

# Interim Financial Results Report for Fiscal Year 1999

<Non-Consolidated>

November 22, 1999

The Daiwa Bank, Limited  
2-1, Bingomachi 2-Chome,  
Chuo-ku, Osaka, Japan

Date of Approval by the Board of Directors : November 22, 1999

Date of Commencement of Interim Dividends Payment : December 10, 1999

## 1. Financial Highlights for First Half of Fiscal Year 1999 (from April 1, 1999 to September 30, 1999)

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

(ii) denotes minus.

### (1) Operating Results

	Operating Income		Ordinary Profits		Net Income	
	¥ million	(Change from 1st Half of FY 1998 ) %	¥ million	(Change from 1st Half of FY 1998 ) %	¥ million	(Change from 1st Half of FY 1998 ) %
First Half of FY 1999	243,113	( 12.3)	14,666	( 106.4 )	9,331	( 12.5 )
First Half of FY 1998	277,322	( 26.2)	7,106	( 6.0)	10,665	( 59.1)
FY 1998	542,935		249,970		116,512	

	Primary Net Income per share	Fully Diluted Net Income per Share	Accounting Standard
First Half of FY 1999	¥ 3.45	¥ 2.21	Standards for Interim Financial Statements
First Half of FY 1998	6.23	-	Standards for Interim Financial Statements
FY 1998	72.29	-	

<Notes> (i) Average number of shares:

First Half of FY 1999	: Common Stock	(Nominal)	1,913,403,209 shares
	: Kind A Preferred Stock	(Non Nominal)	48,350,819 shares
	: Kind B Preferred Stock	(Non Nominal)	680,000,000 shares
First Half of FY 1998	: Common Stock	(Nominal)	1,613,570,977 shares
	: Kind A Preferred Stock	(Non Nominal)	50,000,000 shares
FY 1998	: Common Stock	(Nominal)	1,628,842,812 shares
	: Kind A Preferred Stock	(Non Nominal)	50,000,000 shares
	: Kind B Preferred Stock	(Non Nominal)	1,863,013 shares

(ii) Change of Accounting Policy : None

### (2) Dividend Payment

	Interim Dividends Per Share	Full-Year Dividends Per Share
First Half of FY 1999 (Common)	¥ 1.50	¥ ---
First Half of FY 1998 (Common)	1.50	---
FY 1998 (Common)	---	3.00

As for dividends paid for preferred stock, please refer to the following page.

## (3) Financial Position

	Total Assets	Stockholders' Equity	Stockholders' Equity to Total Assets	Stockholders' Equity per Share	Capital Ratio on a Non-Consolidated Basis (Uniform International Standards : BIS Ratio)
	¥ million	¥ million	%	¥	%
First Half of FY 1999	15,431,261	944,049	6.1	254.91	(Provisional Figure) 13.02
First Half of FY 1998	15,498,011	480,570	3.1	266.84	---
FY 1998	15,514,594	938,211	6.0	251.82	13.78

<Notes> (i) Number of Shares Outstanding (One Unit : 1,000 Shares, both Common and Preferred )

As of September 30, 1999 :	Common Stock	(Nominal)	1,927,270,457 shares
	: Kind A Preferred Stock	(No Nominal)	44,760,000 shares
	: Kind B Preferred Stock	(No Nominal)	680,000,000 shares
As of September 30, 1998 :	Common Stock	(Nominal)	1,613,570,977 shares
	: Kind A Preferred Stock	(No Nominal)	50,000,000 shares
As of March 31, 1999 :	Common Stock	(Nominal)	1,906,950,977 shares
	: Kind A Preferred Stock	(No Nominal)	50,000,000 shares
	: Kind B Preferred Stock	(No Nominal)	680,000,000 shares

## 2 . Earnings Performance Projection for Fiscal Year 1999 (From April 1, 1999 to March 31, 2000)

	Operating Income	Ordinary Profits	Net Income	Cash Dividends per Share	
				Interim	
	¥ million	¥ million	¥ million	¥	
FY 1999	450,000	28,000	18,000	1.50	3.00

Projected Net Income per Share for FY 1999 : ¥6.52

<For your reference>

## Dividends per Share

	FY 1999	FY 1998	FY 1998
	Interim	Interim	Full Year
	¥	¥	¥
(Common)	1.50	1.50	3.00
(Kind A Preferred)	12.375	12.375	24.75
(Kind B Preferred)	3.180	---	0.02

FY 1999 (Projection)	Term-end	Full Year
		¥
(Common)	1.50	3.00
(Kind A Preferred)	12.375	24.75
(Kind B Preferred)	3.18	6.36

Indexes appeared in "Financial Highlights for First Half of FY 1999"

Primary Net (Interim) Income Per Share	=	$\frac{\text{Net (Interim) Income} - \text{Total Dividends Paid on Preferred Shares}}{\text{Average Number of Common Stock Shares during the Term Concerned}}$
Stockholders' Equity Per Share	=	$\frac{\text{Term-end Balance of Stockholders' Equity} - \text{Term-end Number of Preferred Shares Issued} \times \text{Issue Price}}{\text{Term-end Number of Common Stock Shares Issued}}$

Index appeared in Earnings Performance Projection for FY 1999

Projected Net Income Per Share	=	$\frac{\text{Projected Net Income} - \text{Projected Total Dividends Paid on Preferred Shares}}{\text{Term-end Number of Common Stock Shares (as of September 30, 1999)}}$
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## Comparison of Balance Sheets

(Millions of Yen)

Balance Sheets	Sep 30, 1999 (A)	Sep 30, 1998 (B)	Comparison (A) - (B)	Mar 31, 1999 (C)	Comparison (A) - (C)
<b>ASSETS</b>					
Cash and Due from Banks	740,236	692,960	47,276	846,916	106,680
Call Loans	855	21,556	20,701	7,833	6,978
Monetary Claims Bought	20	20	-	20	-
Trading Assets	169,907	315,985	146,078	368,565	198,658
Money Held in Trust	126,748	125,653	1,095	76,662	50,086
Securities	2,764,770	2,731,300	33,470	2,789,050	24,280
Loans and Bills Discounted	9,766,864	9,947,073	180,209	9,557,797	209,067
Foreign Exchanges	97,812	129,138	31,326	134,636	36,824
Other Assets	579,309	324,362	254,947	330,498	248,811
Premises and Equipment	146,721	144,296	2,425	149,302	2,581
Deferred Taxes	204,165	-	204,165	211,189	7,024
Customers' Liabilities for Acceptances and Guarantees	833,849	1,065,664	231,815	1,042,123	208,274
<b>Total Assets</b>	<b>15,431,261</b>	<b>15,498,011</b>	<b>66,750</b>	<b>15,514,594</b>	<b>83,333</b>
<b>LIABILITIES</b>					
Deposits	10,648,847	9,715,981	932,866	9,937,662	711,185
Certificates of Deposits	482,249	703,172	220,923	1,237,285	755,036
Call Money	240,363	561,332	320,969	168,398	71,965
Bills Sold	121,155	244,115	122,960	30,978	90,177
Commercial Paper	25,000	30,500	5,500	10,000	15,000
Trading Liabilities	49,864	77,646	27,782	62,195	12,331
Borrowed Money	531,276	563,376	32,100	542,035	10,759
Foreign Exchanges	6,635	8,511	1,876	17,132	10,497
Due to Trust Account	668,035	484,428	183,607	607,134	60,901
Other Liabilities	567,289	1,073,664	506,375	584,195	16,906
Reserve for Possible Loan Losses	162,103	376,671	214,568	189,172	27,069
Reserve for Retirement Allowance	15,434	15,771	337	15,174	260
Reserve for Possible Losses on Loans Sold	32,289	23,261	9,028	29,030	3,259
Reserve for the Specific Borrowers under Support	102,053	73,336	28,717	103,858	1,805
Reserve for Possible Losses on Investments	760	-	760	-	760
Other Reserves	3	6	3	3	-
Acceptances and Guarantees	833,849	1,065,664	231,815	1,042,123	208,274
<b>Total Liabilities</b>	<b>14,487,211</b>	<b>15,017,441</b>	<b>530,230</b>	<b>14,576,383</b>	<b>89,172</b>
<b>STOCKHOLDERS' EQUITY</b>					
Capital	465,158	235,047	230,111	465,158	-
Capital Surplus and Legal Reserve	449,536	218,118	231,418	448,837	699
Earned Surplus	29,354	27,403	1,951	24,214	5,140
Voluntary Reserve	10,002	10,004	2	10,002	-
Unappropriated Profit at the End of the Period	19,352	17,399	1,953	14,212	5,140
Net (Interim) Income ( denotes Net Loss)	9,331	10,665	1,334	116,512	125,843
<b>Total Stockholders' Equity</b>	<b>944,049</b>	<b>480,570</b>	<b>463,479</b>	<b>938,211</b>	<b>5,838</b>
<b>Total Liabilities and Stockholders' Equity</b>	<b>15,431,261</b>	<b>15,498,011</b>	<b>66,750</b>	<b>15,514,594</b>	<b>83,333</b>

