

1H FY2017
Earnings Results Briefing
(Reference materials)

December 1, 2017



Okayama Prefecture's Industrial Structure

Okayama Prefecture's Economic Scale	4
Okayama Prefecture's Industrial Structure	6
Okayama Prefecture's Growth Infrastructure and Potential	8

Okayama Prefecture's Economic Trends

Okayama BSI	14
Industrial Production and Exports	15
Capital Investment and Public Investment	16
Consumer Spending	17
Housing Investment	18
Employment and Income	19
Land Prices and Corporate Bankruptcies	20

Chugoku Bank's Management Indicators

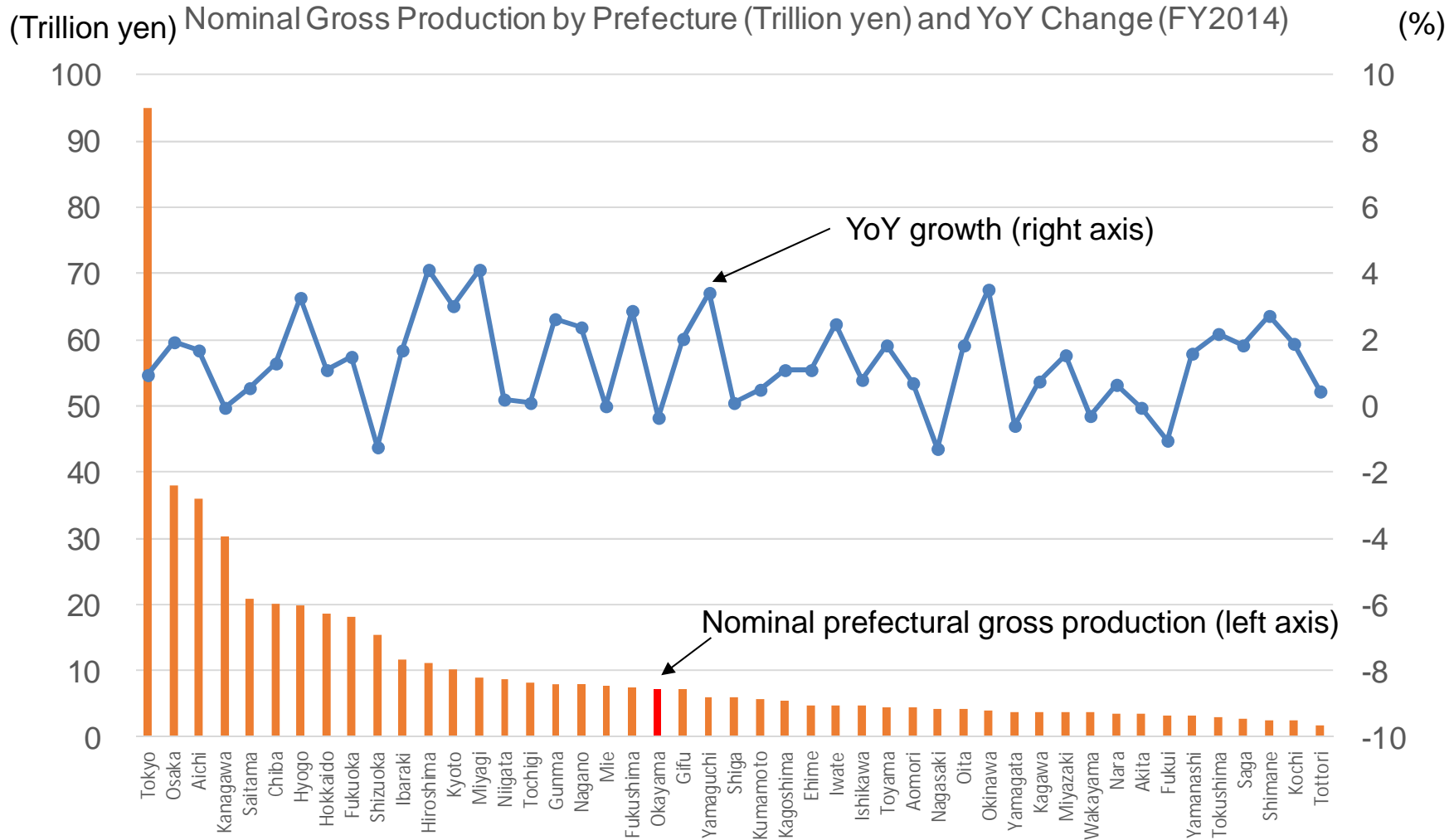
Profit and Loss Statement	22
Ordinary Revenue Breakdown	24
Ordinary Expense Breakdown	25
Expense Breakdown	26
Major Yields	27
Major Accounts (year-end balance)	28
Major Accounts (average balance)	30
Deposits (year-end and average balance)	32
Loans (year-end and average balance)	34
Loans by Industry	36
Share of Total Deposits/Share of Total Loans	38
Securities	40
Balance/Duration by Remaining Number of Years to Maturity for Securities	41
Housing Loans	42
Non-Performing Loans	43
Debtor Classification Transition	44
Capital Adequacy Ratio Trends	46
Capital Allocation and Integration Risks	47
Use of Allocated Capital and Risk Exposure Assumptions	48
Group Company Performance Trends	49
Key Press Releases	50
Profile and Branch (office) Network	51

Okayama Prefecture's Industrial Structure

Okayama Prefecture's Economic Scale

Items	Actual	Nationwide ranking (%)	Rank	Source	Survey date
Area	7,114 km ²	1.9	17	Nationwide survey on size of villages, townships, cities, and prefectures	Oct. 2016
Population	1,928,000	1.5	21	Population estimate	Jan. 2017
Number of Households	835,989	1.5	17	Population estimate	Jan. 2017
Prefectural gross production (nominal)	7.2428 trillion yen	1.4	21	Prefectural accounts	FY2014
Number of private enterprises	83,993	1.5	21	Economic census	Jun. 2016
Number of employees working at private enterprises	830,804	1.5	20	Economic census	Jun. 2016
Agricultural yield	132.2 billion yen	1.5	23	Statistics of Source: Agricultural Income Produced	2015
Product shipments	7.7886 trillion yen	2.5	15	Economic census	2015
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	626.5 billion yen	1.2	24	Construction statistics	2016
New housing starts	13,405	1.4	19	Housing start statistics	2016
Customs and trade	2.1694 trillion yen	1.6	11	Trade figures by port	2016

Okayama Prefecture's Economic Scale



Source: FY2014 Cabinet Office's Annual Report on Prefectural Accounts

Okayama Prefecture's Industrial Structure (1)

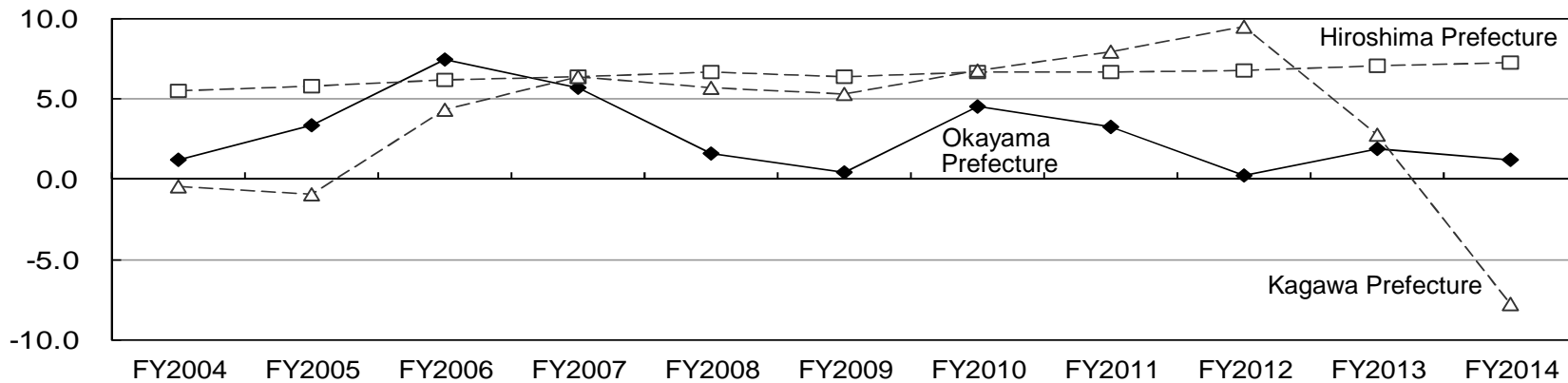
Gross production by economic activity (%)



Source: Cabinet Office's Annual Report on Prefectural Accounts

*Total figures may not be 100% due to rounding.

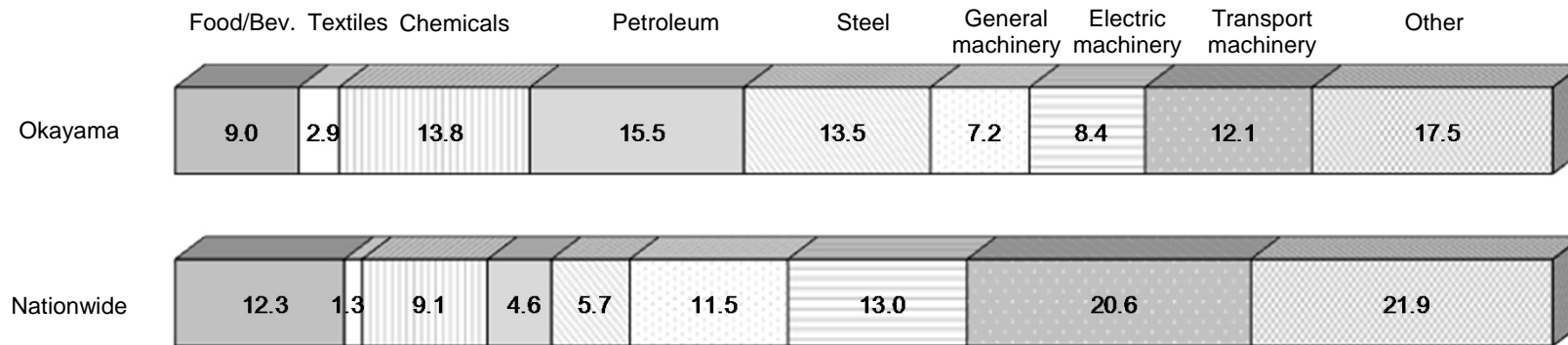
Ratio of goods and services imports/exports (net) to prefectural gross production (nominal) (%)



Source: Cabinet Office's Annual Report on Prefectural Accounts

Okayama Prefecture's Industrial Structure (2)

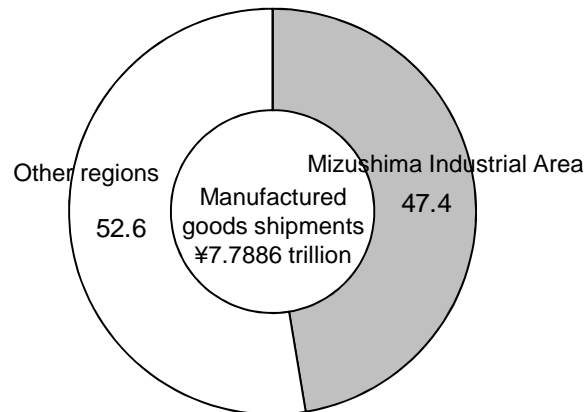
Breakdown of manufactured goods shipments (2015)



Source: METI, "2016 Economic Census for Business Activity – Tabulation concerning the Manufacturing Industry" Okayama Prefecture

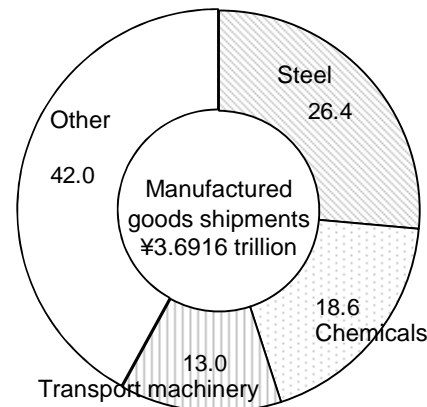
Mizushima Industrial Area's presence

Ratio of manufactured goods from the Mizushima Industrial Area versus total Okayama manufactured goods shipments (2015)



Source: "2016 Economic Census for Business Activity – Tabulation by Industry" Okayama Prefecture

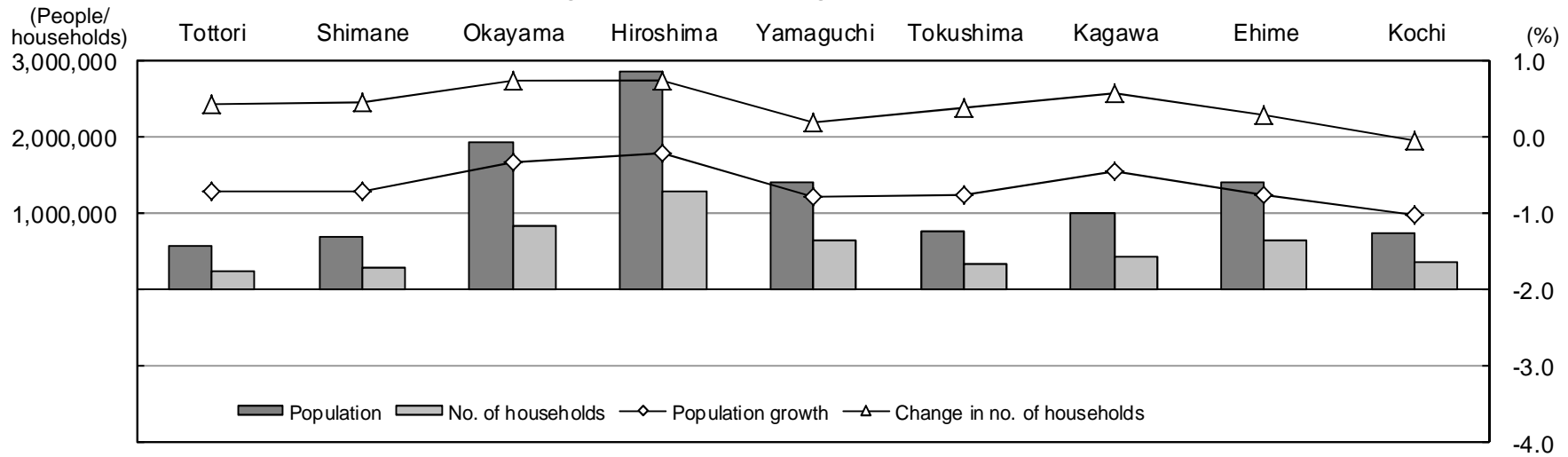
Breakdown of manufactured goods from the Mizushima Industrial Area by industry (2015)



Source: Same as on the left

Okayama Prefecture's Growth Infrastructure and Potential (1)

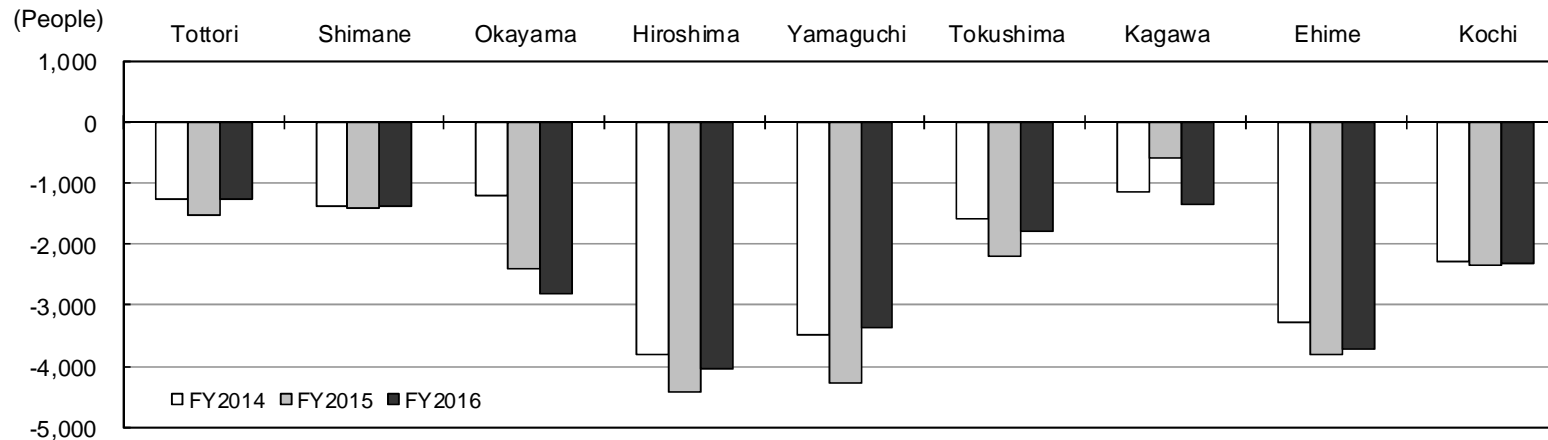
Population/No. of Households in Chugoku/Shikoku Region



Source: "Survey of Population, Demographics and Number of Households Based on the Basic Resident Register," Ministry of Internal Affairs and Communications

Note: Population and number of households is for January 1, 2017; The change in population and households is a comparison between January 2016 and January 2017.

