The Kinki Osaka Bank

Annual Report 2001

PROFILE

Kinki Osaka Bank was born in April 2000 from the merger of two regional banks based in Osaka – the Bank of Kinki and the Bank of Osaka. This merger, implemented as the financial market was begin to feel the real effects of the Big Bang reforms, was carried out to hasten the restructuring necessary to give the Bank a stronger corporate structure better suited to survival in today's environment of intensified competition. As a member of the "super-regional bank group" of Kansai, with Daiwa Bank at its core, the new bank has carefully tailored its retail banking practices to local needs, making it the "bank of choice" in the Kansai area. In line with the management objectives of the Group, which are to ensure the financial stability of the Kansai area, a takeover of the Namihaya Bank was effected in February 2001, and Kinki Osaka Bank became the largest regional bank in the area. The Bank also announced, in August 2001, a management consolidation based on the establishment of a holding corporation among itself and the Daiwa and Nara Banks. Under this new structure, tailored to the new financial environment, the Bank continues to renew its efforts to assist in the development of the local economy.

Operational Network (as of July 31, 2001)

Kinki Osaka Bank's Head Office

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Armed with a sound and resilient corporate structure, the Bank has issued itself the challenge of attaining further growth, with the goal of providing even higher-quality financial services.

Yasuhiro Takatani
President

The Bank, which started its operations in April 2000, has focused on smaller-scale customers, including individuals, sole proprietorships, and small and medium-sized companies. We have turned all our efforts toward an emphasis on the customer-first approach, enhancing our earning power and fund management profitability, and improving our financial strength through restructuring. The Bank has already put into effect a number of important measures, including the recent private placement of common stock, the takeover of the Namihaya Bank, the integration of the computer systems of the former Bank of Kinki and Bank of Osaka, and the announcement of management consolidation through the establishment of a holding company together with Daiwa Bank and Nara Bank. The following is an outline of the above measures and a statement of future management objectives.

Business Environment and Performance

First, we provide an explanation of the Bank's performance over the fiscal year 2000, ended March 31, 2001.

Urged along by favorable developments in information technology industries, Japan's economy exhibited signs of gradual recovery during the first half of fiscal 2000, but during the last half, the drop in exports due to deceleration of overseas economies and deflationary pressure, due partly to a decline in stock prices, as well as heightened unease about the future, brought about a definite stagnation in the domestic economy. Osaka, the principal base of operations for the Daiwa Bank Group, also entered into a period of adjustment, owing to its high level of unemployment, sluggish consumer spending due to unease over the employment and income situation, and a decline in its previously robust levels of exports and production.

Despite these unfavorable circumstances, the Bank has enjoyed the support of its shareholders and clients and has been able to improve its financial structure, even taking over the Namihaya Bank in February 2001 to become the largest regional bank in the Kansai area.

The Bank's total deposits at the end of fiscal 2000 rose ¥317.8 billion to ¥4,035.8 billion (US$32,573.1 million). This was partially attributable to the business takeover of the Namihaya Bank. The year-end balance of loans and bills discounted rose ¥106.3 billion to ¥3,102.9 billion (US$25,044.2 million), due mainly to the Namihaya Bank takeover, despite a partial write-off of non-performing loans amounting to ¥127.1 billion. The year-end balance of securities rose ¥25.3 billion to ¥815.1 billion (US$6,578.7 million).

Turning to earnings, we have not only streamlined and improved the efficiency of our overall management but also procured and applied our funds effectively. An increase in temporary expenses, incurred with the merger and the Namihaya Bank takeover, added to sluggish corporate demand for funds brought on by the retreat of the economy, led to a regrettable net loss of ¥27.4 billion (US$221.7 million). This loss was partly attributable to the sufficient provision of reserves for unforeseeable circumstances and the write-down of securities to prepare for the introduction of fair value accounting.

Strengthening the Financial Base

The new bank had to face many pressing issues following the merger of April 2000, but we decided to place top priority on the strengthening of our financial base. The capital ratio of a bank is one of the most important indicators of the soundness of its assets. Even at its startup, the capital ratio of the Kinki Osaka Bank stood at 5.61% on a non-consolidated basis, surpassing the 4% minimum domestic standard. The Financial Services Agency issues orders for business improvements or stops the operations of banks that have a capital ratio under 4%. Considering probable future changes in the business environment, it is necessary to strengthen the Bank's financial structure with a substantial level of capital and thereby secure both management soundness and customers' trust. This is why the Bank increased its paid-in capital by over ¥45.7 billion through private placements with 6,004 customers and shareholders in August 2000.

In order to compensate for the decreased capital ratio brought on by the increased volume of risk assets accompanying the Namihaya Bank takeover, the Bank applied for public funds through the issuance of preferred shares in March 2001. The aim of this move was to create a more solid financial base, preparing for the broadened use of fair value accounting and the abolition of unlimited deposit guarantees. In April 2001, it received a infusion of ¥60 billion in public funds.

As a result of these substantial measures, the Bank's capital ratio increased from 5.61% to 8.59% on a non-consolidated basis. We are deeply grateful for all the support we have received, and we have determined to put all of our efforts into improving our performance by fulfilling our responsibilities and our mission as a regional financial institution with a sound and firm business base.

Namihaya Bank Takeover

Kinki Osaka Bank, in working as part of the Daiwa Bank Group to fulfill the Group's management objective of the financial stabilization of the Kansai area, took over the operations of the Namihaya Bank, an Osaka-based regional bank with a focus on smaller-scale customers, on February 13, 2001.

The takeover, the scale of which is unprecedented, was completed smoothly, Kinki Osaka Bank directly transferring and renaming 61 of the former Namihaya Bank branches, and closing 49 former Namihaya branches. Responsibility for the accounts held by these branches was taken over by nearby former Namihaya branches (now named Kinki Osaka Bank branches) or nearby previously existing Kinki Osaka Bank branches.

In the future, to make full use of this expanded network and its business base, the Bank plans to provide even higher-quality financial services and generate the highest ratings for retail banking in the Kansai area.

Assets & Liabilities Taken Over from Namihaya Bank: Principal Indicators

(¥ billion)

	Kinki Osaka Bank	Daiwa Bank	Total
Deposits	548.5	141.0	689.6
Loans and other claims	988.3	98.9	487.3
(of which, loans)	(376.1)	(71.3)	(447.5)
Ordinary deposit accounts (in thousands)	1,123	219	1,342
Pension payment accounts (in thousands)	43	11	54
Branches taken over	61	7	68

Note: Amounts of less than ¥100 million are rounded down.

Completion of System Consolidation

Since the former Bank of Kinki and Bank of Osaka had adopted different computer systems, the top priority for the new Bank was system integration, which progressed speedily. As a result, the Bank completed the integration of the two systems on January 4, 2001, only 9 months after the merger.

The operations of the Namihaya Bank have already been integrated into the system, and the Bank is utilizing this new computer system effectively to provide financial services that enhance convenience and deepen customer relations.

Management Consolidation with Daiwa Bank and Nara Bank

On August 1, 2001, the Daiwa Bank, Nara Bank and Kinki Osaka Bank reached a fundamental agreement to consolidate the operations of the three banks under a holding company structure. The new Daiwa Bank Group aims to become a new style "super-regional bank," different from existing regional banks and so-called "megabanks," offering high-quality financial services on par with the money center banks, expertise in the investment trust business, and the kind of close customer relations found in regional banks. The details of the plan are as follows:

First Step: Establishment of the Holding Company

The three banks aim to intensify their operations and work as part of the Group by jointly establishing a holding company, tentatively named Daiwagin Holdings, and consolidating the functions of their head offices within the current fiscal year. In accomplishing this, they are attempting a major improvement in management efficiency and striving for the type of strategic decision-making that emphasizes the maximization of group profits.

