, ordinary net income of 230 and net income of 140

### ○ Strong performance in core business

(100 million yen)

	Sept. 1999 a	Sept. 1998 b	Change (a-b)
Domestic interest income	1,807	1,679	127
Adjusted net operating profit* <sup>1</sup>	827	735	91
ROA (adjusted net operating profit) annualized	0.58%	0.49%	0.08%

\*<sup>1</sup>Adjusted net operating profit = net operating profit – bond related gains and losses + - transfer to general reserves

	Sept. 1999 a	Mar. 1999 c	Change (a-c)
ROE (net operating profit)* <sup>2</sup> annualized	11.89%	7.89%	4.00%

\*<sup>2</sup>Net operating profit ÷ (equity beginning + equity ending) / 2 (based on Management Plan to Bolster Sound Operations)

### ○ Expansion of the high net interest margin

	Sept. 1999 a	Mar. 1999 c	Change (a-c)
Overall net interest margin	0.46%	0.35%	0.11%
Net loan deposit spread (includes negotiable CDs)	0.72%	0.47%	0.25%
Average interest rate on loans	2.17%	2.25%	- 0.08%
Average interest rate on deposits	0.23%	0.38%	- 0.14%
Loan deposit spread	1.93%	1.87%	0.06%

\*Net interest margin on total assets and deposits for all branches; loan deposit spread for domestic operations

○ **Steady progress in restructuring**

(100 million yen)

	Sept. 1999 a	Sept. 1998 b	Change (a-b)
Expenses	1,252	1,261	- 8
Personnel	549	572	- 22
Non-personnel	627	612	14
IT expenditures	166	152	13
Expenses (excluding IT expenditures)	1,086	1,109	- 22

**2. Contributing to Healthy Financial System**

○ **Continued growth in domestic lending**

(100 million yen)

	Sept. 1999 a	Mar. 1999 c	Change (a-c)
Domestic loans	186,948	182,342	4,606
To small/medium-sized companies	71,868	70,072	1,796
Housing loans	56,303	54,260	2,043

\*(Based on Management Plan to Bolster Sound Operations) (excludes impact loans)

[Adjusted (excludes effects of nonperforming loan disposal and other special factors)]

Domestic loans	195,582	190,449	5,133
To small/medium-sized companies	78,909	76,005	2,904

### 3. Sounder, More Efficient Asset Base

#### ○ Substantial decline in nonperforming loans (100 million yen)

	Sept. 1999 a	Mar. 1999 c	Change (a-c)
Financial Revitalization Law standard	8,283	9,299	- 1,016
Unrecoverable	1,512	1,698	- 187
Risk	4,647	5,533	- 886
Special attention	2,124	2,067	57
Reserve coverage percentage	46.3%	44.4%	1.9%

	Sept. 1999 a	Mar. 1999 c	Change (a-c)
Risk managed loans	8,209	9,201	- 992
To borrowers in legal bankruptcy	828	968	- 140
Past due loans—6 months	5,257	6,623	- 1,366
Past due loans—3 months	1,096	506	590
Restructured loans	1,028	1,104	- 76
Reserve coverage percentage	46.7%	44.9%	1.8%

#### ○ Response to market value accounting

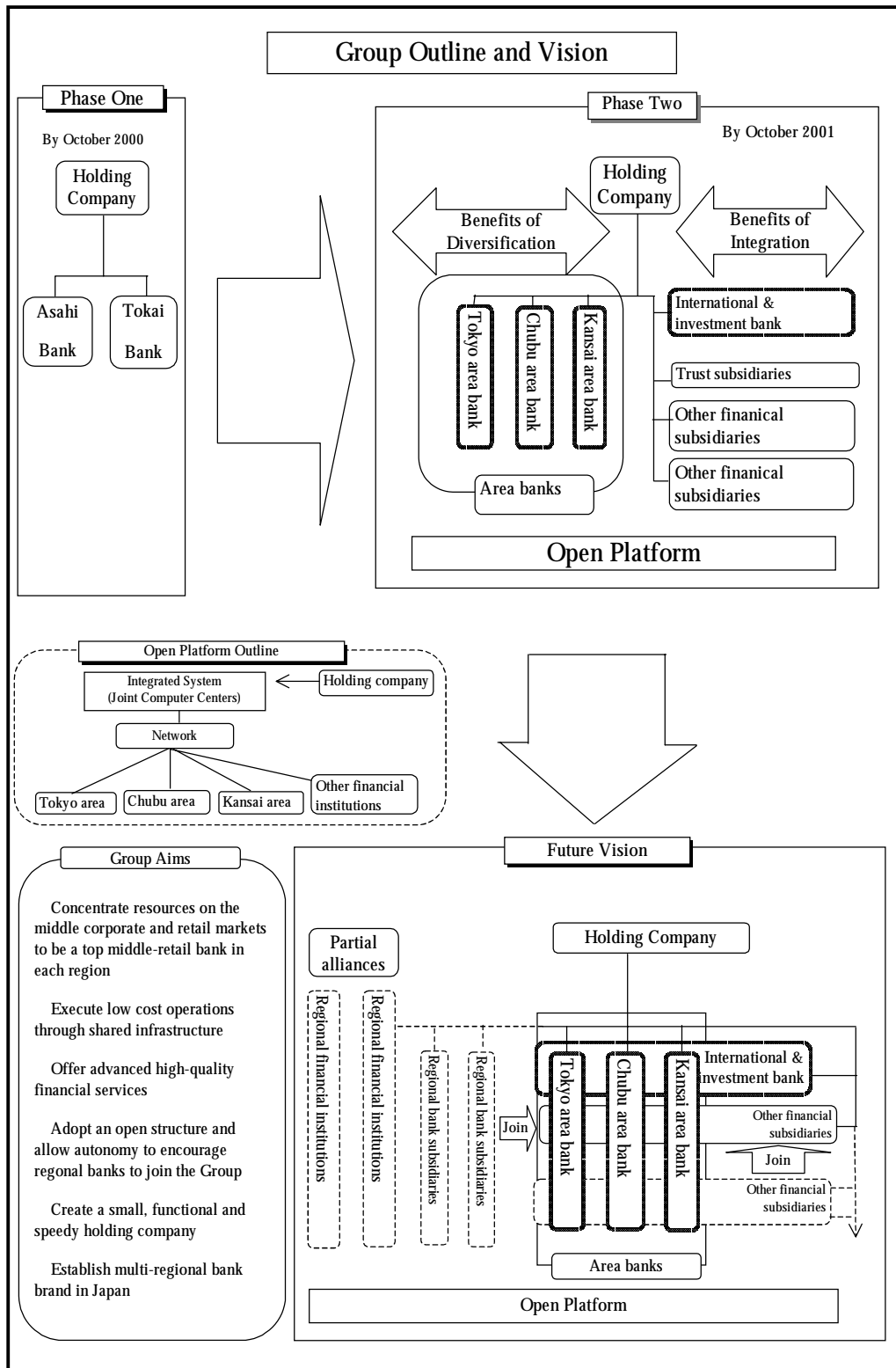
(100 million yen)

