

A large, light green, stylized map of Hokkaido, Japan, serves as the background for the top half of the page. The map is composed of horizontal lines of varying lengths, creating a textured effect.

THE HOKKAIDO BANK

Annual Report 2000



THE HOKKAIDO BANK, LTD.

Established in 1951 with the cooperation of the people of Hokkaido, Hokkaido Bank, Ltd. is a full-service bank contributing to the development of local communities. Hokkaido Bank is expanding operations by adding new services, including consulting.

The environment facing the banking industry is changing dramatically as Big Bang financial reforms are implemented and competition across sectors in the financial industry intensifies. This is leading to reorganization in the financial sector as well as management reconstruction at the institutional level.

Under such severe circumstances, Hokkaido Bank is focusing on building a sound business base, strengthening services, and rebuilding finances. These initiatives have started yielding results and our earning power, an important financial indicator, has improved considerably. Simultaneously, our capital adequacy ratio, which had temporarily edged down as we wrote off non-performing assets, has also increased to a satisfactory level as our customers subscribed to preferred shares issued by the bank. An injection of public funds was another factor here.

We have now laid solid foundations for both earnings and assets. And we are committed to continuing to build on the success of this initiative. Our strategy calls for the further rationalization and streamlining of operations to strengthen the retail base and realize low-cost operations. This will help us contribute to the development of local society by providing reliable financial functions and high-quality financial services.

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Management Philosophy

Two guiding principles, "Customer First" and "Trusted Community Member" are firmly rooted in our corporate philosophy. Guided by these principles, our employees make continuing efforts to improve their know-how and skills, with each and every one contributing to the quality of management.

In April 1994, we drew up a new corporate philosophy "Together with the Future of Hokkaido." The new corporate philosophy reconfirms our mission and role in Hokkaido, our main client base.

The new ideas embodied in our corporate philosophy underpin all corporate actions and decisions. Both management and employees consciously work toward making the principles set forth in this philosophy part of their lives.

Management Plan

Hokkaido Bank initiated a long-term business plan entitled "Best Bank Vision 21" in fiscal 1991. The first three stages of the plan, which runs from 1991 through 2000, have been implemented successfully. "Action 1" was implemented from fiscal 1991 through fiscal 1993, "Action 2" ran from fiscal 1994 through fiscal 1995, and the medium-term corporate plan "Scram" was implemented from fiscal 1996 through fiscal 1997.

In April 1998, we launched "Step Up 21," a medium-term management plan designed to put the finishing touches to the original long-term plan "Best Bank 21." The plan clearly defines our management goals and aims with regard to making Hokkaido Bank the best bank in Hokkaido, with the unwavering trust and support of its people. These goals are to be achieved by fiscal 2000, during which we will celebrate the 50th anniversary of our establishment.

The basic management policy for the three-year period covered by the plan will focus on promoting three principal strategies and creating an organization to support these strategies as follows.

Management tuned to the interests of shareholders and customers

We shall work toward realizing a highly transparent management structure in order to win the understanding and trust of our shareholders and customers.

Business style to foster close relations with local communities

Hokkaido Bank is committed to local customers. Our aim is to become the bank of choice for local people and develop the largest customer base in Hokkaido.

Strengthening risk management

Hokkaido Bank is strengthening its risk management systems, based on the principle of self-reliance. This will not only assure continuing financial soundness but will put an end to the bad debt issue.

With regard to the Y2K problem, Hokkaido Bank always considered the problem to be as much a management issue as a computer-related one. Tackling the issue from this standpoint resulted in a smooth transition to the year 2000.

Maintaining organizational dynamism

We will concentrate on creating a corporate culture that motivates our employees and encourages them to work in a responsible and confident manner.

Management Analysis

Rationalization realized so far

Hokkaido Bank was at the forefront of the industry in terms of restructuring operations. We started streamlining our operations in 1993 and cost reductions of ¥6 billion were achieved in the first year alone.

The “Second Restructuring Plan” took effect in June 1995, and this led to additional cost reductions of about ¥4 billion in the three years to fiscal 1997.

As a result of dedicated marketing efforts, our net operating income rose and stabilized at the ¥30 billion level, up from ¥12 billion in fiscal 1992.

Management and employees remain united in rationalizing and streamlining our operations. Despite our impressive achievements so far we are not satisfied with the present situation and are committed to reviewing our operations from all angles.

Building a sound financial base

Restoring assets to soundness by completing bad debt write offs was an urgent management issue. Fiscal 1998 was set as the target year for disposing of bad debt. The program was completed as scheduled as we wrote off bad debt and set aside sufficient reserves for possible loan losses in accordance with the “Financial Inspection Manual.”

As a result our capital adequacy ratio declined sharply. In May 1999, the Bank received an order from the Director of the Financial Supervisory Agency based on Paragraph 1, Article 26 of the Banking Law. The order required the Bank to submit and implement a management improvement plan (including measures for increasing capital), that provides for reasonable actions for ensuring financial soundness.

We considered the implementation of the plan submitted to the authorities as the most important management issue facing us at the time. Everyone at the bank from management to employees made concerted efforts to achieve the goals we had set for ourselves. The success of these initiatives is underscored by the record operating income we reported in term ended March 2000.

We increased capital in July 1999 by a ¥53,716 million preferred share issue for third party placement. As a result, the shareholders’ equity ratio (according to Japanese standards) rose to 5.68% (5.66% on a consolidated basis) as of the end of September 1999. The plan to raise capital was drawn up well before we received instructions from the Financial Supervisory Agency to reinforce our capital base.

We felt that to gain further trust from our customers and shareholders and to play a vital role in maintaining and enhancing financial services in Hokkaido, we needed to further strengthen our already strong financial base. As such, we agreed to increase capital further through the injection of public funds. This measure was carried out at the end of March, when we issued ¥45,030 million of unsecured subordinated convertible bonds to acquire the funds in question.

Plans for restoring management to a sound footing

Along with our application for public funds at the end of March, we submitted a plan to put management on a sound footing, in compliance with emergency laws for quickly restoring financial functions.

In addition to this step, we shall continue to work on restructuring our business and rationalizing and streamlining operations in order to further strengthen our earning power.



TSUNEO FUJITA President

A handwritten signature in black ink, which appears to read "Tsuneo Fujita".

REVIEW OF OPERATIONS

Deposits

Current account deposits increased by ¥75 billion. However, as we de-emphasized high-cost large-lot time deposits, the outstanding balance of time deposits declined by ¥107.6 billion, and as a result the outstanding balance of deposits totaled ¥3,285.9 billion.

Loans

The outstanding balance of loans declined by ¥181.8 billion to ¥2,597.8 billion as of the end of March 2000, a consequence of the lump-sum sale of debt claims to reduce non-performing debt, closure of our Hachinohe branch and write-off of debt that was classified as doubtful recoverables or worthless in accordance with in-house evaluation standards.

