



CHIBA BANK

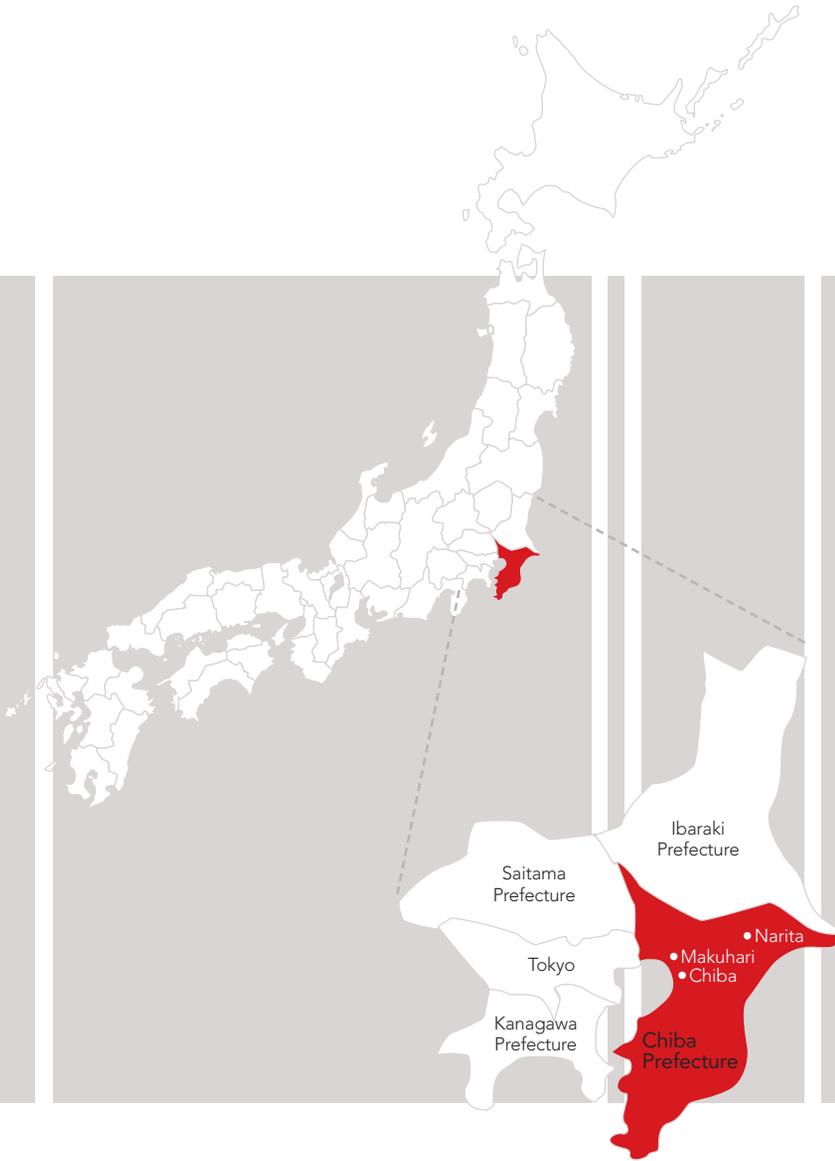


FIRST IN THE HEARTS OF CUSTOMERS,
FIRST IN OUR REGION

The Chiba Bank, Ltd.

Annual Report 2009

Year ended March 31, 2009



Our Operating Area

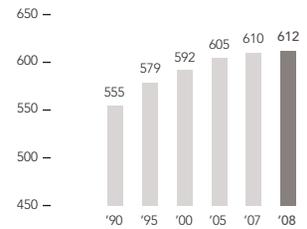
Chiba Prefecture, our operating base, is located in the Tokyo Metropolitan Area. The total prefectural income of this area, consisting of Tokyo, Chiba, Saitama and Kanagawa, is over 30 percent of the national figure. And Chiba Prefecture is one of Japan's leading prefectures in terms of shipments, production and marketing in sectors such as commerce, manufacturing, fisheries and agriculture. In terms of industrial profile, too, Chiba Prefecture has a very balanced economy.

With a population of over 6.1 million people, Chiba Prefecture has great potential as an operating base. We can expect further sustained growth in the future in light of the population growth rate, one of Japan's highest.

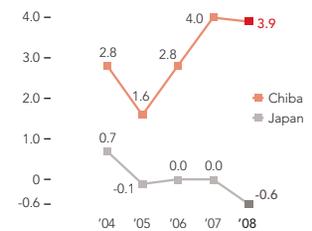
Chiba Prefecture is an important industrial and economic base and gateway into Japan by air and sea. Narita International Airport and Chiba Port are international trade ports whose volume of goods handled are the largest and second-largest, respectively, in Japan.

More recently, with the development of tourism in the prefecture, and the emergence of venture businesses to carry the local economy into the future, Chiba Prefecture is one of Japan's most promising domestic markets.

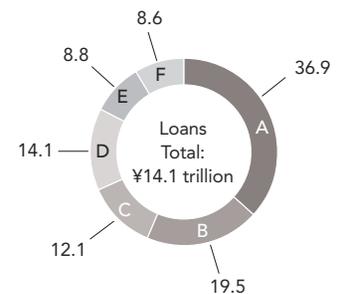
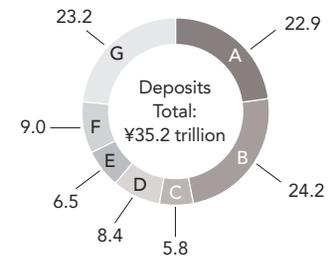
Population of Chiba Prefecture (10 thousand)



Rates of Population Change (%)



Business Share of Banks Operating in Chiba (As of March 31, 2008) (%)



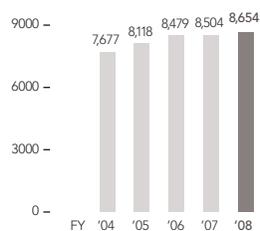
- A Chiba Bank
- B City Banks
- C Regional Banks (excluding Chiba Bank)
- D Second-tier Regional Banks
- E Shinkin Banks
- F JA Banks, other
- G Japan Post Bank

Source: MONTHLY KINYU JOURNAL

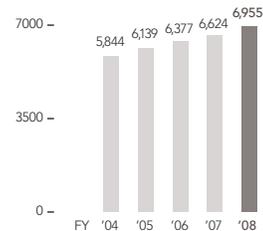
Consolidated Years Ended March 31	Millions of Yen			Thousands of U.S. Dollars (Note)
	2009	2008	2007	2009
For the Year				
Total Income	¥ 262,859	¥ 274,252	¥ 270,310	\$ 2,675,958
Total Expenses	248,118	192,792	181,386	2,525,889
Net Income	12,392	45,980	52,538	126,159
At Year-End				
Total Assets	¥10,062,926	¥9,835,939	¥9,736,917	\$102,442,498
Loans and Bills Discounted	6,955,624	6,624,687	6,377,598	70,809,576
Securities	1,893,075	2,045,011	2,416,149	19,271,868
Deposits	8,654,989	8,504,095	8,479,222	88,109,427
Net Assets	537,671	580,168	598,822	5,473,597
Common Stock	145,069	145,069	145,069	1,476,831

Note: U.S. dollar amounts are shown solely for the convenience of readers of this Annual Report and are translated at the rate of ¥98.23 to \$1.00 prevailing on March 31, 2009.

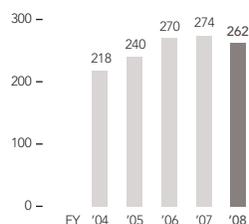
Deposits (Consolidated)
(¥ Billion)



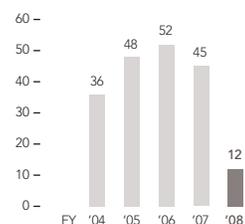
Loans and Bills Discounted (Consolidated)
(¥ Billion)



Total Income (Consolidated)
(¥ Billion)



Net Income (Consolidated)
(¥ Billion)





FIRST WITH CUSTOMERS FIRST IN QUALITY NO.1 IN OUR REGION

The Chiba Bank Group is earning the trust of all stakeholders, meeting the needs of customers and contributing to the development of our region through the provision of financial services. To deepen this trust, we initiated the “1st1st”—‘DOUBLE FIRST’ medium-term management plan in April 2009 to target new growth, and are now tackling the new challenges that face our group.

The Business Environment

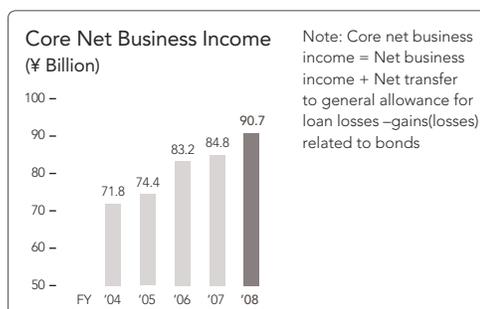
The Japanese economy in the year ended March 31, 2009 did not escape the effects of the global financial crisis that grew from the subprime loan problem in the U.S. Exports and capital expenditures dropped, while consumer spending and housing purchases continued to be sluggish.

In our operating base of Chiba Prefecture, business conditions have been harsh. But, we do see some bright news as the population continues to grow, especially in the northwest corridor, stimulated, in part, by development along the Tsukuba Express rail line. The pending completion of a new high-speed rail link to Narita Airport in 2010 will bring new infrastructure and further raise the growth potential of the prefecture.

Overview of Business Performance and the Previous Medium-Term Management Plan

Our core net business income indicates that we are a bank with a strong earnings foundation resulting from healthy growth in deposits and loans. In a fifth-consecutive record year, it reached ¥90.7 billion, a ¥5.8 billion increase from the previous year. However, impairment losses on foreign stocks and bonds and other holdings, together with the increased cost of credit accompanying the financial crisis, pushed down net income, which fell ¥33.3 billion to ¥11.3 billion. Our management indicators show continued financial health and capital efficiency with a consolidated equity ratio of 11.70%, a consolidated Tier I ratio of 10.17%, and an overhead ratio of 47.07%. Cash dividends per share were 11 yen, the same as the previous year.

In March 2009, we completed the previous medium-term management plan, “Going Forward with the Region: 100 Weeks of Trust and Growth.”



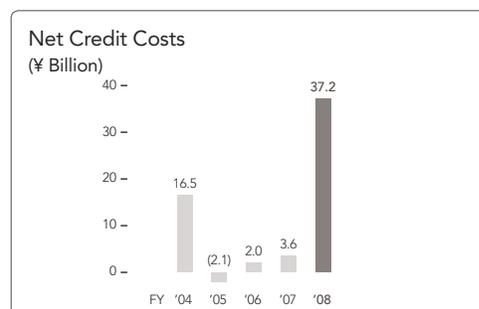
In this medium-term plan, we set out to grow our operations base and were able to achieve significant results in expanding direct contact with customers by adding new customer infrastructure, with eight new banking outlets in Chiba and nearby prefectures, and by taking a progressive stance on housing loans with new loan center facilities. Meanwhile, amidst drastic changes in the business environment, we have identified new imperatives for the future, among them, supplying continuous financing to the region, reviewing our stance on sales of financial products such as investment trusts, and improving our risk management capability with respect to bonds and loans.

New 1st1st Medium-Term Management Plan

We put in place the new “1st1st”—‘DOUBLE FIRST’ medium-term management plan across the entire Chiba Bank Group, starting in April 2009.

With the goal of always putting the customer first and securing the first-rate bank position in the region, we have set for ourselves three challenges in the new medium-term plan that will assure our ability to respond promptly to the radically changed financial business environment, building on the results of the previous plan.

First, the Chiba Bank will strengthen its financial intermediary function and provide high quality financial services. To accomplish this goal, we will pursue initiatives to provide smooth and expeditious financing to the region and promote a steady flow of deposits—while improving support for our partners and deepening our relationships



with customers. This is an approach to finance that will plant us firmly in the region.

We must therefore aim to establish a robust management structure and build up our risk management and compliance systems as we move ahead to improve efficiency—our second challenge.

Our third challenge is to develop human resources, because, to a bank, the most important asset is its people. I would like to see the entire bank lift its abilities and draw out the best in every single employee. This we will do by cultivating our young employees, improving our organization so that female employees can put in their best efforts, and leveraging the skills and know-how of mid-career and senior employees.

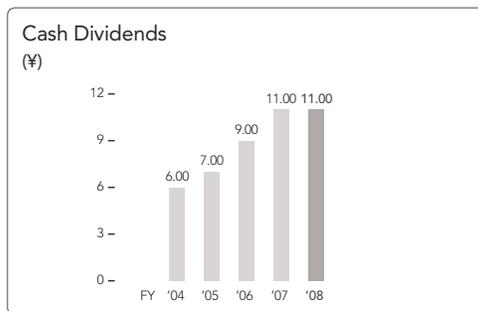
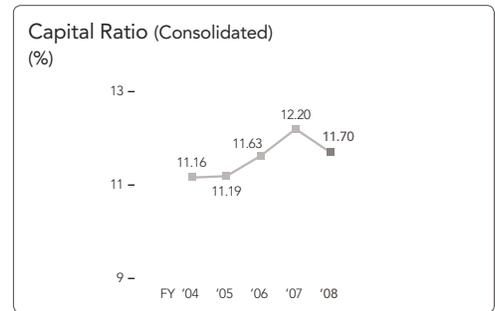
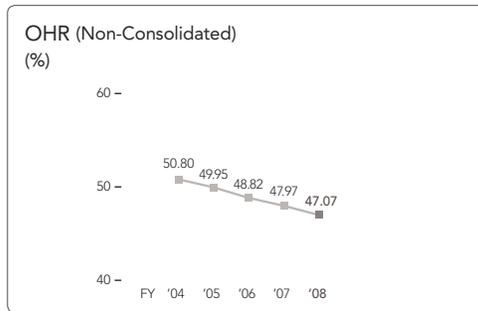
Our Vision for the Chiba Bank Group

As a regional financial institution, we will remain completely faithful to the customer-first principle in order to support everyone in the region and to continue the trust of our partners. We will always listen to the customer with modesty, think from the standpoint of the customer, and act for the customer. As a result, we will strengthen the bonds with customers that we have carefully built over many years and establish relationships of trust with new customers. I want to see Chiba Bank extend its sturdy and deep roots in the region.

To sustain our growth, we now look on a “Wider Chiba”—Chiba Prefecture and its neighboring areas—as our strategic sphere of business, and plan to add five new branches in this expanding area by fiscal 2010.



The Chiba Bank was No.1 for the second year in a row among 121 banks surveyed nationwide



The Chiba Bank has the competitive attitude to tackle new challenges. Whether it is the sales of investment trusts and insurance, newly introduced financial intermediary services, or any of the numerous deregulatory measures, we are prepared to respond promptly to the diverse needs of our customers, backed by the continuously developing talent of our employees. The public's high regard for these programs is shown in the fifth Retail Bank Survey, conducted by

the Nikkei newspaper and Nikkei Research Inc. in July 2009, in which the Chiba Bank was No.1 for the second year in a row among 121 banks surveyed nationwide. We shall continue to move toward becoming a "one-stop bank" providing products and services that meet the needs of a broad range of customers as a comprehensive financial service group for the region.

We want to nurture the trust of our customers and must of course continue to provide leading financial products and services. And we can only do this if we maintain the Bank's financial health and move ahead on strengthening internal management systems. We will therefore continue our efforts with staff at all levels working in unison to fully uphold our standing as the region's top bank. I believe that through these activities, we will raise our corporate value and meet the expectations of our shareholders.

Hidetoshi Sakuma

Hidetoshi Sakuma, President

The medium-term management plan "1st1st" – 'DOUBLE FIRST'

We shall thoroughly implement the "customer first policy" and establish the status of the bank as the "first-rate bank in the region", with 2011 being the goal of this plan.

We shall achieve steady growth as an integrated regional financial services group.

Main Subjects

SUBJECT 1

Strengthen the financial intermediation functions and provide high-quality financial services

By offering smooth and expeditious financing, increasing our deposits, providing the optimum financial products and services for customers, and suchlike, we aim to expand our customer base and thereby increase our business share in the region. We will distribute management resources effectively so that we achieve this.

SUBJECT 2

Establish a robust management structure

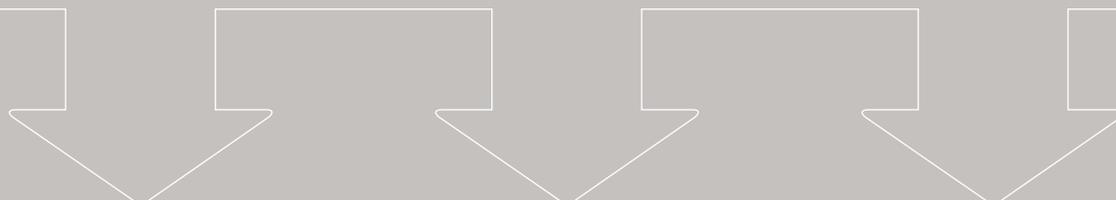
We shall improve business efficiency by reviewing the business processes, and reduce expenses. Also, we shall put compliance at the core of all our activities and strengthen the risk management structure.

SUBJECT 3

Improve the development of human resources

By further improving the development of human resources for all the levels of employees, we shall upgrade the effectiveness of our staff.

Improve customer satisfaction levels: We shall at all times listen closely to our customers with modesty, think from the standpoint of our customers, and act for our customers



Aims

Share of loans in Chiba pref.
40% or more

Share of deposits in Chiba pref.
25% or more

Number of new customers for loans
4,000 or more per a year

OHR
below 50%

Consolidated capital ratio
around 12%

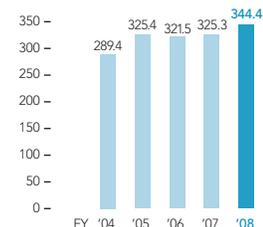
Retail Banking

The Chiba Bank is continually enhancing its line-up of products and services to match changing customer lifestyles and are augmenting our consulting functions to provide the most appropriate and highest-level financial products to our customers.

Housing Loan Balance
(¥ Billion)



New Housing Loans
(¥ Billion)



Expanded Range of Loan Products

The Chiba Bank is always taking steps forward and continually enhancing its range of retail loan products to meet the needs of its customers.

These efforts have brought sustained growth in the balance of loans outstanding, especially in housing loans where new loans reached a record ¥344.4 billion and helped bring the balance as of March 31, 2009, to ¥2,267.5 billion, an increase of 6.7% over the previous fiscal year's level. The total consumer loan balance as of March 31, 2009 increased by 6.2% from the previous fiscal year to ¥2,377.0 billion. Our loan centers and loan plazas, capitalizing on alliances with residential construction companies, have been notably effective at adapting timely responses to the needs of home purchasers, and now account for 56% of new loans accepted. We have also been increasing business by placing new branches in the rapidly developing area along the new Tsukuba Express line.

As a participant in the Regional Bank Housing Loan Joint Research Group (main members: the Chiba Bank and the Bank of Yokohama), we have launched a housing loan exclusively for women (named the "Long Escort"), bundled a set of excellent services into the "Happy Everyday" product, and are participating in the "Environmental Housing Loan Support Campaign" to develop products and services that help homeowners help the earth. We have also put efforts into adding convenient features like "ATM Card Loans," whose applications can be filled out on an ATM screen, and consumer loans that consumers can apply for any time, any day by mobile phone (named the "Cash Top").

Enhanced Consulting Features

The Bank has been developing the skills of its financial consultants to put in place a network of branches that can offer advice to customers and provide them with the most appropriate products.

We have placed insurance specialists at three consulting plazas where advice can be obtained on life insurance policies. Meanwhile, we are holding seminars on various insurance-related themes

to support customers' lifetime financial needs. We are also enhancing our consulting services for inheritance and trust business and offer a full line of products and services as a "one-stop bank."

Deposit and Investment Products

The Bank is actively acquiring individual deposits and aims for new customer acquisitions through expanding and concentrating business from existing customers with loyalty point services like the "Himawari¹ Sengen" program and by encouraging customers to designate Chiba Bank accounts for bank transfers and pension deposits. As a result of these initiatives, the balance of personal deposits as of March 31, 2009, rose 3.5% from the same time in the previous year to ¥6,594.0 billion.

On the other hand, the sudden fall in stock prices reduced sales of investment trusts. In response, we are proposing products that best fit our customers' changing needs, which has led to increases in total handling fees received for personal annuities and the balance of public bonds held.

In September 2008, we started a membership program for individual customers who make a certain volume of transactions and have been supplying financial services related to asset management (named the "Chibagin² Yume Club").

We continue to expand sales by providing the best-fit financial services for customers' financial management requirements in the areas of investment trusts, annuities, public bonds, and other products.

¹ Himawari is Japanese for "sunflower," and the symbol of the Chiba Bank.

² Chibagin is abbreviation in Japanese of the Chiba Bank's name.

The Chiba Bank aims to increase its share of business in the region and acquire new corporate customers. To accomplish this, we are actively maintaining a steady supply of financing and business support to customers and, through a strategic branch expansion, are increasing our points of contact with business customers.

