

FY2017
Earnings Results Briefing
(Reference materials)

June 4, 2018



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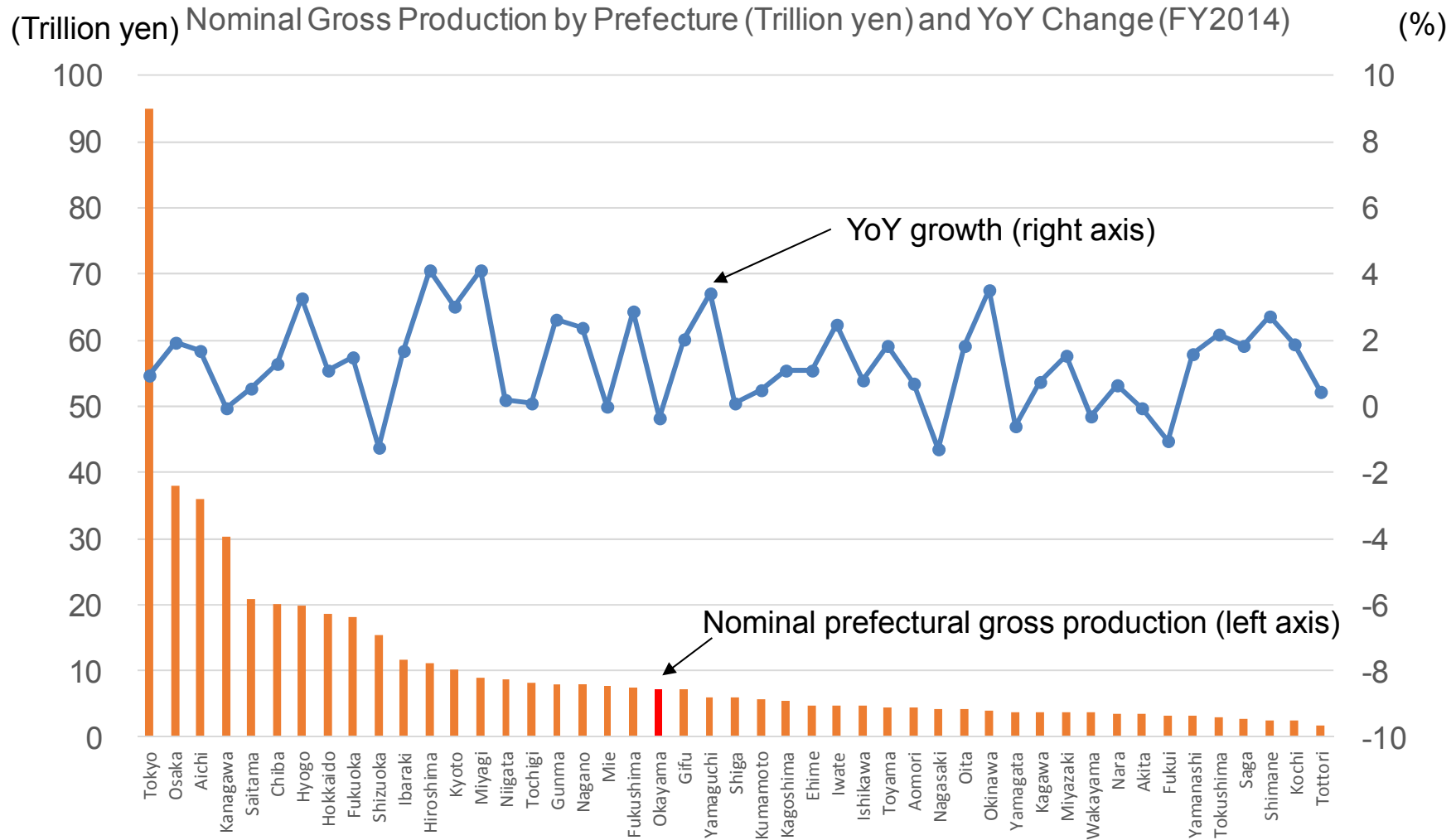
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Okayama Prefecture's Industrial Structure

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. 2017
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	1.4	20	Economic census	Jun. 2016
Agricultural yield	144.6 billion yen	1.6	23	Statistics of Source: Agricultural Income Produced	2016
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	617.2 billion yen	1.1	27	Construction statistics	2017
New housing starts	13,327	1.4	20	Housing start statistics	2017
Customs and trade	2.6872 trillion yen	1.7	12	Trade figures by port	2017

Okayama Prefecture's Economic Scale



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

Okayama Prefecture's Industrial Structure (1)

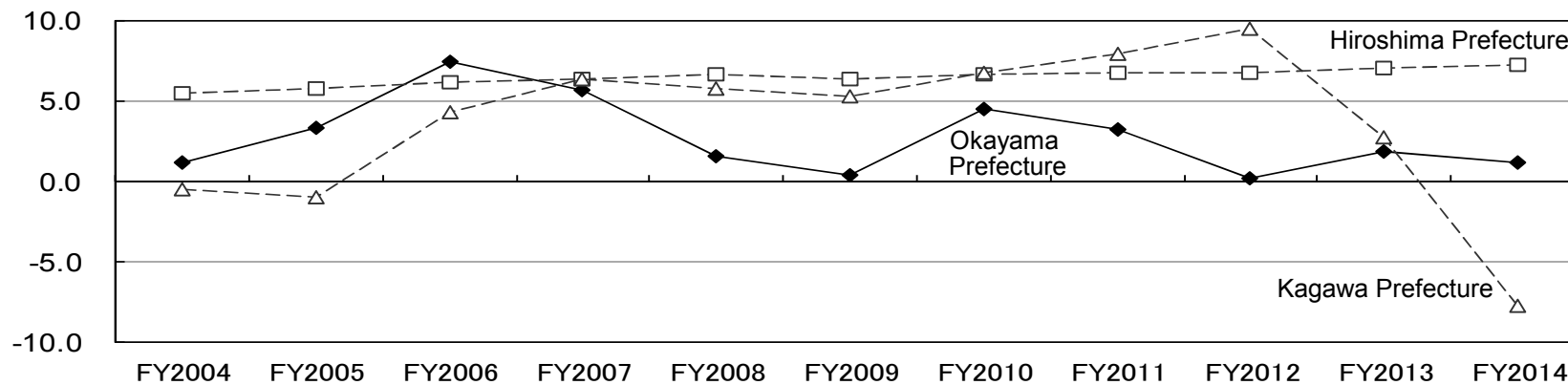
Gross production by economic activity (%)



Source: Cabinet Office's Annual Report on Prefectural Accounts

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

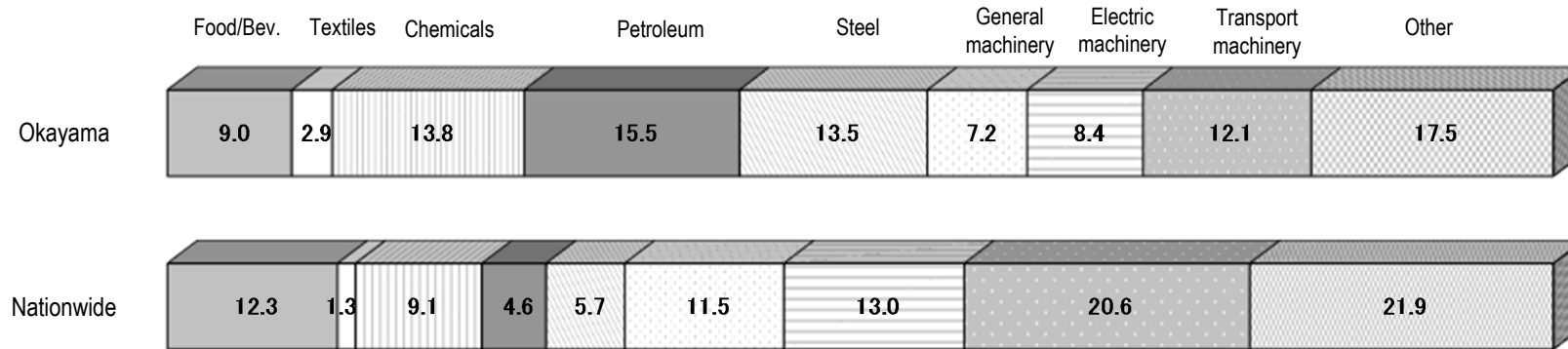
Ratio of goods and services imports/exports (net) to prefectural gross production (nominal) (%)



Source: Cabinet Office's Annual Report on Prefectural Accounts

Okayama Prefecture's Industrial Structure (2)

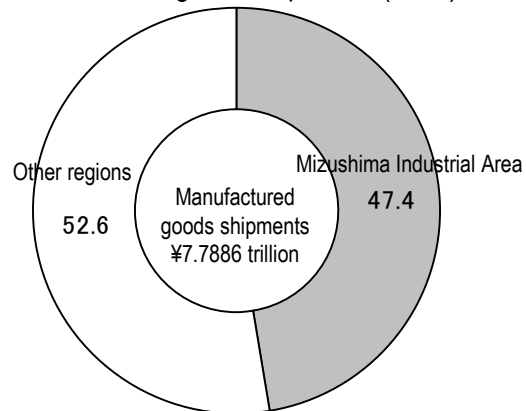
Breakdown of manufactured goods shipments (2015)



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

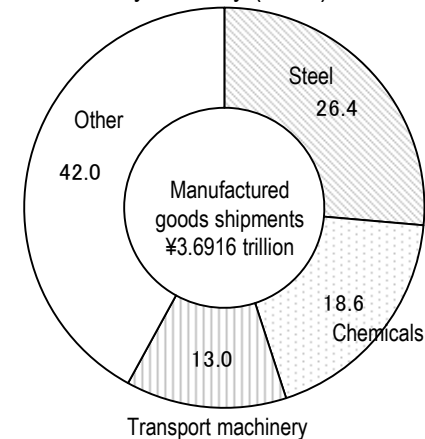
Mizushima Industrial Area's presence

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



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

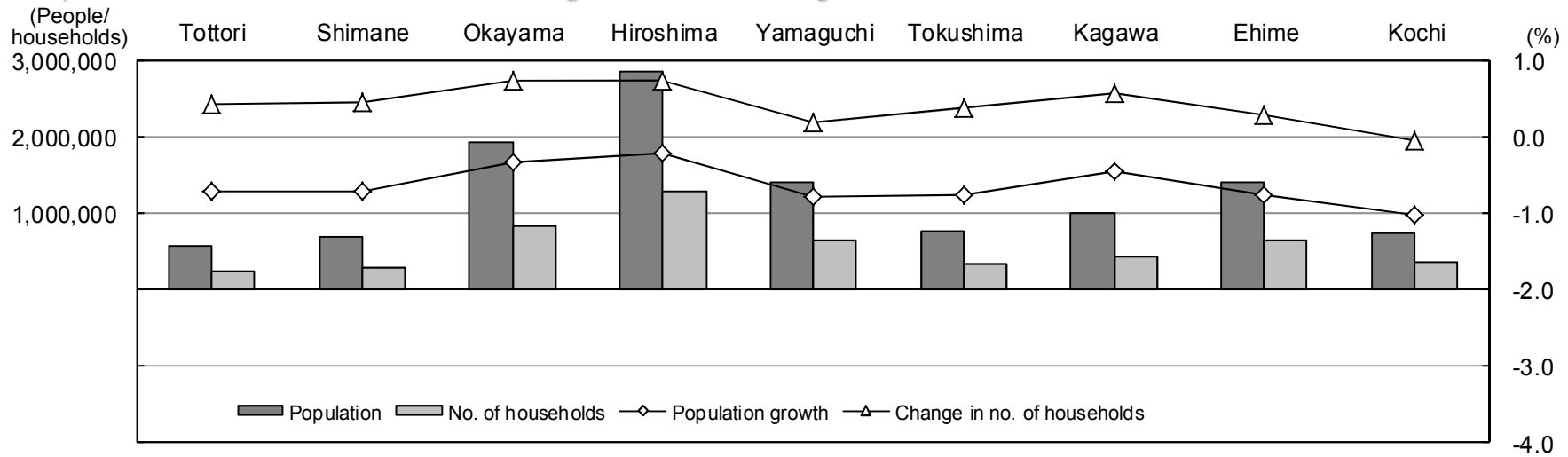
Breakdown of manufactured goods from the Mizushima Industrial Area by industry (2015)



Source: Same as on the left

Okayama Prefecture's Growth Infrastructure and Potential (1)

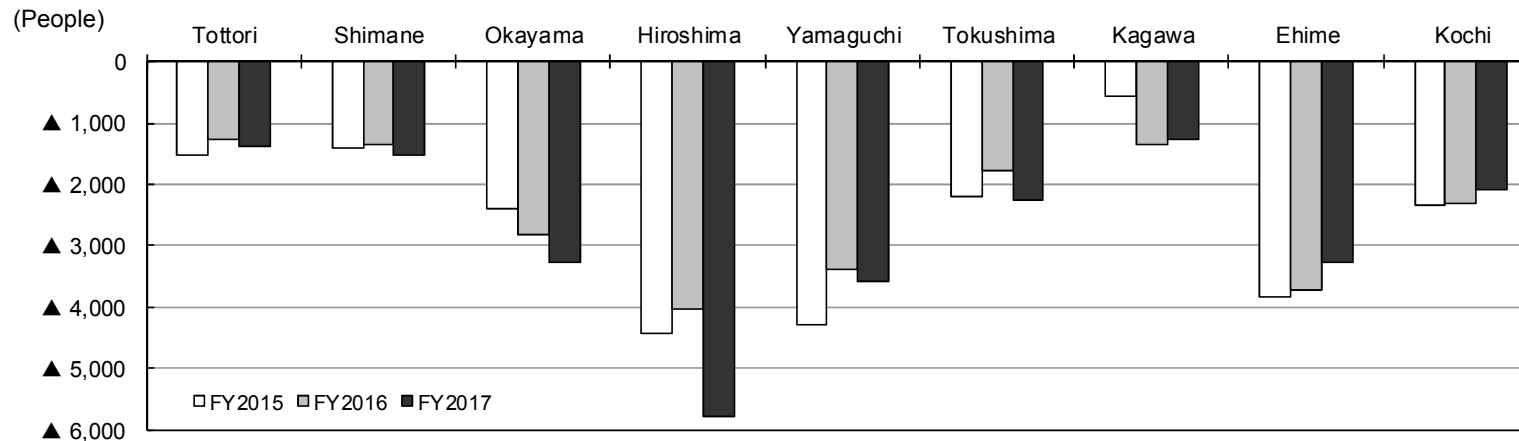
Population/No. of Households in Chugoku/Shikoku Region



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

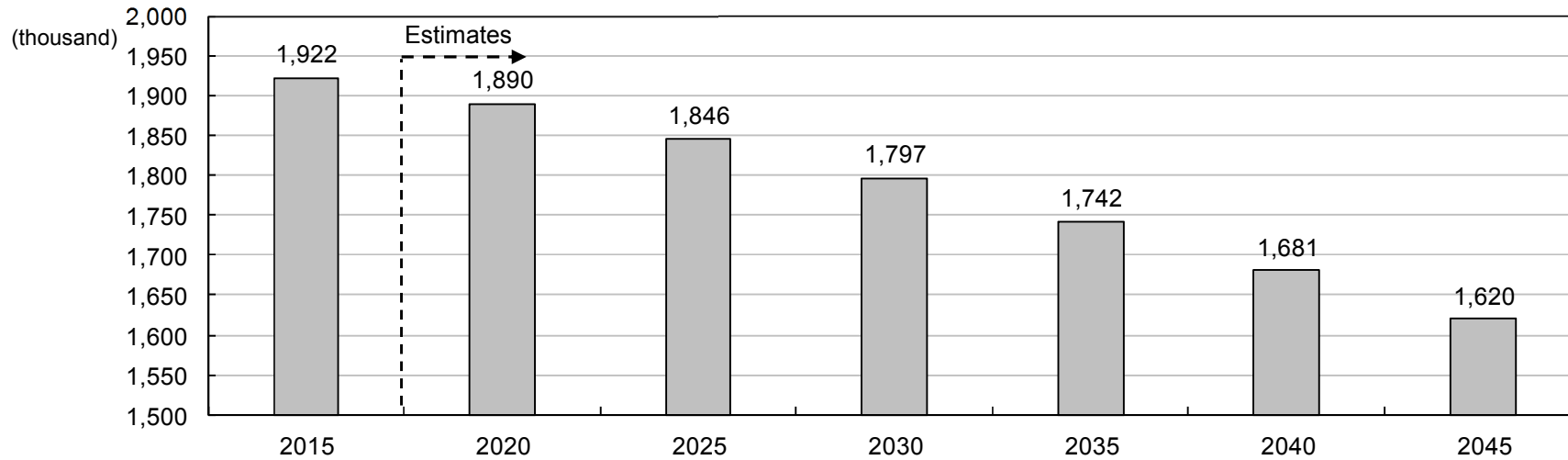
Note: Population and number of households is for January 1, 2017; The change in population and households is a comparison between January 2016 and January 2017.

