

FINANCIAL SECTION

TREND IN PRINCIPAL FINANCIAL INDICATORS

(100 millions of yen)

	Fiscal 2000	Fiscal 1999	Fiscal 1998	Fiscal 1997	Fiscal 1996
Total Operating Income	3,056	3,932	4,510	5,296	5,628
Income (Loss) before Income Taxes and Others	(192)	(214)	(624)	43	64
Net Income (Loss)	(128)	(159)	(445)	45	52
Capital	4,939	4,748	4,331	3,971	3,904
Outstanding Debentures	101,706	105,286	107,770	111,663	119,827
Outstanding Deposits	23,891	22,378	21,242	20,451	22,604
Outstanding Loans	108,865	111,693	113,780	113,264	114,269
Balance of Investment Securities	23,183	22,398	20,707	20,946	23,675
Total Assets	140,129	139,102	145,580	145,796	156,216
Capital Ratio (%)	6.94	6.95	6.66	6.19	5.90
Dividend per Unit Cooperatives' Subscription (yen)	3.00	3.00	4.00	4.00	5.00
Dividend Payment Ratio (%)	—	—	—	77.18	82.12

Note: Up to and including the year ended March 1999, the reserve for possible loan-losses was shown in the liabilities section. From the year ended March 2000 onwards, it will be shown as a deduction at the end of the assets section.

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Financial Section
Balance Sheets

The Shoko Chukin Bank
As of March 31, 2001 and 2000

	Millions of yen		Millions of U.S. dollars
	2001	2000	2001
ASSETS			
Loans	¥10,886,595	¥11,169,303	\$ 87,865
Loans on Deeds	6,814,251	6,824,656	54,997
Loans on Notes	2,192,737	2,584,396	17,697
Overdrafts	912,477	857,937	7,364
Bills Discounted	967,128	902,312	7,805
Foreign Exchange	7,172	9,040	57
Foreign Exchange Bills Purchased	806	1,234	6
Foreign Exchange Bills Receivable	4,041	4,533	32
Due Bills from Foreign Banks	2,323	3,272	18
Investment Securities	2,318,388	2,239,872	18,711
National Government Bonds	1,608,474	1,345,704	12,982
Local Government Bonds	110,921	194,458	895
Corporate Bonds	316,880	460,527	2,557
Stocks	30,468	32,437	245
Other Securities	251,643	206,745	2,031
Monetary Trusts	70,000	70,000	564
Trading Assets	63,037	51,922	508
Trading Securities	12,664	7,277	102
Derivatives of Trading Securities	1	—	0
Derivatives of Securities related to Trading Transactions	0	—	0
Trading-related Financial Derivatives	6,376	3,647	51
Other Trading Assets	43,994	40,997	355
Monetary Claims Purchased	45,897	19,258	370
Bills Purchased	15,000	—	121
Call Loans	17,425	24,966	140
Cash and Due Bills from Banks	793,271	478,956	6,402
Cash	30,477	29,767	245
Due Bills from Banks	762,794	449,188	6,156
Other Assets	48,104	58,895	388
Settlements Receivable	15	11	0
Prepaid Expenses	204	257	1
Accrued Income	16,296	24,387	131
Forward Contract Margins	36	235	0
Forward Contract Deposits Receivable	—	69	0
Financial Derivatives	4,453	—	35
Other Assets	27,098	33,935	218
Premises and Equipment	57,256	58,769	462
Land, Buildings and Equipment	52,413	53,649	423
Security Deposits	4,843	5,120	39
Deferred Assets on Debenture Issue	4,339	3,564	35
Debenture Issue Discounts	4,339	3,564	35
Deferred Income Taxes	81,757	78,158	659
Customers' Liabilities for Acceptances and Guarantees	69,283	66,534	559
Customers' Liabilities for Acceptances and Guarantees	58,757	54,954	474
Customers' Liabilities for Guaranteeing Agency Loans	10,525	11,580	84
Reserve for Possible Loan Losses	(464,625)	(419,004)	(3,750)
Total Assets	¥14,012,903	¥13,910,238	\$113,098

Millions of yen

Millions of
U.S. dollars

	2001	2000	2001
LIABILITIES			
Shoko Chukin Bank Debentures	¥10,170,673	¥10,528,603	\$ 82,087
Shoko Chukin Bank Debentures Issued	10,170,673	10,528,603	82,087
Deposits	2,389,177	2,237,838	19,283
Time Deposits	1,256,761	1,274,703	10,143
Deposits at Notice	109,135	121,675	880
Ordinary Deposits	398,560	356,624	3,216
Current Deposits	439,883	334,548	3,550
Government Deposits	37,269	43,412	300
Other Deposits	147,566	106,874	1,191
Negotiable Certificates of Deposit	40,546	11,629	327
Borrowed Money	88,682	95,961	715
Borrowings	88,376	95,565	713
Bills Rediscounted	306	395	2
Trading Liabilities	6,557	4,149	52
Derivatives of Trading Securities	—	2	—
Derivatives of Securities related to Trading Transactions	0	47	0
Trading-related Financial Derivatives	6,557	4,099	52
Bills Sold	124,400	—	1,004
Call Money	224,934	69,165	1,815
Foreign Exchange	246	71	1
Foreign Exchange Bills Sold	53	20	0
Foreign Exchange Bills Payable	—	4	—
Borrowing from Foreign Banks	183	8	1
Deposits by Foreign Banks	9	38	0
Other Liabilities	265,719	265,189	2,144
Settlements Payable	48	127	0
Accrued Expenses	49,220	66,178	397
Corporate Taxes Payable	1,100	724	8
Unearned Income	14,361	17,999	115
Deposits by Employees	8,407	8,438	67
Future Contract Settlement Account	6	—	0
Deferred Hedge Gains	657	—	5
Debenture Principal Payable	165,581	—	1,336
Other Liabilities	26,334	171,721	212
Reserve for Retirement Benefit	17,960	17,558	144
Reserve for Claim Disposal Loss	6,199	8,482	50
Statutory Reserves	0	0	0
Reserve for Contingent Liabilities from Financial Futures Transactions	0	0	0
Reserve for Contingent Liabilities from Securities Transactions	—	0	—
Acceptances and Guarantees	69,283	66,534	559
Acceptances and Guarantees	58,757	54,954	474
Guarantees for Agency Loans	10,525	11,580	84
Total Liabilities	¥13,404,381	¥13,305,184	\$108,187
CAPITAL FUNDS			
Capital	¥ 493,965	¥ 474,865	\$ 3,986
Government Subscription	394,067	377,967	3,180
Cooperatives' Subscription	99,897	96,897	806
Legal Reserve	24,410	24,410	197
Earnings Reserve	24,410	24,410	197
Retained Earnings	90,147	105,778	727
General Reserves	102,954	117,864	830
Reserve for Particular Purposes	102,490	117,340	827
Reserve for Dividend Payments	—	60	—
Reserve for Retirement Allowance Funds	464	464	3
Unappropriated Earnings	(12,807)	(12,086)	(103)
Net Income (Loss) for the Year	(12,807)	(15,953)	(103)
Total Capital Funds	608,522	605,053	4,911
Total Liabilities and Capital Funds	¥14,012,903	¥13,910,238	\$113,098

Statements of Income

The Shoko Chukin Bank

For the years ended March 31, 2001 and 2000

	Millions of yen		Millions of U.S. dollars
	2001	2000	2001
Operating Income	¥305,630	¥393,259	\$2,466
Interest Income	269,821	354,738	2,177
Interest on Loans	221,761	239,929	1,789
Interest and Dividends on Securities	39,130	48,423	315
Interest on Bills Purchased	121	15	0
Interest on Call Loans	656	577	5
Interest on Deposits	4,791	3,947	38
Interest on Interest Swap Transactions	212	44,038	1
Other Interest Income	3,147	17,806	25
Fees and Commissions	5,906	5,793	47
Domestic and Foreign Exchange Commissions	2,063	2,078	16
Other Fees and Commissions	3,843	3,715	31
Trading Revenue	304	58	2
Revenue from Trading Securities and Derivatives	20	11	0
Revenue from Securities and Derivatives related to Trading Transactions	—	17	—
Revenue from Trading-related Financial Derivatives Transactions	187	—	1
Other Trading Revenue	96	29	0
Other Operating Income	26,501	21,874	213
Revenue from Foreign Exchange Trading	620	832	5
Revenue from Sales of Government and Other Bonds	13,379	16,169	107
Revenue from Redemption of Government and Other Bonds	—	4,872	—
Revenue from Financial Derivatives Transactions	12,470	—	100
Others	30	—	0
Other Income	3,096	10,793	24
Revenue from Sales of Stocks and Other Securities	61	7,530	0
Revenue from Monetary Trusts	609	963	4
Others	2,425	2,299	19
Operating Expenses	324,850	414,755	2,621
Interest Expenses	137,667	202,020	1,111
Interest on Debentures	97,068	142,928	783
Amortization of Discounts on Issued Debentures	7,446	10,419	60
Interest on Deposits	13,006	10,822	104
Interest on Negotiable Certificates of Deposit	971	760	7
Interest on Borrowed Money	2,655	2,794	21
Interest on Bills Sold	111	27	0
Interest on Call Money	3,802	1,424	30
Interest on Interest Swap Transactions	7,702	24,712	62
Other Interest Expenses	4,901	8,130	39
Fees and Commissions	1,223	1,393	9
Domestic and Foreign Exchange Commissions	464	496	3
Other Fees and Commissions	758	897	6
Trading Expenses	66	55	0
Expenses on Securities and Derivatives related to Trading Transactions	66	—	0
Expenses on Trading-related Financial Derivatives Transactions	—	55	—
Other Operating Expenses	2,643	11,925	21
Amortization of Debenture Issue Expenses	719	751	5
Losses on Sales of Government and Other Bonds	1,923	2,446	15
Losses on Redemption of Government and Other Bonds	—	8,726	—
Others	0	—	0
General and Administrative Expenses	82,366	84,619	664

	Millions of yen		Millions of U.S. dollars
	2001	2000	2001
Other Expenses	¥100,883	¥114,740	\$ 814
Provision for Possible Loan Losses	89,821	95,765	724
Write-off of Loans	1,650	515	13
Loss on Sales of Stocks and Other Securities	159	65	1
Write-off of Stocks	1,774	2,479	14
Loss on Monetary Trusts	3,252	—	26
Others	4,225	15,914	34
Income (Loss) before Income Taxes and Others	(19,219)	(21,495)	(155)
Other Gains	3,658	4,680	29
Gains on Disposal of Premises and Equipment	3,640	4,676	29
Collection of Written-off Claims	17	4	0
Transfer from Reserve for Securities Transaction Liabilities	0	0	0
Other Losses	455	982	3
Losses on Disposal of Premises and Equipment	455	982	3
Income (Loss) before Income Taxes	(16,016)	(17,797)	(129)
Provision for Income Taxes	389	842	3
Adjustment of Income Taxes	(3,599)	(2,686)	(29)
Net Income (Loss)	(12,807)	(15,953)	(103)
Earnings Carried Forward from the Beginning of the Year	—	3,867	—
Unappropriated Earnings (Loss) at the End of the Year	¥ (12,807)	¥ (12,086)	\$ (103)

Financial Section

Appropriating Plan of Earned Surplus

The Shoko Chukin Bank
As of March 31, 2001 and 2000

	Millions of yen		Millions of U.S. dollars
	2001	2000	2001
Unappropriated Earnings (Loss) at the End of the Year	¥(12,807)	¥(12,086)	\$(103)
Transfer from General Reserves	15,720	14,910	126
Transfer from Reserve for Particular Purposes	15,720	14,850	126
Transfer from Reserve for Dividend Payments	—	60	0
Total	2,913	2,823	23
Appropriations	2,913	2,823	23
Dividends on Cooperatives' Subscription	2,913	2,823	23
Unappropriated Earnings to the Next Year	—	—	—
Valuation Gains Relating to Trading	—	(—)	—

Note: 1. All amounts expressed have been rounded down to the nearest million yen.

