



Financial Results Report for the First Half of FY 2000

The Daiwa Bank, Limited

November 22, 2000

This is an English translation of the Japanese original. Please be advised that although the English translation is prepared to mirror the Japanese original as accurately as possible, there may be some disparities due to such things as differences in nuance that are inherent to the different languages.

1. Financial Highlights for the First Half of Fiscal Year 2000 (from April 1, 2000 to September 30, 2000)

<Notes> (i) Yen amounts are rounded down to the nearest million yen.

(ii) Figures in parentheses represent negative figures.

(1) Consolidated Operating Results

	(Change from Previous Fiscal Year)		(Change from Previous Fiscal Year)		(Change from Previous Fiscal Year)	
	Operating Income	Ordinary Profits	Net Income	Operating Income	Ordinary Profits	Net Income
	¥ million	%	¥ million	%	¥ million	%
First Half of FY 2000	273,242	(8.3)	18,652	(3.5)	1,449	(91.7)
First Half of FY 1999	298,118	-	19,326	-	17,499	-
FY 1999	779,488	21.7	62,578	-	29,695	-

	Primary Net Income per Share	Fully Diluted Net Income per Share
	¥	¥
First Half of FY 2000	(0.41)	-
First Half of FY 1999	7.72	4.61
FY 1999	12.58	7.10

(Notes)

1. Equity in Earnings from Investments in Subsidiaries

1H of FY 2000 ¥(3,356) million First Half of FY 1999 ¥(2,417) million

FY 1999 ¥(7,999) million

2. Net Unrealized Gains on Derivatives Transactions : ¥3,219 million

3. Change in Accounting Policies : None

(2) Consolidated Financial Position

	Total Assets	Stockholders' Equity	Stockholders' Equity to Total Assets	Stockholders' Equity per Share	Capital Ratio(*)
	¥ million	¥ million	%	¥	%
First Half of FY 2000	15,102,419	845,365	5.6	207.73	11.84
First Half of FY 1999	15,348,249	847,122	5.5	204.67	12.06
FY 1999	15,354,825	852,885	5.6	211.20	11.84

* Based on domestic standard

(Note) Capital Ratio for the first half of FY 1999 is computed based on the BIS international standard.

(3) Consolidated Cash Flows

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents (Term-end Balance)
	¥ million	¥ million	¥ million	¥ million
First Half of FY 2000	81,701	(225,904)	2,116	327,962
First Half of FY 1999	26,106	(15,754)	(10,578)	411,396
FY 1999	(49,379)	171,327	(63,859)	469,975

(4) Scope of Consolidation and Application of Equity Method

Consolidated Subsidiaries : 50 Non-Consolidated Subsidiaries Applied Equity Method : None

Affiliates Applied Equity Method : 8

(5) Change in the Scope of Consolidation

[Consolidation] Included : 1 Company Excluded : 2 Companies

[Equity Method] Newly Applied : 2 Companies Excluded : 5 Companies

2. Earnings Projection for Fiscal Year 2000 (Consolidated : From April 1, 2000 to March 31, 2001)

	Operating Income	Ordinary Profit	Net Income
	¥ million	¥ million	¥ million
FY 2000 (Full Year)	540,000	58,000	28,000

Projected Net Income Per Share : ¥11.40

<Reference>

Indices appeared in "Financial Highlights for FY 2000"

$$\text{Net Interim Income Per Share} = \frac{\text{Net Interim Income} - \text{Total Dividends Paid on Preferred Shares}}{\text{Average Number of Common Shares during the Period (*)}}$$

$$\text{Stockholders' Equity Per Share} = \frac{\text{Term-end Balance of Stockholders' Equity} - \text{Term-end Number of Preferred Shares Issued} \times \text{Issue Price}}{\text{Term-end Number of Common Shares Issued (*)}}$$

Index appeared in Earning Performance Projection for FY 2000

$$\text{Projected Net Income Per Share} = \frac{\text{Projected Net Income} - \text{Projected Total Dividends on Preferred Shares}}{\text{Term-end Number of Common Shares (*)}}$$

* excluding treasury stock of the Parent Company and Parent Company's shares owned by its subsidiaries.

Consolidated Balance Sheets

(Millions of Yen)

Balance Sheets	Sep 30, 2000 (A)	Sep 30, 1999 (B)	Differenece (A) - (B)	Mar 31, 2000 (C)	Differenece (A) - (C)
ASSETS					
Cash and Due from Banks	506,738	752,118	(245,380)	783,376	(276,638)
Call Loans and Bills Bought	210,727	11,473	199,254	223,895	(13,168)
Monetary Claims Bought	20	20	-	20	-
Trading Assets	161,885	181,224	(19,339)	169,766	(7,881)
Money Held in Trust	82,709	130,527	(47,818)	194,076	(111,367)
Securities	2,799,455	2,698,776	100,679	2,463,939	335,516
Loans and Bills Discounted	9,858,781	9,488,786	369,995	9,723,089	135,692
Foreign Exchanges	78,158	99,464	(21,306)	93,306	(15,148)
Other Assets	519,232	894,439	(375,207)	790,363	(271,131)
Premises and Equipment	393,207	342,459	50,748	384,091	9,116
Deferred Taxes	171,454	205,144	(33,690)	191,794	(20,340)
Customers' Liabilities for Acceptances and Guarantees	515,956	543,813	(27,857)	525,664	(9,708)
Reserve for Possible Loan Losses	(195,505)	-	(195,505)	(187,458)	(8,047)
Reserve for Possible Losses on Securities	(401)	-	(401)	(1,100)	699
Total Assets	15,102,419	15,348,249	(245,830)	15,354,825	(252,406)
LIABILITIES					
Deposits	11,012,171	10,629,127	383,044	9,993,676	1,018,495
Negotiable Certificates of Deposit	635,699	482,249	153,450	1,586,417	(950,718)
Call Money and Bills Sold	145,680	361,518	(215,838)	139,803	5,877
Commercial Paper	-	25,000	(25,000)	10,000	(10,000)
Trading Liabilities	35,864	55,388	(19,524)	45,248	(9,384)
Borrowed Money	408,422	447,266	(38,844)	394,985	13,437
Foreign Exchanges	11,201	5,574	5,627	15,148	(3,947)
Corporate Bonds	210,770	228,130	(17,360)	204,674	6,096
Due to Trust Account	662,798	668,035	(5,237)	776,478	(113,680)
Other Liabilities	511,333	759,564	(248,231)	700,860	(189,527)
Reserve for Possible Loan Losses	-	158,485	(158,485)	-	-
Reserve for Retirement Allowances	-	15,950	(15,950)	16,183	(16,183)
Reserve for Retirement Benefit	16,976	-	16,976	-	16,976
Reserve for Possible Losses on Loans Sold	35,317	32,289	3,028	37,033	(1,716)
Reserve for the Specific Borrowers under Support	30,434	65,604	(35,170)	30,434	-
Reserve for Possible Losses on Securities	-	744	(744)	-	-
Other Reserves	19	208	(189)	45	(26)
Consolidation-Adjusting Account	928	-	928	1,061	(133)
Acceptances and Guarantees	515,956	543,813	(27,857)	525,664	(9,708)
Total Liabilities	14,233,575	14,478,952	(245,377)	14,477,716	(244,141)
MINORITY INTERESTS					
Minority Interests in Consolidated Subsidiaries	23,479	22,173	1,306	24,223	(744)
STOCKHOLDERS' EQUITIES					
Capital	465,158	465,158	-	465,158	-
Capital Surplus	405,419	405,419	-	405,419	-
Deficit	21,369	23,148	(1,779)	17,428	3,941
Foreign Currency Translation Adjustments, Net of Taxes	(3,781)	-	(3,781)	-	(3,781)
Sub Total	845,427	847,430	(2,003)	853,149	(7,722)
Treasury Stock	2	1	1	1	1
Parent's Stock Owned by Subsidiaries	59	306	(247)	262	(203)
Total Stockholders' Equity	845,365	847,122	(1,757)	852,885	(7,520)
Total Liabilities, Minority Interests and Stockholders' Equity	15,102,419	15,348,249	(245,830)	15,354,825	(252,406)

* Yen amounts are rounded down to the nearest million yen.

