Q&A for the 3rd Quarter ended December 31, 2004

Q Please comment on your third quarter results.

A In the nine months ended December 31, 2004, ordinary income was ¥470.1 billion and net income was ¥284.2 billion. When compared with our forecasts for the fiscal year ending in March 2005 (ordinary income of ¥640.0 billion and net income of ¥340 billion), it can be seen that we have achieved 73.4% and 83.5% respectively of our forecasts and that we are making progress broadly in line with our plans. There are no changes in our forecasts for this fiscal year.

Q Are there any seasonal factors that it is necessary to take heed of?

A As March and September mark the end of fiscal periods, there is a trend for an increase in transactions during these months. Also, there is a tendency for a large amount of trust fees to be booked in March and September. This is especially common in March.

Q What is happening with the nonperforming loan ratio?

A At the end of September 2004, there was a temporary rise in the NPL ratio, but by December 31, 2004, it had dropped 0.51 percentage points to 2.77%. This represents a 0.16 percentage point decrease from the 2.93% recorded at the end of March 2004, indicating that the declining trend in NPLs is continuing.

Q What is your forecast for credit related expenses in this fiscal year?

A Our initial forecast for credit related expenses for this fiscal year, using the sum of the parent figures for BTM and MTB, was ¥105 billion and there is no change to this forecast.

Q Has the lending balance to smaller- and medium-sized enterprises (SMEs) increased?

A Outstanding loans to SMEs are increasing steadily. Since the end of September 2004, the balance grew ¥157.6 billion, to ¥12,299.8 billion at the end of December, 2004.

This Q&A contains financial information derived from Consolidated Financial Information (consistent with Japanese GAAP) for the 3rd Quarter ended December 31, 2004. Some information is prepared based on simplified accounting standards which are materially the same as Japanese GAAP.