

A p p e n d i x

The Sumitomo Trust & Banking Co., Ltd.

Summary of Financial Results of Fiscal Year 1998

(in billions of Yen)

	FY1998	FY1997	Change	%Change
Gross Profits	320.4	309.9	10.4	3.4%
Net Trust Fees	143.6	142.6	1.0	0.7%
Trust fees from Loan Trust and Jointly-Operated Money Trusts*	149.0	124.8	24.1	19.3%
Other Trust Fees	45.6	42.8	2.8	6.5%
Trust Accounts Net Credit Costs	-51.0	-25.0	-25.9	-103.4%
Net Interest Income	94.0	86.0	8.0	9.4%
Domestic Business	64.7	57.5	7.1	12.5%
International Business	29.2	28.4	0.8	3.1%
Net Fees & Commissions	22.3	27.9	-5.6	-20.1%
Net Gains from Trading	3.2	9.6	-6.4	-66.9%
Others	57.0	43.6	13.4	30.8%
Net Capital Gains from Bonds	49.2	40.2	9.0	22.4%
Administrative Expenses (Excl.Non-Operating Costs)	143.2	154.6	-11.4	-7.4%
Net Transfer to General Reserve	10.6	23.7	-13.0	-55.0%
Net Business Profits(Gyomu Jun-eki)	166.4	131.4	35.0	26.6%
Adjusted Net Business Profit**	228.1	180.3	47.8	26.5%
Net Non-Recurring Profits(Loss)	-353.9	-224.9	-128.9	-57.3%
Net Capital Gains (Stock)	5.0	89.8	-84.7	-94.3%
Banking Account Net Credit Costs	346.3	309.0	37.3	12.1%
Net Transfer to Reserves for Losses on LDC Debt	7.5	0.2	7.3	2,814.8%
Net Operating Profit(Loss) (Keijo-Rieki)	-187.4	-93.4	-93.9	-100.5%
Net Income(Loss)	-107.1	-71.6	-35.4	-49.4%

*Gross Trust Fees(before credit costs)

** (Net Business Profit) = (Trust A/C Credit Cost) + (Net Transfer to General Reserve)

Breakdown of Credit Costs

(in billions of Yen)

	FY1998	FY1997	Change
Credit Costs (A)	397.3	334.0	63.2
Banking Account	346.3	309.0	37.3
Net Losses from Direct write-off's *1	54.7	24.3	30.4
Net Transfer to Specific Loan Loss Reserves	274.6	273.3	1.2
Losses on Sale to CCPC *2	0.6	5.6	-4.9
Transfer to Reserves for Possible Loan Losses to CCPC	4.3	3.3	1.0
Other Credit Costs *3	11.9	2.4	9.5
Trust Accounts	51.0	25.0	25.9
Direct Write-off's	47.2	20.6	26.5
Losses on Sale to CCPC	0.8	4.4	-3.5
Other Credit Costs *3	2.9	0.0	2.9
Net Transfer to General Reserve (B)	10.6	23.7	-13.0
Net Transfer to Reserves for Losses on LDC Debt (C)	7.5	0.2	7.3
Gross Credit Costs (A + B + C)	415.6	358.1	57.5

*1 (Direct Write-off's Amount) - (Utilized Reserved Amount)

*2 The Cooperative Credit Purchasing Co., Ltd.

*3 Mainly Losses from Bulk Sales

Asset Classification by the Revitalization Plan as of March 1999

(Non-consolidated)

Banking Account

(in billions of Yen)

Classification	Amount		Cover Ratio		Collateral/Reserve	Reserve Ratio	
	Mar.1999	Sep.1998	Mar.1999	Sep.1998		Mar.1999	Sep.1998
Bankrupt/Practically Bankrupt(A)*	327.0	340.7	100%	100%	Specific Reserve 144.4 Collateral/Guarantee 182.5	100%	100%
Doubtful (Kiken-Saiken)(B)	486.0	204.1	88%	76%	Unsecured 57.4 Specific Reserve 189.4 Collateral/Guarantee 239.1	76%	51%
Substandard (Yo-Kanri-Saiken)(C)	24.4	185.0	31%	39%	Unsecured 16.7 Specific Reserve 3.0 Collateral/Guarantee 4.7	15%	12%
Ordinary Assets (Seijo-Saiken)	7,155.3	7,776.2			General Reserves 59.4 Reserves for Losses on LDC Debt 10.0		
Total	7,992.6	8,506.1					