Consolidated Statements of Income

(Millions of Yen)

	First Half of FY 2000 〔 From Apr 1, 1999 〕 〔 To Sep 30, 2000 〕	First Half of FY 1999 〔 From Apr 1, 1999 〕 〔 To Sep 30, 1999 〕	Increase/ (Decrease)	FY 1999 〔 From Apr 1, 1999 〕 〔 To Mar 31, 2000 〕
Operating Income	273,242	298,118	(24,876)	779,488
Interest Income	128,127	135,055	(6,928)	262,831
(Interest on Loans and Discounts)	101,830	102,235	(405)	206,186
(Interest and Dividends on Securities)	18,310	20,635	(2,325)	35,297
(Interest on Call Loans and Bills Bought)	531	1,186	(655)	1,558
(Interest on Due from Banks)	3,445	2,379	1,066	5,001
(Other Interest Income)	4,009	8,617	(4,608)	14,787
Trust Fees	26,011	24,696	1,315	55,378
Fees and Commissions	36,305	40,565	(4,260)	81,353
Trading Revenue	2,702	3,284	(582)	7,808
Other Operating Income	30,545	37,441	(6,896)	66,855
Other Income	49,550	57,075	(7,525)	305,260
Operating Expenses	254,589	278,792	(24,203)	716,909
Interest Expenses	38,861	53,872	(15,011)	100,234
(Interest on Deposits)	21,351	24,377	(3,026)	46,334
(Interest on NCDs)	557	564	(7)	976
(Interest on Call Money and Bills Sold)	107	611	(504)	1,227
(Interest on Commercial Paper)	6	21	(15)	35
(Interest on Borrowed Money)	5,120	6,144	(1,024)	13,019
(Interest on Corporate Bonds)	3,041	4,968	(1,927)	9,430
(Other Interest Expenses)	8,676	17,184	(8,508)	29,209
Fees and Commissions	5,594	6,851	(1,257)	10,132
Other Operating Expenses	11,965	6,242	5,723	32,455
General and Administrative Expenses	115,247	122,567	(7,320)	232,341
Other Expenses	82,920	89,257	(6,337)	341,745
(Transfer to Reserve for Possible Loan Losses)	29,000	20,380	8,620	69,781
(Write-Off of Loans)	24,514	29,649	(5,135)	51,654
(Transfer to Reserve for Possible Losses on Loans Sold)	8,338	5,119	3,219	14,493
(Losses on Sales of Stocks and Others)	2,472	11,351	(8,879)	123,987
(Losses on Devaluation of Stocks and Others)	9,460	9,248	212	43,636
(Others)	9,134	13,506	(4,372)	37,242
Ordinary Profits/(Losses)	18,652	19,326	(674)	62,578
Extraordinary Profits	7,050	2,430	4,620	7,552
(Profit from Sales of Premises and Equipment)	4,288	421	3,867	1,609
(Profit from Recoveries of Written-off Claims)	2,762	2,009	753	5,942
(Other Extraordinary Profit)	-	-	-	0
Extraordinary Losses	731	650	81	23,762
(Loss from Sales of Premises and Equipment)	731	619	112	4,152
(Loss from Revaluation of Fixed Assets)	-	-	-	15,951
(Other Extraordinary Loss)	-	31	(31)	3,659
Income Before Income Taxes	24,972	21,106	3,866	46,367
Provision for Income Taxes	1,226	990	236	4,790
Income Taxes - Deferred	20,395	3	20,392	13,344
Minority Interest in Net Loss of Consolidated Subsidiaries	1,900	2,612	(712)	1,462
Net (Interim) Income/(Loss)	1,449	17,499	(16,050)	29,695

<Note> Yen amounts are rounded down to the nearest million yen.

Consolidated Statements of Earned Surplus

(Millions of Yen)

Items	First Half of FY 2000	First Half of FY 1999	FY 1999
	(From Apr 1, 2000 to Sep 30, 2000)	(From Apr 1, 1999 to Sep 30, 1999)	(From Apr 1, 1999 to Mar 31, 2000)
Deficit at the Beginning of the Period	17,428	37,351	37,351
Decrease of Deficit during the Period	-	369	0
Decrease due to reduction in the number of consolidated subsidiaries	-	369	0
Increase of Deficit during the Period	5,390	3,665	9,772
Increase due to reduction in the number of consolidated subsidiaries	-	173	673
Dividends Paid	5,389	3,492	9,098
Bonus to directors and corporate auditors	0	0	0
Net (Interim) Income	1,449	17,499	29,695
Deficit at the End of the Period	21,369	23,148	17,428

<Note> Yen amounts are rounded down to the nearest million yen.

