

Financial Results For First Half Fiscal 1999

The Sumitomo Trust and Banking Company, Limited (the "Sumitomo Trust") has announced its financial results for first half fiscal 1999 ended September 30, 1999 and forecasts for full fiscal 1999 ending March 31, 2000. The financial summary is stated as below.

Financial Results for First Half Fiscal 1999

Half Years ended September 30	Millions of Yen			Millions of U.S. Dollars
	1999	1998	% change	1999
<Consolidated>				
Operating Income	435,536	-	-	4,072.3
Net Operating Income(Loss)	24,711	-	-	231.1
Net Income(Loss)	13,500	-	-	126.2
Total Assets	15,188,960	-	-	142,019.3
Total Stockholders' Equity	721,053	-	-	6,742.0
Per Share	Yen		change	U.S.Dollar
Net Income(Loss)	9.17	-	-	0.09
Stockholders' Equity	430.29	-	-	4.02
			% change	
BIS Capital Adequacy Ratio	10.97%	10.40%	0.57%	-
Cash Flows	Millions of Yen		change	U.S.Dollar
Cash Flows from Operating Activities	1,173,712	-	-	10,974.4
Cash Flows from Investing Activities	(1,182,202)	-	-	(11,053.8)
Cash Flows from Financing Activities	(7,681)	-	-	(71.8)
Cash and Cash Equivalents at the end of (Half) Year	243,722	-	-	2,278.8

Notes 1. Unrealized Gain of investment securities as of September 30, 1999 :
257,391 million Yen

2. Unrealized Loss of financial derivatives as of September 30, 1999 :
32,725 million Yen

3. U.S. dollar amounts are converted, for convenience only, at 106.95 Yen per dollar
(Interbank rate in Tokyo at September 30, 1999).

The Sumitomo Trust & Banking Co., Ltd.

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Half Years ended September 30	Millions of Yen			Millions of U.S. Dollars
	1999	1998	% change	1999
<Non-consolidated>				
Operating Income	371,522	489,241	(24.1)	3,473.8
Net Operating Income(Loss)	23,623	7,781	203.6	220.9
Net Income(Loss)	13,867	9,153	51.5	129.7
Total Assets	14,663,004	15,122,313	(3.0)	137,101.5
Total Stockholders' Equity	709,858	385,242	84.3	6,637.3
Per Share	Yen		change	U.S.Dollar
Net Income (Loss)	9.43	7.36	2.07	0.09
Dividends [Common Stock]	3.50	4.00	(0.50)	0.03
Dividends [Preferred Stock]	3.04	-	-	0.03
Stockholders' Equity	422.47	309.61	112.86	3.95
			% change	
Equity to Total Assets Ratio	4.8%	2.5%	2.3%	-

- Notes
1. Average number of shares during the fiscal (half) year ended :
 September 30, 1999: Common Stock 1,431,004,906 ; Preferred Stock 125,000,000
 September 30, 1998: Common Stock 1,244,247,764 ; Preferred Stock -
 March 31, 1999: Common Stock 1,320,364,687 ; Preferred Stock 342,465
 2. Number of issued shares as of :
 September 30, 1999: Common Stock 1,443,547,764 ; Preferred Stock 125,000,000
 September 30, 1998: Common Stock 1,244,247,764 ; Preferred Stock -
 March 31, 1999: Common Stock 1,424,057,764 ; Preferred Stock 125,000,000
 3. U.S. dollar amounts are converted, for convenience only, at 106.95 Yen per dollar
 (Interbank rate in Tokyo at September 30, 1999).

The Sumitomo Trust & Banking Co., Ltd.

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Income Forecasts for Fiscal Year 1999

	<u>Millions of Yen</u> Full Fiscal Year
<Consolidated>	
Operating Income	880,000
Net Operating Income	72,000
Net Income	42,000

	<u>Millions of Yen</u> Full Fiscal Year
<Non-consolidated>	
Operating Income	770,000
Net Operating Income	70,000
Net Income	41,000
<u>Yen</u>	
Cash Dividend per Share	
Common Stock	7.00
Preferred Stock	6.08

For further information, please contact Jiro Abe / Financial Management Department at 03-3286-8230 by phone, or 03-3286-4654 by facsimile.

Attached are summarized translations of the financial statements and reference materials. All amounts of yen are presented on a rounding down basis.

Financial Highlights (On a non-consolidated basis other than BIS Capital Adequacy Ratio)

Profit	(Billions of Yen)			
	Sep-99	Sep-98	Change	Mar-99
Net Business Profit [Gyomu Jun-eki]	42.1	87.8	(45.6)	166.4
Net Operating Income [Keijo Rieki]	23.6	7.7	15.8	(187.4)
Net Income	13.8	9.1	4.7	(107.1)
Adjusted Net Business Profit (*)	63.2	125.3	(62.0)	228.1
Net Income per Share (Yen)	9.43	7.36	2.07	(81.13)

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

Credit Costs

Banking Account	29.7	92.8	(63.1)	346.3
Write-Offs	21.9	0.7	21.1	54.7
Net Transfer to Specific Reserve	11.5	86.4	(74.8)	274.6
Losses on Sales of Loans to CCPC	1.0	0.0	0.9	0.6
Others	(4.7)	5.6	(10.3)	16.3
Trust Account	23.5	34.4	(10.9)	51.0
Write-Offs	19.9	33.9	(14.0)	47.2
Losses on Sales of Loans to CCPC	0.5	0.4	0.0	0.8
Others	3.0	-	3.0	2.9