Second Step: Spin-Off of Trust Business Unit and Subsequent Reorganization as a Joint Venture

Soon after the establishment of the holding company, Daiwa Bank will spin-off its pension and corporate trust unit and make it a subsidiary of the holding company. The trust bank subsidiary will then be reorganized as a joint venture with other institutions around the end of the current fiscal year, providing sophisticated investment trust services to the financial institutions of the Daiwa Bank Group.

Third Step: Reorganization of Banking Subsidiaries

Around April 2003, the three banking operations of the Daiwa Bank Group will be reorganized into a nationwide bank and two regional banks, in Osaka and in Nara. These banks will develop their business on the basis of the market characteristics in each of the geographic regions they cover. This reorganization entails measures to increase management efficiency, such as the closure of branches and the overlapping branch marketing areas.

To make the best use of the holding company and investment trust banking operations, which occupy the same Group platform, each bank will conduct its own specialized operations. This will enable them to accumulate expertise and share that expertise, so as to provide high-quality financial services that meet the needs of local customers.

There is a possibility that other financial institutions may take part in the planning and aim to become part of this highly competitive association of regional financial institutions.

The Group hopes to achieve a net business profit amounting to ¥200 billion in about five years, as well as a consolidated capital ratio of approximately 10% and an ROE of around 16%. In their efforts to streamline through restructuring, the three banks expect to close a further 100 or so branches in the next five years, reduce the number of employees by approximately 1,700 over and above the existing plans, and reduce total annual expenses by ¥28 billion by the term ended March 31, 2006.

Daiwa Bank Group Network

(as of March 31, 2001)

(¥ billion)

	Kinki Osaka Bank	Daiwa Bank	Nara Bank	Total
Total Assets	4,433.6	15,518.5	187.2	20,139.3
Total Funds	4,036.2	27,094.3	168.6	31,299.1
Deposits (Banking Account)	4,036.2	9,458.7	168.6	13,663.5
Loans (Banking Account)	3,102.9	10,205.7	125.7	13,434.3
Number of Employees	4,388	6,982	325	11,695
Number of Staffed Offices	239	189	25	443
Number of Unstaffed Offices	49	266	32	349

Outlook for Fiscal 2001

With the current economic retreat and the upcoming end to unlimited deposit guarantees in April 2002, the financial environment seems set to remain severe. As mentioned before, the Bank increased its capital through the injection of public funds in April this year, and based on the “Plan to Increase Management Soundness,” (refer to pp. 4-5) submitted with its application, the Bank will work to create a more solid corporate structure and solidify its position as the dominant financial institution in its region.

The Bank is also hastening the results of the merger and the takeover with the aim of early realization of management consolidation with the Daiwa Bank and the Nara Bank, and is working to establish itself as a Kansai-based super-regional bank in order to maximize shareholder value. We are committed to realizing management transparency, and to the timely and continuous disclosure of information on current business conditions and future prospects. We are grateful for our customers’ understanding and continued support for our objectives and corporate ideals.

Yasuhiro Takatani

Yasuhiro Takatani
President

PLAN TO INCREASE MANAGEMENT SOUNDNESS

In April 2001, the Bank introduced ¥60 billion in public funds, derived from the issuance of preferred shares, on the basis of the "Law Concerning Emergency Measures for the Prompt Establishment of Sound Financial Functions." At this time, we drew up the Plan to Increase Management Soundness and submitted it to the Financial Services Agency.

The Bank's Position and Future Management Strategy

The fiscal 2000 term-end market share of the Bank in Osaka Prefecture, its major base of operations, was 7.73% for deposits (19.68% combined with Daiwa Bank) and 5.19% for loans and bills discounted (15.88% combined with Daiwa Bank), demonstrating that our firm presence in the region. The Bank, as a member of the super-regional bank group centering on the Daiwa Bank, focuses its services on the smaller-end banking market, including individuals, small to medium-sized businesses and sole proprietorships. By restructuring its operations, it has improved its financial structure and earning power, and accelerated the improvement of its asset efficiency. Our future management strategy consists of redefining our business fields and offering optimal distribution of management resources through specialization in core markets and strengthening of marketing capabilities. We will ensure low-cost, competitive services through our regional management and Daiwa Bank Group Bloc systems, where same-area branches are grouped into blocs to enhance specialization and profitability, provide complementary functions, and work closely with local customers.

Plan to Raise Earning Power

Within the plan to improve the overall soundness of our business, we have drawn up a plan to raise our earning power, to be followed until the term ended March 31, 2005. Enormous expenses will be incurred by the merger and the takeover of the Namihaya Bank, up until the term ended March 31, 2002, but with the reduction of personnel expenses due to staff reductions and the curtailment of other expenses due to branch amalgamations and thoroughgoing measures to streamline and improve efficiency, and the enhancement of earning power after efforts to improve business conditions, the Bank will be able to secure net business profits exceeding ¥20 billion for the term ended March 31, 2003, and over ¥29.5 billion for the term ended March 31, 2005.

Plan to Raise Earning Power

(¥ billion)

Years ending March	2001	2002	2003	2004	2005
Operational Profit	81.2	89.0	91.3	93.7	95.5
Operational Expenses	65.4	71.5	68.6	67.4	65.9
Net Business Profits	11.7	16.9	22.0	25.7	29.5
Net Income	(27.3)	5.5	8.3	10.4	8.0
Deposits (including NCDs)	3,601.4	4,093.0	4,018.9	4,121.4	4,168.2
Loans	2,904.9	3,183.6	3,248.8	3,305.4	3,357.8

Restructuring Plan

In order to handle issues such as financial deregulation and bad debts, the Bank is moving forward on its own to streamline business and enhance efficiency, focusing on staff reduction, business base restructuring, and curtailment of expenses. However, due to the merger in April 2001 and the takeover of the Namihaya Bank, annual expenses are expected to increase during fiscal 2001 by approximately ¥11 billion. To handle this, the Bank plans to reduce its staff from 4,388 to 3,700 and cut the number of manned branches from 239 to 209 by the end of fiscal 2004, to promote further efficiency and build a more competitive, streamlined corporate structure.

We are endeavoring to leverage our alliance with Daiwa Bank and Nara Bank to achieve even higher target figures than we have already laid down under our plans to restructure and raise our earning power.