2. All U.S. dollar figures are translated from Japanese yen amounts, for convenience only, at the rate of ¥123.90=U.S.\$1, the prevailing rate of exchange as of March 31, 2001.

3. Dividends on cooperatives' subscription were implemented at the rate of 3% per annum in the years ended March 2000 and 2001.

Notes to the Financial Statements

(for the fiscal year ended March 31, 2001)

BALANCE SHEETS

1. All amounts expressed in the statements have been rounded down to the nearest million yen.
2. Transactions undertaken with a view to gains on short-term fluctuations in interest rates, currency values, market prices of securities and other indicators or differentials, etc., between markets (hereinafter referred to as “trading transactions”) are shown in the balance sheet as “trading assets” or “trading liabilities” based on values at contract time.

Trading assets and trading liabilities are valued at market prices on the fiscal year end in the case of securities and monetary claims, etc., and at deemed settlement prices on the fiscal year end in the case of swaps, futures and options, etc.

3. The valuation of securities is made by the amortized cost method by the moving average method with respect to the bonds intended to be held to maturity, the cost method by the moving average method with respect to equity shares in subsidiaries and the cost method or the amortized cost method by the moving average method with respect to other securities.
4. Securities treated as trust assets of independently operated monetary trusts used primarily for the purpose of securities investment are stated at their fair value.
5. Derivative transactions other than trading transactions are stated at their fair value.
6. Premises and equipment are depreciated by declining balance method over the estimated useful lives set forth under the Corporate Tax Law.
7. Software for internal use is amortized by straight-line method over the estimated useful lives in the Bank (5 years) assuming a nil residual value.
8. Treatment of deferred assets on debenture issues
 - (1) Debenture issue discounts on discount debentures are amortized according to the period to redemption of the debenture.
 - (2) Debenture issue expenses are charged to income as incurred.
9. Foreign currency accounts among assets and liabilities and the accounts of the Bank’s overseas branches are translated into yen at the exchange rates prevailing on the balance sheet date.
10. The reserve for possible loan losses is calculated as follows in accordance with the predetermined standards for write-offs and reserve provisions.

Claims equivalent to normal loans and tagged loans, as defined in “Operational Guidelines Concerning Verification of Internal Control for Self-Assessment of Assets in Banks and Other Financial Institutions and

Auditing of Loan Write-Offs and Reserves for Possible Loan-Losses” (4th Report of the Special Committee on Auditing of Banks, etc., of the Japanese Institute of Certified Public Accountants) are divided into certain categories, and reserve provision is made on the basis of historical loan-loss ratios, etc., as calculated from actual loan losses over specific periods for each category. In the case of loans to debtors at risk of bankruptcy, the amount appropriated is determined as the amount deemed necessary on the basis of the balance remaining after deduction of the amounts estimated to be recoverable by the disposal of collateral and guarantee payments. For loans to debtors that are legally or substantially bankrupt, the amount appropriated is determined as the balance remaining after the deduction of the expected amount to be collected through the disposal of collateral or through the execution of guarantees.

The business-related sections assess all loans in accordance with the Bank’s asset self-assessment system, and the assessments are reviewed by the Credit Examination Division which is independent from the business sections. Reserve provisions are based on the results of this review.

11. Reserve for retirement benefit is provided for the payment of employees’ retirement benefit, and represents the required amount derived from estimated retirement benefit obligation and estimated pension assets at the end of this fiscal year. Unrecognized actuarial difference is amortized by straight-line method over the number of years which does not exceed the average remaining service years of employees at the fiscal year when the actuarial difference incurred (14 years). This amortization is started from the next fiscal year.
12. The reserve for claim disposal loss allowances is determined as the amount required to provide for possible future losses on the sale of loans secured with premises and equipment to the Cooperative Credit Purchase Corporation, taking into account the value of collateral. This is a reserve as stipulated in Article 287-2 of the Commercial Code.
13. The accounting for financing leases, except those where the ownership title is deemed to have been transferred to the lessee, is the same for operating lease transactions.
14. For certain assets and liabilities, deferred hedge or special-accepted treatment of interest rate swaps is carried out.

As one of hedge accounting methods, a macro hedge is made to control the whole system of interest rate risks

arising from many financial assets and liabilities such as loans and deposits by using derivative transactions. This is the risk control based on risk-adjustment approach prescribed in “Temporary Treatment for Accounting and Auditing of Application of Accounting Standard for Financial Instruments in Banking Industry” (the 15th Report of the Industry Audit Committee of the Japanese Institute of Certified Public Accountants), and the deferred hedge accounting is adopted. The Bank evaluates the hedge effectiveness by inspecting whether the amount of risks of derivatives which are risk adjustment means is within a allowable risk provided in the risk control policies, and whether the interest rate risk which is the subject of the risk control is reduced.

15. The accounting for national and local consumption taxes is made according to the tax excluding method where the consumption taxes are recorded separately.
16. The reserves under specific laws are provided as follows:
 - Reserve for Financial Futures Transaction Liabilities is provided under the provisions of the Financial Futures Trading Law, Article 82.
 - Reserve for Securities Transaction Liabilities is provided under the provisions of the Securities and Exchange Law, Clause 7 of Article 65-2.
17. Subsidiaries are amounted to ¥10 million.
18. Monetary Credit to subsidiaries is amounted to ¥0 million.
19. Monetary Liabilities due to subsidiaries are amounted to ¥24 million.
20. The accumulated depreciation of the premises and equipment is ¥62,724 million.
21. The depreciation of the premises and equipment which make income tax postponed under the tax law is ¥19,656 million.
22. In addition to the premises and equipment stated in the balance sheets, some of the computers are used under lease agreement.
23. Among loans, loans to bankrupt companies are amounted to ¥310,838 million and overdue loans are amounted to ¥457,629 million.

Loans to bankrupt companies are defined as loans for which accrued interest is not shown in the accounts on the grounds that principal or interest is likely to be unrecoverable, because interest or principal payments have been overdue for a considerable period or for other reasons (excluding loans that have been written off; hereinafter referred to as “loans for which accrued interest is not shown”), where the loans in question are affected by the circumstances defined in Article 96, Clause 1, Numbers 3a-e or Number 4 of the Corporation Tax Law Enforcement Ordinance (Cabinet Ordinance No. 97 of 1965).

Overdue loans are loans for which accrued interest is not shown in the accounts, other than loans to bankrupt companies and loans rescheduled period for interest payments has been provided to support the financial restructuring of the borrowers.

24. Loans include ¥5,103 million in loans that are overdue by three months or longer. Loans overdue by three months or longer are defined as loans on which principal or interest payments are overdue by three months or longer reckoning from the payment date stipulated in the contract, but which are not classified as loans to bankrupt companies or overdue loans.
25. Rescheduled loans total ¥80,188 million. Rescheduled loans are loans, other than loans to bankrupt companies or overdue loans and loans overdue by three months or longer, for which the terms have been eased to support the financial rehabilitation of the borrower through measures agreed in favor of the borrower, such as reduction of interest payments, postponement of interest or principal repayments and abandonment of claims.
26. The total amount of loans to bankrupt companies, overdue loans, loans overdue by three months or longer and rescheduled loans is ¥853,760.
27. Bills discounted consist of bank acceptance bills, trade bills and documentary bills discounted by the Bank. The aggregate face value of these bills is ¥967,128 million.
28. Assets provided as collateral are as follows.

Assets provided as collateral:

Securities	¥488,408 million
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Liabilities corresponding to collateral assets:

Deposits	¥ 1,636 million
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Bills sold	¥124,400 million
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Call money	¥ 32,747 million
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In addition to the above amounts, securities worth ¥394,236 million have been provided as collateral for foreign currency settlements and foreign currency-yen settlements, etc., or substituted for futures margin money, etc.

29. Deferred hedge gains represent the net amount of unrealized gains and losses or valuation differences from hedging instruments. The gross amounts of deferred hedge losses and deferred hedge gains before netting are ¥ 5,626 million and ¥ 6,283 million, respectively.
30. The Ordinance Concerning Special Exceptions to the Taxation Standards, etc., for Enterprise Taxes on Banking Businesses, etc., in Osaka Prefecture (Osaka Prefectural Government Ordinance No. 131 of April 1, 2000) was promulgated on June 9, 2000. With the result

that the statutory effective taxation rate for deferred tax assets and liabilities will change from 30.04% to 29.65%, effective from the current accounting period. This change has caused a reduction of ¥1,075 million in deferred tax assets, and an equivalent increase in the adjustment of corporate income tax, etc., shown in the current fiscal year's accounts.

31. The borrowings include the loans payable under subordination covenant totaling ¥67,000 million.
32. The net loss per capital unit is ¥2.67.
33. The net assets increased by ¥2,856 million through revaluation by the fair values stipulated in Article 40-2, Clause 1, Number 5 of the Shoko Chukin Bank Law.
34. The details of the fair values, valuation differences, etc., of securities are described as below. These securities include "national government bonds", "local government bonds", "corporate bonds", "stocks" and "other securities", as well as "trading securities", transferable due bills from banks and commercial papers in "other trading assets", transferable due bills from banks in "due bills from banks", and commercial papers and beneficiary of loan trusts in "monetary claims purchased". The same applies to Note 35.

Trading securities

Book value	¥56,658 million
Recognized valuation differences in this fiscal year	¥ 0 million

Held-to-maturity debt securities with market values

Debt securities	
Book value	¥49,418 million
Market value	¥51,461 million
Valuation differences	¥ 2,043 million
Valuation gains therein	¥ 2,043 million
Valuation losses therein	nil

Other securities with market values

For this fiscal year, other securities with market values have not been revaluated by their fair values. The book values of such securities are as follows.

Book value	¥2,701,385 million
Market value	¥2,726,907 million
Difference	¥ 25,522 million
Estimated valuation differences	¥ 17,954 million
Estimated deferred tax liability	¥ 7,567 million

35. Major items of securities which have no market values and their book values are described as below.

Items	Book value
Stocks issued by subsidiaries	
Stocks issued by subsidiaries	¥ 10 million

Other securities

Unlisted stocks other than those on over-the-counter market	¥ 7,488 million
Bonds	¥47,600 million

36. The Bank holds monetary trusts solely for managing purpose.
37. National government bonds and trading securities include the securities loaned on loan agreements, the total amount of which is ¥15,200 million.
38. Overdraft agreements and commitment line agreements on loans are the agreements where the Bank grants a loan up to a designated credit limit whenever the customer requests, unless it has had no breach of the conditions stipulated in the agreements. The outstanding credit facility ready for drawdown under such agreements is ¥615,935 million in aggregate.

Most of these agreements are terminated before the full amount of credit facility determined in the agreements is utilized. Thus the outstanding credit facility itself does not always affect the Bank's cash flows in the future. Most of these agreements have provisions which allow the Bank to cancel the customers' request for drawdown and/ or to reduce the credit limit for appropriate reasons such as changes in the financial situation and protection of credits. Moreover, the Bank requires the customers to collateralize their premises, securities, etc., when considered necessary, upon conclusion of overdraft agreements and/ or commitment line agreements. After the Bank enters into the agreement, it periodically (every half year) checks the customers' economic situation in accordance with the internally established procedure, reviews the conditions of the agreement as necessary, and take measures necessary to protect the credits.

