

*"100 Weeks of Innovation and Speed"*

# Financial Results for Interim FY 2003 ended September 30, 2003

December 4, 2003  
The Chiba Bank, Ltd.

# Foreword

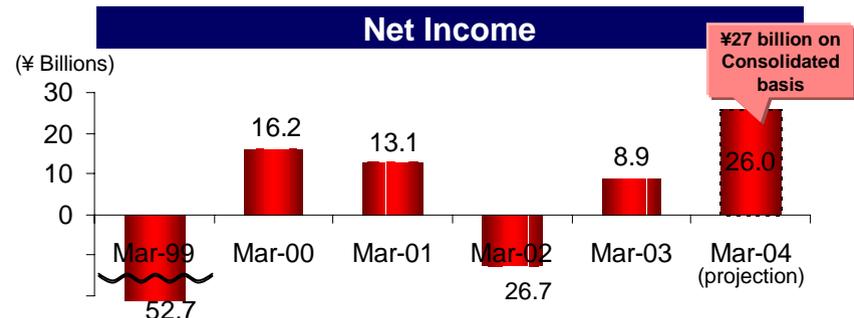
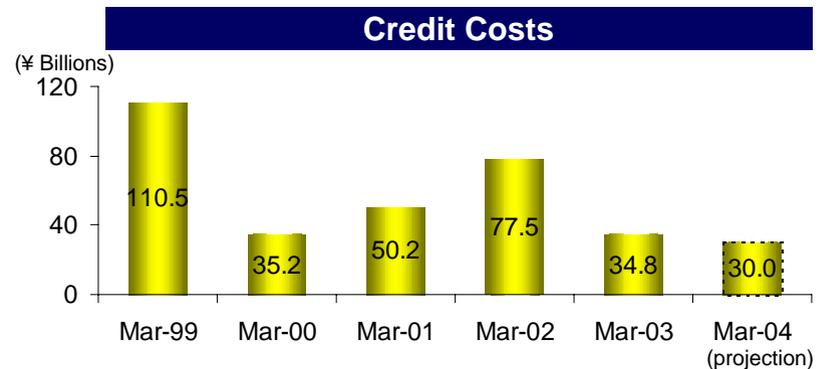
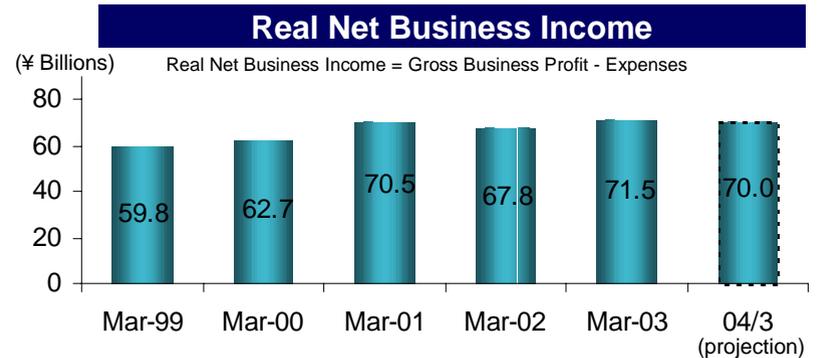
Real Net Business Income for the interim period was ¥33.5 billion as Consumer Banking business such as mortgage loans and stock funds bolstered Real Net Business Profit, with further progress being made in expense reduction.

As a result, we registered a Net Income of ¥11.7 billion, a record for an interim result, mainly derived from a reduction in write-offs of securities, and gains due to the return of the agency element of the state pension to the national government.

Therefore, projected Real Net Business Income for FY 2003 is ¥70 billion, with a Net Income of ¥26 billion.

"26 weeks" have passed since the launch of the new medium-term management plan "100 Weeks of Innovation and Speed". The Bank is reforming its management with exceptional speed, and the fruits of those reforms will be evident after the latter half of the Fiscal Year.

Today, we would like to outline the ways in which the management is being reformed and provide a summary of the interim results for FY 2003 and of the current condition of the local economy.



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## **Appendix**

*Summary of Interim Results  
for FY 2003*

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# Summary of Interim Results (1) P / L

<¥billion>	Sep-02	Sep-03	change
Gross Business Profit	74.3	70.5	3.8
Net Interest Income	63.6	60.5	3.0
Fees and Commissions	6.9	8.2	1.3
Profit from other business transactions	3.3	0.9	2.3
Expenses	37.5	37.0	0.5
Personnel expenses	19.3	18.9	0.3
Non-personnel expenses	16.3	16.2	0.0
Real net business income *1	36.8	33.5	3.2
Core net business income *2	34.2	33.3	0.9
Net transfer to general reserve for possible loan losses (A)	0.9	3.6	2.6
Net business income	35.8	29.8	5.9
Net non-recurring income and losses	19.6	13.4	6.1
Disposal of non-performing loans (B)	16.2	13.8	2.4
Gains (losses) related to stocks	1.5	0.5	2.1
Retirement benefit expenses	2.4	1.3	1.1
Ordinary Profit	16.2	16.4	0.1
Net Income	9.4	11.7	2.2
Credit Costs (A)+(B)	17.2	17.4	0.2

notes		
Yen denominated Net interest income	Sep-03	Change
Loans	56.5	2.2
Securities	3.6	0.7
Fees & Commissions	Sep-03	Change
Investment trusts	1.9	+0.7
Personal annuities	0.9	+0.9
Profit/loss on bonds	Sep-03	Change
	0.2	2.3
Personnel expenses: reduction in headcount		
General reserve for possible loan losses: 3.6 · Addition of DCF-method based debtors		
Write-offs of non-performing loans 13.8 · downgrades (+) 14.8 · decrease in collateral value (+) 4.6 · repayments, upgrades (-) 5.7		
Profit on the return of the agency element of the state pension 4.9		

\*1: Gross Business Profit - Expenses

\*2: \*1 - Profit/loss on bonds

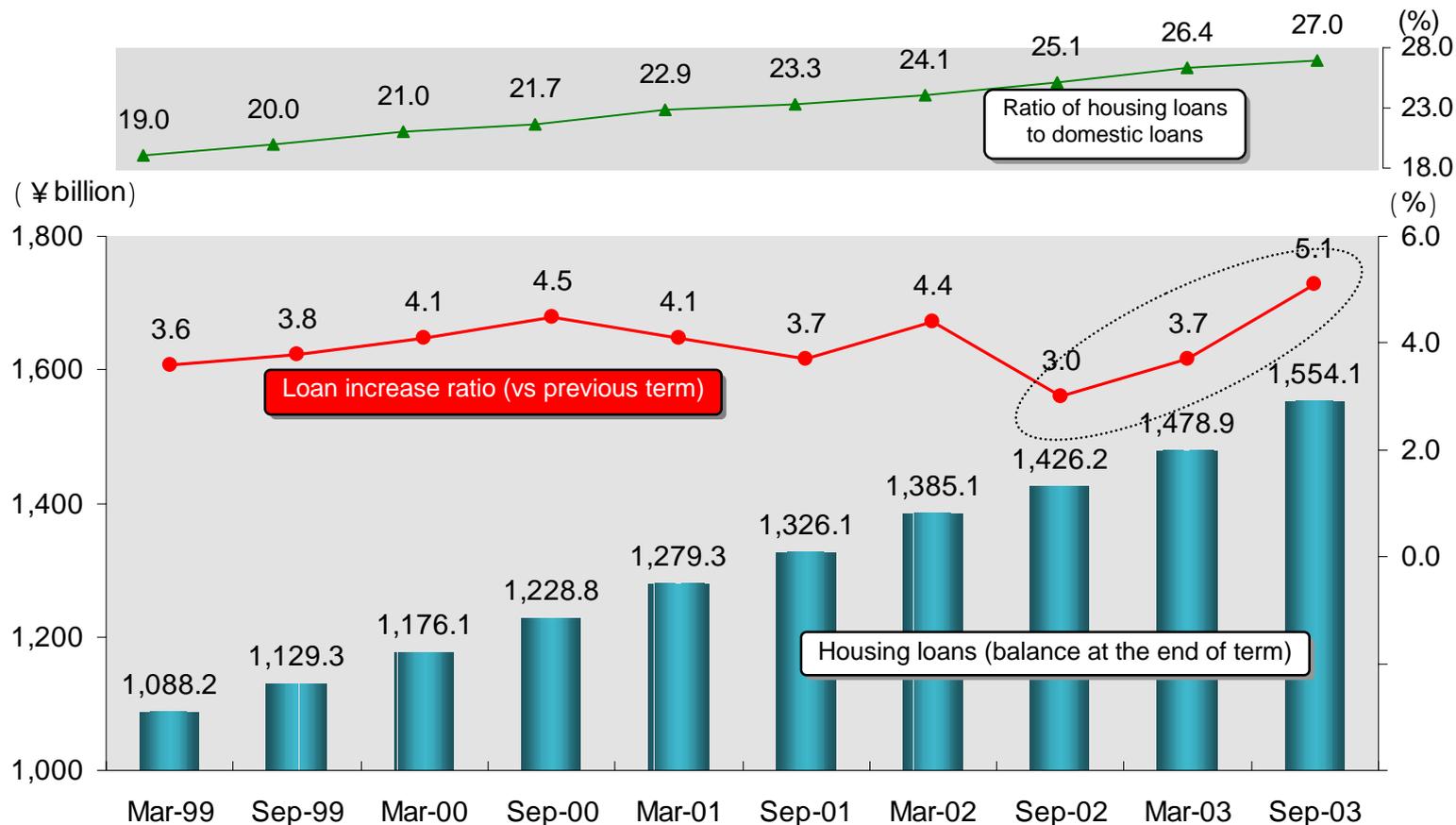
## Summary of Interim Results (2) B / S

< ¥ billion >	Mar-03	Sep-03	change
	(end of FY 2002)		
<b>Assets</b>	8,012.0	8,160.1	148.1
Call loans	190.0	238.1	48.1
Loans	5,606.4	5,768.5	162.1
Securities	1,346.4	1,254.7	91.6
Deferred tax assets	116.6	95.9	20.7
<b>Liabilities</b>	7,691.8	7,813.5	121.6
Deposits	7,174.9	7,237.5	62.6
Negotiable certificates of deposit	75.1	125.7	50.6
<b>Shareholder's equity</b>	320.1	346.6	26.5
Capital stock	121.0	121.0	-
Capital surplus	98.1	98.1	0.0
Retained earnings	97.4	107.1	9.6
Net unrealized gains on other securities	9.3	7.5	16.9

notes		
< Domestic loans >	Sep-03	change
Major companies	529.7	0.5
Midsized companies	177.9	+2.7
Small and medium-sized companies	4,353.3	+84.0
Public Sectors	688.5	+74.7
Total	5,749.6	+160.9
< Securities >	Sep-03	change
Government Bonds	317.8	162.7
TB・FB	0.0	200.0
Stocks	146.1	2.5
Bonds, etc.	559.1	+66.6
Foreign Securities	218.9	21.3
Total	1,242.1	120.0
Unrealized profit/loss on securities	12.6	+28.3
< Domestic deposits >	Sep-03	change
Personal	5,480.9	+85.5
Corporate	1,174.7	+17.1
Public sectors and others	475.1	28.0
Total	7,130.8	+74.6

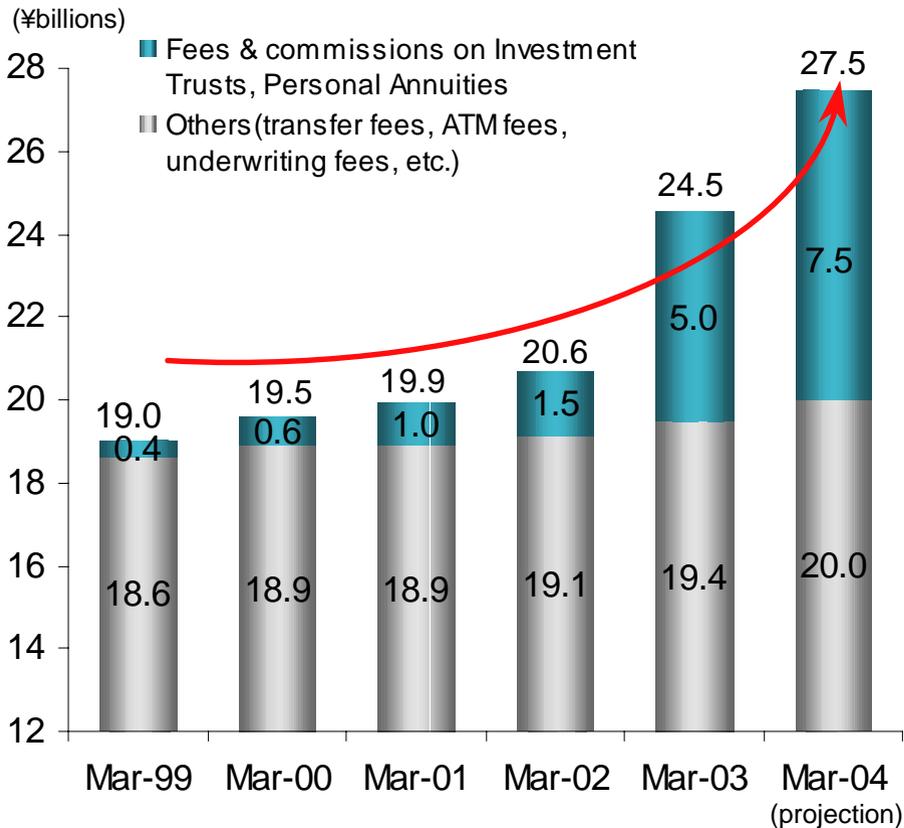
# Consumer Banking Business (1) Housing Loans

We have seen a significant increase in housing loans in recent years

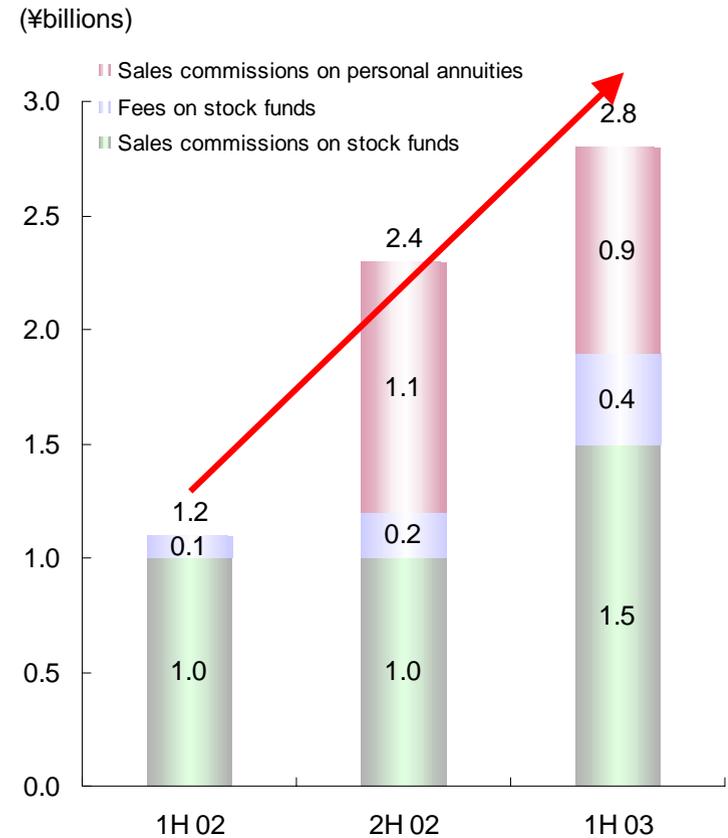


# Consumer Banking Business (2) Fee Business

## Fee and commission income

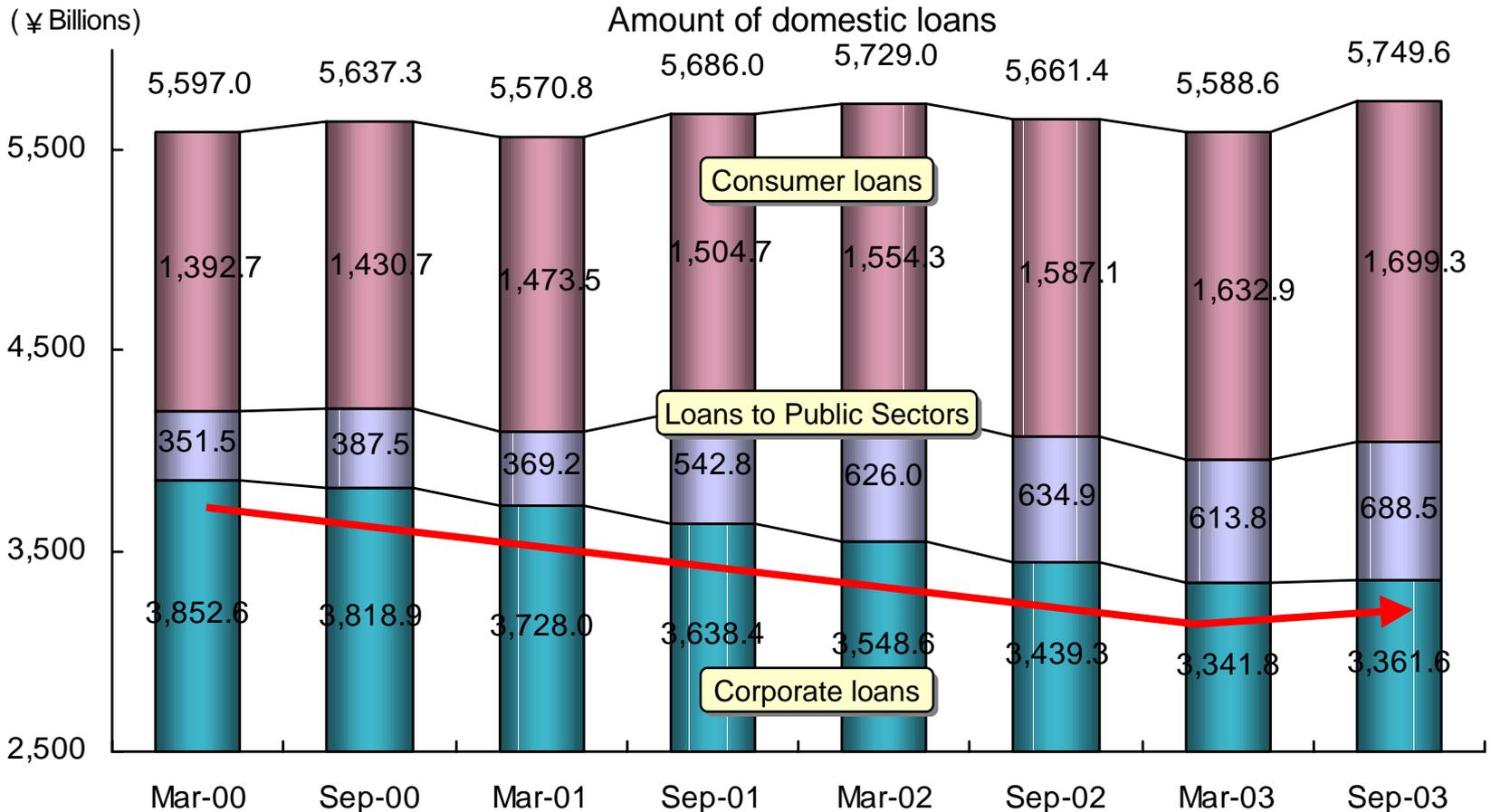


## Fees and commissions on Stock Funds & Personal Annuities



# Corporate Banking Business

Foreseeing an increase in corporate loans



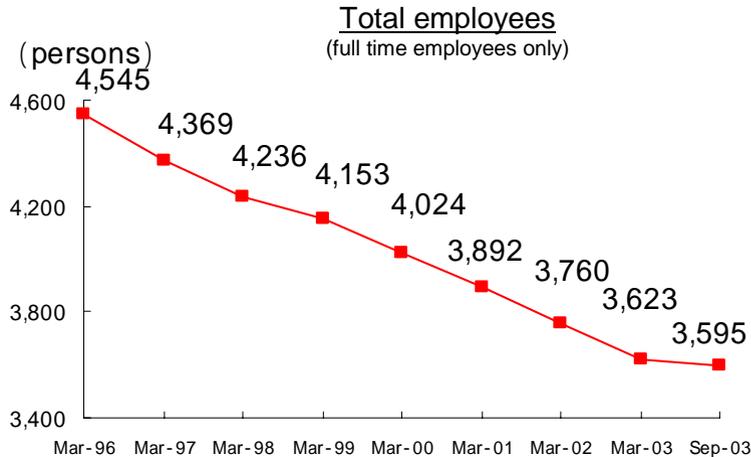
# Management Efficiency

## Strategic investment for rationalization

**¥20 billion strategic investment on systems**

increase in depreciation  
(01/3 03/3 +¥1.8 billion)

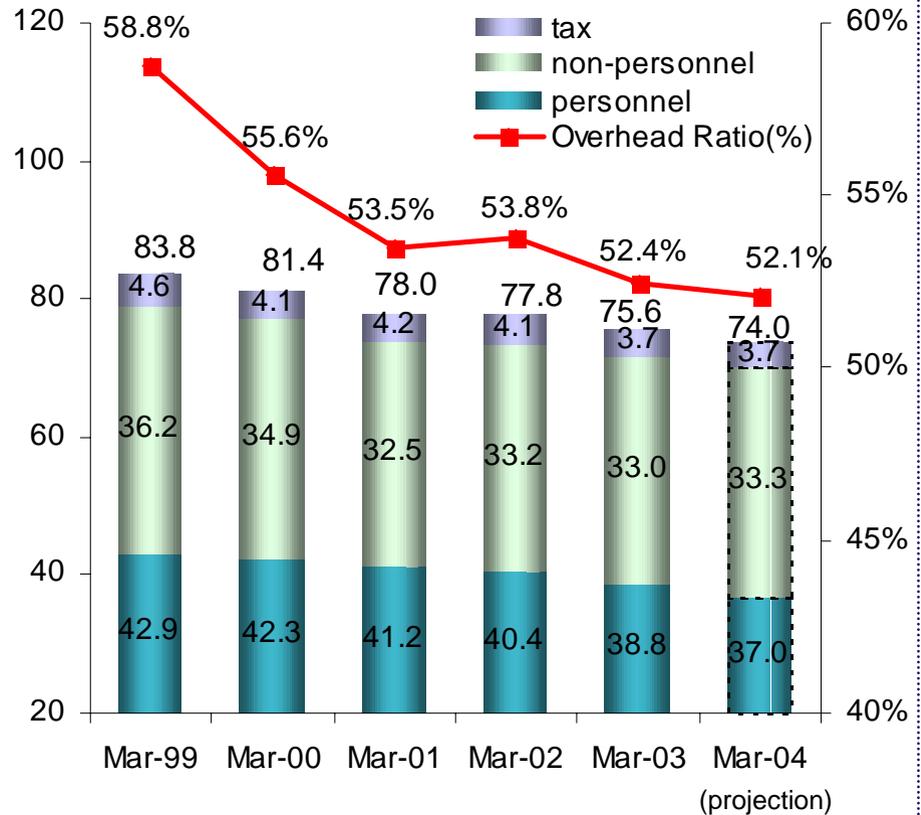
**Efficient operation with fewer employees**