&lt;Note&gt; Increase in number of shares :

Conversion of Kind A Preferred Shares to Common Shares

Common Shares increased by Conversion

20,319,480 shares

Amount Capitalized

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## Comparison of Statements of Operation (Major Breakdown)

(Millions of Yen)

	First Half of FY 1999 (A)	First Half of FY 1998 (B)	Comparison (A) - (B)	FY 1998
Operating Income	243,113	277,322	34,209	542,935
Interest Income	131,212	159,812	28,600	312,134
(Interest on loans and discounts)	( 100,599 )	( 117,072 )	( 16,473 )	( 225,347 )
(Interest and dividends on securities)	( 20,290 )	( 23,808 )	( 3,518 )	( 39,287 )
Trust Fees	24,696	24,204	492	56,669
Fees and Commissions	21,239	21,981	742	42,484
Net Trading Revenue	1,467	1,370	97	3,433
Other Operating Income	12,703	32,333	19,630	71,232
Other Income	51,794	37,619	14,175	56,980
Operating Expenses	228,447	270,215	41,768	792,905
Interest Expenses	51,269	90,126	38,857	171,576
(Interest on deposits)	( 24,181 )	( 46,469 )	( 22,288 )	( 83,186 )
Fees and Commissions	6,364	6,196	168	12,359
Other Operating Expenses	5,560	2,986	2,574	10,042
General and Administrative Expenses	85,772	96,608	10,836	184,451
Other Expenses	79,479	74,298	5,181	414,476
Ordinary Profits ( denotes Ordinary Losses)	14,666	7,106	7,560	249,970
Extraordinary Profits	2,331	4,510	2,179	52,596
Extraordinary Losses	442	382	60	1,773
Income before Income Taxes ( denotes Loss before Income Taxes)	16,555	11,234	5,321	199,146
Provision for Income Taxes	-	569	569	-
Income Tax, Inhabitants' Tax, and Enterprise Tax	200	-	200	918
Income Taxes - Deferred	7,024	-	7,024	83,553
Net (Interim) Income ( denotes Net Loss)	9,331	10,665	1,334	116,512
Retained Earnings Brought Forward from Previous Year	10,020	6,734	3,286	6,734
Deferred Income Taxes Carried Forward from Previous Fiscal Years	-	-	-	127,636
Transfer from Reserve for Losses on Overseas Investments	-	-	-	1
Interim Dividends Paid	-	-	-	3,039
Transfer to Legal Reserve	-	-	-	608
Unappropriated Profit at the End of the Term	19,352	17,399	1,953	14,212

## Notes to Non-Consolidated Balance Sheet

1. Yen amounts are reported in millions of yen and are rounded down to the nearest million yen.
2. Transactions for trading purposes refer to those transactions whose profit opportunities arise from differences between markets and short-term movements of rates and other indexes as they apply to interest rates, currency exchange rates, and dealing in marketable securities. These transactions are included in "Trading Assets" or "Trading Liabilities" on the balance sheet on a trade date basis. Securities, monetary claims, and other trading-related financial derivatives are carried at amounts based on the assumption that they were settled at the end of the term.
3. Securities are carried at cost. (The cost of securities sold is determined on a moving-average basis.)  
Listed securities held in individually managed money trusts for asset management purpose are carried at the lower of cost or market value. Other securities are stated at cost.
4. In accordance with the Accounting Standards for Banks, depreciation of premises and equipment is calculated as follows:

Buildings	Straight line method. Rates are defined in accordance with the Corporate Tax Law.
Equipment	Fixed percentage of declining balance method. Rates are defined in accordance with the Corporate Tax Law.
Others	As amortized in accordance with the Corporate Tax Law.
5. All assets and liabilities denominated in foreign currencies and overseas branch accounts are translated into yen at market exchange rates prevailing on the Balance Sheet Date.
6. The Reserve for Possible Loan Losses is provided as follows, based on the rules for write-offs and additions to reserves in accordance with the Accounting Standards for Banks. The reserve for possible loan losses for bankrupt and effectively 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 to be necessary based on the overall solvency assessment of the amounts 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. As for the loans to legally/substantially bankrupt borrowers, 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 ¥314,226 million.
7. The Reserve for Retirement Allowance is set aside in accordance with the Accounting Standards for Banks on the basis of the amount which would be required if all employees were to have voluntarily retired at the end of the period concerned.
8. 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.
9. 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.

10. The Reserve for Possible Losses on Investments is provided based on the rationally estimated amount of losses that might be incurred from investments.
11. Finance lease other than those with property rights which will be recognized as transferable to the leases, is accounted for in compliance with general accounting procedures for rent transactions.
12. All figures are not inclusive of consumption tax.
13. 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.
  - The Reserve for Contingent Liabilities from the Brokering Securities Transactions is based on Article 51 of the Securities and Exchange Act and Article 65-2-7 thereof.
14. Securities include ¥1 million of treasury stocks of the Bank.
15. Accumulated depreciation on buildings and equipment : ¥52,943 million.
16. Capital gains incurred upon disposals and other similar transactions are deducted from the cost of buildings and equipment acquired in substitution. The accumulated amount of the deducted cost of buildings and equipment is ¥4,947 million.
17. Non-accrual loans to bankrupt borrowers : ¥85,027 million.  
 Non-accrual past due loans : ¥99,376 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.
18. Loans past due for more than three months: ¥40,919 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."
19. Loans with altered lending conditions: ¥502,075 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."
20. Amount of Loans under Risk Monitoring (Total of 17, 18, and 19 above) : ¥727,399 million.
21. Borrowed Money includes ¥ 509,630 million of subordinated debts.
22. Principal amount of Jointly Operated Designated Money in Trusts which the Bank guarantees the principal is ¥1,373,905 million.

## Notes to Non-Consolidated Statements of Income

1. Yen amounts are reported in millions of yen and are rounded down to the nearest million yen.
2. Net of profits and losses arising from trading transactions is reported in the Income Statement as "Trading Revenue," on the basis of when the transaction commitments were made.  
 Net of interests paid and received during the term concerned, and the change in gains and losses resulting from the revaluation of securities and monetary claims are also included as "Trading Revenue." As to trading-related financial derivatives, the gains and losses are reported using mark to market method.
3. Extraordinary Profits include the profit worth of ¥1,981 million earned from the collection of previously written-off claims.

## Comparison of Statements of Trust Assets and Liabilities

(Millions of Yen)

ASSETS	Sep 30, 1999 (A)	Sep 30, 1998 (B)	Comparison (A) - (B)	Mar 31, 1999 (C)	Comparison (A) - (C)
Loans and Bills Discounted	821,207	1,100,249	279,042	943,079	121,872
Securities	11,693,420	11,240,989	452,431	11,217,218	476,202
Securities Held for Investment Trust	3,261,640	2,295,097	966,543	2,454,024	807,616
Foreign Investment Held for Investment Trust	330,616	406,157	75,541	373,285	42,669
Trust Beneficiary Certificate	20,952	16,131	4,821	17,518	3,434
Securities Held in Custody Accounts	54,023	25,128	28,895	10,181	43,842
Securities Lent	185,880	250,560	64,680	234,560	48,680
Money Claims	330,497	267,346	63,151	250,746	79,751
Premises and Equipment	224,446	210,341	14,105	220,003	4,443
Leased Land	698	698	-	698	-
Other Claims	264,097	186,929	77,168	226,648	37,449
Bills Bought	-	78,800	78,800	72,600	72,600
Call Loans	1,134,696	1,104,310	30,386	915,616	219,080
Due from Banking Account	668,035	484,428	183,607	607,134	60,901
Cash and Due from Banks	620,587	336,537	284,050	347,387	273,200
<b>Total assets</b>	<b>19,610,800</b>	<b>18,003,703</b>	<b>1,607,097</b>	<b>17,890,704</b>	<b>1,720,096</b>
Co-Managed Trust Funds under Other Trust Banks' Administration	12,975,215	14,521,683	1,546,468	14,431,061	1,455,846

LIABILITIES	Sep 30, 1999 (A)	Sep 30, 1998 (B)	Comparison (A) - (B)	Mar 31, 1999 (C)	Comparison (A) - (C)
Money Trusts	7,272,195	6,944,104	328,091	7,073,452	198,743
Pension Trusts	6,011,862	5,867,497	144,365	5,874,937	136,925
Asset Formation Benefit Trusts	3,702	3,656	46	3,782	80
Securities Investment Trusts	5,360,698	4,040,175	1,320,523	4,056,714	1,303,984
Pecuniary Trusts Other than Money Trusts	426,391	620,721	194,330	366,675	59,716
Securities Trusts	243,000	275,504	32,504	247,779	4,779
Monetary Claims Trusts	66,823	40,193	26,630	46,642	20,181
Real Estates Trusts	189,462	185,434	4,028	184,287	5,175
Land Leases Trusts	4,751	4,717	34	4,681	70
Composite Trusts	31,912	21,697	10,215	31,751	161
<b>Total Liabilities</b>	<b>19,610,800</b>	<b>18,003,703</b>	<b>1,607,097</b>	<b>17,890,704</b>	<b>1,720,096</b>

&lt;Note&gt; Yen amounts are rounded down to the nearest million yen.

