RESONA

Super Regional Bank Group

Six months ended September 30, 2002

# RESONA HOLDINGS, INC.

## Interim Financial Report 2002-2003

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**Concerning Forward-Looking Statements:** This material contains forward-looking statements regarding the Group's operations. These statements are not intended to provide any guarantees of the Group's future performance, which will be subject to risks and uncertainties. Please note that future performance may differ from targets and plans because of changes in the operating environment and other factors.

# CONSOLIDATED INTERIM FINANCIAL SUMMARY

Resona Holdings, Inc.
Six months ended September 30, 2002 and year ended March 31, 2002

| | Millions of yen | | Millions of U.S. dollars |
|---|---|---|---|
| | **Six months ended September 30, 2002** | Year ended March 31, 2002 | **Six months ended September 30, 2002** |
| **For the term** | | | |
| Total income | **¥ 643,175** | ¥ 1,373,407 | **$5,243** |
| Total expenses | **627,842** | 2,547,197 | **5,118** |
| Income (loss) before income taxes and minority interests | **15,333** | (1,173,789) | **125** |
| Net income (loss) | **13,518** | (931,876) | **110** |
| **At term-end** | | | |
| Total assets | **¥41,786,684** | ¥44,952,488 | **$340,698** |
| Loans and bills discounted | **28,441,647** | 30,021,204 | **231,892** |
| Securities | **6,397,796** | 6,864,323 | **52,163** |
| Customers' liabilities for acceptances and guarantees | **1,910,909** | 2,062,934 | **15,580** |
| Deposits | **33,412,016** | 33,822,170 | **272,417** |
| Total shareholders' equity | **1,026,915** | 1,289,058 | **8,372** |
| Risk-adjusted capital ratio (consolidated, domestic standard) | **7.92%** | 8.73% | — |
| **Per share data (in yen)** | | | |
| Shareholders' equity per share | **¥28.10** | ¥ 76.47 | **$0.22** |
| Net income (loss) per share | **2.49** | (174.57) | **0.02** |
| Cash dividends declared per share: | | | |
| Common stock | — | — | — |
| Preferred stock: | | | |
| Class A No. 1 preferred stock | — | 24.75 | — |
| Class B No. 1 preferred stock | — | 6.36 | — |
| Class C No. 1 preferred stock | — | 6.33 | — |
| Class D No. 1 preferred stock | — | 10.00 | — |
| Class E No. 1 preferred stock | — | 14.38 | — |
| Class F No. 1 preferred stock | — | 18.50 | — |

Notes: 1. Amounts of less than one million yen have been rounded down.
2. The rate of ¥122.65=U.S.$1.00, the approximate rate of exchange in effect on September 30, 2002, has been used.

# Have Good Communications, Offer Best Solutions

2002 April

Our corporate name "Resona" was derived from the Latin word *resonus,* meaning "resonate" or "resound." For us, Resona expresses our commitment to building stronger ties with our customers, based on winning their strong trust and confidence by "resonating" or "resounding" in response to their ideas and needs and offering them services of true value.

### The Group Decides on the Corporate Name "Resona."

The origin and starting point for the businesses of financial institutions are the strong bonds of trust we forge with our customers. We selected the new corporate name "Resona" on April 12, 2002, to symbolize our return to the basic starting point of our activities.

May

**Resona Group's Corporate Ideals**

(1) As a federation of regional financial institutions, we aim to become a Super Regional Bank and a leading financial services group in Japan.

(2) We also aim to "resonate" and work closely with our customers, growing and developing along with them as a trusted partner having strong ties to the communities we serve.

(3) We will manage our activities soundly and transparently, while working to maximize corporate value.

### The Resona Group Finalizes Its Corporate Ideals, Standards of Conduct, and Symbol Mark.

On May 24, 2002, the Resona Group made final decisions on its Corporate Ideals, Standards of Conduct for management and staff, as well as its Symbol Mark.

The Resona Group has made steady progress, since its management consolidation under a bank holding company in December 2001, toward building close ties with regional communities and working to be the most trusted partner of its customers. In March 2003, the Daiwa Bank, Limited, and the Asahi Bank, Limited, will merge, and will be reorganized into Resona Bank, Limited, and Saitama Resona Bank, Limited. Our goals are to develop closer communication with our customers in the regions where we conduct operations, and to respond proactively to the expectations of our customers with our sophisticated skills and know-how.

Resona, as a federation of regional financial institutions, will be a Super Regional Bank group with deep roots in local communities, unlike any other financial institutions created thus far in Japan.

## October

Daiwa Bank Holding, Inc., and the Daiwa Trust & Banking Co., Ltd., changed their names to Resona Holdings, Inc., on October 1, 2002, and Resona Trust & Banking Co., Ltd., on October 15, 2002, respectively.

## 2003 March

# As we create Japan's first Super Regional Bank, we want to communicate the unique value of the services our customers can obtain from the Resona Group.

**We intend to establish even closer ties with the regional communities we serve and, by combining the strengths of Resona Group members in retail banking with our capabilities in the trust business, we will offer substantially higher quality financial services. To establish an ideal financial institution, we are moving forward with the realignment of our banking and trust businesses.**

## The Financial Institution We Aim to Be

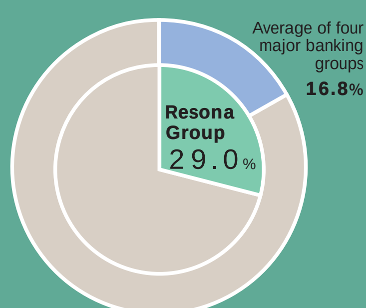
As members of the Resona Group, we are forging ahead with preparations for the establishment of Resona Bank and Saitama Resona Bank, which will enable us to implement a new business model based on the objective of becoming a "federation of regional financial institutions." The realignment we have scheduled for March 2003 will involve complex split-off and merger, but based on our understanding that the evaluation of our Group will be strongly influenced by whether we can successfully integrate our operating systems and carry out the realignment, we are pressing steadily toward our objectives with determination and commitment.

In implementing this realignment, we would not be able to attain our objective of reforming our business model if we just changed our organizational structure. We are aiming to become a bank that can appropriately be called a truly regional financial institution by reforming our activities—including the composition of our assets, and the way we conduct our operations—all with the aim of differentiating ourselves from other major banking groups in Japan. To reach these objectives, we must reduce our problem loans and eliminate excessive equity portfolio risk at an early date. We believe our responsibility is to devote our fullest energies to attaining the management objectives we have set to date.

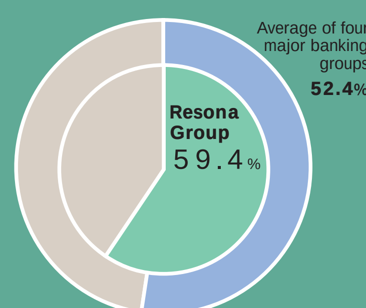
**As members of the Resona Group, we have concentrated our corporate resources in domestic retail banking and trust businesses.**

**We are aiming to become a new type of financial group that combines close ties with regional communities and capabilities for providing sophisticated services.**

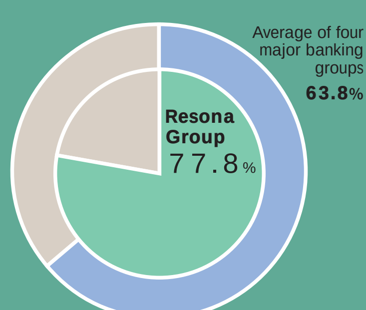
### Ratio of Housing Loans



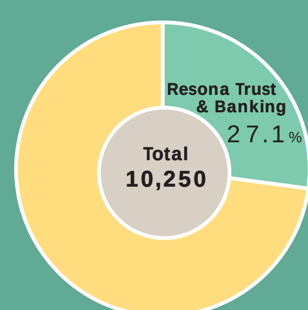

### Ratio of Individual Deposits




### Ratio of Loans to SMEs and Individuals

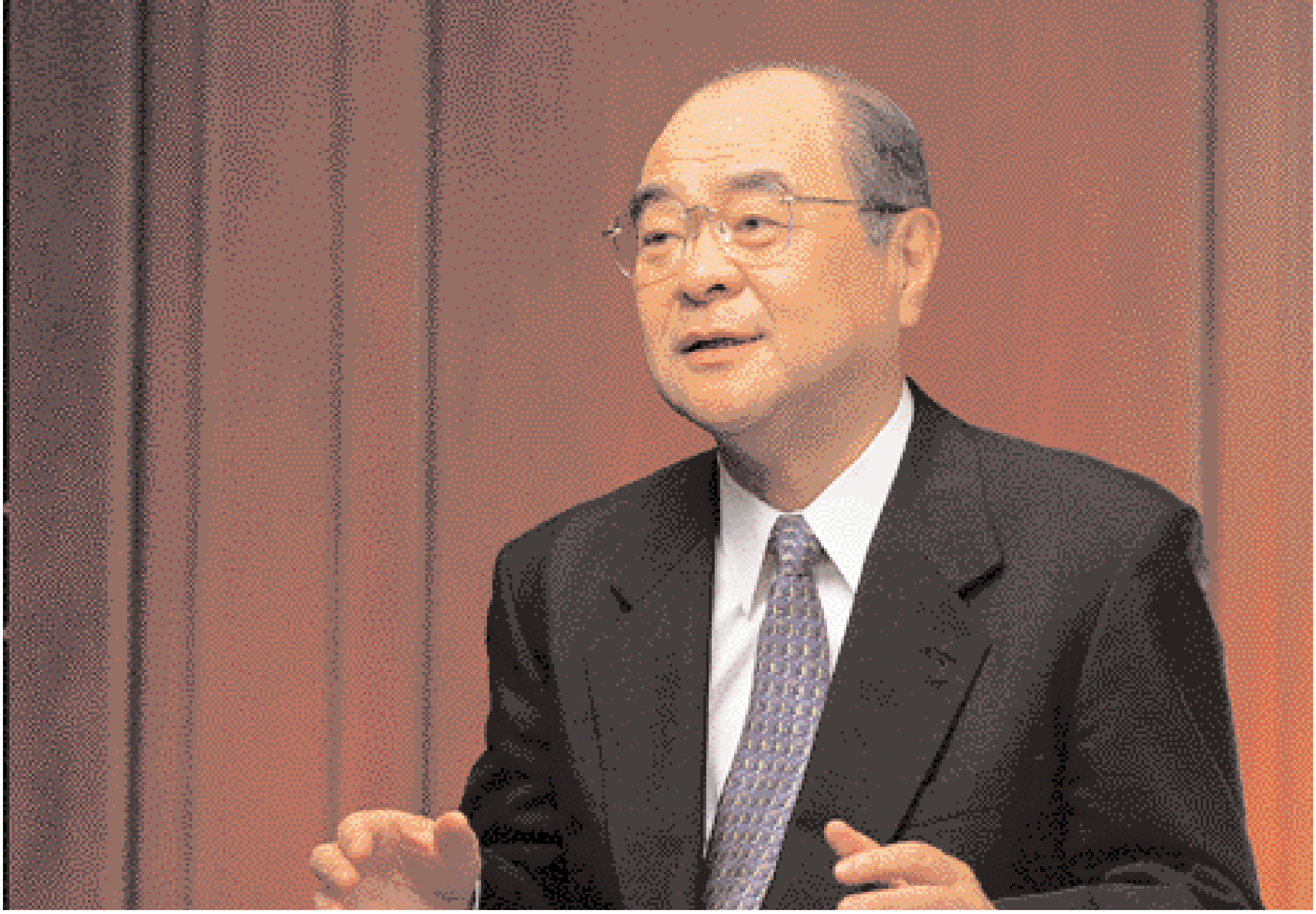



### Share of Lead Manager Contracts for Corporate Pensions




Notes: 1. Ratio of housing loans:
The ratio of housing loans to the total loans and bills discounted
2. Ratio of individual deposits:
The ratio of deposits placed by individuals to the total deposits
3. Ratio of loans to SMEs and individuals:
The ratio of loans to small and medium-sized enterprises and individuals to the total domestic loans

- All figures are as of September 30, 2002.
- The average for the four major banking groups is the simple average of the ratios for these groups.
- Ratios for the Resona Group were calculated using the sum of figures for the four Group banks (Daiwa Bank, Kinki Osaka Bank, Nara Bank, and Asahi Bank).



## Summary of Performance for the Interim Period

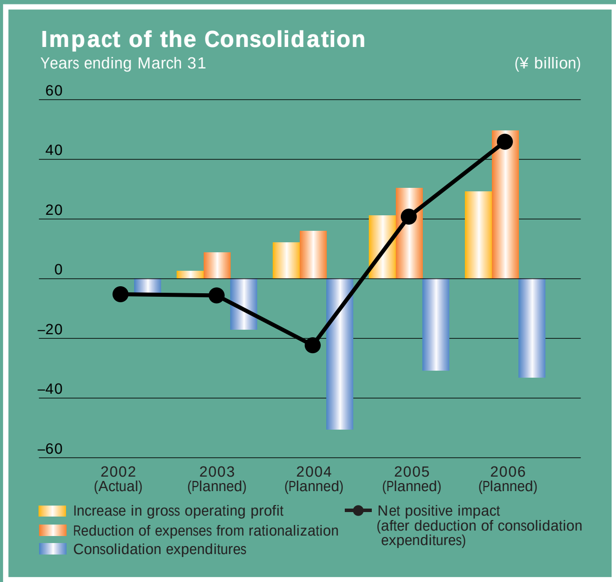
Total income on a consolidated basis for the interim period ended September 30, 2002, was ¥643.1 billion. By source, interest income, principally interest on loans, totaled ¥349.7 billion, and trust fee, other fees and commissions amounted to ¥101.4 billion. Total expenses were ¥627.8 billion. Although stock prices dropped substantially from their level at the end of the previous fiscal year, Group banks took drastic measures to dispose of latent losses on equity holdings in the prior fiscal year, and, as a consequence, losses on equities were at a relatively low level—¥14.9 billion in devaluation losses and ¥8.7 billion in losses on the sale of securities. To deal with problem exposure, the Group as a whole continued to implement strict self-assessments and strengthened reserves for exposure classified in the Watch category. As a result, provisions to the general reserve for possible loan losses for the interim period amounted to ¥46.9 billion. In addition, the Group made write-offs of ¥74.8 billion in problem exposures, and made provisions to the specific reserve for possible loan losses amounting to ¥24.5 billion. Excluding provisions to the general reserve for possible loan losses, the Group incurred ¥112.0 billion in losses related to the disposal of problem exposures during the interim period.

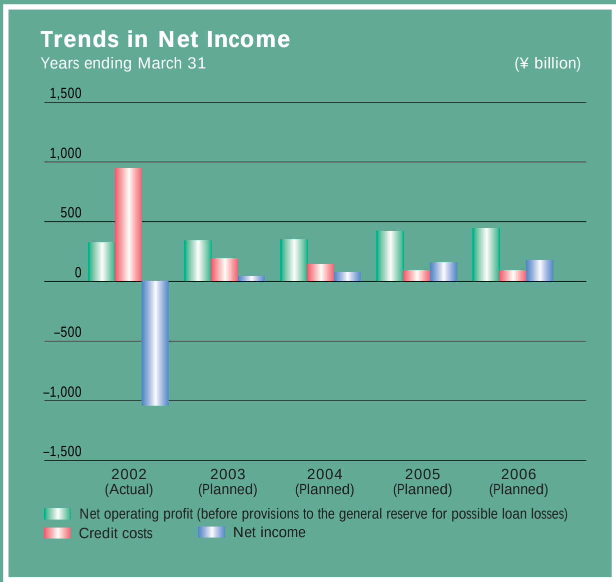
In preparation for the realignments within the Resona Group in fiscal 2004 and later, the Kinki Osaka Bank made substantially increased provisions for problem exposures during the interim period under review, thus raising its reserve coverage ratio substantially, with the aim of taking decisive steps to substantially reduce future credit costs. We believe that, as for the Daiwa Bank and the Asahi Bank, the Kinki Osaka Bank has thus made sufficient provisions in preparation for the full-scale clearing of problem exposures from its balance sheet. The balance of problem exposures according to the definitions of the Law Concerning Emergency Measures for the Early Strengthening of Financial Functions (Financial Reconstruction Law) for the Group as a whole at the end of the interim period was approximately ¥200 billion lower than at March 31, 2002, representing a decline of about 6%.

To solve problem loan issue at an early date, beginning in the second half of the current fiscal year, Group banks will accelerate their activities to clear problem exposures from their balance sheets. Specifically, the Daiwa Bank and the Asahi Bank combined plan to eliminate approximately ¥700 billion in exposures to “doubtful” or lower categories of borrowers during the latter half of the fiscal year, thus bringing the total amount cleared for the fiscal year ending March 31, 2003, to about ¥1,200 billion.

■ **Expenditures related to the realignments will reach a peak in the fiscal year ending March 31, 2004. Thereafter, the positive effects of the realignment will emerge and we are looking for benefits amounting to ¥45.9 billion in the year ending March 31, 2006 and are aiming for net operating profit of ¥444.0 billion.**

■ **As a result of the decisive measures taken by Group banks to dispose of problem exposures in the fiscal year ended March 31, 2002, the outlook is for credit costs to decline from the current fiscal year.**




Notes: 1.Figures in the graphs are based on data included in the Plan to Revitalize Management, which was released in May 2002.
2.Figures of the Plan for the Year Ending March 2003 differ from the outlook for performance issued at the time of the release of results for the interim period of fiscal 2002.

## Future Management Directions

The Resona Group, as a federation of regional financial institutions with deep roots in the regions each of the group banks serves, believes that operating systems closely tied with local communities and capable of responding in depth to customer needs are fundamental for its activities. The Group is therefore working to establish a new business model that will offer its customers a broad range of high quality services.

As the holding company for the Group, Resona Holdings is the center for planning and supervisory functions for the Group banks and performs overall management functions for the Group to achieve high operational efficiency. Resona Holdings is currently moving forward to implement a realignment of the Group with the objective of establishing the new business model. Specific aspects of this realignment include reorganizing the Group banks along regional lines to make clear the Group's stance of having close ties with the communities it serves. The creating of Resona Bank and Saitama Resona Bank, which will commence operations in March 2003, is part of these realignment initiatives. Beginning in fiscal 2004, in the Osaka and Nara regions, we are giving considerations to reorganizing the operations of Resona Bank, the Kinki Osaka Bank and the Nara Bank so as to newly establish Osaka Resona Bank and Nara Resona Bank, which cover Osaka and Nara regions, respectively.

Along with realignment along regional lines, specialized functions will be centralized into a single, specified company with the objectives of combining know-how and achieving an even higher level of professionalism. By creating systems that make these sophisticated functions and services available to all Group banks, we will be able to provide all customers of the Group with higher quality services than previously. As part of these initiatives, regarding trust business services, which are one of the core capabilities of the Group, we transferred a portion of the operations of Asahi Trust and Banking Co., Ltd., to Resona Trust & Banking Co., Ltd., and merged this company with the Daiwa Bank in October 2002, thus completing the realignment of trust business division of the Group. As a consequence, the efficiency of the Group's trust business operations have increased, and, by combining and integrating the Group's know-how in the trust business, we are now positioned to provide highly professional trust business services.

We believe that the most important tasks before us for the time being are to implement these realignments smoothly, achieve the benefits of the merging of operations at an early date, and offer customers a higher level of service quality than in the past. Based on the positive impact of the business restructuring I have described, the Resona Group has set financial goals—for the fiscal year ending March 31, 2006—of net operating profit of ¥444.0 billion, and a ratio of expense to gross operating profit of 50% (all figures are based on a summation of data for the Group banks).

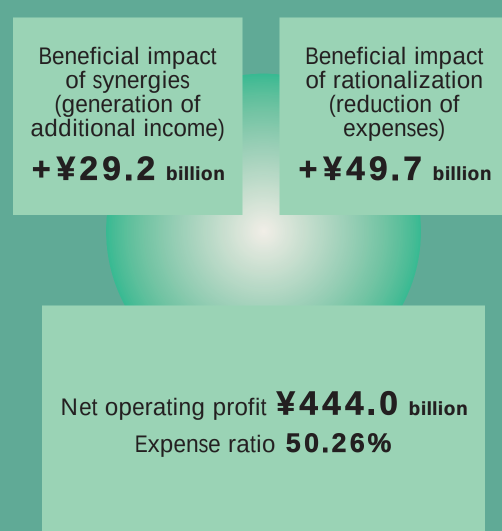
We intend to devote our maximum efforts to addressing the issues and implementing the measures I have described with the aims of maintaining the trust and confidence of our customers and society as contributing members of our home communities and win the high appraisals from our shareholders and in the market.

Yasuhisa Katsuta
President

**Based on its basic strategy of specializing and concentrating its resources in the business fields and geographical regions where it is strong, the Resona Group has set the objectives of ¥444.0 billion in net operating profit, and an expense ratio of 50% by the year ending March 31, 2006.**

**Structure of the Resona Group (After Completion of the Realignment)**


**The Resona Group's Financial Objectives for the Year Ending March 31, 2006**



The Resona Group's credit costs including the addition to general reserve for possible loan losses during the interim period under review exceeded the forecast issued at the beginning of the period by approximately ¥53.0 billion. This was because of an unforeseen increase in such costs at the Kinki Osaka Bank; the Daiwa Bank and the Asahi Bank reported credit costs approximately in line with their initial projections. The Kinki Osaka Bank took steps to strengthen its loan loss reserves during the interim period following a strict assessment of its assets and raised its reserve coverage ratio substantially.

