

Financial Statements  
for Year Ended March 31, 2008

The Bank of Okinawa, Ltd.

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# I. Bank of Okinawa Financial Statements for Year Ended March 31, 2008

## 1. Earnings

Ordinary income for the term totaled ¥40,729 million on a non-consolidated basis, a year-on-year decrease of ¥262 million. An increase in interest income on growth in loans and bills discounted was more than offset by a decline in commission earned due to reduced sales of investment trusts and a major decline in proceeds from the sale of stocks.

Net business profit increased ¥1,061 million to ¥10,862 million on a substantial decrease in losses on sale of Japanese government bonds and other bonds. Ordinary profit fell ¥1,266 million year-on-year to ¥10,668 million due to a substantial decline in net gains on equity securities, but still posted their second-highest level in five years, after the record of last year.

### (1) Business performance (non-consolidated)

(¥ million)

	No.	FY06	FY07	
			Amounts	YoY increase (decrease)
Ordinary income	1	40,992	40,729	(262)
Gross business profit	2	27,514	29,369	1,854
Interest income	3	27,192	26,996	(195)
Fees and commissions	4	3,110	2,544	(566)
Expenses for the disposal of bad debt included in trust account	5	179	34	(144)
Other business profit	6	(2,788)	(171)	2,616
Losses on bond trading	7	(3,102)	(428)	2,674
Expenses (excluding noncurrent items)	8	17,656	18,113	456
Personnel expenses	9	8,414	8,305	(109)
Non-personnel expenses	10	8,210	8,856	645
<b>Business profit on core banking operations (A)</b>	<b>11</b>	<b>13,139</b>	<b>11,719</b>	<b>(1,420)</b>
Provision of general allowance for loan losses	12	56	393	337
<b>Net business profit (B)</b>	<b>13</b>	<b>9,800</b>	<b>10,862</b>	<b>1,061</b>
Nonrecurrent items	14	2,134	(193)	(2,328)
Net gains on equity securities	15	3,522	128	(3,393)
Bad debt disposal (nonrecurrent items)	16	1,460	553	(907)
<b>Ordinary profit</b>	<b>17</b>	<b>11,935</b>	<b>10,668</b>	<b>(1,266)</b>
Extraordinary gains	18	1,024	216	(808)
Bad debt disposal (amounts posted under extraordinary losses)	19	306	(65)	241
<b>Net income</b>	<b>20</b>	<b>6,380</b>	<b>5,824</b>	<b>(555)</b>

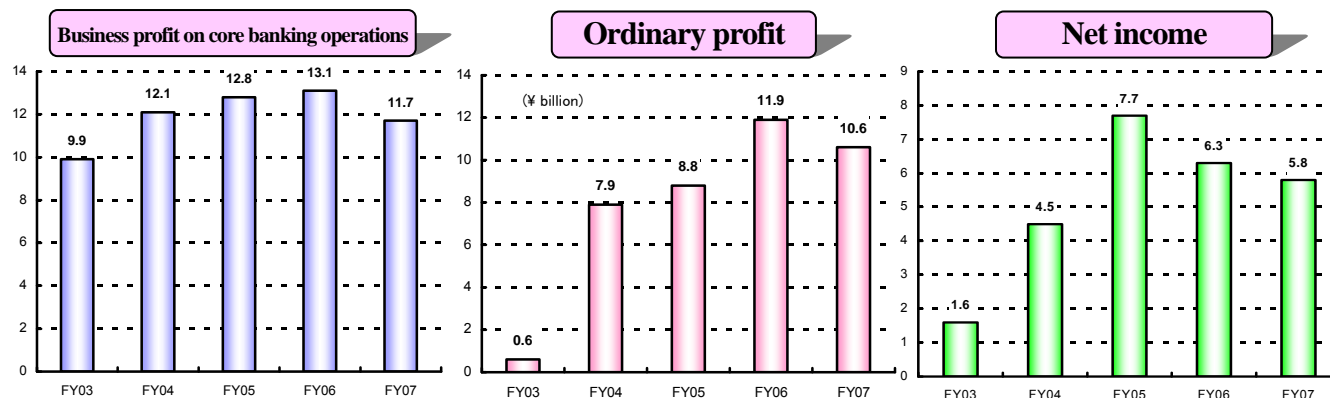
\* The amount for bad debt disposal is posted as a non-current expense under non-current items, and as an extraordinary gain (gain on reversal of allowance for possible loan losses).

\* In calculating net income under trust account (trust fee), the Bank takes into account expenses for bad debt disposal (for more information on the total bad debt disposal amounts, please refer to page 27, on bad debt disposal).

#### Explanation of terms

A: Business profit on core banking operations (2+5-7-8): profit on core banking operations prior to loan-loss allowance

B: Net business profit (2-8-12): roughly equivalent to operating income at companies outside the banking sector



## (2) Comparison with forecasts (non-consolidated)

(¥ billion)

	Forecasts	FY07	
		Amounts	Comparison with forecasts
Ordinary income	40.1	40.7	0.5
Business profit on core banking operations	12.2	11.7	(0.5)
Net business profit	11.2	10.8	(0.3)
Ordinary profit	11.3	10.6	(0.7)
Net income	6.4	5.8	(0.5)
Loan losses	0.8	0.5	(0.2)

\* Including trust account.

### ➤ Ordinary income

Ordinary income was ¥500 million higher than our forecast, with gains on sale of stocks more than offsetting anemic growth in interest on loans and bills discounted and commission earned.

### ➤ Ordinary profit

Ordinary profit was ¥700 million short of our target, weighted down by a loss on sale of stocks although loan losses were within the expected range.

### ➤ Net income

Net income was ¥500 million short of forecast due to the ordinary profit shortfall even though extraordinary gains were in line with expectations.

## (3) Business performance (consolidated)

(¥ million)

	No.	FY06	FY07	
			Amounts	YoY increase (decrease)
Ordinary income	1	57,143	55,795	(1,348)
Gross business profit	2	30,937	33,004	2,066
Operating expenses	3	18,753	19,329	575
Net business profit	4	11,869	13,165	1,296
Credit cost	5	3,099	2,092	(1,007)
Ordinary profit	6	13,195	11,947	(1,248)
Extraordinary gains	7	582	87	(494)
Net income	8	6,695	6,737	42

\* Consolidated subsidiaries total 27, including 19 dormant partnerships.

## 2. Major assets and liabilities (non-consolidated)

### (1) Loans and bills discounted

#### ➤ Year-on-year comparison

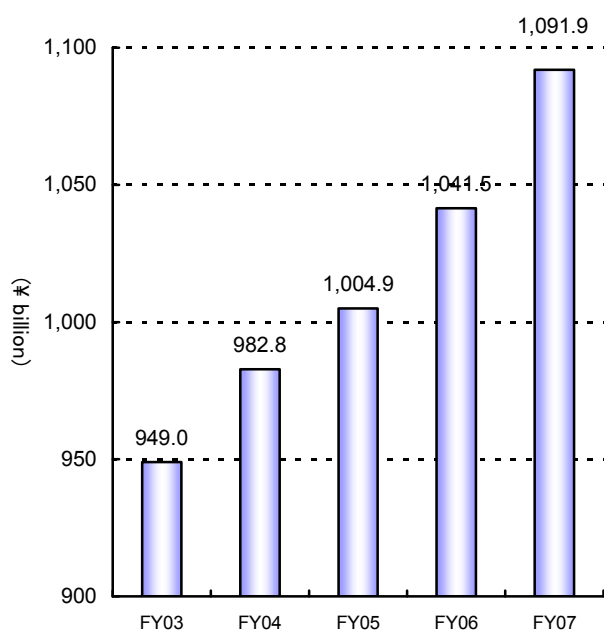
Loans and bills discounted increased ¥50.4 billion year-on-year to ¥1,091.9 billion (banking and trust accounts combined), as a result of measures to strengthen loans to individuals (Mortgage and Business Loan Centers) and products targeted at SMEs.

(¥ billion)

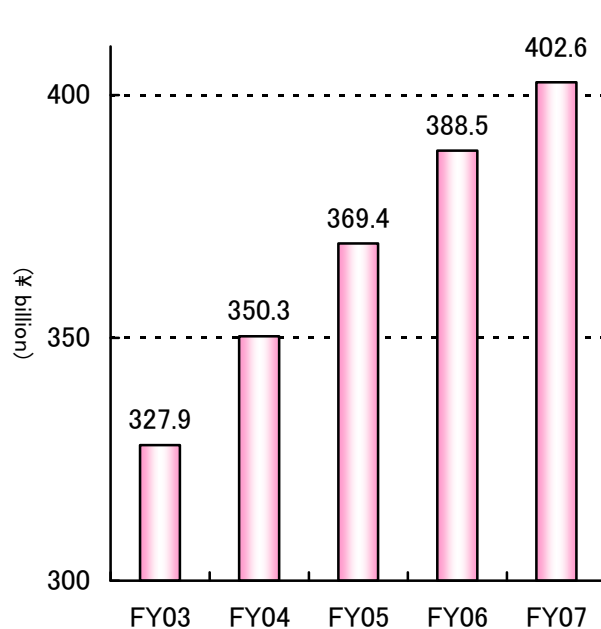
	FY06	FY07	
		Amounts	YoY increase
<b>Loans and bills discounted (term-end balance)</b>	1,041.5	1,091.9	50.4
Business loans	560.4	586.3	25.9
Loans to individuals	388.5	402.6	14.1
Mortgage loans	331.3	347.4	16.0
Loans to local government bodies and other public organizations	92.6	102.9	10.3
<b>Loans and bills discounted (average balance)</b>	967.6	1,025.1	57.5

\* Including trust account.

