

FY2015
Earnings Results Briefing
(Reference materials)

June 2, 2016



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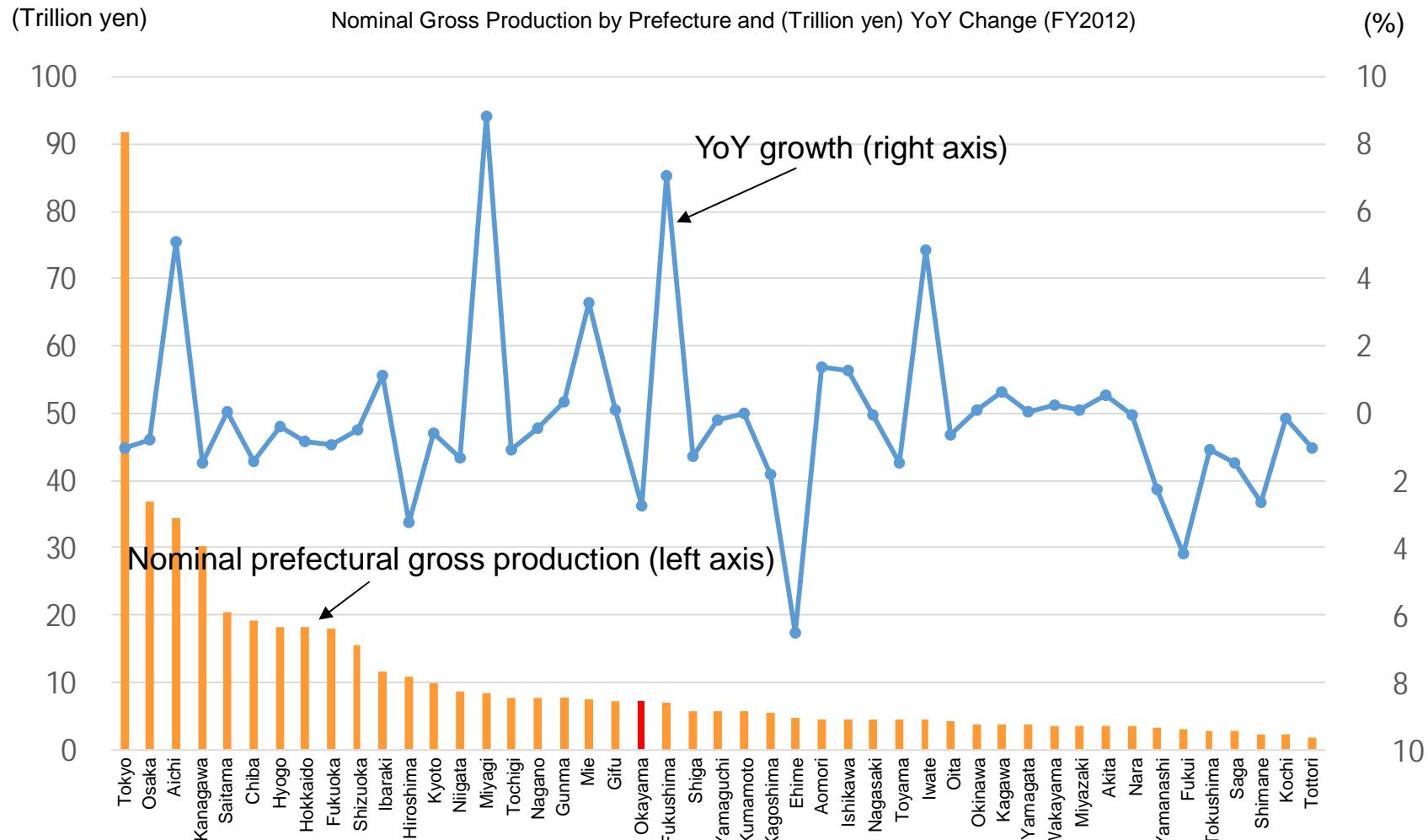
Okayama Prefecture's Industrial Structure

Okayama Prefecture's Economic Scale



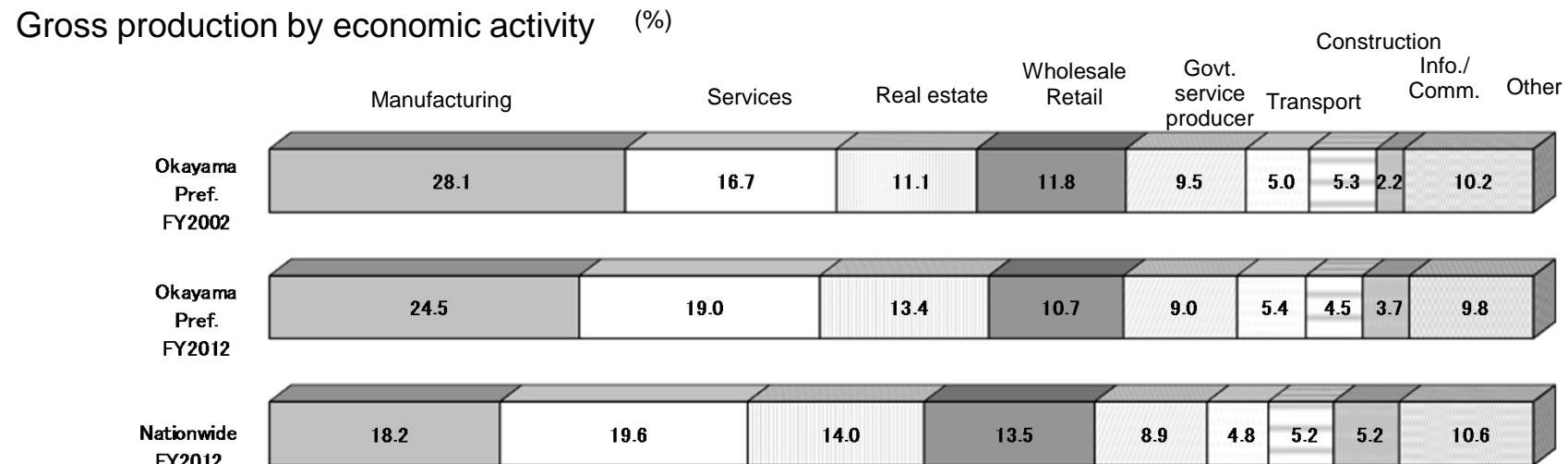
Items	Actual	Nationwide ranking (%)	Rank	Source	Survey date
Area	7,114km ²	1.9	17	Nationwide survey on size of villages, townships, cities, and prefectures	Oct. 2015
Population	1,922,000	1.5	20	National census	Oct. 2015
Number of Households	772,106	1.4	18	National census	Oct. 2015
Prefectural gross production (nominal)	7.646 trillion yen	1.4	21	Prefectural accounts	FY2012
Number of private enterprises	85,510	1.5	21	Economic census	Jul. 2014
Number of employees working at private enterprises	823,920	1.4	20	Economic census	Jul. 2014
Agricultural yield	123.5 billion yen	1.5	24	Statistics of Source: Agricultural Income Produced	2014
Product shipments	8.2557 trillion yen	2.7	14	Survey of Industry Statistics	2014
Information and communication industry sales	145.8 billion yen	0.3	21	Economic census	2013
Wholesale and retail industry sales	4.9866 trillion yen	1.0	19	Economic census	2013
Real estate industry sales and lease of goods	264.0 billion yen	0.7	17	Economic census	2013
Hotel and restaurant industry sales	236.4 billion yen	1.2	23	Economic census	2013
Life related services and entertainment industry sales	372.6 billion yen	1.1	25	Economic census	2013
Healthcare and welfare sales	1.1158 trillion yen	1.2	17	Economic census	2013
Construction output	645.0 billion yen	1.3	24	Construction statistics	2015
New housing starts	12,392	1.4	19	Housing start statistics	2015
Customs and trade	2.6649 trillion yen	1.7	12	Trade figures by port	2015

Okayama Prefecture's Economic Scale



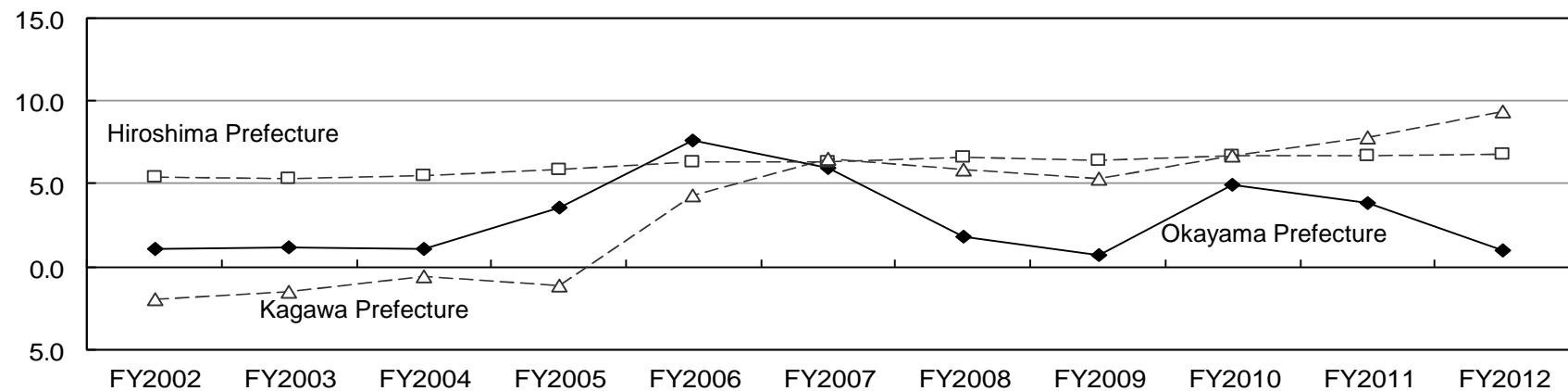
Source: FY2012 Cabinet Office's Annual Report on Prefectural Accounts

Okayama Prefecture's Industrial Structure (1)



Source: Cabinet Office's Annual Report on Prefectural Accounts

Ratio of goods and services imports/exports (net) to prefectoral gross production (nominal) (%)

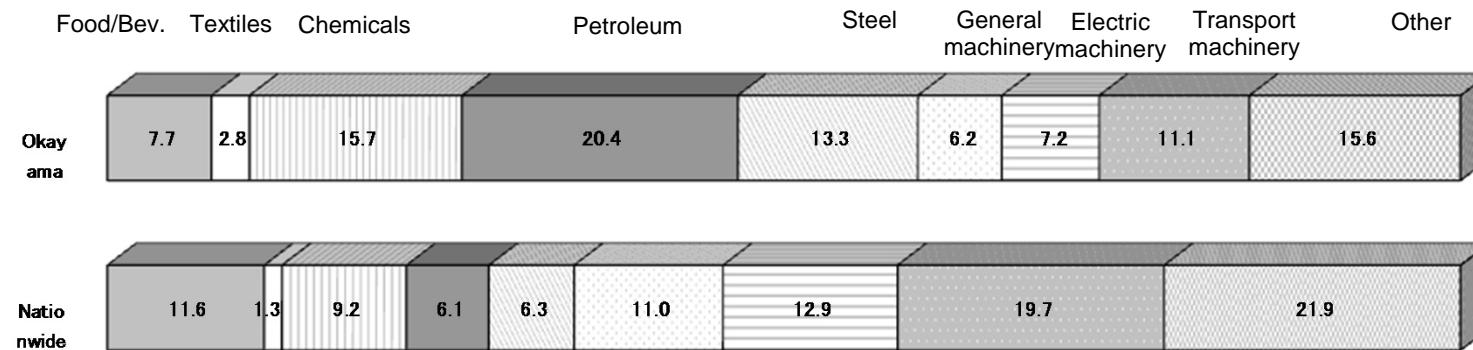


Source: Cabinet Office's Annual Report on Prefectural Accounts

Okayama Prefecture's Industrial Structure (2)



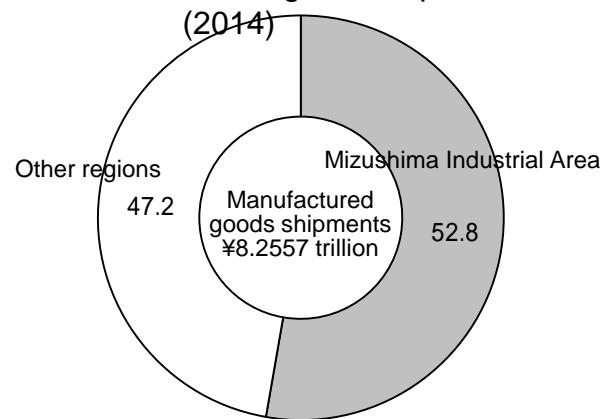
Breakdown of manufactured goods shipments (2014)



Source: METI, Survey of Industry Statistics for Okayama Prefecture

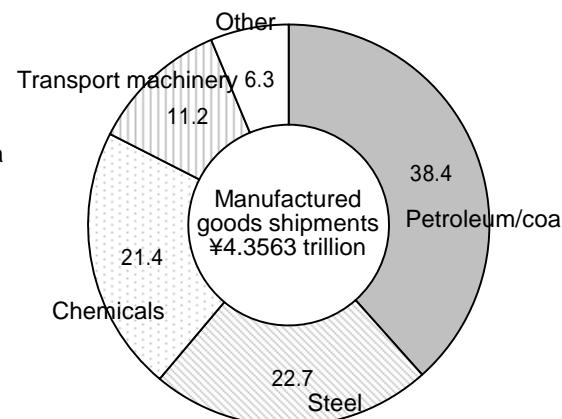
Mizushima Industrial Area's presence

Ratio of manufactured goods from the Mizushima Industrial Area versus total Okayama manufactured goods shipments



Source: Survey of Industry Statistics for Okayama Prefecture

Breakdown of manufactured goods from the Mizushima Industrial Area by industry (2014)

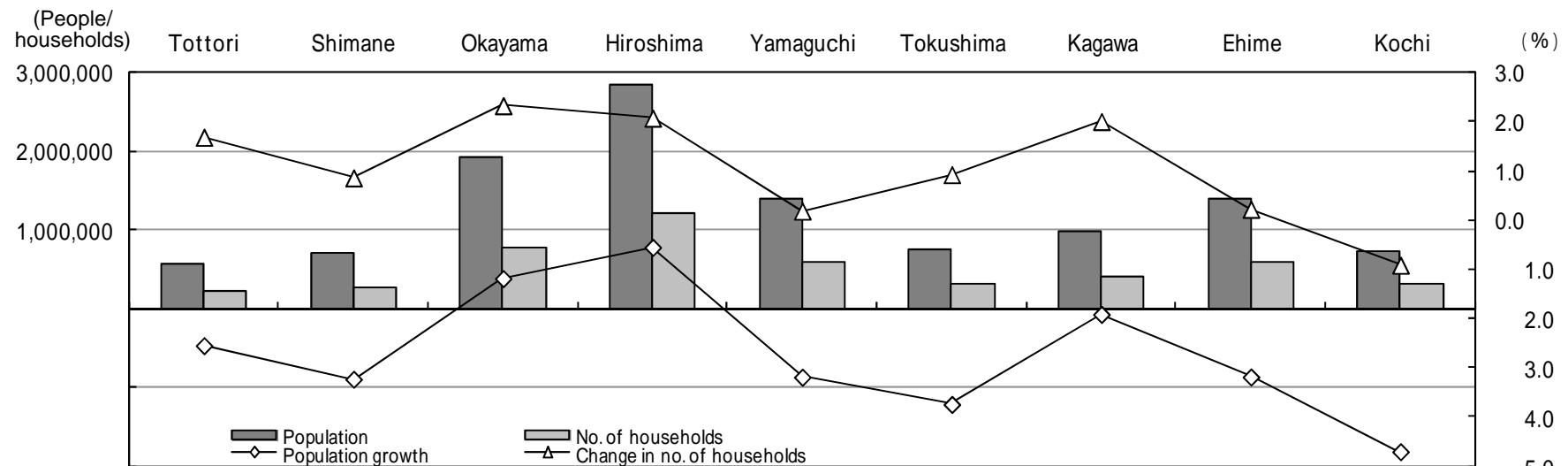


Source: Same as on the left

Okayama Prefecture's Growth Infrastructure and Potential (1)



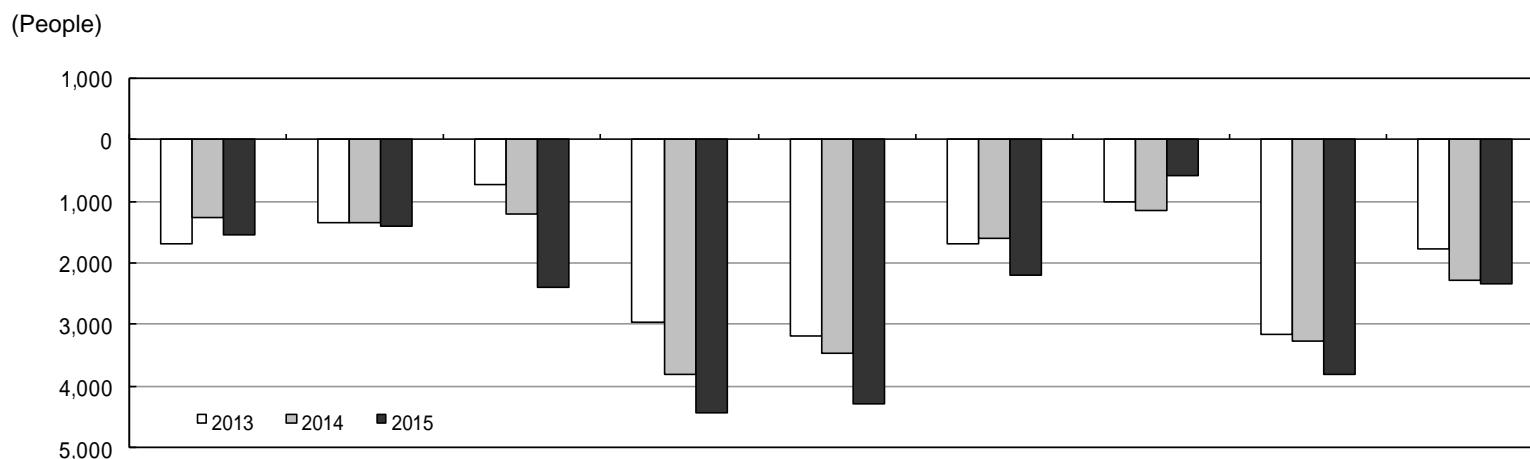
Population/No. of Households in Chugoku/Shikoku Region



Source: Population, Movement, and No. of Households Survey based on the Basic Resident Registration System, Ministry of Internal Affairs and Communications

Note: Population and number of households is for October 1, 2016; The change in population and households is a comparison between October 2010 and October 2015.