## Comparison of Major Items

(Millions of Yen)

Item	Sep 30, 1999	Sep 30, 1998	March 31, 1999
Total Funds	24,418,856	23,234,412	24,127,120
Deposits	10,648,847	9,715,981	9,937,662
Certificates of Deposit	482,249	703,172	1,237,285
Money Trusts	7,272,195	6,944,104	7,073,452
Pension Trusts	6,011,862	5,867,497	5,874,937
Asset Formation Benefit Trusts	3,702	3,656	3,782
Total Loans and Bills Discounted	10,588,072	11,047,322	10,500,877
Banking Account	9,766,864	9,947,073	9,557,797
Trust Account	821,207	1,100,249	943,079
Investment Securities	14,458,191	13,972,289	14,006,269
Banking Account	2,764,770	2,731,300	2,789,050
Trust Account	11,693,420	11,240,989	11,217,218

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



## .Earning Results for First Half of Fiscal 1999

## 1. Summary of Earning Results

(Millions of Yen)

	First Half of FY 1999 (A)	First Half of FY 1998 (B)	Comparison (A - B)	Percentage Increase (A - B)/B (%)
Gross Profits	128,380	140,798	12,418	8.8
Domestic Gross Profits	125,487	135,173	9,686	7.2
Net Interest Income	81,798	69,436	12,361	17.8
Trust Fees	24,696	24,204	491	2.0
NPL Disposal Expenses (Trust Account) ( )	1,898	90	1,807	1,994.5
Net Fees & Commissions	13,928	14,362	433	3.0
Net Trading Revenue	881	985	103	10.5
Net of Other Operating Income & Expenses	4,182	26,184	22,001	84.0
Net of Gains and Losses on Sales of Bonds	4,136	26,099	21,963	84.2
International Gross Profits	2,892	5,624	2,731	48.6
Net Interest Income	1,599	653	2,252	344.7
Net Fees & Commissions	946	1,423	477	33.5
Net Trading Revenue	586	384	201	52.3
Net of Other Operating Income & Expenses	2,959	3,163	203	6.4
Net of Gains and Losses on Foreign Exchange Transactions	2,463	2,809	346	12.3
Provision for General Reserve for Possible Loan Losses ( )	8,046	863	8,909	-
General & Administrative Expenses (excluding extraordinary items) ( )	85,069	95,074	10,004	10.5
Personnel Expenses ( )	29,198	32,868	3,670	11.2
Non-Personnel Expenses ( )	52,429	57,663	5,233	9.1
Miscellaneous Taxes ( )	3,442	4,541	1,099	24.2
Net Business Profits before Write-offs and Addition to Reserves	35,264	46,588	11,323	24.3
Core Net Business Profits (1) <Note.1>	45,208	45,815	606	1.3
Core Net Business Profits (2) <Note.2>	41,072	19,716	21,356	108.3
Net of Non-Recurring Profits and Losses	20,598	39,481	18,882	-
Net of Gains & Losses on Stocks	34,742	17,168	17,573	102.4
Gains on Sales	48,957	29,349	19,607	66.8
Losses on Sales	10,448	883	9,565	1,082.3
Devaluation Losses	3,766	11,297	7,530	66.7
Non-Performing Loans Disposal Expenses (Banking Account)	52,604	58,681	6,076	10.4
Write-Offs	20,135	341	19,794	5,803.4
Provision for Specific Reserve for Possible Loan Losses	21,992	45,417	23,424	51.6
Provision for Reserve for Possible Losses on Loans Sold	5,119	1,581	3,538	223.7
Provision for Reserve for Specific Borrowers under Support	6,413	4,586	1,827	39.8
Losses Incurred from Renunciation of Claims	101	-	101	-
Losses Incurred from Loans Sold to CCPC	381	498	116	23.4
Provision for Reserve for Loans to Restructuring Countries	2,245	5,017	7,263	144.8
Other Losses Incurred from Sales of Loans	706	1,239	533	43.0
Ordinary Profits	14,666	7,106	7,559	106.4
Extraordinary Gains	2,331	4,510	2,178	48.3
Gains on Disposition of Premises & Equipment	350	4,507	4,157	92.2
Extraordinary Losses	442	382	59	15.6
Losses on Disposition of Premises & Equipment	442	382	59	15.6
Interim Income before Income Taxes	16,555	11,234	5,320	47.4
Provision for Income Taxes	200	569	368	64.8
Deferred Income Taxes	7,024	-	7,024	-
Net Interim Income	9,331	10,665	1,334	12.5

\*1 CNBP (1) = Net Business Profits + Provision for General Reserve for Possible Loan Losses + Expenses related to NPL disposal in JOMT (Trust Account).

\*2 CNBP (2) = Net Business Profits + Provision for General Reserve for Possible Loan Losses + Expenses related to NPL disposal in JOMT (Trust Account)  
- Net of Gains and Losses on Sales of Bonds (Banking Account)

\*3 Amounts are rounded down to the nearest million. Percentage figures less than the second decimal place are omitted.

## 2. Net Business Profits (Non-Consolidated)

(Note) Yen amounts are rounded down to the nearest million.

(Millions of Yen)

	First Half of		First Half of FY 1998	FY 1998
	FY 1999	Difference		
Net Business Profits	35,264	11,323	46,588	91,853
(Before NPL Disposal Expenses of Trust Account)	37,162	9,516	46,679	95,311
Core Net Business Profits (1)	45,208	606	45,815	115,341
Per Head CNBP (1) (¥ thousand)	5,948	159	5,788	15,285
Core Net Business Profits (2)	41,072	21,356	19,716	62,626
Per Head CNBP (2) (¥ thousand)	5,404	2,913	2,491	8,299

\*1. CNBP(1) = NBP before NPL Disposal Expenses of Trust Account + Provision for General Reserve for Possible Loan Losses

\*2. CNBP(2) = NBP before NPL Disposal Expenses of Trust Account + Provision for General Reserve for Possible Loan Losses  
- Net of Gains & Losses on Bonds

## 3. Gross Interest Margin(Non-Consolidated)

(Note) Figures below the third decimal place were omitted.

(%)

	First Half of		First Half of FY 1998	FY 1998
	FY 1999	Difference		
Gross Interest Margin	1.29	0.27	1.02	1.01
Return on Earning Assets	1.83	0.12	1.95	1.86
Loans & Bills Discounted	1.99	0.03	2.03	2.05
Securities	1.39	0.17	1.57	1.34
Cost of Funds	0.53	0.39	0.93	0.85
Deposit & Others	0.34	0.30	0.64	0.63
Other External Liabilities	1.72	0.12	1.59	1.62

The Bank operates both banking and trust businesses. It would be inappropriate to compare Net Interest Margin of the Bank with that of other banks, since the cost of funds also reflects general and administrative expenses of trust business division. Therefore, Gross Interest Margin, which is not inclusive of G&A expenses are reported, in stead of Net Interest Margin.

## 4. Securities Related Gains &amp; Losses(Non-Consolidated)

(Note) Yen amounts are rounded down to the nearest million.

(Millions of Yen)

	First Half of		First Half of FY 1998	FY 1998
	FY 1999	Difference		
Net of Gains & Losses on Bonds	4,136	21,963	26,099	52,714
Gains on Sales	9,500	19,171	28,672	62,067
Gains on Redemption	186	165	351	477
Losses on Sales	4,695	2,865	1,830	7,061
Losses on Redemption	855	4	850	1,432
Losses on Devaluation	-	244	244	1,336

(Millions of Yen)

	First Half of		First Half of FY 1998	FY 1998
	FY 1999	Difference		
Net of Gains & Losses on Stocks	34,742	17,573	17,168	13,249
Gains on Sales	48,957	19,607	29,349	45,140
Losses on Sales	10,448	9,565	883	25,632
Losses on Devaluation	3,766	7,530	11,297	6,258

## 5. Capital Adequacy Ratio(Uniform International Standards : BIS Ratio)

(Note) Yen amounts are rounded down to the nearest 100 million yen.

Percentage figures below the third decimal place were omitted.