Restructuring Plan

Years ending March	2001	2002	2003	2004	2005
Number of Employees	4,388	4,202	3,982	3,765	3,694
Number of Offices	239	217	209	NA	NA

(¥ billion)

Operational Expenses	65.4	71.5	68.6	67.4	65.9
Personnel	29.0	32.7	31.0	29.6	29.0
Non-personnel	33.0	35.3	34.1	34.3	33.5

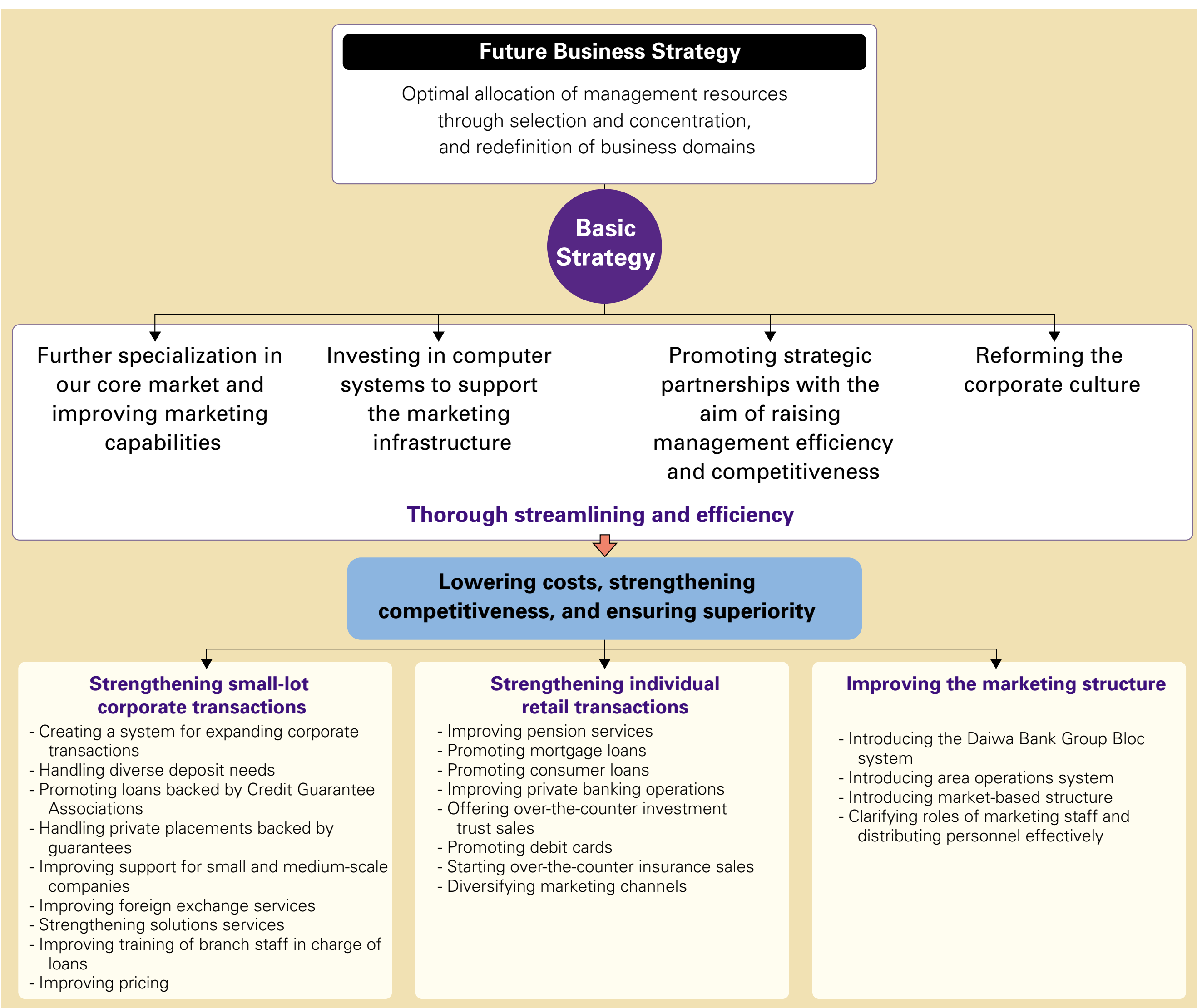
Disposal of Bad Debt and Security Loss

Turning to the settlements for the year ended March 31, 2001, the Bank is attempting to enhance the soundness of its assets by ensuring sufficient reserves for unforeseeable circumstances and write-down of securities to prepare for the future introduction of fair value accounting. The future of the economy is unclear and unpredictable. However, expenses for write-offs and the provision of reserves will be basically attainable within the scope of net business profit, as we accelerate the disposal of non-performing loans.

In addition to working on a system for managing various types of risk, the Bank is making risk management methods more sophisticated by quantifying credit risk based on customers' credit ratings. Further, we are promoting the disposal and recovery of non-performing loans, and making active use of legal measures regarding competition and the early disposal of collateral-secured real estate, under close cooperation between the head office and branches.

Follow up to the Plan to Raise Earning Power

To implement the plan steadily, improve the soundness of our business, and check and verify our progress, we established a Streamlining Committee headed by the President to help all the banks achieve the goals of this plan.



Strengthening the Corporate Structure

To promote a highly effective business that corresponds to the characteristics of individual markets, the Bank introduced a regional business system in February 2001. The Bank's business base was divided into 10 sub-regions, to which were assigned supervisors, whose responsibilities and roles regarding performance were clarified. Moreover, the Bank introduced an area management system whereby all branches within a certain area operate as an integrated whole and the roles of area branches are clarified. The role of the area's parent branch, which provides the full range of banking operations, is to increase efficiency and expand the market share.

The Daiwa Bank Group Bloc system is structured so that the special services offered by each of the branches within a bloc complement each other. In April 2000, the Bank also established a Legal Affairs Division and a Retail Marketing Division to strengthen the business promotion system for each type of market.

Retail Banking

The Bank is working to strengthen and enhance its consultation services and address the needs of customers at the various stages of their lives. Turning to financial products, the Bank positioned mortgage loans as the primary product for the retail market, and began to offer products such as 100% Mortgage Loans, which finance up to 100% of the selling price, and No Guarantee Fee Mortgage Loans. The Bank set up Mortgage Loan Centers in two locations to screen mortgage loan applications and handle customer loan inquiries promptly. As of March 31, 2001, the

Bank's balance of mortgage loans stood at ¥882 billion, a steady increase from 24.37% of total loans in fiscal 1999 to 28.42% of total loans in fiscal 2000.

In May 2001, the Bank also began offering a card loan called "YOU Turn," where customers need not visit the branches and can easily submit applications via mail from their workplace or home. In April 2001, the ban on over-the-counter insurance sales at banks was lifted, and the Bank began selling long-term fire insurance policies for new mortgage loan holders.

Corporate Banking

The Bank established various funds such as the Special Merger Memorial Fund, the Business Support Loan, and the NS (New Support) Fund, to meet the fund demands of small and medium-sized companies. From the service aspect, the Bank began to buy notes receivable, to meet corporate wishes for paperless transactions, under a lump-sum factoring system. We also inaugurated a Convenience Store Receipt System, where customer payments can be received at convenience stores 24 hours a day. To meet the bond issuing needs of smaller enterprises, the Bank served as a channel for the Small to Medium-Sized Special Corporate Bond Guarantee System and the Osaka Prefecture Small Private Bond Guarantee System.

Securities and Investment Trusts

To address the increasingly diverse and sophisticated needs of our customers, the Bank has worked to improve its securities and investment trust operations. A variety of investment trusts are available, from those that reduce risk to those that emphasize profitability, and the Bank offers an extensive line-up of funds to meet the investment aims and lifestyles of its customers. The Bank added a domestic stock fund that invests in promising stocks in December 2000 and a long-term fund that offers the expectation of stable earnings in March 2001. We also expanded our investment trust sales system and we have plans to offer over-the-counter sales at most branches by the end of September 2001.