Financing of Regional Businesses

The Chiba Bank is tackling important issues to provide the region with an unobstructed access to financing. For one, the bank is actively employing various forms of local government-sponsored loans for small and medium-size enterprises. These efforts to meet business demand for funds enabled the loan balance for small and medium-size enterprises to grow by 2.0%, or ¥59.4 billion, over the previous year to ¥3,023.8 billion.

As an important business initiative to help supply steady financing to all customers in the region, we aim to raise the quality of our asset portfolio. To do this we are stepping up consultations with business customers at our branches to fully grasp the business conditions and special characteristics of each customer. We are then able to arrange various financial facilities and make use of new financial products. Finally, we are making an orderly flow of financing to customers focusing on small and medium-size enterprises.

We also started loan guarantee facilitation in April 2009 using the Agricultural Credit Guarantee Insurance system, in order to meet the financing requirements of agricultural businesses in Chiba Prefecture, the number-two agricultural prefecture in Japan. The Chiba Bank already supports a product for agricultural businesses called the “Chibagin Business Loan for Agriculture,” and in response to today’s requirements from these businesses, we continue to strengthen our agriculture-related activities.

Handling Customer Requirements with Comprehensive Offerings

The Bank has begun to hold a set of Business Matching Conferences and Business Exchange Conferences at locations where customers and business partners can come together.

In fiscal 2008, we have sponsored the following business promotion events for our customers: 1) Regional Bank Food Selection 2008, in November, held jointly with 13 regional banks, 2) Shanghai Business

Matching Convention 2008 for manufacturers, held in Shanghai in December, 3) Foodex Japan 2009, held in March in conjunction with Chiba Prefecture to publicize Chiba agricultural products.

Chibagin Capital Co. Ltd., one of the Chiba Bank Group companies, also started the Chiba New Industrial Development Fund in February 2009 to focus efforts on the development of venture businesses. Since 1998, the Chiba Bank has provided development grants through the Himawari Venture Development Fund, which was established to support venture businesses in Chiba Prefecture. By March 2009, we had provided grants to a total of 113 recipients.

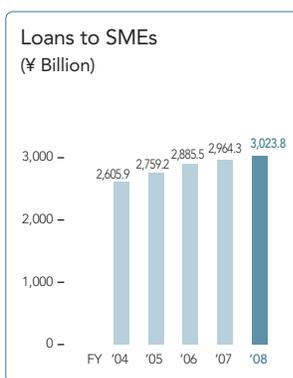
The Bank has been moving ahead with comprehensive financial business based on customer requirements. We offer a large set of products and services for venture companies, including loans and investments, introductions for M&A, arranging syndicated loans, private placement notes, IPO support, 401ks, and business matching. We leverage our group companies including Chuo Securities Co., Ltd.; Chibagin Research Institute, Ltd.; Chibagin Leasing Co., Ltd.; and Chibagin Computer Service Co., Ltd. so as to offer high quality financial services that take advantage of our comprehensive power.

Alliances with Banks in Thailand and China

In December 2008, the Bank entered into business alliances to offer various financial services in Thailand with the Bangkok Bank and in China with the Bank of Communications.

As a result, we have built up a support structure for our customers’ overseas operations to offer financing in the local currency and to provide local information related to finance, business, law, and other systems.

In addition to our overseas facilities in New York, Hong Kong, and London and a representative office in Shanghai, we have been increasing support for the overseas expansion of our customers by making the best use of our banking alliance network.



Expanding Our Network

The Chiba Bank, in order to expand operations that strengthen ties with the region, provides comprehensive financial services to customers while actively expanding its branch network. To this end, we are shoring up our financial functions through new strategic alliances.



Strategic Expansion of Branches

As a result of numerous infrastructure projects, steady growth is expected in Chiba Prefecture, the operating base of the Chiba Bank. The Tsukuba Express rail line that opened in 2005 in the northwest section of Chiba Prefecture has spurred population growth nearby and contributed to the general population growth of the area. Other planned infrastructure projects include a runway extension at Narita Airport expected to finish in 2009 and a new high-speed rail link to Narita Airport scheduled to open in 2010.

The bank is allocating significant resources to this growth region and has embarked on enriching its branch network. From fiscal 2006 to fiscal 2008, we added five new branches in Chiba Prefecture, plus two branches each in Ibaraki Prefecture and southern Saitama Prefecture, as well as four branches in Eastern Tokyo area. We see strategic growth potential in Chiba Prefecture and these neighboring areas as the sphere of a "Wider Chiba" and plan to add five more branches by fiscal 2010. Meanwhile, we are shifting office staff at branches and in the head office and related departments into field staff and are putting our efforts into adding functions at the loan centers and raising the sales and operations capability of all branches.

ATM Alliances Established by Six Regional Banks

The Chiba Bank is moving ahead with ATM alliances covering five other regional banks: the Bank of Yokohama, the Tokyo Tomin Bank, the Joyo Bank, the Kanto Tsukuba Bank, and the Musashino Bank, allowing our customers to use the ATMs of these banks at reduced charges. This ATM alliance covers Chiba Prefecture, Tokyo, Kanagawa Prefecture, Saitama Prefecture, and Ibaraki Prefecture and provides reduced ATM charges to customers of the allied banks, excepting certain services.

Improving Efficiency

To maintain a slim management structure and increase profitability, the Chiba Bank has embarked on efforts to improve our own business efficiency.

More Efficient Work Processes

In addition to the strategic branch expansion, the Bank continues to streamline its work processes through a thorough reexamination of the processes themselves, sales channels, and its products and services as well as to reduce business expenses.

Since October 2008, we have gradually concentrated telephone reception and various back office management functions into an operations center and reduced the office work at branches, as we take this opportunity to offer additional customer convenience.

In fiscal 2009, we initiated a review of branch work processes in search of ways to improve workflow and reduce the burden of office work. We will have a new branch system fully in place in fiscal year 2011, which will allow us to provide even better sales support and more rigorous office functions as we proceed with our plans to streamline work processes through concentration at the head office and other means.

Strategic System-Sharing Initiatives

To make progress on streamlining operations and improving efficiency several systems must be strengthened, and to this end the Bank continues to move ahead on strategic alliances.

In July 2007, the Chiba Bank began to conduct studies concerning system sharing and alliances with the Daishi Bank, the Hokkoku Bank, the Chugoku Bank and the Iyo Bank. Anticipated benefits include faster product development and service provision, enhanced internal control and risk management functions, reduced IT costs and sharing of IT personnel. This initiative has been named the "Tsubasa Project," after the Japanese word for "wing." Since April 2008 we have proceeded on shared development of individual subsystems for joint use.

The Chiba Bank Group has put in place the system described below to strengthen and enhance corporate governance.

Board of Directors

The Board of Directors consists of nine directors. It makes decisions on management policies and other important matters and supervises the execution of business by the directors and executive officers.

Corporate Auditors

The Chiba Bank has adopted a corporate auditor system. Five corporate auditors, including three highly independent outside corporate auditors (two of whom are standing corporate auditors), attend meetings of the Board of Directors and other important meetings and monitor the execution of business by the directors.

Executive Officer System

The Bank has introduced an executive officer system to separate management supervision and business execution and to clarify authority and responsibility. Under this system, executive officers appointed by the Board of Directors are responsible for the execution of business.

Internal Auditing

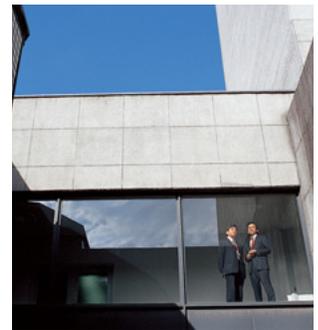
The Audit and Inspection Division, which is independent of the units subject to auditing, conducts internal audits of headquarters, branches, and subsidiaries in accordance with the Internal Audit Plan decided each year by the Board of Directors. Audit results and any observations are reported quarterly to the Board of Directors, and problem areas from the perspective of compliance and risk management and improvement measures are considered by the Internal Auditing Committee, which was established in April 2009.

Group Management Systems

The Bank maintains a system under which subsidiaries decide their own regulations, in line with the Bank's Compliance Regulations and various risk

management regulations, and the Bank's administrative departments control subsidiary compliance and risk management.

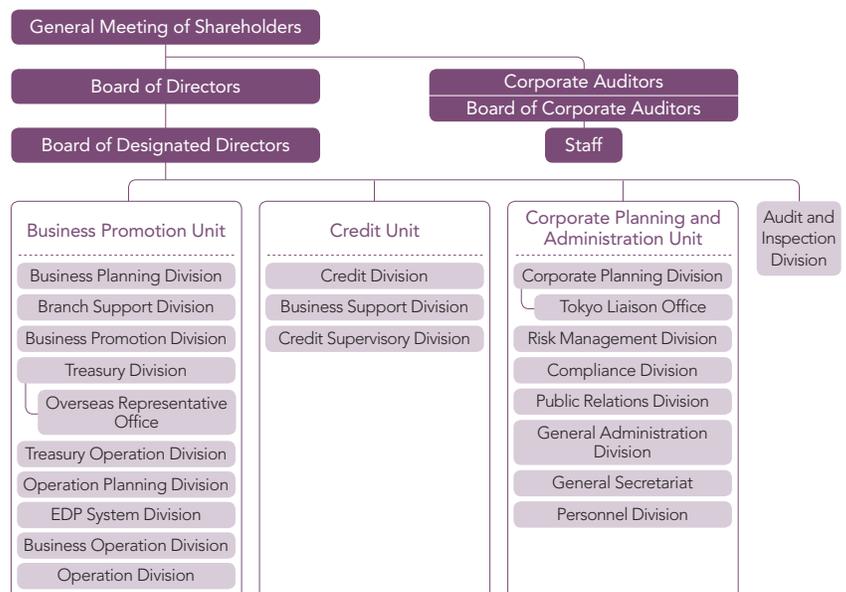
The Bank's internal audit units conduct internal audits of subsidiaries throughout the Chiba Bank Group. Additionally, the Bank has a basic policy of rigorously practicing transparent management to ensure proactive, fair disclosure of business information and strives for timely, appropriate information disclosure to stakeholders by utilizing business results briefings, general meetings of shareholders, and disclosure pamphlets.



Basic Policy on establishing Internal Control Systems

The Bank introduced a basic policy for the establishment of systems to ensure the appropriateness of operations (Internal Control Systems) through the Board of Directors. In accordance with this policy, the Bank is working to establish a high quality management structure.

Management Structure and Headquarters Organization



The Chiba Bank is steadfast in making compliance the basis of all business undertakings, and seeks to strengthen and enhance its systems to optimally ensure customer protection and prevent financial crime.



Compliance Structure

The Chiba Bank regards compliance as one of its most important management priorities. We are determined to conduct all of our business activities fairly and in good faith, by complying with all laws and regulations relating to banking transactions, by observing all internal rules and regulatory requirements pertaining to our role in society, and by avoiding actions that would fall short of normal social expectations.

Specific action plans and measures to ensure compliance are formulated at regular meetings of the Compliance Committee. This committee is chaired by the President and consists of directors, executive officers and divisional general managers.

In June 2009, we established the Compliance Division to enhance our compliance activities and improve the customer protection management system. This division is responsible for various compliance-related tasks, including the administration of compliance regulations and manuals, the preparation and monitoring of training programs, and periodic checks on the compliance situation. They also monitor branch-level compliance and provide advice, including on-site guidance.

Consistent Implementation of Basic Policies

Our compliance regulations include a clearly defined code of conduct for employees in the form of the Chiba Bank Code of Ethics. To ensure that these rules are understood and observed, all employees receive a copy of our Compliance Manual, which contains specific guidelines.

Compliance Program

Every year, the Board of Directors formulates a compliance program stipulating specific measures to strengthen our compliance systems, including employee education and guidance, and compliance checks. The Board of Directors and the Compliance Committee regularly monitor the implementation of this program.

Protecting Customers and Personal Information

The Bank regards customer protection as a vital element of compliance. All employees undergo guidance and training to ensure that they conduct their business activities fairly and in good faith. This is especially important when marketing complex financial products, which expose customers to the risk of a reduction in principal value. All solicitation for such products must observe the Financial Instruments and Exchange Law and be carried out appropriately and in accordance with the Chiba Bank Solicitation Policy.

Also, the Bank has rigorously controlled customer information in accordance with our Policy for Appropriate Protection and Use of Personal Information (Personal Information Protection Declaration).

Preventing Money Laundering

The Bank is thoroughly enforcing measures against money laundering as laid out in the Management Policy to Prevent Money Laundering and Terrorism Financing Activities.

Chiba Bank Code of Ethics

Earning Unwavering Trust

Remaining constantly aware of the social responsibility and public mission of a bank, the Chiba Bank will strive to earn the unwavering trust of society through sound, appropriate business operations based on the principle of self-responsibility.

Thorough Compliance with Laws, Rules and Other Fundamental Principles

Complying strictly with all laws and rules and never deviating from social standards, the Chiba Bank will conduct fair and honest business activities.

Opposition to Antisocial Forces

The Chiba Bank will firmly oppose antisocial forces and groups that threaten the order and safety of society and undermine healthy economic and social development.

Transparent Management

The Chiba Bank will provide active and fair disclosure of management information and manage its operations in a transparent manner.

The Chiba Bank places high importance on having new employees develop competitive skills as quickly as possible. We seek to develop employees who can carry out a wide variety of work through complete training and instill in all employees the need for a high level of customer satisfaction.

Upgrading Work Skills of New Employees

With the primary themes of strengthening corporate sales and operations, strengthening credit assessment capabilities, and improving proposals for investment and financial products, the Chiba Bank conducts results-oriented training in realistic situations and raises the practical business skills for all levels of employees. In particular, we aim to develop competitive skills in new and younger employees through instructional programs and on-the-job training and emphasize the development of the workforce that will run the bank in the future.

We are focusing on lifting the skills of officers in administrative positions by sharing management techniques from branch managers with a wealth of experience. In particular, we conduct training for management-level positions at the worksite under the theme of management that develops their employees and meets business goals at the same time, and our operations managers convey their experience and know-how to junior managers.

Supporting Mid-career/Senior Employees and Female Employees

The Bank supports the full participation of mid-career/senior employees and female employees. For mid-career and senior employees, we provide continual support for career planning through the "Active Lifestyle Support Plan" that provides a comprehensive package of second career training, surveys and assessments, and counseling.

For female employees, we are developing active support measures that could lead to promotion to management/officer-level or head office appointments, extended leave for raising a family, high motivation, and career advancement. We also seek to spread full understanding at the management level of the significance of supporting the development of female employees through training and the importance of work-life balance.

As a bank that is a step ahead in creating an environment for work-life balance, in May 2009

we achieved certification according to the Act for Measures to Support the Development of the Next Generation.

Improving Customer Satisfaction

The Bank places high importance on having all group employees work in unison to improve customer satisfaction and is expanding its efforts in this area.

Chibagin Heartful Projects

Through its "Chibagin Heartful Projects," the entire Chiba Bank organization is working to create and maintain environments in which all customers, including the elderly and those with disabilities, can use its services with confidence and peace of mind. We are working to make all of our branches barrier free and have completed the necessary construction and repairs at 138 branches and have installed at least one machine per ATM location with audio guidance systems for customers with visual impairments. We have also trained and assigned 256 service assistants.

Customer Surveys

In January 2009, the Bank conducted a customer survey in which it listened to the views and wishes of a broad range of customers, which it has taken earnestly and used to improve customer satisfaction and offer high quality financial services.



Contributing to the Environment and the Local Community

The Chiba Bank, as a regional financial institution concentrated in Chiba Prefecture, considers contribution to the local community as one of its important missions and is actively promoting corporate social responsibility (CSR).



Chibagin Cup

Chiba Bank wishes to support sports activities in Chiba Prefecture including its local J-League professional soccer teams and has been sponsoring the Chibagin Cup, a pre-season soccer match, since 1995. In the 15th Annual Chibagin Cup in February 2009, we invited about 300 disabled fans from the city of Kashiwa to enjoy the red-hot excitement of the competition.

work, and also publishes information, both inside Japan and overseas, about the importance of forest preservation. These regional activities cover all of Japan and constitute an important step in the effort to preserve Japan's forests.

Chibagin Film Library

The Chibagin Film Library was started in 1963 to commemorate the 20th anniversary of the bank's founding. It includes collections of history and geography, sports, drama, and a wide range of other films in 16mm film and video formats along with equipment like 16mm film projectors, video projectors, and viewing screens. Video materials can be borrowed for free through our branches for local children's groups like nursery schools and kindergartens, for nursing homes and senior centers, and for a wide variety of other facilities.



Tree-planting in the City of Chiba

In March 2009, the Chiba Bank donated 36 somei yoshino cherry trees to the city of Chiba for planting along city streets.

Chibagin Himawari Concerts

In April 2009, we sponsored the 39th season of Chibagin Himawari Concerts. A wide variety of artists perform at various locations throughout Chiba Prefecture, and local customers are invited for free. Each year's concerts are extremely popular for bringing a musical experience with a wide variety of music genres to the region.



Inbanuma Clean Walk

In March 2009, as part of a program to adopt Lake Inbanuma in Chiba Prefecture for restoration (the Inbanuma Association Program), approximately 120 past and present employees and officers of the Chiba Bank participated in a water quality preservation project initiated by Chiba Prefecture in the Lake Inbanuma area (the Lake Inbanuma Clean Walk).

Preservation of Japan's Forests

In July 2008, the Chiba Bank participated in the newly established Regional Bank Volunteer Association for the Preservation of Japan's Forests.

A total of 56 banks participate in this association, which creates an information network of forest preservation activities that are reflected in the association's

Five-Year Summary (Consolidated)

The Chiba Bank, Ltd. and Consolidated Subsidiaries
Years ended March 31

	Millions of Yen				
	2009	2008	2007	2006	2005
For the Year:					
Total Income	¥ 262,859	¥ 274,252	¥ 270,310	¥ 240,014	¥ 218,379
Total Expenses	248,118	192,792	181,386	153,807	151,409
Income Before Income Taxes and Minority Interests . . .	14,741	81,460	88,923	86,206	66,970
Net Income	12,392	45,980	52,538	48,927	36,395
At Year-End:					
Total Assets	¥10,062,926	¥9,835,939	¥9,736,917	¥9,802,061	¥8,707,929
Loans and Bills Discounted	6,955,624	6,624,687	6,377,598	6,139,665	5,844,581
Securities	1,893,075	2,045,011	2,416,149	2,635,218	1,710,389
Deposits	8,654,989	8,504,095	8,479,222	8,118,802	7,677,370
Net Assets	537,671	580,168	598,822	—	—
Total Shareholders' Equity	—	—	—	531,954	418,138
Capital Ratio (BIS guidelines)	11.70%	12.20%	11.63%	11.19%	11.16%
PER (Times)	34.98	13.16	17.65	18.37	16.06
PBR (Times)	0.82	1.06	1.58	1.75	1.39
Yen					
Per Share:					
Net Income	¥ 13.86	¥ 51.43	¥ 58.89	¥ 56.96	¥ 43.19
Net Assets	587.51	634.94	655.89	—	—
Stockholders' Equity	—	—	—	596.84	496.87

Note: Japanese yen amounts less than 1 million have been rounded down.

Management's Discussion and Analysis

Financial and Economic Environment

A look back at the Japanese economy during the year under review shows that economic conditions worsened significantly. High energy and raw material prices in the first half of the fiscal year induced slower growth, then the global economic downturn in the second half reduced exports and dampened corporate earnings, leading to lower business investment. Consumer spending slackened as employment and pay conditions became more severe. Housing investment remained flat from the previous year, despite the receding impact of the revisions to the Building Standards Act. Public investment was also low.

A look at the financial markets shows that in short-term markets, the unsecured overnight call rate stayed around 0.50% in the first half of the fiscal term, but then trended around 0.10% starting near the end of 2008 following the decline in the interest policy rate in October and December. Meanwhile, current yields on long-term government bonds broke above the 1.8% barrier in June 2008, but then retreated to 1.1% in December due to the worldwide economic slowdown. Since then it has remained around 1.3%. The Nikkei Average maintained the ¥14,000 level through June 2008, then fell drastically from the impact of the worldwide financial crisis that started with the collapse of Lehman Brothers in September and was held down to ¥8,000 in the second half of the fiscal term. In March 2009, the Nikkei fell to ¥7,054, its lowest level since the collapse of the Bubble Economy.

Business Performance

Financial Position

Trends in the major financial accounts for the year under review are as follows.

Deposits increased ¥150.8 billion compared to the end of the previous fiscal year to ¥8,654.9 billion. The continued growth reflects our

emphasis on maintaining a full lineup of financial products and services, and targeting usage of the Chiba Bank by families as their main bank for transactions like automatic salary or pension deposits.

Loans and bills discounted grew ¥330.9 billion from the end of the previous fiscal year to ¥6,955.6 billion. We attribute this growth to positive responses to the needs of regional businesses and to retail customers with housing loan requirements, among other factors.

Total assets at the end of the previous fiscal year under review rose ¥226.9 billion to ¥10,062.9 billion at the end of fiscal 2008.

