

Summary of Consolidated Interim Financial Results (September 30, 2002/Unaudited)

November 25, 2002

Resona Holdings, Inc.

2-2-1 Bingomachi, Chuo-ku, Osaka, Japan

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

(1) Consolidated Operating Results

	Ordinary income		Ordinary profit (loss)		Net income (loss)	
	<i>Million yen</i>	%	<i>Million yen</i>	%	<i>Million yen</i>	%
September 30, 2002	639,264	-	22,358	-	13,518	-
September 30, 2001	-	-	-	-	-	-
March 31, 2002	1,361,343	-	(1,160,102)	-	(931,876)	-

	Net income (loss) per share	Net income per share (potential equity adjusted)
	<i>Yen</i>	<i>Yen</i>
September 30, 2002	2.49	1.49
September 30, 2001	-	-
March 31, 2002	(174.57)	-

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

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

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

- million yen (Six months ended September 30, 2001)

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

(2,713) million yen (fiscal year ended March 31, 2002)

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

5,417,942,601 shares (Six months ended September 30, 2002)

Average number of ordinary shares issued (consolidated):

- shares (Six months ended September 30, 2001)

Average number of ordinary shares issued (consolidated):

5,396,193,095 shares (fiscal year ended March 31, 2002)

(3) There were no changes in accounting policies.

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

(2) Consolidated Financial Position

	Total assets	Shareholders' equity	Shareholders' equity ratio	Shareholders' equity per share	Consolidated capital assets ratio (Japanese Standard)
	<i>Million yen</i>	<i>Million yen</i>	%	<i>Yen</i>	%
September 30, 2002	41,786,684	1,026,915	2.5	28.10	7.92
September 30, 2001	-	-	-	-	-
March 31, 2002	44,952,488	1,289,058	2.9	76.47	8.73

Notes: (1) Number of ordinary shares issued (consolidated): 5,416,597,880 shares (as of September 30, 2002)

Number of ordinary shares issued (consolidated): - shares (as of September 30, 2001)

Number of ordinary shares issued (consolidated): 5,417,535,624 shares (as of March 31, 2002)

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

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents
	<i>Million yen</i>	<i>Million yen</i>	<i>Million yen</i>	<i>Million yen</i>
September 30, 2002	(1,018,026)	129,281	(143,239)	1,764,528
September 30, 2001	-	-	-	-
March 31, 2002	1,525,552	487,715	(96,034)	2,796,180

(4) Principles of consolidation and application of equity method

Number of consolidated subsidiaries: 58

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

Number of affiliated companies accounted for by the equity method: 8

(5) Change in consolidation and application of equity method

Number of consolidated subsidiaries added: 5

Number of consolidated subsidiaries excluded: 1

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

Number of affiliated companies accounted for by the equity method excluded: 1

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

	Operating Income	Ordinary Profit	Net Income
	<i>Million yen</i>	<i>Million yen</i>	<i>Million yen</i>
FY 2002 (Full Year)	1,300,000	12,000	3,000

(Reference):Forecasted net income per share (full year) ((1.33) Yen)

Note: For the assumptions and other relevant data, see page 8 of the attached data.

Appendixes

Average and Issued Number of Preferred Stock (consolidated)

	Six months ended September 30, 2002		Year ended March 31, 2002	
	Average number of shares of preferred stock (consolidated)	Issued number of shares of preferred stock (consolidated)	Average number of shares of preferred stock (consolidated)	Issued number of shares of preferred stock (consolidated)
	shares	shares	shares	shares
Type A, First Issue Preferred Stock	5,970,000	5,970,000	5,970,000	5,970,000
Type B, First Issue Preferred Stock	680,000,000	680,000,000	680,000,000	680,000,000
Type C, First Issue Preferred Stock	120,000,000	120,000,000	111,780,821	120,000,000
Type D, First Issue Preferred Stock	382,650	349,000	920,073	386,000
Type E, First Issue Preferred Stock	240,000,000	240,000,000	240,000,000	240,000,000
Type F, First Issue Preferred Stock	80,000,000	80,000,000	80,000,000	80,000,000

Note: Treasury stock and parent's stock owned by subsidiaries are excluded.

(Reference)

Formulas for computing ratios for the interim period September 30, 2002 (consolidated)

Net income per share:

$$\frac{\text{Net income on common stock}}{\text{Average number of shares of common stock during the interim period (consolidated)}}$$

Net income per share (potential equity adjusted):

$$\frac{\text{Net income on common stock} + \text{Net income adjustment}}{\text{Average number of shares of common stock (consolidated)} + \text{Total number of common stock equivalents at term end}}$$

Shareholders' equity per share:

$$\frac{\text{Ending shareholders' equity} - \text{Issued number of share of Preferred stock} \times \text{Amount per share}}{\text{Issued number of shares of common stock at term end (consolidated)}}$$

Formula for computing ratios for the year ending March 31, 2003 (consolidated)

Net income per share (Fiscal 2002 forecast):

$$\frac{\text{Net income on common stock (forecast)}}{\text{Issued number of shares of common stock at term end (consolidated)}}$$

1. Review of the Corporate Group

Resona Holdings, Inc., together with its wholly owned subsidiaries—the Daiwa Bank, Ltd; the Kinki Osaka Bank, Ltd; the Nara Bank, Ltd; the Asahi Bank, Ltd; and Resona Trust & Banking Co., Ltd.—form the Resona Group

The Resona Group, which comprises Resona Holdings, 45 domestic consolidated subsidiaries, 13 overseas consolidated subsidiaries, and 8 affiliated companies accounted for by the equity method, provides a broad range of financial services centered on banking and trust banking business and includes securities, credit card administration, general leasing, and other services. Please note that Cosmo Securities Co., Ltd., is listed on the First sections of the Tokyo, Osaka, and Nagoya stock exchanges.

The organization of the Resona Group is shown in the accompanying chart.

Organization of the Resona Group

Resona Holdings, Inc. (Note 1)

Banking and trust banking business
The Daiwa Bank, Ltd.

Banking
The Kinki Osaka Bank, Ltd.

Banking
The Nara Bank, Ltd.

Banking
The Asahi Bank, Ltd.

Banking and trust banking business
Resona Trust & Banking Co., Ltd.
(The Daiwa Trust & Banking Co., Ltd.)

Banking
Saitama Resona Bank, Ltd. (Note 2)

Banking and trust banking business
Asahi Trust and Banking Co., Ltd. (Note 3)

Two other companies

- The principal subsidiaries and affiliates

Banking and trust banking business

- Asahi Bank Research Institute Co., Ltd.
- Daiwa Research Institute, Inc.
- Kinki Osaka Research Institute for Small and Medium Business Ltd.
- D & I Information Systems Inc.
- Japan Trustee Services Bank, Ltd.
- P.T. Bank Daiwa Perdania

Securities business

- Cosmo Securities Co., Ltd.
- The Asahi Retail Securities Co., Ltd.
- Resona Asset Management Co., Ltd. (Formerly Asahi Tokyo Investment Trust Management Co., Ltd.)