	Sept. 1999 a	Mar. 1999 c	Change (a-c)
Stock holdings	21,318	22,613	- 1,294
Unrealized gains	4,129	833	3,296

## 4. Multi-Regional Bank

### ○ Creating a new financial group

Asahi Bank and Tokai Bank will establish a financial holding company by October 2000 by means of stock transfers or stock swaps, with each bank becoming a wholly owned subsidiary.



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# I Results for the Interim Period Ended September 30, 1999

## (1) Statements of operations

		[Non-consolidated]			(Millions of yen, %)	
		Interim period ended September 30, 1999	Change	% Change	Interim period ended September 30, 1998	Fiscal year ended March 31, 1999
Gross operating profit		204,997	(8,127)	(3.8)	213,125	409,632
Gross operating profit from domestic operations		191,855	(3,244)	(1.6)	195,099	376,388
Interest income		180,713	12,737	7.5	167,976	336,070
Fees and commissions		14,623	(570)	(3.7)	15,193	28,595
Trading income		932	558	149.0	374	1,548
Other operating income		(4,413)	(15,968)	(138.2)	11,554	10,174
Gain or loss on trading of Japanese government bonds		(4,420)	(15,998)	(138.1)	11,578	10,260
Gross operating profit from international operations		13,142	(4,883)	(27.0)	18,026	33,243
Interest income		8,397	(2,664)	(24.0)	11,062	19,614
Fees and commissions		969	(351)	(26.5)	1,320	2,449
Trading income		197	202	4,091.6	(4)	202
Other operating income		3,577	(2,070)	(36.6)	5,648	10,977
Gain or loss on trading of foreign government bonds		1,378	(400)	(22.5)	1,778	2,936
Expenses		125,286	(892)	(0.7)	126,179	252,539
Personnel expenses		54,992	(2,286)	(3.9)	57,279	112,763
Nonpersonnel expenses		62,703	1,473	2.4	61,230	124,363
Tax expenses		7,590	(79)	(1.0)	7,669	15,412
Net operating profit (less provision for reserve for possible loan losses)		82,753	9,163	12.4	73,589	143,896
Excluding gains or losses on trading of bonds						
Including gains or losses on trading of bonds		79,711	(7,235)	(8.3)	86,946	157,093
Provision for reserve for possible loan losses		(2,500)	(20,327)	(114.0)	17,827	73,210
Net operating profit		82,211	13,092	18.9	69,118	83,883
Gains or losses on trading of bonds		(3,042)	(16,399)	(122.7)	13,357	13,197
Other gains or losses		(46,457)	8,969	16.1	(55,426)	(491,383)
Gains or losses on securities		27,599	(15,475)	(35.9)	43,074	104,599
Gains on sale of securities		51,427	(22,735)	(30.6)	74,163	134,512
Losses on sale of securities		7,807	1,648	26.7	6,159	18,057
Losses on devaluation of securities		16,020	(8,909)	(35.7)	24,929	11,854
Disposal of nonaccrual loans		60,730	(30,585)	(33.4)	91,315	578,845
Write-off of claims		27,697	27,544	18,016.2	152	143,470
Provision to specific reserve for losses		3,028	(76,922)	(96.2)	79,950	141,370
Losses on sales to Cooperative Credit Purchasing Company, Limited		3,383	2,494	280.5	889	30,761
Provision to reserve for contingent liabilities related to loans sold		10,610	6,994	193.4	3,616	49,893
Debt forgiveness		—	—	—	—	170,661
Losses from the sale of other claims		790	(199)	(20.1)	990	29,522
Transfer to reserve for losses incurred from supporting certain borrowers		13,271	13,271	—	—	—
Write-offs for foreign loans		—	(698)	(100.0)	698	2,795
Provision to specific reserve for losses on certain overseas loans		458	(4,559)	(90.8)	5,018	4,328
Provision to reserve for losses on investments in affiliates		1,498	1,489	—	—	6,040
(Waivers of loans to related non-bank)		(1,013)	(1,013)	( )	( )	(89,800)
Ordinary net income		35,753	22,061	161.1	13,692	(407,500)
Extraordinary gains or losses		(3,544)	(3,120)	(735.9)	(423)	32,514
Gains or losses on disposition of real estate/premises and equipment		(3,583)	(3,119)	(673.5)	(463)	32,323
Gains on disposal of real estate/premises and equipment		0	(981)	(99.9)	982	35,344
Losses on disposal of real estate/premises and equipment		3,583	2,138	147.8	1,445	3,020
Income, inhabitants and enterprise taxes		407	(1,053)	(72.0)	1,461	2,427
Income taxes deferred		13,486	13,486	—	—	(157,399)
Net interim income		18,314	6,508	55.1	11,806	(220,014)