The consolidated capital adequacy ratio as calculated according to BIS guidelines, was 11.70%, a year-over-year deterioration of 0.49% from the end of the previous fiscal year.

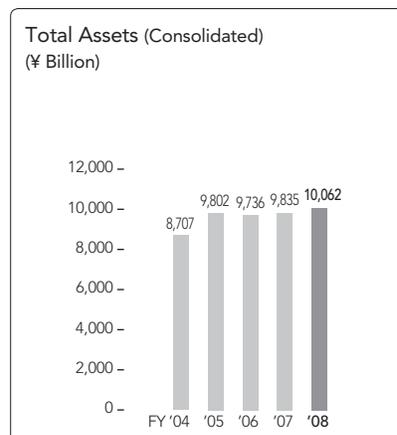
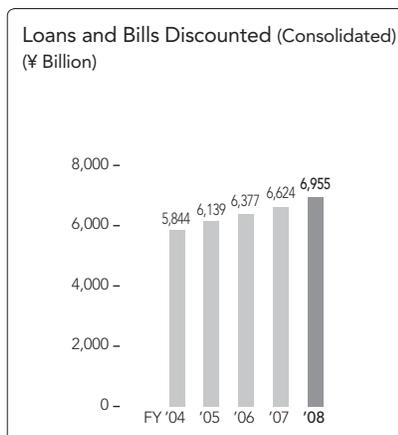
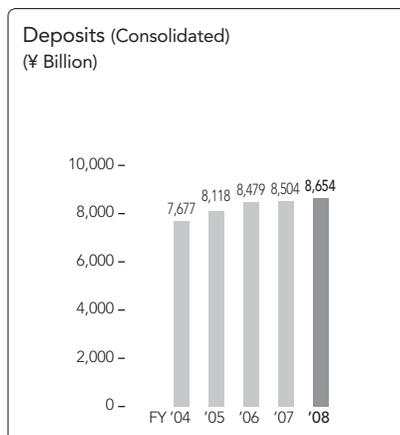
Income and Expenses

Consolidated total income was down ¥11,393 million from the previous fiscal year at ¥262,859 million. Increases in interest on loans and discounts due to solid growth in loans and bills discounted were outweighed by the decrease in interest and dividends on securities, fees and commissions, and other income sources.

Total expenses also grew year on year, to ¥248,118 million for a ¥55,326 million increase. This increase reflects the increased cost of funds due to deteriorating corporate earnings arising from the economic downturn. We also recorded extraordinary losses for impairment losses and losses on sales of securities for our foreign bond holdings, due to the effects of the collapse of financial institutions in Europe and America, and we recorded further impairment losses on stock holdings, stemming from the slumping stock market.

The above results led to consolidated net income of ¥12,392 million, a decrease of ¥33,588 million from the previous fiscal year.

Net income per share on a consolidated basis was ¥13.86.



Segment Information

Analysis of segment results shows that ordinary income from banking operations decreased by ¥9,670 million from the previous fiscal year to ¥235,996 million, and that ordinary profit decreased by ¥68,168 million to ¥8,763 million.

Ordinary income from the leasing business decreased by ¥470 million to ¥19,086 million, while ordinary profit was down by ¥488 million to ¥1,059 million. Ordinary income from other business decreased by ¥1,633 million to ¥3,303 million, while ordinary profit decreased by ¥1,085 million to a loss of ¥244 million.

Cash Flows

Net cash from operating activities in the consolidated accounting period under review increased by ¥437.3 billion from the previous fiscal year, to a net inflow of ¥122.2 billion, due to a decrease in due from banks and other factors. Net cash provided by investing activities decreased by ¥230.0 billion to a net inflow of ¥27.4 billion, owing to sales and redemptions of marketable securities and other factors. Cash flows for financing activities decreased by ¥14.8 billion from the previous fiscal year to a net outflow ¥10.0 billion. A primary factor was the payment of cash dividends.

As a result, cash and equivalents at the end of the term increased by ¥139.5 billion year on year (¥192.4 billion increase from the previous year) to ¥274.0 billion as of March 31, 2009.

Dividend Policy

Our basic dividend policy takes an aggressive stance on return of profits to our shareholders while maintaining sound financial health supported by substantial internal reserves. This policy allows the Chiba Bank to fulfill its important public role and maintain a sound financial

condition. Dividend stability is an integral part of our dividend policy. In line with this policy, we pay dividends twice per year, an interim dividend on the date of record of September 30 and an annual dividend using a March 31 date of record. The amount of the interim dividend is approved by the board of directors and the annual dividend is approved at the ordinary general meeting of shareholders.

The final dividend for the year ended March 31, 2009, was ¥4.50 per share, bringing the total dividend for the term to ¥11, which was approved at the ordinary general meeting of shareholders.

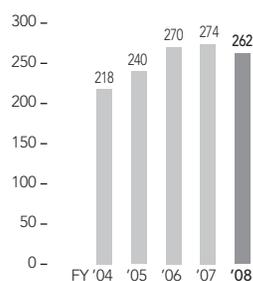
Future Performance and Dividend Outlook

The Chiba Bank Group's outlook for the next fiscal year, ending March 31, 2010, includes projections of ¥31.0 billion in net income.

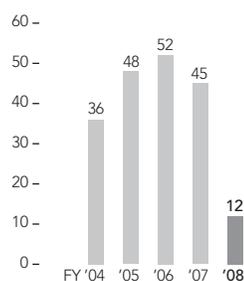
On an unconsolidated basis, we are projecting net income of ¥30.0 billion.

Taking account of our business environment for the next term ending March 31, 2010, and our performance outlook for the same period, we plan on maintaining our total annual dividend of ¥11 for the year.

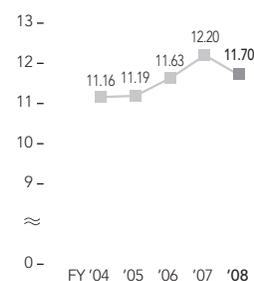
Total Income (Consolidated)
(¥ Billion)



Net Income (Consolidated)
(¥ Billion)



Capital Ratio (Consolidated)
(%/BIS Guidelines)



Asset Quality

In June 2009, the Corporate Support Division was linked to branch offices in order to help customers of those branches with management rehabilitation plans and managing progress on these plans.

Measures to Maintain Asset Quality

The Chiba Bank always endeavors to maintain and improve the quality of its assets by such measures as proper handling of non-performing loans, measures to prevent new occurrences of non-performing loans, and measures to support the management rehabilitation of its customers. We continue to develop and enhance our credit screening and credit risk management systems.

The bank uses ties between branches and the head office to offer assistance for restoring the financial health of customers. As of March 31, 2009, the ratio of non-performing assets had declined to 2.1%, and the classifications of 78 of 475 customers (16.4%) provided with this support were upgraded. In June 2009, the Corporate Support Division was founded to strengthen our dedicated support to customers.

Self-Assessment and Debtor Classification

Self-assessment of assets is the process whereby financial institutions individually review and analyze assets and classify them on the basis

of asset value impairment and the risk of default. Loans and other assets are classified into five categories according to debtor creditworthiness: Normal Debtors, Debtors Requiring Caution, Potentially Bankrupt Debtors, Effectively Bankrupt Debtors, and Bankrupt Debtors. In the Debtors Requiring Caution category, borrowers for whom loan repayment terms have been eased are classified as Substandard Debtors.

Disposal of Non-Performing Assets

The Bank has taken appropriate measures to dispose of non-performing assets by implementing write-offs and making provisions each term-end on the basis of the results of rigorous self-assessment of assets. With respect to major debtors, the Bank calculates the allowance for loan losses using the discounted cash flow method for Claims of Substandard Debtors and Claims of Potentially Bankrupt Debtors.

Moreover, the allowance for loan losses from Bankrupt Debtors and Effectively Bankrupt Debtors makes up the full amount of the claims not covered by the mortgage etc. The allowance for loan losses from Potentially Bankrupt Debtors equates to the amount of expected losses calculated on the past loan loss ratio, as a rule.

Debtor Classification

Normal Debtors	Debtors whose business situation is good and whose financial position gives no cause for concern.
Debtors Requiring Caution	Debtors who are viewed with concern because of stagnant or unstable business performance, including losses.
Potentially Bankrupt Debtors	Debtors who are not currently bankrupt but are seen as being at serious risk of bankruptcy.
Effectively Bankrupt Debtors	Debtors who are bankrupt in real terms, even though legal and formal bankruptcy proceedings have not been implemented.
Bankrupt Debtors	Debtors who have become bankrupt under various circumstances, including bankruptcy procedures, corporate liquidation, corporate rehabilitation and civil rehabilitation.

Risk-Monitored Loans

(¥ Billion)

	Non-Consolidated		Consolidated	
	As of March 31, 2008	As of March 31, 2009	As of March 31, 2008	As of March 31, 2009
Loans to Bankrupt Borrowers	3.5	8.8	3.3	8.5
Delinquent Loans	90.4	87.0	92.4	88.8
Loans Past Due 3 Months or More	3.1	4.1	3.1	4.1
Restructured Loans	88.6	50.9	88.7	50.9
Total	185.8	150.9	187.6	152.5

The coverage ratio, calculated as the allowance for loan losses added to mortgages and the guarantees stands at 75.1%, indicating a high level of security on the basis of claims disclosed under the Financial Reconstruction Law and limited cause for anxiety over the occurrence of future losses.

Disclosure of Non-Performing Assets

Under banking regulations, disclosure of non-performing assets includes reporting of 1) risk-monitored loans as defined in the Banking Law (hereinafter Risk-monitored Loans) and 2) disclosed claims under the Financial Reconstruction Law. The Bank discloses both on the basis of self-assessment debtor classifications.

Disclosure of Risk-monitored Loans includes only the amount of such loans, while disclosed claims under the Financial Reconstruction Law include customer's liabilities for acceptances and guarantees other than loans, accrued interest, foreign exchange, and other assets, with the exception of Substandard Claims.

Risk-Monitored Loans

In the classification of Risk-Monitored Loans, Loans to Bankrupt Borrowers corresponds to Bankrupt Assets under self-assessment, Delin-

quent Loans corresponds to Effectively Bankrupt Assets and Potentially Bankrupt Assets under self-assessment, Loans Past Due Three Months or More and Restructured Loans correspond to loans delinquent by three months or more and loans for which repayment terms have been eased, respectively, in Assets Requiring Caution.

Disclosed Claims under the Financial Reconstruction Law

With regard to disclosure of claims under the Financial Reconstruction Law, the Bank discloses Claims of Bankrupt Debtors and Effectively Bankrupt Debtors under self-assessment as Bankrupt and Substantially Bankrupt Claims, Claims of Potentially Bankrupt Debtors under self-assessment as Doubtful Claims, and loans delinquent by three months or more and loans for which repayment terms have been eased in Claims of Debtors Requiring Caution under self-assessment as Substandard Claims.

Disclosed Claims under the Financial Reconstruction Law (Non-Consolidated) (¥ Billion)

	As of March 31, 2008	As of March 31, 2009
Bankrupt and Substantially Bankrupt Claims	29.3	35.9
Doubtful Claims	65.4	61.2
Substandard Claims	91.8	55.0
Total	186.6	152.2
Total Claims Outstanding	6,827.5	7,158.1
Coverage Ratio (%)	71.4	75.1

Comparison of Classifications under Self-Assessment, Financial Reconstruction Law and Risk-Monitored Loans (Non-Consolidated) (As of March 31, 2009) (¥ Billion)

Assets under Self-Assessment		Risk-Monitored Loans under the Banking Law		Disclosed Claims under the Financial Reconstruction Law	
Bankrupt Assets and Effectively Bankrupt Assets	35.9	Loans to Bankrupt Borrowers	8.8	Bankrupt and Substantially Bankrupt Claims	35.9
Potentially Bankrupt Assets	61.2	Delinquent Loans	87.0	Doubtful Claims	61.2
Assets Requiring Caution	Substandard Assets	Loans Past Due 3 Months or More	4.1	Substandard Claims	55.0
	Other Assets Requiring Caution	Restructured Loans	50.9	Normal Claims	7,005.8
Normal Assets	5,903.4				
Total Assets	7,158.1	Loans Outstanding	6,991.3	Total Claims	7,158.1

Risk Management

The Chiba Bank recognizes that accurately identifying and analyzing and appropriately managing and administering risk is extremely important and is reinforcing and enhancing its risk management system through measures including compliance with Basel II (new capital adequacy regulations), which was implemented in the year ended March 31, 2007.

Integrated Risk Management System

The principal forms of risk to which banking operations are subject include credit risk, market risk, and operational risk. In order to improve profitability and ensure sound business operations, the Bank considers it necessary to not only individually manage each of these forms of risk, but also to centrally monitor risk to control it within acceptable overall limits.

Accordingly, in addition to assigning divisions to manage overall risk in the Group for each form of risk, the Bank is constructing an integrated risk management system by which the Risk Management Division centrally monitors these risks. The division engages in detailed management and deliberation of risks at meetings of the ALM Committee, Credit Risk Management Committee, and Operational Risk Management Committee and reports to the Board of Directors on risk-related matters and is developing an integrated risk management system for considering and implementing risk countermeasures.

To ensure an effective risk management system, the Audit and Inspection Division periodically conducts audits to determine whether risk management is appropriately implemented and reports the audit results to the Board of Directors.

Integrated Risk Management

The basis of risk management at the Bank is the integrated management of various risks using uniform measures to the extent possible. The term Integrated risk refers to the sum of credit risk, market risk, and operational risk measurement, forms of risk that can be managed by means of risk quantification.

The Risk Management Department in the Risk Management Division, the section responsible for integrated risk management, conducts a comparison of quantified integrated risk and capital, verifies the sufficiency of capital with respect to risk, and reports the results quarterly to the Board of Directors. The division also conducts stress tests, a means of verification of capital sufficiency in times of stress that involves the assumption of certain stress scenarios, such as deterioration of the corporate environment in a period of recession or a decrease in land prices, and forecasting of the increase in the amount of risk based on the scenarios.

The Bank has introduced a risk capital allocation system as a concrete framework for integrated risk measurement. A risk capital allocation system is a mechanism for engaging in business operations that duly recognize risk and return, such as profitability improvement at business units and the effective utilization of capital, on the basis of

assuring management soundness by means of the preallocation of risk capital (the amount of acceptable risk) to areas such as the domestic banking sections and treasury sections within the scope of capital, an indicator of financial strength.

Credit Risk Management

Credit risk is the risk of incurring a loss because of a decline in, or total loss of, the value of owned assets as a result of deterioration in borrowers' financial position. Credit risk accounts for a major portion of risk in banking operations.

The Bank has developed a rigorous credit risk management system centered on an internal credit rating system and engages in individual credit management and credit portfolio management. In self-assessment of assets, the Bank implements appropriate write-offs and provisions and has introduced a rating and self-assessment system linked to internal credit ratings to upgrade credit risk management.

Also the Bank has long ensured the independence of the sections involved in credit risk. Specifically, the credit screening and administrative sections manage credit risk for individual business transactions in the credit operating sections (banking offices and the sales promotion sections). The Credit Risk Department in the Risk Management Division, whose organization and operation are independent from the credit screening and administrative sections and the credit operating sections, is a credit risk management unit that engages in unified management of overall credit risk. The Risk Management Department in the Risk Management Division is a unified risk management unit that engages in the integrated management of all forms of risk, including credit risk. The Audit and Inspection Division audits operations in the business units involved in credit risk management.

The Credit Risk Management Committee, which is chaired by the President, receives reports from the Credit Risk Department in the Risk Management Division, considers credit risk management policy, monitors the operation of the internal credit rating system and the credit portfolio, and works to ensure the quality of loan assets.

Internal Credit Rating System

The Bank uses an internal credit rating system to classify borrowers into fifteen credit rating categories on the basis of financial data such as financial condition and cash flow. We strive to enhance the identification and examination of the financial circumstances at companies, the starting point of credit risk management, by means of periodic reviews once a year and ad-hoc reviews in accordance with borrower circumstances. The internal credit rating system is the core of credit risk management and is extensively used in actual management, such as in loan rate pricing and approval authorization.

Individual Asset Credit Management

The banking office or branch and the Credit and Supervisory Department in the Credit Division takes the lead with regard to the screening

of individual assets, engaging in rigorous screening in accordance with screening criteria on the basis of the basic principles of credit (safety, profitability, liquidity, growth potential and public good). The Business Support Division provides support for the financial soundness of borrowers who require management improvement, and the Credit Supervisory Division engages in resolution and collection activities with regard to Bankrupt Debtors and other borrowers. The Bank strives to accumulate excellent loan assets and minimize future losses through this practice of advance screening and management after the fact.

Credit Portfolio Management

Credit portfolio management is the management of the risk of simultaneously incurring a major loss due to the concentration of individual loans in specific countries or specific industries. The Credit Risk Management Department in the Risk Management Division monitors the state of credit risk from various perspectives, such as by country, by industry, and by customer credit rating.

In credit portfolio management, the Bank engages in the quantification of credit risk. The quantification of credit risk is the forecasting by statistical methods of the amount of future losses (the amount of risk) forecasted to occur due to circumstances such as borrower bankruptcy or worsening business performance. We measure value at risk (VaR: the assumed maximum loss) as the amount of risk and strive to increase the soundness of the credit portfolio by further elaborating

and developing quantification by accumulating and organizing default data and loan recovery data from defaulted borrowers.

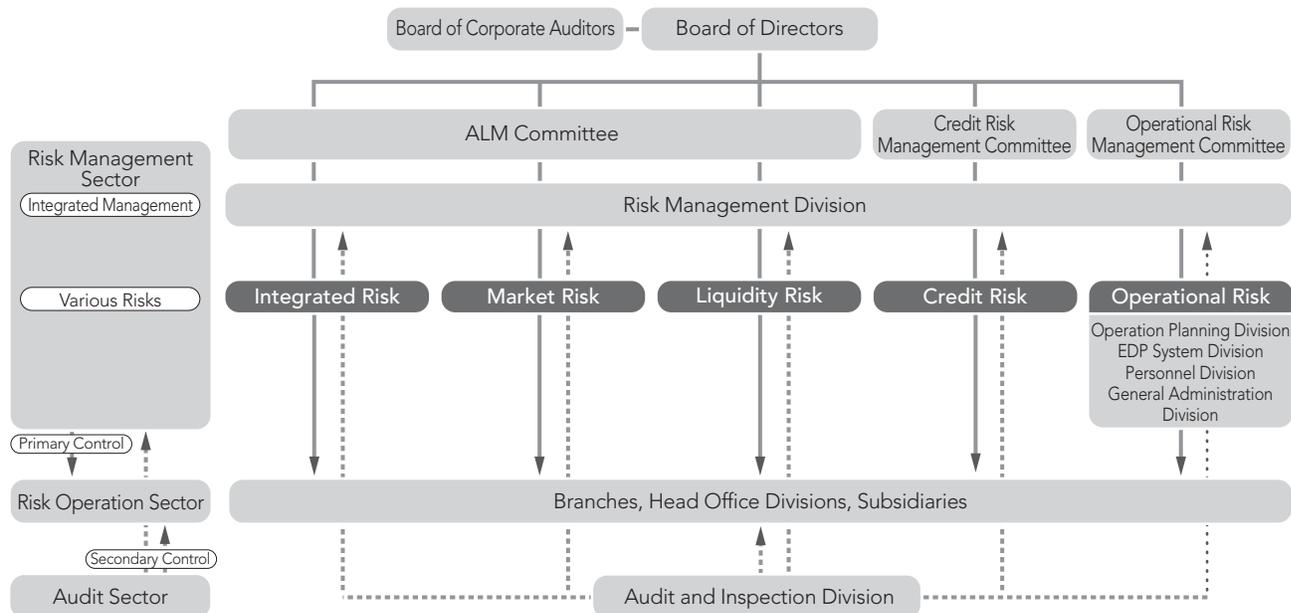
By importing the quantitative results into various systems, we utilize them in loan rate pricing that reflects credit risk and other processes. In this way, we aim to ensure more appropriate interest rate levels than were previously possible and refine risk management.

Self-Assessment of Assets

Self-assessment of assets is the practice whereby financial institutions individually review and analyze their own assets and classify them on the basis of asset value impairment and the risk of default. Self-assessment of assets is obligatory for financial institutions under the system of prompt corrective action under the Banking Law. The system of prompt corrective action is a system by which administrative measures are triggered in accordance with the state of the capital adequacy ratio of financial institutions. A prerequisite to the accurate calculation of capital is implementation of appropriate write-offs and provisions and the preparation of financial statements that to the extent possible objectively reflect the actual state of asset quality.

At the Chiba Bank, branches and offices conduct self-assessment of assets on the basis of Asset Self-Assessment Regulations, the credit screening and administrative sections checks details of self assessments, and the Credit Assessment Department in the Audit and Inspection Division conducts an audit of the accuracy of the self-assessment

Risk Management System



results and process. According to the results of these assessments, the Credit Risk Management Department in the Risk Management Division calculates the level of provisions, and the Credit Supervisory Division conducts write-offs. Finally, the Credit Assessment Department in the Audit and Inspection Division conducts an audit. Through this process, the Bank rigorously maintains the soundness of its assets.