**Total loans (term-end balance)**



**Loans to individuals (term-end balance)**



## (2) Deposits

### ➤ Year-on-year comparison

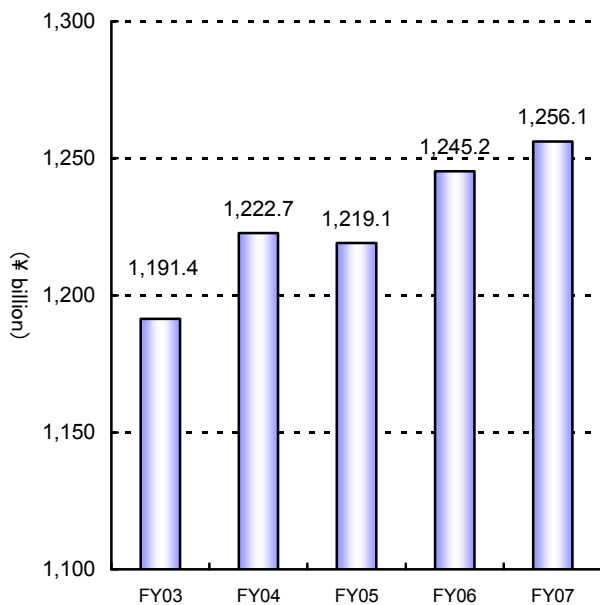
As a result of launches of new products such as "Second Life Support Deposit," as a follow-up to the Suguremono 21 deposit launched in the previous fiscal year and to meet demand for investment of retirement allowance from members of the baby-boom generation. Deposits rose to ¥1,256.1 billion, with deposits held by individuals growing steadily by ¥20.5 billion year-on-year, and deposits (banking and trust accounts combined) rising by ¥10.9 billion.

(¥ billion)

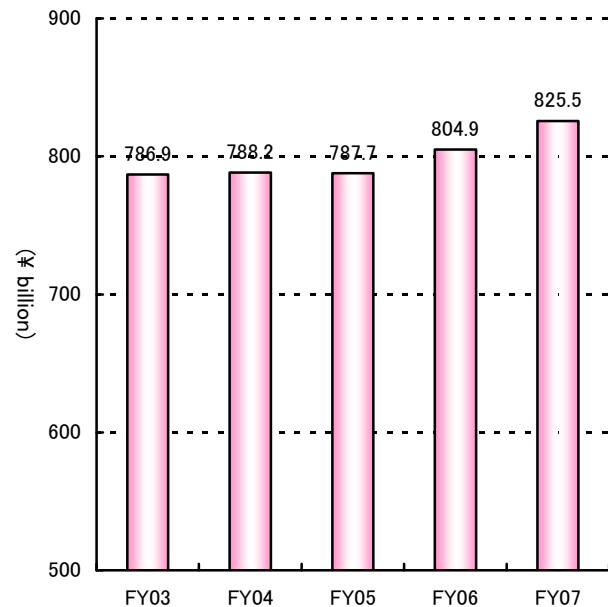
	FY06	FY07	
		Amounts	YoY increase/decrease
Deposits (term-end balance)	1,245.2	1,256.1	10.9
Individuals	804.9	825.5	20.5
Corporations	339.3	336.9	(2.3)
Financial institutions	8.0	9.3	1.2
Public funds	92.8	84.3	(8.4)
Deposits (average balance)	1,200.2	1,234.2	34.0

\* Including trust account.

**Total deposits (term-end balance)**



**Deposit made by individuals (term-end balance)**



### (3) Securities

#### ➤ Year-on-year comparison

Unrealized gains on securities fell ¥17.3 billion to end the year at ¥400 million, following a ¥43.5 billion decline in the balance of securities to ¥228.3 billion as a result of measures to rationalize fund management and stabilize earnings in a higher interest-rate environment affecting Japanese government bonds, and prefectural/municipal and other public bonds.

#### Term-end balance

(¥ billion)

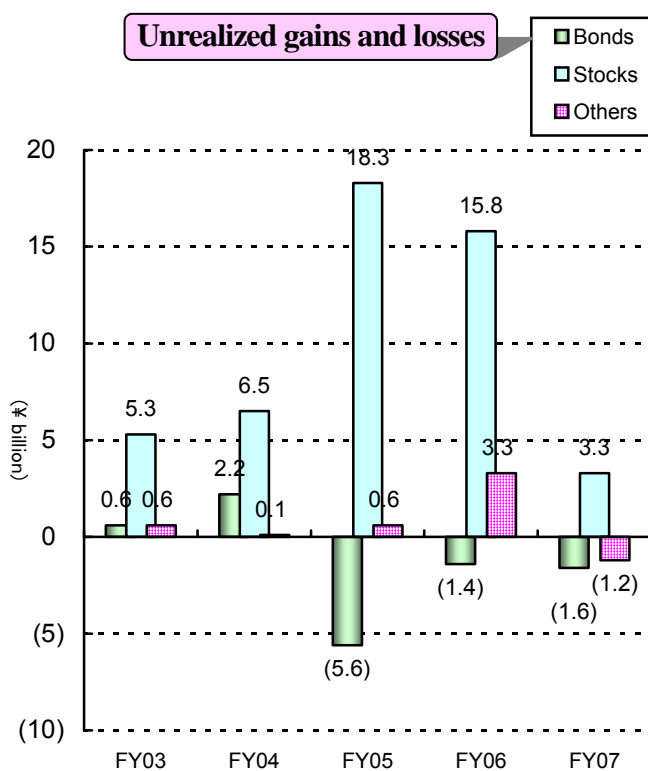
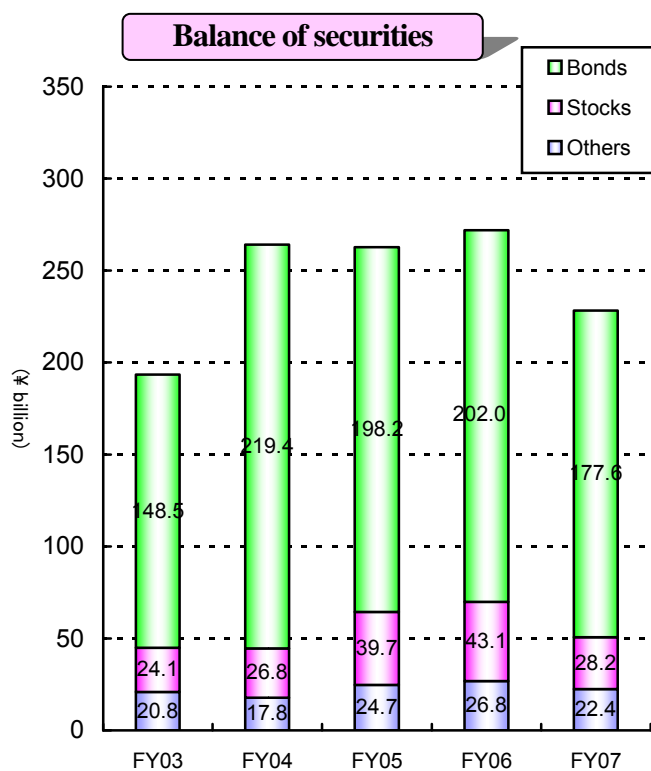
	FY06	FY07	
		Amounts	YoY decrease
<b>Securities</b>	271.9	228.3	(43.5)
Bonds	202.0	177.6	(24.3)
Stocks	43.1	28.2	(14.9)
Others	26.8	22.4	(4.3)

#### Unrealized gains and losses

(¥ billion)

	FY06	FY07	
		Amounts	YoY decrease
<b>Securities</b>	17.7	0.4	(17.3)
Bonds	(1.4)	(1.6)	(0.1)
Stocks	15.8	3.3	(12.4)
Others	3.3	(1.2)	(4.6)

\* "Others" include foreign securities and investment trusts.



#### (4) Assets in custody

##### ➤ Year-on-year comparison

Assets in custody overall rose ¥3.5 billion to ¥144.0 billion as a result of integrated marketing by bank branches and our Head Office financial advisor group to better meet diversifying customer fund-operation needs.

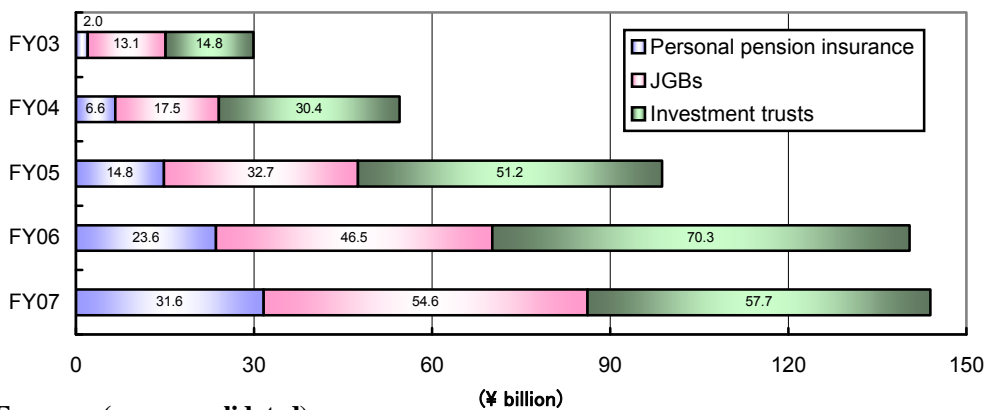
##### Term-end balance

(¥ billion)

	FY06	FY07	
		Amounts	YoY increase/decrease
Assets in custody	140.5	144.0	3.5
Japanese government bonds	46.5	54.6	8.1
Investment trusts	70.3	57.7	(12.5)
Personal pension insurance	23.6	31.6	7.9

- \* “Assets in custody” refer to customer asset management products
- \* Personal pension insurance totals are accumulative totals sold.