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



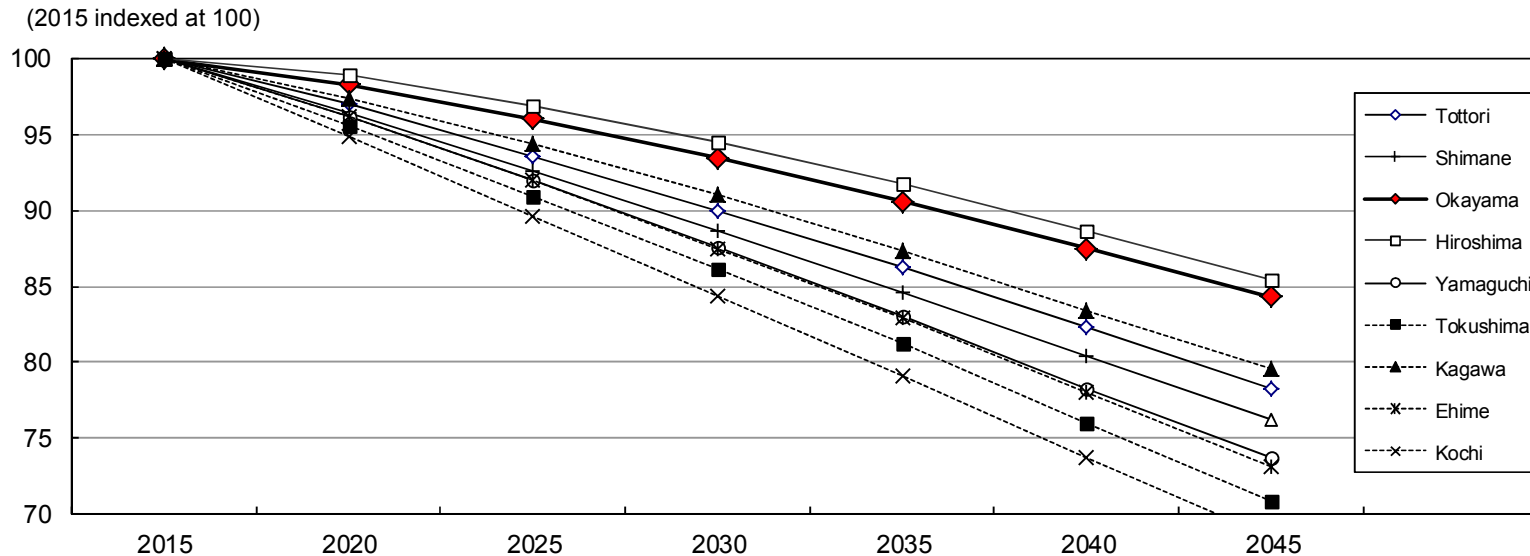
Source: Population transfer report based on basic resident registrations, Ministry of Internal Affairs and Communications

Population trends for Okayama Prefecture



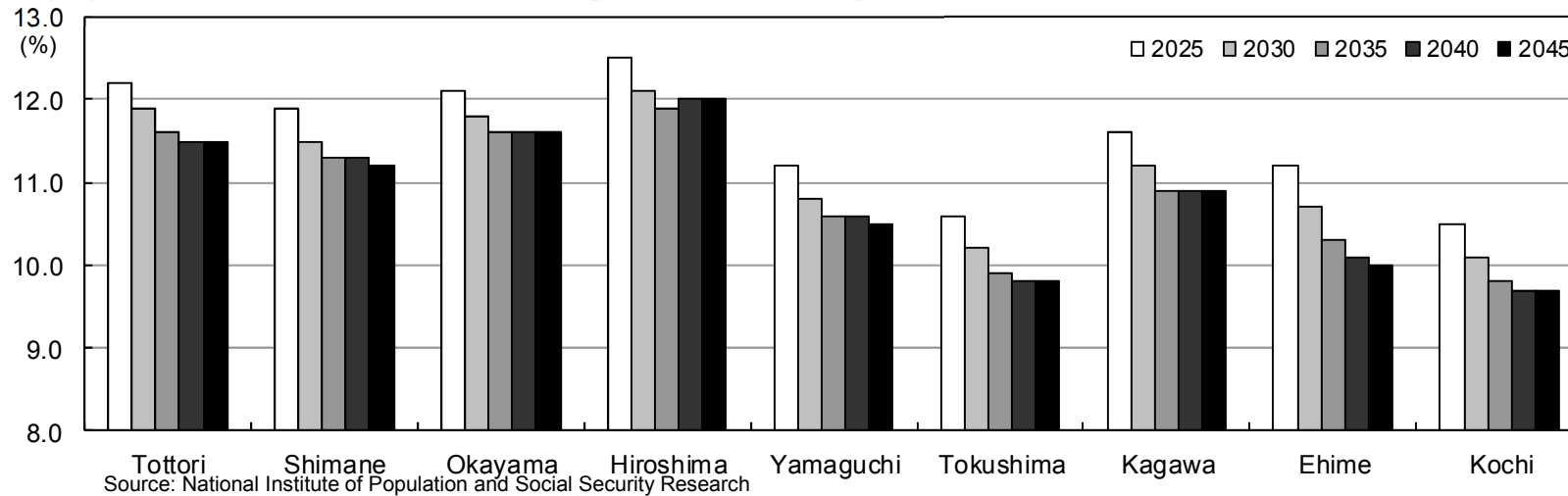
Source: National Institute of Population and Social Security Research

Future population trends for the Chugoku-Shikoku region

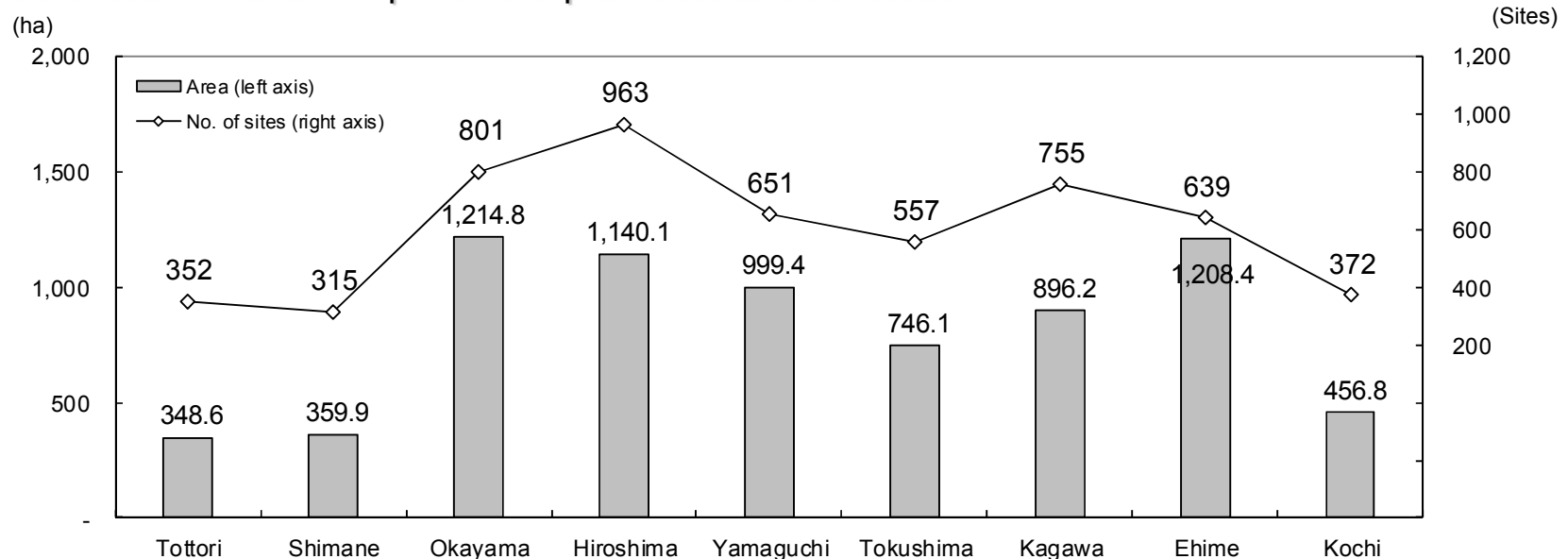


Source: National Institute of Population and Social Security Research

Youth population ratio trends in the Chugoku-Shikoku region



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 2017; Excludes the electric power industry from 2015 onward
 Source: Chugoku Bureau of Economy, Trade and Industry, Shikoku Bureau of Economy, Trade and Industry

Okayama Prefecture's Growth Infrastructure and Potential (4) 中国銀行

Okayama attracting attention as a **location for films**

 An excellent environment provided by the **“Land of Sunshine”**

- ✓ A mild climate with many sunny days
 - ~ Enables efficient filming
- ✓ Good access from major metropolitan areas
 - ~ Easy access via air or shinkansen

 Favorable **“omotenashi (hospitality)”** systems

- ✓ Okayama Film Commission
 - ~ Provides information of all 27 cities and villages within the prefecture
- ✓ Active cooperation by the community
 - ~ Extras, shopping streets, police, schools, etc.

Okayama Film Commission's list of films assisted in FY2016

Title of film	Director	Actors
MANHUNT	John Woo	Hanyu Zhang, Masaharu Fukuyama
The Eight-Year Engagement	Takahisa Zeze	Takeru Sato, Tao Tsuchiya
My Teacher	Takahiro Miki	Toma Ikuta, Suzu Hirose
<i>Momo to Kiji</i>	Ichiro Kita	Aya Sakurai, Mihiro
The Salt of the Earth, Gunpei Yamamuro	Masatoshi Tojo	Ryu Morioka, Miwako Wagatsuma
The 100th Love with You	Sho Tsukikawa	miwa, Kentaro Sakaguchi

- ✓ A wide variety of shooting sites
 - ~ There are all types of shooting sites with good access: cities, sea, mountains, and rivers.
- ✓ Universality *Ordinary and common landscapes can be found in Okayama.*
 - ~ It is easy to set the place as “another city” or a “fictional city.”



Location of *The Eight-Year Engagement*, Yoshozan (photo courtesy of Okayama Film Commission)

Okayama, the **key point of Honshu-Shikoku exchange**

A **crossing point** between **Honshu** and **Shikoku**, where the **Sanyo Expressway stretching from east to west**, the **Chugoku Expressway**, the **Seto-Chuo Expressway stretching from north to south**, the **Okayama Expressway**, and the **Yonago Expressway** meet

- 30th anniversary from the opening of the Great Seto Bridge

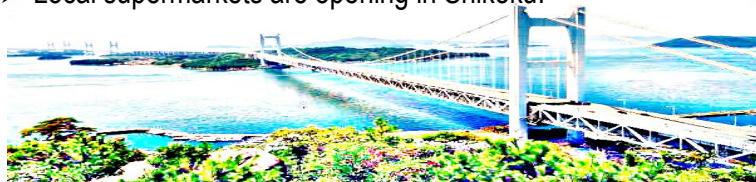


The number of visitors is 23.5 million per year, the largest among the three routes.

- Traffic on the Seto-Chuo Expressway reaches a record high.

Okayama and Shikoku to become one economic zone

- The number of students from Shikoku is increasing; the JR Seto-Ohashi Line is also busy.
- Local supermarkets are opening in Shikoku.



- New establishments and expansions of logistics centers continue. The area size of commercial warehouses in Okayama is the largest in the Chugoku & Shikoku regions.*

*Source: Okayama Warehousing Association
(Type 1-3 warehouse total floor area)

- Manufacturers and distribution companies have expanded into the prefecture as their base in western Japan. Delivers to east Japan in times of emergency
- The population of the area within a two-hour range by expressway is 16 million.

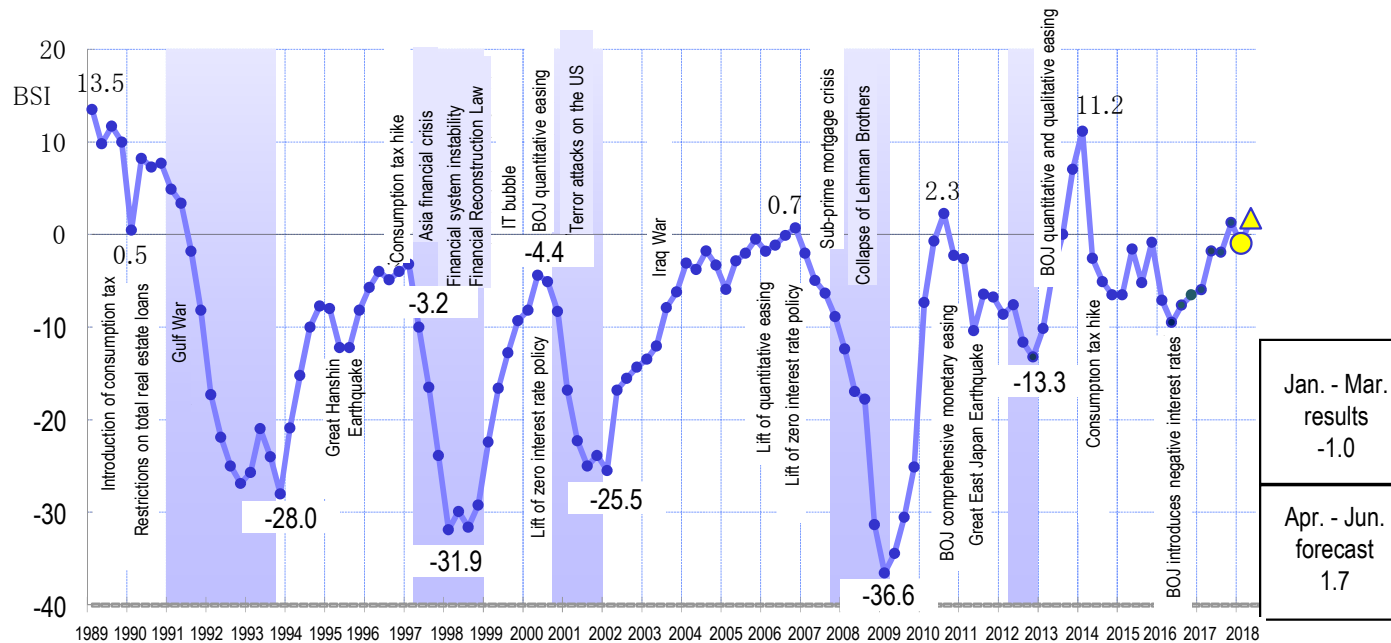


Source: Okayama Prefecture website

Okayama Prefecture's Economic Trends

Local Economic Trends (1)

The economy in Okayama is moving toward a recovery.



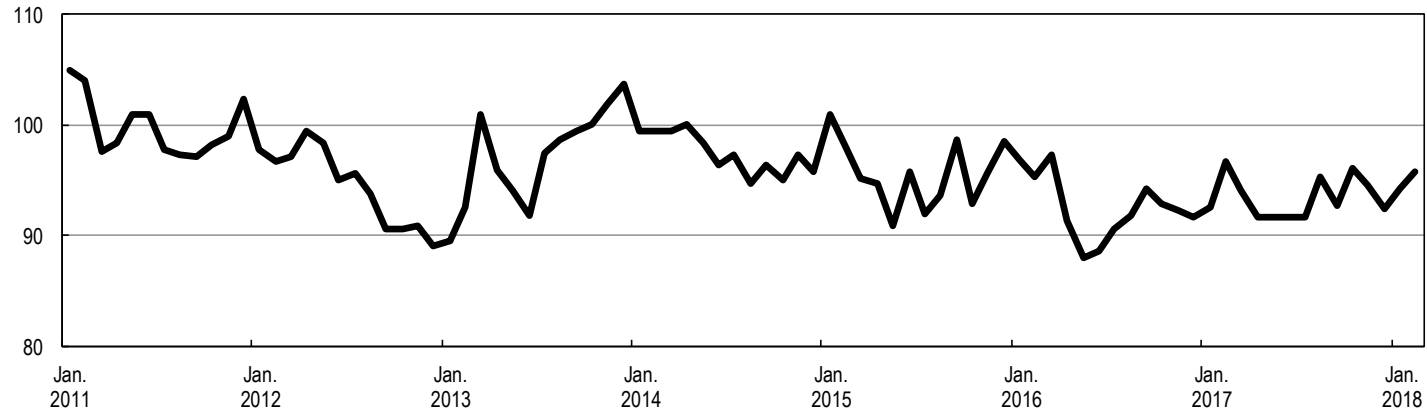
Shaded areas represent periods of economic recession (Cabinet Office)

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 ... Beginning to improve, led by external demand

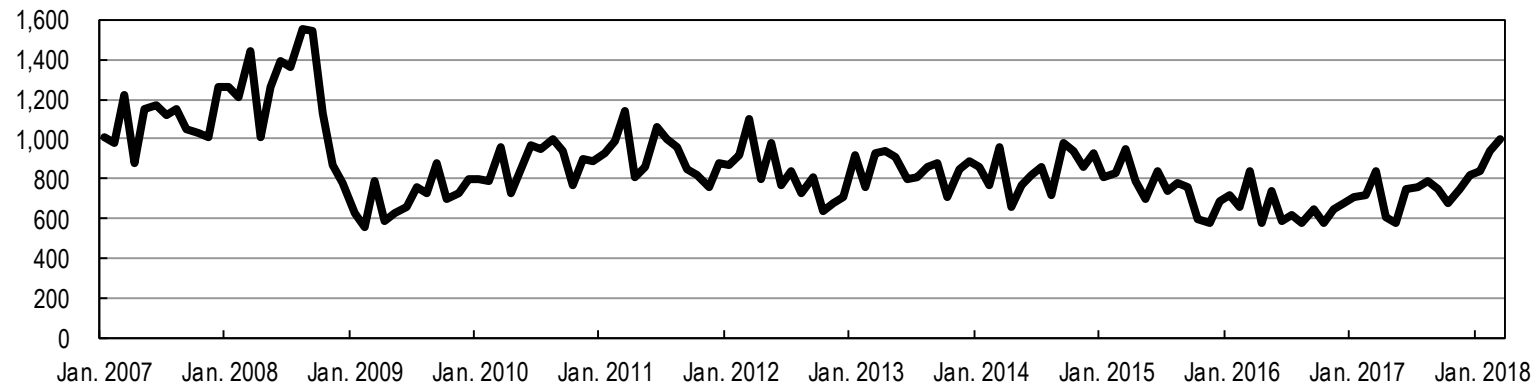
Industrial production index trends (2010 indexed at 100; seasonally adjusted)