## Significantly improved management efficiency

( ¥ billions )

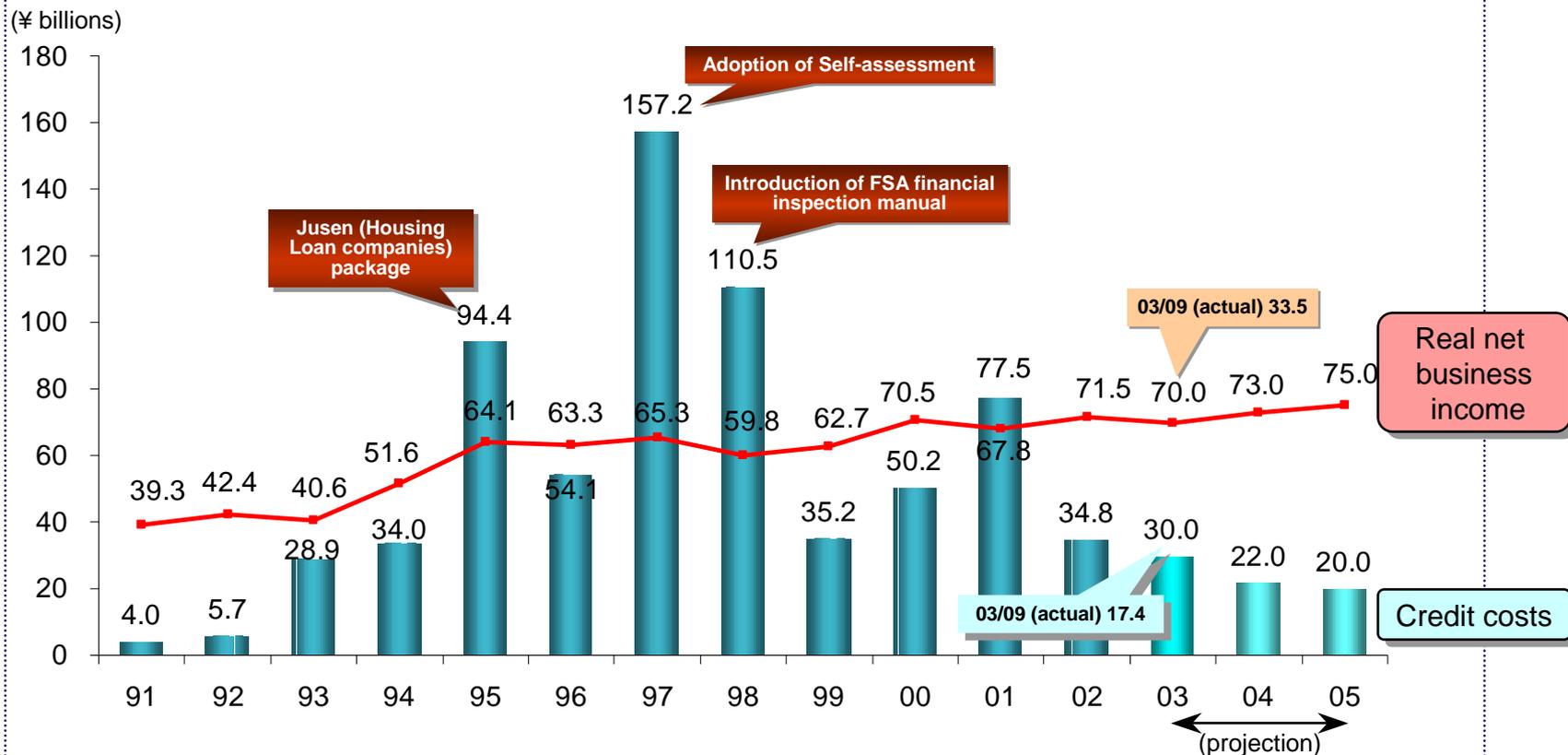
### Expenses



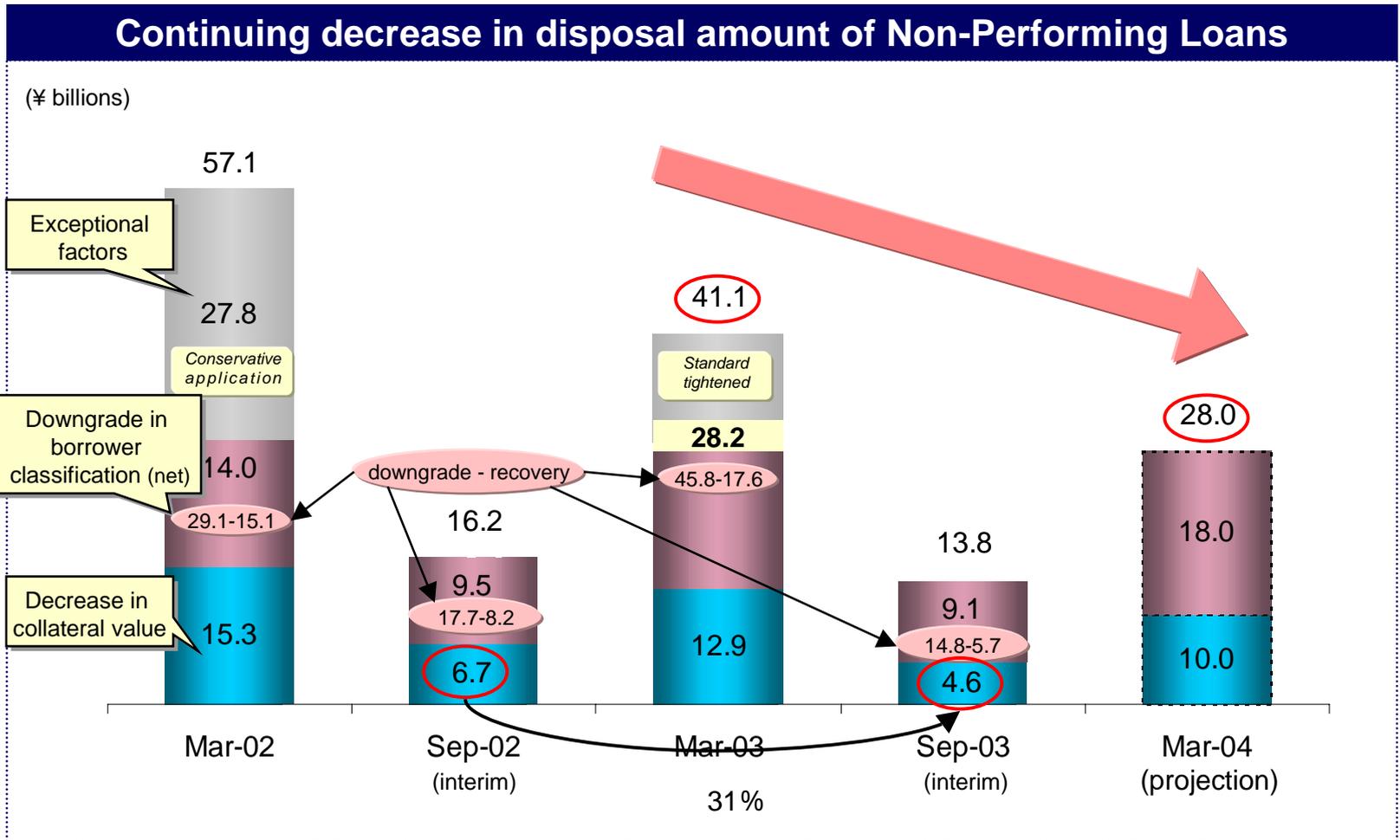
# Credit Costs (1)

## Credit costs are within Net business income

(credit costs = disposal of non-performing loans + net transfers to general reserve for possible loan losses)



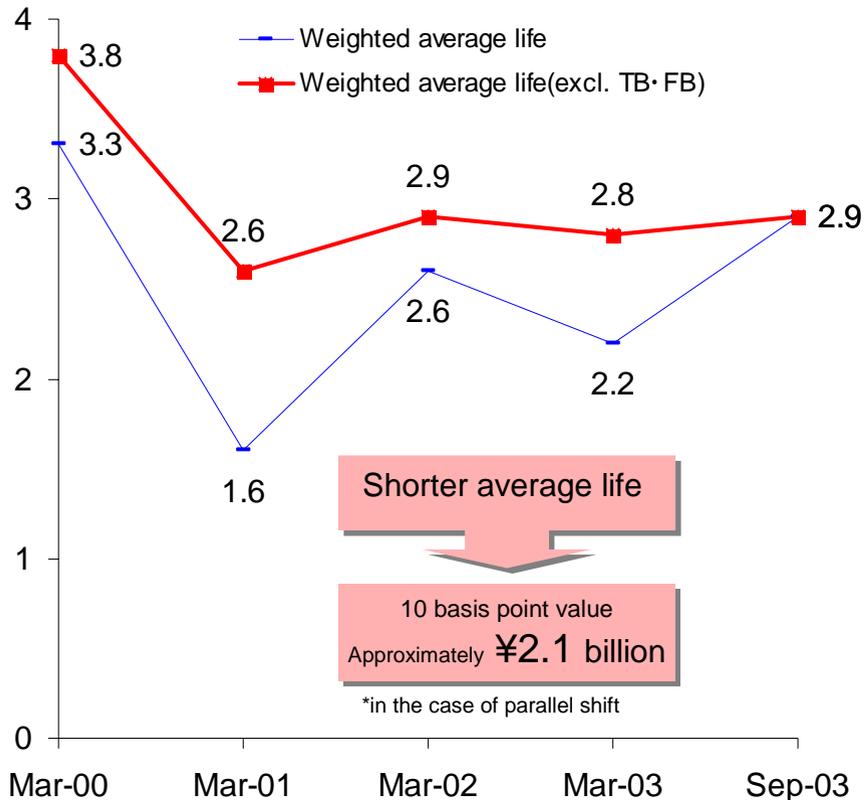
# Credit Costs (2)



# Securities Investment

## Limited interest rate risks on securities

(years) Weighted average life of ¥ denominated securities



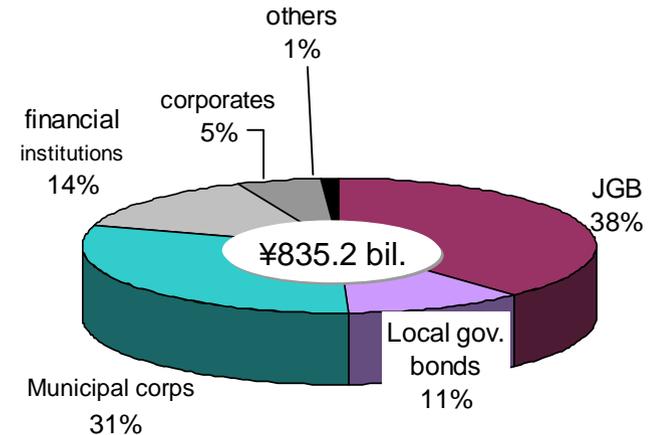
## Effects on unrealized gains/losses

The unrealized losses on securities in 1H/03 (due to the rise in market rates) were more than offset by the increase in unrealized gains on stocks.

(¥ billions)	Mar-03	Sep-03	change
Other securities	15.6	12.6	+28.3
bonds	4.0	4.6	8.7
stocks	19.9	14.1	+34.0

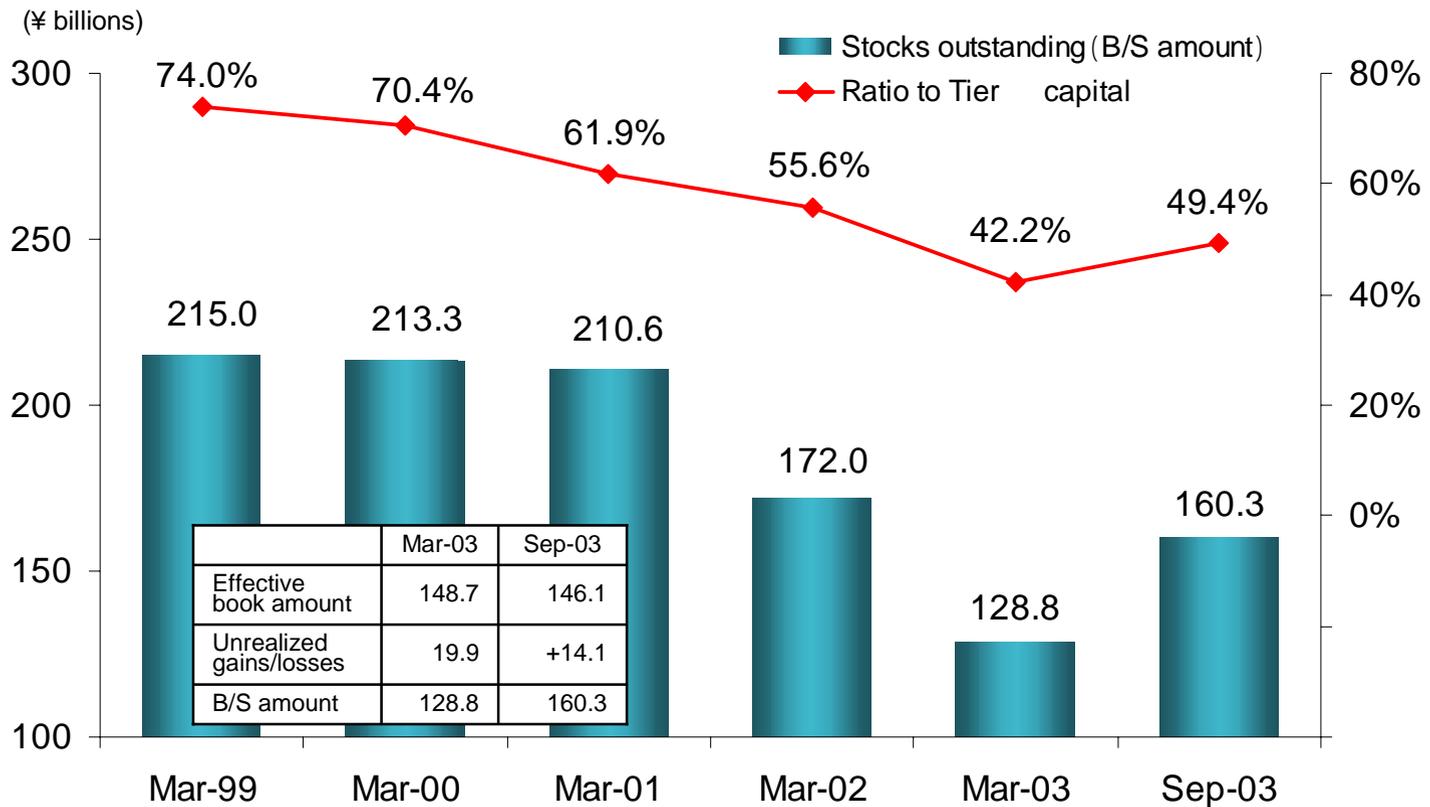
## Credit risks also limited

Yen denominated bonds by issuers



# Stock Portfolio

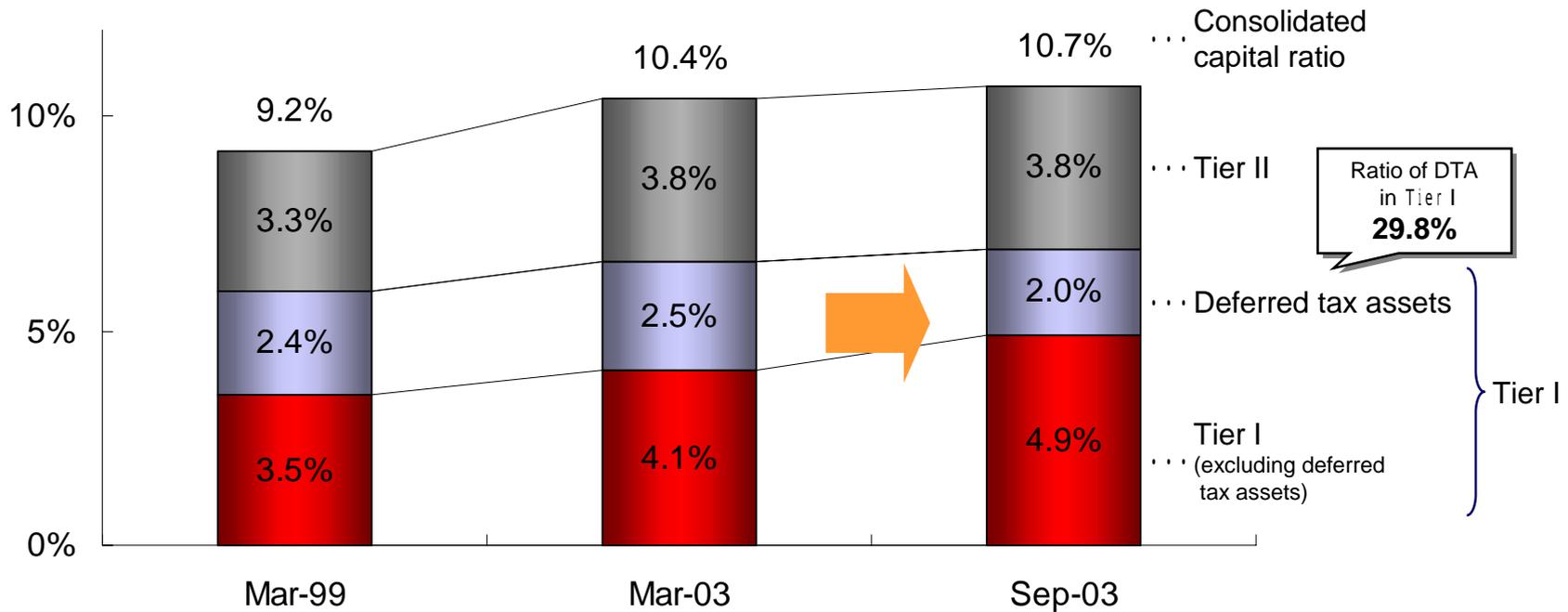
## Stocks outstanding and the ratio to Tier I capital



# BIS Capital Ratio

## Constant improvement in Tier I capital

Consolidated Capital Ratio (BIS guidelines)



# Projections for Fiscal Year 2003

## Ordinary Profit ¥40 billion, Net Profit ¥26 billion

< ¥ billions >	Mar-03 (actual)	Pre-term projection	Mar-04 (projection)	Differences to pre-term projection
Gross Business Profit	147.2	145.5	144.0	1.5
Net Interest Income	124.9	124.5	122.0	2.5
Fees and Commissions	15.1	17.0	17.0	-
Trading Income	2.1	1.5	2.5	1.0
Profit from other business transactions	4.9	2.5	2.5	-
Expenses	75.6	75.5	74.0	1.5
Personnel Expenses	38.8	38.5	37.0	1.5
Non-personnel Expenses	33.0	33.0	33.3	0.3
Real Net business income *1	71.5	70.0	70.0	-
Core net business income *2	68.3	69.0	69.5	0.5
Transfer to general reserve for possible loan losses (A)	6.3	3.0	2.0	5.0
Net business income	77.8	73.0	68.0	5.0
Net non-recurring income and losses	59.2	33.0	28.0	5.0
Disposal of non-performing loans (B)	41.1	29.0	28.0	1.0
Gains (losses) related to stocks	13.8	0.0	1.0	1.0
Retirement benefit expenses	4.9	5.0	2.0	3.0
Ordinary Profit	18.6	40.0	40.0	-
Net Income	8.9	24.0	26.0	2.0
Credit Costs (A)+(B)	34.8	26.0	30.0	+ 4.0

\*1: Gross Business Profit - Expenses

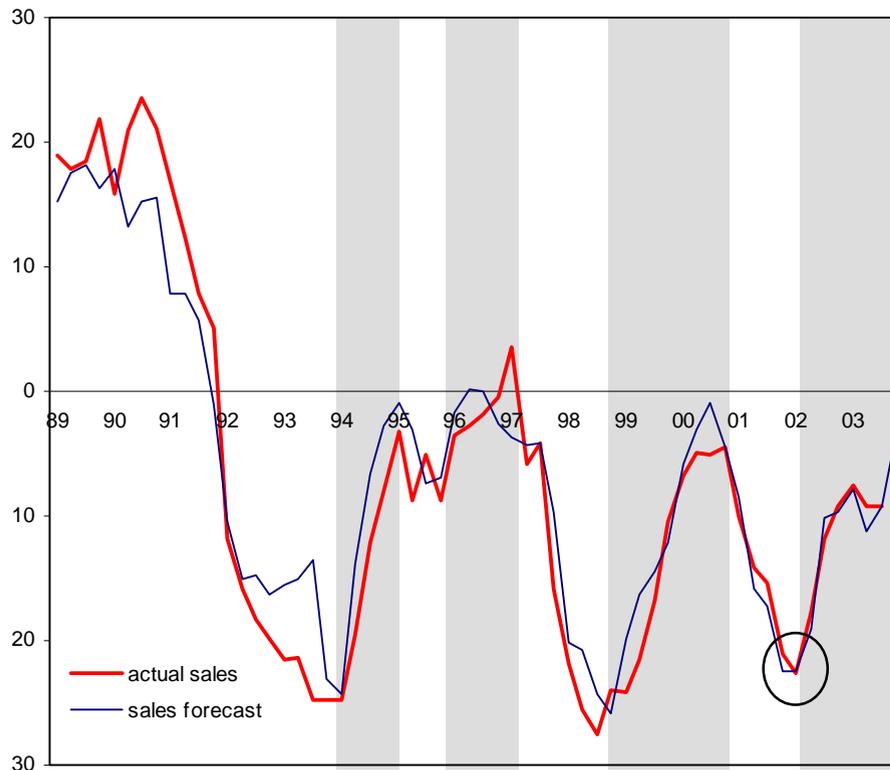
\*2: Real net business income - Profit/loss on bonds

# *Economic Conditions in Chiba*

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# Economic Conditions in Chiba (1)

## Trend of BSI index: Actual sales & sales forecast



BSI: Business Survey Index, is an index of executives' business sentiment and actual condition with a choice from "upward/ increase/improve", "no change", and "downward/decrease/worsen".  
 $BSI = ( \text{"upward/ increase/improve"} - \text{"downward/decrease/worsen"} ) * 1/2$

