

# BANK OF IKEDA

FINANCIAL STATEMENTS 2002

## *Providing All-Round Lifestyle Support*



I would first like to take this opportunity to thank all our stakeholders for their unswerving support over the years.

The year under review was a very severe one. The Bank of Ikeda regrettably posted a net loss, and suspended dividend payment. This was principally due to the application of stricter valuation criteria to stockholdings as a means of achieving greater asset soundness. As a result, the Bank has succeeded in drawing a line under one of its major problems and has thereby laid the foundations for successful banking operations in the years ahead.

The Bank of Ikeda has recently become the only regional bank based in the area between Osaka and Kobe that is not affiliated with a major financial institution. We aim to make positive use of our independent status to freely link up with financial groups in the securities and insurance fields as well as the banking field, so as to offer a wider range of products and services. Our goal is to serve the regional community, in particular through the creation of a network that enables us to reconcile the differing demands of human and material resources, funds, and information.

As part of this process of network creation, we completely renewed our website in April, and upgraded links to websites of local governments and chambers of commerce, and of business corporations in the region. In this way, we are continuing to enhance the functionality of the “Ikeda Life Network.”

We look forward to the continued support of our stakeholders in our future efforts.

A handwritten signature in black ink, appearing to read 'Moritaka Hattori'.

Moritaka Hattori  
*President*

# Consolidated Balance Sheets

The Bank of Ikeda, Ltd. and consolidated subsidiaries  
As of March 31, 2002 and 2001

	Millions of Yen		Thousands of U.S. Dollars
	2002	2001	2002
<b>ASSETS</b>			
Cash and Due from Banks	¥ 73,544	¥ 34,204	\$ 551,923
Call Loans and Bills Purchased	908	10,301	6,813
Other Debt Purchased	1,766	5,410	13,253
Trading Account Securities	55,744	116	418,338
Money Held in Trust	14,500	26,500	108,818
Securities	359,850	377,777	2,700,562
Loans and Bills Discounted	1,188,322	1,205,898	8,917,984
Foreign Exchanges	1,886	1,835	14,155
Other Assets	39,818	40,322	298,823
Premises and Equipment	26,014	26,715	195,230
Deferred Tax Assets	27,935	17,417	209,645
Customers' Liabilities for Acceptances and Guarantees	49,506	56,915	371,531
Reserve for Possible Loan Losses	(18,750)	(26,566)	(140,710)
<b>Total Assets</b>	<b>¥1,821,043</b>	<b>¥1,776,844</b>	<b>\$13,666,365</b>
<b>LIABILITIES, MINORITY INTERESTS AND SHAREHOLDERS' EQUITY</b>			
<b>Liabilities</b>			
Deposits	¥1,618,606	¥1,516,337	\$12,147,139
Call Money and Bills Sold	666	6,925	5,000
Borrowed Money	39,099	45,190	293,427
Foreign Exchanges	130	37	977
Bonds	3,800	2,800	28,518
Convertible Bonds	7,909	7,999	59,355
Other Liabilities	42,121	58,126	316,101
Reserve for Employee Retirement Benefits	2,278	1,779	17,094
Reserve for Possible Losses on Sales of Loans	4,958	5,196	37,209
Consolidation Adjustment	23	33	169
Acceptances and Guarantees	49,506	56,915	371,531
<b>Total Liabilities</b>	<b>1,769,096</b>	<b>1,701,337</b>	<b>13,276,520</b>
<b>Minority Interests</b>	<b>769</b>	<b>738</b>	<b>5,769</b>
<b>Shareholders' Equity</b>			
Common Stock	33,313	33,269	250,010
Capital Surplus	30,026	29,980	225,331
Retained Earnings (Accumulated Deficit)	(12,419)	11,521	(93,202)
Net Unrealized Gains on Available-for-Sale Securities	272	—	2,041
	51,192	74,770	384,180
Less: Treasury Stock, at cost	(14)	(1)	(104)
<b>Total Shareholders' Equity</b>	<b>51,178</b>	<b>74,769</b>	<b>384,076</b>
<b>Total Liabilities, Minority Interests and Shareholders' Equity</b>	<b>¥1,821,043</b>	<b>¥1,776,844</b>	<b>\$13,666,365</b>