##### Assets in custody



**Marketing starts**  
 Investment trusts: Dec. 1998  
 Personal pension insurance: Oct. 2002  
 Government bonds for individuals: June, 2003

#### 3. Expenses (non-consolidated)

##### ➤ Year-on-year comparison

Personnel expenses declined ¥109 million to ¥8,305 million reflecting strengthened measures to reduce working hours.

Non-personnel expenses increased ¥645 million to ¥8,856 million due to depreciation expenses from replacement of the host computer and office equipment in the previous term as well as investments in additional IT equipment.

The expense ratio (Core OHR) worsened by 3.3 percentage points year-on-year to 60.7% due to the above increase in non-personnel expenses.

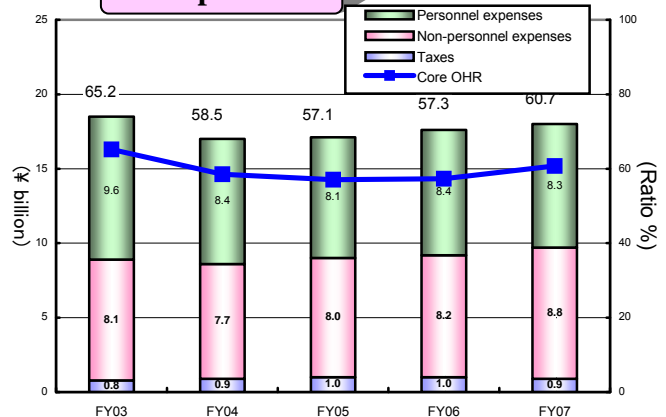
##### Breakdown of expenses

(¥ million)

	FY06	FY07	
		Amounts	YoY increase (decrease)
Expenses	17,656	18,113	456
Personnel expenses	8,414	8,305	(109)
Non-personnel expenses	8,210	8,856	645
Taxes	1,031	951	(80)
Core OHR	57.3%	60.7%	3.3%

\* Core OHR: expenses/profit on core banking operations  
 (business profit on core banking operations + expenses)

##### Expenses



#### 4. Asset soundness

##### (1) Credit cost (year-on-year comparison)

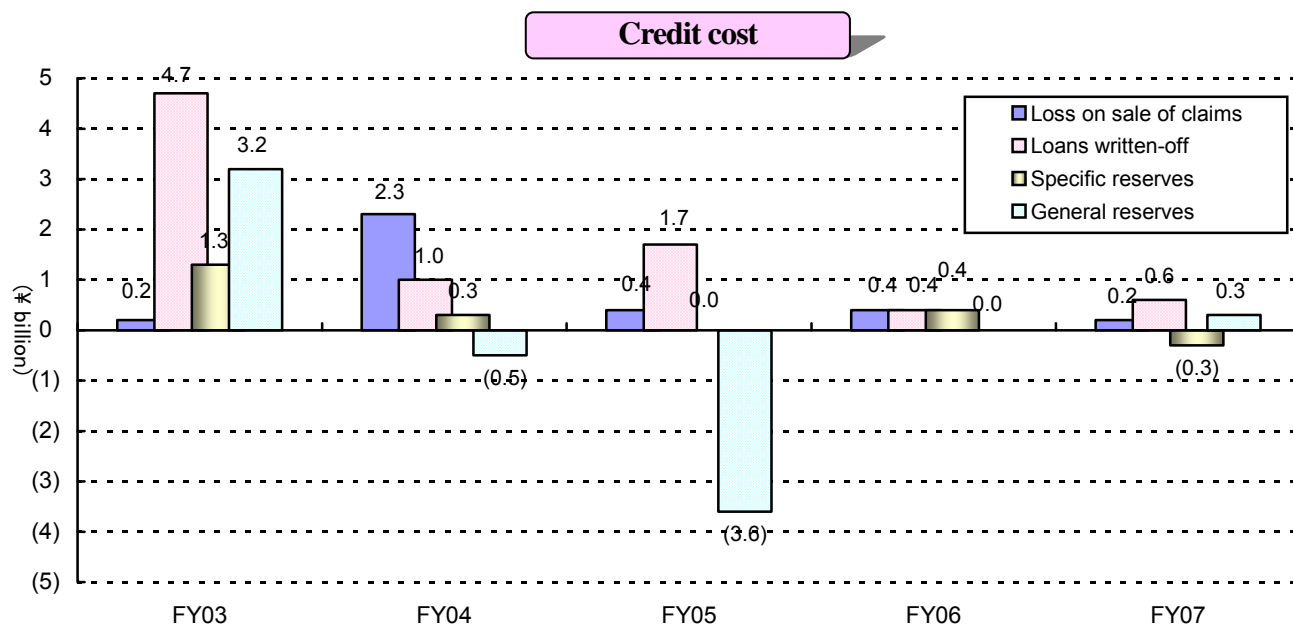
Credit cost decreased ¥473 million to ¥916 million year-on-year, due to improved corporate earnings in Japan and a reduction in new bankruptcies, amid a brighter economic climate.

##### Credit cost

(¥ million)

	FY06	FY07	
		Amounts	YoY increase (decrease)
Credit cost	1,390	916	(473)
Provision to general allowance for possible loan losses	56	393	337
Bad debt disposal	1,333	522	(810)
Provision to specific allowance for loan losses	751	(308)	(1,060)
Allowance for impairment of principals under trust accounts	(306)	(65)	241
Loans written-off	478	613	135
Losses on sale of bonds	409	282	(126)
Gains on collection of written-off claims	400	389	(11)

- \* Credit cost refers to expenses incurred in ensuring the soundness of claims (total of provision of general allowance for loan losses and bad debt disposal).
- \* Loss on sale of claims is equivalent to all bulk sales of such losses.
- \* Credit cost and Gains on collection of written-off claims include trust accounts.



## (2) Mandatory disclosure of bad debt (year-on-year comparison)

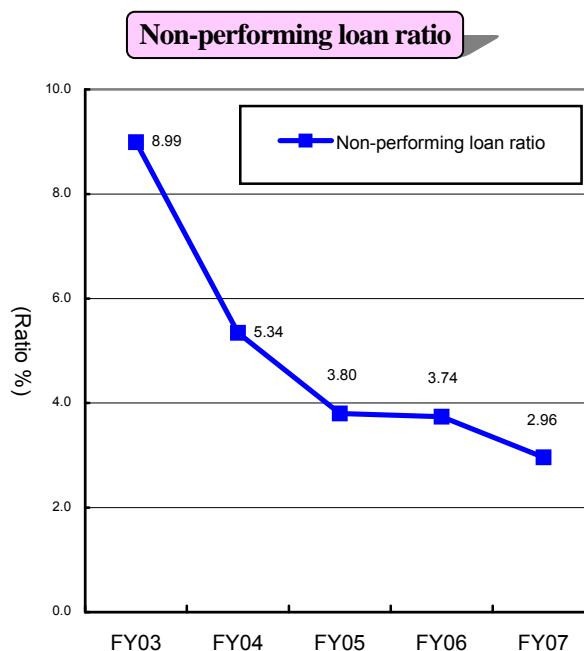
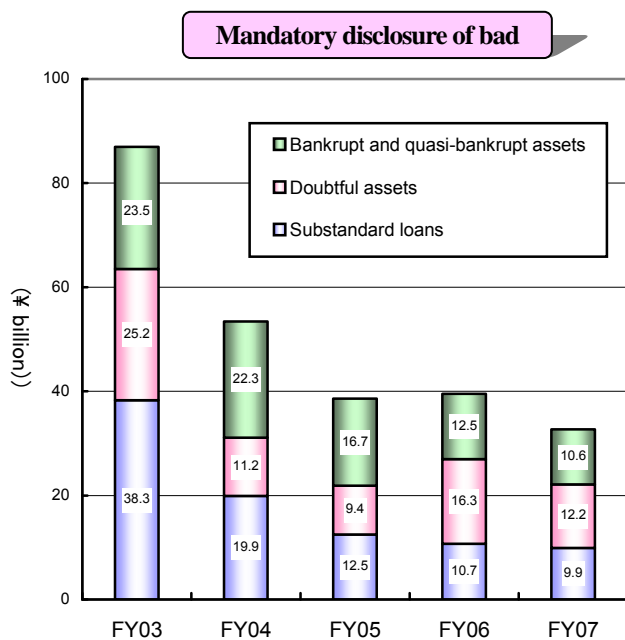
As a result of efforts to improve borrower categories of customers undergoing corporate rehabilitation, bad debt subject to mandatory disclosure under Japan's Financial Reconstruction Law decreased ¥6.8 billion year-on-year to ¥32.8 billion, and the ratio of loans subject to mandatory disclosure declined 0.78 percentage points to 2.96%.