Securities

The outstanding balance of securities totaled ¥568 billion, the result of a ¥113.2 billion increase in Japanese government bonds, a ¥37.8 billion decrease in corporate bonds and a ¥12.5 billion decline in equity securities.

Volume of Exchange Transactions

The volume of domestic exchange transactions during the year under review totaled ¥42,137.1 billion. The volume of foreign exchange transactions was \$1,542 million.

Number of Branches

The number of branches and cash dispenser booths off-premises totaled 280 at the end of the year. The number of branches decreased to 135 as we closed one branch (Hachinohe). We added 16 cash dispenser locations during the year.

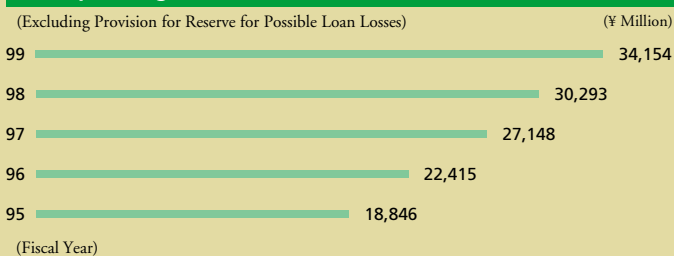
Earnings

Commission income rose, reflecting efficient fund management, more efficient fund raising to match management needs, an increase in the number of customers, and further reductions in operating expenses through streamlining. As a result, net operating income rose to ¥37,045 million. Adjusted net operating income, after allowing for changes in the general reserve for possible loan losses and all bond-related gains and losses, totaled ¥34,154 million. Both are record figures.

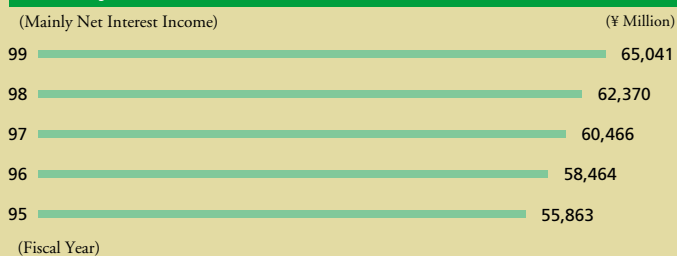
Backed by favorable net operating income, we took charges for amortization of bad debt and the provision for the reserve for possible loan losses, in accordance with the "Financial Inspection Manual." As a result, net income was ¥7,772 million.

The capital adequacy ratio rose by 5.15% as compared with the end of March 1999, to 8.18%. This was a consequence of the preferred stock issue and injection of public funds.

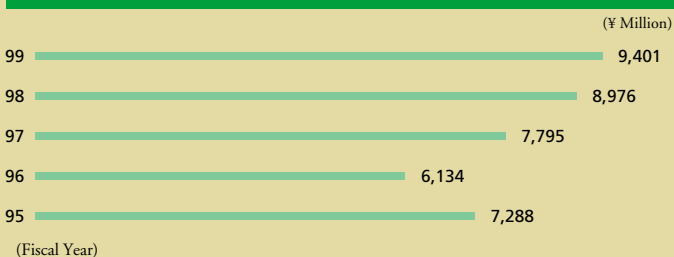
Net Operating Profit



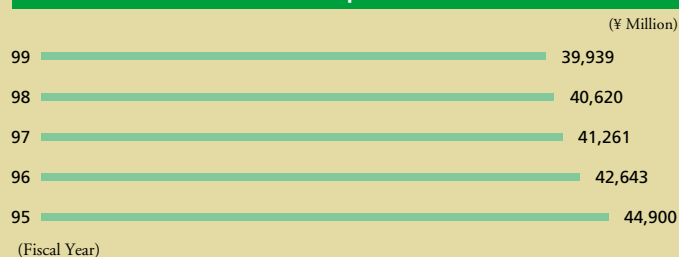
Treasury Profit



Net Fees and Commissions Income



General and Administrative Expenses



TWO-YEAR SUMMARY (CONSOLIDATED)

The Hokkaido Bank, Ltd. and Subsidiary
Years Ended March 31

	Millions of Yen	
	2000	1999
Total Income	¥ 100,846	¥ 111,002
Total Expenses	87,675	192,511
Income (Loss) before Income Taxes	13,170	(81,508)
Income Taxes	5,829	(34,644)
Net Income (Loss)	7,341	(46,864)
Investment Securities	¥ 568,097	¥ 516,044
Loans and Bills Discounted	2,596,687	2,779,444
Total Assets*	3,611,850	3,611,310
Deposits	¥3,295,831	¥3,324,300
Capital Stock	71,009	44,151
Shareholders' Equity	114,789	53,732

* Certain prior years' figures have been reclassified to conform with the current year's presentation.

FIVE-YEAR SUMMARY (NON-CONSOLIDATED)

The Hokkaido Bank, Ltd.
Years Ended March 31

	Millions of Yen				
	2000	1999	1998	1997	1996
Total Income	¥ 100,719	¥ 110,839	¥ 102,901	¥ 115,623	¥ 152,121
Total Expenses	87,510	192,451	154,358	132,267	182,631
Income (Loss) before Income Taxes	13,209	(81,612)	(51,457)	(16,644)	(30,510)
Income Taxes	5,436	(34,732)	86	110	403
Net Income (Loss)	7,772	(46,879)	(51,544)	(16,754)	(30,914)
Investment Securities	¥ 568,091	¥ 515,999	¥ 455,759	¥ 428,964	¥ 511,438
Loans and Bills Discounted	2,597,832	2,779,652	2,673,804	2,711,783	2,647,946
Total Assets*	3,612,309	3,611,323	3,414,692	3,352,645	3,359,571
Deposits	¥3,295,907	¥3,324,419	¥3,121,180	¥2,995,160	¥2,912,108
Capital Stock	71,009	44,151	44,151	44,151	44,151
Shareholders' Equity	115,194	53,706	53,705	105,249	122,753

* Certain prior years' figures have been reclassified to conform with the current year's presentation.