Loans and Investment Securities in Assets

Loans	10,962.2	12,054.0	(1,091.8)	11,171.5
Banking Account	7,305.3	8,243.4	(938.1)	7,415.1
Trust Account	3,656.9	3,810.6	(153.6)	3,756.4
Investment Securities	23,306.0	20,372.6	2,933.4	20,160.9
Banking Account	4,820.2	3,695.0	1,125.1	3,674.3
Trust Account	18,485.8	16,677.5	1,808.2	16,486.6

Total Employable Funds

Deposits(including CDs)	7,080.1	7,177.1	(97.0)	7,057.6
Money Trusts	14,068.9	12,062.0	2,006.8	12,576.0
Pension Trusts	4,933.7	4,734.1	199.5	4,739.4
Property Formation Benefit Trusts	13.9	14.9	(0.9)	14.9
Loan Trusts	6,079.2	6,848.6	(769.3)	6,527.5
Total	32,175.9	30,836.9	1,339.0	30,915.5

Consolidated Balance Sheet

(in millions of Yen)

	Sep-99	Sep-98	Change	Mar-99
Assets:				
Cash and Due from Banks	643,138	1,067,459	(424,320)	986,673
Call Loans	7,919	458,934	(451,014)	664,175
Commercial Paper and Other Debt Purchased	15,563	1,011	14,551	16,421
Trading Assets	572,078	404,474	167,603	518,840
Money Held in Trust	61,610	66,124	(4,514)	66,312
Investment Securities	4,827,813	3,730,001	1,097,812	3,694,469
Loans and Bills Discounted	7,261,863	8,244,261	(982,397)	7,374,575
Foreign Exchanges	5,503	41,459	(35,955)	12,242
Other Assets	981,462	411,182	570,280	841,089
Premises and Equipment	168,330	124,601	43,728	169,472
Deferred Tax Assets	279,490	232,706	46,784	287,649
Customers' Liabilities for Acceptances and Guarantees	364,183	347,476	16,707	426,647
Total Assets	15,188,960	15,129,693	59,267	15,058,569
Liabilities:				
Deposits	7,076,374	7,127,152	(50,777)	7,043,257
Call Money	503,127	527,409	(24,281)	229,136
Trading Liabilities	140,316	146,674	(6,357)	153,986
Borrowed Money	377,401	191,489	185,911	385,180
Foreign Exchanges	2,322	15,935	(13,613)	6,979
Corporate Bonds	425,555	393,222	32,332	439,530
Borrowed Money from Trust Accounts	3,862,482	4,230,353	(367,871)	4,206,542
Other Liabilities	1,213,100	766,809	446,290	862,594
Reserve for Possible Loan Losses	368,676	724,115	(355,439)	462,642
Reserve for Retirement Allowances	19,097	19,320	(223)	19,805
Reserve for Possible Losses on Loans Sold	6,927	9,486	(2,558)	11,591
Other Reserves	9	310	(301)	8
Deferred Tax Liabilities	1,082	-	1,082	1,040
Deferred Tax Liabilities on Revaluation Reserve for Land	18,046	-	18,046	18,367
Acceptances and Guarantees	364,183	347,476	16,707	426,647
Total Liabilities	14,378,703	14,499,755	(121,052)	14,267,311
Minority Interest:				
Minority Interest	89,204	-	89,204	89,054
Stockholders' Equity:				
Preferred Stock	50,000	-	50,000	50,000
Common Stock	231,878	182,053	49,825	227,005
Capital Surplus	235,297	135,472	99,825	230,425
Revaluation Reserve for Land, Net of Tax	24,972	-	24,972	25,416
Retained Earnings	179,031	312,413	(133,381)	169,361
Common Stock in Treasury	(126)	(0)	(125)	(5)
Total Stockholders' Equity	721,053	629,938	91,114	702,203
Total Liabilities, Minority Interest and Stockholders' Equity	15,188,960	15,129,693	59,267	15,058,569

Consolidated Statement of Income

	(in millions of Yen)			
	Sep-99	Sep-98	Change	Mar-99
Operating Income:				
Trust Fees	41,512	62,604	(21,091)	143,698
Interest Income:	199,721	299,046	(99,325)	521,387
Interest on Loans and Discounts	69,424	119,377	(49,952)	205,969
Interest on and Dividends from Securities	49,757	52,276	(2,519)	92,946
Other Interest Income	80,539	127,393	(46,854)	222,471
Fees and Commissions Received	21,975	15,975	5,999	40,830
Trading Revenue	3,202	3,617	(414)	4,663
Other Operating Income	119,411	83,353	36,057	276,670
Other Income	49,712	30,695	19,017	36,514
Total Operating Income	435,536	495,293	(59,756)	1,023,765
Operating Expenses:				
Interest Expense:	150,446	254,353	(103,906)	428,330
Interest on Deposits	28,288	79,811	(51,523)	123,151
Interest on Borrowings and Rediscounts	5,076	21,474	(16,398)	31,854
Other Interest Expenses	117,082	153,067	(35,985)	273,324
Fees and Commissions Paid	2,513	897	1,615	9,845
Trading Expenses	-	-	-	-
Other Operating Expenses	111,108	39,358	71,750	205,521
General and Administrative Expenses	80,105	77,698	2,407	158,577
Other Expenses	66,650	115,750	(49,100)	408,330
Total Operating Expenses	410,824	488,058	(77,234)	1,210,605
Net Operating Income (Loss)	24,711	7,234	17,477	(186,840)
Extraordinary Income	905	1,655	(750)	4,288
Extraordinary Expenses	486	194	292	455
Income (Loss) before Income Taxes	25,131	8,696	16,434	(183,006)
Provision for Income Taxes:				
Current	2,507	4,619	(2,112)	3,273
Deferred	7,978	25	7,953	(49,043)
Minority Interests in Net Income	1,144	-	1,144	(493)
Equity in Earnings of Affiliates	-	-	-	-
Net Income (Loss)	13,500	4,051	9,448	(136,742)