Market Risk Management

Market risk is the risk of incurring a loss due to a change in the value of owned assets as a result of fluctuations in interest rates, prices of securities or other financial instruments, or exchange rates.

The Bank has introduced an ALM management system with respect to market risk. The ALM Committee, which is chaired by the President, meets periodically to discuss and decide detailed measures to counter interest rate risk, foreign exchange risk and price fluctuation risk, and manage overall market risk.

Specifically, as part of the Risk Capital Allocation System, within the scope of the risk capital allocated to the business sections the Bank sets and manages upper guideline limits and alarm points for the amount of market risk (value at risk or VaR: the assumed maximum loss) for each product, such as securities investments and other market transactions or loans and deposits. In this way, we strive to ensure management soundness. In addition to VaR management of market transactions, the Bank sets upper limits for market investments according to the balance and alarm point of valuation differences and implements risk control by reviewing investment policy each quarter.

With regard to market risk for market transactions for trading purposes (trading with the aim of earning profit by means of short term fluctuations in interest rates or prices), VaR is calculated on a daily basis, periodic stress tests (the estimation and testing of losses in worst-case scenarios that assume sudden market fluctuations) are conducted, and risk is limited and the occurrence of major losses avoided through the setting of maximum trading limits and the rigorous application of loss-cutting rules.

The dividing of market operations among the front office (the Treasury Division and overseas branch offices), back office (Treasury Operation Division), and middle office (the Market Risk Management Department in the Risk Management Division) results in a mutual control of each division.

Liquidity Risk Management

Liquidity risk consists of cash flow risk and market liquidity risk. Cash flow risk is the risk of incurring a loss due to failure to maintain cash flow as a result of the inability to secure necessary funds or the necessity of procuring funds at significantly higher interest rates than usual due to the worsening of the financial institution's financial position or other circumstances. Market liquidity risk is the risk of incurring a loss due to the inability to trade on markets or the necessity of trading at prices significantly less favorable than usual due to market turmoil or

other circumstances.

At the Chiba Bank, the Treasury Division is the business unit that manages cash flow. The division ascertains the market environment and analyzes the state of investment and procurement of funds. With respect to cash flow risk, the division engages in appropriate day-to-day cash flow management through such means as the establishment of upper limits to ensure that the amount of funds procured on the market is not excessive and the maintenance of a certain minimum level of assets as a liquidity reserve that can be converted to cash in a short time. The Bank manages market liquidity risk by setting limits on daily positions taken in market trading.

As the section that manages risk, the Market Risk Management Department in the Risk Management Division strives to avoid increases in liquidity risk by identifying and assessing various factors that affect liquidity risk and monitoring the observance of limits. The ALM Committee meets to discuss and decide matters related to liquidity risk, as it does with market risk. The Bank also maintains a crisis management plan that provides for a rapid, network-wide response in the event of the occurrence of unforeseen circumstances that could affect the Bank's cash flow.

Operational Risk Management

Operational risk is the risk of incurring losses due to the inappropriateness of business processes, employee activities, or systems or external events. The Bank classifies operational risk into clerical risk (described in the next section), system risk (described in the section after next), human risk, tangible asset risk, and reputational risk. Human risk is the risk of a loss occurring due to the workplace safety environment, discrimination, or the like. Tangible asset risk is the risk of a loss occurring due to damage to buildings or facilities or the like. Reputational risk is the risk of a loss occurring due to loss of public confidence resulting from deterioration of the Bank's reputation.

In its risk management structure, the Bank decides the corporate divisions having jurisdiction over the various forms of operational risk (the Operation Planning Division for clerical risk, the EDP System Division for system risk, the Personnel Division for human risk, and the General Administration Division for tangible asset risk), and the divisions collaborate in risk management under the overall management of the Risk Management Department in the Risk Management Division, the division responsible for central oversight of risk. The Risk Management Department in the Risk Management Division directly manages reputational risk and, the Compliance Division jointly manages legal risk and compliance-related risk included in the various risk categories with the corporate divisions that have jurisdiction.

The Bank has established the Operational Risk Management Committee, which is chaired by the President. On the basis of direct involvement in management, the committee receives reports concerning the state of operational risk losses and develops a management structure for improving and correcting problem areas by means of a

PDCA cycle involving the preparation of a risk management plan, development of management regulations, and evaluation and improvement. To ensure the effectiveness of management by means of this PDCA cycle, the Bank has introduced Control Self-Assessment (CSA), by which it formulates and implements measures to identify, assess, monitor, and manage the details of risk, as well as to reduce risk. Management by means of CSA entails not only responding to operational risk loss events that have occurred at the Bank, but also the prevention of risk eventuation by means of evaluation of the adequacy of the Bank's management system in light of scenarios prepared based on loss events that have occurred at other banks or in other industries and the devising of countermeasures as necessary.

Clerical Risk Management

Clerical risk is the risk of incurring a loss due to the failure to perform accurate clerical work, clerical accidents or fraud, or the failure to perform official obligations or provide explanations to customers.

The Bank considers accurate clerical work to be essential to obtaining the trust of customers, and the Operation Planning Division plays a central role in the performance of exact clerical work in accordance with basic procedures and in the effort to prevent clerical accidents. Specifically, the division prepares clerical standards that indicate detailed clerical procedures for each operation, ensures the correct handling of cash, promissory notes, passbooks, and other important items, provides guidance on clerical management systems at branches, offices, and headquarters, and conducts training to raise the level of clerical work. The branches and offices periodically conduct self-assessments and strive to ensure clerical accuracy and raise the level of clerical work.

With regard to the auditing system, the Audit and Inspection Division visits all branches, offices, and headquarters sections and conducts rigorous audits of all clerical work in accordance with auditing standards. The division promptly notifies the branches, offices, and sections of the audit results, periodically reports to the Board of Directors, and implements a framework for reflecting audit results in clerical improvements.

System Risk Management

System risk is the risk of incurring a loss attendant on the leakage or falsification of information owned by the Bank or the unauthorized use, failure, or incorrect operation of computer systems. The Bank possesses customer transaction data and various other types of information and has developed systems to process that information. To ensure the provision of various services to customers, the role of computer systems in banking operations is increasing year by year, and the eventuation of a system risk would result in great inconvenience to customers. For this reason, we regard system risk management as increasingly important.

The EDP System Division plays a central role in devising measures to ensure the stable operation of computer systems. Specifically, the Bank duplicates hardware and circuits for account systems, information systems, and other backbone systems and maintains a framework for rapidly switching to the backup system so that business can continue in the event of failure. In addition, for all computer systems, including those used individually at departments, the Bank takes every means to prevent crime and guard against disaster, including rigorous data management, barriers to prevent unauthorized access or the introduction of viruses, and the preparation of a contingency plan to provide for unforeseen circumstances such as large-scale disasters. The Audit and Inspection Division conducts audits of computer systems throughout the organization.

Basel II Compliance

Implementation of Basel II (new capital adequacy regulations) began in fiscal 2006. The new regulations consist of three pillars: Pillar 1 is a minimum capital adequacy ratio based on exhaustive risk measurement, Pillar 2 is the development of capital strategies by banks and verification by regulatory authorities and Pillar 3 is assurance of market discipline through disclosure enhancement.

Under the new regulations, each bank selects a method of calculating minimum required capital according to its risk circumstances and risk management method.

The basic policy of the Chiba Bank is to expand its business by upgrading internal management, and the Bank is proactively complying with the new regulations as part of its policy of building an integrated risk management system. With regard to the calculation of minimum required capital, we have selected the Foundation Internal Ratings-Based (FIRB) Approach for credit risk and Standardized Approach for operational risk (both approaches require the approval of the regulatory authorities) from Fiscal year 2006 and are more exhaustively reflecting risk in the minimum capital adequacy ratio.

Consolidated Balance Sheets

The Chiba Bank, Ltd. and Consolidated Subsidiaries
As of March 31, 2009 and 2008

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2009	2008	2009
Assets			
Cash and Due from Banks	¥ 330,336	¥ 426,953	\$ 3,362,885
Call Loans and Bills Bought	37,000	10,480	376,667
Receivables under Securities Borrowing Transactions (Note 5)	10,350	22,081	105,366
Monetary Claims Bought	56,308	65,434	573,235
Trading Assets (Notes 6, 12 and 31)	392,404	285,029	3,994,747
Money Held in Trust (Note 32)	28,618	29,511	291,347
Securities (Notes 7, 12 and 31)	1,893,075	2,045,011	19,271,868
Loans and Bills Discounted (Notes 8 and 12)	6,955,624	6,624,687	70,809,576
Foreign Exchanges (Note 9)	2,750	3,693	28,001
Other Assets (Notes 10 and 12)	109,960	70,819	1,119,416
Tangible Fixed Assets (Note 11)	96,746	136,066	984,895
Intangible Fixed Assets	8,312	9,583	84,619
Deferred Tax Assets (Note 29)	89,159	48,319	907,657
Customers' Liabilities for Acceptances and Guarantees	113,279	112,049	1,153,205
Allowance for Loan Losses	(60,999)	(53,784)	(620,985)
Total Assets	¥10,062,926	¥9,835,939	\$102,442,498
Liabilities			
Deposits (Notes 12 and 13)	¥ 8,654,989	¥8,504,095	\$ 88,109,427
Call Money and Bills Sold (Note 12)	53,050	184,973	540,069
Payables under Repurchase Agreements (Note 12)	198,051	97,401	2,016,198
Payables under Securities Lending Transactions (Note 12)	67,291	81,105	685,041
Trading Liabilities (Note 14)	18,720	16,617	190,577
Borrowed Money (Notes 12 and 15)	248,189	80,646	2,526,621
Foreign Exchanges (Note 16)	436	516	4,447
Bonds Payable (Note 17)	40,000	41,000	407,208
Other Liabilities (Note 18)	93,845	100,030	955,368
Provision for Directors' Bonuses	40	63	407
Provision for Retirement Benefits (Note 19)	18,982	18,435	193,245
Provision for Directors' Retirement Benefits	1,374	1,649	13,996
Provision for Reimbursement of Deposits	962	996	9,803
Provision for Point Loyalty Programs	623	607	6,351
Reserve under the Special Laws	35	215	357
Deferred Tax Liabilities (Note 29)	57	42	586
Deferred Tax Liabilities for Land Revaluation (Note 20)	15,323	15,323	155,994
Acceptances and Guarantees	113,279	112,049	1,153,205
Total Liabilities	¥ 9,525,255	¥9,255,770	\$ 96,968,901
Net Assets			
Capital Stock (Note 21)	¥ 145,069	¥ 145,069	\$ 1,476,831
Capital Surplus	123,387	123,404	1,256,105
Retained Earnings	285,233	283,583	2,903,729
Treasury Stock	(1,219)	(1,217)	(12,418)
Total Shareholders' Equity	552,469	550,839	5,624,247
Valuation Difference on Available-for-sale Securities (Note 33)	(33,279)	8,634	(338,793)
Deferred Gains or Losses on Hedges	(1,837)	300	(18,710)
Revaluation Reserve for Land (Note 20)	7,777	7,777	79,176
Foreign Currency Translation Adjustments	(0)	1	(0)
Total Valuation and Translation Adjustments	(27,340)	16,713	(278,328)
Minority Interests	12,541	12,616	127,678
Total Net Assets	¥ 537,671	¥ 580,168	\$ 5,473,597
Total Liabilities and Net Assets	¥10,062,926	¥9,835,939	\$102,442,498

See notes to consolidated financial statements.

Consolidated Statements of Income

The Chiba Bank, Ltd. and Consolidated Subsidiaries
For the years ended March 31, 2009 and 2008

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2009	2008	2009
Income			
Interest Income:			
Interest on Loans and Discounts	¥149,824	¥144,937	\$1,525,237
Interest and Dividends on Securities	28,699	38,163	292,164
Other Interest Income	2,789	3,533	28,396
Trust Fees	5	8	56
Fees and Commissions	39,650	43,789	403,645
Trading Income (Note 22)	5,106	3,959	51,986
Other Ordinary Income (Note 23)	5,712	6,239	58,151
Other Income (Note 24)	31,072	33,621	316,322
Total Income	¥262,859	¥274,252	\$2,675,958
Expenses			
Interest Expenses:			
Interest on Deposits	¥ 24,167	¥ 30,963	\$ 246,029
Interest on Borrowings and Rediscounts	3,939	4,287	40,103
Other Interest Expenses	5,789	10,223	58,943
Fees and Commissions payments	14,298	14,226	145,561
Trading Expenses	—	66	—
Other Ordinary Expenses (Note 25)	30,380	4,412	309,281
General and Administrative Expenses	87,046	86,247	886,151
Other Expenses (Note 26)	82,495	42,364	839,821
Total Expenses	¥248,118	¥192,792	\$2,525,889
Income before Income Taxes and Minority Interests	14,741	81,460	150,069
Income Taxes—Current	13,681	31,105	139,279
Income Taxes—Deferred	(11,729)	3,728	(119,410)
Minority Interests in Income	396	645	4,041
Net Income	¥ 12,392	¥ 45,980	\$ 126,159

See notes to consolidated financial statements.

Consolidated Statement of Changes in Net Assets

The Chiba Bank, Ltd. and Consolidated Subsidiaries
For the years ended March 31, 2009 and 2008

	Millions of Yen (Note 1)											
	Stockholders' Equity					Valuation and Translation Adjustments						
	Common Stock	Capital Surplus	Retained Earnings	Treasury Stock	Total Stockholders' Equity	Valuation Difference on Available-for-sale Securities	Deferred Gains or Losses on Hedges	Revaluation Reserve for Land	Foreign Currency Translation Adjustments	Total Valuation and Translation Adjustments	Minority Interests	Total Net Assets
Balance at March 31, 2007	¥145,069	¥123,399	¥247,412	¥(1,026)	¥514,854	¥ 61,807	¥ 1,900	¥7,839	¥ 3	¥ 71,551	¥12,416	¥598,822
Net Income	—	—	45,980	—	45,980	—	—	—	—	—	—	45,980
Dividends from Surplus	—	—	(9,833)	—	(9,833)	—	—	—	—	—	—	(9,833)
Purchase of Treasury Stock	—	—	—	(224)	(224)	—	—	—	—	—	—	(224)
Disposal of Treasury Stock	—	4	—	33	37	—	—	—	—	—	—	37
Reversal of Revaluation Reserve for Land	—	—	24	—	24	—	—	—	—	—	—	24
Net Changes of Items other than Shareholders' Equity	—	—	—	—	—	(53,172)	(1,600)	(62)	(1)	(54,837)	199	(54,637)
Total of items during FY2007	—	4	36,171	(191)	35,984	(53,172)	(1,600)	(62)	(1)	(54,837)	199	(18,653)
Balance at March 31, 2008	¥145,069	¥123,404	¥283,583	¥(1,217)	¥550,839	¥ 8,634	¥ 300	¥7,777	¥ 1	¥ 16,713	¥12,616	¥580,168
Net Income	—	—	12,392	—	12,392	—	—	—	—	—	—	12,392
Dividends from Surplus	—	—	(10,726)	—	(10,726)	—	—	—	—	—	—	(10,726)
Purchase of Treasury Stock	—	—	—	(150)	(150)	—	—	—	—	—	—	(150)
Disposal of Treasury Stock	—	(16)	(16)	147	114	—	—	—	—	—	—	114
Net Changes of Items other than Shareholders' Equity	—	—	—	—	—	(41,913)	(2,138)	—	(1)	(44,053)	(74)	(44,128)
Total of items during FY2008	—	(16)	1,650	(2)	1,630	(41,913)	(2,138)	—	(1)	(44,053)	(74)	(42,497)
Balance at March 31, 2009	¥145,069	¥123,387	¥285,233	¥(1,219)	¥552,469	¥(33,279)	¥(1,837)	¥7,777	¥(0)	¥(27,340)	¥12,541	¥537,671

	Thousands of U.S. Dollars (Note 1)											
	Stockholders' Equity					Valuation and Translation Adjustments						
	Common Stock	Capital Surplus	Retained Earnings	Treasury Stock	Total Stockholders' Equity	Valuation Difference on Available-for-sale Securities	Deferred Gains or Losses on Hedges	Revaluation Reserve for Land	Foreign Currency Translation Adjustments	Total Valuation and Translation Adjustments	Minority Interests	Total Net Assets
Balance at March 31, 2008	\$1,476,831	\$1,256,277	\$2,886,930	\$(12,391)	\$5,607,647	\$ 87,898	\$ 3,056	\$79,176	\$ 19	\$ 170,149	\$128,434	\$5,906,230
Net Income	—	—	126,159	—	126,159	—	—	—	—	—	—	126,159
Dividends from Surplus	—	—	(109,194)	—	(109,194)	—	—	—	—	—	—	(109,194)
Purchase of Treasury Stock	—	—	—	(1,528)	(1,528)	—	—	—	—	—	—	(1,528)
Disposal of Treasury Stock	—	(172)	(166)	1,501	1,163	—	—	—	—	—	—	1,163
Reversal of Revaluation Reserve for Land	—	—	—	—	—	—	—	—	—	—	—	—
Net Changes of Items other than Shareholders' Equity	—	—	—	—	—	(426,691)	(21,766)	—	(19)	(448,477)	(755)	(449,232)
Total of items during FY2008	—	(172)	16,799	(27)	16,600	(426,691)	(21,766)	—	(19)	(448,477)	(755)	(432,632)
Balance at March 31, 2009	\$1,476,831	\$1,256,105	\$2,903,729	\$(12,418)	\$5,624,247	\$(338,793)	\$(18,710)	\$79,176	\$ (0)	\$(278,328)	\$127,678	\$5,473,597

See notes to consolidated financial statements.

Consolidated Statements of Cash Flows

The Chiba Bank, Ltd. and Consolidated Subsidiaries
For the years ended March 31, 2009 and 2008

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2009	2008	2009
Cash Flows from Operating Activities:			
Income before Income Taxes and Minority Interests	¥ 14,741	¥ 81,460	\$ 150,069
Depreciation and Amortization	6,779	21,003	69,016
Impairment Loss	—	13	—
Equity in (Earnings) Losses of Affiliates	(236)	(212)	(2,411)
Increase (Decrease) in Allowance for Loan Losses	7,215	(9,575)	73,452
Increase (Decrease) in Provision for Directors' Bonuses	(23)	3	(243)
Increase (Decrease) in Provision for Retirement Benefits	547	(1,036)	5,571
Increase (Decrease) in Provision for Point Loyalty Programs	16	62	164
Increase (Decrease) in Provision for Reimbursement of Deposits	(33)	996	(339)
Increase (Decrease) in Provision for Directors' Retirement Benefits	(274)	1,649	(2,793)
Interest Income	(181,312)	(186,634)	(1,845,797)
Interest Expenses	33,896	45,475	345,075
Loss (Gain) Related to Securities	43,012	2,948	437,872
Loss (Gain) on Money Held in Trust	122	(466)	1,242
Loss (Gain) on Foreign Exchange Transactions	148	148	1,508
Loss (Gain) on Disposal of Fixed Assets	273	830	2,786
Net Decrease (Increase) in Trading Assets	(107,374)	(1,940)	(1,093,094)
Net Increase (Decrease) in Trading Liabilities	2,102	13	21,403
Net Decrease (Increase) in Loans and Bills Discounted	(330,937)	(247,089)	(3,369,002)
Net Increase (Decrease) in Deposits (excluding Negotiable Certificates of Deposit)	125,229	27,453	1,274,855
Net Increase (Decrease) in Negotiable Certificates of Deposit	25,664	(2,580)	261,274
Net Increase (Decrease) in Borrowed Money (excluding Subordinated Borrowings)	165,543	(52,604)	1,685,261
Net Decrease (increase) in Due from Banks (excluding Due from BOJ)	236,167	(237,642)	2,404,229
Net Decrease (Increase) in Call Loans and Bills Bought and Others	(17,393)	47,035	(177,074)
Net Decrease (Increase) in Receivables under Securities Borrowing Transactions	11,731	(2,678)	119,426
Net Increase (Decrease) in Call Money and Bills Sold	(31,273)	209,956	(318,366)
Net Increase (Decrease) in Payables under Securities Lending Transactions	(13,813)	(108,781)	(140,627)
Net Decrease (Increase) in Foreign Exchanges - Assets	943	(183)	9,605
Net Increase (Decrease) in Foreign Exchanges - Liabilities	(79)	(33)	(807)
Interest Received	182,062	188,497	1,853,435
Interest Paid	(33,501)	(42,989)	(341,048)
Other, net	9,176	(9,273)	93,415
Sub total	¥ 149,118	¥(276,175)	\$ 1,518,056
Income Taxes Paid	(26,825)	(38,900)	(273,088)
Net Cash Provided by (Used in) Operating Activities	¥ 122,293	¥(315,075)	\$ 1,244,968
Cash Flows from Investment Activities:			
Purchase of Securities	¥(576,498)	¥(698,896)	\$(5,868,860)
Proceeds from Sales of Securities	170,880	573,001	1,739,591
Proceeds from Redemption of Securities	444,167	404,691	4,521,712
Increase in Money Held in Trust	(2,795)	(5,839)	(28,456)
Decrease in Money Held in Trust	2,377	5,873	24,208
Purchase of Tangible Fixed Assets	(7,616)	(19,247)	(77,540)
Purchase of Intangible Fixed Assets	(3,370)	(3,263)	(34,317)
Proceeds from Sales of Tangible Fixed Assets	263	1,151	2,686
Proceeds from Sales of Intangible Fixed Assets	1	0	10
Net Cash Provided by (Used in) Investment Activities	¥ 27,409	¥ 257,471	\$ 279,035
Cash Flows from Financing Activities:			
Increase in Subordinated Borrowings	¥ 18,000	¥ —	\$ 183,243
Decrease in Subordinated Borrowings	(16,000)	(5,000)	(162,883)
Issuance of Subordinated Bonds	10,000	20,000	101,802
Redemption of Subordinated Bonds	(11,000)	—	(111,982)
Cash Dividends Paid	(10,726)	(9,833)	(109,194)
Cash Dividends Paid to Minority Shareholders	(242)	(160)	(2,471)
Purchase of Treasury Stock	(150)	(224)	(1,528)
Proceeds from Sales of Treasury Stock	114	37	1,163
Net Cash Provided by (Used in) Financing Activities	¥ (10,004)	¥ 4,819	\$ (101,850)
Effect of Exchange Rate Change on Cash and Cash Equivalents	¥ (148)	¥ (148)	(1,508)
Net Increase (Decrease) in Cash and Cash Equivalents	¥ 139,550	¥ (52,932)	\$ 1,420,646
Cash and Cash Equivalents at Beginning of Period	¥ 134,533	¥ 187,466	\$ 1,369,580
Cash and Cash Equivalents at End of Period (Note 27)	¥ 274,083	¥ 134,533	\$ 2,790,226

See notes to consolidated financial statements.