CONSOLIDATED BALANCE SHEETS

The Hokkaido Bank, Ltd. and Subsidiary
March 31, 2000 and 1999

	Millions of Yen	
	2000	1999
ASSETS		
Cash and Due from Banks	¥ 192,381	¥ 185,715
Call Loans and Bills Purchased	129,000	100,000
Monetary Claims Bought	3	2
Trading Account Securities (Note 17)	422	1,377
Money Held in Trust (Note 17)	5,000	—
Investment Securities (Notes 3, 14, and 17)	568,097	516,044
Loans and Bills Discounted (Note 4)	2,596,687	2,779,444
Foreign Exchange (Note 5)	3,793	3,108
Other Assets	14,130	17,313
Premises and Equipment (Note 6)	32,181	32,930
Deferred Tax Assets (Note 15)	75,850	81,605
Customers' Liabilities for Acceptances and Guarantees	64,042	73,428
Reserve for Possible Loan Losses	(69,739)	(179,659)
Total Assets	¥3,611,850	¥3,611,310

	Millions of Yen	
	2000	1999
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities:		
Deposits (Notes 7 and 14)	¥3,295,831	¥3,324,300
Call Money and Bills Sold (Note 14)	—	40,000
Foreign Exchange (Note 5)	41	47
Convertible Bonds (Note 8)	45,146	116
Other Liabilities	76,260	106,079
Reserve for Retirement Allowances	7,222	7,118
Reserve for Possible Losses on Collateralized Real Estate Loans Sold (to CCPC)	8,412	6,487
Reserve for Possible Losses on Investment Securities	103	—
Other Reserves	—	0
Acceptances and Guarantees	64,042	73,428
Total Liabilities	¥3,497,060	¥3,557,578
Shareholders' Equity (Note 9):		
Capital Stock	71,009	44,151
Additional Paid-in Capital	36,413	31,210
Retained Earnings (Accumulated Deficit)	7,368	(21,628)
Treasury Stock	0	0
Total Shareholders' Equity	114,789	53,732
Total Liabilities and Shareholders' Equity	¥3,611,850	¥3,611,310

	Yen	
Net Shareholders' Equity per Share	¥163.15	¥143.53

See Notes to Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF INCOME

The Hokkaido Bank, Ltd. and Subsidiary
For the Years Ended March 31, 2000 and 1999

	Millions of Yen	
	2000	1999
Income:		
Interest on Loans and Bills Discounted	¥ 62,631	¥ 64,622
Interest and Dividends from Securities	12,355	12,142
Other Interest Income	653	1,364
Fees and Commissions	12,757	12,221
Other Operating Income (Note 10)	3,260	3,312
Other Income (Note 11)	9,189	17,337
Total Income	100,846	111,002
Expenses:		
Interest on Deposits	10,274	14,969
Interest on Borrowings and Rediscounts	2	79
Other Interest Expenses	335	775
Fees and Commissions	3,296	3,228
Other Operating Expenses (Note 12)	2,861	4,900
General and Administrative Expenses	40,039	40,528
Other Expenses (Note 13)	30,865	128,028
Total Expenses	87,675	192,511
Income (Loss) before Income Taxes	13,170	(81,508)
Income Taxes (Note 15):		
Current	74	79
Deferred	5,755	(34,724)
Net Income (Loss)	¥ 7,341	¥ (46,864)

	Yen	
Net Income (Loss) per Share	¥16.72	¥(125.18)

See Notes to Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

Years Ended March 31, 2000 and 1999

	Thousands		Millions of Yen					
	Outstanding Number of Shares of Common Stock	Outstanding Number of Shares of Preferred Stock	Capital Stock		Additional Paid-in Capital	Retained Earnings (Accumulated Deficit)	Treasury Stock	Total
Balance at April 1, 1998	374,354	—	¥44,151	¥ —	¥31,210	¥(21,656)	¥ 0	¥ 53,704
Adjustment for newly consolidated subsidiaries	—	—	—	—	—	15	—	15
Adjustment for affiliates to which the equity method is newly applied, net	—	—	—	—	—	(52)	—	(52)
Effect of mergers	—	—	—	—	—	49	—	49
Adjustment for newly applied accounting for tax allocation	—	—	—	—	—	46,880	—	46,880
Net loss	—	—	—	—	—	(46,864)	—	(46,864)
Balance at March 31, 1999	374,354	—	44,151	—	31,210	(21,628)	0	53,732
Reversal of additional paid-in capital	—	—	—	—	(21,655)	21,655	—	—
Issuance of preferred stock*	—	107,432	—	26,858	26,858	—	—	53,716
Net income	—	—	—	—	—	7,341	—	7,341
Balance at March 31, 2000	374,354	107,432	¥44,151	¥26,858	¥36,413	¥ 7,368	¥ 0	¥114,789

* On July 30, 1999, the Bank issued 107,432 thousand shares of Class II no-par value preferred stock to third parties. The issue price is ¥500 per share, ¥250 of which is credited to the additional paid-in capital account.

CONSOLIDATED STATEMENT

The Hokkaido Bank, Ltd. and Subsidiary
For the Year Ended March 31, 2000

OF CASH FLOWS

Millions of Yen
2000

Cash flows from operating activities:	
Income before income taxes	¥ 13,170
Adjustments for:	
Depreciation and amortization	1,734
Investment losses under the equity method	976
Decrease in reserve for possible loan losses	(109,920)
Increase in reserve for possible investment securities	103
Increase in reserve for losses on the sale of credit	1,924
Increase in reserve for retirement allowances	104
Decrease in other reserves	(18)
Issuance cost of stock	197
Securities gains—net	(3,580)
Money held in trust gain—net	(68)
Foreign exchange losses—net	2,047
Premises and equipment gain—net	(429)
Decrease in loans	182,756
Decrease in deposits	(28,469)
Decrease in due from banks, excluding due from The Bank of Japan	34
Increase in call loans, bills purchased and monetary claims bought	(29,001)
Decrease in call money and bills sold	(40,000)
Decrease in cash collateral for bonds lent	(26,692)
Increase in foreign exchange (asset)	(684)
Decrease in foreign exchange (liabilities)	(5)
Decrease in interest receivable	484
Decrease in interest payable	(2,259)
Decrease in trading account securities	954
Other—net	1,814
Sub-total	(34,826)
Cash paid for income taxes	(39)
Net cash used in operating activities	(34,865)
Cash flows from investing activities:	
Purchases of investment securities	(269,047)
Proceeds from sales of investment securities	127,592
Proceeds from maturities of investment securities	89,981
Purchases of money held in trust	(5,000)
Interest income provided by investing activities	68
Purchases of premises and equipment	(1,726)
Proceeds from sales of premises and equipment	1,170
Net cash used in investing activities	(56,962)
Cash flows from financing activities:	
Proceeds from issuance of convertible bonds	45,030
Proceeds from issuance of stock	53,518
Net cash provided by financing activities	98,548
Effect of exchange rate changes on cash and cash equivalents	(20)
Net increase in cash and cash equivalents	6,700
Cash and cash equivalents at beginning of year	183,850
Cash and cash equivalents at end of year	¥190,551

See Notes to Consolidated Financial Statements.

NOTES TO CONSOLIDATED

The Hokkaido Bank, Ltd.
and Subsidiary

FINANCIAL STATEMENTS**1. BASIS OF PRESENTATION**

The accompanying consolidated financial statements of The Hokkaido Bank, Ltd. (the "Bank") and its subsidiary have been prepared in accordance with the provisions set forth in the Japanese Securities and Exchange Law and its related accounting regulations, and in conformity with accounting principles and practices generally accepted in Japan, which are different in certain respects as to application and disclosure requirements of International Accounting Standards. The consolidated financial statements are not intended to present the financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Japan.