Number of people moving to prefectures in the Chugoku-Shikoku region (in excess of the number of people leaving)

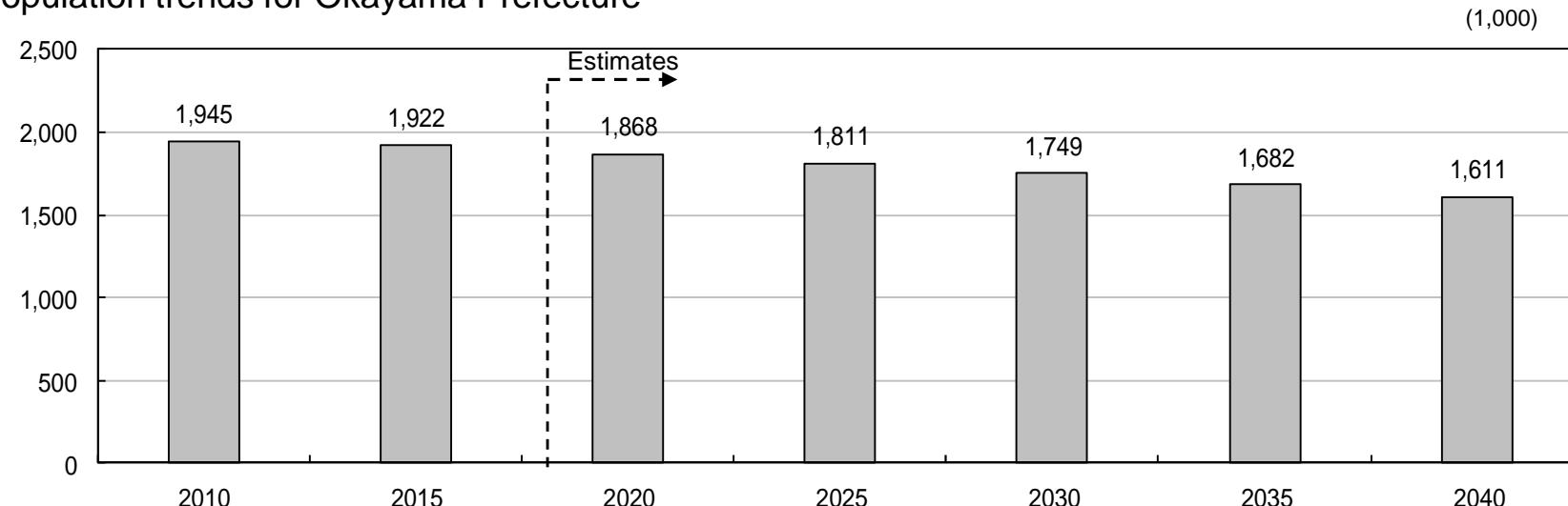


Source: Population transfer report based on basic resident registrations, Ministry of Internal Affairs and Communications

Okayama Prefecture's Growth Infrastructure and Potential (2)

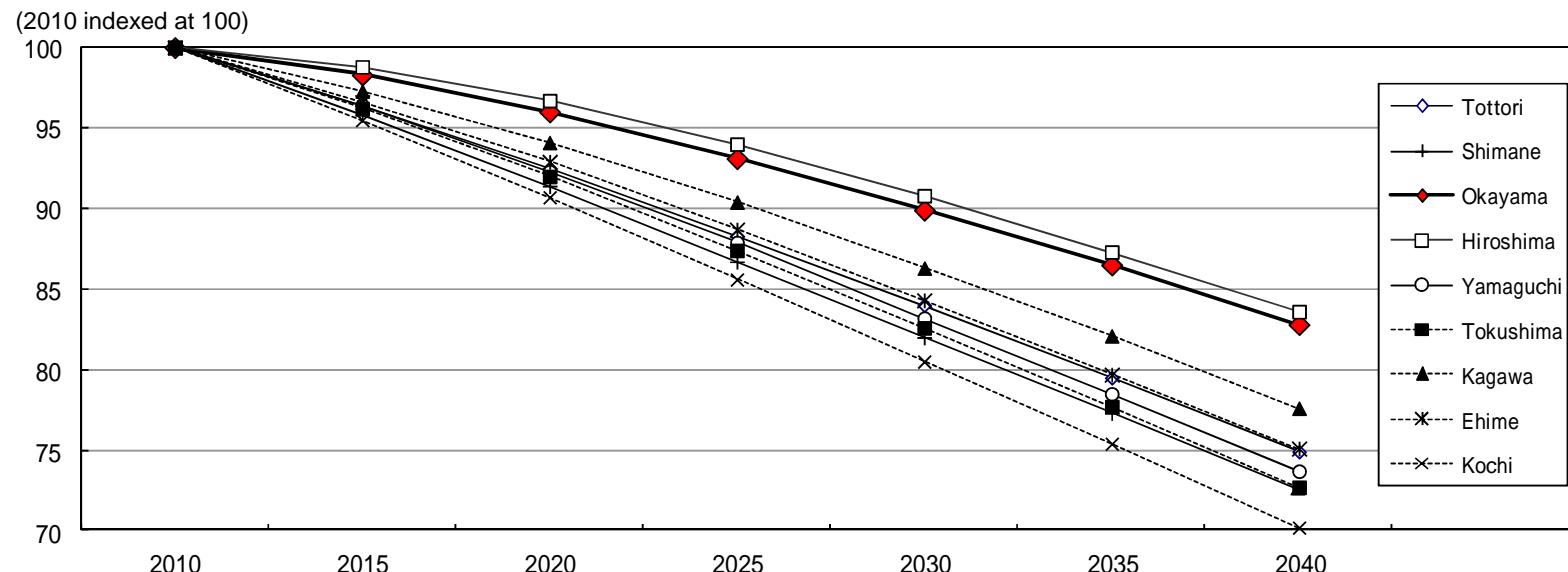


Population trends for Okayama Prefecture



Source: National Institute of Population and Social Security Research

Future population trends for the Chugoku-Shikoku region

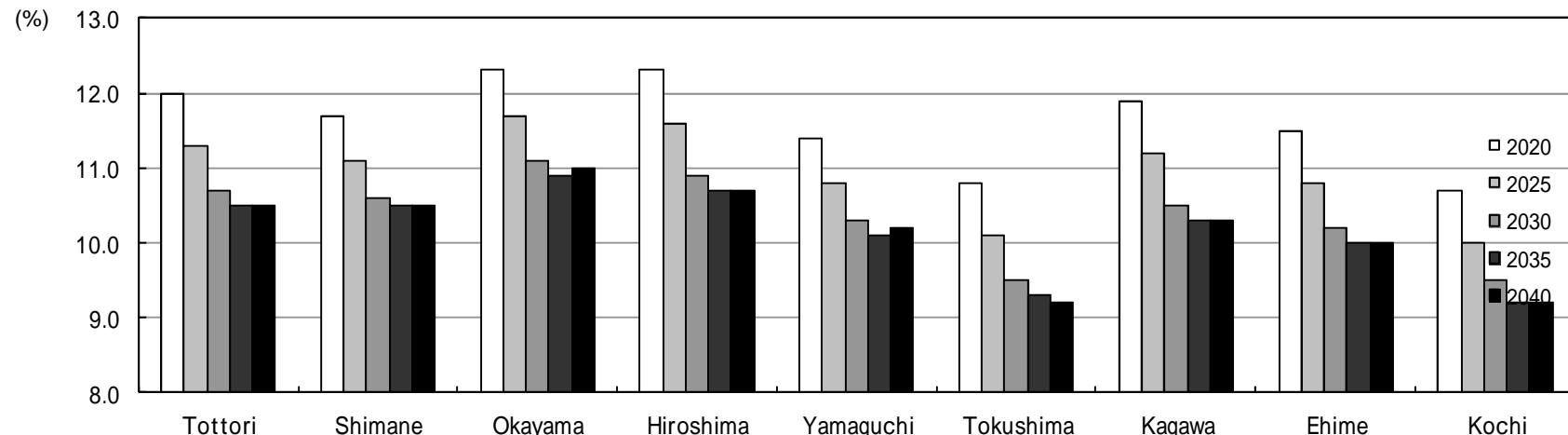


Source: National Institute of Population and Social Security Research

Okayama Prefecture's Growth Infrastructure and Potential (3)

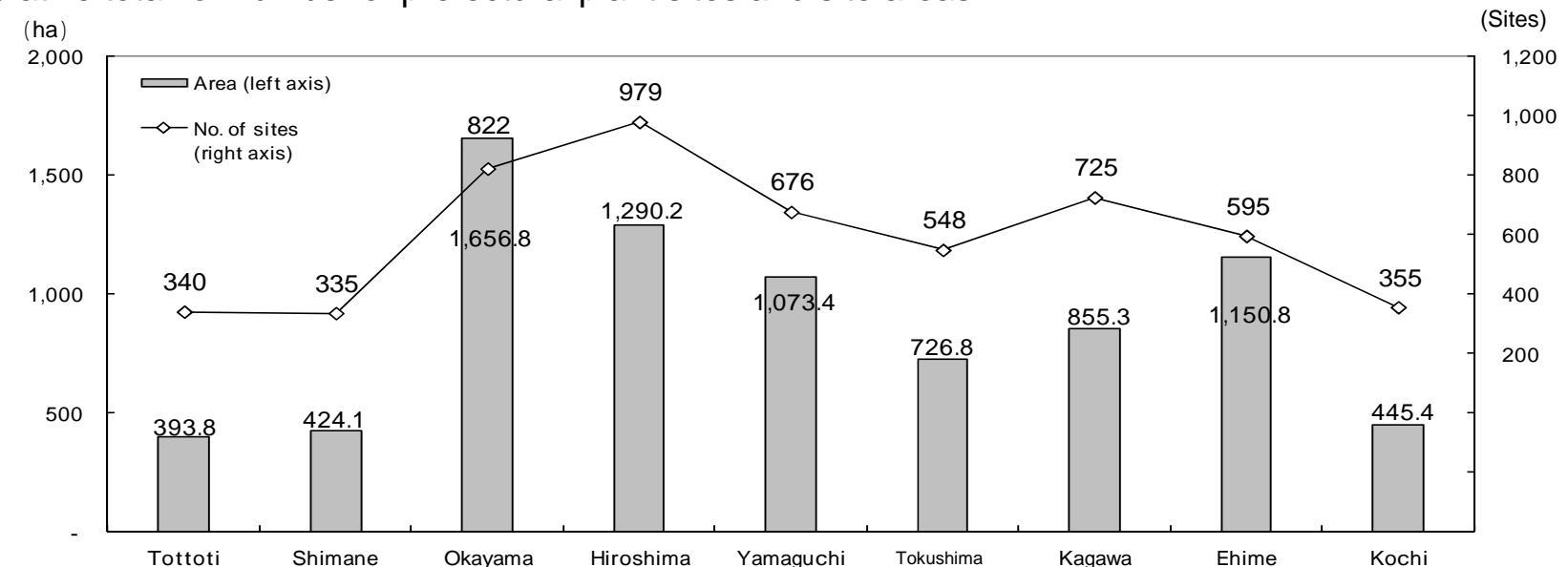


Youth population ratio trends in the Chugoku-Shikoku region



Source: National Institute of Population and Social Security Research

Cumulative total for number of prefectoral plant sites and site areas



Note: Acquired sites 1,000 sq. meters or larger. Cumulative for the period from January 1988 to December 2015; Excludes the electric power industry from 2015 onward
Source: Chugoku Bureau of Economy, Trade and Industry, Shikoku Bureau of Economy, Trade

Okayama evolving as an industrial area

Rich natural environment **Disperse disaster risk**
 Chugoku-Shikoku crossing point **Extensive transportation infrastructure**

- Ongoing construction of distribution sites
 Area taken up by commercial sites in Okayama is the largest in the Chugoku-Shikoku area*

*Okayama Prefecture Warehouse Association survey (areas for warehouses in categories 1-3)

- Example of optimal site:
Okayama IC Logistics Center
 Okayama's largest distribution facility launched in November 2015
 Japan Post is setting up a center for launch in 2017
- Manufacturers and distribution companies using Okayama as their main location for West Japan
 Key crossing point between Chugoku-Shikoku area and West Japan
 Distribution to East Japan possible during emergencies

■ Increase in industrial zones

Local government's active infrastructure development and promotion activities to invite companies to the prefecture

- Companies consecutively deciding to set up large plants, including on Tamashima Harbor Island and in Maniwa Industrial Park
- Lack of industrial land in southern part of prefecture
 Movement to newly develop area, including the development of an industrial zone to the south of the airport



Source: Okayama Prefecture website

Regional promotion by leveraging strengths

□ Revitalizing central Okayama City

Compact city—Switching from priority on cars to priority on people—

- ◆ Set to establish a new cultural and arts center; total project cost estimated at ¥10 billion-plus
- ◆ Real estate demand in city center brisk thanks to opening of Aeon Mall Okayama
- ◆ Expanding rental bikes “Momo-chari” (literally peach bikes); conducting social experiment to see if people will accept dedicated pedestrian zones



Momo-chari
(Source: Okayama city website)

■ Recycling-oriented economy in north of prefecture

Local resources to serve as model for **regional revitalization**

Renewable energy by using abundant natural resources

Power generation using recyclable, wood biomass

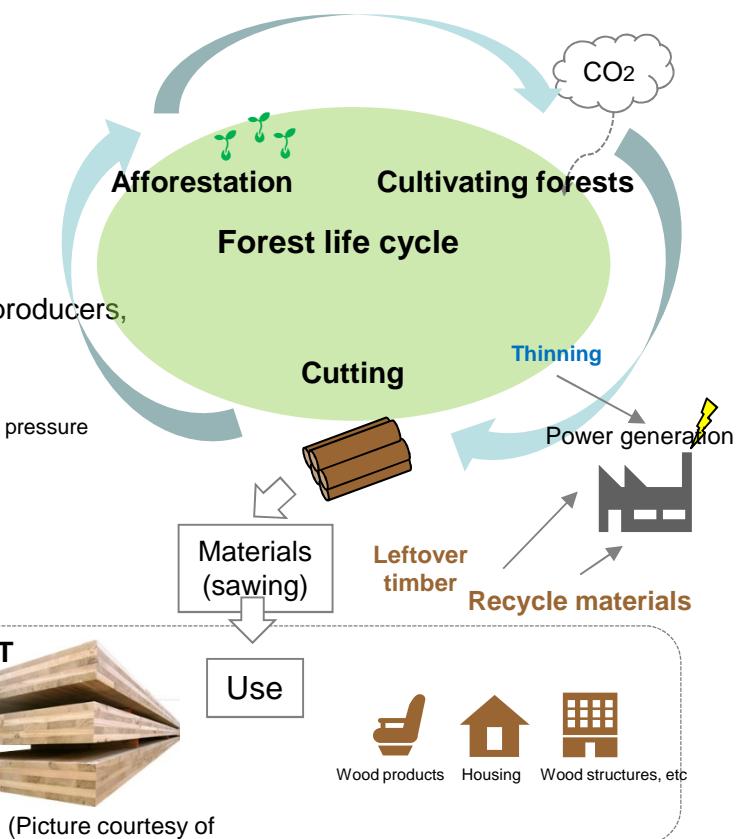
Maintain, preserve forest functions by using timber from forest thinning

Take forestry business, a strength of Okayama, to a new growth stage

Turn forestry into a growth industry by taking advantage of cluster of local producers, processors, and distributors

Promotion of CLT* could become an innovation

*Cross Laminated Timber: large wood panels that consist of layers of boards glued together under pressure with the grain of the boards in one layer running perpendicular to the grain in adjoining layers



□ Cheerful life in native prefecture: Popular among people raising children

Ranking of rural areas people wish to live in **Top 5*** (2015)

- ◆ Natural environment that also offers urban functions
- ◆ Public and private sectors promoting move to and permanent residence in Okayama

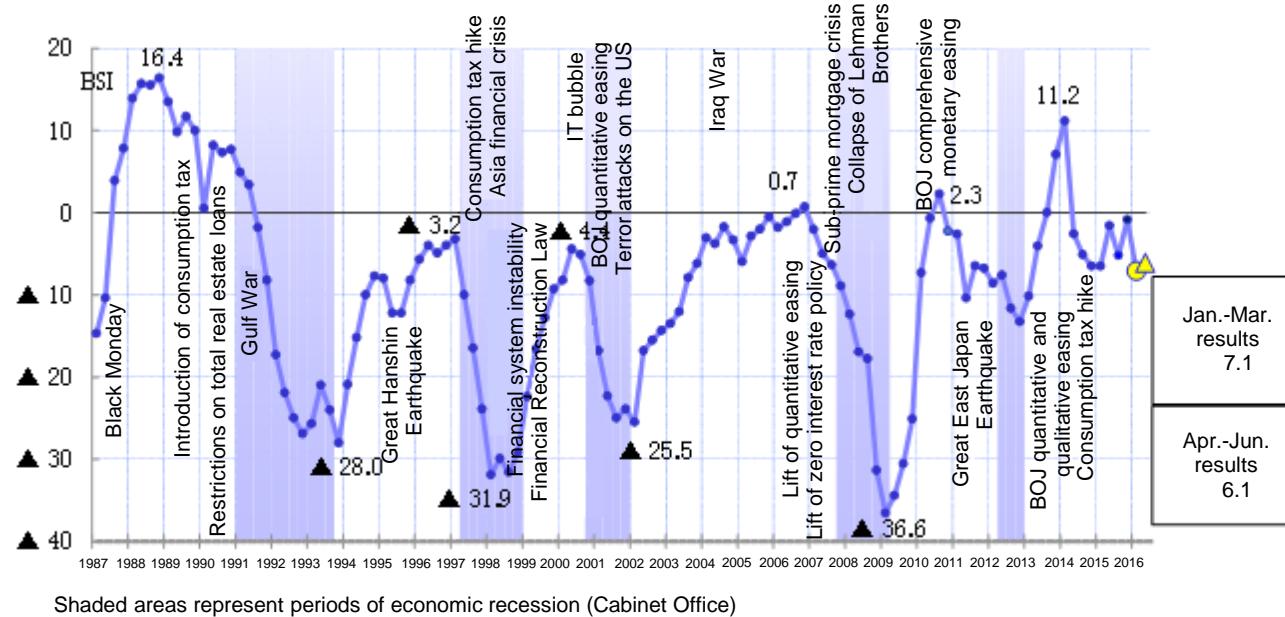
Extensive aid for child-rearing and medical subsidies

Active support for housing, farming, and job hunting

*Based on survey by NPO aiding people's return to home prefectures
(NPO Furusato Kaiki Shien Senta-)

Okayama Prefecture's Economic Trends

Demand in Japan and abroad lacks upward momentum, economic trends in Okayama prefecture at a standstill



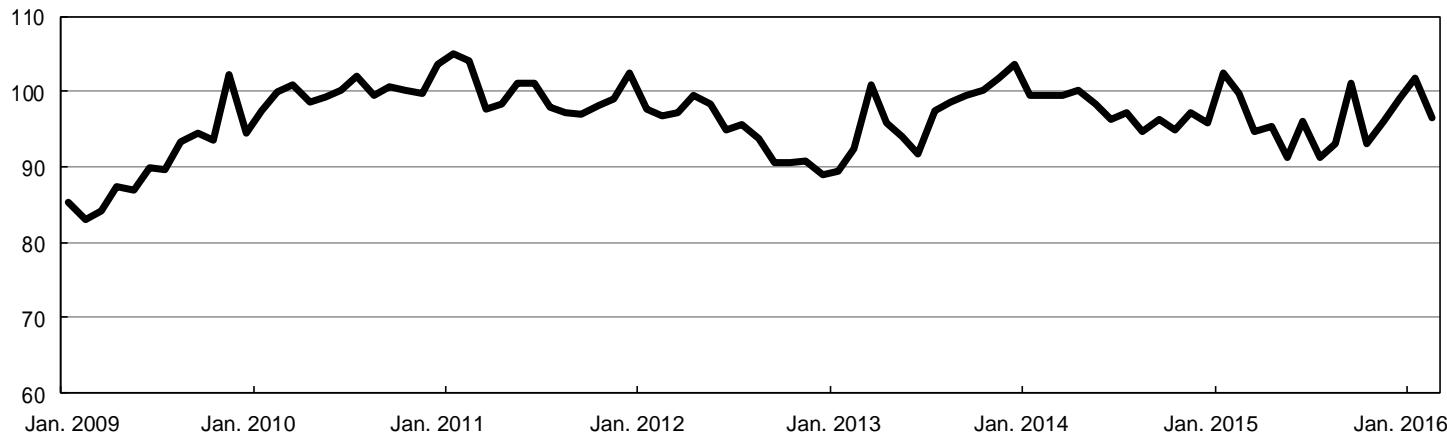
•BSI (Business Survey Index) is designed to measure corporate managers' confidence in sales and business conditions and their forecasts for their company's performance (favorable turnaround, unchanged, deterioration). A favorable turnaround year-on-year warrants an A, while unchanged performance warrants a B, and deterioration a C ($A+B+C=100$). The BSI is calculated by using the following equation: $(A - C) \div 2$. Consequently, the more corporate managers that indicate their company's performance is taking a positive turnaround, the closer the index reaches to 50. Conversely, the more respondents that determine performance is deteriorating the closer the index is to -50.