Other financial service business

- Asahi Card Co., Ltd.
- Daiwagin Card Co., Ltd.
- Asahigin Leasing Co., Ltd.
- The Daiwa Factor And Leasing Co., Ltd.
- Kinki Osaka Leasing Co., Ltd.
- Asahi Bank Retail Finance Co., Ltd.

Notes:

1. The name of the Company was changed from Daiwa Bank Holdings, Inc., to Resona Holdings, Inc., as of October 1, 2002.
2. As of March 1, 2003 (as is presently scheduled), the operations of the Asahi Bank, Ltd., in Saitama Prefecture will be transferred to and continued by Saitama Resona Bank, Ltd.
3. As of October 1, 2002, Asahi Trust and Banking Co., Ltd., was merged with the Daiwa Bank, Ltd.
4. As of March 1, 2003 (as is presently scheduled), the Daiwa Bank, Ltd., and the remaining operations of the Asahi Bank, Ltd., after the split-off will merge and become the Resona Bank, Ltd.

2. Management Policies

(1) Basic Management Policy

Resona Holdings, Inc., (the Company) was established on December 12, 2001, as the bank holding company for three financial institutions: the Daiwa Bank, Ltd., the Kinki Osaka Bank, Ltd., and the Nara Bank, Ltd. Subsequently, on March 1, 2002, the Asahi Bank, Ltd., and the Daiwa Trust & Banking Co., Ltd., (which was renamed Resona Trust & Banking Co., Ltd., on October 15, 2002) became subsidiaries.

With a fundamental management motto of “Creating a Super Regional Bank,” the Resona Group, as a federation of regional financial institutions with close ties to the communities it serves, is working to implement its basic management policies of providing high quality services to its customers and increasing its shareholder value.

(2) Medium- to Long-Term Management Strategy

The Resona Group, as a federation of regional financial institutions with close ties to the communities it serves, aims to establish a new business model and—while having the basic objective of being close to the community and responding to customer needs with carefully tailored services—offers a broad range of high-quality services.

As the company responsible for the management of the Resona Group, the Company is in charge of planning and administrative functions for the Group member banks and endeavors to undertake the management of the Group efficiently from an overall perspective. To establish this business model, the Company is moving forward with business reorganization initiatives.

In specific terms, the Company is reorganizing the operations of Group members by region, with the aim of clarifying its commitment to having close ties with the communities it serves. As part of these initiatives, in March 2003, the Company will establish Saitama Resona Bank, Ltd., as the financial institution to take over principally the branches and certain other operations of the Asahi Bank, Ltd., in Saitama Prefecture. In addition, through the merging of the Daiwa Bank, Ltd., and the Asahi Bank, Ltd., the Company will establish Resona Bank, Ltd. Similarly, in the Osaka and Nara areas, the Company is proceeding with the consideration of reorganizing Resona Bank, Ltd., the Kinki Osaka Bank, Ltd., and the Nara Bank, Ltd., as well as establishing Osaka Resona Bank, Ltd., and Nara Resona Bank, Ltd., in 2004 or subsequently.

Along with these reorganizations along regional lines, specialist functions will be concentrated in one of the Group’s companies, with the objective of enhancing the sophistication of these functions through the combination of know-how and capabilities within the Group. Then, by making these capabilities available for the use of all Group banks, the Company intends to create a service delivery system that will enable it to offer all customers services of higher quality than previously. As part of this reorganization, in the trust banking business field, which is one of the Group’s core businesses, a portion of the trust banking business of Asahi Trust and Banking Co., Ltd., was transferred to Resona Trust & Banking Co., Ltd., in September 2002, and on October 1, this part of the reorganization was completed through a merger with the Daiwa Bank, Ltd., with the aim of providing highly professional trust banking business services. As a result, the efficiency of the Group’s trust banking business has been increased as the trust banking business know-how of the Group has been combined to allow the Group to offer more professional trust banking business services.

Looking forward, as the Company proceeds with reorganization by region and the concentration of

capabilities, overlapping functions and office coverage of Group banks will be reduced and the Group's marketing and service capabilities will be enhanced.

(3) Management Objectives

Taking account of the positive effects of the reorganization described previously, the Resona Group issued the following financial objectives for the year ending March 31, 2006, in its *Plan for Increasing Management Soundness*, which was prepared in May 2002: Net operating profit of ¥444.0 billion; return on equity (ROE) of 28%; and an expense ratio of 50%. (All figures are based on the addition of the results of Group members.)

(4) Issues for the Company to Address

As previously mentioned, as a part of the reorganization of the Group by region, related activities will begin in March 2003 with the realignment of the operations of the Daiwa Bank, Ltd., and the Asahi Bank, Ltd., and the establishment of the Saitama Resona Bank, Ltd., and Resona Bank, Ltd. The Company is considering the formation of Osaka Resona Bank, Ltd., and Nara Resona Bank, Ltd., subsequently, but to carry out this reorganization smoothly and realize the benefits at an early date, providing customers with higher-quality services than previously will be the most important issue for the time being.

In addition, the removal of problem assets from the balance sheets of Group banks, reduction in stock holdings, and other measures to improve financial position will continue to be issues of urgent attention.

We will deal with these issues effectively, with the objectives of creating a Super Regional Bank that can earn the trust of customers as a member of the community and garnering a favorable evaluation from shareholders and the market.

(5) Policies for Improving Corporate Management through Improved Corporate Governance

The Company has structured systems that separate the overall management decision-making and governance functions from day-to-day management to create a stronger sense of accountability and strengthen corporate management. In specific terms, with the exception of members of the Board of Directors who also hold positions as Executive Officers, overall management and day-to-day management functions have been separated, allowing Directors to focus on governance and Executive Officers to concentrate their attention on management. Moreover, the Company has been organized into five units: Management Planning, Business Planning, Management Administration, Business Administration, and Internal Audit. The Company has created checks and balances required for good corporate governance by placing each of these units under the management of an Executive Officer.

3. Performance and Financial Position

The following paragraphs summarize the Group's management performance and financial position for the interim period extending from April 1, 2002, through September 30, 2002, on a consolidated basis.

(1) Management Performance

Ordinary income for the interim period of the Resona Group on a consolidated basis amounted to ¥639.2 billion. By source, income from funds invested (mostly interest income from loans and

discounts) was ¥349.7 billion, fees and commissions amounted to ¥85.6 billion, and so forth.