39. The notification determined by the minister in charge (Ministry of Finance, Ministry of International Trade and Industry Notification 9 of 2000) was amended in accordance with the implementation of the new accounting standards for retirement benefit ("Opinion Report on Establishment of Accounting Standards for Retirement Benefit" by Business Accounting Deliberation Council, June 16, 1998). As a result of this amendment, the form of the balance sheet was also amended so that previous "reserve for retirement allowance" is reclassified and included in "reserve for retirement benefit" from this fiscal year.
40. All U.S. dollar figures are translated, for convenience only, at the rate of ¥123.90=US\$1, the prevailing rate of exchange as of March 31, 2001.

STATEMENTS OF INCOME

1. All amounts expressed in the statements have been rounded down to the nearest million yen.
2. Earnings related to subsidiaries' transactions total ¥0 million. Expenses related to subsidiaries' transactions total ¥155 million.
3. The Shoko Chukin Bank shows profit and loss on transactions undertaken for the purposes of trading transactions in the Statements of Income as "Trading Revenue" or "Trading Expenses."

In the Statements of Income, Trading Revenue and Trading Expenses are shown by adding to interest received and paid during the year an amount equivalent to the increase (decrease) in valuation gains and losses between the end of the previous and current years in the case of securities and monetary claims, etc., and an amount equivalent to the increase (decrease) in deemed settlements between the end of the previous and current years in the case of derivatives.

4. "Other Operating Expenses" includes ¥561 million in losses resulting from the sale of real estate-secured loans to the Cooperative Credit Purchase Corporation (including ¥180 million in losses relating to support for borrowers), ¥476 million in losses on support for borrowers, ¥1,928 million in provision for the Reserve for Claim Disposal Loss Allowances, and ¥94 million in losses resulting from the sale of other loans.
5. The Bank adopted the new accounting standards for retirement benefit from this fiscal year. As a result, loss before income taxes and others and loss before income taxes are decreased by ¥282 million.
6. The Bank adopted the new accounting standards for financial instruments, and accordingly changed the valuation method of securities, the valuation method of derivatives, the method of hedge accounting, etc. As a result, loss before income taxes and others and loss before income taxes are decreased by ¥4,756 million.

In accordance with the adoption of the new accounting standards for financial instruments, the Bank changed presentation in accounts of revenues and expenses, resulting in no effect on loss before income taxes and others or loss before income taxes. For revenue accounts, "interest and dividends on securities," "interest on interest swap transactions," "other interest income," "gains on sales of government and other bonds" and "gains on redemption of government and other bonds" are decreased by ¥2,162 million, ¥27,986 million, ¥578 million, ¥1,962 million and ¥5,332 million, respectively, while "Revenue from Financial Derivatives Transactions" is increased by ¥8,290 million. For expense accounts, "interest on debentures," "interest on deposits," "interest on interest swap transactions," "other interest expenses," "losses on sales of government and other bonds" and "losses on redemption of government and other bonds" are decreased by ¥13,670 million, ¥39 million, ¥6,488 million, ¥93 million, ¥3,030 million and ¥6,408 million, respectively. As a result, operating income and operating expenses are decreased by ¥29,730 million, respectively.

7. Enterprise taxes other than those which are assessed based on income are presented in others in other expenses. Although the enterprise tax imposed by Tokyo Metropolis was previously presented in provision for income taxes, in accordance with the enforcement of "Municipal Ordinance regarding Special Treatment of Tax Base, etc., for Enterprise Tax on Banking Business, etc., in Tokyo Metropolis" (Tokyo Metropolis Municipal Ordinance 145 of 2000) on April 1, 2000, it is included in others in other expenses from this fiscal year. The amount of such enterprise tax for this fiscal year is ¥800 million.
8. All U.S. dollar figures are translated, for convenience only, at the rate of ¥123.90=US\$1, the prevailing rate of exchange as of March 31, 2001.

Statement of Cash Flows

The Shoko Chukin Bank

(for the fiscal year ended March 31, 2001)

	Millions of yen	Millions of U.S. dollars
Cash Flows from Operating Activities		2001
Net Income (Loss) before Income Taxes	¥ (16,016)	\$ (129)
Depreciation	2,567	20
Increase in Reserve for Possible Loan Losses	45,620	368
Increase in Reserve for Claim Disposal Loss	(2,283)	(18)
Increase in Reserve for Retirement Benefit	402	3
Income from Fund Management	(269,821)	(2,177)
Expenses for Fund Procurement	137,667	1,111
Losses Relating to Securities	(9,582)	(77)
Losses on Monetary Trusts	2,642	21
Losses on Premises and Equipment	(3,185)	(25)
Net (Increase) Decrease in Trading Assets	(11,114)	(89)
Net Increase (Decrease) in Trading Liabilities	2,408	19
Net (Increase) Decrease in Loans	282,708	2,281
Net Increase (Decrease) in Debentures	(357,930)	(2,888)
Net Increase (Decrease) in Deposits	151,338	1,221
Net Increase (Decrease) in Negotiable Certificates of Deposit	28,917	233
Net Increase (Decrease) in Borrowed Money	(7,278)	(58)
Net (Increase) Decrease in Call Loans, etc.	(34,098)	(275)
Net Increase (Decrease) in Call Money, etc.	280,168	2,261
Net (Increase) Decrease in Due Bills from Banks Other than the Central Bank	(323,743)	(2,612)
Net (Increase) Decrease in Foreign Currencies (Assets)	1,868	15
Net Increase (Decrease) in Foreign Currencies (Liabilities)	174	1
Income from Fund Operations	274,274	2,213
Expenditures for Fund Procurement	(154,573)	(1,247)
Others	(4,904)	(39)
Subtotal	16,226	130
Income Taxes	(178)	(1)
Net Cash Provided by Operating Activities	16,048	129
Cash Flows from Investing Activities		
Payments for Purchases of Securities	(6,905,855)	(55,737)
Proceeds from Sales of Securities	3,488,941	28,159
Proceeds from Redemption of Securities	3,375,463	27,243
Payments for Increase in Monetary Trust	(30,373)	(245)
Proceeds from Decrease in Monetary Trust	27,730	223
Payments for Acquisitions of Premises and Equipment	(1,582)	(12)
Proceeds from Sales of Premises and Equipment	3,923	31
Net Cash Used in Investing Activities	(41,752)	(336)
Cash Flows from Financing Activities		
Proceeds from Increase in Capital Contribution	19,100	154
Dividends Paid	(2,823)	(22)
Net Cash Used in Financing Activities	16,277	131
Translation Differences of Cash and Cash Equivalents	—	—
Increase (Decrease) in Cash and Cash Equivalents	(9,427)	(76)
Cash and Cash Equivalents at Beginning of Year	39,931	322
Cash and Cash Equivalents at End of Year	¥ 30,503	\$ 246

Note: 1. The scope of fund in the statement of cash flow is deposits and the money deposited with the central bank out of "Cash and Due Bills from Banks" in the balance sheet.

2. The reconciliation between the cash and cash equivalent at the beginning of the year and the amounts of the items stated in the balance sheet is as follows:

As of March 31, 2001

Cash and due bills from banks	¥ 793,271 million	\$ 6,402 million
Due bills from banks other than the central banks	(762,768 million)	6,156
	<u>30,503 million</u>	<u>246</u>

Details of Capital Account

STRUCTURE OF CAPITAL SUBSCRIPTION (in ¥ million, %)

	(as of March 31, 2001)	(as of March 31, 2000)
Government Subscription	394,067 (79.8)	377,967 (79.6)
Cooperatives' Subscription	99,897 (20.2)	96,897 (20.4)
Total	493,965	474,865

Note: The figures in parentheses represent percentages of the total.

STRUCTURE OF CAPITAL SUBSCRIPTIONS BY COOPERATIVES (in ¥ thousand)

	(as of March 31, 2001)	(as of March 31, 2000)
	Number of Cooperatives/Capital Subscription Amounts	
Small and Medium Enterprises' Cooperatives	24,372 94,575,105	24,267 91,383,084
Common Facility Cooperatives and Federations Thereof	23,516 88,143,748	23,424 85,132,502
Small Common Facility Cooperatives	2 100	2 100
Mutual Fire Relief Cooperatives and Federations Thereof	45 766,500	45 682,200
Credit Cooperatives and Federations Thereof	238 5,354,713	247 5,211,913
Business Cooperatives	571 310,044	549 356,369
Joint Business Cooperatives	803 1,237,412	827 1,461,516
Commercial and Industrial Cooperatives and Federations Thereof	1,029 2,761,446	1,043 2,811,100
Shopping District Promotion Cooperatives and Federations Thereof	950 211,305	929 209,315
Environmental Sanitation Trade Associations and Federations Thereof	331 557,397	328 534,727
Liquor Business Cooperatives and Federations Thereof	214 119,936	224 122,686
Domestic Maritime Transport Associations and Federations Thereof	51 424,685	51 364,908
Export Associations and Import Associations	5 10,500	5 10,460
Urban Redevelopment Associations	2 110	1 100
Total	27,757 99,897,900	27,675 96,897,900

Note: The figures on the upper line represent the numbers of cooperatives and those on the lower line the amounts of capital subscription.

Cooperatives' Subscription to the Bank:

1. For the purpose of providing services to a wider base of customers, the number of units of contribution in possession of an affiliated cooperative shall not exceed one-hundredth of the total units of contribution to the Bank, under Clause 3, Article 7 of the Shoko Chukin Bank Law.
2. Decisions of the Bank's management are made at the Assembly of Representatives, and every representative has one vote regardless of the number of units of capital subscription that is held (Article 72 of the Articles of Incorporation).

DIVIDENDS (in yen, %)

	(Fiscal 2000)	(Fiscal 1999)
Dividend per Unit Cooperatives' Subscription	3.00	3.00
Dividend Payout Ratio	—	—

The amount of a unit of subscription to the Bank shall be 100 yen.

Dividend Payments by the Bank:

- The dividend per subscription was ¥3 same as fiscal 1999.
- For the purpose of solidifying the Bank's operational base and contributing to the improvement of financial services for the SMEs, the Bank may not pay dividends on the surplus fund for the government's paid-up subscription until the amount of distributable surplus fund for each business year shall attain the yearly rate of 6% of the amount of non-governmental paid-up subscription under Article 49 of the Shoko Chukin Bank Law.
- In addition, the Bank shall not pay a dividend of more than 6% until its legal reserve amounts to 25% of the capital under Clause 2, Article 3 of the Regulation Enforcing the Shoko Chukin Bank Law.

CAPITAL RATIO (in ¥100 million, %)

		(as of March 31, 2001)	(as of March 31, 2000)
Core Capital (Tier 1 Capital)	Capital Funds	6,056	6,022
	Total (A)	6,056	6,022
	45% of Unrealized Gains on Securities	—	29
	45% of of Other Marketable Securities Stated in the Balance Sheet Minus Its Book Value	—	—
Supplementary Capital (Tier 2 Capital)	Reserve for Possible Loan Losses (Excluding Special Reserve for Possible Loan Losses and Reserve for Possible Loan Losses on Special Foreign Loans)	514	482
	Subordinated Borrowings	402	530
	Total	916	1,041
	Amount Counted as Capital (B)	916	1,041
Deductions:	Mutual Shareholding or Other Financing Intentionally Arranged among Financial Institutions (C)	—	—
Total Capital:	(A) + (B) – (C) (D)	6,973	7,063
Risk-Weighted Assets:	Assets stated on the Balance Sheet	99,731	100,917
	Off-Balance Sheet Items	711	638
	Total (E)	100,442	101,555
Capital Ratio =	(D)/(E) x 100	6.94	6.95

Note: Calculation is made according to the formula stipulated in the notice of the Ministry of Finance and the Ministry of Economy, Trade & Industry.