Consolidated Statement of Cash Flows

(in millions of Yen)

Sep-99**Cash Flows from Operating Activities :**

Income before Income Taxes and Minority Interests	25,131
Depreciation and Amortization	3,562
Decrease in Reserve for Possible Loan Losses	(93,965)
Decrease in Reserve for Possible Losses on Loans Sold	(4,664)
Decrease in Reserve for Retirement Allowances	(707)
Interest Income	(199,721)
Interest Expenses	150,446
Profit (Loss) on Securities	(5,711)
Profit (Loss) on Money Held in Trust	(6,025)
Profit (Loss) on Foreign Exchange	57,441
Profit (Loss) on Sale of Premises and Equipment	400
Net Increase (Decrease) of Trading Assets	(53,238)
Net Increase (Decrease) of Trading Liabilities	(13,669)
Net Increase (Decrease) of Loans and Bills Discounted	112,711
Net Increase (Decrease) of Deposits	33,116
Net Increase (Decrease) of Call Loans	657,113
Net Increase (Decrease) of Collateral for Borrowing Securities	(31,030)
Net Increase (Decrease) of Call Money	264,168
Net Increase (Decrease) of Collateral for Lending Securities	309,504
Net Increase (Decrease) of Due from Banks other than from Bank of Japan	327,294
Net Increase (Decrease) of Foreign Exchange Assets	(54,455)
Net Increase (Decrease) of Foreign Exchange Liabilities	(4,657)
Net Increase (Decrease) of Borrowed Money from Trust Account	(344,060)
Interest Income Received on Cash Basis	204,756
Interest Expense Paid on Cash Basis	(160,656)
Other - Net	(3,168)
Sub-Total	1,169,914
Income Tax Refunded	6,338
Income Tax Paid	(2,540)
Net Cash Provided by (Used in) Operating Activities	1,173,712

Cash Flows from Investing Activities :

Purchase of Securities	(3,767,846)
Proceeds from Sales of Securities	2,355,803
Proceeds from Maturities of Securities	227,978
Increase in Money Held in Trust	(155)
Decrease in Money Held in Trust	5,038
Proceeds from Sales of Premises and Equipment	1,305
Payments for Purchases of Premises and Equipment	(4,327)
Net Cash Provided by (Used in) Operating Activities	(1,182,202)

Cash Flows from Financing Activities :

Proceeds from Long-Term Debt	5,300
Payments for Long-Term Debt	(7,600)
Payments for Purchases of Common Stock	(120)
Cash Dividends Paid	(4,265)
Cash Dividends Paid to Minority Shareholders	(995)
Net Cash Provided by (Used in) Financing Activities	(7,681)

Effect on Exchange Rate Changes on Cash and Cash Equivalents	(69)
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Net Decrease in Cash and Cash Equivalents	(16,239)
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Cash and Cash Equivalents at Beginning of Year	259,962
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Cash and Cash Equivalents at End of Half Year	243,722
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Non-Consolidated Balance Sheet

(in millions of Yen)

	Sep-99	Sep-98	Change	Mar-99
Assets:				
Cash and Due from Banks	645,318	1,125,633	(480,315)	1,004,395
Call Loans	-	434,285	(434,285)	663,312
Commercial Paper and Other Debt Purchased	15,463	1,011	14,451	16,421
Trading Assets	525,808	349,004	176,804	468,254
Money Held in Trust	61,610	66,124	(4,514)	66,312
Investment Securities	4,820,230	3,695,062	1,125,168	3,674,312
Loans and Bills Discounted	7,305,303	8,243,418	(938,114)	7,415,150
Foreign Exchanges	5,503	41,459	(35,955)	11,822
Other Assets	363,620	328,502	35,117	305,698
Premises and Equipment	159,644	117,974	41,699	160,434
Deferred Tax Assets	277,305	-	277,305	287,729
Customers' Liabilities for Acceptances and Guarantees	483,195	719,835	(236,640)	545,247
Total Assets	14,663,004	15,122,313	(459,308)	14,619,090
Liabilities:				
Deposits	7,080,148	7,177,186	(97,037)	7,057,617
Call Money	503,127	564,571	(61,444)	271,850
Trading Liabilities	98,297	116,044	(17,746)	90,211
Borrowed Money	530,012	364,263	165,748	536,761
Foreign Exchanges	3,007	14,671	(11,663)	3,888
Corporate Bonds	200,000	100,000	100,000	200,000
Convertible Bonds	11,444	111,094	(99,650)	21,189
Borrowed Money from Trust Accounts	3,862,482	4,230,353	(367,871)	4,206,542
Other Liabilities	829,401	586,464	242,937	539,548
Reserve for Possible Loan Losses	308,811	723,992	(415,181)	406,769
Reserve for Retirement Allowances	18,243	19,107	(863)	18,984
Reserve for Possible Losses on Loans Sold	6,927	9,486	(2,558)	11,591
Deferred Tax Liabilities on Revaluation Reserve for Land	18,046	-	18,046	18,367
Acceptances and Guarantees	483,195	719,835	(236,640)	545,247
Total Liabilities	13,953,145	14,737,070	(783,924)	13,928,570
Stockholders' Equity:				
Preferred Stock	50,000	-	50,000	50,000
Common Stock	231,878	182,053	49,825	227,005
Legal Reserve	273,829	172,109	101,720	268,057
Revaluation Reserve for Land, Net of Tax	24,972	-	24,972	25,416
Retained Earnings	129,178	31,080	98,098	120,041
Total Stockholders' Equity	709,858	385,242	324,615	690,520
Total Liabilities and Stockholders' Equity	14,663,004	15,122,313	(459,308)	14,619,090