Ordinary expenses were ¥616.9 billion. This was due in part to the efforts of Group banks to take aggressive measures to enhance the soundness of their equity portfolios as stock prices fell from the end of the previous fiscal year. Losses on devaluation of stocks and other securities were ¥14.9 billion, and losses on sales of stocks and other securities amounted to ¥8.7 billion. In addition, to accelerate the disposal of problem loans, the Group, as a whole, continued to conduct strict self-assessments of asset quality, and, as a result of increased provisions for loans in the Watch obligor classification or lower in quality, net addition to the reserve for possible loan losses amounted to ¥71.5 billion, and write-off of loans totaled ¥74.8 billion.

By business segment, banking and trust banking business reported ordinary profit of ¥23.3 billion and other financial service generated ordinary profit of ¥4.7 billion. On the other hand, securities reported an ordinary loss of ¥1.7 billion owing to stagnant conditions in the stock market.

As a consequence of the previously mentioned factors, consolidated ordinary profit totaled ¥22.3 billion, and consolidated net interim income amounted to ¥13.5 billion. Net interim income per share was ¥2.49.

The Company alone reported operating income of ¥6.6 billion, ordinary net profit of ¥1.0 billion, and net interim income of ¥0.8 billion.

Outlook for the Full Fiscal Year Ending March 31, 2003

Given information available at the time of preparation of this interim report, the Resona Group is forecasting consolidated ordinary income of ¥1,300 billion, consolidated ordinary profit of ¥12 billion, and consolidated net income of ¥3 billion.

The Group banks combined are anticipating actual net operating profit of ¥310 billion. Despite the favorable outlook for the actual net operating profit, the outlook for the consolidated ordinary profit and consolidated net income was revised downward in comparison with the forecasts at the beginning of the fiscal period owing to the anticipated increase in credit-related expenses in relation to the acceleration of final disposal of problem assets.

The company is anticipating operating income of ¥14 billion, ordinary net profit of ¥1.2 billion, and net income of ¥5.5 billion for the fiscal year ending March 31, 2003.

(2) Financial Position

Total assets of the Resona Group on a consolidated basis at the end of the interim period under review were ¥41,786.6 billion, a decline of ¥3,165.8 billion from the end of the previous fiscal year (March 31, 2002). Among earning assets, loans and bills discounted fell ¥1,579.5 billion, to ¥28,441.6 billion, and securities declined ¥466.5 billion, to ¥6,397.7 billion.

On the funding side, total employable funds, including deposits and negotiable certificates of deposit (NCDs), amounted to ¥33,889.8 billion, a decline of ¥788.4 billion from the end of the previous fiscal year. This was because of a decrease in deposits of ¥410.1 billion, combined with restraints self-imposed on taking additional funds in NCDs because of the substantial decline in assets, which resulted in a decline of ¥378.3 billion in the outstanding balance of NCDs. Also, because of restraints on fund-raising, Group members also restrained their intake of call money and bonds lending/borrowing transactions secured by cash. Please note, however, that time deposits rose ¥34.4 billion, to ¥13,766.2 billion.

Shareholders' equity declined ¥262.1 billion from the end of the previous fiscal year, to ¥1,026.9 billion. This was because net unrealized gains/losses on securities available for sale, net of taxes fell ¥265.3 billion. Shareholders' equity per share amounted to ¥28.10 at the end of the interim period. Please note that beginning with the interim period under review, as noted in the notes to the interim balance sheet, the method of presentation has been changed.

The capital assets ratio of the Group on a preliminary consolidated basis (according to the Japanese domestic criteria) was 7.92% at the end of the interim period.

Regarding consolidated cash flows, net cash used in operating activities amounted to ¥1,018.0 billion. Although there was an inflow of cash accompanying the decline in loans and bills discounted, this was more than offset by the declines in deposits, NCDs, and funds raised from the markets. Net cash provided by investing activities amounted to ¥129.2 billion, due to cash inflows owing to the sale of national government bonds and other factors. Net cash used in financing activities amounted to ¥143.2 billion. Although there was an inflow of ¥67.9 billion from the issuance of preferred securities, this was more than offset by the repayment of subordinated borrowed money. As a result of the above factors, there was decrease in cash and cash equivalents of ¥1,031.6 billion from the end of the previous fiscal year.

Consolidated Interim Balance Sheet

(Millions of yen)

	Sep 30,2002 (A)	Mar 31,2002 (B)	Difference (A)-(B)
Assets			
Cash and due from banks	¥ 2,017,015	¥ 3,166,039	¥ (1,149,023)
Call loans and bills bought	150,749	102,634	48,114
Deposits paid for bonds lending/borrowing transactions	12,391	-	12,391
Monetary claims bought	3,491	3,740	(248)
Trading assets	691,254	651,322	39,932
Money held in trust	66,677	43,854	22,823
Securities	6,397,796	6,864,323	(466,526)
Loans and bills discounted	28,441,647	30,021,204	(1,579,556)
Foreign exchange	159,378	180,939	(21,560)
Other assets	1,204,436	1,232,565	(28,128)
Premises and equipment	818,330	840,198	(21,867)
Deferred tax assets	836,198	832,611	3,587
Consolidation differences	2,568	5,124	(2,555)
Customers' liabilities for acceptances and guarantees	1,910,909	2,062,934	(152,025)
Reserve for possible loan losses	(919,047)	(1,054,958)	135,911
Reserve for possible losses on investments	(7,115)	(45)	(7,070)
Total assets	¥41,786,684	¥44,952,488	¥(3,165,803)
Liabilities			
Deposits	33,412,016	33,822,170	(410,153)
Negotiable certificates of deposit	477,817	856,148	(378,331)
Call money and bills sold	1,620,718	2,547,782	(927,063)
Bills sold under repurchase agreement	326,996	281,083	45,913
Deposits received for bonds borrowing/lending transactions	185,815	-	185,815
Commercial paper	20,000	20,000	-
Trading liabilities	221,277	219,655	1,622
Borrowed money	882,650	1,017,404	(134,753)
Foreign exchange	9,243	8,957	285
Bonds	492,433	597,064	(104,631)
Due to trust account	202,434	213,342	(10,907)
Other liabilities	716,163	1,789,046	(1,072,882)
Reserve for employees' bonuses	8,563	8,797	(234)
Reserve for employees' retirement benefits	14,009	17,012	(3,003)
Reserve for possible losses on loans sold	12,412	20,432	(8,019)
Other reserves	187	134	52
Deferred tax liabilities	0	379	(379)
Deferred tax liabilities on land revaluation	72,487	74,221	(1,734)
Consolidation differences	-	1,950	(1,950)
Acceptances and guarantees	1,910,909	2,062,934	(152,025)
Total liabilities	¥40,586,137	¥43,558,519	¥(2,972,381)

Consolidated Interim Balance Sheet (Continued)

(Millions of yen)

