

FINANCIAL REVIEW

During fiscal 1999, ended March 31, 2000, the Japanese economy finally began to bottom out, and signs of recovery gradually emerged. The principal reasons for this included the emergence of the beneficial impact of active fiscal spending on public investment, the continuation of a relaxed monetary policy, and measures adopted to stabilize the financial system. Other factors included expansion in exports supported by strong economic conditions overseas, especially in the United States. Along with the upturn in demand, industrial production began to rise, and corporate profitability began to improve. During this period, market interest rates remained generally low.

In the financial area, uncertainty regarding Japan's financial system was relieved, and capital as well as money markets returned to stability. Japan's Big Bang proceeded steadily, and a series of additional reforms were implemented. Important deregulatory measures included the removal, in principle, of restrictions on the activities of financial subsidiaries of Japanese banks and on the issuance of straight bonds by ordinary banks. Amid these circumstances, banks and other financial institutions became active in arranging mergers, consolidations, and alliances, leading to a full-scale realignment within the financial sector.

As a result of these and other developments, DKB reported the following financial results on a consolidated basis.

In Japan's financial markets, relaxed monetary policies remained in effect, and short-term interest rates were at historically low levels. In view of these conditions, DKB worked to enhance the efficiency of asset and liability management and adopted thoroughgoing measures to reduce expenses. Moreover, to ensure the soundness of its asset portfolio, DKB conducted strict self-assessments of its loans and other claims and made write-offs and provisions to reserves that were deemed appropriate.

As a consequence of these and other factors, net interest income amounted to ¥603.0 billion. Net fees and commissions were ¥122.1 billion (Before

eliminations for consolidation, ¥109.7 billion from domestic operations and ¥13.9 billion from overseas operations. Hereinafter, figures on domestic and overseas operations in parentheses in this Financial Review are before eliminations.), and net trading income amounted to ¥23.0 billion (¥21.6 billion from domestic operations and ¥1.3 billion from overseas operations). Net other operating income amounted to income of ¥57.0 billion (¥51.9 billion from domestic operations and ¥5.1 billion from overseas operations).

By geographical segment, ordinary profit amounting to ¥150.9 billion was reported in Japan, ¥27.2 billion in the Americas and ¥24.8 billion in Asia and Oceania. An ordinary loss of ¥1.7 billion was reported in Europe. (Under Japanese accounting principles, ordinary income and expenses is defined as total income and expenses less those income and expense items classified as extraordinary income and expenses (such as gains or losses on the sale of real estate).)

Among liabilities, deposits declined ¥842.0 billion, to ¥29,129.0 billion, at fiscal year-end (¥26,460.6 billion in domestic operations and ¥2,931.7 billion in overseas operations). Negotiable certificates of deposit rose ¥559.7 billion, to ¥6,157.5 billion (¥5,987.8 billion in domestic operations and ¥185.7 billion in overseas operations). Among assets, loans and bills discounted dropped ¥1,103.9 billion, to ¥32,920.3 billion, while securities rose ¥609.2 billion, to ¥6,691.1 billion (¥6,504.7 billion in domestic operations and ¥186.4 billion in overseas operations). As a consequence, total assets declined ¥2,891.9 billion, to stand at ¥51,998.5 billion at fiscal year-end. Total Shareholders' Equity increased ¥53.1 billion, to ¥2,456.1 billion, and Total Shareholders' Equity per Share amounted to ¥530.74.

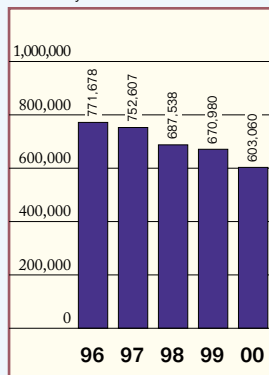
DKB's risk-based capital ratio based on the BIS standard was 12.11% on a consolidated basis and 12.25% on a non-consolidated basis at March 31, 2000.

Statement of Income

Net Interest Income

During the year ended March 31, 2000, net interest income fell 10.1%, to ¥603.0 billion (\$5,681.2 million), from the previous year.

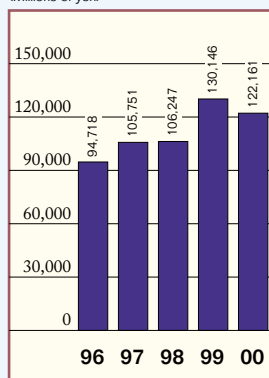
Net Interest Income
(Millions of yen)



Net Fees and Commissions

Net fees and commissions fell 6.1%, to ¥122.1 billion (\$1,150.8 million).

