

---

## Service Network

---

### Head Office

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

---

### International Division

5-3, Nihombashi Muromachi 1-chome, Chuo-ku,  
Tokyo 103-0022, Japan  
Tel : 81 (3) 3270-8351 Telex : J26666  
Fax : 81 (3) 3242-1735/1736 E-mail : [kokusai@chibabank.co.jp](mailto:kokusai@chibabank.co.jp)  
Cable Address : CHIBABK SWIFT Address : CHBA JPJT

---

### Overseas Branches

New York Branch  
1133 Avenue of the Americas, 15th Floor, New York, NY  
10036, U.S.A.

Tel : 1-212-354-7777 Telex : 251829 CHIBA NYK

Fax : 1-212-354-8575

### Hong Kong Branch

Unit 2510, One Pacific Place, 88 Queensway, Hong Kong

Tel : 852-2840-1222 Telex : 62737 CHBK HX

Fax : 852-2840-0507

### London Branch

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

Tel : 44-20-7315-3111 Telex : 8812534 CHIBAL G

Fax : 44-20-7600-3452

---

### Overseas Representative Offices

#### Shanghai Representative Office

Room 707, Shanghai  
International Trade Center,  
2200 Yan-An Road (West),  
Shanghai, P.R.C. 200336  
Tel : 86-21-62780482  
Fax : 86-21-62780422

#### Singapore Representative Office

20 Collyer Quay  
#08-03 Tung Centre,  
Singapore 049319  
Tel : 65-4385400  
Fax : 65-4382511

---

### Overseas Subsidiaries

Chiba International Ltd.  
3rd Floor, Atlas House,  
1 King Street, London EC2V  
8AU, U.K.  
Tel : 44-20-7315-3115  
Fax : 44-20-7315-3113  
Telex : 8813162 CHIBAI G

Chiba Capital Funding  
(Cayman) Ltd.  
Ugland House, P.O. Box 309,  
George Town, Grand Cayman,  
Cayman Islands, British West  
Indies

---

### Number of Domestic Offices :

160 (As of September 30, 2001)

#### CAUTION CONCERNING FORWARD-LOOKING STATEMENTS

This interim report includes certain "forward-looking statements." These statements are based on management's current expectations and are subject to uncertainty and changes in circumstances. Actual results may differ due to changes in economic, business, competitive, technological, regulatory, and other factors.

# INTERIM REPORT

SEPTEMBER 30, 2001



# 2001

# Interim Review of Operations

## Income Analysis

On a consolidated basis, total income declined ¥12,220 million from the previous interim period to ¥109,932 million, despite efforts to increase the efficiency in procurement and management of funds. Continued rationalization of operations across the board led to a decrease in total expenses of ¥10,211 million to ¥99,496 million. As a result, income before income taxes declined ¥2,008 million to ¥10,436 million, while net income for the interim period fell ¥1,739 million to ¥5,938 million resulting in ¥7.05 in net income per share. Chiba Bank is making the necessary write-offs and reserves based on strict internal assessments of its assets. In addition, with regard to the loss on disposal of marketable securities, fair value accounting was applied to all stocks whose market value at the end of the interim period declined more than 50 percent from their book value, and those dropped between 30-50 percent and are not deemed to be recoverable.

## Principal Accounts

Chiba Bank made vigorous efforts to respond to customer needs and to stress the importance of individual deposits. As a result, there was a steady increase in individual deposits, and total deposits outstanding at the end of the interim period increased ¥31,416 million from the previous term-end to ¥7,009,281 million.

Despite the prolonged downturn in demand for funds, Chiba Bank continued its aggressive approach towards offering various kinds of financial products and services, such as housing loans, to regional customers. As a result, total loans and bills discounted as of the end of the interim period stood at ¥5,717,143 million, up ¥108,431 million from the previous term-end.

Securities held at the end of the interim period decreased ¥32,364 million from the previous term-end to ¥1,455,472 million.

Total assets increased ¥2,487 million from the previous term-end to ¥7,945,182 million.