Consolidated Statements of Cash Flows

	1H of FY 2000 (From Apr 1, 2000 to Sep 30, 2000)	1H of FY 1999 (From Apr 1, 1999 to Sep 30, 1999)	FY 1999 (From Apr 1, 1999 to Mar 31, 2000)
Cash Flows from Operating Activities			
Income before Income Taxes	24,972	21,106	46,367
Depreciation of Premises and Equipment	16,762	17,260	33,866
Amortization of Consolidation Difference	(144)	(1,170)	(262)
Equity in Earnings from Investments in Affiliated Companies	3,356	2,417	7,999
Increase in Reserve for Possible Loan Losses	8,467	20,380	(715)
Increase in Reserve for Possible Losses on Securities	(681)	744	1,100
Increase in Reserve for Possible Losses on Loans Sold	(1,716)	5,119	8,002
Increase in Reserve for Specific Borrowers under Support	-	3,792	(39,596)
Increase in Reserve for Retirement Allowances	(16,183)	469	707
Increase in Reserve for Retirement Benefit	16,976	-	-
Interest Income	(128,127)	(135,055)	(262,831)
Interest Expenses	38,861	53,872	100,234
Net (Gains)/Losses on Investment Securities	(28,742)	(35,119)	(103,738)
Net (Gains)/Losses on Money Held in Trust	263	(1,028)	(29,398)
Net Foreign Exchange (Gains)/Losses	20	6,285	1,901
Net (Gains)/Losses on Sales of Premises and Equipment	(3,677)	(356)	18,870
Net (Increase)/Decrease in Trading Account Assets	7,881	201,841	216,004
Net Increase/(Decrease) in Trading Account Liabilities	(38,788)	(9,289)	15,933
Net (Increase)/Decrease in Loans and Bills Discounted	(138,624)	(169,035)	(327,783)
Net Increase/(Decrease) in Deposits	1,020,940	(59,826)	57,333
Net Increase/(Decrease) in Negotiable Certificates of Deposit	(950,718)	-	349,132
Net Increase/(Decrease) in Borrowed Money (excluding subordinated borrowed money)	13,004	-	(99,847)
Net (Increase)/Decrease in Due from Banks (excluding those deposited at BOJ)	134,503	124,551	148,814
Net (Increase)/Decrease in Call Loans and Others	11,916	1,561	(211,872)
Net (Increase)/Decrease in Cash Collateral for Bonds Borrowed	131,635	(143,811)	(126,807)
Net Increase/(Decrease) in Call Money and Others	5,876	90,436	(59,573)
Net Increase/(Decrease) in Commercial Paper	(10,000)	-	-
Net Increase/(Decrease) in Cash Collateral for Bonds Lent	9,031	(104,056)	(165,364)
Net (Increase)/Decrease in Foreign Exchange Assets	14,279	37,890	43,502
Net Increase/(Decrease) in Foreign Exchange Liabilities	(3,942)	(11,567)	(1,984)
Net Increase/(Decrease) in Due to Trust Account	(113,679)	60,901	169,343
Interest Receipts	129,082	138,721	268,576
Interest Payments	(39,574)	(63,584)	(110,129)
Directors' Bonus	(3)	-	(5)
Others	(28,811)	(25,774)	6,501
Subtotal	<u>84,416</u>	<u>27,679</u>	<u>(45,717)</u>
Income Taxes Paid	(2,714)	(1,573)	(3,661)
Net Cash Provided by (Used in) Operating Activities	<u>81,701</u>	<u>26,106</u>	<u>(49,379)</u>
Cash Flows from Investing Activities			
Purchases of Securities	(918,200)	(1,257,796)	(2,204,957)
Proceeds from Sales of Securities	575,495	1,260,068	2,475,069
Proceeds from Maturity of Securities	32,396	58,131	77,959
Payments Associated with Increase in Money Held in Trust	(12,061)	(54,603)	(124,696)
Proceeds from Decrease in Money Held in Trust	120,264	5,176	11,457
Purchases of Premises and Equipment	(29,687)	(28,169)	(75,122)
Proceeds from Sales of Premises and Equipment	5,888	1,416	4,129
Proceeds from Sales of Equity Investments in a Subsidiary	-	21	7,488
Net Cash Provided by (Used in) Investing Activities	<u>(225,904)</u>	<u>(15,754)</u>	<u>171,327</u>
Cash Flows from Financing Activities			
Repayment of Subordinated Borrowed Money	(5,500)	-	(28,000)
Proceeds from Issuance of Subordinated Bonds	23,000	-	28,800
Repayment of Subordinated Bonds	(9,997)	(7,000)	(59,000)
Proceeds from Issuance of Stocks	55	-	3,517
Dividends Paid	(5,389)	(3,492)	(9,098)
Dividends Paid to Minority Shareholders	(49)	(86)	(160)
Payments Related to Acquisition of Treasury Stocks	(23)	-	(61)
Proceeds from Sales of Treasury Stocks	22	-	142
Net Cash Provided by (Used in) Financing Activities	<u>2,116</u>	<u>(10,578)</u>	<u>(63,859)</u>
Effect of Exchange Rate Changes on Cash and Cash Equivalents	<u>73</u>	<u>224</u>	<u>489</u>
Increase in Cash and Cash Equivalents	(142,012)	(2)	58,577
Cash and Cash Equivalents at the Beginning of the Year	469,975	411,398	411,398
Decrease in Cash and Cash Equivalents due to Exclusion from Consolidation	(0)	(0)	(0)
Cash and Cash Equivalents at the End of the Period	<u>327,962</u>	<u>411,396</u>	<u>469,975</u>

Principles of Consolidation

1. Scope of Consolidation

(1) Consolidated Subsidiaries :	50
Major Consolidated Subsidiaries	Cosmo Securities, Ltd Daiwagin Card Co., Ltd Daiwa Guarantee Co., Ltd The Daiwa Factor and Leasing Co., Ltd Daiwa Bank (Capital Management) Plc. P.T. Bank Daiwa Perdanania

A newly established subsidiary, Daiwagin Computer Service Co., Ltd, was added to consolidation from the interim period ended September 30, 2000. Cosmo Sangyo Co., Ltd, which was liquidated during the period, and Daiwagin Building Co., Ltd, which was merged by the Bank, were excluded from consolidation.

(2) Non-Consolidated Subsidiaries :	2
(Non-Consolidated Subsidiaries Applied Equity Method : None)	

2. Application of Equity Method

(1) Affiliates Applied Equity Method :	8
Major Equity Method Affiliates	The Kinki Osaka Bank, Limited Japan Trustee Services Bank, Ltd. General Housing Finance Co., Ltd
(2) Affiliates not Applied Equity Method	0

3. Interim Fiscal Period-Ends of Consolidated Subsidiaries

Interim fiscal period-ends of the consolidated subsidiaries are as follows:

End of January	1
End of March	2
End of June	18
End of September	29

The accounts of consolidated subsidiaries with interim fiscal period-ends in January and March are consolidated based on accounts adjusted to September 30, 2000. The accounts of all other subsidiaries are consolidated as at their respective interim fiscal period-ends.

Appropriate adjustments were made for significant transactions during the period from the respective interim fiscal period-ends of the above subsidiaries to the date of the Parent's interim fiscal period-end.

4. Summary of Significant Accounting Policies

(1) Trading assets and liabilities

Transactions for trading purposes represent transactions seeking to capture gains arising from short-term changes or differences between markets, in interest rates, currency exchange rates, or market prices of securities and other market-related indices. These transactions are included in "Trading Assets" and "Trading Liabilities" in the Consolidated Balance Sheet on a trade date basis. Securities and monetary receivables, etc., are carried at market value prevailing on the Consolidated Balance Sheet Date, and financial derivatives such as swaps, futures and options are carried at the price based on the assumption that these transactions were settled on the Consolidated Balance Sheet Date.

(2) Valuation method of securities

Securities being held to maturity are carried at moving average amortized cost. Non-trading securities available for sale are carried at moving average cost or amortized cost.

Securities held in individually managed money trusts for asset management purpose are carried based on the market value method.

(3) Valuation method of derivatives transactions

Derivatives transactions are carried based on the market value method.

- (4) Depreciation of premises and equipment
 Depreciation of premises and equipment is calculated based on the following methods.
- | | |
|-----------|---|
| Buildings | Computed by the straight-line method. Rates are defined in accordance with the Corporate Tax Law. |
| Equipment | Computed by the declining balance method. Rates are defined in accordance with the Corporate Tax Law. |
| Others | As amortized in accordance with the Corporate Tax Law. |

Depreciation of premises and equipment owned by the consolidated subsidiaries is principally calculated using the straight-line method based on the estimated useful lives.

- (5) Computer software developed or obtained for in-house use by the Parent Company and its consolidated subsidiaries is principally deferred and amortized using the straight-line method over the estimated useful life of five years.
- (6) The Parent Company's assets and liabilities denominated in foreign currencies are principally translated into yen at the market exchange rates prevailing on the Consolidated Balance Sheet Date. Assets and liabilities of domestic consolidated subsidiaries that are denominated in foreign currencies are translated into yen at the market exchange rates prevailing on their interim fiscal period-ends.

Foreign Currency Translation Adjustments, which were previously stated on the Consolidated Balance Sheet as one component of Assets, were reported as an item in the Minority Interests and Stockholders' Equity from the interim period under review.

- (7) Reserve for Possible Loan Losses

The Reserve for Possible Loan Losses of the Parent Company is provided as follows, based on the pre-determined rules for write-offs and additions to reserves.

The reserve for possible loan losses for legally/substantially bankrupt borrowers is provided based on the amount after deductions of the expected collectable amount through the disposal of collateral or through the execution of guarantees. The reserve for possible loan losses for borrowers who are not currently legally bankrupt but are likely to become bankrupt, is provided based on the amount considered necessary in accordance with the overall solvency assessment of the borrowers after deductions of the expected collectable amount through the disposal of collateral or through the execution of guarantees.