Net Fees and Commissions
(Millions of yen)



Net Other Operating Income

Net other operating income totaled ¥57.0 billion (\$537.7 million), down 28.0% from the previous year.

Net Other Income (Expenses)

DKB recorded net other expenses of ¥157.9 billion (\$1,487.8 million), down 84.1% compared with the year ended March 31, 1999.

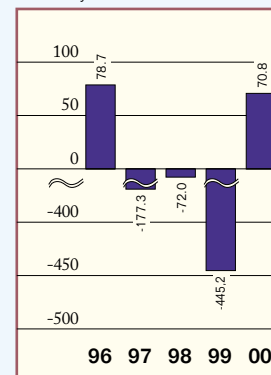
Income (Loss) before Income Taxes and Others

DKB recorded ¥180.3 billion (\$1,698.8 million) in income before income taxes and others, compared with a loss before income taxes and others of ¥657.5 billion in the previous year.

Net Income (Loss)

DKB's net income for the year ended March 31, 2000, amounted to ¥70.8 billion (\$667.4 million). In the year ended March 31, 1999, the Bank recorded a net loss of ¥445.2 billion.

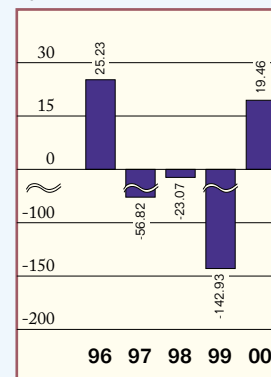
Net Income (Loss)
(Billions of yen)



Net Income (Loss) per Share and Cash Dividends per Share

Net income per share was ¥19.46 (\$0.18), compared with a net loss per share of ¥142.93 for the year ended March 31, 1999. Cash dividends per share of common stock were ¥7.00 (\$0.06).

Net Income (Loss) per Share
(Yen)



Geographical Breakdown of Ordinary Income

The following is a breakdown of the DKB Group's ordinary income in the years ended March 31, 2000 and 1999, based on the locations of the offices.

Under Japanese accounting principles, ordinary income (expenses) is defined as total income and expenses less those income and expense items classified as extraordinary income and expenses (such as gains or losses on the sale of real estate).

	2000	1999
Japan	85%	66%
Non-Japan Asia and Oceania	7%	10%
Europe	3%	5%
The Americas	5%	19%

Balance Sheet

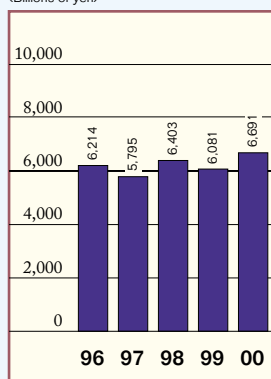
Loans and Bills Discounted

Loans and bills discounted declined 3.2%, to ¥32.9 trillion (\$310.1 billion).

Securities Held

Securities held in DKB's portfolio amounted to ¥6.6 trillion (\$63.0 billion), up 10.0% from the previous fiscal year-end.

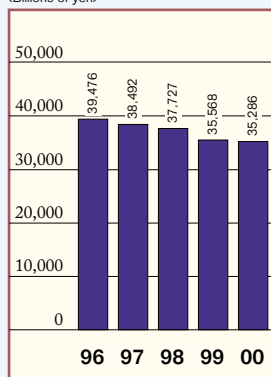
Securities Held
(Billions of yen)



Deposits

The total balance of deposits slipped 0.7%, to ¥35.2 trillion (\$326.3 billion). Negotiable certificates of deposit (NCDs) rose 9.9%, to ¥6.1 trillion (\$58.0 billion). Total deposits less NCDs decreased 2.8%, to ¥29.1 trillion (\$274.4 billion).

