

## Summary of Consolidated Interim Financial Results

### (September 30, 2002/Unaudited)

November 25, 2002  
Resona Holdings, Inc. (The Daiwa Bank, Ltd.)  
2-2-1 Bingomachi, Chuo-ku, Osaka, Japan

#### 1. Financial Highlights (April 1, 2002 – September 30, 2002)

##### (1) Consolidated Operating Results

	Ordinary income		Ordinary profit (loss)		Net income (loss)	
	<i>Million yen</i>	%	<i>Million yen</i>	%	<i>Million yen</i>	%
September 30, 2002	214,526	(15.2)	3,629	-	4,532	-
September 30, 2001	252,857	(7.5)	(280,160)	-	(140,632)	-
March 31, 2002	484,650	(8.9)	(449,525)	-	(336,608)	-

	Net income (loss) per share	Net income per share (potential equity adjusted)
	<i>Yen</i>	<i>Yen</i>
September 30, 2002	2.20	1.02
September 30, 2001	(68.50)	-
March 31, 2002	(163.97)	-

Notes: (1) Equity in net gains/(losses) from investments in affiliated companies:

(461) million yen (Six months ended September 30, 2002)

Equity in net gains/(losses) from investments in affiliated companies:

(1,455) million yen (Six months ended September 30, 2001)

Equity in net gains/(losses) from investments in affiliated companies:

(1,265) million yen (fiscal year ended March 31, 2002)

(2) Average number of ordinary shares issued (consolidated):

2,052,867,887 shares (Six months ended September 30, 2002)

Average number of ordinary shares issued (consolidated):

2,052,747,249 shares (Six months ended September 30, 2001)

Average number of ordinary shares issued (consolidated):

2,052,773,858 shares (fiscal year ended March 31, 2002)

(3) There were no changes in accounting policies.

(4) Percentages in ordinary income, ordinary net income (loss) and net income (loss) show the changes from the previous interim period.

##### (2) Consolidated Financial Position

	Total assets	Shareholders' equity	Shareholders' equity ratio	Shareholders' equity per share	Consolidated capital assets ratio (Japanese Standard)
	<i>Million yen</i>	<i>Million yen</i>	%	<i>Yen</i>	%
September 30, 2002	13,539,490	272,336	2.0	(71.43)	7.52
September 30, 2001	14,959,037	629,966	4.2	102.78	9.96
March 31, 2002	14,746,249	398,088	2.7	(10.17)	8.35

Notes: (1) Number of ordinary shares issued (consolidated): 2,052,867,887 shares (as of September 30, 2002)

Number of ordinary shares issued (consolidated): 2,052,747,941 shares (as of September 30, 2001)

Number of ordinary shares issued (consolidated): 2,052,867,887 shares (as of March 31, 2002)

(2) Consolidated capital assets ratio based on flash report (as of September 30, 2002)

##### (3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents
	<i>Million yen</i>	<i>Million yen</i>	<i>Million yen</i>	<i>Million yen</i>
September 30, 2002	(571,935)	442,495	(19,686)	966,177
September 30, 2001	24,950	(1,987)	(556)	374,299
March 31, 2002	733,635	58,053	(5,595)	1,114,935

(4) Principles of consolidation and application of equity method

Number of consolidated subsidiaries: 27

Number of nonconsolidated subsidiaries accounted for by the equity method: None

Number of affiliated companies accounted for by the equity method: 2

(5) Change in consolidation and application of equity method

Number of consolidated subsidiaries added: 1

Number of consolidated subsidiaries excluded: None

Number of affiliated companies accounted for by the equity method added: None

Number of affiliated companies accounted for by the equity method excluded: None

2. Forecast of Fiscal Year's Performance (April 1, 2002 - March 31, 2003)

For the consolidated operating result forecast, see flash report (consolidated) of Resona Holdings, Inc.

## (1) Average number of shares of preferred stock (consolidated)

Six months ended September 30, 2002	ClassA 1st preferred stock	10,970,000 shares
	ClassB 1st preferred stock	680,000,000 shares
Six months ended September 30, 2001	ClassA 1st preferred stock	10,970,000 shares
	ClassB 1st preferred stock	680,000,000 shares
Year ended March 31, 2002	ClassA 1st preferred stock	10,970,000 shares
	ClassB 1st preferred stock	680,000,000 shares

## (2) Issued number of shares of preferred stock (consolidated)

September 30, 2002	ClassA 1st preferred stock	10,970,000 shares
	ClassB 1st preferred stock	680,000,000 shares
September 30, 2001	ClassA 1st preferred stock	10,970,000 shares
	ClassB 1st preferred stock	680,000,000 shares
Year ended March 31, 2002	ClassA 1st preferred stock	10,970,000 shares
	ClassB 1st preferred stock	680,000,000 shares

## (3) Formula for consolidated financial results for the interim period ended September 30, 2002

Net income per share

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 Net income on common stock
 

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Average number of shares of common stock during the interim period (consolidated)

Net income per share (potential equity adjusted)

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 Net income on common stock + Net income adjustment
 

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 Average number of shares of common stock + Total number of common stock equivalents at term end  
 (consolidated)

Shareholders' equity per share

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 Ending shareholders' equity – Issued number of shares of Preferred Stock × Amount per share
 

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Issued number of shares of common stock at term end (consolidated) (consolidated)

## Consolidated Interim Balance Sheets

(Millions of yen)

	Sep 30,2002 (A)	Sep 30,2001 (B)	Difference (A) - (B)	Mar 31,2002 (C)	Difference (A) - (C)
<b>Assets</b>					
Cash and due from banks	¥ 1,093,042	¥ 538,687	¥ 554,355	¥ 1,309,345	¥(216,303)
Call loans and bills bought	29,348	167,212	(137,864)	9,659	19,689
Deposits paid for bonds lending/borrowing transactions	11,335		11,335		11,335
Monetary claims bought	—	20	(20)	20	(20)
Trading assets	64,910	118,591	(53,681)	76,788	(11,878)
Money held in trust	26,631	30,790	(4,159)	2,803	23,828
Securities	2,089,805	2,729,662	(639,857)	2,694,686	(604,881)
Loans and bills discounted	9,198,220	9,991,597	(793,377)	9,596,544	(398,324)
Foreign exchange	56,384	64,884	(8,500)	57,290	(906)
Other assets	425,840	405,075	20,765	457,756	(31,916)
Premises and equipment	194,612	206,875	(12,263)	198,903	(4,291)
Deferred tax assets	292,162	339,654	(47,492)	290,433	1,729
Customers' liabilities for acceptances and guarantees	436,531	568,403	(131,872)	471,621	(35,090)
Reserve for possible loan losses	(372,219)	(202,386)	(169,833)	(419,560)	47,341
Reserve for possible losses on investments	(7,115)	(32)	(7,083)	(45)	(7,070)
<b>Total assets</b>	<b>¥13,539,490</b>	<b>¥14,959,037</b>	<b>¥(1,419,547)</b>	<b>¥14,746,249</b>	<b>¥(1,206,759)</b>
<b>Liabilities</b>					
Deposits	10,938,890	9,716,537	1,222,353	10,966,155	(27,265)
Negotiable certificates of deposit	224,737	1,947,042	(1,722,305)	545,328	(320,591)
Call money and bills sold	566,420	366,689	199,731	764,064	(197,644)
Bills sold under repurchase agreement	999	57,997	(56,998)	4,099	(3,100)
Deposits received for bonds borrowing/lending transactions	74,066		74,066		74,066
Trading liabilities	30,782	37,648	(6,866)	26,484	4,298
Borrowed money	295,671	364,355	(68,684)	334,356	(38,685)
Foreign exchange	5,922	8,554	(2,632)	5,735	187
Bonds	158,973	217,129	(58,156)	216,444	(57,471)
Due to trust account	200,595	423,085	(222,490)	192,446	8,149
Other liabilities	240,976	561,743	(320,767)	791,361	(550,385)
Reserve for employees' bonuses	2,352	3,221	(869)	2,621	(269)
Reserve for employees' retirement benefits	896	18,505	(17,609)	1,205	(309)
Reserve for possible losses on loans sold	—	16,314	(16,314)	3,935	(3,935)
Other reserves	187	86	101	134	53
Deferred tax liabilities	—	—	—	379	(379)
Consolidation differences	456	694	(238)	557	(101)
Acceptances and guarantees	436,531	568,403	(131,872)	471,621	(35,090)
<b>Total liabilities</b>	<b>¥13,178,460</b>	<b>¥14,308,011</b>	<b>¥(1,129,551)</b>	<b>¥14,326,932</b>	<b>¥(1,148,472)</b>

