

THE CHIBA BANK, LTD.

Chiba Prefecture

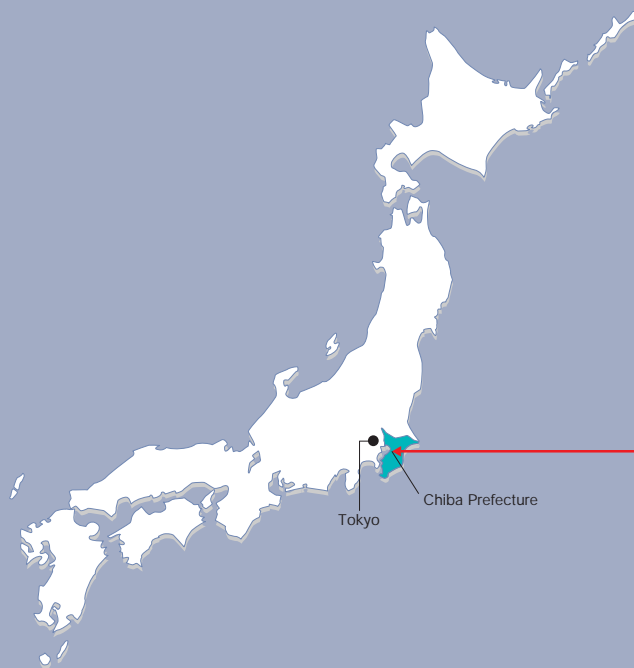
Pacific Ocean

Profile

As of March 31, 2001

Established		March 1943
Network	Domestic	160 Offices (141 branches, 19 sub-branches) 1,696 Off-branch ATM service counters 2 Money exchange counters
	Overseas	3 Branches (New York / Hong Kong / London) 2 Representative offices (Shanghai / Singapore) 2 Subsidiaries (London / Cayman Islands)
Number of Employees		4,416
Total Assets*		¥7,906.9 billion
Deposits*		¥6,990.8 billion
Loans and Bills Discounted*		¥5,597.4 billion
Common Stock*		¥121.0 billion
Number of Issued Shares		845,521 thousand
Capital Adequacy Ratio (Consolidated basis)		10.56% (Based on BIS guidelines)

* Figures as shown are presented on a non-consolidated basis.



Head Office

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Message from the President

the President

Chiba Bank is implementing ACT 2003, a medium-term management plan covering the period through March 2003 that is designed to address the requirements of the new financial era. Our management policy under the plan is aimed at earning the solid confidence and support of customers as the highest-quality comprehensive financial services group in the region. All employees of the Chiba Bank Group are working together to achieve the following three tasks outlined in ACT 2003.



Tsuneo Hayakawa,
President

“Under this plan, we endeavor to earn an even higher level of trust and support from regional customers so that we may lay the groundwork for more prosperity in the Chiba Bank of the 21st century.”

Objectives of ACT 2003

Task 1: Promptly establish a solid financial base

For the fiscal year ended March 31, 2001, Chiba Bank recorded net business income before the general reserve for possible loan losses of ¥70.5 billion. One of the objectives of ACT 2003 is to increase this figure to ¥80.0 billion by March 2003, and we are on track to achieve this within the next two years.

Net business income is increasing as planned, due to significant cost reductions as well as a rise in net interest income. Chiba Bank is working to increase net business income not only through investment for rationalization, but also specific cost-reduction initiatives, such as the joint operation by three banks in the region of a vehicle to

transport bank drafts and documents. As a result, we have made gains in efficiency and productivity, as evidenced by the fact that our overhead ratio (OHR), which is a key indicator of operating efficiency, improved to 53.48 percent in the past fiscal year, which is substantially lower than the average for regional banks. We intend to continue devising measures to reduce costs.

Task 2: Strengthen and expand our customer base

Amid great changes to the structure of industry and society, Chiba Bank is working to create a system capable of responding accurately to diverse customer needs. As the banking industry undergoes deregulation, Chiba Bank handles a substantially higher volume of investment trust products than most regional banks. In addition, in April 2001 we began selling certain non-life insurance products, which have been showing favorable results. Other products and services we have introduced in order to strengthen our relationship with customers include Best Choice 21, a new type of housing loan for up to 200 percent of the appraised value of collateral; Quick Power, a credit card loan that can be applied for via fax or the Internet; and Business Loan, loans of up to ¥10 million for corporations with annual net sales of less than ¥100 million that can be authorized within three business days through the use of a credit scoring model.

Aggressive Creative Tough 2003

ACT, an acronym of the words "Aggressive," "Creative," and "Tough," represents the essence of the group motto: "Let's reach our performance targets by aggressively grasping changes in the operating environment, acting creatively and tenaciously conquering challenges."

Task 3: Renovate our management system

The IT revolution has resulted in major revisions to cost accounting and profit management systems. In February 2001, Chiba Bank launched the IPS (Information Processing Solutions) Division, which aims to promote e-business and the use of leading-edge information technology, for the first time among regional banks in Japan. We are also taking advantage of the IT revolution, which is characterized by the rapid spread of the Internet and major breakthroughs in the field of information technology, to increase convenience to customers, create new business opportunities, improve business management and strengthen our approach to e-business. As another management initiative, we are studying ways to enable customers to receive information and make payments over the Internet.

Chiba Bank is moving dynamically to accomplish these three tasks.



"We are fulfilling our responsibility as a regional financial institution for paving the way toward development of new enterprises."

Promoting Venture Businesses

An increasing number of information- and biotechnology-related companies are located in Chiba Prefecture, and Chiba Bank, as the largest bank in the region, is playing a major role in their development. Two affiliates of the Chiba Bank Group are instrumental in supporting new businesses: Himawari Venture Development Fund provides subsidies as well as relocation grants to companies moving into incubator facilities; and Chibagin Capital Co., Ltd. carries out venture capital investment and offers consulting services relating to initial public offerings (IPO). We are also considering the possibility of investing in budding businesses through the creation of angel-type venture business funds, which provide investment from the start-up stage. In this way, by adding value not only to our deposits and loans businesses but peripheral businesses as well, we are fulfilling our responsibility as a regional financial institution.

“One of the objectives of ACT 2003 is to increase net business income before the general reserve for possible loan losses to ¥80.0 billion by March 2003, and we are on track to achieve this within the next two years. We are promoting various activities to become an excellent bank that is selected by customers as their own bank over other financial institutions.”

“We know the importance of paying attention to both the social and the natural environment and contributing to the local community in forging the deep relationship with customers in the region. We also know that we cannot be successful in this market without these efforts.”

Targets and Achievements		
	Results for year ended March 2001	Target for year ended March 2003
Net Business Income	¥70.5 billion	¥80 billion
Capital Ratio	10.45%	10%
Tier 1 Ratio	6.99%	8%
Overhead Ratio	53.48%	50%
ROA (Net Business Income)	0.86%	1%
ROE (Net Business Income)	18.56%	20%

Notes: 1. Yen figures are rounded down to the nearest billion.
2. Net Business Income represents figures before the general reserve for possible loan losses.

Contributing to the Local Community and Increasing Customer Satisfaction

Chiba Bank is committed to serving the local community. We have historically been involved in volunteer activities as well as cultural events such as concerts and sports competitions. Many of our customers visit the Chibagin Art Gallery, which was established in the Chibagin Nihombashi Building to contribute to the development of culture and the fine arts. The gallery serves as a forum for artists who were born or are living in Chiba Prefecture to exhibit new works, including Japanese-style paintings, Western-style paintings, sculpture and crafts.

Chiba Bank is working to increase customer satisfaction through ongoing activities in the following three categories:

- 1. Customer Satisfaction:** To create a bank that is trusted and loved by customers
- 2. Employee Satisfaction:** To create a bank that makes employees and their families proud and satisfied
- 3. Society Satisfaction:** To create a bank that is essential and respected as a member of the region

We are promoting various activities throughout the Bank on both the corporate and the individual level in order to achieve these objectives and become an excellent bank that is selected by customers as their own bank over other financial institutions.

We firmly believe that we can attain further development of the Bank by addressing these challenges with our wisdom and strong determination.



Tsuneo Hayakawa
President

Improving Profitability throughout Operations

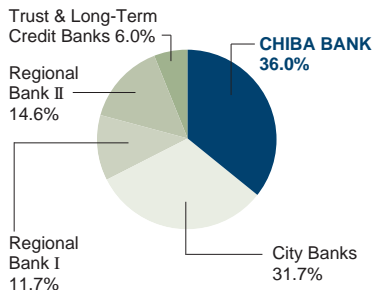
➤ CHANNEL STRATEGY

Share in Chiba Prefecture

(As of March 2000)

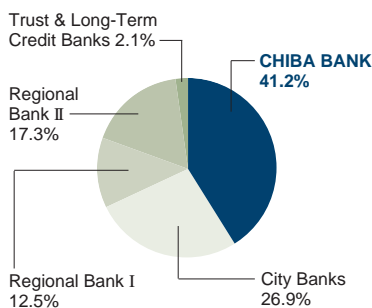
Deposits

(%)



Loans

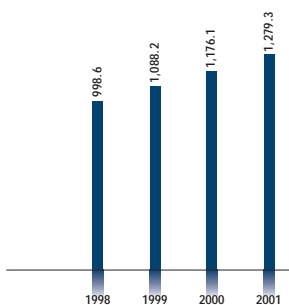
(%)



Share of banks doing business in Chiba Prefecture
Source: *Monthly Kinyu Journal*

Housing Loans

(Billions of yen)



Branches and Off-Branch Facilities

With 151 locations, including the head office, branches and sub-branches, Chiba Bank has the largest presence of any bank in Chiba Prefecture. This network supports our ability to offer consultations and superior products and services that meet customers' asset management and other financial needs.

In April 2000, we expanded our network of off-branch ATMs by linking to E-net facilities in convenience stores. Combined with our own branch and off-branch ATM service counters, this addition gives customers easy access to their accounts from more than 2,000 locations nationwide — more than 500 in Chiba Prefecture alone.

Information Technology

Chiba Bank is responding to advances in information technology and the rapid expansion of the Internet by aggressively developing its e-business capabilities. In February 2001, the IPS (Information Processing Solutions) Division was created to promote Chiba Bank's e-business.

Following a complete renewal in April 2001, our web site offers information tailored to the needs of both corporate and individual customers, enabling them to easily access necessary information. We are also working to enhance site content.

In addition, we have significantly expanded our mobile and Internet banking services. Our "info Chiba" portal site, created in cooperation with other Group companies, furnishes information useful to people in the region. Also, in October 2001 we will implement a CRM (Customer Relationship Management) system at each branch in order to raise operating efficiency and further strengthen proposal-based sales that meet customer needs. Drawing on the know-how accumulated from our branch business activities, we plan to make the most of advances in IT to expand our points of contact with customers.

A Leading Bank in the Region

Chiba Bank values the relationship of trust it has built with customers in the region, and works hard to meet their needs precisely. For individual customers, we offer a full range of products and services as their main bank. Many customers take advantage of our automatic salary and pension transfers and various loans, including the new Quick Power card loan that does not require in-person application. Innovative products and services such as these are helping to expand our balances of individual deposits and housing loans.

Chiba Bank also works to meet the capital requirements of small and medium-sized businesses in the region, and has introduced Business Loan, a product that uses a scoring system for expedited loans of up to ¥10 million. As a result of these efforts, 86.4 percent of Chiba Bank's outstanding loans and bills discounted have been extended to customers in Chiba Prefecture.

➤ OVERVIEW OF GROUP COMPANIES

Chuo Securities Co., Ltd.

Based in Chiba Prefecture, where 12 of its 17 branches are located, this company provides customer-focused asset management services utilizing stocks, bonds and investment trusts.

Chibagin Research Institute, Ltd.

The think-tank of the Chiba Bank Group provides management consulting in areas such as developing strategies and business diagnostics. The company also conducts surveys, supplies the latest information on the economy, finance and regional development, and operates a personnel training service.

Chibagin JCB Card Co., Ltd.

Chibagin DC Card Co., Ltd.

These two companies together handle three different cards—the JCB card, which has the largest member-store network in Japan, and DC VISA and DC MasterCard, which are dominant overseas.

Other group companies include **Chibagin Computer Services Co., Ltd.**, which carries out software development and commissioned computation tasks, **Chibagin Capital Co., Ltd.**, which provides consulting services for initial public offerings (IPO) and similar matters, and **Himawari Venture Development Fund**, which provides subsidies and relocation grants to companies moving into incubator facilities. The combined capabilities of group companies allow Chiba Bank to offer its customers comprehensive financial services.

Customer Satisfaction Campaign

Corporate Mottoes

- Customer Satisfaction -
To create a bank that is trusted and loved by customers
- Employee Satisfaction -
To create a bank that makes employees and their families proud and satisfied
- Society Satisfaction -
To create a bank that is essential and respected as a member of the region

Employees' Mottoes

- Express appreciation to customers -
We will express our gratitude to customers and serve them with a good-hearted attitude.
- Meet expectations of customers -
We will try our best to meet customers' individual needs.
- Give a deep impression on customers -
We will try our best to impress our customers by offering services that exceed their expectations.

Measures to Increase Customer Satisfaction

For a bank to survive in today's environment, customers must truly appreciate and actively select it. Chiba Bank's management has embraced this basic philosophy, as we execute a variety of measures from the perspective of customers.

The Customer Satisfaction Campaign being implemented throughout our operations is one example of this policy. Besides creating clean, attractive lobbies, we provide products and services of value to customers and accurately explain the details of financial products.

In addition to developing new products and services, we constantly review our existing organization to create the most suitable structure through streamlining and raising operating efficiency. Our aim is to establish a structure to provide customers with the entire range of financial services they need, when they need them.

Chiba Bank is also implementing measures to improve management as part of the Customer Satisfaction Campaign. These measures go beyond merely improving customer relations to bring us closer to our goal of realizing true customer satisfaction.