Non-Consolidated Statement of Income

(in millions of Yen)

	Sep-99	Sep-98	Change	Mar-99
Operating Income:				
Trust Fees	41,512	62,604	(21,091)	143,698
Interest Income:	198,433	293,651	(95,218)	513,581
Interest on Loans and Discounts	69,343	118,845	(49,501)	205,459
Interest on and Dividends from Securities	48,817	48,539	277	86,923
Other Interest Income	80,272	126,266	(45,993)	221,198
Fees and Commissions Received	16,624	15,093	1,530	30,943
Trading Revenue	2,467	3,251	(783)	3,241
Other Operating Income	65,966	81,623	(15,657)	185,211
Other Income	46,518	33,016	13,501	35,751
Total Operating Income	371,522	489,241	(177,718)	912,427
Operating Expenses:				
Interest Expense:	148,512	251,120	(102,607)	420,544
Interest on Deposits	28,798	80,267	(51,469)	120,703
Interest on Borrowings and Rediscounts	5,836	25,203	(19,366)	38,491
Other Interest Expenses	113,877	145,649	(31,772)	261,350
Fees and Commissions Paid	3,295	4,705	(1,410)	8,611
Trading Expenses	-	-	-	40
Other Operating Expenses	64,289	39,057	25,231	128,116
General and Administrative Expenses	70,541	71,889	(1,348)	144,356
Other Expenses	61,259	114,686	(53,426)	398,212
Total Operating Expenses	347,899	481,460	(133,560)	1,099,882
Net Operating Income (Loss)	23,623	7,781	15,842	(187,454)
Extraordinary Income	864	1,635	(770)	4,268
Extraordinary Expenses	461	182	278	344
Income (Loss) before Income Taxes	24,026	9,234	14,792	(183,530)
Provision for Income Taxes:				
Current	55	81	(25)	113
Deferred	10,103	-	10,103	(76,520)
Net Income (Loss)	13,867	9,153	4,714	(107,122)

Statements of Trust Account

(in millions of Yen)

	Sep-99	Sep-98	Change	Mar-99
Assets:				
Loans and Bills Discounted	3,656,915	3,810,611	(153,695)	3,756,410
Securities	18,485,863	16,677,581	1,808,282	16,486,602
Securities under Investment Trusts	3,855,684	3,340,313	515,371	3,220,452
Securities under Foreign Investment Trusts	343,728	399,852	(56,123)	370,793
Money Held in Trust	162,402	179,323	(16,921)	180,427
Securities Held in Custody Accounts	750,773	445,756	305,017	643,471
Securities Lent	-	2,800	(2,800)	-
Money Claims	2,613,147	1,718,046	895,101	2,201,959
Premises and Equipment	584,265	581,661	2,603	553,710
Other Claims	571,208	342,301	228,907	261,028
Bills Bought	-	800	(800)	6,300
Call Loans	1,365,872	1,429,989	(64,117)	1,777,603
Loans to Banking Account	3,862,482	4,230,353	(367,871)	4,206,542
Cash and Due from Banks	3,770,147	3,025,748	744,399	2,428,909
Total Assets	40,022,492	36,185,139	3,837,353	36,094,212
Liabilities:				
Money Trusts	14,068,920	12,062,024	2,006,896	12,576,074
Pension Trusts	4,933,700	4,734,141	199,559	4,739,400
Property Formation Benefit Trusts	13,970	14,957	(987)	14,936
Loan Trusts	6,079,240	6,848,637	(769,397)	6,527,520
Securities Investment Trusts	9,618,558	7,926,815	1,691,742	7,837,785
Money Entrusted, Other than Money Trusts	2,502,561	2,945,772	(443,211)	2,425,416
Securities Trusts	1,577,735	653,982	923,752	882,988
Money Claim Trusts	560,326	372,403	187,922	474,187
Equipment Trusts	9,773	61,622	(51,848)	10,301
Land and Fixtures Trusts	275,427	258,732	16,695	278,374
Other Trusts	382,278	306,047	76,231	327,225
Total Liabilities	40,022,492	36,185,139	3,837,353	36,094,212

Market Value Informations (Consolidated)**1. Market Value of Marketable Securities****Listed Securities**

<i>Millions of yen</i>	<i>Book Value</i>	<i>Market Value</i>	<i>Net</i>	<i>Unrealized Gain(Loss)</i>	
				<i>Gain</i>	<i>Loss</i>
<i>September 30, 1999</i>					
Bonds	807,635	822,254	14,618	15,030	411
Stocks	1,374,859	1,594,862	220,003	345,920	125,916
Others	432,785	430,575	(2,209)	6,493	8,703
Total	2,615,280	2,847,693	232,412	367,444	135,031

Unlisted Securities

<i>Millions of yen</i>	<i>Book Value</i>	<i>Estimated Market Value</i>	<i>Net</i>	<i>Unrealized Gain(Loss)</i>	
				<i>Gain</i>	<i>Loss</i>
<i>September 30, 1999</i>					
Bonds	949,170	956,608	7,438	7,655	217
Stocks	7,696	24,359	16,663	17,524	861
Others	29,058	29,935	877	1,105	228
Total	985,924	1,010,903	24,978	26,286	1,307