Notes to Consolidated Financial Statements

The Chiba Bank, Ltd. and Consolidated Subsidiaries
For the Years ended March 31, 2009 and 2008

1. Basis of Presentation

The Chiba Bank, Ltd. (the "Bank") and its subsidiaries maintain their books of accounts in accordance with the provisions set forth in the Japanese Financial Instruments and Exchange Act 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 the application and disclosure requirements of International Financial Reporting Standards. The classification of accounts is in conformity with the Ordinance for Enforcement of Banking Law of Japan.

The accompanying consolidated financial statements have been compiled from the consolidated financial statements issued domestically in order to present them in a form which is more familiar to readers outside Japan. Certain reclassifications and rearrangements have been made to the financial statements for the previous year to conform to the classification used in the financial statements for the current year. In addition, the accompanying notes include information that is not required under accounting principles generally accepted in Japan, but is presented herein for the convenience of readers.

Japanese yen amounts are presented in millions of yen by rounding down figures below one million. As a result, the totals in Japanese yen in the accompanying consolidated financial statements do not necessarily agree with the sums of individual amounts.

U.S. dollar amounts are shown solely for the convenience of the readers of this Annual Report and are translated at the rate of ¥98.23 to \$1.00, the exchange rate prevailing at March 31, 2009.

2. Principles of Consolidation

The consolidated financial statements include the accounts of the Bank and its subsidiaries, including Chibagin Guarantee Co., Ltd., Chibagin Leasing Co., Ltd., Chuo Securities Co., Ltd. and other subsidiaries. The number of consolidated subsidiaries as of March 31, 2009 and 2008 were 10 and 11, respectively. Chibagin Business Service Co., Ltd. was liquidated. Chiba Capital Funding (Cayman) Ltd. was dissolved on March 31, 2009 and is now under the process of liquidation. Information of two special purpose entities subject to disclosure was not represented in this note due to their immateriality.

All significant inter-company accounts and transactions have been eliminated. The consolidated financial statements do not include the accounts of the Chibagin Computer Service Co., Ltd. and three other subsidiaries, since the combined total assets, total revenue, net income and retained earnings of these subsidiaries are not significant and would not have a material impact on the consolidated financial statements of the Bank. Nevertheless, the investments in these unconsolidated subsidiaries are carried using the equity method and are included in securities in the balance sheets. Also, the consolidated financial statements do not include the accounts of five limited partnerships, including two newly established and one liquidated in the fiscal year 2008. The investments in these unconsolidated subsidiaries are not accounted for by the equity method since net income and retained earnings of these subsidiaries are not significant and would not have a material impact on the consolidated financial statements of the Bank.

The difference between the cost and the underlying equity in the net assets measured at their market value at dates of acquisition of consolidated subsidiaries is amortized on a straight-line method over a period of five years, if significant in amount, or is charged or credited to income in the year of acquisition.

Fiscal year-ends of all consolidated subsidiaries are at the end of March except for one consolidated subsidiary whose fiscal year-end is at the end of December. The financial statements of the consolidated subsidiary, for which fiscal year-end is December 31, are included in consolidation on the basis of its fiscal year after making appropriate adjustments for the significant transactions during the period from its year-end to the date of the Bank's fiscal year-end.

3. Significant Accounting Policies

(1) Trading Account

The following criteria are applied in accounting for the Bank's trading assets and liabilities, and trading income and expenses:

Transactions that aim to gain a profit by arbitraging short term fluctuations in interest rates, currency values and market prices, other benchmarks in the traded securities' market prices and by arbitraging differentials between markets (hereafter "trading purposes") are accounted for under "Trading Assets" or "Trading Liabilities" on the balance sheets. Profit or loss from such transactions is recorded under "Trading income" or "Trading expenses" on the statements of income.

Trading securities and monetary claims, etc. held for trading purposes are stated at market value at the end of the fiscal year. Trading-related financial derivatives such as swaps, futures or options are valued on the assumption that they were settled at the end of the fiscal year.

In the case of trading-related financial derivatives, "Trading income/expenses" includes the interest received/paid during the fiscal year and the difference between the amount of profit/loss based on the assumption that transactions were settled at the end of the current fiscal year and that at the end of the previous fiscal year.

(2) Securities

Held-to-maturity bonds are stated at amortized cost determined by the moving average method. Interests of unconsolidated subsidiaries not accounted for by the equity method are stated at cost determined by the moving average method. Other securities available for sale whose current value can be estimated are stated at the market value at the fiscal year end for the fiscal year 2007 while their costs are calculated mainly by the moving average method.

In order to lessen the effect of external price fluctuations, the valuation measures of domestic stocks and investment trusts with market value included Other securities were changed to the average market value during the last month of the period since the fiscal year 2008. This change resulted in decrease by ¥2,410 million in Securities, increase by ¥968 million in Deferred Tax Assets, and decrease by ¥1,447 million in Valuation Difference on Available-for-sale Securities. And losses related to securities (write-offs) increased by ¥860 million while Income before Income Taxes and Minority Interests decreased by the same amounts respectively. Other non-marketable securities are stated at cost determined by the moving average method or amortized cost. Unrealized gains and losses on other securities available for sale are included in net assets, net of income taxes.

Moreover, the same way as above (1) and market value method based upon the market value at the fiscal year end are applied for the valuation of securities that are held as trust assets in individually managed money trusts with the principal objective of securities portfolio management.

(3) Derivatives

Derivatives for purposes other than trading are also stated at the market value.

(4) Tangible Fixed Assets

Depreciation for Tangible Fixed Assets of the Bank is computed using the declining-balance method. Principal useful lives are as follows:

Buildings	6 years to 50 years
Others	2 years to 20 years

Tangible Fixed Assets of the consolidated subsidiaries are depreciated principally by the declining-balance method over the estimated useful lives.

(5) Intangible Fixed Assets

Depreciation for Intangible Fixed Assets is computed using the straight-line method. Especially, depreciation for capitalized software for internal-use is computed using the straight-line method based on useful life determined by the Bank and its consolidated subsidiaries (5 years).

(6) Bond Issuance Costs

Bond Issuance Costs are charged to income as occurred.

(7) Allowance for Loan Losses

Allowance made by the Bank was provided in accordance with the internally established standards for write-offs and provisions.

For claims on borrowers that have entered into bankruptcy, special liquidation proceedings or similar legal proceedings ("Bankrupt Borrowers"), or borrowers that are not legally or formally insolvent but are regarded as substantially in the same situation ("Effectively Bankrupt Borrowers"), an allowance is provided based on the amount of claims, after the write-off stated below, net of the expected amount of recoveries from collateral and guarantees.

For claims on borrowers that are not currently bankrupt but likely to become bankrupt in the future ("Potentially Bankrupt Borrowers"), an allowance is provided in the amount deemed necessary based on an overall solvency assessment of the claims, net of the expected amount of recoveries from collateral and guarantees.

For claims on Potentially Bankrupt Borrowers and on borrowers whose loans are classified as "Loans past due 3 months or more" or "Restructured Loans" over a certain amount, if future cash flows from the collection of principal and interest are reasonably estimated, the allowances for loan losses are calculated by "Discounted Cash Flow Method," by which the allowances for loan losses are calculated as the difference between the booked amounts of the loans and the cash flows discounted by the original contracted interest rates.

For other claims, an allowance is provided based on the historical loan-loss ratio.

Also, regarding the allowance for loans to specific countries, the expected amount of the losses on such loans arising from political and economic conditions in those countries has been provided in the reserve for specific overseas loans.

The operating divisions assess all claims in accordance with the Bank's policy and guidelines for the self-assessment of asset quality, and the internal audit and inspection division, which is independent from the operating divisions, audits these assessments. The allowance for loan losses is provided based on the results of these assessments.

For collateralized or guaranteed claims on Bankrupt Borrowers and Effectively Bankrupt Borrowers, the amount exceeding the estimated value of collateral and guarantees is deemed to be uncollectible and written off against the total outstanding amount of the claims. The amount of write-off as of March 31, 2009 and 2008 were ¥72,801 million and ¥66,737 million, respectively.

Allowance made by consolidated subsidiaries for general claims is provided in the amount deemed necessary based on the historical loan-loss ratio, and for specific claims in the amount deemed uncollectible based on the respective assessments.

(8) Provision for Directors' Bonuses

The Bank has a provision for bonuses for directors and corporate auditors which is provided for the payments of bonuses to directors and corporate auditors based on the estimated amounts of the payments corresponding to the fiscal year.

(9) Provision for Retirement Benefits

The Bank has a provision for retirement benefits which is provided for the payments of employees' retirement benefits based on the estimated amounts of the actuarial retirement benefit obligation and the pension assets.

Net actuarial gain (loss) is amortized using the straight-line method over 10 years commencing from the next fiscal year of incurrence.

(10) Provision for Directors' Retirement Benefits

Provision for directors' retirement benefits is provided for payment of retirement benefits to directors and corporate auditors, in the amount deemed accrued until the fiscal year-end.

(11) Provision for Reimbursement of Deposits

Provision for reimbursement of deposits which were derecognized as liabilities under certain conditions and recognized as profit is provided for the possible losses on the future claims of withdrawal based on the historical reimburse experience.

(12) Provision for Point Loyalty Programs

The Bank has a provision for point loyalty programs which is provided for accumulation of points (the "Leaf Points") granted to customers in the Bank's point loyalty program, "Chibagin Leaf Point Present", based on the estimated amounts equivalent to expected future usage of the Leaf Points.

(13) Reserve under the Special Laws

Reserve under the Special Laws is a Reserve for Financial Products Transaction Liabilities of ¥35 million provided by Chuo Securities Co. Ltd. This reserve is provided for losses from securities transactions pursuant to Article 46-5-1 of the Financial Instruments and Exchange Act and Article 175 of the Cabinet Office Ordinance on Financial Instrument Business Operators, etc.

(14) Translation of Foreign Currencies

The Bank's assets and liabilities denominated in foreign currencies and overseas branches' accounts are translated into Japanese yen primarily at the exchange rate at the balance sheet date, except for stocks of subsidiaries and affiliates which are translated at prevailing rates at the time of acquisition. Consolidated subsidiaries' assets and liabilities denominated in foreign currencies are translated into the currency of the subsidiary at the exchange rate prevailing at the fiscal year-end of each company.

(15) Lease Transactions**(As lessees)**

The Bank and domestic consolidated subsidiaries account for as operating leases finance leases other than those that are deemed to transfer the ownership of leased properties to the lessees, which commenced in fiscal years beginning prior to April 1, 2008 (See Note 28).

(As lessors)

Finance leases other than those that are deemed to transfer the ownership of leased property to the lessees are accounted for as installment sales.

(16) Hedge Accounting**i) Hedge of Interest Rate Risk**

As for the hedge accounting method applied to hedging transactions for interest rate risk arising from financial assets and liabilities, the Bank applies the deferral hedge accounting stipulated in the "Treatment for Accounting and Auditing of Application of Accounting Standard for Financial Instruments in Banking Industry" (JICPA Industry Audit Committee Report No. 24).

The Bank assesses the effectiveness of such hedges by monitoring off-

setting fluctuation of fair value by changes in interest rates, of the hedged items (such as deposits and loans) and hedging instruments (such as interest rate swaps) classified by their maturity.

ii) Hedge of Foreign Currency Fluctuation Risk

As for the hedge accounting method applied to hedging transactions for foreign currency fluctuation risk arising from foreign-currency-denominated financial assets and liabilities, the Bank applies the deferral hedge accounting stipulated in the "Treatment for Accounting and Auditing of Concerning Accounting for Foreign Currency Transactions in Banking Industry" (JICPA Industry Audit Committee Report No. 25).

The Bank designates certain currency swaps and foreign exchange swap transactions as hedges against fluctuation in foreign currency exchange rates arising from foreign-currency monetary claims and debts, and assesses the effectiveness of such hedges by verifying that the Bank holds foreign currency positions of the hedged items corresponding to the positions of the hedging instruments.

In addition to the above accounting, the Bank applies to a part of assets and liabilities the deferral hedge accounting or exceptional treatments permitted for interest rate swaps.

(17) Consumption Taxes

Consumption tax and municipal consumption tax of the Bank and its domestic consolidated subsidiaries are accounted for using the tax-excluded method.

(18) Appropriation of Retained Earnings

Dividends from Surplus are recorded in the fiscal year in which the proposed appropriation of retained earnings is approved by the board of directors and by the general meeting of shareholders. There is a limit for dividend from surplus by Article 18 of the Banking Law. An amount equal to 20% of the aggregated amount of dividends from surplus shall be set aside as a legal reserve or legal capital surplus, regardless of Article 445-4 of the Companies Act of Japan.

(19) Cash Flows

In preparing the consolidated statements of cash flows, cash and due from the Bank of Japan are considered to be cash and cash equivalents.

4. New Accounting Pronouncements

(1) Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements

As "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements" (Practical Issues Task Force No.18, May 17, 2006) became applicable to fiscal years beginning on or after April 1, 2008, the Bank adopted the report from the beginning of this fiscal year. This adoption did not have any effect on the consolidated financial statements.

(2) Accounting Standard for Lease Transactions

Finance leases other than those that were deemed to transfer the ownership of leased properties to the lessees have previously been accounted for as operating leases. However, the "Accounting Standard for Lease Transactions" (ASBJ Statement No.13, March 30, 2007) and the "Guidance on the Accounting Standard for Lease Transactions" (ASBJ Guidance No.16, March 30, 2007) became applicable to fiscal years beginning on or after April 1, 2008, and the Bank adopted this standard in this fiscal year. The adoption of the new standard did not have a significant effect on the consolidated financial statements. Similar transactions on the lessor side are accounted for as lease investment assets in the "Other Assets". These transactions which commenced in fiscal years began prior to April 1, 2008 are considered as if they had been entered

into lease agreements at the net book value of the previous fiscal year end at the beginning of this fiscal year.

Lease investment assets in the "Other Assets" increased by ¥40,247 million while "Tangible Fixed Assets" decreased by ¥38,538 million and "Intangible Fixed Assets" decreased by ¥1,708 million.

(3) Related Party Disclosures

The Bank adopted the "Accounting Standard for Related Party Disclosures" (ASBJ Statement No.11, October 17, 2006) and the "Guidance on Accounting Standard for Related Party Disclosures" (ASBJ Guidance No.13, October 17, 2006). As a result, transactions between consolidated subsidiaries and related parties have been added to the scope of disclosure in the current year.

5. Securities Borrowing Transactions

As for securities borrowed under securities borrowing transactions which the bank has the right to sell or pledge, ¥4,031 million was held in hand on March 31, 2009. The respective amount at March 31, 2008 was ¥11,647 million.

6. Trading Assets

Trading assets as of March 31, 2009 and 2008 consisted of the following:

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2009	2008	2009
Trading Account Securities	¥ 27,396	¥ 17,224	\$ 278,902
Derivatives of Trading Securities	0	0	9
Securities Related to Trading Transactions	507	—	5,166
Trading-Related Financial Derivatives	13,440	7,868	136,828
Other Trading Assets	351,058	259,935	3,573,842
Total	¥392,404	¥285,029	\$3,994,747

7. Securities

Securities as of March 31, 2009 and 2008 consisted of the following:

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2009	2008	2009
Japanese Government Bonds	¥ 622,807	¥ 457,726	\$ 6,340,295
Japanese Local Government Bonds	237,368	221,590	2,416,454
Japanese Corporate Bonds	463,046	608,915	4,713,903
Japanese Stocks	145,508	192,854	1,481,300
Other Securities	424,345	563,924	4,319,915
Total	¥1,893,075	¥2,045,011	\$19,271,868

Securities Included investments in non-consolidated subsidiaries and affiliates of ¥3,574 million and ¥2,919 million at March 31, 2009 and 2008, respectively.

Guarantee obligations for bonds in private placement (defined in Article 2 (3) of Financial Instruments and Exchange Act) included in Japanese Corporate Bonds were ¥74,905 million and ¥81,926 million as of March 31, 2009 and 2008, respectively.

8. Loans and Bills Discounted

(1) Loans and bills discounted as of March 31, 2009 and 2008 consisted of the following:

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2009	2008	2009
Bills Discounted	¥ 26,726	¥ 36,611	\$ 272,085
Loans on Bills.....	210,624	239,822	2,144,192
Loans on Deeds	5,993,979	5,678,272	61,019,847
Overdrafts	724,294	669,980	7,373,452
Total	¥6,955,624	¥6,624,687	\$70,809,576

Bills discounted are accounted for as financial transactions in accordance with JICPA Industry Audit Committee Report No. 24. The Bank has rights to sell or pledge bank acceptance bought, commercial bills discounted, documentary bills and foreign exchanges bought without restrictions. Their total face value as of March 31, 2009 and 2008 were ¥27,403 million and ¥37,655 million, respectively.

Contracts of overdraft facilities and loan commitment limits are the contracts that the Bank lends to customers up to the prescribed limits in response to customers' application of loan as long as there is no violation of any condition in the contracts. The unused amount within the limits was ¥1,696,897 million relating to these contracts, including ¥1,623,560 million of which the term of contracts is less than one year or revocable at any time as of March 31, 2009. The respective amounts were ¥1,797,171 million and ¥1,736,774 million as of March 31, 2008.

Since many of these commitments expire without being utilized, the unused amount does not necessarily represent a future cash requirement. Most of these contracts have conditions that the Bank can refuse customers' application of loan or decrease the contract limits with proper reasons (e.g., changes in financial situation, deterioration in customers' creditworthiness). At the inception of contracts, the Bank obtains real estate, securities, etc. as collateral if considered to be necessary. Subsequently, the Bank performs periodic review of the customers' business results based on initial rules, and takes necessary measures to reconsider conditions in contracts and/or require additional collateral and guarantees.

Additionally, the unused amount within the limits of overdraft facilities on General Accounts as of March 31, 2009 and 2008 were ¥973,715 million and ¥932,621 million, respectively. General Accounts are the Ordinary Deposit Accounts that its depositors can overdraw up to the amounts calculated by multiplying incidental Time Deposits and so by certain weight.

(2) Risk monitored loans as of March 31, 2009 and 2008 consisted of the following:

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2009	2008	2009
Loans to Bankrupt Borrowers	¥ 8,543	¥ 3,325	\$ 86,978
Delinquent Loans	88,840	92,430	904,416
Loans Past Due 3 Months or More.....	4,154	3,170	42,294
Restructured Loans	50,983	88,735	519,024
Total	¥152,522	¥187,662	\$1,552,712

Loans to bankrupt borrowers represent non-accrual loans to borrowers who are legally bankrupt as defined in Article 96 (1) (iii) and (iv) of the Corporation Tax Act Enforcement Ordinance (Article 97 of 1965 Cabinet Order).

Delinquent loans represent non-accrual loans other than (i) loans to bankrupt borrowers and (ii) loans of which payments of interest are deferred in order to assist or facilitate the restructuring of borrowers in financial difficulties.

Loans past due 3 months or more represent loans on which the payment of principal and/or interest has not been received for three months or more from the due date, and which are not included in Loans to bankrupt borrowers or Delinquent loans.

Restructured loans are 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.) and are not classified in any of the above categories.