Total Capital:

- Core Capital increased by a total of ¥3.3 billion.
Contributing factors include additional capital amounting ¥16.1 billion from the government, ¥3 billion in additional funds from cooperatives, and negative effect from the net loss.
- The General Reserve was decreased by negative effect from the decrease of subordinated loans by ¥12.8 billion. As a result, Supplementary Capital decreased by ¥12.4 billion.

The Bank's Capital Ratio:

- The Bank is endeavoring to raise its capital ratio according to Article 30-3 of the Shoko Chukin Bank Law and the notice of the Ministry of Finance and the Ministry of Economy, Trade and Industry. (The Bank's capital ratio is computed according to the formula stipulated in said notice.)
- The Bank is eligible for special treatment in terms of the way the BIS international capital adequacy guideline for financial institutions is applied because of its special status as a government-affiliated financial institution.
- The Bank is exempt from the Prompt Corrective Action.
- The Bank, as a financial institution, is exempt from reevaluating land under the Land Properties Revaluation Act and Supplementary Capital in the above table does not include gains on land revaluation.

Details of Profit and Loss

SUMMARY OF INCOME (in ¥100 million)

	(Fiscal 2000)	(Fiscal 1999)
Gross Operating Revenue	1,624	1,688
Provision for (Reversal of) the General Reserve for Possible Loan Losses	32	-99
General and Administrative Expenses (Excluding Nonrecurrent Items)	801	840
Expenses Incurred on Debenture Issue and Redemption	8	8
Operating Profit	781	938
Operating Profit before Deduction of Provision for the General Reserve for Possible Loan Losses	814	839
Nonrecurrent Profit and Loss (Including Nonrecurrent Expenses)	-973	-1,153
Loss before Income Taxes and Others	192	214
Other Gains and Losses	32	36
Provision for Income Taxes — Corporate Tax, Inhabitant Tax and Enterprise Tax	3	8
Adjustment of Income Taxes	-35	-26
Net Loss	128	159

Note: The operating profit represents the income generated by the Bank's primary businesses and is calculated by deducting general and administrative expenses from the gross operating profit.

GROSS OPERATING PROFIT (in ¥100 million, %)

Department	(Fiscal 2000)			(Fiscal 1999)		
	Domestic	International	Total	Domestic	International	Total
Net Interest Income	(1,315)	(101)	(1,417)	1,520	53	1,574
	1,329	-1	1,328			
Fees and Commissions	44	3	47	41	3	44
Trading Income	29	-26	2	16	-16	0
Other Operating Income	(157)	(-0)	(157)	65	2	68
	203	42	245			
Gross Operating Profit	(1,546)	(77)	(1,624)	1,645	43	1,688
	1,607	17	1,624			
Gross Operating Profit Ratio	(1.14)	(1.04)	(1.17)	1.17	0.49	1.19
	1.18	0.22	1.17			

Note: 1. The Bank has adopted the accounting standards for financial instruments since the year ended March 31, 2001.

The figures in parentheses represent income/profit after adjustment for interest paid and received on interest rate swaps, which account for most of the effect of this change in the accounting standards.

2. The domestic department handles transactions in yen with Japanese residents through the domestic branches. The international department handles transactions with non-residents in Japan, foreign currency transactions and transactions made on special international financial accounts (transactions in the Tokyo Offshore Market) through the domestic branches and those operated through the New York branch.

3. Gross Operating Profit Ratio = $\frac{\text{Gross Operating Profit}}{\text{Average Balance of Interest Earning Assets}} \times 100$

4. In the accounts of net interest income and other operating income, the profit on redemption of bonds with swap contracts is netted by deducting the interest expense from the interest swap transactions. Deduction of swap interest expense was ¥3,800 million for the year ended March 31, 2000.

5. In the accounts of net interest income, the profit on redemption of bonds with swap contracts is netted by deducting the interest expense from the interest swap transactions. Deduction of swap interest expense was ¥3,400 million for the year ended March 31, 2001.

ASSET PORTFOLIO ACCOUNTS, FUND RAISING ACCOUNTS, INTEREST AND YIELD (in ¥100 million, %)

Department		(Fiscal 2000)			(Fiscal 1999)		
		Domestic	International	Total	Domestic	International	Total
Asset Portfolio Accounts:	Average Balance	135,150	7,530	137,786	139,311	8,617	141,419
	Interest Income	(2,480)	(397)	(2,833)	3,217	412	3,547
		2,474	233	2,663			
	Yield	(1.83)	(5.27)	(2.05)	2.30	4.77	2.50
		1.83	3.09	1.93			
Fund Raising Accounts:	Average Balance	124,831	7,382	127,320	129,251	8,713	131,455
	Interest Expense	(1,164)	(295)	(1,416)	1,696	359	1,972
		1,144	234	1,335			
	Yield	(0.93)	(4.00)	(1.11)	1.30	4.11	1.49
		0.91	3.17	1.04			

- Note: 1. The Bank has adopted the accounting standards for financial instruments since the year ended March 31, 2001. The figures in parentheses represent interest and yield after adjustment for interest paid and received on interest rate swaps, which account for the most of the effect of this change in the accounting standards.
2. Domestic department are based on yen-denominated transactions with residents at domestic branches. International department are based on foreign currency-denominated transactions at domestic branches, yen-denominated transactions with non-residents, special international financial account transactions (transactions in the Tokyo Offshore Market), and transactions at the New York Branch.
3. The average balance of yen fund invested from the domestic department to the international department was ¥650.9 billion for the year ended March 31, 2000 and ¥489.4 billion for the year ended March 31, 2001. The interest income on such investments was ¥8.3 billion for the year ended March 31, 2000 and ¥4.4 billion for the year ended March 31, 2001.
4. The interest expense of the fund raising account does not include the interest expense of interest swap transactions corresponding to the profit on redemption of bonds. Deducted amount of swap interest expense was ¥3,800 million for the year ended March 31, 2000.
5. Fund investment and fund raising accounts in the year ended March 2001 are shown as the net amount of redemption gains on bonds with interest rate swap contracts and the interest expenses of interest rate swap transactions corresponding thereto. Amount netted in the year ended March 31, 2001: ¥3,400 million

ANALYSIS OF INTEREST INCOME AND EXPENSE (in ¥100 million)

Department		(Fiscal 2000 versus Fiscal 1999)			(Fiscal 1999 versus Fiscal 1998)		
		Domestic	International	Total	Domestic	International	Total
Interest Income:	Cause of Change in the Volume	-76	-33	-70	-80	-169	-103
	Cause of Change in the Interest Rate	-666	-146	-813	-394	23	-446
	Net Change	-742	-179	-883	-475	-145	-550
Interest Expense:	Cause of Change in the Volume	-40	-42	-43	-62	-130	-74
	Cause of Change in the Interest Rate	-511	-82	-593	-463	29	-480
	Net Change	-511	-124	-637	-525	-100	-555

- Note: 1. The change caused by the effect of both the changes in volume and interest rates is included in that of interest rate change.
2. Interest expenses do not include those of the interest swap transactions corresponding to the profit on redemption of bonds. Deducted amount of swap interest expense was ¥3,800 million for the year ended March 31, 2000.
3. Interest income and interest expense in the year ended March 31, 2001 are shown as the net amount of redemption gains on bonds with interest rate swap contracts and interest expenses on the interest rate swap transactions corresponding thereto. Net amount in the year ended March 31, 2001: ¥3,400 million

FEES AND COMMISSIONS (in ¥100 million)

Department		(Fiscal 2000)			(Fiscal 1999)		
		Domestic	International	Total	Domestic	International	Total
Income Fees and Commissions		54	4	59	52	5	57
Expenses Fees and Commissions		9	1	11	11	1	12

TRADING TRANSACTIONS (in ¥100 million)

Department	(Fiscal 2000)			(Fiscal 1999)		
	Domestic	International	Total	Domestic	International	Total
Trading Revenue	29	-26	2	16	-16	0
Revenue from Trading Securities and Derivatives	0	—	0	-0	0	0
Revenue from Securities and Derivatives related to Trading Transactions	-1	0	-0	-0	1	0
Revenue from Trading-related Financial Derivatives Transactions	29	-27	1	17	-18	-0
Other Trading Revenue	0	—	0	0	—	0

Note: 1. For each item, income and expense are netted for the domestic and international departments.

2. Transactions in financial derivatives are classified as domestic or international primarily according to the residential status of the other parties to such transactions. The most of income from this source results from integrated transactions involving both domestic and international operations.

DETAILS OF OTHER OPERATING INCOME AND EXPENSES (in ¥100 million)

Department	(Fiscal 2000)			(Fiscal 1999)		
	Domestic	International	Total	Domestic	International	Total
Revenue from Foreign Exchange Trading	—	6	6	—	8	8
Revenue and Losses on Sales of Government and Other Bonds	118	-4	114	142	-5	137
Revenue and Losses on Redemption of Government and Other Bonds	/	/	/	-76	-0	-77
Revenue from Financial Derivatives Transactions	84	40	124	/	/	/
Others	0	—	0	—	—	—
Total	203	42	245	65	2	68

Note: The revenues and losses on redemption of government and other bonds do not include the revenues from redemption of bonds with interest swap contracts.

Deduction: ¥3,800 million for the year ended March 31, 2000

GENERAL AND ADMINISTRATIVE EXPENSES (in ¥100 million)

	(Fiscal 2000)	(Fiscal 1999)
Salaries	388	391
Welfare Expenses	7	8
Depreciation	25	25
Rent & Lease Expenses for Land, Buildings and Equipment	62	61
Taxes and Duties	23	25
Others	315	333
Total	823	846

PROVISIONAL EXPENSES (in ¥100 million)

	(Fiscal 2000)	(Fiscal 1999)
Total Provision of Bad Debt:	-912	-1,219
Write-Offs of Loans	-16	-5
Provision for Individual Possible Loan Losses	-865	-1,057
Disposal Losses of Claims	-6	-71
Losses for Supported Customers	-4	-1
Provision for Claim Disposal Loss Allowances	-19	-84
Profit and Loss on Monetary Trusts:	-26	9
Gains from Monetary Trusts Transactions	6	9
Loss on Monetary Trusts Transactions	-32	—
Others	-34	56
Total	-973	-1,153

Note: Disposal losses of claims and losses for supported customers are shown after the deduction of draw down of reserves for individual possible loan losses and for claim disposal loss provided thereto.

RETURN ON EQUITY AND ASSETS (%)

	(Fiscal 2000)	(Fiscal 1999)
Recurring Profit Ratio to Total Assets	—	—
Recurring Profit Ratio to Capital Funds	—	—
Net Income Ratio to Total Assets	—	—
Net Income Ratio to Capital Funds	—	—

- Note: 1. Recurring Profit (Net Income) Ratio to Total Assets = $\frac{\text{Recurring Profit (Net Income)}}{\text{Average Balance of Total Assets (excluding Guarantee Contra Accounts)}} \times 100$
2. Recurring Profit (Net Income) Ratio to Capital Funds = $\frac{\text{Recurring Profit (Net Income)}}{\text{Average Balance of Capital Funds}} \times 100$
3. For fiscal 1999 and 2000, return on equity and assets were not listed because the Bank had recurring losses and net losses.
4. Recurring Profit: Income (Loss) before Income Taxes and Others

MARGIN (%)

Department	(Fiscal 2000)			(Fiscal 1999)		
	Domestic	International	Total	Domestic	International	Total
Yield	(1.83)	(5.27)	(2.05)	2.30	4.77	2.50
Cost of Funds Raised	1.83	3.09	1.93	1.93	4.48	2.14
Total Margin	(0.27)	(0.85)	(0.30)	0.36	0.29	0.36
	0.29	-0.49	0.24			

- Note: 1. The Bank has adopted the accounting standards for financial instruments since the year ended March 31, 2001. The figures in parentheses represent the margin after adjustment for interest paid and received on interest rate swaps, which account for the most of the effect of this change in the accounting standards.
2. Domestic department figures are based on yen-denominated transactions with residents at domestic branches. International department figures are based on foreign currency-denominated transactions at domestic branches, yen-denominated transactions with non-residents, special international financial account transactions (transactions in the Tokyo Offshore Market), and transactions at the New York Branch.
3. Yield = $\frac{\text{Interest Income}}{\text{Average Balance of Funds Invested}} \times 100$
4. Cost of Funds Raised = $\frac{\text{Interest Expense} + \text{General and Administrative Expense excluding Provisional Expense}}{\text{Average Balance of Funds Raised}} \times 100$
5. Total Margin = Yield - Cost of Funds Raised

Details of Operations

DEBENTURES AND DEPOSITS

STRUCTURE OF FUND SOURCES (in ¥100 million, %)

	(as of March 31, 2001)	(as of March 31, 2000)
Debentures Issued:	101,706 (80.7)	105,286 (82.4)
Outstanding Balance	101,706 (80.7)	105,286 (82.4)
Deposits:	23,891 (19.0)	22,378 (17.5)
Cooperatives and Others	23,519 (18.7)	21,944 (17.1)
Local Governments and Municipalities	372 (0.3)	434 (0.4)
Negotiable Certificates of Deposit	405 (0.3)	116 (0.1)
Total	126,003	127,780
Government Contribution of Debentures Issued	3,111 (2.5)	3,425 (2.6)

Note: The figures in parentheses represent percentages of the total.