### Mandatory disclosure of bad debt under the Financial Reconstruction Law (non-consolidated)

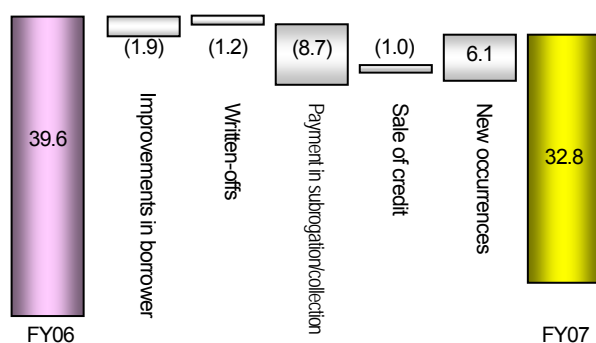
(¥ billion)

	FY06	FY07		
		Amounts	Prior to partial charge-offs (¥4.1 billion)	YoY increase (decrease)
Mandatory disclosure of bad debt (a)	39.6	32.8	36.9	(6.8)
Bankrupt borrowers	12.5	10.6	14.7	(1.9)
Doubtful assets	16.3	12.2	12.2	(4.1)
Substandard loans	10.7	9.9	9.9	(0.7)
Normal assets	1,018.6	1,074.1	1,074.1	55.5
Total credit balance (b)	1,058.3	1,106.9	1,111.1	48.6
Non-performing loan ratio (a/b)	3.74%	2.96%	3.32%	(0.78%)

\* Including trust account.



### Breakdown of measures for the removal of bad debt under mandatory disclosure



## 5. Capital ratio (domestic standards)

### ➤ Regulatory capital (year-on-year comparison)

An increase in retained earnings due to our posting of a net income enabled us to increase regulatory capital by ¥4.4 billion year-on-year to ¥97.5 billion.

### ➤ Capital ratio (New Basel II; domestic standards)

Risk-weighted assets increased ¥15.7 billion year-on-year to ¥856.7 billion, including an increase in loans and bills discounted, lifting the capital ratio 0.31 percentage point to 11.38%.

At the end of March 2007, the capital ratio became subject to new standards for calculation under Basel II. At the end of March 2006, capital ratio was calculated on a consolidated and non-consolidated basis using the previous standards.

### Capital ratio

(¥ billion)

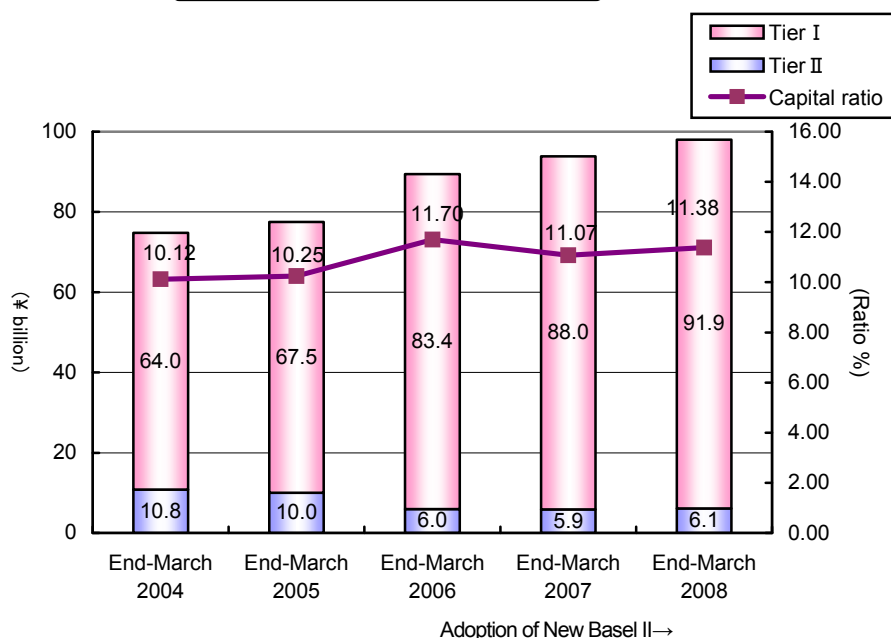
	Non-consolidated			Consolidated		
	March 31, 2007	March 31, 2008		March 31, 2007	March 31, 2008	
		Amounts	YoY increase (decrease)		Amounts	YoY increase (decrease)
Regulatory capital (a)	93.1	97.5	4.4	97.7	102.7	4.9
Tier I (b)	88.0	91.9	3.9	91.6	96.3	4.6
Tier II	5.9	6.1	0.2	6.9	6.9	(0)
Exclusion	0.8	0.5	(0.3)	0.8	0.5	(0.3)
Risk-weighted assets (c)	840.9	856.7	15.7	863.1	884.1	21.0
Capital ratio (a/c) (%)	11.07%	11.38%	0.31 pp	11.32%	11.61%	0.29 pp
Tier I ratio (b/c) (%)	10.47%	10.73%	0.26 pp	10.61%	10.89%	0.27 pp

Tier I: Capital stock and statutory reserve and voluntary reserve and other surplus

Tier II: Primarily provision of allowance for loan losses, which is included in own capital in the broad sense

Risk-weighted assets: Total for each item in the asset column, multiplied by the statutory risk-weighting

### Capital ratio (non-consolidated)



## 6. Performance forecasts

### ➤ Ordinary income

We expect ordinary income to decrease ¥3.0 billion to ¥37.7 billion, due to a decline in gains on sale of securities, which we expect to outweigh any anticipated increase in interest income from an increase in loans and bills discounted.

### ➤ Net business profit

We expect net business profit to increase ¥400 million year-on-year to ¥11.3 billion due to improved profit performance on Japanese government bonds and other bonds.

### ➤ Ordinary profit

We expect ordinary profit to increase ¥800 million to ¥11.4 billion due to increased net business profit and improved profit performance from sales of stock.

As a result of the foregoing, we expect to see revenues decline and profit increase during the year ending March 31, 2009.

### ➤ Net income

We expect net income to rise ¥1.1 billion year-on-year to ¥6.9 billion in line with the increase in the ordinary profit.

### Non-consolidated

(¥ billion)

	FY08 first-half forecasts	FY08 full-term forecasts	
		forecasts	YoY increase (decrease)
Ordinary income	18.5	37.7	(3.0)
Business profit on core banking operations	5.4	11.5	(0.1)
Net business profit	5.2	11.3	0.4
Ordinary profit	5.5	11.4	0.8
<b>Net income (first-half)</b>	<b>3.6</b>	<b>6.9</b>	<b>1.1</b>
Loan losses*	0.1	0.7	0.1

### Consolidated

(¥ billion)

	FY08 first-half forecasts	FY08 full-term forecasts	
		forecasts	YoY increase (decrease)
Ordinary income	26.1	52.7	(3.0)
Ordinary profit	6.4	13.0	1.0
<b>Net income</b>	<b>3.7</b>	<b>7.3</b>	<b>0.6</b>

\* Forecasts for fiscal 2008 in this report are based on information available at the present time and assessments of future factors likely to affect performance. Actual results may differ widely from our forecasts.

\* Including loan losses posted under trust account

### Non-performing loans (Financial Reconstruction Law)

	FY08 first-half forecasts		FY08 full-term forecasts	
	Non-consolidated	Consolidated	Non-consolidated	Consolidated
Non-performing loan ratio	Less than 3%	Less than 4%	Less than 3%	Less than 4%

### Capital ratio (New Basel II; domestic standards)

	FY08 first-half forecasts		FY08 full-term forecasts	
	Non-consolidated	Consolidated	Non-consolidated	Consolidated
Capital ratio	11% or more	11% or more	11% or more	11% or more
Tier I ratio	10% or more	10% or more	10% or more	10% or more

## II. Summary of Business Results for Fiscal 2007

### 1. Business performance

#### Non-consolidated

(¥ million)

	Reporting period (ended March 2008)	YoY increase (decrease)	YoY % change	Previous period (ended March 2007)
Gross business profit	29,369	1,854		27,514
Domestic operations	28,862	1,972		26,890
Interest income	26,806	(137)		26,944
Fees and commissions	2,480	(559)		3,040
Other business profit	(424)	2,670		(3,094)
International operations	506	(117)		624
Interest income	190	(57)		248
Fees and commissions	63	(6)		69
Other business profit	252	(53)		306
Expenses (excl. noncurrent items)	18,113	456		17,656
Personnel expenses	8,305	(109)		8,414
Non-personnel expenses	8,856	645		8,210
Taxes	951	(80)		1,031
Net business profit (prior to provisions to general allowance )	11,256	1,398	14.18%	9,857
Excluding gains/losses on bond trading	11,684	(1,275)	(9.84)%	12,960
Provision to general allowance for possible loan losses	393	337		56
Net business profit	10,862	1,061	10.83%	9,800
Gains/losses on bond trading	(428)	2,674		(3,102)
Nonrecurrent items	(193)	(2,328)		2,134
Gains on equity trading	128	(3,393)		3,522
Bad debt disposal	553	(907)		1,460
Written-off of loans	580	148		432
Provision to specific allowance for loan	613	135		478
Losses on sale of credit	(308)	(1,060)		751
Losses on sale of credit	281	4		276
Losses on sale of credit	282	(126)		409
Ordinary profit	10,668	(1,266)	(10.61)%	11,935
Extraordinary gains	216	(808)		1,024
Losses on disposal of tangible fixed assets	(112)	(51)		(61)
Losses on support for affiliates	-	(611)		611
Provision for directors' retirement benefits	-	(160)		160
Income before income taxes	10,885	(2,074)	(16.00)%	12,960
Income taxes-current	4,800	142		4,658
Income taxes-deferred	260	(1,661)		1,921
Net income	5,824	(555)	(8.71)%	6,380

Note) Amounts recorded on the lower column include those posted under trust accounts.