Comprehensive Financial Services

To accurately meet the increasingly diverse and sophisticated needs of customers, Chiba Bank harnesses the resources of its group companies to provide comprehensive financial services.

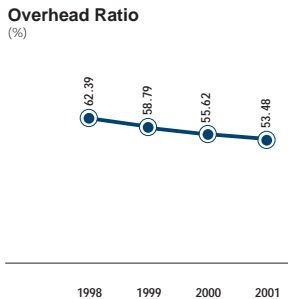
Group companies include those that conduct businesses the Bank itself cannot handle and those that are entrusted with a portion of the Bank's business. The former provide various financial-related services together with the Bank, supporting a wide range of economic activities of our customers.

Companies in the latter category contribute to the streamlining and efficiency of the Bank and other group companies. In June 2001, the business of Chibagin Staff Service Co., Ltd. was changed to raise the efficiency of group companies by centralizing business related to accounting and general administration. Accordingly, the company has been reestablished under the name Chibagin

Accounting Service Co., Ltd.

In recent years, we have placed increasing emphasis on tapping the strengths of the group as a whole rather than the Bank alone. To create an optimal group structure, Chiba Bank will continue to establish new group companies and review existing ones as necessary.

➤ PROMOTING MANAGEMENT EFFICIENCY



Chiba Bank's thorough streamlining of its operations is aimed at increasing cost competitiveness. At the same time, we are taking a forward-looking approach to IT investments while controlling overall expenses.

In branch office operations, we plan to introduce new terminals and an electronic seal storage system during the current fiscal year. We also intend to rationalize and raise the efficiency of management of our loan operations by using personal computers to carry out workflow for internal administration and approvals. These measures will significantly enhance business efficiency.

In other operations, we are promoting centralization and outsourcing of business. While these measures will reduce total staff at branch offices, upgrading over-the-counter functions through expanded consultation services will support the development of innovative branches that can better satisfy customers.

➤ OVERSEAS OPERATIONS

Global Network

Chiba Bank's global network is one of the largest among regional banks in Japan. Our presence in the world's key financial markets consists of branches in New York, Hong Kong and London and a London-based securities subsidiary, as well as representative offices in Shanghai and Singapore, two focal points of the Asian economy. International offices contribute to increasing income by building a global portfolio, and offer accumulated information and expertise related to overseas trade and other matters to customers who are globalizing their operations or expanding overseas. Other responsibilities of overseas offices include transmitting the latest financial information and leading-edge know-how in new types of overseas businesses to our offices in Japan.

Building a Solid Financial Structure

Financial Structure

➤ RESOLUTION OF PROBLEM ASSETS

Chiba Bank's efforts to resolve problem assets include rigorous assessments for their disclosure and disposal in accordance with applicable guidelines and standards.

Disclosure of Problem Assets

Chiba Bank conducts two types of assessments of loan assets: the disclosure of problem loans classified as risk-monitored loans under the Banking Law, and the disclosure of problem assets based on the standards set by the Financial Revitalization Law. In both assessments, however, problem assets are stated on the basis of borrower classifications in the Bank's internal assessment of assets. Loans to companies legally bankrupt and other delinquent loans under the category of risk-monitored loans were previously limited to non-accrual loans. However, with the Bank's adoption of more rigorous standards for problem asset disclosure, changes in the classification method from the year ended March 31, 2001 resulted in an increase in delinquent loans.

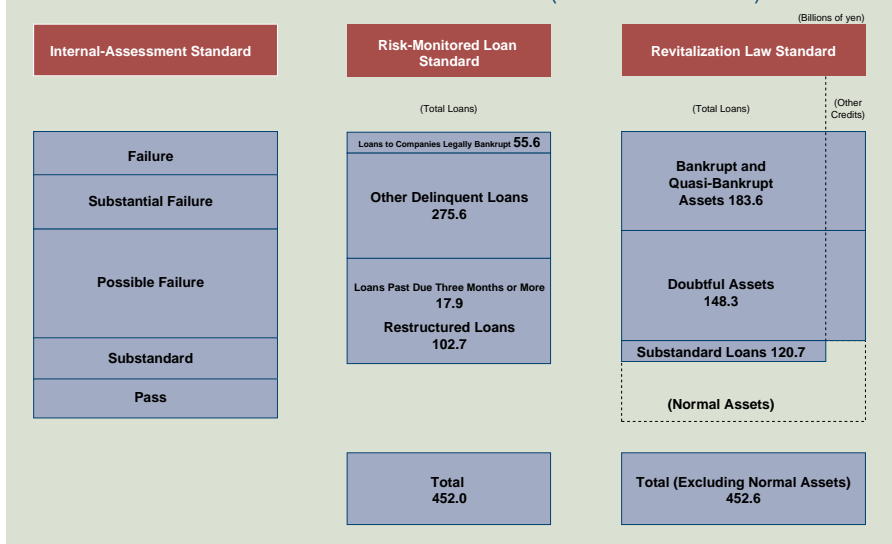
The total amount of loans in the chart below represents all problem assets regardless of whether they are secured by collateral or guarantees. Therefore, the uncollectable portion of the disclosed amounts is the portion that is unsecured.

Disposal of Problem Assets

Chiba Bank conducts strict internal assessment of assets in accordance with the guidelines of the relevant authorities and the Japanese Institute of Certified Public Accountants. The Bank provides reserves and books losses on direct charge-offs for new problem loans according to the previously stated standards for write-offs and reserves. In the year ended March 31, 2001, Chiba Bank used net business income to write off ¥59.6 billion in problem assets. This was due to an increase in the amount of disposals because of large-scale bankruptcies.

Chiba Bank will continue working to improve its credit risk management system through measures such as strengthening screening functions, thus further improving the soundness of the Bank's assets.

Comparison of Problem Assets Under Risk-Monitored Loan Standard and Revitalization Law Standard (Non-Consolidated)



In reducing the balance of problem assets, Chiba Bank will continue meeting its obligations as a regional financial institution by giving due consideration to the financial condition of companies and regional economic trends.

> COMPLIANCE SYSTEM

Chiba Bank Code of Ethics

Earning Unwavering Trust

Remaining constantly aware of the social responsibility and public mission of a bank, Chiba Bank will strive to earn the unwavering trust of society through sound, appropriate business operations based on the principle of self-responsibility.

Thorough Compliance with Laws, Rules and Other Fundamental Principles

Complying strictly with all laws and rules and never deviating from social standards, Chiba Bank will conduct fair and honest business activities.

Opposition to Antisocial Forces

Chiba Bank will firmly oppose antisocial forces and groups that threaten the order and safety of society and undermine healthy economic and social development.

Transparent Management

Chiba Bank will provide active and fair disclosure of management information and manage its operations in a transparent manner.

Chiba Bank is placing high priority on bolstering its compliance system to ensure thorough compliance with laws and regulations and carry out its code of ethics. A strong compliance system is essential for Chiba Bank to continue earning the trust and support of its customers by fulfilling its social responsibility and public mission as a bank.

Legal Compliance

Chiba Bank is aware of the importance of complying with laws related to banking transactions and internal regulations, as well as conducting fair and honest business activities that conform to social norms. We are therefore taking steps to ensure thorough compliance throughout the Bank's operations.

Specifically, the Business Ethics Committee, whose membership consists of directors and the general managers of the head office, meets periodically to consider measures for promoting compliance. In addition, the Compliance Office within the General Administration Division manages rules and manuals related to compliance, plans and oversees implementation of compliance training programs, and carries out regular, thorough checks to confirm the status of compliance within the Bank. Furthermore, compliance officers at all branches and head office divisions monitor compliance and conduct workplace education programs.

Guidelines for Bank Employees

Chiba Bank clarifies guidelines for employee conduct in the Chiba Bank Code of Ethics, part of the Bank's compliance rules, and distributes compliance manuals to all employees.

> RISK MANAGEMENT

Deregulation, globalization and innovations in financial technology have spawned new business opportunities, yet these trends also increase the diversity and complexity of banking-related risks. In response, Chiba Bank is strengthening its risk management system based on awareness of the importance of accurately understanding and analyzing, as well as properly managing, risk.

Integrated Risk Management

The banking business involves various risks, including credit risk, market risk, liquidity risk, operational risk and system risk. To improve profitability and maintain sound management, these risks must be managed not only individually but also on an integrated basis.

Various departments play a role in managing each separate type of risk for the entire Chiba Bank Group, while the Risk Management Office within the Corporate Planning Division controls these risks on an integrated basis. We have also created an internal risk management system controlled by the ALM Committee and the Credit Risk Management Committee.

Managing credit risk involves establishing systems for credit management and company ratings, while carrying out internal assessment of assets and statistical measurements.



To confirm that these risks are being properly managed, in February 2001, the Inspection Office within the Audit & Inspection Division was reestablished as the Internal Audit Office, and its scope of responsibility was revised to strengthen the Bank's internal audit system.

Credit Risk Management

Credit risk, which is the largest portion of risk involved in the banking business, refers to the risk that a borrower may become unable to pay the principal or interest on a loan due to deterioration of the borrower's financial condition. Chiba Bank is strengthening its credit risk management to maintain the soundness of assets by preventing the occurrence of new problem loans.

Credit Management System

Chiba Bank has long maintained a policy of separating business promotion and credit administration functions. The Credit Division conducts strict, policy-based screening of individual loans. In addition, the Risk Management Office monitors the Bank's credit portfolio to ensure that credit is not excessively concentrated in any specific industry, and also quantifies credit risk by using statistical methods to estimate the amount of expected losses. The Credit Risk Management Committee, headed by the president, studies credit risk management policies and monitors the Bank's loan asset portfolio to ensure the soundness of loan assets.

Company Rating System

Chiba Bank views credit ratings as the most fundamental element in credit risk management. The Bank is therefore implementing a company credit rating system to evaluate the statistical probability that a given company will default and increase the sophistication of credit risk management.

In the company rating system, data such as financial condition and cash flow are used to classify businesses according to ratings in 15 categories. These ratings are reviewed annually, and may be reviewed at any time if the company's financial condition changes. In this way, Chiba Bank is working to ensure an accurate understanding of the actual conditions of borrower companies from the standpoint of credit risk management.

Internal Assessment of Assets

Internal assessment of assets is the examination and analysis of individual assets performed by financial institutions themselves in order to classify and categorize assets according to the likelihood of recovery or the risk of impairment in value. Internal assessment became mandatory with the introduction of Prompt Corrective Action standards by the Financial Services Agency. Prompt Corrective Action is a system under which administrative measures are put in motion if a bank's capital adequacy ratio drops below a certain level, depending on the circumstances. Accurate calculation of the capital adequacy ratio hinges on appropriate write-offs and reserves, as well as preparation of financial statements that reflect as objectively as possible the actual condition of assets.

Chiba Bank conducts internal assessment of assets at its branches every six months. The assessment is checked by the divisions authorized to approve loans, and the results are then audited by the Credit Assessment Office in the Audit & Inspection Division. Based on the assessment, an appropriate allowance is made for reserves for losses and write-offs of problem assets to help improve the soundness and safety of assets.



Makuhari New City is rapidly developing as a high-tech center that brings together numerous companies. Commercial and residential development now under way is creating a city that combines a working and living environment for the 21st century.

Measuring Credit Risk

Measurement of credit risk involves using statistical methods to predict the amount of future losses (the amount at risk) that can be expected to occur due to the bankruptcy or deterioration in management conditions of borrowers.

As a new method of credit risk management, Chiba Bank has begun using a measurement system to calculate credit risk. Continuing collection of data on defaults and on recovery of loans from borrowers in default is now under way for use in quantifying measurement of risk.

Market Risk Management

Market risk is the risk of incurring losses due to deterioration of asset values caused by changes in market factors such as interest rates, securities prices and foreign exchange rates.

At Chiba Bank, management of market risk is centralized in the ALM Committee. Chaired by the president, the ALM Committee meets periodically to discuss and establish concrete measures for dealing with interest rate and price fluctuation risks.

Chiba Bank controls market risk on investment securities and other assets held as long-term investments by setting amount limits for each financial instrument. In the year ended March 31, 2001, we began implementing mark-to-market accounting for securities, and at the same time strengthened value-at-risk (VaR) monitoring to respond accurately to changes in the market environment.

For market risks in trading transactions, which are aimed at securing profits from short-term changes in interest rates and prices, Chiba Bank limits risk by setting trading limits and loss-cutting rules. In addition, VaR and periodic stress tests are carried out to prevent losses from occurring.

Liquidity Risk Management

Liquidity risk is the risk of incurring losses due to events such as funding at a relatively high interest rate as a result of a shortage of funds following an unexpected drawdown.

The Treasury Division prevents such situations from developing through appropriate daily cash flow management using analysis of the market environment and capital funding conditions. The Risk Management Office manages liquidity risk by tracking changes in assets and liabilities and promptly gauging their effect on cash flow.

In April 2002, the ban on payoffs will be lifted. The Payoff Crisis Management Planning Committee, established in December 2000 as a cross-divisional

Lifting of Ban on Payoffs

Payoffs are a system for making repayments to depositors up to a fixed amount in the event of the failure of a financial institution. Currently, the entire amount of each deposit is insured, but when the ban on payoffs is lifted, insurance will cover up to ¥10 million in principal and related interest for each depositor. Deposits in excess of this amount will be outside the scope of insurance, and repayments will be made in consideration of the amount the financial institution in liquidation can be expected to pay.

Strictly enforced standards and regular, rigorous inspections limit operational risk in order to maintain high-quality, reliable business operations.



organization, completed a crisis management plan in April 2001. This plan is designed to allow Chiba Bank to respond quickly if an unexpected situation develops in the financial industry.

Operational Risk Management

Operational risk is the risk of losses resulting from the occurrence of accidents, irregularities or negligence in carrying out normal business operations.