The reserve for possible loan losses on the loan to other than the above is provided based on loan loss experiences, as calculated using the actual default rates during a certain period in the past. Also, a reserve for possible losses on the loans to restructuring countries are set aside with the estimated amount based on such factors as political and economic risks. All loans are assessed by branches and credit departments based on internal rules of the self-assessment of assets. The credit assessment department, independent from the branches and credit departments, audits the result of the self-assessment, and the reserve is provided based on the result of the audit.

Major consolidated subsidiaries implement self-assessment of asset quality based on the same or similar criteria, and provide loan loss reserves in accordance with the results of such assessments.

As for the loans to legally/substantially bankrupt borrowers that are extended by the Parent Company and some of its subsidiaries, the credit amounts not covered by collateral or guarantees (Category exposures) are regarded as uncollectable and directly written-off from the original credit amounts.

The amount of such direct write-offs is ¥515,782 million.

- (8) Reserve for Retirement Benefit

To secure the payments of retirement benefit to eligible employees, the Parent Company provides reserve for retirement benefit. This reserve is provided based on the actuarial computation of retirement benefit liabilities and the estimated balance of pension assets as of the Consolidated Balance Sheet Date. The amount equal to the service cost during the interim period was added to the reserve.

The retirement benefit liabilities of the Parent Company and its major consolidated subsidiary in excess of the retirement benefit reserve and pension assets (discrepancy recognized when the new accounting method for retirement benefit was applied) and its amortization plans are as follows:

	Excess Liabilities	Amortization Period
The Parent Company	¥77,584 million	10 years
Cosmo Securities Co., Ltd	¥7,153 million	15 years

The portion of retirement benefit liabilities exceeding the reserve and pension assets is being amortized by the straight-line method over the periods indicated above. For the interim period ended September 30, 2000, half of the annual amortization cost was charged to income.

- (9) Reserve for Possible Losses on Loans Sold
The Reserve for Possible Losses on Loans Sold is set aside based on the estimated amount of losses to be incurred from the decline of the collateral (real estate) value of loans sold to the Cooperative Credit Purchase Company.
- (10) Reserve for the Specific Borrowers under Support
The Reserve for the Specific Borrowers under Support is set aside based on the rationally estimated amount of financial support that the Bank will need to provide for specific borrowers under support in the future.
- (11) Reserve for Possible Losses on Securities
The Reserve for Possible Losses on Securities is provided based on the rationally estimated amount of losses that might be incurred from securities investments.
- (12) Lease Transactions
Finance lease transactions by the Parent Company and its domestic consolidated subsidiaries, other than those for which the ownership of the leased equipment is recognized to be transferred to lessees are accounted in conformity with general accounting procedures for rent transactions.
- (13) Accounting Method for Hedge Transactions
As for the accounting method for hedging, the Parent Company applies the macro-hedging, which tries to control the interest rate risks in the aggregate arising from numerous assets and liabilities such as loans and deposits with the derivatives transactions.
- (14) Accounting Treatment of Consumption Tax
Accounts of the Parent Company and its domestic consolidated subsidiaries are not inclusive of consumption tax.
- (15) Other reserves required by special laws are as follows:
The Reserve for Contingent Liabilities from the Brokering of Financial Futures Transactions is based on Article 82 of the Financial Futures Transaction Law. This reserve is provided by the Parent Company, and the balance as at the Consolidated Balance Sheet Date was ¥1 million.
The Reserve for Contingent Liabilities from the Brokering Securities Transactions is based on Article 51 of the Securities and Exchange Act. This reserve is provided by domestic subsidiaries engaged in securities business, and the balance as at the Consolidated Balance Sheet Date was ¥18 million.

Notes to Consolidated Balance Sheet

1. Securities include the stocks of affiliated companies worth of ¥63,674 million.
2. Non-accrual loans to bankrupt borrowers : ¥87,777 million.
 Non-accrual past due loans : ¥392,937 million.
 "Non-accrual loans to bankrupt borrowers" refer to those loans in which the payment of principal or interest is well past due or there is no prospect of recovery of the principal or interest from the borrower or from a third party guaranteeing the loan.
 "Non-accrual past due loans" are defined as those loans which are past due and not accruing interests, but are categorized neither as "non-accrual loans to bankrupt borrowers," nor as "loans with altered lending condition" whose definition is given below.
3. Loans past due for three months or more: ¥22,792 million.
 "Loans past due for three months or more" are defined as loans whose principal or interest payment is past due for more than three months, but are categorized neither as "non-accrual loans to bankrupt borrowers," nor as "non-accrual past due loans."
4. Loans with altered lending conditions: ¥204,977 million.
 "Loans with altered lending conditions" are defined as loans that the Bank has granted certain concessions by changing the original conditions to debtors' advantage, with a view to supporting financial restructuring and securing the collection of the Bank's credits extended to them. These loans are categorized neither as "non-accrual loans to bankrupt borrowers," "non-accrual past due loans," nor as "loans past due for three months or more."
5. Amount of Loans under Risk Monitoring (Total of 2, 3, and 4 above) : ¥708,485 million.
 Figures reported in notes 2, 3, 4 and 5 are before netting-out of loan loss reserves.
6. The face value of the commercial bills discounted: ¥327,399 million.
7. Assets pledged as collateral and their relevant liabilities are as follows ;

Assets pledged as collateral	
Securities	¥38,924 million
Loans	¥254,294 million
Other Assets	¥35,673 million
Relevant liabilities	
Call Money and Bills Sold	¥27,200 million
Borrowed Money	¥63,674 million

Other than the above, securities, loans, and other assets which were worth of ¥718,485 million, ¥277,902 million, and ¥4,621 million, respectively, were pledged as collateral for exchange clearing transactions, or as substitutes for cash deposits required for derivatives transactions.
 In addition, securities worth of ¥5,231 million were pledged as collateral for the borrowings by the Bank's subsidiaries and affiliates.
 Premises and equipment stated include the guarantee deposit of ¥102,508 million. Other assets stated include the deposits for futures transactions in the amount of ¥1,093 million, and the deposits for bonds borrowed in the amount of ¥13, 245 million.
8. Deferred hedge gains and losses from hedging instruments were ¥3,505 million and ¥7,067 million, respectively
 The net deferred hedge losses are reflected in other assets stated on the balance sheet.
9. Accumulated depreciation of buildings and equipment : ¥192,717 million.
10. On June 9, 2000, "Municipal Ordinance concerning Special Treatment of Tax Base, etc., in Osaka Prefecture" (Osaka Prefectural Government Ordinance No. 131) was promulgated by the Osaka Prefectural Government. Due to the new enterprise tax to be imposed by the Osaka Prefectural Government, the Bank reduced the effective statutory tax rate, which is applied to when computing the deferred tax assets and liabilities, from 40.59%, the rate applied in the previous fiscal year, to 37.69%. As a result of this change, deferred tax assets were reduced by ¥12,682 million while income tax-deferred for the period increased by the same amount.
11. Borrowed Money includes ¥ 255,500 million of subordinated debts.
12. All bonds issued are with subordination clauses.
13. Stockholders' Equity per share : ¥207.73.
14. Principal amount of Jointly Operated Designated Money in Trusts : ¥1,215,503 million.