OUTSTANDING BALANCE OF SHOKO CHUKIN BANK DEBENTURES (in ¥100 million, %)

	(as of March 31, 2001)	(as of March 31, 2000)
Interest-Bearing Debentures	72,232 (71.0)	76,147 (72.3)
Discount Debentures	29,474 (29.0)	29,138 (27.7)
Total	101,706	105,286

Note: 1. Debentures sold by public offering are included.
2. The figures in parentheses represent percentages of the total.

CLASSIFICATION BY TIME TO MATURITY OF THE OUTSTANDING BALANCE OF SHOKO CHUKIN BANK DEBENTURES

(in ¥100 million)

		(as of March 31, 2001)	(as of March 31, 2000)
Interest-Bearing Debentures	1 year or less	14,674	17,838
	3 years or less but more than 1 year	33,172	28,937
	5 years or less but more than 3 years	24,385	29,371
	Total	72,232	76,147
Discount Debentures	1 year or less	29,474	29,138
	3 years or less but more than 1 year	—	—
	5 years or less but more than 3 years	—	—
	Total	29,474	29,138
Total	1 year or less	44,148	46,976
	3 years or less but more than 1 year	33,172	28,937
	5 years or less but more than 3 years	24,385	29,371
	Total	101,706	105,286

BREAKDOWN OF DEPOSIT BALANCE (in ¥100 million, %)

Department	(Fiscal 2000)			(Fiscal 1999)				
	Domestic	International	Total	Domestic	International	Total		
Year End Balance	Time Deposits	11,499 (53.3)	1,068 (45.7)	12,567 (52.6)	11,867 (57.4)	879 (51.7)	12,747 (57.0)	
	Floating Free-Rate Time Deposits	—	—	—	—	—	—	
	Free Fixed-Rate Time Deposits (included in the above item)	11,499 (53.3)	1,068 (45.7)	12,567 (52.6)	11,867 (57.4)	879 (51.7)	12,746 (57.0)	
	Liquid Deposits	9,474 (44.0)	0 (0.0)	9,475 (39.7)	8,128 (39.3)	0 (0.0)	8,128 (36.3)	
	Interest-Bearing Deposits (included in the above item)	5,076 (23.6)	—	5,076 (21.2)	4,782 (23.1)	—	4,782 (21.4)	
	Others	580 (2.7)	1,268 (54.3)	1,848 (7.7)	681 (3.3)	821 (48.3)	1,502 (6.7)	
	Total	21,544	2,336	23,891	20,677	1,700	22,378	
	Negotiable Certificates of Deposit	114	291	405	52	63	116	
	Average Balance	Time Deposits	11,691 (59.8)	1,114 (63.7)	12,805 (60.2)	11,912 (60.3)	1,005 (55.1)	12,917 (59.8)
		Floating Free-Rate Time Deposits	—	—	—	—	—	—
Free Fixed-Rate Time Deposits (included in the above item)		11,691 (59.8)	1,114 (63.7)	12,805 (60.2)	11,912 (60.3)	1,005 (55.1)	12,917 (59.8)	
Liquid Deposits		6,671 (34.1)	0 (0.0)	6,672 (31.3)	6,468 (32.7)	0 (0.0)	6,469 (30.0)	
Interest-Bearing Deposits (included in the above item)		4,259 (21.8)	—	4,259 (20.0)	4,145 (21.0)	—	4,145 (19.2)	
Others		1,176 (6.0)	634 (36.3)	1,810 (8.5)	1,385 (7.0)	820 (44.9)	2,205 (10.2)	
Total		19,539	1,748	21,288	19,766	1,825	21,592	
Negotiable Certificates of Deposit		67	146	213	693	123	817	

Note: 1. Liquid deposits = Deposits at notice + Ordinary deposits + Current deposits

2. The average balance of foreign currency deposits with domestic branches stated in the International column is calculated by the monthly current method.

3. The figures in parentheses represent percentages of the total.

CLASSIFICATION BY TIME TO MATURITY OF THE OUTSTANDING BALANCE OF TIME DEPOSITS (in ¥100 million)

	(as of March 31, 2001)		(as of March 31, 2000)	
Time Deposits	3 months or less	7,701	8,193	
	6 months or less but more than 3 months	2,086	1,702	
	1 year or less but more than 6 months	2,544	2,477	
	2 years or less but more than 1 year	101	218	
	3 years or less but more than 2 years	130	25	
	More than 3 years	4	129	
	Total	12,567	12,747	
Free Fixed-Rate Time Deposits (included in the above item)	3 months or less	7,701	8,193	
	6 months or less but more than 3 months	2,086	1,702	
	1 year or less but more than 6 months	2,544	2,477	
	2 years or less but more than 1 year	101	218	
	3 years or less but more than 2 years	130	25	
	More than 3 years	4	129	
	Total	12,567	12,746	

CLASSIFICATION OF BALANCE BY DEPOSITORS (in ¥100 million, %)

	(as of March 31, 2001)	(as of March 31, 2000)
Corporations	19,629 (90.2)	18,588 (89.2)
Individuals	1,160 (5.3)	1,103 (5.3)
Financial Institutions	509 (2.4)	683 (3.3)
Government Funds	453 (2.1)	450 (2.2)
Total	21,753	20,826

Note: 1. The above table does not include the deposits with overseas branches, offshore account deposits and negotiable certificates of deposit.
2. The figures in parentheses represent percentages of the total.

BALANCE OF PUBLIC FUNDS (in ¥100 million, %)

	(as of March 31, 2001)	(as of March 31, 2000)
Deposits of Public Funds	372 (66.7)	434 (73.6)
Borrowings from Public Sources	44 (8.1)	2 (0.5)
Debentures Sold to the Local Governments	140 (25.2)	152 (25.9)
Total	558	589

Note: The figures in parentheses represent percentages of the total.

LOANS

BALANCE OF LOANS (in ¥100 million)

Department	(Fiscal 2000)			(Fiscal 1999)		
	Domestic	International	Total	Domestic	International	Total
Loans on Deeds	67,835	307	68,142	67,939	307	68,246
Loans on Notes	21,413	514	21,927	25,164	679	25,843
Year-End Balance:						
Overdraft	9,124	—	9,124	8,579	—	8,579
Bills Discounted	9,671	—	9,671	9,023	—	9,023
Total	108,044	821	108,865	110,706	986	111,693
Loans on Deeds	66,948	314	67,263	68,063	317	68,380
Loans on Notes	22,897	612	23,510	25,521	825	26,347
Average Balance:						
Overdraft	8,180	—	8,180	8,005	—	8,005
Bills Discounted	8,346	—	8,346	8,540	—	8,540
Total	106,373	927	107,300	110,130	1,142	111,273

Note: The average balance of foreign currency loans with domestic branches stated in the International column is calculated by the monthly current method.

CLASSIFICATION BY THE TIME TO MATURITY OF THE OUTSTANDING BALANCE OF LOANS (in ¥100 million)

	(as of March 31, 2001)		(as of March 31, 2000)	
Loans	1 year or less	54,637	54,371	
	3 years or less but more than 1 year	26,741	28,132	
	5 years or less but more than 3 years	11,044	12,022	
	7 years or less but more than 5 years	4,361	4,649	
	More than 7 years	11,454	11,817	
	Without specific term	625	699	
	Total	108,865	111,693	
Fixed-Rate Loans	1 year or less	/	/	
	3 years or less but more than 1 year	24,438	25,954	
	5 years or less but more than 3 years	10,127	11,184	
	7 years or less but more than 5 years	4,031	4,312	
	More than 7 years	9,621	9,724	
	Without specific term	—	—	
Total	/	/		
Floating-Rate Loans	1 year or less	/	/	
	3 years or less but more than 1 year	2,303	2,177	
	5 years or less but more than 3 years	917	838	
	7 years or less but more than 5 years	329	337	
	More than 7 years	1,832	2,092	
	Without specific term	625	699	
Total	/	/		

Note: Loans with one year or less remaining are not classified as floating and fixed-rate loans.

AVAILABLE FUNDS AND LENDING PER EMPLOYEE (in ¥100 million)

Department	(as of March 31, 2001)			(as of March 31, 2000)		
	Domestic	International	Total	Domestic	International	Total
Available Funds	29	94	29	28	63	29
Lending Loans	25	7	25	25	5	25

Note: 1. Available funds = Debentures issued (excluding debenture application fee) + Deposits + Negotiable certificates of deposit
 2. The average number of employees during the fiscal year is used in the above table.

AVAILABLE FUNDS AND LENDING PER BRANCH (in ¥100 million)

Department	(as of March 31, 2001)			(as of March 31, 2000)		
	Domestic	International	Total	Domestic	International	Total
Available Fund	1,354	1,360	1,354	1,378	943	1,373
Lending Loans	1,182	111	1,170	1,213	84	1,201

Note: 1. Available funds = Debentures issued (excluding debenture application fee) + Deposits + Negotiable certificates of deposit
 2. Representative offices and subbranch offices are not included in the number of branches used for the above table.

LOANS TO MEMBERS (in ¥100 million, %)

	(as of March 31, 2001)	(as of March 31, 2000)
Balance of Loans to Members	107,834 (99.0)	110,612 (99.0)
Balance of Loans to Non-Members	1,031 (1.0)	1,081 (1.0)
Financial Institutions	50 (0.1)	57 (0.1)
Holders of Shoko Chukin Bank Debentures	68 (0.1)	81 (0.1)
Total	108,865	111,693

Note: 1. Members are the cooperatives subscribing capital to the Bank and their members.
 2. The figures in parentheses represent percentages of the total.

BREAKDOWN OF LOAN BALANCE BY USE (in ¥100 million, %)

	(as of March 31, 2001)	(as of March 31, 2000)
Capital Investment	23,892 (22.0)	24,523 (22.0)
Long-term Working Funds	43,705 (40.1)	43,259 (38.7)
Short-term Working Funds	41,268 (37.9)	43,910 (39.3)
Total	108,865	111,693

Note: The figures in parentheses represent percentages of the total.