[Consolidated]

(¥100 Million, %)

	Sep 30, 1998 (Actual) [A]	Mar 31, 1999 (Actual) [B]	Sep 30, 1999 (Provisional) [C]	Difference	
				[C] - [B]	[C] - [A]
Capital Adequacy Ratio	10.38%	12.73%	12.06%	0.66%	1.68%
Tier Ratio	5.35%	7.96%	7.78%	0.17%	2.44%
Total Qualifying Capital	11,016	13,600	13,119	480	2,103
Tier	5,675	8,508	8,467	40	2,792
Tier	5,340	5,141	5,151	9	188
Unrealized Gains on Securities	3	4	5	1	2
Land Revaluation Difference	-	-	-	-	-
Qualifying Subordinated Debt	5,036	4,628	4,498	130	537
Amount to be Deducted	-	50	500	450	500
Risk Adjusted Assets	106,125	106,824	108,721	1,897	2,596
Exchange Rate (Yen / 1U.S.\$)	135.35	120.55	106.95	106.95	106.95

\* Capital Ratio as at the end of September, 1999 :

- Subscription of shares issued by Bank of Kinki, Limited, and Bank of Osaka, Limited account for 0.63% reduction in capital adequacy ratio.
- Change in risk weight applied to those assets in trust account for which the Bank guarantees principal accounts for 0.38% reduction in Capital Adequacy Ratio.  
(Risk adjusted assets increased by ¥3,397 hundred million by this factor)

[Non-Consolidated]

(¥100 Million, %)

	Sep 30, 1998 (Actual) [A]	Mar 31, 1999 (Actual) [B]	Sep 30, 1999 (Provisional) [C]	Difference	
				[B] - [A]	[C] - [A]
Capital Adequacy Ratio	-	13.78%	13.02%	0.76%	
Tier Ratio	-	8.91%	8.75%	0.16%	
Total Qualifying Capital	-	14,342	13,941	401	
Tier	-	9,272	9,371	99	
Tier	-	5,120	5,070	50	
Unrealized Gains on Securities	-	-	-	-	
Land Revaluation Difference	-	-	-	-	
Qualifying Subordinated Debt	-	4,628	4,498	130	
Amount to be Deducted	-	50	500	450	
Risk Adjusted Assets	-	104,067	107,066	2,999	

## 6. ROE (Non-Consolidated)

(Note) Figures for interim periods are annualized.

Percentage figures below the third decimal place were omitted.

(%)

	First Half of		First Half of FY 1998	FY 1998
	FY 1999	Difference		
ROE <Net Business Profits>	7.54	12.28	19.82	19.38
ROE <CNBP (1)>	9.67	9.82	19.49	24.34
ROE <CNBP (2)>	8.78	0.39	8.39	13.21
ROE <Net Income>	1.99	2.54	4.53	-

\*1. CNBP(1) = NBP before NPL Disposal Expenses of Trust Account + Provision for General Reserve for Possible Loan Losses

\*2. CNBP(2) = NBP before NPL Disposal Expenses of Trust Account + Provision for General Reserve for Possible Loan Losses- Net of Gains &amp; Losses on Bonds

## . Non-Performing Loan Disposal

## 1. Rules for Write-Offs and Provisioning

Write-offs and Reserves are made based on the results of the self-assessment of asset quality.

Basic rules for write-offs and provisioning are as follows;

## Exposures to Bankrupt, or Effectively Bankrupt Borrowers

All Category exposures are written off and amount equivalent to 100% of Category exposures is transferred to Specific Reserve.

## Exposures to Borrowers whose bankruptcy is concerned

In principle, amount equivalent to 70% of Category exposures is transferred to Specific Reserve.

(Actual reserve against such exposures as of the end of the first half of FY 1999 : 74.0 %)

## Exposures to Watch Borrowers

Amount equivalent to estimated losses, which are based on the actual default rates observed in the past and future prospect of loan losses (during next one year), is transferred to General Reserve in the aggregate.

For Watch Borrowers with Loans Past Due for 3 Months or More, or Restructured Loans, amount equivalent to 15% of the portion not covered by collateral and guarantees is transferred to General Reserve.

## Exposures to Normal Borrowers

Amount equivalent to estimated losses, which are based on the actual default rates observed in the past and future prospect of loan losses (during next one year), is transferred to General Reserve in the aggregate.

## \* Interest Receivable

In principal, for those loans to borrowers classified in the self-assessment of asset quality as "Bankrupt Borrowers", "Effectively Bankrupt Borrowers" and "Borrowers whose Bankruptcy is Concerned," interest is not recorded as accrued.

## 2. Results of Self Assessment of Asset Quality (After Write-Offs and Provisioning)

\*1. Loans and other claims of the Bank are covered in the Self Assessment.

\*2. Trust Account refers to JOMT (Jointly Operated Designated Money in Trust) that the Bank guarantees principal.

\*3. Yen amounts are rounded down to the nearest million. Percentage figures less than the third decimal place were omitted.

## [Banking and Trust Accounts]

(¥100 Million, %)

	End of September, 1999	
	Amount	%
Total Assets Assessed	113,943	100.00
Classified Assets	10,979	9.63
Category	10,749	9.43
Category	229	0.20
Category	-	-
Category	102,964	90.36

Difference	
Amount	%
636	-
648	0.62
415	0.41
233	0.20
-	-
1,284	0.62

End of March, 1999	
Amount	%
113,307	100.00
11,627	10.26
11,164	9.85
462	0.40
-	-
101,679	89.73

## [Banking Account]

(¥100 Million, %)

	End of September, 1999	
	Amount	%
Total Assets Assessed	107,237	100.00
Classified Assets	10,737	10.01
Category	10,511	9.80
Category	226	0.21
Category	-	-
Category	96,499	89.98

Difference	
Amount	%
1,097	-
587	0.65
363	0.44
224	0.21
-	-
1,685	0.65

End of March, 1999	
Amount	%
106,139	100.00
11,325	10.67
10,874	10.24
450	0.42
-	-
94,814	89.32

## [Trust Account]

(¥100 Million, %)

	End of September, 1999	
	Amount	%
Total Assets Assessed	6,706	100.00
Classified Assets	241	3.60
Category	238	3.55
Category	3	0.04
Category	-	-
Category	6,464	96.39

Difference	
Amount	%
461	-
60	0.61
51	0.49
8	0.12
-	-
401	0.61

End of March, 1999	
Amount	%
7,168	100.00
302	4.21
290	4.04
12	0.16
-	-
6,865	95.78

## 3. Amount of Non-Performing Loans Disposed

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

\*2. Trust Account refers to JOMT (Jointly Operated Designated Money in Trust) that the Bank guarantees principal.

(Millions of Yen)

	First Half of FY 1999			First Half of FY 1998			FY 1998		
	Banking Account	Trust Account	Total	Banking Account	Trust Account	Total	Banking Account	Trust Account	Total
Written-off Claims	20,135	1,898	22,033	341	90	431	97,707	3,458	101,166
Provision for Reserve for Possible Loan Losses (Specific Reserve)	21,992	-	21,992	45,417	-	45,417	52,690	-	52,690
Provision for Reserve for Possible Losses on Loans Sold	5,119	-	5,119	1,581	-	1,581	8,657	-	8,657
Provision for Reserve for Specific Borrowers under Support	6,413	-	6,413	4,586	-	4,586	102,186	-	102,186
Losses Incurred from Renunciation of Claims	101	-	101	-	-	-	74,275	-	74,275
Losses on Loans Sold to CCPC	381	-	381	498	-	498	1,061	201	1,263
Provision for Reserve for Loans to Restructuring Countries	2,245	-	2,245	5,017	-	5,017	5,030	-	5,030
Other Losses on Loans Sold	706	-	706	1,239	-	1,239	3,390	-	3,390
<b>Loan Loss Charges Total</b>	<b>52,604</b>	<b>1,898</b>	<b>54,503</b>	<b>58,681</b>	<b>90</b>	<b>58,771</b>	<b>344,999</b>	<b>3,660</b>	<b>348,659</b>
(Subsidiaries and Affiliates)	14,084	-	14,084	4,586	-	4,586	137,550	-	137,550

## 4. Loans to CCPC (Cooperative Credit Purchase Company), and Reserve for Possible Loan Losses

\*1. Yen amounts are rounded down to the nearest million. Percentage figures less than the third decimal place were omitted.

\*2. Trust Account refers to JOMT (Jointly Operated Designated Money in Trust) that the Bank guarantees principal.

(Millions of Yen)

	Sep 30, 1999			Mar 31, 1999	Sep 30, 1998
	[A]	[A] - [B]	[A] - [C]	[B]	[C]
Loans Outstanding to CCPC	68,643	5,199	9,148	73,842	77,791
Reserve for Possible Losses on Loans Sold to CCPC	32,289	3,258	9,028	29,030	23,261
<b>Reserve Ratio (%)</b>	<b>47.03%</b>	<b>7.72%</b>	<b>17.13%</b>	<b>39.31%</b>	<b>29.90%</b>

## . Loans

## 1. Loans under Risk Monitoring

- \*1. Definitions of "Loans to Borrowers under Bankruptcy Proceedings", "Non-Accrual Past Due Loans", "Loans Past Due for Three Months or More", "Loans with Altered Lending Conditions" are given in the footnotes 17, 18, and 19 of the Non-Consolidated Balance Sheet.
- \*2. Trust Account refers to those assets in Trust Account that the Bank guarantees principal.
- \*3. Yen amounts are rounded down to the nearest million, and percentage figures less than the third decimal place are omitted.