Notes to Consolidated Statement of Income

1. Net interim loss per share: ¥0.41
2. Profits and losses arising from trading transactions are reported in the statement of income as "Trading Revenue" and "Trading Expenses," respectively, on the trade date basis. Interests received and paid during the interim period, and the change in gains and losses from the revaluation of securities and monetary claims during the interim period are also recognized as trading revenue and trading expenses. As to trading related financial derivatives transactions, the change in revaluation gains and losses are reported as trading revenue and trading expenses, respectively, on the assumption that these transactions had been settled at the previous fiscal year-end and the interim period-end.
3. Effective from the interim period under review, the new accounting method for retirement benefit was applied. Due to the change in the accounting method, ordinary profits and income before income taxes for the interim period was increased by ¥294 million, respectively, compared to the figures based on the former accounting method.
4. Effective from the interim period under review, the valuation methods of securities, derivatives transactions, and the accounting method for hedge transactions were changed. Due to the changes in these accounting methods, ordinary profits and income before income taxes for the interim period was increased by ¥1,496 million and ¥1,242 million, respectively.
5. Enterprise taxes levied on gross profits were accounted as "other expenses." On April 1, 2000, "Municipal Ordinance concerning Special Treatment of Tax Base, etc., for Enterprise Tax on Banking Business, etc., in Tokyo Metropolis" (Tokyo Metropolitan Government Ordinance No.145) was adopted by the Tokyo Metropolitan Government. Enterprise tax levied by the Tokyo Metropolitan Government used to be included in "provision for income taxes" as one component of income taxes. However, due to the change in the treatment of tax base, from the interim period under review, enterprise tax levied by the Tokyo Metropolitan Government was included in "other expenses." "Other expenses" for the period include ¥926 million of such enterprise tax.
6. Extraordinary profits include gains on disposal of premises and equipment in the amount of ¥4,288 million, and recoveries of written-off claims in the amount of ¥2,762 million.

Notes to Consolidated Statement of Cash Flows

1. Cash and cash equivalents in the Consolidated Statement of Cash Flows refer to cash on hand and Bank of Japan deposits, both of which are components of "Cash and Due from Banks" in the Consolidated Balance Sheet.
2. Relationships between Cash and Cash Equivalents stated in the Consolidated Statement of Cash Flows and items stated on the Consolidated Balance Sheet are as follows.

Cash and Due from Banks	¥506,738 million
Due from Banks (Time Deposits)	¥(151,969) million
Due from Banks (Others)	¥(26,805) million
Cash and Cash Equivalents	¥327,962 million

<Reference to the Consolidated Financial Statements>

1. Securities

(Note)

* Other than "Securities" stated on the Consolidated Balance Sheet, Negotiable Certificate of Deposits (NCDs) included in "Cash and Due from Banks" are also covered in the following market value information.

(1) Securities Being Held to Maturity (Millions of Yen)

	September 30, 2000				
	Book Value	Market Value	Net Unrealized Gains/(Losses)	Gain	Loss
National Government Bonds	164	165	1	1	0
Others	2,085	2,079	(5)	0	5
Total	2,249	2,245	(4)	1	6

* Market value is primarily based on the market prices at the fiscal period-end.

(2) Non-Trading Securities Available for Sale (Marketable Securities)

(Millions of Yen)

	September 30, 2000				
	Book Value	Market Value	Net Unrealized Gains/(Losses)	Gain	Loss
Stocks	1,289,399	1,242,922	(46,477)	88,599	135,076
Bonds	1,343,237	1,334,371	(8,865)	3,248	12,113
National Government Bonds	1,125,490	1,117,667	(7,823)	750	8,573
Local Government Bonds	51,137	49,975	(1,161)	257	1,418
Corporate Bonds	166,609	166,728	119	2,240	2,121
Others	51,717	53,052	1,334	4,695	3,360
Total	2,684,354	2,630,346	(54,008)	96,543	150,551

* Market value is primarily based on the market prices at the fiscal period-end.

(3) Non-Trading Securities Available for Sale (Nonmarketable Securities)

(Principal components)

(Millions of Yen)

	September 30, 2000 Book Value
Unlisted Stocks (excluding Stocks Traded over the Counter)	48,428
Unlisted Foreign Stocks	859
Unlisted Industrial Bonds	1,509

(3) Stocks of Subsidiaries and Affiliates (Marketable Stocks)

(Non-Consolidated Basis)

(Millions of Yen)

	September 30, 2000		
	Book Value	Market Value	Net Unrealized Gains/(Losses)
Stocks of Subsidiaries	81,635	52,816	(28,819)
Stocks of Affiliates	47,790	51,252	3,462
Total	129,425	104,069	(25,356)

2. Money Held in Trust

Other than those reported above, there is Money Held in Trust for which it is not possible to estimate market value.

These are carried at cost, and the amount of such Money Held in Trust was ¥24 million.

3. Net Unrealized Gains/(Losses) on Non-Trading Securities Available for Sale, Net of Taxes

If the current value accounting had been applied to non-trading securities available for sale, net unrealized gains/(losses) after the adjustments of tax effects and others would have been as follows:

(Millions of Yen)

	September 30, 2000
Net Unrealized Gains/(Losses)	(54,008)
(+) Amount Equivalent to Deferred Tax Assets	20,008
Net Unrealized Gains/(Losses) on Non-Trading Securities Available for Sale, Net of Taxes (Before Equity Adjustment)	(34,000)
(-) Amount Equivalent to Minority Interest	594
(+) Equity in Net Unrealized Gains/(Losses) on Non-Trading Securities Available for Sale Held by Affiliates Applied Equity Method	(1,327)
Net Unrealized Gains/(Losses) on Non-Trading Securities Available for Sale	(35,921)

Derivatives Transactions

(1) Interest Rate Related Transactions

(Millions of Yen)

		September 30, 2000		
		Contract Value	Market Value	Revaluation Gains/ (Losses)
Listed on Exchange	Interest Rate Futures	20,103	7	7
	Interest Rate Options	-	-	-
Traded over the Counter	Forward Rate Agreement	-	-	-
	Interest Rate Swaps	2,258,764	2,647	2,647
	Interest Rate Options	-	-	-
	Cap	476,307	(100)	780
	Floor	3,757	101	4
	Swaption	3,000	(1)	49
Total			2,653	3,489

(Note)

Derivatives transactions shown above are revalued at their market prices, and the gains and losses from such revaluation are reflected in the Consolidated Statement of Income. Derivatives transactions to which the hedge accounting was applied are not covered in the above table.

(2) Currency Related Transactions

(Millions of Yen)

		September 30, 2000		
		Contract Value	Market Value	Revaluation Gains/ (Losses)
Traded over the Counter	Currency Swaps	139,951	(147)	(147)
	Forward Exchange	54	0	0
	Currency Options	-	-	-
	Others	-	-	-

(Notes)

- Derivatives transactions shown above are revalued at their market prices, and the gains and losses from such revaluation are reflected in the Consolidated Statement of Income. Derivatives transactions shown in the following note 2 are not included in the above table. There were no transactions to which the hedge accounting was applied.
- Currency swaps transactions for which net receipts from or payments to counterparties are recognized as income or expenses for the period in accordance with the guideline prepared by the Japanese Institute of Certified Public Accountant are not covered in the above table. Currency swaps transactions whose net receipts or payments are reflected in the Consolidated Statement of Income are as follows:

(Millions of Yen)

	September 30, 2000		
	Contract Value	Market Value	Revaluation Gains/ (Losses)
Currency Swaps	89,807	(86)	(86)

Forward foreign exchange transactions, currency options transactions and other currency-related derivatives transactions, 1) which are revalued at each fiscal period-end with gains or losses from such revaluation being recorded in the Consolidated Statement of Income, 2) whose underlying foreign currency denominated monetary claims or liabilities are stated in the Consolidated Balance Sheet, and 3) whose underlying foreign currency denominated monetary claims or liabilities are canceled out in the consolidation process, are not reported in the above table.