BREAKDOWN OF LOAN BALANCE BY INDUSTRY (in ¥100 million, %)

	(as of March 31, 2001)	(as of March 31, 2000)
Manufacturing	37,793 (34.7)	38,311 (34.3)
Machinery and Metal Product Manufacturing	18,723 (17.2)	18,769 (16.8)
Agriculture, Forestry and Fishery	73 (0.1)	75 (0.1)
Mining	162 (0.1)	165 (0.1)
Construction	3,645 (3.3)	3,751 (3.4)
Wholesale and Retail	34,355 (31.6)	35,080 (31.4)
Finance and Insurance	2,568 (2.4)	3,028 (2.7)
Real Estate	8,011 (7.4)	8,504 (7.6)
Transport and Communication	10,484 (9.6)	10,597 (9.5)
Electricity, Gas, Water and Heat Supply	198 (0.2)	187 (0.2)
Services	11,436 (10.5)	11,851 (10.6)
Others	136 (0.1)	139 (0.1)
Total	108,865	111,693

Note: The figures in parentheses represent percentages of the total.

BREAKDOWN OF LOAN BALANCE BY COLLATERAL (in ¥100 million, %)

	(as of March 31, 2001)	(as of March 31, 2000)
Securities	799 (0.7)	917 (0.8)
Claims	5,113 (4.7)	5,594 (5.0)
Merchandise	7 (0.0)	18 (0.0)
Real Estate	70,052 (64.4)	71,980 (64.5)
Other	674 (0.6)	691 (0.6)
Total	76,646 (70.4)	79,203 (70.9)
Guarantee	26,798 (24.6)	27,278 (24.4)
Credit	5,420 (5.0)	5,211 (4.7)
Grand Total	108,865	111,693
(Loans with Subordination Covenant)	—	—

Note: The figures in parentheses represent percentages of the total.

BREAKDOWN OF CUSTOMERS' LIABILITIES FOR ACCEPTANCE AND GUARANTEES BY COLLATERAL (in ¥ million, %)

	(as of March 31, 2001)	(as of March 31, 2000)
Securities	124 (0.2)	215 (0.3)
Claims	8,197 (11.8)	7,751 (11.7)
Merchandise	0 (0.0)	0 (0.0)
Real Estate	17,860 (25.8)	18,111 (27.2)
Other	2,180 (3.2)	2,286 (3.4)
Total	28,361 (40.9)	28,363 (42.6)
Guarantee	37,029 (53.5)	35,169 (52.9)
Credit	3,893 (5.6)	3,001 (4.5)
Grand Total	69,283	66,534

Note: The figures in parentheses represent percentages of the total.

RATIO OF LOANS TO DEBENTURES AND DEPOSITS (in ¥100 million, %)

Department		(as of March 31, 2001)			(as of March 31, 2000)		
		Domestic	International	Total	Domestic	International	Total
Lending Loans	(A)	108,044	821	108,865	110,706	986	111,693
Debentures and Deposits	(B)	123,375	2,628	126,003	126,016	1,764	127,780
Ratio	(A)/(B)	87.57	31.26	86.39	87.85	55.92	87.40
	Average during the Year	85.99	48.93	85.43	86.01	58.61	85.60

Note: 1. Debentures do not include debenture application fee.
2. Deposits include negotiable certificates of deposit.

INCREASE (DECREASE) IN RESERVE FOR POSSIBLE LOAN LOSSES (in ¥100 million)

	(as of March 31, 2001)					(as of March 31, 2000)				
	Balance at the beginning of the year	Increase amount	Decrease amount		Balance at the end of year	Balance at the beginning of the year	Increase amount	Decrease amount		Balance at the end of year
			Purpose for use	Other				Purpose for use	Other	
General Reserve for Possible Loan Losses	482	514	—	(*1) 482	514	581	482	—	(*1) 581	482
General Reserve for Individual Possible Loan Losses	3,707	4,131	442	(*1) 3,265	4,131	3,207	3,707	556	(*1) 2,650	3,707
Reserve for Loans to Restructuring Countries	—	—	—	—	—	—	—	—	—	—
Total	4,190	4,646	442	3,748	4,646	3,789	4,190	556	3,232	4,190

Note: *1. Draw down through recovery of loans or as stipulated in the tax law.

WRITE-OFF OF LOANS (in ¥100 million)

	(Fiscal 2000)	(Fiscal 1999)
Write-Off of Loans	16	5

BALANCE OF LOANS TO RESTRUCTURING COUNTRIES (in ¥100 million)

	(as of March 31, 2001)	(as of March 31, 2000)
Balance of Loans to Restructuring Countries	—	—

PROBLEM LOANS (in ¥100 million)

	(as of March 31, 2001)	(as of March 31, 2000)
Loans to Bankrupt Companies (A)	1,074	998
Overdue Loans (B)	3,411	3,290
Total (A)+(B)	4,486	4,289
Loans Overdue for 3 Months or Longer (C)	51	75
Rescheduled Loans (D)	801	410
Grand Total (A)+(B)+(C)+(D)	5,339	4,775

1. Loans to Bankrupt Companies and Overdue Loans

The amounts shown for loans to bankrupt companies and overdue loans are the balances remaining after direct write-offs of the portion that is unlikely to be recoverable. The amounts deducted for bankrupt companies and overdue loans were ¥203.3 billion, and ¥116.4 billion, respectively at the end of fiscal 2000, and ¥157.3 billion and ¥122.4 billion, respectively at the end of fiscal 1999.

2. Loans to Bankrupt Companies

Loans to bankrupt companies are defined as loans for which accrued interest is not shown in the accounts on the grounds that principal or interest is likely to be unrecoverable, because interest or principal payments have been overdue for a considerable period or for other reasons (excluding loans that have been written off; hereinafter referred to as "loans for which accrued interest is not shown"), where the loans in question are affected by the circumstances defined in Article 96, Clause 1, Numbers 3a-e or Number 4 of the Corporation Tax Law Enforcement Ordinance (Cabinet Ordinance No. 97 of 1965).

3. Overdue Loans

Overdue loans are loans for which accrued interest is not shown in the accounts, other than loans to bankrupt companies and loans rescheduled period for interest payments has been provided to support the financial restructuring of the borrowers.

4. Loans Overdue for 3 Months or Longer

Loans overdue by three months or longer are defined as loans on which principal or interest payments are overdue by three months or longer reckoning from the payment date stipulated in the contract, but which are not classified as loans to bankrupt companies or overdue loans.

5. Rescheduled Loans

Rescheduled loans are loans, other than loans to bankrupt companies or overdue loans and loans overdue by three months or longer, for which the terms have been eased to support the financial rehabilitation of the borrower through measures agreed in favor of the borrower, such as reduction of interest payments, postponement of interest or principal repayments and abandonment of claims.

SECURITIES

AVERAGE BALANCE OF TRADING SECURITIES (in ¥100 million)

	(Fiscal 2000)	(Fiscal 1999)
Trading Government Bonds	37	56
Trading Municipal Bonds	—	—
Trading Government Guarantee Bonds	—	—
Trading Bonds Loaned	—	—
Total	37	56

BREAKDOWN BALANCE OF SECURITIES (in ¥100 million, %)

Department	(Fiscal 2000)			(Fiscal 1999)			
	Domestic	International	Total	Domestic	International	Total	
Year-End Balance	Government Bonds	16,084 (77.8)	—	16,084 (69.4)	13,457 (66.2)	—	13,457 (60.1)
	Municipal Bonds	1,109 (5.4)	—	1,109 (4.8)	1,944 (9.6)	—	1,944 (8.7)
	Corporate Bonds	3,168 (15.3)	—	3,168 (13.7)	4,605 (22.7)	—	4,605 (20.6)
	Stocks	304 (1.5)	—	304 (1.3)	324 (1.5)	—	324 (1.4)
	Others	—	2,516 (100.0)	2,516 (10.9)	—	2,067 (100.0)	2,067 (9.2)
	Securities Loaned	—	—	—	—	—	—
Total	20,667	2,516	23,183	20,331	2,067	22,398	
Average Balance	Government Bonds	13,215 (69.7)	—	13,215 (62.6)	12,644 (65.8)	—	12,644 (58.9)
	Municipal Bonds	1,600 (8.4)	—	1,600 (7.6)	1,729 (9.0)	—	1,729 (8.1)
	Corporate Bonds	3,831 (20.2)	—	3,831 (18.1)	4,517 (23.5)	—	4,517 (21.0)
	Stocks	323 (1.7)	—	323 (1.5)	324 (1.7)	—	324 (1.5)
	Others	—	2,141 (100.0)	2,141 (10.1)	0 (0.0)	2,266 (100.0)	2,266 (10.5)
	Securities Loaned	—	—	—	—	—	—
Total	18,971	2,141	21,112	19,217	2,266	21,483	

Note: 1. The average balance of foreign currency securities held by domestic branches stated in the International column is calculated by the monthly current method.
2. The figures in parentheses represent percentages to total.

RATIO OF SECURITIES TO DEBENTURES AND DEPOSITS (in ¥100 million, %)

Department	(as of March 31, 2001)			(as of March 31, 2000)		
	Domestic	International	Total	Domestic	International	Total
Securities (A)	20,667	2,516	23,183	20,331	2,067	22,398
Debentures and Deposits (B)	123,375	2,628	126,003	126,016	1,764	127,780
Ratio (A)/(B)	16.75	95.74	18.39	16.13	117.16	17.52
Yearly Average	15.33	112.99	16.81	15.00	116.27	16.52

Note: 1. Debentures do not include debenture application fee.
2. The balance of deposits include negotiable certificates of deposit.

UNDERWRITING OF PUBLIC BONDS (in ¥100 million)

	(Fiscal 2000)	(Fiscal 1999)
Public Bonds Underwritten	374	355

Note: All the public bonds underwritten are government bonds.

COUNTER SALES OF PUBLIC BONDS (in ¥100 million)

	(Fiscal 2000)	(Fiscal 1999)
Counter Sales of Public Bonds	24	15

Note: All the public bonds sold at counter are government bonds.

PUBLIC BONDS DEALINGS (in ¥100 million)

	(Fiscal 2000)	(Fiscal 1999)
Amount of Trade	602	6,137
Average Balance	7	56

Note: All the public bonds traded are government bonds.

VALUE OF SECURITIES AND RELATED INFORMATION

Details of market values of and valuation gains (losses) on securities are as follows. In addition to “government bonds,” “municipal bonds,” “corporate bonds,” “stocks,” and “other securities,” these items also include “trading securities,” negotiable certificates of deposit and commercial paper in “other trading assets,” negotiable certificates of deposit in “due bills from banks,” and commercial paper and loan trust beneficiary certificates in “monetary claims purchased.”

1) Trading Securities (in ¥100 million)

	(as of March 31, 2001)
Book Value	566
Recognized Valuation Difference in Fiscal 2000	0

2) Held-to-Maturity Bonds with Market Values (in ¥100 million)

	(as of March 31, 2001)				
	Book Value	Market Value	Difference	Gain	Loss
Government Bonds	—	—	—	—	—
Municipal Bonds	—	—	—	—	—
Corporate Bonds	—	—	—	—	—
Others	494	514	20	20	—
Total	494	514	20	20	—

Note: Market prices were based on closing market prices, etc., at the fiscal year end.

3) Other Securities with Market Values (in ¥100 million)

In the current fiscal year, other securities with market prices have not been valued at market. The book value, etc., for other securities with market prices are as follows.

(as of March 31, 2001)					
	Book Value	Market Value	Difference	Gain	Loss
Stocks	229	238	9	56	47
Bonds	19,886	20,127	241	248	7
Government Bonds	16,084	16,222	137	144	6
Municipal Bonds	1,109	1,149	40	40	0
Corporate Bonds	2,692	2,755	63	63	0
Others	6,897	6,902	5	11	6
Total	27,013	27,269	255	317	62

Note: The market prices of stocks were calculated using the average market prices in the final month of the fiscal year. The market prices for other items were based on market prices, etc., at the fiscal year end.

