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Overseas Branches

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3rd Floor, Atlas House, 1 King Street, London EC2V 8AU, U.K.

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Overseas Representative Offices

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Overseas Subsidiaries

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**Chiba Capital Funding
(Cayman)Ltd.**

Ugland House, P.O. Box 309,
George Town, Grand Cayman,
Cayman Islands, British West
Indies

Number of Domestic Offices :

159(As of September 30, 2000)



**INTERIM
REPORT**

SEPTEMBER 30, 2000



Interim Review of Operations

Deposits

Chiba Bank made vigorous efforts to win new customers for salary and pension accounts in an effort to increase the total deposit, focusing on individual deposits. As a result, deposits as of September 30, 2000, had risen ¥48,505 million from the previous term-end, to ¥6,712,620 million.

Loans and Bills Discounted

As a regional financial institution, Chiba Bank developed its loan operations in close touch with the regional community, actively responding to the borrowing needs of its customers with well-thought-out loan products, such as housing loans. As a result, total loans and bills discounted as of the end of the interim term stood at ¥5,687,456 million, up ¥35,792 million from the previous term-end.

Securities

At the end of the interim term, Chiba Bank's securities holdings stood at ¥1,335,313 million, an increase of ¥281,162 million from the previous term-end.

Total Assets

Total assets as of September 30, 2000, amounted to ¥7,835,002 million, up ¥95,457 million from the end of the previous term.

Income Analysis

Chiba Bank made progress in the reduction of business expenses by streamlining operations in all areas of management, as well as increasing interest rate spreads through efficient fund procurement and management. As a result, total income came to ¥122,153 million, and total expenses came to ¥109,708 million with income before income taxes therefore amounting to ¥12,445 million for the interim term. Net income for the interim term was ¥7,677 million, giving ¥9.91 in net income per share.

Medium-Term Management Plan

Since October 1999, when Chiba Bank launched ACT 2003, its current medium-term management plan running for three-and-a-half years until March 2003. Chiba Bank has been implementing a variety of business improvement measures.

Under the plan, Chiba Bank is pursuing the basic goal of transforming itself into "the highest-quality comprehensive financial services group in the region" in a bid to win the overwhelming trust and support of its customers. To this end, we must address the following three issues: 1) the earliest-possible achievement of a solid financial standing to win the unqualified trust of our customers; 2) reinforcement and expansion of our customer base to strengthen our long-standing ties with customers; and 3) adoption of an innovative management style to achieve highly transparent management based on the discipline of the market and the principle of accountability. All of us at Chiba Bank are now working as united one to achieve the goals of ACT 2003.

To increase our credibility and win even stronger customer support as the leading bank of our region, we will further strengthen the cohesion of the Chiba Bank Group. This will enable us to take the best possible care of various customer needs.

Selected Financial Data

	Millions of Yen
September 30	2000
Total Assets	¥ 7,835,002
Loans and Bills Discounted	5,687,456
Securities	1,335,313
Deposits	6,712,620
Reserve for Possible Loan Losses	206,697
Stockholders' Equity	347,000
Loans in Bankruptcy	70,120
(Percentage of loans)	1.2%

BIS Capital Ratio

	Billions of Yen
September 30	2000
Tier I	¥ 322.1
Tier II (45% of unrealized gains on securities)	189.6
Total Capital	511.7
Risk-Weighted Assets	4,918.9
Capital Ratio	10.40%

Risk-Monitored Loan Standard (Non-Consolidated)

September 30	Billions of Yen	
	Sep.2000	Mar.2000
Loans to Companies Legally Bankrupt	¥ 56.6	¥ 30.0
Other Delinquent Loans	281.1	156.3
Loans Past Due Three Months or More	18.5	24.6
Restructured Loans	107.1	128.3
Total	463.5	339.3

Revitalization Law Standard (Non-Consolidated)

	Billions of Yen	
	Sep.2000	Mar.2000
Bankrupt and Quasi-Bankrupt Assets	¥175.2	¥146.3
Doubtful Assets	163.3	172.6
Substandard Loans	125.6	28.2
Total	464.1	347.2