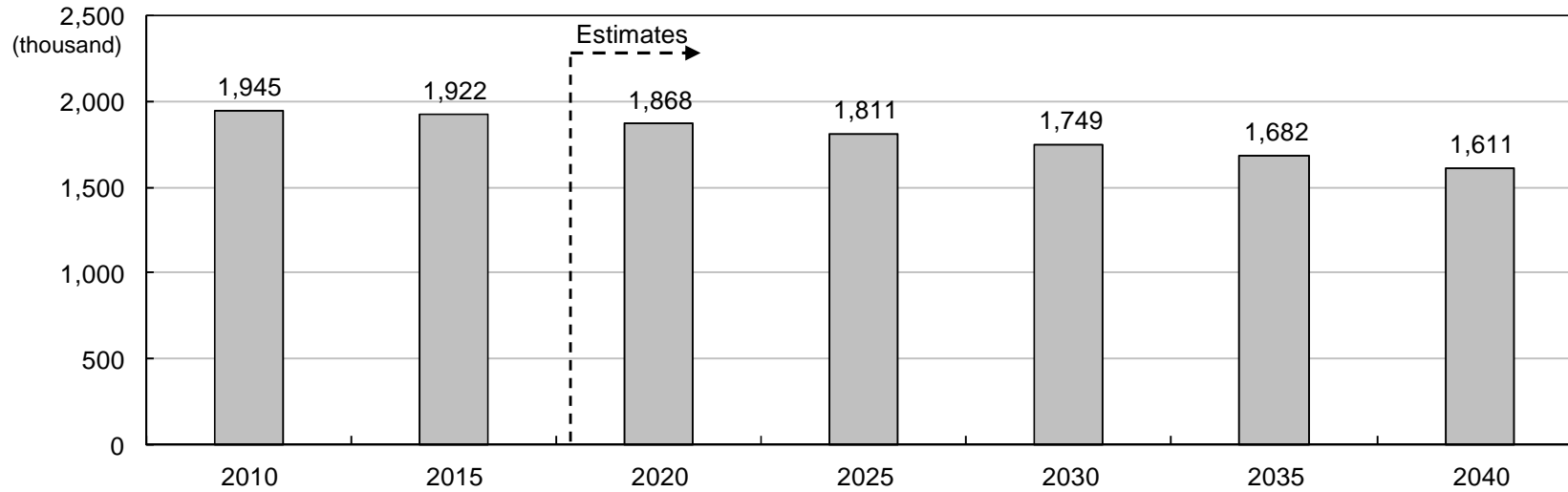
Number of people moving to prefectures in the Chugoku-Shikoku region (in excess of the number of people leaving)



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

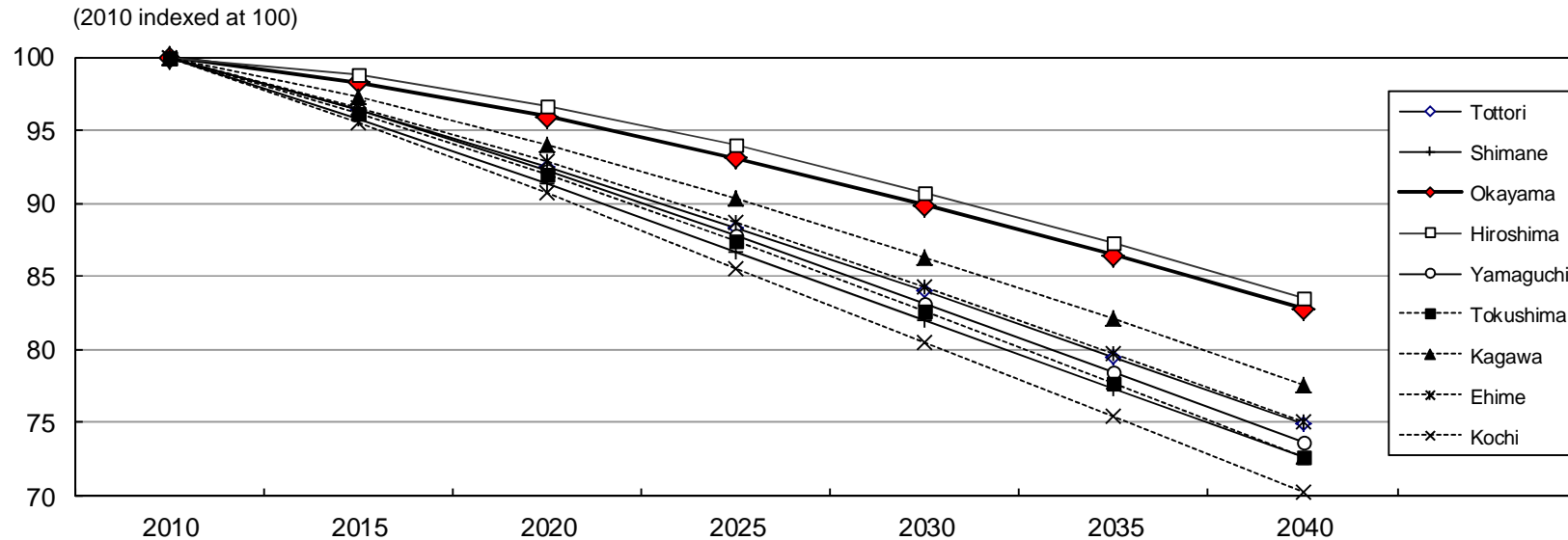
Okayama Prefecture's Growth Infrastructure and Potential (2)

Population trends for Okayama Prefecture



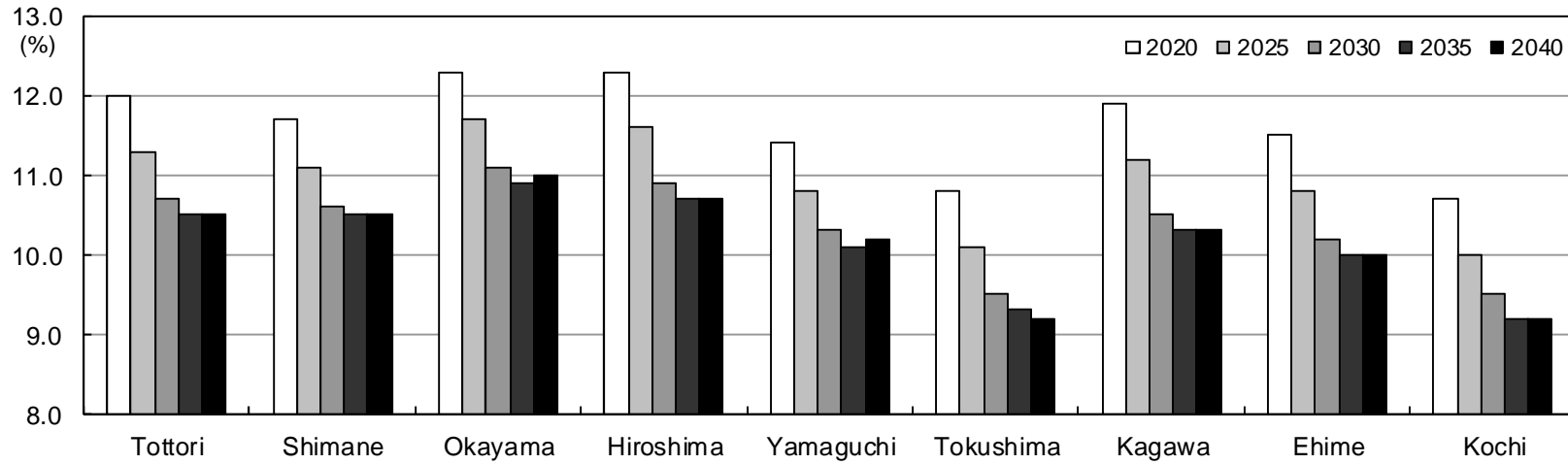
Source: National Institute of Population and Social Security Research

Future population trends for the Chugoku-Shikoku region



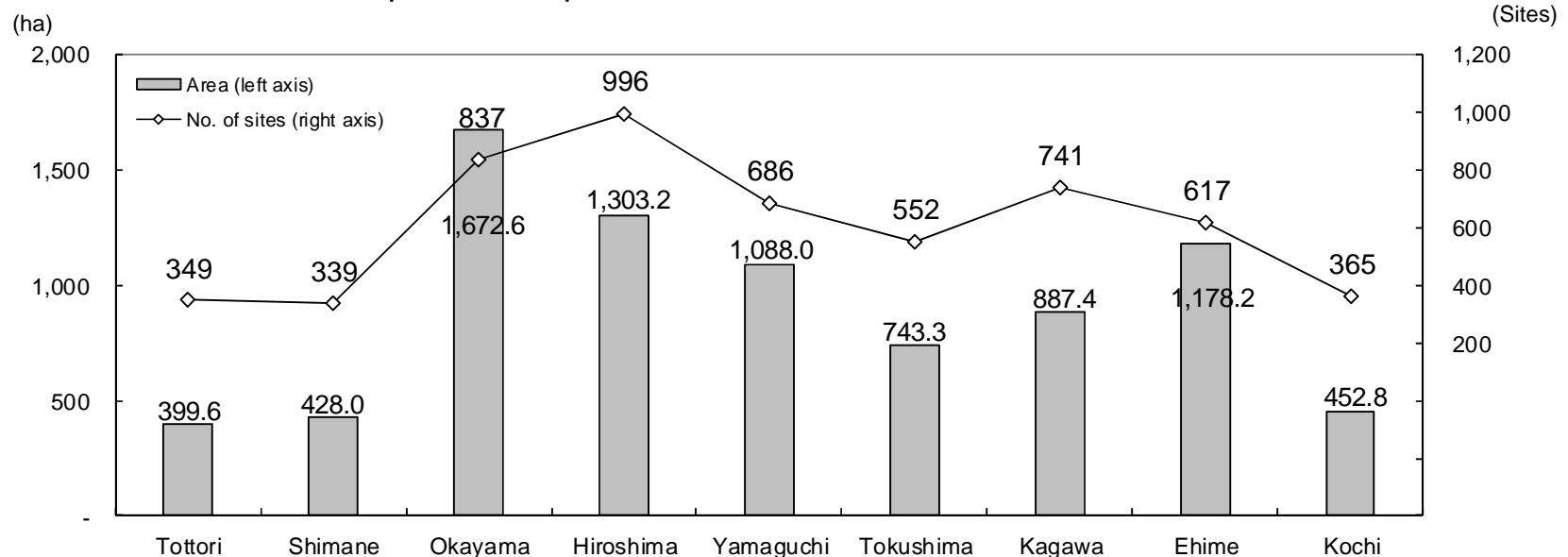
Source: National Institute of Population and Social Security Research

Youth population ratio trends in the Chugoku-Shikoku region



Source: National Institute of Population and Social Security Research

Cumulative total for number of prefectural plant sites and site areas



Note: Acquired sites 1,000 sq. meters or larger. Cumulative for the period from January 1988 to December 2016; Excludes the electric power industry from 2015 onward
 Source: Chugoku Bureau of Economy, Trade and Industry, Shikoku Bureau of Economy, Trade and Industry

Okayama evolving as an industrial area

Chugoku-Shikoku crossing point

Extensive transportation infrastructure

Rich natural environment* **Disperse disaster risk**

* Due to its many sunny days and mild climate, Okayama is called the "Land of Sunshine." It also has a low risk of natural disasters such as typhoons and earthquakes.

- **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 2015
 The Japan Post also launched "Okayama Post Office" in May 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
- **Accelerating development of sites for plants**
 Private and public sectors are working together to develop infrastructure and invite companies to the prefecture
- **New construction and expansion of plants are ongoing in the industrial zones in the northern part of prefecture**
- **Lack of industrial land in southern part of prefecture**
 Signs of robust sales of industrial zone lots by the private sector
 Okayama prefecture and Okayama city are developing an industrial zone to the south of the airport



Source: Okayama Prefecture website

Attractive city, people, and business environment

Number of visitors for tourism purposes is increasing

Strong **inbound** demand —To a city which foreigners also visit—

- ◆ A new record number of foreign overnight travelers (FY2016)
- ◆ Korakuen, one of the Japan's Three Great Gardens, received more than 800,000 visitors for the first time in 15 years
 - Rated three stars in Michelin Green Guide Japon
- ◆ An international contemporary art festival that attracted 230,000 visitors (Okayama Art Summit 2016)

Korakuen (Photo: Official website of Okayama Korakuen)



Cheerful life in native prefecture: Popular among people raising children

No. of migrants to Okayama: **2,773**

No. of migrant households: **1,845** (FY2016)

- ◆ 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

Migration portal site of Okayama Prefecture



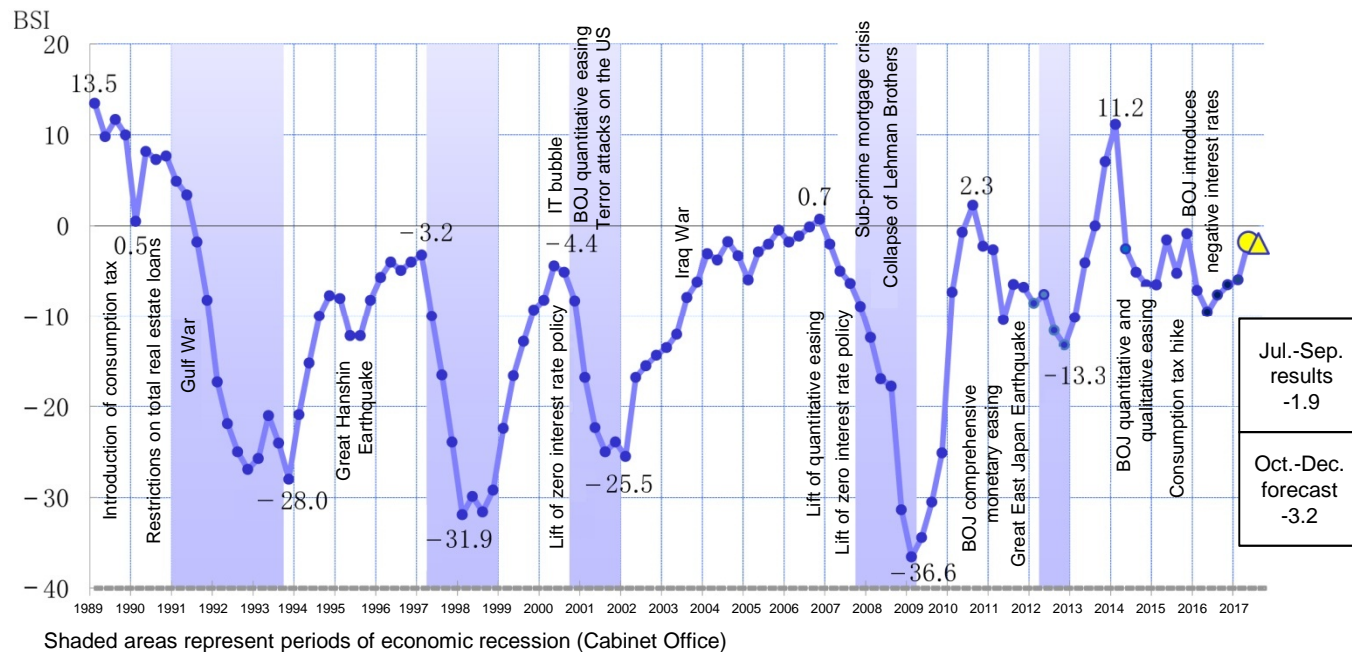
Transforming traditional industries according to the times

Local industries that lead the country

- ◆ A cluster of textile industry from spinning to sewing
 - Workwear, uniforms, school uniforms, jeans
- ◆ Materials industry that support the entire industrial world
 - Fire-resistant products, lime products, new construction material CLT
- ◆ Agricultural machinery that developed in an agriculturally advanced region

Okayama Prefecture's Economic Trends

The economy in Okayama sees a mild break away from sluggishness

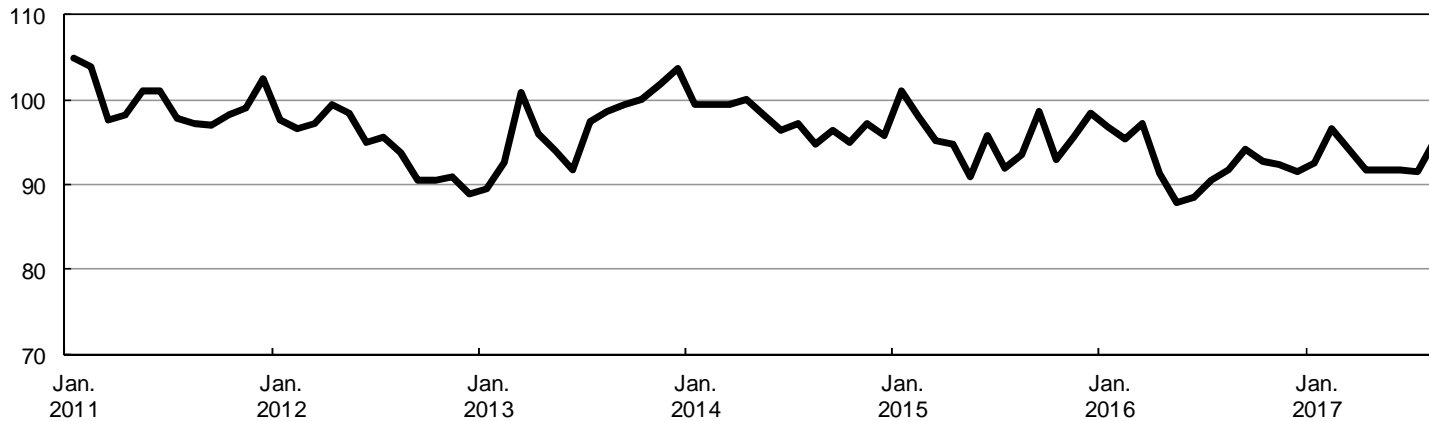


BSI (Business Survey Index) is designed to measure corporate managers' confidence in sales and business conditions and their forecasts for their company's performance (favorable turnaround, unchanged, deterioration). A favorable turnaround year-on-year warrants an A, while unchanged performance warrants 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 ...Lacks strength, flat growth