Accurate business operations are essential to earning the trust of customers. The Operations Planning Division is primarily responsible for ensuring that fundamental rules are strictly followed in conducting the Bank's business and works to prevent irregularities. In addition to establishing standards for detailed procedures in each area of operations, the division has tightened procedures for handling important items such as cash, drafts and passbooks, provides guidance on operations management systems at branches and the head office, and conducts training to improve operating standards. The division is also taking measures to reduce manual operations through systemization.

Staff at branches conduct intra-branch inspections to ensure accuracy and improve operating standards.

The Internal Audit Office of the Audit & Inspection Division performs on-site inspections of overall operations at each branch and head-office division once a year in accordance with strict standards. The results of these audits are communicated to branches and the head office and periodically reported to the Board of Directors so that they can be reflected in efforts to improve operations.

System Risk Management

System risk is the risk of incurring losses associated with leaks of information held by the Bank, or the improper use, failure or malfunction of computer systems.

Chiba Bank's systems process various customer information such as transaction data. Consequently, system-related problems could damage confidence in the Bank, bring about large losses for the Bank itself, and cause significant trouble for customers.

The EDP System Division is fully prepared to ensure the stable operation of computer systems during any contingency. Specifically, hardware and lines for critical systems related to accounts and information are double-protected and will switch immediately to backups if an irregular incident occurs, allowing banking operations to continue uninterrupted. The EDP System Division also sets rules for strict management of data, prevention of improper usage and preparation for large-scale damage for all computer systems, including individual systems used in each division. Through these measures, Chiba Bank has a comprehensive system in place to protect against crimes and disasters.

In addition, the Internal Audit Office of the Audit & Inspection Division conducts general inspections of computer systems and carries out rigorous checks of these inspections.

Management's Discussion and Analysis

and Analysis

Six-Year Summary of Selected Financial Data (Consolidated)

The Chiba Bank, Ltd. and its Consolidated Subsidiaries For the Years Ended March 31

	Billions of Yen					
	2001	2000	1999	1998	1997	1996
For the Fiscal Year						
Total Income	¥ 238.4	¥ 235.8	¥ 241.6	¥ —	¥ —	¥ —
Total Expenses	216.7	202.3	326.2	—	—	—
Income (Loss) Before Income Taxes	21.7	33.5	(84.6)	—	—	—
Provision for Income Taxes	0.1	0.2	0.2	—	—	—
Net Income (Loss)	13.1	18.3	(49.3)	—	—	—
Return on Average Total Stockholders' Equity	3.81%	5.83%	—	—	—	—
At Year-End						
Total Assets	¥7,942.6	¥7,739.5	¥7,660.1	¥ —	¥ —	¥ —
Deposits	6,977.8	6,664.1	6,491.0	—	—	—
Loans and Bills Discounted	5,608.7	5,651.6	5,782.8	—	—	—
Securities	1,487.8	1,054.1	920.5	—	—	—
Total Stockholders' Equity	369.0	321.8	307.1	—	—	—
Capital Adequacy Ratio*	10.56%	9.70%	9.23%	8.87%	9.19%	9.44%
Yen						
Per Share						
Net Income (Loss)	¥ 16.90	¥ 23.69	¥ (63.68)	¥ —	¥ —	¥ —
Net Assets	438.21	415.56	396.49	—	—	—
Price/Earnings Ratio (times)	25.20	18.31	—	—	—	—

Note: Yen figures are rounded down to the nearest billion.

* These figures are based on BIS guidelines and include transitional adjustments.

Six-Year Summary of Selected Financial Data (Non-Consolidated)

The Chiba Bank, Ltd. For the Years Ended March 31

	Billions of Yen					
	2001	2000	1999	1998	1997	1996
For the Fiscal Year						
Total Income	¥ 218.8	¥ 213.8	¥ 224.0	¥ 266.4	¥ 298.0	¥ 417.5
Total Expenses	196.0	184.1	313.9	388.0	292.7	360.7
Income (Loss) Before Income Taxes	22.7	29.7	(89.8)	(121.5)	5.3	56.8
Provision for Income Taxes	0.1	0.1	(37.1)	0.2	0.2	51.7
Net Income (Loss)	13.1	16.2	(52.7)	(121.8)	5.1	5.0
Return on Average Total Stockholders' Equity	4.12%	5.34%	—	—	1.32%	1.31%
Return on Average Total Assets	0.16%	0.21%	—	—	0.06%	0.06%
At Year-End						
Total Assets	¥7,906.9	¥7,672.7	¥7,574.9	¥7,658.9	¥7,841.7	¥8,885.7
Deposits	6,990.8	6,680.9	6,505.9	6,505.3	6,713.1	7,122.8
Loans and Bills Discounted	5,597.4	5,619.2	5,746.7	5,793.1	5,978.8	5,987.3
Securities	1,485.0	1,055.8	920.4	1,053.6	1,143.4	1,094.7
Total Stockholders' Equity	365.4	318.2	305.7	264.3	390.0	388.8
Capital Adequacy Ratio*	10.45%	9.53%	9.08%	—	—	—
Yen						
Per Share						
Net Income (Loss)	¥ 16.72	¥ 20.93	¥ (67.84)	¥(156.59)	¥ 6.58	¥ 6.53
Cash Dividends	5.00	5.00	5.00	5.00	5.00	5.00
Net Assets	432.20	409.12	393.09	339.84	501.44	499.86
Market Price	426	434	518	499	710	920

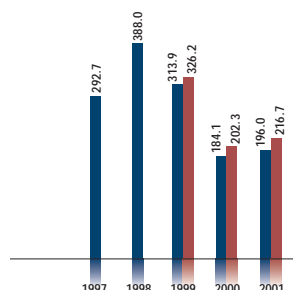
Note: Yen figures are rounded down to the nearest billion.

* These figures are based on BIS guidelines and include transitional adjustments.

■ Non-Consolidated
■ Consolidated

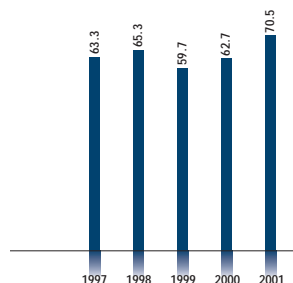
Total Expenses

(Billions of yen)



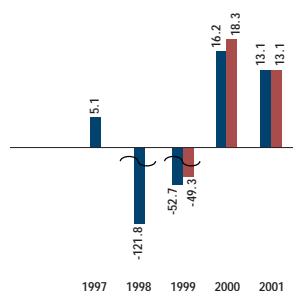
Net Business Income Before the General Reserve for Possible Loan Losses

(Billions of yen)



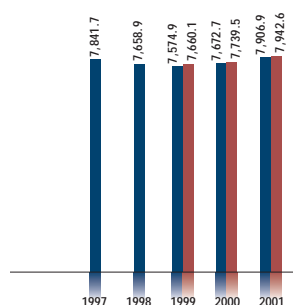
Net Income (Loss)

(Billions of yen)



Total Assets

(Billions of yen)



CONSOLIDATED OPERATING RESULTS FOR THE YEAR ENDED MARCH 31, 2001

On a consolidated basis, total income rose ¥2.5 billion to ¥238.4 billion, and total expenses rose ¥14.3 billion to ¥216.7 billion due to strengthening asset position by disposing of nonperforming loans based on strict internal assessments, while working to increase the efficiency of procurement and management of funds, rationalize operations across the board, curtail expenses and enhance earnings capabilities. As a result, income before income taxes decreased ¥11.7 billion to ¥21.7 billion.

Net income decreased ¥5.1 billion to ¥13.1 billion, and earnings per share was ¥16.90.

The capital adequacy ratio increased 0.85 percentage points from the previous year-end to 10.56 percent, well above the ratio mandated by the Bank for International Settlements (BIS).

CASH FLOW

Net cash provided by operating activities totaled ¥278.3 billion, reflecting factors such as interest income, and net cash used in investing activities was ¥399.0 billion, principally due to the acquisition of investment securities. Net cash provided by financing activities amounted to ¥12.7 billion, primarily due to the issue of subordinated bonds. As a result, cash and cash equivalents at the end of the period decreased ¥107.8 billion to ¥156.0 billion.

PRINCIPAL NON-CONSOLIDATED ACCOUNTS

Total deposits at the end of the fiscal year increased ¥309.9 billion to ¥6,990.8 billion, supported by a ¥214.4 billion increase in individual deposits.

Housing loans increased ¥103.2 billion, due to the introduction of a new screening system. However, total loans and bills discounted at March 31, 2001 decreased ¥21.7 billion from the prior fiscal year-end to ¥5,597.4 billion, due to weak corporate demand for capital.

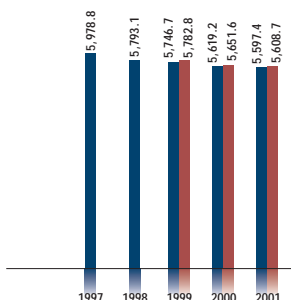
The balance of securities at the fiscal year-end increased ¥429.2 billion to ¥1,485.0 billion, as a result of investment principally in government bonds.

Total assets at the fiscal year-end increased ¥234.1 billion to ¥7,906.9 billion.

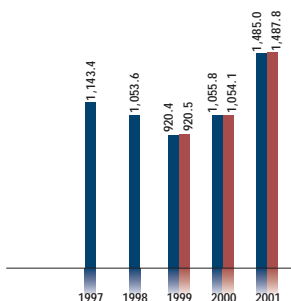
Total common stock at the fiscal year-end was ¥121.0 billion, as a result of shares issued on the conversion of the third issue of unsecured convertible bonds which matured at the end of March, 2001. The number of shares in issue at the

■ Non-Consolidated
■ Consolidated

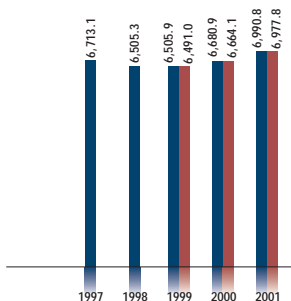
Loans and Bills Discounted
(Billions of yen)



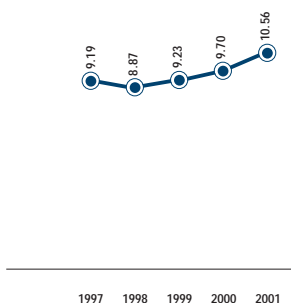
Securities
(Billions of yen)



Deposits
(Billions of yen)



**Capital Adequacy Ratio
(Consolidated Basis)**
(Billions of yen)



fiscal year-end was 845 million. As a result, total stockholders' equity amounted to ¥365.4 billion, an increase of ¥47.1 billion from the prior fiscal year-end. Chiba Bank's capital adequacy ratio increased 0.92 percentage points from the previous year-end to 10.45 percent, well above the ratio mandated by the BIS.

INCOME

Gross operating profit rose ¥4.4 billion to ¥148.6 billion, primarily due to an increase in interest income and proceeds from sale of bonds. At the same time, expenses decreased ¥3.4 billion to ¥78.0 billion, due to reductions in personnel and the systemization and rationalization of operations. As a result, net business income before the general reserve for possible loan losses increased ¥7.8 billion to ¥70.5 billion. However, as the general reserve for possible loan losses was reduced by ¥8.8 billion following the revision of reserve standards, net business income increased ¥13.3 billion to ¥79.4 billion.

Income before income taxes decreased ¥6.9 billion to ¥22.7 billion, due to the fact that net business income was used in the disposal of nonperforming loans and to cover the unfunded portion of the reserve for retirement benefits created as a result of the introduction of new accounting standards. Net income after adjustment to income taxes and others totaled ¥13.1 billion.

DIVIDENDS AND DIVIDEND POLICY

In view of the public nature of the banking industry, Chiba Bank intends to recompense its shareholders for their support by maintaining a stable dividend while deploying internal reserves to strengthen its operations. A year-end cash dividend of ¥2.50 per share of common stock was approved at the ordinary general meeting of shareholders. Accordingly, cash dividends for the fiscal year totaled ¥5.00 per share, including an interim dividend of ¥2.50 per share. Internal reserves for the fiscal year will be effectively appropriated for strategic investments to improve comprehensive financial services.