Consolidated Balance Sheets

The Chiba Bank, Ltd.
As of September 30, 2000

	Millions of Yen (Note 1)	Thousands of U.S. Dollars (Note 2)
	2000	2000
ASSETS		
Cash and Due From Banks	¥ 169,324	\$ 1,567,817
Call Loans and Bills Bought	100,000	925,925
Commercial Paper and Other Debt Purchased	28	265
Trading Assets	195,846	1,813,394
Money Held in Trust	29,844	276,335
Securities	1,335,313	12,364,009
Loans and Bills Discounted	5,687,456	52,661,633
Foreign Exchanges	2,929	27,129
Other Assets	166,997	1,546,276
Premises and Equipment	117,681	1,089,646
Deferred Tax Assets	90,895	841,622
Customers' Liabilities for Acceptances and Guarantees	145,483	1,347,071
Reserve for Possible Loan Losses	(206,697)	(1,913,867)
Reserve for Investment Losses	(102)	(946)
Total Assets	¥7,835,002	\$72,546,315
LIABILITIES, MINORITY INTEREST AND STOCKHOLDERS' EQUITY		
LIABILITIES		
Deposits	¥6,712,620	\$62,153,891
Call Money and Bills Sold	123,648	1,144,888
Trading Liabilities	2,689	24,899
Borrowed Money	147,992	1,370,296
Foreign Exchanges	195	1,813
Bonds	45,500	421,296
Convertible Bonds	29,979	277,583
Other Liabilities	207,473	1,921,048
Reserve for Retirement Allowances	19,529	180,829
Reserve for Losses on Sales of Loans	31,344	290,224
Other Reserves	69	643
Deferred Tax Liabilities	31	294
Deferred Tax Liabilities on Premises Revaluation	9,389	86,944
Consolidation Difference	2,057	19,053
Acceptances and Guarantees	145,483	1,347,071
Total Liabilities	¥7,478,004	\$69,240,780
MINORITY INTEREST		
Minority Interest in Consolidated Subsidiaries	¥ 9,997	\$ 92,568
STOCKHOLDERS' EQUITY		
Common Stock	¥ 106,891	\$989,737
Capital Surplus	84,050	778,246
Premises Revaluation Account	13,346	123,574
Retained Earnings	124,746	1,155,064
Net unrealized gains on investment securities, net of taxes	19,479	180,362
Foreign currency translation adjustments, net of taxes	72	667
Treasury Stock	1,441	13,350
Total Stockholders' Equity	347,000	3,212,966
Total Liabilities, Minority Interest and Stockholders' Equity	¥7,835,002	\$72,546,315

Consolidated Statements of Income

The Chiba Bank, Ltd.
For the Six Months Ended September 30, 2000

	Millions of Yen (Note 1)	Thousands of U.S. Dollars (Note 2)
	<u>2000</u>	<u>2000</u>
Income		
Interest Income :	¥ 88,374	\$ 818,284
Interest on Loans and Discounts	69,311	641,774
Interest and Dividends on Securities	12,095	111,997
Other Interest Income	6,967	64,513
Fees and Commissions	12,585	116,535
Trading Income	334	3,096
Other Operating Income	1,530	14,167
Other Income	19,327	178,962
Transfer from Reserves	0	0
Total Income	¥122,153	\$1,131,046
Expenses		
Interest Expenses :	¥ 23,861	\$ 220,943
Interest on Deposits	14,516	134,407
Interest on Borrowings and Rediscounts	2,244	20,783
Other Interest Expenses	7,101	65,752
Fees and Commissions	3,619	33,509
Trading Expenses	212	1,966
Other Operating Expenses	705	6,533
General and Administrative Expenses	41,834	387,355
Other Expenses	39,474	365,506
Total Expenses	¥109,708	\$1,015,814
Interim Income Before Income Taxes	12,445	115,231
Provision for Income Taxes	112	1,039
Adjustment to Income Taxes and Others	4,509	41,756
Minority Interest in Net Income	145	1,347
Interim Net Income	¥ 7,677	\$ 71,087

Notes to Consolidated Financial Statements

1. Basis of Presentation

The accompanying statements were compiled on the basis of the significant accounting policies included in Note 1 to 7 of the Bank's 2000 annual report to shareholders, applied in the consistent manner. The statements are unaudited, but, in the opinion of management and the Bank's corporate auditors, all adjustments necessary for a fair presentation of the financial position and results of operations for the period shown have been made.

2. Basis of Translating Consolidated Financial Statements

U.S. dollar amounts represent translation of Japanese yen at the exchange rate of ¥108.00 to U.S.\$1.00 on September 29, 2000. The U.S. dollar amounts are then rounded off in thousands.