**(2) Gross operating profit**

[Non-consolidated]

(Millions of yen)

	Interim period ended September 30, 1999	Change	Interim period ended September 30, 1998	Fiscal year ended March 31, 1999
Net operating profit (less provision for reserve for possible loan losses)	79,711	(7,235)	86,946	157,093
Net operating profit per employee (thousands of yen)	7,211	622	6,588	12,473
Net operating profit (after provision for reserve for possible loan losses)	82,211	13,092	69,118	83,883
Net operating profit per employee (thousands of yen)	7,437	2,200	5,237	6,660

Note: Number of employees is based on data filed by the Bank with the Ministry of Finance. Figures up to and including those for the fiscal year ended March 31, 1999, are based on the number of registered employees. Figures for the interim period ended September 30, 1999, are based on the number of in-house employees.

**(3) Interest rate spreads (domestic operations)**

[Non-consolidated]

(%)

	Interim period ended September 30, 1999	Change	Interim period ended September 30, 1998	Fiscal year ended March 31, 1999
I. Interest on funds invested (A)	2.04	(0.12)	2.17	2.11
(1) Average interest rate of loans and bills discounted (domestic operations)	2.17	(0.11)	2.28	2.25
(2) Average interest rate on marketable securities	1.48	(0.26)	1.75	1.56
II. Average interest rate on procured funds (B)	1.51	(0.23)	1.75	1.70
(1) Average interest rate of deposits and negotiable CDs	0.22	(0.19)	0.42	0.39
(2) Average interest rate on external debt	1.02	(0.16)	1.19	1.10
III. Net interest margin (A-B)	0.53	0.11	0.42	0.41

**(4) Gains or losses on marketable securities**

[Non-consolidated]

(Millions of yen)

	Interim period September 30, 1999	Change	Interim period ended September 30, 1998	Fiscal year ended March 31, 1999
I. Gains or losses on bonds	(3,042)	(16,399)	13,357	13,197
Gains on sales of bonds	12,698	(2,523)	15,222	38,689
Gains on redemption of bonds	1,563	(867)	2,431	4,127
Losses on sales of bonds	16,433	12,596	3,836	28,922
Losses on redemption of bonds	871	614	257	407
Losses on devaluation of bonds		(203)	203	290
II. Gains or losses on stocks	27,599	(15,475)	43,074	104,599
Gains on sales of stocks	51,427	(22,735)	74,163	134,512
Losses on sales of stocks	7,807	1,648	6,159	18,057
Losses on devaluation of stocks	16,020	(8,909)	24,929	11,854



## (5) BIS capital ratio

### 1) Consolidated capital ratio

	[Consolidated]			(Millions of yen, %)	
	As of September 30, 1999	Change from March 31, 1999	Change from September 30, 1998	As of September 30, 1998	As of March 31, 1999
(1) Capital ratio	11.92	0.02	2.72	9.19	11.90
(2) Tier I	1,252,232	10,469	298,440	953,791	1,241,762
(3) Tier II	1,068,842	(36,556)	115,050	953,791	1,105,399
1. Unrealized gains on securities					
2. Land revaluation differences	99,824	(1,929)	(18,700)	118,524	101,754
3. Procurement of capital through issuance of preferred stock	837,695	(35,160)	25,360	812,335	872,855
(4) Deducted items (guarantees for fund-raising activities of other financial institutions)		( )	( )	( )	( )
(5) Owned capital (2) + (3) – (4)	2,321,074	(26,086)	413,491	1,907,583	2,347,161
(6) Risk-adjusted assets	19,463,947	(259,725)	(1,271,097)	20,735,044	19,723,673

### 2) Non-consolidated capital ratio

	[Non-consolidated]			(Millions of yen, %)	
(1) Capital ratio	12.05	0.04			12.01
(2) Owned capital	2,304,903	(29,712)			2,334,615
(3) Risk-adjusted assets	19,112,962	(310,102)			19,423,065

## (6) ROE

	[Non-consolidated]			(%)	
	Interim period ended September 30, 1999	Change	Interim period ended September 30, 1998	Fiscal year ended March 31, 1999	
Net operating profit ROE	16.4	(4.4)	20.9	10.3	
Net income ROE	3.2	(0.2)	3.5		