## After Direct Write-Off

\*For those loans to borrowers classified in the self-assessment of asset quality as "Bankrupt", "Effectively Bankrupt," and "Borrowers whose Bankruptcy is Concerned," interest is not recorded as accrued.

\*The balance for Sep 30, 1998 is before direct write-offs of Category exposures.

[Non-Consolidated] (Millions of Yen)

	Sep 30, 1999			Mar 31, 1999	Sep 30, 1998
	[A]	[A] - [B]	[A] - [C]	[B]	[C]
Loans to Bankrupt Borrowers	87,908	19,614	117,215	107,522	205,124
Banking Account	85,027	18,702	118,374	103,730	203,402
Trust Account	2,880	912	1,159	3,792	1,721
Non-Accrual Past Due Loans	106,921	18,381	108,607	125,303	215,528
Banking Account	99,376	17,999	106,941	117,376	206,318
Trust Account	7,544	382	1,665	7,926	9,210
Loans Past Due for Three Months or More	47,650	35,283	20,874	82,933	68,524
Banking Account	40,919	34,488	16,038	75,407	56,957
Trust Account	6,731	795	4,835	7,526	11,566
Loans with Altered Lending Conditions	507,828	80,162	62,579	427,666	445,249
(Subsidiaries & Affiliates)	174,443	68,244	29,946	106,199	144,496
Banking Account	502,075	79,316	82,962	422,759	419,113
Trust Account	5,752	845	20,383	4,907	26,135
<b>Total</b>	<b>750,308</b>	<b>6,882</b>	<b>184,118</b>	<b>743,425</b>	<b>934,426</b>
Banking Account	727,399	8,126	158,393	719,272	885,792
Trust Account	22,909	1,243	25,725	24,152	48,634

[Balance of Loans] (Term-End Balance) (Millions of Yen)

	Sep 30, 1999			Mar 31, 1999	Sep 30, 1998
	[A]	[A] - [B]	[A] - [C]	[B]	[C]
Balance of Loans Total	10,437,495	162,886	321,149	10,274,608	10,758,645
Banking Account	9,766,864	209,067	180,208	9,557,797	9,947,073
Trust Account	670,630	46,180	140,940	716,811	811,571

[Ratios to Total Loan Balance] (%)

	Sep 30, 1999			Mar 31, 1999	Sep 30, 1998
	[A]	[A] - [B]	[A] - [C]	[B]	[C]
Loans to Bankrupt Borrowers	0.84	0.20	1.06	1.04	1.90
Banking Account	0.87	0.21	1.17	1.08	2.04
Trust Account	0.42	0.09	0.21	0.52	0.21
Non-Accrual Past Due Loans	1.02	0.19	0.97	1.21	2.00
Banking Account	1.01	0.21	1.05	1.22	2.07
Trust Account	1.12	0.01	-	1.10	1.13
Loans Past Due for Three Months or More	0.45	0.35	0.18	0.80	0.63
Banking Account	0.41	0.37	0.15	0.78	0.57
Trust Account	1.00	0.04	0.42	1.04	1.42
Loans with Altered Lending Conditions	4.86	0.70	0.72	4.16	4.13
(Subsidiaries & Affiliates)	1.67	0.63	0.32	1.03	1.34
Banking Account	5.14	0.71	0.92	4.42	4.21
Trust Account	0.85	0.17	2.36	0.68	3.22
<b>Total</b>	<b>7.18</b>	<b>0.04</b>	<b>1.49</b>	<b>7.23</b>	<b>8.68</b>
Banking Account	7.44	0.07	1.45	7.52	8.90
Trust Account	3.41	0.04	2.57	3.36	5.99

## After Direct Write-Off

[Consolidated]		(Millions of Yen)			
	Sep 30, 1999		Mar 31, 1999		
	[A]	[A] - [B]	[B]		
Loans to Bankrupt Borrowers	90,435	20,328	110,763		
Banking Account	87,555	19,416	106,971		
Trust Account	2,880	911	3,792		
Non-Accrual Past Due Loans	120,459	29,183	149,643		
Banking Account	112,914	28,802	141,717		
Trust Account	7,544	381	7,926		
Loans Past Due for Three Months or More	62,587	35,514	98,102		
Banking Account	55,856	34,719	90,576		
Trust Account	6,731	794	7,526		
Loans with Altered Lending Conditions	340,088	20,178	319,909		
Banking Account	334,335	19,332	315,002		
Trust Account	5,752	845	4,907		
<b>Total</b>	<b>613,571</b>	<b>64,847</b>	<b>678,419</b>	<b>136,736</b>	<b>65,006</b>
Banking Account	590,662	63,605	654,268		
Trust Account	22,909	1,241	24,151		

Difference between Consolidated and Non-Consolidated Totals

Sep 30, 1999      Mar 31, 1999

## [Balance of Loans] (Term-End Balance) (Millions of Yen)

	Sep 30, 1999		Mar 31, 1999
	[A]	[A] - [B]	[B]
Balance of Loans Total	10,159,417	24,281	10,183,698
Banking Account	9,488,786	116,659	9,372,127
Trust Account	670,630	140,940	811,571

## [Ratios to Total Loan Balance] (%)

	Sep 30, 1999		Mar 31, 1999
	[A]	[A] - [B]	[B]
Loans to Bankrupt Borrowers	0.89	0.19	1.08
Banking Account	0.92	0.21	1.14
Trust Account	0.42	0.03	0.46
Non-Accrual Past Due Loans	1.18	0.28	1.46
Banking Account	1.18	0.32	1.51
Trust Account	1.12	0.14	0.97
Loans Past Due for Three Months or More	0.61	0.34	0.96
Banking Account	1.18	0.32	1.51
Trust Account	1.00	0.07	0.92
Loans with Altered Lending Conditions	3.34	0.20	3.14
Banking Account	3.52	0.16	3.36
Trust Account	0.85	0.25	0.60
<b>Total</b>	<b>6.03</b>	<b>0.62</b>	<b>6.66</b>
Banking Account	6.22	0.75	6.98
Trust Account	3.41	0.44	2.97

## 2. Reserves for Possible Loan Losses

\*1. Trust Account refers to JOMT (Jointly Operated Designated Money in Trust) that the Bank guarantees principal.

\*2. Yen amounts are rounded down to the nearest million.

[Non-Consolidated]

(Millions of Yen)

	Sep 30, 1999 [A]	[A] - [B]	[A] - [C]	Mar 31, 1999 [B]	Sep 30, 1998 [C]
Reserve for Possible Loan Losses	162,103	27,068	214,568	189,172	376,671
General Reserve	57,618	7,851	27,763	49,767	29,855
Specific Reserve	102,050	32,188	239,612	134,239	341,662
Dutiable Provisioning	89,625	35,617	62,770	125,242	152,396
Reserve for Possible Losses on Loans to Restructuring Countries	2,434	2,731	2,718	5,166	5,153
Reserve for Specific Borrowers under Support	102,053	1,805	28,717	103,858	73,336
Reserve Provided in Preparation for Write-Offs in Trust Account	2,024	234	1	1,790	2,025
<b>Reserve Total</b>	<b>266,181</b>	<b>28,640</b>	<b>185,851</b>	<b>294,821</b>	<b>452,032</b>

(Millions of Yen)

Amount Directly Written-Off	314,226	19,101	314,226	295,125	-
Loans to Bankrupt Borrowers	167,491	16,344	167,491	151,147	-
Non-Accrual Past Due Loans	146,734	2,756	146,734	143,978	-

[Consolidated]

(Millions of Yen)

	Sep 30, 1999 [A]	[A] - [B]	Mar 31, 1999 [B]
Reserve for Possible Loan Losses	158,485	29,729	188,214
General Reserve	64,784	13,836	50,948
Specific Reserve	91,873	40,227	132,100
Reserve for Possible Losses on Loans to Restructuring Countries	1,827	3,338	5,166
Reserve for Specific Borrowers under Support	65,604	4,426	70,030
Reserve Provided in Preparation for Write-Offs in Trust Account	2,024	1	2,025
<b>Reserve Total</b>	<b>226,113</b>	<b>34,156</b>	<b>260,270</b>

(Millions of Yen)

Amount Directly Written-Off	551,050	34,777	516,273
Loans to Bankrupt Borrowers and Effectively Bankrupt Borrowers	551,050	34,777	516,273

## 3. Reserve Ratio against Loans under Risk Monitoring

\*1. Trust Account refers to JOMT (Jointly Operated Designated Money in Trust) that the Bank guarantees principal.