9. Foreign Exchange Assets

Foreign exchange assets as of March 31, 2009 and 2008 consisted of the following:

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2009	2008	2009
Due from Foreign Banks (our accounts)	¥1,675	¥2,009	\$17,055
Foreign Bills Bought.....	694	1,063	7,070
Foreign Bills Receivable.....	380	621	3,876
Total	¥2,750	¥3,693	\$28,001

10. Other Assets

Other assets as of March 31, 2009 and 2008 consisted of the following:

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2009	2008	2009
Domestic Exchange Settlement			
Account, debit.....	¥ 932	¥ 1,053	\$ 9,494
Accrued Income.....	15,253	15,885	155,284
Prepaid Expenses.....	560	570	5,707
Derivatives.....	19,083	27,192	194,276
Lease Investment Assets	40,247	—	409,723
Other	33,882	26,117	344,932
Total	¥109,960	¥70,819	\$1,119,416

11. Tangible Fixed Assets

Depreciation was computed using the declining-balance method. Tangible Fixed Assets as of March 31, 2009 as of March 31, 2008 were shown at net of the following accumulated depreciation:

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2009	2008	2009
	¥91,938	¥89,936	\$935,947

Deferred gain on real estate deductible for tax purposes amounted to ¥10,560 million and ¥10,581 million on March 31, 2009 and 2008, respectively.

12. Assets Pledged

Assets pledged as collateral as of March 31, 2009 and 2008 were as follows:

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2009	2008	2009
Securities	¥788,009	¥532,949	\$8,022,089
Trading Assets	197,949	97,409	2,015,166
Loans and Bills Discounted.....	1,114	149,167	11,348

Liabilities related to the above pledged assets as of March 31, 2009 and 2008 were as follows:

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2009	2008	2009
Deposits.....	¥ 18,248	¥23,214	\$ 185,775
Payables under Repurchase Agreements....	198,051	97,401	2,016,198
Call Money and Bills Sold	26,000	64,700	264,685
Payables under Securities Lending			
Transactions.....	67,291	81,105	685,041
Borrowed Money	209,089	43,446	2,128,575

In addition, the followings was pledged as collateral for settlements of exchange or margins for futures transactions as of March 31, 2009 and 2008 respectively.

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2009	2008	2009
Securities	¥127,571	¥103,943	\$1,298,700

Initial margins of futures markets of ¥55 million and guarantee deposits of ¥5,425 million were included in Other Assets as of March 31, 2009

The respective amounts were ¥215 million and ¥5,205 million as of March 31, 2008.

13. Deposits

An analysis of deposits as of March 31, 2009 and 2008 was as follows:

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2009	2008	2009
Current Deposits	¥ 176,292	¥ 175,896	\$ 1,794,690
Ordinary Deposits	4,491,588	4,485,530	45,725,225
Savings Deposits	258,420	272,135	2,630,774
Deposits at Notice	7,313	7,011	74,452
Time Deposits	3,379,613	3,271,011	34,405,106
Other Deposits	188,091	164,505	1,914,803
Sub Total	¥8,501,320	¥8,376,091	\$86,545,050
Negotiable Certificates of Deposit	153,668	128,003	1,564,378
Total	¥8,654,989	¥8,504,095	\$88,109,427

14. Trading Liabilities

Trading liabilities as of March 31, 2009 and 2008 consisted of the following:

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2009	2008	2009
Trading Securities Sold for Short Sales	¥ 6,262	¥10,328	\$ 63,754
Derivatives of Trading Securities	—	27	—
Trading-related Financial Derivatives	12,457	6,262	126,823
Total	¥18,720	¥16,617	\$190,577

15. Borrowed money

Borrowed money as of March 31, 2009 and 2008 consisted of the following:

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2009	2008	2009
Borrowings from the Bank of Japan and Other Financial Institutions	¥248,189	¥80,646	\$2,526,621
Total	¥248,189	¥80,646	\$2,526,621

Subordinated Borrowings of ¥39,000 million and ¥37,000 million were included in Borrowed Money as of March 31, 2009 and 2008.

16. Foreign Exchange Liabilities

Foreign exchange liabilities as of March 31, 2009 and 2008 consisted of the following:

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2009	2008	2009
Foreign Bills Sold	¥396	¥462	\$4,032
Foreign Bills Payable	40	53	415
Total	¥436	¥516	\$4,447

17. Bonds Payable

Bonds Payable as of March 31, 2009 and 2008 consisted of the following:

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2009	2008	2009
Issuer: The Bank (Subordinated Bonds)	¥40,000	¥40,000	\$407,208
Issuer: Overseas Subsidiary, Chiba Capital Funding (Cayman) Ltd.	—	1,000	—
Total	¥40,000	¥41,000	\$407,208

18. Other Liabilities

Other liabilities as of March 31, 2009 and 2008 consisted of the following:

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2009	2008	2009
Domestic Exchange Settlement			
Account, credit	¥ 289	¥ 904	\$ 2,943
Accrued Expenses	14,929	14,682	151,987
Unearned Revenue	20,584	19,945	209,557
Income Taxes Payable	1,837	14,978	18,708
Other	56,204	49,519	572,171
Total	¥93,845	¥100,030	\$955,368

19. Retirement Benefit Plans

The Bank and its domestic consolidated subsidiaries have defined benefit plans, i.e., lump-sum payment plans, welfare pension fund plans and tax-qualified pension plans.

(1) The liabilities/assets for employees' retirement benefit plans as of March 31, 2009 and 2008 were as follows:

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2009	2008	2009
Retirement Benefit Obligation	¥(65,620)	¥(65,308)	\$(668,032)
Plan Assets at Fair Value	32,958	38,833	335,528
Unfunded Retirement Benefit Obligation	(32,661)	(26,474)	(332,504)
Unrecognized Actuarial Gain or Loss	14,634	8,039	148,987
Net Amount Accrued on the Balance Sheets	(18,027)	(18,435)	(183,517)
Prepaid Pension Cost	955	—	9,729
Provision for Retirement Benefits	¥(18,982)	¥(18,435)	\$(193,245)

(2) The components of retirement benefit cost for the years ended March 31, 2009 and 2008 were as follows:

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2009	2008	2009
Service Cost	¥ 2,013	¥ 2,230	\$ 20,499
Interest Cost	1,292	1,292	13,155
Expected Return on Plan Assets	(1,358)	(1,478)	(13,828)
Amortization of Actuarial Gain or Loss	1,440	885	14,663
Other (nonrecurring additional retirement allowance paid and other)	22	22	229
Net Periodic Retirement Benefit Cost	¥ 3,410	¥ 2,953	\$ 34,717

(3) Assumptions used in accounting for the above plans for the years ended March 31, 2009 and 2008 were as follows:

	2009	2008
Discount Rate	2.0%	2.0%
Expected Rate of Return on Plan Assets	3.5%	3.5%
Amortization Period of Actuarial Gain or Loss	10 years	10 years

20. Revaluation Reserve for Land

Pursuant to the Law concerning Revaluation of Premises, premises used for business operations have been revalued as of March 31, 1998. Premises revaluation gain was included in Net Assets, net of income taxes.

Date of the revaluation: March 31, 1998

The method of the revaluation (set forth in Article 3 (3) of the Law):

Pursuant to Article 2 (4) of the Enforcement Ordinance for the Law concerning Revaluation of Premises, the premises price for the revaluation is determined based on the method established and published by the Director General of National Tax Agency in order to calculate the premises value for a basis of determining the taxable amount subject to premises value tax prescribed by Article 16 of the Premises Value Tax Law, reflecting appropriate adjustments for land shape and timing of the assessment.

The difference between the revalued carrying amount and the fair value of premises revalued pursuant to the Article 10 of the Law were ¥23,198 million and ¥29,105 million as of March 31, 2009 and 2008, respectively.

21. Capital Stock

The number of the Bank's authorized shares was 2,500,000,000 as of March 31, 2009 and 2008.

The number of shares in issue as of March 31, 2009 and 2008 was as follows:

	Number of Shares	
	2009	2008
Shares in Issue.....	895,521,087	895,521,087

The number of treasury shares held by the Bank was 1,703 thousand and 1,656 thousand as of March 31, 2009 and 2008.

22. Trading Income

The composition of trading income for the years ended March 31, 2009 and 2008 was as follows:

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2009	2008	2009
Gains on Trading Account Securities Transactions.....	¥ 752	¥ 646	\$ 7,658
Income from Securities and Derivatives Related to Trading Transactions	21	—	217
Income from Trading-Related Financial Derivatives Transactions	1,072	1,394	10,918
Other Trading Income.....	3,260	1,917	33,194
Total	¥5,106	¥3,959	\$51,986

23. Other Ordinary Income

The composition of other ordinary income for the years ended March 31, 2009 and 2008 was as follows:

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2009	2008	2009
Gains on Foreign Exchange Transactions	¥2,921	¥3,709	\$29,736
Gains on Sales of Bonds	1,942	2,373	19,779
Income from Derivatives other than for Trading or Hedging	845	—	8,607
Other	2	156	28
Total	¥5,712	¥6,239	\$58,151

24. Other Income

The composition of other income for the years ended March 31, 2009 and 2008 was as follows:

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2009	2008	2009
Gains on Sale of Stocks and Other Securities ..	¥ 296	¥ 2,649	\$ 3,019
Gains on Money Held in Trust	532	806	5,419
Revenue on Lease	17,315	17,816	176,279
Recoveries of Written-off Claims	5,435	5,100	55,330
Reversal of Allowance for Loan Losses	—	268	—
Other	7,492	6,980	76,274
Total	¥31,072	¥33,621	\$316,322

25. Other Ordinary Expenses

The composition of other ordinary expenses for the years ended March 31, 2009 and 2008 was as follows:

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2009	2008	2009
Loss on Sales of Bonds	¥ 9,826	¥1,647	\$100,036
Loss on Redemption of Bonds	1,676	—	17,064
Loss on Devaluation of Bonds	18,877	1,662	192,182
Expenses on Derivatives other than for Trading or Hedging	—	1,103	—
Total	¥30,380	¥4,412	\$309,281

26. Other Expenses

The composition of other expenses for the years ended March 31, 2009 and 2008 was as follows:

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2009	2008	2009
Provision of Allowance for Loan Losses	¥14,024	¥ —	\$142,777
Written-off of Loans	32,853	14,756	334,457
Losses on Sales of Stocks and Other Securities	123	64	1,262
Losses on Devaluation of Stocks and Other Securities	14,746	4,598	150,127
Loss on Money Held in Trust	654	339	6,661
Cost of Leased Assets	14,767	15,525	150,333
Impairment Losses on Fixed Assets	—	13	—
Provision for Directors' Retirement Benefits ..	—	1,493	—
Provision for Reimbursement of Deposits ..	373	1,590	3,797
Other	4,951	3,981	50,407
Total	¥82,495	¥42,364	\$839,821

27. Cash and Cash Equivalents

The reconciliation of cash and due from banks in the consolidated balance sheets to the cash and cash equivalents as of March 31, 2009 and 2008 was as follows:

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2009	2008	2009
Cash and Due from Banks	¥330,336	¥ 426,953	\$3,362,885
Interest-bearing Deposits included in Due from Banks (excluding Due from BOJ)	(56,252)	(292,419)	(572,659)
Cash and Cash Equivalents	¥274,083	¥ 134,533	\$2,790,226

28. Lease Transactions

(1) Finance Lease Transactions

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2009	2008	2009
Lessee Side			
Amount Corresponding to the Purchased Prices of the Leased Assets	¥430	¥144	\$4,379
Amount Corresponding to Accumulated Depreciation	131	77	1,337
Amount Corresponding to Balance at Fiscal Year-End	¥298	¥66	\$3,041

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2009	2008	2009
Amount Corresponding to Lease Payables (within 1 year)	¥ 37	¥28	\$ 378
Amount Corresponding to Lease Payables (over 1 year)	261	38	2,664
Total	¥298	¥66	\$3,041

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2009	2008	2009
Lease Fees Paid	¥44	¥26	\$458
Amount Corresponding to Depreciation	44	26	458

Note: 1. The lease period is set at the useful lifetime of the asset and the straight-line method of depreciation is used to compute the remaining value of the asset.
2. The amount corresponding to the Purchased Prices of the Leased Assets presented above include interest amounts calculated under the interest method, as the balances of Lease Payables are small as a percentage of the book value of total tangible fixed assets.

	Millions of Yen (Note 1)	
	2008	
Lessor Side		
Amount Corresponding to the Purchased Prices of the Leased Asset	¥105,384	
Amount Corresponding to Accumulated Depreciation	63,027	
Amount Corresponding to Balance at Fiscal Year-End	¥ 42,356	

	Millions of Yen (Note 1)	
	2008	
Amount Corresponding to Lease Receivable (within 1 year)	¥15,210	
Amount Corresponding to Lease Receivable (over 1 year)	31,077	
Total	¥46,288	

	Millions of Yen (Note 1)	
	2008	
Lease Fees Received	¥17,201	
Depreciation	14,203	

(2) Operating Lease Transactions

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2009	2008	2009
Lessee Side (Lease Payables having to do with Incancelable Operating Lease Transactions)			
Amount Corresponding to Lease Payables (within 1 year)	¥136	¥—	\$1,385
Amount Corresponding to Lease Payables (over 1 year)	377	—	3,847
Total	¥513	¥—	\$5,232

	Millions of Yen (Note 1)	
	2008	
Lessor Side		
Amount Corresponding to Lease Receivables (within 1 year)	¥337	
Amount Corresponding to Lease Receivables (over 1 year)	6	
Total	¥344	

29. Tax Effect

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities as of March 31, 2009 and 2008 consisted of the following:

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2009	2008	2009
Deferred Tax Assets:			
Allowance for Loan Losses	¥44,588	¥38,759	\$453,918
Valuation Difference on Available-for-sale Securities	¥23,075	¥—	\$234,917
Write-offs of Securities	9,396	6,598	95,654
Provision for Retirement Benefits	7,668	7,447	78,068
Other	9,511	9,092	96,825
Sub Total	¥94,240	¥61,897	\$959,383
Valuation Allowance	(4,602)	(8,599)	(46,853)
Total Deferred Tax Assets	¥89,637	¥53,298	\$912,529
Deferred Tax Liabilities:			
Valuation Difference on Available-for-sale Securities	¥ 200	¥ 4,769	\$ 2,040
Deferred Gains or Losses on Hedges	—	203	—
Reserve for Advanced Depreciation	47	47	487
Prepaid Pension Cost	287	—	2,931
Total Deferred Tax Liabilities	¥ 536	¥ 5,021	\$ 5,458
Net Deferred Tax Assets	¥89,101	¥48,277	\$907,071

A reconciliation of the effective income tax rate reflected in the accompanying consolidated statements of income to the statutory tax rate for the years ended March 31, 2009 and 2008 were follows:

	2009	2008
Statutory Tax Rate	40.4%	40.4%
Dividends Exempted for Income Tax Purposes	(5.3%)	(0.6%)
Valuation Allowance	(28.0%)	3.0%
Adjustment in Enterprise Tax Imposed on Overseas Profits	2.6%	—
Others	3.5%	—
Effective Income Tax Rate	13.2%	42.7%

30. Segment Information

(1) Business Segment Information

	For the year ended March 31, 2009					
	Millions of Yen (Note 1)					
	Banking Business	Leasing Business	Other Business	Total	Elimination	Consolidated
Ordinary Income, Ordinary Profit/Loss						
Ordinary Income						
(a) Outside Customers	¥ 235,013	¥18,738	¥ 3,267	¥ 257,019	¥ —	¥ 257,019
(b) Inter-Segment	983	347	36	1,367	(1,367)	—
Total	¥ 235,996	¥19,086	¥ 3,303	¥ 258,387	¥ (1,367)	¥ 257,019
Ordinary Expenses	¥ 227,233	¥18,027	¥ 3,548	¥ 248,809	¥ (1,188)	¥ 247,620
Ordinary Profit/Loss	¥8,763	¥ 1,059	¥ (244)	¥ 9,577	¥ (178)	¥ 9,399
Assets	¥10,039,561	¥45,905	¥21,239	¥10,106,706	¥(43,780)	¥10,062,926
Depreciation	6,656	19	103	6,779	—	6,779
Impairment Losses on Fixed Assets	—	—	—	—	—	—
Capital Expenditure	9,074	26	4	9,106	—	9,106

1. Ordinary Income and Ordinary Profit/loss are presented instead of sales and operating profits of companies in other industries.
2. "Other Business" includes securities business.

	For the year ended March 31, 2008					
	Millions of Yen (Note 1)					
	Banking Business	Leasing Business	Other Business	Total	Elimination	Consolidated
Ordinary Income, Ordinary Profit/Loss						
Ordinary Income						
(a) Outside Customers	¥ 244,779	¥19,192	¥ 4,911	¥ 268,883	¥ —	¥ 268,883
(b) Inter-Segment	887	364	25	1,277	(1,277)	—
Total	¥ 245,666	¥19,556	¥ 4,936	¥ 270,160	¥ (1,277)	¥ 268,883
Ordinary Expenses	¥ 168,735	¥18,008	¥ 4,095	¥ 190,839	¥ (1,141)	¥ 189,698
Ordinary Profit/Loss	¥ 76,931	¥ 1,548	¥ 841	¥ 79,320	¥ (136)	¥ 79,184
Assets	¥9,811,362	¥47,451	¥22,195	¥9,881,009	¥(45,070)	¥9,835,939
Depreciation	6,664	14,222	116	21,003	—	21,003
Impairment Losses on Fixed Assets	—	—	13	13	—	13
Capital Expenditure	8,593	13,804	112	22,510	—	22,510

1. From the year ended March 31, 2007, "Acceptances and Guarantees" and "Customers' Liabilities for Acceptances and Guarantee" were offset against the amounts corresponding to the private offerings of bonds with Chiba Bank's guarantee. Thus, total assets of "Banking Business" decreased by ¥61,450 million compared with the amounts calculated by the previous measure.
2. Ordinary Income and Ordinary Profit/loss are presented instead of sales and operating profits of companies in other industries.
3. "Other Business" includes securities business.

(2) Geographic Segment Information

The domestic share of Ordinary Income exceeds 90 percent. Thus, segment information by geographic area is omitted.

(3) Ordinary Income from Overseas Operations

The share of Ordinary Income from overseas operations is under 10 percent. Thus, Ordinary income from overseas operation is omitted.