Note: ROE= 
$$\frac{\text{Net operating profit (or net income)} - \text{preferred shareholders' dividends}}{[(\text{Total assets at the beginning of the period} - \text{preferred shares outstanding at the beginning of the period \% par value}) + (\text{Total assets at period end} - \text{preferred shares outstanding at period end \% par value})] \div 2}$$

## II Loans and Bills Outstanding

Partial direct write-off ... Adopted later

Accrued interest payment accounting standard ... according to class of borrower

### (1) Nonaccrual loan disclosure

	[Non-consolidated]			(Millions of yen, %)	
	As of September 30, 1999	Change from March 31, 1999	Change from September 30, 1998	As of March 31, 1999	As of September 30, 1998
Loans to borrowers in legal bankruptcy	82,799	(13,971)	(163,355)	96,771	246,155
Past due loans (for more than 6 months)	525,714	(136,589)	141,338	662,304	384,375
Loans past due over 3 months	109,634	59,046	(18,490)	50,587	128,124
Restructured loans	102,772	(7,660)	(166,189)	110,432	268,961
Risk managed loans, total	820,921	(99,175)	(206,696)	920,096	1,027,615
Balance of loans	20,599,002	(244,506)	(846,431)	20,843,509	21,445,434
Risk managed loans/Balance of loans	3.98	(0.43)	(0.81)	4.41	4.79

Note: Risk managed loans for September 30, 1998, are calculated using the previous accounting standard (before the adoption of partial direct write-off; accrued interest revenue is recorded according to the Japanese Corporate Tax Law)

	[Consolidated]			(Millions of yen, %)	
Loans to borrowers in legal bankruptcy	82,858	(14,236)		97,095	
Past due loans (for more than 6 months)	528,133	(137,207)		665,341	
Loans past due over 3 months	109,826	59,021		50,805	
Restructured loans	103,542	(7,947)		111,490	
Risk managed loans, total	824,361	(100,370)		924,731	
Balance of loans	20,578,420	(228,262)		20,806,683	
Risk managed loans/Balance of loans	4.00	(0.44)		4.44	

### (2) Reserve for possible loan losses

	[Non-consolidated]			(Millions of yen)	
Reserve for possible loan losses	383,792	(29,403)	(244,882)	413,195	628,675
General reserve for possible loan losses	123,600	(2,500)	52,600	126,100	71,000
Specific reserve for possible loan losses	255,868	(26,877)	(296,767)	282,745	552,635
Special reserve for certain overseas loans	4,324	(25)	(715)	4,350	5,039
Reserve for contingent liabilities related to loans sold	73,565	(4,215)	25,714	77,780	47,851
Provision for losses incurred from supporting specific borrowers	13,271	13,271	13,271		
Reserve for losses on investments in affiliates for possible investment losses	4,232	(1,807)	4,232	6,040	-
Total	474,862	(22,154)	(201,663)	497,016	676,526

	[Consolidated]			(Millions of yen)	
Reserve for possible loan losses	425,833	(2,197)		428,030	
General reserve for possible loan losses	131,322	4,871		126,451	
Specific reserves for possible loans losses	290,185	(7,043)		297,229	
Special reserve for certain overseas loans	4,324	(25)		4,350	
Reserve for contingent liabilities related to loans sold	73,565	(4,215)		77,780	
Provision for losses incurred from supporting specific borrowers	13,271	13,271			
Reserve for losses on investments in affiliates for possible investment losses					
Total	512,670	6,858		505,811	

### (3) Percentage of reserves to total risk managed loans

	[Non-consolidated]			(%)	
Before partial direct write-off	63.8	3.4	2.6	60.4	61.2
After partial direct write-off	46.7	1.8		44.9	

	[Consolidated]			(%)	
Before partial direct write-off	67.3	5.9		61.4	

After partial direct write-off	51.6	5.3	46.3
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#### (4) Loan disclosure according to the Financial Revitalization Law

[Non-consolidated]

(Millions of yen)

	As of September 30, 1999	Change from March 31, 1999	Change from September 30, 1998	As of March 31, 1999	As of September 30, 1998 (estimates)
Unrecoverable	151,171	(18,698)	(32,728)	169,870	183,900
Risk	464,766	(88,586)	80,166	553,353	384,600
Special attention	212,406	5,667	(91,793)	206,739	304,200
Financial Revitalization Law total (A)	828,344	(101,618)	(44,355)	929,962	872,700

#### (5) Coverage of loans disclosed under the Financial Revitalization Law

[Non-consolidated]

(100 million yen)

Coverage (C)	6,883	(1,026)	7,909
Reserves	2,789	(304)	3,093
Collateral and Guarantees	4,094	(722)	4,816

(%)

Coverage ratio (C/A)	83.1	(2.0)	85.1
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#### (6) Loans and bills discounted by industry

##### 1) Industry breakdown of total loans and bills discounted

[Non-consolidated]

(Millions of yen)

Domestic branches (excluding the JOM)	18,738,815	365,591	395,882	18,373,224	18,342,933
Manufacturing	2,410,197	81,978	112,945	2,328,219	2,297,252
Agriculture	18,600	(952)	(1,622)	19,552	20,222
Forestry	1,788	418	370	1,370	1,418
Fishing	2,181	(1,237)	(2,559)	3,418	4,740
Mining	25,393	(1,606)	422	26,999	24,971
Construction	1,050,136	(7,386)	(56,395)	1,057,522	1,106,531
Electricity, gas, heating, water	104,909	38,537	41,306	66,372	63,603
Transportation and communications	492,709	16,735	(205,381)	475,974	698,090
Retail, wholesale, and food services	2,674,028	25,862	(9,482)	2,648,166	2,683,510
Financial and insurance services	1,095,168	268,382	200,468	826,786	894,700
Real estate	2,137,996	7,059	36,156	2,130,937	2,101,840
Services	1,766,887	39,506	(12,300)	1,727,381	1,779,187
Local governments	413,467	(48,618)	(94,036)	462,085	507,503
Others	6,545,349	(53,086)	385,991	6,598,435	6,159,358