## Consolidated Interim Balance Sheets (Continued)

(Millions of yen)

	Sep 30,2002 (A)	Sep 30,2001 (B)	Difference (A) - (B)	Mar 31,2002 (C)	Difference (A) - (C)
<b>Minority interests</b>					
Minority interests in consolidated subsidiaries	¥88,693	¥21,058	¥67,635	¥21,227	¥67,466
<b>Shareholders' equity</b>					
Capital	—	465,158	—	443,158	—
Capital reserve	—	405,419	—	404,449	—
Deficit	—	194,565	—	390,541	—
Valuation differences	—	(35,333)	—	(49,428)	—
Foreign currency translation adjustments, net of taxes	—	(10,693)	—	(9,550)	—
Treasury stock	—	(0)	—	—	—
Parent's stock owned by subsidiaries	—	(18)	—	—	—
Total shareholders' equity	—	629,966	(629,966)	398,088	(398,088)
<b>Shareholders' equity</b>					
Capital	443,158	—	—	—	—
Earned surplus	18,441	—	—	—	—
Net unrealized gains/losses on securities available for sale, net of taxes	(179,693)	—	—	—	—
Foreign currency translation adjustments, net of taxes	(9,569)	—	—	—	—
Total shareholders' equity	272,336	—	272,336	—	272,336
Total liabilities, minority interests and shareholders' equity	¥ 13,539,490	¥ 14,959,037	¥(1,419,547)	¥ 14,746,249	¥(1,206,759)

<Note> Amounts of less than one million yen have been rounded down.

## Consolidated Interim Statements of Operations

(Millions of yen)

	Interim 2002 (A) From Apr 1, 2002 To Sep 30, 2002	Interim 2001 (B) From Apr 1, 2001 To Sep 30, 2001	Difference (A) - (B)	FY 2001 From Apr 1, 2001 To Mar 31, 2002
Ordinary income	¥ 214,526	¥ 252,857	¥ (38,331)	¥ 484,650
Interest income	106,324	117,201	(10,877)	230,452
(Interest on loans and discounted)	93,221	101,914	(8,693)	198,350
(Interest and dividends on securities)	9,483	10,778	(1,295)	23,768
Trust fees	3,992	18,315	(14,323)	42,204
Fees and commissions	38,967	49,195	(10,228)	90,961
Trading income	9,480	5,206	4,274	5,369
Other operating income	38,058	30,252	7,806	61,843
Other ordinary income	17,704	32,684	(14,980)	53,818
Ordinary expenses	210,897	533,018	(322,121)	934,176
Interest expenses	18,875	26,954	(8,079)	48,380
(Interest on deposits)	9,939	14,106	(4,167)	24,281
Fees and commissions	12,799	20,493	(7,694)	42,326
Trading expenses	9	11	(2)	15
Other operating expenses	9,365	11,478	(2,113)	18,364
General and administrative expenses	105,280	114,511	(9,231)	227,670
Other ordinary expenses	64,566	359,569	(295,003)	597,419
(Net addition to reserve for possible loan losses)	14,385	34,870	(20,485)	283,819
(Other)	50,181	324,699	(274,518)	313,599
Ordinary profit (loss)	3,629	(280,160)	283,789	(449,525)
Extraordinary profits	2,156	2,733	(577)	7,097
(Gains on dispositions of premises and equipment)	42	309	(267)	402
(Recoveries of written-off claims)	2,113	2,424	(311)	5,655
(Other)	–	–	–	1,039
Extraordinary losses	2,048	754	1,294	1,695
(Losses on dispositions of premises and equipment)	207	708	(501)	1,601
(Other)	1,840	46	1,794	93
Income (loss) before income taxes and minority interests	3,736	(278,181)	281,917	(444,124)
Income taxes – current	1,733	911	822	1,722
Income taxes – deferred	(2,138)	(137,248)	135,110	(107,626)
Minority interests in net income (loss)	(390)	(1,212)	822	(1,612)
Net income (loss)	¥ 4,532	¥ (140,632)	¥ 145,164	¥ (336,608)

&lt;Note&gt; Amounts of less than one million yen have been rounded down.

## Consolidated Interim Statements of Surplus

*(Millions of yen)*

	<b>Interim 2002</b> From Apr 1, 2002 To Sep 30, 2002	<b>Interim 2001</b> From Apr 1, 2001 To Sep 30, 2001	<b>FY 2001</b> From Apr 1, 2001 To Mar 31, 2002
Deficit at beginning of year	-	¥ 51,668	¥ 51,668
Decrease in deficit during the period (year)	-	36	36
Reduction in the number of affiliates accounted for by the equity method	-	36	36
Increase in deficit during the period	-	2,300	2,300
Dividends paid	-	2,298	2,298
Directors' bonuses	-	2	2
Net loss	-	140,632	336,608
Deficit at end of period (year)	-	¥194,565	¥390,541
<b>Capital Surplus</b>			
Balance at beginning of year	¥ 404,449	-	-
Decrease:	404,449	-	-
Reversal of capital reserve for compensation of deficit	404,449	-	-
Balance at end of period	¥ -	-	-
<b>Earned Surplus</b>			
Balance at beginning of year	¥(390,541)	-	-
Increase:	408,982	-	-
Net income	4,532	-	-
Reversal of capital reserve for compensation of deficit	404,449	-	-
Balance at end of period	¥ 18,441	-	-

<Note> Amounts of less than one million yen have been rounded down.