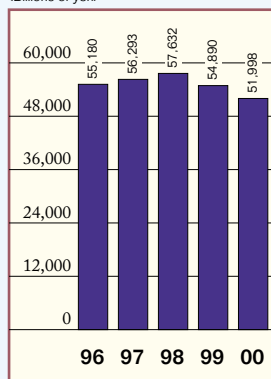
Deposits
(Billions of yen)



Total Assets and Total Shareholders' Equity

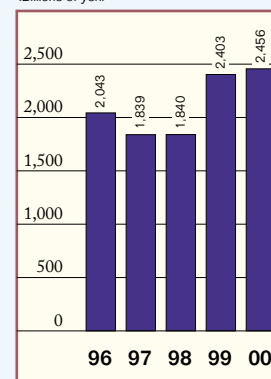
Total assets of DKB declined 5.2%, to ¥51.9 trillion (\$489.8 billion). Total assets, excluding customers' liabilities for acceptances and guarantees, fell 5.1%, to ¥49.9 trillion (\$470.6 billion). One of the primary factors accounting for this is that, due to a change in accounting policies, beginning with the period under review, the

Total Assets
(Billions of yen)



Reserve for Devaluation of Investment Securities and the Reserve for Possible Loan Losses have been accounted for as items deducted from assets. Total shareholders' equity surged 2.2%, to ¥2.4 trillion (\$23.1 billion).

Total Shareholders' Equity
(Billions of yen)



Capital Ratios

Total capital based on the BIS standard increased 3.3%, to ¥4.1 trillion (\$39.5 billion). Of this total, Tier I capital rose ¥37.0 billion (\$349.4 million) as a result of the contribution of net income for the fiscal year under review and other factors. Tier II capital rose ¥101.3 billion (\$954.8 million) owing to increases in subordinated debt and General Reserve for Possible Loan Losses. Total risk-adjusted assets decreased 2.2%, to ¥34.6 trillion (\$326.3 billion). DKB's risk-based capital ratio was 12.11%, up 0.65 percentage point from the 11.46% recorded a year earlier.

	Billions of yen, %	
	Mar. 31, 2000	Mar. 31, 1999
Tier I (a)	¥ 2,112.1	¥ 2,075.0
Tier II (b)	2,088.0	1,986.6
Unrealized Valuation Gains on Securities, after 55% Discount	3.7	1.9
Premises Revaluation Account, after 55% Discount	244.9	247.6
General Reserve for Possible Loan Losses	297.3	241.9
Other	1,542.0	1,495.0
Deductions from Capital (c)	3.7	0.9
Total Capital (a)+(b)-(c)	4,196.4	4,060.7
Total Risk-Adjusted Assets	34,638.2	35,418.0
Risk-Based Capital Ratio (BIS Capital Ratio)	12.11%	11.46%

Breakdown of Income and Expenses

Domestic interest income was ¥842.7 billion, and interest expenses were ¥290.7 billion. As a consequence, net interest income was ¥551.9 billion. Net fee and commission income amounted to ¥109.7 billion, net trading income was ¥21.6 billion, and net other operating income amounted to ¥51.9 billion.

Net interest income from overseas operations amounted to ¥53.4 billion, and net fee and commission income from overseas operations was ¥13.9 billion.

	Millions of yen				Thousands of U.S. dollars
	2000				2000
	Domestic	Overseas	Eliminations	Total	Total
Interest Income (A)	¥842,713	¥301,997	¥(39,532)	¥1,105,177	\$10,411,471
Interest Expenses (B)	290,741	248,555	(39,532)	499,763	4,708,084
(A)-(B)	551,972	53,442	—	605,414	5,703,386
Fee & Commission Income (C)	149,045	19,681	(16,082)	152,644	1,438,008
Fee & Commission Expenses (D)	39,277	5,780	(14,575)	30,483	287,171
(C)-(D)	109,768	13,900	(1,507)	122,161	1,150,836
Trading Income (E)	23,233	2,398	(936)	24,694	232,641
Trading Expenses (F)	1,610	1,012	(936)	1,687	15,896
(E)-(F)	21,622	1,385	—	23,007	216,744
Other Operating Income (G)	99,578	5,213	(6)	104,785	987,142
Other Operating Expenses (H)	47,631	70	—	47,701	449,381
(G)-(H)	51,947	5,142	(6)	57,083	537,760

Notes: 1. "Domestic" is defined as DKB (excluding overseas offices) and consolidated subsidiaries that have their head office in Japan (hereinafter, domestic consolidated subsidiaries).

2. "Overseas" is defined as DKB's offices outside of Japan and consolidated subsidiaries that have their head offices outside Japan (hereinafter, overseas consolidated subsidiaries).

3. "Eliminations" are internal transactions between or among DKB and consolidated subsidiaries, etc.

4. "Interest Expenses" excludes expenses related to the management of "Money Held in Trust."