##### 2) Loan disclosure by industry

[Non-consolidated]

(100 million yen)

	Risk managed loans	Financial Revitalization Law standards
Domestic branches (excluding the JOM)	8,040	8,112
Manufacturing	669	676
Agriculture	32	32
Forestry	—	
Fishing		
Mining		
Construction	213	217
Electricity, gas, heating and water	0	0
Transportation and communications	55	55
Retail, wholesale, and food services	1,143	1,154
Financial and insurance services	339	339
Real estate	2,390	2,395
Services	1,868	1,892
Local governments		
Others	1,327	1,348

Note: Figures for Financial Revitalization Law standards include unrecoverable, risk and special attention loans

### 3) Loans to consumers

	[Non-consolidated]			(Millions of yen)	
	As of September 30, 1999	Change from March 31, 1999	Change from September 30, 1998	As of March 31, 1999	As of September 30, 1998
Total loans to consumers	5,911,623	191,947	483,015	5,719,676	5,428,608
Housing loans	5,630,365	204,350	514,527	5,426,015	5,115,838
Other loans	281,258	(12,403)	(31,512)	293,661	312,770

### 4) Ratio of loans to small- and medium-sized corporations

	[Non-consolidated]			(Millions of yen, %)	
Ratio of loans to small- and medium-sized corporations	74.82	(0.00)	0.09	74.82	74.72
Total loans from domestic branches	18,795,437	422,213	452,504	18,373,224	18,342,933
Loans to small- and medium-sized corporations	14,063,751	315,776	356,647	13,747,975	13,707,104

## (7) Loans to entities overseas by country

### 1) Certain overseas loans

	[Non-consolidated]			(Millions of yen, countries)	
Total loans	22,792	(162)	(3,788)	22,954	26,580
Number of targeted countries	5	(1)	(1)	6	6

### 2) Loans by country

	[Non-consolidated]			(Millions of yen)	
Indonesia	37,261	(2,300)	(10,325)	39,561	47,586
Thailand	58,554	(15,026)	(31,608)	73,580	90,162
Singapore	29,853	(4,592)	(7,706)	34,445	37,559
China	35,934	(20,828)	(35,646)	56,762	71,580
Korea	48,798	(12,076)	(25,696)	60,874	74,494
Hong Kong	53,659	(19,623)	(43,297)	73,282	96,956
Other	38,357	(2,890)	(10,461)	41,247	48,818
Loans to Asia	302,416	(77,335)	(164,739)	379,751	467,155
Mexico	6,356	(8,977)	(8,492)	15,333	14,848
Other	11,389	809	578	10,580	10,811
Loans to Latin America	17,745	(8,168)	(7,914)	25,913	25,659
Loans to Russia					
Other	346,296	(81,872)	(216,418)	428,168	562,714
Total loans overseas	666,457	(167,375)	(389,071)	833,832	1,055,528

### 3) Risk managed loans by country

	[Non-consolidated]			(Millions of yen)	
Indonesia	2,907	(3,019)		5,926	
Thailand	8,694	4,194		4,500	
Singapore	375	(47)		422	
China	701	(161)		862	
Korea	2,445	2,018		427	
Hong Kong	222	(252)		474	
Other					
Risk managed loans to Asia	15,344	2,733		12,611	
Panama		(373)		373	
Risk managed loans to Latin America		(373)		373	
Risk managed loans to Russia					
Other	1,481	(515)		1,996	
Total risk managed loans overseas	16,825	1,845		14,980	

**(8) Loan and deposit balances**

	[Non-consolidated]			(Millions of yen)	
	As of September 30, 1999	Change from March 31, 1999	Change from September 30, 1998	As of March 31, 1999	As of September 30, 1998
Deposits at year-end	20,412,891	498,282	347,701	19,916,609	20,065,189
Average balance of deposits for the period	20,468,184	260,385	130,091	20,207,798	20,338,092
Loans and bills discounted at period-end	20,599,002	(244,506)	(846,431)	20,843,509	21,445,434
Average balance of loans and bills discounted	20,635,053	(735,158)	(613,657)	21,370,212	21,248,710

**(9) Employees and officers**

	[Non-consolidated]			(People)	
Officers	37	(2)	(2)	39	39
Employees	11,053	(1,541)	(2,143)	12,594	13,196

Note: Number of employees is based on financial data filed by the Bank with the Ministry of Finance. Figures up to and including those for the fiscal year ended March 31, 1999, are based on the number of registered employees. Figures for the interim period ended September 30, 1999, are based on the number of in-house employees.