## Consolidated Interim Statements of Cash Flows

(Millions of yen)

	Interim 2002 (A) From Apr 1, 2002 To Sep 30, 2002	Interim 2001 (B) From Apr 1, 2001 To Sep 30, 2001	Difference (A) - (B)	FY 2001 From Apr 1, 2001 To Mar 31, 2002
<b>Cash flows from operating activities</b>				
Income (Loss) before income taxes and minority interests	¥ 3,736	¥ (278,181)	¥ 281,917	¥ (444,124)
Depreciation of premises and equipment	13,041	15,593	(2,552)	29,152
Amortization of consolidation differences	(136)	(102)	(34)	(237)
Equity in net (gains)/losses from investments in affiliated companies	461	1,455	(994)	1,265
Increase in reserve for possible loan losses	(47,640)	(12,998)	(34,642)	202,274
Increase in reserve for possible losses on investments	7,070	(33)	7,103	(20)
Increase in reserve for possible losses on loans sold	(3,935)	(6,834)	2,899	(19,214)
Increase in reserve for employees' bonuses	(268)	3,225	(3,493)	2,626
Increase in reserve for employees' retirement benefits	(309)	1,164	(1,473)	(121)
Interest income	(106,324)	(117,201)	10,877	(230,452)
Interest expenses	18,875	26,954	(8,079)	48,380
Net (gains)/losses on securities	(13,055)	224,172	(237,227)	150,499
Net (gains)/losses on money held in trust	53	692	(639)	680
Net foreign exchange (gains)/losses	(2,928)	(1,705)	(1,223)	1,520
Net (gains)/losses on sales of premises and equipment	165	397	(232)	1,198
Loss relating to securities claim	1,788	-	1,788	-
Net (increase)/decrease in trading assets	6,218	3,464	2,754	60,909
Net increase/(decrease) in trading liabilities	3,533	(23,322)	26,855	(33,688)
Net (increase)/decrease in loans and bills discounted	414,383	154,656	259,727	557,240
Net increase/(decrease) in deposits	(28,771)	254,076	(282,847)	1,508,655
Net increase/(decrease) in negotiable certificates of deposit	(320,591)	(556,584)	235,993	(1,958,297)
Net increase/(decrease) in borrowed money (excluding subordinated borrowed money)	(5,180)	(19,620)	14,440	(45,701)
Net (increase)/decrease in due from banks (excluding those deposited at BOJ)	67,489	43,851	23,638	10,596
Net (increase)/decrease in call loans and other	(19,316)	142,858	(162,174)	301,435
Net (increase)/decrease in cash collateral for bonds borrowed	-	5,989	(5,989)	4,774
Net (increase)/decrease in deposits paid for bonds borrowing/lending transactions	(2,208)	-	(2,208)	-
Net increase/(decrease) in call money and others	(200,744)	81,152	(281,896)	420,528
Net increase/(decrease) in cash collateral on bonds lent	-	35,187	(35,187)	284,773
Net increase/(decrease) in deposits received for bonds borrowing/lending transactions	(419,622)	-	(419,622)	-
Net (increase)/decrease in foreign exchange assets	1,026	6,215	(5,189)	14,020
Net increase/(decrease) in foreign exchange liabilities	186	(232)	418	(3,054)
Net increase/(decrease) in due to trust account	8,149	(29,855)	38,004	(260,494)
Interest receipts	110,933	125,477	(14,544)	243,369
Interest payments	(16,598)	(28,658)	12,060	(52,870)
Directors' bonuses	-	(5)	5	(5)
Other	(40,139)	(21,459)	(18,680)	(56,703)
Total	(570,655)	29,787	(600,442)	738,914
Penalties paid	-	(2,100)	2,100	(2,100)
Income taxes paid	(1,280)	(2,737)	1,457	(3,179)
Net cash (used in) provided by operating activities	(571,935)	24,950	(596,885)	733,635
<b>Cash flows from investing activities</b>				
Purchases of securities	¥(2,613,515)	¥(1,438,758)	¥(1,174,757)	¥(2,478,079)
Proceeds from sales of securities	2,889,965	1,430,087	1,459,878	2,490,948
Proceeds from maturity of securities	197,687	14,504	183,183	29,816
Payments associated with increase in money held in trust	(28,000)	(16,110)	(11,890)	(16,110)
Proceeds from decrease in money held in trust	4,000	19,323	(15,323)	47,323
Purchases of premises and equipment	(7,739)	(11,717)	3,978	(20,909)
Proceeds from sales of premises and equipment	97	651	(554)	5,032
Proceeds from sales of equity investments in subsidiaries	-	31	(31)	30
Net cash provided by (used in) investing activities	442,495	(1,987)	444,482	58,053
<b>Cash flows from financing activities</b>				
Proceeds from subordinated borrowed money	¥14,000	¥7,000	¥7,000	¥23,500
Repayment of subordinated borrowed money	(48,500)	(18,000)	(30,500)	(34,500)
Proceeds from issuance of subordinated bonds	-	18,200	(18,200)	18,200
Repayment of subordinated bonds	(53,041)	(5,200)	(47,841)	(10,000)
Proceeds from issuance of preferred securities	68,150	-	68,150	-
Dividends paid	-	(2,298)	2,298	(2,298)
Dividends paid to minority shareholders	(294)	(258)	(36)	(304)
Payments related to acquisition of treasury stock	-	(9)	9	(202)
Proceeds from sales of treasury stock	-	10	(10)	10
Net cash used in financing activities	(19,686)	(556)	(19,130)	(5,595)
<b>Effect of exchange rate changes on cash and cash equivalents</b>	368	353	15	806
<b>Increase (decrease) in cash and cash equivalents</b>	(148,758)	22,760	(171,518)	786,899
<b>Cash and cash equivalents at beginning of year</b>	1,114,935	351,539	763,396	351,539
<b>Decrease in cash and cash equivalents due to corporate division</b>	-	-	-	(23,502)
<b>Decrease in cash and cash equivalents due to exclusion of subsidiaries from consolidation</b>	-	-	-	(0)
<b>Cash and cash equivalents at end of period (year)</b>	¥ 966,177	¥ 374,299	¥ 591,878	¥ 1,114,935

&lt;Note&gt; Amounts of less than one million yen have been rounded down.



## Principles of Consolidations

### 1. Consolidated subsidiaries

- (1) Consolidated subsidiaries: 27

The principal consolidated subsidiaries: Cosmo Securities Co., Ltd.  
Daiwagin Card Co., Ltd.  
Daiwa Guarantee Co., Ltd.  
The Daiwa Factor And Leasing Co., Ltd.  
Daiwa Bank (Capital Management) Plc.  
P.T. Bank Daiwa Perdania

Resona Preferred Capital (Cayman) 3 Limited has been consolidated from this interim term onwards as of its establishment.

- (2) Non-consolidated subsidiaries: None

### 2. Affiliated companies accounted for by the equity method

- (1) Affiliated companies accounted for by the equity method: 2

The principal affiliated company: Japan Trustee Services Bank, Ltd.

- (2) Non-consolidated subsidiaries and affiliated companies not accounted for by the equity method: None

### 3. Interim balance sheet date of consolidated subsidiaries

- (1) Interim balance sheet date of the consolidated subsidiaries were as follows:

End of June:	6
End of September:	21

- (2) All subsidiaries have been consolidated based on their accounts at their respective interim balance sheet date. Appropriate adjustments have been made for significant transactions during the period from the respective interim balance sheet date of the above subsidiaries to the date of the parent's interim balance sheet date.

Notes to consolidated Interim balance sheet:

1. Amounts of less than one million yen have been rounded down.
2. 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.
3. Bonds held to maturity are stated at amortized cost (straight-line method) 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.

4. Securities held as assets in individually managed money trusts whose principal objective is portfolio management are stated at market value.
5. Derivative transactions (excluding “transactions for trading purposes”) are stated at market value.
6. Depreciation of premises and equipment of the Bank is calculated by the straight-line method for buildings and by the declining-balance method for equipment, and the estimated annual depreciation were allocated for the interim term on a pro rate basis. The useful lives adopted for major premises and equipment are as follows:
  - Buildings: 2 ~ 50 years
  - Equipment: 2 ~ 20 years

Premises and equipment of consolidated subsidiaries are mainly depreciated by the straight-line method over their estimated useful lives.