Interest-earning Assets and Interest-bearing Liabilities

The average outstanding balance of interest-earning assets in domestic operations amounted to ¥36,974.8 billion, and the largest item was loans and bills discounted, which stood at ¥28,711.4 billion. The average outstanding balance of interest-earning assets in overseas operations amounted to ¥6,398.1 billion. The average gross yield on these assets was 2.27% in domestic operations and 4.72% in overseas operations. On the other hand, the average outstanding balance of interest-bearing liabilities in domestic operations was ¥36,674.1 billion, and the largest item was deposits, which stood at ¥28,277.4 billion. The average outstanding

balance of interest-bearing liabilities in overseas operations was ¥6,221.7 billion. The average cost of interest-bearing liabilities was 0.79% in domestic operations and 3.99% in overseas operations.

After eliminations, for combined domestic and overseas operations, the average outstanding balance of interest-earning assets was ¥40,782.1 billion. The interest on these assets was ¥1,105.1 billion, and the gross yield was 2.70%. On the other hand, the average outstanding balance of interest-bearing liabilities was ¥40,310.0 billion. Interest paid on these liabilities was ¥499.7 billion, and average cost was 1.23%.

Domestic

	Millions of yen/%			Thousands of U.S. dollars	
	Mar. 31, 2000			Mar. 31, 2000	
	Average out-standing balance	Interest	Yield or Cost	Average out-standing balance	Interest
Interest-earning Assets	¥36,974,856	¥842,713	2.27%	\$348,326,484	\$7,938,892
Loans and Bills Discounted	28,711,437	574,496	2.00	270,479,866	5,412,123
Securities	6,125,662	92,654	1.51	57,707,602	872,863
Call Loans and Bills Bought	93,717	1,728	1.84	882,877	16,282
Cash and Due from Banks	521,316	13,333	2.55	4,911,134	125,608
Interest-bearing Liabilities	36,674,158	290,741	0.79	345,493,723	2,738,964
Deposits	28,277,438	119,484	0.42	266,391,321	1,125,618
Negotiable Certificates of Deposit	4,134,999	5,789	0.14	38,954,301	54,538
Call Money and Bills Sold	2,138,861	11,078	0.51	20,149,426	104,370
Commercial Paper	102,070	279	0.27	961,570	2,630
Borrowed Money	1,420,764	32,095	2.25	13,384,501	302,359

Notes: 1. The average outstanding balances were computed, in principle, by averaging the daily balances in these accounts. However, for certain domestic consolidated subsidiaries, the balances were computed by averaging the month-end balances of fiscal year 1999.

2. "Domestic" is defined as DKB (excluding overseas offices) and domestic consolidated subsidiaries.

3. The figures shown for interest-earning assets are after deduction of the average balance of cash and due from banks that yields no interest. The figures shown for interest-bearing liabilities are after deduction of the average balance of money held in trust and interest on these trusts.

Overseas

	Millions of yen/%			Thousands of U.S. dollars	
	Mar. 31, 2000			Mar. 31, 2000	
	Average out-standing balance	Interest	Yield or Cost	Average out-standing balance	Interest
Interest-earning Assets	¥6,398,193	¥301,997	4.72%	\$60,275,017	\$2,845,004
Loans and Bills Discounted	5,173,091	225,191	4.35	48,733,787	2,121,446
Securities	195,586	11,243	5.74	1,842,547	105,925
Call Loans and Bills Bought	184,031	8,596	4.67	1,733,688	80,987
Cash and Due from Banks	701,276	29,998	4.27	6,606,471	282,609
Interest-bearing Liabilities	6,221,714	248,555	3.99	58,612,481	2,341,546
Deposits	2,944,654	104,052	3.53	27,740,505	980,243
Negotiable Certificates of Deposit	150,661	8,635	5.73	1,419,324	81,352
Call Money and Bills Sold	179,315	6,695	3.73	1,689,261	63,078
Commercial Paper	57,838	3,233	5.59	544,879	30,464
Borrowed Money	870,942	24,273	2.78	8,204,829	228,675

Notes: 1. The average outstanding balances for certain overseas consolidated subsidiaries were computed by averaging the month-end balances of fiscal year 1999.

2. "Overseas" is defined as DKB's offices outside of Japan and overseas consolidated subsidiaries.

3. The figures shown for interest-earning assets are after deduction of the average balance of non-interest-bearing cash and due from banks. The figures shown for interest-bearing liabilities are after deduction of the average balance of money held in trust and interest from such trusts.