*The figures are after adjusting for the direct write-off (¥421.7 billion--Mar.1999, ¥27.6 billion--Sep.1998 respectively) for the category.

	Mar.1999	Sep.1998
(A)+(B)+(C) Non-Consolidated	837.3	729.9
(A)+(B)+(C) Consolidated	841.4	

Trust Account

(in billions of Yen)

Classification	Amount		Cover Ratio		Collateral/Reserve	Reserves
	Mar.1999	Sep.1998	Mar.1999	Sep.1998		
Bankrupt/Practically Bankrupt(D)	33.8	50.6	100%	80%	Collateral/Guarantee 33.8	Special Reserve (Tokubetsu Ryuhokin) 35.2
Doubtful (Kiken-Saiken)(E)	71.0	54.0	60%	62%	Unsecured 28.2 Collateral/Guarantee 42.8	Reserve for Possible Implement of Principal (Saiken Shoukyaku Junbikin) 0.9
Substandard (Yo-Kanri-Saiken)(F)	8.2	10.7	64%	91%	Unsecured 2.9 Collateral/Guarantee 5.3	
Ordinary Assets (Seijo-Saiken)	3,418.9	3,440.2				
Total	3,531.9	3,555.6				
Grand Total	11,524.5	12,061.8				

	Mar.1999	Sep.1998
(A)+(B)+(C)	113.0	115.4
(A) ~ (F)	950.3	845.3

Loans under Risk Management as of March 1999

(Non-consolidated)

(in billions of Yen)

	Mar.1999	Sep.1998	Change	Mar.1998
Banking Account Loans				
Loans in Bankruptcy Proceedings (a)	160.8	269.6	-108.7	123.4
Other Delinquent Loans (b)	648.2	429.7	218.4	448.2
(a)+(b)	809.0	699.3	109.6	571.7
Loans More than 3 months Past Due	3.8	25.0	-21.2	7.0
Restructured Loans	20.6	383.0	-362.4	447.4
Total Loans under Risk Management	(*)833.4	(**)1107.5	-274.0	1,026.2

(*)Figure as of Mar. 31 1999 is after direct write-off's of ¥421.7 billion.

(**)Figure as of Sep.98 is before direct write-off's of ¥526.7 billion.

The Bank classifies Bankrupt/Partially Bankrupt Category and Doubtful Category to Other Delinquent Loans Category based on the Self Assessment in this section as of Mar. 31 1999 for both Banking and Trust Accounts. This change causes the Bank increase the balance of Loans under Risk Management of ¥277.9 billion comparing to the previous rule.

(If the Bank applied the previous rule, the balance of Loans under Risk Management would be ¥555.5 billion.)

(in billions of Yen)

	Mar.1999	Sep.1998	Change	Mar.1998
Trust Account Loans(Principal Guaranteed)				
Loans in Bankruptcy Proceedings (a)	15.6	23.5	-7.9	12.3
Other Delinquent Loans (b)	89.1	26.9	62.1	40.9
(a)+(b)	104.8	50.5	54.2	53.2
Loans More than 3 months Past Due	3.0	12.5	-9.5	10.6
Restructured Loans	5.1	18.7	-13.6	43.9
Total Loans under Risk Management	113.0	81.9	31.1	107.8

(If the Bank applied the previous rule, the balance of Loans under Risk Management would be ¥85.5 billion.)