	Sep 30,2002 (A)	Mar 31,2002 (B)	Difference (A)-(B)
Minority interests			
Minority interests in consolidated subsidiaries	¥173,632	¥104,911	¥68,721
Shareholders' equity			
Capital	-	720,000	-
Capital reserve	-	1,377,089	-
Land revaluation differences	-	113,301	-
Deficit	-	817,181	-
Valuation differences	-	(72,797)	-
Foreign currency translation adjustments, net of taxes	-	(9,550)	-
Treasury stock	-	(19)	-
Parent's stock owned by subsidiaries	-	(21,784)	-
Total shareholders' equity	-	1,289,058	(1,289,058)
Shareholders' equity			
Capital	720,000	-	-
Capital surplus	481,629	-	-
Earned surplus	84,277	-	-
Revaluation reserve for land, net of taxes	110,654	-	-
Net unrealized gains/losses on securities available for sale, net of taxes	(338,109)	-	-
Foreign currency translation adjustments, net of taxes	(9,569)	-	-
Treasury stock	(21,966)	-	-
Total Shareholders' equity	1,026,915	-	1,026,915
Total Liabilities, minority interests and shareholders' equity	¥ 41,786,684	¥ 44,952,488	¥ (3,165,803)

Consolidated Interim Statement of Operations

(Millions of yen)

	Interim 2002 From Apr 1, 2002 To Sep 30, 2002	FY 2001 From Apr 1, 2001 To Mar 31, 2002
Ordinary income	¥ 639,264	¥ 1,361,343
Interest income	349,776	814,876
(Interest on loans and discounted)	313,053	690,226
(Interest and dividends on securities)	29,820	81,262
Trust fees	15,855	44,843
Fees and commissions	85,608	188,101
Trading income	13,049	10,369
Other operating income	100,614	108,130
Other ordinary income	74,359	195,022
Ordinary expenses	616,906	2,521,446
Interest expenses	46,948	162,631
(Interest on deposits)	22,979	87,772
Fees and commissions	29,646	70,039
Trading expenses	14	37
Other operating expenses	48,347	34,257
General and administrative expenses	267,207	568,320
Other ordinary expenses	224,742	1,686,160
Ordinary profit (loss)	22,358	(1,160,102)
Extraordinary profits	3,911	12,063
Extraordinary losses	10,936	25,750
Income (loss) before income taxes and minority interests	15,333	(1,173,789)
Income taxes – current	5,454	14,906
Income taxes – deferred	(4,227)	(256,412)
Minority interests in net income (loss)	587	(407)
Net income (loss)	¥ 13,518	¥ (931,876)

Consolidated Interim Statement of Surplus

(Millions of yen)

	Interim 2002 From Apr 1, 2002 To Sep 30, 2002	FY 2001 From Apr 1, 2001 To Mar 31, 2002
Retained earnings at beginning of year	-	¥ 57,201
Increase in retained earnings during the period (year)	-	83,231
Reversal of capital surplus	-	67,385
Reversal of land revaluation differences	-	13,828
Reduction in the number of affiliates accounted for by the equity method	-	2,017
Decrease in retained earnings during the period (year)	-	25,739
Reduction in the number of affiliates accounted for by the equity method	-	0
Transfer of shares	-	21,024
Dividends paid	-	4,711
Directors' bonuses	-	2
Net loss	-	931,876
Deficit at end of period	-	¥ 817,181
Capital Surplus		-
Balance at beginning of year	¥ 1,417,089	-
Increase:	-	
Decrease:	935,460	-
Reversal of capital reserve for compensation of deficit	935,460	-
Balance at end of period	¥ 481,629	-
Earned Surplus		-
Balance at beginning of year	¥ (857,181)	-
Increase:	951,626	-
Net income	13,518	-
Reversal of capital reserve for compensation of deficit	935,460	-
Reversal of land revaluation differences	2,647	-
Decrease:	10,167	-
Dividends paid	10,167	-
Balance at end of period	¥ 84,277	-

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

Consolidated Interim Statement of Cash Flows

(Millions of yen)

	Interim 2002 From Apr 1, 2002 To Sep 30, 2002	FY 2001 From Apr 1, 2001 To Mar 31, 2002
Cash flows from operating activities		
Income (loss) before income taxes and minority interests	¥ 15,333	¥ (1,173,789)
Depreciation of premises and equipment	52,955	60,916
Amortization of consolidation differences	1,041	501
Equity in net (gains)/losses from investments in affiliated companies	473	2,713
Increase in reserve for possible loan losses	(139,991)	319,140
Increase in reserve for possible losses on investments	7,070	(20)
Increase in reserve for possible losses on loans sold	(7,600)	(44,684)
Increase in reserve for employees' bonuses	(229)	8,557
Increase in reserve for employees' retirement benefits	(3,009)	(15,320)
Interest income	(349,776)	(814,876)
Interest expenses	46,948	162,631
Net (gains)/losses on securities	(19,127)	459,974
Net (gains)/losses on money held in trust	49	645
Net foreign exchange (gains)/losses	(5,428)	(3,088)
Net (gains)/losses on sales of premises and equipment	8,980	24,197
Loss relating to securities claim	1,788	-
Net (increase)/decrease in trading assets	(45,636)	270,076
Net increase/(decrease) in trading liabilities	858	(52,035)
Net (increase)/decrease in loans and bills discounted	1,601,937	3,895,632
Net increase/(decrease) in deposits	(409,700)	(273,610)
Net increase/(decrease) in negotiable certificates of deposit	(378,331)	(4,612,272)
Net increase/(decrease) in borrowed money (excluding subordinated borrowed money)	(22,249)	(283,884)
Net (increase)/decrease in due from banks (excluding those deposited at BOJ)	117,535	994,077
Net (increase)/decrease in call loans and other	(47,513)	1,289,572
Net (increase)/decrease in cash collateral for bonds borrowed	-	4,774
Net (increase)/decrease in deposits paid for bonds borrowing/lending transactions	(3,264)	-
Net increase/(decrease) in call money and other	(881,150)	923,127
Net increase/(decrease) in commercial paper	-	(400,000)
Net increase/(decrease) in cash collateral for bonds lent	-	485,806
Net increase/(decrease) in deposits received for bonds borrowing/lending transactions	21,681	-
Net (increase)/decrease in foreign exchange assets	(524,005)	(25,699)
Net increase/(decrease) in foreign exchange liabilities	284	(8,381)
Net increase/(decrease) on issuance of and payments on bonds	(7,100)	(22,500)
Net increase/(decrease) in due to trust account	(10,907)	(241,775)
Interest receipts	365,982	868,922
Interest payments	(45,396)	(208,994)
Directors' bonuses	-	(5)
Other	(341,630)	(49,142)
Total	(999,131)	1,541,188
Penalties paid	-	(2,100)
Income taxes paid	(18,895)	(13,536)
Net cash (used in) provided by operating activities	¥ (1,018,026)	¥ 1,525,552