2. Market Value of Money Held in Trust

<i>Millions of yen</i>	<i>Book Value</i>	<i>Estimated Market Value</i>	<i>Net</i>	<i>Unrealized Gain(Loss)</i>	
				<i>Gain</i>	<i>Loss</i>
<i>September 30, 1999</i>					
Money Held in Trust	61,610	68,113	6,502	7,274	772

3. Market Value of Financial Derivatives

(a) Interest Related Transactions

	<i>Millions of Yen</i>			
	September 30, 1999			
	Contract Value	Market Value	Unrealized Gain(Loss)	
	over 1 YR			
Listed				
Interest Futures				
Sold	7,804,167	4,290,480	7,758,855	45,312
Purchased	6,873,997	3,719,989	6,840,522	(33,474)
Interest Options				
Sold				
Call	-	-		
Option Premium	-		-	-
Put	-	-		
Option Premium	-		-	-
Purchased				
Call	-	-		
Option Premium	-		-	-
Put	-	-		
Option Premium	-		-	-
Over-the-Counter				
Forward Rate Agreements				
Sold	304,440	121,403	185	185
Purchased	-	-	-	-
Interest Rate Swaps				
Fix Rcv-FI Pay	8,227,110	6,045,245	153,149	153,149
FI Rcv-Fix Pay	7,488,559	5,339,415	(196,511)	(196,511)
FI Rcv-FI Pay	395,639	394,671	6,641	6,641
Interest Options				
Cap				
Sold	25,320	8,208		
Option Premium	123		19	103
Purchased	81,282	3,208		
Option Premium	64		18	(46)
Floor				
Sold	5,000	5,000		
Option Premium	46		219	(172)
Purchased	-	-		
Option Premium	-		-	-
Other Interest Related				
Sold	17,000	17,000		
Option Premium	393		321	71
Purchased	-	-		
Option Premium	-		-	-
Total				(24,740)

- Notes: 1. Accrued income included in the unrealized gain(loss) of interest rate swaps as of September 30, 1999: 33,257 million Yen
2. Derivatives on trading accounts are excluded from the above statements so that these unrealized gains(losses) are reflected on the Statement of Income at the Mark-to-Market basis. Derivatives on trading accounts are stated as follows.

	<i>Millions of Yen</i>	
	September 30, 1999	
	Contract Value	Market Value
Listed		
Interest Futures		
Sold	5,244,480	5,239,337
Purchased	5,284,623	5,279,307
Interest Options		
Sold		
Call	224,337	
Option Premium	55	62
Put	97,535	
Option Premium	61	92
Purchased		
Call	84,299	
Option Premium	31	16
Put	283,387	
Option Premium	151	134
Over-the-Counter		
Forward Rate Agreements		
Sold	-	-
Purchased	-	-
Interest Rate Swaps		
Fix Rcv-FI Pay	5,494,167	31,586
FI Rcv-Fix Pay	5,262,077	(25,224)
FI Rcv-FI Pay	467,027	(300)
Interest Options		
Cap		
Sold	690,631	
Option Premium	1,042	4,331
Purchased	483,132	
Option Premium	3,613	3,310
Floor		
Sold	127,935	
Option Premium	595	2,743
Purchased	45,865	
Option Premium	634	1,727
Other Interest Related		
Sold	19,139	
Option Premium	124	36
Purchased	57,139	
Option Premium	1,151	926

(b) Currency Related Transactions

	<i>Millions of Yen</i>			
	September 30, 1999			
	Contract Value		Market	Unrealized
	over 1 YR	Value	Gain(Loss)	
Over-the-Counter				
Currency Swaps				
U.S. Dollar	469,755	57,606	(2,028)	(2,028)
U.K. Pound	54,771	8,987	(963)	(963)
H.K. Dollar	14,476	-	(40)	(40)
Others	11,855	1,389	(508)	(508)
Total	550,858	67,983	(3,540)	(3,540)

Notes: 1. Accrued expense included in the unrealized gain(loss) of currency swaps as of September 30, 1999: 5,494 million Yen

2. Derivatives on trading accounts are excluded from the above statements so that these unrealized gains(losses) are reflected on the Statement of Income at the Mark-to-Market basis. Derivatives on trading accounts are stated as follows.

	<i>Millions of Yen</i>	
	September 30, 1999	
	Contract Value	Market Value
Over-the-Counter		
Currency Swaps		
US Dollar	7,492	85
Others	1,478	(117)
Total	8,971	(32)

Note: Foreign exchange trading positions, including forward and options are also excluded from the above statements so that these are valued at estimated prevailing market rates and reflected on the Statement of Income.

	<i>Millions of Yen</i>
	September 30, 1999
	Contract Value
Listed	
Currency Futures	
Sold	-
Purchased	-
Currency Options	
Sold	
Call	-
<i>Option Premium</i>	-
Put	-
<i>Option Premium</i>	-
Purchased	
Call	-
<i>Option Premium</i>	-
Put	-
<i>Option Premium</i>	-
Over-the-Counter	
Forward	
Sold	2,537,842
Purchased	2,390,173
Currency Options	
Sold	
Call	56,207
<i>Option Premium</i>	3,140
Put	59,034
<i>Option Premium</i>	309
Purchased	
Call	55,490
<i>Option Premium</i>	3,696
Put	51,480
<i>Option Premium</i>	542

(c) Stock Related Transactions

	<i>Millions of Yen</i>		
	September 30, 1999		
	Contract Value	Market Value	Unrealized Gain(Loss)
	over 1 YR		
Listed			
Stock Index Futures			
Sold	251,286	-	(254)
Purchased	6,514	-	14
Stock Index Options			
Sold			
Call	-	-	-
Option Premium	-	-	-
Put	-	-	-
Option Premium	-	-	-
Purchased			
Call	-	-	-
Option Premium	-	-	-
Put	1,650	-	-
Option Premium	8	-	(5)
Over-the-Counter			
Stock Options			
Sold			
Call	-	-	-
Option Premium	-	-	-
Put	-	-	-
Option Premium	-	-	-
Purchased			
Call	-	-	-
Option Premium	-	-	-
Put	-	-	-
Option Premium	-	-	-
Stock index and other swaps			
Stock price index volatility receivable/short-term floating interest rate payable	-	-	-
Short-term volatility receivable/stock price index floating interest rate payable	-	-	-
Other Stock Related			
Sold	-	-	-
Purchased	-	-	-
Total			(245)

Note : The Bank did not have any stock related derivative transactions in trading account as of September 30, 1999.