Source: Okayama Prefecture Statistical Analysis Section

Exports ... Increasing due to increased production of vehicles

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



Source: Kobe customs

Local Economic Trends (3)

Capital investment ... Flat growth

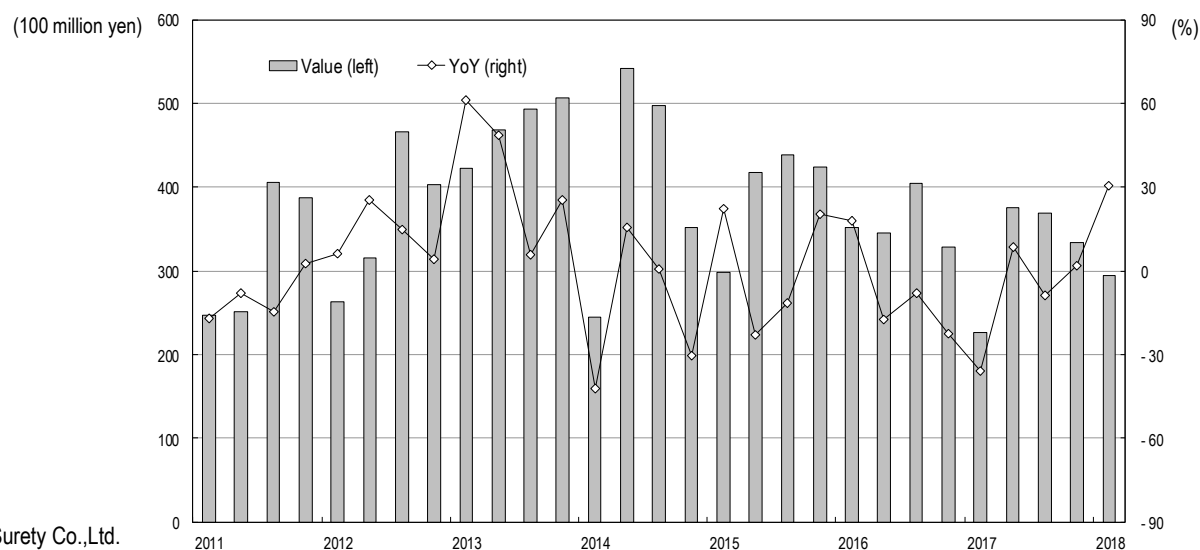
Change in capital investment year-on-year

(%)	Okayama			Nationwide		
	Manufacturing industry	Non-manufacturing	Total	Manufacturing industry	Non-manufacturing	Total
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	-10.5	8.9	-4.0	6.5	2.7	4.0
FY2018 plan	19.6	5.8	14.3	6.0	-4.5	4.6

Source: Bank of Japan; Okayama BOJ branch

Public investment ... Trending within a flat growth range

Change in public works investment year-on-year



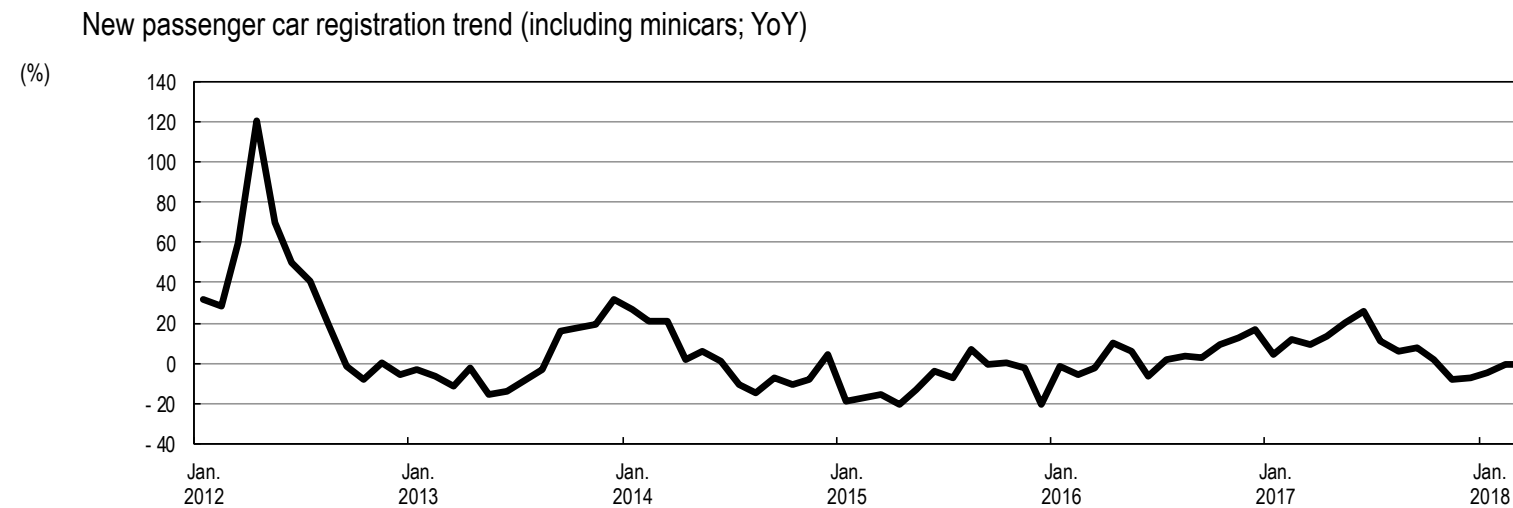
Source: West Japan Construction Surety Co.,Ltd.

Local Economic Trends (4)

Consumer spending ... Showing signs of recovery due to replacement demand for consumer durables



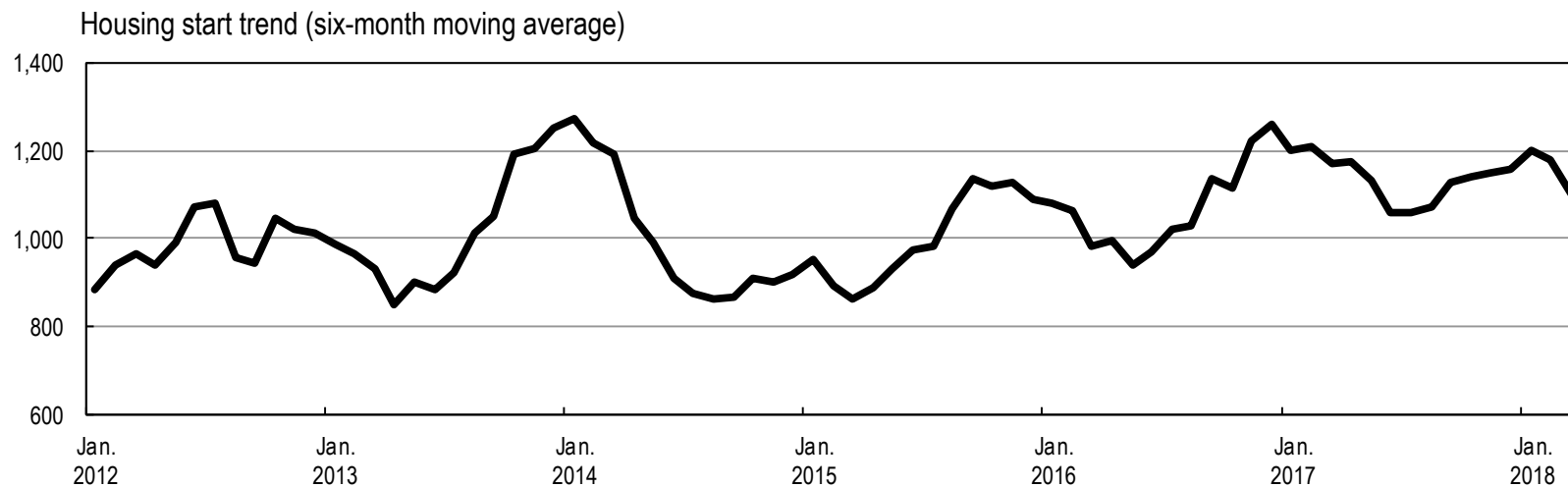
Source: Chugoku Bureau of Economy, Trade and Industry



Source: Chugoku Transport & Tourism Bureau, Okayama branch

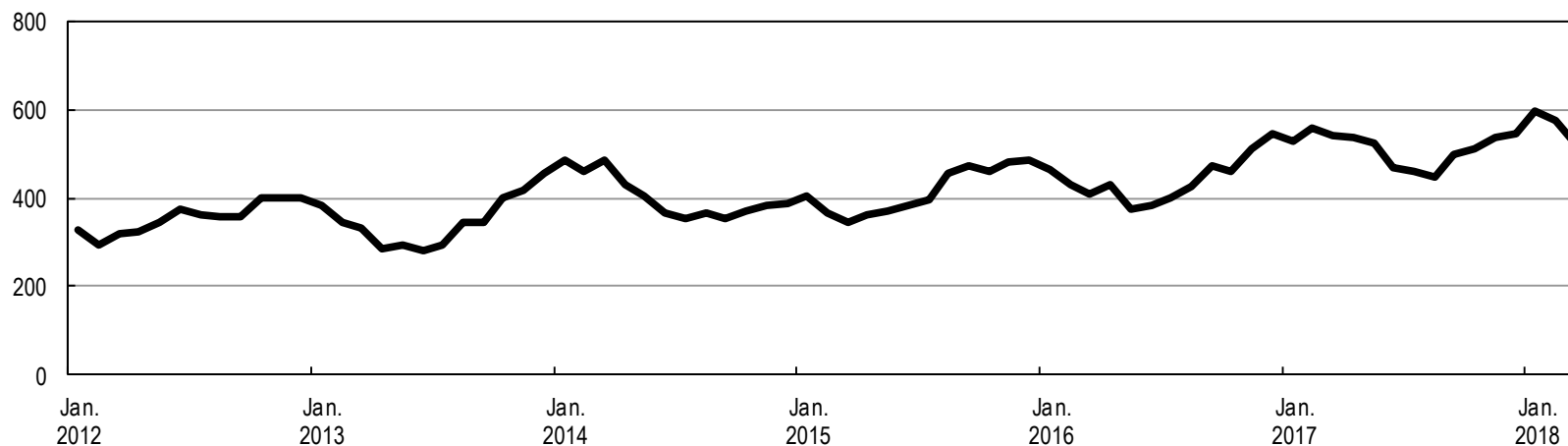
Local Economic Trends (5)

Housing investment ... Sluggish



Source: MLIT

Rental housing start trend (six-month moving average)

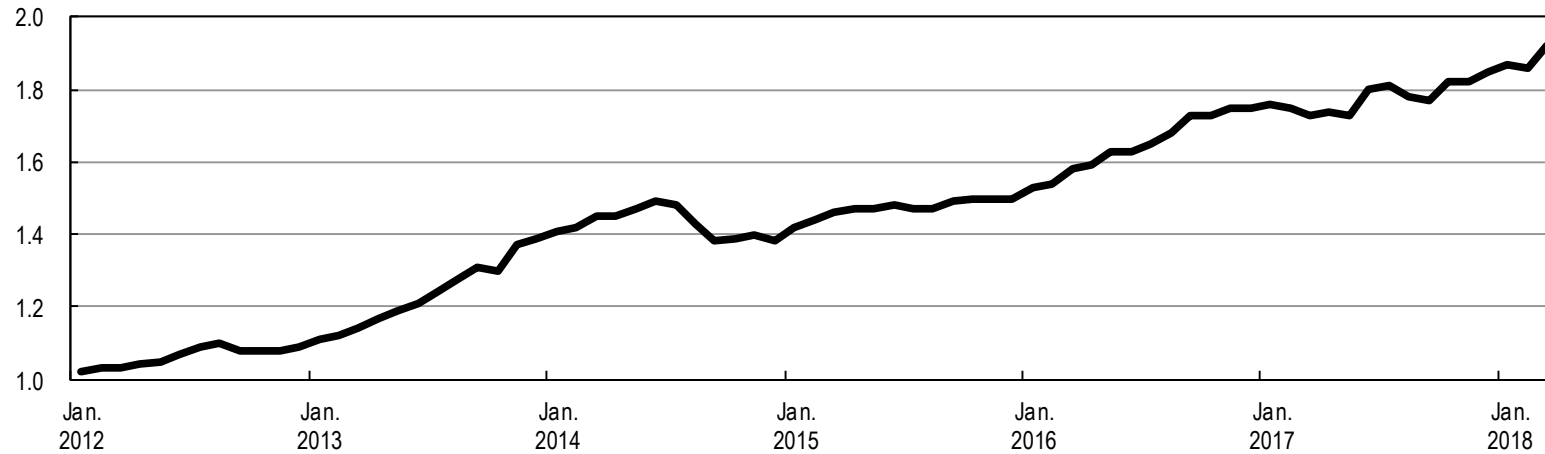


Source: MLIT

Local Economic Trends (6)

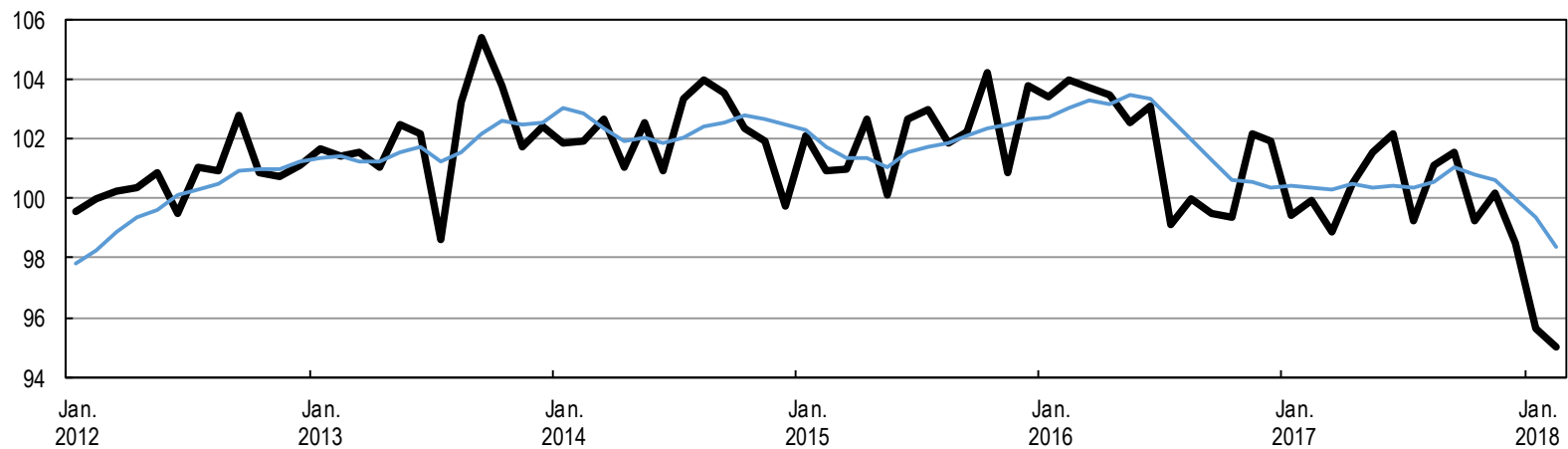
Employment and income trends ... Although employment is robust due to increased job openings, labor shortage is intensifying. Meanwhile, income growth is stagnant.