Information Technology

The basic aims of our investment in information technology are as follows:

(1) Creating a business management information infrastructure

The Bank's top priority is to create a system enabling us to examine, from a variety of viewpoints, the factors crucial to profitability, while taking into consideration risk and costs. To accomplish this, the Bank set up a system of transfer pricing and created an activity-based costing (ABC) system to carry out detailed cost accounting.

(2) Constructing a marketing system

The Bank is planning the construction of a database to strengthen its customer relations. At present, the grand design of the integrated database is being examined and researched, and the Bank aims to put the system into operation as early as possible, in line with its progress in developing an administration system.

(3) Improving contact channels

In August 2001, the Bank began offering services that allow customers to check their account balances and receive detailed account statements via the Internet, through PCs or mobile phones. The Bank has heightened customer satisfaction with the use of its direct channel and manned branch network and by upgrading the functions of the Direct Banking Center.

International Operations

The Bank is developing its foreign exchange operations to assist corporate clients with trade and overseas expansion and retail customers with overseas trips and remittances. As of April 2001, the Bank's overseas correspondent banking network covers 248 banks in 71 countries (390 municipalities), and the Bank is also able to use the information and services of the overseas branch network of the Daiwa Bank.

As of July 2001, 42 branches were qualified to handle foreign exchange operations – the largest number of such branches among all regional banks in the Kansai area. The Bank completed the integration of its computer system for international operations in January 2001 and is now able to offer faster service. In the future, the Bank will introduce electronic banking services for foreign exchange, and plans to develop a comprehensive foreign exchange operation strategy that utilizes communications channels such as telephone banking and Internet banking. We also plan to prepare most branches to handle foreign-currency deposits and overseas remittances by the end of fiscal 2001.

BOARD OF DIRECTORS, CORPORATE AUDITORS, AND EXECUTIVE OFFICERS

President
Yasuhiro Takatani

Vice President
Nobuhiro Kawai

Vice President
Takayoshi Matsumura

Senior Managing Director
Yoshinari Demura

Senior Managing Director
Yasutaka Oga

Senior Managing Director
Jiro Mitsufuji

Standing Corporate Auditor
Michio Asogawa

Standing Corporate Auditor
Motoyuki Sakai

Corporate Auditor
Ikuhiro Katsuda

Corporate Auditor
Yoshiaki Kiyoyanagi

Board of Directors and Corporate Auditors

President
Yasuhiro Takatani

Vice Presidents
Nobuhiro Kawai
Takayoshi Matsumura

Senior Managing Directors
Yoshinari Demura
Yasutaka Oga
Jiro Mitsufuji

Standing Corporate Auditors
Michio Asogawa
Motoyuki Sakai

Corporate Auditors
Ikuhiro Katsuda
Yoshiaki Kiyoyanagi

Executive Officers

Senior Executive Officers
Ichiro Yasuda
Osami Miyajima

Executive Officers
Takeo Shimizu
Tomoyuki Uchiyama
Hideharu Tsuji
Tadayuki Otsuki
Yoshio Fujii
Takahiro Inaba

FINANCIAL SECTION

CONTENTS

Business Environment

In the first half of the term under review, Japan's economy showed a gradual economic recovery, centered on the corporate sector. In the second half, however, business sentiment deteriorated against a backdrop of decelerating overseas economies and increasing deflation on the domestic front. This tendency was also evident in the Kansai region, the Bank's principal base of operations, and the regional economy entered a clear adjustment phase during the second half of the fiscal year.

In the financial sector, the Bank of Japan retained its de facto zero interest rate policy to underpin the weakening economy. At the same time, to enhance capital, the government injected public funds into regional banks and smaller financial institutions to stabilize the financial system.

Operating Results

Amid this severe business environment, total income came to ¥106,737 million (US$861,481 thousand), which was smaller than the sum of similar amounts posted by the Bank of Kinki and Bank of Osaka for the previous term. This decrease was mainly attributable to a decline in mainstay interest income, caused by sluggish fund demand and gains on the sale of equity shares. On the other hand, total expenses amounted to ¥131,303 million (US$1,059,753 thousand). This was mainly attributable to an increase in operating costs, resulting from the merger and the takeover of the Namihaya Bank, as well as from increases in other expenses, including provisions for possible loan losses and disposal of unrealized losses on securities before the introduction of fair value accounting. As a result, the loss on income before income tax decreased ¥563 million to ¥24,565 million (US$198,272 thousand). The Bank also made efforts to raise efficiency and cut costs through streamlining.

Principal Accounts

Loans and bills discounted

Although the Bank carried out a partial write-off of non-performing loans in the amount of ¥127,131 million during the term, loans and bills discounted increased ¥106,351 million over the previous term to ¥3,102,974 million (US$25,044,184 thousand). This was partly attributable to the takeover of loan assets from the Namihaya Bank. A substantial increase in mortgage loans, the term-end balance of which was the highest among the regional banks in the Kansai region, also contributed to the increase. The ratio of loans to retail customers, small and medium-sized companies and sole proprietors amounted to 93.3%.

The term-end balance of risk-managed loans in accordance with the Banking Law came to ¥377,057 million (US$3,043,238 thousand), due to stricter asset self-assessment. Risk-managed loans include loans to bankrupt borrowers and loans overdue. The figure exceeded by ¥36,858 million the aggregate relevant amounts of the Bank of Kinki and Bank of Osaka for the previous term.

Securities

The balance of securities increased ¥25,356 million during the term to stand at ¥815,100 million (US$6,578,698 thousand) at term-end. The Bank invested mainly in bonds against the backdrop of sluggish fund demand among corporations.

Deposits

The balance of deposits (including NCDs) increased ¥303,514 million to ¥4,035,805 million (US$32,573,089 thousand) at term-end. This was mainly due to an increase brought about by the takeover of Namihaya Bank. Our marketing activities, which have placed more emphasis on local communities and centered on individual customers, also contributed to the increase.

CONSOLIDATED BALANCE SHEETS

As of March 31, 2001 and 2000	Millions of yen KINKI OSAKA 2001	Millions of yen BANK OF OSAKA 2000	Millions of yen BANK OF KINKI 2000	Thousands of U.S. dollars (Note 1) KINKI OSAKA 2001
Assets				
Cash and due from banks	¥ 104,236	¥ 55,453	¥ 141,494	$ 841,297
Call loans and bills bought	160,000	10,371	—	1,291,364
Monetary claims bought	2,598	144	2,923	20,972
Trading account securities (Note 4)	950	800	153	7,670
Money held in trust	3,863	2,907	1,999	31,184
Securities (Note 4)	815,100	308,672	481,072	6,578,698
Loans and bills discounted (Notes 5 and 6)	3,102,974	1,235,566	1,761,057	25,044,184
Foreign exchanges	10,153	4,538	4,621	81,948
Other assets	31,323	9,796	13,295	252,811
Premises and equipment (Note 8)	63,962	24,045	29,588	516,244
Deferred tax assets (Note 7)	77,389	46,849	33,292	624,609
Customers' liabilities for acceptances and guarantees	103,791	56,949	44,691	837,700
Reserve for possible loan losses	(43,030)	(103,326)	(75,762)	(347,298)
Total assets	¥4,433,313	¥1,652,769	¥2,438,427	$35,781,383
Liabilities and Shareholders' Equity				
Liabilities:				
Deposits (Note 6)	¥4,035,805	¥1,479,935	¥2,238,046	$32,573,089
Negotiable certificates of deposit	—	5,000	9,310	—
Call money	8,834	19,300	13,100	71,300
Borrowed money (Note 9)	105,408	32,268	65,000	850,758
Foreign exchanges	121	67	214	979
Other liabilities	82,532	8,319	16,358	666,120
Accrued retirement benefits (Note 11)	7,248	3,078	2,559	58,502
Reserve for possible losses on loans sold	4,382	780	3,551	35,368
Reserve for specific borrowers under support	—	—	9,690	—
Acceptances and guarantees	103,791	56,949	44,691	837,700
Total liabilities	4,348,123	1,605,698	2,402,522	35,093,816
Shareholders' equity (Notes 13 and 14):				
Common stock	81,539	39,096	46,653	658,105
Capital surplus	31,155	16,171	18,140	251,459
Retained earnings-deficit	(27,503)	(8,195)	(28,886)	(221,985)
	85,191	47,072	35,906	687,579
Less: treasury stock, at cost	(1)	(1)	(1)	(12)
Total shareholders' equity	85,189	47,071	35,905	687,567
Total liabilities and shareholders' equity	¥4,433,313	¥1,652,769	¥2,438,427	$35,781,383