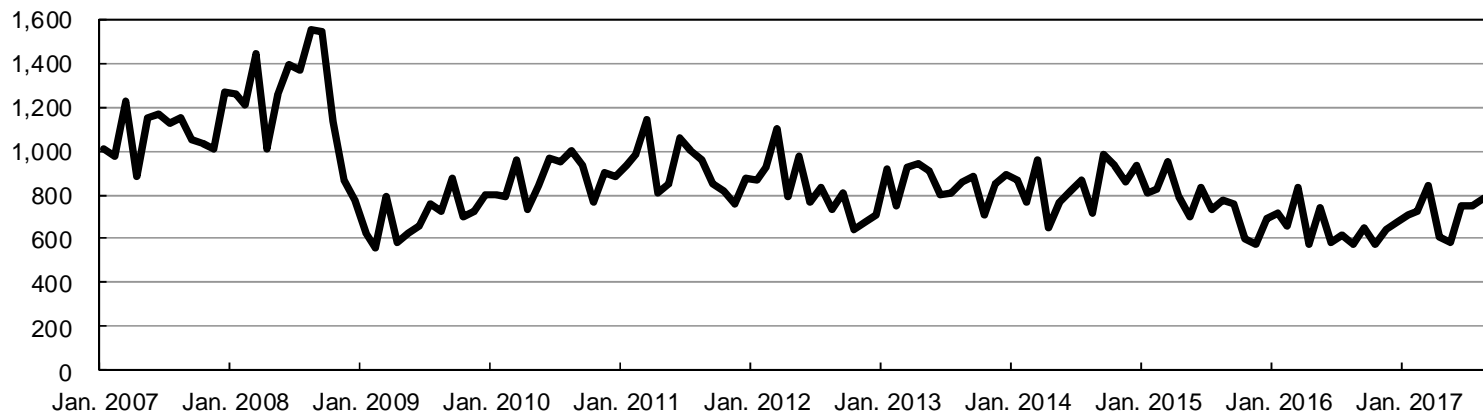
Industrial production index trends (2010 indexed at 100; seasonally adjusted)



Source: Okayama Prefecture Statistical Analysis Section

Exports ...Signs of rise due to recovery of demand from Asia

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



Source: Kobe customs

Local Economic Trends (3)

Capital investment ... Increase has weakened

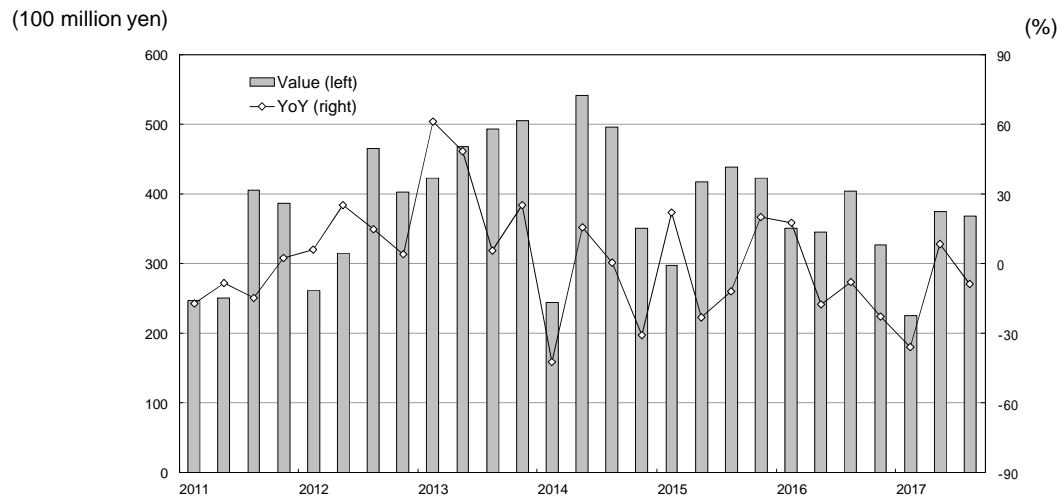
Change in capital investment year-on-year

(%)	Okayama			Nationwide		
	Manufacturing industry	Non-manufacturing	Total	Manufacturing industry	Non-manufacturing	Total
FY2014 results	0.1	-3.7	-1.4	6.8	3.1	4.3
FY2015 results	8.6	-2.5	4.4	9.1	2.9	5.0
FY2016 results	26.4	-9.4	14.1	2.6	-0.7	0.4
FY2017 plan	-2.2	6.5	0.2	11.7	0.8	4.6

Source: Bank of Japan; Okayama BOJ branch

Public investment ... Signs of a downturn

Change in public works investment year-on-year



Source: West Japan Construction Surety Co., Ltd.

Local Economic Trends (4)

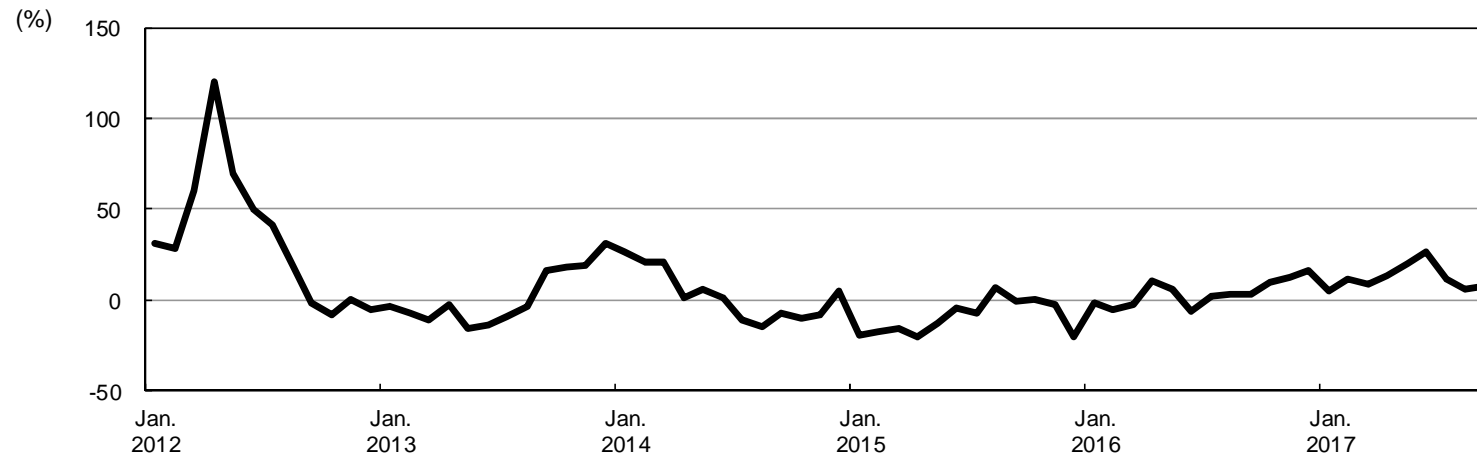
Consumer spending ... Moves toward recovery due to replacement of consumer durables

Large store retail sales trend (all stores; YoY)



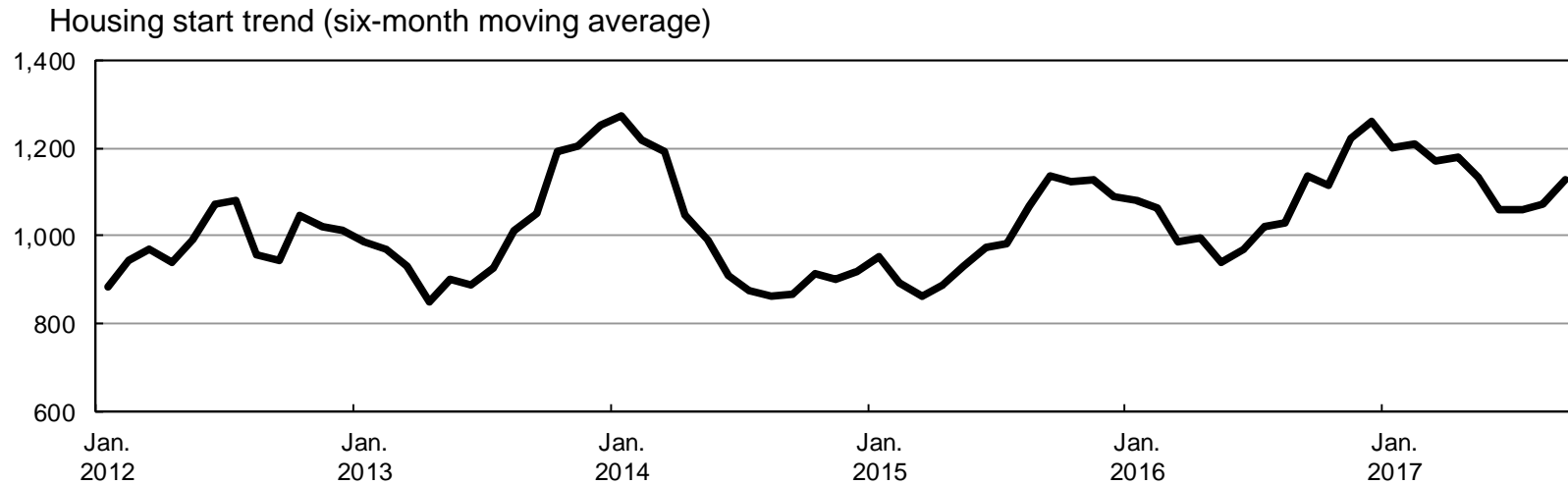
Source: Chugoku Bureau of Economy, Trade and Industry

New passenger car registration trend (including minicars; YoY)

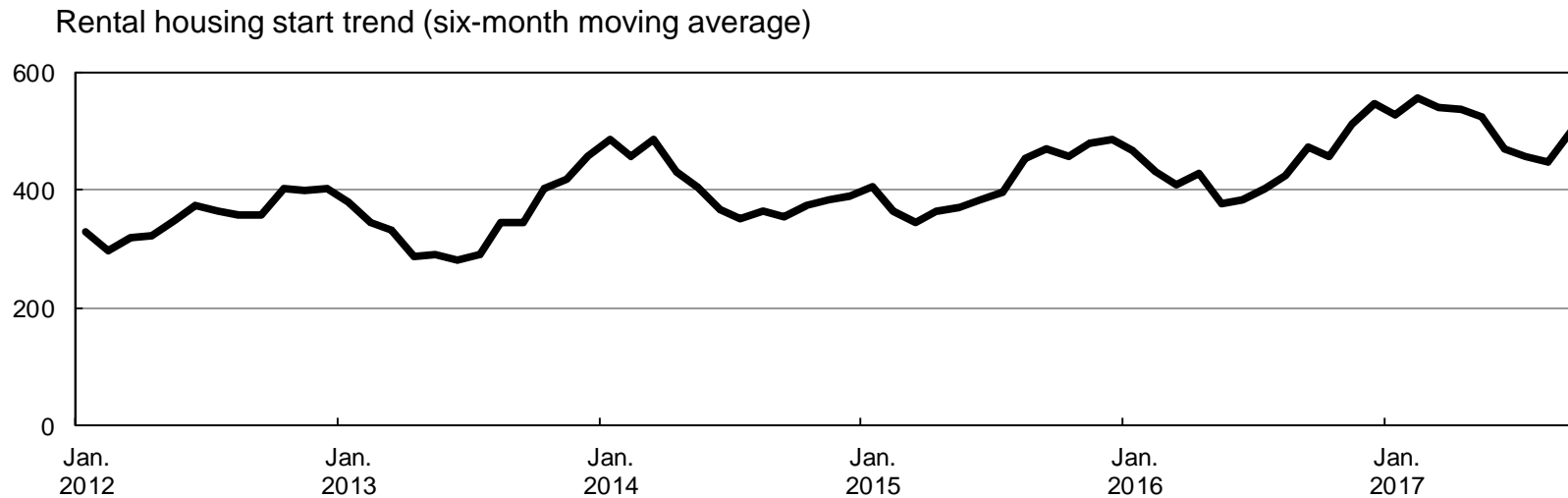


Source: Chugoku Transport & Tourism Bureau, Okayama branch

Housing investment ...Recovery trend



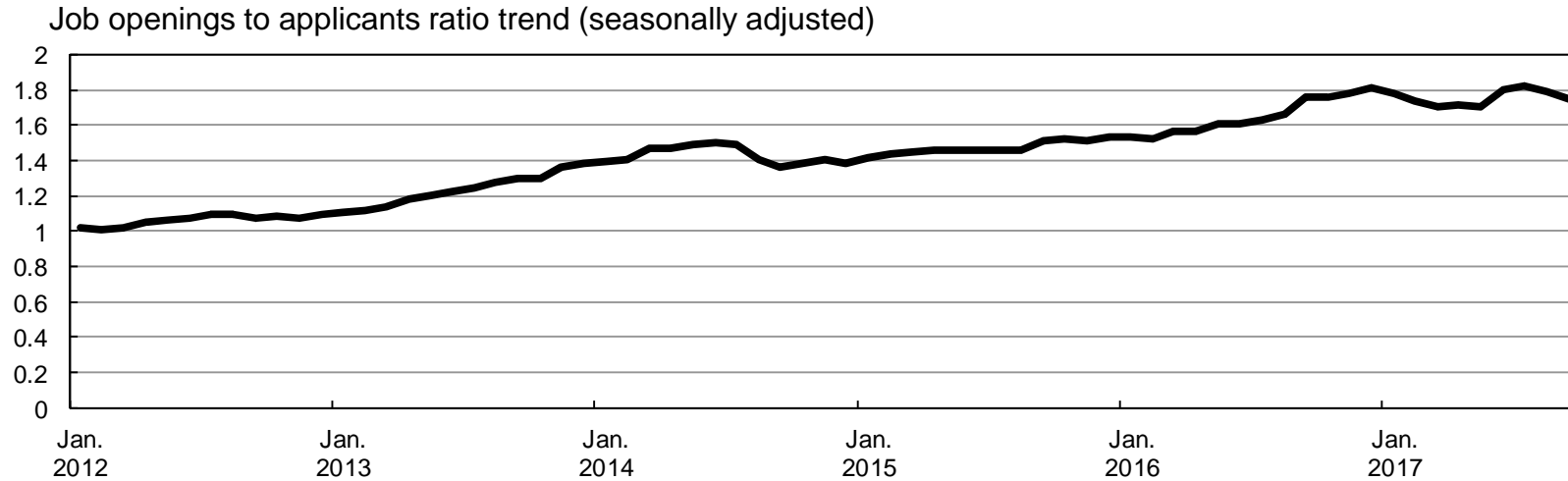
Source: MLIT



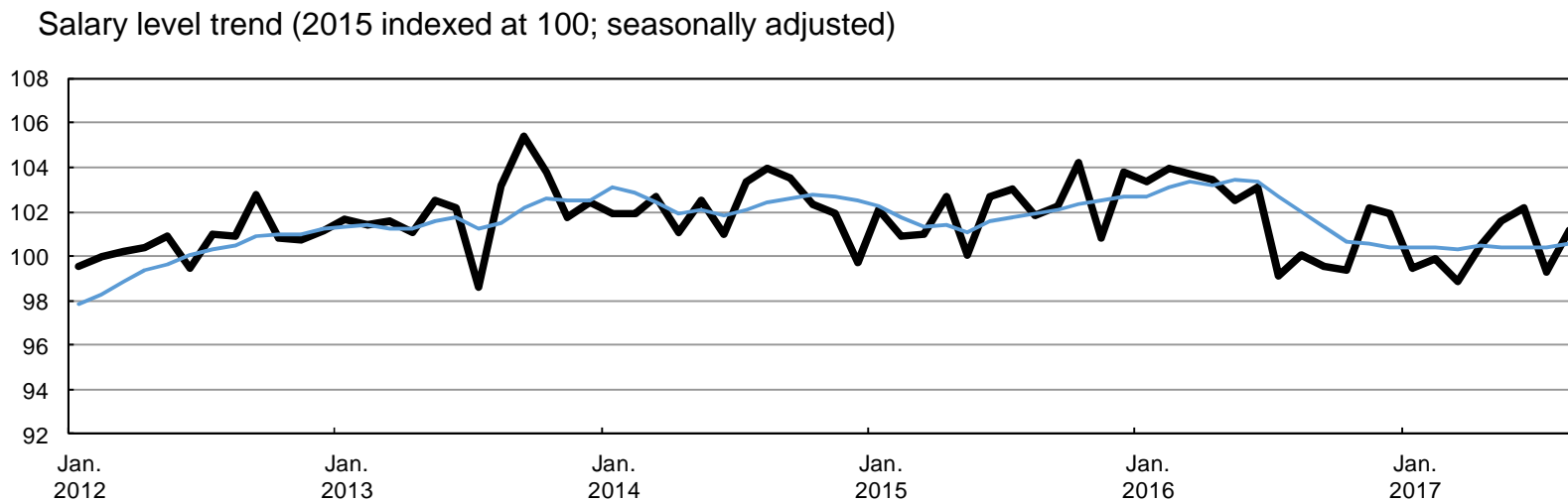
Source: MLIT

Local Economic Trends (6)