Local Economic Trends (2)



Industrial production ··· Indications of a downturn

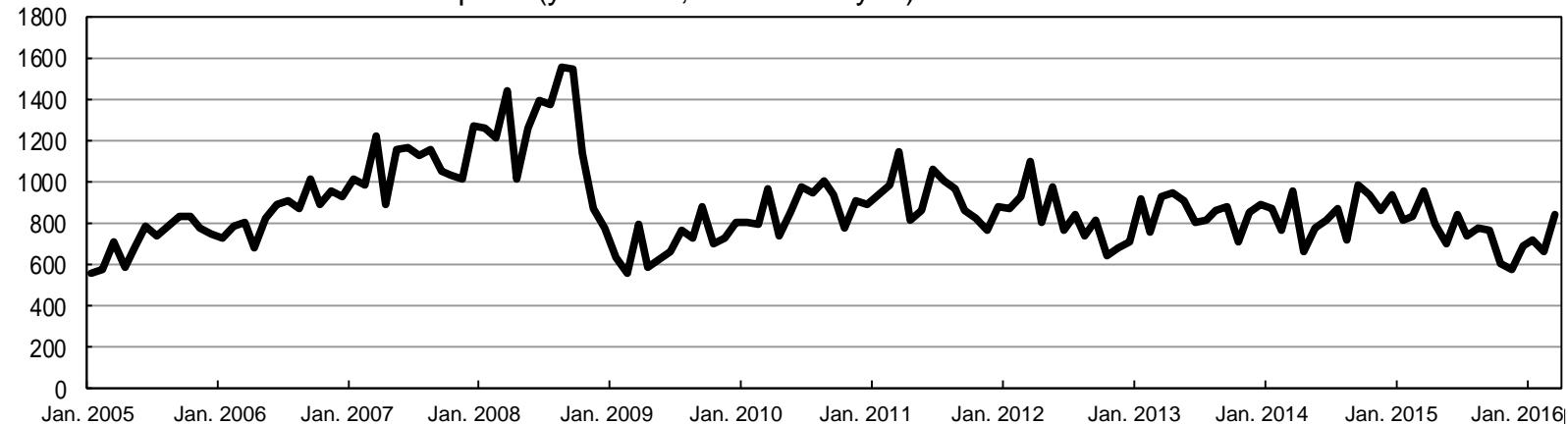
Industrial production index trends (2010 indexed at 100; seasonally adjusted)



Source: Okayama Prefecture Statistical Analysis Section

Exports ··· Declining due in part to slowdown in growth of economies in Asia

Customs clearance value for exports (yen basis; 100 million yen)



Source: Kobe customs

Local Economic Trends (3)



Capital investment ··· Flat

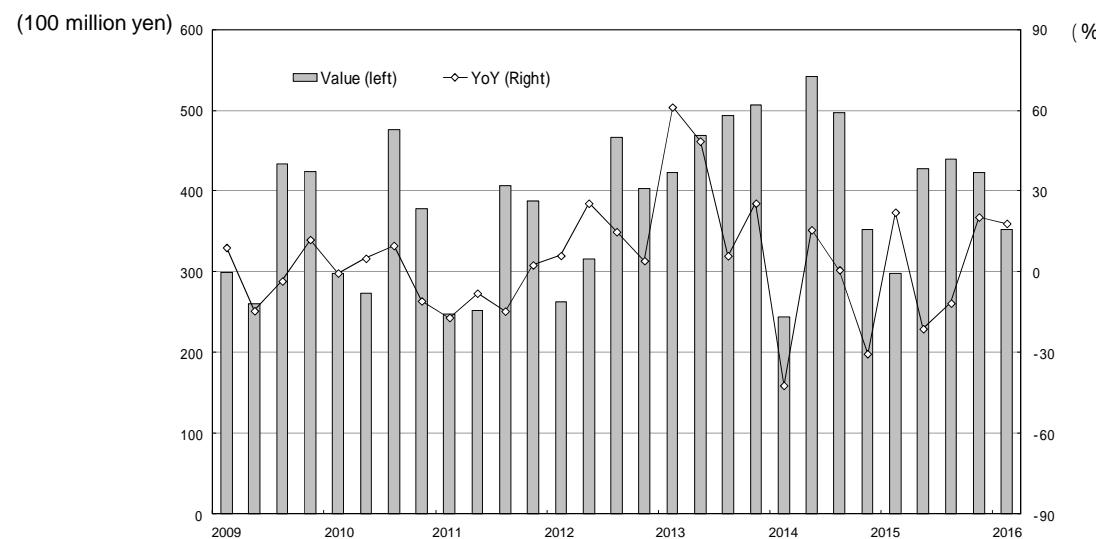
Change in capital investment year-on-year

(%)	Okayama			Nationwide		
	Manufacturing industry	Non-manufacturing	Total	Manufacturing industry	Non-manufacturing	Total
FY2013 results	-4.0	25.9	6.4	0.5	8.2	5.6
FY2014 results	0.1	-3.7	-1.4	6.8	3.1	4.3
FY2015 plan	2.9	1.2	2.3	10.8	6.7	8.0
FY2016 plan	27.5	-2.7	16.3	-0.9	-6.8	6.4

Source: Bank of Japan; Okayama BOJ branch

Public works investment ··· Indication of slowdown

Change in public works investment year-on-year



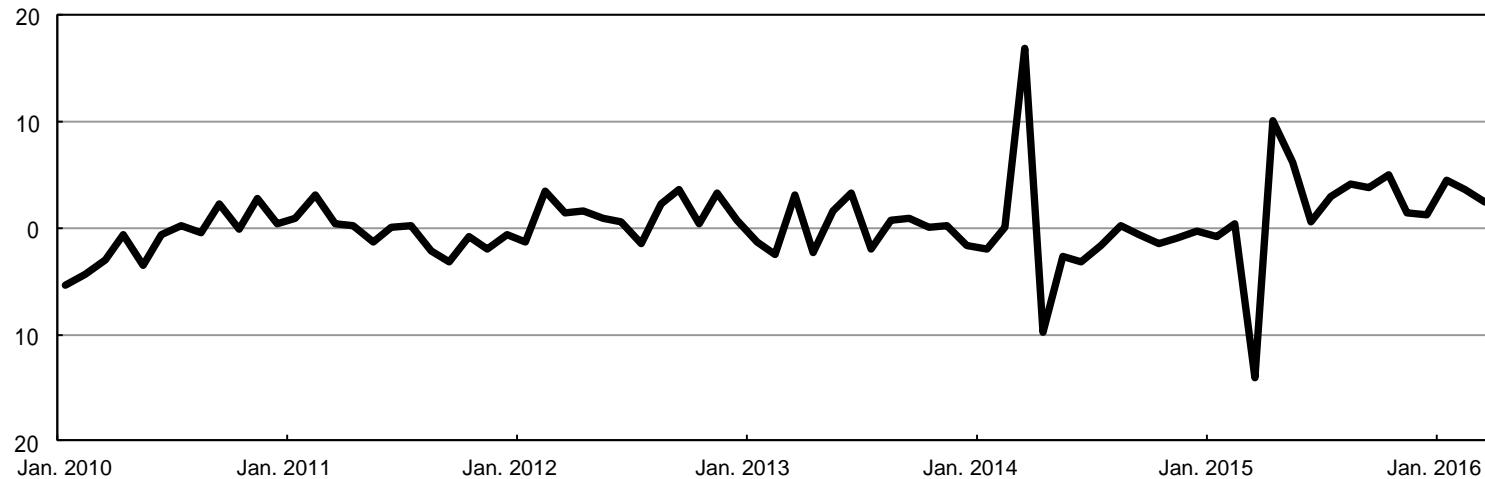
Source: West Japan Construction Surety Co.,Ltd.

Local Economic Trends (4)



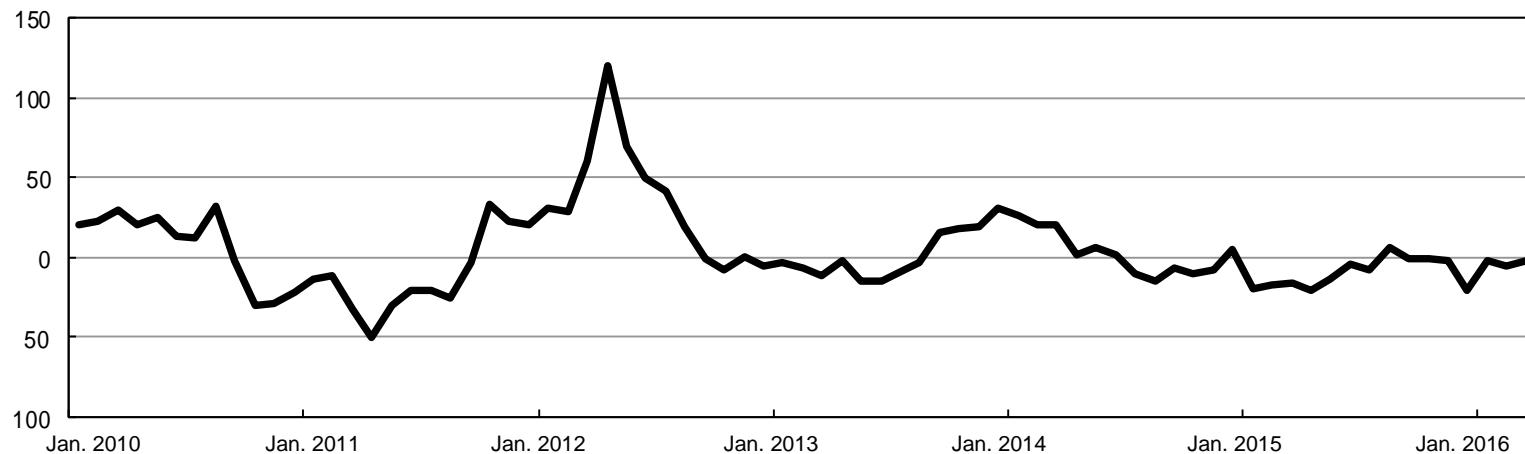
Consumer spending ··· Weakening, including sluggish auto sales

(%) Large store retail sales trend (all stores; YoY)



Source: Chugoku Bureau of Economy, Trade and Industry

(%) New passenger car registration trend (including minicars; YoY)

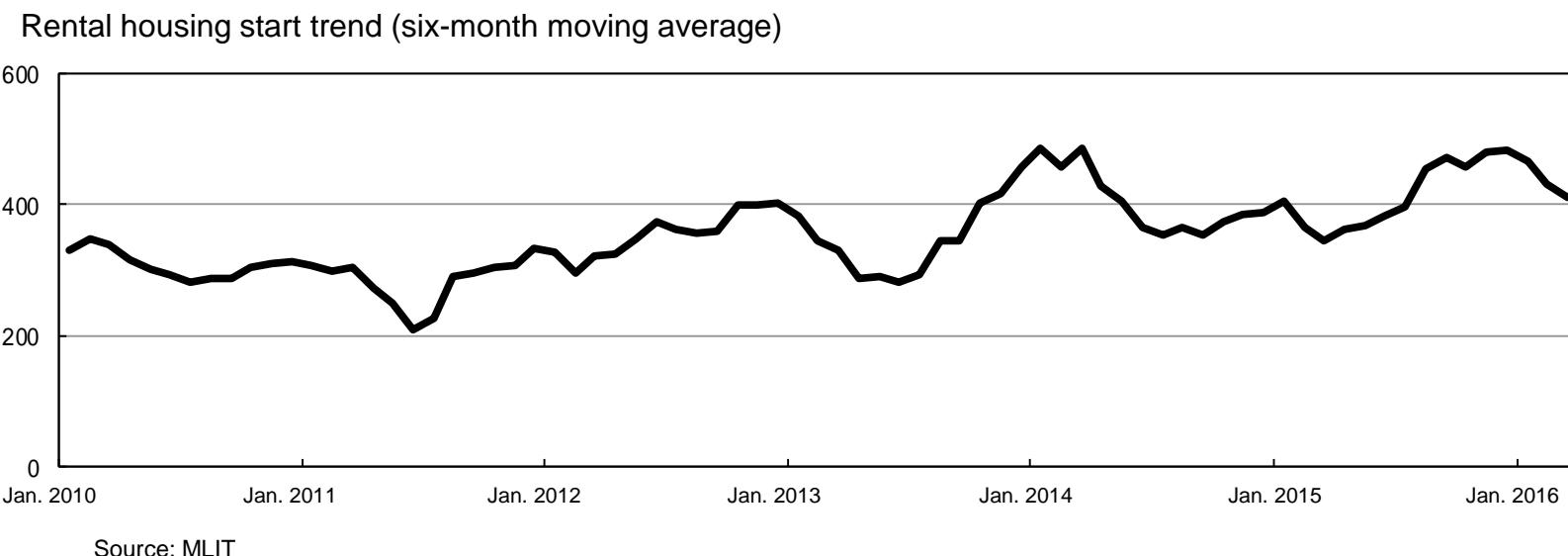
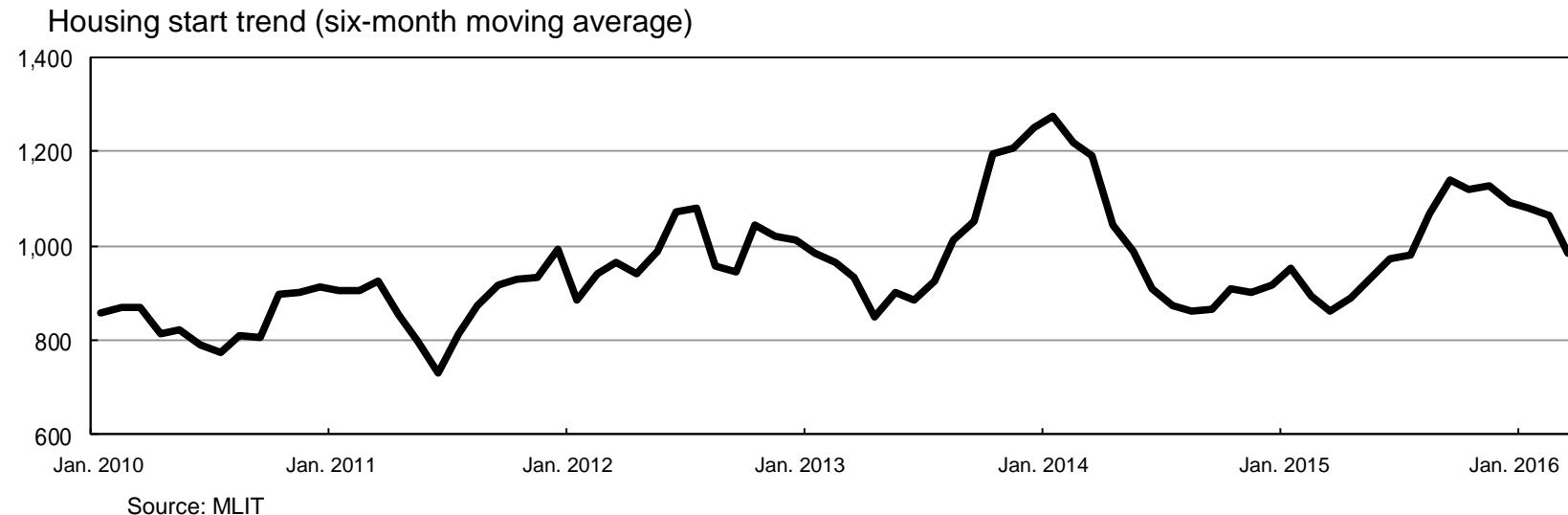


Source: Chugoku Transport & Tourism Bureau, Okayama branch

Local Economic Trends (5)



Housing investment · · · Slight reactionary decline reflecting prior last-minute demand but trending toward recovery