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

8. Foreign-currency-denominated assets and liabilities of the Bank, 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 Bank had adopted a “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 Bank has adopted a “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 Bank 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 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 Bank reports 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 Bank records 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 Bank reports 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 Bank 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 is 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 rate is identical in each reset period).

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

9. The Bank has 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.

For the Bank’s 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 ¥320,970 million for the interim term ended September 30, 2002.

Consolidated subsidiaries provide the reserve for possible loan losses at an amount deemed necessary judging 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.

10. The reserve for possible losses on investments losses of the Bank is provided for the possible losses from investments, considering the financial conditions and others of the issuer of such securities.
11. The reserve for employees’ bonuses is provided at the estimated amount of employees’ bonus payments applicable to the interim period.

12. To provide for employees' retirement benefits, the Bank 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 amortized by the straight-line method over a certain period (1 ~ 8 years) within the average remaining years of service of the eligible employees. The actuarial differences are amortized effective the next fiscal year by the straight-line method over a certain period (8 ~ 10 years) within the average remaining years of service of the eligible employees.

With regard to the transition difference at accounting change (¥77,584 million), the Bank has charged to operations for 10 years. 6/12 of the allocated amount was booked in this interim term.

13. Noncancelable lease transactions of the Bank and 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.
14. The Bank uses 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 established 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). The Bank has adopted deferred hedging to account for unrealized gains or losses arising from the derivatives mentioned above.

The Bank controls 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, the Bank designates, 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 the Bank has 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".

The Bank has 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 a special treatment for interest rate swaps.

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

16. Other reserves: Reserve for financial futures transactions      ¥0 million

This reserve is provided in accordance with Article 82 of the Financial Futures Transactions Law.

Reserve for contingent liabilities from the brokering of securities transactions: ¥187 million.

This reserve is provided in accordance with Article 51 of the Securities and Exchange Law and Article 65-2-7 thereof, and Article 32 of the Cabinet Ordinance with respect to securities business of financial institutions and by domestic consolidated security dealer subsidiaries based on Article 51 of Securities and Exchange Law and Article 35 of the Cabinet Ordinance with respect to securities companies.

17. Accumulated depreciation of premises and equipment: ¥183,687 million.
18. Advanced depreciation entry on the acquisition costs of premises and equipment: ¥4,740 million.
19. Loans to borrowers in legal bankruptcy amounted to ¥66,576 million, and past due loans amounted to ¥683,954 million. Included in this amount is ¥276 million which was entrusted to the Resolution and Collection Corporation by the Administration Trust Method which leads to a final settlement.

Loans to borrowers in legal bankruptcy are those loans - among all loans for which payment of principal or interest has not been received for a substantial period and for which, for other reasons, there are no prospects for recovery or repayment of principal or interest, and, accordingly, no interest has been accrued (excluding loans written off and hereinafter referred to as nonaccrual loans) - for which certain specific circumstances apply as stated in the Implementation Ordinances for the Corporation Tax Law (Government Ordinance No. 97, 1965), Items i through v in Article 96, Section 1, Part 3 or the circumstances stated in Part 4 of the same article.

Past due loans are nonaccrual loans other than loans to borrowers in legal bankruptcy and loans whose interest payments have been rescheduled with the objective of assisting the restructuring of the borrowers.

20. Loans past due 3 months or more amounted to ¥16,052 million.

Loans past due 3 months or more are loans on which payment of principal or interest is overdue by 3 months or more from the contract payment date. This category excludes “loans to borrowers in legal bankruptcy” and “past due loans.”

21. Restructured loans amounted to ¥514,888 million.

Restructured loans are those on which the Bank has provided special terms and conditions - including reducing the interest rates, rescheduling the interest and principal payments, or waiving claims on the borrowers - all of which are more favorable to the borrowers than the corresponding terms in the original loan agreements. This category excludes “loans to borrowers in legal bankruptcy,” “past due loans,” and “loans past due 3 months or more.”

22. Loans to borrowers in legal bankruptcy, past due loans, loans past due 3 months or more, and restructured loans amounted to ¥1,281,472 million in the aggregate.

Included in this amount is ¥276 million which was entrusted to the Resolution and Collection Corporation by the Administration Trust Method which leads to a final settlement.

The amounts presented in Notes 19 to 22 are stated before the deduction of the reserve for possible loan losses.

23. 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 Bank has a right to sell or collateralize such bills at the discretion of the Bank. The total face value of commercial bills and foreign exchange purchased was ¥222,461 million.

24. Assets pledged as collateral were as follows:

• Cash and due from banks	¥60 million
• Trading assets	¥4,906 million
• Securities	¥711,367 million
• Loans and bills discounted	¥ 450,598 million

Liabilities corresponding to the assets pledged as collateral:

• Call money and bills sold	¥548,000 million
• Bills sold under repurchase agreement	¥999 million
• Borrowed money	¥34,600 million
• Deposits received for bonds borrowing/lending transactions	¥73,742 million

Other than the above, cash and due from banks, securities, loans and bills discounted, and other assets, which were worth of ¥1,077 million, ¥602,530 million, ¥13,689 million, and ¥15,469 million, respectively, were pledged as collateral for settlement of foreign exchange, derivatives transactions or for dealing in futures.

Premises and equipment include the guarantee deposit of ¥97,603 million. Other assets include the deposits for futures transactions in the amount of ¥509 million.

25. Borrowed money included subordinated liabilities amounting to ¥210,000 million, which, by special covenants, are subordinated to other obligations in the order of their performance.
26. All bonds are subordinated bonds.
27. The principal amount of the Bank's trust with principal compensation agreement is ¥716,590 million of Jointly operated specified money trust.
28. Net assets per share: (71.43) yen
29. Issues pertaining to the market value and the unrealized net gains/losses on securities are presented below. This encompasses trading securities and commercial paper in "trading assets", and negotiable certificates of deposit in "cash and due from banks", investments in "other assets", as well as "securities". This grouping applies through Note 32.

## Securities held for trading purposes:

Consolidated interim balance sheet amount	¥39,755 million
Unrealized gain (net) included in profits and losses	¥168 million

Marketable bonds held to maturity: None

## Other securities for which market values can be calculated:

	Acquisition costs	Consolidated interim balance sheet amount	Unrealized gain/(loss)	Gain	Loss
	<i>(Millions of yen)</i>				
Stocks	¥ 945,433	¥ 755,963	¥ (189,469)	¥ 24,536	¥ 214,006
Bonds	1,132,615	1,142,473	9,857	9,867	9
National government bonds	997,160	1,006,047	8,887	8,896	9
Local government bonds	24,727	25,295	567	567	-
Corporate bonds	110,727	111,130	403	403	-
Other	16,664	16,321	(342)	1,271	1,614
Total	<u>¥ 2,094,713</u>	<u>¥1,914,758</u>	<u>¥ (179,954)</u>	<u>¥ 35,675</u>	<u>¥ 215,630</u>



The following amount has been included in net unrealized gains/losses on securities available for sale, net of taxes.