Employment and income trends ... Job opening to applicant ratio flat but trending at a high level



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

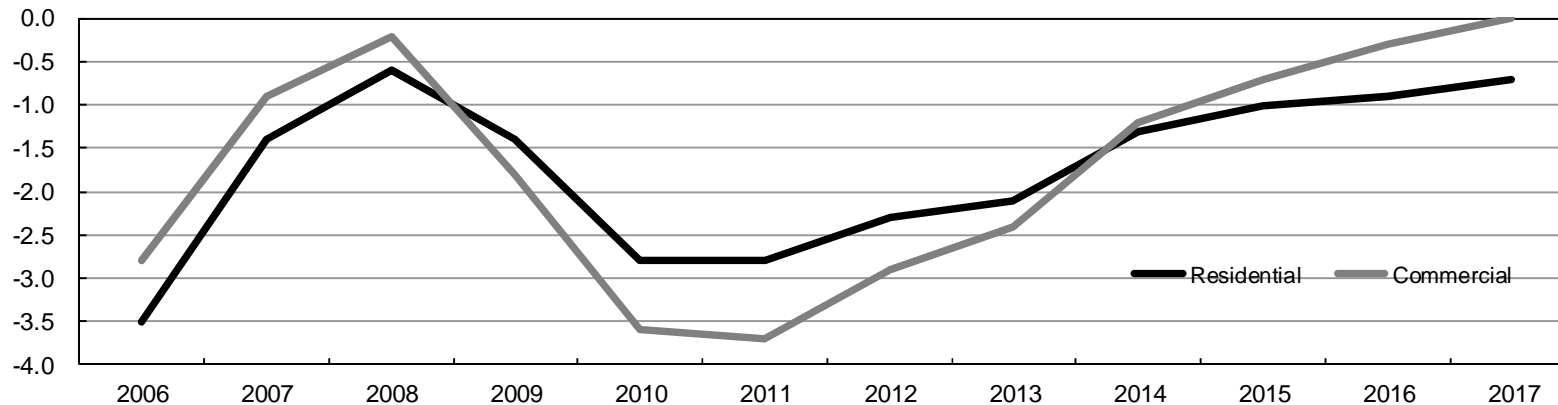


Source: Data from the Statistic Analysis Section of Okayama Prefecture seasonally adjusted by the Okayama Economic Research Institute

Local Economic Trends (7)

Land prices ... Decline has narrowed for the sixth consecutive year

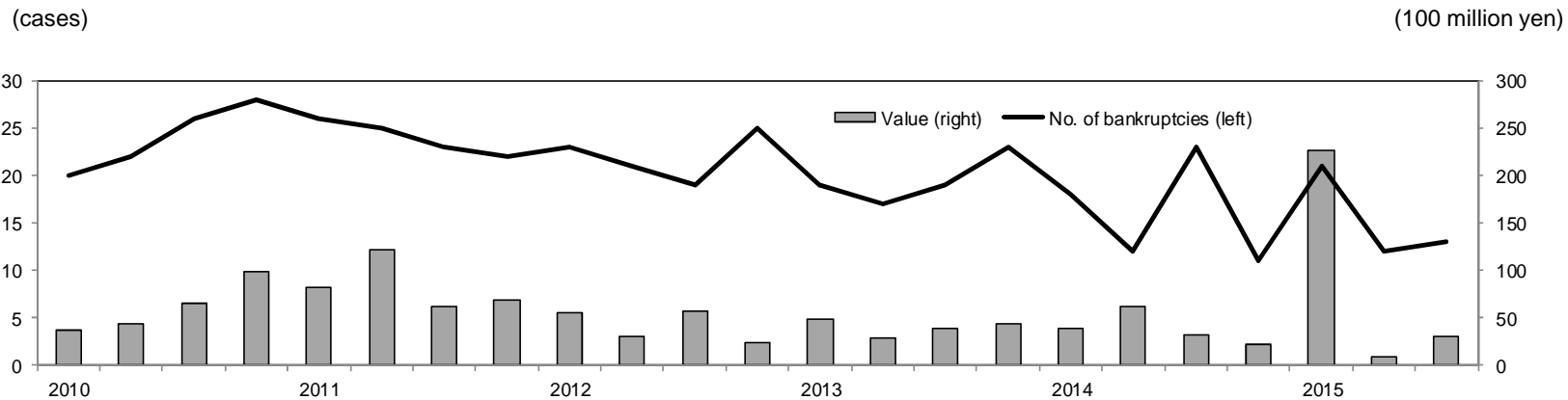
(%) Standard land price trend (YoY)



Source: Hilly and Mountainous Areas Development Division, Okayama Prefecture

Corporate bankruptcies ... Bankruptcy has decreased

Corporate bankruptcy trend (quarterly)



Source: Okayama branch, Teikoku Databank

Chugoku Bank's Management Indicators

Profit and Loss Statement (1)



[Parent] (million yen)	FY2012	FY2013 1H	FY2013	FY2014 1H	FY2014	FY2015 1H	FY2015	FY2016 1H	FY2016	FY2017 1H
Ordinary revenue	102,256	60,354	117,853	55,893	109,307	58,723	113,236	58,634	125,036	57,586
Banking revenue	97,820	50,625	98,500	49,835	100,785	50,904	101,156	50,876	111,877	51,803
Extraordinary revenue	4,435	9,729	19,352	6,057	8,521	7,819	12,080	7,758	13,159	5,783
Ordinary expense	74,859	39,161	73,703	36,262	73,536	35,796	72,600	41,286	96,068	43,543
Banking expense	63,509	36,804	69,732	34,573	69,797	34,608	69,303	37,402	86,795	40,643
Extraordinary expense	11,350	2,357	3,971	1,688	3,739	1,187	3,297	3,883	9,272	2,900
Recurring profit	27,396	21,193	44,149	19,631	35,770	22,927	40,635	17,348	28,968	14,043
Banking income	34,327	13,828	28,783	15,269	31,001	16,303	31,866	13,478	25,090	11,164
Gross income	86,984	42,528	85,334	44,211	88,270	44,082	87,326	41,666	79,977	39,887
(Net interest income)	72,094	36,985	72,121	36,287	72,416	35,889	70,028	33,428	67,765	33,862
(Fees and commissions)	13,534	6,906	13,709	7,465	14,834	7,431	15,024	7,645	15,214	7,116
(Other banking income)	1,355	-1,363	-495	459	1,019	762	2,272	592	-3,002	-1,091
Expenses	56,919	28,700	56,551	28,942	57,269	27,779	55,459	28,187	54,886	28,723
General provisions for doubtful receivables	-4,262	-	-	-	-	-	-	-	-	-
Extraordinary gain	8	30	91	1	1	44	46	-	3	0
Extraordinary loss	253	120	364	289	361	177	394	126	466	143
Impairment loss	79	36	143	237	246	66	124	80	414	132
Income before income tax (1H)	27,151	21,103	43,876	19,342	35,409	22,794	40,288	17,222	28,505	13,900
Corporate, residential, and business taxes	9,039	4,311	9,214	6,258	12,322	6,101	11,006	4,110	8,688	2,964
Income tax adjustments	1,150	3,322	7,575	133	2,182	1,140	3,352	996	776	1,117
Net income (1H)	16,960	13,469	27,086	12,950	20,904	15,552	25,928	12,115	19,039	9,819

[Consolidated]										
Ordinary revenue	117,198	68,010	133,177	63,124	124,221	65,753	129,180	66,647	142,867	65,261
Recurring profit	31,216	23,189	48,107	21,306	39,106	24,262	43,440	18,473	31,605	15,385
Net income attributable to owners of the parent (1H)	18,426	14,301	28,717	13,594	24,702	16,094	27,252	12,590	20,323	10,566
Net income (1H)	19,392	14,736	29,592	13,931	25,446	16,211	27,522	12,745	20,627	10,566
Other comprehensive income	38,713	-995	-669	15,318	48,293	-25,610	-14,871	-4,307	-18,359	12,312
Valuation difference from other available-for-sale securities	39,636	-2,067	-1,682	16,011	48,301	-25,683	-4,798	-4,556	-19,641	11,431
Deferred hedge gains	-923	1,072	1,012	-648	-1,262	46	-1,811	-344	675	222
Comprehensive income (1H)	58,105	13,741	28,922	29,250	73,739	-9,398	12,650	8,437	2,268	22,879

Profit and Loss Statement (2)

[Parent] (million yen)	FY2012	FY2013 1H	FY2013	FY2014 1H	FY2014	FY2015 1H	FY2015	FY2016 1H	FY2016	FY2017 1H
Bond related gains/losses	1,034	-2,136	-1,626	225	45	406	1,742	732	-2,038	-300
Gain on bond sales, including JGBs	2,229	1,037	1,878	1,038	2,625	1,892	4,311	3,520	13,536	1,634
Gain on bond redemption, including JGBs	-	-	-	-	-	-	-	-	-	-
Loss on bond sales, including JGBs	1,195	3,173	3,505	813	2,580	1,485	2,568	2,788	15,575	1,901
Loss on bond redemption, including JGBs	-	-	-	-	-	-	-	-	-	-
Bond redemption, including JGBs	-	-	-	-	-	-	-	-	-	34
Equity-related gains/losses	-1,498	1,982	2,620	1,569	3,775	2,696	3,349	945	4,379	456
Gain on equity sales	1,628	3,574	5,062	2,438	5,448	3,255	5,126	3,401	9,937	1,717
Loss on equity sales	2,334	1,587	2,437	817	1,673	540	1,586	1,666	2,928	1,261
Share redemption	792	4	4	51	-	18	190	789	2,628	-
Non-performing loan disposal	2,349	-4,310	-10,844	-1,827	222	-2,659	-3,755	-2,716	-209	-2,632
General provisions for doubtful receivables	-4,262	-4,001	-9,456	-4,145	-6,160	-2,577	-3,652	-487	-104	-2,498
Individual provisions for doubtful accounts	6,599	-328	-1,456	2,109	5,789	-82	-209	-2,241	-187	-136
Loan write-offs	-	-	6	-	-	-	-	-	-	-
Loss on claim sales	12	18	61	208	592	0	106	11	81	1

Ordinary Revenue Breakdown

[Parent] (million yen)	FY2012	FY2013 1H	FY2013	FY2014 1H	FY2014	FY2015 1H	FY2015	FY2016 1H	FY2016	FY2017 1H
Ordinary revenue	102,256	60,354	117,853	55,893	109,307	58,723	113,236	58,634	125,036	57,586
Banking revenue	97,820	50,625	98,500	49,835	100,785	50,904	101,156	50,876	111,877	51,803
Net interest income	77,760	39,830	77,648	39,004	78,174	39,113	77,137	37,604	78,762	40,722
Lending rate	48,241	22,945	45,475	21,991	43,673	21,195	42,622	20,789	42,891	23,134
Securities interest rate	29,041	16,656	31,751	16,787	33,951	17,526	33,777	16,432	34,962	16,975
Call loan interest rate	88	46	78	34	83	56	77	73	307	299
Interest rate on bills bought	-	-	-	-	-	-	-	-	-	-
Gensaki transaction interest rate	0	-	-	-	-	-	-	-	-	-
Deposit interest rate	40	23	39	53	207	211	410	189	375	187
Foreign currency interest income	52	30	60	26	51	23	50	28	53	28
Financial swap interest income	-	-	-	-	-	-	-	-	-	-
Other interest income	294	127	242	110	207	99	199	90	172	97
Fees and commissions	17,509	8,975	17,831	9,522	18,950	9,502	19,173	9,735	19,439	9,276
Fee and commission income	5,862	2,903	5,817	2,883	5,780	2,844	5,737	2,853	5,712	2,818
Other fee and commission income	11,642	6,072	12,012	6,639	13,167	6,657	13,435	6,882	13,725	6,458
Trust fees	3	-	1	-	1	-	1	0	1	0
Other banking revenue	2,550	1,818	3,020	1,308	3,659	2,288	4,844	3,536	13,675	1,804
Gain on sale of bonds, including JGBs	2,229	1,037	1,878	1,038	2,625	1,892	4,311	3,520	13,536	1,634
Gain on sale of foreign currencies	104	256	296	-	-	-	24	-	-	-
Gain on sale of securities	9	-	-	-	-	-	-	14	9	-
Financial derivative revenue	203	521	841	268	1,032	394	506	-	126	168
Other	2	2	4	0	2	1	3	1	2	0
Extraordinary income	4,435	9,729	19,352	6,057	8,521	7,819	12,080	7,758	13,159	5,783
Gain on sale of equities	1,628	3,574	5,062	2,438	5,448	3,255	5,126	3,401	9,937	1,717
Gain on investment trusts	52	119	152	50	145	-	12	5	67	103
Reversal to provisions for doubtful receivables	-	4,329	10,912	2,035	370	2,659	3,861	2,728	291	2,634
Gain on non-performing loans recovered	45	6	6	0	4	0	0	12	12	5
Other	2,709	1,700	3,218	1,532	2,553	1,903	3,079	1,610	2,850	1,322

Ordinary Expense Breakdown

[Parent]	FY2012	FY2013	FY2013	FY2014	FY2014	FY2015	FY2015	FY2016	FY2016	FY2017
(million yen)		1H		1H		1H		1H		1H
Ordinary expenses	74,859	39,161	73,703	36,262	73,536	35,796	72,600	41,286	96,068	43,543
Banking expenses	63,509	36,804	69,732	34,573	69,797	34,608	69,303	37,402	86,795	40,643
Interest expense	5,681	2,852	5,542	2,724	5,771	3,230	7,121	4,180	11,006	6,863
Expenses matching the amount of investment of money held in trust	15	7	14	6	13	6	13	4	9	3
Deposit interest	2,561	1,229	2,333	1,122	2,182	1,136	2,221	820	1,791	1,018
Negotiable certificates of deposit (NCD) interest	196	113	211	95	196	102	196	52	89	33
Call money interest	648	423	839	378	937	630	1,607	1,085	2,436	824
Interest on sales under agreement to repurchase	-	-	-	-	-	-	-	0	101	538
Securities lending transaction interest payable	512	130	237	161	511	384	1,134	889	2,354	943
Interest on commercial papers	-	-	-	-	-	-	-	-	48	336
Borrowed money interest payable	80	47	112	92	218	144	303	190	572	556
Foreign exchange interest payable	0	0	0	0	0	9	22	92	316	7
Financial swap interest payable	1,680	907	1,802	868	1,714	820	1,627	1,048	3,290	2,605
Other interest payable	2	1	5	5	10	1	8	0	6	0
Fees and commissions	3,975	2,069	4,122	2,057	4,115	2,071	4,149	2,090	4,225	2,159
Fees and commissions payable	879	440	880	435	875	441	883	454	902	463
Other fees and commissions payable	3,095	1,628	3,241	1,621	3,239	1,630	3,265	1,635	3,323	1,696
Other banking expenses	1,195	3,182	3,516	848	2,640	1,526	2,572	2,944	16,677	2,895
Loss on sale of bonds, including JGBs	1,195	3,173	3,505	813	2,580	1,485	2,568	2,788	15,575	1,901
Bond redemption, including JGBs	-	-	-	-	-	-	-	-	-	34
Loss on foreign exchange transactions	-	-	-	34	48	34	-	82	1,101	957
Loss on securities transactions	-	8	11	1	11	6	3	-	-	2
Financial derivative expenses	-	-	-	-	-	-	-	73	-	-
Other	-	-	-	-	-	-	-	-	-	-
General provisions for doubtful receivables	-4,262	-	-	-	-	-	-	-	-	-
Expenses	56,919	28,700	56,551	28,942	57,269	27,779	55,459	28,187	54,886	28,723
Extraordinary expenses	11,350	2,357	3,971	1,688	3,739	1,187	3,297	3,883	9,272	2,900
Individual provisions for doubtful accounts	6,599	-	-	-	-	-	-	-	-	-
Redemption of loans and bills discounted	-	-	6	-	-	-	-	-	-	-
Loss on sale of equity	2,334	1,587	2,437	817	1,673	540	1,586	1,666	2,928	1,261
Equity redemption	792	4	4	51	-	18	190	789	2,628	-
Loss on money held in trust	17	62	25	70	3	106	182	98	88	0
Retirement expense	510	-37	-75	-67	13	39	78	855	1,711	949
Other	1,096	740	1,573	816	2,049	482	1,259	473	1,914	688