31. Market Value of Securities

Current Year's Information on Market Value of Securities

(1) Trading Securities

	Millions of Yen (Note 1)	
	March 31, 2009	
	Amount in the Balance Sheets	Valuation Gain Included in Income before Income Taxes and Minority Interests
Trading Securities	¥378,962	¥666

(2) Marketable Securities Held-to-Maturity

	Millions of Yen (Note 1)				
	March 31, 2009				
	Amount in the Balance Sheets	Market Value	Differences	Gain	Loss
Bonds:					
Japanese Government Bonds	¥ —	¥ —	¥ —	¥—	¥ —
Japanese Local Government Bonds	—	—	—	—	—
Japanese Corporate Bonds	—	—	—	—	—
Other	41,194	40,841	(352)	39	391
Total	¥41,194	¥40,841	¥(352)	¥39	¥391

(3) Marketable Securities Available for Sale

	Millions of Yen (Note 1)				
	March 31, 2009				
	Cost	Amount in the Balance Sheets	Valuation Differences	Gain	Loss
Japanese Stocks	¥ 143,210	¥ 134,895	¥ (8,315)	¥15,585	¥23,900
Bonds:					
Japanese Government Bonds	631,924	622,807	(9,117)	3,556	12,673
Japanese Local Government Bonds	235,128	237,368	2,239	2,363	124
Japanese Corporate Bonds	360,101	358,741	(1,360)	1,170	2,530
Other	459,410	419,847	(39,562)	1,406	40,968
Foreign Bonds	373,457	357,182	(16,274)	1,396	17,671
Total	¥1,829,775	¥1,773,659	¥(56,116)	¥24,081	¥80,197

(4) Securities Available for Sale Sold during The Year

	Millions of Yen (Note 1)		
	March 31, 2009		
	Proceeds from Sales	Gain	Loss
Securities Available for Sale	¥154,742	¥2,239	¥9,950

(5) Securities for Which Fair Value Is Not Readily Determinable

	Millions of Yen (Note 1)	
	March 31, 2009	
	Amount in the Balance Sheets	
Held-to-Maturity Bonds	¥	—
Securities Available for Sale:		
Private Notes		104,305
Non-listed Stocks		8,462
Investments for Limited Partnership for Investment, etc		3,520
Beneficiary Claims on Loans		428

(6) Redemption Schedule of Bonds Held

	Millions of Yen (Note 1)			
	March 31, 2009			
	Due in 1 year or less	Due from 1 year to 5 years	Due from 5 years to 10 years	Due after 10 years
Bonds:				
Japanese Government Bonds	¥ 60,139	¥330,116	¥132,083	¥100,468
Japanese Local Government Bonds	44,728	98,823	93,816	—
Japanese Corporate Bonds	198,005	238,736	10,156	16,147
Other	62,642	184,231	56,845	118,250
Foreign Bonds	59,080	169,928	48,322	79,089
Total	¥365,516	¥851,908	¥292,901	¥234,865

Previous Year's Information on Market Value of Securities

(1) Trading Securities

	Millions of Yen (Note 1)	
	March 31, 2008	
	Amount in the Balance Sheets	Valuation Gain Included in Income Before Income Taxes and Minority Interests
Trading Securities	¥277,160	¥486

(2) Marketable Securities Held-to-Maturity

	Millions of Yen (Note 1)				
	March 31, 2008				
	Amount in the Balance Sheets	Market Value	Differences	Gain	Loss
Bonds:					
Japanese Government Bonds	¥ —	¥ —	¥—	¥—	¥—
Japanese Local Government Bonds	—	—	—	—	—
Japanese Corporate Bonds	—	—	—	—	—
Other	51,360	51,375	15	84	69
Total	¥51,360	¥51,375	¥15	¥84	¥69

(3) Marketable Securities Available for Sale

	Millions of Yen (Note 1)				
	March 31, 2008				
	Cost	Amount in the Balance Sheets	Valuation Differences	Gain	Loss
Japanese Stocks	¥ 137,208	¥ 184,330	¥ 47,121	¥54,118	¥ 6,996
Bonds:					
Japanese Government Bonds	468,693	457,726	(10,967)	1,323	12,290
Japanese Local Government Bonds	219,979	221,590	1,610	1,905	295
Japanese Corporate Bonds	509,349	509,888	538	1,414	875
Other	584,000	559,329	(24,671)	2,065	26,737
Foreign Bonds	492,049	477,649	(14,400)	2,048	16,448
Total	¥1,919,232	¥1,932,865	¥ 13,632	¥60,827	¥47,194

(4) Securities Available for Sale Sold during The Year

	Millions of Yen (Note 1)		
	March 31, 2008		
	Proceeds from Sales	Gain	Loss
Securities Available for Sale	¥516,291	¥5,022	¥1,711

(5) Securities for Which Fair Value Is Not Readily Determinable

	Millions of Yen (Note 1)	
	March 31, 2008	
	Amount in the Balance Sheets	
Held-to-Maturity Bonds	¥	—
Securities Available for Sale:		
Private Notes		99,026
Non-listed Stocks		6,503
Investments for Limited Partnership for Investment, etc		4,183
Beneficiary Claims on Loans		428

(6) Redemption Schedule of Bonds Held

	Millions of Yen (Note 1)			
	March 31, 2008			
	Due in 1 year or less	Due from 1 year to 5 years	Due from 5 years to 10 years	Due after 10 years
Bonds:				
Japanese Government Bonds	¥ 44,027	¥199,155	¥ 98,879	¥115,664
Japanese Local Government Bonds	59,649	116,210	45,730	—
Japanese Corporate Bonds	199,493	384,061	11,269	14,090
Other	32,285	267,658	114,070	138,766
Foreign Bonds	32,242	247,943	106,242	89,675
Total	¥335,456	¥967,085	¥269,949	¥268,520

32. Money Held in Trust

(1) Money Held in Trust for Trading Purposes

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2009	2008	2009
Book Value	¥24,649	¥24,666	\$250,935
Valuation Gains Included in the Consolidated Statements of Income	(0)	0	(3)

(2) Money Held in Trust for Other Purposes

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2009	2008	2009
Cost	¥3,968	¥4,842	\$40,397
Book Value	3,969	4,845	40,411
Valuation Differences	1	2	14
Gains	1	2	14
Losses	—	—	—

33. Valuation Difference on Available-for-sale Securities

Valuation Difference on Available-for-sale Securities as of March 31, 2009 and 2008 consisted of the following:

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2009	2008	2009
Difference between Cost and Fair Value	¥(56,114)	¥13,635	\$(571,258)
Securities Available for Sale	(56,116)	13,632	(571,272)
Other Money Held in Trust	1	2	14
Deferred Tax Liabilities	(22,875)	4,769	(232,877)
Difference between Cost and Fair Value, Net of Taxes	¥(33,239)	¥ 8,865	\$(338,381)
Amount Attributable to Minority Interests	76	304	775
Net Unrealized Gains on Securities Available for Sale Owned by Subsidiaries, which is Attributable to the Parent	35	73	362
Valuation Difference on Available-for-sale Securities	¥(33,279)	¥ 8,634	\$(338,793)

34. Derivative Transactions

(1) Risk Control for Derivative Transactions

(a) Details of Derivative Financial Products

Derivative financial products traded by the Bank and its consolidated subsidiaries are as follows:

(i) Interest rate-related products

Futures, Futures Options, FRAs (forward rate agreements), Swaps, Options, Interest-rate Caps and Interest-rate Floors

(ii) Currency-related products

Swaps, Forward Exchange, Options, Futures, NDFs (non-deliverable forward)

(iii) Bond-related products

Futures, Futures options, and Over-the-Counter Options

(iv) Stock-related products

Index Futures, Index Options and Stock Options

(b) Purposes and Policies for Using Derivative Financial Products

The Bank and the consolidated subsidiaries use derivative financial products for the purposes below:

(i) To respond to the diverse needs of customers.

(ii) For risk controls related to the assets and liabilities as a part of asset and liability management.

(iii) For trading purposes.

As for risk controls related to assets and liabilities, the Bank and the consolidated subsidiaries utilize the deferred hedge accounting method for the management of the interest rate risk and currency risk. The method of hedge accounting is mentioned in the Note 3 (15).

The Bank and the consolidated subsidiaries engage in trading activities under strict management and set the limit for possible losses.

(c) Risk

Main risks of derivatives trading are as follows:

(i) Market Risk

The risk of incurring a loss because the value of the derivative products decrease caused by fluctuations in market risk factors such as interest rates, foreign exchange rates and bond and stock prices.

(ii) Credit Risk

The risk of incurring a loss because the counter-parties are unable to fulfill their obligations due to bankruptcy or other reasons.

Amount of market risk and credit risk on derivative trading calculated into the capital ratio (BIS guidelines) as of March 31, 2009 are ¥6.9 billion and ¥74.1 billion respectively (consolidated base by current exposure method).

(d) Risk Management Structure

The Bank has established Risk Management Department in the Risk Management and Compliance Coordination Division to monitor risks of the entire portfolio, mainly market risk and credit risk. Also, the Bank has made a strict management system with various risk management guidelines. Especially for risks related to derivative financial products, the Bank monitors with other market-related transactions. The Bank controls market risk by setting trading limits and stop-loss rules and monitors daily with VaR analysis. As for credit risk, credit section, independent of operating sections, sets credit lines for each counterparty. In addition, the consolidated subsidiaries have set trading limits, etc., and are reviewing daily gains/losses, market values, etc.

(e) Notional Principal or Contract Amount

Notional principal or contract amount in below (2) does not necessarily indicate the amount of risk.

(2) Market Value of Derivatives

Notional principal or contract amount, market value and valuation gains (losses) on derivatives

(a) Interest rate derivatives

	Millions of Yen (Note 1)							
	March 31, 2009				March 31, 2008			
	Notional Principal or Contract Amount		Market Value	Valuation Gain (Loss)	Notional Principal or Contract Amount		Market Value	Valuation Gain (Loss)
Total	Over 1 Year	Total			Over 1 Year			
Listed:								
Futures:								
Sold	¥ 2,488	¥ —	¥ 2	¥ 2	¥ 2,476	¥ —	¥ (4)	¥ (4)
Bought	—	—	—	—	—	—	—	—
Options:								
Sold	—	—	—	—	—	—	—	—
Bought	—	—	—	—	—	—	—	—
Over-the-counter:								
FRAs:								
Sold	—	—	—	—	—	—	—	—
Bought	—	—	—	—	—	—	—	—
Swaps:								
Receive Fixed / Pay Float	968,829	780,098	10,156	10,156	585,897	475,305	3,380	3,380
Receive Float / Pay Fixed	1,015,655	789,205	(9,379)	(9,379)	637,994	464,724	(2,017)	(2,017)
Receive Float / Pay Float	153,230	73,230	(260)	(260)	176,000	80,000	(170)	(170)
Options:								
Sold	—	—	—	—	—	—	—	—
Bought	—	—	—	—	—	—	—	—
Other:								
Sold	123,393	109,254	(218)	(218)	139,804	89,624	(364)	(364)
Bought	19,000	12,000	75	75	47,000	13,000	97	97
Total			¥ 377	¥ 377			¥ 920	¥ 920

1. Valuation gains (losses) are recognized in the consolidated statements of income. Derivatives which qualify for hedge-accounting are not included in the above table.

2. Market value of exchange-traded transactions is based on closing prices on the Tokyo International Financial Future Exchange, etc. Market value of over-the-counter transactions is based on discounted cash flow method, option pricing models, etc.

(b) Currency derivatives

	Millions of Yen (Note 1)							
	March 31, 2009				March 31, 2008			
	Notional Principal or Contract Amount		Market Value	Valuation Gain (Loss)	Notional Principal or Contract Amount		Market Value	Valuation Gain (Loss)
Total	Over 1 Year	Total			Over 1 Year			
Listed:								
Futures:								
Sold	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —
Bought	—	—	—	—	—	—	—	—
Options:								
Sold	—	—	—	—	—	—	—	—
Bought	—	—	—	—	—	—	—	—
Over-the-counter:								
Currency Swaps	470,275	402,753	710	710	439,633	360,370	811	811
Forward foreign exchange:								
Sold	10,748	—	(64)	(64)	7,100	—	154	154
Bought	16,516	—	170	170	4,800	—	1	1
Currency Options:								
Sold	185,259	—	(12,136)	1,361	181,868	—	(11,865)	571
Bought	185,259	—	12,136	2,400	181,868	—	11,865	2,677
Other:								
Sold	1,987	1,544	435	435	1,070	828	188	188
Bought	1,987	1,544	(323)	(323)	1,070	828	(149)	(149)
Total			¥ 928	¥4,690			¥ 1,007	¥4,256

1. Valuation gains (losses) are recognized in the consolidated statements of income.

2. Derivatives which qualify for hedge-accounting and which are corresponded to the foreign-currency positions and are recognized in the consolidated balance sheets are not included in the above table.

3. Market values are based on the discounted cash flow method.

4. Other foreign exchange-related derivatives such as forward exchange contracts and currency options which were previously excluded from the above table, are now included in the above table. Derivatives such as currency swaps which qualify for hedge-accounting based on JICPA Industry Audit Committee Report No. 25 are not included in the above table.

(c) Equity derivatives

There are no corresponding items.

(d) Bond derivatives

	Millions of Yen (Note 1)							
	March 31, 2009				March 31, 2008			
	Notional Principal or Contract Amount		Market Value	Valuation Gain (Loss)	Notional Principal or Contract Amount		Market Value	Valuation Gain (Loss)
Total	Over 1 Year	Total			Over 1 Year			
Listed:								
Futures:								
Sold	¥138	¥—	¥ 0	¥ 0	¥2,221	¥—	¥(27)	¥(27)
Bought	138	—	0	0	562	—	0	0
Futures Options:								
Sold	—	—	—	—	—	—	—	—
Bought	—	—	—	—	—	—	—	—
Over-the-counter:								
Options:								
Sold	—	—	—	—	—	—	—	—
Bought	—	—	—	—	—	—	—	—
Other:								
Sold	—	—	—	—	—	—	—	—
Bought	—	—	—	—	—	—	—	—
Total			¥ 0	¥ 0			¥(26)	¥(26)

1. Valuation gains (losses) are recognized in the consolidated statements of income. Derivatives which qualify for hedge-accounting are not included in the above table.

2. Market value of exchange-traded transactions are based on closing prices on the Tokyo Stock Exchange, etc. Market values of over-the-counter transactions are based on option pricing models, etc.

(e) Commodity derivatives

There are no corresponding items.

(f) Credit derivatives

There are no corresponding items.

35. Per Share Data

Consolidated Net Assets per Share and Consolidated Net Income per Share for the fiscal years ended March 31, 2009 and 2008 and related information were as follows:

	Yen (Note 1)		U.S. Dollars (Note 1)
	2009	2008	2009
Net Assets per Share of Common Stock	¥587.51	¥634.94	\$5.98
Net Income per Share of Common Stock	13.86	51.43	0.14

1. Basis on calculating Net Assets per Share for the fiscal years ended March 31, 2009 and 2008 were as follows:

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2009	2008	2009
Consolidated Net Assets	¥537,671	¥580,168	\$5,473,597
Minority Interest	12,541	12,616	127,678
Consolidated Net Assets attribute to common stockholders	525,129	567,552	5,345,919

	Number of Shares	
	2009	2008
Number of shares of common stock used for calculating Net Assets per Share	893,817,424	893,864,254

2. Basis on calculating Net Income per Share for the fiscal years ended March 31, 2009 and 2008 were as follows:

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2009	2008	2009
Consolidated Net Income	¥12,392	¥45,980	\$126,159
Consolidated Net Income not attributable to common stockholders	—	—	—
Consolidated Net Income attributable to common stockholders	12,392	45,980	126,159

	Number of Shares	
	2009	2008
Average number of shares of common stock (excluding treasury stock)	893,836,942	893,921,316

3. Diluted Net Income per Share was not presented as there were not potentially dilutive stocks.

36. Related Party Transactions

I. Related party transactions for the fiscal year ended March 31, 2008 were as follows:

Related party	Category	Account Classification	Amounts of the transactions	Balance at end of year
			Millions of Yen (Note 1)	Millions of Yen (Note 1)
			2008	2008
Jiro Sakan	Auditor	Loan	¥80	¥80

Jiro Sakan was a director of the Chiba Keizai Kaihatsu Kosha Ltd. as a Related Party.

Terms of transactions and policies of determining the terms; Similar to the general cases

II. Related party transactions for the fiscal year ended March 31, 2009 were as follows:

1 Related party transactions

(1) Transactions between the Bank and related parties

Directors of the Bank or major shareholders (individuals only), etc.

Party Classification	Name of company or individual	Percentage of voting rights	Relations with related party	Type of transaction	Amounts of the transactions	Account classification	Balance at the end of year
Company held a majority by the close members of directors' respective families	Watanabereisyoku Co., Ltd.	0.00	—	Lending	Average balance ¥405 million	Loan	¥475 million

Terms of transactions and policies of determining the terms; Similar to the general cases

(2) Transactions between subsidiaries of the Bank and related parties

None

2 Notes to a parent company or major affiliated companies

None

37. Cash Dividends Paid

I. Cash Dividends Paid for the fiscal year ended March 31, 2008 were as follows:

Resolution	Category of shares	Total amounts of Cash Dividends Paid	Cash Dividends per share	Record Date	Date of Effectuation
		Millions of Yen (Note 1)	Yen (Note 1)		
Annual General Meeting, at June 28, 2007	Common stock	¥4,917	¥5.50	March 31, 2007	June 29, 2007
Board of Directors, at November 13, 2007	Common stock	¥4,916	¥5.50	September 30, 2007	December 10, 2007

II. Cash Dividends Paid for the fiscal year ended March 31, 2009 were as follows:

Resolution	Category of shares	Total amounts of Cash Dividends Paid	Cash Dividends per share	Record Date	Date of Effectuation
		Millions of Yen (Note 1)	Yen (Note 1)		
Annual General Meeting, at June 27, 2008	Common stock	¥4,916	¥5.50	March 31, 2008	June 30, 2008
Board of Directors, at November 14, 2008	Common stock	¥5,809	¥6.50	September 30, 2008	December 10, 2008

III. Cash Dividends with the cut-off date in the fiscal year ended March 31, 2009 and the effective date in the fiscal year ending March 31, 2010 were as follows:

Approval	Category of shares	Total amounts of Cash Dividends Paid	Cash Dividends per share	Record Date	Date of Effectuation
		Millions of Yen (Note 1)	Yen (Note 1)		
Annual General Meeting, at June 26, 2009	Common stock	¥4,022	¥4.50	March 31, 2009	June 29, 2009

Report of Independent Auditors



Ernst & Young ShinNihon LLC

Report of Independent Auditors

The Board of Directors
The Chiba Bank, Ltd.

We have audited the accompanying consolidated balance sheets of The Chiba Bank, Ltd. and consolidated subsidiaries as of March 31, 2009 and 2008, and the related consolidated statements of income, changes in net assets, and cash flows for the years then ended, all expressed in yen. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of The Chiba Bank, Ltd. and consolidated subsidiaries at March 31, 2009 and 2008, and the consolidated results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in Japan.

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2009 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 1.

Ernst & Young ShinNihon LLC

June 22, 2009

Non-Consolidated Balance Sheets (Unaudited)

The Chiba Bank, Ltd.
As of March 31, 2009 and 2008

	Millions of Yen		Thousands of U.S. Dollars
	2009	2008	2009
Assets			
Cash and Due from Banks	¥ 329,727	¥ 425,889	\$ 3,356,690
Call Loans	30,000	7,980	305,406
Receivables under Securities Borrowing Transactions	10,350	22,081	105,366
Monetary Claims Bought	46,751	55,577	475,938
Trading Assets	392,183	284,647	3,992,498
Money Held in Trust	25,367	26,058	258,247
Securities	1,893,347	2,044,463	19,274,635
Loans and Bills Discounted	6,991,343	6,656,245	71,173,199
Foreign Exchanges	2,750	3,693	28,001
Other Assets	60,522	62,679	616,133
Tangible Fixed Assets	90,841	90,270	924,784
Intangible Fixed Assets	8,131	7,466	82,778
Deferred Tax Assets	82,716	42,576	842,069
Customers' Liabilities for Acceptances and Guarantees	82,838	80,539	843,313
Allowance for Loan Losses	(49,982)	(43,625)	(508,826)
Total Assets	¥9,996,889	¥9,766,545	\$101,770,229
Liabilities			
Deposits	¥8,683,013	¥8,529,101	\$ 88,394,722
Call Money	53,050	184,973	540,069
Payables under Repurchase Agreements	198,051	97,401	2,016,198
Payables under Securities Lending Transactions	67,291	81,105	685,041
Trading Liabilities	18,720	16,617	190,577
Borrowed Money	247,479	80,901	2,519,389
Foreign Exchanges	436	516	4,447
Bonds Payable	40,000	40,000	407,208
Other Liabilities	63,641	70,191	647,887
Provision for Directors' Bonuses	40	40	407
Provision for Retirement Benefits	18,550	18,034	188,844
Provision for Directors' Retirement Benefits	1,148	1,360	11,696
Provision for Reimbursement of Deposits	962	996	9,803
Provision for Point Loyalty Programs	349	330	3,556
Deferred Tax Liabilities for Land Revaluation	15,323	15,323	155,994
Acceptances and Guarantees	82,838	80,539	843,313
Total Liabilities	¥9,490,899	¥9,217,433	\$ 96,619,151
Net Assets			
Capital Stock	¥ 145,069	¥ 145,069	\$ 1,476,831
Capital Surplus	122,134	122,151	1,243,348
Retained Earnings	267,399	266,817	2,722,174
Legal Retained Earnings	50,930	50,930	518,479
Other Retained Earnings	216,468	215,887	2,203,695
Treasury Stock	(1,219)	(1,217)	(12,418)
Total Shareholders' Equity	533,382	532,820	5,429,936
Valuation Difference on Available-for-sale Securities	(33,331)	8,214	(339,324)
Deferred Gains or Losses on Hedges	(1,837)	300	(18,710)
Revaluation Reserve for Land	7,777	7,777	79,176
Total Valuation and Translation Adjustments	(27,392)	16,291	(278,858)
Total Net Assets	¥ 505,990	¥ 549,111	\$ 5,151,078
Total Liabilities and Net Assets	¥9,996,889	¥9,766,545	\$101,770,229

Non-Consolidated Statements of Income (Unaudited)

The Chiba Bank, Ltd.