## Financial Forecast (Year ending March 31, 2002)

On a consolidated basis, total income and net income are forecast to be ¥210,000 million and ¥8,500 million, respectively; while on a non-consolidated basis, total income and net income are forecast to be ¥190,000 million and ¥7,500 million, respectively.

## Medium-Term Management Plan

Chiba Bank is implementing ACT 2003, a medium-term management plan covering the period through March 2003 that is designed to allow quick responses to the changing operating environment and to promote further growth. Our management policy under this plan is aimed at earning the solid confidence and support of customers by being "the highest-quality" comprehensive financial services group in the region. The Chiba Bank Group is making concerted efforts to achieve the following objectives as outlined in ACT 2003.

### (1) Objectives of ACT 2003

Chiba Bank's objectives include increasing net business income before the general reserve for possible loan losses to over ¥80.0 billion, achieving more than 10% capital adequacy ratio and decreasing overhead ratio (OHR) to less than 50% by March 2003.

### (2) Management Challenges

Task 1: Promptly establish a solid financial base

Chiba Bank is endeavoring to enhance profitability and strengthen its financial base through the following initiatives:

- Further promote loans to regional customers
- Increase profitability from fees and commissions by developing new businesses
- Improve asset quality by reducing the balance of bad loans
- Reduce costs by rationalizing and raising efficiency in operations

Task 2: Strengthen and expand our customer base

Chiba Bank is working diligently to increase convenience and thereby further improve customer satisfaction by expanding the number of ATMs in convenience stores, taking advantage of new channels such as the Internet and developing new products and services.

Task 3: Renovate our management system

Chiba Bank is endeavoring to strengthen risk management, profitability management and legal compliance system by promoting adherence to market regulations and the principal of self-accountability, while leveraging its collective strength as a group to enhance and expand profit-making capabilities.

## ◆Selected Financial Data

As of September 30, 2001	Millions of Yen
Total Assets.....	¥ 7,945,182
Loans and Bills Discounted.....	5,717,143
Deposits.....	7,009,281
Securities.....	1,455,472
Reserve for Possible Loan Losses.....	204,270
Stockholders' Equity.....	364,322
Loans in Bankruptcy.....	57,495
(Percentage of Loans)	1.0%

## ◆BIS Capital Ratio

As of September 30, 2001	Billions of Yen
Tier I.....	¥ 356.7
Tier II (45% of Unrealized Gains on Securities)	152.8
Deductions from Capital.....	3.1
Total Capital.....	506.4
Risk-Adjusted Assets.....	4,908.9
Capital Ratio.....	10.31%

## ◆Risk-Monitored Loan Standard (Non-Consolidated)

	Billions of Yen	
	Sep.2001	Mar.2001
Loans to Companies Legally Bankrupt.....	¥ 56.5	¥ 55.6
Other Delinquent Loans.....	259.0	275.6
Loans Past Due Three Months or More.....	22.4	17.9
Restructured Loans.....	99.0	102.7
Total.....	437.0	452.0

## ◆Revitalization Law Standard (Non-Consolidated)

	Billions of Yen	
	Sep.2001	Mar.2001
Bankrupt and quasi-bankrupt assets.....	¥182.6	¥183.6
Doubtful Assets.....	134.2	148.3
Substandard Loans.....	121.4	120.7
Total.....	438.4	452.6