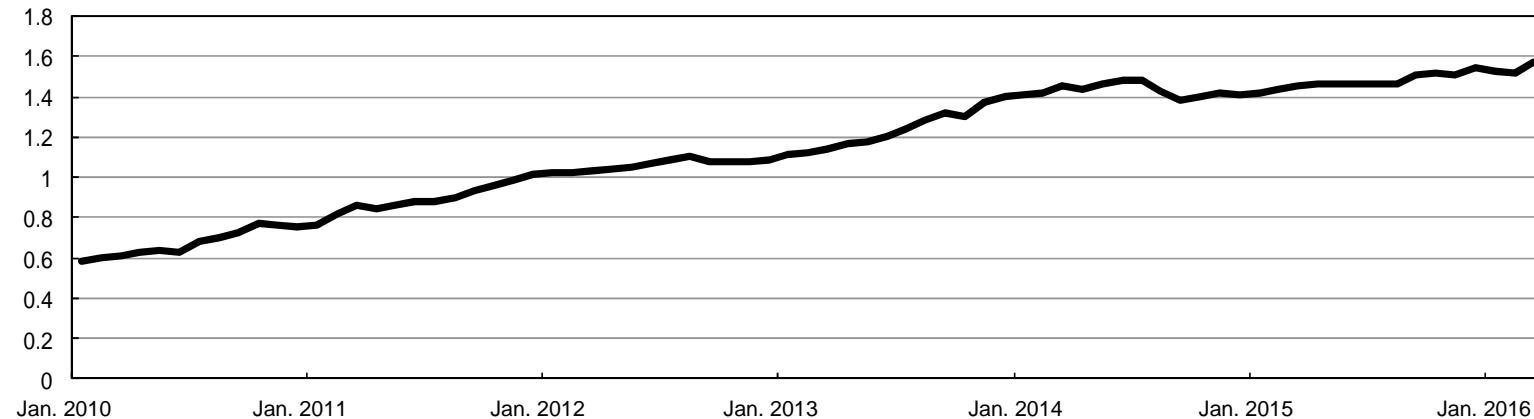


Local Economic Trends (6)



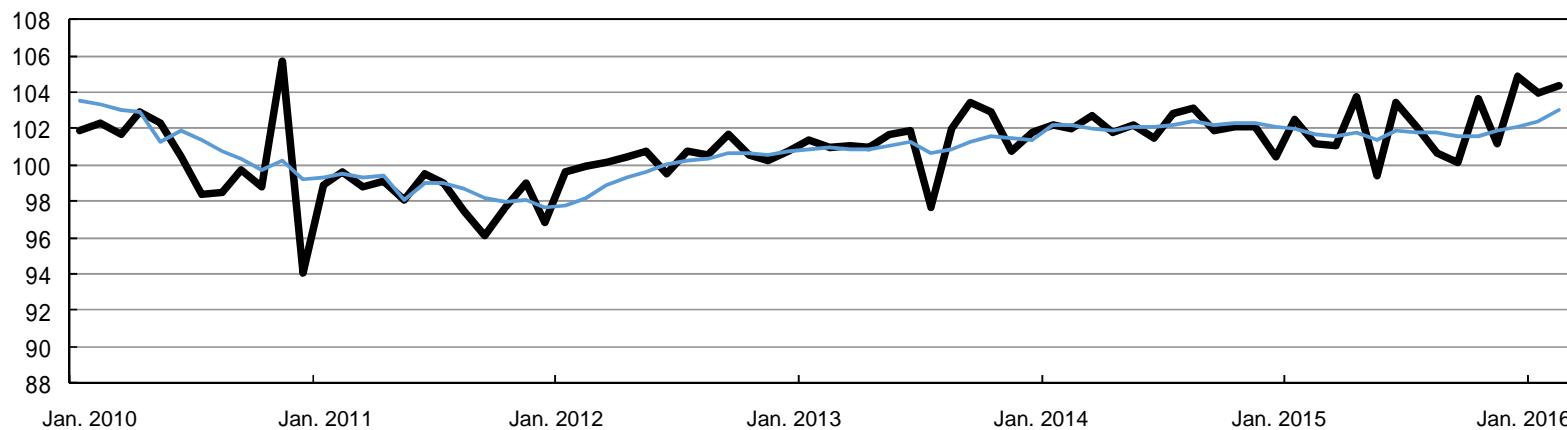
Employment and income trends · · · Job openings to applicants ratio still trending flat at a high level

Job openings to applicants ratio trend (seasonally adjusted)



Source: Data from employment service section Okayama Labor Bureau Ministry of Health, Labor and Welfare

Salary level trend (2010 indexed at 100; seasonally adjusted)

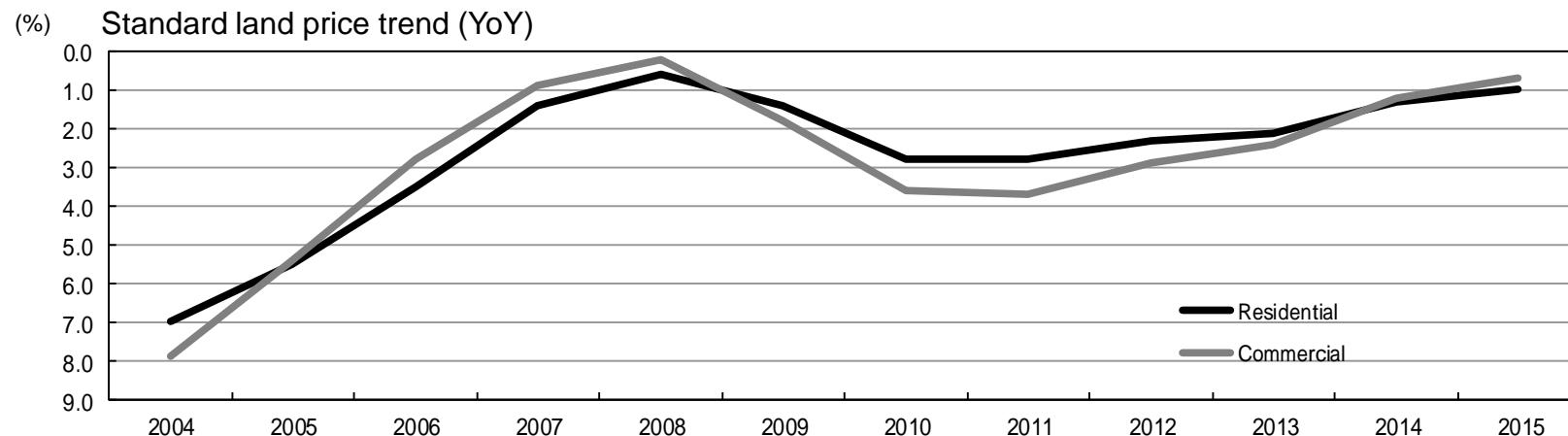


Source: Data from the Statistic Analysis Section of Okayama Prefecture seasonally adjusted by the Okayama Economic Research Institute

Local Economic Trends (7)

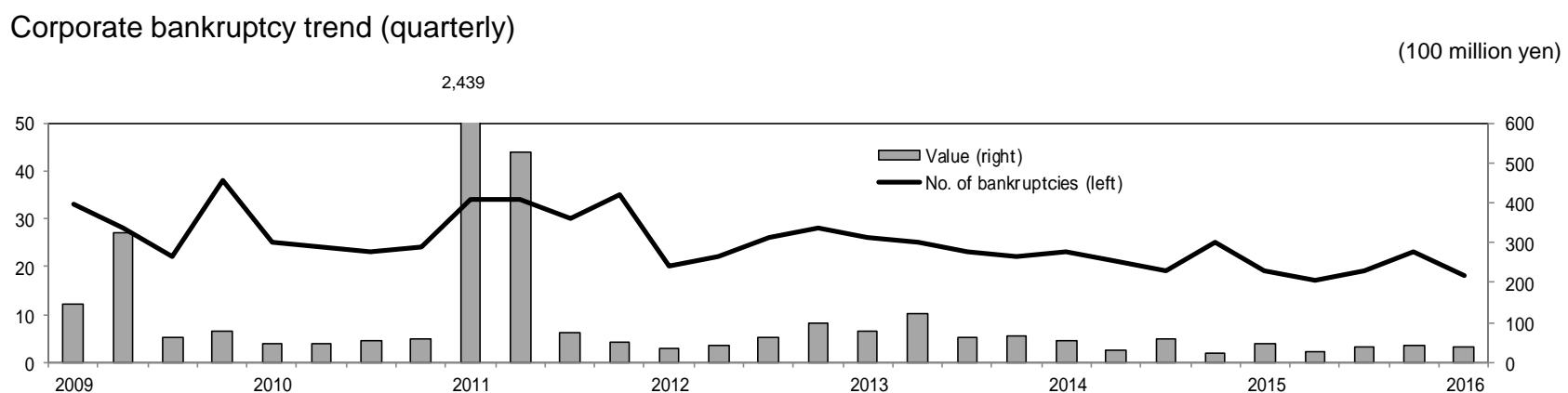


Land prices ··· Decline has narrowed for the fourth consecutive year



Source: Prefectural livelihood and transportation section, Okayama Prefecture

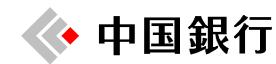
Corporate bankruptcies ··· Number of bankruptcies and total liabilities were at a low level



Source: Okayama branch, Teikoku Databank

Chugoku Bank's Management Indicators

Profit Statement (1)



Parent (Million yen)	FY2011 1H	FY2011 1H	FY2012 1H	FY2012 1H	FY2013 1H	FY2013 1H	FY2014 1H	FY2014 1H	FY2015 1H	FY2015 1H
Ordinary revenue	53,644	117,598	51,195	102,256	60,354	117,853	55,893	109,307	58,723	113,236
Banking revenue	51,582	104,102	49,518	97,820	50,625	98,500	49,835	100,785	50,904	101,156
Extraordinary revenue	2,061	13,495	1,676	4,435	9,729	19,352	6,057	8,521	7,819	12,080
Ordinary expense	41,696	80,564	39,994	74,859	39,161	73,703	36,262	73,536	35,796	72,600
Banking expense	35,705	70,260	33,397	63,509	36,804	69,732	34,573	69,797	34,608	69,303
Extraordinary expense	5,991	10,303	6,596	11,350	2,357	3,971	1,688	3,739	1,187	3,297
Ordinary income	11,947	37,034	11,200	27,396	21,193	44,149	19,631	35,770	22,927	40,635
Banking income	15,888	33,863	16,128	34,327	13,828	28,783	15,269	31,001	16,303	31,866
Gross income	44,878	91,482	44,548	86,984	42,528	85,334	44,211	88,270	44,082	87,326
(Net interest income)	37,164	73,969	36,706	72,094	36,985	72,121	36,287	72,416	35,889	70,028
(Fees and commissions)	6,819	13,833	6,904	13,534	6,906	13,709	7,465	14,834	7,431	15,024
(Other banking income)	894	3,679	937	1,355	-1,363	-495	459	1,019	762	2,272
Expenses	28,990	57,619	29,605	56,919	28,700	56,551	28,942	57,269	27,779	55,459
General provisions for doubtful receivables	-	-	-1,186	-4,262	-	-	-	-	-	-
Extraordinary gain	15	15	-	8	30	91	1	1	44	46
Extraordinary loss	409	647	92	253	120	364	289	361	177	394
Impairment loss	381	442	55	79	36	143	237	246	66	124
Income before income tax (1H)	11,553	36,402	11,108	27,151	21,103	43,876	19,342	35,409	22,794	40,288
Corporate, residential, and business taxes	2,535	8,625	4,216	9,039	4,311	9,214	6,258	12,322	6,101	11,006
Income tax adjustments	2,087	9,556	-230	1,150	3,322	7,575	133	2,182	1,140	3,352
Net income (1H)	6,930	18,220	7,122	16,960	13,469	27,086	12,950	20,904	15,552	25,928

[Consolidated]

Ordinary revenue	61,170	131,869	58,420	117,198	68,010	133,177	63,124	124,221	65,753	129,180
Ordinary income	13,738	39,651	13,093	31,216	23,189	48,107	21,306	39,106	24,262	43,440
Net income attributable to owners of the parent (1H)	7,543	19,067	7,793	18,426	14,301	28,717	13,594	24,702	16,094	27,252
Net income (1H)	7,902	19,445	8,294	19,392	14,736	29,592	13,931	25,446	16,211	27,522
Other comprehensive income	1,562	13,684	-5,419	38,713	-995	-669	15,318	48,293	-25,610	-14,871
Valuation difference from other available-for-sale securities	2,381	14,424	-4,771	39,636	-2,067	-1,682	16,011	48,301	-25,683	-4,798
Deferred hedge gains	-819	-740	-647	-923	1,072	1,012	-648	-1,262	46	-1,811
Comprehensive income (1H)	9,464	33,129	2,875	58,105	13,741	28,922	29,250	73,739	-9,398	12,650

Profit Statement (2)



[Parent] (million yen)	FY2011 1H	FY2011	FY2012 1H	FY2012	FY2013 1H	FY2013	FY2014 1H	FY2014	FY2015 1H	FY2015
Bond related gains/losses	902	439	730	1,034	▲ 2,136	▲ 1,626	225	45	406	1,742
Gain on bond sales, including JGBs	1,776	2,326	862	2,229	1,037	1,878	1,038	2,625	1,892	4,311
Gain on bond redemption, including JGBs	-	-	-	-	-	-	-	-	-	-
Loss on bond sales, including JGBs	874	1,887	131	1,195	3,173	3,505	813	2,580	1,485	2,568
Loss on bond redemption, including JGBs	-	-	-	-	-	-	-	-	-	-
Bond redemption, including JGBs	-	-	-	-	-	-	-	-	-	-
Equity-related gains/losses	▲ 4,185	▲ 4,382	▲ 2,458	▲ 1,498	1,982	2,620	1,569	3,775	2,696	3,349
Gain on equity sales	361	1,021	302	1,628	3,574	5,062	2,438	5,448	3,255	5,126
Loss on equity sales	2,316	3,742	181	2,334	1,587	2,437	817	1,673	540	1,586
Share redemption	2,230	1,661	2,579	792	4	4	51	-	18	190
Non-performing loan disposal	▲ 230	▲ 8,753	1,745	2,349	▲ 4,310	▲ 10,845	▲ 1,827	222	▲ 2,659	▲ 3,755
General provisions for doubtful receivables	▲ 103	456	▲ 1,186	▲ 4,262	▲ 4,001	▲ 9,456	▲ 4,145	▲ 6,160	▲ 2,577	▲ 3,652
Individual provisions for doubtful accounts	▲ 156	▲ 10,899	2,931	6,599	▲ 328	▲ 1,456	2,109	5,789	▲ 82	▲ 209
Loan write-offs	-	1,532	-	-	-	6	-	-	-	-
Loss on claim sales	28	157	0	12	18	61	208	592	0	106

Ordinary Revenue Breakdown



[Parent] (million yen)	FY2011 1H	FY2011 1H	FY2012 1H	FY2012	FY2013 1H	FY2013	FY2014 1H	FY2014	FY2015 1H	FY2015
Ordinary revenue	53,644	117,598	51,195	102,256	60,354	117,853	55,893	109,307	58,723	113,236
Banking revenue	51,582	104,102	49,518	97,820	50,625	98,500	49,835	100,785	50,904	101,156
Net interest income	40,811	80,824	39,458	77,760	39,830	77,648	39,004	78,174	39,113	77,137
Lending rate	25,718	51,070	24,421	48,241	22,945	45,475	21,991	43,673	21,195	42,622
Securities interest rate	14,533	28,854	14,789	29,041	16,656	31,751	16,787	33,951	17,526	33,777
Call loan interest rate	39	70	52	88	46	78	34	83	56	77
Interest rate on bills bought	-	-	-	-	-	-	-	-	-	-
Gensaki transaction interest rate	13	14	0	0	-	-	-	-	-	-
Deposit interest rate	305	423	13	40	23	39	53	207	211	410
Foreign currency interest income	26	49	26	52	30	60	26	51	23	50
Financial swap interest income	-	-	-	-	-	-	-	-	-	-
Other interest income	176	341	154	294	127	242	110	207	99	199
Fees and commissions	8,768	17,711	8,865	17,509	8,975	17,831	9,522	18,950	9,502	19,173
Fee and commission income	2,974	5,925	2,931	5,862	2,903	5,817	2,883	5,780	2,844	5,737
Other fee and commission income	5,790	11,777	5,931	11,642	6,072	12,012	6,639	13,167	6,657	13,435
Trust fees	3	7	2	3	-	1	-	1	-	1
Other banking revenue	2,003	5,567	1,194	2,550	1,818	3,020	1,308	3,659	2,288	4,844
Gain on sale of bonds, including JGBs	1,776	2,326	862	2,229	1,037	1,878	1,038	2,625	1,892	4,311
Gain on sale of foreign currencies	-	2,487	325	104	256	296	-	-	-	24
Gain on sale of securities	6	1	6	9	-	-	-	-	-	-
Financial derivative revenue	217	746	-	203	521	841	268	1,032	394	506
Other	2	4	0	2	2	4	0	2	1	3
Extraordinary income	2,061	13,495	1,676	4,435	9,729	19,352	6,057	8,521	7,819	12,080
Gain on sale of equities	361	1,021	302	1,628	3,574	5,062	2,438	5,448	3,255	5,126
Gain on investment trusts	6	65	6	52	119	152	50	145	-	12
Reversal to provisions for doubtful receivables	259	10,443	-	-	4,329	10,912	2,035	370	2,659	3,861
Gain on non-performing loans recovered	5	8	27	45	6	6	0	4	0	0
Other	1,428	1,957	1,339	2,709	1,700	3,218	1,532	2,553	1,903	3,079