(d) Bond Related Transactions

	<i>Millions of Yen</i>		
	September 30, 1999		
	Contract Value	Market	Unrealized
	over 1 YR	Value	Gain(Loss)
Listed			
Bond Futures			
Sold	393,642	-	393,902
Purchased	442,587	-	442,950
			(259)
			363
Bond Future Options			
Sold			
Call	-	-	-
Option Premium	-	-	-
Put	-	-	-
Option Premium	-	-	-
Purchased			
Call	-	-	-
Option Premium	-	-	-
Put	-	-	-
Option Premium	-	-	-
Over-the-Counter			
Bond Options			
Sold			
Call	200,000	-	-
Option Premium	2,100	-	2,755
Put	-	-	-
Option Premium	-	-	-
Purchased			
Call	106,950	-	-
Option Premium	409	-	7
Put	200,000	-	-
Option Premium	5,050	-	1,803
Other Bond Related			
Sold	-	-	-
Purchased	-	-	-
Total			(4,199)

Note: Derivatives on trading accounts are excluded from the above statements so that these unrealized gains(losses) are reflected on the Statement of Income at the Mark-to-Market basis. Derivatives on trading accounts are stated as follows.

	<i>Millions of Yen</i>	
	September 30, 1999	
	Contract Value	Market Value
Bond Futures		
Sold	12,856	12,880
Purchased	15,699	15,753
Bond Future Options		
Sold		
Call	-	-
Option Premium	-	-
Put	2,500	-
Option Premium	25	7
Purchased		
Call	1,251	-
Option Premium	2	1
Put	7,500	-
Option Premium	41	14
Over-the-Counter		
Bond Options		
Sold		
Call	-	-
Option Premium	-	-
Put	-	-
Option Premium	-	-
Purchased		
Call	-	-
Option Premium	-	-
Put	2,000	-
Option Premium	15	0
Other Bond Related		
Sold	-	-
Option Premium	-	-
Purchased	-	-
Option Premium	-	-

(e)Commodity Related Transactions

The Bank did not have any transactions of commodity related derivatives as of September 30, 1999.

Explanatory Supplement

	(in millions of Yen)		
Business Profit (Non-consolidated)	Sep-99	Sep-98	Change
Net Business Profit	42,176	87,874	(45,698)
Adjusted Net Business Profit (*)	63,288	125,315	(62,027)
Net Business Profit per Employee	7.1	14.5	(7.4)
Adjusted Net Business Profit per Employee	10.7	20.6	(9.9)

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

	(%)		
Interest Spread [Domestic] (Non-consolidated)	Sep-99	Sep-98	Change
Average Rate on Interest-earning Assets (a)	1.87	2.07	(0.20)
Average Rate on Interest-bearing Liabilities (b)	1.21	1.64	(0.43)
Interest Spread ((a) - (b))	0.66	0.43	0.23

	(in billions of Yen)		
Securities (Non-consolidated)	Sep-99	Sep-98	Change
Realized Gain (Loss) in Bonds			
Gain on Sale	60.9	78.7	(17.7)
Gain on Redemption	0.6	0.9	(0.3)
Loss on Sale	53.9	28.6	25.3
Loss on Redemption	10.3	5.7	4.5
Loss on Write-off	0.0	4.6	(4.6)
Net Gain (Loss)	(2.7)	40.6	(43.3)
Realized Gain (Loss) in Stocks			
Gain on Sale	39.6	31.4	8.2
Loss on Sale	26.5	7.2	19.2
Loss on Write-off	5.2	10.0	(4.7)
Net Gain	7.9	14.1	(6.2)
Unrealized Gains on Securities			
Listed Securities	229.9	(85.4)	315.4
Stocks	217.2	(141.1)	358.3
Unlisted Securities	24.9	(3.3)	28.2

	(in billions of Yen)		
BIS Capital Adequacy Ratio	Sep-99	Sep-98	Change
Tier 1 Capital	779.8	624.9	154.8
Tier 2 Capital	534.8	515.9	18.8
Less: Investment in Capital instrument issued by other bank	1.4	-	1.4
Total Capital	1,313.1	1,140.9	172.2
Risk Weighted Assets	11,960.6	10,968.2	992.3
Total Capital Ratio	10.97%	10.40%	0.57%
Tier 1 Capital Ratio	6.52%	5.69%	0.83%