Total

	Millions of yen			Thousands of U.S. dollars	Millions of yen			Thousands of U.S. dollars	%
	Mar. 31, 2000			Mar. 31, 2000	Mar. 31, 2000			Mar. 31, 2000	
	Average outstanding balance			Total	Interest			Total	
Sub-total	Eliminations	Total	Sub-total		Eliminations	Total			
Interest-earning Assets	¥43,373,049	¥(2,590,907)	¥40,782,142	\$384,193,521	¥1,144,710	¥(39,532)	¥1,105,177	\$10,411,471	2.70%
Loans and Bills									
Discounted	33,884,529	(1,077,242)	32,807,286	309,065,346	799,688	(22,942)	776,745	7,317,432	2.36
Securities	6,321,248	(3,399)	6,317,848	59,518,121	103,898	(161)	103,736	977,266	1.64
Call Loans and Bills Bought	277,748	(114,275)	163,473	1,540,020	10,325	(5,541)	4,783	45,061	2.92
Cash and Due from Banks	1,222,593	(202,269)	1,020,324	9,612,100	43,332	(7,363)	35,968	338,846	3.52
Interest-bearing Liabilities	42,895,873	(2,585,815)	40,310,057	379,746,188	539,296	(39,532)	499,763	4,708,084	1.23
Deposits	31,222,093	(208,799)	31,013,294	292,164,805	223,537	(7,363)	216,173	2,036,491	0.69
Negotiable Certificates of Deposit	4,285,660	(314)	4,285,345	40,370,661	14,424	(0)	14,424	135,891	0.33
Call Money and Bills Sold	2,318,176	(114,275)	2,203,901	20,762,141	17,774	(5,541)	12,232	115,241	0.55
Commercial Paper	159,909	(0)	159,908	1,506,443	3,512	(0)	3,512	33,094	2.19
Borrowed Money	2,291,707	(1,077,242)	1,214,464	11,441,024	56,369	(22,943)	33,426	314,897	2.75

Note: "Eliminations" are internal transactions between or among DKB and consolidated subsidiaries, etc.

Fee & Commission Income and Expenses

Domestic fee and commission income amounted to ¥149.0 billion. Of this total, remittances and foreign exchange transactions accounted for ¥56.0 billion, securities-related transactions for ¥41.7 billion, guarantees for ¥14.9 billion, and agency services for ¥14.6 billion. Domestic fee and commission expenses were ¥39.2 billion, including

expenses related to remittances and foreign exchange of ¥13.5 billion.

Overseas fee and commission income amounted to ¥19.6 billion, including ¥6.6 billion from deposits and loans and ¥3.1 billion from securities-related transactions. Fee and commission expenses were ¥5.7 billion.

	Millions of yen				Thousands of U.S. dollars
	2000				2000
	Domestic	Overseas	Eliminations	Total	Total
Fee & Commission Income	¥149,045	¥19,681	¥(16,082)	¥152,644	\$1,438,008
Deposits and loans	9,273	6,633	(141)	15,765	148,519
Remittances and foreign exchange transactions	56,020	1,193	(1,671)	55,542	523,247
Securities-related transactions	41,706	3,183	(5,050)	39,839	375,310
Agency services	14,606	86	(43)	14,649	138,011
Custody and safe deposits	3,188	0	(109)	3,079	29,013
Guarantees	14,905	2,423	(5,123)	12,205	114,987
Fee & Commission Expenses	39,277	5,780	(14,575)	30,483	287,171
Remittances and foreign exchange	13,579	73	(1,671)	11,982	112,883

Notes: 1. "Domestic" is defined as DKB (excluding overseas offices) and domestic consolidated subsidiaries.

2. "Overseas" is defined as DKB's offices outside of Japan and overseas consolidated subsidiaries.

3. "Eliminations" are internal transactions between or among DKB and consolidated subsidiaries, etc.

Trading Income and Expenses

Domestic trading income was ¥23.2 billion, including income from financial derivatives of ¥18.6 billion. Domestic trading expenses consisted entirely of expenses of securities related to trading transactions of ¥1.6 billion.

Trading income from overseas operations amounted to ¥2.3 billion, and expenses were ¥1.0 billion.