The accompanying notes are an integral part of these statements.

THE KINKI OSAKA BANK, LTD., and its consolidated subsidiaries

CONSOLIDATED STATEMENTS OF OPERATIONS

	Millions of yen			Thousands of U.S. dollars (Note 1)
	KINKI OSAKA	BANK OF OSAKA	BANK OF KINKI	KINKI OSAKA
For the years ended March 31, 2001 and 2000	2001	2000	2000	2001
Income				
Interest income:				
Interest on loans and discounts	¥ 77,714	¥31,314	¥ 52,877	$ 627,235
Interest and dividends on securities	10,817	6,578	5,427	87,307
Other interest income	1,517	414	765	12,249
Fees and commissions	8,759	3,970	4,437	70,699
Other operating income	4,538	1,879	1,773	36,635
Other income	3,389	9,046	14,956	27,356
Total income	106,737	53,205	80,240	861,481
Expenses				
Interest expenses:				
Interest on deposits	12,814	5,705	10,912	103,423
Interest on negotiable certificates of deposit	12	9	27	105
Call money and bills sold	394	33	7	3,186
Interest on borrowed money	2,527	888	1,132	20,396
Other interest expenses	1,005	138	1,036	8,113
Fees and commissions	5,394	1,947	3,426	43,535
Other operating expenses	1	1,604	1,372	15
General and administrative expenses	65,340	26,337	33,569	527,366
Provision for bad debts	5,249	12,170	14,085	42,370
Other expenses	38,563	18,823	25,343	311,244
Total expenses	131,303	67,659	90,915	1,059,753
Loss before income taxes	(24,565)	(14,454)	(10,674)	(198,272)
Income taxes:				
Current	148	48	57	1,196
Deferred	2,752	(6,086)	18,176	22,219
Net loss	¥ (27,467)	¥ (8,416)	¥(28,907)	$ (221,687)

	Yen			U.S. dollars (Note 1)
Net loss per share	¥32.28	¥30.07	¥113.33	$0.261

THE KINKI OSAKA BANK, LTD., and its consolidated subsidiaries

CONSOLIDATED STATEMENTS OF RETAINED EARNINGS-DEFICIT

	Millions of yen			Thousands of U.S. dollars (Note 1)
	KINKI OSAKA	BANK OF OSAKA	BANK OF KINKI	KINKI OSAKA
For the years ended March 31, 2001 and 2000	2001	2000	2000	2001
Retained earnings (deficit) at beginning of the year	¥ (8,195)	¥ 220	¥(23,263)	$ (66,149)
Offset with capital surplus	8,205	—	22,208	66,225
Change due to merger	(33)	—	—	(273)
Change due to reduced equity method application	(12)	—	1,076	(101)
Net loss for the year	(27,467)	(8,416)	(28,907)	(221,687)
Retained earnings (deficit) at end of the year	¥(27,503)	¥(8,195)	¥(28,886)	$(221,985)

The accompanying notes are an integral part of these statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Millions of Yen			Thousands of U.S. dollars (Note 1)
	KINKI OSAKA	BANK OF OSAKA	BANK OF KINKI	KINKI OSAKA
For the years ended March 31, 2001 and 2000	2001	2000	2000	2001
Cash flows from operating activities:				
Loss before income taxes	¥ (24,565)	¥ (14,454)	¥ (10,674)	$ (198,272)
Depreciation	3,016	883	637	24,343
Loss on equity method	78	2	33	632
Increase (decrease) in reserve for possible loan losses	5,250	17,376	(4,644)	42,375
Increase in reserve for possible losses on loans sold	729	209	313	5,887
Increase in reserve for specific borrowers under support	—	—	7,019	—
Increase (decrease) in accrued retirement benefits	1,609	(8)	(1,372)	12,994
Interest on loans and discounts received	(90,049)	(38,308)	(59,071)	(726,791)
Interest on deposits	16,753	6,775	13,117	135,222
Loss (income) on securities transaction	10,838	(7,651)	(2,831)	87,482
Loss (income) on money trust	88	(307)	(2,683)	718
Foreign exchange (gain) loss	(581)	29	817	(4,697)
Loss (gain) on disposal of premises and equipment	902	1	(661)	7,285
Net decrease in loans and bills discounted	106,159	55,089	118,487	856,812
Net (decrease) increase in deposits	(240,566)	23,459	31,345	(1,941,620)
Net decrease in negotiable certificates of deposit	(14,310)	(23,400)	(8,160)	(115,496)
Net increase (decrease) in borrowed money	140	(6,030)	(97)	1,135
Net decrease in due from banks	3,123	12,950	5,037	25,211
Net (increase) decrease in call loans	(149,158)	55,401	96,369	(1,203,865)
Net (decrease) increase in call money	(23,565)	1,200	8,100	(190,201)
Net decrease in collateral money for bond lending	—	(22,732)	(11,748)	—
Net (increase) decrease in foreign exchange assets	(992)	(36)	460	(8,013)
Net decrease in foreign exchange liabilities	(161)	(671)	(92)	(1,301)
Revenues from fund operations	77,330	33,546	58,538	624,139
Interest paid	(16,795)	(8,415)	(14,783)	(135,561)
Other	12,153	1,348	(3,267)	98,092
Sub-total	(322,572)	86,257	220,187	(2,603,490)
Refund (payment) of income taxes	167	(45)	135	1,355
Net cash (used in) provided by operating activities	(322,404)	86,211	220,323	(2,602,135)
Cash flows from investing activities:				
Purchase of securities	(646,098)	(231,865)	(651,348)	(5,214,681)
Sales of securities	368,330	103,667	407,154	2,972,804
Redemption of securities	219,161	50,252	86,199	1,768,861
Increase in money trust	—	—	(999)	—
Decrease in money trust	954	—	—	7,701
Proceeds from fund operations	10,778	6,334	2,683	86,995
Proceeds from acquisition of The Namihaya Bank, Ltd.	231,610	—	—	1,869,337
Purchase of premises and equipment	(6,662)	(491)	(756)	(53,775)
Sales of premises and equipment	89	17	2,458	722
Net cash provided by (used in) investing activities	178,163	(72,083)	(154,608)	1,437,964
Cash flows from financing activities:				
Increase in subordinated loans	20,000	—	20,000	161,420
Repayment of subordinated loans	(12,000)	(2,000)	(3,000)	(96,852)
Proceeds from issuance of stocks	45,489	19,894	14,934	367,148
Purchase of treasury stock	(52)	(18)	(24)	(427)
Sales of treasury stock	52	17	23	427
Net cash provided by financing activities	53,489	17,894	31,933	431,716
Effect of exchange rate changes on cash and cash equivalents	35	(9)	(14)	285
Net (decrease) increase in cash and cash equivalents	(90,715)	32,012	97,633	(732,170)
Cash and cash equivalents at beginning of the year	193,435	23,168	40,620	1,561,221
Cash and cash equivalents at end of the year	¥102,719	¥ 55,181	¥138,253	$ 829,051