4) Principal Contents and Book Value of Securities without Market Values (in ¥100 million)

(as of March 31, 2001)		
Held-to-Maturity Bonds		—
Subsidiaries' Stocks		0
Other Securities	Unlisted Stocks (excluding/other than over-the-counter stocks)	74
	Unlisted Corporated Bonds	476

MARKET VALUE OF MONETARY TRUSTS AND RELATED INFORMATION (in ¥100 million)

1) Monetary Trusts for Managing Purposes (in ¥100 million)

(as of March 31, 2001)	
Book Value	700
Recognized Valuation Difference in Fiscal 2000	—

2) Held-to-Maturity Monetary Trusts

No Transaction

3) Other Maturity Trusts (other than held for managing or held-to-maturity)

No Transaction

CLASSIFICATION BY THE TIME TO MATURITY OF THE OUTSTANDING BALANCE OF SECURITIES (in ¥100 million)

(as of March 31, 2001)					
	1 year or less	5 years or less but more than 1 year	10 years or less but more than 5 years	More than 10 years	Total
Bonds	6,041	7,683	6,637	—	20,362
Government Bonds	5,575	4,991	5,517	—	16,084
Municipal Bonds	70	651	387	—	1,109
Corporate Bonds	394	2,040	733	—	3,168
Others	5,250	1,490	115	535	7,391
Total	11,292	9,173	6,752	535	27,754

Note: 1. The anticipated redemption amount is shown for bonds that will be held to maturity and other marketable securities with maturity dates.

2. The amounts shown include "government bonds," "municipal bonds," "corporate bonds," "other securities," as well as negotiable certificates of deposit included in "cash and due bills from banks," and commercial paper and loan trust beneficiary certificates in "monetary claims purchased."

(REFERENCE)

MARKET VALUE OF SECURITIES AND RELATED INFORMATION (in ¥100 million)

		(as of March 31, 2000)			
		Book Value	Market Value	Unrealized Gain & Loss Gain/Loss	
Investment Securities	Bonds	3,338	3,279	-58	
	Stocks	192	257	65	
	Other Securities	773	777	4	
	Total	4,304	4,315	11	
				5	64
				65	0
				19	14
				90	79

Note: 1. The investment securities stated are listed securities (in the case of bonds: government bonds, municipal bonds and corporate bonds). The market values of investment securities are shown mainly as prices, etc., calculated on the basis of yields announced by the Securities Industry Association and stated in the over-the-counter quotation (standard) table for public and corporate bonds.

2. The "bonds," "stocks" and "other securities" categories are used to conform with categories in the balance sheet. The same applies to Note 4 below.

3. "Others" refers mainly to foreign bonds. This item includes foreign currency-denominated bonds used to hedge exchange and interest rate risk by means of interest rate swaps.

4. The unlisted securities for which market value or other information enabling the computation of market value is available are shown below.

(in ¥100 million)

		(as of March 31, 2000)			
		Book Value	Market Value	Unrealized Gain & Loss Gain/Loss	
Investment Securities	Bonds	9,930	9,948	18	
	Stocks	53	64	10	
	Other Securities	—	—	—	
	Total	9,984	10,013	28	
				41	22
				28	17
				—	—
				69	40

The market values of unlisted securities are based on prices or quotations announced by the Securities Industry Association for securities traded in the over-the-counter market, prices calculated from yields announced by the Securities Industry Association and stated in the over-the-counter quotation (standard) table for publicly subscribed bonds, and the standard prices for beneficiary certificates of securities investment trusts.

5. The table below lists the balance sheet values of the main types of securities that are excluded from the disclosure of market price information.

(in ¥100 million)

		(as of March 31, 2000)
Investment Securities	Unlisted Domestic Bonds Other than Those Issued by Public Offering	2,164
	Unlisted Bonds Other than Domestic	1,293
	Unlisted Public Offering Bonds Maturing within 1 Year	4,573

6. Trading securities and special transaction securities, which are accounted for in special transaction accounts, are shown at market values. Valuation gains and losses are shown in the income statements. For this reason, these items are not shown in the above tables.

MARKET VALUE OF MONETARY TRUSTS AND RELATED INFORMATION (in ¥100 million)

		(as of March 31, 2000)			
		Book Value	Market Value	Unrealized Gain & Loss Gain/Loss	
Monetary Trusts		700	705	5	
				5	0

Note: Market value is based on prices calculated impartially by the trustee of the monetary trust, as shown below:

1. The market values of listed securities are based on closing prices on the principal stock exchange in the case of stocks. For bonds, values are calculated on the basis of quotations, etc., announced by the Securities Industry Association in the over-the-counter quotation (standard) table for public and corporate bonds.

2. The market values of the unlisted securities are determined according to prices or quotations announced by the Securities Industry Association for securities traded on the over-the-counter market, and prices computed from yields announced by the Securities Industry Association and stated in the over-the-counter quotation (standard) table in the case of publicly subscribed securities.

CLASSIFICATION BY THE TIME TO MATURITY OF THE OUTSTANDING BALANCE OF SECURITIES (in ¥100 million)

	1 year or less	3 years or less but more than 1 year	5 years or less but more than 3 years	7 years or less but more than 5 years	10 years or less but more than 7 years	More than 10 years	Not time limited	Total
as of March 31, 2000								
Government Bonds	3,541	1,712	3,344	2,230	2,627	—	—	13,457
Municipal Bonds	49	271	377	384	860	—	—	1,944
Corporate Bonds	1,063	799	855	735	1,151	—	—	4,605
Stocks							324	324
Others	564	603	251	48	127	471	—	2,067
Securities Loaned	—	—	—	—	—	—	—	—
Total	5,219	3,387	4,829	3,399	4,767	471	324	22,398

INTERNATIONAL OPERATIONS
FOREIGN EXCHANGE TRANSACTIONS BY TYPE (in U.S.\$ million)

	(Fiscal 2000)	(Fiscal 1999)
Trade Exchange Transactions	2,004	1,852
Trade Foreign Exchange Transactions	831	721
Capital Transactions	9,766	9,929
Total	12,603	12,503

Note: Overseas branches are included.

BALANCE OF FOREIGN CURRENCY ASSETS (in U.S.\$ million)

	(as of March 31, 2001)	(as of March 31, 2000)
Balance of Assets Denominated in Foreign Currencies	2,997	3,237

Note: The above amounts include the assets denominated in foreign currencies held by domestic branches and assets held by overseas branches.

OTHERS
OFF-BALANCE-SHEET TRANSACTIONS

Off-balance-sheet transactions are those of derivatives including futures, swap contracts and options and those related to the grant of credit including commitments and guarantees. Further details are shown below:

FINANCIAL DERIVATIVES AND FORWARD FOREIGN EXCHANGE TRANSACTIONS (in ¥100 million)

	(as of March 31, 2001)		(as of March 31, 2000)	
	Contractual Amount/ Notional Principal Amount	Credit Risk Amount	Contractual Amount/ Notional Principal Amount	Credit Risk Amount
Interest Rate Swap	44,531	954	47,268	502
Currency Swap	499	43	513	81
Forward Foreign Exchange	608	17	1,202	26
Interest Rate Options (Bought)	—	—	—	—
Currency Options (Bought)	—	—	—	—
Other Financial Derivatives	—	—	—	—
Credit Risk Reduction by Netting	/	-363	/	-220
Total	45,639	651	48,984	389

Note: 1. The current-exposure method is used in computing the credit risk equivalents according to the BIS guidelines.

2. The amounts of public exchange transactions that are excluded for capital adequacy guidelines and foreign exchange-related transactions for which the original contract has a duration of 14 days or less are shown below.

(in ¥100 million)

	(as of March 31, 2001)	(as of March 31, 2000)
	Contract Amount/Notional Principal Amount	
Forward Foreign Exchange Contracts	115	118
Interest Rate Options (Sold)	200	250
Interest Rate Options (Bought)	—	—
Currency Options (Sold)	—	—
Currency Options (Bought)	—	—
Other Financial Derivatives	16	154
Total	332	522

TRANSACTIONS RELATING TO THE EXTENDING OF CREDIT (in ¥100 million)

	(as of March 31, 2001)	(as of March 31, 2000)
	Contract Amount	
Commitments	6,489	6,862
Guarantees	579	565
Others	1,743	2,095
Total	8,811	9,523

TRANSACTIONS RELATING TO INTEREST (in ¥ million)

			(as of March 31, 2001)			
			Contractual Amount, etc.	Maturity Over 1 Year (included in the Left Column)	Market Value	Unrealized Gain & Loss
Traded on the Exchange	Interest-Rate Futures	Selling Position	—	—	—	—
		Buying Position	—	—	—	—
	Interest-Rate Options	Selling Position	—	—	—	—
		Buying Position	—	—	—	—
Traded on the Over-the-Counter Market	Forward-Rate Agreements	Selling Position	—	—	—	—
		Buying Position	—	—	—	—
	Interest-Rate Swap Contracts	Fixed Rate Receiving/ Floating Rate Paying	1,215,890	925,559	30,382	30,382
		Floating Rate Receiving/ Fixed Rate Paying	1,213,808	832,012	-26,426	-26,426
Traded on the Over-the-Counter Market	Interest-Rate Options	Floating Rate Receiving/ Floating Rate Paying	—	—	—	—
		Selling Position	24,396	4,326	-6	66
	Others	Buying Position	—	—	—	—
		Selling Position	—	—	—	—
Total				3,950	4,022	

Note: 1. The above transactions are valued at market prices, and valuation gains or losses are shown in the statement of income. Derivative transactions subject to hedge accounting are excluded from the above amounts.

2. Determination of Market Value

For contracts traded on exchanges, closing prices on the Tokyo International Financial Futures Exchange or other exchange are used.

Market values for contracts traded on the over-the-counter market are calculated according to discounted present value, the option pricing model and other appropriate methods.

TRANSACTIONS RELATING TO FOREIGN EXCHANGES (in ¥ million)

(as of March 31, 2001)

		Contract Amount, etc.	Maturity Over 1 Year (included in the Left Column)	Market Value	Unrealized Gain & Loss	
Traded on the Over-the-Counter Market	Currency Swap	21,919	17,211	48	48	
	Currency Futures	Selling Position	—	—	—	—
		Buying Position	—	—	—	—
	Currency Options	Selling Position	—	—	—	—
		Buying Position	—	—	—	—
	Others	Selling Position	—	—	—	—
		Buying Position	—	—	—	—
Total				48	48	

Note: 1. The above transactions are valued at market prices, and valuation gains or losses are shown in the statement of income. Derivative transactions subject to hedge accounting and transactions subject to Note 3 below are excluded from the above amounts.

2. Determination of Market Value

Market values are calculated using discounted present value or other appropriate methods.

3. Currency swap transactions for which current gains and losses are calculated are excluded from the above amounts, in accordance with the recommendations of the Japanese Institute of Certified Public Accountants in *Temporary Treatment for Auditing of Continuous Application of "New Accounting Standard for Foreign Exchange Transactions" in Banking Industry* (April 10, 2000).

The contract amounts, etc., for currency swaps that are subject to calculation of current gains and losses are shown below. The amounts stated below include currency swaps used for fund raising and investment in other currencies (fund-related swaps, ¥39,486 million).

(in ¥100 million)

(as of March 31, 2001)

	Contract Amount, etc.	Market Value	Unrealized Gain & Loss
Currency Swap	67,521	-2,051	-2,051

Also excluded from the above amounts are forward currency contracts and options, etc., that are marked to market at the fiscal year end so that gains and losses can be shown in the statement of income, and items that relate to foreign currency money claims and liabilities, etc., that are reflected in the amounts shown in the balance sheet. The contract amounts for currency-related derivatives that have been marked to market are as follows.