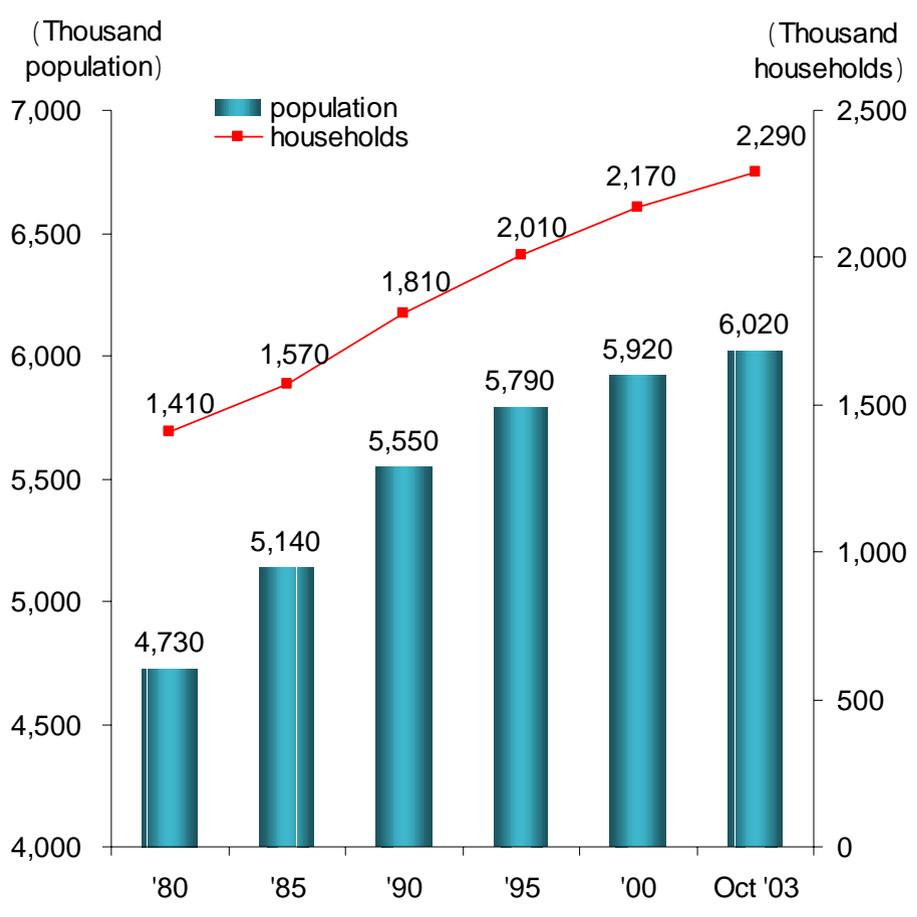
## Sales forecast BSI (by industry)

	2003			
	1~3	4~6	7~9	10~
Food	2.8	↗ 1.5	↗ 0.0	↗ 2.8
Petrochemical	3.5	11.7	↗ 7.6	↗ 1.8
Plastics	7.7	13.7	↗ 11.1	0.0
Glass & ceramics	3.3	20.0	↗ 17.9	17.9
Steel, Non-ferrous metals	10.0	11.6	15.4	↗ 7.7
Metal products	5.0	15.6	↗ 11.3	↗ 9.3
Machinery	5.9	↗ 0.0	0.0	↗ 2.7
Electrical machinery	7.7	3.4	↗ 7.7	3.6
Transport equipments	6.7	↗ 5.6	11.8	↗ 3.4
Other manufacturing	7.5	10.6	17.5	↗ 0.0
Construction	17.9	↗ 15.6	↗ 10.0	↗ 7.2
Transportation	30.8	↗ 11.6	20.9	↗ 5.6
Wholesaling	4.2	15.3	16.7	↗ 6.3
Retailing	3.7	6.5	↗ 4.7	4.7
Hotels	25.0	29.4	↗ 21.5	↗ 6.3
Services	24.2	↗ 16.7	↗ 10.5	↗ 4.7

Source: Chiba Economy Center "BSI survey in Chiba (July to September, 2003)"  
 \* Surveyees: Enterprises with a head office and/or an office in Chiba  
 As at: October, 2003  
 Answers: 770 enterprises surveyed, 353 effective answers

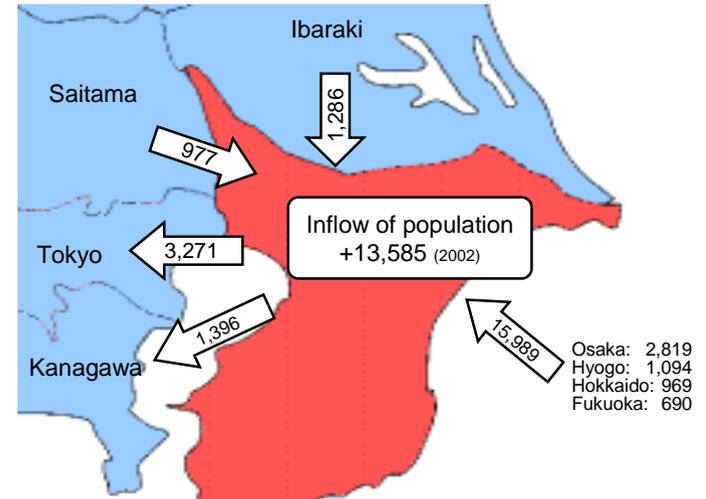
# Economic Conditions in Chiba (2)

## Population/households in Chiba Pref.



Source: National census (Oct. '03 data from "monthly report on population of Chiba")

## Inflow/outflow of population

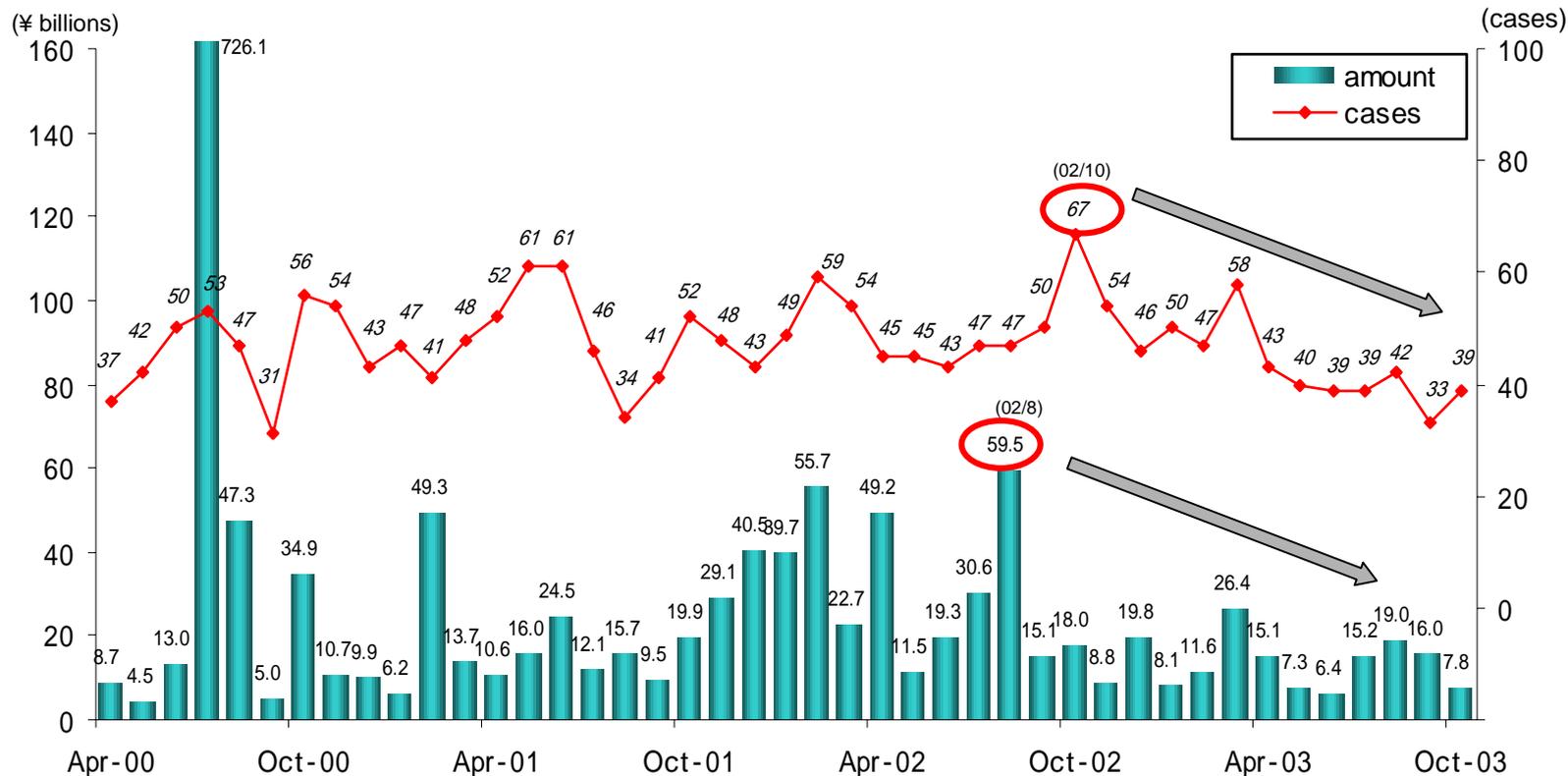


## Top 10 prefectures by population growth

95 ~ 2002		(thousands)
	Prefectures	Net increase
1	Tokyo	445
2	Kanagawa	379
3	Aichi	255
4	Saitama	242
5	Chiba	196
6	Hyogo	176
7	Fukuoka	110
8	Shiga	72
9	Okinawa	66
10	Shizuoka	48
Nationwide		1,865

# Economic Conditions in Chiba (3)

## Bankruptcy cases/amounts in Chiba Pref. trend downwards since 1H 2002

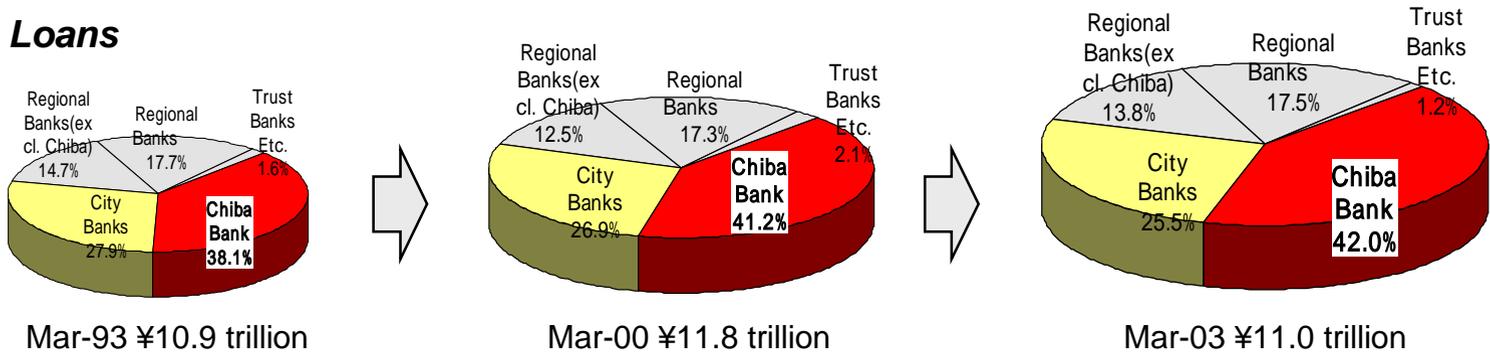


Source: Made by Chiba Bank with data from Shoko Research

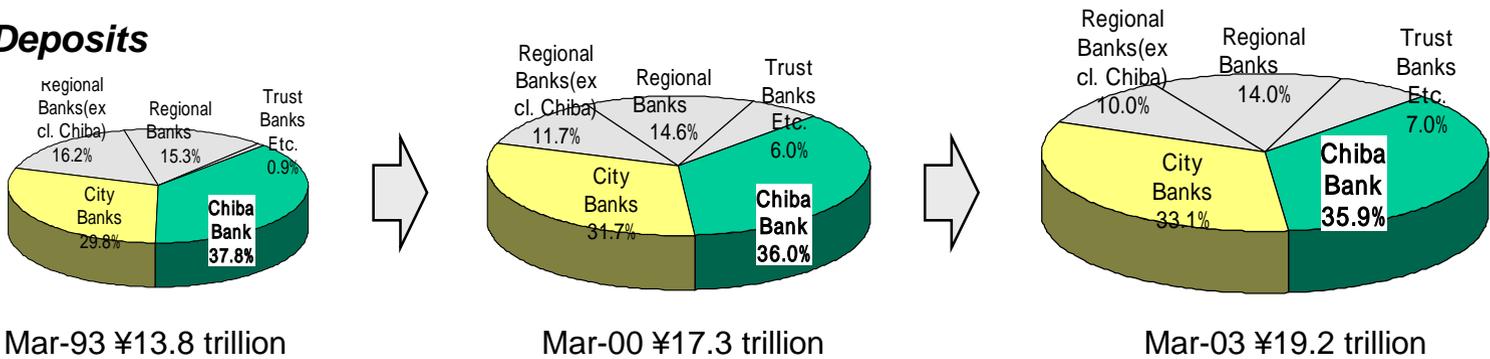
# Business Share of Financial Institutions within Chiba

## Share\* of Loans Rising Steadily

### Loans



### Deposits



\*Shares in banks operating within Chiba  
 Source: Made by Chiba Bank with data from Kinyuu Journal

*Recent Developments in  
"100 Weeks of Innovation and Speed"*

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# Our Targets in the Medium-Term Plan

Striving for high-quality management indicators in 2 years

During the medium-term plan

FY 2003 and FY 2004

Post medium-term plan

FY 2005 and on

## Assumptions

- ▶ No anticipation of early economic recovery
- ▶ Lower interest rates continue

- ▶ Economic recovery

## Outline of Medium-Term Plan

"100 Weeks of Innovation and Speed"

*To be an Integrated Regional Financial Services Group of the Highest Quality*

Expand continuously consolidated net income

Strengthen the Group's ability to provide comprehensive solutions

Increase value for all stakeholders through reform

Establish basis for continuous growth  
Achieve high-quality figures

High profitability

**ROE 8%**

(FY 2005)

Efficiency

**OHR 50%**

(FY 2005)

Strengthening financial condition

**Tier I ratio 8%**

(FY 2005)

# Reorganizing the Management Structure

A·C·T 2003

"100 Weeks of Innovation and Speed"

		Apr-2003	Apr-2004	Apr-2005
Management Organization	<ul style="list-style-type: none"> <li>➤ Quicker management decision making</li> <li>➤ Clear definition of operational responsibilities</li> </ul>		Apr-03 Executive Officer System	
	<ul style="list-style-type: none"> <li>➤ Encouraging creativity</li> <li>➤ Building corporate vitality</li> </ul>		Apr-03 Revision of Headquarters Structure Apr-03 Adoption of new personnel system	
Business Promotion Organization	<ul style="list-style-type: none"> <li>➤ Further enhancement of consumer banking business</li> </ul>		Apr-03 Direct Channel Division established Oct-03 New Loan Plazas/Centers set up	
	<ul style="list-style-type: none"> <li>➤ Reorganizing corporate banking business</li> </ul>		Jun-03 Corporate Business Center established Oct-03 Regional Corporate Banking Departments established	
	<ul style="list-style-type: none"> <li>➤ Efforts on Solving Non Performing Loans problems</li> </ul>	Revitalization Of SMEs Disposal of NPLs	Oct-03 Company Strategy Support Team established Oct-03 Credit Supervisory Division's staff increasing focus on bankrupt debtors	
Management Systems	<ul style="list-style-type: none"> <li>➤ Profit management by business segments</li> </ul>		Apr-02 New profit management system activated (A B C cost calculation, return after cost of risk)	
	<ul style="list-style-type: none"> <li>➤ Enhancement of risk management</li> </ul>		Oct-03 Return After Capital Cost (RACC) Calculation commenced Oct-03 Capital allocation by business segment commenced	

# Further Enhancement of Consumer Banking Business (1)

## Concentrating on Consumer Business

### *Solid Franchise Value*

Second Largest Regional Bank

(by size of loans & deposits) : Deposits ¥7.2 tril. Loans ¥5.7 tril.

Largest share of deposits/loans in Chiba : Deposits 35.9%, Loans 42.0%

Largest network in Chiba : 148 Branches, 1,362 Off-branch ATMs

### *Predominant individual customer basis*

Bank with most main accounts in Chiba : 1 million main accounts

Leader in personal deposits in Chiba : ¥5.4 trillion

Leader in personal loans in Chiba : ¥1.6 trillion

Credit Cards Issued : 480 thousand cards

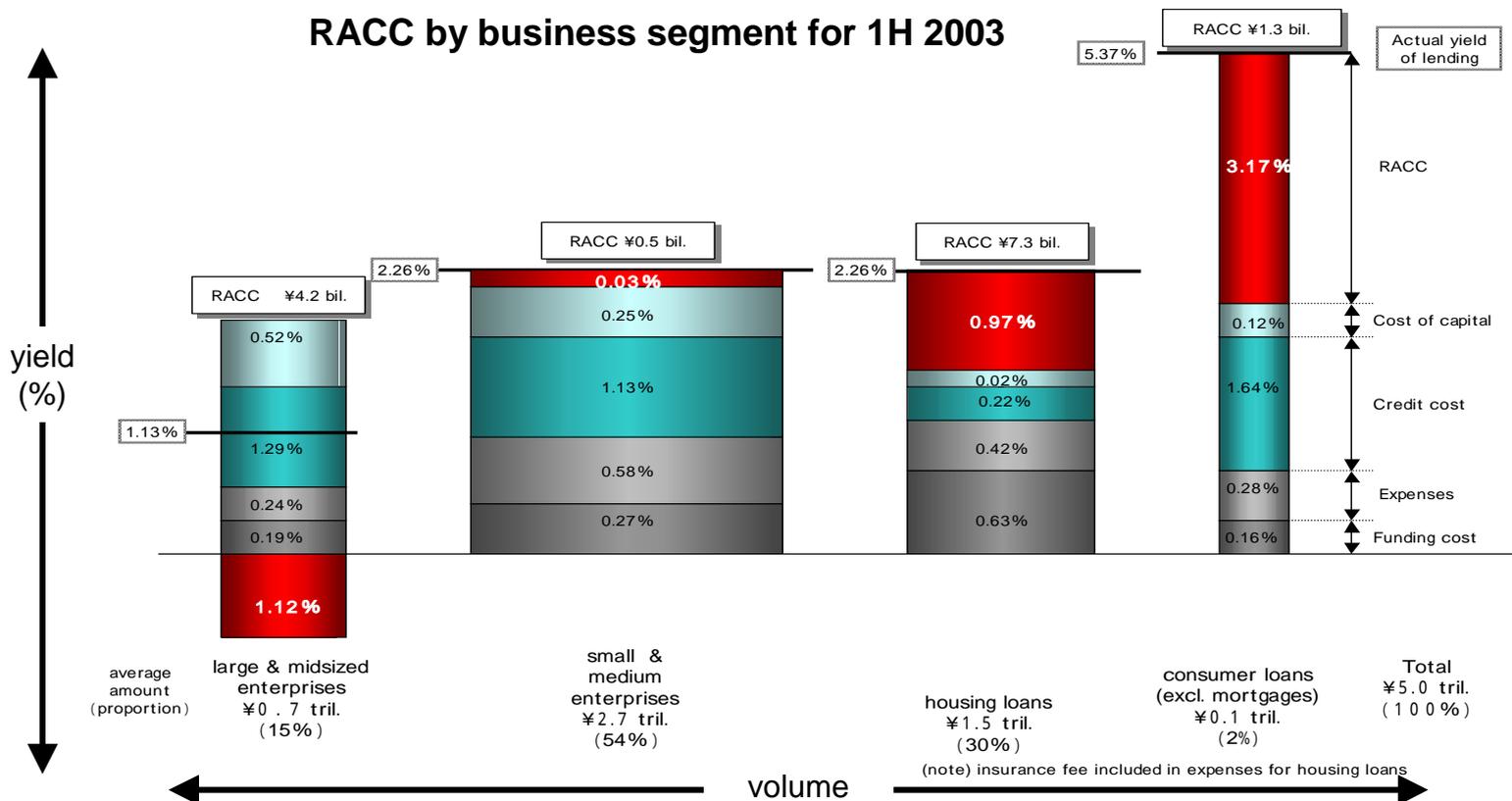
(issued by subsidiaries Chibagin JCB Card Co. and Chibagin DC Card Co.)

# Further Enhancement of Consumer Banking Business (2)

## Consumer loans are highly profitable

RACC=Return After Capital Cost

RACC by business segment for 1H 2003



# Further Enhancement of Consumer Banking Business (3)

## Expanding Consumer Loan Business

### Structural problems we had

- Many branches were targeting the same major housing developers and leading local real estate agents at the same time, resulting in inefficiency.
- Not enough resources for weekend counseling.
- Well-organized structure with skilled staff are required.

### New Business Promotion Structure

#### Increased Loan Plazas and Loan Centers

(Oct.03)

- Loan Plazas: 2      3
- Loan Centers: 2    6
- Employees: 19    37



**Looking for  
¥80 bil. increase in  
mortgages for the  
term**

Unified approach to developers and real estate agents  
Expansion of weekend operating sites



Makuhari Loan Plaza

# Further Enhancement of Consumer Banking Business (4)

## Arranging special counters for investment consulting to expand Over The Counter sales

### Special counters for investment consulting (trial)

In June 2003, we opened special counters for investment consulting in Matsudo and Yotsukaido as a trial.