(Consolidated)

(in billions of Yen)

	Mar.1999
Banking Account Loans	
Loans in Bankruptcy Proceedings (a)	175.3
Other Delinquent Loans (b)	633.1
(a)+(b)	808.4
Loans More than 3 months Past Due	3.8
Restructured Loans	21.1
Total Loans under Risk Management	833.3

Reserves For Possible Loans Losses

(in billions of Yen)

	Mar.1999	Mar.1998	Change	%Change
General Reserve	62.3	51.6	10.6	20.7%
Specific Reserve	334.4	645.9	-311.5	-48.2%
Reserve for Losses on LDC Debt	10.0	2.6	7.3	277.6%
Reserves in Banking Account	406.7	700.2	-293.4	-41.9%
Reserve for Possible Impairment of Principal *	0.9	0.9	0.0	-5.4%
Reserve for Possible Impairment of Principal ("Special Reserve") **	35.1	39.3	-4.1	-10.5%
Total Reserves in Banking and Trust Accounts	442.8	740.5	-297.6	-40.2%

*Jointly-Operated Money Trust, **Loan Trust

Overseas Loan Exposures by Borrowers' Location as of March 1999

Non-consolidated

(in billions of Yen)

	Mar.1999		Mar.1998	Change
		Japanese Affiliates		
Asia	246.5 (7.9%)	119.9 (1.9%)	399.2 (2.3%)	-152.6 (5.6%)
Thailand	49.5 (12.1%)	25.8 (0.9%)	106.9 (3.0%)	-57.3 (9.1%)
Indonesia	36.6 (30.9%)	14.7 (7.8%)	73.8 (5.0%)	-37.2 (25.9%)
Singapore	36.0 (0.4%)	19.1 (0.2%)	38.1 (0.0%)	-2.0 (0.4%)
Hong Kong	59.5 (1.3%)	43.1 (1.4%)	99.7 (0.3%)	-40.1 (1.0%)
East Europe	5.8 (81.7%)	---	6.4 (31.5%)	-0.6 (50.2%)
Russia	5.1 (92.9%)	---	5.6 (36.2%)	-0.4 (56.7%)

Loans Sold to Cooperative Credit Purchase Co.

(in billions of Yen)

	Mar.1999	Mar. 1998	Change
Current Balance of Loans to CCPC (A)	23.9	30.6	-6.7
Reserve for Possible Loan Losses (B)	11.5	12.4	-0.8
Reserve Ratio (B) / (A)	48.4%	40.6%	7.8%

Stockholder's Equity(Non-consolidated)

(in billions of Yen)

	Mar.1999	Mar.1998	Change
Common Stock	277.0	182.0	94.9
Capital Surplus	230.4	135.4	94.9
Legal Reserves	37.6	35.6	1.9
Surplus from Land Revaluation	25.4	---	25.4
Retained Earnings	120.0	27.9	92.1
Total Stockholder's Equity	690.5	381.0	309.4

Market Value Information as of March 1999(Securities,Derivatives)

(in billions of Yen)

	Mar.1999	Mar.1998	Change
Listed Securities	102.9	93.0	9.8
Bonds	17.7	19.1	-1.3
Stocks	87.8	71.8	16.0
Others	-2.6	2.1	-4.7
Unlisted Securities	14.1	0.6	13.4
Bonds	5.0	8.7	-3.6
Stocks	8.7	-3.1	11.8
Others	0.2	-4.9	5.1
Listed/Unlisted Securities	117.1	93.7	23.3
Derivatives	53.8	37.9	15.8

BIS Capital Adequacy

(in billions of Yen)

BIS Capital Ratio(Consolidated)	Mar.1999	Mar.1998	Change	Sep.1998
	(A)	(B)	(A)-(B)	
Capital Ratio	12.27%	9.89%	2.38%	10.40%
(Tier I Ratio)	7.10%	5.27%	1.83%	5.69%
Total Capital	1,315.3	1,179.3	136.0	1,140.9
Tier I	761.5	628.2	133.2	624.9
Minority Interest in Consolidated Subsidiaries	89.0	---	89.0	---
(PREFERRED SECURITIES OF FOREIGN SPECIAL PURPOSE SUBSIDIARIES)	83.0	---	83.0	---
Tier II	555.2	551.0	4.2	515.9
Unrealized Gains of Land, after 55% Discount	19.7	---	19.7	---
General Reserve	64.5	51.8	12.7	54.7
Mandatory Exchangeable Subordinated Notes	20.0	110.0	-89.9	110.0
Subordinated Debt	450.9	389.2	61.7	351.2
Deduction from Capitals	1.4	---	1.4	---
Risk Assets	10,716.7	11,914.8	-1,198.0	10,968.2