Consolidated Balance Sheets

The Chiba Bank, Ltd. and its Consolidated Subsidiaries As of March 31, 2001 and 2000

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 11)
	2001	2000	2001
ASSETS			
Cash and Due from Banks.....	¥ 187,422	¥ 454,186	\$ 1,512,689
Call Loans and Bills Bought	139,200	122,723	1,123,487
Commercial Paper and Other Debt Purchased	24	60	196
Trading Assets.....	205,789	111,967	1,660,932
Money Held in Trust.....	17,282	30,886	139,484
Securities (Note 17, 22)	1,487,836	1,054,150	12,008,369
Loans and Bills Discounted (Note 12,17)	5,608,711	5,651,663	45,268,055
Foreign Exchanges	2,294	2,834	18,517
Other Assets (Note 17)	141,424	128,586	1,141,442
Premises and Equipment (Note 17,18).....	116,702	117,783	941,906
Deferred Tax Assets (Note 21)	92,776	108,607	748,799
Customers' Liabilities for Acceptances and Guarantees.....	143,899	154,226	1,161,414
Reserve for Possible Loan Losses	(200,665)	(198,131)	(1,619,578)
Reserve for Investment Losses	(2)	(2)	(16)
Total Assets	¥7,942,695	¥7,739,544	\$64,105,696
LIABILITIES, MINORITY INTEREST AND STOCKHOLDERS' EQUITY			
Liabilities			
Deposits (Note 17).....	¥6,977,864	¥6,664,114	\$56,318,516
Call Money and Bills Sold (Note 17)	18,171	54,930	146,664
Trading Liabilities	4,730	5,371	38,181
Borrowed Money (Note 14,17).....	137,968	150,263	1,113,545
Foreign Exchanges	259	200	2,091
Bonds (Note 15)	45,500	17,000	367,232
Convertible Bonds	—	29,985	—
Other Liabilities (Note 17)	172,806	274,969	1,394,728
Reserve for Retirement Allowances.....	—	14,205	—
Reserve for Employees' Retirement Benefits.....	21,286	—	171,802
Reserve for Losses on Sales of Loans	30,764	30,401	248,303
Reserve under Special Laws.....	70	69	566
Deferred Tax Liabilities (Note 21).....	35	34	290
Deferred Tax Liabilities on Premises Revaluation (Note 13).....	9,389	9,388	75,787
Consolidation Difference	1,648	2,441	13,303
Acceptances and Guarantees.....	143,899	154,226	1,161,414
Total Liabilities	¥7,564,395	¥7,407,602	\$61,052,422
Minority Interest			
Minority Interest in Consolidated Subsidiaries	¥ 9,238	¥ 10,047	\$ 74,568
Stockholders' Equity			
Common Stock	¥ 121,019	¥ 106,888	\$ 976,748
Capital Surplus	98,178	84,047	792,398
Premises Revaluation Account (Note 13)	13,346	13,343	107,716
Retained Earnings.....	128,324	119,057	1,035,709
Net Unrealized Gains on Investment Securities, Net of Taxes.....	9,864	—	79,616
Foreign Currency Translation Adjustments, Net of Taxes	(224)	—	(1,809)
Treasury Stock	1,446	1,442	11,672
Total Stockholders' Equity	369,061	321,894	2,978,706
Total Liabilities, Minority Interest and Stockholders' Equity	¥7,942,695	¥7,739,544	\$64,105,696

See notes to financial statements.

Consolidated Statements of Income and Retained Earnings

The Chiba Bank, Ltd. and its Consolidated Subsidiaries For the Years Ended March 31, 2001 and 2000

Income and Retained Earnings

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 11)
	2001	2000	2001
Income			
Interest Income:.....	¥179,061	¥179,905	\$1,445,209
Interest on Loans and Discounts	141,997	143,107	1,146,062
Interest and Dividends on Securities	25,086	23,881	202,470
Other Interest Income.....	11,978	12,916	96,677
Fees and Commissions.....	24,543	25,747	198,092
Trading Income.....	882	2,003	7,119
Other Operating Income	6,117	3,712	49,375
Other Income.....	27,888	24,525	225,089
Transfer from Reserves	0	0	0
Total Income	238,493	235,894	1,924,884
Expenses			
Interest Expenses:.....	47,204	47,103	380,987
Interest on Deposits	30,290	25,508	244,472
Interest on Borrowings and Rediscounts	4,478	4,162	36,144
Other Interest Expenses	12,435	17,432	100,371
Fees and Commissions.....	7,410	6,897	59,811
Trading Expenses	187	338	1,511
Other Operating Expenses.....	2,219	5,028	17,914
General and Administrative Expenses	82,648	86,214	667,061
Other Expenses	77,032	56,745	621,729
Total Expenses	216,702	202,328	1,749,013
Income Before Income Taxes.....	21,790	33,566	175,871
Income Taxes — Current	198	221	1,605
Income Taxes — Deferred	8,971	13,978	72,405
Minority Interest in Net Income (Loss).....	(570)	1,015	(4,607)
Net Income.....	¥ 13,191	¥ 18,350	\$ 106,468
Retained Earnings			
Balance at the Beginning of the Year	¥119,057	¥104,579	\$ 960,917
Net Income.....	13,191	18,350	106,468
Dividends	3,872	3,872	31,259
Bonuses for Directors.....	48	—	395
Others	2	—	22
Balance at the End of the Year	¥128,324	¥119,057	\$1,035,709
Per Share of Common Stock			
Net Income.....	¥16.90	¥23.69	\$0.14

See notes to financial statements.

Consolidated Statements of Cash Flows

The Chiba Bank, Ltd. and its Consolidated Subsidiaries For the Years Ended March 31, 2001 and 2000

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 11)
	2001	2000	2001
Cash Flows from Operating Activities:			
Income Before Taxes and Other Adjustments	¥ 21,790	¥ 33,566	\$ 175,871
Depreciation and Amortization	4,592	5,428	37,067
Amortization and Consolidation Difference	(819)	(1,483)	(6,610)
Investments Accounted for by the Equity Method	(293)	(219)	(2,366)
Increase in Reserve for Possible Loan Losses	2,534	10,857	20,452
Increase in Reserve for Investment Losses	—	2	—
Increase in Reserve for Losses on Sales of Loans	363	10,689	2,931
Decrease in Reserve for Retirement Allowances	(14,205)	512	(114,652)
Increase in Liability for Employees' Retirement Benefits	21,286	—	171,802
Interest Income	(179,061)	(179,905)	(1,445,209)
Interest Expense	47,204	47,103	380,987
Gains on Investment Securities	(10,072)	(3,317)	(81,294)
Gains on Money Held in Trust	(95)	(10)	(773)
Foreign Exchange Gains	(92)	122	(747)
Losses on Disposal of Premises and Equipment	1,482	426	11,966
Decrease in Trading Assets	(93,821)	76,193	(757,238)
Decrease in Trading Liabilities	(640)	938	(5,173)
Decrease in Loans and Bills Discounted	42,952	131,144	346,667
Increase in Deposits	186,834	173,035	1,507,950
Increase in NCDs	126,914	—	1,024,332
Decrease in Borrowed Money (excluding Subordinated Borrowings)	(2,295)	—	(18,525)
Decrease in Loaned Money (excluding Deposits at BOJ)	158,938	(172,811)	1,282,793
Increase in Call Loans and Bills Bought and Others	(16,440)	(122,731)	(132,694)
Decrease in Call Money and Bills Sold	(36,759)	44,811	(296,683)
Decrease in Deposits Collateralized for Securities Lent	(43,572)	7,587	(351,672)
Decrease in Foreign Exchanges (Assets)	540	611	4,362
Increase in Foreign Exchanges (Liabilities)	58	(772)	470
Interest Received	183,016	180,267	1,477,133
Interest Paid	(58,800)	(51,784)	(474,579)
Other Expenses	(63,223)	24,479	(510,282)
Subtotal	278,314	214,741	2,246,286
Income Tax Paid	41	(239)	335
Net Cash Provided by Operating Activities	278,356	214,501	2,246,621
Cash Flows from Investing Activities:			
Purchases of Securities	(1,378,163)	(504,215)	(11,123,196)
Proceeds from Sales of Securities	393,885	239,208	3,179,056
Proceeds from Maturities of Securities	576,141	104,894	4,650,049
Increase in Money Held in Trust	(163)	(2,395)	(1,318)
Decrease in Money Held in Trust	13,692	97	110,509
Purchases of Premises and Equipment	(5,705)	(2,269)	(46,048)
Proceeds from Sales of Premises and Equipment	1,273	1,610	10,281
Net Cash Used in Investing Activities	(399,040)	(163,069)	(3,220,667)
Cash Flows from Financing Activities:			
Increase in Subordinated Borrowings	4,000	—	32,284
Decrease in Subordinated Borrowings	(14,000)	—	(112,994)
Increase in Subordinated Bonds and Notes and Convertible Bonds	28,500	30,000	230,024
Decrease in Subordinated Bonds and Notes and Convertible Bonds	(1,724)	—	(13,915)
Dividends Paid	(3,872)	(3,869)	(31,259)
Dividends Paid for Minority Interest	(167)	(3)	(1,356)
Purchase of Own Stocks	(3)	—	(26)
Proceeds from Sales of Own Stocks	—	0	—
Net Cash Provided by Financing Activities	12,731	26,127	102,759
Effect of Exchange Rate Changes on Cash and Cash Equivalents	92	(122)	747
Net Increase (Decrease) in Cash and Cash Equivalents	(107,859)	77,437	(870,540)
Cash and Cash Equivalents at Beginning of Period	263,920	186,483	2,130,109
Cash and Cash Equivalents at End of Period (Note 6)	¥ 156,060	¥ 263,920	\$ 1,259,569

See notes to financial statements.

Notes to Consolidated Financial Statements

The Chiba Bank, Ltd. and its Consolidated Subsidiaries For the Years Ended March 31, 2001 and 2000

1 Basis of Presentation

The Chiba Bank, Ltd. (the "Bank") and its domestic subsidiaries maintain their books of account in accordance with the provisions set forth in the Japanese Commercial Code and in conformity with accounting principles and practices generally accepted in Japan, which may differ in some material respects from accounting principles and practices generally accepted in countries and jurisdictions other than Japan. The Bank's foreign subsidiaries maintain their books of accounts in conformity with accounting principles and practices of the countries of their domicile.

The accompanying consolidated financial statements have been compiled from the consolidated financial statements filed with the Ministry of Finance as required by the Securities and Exchange Law of Japan. The classification of accounts is in conformity with the Enforcement Regulation concerning Banking Law of Japan.

In preparing the accompanying consolidated financial statements, in accordance with Enforcement Regulation concerning Banking Law of Japan, Japanese yen amounts are presented in millions of Yen by rounding down figures below one million. As a result, the totals in Yen in the accompanying consolidated financial statements do not necessarily agree with the sums of individual amounts.

2 Principles of Consolidation

The consolidated financial statements include the accounts of the Bank and all of its significant subsidiaries as listed below:

Sobu, Co., Ltd.
Chibagin Cash Business Co., Ltd.
Chibagin Staff Services Co., Ltd.
Chibagin Business Services Co., Ltd.
Chibagin General Management Co., Ltd.
Chibagin Loan Business Support Co., Ltd.
Chiba International Ltd.
Chibagin Capital Funding (Cayman) Ltd.
Chibagin Guarantee Co., Ltd.
Chibagin Lease Co., Ltd.
Chuo Securities Co., Ltd.

All significant intercompany accounts and transactions have been eliminated. The consolidated financial statements do not include the accounts of The Chibagin Computer Service Co., Ltd. and six other subsidiaries, since the combined total assets, total revenue, net income and retained earnings of these subsidiaries are not significant and would not have a material impact on the consolidated financial statements of the Bank.

The difference between the cost and the underlying equity in the net assets measured at their market value at dates of acquisition of consolidated subsidiaries and companies accounted for by the equity method of accounting is amortized on a straight-line method over a period of five years, if significant in amount, or is charged or credited to income in the year of acquisition.

3 Use of the Equity Method

Investment in unconsolidated subsidiaries is carried using the equity method.

4 Fiscal Year of the Consolidated Subsidiaries

(1) Fiscal year-ends of the consolidated subsidiaries are as follows:
the end of December: 2 subsidiaries
the end of March: 9 subsidiaries

(2) The financial statements of the consolidated subsidiaries, of which fiscal year-ends are December 31, are included in consolidation on the basis of their fiscal year after making appropriate adjustments for the significant transactions during the period from their year-ends to the date of the Bank's fiscal year-end.

5 Significant Accounting Policies

(1) Trading Account

The following criteria are applied in accounting for the Bank's Trading Account Assets and Liabilities, and Trading Income and Expenses.

Transactions that aim to gain a profit by arbitrating short-term fluctuations in interest rates, currency values and market prices, other benchmarks in the traded securities' market prices and by arbitrating differentials between markets (hereafter "trading purposes") are accounted under "Trading Assets" or "Trading Liabilities" in the balance sheets. Profit or loss from such transactions is recorded under "Trading Income" or "Trading Expenses" in the statements of income.

Trading account securities and monetary claims, etc. held for trading purposes are stated at market value at the end of the fiscal year. Trading-related financial derivatives such as swaps, futures or options are valued on the assumption that they were settled at the end of the fiscal year.

In the case of trading-related financial derivatives, "Trading Income/Expenses" includes the interest received/paid during the fiscal year and the increase/decrease between the amount of profit/loss based on the assumption that transactions were settled at the end of the fiscal year and that at the end of the previous fiscal year.

(2) Securities

Securities held to maturity are carried at cost, determined by the moving average method. Other securities whose current value can be estimated are stated at the market value at the fiscal year end and other non-marketable securities are stated at cost or amortized cost computed by the moving average method. Unrealized gains and losses on securities available for sale are included in shareholders' equity, net of income taxes. Securities included in money held in trust are stated at the market value.

For the year ended March 31, 2000, securities of the Bank were carried at cost, determined by the moving average method. Moreover, the same method was applied for the valuation of securities that were held as trust assets in individually managed money trusts with the principal objective of securities portfolio management. Securities held by the consolidated subsidiaries were principally carried at the lower of cost or market, determined by the moving average method.

(3) Derivatives

Derivatives for purposes other than trading are stated at the market value.

(4) Premises and Equipment

Depreciation for premises and equipment is computed using the declining balance method. Principal useful lives are as follows:

Buildings	6 years to 50 years
Equipment and furniture	2 years to 20 years

Premises and equipment of the consolidated subsidiaries are depreciated principally by the declining balance method over the estimated useful lives.

(5) Software

Depreciation of internal-use software is computed using the straight-line method based on useful life determined by the Bank and its consolidated subsidiaries (5 years).