Consolidated Interim Statement of Cash Flows (continued)

(Millions of yen)

	Interim 2002 From Apr 1, 2002 To Sep 30, 2002	FY 2001 From Apr 1, 2001 To Mar 31, 2002
Cash flows from investing activities		
Purchases of securities	¥ (10,090,785)	¥ (10,637,859)
Proceeds from sales of securities	9,906,942	7,965,902
Proceeds from maturity of securities	371,440	3,113,103
Payments associated with increase in money held in trust	(28,000)	(48,810)
Proceeds from decrease in money held in trust	5,007	102,905
Purchases of premises and equipment	(41,942)	(42,595)
Proceeds from sales of premises and equipment	6,619	32,056
Payments for purchase of equity investments in subsidiaries	-	(0)
Proceeds from sales of equity investments in subsidiaries	-	3,013
Net cash provided by investing activities	129,281	487,715
Cash flows from financing activities		
Proceeds from subordinated borrowed money	14,000	23,500
Repayment of subordinated borrowed money	(127,500)	(226,500)
Proceeds from issuance of subordinated bonds	-	48,200
Repayment of subordinated bonds	(88,200)	(66,475)
Proceeds from issuance of stocks	-	59,946
Proceeds from issuance of common stock to minority shareholders	800	-
Proceeds from issuance of preferred securities	67,900	70,600
Dividends paid	(9,886)	(4,743)
Dividends paid to minority shareholders	(318)	(321)
Payments related to acquisition of treasury stock	(34)	(291)
Proceeds from sales of treasury stock	-	49
Net cash used in financing activities	(143,239)	(96,034)
Effect of exchange rate changes on cash and cash equivalents	331	892
Increase (decrease) in cash and cash equivalents	(1,031,653)	1,918,125
Cash and cash equivalents at beginning of year	2,796,180	875,538
Increase in cash and cash equivalents due to transfer of shares	-	2,516
Increase in cash and cash equivalents due to addition of new subsidiaries to consolidation	0	-
Decrease in cash and cash equivalents due to exclusion from consolidation	-	(0)
Cash and cash equivalents at end of period (year)	¥ 1,764,528	¥ 2,796,180

Principles of Consolidations

1. Consolidated subsidiaries

(1) Consolidated subsidiaries: 58

The principal consolidated subsidiaries: The Daiwa Bank, Ltd.
The Kinki Osaka Bank, Ltd.
The Nara Bank, Ltd.
The Asahi Bank, Ltd.
The Daiwa Trust & Banking Co., Ltd.
Saitama Resona Bank, Ltd.

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

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

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

(2) Non-consolidated subsidiaries

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

Non-consolidated subsidiaries were immaterial with respect to assets, operating income, net income/loss (based on the owned interest) and retained earnings (based on the owned interest) etc. They are excluded from consolidation as a reasonable judgment on the group's financial conditions and operating results can be expected even if they are not consolidated.

2. Affiliated companies accounted for by the equity method

(1) Affiliated companies accounted for by the equity method: 8

The principal affiliated companies: Japan Trustee Services Bank, Ltd.
The Asahi Retail Securities Co., Ltd.

(2) Non-consolidated subsidiaries and affiliated companies not accounted for by the equity method

The principal non-consolidated subsidiary and affiliated company: Asahi S/C Ltda.

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

3. Interim balance sheet date of consolidated subsidiaries

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

End of June:	8
End of September:	50

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

Notes to consolidated Interim balance sheet:

1. Amounts of less than one million yen have been rounded down.
2. Transactions whose purpose is to earn a profit by taking advantage of short-term fluctuations in the market or discrepancies between interest rates, currency exchange rates, share prices or other indices (hereinafter referred to as “transactions for trading purposes”) on different markets are included in “Trading assets” or “Trading liabilities” in the consolidated interim balance sheets on a trade-date basis. “Trading assets” and “Trading liabilities” in the case of securities and monetary claims, etc. are stated at market value as of the consolidated interim balance sheet date and, in the case of derivatives including swaps, futures and options, etc. at the settlement amount assuming settlement on the consolidated interim balance sheet date.
3. Bonds held to maturity are stated at amortized cost (straight-line method) by the moving average method. Investments in the unconsolidated subsidiaries and affiliates for which the equity method of accounting are not applied are stated at cost determined by the moving average method. Equity securities included in other securities with market value are stated at fair value based on the average market price for the month prior to the consolidated interim balance sheet date. Other securities, other than equity securities, with market value are stated at their respective market value and the cost of sales of such securities is determined by the moving average method. Other securities without market value are stated at cost determined by the moving average method or at their respective amortized cost.

Net unrealized gain/loss of other securities is included as a component of shareholders' equity.

4. Securities held as assets in individually managed money trusts whose principal objective is portfolio management are stated at market value.
5. Derivative transactions (excluding “transactions for trading purposes”) are stated at market value.
6. Depreciation of premises and equipment is mainly calculated by the straight-line method for buildings and by the declining-balance method for equipment. The useful lives adopted for major premises and equipment are as follows:
 - Buildings: 2 ~ 50 years
 - Equipment: 2 ~ 20 years
7. Software used by the Company and the consolidated subsidiaries is depreciated by the straight-line method based on an estimated useful life (mainly 5 years) determined by the Company and the consolidated subsidiaries.

8. Foreign-currency-denominated assets and liabilities of domestic consolidated banking subsidiaries (the “Banks”) are translated into yen equivalents, primarily at the exchange rates prevailing at the consolidated interim balance sheet date.

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

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

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

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

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

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

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

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

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

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

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

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

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

10. The reserve for possible losses on investments is provided for the possible losses from investments, considering the financial conditions and others of the issuer of such securities.
11. The reserve for employees’ bonuses is provided at the estimated amount of employees’ bonus payments applicable to the interim period.
12. To provide for employees’ retirement benefits, the Company has recorded a reserve for severance payments and pension plans considered to be accrued at this interim term end, based on the projected benefit obligation and the plan assets at the consolidated interim balance sheet date. Past service cost charged to operations by the straight-line method over a certain period (1 ~ 10 years) within the average remaining years of service of the eligible employees. The actuarial differences charged to operations effective the next fiscal year by the straight-line method over a certain period (8 ~ 15 years) within the average remaining years of service of the eligible employees.

With regard to the transaction difference at accounting change (¥229,357 million), the principal consolidated subsidiaries have charged to operations as follows. For the period under

the review, the Company recorded an expense equivalent to 6/12 of the annual amortization cost.

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

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

This reserve is recorded in accordance with Article 287-2 of the Commercial Code of Japan.