(in ¥100 million)

(as of March 31, 2001)

		Contractual Amount, etc.	
Traded on the Exchange	Currency Futures	Selling Position	—
		Buying Position	—
	Currency Options	Selling Position	—
		Buying Position	—
Traded on the Over-the-Counter Market	Foreign Exchange	Selling Position	16,655
	Forward Contracts	Buying Position	16,291
	Currency Options	Selling Position	—
		Buying Position	—
		Buying Position	—
	Other Contracts	Selling Position	—
		Buying Position	—

TRANSACTIONS RELATING TO STOCKS

No Transaction

TRANSACTIONS RELATING TO BONDS (in ¥ million)

(as of March 31, 2000)

			Contract Amount, etc.	Maturity Over 1 Year (included in the Left Column)	Market Value	Unrealized Gain & Loss
Traded on the Exchange	Bond Futures	Selling Position	974	—	973	1
		Buying Position	—	—	—	—
	Bond Futures Options	Selling Position	—	—	—	—
		Buying Position	715	—	0	-0
Traded on the Over-the- Counter Market	Over-the- Counter Bond Options	Selling Position	—	—	—	—
		Buying Position	—	—	—	—
	Others	Selling Position	—	—	—	—
		Buying Position	—	—	—	—
Total					973	1

Note: 1. The above transactions are valued at market prices, and valuation gains or losses are shown in the statement of income. Derivative transactions subject to hedge accounting are excluded from the above amounts.

2. Determination of market value

For contracts traded on a stock exchange, closing prices on the Tokyo International Financial Futures Exchange or other exchange are used.

Market values for contracts traded on the over-the-counter market are calculated according to discounted present value, the option pricing model and other appropriate methods.

TRANSACTIONS RELATED TO PRODUCTS

No Transaction

CREDIT DERIVATIVE TRANSACTIONS

No Transaction

(REFERENCE)

TRANSACTIONS RELATING TO INTEREST (in ¥ million)

(as of March 31, 2000)

		Contractual Amount, etc.	Maturity Over 1 Year (included in the Left Column)	Market Value	Unrealized Gain & Loss	
Traded on the Exchange	Interest-Rate Futures	Selling Position	—	—	—	
		Buying Position	—	—	—	
	Interest-Rate Options	Selling Position - Call	(—)	—	—	
		Selling Position - Put	(—)	—	—	
		Buying Position - Call	(—)	—	—	
		Buying Position - Put	(—)	—	—	
Traded on the Over-the-Counter Market	Forward-Rate Agreements	Selling Position	—	—	—	
		Buying Position	—	—	—	
	Interest-Rate Swap Contracts	Fixed Rate Receiving/ Floating Rate Paying	2,619,248	1,632,437	31,929	31,929
		Floating Rate Receiving/ Fixed Rate Paying	1,144,625	669,234	-18,468	-18,468
		Floating Rate Receiving/ Floating Rate Paying	—	—	—	—
	Interest-Rate Options	Selling Position - Call	5 (—)	—	—	—
		Selling Position - Put	(—)	—	—	—
		Buying Position - Call	5,717 (54)	5,667	64	10
		Buying Position - Put	(—)	—	—	—
	Other Contracts	Selling Position	(—)	—	—	—
Buying Position		(—)	—	—	—	
Total					13,471	

Note: 1. Contract amounts, etc.

The amounts stated under "Contract Amount, etc." represent the notional principal for swaps and the contract amounts for futures, options and other derivative transactions. The amount shown in parentheses for options represents the option premium stated in the balance sheet.

2. Interest Rate Options

The over-the-counter interest rate options shown are cap, floor and swaption contracts.

3. Determination of market value

For contracts traded on exchanges, closing prices on the Tokyo International Financial Futures Exchange or other exchange are used.

Market values for contracts traded on the over-the-counter market are calculated according to discounted present value, the option pricing model and other appropriate methods.

4. Derivatives included in special transactions (trading transactions) are valued at market, and valuation gains or losses are stated in the statement of income. These transactions are therefore excluded from the above amounts.

The contract amounts, etc., for derivatives included in special transactions are listed below.

(in ¥ million)

		(as of March 31, 2000)		
		Contract Amount, etc.	Market Value	
Traded on the Exchange	Interest-Rate Futures	Selling Position	2,491	
		Buying Position	—	
	Interest-Rate Options	Selling Position - Call	(—)	—
		Selling Position - Put	(—)	—
		Buying Position - Call	(—)	—
		Buying Position - Put	(—)	—
Traded on the Over-the-Counter Market	Forward-Rate Agreements	Selling Position	—	
		Buying Position	—	
	Interest-Rate Swap Contracts	Fixed Rate Receiving/ Floating Rate Paying	689,881	4,439
		Floating Rate Receiving/ Fixed Rate Paying	1,064,614	-4,801
	Interest-Rate Options	Floating Rate Receiving/ Floating Rate Paying	—	—
		Selling Position - Call	30,717 (93)	83
		Selling Position - Put	(—)	—
		Buying Position - Call	5 (—)	—
Buying Position - Put		(—)	—	
Other Contracts		Selling Position	(—)	—
	Buying Position	(—)	—	

Note: In the column titled "Contract Amount, etc.," the premium for the option contract is stated in parentheses.

TRANSACTIONS RELATING TO FOREIGN EXCHANGES (in ¥ million)

(as of March 31, 2000)

		Contract Amount, etc.	Maturity Over 1 Year (included in the Left Column)	Market Value	Unrealized Gain & Loss
Traded on the Over-the-Counter Market	Currency Swap Contracts	148,255	19,111	-2,123	-2,123
	US\$ Contracts	124,542	11,782	-397	-397
	SFR Contracts	22,712	6,328	-1,706	-1,706
	DEM Contracts	—	—	—	—
	Other Currencies Contracts	1,000	1,000	-20	-20

Note: 1. Determination of Market Value

Market values are calculated using discounted present value or other appropriate methods.

2. Most of these transactions are used to hedge on-balance-sheet transactions.

3. Derivatives included in special transactions (trading transactions) are valued at market, and valuation gains or losses are stated in the statement of income. These transactions are therefore excluded from the above amounts.

Contract amount, etc., of derivative transactions in trading account are as follows:

		(in ¥ million)	
		(as of March 31, 2000)	
		Contract Amount, etc.	Market Value
Traded on the Over-the-Counter Market	Currency Swap Contracts	4,353	-2
	US\$ Contracts	2,123	-17
	SFR Contracts	—	—
	DEM Contracts	—	—
	Other Currencies Contract	2,230	14

4. Foreign currency forward contracts, currency options and other contracts are marked to market at the fiscal year end, and any gains or losses are included in the statement of income. For this reason, they are excluded from the above table. "Subtotal: U.S. dollars" in the above table includes the value of contracts for currency swaps (fund-related swaps, ¥101,236 million) implemented to raise or invest funds in other currencies. The contract values, etc., for currency-related derivative transactions marked to market are as follows.

		(in ¥ million)	
		(as of March 31, 2000)	
		Contract Amount, etc.	
Traded on the Exchange	Currency Futures	Selling Position	—
		Buying Position	—
	Currency Options	Selling Position - Call	—
			(—)
		Selling Position - Put	—
			(—)
	Buying Position - Call	—	
		(—)	
	Buying Position - Put	—	
		(—)	
Traded on the Over-the-Counter Market	Foreign Exchange Forward Contracts	Selling Position	17,057
		Buying Position	13,780
	Currency Options	Selling Position - Call	—
			(—)
		Selling Position - Put	—
			(—)
		Buying Position - Call	—
			(—)
	Buying Position - Put	—	
		(—)	
Other Contracts	Selling Position	—	
		(—)	
	Buying Position	—	
		(—)	

Note: In the column titled "Contract Amount, etc.," the premium for the option contract that has been entered in the balance sheet is stated in parentheses.

TRANSACTIONS RELATING TO STOCKS

No Transaction

TRANSACTIONS RELATING TO BONDS (in ¥ million)

(as of March 31, 2000)

		Contract Amount, etc.	Maturity Over 1 Year (included in the Left Column)	Market Value	Unrealized Gain & Loss	
Traded on the Exchange	Bond Futures	Selling Position	1,581	—	1,611	-30
		Buying Position	—	—	—	—
	Bond Futures Options	Selling Position - Call	— (—)	—	—	—
		Selling Position - Put	— (—)	—	—	—
		Buying Position - Call	— (—)	—	—	—
		Buying Position - Put	— (—)	—	—	—
Traded on the Over-the-Counter Market	Over-the- Counter Bond Options	Selling Position - Call	— (—)	—	—	—
		Selling Position - Put	— (—)	—	—	—
		Buying Position - Call	— (—)	—	—	—
		Buying Position - Put	— (—)	—	—	—
	Others	Selling Position	— (—)	—	—	—
		Buying Position	— (—)	—	—	—
Total		/	/	/	-30	

Note: 1. Contract amounts, etc.

Amounts stated in parentheses for option transactions under "Contract Amount, etc." represent option premiums that are shown in the balance sheet.

2. Determination of Market Value

The market value of contracts traded on stock exchanges is based on closing prices on the Tokyo Stock Exchange or other exchange. The market value for contracts traded on the over-the-counter market is determined by using the option pricing model or another applicable formula.

3. Derivatives included in special transactions (trading transactions) are valued at market, and valuation gains or losses are stated in the statement of income. These transactions are therefore excluded from the above amounts.

(in ¥ million)

		(as of March 31, 2000)		
		Contract Amount, etc.	Market Value	
Traded on the Exchange	Bond Futures	Selling Position	3,843	
		Buying Position	—	
	Bond Futures Options	Selling Position - Call	— (—)	—
		Selling Position - Put	— (—)	—
		Buying Position - Call	— (—)	—
		Buying Position - Put	— (—)	—
Traded on the Over-the-Counter Market	Over-the- Counter	Selling Position - Call	— (—)	
		Selling Position - Put	— (—)	
	Bond Options	Buying Position - Call	— (—)	—
		Buying Position - Put	— (—)	—
	Others	Selling Position	— (—)	—
		Buying Position	— (—)	—

Note: In the column titled "Contract Amount, etc.," the premium for the option contract that has been entered in the balance sheet is stated in parentheses.

TRANSACTIONS RELATING TO PRODUCTS

No Transaction

Reference

Market values and valuation gains or losses on swaps other than trading transactions (interest rate swaps and currency swaps) include ¥5,472 million of accrued interest that is shown in the statement of income.

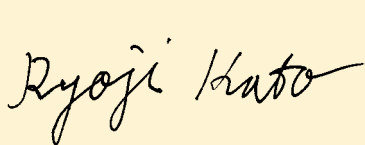
Mr. Tadashi Ezaki
President
The Shoko Chukin Bank
10-17, Yaesu 2-chome
Chuo-ku, Tokyo 104-0028

We have audited the balance sheets of The Shoko Chukin Bank as of March 31, 2001, and the related statements of income for the fiscal year then ended. The audit was made in accordance with the Shoko Chukin Bank Law.

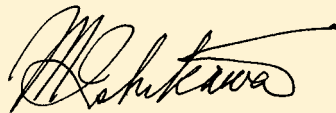
The accounting principles and procedures followed by The Shoko Chukin Bank are those generally followed by banks in Japan, and the aforesaid balance sheets and statements of income have been prepared in conformity with such accounting principles and procedures.

In our opinion, the accompanying financial statements present fairly in all material respects the financial position of The Shoko Chukin Bank as of March 31, 2001, and the results of its operations for the fiscal year then ended.

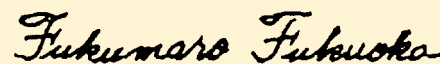
May 11, 2001



Ryoji Kato
Auditor



Mitsukazu Ishikawa
Auditor



Fukumaro Fukuoka
Auditor