**(10) Branches**

	[Non-consolidated]			(Branches)	
Domestic branches	331	(4)	(15)	335	346
Overseas <u>branches</u>	12			12	12
Overseas <u>locations</u>	6	(3)	(3)	9	9

### III Supplementary Data

#### (1) Total funds and interest rates

##### 1) Total funds (as of period end)

(Millions of yen, %)

	As of September 30, 1999	Change from March 31, 1999	Change from September 30, 1998	As of March 31, 1999	As of September 30, 1998
Loans and bills discounted	20,599,002	(244,506)	(846,431)	20,843,509	21,445,434
Domestic operations	18,694,889	460,666	513,966	18,234,223	18,180,923
Housing loans (percentage of which is accounted for by domestic operations)	5,630,365 (30.1)	204,350 (0.3)	514,527 (2.0)	5,426,015 (29.8)	5,115,838 (28.1)
International operations	1,904,113	(705,172)	(1,360,397)	2,609,286	3,264,510
Deposits	20,412,891	496,282	347,701	19,916,609	20,065,189
Domestic operations	18,897,532	830,291	1,525,531	18,067,240	17,372,000
Liquid deposits	7,151,689	741,221	1,318,199	6,410,467	5,833,490
Time deposits	11,499,828	213,470	207,708	11,286,357	11,292,119
Other	246,015	(124,400)	(375)	370,416	246,390
International operations	1,515,358	(334,009)	(1,177,830)	1,849,368	2,693,188

##### 2) Total funds (average balance for the period)

(Millions of yen)

	Interim period ended September 30, 1999	Change from fiscal year ended March 31, 1999	Change from interim period ended September 30, 1998	Fiscal year ended March 31, 1999	Interim period ended September 30, 1998
Loans and bills discounted	20,635,053	(735,158)	(613,657)	21,370,212	21,248,710
Domestic operations	18,302,287	35,519	430,317	18,266,768	17,871,969
International operations	2,332,765	(770,678)	(1,043,974)	3,103,444	3,376,740
Deposits	20,468,184	260,385	130,091	20,207,798	20,338,092
Domestic operations	18,491,931	1,057,547	1,256,292	17,434,383	17,235,638
International operations	1,976,252	(797,162)	(1,126,201)	2,773,415	3,102,454

## 3) Interest rates

(%)

		Interim period ended September 30, 1999	Change from fiscal year ended March 31, 1999	Change from interim period ended September 30, 1998	Fiscal year ended March 31, 1999	Interim period ended September 30, 1998
	Average interest rate of loans and bills discounted (domestic operations)	2.16	(0.08)	(0.11)	2.25	2.28
	Average interest rate of deposits and negotiable CDs (domestic operations)	0.23	(0.14)	(0.16)	0.38	0.40
	Loan deposit spread (domestic operations)	1.93	0.05	0.04	1.87	1.88
	Average interest rate on invested funds (domestic operations)	2.04	(0.07)	(0.12)	2.11	2.17
	Average interest rate on procured funds (domestic operations)	0.49	(0.17)	(0.20)	0.66	0.70
	<u>Average interest spread</u> (domestic operations)	1.55	0.10	0.08	1.45	1.46
	Net interest margin (domestic operations)	0.53	0.11	0.11	0.41	0.42
	<u>Average interest spread</u> (international operations)	0.64	0.10	0.14	0.53	0.50
	Net interest margin (international operations)	(0.03)	(0.02)	(0.03)	(0.00)	0.00
	Average interest margin (all branches)	1.47	0.13	0.13	1.33	1.33
	Overall Net interest margin (all branches)	0.46	0.11	0.11	0.35	0.35

## (5) Breakdown of consumer, corporate and other deposits

(100 million yen)

		As of September 30, 1999	Change from March 31, 1999	Change from September 30, 1998	As of March 31, 1999	As of September 30, 1998
	Consumer deposits	117,760	1,147	4,556	116,613	113,204
	Liquid deposits	39,107	1,357	2,234	37,750	36,873
	Time deposits	78,628	(205)	2,320	78,833	76,307
	Corporate deposits	53,655	4,021	4,444	49,634	49,211
	Liquid deposits	24,000	1,591	4,147	22,410	19,853
	Time deposits	28,839	2,470	255	26,369	28,583
	Deposits from other entities (financial institutions, local governments)	17,560	3,136	6,256	14,424	11,304
	Total deposits (domestic operations)	188,975	8,303	15,255	180,672	173,720

(2) Loan disclosure and coverage ratio

*Risk managed loans and the effects of Class IV partial write-offs*

(Millions of yen, %)

	Total before write-off	Effects of write-offs	After write-offs
Loans to borrowers in legal bankruptcy	284,960	(202,160)	82,799
Past due loans for more than six months	713,102	(187,387)	525,714
Subtotal	998,062	(389,547)	608,514
Past due loans for more than three months	109,634		109,634
Restructured loans	102,772		102,772
Risk managed loans	1,210,468	(389,547)	820,921

Total loans (at period end)	20,988,550	(389,547)	20,599,002
Risk managed loans as a percentage of total loans	5.76		3.98

Reserve for possible loan losses	773,340	(389,547)	383,792
Reserve for possible loan losses coverage percentage	63.8		46.7

*Comparison of risk managed assets with Financial Revitalization Law standards*

(Millions of yen, %)

	Risk managed loans		Financial Revitalization Law	
Loans to borrowers in legal bankruptcy	82,799		151,171	Unrecoverable
Past due loans for more than six months	525,714		464,766	Risk
Subtotal	608,514	+ 7,423	615,937	Subtotal
Past due loans for more than three months	109,634			
Restructured loans	102,772	0	212,406	Special attention
Risk managed loans	820,921	+ 7,423	828,344	Financial Revitalization Law Standard