The accompanying notes are an integral part of these statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2001

1. Basis of preparation

The accompanying consolidated financial statements have been prepared from the books of account maintained by The Kinki Osaka Bank, Ltd. (the Bank) and its consolidated subsidiaries in conformity with the financial accounting standards of Japan. Accounting principles and practices generally accepted in Japan may differ in certain material respects from those generally accepted in countries and jurisdictions other than Japan. The accompanying statements have been compiled from the consolidated financial statements prepared by the Bank as required by the Securities and Exchange Law of Japan.

Amounts in U.S. dollars are included solely for convenience of the reader. The exchange rate of ¥123.90 to U.S.$1.00, the rate prevailing as of March 31, 2001 was used for translation.

Yen amounts are reported in millions of yen and are rounded down to the nearest millions of yen. Accordingly, certain subtotals and totals may not present the sum of figures presented.

2. Merger

Effective April 1, 2000, The Bank of Osaka completed a merger with The Bank of Kinki and changed its name to The Kinki Osaka Bank, Ltd. Comparative financial data for the year ended March 31, 2000 were presented on a consolidation basis by The Bank of Osaka and The Bank of Kinki.

3. Summary of significant accounting policies

(a) Consolidation

The accompanying consolidated financial statements for the year ended March 31, 2001 include the accounts of the Bank and its three consolidated subsidiaries.

Investments in the six affiliated companies are accounted for by the equity method.

(b) Financial instruments

Effective April 1, 2000, the Bank and its consolidated subsidiaries adopted a new accounting standard for financial instruments and applied new methods for valuation of trading account securities, securities and derivative transactions and hedge accounting. The effect of this adoption was to increase loss before income taxes for the year ended March 31, 2001 by ¥14,416 million (US$116,355 thousand).

(c) Trading account securities

Prior to April 1, 2000, listed trading account securities were stated at the lower of moving average cost or market and unlisted trading account securities were stated at moving average cost. Upon applying the new accounting standard for financial instruments, trading account securities are stated at fair value.

(d) Securities

Prior to April 1, 2000, securities were stated at moving average cost except for certain listed securities included in money held in trust and designated mainly for investment in securities, which were stated at the lower of moving average cost or market. Upon applying the new accounting standard for financial instruments, held-to-maturity debt securities are stated at amortized cost, securities which are defined as 'other securities' by the standard, are stated at moving average cost or amortized cost and certain securities included in money held in trust are stated at market value.

(e) Derivatives and hedge accounting

Under the new accounting standard for financial instruments, derivatives are stated at fair value except unless derivatives are used for hedging purposes. If derivative are used for hedging purposes and meet certain hedging criteria, recognition of gains or losses resulting from changes in fair value are deferred until the related losses or gains on the hedged items are recognized.

The Bank applies the Macro Hedge Approach for hedge accounting, which manages interest risk incurred from various financial assets and liabilities, collectively by using derivatives.

The derivative transactions are executed and managed in accordance with the established policies and within the specified limits on the amounts of derivative transactions allowed.

(f) Depreciation

Depreciation of premises and equipment is calculated principally using the declining-balance method. Buildings acquired after March 31, 1998 are depreciated using the straight-line method.

(g) Reserve for possible loan losses

Reserve for possible loan losses is provided as follows, based on the defined rules for write-offs and provisioning.

Possible loan losses for legally or substantially bankrupt borrowers is provided based on the amount after deducting collectible portion based on fair value of any underlying collateral or guarantees, except for a portion written-off as explained below.

Possible loan losses for borrowers, not currently legally bankrupt but likely to go bankrupt, is provided considering the overall solvency assessment after deducting collectible portion based on fair value of any underlying collateral or guarantees.

Possible loan losses on the loans other than the above is provided based on loan loss experience as calculated using the actual default rates during the certain period in the past.

Possible loan losses on the loans to restructuring countries are provided considering such factors as political and economic risks.

In the case of loans to the borrowers who are legally or substantially bankrupt, the amount remaining after deductions of the amount of collateral considered to be disposable and the amount recoverable under guarantees is set-off from the original outstanding loan balance. The amount of such write-off totaled ¥127,130 million (US$1,026,077 thousand), as of March 31, 2001.

(h) Accrued retirement benefits

Prior to April 1, 2000, reserve for retirement allowance was provided at the amount which would be required if all employees had voluntarily retired as of the balance sheet dates.

Effective April 1, 2000, the Bank and its consolidated subsidiaries adopted a new accounting standards for employees' retirement benefits. Under the standard accrued retirement benefits are provided to state the post-employment benefit obligations less the fair value of the pension assets. The excess of benefit obligations over fair value of the pension assets as of April 1, 2000 amounted to ¥19,905 million (US$160,661 thousand), which was to be amortized over fifteen years.

Past service cost of the plans was to be amortized over the certain period (10 years) within the average remaining service period of the employees at the time of occurrence.

Actuarial differences of the plans were to be amortized from the succeeding fiscal year over the certain period (10 years) within the average remaining service period of the employees at the time of occurrence.

The effect of adoption of the standards was to increase loss before income taxes by ¥209 million (US$1,690 thousand) for the year ended March 31, 2001.

(i) Reserve for possible losses on loans sold

Reserve for possible losses on loans sold is provided based on the estimated amount of losses to be incurred from the decline in value of real estate pledged as collateral for loans sold to The Cooperative Credit Purchasing Company, Limited.

(j) Finance leases

Finance leases which do not transfer ownership are accounted for in the same manner as operating leases.

(k) Foreign currency translation

Receivables and payables in foreign currencies are translated into Japanese yen at the year-end rates.

(l) Income taxes

Income taxes comprise corporation, enterprise and inhabitants taxes, which in the aggregate result in statutory tax rate of approximately 42%.

Deferred tax assets are recorded based on the temporary differences between the financial and tax bases of assets and liabilities.

4. Trading account securities and other securities

(a) Trading account securities

Trading account securities as of March 31, 2001 were stated at fair market value of ¥950 million (US$7,670 thousand) and valuation gain recognized for the year ended March 31, 2001 was ¥14 million (US$117 thousand).