# Consolidated Statements of Operations and Retained Earnings (Deficit)

The Bank of Ikeda, Ltd. and consolidated subsidiaries  
For the years ended March 31, 2002 and 2001

	Millions of Yen		Thousands of U.S. Dollars
	2002	2001	2002
<b>Income</b>			
Interest Income:			
Interest on Loans and Bills Discounted	¥ 30,623	¥31,285	\$229,820
Interest and Dividends on Securities	6,549	6,261	49,146
Other	420	477	3,153
Fees and Commissions	5,371	5,041	40,306
Other Operating Income	1,818	1,002	13,641
Other Income	7,561	13,355	56,745
Total Income	52,342	57,421	392,811
<b>Expenses</b>			
Interest Expense:			
Interest on Deposits	4,076	5,352	30,592
Interest on Borrowings and Rediscounts	1,574	2,221	11,811
Other	4,143	3,868	31,093
Fees and Commissions	2,675	2,453	20,075
Other Operating Expenses	797	452	5,978
General and Administrative Expenses	24,091	23,723	180,796
Other Expenses	49,064	17,334	368,213
Total Expenses	86,420	55,403	648,558
Income (Loss) before Income Taxes and Minority Interests	(34,078)	2,018	(255,747)
<b>Income Taxes</b>			
Current	187	660	1,405
Deferred	(10,731)	(2,266)	(80,540)
Minority Interests	12	(104)	92
Net Income (Loss)	(23,546)	3,728	(176,704)
<b>Retained Earnings (Accumulated Deficit)</b>			
Balance at Beginning of Year	11,521	8,493	86,460
Appropriation:			
Cash Dividends	(394)	(700)	(2,957)
Balance at End of Year	¥(12,419)	¥11,521	\$ (93,201)
	Yen	U.S. Dollars	
	2002	2001	2002
<b>Amounts per Share</b>			
Net Income (Loss):			
Primary	¥(1,194.12)	¥ 212.66	\$(8.96)
Fully Diluted	—	201.75	—
Cash Dividends Applicable to the Year	—	40.00	—
Net Assets	2,595.67	3,794.78	19.48

## Consolidated Statements of Cash Flows

The Bank of Ikeda, Ltd. and consolidated subsidiaries  
For the years ended March 31, 2002 and 2001