Ordinary Expense Breakdown



[Parent] (million yen)	FY2011 1H	FY2011 1H	FY2012 1H	FY2012	FY2013 1H	FY2013	FY2014 1H	FY2014	FY2015 1H	FY2015
Ordinary expenses	41,696	80,564	39,994	74,859	39,161	73,703	36,262	73,536	35,796	72,600
Banking expenses	35,705	70,260	33,397	63,509	36,804	69,732	34,573	69,797	34,608	69,303
Interest expense	3,658	6,875	2,760	5,681	2,852	5,542	2,724	5,771	3,230	7,121
Expenses matching the amount of investment of money held in trust	11	20	7	15	7	14	6	13	6	13
Deposit interest	2,031	3,578	1,286	2,561	1,229	2,333	1,122	2,182	1,136	2,221
Negotiable certificates of deposit (NCD) interest	96	176	102	196	113	211	95	196	102	196
Call money interest	276	552	252	648	423	839	378	937	630	1,607
Securities lending transaction interest payable	160	391	236	512	130	237	161	511	384	1,134
Borrowed money interest payable	33	113	40	80	47	112	92	218	144	303
Foreign exchange interest payable	102	171	2	0	0	0	0	0	9	22
Financial swap interest payable	954	1,888	837	1,680	907	1,802	868	1,714	820	1,627
Other interest payable	1	2	1	2	1	5	5	10	1	8
Fees and commissions	1,948	3,877	1,960	3,975	2,069	4,122	2,057	4,115	2,071	4,149
Fees and commissions payable	449	894	437	879	440	880	435	875	441	883
Other fees and commissions payable	1,499	2,983	1,522	3,095	1,628	3,241	1,621	3,239	1,630	3,265
Other banking expenses	1,108	1,887	257	1,195	3,182	3,516	848	2,640	1,526	2,572
Loss on sale of bonds, including JGBs	874	1,887	131	1,195	3,173	3,505	813	2,580	1,485	2,568
Redemption of bonds, including JGBs	-	-	-	-	-	-	-	-	-	-
Loss on foreign exchange transactions	234	-	-	-	-	-	34	48	34	-
Loss on securities transactions	-	-	-	-	8	11	1	11	6	3
Financial derivative expenses	-	-	125	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
General provisions for doubtful receivables	-	-	▲ 1,186	▲ 4,262	-	-	-	-	-	-
Expenses	28,990	57,619	29,605	56,919	28,700	56,551	28,942	57,269	27,779	55,459
Extraordinary expenses	5,991	10,303	6,596	11,350	2,357	3,971	1,688	3,739	1,187	3,297
Individual provisions for doubtful accounts	-	-	2,931	6,599	-	-	-	-	-	-
Redemption of loans and bills discounted	-	1,532	-	-	-	6	-	-	-	-
Loss on sale of equity	2,316	3,742	181	2,334	1,587	2,437	817	1,673	540	1,586
Equity redemption	2,230	1,661	2,579	792	4	4	51	-	18	190
Loss on money held in trust	65	151	135	17	62	25	70	3	106	182
Retirement expense	587	1,175	254	510	▲ 37	▲ 75	▲ 67	13	39	78
Other	791	2,039	512	1,096	740	1,573	816	2,049	482	1,259

Expense Breakdown



[Parent] (million yen)	FY2011 1H	FY2011 1H	FY2012 1H	FY2012 1H	FY2013 1H	FY2013 1H	FY2014 1H	FY2014 1H	FY2015 1H	FY2015 1H
Expenses (1)	28,990	57,619	29,605	56,919	28,700	56,551	28,942	57,269	27,779	55,459
Personnel	15,388	30,959	15,440	30,727	15,434	31,106	15,457	31,232	14,879	29,758
Salaries	8,332	16,643	8,320	16,706	8,290	16,650	8,250	16,549	8,259	16,571
Bonuses	2,970	6,078	2,923	5,640	2,879	5,894	3,029	6,268	3,107	6,146
Retirement expenses	1,225	2,448	1,216	2,433	1,222	2,437	1,011	2,024	212	426
Social insurance	1,618	3,297	1,682	3,371	1,714	3,461	1,753	3,550	1,789	3,580
Temporary employment expense	1,241	2,491	1,296	2,576	1,328	2,662	1,412	2,840	1,511	3,035
Property expense	11,760	23,959	12,408	23,600	11,496	23,015	11,636	23,238	10,901	22,615
Depreciation	1,570	3,270	1,375	2,849	1,382	2,829	1,368	2,837	1,456	3,135
Land and building leasing expense	321	647	330	676	357	722	371	757	398	787
Machinery leasing expense	136	260	102	197	62	137	58	128	60	134
Outsourcing expense	1,215	2,421	1,258	2,492	1,276	2,542	1,288	2,552	1,294	2,592
Maintenance expense	112	290	125	342	119	318	120	232	107	224
Travel expense	89	199	113	222	101	201	92	192	104	207
Sales promotion expense	-	-	16	39	26	53	33	64	33	62
Deposit insurance premium	2,103	4,207	2,153	3,572	2,193	3,639	2,258	3,789	1,178	2,356
Miscellaneous expense	6,212	12,663	6,932	13,209	5,976	12,570	6,042	12,681	6,266	13,114
Taxes	1,840	2,701	1,756	2,591	1,768	2,428	1,848	2,798	1,999	3,085

Core business gross profit (2)	43,976	91,043	43,818	85,950	44,664	86,960	43,986	88,225	43,676	85,583
OHR (1)÷(2)	65.9%	63.3%	67.6%	66.2%	64.3%	65.0%	65.8%	64.9%	63.6%	64.8%

Major Yields



(%)		FY2011	FY2011	FY2012	FY2012	FY2013	FY2013	FY2014	FY2014	FY2015	FY2015
		1H		1H		1H		1H		1H	
Total for all branches	1. Interest-earning asset yield	1.36	1.34	1.28	1.25	1.22	1.19	1.14	1.11	1.08	1.06
	Loan yield	1.55	1.52	1.43	1.41	1.32	1.30	1.22	1.20	1.11	1.09
	Securities yield	1.18	1.15	1.11	1.06	1.14	1.08	1.10	1.10	1.21	1.16
	Call loan yield	0.16	0.18	0.17	0.19	0.14	0.14	0.20	0.18	0.17	0.19
	Deposit yield (including NCD)	0.57	0.63	0.33	0.26	0.16	0.18	0.10	0.10	0.09	0.10
	2. Interest-bearing liabilities	0.12	0.12	0.09	0.09	0.09	0.08	0.08	0.08	0.09	0.10
	Deposit yield	0.07	0.06	0.04	0.04	0.04	0.04	0.04	0.03	0.04	0.03
	Call money yield	0.48	0.51	0.45	0.45	0.36	0.35	0.32	0.37	0.51	0.65
	Loan yield	0.13	0.18	0.12	0.12	0.12	0.12	0.14	0.15	0.17	0.17
	3. Expense ratio	1.06	1.06	1.06	1.02	0.99	0.97	0.97	0.96	0.91	0.91
	4. Fundraising expense	1.15	1.13	1.10	1.05	1.01	0.99	0.97	0.94	0.90	0.90
	5. Total net interest income (1-4)	0.21	0.21	0.18	0.20	0.21	0.19	0.17	0.17	0.18	0.16
	Simple loan-deposit margin	1.48	1.46	1.39	1.37	1.28	1.26	1.18	1.17	1.07	1.06
	Simple deposit-securities margin	1.11	1.09	1.07	1.02	1.10	1.04	1.06	1.07	1.17	1.13

Domestic banking operations		FY2011	FY2011	FY2012	FY2012	FY2013	FY2013	FY2014	FY2014	FY2015	FY2015
		1H		1H		1H		1H		1H	
Domestic banking operations	1. Interest-earning asset yield	1.29	1.28	1.21	1.17	1.13	1.09	1.04	1.01	0.96	0.94
	Loan yield	1.55	1.53	1.44	1.42	1.33	1.31	1.23	1.21	1.12	1.09
	Securities yield	1.07	1.03	1.01	0.94	1.00	0.93	0.94	0.94	1.03	0.97
	Call loan yield	0.10	0.10	0.12	0.13	0.12	0.12	0.17	0.15	0.13	0.13
	Deposit yield (including NCD)	0.42	0.43	0.24	0.24	0.16	0.18	0.10	0.10	0.09	0.10
	2. Interest-bearing liabilities	0.11	0.10	0.07	0.07	0.07	0.07	0.06	0.06	0.06	0.06
	Deposit yield	0.07	0.06	0.04	0.04	0.04	0.04	0.03	0.03	0.03	0.03
	Call money yield	0.10	0.10	0.10	0.10	0.07	0.07	0.06	0.06	0.05	0.06
	Loan yield	0.13	0.13	0.12	0.12	0.12	0.11	0.11	0.11	0.11	0.11
	3. Expense ratio	1.04	1.04	1.04	1.00	0.97	0.95	0.95	0.93	0.88	0.88
	4. Fundraising expense	1.14	1.13	1.10	1.06	1.03	1.00	0.98	0.95	0.90	0.89
	5. Total net interest income (1-4)	0.15	0.15	0.11	0.11	0.10	0.09	0.06	0.06	0.06	0.05
	Simple loan-deposit margin	1.48	1.47	1.40	1.38	1.29	1.27	1.20	1.18	1.09	1.06
	Simple deposit-securities margin	1.00	0.97	0.97	0.90	0.96	0.89	0.91	0.91	1.00	0.94

Major Accounts (year-end balance) Assets



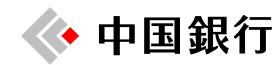
(100 million yen)	FY2011 1H	FY2011 1H	FY2012 1H	FY2012	FY2013 1H	FY2013	FY2014 1H	FY2014	FY2015 1H	FY2015
Total assets	60,930	63,064	64,148	67,453	66,814	69,508	72,964	75,894	73,908	77,701
Interest-earning assets	59,555	61,730	62,902	66,364	65,425	68,159	69,468	71,082	68,344	72,100
Loans	33,040	34,273	34,036	34,811	34,486	35,664	36,121	37,289	38,610	40,365
Securities	24,635	26,460	27,613	30,240	29,672	31,431	32,013	32,614	28,773	31,073
Securities products	27	36	29	30	29	23	23	23	23	19
Money in trust	199	200	198	200	200	200	199	200	198	200
Deposits (excluding non-interest bearing portion)	937	1	100	300	150	150	150	52	52	53
Call loans	364	408	582	477	584	351	658	518	405	74
Debt purchased	315	295	300	261	239	273	242	320	198	206
Foreign exchange	36	53	40	42	62	64	58	63	81	107
(Interest-earnings assets)	59,356	61,530	62,703	66,164	65,224	67,959	69,268	70,882	68,145	71,900
Cash and deposits (non-interest bearing)	774	718	723	706	883	734	2,829	3,871	4,818	4,815
Tangible fixed assets	452	451	448	447	441	436	432	433	426	431
Intangible fixed assets	1	1	1	8	13	20	30	38	48	60
Other assets	502	450	324	374	375	369	350	580	355	332
Deferred tax assets	326	202	229	-	-	-	-	-	-	-
Guarantee endorsements	249	255	253	260	255	256	281	321	308	328
Provisions for doubtful receivables	-933	-746	-735	-708	-580	-469	-428	-433	-392	-367

Major Accounts (year-end balance) Liabilities & Net Assets



(100 million yen)	FY2011 1H	FY2011 1H	FY2012 1H	FY2012 1H	FY2013 1H	FY2013 1H	FY2014 1H	FY2014 1H	FY2015 1H	FY2015
Total liabilities and net assets	60,930	63,064	64,148	67,453	66,814	69,508	72,964	75,894	73,908	77,701
Total liabilities	57,161	59,302	60,383	63,176	62,437	65,037	68,316	70,890	69,032	72,585
Interest-bearing liabilities	56,117	58,272	59,464	62,172	61,568	64,035	67,097	69,409	67,912	71,385
Deposits	51,915	53,149	53,167	54,925	55,294	56,900	56,667	58,945	58,113	60,114
Negotiable certificates of deposit (NCD)	1,787	1,838	2,233	2,040	2,471	1,626	2,544	1,638	2,568	1,847
Call money	691	1,419	1,362	2,268	2,063	2,901	2,189	3,392	1,799	2,500
Payables under Securities Lending Transactions	1,090	1,228	2,052	2,308	750	1,544	4,119	3,898	3,475	5,157
Borrowed money	630	631	646	624	986	1,058	1,571	1,530	1,951	1,762
Foreign exchange	1	3	0	1	1	3	3	1	3	1
(Expenses matching the amount of investment of money held in trust)	199	200	198	200	200	200	199	200	198	200
(Fund procurement account)	55,918	58,072	59,266	61,972	61,367	63,835	66,897	69,209	67,713	71,185
Other liabilities	624	605	496	562	411	501	548	664	433	426
Retirement provision	141	140	140	139	137	134	237	233	221	209
Bonus provision	14	15	13	14	14	14	13	15	15	14
Director bonus provision	-	-	-	-	-	-	-	-	-	-
Director retirement provision	-	-	-	-	-	-	-	-	-	-
Point expense provision	0	0	0	0	0	0	0	0	0	0
Reversal to provision for inactive deposits	13	13	13	12	12	11	10	9	9	10
Deferred tax liabilities	-	-	-	15	38	83	127	236	131	209
Acceptances and guarantees	249	255	253	260	255	256	281	321	308	328
Total net assets	3,768	3,761	3,764	4,276	4,376	4,470	4,647	5,004	4,876	5,116
Capital	151	151	151	151	151	151	151	151	151	151
Surplus capital	62	62	62	62	62	62	62	62	62	62
Retained earnings	3,408	3,392	3,449	3,461	3,581	3,628	3,670	3,696	3,831	3,915
Treasury stock (-)	13	125	125	65	75	32	52	36	46	79
Valuation difference on other securities	197	316	269	712	691	694	854	1,177	922	1,130
Gain/loss on deferred hedges	-38	-37	-44	-46	-36	-36	-43	-49	-49	▲ 67
Warrants	0	1	1	1	1	2	2	3	2	3

Major Accounts (average balance) Assets



(100 million yen)	FY2011 1H	FY2011 1H	FY2012 1H	FY2012	FY2013 1H	FY2013	FY2014 1H	FY2014	FY2015 1H	FY2015
Total assets	61,265	61,383	62,951	63,752	66,357	66,863	69,722	71,711	73,666	74,501
Interest-earning assets	59,923	60,087	61,580	62,392	64,926	65,401	68,138	70,063	71,932	72,629
Loans	33,086	33,447	33,909	34,083	34,523	34,866	35,908	36,351	37,881	38,748
Securities	24,479	24,887	26,437	27,162	28,933	29,261	30,376	30,773	28,688	28,950
Securities products	33	36	32	31	29	28	24	24	22	22
Money in trust	199	199	199	199	200	200	199	200	199	199
Deposits (excluding non-interest bearing portion)	1,055	665	82	151	278	214	1,047	1,989	4,220	4,048
Call loans	477	379	592	458	641	529	329	444	645	392
Repurchase agreement	237	130	11	5	-	-	-	-	-	-
Debt purchased	275	268	242	233	206	193	187	172	176	160
Foreign exchange	77	71	72	65	114	108	63	106	97	107
(Interest-earnings assets)	59,723	59,887	61,380	62,192	64,726	65,201	67,938	69,863	71,732	72,430
Cash and deposits (non-interest bearing)	774	776	795	794	813	825	829	837	863	954
Tangible fixed assets	465	466	453	458	448	451	441	444	434	438
Intangible fixed assets	1	1	1	3	10	13	24	29	42	47
Other assets	350	303	230	224	242	213	209	201	226	245
Deferred tax assets	451	440	355	356	342	325	284	292	281	275
Guarantee endorsements	248	250	256	256	256	264	262	292	314	321
Provisions for doubtful receivables	-949	-943	-722	-734	-683	-631	-467	-449	-428	-411

Major Accounts (average balance) Liabilities & Net Assets



(100 million yen)	FY2011 1H	FY2011	FY2012 1H	FY2012	FY2013 1H	FY2013	FY2014 1H	FY2014	FY2015 1H	FY2015
Total liabilities and net assets	61,265	61,383	62,951	63,752	66,357	66,863	69,722	71,711	73,666	74,501
Total liabilities	57,664	57,837	59,434	60,177	62,746	63,184	65,977	67,892	69,768	70,530
Interest-bearing liabilities	56,788	56,975	58,605	59,336	61,915	62,344	65,153	66,944	68,864	69,544
Deposits	52,170	52,164	52,928	53,125	54,803	55,225	56,835	56,912	58,260	58,350
Negotiable certificates of deposit (NCD)	2,134	2,044	2,504	2,391	2,816	2,684	2,555	2,629	2,621	2,512
Call money	1,136	1,073	1,097	1,418	2,294	2,373	2,304	2,506	2,434	2,457
Payables under Securities Lending	840	1,066	1,432	1,761	1,229	1,169	2,151	3,463	3,861	4,495
Transactions	502	621	638	636	770	889	1,301	1,429	1,681	1,724
Borrowed money	2	3	1	1	1	1	3	3	3	2
Foreign exchange	199	199	199	199	200	200	199	200	199	199
(Expenses matching the amount of investment of money held in trust)	56,588	56,775	58,405	59,136	61,715	62,144	64,953	66,744	68,864	69,345
Other liabilities	464	448	412	424	416	419	356	425	343	423
Retirement provision	141	140	139	139	137	136	186	210	228	222
Bonus provision	7	7	7	7	6	7	7	7	7	7
Director bonus provision	-	-	-	-	-	-	-	-	-	-
Director retirement provision	-	-	-	-	-	-	-	-	-	-
Point expense provision	1	0	0	0	0	0	0	0	0	0
Reversal to provision for inactive deposits	13	13	12	12	11	11	10	10	8	8
Deferred tax liabilities	-	-	-	-	-	-	-	-	-	-
Acceptances and guarantees	248	250	256	256	256	264	262	292	314	321
Total net assets	3,600	3,546	3,517	3,575	3,611	3,678	3,744	3,819	3,898	3,971
Capital	151	151	151	151	151	151	151	151	151	151
Surplus capital	62	62	62	61	62	62	62	62	62	62
Retained earnings	3,396	3,445	3,425	3,481	3,461	3,534	3,564	3,647	3,713	3,795
Treasury stock (-)	14	116	125	125	72	79	45	54	42	52
Valuation difference on other securities	2	2	2	4	6	7	9	10	11	11
Gain/loss on deferred hedges	0	0	0	0	0	0	0	0	0	0
Warrants	1	1	1	1	2	2	2	2	2	2

Deposits (year-end balance)



(100 million yen)	FY2011 1H	FY2011 1H	FY2012 1H	FY2012	FY2013 1H	FY2013	FY2014 1H	FY2014	FY2015 1H	FY2015
Okayama	39,255	40,330	40,150	41,461	41,885	43,351	43,152	44,936	44,251	46,194
Private portion	30,583	30,924	31,404	32,059	32,599	33,123	33,425	34,178	34,305	34,845
Corporate portion	7,245	7,575	7,474	7,671	7,824	8,038	8,258	8,549	8,480	8,870
Hiroshima	7,337	7,410	7,406	7,915	7,688	7,803	7,884	8,388	8,055	8,101
Private portion	5,134	5,175	5,220	5,308	5,395	5,443	5,482	5,554	5,544	5,519
Corporate portion	2,060	2,072	1,989	2,159	2,120	2,203	2,209	2,387	2,414	2,466
Kagawa, Ehime	3,815	3,872	3,837	3,877	3,904	3,995	3,919	4,002	3,928	3,992
Private portion	2,676	2,678	2,707	2,755	2,796	2,789	2,785	2,821	2,804	2,792
Corporate portion	1,111	1,134	1,111	1,076	1,092	1,162	1,120	1,136	1,114	1,154
Hyogo	904	904	929	931	926	947	944	962	1,017	1,044
Private portion	594	598	601	607	612	611	613	619	624	627
Corporate portion	305	303	323	321	309	334	329	342	381	405
Tottori	87	85	90	93	89	94	96	102	105	105
Private portion	47	46	49	50	50	53	51	51	51	49
Corporate portion	39	38	40	42	38	41	44	50	53	55
Osaka	172	173	228	195	342	201	216	202	236	217
Private portion	65	66	70	72	66	67	67	67	67	65
Corporate portion	104	104	156	122	274	133	147	133	167	150
Tokyo	183	160	272	156	255	231	248	167	199	133
Private portion	74	68	76	74	68	66	68	69	70	70
Corporate portion	106	90	192	78	178	162	171	96	126	59
Total domestic branches	51,756	52,936	52,916	54,630	55,092	56,625	56,462	58,763	57,794	59,789
Total for private portion	39,176	39,559	40,130	40,928	41,589	42,154	42,494	43,363	43,469	43,971
Total for corporate portion	10,975	11,319	11,289	11,472	11,839	12,075	12,282	12,695	12,737	13,163
Overseas branches	161	214	253	296	205	276	206	183	321	325
Total deposits	51,915	53,149	53,167	54,925	55,294	56,900	56,667	58,945	58,113	60,114
Liquidity	30,375	32,124	32,009	33,573	33,855	35,698	35,620	38,085	37,071	39,260
Time deposits	21,540	21,025	21,158	21,352	21,439	21,201	21,046	20,860	21,042	20,853
Domestic banking	51,027	52,384	52,402	54,071	54,506	55,942	55,895	58,196	57,153	59,187
International banking	888	765	765	854	788	957	772	749	960	926