Effective April 1, 1999, consolidated statements of cash flows are required to be prepared under Japanese accounting standards. The statement of cash flows for the year ended March 31, 2000 is presented herein. Such statement for the year ended March 31, 1999 is not presented, as Japanese accounting standards do not require retroactive preparation or presentation for prior years' financial statements.

Certain prior year's figures have been reclassified to conform with the current year's presentation.

The Japanese yen amounts are presented in millions of yen and are rounded down to the nearest million of yen, except for per share data. Accordingly, certain totals may not foot due to such rounding down.

2. SIGNIFICANT ACCOUNTING POLICIES*(1) Consolidation*

The consolidated financial statements include the accounts of the Bank and its subsidiary, The Dogin Business Service Ltd.

For the fiscal year ended March 31, 1999, in accordance with the amendments to the Bank Law of Japan, the Bank prepared consolidated financial statements. Prior year financial statements were not restated. The cumulative effect on accumulated deficit arising from newly consolidated subsidiaries and newly applied equity method were recognized as "Adjustment for newly consolidated subsidiaries" and "Adjustment for affiliates to which the equity method is applied, net" in the consolidated statements of shareholders' equity for the year ended March 31, 1999.

As of March 31, 2000, the subsidiary and affiliates, Dogin Card Co., Ltd. and Dogin Mortgage Co., Ltd., are accounted for under the equity method.

The Dogin Sogo Service Ltd., a consolidated subsidiary at March 31, 1999, was merged into The Dogin Business Service Ltd. in the current year.

The excess of the cost of an acquisition over the fair value of the net assets of the acquired subsidiary at the date of acquisition is charged to income when incurred.

All significant intercompany balances, transactions and unrealized profit have been eliminated in consolidation.

Appropriations of retained earnings and dispositions of deficit approved by the shareholders after the end of the year are recorded in the consolidated financial statements in the year approved.

(2) Trading Account Securities

Quoted trading account securities listed on exchanges are stated at the lower of moving average cost or market. Unquoted trading account securities are stated at cost determined by the moving average method.

(3) Investment Securities

Investment securities are stated at cost determined by the moving average method.

Securities held in individually managed money trusts for asset management purposes are stated at the lower of cost or market on an aggregate basis by money trust.

(4) Depreciation

a. Premises and Equipment

Premises and equipment are stated at cost less accumulated depreciation.

Depreciation is computed by the declining-balance method based on estimated useful lives. With the revision of Corporation Tax Law, depreciation for buildings (excluding facilities attached to buildings) acquired on April 1, 1998 or later is computed using the straight-line method.

b. Amortization of costs of software for internal use is computed by the straight-line method based on useful lives (mainly five years). Formerly, such costs were charged to income as incurred.

Effective April 1, 1999, costs of acquisition for software are accounted for as assets, and amortized by the straight-line method based on useful lives in accordance with "Accounting Standard of Research and Development Costs" (March 13, 1998 Company Account Consideration Council). As a result of this revision, other assets as of March 31, 2000 and income before income taxes for the year then ended increased by ¥506 million, respectively. Unamortized balance of software costs is included in "Other Assets".

(5) Translation of Foreign Currency

Foreign currency assets and liabilities are translated into Japanese yen at the exchange rate prevailing at the date of the balance sheet, except that certain special accounts, as approved by the Japanese regulatory authorities, are translated at the historical rates.

(6) Reserve for Possible Loan Losses

The reserve for possible loan losses is provided in accordance with the policies regarding write-offs and reserve standards stipulated in the Uniform Accounting Standards for Banks. The reserve for loans to borrowers who are classified as substantially bankrupt or who are bankrupt in the formal legal sense is provided based on the amount remaining after deduction of the amount of their collateral considered to be disposable and amounts recoverable under guarantees. In addition, a reserve is provided for loans to borrowers who, although not actually bankrupt in the legal sense, are experiencing serious management difficulties and whose failure is eminent. In such cases, a portion of the reserve is provided based on the amount remaining after deduction of the amount of their collateral considered to be disposable and amounts recoverable under guarantees, and the balance of this reserve is provided after giving full consideration to the amount the borrower is capable of repaying.

In the case of all other loans, the amount provided as a reserve is based on the ratio of actual defaults during a fixed period in the past.

During fiscal year 1999, the Bank started charging off the unsecured portion of loans to borrowers who are classified as substantially bankrupt or who are bankrupt in the formal legal sense from its balance sheet rather than recording reserves. The charge-off amount totals ¥88,893 million.

(7) Reserve for Retirement Allowances

The Bank's employees are entitled to a lump sum payment at the termination of their service to the Bank. The amount depends on the duration of service, the basic salary at the time of the termination and the reason for the termination. The reserve amount has been computed to cover the full amount due if all employees leave the Bank on a voluntary basis at the balance sheet date.

(8) Reserve for Possible Losses on Collateralized Real Estate Loans Sold

The reserve for possible losses on loans collateralized by real estate sold to the Cooperative Credit Purchasing Company ("CCPC") is provided at an amount deemed necessary to cover possible losses based on the estimated fair value of real estate. In accordance with the terms of the loans collateralized by real estate sales contract, the Bank is required to cover certain portions of losses incurred as defined in the contract, when CCPC disposes of real estate in satisfaction of debt.

(9) Reserve for Possible Losses on Investment Securities

The amount of the provision for reserve for possible losses on investment securities is provided at an amount deemed necessary to cover possible losses based on the fair value of the investment securities.

(10) Leases

Finance leases other than those which transfer the ownership of the leased property to the Bank are accounted for as operating leases.

(11) Consumption Taxes

Consumption tax and municipal consumption tax are primarily accounted for using the tax-excluded method.

(12) Stock and Bond Issue Costs

Stock and bond issue costs are charged to income as incurred.

(13) Income Taxes

Effective April 1, 1998, the Bank adopted an accounting method for the allocation of income taxes based on the asset and liability method. The cumulative effect of the application of interperiod tax allocation in prior years in the amount of ¥46,880 million is included as an adjustment to accumulated deficit as of April 1, 1998. Such cumulative effect is calculated by applying the income tax rate stipulated by enacted tax laws as April 1, 1998.

Deferred income taxes are recorded to reflect the impact of temporary differences between assets and liabilities recognized for financial reporting purposes and such amounts recognized for tax purposes. These deferred taxes are measured by applying currently enacted tax laws to the temporary differences.

(14) Per Share Information

Net income per share for 2000 is computed by deducting dividends for preferred stock from net income, divided by the weighted average number of shares of common stock outstanding during the fiscal year.

Net loss per share for 1999 is based on the weighted average number of shares of common stock outstanding during the fiscal year.

Net shareholders' equity per share for 2000 is computed by deducting the number of shares of preferred stock outstanding at fiscal year-end multiplied by the issue price from shareholders' equity, divided by the number of shares of common stock outstanding at the fiscal year-end.

Net shareholders' equity per share for 1999 is based on the number of shares of common stock outstanding at the fiscal year-end.