The Daiwa Bank and the Asahi Bank cleared approximately ¥500 billion in their exposures to "doubtful" or lower categories of borrowers from their balance sheets during the interim period. As a consequence, the balance of such problem exposures as of September 30, 2002, declined approximately ¥380 billion, or about 20%, in comparison with March 31, 2002, after taking account of approximately ¥120 billion in new problem exposures that emerged during the interim period. The Group's total balance of problem exposures disclosed under the Financial Reconstruction Law criteria at September 30, 2002, stood approximately ¥200 billion, or about 6%, lower than at March 31, 2002. To resolve problem loan issues by the end of fiscal 2004, the Group will adopt more aggressive measures to clear problem exposures from its balance sheet beginning in the second half of the current fiscal year. In specific terms, during the current fiscal year which ends March 31, 2003, the Daiwa Bank and the Asahi Bank plan to reduce their problem exposures to "doubtful" or lower categories of borrowers by approximately ¥1 trillion even after taking into account the new additions anticipated.

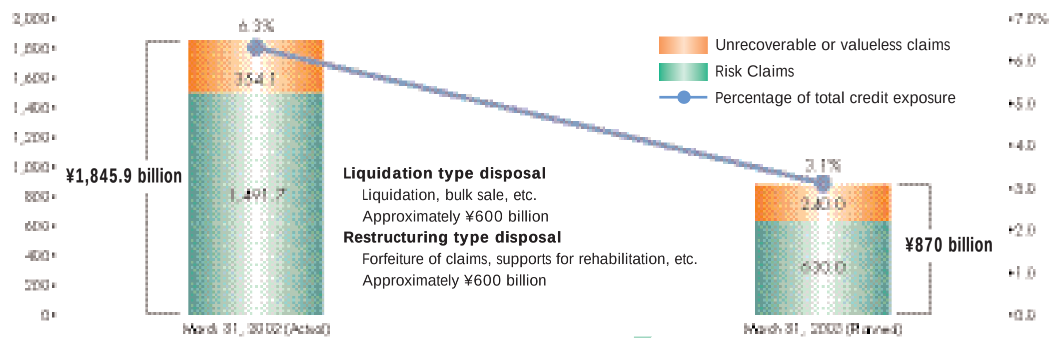
The credit costs to be incurred by the Daiwa Bank and the Asahi Bank in total were projected initially to be ¥170 billion for the current fiscal year. However, accompanying the aforementioned measures to accelerate the clearing of problem exposures, we expect an additional ¥70 billion in credit costs and revised the initial projection, bringing the total to ¥240 billion.

## Balance of Problem Exposures at the End of the Interim Period

| | March 31, 2002 | | September 30, 2002 |
|---|---|---|---|
| Claims disclosed according to the Financial Reconstruction Law | **¥3,356.1 billion** (Sum for the Group banks) | A decline of approximately ¥200 billion | **¥3,148.4 billion** (Sum for the Group banks) |
| Claims to "Doubtful" or lower categories of borrowers (Percentage to total claims) | **¥1,845.9 billion (6.30%)** (Total for the Daiwa Bank and the Asahi Bank) | A decline of approximately ¥380 billion | **¥1,465.9 billion (5.32%)** (Total for the Daiwa Bank and the Asahi Bank) |

## Accelerating Clearing of Problem Exposures from the Balance Sheet

Even after consideration of an anticipated addition of approximately ¥250 billion during the current fiscal year, the balance of claims to "doubtful" or lower categories of borrowers is expected to decline by approximately ¥1 trillion.



## Breakdown of disposal of problem loans (Consolidated)

(Billions of yen)

| | Six months ended September 30, 2002 | Year ended March 31, 2002 |
|---|---|---|
| **Disposal of problem loans** | **¥112.0** | ¥901.3 |
| Write-off of loans | **74.8** | 349.2 |
| Provision to specific reserve for possible loan losses | **24.5** | 375.6 |
| Provision to reserve for possible losses on loans sold | **(0.0)** | 9.2 |
| Losses on forgiveness of loans to assist borrowers | **—** | 66.5 |
| Losses on sales of claims to CCPC | **0.5** | 14.2 |
| Provision to special reserve for certain overseas loans | **0.0** | (4.9) |
| Losses on sales of other claims | **4.5** | 47.5 |
| Other credit-related expenses | **7.3** | 43.8 |

## Claims disclosure according to the Financial Reconstruction Law (Total of the four banks)

(Includes Jointly Operated Designated Money Trust, of which the principal is guaranteed by a Group bank.
Figures are after partial direct write-offs.)

(Billions of yen)

| | Six months ended September 30, 2002 | Year ended March 31, 2002 |
|---|---|---|
| Unrecoverable or valueless claims | **¥ 432.5** | ¥ 442.4 |
| Risk claims | **1,257.5** | 1,598.2 |
| Claims in need of special attention | **1,458.3** | 1,315.4 |
| Financial Reconstruction Law subtotal | **3,148.4** | 3,356.1 |
| Nonclassified claims | **27,604.1** | 29,302.7 |
| Financial Reconstruction Law total | **¥30,752.6** | ¥32,658.8 |

## Risk management loans (Consolidated)

(Includes Jointly Operated Designated Money Trust, of which the principal is guaranteed by a Group bank.
Figures are after partial direct write-offs.)

(Billions of yen)

| | Risk management loans | | Ratio to total loans | |
|---|---|---|---|---|
| | **Six months ended September 30, 2002** | Year ended March 31, 2002 | **Six months ended September 30, 2002** | Year ended March 31, 2002 |
| Loans to borrowers in legal bankruptcy | **¥ 183.4** | ¥ 186.6 | **0.63%** | 0.62% |
| Past due loans | **1,556.8** | 1,891.3 | **5.39%** | 6.30% |
| Loans past due three months or more | **133.0** | 121.4 | **0.46%** | 0.40% |
| Restructured loans | **1,403.9** | 1,259.3 | **4.86%** | 4.19% |
| Total | **¥3,277.2** | ¥3,458.7 | **11.35%** | 11.52% |
| Partial direct write-offs | **¥ 985.0** | ¥1,022.7 | | |

## Reserve for possible loan losses (Consolidated)

(Billions of yen)

| | Six months ended September 30, 2002 | Year ended March 31, 2002 |
|---|---|---|
| General reserve for possible loan losses | **¥385.5** | ¥ 344.5 |
| Specific reserve for possible loan losses | **532.0** | 708.8 |
| Special reserve for certain overseas loans | **1.3** | 1.5 |
| Total reserve for possible loan losses | **¥919.0** | ¥1,054.9 |
| Reserve for possible losses on loans sold | **¥ 12.4** | ¥ 20.4 |
| Reserve provided in preparation for write-offs in trust account | **1.0** | 1.3 |

## Percentage of reserves to total risk management loans (Consolidated)

(%)

| | Six months ended September 30, 2002 | Year ended March 31, 2002 |
|---|---|---|
| Before partial direct write-off | **44.70** | 46.39 |
| After partial direct write-off | **28.07** | 30.53 |

Percentage of reserves = (Total reserve for possible loan losses + Reserve for the specific borrowers under support + Reserve provided in preparation for write-offs in trust account) / Total risk management loans

## Risk management loans (Total of the four banks)

(Includes Jointly Operated Designated Money Trust, of which the principal is guaranteed by a Group bank.
Figures are after partial direct write-offs.)

(Billions of yen)

| | Six months ended September 30, 2002 | Year ended March 31, 2002 |
|---|---|---|
| Loans to borrowers in legal bankruptcy | **¥ 171.8** | ¥ 178.6 |
| Past due loans | **1,475.5** | 1,806.6 |
| Loans past due three months or more | **113.2** | 102.0 |
| Restructured loans | **1,345.1** | 1,213.3 |
| Total | **¥3,105.7** | ¥3,300.6 |
| Partial direct write-offs | **¥ 905.9** | ¥ 944.2 |

## Ratio to balance of loans (At year-end) (Total of the four banks)

(%)

| | Six months ended September 30, 2002 | Year ended March 31, 2002 |
|---|---|---|
| Loans to borrowers in legal bankruptcy | **0.59** | 0.58 |
| Past due loans | **5.12** | 5.93 |
| Loans past due three months | **0.39** | 0.33 |
| Restructured loans | **4.67** | 3.98 |
| Total | **10.78** | 10.84 |

## Reserve for possible loan losses (Total of the four banks)

(Billions of yen)

| | Six months ended September 30, 2002 | Year ended March 31, 2002 |
|---|---|---|
| General reserve for possible loan losses | **¥375.6** | ¥326.4 |
| Specific reserve for possible loan losses | **462.8** | 651.2 |
| Special reserve for certain overseas loans | **1.9** | 2.2 |
| Total reserve for possible loan losses | **¥840.4** | ¥979.9 |
| Reserve for possible losses on loans sold | **¥ 12.4** | ¥ 20.4 |
| Reserve provided in preparation for write-offs in trust account | **1.0** | 1.3 |

## Percentage of reserves to total risk management loans

(%)

| | Six months ended September 30, 2002 | Year ended March 31, 2002 |
|---|---|---|
| Before partial direct write-off | **43.55** | 45.36 |
| After partial direct write-off | **27.09** | 29.73 |

Percentage of reserves = (Total reserve for possible loan losses + Reserve for the specific borrowers under support + Reserve provided in preparation for write-off in trust account) / Total risk management loans

## Problem exposures cleared from the balance sheets

### Claims to obligors classified as "doubtful" or lower obligor categories in the self-assessment of asset quality (Total of the four banks)

(Includes Jointly Operated Designated Money Trust, of which the principal is guaranteed by a Group bank.
Figures are after partial direct write-offs.)

(Billions of yen)

| | End of September 2002 | | End of March 2002 | End of September 2001 | End of March 2001 | End of September 2000 |
|---|---|---|---|---|---|---|
| | **Amount** | **Clearance ratios** | | | | |
| Portion in or prior to the first half of fiscal 2000 (existing portion) | **¥ 528.0** | **66.0%** | ¥ 610.1 | ¥ 868.7 | ¥1,096.7 | ¥1,554.9 |
| Unrecoverable or valueless claims | **199.3** | — | 238.3 | 292.9 | 373.0 | 419.6 |
| Risk claims | **328.6** | — | 371.7 | 575.8 | 723.7 | 1,135.3 |
| Portion in the latter half of fiscal 2000 (existing portion) | **172.8** | **62.4%** | 311.5 | 372.1 | 459.7 | |
| Unrecoverable or valueless claims | **51.0** | — | 38.0 | 34.1 | 57.9 | |
| Risk claims | **121.8** | — | 273.5 | 337.9 | 401.8 | |
| Portion in the first half of fiscal 2001 (existing portion) | **91.2** | **55.0%** | 120.6 | 202.7 | | |
| Unrecoverable or valueless claims | **31.8** | — | 38.0 | 54.2 | | |
| Risk claims | **59.3** | — | 82.5 | 148.4 | | |
| Portion in the latter half of fiscal 2001 (existing portion) | **710.6** | **28.8%** | 998.3 | | | |
| Unrecoverable or valueless claims | **103.5** | — | 128.0 | | | |
| Risk claims | **607.1** | — | 870.3 | | | |
| Additional portion in the first half of fiscal 2002 (newly reported) | **187.3** | — | | | | |
| Unrecoverable or valueless claims | **46.7** | — | | | | |
| Risk claims | **140.5** | — | | | | |
| Total | **¥1,690.1** | — | ¥2,040.7 | ¥1,443.6 | ¥1,556.5 | ¥1,554.9 |

Notes: 1. Clearance ratios are the percentages of problem exposures outstanding as of the end of March 2002 compared with the balance at the end of the period when such exposures were newly classified.
2. The balance as of the end of September 2002 includes ¥278.0 billion for which certain preparatory arrangements have already been made for removal from the balance sheet.

## Statement of self-assessment of asset quality (Total of the four banks)

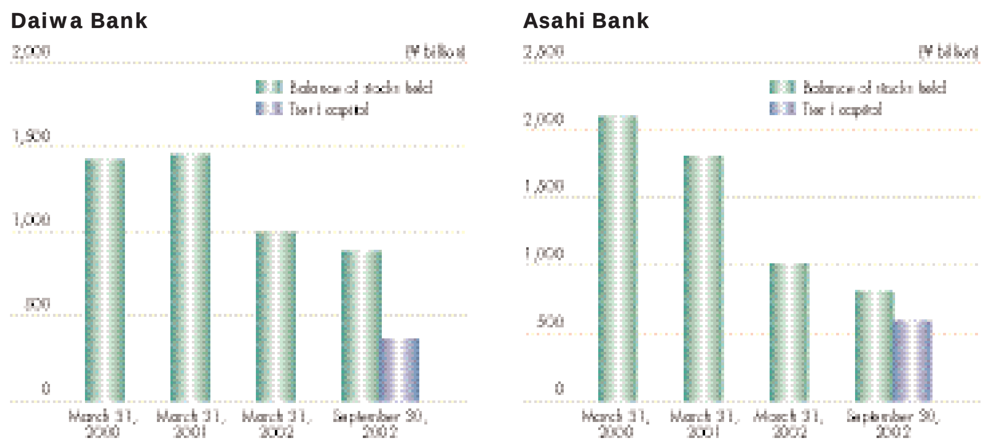
(Billions of yen)

| | | Disclosure Categories under Self-Assessment of Asset Quality | | | | | |
|---|---|---|---|---|---|---|---|
| Obligor Classification / Categories of Claims | Disclosure Categories under the Financial Reconstruction Law | Normal Claims | Category II Claims | Category III Claims | Category IV Claims | Coverage | Coverage Ratio under Financial Reconstruction Law Criteria |
| Bankrupt and Effectively Bankrupt (Total 432.5) | Unrecoverable or Valueless Claims 432.5 | 112.4 | 320.0 | Reserve Ratio 100% | Direct Write-Offs | Reserves (48.8) Collateral/Guarantees (383.7) | Unrecoverable or Valueless Claims 100% |
| Doubtful (Total 1,257.5) | Risk Claims 1,257.5 | 553.1 | 482.4 | 221.9<br>Reserve Ratio 64.6% | | Reserves (408.9)<br>Collateral/Guarantees (626.6) | Risk Claims 82.3% |
| Watch: Special Attention (Total 2,352.5) | Claims in Need of Special Attention 1,458.3<br>Subtotal 3,148.4 | 216.8 | 2,135.7 | | | Reserves (272.2) Collateral/Guarantees (704.5) | Claims in Need of Special Attention 66.9% |
| Watch: Other Watch (Total 3,816.7) | Nonclassified Claims 27,604.1 | 879.3 | 2,937.3 | | | | |
| Normal (Total 22,893.2) | | 22,893.2 | | | | | Coverage Ratio against Total Claims 77.6% |
| Total 30,752.6 | Total 30,752.6 | Normal Claims 24,655.0 | Category II Claims 5,875.5 | Category III Claims 221.9 | Category IV Claims — | | |

Note: Includes the Jointly Operated Designated Money Trust, of which the principal is guaranteed by a Group bank.

The Resona Group is taking active measures to reduce the balance of its stock holdings with the objective of reducing the impact of fluctuations in stock prices. The Group sold ¥145 billion of stock holdings during the interim term out of the planned sales of ¥350 billion for the full fiscal year. Progress toward this objective is slightly behind the initial plan, but the Group is moving forward with measures to reduce its stock holdings in the second half of the current fiscal year. The amount of stock holdings the Group must sell under regulatory restrictions was approximately ¥500 billion as of September 30, 2002. The Group will make use of the Bank of Japan's stock purchase scheme to meet regulatory requirements at an early date.

**Book Value of Stock Holdings (Daiwa Bank and Asahi Bank)**




Note: The balance of stocks held is the amount reported on the balance sheets (non-consolidated basis)

As a result of the rise in unrealized losses accompanying the decline in stock prices, the Group's consolidated capital ratio, as of September 30, 2002, was 7.92%, or 0.81% lower than at March 31, 2002. However, Resona Holdings and the Resona Group banks are required to meet domestic capital requirements of 4% or more, and thus were in full compliance with these regulations.

From the perspective of management soundness, we believe that expanding the Group's capital is an important issue, but as a financial group with close ties to the regions where we conduct our activities, we will not adopt unreasonable measures to reduce our loan portfolio for the sake of increasing our capital ratio. To the contrary, we will work to continue to supply funds smoothly to SMEs in the regions we serve, while devoting our fullest efforts to expanding capital by enhancing our earnings power through the realization of the benefits of restructuring and consolidation.

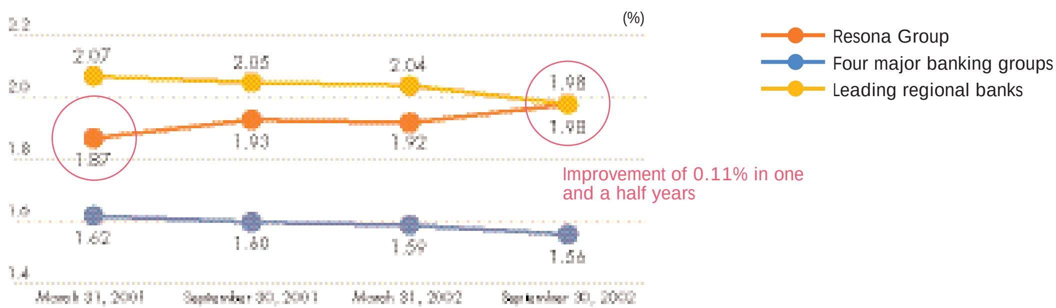
## STRENGTHENING PROFITABILITY AND PROMOTING RESTRUCTURING

The Resona Group is working to strengthen profitability by steadily shifting toward a business model featuring close ties to regional communities. During the interim period under review, the Group reported improvements in a number of areas, including 0.06% improvement in the spread between deposit and lending rates for the Group as a whole, as a result of specializing in domestic retail banking activities.

As a financial institution engaged in lending activities, setting lending rates that are appropriate for the level of credit risk taken is not only important for strengthening profitability but also indispensable for stabilizing management over the long term. However, what is important when adopting this approach to loan pricing is to meet with customers, explain the Group's approach in detail, and, after obtaining the understanding of customers, provide advice for reforming management and other matters, respond to their expectations, and reach a close mutual understanding. The basic stance of the Resona Group is to build trust and confidence for the long term by prospering with our customers.

As regional financial institutions, we are seeking to build close relationships with our customers and bring value-added services that conventional regional banks cannot offer, based on our broad Group network, trust business services, and other capabilities.

### ◆ Trends in the Spread between Deposit and Lending Rates: Steady Transition in the Group's Business Model



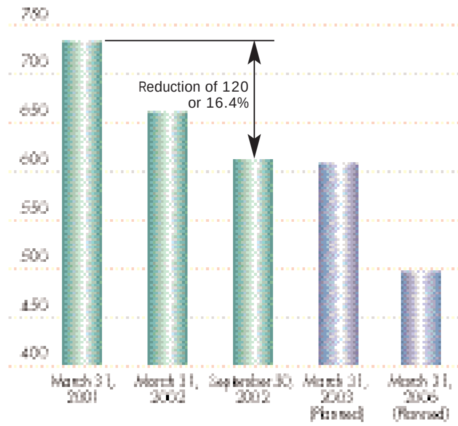

Notes: 1. Figures show the spread between deposit and lending rates in the Group's domestic banking divisions.
2. Figures for the four major banking groups are simple averages of data for the four groups.
3. Figures for the leading regional banks are simple averages of data for the top five regional banks as measured by total assets as of March 31, 2002 (Bank of Yokohama, Chiba Bank, Shizuoka Bank, Joyo Bank, and Fukuoka Bank)

In addition, we are working to achieve major improvements in profitability by steady implementation of decisive measures to rationalize our operations. The Daiwa Bank and the Asahi Bank have both already implemented changes in their systems for regular employee compensation to make a transition to salaries based on ability and accomplishments. In addition, as part of the realignment of the banking operations of the Group, we are implementing in-depth rationalization policies, including consolidating and closing certain of our offices and considering terms of employment appropriate to a true regionally-based financial institution.

## Progress toward Thorough Rationalization

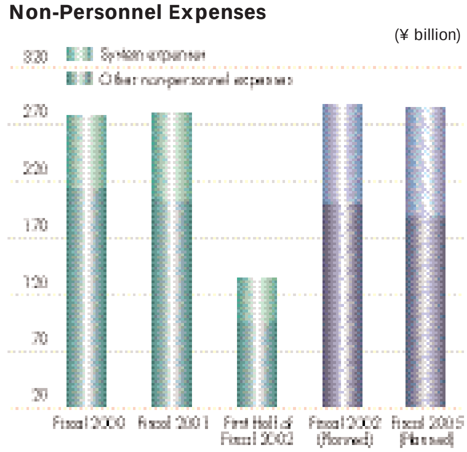
Note: Planned figures shown in the tables do not reflect the impact of further restructuring by the Kinki Osaka Bank (Please see page 15 for details).

### Number of Domestic Offices and Branches



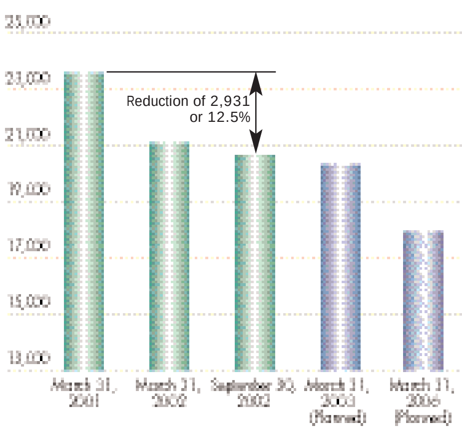

Note: These figures exclude sub-branches, branches in retail stores, offices specializing in receiving payments, and offices with ATMs for joint use.