\* Total expenses for the disposal of bad debt amounted to ¥487 million (¥522 million for the inclusion of the amounts posted under trust accounts).

Transfer of allowance for impairment of principals under trust accounts (in the amount of ¥65 million) are posted under extraordinary gains.

Consolidated

(¥ million)

	Reporting period	YoY increase (decrease)	Previous period
Gross business profit	33,004	2,066	30,937
Interest income	27,786	(244)	28,030
Trust account services	548	27	521
Fees and commissions	3,055	(216)	3,271
Other business profit	1,614	2,500	(885)
Operating expenses	19,329	575	18,753
Loan-loss provisions	2,092	(1,007)	3,099
Written-off of loans	740	(140)	881
Provision to specific allowance for loan losses	486	(1,005)	1,492
Provision to general allowance for possible loan losses	583	134	448
Losses on sale of claims	281	4	276
Gains on equity trading	126	(3,365)	3,491
Other	237	(381)	618
<b>Ordinary profit</b>	<b>11,947</b>	<b>(1,248)</b>	<b>13,195</b>
Extraordinary gains and losses	87	(494)	582
Transfer of allowance for loan losses	-	-	-
<b>Income before income taxes and minority interests</b>	<b>12,034</b>	<b>(1,742)</b>	<b>13,777</b>
Income taxes-current	5,342	308	5,033
Income before income taxes	124	(1,934)	2,058
Minority interests	169	158	10
<b>Net income</b>	<b>6,737</b>	<b>42</b>	<b>6,695</b>

Note) Gross business profit = (interest income - fund procurement cost) + fees on trust business + (net fees and commissions) + net operating income (expenses)

(Reference)

(¥ million)

Net business profit (on a consolidated basis)*	13,166	1,296	11,869
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Note) Gross business profit - operating expenses (excluding noncurrent items) - general provision for possible loan losses + fund procurement cost for the acquisition of money held in trust

(Consolidated)

(Number of companies)

Number of consolidated subsidiaries	27	(1)	28
Number of affiliates accounted for using the equity method	0	0	0

## 2. Net business profit (non-consolidated)

(¥ million)

	Reporting period		Previous period
		YoY increase	
(1) Net business profit (prior to provision to general allowance for possible loan losses)	11,256	1,398	9,857
Per staff (¥ thousand)	10,844	1,365	9,478
(2) Net business profit	10,862	1,061	9,800
Per staff (¥ thousand)	10,464	1,040	9,423

Note) The average number of employees during the term (excluding those seconded to other organization) is employed.

## 3. Interest margins (non-consolidated)

### (1) Aggregate

(%)

	Reporting period		Previous period
		YoY increase (decrease) (pp)	
(1) Yield on fund operation (A)	2.47	(0.02)	2.49
(i) Yield on loans	2.67	0.02	2.65
(ii) Yield on securities	1.46	(0.01)	1.47
(2) Fund procurement cost (B)	1.87	0.07	1.80
(i) Yield on deposits	0.38	0.10	0.28
(ii) Yield on external debt*	0.69	(0.24)	0.93
(3) Gross interest margin (A)-(B)	0.60	(0.09)	0.69

Note) External debt\* = call money + collateral money received for bond lending transactions + borrowed money

### (2) Domestic

(%)

	Reporting period		Previous period
		YoY increase (decrease) (pp)	
(1) Yield on fund operation (A)	2.41	0.06	2.35
(i) Yield on loans	2.67	0.04	2.63
(ii) Yield on securities	1.44	0.01	1.43
(2) Yield on fund procurement (B)	1.74	0.15	1.59
(i) Yield on deposits	0.30	0.18	0.12
(ii) Yield on external debt*	0.66	(0.13)	0.79
(3) Gross interest margin (A)-(B)	0.67	(0.09)	0.76

Note) External debt\* = call money + collateral money received for bond lending transactions + borrowed money

4. Gains and losses on securities (**non-consolidated**)

(¥ million)

	Reporting period		Previous period
		YoY increase (decrease)	
Losses on bond trading	(428)	2,674	(3,102)
Gains on sale of bonds	1,108	842	266
Gains on redemption of bonds	-	-	-
Losses on sale of bonds	933	(2,435)	3,368
Losses on redemption of bonds	-	-	-
Write down	603	603	-
Gains and losses on equity trading	128	(3,393)	3,522
Gains on sale of equity shares	1,933	(1,986)	3,920
Losses on sale of equity shares	1,516	1,497	18
Write down	289	(90)	379

5. Capital ratio (domestic standards) (**non-consolidated**)

(¥ million)

	Reporting term-end			Previous term-end	Previous interim balance-sheet date
		YoY increase (decrease)	Comparison with figures at previous interim balance-sheet date		
(1) Capital ratio	11.38%	0.31 pp	(0.10) pp	11.07%	11.48%
(2) Tier I	91,929	3,905	790	88,023	91,138
(3) Tier II	6,165	213	349	5,951	5,815
(i) Revaluation	1,200	-	-	1,200	1,200
(ii) Subordinated loan/securities balance	180	(180)	(180)	360	360
(4) Exclusion	518	(349)	-	868	518
(Intentional equity holdings by other financial institutions)	500	-	-	500	500
(5) Capital ratio (2)+(3)-(4)	97,575	4,469	1,139	93,106	96,436
(6) Risk-weighted assets	856,714	15,736	17,143	840,978	839,571

Capital ratio (domestic standards) (**consolidated**)

(¥ million)

	Reporting term-end			Previous term-end	Previous interim balance-sheet date
	Reporting term-end	YoY increase (decrease)	Comparison with interim balance-sheet date		
(1) Capital ratio	11.61%	0.29 pp	(0.10) pp	11.32%	11.71%
(2) Tier I	96,327	4,677	1,107	91,649	95,219
(3) Tier II	6,906	(48)	(78)	6,955	6,985
(i) Revaluation	1,200	-	-	1,200	1,200
(ii) Subordinated loan/securities balance	180	(180)	(180)	360	360
(4) Exclusion	518	(349)	-	868	518
(Intentional equity holdings by other financial institutions)	500	-	-	500	500
(5) Capital ratio (2)+(3)-(4)	102,715	4,978	1,028	97,736	101,686
(6) Risk-weighted assets	884,186	21,046	16,233	863,139	867,952

6. ROE (**non-consolidated**)

(%)

	Reporting period		Previous period
	Reporting period	YoY comparison (pp)	
Net business profit basis	11.20	1.09	10.11
Business profit on core banking operations basis	12.09	(1.46)	13.55
Net income basis	6.01	(0.57)	6.58

(Calculation formula)  $\frac{\text{Net business profit (business profit on core banking operations, net income)}}{(\text{Net assets at the beginning of period} + \text{net assets at the end of period}) \div 2} \times 100$

\* Business profit on core banking operations = Net business profit - gains and losses on bond trading + provision to general allowance for possible loan losses + written-off claims under trust accounts

(Reference)

ROE (owners' equity basis; **non-consolidated**)

(%)

	Reporting period		Previous period
	Reporting period	YoY increase (decrease) (pp)	
Net business profit basis	11.99	0.64	11.35
Business profit on core banking operations basis	12.93	(2.29)	15.22
Net income basis	6.43	(0.96)	7.39

(Calculation formula)  $\frac{\text{Net business profit (net income)}}{(\text{Owners' equity at the beginning of period} + \text{owners' equity at the end of period}) \div 2} \times 100$

### III. Loans and Bills Discounted

#### 1. Risk-monitored loans (under the Banking Law)

\* Partial charge-offs are implemented.

\*\* Recognition of accrued interest (asset self-assessment basis)

#### Non-consolidated

(¥ million)

		Reporting term-end	YoY increase (decrease)	Comparison with interim balance-sheet date	Previous term-end	Previous interim balance-sheet date
Risk-managed assets	Loans to bankrupt borrowers	1,054	(1,036)	(511)	2,091	1,565
	Delinquent loans	21,702	(4,918)	(3,144)	26,620	24,846
	Past due loans more than 3 months	367	71	45	295	322
	Restructured loans	9,621	(804)	(944)	10,425	10,566
	Total	32,745	(6,687)	(4,555)	39,433	37,301

Note) Simple sum of banking account and trust account

Loans (term-end balance)	1,091,988	50,437	61,814	1,041,551	1,030,173
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Note) Simple sum of banking account and trust account

(%)

As a percentage of total loans	Loans to bankrupt borrowers	0.09	(0.11) pp	(0.06) pp	0.20	0.15
	Delinquent loans	1.98	(0.57)	(0.43)	2.55	2.41
	Past due loans more than 3 months	0.03	0.01	0.00	0.02	0.03
	Restructured loans	0.88	(0.12)	(0.14)	1.00	1.02
	Total	2.99	(0.79)	(0.63)	3.78	3.62

Note) Simple sum of banking account and trust account

#### Consolidated

(¥ million)

		Reporting period	YoY increase (decrease)	Comparison with amounts at the previous interim balance-sheet date	Previous term-end	Previous interim balance-sheet date
Risk-managed assets	Loans to bankrupt borrowers	1,120	(1,007)	(574)	2,128	1,695
	Delinquent loans	22,813	(4,700)	(3,531)	27,514	26,345
	Past due loans more than 3 months	367	71	45	295	322
	Restructured loans	9,621	(804)	(944)	10,425	10,566
	Total	33,923	(6,441)	(5,005)	40,364	38,928

Note) Simple sum of banking account and trust account

Total loans (term-end balance)	1,080,211	53,032	63,019	1,027,178	1,017,191
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Note) Simple sum of banking account and trust account

(%)