14. Noncancelable lease transactions of the domestic consolidated subsidiaries are accounted for as operating leases regardless of whether such leases are classified as operating leases or finance leases except that lease agreements which stipulate the transfer of ownership of the leased property to the lessee are accounted for as finance leases.
15. Certain consolidated banking subsidiaries use the technique of “macro-hedging,” which utilizes derivatives to comprehensively control the attendant interest risk on its numerous financial assets and liabilities such as loans and deposits, in accordance with the tentative treatment stipulated in “Accounting and auditing treatments of the application of accounting standards for Financial Instruments in the Banking Industry” (JICPA Industry Audit Committee, Report No.24). Macro-hedging is a risk-management tool based on the risk-adjustment approach established in “Temporary Treatment for Accounting and Auditing for Application of Accounting Standards for Financial Instruments in the Banking Industry” (JICPA’s Industry Audit Committee, Report No. 15). Certain consolidated banking subsidiaries have adopted deferred hedging to account for unrealized gains or losses arising from the derivatives mentioned above.

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

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

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

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

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

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

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

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

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

18. Accumulated depreciation of premises and equipment: ¥667,536 million.

19. Advanced depreciation entry on the acquisition costs of premises and equipment: ¥74,350 million.

20. Loans to borrowers in legal bankruptcy amounted to ¥181,208 million, and past due loans amounted to ¥1,545,128 million. Included in this amount is ¥667 million which was entrusted to the Resolution and Collection Corporation by Administration Trust Method which leads to a final settlement.

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

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

21. Loans past due 3 months or more amounted to ¥132,698 million.

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

22. Restructured loans amounted to ¥1,388,280 million.

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

borrowers in legal bankruptcy,” “past due loans,” and “loans past due 3 months or more.”

23. Loans to borrowers in legal bankruptcy, past due loans, loans past due 3 months or more, and restructured loans amounted to ¥3,247,316 million in the aggregate.

Included in this amount is ¥667 million which was entrusted to the Resolution and Collection Corporation by the Administration Trust Method which leads to a final settlement.

The amounts presented in Notes 20 to 23 are stated before the deduction of the reserve for possible loan losses.

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

25. Assets pledged as collateral were as follows:

• Cash and due from banks	¥50,060 million
• Trading assets	¥315,874 million
• Securities	¥2,969,711 million
• Loans and bills discounted	¥ 1,068,680 million
• Other assets	¥ 18,150 million

Liabilities corresponding to the assets pledged as collateral:

• Deposits	¥50,439 million
• Call money and bills sold	¥1,487,300 million
• Bills sold under repurchase agreement	¥326,996 million
• Deposits received for bonds borrowing /lending transactions	¥185,490 million
• Borrowed money	¥140,521 million
• Other liabilities	¥25,023 million

Other than the above, cash and due from banks, trading assets, securities, loans and bills discounted, and other assets, which were worth of ¥1,087 million, ¥280 million, ¥1,179,570 million, ¥13,689 million, and ¥20,031 million, respectively, were pledged as collateral for settlement of foreign exchange, derivatives transactions or for dealing in futures.

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

Premises and equipment include the guarantee deposit of ¥139,686 million. Other assets include the deposits for futures transactions in the amount of ¥516 million.

26. Unrealized gains or losses on hedging are included in “other liabilities” as deferred hedge gain at the net amount. Prior to this offsetting, gross deferred hedge losses and gains amounted to ¥94,782 million and ¥110,207 million, respectively.

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

Revaluation date: March 31, 1998

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

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

28. Borrowed money included subordinated liabilities amounting to ¥597,000 million, which, by special covenants, are subordinated to other obligations in the order of their performance.
29. Bonds include subordinated bonds of ¥422,033 million.
30. The principal amount of trust with principal compensation agreement is ¥716,590 million of Jointly operated specified money trust.
31. Net assets per share: 28.11 yen
32. Issues pertaining to the market value and the unrealized net gains/losses on securities are presented below. This encompasses negotiable certificates of deposit in "cash and due from banks", commercial paper in "monetary claims bought", trading securities, negotiable certificates of deposit and commercial paper in "trading assets", investment in "other assets" as well as "securities". This grouping applies through Note 35.

Securities held for trading purposes:

Consolidated interim balance sheet amount	¥468,469 million
Unrealized gain (net) included in profits and losses	¥ 253 million

Marketable bonds held to maturity:

	Consolidated interim balance sheet amount	Market value	Unrealized gain/(loss)	Gain	Loss
	<i>(Millions of yen)</i>				
National government bonds	¥ 509	¥ 491	¥ (18)	¥ 0	¥ 18
Local government bonds	9	9	0	0	–
Corporate bonds	500	481	(18)	–	18
Other	2,898	2,949	51	70	18
Total	<u>¥3,408</u>	<u>¥3,441</u>	<u>¥33</u>	<u>¥70</u>	<u>¥37</u>

Other securities for which market values can be calculated:

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

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

Unrealized gain/(loss)	¥(337,227)	million
Deferred tax liabilities	(656)	
Minority interests based on the owned interest	(161)	
Parent company's portion of valuation differences of affiliates	(64)	
	<u>¥(338,109)</u>	million

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

Sold	Gain	Loss
<i>(Millions of yen)</i>		
¥9,893,731	¥60,238	¥11,412

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

Bonds held to maturity:

Unlisted internal bonds	¥ 5,791 million
Negotiable certificates of deposit	¥ 4,390 million

Other securities:

Unlisted internal bonds	¥229,719 million
Unlisted stocks (excluding over-the-counter securities)	¥151,602 million
Unlisted foreign bonds	¥20,524 million

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

	One year or less	One to five years	Five to 10 years	More than 10 years
	<i>(Millions of yen)</i>			
Bonds	¥1,095,790	¥2,515,866	¥828,313	¥4,565
National government bonds	856,005	1,950,374	695,471	3,015
Local government bonds	7,532	81,280	93,318	–
Corporate bonds	232,252	484,211	39,523	1,549
Other	108,005	34,490	8,331	17,491
Total	<u>¥1,203,796</u>	<u>¥2,550,356</u>	<u>¥836,645</u>	<u>¥22,057</u>

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

Money held in trust for investment purposes: ¥66,650 million

Unrealized loss (net) included in profits and losses: ¥ (3) million

There was no held to maturity money held in trust.

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

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

37. Loaned securities totaling ¥22,587 million under lease agreements have been included in the equities in “Securities”.

Securities loaned to the Company under unsecured loan agreements and securities loaned to the Bank under bills add/purchased with repurchase/resell agreements or bond loan transactions collateralized with cash included ¥90,843 million of securities collateralized, and ¥2,636 million of securities held by the Company existed at the interim term end without disposition.