Unrealized gain/(loss)	¥(179,954)	million
Deferred tax assets	92	
Minority interests based on the owned interest	174	
Parent company's portion of valuation differences of affiliates	(5)	
	<u>¥(179,693)</u>	million

30. Other securities which were sold during the interim period ended September 30, 2002:

<u>Sold</u>	<u>Gain</u>	<u>Loss</u>
<i>(Millions of yen)</i>		
¥2,863,010	¥22,702	¥3,742

31. The major components of other securities whose market value was not available and their respective consolidated interim balance sheet amounts:

Bonds held to maturity:

Negotiable certificates of deposit ¥ 4,390 million

Other securities:

Unlisted corporate bonds ¥47,321 million

Unlisted stocks  
(excluding over-the-counter securities) ¥90,569 million

32. Projected redemption amounts for other securities with maturities and bonds held to maturity:

	<u>One year or less</u>	<u>One to five years</u>	<u>Five to 10 years</u>	<u>More than 10 years</u>
	<i>(Millions of yen)</i>			
Bonds	¥166,508	¥958,218	¥65,067	¥ –
National government bonds	155,624	809,519	40,904	–
Local government bonds	–	5,815	19,479	–
Corporate bonds	10,884	142,883	4,683	–
Other	4,796	7,364	1,164	11,398
Total	<u>¥171,305</u>	<u>¥965,583</u>	<u>¥66,231</u>	<u>¥11,398</u>

33. A breakdown of money held in trust and reflected in the consolidated interim balance sheet is as follows:

Money held in trust for investment purposes: ¥26,603 million

Unrealized gain (net) included in profits and losses: ¥ – million

There was no held to maturity money held in trust.

There was no other money held in trust with market value.

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

34. Loaned securities totaling ¥33,363 million under unsecured loan agreements have been included in the national government bonds in “Securities”. Loaned securities totaling ¥10,874 million under lease agreements have been included in the equities in “Securities”.

Securities loaned to the Bank under unsecured loan agreements and securities loaned to the Bank under bills add/purchased with repurchase/resell agreements or bond loan transactions collateralized with cash included ¥90,843 million of securities collateralized, and ¥1,578 million of securities held by the Bank existed at the interim term end without disposition.

35. 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 amounted to ¥3,771,039 million. Of the above, the amounts for which the original agreement period was within a year or agreements which the Bank could cancel at any time without penalty totaled ¥3,679,574 million.

The unexercised loans do not necessarily affect the future cash flows of the Bank and consolidated subsidiaries because most of these agreements have been terminated without being exercised. In addition, most agreements contain provisions which stipulated that the Bank 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, the Bank requests collateral such as premises or securities if necessary. After entering into loans, the Bank periodically checks the financial condition of the customers based on its internal rules and, if necessary, takes certain measures to ensure the security of the loans.

36. The following amendments in presentation have been made effective from this interim fiscal term onwards with the application of new forms based on “Cabinet orders for amendments of rules of the Banking Law” (Cabinet order No.63 dated October 15,2002).

- (1) “Deposits for bonds borrowing transactions” are now separately disclosed as “Deposits paid for bonds lending/borrowing transactions”, which used to be included in “other assets” at the prior years’ consolidated interim terms. “Deposits for bonds lending transactions” are now separately disclosed as “Deposits received for bonds lending/borrowing transactions”, which used to be included in “other liabilities”.
- (2) “Valuation differences”, which were separately disclosed in the previous consolidated interim terms, are now disclosed as “Net unrealized gains/losses on securities available for sale, net of taxes”, from this consolidated interim fiscal term onwards.
- (3) Shareholders’ equity are now composed of “Capital”, “Capital surplus” and “Earned surplus” from this consolidated interim fiscal term onwards. In the prior consolidated interim fiscal terms, shareholders’ equity used to be composed of “Capital”, “Capital reserve” and “Consolidated surplus (deficit)”.

Notes to consolidated Interim statement of operations:

1. Amounts of less than one million yen have been rounded down.
2. Net income per share: 2.20 yen
3. Net income per share (potential equity adjusted): 1.02 yen
4. Profit and loss 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.

5. Other ordinary expenses include:
 

• Write-off of loans	¥ 30,302 million
• Net addition to reserve for possible loan losses	¥ 14,385 million
• Net addition to reserve for possible losses on investments	¥ 7,070 million
6. Other ordinary extraordinary expenses include:
 

• Loss relating to securities claim	¥ 1,788 million
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Notes to consolidated interim statement of cash flows:

1. Amounts of less than one million yen have been rounded down.
2. In the consolidated interim statement of cash flows, cash represents cash and due from the Bank of Japan in “Cash and due from banks” in the consolidated interim balance sheet.
3. The relationship between cash and cash equivalents and cash and due from banks in the consolidated interim balance sheets as of September 30, 2002 was as follows:

	<i>(Millions of yen)</i>
Cash and due from banks	¥1,093,042
Due from banks expect for The Bank of Japan	(126,865)
Cash and cash equivalents	<u>¥ 966,177</u>

## Segment Information

### 1. 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
Ordinary income and Ordinary profit						
Ordinary income						
(1) Ordinary income to outside customers	185,547	6,842	22,135	214,526		214,526
(2) Inter-segment ordinary Income	1,246	25	1,864	3,136	(3,136)	
Total	186,794	6,868	23,999	217,662	(3,136)	214,526
Ordinary expenses	182,403	8,375	23,812	214,591	(3,694)	210,897
Ordinary profits/( losses)	4,390	1,506	187	3,071	( 558)	3,629

<Notes>

1. Amounts of less than one million yen have been rounded down.
2. 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

Effective the fiscal year ended March 31, 2002, operational segments were changed from segmentations based on the Banking Law and others to those reflecting the actual operations and their relationship. As a result of this change, ordinary income, and ordinary expenses of "Banking and Trust Banking Operations" increased by ¥1,440 million, and ¥1,789 million, respectively, and ordinary profits of "Trust Banking operations" decreased by ¥349 million, respectively from the case in which the previous method was used. Ordinary income, ordinary expenses, and ordinary profits of "Other financial service" decreased by ¥5,606 million, ¥4,659 million, and ¥947 million, respectively from the case in which the previous method was used.
3. Ordinary income and ordinary profit are shown in lieu of sales and operating profit of business enterprises.

**Interim 2001 (for the period from April 1, 2001 to September 30, 2001)**

(Millions of yen)

	Banking and Trust Banking	Securities	Other financial service	Other	Total	Elimination & General corporate	Consolidated
Ordinary income and ordinary profit							
Ordinary income							
(1) Ordinary income to outside customers	215,098	9,026	27,583	1,148	252,857		252,857
(2) Inter-segment ordinary income	2,322	66	5,260	47	7,697	(7,697)	
Total	217,421	9,092	32,844	1,195	260,554	(7,697)	252,857
Ordinary expenses	546,816	10,236	37,186	4,148	598,387	(65,369)	533,018
Ordinary profits/( losses)	329,395	1,143	4,342	2,952	337,833	( 57,672)	280,160

## &lt;Notes&gt;

1. Amounts of less than one million yen have been rounded down.
2. Business segments are major business areas of the Bank and consolidated subsidiary. "Other" business represents insurance agency business, real property leasing business and so forth.
3. Ordinary income and Ordinary profit are shown in lieu of sales and operating profit of business enterprises.