### Non-Personnel Expenses



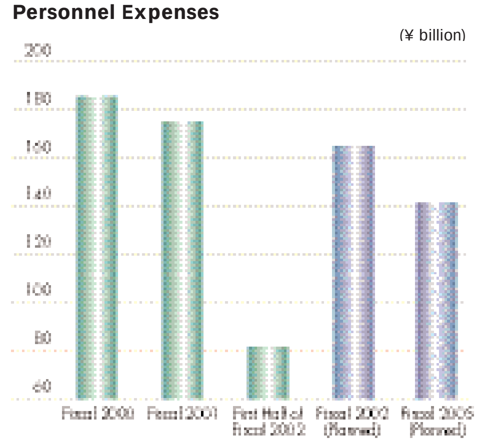

Note: Figures include directors and staff of Resona Holdings.

### Number of Personnel




Note: Includes employees on record seconded to other companies, but excludes contract employees, part-time employees, and employees provided by personnel agencies.

### Personnel Expenses




Note: Welfare-related expenses include non-personnel expenses.

# ADDITIONAL MEASURES TO IMPROVE PROFITABILITY OF THE KINKI OSAKA BANK

The Kinki Osaka Bank reported a net loss of ¥28.5 billion for the first half of fiscal 2002, following implementation of a strict assessment of its assets and substantial increase in write-offs and additions to loan loss reserves as a result of such rigorous assessment. Accordingly, the Kinki Osaka Bank decided to accelerate its plans for a reduction in the number of offices and personnel contained in its existing plans for management rationalization and announced on November 25, 2002, that, by March 31, 2004, it would reduce the number of its offices to 135, representing a reduction of about 40% from the peak level, and lower the number of personnel to 3,100, which will be about 30% below the peak number.

Through these rationalization measures, the Kinki Osaka Bank plans to cut its expenditures by ¥7.6 billion, or 11%, in comparison with the fiscal year ended March 31, 2002. Also, by adopting further measures to strengthen its operating systems, the bank plans to increase gross operating profit by approximately ¥4.0 billion, or 5%, and reach core net operating profit of ¥30.0 billion for the year ending March 31, 2004, and thus attain the goals of its existing management plan one year early. Core net operating profit for the year ended March 31, 2002, was ¥18.1 billion, and the planned improvement will therefore represent an increase in core net operating profit of approximately 65%. In addition, in the realignment of operations in the Osaka region, scheduled to begin in the year ending March 31, 2005, the Group will implement a full-scale management rationalization of its activities in this area.

## Policies for Strengthening the Profitability of the Kinki Osaka Bank

Aiming to attain core net operating profit of ¥30.0 billion one year earlier than planned (by the year ending March 2004)

### Measures to increase management efficiency

Plans for the number of head and branch offices

| | September 30, 2002 (Actual) (A) | March 31, 2005 (Existing plan) (B) | March 31, 2004 (New plan) (C) | Change (C)–(A) | Change (C)–(B) |
|---|---|---|---|---|---|
| Number of offices | 168 | 203 | 135 | (33) | (68) |

Note: This represents a decline of 94 offices, or a 41% reduction, compared with the peak of 229 in March 2001.

Plans for the number of personnel

| | September 30, 2002 (Actual) (A) | March 31, 2005 (Existing plan) (B) | March 31, 2004 (New plan) (C) | Change (C)–(A) | Change (C)–(B) |
|---|---|---|---|---|---|
| Number of personnel | 3,906 | 3,694 | 3,100 | (806) | (594) |

Note: This represents a reduction of 1,364 personnel, or 31%, compared with the peak of 4,464 in February 2001.

### Measures to strengthen marketing capabilities

**Increase lending to SMEs**

- Expand the support center for SMEs
- Develop new customers through the Corporate Promotion Office
- Introduce special funds and scoring systems

**Expand housing loans**

- Strengthen working relationships with local housing contractors
- Rapid credit checks and approvals through teamwork with loan guarantee companies
- Expand the balance of loans to ¥1.06 trillion by March 31, 2004 (an increase of ¥140.0 billion in comparison with March 31, 2002)

**Activities related to investment trusts**

- Top seller of investment trusts among regional banks in the Kinki region as of March 31, 2002
- Assign fund management advisers to all branches by March 31, 2003
- Increase the balance to ¥180.0 billion by the end of March 2004 (an increase of ¥150.0 billion in comparison with March 31, 2002)

**Strengthen marketing systems**

- Reassign approximately 100 headquarters personnel to branch offices

(¥ billion)

| | Fiscal 2001 (Actual) | Fiscal 2003 (New plan) |
|---|---|---|
| Gross operating profit | 87.0 | 91.0 |
| Operating expenses | 68.6 | 61.0 |
| Core net operating profit | 18.1 | 30.0 |

Notes: 1. Core net operating profit: Net operating profit, excluding provisions to the general reserve for possible loan losses and net gains from government bonds
2. Plans for the years following fiscal 2003 will be formulated with consideration for the planned realignment of Group banks in the Osaka region.

# REVIEW OF PERFORMANCE FOR THE INTERIM PERIOD

## Statement of Operations

Total income for the interim period ended September 30, 2002, amounted to ¥643.1 billion. By source, interest income, principally interest on loans, was ¥349.7 billion, and trust fees as well as other fees and commissions totaled ¥101.4 billion.

Total expenses for the interim period were ¥627.8 billion. While stock prices declined substantially from their level at the end of the previous fiscal year, Group banks adopted decisive measures to dispose of latent losses on their equity holdings in the prior fiscal year. As a consequence, losses on equities were at a relatively low level, amounting to ¥14.9 billion in devaluation losses and ¥8.7 billion in losses on the sale of securities. Regarding problem exposures, the Group as a whole continued to implement strict self-assessments and strengthened reserves further for exposures to the Watch obligors. As a consequence, provisions to the general reserve for possible loan losses for the interim period amounted to ¥46.9 billion. Moreover, the Group made write-offs of ¥74.8 billion in problem exposures, and made provisions to the specific reserve for possible loan losses amounting to ¥24.5 billion. Excluding provisions to the general reserve for possible loan losses, the Group reported ¥112.0 billion in losses related to the disposal of problem exposures during the interim period.

As a consequence, the Group reported income before income taxes and minority interests of ¥15.3 billion and net income of ¥13.5 billion for the interim period. Net income per share was ¥2.49.

## Consolidated Balance Sheet and Trust Account

Total assets of the Group on a consolidated basis amounted to ¥41,786.6 billion, representing a decline of ¥3,165.8 billion from the end of the previous fiscal year. On the fund uses side, loans and bills discounted were down ¥1,579.5 billion, to ¥28,441.6 billion, and securities amounted to ¥6,397.7 billion, a decline of ¥466.5 billion from March 31, 2002. On the fund-raising side, the total volume of funds, including deposits and negotiable certificates of deposit, amounted to ¥33,889.8 billion, a decline of ¥788.4 billion from the end of the previous fiscal year. This decrease was due to a drop of ¥410.1 billion in deposits combined with a decline of ¥378.3 billion in negotiable certificates of deposits issued by the Group in view of the substantial decline in the volume of assets. Also, because of the drop in assets, the volume of funds raised from call money and bills sold fell ¥927.0 billion.

The Group’s shareholders’ equity declined ¥262.1 billion from the end of the previous fiscal year, to ¥1,026.9 billion, owing to an increase of ¥265.3 billion in net unrealized losses on securities available for sale, net of taxes. The Group’s capital adequacy ratio (under the second set of criteria) at the end of the interim period was 7.92%.

## Cash Flows

The Group reported a net cash outflow in its operating activities of ¥1,018.0 billion, despite cash inflows of ¥1,601.9 billion owing to the reduction in loans and bills discounted, because of the decline in deposits, negotiable certificates of deposit, and funds raised from financial markets.

Net cash provided by investing activities amounted to ¥129.2 billion as a result of the reduction in the balance of securities and other factors. Net cash used in financing activities amounted to ¥143.2 billion, despite an inflow from the issuance of ¥67.9 billion in preferred securities, owing to ¥215.7 billion in cash outflows for the repayment of subordinated borrowed money and subordinated bonds.

As a result, the balance of cash and cash equivalents on a consolidated basis at the end of the interim term was ¥1,764.5 billion, ¥1,031.6 billion lower than at March 31, 2002.

# CONSOLIDATED INTERIM FINANCIAL SUMMARY

Resona Holdings, Inc.
Six months ended September 30, 2002 and year ended March 31, 2002

| | Millions of yen | | Millions of U.S. dollars |
|---|---|---|---|
| | **Six months ended September 30, 2002** | Year ended March 31, 2002 | **Six months ended September 30, 2002** |
| **Income statement data** | | | |
| Income | | | |
| Interest income | **¥ 349,776** | ¥ 814,876 | **$ 2,851** |
| Trust fees | **15,855** | 44,843 | **129** |
| Fees and commissions | **85,608** | 188,101 | **697** |
| Trading income | **13,049** | 10,369 | **106** |
| Other operating income | **100,614** | 108,130 | **820** |
| Other income | **78,270** | 207,086 | **638** |
| Total Income | **643,175** | 1,373,407 | **5,243** |
| Expenses | | | |
| Interest expenses | **46,948** | 162,631 | **382** |
| Fees and commissions | **29,646** | 70,039 | **241** |
| Trading expenses | **14** | 37 | **0** |
| Other operating expenses | **48,347** | 34,257 | **394** |
| General and administrative expenses | **267,207** | 568,320 | **2,178** |
| Other expenses | **235,678** | 1,711,910 | **1,921** |
| Total Expenses | **627,842** | 2,547,197 | **5,118** |
| Income (loss) before income taxes and minority interests | **15,333** | (1,173,789) | **125** |
| Net income (loss) | **¥ 13,518** | ¥ (931,876) | **$ 110** |
| **Balance sheet data** | | | |
| Total assets | **¥41,786,684** | ¥44,952,488 | **$340,698** |
| Total liabilities | **40,586,137** | 43,558,519 | **330,910** |
| Minority interests in consolidated subsidiaries | **173,632** | 104,911 | **1,415** |
| Total shareholders' equity | **1,026,915** | 1,289,058 | **8,372** |
| Deposits and negotiable certificates of deposit | **33,889,833** | 34,678,319 | **276,313** |
| Loans and bills discounted | **28,441,647** | 30,021,204 | **231,892** |
| Securities | **6,397,796** | 6,864,323 | **52,163** |

## Risk-Adjusted Capital Ratio

### Consolidated Risk-Adjusted Capital Ratio (Japanese Domestic Standard)

(Billions of yen, %)

| September 30, 2002 | Resona Holdings (Consolidated) | Daiwa Bank | Kinki Osaka Bank | Nara Bank* | Asahi Bank | Resona Trust & Banking* |
|---|---|---|---|---|---|---|
| Risk-adjusted capital ratio | 7.92% | 7.52% | 7.24% | 8.23% | 7.79% | 183.03% |
| Tier I ratio | 3.98% | 3.80% | 3.93% | 6.91% | 3.91% | 183.03% |
| Total qualifying capital | ¥ 2,161.4 | ¥ 713.5 | ¥ 177.9 | ¥ 8.5 | ¥ 1,192.0 | ¥28.4 |
| Tier I | 1,087.2 | 360.7 | 96.6 | 7.1 | 598.5 | 28.4 |
| Preferred securities | 138.5 | 67.9 | — | — | 70.6 | — |
| Revaluation loss on other securities | (338.1) | (179.6) | (4.8) | — | (158.2) | (0.0) |
| Tier II | 1,087.2 | 360.7 | 81.3 | 1.3 | 598.5 | — |
| Amount to be deducted | 12.9 | 8.0 | 0.0 | — | 4.9 | — |
| Total risk-adjusted assets | ¥27,282.0 | ¥9,488.0 | ¥2,455.3 | ¥103.3 | ¥15,292.4 | ¥15.5 |

*Figures for Nara Bank and Resona Trust & Banking are reported on a non-consolidated basis.

# CONSOLIDATED INTERIM BALANCE SHEET (UNAUDITED)

Resona Holdings, Inc.
September 30, 2002 and March 31, 2002

| | Millions of yen | | Millions of U.S. dollars (Note 1) |
|---|---|---|---|
| | **September 30, 2002** | March 31, 2002 | **September 30, 2002** |
| Assets | | | |
| Cash and due from banks (Notes 2 (s) and 6) | **¥ 2,017,015** | ¥ 3,166,039 | **$ 16,445** |
| Call loans and bills bought | **150,749** | 102,634 | **1,229** |
| Deposits paid for bonds lending/borrowing transactions | **12,391** | — | **101** |
| Monetary claims bought | **3,491** | 3,740 | **28** |
| Trading assets (Notes 2 (b) and 6) | **691,254** | 651,322 | **5,635** |
| Money held in trust (Note 16) | **66,677** | 43,854 | **543** |
| Securities (Notes 2 (d), 3, 6 and 16) | **6,397,796** | 6,864,323 | **52,163** |
| Loans and bills discounted (Notes 4, 5, 6 and 7) | **28,441,647** | 30,021,204 | **231,892** |
| Foreign exchange (Note 5) | **159,378** | 180,939 | **1,299** |
| Other assets (Note 6) | **1,204,436** | 1,232,565 | **9,820** |
| Premises and equipment (Notes 2 (f), 6, 9 and 10) | **818,330** | 840,198 | **6,672** |
| Deferred tax assets | **836,198** | 832,611 | **6,817** |
| Consolidation differences (Note 2 (r)) | **2,568** | 5,124 | **20** |
| Customers' liabilities for acceptances and guarantees | **1,910,909** | 2,062,934 | **15,580** |
| Reserve for possible loan losses (Note 2 (g)) | **(919,047)** | (1,054,958) | **(7,493)** |
| Reserve for possible losses on investments (Note 2 (h)) | **(7,115)** | (45) | **(58)** |
| Total Assets | **¥41,786,684** | ¥44,952,488 | **$340,698** |
| Liabilities | | | |
| Deposits (Note 6) | **¥33,412,016** | ¥33,822,170 | **$272,417** |
| Negotiable certificates of deposit | **477,817** | 856,148 | **3,895** |
| Call money and bills sold (Note 6) | **1,620,718** | 2,547,782 | **13,214** |
| Bills sold under repurchase agreements (Note 6) | **326,996** | 281,083 | **2,666** |
| Deposits received for bonds borrowing/lending transactions (Note 6) | **185,815** | — | **1,515** |
| Commercial paper | **20,000** | 20,000 | **163** |
| Trading liabilities (Note 2 (b)) | **221,277** | 219,655 | **1,804** |
| Borrowed money (Notes 6 and 11) | **882,650** | 1,017,404 | **7,196** |
| Foreign exchange (Note 5) | **9,243** | 8,957 | **75** |
| Bonds (Note 12) | **492,433** | 597,064 | **4,014** |
| Due to trust account | **202,434** | 213,342 | **1,650** |
| Other liabilities (Notes 6 and 8) | **716,163** | 1,789,046 | **5,839** |
| Reserve for employees' bonuses (Note 2 (i)) | **8,563** | 8,797 | **69** |
| Reserve for employees' retirement benefits (Note 2 (j)) | **14,009** | 17,012 | **114** |
| Reserve for possible losses on loans sold (Note 2 (k)) | **12,412** | 20,432 | **101** |
| Other reserves (Note 2 (l)) | **187** | 134 | **1** |
| Deferred tax liabilities | **0** | 379 | **0** |
| Deferred tax liabilities on land revaluation (Note 9) | **72,487** | 74,221 | **591** |
| Consolidation differences (Note 2 (r)) | **—** | 1,950 | **—** |
| Acceptances and guarantees | **1,910,909** | 2,062,934 | **15,580** |
| Total Liabilities | **40,586,137** | 43,558,519 | **330,910** |
| Minority Interests | | | |
| Minority interests in consolidated subsidiaries | **173,632** | 104,911 | **1,415** |
| Shareholders' Equity | | | |
| Capital | **—** | 720,000 | **—** |
| Capital reserve | **—** | 1,377,089 | **—** |
| Land revaluation differences (Note 9) | **—** | 113,301 | **—** |
| Deficit | **—** | 817,181 | **—** |
| Valuation differences | **—** | (72,797) | **—** |
| Foreign currency translation adjustments, net of taxes | **—** | (9,550) | **—** |
| Treasury stock | **—** | (19) | **—** |
| Parent's stock owned by subsidiaries | **—** | (21,784) | **—** |
| Total Shareholders' Equity | **—** | 1,289,058 | **—** |
| Shareholders' Equity (Note 13) | | | |
| Capital | **720,000** | — | **5,870** |
| Capital surplus | **481,629** | — | **3,926** |
| Earned surplus | **84,277** | — | **687** |
| Revaluation reserve for land, net of taxes (Note 9) | **110,654** | — | **902** |
| Net unrealized losses on securities available for sale, net of taxes (Note 16) | **(338,109)** | — | **(2,756)** |
| Foreign currency translation adjustments, net of taxes | **(9,569)** | — | **(78)** |
| Treasury stock | **(21,966)** | — | **(179)** |
| Total Shareholders' Equity | **1,026,915** | — | **8,372** |
| Total Liabilities, Minority Interests and Shareholders' Equity | **¥41,786,684** | ¥44,952,488 | **$340,698** |

See accompanying notes to consolidated financial statements.

# CONSOLIDATED INTERIM STATEMENT OF OPERATIONS (UNAUDITED)

Resona Holdings, Inc.
Six months ended September 30, 2002 and year ended March 31, 2002

| | Millions of yen | | Millions of U.S. dollars (Note 1) |
|---|---|---|---|
| | **Six months ended September 30, 2002** | Year ended March 31, 2002 | **Six months ended September 30, 2002** |
| Income | | | |
| Interest income | **¥349,776** | ¥ 814,876 | **$ 2,851** |
| Interest on loans and bills discounted | **313,053** | 690,226 | **2,552** |
| Interest and dividends on securities | **29,820** | 81,262 | **243** |
| Trust fees | **15,855** | 44,843 | **129** |
| Fees and commissions | **85,608** | 188,101 | **697** |
| Trading income (Note 2 (c)) | **13,049** | 10,369 | **106** |
| Other operating income | **100,614** | 108,130 | **820** |
| Other income (Note 14) | **78,270** | 207,086 | **638** |
| Total Income | **643,175** | 1,373,407 | **5,243** |
| Expenses | | | |
| Interest expenses | **46,948** | 162,631 | **382** |
| Interest on deposits | **22,979** | 87,772 | **187** |
| Fees and commissions | **29,646** | 70,039 | **241** |
| Trading expenses (Note 2 (c)) | **14** | 37 | **0** |
| Other operating expenses | **48,347** | 34,257 | **394** |
| General and administrative expenses | **267,207** | 568,320 | **2,178** |
| Other expenses (Note 14) | **235,678** | 1,711,910 | **1,921** |
| Total Expenses | **627,842** | 2,547,197 | **5,118** |
| Income (loss) before income taxes and minority interests | **15,333** | (1,173,789) | **125** |
| Income taxes—current (Note 2 (t)) | **5,454** | 14,906 | **44** |
| Income taxes—deferred (Note 2 (t)) | **(4,227)** | (256,412) | **(34)** |
| Minority interests in net income (loss) | **587** | (407) | **4** |
| Net income (loss) | **¥ 13,518** | ¥ (931,876) | **$ 110** |

| | Yen | | U.S. dollars (Note 1) |
|---|---|---|---|
| Net income (loss) per share | **¥2.49** | ¥(174.57) | **$0.00** |
| Net income per share (potential equity adjusted) | **1.49** | — | **0.00** |
| Cash dividends declared per share: | | | |
| Common stock | **—** | — | **—** |
| Preferred stock: | | | |
| Class A No. 1 preferred stock | **—** | 24.75 | **—** |
| Class B No. 1 preferred stock | **—** | 6.36 | **—** |
| Class C No. 1 preferred stock | **—** | 6.33 | **—** |
| Class D No. 1 preferred stock | **—** | 10.00 | **—** |
| Class E No. 1 preferred stock | **—** | 14.38 | **—** |
| Class F No. 1 preferred stock | **—** | 18.50 | **—** |

See accompanying notes to consolidated financial statements.

## CONSOLIDATED INTERIM STATEMENT OF SHAREHOLDERS' EQUITY (UNAUDITED)

Resona Holdings, Inc.
Six months ended September 30, 2002 and year ended March 31, 2002

| | Millions of yen | | Millions of U.S. dollars (Note 1) |
|---|---|---|---|
| | **Six months ended September 30, 2002** | Year ended March 31, 2002 | **Six months ended September 30, 2002** |
| (Retained earnings (deficit)) | | | |
| Balance at the beginning of the year | **¥ —** | ¥ 57,201 | **$ —** |
| Increase | **—** | 83,231 | **—** |
| Reversal of capital reserve | **—** | 67,385 | **—** |
| Reversal of land revaluation differences | **—** | 13,828 | **—** |
| Reduction in the number of affiliates accounted for by the equity method | **—** | 2,017 | **—** |
| Decrease | **—** | (25,739) | **—** |
| Reduction in the number of affiliates accounted for by the equity method | **—** | (0) | **—** |
| Transfer of shares | **—** | (21,024) | **—** |
| Dividends paid | **—** | (4,711) | **—** |
| Directors' bonuses | **—** | (2) | **—** |
| Net loss | **—** | (931,876) | **—** |
| Balance at the end of the year | **¥ —** | ¥(817,181) | **$ —** |
| (Capital surplus) | | | |
| Balance at the beginning of the period | **¥1,417,089** | ¥ — | **$11,553** |
| Decrease | **(935,460)** | — | **(7,627)** |
| Reversal of capital reserve for compensation of deficit | **(935,460)** | — | **(7,627)** |
| Balance at the end of the period | **¥ 481,629** | ¥ — | **$ 3,926** |
| (Earned surplus) | | | |
| Balance at the beginning of the period | **¥ (857,181)** | ¥ — | **$ (6,988)** |
| Increase | **951,626** | — | **7,758** |
| Net income | **13,518** | — | **110** |
| Reversal of capital reserve for compensation of deficit | **935,460** | — | **7,627** |
| Reversal of land revaluation differences | **2,647** | — | **21** |
| Decrease | **(10,167)** | — | **(82)** |
| Dividends paid | **(10,167)** | — | **(82)** |
| Balance at the end of the period | **¥ 84,277** | ¥ — | **$ 687** |

See accompanying notes to consolidated financial statements.

# CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)

Resona Holdings, Inc.
Six months ended September 30, 2002 and year ended March 31, 2002

| | Millions of yen | | Millions of U.S. dollars (Note 1) |
|---|---|---|---|
| | **Six months ended September 30, 2002** | Year ended March 31, 2002 | **Six months ended September 30, 2002** |
| **Cash flows from operating activities:** | | | |
| Income (loss) before income taxes and minority interests | **¥ 15,333** | ¥(1,173,789) | **$ 125** |
| Depreciation of premises and equipment | **52,955** | 60,916 | **431** |
| Amortization of consolidation differences | **1,041** | 501 | **8** |
| Equity in net losses from investments in affiliated companies | **473** | 2,713 | **3** |
| Increase (decrease) in reserve for possible loan losses | **(139,991)** | 319,140 | **(1,141)** |
| Increase (decrease) in reserve for possible losses on investments | **7,070** | (20) | **57** |
| Decrease in reserve for possible losses on loans sold | **(7,600)** | (44,684) | **(61)** |
| Increase (decrease) in reserve for employees' bonuses | **(229)** | 8,557 | **(1)** |
| Decrease in reserve for employees' retirement benefits | **(3,009)** | (15,320) | **(24)** |
| Interest income | **(349,776)** | (814,876) | **(2,851)** |
| Interest expenses | **46,948** | 162,631 | **382** |
| Net losses (gains) on securities | **(19,127)** | 459,974 | **(155)** |
| Net losses on money held in trust | **49** | 645 | **0** |
| Net foreign exchange gains | **(5,428)** | (3,088) | **(44)** |
| Net losses on sales of premises and equipment | **8,980** | 24,197 | **73** |
| Loss relating to securities claim | **1,788** | — | **14** |
| Net decrease (increase) in trading assets | **(45,636)** | 270,076 | **(372)** |
| Net increase (decrease) in trading liabilities | **858** | (52,035) | **6** |
| Net decrease in loans and bills discounted | **1,601,937** | 3,895,632 | **13,061** |
| Net decrease in deposits | **(409,700)** | (273,610) | **(3,340)** |
| Net decrease in negotiable certificates of deposit | **(378,331)** | (4,612,272) | **(3,084)** |
| Net decrease in borrowed money (excluding subordinated borrowed money) | **(22,249)** | (283,884) | **(181)** |
| Net decrease in due from banks (excluding those deposited at BOJ) | **117,535** | 994,077 | **958** |
| Net decrease (increase) in call loans and other | **(47,513)** | 1,289,572 | **(387)** |
| Net decrease in cash collateral on bonds borrowed | **—** | 4,774 | **—** |
| Net increase in deposits paid for bonds borrowing/lending transactions | **(3,264)** | — | **(26)** |
| Net increase (decrease) in call money and other | **(881,150)** | 923,127 | **(7,184)** |
| Net decrease in commercial paper | **—** | (400,000) | **—** |
| Net increase in cash collateral for bonds lent | **—** | 485,806 | **—** |
| Net increase in deposits received for bonds borrowing/lending transactions | **21,681** | — | **176** |
| Net increase in foreign exchange assets | **(524,005)** | (25,699) | **(4,272)** |
| Net increase (decrease) in foreign exchange liabilities | **284** | (8,381) | **2** |
| Net decrease on issuance of and payments on bonds | **(7,100)** | (22,500) | **(57)** |
| Net decrease in due to trust account | **(10,907)** | (241,775) | **(88)** |
| Interest receipts | **365,982** | 868,922 | **2,983** |
| Interest payments | **(45,396)** | (208,994) | **(370)** |
| Directors' bonuses | **—** | (5) | **—** |
| Other | **(341,630)** | (49,142) | **(2,785)** |
| Total | **(999,131)** | 1,541,188 | **(8,146)** |
| Penalties paid | **—** | (2,100) | **—** |
| Income taxes paid | **(18,895)** | (13,536) | **(154)** |
| Net cash provided by (used in) operating activities | **(1,018,026)** | 1,525,552 | **(8,300)** |
| **Cash flows from investing activities:** | | | |
| Purchases of securities | **(10,090,785)** | (10,637,859) | **(82,273)** |
| Proceeds from sales of securities | **9,906,942** | 7,965,902 | **80,774** |
| Proceeds from maturity of securities | **371,440** | 3,113,103 | **3,028** |
| Payments associated with increase in money held in trust | **(28,000)** | (48,810) | **(228)** |
| Proceeds from decrease in money held in trust | **5,007** | 102,905 | **40** |
| Purchases of premises and equipment | **(41,942)** | (42,595) | **(341)** |
| Proceeds from sales of premises and equipment | **6,619** | 32,056 | **53** |
| Payments for purchases of equity investments in subsidiaries | **—** | (0) | **—** |
| Proceeds from sales of equity investments in subsidiaries | **—** | 3,013 | **—** |
| Net cash provided by investing activities | **129,281** | 487,715 | **1,054** |
| **Cash flows from financing activities:** | | | |
| Proceeds from subordinated borrowed money | **14,000** | 23,500 | **114** |
| Repayment of subordinated borrowed money | **(127,500)** | (226,500) | **(1,039)** |
| Proceeds from issuance of subordinated bonds | **—** | 48,200 | **—** |
| Repayment of subordinated bonds | **(88,200)** | (66,475) | **(719)** |
| Proceeds from issuance of stocks | **—** | 59,946 | **—** |
| Proceeds from issuance of common stock to minority shareholders | **800** | — | **6** |
| Proceeds from issuance of preferred securities | **67,900** | 70,600 | **553** |
| Dividends paid | **(9,886)** | (4,743) | **(80)** |
| Dividends paid to minority shareholders | **(318)** | (321) | **(2)** |
| Payments related to acquisition of treasury stock | **(34)** | (291) | **(0)** |
| Proceeds from sales of treasury stock | **—** | 49 | **—** |
| Net cash used in financing activities | **(143,239)** | (96,034) | **(1,167)** |
| Effect of exchange rate changes on cash and cash equivalents | **331** | 892 | **2** |
| Increase (decrease) in cash and cash equivalents | **(1,031,653)** | 1,918,125 | **(8,411)** |
| Cash and cash equivalents at beginning of period (year) | **2,796,180** | 875,538 | **22,798** |
| Increase in cash and cash equivalents due to transfer of shares | **—** | 2,516 | **—** |
| Increase in cash and cash equivalents due to addition of new subsidiaries to consolidation | **0** | — | **0** |
| Decrease in cash and cash equivalents due to exclusion of subsidiaries from consolidation | **—** | (0) | **—** |
| Cash and cash equivalents at end of period (year) | **¥1,764,528** | ¥ 2,796,180 | **$14,386** |

See accompanying notes to consolidated financial statements.

## NOTE 1. BASIS OF PRESENTATION

The accompanying consolidated financial statements have been prepared from the accounts maintained by Resona Holdings, Inc. (the "Company") in accordance with the provisions set forth in the Commercial Code of Japan and in conformity with accounting principles and practices generally accepted and applied in Japan, which may differ in certain material respects from accounting principles and practices generally accepted in countries and jurisdictions other than Japan, and are compiled from the consolidated financial statements prepared by the Company as required by the Securities and Exchange Law of Japan.

In addition, the notes to the consolidated financial statements include information which is not required under accounting principles generally accepted in Japan but is presented herein as additional information.

Amounts in U.S. dollars are included solely for the convenience of the reader. The rate of ¥122.65= U.S.$1.00, the approximate rate of exchange in effect on September 30, 2002, has been used. The inclusion of such amounts is not intended to imply that yen amounts have been or could be readily converted, realized or settled in U.S. dollars at that or any other rate. As a result, the totals in U.S. dollars do not necessarily agree with the sum of the individual amounts.

Amounts of less than one million yen have been rounded down in the presentation of the accompanying consolidated financial statements. As a result, the totals in yen do not necessarily agree with the sum of the individual amounts.

## NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### (a) Principles of consolidation

**Consolidated subsidiaries**

1) Consolidated subsidiaries: 58

The principal consolidated subsidiaries for the six months ended September 30, 2002 were The Daiwa Bank, Ltd., The Kinki Osaka Bank, Ltd., The Nara Bank, Ltd., The Asahi Bank, Ltd., The Daiwa Trust & Banking Co., Ltd., and Saitama Resona Bank, Ltd.

Saitama Resona Bank, Ltd., Resona Preferred Capital (Cayman) 1 Limited, Resona Preferred Capital (Cayman) 2 Limited, and Resona Preferred Capital (Cayman) 3 Limited have been consolidated from this interim term onwards as of their establishments.

Kinki Osaka Shinyo Hosho Co., Ltd. has been consolidated from this interim term onward, and was previously an affiliate accounted for by the equity method.

During this interim term, Asahi Bank Sogo Service Co., Ltd. was merged with Asahi Bank Career Service Co., Ltd., a consolidated subsidiary.

2) Non-consolidated subsidiaries

The principal non-consolidated subsidiary was Asahi S/C Ltda.

Non-consolidated subsidiaries were immaterial with respect to total assets, ordinary income, net income/loss (based on the owned interest) and retained earnings (based on the owned interest), etc. Therefore, the exclusion of them from consolidation does not prevent a rational judgement regarding the Group's overall financial condition.

**Affiliated companies accounted for by the equity method**

1) The equity method was not applied to any of the non-consolidated subsidiaries.
2) Affiliated companies accounted for by the equity method: 8

The principal affiliated companies accounted for by the equity method were Japan Trustee Services Bank, Ltd., and The Asahi Retail Securities Co., Ltd.

3) The principal non-consolidated subsidiary not accounted for by the equity method was Asahi S/C Ltda.
4) The principal affiliated company not accounted for by the equity method was Triangle Asset Management Limited.

The affiliates not accounted for by the equity method were not material to the consolidated financial statements with respect to net income/loss (based on the owned interest) and retained earnings (based on the owned interest), etc., and, accordingly, the equity method was not applied to them.

**Interim balance sheet dates of consolidated subsidiaries**

1) Interim balance sheet dates of the consolidated subsidiaries were as follows:

   End of June: 8 subsidiaries

   End of September: 50 subsidiaries

2) All subsidiaries have been consolidated based on their accounts at their respective interim balance sheet dates.

   Appropriate adjustments have been made for significant transactions during the period from the respective interim balance sheet dates of the above subsidiaries to the date of the parent's interim balance sheet date.

**Business combinations**

The pooling of interest method was applied to the Daiwa Bank, Limited, the Kinki Osaka Bank, Limited, and the Asahi Bank, Limited when a holding company was established by exchange of shares and transfer of shares. The purchase method was applied to the Nara Bank, Limited.

### (b) Trading assets and trading liabilities

Transactions whose purpose is to earn a profit by taking advantage of short-term fluctuations in the market or discrepancies between interest rates, currency exchange rates, share prices or other indices (hereinafter referred to as "transactions for trading purposes") on different markets are included in "Trading assets" or "Trading liabilities" in the consolidated interim balance sheets on a trade-date basis. "Trading assets" and "Trading liabilities" in the case of securities and monetary claims, etc. are stated at market value as of the consolidated interim balance sheet date and, in the case of derivatives, including swaps, futures and options, etc. at the settlement amount assuming settlement on the consolidated interim balance sheet date.

### (c) Trading income and trading expenses

Profits and losses on transactions for trading purposes are included in "Trading income" or "Trading expenses" in the consolidated interim statement of operations on a trade-date basis.

"Trading income" and "Trading expenses" include amounts of interest received or paid during the period plus the amount of the difference between the profits or losses on the valuation of securities, monetary claims, etc. as at the end of the preceding year and those as at the end of the current interim period, and the profits or losses as if the settlement has been made as at the end of the preceding year and those as at the end of the current interim period for derivatives.

### (d) Securities

Bonds held to maturity are stated at amortized cost (straight-line method) by the moving average method. Investments in unconsolidated subsidiaries and affiliates for which the equity method of accounting are not applied are stated at cost determined by the moving average method. Equity securities included in other securities with market value are stated at fair value based on the average market price for the month prior to the consolidated interim balance sheet date. Other securities, other than equity securities, with market value are stated at their respective market value and the cost of sales of such securities is determined by the moving average method. Other securities without market value are stated at cost determined by the moving average method or at their respective amortized cost. Net unrealized gain/loss of other securities is included as a component of shareholders' equity.

Securities held as assets in individually managed money trusts whose principal objective is portfolio management are stated at market value.

### (e) Derivatives

Derivative transactions (excluding "transactions for trading purposes") are stated at market value.

### (f) Depreciation

**Premises and equipment**

Depreciation of premises and equipment is mainly calculated by the straight-line method for buildings and by the declining-balance method for equipment. Estimated depreciation expenses for the year are allocated to the interim fiscal term on a pro rata basis. The useful lives adopted for major premises and equipment are as follows:

- Buildings: 2~50 years
- Equipment: 2~20 years

**Software**

Software used by the Company and the consolidated subsidiaries is depreciated by the straight-line method based on estimated useful lives (mainly 5 years) determined by the Company and the consolidated subsidiaries.

### (g) Reserve for possible loan losses

The principal consolidated subsidiaries have made provisions for possible loan losses as follows:

For loans to insolvent customers who are undergoing bankruptcy or special liquidation (hereinafter, “borrowers under bankruptcy proceedings”) or who are in a similar financial condition although not yet in bankruptcy (hereinafter, “borrowers substantially in bankruptcy”), the reserve for possible loan losses is provided at the full amount of the book value of such loans after deduction of the amount of direct write-offs (as defined below), and excluding the amounts deemed collectible from the disposal of the collateral pledged and from guarantees that are deemed recoverable.

For the unsecured and unguaranteed portion of loans to customers not presently in the above circumstances, but in a high probability of becoming so, the reserve for possible loan losses is provided at the estimated unrecoverable amounts determined after a valuation of the collateral pledged, the guarantees and the customer’s overall financial condition.

For other loans, the reserve for possible loan losses is provided at an amount based on the loss rates calculated from the actual losses for a certain period and others. The reserve includes a special reserve for certain overseas loans likely to become uncollectible due to political and economic circumstances in the relevant countries.

Regarding each loan, the Credit Review Office, which is controlled separately from the operating divisions, reviews the operating divisions’ asset valuation of each loan for collectibility based on self-assessment standards. The provision for possible loan losses is based on the results of these reviews.

Other consolidated subsidiaries mainly provide the reserve for possible loan losses at amounts deemed necessary judged by the past write-off experience ratios for general loans and individually determined uncollectible amounts for specific loans such as those to borrowers under bankruptcy proceedings.

For the certain consolidated subsidiaries’ loans to borrowers under bankruptcy proceedings and borrowers substantially in bankruptcy that are secured by collateral and guarantees, the unrecoverable portion of such loans is determined by subtracting the estimated recoverable balance from the disposal of the collateral and the amounts deemed recoverable from the guarantors. The unrecoverable amount is written off directly against the value of the loan (“direct write-off”). Direct write-offs amounted to ¥1,025,037 million ($8,357 million) for the interim term ended September 30, 2002.

### (h) Reserve for possible losses on investments

The reserve for possible losses on investments is provided for the possible losses from investments, considering the financial conditions and others of the issuer of such securities.

### (i) Reserve for employees’ bonuses

The reserve for employees’ bonuses is provided at the estimated amount of employees’ bonus payments applicable to the interim period.

### (j) Reserve for employees' retirement benefits

To provide for employees' retirement benefits, the Company has recorded a reserve for severance payments and pension plans considered to be accrued at this interim term-end, based on the projected benefit obligation and the plan assets at the consolidated interim balance sheet date. Past service cost is charged to operations by the straight-line method over a certain period (1~10 years) within the average remaining years of service of the eligible employees. The actuarial differences are charged to operations effective the next fiscal year by the straight-line method over a certain period (8~15 years) within the average remaining years of service of the eligible employees.

With regard to the transaction difference at the accounting change (¥229,357 million ($1,870 million)), the principal consolidated subsidiaries have charged to operations for following years.

- The Daiwa Bank, Ltd. 10 years
- The Kinki Osaka Bank, Ltd. 15 years
- The Asahi Bank, Ltd. 5 years

For six-month period ended September 30, 2002, the Company recorded an expense equivalent to 6/12 of the annual amortization cost.

### (k) Reserve for possible losses on loans sold

The reserve for possible losses on loans sold is provided based on the estimated liability for further losses on loans collateralized by real estate sold to the Cooperative Credit Purchasing Company, Limited.

### (l) Other reserves

The Company has provided legal reserves as follows:

- Reserve for financial futures transactions: ¥0 million ($0 million)
  This reserve is provided in accordance with Article 82 of the Financial Futures Transactions Law and Article 29 of the Implementation Rules for this law.
- Reserve for contingent liabilities from the brokering of securities transactions: ¥187 million ($1 million).
  This reserve is provided to compensate for losses relating to securities futures and other transactions by the domestic consolidated banking subsidiaries based on Article 51 of the Securities and Exchange Law and Article 32 of the Cabinet Ordinance with respect to securities business of financial institutions and by domestic consolidated security dealers subsidiaries based on Article 51 of the Securities and Exchange Law and Article 35 of the Cabinet Ordinance with respect to securities companies.

### (m) Foreign currency translation

Foreign-currency-denominated assets and liabilities of domestic consolidated banking subsidiaries (the "Banks"), with the exception of stock in affiliates for which amounts are translated into yen equivalents at the exchange rates in effect at the acquisition dates, are translated into yen equivalents, primarily at the exchange rates prevailing at the consolidated interim balance sheet date.

With regard to accounting for foreign currency transactions, the Banks had adopted "Tentative Treatment of Accounting and Auditing Concerning Accounting for Foreign Currency Transactions in the Banking Industry" (JICPA Industry Audit Committee Report No. 20) in the prior year. However, effective this interim term, the Banks have adopted "Treatment of Accounting and Auditing Concerning Accounting for Foreign Currency Transactions in the Banking Industry" (JICPA Industry Audit Committee Report No. 25).

For this interim term, the Banks recorded "funding-related swap transactions", "cross currency swap transactions" and "internal contracts and treatment of intercompany transactions" in accordance with the previous method as allowed as the tentative treatment stipulated in JICPA Industry Audit Committee Report No. 25. Translated Japanese yen differences on forward exchange transactions and others were recorded on a net basis on the consolidated interim balance sheet.

For funding-related swaps, the Banks report the net yen equivalents of the notional principal amounts translated at the exchange rate prevailing at the consolidated interim balance sheet date in accordance with the tentative treatment stipulated in JICPA Industry Audit Committee Report No. 25. The difference between the spot and the forward rates, which reflects the interest rate gap between the different currencies, is reported in the consolidated interim statement of operations on an accrual basis over the period from the spot settlement date to the forward settlement date.

Funding-related swaps are foreign exchange swaps executed for the purpose of raising and investing funds in different currencies. The Banks record the notional principal amounts of the funds as spot exchange purchased or spot exchange sold, with the notional principal amounts plus the interest income or interest expense as of the maturity dates being recorded as forward foreign exchange purchased or forward foreign exchange sold.

For cross currency swaps, which meet the criteria indicated in the tentative treatment stipulated in JICPA Industry Audit Committee Report No. 25, the Banks report the net yen equivalents translated at the exchange rates prevailing at the consolidated interim balance sheet date, of the notional principal amounts, with the related interest income and interest expense being accrued and reported in the consolidated interim statement of operations. The cross currency swaps mentioned above are entered into by the Banks for the purpose of raising and investing funds in different currencies. The notional principal amounts paid or received at the valuation date correspond to the notional principal amounts to be received or paid at the maturity of the swap agreements, and the swap rates used for calculating the principal and interest amounts of the swaps are considered reasonable (including cross currency swaps whose principal amounts in one currency are updated at each reset date to reflect the spot exchange rate as of the reset dates and, thus, the notional principal at the spot exchange and the forward exchange rates is identical in each reset period).

Foreign-currency-denominated assets and liabilities of other consolidated subsidiaries are translated into yen equivalents at the respective interim balance sheet dates.

### (n) Leases

Noncancelable lease transactions of the domestic consolidated subsidiaries are accounted for as operating leases regardless of whether such leases are classified as operating leases or finance leases except that lease agreements which stipulate the transfer of ownership of the leased property to the lessee are accounted for as finance leases.

### (o) Hedge accounting

Certain consolidated banking subsidiaries use the technique of “macro-hedging,” which utilizes derivatives to comprehensively control the attendant interest risk on its numerous financial assets and liabilities such as loans and deposits, in accordance with the tentative treatment stipulated in “Accounting and auditing treatments of the application of accounting standards for Financial Instruments in the Banking Industry” (JICPA Industry Audit Committee Report No. 24). Macro-hedging is a risk-management tool based on the risk-adjustment approach as described in “Temporary Treatment for Accounting and Auditing for Application of Accounting Standards for Financial Instruments in the Banking Industry” (JICPA’s Industry Audit Committee Report No. 15). Certain consolidated banking subsidiaries have adopted deferred hedging to account for unrealized gains or losses arising from the derivatives mentioned above.