Diluted net income per share is not disclosed because of anti-dilutive effects for 2000 and the net loss position for 1999.

(15) Cash and Cash Equivalents

For purposes of reporting cash flows, cash and cash equivalents are defined as cash and demand deposits with The Bank of Japan included in the consolidated balance sheets under the caption Cash and Due from Banks.

3. INVESTMENT SECURITIES

	Millions of Yen	
	2000	1999
National Government Bonds	¥293,113	¥179,877
Local Government Bonds	32,281	35,886
Corporate Bonds	152,784	190,609
Corporate Stock	74,021	86,652
Foreign Securities	12,019	18,191
Other Securities	3,877	4,827
Total	¥568,097	¥516,044

The amount of shares of affiliated companies included in the corporate stock above was ¥67 million and ¥107 million, at March 31, 2000 and 1999, respectively.

4. LOANS AND BILLS DISCOUNTED

(1) The breakdown of loans and bills discounted is as follows:

	Millions of Yen	
	2000	1999
Bills Discounted	¥ 81,239	¥ 88,853
Loans on Notes	603,527	722,635
Loans on Deeds	1,515,310	1,488,572
Overdrafts	396,610	479,381
Total	¥2,596,687	¥2,779,444

(2) Non-Performing Loans:

	Millions of Yen	
	2000	1999
Loans to Companies Legally Bankrupt	¥ 14,768	¥ 99,598
Other Delinquent Loans	145,821	33,612
Loans Past Due Over 3 Months	1	3,950
Restructured Loans	38,935	115,808
Total	¥199,527	¥252,969

Note: The amounts in the above table are before deducting reserve for possible loan losses from loans and bills discounted. During fiscal year 1999, the Bank decided to classify loans made to borrowers categorized as "legally bankrupt", "substantially bankrupt", and "potentially bankrupt" for self-assessment purposes, as nonaccrual status regardless of the overdue period. As a result of this revision, other delinquent loans for potentially bankrupt at March 31, 2000 include, under the former classification, ¥4,524 million of loans past due over 3 months, ¥86,357 million of restructured loans, and ¥36,698 million which is not classified as non-performing loans.

a. Loans to Companies Legally Bankrupt

Loans to Companies Legally Bankrupt consist of non-accrual loans on which the payment of principal or interest is well past due or there is no prospect of recovery of the principal or interest from the borrower or from a third party guaranteeing the loan (does not include the written-down portion of the loan). This category also includes the loans cited in Article 96-1-3 and 96-1-4 of the Corporation Tax Law (Government Ordinance No. 97 of 1965).

b. Other Delinquent Loans

Other Delinquent Loans are non-accrual loans, which do not fall under the classifications of loans to bankrupt borrowers or financial assistance loans where interest has been suspended for the purpose of business rehabilitation or debtor assistance.

c. Loans Past Due Over 3 Months

Loans Past Due Over 3 Months are classified in this category when 3 months or more has elapsed since the due date without the payment of principal or interest. The balance of loans to companies legally bankrupt and the balance of other delinquent loans are not included in this category.

d. Restructured Loans

Restructured Loans include loans which have been restructured to support the rehabilitation of certain borrowers who are encountering financial difficulties, with the intention of ensuring recovery of the loans by providing easier repayment terms for the borrowers (such as by reducing the rate of interest or by providing a grace period for the payment of principal/interest, etc.). Excluded from this balance are the balance of loans to companies legally bankrupt, the balance of other delinquent loans and the balance of loans past due over 3 months.

5. FOREIGN EXCHANGE

	Millions of Yen	
	2000	1999
Assets:		
Due from Foreign Correspondents	¥2,406	¥ 1,632
Foreign Exchange Bills Bought	36	179
Foreign Exchange Bills Receivable	1,350	1,297
Total	¥3,793	¥ 3,108

	Millions of Yen	
	2000	1999
Liabilities:		
Due to Foreign Correspondents	¥ 0	¥ 0
Foreign Exchange Bills Sold	33	45
Foreign Exchange Bills Payable	8	1
Total	¥41	¥47

6. PREMISES AND EQUIPMENT

	Millions of Yen	
	2000	1999
Land, Buildings and Equipment	¥29,789	¥30,537
Construction in Progress	50	—
Lease Deposits	2,341	2,393
Total	¥32,181	¥32,930

The balances of accumulated depreciation at March 31, 2000 and 1999 were ¥37,686 million and ¥39,596 million, respectively. Besides premises and equipment in the consolidated balance sheets, electronic computers and cars are used through lease contracts in part.

7. DEPOSITS

	Millions of Yen	
	2000	1999
Current Deposits	¥ 160,700	¥ 161,225
Ordinary Deposits	855,747	775,493
Deposits at Notice	65,417	64,287
Time Deposits	2,063,989	2,170,024
Other Deposits	139,997	147,877
Sub-total	3,285,851	3,318,908
Negotiable Certificates of Deposit	9,980	5,392
Total	¥3,295,831	¥3,324,300

8. CONVERTIBLE BONDS

Convertible bonds included subordinated bonds of ¥45,030 million at March 31, 2000. Convertible bonds at March 31, 2000 and 1999, consisted of the following:

	Millions of Yen	
	2000	1999
Unsecured 2.125% U.S. dollar convertible bond, convertible into common stock at ¥581.20* per share, due 2002	¥ 116	¥116
Unsecured 1.160% domestic convertible bond, convertible into preferred stock (Class I) at ¥570 per share, permanent . . .	45,030	—
Total	¥45,146	¥116

* The conversion price is subject to adjustments in certain circumstances.

9. SHAREHOLDERS' EQUITY

(1) Capital Stock

Information with respect to shares of the Bank's capital stock as of March 31, 2000 and 1999, is as follows:

	2000		1999	
	Thousands of Shares			
Par value per share	¥50		¥50	
Number of Shares:				
Authorized	1,280,000		1,400,000	
Issued and outstanding	374,354		374,354	

(Preferred Stock)

	2000		1999	
	Thousands of Shares			
Par value per share	no par value		no par value	
Number of Shares:				
(Class I)				
Authorized	50,000		50,000	
Issued and outstanding	—		—	
(Class II)				
Authorized	120,000		—	
Issued and outstanding	107,432		—	

(2) Preferred Stock

The Bank is authorized to issue 50 million shares of Class I preferred stock and 120 million shares of Class II preferred stock, without par value.

All classes of preferred stock to be issued are non-voting and have equal preference over the Bank's common stock for the payment of dividends and the distribution of assets in the event of a liquidation or dissolution of the Bank. They are all noncumulative and non-participating for dividend payments. Preferred stock shareholders receive a liquidation distribution at ¥500 per share and do not have the right to participate in any further liquidation distributions.

Class I preferred stock is convertible into common stock at the option of preferred stock shareholders during a conversion period. The conversion is mandatorily required on the date immediately following the closing date of the conversion period. At the time of issuance, the Board of Directors determines an issue price, an annual dividend (not to exceed ¥37.50 per share), and conversion terms, including a conversion period.