As a percentage of total loans	Loans to bankrupt borrowers	0.10	(0.10) pp	(0.06) pp	0.20	0.16
	Delinquent loans	2.11	(0.56)	(0.48)	2.67	2.59
	Past due loans more than 3 months	0.03	0.01	0.00	0.02	0.03
	Restructured loans	0.89	(0.12)	(0.14)	1.01	1.03
	Total	3.14	(0.78)	(0.68)	3.92	3.82

Note) Simple sum of banking account and trust account

## 2. Allowance for loan losses

### Non-consolidated

(¥ million)

	Reporting term-end			Previous term-end	Previous interim balance-sheet date
		YoY increase (decrease)	Comparison with amounts at previous interim balance-sheet date		
Allowance for loan-losses	9,636	(1,131)	(184)	10,767	9,821
General allowance	4,784	393	529	4,390	4,255
Specific allowance	4,851	(1,525)	(713)	6,377	5,565
Allowance for possible impairment of principals under trust accounts	253	(65)	27	318	225

### Consolidated

(¥ million)

	Reporting term-end			Previous term-end	Previous interim balance-sheet date
		YoY increase (decrease)	Comparison with amounts at previous interim balance-sheet date		
Allowance for loan losses	14,560	(1,094)	(167)	15,654	14,727
General allowance	6,473	583	566	5,890	5,907
Specific allowance	8,086	(1,677)	(734)	9,763	8,820
Allowance for possible impairment of principals under trust accounts	253	(65)	27	318	225

## 3. Coverage of risk monitored loans

### Non-consolidated

(¥ million)

	Reporting term-end			Previous term-end	Previous interim balance-sheet date
		YoY increase (decrease)	Comparison with amounts at previous interim balance-sheet date		
Risk-managed loans (A)	32,745	(6,687)	(4,555)	39,433	37,301
Coverage	25,438	(5,751)	(3,725)	31,190	29,164
Allowance for loan losses (B)	7,875	(1,094)	(133)	8,969	8,008
Collateral and guarantees (C)	17,563	(4,657)	(3,591)	22,220	21,155
Coverage ratio (B+C)/(A)	77.68%	(1.41)pp	(0.50)pp	79.09%	78.18%
Allowance for loan losses (B/A)	24.04%	1.30 pp	2.57 pp	22.74%	21.47%
Collateral and guarantees (C/A)	53.63%	(2.72) pp	(3.08) pp	56.35%	56.71%

Note) Including trust account.

### Consolidated

(¥ million)

	Reporting term-end			Previous term-end	Previous interim balance-sheet date
		YoY increase (decrease)	Comparison with amounts at previous interim balance-sheet date		
Risk-managed loans (A)	33,923	(6,441)	(5,005)	40,364	38,928
Coverage	26,523	(5,599)	(4,144)	32,122	30,667
Allowance for loan losses (B)	8,622	(570)	(97)	9,193	8,720
Collateral and guarantees (C)	17,900	(5,028)	(4,047)	22,929	21,947
Coverage ratio (B+C)/(A)	78.18%	(1.39) pp	(0.59) pp	79.57%	78.77%
Allowance for loan losses (B/A)	25.41%	2.64 pp	3.01 pp	22.77%	22.40%
Collateral and guarantees (C/A)	52.76%	(4.04) pp	(3.61) pp	56.80%	56.37%

Note) Including trust account.

#### 4. Mandatory disclosure of bad debt under the Financial Reconstruction Law

\* Partial charge-offs are implemented.

##### Non-consolidated

(¥ million)

	Reporting term-end			Previous term-end	Previous interim balance-sheet date
		YoY increase (decrease)	Comparison with amounts at previous interim balance-sheet date		
Bankrupt and quasi-bankrupt assets	10,624	(1,943)	(1,202)	12,568	11,827
Doubtful assets	12,215	(4,139)	(2,565)	16,354	14,780
Substandard loans	9,988	(733)	(899)	10,721	10,888
Total (A)	32,828	(6,816)	(4,667)	39,644	37,495
Normal assets	1,074,170	55,507	65,386	1,018,662	1,008,784
Total credit balance (B)	1,106,998	48,691	60,718	1,058,307	1,046,279
As a percentage of total credit balance (A)/(B)	2.96%	(0.78) pp	(0.62) pp	3.74%	3.58%
Partial charge-offs	4,128	(2,739)	(3,442)	6,867	7,570

Note) Including trust account.

##### Consolidated

(¥ million)

	Reporting term-end			Previous term-end	Previous interim balance-sheet date
		YoY increase (decrease)	Comparison with amounts at previous interim balance-sheet date		
Bankrupt and quasi-bankrupt assets	11,614	(1,886)	(1,551)	13,500	13,165
Doubtful assets	12,404	(3,950)	(2,666)	16,354	15,070
Substandard loans	9,988	(733)	(899)	10,721	10,888
Total (A')	34,007	(6,569)	(5,117)	40,577	39,124
Normal assets	1,061,252	57,854	67,040	1,003,398	994,211
Total credit balance (B')	1,095,259	51,284	61,923	1,043,975	1,033,336
As a percentage of total credit balance (A')/(B')	3.10%	(0.78) pp	(0.68) pp	3.88%	3.78%
Partial charge-offs	6,096	(6,922)	(7,806)	13,018	13,902

Note) Including trust account.

#### 5. Coverage of assets subject to mandatory disclosure under the Financial Reconstruction Law

##### Non-consolidated

(¥ million)

	Reporting term-end			Previous term-end	Previous interim balance-sheet date
		YoY decrease	Comparison with amounts at previous interim balance-sheet date		
Coverage (C)	25,515	(5,886)	(3,838)	31,401	29,353
Allowance for loan losses	7,889	(1,110)	(155)	8,999	8,045
Collateral and guaranteed	17,625	(4,776)	(3,682)	22,401	21,308

Note) Including trust account.

(%)

Coverage ratio (C)/(A)	77.72	(1.48) pp	(0.56) pp	79.20	78.28
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## Consolidated

(¥ million)

	Reporting term-end	YoY decrease	Comparison with amounts at previous interim balance-sheet date	Previous term-end	Previous interim balance-sheet date
Coverage (C')	26,600	(5,733)	(4,257)	32,334	30,858
Allowance for loan losses	8,638	(585)	(119)	9,224	8,758
Collateral and guarantees	17,962	(5,147)	(4,137)	23,110	22,100

Note) Including trust account.

(%)

Coverage ratio (C')/(A')	78.22	(1.46) pp	(0.65) pp	79.68	78.87
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## 6. Reserve ratio and coverage ratio of assets subject to mandatory disclosure under the Financial Reconstruction Law by asset category and borrower category

## Reserve ratios and coverage ratios of assets subject to mandatory disclosure under the Financial Reconstruction Law (non-consolidated)

(¥ million)

	Reporting term-end			
	Bankrupt and quasi-bankrupt assets	Doubtful assets	Substandard loans	Total
Total credit balance (A)	10,624	12,215	9,988	32,828
Covered portion (B)	7,528	7,588	2,508	17,625
Uncovered portion (C)=(A)-(B)	3,095	4,626	7,480	15,202
Allowance for loan losses (D)	3,095	1,973	2,820	7,889
Reserve ratio (D)/(C)	100.00%	42.65%	37.69%	51.89%
Coverage ratio [(B)+(D)]/(A)	100.00%	78.28%	53.34%	77.72%

Note) Including trust account.

## Reserve ratio and coverage ratio of assets by borrower category (non-consolidated)

(¥ million)

	As of end of March 2008			
	Bankrupt and quasi-bankrupt assets	Effectively bankrupt borrowers	Potentially bankrupt borrowers	Total
Total credit (A)	1,062	9,562	12,215	22,839
Covered by collateral (B)	864	6,664	7,588	15,117
Uncovered portion (C)=(A)-(B)	197	2,897	4,626	7,722
Allowance for loan losses (D)	197	2,897	1,973	5,069
Reserve ratio (D)/(C)	100.00%	100.00%	42.65%	65.64%
Coverage ratio [(B)+(D)]/(A)	100.00%	100.00%	78.28%	88.38%

Note) Including trust account.

## Reserve ratio and coverage ratio under the Financial Reconstruction Law (consolidated)

(¥ million)

	As of March 31, 2008			
	Bankrupt and quasi-bankrupt assets	Doubtful assets	Substandard loans	Total
Total credit (A)	11,614	12,404	9,988	34,007
Portion covered by collateral (B)	7,865	7,588	2,508	17,962
Uncovered portion (C)=(A)-(B)	3,748	4,815	7,480	16,044
Allowance for loan losses (D)	3,748	2,069	2,820	8,638
Reserve ratio (D)/(C)	100.00%	42.97%	37.69%	53.83%
Coverage ratio [(B)+(D)]/(A)	100.00%	77.86%	53.34%	78.22%

Note) Including trust account.

Reserve ratio and coverage ratio of assets by borrower category (**consolidated**)

(¥ million)

	As of March 31, 2008			
	Bankrupt and quasi-bankrupt assets	Doubtful assets	Subordinated loans	Total
Total credits (A)	1,128	10,486	12,404	24,018
Portion covered by collateral (B)	891	6,974	7,588	15,454
Uncovered portion (C)=(A)-(B)	237	3,511	4,815	8,564
Allowance for loan losses (D)	237	3,511	2,069	5,818
Reserve ratio (D)/(C)	100.00%	100.00%	42.97%	67.93%
Coverage ratio [(B)+(D)]/(A)	100.00%	100.00%	77.86%	88.56%

(Note) Including trust account.