Deposits (average balance)



(100 million yen)	FY2011 1H	FY2011	FY2012 1H	FY2012	FY2013 1H	FY2013	FY2014 1H	FY2014	FY2015 1H	FY2015
Okayama	39,481	39,509	40,095	40,244	41,763	42,006	43,204	43,301	44,458	44,544
	30,623	30,783	31,314	31,605	32,582	32,850	33,477	33,731	34,483	34,599
	7,439	7,387	7,394	7,382	7,826	7,833	8,158	8,179	8,469	8,541
Hiroshima	7,390	7,357	7,438	7,437	7,584	7,661	7,922	7,958	8,089	8,070
	5,146	5,158	5,210	5,246	5,378	5,413	5,481	5,510	5,577	5,565
	2,106	2,064	1,977	1,971	2,050	2,104	2,209	2,244	2,408	2,414
Kagawa, Ehime	3,821	3,815	3,828	3,818	3,882	3,909	3,996	3,966	4,001	3,977
	2,687	2,686	2,697	2,715	2,785	2,801	2,794	2,802	2,828	2,817
	1,121	1,115	1,121	1,093	1,087	1,099	1,191	1,153	1,167	1,153
Hyogo	870	880	910	912	919	928	938	949	978	1,005
	590	594	599	601	611	613	616	616	623	625
	278	284	308	308	305	313	321	330	348	371
Tottori	86	86	88	89	88	90	93	93	101	101
	47	47	47	48	50	51	52	51	53	51
	38	39	40	40	37	38	40	41	47	48
Osaka	168	169	174	172	201	216	176	182	195	200
	65	66	67	69	67	67	67	67	68	67
	102	103	106	101	133	147	108	114	126	132
Tokyo	181	185	166	169	162	171	205	187	186	177
	74	73	69	72	70	69	67	70	70	70
	104	109	93	94	90	100	136	115	114	105
Total domestic branches	52,007	52,004	52,702	52,843	54,601	54,984	56,537	56,640	58,008	58,076
Total for private portion	39,234	39,408	40,007	40,360	41,547	41,866	42,556	42,851	43,701	43,796
Total for corporate portion	11,190	11,101	11,042	10,992	11,531	11,638	12,166	12,179	12,680	12,766
Overseas branches	169	159	225	281	201	240	297	272	252	274
Total deposits	52,170	52,164	52,928	53,125	54,803	55,225	56,835	56,912	58,260	58,350
Liquidity	30,553	30,751	31,837	31,927	33,455	33,881	35,579	35,786	37,274	37,412
Time deposits	21,616	21,413	21,090	21,197	21,347	21,343	21,255	21,126	20,986	20,938
Domestic banking	51,273	51,319	52,164	52,290	54,042	54,395	55,940	56,065	57,399	57,458
International banking	897	845	763	834	760	829	894	847	861	892

Loans (year-end balance)



(100 million yen)			1H	FY2011	1H	FY2012	1H	FY2013	1H	FY2014	1H	FY2015		
			FY2011		FY2012		FY2013		FY2014		FY2015			
By scale	General capital		29,371	30,365	30,212	30,829	30,598	31,663	31,918	32,710	33,669	35,298		
	Large-scale companies		5,766	6,300	6,536	6,802	6,950	7,234	7,555	7,597	8,001	8,431		
	Medium-scale companies		1,329	1,301	1,212	1,457	1,400	1,399	1,358	1,379	1,420	1,427		
	Small-scale companies		14,918	15,241	14,804	14,813	14,457	15,178	15,135	15,809	16,258	17,389		
	Private individuals		7,357	7,520	7,658	7,756	7,790	7,850	7,868	7,922	7,988	8,050		
	Government and municipal loans		3,609	3,836	3,749	3,892	3,786	3,903	4,089	4,415	4,792	4,908		
	State and local public works groups		3,482	3,694	3,626	3,762	3,696	3,819	4,014	4,327	4,726	4,836		
	Local public corporations		126	141	123	130	90	84	74	87	66	71		
	Total loans by domestic branches		32,980	34,201	33,962	34,721	34,384	35,567	36,007	37,125	38,461	40,206		
	By region		Okayama	18,185	18,315	18,061	18,403	17,916	18,426	18,461	19,167	19,842		
By region			Hiroshima	6,051	6,263	6,198	6,291	6,219	6,407	6,518	6,588	6,726		
By region			Kagawa/Ehime	2,411	2,490	2,391	2,447	2,400	2,497	2,536	2,603	2,602		
By region			Hyogo	1,208	1,272	1,317	1,373	1,421	1,494	1,539	1,628	1,705		
By region			Tottori	267	259	263	263	256	276	273	267	270		
By region			Osaka	836	944	1,054	924	973	986	1,029	1,049	1,162		
By region			Tokyo	4,023	4,657	4,677	5,021	5,197	5,479	5,649	5,822	6,151		
Loan liabilities			-	-	-	-	-	-	-	-	-			
Overseas branches			59	72	74	89	101	97	113	163	149	158		
Total loans			33,040	34,273	34,036	34,811	34,486	35,664	36,121	37,289	38,610	40,365		

Loans (average balance)



		FY2011	FY2011	FY2012	FY2012	FY2013	FY2013	FY2014	FY2014	FY2015	FY2015
(100 million yen)		1H		1H		1H		1H		1H	
General capital	Local development	29,453	29,772	30,077	30,264	30,606	30,934	31,746	32,129	33,084	33,908
	Type	16,225	16,289	15,765	15,836	15,640	15,783	16,025	16,172	16,382	16,832
	Urban	4,860	5,049	5,617	5,655	5,971	6,103	6,468	6,609	6,885	7,040
	Private loans	8,353	8,421	8,683	8,761	8,984	9,026	9,202	9,253	9,433	9,501
	Housing loan portion	6,839	6,905	7,134	7,195	7,332	7,350	7,407	7,420	7,472	7,487
	Other	13	13	10	10	10	21	49	94	383	532
	Government and municipal loans	3,571	3,609	3,761	3,737	3,817	3,826	4,046	4,093	4,636	4,688
	State and local public works groups	3,441	3,480	3,627	3,608	3,698	3,721	3,973	4,018	4,569	4,620
	Local public corporations	129	128	133	129	119	104	73	75	67	67
	Total loans by domestic branches	33,024	33,381	33,838	34,002	34,424	34,761	35,792	36,223	37,720	38,596
Region	Okayama	18,198	18,253	18,024	18,101	18,118	18,178	18,472	18,641	19,533	20,022
	Hiroshima	6,081	6,125	6,186	6,216	6,233	6,295	6,468	6,524	6,626	6,733
	Kagawa, Ehime	2,398	2,425	2,402	2,385	2,377	2,413	2,494	2,517	2,582	2,638
	Hyogo	1,184	1,216	1,284	1,316	1,400	1,433	1,518	1,556	1,689	1,753
	Tottori	267	266	264	264	256	259	270	270	270	274
	Osaka	830	858	975	971	953	973	999	1,023	1,087	1,134
	Tokyo	4,067	4,239	4,705	4,749	5,083	5,206	5,568	5,689	5,930	6,038
Loan liabilities		-	-	-	-	-	-	-	-	-	-
Overseas branches		62	65	71	81	98	104	116	127	160	152
Total loans		33,086	33,447	33,909	34,083	34,523	34,866	35,908	36,351	37,881	38,748

Loans by Industry (breakdown)



(100 million yen)	FY2011 1H	FY2011 1H	FY2012 1H	FY2012 1H	FY2013 1H	FY2013 1H	FY2014 1H	FY2014 1H	FY2015 1H	FY2015 1H
Domestic branches	32,980	34,201	33,962	34,721	34,384	35,567	36,007	37,125	38,461	40,206
Manufacturing	6,368	6,590	6,389	6,802	6,581	6,918	6,720	6,911	6,845	7,108
Agriculture, forestry	23	25	23	27	28	30	30	31	30	29
Fishing	4	2	6	3	5	2	14	10	13	11
Mining, stone, sand	23	22	23	21	19	24	23	23	24	22
Construction	1,313	1,328	1,227	1,205	1,145	1,203	1,167	1,130	1,119	1,159
Electric power, gas, heat supply, water	384	425	419	475	544	576	656	739	861	965
Information and communications	324	334	325	294	280	317	302	304	281	294
Transport, postal	1,060	1,146	1,122	1,149	1,138	1,186	1,275	1,274	1,362	1,460
Wholesale, retail	4,860	5,059	5,006	4,992	4,746	4,899	4,839	4,815	4,848	5,105
Financial, insurance	1,149	1,156	1,197	1,152	1,271	1,302	1,291	1,337	1,686	1,964
Real estate, goods leasing	3,357	3,549	3,592	3,727	3,827	3,995	4,292	4,495	4,760	4,917
Public corporations	126	141	123	130	90	84	74	87	66	71
Other	3,230	3,407	3,469	3,597	3,737	3,911	4,217	4,408	4,693	4,845
Various services	2,351	2,348	2,313	2,321	2,314	2,405	2,404	2,500	2,510	2,693
Public organizations	3,482	3,694	3,626	3,762	3,696	3,819	4,014	4,327	4,726	4,836
Other	8,276	8,517	8,689	8,785	8,784	8,884	8,975	9,222	9,389	9,637
Housing loans	6,943	7,124	7,263	7,364	7,402	7,465	7,478	7,525	7,563	7,588
Overseas branches + Offshore loans	59	72	74	89	101	97	113	163	149	158
Total	33,040	34,273	34,036	34,811	34,486	35,664	36,121	37,289	38,610	40,365

Loans by Industry (breakdown)



[Parent]	1H FY2011	FY2011	1H FY2012	FY2012	1H FY2013	FY2013	1H FY2014	FY2014	1H FY2015	FY2015
Domestic branches	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Manufacturing	19.3%	19.3%	18.8%	19.6%	19.1%	19.5%	18.7%	18.6%	17.8%	17.7%
Agriculture, forestry	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Fishing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Mining, stone, sand	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Construction	4.0%	3.9%	3.6%	3.5%	3.3%	3.4%	3.2%	3.0%	2.9%	2.9%
Electric power, gas, heat supply, water	1.2%	1.2%	1.2%	1.4%	1.6%	1.6%	1.8%	2.0%	2.2%	2.4%
Information and communication	1.0%	1.0%	1.0%	0.8%	0.8%	0.9%	0.8%	0.8%	0.7%	0.7%
Transport, postal	3.2%	3.4%	3.3%	3.3%	3.3%	3.3%	3.5%	3.4%	3.5%	3.6%
Wholesale, retail	14.7%	14.8%	14.7%	14.4%	13.8%	13.8%	13.4%	13.0%	12.6%	12.7%
Financial, insurance	3.5%	3.4%	3.5%	3.3%	3.7%	3.7%	3.6%	3.6%	4.4%	4.9%
Real estate, goods leasing	10.2%	10.4%	10.6%	10.7%	11.1%	11.2%	11.9%	12.1%	12.4%	12.2%
Public corporations	0.4%	0.4%	0.4%	0.4%	0.3%	0.2%	0.2%	0.2%	0.2%	0.2%
Other	9.8%	10.0%	10.2%	10.4%	10.9%	11.0%	11.7%	11.9%	12.2%	12.1%
Various services	7.1%	6.9%	6.8%	6.7%	6.7%	6.8%	6.7%	6.7%	6.5%	6.7%
Public organizations	10.6%	10.8%	10.7%	10.8%	10.7%	10.7%	11.1%	11.7%	12.3%	12.0%
Other	25.1%	24.9%	25.6%	25.3%	25.5%	25.0%	24.9%	24.8%	24.4%	24.0%
Housing loans	21.1%	20.8%	21.4%	21.2%	21.5%	21.0%	20.8%	20.3%	19.7%	18.9%

Share of Total Deposits



[Year-end balance] (%)		FY2011 1H	FY2011	FY2012 1H	FY2012	FY2013 1H	FY2013	FY2014 1H	FY2014	FY2015 1H	FY2015
Okayama	Chugoku Bank	46.5	46.9	46.6	47.3	47.7	47.8	47.4	48.0	47.7	48.4
	Other than Chugoku Bank	53.5	53.1	53.4	52.7	52.3	52.2	52.6	52.0	52.3	51.6
	Local banks other than Chugoku Bank	8.6	8.4	8.4	8.3	8.3	8.3	8.3	8.3	8.4	8.1
	Secondary local banks	10.8	11.3	11.3	11.3	11.1	11.3	11.6	11.6	11.8	11.9
	City banks, trust banks	12.4	11.9	12.3	11.6	11.5	11.5	11.7	11.2	11.0	10.8
Bingo region (Eastern region of Hiroshima)	Shinkin banks, investment association, etc.	21.7	21.5	21.4	21.3	21.4	21.1	21.0	20.9	21.1	20.8
	Chugoku Bank	20.6	20.5	21.3	21.6	20.8	20.7	21.5	21.6	21.0	20.6
	Other than Chugoku Bank	79.4	79.5	78.7	78.4	79.2	79.3	78.5	78.4	79.0	79.4
	Local banks other than Chugoku Bank	38.3	39.0	37.9	38.0	38.7	39.5	39.1	39.5	40.1	40.9
	Secondary local banks	12.9	13.2	13.0	12.8	12.8	12.5	12.2	11.9	11.9	11.9
Shikoku region	City banks, trust banks	12.6	12.3	12.4	12.5	12.2	12.2	12.1	12.2	12.0	11.9
	Shinkin banks, investment association, etc.	15.6	15.0	15.4	15.0	15.5	15.0	15.1	14.8	15.0	14.7
	Chugoku Bank	8.2	8.0	8.0	7.9	8.0	7.9	7.8	7.9	7.7	7.7
	Other than Chugoku Bank	91.8	92.0	92.0	92.1	92.0	92.1	92.2	92.1	92.3	92.3
	Local banks other than Chugoku Bank	50.8	50.5	51.0	51.0	51.0	51.6	51.2	51.7	51.8	52.3
Kagoshima region (Okinawa)	Secondary local banks	17.6	18.4	17.7	17.6	17.3	17.0	17.2	17.2	17.2	17.1
	City banks, trust banks	10.6	10.6	10.6	10.9	11.0	11.0	11.1	10.8	10.9	10.7
	Shinkin banks, investment association, etc.	12.8	12.5	12.7	12.6	12.7	12.4	12.6	12.4	12.4	12.2

Note 1: Market shares (internal use) excluding postal savings and Nokyo savings

Note 2: Excluding offshore loans. Including our NCDs.

Share of Total Loans



[Year-end balance] (%)		FY2011 1H	FY2011 1H	FY2012 1H	FY2012 1H	FY2013 1H	FY2013 1H	FY2014 1H	FY2014 1H	FY2015 1H	FY2015 1H
Okayama	Chugoku Bank	38.2	38.8	38.5	38.7	38.1	38.1	37.7	38.2	38.8	39.7
	Other than Chugoku Bank	61.8	61.2	61.5	61.3	61.9	61.9	62.3	61.8	61.2	60.3
	Local banks other than Chugoku Bank	17.3	17.4	17.6	17.5	17.8	17.8	17.8	17.9	17.8	17.7
	Secondary local banks	15.8	16.4	16.2	16.6	16.9	17.1	17.6	17.6	17.8	17.5
	City banks, trust banks	11.6	10.5	10.6	10.4	10.4	10.6	10.5	10.3	9.7	9.8
Bingo region (Eastern region of Hiroshima)	Shinkin banks, investment association, etc.	17.1	16.9	17.1	16.8	16.8	16.4	16.4	16.0	15.9	15.3
	Chugoku Bank	23.2	23.6	23.5	23.7	23.4	23.5	23.4	23.2	23.1	22.8
	Other than Chugoku Bank	76.8	76.4	76.5	76.3	76.6	76.5	76.6	76.8	76.9	77.2
	Local banks other than Chugoku Bank	41.8	42.0	42.5	42.5	43.2	42.8	43.5	44.1	43.7	43.1
	Secondary local banks	13.4	13.5	12.8	12.8	13.2	13.2	12.7	12.8	13.7	14.1
Shikoku region	City banks, trust banks	8.3	8.1	8.2	8.2	7.6	8.0	7.9	7.8	7.8	8.8
	Shinkin banks, investment association, etc.	13.3	12.8	13.0	12.8	12.6	12.5	12.5	12.1	11.7	11.2
	Chugoku Bank	9.9	10.0	9.6	9.7	9.4	9.5	9.6	9.6	9.7	10.2
	Other than Chugoku Bank	90.1	90.0	90.4	90.3	90.6	90.5	90.4	90.4	90.3	89.8
	Local banks other than Chugoku Bank	48.2	49.1	49.8	50.5	50.6	50.9	51.4	51.3	50.3	50.5
	Secondary local banks	17.9	17.3	17.4	17.0	16.7	16.5	16.5	16.5	17.2	17.5
	City banks, trust banks	11.5	11.5	11.0	11.0	11.7	11.7	11.3	11.6	11.7	10.9
	Shinkin banks, investment association, etc.	12.5	12.1	12.2	11.8	11.6	11.4	11.2	11.0	11.1	10.9