Class II preferred stock is redeemable at the option of the Bank. At the time of issuance, the Board of Directors determines an issue price, an annual dividend (not to exceed ¥50.00 per share), and redemption terms, including a redemption price.

On July 30, 1999, the Bank issued 107,432 thousand shares of Class II preferred stock at ¥500 per share (¥53,716 million in the aggregate). Annual dividends are ¥15.00 per share (¥10.09 per share for the period from July 30, 1999 to March 31, 2000).

In accordance with the provisions of the Japanese Commercial Code (the "Code"), the issuance was accounted for by crediting equal amounts of the issue price to capital stock account and to the additional paid-in capital account.

(3) Legal Reserve

In accordance with the Japanese Banking Law, at least an amount equal to 20% of the term's cash dividends must be put aside as legal reserve to the cumulative extent of the amount equal to the paid-up capital. Although this reserve is not available for dividends, it may be used to reduce a deficit by resolution of the shareholders or may be transferred to the capital account by resolution of Board of Directors. The Bank's reserve amount is included in retained earnings, but the remaining amount is zero as of March 31, 2000 and 1999, respectively.

(4) Retained Earnings

Under the Code, the amount available for dividends is based on retained earnings as recorded on the Bank's books. At March 31, 2000, retained earnings recorded on the Bank's books were ¥7,772 million, which is available for future dividends subject to the approval of the shareholders and legal reserve requirements.

10. OTHER OPERATING INCOME

	Millions of Yen	
	2000	1999
Gains on Sales of		
Trading Account Securities	¥ 11	¥ 18
Gains on Sales of Bonds	2,986	2,777
Gains on Redemption of Bonds	166	377
Others	95	139
Total	¥3,260	¥3,312

11. OTHER INCOME

	Millions of Yen	
	2000	1999
Gains on Sales of Stock and		
Other Securities	¥7,505	¥ 1,471
Gains on Dispositions of Premises and Equipment	806	105
Discount on Purchased Loans	—	14,659
Others	877	1,101
Total	¥9,189	¥17,337

12. OTHER OPERATING EXPENSES

	Millions of Yen	
	2000	1999
Losses on Foreign Exchange Transactions	¥ 360	¥ 450
Losses on Sales of Bonds	1,136	1,000
Losses on Redemption of Bonds	1,203	1,716
Losses on Devaluation of Bonds	—	1,439
Others	160	293
Total	¥2,861	¥4,900

13. OTHER EXPENSES

	Millions of Yen	
	2000	1999
Provision for Possible Loan Losses	¥20,447	¥ 97,646
Provision for Losses on Sales of Loans	1,924	2,834
Write-offs of Loans	390	16,903
Losses on Sales of Stock and Other Securities	4,670	1,058
Losses on Devaluation of Stock and Other Securities	1,099	4,983
Others	2,332	4,602
Total	¥30,865	¥128,028

14. ASSETS PLEDGED AS COLLATERAL

	Millions of Yen
Assets pledged as collateral at March 31, 2000 are as follows:	
Investment Securities	¥65,692

The above pledged assets are all related to deposit liabilities.

Besides the above-mentioned, investment securities of ¥78,693 million were pledged as collateral for settlement of exchange at The Bank of Japan and the reserve funds for forward dealings.

15. INCOME TAXES

The Bank is subject to Japanese national and local income taxes which, in the aggregate, resulted in a normal effective statutory tax rate of 41.70% and 47.32% for the year ended March 31, 2000 and 1999, respectively.

The tax effects of significant temporary differences and loss carryforwards which result in deferred tax assets at March 31, 2000 and 1999 were as follows:

	Millions of Yen	
	2000	1999
Deferred Tax Assets:		
Reserve for Possible Loan Losses	¥ 44,104	¥ 42,795
Tax Loss Carryforwards	23,622	31,508
Reserve for Losses on Sales of Loans	3,507	2,705
Reserve for Retirement Allowances	2,015	1,866
Depreciation	1,754	1,927
Other	844	802
Deferred Tax Assets	¥75,850	¥81,605

16. LEASES

(1) Finance Leases

Total lease payments, for finance leases other than those where the ownership of leased property is transferred, were ¥332 million and ¥703 million for the years ended March 31, 2000 and 1999, respectively.

The pro forma information on the leased property under such finance leases as lessee at March 31, 2000 and 1999 assuming that it was capitalized, were as follows:

	Millions of Yen	
	2000	1999
Acquisition Cost:		
Equipment	¥2,591	¥3,582
Other	74	76
Total	2,666	3,659
Accumulated Depreciation:		
Equipment	(1,769)	(2,205)
Other	(55)	(35)
Total	(1,825)	(2,241)
Net leased Property:		
Equipment	822	1,377
Other	19	40
Total	¥ 841	¥1,417

Depreciation expense, which was not reflected in the accompanying consolidated statements of income, computed by the straight-line method was ¥332 million and ¥703 million for the years ended March 31, 2000 and 1999, respectively.

The related obligations under such finance leases at March 31, 2000 and 1999, were as follows:

	Millions of Yen	
	2000	1999
Due within one year	¥450	¥ 588
Due after one year	390	829
Total	¥841	¥1,417

(2) Operating Leases

Obligations under operating leases at March 31, 2000 and 1999, were as follows:

	Millions of Yen	
	2000	1999
Due within one year	¥3	¥4
Due after one year	0	0
Total	¥3	¥5

17. BOOK VALUE AND MARKET VALUE INFORMATION ON SECURITIES AND MONEY HELD IN TRUST

(1) Book value and market value of Securities as of March 31, 2000 and 1999

	Millions of Yen		
	Book Value	Market Value	Unrealized Gains (Losses)
2000			
Listed Securities:			
Investment Securities:			
Bonds	¥125,578	¥127,670	¥ 2,091
Stock	61,611	51,701	(9,909)
Others	11,952	10,307	(1,644)
Total	¥199,142	¥189,679	¥(9,462)
Unlisted Securities:			
Trading Account Securities	¥ 414	¥ 422	¥ 7
Investment Securities:			
Bonds	190,497	193,900	3,402
Stock	7,005	6,887	(117)
Others	3,847	3,677	(170)
Sub-total	201,351	204,465	3,114
Total	¥201,766	¥204,887	¥ 3,121

1999	Millions of Yen		
	Book Value	Market Value	Unrealized Gains (Losses)
Listed Securities:			
Trading Account Securities	¥ 66	¥ 67	¥ 0
Investment Securities:			
Bonds	106,413	111,067	4,654
Stock	75,678	62,948	(12,729)
Others	16,796	14,435	(2,361)
Sub-total	198,888	188,452	(10,436)
Total	¥198,954	¥188,519	¥(10,435)
Unlisted Securities:			
Trading Account Securities	¥ 1,223	¥ 1,253	¥ 29
Investment Securities:			
Bonds	194,946	198,884	3,938
Stock	6,072	6,411	338
Others	5,680	4,778	(901)
Sub-total	206,699	210,074	3,375
Total	¥207,922	¥211,327	¥3,404

Note: The aggregate book value of securities excluded from the above table, of which market prices are not available, is ¥167,612 million and ¥110,544 million at March 31, 2000 and 1999, respectively.