Investment consulting counter (Matsudo branch)

### Assessment of the trial

Good responses from customers  
 Positive impact on sales by tellers  
 Sales figures (monthly sales per teller )

(¥ millions)	2H '02	1H '03	increase
Actual sales amount of stock funds and personal annuities	23	 47	+104%

### Outlook

Anticipating the expansion of special counters to 65 in 2H 2003 to achieve

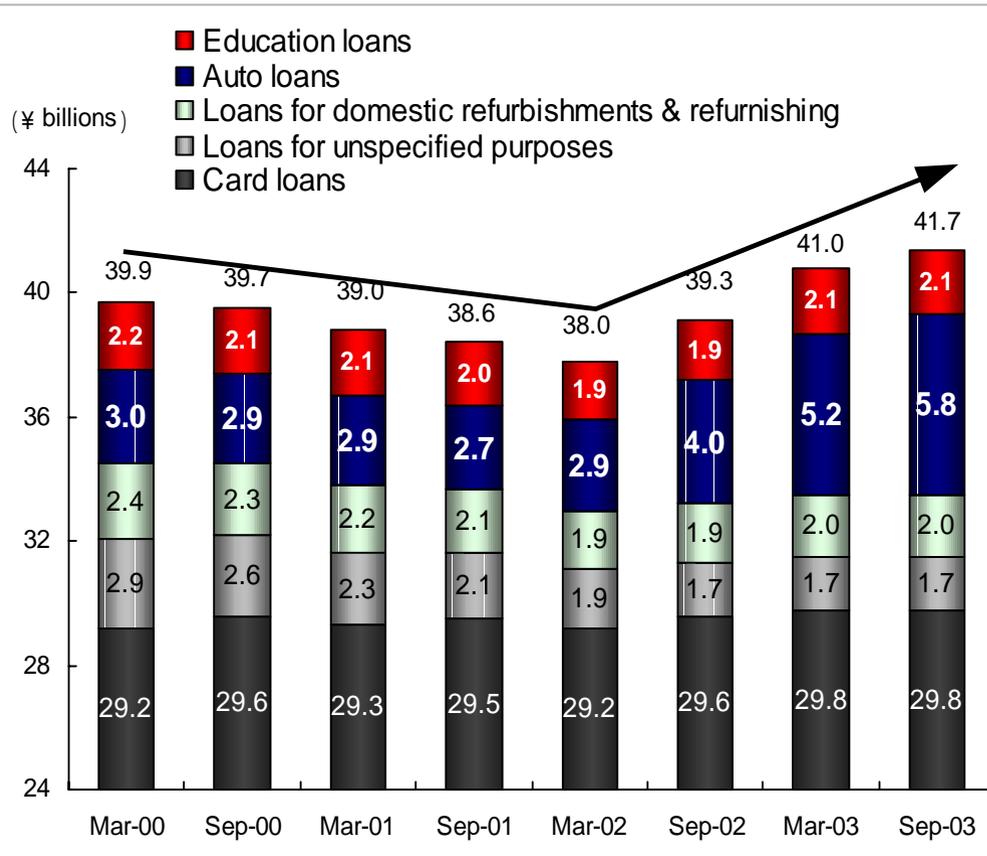


OTC sales % by amount  
 31% (2H02) 40% (1H03)

# Further Enhancement of Consumer Banking Business (5)

## Non-Collateral Consumer Loans

Balance of Non-Collateral Consumer Loans (Main types)



Note: The amount of card loans shown is the total of 'Card loans 10, 20, 50, 100, 200'

## Highly profitable "Consumer Loans"

< Return After Capital Cost >  
 Loans to SMEs 0.03%  
 vs. Consumer loans 3.17%

(from April 2002)

### ■ Increasing Auto loans

- New scoring model brought in
- Broadened purpose
- Shifting the sales channels to fax and internet

(90% of the applications are from non face-to-face channels)

### ■ Expanding partnerships in education loans

- Approaching 20 colleges in Chiba

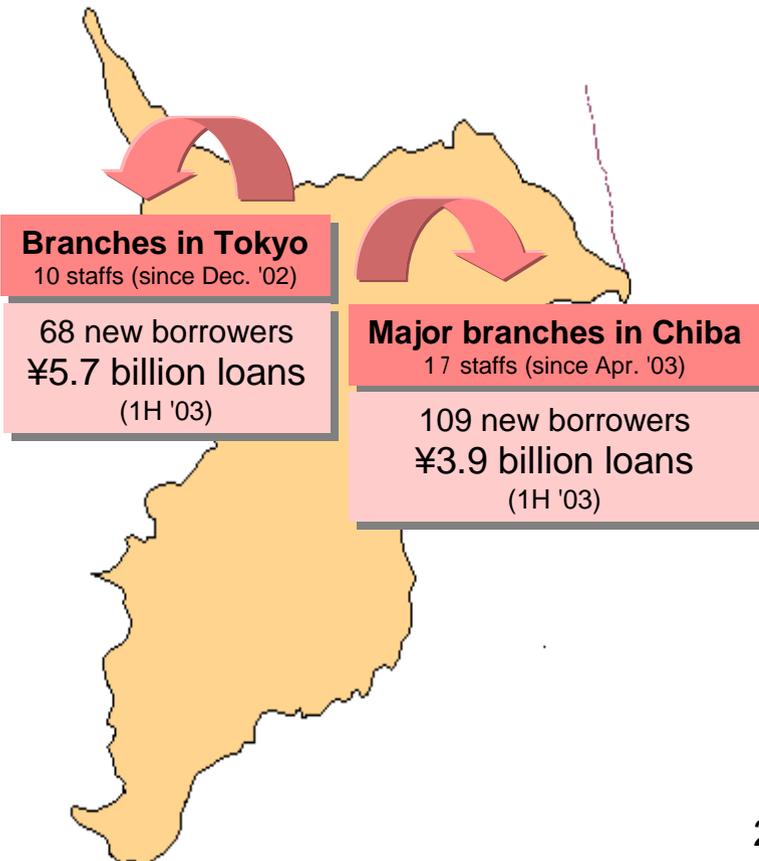
### ■ Exercising one-to-one marketing

- Utilizing all channels under the concept of CRM (DM/ATM/internet, etc.)

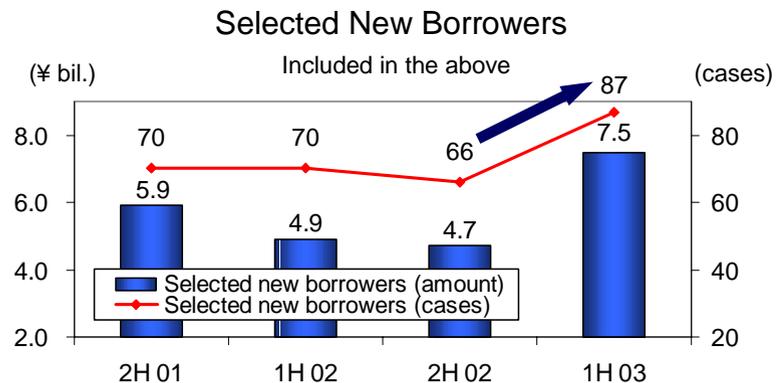
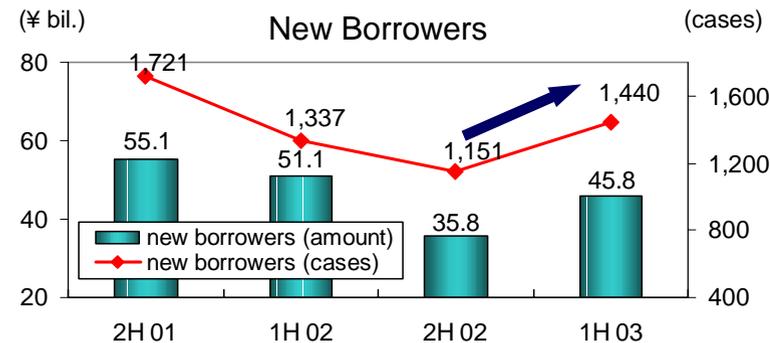
# Reorganizing Corporate Banking Business (1)

## Developing business with Selected New Borrowers

### Achievements of staffs specializing in new borrowers



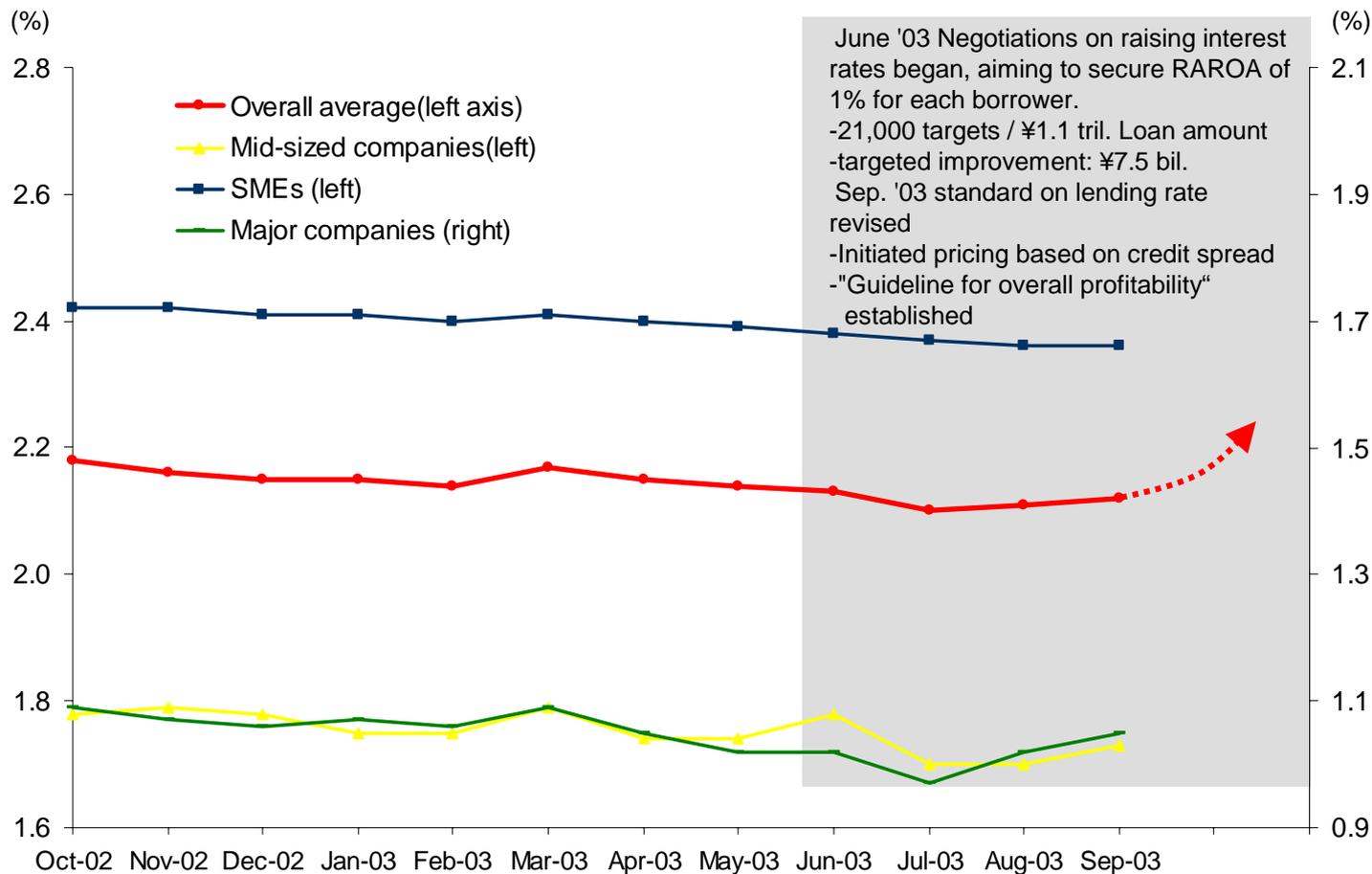
### New Corporate Borrowers are increasing



# Reorganizing Corporate Banking Business (2)

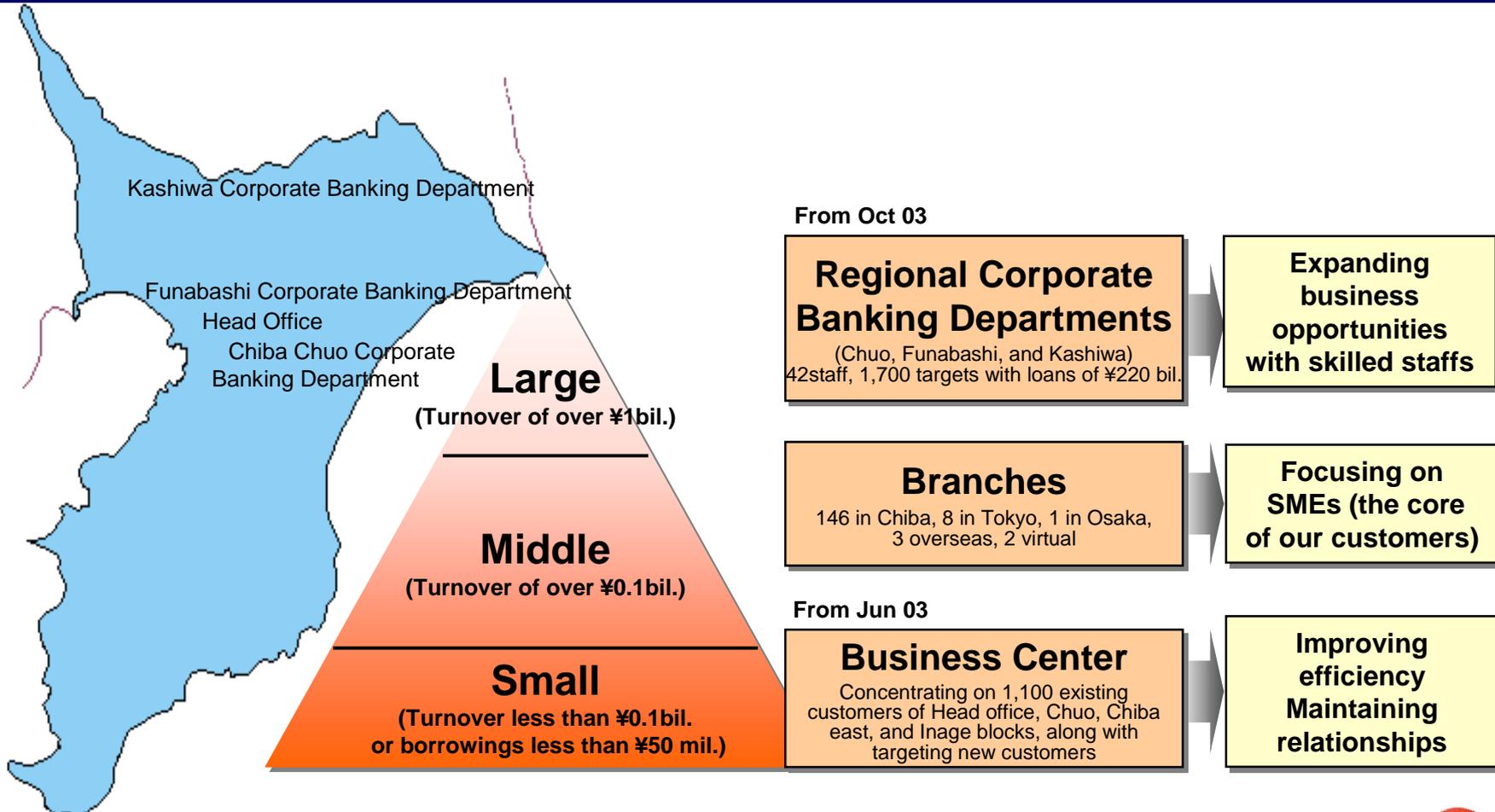
## Efforts on Repricing Activities

Average contract rate by the size of borrowers (month end base)



# Reorganizing Corporate Banking Business (3)

## Fine-tuning our customer relation channels

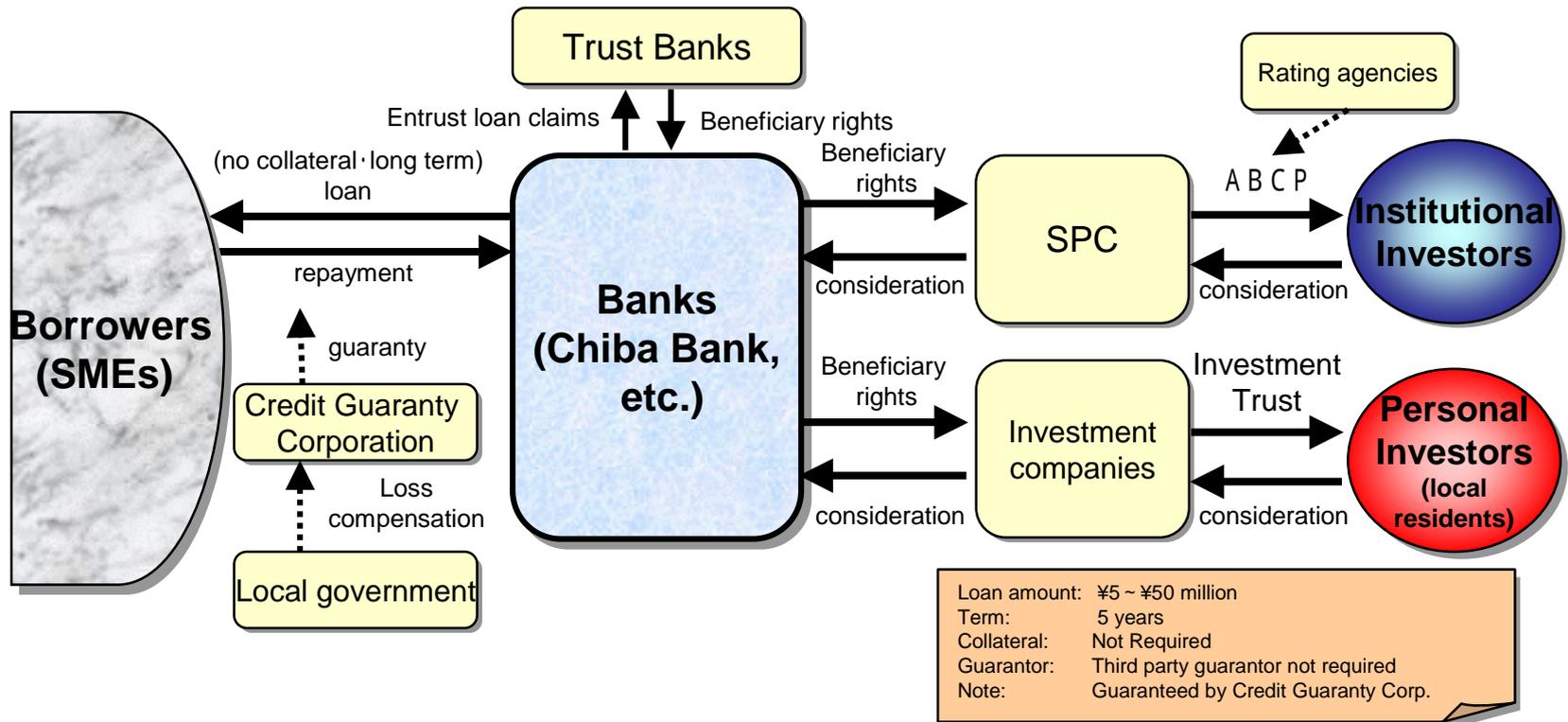


# Reorganizing Corporate Banking Business (4)

## Arranging of "Chiba CLO"

"First regional bank to arrange CLOs single-handedly"

"CLOs will be sold to personal investors as an Investment Trust"



# Effort on Solving NPL Problems (1)

## Our fundamental principle on NPL problems

External conditions

### Program for Financial Revival (October, 2002)

Normalize the NPL problems by FY 2004, by reducing major banks' NPL ratio to about half.

### Action Program concerning enhancement of Relationship Banking Functions (March, 2003)

NPL problem shall be solved through various measures and efforts to revitalize SMEs and activate regional economies, with setting a two year "Intensive Improvement Period" regarding regional finance up to the end of FY 2004.

### Fundamental standpoint

Fully recognize the financial conditions, management, and business potential of the customers based on established relationships.

Seek to upgrade the classification of borrowers by supporting management and applying an appropriate credit risk spread.

Even in cases where revitalization becomes doubtful, we will maintain negotiations for sufficient accountability. Disposals will be conducted in a fully acceptable manner.

### Specific measures

#### Strongly supporting company revitalization

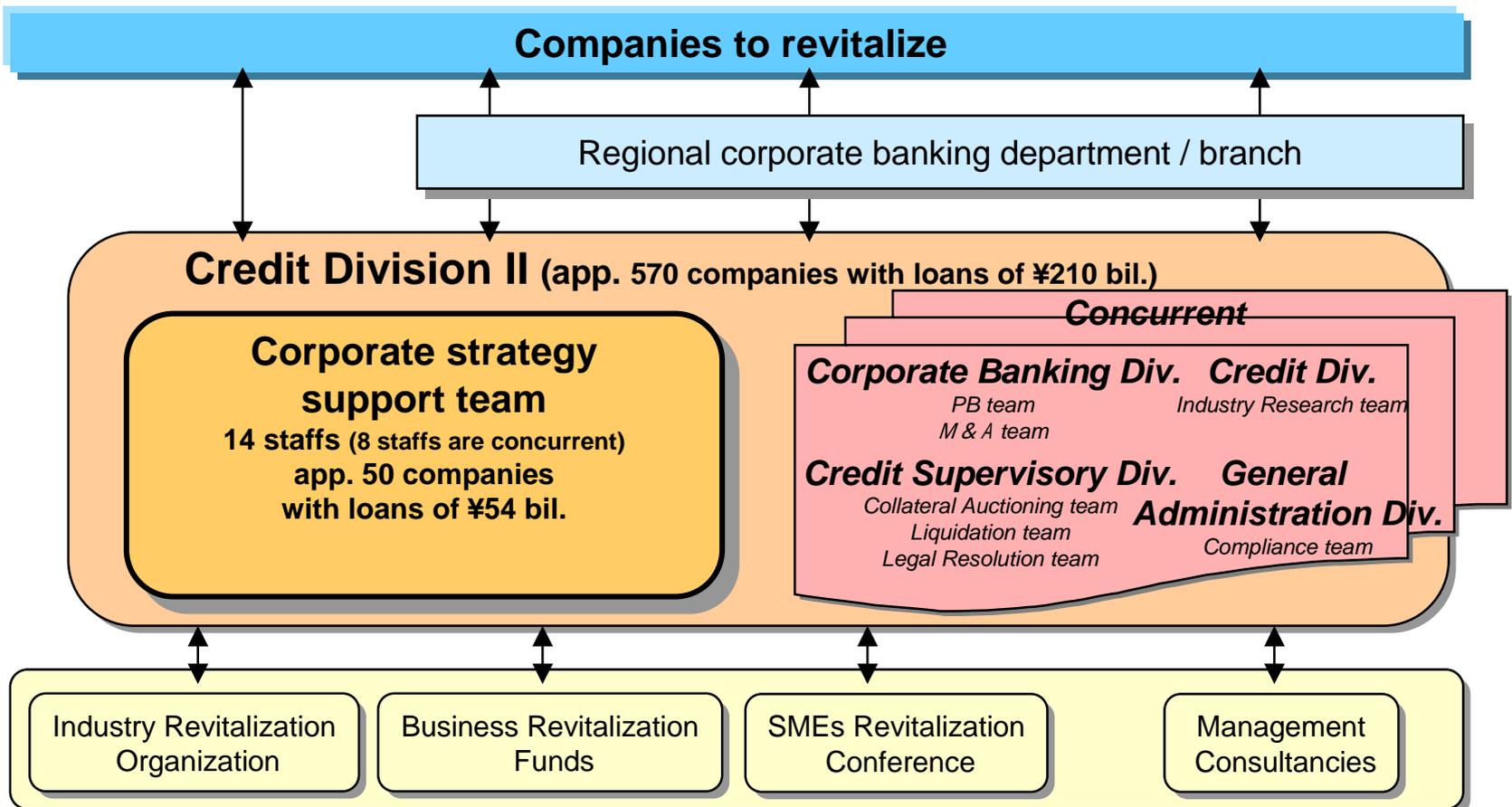
- Set up "Corporate Strategy Support Team" in Credit Division II (Oct. 2003)  
Staff increased (16 → 30)
- Arranged company revitalization support staff in the "Regional Corporate Banking Department" (Oct. 2003)