(in billions of Yen)

BIS Capital Ratio(Non-consolidated)	Mar.1999
Capital Ratio	12.52%
(Tier I Ratio)	7.19%
Total Capital	1,295.4
Tier I	743.8
Tier II	553.0
Unrealized Gains of Land, after 55% Discount	19.7
General Reserve	62.3
Mandatory Exchangeable Subordinated Notes	20.0
Subordinated Debt	450.9
Deduction from Capitals	1.4
Risk Assets	10,342.0

Summary of Forecast For the Fiscal Year 1999

Based on Management Analysis

(in billions of Yen)

	Result of FY 1998 (A)	Forecast for First Half FY1999	Forecast for FY 1999 (B)	Change (B) - (A)
Adjusted Net Business Profits	228.1	60.0	140.0	-88.1
Net Business Profits(Gyomu Jun-eki)	166.4	35.0	100.0	-66.4
Gross Credit Costs	415.6	35.0	60.0	-355.6
Banking Account Net Credit Costs	346.3	10.0	20.0	-326.3
Trust Accounts Net Credit Costs	51.0	25.0	40.0	-11.0
Other Non-Recurring Items	0.0	-5.0	-20.0	-20.0
Net Operating Income (Keijo-Rieki)	-187.4	20.0	60.0	247.4
Net Income	-107.1	12.0	35.0	142.1
Dividend per Share [yen]	7.00	3.50	7.00	-
Preferred Share [yen]	0.02	3.04	6.08	6.06

(Consolidated)

Net Operating Income (Keijo-Rieki)	-186.8		63.0	249.8
Net Income	-136.7		37.0	173.7

Forgiveness Amount

	(in billions of Yen)	FY1998
Gross Amount		38.1
Number of Corporations		8
Net Amount after Utilization of Specific Reserves		17.0

Loans Classified by Industry (Banking and Trust Accounts)

	(in billions of Yen)	Mar.1999	Sep.1998	Mar.1999
Construction		385.1	385.3	372.9
Real Estate		1,731.2	1,971.9	2,021.5
Finance and Insurance		2,142.3	2,128.0	2,186.2

Net Business Profits(*Gyomu Jun-eki*)

	(in billions of Yen)	FY1998	FY1997	Change
Net Business Profits(<i>Gyomu Jun-eki</i>)		166.4	131.4	35.0
Adjusted Net Business Profits		228.1	180.3	47.8

(in millions of Yen)

Net Business Profits(<i>Gyomu Jun-eki</i>) per employee		28.3	21.8	6.5
Adjusted Net Business Profits per employee		38.8	29.9	8.9

Margins(Domestic)

	FY1998	First Half FY1998	FY1997
Average Rate on Interest-earning Assets (a)	1.99%	2.07%	2.26%
Average Rate on Interest-bearing Liabilities (b)	1.55%	1.64%	1.86%
Gross Margin ((a) - (b))	0.44%	0.43%	0.40%

[Reference]Margins(Domestic Three A/C)

	FY1998	First Half FY1998	FY1997
Average Rate on Interest-earning Assets (a)	2.22%	2.32%	2.44%
Average Rate on Interest-bearing Liabilities (b)	1.14%	1.19%	1.35%
Gross Margin ((a) - (b))	1.08%	1.13%	1.09%

Gain on Disposition of Premises and Equipment

	(in billions of Yen)	FY1998	FY1997	Change
Gain on Disposition of Premises and Equipment		3.8	12.8	-8.9