	Millions of Yen		Thousands of U.S. Dollars
	2002	2001	2002
<b>Cash Flows from Operating Activities</b>			
Income (Loss) before Income Taxes and Minority Interests	¥ (34,078)	¥ 2,018	\$ (255,747)
Depreciation and Amortization	1,619	739	12,149
Amortization of Consolidation Adjustment	(11)	(11)	(86)
Increase in Reserve for Possible Loan Losses	4,193	8,306	31,468
(Decrease) Increase in Reserve for Possible Losses on Sales of Loans	(238)	429	(1,785)
Decrease in Reserve for Retirement Allowances	—	(2,807)	—
Increase in Reserve for Employee Retirement Benefits	498	1,779	3,740
Interest on Loans and Discounts Received	(37,592)	(38,023)	(282,119)
Interest on Deposits	9,793	11,440	73,497
Loss (Income) on Securities Transaction	29,734	(5,922)	223,147
Loss (Income) on Money Trust	189	(428)	1,422
Foreign Exchange Gain	(7,251)	(6,452)	(54,414)
Loss on Sale of Premises and Equipment	237	221	1,781
Net Decrease (Increase) in Loans and Bills Discounted	5,555	(44,874)	41,685
Net Increase in Deposits	103,873	45,103	779,539
Net (Decrease) Increase in Negotiable Certificates of Deposit	(1,400)	1,400	(10,507)
Net (Increase) Decrease in Trading Account Securities	(55,621)	13,399	(417,415)
Net Decrease in Borrowings excluding Subordinated Loans	(3,591)	(7,149)	(26,951)
Net Decrease (Increase) in Due from Banks (Other than the Bank of Japan)	4,415	(99)	33,130
Net Decrease (Increase) in Call Loans and Bills Purchased	13,032	(8,530)	97,799
Net (Decrease) Increase in Call Money and Bills Sold	(6,253)	6,565	(46,927)
Net (Decrease) Increase in Cash Collateral on Securities Lending	(16,062)	18,275	(120,541)
Net (Increase) Decrease in Foreign Exchange Assets	(1,341)	147	(10,066)
Net Increase in Foreign Exchange Liabilities	94	1	702
Revenues from Fund Operations	38,184	37,923	286,560
Expenditures on Fund Procurement	(10,287)	(11,927)	(77,203)
Other, net	1,516	(2,293)	11,380
Subtotal	39,207	19,230	294,238
Income Taxes Paid	(508)	(450)	(3,815)
Net Cash Provided by Operating Activities	38,699	18,780	290,423
<b>Cash Flows from Investing Activities</b>			
Purchase of Securities	(321,842)	(302,867)	(2,415,324)
Sale of Securities	244,721	217,971	1,836,554
Redemption of Securities	72,964	37,013	547,569
Increase in Money Held in Trust	(10,000)	(9)	(75,047)
Decrease in Money Held in Trust	21,795	—	163,567
Purchase of Premises and Equipment	(1,263)	(1,108)	(9,477)
Sale of Premises and Equipment	565	683	4,242
Net Cash Provided by (Used in) Investing Activities	6,940	(48,317)	52,084
<b>Cash Flows from Financing Activities</b>			
Proceeds from Subordinated Loans	—	3,500	—
Decrease in Subordinated Loans	(2,500)	(8,500)	(18,762)
Proceeds from Convertible Bonds Issue	1,000	2,800	7,505
Proceeds from Stock Issue	—	10,915	—
Cash Dividends Paid	(394)	(701)	(2,957)
Cash Dividends Paid to Minority Interests	(4)	(4)	(30)
Net Cash (Used in) Provided by Financing Activities	(1,898)	8,010	(14,244)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	13	14	96
Net Increase (Decrease) in Cash and Cash Equivalents	43,754	(21,513)	328,359
Cash and Cash Equivalents at Beginning of the Year	29,182	50,695	219,004
Cash and Cash Equivalents at End of the Year	¥ 72,936	¥ 29,182	\$ 547,363

## Selected Financial Data

The Bank of Ikeda, Ltd. and consolidated subsidiaries  
For the years ended March 31, 2002, 2001 and 2000

	Millions of Yen			Thousands of U.S. Dollars
	2002	2001	2000	2002
<b>For the Year</b>				
Total Income	¥ 52,342	¥ 57,421	¥ 56,506	\$ 392,811
Total Expenses	86,420	55,403	54,737	648,558
Income (Loss) before Income Taxes	(34,078)	2,018	1,769	(255,747)
Net (Loss) Income	(23,546)	3,728	1,033	(176,704)
Cash Dividends	394	700	700	2,957
<b>At Year-end</b>				
Deposits	¥1,618,606	¥1,516,337	¥1,468,734	\$12,147,139
Loans and Bills Discounted	1,188,322	1,205,898	1,180,391	8,917,984
Securities	359,850	377,777	316,572	2,700,562
Total Assets	1,821,043	1,776,844	1,697,308	13,666,365
Shareholders' Equity	51,178	74,769	60,825	384,076

## Capital Ratio (Domestic Standard)

As of March 31, 2002 and 2001

	Millions of Yen		Thousands of U.S. Dollars
	2002	2001	2002
<b>Tier I Capital:</b>			
Common Stock	¥ 33,313	¥ 33,268	\$ 250,010
Capital Surplus	30,026	29,980	225,331
Retained Earnings	(12,451)	11,111	(93,439)
Minority Interests of Consolidated Subsidiaries	745	738	5,591
Treasury Stock	(14)	—	(104)
Total (A)	51,619	75,097	387,389
<b>Tier II Capital:</b>			
General Reserve for Possible Loan Losses	6,363	6,871	47,755
Subordinated Debt	27,627	30,299	207,332
Total	33,990	37,170	255,087
Amount Qualifying as Capital (B)	32,173	37,170	241,449
<b>Deduction:</b>			
Crossholdings with Other Financial Institutions (C)	224	224	1,682
Total Qualifying Capital (A)+(B)-(C) (D)	¥ 83,568	¥ 112,043	\$ 627,156
<b>Risk-Adjusted Assets:</b>			
On-Balance-Sheet Assets	¥ 972,077	¥1,046,952	\$7,295,135
Off-Balance-Sheet Assets	46,056	52,374	345,637
Total (E)	¥1,018,133	¥1,099,326	\$7,640,772
Consolidated Capital Ratio (domestic standard) = $\frac{D}{E} \times 100$	8.20%	10.19%	