# Consolidated Balance Sheets

The Chiba Bank, Ltd.  
As of September 30, 2001

	Millions of Yen (Note 1) 2001	Thousands of U.S. Dollars (Note 2) 2001
<b>ASSETS</b>		
Cash and Due From Banks .....	¥ 157,400	\$ 1,318,259
Call Loans and Bills Bought.....	90,000	753,769
Commercial Paper and Other Debt Purchased.....	373	3,130
Trading Assets.....	198,862	1,665,514
Money Held in Trust.....	10,987	92,022
Securities.....	1,455,472	12,189,886
Loans and Bills Discounted.....	5,717,143	47,882,271
Foreign Exchanges.....	2,298	19,254
Other Assets.....	172,977	1,448,723
Premises and Equipment.....	115,636	968,481
Deferred Tax Assets.....	97,503	816,611
Customers' Liabilities for Acceptances and Guarantees.....	130,797	1,095,459
Reserve for Possible Loan Losses.....	(204,270)	(1,710,810)
Reserve for Investment Losses.....	—	—
Total Assets.....	¥7,945,182	\$66,542,569
<b>LIABILITIES, MINORITY INTEREST AND STOCKHOLDERS' EQUITY</b>		
<b>LIABILITIES</b>		
Deposits.....	¥7,009,281	\$58,704,196
Call Money and Bills Sold.....	18,029	151,000
Trading Liabilities.....	4,453	37,296
Borrowed Money.....	120,919	1,012,728
Foreign Exchanges.....	312	2,618
Bonds.....	45,500	381,072
Convertible Bonds.....	—	—
Other Liabilities.....	185,498	1,553,592
Reserve for Retirement Allowances.....	—	—
Reserve for Employees' Retirement Benefits.....	22,887	191,690
Reserve for Losses on Sales of Loans.....	23,521	196,997
Reserves under Special Laws.....	70	587
Deferred Tax Liabilities.....	20	169
Deferred Tax Liabilities on Premises Revaluation.....	9,389	78,637
Consolidation Difference.....	1,238	10,375
Acceptances and Guarantees.....	130,797	1,095,459
Total Liabilities.....	¥7,571,920	\$63,416,416
<b>MINORITY INTEREST</b>		
Minority Interest in Consolidated Subsidiaries.....	¥ 8,940	\$ 74,878
<b>STOCKHOLDERS' EQUITY</b>		
Common Stock.....	¥ 121,019	\$1,013,560
Capital Surplus.....	98,178	822,262
Premises Revaluation Account.....	13,344	111,767
Retained Earnings.....	132,118	1,106,517
Net unrealized gains on investment securities, net of taxes.....	1,059	8,877
Foreign currency translation adjustments, net of taxes.....	43	362
Treasury Stock.....	1,441	12,070
Total Stockholders' Equity.....	364,322	3,051,275
Total Liabilities, Minority Interest and Stockholders' Equity.....	¥7,945,182	\$66,542,569

# Consolidated Statements of Income and Retained Earnings

The Chiba Bank, Ltd.

For the Six Months Ended September 30, 2001

	Millions of Yen (Note 1)	Thousands of U.S. Dollars (Note 2)
	2001	2001
<b>Income</b>		
Interest Income : .....	¥ 81,937	\$ 686,243
Interest on Loans and Discounts.....	67,284	563,519
Interest and Dividends on Securities.....	10,158	85,076
Other Interest Income.....	4,495	37,648
Fees and Commissions.....	12,412	103,958
Trading Income.....	268	2,249
Other Operating Income.....	1,600	13,405
Other Income.....	13,713	114,856
Transfer from Reserves.....	—	—
<b>Total Income.....</b>	<b>¥109,932</b>	<b>\$ 920,711</b>
<b>Expenses</b>		
Interest Expenses : .....	¥ 16,474	\$ 137,980
Interest on Deposits.....	8,776	73,504
Interest on Borrowings and Rediscounts.....	1,654	13,855
Other Interest Expenses.....	6,044	50,621
Fees and Commissions.....	4,020	33,676
Trading Expenses.....	—	—
Other Operating Expenses.....	147	1,238
General and Administrative Expenses.....	41,165	344,767
Other Expenses.....	37,687	315,641
<b>Total Expenses.....</b>	<b>¥ 99,496</b>	<b>\$ 833,302</b>
Interim Income Before Income Taxes.....	10,436	87,409
Income Taxes - Current.....	3,190	26,723
Income Taxes - Deferred.....	1,509	12,642
Minority Interest in Net Loss.....	(201)	(1,691)
<b>Interim Net Income.....</b>	<b>¥ 5,938</b>	<b>\$ 49,735</b>

## Notes to Consolidated Financial Statements

### 1. Basis of Presentation

The accompanying statements were compiled on the basis of the significant accounting policies included in the Bank's 2001 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 ¥119.40 to U.S.\$1.00 on September 28, 2001.

The U.S. dollar amounts are then rounded off in thousands.