Expense Breakdown

[Parent] (million yen)	FY2012	FY2013 1H	FY2013	FY2014 1H	FY2014	FY2015 1H	FY2015	FY2016 1H	FY2016	FY2017 1H
Expenses (1)	56,919	28,700	56,551	28,942	57,269	27,779	55,459	28,187	54,886	28,723
Personnel	30,727	15,434	31,106	15,457	31,232	14,879	29,758	14,903	29,553	14,702
Salaries	16,706	8,290	16,650	8,250	16,549	8,259	16,571	8,316	16,610	8,171
Bonuses	5,640	2,879	5,894	3,029	6,268	3,107	6,146	3,002	5,755	2,807
Retirement expenses	2,433	1,222	2,437	1,011	2,024	212	426	222	446	353
Social insurance	3,371	1,714	3,461	1,753	3,550	1,789	3,580	1,804	3,600	1,800
Temporary employment expense	2,576	1,328	2,662	1,412	2,840	1,511	3,035	1,557	3,140	1,569
Property expense	23,600	11,496	23,015	11,636	23,238	10,901	22,615	11,250	22,218	11,502
Depreciation	2,849	1,382	2,829	1,368	2,837	1,456	3,135	1,730	3,539	2,063
Land and building leasing expense	676	357	722	371	757	398	787	358	748	384
Machinery leasing expense	197	62	137	58	128	60	134	62	136	69
Outsourcing expense	2,492	1,276	2,542	1,288	2,552	1,294	2,592	1,361	2,727	1,393
Maintenance expense	342	119	318	120	232	107	224	109	207	107
Travel expense	222	101	201	92	192	104	207	102	194	104
Sales promotion expense	39	26	53	33	64	33	62	34	69	46
Deposit insurance premium	3,572	2,193	3,639	2,258	3,789	1,178	2,356	1,209	2,418	1,094
Miscellaneous expense	13,209	5,976	12,570	6,042	12,681	6,266	13,114	6,283	12,177	6,239
Taxes	2,591	1,768	2,428	1,848	2,798	1,999	3,085	2,033	3,114	2,518
Core business gross profit (2)	85,950	44,664	86,960	43,986	88,225	43,676	85,583	40,933	82,016	40,187
OHR (1)÷(2)	66.2%	64.3%	65.0%	65.8%	64.9%	63.6%	64.8%	68.8%	66.9%	71.4%

Major Yields

		FY2012	FY2013 1H	FY2013	FY2014 1H	FY2014	FY2015 1H	FY2015	FY2016 1H	FY2016	FY2017 1H
Total for all branches	1. Interest-earning asset yield	1.25	1.22	1.19	1.14	1.11	1.08	1.06	1.00	1.03	1.05
	Loan yield	1.41	1.32	1.30	1.22	1.20	1.11	1.09	1.00	1.01	1.02
	Securities yield	1.06	1.14	1.08	1.10	1.10	1.21	1.16	1.12	1.20	1.31
	Call loan yield	0.19	0.14	0.14	0.20	0.18	0.17	0.19	0.30	0.32	0.29
	Deposit yield (including NCD)	0.26	0.16	0.18	0.10	0.10	0.09	0.10	0.10	0.10	0.10
	2. Interest-bearing liabilities	0.09	0.09	0.08	0.08	0.08	0.09	0.10	0.11	0.14	0.18
	Deposit yield	0.04	0.04	0.04	0.04	0.03	0.04	0.03	0.02	0.02	0.03
	Call money yield	0.45	0.36	0.35	0.32	0.37	0.51	0.65	1.00	1.20	1.40
	Loan yield	0.12	0.12	0.12	0.14	0.15	0.17	0.17	0.23	0.34	0.60
	3. Expense ratio	1.02	0.99	0.97	0.97	0.96	0.91	0.91	0.89	0.87	0.88
	4. Fundraising expense	1.05	1.01	0.99	0.97	0.94	0.90	0.90	0.88	0.88	0.94
5. Total net interest income (1-4)	0.20	0.21	0.20	0.17	0.17	0.18	0.16	0.12	0.15	0.11	
Simple loan-deposit margin	1.37	1.28	1.26	1.18	1.17	1.07	1.06	0.98	0.99	0.99	
Simple deposit-securities margin	1.02	1.10	1.04	1.06	1.07	1.17	1.13	1.10	1.18	1.28	

Domestic banking operations	1. Interest-earning asset yield	1.17	1.13	1.09	1.04	1.01	0.96	0.94	0.86	0.84	0.81
	Loan yield	1.42	1.33	1.31	1.23	1.21	1.12	1.09	0.97	0.95	0.89
	Securities yield	0.94	1.00	0.93	0.94	0.94	1.03	0.97	0.94	0.96	1.03
	Call loan yield	0.13	0.12	0.12	0.17	0.15	0.13	0.13	-0.02	-0.02	-0.02
	Deposit yield (including NCD)	0.24	0.16	0.18	0.10	0.10	0.09	0.10	0.10	0.10	0.10
	2. Interest-bearing liabilities	0.07	0.07	0.07	0.06	0.06	0.06	0.06	0.04	0.04	0.04
	Deposit yield	0.04	0.04	0.04	0.03	0.03	0.03	0.03	0.02	0.01	0.01
	Call money yield	0.10	0.07	0.07	0.06	0.06	0.05	0.06	-0.03	-0.03	-0.02
	Loan yield	0.12	0.12	0.11	0.11	0.11	0.11	0.11	0.06	0.04	0.01
	3. Expense ratio	1.00	0.97	0.95	0.95	0.93	0.88	0.88	0.87	0.85	0.86
	4. Fundraising expense	1.06	1.03	1.00	0.98	0.95	0.90	0.89	0.84	0.80	0.82
5. Total net interest income (1-4)	0.11	0.10	0.09	0.06	0.06	0.06	0.05	0.02	0.04	-0.01	
Simple loan-deposit margin	1.38	1.29	1.27	1.20	1.18	1.09	1.06	0.95	0.94	0.88	
Simple deposit-securities margin	0.90	0.96	0.89	0.91	0.91	1.00	0.94	0.92	0.95	1.02	

Major Accounts (year-end balance) Assets



(100 million yen)	FY2012	FY2013 1H	FY2013	FY2014 1H	FY2014	FY2015 1H	FY2015	FY2016 1H	FY2016	FY2017 1H
Total assets	67,453	66,814	69,508	72,964	75,894	73,908	77,701	82,481	82,554	82,991
Interest-earning assets	66,364	65,425	68,159	69,468	71,082	68,344	72,100	74,626	73,673	75,527
Loans	34,811	34,486	35,664	36,121	37,289	38,610	40,365	42,173	44,003	45,607
Securities	30,240	29,672	31,431	32,013	32,614	28,773	31,073	30,347	27,146	27,439
Securities products	30	29	23	23	23	23	19	20	23	18
Money in trust	200	200	200	199	200	198	200	199	150	150
Deposits (excluding non-interest bearing portion)	300	150	150	150	52	52	53	112	102	141
Call loans	477	584	351	658	518	405	74	1,457	1,905	1,743
Debt purchased	261	239	273	242	320	198	206	222	215	261
Foreign exchange	42	62	64	58	63	81	107	76	64	59
Cash collateral paid	-	-	-	-	-	-	-	14	61	101
(Interest-earnings assets)	66,164	65,224	67,959	69,268	70,882	68,145	71,900	74,427	73,523	75,376
Cash and deposits (non-interest bearing)	706	883	734	2,829	3,871	4,818	4,815	6,912	7,953	6,403
Tangible fixed assets	447	441	436	432	433	426	431	427	413	405
Intangible fixed assets	8	13	20	30	38	48	60	68	74	65
Other assets	374	375	369	350	580	355	332	461	446	550
Deferred tax assets	-	-	-	-	-	-	-	-	-	-
Guarantee endorsements	260	255	256	281	321	308	328	321	340	351
Provisions for doubtful receivables	-708	-580	-469	-428	-433	-392	-367	-336	-347	-311

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



(100 million yen)	FY2012	FY2013 1H	FY2013	FY2014 1H	FY2014	FY2015 1H	FY2015	FY2016 1H	FY2016	FY2017 1H
Total liabilities and net assets	67,453	66,814	69,508	72,964	75,894	73,908	77,701	82,481	82,554	82,991
Total liabilities	63,176	62,437	65,037	68,316	70,890	69,032	72,585	77,334	77,526	77,774
Interest-bearing liabilities	62,172	61,568	64,035	67,097	69,409	67,912	71,385	76,136	76,370	76,496
Deposits	54,925	55,294	56,900	56,667	58,945	58,113	60,114	59,545	62,018	61,693
Negotiable certificates of deposit (NCD)	2,040	2,471	1,626	2,544	1,638	2,568	1,847	3,025	2,229	3,038
Call money	2,268	2,063	2,901	2,189	3,392	1,799	2,500	1,722	1,492	720
Sales under agreement to repurchase account	-	-	-	-	-	-	-	-	215	1,582
Payables under Securities Lending Transactions	2,308	750	1,544	4,119	3,898	3,475	5,157	10,369	8,323	6,911
Commercial paper	-	-	-	-	-	-	-	-	242	517
Borrowed money	624	986	1,058	1,571	1,530	1,951	1,762	1,461	1,818	2,014
Foreign exchange	1	1	3	3	1	3	1	2	1	2
Cash collateral received	-	-	-	-	-	-	-	8	27	6
(Expenses matching the amount of investment of money held in trust)	200	200	200	199	200	198	200	199	150	150
(Fund procurement account)	61,972	61,367	63,835	66,897	69,209	67,713	71,185	75,937	76,220	76,345
Other liabilities	562	411	501	548	664	433	426	449	464	518
Retirement provision	139	137	134	237	233	221	209	204	200	198
Bonus provision	14	14	14	13	15	15	14	14	13	13
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	12	12	11	10	9	9	10	10	10	8
Deferred tax liabilities	15	38	83	127	236	131	209	195	126	186
Acceptances and guarantees	260	255	256	281	321	308	328	321	340	351
Total net assets	4,276	4,376	4,470	4,647	5,004	4,876	5,116	5,146	5,028	5,217
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	3,461	3,581	3,628	3,670	3,696	3,831	3,915	4,017	4,067	4,074
Treasury stock (-)	65	75	32	52	36	46	79	98	121	54
Valuation difference on other securities	712	691	694	854	1,177	922	1,130	1,080	925	1,038
Gain/loss on deferred hedges	-46	-36	-36	-43	-49	-49	-67	-71	-60	-58
Warrants	1	1	2	2	3	2	3	3	3	2

Major Accounts (average balance) Assets



(100 million yen)

	FY2012	FY2013 1H	FY2013	FY2014 1H	FY2014	FY2015 1H	FY2015	FY2016 1H	FY2016	FY2017 1H
Total assets	63,752	66,357	66,863	69,722	71,711	73,666	74,501	78,330	79,899	80,719
Interest-earning assets	62,392	64,926	65,401	68,138	70,063	71,932	72,629	75,074	76,580	76,924
Loans	34,083	34,523	34,866	35,908	36,351	37,881	38,748	41,310	42,324	44,859
Securities	27,162	28,933	29,261	30,376	30,773	28,688	28,950	29,042	29,030	25,747
Securities products	31	29	28	24	24	22	22	20	22	19
Money in trust	199	200	200	199	200	199	199	199	199	150
Deposits (excluding non-interest bearing portion)	151	278	214	1,047	1,989	4,220	4,048	3,713	3,719	3,727
Call loans	458	641	529	329	444	645	392	483	947	2,014
Repurchase agreement	5	-	-	-	-	-	-	-	-	-
Debt purchased	233	206	193	187	172	176	160	144	149	175
Foreign exchange	65	114	108	63	106	97	107	157	156	137
Cash collateral paid	-	-	-	-	-	-	-	2	29	85
(Interest-earnings assets)	62,192	64,726	65,201	67,938	69,863	71,732	72,430	74,874	76,380	76,774
Cash and deposits (non-interest bearing)	794	813	825	829	837	863	954	2,309	2,297	2,486
Tangible fixed assets	458	448	451	441	444	434	438	438	441	415
Intangible fixed assets	3	10	13	24	29	42	47	64	67	72
Other assets	224	242	213	209	201	226	245	224	284	578
Deferred tax assets	356	342	325	284	292	281	275	247	243	240
Guarantee endorsements	256	256	264	262	292	314	321	329	332	345
Provisions for doubtful receivables	-734	-683	-631	-467	-449	-428	-411	-358	-347	-343

Major Accounts (average balance) Liabilities & Net Assets



(100 million yen)	FY2012	FY2013 1H	FY2013	FY2014 1H	FY2014	FY2015 1H	FY2015	FY2016 1H	FY2016	FY2017 1H
Total liabilities and net assets	63,752	66,357	66,863	69,722	71,711	73,666	74,501	78,330	79,899	80,719
Total liabilities	60,177	62,746	63,184	65,977	67,892	69,768	70,530	74,267	75,767	76,598
Interest-bearing liabilities	59,336	61,915	62,344	65,153	66,944	68,864	69,544	73,384	74,784	75,590
Deposits	53,125	54,803	55,225	56,835	56,912	58,260	58,350	59,937	60,078	61,560
Negotiable certificates of deposit (NCD)	2,391	2,816	2,684	2,555	2,629	2,621	2,512	2,909	2,965	2,916
Call money	1,418	2,294	2,373	2,304	2,506	2,434	2,457	2,157	2,016	1,167
Sales under agreement to repurchase	-	-	-	-	-	-	-	0	111	753
Payables under Securities Lending Transactions	1,761	1,229	1,169	2,151	3,463	3,861	4,495	6,747	7,913	6,839
Commercial paper	-	-	-	-	-	-	-	-	41	487
Borrowed money	636	770	889	1,301	1,429	1,681	1,724	1,625	1,649	1,846
Foreign exchange	1	1	1	3	3	3	2	1	1	3
Cash collateral received	-	-	-	-	-	-	-	3	3	11
(Expenses matching the amount of investment of money held in trust)	199	200	200	199	200	199	199	199	199	150
(Fund procurement account)	59,136	61,715	62,144	64,953	66,744	68,664	69,345	73,184	74,584	75,440
Other liabilities	424	416	419	356	425	343	423	328	428	447
Retirement provision	139	137	136	186	210	228	222	206	204	198
Bonus provision	7	6	7	7	7	7	7	7	7	6
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	12	11	11	10	10	8	8	9	10	9
Deferred tax liabilities	-	-	-	-	-	-	-	-	-	-
Acceptances and guarantees	256	256	264	262	292	314	321	329	332	345
Total net assets	3,575	3,611	3,678	3,744	3,819	3,898	3,971	4,063	4,131	4,120
Capital	151	151	151	151	151	151	151	151	151	151
Surplus capital	61	62	62	62	62	62	62	62	62	27
Retained earnings	3,481	3,461	3,534	3,564	3,647	3,713	3,795	3,925	4,002	4,016
Treasury stock (-)	125	72	79	45	54	42	52	90	99	88
Valuation difference on other securities	4	6	7	9	10	11	11	12	11	11
Gain/loss on deferred hedges	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0
Warrants	1	2	2	2	2	2	2	3	3	3

Deposits (year-end balance)

(100 million yen)	FY2012	FY2013 1H	FY2013	FY2014 1H	FY2014	FY2015 1H	FY2015	FY2016 1H	FY2016	FY2017 1H
Okayama	41,461	41,885	43,351	43,152	44,936	44,251	46,194	45,465	47,052	46,850
Private portion	32,059	32,599	33,123	33,425	34,178	34,305	34,845	34,807	35,313	35,832
Corporate portion	7,671	7,824	8,038	8,258	8,549	8,480	8,870	8,989	9,314	9,657
Hiroshima	7,915	7,688	7,803	7,884	8,388	8,055	8,101	8,172	8,762	8,534
Private portion	5,308	5,395	5,443	5,482	5,554	5,544	5,519	5,514	5,569	5,584
Corporate portion	2,159	2,120	2,203	2,209	2,387	2,414	2,466	2,528	2,614	2,858
Kagawa, Ehime	3,877	3,904	3,995	3,919	4,002	3,928	3,992	3,952	4,029	4,022
Private portion	2,755	2,796	2,789	2,785	2,821	2,804	2,792	2,764	2,763	2,766
Corporate portion	1,076	1,092	1,162	1,120	1,136	1,114	1,154	1,177	1,220	1,253
Hyogo	931	926	947	944	962	1,017	1,044	1,068	1,089	1,136
Private portion	607	612	611	613	619	624	627	624	636	640
Corporate portion	321	309	334	329	342	381	405	438	451	495
Tottori	93	89	94	96	102	105	105	106	114	119
Private portion	50	50	53	51	51	51	49	50	49	50
Corporate portion	42	38	41	44	50	53	55	55	64	68
Osaka	195	342	201	216	202	236	217	216	237	241
Private portion	72	66	67	67	67	67	65	64	72	67
Corporate portion	122	274	133	147	133	167	150	150	163	172
Tokyo	156	255	231	248	167	199	133	176	137	136
Private portion	74	68	66	68	69	70	70	71	69	67
Corporate portion	78	178	162	171	96	126	59	102	66	67
Total domestic branches (before reconciliation of transit items)	54,630	55,092	56,625	56,462	58,763	57,794	59,789	59,158	61,422	61,042
Total for private portion	40,928	41,589	42,154	42,494	43,363	43,469	43,971	43,897	44,476	45,010
Total for corporate portion	11,472	11,839	12,075	12,282	12,695	12,737	13,163	13,441	13,895	14,572
Overseas branches	296	205	276	206	183	321	325	388	597	653
Total deposits	54,925	55,294	56,900	56,667	58,945	58,113	60,114	59,545	62,018	61,693
Liquidity	33,573	33,855	35,698	35,620	38,085	37,071	39,260	39,035	41,644	41,224
Time deposits	21,352	21,439	21,201	21,046	20,860	21,042	20,853	20,510	20,374	20,469
Domestic banking	54,071	54,506	55,942	55,895	58,196	57,153	59,187	58,569	60,869	60,433
International banking	854	788	957	772	749	960	926	976	1,149	1,260