Job openings to applicants ratio trend (seasonally adjusted)



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

Salary level trend (2015 indexed at 100; seasonally adjusted)

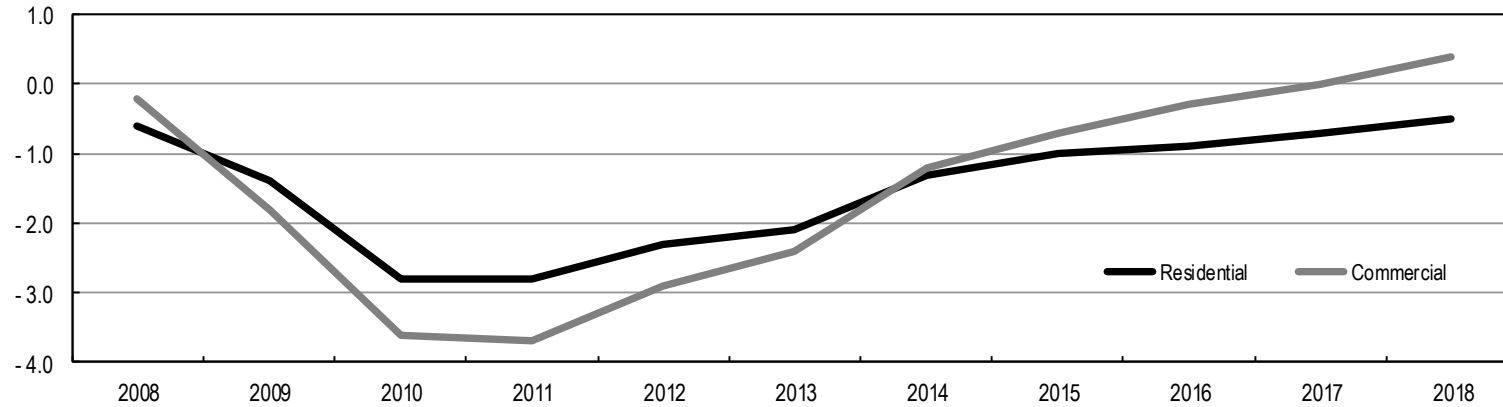


Source: Data from the Statistic Analysis Section of Okayama Prefecture seasonally adjusted by the Okayama Economic Research Institute

Local Economic Trends (7)

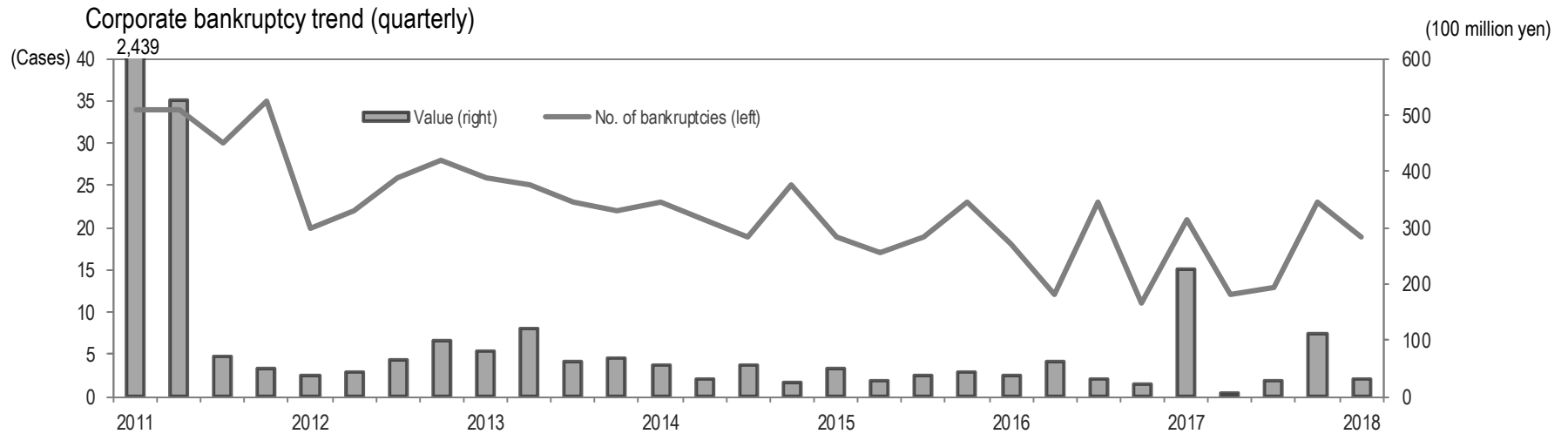
Land prices ... Commercial land prices rising for the first time in 27 years

(%) Standard land price trend (YoY)



Source: Hilly and Mountainous Areas Development Division, Okayama Prefecture

Corporate bankruptcies ... Bankruptcy has remained low



Source: Okayama branch, Teikoku Databank

Chugoku Bank's Management Indicators

Profit and Loss Statement (1)

[Parent] (million yen)	FY2013 1H	FY2013	FY2014 1H	FY2014	FY2015 1H	FY2015	FY2016 1H	FY2016	FY2017 1H	FY2017
Ordinary revenue	60,354	117,853	55,893	109,307	58,723	113,236	58,634	125,036	57,586	116,499
Banking revenue	50,625	98,500	49,835	100,785	50,904	101,156	50,876	111,877	51,803	103,360
Extraordinary revenue	9,729	19,352	6,057	8,521	7,819	12,080	7,758	13,159	5,783	13,138
Ordinary expense	39,161	73,703	36,262	73,536	35,796	72,600	41,286	96,068	43,543	88,567
Banking expense	36,804	69,732	34,573	69,797	34,608	69,303	37,402	86,795	40,643	81,918
Extraordinary expense	2,357	3,971	1,688	3,739	1,187	3,297	3,883	9,272	2,900	6,649
Recurring profit	21,193	44,149	19,631	35,770	22,927	40,635	17,348	28,968	14,043	27,931
Banking income	13,828	28,783	15,269	31,001	16,303	31,866	13,478	25,090	11,164	21,451
Gross income	42,528	85,334	44,211	88,270	44,082	87,326	41,666	79,977	39,887	77,117
(Net interest income)	36,985	72,121	36,287	72,416	35,889	70,028	33,428	67,765	33,862	66,265
(Fees and commissions)	6,906	13,709	7,465	14,834	7,431	15,024	7,645	15,214	7,116	14,610
(Other banking income)	-1,363	-495	459	1,019	762	2,272	592	-3,002	-1,091	-3,757
Expenses	28,700	56,551	28,942	57,269	27,779	55,459	28,187	54,886	28,723	55,666
General provisions for doubtful receivables	-	-	-	-	-	-	-	-	-	-
Extraordinary gain	30	91	1	1	44	46	-	3	0	14
Extraordinary loss	120	364	289	361	177	394	126	466	143	209
Impairment loss	36	143	237	246	66	124	80	414	132	148
Income before income tax (1H)	21,103	43,876	19,342	35,409	22,794	40,288	17,222	28,505	13,900	27,736
Corporate, residential, and business taxes	4,311	9,214	6,258	12,322	6,101	11,006	4,110	8,688	2,964	7,218
Income tax adjustments	3,322	7,575	133	2,182	1,140	3,352	996	776	1,117	1,107
Net income (1H)	13,469	27,086	12,950	20,904	15,552	25,928	12,115	19,039	9,819	19,409

[Consolidated]

Ordinary revenue	68,010	133,177	63,124	124,221	65,753	129,180	66,647	142,867	65,261	132,445
Recurring profit	23,189	48,107	21,306	39,106	24,262	43,440	18,473	31,605	15,385	30,922
Net income attributable to owners of the parent (1H)	14,301	28,717	13,594	24,702	16,094	27,252	12,590	20,323	10,566	21,258
Net income (1H)	14,736	29,592	13,931	25,446	16,211	27,522	12,745	20,627	10,566	21,258
Other comprehensive income	-995	-669	15,318	48,293	-25,610	-14,871	-4,307	-18,359	12,312	8,687
Valuation difference from other available-for-sale securities	-2,067	-1,682	16,011	48,301	-25,683	-4,798	-4,556	-19,641	11,431	6,403
Deferred hedge gains	1,072	1,012	-648	-1,262	46	-1,811	-344	675	222	1,087
Comprehensive income (1H)	13,741	28,922	29,250	73,739	-9,398	12,650	8,437	2,268	22,879	29,946

Profit and Loss Statement (2)

[Parent] (million yen)	FY2013 1H	FY2013	FY2014 1H	FY2014	FY2015 1H	FY2015	FY2016 1H	FY2016	FY2017 1H	FY2017
Bond related gains/losses	-2,136	-1,626	225	45	406	1,742	732	-2,038	-300	-2,481
Gain on bond sales, including JGBs	1,037	1,878	1,038	2,625	1,892	4,311	3,520	13,536	1,634	3,827
Gain on bond redemption, including JGBs	-	-	-	-	-	-	-	-	-	-
Loss on bond sales, including JGBs	3,173	3,505	813	2,580	1,485	2,568	2,788	15,575	1,901	6,308
Loss on bond redemption, including JGBs	-	-	-	-	-	-	-	-	-	-
Bond redemption, including JGBs	-	-	-	-	-	-	-	-	34	-
Equity-related gains/losses	1,982	2,620	1,569	3,775	2,696	3,349	945	4,379	456	4,437
Gain on equity sales	3,574	5,062	2,438	5,448	3,255	5,126	3,401	9,937	1,717	6,888
Loss on equity sales	1,587	2,437	817	1,673	540	1,586	1,666	2,928	1,261	2,450
Share redemption	4	4	51	-	18	190	789	2,628	-	-
Non-performing loan disposal	-4,310	-10,844	-1,827	222	-2,659	-3,755	-2,716	-209	-2,632	-1,770
General provisions for doubtful receivables	-4,001	-9,456	-4,145	-6,160	-2,577	-3,652	-487	-104	-2,498	-1,753
Individual provisions for doubtful accounts	-328	-1,456	2,109	5,789	-82	-209	-2,241	-187	-136	-25
Loan write-offs	-	6	-	-	-	-	-	-	-	-
Loss on claim sales	18	61	208	592	0	106	11	81	1	8

Ordinary Revenue Breakdown

[Parent] (million yen)	FY2013 1H	FY2013	FY2014 1H	FY2014	FY2015 1H	FY2015	FY2016 1H	FY2016	FY2017 1H	FY2017
Ordinary revenue	60,354	117,853	55,893	109,307	58,723	113,236	58,634	125,036	57,586	116,499
Banking revenue	50,625	98,500	49,835	100,785	50,904	101,156	50,876	111,877	51,803	103,360
Net interest income	39,830	77,648	39,004	78,174	39,113	77,137	37,604	78,762	40,722	80,016
Lending rate	22,945	45,475	21,991	43,673	21,195	42,622	20,789	42,891	23,134	47,027
Securities interest rate	16,656	31,751	16,787	33,951	17,526	33,777	16,432	34,962	16,975	31,545
Call loan interest rate	46	78	34	83	56	77	73	307	299	813
Interest rate on bills bought	-	-	-	-	-	-	-	-	-	-
Gensaki transaction interest rate	-	-	-	-	-	-	-	-	-	-
Deposit interest rate	23	39	53	207	211	410	189	375	187	374
Foreign currency interest income	30	60	26	51	23	50	28	53	28	58
Financial swap interest income	-	-	-	-	-	-	-	-	-	-
Other interest income	127	242	110	207	99	199	90	172	97	196
Fees and commissions	8,975	17,831	9,522	18,950	9,502	19,173	9,735	19,439	9,276	18,911
Fee and commission income	2,903	5,817	2,883	5,780	2,844	5,737	2,853	5,712	2,818	5,669
Other fee and commission income	6,072	12,012	6,639	13,167	6,657	13,435	6,882	13,725	6,458	13,240
Trust fees	-	1	-	1	-	1	0	1	0	1
Other banking revenue	1,818	3,020	1,308	3,659	2,288	4,844	3,536	13,675	1,804	4,432
Gain on sale of bonds, including JGBs	1,037	1,878	1,038	2,625	1,892	4,311	3,520	13,536	1,634	3,827
Gain on sale of foreign currencies	256	296	-	-	-	24	-	-	-	-
Gain on sale of securities	-	-	-	-	-	-	14	9	-	-
Financial derivative revenue	521	841	268	1,032	394	506	-	126	168	603
Other	2	4	0	2	1	3	1	2	0	1
Extraordinary income	9,729	19,352	6,057	8,521	7,819	12,080	7,758	13,159	5,783	13,138
Gain on sale of equities	3,574	5,062	2,438	5,448	3,255	5,126	3,401	9,937	1,717	6,888
Gain on investment trusts	119	152	50	145	-	12	5	67	103	85
Reversal to provisions for doubtful receivables	4,329	10,912	2,035	370	2,659	3,861	2,728	291	2,634	1,778
Gain on non-performing loans recovered	6	6	0	4	0	0	12	12	5	5
Other	1,700	3,218	1,532	2,553	1,903	3,079	1,610	2,850	1,322	4,380

Ordinary Expense Breakdown

[Parent]	FY2013	FY2013	FY2014	FY2014	FY2015	FY2015	FY2016	FY2016	FY2017	FY2017
(million yen)	1H		1H		1H		1H		1H	
Ordinary expenses	39,161	73,703	36,262	73,536	35,796	72,600	41,286	96,068	43,543	88,567
Banking expenses	36,804	69,732	34,573	69,797	34,608	69,303	37,402	86,795	40,643	81,918
Interest expense	2,852	5,542	2,724	5,771	3,230	7,121	4,180	11,006	6,863	13,759
Expenses matching the amount of investment of money held in trust	7	14	6	13	6	13	4	9	3	9
Deposit interest	1,229	2,333	1,122	2,182	1,136	2,221	820	1,791	1,018	1,928
Negotiable certificates of deposit (NCD) interest	113	211	95	196	102	196	52	89	33	60
Call money interest	423	839	378	937	630	1,607	1,085	2,436	824	1,374
Interest on sales under agreement to repurchase	-	-	-	-	-	-	0	101	538	1,584
Securities lending transaction interest payable	130	237	161	511	384	1,134	889	2,354	943	1,474
Interest on commercial papers	-	-	-	-	-	-	-	48	336	779
Borrowed money interest payable	47	112	92	218	144	303	190	572	556	1,237
Foreign exchange interest payable	0	0	0	0	9	22	92	316	7	7
Financial swap interest payable	907	1,802	868	1,714	820	1,627	1,048	3,290	2,605	5,311
Other interest payable	1	5	5	10	1	8	0	6	0	0
Fees and commissions	2,069	4,122	2,057	4,115	2,071	4,149	2,090	4,225	2,159	4,301
Fees and commissions payable	440	880	435	875	441	883	454	902	463	919
Other fees and commissions payable	1,628	3,241	1,621	3,239	1,630	3,265	1,635	3,323	1,696	3,382
Other banking expenses	3,182	3,516	848	2,640	1,526	2,572	2,944	16,677	2,895	8,190
Loss on sale of bonds, including JGBs	3,173	3,505	813	2,580	1,485	2,568	2,788	15,575	1,901	6,308
Bond redemption, including JGBs	-	-	-	-	-	-	-	-	34	-
Loss on foreign exchange transactions	-	-	34	48	34	-	82	1,101	957	1,873
Loss on securities transactions	8	11	1	11	6	3	-	-	2	8
Financial derivative expenses	-	-	-	-	-	-	73	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
General provisions for doubtful receivables	-	-	-	-	-	-	-	-	-	-
Expenses	28,700	56,551	28,942	57,269	27,779	55,459	28,187	54,886	28,723	55,666
Extraordinary expenses	2,357	3,971	1,688	3,739	1,187	3,297	3,883	9,272	2,900	6,649
Individual provisions for doubtful accounts	-	-	-	-	-	-	-	-	-	-
Redemption of loans and bills discounted	-	6	-	-	-	-	-	-	-	-
Loss on sale of equity	1,587	2,437	817	1,673	540	1,586	1,666	2,928	1,261	2,450
Equity redemption	4	4	51	-	18	190	789	2,628	-	-
Loss on money held in trust	62	25	70	3	106	182	98	88	0	118
Retirement expense	-37	-75	-67	13	39	78	855	1,711	949	1,899
Other	740	1,573	816	2,049	482	1,259	473	1,914	688	2,179

Expense Breakdown

[Parent] (million yen)	FY2013 1H	FY2013	FY2014 1H	FY2014	FY2015 1H	FY2015	FY2016 1H	FY2016	FY2017 1H	FY2017
Expenses (1)	28,700	56,551	28,942	57,269	27,779	55,459	28,187	54,886	28,723	55,666
Personnel	15,434	31,106	15,457	31,232	14,879	29,758	14,903	29,553	14,702	28,910
Salaries	8,290	16,650	8,250	16,549	8,259	16,571	8,316	16,610	8,171	16,051
Bonuses	2,879	5,894	3,029	6,268	3,107	6,146	3,002	5,755	2,807	5,410
Retirement expenses	1,222	2,437	1,011	2,024	212	426	222	446	353	710
Social insurance	1,714	3,461	1,753	3,550	1,789	3,580	1,804	3,600	1,800	3,575
Temporary employment expense	1,328	2,662	1,412	2,840	1,511	3,035	1,557	3,140	1,569	3,162
Property expense	11,496	23,015	11,636	23,238	10,901	22,615	11,250	22,218	11,502	23,138
Depreciation	1,382	2,829	1,368	2,837	1,456	3,135	1,730	3,539	2,063	4,329
Land and building leasing expense	357	722	371	757	398	787	358	748	384	780
Machinery leasing expense	62	137	58	128	60	134	62	136	69	153
Outsourcing expense	1,276	2,542	1,288	2,552	1,294	2,592	1,361	2,727	1,393	2,755
Maintenance expense	119	318	120	232	107	224	109	207	107	224
Travel expense	101	201	92	192	104	207	102	194	104	213
Sales promotion expense	26	53	33	64	33	62	34	69	46	83
Deposit insurance premium	2,193	3,639	2,258	3,789	1,178	2,356	1,209	2,418	1,094	2,188
Miscellaneous expense	5,976	12,570	6,042	12,681	6,266	13,114	6,283	12,177	6,239	12,410
Taxes	1,768	2,428	1,848	2,798	1,999	3,085	2,033	3,114	2,518	3,617
Core business gross profit (2)	44,664	86,960	43,986	88,225	43,676	85,583	40,933	82,016	40,187	79,598
OHR (1)÷(2)	64.3%	65.0%	65.8%	64.9%	63.6%	64.8%	68.8%	66.9%	71.4%	69.9%