7. Asset self-assessment and classification of assets (**non-consolidated**)

(¥ million)

	As of March 31, 2008		As of March 31, 2007		
	Amount	As a percentage of total credit (%)	Amount	As a percentage of total credit (%)	
Total credit	1,106,998	100.00	1,058,307	100.00	
Classification I	988,907	89.33	935,812	88.42	
Total classified amount	118,091	10.66	122,494	11.57	
	Classification I	115,469	10.43	119,565	11.29
	Classification II	2,621	0.23	2,928	0.27
	Classification III	-	-	-	-

(Notes)

- Total credit: total balance of securities loaned, loans and bills discounted, foreign exchanges, accrued interest, suspension payments and customers' liabilities for acceptances and guarantees
- Classification I: Assets not classified under Classifications II, III, or IV assets, with no risks of noncollectivity or impairment of asset value  
Classification II: Assets perceived to have an above-average risk of noncollectivity  
Classification III: Assets for which final collection or asset value is very doubtful and which pose a high risk of incurring loss  
Classification IV: Assets assessed as uncollectible or worthless

Self-assessment borrower categories	Standards for write-offs and reserves	
Bankrupt borrowers	Provision of allowance in an amount of the portion not covered by collateral and guarantees, or direct charge-offs	
Effectively bankrupt borrowers		
Potentially bankrupt borrowers	Provision of specific allowance for possible loan losses in an amount of estimated losses calculated using the historical default rate	
Borrowers Requiring caution	Other than DCFs	Provision of general allowance for possible loan losses in an amount of estimated losses calculated using the estimated loss rate for three years based on the historical default rate
	DCF	Provision of general allowance s for possible loan losses in an amount of asset value after deduction of discounted present value of future cash flows
	DDS	Provide allowance for possible loan losses on total money claims in an amount estimated by loss ratio without regard to preference or subordination or in an amount equivalent to acquisition cost or amortized cost
Other borrowers requiring caution	Provision of general allowance for possible loan losses in an estimated loss amount for one year based on historical default rates	
Normal borrowers		

8. Asset self-assessment and mandatory disclosure of assets under the Financial Reconstruction Law (**non-consolidated**)

Asset self-assessment (by borrower category) Scope: Total credits					Assets subject to mandatory disclosure under the Financial Reconstruction Law Scope: Total credits	Risk-monitored loans Scope: Loans and bills discounted	Allowance	Coverage ratio (Reserve ratio)	
Borrower category (after charge-offs)	Classification								
	I	II	III	IV					
Bankrupt borrowers 1,062	Portion of claims secured by reserves, collateral or guarantees 472		589	Fully reserved	Direct charge-offs	Bankrupt and quasi-bankrupt assets 10,624  Coverage ratio: 100.00%	Bankrupt loans 1,054	197	100.00%
Effectively bankrupt borrowers 9,562	Portion of claims secured by reserves, collateral or guarantees 4,067		5,495						
Potentially bankrupt borrowers 12,215	Portion of claims secured by reserves, collateral or guarantees 4,148		5,468	Necessary amount reserved 2,621		Doubtful assets 12,215  Coverage ratio: 78.28%		1,973	78.28% (42.65)
Borrowers requiring caution	Borrowers requiring supervision 15,820	Collateral: 5,212 Guarantees: 10,607		13,984	Provision of reserves in an estimated loss amount for one year based on historical default rates. Fully reserved for loans converted to subordinated debt (DDS).	Substandard loans 9,988  Coverage ratio: 53.34%	Past due loans (3 months or more) 367	3,181	53.05% (29.99)
		1,835	Other borrowers requiring caution 112,988						
Normal borrowers 955,350	955,350				Provision of reserves in an estimated loss amount for one year based on historical default rates.	Normal assets 1,074,170		428	
<b>Total</b> 1,106,998	<b>988,930</b>	<b>115,469</b>	<b>2,621</b>	<b>-</b>		<b>1,106,998</b>	<b>1,091,988</b>	<b>9,888</b>	<b>73.92% (45.01)</b>

Note) Including trust account.

9. Loans and bills discounted by industrial segment

1) Loans made by industrial segment (non-consolidated)

(¥ million)

	As of March 31, 2008	Comparison		As of March 31, 2007	As of September 30, 2007
		with previous balance-sheet date	with previous interim balance-sheet date		
Domestic branches (excl. the special account for international financial transactions)	1,091,988	60,441	61,815	1,031,547	1,030,173
Manufacturing	43,210	4,325	4,158	38,885	39,052
Agriculture	1,295	(254)	(84)	1,549	1,379
Forestry	8	8	8	-	-
Fishery	847	(12)	0	859	847
Mining	2,011	(96)	169	2,107	1,842
Construction	46,559	(119)	3,206	46,678	43,353
Electricity, gas, heat and water supply	6,321	3,273	815	3,048	5,506
Telecommunications	9,288	339	1,059	8,949	8,229
Transportation	12,032	(178)	525	12,210	11,507
Wholesaling	69,102	828	(884)	68,274	69,986
Retailing	54,581	(1,519)	(405)	56,100	54,986
Finance and insurance	12,947	588	2,256	12,359	10,691
Real estate	146,887	(2,171)	827	149,058	146,060
Miscellaneous services	170,360	25,921	8,364	144,439	161,996
Local government bodies	102,941	10,316	29,970	92,625	72,971
Others	413,593	19,192	11,832	394,401	401,761

Note) Simple sum of banking account and trust account

2) Risk-monitored loans by industrial segment (non-consolidated)

(¥ million)

	As of March 31, 2008	Comparison		As of March 31, 2007	As of September 30, 2007
		with previous balance-sheet date	with previous interim balance-sheet date		
Domestic branches (excl. the special account for international financial transactions)	32,745	(6,687)	(4,555)	39,433	37,301
Manufacturing	1,192	(55)	17	1,248	1,175
Agriculture	240	(6)	(14)	247	255
Fishery	14	0	0	14	14
Mining	276	(29)	(28)	306	305
Construction	2,995	(1,370)	(504)	4,366	3,500
Telecommunications	387	(14)	1	401	386
Transportation	128	(597)	(586)	725	715
Wholesaling	4,629	(688)	(273)	5,318	4,903
Retailing	5,014	(913)	(659)	5,927	5,673
Finance and insurance	-	(22)	(1)	22	1
Real estate	5,288	(306)	(534)	5,594	5,823
Miscellaneous services	4,708	(928)	(530)	5,637	5,238
Others	7,869	(1,754)	(1,438)	9,623	9,307

Note) Simple sum of banking account and trust account

3) Loan and NPL balances -- wholesaling & retailing, construction, real estate, finance (excluding banking)

(¥ million)

		Risk-monitored loans (Banking Law)				
		Total loans	Past due loans (3 months or more)	Restructured loans	Non-accrued loans	Bankrupt loans
Wholesaling /retailing	March 31, 2007	124,375	39	4,225	6,657	322
	September 30, 2007	124,972	8	4,137	6,252	179
	March 31, 2008	123,683	9	3,815	5,532	286
Construction	March 31, 2007	46,678	3	914	3,000	448
	September 30, 2007	43,353	18	1,149	2,083	248
	March 31, 2008	46,559	9	983	1,837	164
Real estate	March 31, 2007	149,058	-	1,734	3,763	96
	September 30, 2007	146,060	8	1,667	4,121	25
	March 31, 2008	146,887	7	1,581	3,699	-
Finance (excl. banking)	March 31, 2007	9,187	-	-	-	-
	September 30, 2007	6,943	-	-	-	-
	March 31, 2008	6,918	-	-	-	-

Note) Including trust account.

(¥ million)

		Mandatory disclosure under the Financial Reconstruction Law			
		Total credit	Substandard loans	Doubtful assets	Bankrupt and quasi-bankrupt assets
Wholesaling/ retailing	March 31, 2007	128,810	4,265	5,140	1,891
	September 30, 2007	129,865	4,145	4,518	1,927
	March 31, 2008	128,605	3,825	3,877	1,946
Construction	March 31, 2007	48,540	917	2,197	1,281
	September 30, 2007	44,941	1,168	1,479	893
	March 31, 2008	47,711	993	1,274	744
Real estate	March 31, 2007	150,562	1,734	2,138	1,741
	September 30, 2007	147,407	1,676	2,485	1,674
	March 31, 2008	148,358	1,588	1,900	1,803
Finance (excl. banking)	March 31, 2007	9,194	-	-	-
	September 30, 2007	6,950	-	-	-
	March 31, 2008	6,924	-	-	-

Note) Including trust account.

4) Consumer loan balance (**non-consolidated**)

(¥ million)

	March 31, 2008		Comparison with previous interim balance-sheet date	Comparison with previous balance-sheet date	March 31, 2007	September 30, 2007
Loans to consumers	399,100	402,653	14,827	11,902	384,273	387,198
			14,139	11,616	388,513	391,036
Housing loans (incl. mortgage loans)	345,494	347,405	16,455	9,977	329,038	335,516
			16,053	9,776	331,352	337,628
Other than housing loans	53,606	55,247	(1,628)	1,924	55,234	51,681
			(1,913)	(1,839)	(57,161)	(53,407)

Note) Amounts posted under trust accounts are included in the figures recorded on the lower columns.