Deposits (average balance)

(100 million yen)		FY2012	FY2013 1H	FY2013	FY2014 1H	FY2014	FY2015 1H	FY2015	FY2016 1H	FY2016	FY2017 1H
Okayama		40,244	41,763	42,006	43,204	43,301	44,458	44,544	45,887	45,766	46,806
	Private portion	31,605	32,582	32,850	33,477	33,731	34,483	34,599	34,963	35,082	35,697
	Corporate portion	7,382	7,826	7,833	8,158	8,179	8,469	8,541	8,989	9,014	9,442
Hiroshima		7,437	7,584	7,661	7,922	7,958	8,089	8,070	8,196	8,224	8,427
	Private portion	5,246	5,378	5,413	5,481	5,510	5,577	5,565	5,522	5,533	5,579
	Corporate portion	1,971	2,050	2,104	2,209	2,244	2,408	2,414	2,510	2,534	2,736
Kagawa, Ehime		3,818	3,882	3,909	3,996	3,966	4,001	3,977	3,969	3,992	4,050
	Private portion	2,715	2,785	2,801	2,794	2,802	2,828	2,817	2,780	2,772	2,762
	Corporate portion	1,093	1,087	1,099	1,191	1,153	1,167	1,153	1,181	1,210	1,284
Hyogo		912	919	928	938	949	978	1,005	1,042	1,054	1,115
	Private portion	601	611	613	616	616	623	625	626	627	637
	Corporate portion	308	305	313	321	330	348	371	408	420	477
Tottori		89	88	90	93	93	101	101	103	105	114
	Private portion	48	50	51	52	51	53	51	50	50	50
	Corporate portion	40	37	38	40	41	47	48	52	55	63
Osaka		172	201	216	176	182	195	200	213	215	218
	Private portion	69	67	67	67	67	68	67	65	67	69
	Corporate portion	101	133	147	108	114	126	132	147	147	148
Tokyo		169	162	171	205	187	186	177	193	185	163
	Private portion	72	70	69	67	70	70	70	71	70	68
	Corporate portion	94	90	100	136	115	114	105	119	112	92
Total domestic branches		52,843	54,601	54,984	56,537	56,640	58,008	58,076	59,606	59,546	60,896
	Total for private portion	40,360	41,547	41,866	42,556	42,851	43,701	43,796	44,080	44,205	44,865
	Total for corporate portion	10,992	11,531	11,638	12,166	12,179	12,680	12,766	13,410	13,497	14,246
Overseas branches		281	201	240	297	272	252	274	330	531	664
Total deposits		53,125	54,803	55,225	56,835	56,912	58,260	58,350	59,937	60,078	61,560
	Liquidity	31,927	33,455	33,881	35,579	35,786	37,274	37,412	39,274	39,405	41,059
	Time deposits	21,197	21,347	21,343	21,255	21,126	20,986	20,938	20,663	20,672	20,500
	Domestic banking	52,290	54,042	54,395	55,940	56,065	57,399	57,458	59,009	58,956	60,277
	International banking	834	760	829	894	847	861	892	928	1,122	1,282

Loans (year-end balance)

		FY2012	FY2013	FY2013	FY2014	FY2014	FY2015	FY2015	FY2016	FY2016	FY2017
(100 million yen)			1H		1H		1H		1H		1H
General capital		30,829	30,598	31,663	31,918	32,710	33,669	35,298	37,059	38,930	40,332
Scale	Large-scale companies	6,802	6,950	7,234	7,555	7,597	8,001	8,431	8,869	8,869	8,251
	Medium-scale companies	1,457	1,400	1,399	1,358	1,379	1,420	1,427	1,477	1,499	1,661
	Small-scale companies	14,813	14,457	15,178	15,135	15,809	16,258	17,389	18,568	20,309	22,067
	Private individuals	7,756	7,790	7,850	7,868	7,922	7,988	8,050	8,144	8,252	8,352
Government and municipal loans		3,892	3,786	3,903	4,089	4,415	4,792	4,908	4,985	4,904	5,108
State and local public works groups		3,762	3,696	3,819	4,014	4,327	4,726	4,836	4,932	4,847	5,067
Local public corporations		130	90	84	74	87	66	71	53	57	40
Total loans by domestic branches		34,721	34,384	35,567	36,007	37,125	38,461	40,206	42,045	43,835	45,440
Region	Okayama	18,403	17,916	18,426	18,461	19,167	19,842	21,166	22,441	24,003	25,305
	Hiroshima	6,291	6,219	6,407	6,518	6,588	6,726	6,924	7,162	7,415	7,671
	Kagawa, Ehime	2,447	2,400	2,497	2,536	2,603	2,602	2,766	2,839	2,985	3,097
	Hyogo	1,373	1,421	1,494	1,539	1,628	1,705	1,873	1,996	2,102	2,295
	Tottori	263	256	276	273	267	270	278	296	297	315
	Osaka	924	973	986	1,029	1,049	1,162	1,175	1,286	1,313	1,228
	Tokyo	5,021	5,197	5,479	5,649	5,822	6,151	6,022	6,020	5,717	5,525
Loan liabilities		-	-	-	-	-	-	-	-	-	-
Overseas branches		89	101	97	113	163	149	158	128	168	166
Total loans		34,811	34,486	35,664	36,121	37,289	38,610	40,365	42,173	44,003	45,607

Loans (average balance)

		FY2012	FY2013	FY2013	FY2014	FY2014	FY2015	FY2015	FY2016	FY2016	FY2017	
(100 million yen)			1H		1H		1H		1H		1H	
	General capital	30,264	30,606	30,934	31,746	32,129	33,084	33,908	36,191	37,230	39,604	
	Type	Local development	15,836	15,640	15,783	16,025	16,172	16,382	16,832	17,746	18,132	18,840
		Urban	5,655	5,971	6,103	6,468	6,609	6,885	7,040	7,217	7,170	6,857
		Private loans	8,761	8,984	9,026	9,202	9,253	9,433	9,501	9,762	9,873	10,375
		Housing loan portion	7,195	7,332	7,350	7,407	7,420	7,472	7,487	7,507	7,542	7,655
		Other	10	10	21	49	94	383	532	1,464	2,055	3,531
	Government and municipal loans		3,737	3,817	3,826	4,046	4,093	4,636	4,688	4,984	4,952	5,082
	State and local public works groups		3,608	3,698	3,721	3,973	4,018	4,569	4,620	4,929	4,898	5,042
	Local public corporations		129	119	104	73	75	67	67	54	53	39
	Total loans by domestic branches		34,002	34,424	34,761	35,792	36,223	37,720	38,596	41,175	42,182	44,686
	Region	Okayama	18,101	18,118	18,178	18,472	18,641	19,533	20,021	21,812	22,607	24,665
		Hiroshima	6,216	6,233	6,295	6,468	6,524	6,626	6,733	7,008	7,168	7,517
Kagawa, Ehime		2,385	2,377	2,413	2,494	2,517	2,582	2,639	2,781	2,832	3,028	
Hyogo		1,316	1,400	1,433	1,518	1,556	1,689	1,753	1,943	1,992	2,193	
Tottori		264	256	259	270	270	270	274	288	295	306	
Osaka		971	953	973	999	1,023	1,087	1,134	1,288	1,306	1,280	
Tokyo		4,749	5,083	5,206	5,568	5,689	5,930	6,038	6,053	5,980	5,694	
Loan liabilities		-	-	-	-	-	-	-	-	-	-	
Overseas branches		81	98	104	116	127	160	152	135	141	173	
Total loans		34,083	34,523	34,866	35,908	36,351	37,881	38,748	41,310	42,324	44,859	

Loans by Industry (year-end balance)

(100 million yen)	FY2012	FY2013 1H	FY2013	FY2014 1H	FY2014	FY2015 1H	FY2015	FY2016 1H	FY2016	FY2017 1H
Domestic branches	34,721	34,384	35,567	36,007	37,125	38,461	40,206	42,045	43,835	45,440
Manufacturing	6,802	6,581	6,918	6,720	6,911	6,845	7,108	6,977	6,911	6,663
Agriculture, forestry	27	28	30	30	31	30	29	29	34	44
Fishing	3	5	2	14	10	13	11	17	25	46
Mining, stone, sand	21	19	24	23	23	24	22	22	21	20
Construction	1,205	1,145	1,203	1,167	1,130	1,119	1,159	1,140	1,214	1,194
Electric power, gas, heat supply, water	475	544	576	656	739	861	965	1,205	1,392	1,700
Information and communications	294	280	317	302	304	281	294	292	301	301
Transport, postal	1,149	1,138	1,186	1,275	1,274	1,362	1,460	1,602	1,719	1,939
Wholesale, retail	4,992	4,746	4,899	4,839	4,815	4,848	5,105	5,089	5,106	5,077
Financial, insurance	1,152	1,271	1,302	1,291	1,337	1,686	1,964	2,801	3,474	3,892
Real estate, goods leasing	3,727	3,827	3,995	4,292	4,495	4,760	4,917	5,374	5,623	6,041
Public corporations	130	90	84	74	87	66	71	53	57	40
Other	3,597	3,737	3,911	4,217	4,408	4,693	4,845	5,320	5,566	6,001
Various services	2,321	2,314	2,405	2,404	2,500	2,510	2,693	2,788	2,966	3,035
Public organizations	3,762	3,696	3,819	4,014	4,327	4,726	4,836	4,932	4,847	5,067
Other	8,785	8,784	8,884	8,975	9,222	9,389	9,637	9,770	10,195	10,414
Housing loans	7,364	7,402	7,465	7,478	7,525	7,563	7,588	7,637	7,672	7,683
Overseas branches + Offshore loans	89	101	97	113	163	149	158	128	168	166
Total	34,811	34,486	35,664	36,121	37,289	38,610	40,365	42,173	44,003	45,607

Loans by Industry (percentage)

	FY2012	FY2013 1H	FY2013	FY2014 1H	FY2014	FY2015 1H	FY2015	FY2016 1H	FY2016	FY2017 1H
Domestic branches	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Manufacturing	19.6%	19.1%	19.5%	18.7%	18.6%	17.8%	17.7%	16.6%	15.8%	14.7%
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%	0.1%	0.1%
Mining, stone, sand	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.0%	0.0%
Construction	3.5%	3.3%	3.4%	3.2%	3.0%	2.9%	2.9%	2.7%	2.8%	2.6%
Electric power, gas, heat supply, water	1.4%	1.6%	1.6%	1.8%	2.0%	2.2%	2.4%	2.9%	3.2%	3.7%
Information and communications	0.8%	0.8%	0.9%	0.8%	0.8%	0.7%	0.7%	0.7%	0.7%	0.7%
Transport, postal	3.3%	3.3%	3.3%	3.5%	3.4%	3.5%	3.6%	3.8%	3.9%	4.3%
Wholesale, retail	14.4%	13.8%	13.8%	13.4%	13.0%	12.6%	12.7%	12.1%	11.6%	11.2%
Financial, insurance	3.3%	3.7%	3.7%	3.6%	3.6%	4.4%	4.9%	6.7%	7.9%	8.6%
Real estate, goods leasing	10.7%	11.1%	11.2%	11.9%	12.1%	12.4%	12.2%	12.8%	12.8%	13.3%
Public corporations	0.4%	0.3%	0.2%	0.2%	0.2%	0.2%	0.2%	0.1%	0.1%	0.1%
Other	10.4%	10.9%	11.0%	11.7%	11.9%	12.2%	12.1%	12.7%	12.7%	13.2%
Various services	6.7%	6.7%	6.8%	6.7%	6.7%	6.5%	6.7%	6.6%	6.8%	6.7%
Public organizations	10.8%	10.7%	10.7%	11.1%	11.7%	12.3%	12.0%	11.7%	11.1%	11.2%
Other	25.3%	25.5%	25.0%	24.9%	24.8%	24.4%	24.0%	23.2%	23.3%	22.9%
Housing loans	21.2%	21.5%	21.0%	20.8%	20.3%	19.7%	18.9%	18.2%	17.5%	16.9%

Share of Total Deposits

[Year-end balance]		FY2012	FY2013	FY2013	FY2014	FY2014	FY2015	FY2015	FY2016	FY2016	FY2017
(%)			1H		1H		1H		1H		1H
Okayama	Chugoku Bank	47.3	47.7	47.8	47.4	48.0	47.7	48.4	48.2	48.4	48.0
	Other than Chugoku Bank	52.7	52.3	52.2	52.6	52.0	52.3	51.6	51.8	51.6	52.0
	Local banks other than Chugoku Bank	8.3	8.3	8.3	8.3	8.3	8.4	8.1	8.1	8.1	7.9
	Secondary local banks	11.3	11.1	11.3	11.6	11.6	11.8	11.9	11.7	11.7	11.7
	City banks, trust banks	11.6	11.5	11.5	11.7	11.2	11.0	10.8	11.2	11.4	11.8
	Shinkin banks, investment association, etc.	21.3	21.4	21.1	21.0	20.9	21.1	20.8	20.8	20.4	20.6
Bingo region (Eastern region of Hiroshima)	Chugoku Bank	21.6	20.8	20.7	21.5	21.6	21.0	20.6	21.3	21.3	20.5
	Other than Chugoku Bank	78.4	79.2	79.3	78.5	78.4	79.0	79.4	78.7	78.7	79.5
	Local banks other than Chugoku Bank	38.0	38.7	39.5	39.1	39.5	40.1	40.9	40.0	40.2	40.7
	Secondary local banks	12.8	12.8	12.5	12.2	11.9	11.9	11.9	11.8	11.9	11.8
	City banks, trust banks	12.5	12.2	12.2	12.1	12.2	12.0	11.9	12.2	12.1	12.2
	Shinkin banks, investment association, etc.	15.0	15.5	15.0	15.1	14.8	15.0	14.7	14.7	14.5	14.8
Shikoku region	Chugoku Bank	7.9	8.0	7.9	7.8	7.9	7.7	7.7	7.8	7.7	7.7
	Other than Chugoku Bank	92.1	92.0	92.1	92.2	92.1	92.3	92.3	92.2	92.3	92.3
	Local banks other than Chugoku Bank	51.0	51.0	51.6	51.2	51.7	51.8	52.3	52.1	52.1	51.9
	Secondary local banks	17.6	17.3	17.0	17.2	17.2	17.2	17.1	17.2	17.1	17.3
	City banks, trust banks	10.9	11.0	11.0	11.1	10.8	10.9	10.7	10.4	10.8	10.8
	Shinkin banks, investment association, etc.	12.6	12.7	12.4	12.6	12.4	12.4	12.2	12.5	12.3	12.3

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]		FY2012	FY2013	FY2013	FY2014	FY2014	FY2015	FY2015	FY2016	FY2016	FY2017
(%)			1H		1H		1H		1H		1H
Okayama	Chugoku Bank	38.7	38.1	38.1	37.7	38.2	38.8	39.7	41.0	42.1	42.9
	Other than Chugoku Bank	61.3	61.9	61.9	62.3	61.8	61.2	60.3	59.0	57.9	57.1
	Local banks other than Chugoku Bank	17.5	17.8	17.8	17.8	17.9	17.8	17.7	17.4	17.2	17.2
	Secondary local banks	16.6	16.9	17.1	17.6	17.6	17.8	17.5	17.4	17.3	17.4
	City banks, trust banks	10.4	10.4	10.6	10.5	10.3	9.7	9.8	9.2	8.8	8.1
	Shinkin banks, investment association, etc.	16.8	16.8	16.4	16.4	16.0	15.9	15.3	15.0	14.6	14.4
Bingo region (Eastern region of Hiroshima)	Chugoku Bank	23.7	23.4	23.5	23.4	23.2	23.1	22.8	23.0	22.8	22.8
	Other than Chugoku Bank	76.3	76.6	76.5	76.6	76.8	76.9	77.2	77.0	77.2	77.2
	Local banks other than Chugoku Bank	42.5	43.2	42.8	43.5	44.1	43.7	43.1	43.0	43.0	43.2
	Secondary local banks	12.8	13.2	13.2	12.7	12.8	13.7	14.1	14.3	14.7	15.1
	City banks, trust banks	8.2	7.6	8.0	7.9	7.8	7.8	8.8	8.7	8.7	8.2
	Shinkin banks, investment association, etc.	12.8	12.6	12.5	12.5	12.1	11.7	11.2	11.0	10.8	10.7
Shikoku region	Chugoku Bank	9.7	9.4	9.5	9.6	9.6	9.7	10.2	10.5	10.6	11.2
	Other than Chugoku Bank	90.3	90.6	90.5	90.4	90.4	90.3	89.8	89.5	89.4	88.8
	Local banks other than Chugoku Bank	50.5	50.6	50.9	51.4	51.3	50.3	50.5	50.3	49.9	49.6
	Secondary local banks	17.0	16.7	16.5	16.5	16.5	17.2	17.5	17.9	17.8	18.2
	City banks, trust banks	11.0	11.7	11.7	11.3	11.6	11.7	10.9	10.4	11.2	10.3
	Shinkin banks, investment association, etc.	11.8	11.6	11.4	11.2	11.0	11.1	10.9	10.9	10.5	10.7