(b) Other securities

Other securities are not stated at fair value. Market values and unrealized gains or losses as of March 31, 2001 were as follows:

	Millions of yen			Thousands of U.S. dollars		
	Book value	Market value	Unrealized gain(loss)	Book value	Market value	Unrealized gain(loss)
Equity stocks	¥ 91,430	¥ 86,353	¥(5,077)	$ 737,942	$ 696,964	$(40,978)
Bonds:						
National	233,161	237,672	4,511	1,881,854	1,918,263	36,409
Local	12,552	12,917	364	101,312	104,254	2,942
Corporate	304,714	306,769	2,054	2,459,362	2,475,945	16,583
	550,429	557,359	6,930	4,442,528	4,498,462	55,934
Other	155,582	154,561	(1,020)	1,255,711	1,247,473	(8,238)
Total	¥797,442	¥798,275	¥ 832	$6,436,181	$6,442,899	$ 6,718

In case 'other securities' were stated at fair value, the above total unrealized gain, which equals ¥477 million (US$3,851 thousand) after deducting applicable deferred tax liabilities and other item, amounting to ¥354 million (US$2,867 thousand), would be recorded as a separate item in shareholders' equity.

During the year ended March 31, 2001, revenues from sales of 'other securities' and aggregate capital gains and losses amounted to ¥368,383 million (US$2,973,231 thousand), ¥4,214 million (US$34,014 thousand) and ¥62 million (US$508 thousand), respectively.

(c) Securities without fair value

Securities without fair value as of March 31, 2001 are summarized below:

	Millions of yen	Thousands of U.S. dollars
Held-to-maturity debt:		
Bonds	¥5,331	$43,032
Other securities:		
Unlisted equity stock (excluding the OTC stock)	11,618	93,777
Unlisted foreign stock	619	5,002

(d) Maturity of securities

Maturity schedule of 'other securities' with due date and held-to-maturity securities as of March 31, 2001 are summarized below:

	Millions of yen				Thousands of U.S. dollars			
	within 1year	2 to 5 years	6 to 10 years	Over 10 years	within 1year	2 to 5 years	6 to 10 years	Over 10 years
Bonds:								
National	¥ 9,037	¥191,103	¥33,020	¥ —	$ 72,938	$1,542,404	$266,512	$ —
Local	133	401	12,017	—	1,079	3,242	96,992	—
Corporate	28,928	264,390	16,524	203	233,483	2,133,902	133,366	1,641
	38,099	455,895	61,562	203	307,500	3,679,548	496,870	1,642
Other	2,365	3,569	22,387	—	19,095	28,810	180,687	—
Total	¥40,465	¥459,465	¥83,949	¥203	$326,595	$3,708,358	$677,557	$1,642

5. Loans and bills discounted

Loans and bills discounted as of March 31, 2001 included the following non-performing amounts:

	Millions of yen	Thousands of U.S. dollars
Loans to borrowers legally bankrupt	¥ 33,474	$ 270,171
Loans past due over 6 months	153,013	1,234,976
Loans past due over 3 months	11,720	94,600
Loans with altered lending conditions	178,848	1,443,491
Total	¥377,057	$3,043,238

6. Assets pledged as collateral

As of March 31, 2001, securities with book value of ¥41 million (US$339 thousand) were pledged as collateral for deposits amounting to ¥1,885 million (US$15,220 thousand).

In addition securities with book value of ¥118,539 million (US$956,735 thousand) were pledged as collateral for The Bank of Japan and for exchange clearance transactions.

7. Deferred tax assets

Major components of deferred tax assets as of March 31, 2001 were as follows:

	Millions of yen	Thousands of U.S. dollars
Operating losses carried forward	¥12,763	$103,015
Accrued retirement benefits	2,561	20,677
Excess reserve for possible loan losses	60,734	490,187
Nondeductible losses on sales of securities	9,579	77,320
Other	6,251	50,455
Subtotal	91,890	741,654
Less: valuation allowance	(14,501)	(117,045)
Net deferred tax assets	¥77,389	$624,609

8. Accumulated depreciation

Accumulated depreciation of premises and equipment amounted to ¥29,452 million (US$237,709 thousand) as of March 31, 2001.

9. Borrowed money

Borrowed money consists of loans from other financial institutions. As of March 31, 2001 subordinated loans in the amount of ¥105,000 million (US$847,458 thousand) were included in borrowed money.

10. Finance leases

Information on non-capitalized finance leases of equipment and other assets as of March 31, 2001 was as follows:

	Millions of yen	Thousands of U.S. dollars
Acquisition cost equivalent	¥8,531	$68,860
Accumulate depreciation equivalent	(1,089)	(8,796)
Book value equivalent	¥7,441	$60,064
Minimum future lease payments:		
Due within one year	¥1,635	$13,199
Due over one year	5,806	46,865
Total	¥7,441	$60,064

The above acquisition cost equivalent and minimum future lease payments were computed by the interest-inclusion method as minimum future lease payments were not significant compared with the year-end balance of tangible fixed assets.

11. Accrued retirement benefits

(a) Retirement benefit plan

The Bank adopts a lump-sum payment plan of which benefits are calculated based on accumulated points reflecting job assignment. In addition the Bank has a welfare pension plan of which benefits are calculated based on service years.

(b) Accrued retirement benefits

Accrued retirement benefits as of March 31, 2001 were calculated as below:

	Millions of yen	Thousands of U.S. dollars
Projected benefit obligation	¥(71,679)	$(578,524)
Fair value of plan assets	41,272	333,110
Projected benefit obligation in excess of plan assets	(30,406)	(245,414)
Unrecognized obligation at transition	18,578	149,950
Unrecognized actuarial loss	7,056	56,952
Unrecognized prior service costs	(2,476)	(19,990)
Net retirement benefit obligation	(7,248)	(58,502)
Prepaid pension costs	—	—
Accrued retirement benefits	¥ (7,248)	$ (58,502)

(c) Retirement benefit expenses

Retirement benefit expenses for the year ended March 31, 2001 consisted of the following:

	Millions of yen	Thousands of U.S. dollars
Service costs	¥2,319	$18,716
Interest costs	2,501	20,192
Estimated return on plan assets	(1,638)	(13,227)
Amortization of prior service costs	(86)	(695)
Amortization of net retirement benefit obligation at transition	1,327	10,711
Total retirement benefit expenses	¥4,422	$35,697

(d) Basis of computation

The above computation was based on the following assumptions:

Discount rate:	3.5%
Expected return on plan assets:	3.5%

12. Scope of cash and cash equivalent

Cash and cash equivalents in the consolidated statement of cash flows consist of cash on hand and deposits with The Bank of Japan.

Assets and liabilities of The Namihaya Bank, Ltd. acquired during the year ended March 31, 2001 are summarized below:

	Millions of yen	Thousands of U.S. dollars
Cash and due from banks	¥ 11,962	$ 96,552
Securities	2,627	21,203
Loans and bills discounted	376,130	3,035,760
Other assets	1,241	10,017
Premises and equipment	4,217	34,041
Customers’ liabilities for acceptances and guarantees	12,254	98,909
Total assets	¥408,434	$3,296,482
Deposits	¥548,598	$4,427,754
Other liabilities	617	4,982
Acceptances and guarantees	12,254	98,909
Total liabilities	¥561,470	$4,531,645

13. Shareholders’ equity

The Bank has authorized 1,600,000 thousand shares of common stock with par value of ¥50 per share, of which 944,504,630 shares were issued as of March 31, 2001. The Bank also has authorized 200,000 thousand shares of preferred stock with no-par value as of March 31, 2001.

14. Subsequent event

On April 26, 2001, the Bank issued 120,000 thousand shares of preferred stock at ¥500 per share, which were fully subscribed by The Resolution and Collection Corporation.

Under the Commercial Code of Japan, ¥250 of the issue price was designated as stated capital and the remaining portion of ¥250 was included in capital surplus.