#### Enhancing disposal of NPLs

- In October 2003, staff specializing in NPL disposals in Credit Supervisory Division were increased from 6 to 19, to let them negotiate with bankrupt and substantially bankrupt borrowers directly. (Transfer from branches finished)

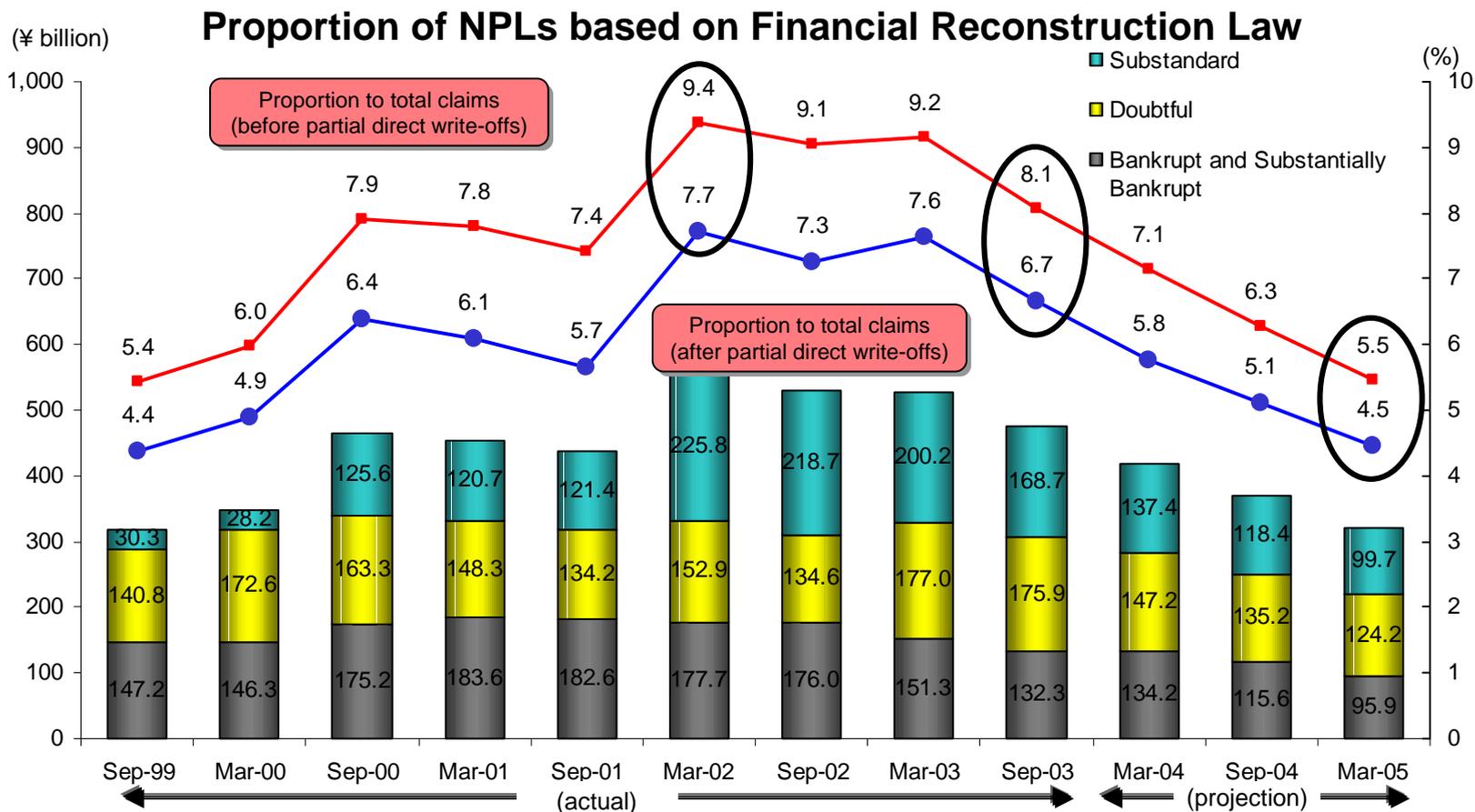
## Effort on Solving NPL Problems (2)

### Structure for revitalizing companies



# Effort on Solving NPL Problems (3)

**NPL ratio below 5% in next 2 years**



# Enhancing Relationship Banking

## Developments in the "Plan for enhancing functions of Relationship Banking"

- Progress is being made according to the planned schedule towards being **"the Bank valued and trusted as the core provider of Relationship Banking in the region"**, by the end of the "Intensive Improvement Period" in March 2005.
- **Measures aimed at the revitalization of SME financing have all been either initiated or are about to be initiated.**  
To achieve a clear outcome in just two years, we are making every effort to strengthen relationships with customers in the region and motivate employees, while monitoring progress closely.
- Measures to ensure soundness and improve profitability are progressing through the stabilization of the financial base and control of earnings. We will continue the stabilization of our financial condition and reorganization measures to achieve the status as core provider of Relationship Banking in the region.

Some of our actions are outlined on the FSA's website as distinctive cases. (90 cases from 626 institutions are noted)

- Analyzing the framework whereby SMEs can utilize the intellectual property of local universities, tying up with National Universities' head offices for intellectual rights.
- Arranging regional CLOs' along with the local government.

# *Appendix*

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## Economic Conditions in Chiba Prefecture

	Population	Livable land area	Balance of Savings	Number of new housing starts	Prefectural Income
<b>Chiba</b>	<b>6.00 million</b> (ranked 6th nationwide)	<b>3,450km<sup>2</sup></b> (ranked 6th nationwide)	<b>¥30 trillion</b> (ranked 7th nationwide)	<b>54,000</b> (ranked 6th nationwide)	<b>¥18 trillion</b> (ranked 6th nationwide)
Number one nationwide	Tokyo 12.22 million	Hokkaido 26,753km <sup>2</sup>	Tokyo 102 trillion	Tokyo 175,000	Tokyo 52 trillion
Number two nationwide	Osaka 8.82 million	Niigata 4,563km <sup>2</sup>	Osaka 56 trillion	Kanagawa 98,000	Osaka 29 trillion
Number three nationwide	Kanagawa 8.63 million	Fukushima 4,127km <sup>2</sup>	Kanagawa 46 trillion	Osaka 87,000	Kanagawa 27 trillion

Source:

Population: Ministry of Public Management, Home Affairs, Posts and Telecommunications, Statistic Bureau

Balance of Savings: The Central Council for Financial Services Information

Number of new housing starts: Ministry of Land, Infrastructure and Transport

Prefectural Income: Economic and Social Research Institute, Cabinet Office

# Economic Indicators for Chiba Prefecture (1)

## Economic Indicators for Chiba Prefecture

P: prompt report base

	Trade Customs Clearance (Chiba Port and Kisaraze Port)		Business Bankruptcies (Companies whose head office is in Chiba and whose total debt is over ¥10 million)		Labour Market			General Employment Index (No. of employees: 30 or more)		Actual Wage Index (No. of employees: 30 or more)	
	Export	Import	No. of	¥million	Active job	Active job	Ratio of active	All industries	Manufacturing	All industries	Manufacturing
	¥million		bankruptcies		applicants	offers	openings	2000 = 100			
1993	622,112	1,553,547	399	116,163	57,633	38,024	0.67	100.6	100.5	108.3	107.1
1994	568,268	1,546,548	396	82,841	67,262	33,842	0.50	100.3	97.5	107.3	110.2
1995	610,724	1,687,993	518	135,077	72,018	34,526	0.48	100.0	100.0	100.0	100.0
1996	685,129	2,096,700	428	174,619	74,856	41,034	0.55	110.1	128.4	99.4	94.9
1997	884,134	2,220,297	495	142,376	77,654	42,511	0.55	108.6	123.4	102.8	92.7
1998	1,059,085	1,680,481	638	322,846	90,871	38,912	0.43	105.8	117.4	103.5	95.1
1999	920,266	1,649,288	453	145,319	98,679	37,207	0.38	102.8	108.2	101.6	95.7
2000	901,210	2,121,206	560	889,791	97,444	46,475	0.48	100.0	100.0	100.0	100.0
2001	874,106	2,157,092	574	247,651	97,106	52,738	0.54	96.8	96.7	99.2	100.1
2002	1,125,808	2,163,284	606	350,456	104,905	49,037	0.47	93.7	92.5	103.4	98.7
2002/09	93,331	171,875	50	15,161	105,992	51,655	0.49	92.4	90.5	82.9	79.8
2002/10	118,050	192,167	67	18,070	108,684	53,625	0.48	92.3	89.9	82.6	81.3
2002/11	102,301	204,141	54	8,811	102,362	52,315	0.49	91.5	89.7	84.3	81.7
2002/12	90,772	222,813	46	19,804	93,535	48,462	0.49	92.3	89.4	199.4	193.9
2003/01	78,798	207,719	50	8,153	93,870	50,718	0.52	91.9	89.5	92.3	91.7
2003/02	87,221	210,750	47	11,611	94,136	52,732	0.52	91.8	91.9	81.7	80.6
2003/03	94,665	223,354	58	26,417	97,983	54,139	0.53	91.5	92.0	88.2	81.1
2003/04	82,975	206,100	43	15,195	107,369	54,836	0.54	92.7	92.8	83.3	83.0
2003/05	85,373	202,592	40	7,341	107,387	52,345	0.54	92.4	92.5	83.5	86.6
2003/06	78,236	P 189,539	39	6,481	105,111	51,717	0.54	92.8	92.7	149.7	152.1
2003/07	P 83,949	P 228,365	39	15,237	104,106	53,398	0.54	93	92	117	116
2003/08	P 72,634	P 190,466	42	19,003	98,458	53,252	0.55	-	-	-	-
2003/09	-	-	33	16,037	-	-	-	-	-	-	-
Comparison to the previous month	(13.5%)	(16.6%)	(21.4%)	(15.6%)	(5.4%)	(0.3%)	-	0.6%	(1.1%)	(22.2%)	(23.7%)
Comparison to the corresponding month of the previous year	(6.7%)	12.3%	(34.0%)	5.8%	(7.8%)	9.8%	-	(0.3%)	(1.8%)	6.4%	1.4%
Source	Chiba Customs Branch		Tokyo Shoko Research, Ltd., Chiba Branch		Chiba Labour Bureau			Statistics Div., Policy Dept. of Chiba Pref.			

\*Figures for the latest month are compared. Note: Figures for Active job applicants and Active job offers are the average for each month.

For more information, please visit the homepage of Chibagin Research Institute (<http://www.crinet.co.jp>).

# Economic Indicators for Chiba Prefecture (2)

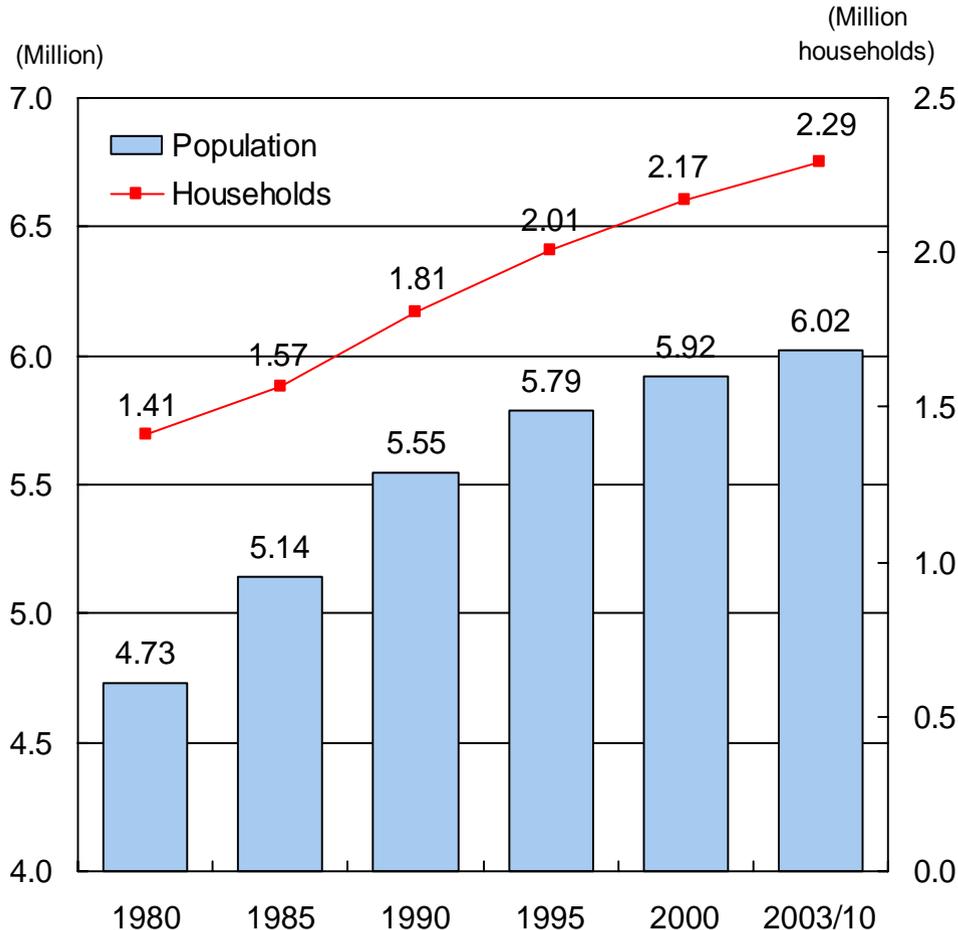
## Economic Indicators for Chiba Prefecture

	Population	Indices of Industrial Production			Power Consumption		Consumer Price Index 2000 = 100	New Car Registrations (Total)	Building Starts	
	Total As of Oct. 1 (yearly)	Production	Shipment	Producers' Inventory ratio	Total				Building Total Area	New Housing Starts
					1995 = 100					
						Large scale				
1993	5,748,919	94.0	91.5	122.1	29,362	11,062	99.3	225,454	10,618	84,326
1994	5,789,275	96.6	96.7	103.6	31,745	11,620	99.9	223,369	10,916	87,278
1995	* 5,797,782	100.0	100.0	100.0	32,664	12,073	100.0	233,604	9,636	71,729
1996	5,826,019	104.8	106.0	99.2	33,081	11,986	98.9	242,480	10,426	73,805
1997	5,855,963	110.0	112.6	93.8	33,929	11,338	100.5	232,780	9,985	66,649
1998	5,888,880	104.8	106.8	104.9	34,099	11,591	101.1	195,718	9,211	61,187
1999	5,919,031	101.7	103.5	98.3	34,492	11,355	100.6	179,771	8,527	58,257
2000	* 5,926,349	104.6	103.9	93.8	35,240	11,588	100.0	189,134	8,668	59,652
2001	5,963,514	100.8	102.5	102.7	35,345	11,532	99.1	186,705	8,594	58,456
2002	6,001,020	98.7	98.5	98.0	35,290	11,408	-	184,512	8,148	57,669
2002/09	5,998,135	101.3	100.4	95.8	3,148	968	98.0	18,338	676	4,333
2002/10	6,001,020	98.7	98.8	95.7	2,822	998	97.8	14,428	740	5,293
2002/11	6,004,296	95.1	95.6	98.4	2,888	955	97.7	15,659	582	4,320
2002/12	6,005,351	98.7	95.8	101.7	2,905	967	97.7	14,044	579	4,612
2003/01	6,006,185	101.2	97.4	99.6	3,350	933	97.6	13,450	715	3,900
2003/02	6,005,836	99.2	97.8	96.0	3,115	930	97.2	17,616	562	3,715
2003/03	6,002,704	97.0	93.3	101.7	2,994	1,002	97.5	26,110	485	3,737
2003/04	5,999,461	95.1	91.5	103.5	2,942	996	97.7	12,191	630	4,738
2003/05	6,015,106	99.4	96.0	100.1	2,865	1,057	98.0	14,671	510	4,116
2003/06	6,017,865	97.2	95.2	101.6	2,796	1,051	97.6	16,905	566	4,421
2003/07	6,020,313	97	96.0	99.2	2,924	994	97.4	18,596	620	4,529
2003/08	6,021,872	-	-	-	3,119	996	-	12,739	643	4,317
2003/09	6,025,698	-	-	-	-	-	-	21,702	-	-
Comparison to the corresponding month of the previous year	0.5%	(3.6%)	(5.8%)	6.9%	(12.2%)	(0.2%)	(1.0%)	18.3%	(22.1%)	(28.2%)
Source	Statistics Div., Policy Dept. of Chiba Pref.				Tokyo Electric Power Company, Chiba Branch		Statistics Div., Policy Dept. of Chiba Pref.	Chiba Toyota Motor Corporation	Ministry of Land, Infrastructure and Transport / Building Control Div. of Chiba Pref.	

\*Source: Census of the population FY 2000.

# Population of Chiba Prefecture (1)

Trends in Population and Number of Households in Chiba Prefecture

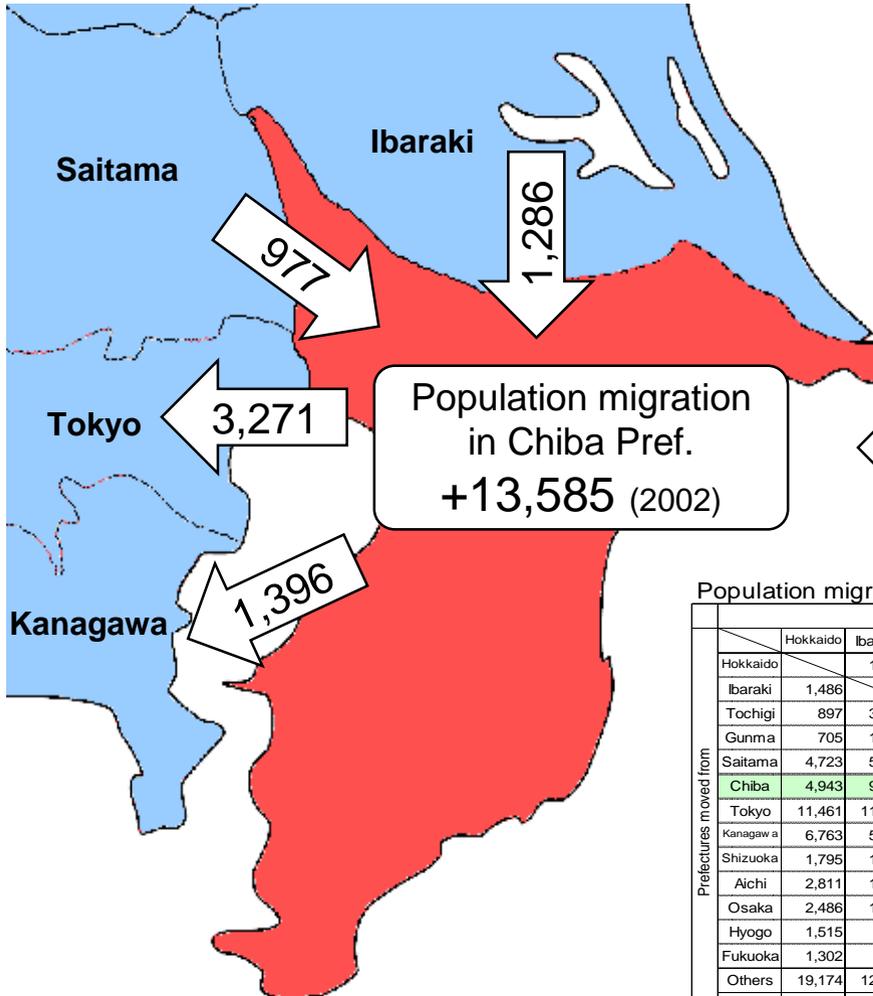


Source: Census of the population (For 2003/10, Chiba Pref. Monthly Population Survey)  
Appendix-5

Leading Prefectures in terms of Population Increase (from 1995 to 2002)

	Prefecture	Increase (Thousand)
1	Tokyo	445
2	Kanagawa	379
3	Aichi	255
4	Saitama	242
5	Chiba	196
6	Hyogo	176
7	Fukuoka	110
8	Shiga	72
9	Okinawa	66
10	Shizuoka	48
Nationwide		1,865

# Population of Chiba Prefecture (2)



Though there is a movement of people going back to live in the central area of Tokyo, the population of Chiba Prefecture increased 13,585 in 2002 as people from other prefectures moved in.