(6) Reserve for Possible Loan Losses

Reserve made by the Bank was based on the Guidelines for Examination of Internal Controls Related Self-Assessment of Assets of Banks and Other Financial Institutions and for Auditing of Write-offs and Loan Loss Provisions issued as part of the Fourth Report of the Auditing Subcommittee for Banks and Other Financial Institutions of the Japan Certified Public Accountants Association. The reserve is provided for normally performing loans and loans to borrowers under close observation, based on the ratio sustained over a specific period in the past. The reserve is also provided for the loans to borrowers that are currently not in actual or effective bankruptcy, but are viewed as having a high probability of going into bankruptcy (Loans to Borrowers with Bankruptcy Imminent). In such cases, the anticipated proceeds from the sales of collateral pledged against such loans and the anticipated amount that may be recovered from guarantors of the loan are first subtracted from the book value of the loan. Then, the reserve for such loan is computed based on a comprehensive judgment regarding the borrower's ability to pay, which is deemed necessary. In addition, the reserve is also provided for loans to borrowers that are legally bankrupt, as evidenced by a declaration of bankruptcy, ongoing composition, or other similar circumstances (Loans to Borrowers under Bankruptcy Proceedings) and loans to borrowers in effectively similar conditions (Loans to Borrowers Substantially in Bankruptcy). In such cases, the reserve amount is equivalent to the loans outstanding after deduction of the anticipated proceeds from the sales of collateral pledged against such loans and the anticipated amount that may be recovered from guarantors of the loan.

Also, regarding the Reserve for Loans to Specific Countries, the expected amount of the losses on such loans arising from political and economic conditions in those countries has been included in the Reserve for Specific Overseas Loans.

The Bank conducts internal assessment of assets at its branches. The assessment is checked by the divisions authorized to approve loans, and the results are then audited by the Credit Assessment Office in the Audit & Inspection Division. Based on the assessment, an appropriate allowance is made for reserves for losses and write-offs of problem assets.

Reserves made by consolidated subsidiaries are provided for general claims in the amount deemed necessary based on their loan loss experience, and for doubtful claims in the amount deemed uncollectable based on the respective assessments.

(7) Reserve for Employees' Retirement Benefits

The Bank has a reserve for employees' retirement benefits based on estimated amounts of the actuarial retirement benefit obligation and the pension assets. Net actual gain (loss) is amortized using the straight-line method over 10 years commencing from the next fiscal year of incurrence. The net retirement benefit obligation at the adoption of new accounting standard was ¥20,385 million at April 1, 2000 and is being amortized using the straight-line method over 5 years.

For the year ended March 31, 2000, the Bank had a reserve for retirement allowance and a pension plan in line with its employee retirement benefit plans. The Bank also had adopted the Adjusted Pension Plan. As for the prior service cost, in consideration of the change in Retirement Allowance Accounting from April 2000, the amount was transferred to the Reserve for Retirement Allowances as an expense on an accrual basis.

(8) Reserve for Losses on Sales of Loans

The reserve for losses on sales of loans is provided in an amount judged necessary based on the collateral value of loans secured by real estate that are sold to Cooperative Credit Purchasing Company Ltd. or liquidated and on the Bank's assessment of the likelihood of future losses on sales of loans.

(9) Reserve under Special Laws

Pursuant to Article 51 of the Securities and Exchange Law and Article 35 of the Cabinet Office Ordinance on Securities Companies, Reserve for contingent liabilities from brokering of securities transactions is provided by Chuo Securities Co. Ltd.

(10) Reserve for Investment Losses

The reserve for investment losses is provided in an amount judged necessary for possible investment losses.

(11) Lease Transactions

Finance lease transactions, except for those that meet the conditions that the ownership of the leased assets is substantially transferred to the lessee, are accounted for on a basis similar to ordinary rental transactions.

(12) Method of Hedge Accounting

The method of accounting is a "Macro Hedge" in which the Bank manages interest rate risks arising from various assets and liabilities with derivatives transactions as a whole. The Bank applies a risk adjustment approach, deferred hedge accounting, based on the report issued by Japanese Institute of Certified Public Accountants "Tentative Treatments in Accounting and Audit for Banks on Application of Accounting Standard for Financial Instruments." The effectiveness of the hedging is reviewed for a reduction in interest rate risk exposure and for the actual risk amount of derivatives within the permitted risk amount under the Bank's risk control policies. In addition to macro hedge accounting, the Bank and its consolidated subsidiaries apply for a part of assets and liabilities deferred hedge accounting or exceptional treatments permitted for interest rate swaps.

(13) Consumption Taxes

Consumption tax and municipal consumption tax of the Bank and its domestic consolidated subsidiaries are primarily accounted for using the tax-excluded method.

(14) Accounting for Stockholders' Equity

The Consolidated Statements of Retained Earnings is provided based on the date of approval by the Annual General Meeting of the Bank.

(15) New Accounting Standards

The Chiba Bank, Ltd. and consolidated subsidiaries have adopted new accounting standards for retirement benefits and financial instruments effective from the year ended March 31, 2001, and for consolidation and tax effect accounting effective from the year ended March 31, 2000 in the preparation of their consolidated financial statements.

6

Cash Flows

7

Non-cash Transaction of Cash Flows

In preparing the consolidated statements of cash flows, cash and due from the Bank of Japan are considered to be cash and cash equivalents.

Significant amounts in Non-cash transaction of cash flows are as follows:

Increase in common stock from conversion of convertible bonds:	¥14,130 million
<u>Increase in capital surplus from conversion of convertible bonds:</u>	<u>¥14,130 million</u>
Decrease in convertible bonds from conversion:	¥28,260 million

<div style="background-color: black; color: white; text-align: center; padding: 2px;">8</div> Effect on Adoption of New Accounting Standard for Employees' Retirement Benefits	<p>The new accounting standard for Employees' Retirement Benefits was adopted for the current fiscal year. As a result, Income before Income Taxes decreased by ¥4,172 million. Reserve for Retirement Allowances, which was previously provided for non-pension retirement benefit and accrued expenses for prior service cost of pension plans, is now presented as Reserve for Employees' Retirement Benefits.</p>
<div style="background-color: black; color: white; text-align: center; padding: 2px;">9</div> Effect on Adoption of New Accounting Standard for Financial Instruments	<p>The new accounting standard for financial instruments such as Securities, Derivatives and Hedge Accounting was adopted for the current fiscal year. As a result, Income before Income Taxes decreased by ¥539 million. Unrealized gains and losses on securities available for sale is presented as Net Unrealized Gains on Investment Securities, Net of Taxes.</p>
<div style="background-color: black; color: white; text-align: center; padding: 2px;">10</div> Enterprise Taxes	<p>Pursuant to the application of "Municipal Ordinance concerning Special Treatment of Tax Base etc. for Enterprise Tax on Banking Business etc. in Tokyo Metropolis," the enterprise taxes related to business in Tokyo Metropolis, which was previously included in Provision for Income Taxes, is now included in Other Expenses by ¥239 million.</p>
<div style="background-color: black; color: white; text-align: center; padding: 2px;">11</div> U.S. Dollar Amounts	<p>U.S. dollar amounts are shown solely for the convenience of the readers of this Annual Report and are translated at the rate of ¥123.90 to \$1.00, the exchange rate prevailing at March 31, 2001.</p>
<div style="background-color: black; color: white; text-align: center; padding: 2px;">12</div> Loan Commitments	<p>Contracts of overdraft facilities and loan commitment limits are the contracts that the Bank lends to customers up to the prescribed limits in response to customers' application of loan as long as there is no violation of any condition in the contracts. The unused amount within the limits was ¥1,200,862 million relating to these contracts, including ¥1,192,118 million of which the term of contracts is less than one year or revocable at any time. Since many of these commitments expire without being drawn, the unused amount does not necessarily represent a future cash requirement. Most of these contracts have conditions that the Bank can refuse customers' application of loan or decrease the contract limits with proper reasons (e.g., changes in financial situation, deterioration in customers' creditworthiness). At the inception of contracts, the Bank obtains real estate, securities, etc. as collateral if considered to be necessary. Subsequently, the Bank performs periodic review of the customers' business results based on initial rules, and takes necessary measures to reconsider conditions in contracts and/or require additional collateral and guarantees.</p>
<div style="background-color: black; color: white; text-align: center; padding: 2px;">13</div> Premises Revaluation Account	<p>Pursuant to the Law concerning Revaluation of Premises, premises used for business operations have been revalued as of March 31, 1998. Premises revaluation excess is included in Shareholders' equity, net of income taxes.</p> <p style="margin-left: 20px;">Date of the revaluation March 31, 1998</p> <p style="margin-left: 20px;">The method of the revaluation (set forth in Article 3, Paragraph 3 of the Law)</p> <p style="margin-left: 20px;">Pursuant to Article 2, Subparagraph 4 of the Enforcement Ordinance for the Law concerning Revaluation of Premises, the premises price for the revaluation is determined based on the method established and published by the Director General of National Tax Agency in order to calculate the premises value for a basis of determining the taxable amount subject to premises value tax prescribed by Article 16 of the Premised Value Tax Law, reflecting appropriate adjustments for land shape and timing of the assessment. The difference between the revalued carrying amount and the fair value of premises revalued pursuant to the Article 10 of the law is ¥22,997 million.</p>
<div style="background-color: black; color: white; text-align: center; padding: 2px;">14</div> Subordinated Borrowings	<p>Subordinated Borrowings of ¥92,000 million are included in Borrowed Money.</p>
<div style="background-color: black; color: white; text-align: center; padding: 2px;">15</div> Subordinated Bonds	<p>Subordinated Bonds of ¥45,500 million are included in Bonds.</p>
<div style="background-color: black; color: white; text-align: center; padding: 2px;">16</div> Risk Monitored Loans	<p>Risk monitored loans as of March 31, 2001 and 2000 consisted of the following.</p>

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 11)
	2001	2000	2001
Loans to Companies Legally Bankrupt	¥ 57,411	¥ 48,628	\$ 463,373
Other Delinquent Loans	275,080	155,050	2,220,184
Loans Past Due 3 Months or More	18,380	24,949	148,350
Restructured Loans	103,664	129,213	836,680
Total	¥454,537	¥357,841	\$3,668,587

Assets Pledged

Assets pledged as collateral are as follows:

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 11)
	2001	2000	2001
Securities	¥317,829	¥ 81,129	\$2,565,211
Loans	7,049	120,207	56,893
Other	33,475	29,970	270,185

Liabilities related to above pledged assets are as follows:

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 11)
	2001	2000	2001
Deposits	¥ 46,774	¥ 48,583	\$ 377,515
Call Money and Bills Sold	17,800	54,400	143,664
Borrowed Money	35,344	31,136	285,268
Other	13,849	19,020	111,783

In addition, Securities of ¥200,799 million are pledged as collateral for settlement of exchange or as valuation margin.

Leased deposits of ¥7,986 million are included in Premises and Equipment. Initial margin for future contracts of ¥574 million and receivables under securities borrowing transactions of ¥11,553 million are included in Other Assets.

Premises and Equipment

Fixed assets are depreciated on the declining-balance method. Premises and Equipment as of March 31, 2001 and 2000 are shown at net of following accumulated depreciation:

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 11)
	2001	2000	2001
	¥94,513	¥95,701	\$762,819

Lease Transactions

(a) Finance Lease Transactions

Finance lease transactions, except where the ownership of the leased asset is regarded as being transferred to the lessee.

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 11)
	2001	2000	2001
Lessee Side			
Amount Corresponding to the Purchased Prices of the Leased Asset	¥369	¥288	\$2,978
Amount Corresponding to Accumulated Depreciation	226	179	1,825
Amount Corresponding to Balance at Fiscal Year End	¥142	¥109	\$1,153

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 11)
	2001	2000	2001
Amount Corresponding to Lease Payable (within 1 year)	¥ 46	¥ 39	\$ 376
Amount Corresponding to Lease Payable (over 1 year)	96	69	777
Total	¥142	¥109	\$1,153

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 11)
	2001	2000	2001
Lease Fees Paid	¥47	¥52	\$383
Amount Corresponding to Depreciation	47	52	383

Notes: 1. The lease period is set at the useful lifetime of the asset and the straight-line method of depreciation is used to compute the remaining value of the asset.

2. The amount corresponding to interest costs is the difference between total lease fees to be paid and the amount corresponding to the purchase prices of the leased asset. The interest method is used to allocate the amounts to applicable consolidated accounting years.

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 11)
	2001	2000	2001
Lessor Side			
Amount Corresponding to Lease Receivable (within 1 year)	¥11,218	¥ 9,736	\$ 90,545
Amount Corresponding to Lease Receivable (over 1 year)	25,947	22,827	209,422
Total	¥37,165	¥32,563	\$299,967
Receipt of Leasing Fee	¥11,202	¥ 9,607	\$ 90,412

(b) Operating Lease Transactions

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 11)
	2001	2000	2001
Lessee Side			
Amount Corresponding to Lease Payable (within 1 year)	—	—	—
Amount Corresponding to Lease Payable (over 1 year)	—	—	—
Total	—	—	—
Lessor Side			
Amount Corresponding to Lease Receivable (within 1 year)	¥116	¥75	\$ 942
Amount Corresponding to Lease Receivable (over 1 year)	13	8	105
Total	¥129	¥83	\$1,047

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Capital Ratios

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 11)
	2001	2000	2001
Tier I			
Common Shareholders' Equity	¥ 352,798	¥ 316,295	\$ 2,847,441
Total Tier I Capital	¥ 352,798	¥ 316,295	\$ 2,847,441
Tier II			
Unrealized Valuation Gains on Securities, after 55% Discount	¥ —	¥ 114	\$ —
Unrealized Gains on Investment Securities, after 55% Discount	7,561	—	61,030
Premises Revaluation Account, after 55% Discount	10,231	10,229	82,576
Reserve for Possible Loan Losses	31,938	40,931	257,777
Others	119,300	109,200	962,874
Total Tier II Capital	¥ 169,031	¥ 160,475	\$ 1,364,257
Deductions from Capital	¥ 2,673	¥ —	\$ 21,581
Total Capital	¥ 519,155	¥ 476,771	\$ 4,190,117
Total Risk-Adjusted Assets	¥4,915,999	¥4,911,955	\$39,677,157
Risk-Based Capital Ratio	10.56%	9.70%	10.56%

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Tax Effect

The principal reasons and breakdown for Deferred Tax Assets and Deferred Tax Liabilities are shown below:

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 11)
	2001	2000	2001
Deferred Tax Assets:			
Reserve for Possible Loan Losses	¥68,540	¥ 63,755	\$553,188
Reserve for Losses on Sales of Loans	12,705	12,555	102,549
Reserve for Retirement Allowance	—	3,854	—
Reserve for Employees' Retirement Benefits	6,860	—	55,373
Carried Forward Taxable Losses	2,712	17,280	21,894
Others	8,837	11,175	71,329
Total Deferred Tax Assets	¥99,657	¥108,621	\$804,338
Deferred Tax Liabilities:			
Unrealized Gains on Investment Securities	¥ (6,863)	¥ —	\$ (55,398)
Devaluation of Securities	(52)	(47)	(421)
Others	(1)	(0)	(11)
Total Deferred Tax Liabilities	¥ (6,917)	¥ (48)	\$ (55,828)
Net Deferred Tax Assets (Liabilities)	¥92,740	¥108,573	\$748,510

Trading Securities

(March 31, 2001)

	Millions of Yen (Note 1)	
	Amount in the Balance Sheet	Valuation Gain Included in Income before Income Taxes
Trading Securities	¥201,665	¥85

Marketable Securities Held to Maturity

(March 31, 2001)

	Millions of Yen (Note 1)				
	Amount in the Balance Sheet	Market Value	Differences	Gain	Loss
Government Bonds	¥3,997	¥3,999	¥1	¥1	¥—

Market Securities Available for Sale

(March 31, 2001)

	Millions of Yen (Note 1)				
	Cost	Amount in the Balance Sheet	Differences	Gain	Loss
Stocks	¥ 189,817	¥ 200,464	¥10,646	¥36,624	¥25,978
Bonds	¥ 977,788	¥ 986,833	¥9,044	¥ 9,143	¥ 98
Government Bonds	702,662	704,682	2,019	2,112	92
Local Government Bonds	50,999	53,220	2,220	2,220	0
Corporate Bonds	224,125	228,930	4,804	4,810	5
Others	¥ 273,610	¥ 270,517	¥ (3,093)	¥ 2,971	¥ 6,065
Total	¥1,441,216	¥1,457,814	¥16,597	¥48,740	¥32,142

Securities Available for Sale Sold

(March 31, 2001)

	Millions of Yen (Note 1)		
	Proceeds from Sale	Gain	Loss
Securities Available for Sale Sold	¥378,660	¥15,575	¥250

Securities for which Fair Value Is Not Readily Determinable

Millions of Yen (Note 1)

	Amount in the Balance Sheet
Other Securities	
Non-listed Stocks	¥ 7,329
Non-listed Foreign Securities	16,483
Private Notes	6,014

Repayment Schedule of Bonds Held

Millions of Yen (Note 1)

	Millions of Yen (Note 1)			
	Due in 1 year or less	Due from 1 year to 5 years	Due from 5 year to 10 years	Due after 10 years
Bonds	¥526,085	¥414,669	¥46,725	¥ 9,364
Government Bonds	470,592	221,972	9,115	7,000
Local Government Bonds	—	35,847	17,373	—
Corporate Bonds	55,492	156,850	20,237	2,364
Others	¥ 39,541	¥200,533	¥29,859	¥ 7,858
Total	¥565,626	¥615,203	¥76,585	¥17,223

Previous Year's Information on Market Value of Securities

(1) Securities

The market value of marketable securities as of March 31, 2000, was as follows:

(March 31, 2000)

Millions of Yen (Note 1)					
	Book Value	Market Value	Net Unrealized Gains (Losses)	Unrealized Gains	Unrealized Losses
Bonds	¥ 76,697	¥ 77,908	¥ 1,210	¥ 1,720	¥ 509
Stocks	200,420	263,802	63,381	87,932	24,551
Others	69,849	70,609	760	1,917	1,157
Total	¥346,968	¥412,321	¥65,352	¥91,571	¥26,218

Notes: 1. Figures in the above table are for marketable securities listed on securities exchanges.
The fair market value of listed bonds is calculated mainly using the closing prices on the Tokyo Stock Exchange at the balance sheet date.
Others are mainly foreign bonds.

2. Listed below are figures calculated to correspond to the fair market value of unlisted securities if it is possible to calculate.

(March 31, 2000)

Millions of Yen (Note 1)					
	Book Value	Market Value	Net Unrealized Gains (Losses)	Unrealized Gains	Unrealized Losses
Bonds	¥354,122	¥358,414	¥4,292	¥4,667	¥ 375
Stocks	2,234	2,512	278	807	529
Others	6,087	6,007	(79)	39	118
Total	¥362,444	¥366,935	¥4,490	¥5,514	¥1,023

Values of non-listed securities are calculated using the Japan Securities Dealers Association's Indication Chart for public bonds, and using standard prices for the beneficiary certificate of securities investment trusts. Others are mainly beneficiary certificates of securities.

3. Securities excluded from the above information on values of the consolidated balance sheet are principally as follows:

(March 31, 2000)

Millions of Yen (Note 1)	
	Book Value
Bonds	¥183,066
Stocks	10,107
Others	151,563
Total	¥344,736

4. Figures on trading account securities and securities related to trading transactions are omitted from the above tables because those securities are valued at market prices and evaluation gains (losses) are stated in the Consolidated Statements of Income.

(2) Money Held in Trust

(March 31, 2000)

Millions of Yen (Note 1)					
	Book Value	Market Value	Net Unrealized Gains (Losses)	Unrealized Gains	Unrealized Losses
Money Held in Trust	¥25,362	¥25,367	¥5	¥10	¥4

Notes: The market value represents the prices that the fiduciaries of money held in trust calculated in accordance with the following method.
1. The fair market value of listed bonds is calculated mainly using the closing prices on the Tokyo Stock Exchange at the consolidated balance sheet date.
2. Values of non-listed stocks are calculated using the Japan Securities Dealers Association's figures for securities traded over the counter.

Independent Auditors' Report (Consolidated)

Auditors' Report

The Board of Directors and Shareholders
The Chiba Bank, Ltd.

We have audited the consolidated balance sheets of The Chiba Bank, Ltd. and consolidated subsidiaries as of March 31, 2001 and 2000, and the related consolidated statements of income, retained earnings and cash flows for the years then ended, all expressed in yen. Our audits were made in accordance with auditing standards, procedures and practices generally accepted and applied in Japan and, accordingly, included such tests of the accounting records and other auditing procedures as we considered necessary in the circumstances.

In our opinion, the consolidated financial statements referred to above, expressed in yen, present fairly the financial position of The Chiba Bank, Ltd. and consolidated subsidiaries at March 31, 2001 and 2000, and the results of their operations and their cash flows for the years then ended, in conformity with accounting principles and practices generally accepted in Japan, applied on a consistent basis.

As described in Note 5 (15), 8 and 9 to the consolidated financial statements, The Chiba Bank, Ltd. and consolidated subsidiaries have adopted new accounting standards for retirement benefits and financial instruments effective from the year ended March 31, 2001, and for consolidation and tax effect accounting effective from the year ended March 31, 2000 in the preparation of their consolidated financial statements.

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2001 are presented solely for the convenience of the reader. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 12 to the consolidated financial statements.

Century Ota Showa & Co.

Century Ota Showa & Co.
Tokyo, Japan
June 28, 2001

See Note 1 to the consolidated financial statements which explains the basis of preparing the consolidated financial statements of The Chiba Bank, Ltd. and consolidated subsidiaries under Japanese accounting principles and practices.

Non-Consolidated Balance Sheets

The Chiba Bank, Ltd. As of March 31, 2001 and 2000

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 3)
	2001	2000	2001
ASSETS			
Cash and Due from Banks	¥ 182,114	¥ 450,491	\$ 1,469,849
Call Loans and Bills Bought	139,200	122,723	1,123,487
Commercial Paper and Other Debt Purchased	24	60	196
Trading Assets (Note 4)	205,199	110,696	1,656,173
Money Held in Trust	13,354	25,362	107,781
Securities (Note 5,7)	1,485,083	1,055,838	11,986,148
Loans and Bills Discounted (Note 6,7)	5,597,488	5,619,200	45,177,470
Foreign Exchanges (Note 8)	2,294	2,834	18,517
Other Assets (Note 9)	87,010	72,336	702,267
Premises and Equipment (Note 10)	110,021	110,537	887,987
Deferred Tax Assets (Note 25)	92,359	108,765	745,439
Customers' Liabilities for Acceptances and Guarantees	187,160	168,460	1,510,577
Reserve for Possible Loan Losses	(194,311)	(174,519)	(1,568,289)
Reserve for Investment Losses	(57)	(7)	(461)
Total Assets	¥7,906,943	¥7,672,781	\$63,817,141
LIABILITIES AND STOCKHOLDERS' EQUITY			
Liabilities			
Deposits (Note 7,11)	¥6,990,874	¥6,680,950	\$56,423,524
Call Money and Bills Sold (Note 7)	18,171	54,930	146,664
Trading Liabilities (Note 12)	4,724	5,271	38,128
Borrowed Money (Note 13)	147,879	129,799	1,193,537
Foreign Exchanges (Note 14)	259	200	2,091
Convertible Bonds	—	29,985	—
Other Liabilities (Note 15)	131,444	231,267	1,060,894
Reserve for Retirement Allowances	—	13,862	—
Reserve for Employees' Retirement Benefits	20,835	—	168,167
Reserve for Losses on Sales of Loans	30,764	30,401	248,303
Other Reserves	—	0	—
Deferred Tax Liabilities for Premises Revaluation	9,389	9,388	75,787
Acceptances and Guarantees	187,160	168,460	1,510,577
Total Liabilities	¥7,541,504	¥7,354,518	\$60,867,672
Stockholders' Equity			
Common Stock (Note 16)	¥ 121,019	¥ 106,888	\$ 976,748
Capital Surplus	98,178	84,047	792,398
Legal Reserve	50,430	49,641	407,023
Premises Revaluation Account	13,346	13,343	107,716
Voluntary Reserves	58,671	47,671	473,536
Retained Earnings	14,056	16,670	113,449
Net Unrealized Gains on Investment Securities, Net of Taxes	9,738	—	78,599
Total Stockholders' Equity	365,439	318,262	2,949,469
Total Liabilities and Stockholders' Equity	¥7,906,943	¥7,672,781	\$63,817,141

See notes to financial statements.

Non-Consolidated Statements of Income and Retained Earnings of Income and Retained Earnings

The Chiba Bank, Ltd. For the Years Ended March 31, 2001 and 2000

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 3)
	2001	2000	2001
Income			
Interest Income:.....	¥178,535	¥179,350	\$1,440,962
Interest on Loans and Discounts	141,625	142,810	1,143,064
Interest and Dividends on Securities	25,185	23,854	203,274
Other Interest Income.....	11,723	12,685	94,625
Fees and Commissions.....	19,935	19,587	160,896
Trading Income (Note 17)	564	401	4,555
Other Operating Income (Note 18)	6,109	3,690	49,311
Other Income (Note 19)	13,712	10,797	110,675
Transfer from Reserves	0	0	0
Total Income	¥218,856	¥213,827	\$1,766,400
Expenses			
Interest Expenses:	¥ 46,807	¥ 46,695	\$ 377,788
Interest on Deposits	30,321	25,546	244,722
Interest on Borrowings and Rediscounts	4,880	4,175	39,388
Other Interest Expenses	11,606	16,972	93,678
Fees and Commissions.....	7,416	6,920	59,856
Trading Expenses (Note 20).....	155	331	1,255
Other Operating Expenses (Note 21).....	2,219	5,028	17,914
General and Administrative Expenses	78,385	81,706	632,650
Other Expenses (Note 22).....	61,096	43,444	493,114
Total Expenses	¥196,081	¥184,126	\$1,582,577
Income Before Income Taxes.....	¥ 22,775	¥ 29,701	\$ 183,823
Income Taxes — Current	112	131	905
Income Taxes — Deferred.....	9,556	13,283	77,129
Net Income	¥ 13,107	¥ 16,285	\$ 105,789
Retained Earnings			
Balance at the Beginning of the Year	¥ 16,670	¥ 32,062	\$ 134,547
Voluntary Reserve.....	(2)	—	(22)
Net Income	13,107	16,285	105,789
Prior Year Adjustment to Income Taxes and Others	—	—	—
Deductions:			
Transfer to Legal Reserve.....	788	788	6,368
Dividends	3,889	3,889	31,393
Bonuses for Directors.....	40	—	323
Transfer to Voluntary Reserve.....	11,000	27,000	88,781
Balance at the End of the Year	¥ 14,056	¥ 16,670	\$ 113,449

Notes to Non-Consolidated Financial Statements

The Chiba Bank, Ltd. For the Years Ended March 31, 2001 and 2000

1 Basis of Presentation

The Chiba Bank, Ltd. (the "Bank") maintains its books of account in accordance with the provisions set forth in the Japanese Commercial Code and in conformity with accounting principles and practices generally accepted in Japan, which may differ in some material respects from accounting principles and practices generally accepted in countries and jurisdictions other than Japan.

The accompanying non-consolidated financial statements have been compiled from the non-consolidated financial statements filed with the Ministry of Finance as required by the Securities and Exchange Law of Japan. The classification of accounts is in conformity with the Enforcement Regulation concerning Banking Law of Japan.

In preparing the accompanying non-consolidated financial statements, in accordance with Enforcement Regulation concerning Banking Law of Japan, Japanese yen amounts are presented in millions of Yen by rounding down figures below one million. As a result, the totals in Yen in the accompanying consolidated financial statements do not necessarily agree with the sums of individual amounts.

2 Significant Accounting Policies

Refer to Notes to Consolidated Financial Statements.

3 U.S. Dollar Amounts

U.S. dollar amounts are shown solely for the convenience of the readers of this Annual Report and are translated at the rate of ¥123.90 to \$1.00, the exchange rate prevailing at March 31, 2001.