Note 1: Market shares (internal use) excluding postal savings and Nokyo savings

Securities



Balance by type

[Parent] (100 million yen)	FY2011 1H	FY2011 1H	FY2012 1H	FY2012	FY2013 1H	FY2013	FY2014 1H	FY2014	FY2015 1H	FY2015
Year-end balance	24,635	26,460	27,613	30,240	29,672	31,431	32,013	32,614	28,773	31,073
JGBs	7,428	8,681	10,457	11,212	11,144	12,268	12,947	13,615	11,377	12,069
Local bonds	6,970	6,917	6,761	6,548	6,215	6,159	5,764	5,175	4,654	5,441
Corporate bonds	5,773	5,310	4,768	5,310	5,356	5,352	4,907	4,237	4,040	4,256
Foreign bonds	2,797	3,719	3,898	4,777	4,328	4,813	5,125	5,803	5,284	5,883
(Foreign currencydenominated portion)	(2,689)	(3,478)	(3,482)	(4,367)	(3,959)	(4,455)	(4,727)	(5,387)	(4,949)	(5,544)
Other securities	582	606	701	977	1,073	1,230	1,541	1,779	1,624	1,728
Equities	1,082	1,225	1,026	1,413	1,554	1,607	1,726	2,002	1,792	1,693
Average balance during year	24,479	24,887	26,437	27,162	28,933	29,261	30,376	30,773	28,688	28,950
JGBs	7,660	7,851	9,485	9,723	10,865	11,214	12,382	12,878	11,822	11,715
Local bonds	6,721	6,747	6,692	6,692	6,212	6,166	5,814	5,628	4,801	4,988
Corporate bonds	5,570	5,541	4,859	4,921	5,274	5,324	5,165	4,754	4,079	4,116
Foreign bonds	2,921	3,062	3,630	4,016	4,600	4,493	4,684	5,080	5,392	5,539
(Foreign currencydenominated portion)	(2,828)	(2,925)	(3,320)	(3,647)	(4,207)	(4,115)	(4,311)	(4,690)	(5,038)	(5,199)
Other securities	566	604	664	701	827	882	1,129	1,224	1,383	1,374
Equities	1,039	1,080	1,106	1,106	1,154	1,178	1,200	1,206	1,210	1,215

Valuation gain/loss

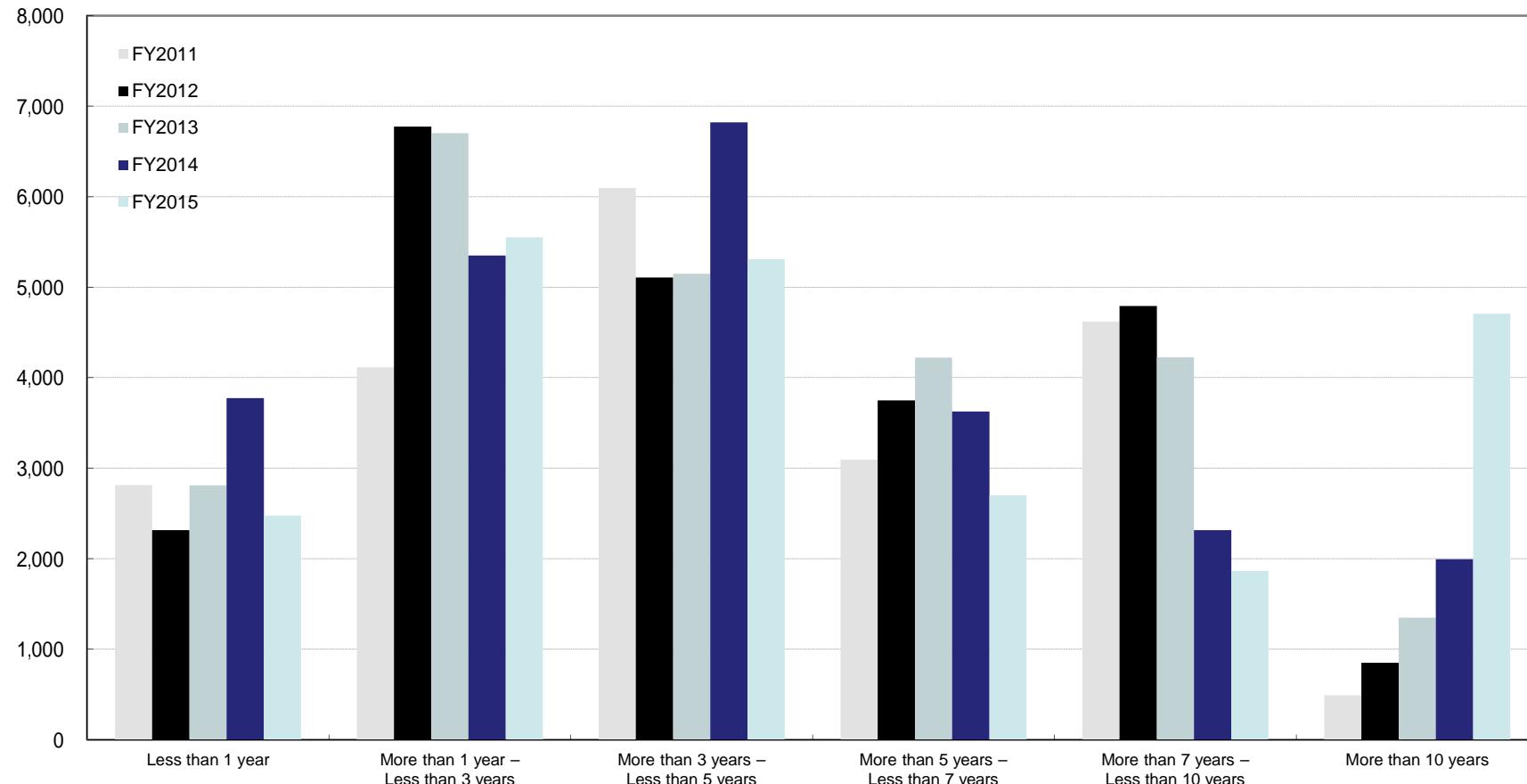
[Parent] (Million yen)	FY2011 1H	FY2011 1H	FY2012 1H	FY2012	FY2013 1H	FY2013	FY2014 1H	FY2014	FY2015 1H	FY2015
Securities held to maturity	1,071	880	806	635	576	501	479	406	564	759
Subsidiary/affiliate equities	-	-	-	-	-	-	-	-	-	-
Other securities	32,875	49,174	42,377	109,917	106,181	106,859	131,344	172,331	135,180	162,262
Equities	-883	9,962	-4,436	27,501	39,780	39,262	51,898	75,726	57,427	47,280
Bonds	34,894	35,629	41,886	48,180	37,087	38,320	40,565	41,653	40,807	69,801
Others	-1,135	3,581	4,928	34,235	29,313	29,276	38,880	54,951	36,944	45,181
Total	33,947	50,054	43,184	110,552	106,757	107,360	131,823	172,738	135,744	163,022

Balance/Duration by Remaining Number of Years to Maturity for Securities



Outstanding balance based on the remaining number of years to maturity for securities

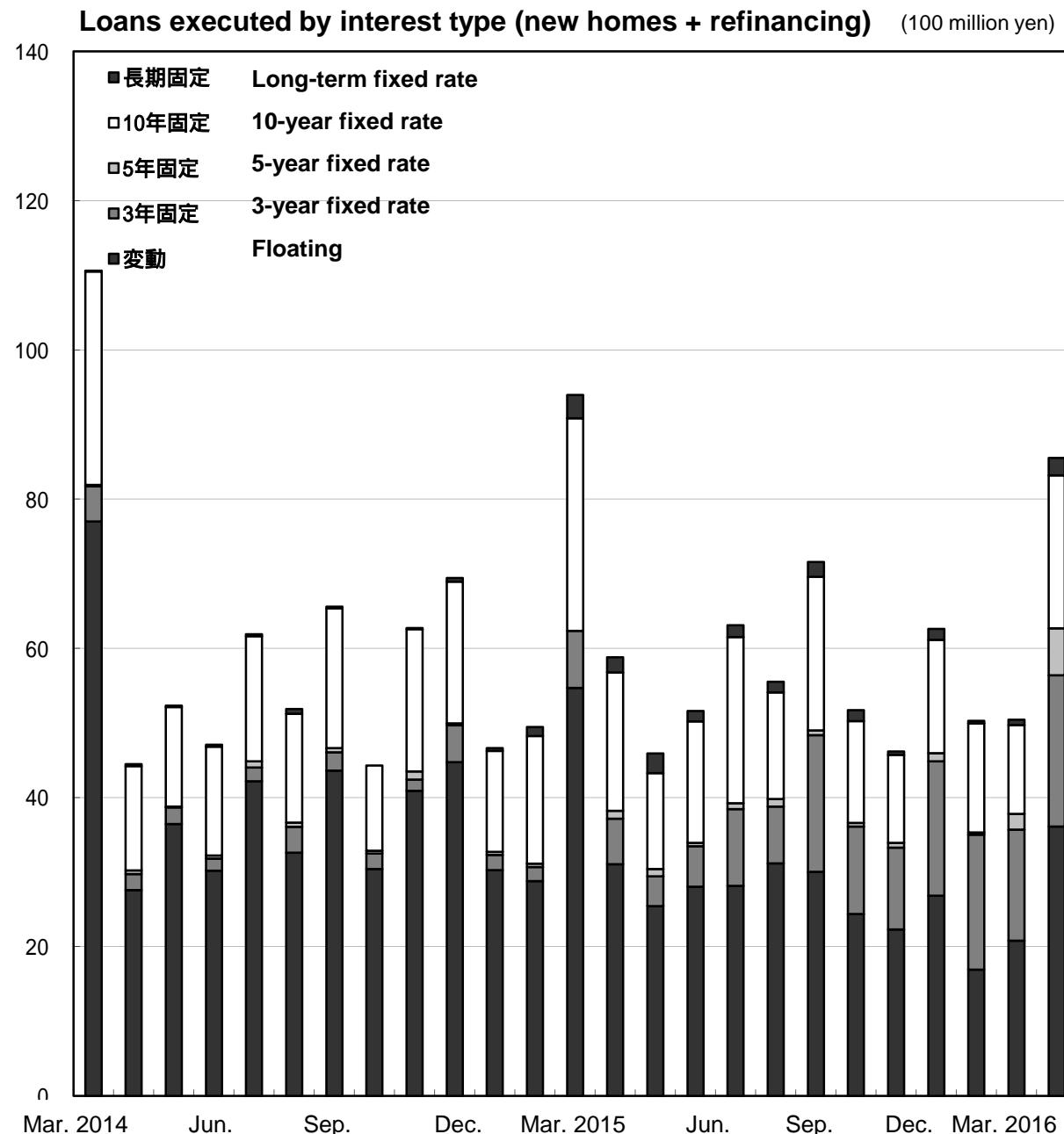
(100 million yen)



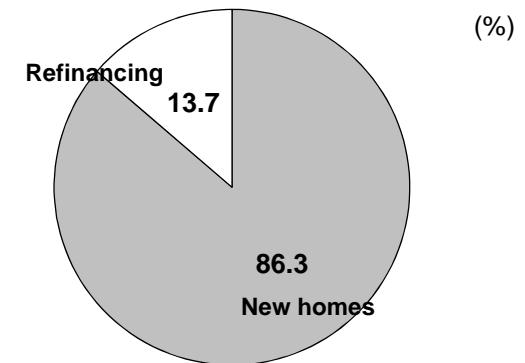
Duration

	FY2011 1H	FY2011 1H	FY2012 1H	FY2012	FY2013 1H	FY2013	FY2014 1H	FY2014	FY2015 1H	FY2015
Yen denominated	3.9	3.9	4.0	4.1	3.9	4.2	4.0	4.2	4.1	5.4
Foreign currency denominated	3.5	3.7	3.6	3.7	3.1	2.7	2.6	2.9	3.1	4.4

Housing Loans

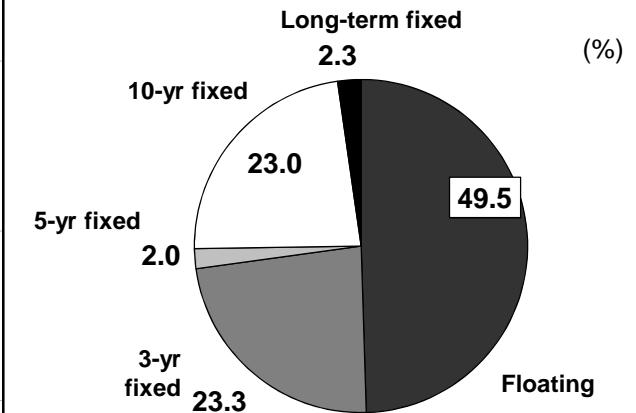


Breakdown of use of loans executed (%)



Total for period from Apr. 2015 to Mar. 2016

Ratio of loans by interest type for new homes (%)



Total for period from Apr. 2015 to Mar. 2016

Non-Performing Loans



Risk monitored loans

[Parent] (million yen, %)	End-1H FY2011	End- FY2011	End-1H FY2012	End- FY2012	End-1H FY2013	End- FY2013	End-1H FY2014	End- FY2014	End-1H FY2015	End- FY2015
1. Loans in bankruptcy proceedings (% of total loans outstanding)	62,212 1.88	18,930 0.55	16,903 0.50	17,141 0.49	12,761 0.37	7,778 0.22	6,412 0.18	5,355 0.14	4,151 0.11	4,311 0.11
2. Delinquent loans (% of total loans outstanding)	82,214 2.49	76,459 2.23	72,942 2.14	78,034 2.24	69,770 2.02	64,003 1.79	65,215 1.81	67,891 1.82	65,206 1.69	61,003 1.51
3. Loans more than 3 months delinquent (% of total loans outstanding)	945 0.03	847 0.02	1,735 0.05	569 0.02	844 0.02	663 0.02	589 0.02	1,068 0.03	1,617 0.04	1,055 0.03
4. Restructured loans (% of total loans outstanding)	8,870 0.27	10,708 0.31	14,055 0.41	13,397 0.38	12,206 0.35	13,756 0.39	14,367 0.40	14,542 0.39	17,088 0.44	16,606 0.41
Total risk monitored loans (% of total loans outstanding)	154,242 4.67	106,946 3.12	105,637 3.10	109,142 3.14	95,583 2.77	86,202 2.42	86,584 2.40	88,858 2.38	88,063 2.28	82,976 2.06

[Parent] (million yen, %)	End-1H FY2011	End- FY2011	End-1H FY2012	End- FY2012	End-1H FY2013	End- FY2013	End-1H FY2014	End- FY2014	End-1H FY2015	End- FY2015
Bankrupt and quasi-bankrupt loans (after partial direct write-off)	77,906 (34,467)	39,589 (11,034)	40,388 (11,003)	37,690 (10,805)	25,635 (8,112)	20,479 (7,576)	18,639 (7,067)	20,063 (8,147)	18,059 (7,357)	20,782 (8,296)
Doubtful loans	66,967	56,375	49,847	58,966	57,419	51,818	53,412	54,395	52,632	45,871
Substandard loans	9,815	11,556	15,791	13,966	13,051	14,420	14,956	15,611	18,705	17,662
Subtotal (A) (after partial direct write-off) (B)	154,689 (111,249)	107,522 (78,967)	106,027 (76,641)	110,623 (83,739)	96,106 (78,583)	86,718 (73,815)	87,008 (75,436)	90,069 (78,153)	89,398 (78,696)	84,316 (71,829)
Healthy loans	3,205,820	3,381,551	3,359,810	3,437,059	3,419,383	3,548,264	3,601,079	3,720,986	3,857,992	4,046,731
Total (C) (after partial direct write-off) (D)	3,360,509 (3,317,070)	3,489,074 (3,460,518)	3,465,837 (3,436,452)	3,547,683 (3,520,798)	3,515,489 (3,497,966)	3,634,982 (3,622,079)	3,688,088 (3,676,516)	3,811,056 (3,799,140)	3,947,390 (3,936,688)	4,131,048 (4,118,561)
Ratio of target loans (A/C) (after partial direct write-off) (B/D)	4.60 (3.35)	3.08 (2.28)	3.06 (2.23)	3.12 (2.38)	2.73 (2.25)	2.39 (2.04)	2.36 (2.05)	2.36 (2.06)	2.26 (2.00)	2.04 (1.74)

*We do not implement partial direct write-off.

Debtor Classification Transition: 1 year



(Upper level: Forecast Lower level: Value (100 million yen))

		End Mar 2016							Favorable turnaround	Deterioration
		Healthy loans	Other doubtful loans	Substandard loans	Virtually bankrupt loans	Legally bankrupt loans	Bankrupt clients	Other (see note)		
End Mar. 2015	Healthy loans	151,229								927
		34,438								351
	Other doubtful loans	5,645								235
		2,211								126
	Substandard loans	923								34
		247								12
	Virtually bankrupt	979								31
		539								36
	Legally bankrupt	553								9
		145								3
	Bankrupt clients	237								0
		52								0
	Total	159,566								1,236
		37,632								528
		150,722	5,230	825	947	498	228	1,116		
		34,105	2,092	292	455	182	45	461		

Note: This indicates transactions that were eliminated as of the end of March 2016. This was not subject to the self-assessment given the small amount.

Debtor Classification Transition (YoY comparison)



(Upper level: Forecast Lower level: Value (100 million yen))

		End Mar 2016							Favorable turnaround	Deterioration	
End Mar 2015	Healthy loans	100%	99.27%	0.53%	0.04%	0.02%	0.02%	0.00%	0.12%		
		100%	98.10%	0.91%	0.08%	0.02%	0.01%	0.00%	0.88%		
	Other doubtful loans	100%	10.27%	75.43%	2.23%	1.42%	0.37%	0.14%	10.13%	10.27%	4.16%
		100%	14.29%	76.21%	3.35%	1.18%	0.90%	0.27%	3.80%	14.29%	5.70%
	Substandard loans	100%	1.95%	14.52%	69.01%	1.30%	1.63%	0.76%	10.83%	16.47%	3.68%
		100%	2.43%	12.15%	76.11%	2.43%	2.02%	0.40%	4.45%	14.57%	4.86%
	Virtually bankrupt loans	100%	0.41%	4.09%	0.61%	82.64%	2.76%	0.41%	9.09%	5.11%	3.17%
		100%	0.00%	12.06%	0.56%	75.70%	6.49%	0.19%	5.01%	12.62%	6.68%
	Legally bankrupt loans	100%	0.36%	0.72%	-	1.81%	71.97%	1.63%	23.51%	2.89%	1.63%
		100%	0.00%	0.00%	-	4.83%	81.38%	2.07%	11.72%	4.83%	2.07%
Bankrupt clients		100%	-	-	-	-	-	82.70%	17.30%	0.00%	
		100%	-	-	-	-	-	65.38%	34.62%	0.00%	
Total		100%	94.46%	3.28%	0.52%	0.59%	0.31%	0.14%	0.70%	0.50%	0.77%
		100%	90.63%	5.56%	0.78%	1.21%	0.48%	0.12%	1.23%	1.13%	1.40%

Note: This indicates transactions that were eliminated as of the end of March 2016. This was not subject to the self-assessment given the small amount.