The following disposition of retained earnings-deficit of the Bank was approved at the general shareholders’ meeting of the Bank held on June 28, 2001:

	Millions of yen	Thousands of U.S. dollars
Undisposed retained earnings-deficit at end of the year	¥27,385	$221,025
Reversal of capital surplus	(27,385)	(221,025)
Retained earnings-deficit carried forward to the next year	¥ —	$ —

INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

Century Ota Showa & Co.

Certified Public Accountants

OSAKA OFFICE
OSAKA KOKUSAI BLDG.
2-3-13 AZUCHIMACHI
CHUO-KU, OSAKA 〒541-0052
JAPAN
TEL 06-4964-6665
FAX 06-6264-5090

The Board of Directors and Shareholders
The Kinki Osaka Bank, Ltd.

We have audited the consolidated balance sheet of The Kinki Osaka Bank, Ltd. and consolidated subsidiaries as of March 31, 2001 and the related consolidated statement of operation, retained earnings-deficit and cash flows for the year then ended, all expressed in yen. Our audits were made in accordance with auditing standards, procedures and practices generally accepted and applied in Japan and, accordingly, included such tests of the accounting records and other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying consolidated financial statements referred to above, expressed in yen, present fairly the consolidated financial position of The Kinki Osaka Bank, Ltd. and consolidated subsidiaries at March 31, 2001 and the consolidated results of their operations and cash flows for the year then ended, in conformity with accounting principles and practices generally accepted in Japan applied on a consistent basis.

As described in Note 3, The Kinki Osaka Bank, Ltd. and consolidated subsidiaries have adopted new accounting standards for financial instruments and for employees' retirement benefits effective the year ended March 31, 2001 in the preparation of their consolidated financial statements.

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2001 are presented solely for the 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.

Century Ota Showa & Co.

Century Ota Showa & Co.

Osaka, Japan
June 28, 2001.

See Note 1 which explains the basis of preparation of the consolidated financial statements of The Kinki Osaka Bank, Ltd. and its consolidated subsidiaries under Japanese accounting principles and practices.

CORPORATE DIRECTORY
(as of March 31, 2001)

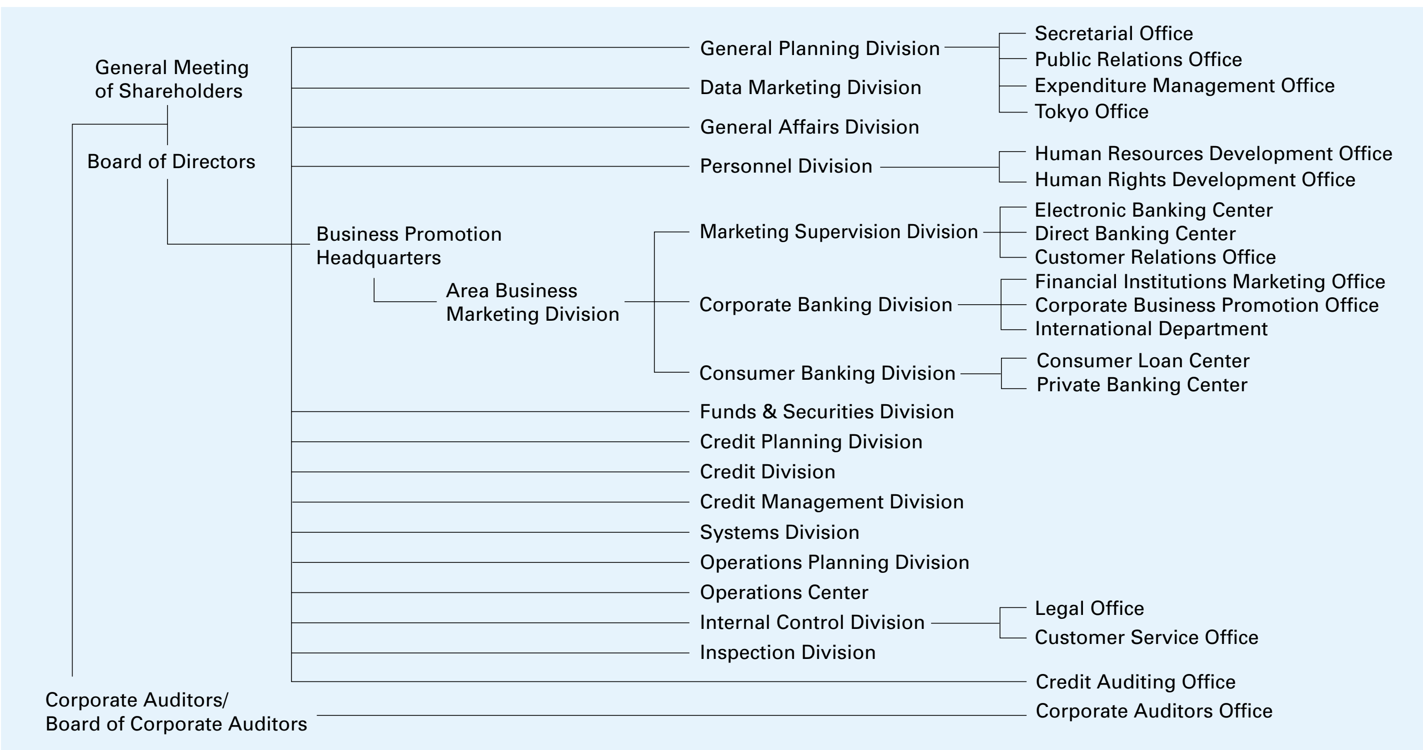
Corporate Data

Head Office
4-27, Shiromi 1-chome, Chuo-ku,
Osaka 540-8560, Japan
Telephone: (06) 6945-2121
URL: http://www.kinkiosakabank.co.jp/

International Division
4-27, Shiromi 1-chome, Chuo-ku,
Osaka 540-8560, Japan
Telephone: (06) 6945-2063
Facsimile: (06) 6945-2069
Telex: J64538 OSAKABK
SWIFT: OSABJPJS

Capital: ¥58,600 million
Issued and Outstanding Shares: 944 million
Listings: Tokyo Stock Exchange (First Section)
Osaka Securities Exchange (First Section)
Employees: 3,937

Organization Chart



Consolidated Subsidiaries

Name	*Capital (¥ million)*	*Principal business purpose*	*Directly owned shareholder interest (%)*	*Indirectly owned shareholder interest (%)*
SUBSIDIARIES				
Kinki Osaka Business Service Co., Ltd.	27	Agency business	100	—
Kinki Osaka Jimu Shuchu Center Co., Ltd.	20	Back-office operations	100	—
Kinki Osaka Sogo Kanri Co., Ltd.	120	Auctioning of collateral property	100	—
AFFILIATES				
Kinki Osaka Lease Co., Ltd.	1,800	Leasing	4.2	13.7
Kinki Osaka Chusho Kigyo Kenkyujo Co., Ltd.	30	Management consulting	5.0	20.0
Osaka Card Visa Co., Ltd.	30	Credit card business	5.0	20.0
Card DC Co., Ltd.	30	Credit card business	5.0	20.0
Kinki Osaka Shinyo Hosho Co., Ltd.	343	Credit guarantee operations	4.7	15.0
Osaka Computer Service Co., Ltd.	200	Computer systems operation and management	5.0	15.0

www.kinkiosakabank.co.jp/

The Kinki Osaka Bank, Limited

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