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

The amount of unexercised loans related to such agreements amounted to ¥9,130,945 million. Of the above, the amounts for which the original agreement period was within a year or agreements which the Bank could cancel at any time without penalty totaled ¥9,000,798 million.

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

When extending loans to customers, the Bank requests collateral such as premises or securities if necessary. After entering into loans, the Bank periodically checks the financial condition of the customers based on its internal rules and, if necessary, takes certain measures to ensure the

security of the loans.

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

- (1) “Deposits for bonds borrowing transactions” are now separately disclosed as “Deposits paid for bonds lending/borrowing transactions”, which used to be included in “Other assets” at the prior year. “Deposits for bonds lending transactions” are now separately disclosed as “Deposits received for bonds lending/borrowing transactions”, which used to be included in “Other liabilities”.
- (2) “Land revaluation differences”, which were separately disclosed in the prior year, are now disclosed as “Revaluation reserve for land, net of taxes” from this interim fiscal term onwards.
- (3) “Valuation differences”, which were separately disclosed in the prior year, are now disclosed as “Net unrealized gains/losses on securities available for sale, net of taxes”, from this consolidated interim fiscal term onwards.
- (4) Shareholders’ equity are now composed of ”Capital”, “Capital surplus” and “Earned surplus” from this consolidated interim fiscal term onwards. In the prior year, shareholders’ equity used to be composed of “Capital”, “Capital reserve” and “Consolidated surplus”. “Parent company’s stock held by subsidiaries”, which used to be separately disclosed in the prior year, are now included in “treasury stock” since this interim term onward.

Notes to consolidated interim statement of cash flows:

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

	<i>(Millions of yen)</i>
Cash and due from banks	¥2,017,015
Due from banks expect for The Bank of Japan	(252,487)
Cash and cash equivalents	¥ 1,764,528

Segment Information

1. Business Segment Information

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

(Millions of yen)

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

<Notes>

- As a result of change in consolidation scope, ordinary income of Other financial service segment represented 10% or more of total ordinary income. Accordingly, segment information by type of business has been presented as required by Regulations on consolidated interim financial statements 14.
- Major operational segments are as follows.
 - Banking and Trust Banking: Banking business, Trust Banking business, Loan guarantee service and Banking system engineering
 - Securities: Securities
 - Other financial service: Credit card administration, General leasing, Financing and Venture capital
- Ordinary income and ordinary profit are shown in lieu of sales and operating profit of business enterprises.

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

Some of the consolidated subsidiaries are engaged in the securities, general leasing and other businesses in addition to commercial banking and trust banking. As those activities are not deemed material, the business segment information has not been disclosed.

2. Geographical Segment Information

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

Since the operating income and employed assets of "Japan" segment is more than 90 % of all the other segments combined, geographical segment information for Interim 2002 is not shown here. Such disclosures have been omitted in the prior fiscal year also.

3. Overseas ordinary income

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

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

Such disclosures have been omitted in the prior fiscal year also.

Market Value of Securities and Money Held in Trust

(As of March 31, 2002)

1. Securities

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

(1) Securities Held for Trading Purposes *(Millions of yen)*

	As of March 31, 2002	
	Consolidated balance sheet amount	Unrealized gain (net) included in profits and losses
Securities Held for Trading Purposes	431,558	375

(2) Marketable bonds held to maturity *(Millions of yen)*

	As of March 31, 2002				
	Balance Sheet Amount (consolidated) X	Market Value Y	Unrealized Gains/Losses Y-X	Unrealized Gains/Losses	
				Gain	Loss
National government bonds	9	9	0	0	-
Local government bonds	381	392	10	10	-
Corporate bonds	500	466	(34)	-	34
Other	3,930	3,934	4	61	57
Total	4,821	4,802	(18)	72	91

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

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

None

(4) Other securities for which market values can be calculated *(Millions of yen)*

	As of March 31, 2002				
	Acquisition costs X	Consolidated balance sheet amount Y	Unrealized Gains/Losses Y-X	Unrealized Gains/Losses	
				Gain	Loss
Stocks	1,928,133	1,838,809	(89,324)	103,640	192,964
Bonds	4,394,349	4,418,192	23,843	27,260	3,417
National government bonds	3,538,560	3,556,856	18,296	18,395	99
Local government bonds	130,684	134,157	3,473	3,640	167
Corporate bonds	725,104	727,178	2,073	5,224	3,150
Other	247,645	242,387	(5,257)	2,557	7,815
Total	6,570,128	6,499,389	(70,738)	133,458	204,197

Notes: Market values of stocks are based on the average market prices of the last one month of the year ended March 31, 2002.

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

(5) No held-to-maturity bonds were sold during the period.

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

	FY 2001		
	Sold	Gain	Loss
Other securities	7,911,660	79,462	232,555

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

	As of March 31, 2002
Bonds held to maturity	
Unlisted internal bonds	5,033
Negotiable certificates of deposit	5,595
Other securities	
Unlisted internal bonds	202,636
Unlisted stocks (except over-the-counter securities)	99,773
Unlisted foreign bonds	14,964

(8) Securities of which purpose to hold were changed
None

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

	As of March 31, 2002			
	One Year or Less	One to Five Years	Five to 10 Years	More than 10 years
Bonds	1,063,813	2,673,406	884,984	4,450
National government bonds	854,482	1,949,240	750,143	3,000
Local government bonds	12,374	55,386	69,887	-
Corporate bonds	196,956	668,779	64,952	1,449
Other	48,711	31,622	16,329	8,220
Total	1,112,524	2,705,029	901,313	12,671

2. Money held in trust

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

	As of March 31, 2002	
	Consolidated balance sheet amount	Unrealized gain (net) included in profits and losses
Money held in trust for investment purposes	43,823	(0)

(2) Held-to-maturity money held in trust
None

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

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

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

3. Net unrealized differences of other securities (Valuation differences) *(Millions of yen)*

	As of Mar. 31, 2002
Difference (Market value - Balance sheet amount)	(70,738)
Other securities	(70,738)
Other money held in trust	-
Amount equivalent to deferred tax liabilities	1,285
Amount equivalent to unrealized gain (net) of other securities (before adjustment of amount equivalent to interest)	(72,023)
Amount equivalent to minority interests	731
Amount equivalent to parent company interest of amount equivalent to unrealized differences of other securities owned by the companies accounted for the equity method	(41)
Net unrealized differences of other securities	(72,797)

Contract Values, Market Values and Unrealized Gains (Losses) on Derivatives

(As of September 30, 2002)

(1) Interest rate-related transactions

(Millions of yen)

Type of Transactions	As of September 30, 2002		
	Contract value	Market value	Unrealized gain (loss)
Listed:			
Futures	708,792	(582)	(582)
Options	-	-	-
Over-the-counter:			
Forwards	-	-	-
Swaps	4,260,507	15,721	15,721
Options	-	-	-
Caps	640,090	(3)	1,516
Floors	29,494	162	80
Swaptions:	2,043	(0)	10
Total		15,297	16,746