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

Securities

Balance by type

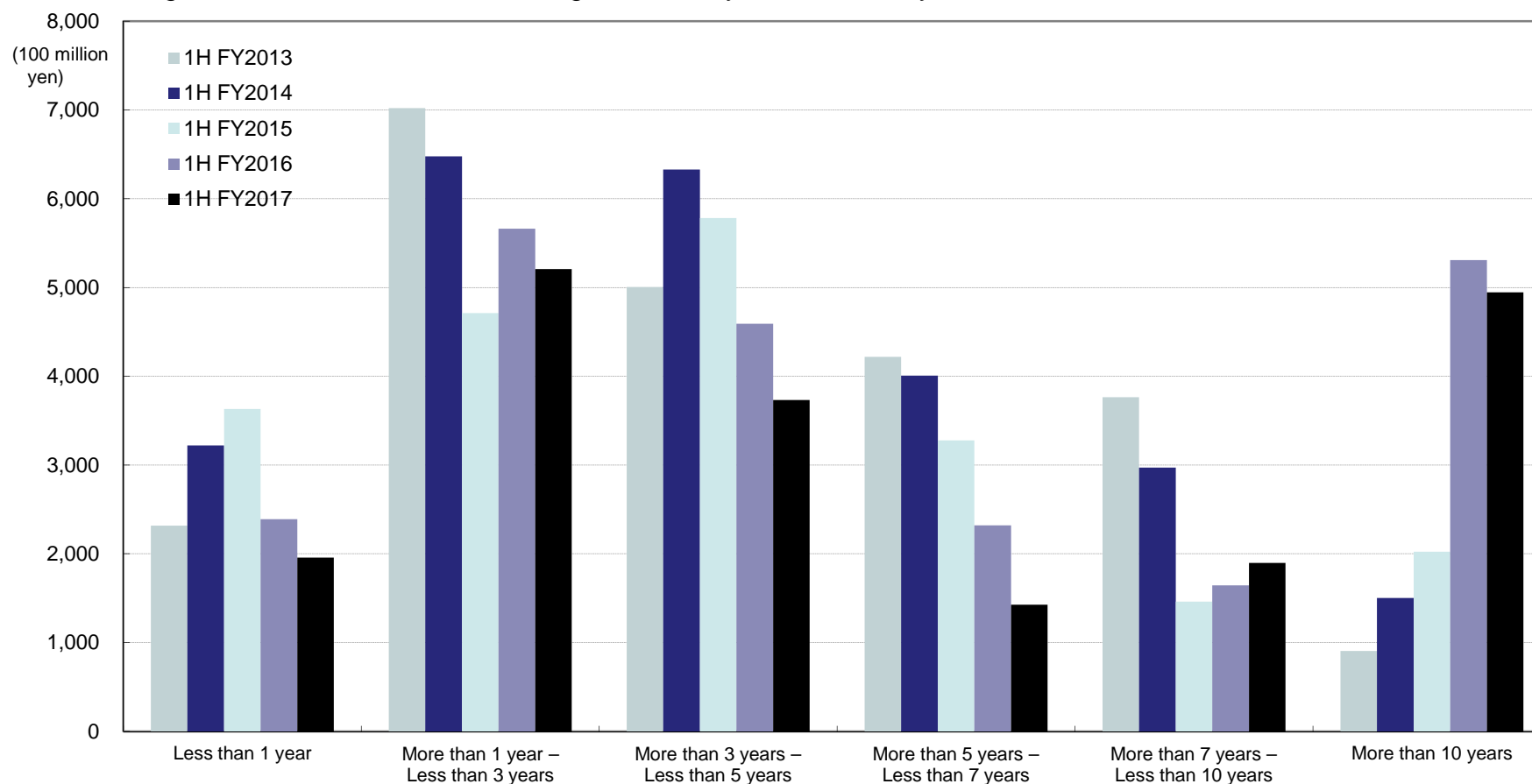
[Parent] (100 million yen)	FY2012	FY2013 1H	FY2013	FY2014 1H	FY2014	FY2015 1H	FY2015	FY2016 1H	FY2016	FY2017 1H
Year-end balance	30,240	29,672	31,431	32,013	32,614	28,773	31,073	30,347	27,146	27,439
JGBs	11,212	11,144	12,268	12,947	13,615	11,377	12,069	11,295	9,064	8,111
Local bonds	6,548	6,215	6,159	5,764	5,175	4,654	5,441	5,579	5,635	6,716
Corporate bonds	5,310	5,356	5,352	4,907	4,237	4,040	4,256	3,965	3,251	3,499
Foreign bonds	4,777	4,328	4,813	5,125	5,803	5,284	5,883	6,051	5,750	5,393
(Foreign currency denominated portion)	(4,367)	(3,959)	(4,455)	(4,727)	(5,387)	(4,949)	(5,544)	(5,650)	(5,426)	(5,185)
Other securities	977	1,073	1,230	1,541	1,779	1,624	1,728	1,897	1,753	1,848
Equities	1,413	1,554	1,607	1,726	2,002	1,792	1,693	1,558	1,690	1,869
Average balance during year	27,162	28,933	29,261	30,376	30,773	28,688	28,950	29,042	29,030	25,747
JGBs	9,723	10,865	11,214	12,382	12,878	11,822	11,715	11,151	10,765	8,447
Local bonds	6,692	6,212	6,166	5,814	5,628	4,801	4,988	5,504	5,559	6,173
Corporate bonds	4,921	5,274	5,324	5,165	4,754	4,079	4,116	3,969	3,835	3,405
Foreign bonds	4,016	4,600	4,493	4,684	5,080	5,392	5,539	5,743	6,194	5,298
(Foreign currency denominated portion)	(3,647)	(4,207)	(4,115)	(4,311)	(4,690)	(5,038)	(5,199)	(5,393)	(5,839)	(5,023)
Other securities	701	827	882	1,129	1,224	1,383	1,374	1,490	1,520	1,379
Equities	1,106	1,154	1,178	1,200	1,206	1,210	1,215	1,182	1,155	1,042

Valuation gain/loss

[Parent] (million yen)	FY2012	FY2013 1H	FY2013	FY2014 1H	FY2014	FY2015 1H	FY2015	FY2016 1H	FY2016	FY2017 1H
Securities held to maturity	635	576	501	479	406	564	759	763	565	512
Subsidiary/affiliate equities	-	-	-	-	-	-	-	-	-	-
Other securities	109,917	106,181	106,859	131,344	172,331	135,180	162,262	155,021	132,300	148,508
Equities	27,501	39,780	39,262	51,898	75,726	57,427	47,280	41,615	57,643	75,537
Bonds	48,180	37,087	38,320	40,565	41,653	40,807	69,801	68,904	40,296	36,548
Others	34,235	29,313	29,276	38,880	54,951	36,944	45,181	44,501	34,361	36,422
Total	110,552	106,757	107,360	131,823	172,738	135,744	163,022	155,785	132,866	149,020

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

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

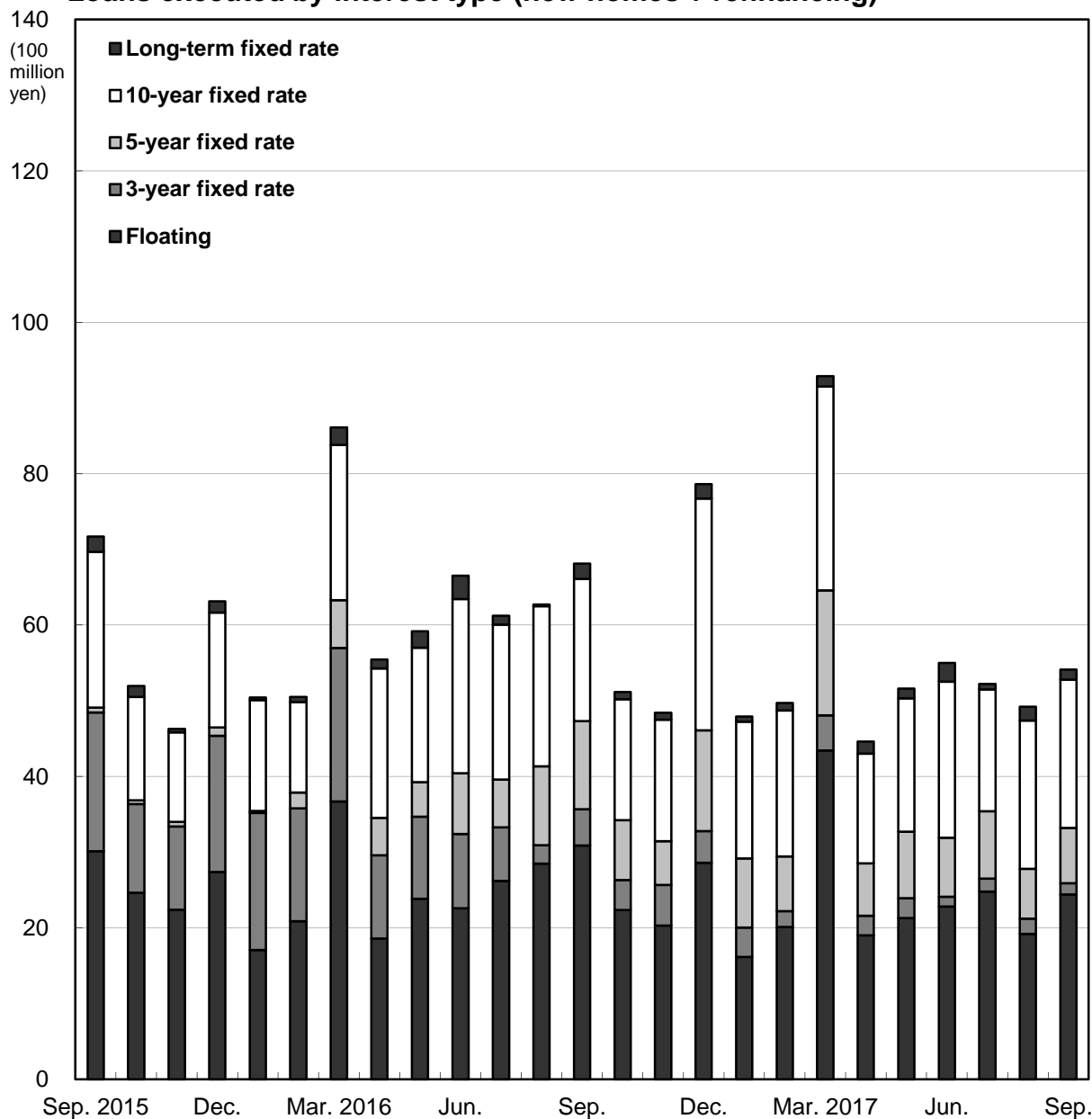


Duration

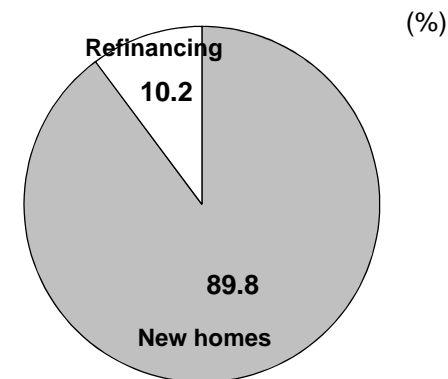
(year)	FY2012	FY2013 1H	FY2013	FY2014 1H	FY2014	FY2015 1H	FY2015	FY2016 1H	FY2016	FY2017 1H
Yen denominated	4.1	3.9	4.2	4.0	4.2	4.1	5.4	5.8	4.5	4.8
Foreign currency denominated	3.7	3.1	2.7	2.6	2.9	3.1	4.4	5.0	4.2	3.8

Housing Loans

Loans executed by interest type (new homes + refinancing)

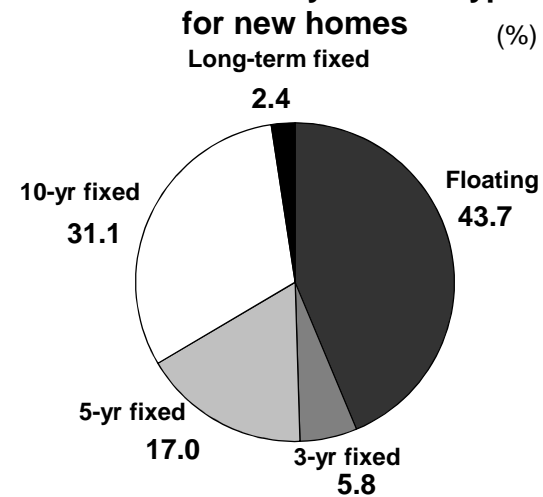


Breakdown of use of loans executed (%)



Total for period from Oct. 2016 to Sep. 2017

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



Total for period from Oct. 2016 to Sep. 2017

Non-Performing Loans

Risk monitored loans

[Parent] (million yen, %)	FY2012	FY2013 1H	FY2013	FY2014 1H	FY2014	FY2015 1H	FY2015	FY2016 1H	FY2016	FY2017 1H
1. Loans in bankruptcy proceedings (% of total loans outstanding)	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	4,706 0.11	4,625 0.11	4,462 0.10
2. Delinquent loans (% of total loans outstanding)	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	55,528 1.32	59,435 1.35	56,169 1.23
3. Loans more than 3 months delinquent (% of total loans outstanding)	569 0.02	844 0.02	663 0.02	589 0.02	1,068 0.03	1,617 0.04	1,055 0.03	2,025 0.05	802 0.02	724 0.02
4. Restructured loans (% of total loans outstanding)	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	15,262 0.36	15,349 0.35	14,283 0.31
Total risk monitored loans (% of total loans outstanding)	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	77,524 1.84	80,213 1.82	75,639 1.66

Loans based on the Financial Reconstruction Act

[Parent] (million yen)	FY2012	FY2013 1H	FY2013	FY2014 1H	FY2014	FY2015 1H	FY2015	FY2016 1H	FY2016	FY2017 1H
Bankrupt and quasi-bankrupt loans (after partial direct write-off)	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)	19,916 (7,592)	20,653 (7,981)	21,381 (8,214)
Doubtful loans	58,966	57,419	51,818	53,412	54,395	52,632	45,871	41,164	44,443	39,819
Substandard loans	13,966	13,051	14,420	14,956	15,611	18,705	17,662	17,288	16,151	15,007
Subtotal (A)	110,623	96,106	86,718	87,008	90,069	89,398	84,316	78,368	81,248	76,207
(after partial direct write-off) (B)	(83,739)	(78,583)	(73,815)	(75,436)	(78,153)	(78,696)	(71,829)	(66,044)	(68,576)	(63,040)
Healthy loans	3,437,059	3,419,383	3,548,264	3,601,079	3,720,986	3,857,992	4,046,731	4,243,414	4,433,756	4,610,832
Total (C)	3,547,683	3,515,489	3,634,982	3,688,088	3,811,056	3,947,390	4,131,048	4,321,783	4,515,005	4,687,040
(after partial direct write-off) (D)	(3,520,798)	(3,497,966)	(3,622,079)	(3,676,516)	(3,799,140)	(3,936,688)	(4,118,561)	(4,309,459)	(4,502,333)	(4,673,873)
Ratio of target loans (A/C)	3.12	2.73	2.39	2.36	2.36	2.26	2.04	1.81	1.80	1.63
(after partial direct write-off) (B/D)	(2.38)	(2.25)	(2.04)	(2.05)	(2.06)	(2.00)	(1.74)	(1.53)	(1.52)	(1.35)

*We do not implement partial direct write-off.

Debtor Classification Transition in 2H

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

			1H FY2017							Favorable turnaround	Deterioration
			Healthy loans	Other doubtful loans	Substandard loans	Virtually bankrupt loans	Legally bankrupt loans	Bankrupt clients	Other (see note)		
FY2016	Healthy loans	155,805	155,115	492	30	20	33	2	113		577
		41,602	40,954	161	6	12	4	1	464		184
	Other doubtful loans	5,095	306	4,349	54	44	16	1	325	306	115
		1,840	190	1,578	19	11	3	0	39	190	33
	Substandard loans	723	7	74	576	6	8	2	50	81	16
		284	5	80	189	2	1	0	7	85	3
	Virtually bankrupt loans	875	4	21	3	771	27	3	46	28	30
		442	0	20	7	383	19	2	11	27	21
	Legally bankrupt loans	501	2	3	-	4	416	2	74	9	2
		158	0	0	-	3	144	1	10	3	1
	Bankrupt clients	219	-	-	-	1	-	189	29	1	
		46	-	-	-	0	-	40	6	0	
	Total	163,218	155,434	4,939	663	846	500	199	637	425	740
		44,372	41,149	1,839	221	411	171	44	537	305	242

Note: "Other" indicates loans that were cancelled as of the end of September 2017 or those excluded from the self-assessment due to their small size.