- Osaka: +2,819
- Hyogo: +1,094
- Hokkaido: +969
- Fukuoka: +690

Population migration among the major prefectures

		Prefectures moved to														
		Hokkaido	Ibaraki	Tochigi	Gunma	Saitama	Chiba	Tokyo	Kanagawa	Shizuoka	Aichi	Osaka	Hyogo	Fukuoka	Others	Total
Prefectures moved from	Hokkaido		1,678	898	790	5,483	5,912	15,083	8,710	1,827	3,299	2,524	1,365	1,500	19,764	68,833
	Ibaraki	1,486		3,778	1,071	6,297	10,981	14,433	6,150	1,064	1,193	1,174	735	744	11,212	60,318
	Tochigi	897	3,531		3,146	5,839	2,963	8,130	4,019	773	716	652	456	405	7,923	39,450
	Gunma	705	1,019	2,821		6,846	2,080	7,258	3,461	647	645	524	340	342	6,659	33,347
	Saitama	4,723	5,833	5,371	6,530		16,252	66,688	17,478	4,051	4,336	4,489	2,864	3,335	32,808	174,758
	Chiba	4,943	9,695	2,487	1,965	15,275		54,077	19,929	3,333	4,824	5,398	3,609	3,733	30,702	159,970
	Tokyo	11,461	11,109	6,578	5,937	63,219	50,806		80,945	10,993	11,379	12,787	7,812	9,180	87,466	369,672
	Kanagawa	6,763	5,696	3,736	2,889	15,045	18,533	83,568		10,457	7,800	7,390	5,274	5,511	51,767	224,429
	Shizuoka	1,795	1,071	780	530	3,800	3,882	13,423	11,911		10,066	2,248	1,422	1,197	16,567	68,692
	Aichi	2,811	1,100	649	640	4,520	5,368	14,748	9,250	9,489		7,751	4,016	3,423	52,170	115,935
	Osaka	2,486	1,239	695	513	5,651	8,217	19,227	11,478	2,472	8,582		38,034	6,507	89,767	194,868
	Hyogo	1,515	756	392	366	3,172	4,703	11,490	7,313	1,347	4,508	31,702		3,258	40,638	111,160
	Fukuoka	1,302	914	350	302	3,668	4,423	12,379	6,915	1,296	4,049	6,999	3,343		66,092	112,032
	Others	19,174	12,218	8,759	7,269	39,382	39,435	122,443	65,946	18,093	60,286	90,797	42,458	76,898		603,158
	Total	60,061	55,859	37,294	31,948	178,197	173,555	442,947	253,505	65,842	121,683	174,435	111,728	116,033	513,535	

Source: Chiba Bank (based on materials made by Ministry of Public Management, Home Affairs, Posts and Telecommunications)

## Management Indicators

(¥ Billion)

	FY 98	FY 99 Interim	FY 99	FY 00 Interim	FY 00	FY 01 Interim	FY 01	FY 02 Interim	FY 02	FY 03 Interim
Net business income (before transfer to general reserve for possible loan losses)	59.8	29.7	62.7	32.5	70.5	34.5	67.8	36.8	71.5	33.5
Net business income ROA <sup>*1</sup>	0.74%	0.81%	0.86%	0.83%	0.86%	0.85%	0.84%	0.85%	0.85%	0.82%
Net business income ROE <sup>*1</sup>	19.22%	19.65%	20.41%	18.81%	18.56%	18.95%	20.29%	20.45%	21.43%	19.17%
OHR	58.79%	57.01%	55.62%	54.87%	53.48%	53.03%	53.80%	52.09%	52.43%	52.62%
Capital ratio (BIS guidelines) <sup>*2</sup>	9.08%	9.48%	9.53%	10.22%	10.45%	10.18%	10.06%	10.39%	10.24%	10.52%
Tier I ratio <sup>*2</sup>	5.78%	6.10%	6.24%	6.34%	6.99%	7.05%	6.35%	6.63%	6.45%	6.71%

\*1 Core business income basis

\*2 Non-consolidated base

## Interest Yields

### Domestic Operations

	FY 98	FY 99 Interim	FY 99	FY 00 Interim	FY 00	FY 01 Interim	FY 01	FY 02 Interim	FY 02	FY 03 Interim
Average yield on interest earning assets	2.32%	2.30%	2.29%	2.11%	2.11%	1.95%	1.91%	1.79%	1.77%	1.70%
Average yield on loans and bills discounted	2.47%	2.45%	2.45%	2.38%	2.40%	2.30%	2.24%	2.12%	2.09%	2.02%
Average yield on loans and bills discounted (excluding loans to MOF)	-	-	-	-	2.41%	2.35%	2.31%	2.22%	2.19%	2.12%
Average yield on securities	1.96%	1.98%	1.90%	1.31%	1.15%	0.89%	0.79%	0.88%	0.77%	0.66%
Average yield on interest bearing liabilities	1.69%	1.57%	1.53%	1.37%	1.34%	1.20%	1.19%	1.06%	1.07%	1.01%
Average yield on deposits and NCD	0.36%	0.26%	0.24%	0.18%	0.18%	0.11%	0.09%	0.04%	0.03%	0.02%
Expense ratio	1.31%	1.24%	1.23%	1.15%	1.15%	1.09%	1.10%	1.01%	1.03%	0.99%
Average interest rate spread	0.63%	0.73%	0.76%	0.74%	0.77%	0.75%	0.72%	0.73%	0.70%	0.69%
Difference between average yield on loans and deposits	2.11%	2.18%	2.21%	2.20%	2.22%	2.19%	2.15%	2.08%	2.06%	2.00%
Difference between average yield on loans and deposits (excluding loans to MOF)	-	-	-	-	2.23%	2.24%	2.22%	2.18%	2.16%	2.10%

### Contract rate by type of borrowers

	FY 98	FY 99 Interim	FY 99	FY 00 Interim	FY 00	FY 01 Interim	FY 01	FY 02 Interim	FY 02	FY 03 Interim
Major companies	1.56%	1.44%	1.40%	1.50%	1.43%	1.28%	1.17%	1.13%	1.09%	1.04%
Mid-sized companies	2.05%	2.06%	2.05%	2.01%	2.03%	1.92%	1.93%	1.85%	1.79%	1.72%
Small and medium-sized companies	2.56%	2.55%	2.53%	2.57%	2.56%	2.49%	2.46%	2.43%	2.41%	2.35%
Consumer loans	3.07%	3.00%	2.92%	2.85%	2.85%	2.75%	2.59%	2.56%	2.47%	2.37%
Public sectors	2.59%	2.47%	2.47%	2.23%	2.22%	1.39%	1.25%	1.14%	1.13%	0.94%

# Working Assets and Liabilities

Overall

( ¥ Billion)

	Average balance			Interest yield		
	FY 01	FY 02	FY 03 (est.)	FY 01	FY 02	FY 03 (est.)
Interest-bearing Assets	7,481.9	7,472.5	7,489.3	2.09%	1.85%	1.77%
Loans and bills discounted	5,749.7	5,760.5	5,791.9	2.26%	2.09%	2.01%
Securities	1,354.7	1,256.5	1,325.9	1.46%	1.29%	1.13%
Due from banks	342.6	221.4	64.1	1.59%	0.60%	0.26%
Interest-bearing Liabilities	7,360.8	7,503.6	7,752.8	0.36%	0.18%	0.14%
Deposits	6,961.0	7,171.2	7,356.0	0.20%	0.07%	0.04%
Call money	132.8	49.8	19.7	0.67%	0.55%	0.79%
Borrowed money	132.5	129.1	129.5	2.00%	2.07%	1.92%

Domestic Operations

( ¥ Billion)

	Average balance			Interest yield		
	FY 01	FY 02	FY 03 (est.)	FY 01	FY 02	FY 03 (est.)
Interest-bearing Assets	7,128.7	7,184.8	7,239.0	1.91%	1.77%	1.70%
Loans and bills discounted	5,668.0	5,697.0	5,775.4	2.24%	2.09%	2.02%
Securities	1,064.3	982.6	1,069.6	0.79%	0.77%	0.62%
Interest-bearing Liabilities	7,010.8	7,217.9	7,474.4	0.12%	0.06%	0.03%
Deposits	6,711.6	6,980.2	7,178.0	0.09%	0.03%	0.02%
Borrowed money	81.2	77.9	79.9	1.88%	2.01%	1.73%

## Domestic Loans

( ¥ Billion)

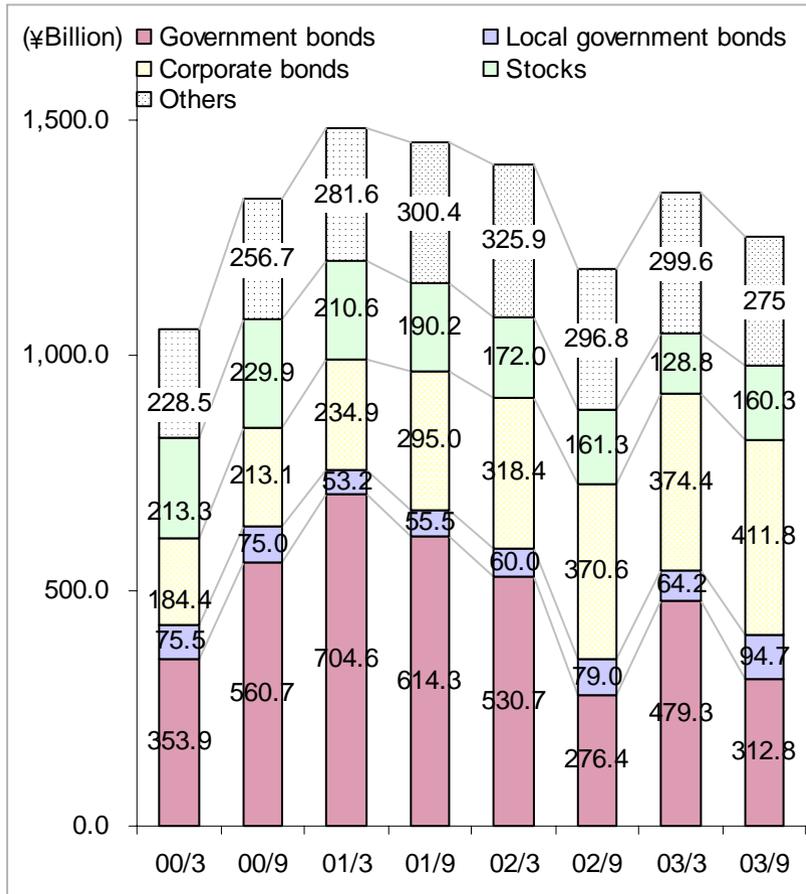
	00/3	00/9	01/3	01/9	02/3	02/9	03/3	03/9
Domestic loans	5,597.0	5,637.3	5,570.8	5,686.0	5,729.0	5,661.4	5,588.6	5,749.6
Major companies	550.0	541.0	551.2	517.8	540.6	539.9	530.2	529.7
Mid-sized companies	204.4	218.8	208.9	208.5	197.3	184.5	175.2	177.9
Small and medium-sized companies	4,490.9	4,489.8	4,441.3	4,416.9	4,365.0	4,301.9	4,269.3	4,353.3
Small and medium-sized companies	2,850.8	2,844.5	2,751.8	2,696.7	2,592.4	2,496.7	2,425.7	2,446.5
Consumer loans	1,392.7	1,430.7	1,473.5	1,504.7	1,554.3	1,587.1	1,632.9	1,699.3
Public sector	351.5	387.5	369.2	542.8	626.0	634.9	613.8	688.5

( ¥ Billion)

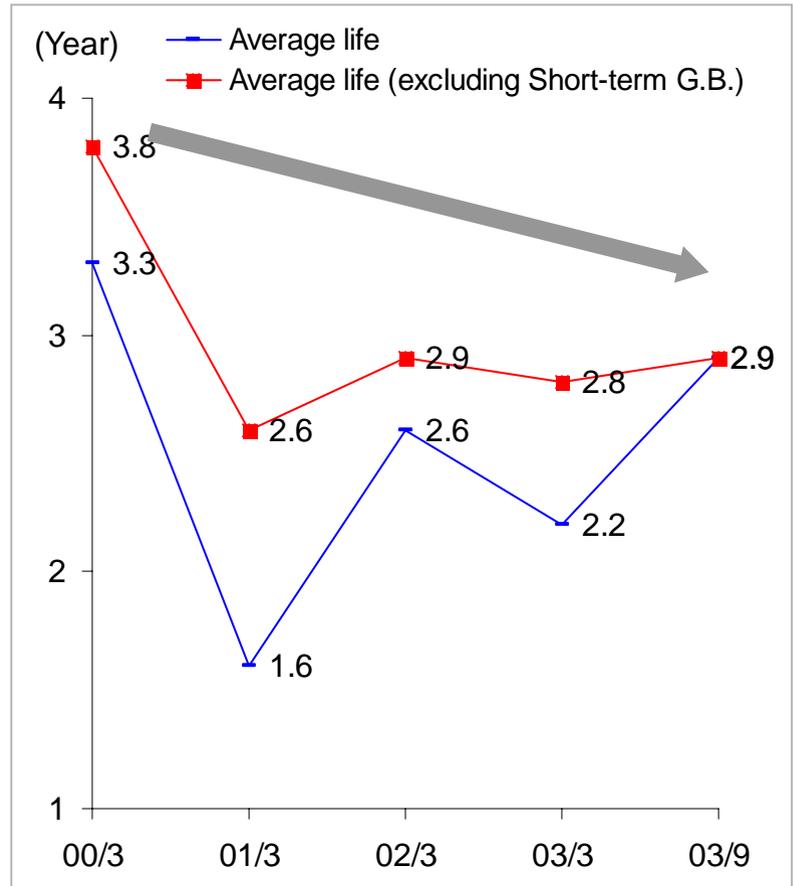
	00/3	00/9	01/3	01/9	02/3	02/9	03/3	03/9
Domestic loans	5,597.0	5,637.3	5,570.8	5,686.0	5,729.0	5,661.4	5,588.6	5,749.6
In Chiba Prefecture	4,874.8	4,875.9	4,834.3	4,775.2	4,734.7	4,682.7	4,639.8	4,695.9
Others	722.1	761.3	736.4	910.8	994.3	978.7	948.8	1,053.6

# Securities

## Securities (Term-end balance)



## Average life of Yen Bonds

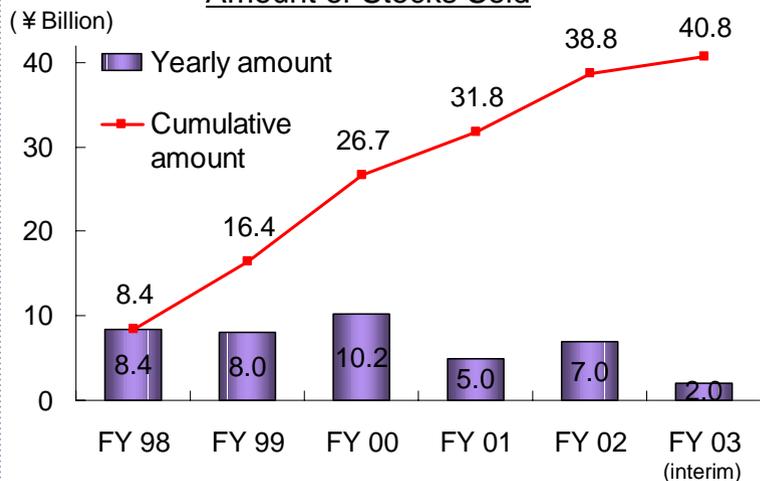


\*Balance sheet basis

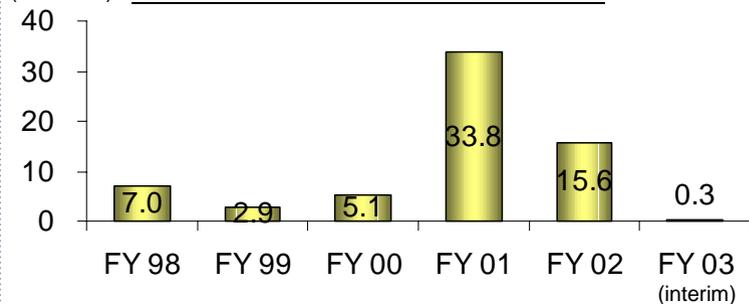
# Stock Portfolio

## Reduction of Stocks Held

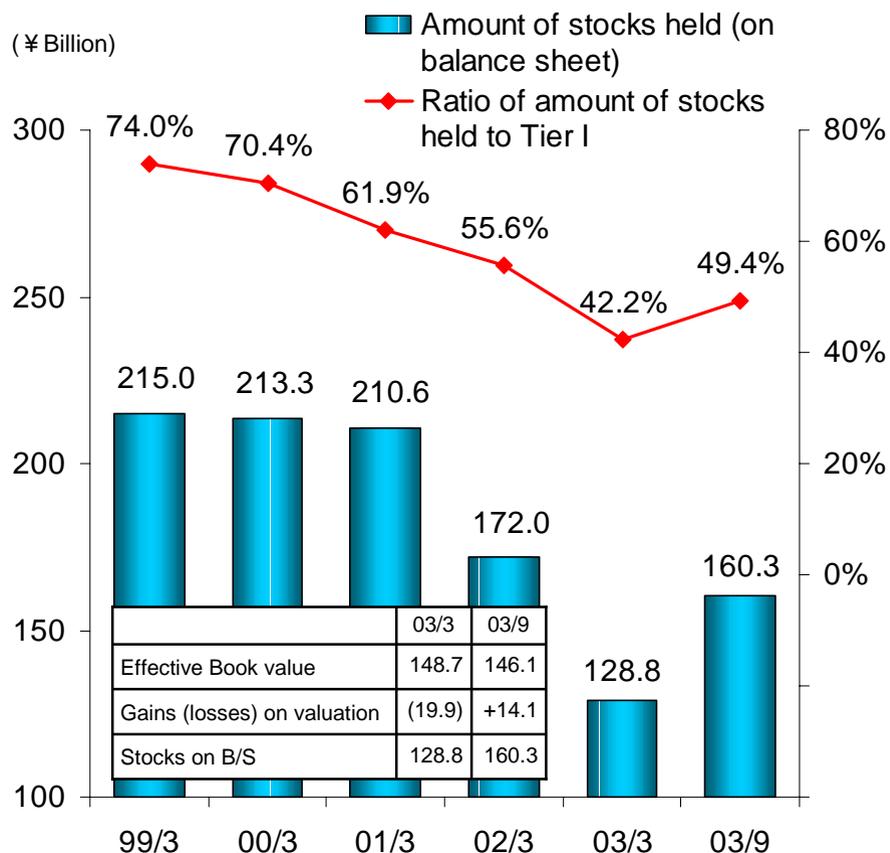
### Amount of Stocks Sold



### Devaluation Losses on Securities



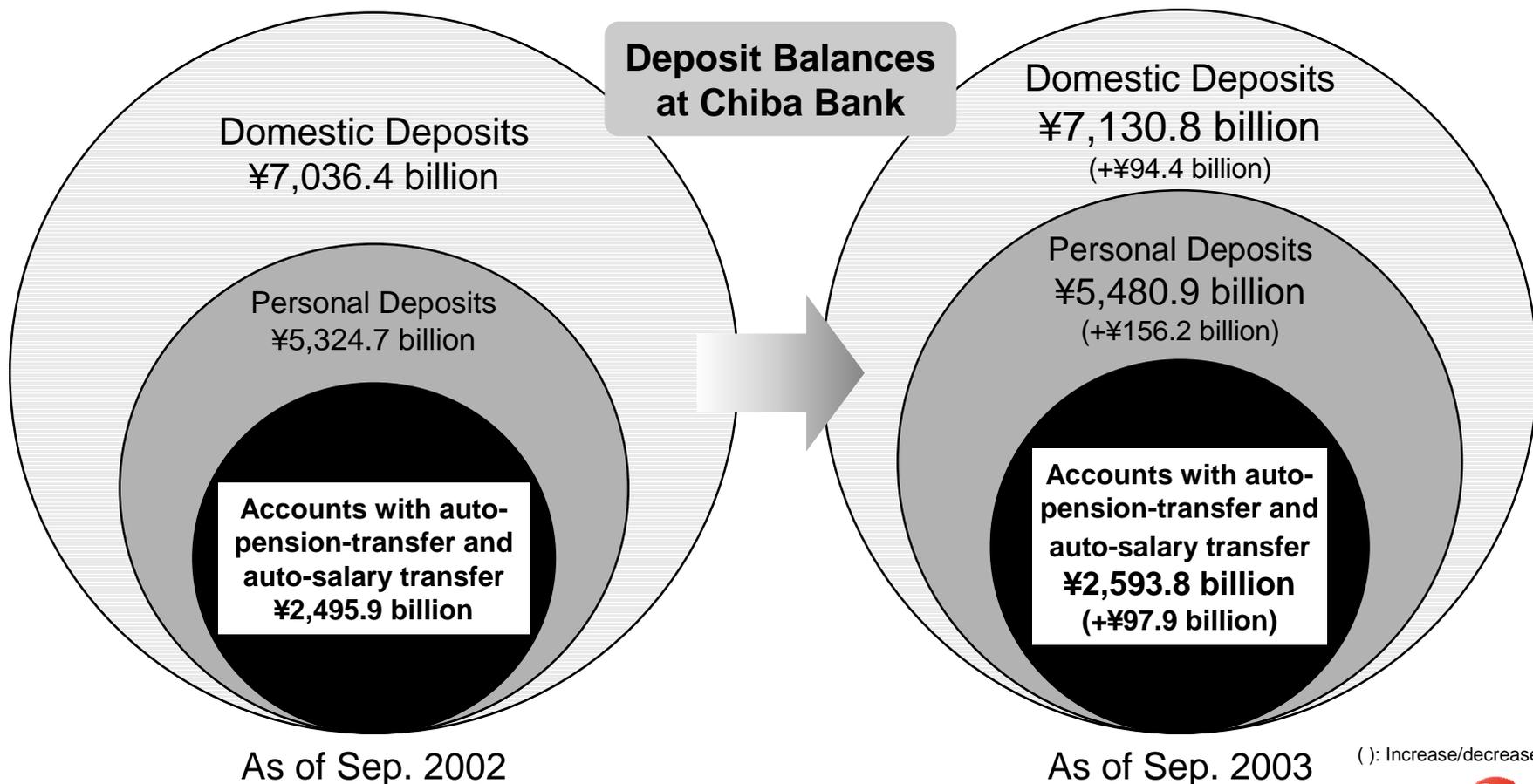
## Amount of Stocks Held and Tier I Ratio



# Domestic Deposits (1)

**Domestic deposits increased steadily thanks to the expansion of the individual customer base and the implementation of “pay-off”.**

(The number of pension payment accounts increased to 294K (as of 9/2003) from 275K (as of 9/2002) and the number of payroll receipt accounts increased to 772K (as of 9/2003) from 751K (as of 9/2002))



## Domestic Deposits (2)

(¥ Billion)