Major Yields

		FY2013	FY2013	FY2014	FY2014	FY2015	FY2015	FY2016	FY2016	FY2017	FY2017
		1H		1H		1H		1H		1H	
Total for all branches	1. Interest-earning asset yield	1.22	1.19	1.14	1.11	1.08	1.06	1.00	1.03	1.05	1.04
	Loan yield	1.32	1.30	1.22	1.20	1.11	1.09	1.00	1.01	1.02	1.03
	Securities yield	1.14	1.08	1.10	1.10	1.21	1.16	1.12	1.20	1.31	1.24
	Call loan yield	0.14	0.14	0.20	0.18	0.17	0.19	0.30	0.32	0.29	0.44
	Deposit yield (including NCD)	0.16	0.18	0.10	0.10	0.09	0.10	0.10	0.10	0.10	0.10
	2. Interest-bearing liabilities	0.09	0.08	0.08	0.08	0.09	0.10	0.11	0.14	0.18	0.18
	Deposit yield	0.04	0.04	0.04	0.03	0.04	0.03	0.02	0.02	0.03	0.03
	Call money yield	0.36	0.35	0.32	0.37	0.51	0.65	1.00	1.20	1.40	1.37
	Loan yield	0.12	0.12	0.14	0.15	0.17	0.17	0.23	0.34	0.60	0.65
	3. Expense ratio	0.99	0.97	0.97	0.96	0.91	0.91	0.89	0.87	0.88	0.86
4. Fundraising expense	1.01	0.99	0.97	0.94	0.90	0.90	0.88	0.88	0.94	0.91	
5. Total net interest income (1-4)	0.21	0.20	0.17	0.17	0.18	0.16	0.12	0.15	0.11	0.13	
Simple loan-deposit margin	1.28	1.26	1.18	1.17	1.07	1.06	0.98	0.99	0.99	1.00	
Simple deposit-securities margin	1.10	1.04	1.06	1.07	1.17	1.13	1.10	1.18	1.28	1.21	

Domestic banking operations	1. Interest-earning asset yield	1.13	1.09	1.04	1.01	0.96	0.94	0.86	0.84	0.81	0.80
	Loan yield	1.33	1.31	1.23	1.21	1.12	1.09	0.97	0.95	0.89	0.88
	Securities yield	1.00	0.93	0.94	0.94	1.03	0.97	0.94	0.96	1.03	1.00
	Call loan yield	0.12	0.12	0.17	0.15	0.13	0.13	-0.02	-0.02	-0.02	-0.01
	Deposit yield (including NCD)	0.16	0.18	0.10	0.10	0.09	0.10	0.10	0.10	0.10	0.10
	2. Interest-bearing liabilities	0.07	0.07	0.06	0.06	0.06	0.06	0.04	0.04	0.04	0.04
	Deposit yield	0.04	0.04	0.03	0.03	0.03	0.03	0.02	0.01	0.01	0.01
	Call money yield	0.07	0.07	0.06	0.06	0.05	0.06	-0.03	-0.03	-0.02	-0.04
	Loan yield	0.12	0.11	0.11	0.11	0.11	0.11	0.06	0.04	0.01	0.01
	3. Expense ratio	0.97	0.95	0.95	0.93	0.88	0.88	0.87	0.85	0.86	0.84
4. Fundraising expense	1.03	1.00	0.98	0.95	0.90	0.89	0.84	0.80	0.82	0.80	
5. Total net interest income (1-4)	0.10	0.09	0.06	0.06	0.06	0.05	0.02	0.04	-0.01	0.00	
Simple loan-deposit margin	1.29	1.27	1.20	1.18	1.09	1.06	0.95	0.94	0.88	0.87	
Simple deposit-securities margin	0.96	0.89	0.91	0.91	1.00	0.94	0.92	0.95	1.02	0.99	

Major Accounts (year-end balance) Assets

(100 million yen)	FY2013 1H	FY2013	FY2014 1H	FY2014	FY2015 1H	FY2015	FY2016 1H	FY2016	FY2017 1H	FY2017
Total assets	66,814	69,508	72,964	75,894	73,908	77,701	82,481	82,554	82,991	84,395
Interest-earning assets	65,425	68,159	69,468	71,082	68,344	72,100	74,626	73,673	75,527	75,209
Loans	34,486	35,664	36,121	37,289	38,610	40,365	42,173	44,003	45,607	46,761
Securities	29,672	31,431	32,013	32,614	28,773	31,073	30,347	27,146	27,439	26,208
Securities products	29	23	23	23	23	19	20	23	18	18
Money in trust	200	200	199	200	198	200	199	150	150	250
Deposits (excluding non-interest bearing portion)	150	150	150	52	52	53	112	102	141	167
Call loans	584	351	658	518	405	74	1,457	1,905	1,743	1,412
Debt purchased	239	273	242	320	198	206	222	215	261	271
Foreign exchange	62	64	58	63	81	107	76	64	59	79
Cash collateral paid	-	-	-	-	-	-	14	61	101	41
(Interest-earnings assets)	65,224	67,959	69,268	70,882	68,145	71,900	74,427	73,523	75,376	74,959
Cash and deposits (non-interest bearing)	883	734	2,829	3,871	4,818	4,815	6,912	7,953	6,403	7,609
Tangible fixed assets	441	436	432	433	426	431	427	413	405	396
Intangible fixed assets	13	20	30	38	48	60	68	74	65	58
Other assets	375	369	350	580	355	332	461	446	550	1,094
Deferred tax assets	-	-	-	-	-	-	-	-	-	-
Guarantee endorsements	255	256	281	321	308	328	321	340	351	340
Provisions for doubtful receivables	-580	-469	-428	-433	-392	-367	-336	-347	-311	-314

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



(100 million yen)	FY2013 1H	FY2013	FY2014 1H	FY2014	FY2015 1H	FY2015	FY2016 1H	FY2016	FY2017 1H	FY2017
Total liabilities and net assets	66,814	69,508	72,964	75,894	73,908	77,701	82,481	82,554	82,991	84,395
Total liabilities	62,437	65,037	68,316	70,890	69,032	72,585	77,334	77,526	77,774	79,161
Interest-bearing liabilities	61,568	64,035	67,097	69,409	67,912	71,385	76,136	76,370	76,496	77,624
Deposits	55,294	56,900	56,667	58,945	58,113	60,114	59,545	62,018	61,693	64,236
Negotiable certificates of deposit (NCD)	2,471	1,626	2,544	1,638	2,568	1,847	3,025	2,229	3,038	2,224
Call money	2,063	2,901	2,189	3,392	1,799	2,500	1,722	1,492	720	579
Sales under agreement to repurchase account	-	-	-	-	-	-	-	215	1,582	715
Payables under Securities Lending Transactions	750	1,544	4,119	3,898	3,475	5,157	10,369	8,323	6,911	7,472
Commercial paper	-	-	-	-	-	-	-	242	517	461
Borrowed money	986	1,058	1,571	1,530	1,951	1,762	1,461	1,818	2,014	1,885
Foreign exchange	1	3	3	1	3	1	2	1	2	2
Cash collateral received	-	-	-	-	-	-	8	27	6	31
(Expenses matching the amount of investment of money held in trust)	200	200	199	200	198	200	199	150	150	250
(Fund procurement account)	61,367	63,835	66,897	69,209	67,713	71,185	75,937	76,220	76,345	77,374
Other liabilities	411	501	548	664	433	426	449	464	518	803
Retirement provision	137	134	237	233	221	209	204	200	198	195
Bonus provision	14	14	13	15	15	14	14	13	13	12
Reversal to provision for inactive deposits	12	11	10	9	9	10	10	10	8	13
Other provision	0	0	0	0	0	0	0	0	0	0
Deferred tax liabilities	38	83	127	236	131	209	195	126	186	169
Acceptances and guarantees	255	256	281	321	308	328	321	340	351	340
Total net assets	4,376	4,470	4,647	5,004	4,876	5,116	5,146	5,028	5,217	5,234
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	3,581	3,628	3,670	3,696	3,831	3,915	4,017	4,067	4,074	4,151
Treasury stock (-)	75	32	52	36	46	79	98	121	54	74
Valuation difference on other securities	691	694	854	1,177	922	1,130	1,080	925	1,038	989
Gain/loss on deferred hedges	-36	-36	-43	-49	-49	-67	-71	-60	-58	-49
Warrants	1	2	2	3	2	3	3	3	2	2

Major Accounts (average balance) Assets

(100 million yen)	FY2013 1H	FY2013	FY2014 1H	FY2014	FY2015 1H	FY2015	FY2016 1H	FY2016	FY2017 1H	FY2017
Total assets	66,357	66,863	69,722	71,711	73,666	74,501	78,330	79,899	80,719	80,986
Interest-earning assets	64,926	65,401	68,138	70,063	71,932	72,629	75,074	76,580	76,924	77,056
Loans	34,523	34,866	35,908	36,351	37,881	38,748	41,310	42,324	44,859	45,518
Securities	28,933	29,261	30,376	30,773	28,688	28,950	29,042	29,030	25,747	25,311
Securities products	29	28	24	24	22	22	20	22	19	19
Money in trust	200	200	199	200	199	199	199	199	150	210
Deposits (excluding non-interest bearing portion)	278	214	1,047	1,989	4,220	4,048	3,713	3,719	3,727	3,735
Call loans	641	529	329	444	645	392	483	947	2,014	1,822
Debt purchased	206	193	187	172	176	160	144	149	175	182
Foreign exchange	114	108	63	106	97	107	157	156	137	157
Cash collateral paid	-	-	-	-	-	-	2	29	85	100
(Interest-earnings assets)	64,726	65,201	67,938	69,863	71,732	72,430	74,874	76,380	76,774	76,846
Cash and deposits (non-interest bearing)	813	825	829	837	863	954	2,309	2,297	2,486	2,616
Tangible fixed assets	448	451	441	444	434	438	438	441	415	416
Intangible fixed assets	10	13	24	29	42	47	64	67	72	71
Other assets	242	213	209	201	226	245	224	284	578	570
Deferred tax assets	342	325	284	292	281	275	247	243	240	234
Guarantee endorsements	256	264	262	292	314	321	329	332	345	347
Provisions for doubtful receivables	-683	-631	-467	-449	-428	-411	-358	-347	-343	-328

Major Accounts (average balance) Liabilities & Net Assets



(100 million yen)	FY2013 1H	FY2013	FY2014 1H	FY2014	FY2015 1H	FY2015	FY2016 1H	FY2016	FY2017 1H	FY2017
Total liabilities and net assets	66,357	66,863	69,722	71,711	73,666	74,501	78,330	79,899	80,719	80,986
Total liabilities	62,746	63,184	65,977	67,892	69,768	70,530	74,267	75,767	76,598	76,804
Interest-bearing liabilities	61,915	62,344	65,153	66,944	68,864	69,544	73,384	74,784	75,590	75,748
Deposits	54,803	55,225	56,835	56,912	58,260	58,350	59,937	60,078	61,560	61,694
Negotiable certificates of deposit (NCD)	2,816	2,684	2,555	2,629	2,621	2,512	2,909	2,965	2,916	2,883
Call money	2,294	2,373	2,304	2,506	2,434	2,457	2,157	2,016	1,167	999
Sales under agreement to repurchase	-	-	-	-	-	-	0	111	753	1,011
Payables under Securities Lending Transactions	1,229	1,169	2,151	3,463	3,861	4,495	6,747	7,913	6,839	6,739
Commercial paper	-	-	-	-	-	-	-	41	487	498
Borrowed money	770	889	1,301	1,429	1,681	1,724	1,625	1,649	1,846	1,897
Foreign exchange	1	1	3	3	3	2	1	1	3	3
Cash collateral received	-	-	-	-	-	-	3	3	11	14
(Expenses matching the amount of investment of money held in trust)	200	200	199	200	199	199	199	199	150	210
(Fund procurement account)	61,715	62,144	64,953	66,744	68,664	69,345	73,184	74,584	75,440	75,538
Other liabilities	416	419	356	425	343	423	328	428	447	494
Retirement provision	137	136	186	210	228	222	206	204	198	197
Bonus provision	6	7	7	7	7	7	7	7	6	6
Reversal to provision for inactive deposits	11	11	10	10	8	8	9	10	9	8
Other provision	0	0	0	0	0	0	0	0	0	0
Deferred tax liabilities	-	-	-	-	-	-	-	-	-	-
Acceptances and guarantees	256	264	262	292	314	321	329	332	345	347
Total net assets	3,611	3,678	3,744	3,819	3,898	3,971	4,063	4,131	4,120	4,182
Capital	151	151	151	151	151	151	151	151	151	151
Surplus capital	62	62	62	62	62	62	62	62	27	44
Retained earnings	3,461	3,534	3,564	3,647	3,713	3,795	3,925	4,002	4,016	4,047
Treasury stock (-)	72	79	45	54	42	52	90	99	88	75
Valuation difference on other securities	6	7	9	10	11	11	12	11	11	11
Gain/loss on deferred hedges	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0
Warrants	2	2	2	2	2	2	3	3	3	2

Deposits (year-end balance)

(100 million yen)		FY2013	FY2013	FY2014	FY2014	FY2015	FY2015	FY2016	FY2016	FY2017	FY2017
		1H		1H		1H		1H		1H	
Okayama		41,885	43,351	43,152	44,936	44,251	46,194	45,465	47,052	46,850	49,026
	Private portion	32,599	33,123	33,425	34,178	34,305	34,845	34,807	35,313	35,832	36,311
	Corporate portion	7,824	8,038	8,258	8,549	8,480	8,870	8,989	9,314	9,657	10,043
Hiroshima		7,688	7,803	7,884	8,388	8,055	8,101	8,172	8,762	8,534	8,533
	Private portion	5,395	5,443	5,482	5,554	5,544	5,519	5,514	5,569	5,584	5,604
	Corporate portion	2,120	2,203	2,209	2,387	2,414	2,466	2,528	2,614	2,858	2,794
Kagawa, Ehime		3,904	3,995	3,919	4,002	3,928	3,992	3,952	4,029	4,022	4,141
	Private portion	2,796	2,789	2,785	2,821	2,804	2,792	2,764	2,763	2,766	2,765
	Corporate portion	1,092	1,162	1,120	1,136	1,114	1,154	1,177	1,220	1,253	1,338
Hyogo		926	947	944	962	1,017	1,044	1,068	1,089	1,136	1,130
	Private portion	612	611	613	619	624	627	624	636	640	637
	Corporate portion	309	334	329	342	381	405	438	451	495	492
Tottori		89	94	96	102	105	105	106	114	119	129
	Private portion	50	53	51	51	51	49	50	49	50	51
	Corporate portion	38	41	44	50	53	55	55	64	68	78
Osaka		342	201	216	202	236	217	216	237	241	211
	Private portion	66	67	67	67	67	65	64	72	67	68
	Corporate portion	274	133	147	133	167	150	150	163	172	142
Tokyo		255	231	248	167	199	133	176	137	136	188
	Private portion	68	66	68	69	70	70	71	69	67	66
	Corporate portion	178	162	171	96	126	59	102	66	67	119
Total domestic branches (before reconciliation of transit items)		55,092	56,625	56,462	58,763	57,794	59,789	59,158	61,422	61,042	63,361
	Total for private portion	41,589	42,154	42,494	43,363	43,469	43,971	43,897	44,476	45,010	45,504
	Total for corporate portion	11,839	12,075	12,282	12,695	12,737	13,163	13,441	13,895	14,572	15,009
Overseas branches		205	276	206	183	321	325	388	597	653	877
Total deposits		55,294	56,900	56,667	58,945	58,113	60,114	59,545	62,018	61,693	64,236
	Liquidity	33,855	35,698	35,620	38,085	37,071	39,260	39,035	41,644	41,224	44,590
	Time deposits	21,439	21,201	21,046	20,860	21,042	20,853	20,510	20,374	20,469	19,646
	Domestic banking	54,506	55,942	55,895	58,196	57,153	59,187	58,569	60,869	60,433	62,671
	International banking	788	957	772	749	960	926	976	1,149	1,260	1,565

Deposits (average balance)