## Notes

- The accompanying consolidated financial statements of the Bank of Ikeda, Ltd. and its consolidated subsidiaries as of March 31, 2002 and 2001, and for the years then ended have been prepared in accordance with accounting principles and practices generally accepted and applied in Japan, which may differ in certain material respects from accounting principles and practices generally accepted in countries and jurisdictions other than Japan. They are compiled from the consolidated financial statements prepared by the Bank of Ikeda, Ltd. as required by the Securities and Exchange Law of Japan, which have been audited by Shin Nihon & Co. in accordance with auditing standards, procedures and practices generally accepted and applied in Japan.
- Amounts in U.S. dollars are included solely for the convenience of readers outside Japan. The rate of ¥133.25 = US\$1, the rate of exchange on March 31, 2002, has been used in translation.
- Net income (loss) and net assets per share are computed based on the weighted average number of shares of common stock outstanding (excluding treasury stock) during each year and on the number of shares of common stock outstanding at each balance sheet date, respectively.

## Board of Directors

As of June 27, 2002

### Chairman

Kazuya Kiyotaki

### President

Moritaka Hattori

### Senior Managing Directors

Katsutoshi Horii

Shoichi Ogawa

Noboru Komiya

### Managing Directors

Atsushi Kudo

Junya Mori

Sadayoshi Soematsu

Toshiyuki Matsushima

### Directors

Mitsuhiro Hara

Kazuhiro Masao

Masato Yamagiwa

Kenji Matsuura

### Corporate Auditors

Motohiro Sugai

Hidenobu Hiraoka

Toru Moriwaki (Full-time)

Kiminobu Sugitani (Full-time)

Masaya Kiyotaki

### Associate Directors

Yukio Ueda

Etsuji Umehara

Yoshio Matsumura

Toshiki Mitani

Shigeru Aoyagi

Hirohisa Fujita

Ryoji Aoki

Akira Uchimura

Tatsuhiko Yakushigawa

## Corporate Outline

### Head Office:

1-11, Jonan 2-chome, Ikeda, Osaka 563-0025, Japan

Phone: 072-751-3521

Facsimile: 072-751-2716

URL: <http://www.ikedabank.co.jp>

### International Division:

1-11, Jonan 2-chome, Ikeda, Osaka 563-0025, Japan

Phone: 072-751-6186

Facsimile: 072-751-6193

E-mail: [intl-div@ikedabank.co.jp](mailto:intl-div@ikedabank.co.jp)

SWIFT Address: BIKEJPJS

### Financial Markets Division:

1-11, Jonan 2-chome, Ikeda, Osaka 563-0025, Japan

Phone: 072-751-6095

Facsimile: 072-751-6193

### Major Shareholders:

Name	Number of Shares Owned (Thousand)	Proportion of Total Shares (%)
UFJ Bank Limited	698	3.54
The Fuji Bank, Limited	697	3.53
The Bank of Tokyo-Mitsubishi, Ltd.	609	3.09
Hankyu Corporation	609	3.08
The Dai-Ichi Kangyo Bank, Limited	516	2.61
The Industrial Bank of Japan, Limited	487	2.47
Nissay Dowa General Insurance Co., Ltd.	453	2.29
Daido Life Insurance Company	332	1.68
Meiji Life Insurance Company	300	1.52
Shinko Securities Co., Ltd.	299	1.51

Notes: 1. Above figures are as of March 31, 2002.

2. The Fuji Bank, Ltd., The Dai-Ichi Kangyo Bank, Ltd., and The Industrial Bank of Japan, Ltd. were consolidated and reorganized into Mizuho Bank, Ltd. and Mizuho Corporate Bank, Ltd. under Mizuho Holdings, Inc. with effect from April 1, 2002.

3. On the same date, Daido Life Insurance Company effected a change in its status from mutual company to joint stock company.