\*2. Yen amounts are rounded down to the nearest million, and percentage figures less than the third decimal place are omitted.

[Non-Consolidated] (Banking &amp; Trust Accounts)

(%)

	Sep 30, 1999 [A]	[A] - [B]	[A] - [C]	Mar 31, 1999 [B]	Sep 30, 1998 [C]
Before Direct Write-Offs	54.52	2.28	6.14	56.80	48.37
After Direct Write-Offs	35.47	4.18	-	39.65	-

[Non-Consolidated] (Banking Account)

(%)

	Sep 30, 1999 [A]	[A] - [B]	[A] - [C]	Mar 31, 1999 [B]	Sep 30, 1998 [C]
Before Direct Write-Offs	55.52	2.45	4.72	57.98	50.80
After Direct Write-Offs	36.31	4.42	-	40.73	-

[Consolidated] (Banking &amp; Trust Accounts)

(%)

	Sep 30, 1999 [A]	[A] - [B]	Mar 31, 1999 [B]
Before Direct Write-Offs	66.73	1.73	64.99
After Direct Write-Offs	36.85	1.51	38.36

[Consolidated] (Banking Account)

(%)

	Sep 30, 1999 [A]	[A] - [B]	Mar 31, 1999 [B]
Before Direct Write-Offs	67.89	1.72	66.16
After Direct Write-Offs	36.85	1.51	38.36



4. Disclosure of Asset Assessment based on the Law Concerning the Revitalization of the Financial System (New Disclosure Standard) and Coverage Ratio

\*1. Coverage ratio refers to the ratio of the portion secured by loan loss reserve, collateral and guarantees.

\*2. Trust Account refers to JOMT (Jointly Operated Designated Money in Trust) that the Bank guarantees principal.

\*3. Yen amounts are rounded down to the nearest million, and percentage figures less than the third decimal place are omitted.

After Direct Write-Offs

[Non-Consolidated]

(End of September, 1999)

(Millions of Yen, %)

	Total	Banking Acc	Trust Acc	Reserve, Collateral &		Coverage Ratio
				Guarantees	Reserve	
Classified Exposures Total	793,437	770,420	23,016	696,365	228,203	87.76
Exposures to Bankrupt Borrowers or Similar Exposures	164,620	158,262	6,357	164,620	37,632	100.00
Exposures Containing Collection Risks	430,730	425,473	5,256	407,927	165,448	94.70
Special Attention Loans	198,086	186,684	11,402	123,817	25,123	62.50
Normal Exposures	10,597,894	9,950,280	647,613	***	37,977	***
Total	11,391,331	10,720,701	670,630	***	266,181	***
Before Direct Write-Offs	1,107,663	1,084,646	23,016	1,010,591	542,429	91.23

(Change from the Previous Fiscal End)

(Millions of Yen, %)

	Total	Banking Acc	Trust Acc	Reserve, Collateral &		Coverage Ratio
				Guarantees	Reserve	
Classified Exposures Total	512	1,673	2,085	21,708	17,454	2.79
Exposures to Bankrupt Borrowers or Similar Exposures	52,769	51,882	887	52,694	32,939	0.03
Exposures Containing Collection Risks	22,887	23,344	457	46,100	1,328	5.98
Special Attention Loans	29,371	30,113	740	28,302	14,156	5.89
Normal Exposures	81,043	125,127	44,084	***	11,185	***
Total	80,631	126,801	46,169	***	28,640	***
Before Direct Write-Offs	18,689	20,774	2,085	40,809	1,646	2.18

(End of March, 1999)

(Millions of Yen, %)

	Total	Banking Acc	Trust Acc	Reserve, Collateral &		Coverage Ratio
				Guarantees	Reserve	
Classified Exposures Total	793,950	768,747	25,102	674,657	245,658	84.97
Exposures to Bankrupt Borrowers or Similar Exposures	217,390	210,145	7,245	217,315	70,571	99.96
Exposures Containing Collection Risks	407,843	402,129	5,714	361,827	164,120	88.71
Special Attention Loans	168,715	156,571	12,143	95,515	10,967	56.61
Normal Exposures	10,516,851	9,825,153	691,698	***	49,163	***
Total	11,310,700	10,593,900	716,800	***	294,821	***
Before Direct Write-Offs	1,088,974	1,063,872	25,102	969,782	540,783	89.05

5. Disclosure of Asset Assessment based on the Law Concerning the Revitalization of the Financial System (New Disclosure Standard) and Reserve Ratio

\*1. Trust Account refers to JOMT (Jointly Operated Designated Money in Trust) that the Bank guarantees principal.

\*2. Yen amounts are rounded down to the nearest million, and percentage figures less than the third decimal place are omitted.

After Direct Write-Offs

[Consolidated]

(End of September, 1999)

(Millions of Yen, %)

	Total	Banking Acc	Trust Acc
Classified Exposures Total (A)	676,079	653,062	23,016
Exposures to Bankrupt Borrowers or Similar	197,156	190,798	6,357
Exposures Containing Collection Risks	288,910	283,653	5,256
Special Attention Loans	190,012	178,610	11,402
Normal Exposures	10,139,774	9,492,161	647,613
Total	10,815,854	10,145,223	670,630

Reserve for Possible Loan Losses	226,113 (B)
Before Direct Write-Offs	777,164

Reserve Ratio (B/A)	33.44
Before Direct Write-Offs	63.33

Difference between Consolidated and Non-Consolidated Total	117,357
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(Change from the Previous Fiscal End)

(Millions of Yen, %)

	Total	Banking Acc	Trust Acc
Classified Exposures Total (A)	63,688	61,603	2,085
Exposures to Bankrupt Borrowers or Similar	54,061	53,174	887
Exposures Containing Collection Risks	38,726	38,269	457
Special Attention Loans	29,099	29,840	740
Normal Exposures	93,143	137,227	44,084
Total	29,454	75,623	46,169

Reserve for Possible Loan Losses	34,156 (B)
Before Direct Write-Offs	621

Reserve Ratio (B/A)	1.73
Before Direct Write-Offs	1.50

Difference between Consolidated and Non-Consolidated Total	63,176
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(End of March, 1999)

(Millions of Yen, %)

	Total	Banking Acc	Trust Acc
Classified Exposures Total (A)	739,769	714,666	25,102
Exposures to Bankrupt Borrowers or Similar	251,218	243,973	7,245
Exposures Containing Collection Risks	327,637	321,923	5,714
Special Attention Loans	160,913	148,770	12,143
Normal Exposures	10,046,631	9,354,934	691,698
Total	10,786,400	10,069,600	716,800

Reserve for Possible Loan Losses	260,270 (B)
Before Direct Write-Offs	776,543

Reserve Ratio (B/A)	35.18
Before Direct Write-Offs	61.82

Difference between Consolidated and Non-Consolidated Total	54,181
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## 6. Outstanding Loans by Industry

## (1) Outstanding Loans by Industry [Non-Consolidated]

\*1. Figures are not inclusive of Japan Offshore Banking Account.

\*2. Trust Account represents whole lending in Trust Account.

\*3. Yen amounts are rounded down to the nearest million.

(Banking &amp; Trust Accounts)

(Millions of Yen)

	Sep 30, 1999			Mar 31, 1999	Sep 30, 1998
	[A]	[A] - [B]	[A] - [C]	[B]	[C]
Domestic Offices Total	10,516,548	305,706	86,502	10,210,841	10,430,046
Manufacturing	1,492,366	83,941	104,557	1,408,425	1,387,809
Agriculture	11,161	94	11	11,066	11,150
Forestry	980	258	76	722	904
Fisheries	810	48	288	762	522
Mining	4,405	337	308	4,743	4,713
Construction	665,117	70,835	87,851	594,282	577,266
Utilities	79,837	14,941	20,600	64,896	59,237
Transportation & Communication	340,847	146	90,938	340,701	431,785
Wholesale & Retail	1,590,090	110,033	49,696	1,480,056	1,540,394
Finance & Insurance	1,013,129	22,069	17,054	991,059	1,030,183
Real Estate	2,081,304	150,281	128,470	2,231,585	2,209,774
Services	929,804	7,987	58,947	921,817	988,752
Local Government	230,474	14,779	786	245,253	231,260
Others	2,076,218	160,750	119,926	1,915,468	1,956,292

## (2) Loans under Risk Monitoring [Non-Consolidated]

\*1. Figures are based on Domestic Offices.

\*2. Trust Account refers to those lending in JOMT which the Bank guarantees principal.

\*3. Yen amounts are rounded down to the nearest million.