**FY 2001 (for the period from April 1, 2001 to March 31, 2002)**

(Millions of yen)

	Banking and Trust Banking	Securities	Other financial service	Others	Total	Elimination & General corporate	Consolidated
Ordinary income and Ordinary profit							
Ordinary Income							
(1) Ordinary income to outside customers	417,585	16,733	49,184	1,148	484,650		484,650
(2) Inter-segment ordinary Income	2,684	93	3,953	47	6,778	(6,778)	
Total	420,269	16,826	53,137	1,195	491,429	(6,778)	484,650
Ordinary expenses	913,228	19,751	59,856	4,148	996,984	(62,808)	934,176
Ordinary profits/( losses)	492,959	2,924	6,718	2,952	505,555	( 56,029)	449,525
II. Assets, Depreciation and Capital expenditure							
Assets	14,613,344	93,631	267,563		14,974,539	(228,290)	14,746,249
Depreciation	6,701	309	21,955	186	29,152		29,152
Capital expenditure	13,037	905	18,056	39	32,039		32,039

## &lt;Notes&gt;

1. Amounts of less than one million yen have been rounded down.
2. 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
- (4) Other: Insurance agency business, Real property business and etc.

Effective the fiscal year ended March 31 2002, operational segments were changed from segmentations based on the Banking Law and others to those reflecting the actual operations and their relationship.

As a result of this change, ordinary income, depreciation and capital expenditure of "Banking and Trust Banking Operations" increased by ¥2,945 million, ¥40 million and ¥125 million, respectively, and ordinary expenses, ordinary losses and assets of "Banking and Trust Banking Operations" decreased by ¥9,565 million, ¥12,551 million and ¥132,399 million, respectively from the case in which the previous method was used. Ordinary income, ordinary expenses, assets, depreciation and capital expenditure of "Other financial service" decreased by ¥11,288 million, ¥11,166 million, ¥1,674,882, ¥40 million and ¥125 million, respectively, and ordinary losses of "Other financial service" increased by ¥122 million, respectively from the case in which the previous method was used.

- 3. Ordinary Income and Ordinary Profit are shown in lieu of sales and operating profit of business enterprises.
- 4. Capital Expenditure includes the investments related to computer systems and other related equipment.



**2. Geographical Segment Information**

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

Since the operating income and employed assets of "Japan" segment is more than 90 % of all the other segments combined, geographical segment information for the interim period ended September 30, 2002 is not shown here. For the same reason, geographical segment information for the interim period ended September 30, 2001 or fiscal year ended March 31, 2002 is not shown here, either.

**3. Overseas ordinary income**

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

Since overseas ordinary income of the Bank is less than 10% of total income, overseas ordinary income for the interim period ended September 30, 2002 is not shown here. For the same reason, overseas ordinary income for the interim period ended September 30, 2001 or fiscal year ended March 31, 2002 is not shown here, either.

**Market Value of Securities and Money Held in Trust**

(As of September 30, 2001)

## 1. Securities

"Securities " in the consolidated interim balance sheet, negotiable certificates of deposit in "Cash and due from banks", trading securities and commercial paper in "Trading assets" as of September 30, 2001 were as follows:

## (1) Marketable bonds held to maturity

*(Millions of yen)*

	As of September 30, 2001				
	Consolidated Interim Balance Sheet Amount <b>X</b>	Market Value  <b>Y</b>	Unrealized Gains/Losses  <b>Y-X</b>	Unrealized Gains/Losses	
				Gain	Loss
National government bonds	53	54	0	0	-
Total	53	54	0	0	-

Note: Market values are based on the market prices on September 30, 2001.

## (2) Investment securities in subsidiaries and affiliates with market value ( non-consolidated )

*(Millions of yen)*

	As of September 30, 2001		
	Interim Balance Sheet Amount <b>X</b>	Market Value  <b>Y</b>	Unrealized Gains/Losses <b>Y-X</b>
	Securities in subsidiaries	30,830	30,830
Securities in affiliates	31,207	31,207	-
Total	62,037	62,037	-

Note: Market values are based on the market prices on September 30, 2001.

## (3) Other securities for which market values can be calculated

*(Millions of yen)*

	As of September 30, 2001				
	Acquisition costs <b>X</b>	Consolidated Interim balance sheet amount <b>Y</b>	Unrealized Gains/Losses  <b>Y-X</b>	Unrealized Gains/Losses	
				Gain	Loss
Stocks	997,894	931,001	(66,893)	34,534	101,427
Bonds	1,605,829	1,617,286	11,457	12,840	1,383
National government bonds	1,376,746	1,385,831	9,085	10,302	1,216
Local government bonds	39,592	40,399	806	825	19
Corporate bonds	189,490	191,055	1,564	1,712	147
Other	30,080	31,930	1,850	2,361	510
Total	2,633,804	2,580,219	(53,585)	49,736	103,321

Note: Market values are based on the market prices on September 30, 2001.

(4) The major components of securities with which market value was not available and their respective interim balance sheet amounts *(Millions of yen)*

	As of September 30, 2001
Bonds held to maturity	
Negotiable certificates of deposit	4,210
Other securities	
Unlisted stocks (except over-the-counter securities)	40,575
Unlisted foreign bonds	2,220
Unlisted domestic bonds	51,383

## 2. Money held in trust

(1) Money held in trust for investment purposes *(Millions of yen)*

	As of September 30, 2001	
	Consolidated interim balance sheet amount	Unrealized gain (net) included in profits and losses
Money held in trust for investment purposes	30,607	(10)

(2) Held-to-maturity money held in trust

None

(3) Other money held in trust (excluding investment purposes or held-to-maturity)

There was no other money held in trust with market value.

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

## 3. Net unrealized differences of other securities (Valuation differences)

*(Millions of yen)*

	As of September 30, 2001
Difference (Market value - Balance sheet amount)	(53,585)
Other securities	(53,585)
Other money held in trust	-
Amount equivalent to deferred tax assets	20,093
Amount equivalent to unrealized differences of other securities (before adjustment of amount equivalent to interest)	(33,491)
Amount equivalent to minority interests	(162)
Amount equivalent to parent company interest of amount equivalent to unrealized differences of other securities owned by the companies accounted for the equity method	(2,004)
Net unrealized differences of other securities	(35,333)

(As of March 31, 2002)

## 1. Securities

"Securities " in the consolidated balance sheet, negotiable certificates of deposit in "Cash and due from banks", trading securities and commercial paper in "Trading assets" as of March 31, 2002 were as follows:

(1) Securities held for trading purposes *(Millions of yen)*

	As of March 31, 2002	
	Consolidated balance sheet amount	Unrealized gain (net) included in profits and losses
Securities held for trading purposes	52,742	68

## (2) Marketable bonds held to maturity

None

## (3) Investment securities in subsidiaries and affiliates with market value ( non-consolidated )

*(Millions of yen)*

	As of March 31, 2002		
	Balance sheet amount	Market value	Unrealized Gain/Loss
Securities in subsidiaries	31,335	31,335	-
Total	31,335	31,335	-

Note: Market values are based on the market prices on March 31, 2002.

## (4) Other securities for which market values can be calculated

*(Millions of yen)*

	As of March 31, 2002				
	Acquisition costs	Consolidated balance sheet amount	Unrealized Gains/Losses	Unrealized Gains/Losses	
				Gain	Loss
	X	Y	Y-X		
Stocks	977,971	916,621	(61,350)	35,904	97,254
Bonds	1,615,041	1,626,276	11,235	12,000	765
National government bonds	1,348,746	1,358,336	9,590	9,646	56
Local government bonds	32,684	33,206	522	556	34
Corporate bonds	233,611	234,733	1,122	1,797	675
Other	18,929	19,558	629	1,699	1,069
Total	2,611,941	2,562,456	(49,484)	49,604	99,089

Notes: Market values of stocks are based on the average market prices of the last one month of the year ended.