5) Loans to SMEs and ratio of loans to SMEs to total loans (**non-consolidated**)

(¥ million; %)

	March 31, 2008		Comparison with previous interim balance-sheet date	Comparison with previous balance-sheet date	March 31, 2007	September 30, 2007
Loans to SMEs	886,949	901,145	23,486	20,098	863,463	866,851
			19,998	18,248	881,457	883,207
As a percentage of total loans	83.12	83.31	(1.28)	(2.42)	84.40	85.54
			(1.31)	(2.42)	84.62	85.73

Note) Amounts posted under trust accounts are included in the figures recorded on the lower columns.

10. Loans guaranteed by credit guarantee associations (**non-consolidated**)

(¥ million)

	March 31, 2008	March 31, 2007	Increase (decrease)
Loans guaranteed by credit guarantee corporations	51,012	48,035	2,977
Special credit lines	469	801	(332)

11. Loan balance to affiliate non-bank financial institutions (**non-consolidated**)

(¥ million)

March 31, 2008	March 31, 2007
18,423	20,356

12. Deposits and loan balances (**non-consolidated**)

(¥ million)

	Fiscal 2007 ended March 2008		Comparison with previous fiscal year	Comparison with Fiscal 2007 first-half period	Fiscal 2006	Fiscal 2007 first-half period
Deposits (term-end balance)	1,229,323	1,256,198	11,382	11,846	1,217,940	1,217,476
			10,961	11,004	1,245,236	1,245,193
(average balance)	1,207,307	1,234,295	36,436	(2,629)	1,170,871	1,209,937
			34,011	(2,477)	1,200,284	1,236,773
Loans (term-end balance)	1,077,065	1,091,988	54,116	63,766	1,022,948	1,013,299
			50,437	61,814	1,041,551	1,030,173
(average balance)	1,008,279	1,025,173	61,751	13,495	946,528	994,784
			57,568	12,634	967,604	1,012,538

Note) Amounts posted under trust accounts are included in the figures recorded on the lower columns.

13. Deposit made by individuals and corporations by deposit category (average balance; **non-consolidated**)

(¥ million)

	March 31, 2008			March 31, 2007	September 30, 2007
		Comparison with previous balance-sheet date	Comparison with previous interim balance-sheet date		
Individuals	825,080	27,938	5,412	797,142	819,667
Liquid deposits	424,342	9,381	2,053	414,960	422,288
Time deposits	400,737	18,556	3,359	382,181	397,378
Corporations	409,215	6,073	(7,890)	403,142	417,105
Liquid deposits	247,970	(3,070)	(9,374)	251,041	257,345
Time deposits	161,245	9,144	1,484	152,100	159,760
Total	1,234,295	34,011	(2,477)	1,200,284	1,236,773
Liquid deposits	672,312	6,310	(7,321)	666,001	679,633
Time deposits	561,982	27,700	4,843	534,282	557,139

(Notes) 1. Including trust account.

2. Deposits from corporations include deposits made by local governments and other public bodies and financial institutions.

## IV. Performance Forecasts

### 1. Full-year performance forecasts for fiscal 2008 (ending March 2009) (non-consolidated)

(¥ million)

	FY08 forecasts	FY07 results
Ordinary income	37,700	40,729
Ordinary profit	11,400	10,668
Net income	6,900	5,824
Net business profit	11,300	10,862
(prior to provision of general allowance)	11,300	11,256
Excl. gains and losses on bond transactions	11,500	11,684
Loan losses*	800	522

Note) Including loan losses poster under trust account.

### Net business profit (non-consolidated)

(¥ million)

	Prior to provision of general allowance		After making provision of general allowance	Net business profit posted under trust account (prior to provision of general allowance)		
		Excluding gains and losses on bond transactions		Prior to provision of general allowance		After making provision of general allowance
					Excluding gains and losses on bond transactions	
Fiscal 2006	9,857	12,960	9,800	10,036	13,139	9,980
First half of fiscal 2006	5,684	5,678	5,684	5,684	5,678	5,684
Fiscal 2007	11,256	11,684	10,862	11,290	11,719	10,896
Fiscal 2008 full-term forecasts	11,300	11,500	11,300	11,300	11,500	11,300
Fiscal 2008 first-half forecasts	5,200	5,300	5,200	5,300	5,400	5,300

### 2. Restructuring (non-consolidated)

#### Major initiatives

#### 1) Number of employees

	As of March 31, 2008	Target by the end of March 2009	Target by the end of March 2010	Target by the end of March 2011	Decrease from the end of fiscal 2007
Regular employees	1,099	1,080	1,061	1,045	(54)

#### 2) Branch consolidation

	As of March 31, 2008	Target by the end of March 2009	Target by the end of March 2010	Target by the end of March 2011	Increase from the end of fiscal 2007
Number of branches	59	60	60	60	1

Note) Excluding 5 subbranches.

### 3. Shareholdings (non-consolidated)

#### (1) Value of shares held by the Bank

(¥ million)

	Acquisition cost	Fair market value	Tier I
March 31, 2007	27,271	43,155	-
September 30, 2007	28,530	42,928	-
March 31, 2008	24,846	28,244	-

## (2) Impairment accounting

(¥ million)

	Net gains on equity securities	
		Impairment loss
March 31, 2007	3,522	379
March 31, 2008	128	289

## 4. Bond trading (non-consolidated)

(¥ million)

	Net losses on JGB and other bond transactions	Unrealized losses on JGB and other bond transactions
March 31, 2007	(3,116)	(1,485)
September 30, 2007	(576)	(1,069)
March 31, 2008	(452)	(1,798)

## 5. NPL (non-consolidated)

## (1) Credit cost

(¥ million)

	1) Net provision (reversal) of general allowance	2) NPL disposal (bank account)	3) NPL disposal (trust account)	Total credit cost 1)+2)+3)
Fiscal 2006	56	1,154	179	1,390
Fiscal 2007	393	487	34	916
Fiscal 2007 first-half	(135)	(30)	-	(165)
Fiscal 2008 forecasts	(197)	737	71	610
Fiscal 2008 first-half forecasts	(165)	44	50	(70)

2) Specific allowance for possible loan losses + bad debt written-offs + losses on sale of loan assets (excluding non-current item)

## (2) NPL balance

(¥ million)

	Asset self-assessment				
	Bankrupt borrowers	Potentially bankrupt borrowers	Potentially bankrupt borrowers or below	Borrowers requiring caution	Total
	1)	2)	1)+2)	3)	1)+2)+3)
March 31, 2007	12,568	16,354	28,922	124,375	153,297
September 30, 2007	11,827	14,780	26,607	124,281	150,888
March 31, 2008	10,624	12,215	22,839	128,808	151,648

	Financial Reconstruction Law	
	Substandard loans 4)	Total 1)+2)+4)
March 31, 2007	10,721	39,644
September 30, 2007	10,888	37,495
March 31, 2008	9,988	32,828

Note) Including trust account.

## (3) NPL final disposal and new occurrence

## a. NPL balance (under the Financial Reconstruction Law)

(¥ million)

	Bankrupt and quasi-bankrupt assets	Doubtful assets	Total
March 31, 2007	12,568	16,354	28,922
September 30, 2007	11,827	14,780	26,607
March 31, 2008	10,624	12,215	22,839
New occurrence during fiscal 2007	2,588	1,942	4,531
Removed from balance sheet during fiscal 2007	(4,531)	(6,082)	(10,614)
Net decrease during fiscal 2007	(1,943)	(4,139)	(6,082)
New occurrence during FY07 second half	1,681	1,019	2,700
Removed from balance sheet during FY07 second half	(2,883)	(3,584)	(6,468)
Net decrease during FY07 second half	(1,202)	(2,565)	(3,767)

Note) Including trust account.

## b. Removal from balance sheet by type of disposal measure

(¥ million)

	Fiscal 2007	Fiscal 2008 targets	
		FY07 first half	
Liquidation and similar measures	-	-	-
Corporate rehabilitation	52	-	-
Improved performance by corporate rehabilitation	-	-	-
Securitization	982	-	530
Sale to RCC	-	-	-
Direct charge-offs	1,277	837	600
Other	8,301	4,818	7,800
Collection/repayment	6,500	3,926	6,000
Improved performance	1,801	892	1,800
Total	10,614	5,656	8,930

## (4) Reserves for possible loan losses by borrower category and reserve ratios

		March 31, 2008	September 30, 2007	March 31, 2007
Bankrupt and effectively bankrupt borrowers	As a percentage of portion not secured by collateral	100% ¥3.0 billion	100% ¥3.3 billion	100% ¥3.0 billion
Potentially bankrupt borrowers	As a percentage of portion not secured by collateral	42.66% ¥1.9 billion	47.73% ¥2.4 billion	55.06% ¥3.5 billion
Borrowers requiring supervision (substandard loans)	As a percentage of debt amount	20.11% ¥3.1 billion	16.95% ¥2.6 billion	16.21% ¥2.8 billion
Borrowers requiring caution (excl. substandard loans)	As a percentage of debt amount	1.07% ¥1.2 billion	1.15% ¥1.2 billion	1.01% ¥1.0 billion
Normal borrowers	As a percentage of debt amount	0.05% ¥0.4 billion	0.04% ¥0.3 billion	0.06% ¥0.4 billion

Note) The Bank has made a provision in an amount of ¥2 billion for possible losses on loans to borrowers requiring caution as of March 31, 2008, with regard to a portion of which has been converted into subordinated loans (DDS).

## (5) NPL ratios under the Financial Reconstruction Law (%)

	March 31, 2006	September 30, 2006	March 31, 2007	September 30, 2007	March 31, 2008	March 31, 2009 (targets)
Non-consolidated	3.80	3.90	3.74	3.58	2.96	Less than 3%
Consolidated	3.97	4.09	3.88	3.78	3.10	Less than 4%