(Banking &amp; Trust Accounts)

(Millions of Yen)

	Sep 30, 1999		Mar 31, 1999
	[A]	[A] - [B]	[B]
Domestic Offices Total	721,729	12,067	709,662
Manufacturing	49,703	1,277	48,426
Agriculture	241	138	379
Forestry	-	-	-
Fisheries	60	-	60
Mining	382	42	339
Construction	168,107	74,592	93,515
Utilities	11	-	11
Transportation & Communication	6,628	348	6,977
Wholesale & Retail	75,612	10,078	65,533
Finance & Insurance	132,930	46,445	86,484
Real Estate	185,928	114,262	300,191
Services	45,106	2,455	47,562
Local Government	-	-	-
Others	57,017	3,164	60,181

## (3) Ratio of Loans to Small &amp; Medium Sized Firms [Non-Consolidated]

\*1. Trust Account represents whole lending in Trust Account

\*2. Figures less than the third decimal place are omitted.

(Banking &amp; Trust Accounts)

(%)

	Sep 30, 1999			Mar 31, 1999	Sep 30, 1998
	[A]	[A] - [B]	[A] - [C]	[B]	[C]
Ratio of Loans to Small & Medium Sized Firms	67.52	1.45	2.73	68.97	70.25

## (4) Outstanding Consumer Loans [Non-Consolidated]

\*1. Trust Account represents whole lending in Trust Account.

\*2. Yen amounts are rounded down to the nearest million.

(Banking &amp; Trust Accounts)

(Millions of Yen)

	Sep 30, 1999			Mar 31, 1999	Sep 30, 1998
	[A]	[A] - [B]	[A] - [C]	[B]	[C]
Consumer Loans	2,123,092	165,372	107,580	1,957,720	2,015,512
Housing Loan	1,860,933	180,102	141,303	1,680,831	1,719,630
Others	262,159	14,730	33,723	276,889	295,882

## (5) Lending Trend

\*1. Trust Account refers to JOMT (Jointly Operated Designated Money in Trust) that the Bank guarantees principal.

\*2. Yen amounts are rounded down to the nearest 100 million.

(Banking &amp; Trust Accounts: Term-end Balance)

(¥ 100 Million)

	Mar 31, 1999	Sep 30, 1999	Change [B] - [A]	Mar 31, 2000
	(Actual) [A]	(Actual) [B]		(Planned) [C]
Domestic Loans (excluding Impact Loans)	99,261	103,061	3,800	103,725
Loans to Small & Medium Sized Firms	51,530	50,900	630	55,020
Loans Secured with Guarantees Issued by Public Guarantor	5,526	5,740	214	5,750
Loans to Individuals	17,856	19,530	1,674	20,060
Housing Loans	12,863	14,595	1,732	14,035
Others	30,677	33,135	2,458	28,855

(Before taking into account the factors shown in the below table)

(¥ 100 Million)

	Mar 31, 1999	Sep 30, 1999	Change [B] - [A]	Mar 31, 2000
	(Actual) [A]	(Actual) [B]		(Planned) [C]
Domestic Loans (excluding Impact Loans)	106,422	109,887	3,465	115,662
Loans to Small & Medium Sized Firms	55,522	56,334	812	60,863

## NPL Disposal and Other Factors that Account for the Change

(¥ 100 Million)

	FY 1998	First Half of FY 1999	FY 1999
	(Actual)	(Actual)	(Planned)
Written-off Claims	142 ( 140)	21 ( 11)	300 ( 300)
Loans Sold to CCPC	43 ( 43)	0 ( 0)	0 ( 0)
Assignment of Claims *1	1,632 ( 63)	1,140 ( 12)	3,000 ( 200)
Change in Accounting *2	2,951 (2,168)	336 ( 269)	0 ( 0)
Other Factors related to Loans sold	- ( -)	1 ( 0)	- ( -)
NPL Disposal *3	2,393 (1,578)	447 (1,174)	215 ( 215)
Total	7,161 (3,992)	335 (1,442)	3,515 ( 715)

\*1. Figures include Securitization.

\*2. Figures represent the amount directly written off from credit amounts as uncollectable, and others related to change in accounting policy.

\*3. Figures in parentheses represent the amount for small &amp; medium sized firms.

During the First Half of FY 1999, the Bank reclassified its loan exposures to a certain large scale firm and its group companies in accordance with the reorganization scheme formulated by the firm. Due to this change, the Bank has reclassified its loans to the firm's group companies as loans to large firms (these loans were previously perceived as loans to small & medium sized firms).

## 7. Outstanding Loans by Country

- \*1. Figures are for the Bank's head and branch offices.  
 \*2. Translation of foreign currency denominated asset is based on Tokyo TTM of each fiscal-end date.  
 \*3. Yen amounts are rounded down to the nearest million.

(1) Balance of Loans to Restructuring Countries [Non-Consolidated] (Millions of Yen)

	Sep 30, 1999			Mar 31, 1999	Sep 30, 1998
	[A]	[A] - [B]	[A] - [C]	[B]	[C]
Outstanding Loans	40,471	13,144	30,996	53,615	71,468
Number of Countries	5	-	-	5	5

(2) Balance of Loans to Asian Countries [Non-Consolidated] (Millions of Yen)

	Sep 30, 1999			Mar 31, 1999	Sep 30, 1998
	[A]	[A] - [B]	[A] - [C]	[B]	[C]
Total Loan Balance	109,425	101,032	189,161	210,457	298,586
Risk Monitored Loans	27,234	3,171	318	30,405	27,552
China	11,894	5,529	14,849	17,423	26,743
Risk Monitored Loans	4,254	259	104	3,995	4,150
Hong Kong	36,997	42,838	78,772	79,835	115,769
Risk Monitored Loans	13,484	1,823	1,605	15,307	15,089
Indonesia	36,560	26,063	47,738	62,623	84,298
Risk Monitored Loans	7,265	2,374	2,686	9,639	4,579
Korea	9,899	6,001	9,990	15,900	19,889
Risk Monitored Loans	535	68	535	603	-
Singapore	4,003	11,955	19,212	15,958	23,215
Risk Monitored Loans	439	360	170	799	609
Thailand	6,771	6,707	15,580	13,478	22,351
Risk Monitored Loans	517	517	2,608	-	3,125
Others	3,300	1,940	3,021	5,240	6,321
Risk Monitored Loans	739	677	739	62	-

(2) Balance of Loans to Latin American Countries [Non-Consolidated] (Millions of Yen)

	Sep 30, 1999			Mar 31, 1999	Sep 30, 1998
	[A]	[A] - [B]	[A] - [C]	[B]	[C]
Total Loan Balance	1,152	246	455	1,399	1,608
Risk Monitored Loans	-	-	-	-	-
Brazil	47	3	5	50	53
Risk Monitored Loans	-	-	-	-	-
Ecuador	1	-	-	1	1
Risk Monitored Loans	-	-	-	-	-
Colombia	538	83	160	622	699
Risk Monitored Loans	-	-	-	-	-
Chile	53	11	25	65	79
Risk Monitored Loans	-	-	-	-	-
Mexico	512	148	263	661	776
Risk Monitored Loans	-	-	-	-	-

(2) Balance of Loans to Russian Federation [Non-Consolidated] (Millions of Yen)

	Sep 30, 1999			Mar 31, 1999	Sep 30, 1998
	[A]	[A] - [B]	[A] - [C]	[B]	[C]
Russian Federation	210	26	55	236	266
Risk Monitored Loans	210	26	210	236	-

## 8. Loans &amp; Deposits [Non-Consolidated]

- \*1. Liquid Deposit = Checking Deposit + Ordinary Deposit + Savings Deposit + Notice Deposit  
 \*2. Trust Account represents JOMT (Jointly Operated Designated Money in Trust) that the Bank guarantees principal.  
 \*3. Yen amounts are rounded down to the nearest million.