4 Trading Assets

Trading Assets as of March 31, 2001 and 2000 consisted of the following:

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 3)
	2001	2000	2001
Trading Account Securities	¥ 3,085	¥ 2,197	\$ 24,903
Derivatives of Trading Account Securities	6	16	53
Derivatives	4,117	2,991	33,234
Other Trading Assets	197,989	105,490	1,597,983
Total	¥205,199	¥110,696	\$1,656,173

5 Securities

Securities as of March 31, 2001 and 2000 consisted of the following:

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 3)
	2001	2000	2001
Japanese National Government Bonds	¥704,682	¥ 353,904	\$ 5,687,510
Japanese Local Government Bonds	53,220	75,546	429,541
Japanese Corporate Bonds and Financial Debentures	234,944	184,436	1,896,245
Japanese Corporate Stocks	210,600	213,378	1,699,761
Other Securities	281,635	228,572	2,273,091
Total	¥1,485,083	¥1,055,838	\$11,986,148

6 Loans and Bills Discounted

(a) Loans and Bills Discounted as of March 31, 2001 and 2000 consisted of the following:

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 3)
	2001	2000	2001
Bills Discounted	¥ 94,492	¥ 93,402	\$ 762,649
Loans on Bills	528,076	548,555	4,262,118
Loans on Deeds	4,306,428	4,229,455	34,757,291
Overdrafts	668,491	747,786	5,395,412
Total	¥5,597,488	¥5,619,200	\$45,177,470

(b) Risk Monitored Loans as of March 31, 2001 and 2000 consisted of the following:

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 3)
	2001	2000	2001
Loans to Companies Legally Bankrupt	¥ 55,656	¥ 30,040	\$ 449,202
Other Delinquent Loans	275,697	156,317	2,225,164
Loans Past Due 3 Months or More	17,991	24,640	145,208
Restructured Loans	102,749	128,310	829,298
Total	¥452,095	¥339,308	\$3,648,882

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Assets Pledged

Assets pledged as collateral are as follows:

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 3)
	2001	2000	2001
Securities	¥317,014	¥ 80,222	\$2,558,634
Loans	3,450	120,207	27,845

Liabilities related to above pledged assets are as follows:

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 3)
	2001	2000	2001
Deposits	¥46,774	¥48,583	\$377,515
Bills Sold	17,800	54,400	143,664
Other	13,849	19,020	111,783

In addition, Securities of ¥200,759 million are pledged as collateral for settlement of exchange or as valuation margin.

8

Foreign Exchange Assets

Foreign Exchange Assets as of March 31, 2001 and 2000 consisted of the following:

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 3)
	2001	2000	2001
Due from Foreign Correspondents	¥ 976	¥1,005	\$ 7,884
Foreign Bills of Exchange Bought	345	724	2,789
Foreign Bills of Exchange Receivable	971	1,104	7,844
Total	¥2,294	¥2,834	\$18,517

9

Other Assets

Other Assets as of March 31, 2001 and 2000 consisted of the following:

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 3)
	2001	2000	2001
Domestic Exchange Settlement	¥ 3,317	¥ 2,155	\$ 26,772
Accrued Income	16,947	17,334	136,786
Prepaid Expenses	381	523	3,076
Others	66,364	52,323	535,633
Total	¥87,010	¥72,336	\$702,267

10

Premises and Equipment

Fixed assets are depreciated on the declining-balance method. Premises and Equipment as of March 31, 2001 and 2000 are shown at net of following accumulated depreciation:

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 3)
	2001	2000	2001
	¥89,614	¥90,410	\$723,280

11

Deposits

Deposits as of March 31, 2001 and 2000 consisted of the following:

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 3)
	2001	2000	2001
Current Deposits	¥ 180,078	¥ 166,720	\$ 1,453,418
Ordinary Deposits	2,234,226	2,028,279	18,032,498
Savings Deposits	503,655	525,879	4,065,017
Deposits at Notice	36,500	42,734	294,596
Time Deposits	3,726,087	3,715,174	30,073,342
Other Deposits	112,089	130,839	904,677
Sub Total	6,792,637	6,609,627	54,823,548
Negotiable Certificates of Deposit	198,237	71,322	1,599,976
Total	¥6,990,874	¥6,680,950	\$56,423,524

12

Trading Liabilities

Trading Liabilities as of March 31, 2001 and 2000 consisted of the following:

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 3)
	2001	2000	2001
Trading Account Securities Sold, Not Yet Purchased	¥ 582	¥2,155	\$4,702
Derivatives of Trading Account Securities	4	26	40
Derivatives of Trading Securities	—	2	—
Derivatives	4,136	3,087	33,386
Total	¥4,724	¥5,271	\$38,128

13

Borrowed Money

Borrowed Money as of March 31, 2001 and 2000 consisted of the following:

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 3)
	2001	2000	2001
Borrowings from The Bank of Japan and Other Financial Institutions	¥147,879	¥129,799	\$1,193,537
Total	¥147,879	¥129,799	\$1,193,537

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Foreign Exchange
Liabilities

Foreign Exchange Liabilities as of March 31, 2001 and 2000 consisted of the following:

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 3)
	2001	2000	2001
Due from Foreign Banks	¥ 9	¥ 0	\$ 77
Foreign Bills Sold	237	200	1,913
Foreign Bills of Exchange Payable	12	0	101
Total	¥259	¥200	\$2,091

15

Other Liabilities

Other Liabilities as of March 31, 2001 and 2000 consisted of the following:

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 3)
	2001	2000	2001
Domestic Exchange Settlement	¥ 23	¥ 830	\$ 187
Accrued Expenses	14,338	29,666	115,723
Unearned Income	3,512	4,293	28,352
Accrued Income Taxes	333	94	2,688
Others	113,237	196,382	913,945
Total	¥131,444	¥231,267	\$1,060,895

16

Common Stock

The number of the Bank's authorized shares was 2,500,000,000 as of March 31, 2001. The number of shares in issue as of March 31, 2001 and 2000 was as follows.

	Number of Shares	
	2001	2000
Shares in Issue	845,521,087	777,911,094

17

Trading Income

The composition of Trading Income for the years ended March 31, 2001 and 2000 was as follows:

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 3)
	2001	2000	2001
Gains on Sales of Trading Account Securities	¥ 23	¥ —	\$ 188
Gain on Derivatives	—	132	—
Other Trading Income	541	269	4,367
Total	¥564	¥401	\$4,555

18

Other Operating Income

The composition of Other Operating Income for the years ended March 31, 2001 and 2000 was as follows:

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 3)
	2001	2000	2001
Gains on Foreign Exchange Transactions	¥1,167	¥ 926	\$ 9,424
Gains on Sales of Bonds	4,940	2,692	39,874
Gains on Redemption of Bonds	—	67	—
Others	1	3	14
Total	¥6,109	¥3,690	\$49,311

19

Other Income

The composition of Other Income for the years ended March 31, 2001 and 2000 was as follows:

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 3)
	2001	2000	2001
Gains on Sales of Stocks and Other Securities	¥10,635	¥ 8,273	\$ 85,839
Gains on Money Held in Trust	159	30	1,289
Others	2,917	2,493	23,547
Total	¥13,712	¥10,797	\$110,675

20

Trading Expenses

The composition of Trading Expenses for the years ended March 31, 2001 and 2000 was as follows:

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 3)
	2001	2000	2001
Expenses on Trading Account Securities	¥134	¥290	\$1,083
Expenses on Trading Securities	—	41	—
Expenses on Derivatives	21	—	172
Total	¥155	¥331	\$1,255

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Other Operating Expenses

The composition of Other Operating Expenses for the years ended March 31, 2001 and 2000 was as follows:

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 3)
	2001	2000	2001
Losses on Sales of Bonds	¥ 244	¥1,827	\$ 1,976
Losses on Redemption of Bonds	—	3,199	—
Other Expenses on Derivatives	1,974	—	15,938
Others	—	2	—
Total	¥2,219	¥5,028	\$17,914

Other Expenses

The composition of Other Expenses for the years ended March 31, 2001 and 2000 was as follows:

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 3)
	2001	2000	2001
Provision for Possible Loan Losses	¥40,638	¥23,260	\$327,992
Write-off of Claims	57	57	466
Losses on Sales of Stock and Other Securities	5	83	41
Losses on Devaluation of Stocks and Other Securities	5,123	2,908	41,350
Losses on Money Held in Trust	75	35	609
Others	15,197	17,098	122,656
Total	¥61,096	¥43,444	\$493,114

Others include the following for the year ended March 31, 2001:

- 1) Provision for losses on sales of loans: ¥7,523 million
- 2) Expenses due to adoption of new accounting standard for employees' retirement benefits: ¥4,025 million
- 3) Losses on sales of loans: ¥1,982 million
- 4) Reserve for Specific Overseas Loans included in Provision for Possible Loan Losses decreased by ¥639 million.

Lease Transactions

Finance Lease Transactions

Finance lease transactions, except where the ownership of the leased asset is regarded as being transferred to the lessee.

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 3)
	2001	2000	2001
Lessee Side			
Amount Corresponding to the Purchased Prices of the Leased Asset	¥2,272	¥2,673	\$18,338
Amount Corresponding to Accumulated Depreciation	2,033	2,201	16,408
Amount Corresponding to Balance at Fiscal Year End	¥ 239	¥ 471	\$ 1,930

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 3)
	2001	2000	2001
Amount Corresponding to Lease Payable (within 1 year)	¥132	¥287	\$1,071
Amount Corresponding to Lease Payable (over 1 year)	106	184	859
Total	¥239	¥471	\$1,930

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 3)
	2001	2000	2001
Lease Fees Paid	¥287	¥458	\$2,316
Amount Corresponding to Depreciation	287	458	2,316

- Notes: 1. The lease period is set at the useful lifetime of the asset and the straight-line method of depreciation is used to compute the remaining value of the asset.
2. The amount corresponding to interest costs is the difference between total lease fees to be paid and the amount corresponding to the purchase prices of the leased asset. The interest method is used to allocate the amounts to applicable consolidated accounting years.

Capital Ratios

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 3)
	2001	2000	2001
Tier I			
Common Shareholders' Equity	¥ 339,996	¥ 302,933	\$ 2,744,122
Total Tier I Capital	¥ 339,996	¥ 302,933	\$ 2,744,122
Tier II			
Unrealized Valuation Gains on Securities, after 55% Discount	¥ —	¥ —	\$ —
Unrealized Gains on Investment Securities, after 55% Discount	7,465	—	60,254
Premises Revaluation Account, after 55% Discount	10,231	10,229	82,576
Reserve for Possible Loan Losses	31,476	40,357	254,045
Others	119,300	109,200	962,874
Total Tier II Capital	¥ 168,472	¥ 159,786	\$ 1,359,749
Deductions from Capital	¥ 101	¥ —	\$ 817
Total Capital	¥ 508,368	¥ 462,720	\$ 4,103,054
Total Risk-Adjusted Assets	¥4,860,870	¥4,853,091	\$39,232,207
Risk-Based Capital Ratio	10.45%	9.53%	10.45%

Tax Effect

The principal reasons and breakdown for Deferred Tax Assets and Deferred Tax Liabilities are shown below:

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 3)
	2001	2000	2001
Deferred Tax Assets:			
Reserve for Possible Loan Losses	¥68,037	¥ 63,773	\$549,131
Reserve for Losses on Sales of Loans	12,705	12,555	102,549
Reserve for Retirement Allowance	—	3,835	—
Reserve for Employees' Retirement Benefits	6,839	—	55,201
Carried Forward Taxable Losses	2,266	16,904	18,295
Other	9,363	11,696	75,574
Total Deferred Tax Assets	¥99,212	¥108,766	\$800,750
Deferred Tax Liabilities:			
Unrealized Gains on Investment Securities	¥ (6,851)	¥ —	\$ (55,300)
Other	(1)	(0)	(11)
Total Deferred Tax Liabilities	¥ (6,853)	¥ (0)	\$ (55,311)
Net Deferred Tax Assets (Liabilities)	¥92,359	¥108,765	\$745,439

Independent Auditors' Report (Non-Consolidated)

Auditors' Report

The Board of Directors and Shareholders
The Chiba Bank, Ltd.

We have audited the non-consolidated balance sheets of The Chiba Bank, Ltd. as of March 31, 2001 and 2000, and the related non-consolidated statements of income and retained earnings for the years then ended, all expressed in yen. Our audits were made in accordance with auditing standards, procedures and practices generally accepted and applied in Japan and, accordingly, included such tests of the accounting records and other auditing procedures as we considered necessary in the circumstances.

In our opinion, the non-consolidated financial statements referred to above, expressed in yen, present fairly the financial position of The Chiba Bank, Ltd. at March 31, 2001 and 2000, and the results of its operations for the years then ended, in conformity with accounting principles and practices generally accepted in Japan, applied on a consistent basis.

As described in Notes 5 (15), 8 and 9 to the consolidated financial statements, The Chiba Bank, Ltd. has adopted new accounting standards for retirement benefits and financial instruments effective from the year ended March 31, 2001, and for tax effect accounting effective from the year ended March 31, 2000 in the preparation of its financial statements.

The U.S. dollar amounts in the accompanying non-consolidated financial statements with respect to the year ended March 31, 2001 are presented solely for the convenience of the reader. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 3 to the non-consolidated financial statements.