Market values of others are based on the market prices on March 31, 2002.

(5) Other securities which were sold during the year ended March 31, 2002 (*Millions of yen*)

	FY 2001		
	Sold	Gain	Loss
Other securities	2,490,636	20,252	22,274

(6) The major components of securities with which market value was not available and their respective balance sheet amounts (*Millions of yen*)

	As of March 31, 2002
Bonds held to maturity	4,595
Negotiable certificates of deposit	
Other securities	
Unlisted domestic bonds	49,141
Unlisted stocks (except over-the-counter securities)	41,806

(7) Projected redemption amounts for other securities with maturities and bonds held to maturity. (*Millions of yen*)

	As of March 31, 2002			
	One Year or Less	One to Five Years	Five to 10 Years	More than 10 years
Bonds	263,355	898,124	513,964	-
National government bonds	253,265	626,902	478,167	-
Local government bonds	539	21,361	11,306	-
Corporate bonds	9,550	249,859	24,490	-
Other	4,966	3,936	5,534	5,720
Total	268,322	902,060	519,499	5,720

## 2. Money held in trust

(1) Money held in trust for investment purposes (*Millions of yen*)

	As of March 31, 2002	
	Consolidated balance sheet amount	Unrealized gain (net) included in profits and losses
Money held in trust for investment purposes	2,773	(0)

## (2) Held-to-maturity money held in trust

None

## (3) Other money held in trust (excluding investment purposes or held-to-maturity)

There was no other money held in trust with market value.

Other money held in trust without market value is stated at the acquisition cost of ¥30 million.

## 3. Net unrealized differences of other securities (Valuation differences)

*(Millions of yen)*

	As of March 31, 2002
Difference (Market value - Balance sheet amount)	(49,484)
Other securities	(49,484)
Other money held in trust	-
Amount equivalent to deferred tax assets	111
Amount equivalent to unrealized differences of other securities (before adjustment of amount equivalent to interest)	(49,373)
Amount equivalent to minority interests	56
Amount equivalent to parent company interest of amount equivalent to unrealized differences of other securities owned by the companies accounted for the equity method	1
Net unrealized differences of other securities	(49,428)

Contract Values, Market Values and  
Unrealized Gains/Losses of Derivatives  
(As of September 30, 2002)

## (1) Interest rate-related transactions

*(Millions of yen)*

Type of Transactions	As of September 30, 2002		
	Contract value	Market value	Unrealized gain (loss)
Listed:			
Futures	6,704	(3)	(3)
Options	-	-	-
Over-the-counter:			
Forwards	-	-	-
Swaps	1,650,326	10,331	10,331
Options	-	-	-
Caps	369,474	17	624
Floors	29,394	151	77
Swaptions	43	(0)	(0)
Total		10,496	11,029

Note: The above transactions are stated on a marked-to-market basis 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.

## (2) Currency-related transactions

*(Millions of yen)*

Type of Transactions	As of September 30, 2002		
	Contract value	Market value	Unrealized gain (loss)
Over-the-counter:			
Currency swaps	416,304	(1,780)	(1,780)
Forward contracts	1,176	(1)	(1)
Currency options	-	-	-
Other	-	-	-

Notes: 1. The above transactions are stated on a marked-to-market basis 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)

Type of Transactions	As of September 30, 2002		
	Contract value	Market value	Unrealized gain (loss)
Currency swaps	84,873	(157)	(157)

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 gain/loss 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)

Type of Transactions	As of September 30, 2002
	Contract value
Over-the-counter:	
Forward contracts	823,715
Currency options	2,920,128
Others	-

(3) Stock-related transactions

(Millions of yen)

Type of Transactions	As of September 30, 2002		
	Contract value	Market value	Unrealized gain (loss)
Listed:			
Index futures	92	0	0
Index options	-	-	-
Total		0	0

Notes: The above transactions are stated on a marked-to-market basis 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.

## (4) Bond-related transactions

*(Millions of yen)*

Type of Transactions	As of September 30, 2002		
	Contract value	Market value	Unrealized gain (loss)
Listed:			
Futures	7,152	(4)	(4)
Futures options	-	-	-
Total		(4)	(4)

Note: The above transactions are stated on a marked-to-market basis 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.

## (5) Commodity-related transactions

None

## (6) Credit derivatives transactions

None

(As of September 30, 2001)

## (1) Interest rate-related transactions

*(Millions of yen)*

Type of Transactions	As of September 30, 2001		
	Contract value	Market value	Unrealized gain (loss)
Listed:			
Futures	10,278	(1)	(1)
Options			
Over-the-counter:			
Forwards			
Swaps	1,993,554	6,215	6,215
Options			
Caps	469,381	(23)	705
Floors	29,484	188	103
Swaptions	3,000	(0)	35
Total		6,379	7,058

Notes: The above transactions are stated on a marked-to-market basis 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.

## (2) Currency-related transactions

*(Millions of yen)*

Type of Transactions	As of September 30, 2001		
	Contract value	Market value	Unrealized gain (loss)
Over-the-counter:			
Currency swaps	292,632	(1,621)	(1,621)
Foreign exchange	562	(4)	(4)
Currency options			
Other			

Notes: 1. The above transactions are stated on a marked-to-market basis 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 “Tentative Treatment of Accounting and Auditing Concerning Accounting for Foreign Currency Transactions in the Banking Industry” (JICPA Industry Audit Committee, Report No.20) have been excluded from the above tables.

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

*(Millions of yen)*

Type of Transactions	As of September 30, 2001		
	Contract value	Market value	Unrealized gain (loss)
Currency swaps	25,416	210	210

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 gain/loss 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)

Type of Transactions	As of September 30, 2001
	Contract value
Over-the-counter:	
Forward contracts	771,019
Currency options	1,240,632
Others	

(3) Stock-related transactions

(Millions of yen)

Type of Transactions	At September 30, 2001		
	Contract value	Market value	Unrealized gain (loss)
Listed:			
Index futures	93	(3)	(3)
Index options			
Total		(3)	(3)

Note: The above transactions are stated on a marked-to-market basis 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.

(4) Bond-related transactions

(Millions of yen)

Type of Transactions	As of September 30, 2001		
	Contract value	Market value	Unrealized gain (loss)
Listed:			
Futures	8,528	19	19
Futures options			
Total		19	19

Notes: The above transactions are stated on a marked-to-market basis 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.

(5) Commodity-related transactions

None

(6) Credit derivatives transactions

None

(As of March 31, 2002)

## (1) Interest rate-related transactions

*(Millions of yen)*

Type of Transactions	As of March 31, 2002			
	Contract value		Market value	Unrealized gain (loss)
	Total	Over one year		
Listed:				
Futures:				
Sold	4,039	–	(0)	(0)
Bought	602	–	(0)	(0)
Over-the-counter:				
Swaps:				
Receive fixed/Pay floating	813,251	517,738	22,230	22,230
Receive floating/Pay fixed	909,286	500,600	(15,608)	(15,608)
Receive floating/Pay floating	153,668	89,510	86	86
Caps:				
Sold	226,759	164,774	284	1,427
Bought	208,007	155,295	236	(774)
Floors:				
Sold	12,000	12,000	528	(422)
Bought	17,533	17,056	708	525
Swaptions:				
Sold	43	43	0	(0)
Bought	–	–	–	–
<b>Total</b>			<b>6,838</b>	<b>7,462</b>

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

2. The market value of listed contracts is based on the closing prices on the Tokyo International Financial Futures Exchange and other exchanges. The market value of over-the-counter contracts is based on the discounted value of their future cash flows or option pricing models.