For the years ended March 31, 2009 and 2008

	Millions of Yen		Thousands of U.S. Dollars
	2009	2008	2009
Income			
Interest Income:			
Interest on Loans and Discounts	¥148,718	¥143,505	\$1,513,978
Interest and Dividends on Securities	29,165	38,150	296,910
Other Interest Income	2,634	3,249	26,816
Trust Fees	5	8	56
Fees and Commissions	31,883	34,607	324,584
Trading Income	4,799	3,439	48,860
Other Ordinary Income	5,708	6,234	58,109
Other Income	11,228	18,480	114,310
Total Income	¥234,143	¥247,674	\$2,383,623
Expenses			
Interest Expenses:			
Interest on Deposits	¥ 24,265	¥ 31,024	\$ 247,031
Interest on Borrowings and Rediscounts	3,979	4,318	40,513
Other Interest Expenses	5,674	10,121	57,764
Fees and Commissions Payments	16,500	16,164	167,975
Trading Expenses	—	66	—
Other Ordinary Expenses	30,380	4,412	309,281
General and Administrative Expenses	81,706	80,503	831,786
Other Expenses	60,086	23,791	611,691
Total Expenses	¥222,593	¥170,402	\$2,266,041
Income before Income Taxes	11,550	77,272	117,582
Income Taxes-Current	11,652	28,511	118,628
Income Taxes-Deferred	(11,427)	4,081	(116,330)
Net Income	¥ 11,324	¥ 44,678	\$ 115,285

Supplementary Information (Unaudited)

The Chiba Bank, Ltd. and Consolidated Subsidiaries
As of March 31, 2009 and 2008

Capital Ratio (BIS Guidelines) (Consolidated)

	Millions of Yen		Thousands of U.S. Dollars
	2009	2008	2009
Tier I:			
Common Stock	¥ 145,069	¥ 145,069	\$ 1,476,831
Capital Surplus	123,387	123,404	1,256,105
Retained Earnings	285,233	283,583	2,903,729
Treasury Stock	(1,219)	(1,217)	(12,418)
Expected Outflow from Net Assets	(4,738)	(5,737)	(48,235)
Minority Interests in Consolidated Subsidiaries	12,465	12,311	126,904
Net Unrealized Losses on Other Securities	(29,873)	—	(304,121)
Foreign Currency Translation Adjustments	(0)	1	(0)
Amount Equivalent to capital increase due to Securitization Transaction	(86)	(90)	(883)
50% of Expected Loss exceeding Eligible Provisions	(5,034)	(14,704)	(51,251)
Total Tier I Capital	¥ 525,202	¥ 542,620	\$ 5,346,660
Tier II:			
45% of Unrealized Gains on Other Securities	¥ —	¥ 6,267	\$ —
45% of Land Revaluation Excess	10,395	10,395	105,827
General Allowance for Loan Losses	1,653	582	16,834
Qualifying Subordinated Debt	79,000	78,000	804,235
Total Tier II Capital	¥ 91,048	¥ 95,244	\$ 926,895
Deductions from Capital	¥ 11,781	¥ 20,081	\$ 119,941
Total Capital	¥ 604,469	¥ 617,783	\$ 6,153,614
Risk-Weighted Assets, etc.:			
Credit Risk	¥4,747,941	¥4,665,389	\$48,334,944
On-Balance-Sheet Items	4,484,011	4,400,102	45,648,088
Off-Balance-Sheet Items, etc	263,929	265,287	2,686,855
Asset Equivalent of Market Risk	86,780	64,807	883,439
Asset Equivalent of Operational Risk	327,598	315,655	3,335,011
Floor Adjustment	—	14,405	—
Total Risk-Weighted Assets	¥5,162,319	¥5,060,257	\$52,553,394
Capital Ratio (BIS guidelines)	11.70%	12.20%	11.70%

Japanese yen amounts are presented in millions of yen by rounding down figures below one million. As a result, the totals in Japanese yen in the accompanying consolidated financial statements do not necessarily agree with the sums of individual amounts.

U.S. dollar amounts are shown solely for the convenience of the readers of this Annual Report and are translated at the rate of ¥98.23 to \$1.00, the exchange rate prevailing at March 31, 2009.

The following approaches were adopted to calculate the capital ratio.

Credit Risk: Foundation Internal Ratings Based Approach (using ratings for risk measurement)

Operational risk: the Standardized Approach (Gross Profits of every business line multiplied by the predetermined rate)

Loans and Bills Discounted, Borrower Classification by Industry (Consolidated)

	Millions of Yen			
	2009		2008	
	Outstanding Balance	Composition	Outstanding Balance	Composition
Domestic operations:				
Manufacturing	¥ 716,172	10.37%	¥ 524,515	7.95%
Agriculture	6,507	0.09%	7,319	0.11%
Forestry	1	0.00%	2	0.00%
Fisheries	1,289	0.02%	1,501	0.02%
Mining	17,310	0.25%	11,349	0.17%
Construction	338,380	4.90%	314,618	4.77%
Electricity, Gas, Heat Supply and Water	16,084	0.23%	37,214	0.56%
Information and Communications	37,321	0.54%	32,018	0.49%
Transportation	208,511	3.02%	188,846	2.86%
Wholesale and Retail Trade	661,212	9.57%	616,411	9.34%
Finance and Insurance	329,215	4.76%	260,590	3.95%
Real Estate	1,441,899	20.87%	1,469,714	22.27%
Various Services	581,799	8.42%	564,207	8.55%
Government and Local Public Sector	146,446	2.12%	295,224	4.48%
Others (Mainly Consumer Loans)	2,407,494	34.84%	2,274,873	34.48%
Total	¥6,909,647	100.00%	¥6,598,406	100.00%
Overseas Operations and JOM Account	¥ 45,976	—	¥ 26,280	—

Directors, Auditors and Executive Officers

The Chiba Bank, Ltd.
As of July 1, 2009

Directors

Chairman

Tadashi Takeyama

President (Representing Director)

Hidetoshi Sakuma

Director and Senior Executive Officer
(Representing Director)

Katsuhiko Watanabe

Head of Business Promotion Unit
Executive Officer in charge of Business Planning
Division, Branch Support Division and Business
Promotion Division

Director and Senior Executive Officer
(Representing Director)

Tadashi Ito

Head of Corporate Planning and Administration Unit
Executive Officer in charge of Corporate Planning
Division, Public Relations Division,
General Secretariat and Personnel Division

Director and Senior Executive Officer

Masahisa Shiizu

Head of Credit Unit
Executive Officer in charge of Credit Division,
Business Support Division and
Credit Supervisory Division

Director and Managing Executive Officer

Tadashi Abe

Executive Officer in charge of Audit and
Inspection Division

Director and Managing Executive Officer

Tsutomu Nozawa

Executive Officer in charge of Operation Planning
Division, EDP System Division,
Business Operation Division and Operation Division

Director and Managing Executive Officer

Katsumi Ichihara

Executive Officer in charge of Treasury Division and
Treasury Operation Division

Director and Executive Officer

Takashi Suda

Executive Officer in charge of Risk Management
Division, Compliance Division and
General Administration Division

Executive Officers

Managing Executive Officer

Yasuo Takahashi

General Manager, Funabashi Branch

Managing Executive Officer

Yoshiro Nakajima

General Manager, Chuo Branch

Executive Officer

Shinshichi Marushima

General Manager, Head Office

Executive Officer

Tetsuya Koike

General Manager, Kashiwa Branch

Executive Officer

Kyoichi Hanashima

General Manager, Credit Division

Executive Officer

Kazuyasu Kurihara

General Manager, Business Planning Division

Executive Officer

Toshikazu Okubo

General Manager, Corporate Planning Division

Executive Officer

Takayuki Miyazawa

General Manager, Branch Support Division

Executive Officer

Masao Morimoto

General Manager, EDP System Division

Executive Officer

Yoshinobu Sakama

General Manager, Business Promotion Division

Corporate Auditors

Standing Corporate Auditor

Tetsuhiro Kashima

Standing Corporate Auditor

Yukio Saruhashi

Standing Corporate Auditor

Junichiro Seo

Corporate Auditor

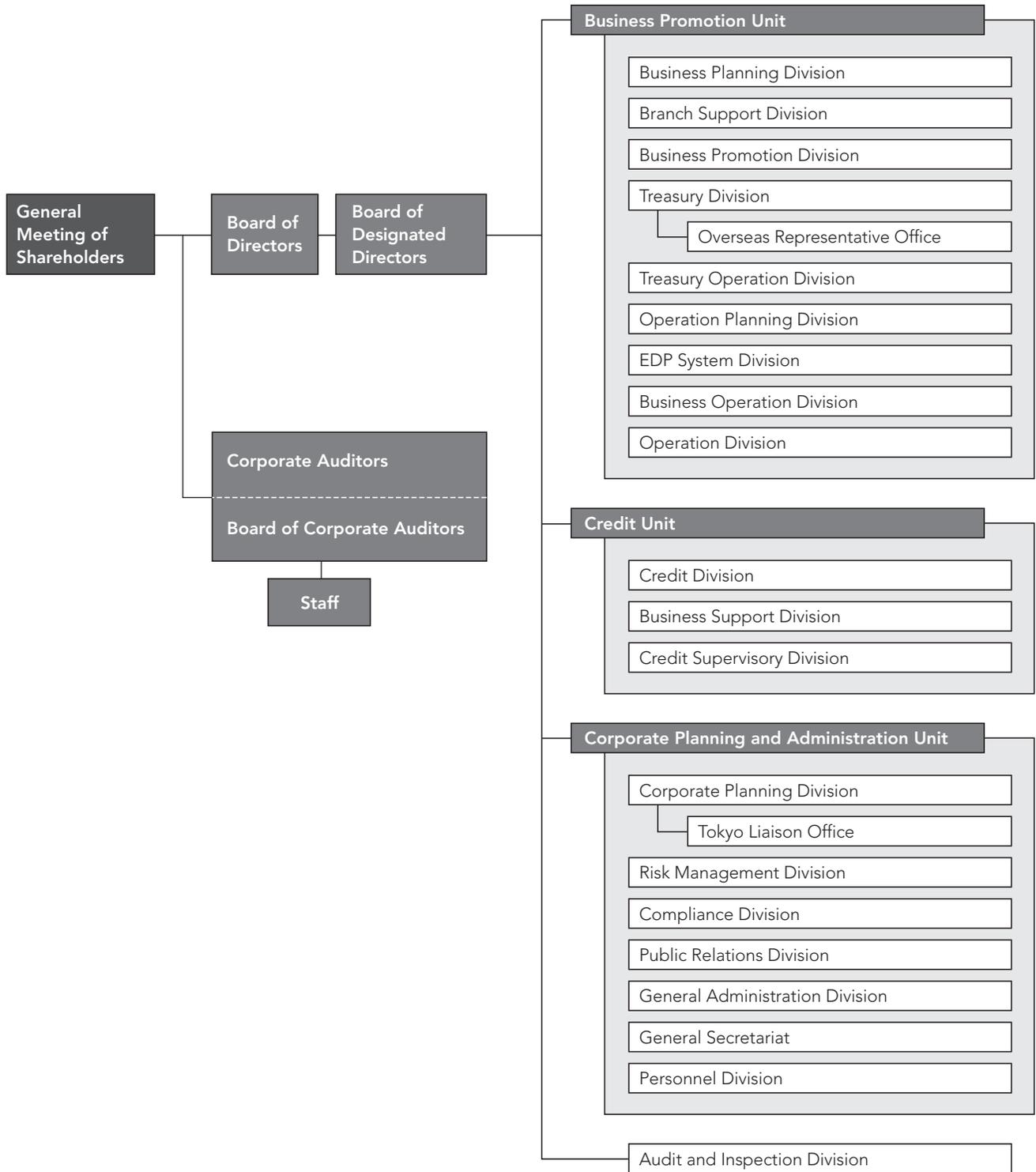
Jiro Sakan

Corporate Auditor

Hideo Tanabe

Organization

The Chiba Bank, Ltd.
As of July 1, 2009



Subsidiaries

The Chiba Bank, Ltd.
As of July 1, 2009

Sobu Co., Ltd.

1-7-12, Hanazono, Hanamigawa-ku,
Chiba City, Chiba 262-0025

Principal Business: Rental and maintenance of the Chiba Bank's office buildings and welfare facilities; purchase and sale of supplies and consumer goods

Established: September 7, 1959

Capital: ¥20 million

Equity Ownership

By Chiba Bank: 100%

Chibagin Accounting Service Co., Ltd.

8-4, Chiba-minato, Chuo-ku,
Chiba City, Chiba 260-0026

Principal Business: Accounting, general administration and temporary staff services

Established: December 22, 1989

Capital: ¥20 million

Equity Ownership

By Chiba Bank: 100%

Chiba Servicer Co., Ltd.

39-10, Sakae-cho, Chuo-ku,
Chiba City, Chiba 260-0016

Principal Business: Management and collection of claims

Established: October 1, 2001

Capital: ¥500 million

Equity Ownership

By Chiba Bank: 100%

Chibagin Heartful Co., Ltd.

4-1-10, Masago, Mihama-ku,
Chiba City, Chiba 260-0011

Principal Business: Outsourcing of operational business

Established: December 1, 2006

Capital: ¥10 million

Equity Ownership

By Chiba Bank: 100%

Chibagin Guarantee Co., Ltd.

3-17-5, Inage-higashi, Inage-ku,
Chiba City, Chiba 263-0031

Principal Business: Housing-loan guarantees and fee collection services

Established: May 1, 1978

Capital: ¥54 million

Equity Ownership

By Chiba Bank: 45.63%

By its subsidiaries: 42.87%

Chibagin JCB Card Co., Ltd.

1-14-11, Fujimi, Chuo-ku,
Chiba City, Chiba 260-0015

Principal Business: Credit card and credit guarantee business

Established: November 1, 1982

Capital: ¥50 million

Equity Ownership

By Chiba Bank: 49%

By its subsidiaries: 21%

Chibagin DC Card Co., Ltd.

1-14-11, Fujimi, Chuo-ku,
Chiba City, Chiba 260-0015

Principal Business: Credit card and credit guarantee business

Established: February 16, 1989

Capital: ¥50 million

Equity Ownership

By Chiba Bank: 40%

By its subsidiaries: 55%

Chibagin Leasing Co., Ltd.

2-1-22, Hanazono, Hanamigawa-ku,
Chiba City, Chiba 262-0025

Principal Business: Leasing

Established: December 15, 1986

Capital: ¥100 million

Equity Ownership

By Chiba Bank: 49%

By its subsidiaries: 51%

Chuo Securities Co., Ltd.

1-5-3, Nihombashi Muromachi,
Chuo-ku, Tokyo 103-0022

Principal Business: Securities business

Established: March 27, 1944

Capital: ¥4,374 million

Equity Ownership

By Chiba Bank: 41.43%

By its subsidiaries: 7.36%

Chibagin Computer Service Co., Ltd.

6-12, Oyuminochuo, Midori-ku,
Chiba City, Chiba 266-0032

Principal Business: Computer systems development and commissioned computation tasks

Established: April 1, 1980

Capital: ¥150 million

Equity Ownership

By Chiba Bank: 46%

By its subsidiaries: 20%

Chibagin Capital Co., Ltd.

8-4, Chiba-minato, Chuo-ku,
Chiba City, Chiba 260-0026

Principal Business: Consulting services, IPO's etc.

Established: May 29, 1984

Capital: ¥100 million

Equity Ownership

By Chiba Bank: 30%

By its subsidiaries: 30%

Chibagin Asset Management Co., Ltd.

1-5-3, Nihombashi Muromachi,
Chuo-ku, Tokyo 103-0022

Principal Business: Consulting for portfolio investments of client financial assets

Established: May 31, 1986

Capital: ¥200 million

Equity Ownership

By Chiba Bank: 35%

By its subsidiaries: 45%

Chibagin Research Institute, Ltd.

2-3-12, Konakadai, Inage-ku,
Chiba City, Chiba 263-0043

Principal Business: Information services and surveys, training services and consulting on computer systems, etc.

Established: February 28, 1990

Capital: ¥150 million

Equity Ownership

By Chiba Bank: 5%

By its subsidiaries: 70%

*Chiba Capital Funding (Cayman) Ltd. was removed from this list, as it is in the process of liquidation.

International Directory

The Chiba Bank, Ltd.
As of July 1, 2009

Head Office

1-2, Chiba-minato, Chuo-ku,
Chiba City, Chiba 260-8720, Japan
Telephone: 81-43-245-1111
<http://www.chibabank.co.jp/>

Treasury Operation Division

5-3, Nihombashi Muromachi 1-chome,
Chuo-ku, Tokyo 103-0022, Japan
Telephone: 81-3-3270-8459
Fax: 81-3-3242-1735
81-3-3271-1029
SWIFT Address: CHBA JPJT

Treasury Division

5-3, Nihombashi Muromachi 1-chome,
Chuo-ku, Tokyo 103-0022, Japan
Telephone: 81-3-3231-1285
Fax: 81-3-3242-1736
SWIFT Address: CHBA JPJT

New York Branch

1133 Avenue of the Americas, 15th Floor,
New York, N.Y. 10036, U.S.A.
Telephone: 1-212-354-7777
Fax: 1-212-354-8575
Telex: 251829 CHIBA NYK

Hong Kong Branch

Unit 2510, One Pacific Place, 88 Queensway, Hong Kong
Telephone: 852-2840-1222
Fax: 852-2840-0507
Telex: 62737 CHBK HX
SWIFT Address: CHBAHKHH

London Branch

3rd Floor, Atlas House, 1 King Street,
London EC2V 8AU, U.K.
Telephone: 44-20-7315-3111
Fax: 44-20-7600-3452
SWIFT Address: CHBAGB2L

Shanghai Representative Office

Room 707, Shanghai International Trade Center,
2201 Yan-An Road (West), Shanghai, P.R.C. 200336
Telephone: 86-21-62780482
Fax: 86-21-62780422

Corporate Data

The Chiba Bank, Ltd.
As of March 31, 2009

Principal Shareholders

The ten largest shareholders of Chiba Bank and their respective shareholdings as of March 31, 2009 were as follows:

	Number of Shares (in thousands)*	Percentage of Total Shares in Issue**
Japan Trustee Services Bank, Ltd. (Trust Account).....	70,928	7.92%
Japan Trustee Services Bank, Ltd. (Trust Account 4G).....	50,325	5.61%
The Master Trust Bank of Japan, Ltd. (Trust Account)	49,987	5.58%
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	44,158	4.93%
NIPPONKOA Insurance Co., Ltd.	29,905	3.33%
Nippon Life Insurance Company.....	29,177	3.25%
The Dai-ichi Mutual Life Insurance Company	25,678	2.86%
Sumitomo Life Insurance Company	17,842	1.99%
Meiji Yasuda Life Insurance Company	15,579	1.73%
THE CHASE MANHATTAN BANK, N. A. LONDON SECS LENDING OMNIBUS ACCOUNT.....	13,331	1.48%

* Rounded down to the nearest thousand

** Rounded to two decimal places

Corporate Information

Established	March 1943		
Network	Domestic	172 Offices (151 branches, 19 sub-branches and 2 virtual branches) 28,582 Off-branch ATM locations (9,454 E-net ATM locations at convenience stores, 6,053 LAWSON ATM locations at convenience stores and 12,814 ATM locations jointly with Seven Bank, Ltd.) 3 Money exchange counters	
	Overseas	3 Branches (New York/Hong Kong/London) 1 Representative office (Shanghai)	
Number of Employees*	4,081		
Total Assets	¥9,996.8 billion		
Loans and Bills Discounted	¥6,991.3 billion		
Deposits (including NCD)	¥8,683.0 billion		
Common Stock	¥145.0 billion		
Capital Ratio (BIS guidelines)	11.12% (Non-consolidated) 11.70% (Consolidated)		
Authorized Number of Shares	2,500,000 thousand		
Number of Issued Shares	895,521 thousand		
Number of Shareholders**	28,076		
Ticker Code	8331		
Transfer Agent	Japan Securities Agents, Ltd. 1-2-4, Nihombashi Kayabacho Chuo-ku, Tokyo 103-8202		
Credit Ratings (As of July 1, 2009)	Standard & Poor's	Long-term	Short-term
	Moody's	A	A-1
	Rating and Investment Information, Inc.	A1	P-1
		AA-	—

Figures as shown are presented on a non-consolidated basis.

* Number of Employees includes transferred employees but excludes temporary staff and one-year contract employees.

** Shareholders with fewer than 1,000 shares are excluded.

THE CHIBA BANK, LTD.

1-2, Chiba-minato, Chuo-ku, Chiba City, Chiba 260-8720, Japan

Telephone: 81-43-245-1111

e-mail: investor@chibabank.co.jp

<http://www.chibabank.co.jp/>



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Printed in Japan

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Forward-Looking Statements

This annual report contains forward-looking statements concerning Chiba Bank’s future plans, strategies and performance. These forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may materially differ from those contained in the forward-looking statements as a result of various factors. Important factors that might cause such a material difference include, but are not limited to, those economic conditions referred to in this annual report as assumptions.

In addition, the following are among the factors that could cause actual results to differ materially from the forward-looking statements in this annual report: business conditions in the banking industry, the regulatory environment, new legislation, competition with other financial services companies, changing technology and evolving banking industry standards.

Chiba Bank Profile

The Chiba Bank is the dominant bank in Chiba Prefecture. As such, it is dedicated to providing high-quality financial services, increasing customer satisfaction and contributing to regional development.

As a regional comprehensive financial services provider, it is pursuing various initiatives in a new spirit of flexibility and imagination, to win the highest-possible esteem of the region's customers, shareholders and investors.

As of March 31, 2009, the Group comprised the Bank and its 14 subsidiaries. Chiba Bank operates 172 domestic outlets and provides access to 28,582 ATMs. Overseas, the Bank has three branches and one representative office.

Major Operating Indicators

Deposits*1	¥	8.5 trillion	2nd of Regional Banks
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Loans Outstanding*2	¥	6.9 trillion	2nd of Regional Banks
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Net Income	¥	12.4 billion
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Capital Ratio		11.7 %
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Credit Ratings	Standard & Poor's	L: A	S: A-1
	Moody's	L: A1	S: P-1
	Rating and Investment Information	L: AA-	S: -

*1 Non-consolidated, excluding NCD

*2 Non-consolidated

L: Long-term

S: Short-term