Reserve for possible loan losses	383,792		383,792
Reserve for possible loan losses coverage percentage	46.7		46.3



**Comparison of risk managed loans on a non-consolidated and consolidated basis**

(Millions of yen, %)

	Non-consolidated basis	Effects of consolidation	Consolidated basis
Loans to borrowers in legal bankruptcy	82,799	+ 58	82,858
Past due loans for more than six months	525,714	+ 2,418	528,133
Subtotal	608,514	+ 2,476	610,991
Past due loans for more than three months	109,634	+ 192	109,826
Restructured loans	102,772	+ 770	103,542
Risk managed loans	820,921	+ 3,439	824,361

Total loans (at period end)	20,599,002	(20,582)	20,578,420
Risk managed loans as a percentage of total loans	3.98		4.00

Reserve for possible loan losses	383,792	+ 42,040	425,833
Reserve for possible loan losses coverage percentage	46.7		51.6

**Comparison of Financial Revitalization Law standards on a non-consolidated and consolidated basis**

(Millions of yen, %)

	Non-consolidated basis	Effects of consolidation	Consolidated basis
Unrecoverable	151,171	+ 4,288	155,460
Risk	464,766	+ 39,256	504,023
Subtotal	615,937	+ 43,545	659,483
Special attention	212,406	+ 963	213,369
Financial Revitalization Law standard	828,344	+ 44,508	872,853

Reserve for possible loan losses	383,792	+ 42,040	425,833
Reserve for possible loan losses coverage percentage	46.3		48.7

**Risk managed loans on a non-consolidated basis**

(Millions of yen, %)

	As of March 31, 1999	Change	As of September 30, 1999
Loans to borrowers in legal bankruptcy	96,771	(13,972)	82,799
Past due loans for more than six months	662,304	(136,590)	525,714
Subtotal	759,075	(150,561)	608,514
Past due loans for more than three months	50,587	+ 59,047	109,634
Restructured loans	110,432	(7,660)	102,772
Risk managed loans	920,096	(99,175)	820,921

Total loans (at period end)	20,843,509	(244,507)	20,599,002
Risk managed loans as a percentage of total loans	4.41	(0.43)	3.98

Reserve for possible loan losses	413,195	(29,403)	383,792
Reserve for possible loan losses coverage percentage	44.9	+ 1.8	46.7

**Risk managed loans on a consolidated basis**

		(Millions of yen, %)		
		As of March 31, 1999	Change	As of September 30, 1999
	Loans to borrowers in legal bankruptcy	97,095	(14,237)	82,858
	Past due loans for more than six months	665,341	(137,208)	528,133
	Subtotal	762,436	(151,445)	610,991
	Past due loans for more than three months	50,805	+ 59,021	109,826
	Restructured loans	111,490	(7,948)	103,542
	Risk managed loans	924,731	(100,370)	824,361

Total loans (at period end)	20,806,683	(228,262)	20,578,420
Risk managed loans as a percentage of total loans	4.44	(0.44)	4.00

Reserve for possible loan losses	428,030	(2,197)	425,833
Reserve for possible loan losses coverage percentage	46.3	+ 5.3	51.6

**Financial Revitalization Law standard on a non-consolidated basis**

		(Millions of yen, %)		
		As of March 31, 1999	Change	As of September 30, 1999
	Unrecoverable	169,870	(18,699)	151,171
	Risk	553,353	(88,587)	464,766
	Subtotal	723,223	(107,286)	615,937
	Special attention	206,739	+ 5,667	212,406
	Financial Revitalization Law standard	929,962	(101,618)	828,344

Reserve for possible loan losses	413,195	(29,403)	383,792
Reserve for possible loan losses coverage percentage	44.4	+ 1.9	46.3

**Financial Revitalization Law standard on a consolidated basis**

		(Millions of yen, %)		
		As of March 31, 1999	Change	As of September 30, 1999
	Unrecoverable	173,434	(17,974)	155,460
	Risk	593,844	(89,821)	504,023
	Subtotal	767,278	(107,795)	659,483
	Special attention	208,014	+ 5,355	213,369
	Financial Revitalization Law standard	975,292	(102,439)	872,853

Reserve for possible loan losses	428,030	(2,197)	425,833
Reserve for possible loan losses coverage percentage	43.9	+ 4.8	48.7

## Comparison of Standards for Disclosing Nonperforming Loans

Borrower Classifications Based on Internal Auditing	Financial Revitalization Law Standard	Bank Law Standard
<p style="text-align: center;"><b>Borrowers legally in bankruptcy</b></p> <p>Loans to borrowers in legal bankruptcy</p> <p style="text-align: center;">Nonloans</p>	<p style="text-align: center;"><b>Unrecoverable Loans</b></p> <p style="text-align: center;">1,512</p> <p style="text-align: center;">(187 decrease from March 31, 1999)</p>	<p style="text-align: center;"><b>Loans to Borrowers in Legal Bankruptcy</b> 828 (140 decrease from March 31, 1999)</p>
<p style="text-align: center;"><b>Borrowers substantially in bankruptcy</b></p> <p>Loans to borrowers failed substance</p> <p style="text-align: center;">Nonloans</p>		
<p style="text-align: center;"><b>Borrowers with a high probability of bankruptcy</b></p> <p>Loans to borrowers with a high probability of failure (including non-loans)</p> <p style="text-align: center;">Nonloans</p>	<p style="text-align: center;"><b>Special Attention Loans</b></p> <p style="text-align: center;">2,124</p> <p style="text-align: center;">(57 increase from March 31, 1999)</p>	<p style="text-align: center;"><b>Loans Past Due Over Three Months</b></p> <p style="text-align: center;">1,096  (590 increase from March 31, 1999)</p>
<p style="text-align: center;"><b>Borrowers under supervision and normal borrowers</b></p> <p>Loans past due over three months (loans)</p> <p>Restructured loans (loans)</p>		
<p style="text-align: center;"><b>Total</b></p>	<p style="text-align: center;"><b>8,283</b></p> <p style="text-align: center;">(1,016 decrease from March 31, 1999)</p>	