Contract values of currency related derivatives transactions revalued at each fiscal period-end are as follows:

(Millions of Yen)

		September 30, 2000	
		Contract Value	
Traded over the Counter	Forward Foreign Exchange	1,148,541	
	Currency Options	641,295	
	Others	-	

(3) Stock Related Transactions

(Millions of Yen)

		September 30, 2000		
		Contract Value	Market Value	Revaluation Gains/ (Losses)
Listed on Exchange	Stock Index Futures	241	4	4
	Stock Index Options	555	8	(0)
Total			13	4

(Note)

Derivatives transactions shown above are revalued at their market prices, and the gains and losses from such revaluation are reflected in the Consolidated Statement of Income. There were no derivatives transactions to which the hedge accounting was applied.

(4) Bond Related Transactions

(Millions of Yen)

		September 30, 2000		
		Contract Value	Market Value	Revaluation Gains/ (Losses)
Listed on Exchange	Bond Futures	20,812	(41)	(41)
	Bond Futures Option	-	-	-
Total			(41)	(41)

(Note)

Derivatives transactions shown above are revalued at their market prices, and the gains and losses from such revaluation are reflected in the Consolidated Statement of Income. There were no derivatives transactions to which the hedge accounting was applied.

(5) Commodity Related Transactions

There were no transactions as of September 30, 2000.

(6) Credit Derivatives Transactions

There were no transactions as of September 30, 2000.

Statement of Trust Assets and Liabilities
(As of September 30, 2000)

(Millions of Yen)

Assets		Liabilities	
Loans and Bills Discounted	665,528	Money Trusts	7,734,379
Securities	12,646,787	Pension Trusts	6,218,665
Securities Held for Investment Trust	4,296,554	Asset Formation Benefit Trusts	3,444
Foreign Investment Held for Investment Trust	343,758	Securities Investment Trusts	6,491,633
Trust Beneficiary Certificate	13,563	Pecuniary Trusts Other than Money Trusts	401,725
Securities Held in Custody Account	274,500	Securities Trusts	390,797
Securities Lent	236,466	Monetary Claims Trusts	55,848
Monetary Claims	248,269	Real Estate Trusts	193,005
Premises and Equipment	221,840	Land Leases Trusts	5,003
Land Lease Rights	748	Composite Trusts	167,250
Other Claims	499,126		
Bills Bought	10,000		
Call Loans	1,224,192		
Due from Banking Account	662,798		
Cash and Due from Banks	317,619		
Total Assets	21,661,754	Total Liabilities	21,661,754

<Note>

*1. Yen amounts are rounded down to the nearest million yen.

*2. Co-Managed Trust Funds under Other Trust Bank's Administration : ¥9,836,800 million.

*3. Loans and Bills Discounted funded by JOMT account funds that the Bank guarantees the principal : ¥ 578,898 million.

Of this total, Loans to Bankrupt Borrowers	:	¥2,392 million [A]
Non-Accrual Past Due Loans	:	¥11,682 million [B]
Loans Past Due for Three Months or More	:	¥2,299 million [C]
Loans with Altered Lending Conditions	:	¥2,775 million [D]
Loans under Risk Monitoring (Total of above [A] to [D])	:	¥19,151 million

Jointly Operated Designated Money in Trusts (JOMT)
(As of September 30, 2000)

(Millions of Yen)

Assets		Liabilities	
Loans and Bills Discounted	578,898	Principal	1,215,503
Securities	201,962	Special Loan Loss Reserve	1,781
Others	437,617	Others	1,193
Total Assets	1,218,478	Total Liabilities	1,218,478

Comparison of Statements of Trust Assets and Liabilities

(Millions of Yen)

	1H of FY 2000 (Sep 30, 2000)	1H of FY 1999 (Sep 30, 1999)	Comparison (A) - (B)	End of FY 1999 (Mar 31, 2000)	Comparison (A) - (C)
(ASSETS)	(A)	(B)	(A) - (B)	(C)	(A) - (C)
Loans and Bills Discounted	665,528	821,207	(155,679)	755,099	(89,571)
Securities	12,646,787	11,693,420	953,367	12,265,101	381,686
Securities Held for Investment Trust	4,296,554	3,261,640	1,034,914	3,692,922	603,632
Foreign Investment Held for Investment Trust	343,758	330,616	13,142	354,207	(10,449)
Trust Beneficiary Certificate	13,563	20,952	(7,389)	26,045	(12,482)
Securities Held in Custody Accounts	274,500	54,023	220,477	82,297	192,203
Securities Lent	236,466	185,880	50,586	257,780	(21,314)
Monetary Claims	248,269	330,497	(82,228)	260,002	(11,733)
Premises and Equipment	221,840	224,446	(2,606)	220,360	1,480
Land Lease Rights	748	698	50	748	-
Other Claims	499,126	264,097	235,029	51,163	447,963
Bills Purchased	10,000	-	10,000	41,600	(31,600)
Call Loans	1,224,192	1,134,696	89,496	1,063,763	160,429
Due from Banking Account	662,798	668,035	(5,237)	776,478	(113,680)
Cash and Due from Banks	317,619	620,587	(302,968)	614,400	(296,781)
Total assets	21,661,754	19,610,800	2,050,954	20,461,970	1,199,784
Co-Managed Trust Funds under Other Trust Banks' Administration	9,836,800	12,975,215	(3,138,415)	10,092,534	(255,734)

	1H of FY 2000 (Sep 30, 2000)	1H of FY 1999 (Sep 30, 1999)	Comparison (A) - (B)	End of FY 1999 (Mar 31, 2000)	Comparison (A) - (C)
(LIABILITIES)	(A)	(B)	(A) - (B)	(C)	(A) - (C)
Money Trusts	7,734,379	7,272,195	462,184	7,596,851	137,528
Pension Trusts	6,218,665	6,011,862	206,803	6,111,769	106,896
Asset Formation Benefit Trusts	3,444	3,702	(258)	3,559	(115)
Securities Investment Trusts	6,491,633	5,360,698	1,130,935	5,693,647	797,986
Pecuniary Trusts Other than Money Trusts	401,725	426,391	(24,666)	423,542	(21,817)
Securities Trusts	390,797	243,000	147,797	354,885	35,912
Monetary Claims Trusts	55,848	66,823	(10,975)	48,709	7,139
Real Estates Trusts	193,005	189,462	3,543	189,586	3,419
Land Leases Trusts	5,003	4,751	252	4,932	71
Composite Trusts	167,250	31,912	135,338	34,486	132,764
Total Liabilities	21,661,754	19,610,800	2,050,954	20,461,970	1,199,784

<Note> Yen amounts are rounded down to the nearest million yen.

Segment Information

1. Segment Information by Type of Business

First Half of FY 2000 (for the period from April 1, 2000 to September 30, 2000)

(Millions of Yen)

	Banking and Trust Banking	Securities	Other Financial Services	Others	Total	Elimination & General Corporate Assets	Consolidated
I. Operating Income and Ordinary Profit							
Operating Income							
(1) Operating Income from Customers	228,537	12,852	24,355	7,497	273,242	-	273,242
(2) Inter-segment Operating Income	3,165	64	6,485	339	10,055	[10,055]	-
Total	231,702	12,916	30,841	7,837	283,297	[10,055]	273,242
Operating Expenses	213,542	10,553	44,843	8,961	277,900	[23,311]	254,589
Ordinary Profits/(Losses)	18,160	2,363	(14,001)	(1,124)	5,396	[(13,255)]	18,652
II. Assets, Depreciation and Capital Expenditure							
Assets	15,074,781	191,035	2,069,533	210,455	17,545,806	[2,443,386]	15,102,419
Depreciation	3,412	99	12,179	1,070	16,762	-	16,762
Capital Expenditure	2,983	1,282	15,800	11,426	31,492	-	31,492

<Notes>

1. Yen amounts are rounded down to the nearest million yen.
2. Segmentation is based on each consolidated company's line of business. "Others" represents insurance agency business, real property leasing business and so forth.
3. Operating Income and Ordinary Profit are shown in places of Sales and Operating Profit which would be reported in cases of general companies
4. Capital Expenditure includes the investments related to system equipment.