Certain consolidated banking subsidiaries control the risk on derivatives, which form a risk-adjustment mechanism within the range of permissible risk established in its risk-management policy, and periodically evaluates the effectiveness of its hedging approach by verifying that the interest risk on the underlying hedged item has been nullified.

In addition, in order to hedge the risk of foreign exchange rate fluctuations on foreign-currency-denominated securities excluding bonds, certain consolidated banking subsidiaries designate, at the inception of each hedge, the names of foreign-currency-denominated investment securities that will be hedged, and applied deferred hedge and fair-value hedge accounting to such foreign-currency-denominated investment securities, to the extent that certain consolidated banking subsidiaries have spot and forward foreign exchange liabilities exceeding the acquisition costs of the related securities, as a comprehensive hedge as defined in “Accounting for Financial Instruments”.

Certain consolidated banking subsidiaries have adopted deferred hedging, market value hedging and special treatment of interest rate swaps for certain of its assets and liabilities.

Certain consolidated subsidiaries have also adopted deferred hedging and special treatment for interest rate swaps.

### (p) Accounting for consumption tax

The Company and domestic consolidated subsidiaries mainly account for consumption tax and local consumption tax by the tax-exclusion method.

### (q) Valuation of assets and liabilities of consolidated subsidiaries

Assets and liabilities of the consolidated subsidiaries are valued by the full mark to market method.

### (r) Amortization of consolidation differences

Consolidation differences are being amortized evenly over a period of five years, while the immaterial consolidation differences are charged to operations as incurred.

### (s) Cash and cash equivalents in the consolidated statement of cash flows

The relationship between cash and cash equivalents in the consolidated interim statement of cash flows and cash and due from banks in the consolidated interim balance sheet as of September 30, 2002 was as follows:

| | Millions of yen | Millions of U.S. dollars |
|---|---|---|
| Cash and due from banks | **¥2,017,015** | **$16,445** |
| Due from banks except for The Bank of Japan | **(252,487)** | **(2,058)** |
| Cash and cash equivalents | **¥1,764,528** | **$14,386** |

### (t) Income taxes

The Company and the consolidated subsidiaries are subject to corporation tax, inhabitants' taxes and enterprise tax, which are based on income. Income taxes are provided on the basis of current tax liabilities, and reflect the tax effect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and income tax purposes.

### (u) Accounting for treasury stock and reversal of legal reserves

Effective this interim fiscal term onwards, the Company has applied "Accounting for Treasury Stock and Reversal of Legal Reserves" (Issued on February 21, 2002 by the Accounting Standards Board). The effect on the assets and shareholders' equity by application of this accounting was immaterial. The shareholders' equity section in the consolidated interim balance sheet and the consolidated interim statement of shareholders' equity has been prepared in accordance with the revised Regulations on consolidated interim financial statements and the amended rules of the Banking Law.

### (v) Differences between accounting principles and practices adopted in the accompanying consolidated financial statements and International Accounting Standards

The accompanying consolidated financial statements have been prepared in conformity with accounting principles and practices generally accepted and applied in Japan. Such principles and practices differ from International Accounting Standards in several respects, such as the methods for the accounting for leases and accounting for the impairment of assets.

## NOTE 3. SECURITIES

As of September 30, 2002, securities included the investments of ¥19,336 million ($157 million) in unconsolidated subsidiaries and affiliates and ¥234 million ($1 million) of investment money.

Loaned securities totaling ¥22,587 million ($184 million) under lease agreements have been included in the equities in "Securities".

Securities loaned to certain consolidated subsidiaries under unsecured loan agreements and securities loaned to certain consolidated subsidiaries under bills added/purchased with repurchase/resell agreements or bond loan transactions collateralized with cash included ¥90,843 million ($740 million) of securities collateralized, and ¥2,636 million ($21 million) of securities held by the Company existed at the interim term-end without disposition.

## NOTE 4. LOANS AND BILLS DISCOUNTED

As of September 30, 2002, among loans and bills discounted, the following loans were included.

| | Millions of yen | Millions of U.S. dollars |
|---|---|---|
| Loans to borrowers in legal bankruptcy | **¥ 181,208** | **$ 1,477** |
| Past due loans | **1,545,128** | **12,597** |
| Loans past due three months or more | **132,698** | **1,081** |
| Restructured loans | **1,388,280** | **11,319** |
| Total | **¥3,247,316** | **$26,476** |

## NOTE 5. NOTES DISCOUNTED

Notes discounted are recorded as cash lending/borrowing transactions in accordance with "Accounting and auditing treatments of the Application of Accounting Standards for Financial Instruments in the Banking Industry" (JICPA Industry Audit Committee Report No.24). The Company has the right to sell or collateralize such bills at the discretion of the Company. The total face value of bank acceptance bills, commercial bills, documentary bills obtained as a result of discounting and foreign exchange purchased was ¥569,164 million ($4,640 million).

## NOTE 6. ASSETS PLEDGED AS COLLATERAL

Assets pledged as collateral and debts collateralized as of September 30, 2002 were as follows:

| | Millions of yen | Millions of U.S. dollars |
|---|---|---|
| Assets pledged as collateral: | | |
| Cash and due from banks | **¥ 50,060** | **$ 408** |
| Trading assets | **315,874** | **2,575** |
| Securities | **2,969,711** | **24,212** |
| Loans and bills discounted | **1,068,680** | **8,713** |
| Other assets | **18,150** | **147** |
| Debts collateralized: | | |
| Deposits | **50,439** | **411** |
| Call money and bills sold | **1,487,300** | **12,126** |
| Bills sold under repurchase agreements | **326,996** | **2,666** |
| Deposits received for bonds borrowing/lending transactions | **185,490** | **1,512** |
| Borrowed money | **140,521** | **1,145** |
| Other liabilities | **25,023** | **204** |

Other than the above, cash and due from banks, trading assets, securities, loans and bills discounted, and other assets which were worth of ¥1,087 million ($8 million), ¥280 million ($2 million), ¥1,179,570 million ($9,617 million), ¥13,689 million ($111 million) and ¥20,031 million ($163 million), respectively, were pledged as collateral or as substitutes for cash deposits for exchange clearing transactions, derivatives transactions and others.

Cash and due from banks of ¥15,000 million ($122 million) were pledged as collateral for loans of unconsolidated subsidiaries and others.

Premises and equipment included the guarantee deposits of ¥139,686 million ($1,138 million). Other assets included the deposits for futures transactions in the amount of ¥516 million ($4 million).

## NOTE 7. COMMITMENT LINE AGREEMENTS

Commitment line agreements related to negative checking accounts and loans represent agreements to loan customers up to the amount of the customers' request as long as no violation of the condition of the agreement occurs.

The amount of unexercised loans related to such agreements at September 30, 2002 amounted to ¥9,130,945 million ($74,447 million). Of the above, the amounts for which the original agreement period was within a year or agreements which certain consolidated banking subsidiaries could cancel at any time without penalty totaled ¥9,000,798 million ($73,386 million).

The unexercised loans do not necessarily affect the future cash flows of certain consolidated banking subsidiaries because most of these agreements have been terminated without being exercised. In addition, most agreements contain provisions which stipulated that certain consolidated banking subsidiaries may deny making loans or decrease the line of credit if there are changes in the financial condition or the security of the loans or for other reasons.

When extending loans to customers, certain consolidated banking subsidiaries request collateral such as premises or securities if necessary. After entering into loans, certain consolidated banking subsidiaries periodically check the financial condition of the customers based on its internal rules and, if necessary, takes certain measures to ensure the security of the loans.

## NOTE 8. DEFERRED HEDGE ACCOUNTING

Unrealized gains or losses on hedging were included in "Other liabilities" as a deferred hedge gain at the net amount. Prior to this offsetting, gross deferred hedge losses and gains amounted to ¥94,782 million ($772 million) and ¥110,207 million ($898 million), respectively.

## NOTE 9. REVALUATION RESERVE FOR LAND, NET OF TAX

Certain consolidated domestic subsidiaries revalued land used for business purposes based on the Law Concerning Land Revaluation (Law 34, announced on March 31, 1998). Deferred tax on the revaluation difference has been recorded in liabilities, and the remainder has been recorded in shareholders' equity.

Revaluation date: March 31, 1998

The revaluation method as stated in Article 3-3 of the Law Concerning Land Revaluation is as follows:

The value of land was based on the official notice prices stated in the Law of Public Notice of Land Prices (assessed date, January 1, 1998) as stipulated in Article 2-1 of the Ordinance for the Law Concerning Land Revaluation (Government Ordinance No. 119, announced on March 31, 1998) after making reasonable adjustments for the location and quality of the sites.

## NOTE 10. PREMISES AND EQUIPMENT

As of September 30, 2002, accumulated depreciation of premises and equipment was ¥667,536 million ($5,442 million).

## NOTE 11. BORROWED MONEY

As of September 30, 2002, borrowed money included subordinated liabilities amounting to ¥597,000 million ($4,867 million), which, by special covenants, are subordinated to other obligations in the order of their performance.

## NOTE 12. BONDS

As of September 30, 2002, bonds included subordinated bonds of ¥422,033 million ($3,440 million).

## NOTE 13. SHAREHOLDERS' EQUITY

Common stock as of September 30, 2002 was as follows:

| | |
|---|---|
| Number of shares: | |
| Authorized | 13,000,000,000 |
| Issued and outstanding | 5,635,053,106 |

Preferred stock as of September 30, 2002 was as follows:

| | |
|---|---|
| Preferred stock: | |
| Number of shares (Class A No. 1 preferred stock): | |
| Authorized | 10,970,000 |
| Issued and outstanding | 10,970,000 |
| Number of shares (Class B No. 1 preferred stock): | |
| Authorized | 680,000,000 |
| Issued and outstanding | 680,000,000 |
| Number of shares (Class C No. 1 preferred stock): | |
| Authorized | 120,000,000 |
| Issued and outstanding | 120,000,000 |
| Number of shares (Class D No. 1 preferred stock): | |
| Authorized | 349,000 |
| Issued and outstanding | 349,000 |
| Number of shares (Class E No. 1 preferred stock): | |
| Authorized | 240,000,000 |
| Issued and outstanding | 240,000,000 |
| Number of shares (Class F No. 1 preferred stock): | |
| Authorized | 80,000,000 |
| Issued and outstanding | 80,000,000 |
| Total number of shares of preferred stock: | |
| Authorized | 1,131,319,000 |
| Issued and outstanding | 1,131,319,000 |

## NOTE 14. OTHER INCOME AND EXPENSES

Other income and expenses for the year ended September 30, 2002 included:

| | Millions of yen | Millions of U.S. dollars |
|---|---|---|
| Other income: | | |
| Gains on sales of stocks and other securities | **¥20,648** | **$168** |
| Recoveries of written-off claims | **3,679** | **29** |
| Other expenses: | | |
| Net addition to reserve for possible loan losses | **¥71,521** | **$583** |
| Write-off of loans | **74,854** | **610** |
| Losses on sales of stocks and other securities | **8,723** | **71** |
| Losses on devaluation of stocks and other securities | **14,923** | **121** |
| Losses on dispositions of premises and equipment | **9,095** | **74** |
| Loss relating to securities claim | **1,788** | **14** |

## NOTE 15. LEASES

### (Lessee Side)

(1) Finance Leases

Finance leases as of September 30, 2002, except for lease agreements which stipulate the transfer of ownership of the leased property to the lessee, were as follows:

Amounts corresponding to the year-end acquisition costs and accumulated depreciation of the leased items:

| | Millions of yen | | | Millions of U.S. dollars | | |
|---|---|---|---|---|---|---|
| | Equipment | Other | Total | Equipment | Other | Total |
| Acquisition costs | **¥33,220** | **¥642** | **¥33,862** | **$270** | **$5** | **$276** |
| Accumulated depreciation | **21,010** | **323** | **21,334** | **171** | **2** | **173** |
| Net book value | **¥12,209** | **¥318** | **¥12,528** | **$ 99** | **$2** | **$102** |

Future minimum lease payments, exclusive of interest expenses:

| | Millions of yen | Millions of U.S. dollars |
|---|---|---|
| Due within one year | **¥ 5,957** | **$ 48** |
| Due after one year | **6,918** | **56** |
| Total | **¥12,875** | **$104** |

Lease fees and the amounts corresponding to depreciation and interest expenses:

| | Millions of yen | Millions of U.S. dollars |
|---|---|---|
| Lease fees | **¥3,590** | **$29** |
| Depreciation | **3,292** | **26** |
| Interest expenses | **116** | **0** |

*Computation of amounts corresponding to depreciation:*

The duration of the lease term is taken as equivalent to the useful lives of the equipment, and the straight-line method is applied to fully depreciate the assets.

*Computation of amounts corresponding to interest expenses:*

The difference between the total amount of the lease payments and the purchase value of the assets is taken as the amount corresponding to interest expenses and the interest method is used to allocate this amount to the appropriate consolidated accounting years.

(2) Operating Leases

As of September 30, 2002, future minimum lease payments inclusive of interest expenses under non-cancelable operating leases were as follows:

| | Millions of yen | Millions of U.S. dollars |
|---|---|---|
| Due within one year | **¥340** | **$2** |
| Due after one year | **228** | **1** |
| Total | **¥568** | **$4** |

### (Lessor Side)

(1) Finance Leases

Finance leases as of September 30, 2002, except for lease agreements which stipulate the transfer of ownership of the leased property to the lessee, were as follows:

Amounts of acquisition costs and accumulated depreciation of the leased items:

| | Millions of yen | | | Millions of U.S. dollars | | |
|---|---|---|---|---|---|---|
| | Equipment | Other | Total | Equipment | Other | Total |
| Acquisition costs | **¥294,310** | **¥42,452** | **¥336,762** | **$2,399** | **$346** | **$2,745** |
| Accumulated depreciation | **149,906** | **21,770** | **171,677** | **1,222** | **177** | **1,399** |
| Net book value | **¥144,403** | **¥20,681** | **¥165,084** | **$1,177** | **$168** | **$1,345** |

Future minimum lease receipts, exclusive of interest income:

| | Millions of yen | Millions of U.S. dollars |
|---|---|---|
| Due within one year | **¥ 57,754** | **$ 470** |
| Due after one year | **109,672** | **894** |
| Total | **¥167,427** | **$1,365** |

Lease fees received, depreciation and the amount corresponding to interest income:

| | Millions of yen | Millions of U.S. dollars |
|---|---|---|
| Lease fees received | **¥35,566** | **$289** |
| Depreciation | **31,618** | **257** |
| Interest income | **3,380** | **27** |

*Computation of amounts corresponding to interest income:*
The difference between the total amount of the lease payments and the purchase value of the assets is taken as the amount corresponding to interest expense, and the interest method is used to allocate this amount to the appropriate consolidated accounting years.

(2) Operating Leases
As of September 30, 2002, future minimum lease receipts inclusive of interest expenses under noncancelable operating leases were as follows:

| | Millions of yen | Millions of U.S. dollars |
|---|---|---|
| Due within one year | **¥1,377** | **$11** |
| Due after one year | **2,740** | **22** |
| Total | **¥4,117** | **$33** |

Of the future minimum lease receipts contained in (1) and (2) above, ¥121,656 million ($991 million) was pledged.

## NOTE 16. MARKET VALUE OF SECURITIES AND MONEY HELD IN TRUST

### 1. Securities

As of September 30, 2002, issues pertaining to the market value and the unrealized net gains/losses on securities are presented below.

This encompasses negotiable certificates of deposit in “Cash and due from banks”, commercial paper in “Monetary claims bought”, investment in “Other assets” as well as “Securities”.

(1) Marketable bonds held to maturity

| | Millions of yen | | | | | Millions of U.S. dollars | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Consolidated interim balance sheet amount (X) | Market value (Y) | Unrealized gain/(loss) (Y – X) | Gain | (Loss) | Consolidated interim balance sheet amount (X) | Market value (Y) | Unrealized gain/(loss) (Y – X) | Gain | (Loss) |
| National government bonds | **¥ 9** | **¥ 9** | **¥ 0** | **¥ 0** | **¥(—)** | **$ 0** | **$ 0** | **$0** | **$ 0** | **$(—)** |
| Corporate bonds | **500** | **481** | **(18)** | **—** | **(18)** | **4** | **3** | **(0)** | **—** | **( 0)** |
| Other | **2,898** | **2,949** | **51** | **70** | **(18)** | **23** | **24** | **0** | **0** | **( 0)** |
| Total | **¥3,408** | **¥3,441** | **¥33** | **¥70** | **¥(37)** | **$27** | **$28** | **$0** | **$ 0** | **$( 0)** |

Note: Market values were based on the market prices on September 30, 2002.

(2) Other securities for which market values can be calculated

| | Millions of yen | | | | |
|---|---|---|---|---|---|
| | Acquisition costs (X) | Consolidated interim balance sheet amount (Y) | Unrealized gain/(loss) (Y – X) | Gain | (Loss) |
| Stocks | **¥1,807,577** | **¥1,452,958** | **¥(354,618)** | **¥60,794** | **¥(415,413)** |
| Bonds | **4,183,069** | **4,208,514** | **25,444** | **27,108** | **(1,664)** |
| National government bonds | **3,486,933** | **3,504,857** | **17,923** | **18,318** | **(395)** |
| Local government bonds | **172,350** | **177,157** | **4,806** | **4,825** | **(19)** |
| Corporate bonds | **523,784** | **526,499** | **2,714** | **3,964** | **(1,249)** |
| Other | **303,947** | **295,894** | **(8,052)** | **2,902** | **(10,954)** |
| Total | **¥6,294,594** | **¥5,957,367** | **¥(337,227)** | **¥90,805** | **¥(428,032)** |

| | Millions of U.S. dollars | | | | |
|---|---|---|---|---|---|
| | Acquisition costs (X) | Consolidated interim balance sheet amount (Y) | Unrealized gain/(loss) (Y – X) | Gain | (Loss) |
| Stocks | **$14,737** | **$11,846** | **$(2,891)** | **$495** | **$(3,386)** |
| Bonds | **34,105** | **34,313** | **207** | **221** | **(13)** |
| National government bonds | **28,429** | **28,576** | **146** | **149** | **(3)** |
| Local government bonds | **1,405** | **1,444** | **39** | **39** | **(0)** |
| Corporate bonds | **4,270** | **4,292** | **22** | **32** | **(10)** |
| Other | **2,478** | **2,412** | **(65)** | **23** | **(89)** |
| Total | **$51,321** | **$48,572** | **$(2,749)** | **$740** | **$(3,489)** |

Notes: 1. The market value of stocks was based on the average market prices of the last month of the fiscal year ended September 30, 2002.
The market value of others was based on the market prices on September 30, 2002.
2. In other securities with market value, these securities of which market value were significantly declined were recorded with the market value on the consolidated interim balance sheet as there was no possibility to restore its market value to the acquisition costs. Such valuation differences are recorded as loss ("Impairment loss") for the consolidated interim fiscal term. The amount of impairment loss for this consolidated interim fiscal term was ¥10,569 million ($86 million).
The criteria to determine the significant decline are:
• If the market value declines 30% or more of the acquisition costs, impairment losses are recognized in accordance with borrowers classification by self assessment.
• If the market value declines 50% or more of the acquisition costs, impairment losses are recognized.

(3) The major components of securities whose market value is not available and their respective balance sheet amounts:

| | Millions of yen | Millions of U.S. dollars |
|---|---|---|
| Bonds held to maturity | | |
| Unlisted domestic bonds | **¥ 5,791** | **$ 47** |
| Negotiable certificates of deposit | **4,390** | **35** |
| Other securities | | |
| Unlisted internal bonds | **229,719** | **1,872** |
| Unlisted stocks (excluding over-the-counter securities) | **151,602** | **1,236** |
| Unlisted foreign bonds | **20,524** | **167** |

## 2. Money held in trust

(1) As of September 30, 2002, there was no held-to-maturity money held in trust.

(2) As of September 30, 2002, there was no other money held in trust with market value (excluding investment or held-to-maturity securities).

Other money held in trust without market value is stated at the acquisition cost of ¥27 million ($0 million).

### 3. Net unrealized losses on securities available for sale, net of taxes

| | Millions of yen | Millions of U.S. dollars |
|---|---|---|
| Difference (market value—balance sheet amount) | **¥(337,227)** | **$(2,749)** |
| Other securities | **(337,227)** | **(2,749)** |
| Other money held in trust | **—** | **—** |
| Amount equivalent to deferred tax liabilities | **(656)** | **(5)** |
| Amount equivalent to unrealized differences of other securities (before adjustment of amount equivalent to interest) | **(337,883)** | **(2,754)** |
| Amount equivalent to minority interests | **(161)** | **(1)** |
| Amount equivalent to parent company interest of amount equivalent to unrealized gains (net) of other securities owned by the companies accounted for the equity method | **(64)** | **(0)** |
| Net unrealized losses on available for sales, net of taxes | **¥(338,109)** | **$(2,756)** |

## NOTE 17. DERIVATIVES

As of September 30, 2002, contract values, market values or estimated market value and unrealized gains/losses on derivative financial instruments were as follows:

(a) Interest rate related transactions

| | | Millions of yen | | |
|---|---|---|---|---|
| | | Contract value | Market value | Unrealized gain/(loss) |
| Listed | Futures | **¥ 708,792** | **¥ (582)** | **¥ (582)** |
| | Options | **—** | **—** | **—** |
| Over-the-counter | | | | |
| | Forwards | **—** | **—** | **—** |
| | Swaps | **4,260,507** | **15,721** | **15,721** |
| | Options | **—** | **—** | **—** |
| | Caps | **640,090** | **(3)** | **1,516** |
| | Floors | **29,494** | **162** | **80** |
| | Swaptions | **2,043** | **(0)** | **10** |
| Total | | **¥ /** | **¥15,297** | **¥16,746** |

| | | Millions of U.S. dollars | | |
|---|---|---|---|---|
| | | Contract value | Market value | Unrealized gain/(loss) |
| Listed | Futures | **$ 5,778** | **$ (4)** | **$ (4)** |
| | Options | **—** | **—** | **—** |
| Over-the-counter | | | | |
| | Forwards | **—** | **—** | **—** |
| | Swaps | **34,737** | **128** | **128** |
| | Options | **—** | **—** | **—** |
| | Caps | **5,218** | **(0)** | **12** |
| | Floors | **240** | **1** | **0** |
| | Swaptions | **16** | **(0)** | **0** |
| Total | | **$ /** | **$124** | **$136** |

Note: The above transactions are stated on a marked-to-market and unrealized gains/losses are charged to income/expenses in the consolidated interim statement of operations. Derivative transactions used for hedge accounting have been excluded from the above table.