	Millions of yen				Thousands of U.S. dollars
	2000				2000
	Domestic	Overseas	Eliminations	Total	Total
Trading Income	¥23,233	¥2,398	¥(936)	¥24,694	\$232,641
Trading Account Securities	3,152	1,893	—	5,045	47,535
Financial Derivatives	18,610	504	—	19,114	180,071
Other Trading Income	1,470	—	(936)	534	5,034
Trading Expenses	1,610	1,012	(936)	1,687	15,896
Securities Related to Trading Transactions	1,610	76	—	1,687	15,896
Other Trading Expenses	—	936	(936)	—	—

Notes: 1. "Domestic" is defined as DKB (excluding overseas offices) and domestic consolidated subsidiaries.
 2. "Overseas" is defined as DKB's offices outside of Japan and overseas consolidated subsidiaries.
 3. "Eliminations" are internal transactions between or among DKB and consolidated subsidiaries, etc.

Trading Account Assets and Liabilities

Trading account assets in domestic operations amounted to ¥3,444.2 billion at fiscal year-end. This total included ¥2,177.4 billion in trading account securities, ¥632.8 billion in financial derivatives, and ¥630.2 billion in other trading assets. Trading account liabilities was ¥1,184.9 billion,

including ¥591.0 billion in trading securities sold and ¥590.0 billion in financial derivatives. Trading account assets in overseas operations amounted to ¥307.2 billion and trading account liabilities was ¥297.8 billion.

	Millions of yen				Thousands of U.S. dollars
	Mar. 31, 2000				Mar. 31, 2000
	Domestic	Overseas	Eliminations	Total	Total
Trading Account Assets	¥3,444,296	¥307,280	¥(130,736)	¥3,620,839	\$34,110,596
Trading Account Securities	2,177,401	57,704	—	2,235,106	21,056,115
Derivatives of Trading Securities	3,563	11	—	3,575	33,679
Derivatives of Securities Related to Trading Transactions	294	58	—	352	3,322
Financial Derivatives	632,818	249,505	(130,736)	751,587	7,080,431
Other Trading Assets	630,217	—	—	630,217	5,937,047
Trading Account Liabilities	1,184,985	297,862	(130,736)	1,352,111	12,737,745
Trading Securities Sold	591,087	27,980	—	619,067	5,832,004
Derivatives of Trading Securities	3,844	—	—	3,844	36,215
Derivatives of Securities Related to Trading Transactions	6	112	—	118	1,120
Financial Derivatives	590,048	269,769	(130,736)	729,081	6,868,405

Notes: 1. "Domestic" is defined as DKB (excluding overseas offices) and domestic consolidated subsidiaries.
 2. "Overseas" is defined as DKB's offices outside of Japan and overseas consolidated subsidiaries.
 3. "Eliminations" are internal transactions between or among DKB and consolidated subsidiaries, etc.

Deposits

	Millions of yen				Thousands of
	Mar. 31, 2000				U.S. dollars
	Domestic	Overseas	Eliminations	Total	Mar. 31, 2000
					Total
Deposits					
Liquid Deposits	¥11,312,011	¥ 179,338	¥(118,490)	¥11,372,859	\$107,139,519
Time Deposits	13,303,917	2,715,062	(143,530)	15,875,449	149,556,750
Others	1,844,727	37,375	(1,361)	1,880,741	17,717,771
Total	26,460,655	2,931,776	(263,382)	29,129,050	274,414,041
Negotiable Certificates of Deposit	5,987,830	185,723	(16,000)	6,157,553	58,008,043
Total	¥32,448,485	¥3,117,500	¥(279,382)	¥35,286,604	\$332,422,084

Notes: 1. "Domestic" is defined as DKB (excluding overseas offices) and domestic consolidated subsidiaries.

2. "Overseas" is defined as DKB's offices outside of Japan and overseas consolidated subsidiaries.

3. "Eliminations" are internal transactions between or among DKB and consolidated subsidiaries.

Securities

	Millions of yen			Thousands of
	Mar. 31, 2000			U.S. dollars
	Domestic	Overseas	Total	Mar. 31, 2000
				Total
Japanese Government Bonds	¥2,375,616	¥ —	¥2,375,616	\$22,379,810
Japanese Municipal Bonds	169,997	—	169,997	1,601,487
Corporate Bonds	318,999	—	318,999	3,005,179
Stocks	2,950,894	—	2,950,894	27,799,285
Other Securities	689,227	186,426	875,653	8,249,210
Loaned Securities	24	—	24	234
Total	¥6,504,760	¥186,426	¥6,691,187	\$63,035,207

Notes: 1. "Domestic" is defined as DKB (excluding overseas offices) and domestic consolidated subsidiaries.

2. "Overseas" is defined as DKB's offices outside of Japan and overseas consolidated subsidiaries.

3. "Other Securities" includes foreign bonds and foreign stocks.