Asset Classification by Revitalization Plan

(Non-consolidated)		(in billions of Yen)		
[Banking Account]	Sep-99	Mar-99	Collateral / Reserve	
Bankrupt / Practically Bankrupt (A)	156.4	327.0	Unsecured	-
<i>Cover Ratio</i> **	100%	100%	Specific Reserve	21.9
<i>Reserve Ratio</i> ***	100%	100%	Collateral / Guarantee	134.5
Doubtful (Kiken-Saiken) (B)	570.0	486.0	Unsecured	54.5
<i>Cover Ratio</i>	90%	88%	Specific Reserve	222.7
<i>Reserve Ratio</i>	80%	76%	Collateral / Guarantee	292.8
Substandard (Yo-Kanri-Saiken) (C)	34.7	24.4	Unsecured	16.2
<i>Cover Ratio</i>	53%	31%	Specific Reserve	3.4
<i>Reserve Ratio</i>	17%	15%	Collateral / Guarantee	15.1
(A) + (B) + (C)	761.0	837.3		
Ordinary Assets (Seijo-Saiken)	7,049.2	7,155.3	General Reserve	16.2
			Reserves for Losses on LDC Debt	3.4
Total	7,810.2	7,992.6		
* After partial direct write-off's (¥ 488.7 billion)				
** Cover Ratio = (Collateral, Guarantee + Specific Reserve) / Classified Asset				
*** Reserve Ratio = Specific Reserve / (Unsecured + Specific Reserve)				
[Trust Account]	Sep-99	Mar-99	Collateral / Reserve	
Bankrupt / Practically Bankrupt (D)	25.8	33.8	Unsecured	-
<i>Reserve Ratio</i>	100%	100%	Collateral / Guarantee	25.8
Doubtful (Kiken-Saiken) (E)	64.1	71.0	Unsecured	18.2
<i>Reserve Ratio</i>	71%	60%	Collateral / Guarantee	45.9
Substandard (Yo-Kanri-Saiken) (F)	10.1	8.2	Unsecured	1.2
<i>Reserve Ratio</i>	87%	64%	Collateral / Guarantee	8.9
(D) + (E) + (F)	100.0	113.0		
Ordinary Assets (Seijo-Saiken)	3,351.3	3,418.9		
			Special Reserve (Tokubetsu Ryuhokin)	33.4
			Reserve for Possible Implement of	
Total	3,451.3	3,531.9	Principal (Saiken Shoukyaku Junbikin)	0.8
<hr/>				
(A) + (B) + (C) + (D) + (E) + (F)	861.1	950.3		
Grand Total	11,261.5	11,524.5		

(Consolidated)	(in billions of Yen)		
	Sep-99	Mar-99	Change
Banking Account (other than ordinary assets)	767.4	841.4	(74.0)
Trust Account (other than ordinary assets)	100.0	113.0	(13.0)
Total	867.4	954.4	(87.0)

* After partial direct write-off's

Loans under Risk Management

(in billions of Yen)

[Banking Account]	(Non-consolidated)			(Consolidated)
	Sep-99	Mar-99	Change	Sep-99
Loans in Bankruptcy Proceedings	71.7	160.8	(89.1)	85.9
Other Delinquent Loans	645.9	648.2	(2.2)	628.0
Loans More than 3 months Past Due	11.2	3.8	7.4	11.8
Restructured Loans	23.3	20.6	2.7	23.3
Total	752.3	833.4	(81.0)	749.2
Partial Direct Write-off's	488.7	421.7	67.0	488.7

* The Bank classifies Bankrupt / Practically Bankrupt Category and Doubtful Category to Other Delinquent Loans Category based on the Self Assessment Rule since fiscal 1998.

**Both Non-consolidated and Consolidated amounts are stated on After Partial Direct Write-off's basis.

[Trust Account]	Sep-99	Mar-99	Change
Loans in Bankruptcy Proceedings	11.5	15.6	(4.1)
Other Delinquent Loans	78.3	89.1	(10.8)
Loans More than 3 months Past Due	5.0	3.0	2.0
Restructured Loans	5.0	5.1	(0.0)
Total	100.0	113.0	(12.9)

[Banking Account + Trust Account]	Sep-99
(Non-consolidated)	852.3
(Consolidated)	849.2

Reserves for Possible Loans Losses

(Non-consolidated)

(in billions of Yen)

[Banking Account]	Sep-99	Mar-99	Change
General Reserve	59.8	62.3	(2.4)
Specific Reserve	244.6	334.4	(89.7)
Reserve for Losses on LDC Debt	4.2	10.0	(5.7)
Total	308.8	406.7	(97.9)

[Trust Account]	Sep-99	Mar-99	Change
Reserve for Possible Impairment of Principal	0.8	0.9	(0.0)
Special Reserve	33.4	35.1	(1.7)
Total	34.3	36.1	(1.8)

[Banking Account + Trust Account]	Sep-99	Mar-99	Change
Grand Total	343.1	442.8	(99.7)

(Consolidated)

(in billions of Yen)

	Sep-99	Mar-99	Change
[Banking Account]	368.6	462.6	(93.9)
[Banking Account + Trust Account]	402.9	498.7	(95.7)

COMPLIANCE WITH THE YEAR 2000 PROBLEM

I. Status of the Year 2000 Program within Sumitomo Trust

For Sumitomo Trust, Year 2000 readiness involves not only computer systems but also other risk factors which could potentially impact its entire operations. Moreover, as a financial institution fulfilling a public function, it is necessary for Sumitomo Trust to prepare meticulously for Year 2000, as any interruption of its services could affect various aspects of economic and social activities. This is why Sumitomo Trust considers Year 2000 readiness a top priority management issue.

II. Organization

Sumitomo Trust began taking steps to prepare its computer systems for the Year 2000 problem in June, 1995. A working group "ACTION 2000" was established in September, 1997, to study the problem beyond the scope of computer systems throughout the entire company. In September, 1998, the cross-company working group was expanded and reinforced under a "Year 2000 Compliance Executive Committee" with the Managing Director overseeing corporate planning as the chairman and comprising the Director in charge of computer systems and the General Managers of departments concerned. This new structure was designed to provide more coordination and maneuverability in implementing Y2K readiness measures. Monthly reports describing overall progress are submitted to the President as well as the entire the Management.