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

(2) Currency-related transactions

(Millions of yen)

Type of Transactions	As of September 30, 2002		
	Contract value	Market value	Unrealized gain (loss)
Over-the-counter:			
Currency swaps	940,130	(6)	(6)
Forward contracts	1,176	(1)	(1)
Currency options	-	-	-
Other	-	-	-

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

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

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

(Millions of yen)

Type of Transactions	As of September 30, 2002		
	Contract value	Market value	Unrealized gain (loss)
Currency swaps	243,720	536	536

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

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

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

(Millions of yen)

Type of Transactions	As of September 30, 2002
	Contract value
Over-the-counter:	
Forward contracts	1,075,342
Currency options	2,954,720
Others	-

(3) Stock-related transactions

(Millions of yen)

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

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

(4) Bond-related transactions

(Millions of yen)

Type of Transactions	As of September 30, 2002		
	Contract value	Market value	Unrealized gain (loss)
Listed:			
Futures	16,270	(8)	(8)
Futures options:	-	-	-
Total		(8)	(8)

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

(5) Commodity-related transactions

None

(6) Credit derivatives transactions

None

(As of Mar. 31, 2002)

(1) Interest rate-related transactions

(Millions of yen)

Type of Transaction	As of March 31, 2002			
	Contract value		Market value	Unrealized gain (loss)
	Total	Over one year		
Listed:				
Futures:				
Sold	573,509	5,362	(1,783)	(1,783)
Bought	345,240	–	1,628	1,628
Over-the-counter:				
Swaps:				
Receive fixed/Pay floating	2,168,533	1,373,851	47,209	47,209
Receive floating/Pay fixed	2,199,687	1,322,699	(39,279)	(39,279)
Receive float/Pay floating	238,668	174,510	(165)	(165)
Caps:				
Sold	363,694	288,426	440	2,612
Bought	329,432	261,220	366	(1,063)
Floors:				
Sold	12,000	12,000	528	(422)
Bought	17,633	17,156	720	528
Swaption:				
Sold	1,043	43	23	(4)
Bought	1,000	–	23	15
Total			7,726	9,275

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

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

(2) Currency-related transactions

(Millions of yen)

Type of Transaction	As of March 31, 2002			
	Contract value		Market value	Unrealized gain (loss)
	Total	Over one year		
Over-the-counter:				
Currency swaps	889,482	760,163	(1,634)	(1,634)
Forward contracts:				
Sold	156	—	0	0
Bought	953	—	(2)	(2)
Total			(1,636)	(1,636)

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

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

(Millions of yen)

Type of Transaction	As of March 31, 2002		
	Contract value	Market value	Unrealized gain (loss)
Currency swaps	229,474	(154)	(154)

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

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

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

(Millions of yen)

Type of Transaction	As of March 31, 2002
	Contract value
Over-the-counter:	
Forward contracts:	
Sold	610,865
Bought	630,602
Options:	
Sold	1,313,282
Bought	1,403,453

(3) Stock-related transactions

(Millions of yen)

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

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

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

(4) Bond-related transactions

(Millions of yen)

Type of Transaction	As of March 31, 2002			
	Contract value		Market value	Unrealized gain (loss)
	Total	Over one year		
Listed:				
Futures:				
Sold	3,709	—	(15)	(15)
Bought	1,236	—	5	5
Futures options:				
Sold	—	—	—	—
Bought	546	—	0	0
Total			(8)	(9)

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

excluded from the above table.

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

(5) Commodity-related transactions

None

(6) Credit derivatives transactions

None

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

(Millions of Yen)

Assets		Liabilities	
Loans and bills discounted	391,363	Money trusts	8,607,810
Securities	1,677,823	Pension trusts	5,950,696
Securities held for investment trust	20,579,691	Asset formation benefit trusts	2,451
Securities held in custody account	385	Securities investment trusts	7,487,532
Monetary claims	726,903	Pecuniary trusts other	
Premises and equipment	246,382	than money trusts	288,043
Land lease rights	1,857	Securities trusts	230,321
Other claims	5,489	Monetary claims trusts	641,690
Due from banking Account	202,434	Real estates trusts	212,681
Cash and due from banks	49,748	Land leases trusts	4,940
		Composite trusts	455,910
Total assets	23,882,079	Total liabilities	23,882,079

Notes

- 1 Amounts of less than one million yen have been rounded down.
- 2 The trust which were re-entrusted for operations were excluded.
- 3 Trust beneficiary certificates worth of ¥ 20,574,805 million were re-entrusted for asset administration purpose.
- 4 Co-managed trust funds under other trust bank's administration amounted to ¥7,171,589 million.
- 5 Loans and bills discounted funded by JOMT account funds that the Bank guarantees the principal amounting to ¥360,542 million included the following:

(Million of Yen)

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

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

(Millions of Yen)

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

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

(Reference Sheet)

Comparison of Statements of Trust Assets and Liabilities

(Millions of Yen)

	Sep 30,2002 (A)	Mar 31, 2002 (B)	Difference (A)-(B)
ASSETS			
Loans and bills discounted	391,363	475,878	(84,515)
Securities	1,677,823	1,344,746	333,077
Trust beneficiary certificate	-	93,171	(93,171)
Securities held in custody account	20,579,691	21,581,191	(1,001,500)
Securities lent	385	128,818	(128,433)
Monetary claims	726,903	895,943	(169,040)
Premises and equipment	246,382	220,001	26,381
Land Lease rights	1,857	1,857	-
Other claims	5,489	21,580	(16,091)
Call loan	-	39,247	(39,247)
Due from banking account	202,434	213,342	(10,908)
Cash and due from banks	49,748	126,746	(76,998)
Total assets	23,882,079	25,142,526	(1,260,447)
Co-Managed trust funds under other trust bank's Administration	7,171,589	7,607,431	(435,842)

	Sep 30,2002 (A)	Mar 31, 2002 (B)	Difference (A)-(B)
LIABILITIES			
Money trusts	8,607,810	8,134,746	473,064
Pension trusts	5,950,696	6,266,942	(316,246)
Asset formation benefit trusts	2,451	2,441	10
Securities investment trusts	7,487,532	8,715,719	(1,228,187)
Pecuniary trusts other than money trusts	288,043	292,720	(4,677)
Securities trusts	230,321	385,701	(155,380)
Monetary claims trusts	641,690	912,250	(270,560)
Real estate trusts	212,681	192,546	20,135
Land lease trusts	4,940	4,902	38
Composite trusts	455,910	234,553	221,357
Total liabilities	23,882,079	25,142,526	(1,260,447)

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