First Half of FY 1999 (for the period from April 1, 1999 to September 30, 1999)

(Millions of Yen)

	Banking and Trust Banking	Securities	Other Financial Services	Others	Total	Elimination & General Corporate Assets	Consolidated
I. Operating Income and Ordinary Profit							
Operating Income							
(1) Operating Income from Customers	247,783	17,509	28,509	4,316	298,118	-	298,118
(2) Inter-segment Operating Income	2,954	130	8,823	440	12,348	[12,348]	-
Total	250,738	17,639	37,332	4,757	310,467	[12,348]	298,118
Operating Expenses	226,262	11,043	49,042	8,043	294,391	[15,599]	278,792
Ordinary Profits/(Losses)	24,475	6,596	(11,709)	(3,286)	16,076	[(3,250)]	19,326
II. Assets, Depreciation and Capital Expenditure							
Assets	15,432,750	191,212	2,313,326	206,301	18,143,591	[2,795,342]	15,348,249
Depreciation	3,914	93	12,226	1,027	17,260	-	17,260
Capital Expenditure	3,412	297	37	27,019	30,766	-	30,766

<Notes>

1. Yen amounts are rounded down to the nearest million yen.
2. Segmentation is based on each consolidated company's line of business. "Others" represents insurance agency business, real property leasing business and so forth.
3. Operating Income and Ordinary Profit are shown in places of Sales and Operating Profit which would be reported in cases of general companies
4. Capital Expenditure includes the investments related to system equipment.

FY 1999 (for the period from April 1, 1999 to March 31, 2000)

(Millions of Yen)

	Banking and Trust Banking	Securities	Other Financial Services	Others	Total	Elimination & General Corporate Assets	Consolidated
I. Operating Income and Ordinary Profit							
Operating Income							
(1) Operating Income from Customers	671,207	41,811	51,897	14,572	779,488	-	779,488
(2) Inter-segment Operating Income	4,118	269	16,174	1,234	21,797	[21,797]	-
Total	675,326	42,080	68,072	15,807	801,286	[21,797]	779,488
Operating Expenses	644,024	21,745	83,254	31,120	780,145	[63,235]	716,909
Ordinary Profits/(Losses)	31,302	20,334	(15,182)	(15,313)	21,140	[(41,437)]	62,578
II. Assets, Depreciation and Capital Expenditure							
Assets	15,314,816	245,969	2,085,406	211,801	17,857,994	[2,503,169]	15,354,825
Depreciation	7,401	174	24,082	2,206	33,866	-	33,866
Capital Expenditure	5,573	789	20,742	52,171	79,276	-	79,276

<Notes>

1. Yen amounts are rounded down to the nearest million yen.
2. Segmentation is based on each consolidated company's line of business. "Others" represents insurance agency business, real property leasing business and so forth.
3. Operating Income and Ordinary Profit are shown in places of Sales and Operating Profit which would be reported in cases of general companies
4. Capital Expenditure includes the investments related to system equipment.

2. Segment Information by Location

First Half of FY 2000 (for the period from April 1, 2000 to September 30, 2000)

Since the operating income and employed assets of "Japan" segment is more than 90 % of other segments combined, segment information by location for the first half of FY 2000 is not shown here.

For the same reason, segment information by location for the first half of FY 1999, and for FY 1999 is not reported here, either.

3. International Operating Income

First Half of FY 2000 (for the period from April 1, 2000 to September 30, 2000)

Since international operating income of the Bank is less than 10% of the total, international operating income for the first half of FY 2000 is not shown here.

For the same reason, international operating income for the first half of FY 1999 and for FY 1999 is not reported here, either.

(Market Prices of Securities)

The Daiwa Bank, Limited
(Millions of Yen)

		September 30, 1999					March 31, 2000				
		Book Value	Market Value	Net Unrealized Gains/(Losses)	Gain	Loss	Book Value	Market Value	Net Unrealized Gains/(Losses)	Gain	Loss
Securities	Bonds	313,376	306,711	(6,664)	1,153	7,818	239,298	232,259	(7,039)	682	7,721
	Stocks	1,382,072	1,357,703	(24,368)	169,360	193,729	1,321,432	1,426,293	104,860	256,213	151,352
	Others	49,446	49,102	(344)	3,702	4,046	40,644	45,631	4,986	7,660	2,673
Total		1,744,895	1,713,517	(31,377)	174,217	205,594	1,601,376	1,704,184	102,808	264,555	161,747

*1. Securities mentioned above cover only listed securities. Bonds include Japanese national/local government bonds, and Japanese corporate bonds. Listed bonds are valued at the closing prices on the Tokyo Stock Exchange or prices calculated using indicated yields announced by the Japan Security Dealers Association. Other listed securities are valued at the closing prices on the Tokyo Stock Exchange.

*2. The table below covers unlisted securities for which it is possible to estimate a market value.

(Millions of Yen)

		September 30, 1999					March 31, 2000				
		Book Value	Market Value	Net Unrealized Gains/(Losses)	Gain	Loss	Book Value	Market Value	Net Unrealized Gains/(Losses)	Gain	Loss
Securities	Bonds	689,170	689,750	579	5,139	4,560	549,980	547,079	(2,901)	1,741	4,643
	Stocks	20,529	33,946	13,417	16,286	2,868	28,539	41,457	12,918	14,843	1,925
	Others	38,491	29,311	(9,180)	1,272	10,452	27,622	28,412	790	806	15
Total		748,192	753,008	4,816	22,698	17,882	606,142	616,949	10,807	17,391	6,584

The market value of unlisted securities is determined as follows: transaction prices announced by the Japan Security Dealers Association in the case of securities traded over the counter, prices calculated using indicated yields announced by the Japan Security Dealers Association in the case of public bonds, and market prices announced by the authorized fund management companies in the case of securities investment trusts.

*3. Securities not included in the market value information provided above are primarily as follows:

(Millions of Yen)

		Book Value	
		Sep 30, 1999	Mar 31, 2000
Securities	Domestic Unlisted Bonds, excluding Publicly Offered Bonds	107,271	98,916
	Publicly Offered Unlisted Bonds with Maturity One Year or Less	18,298	84,925
	Unlisted Bonds, excluding Domestic Bonds	21,166	17,256

*4. The market values of securities related to trading transactions, which are included in trading assets, are revalued at market prices, and revaluation gains/losses from such revaluation are recorded in the Consolidated Statement of Income. Therefore, such gains/losses are not reported above.

(Market Prices of Money Held in Trust)

(Millions of Yen)

		September 30, 1999					March 31, 2000				
		Book Value	Market Value	Net Unrealized Gains/(Losses)	Gain	Loss	Book Value	Market Value	Net Unrealized Gains/(Losses)	Gain	Loss
Money Held in Trust		130,527	133,989	3,462	4,509	1,046	194,076	198,702	4,626	5,750	1,124

The market value of Money Held in Trust is determined as follows:

*1. The market prices of listed securities are determined by using the closing prices on Tokyo Stock Exchange or prices calculated using indicated yields announced by the Japan Security Dealers Association in the case of public bonds.

*2. Transaction prices announced by the Japan Security Dealers Association in the case of securities traded over the counter.