(100 million yen)		FY2013	FY2013	FY2014	FY2014	FY2015	FY2015	FY2016	FY2016	FY2017	FY2017
		1H		1H		1H		1H		1H	
Okayama		41,763	42,006	43,204	43,301	44,458	44,544	45,887	45,766	46,806	47,003
	Private portion	32,582	32,850	33,477	33,731	34,483	34,599	34,963	35,082	35,697	35,981
	Corporate portion	7,826	7,833	8,158	8,179	8,469	8,541	8,989	9,014	9,442	9,464
Hiroshima		7,584	7,661	7,922	7,958	8,089	8,070	8,196	8,224	8,427	8,429
	Private portion	5,378	5,413	5,481	5,510	5,577	5,565	5,522	5,533	5,579	5,596
	Corporate portion	2,050	2,104	2,209	2,244	2,408	2,414	2,510	2,534	2,736	2,736
Kagawa, Ehime		3,882	3,909	3,996	3,966	4,001	3,977	3,969	3,992	4,050	4,064
	Private portion	2,785	2,801	2,794	2,802	2,828	2,817	2,780	2,772	2,762	2,765
	Corporate portion	1,087	1,099	1,191	1,153	1,167	1,153	1,181	1,210	1,284	1,294
Hyogo		919	928	938	949	978	1,005	1,042	1,054	1,115	1,116
	Private portion	611	613	616	616	623	625	626	627	637	638
	Corporate portion	305	313	321	330	348	371	408	420	477	476
Tottori		88	90	93	93	101	101	103	105	114	116
	Private portion	50	51	52	51	53	51	50	50	50	50
	Corporate portion	37	38	40	41	47	48	52	55	63	64
Osaka		201	216	176	182	195	200	213	215	218	220
	Private portion	67	67	67	67	68	67	65	67	69	68
	Corporate portion	133	147	108	114	126	132	147	147	148	150
Tokyo		162	171	205	187	186	177	193	185	163	155
	Private portion	70	69	67	70	70	70	71	70	68	67
	Corporate portion	90	100	136	115	114	105	119	112	92	85
Total domestic branches		54,601	54,984	56,537	56,640	58,008	58,076	59,606	59,546	60,896	61,107
	Total for private portion	41,547	41,866	42,556	42,851	43,701	43,796	44,080	44,205	44,865	45,171
	Total for corporate portion	11,531	11,638	12,166	12,179	12,680	12,766	13,410	13,497	14,246	14,276
Overseas branches		201	240	297	272	252	274	330	531	664	587
Total deposits		54,803	55,225	56,835	56,912	58,260	58,350	59,937	60,078	61,560	61,694
	Liquidity	33,455	33,881	35,579	35,786	37,274	37,412	39,274	39,405	41,059	41,781
	Time deposits	21,347	21,343	21,255	21,126	20,986	20,938	20,663	20,672	20,500	19,913
	Domestic banking	54,042	54,395	55,940	56,065	57,399	57,458	59,009	58,956	60,277	60,486
	International banking	760	829	894	847	861	892	928	1,122	1,282	1,208

Loans (year-end balance)

		FY2013	FY2013	FY2014	FY2014	FY2015	FY2015	FY2016	FY2016	FY2017	FY2017
		1H		1H		1H		1H		1H	
(100 million yen)											
	General capital	30,598	31,663	31,918	32,710	33,669	35,298	37,059	38,930	40,332	41,543
	Scale										
	Large-scale companies	6,950	7,234	7,555	7,597	8,001	8,431	8,869	8,869	8,251	7,919
	Medium-scale companies	1,400	1,399	1,358	1,379	1,420	1,427	1,477	1,499	1,661	1,710
	Small-scale companies	14,457	15,178	15,135	15,809	16,258	17,389	18,568	20,309	22,067	23,426
	Private individuals	7,790	7,850	7,868	7,922	7,988	8,050	8,144	8,252	8,352	8,486
	Government and municipal loans	3,786	3,903	4,089	4,415	4,792	4,908	4,985	4,904	5,108	5,017
	State and local public works groups	3,696	3,819	4,014	4,327	4,726	4,836	4,932	4,847	5,067	4,979
	Local public corporations	90	84	74	87	66	71	53	57	40	38
	Total loans by domestic branches	34,384	35,567	36,007	37,125	38,461	40,206	42,045	43,835	45,440	46,561
	Region										
	Okayama	17,916	18,426	18,461	19,167	19,842	21,166	22,441	24,003	25,305	25,973
	Hiroshima	6,219	6,407	6,518	6,588	6,726	6,924	7,162	7,415	7,671	7,935
	Kagawa, Ehime	2,400	2,497	2,536	2,603	2,602	2,766	2,839	2,985	3,097	3,241
	Hyogo	1,421	1,494	1,539	1,628	1,705	1,873	1,996	2,102	2,295	2,513
	Tottori	256	276	273	267	270	278	296	297	315	341
	Osaka	973	986	1,029	1,049	1,162	1,175	1,286	1,313	1,228	1,120
	Tokyo	5,197	5,479	5,649	5,822	6,151	6,022	6,020	5,717	5,525	5,433
	Loan liabilities	-	-	-	-	-	-	-	-	-	-
	Overseas branches	101	97	113	163	149	158	128	168	166	200
	Total loans	34,486	35,664	36,121	37,289	38,610	40,365	42,173	44,003	45,607	46,761

Loans (average balance)

		FY2013	FY2013	FY2014	FY2014	FY2015	FY2015	FY2016	FY2016	FY2017	FY2017	
		1H		1H		1H		1H		1H		
(100 million yen)												
	General capital	30,606	30,934	31,746	32,129	33,084	33,908	36,191	37,230	39,604	40,295	
	Type	Local development	15,640	15,783	16,025	16,172	16,382	16,832	17,746	18,132	18,840	19,237
		Urban	5,971	6,103	6,468	6,609	6,885	7,040	7,217	7,170	6,857	6,699
		Private loans	8,984	9,026	9,202	9,253	9,433	9,501	9,762	9,873	10,375	10,514
		Housing loan portion	7,332	7,350	7,407	7,420	7,472	7,487	7,507	7,542	7,655	7,668
		Other	10	21	49	94	383	532	1,464	2,055	3,531	3,843
	Government and municipal loans	3,817	3,826	4,046	4,093	4,636	4,688	4,984	4,952	5,082	5,055	
	State and local public works groups	State and local public works groups	3,698	3,721	3,973	4,018	4,569	4,620	4,929	4,898	5,042	5,014
		Local public corporations	119	104	73	75	67	67	54	53	39	40
	Total loans by domestic branches		34,424	34,761	35,792	36,223	37,720	38,596	41,175	42,182	44,686	45,350
Region	Okayama	18,118	18,178	18,472	18,641	19,533	20,021	21,812	22,607	24,665	25,181	
	Hiroshima	6,233	6,295	6,468	6,524	6,626	6,733	7,008	7,168	7,517	7,652	
	Kagawa, Ehime	2,377	2,413	2,494	2,517	2,582	2,639	2,781	2,832	3,028	3,086	
	Hyogo	1,400	1,433	1,518	1,556	1,689	1,753	1,943	1,992	2,193	2,290	
	Tottori	256	259	270	270	270	274	288	295	306	317	
	Osaka	953	973	999	1,023	1,087	1,134	1,288	1,306	1,280	1,229	
	Tokyo	5,083	5,206	5,568	5,689	5,930	6,038	6,053	5,980	5,694	5,593	
Loan liabilities		-	-	-	-	-	-	-	-	-	-	
Overseas branches		98	104	116	127	160	152	135	141	173	167	
Total loans		34,523	34,866	35,908	36,351	37,881	38,748	41,310	42,324	44,859	45,518	

Loans by Industry (year-end balance)

(100 million yen)	FY2013	FY2013	FY2014	FY2014	FY2015	FY2015	FY2016	FY2016	FY2017	FY2017
	1H		1H		1H		1H		1H	
Domestic branches	34,384	35,567	36,007	37,125	38,461	40,206	42,045	43,835	45,440	46,561
Manufacturing	6,581	6,918	6,720	6,911	6,845	7,108	6,977	6,911	6,663	7,003
Agriculture, forestry	28	30	30	31	30	29	29	34	44	60
Fishing	5	2	14	10	13	11	17	25	46	45
Mining, stone, sand	19	24	23	23	24	22	22	21	20	21
Construction	1,145	1,203	1,167	1,130	1,119	1,159	1,140	1,214	1,194	1,296
Electric power, gas, heat supply, water	544	576	656	739	861	965	1,205	1,392	1,700	1,860
Information and communications	280	317	302	304	281	294	292	301	301	232
Transport, postal	1,138	1,186	1,275	1,274	1,362	1,460	1,602	1,719	1,939	2,036
Wholesale, retail	4,746	4,899	4,839	4,815	4,848	5,105	5,089	5,106	5,077	5,124
Financial, insurance	1,271	1,302	1,291	1,337	1,686	1,964	2,801	3,474	3,892	3,810
Real estate, goods leasing	3,827	3,995	4,292	4,495	4,760	4,917	5,374	5,623	6,041	6,387
Public corporations	90	84	74	87	66	71	53	57	40	38
Other	3,737	3,911	4,217	4,408	4,693	4,845	5,320	5,566	6,001	6,349
Various services	2,314	2,405	2,404	2,500	2,510	2,693	2,788	2,966	3,035	3,200
Public organizations	3,696	3,819	4,014	4,327	4,726	4,836	4,932	4,847	5,067	4,979
Other	8,784	8,884	8,975	9,222	9,389	9,637	9,770	10,195	10,414	10,502
Housing loans	7,402	7,465	7,478	7,525	7,563	7,588	7,637	7,672	7,683	7,736
Overseas branches + Offshore loans	101	97	113	163	149	158	128	168	166	200
Total	34,486	35,664	36,121	37,289	38,610	40,365	42,173	44,003	45,607	46,761

Loans by Industry (percentage)

	FY2013 1H	FY2013	FY2014 1H	FY2014	FY2015 1H	FY2015	FY2016 1H	FY2016	FY2017 1H	FY2017
Domestic branches	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Manufacturing	19.1%	19.5%	18.7%	18.6%	17.8%	17.7%	16.6%	15.8%	14.7%	15.0%
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%	0.1%	0.1%	0.1%
Mining, stone, sand	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.0%	0.0%	0.0%
Construction	3.3%	3.4%	3.2%	3.0%	2.9%	2.9%	2.7%	2.8%	2.6%	2.8%
Electric power, gas, heat supply, water	1.6%	1.6%	1.8%	2.0%	2.2%	2.4%	2.9%	3.2%	3.7%	4.0%
Information and communications	0.8%	0.9%	0.8%	0.8%	0.7%	0.7%	0.7%	0.7%	0.7%	0.5%
Transport, postal	3.3%	3.3%	3.5%	3.4%	3.5%	3.6%	3.8%	3.9%	4.3%	4.4%
Wholesale, retail	13.8%	13.8%	13.4%	13.0%	12.6%	12.7%	12.1%	11.6%	11.2%	11.0%
Financial, insurance	3.7%	3.7%	3.6%	3.6%	4.4%	4.9%	6.7%	7.9%	8.6%	8.2%
Real estate, goods leasing	11.1%	11.2%	11.9%	12.1%	12.4%	12.2%	12.8%	12.8%	13.3%	13.7%
Public corporations	0.3%	0.2%	0.2%	0.2%	0.2%	0.2%	0.1%	0.1%	0.1%	0.1%
Other	10.9%	11.0%	11.7%	11.9%	12.2%	12.1%	12.7%	12.7%	13.2%	13.6%
Various services	6.7%	6.8%	6.7%	6.7%	6.5%	6.7%	6.6%	6.8%	6.7%	6.9%
Public organizations	10.7%	10.7%	11.1%	11.7%	12.3%	12.0%	11.7%	11.1%	11.2%	10.7%
Other	25.5%	25.0%	24.9%	24.8%	24.4%	24.0%	23.2%	23.3%	22.9%	22.6%
Housing loans	21.5%	21.0%	20.8%	20.3%	19.7%	18.9%	18.2%	17.5%	16.9%	16.6%

Share of Total Deposits

[Year-end balance]		FY2013	FY2013	FY2014	FY2014	FY2015	FY2015	FY2016	FY2016	FY2017	FY2017
(%)		1H		1H		1H		1H		1H	
Okayama	Chugoku Bank	47.7	47.8	47.4	48.0	47.7	48.4	48.2	48.4	48.0	48.6
	Other than Chugoku Bank	52.3	52.2	52.6	52.0	52.3	51.6	51.8	51.6	52.0	51.4
	Local banks other than Chugoku Bank	8.3	8.3	8.3	8.3	8.4	8.1	8.1	8.1	7.9	7.8
	Secondary local banks	11.1	11.3	11.6	11.6	11.8	11.9	11.7	11.7	11.7	11.5
	City banks, trust banks	11.5	11.5	11.7	11.2	11.0	10.8	11.2	11.4	11.8	11.9
	Shinkin banks, investment association, etc.	21.4	21.1	21.0	20.9	21.1	20.8	20.8	20.4	20.6	20.3
Bingo region (Eastern region of Hiroshima)	Chugoku Bank	20.8	20.7	21.5	21.6	21.0	20.6	21.3	21.3	20.5	20.0
	Other than Chugoku Bank	79.2	79.3	78.5	78.4	79.0	79.4	78.7	78.7	79.5	80.0
	Local banks other than Chugoku Bank	38.7	39.5	39.1	39.5	40.1	40.9	40.0	40.2	40.7	41.2
	Secondary local banks	12.8	12.5	12.2	11.9	11.9	11.9	11.8	11.9	11.8	12.0
	City banks, trust banks	12.2	12.2	12.1	12.2	12.0	11.9	12.2	12.1	12.2	12.2
	Shinkin banks, investment association, etc.	15.5	15.0	15.1	14.8	15.0	14.7	14.7	14.5	14.8	14.6
Shikoku region	Chugoku Bank	8.0	7.9	7.8	7.9	7.7	7.7	7.8	7.7	7.7	7.7
	Other than Chugoku Bank	92.0	92.1	92.2	92.1	92.3	92.3	92.2	92.3	92.3	92.3
	Local banks other than Chugoku Bank	51.0	51.6	51.2	51.7	51.8	52.3	52.1	52.1	51.9	52.3
	Secondary local banks	17.3	17.0	17.2	17.2	17.2	17.1	17.2	17.1	17.3	17.2
	City banks, trust banks	11.0	11.0	11.1	10.8	10.9	10.7	10.4	10.8	10.8	10.8
	Shinkin banks, investment association, etc.	12.7	12.4	12.6	12.4	12.4	12.2	12.5	12.3	12.3	12.0

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

Note 2: Excluding offshore loans. Including our NCDs.

Share of Total Loans

[Year-end balance]		FY2013	FY2013	FY2014	FY2014	FY2015	FY2015	FY2016	FY2016	FY2017	FY2017
(%)		1H		1H		1H		1H		1H	
Okayama	Chugoku Bank	38.1	38.1	37.7	38.2	38.8	39.7	41.0	42.1	42.9	43.0
	Other than Chugoku Bank	61.9	61.9	62.3	61.8	61.2	60.3	59.0	57.9	57.1	57.0
	Local banks other than Chugoku Bank	17.8	17.8	17.8	17.9	17.8	17.7	17.4	17.2	17.2	17.3
	Secondary local banks	16.9	17.1	17.6	17.6	17.8	17.5	17.4	17.3	17.4	17.3
	City banks, trust banks	10.4	10.6	10.5	10.3	9.7	9.8	9.2	8.8	8.1	8.2
	Shinkin banks, investment association, etc.	16.8	16.4	16.4	16.0	15.9	15.3	15.0	14.6	14.4	14.3
Bingo region (Eastern region of Hiroshima)	Chugoku Bank	23.4	23.5	23.4	23.2	23.1	22.8	23.0	22.8	22.8	22.7
	Other than Chugoku Bank	76.6	76.5	76.6	76.8	76.9	77.2	77.0	77.2	77.2	77.3
	Local banks other than Chugoku Bank	43.2	42.8	43.5	44.1	43.7	43.1	43.0	43.0	43.2	43.1
	Secondary local banks	13.2	13.2	12.7	12.8	13.7	14.1	14.3	14.7	15.1	15.3
	City banks, trust banks	7.6	8.0	7.9	7.8	7.8	8.8	8.7	8.7	8.2	8.3
	Shinkin banks, investment association, etc.	12.6	12.5	12.5	12.1	11.7	11.2	11.0	10.8	10.7	10.6
Shikoku region	Chugoku Bank	9.4	9.5	9.6	9.6	9.7	10.2	10.5	10.6	11.2	11.3
	Other than Chugoku Bank	90.6	90.5	90.4	90.4	90.3	89.8	89.5	89.4	88.8	88.7
	Local banks other than Chugoku Bank	50.6	50.9	51.4	51.3	50.3	50.5	50.3	49.9	49.6	49.9
	Secondary local banks	16.7	16.5	16.5	16.5	17.2	17.5	17.9	17.8	18.2	17.9
	City banks, trust banks	11.7	11.7	11.3	11.6	11.7	10.9	10.4	11.2	10.3	10.3
	Shinkin banks, investment association, etc.	11.6	11.4	11.2	11.0	11.1	10.9	10.9	10.5	10.7	10.5

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

Securities

Balance by type

[Parent] (100 million yen)	FY2013 1H	FY2013	FY2014 1H	FY2014	FY2015 1H	FY2015	FY2016 1H	FY2016	FY2017 1H	FY2017
Year-end balance	29,672	31,431	32,013	32,614	28,773	31,073	30,347	27,146	27,439	26,208
JGBs	11,144	12,268	12,947	13,615	11,377	12,069	11,295	9,064	8,111	8,536
Local bonds	6,215	6,159	5,764	5,175	4,654	5,441	5,579	5,635	6,716	6,781
Corporate bonds	5,356	5,352	4,907	4,237	4,040	4,256	3,965	3,251	3,499	3,617
Foreign bonds	4,328	4,813	5,125	5,803	5,284	5,883	6,051	5,750	5,393	3,591
(Foreign currency denominated portion)	(3,959)	(4,455)	(4,727)	(5,387)	(4,949)	(5,544)	(5,650)	(5,426)	(5,185)	(3,408)
Other securities	1,073	1,230	1,541	1,779	1,624	1,728	1,897	1,753	1,848	1,859
Equities	1,554	1,607	1,726	2,002	1,792	1,693	1,558	1,690	1,869	1,822