(b) Currency-related transactions

| | | Millions of yen | | |
|---|---|---|---|---|
| | | Contract value | Market value | Revaluation gain/(loss) |
| Over-the-counter | Currency swaps | **¥940,130** | **¥(6)** | **¥(6)** |
| | Forward contracts | **1,176** | **(1)** | **(1)** |
| | Currency options | **—** | **—** | **—** |
| | Other | **—** | **—** | **—** |

| | | Millions of U.S. dollars | | |
|---|---|---|---|---|
| | | Contract value | Market value | Revaluation gain/(loss) |
| Over-the-counter | Currency swaps | **$7,665** | **$(0)** | **$(0)** |
| | Forward contracts | **9** | **(0)** | **(0)** |
| | Currency options | **—** | **—** | **—** |
| | Other | **—** | **—** | **—** |

Notes: 1. The above transactions are stated on a marked-to-market and unrealized gains/losses are charged to income/expenses in the consolidated interim statement of operations. Derivative transactions used for hedge accounting and described in Note 2 have been excluded from the above table.

2. Currency swap transactions which are accrued in accordance with "Treatment of Accounting and Auditing Concerning Accounting for Foreign Currency Transactions in the Banking Industry" ( JICPA Industry Audit Committee Report No. 25) have been excluded from the above tables.

Currency swap transactions accounted for by the accrual method were as follows:

| | Millions of yen | | |
|---|---|---|---|
| | Contract value | Market value | Unrealized gain/(loss) |
| Currency swaps | **¥243,720** | **¥536** | **¥536** |

| | Millions of U.S. dollars | | |
|---|---|---|---|
| | Contract value | Market value | Unrealized gain/(loss) |
| Currency swaps | **$1,987** | **$4** | **$4** |

The following currency forward contracts, currency options and other transactions have been excluded from the above table:

- Transactions which are marked-to-market and on which unrealized gains/losses are charged to income/expenses in the consolidated interim statement of operations
- Transactions involving financial assets and liabilities denominated in foreign currencies and recognized in the consolidated interim balance sheet
- Transactions denominated in foreign currencies which have been eliminated in the consolidation process

Currency-related derivatives which were marked-to-market were as follows:

| | | Millions of yen | Millions of U.S. dollars |
|---|---|---|---|
| | | Contract value | Contract value |
| Over-the-counter | Forward contracts | **¥1,075,342** | **$ 8,767** |
| | Currency options | **2,954,720** | **24,090** |
| | Others | **—** | **—** |

(c) Stock-related transactions

| | | Millions of yen | | |
|---|---|---|---|---|
| | | Contract value | Market value | Unrealized gain/(loss) |
| Listed | Index futures | ¥92 | ¥ 0 | ¥ 0 |
| | Index options | — | — | — |
| Total | | ¥ / | ¥ 0 | ¥ 0 |

| | | Millions of U.S. dollars | | |
|---|---|---|---|---|
| | | Contract value | Market value | Unrealized gain/(loss) |
| Listed | Index futures | $ 0 | $ 0 | $ 0 |
| | Index options | — | — | — |
| Total | | $ / | $ 0 | $ 0 |

Note: The above transactions are stated on a marked-to-market and unrealized gains/losses are charged to income/expenses in the consolidated interim statement of operations. Derivative transactions used for hedge accounting have been excluded from the above table.

(d) Bond-related transactions

| | | Millions of yen | | |
|---|---|---|---|---|
| | | Contract value | Market value | Revaluation gain/(loss) |
| Listed | Futures | ¥16,270 | ¥(8) | ¥(8) |
| | Futures options | — | — | — |
| Total | | ¥ / | ¥(8) | ¥(8) |

| | | Millions of U.S. dollars | | |
|---|---|---|---|---|
| | | Contract value | Market value | Revaluation gain/(loss) |
| Listed | Futures | $132 | $(0) | $(0) |
| | Futures options | — | — | — |
| Total | | $ / | $(0) | $(0) |

Note: The above transactions are stated on a marked-to-market and unrealized gains/losses are charged to income/expenses in the consolidated interim statement of operations. Derivative transactions used for hedge accounting have been excluded from the above table.

(e) As of September 30, 2002, there were no commodity-related transactions.

(f) As of September 30, 2002, there were no credit derivative transactions.

## NOTE 18. SEGMENT INFORMATION

(a) Business segment information

Interim 2002 (for the period from April 1, 2002 to September 30, 2002)

| | Millions of yen | | | | | |
|---|---|---|---|---|---|---|
| | Banking and Trust Banking | Securities | Other financial service | Total | Elimination & General corporate | Consolidated total |
| Ordinary income | | | | | | |
| Ordinary income to outside customers | **¥566,975** | **¥ 7,278** | **¥65,011** | **¥639,264** | **¥ —** | **¥639,264** |
| Inter-segment ordinary income | **11,949** | **118** | **5,758** | **17,826** | **(17,826)** | **—** |
| Total | **578,924** | **7,396** | **70,770** | **657,091** | **(17,826)** | **639,264** |
| Ordinary expenses | **555,618** | **9,150** | **66,031** | **630,800** | **(13,894)** | **616,906** |
| Ordinary profits (losses) | **¥ 23,306** | **¥(1,754)** | **¥ 4,738** | **¥ 26,290** | **¥(3,932)** | **¥ 22,358** |

| | Millions of U.S. dollars | | | | | |
|---|---|---|---|---|---|---|
| | Banking and Trust Banking | Securities | Other financial service | Total | Elimination & General corporate | Consolidated total |
| Ordinary income | | | | | | |
| Ordinary income to outside customers | **$4,622** | **$ 59** | **$530** | **$5,212** | **$ —** | **$5,212** |
| Inter-segment ordinary income | **97** | **0** | **46** | **145** | **(145)** | **—** |
| Total | **4,720** | **60** | **577** | **5,357** | **(145)** | **5,212** |
| Ordinary expenses | **4,530** | **74** | **538** | **5,143** | **(113)** | **5,029** |
| Ordinary profits (losses) | **$ 190** | **$(14)** | **$ 38** | **$ 214** | **$(32)** | **$ 182** |

Notes: 1. Ordinary income represents "total income" stated in the Consolidated Interim Statement of Operations less such extraordinary items as gains on sales of premises and equipment, recoveries of written-off claims, etc. Ordinary profits are defined as ordinary income less ordinary expenses, which also excludes extraordinary items from total expenses.

2. As a result of change in consolidation scope, ordinary income of Other financial service segment represented 10% or more of total ordinary income. Accordingly, segment information by type of business has been presented as required by Regulations on consolidated interim financial statements 14.

3. Ordinary income and ordinary profits are shown in lieu of sales and operating profit of business enterprises.

4. Major operational segments are as follows.

(1) Banking and Trust Banking: Banking business, Trust Banking business, Loan guarantee service and Banking system engineering

(2) Securities: Securities

(3) Other financial service: Credit card administration, General leasing, Financing and Venture capital

(b) Geographic segment information

Interim 2002 (for the period from April 1, 2002 to September 30, 2002)

Since operating income of the "Japan" segment constitute more than 90% of all the other segments combined, geographical segment information for Interim 2002 is not shown here.

(c) Overseas ordinary income

Interim 2002 (for the period from April 1, 2002 to September 30, 2002)

Since overseas ordinary income of the Company is less than 10% of total, overseas ordinary income for Interim 2002 is not shown here.

## NOTE 19. SUBSEQUENT EVENT

The Company has transferred or is to transfer a part of the shares of The Resona Trust & Banking Co., Ltd. for the purpose of strengthening trust operation base of the Resona group and establishment of stronger operational structure of pension related services.

| | |
|---|---|
| 1. Number of transferred shares | 19,375 shares |
| 2. Gain on sales of affiliate company share | ¥6,644 million ($54 million) |
| 3. Percentage owned after sales | 79.375% |
| 4. Counter parties of sales of shares | Two life insurance companies and 10 domestic regional financial institutions |
| 5. Date of contract made | November 25, 2002 and other |

# SUPPLEMENTARY FINANCIAL INFORMATION OF THE GROUP

## CONTENTS

FINANCIAL INFORMATION OF RESONA HOLDINGS, INC.

## Non-consolidated Balance Sheets

**Resona Holdings, Inc.**

| September 30, 2002 and March 31, 2002 | Millions of yen | | Millions of U.S. dollars |
|---|---|---|---|
| | **September 30, 2002** | March 31, 2002 | **September 30, 2002** |
| Assets | | | |
| Current assets | **¥ 5,774** | ¥ 32,545 | **$ 47** |
| Cash and due from banks | **5,074** | 31,482 | **41** |
| Prepaid expenses | **41** | — | **0** |
| Deferred tax assets | **51** | 993 | **0** |
| Accrued income | **556** | 34 | **4** |
| Other current assets | **50** | 35 | **0** |
| Non-current assets | **1,826,572** | 1,789,269 | **14,892** |
| Tangible fixed assets | **23** | 20 | **0** |
| Intangible fixed assets | **102** | 5 | **0** |
| Investments and other assets | **1,826,446** | 1,789,243 | **14,891** |
| Deferred charges | **399** | 456 | **3** |
| Organization costs | **399** | 456 | **3** |
| Total Assets | **¥1,832,745** | ¥1,822,271 | **$14,942** |
| Liabilities | | | |
| Current liabilities | **¥ 30,963** | ¥ 10,972 | **$ 252** |
| Short-term debt | **30,100** | — | **245** |
| Accounts payable | **0** | 424 | **0** |
| Accrued expenses | **713** | 153 | **5** |
| Income tax payable | **5** | 10,313 | **0** |
| Consumption tax payable | **136** | 67 | **1** |
| Other | **8** | 13 | **0** |
| Non-current liabilities | **300,000** | 300,000 | **2,445** |
| Long-term debt | **300,000** | 300,000 | **2,445** |
| Total Liabilities | **330,963** | 310,972 | **2,698** |
| Shareholders' Equity | | | |
| Capital | **—** | 720,000 | **—** |
| Capital reserve | **—** | 731,417 | **—** |
| Gain from deduction of capital reserve | **—** | 40,000 | **—** |
| Retained earnings | **—** | 19,901 | **—** |
| Treasury stock | **—** | (19) | **—** |
| Total Shareholders' Equity | **—** | 1,511,298 | **—** |
| Shareholders' Equity | | | |
| Capital | **720,000** | — | **5,870** |
| Capital surplus | **771,417** | — | **6,289** |
| Earned surplus | **10,418** | — | **84** |
| Treasury stock | **(53)** | — | **(0)** |
| Total Shareholders' Equity | **1,501,781** | — | **12,244** |
| Total Liabilities and Shareholders' Equity | **¥1,832,745** | ¥1,822,271 | **$14,942** |

Notes: 1. Amounts of less than one million yen have been rounded down.
2. The rate of ¥122.65=U.S.$1.00, the approximate rate of exchange in effect on September 30, 2002, has been used.

## Non-consolidated Statements of Income

**Resona Holdings, Inc.**

| Six months ended September 30, 2002 and year ended March 31, 2002 | Millions of yen | | Millions of U.S. dollars |
|---|---|---|---|
| | **Six months ended September 30, 2002** | Year ended March 31, 2002 | **Six months ended September 30, 2002** |
| Operating income | **¥6,631** | ¥ 2,125 | **$54** |
| Dividends from subsidiaries | **541** | — | **4** |
| Fees from subsidiaries | **3,543** | 2,091 | **28** |
| Interest on loans to subsidiaries | **2,547** | 34 | **20** |
| Operating expenses | **5,472** | 1,700 | **44** |
| Interest expenses | **2,547** | 34 | **20** |
| General and administrative expenses | **2,924** | 1,666 | **23** |
| Operating profit | **1,159** | 424 | **9** |
| Non-operating profit | **18** | 1 | **0** |
| Non-operating expenses | **117** | 118 | **0** |
| Ordinary net profit | **1,059** | 307 | **8** |
| Extraordinary profit | **—** | 28,913 | **—** |
| Gains on sales of investment in subsidiaries | **—** | 28,913 | **—** |
| Income before income taxes | **1,059** | 29,221 | **8** |
| Income taxes—current | **4** | 10,313 | **0** |
| Income taxes—deferred | **247** | (993) | **2** |
| Net income | **¥ 808** | ¥19,901 | **$ 6** |

Notes: 1. Amounts of less than one million yen have been rounded down.
2. The rate of ¥122.65=U.S.$1.00, the approximate rate of exchange in effect on September 30, 2002, has been used.

## Statements of Trust Assets and Liabilities

**Resona Holdings, Inc.**

| September 30, 2002 and March 31, 2002 | Millions of yen September 30, 2002 | Millions of yen March 31, 2002 | Millions of U.S. dollars September 30, 2002 |
|---|---|---|---|
| Assets | | | |
| Loans and bills discounted | **¥ 391,363** | ¥ 475,878 | **$ 3,190** |
| Securities | **1,677,823** | 1,344,746 | **13,679** |
| Securities held for investment trusts | **—** | 93,171 | **—** |
| Trust beneficiary certificates | **20,579,691** | 21,581,191 | **167,792** |
| Securities held in custody account | **385** | 128,818 | **3** |
| Monetary claims | **726,903** | 895,943 | **5,926** |
| Premises and equipment | **246,382** | 220,001 | **2,008** |
| Land lease rights | **1,857** | 1,857 | **15** |
| Other claims | **5,489** | 21,580 | **44** |
| Call loans | **—** | 39,247 | **—** |
| Due from banking account | **202,434** | 213,342 | **1,650** |
| Cash and due from banks | **49,748** | 126,746 | **405** |
| Total assets | **¥23,882,079** | ¥25,142,526 | **$194,717** |
| Liabilities | | | |
| Money trusts | **¥ 8,607,810** | ¥ 8,134,746 | **$ 70,181** |
| Pension trusts | **5,950,696** | 6,266,942 | **48,517** |
| Asset formation benefit trusts | **2,451** | 2,441 | **19** |
| Securities investment trusts | **7,487,532** | 8,715,719 | **61,047** |
| Pecuniary trusts other than money trusts | **288,043** | 292,720 | **2,348** |
| Securities trusts | **230,321** | 385,701 | **1,877** |
| Monetary claim trusts | **641,690** | 912,250 | **5,231** |
| Real estate trusts | **212,681** | 192,546 | **1,734** |
| Land lease trusts | **4,940** | 4,902 | **40** |
| Composite trusts | **455,910** | 234,553 | **3,717** |
| Total liabilities | **¥23,882,079** | ¥25,142,526 | **$194,717** |

Notes: 1. Amounts of less than one million yen have been rounded down.
2. The rate of ¥122.65=U.S.$1.00, the approximate rate of exchange in effect on September 30, 2002, has been used.
3. The trusts which were re-entrusted for operations were excluded.
4. Trust beneficiary certificates worth ¥20,574,805 million ($167,752 million) were re-entrusted for asset administration purposes.
5. Co-managed trust funds under other trust banks' administration amounted to ¥7,171,589 million ($58,471 million).
6. Loans and bills discounted funded by Jointly Operated Designated Money Trust account funds guarantee the principal amounting to ¥360,542 million ($2,939 million) included the following:

| | Millions of of yen | Millions of U.S. dollars |
|---|---|---|
| Loans to borrowers in legal bankruptcy | **¥ 2,203** | **$ 17** |
| Past due loans | **11,708** | **95** |
| Loans past due three months or more | **344** | **2** |
| Restructured loans | **15,670** | **127** |
| Total | **¥29,927** | **$244** |

## Jointly Operated Designated Money Trusts (JOMT)

**Resona Holdings, Inc.**

| September 30, 2002 | Millions of yen September 30, 2002 | Millions of U.S. dollars September 30, 2002 |
|---|---|---|
| Assets | | |
| Loans and bills discounted | **¥360,542** | **$2,939** |
| Securities | **156,124** | **1,272** |
| Other | **201,554** | **1,643** |
| Total assets | **¥718,220** | **$5,855** |
| Liabilities | | |
| Principal | **¥716,590** | **$5,842** |
| Special loan loss reserve | **1,089** | **8** |
| Other | **541** | **4** |
| Total liabilities | **¥718,220** | **$5,855** |

Notes: 1. Amounts of less than one million yen have been rounded down.
2. The rate of ¥122.65=U.S.$1.00, the approximate rate of exchange in effect on September 30, 2002, has been used.

## Non-consolidated Balance Sheets

**The Daiwa Bank, Ltd.**

| September 30, 2002 and 2001, and March 31, 2002 | Millions of yen **September 30, 2002** | Millions of yen September 30, 2001 | Millions of yen March 31, 2002 | Millions of U.S. dollars **September 30, 2002** |
|---|---|---|---|---|
| Assets | | | | |
| Cash and due from banks | **¥ 1,079,295** | ¥ 522,764 | ¥ 1,293,243 | **$ 8,799** |
| Call loans and bills bought | **25,609** | 163,834 | 5,576 | **208** |
| Deposits paid for bonds lending/borrowing transactions | **2,929** | — | — | **23** |
| Monetary claims bought | **—** | 20 | 20 | **—** |
| Trading assets | **47,822** | 92,681 | 66,379 | **389** |
| Money held in trust | **26,631** | 30,790 | 2,803 | **217** |
| Securities | **2,126,047** | 2,778,044 | 2,726,073 | **17,334** |
| Loans and bills discounted | **9,204,877** | 10,020,878 | 9,612,764 | **75,049** |
| Foreign exchange | **55,279** | 63,955 | 55,928 | **450** |
| Other assets | **283,425** | 222,384 | 323,352 | **2,310** |
| Premises and equipment | **140,531** | 144,694 | 142,099 | **1,145** |
| Deferred tax assets | **286,907** | 335,154 | 285,169 | **2,339** |
| Customers' liabilities for acceptances and guarantees | **518,806** | 709,247 | 607,839 | **4,229** |
| Reserve for possible loan losses | **(349,063)** | (190,252) | (397,290) | **(2,846)** |
| Reserve for possible losses on investments | **(7,040)** | — | — | **(57)** |
| Total Assets | **¥13,442,060** | ¥14,894,198 | ¥14,723,960 | **$109,596** |
| Liabilities | | | | |
| Deposits | **¥10,931,677** | ¥ 9,723,374 | ¥10,963,041 | **$ 89,129** |
| Negotiable certificates of deposit | **224,737** | 1,957,042 | 553,328 | **1,832** |
| Call money and bills sold | **565,420** | 361,689 | 764,464 | **4,610** |
| Bills sold under repurchase agreements | **999** | 57,997 | 4,099 | **8** |
| Deposits received for bonds borrowing/lending transactions | **73,742** | — | — | **601** |
| Trading liabilities | **19,447** | 23,483 | 23,244 | **158** |
| Borrowed money | **316,317** | 408,486 | 407,822 | **2,579** |
| Foreign exchange | **6,187** | 9,520 | 5,933 | **50** |
| Bonds | **138,200** | 70,000 | 70,000 | **1,126** |
| Due to trust account | **200,595** | 423,085 | 192,446 | **1,635** |
| Other liabilities | **147,672** | 443,302 | 707,482 | **1,204** |
| Reserve for employees' bonuses | **2,023** | 2,923 | 2,300 | **16** |
| Reserve for employees' retirement benefits | **—** | 16,796 | — | **—** |
| Reserve for possible losses on loans sold | **—** | 16,314 | 3,935 | **—** |
| Other reserves | **0** | 1 | 0 | **0** |
| Acceptances and guarantees | **518,806** | 709,247 | 607,839 | **4,229** |
| Total Liabilities | **13,145,828** | 14,223,265 | 14,305,939 | **107,181** |
| Shareholders' Equity | | | | |
| Capital | **—** | 465,158 | 443,158 | **—** |
| Capital reserve | **—** | 405,419 | 404,449 | **—** |
| Legal reserve | **—** | 47,854 | 47,854 | **—** |
| Deficit | **—** | 214,918 | 428,786 | **—** |
| Valuation differences | **—** | (32,580) | (48,654) | **—** |
| Treasury stock | **—** | (0) | — | **—** |
| Total Shareholders' Equity | **—** | 670,932 | 418,021 | **—** |
| Shareholders' Equity | | | | |
| Capital | **443,158** | — | — | **3,613** |
| Earned surplus | **30,935** | — | — | **252** |
| Net unrealized losses on securities available for sale, net of taxes | **(177,862)** | — | — | **(1,450)** |
| Total Shareholders' Equity | **296,231** | — | — | **2,415** |
| Total Liabilities and Shareholders' Equity | **¥13,442,060** | ¥14,894,198 | ¥14,723,960 | **$109,596** |

Notes: 1. Amounts of less than one million yen have been rounded down.
2. The rate of ¥122.65=U.S.$1.00, the approximate rate of exchange in effect on September 30, 2002, has been used.