[Average Balance]				(Millions of Yen)	
	First Half of			FY 1999	First Half of
	FY 1999	[A] - [B]	[A] - [C]	[B]	FY 1998
	[A]				[C]
Deposits	10,471,620	348,625	335,958	10,122,995	10,135,662
Domestic Operations	10,179,343	585,310	777,001	9,594,033	9,402,342
Liquid Deposit	3,471,180	919,289	976,189	2,551,891	2,494,991
Time Deposit	6,578,216	381,400	245,702	6,959,616	6,823,918
International Operations	292,277	236,685	441,042	528,962	733,319
Negotiable Certificates of Deposit	637,915	197,043	245,487	834,958	883,402
Domestic Operations	637,915	191,120	232,084	829,035	869,999
International Operations	-	5,922	13,402	5,922	13,402
Loans	9,656,171	397,286	607,917	10,053,457	10,264,088
Domestic Operations	9,330,121	33,125	27,170	9,296,996	9,357,291
International Operations	326,050	430,411	580,746	756,461	906,796
Corpus	1,396,065	31,383	42,490	1,364,682	1,353,575
Trust Account Loans	695,238	106,906	145,982	802,144	841,220

[Term-End Balance]				(Millions of Yen)	
	Sep 30, 1999			Mar 31, 1999	Sep 30, 1998
	[A]	[A] - [B]	[A] - [C]	[B]	[C]
Deposits	10,648,847	711,185	932,866	9,937,662	9,715,981
Domestic Operations	10,439,541	887,773	1,141,296	9,551,768	9,298,245
Liquid Deposit	3,725,381	787,274	1,134,044	2,938,107	2,591,337
Time Deposit	6,536,906	119,858	14,875	6,417,048	6,551,781
International Operations	209,306	176,588	208,430	385,894	417,736
Negotiable Certificates of Deposit	482,249	755,036	220,923	1,237,285	703,172
Domestic Operations	482,249	755,036	220,521	1,237,285	702,770
International Operations	-	-	402	-	402
Loans	9,766,864	209,067	180,209	9,557,797	9,947,073
Domestic Operations	9,519,085	389,759	365,184	9,129,326	9,153,901
International Operations	247,778	180,693	545,393	428,471	793,171
Corpus	1,373,905	52,121	32,041	1,426,026	1,341,864
Trust Account Loans	670,630	46,181	140,941	716,811	811,571

*Balance of Deposit (Banking & Trust Accounts in Domestic Offices : Term-end Balance)				(Millions of Yen)	
	Sep 30, 1999			Mar 31, 1999	Sep 30, 1998
	[A]	[A] - [B]	[A] - [C]	[B]	[C]
Individual	5,215,143	52,847	251,077	5,162,296	4,964,066
Liquid Deposit	1,538,422	103,457	296,189	1,434,965	1,242,233
Time Deposit	3,584,184	114,539	125,161	3,698,723	3,709,345
Foreign Currency Deposit	92,537	63,929	80,049	28,608	12,488
Corporate	6,745,257	711,115	890,750	6,034,142	5,854,507
Liquid Deposit	2,246,674	665,703	879,177	1,580,971	1,367,497
Time Deposit	4,380,235	150,395	19,181	4,229,840	4,361,054
Foreign Currency Deposit	118,348	104,983	7,608	223,331	125,956

## . Restructuring

\*1. Figures for the years ending March 31, 1999 and after are based on Plan to Revitalize Management.

\*2. Figures less than the first decimal place are omitted.

	March 31, 1997 (Actual)	Mar 31, 1998 (Actual)	Mar 31, 1999 (Actual) [A]	Sep 30, 1999 (Actual) [B]	Difference [B] - [A]	Mar 31, 2000 (Planned)	Mar 31, 2003 (Planned)
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## (Number of Directors and Employees)

Board Members	33	33	31	29	2	28	20
Directors	28	28	26	24	2	23	15
Auditors	5	5	5	5	-	5	5
Employees	8,763	8,091	7,546	7,601	55	7,410	6,300

## (Number Domestic and Overseas Offices)

Head Office and Domestic Branches	181	174	169	169	-	165	150
Overseas Offices	6	6	5	3	2	-	-
Overseas Subsidiaries	10	9	6	6	-	5	5

\* Number of Overseas Subsidiaries is not taking account to changing in the Scope of Consolidation.

	March 31, 1,997 (Actual)	Mar 31, 1,998 (Actual)	Mar 31, 1,999 (Actual) [A]	Sep 30, 1,999 (Actual) [B]	Difference [B] - [A]	Mar 31, 2,000 (Planned)	Mar 31, 2,003 (Planned)
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## (Personnel Expenses)

(¥100 Million)

Personnel Expenses	743	710	616	292	***	585	523
Salary and Compensation	519	496	456	219	***	436	376
Average Monthly Salary(¥ thousand) *1	441	456	462	464	2	478	461

\*1. Increase in Average Monthly Salary is attributable to the rise in average age of employees.

## (Salary and Bonus Paid to Directors)

(¥100 Million)

Salary and Bonus Paid to Directors *1	718	793	674	301	***	576	406
Salary	677	767	652	291	***	556	393
Bonus	41	26	22	10	***	20	14
Average Salary & Bonus (¥ Million) *2	23	24	22	11	***	22	20
Average Retirement Pay (¥ Million) *3	-	68	62	34	28	42	42

\*1. Amounts are shown as the sum of personnel expenses and appropriated profits.

\*2. Average amounts are for full-time directors and auditors.

\*3. Average amounts are based on five-year service period, three years as director, and remaining two years as managing director.

Besides lump-sum retirement grants, there is no such retirement plan for directors as pension program.

## (Non-Personnel Expenses)

(¥100 Million)

Non-Personnel Expenses *1	1,112	1,064	1,105	524	***	1,067	1,024
Systems Related Expenses	295	281	215	91	***	197	129

\*1. Amounts include welfare related expenses. Amounts are not inclusive of consumption tax.

## . Earnings Forecast for FY 1999

\*1. CNBP(1) = NBP before NPL Disposal Expenses of Trust Account + Provision for General Reserve for Possible Loan Losses

\*2. CNBP(2) = NBP before NPL Disposal Expenses of Trust Account + Provision for General Reserve for Possible Loan Losses  
- Net of Gains & Losses on Bonds

\*3. Yen amounts are rounded down to the nearest 100 million.

[Non-Consolidated]

(¥100 Million)

	FY 1998 (Actual) [A]	FY 1999			Revitalization Plan	
		Interim	(Forecast) [B]	Difference [B] - [A]	[C]	Difference [B] - [C]
Net Business Profits	918	352	740	178	655	85
Net of Non-Recurring Profits and Losses	3,418	205	460	2,958	375	85
Net of Gains and Losses on Stocks	132	347	300	168	-	300
NPL Disposal Expenses (Banking Acc)	3,450	526	728	2,722	300	428
Ordinary Profits	2,499	146	280	2,779	280	-
Net of Extraordinary Gains and Losses	508	18	40	468	-	40
Income before Income Taxes	1,991	165	320	2,311	280	40
Income Taxes-Deferred ( )	835	72	140	975	120	20
Net Income	1,165	93	180	1,345	160	20

(¥100 Million)

	FY 1998 (Actual) [A]	FY 1999			Revitalization Plan	
		Interim	(Forecast) [B]	Difference [B] - [A]	[C]	Difference [B] - [C]
Net Interest Income	1,347	818	1,600	253	1,474	126
Net Fees and Commissions	277	139	275	2	270	5
Trust Fees	567	247	570	3	550	20
NPL Disposal Expenses (Trust Account) ( )	37	18	20	17	-	20
Net of Gains & Losses on Bonds	527	41	30	497	-	30
International Operating Income	178	29	55	123	75	20
Others	32	10	10	22	15	5
Gross Profits	2,928	1,284	2,540	388	2,384	156
Provision for General Reserve ( )	200	80	80	120	-	80
General & Administrative Expenses ( )	1,809	851	1,720	89	1,729	9
Personnel Expenses	616	291	583	33	585	2
Non-Personnel Expenses	1,105	524	1,063	42	1,067	4
Net Business Profits	918	352	740	178	655	85
Core Net Business Profits (1)	1,153	452	840	313	655	185
Core Net Business Profits (2)	626	410	810	184	655	155

## NPL Disposal Expenses

(¥100 Million)

	FY 1998 (Actual) [A]	FY 1999			Revitalization Plan	
		Interim	(Forecast) [B]	Difference [B] - [A]	[C]	Difference [B] - [C]
NPL Disposal Expenses (*)	3,687	625	828	2,859	300	528

(\*) Sum of NPL Disposal Expenses in Trust Acct , Transfer to General Reserve and NPL Disposal Expense in Banking Acct



[Consolidated]

(¥100 Million)

	FY 1998 (Actual) [A]	FY 1999		
		Interim	(Forecast) [B]	Difference [B] - [A]
Operating Income	6,402	2,981	5,500	902
Ordinary Profits/Losses	2,552	193	380	2,932
Extraordinary Profits/Losses	433	18	40	393
Income before Income Taxes	2,119	211	420	2,539
Income Taxes-Deferred ( )	311	10	90	401
Minority Interests in Net Income/Loss ( )	84	26	50	134
Net Income	1,748	175	280	2,028

## . Subsidiaries and Affiliates

	FY 1997 [A]	FY 1998		FY 1999	
		[B]	Difference [B] - [A]	Interim [C]	Difference [C] - [B]
Consolidated Subsidiaries	10	62	52	59	3
Non-Consolidated Subsidiaries	19	9	10	3	6
Subsidiaries Applied Equity Method	-	-	-	-	-
Affiliates	1	3	2	11	8
Affiliates Applied Equity Method	-	2	2	11	* 9

\* Affiliates added to consolidation (From First Half of FY 1999)

Bank of Kinki, Limited and its 5 related companies

Bank of Osaka, Limited and its 2 related companies