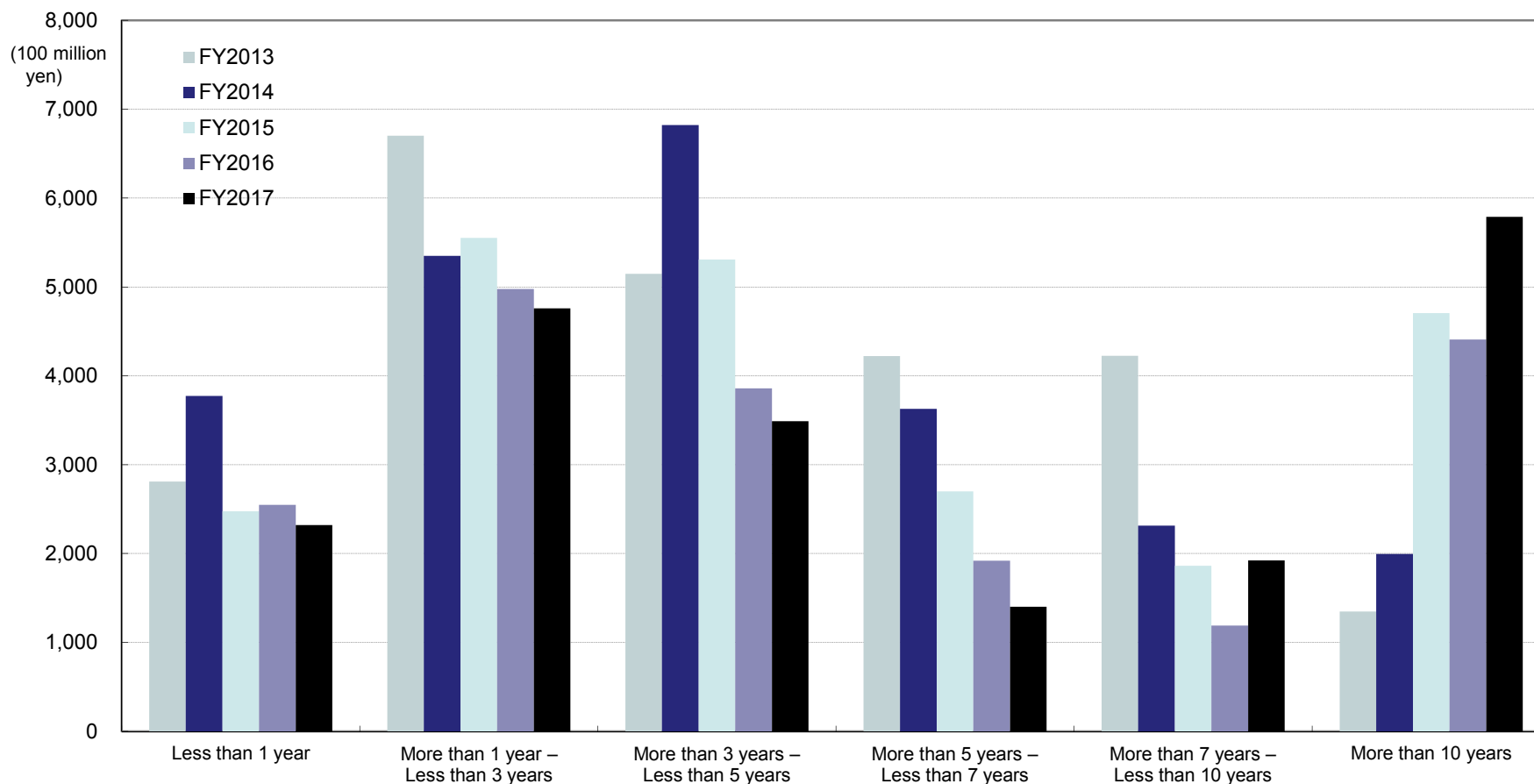
Average balance during year	FY2013	FY2013	FY2014	FY2014	FY2015	FY2015	FY2016	FY2016	FY2017	FY2017
JGBs	10,865	11,214	12,382	12,878	11,822	11,715	11,151	10,765	8,447	8,225
Local bonds	6,212	6,166	5,814	5,628	4,801	4,988	5,504	5,559	6,173	6,375
Corporate bonds	5,274	5,324	5,165	4,754	4,079	4,116	3,969	3,835	3,405	3,423
Foreign bonds	4,600	4,493	4,684	5,080	5,392	5,539	5,743	6,194	5,298	4,781
(Foreign currency denominated portion)	(4,207)	(4,115)	(4,311)	(4,690)	(5,038)	(5,199)	(5,393)	(5,839)	(5,023)	(4,571)
Other securities	827	882	1,129	1,224	1,383	1,374	1,490	1,520	1,379	1,434
Equities	1,154	1,178	1,200	1,206	1,210	1,215	1,182	1,155	1,042	1,071

Valuation gain/loss

[Parent] (million yen)	FY2013 1H	FY2013	FY2014 1H	FY2014	FY2015 1H	FY2015	FY2016 1H	FY2016	FY2017 1H	FY2017
Securities held to maturity	576	501	479	406	564	759	763	565	512	488
Subsidiary/affiliate equities	-	-	-	-	-	-	-	-	-	-
Other securities	106,181	106,859	131,344	172,331	135,180	162,262	155,021	132,300	148,508	141,551
Equities	39,780	39,262	51,898	75,726	57,427	47,280	41,615	57,643	75,537	73,051
Bonds	37,087	38,320	40,565	41,653	40,807	69,801	68,904	40,296	36,548	36,053
Others	29,313	29,276	38,880	54,951	36,944	45,181	44,501	34,361	36,422	32,446
Total	106,757	107,360	131,823	172,738	135,744	163,022	155,785	132,866	149,020	142,039

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

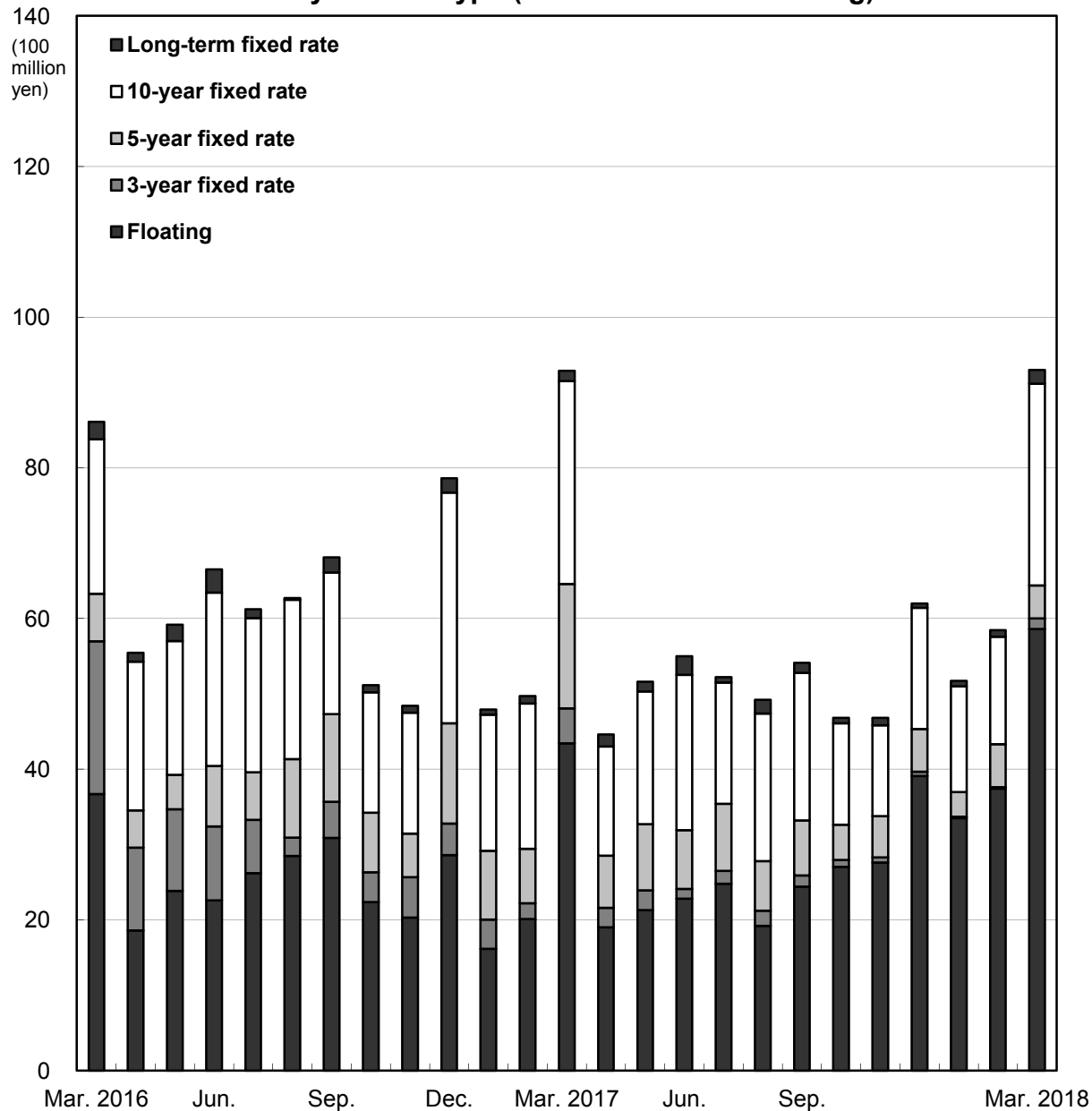
Outstanding balance based on the remaining number of years to maturity for securities



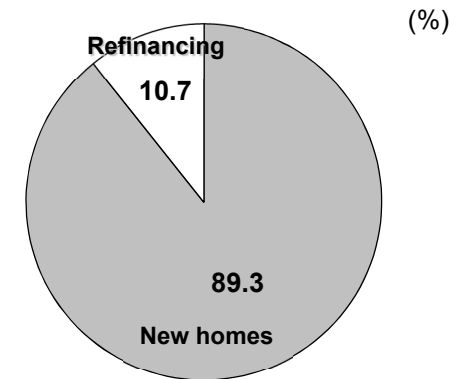
Duration

(year)	FY2013	FY2013	FY2014	FY2014	FY2015	FY2015	FY2016	FY2016	FY2017	FY2017
	1H		1H		1H		1H		1H	
Yen denominated	3.9	4.2	4.0	4.2	4.1	5.4	5.8	4.5	4.8	4.7
Foreign currency denominated	3.1	2.7	2.6	2.9	3.1	4.4	5.0	4.2	3.8	4.2

Loans executed by interest type (new homes + refinancing)

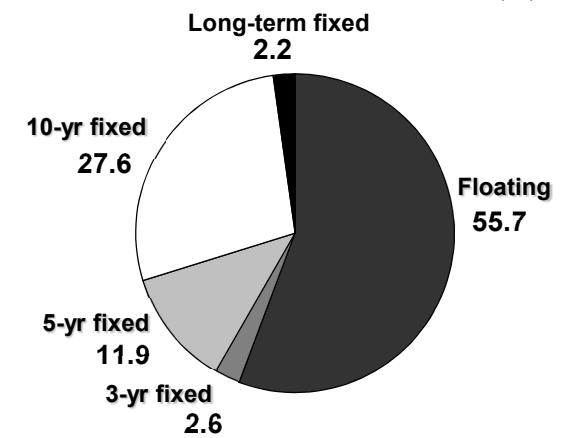


Breakdown of use of loans executed (%)



Total for period from Apr. 2017 to Mar. 2018

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



Total for period from Apr. 2017 to Mar. 2018

Non-Performing Loans

Risk monitored loans

[Parent] (million yen, %)	FY2013 1H	FY2013	FY2014 1H	FY2014	FY2015 1H	FY2015	FY2016 1H	FY2016	FY2017 1H	FY2017
1. Loans in bankruptcy proceedings (% of total loans outstanding)	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	3,881 0.08
2. Delinquent loans (% of total loans outstanding)	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	50,956 1.09
3. Loans more than 3 months delinquent (% of total loans outstanding)	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	1,509 0.03
4. Restructured loans (% of total loans outstanding)	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	14,819 0.32
Total risk monitored loans (% of total loans outstanding)	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	71,168 1.52

Loans based on the Financial Reconstruction Act

[Parent] (million yen)	FY2013 1H	FY2013	FY2014 1H	FY2014	FY2015 1H	FY2015	FY2016 1H	FY2016	FY2017 1H	FY2017
Bankrupt and quasi-bankrupt loans (after partial direct write-off)	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)	20,917 (7,773)
Doubtful loans	57,419	51,818	53,412	54,395	52,632	45,871	41,164	44,443	39,819	34,721
Substandard loans	13,051	14,420	14,956	15,611	18,705	17,662	17,288	16,151	15,007	16,329
Subtotal (A)	96,106	86,718	87,008	90,069	89,398	84,316	78,368	81,248	76,207	71,968
(after partial direct write-off) (B)	(78,583)	(73,815)	(75,436)	(78,153)	(78,696)	(71,829)	(66,044)	(68,576)	(63,040)	(58,824)
Healthy loans	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	4,734,322
Total (C)	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	4,806,290
(after partial direct write-off) (D)	(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)	(4,793,146)
Ratio of target loans (A/C)	2.73	2.39	2.36	2.36	2.26	2.04	1.81	1.80	1.63	1.50
(after partial direct write-off) (B/D)	(2.25)	(2.04)	(2.05)	(2.06)	(2.00)	(1.74)	(1.53)	(1.52)	(1.35)	(1.23)

*We do not implement partial direct write-off.

Debtor Classification Transition :1 year

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

		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	154,633	787	76	33	67	9	200		972
		41,602	40,157	371	38	23	17	3	993		452
	Other doubtful loans	5,095	448	3,903	94	64	27	3	556	448	188
		1,841	264	1,442	47	27	2	1	58	264	77
	Substandard loans	723	13	111	487	10	9	4	89	124	23
		284	10	109	144	5	1	0	15	119	6
	Virtually bankrupt loans	875	7	29	3	715	27	7	87	39	34
		441	1	81	7	298	22	6	26	89	28
	Legally bankrupt loans	501	2	3	-	3	382	5	106	8	5
		158	0	0	-	3	138	1	16	3	1
	Bankrupt clients	219	-	-	-	1	-	171	47	1	
		45	-	-	-	0	-	36	9	0	
	Total	163,218	155,103	4,833	660	826	512	199	1,085	620	1,222
		44,371	40,432	2,003	236	356	180	47	1,117	475	564

Note: "Other" indicates loans that were cancelled as of the end of March 2018 or those excluded from the self-assessment due to their small size.

Debtor Classification Transition (YoY comparison)

(Upper level: Forecast Lower level: Value)

			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%	99.25%	0.51%	0.05%	0.02%	0.04%	0.01%	0.13%		0.62%
		100%	96.53%	0.89%	0.09%	0.06%	0.04%	0.01%	2.39%		1.09%
	Other doubtful loans	100%	8.79%	76.60%	1.84%	1.26%	0.53%	0.06%	10.91%	8.79%	3.69%
		100%	14.34%	78.33%	2.55%	1.47%	0.11%	0.05%	3.15%	14.34%	4.18%
	Substandard loans	100%	1.80%	15.35%	67.36%	1.38%	1.24%	0.55%	12.31%	17.15%	3.18%
		100%	3.52%	38.38%	50.70%	1.76%	0.35%	0.00%	5.28%	41.90%	2.11%
	Virtually bankrupt loans	100%	0.80%	3.31%	0.34%	81.71%	3.09%	0.80%	9.94%	4.46%	3.89%
		100%	0.23%	18.37%	1.59%	67.57%	4.99%	1.36%	5.90%	20.18%	6.35%
	Legally bankrupt loans	100%	0.40%	0.60%	-	0.60%	76.25%	1.00%	21.16%	1.60%	1.00%
		100%	0.00%	0.00%	-	1.90%	87.34%	0.63%	10.13%	1.90%	0.63%
	Bankrupt clients	100%	-	-	-	0.46%	-	78.08%	21.46%	0.46%	
		100%	-	-	-	0.00%	-	80.00%	20.00%	0.00%	
	Total	100%	95.03%	2.96%	0.40%	0.51%	0.31%	0.12%	0.66%	0.38%	0.75%
		100%	91.12%	4.51%	0.53%	0.80%	0.41%	0.11%	2.52%	1.07%	1.27%

Note: "Other" indicates loans that were cancelled as of the end of March 2018 or those excluded from the self-assessment due to their small size.

Debtor Classification Transition in 2H

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

		FY2017							Favorable turnaround	Deterioration	
		Healthy loans	Other doubtful loans	Substandard loans	Virtually bankrupt loans	Legally bankrupt loans	Bankrupt clients	Other (see note)			
1H FY2016	Healthy loans	158,693	158,041	413	51	16	47	5	120		532
		43,313	42,486	219	33	21	4	0	550		277
	Other doubtful loans	5,023	199	4,413	61	35	21	2	292	199	119
		1,853	80	1,696	34	16	1	0	26	80	51
	Substandard loans	664	3	60	552	5	6	4	34	63	15
		216	4	36	167	3	0	0	6	40	3
	Virtually bankrupt loans	846	4	12	-	767	25	2	36	16	27
		395	0	61	-	305	15	4	10	61	19
	Legally bankrupt loans	500	-	1	-	4	415	12	68	5	12
		167	-	0	-	0	155	2	10	0	2
	Bankrupt clients	199	-	-	-	-	-	175	24	-	-
		44	-	-	-	-	-	39	5	-	-
	Total	165,925	158,247	4,899	664	827	514	200	574	283	705
		45,988	42,570	2,012	234	345	175	45	607	181	352

Note: "Other" indicates loans that were cancelled as of the end of March 2018 or those excluded from the self-assessment due to their small size.