(1) Interest Rate Related Transactions

(Millions of Yen)

Market Segment	Type		September 30, 1999				March 31, 2000			
			Contract Value	Over a year	Market Value	Valuation Gain/(Loss)	Contract Value	Over a year	Market Value	Valuation Gain/(Loss)
Over the Counter	Interest Rate Swaps	Receive the Fix /Pay the Float	165,120	118,120	11,357	11,357	131,620	86,120	9,069	9,069
		Receive the Float /Pay the Fix	626,346	421,283	(20,309)	(20,309)	553,717	394,234	(13,248)	(13,248)
		Receive the Float /Pay the Float	35,179	33,255	(39)	(39)	34,342	32,902	(31)	(31)
	Cap	Sell	27,270	20,680			25,337	23,368		
			[161]		63	97	[146]		70	76
	Buy	49,282	21,133			35,312	18,105			
[654]			219	(434)	[423]		153	(270)		
Total					(9,328)				(4,404)	

*1. Estimation of market value : The market values of transactions listed on Exchange are determined by using the closing prices on the Tokyo Financial Futures Exchange and others. For transactions traded over the counter, market values are calculated based on such methods as discounted present value or option pricing models.

*2. Figures in brackets indicate the option premiums recorded in the Consolidated Balance Sheet.

*3. Derivatives Transactions included in trading assets (trading transactions) are revalued at the market values and such revaluation gains/losses are recorded in the Consolidated Statement of Income. Therefore, such revaluation gains or losses are not reported above. Contract values of derivatives transactions included in trading assets are as follows:

(Millions of Yen)

Market Segment	Type		September 30, 1999		March 31, 2000	
			Contract Value	Market Value	Contract Value	Market Value
Listed on Exchange	Interest Rate Futures	Sell	1,233	1,228	5,912	5,909
		Buy	7,526	7,528	1,517	1,515
Over the Counter	Forward Rate Agreement	Sell	3,000	(3)	-	-
	Interest Rate Swaps	Receive the Fix /Pay the Float	1,273,195	42,386	1,165,220	28,790
		Receive the Float /Pay the Fix	1,404,734	(38,993)	1,260,662	(24,260)
		Receive the Float /Pay the Float	112,846	(165)	125,930	(181)
	Cap	Sell	314,122		282,666	
			[7,108]	1,719	[6,344]	1,366
	Buy	257,190		233,737		
		[5,933]	1,636	[5,264]	1,257	
Floor	Buy	2,102		3,089		
		[3]	5	[62]	71	
Swaption	Sell	8,800		8,300		
		[7]	0	[58]	33	

* Figures in brackets indicate the initial option premiums recorded for the contract value.

(2) Currency Related Transactions

(Millions of Yen)

Market Segment	Type	September 30, 1999				March 31, 2000				
		Contract Value	Over a year	Market Value	Valuation Gain/(Loss)	Contract Value	Over a year	Market Value	Valuation Gain/(Loss)	
Over-The-Counter	Currency Swaps		135,899	51,145	(31)	(31)	134,181	12,500	(1,613)	(1,613)
		U.S. Dollar	84,473	12,500	124	124	95,377	12,500	(1,555)	(1,555)
		H.K. Dollar	51,426	38,645	(155)	(155)	38,804	-	(57)	(57)
	Forward Fx.	Buy	68	-	0	0	-	-	-	-

*1. The market values of transactions are based on discounted present value.

*2. Trading account derivative transactions are revalued at the market values and such revaluation gains/losses are recorded in the Consolidated Statement of Income.

Therefore, such revaluation gains/losses are not reported above. Contract values of trading account derivative transactions are as follows:

(Millions of Yen)

Market Segment	Type	September 30, 1999		March 31, 2000	
		Contract Value	Market Value	Contract Value	Market Value
Over-The-Counter	Currency Swaps	68,844	(26)	75,618	136
	U.S. Dollar	57,007	(446)	66,215	(218)
	Swiss Franc	9,184	279	8,156	246
	Deutsche Mark	713	100	713	108
	Thai Baht	-	-	533	0
	Australian Dollar	1,640	0	-	-
	British Pound	299	38	-	-
Forward Foreign Exchange Contract	Sell	-	-	26	26

*3. Forward foreign exchange transactions, currency options transactions and other currency-related derivatives transactions, 1) which are revalued at each fiscal period-end with gains or losses from such revaluation being recorded in the Consolidated Statement of Income, 2) whose underlying foreign currency denominated monetary claims or liabilities are stated in the Consolidated Balance Sheet, and 3) whose underlying foreign currency denominated monetary claims or liabilities are canceled out in the conso process, are not reported in the above table. Contract values of currency related derivatives transactions revalued at each fiscal period-end are as follows:

(Millions of Yen)

Market Segment	Type	September 30, 1999		March 31, 2000		
		Contract Value	Contract Value	Contract Value	Contract Value	
Over the Counter	Forward Fx. Contracts	Sell	652,534	595,499		
		Buy	728,324	610,647		
	Currency Options	Sell	Call	134,052	407,835	
				[2,271]	[3,363]	
		Put	135,139	400,643		
			[2,455]	[6,807]		
	Buy	Call	136,031	407,449		
			[3,542]	[4,185]		
Put	148,914	422,739				
	[5,849]	[10,770]				

* Figures in brackets are the initial option premium recorded in the Consolidated Balance Sheet for the contract value.

(3) Stock Related Transactions There were no transactions.

Trading account derivative transactions are revalued at the market values and such revaluation gains/losses are recorded in the Consolidated Statement of Income.

Therefore, such revaluation gains/losses are not reported above. Contract values of trading account derivative transactions are as follows:

(Millions of Yen)

Market Segment	Type			September 30, 1999		March 31, 2000	
				Contract Value	Market Value	Contract Value	Market Value
Listed on Exchange	Stock Index Futures	Sell		437	440	519	510
	Stock Index Options	Sell	Call	-	-	205	
				[-]			[3]
	Buy	Put	505		400		
			[3]	2	[2]	3	

(Notes) *1. Market value of transactions traded on exchange are based on the closing prices at the Tokyo Stock Exchange and others.

*2. Figures in brackets are the initial option premium recorded for contract value.

* Figures in brackets indicate the initial option premiums recorded for the contract value.

(4) Stock Related Transactions

(Millions of Yen)

Market Segment	Type			September 30, 1999			March 31, 2000			
				Contract Value	Over a year	Market Value	Valuation Gain/(Loss)	Contract Value	Over a year	Market Value
Listed on Exchange	Bond Futures	Sell	12,889	-	13,196	(306)	-	-	-	-
Over the Counter	Bond Options	Sell	20,562	-			-	-	-	-
			[14]		6	7	[-]		-	-
		Buy	10,231	-			-	-	-	-
			[13]		7	(5)	[-]		-	-
Total						(304)				-

*1. Estimation of market value : The market values of transactions listed on Exchange are based on the closing prices on the Tokyo Financial Futures Exchange

The market values of transactions traded over the counter are calculated using such method as discounted present value or others.

*2. Figures in brackets are the initial option premium recorded in the Consolidated Balance Sheet for the contract value.

*3. Trading account derivative transactions are revalued at the market values and such revaluation gains/losses are recorded in the Consolidated Statement of Income.

Therefore, such revaluation gains/losses are not reported above. Contract values of trading account derivative transactions are as follows:

(Millions of Yen)

Market Segment	Type			September 30, 1999		March 31, 2000	
				Contract Value	Market Value	Contract Value	Market Value
Listed on Exchange	Bond Futures		Sell	4,447	4,486	19,896	19,942
			Buy	3,917	3,958	18,721	18,762
	Bond Futures Option	Buy	Put	-	-	1,270	
			[-]		[2]	1	

(5) Stock Related Transactions

There were no transactions.

(6) Stock Related Transactions

There were no transactions.