Debtor Classification Transition in 2H



(Upper level: Forecast Lower level: Value (100 million yen))

		End-Mar. 2016							Favorable turnaround	Deterioration	
		Healthy loans	Other doubtful loans	Substandard loans	Virtually bankrupt loans	Legally bankrupt loans	Bankrupt clients	Other (see note)			
End-1H FY2015	Healthy loans	152,570	152,038	372	27	11	22	-	100	432	
		35,916	35,506	231	8	1	2	-	168	242	
	Other doubtful loans	5,583	286	4,837	74	38	15	3	330	130	
		2,046	132	1,806	36	10	17	3	42	66	
	Substandard loans	864	11	60	721	10	9	5	48	24	
		282	3	17	243	9	3	1	6	13	
	Virtually bankrupt	986	1	22	3	880	25	5	50	30	
		523	0	52	1	427	25	2	16	27	
	Legally bankrupt	540	2	2	-	8	429	6	93	6	
		136	0	0	-	0	121	2	13	2	
Bankrupt clients	Bankrupt clients	235	-	-	-	-	-	209	26	0	
		41	-	-	-	-	-	37	4	0	
Total		160,778	152,338	5,293	825	947	500	228	647	395	622
		38,944	35,641	2,106	288	447	168	45	249	205	350

Note: This indicates transactions that were eliminated as of the end of March 2016. This was not subject to the self-assessment given the small amount.

Debtor Classification Transition in 2H (comparison)



(Upper level: Forecast basis Lower level: Value basis (100 million yen))

		End-Mar. 2016							Favorable turnaround	Deterioration
		Healthy loans	Other doubtful loans	Substandard loans	Virtually bankrupt loans	Legally bankrupt loans	Bankrupt clients	Other (see note)		
End-Mar FY2015	Healthy loans	100%	99.65%	0.24%	0.02%	0.01%	0.01%	-	0.07%	0.28%
		100%	98.86%	0.64%	0.02%	0.00%	0.01%	-	0.47%	0.67%
	Other doubtful loans	100%	5.12%	86.64%	1.33%	0.68%	0.27%	0.05%	5.91%	5.12%
		100%	6.45%	88.27%	1.76%	0.49%	0.83%	0.15%	2.05%	3.23%
	Substandard loans	100%	1.27%	6.94%	83.45%	1.16%	1.04%	0.58%	5.56%	8.22%
		100%	1.06%	6.03%	86.17%	3.19%	1.06%	0.35%	2.13%	7.09%
	Virtually bankrupt loans	100%	0.10%	2.23%	0.30%	89.25%	2.54%	0.51%	5.07%	2.64%
		100%	0.00%	9.94%	0.19%	81.64%	4.78%	0.38%	3.06%	10.13%
	Legally bankrupt loans	100%	0.37%	0.37%	-	1.48%	79.44%	1.11%	17.22%	2.22%
		100%	0.00%	0.00%	-	0.00%	88.97%	1.47%	9.56%	0.00%
Total	Bankrupt clients	100%	-	-	-	-	-	88.94%	11.06%	0.00%
		100%	-	-	-	-	-	90.24%	9.76%	0.00%
		100%	94.75%	3.29%	0.51%	0.59%	0.31%	0.14%	0.40%	0.25%
		100%	91.52%	5.41%	0.74%	1.15%	0.43%	0.12%	0.64%	0.53%

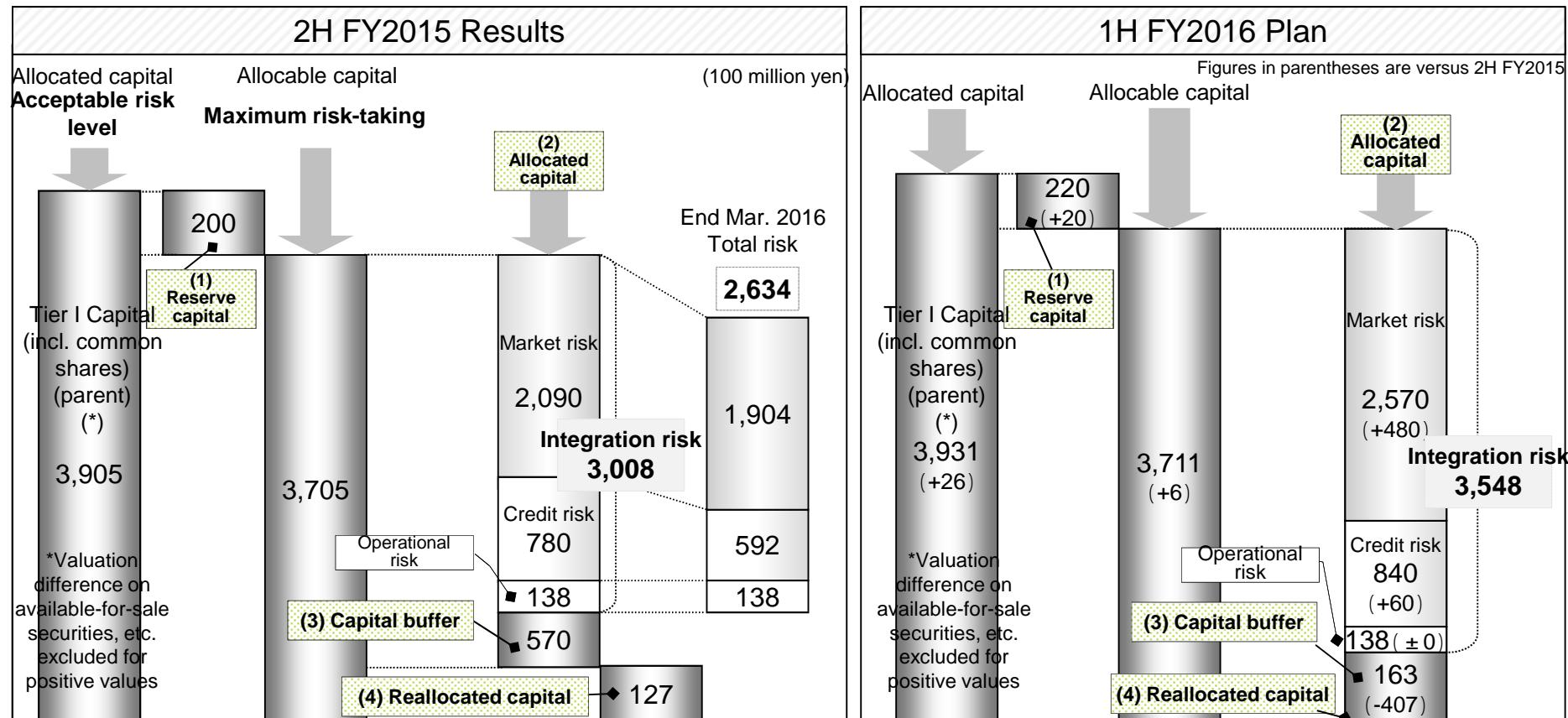
Note: This indicates transactions that were eliminated as of the end of March 2016. This was not subject to the self-assessment given the small amount.

Capital Adequacy Ratio (parent) Trends



[Basel III standards] (%, 100 million yen)	FY2013	1H FY2013	FY2014	1H FY2014	FY2015	1H FY2015	FY2016
Overall capital adequacy ratio	15.14	15.13	14.83	14.35	14.73	14.80	14.56
Tier I ratio	12.92	13.22	13.52	12.89	13.34	13.72	13.75
Tier I ratio (including common shares)	12.92	13.22	13.52	12.89	13.34	13.72	13.75
Overall capital adequacy ratio ((1)+(2))	4,216	4,241	4,306	4,405	4,722	4,603	4,864
(1) Tier I capital	3,596	3,706	3,925	3,955	4,275	4,269	4,595
Common shares and warrants, etc.	3,596	3,706	3,795	3,819	3,857	3,983	4,034
Valuation difference on other securities	-	-	131	162	451	349	637
(2) Tier II capital	619	534	380	450	446	334	269
Gain/loss on securities valuation (45%)	492	477	383	469	460	359	285
General provisions for doubtful receivables	-	-	-	-	-	-	-
Qualified provisions that exceed expected losses	127	57	-3	-18	-13	-25	-16
Risk assets	27,833	28,029	29,035	30,680	32,038	31,094	33,407
Asset items (on balance sheet)	24,935	25,073	26,090	27,425	28,695	27,939	30,218
Off balance sheet transaction items	976	1,024	1,019	1,319	1,411	1,173	1,215
Amount obtained by dividing the amount equivalent to the operational risk by 8%	1,676	1,664	1,657	1,658	1,639	1,640	1,641
Amount obtained by dividing the amount equivalent to the CVA risk by 8%	228	246	243	245	261	304	296
Credit risk asset related to exposure connected with central clearing house	7	7	7	7	7	7	11
Amount including the amount for risk assets in accordance with transitional measures related to adjustment items	8	13	16	24	23	28	24

Capital Allocation and Integration Risks



Role of different types of capital

(1) Reserve capital	<input type="checkbox"/> Reserves in case of erosion due to stress <input type="checkbox"/> In case of immeasurable risks	Priority on securing capital to ensure soundness
(2) Allocated capital	<input type="checkbox"/> Allocated to cover risks within the scope of Allocable capital (maximum risk-taking during normal operations)	Maximum risk for various risk categories
(3) Capital buffer	<input type="checkbox"/> When econometric model unable to estimate risk <input type="checkbox"/> Cover gap between risk and allocated capital during stress	In case risk exceeds the expected level
(4) Reallocated capital	<input type="checkbox"/> For new risk-taking (new products, strategies, etc.) <input type="checkbox"/> Allocate residual capital after allocation	Risk-taking leeway

(Ref.) Standards for outlier standards and liquidity coverage ratio (parent)

Outlier ratio (end-Mar. 2016)	8.6%
Outlier ratio does not exceed 20% Does not apply to the outlier bank	
Liquidity coverage ratio (LCR) (End-month average for Jan.-Mar. 2016)	143.9%
Standard substantially exceeds 100%, No liquidity issues	

Use of Allocated Capital and Risk Exposure Assumptions



Allocated Capital and Integration Risk Trends (supplement)

The table below illustrates trends for allocated capital and integration risks in 2H FY2015, and the allocated capital trends for 1H FY2016.

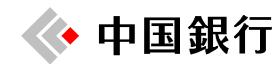
	2H FY2015		1H FY2016			Calculation methods, etc.							
	Value	Risk exposure (end Mar. 2016)	Value	YoY	Major factors that triggered change	Supplement measurements							
Allocated capital	3,905		3,931	(+26)	—	Deduction of positive securities valuation gain from parent Tier I capital (including common shares) at the end of FY2015							
Reserve capital	200		220	(+20)	<ul style="list-style-type: none"> Estimated provisions for doubtful accounts during financial stress 	Priority on securing capital to ensure financial soundness							
Allocable capital	3,705		3,711	(+6)	<ul style="list-style-type: none"> Allocable capital Decrease owing to increase in reserve capital 	Reserve capital deducted from allocated capital (Tier I, which includes common shares)							
Integration risk	3,008	2,634	3,548	(+540)									
Market risk total	2,090	1,904	2,570	(+480)									
Banking	2,070	<table border="1"> <tr> <td>Interest risk</td> <td>1,012</td> </tr> <tr> <td>Price fluctuation risk</td> <td>1,147</td> </tr> <tr> <td>(Correlation)</td> <td>▲ 256</td> </tr> </table>	Interest risk	1,012	Price fluctuation risk	1,147	(Correlation)	▲ 256	2,550	(+480)	<ul style="list-style-type: none"> Reflects recent upward volatility in yen interest rate Build up in ultra long-term bonds and foreign currency bonds <p>⇒ Increase allocable capital due to increase in estimated maximum risk exposure in reaction to the above factors</p>	<ul style="list-style-type: none"> VaR (factor in 125-day retention period, 99.9% confidence level, core deposits) Employ VaR taking into account the correlation between interest risk and equities (net investment) For cross-shareholdings, deduct valuation gains from VaR 	<ul style="list-style-type: none"> Interest sensitive assets and liabilities, including deposits, loans, and preferred securities Assets with price fluctuation risk, including equities and investment trusts Includes assets and liabilities belonging to consolidated subsidiaries
Interest risk	1,012												
Price fluctuation risk	1,147												
(Correlation)	▲ 256												
Trading	20	0	20	(0)	—	<ul style="list-style-type: none"> VaR (10-day retention period, 99.9% confidence level) Money in trust Trading securities 							
Credit risk total	780	592	840	(+60)									
Commercial credit	610	460	690	(+80)	<ul style="list-style-type: none"> Increase in allocated capital to factor in an increase in structured transactions 	<ul style="list-style-type: none"> Monte Carlo simulation UL (1-year retention period*, 99.9% confidence level) For securitization, some restrictions on capital 	<ul style="list-style-type: none"> Commercial credit, including securities, and assets possessed by consolidated subsidiaries *Six months for market related credit (bonds) 						
Consumer credit	170	131	150	(▲ 20)	—	UL capital requirements based on an IRB approach retail RW function							
Operational risk	138	138	138	(0)	—	Post risk exposure estimated at the time business plans were created, based on the gross profit allocation methods (to be fixed during 1H FY2016)							
(Unused allocable capital)	374												
Buffer capital	570		163	(▲ 407)	<ul style="list-style-type: none"> Buffer against market and credit risk Decline in tandem with an increase in total risk and allocated capital 	Reserve capital to absorb an unexpected increase in risk exposure							
Reallocable capital	127		0	(▲ 127)	<ul style="list-style-type: none"> Decline in tandem with an increase in total risk and allocated capital 	In cases where new risk-taking is necessary, ready additional capital for allocation							

Group Company Performance Trends



(Million yen, %)	Business profile	Real ownership ratio		FY2012	FY2013 1H	FY2013	FY2014 1H	FY2014	FY2015 1H	FY2015
Chugin Lease Co., Ltd	Leasing	67.26	Ordinary revenue	11,874	5,758	11,381	5,589	11,378	5,684	12,855
			Ordinary income	1,152	390	796	346	721	427	883
			Net income	710	240	466	222	430	297	584
Chugin Credit Guarantee Co., Ltd.	Credit assurance	90.07	Ordinary revenue	1,559	788	1,581	798	1,677	838	1,653
			Ordinary income	1,632	903	1,760	744	1,686	837	1,562
			Net income	1,007	560	1,085	471	1,033	553	1,006
Chugin Card Co., Ltd.	Credit card	89.91	Ordinary revenue	1,271	604	1,217	606	1,196	660	1,276
			Ordinary income	404	186	389	148	310	184	334
			Net income	301	133	306	62	186	100	205
Chugin Asset Management Co., Ltd.	Securities investment advisor	90.28	Ordinary revenue	147	130	274	155	330	213	403
			Ordinary income	-7	33	73	42	71	70	99
			Net income	-7	30	59	27	44	49	68
Chugin Securities Co., Ltd.	Financial instrument transactions	100.00	Ordinary revenue	2,429	1,689	3,357	1,678	4,047	1,969	3,517
			Ordinary income	431	417	766	323	877	454	518
			Net income	261	256	469	198	563	305	349
CBS Co., Ltd.	Banking operation outsourcing	100.00	Ordinary revenue	1,030	508	1,011	509	1,014	516	1,018
			Ordinary income	71	43	76	55	99	46	65
			Net income	40	25	42	35	58	29	38
Chugin Operation Center Co., Ltd.	Banking operation outsourcing	100.00	Ordinary revenue	678	367	730	373	756	388	777
			Ordinary income	33	25	41	18	40	16	32
			Net income	18	14	20	13	23	9	16

Key Press Releases



2015	October 1	Begin offering loans for demolishing vacant housing
	October 6	Distribute commercial video advertising smartphone website
	October 9	Hands-on motor sports tourism experience to promote commercialization in Mimasaka City (example of regional revitalization initiative)
	October 14	Signed basic agreement for alliance to enhance TSUBASA financial system
	October 19	Ceremony held to donate a building for the Kurashiki Honcho sub-branch
	October 30	Signed an agreement with the Okayama Prefecture Industrial Promotion Foundation to form a strategic comprehensive alliance to support SMEs in Okayama Prefecture
	November 9	Notification concerning the introduction of a shareholder hospitality program
	November 12	Begin handling reserves to support job-hunting activities
	November 13	Joint plan between the five TSUBASA project banks for perks (local specialties and famous products) for the shareholder hospitality program
	November 18	Launched the Chugin local support project
	November 25	Held the 3rd Tokyu Hands Okayama Shop trade negotiations fair for initiatives to promote support for the expansion of sales channels
	December 1	Initiatives to promote diversity
	December 7	Held a seminar and meeting to exchange opinions on the so-called 6th industrialization to support agribusiness
	December 9	Regional revitalization initiatives
	December 16	Seven Setouchi regional banks and the Development Bank of Japan sign a basic agreement on the establishment of a new company to boost tourism in the Setouchi inland sea area
	December 17	Joined the Ikuboss Corporate Alliance sponsored by NPO Fathering Japan
	December 18	Ikuboss joint statement issued by Okayama financial institutions
	December 18	Opened branch in front of Kurashiki station
	December 28	Introduction of Pepper
2016	January 16	Cooperation in sponsoring local resources of the Takahashi River basin (example of regional revitalization initiative)
	February 1	Participation in memorandum related to cooperation with JBIC and Mexican government
	February 3	Begin handling trusts that will serve as inheritance for families of the deceased
	February 22	Chugin begins offering loans to support child-raising
	February 23	Concerted loans for grape producers to build wineries: Collaborate with JFC to support initiatives for developing the so-called sixth industry
	March 7	Chugoku Bank and Kurashiki City sign comprehensive agreement on regional revitalization
	March 16	Three banks join alliance to enhance TSUBASA financial system and begin discussing establishment of joint venture
	March 23	Set up fund for the revitalization of tourism in the Setouchi inland sea area
	March 23	Investment in Setouchi Brand Corporation
	March 25	Initiatives to improve services for seniors and the disabled
	March 25	Financing for business to utilize Maniwa City's local capital (example of regional revitalization initiative)
	March 28	Chugoku Bank and Okayama City sign a comprehensive agreement on an alliance and cooperation in regional revitalization

Chugin Profile and Branch (office) Network



Chugin Profile

(As of Mar. 31, 2016)

Establishment

December 9, 1930

Headquarters

1-15-20 Marunouchi,
Kita-ku Okayama

Capital

¥15.1 billion

No. of employees

3,069

No. of branches

162

HQ, domestic branches

(152),

Overseas branch (1),

sub-branch (7)

Internet branch (1)

No. of branches in local area

108 in Okayama Pref.

39 in Okayama City

20 in Kurashiki City

26 in Hiroshima Pref.

20 in Bingo region

3 in Hiroshima City

17 in the Shikoku area

6 in Hyogo Pref.



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