## Non-consolidated Statements of Operations

**The Daiwa Bank, Ltd.**

| Six months ended September 30, 2002 and 2001, and year ended March 31, 2002 | Millions of yen | | | Millions of U.S. dollars |
|---|---|---|---|---|
| | **Six months ended September 30, 2002** | Six months ended September 30, 2001 | Year ended March 31, 2002 | **Six months ended September 30, 2002** |
| Income | | | | |
| Interest income | **¥104,187** | ¥ 114,598 | ¥ 224,853 | **$ 849** |
| Interest on loans and bills discounted | **90,644** | 99,682 | 193,200 | **739** |
| Interest and dividends on securities | **10,841** | 11,444 | 25,381 | **88** |
| Trust fees | **3,992** | 18,315 | 42,204 | **32** |
| Fees and commissions | **28,533** | 36,061 | 67,333 | **232** |
| Trading income | **8,421** | 4,331 | 3,432 | **68** |
| Other operating income | **18,720** | 7,761 | 17,457 | **152** |
| Other income | **17,115** | 19,203 | 41,337 | **139** |
| Total Income | **180,970** | 200,271 | 396,618 | **1,475** |
| Expenses | | | | |
| Interest expenses | **17,651** | 25,212 | 45,315 | **143** |
| Interest on deposits | **9,778** | 13,926 | 23,890 | **79** |
| Fees and commissions | **13,731** | 21,865 | 42,310 | **111** |
| Trading expenses | **5** | 11 | 9 | **0** |
| Other operating expenses | **4,229** | 1,007 | 2,793 | **34** |
| General and administrative expenses | **80,604** | 87,097 | 171,882 | **657** |
| Other expenses | **58,279** | 422,672 | 675,376 | **475** |
| Total Expenses | **174,501** | 557,867 | 937,688 | **1,422** |
| Income (loss) before income taxes | **6,469** | (357,595) | (541,069) | **52** |
| Income taxes—current | **789** | 193 | 317 | **6** |
| Income taxes—deferred | **(1,738)** | (137,017) | (106,747) | **(14)** |
| Net income (loss) | **¥ 7,417** | ¥(220,772) | ¥(434,639) | **$ 60** |

Notes: 1. Amounts of less than one million yen have been rounded down.
2. The rate of ¥122.65=U.S.$1.00, the approximate rate of exchange in effect on September 30, 2002, has been used.

## Statements of Trust Assets and Liabilities

**The Daiwa Bank, Ltd.**

| September 30, 2002 and 2001, and March 31, 2002 | Millions of yen | | | Millions of U.S. dollars |
|---|---|---|---|---|
| | **September 30, 2002** | September 30, 2001 | March 31, 2002 | **September 30, 2002** |
| Assets | | | | |
| Loans and bills discounted | **¥ 391,363** | ¥ 520,409 | ¥ 475,878 | **$3,190** |
| Securities | **156,894** | 1,286,642 | 167,084 | **1,279** |
| Trust beneficiary certificates | **4,886** | 22,533,872 | 5,742 | **39** |
| Securities held in custody account | **385** | 855 | 631 | **3** |
| Securities lent | **—** | 968 | — | **—** |
| Monetary claims | **151,233** | 83,742 | 76,499 | **1,233** |
| Premises and equipment | **237,749** | 208,278 | 214,449 | **1,938** |
| Land lease rights | **1,857** | 748 | 1,857 | **15** |
| Other claims | **5,505** | 8,577 | 8,869 | **44** |
| Due from banking account | **200,595** | 423,085 | 192,446 | **1,635** |
| Cash and due from banks | **4,196** | 1,428 | 2,098 | **34** |
| Total assets | **¥1,154,666** | ¥25,068,608 | ¥1,145,558 | **$9,414** |
| Liabilities | | | | |
| Money trusts | **¥ 746,194** | ¥ 8,124,551 | ¥ 831,362 | **6,083** |
| Pension trusts | **—** | 6,373,084 | — | **—** |
| Asset formation benefit trusts | **2,451** | 3,098 | 2,441 | **19** |
| Securities investment trusts | **—** | 9,447,287 | — | **—** |
| Pecuniary trusts other than money trusts | **0** | 257,698 | 1,436 | **0** |
| Securities trusts | **385** | 417,391 | 631 | **3** |
| Monetary claim trusts | **38,424** | 28,415 | 24,735 | **313** |
| Real estate trusts | **212,681** | 197,472 | 192,546 | **1,734** |
| Land lease trusts | **4,940** | 4,955 | 4,902 | **40** |
| Composite trusts | **149,588** | 214,651 | 87,502 | **1,219** |
| Total liabilities | **¥1,154,666** | ¥25,068,608 | ¥1,145,558 | **$9,414** |

Notes: 1. Amounts of less than one million yen have been rounded down.
2. The rate of ¥122.65=U.S.$1.00, the approximate rate of exchange in effect on September 30, 2002, has been used.
3. The trusts which were re-entrusted for operations were excluded.
4. Co-managed trust funds under other trust banks' administration amounted to ¥79,670 million ($649 million).
5. Loans and bills discounted funded by JOMT account funds that the Bank guarantees the principal amounted to ¥360,542 million ($2,939 million) includes the following:

| | Millions of yen | Millions of U.S. dollars |
|---|---|---|
| Loans to borrowers in legal bankruptcy | **¥ 2,203** | **$ 17** |
| Past due loans | **11,708** | **95** |
| Loans past due three months or more | **344** | **2** |
| Restructured loans | **15,670** | **127** |
| Total | **¥29,927** | **$244** |

## Jointly Operated Designated Money Trusts (JOMT)

| | Millions of yen | Millions of U.S. dollars |
|---|---|---|
| | **September 30, 2002** | **September 30, 2002** |
| Assets | | |
| Loans and bills discounted | **¥360,542** | **$2,939** |
| Securities | **156,124** | **1,272** |
| Other | **201,554** | **1,643** |
| Total assets | **¥718,220** | **$5,855** |
| Liabilities | | |
| Principal | **¥716,590** | **$5,842** |
| Special loan loss reserve | **1,089** | **8** |
| Other | **541** | **4** |
| Total liabilities | **¥718,220** | **$5,855** |

Notes: 1. Amounts of less than one million yen have been rounded down.
2. The rate of ¥122.65=U.S.$1.00, the approximate rate of exchange in effect on September 30, 2002, has been used.

# FINANCIAL INFORMATION OF THE KINKI OSAKA BANK, LTD.

## Non-consolidated Balance Sheets

**The Kinki Osaka Bank, Ltd.**

| September 30, 2002 and 2001, and March 31, 2002 | Millions of yen | | | Millions of U.S. dollars |
|---|---|---|---|---|
| | **September 30, 2002** | September 30, 2001 | March 31, 2002 | **September 30, 2002** |
| Assets | | | | |
| Cash and due from banks | **¥ 129,213** | ¥ 111,831 | ¥ 160,093 | **$ 1,053** |
| Call loans and bills bought | **—** | 25,000 | — | **—** |
| Monetary claims bought | **2,159** | 2,447 | 2,300 | **17** |
| Trading assets | **970** | 765 | 1,014 | **7** |
| Money held in trust | **—** | 3,863 | 1,000 | **—** |
| Securities | **833,231** | 875,570 | 851,860 | **6,793** |
| Loans and bills discounted | **2,955,968** | 3,147,684 | 3,101,019 | **24,100** |
| Foreign exchange | **8,602** | 8,350 | 9,417 | **70** |
| Other assets | **79,944** | 87,472 | 85,537 | **651** |
| Premises and equipment | **60,915** | 62,929 | 61,703 | **496** |
| Deferred tax assets | **77,373** | 77,710 | 77,373 | **630** |
| Customers' liabilities for acceptances and guarantees | **77,894** | 93,088 | 84,167 | **635** |
| Reserve for possible loan losses | **(85,490)** | (42,516) | (43,526) | **(697)** |
| Total Assets | **¥4,140,783** | ¥4,454,197 | ¥4,391,961 | **$33,760** |
| Liabilities | | | | |
| Deposits | **¥3,740,693** | ¥4,052,643 | ¥3,812,273 | **$30,498** |
| Negotiable certificates of deposit | **1,000** | — | 1,000 | **8** |
| Call money and bills sold | **16,097** | 7,080 | 22,730 | **131** |
| Deposits received for bonds borrowing/lending transactions | **111,748** | — | — | **911** |
| Borrowed money | **75,274** | 79,443 | 78,358 | **613** |
| Foreign exchange | **130** | 110 | 131 | **1** |
| Other liabilities | **10,487** | 68,240 | 263,961 | **85** |
| Reserve for employees' bonuses | **1,143** | 1,244 | 1,185 | **9** |
| Reserve for employees' retirement benefits | **10,256** | 8,124 | 8,944 | **83** |
| Reserve for possible losses on loans sold | **5,673** | 4,427 | 5,762 | **46** |
| Acceptances and guarantees | **77,894** | 93,088 | 84,167 | **635** |
| Total Liabilities | **4,050,400** | 4,314,403 | 4,278,515 | **33,024** |
| Shareholders' Equity | | | | |
| Capital | **—** | 111,539 | 111,539 | **—** |
| Capital reserve | **—** | 33,770 | 33,770 | **—** |
| Retained earnings (deficit) | **—** | 2,325 | (21,524) | **—** |
| Valuation differences | **—** | (7,840) | (10,339) | **—** |
| Total Shareholders' Equity | **—** | 139,793 | 113,445 | **—** |
| Shareholders' Equity | | | | |
| Capital | **111,539** | — | — | **909** |
| Capital surplus | **12,246** | — | — | **99** |
| Earned surplus | **(28,578)** | — | — | **(233)** |
| Net unrealized losses on securities available for sale, net of taxes | **(4,823)** | — | — | **(39)** |
| Total Shareholders' Equity | **90,383** | — | — | **736** |
| Total Liabilities and Shareholders' Equity | **¥4,140,783** | ¥4,454,197 | ¥4,391,961 | **$33,760** |

Notes: 1. Amounts of less than one million yen have been rounded down.
2. The rate of ¥122.65=U.S.$1.00, the approximate rate of exchange in effect on September 30, 2002, has been used.

## Non-consolidated Statements of Operations

**The Kinki Osaka Bank, Ltd.**

| Six months ended September 30, 2002 and 2001, and year ended March 31, 2002 | Millions of yen | | | Millions of U.S. dollars |
|---|---|---|---|---|
| | **Six months ended September 30, 2002** | Six months ended September 30, 2001 | Year ended March 31, 2002 | **Six months ended September 30, 2002** |
| Income | | | | |
| Interest income | **¥ 45,126** | ¥48,173 | ¥ 93,683 | **$ 367** |
| Interest on loans and bills discounted | **38,186** | 41,163 | 80,547 | **311** |
| Interest and dividends on securities | **6,307** | 6,044 | 11,508 | **51** |
| Fees and commissions | **5,697** | 5,188 | 10,519 | **46** |
| Other operating income | **2,715** | 359 | 2,026 | **22** |
| Other income | **25,056** | 7,171 | 14,054 | **204** |
| Total Income | **78,595** | 60,894 | 120,284 | **640** |
| Expenses | | | | |
| Interest expenses | **3,627** | 6,947 | 11,645 | **29** |
| Interest on deposits | **2,586** | 5,440 | 8,986 | **21** |
| Fees and commissions | **3,270** | 3,135 | 6,322 | **26** |
| Other operating expenses | **138** | 12 | 1,257 | **1** |
| General and administrative expenses | **32,385** | 35,200 | 68,898 | **264** |
| Other expenses | **67,701** | 11,736 | 53,580 | **551** |
| Total Expenses | **107,122** | 57,033 | 141,703 | **873** |
| Income (loss) before income taxes | **(28,526)** | 3,860 | (21,418) | **(232)** |
| Income taxes—current | **52** | 54 | 105 | **0** |
| Income taxes—deferred | **—** | 1,481 | — | **—** |
| Net income (loss) | **¥(28,578)** | ¥ 2,325 | ¥(21,524) | **$(233)** |

Notes: 1. Amounts of less than one million yen have been rounded down.
2. The rate of ¥122.65=U.S.$1.00, the approximate rate of exchange in effect on September 30, 2002, has been used.

# FINANCIAL INFORMATION OF THE NARA BANK, LTD.

## Non-consolidated Balance Sheets

**The Nara Bank, Ltd.**

| September 30, 2002 and 2001, and March 31, 2002 | Millions of yen | | | Millions of U.S. dollars |
|---|---|---|---|---|
| | **September 30, 2002** | September 30, 2001 | March 31, 2002 | **September 30, 2002** |
| Assets | | | | |
| Cash and due from banks | **¥ 7,947** | ¥ 2,778 | ¥ 11,042 | **$ 64** |
| Call loans and bills bought | **7,200** | 18,930 | 6,705 | **58** |
| Monetary claims bought | **1,332** | 1,444 | 1,388 | **10** |
| Trading assets | **—** | 16 | — | **—** |
| Securities | **36,632** | 36,473 | 35,311 | **298** |
| Loans and bills discounted | **128,790** | 119,707 | 124,236 | **1,050** |
| Other assets | **863** | 957 | 832 | **7** |
| Premises and equipment | **3,412** | 3,492 | 3,443 | **27** |
| Deferred tax assets | **1,692** | 1,440 | 1,907 | **13** |
| Customers' liabilities for acceptances and guarantees | **6,016** | 6,925 | 6,498 | **49** |
| Reserve for possible loan losses | **(6,554)** | (5,680) | (6,671) | **(53)** |
| Total Assets | **¥187,333** | ¥186,486 | ¥184,693 | **$1,527** |
| Liabilities | | | | |
| Deposits | **¥171,161** | ¥168,120 | ¥167,681 | **$1,395** |
| Other liabilities | **471** | 1,165 | 1,074 | **3** |
| Reserve for employees' bonuses | **122** | 106 | 120 | **0** |
| Reserve for employees' retirement benefits | **479** | 433 | 459 | **3** |
| Reserve for possible losses on loans sold | **138** | 194 | 138 | **1** |
| Deferred tax liabilities on land revaluation | **676** | 676 | 676 | **5** |
| Acceptances and guarantees | **6,016** | 6,925 | 6,498 | **49** |
| Total Liabilities | **179,064** | 177,622 | 176,649 | **1,459** |
| Shareholders' Equity | | | | |
| Capital | **—** | 3,862 | 3,862 | **—** |
| Capital reserve | **—** | 1,847 | 1,847 | **—** |
| Legal reserve | **—** | 344 | 356 | **—** |
| Land revaluation differences | **—** | 934 | 934 | **—** |
| Retained earnings | **—** | 1,675 | 957 | **—** |
| Valuation differences | **—** | 198 | 86 | **—** |
| Total Shareholders' Equity | **—** | 8,863 | 8,044 | **—** |
| Shareholders' Equity | | | | |
| Capital | **3,862** | — | — | **31** |
| Capital surplus | **1,847** | — | — | **15** |
| Earned surplus | **1,436** | — | — | **11** |
| Revaluation reserve for land, net of taxes | **934** | — | — | **7** |
| Net unrealized gains on securities available for sale, net of taxes | **187** | — | — | **1** |
| Total Shareholders' Equity | **8,268** | — | — | **67** |
| Total Liabilities and Shareholders' Equity | **¥187,333** | ¥186,486 | ¥184,693 | **$1,527** |

Notes: 1. Amounts of less than one million yen have been rounded down.
2. The rate of ¥122.65=U.S.$1.00, the approximate rate of exchange in effect on September 30, 2002, has been used.

## Non-consolidated Statements of Operations

**The Nara Bank, Ltd.**

| Six months ended September 30, 2002 and 2001, and year ended March 31, 2002 | Millions of yen | | | Millions of U.S. dollars |
|---|---|---|---|---|
| | **Six months ended September 30, 2002** | Six months ended September 30, 2001 | Year ended March 31, 2002 | **Six months ended September 30, 2002** |
| Income | | | | |
| Interest income | **¥1,813** | ¥1,980 | ¥3,819 | **$14** |
| Interest on loans and bills discounted | **1,613** | 1,667 | 3,267 | **13** |
| Interest and dividends on securities | **186** | 296 | 522 | **1** |
| Fees and commissions | **246** | 214 | 452 | **2** |
| Other operating income | **176** | 365 | 391 | **1** |
| Other income | **119** | 9 | 87 | **0** |
| Total Income | **2,356** | 2,570 | 4,750 | **19** |
| Expenses | | | | |
| Interest expenses | **64** | 146 | 241 | **0** |
| Interest on deposits | **64** | 144 | 236 | **0** |
| Fees and commissions | **106** | 99 | 205 | **0** |
| Other operating expenses | **—** | 5 | 5 | **—** |
| General and administrative expenses | **1,695** | 1,588 | 3,380 | **13** |
| Other expenses | **276** | 466 | 1,758 | **2** |
| Total Expenses | **2,142** | 2,306 | 5,591 | **17** |
| Income (loss) before income taxes | **213** | 263 | (841) | **1** |
| Income taxes—current | **2** | 85 | 12 | **0** |
| Income taxes—deferred | **87** | 25 | (360) | **0** |
| Net income (loss) | **¥ 123** | ¥ 153 | ¥ (493) | **$ 1** |

Notes: 1. Amounts of less than one million yen have been rounded down.
2. The rate of ¥122.65=U.S.$1.00, the approximate rate of exchange in effect on September 30, 2002, has been used.

**FINANCIAL INFORMATION OF THE ASAHI BANK, LTD.**

## Non-consolidated Balance Sheets

**The Asahi Bank, Ltd.**

| September 30, 2002 and 2001, and March 31, 2002 | Millions of yen | | | Millions of U.S. dollars |
|---|---|---|---|---|
| | **September 30, 2002** | September 30, 2001 | March 31, 2002 | **September 30, 2002** |
| Assets | | | | |
| Cash and due from banks | **¥ 784,874** | ¥ 2,274,990 | ¥ 1,660,446 | **$ 6,399** |
| Call loans and bills bought | **118,800** | 441,264 | 91,000 | **968** |
| Deposits paid for bonds lending/borrowing transactions | **1,056** | — | — | **8** |
| Trading assets | **625,762** | 785,056 | 574,134 | **5,102** |
| Money held in trust | **39,996** | 60,000 | 40,000 | **326** |
| Securities | **3,537,433** | 4,331,762 | 3,403,577 | **28,841** |
| Loans and bills discounted | **16,134,855** | 19,805,462 | 17,148,723 | **131,552** |
| Foreign exchange | **94,504** | 110,635 | 114,500 | **770** |
| Other assets | **531,113** | 470,325 | 524,725 | **4,330** |
| Premises and equipment | **407,128** | 446,522 | 417,035 | **3,319** |
| Deferred tax assets | **422,318** | 381,383 | 424,060 | **3,443** |
| Customers' liabilities for acceptances and guarantees | **1,079,957** | 1,464,062 | 1,191,361 | **8,805** |
| Reserve for possible loan losses | **(399,302)** | (417,895) | (532,501) | **(3,255)** |
| Reserve for possible losses on investments | **—** | — | (17,800) | **—** |
| Total Assets | **¥23,378,498** | ¥30,153,572 | ¥25,039,264 | **$190,611** |
| Liabilities | | | | |
| Deposits | **¥18,619,121** | ¥19,041,139 | ¥18,949,733 | **$151,806** |
| Negotiable certificates of deposit | **305,580** | 4,125,785 | 339,020 | **2,491** |
| Call money and bills sold | **1,042,800** | 2,172,835 | 1,765,718 | **8,502** |
| Bills sold under repurchase agreements | **325,996** | 282,773 | 276,983 | **2,657** |
| Commercial paper | **20,000** | 180,000 | 20,000 | **163** |
| Trading liabilities | **190,883** | 209,210 | 193,786 | **1,556** |
| Borrowed money | **759,306** | 981,027 | 884,166 | **6,190** |
| Foreign exchange | **3,302** | 7,021 | 3,360 | **26** |
| Bonds | **70,400** | 130,000 | 87,500 | **573** |
| Other liabilities | **241,115** | 349,315 | 483,705 | **1,965** |
| Reserve for employees' bonuses | **3,424** | 5,655 | 3,229 | **27** |
| Reserve for employees' retirement benefits | **—** | 9,460 | 3,950 | **—** |
| Reserve for possible losses on loans sold | **6,600** | 30,616 | 10,595 | **53** |
| Reserve for investment losses | **—** | 17,800 | — | **—** |
| Other reserves | **0** | 0 | 0 | **0** |
| Deferred tax liabilities on land revaluation | **72,487** | 82,797 | 74,221 | **591** |
| Acceptances and guarantees | **1,079,957** | 1,464,062 | 1,191,361 | **8,805** |
| Total Liabilities | **22,740,977** | 29,089,500 | 24,287,332 | **185,413** |
| Shareholders' Equity | | | | |
| Capital | **—** | 605,356 | 605,356 | **—** |
| Capital reserve | **—** | 509,486 | 509,486 | **—** |
| Legal reserve | **—** | 76,067 | 76,067 | **—** |
| Land revaluation differences | **—** | 126,392 | 113,301 | **—** |
| Retained earnings (deficit) | **—** | 9,831 | (531,971) | **—** |
| Valuation differences | **—** | (263,059) | (20,309) | **—** |
| Treasury stock | **—** | (2) | — | **—** |
| Total Shareholders' Equity | **—** | 1,064,072 | 751,931 | **—** |
| Shareholders' Equity | | | | |
| Capital | **605,356** | — | — | **4,935** |
| Earned surplus | **80,570** | — | — | **656** |
| Revaluation reserve for land, net of taxes | **110,654** | — | — | **902** |
| Net unrealized losses on securities available for sale, net of taxes | **(159,061)** | — | — | **(1,296)** |
| Total Shareholders' Equity | **637,520** | — | — | **5,197** |
| Total Liabilities and Shareholders' Equity | **¥23,378,498** | ¥30,153,572 | ¥25,039,264 | **$190,611** |

Notes: 1. Amounts of less than one million yen have been rounded down.
2. The rate of ¥122.65=U.S.$1.00, the approximate rate of exchange in effect on September 30, 2002, has been used.