## (2) Currency-related transactions

*(Millions of yen)*

Type of Transactions	As of March 31, 2002			
	Contract value		Market value	Unrealized gain (loss)
	Total	Over one year		
Over-the-counter: Currency swaps	362,895	299,599	(3,227)	(3,227)
Forward contracts:				
Sold	156	–	0	0
Bought	953	–	(2)	(2)
Total			(3,229)	(3,229)

- Notes: 1. There were no listed transactions.
2. The above transactions are stated on a marked-to-market basis and unrealized gains/losses are charged to income/expenses in the consolidated statement of operations. Derivative transactions used for hedge accounting and described in Note 4 have been excluded from the above table.
3. Market value is based on the discounted value of future cash flows.
4. Currency swap transactions which are accrued in accordance with “Tentative Treatment of Accounting and Auditing Concerning Accounting for Foreign Currency Transactions in the Banking Industry” (JICPA Industry Audit Committee, Report No.20) have been excluded from the above tables.

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

*(Millions of yen)*

Type of Transactions	As of March 31, 2002		
	Contract value	Market value	Unrealized gain (loss)
Currency swaps	61,493	(980)	(980)

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 gain/loss 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 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)

Type of Transactions	As of March 31, 2002
	Contract value
Over-the-counter:	
Forwards:	
Sold	424,933
Bought	476,654
Options:	
Sold	1,286,741
Bought	1,371,553

Note: There were no listed transactions.

(3) Stock-related transactions

(Millions of yen)

Type of Transactions	As of March 31, 2002			
	Contract value		Market value	Unrealized gain (loss)
	Total	Over one year		
Listed:				
Index futures:				
Sold	112	—	3	3
Bought	—	—	—	—
Total			3	3

Notes: 1. There were no over-the-counter transactions.

2. The above transactions are stated on a marked-to-market basis and unrealized gains/losses are charged to income/expenses in the consolidated statement of operations. Derivative transactions used for hedge accounting have been excluded from the above table.
3. Market value of listed contracts is based on the closing prices of the Tokyo Stock Exchange and other exchanges.



## (4) Bond-related transactions

*(Millions of yen)*

Type of Transactions	As of March 31, 2002			
	Contract value		Market value	Unrealized gain (loss)
	Total	Over one year		
Listed:				
Futures:				
Sold	2,748	—	(10)	(10)
Bought	1,236	—	5	5
Futures options:				
Sold	—	—	—	—
Bought	546	—	0	0
Total			(4)	(5)

Notes: 1. There were no over-the-counter transactions.

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

3. Market value of listed contracts is based on the closing prices of the Tokyo Stock Exchange and other exchanges.

## (5) Commodity-related transactions

None

## (6) Credit derivatives transactions

None

Statement of Trust Assets and Liabilities  
(As of September 30,2002)

(Millions of Yen)

Assets		Liabilities	
Loans and bills discounted	391,363	Money trusts	746,194
Securities	156,894	Asset formation benefit trusts	2,451
Trust beneficiary certificate	4,886	Pecuniary trusts other	
Securities held in custody account	385	than money trusts	0
Monetary claims	151,233	Securities trusts	385
Premises and equipment	237,749	Monetary claims trusts	38,424
Land lease rights	1,857	Real estate trusts	212,681
Other claims	5,505	Land lease trusts	4,940
Due from banking account	200,595	Composite trusts	149,588
Cash and due from banks	4,196		
<b>Total assets</b>	<b>1,154,666</b>	<b>Total liabilities</b>	<b>1,154,666</b>

## Notes

- 1 Amounts of less than one million yen have been rounded down.
- 2 The trust which were re-entrusted for operations were excluded.
- 3 Co-managed trust funds under other trust bank's administration amounted to ¥79,670 million.
- 4 Loans and bills discounted funded by JOMT account funds that the Bank guarantees the principal amounting to ¥360,542 million included the following:

(Millions of Yen)

Loans to borrowers under in legal bankruptcy	¥ 2,203
Past-due loans	11,708
Loans past due three months or more	344
Restructured loans	15,670
<b>Total</b>	<b>29,927</b>

Jointly Operated Designated Money Trust (JOMT)  
(As of September 30,2002)

(Millions of Yen)

Assets		Liabilities	
Loans and bills discounted	360,542	Principal	716,590
Securities	156,124	Special loan loss reserve	1,089
Others	201,554	Others	541
<b>Total assets</b>	<b>718,220</b>	<b>Total liabilities</b>	<b>718,220</b>

Note Amounts of less than one million yen have been rounded down.

(Reference Sheet)  
Comparison of Statements of Trust Assets and Liabilities

(Millions of Yen)

<b>ASSETS</b>	Sep 30,2002 (A)	Sep 30,2001 (B)	Difference (A)-(B)	Mar 31,2002 (C)	Difference (A)-(C)
Loans and bills discounted	391,363	520,409	(129,046)	475,878	(84,515)
Securities	156,894	1,286,642	(1,129,748)	167,084	(10,190)
Trust beneficiary certificate	4,886	22,533,872	(22,528,986)	5,742	(856)
Securities held in custody account	385	855	(470)	631	(246)
Securities lent	-	968	(968)	-	-
Monetary claims	151,233	83,742	67,491	76,499	74,734
Premises and equipment	237,749	208,278	29,471	214,449	23,300
Land Lease rights	1,857	748	1,109	1,857	-
Other claims	5,505	8,577	(3,072)	8,869	(3,364)
Due from banking account	200,595	423,085	(222,490)	192,446	8,149
Cash and due from banks	4,196	1,428	2,768	2,098	2,098
<b>Total assets</b>	<b>1,154,666</b>	<b>25,068,608</b>	<b>(23,913,942)</b>	<b>1,145,558</b>	<b>9,108</b>
Co-Managed trust funds under other trust bank's Administration	79,670	8,027,397	(7,947,727)	79,598	72

<b>LIABILITIES</b>	Sep 30,2002 (A)	Sep 30,2001 (B)	Difference (A)-(B)	Mar 31,2002 (C)	Difference (A)-(C)
Money trusts	746,194	8,124,551	(7,378,357)	831,362	(85,168)
Pension trusts	-	6,373,084	(6,373,084)	-	-
Asset formation benefit trusts	2,451	3,098	(647)	2,441	10
Securities investment trusts	-	9,447,287	(9,447,287)	-	-
Pecuniary trusts other than money trusts	0	257,698	(257,698)	1,436	(1,436)
Securities trusts	385	417,391	(417,006)	631	(246)
Monetary claims trusts	38,424	28,415	10,009	24,735	13,689
Real estate trusts	212,681	197,472	15,209	192,546	20,135
Land lease trusts	4,940	4,955	(15)	4,902	38
Composite trusts	149,588	214,651	(65,063)	87,502	62,086
<b>Total liabilities</b>	<b>1,154,666</b>	<b>25,068,608</b>	<b>(23,913,942)</b>	<b>1,145,558</b>	<b>9,108</b>

Note Amounts of less than one million yen have been rounded down.