	1999/3	1999/9	2000/3	2000/9	2001/3	2001/9	2002/3	2002/9	2003/3	2003/9
Domestic deposits	6,252.4	6,425.1	6,492.1	6,554.7	6,619.5	6,788.0	7,099.6	7,036.4	7,056.2	7,130.8
Personal	4,630.5	4,713.9	4,779.6	4,855.4	4,994.1	5,155.3	5,291.1	5,324.7	5,395.3	5,480.9
Corporate	1,147.6	1,186.7	1,179.6	1,184.2	1,191.6	1,161.7	1,166.8	1,162.8	1,157.6	1,174.7
Non-profit organizations	70.6	172.7	79.5	148.3	57.3	152.5	107.6	138.9	87.5	152.7
Financial institutions	37.1	44.1	55.0	35.4	41.4	35.8	29.9	25.7	23.3	30.4
National and local government	327.9	292.8	355.3	319.8	309.3	271.5	468.7	371.9	366.7	282.9
Bank of Japan	38.5	14.8	42.9	11.2	25.7	10.9	35.3	12.1	25.4	8.9
Liquid deposits	2,587.8	2,566.0	2,845.0	2,793.4	3,023.7	3,095.9	3,932.9	3,987.5	4,093.8	4,211.4
Personal	1,651.4	1,734.1	1,843.2	1,914.2	2,031.6	2,157.6	2,526.3	2,655.1	2,787.1	2,884.1
Corporate	646.5	613.6	669.3	676.5	715.7	700.8	831.8	868.3	883.7	903.4
Non-profit organizations	25.2	74.7	32.9	60.3	23.6	75.6	86.2	118.3	67.8	132.5
Financial institutions	25.2	29.5	31.3	22.0	34.3	33.7	28.2	24.5	22.3	29.6
National and local government	200.9	99.0	225.2	109.0	192.7	117.0	424.9	308.8	307.1	252.7
Bank of Japan	38.5	14.8	42.9	11.2	25.7	10.9	35.3	12.1	25.4	8.9
Time deposits	3,642.5	3,828.4	3,602.6	3,709.7	3,553.4	3,654.8	3,118.0	2,997.5	2,917.2	2,859.7
Personal	2,970.0	2,965.2	2,918.3	2,920.6	2,943.1	2,971.2	2,720.8	2,623.1	2,570.1	2,547.3
Corporate	496.4	567.5	506.5	504.6	472.1	456.0	330.3	289.5	266.9	261.1
Non-profit organizations	45.3	97.9	46.6	88.0	33.7	76.3	21.4	20.5	19.6	20.1
Financial institutions	9.7	9.4	8.8	8.3	7.1	2.0	1.7	1.2	1.0	0.8
National and local government	120.8	188.2	122.2	187.9	97.1	149.0	43.6	63.0	59.4	30.1
Foreign currency deposits	21.9	30.6	44.3	51.5	42.3	37.2	48.6	51.3	45.0	59.6
Personal	9.1	14.5	18.0	20.6	19.2	26.3	43.9	46.3	38.0	49.4
Corporate	4.5	5.4	3.6	3.0	3.6	4.9	4.5	4.9	6.9	10.1
Non-profit organizations	0.0	0.0	0.0	0.0	0.0	0.5	0.0	0.0	0.0	0.0
Financial institutions	2.1	5.0	14.9	5.0	0.0	0.0	0.0	0.0	0.0	0.0
National and local government	6.1	5.5	7.8	22.8	19.4	5.4	0.2	0.0	0.0	0.0

(¥ Billion)

	1999/3	1999/9	2000/3	2000/9	2001/3	2001/9	2002/3	2002/9	2003/3	2003/9
Domestic deposits	6,252.4	6,425.1	6,492.1	6,554.7	6,619.5	6,788.0	7,099.6	7,036.4	7,056.2	7,130.8
in Chiba Prefecture	6,007.0	6,181.2	6,245.7	6,320.1	6,384.8	6,567.4	6,876.2	6,827.4	6,840.8	6,911.8
Others	245.3	243.9	246.4	234.6	234.7	220.6	223.3	208.9	215.3	219.0

## Investment Trusts, Foreign-Currency Deposits and Personal Annuities

(¥ Billion)

Term-end of	2000/3	2000/9	2001/3	2001/9	2002/3	2002/9	2003/3	2003/9
Investment trusts	83.9	106.8	103.5	125.5	108.3	150.1	175.2	222.3
Bond funds	80.0	100.6	93.7	113.9	86.3	72.1	53.4	40.6
Stock funds	3.9	6.3	9.8	11.6	22.0	78.0	121.8	181.6
Number of investment trusts	24,160	31,000	40,701	53,202	56,153	70,220	78,829	94,246
Bond funds	21,467	24,904	23,276	25,278	19,796	17,064	13,653	11,220
Stock funds	2,693	6,096	17,425	27,924	36,357	53,156	65,176	83,026

(¥ Billion)

Term-end of	2000/3	2000/9	2001/3	2001/9	2002/3	2002/9	2003/3	2003/9
Foreign currency deposits	44.3	51.5	42.3	37.2	48.6	51.3	45.0	59.6
Personal	18.0	20.6	19.2	26.3	43.9	46.3	38.0	49.4
Corporate	3.6	3.0	3.6	4.9	4.5	4.9	6.9	10.1
Non-profit organization	0.0	0.0	0.0	0.5	0.0	0.0	0.0	0.0
Financial institutions	14.9	5.0	0.0	0.0	0.0	0.0	0.0	0.0
National and local governments	7.8	22.8	19.4	5.4	0.2	0.0	0.0	0.0

(¥ Billion)

Term-end of	2000/3	2000/9	2001/3	2001/9	2002/3	2002/9	2003/3	2003/9
Personal annuities	-	-	-	-	-	-	49.2	92.8
Variable annuities	-	-	-	-	-	-	6.2	11.4
Fixed annuities	-	-	-	-	-	-	42.9	81.3

## Loans Disclosed Under Self-Assessment and the Financial Reconstruction Law (1)

### Self-Assessment Results (Non-consolidated)

(¥ Billion)

	99/9	00/3	00/9	01/3	01/9	02/3	02/9	03/3	03/9
Assets Requiring Caution or worse	1,635.2	1,596.7	1,524.5	1,403.1	1,311.0	1,237.9	1,159.0	1,197.7	1,255.1
Assets Requiring Caution	1,347.0	1,277.7	1,185.9	1,071.2	994.0	907.3	848.3	869.3	946.8
Potentially Bankrupt Assets	140.8	172.6	163.3	148.3	134.2	152.9	134.6	177.0	175.9
Bankrupt and Effectively Bankrupt Assets	147.2	146.3	175.2	183.6	182.6	177.7	176.0	151.3	132.3
Normal Assets*	4,218.8	4,206.4	4,341.9	4,396.0	4,586.7	4,695.9	4,685.8	4,564.0	4,657.5
Total	5,854.0	5,803.1	5,866.4	5,799.2	5,897.7	5,933.9	5,844.8	5,761.7	5,912.7

\*Including loans with no classification of obligors.

### Disclosed Claims Under the Financial Reconstruction Law

(¥ Billion)

	99/9	00/3	00/9	01/3	01/9	02/3	02/9	03/3	03/9
Disclosed Claims under the Financial Reconstruction Law	318.5	347.2	464.1	452.6	438.4	556.4	529.4	528.6	477.1
Bankrupt and Substantially Bankrupt Claims	147.2	146.3	175.2	183.6	182.6	177.7	176.0	151.3	132.3
Doubtful Claims	140.8	172.6	163.3	148.3	134.2	152.9	134.6	177.0	175.9
Substandard Claims	30.3	28.2	125.6	120.7	121.4	225.8	218.7	200.2	168.7
Normal Claims	5,535.5	5,455.9	5,402.2	5,346.5	5,459.3	5,377.4	5,315.4	5,233.1	5,435.6
Total	5,854.0	5,803.1	5,866.4	5,799.2	5,897.7	5,933.9	5,844.8	5,761.7	5,912.7
Proportion to total claims (before partial direct write-offs)	5.44%	5.98%	7.91%	7.80%	7.43%	9.37%	9.05%	9.17%	8.06%
Proportion to total claims (after partial direct write-offs)	4.38%	4.89%	6.39%	6.10%	5.66%	7.72%	7.25%	7.62%	6.66%

Note: Chiba Bank does not execute partial direct write-offs.

# Loans Disclosed Under Self-Assessment and the Financial Reconstruction Law (2)

## Self-Assessment Results and Disclosed Claims under the Financial Reconstruction Law

(¥Billion)

Self-Assessment	Classification of obligors and amounts outstanding	Bankrupt 42.2	Effectively Bankrupt 90.1	Potentially Bankrupt 175.9	Requiring Caution 946.8		*Normal 4,657.5	Total 5,912.7
	Classification by type				Substandard 229.4	Other 717.3		
	I	34.5	65.3	80.5	24.5	185.2	4,657.5	5,047.8
	II	7.6	24.7	70.8	204.8	532.1		840.2
	III	-	-	24.6				24.6
IV	-	-					-	

\* Including assets with no classification of obligors.

Disclosed Claims under the Financial Reconstruction Law	Classification of obligors and amounts outstanding	477.1	Bankrupt and Substantially Bankrupt	132.3	Doubtful Claims	175.9	Substandard	168.7	Normal	5,435.6	Total	5,912.7
	Coverage by collateral and guarantees	212.3		38.6	92.3	81.3						
	Reserves	182.1		93.7	59.0	29.3						
	Coverage ratio	82.6%		100.0%	86.0%	65.6%						

# Loans Classified by Industry (Non-consolidated)

**Domestic Operations**

( ¥ Billion)

	2002/9	2003/9	Composition
Manufacturing	471.8	460.8	8.0%
Agriculture, Forestry, Fishery and Mining	24.4	24.1	0.4%
Construction	332.1	289.4	5.0%
Electricity, Gas, Heat Supply and Water	6.3	7.0	0.1%
Transport and Communications	128.9	-	-
Information and Communications	-	25.6	0.5%
Transport	-	127.9	2.2%
Wholesale and Retail Trade, and Restaurants	682.6	-	-
Wholesale and Retail Trade	-	587.0	10.2%
Finance and Insurance	163.2	183.8	3.2%
Real Estate	1,134.7	1,143.7	19.9%
Services	492.9	-	-
Various Services	-	519.5	9.1%
Government and Local Public Sector	419.0	473.5	8.2%
Others (Mainly Consumer Loans)	1,805.1	1,906.7	33.2%
<b>Total</b>	<b>56,614</b>	<b>57,496</b>	<b>100.0%</b>

**Loans to the Construction Industry**

( ¥ Billion)

	2002/9	2003/9	Change
Major companies	63.8	50.3	21.2%
Mid-sized companies	1.7	1.3	23.5%
Small and medium-sized companies	266.5	237.7	10.8%
<b>Total</b>	<b>332.1</b>	<b>289.4</b>	<b>12.9%</b>

**Loans to the Real Estate Industry**

( ¥ Billion)

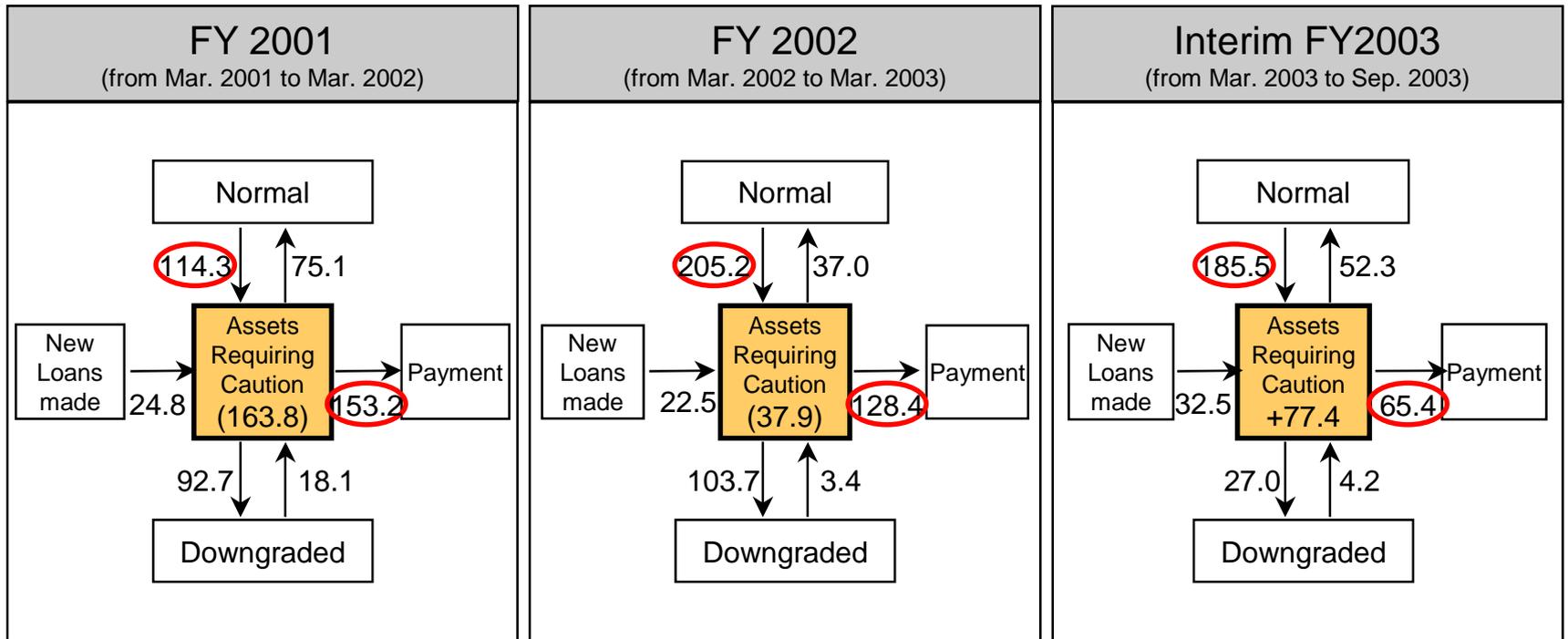
	2002/9	2003/9	Proportion
Apartments and condominium rentals	555.2	559.2	48.9%
Public corporations	211.6	212.7	18.6%
Offices and commercial rentals	176.9	173.8	15.2%
Home construction and development	84.0	92.7	8.1%
Real estate agency, rental and management	106.6	105.1	9.2%
<b>Total</b>	<b>1,134.7</b>	<b>1,143.7</b>	<b>100.0%</b>

Note: The "Japan Standard Industrial Classification" was revised by public notice No. 139 from the Ministry of Public Management, Home Affairs, Posts and Telecommunications, which was released on Mar. 7, 2002 and took effect on Oct 1, 2002. Consequently, loans and bills discounted, classified by industry regarding "domestic operations (except for JOM account)" as of Sep. 30, 2002 is based on the "Japanese Standard Industrial Classification" before its revision, and that as of Sep. 30, 2003 are based on "Japan Standard Industrial Classification" after this revision.

# Migration in Assets Requiring Caution

Analysis of yearly net change of Assets Requiring Caution  
(including Substandard loans)

(¥Billion)



# Non-performing Loans removed from the Balance Sheet

<Doubtful Claims or worse>

(¥ Billion)

	FY 01/2H	FY 02/1H	FY 02/2H	FY 03/1H
Balance at the beginning of the period	316.9	330.6	310.6	328.3
Decrease	73.4	72.9	62.5	53.2
Disposal by borrowers' liquidation	4.1	0.0	0.6	11.5
Disposal by reconstruction	22.1	0.3	2.3	0.0
Loan sales to secondary market	11.2	16.0	20.2	10.2
Write-offs	0.0	0.4	5.0	0.0
Collection/repayment	23.2	36.5	29.6	27.0
Improvement in debtors' performance	12.6	19.4	4.7	4.3
Increase (newly occurred)	87.1	52.9	80.3	33.2
Bankrupt and Substantially Bankrupt Claims	22.0	17.7	11.8	8.9
Doubtful Claims	65.0	35.1	68.4	24.2
Balance at the end of the period	330.6	310.6	328.3	308.3

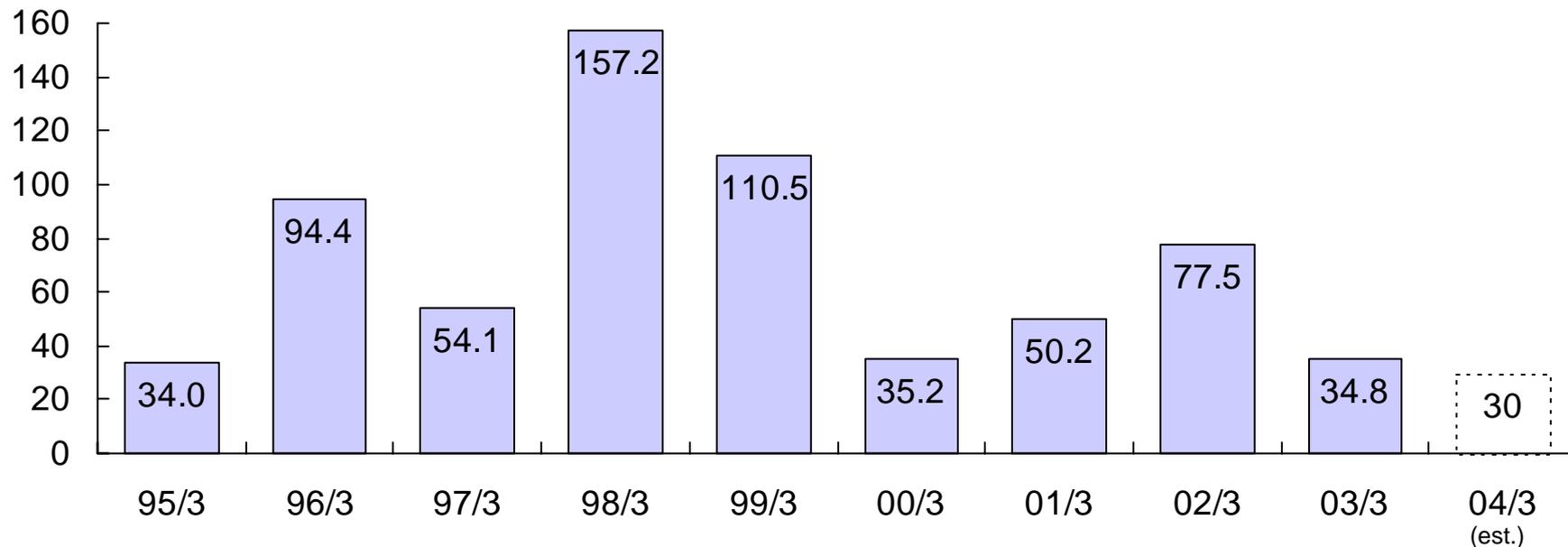
Note: Bankrupt and Substantially Bankrupt Claims and Doubtful Claims only.

# Credit Costs

## Change in Credit Costs

(Disposal of NPLs + Net transfer to general reserve for possible loan losses)

( ¥ Billion)

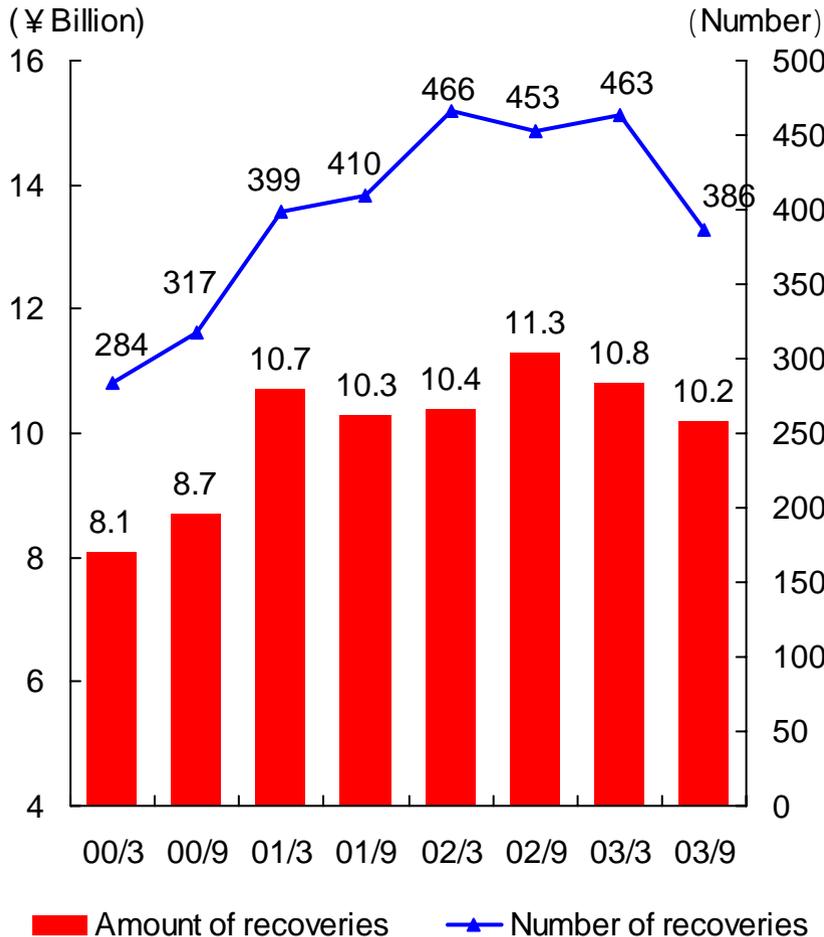


( ¥ Billion)

	95/3	96/3	97/3	98/3	99/3	00/3	01/3	02/3	03/3	04/3 (est.)
Disposal of non-performing loans	34.30	93.98	54.46	157.25	84.56	38.64	59.13	57.17	41.19	28.00
Net transfer to general reserve for possible loan losses	(0.21)	0.47	(0.29)	(0.03)	26.00	(3.37)	(8.88)	20.33	(6.31)	2.00
Total	34.08	94.45	54.17	157.22	110.56	35.27	50.25	77.50	34.88	30.00