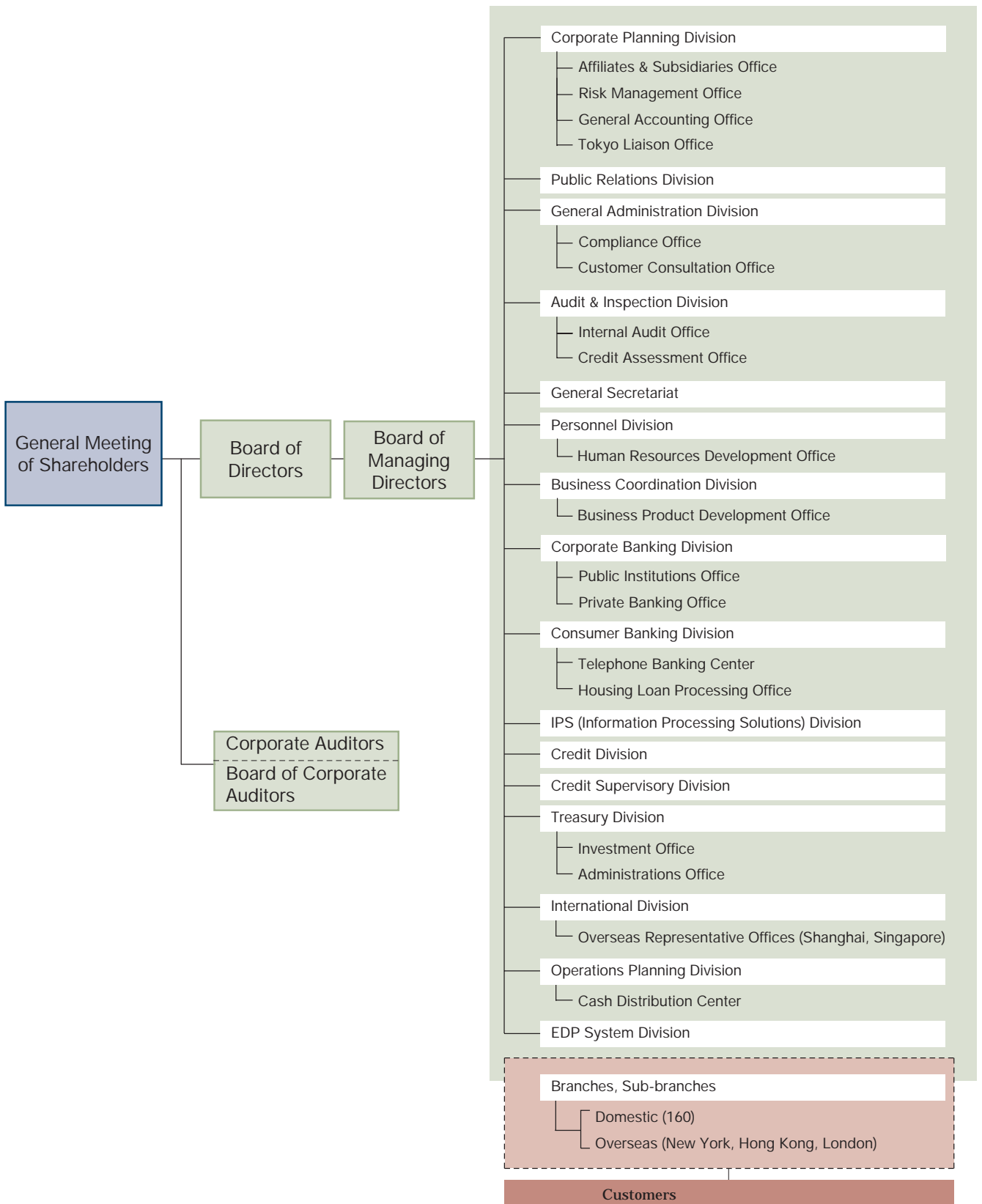


Century Ota Showa & Co.
Tokyo, Japan
June 28, 2001

See Note 1 to the non-consolidated financial statements which explains the basis of preparing the non-consolidated financial statements of The Chiba Bank, Ltd. under Japanese accounting principles and practices.

Organization

As of June 29, 2001



Board of Directors

Directors

As of June 29, 2001

President
Tsuneo Hayakawa

Deputy President
Toshiaki Ishii

Senior Managing Directors
Yoshinori Ichihara
Tadashi Takeyama

Managing Directors
Tetsuo Suzuki
Tetsuhiro Kashima
Minoru Shingyouchi
Nobuyoshi Imai

Directors
Hiroshi Nishikawa
Tetsuo Oiwa
Kenji Iwase
Nobuhisa Yashiro
Kenji Yasui
Masamichi Abe
Shoichiro Nemoto
Toshio Yoshii
Yoshiyuki Kumano
Yukio Kusakabe

Corporate Auditors
Hiroshi Satoh (Standing)
Shingo Hono (Standing)
Yutaka Yamazaki (Standing)
Kanro Iwai
Hiroshi Sakuma

Affiliates at a Glance

at a Glance

As of June 29, 2001

Sobu Co., Ltd.
1-7-12, Hanazono, Hanamigawa-ku,
Chiba City, Chiba 262-0025
Principal Business: Rental and maintenance of the Chiba Bank office buildings and welfare facilities; purchase and sale of supplies and consumer goods
Established: Sept. 7, 1959
Capital: ¥20 million
Equity Ownership
By Chiba Bank: 100%

Chibagin Cash Business Co., Ltd.
1-2, Chiba-minato, Chuo-ku,
Chiba City, Chiba 260-8720
Principal Business: Cash and securities examinations fee collection services
Established: March 15, 1983
Capital: ¥20 million
Equity Ownership
By Chiba Bank: 100%

Chibagin Accounting Service Co., Ltd.
8-4, Chiba-minato, Chuo-ku,
Chiba City, Chiba 260-0026
Principal Business: Temporary staff services, accounting and general administration
Established: Dec. 22, 1989
Capital: ¥20 million
Equity Ownership
By Chiba Bank: 100%

Chibagin Business Service Co., Ltd.
1-2, Chiba-minato, Chuo-ku,
Chiba City, Chiba 260-8720
Principal Business: Intensive back-office processing
Established: March 25, 1993
Capital: ¥20 million
Equity Ownership
By Chiba Bank: 100%

Chibagin General Management Co., Ltd.
1-2, Chiba-minato, Chuo-ku,
Chiba City, Chiba 260-8720
Principal Business: Retention and liquidation of auctioned real estate collateral on the Chiba Bank loans, etc.
Established: June 29, 1995
Capital: ¥450 million
Equity Ownership
By Chiba Bank: 100%

Chibagin Loan Business Support Co., Ltd.
3-17-5, Inage-higashi, Inage-ku,
Chiba City, Chiba 263-0031
Principal Business: Survey and evaluation of collateral real estate
Established: July 1, 1999
Capital: ¥20 million
Equity Ownership
By Chiba Bank: 100%

Chibagin Guarantee Co., Ltd.
3-17-5, Inage-higashi, Inage-ku,
Chiba City, Chiba 263-0031
Principal Business: Housing-loan guarantees, collateral appraisal services
Established: May 1, 1978
Capital: ¥50 million
Equity Ownership
By Chiba Bank: 49%
By its subsidiaries: 41%

Chibagin JCB Card Co., Ltd.
1-14-11, Fujimi, Chuo-ku,
Chiba City, Chiba 260-0015
Principal Business: Credit card business
Established: Nov. 1, 1982
Capital: ¥50 million
Equity Ownership
By Chiba Bank: 40%
By its subsidiaries: 30%

Chibagin Capital Co., Ltd.
8-4, Chiba-minato, Chuo-ku,
Chiba City, Chiba 260-0026
Principal Business: Consulting services concerned with the expansion of shareholders' equity, public issues, stock-exchange listing, etc.
Established: May 29, 1984
Capital: ¥100 million
Equity Ownership
By Chiba Bank: 30%
By its subsidiaries: 30%

Chibagin Asset Management Co., Ltd.
5-3, Nihombashi Muromachi
1-chome, Chuo-ku, Tokyo
103-0022
Principal Business: Consulting for portfolio investments of client financial assets
Established: March 31, 1986
Capital: ¥200 million
Equity Ownership
By Chiba Bank: 35%
By its subsidiaries: 45%

Chibagin Lease Co., Ltd.
2-1-22, Hanazono, Hanamigawa-ku,
Chiba City, Chiba 262-0025
Principal Business: Leasing, loans
Established: Dec. 15, 1986
Capital: ¥100 million
Equity Ownership
By Chiba Bank: 5%
By its subsidiaries: 50%

Chibagin Factor Co., Ltd.
39-10, Sakae-cho, Chuo-ku,
Chiba City, Chiba 260-0016
Principal Business: Claims purchasing, fee collection services, credit guarantees
Established: Feb. 3, 1989
Capital: ¥50 million
Equity Ownership
By Chiba Bank: 5%
By its subsidiaries: 75%

Chibagin DC Card Co., Ltd.
1-14-11, Fujimi, Chuo-ku,
Chiba City, Chiba 260-0015
Principal Business: Credit card business
Established: Feb. 16, 1989
Capital: ¥50 million
Equity Ownership
By Chiba Bank: 30%
By its subsidiaries: 65%

Chibagin Research Institute, Ltd.
2-3-12, Konakadai, Inage-ku,
Chiba City, Chiba 263-0043
Principal Business: Information services and surveys, training services, consulting on computer systems, etc.
Established: Feb. 28, 1990
Capital: ¥150 million
Equity Ownership
By Chiba Bank: 5%
By its subsidiaries: 70%

Chibagin Computer Service Co., Ltd.
6-12, Oyuminochuo, Midori-ku,
Chiba City, Chiba 266-0032
Principal Business: Computer systems development, commissioned computation tasks
Established: April 1, 1980
Capital: ¥150 million
Equity Ownership
By Chiba Bank: 12%
By its subsidiaries: 54%

Chuo Securities Co., Ltd.
8-1, Nihombashi-ningyo-cho,
3-chome, Chuo-ku, Tokyo 103-0013
Principal Business: Securities business
Established: March 27, 1944
Capital: ¥4,374 million
Equity Ownership
By Chiba Bank: 41.28%
By its subsidiaries: 7.33%

Chiba International Ltd.
Atlas House, 1 King Street,
London EC2V 8AU, U.K.
Principal Business: Securities underwriting, sales and investments
Established: March 2, 1992
Capital: £6 million
Equity Ownership
By Chiba Bank: 100%

Chiba Capital Funding (Cayman) Ltd.
Ugland House, P.O. Box 309, George
Town, Grand Cayman, Cayman Islands,
British West Indies
Principal Business: Finance
Established: January 13, 1998
Capital: US\$1,000
Equity Ownership
By Chiba Bank: 100%

Corporate Data and Investor Information

Investor Information

As of March 31, 2001

Head Office

1-2, Chiba-minato, Chuo-ku,
Chiba City, Chiba 260-8720, Japan
Telephone: (043) 245-1111
Internet URL Address: <http://www.chibabank.co.jp/>

International Division

5-3, Nihombashi Muromachi 1-chome,
Chuo-ku, Tokyo 103-0022, Japan
Telephone: (03) 3270-8351 Fax: (03) 3242-1735/1736
Telex: J26666
Cable Address: CHIBABK
SWIFT Address: CHBA JPJT

Treasury Division

5-3, Nihombashi Muromachi 1-chome,
Chuo-ku, Tokyo 103-0022, Japan
Telephone: (03) 3270-8351 Fax: (03) 3246-0278
Telex: J23671
Cable Address: CHIBABK
SWIFT Address: CHBA JPJT

Established: March 1943

Domestic Network: 160 offices

Overseas Network: 5 locations

Number of Employees: 4,416

Paid-in Capital: ¥121 billion

General Meeting of Stockholders: Annually in June

Authorized Number of Shares: 2,500,000 thousand

Shares of Common Stock Issued

and Outstanding: 845,521 thousand

Number of Stockholders: 24,763

Ticker Code: 8331

Transfer Agent: Japan Securities Agents, Ltd.

2-4, Nihombashi Kayabacho 1-chome
Chuo-ku, Tokyo 103-8202

New York Branch

1133 Avenue of the Americas, 15th Floor,
New York, NY 10036, U.S.A.
Telephone: 1-212-354-7777 Fax: 1-212-354-8575
Telex: 251829 CHIBA NYK

Hong Kong Branch

Unit 2510, One Pacific Place, 88 Queensway, Hong Kong
Telephone: 852-2840-1222 Fax: 852-2840-0507
Telex: 62737 CHBK HX

London Branch

3rd Floor, Atlas House 1 King Street,
London EC2V 8AU, U.K.
Telephone: 44-20-7315-3111 Fax: 44-20-7600-3452
Telex: 8812534 CHIBAL G

Shanghai Representative Office

Room 707, Shanghai International Trade Center,
2200 Yan-An Road (West), Shanghai, P.R.C. 200335
Telephone: 86-21-62780482 Fax: 86-21-62780422

Singapore Representative Office

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

Chiba International Ltd.

Atlas House, 1 King Street, London EC2V 8AU, U.K.
Telephone: 44-20-7315-3115 Fax: 44-20-7315-3113
Telex: 8813162 CHIBAL G

Chiba Capital Funding (Cayman) Ltd.

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

Principal Shareholders

The ten largest shareholders of the Bank and their respective shareholdings at March 31, 2001 were as follows:

	Number of Shares (in thousands)*	Percentage of Total Shares in Issue**
The Bank of Tokyo-Mitsubishi, Ltd.	38,893	4.59
The Sanwa Bank, Limited	38,893	4.59
Japan Trustee Services Bank, Ltd. (Trust Account)	31,528	3.72
Nippon Life Insurance Company	30,670	3.62
Nippon Fire & Marine Insurance Co., Ltd.	28,905	3.41
Daiichi Life Insurance Company	25,678	3.03
Sumitomo Life Insurance Company	21,294	2.51
Meiji Life Insurance Company	19,079	2.25
MG and Co. PB605	18,990	2.24
The Toyo Trust & Banking Co., Ltd. (Trust Account A)	18,060	2.13

*Rounded off to the nearest thousand

**Rounded off at two decimal places

THE CHIBA BANK, LTD.

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<http://www.chibabank.co.jp/>