III. Details

Adjusting and Testing Computer Programs

The renovation and testing of important computer systems which might directly affect customers were completed at the end of March, 1999. Furthermore, concerning important domestic computer systems, comprehensive tests on the entire company with computer clocks set at post-2000 dates were held in May, 1999, during the national holidays (5/02-5/04), enabling Sumitomo Trust to confirm that there was no Y2K-related disruption. As for other computer systems and data systems, adjustments and testing were completed at the end of July. In addition, regarding in-house computer systems, testing was carried out on a number of trigger dates designated by the Federation of Bankers Associations of Japan and the FFIEC (Federal Financial Institutions Examination Council of the United States) taking into account the specific applications of each computer system.

Equipment and machinery

Adjustment and testing of equipment and machinery, including elevators and security systems have all been completed.

Customer Connectivity

Regarding computer systems which are linked to and exchange data with customers, internal adjustment and testing by Sumitomo Trust alone is not sufficient. If a problem happens when exchanging data, it may lead to unforeseeable consequences. For this reason, Sumitomo Trust has carried out very intensive tests involving data exchange with customers. Most tests were completed by June, 1999, but testing will continue until the end of the year for customers requesting it owing to their readiness status.

Network Testing

Sumitomo Trust actively took part in tests on financial networks carried out since last year. No problems were detected in any of the tests.

BOJ Network	Tokyo Clearing	Bloomberg	Reuters
Zengin System	Zengin Magnetic Tape	Pension M/T Data Exchange (Center)	Jiji Main
JB Net	MICS	Nikkei Bulk	X net
Japan Securities Depository	SOCS	Pension VAN Center	Tokyo Stock Exchange
FIRST	ANSER	GEF	Tokyo Financial Futures (Exchange)
SWIFT	CAFIS	BB	JIP Financial Futures
Individual Credit Information (System)	CMS	QUICK	CHIPS

Freezing Period

Sumitomo Trust will retest any computer system in order to avoid its malfunction if, during the period from 1st April, 1999 to 1st April, 2000, any adjustment or alteration is made or any new program is installed to such computer system once it was made Y2K compliant. In addition, no adjusted or new computer programs will be released in principle between 16th November, 1999 and 15th January, 2000 as well as 15th February, 2000 and 1st March, 2000.

Cost of Year 2000 Program

The cost of making Y2K compliant all computer systems, including those used at our overseas offices and affiliated companies, is estimated at ¥4.3 billion, the breakdown being respectively ¥3.2 billion for domestic and ¥1.1 billion for overseas operations. The above amounts cover labor and equipment expenses since June, 1995. They do not include the third-generation on-line system adjustment cost and other expenses incurred prior to that date.

Customers

In order to inform customers of its progress in addressing the Year 2000 issue, Sumitomo Trust makes copies of this report and other materials readily available at its branch offices. Pamphlets to explain its Year 2000 status are also sent to the holders of deposit and/or trust accounts with Sumitomo Trust. Moreover, in order to raise awareness of the Year 2000 problem among its customers, Year 2000 leaflets published by the Federation of Bankers Associations of Japan are also distributed at the branch offices of Sumitomo Trust.

On the other hand, Sumitomo Trust has asked certain corporate customers to fill in a questionnaire so as to assess their compliance status and, in some cases, requests them to make further renovations to their computer systems.

Trust Account and Asset Management Transactions

Trust banks administer and invest in their name the assets entrusted by their customers. This requires great care, particularly in view of the Year 2000 problem. For example, Land Trusts involve the management of buildings and their equipment whose Y2K readiness Sumitomo Trust is reviewing. In the case of Pension Trusts and *Shiteitan* Money Trusts (Discretionary Money Trusts), Sumitomo Trust has reviewed the respective Y2K status of the companies in whose shares it has invested by requesting

them to answer a Y2K questionnaire and/or through their financial statements and websites.

Sumitomo Trust takes the Y2K status of such companies into consideration when making investment decisions.

Contingency Plan

In addition to the measures described above, Sumitomo Trust developed a contingency plan for possible emergencies in June, 1999.

Sumitomo Trust is analyzing the results of the training its employees underwent in September and October this year thereby to make the contingency plan more practicable. The contingency plan is designed to insure the continuation of operations even in the case of some computer system or equipment difficulties. For example, if trouble occurs, manual procedures will allow customers to withdraw deposits and securities processing services will be provided without interruption.

Special standby schedule during the year-end/New year period

From 31st December, 1999 to 4th January, 2000, Sumitomo Trust's "Y2K Compliance Center" will monitor its entire network throughout which over 1000 employees will be on hand to carry out various verification tests.

Date	Main Tasks
31 st December	Back-up of all data will be made following the close of year-end business. Bills to be cleared on 4 th January, 2000 will be processed beforehand at all offices engaged in such clearing.
1 st January	Power supply at all branch offices will be checked, as well as the normal operation of all computer systems and equipment. Such verification will be extended to associated companies.
2 nd January	Connectivity tests will be performed on all financial networks (BOJ Network, Zengin System, MICS and SOCS)
3 rd January	Verification that operations at overseas offices are proceeding normally will be made.
4 th January	Early-morning verification will be carried out prior to the start of business operations.

*

Note: This Report is made only to inform the customers of Sumitomo Trust's efforts to cope with the Year 2000 issues, and does not constitute any obligation, any acceptance of liability or any guarantee on the part of Sumitomo Trust with regard to the Y2K issues. The contents of this Report are subject to change to reflect developments in this matter.

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