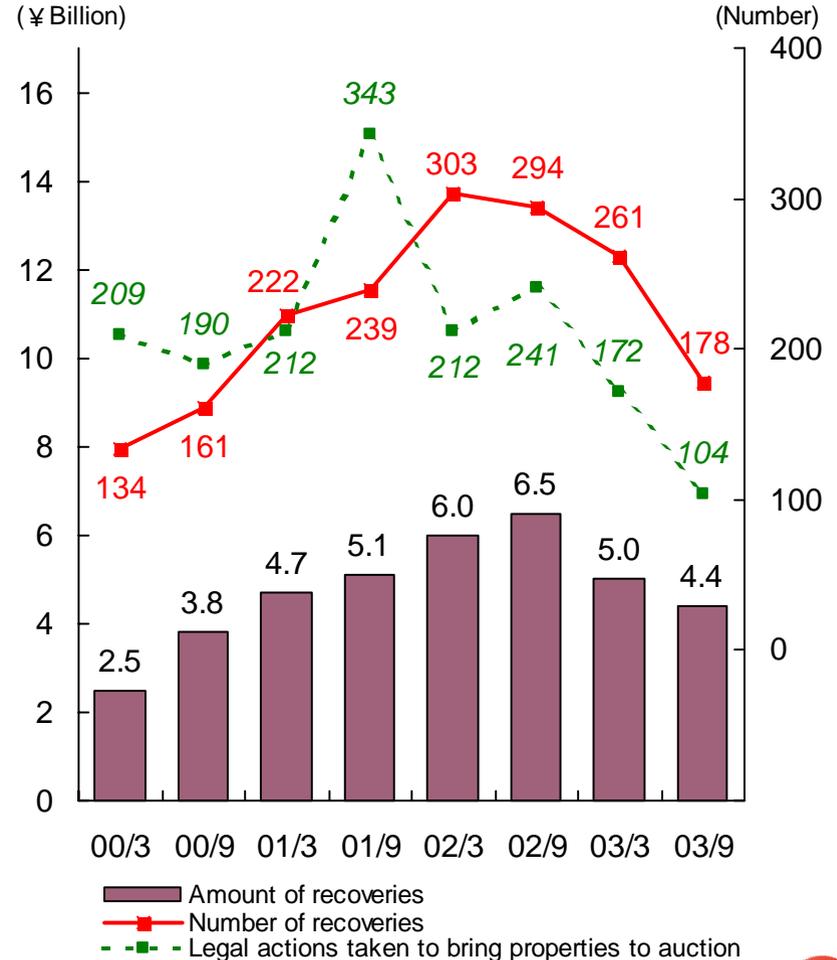
# Disposal of Collateral

## Recoveries through Sale



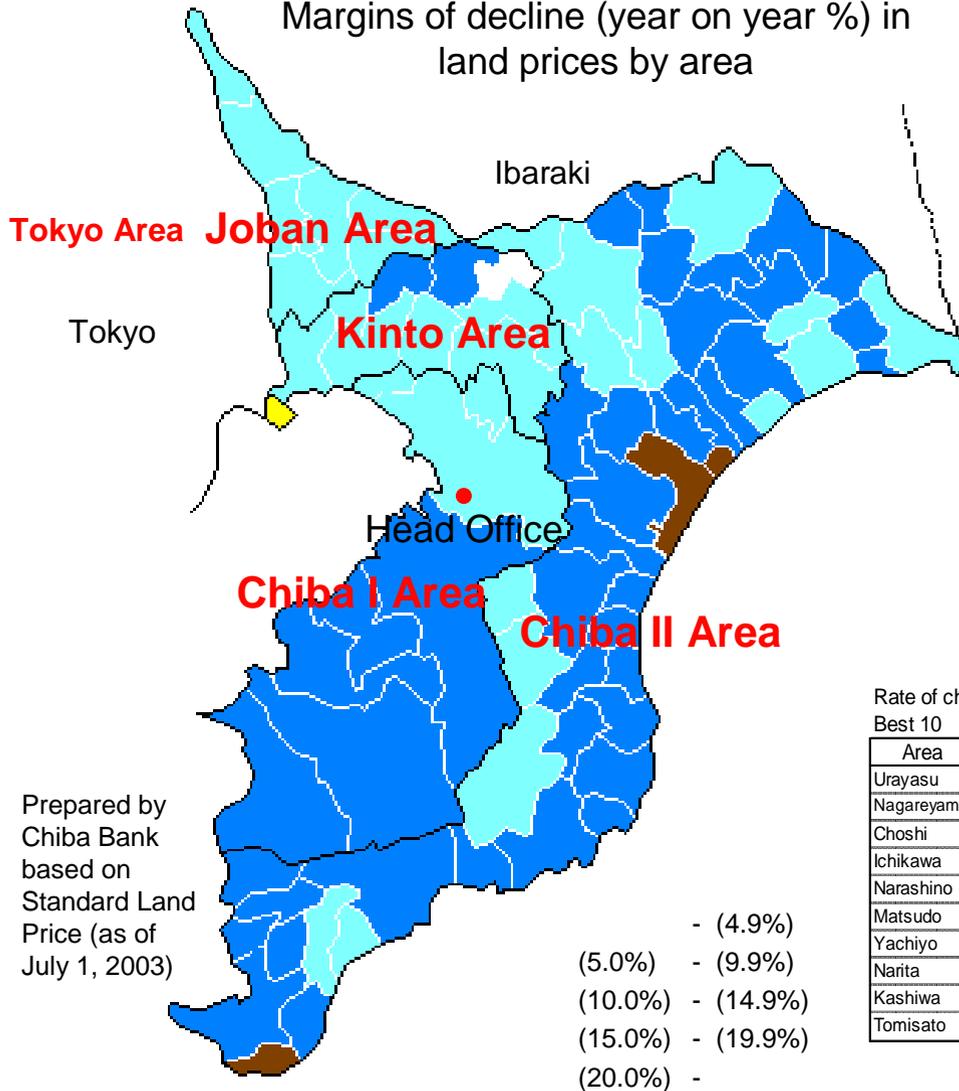
(included in the left-hand chart)

## Recoveries through Auctions

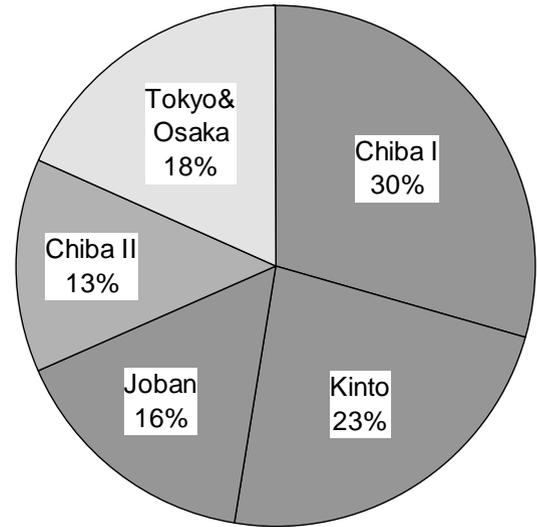


# Land Price Trends in Chiba Prefecture (1)

Margins of decline (year on year %) in land prices by area



Loans classified by Area  
(As of Sep. 2003)

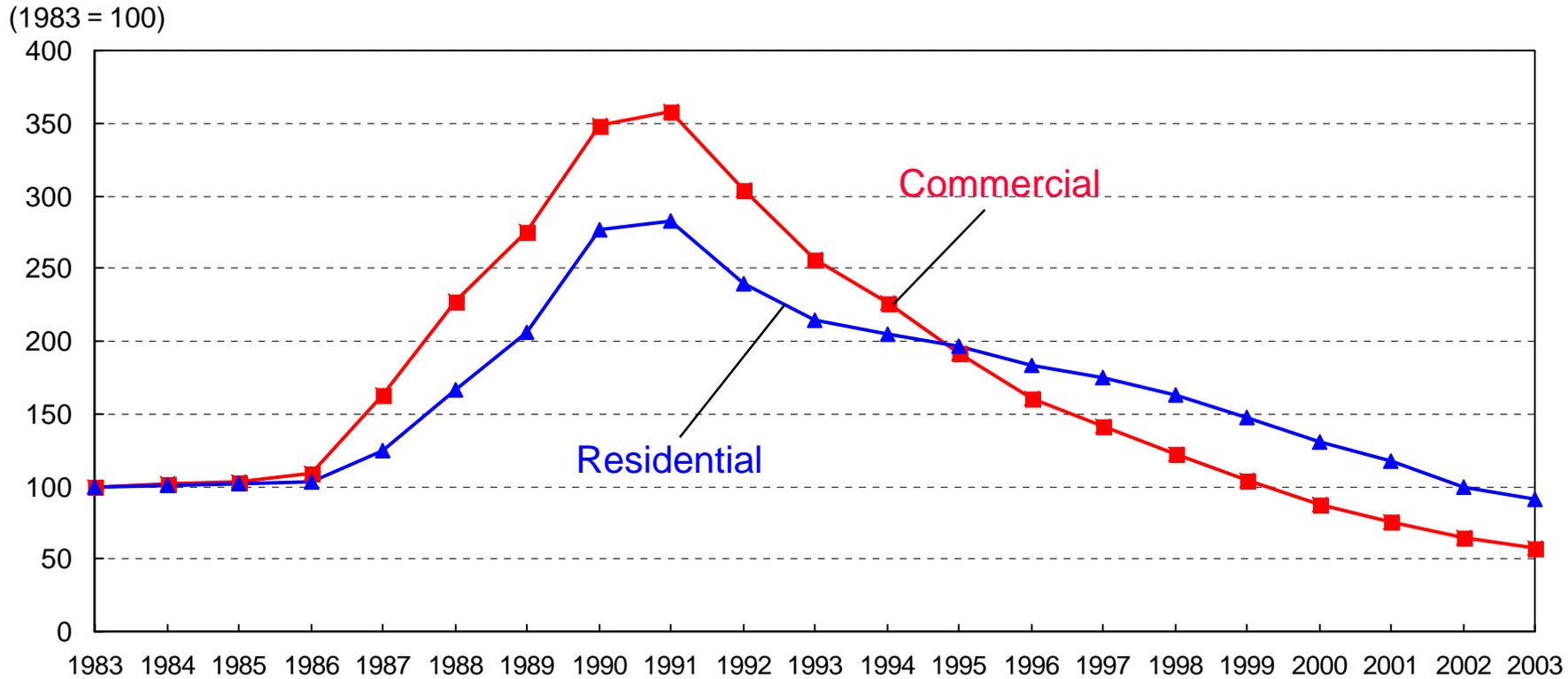


Prepared by Chiba Bank based on Standard Land Price (as of July 1, 2003)

Rate of change in Standard Land Prices by are

Best 10				Worst 10			
Area	Residential	Commercial	All uses	Area	Residential	Commercial	All uses
Urayasu	(0.2%)	(7.7%)	(2.3%)	Kujukuri	(17.7%)	(18.0%)	(17.6%)
Nagareyama	(5.1%)	(6.2%)	(5.5%)	Nagara	(17.3%)		(17.3%)
Choshi	(5.2%)	(12.0%)	(7.2%)	Naruto	(16.9%)	(13.8%)	(15.7%)
Ichikawa	(5.3%)	(7.3%)	(6.4%)	Shirahama	(16.8%)		(16.8%)
Narashino	(5.7%)	(7.3%)	(5.9%)	Chounan	(16.3%)	(19.6%)	(16.9%)
Matsudo	(5.7%)	(5.5%)	(5.8%)	Hasunuma	(15.5%)	(19.8%)	(16.6%)
Yachiyo	(5.9%)	(10.5%)	(6.7%)	Togane	(14.9%)	(16.1%)	(14.8%)
Narita	(5.9%)	(11.5%)	(7.9%)	Mutsusawa	(14.9%)		(14.9%)
Kashiwa	(6.0%)	(4.1%)	(6.1%)	Ilioka	(14.8%)	(12.0%)	(14.3%)
Tomisato	(6.8%)	(10.4%)	(8.7%)	Matsuo	(14.8%)	(10.9%)	(14.0%)

# Land Price Trends in Chiba Prefecture (2)

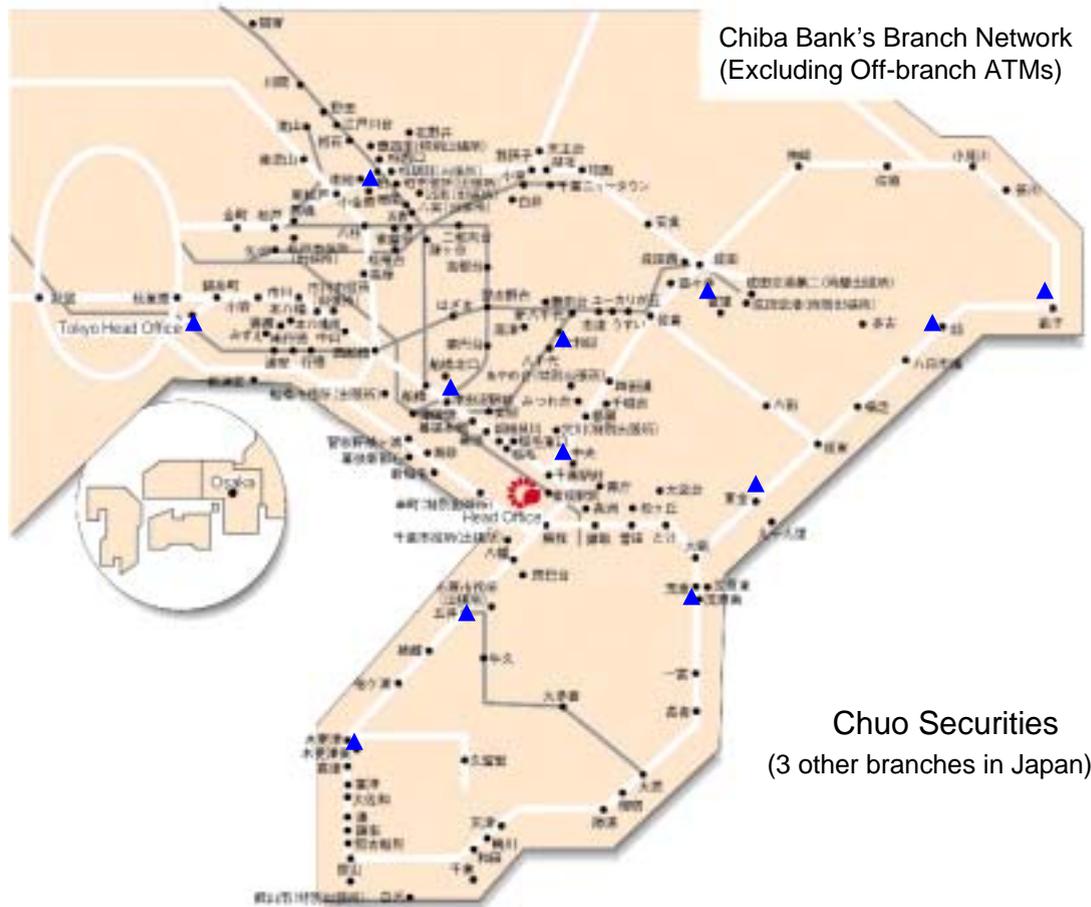


Rate of Change in Standard Land Price in Chiba Prefecture

	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Residential	2.9	1.3	0.6	1.1	21.2	33.0	24.2	34.5	1.9	(15.2)	(10.7)	(4.3)	(4.0)	(7.5)	(4.4)	(6.8)	(10.2)	(10.8)	(10.3)	(10.4)	(9.5)
Commercial	2.0	1.5	1.9	5.5	48.9	40.3	20.8	26.9	2.3	(14.9)	(15.8)	(11.9)	(14.8)	(17.4)	(12.7)	(12.9)	(15.3)	(15.5)	(14.6)	(13.4)	(11.8)
All uses	2.7	1.3	0.8	1.7	23.3	34.0	23.9	34.0	2.2	(14.7)	(11.1)	(5.2)	(5.3)	(8.5)	(5.5)	(7.5)	(10.8)	(11.6)	(11.1)	(11.1)	(10.2)

# Branch Network

## Chiba Bank's Branch Network(Domestic)



Number of Branches of leading banks  
(As of Sep. 30, 2003)

Name of bank	Number of branches	Increase/decrease compared with 2001/9
Chiba Bank	*148	(3)
Chiba Kogyo Bank	70	-
Keiyo Bank	114	(2)
M T F G	18	(3)
U F J Holdings	10	(4)
Mizuho Holdings	36	(1)
SMFG	24	(10)
Resona Holdings	15	-

\*Including 2 virtual branches

# Composition of Stockholders

Number of Shares (in thousands)

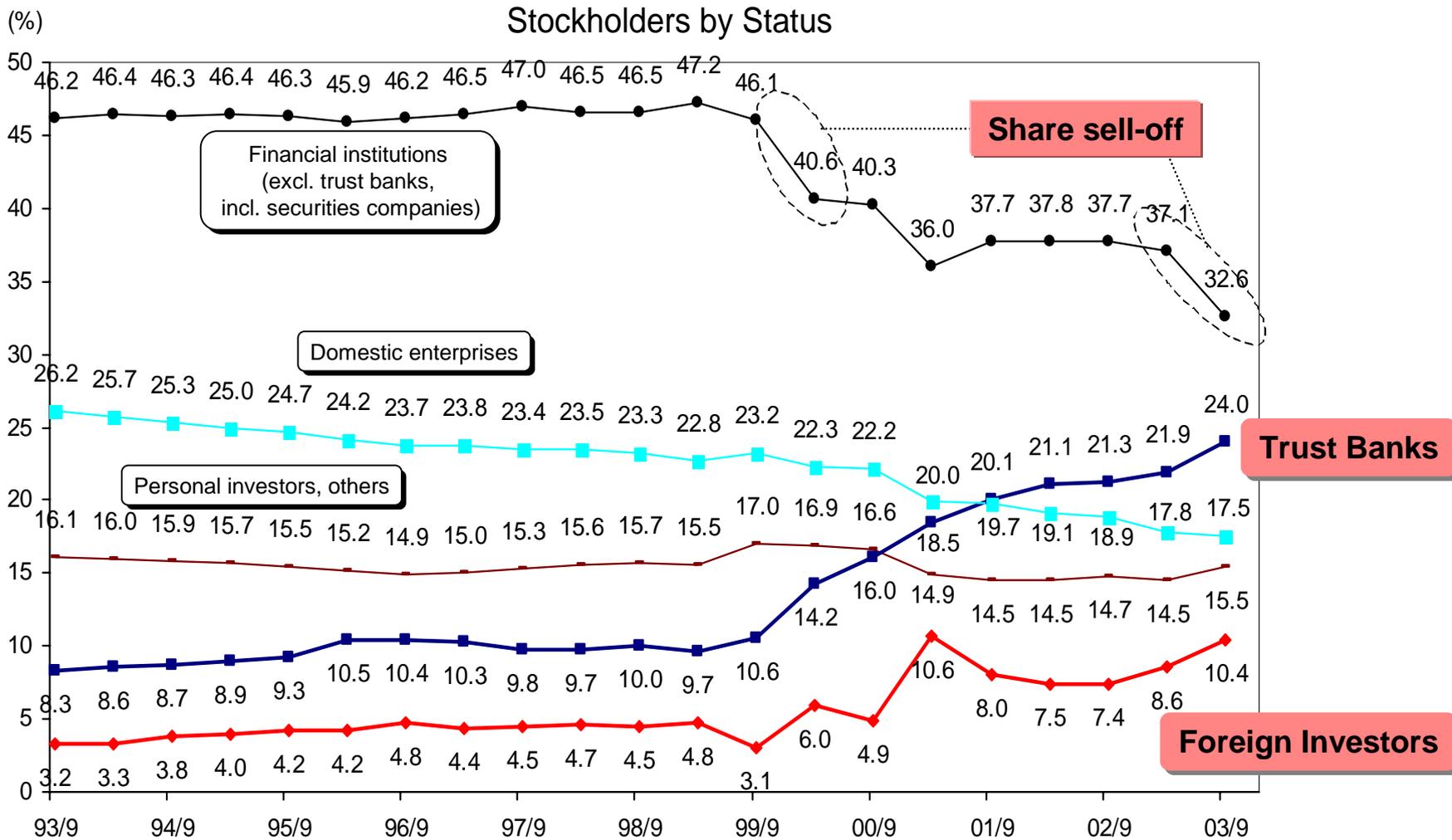
	2002/3/31		2003/3/31		2003/9/30	
	No. of Shares	Proportion	No. of Shares	Proportion	No. of Shares	Proportion
National and local government	16	0.00%	24	0.00%	16	0.00%
Financial institutions	479,694	57.22%	480,778	57.32%	462,826	55.18%
including stocks held by trust and pension accounts	192,223	22.92%	198,566	23.67%	215,923	25.74%
Securities companies	14,533	1.74%	14,234	1.70%	11,590	1.38%
Other companies	159,872	19.07%	149,173	17.79%	146,862	17.51%
Foreign investors	62,476	7.45%	72,182	8.61%	87,445	10.43%
Individuals and others*	121,757	14.52%	122,306	14.58%	130,030	15.50%
<b>Total</b>	<b>838,348</b>	<b>100.00%</b>	<b>838,697</b>	<b>100.00%</b>	<b>838,769</b>	<b>100.00%</b>

\*Individuals and others include treasury stocks and stocks at Japan Securities Depository Center, Inc..

## Principal Shareholders

2002/3/31		2003/3/31		2003/9/30	
No. of Shares*	No. of Shares*	No. of Shares*	No. of Shares*	No. of Shares*	No. of Shares*
The Bank of Tokyo-Mitsubishi, Ltd.	38,893	The Master Trust Bank of Japan, Ltd. (Trust Account)	39,166	Japan Trustee Services Bank, Ltd. (Trust Account)	50,450
UFJ Bank, Limited	38,893	The Bank of Tokyo-Mitsubishi, Ltd.	38,893	The Bank of Tokyo-Mitsubishi, Ltd.	38,893
Nippon Life Insurance Company	30,670	UFJ Bank, Limited	38,893	The Master Trust Bank of Japan, Ltd. (Trust Account)	37,833
UFJ Trust Bank Limited (Trust Account A)	30,015	Japan Trustee Services Bank, Ltd. (Trust Account)	37,847	Nippon Life Insurance Company	29,691
Japan Trustee Services Bank, Ltd. (Trust Account)	29,259	Nippon Life Insurance Company	29,691	NIPPONKOA Insurance company	28,905
NIPPONKOA Insurance company	28,905	NIPPONKOA Insurance company	28,905	The Dai-ichi Mutual Life Insurance Company	25,678
Mitsubishi Trust and Banking Co., Ltd. (Trust Account)	28,107	The Dai-ichi Mutual Life Insurance Company	25,678	Sumitomo Life Insurance Company	21,294
The Dai-ichi Mutual Life Insurance Company	25,678	Sumitomo Life Insurance Company	21,294	Meiji Life Insurance Company	18,079
Sumitomo Life Insurance Company	21,294	Meiji Life Insurance Company	19,079	J.P. Morgan Trust Bank Ltd. (Tax-free Account)	17,165
Meiji Life Insurance Company	19,079	UFJ Trust Bank Limited (Trust Account A)	18,780	Chiba Bank Employees' Shareholding Association	15,863

# Changes in Composition of Stockholders



# Recent News

2002 Apr. 1	Merger of Chibagin Guarantee Co., Ltd. and Chibagin Factor Co., Ltd. New profit management system activated
May 23	Announced Financial Results for FY 2001
Jun. 27	The 96th General Meeting of Shareholders Revision of headquarters (Treasury Div., International Div. Treasury Div, Treasury Operation Div.)
Nov. 22	Announced Interim Financial Results for FY 2002
Dec. 13	Closed Funabashi Lalaport Sub-branch
2003 Jan. 23	Established Project Team (PT) with regard to the New Medium-Term Management Plan
Feb. ~ Mar.	Investor Meetings in overseas
Mar. 31	60th Anniversary of establishment (3/7 “Nanohana Venture Competition 2003”, 3/16 “Planting trees on Kinada Mountain”)
Apr. 1	Launch of a New Medium-Term Management Plan “100 Weeks of Innovation and Speed” Introduced Executive Officer system, adoption of new personnel system, revision of headquarters (establishment of Credit Planning Div., Direct Channel Div.)
Apr. 18	Closed Kobayashi Sub-branch (more closings followed: 5/16 Okitsu Sub-branch, 6/6 Kiyomidai Sub-branch, 7/11 Ohdonoi Sub-branch)
May 22	Announced Financial Results for FY 2002
Jun. 27	The 97th General Meeting of Shareholders (2 External auditors elected, etc.)
Jul. 11	Dissolution of Chibagin Loan Business Support Co. resolved
Jul. 16 ~	Sell-off of shares (37 mil. shares)
Oct. 1	Regional Corporate Banking Department, Corporate Strategy Support Team (within Credit Div. ) established Chiba Chuo Loan Plaza, Loan Centers are established in Matsudo, Tsudanuma, Urayasu, and Ichihara area
Oct. 30	Issued ¥10 bil. of callable subordinated bonds series 1

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