(2) Book value and market value of Money Held in Trust as of March 31, 2000 and 1999

2000	Millions of Yen		
	Book Value	Market Value	Unrealized Gains (Losses)
Money Held in Trust	¥5,000	¥5,001	¥ 1

There were no money held in trust outstanding as of March 31, 1999.

18. DERIVATIVES

The Bank enters into: currency swaps and options and foreign exchange forward contracts; interest rate futures and options, swaps, and caps; stock price index futures and options; and bond futures and their options.

It is the Bank's policy to use derivative financial instruments ("derivatives") primarily for the purpose of reducing market risks associated with its assets and liabilities. The Bank also utilizes derivatives to meet the needs of its clients while entering into derivatives as a part of its trading activities.

Derivatives are subject to market risk and credit risk. Market risk is the exposure created by potential fluctuations of market conditions, including interest or foreign exchange rates. The Bank sets limits for credit risk by limiting the counterparties to those derivatives to domestic or foreign exchange and major financial institutions.

Derivatives transactions entered into by the Bank have been made in accordance with its risk management policies and procedures. Limits to allowable maximum risk exposures and losses are established by the Assets and Liabilities Committee periodically.

The Bank's position, gain-and-loss amount, risk amount and other information regarding the status of trading transactions are reported daily to the management board.

(1) Interest Rate Derivatives as of March 31, 2000 and 1999

2000	Millions of Yen		
	Notional or Contract Amount	Market Value	Unrealized Gains (Losses)
Over-the-Counter Transactions:			
Interest Rate Swaps:			
Fixed rate receipt, floating rate payment	¥14,672	¥51	¥51
Floating rate receipt, fixed rate payment	9,852	(42)	(42)
Caps:			
Selling	-	-	-
	[-]	-	-
Buying	-	-	-
	[-]	-	-

1999	Millions of Yen		
	Notional or Contract Amount	Market Value	Unrealized Gains (Losses)
Over-the-Counter Transactions:			
Interest Rate Swaps:			
Fixed rate receipt, floating rate payment	¥25,783	¥451	¥451
Floating rate receipt, fixed rate payment	22,304	(282)	(282)
Caps:			
Selling	1,000	0	3
	[3]	0	3
Buying	1,000	0	(2)
	[2]	0	(2)

Note: Premiums on option contracts accounted for on the balance sheets are denoted by brackets [].

(2) Currency Swaps as of March 31, 2000 and 1999

2000	Millions of Yen		
	Notional or Contract Amount	Market Value	Unrealized Gains (Losses)
Over-the-Counter Transactions:			
Currency Swaps:	¥741	¥7	¥7
US\$	741	7	7

1999	Millions of Yen		
	Notional or Contract Amount	Market Value	Unrealized Gains (Losses)
Over-the-Counter Transactions:			
Currency Swaps:	¥1,581	¥1	¥1
US\$	1,581	1	1

Note: Foreign exchange forward contracts and currency options are excluded from the above table, because they are revalued at the end of the fiscal year and their related profits or losses are reflected in the consolidated statements of income.

The contract amount of the re-evaluated currency derivatives is as follows.

	Millions of Yen	
	2000 Contract Amount	1999 Contract Amount
Over-the-Counter Transactions:		
Foreign Exchange Forward Contracts:		
Selling	¥14,912	¥21,636
Buying	2,569	2,930
Currency Options:		
Selling:		
Call	-	24
	[-]	[0]
Put	-	-
	[-]	[-]
Buying:		
Call	-	24
	[-]	[0]
Put	-	-
	[-]	[-]

Note: Premiums on option contracts accounted for on the balance sheets are denoted by brackets [].

(3) Bonds related derivatives as of March 31, 2000 and 1999

1999	Millions of Yen		
	Notional or Contract Amount	Market Value	Unrealized Gains (Losses)
Transactions Listed on Exchange:			
Bond Futures:			
Selling	¥145	¥145	¥(0)
Buying	146	145	(0)
Options for Bond Futures:			
Selling:			
Call	147		
	[1]	0	0
Put	-	-	-
	[-]	-	-
Buying:			
Call	148		
	[0]	0	0
Put	-	-	-
	[-]	-	-

Note: Premiums on option contracts accounted for on the balance sheets are denoted by brackets [].

There were no bond related derivatives outstanding as of March 31, 2000.

19. SUBSEQUENT EVENTS

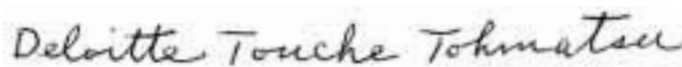
On June 29, 2000, the Shareholders authorized appropriations of the Bank's retained earnings as follows:

	Millions of Yen
Transfer to Legal Reserve	¥ 250
Cash Dividends (¥10.09 per share of Class II preferred stock)	1,083

To the Board of Directors and Shareholders of
The Hokkaido Bank, Ltd.:

We have examined the consolidated balance sheets of The Hokkaido Bank, Ltd. and its subsidiary as of March 31, 2000 and 1999, and the related consolidated statements of income and shareholders' equity for the years then ended, and cash flows for the year ended March 31, 2000. Our examinations were made in accordance with auditing standards, procedures and practices generally accepted and applied in Japan and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the consolidated financial statements referred to above present fairly the financial position of The Hokkaido Bank, Ltd. and its subsidiary as of March 31, 2000 and 1999, the results of their operations for the years then ended, and their cash flows for the year ended March 31, 2000 in conformity with accounting principles and practices generally accepted in Japan applied on a consistent basis.