## Coverage of Nonaccrual Loans Disclosed by Financial Revitalization Law Standards

Coverage of Unrecoverable and Risk Loans Totaled Approximately 90% and Coverage for All Disclosed Loans Surpassed 83%

	Loan Disclosure	Coverage (%)	Coverage		Coverage Ratio
			Guarantees/ Collateral (%)	Reserves (%)	
Unrecoverable Loans	1,512	1,512 (100%)	1,390 (91.9%)	122 (8.1%)	100%
Risk Loans	4,647	3,956 (85.1%)	1,553 (33.4%)	2,403 (51.7%)	85.1%
Special Attention Loans	2,124	1,415 (66.6%)	1,151 (54.2%)	264 (12.4%)	66.6%
Total	8,283	6,883 (83.1%)	4,094 (49.4%)	2,789 (33.7%)	83.1%

\*To ensure a conservative estimate, coverage figures exclude guarantors that are not financially sound.

### (3) Comparison of management plan to bolster sound operations

#### 1) Funds

(100 million yen)

	Management Plan to Bolster Sound Operations		For the interim period ended September 30, 1999
	For the period ended March 31, 1999	For the period ending March 31, 2000	
Total assets (average)	290,662	287,207	284,909
Loans and bills outstanding	214,375	210,815	206,350
Marketable securities	38,114	37,081	40,142
Total liabilities (average)	283,157	274,872	271,246
Deposits and negotiable CDs	221,452	223,431	223,199
Total shareholders' equity	12,312	12,375	13,837

#### 2) Profitability

(100 million yen)

Gross operating profit	4,042	3,895	2,049
Expenses	2,553	2,600	1,252
Net operating profit (less provision for reserve for possible loan losses)	1,489	1,295	797
Gains or losses on trading of bonds	128	(25)	(30)
Provision for reserve for possible loan losses	784	—	(25)
Net operating profit	705	1,295	822
Gains or losses on securities	785	—	276
Disposal of nonaccrual loans (excluding overseas)	5,551	700	607
Ordinary net income	(4,250)	455	357
Extraordinary gains or losses	510	--	(35)
Net income	(2,190)	273	183

#### 3) Interest rate spreads (all branches)

(%)

Average interest on invested funds	2.50	2.41	2.30
Average interest on loans and bills discounted	2.37	2.32	2.19
Average interest on procured funds	2.17	2.13	1.84
Average interest of deposits and negotiable CDs	0.80	0.71	0.35
Ratio of general expenses to deposits	1.15	1.16	1.11
Net interest margin	0.32	0.28	0.46
Net loan deposit margin	0.41	0.43	0.72

#### 4) BIS capital adequacy ratio

(100 million yen, %)

Tier I	12,312	12,375	12,522
Tier II	10,987	10,265	10,688
Owned capital	23,299	22,640	23,210
Risk managed assets	203,623	201,977	194,639
Capital adequacy ratio	11.44	11.20	11.92

## 5) Restructuring plan

(Number of people, branches)

	Management Plan to Bolster Sound Operations		For the interim period ended September 30, 1999
	For the period ended March 31, 1999	For the period ending March 31, 2000	
Employees (registered basis)	12,800	12,400	12,642
Employees (in-house)	10,300	10,000	10,501
Domestic branches	335	332	331
Overseas branches	12	10	12

## 6) Loans and bills discounted

(100 million yen)

Domestic loans	181,312	184,237	186,948
Loans to small- and medium-sized corporations	70,751	70,580	71,868

Change in loan portfolio due to disposal of nonaccrual loans	6,258	1,300	679
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Domestic loans (adjusted)	187,570	191,795	195,582
Loans to small- and medium-sized corporations (adjusted)	74,917	75,906	78,909

Note: Domestic loans do not reflect the impact of Euroyen denominated loans.

**(4) Forecast for the fiscal year ending March 31, 2000**

[Non-consolidated]			(100 million yen)
	For the fiscal year ended March 31, 1999	For the interim period ended September 30, 1999	Forecast for the fiscal year ending March 31, 2000
		Ordinary income	8,988
Net operating profit (less provision for reserve for possible loan losses)	1,570	797	1,500
Provision for reserve for possible loan losses	732	(25)	--
Net operating profit	838	822	1,500
Disposal of nonaccrual loans	5,788	607	1,000
Ordinary net income	(4,075)	357	550
Net income	(2,200)	183	300

[Consolidated]			(100 million yen)
	For the fiscal year ended March 31, 1999	For the interim period ended September 30, 1999	Forecast for the fiscal year ending March 31, 2000
		Ordinary income	9,504
Ordinary net income	(4,120)	331	550
Net income	(2,540)	170	300