Debtor Classification Transition in 2H (comparison)

(Upper level: Forecast Lower level: Value)

			FY2017							Favorable turnaround	Deterioration
			Healthy loans	Other doubtful loans	Substandard loans	Virtually bankrupt loans	Legally bankrupt loans	Bankrupt clients	Other (see note)		
1H FY2016	Healthy loans	100%	99.59%	0.26%	0.03%	0.01%	0.03%	0.00%	0.08%		0.34%
		100%	98.09%	0.51%	0.08%	0.05%	0.01%	0.00%	1.27%		0.64%
	Other doubtful loans	100%	3.96%	87.86%	1.21%	0.70%	0.42%	0.04%	5.81%	3.96%	2.37%
		100%	4.32%	91.53%	1.83%	0.86%	0.05%	0.00%	1.40%	4.32%	2.75%
	Substandard loans	100%	0.45%	9.04%	83.13%	0.75%	0.90%	0.60%	5.12%	9.49%	2.26%
		100%	1.85%	16.67%	77.31%	1.39%	0.00%	0.00%	2.78%	18.52%	1.39%
	Virtually bankrupt loans	100%	0.47%	1.42%	-	90.66%	2.96%	0.24%	4.26%	1.89%	3.19%
		100%	0.00%	15.44%	-	77.22%	3.80%	1.01%	2.53%	15.44%	4.81%
	Legally bankrupt loans	100%	-	0.20%	-	0.80%	83.00%	2.40%	13.60%	1.00%	2.40%
		100%	-	0.00%	-	0.00%	92.81%	1.20%	5.99%	0.00%	1.20%
	Bankrupt clients	100%	-	-	-	-	-	87.94%	12.06%	-	-
		100%	-	-	-	-	-	88.64%	11.36%	-	-
	Total	100%	95.37%	2.95%	0.40%	0.50%	0.31%	0.12%	0.35%	0.17%	0.42%
		100%	92.57%	4.38%	0.51%	0.75%	0.38%	0.10%	1.32%	0.39%	0.77%

Note: "Other" indicates loans that were cancelled as of the end of March 2018 or those excluded from the self-assessment due to their small size.

Capital Adequacy Ratio Trends

[Basel III standards]

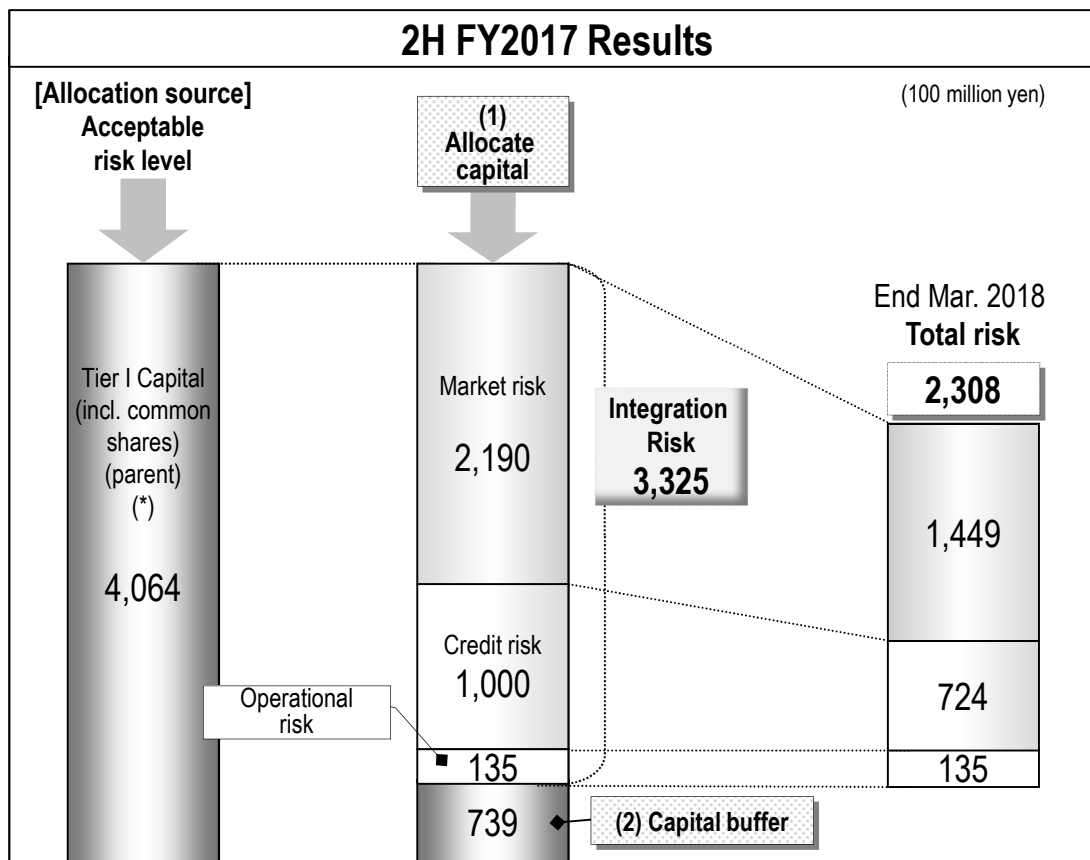
[Parent] (% , 100 million yen)

	1H FY2014	FY2014	1H FY2015	FY2015	1H FY2016	FY2016	1H FY2017	FY2017
Overall capital adequacy ratio	14.35	14.73	14.80	14.56	13.85	13.06	13.03	12.87
Tier I ratio	12.89	13.34	13.72	13.75	13.12	12.77	12.71	12.87
Tier I ratio (including common shares)	12.89	13.34	13.72	13.75	13.12	12.77	12.71	12.87
Overall capital adequacy	4,405	4,722	4,603	4,864	4,902	4,817	5,004	5,078
Tier 1 capital	3,955	4,275	4,269	4,595	4,645	4,712	4,883	5,078
Common equity Tier 1 capital	3,955	4,275	4,269	4,595	4,645	4,712	4,883	5,078
Risk weighted assets	30,680	32,038	31,094	33,407	35,397	36,880	38,402	39,449
Credit risk	29,022	30,399	29,454	31,765	33,778	35,267	36,812	37,889
Operational risk	1,658	1,639	1,640	1,641	1,619	1,612	1,590	1,559

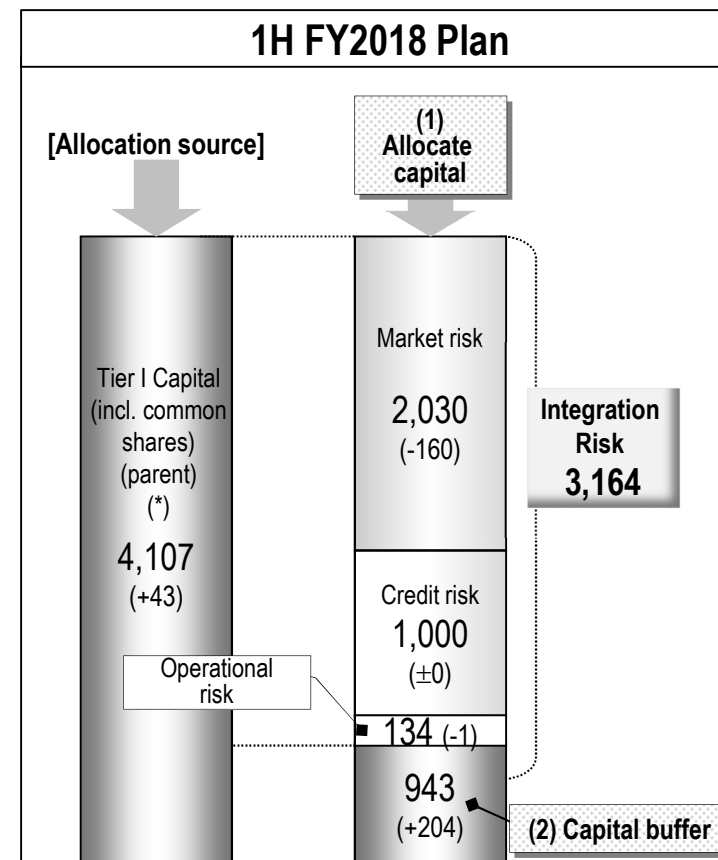
[Consolidated] (% , 100 million yen)

	1H FY2014	FY2014	1H FY2015	FY2015	1H FY2016	FY2016	1H FY2017	FY2017
Overall capital adequacy ratio	14.98	15.27	15.35	14.94	14.24	13.38	13.39	13.22
Tier I ratio	13.45	13.84	14.24	14.11	13.48	13.08	13.06	13.22
Tier I ratio (including common shares)	13.41	13.82	14.24	14.11	13.48	13.08	13.06	13.22
Overall capital adequacy	4,646	4,941	4,823	5,034	5,087	4,978	5,174	5,250
Tier 1 capital	4,173	4,477	4,473	4,753	4,815	4,863	5,046	5,247
Common equity Tier 1 capital	4,159	4,471	4,473	4,753	4,815	4,863	5,046	5,247
Risk weighted assets	31,004	32,341	31,415	33,687	35,700	37,181	38,642	39,691
Credit risk	29,268	30,622	29,696	31,968	34,007	35,494	36,977	38,054
Operational risk	1,735	1,718	1,718	1,718	1,693	1,687	1,665	1,637

Capital Allocation and Integration Risks



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



Figures in parentheses are versus 2H FY2017

[Role of different types of capital]

Allocate capital	Capital allocated to each risk up to the allocated source ((Risk limit by risk category)
Capital buffer	<ul style="list-style-type: none"> ✓ Reserves of capital in case of its losses due to stress ✓ In case of immeasurable risks ✓ When econometric model unable to estimate risk ✓ Reserves in case of new risk-taking, etc.

(Reference) IRRBB (Interest Rate Risk in the Banking Book) (non-consolidated)

Maximum value of ΔEVE	¥39.7 billion
Materiality test (maximum value of ΔEVE / Tier I)	7.8%
⇒ The interest risk (maximum value of ΔEVE) of the Chugoku Bank was within 15% of Tier I capital and meets the requirements of the materiality test by the authorities.	

Use of Allocate Capital and Risk Exposure Assumptions

Capital Allocation and Integration Risk Trends (supplement)

The table below illustrates trends for Capital allocation and integration risks in 2H FY2017, and the Capital allocation trends for 1H FY2018.

(100 million yen)

	2H FY2017		1H FY2018			Calculation methods, etc.	
	Capital allocation value	Risk exposure (End Mar. 2018)	Capital allocation value	YoY	Major factors that triggered change	(Supplement measurements)	
Allocation source	4,064		4,107	(+43)	—	Deduction of positive securities valuation gain from Tier I capital (including parent common shares) at the end of FY2017	
Allocate capital (Integration risk)	3,325	2,308	3,164	(-161)			
Market risk total	2,190	1,449	2,030	(-160)			
Banking	2,170	534	2,010	(-160)	• Decrease due to reduction in interest risk (decrease in foreign currency bond investment) -160	<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 bonds; assets with price fluctuation risk, including equities and investment trusts • Including assets and liabilities belonging to consolidated subsidiaries
		1,122					
		(Correlation) -209					
Trading	20	1	20	(0)	—	<ul style="list-style-type: none"> • VaR (10-day retention period, 99.9% confidence level) 	<ul style="list-style-type: none"> • Money in trust • Trading securities
Credit risk total	1,000	724	1,000	(0)	—		
Commercial credit	830	587	830	(0)	—	<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	136	170	(0)	—	Capital requirements	• Home loans, etc.
Operational risk	135	135	134	(-1)	—	Post risk exposure estimated at the time business plans were created, based on the gross profit allocation methods (to be fixed during 1H FY2018)	
(Unused allocate capital)		1,017					
Capital buffer	739		943	(+204)	• Buffer against market risk and credit risk +204	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		FY2015 1H	FY2015	FY2016 1H	FY2016	FY2017 1H	FY2017
Chugin Lease Co., Ltd	Leasing	100.00	Ordinary revenue	5,684	12,855	6,975	15,120	5,695	11,245
			Recurring profit	427	883	570	1,089	521	823
			Net income	297	584	386	725	356	553
Chugin Credit Guarantee Co., Ltd.	Credit assurance	100.00	Ordinary revenue	838	1,653	851	1,644	816	1,608
			Recurring profit	837	1,562	664	1,176	740	1,344
			Net income	553	1,006	439	772	491	885
Chugin Card Co., Ltd.	Credit card	100.00	Ordinary revenue	660	1,276	699	1,338	726	1,439
			Recurring profit	184	334	201	319	206	354
			Net income	100	205	170	243	145	240
Chugin Asset Management Co., Ltd.	Securities investment advisor	100.00	Ordinary revenue	213	403	210	410	223	454
			Recurring profit	70	99	26	32	32	54
			Net income	49	68	21	24	24	39
Chugin Securities Co., Ltd.	Financial instrument transactions	100.00	Ordinary revenue	1,969	3,517	1,582	3,594	1,940	4,303
			Recurring profit	454	518	114	391	276	735
			Net income	305	349	76	261	188	521
CBS Co., Ltd.	Banking operation outsourcing	100.00	Ordinary revenue	516	1,018	549	1,109	565	1,136
			Recurring profit	46	65	95	184	122	232
			Net income	29	38	61	117	81	151
Chugin Operation Center Co., Ltd.	Banking operation outsourcing	100.00	Ordinary revenue	388	777	403	789	407	789
			Recurring profit	16	32	27	31	31	30
			Net income	9	16	17	16	19	17

Key Press Releases

2017	Oct. 5	Issuance of Regional Card Using Electronic Money
	Oct. 10	Opening of Chugin Kurashiki Insurance Plaza
	Oct. 11	Establishment of Chugin Business Foundation Support Package
	Oct. 12	Commencement of T SUBASA Fintech Common Platform Development by the T SUBASA Financial System Advancement Alliance Member Banks
	Oct. 27	Decision of the First Investment Project of the Chugin Innovation Fund
	Nov. 1	Provision of New Functions of the Smartphone App Due to the Start of Handling of the Lifetime Passbook by Moneytree
	Nov. 6	Business Partnership with Japan Digital Design, Inc.
	Nov. 29	Opening of [Kurashiki Entrepreneur Academy] Okayama Innovation Pre-School
	Nov. 30	Execution of Syndicated Loan with the Japan Bank for International Cooperation
	Dec. 7	Example of Initiatives in Regional Revitalization
	Dec. 13	Start of Recruitment for Okayama Innovation School 2018
	Dec. 15	The Convening of the Bangkok Business Exchange Meeting by Banks Participating in the T SUBASA Project
	Dec. 22	Notice Concerning the Establishment of a Nomination and Compensation Committee
	Dec. 26	Initiatives toward Regional Revitalization (Human Resources Development) of the Tamano Region
2018	Jan. 16	Participation in the Designated Management Operations of the Okayama Research Park Incubation Center
	Jan. 19	Conclusion of an Agreement Concerning Comprehensive Cooperation Relating to Regional Revitalization with Tamano city
	Jan. 22	Opening of Mimasaka Start-up School 2018
	Jan. 26	Improvement of Screening Efficiency of Personal Loans and Joint Development of a System for the Introduction of a Web Completion-Type Scheme
	Feb. 2	Opening of the Rebuilt and Relocated Takuma Branch
	Feb. 5	Initiatives in Local Promotion Activities
	Feb. 13	Establishment of Logo in the T SUBASA Financial System Advancement Alliance
	Feb. 22	Partial Amendment to the HQ Organization
	Mar. 1	Initiatives in Foundation Support
	Mar. 1	Publication of the Policy Relating to Cooperation and Collaboration with Electronic Settlement Agents
	Mar. 16	Additional Brand of the <i>Hare-no-kuni</i> Card, a Regional Card Using Electronic Money
	Mar. 16	Initiatives toward the Resolution of Waiting Lists for Nursery Schools
	Mar. 23	Commencement of Full-Scale Examination toward a Common Mission-Critical System with Toho Bank --Collaborative Measures of the T SUBASA Financial System Advancement Alliance--
	Mar. 26	Decision of Investment in IT-Linked Agri Service Business --Assisting Initiatives in the Cultivation of Regional Brand Strawberries "Haremusume"--
	Mar. 27	Commencement of Corporate Auto Lease Business
	Mar. 29	Conclusion of Agreement on the Donation System by Bequest
Mar. 30	Notice concerning the Establishment of an Information Disclosure Policy	

Chugoku Bank Profile and Branch (office) Network



Chugoku Bank Profile

(As of Mar. 31, 2018)

- Establishment: December 21, 1930
- Headquarters: 1-15-20 Marunouchi, Kita-ku Okayama
- Capital: ¥15.1 billion
- No. of employees: 2,961
- 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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