DELOITTE TOUCHE TOHMATSU

Sapporo, Japan
June 30, 2000

NON-CONSOLIDATED FINANCIAL STATEMENTS (SUPPLEMENTAL INFORMATION)

Non-consolidated Balance Sheets

The Hokkaido Bank, Ltd.
March 31, 2000 and 1999

	Millions of Yen	
	2000	1999
ASSETS		
Cash and Due from Banks	¥ 192,381	¥ 185,715
Call Loans and Bills Purchased	129,000	100,000
Monetary Claims Bought	3	2
Trading Account Securities	422	1,377
Money Held in Trust	5,000	-
Investment Securities	568,091	515,999
Loans and Bills Discounted	2,597,832	2,779,652
Foreign Exchange	3,793	3,108
Other Assets	14,119	17,290
Premises and Equipment	32,179	32,924
Deferred Tax Assets	76,327	81,692
Customers' Liabilities for Acceptances and Guarantees	64,042	73,428
Reserve for Possible Loan Losses	(70,884)	(179,868)
Total Assets	¥3,612,309	¥3,611,323
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities:		
Deposits	¥3,295,907	¥3,324,419
Call Money and Bills Sold	-	40,000
Foreign Exchange	41	47
Convertible Bonds	45,146	116
Other Liabilities	76,242	106,013
Reserve for Retirement Allowances	7,213	7,104
Reserve for Possible Losses on Collateralized Real Estate Loans Sold (to CCPC)	8,412	6,487
Reserve for Possible Losses on Investment Securities	108	-
Other Reserves	-	0
Acceptances and Guarantees	64,042	73,428
Total Liabilities	¥3,497,115	¥3,557,617
Shareholders' Equity:		
Capital Stock	71,009	44,151
Additional Paid-in Capital	36,413	31,210
Retained Earnings (Accumulated Deficit)	7,772	(21,655)
Total Shareholders' Equity	115,194	53,706
Total Liabilities and Shareholders' Equity	¥3,612,309	¥3,611,323
	Yen	
Net Shareholders' Equity per Share	¥164.23	¥143.46

Non-consolidated Statements of Income and Retained Earnings (Accumulated Deficit)

The Hokkaido Bank, Ltd.
For the Years Ended March 31, 2000 and 1999

	Millions of Yen	
	2000	1999
Income:		
Interest on Loans and Bills Discounted	¥ 62,631	¥ 64,518
Interest and Dividends from Securities	12,355	12,142
Other Interest Income	653	1,469
Fees and Commissions	12,697	12,205
Other Operating Income	3,164	3,173
Other Income	9,216	17,330
Total Income	100,719	110,839
Expenses:		
Interest on Deposits	10,274	14,969
Interest on Borrowings and Rediscounts	2	79
Other Interest Expenses	335	775
Fees and Commissions	3,296	3,228
Other Operating Expenses	2,700	4,607
General and Administrative Expenses	40,069	40,705
Other Expenses	30,830	128,085
Total Expenses	87,510	192,451
Income (Loss) before Income Taxes	13,209	(81,612)
Income Taxes:		
Current	72	79
Deferred	5,364	(34,811)
Net Income (Loss)	¥ 7,772	¥ (46,879)
Retained Earnings (Accumulated Deficit),		
Beginning of the Year	(21,655)	(50,680)
Reversal of Voluntary Reserves	-	8,801
Reversal of Legal Reserves	-	20,222
Reversal of Additional Paid-in Capital	21,655	-
Adjustment of Accumulated Deficit for Newly Applied Accounting for Tax Allocation	-	46,880
Retained Earnings (Accumulated Deficit),		
End of the Year	¥ 7,772	¥ (21,655)
	Yen	
Per Share Data		
Net Income (Loss)	¥ 17.87	¥ (125.22)
Cash Dividends:		
Common Stock	-	-
Preferred Stock (Class II)	¥ 10.09	¥ -

Stock Information

Authorized Shares

Common stock 1,280,000 thousand shares
Preferred stock 170,000 thousand shares

Issued and Outstanding Shares

Common stock 374,354 thousand shares
Preferred stock
(Class II) 107,432 thousand shares

Paid-in Capital

71,009 million yen

Number of Shareholders

Common stock 19,150
Preferred stock (Class II) 2,038

Principal Shareholders (Common Stock)

	Shareholding
The Yasuda Mutual Life Insurance Company	4.19%
The Hokkaido Bank Employees' Shareholding Association	3.07%
Sumitomo Life Insurance Company	2.94%
The Fuji Bank, Limited	2.79%
The Bank of Tokyo-Mitsubishi, Ltd.	2.76%
The Dai-ichi Mutual Life Insurance Company	2.40%
The Hokkaido Fire Insurance Cooperative Society	2.17%
Asahi Mutual Life Insurance Company	2.02%
T.O.Ogasawara Company Limited	1.97%
The Yasuda Trust and Banking Company, Limited	1.88%

(As of March 31, 2000)

Organization

General Meeting of Shareholders

Board of Corporate Auditors

Board of Directors

Chairman of the Board
President
Directors

Planning & Management

Management Planning Group
Computer Systems Planning Group
Treasury & Securities Group
Personnel Affairs Group
└ Staff Center
General Affairs Group
└ Mail Center
Secretariat
Tokyo Liaison Office

Business Promotion

Business Promotional Planning Group
Branch Support Group
└ Dogin Institute for Regional Business Management
Public Funds & Finance Group
Operation Center
Foreign Business Support Center
Loan Center
Telemarketing Center

Risk Management

Risk Management Group
Inspection Group
Operative Administration Group
Customer Service Office

Credit Administration

Credit Administration Group
Credit Examination Group
Credit Supervision Group

Head Office Branches

Board of Executive Officers

Management Meeting
Business Promotion Meeting

(As of July 1, 2000)

Board of Directors

President

Tsuneo Fujita

Directors

Yutaka Kawaguchi
Hisae Goto
Seiji Yoshida
Kiyoshi Yokoyama
Jyoji Sato

Corporate Auditors

Standing Auditor

Kanichi Kaneko

Auditors

Minoru Shikita
Satoshi Inaba
Tomoharu Ito

Executive Officers

Senior Executive Officers

Kazuoki Adachi (Business Promotion)
Akira Ibayashi (Asahikawa Area)

Executive Officers

Isao Tomizu (Tokyo Area)
Noriaki Ohno (Obihiro Area)
Masao Hoshi (Hakodate Area)
Kiyoshi Nitta (Sapporo Ekimae Branch)
Koichi Sato (Kushiro Area)
Masamichi Kondo (Head Office)

(As of July 1, 2000)

Affiliated Companies

Name	Line of business	Capital (Millions of yen)	Bank's share in capital	Establishment
The Dogin Business Service Limited	Collection and delivery of cash	50	100%	1979
Dogin Card Co., Ltd.	Credit card, loan guarantees, appraisal of real estate for loan collateral	122	5%	1977
Dogin Mortgage Co., Ltd.	Mortgage securities business	100	5%	1989

(As of March 31, 2000)

International Correspondence

Foreign Business Support Center

1, Nishi 4-chome, Odori, Chuo-ku, Sapporo 060-8676
Phone: (011) 261-7111 Telex: 0932263 HKDBSA J
Fax: (011) 231-3811
S.W.I.F.T. Address: HKDB JP JT
E-mail: hbkaigai@poplar.ocn.ne.jp

Treasury & Securities Group

4-20, Nihombashi-Hongokuchō 4-chome, Chuo-ku,
Tokyo 103-0021
Phone: (03) 3241-3457 Fax: (03) 3245-1779

International Correspondent Banking Network

151 Banks 588 Offices

Number of Domestic Offices

Hokkaido 132
Tohoku District 1
Tokyo 1
Osaka 1
Total 135
(Foreign Exchange Office 12)
(Money Exchange Office 53)
(As of July 1, 2000)

