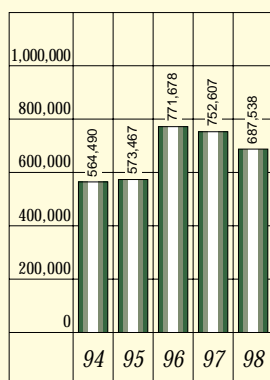


STATEMENT OF INCOME

NET INTEREST INCOME

In fiscal 1997, net interest income decreased 8.6%, to ¥687.5 billion (\$5.2 billion), from the previous year. Beginning with fiscal 1997, a portion of interest income and expenses, formerly booked in this item, is included in trading income and expenses accompanying the adoption of mark-to-market accounting.

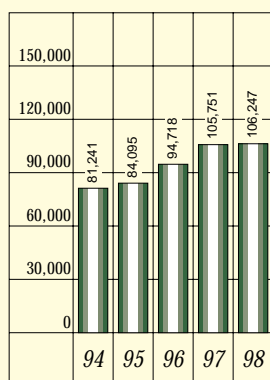
Net Interest Income  
(Millions of yen)



NET FEES AND COMMISSIONS

Net fees and commissions edged up 0.4%, to ¥106.2 billion (\$804.3 million), mainly reflecting increased fees from deposit and loan operations.

Net Fees and Commissions  
(Millions of yen)



NET OTHER OPERATING INCOME (EXPENSES)

Net other operating income totaled ¥79.5 billion (\$602.3 million), a jump of 12.8% from the previous year. This was primarily because conditions in the bond market remained relatively firm during the year.

NET OTHER INCOME (EXPENSES)

The Bank recorded net other expenses of ¥448.2 billion (\$3.4 billion), an improvement of 37.9% compared with fiscal 1996. This figure includes a substantial rise in credit costs, as the Bank took decisive and strict measures to deal with its nonperforming loans, and reflects the effect of adopting the cost method in evaluating the Bank's securities.

INCOME (LOSS) BEFORE INCOME

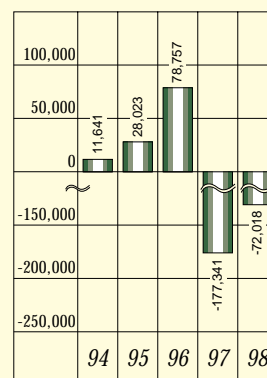
TAXES AND OTHERS

The Bank recorded an ¥83.6 billion (\$633.4 million) loss before income taxes and others, compared with a loss before income taxes and others of ¥316.6 billion in the previous year.

NET INCOME (LOSS)

The Bank's net loss for fiscal 1997 was held to ¥72.0 billion (\$545.2 million). In fiscal 1996, the Bank recorded a net loss of ¥177.3 billion.

Net Income (Loss)  
(Millions of yen)

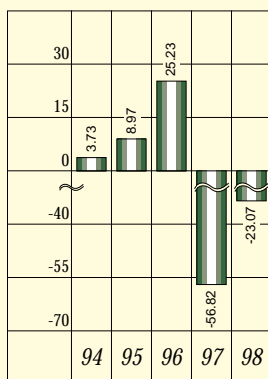


## NET INCOME (LOSS) PER SHARE AND CASH

### DIVIDENDS PER SHARE

Net loss per share was ¥23.07 (\$0.17), compared with a net loss per share of ¥56.82 for fiscal 1996. Cash dividends per share were maintained at ¥8.50 (\$0.06).

Net Income (Loss) per Share  
(Yen)



## GEOGRAPHICAL BREAKDOWN

### OF TOTAL INCOME

The following is a breakdown of the DKB Group's total income in fiscal years 1997 and 1996, based on the location of the lending offices.

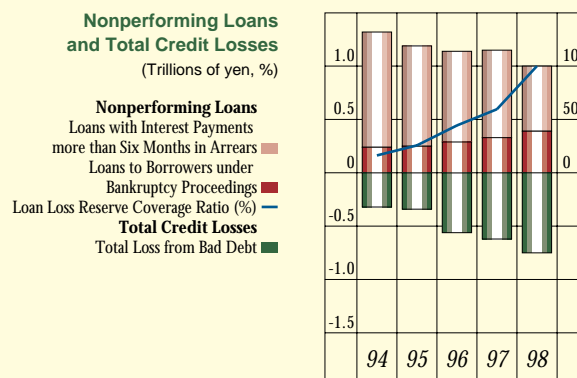
	1998	1997
Japan	64%	64%
Asia (except Japan) and Oceania	11	10
Europe	6	8
The Americas	19	18

## BALANCE SHEET

### LOANS AND BILLS DISCOUNTED

Loans and bills discounted fell 2.7%, to ¥38.0 trillion (\$287.7 billion). The Bank's emphasis on loans to individuals and small and medium-sized companies led to financing of ¥18.6 trillion (\$140.8 billion) to these client groups and represented 69.5% of total domestic loans and bills discounted. Total consumer loans fell 1.3%, to ¥5.7 trillion (\$43.5 billion).