## Non-consolidated Statements of Operations

**The Asahi Bank, Ltd.**

| Six months ended September 30, 2002 and 2001, and year ended March 31, 2002 | Millions of yen | | | Millions of U.S. dollars |
|---|---|---|---|---|
| | **Six months ended September 30, 2002** | Six months ended September 30, 2001 | Year ended March 31, 2002 | **Six months ended September 30, 2002** |
| Income | | | | |
| Interest income | **¥191,765** | ¥261,027 | ¥ 476,014 | **$1,563** |
| Interest on loans and bills discounted | **174,818** | 207,697 | 397,547 | **1,425** |
| Interest and dividends on securities | **14,401** | 30,442 | 45,607 | **117** |
| Fees and commissions | **31,525** | 32,082 | 63,404 | **257** |
| Trading income | **3,569** | 3,723 | 4,999 | **29** |
| Other operating income | **34,021** | 17,566 | 46,278 | **277** |
| Other income | **21,358** | 44,627 | 74,919 | **174** |
| Total Income | **282,240** | 359,027 | 665,616 | **2,301** |
| Expenses | | | | |
| Interest expenses | **26,206** | 64,939 | 101,966 | **213** |
| Interest on deposits | **10,401** | 37,590 | 54,249 | **84** |
| Fees and commissions | **17,525** | 14,087 | 32,564 | **142** |
| Trading expenses | **5** | 16 | 21 | **0** |
| Other operating expenses | **14,117** | 7,498 | 14,180 | **115** |
| General and administrative expenses | **120,792** | 130,527 | 257,940 | **984** |
| Other expenses | **79,035** | 198,928 | 975,038 | **644** |
| Total Expenses | **257,682** | 415,998 | 1,381,712 | **2,100** |
| Income (loss) before income taxes | **24,558** | (56,971) | (716,096) | **200** |
| Income taxes—current | **210** | 210 | 931 | **1** |
| Income taxes—deferred | **7** | (27,402) | (132,343) | **0** |
| Net income (loss) | **¥ 24,340** | ¥ (29,780) | ¥ (584,684) | **$ 198** |

Notes: 1. Amounts of less than one million yen have been rounded down.
2. The rate of ¥122.65=U.S.$1.00, the approximate rate of exchange in effect on September 30, 2002, has been used.

# FINANCIAL INFORMATION OF RESONA TRUST & BANKING CO., LTD.

## Non-consolidated Balance Sheets

**Resona Trust & Banking Co., Ltd.**

| September 30, 2002 and March 31, 2002 | Millions of yen | | Millions of U.S. dollars |
|---|---|---|---|
| | **September 30, 2002** | March 31, 2002 | **September 30, 2002** |
| Assets | | | |
| Cash and due from banks | **¥ 2,957** | ¥22,058 | **$ 24** |
| Securities | **15,010** | 11 | **122** |
| Other assets | **15,793** | 6,466 | **128** |
| Premises and equipment | **3,539** | 3,535 | **28** |
| Deferred tax assets | **251** | 26 | **2** |
| Total Assets | **¥37,552** | ¥32,098 | **$306** |
| Liabilities | | | |
| Deposits | **¥ 3,095** | ¥ 3,094 | **$ 25** |
| Other liabilities | **5,940** | 3,378 | **48** |
| Total Liabilities | **9,035** | 6,473 | **73** |
| Shareholders' Equity | | | |
| Capital | **—** | 10,000 | **—** |
| Capital surplus | **—** | 14,969 | **—** |
| Retained earnings | **—** | 655 | **—** |
| Valuation differences | **—** | 0 | **—** |
| Total Shareholders' Equity | **—** | 25,625 | **—** |
| Shareholders' Equity | | | |
| Capital | **10,000** | — | **81** |
| Capital surplus | **14,969** | — | **122** |
| Retained earnings | **3,548** | — | **28** |
| Net unrealized losses on securities available for sale, net of taxes | **(0)** | — | **(0)** |
| Total Shareholders' Equity | **28,517** | — | **232** |
| Total Liabilities and Shareholders' Equity | **¥37,552** | ¥32,098 | **$306** |

Notes: 1. Amounts of less than one million yen have been rounded down.
2. The rate of ¥122.65=U.S.$1.00, the approximate rate of exchange in effect on September 30, 2002, has been used.

## Non-consolidated Statements of Income

**Resona Trust & Banking Co., Ltd.**

| Six months ended September 30, 2002 and year ended March 31, 2002 | Millions of yen | | Millions of U.S. dollars |
|---|---|---|---|
| | **Six months ended September 30, 2002** | Year ended March 31, 2002 | **Six months ended September 30, 2002** |
| Income | | | |
| Interest income | **¥ 1** | ¥ 0 | **$ 0** |
| Trust fees | **11,539** | 2,141 | **94** |
| Fees and commissions | **2,289** | 470 | **18** |
| Other income | **1** | 0 | **0** |
| Total Income | **13,831** | 2,612 | **112** |
| Expenses | | | |
| Interest expenses | **1** | 0 | **0** |
| Fees and commissions | **2,977** | 727 | **24** |
| General and administrative expenses | **4,887** | 786 | **39** |
| Other expenses | **212** | 42 | **1** |
| Total Expenses | **8,078** | 1,556 | **65** |
| Income before income taxes | **5,752** | 1,055 | **46** |
| Income taxes—current | **2,434** | 426 | **19** |
| Income taxes—deferred | **(223)** | (26) | **(1)** |
| Net income | **¥ 3,542** | ¥ 655 | **$ 28** |

Notes: 1. Amounts of less than one million yen have been rounded down.
2. The rate of ¥122.65=U.S.$1.00, the approximate rate of exchange in effect on September 30, 2002, has been used.

## Statements of Trust Assets and Liabilities

**Resona Trust & Banking Co., Ltd.**

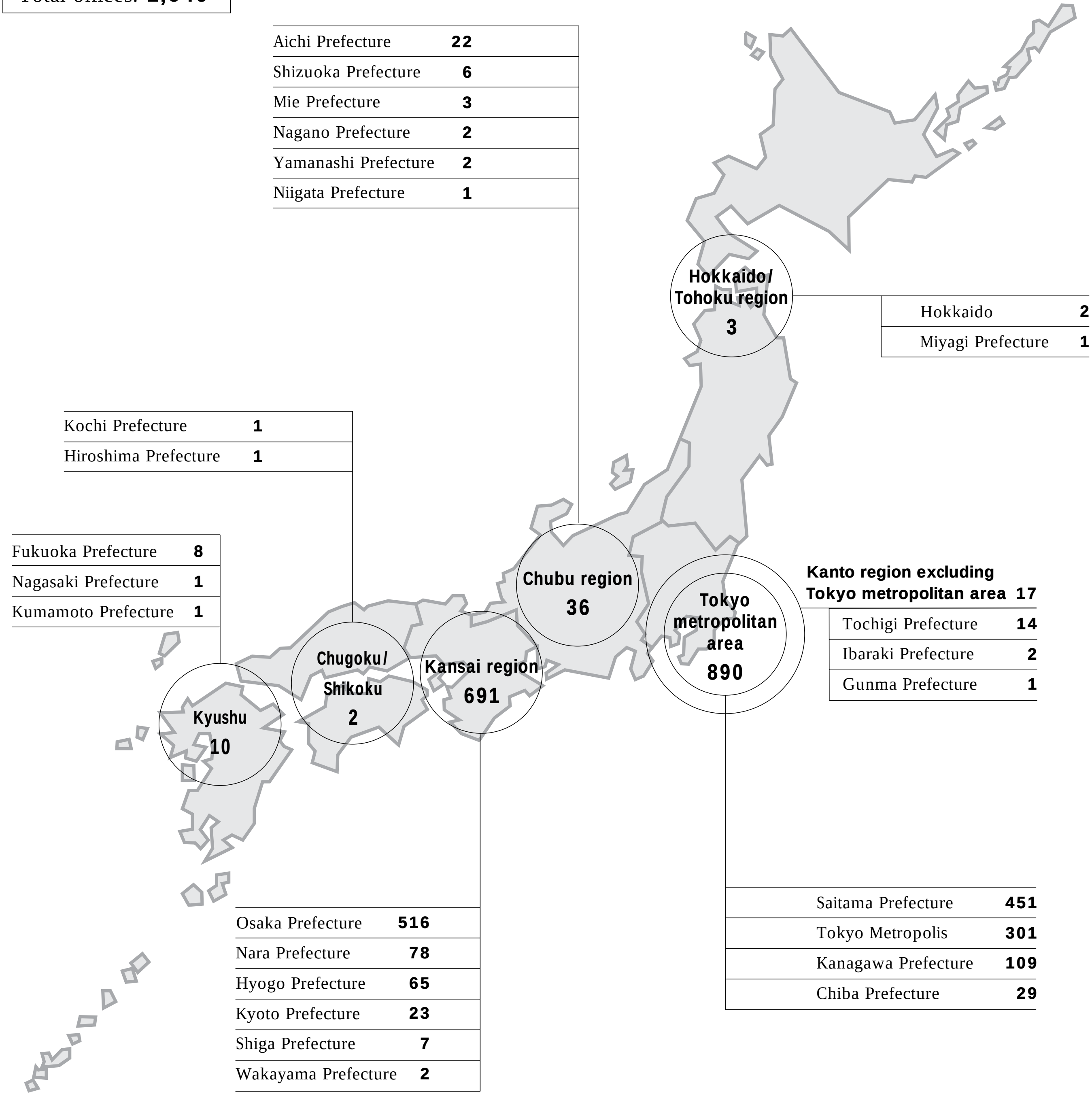
| September 30, 2002 and March 31, 2002 | Millions of yen | | Millions of U.S. dollars |
|---|---|---|---|
| | **September 30, 2002** | March 31, 2002 | **September 30, 2002** |
| Assets | | | |
| Securities | **¥ 1,520,429** | ¥ 1,116,624 | **$ 12,396** |
| Trust beneficiary certificates | **20,574,805** | 21,575,448 | **167,752** |
| Other claims | **20,060** | 77 | **163** |
| Total Assets | **¥22,115,295** | ¥22,692,150 | **$180,312** |
| Liabilities | | | |
| Money trusts | **¥ 7,861,563** | ¥ 7,247,479 | **$ 64,097** |
| Pension trusts | **5,950,696** | 6,266,942 | **48,517** |
| Securities investment trusts | **7,487,532** | 8,555,022 | **61,047** |
| Pecuniary trusts other than money trusts | **288,043** | 232,396 | **2,348** |
| Securities trusts | **229,936** | 248,977 | **1,874** |
| Composite trusts | **297,523** | 141,332 | **2,425** |
| Total Liabilities | **¥22,115,295** | ¥22,692,150 | **$180,312** |

Notes: 1. Amounts of less than one million yen have been rounded down.
2. The rate of ¥122.65=U.S.$1.00, the approximate rate of exchange in effect on September 30, 2002, has been used.
3. Trust beneficiary certificates worth of ¥20,574,805 million ($167,752 million) were re-entrusted for asset administration purposes.
4. Co-managed trust funds under other trust banks' administration amounted to ¥7,091,919 million ($57,822 million).

# DOMESTIC NETWORK

As of September 30, 2002

Total offices: **1,649**




**Domestic Branches** (As of September 30, 2002)

| | Daiwa Bank | Kinki Osaka Bank | Nara Bank | Asahi Bank | Total of the four banks | Tokyo metropolitan area | Kansai region |
|---|---|---|---|---|---|---|---|
| Manned offices | 181 | 177 | 25 | 295 | 678 | 286 | 358 |
| Nonmanned offices | 253 | 41 | 32 | 645 | 971 | 604 | 333 |
| Total offices | 434 | 218 | 57 | 940 | 1,649 | 890 | 691 |

# INTERNATIONAL NETWORK

(As of January 1, 2003)

## The Daiwa Bank, Ltd.

### ■ EUROPE

**Daiwa Bank (Capital Management) Plc**
Level 18, City Tower,
40 Basinghall Street,
London EC2V 5DE,
United Kingdom
Phone: 44-20-7256-5661
Telex: 8956907
Fax: 44-20-7256-5662

**London Representative Office**
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United Kingdom
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Fax: 44-20-7256-5005

### ■ ASIA

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Far East Finance Centre,
16 Harcourt Road,
Hong Kong, S.A.R.,
The People's Republic of China
Phone: 852-2521-6433
Fax: 852-2522-5378

**Singapore Representative Office**
3 Temasek Avenue,
#20-06 Centennial Tower,
Singapore 039190,
Republic of Singapore
Phone: 65-6836-0300
Fax: 65-6836-0400

**Shanghai Representative Office**
Room No. 2709,
Shanghai International
Trade Centre,
2201 Yan An Xi Lu, Shanghai,
The People's Republic of China
Phone: 86-21-6275-5198
Fax: 86-21-6275-5229

**Bangkok Representative Office**
13th Floor,
Regent House Building,
183 Rajdamri Road, Pathumwan,
Bangkok 10330, Thailand
Phone: 66-2-254-7555
Fax: 66-2-254-7557

**P.T. Bank Daiwa Perdania**
Head Office
JL. Jend. Sudirman Kav. 40-41,
Jakarta, Indonesia
Phone: 62-21-5701958
Telex: 65658, 65195
Fax: 62-21-5701936
SWIFT: BPIAIDJA

Kota Sub-Branch
JL. Raya Mangga Besar No. 7,
Jakarta, Indonesia
Phone: 62-21-6260408
Fax: 62-21-6592164

Thamrin Cash Office
1st Floor, Skyline Building,
JL. M.H. Thamrin No. 9,
Jakarta, Indonesia
Phone: 62-21-327309
Fax: 62-21-323308

Surabaya Branch
JL. Raya Darmo No. 31,
Surabaya, East Java, Indonesia
Phone: 62-31-5674326
Telex: 32145
Fax: 62-31-5674840

Bandung Branch
JL. Wastu Kencana No. 87,
Bandung, West Java, Indonesia
Phone: 62-22-4241742
Telex: 28018
Fax: 62-22-4241207

Cikarang Sub-Branch
JL. Jababeka Raya Block B
No. 14-15, Cikarang Industrial
Estate, Bekasi, West Java,
Indonesia
Phone: 62-21-8934347
Fax: 62-21-8934346

Makassar Branch
4th Floor, BII Building,
JL. Kajaolalido No. 6, Makassar,
South Sulawesi, Indonesia
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Telex: 71161
Fax: 62-411-330574

**P.T. Daiwa Lippo Finance**
5th Floor,
Bank Daiwa Perdania Building,
JL. Jend. Sudirman Kav. 40-41,
Jakarta, Indonesia
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Fax: 62-21-5701961

### ■ JAPAN

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2-1, Bingomachi 2-chome,
Chuo-ku, Osaka 540-8610, Japan
Phone: 81-6-6271-1221
Telex: J64051 DAIBANK
Cable: DAIBANK
SWIFT: DIWAJPJS

Tokyo Office
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Chiyoda-ku, Tokyo 100-8110,
Japan
Phone: 81-3-3231-1231
Telex: J64052 DAIBANK
Cable: DAIBANK
SWIFT: DIWAJPJT

Internet Address
http://www.daiwabank.co.jp/

## The Asahi Bank, Ltd.

### ■ THE AMERICAS

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Phone: 1-212-997-7830
Fax: 1-212-997-7835

**Los Angeles Representative Office**
350 South Grand Avenue,
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Fax: 1-213-624-0172

### ■ EUROPE

**London Representative Office**
Suite 1, 8th Floor,
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### ■ ASIA

**Hong Kong Representative Office**
Room 1103A, 11th Floor,
Far East Finance Centre,
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Hong Kong, S.A.R.,
The People's Republic of China
Phone: 852-2532-0500
Fax: 852-2868-4503

**Singapore Representative Office**
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#20-05 Centennial Tower,
Singapore 039190,
Republic of Singapore
Phone: 65-6333-0378
Fax: 65-6333-0797

**Shanghai Representative Office**
Room 2001, Jin Mao Tower,
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Shanghai 200120,
The People's Republic of China
Phone: 86-21-5047-1188
Fax: 86-21-5047-0808

**Bangkok Representative Office**
31st Floor, Abdulrahim Place,
990 Rama 4 Road,
Silom, Bangrak,
Bangkok 10500,
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Phone: 66-2-636-2311
Telex: 22061 ASHBK TH
Fax: 66-2-636-2316

### ■ JAPAN

Head Office
1-2, Otemachi 1-chome,
Chiyoda-ku, Tokyo 100-8106,
Japan
Phone: 81-3-3287-2111
Telex: J24275 ASAHI TKI
Cable: ASAHIBANK TOKYO
SWIFT: SAIBJPJT

Internet Address
http://www.asahibank.co.jp/

## The Kinki Osaka Bank, Ltd.

### ■ JAPAN

Head Office
4-27, Shiromi 1-chome,
Chuo-ku, Osaka 540-8560, Japan
Phone: 81-6-6945-2063
Telex: 63936 kinkibk j
SWIFT: OSAB JP JS

Internet Address
http://www.kinkiosakabank.co.jp/

Notes:
1. Consideration is being given to changing the current corporate names of overseas subsidiaries to include "Resona" in their names.
2. Plans call for merging the representative offices of the Daiwa Bank and the Asahi Bank that have overlapping coverage.
3. Procedures are in progress for closing the Los Angeles Representative Office of the Asahi Bank.
4. A portion of the information related to telex, cable, and SWIFT addresses of the Daiwa Bank and the Asahi Bank are scheduled to change at the time of the split-offs and mergers.
5. Please check the latest data and information on the Resona Holdings website.

## INVESTOR INFORMATION

As of September 30, 2002

**Head Office**
2-1, Bingomachi 2-chome,
Chuo-ku, Osaka 540-8608, Japan
Tel: 81-6-6268-7400

**Tokyo Office**
1-2, Otemachi 1-chome,
Chiyoda-ku, Tokyo 108-8107, Japan
Tel: 81-3-3287-2131

**Paid-in Capital**
¥720,000 million

**Common Stock** (Thousands)
Authorized: 13,000,000 shares
Issued: 5,635,053 shares

**Preferred Stock** (Thousands)
Authorized: 1,131,356 shares
Issued: 1,131,319 shares
Class A No. 1 10,970 shares
Class B No. 1 680,000 shares
Class C No. 1 120,000 shares
Class D No. 1 349 shares
Class E No. 1 240,000 shares
Class F No. 1 80,000 shares

**Stock Price Range on the Tokyo Stock Exchange**

(First section)

| | 2002 | | | | | |
|---|---|---|---|---|---|---|
| | Apr. | May | June | July | Aug. | Sept. |
| High | ¥93 | ¥96 | ¥111 | ¥98 | ¥93 | ¥102 |
| Low | 81 | 81 | 84 | 88 | 84 | 74 |

**Stock Exchange Listings**
Tokyo, Osaka

**Transfer Agent and Registrar**
Daiko Shoken Business Co., Ltd.
4-6, Kitahama 2-chome, Chuo-ku,
Osaka 541-8535, Japan

**Independent Accountants**
Shin Nihon & Co.

**Number of Employees**
24,990 (Consolidated)
340 (Non-consolidated)

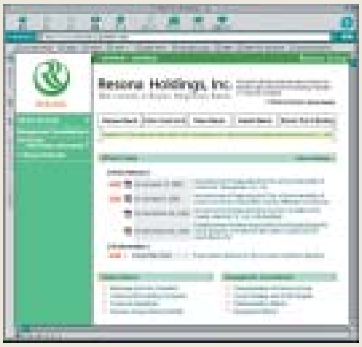
**Major Shareholders**

| | Number of shares held (Thousands) | Percentage of total shares issued |
|---|---|---|
| The Daiwa Bank, Ltd. | 183,181 | 3.25 |
| The Dai-ichi Mutual Life Insurance Company | 117,899 | 2.09 |
| Mitsui Asset Trust and Banking Co., Ltd. | 107,668 | 1.91 |
| Japan Trustee Services Bank, Ltd. | 84,035 | 1.49 |
| Asahi Mutual Life Insurance Company | 79,935 | 1.41 |
| The Nomura Securities Co., Ltd. | 75,305 | 1.33 |
| The Master Trust Bank of Japan, Ltd. | 73,636 | 1.30 |
| Daido Life Insurance Company | 70,000 | 1.24 |
| Nippon Life Insurance Company | 64,860 | 1.15 |
| The Fuji Fire & Marine Insurance Co., Ltd. | 64,589 | 1.14 |
| Total | 921,112 | 16.34 |

**Resona Holdings, Inc.**

**http://www.resona-hd.co.jp**

You can also access the latest information on Resona Holdings via the Internet.




**Contact:**

**Corporate Communications Division**
**Resona Holdings, Inc.**
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RESONA
Resona Holdings

Printed on recycled paper in Japan