**Date of Establishment:** September 1951

**Network:** Head Office and 68 Branches

**Number of Employees:** 1,374

**Stock Exchange Listing:** Tokyo Stock Exchange,  
Osaka Securities Exchange

**Capital:** ¥33,313 million

**Number of Shareholders:** 3,980

## Correspondents

**Amsterdam:** ABN AMRO Bank NV **Bangkok:** Standard Chartered Bank **Beijing:** Bank of China **Brussels:** The Bank of Tokyo-Mitsubishi Ltd; Fortis Bank NV/SA  
**Copenhagen:** Danske Bank Aktieselskab **Dublin:** AIB Group **Frankfurt am Main:** The Bank of New York; Deutsche Bank AG **Helsinki:** Nordea Bank Finland PLC  
**Hong Kong:** The Bank of Tokyo-Mitsubishi Ltd; Mizuho Corporate Bank Ltd.; The Hongkong and Shanghai Banking Corporation Limited; Standard Chartered Bank  
**Jakarta:** The Bank of Tokyo-Mitsubishi Ltd **Kuala Lumpur:** Standard Chartered Bank Malaysia Bhd  
**London:** The Bank of Tokyo-Mitsubishi Ltd; Barclays Bank PLC; Mizuho Corporate Bank Ltd. **Madrid:** Banco Santander Central Hispano **Milan:** Intesa Bci SpA  
**Mumbai:** The Bank of Tokyo-Mitsubishi Ltd **Munich:** Bayerische Hypo-und Vereinsbank AG

**New York City:** HSBC Bank USA. The Bank of New York; The Bank of Tokyo-Mitsubishi Ltd; J. P. Morgan Chase Bank; Mizuho Corporate Bank Ltd. **Oslo:** Den Norske Bank ASA **Paris:** The Bank of Tokyo-Mitsubishi Ltd; Société Générale **Rome:** Banca di Roma **San Francisco:** Bank of America NA; The Bank of Tokyo-Mitsubishi Ltd; Union Bank of California NA; Wells Fargo Bank NA **São Paulo:** Banco do Brasil SA **Seoul:** Woori Bank **Singapore:** The Bank of Tokyo-Mitsubishi Ltd; Mizuho Corporate Bank Ltd.; Standard Chartered Bank **Stockholm:** Skandinaviska Enskilda Banken AB (Publ) **Sydney:** Westpac Banking Corporation **Tokyo:** J. P. Morgan Chase Bank **Toronto:** Royal Bank of Canada **Vienna:** Bank Austria AG **Wellington:** Bank of New Zealand **Zürich:** UBS AG

## Standard Settlement Instructions

For foreign exchange and money market transactions

Currency	Account with Bank	SWIFT Address	Account No.
USD	The Bank of New York, New York (New York Delivery)	IRVTUS3N	890-0045-965
USD	J. P. Morgan Chase Bank, Tokyo (Tokyo Delivery)	CHASJPJT	41504142
GBP	Barclays Bank PLC., London	BARCGB22	40492930
CHF	UBS AG, Zürich	UBSWCHZH80A	9811505A
SEK	Skandinaviska Enskilda Banken, Stockholm	ESSESESS	5201-8533258
DKK	Danske Bank Aktieselskab, Copenhagen	DABADKKK	539622
NOK	Den Norske Bank, Oslo (H. O.)	DNBANOKK	7001.02.24703
EUR	Deutsche Bank AG, Frankfurt	DEUTDEFF	953746510
CAD	Royal Bank of Canada, Toronto	ROYCCAT2	2102226
AUD	Westpac Banking Corporation, Sydney	WPACAU2F	IKE0001972
NZD	Bank of New Zealand, Wellington	BKNZNZ22	0999261108000
HKD	Standard Chartered Bank, Hong Kong	SCBLHKHH	447-094-7945-2
SGD	Standard Chartered Bank, Singapore	SCBLSGSG	01-0931910-9
THB	Standard Chartered Bank, Bangkok	SCBLTHBX	013-45-65287-00
MYR	Standard Chartered Bank Malaysia Berhad, Kuala Lumpur	SCBLMYKX	312-151791846
JPY	The Bank of Tokyo-Mitsubishi, Ltd., Tokyo	BOTKJPJT	653-0801089

## THE BANK OF IKEDA, LTD.

1-11, Jonan 2-chome, Ikeda, Osaka 563-0025, Japan  
 Phone: 072-751-3521