The breakdown of nonperforming loans (parent) was as follows:

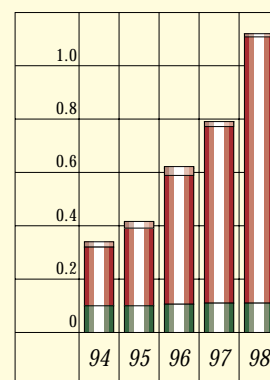


### Reserve for Possible

#### Loan Losses

(Trillions of yen)

General Reserve  
Reserve for Special Purposes  
Reserve for Loans to Restructuring Countries

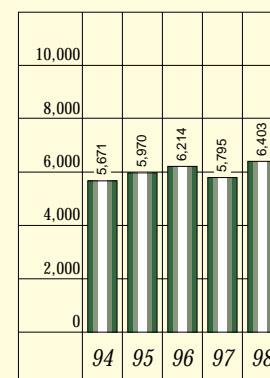


## SECURITIES HELD

Securities held in the Bank's portfolio amounted to ¥6.4 trillion (\$48.5 billion), up 10.4% from the previous fiscal year-end.

### Securities Held

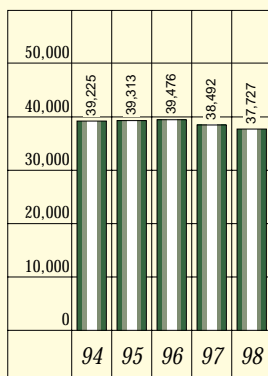
(Billions of yen)



## DEPOSITS

The total balance of deposits edged down 1.9%, to ¥37.7 trillion (\$285.6 billion). Negotiable certificates of deposit (NCDs) rose 19.8%, to ¥4.3 trillion (\$32.8 billion). Total deposits less NCDs slipped 4.2%, to ¥33.3 trillion (\$252.8 billion).

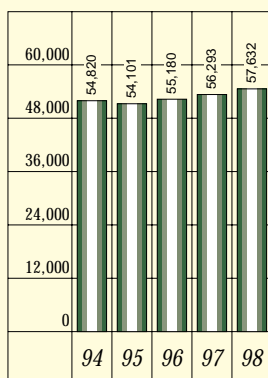
**Deposits**  
(Billions of yen)



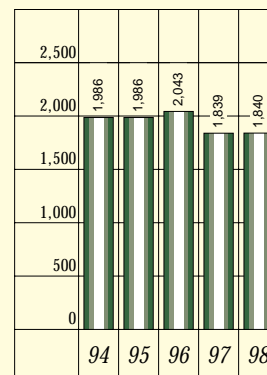
## TOTAL ASSETS AND TOTAL SHAREHOLDERS' EQUITY

Total assets of the Bank amounted to ¥57.6 trillion (\$436.3 billion), an increase of 2.3%. This was mainly because of the introduction of the mark-to-market accounting approach for trading transactions. Total assets excluding customers' liabilities for acceptances and guarantees rose 2.8%, to ¥55.3 trillion (\$418.9 billion). Total shareholders' equity edged up 0.02%, to ¥1.8 trillion (\$13.9 billion).

**Total Assets**  
(Billions of yen)



**Total Shareholders' Equity**  
(Billions of yen)



## CAPITAL RATIOS

Total capital decreased 0.4%, to ¥3.7 trillion (\$28.3 billion). Although the issuance of preferred stock and gains from the revaluation of land had a positive effect on capital, the Bank's unrealized valuation gains on securities was excluded because of the adoption of the cost method of accounting for securities, a decline in the balance of subordinated loans, and other factors, thus leading to a decline in capital. Total risk-adjusted assets decreased 4.0%, to ¥41.2 trillion (\$312.1 billion). The Bank's risk-based capital ratio was 9.08%, up 0.33 percentage point from the 8.75% recorded a year earlier.

	Billions of yen	
	1998	1997
<b>Tier I</b>		
Common Shareholders' Equity	¥ 1,909.2	¥ 1,880.8
Total Tier I Capital	1,909.2	1,880.8
<b>Tier II</b>		
Unrealized Valuation Gains on Securities, after 55% Discount	0	264.1
Premises Revaluation Account, after 55% Discount	287.0	/
Reserve for Possible Loan Losses	145.7	149.0
Others	1,401.0	1,467.6
Total Tier II Capital	1,833.8	1,880.8
Total Capital	3,743.1	3,761.6
Total Risk-Adjusted Assets	41,222.4	42,953.4
Risk-Based Capital Ratio	9.08%	8.75%