Debtor Classification Transition in 2H (comparison)

(Upper level: Forecast Lower level: Value)

			1H FY2017							Favorable turnaround	Deterioration
			Healthy loans	Other doubtful loans	Substandard loans	Virtually bankrupt loans	Legally bankrupt loans	Bankrupt clients	Other (see note)		
FY2016	Healthy loans	100%	99.56%	0.32%	0.02%	0.01%	0.02%	0.00%	0.07%		0.37%
		100%	98.44%	0.39%	0.01%	0.03%	0.01%	0.00%	1.12%		0.44%
	Other doubtful loans	100%	6.01%	85.36%	1.06%	0.86%	0.31%	0.02%	6.38%	6.01%	2.26%
		100%	10.33%	85.76%	1.03%	0.60%	0.16%	0.00%	2.12%	10.33%	1.79%
	Substandard loans	100%	0.97%	10.24%	79.67%	0.83%	1.11%	0.28%	6.92%	11.20%	2.21%
		100%	1.76%	28.17%	66.55%	0.70%	0.35%	0.00%	2.46%	29.93%	1.06%
	Virtually bankrupt loans	100%	0.46%	2.40%	0.34%	88.11%	3.09%	0.34%	5.26%	3.20%	3.43%
		100%	0.00%	4.52%	1.58%	86.65%	4.30%	0.45%	2.49%	6.11%	4.75%
	Legally bankrupt loans	100%	0.40%	0.60%	-	0.80%	83.03%	0.40%	14.77%	1.80%	0.40%
		100%	0.00%	0.00%	-	1.90%	91.14%	0.63%	6.33%	1.90%	0.63%
	Bankrupt clients	100%	-	-	-	0.46%	-	86.30%	13.24%	0.46%	
		100%	-	-	-	0.00%	-	86.96%	13.04%	0.00%	
	Total	100%	95.23%	3.03%	0.41%	0.52%	0.31%	0.12%	0.39%	0.26%	0.45%
		100%	92.74%	4.14%	0.50%	0.93%	0.39%	0.10%	1.21%	0.69%	0.55%

Note: "Other" indicates loans that were cancelled as of the end of September 2017 or those excluded from the self-assessment due to their small size.

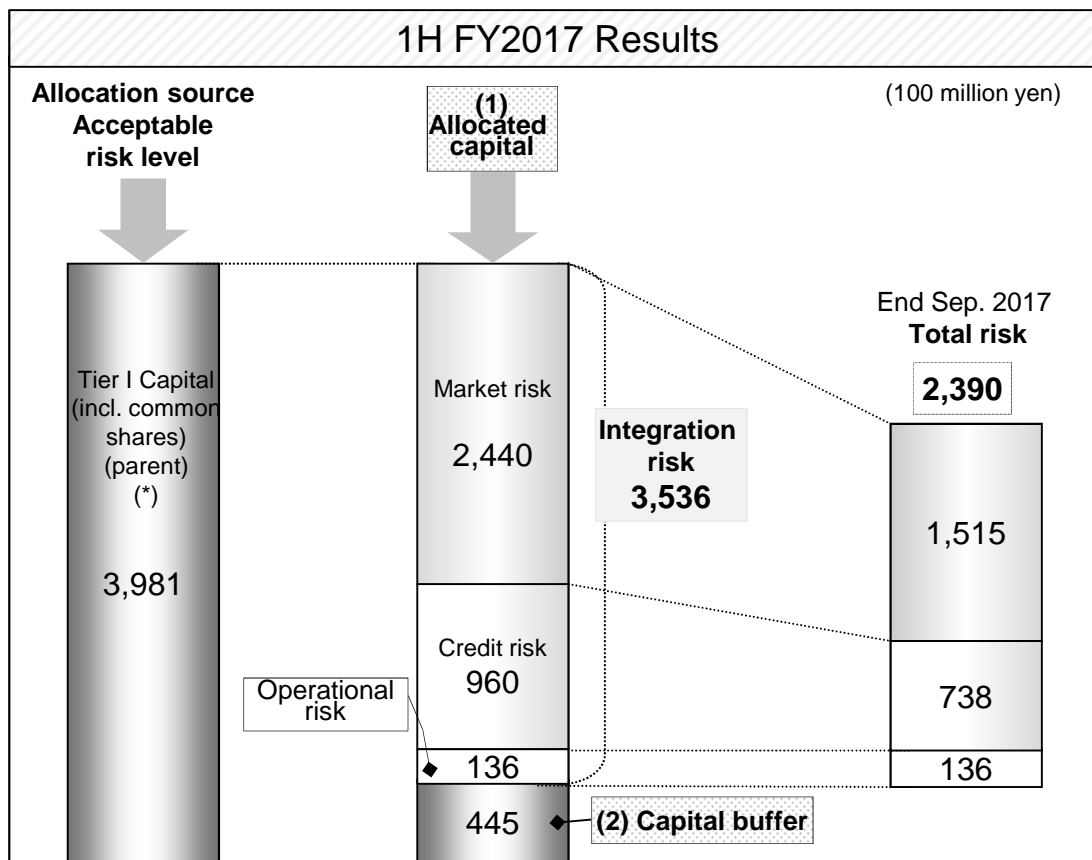
Capital Adequacy Ratio Trends

[Basel III standards]

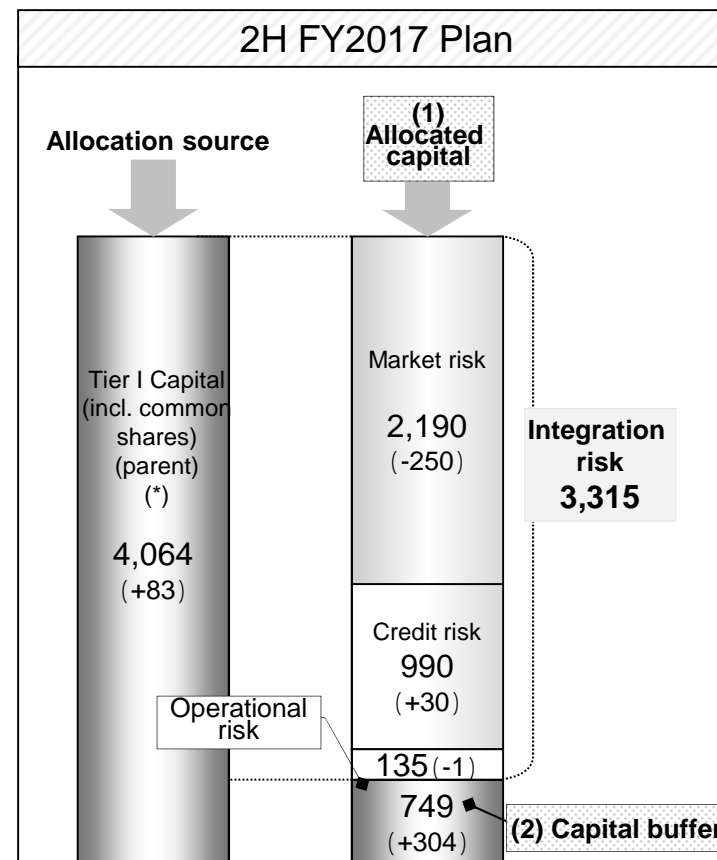
[Parent] (% , 100 million yen)	FY2013	1H FY2014	FY2014	1H FY2015	FY2015	1H FY2016	FY2016	1H FY2017
Overall capital adequacy ratio	14.83	14.35	14.73	14.80	14.56	13.85	13.06	13.03
Tier I ratio	13.52	12.89	13.34	13.72	13.75	13.12	12.77	12.71
Tier I ratio (including common shares)	13.52	12.89	13.34	13.72	13.75	13.12	12.77	12.71
Overall capital adequacy	4,306	4,405	4,722	4,603	4,864	4,902	4,817	5,004
Tier 1 capital	3,925	3,955	4,275	4,269	4,595	4,645	4,712	4,883
Common equity Tier 1 capital	3,925	3,955	4,275	4,269	4,595	4,645	4,712	4,883
Risk weighted assets	29,035	30,680	32,038	31,094	33,407	35,397	36,880	38,402
Credit risk	27,378	29,022	30,399	29,454	31,765	33,778	35,267	36,812
Operational risk	1,657	1,658	1,639	1,640	1,641	1,619	1,612	1,590

[Consolidated] (% , 100 million yen)	FY2013	1H FY2014	FY2014	1H FY2015	FY2015	1H FY2016	FY2016	1H FY2017
Overall capital adequacy ratio	15.47	14.98	15.27	15.35	14.94	14.24	13.38	13.39
Tier I ratio	14.05	13.45	13.84	14.24	14.11	13.48	13.08	13.06
Tier I ratio (including common shares)	13.98	13.41	13.82	14.24	14.11	13.48	13.08	13.06
Overall capital adequacy	4,538	4,646	4,941	4,823	5,034	5,087	4,978	5,174
Tier 1 capital	4,124	4,173	4,477	4,473	4,753	4,815	4,863	5,046
Common equity Tier 1 capital	4,102	4,159	4,471	4,473	4,753	4,815	4,863	5,046
Risk weighted assets	29,333	31,004	32,341	31,415	33,687	35,700	37,181	38,642
Credit risk	27,601	29,268	30,622	29,696	31,968	34,007	35,494	36,977
Operational risk	1,732	1,735	1,718	1,718	1,718	1,693	1,687	1,665

Capital Allocation and Integration Risks



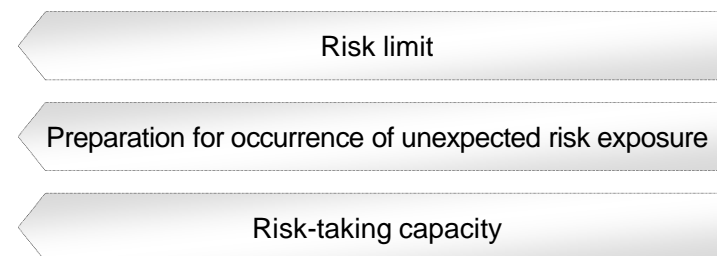
(*) Valuation difference on available-for-sale securities, etc. excluded for positive values



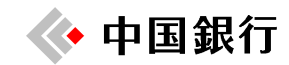
Figures in parentheses are versus 1H FY2017

Role of different types of capital

(1) Allocated capital	<input type="checkbox"/> Capital allocated to each risk up to the allocated source
(2) Capital buffer	<input type="checkbox"/> Reserves of capital in case of its losses due to stress <input type="checkbox"/> In case of immeasurable risks <input type="checkbox"/> When econometric model unable to estimate risk <input type="checkbox"/> Reserves in case of new risk-taking, etc.



Use of Allocated Capital and Risk Exposure Assumptions



Capital allocation and Integration Risk Trends (supplement)

The table below illustrates trends for Capital allocation and integration risks in 1H FY2017, and the Capital allocation trends for 2H FY2017.

(100 million yen)

	1H FY2017		2H FY2017			Calculation methods, etc. (Supplement measurements)
	Value	Risk exposure (End Sep. 2017)	Value	YoY	Major factors that triggered change	
Allocation source	3,981		4,064	(+83)	—	Deduction of positive securities valuation gain from Tier I capital (including parent common shares) at the end of 1H FY2017
Allocated capital (Integration risk)	3,536	2,390	3,315	(-221)		
Market risk total	2,440	1,515	2,190	(-250)		
Banking	2,420	604	2,170	(-250)	• Decrease due to reduction in interest rate risk -250	<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
		1,133				<ul style="list-style-type: none"> • Interest sensitive assets and liabilities, including deposits, loans, and bonds; assets with price fluctuation risk, including equities and investment trusts • Includes assets and liabilities belonging to consolidated subsidiaries
		(Correlation) -222				
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	960	738	990	(+30)		
Commercial credit	800	596	830	(+30)	• Increase due to rise in structured transactions, etc. +30	<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	160	141	160	(0)	—	<ul style="list-style-type: none"> • UL capital requirements based on an IRB approach retail RW function • Home loans, etc.
Operational risk	136	136	135	(-1)	—	Post risk exposure estimated at the time business plans were created, based on the gross profit allocation methods (to be fixed during 2H FY2017)
(Unused allocated capital)		1,145				
Capital buffer	445		749	(+304)	• Buffer against market risk and credit risk +304	Reserves of capital in case of its losses due to stress, in case risk increases more than expected, and in case of new risk-taking

Group Company Performance Trends

(Million yen, %)	Business profile	Real ownership ratio		FY2014	FY2015 1H	FY2015	FY2016 1H	FY2016	FY2017 1H
Chugin Lease Co., Ltd	Leasing	100.00	Ordinary revenue	11,378	5,684	12,855	6,975	15,120	5,695
			Recurring profit	721	427	883	570	1,089	521
			Net income	430	297	584	386	725	356
Chugin Credit Guarantee Co., Ltd.	Credit assurance	100.00	Ordinary revenue	1,677	838	1,653	851	1,644	816
			Recurring profit	1,686	837	1,562	664	1,176	740
			Net income	1,033	553	1,006	439	772	491
Chugin Card Co., Ltd.	Credit card	100.00	Ordinary revenue	1,196	660	1,276	699	1,338	726
			Recurring profit	310	184	334	201	319	206
			Net income	186	100	205	170	243	145
Chugin Asset Management Co., Ltd.	Securities investment advisor	100.00	Ordinary revenue	330	213	403	210	410	223
			Recurring profit	71	70	99	26	32	32
			Net income	44	49	68	21	24	24
Chugin Securities Co., Ltd.	Financial instrument transactions	100.00	Ordinary revenue	4,047	1,969	3,517	1,582	3,594	1,940
			Recurring profit	877	454	518	114	391	276
			Net income	563	305	349	76	261	188
CBS Co., Ltd.	Banking operation outsourcing	100.00	Ordinary revenue	1,014	516	1,018	549	1,109	565
			Recurring profit	99	46	65	95	184	122
			Net income	58	29	38	61	117	81
Chugin Operation Center Co., Ltd.	Banking operation outsourcing	100.00	Ordinary revenue	756	388	777	403	789	407
			Recurring profit	40	16	32	27	31	31
			Net income	23	9	16	17	16	19

Key Press Releases

2017	Apr. 4	Opening of the Okayama Innovation School 2017
	Apr. 4	The 9th “Japanese Companies Business Exchange Meeting” in the Hong Kong and South China districts
	Apr. 7	Cooperation with the food exposition “Food Japan 2017” in Singapore
	Apr. 10	Initiatives for the syndicated loan transaction by TSUBASA alliance banks
	Apr. 10	Notice of the “Alibaba Overseas Market Cultivation Seminar”
	Apr. 14	Business partnership with Central Pacific Bank (local Hawaiian bank)
	Apr. 19	The first investment project of the “Chugin Hare no Kuni Infrastructure Fund”
	Apr. 27	Award results of FinTech business contest “TSUBASA Alliance Finovation Challenge”
	May 8	Launch of new system
	May 10	Solicitation for participation in “Okayama Innovation Contest 2017”
	May 11	Start of API common platform establishment project by the TSUBASA financial system advancement alliance member banks
	May 12	Formulation of Medium-Term Management Plan “Plan for Creating the Future Together: Stage I”
	May 24	Cooperation with the “Liaoning Province China-Japan Business Opportunities Meeting”
	Jun. 2	Individual business opportunities meeting with Vietnamese local supermarket (FVI MART)
	Jun. 27	Initiatives for agri-business support – Establishment of the “Chugin Agriculture Fund”
	Jul. 19	First investment project of the Chugin Agriculture Fund
	Jul. 28	Start of demonstration experiment for the introduction of artificial intelligence (AI) sentence analysis technology by the TSUBASA financial system advancement alliance member banks
	Aug. 21	Notice of the “Southeast Asia M&A and Company Partnership Seminar”
	Aug. 25	Restriction of ATM cash card remittance by customers aged 70 or above
	Sep. 1	Chugoku Bank Group’s sale of World Bank “Green Bond” (denominated in Indian Rupees) — In partnership with “TSUBASA financial system advancement alliance” —
	Sep. 12	Issuance of standby credit for Indonesian partner banks
	Sep. 13	Start of development of Chugoku Bank’s security app (Android version) fingerprint authentication
	Sep. 14	Chugoku Bank accepts outsourcing of the “Potential Tourism Machizukuri Project Promotion Business”
	Sep. 20	Chugoku Bank starts the use of former surnames (business name)
	Sep. 21	Chugoku Bank starts handling of comprehensive insurance “Super 2000,” an insurance project exclusive online
	Sep. 21	Establishment of Chugin nursery business support loan program “Aiiku”
	Sep. 27	The start of mutual customer introduction program by TSUBASA financial system advancement alliance member banks

Chugoku Bank Profile and Branch (office) Network



Chugoku Bank Profile
(As of Sep. 30, 2017)

- ☉ **Establishment**
December 21, 1930
- ☉ **Headquarters**
1-15-20 Marunouchi, Kita-ku Okayama
- ☉ **Capital**
¥15.1 billion
- ☉ **No. of employees**
3,083
- ☉ **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.



For inquiries regarding this document, please contact:

Management Planning Department, The Chugoku Bank, Ltd.

Mr. Fumiyaama / Mr. Umakoshi

Tel: **+81-86-234-6519**; Fax: **+81-86-234-6587**

Email: **fvbs2960@mb.infoweb.ne.jp**