

FY2016
Earnings Results Briefing
(Reference materials)

June 1, 2017



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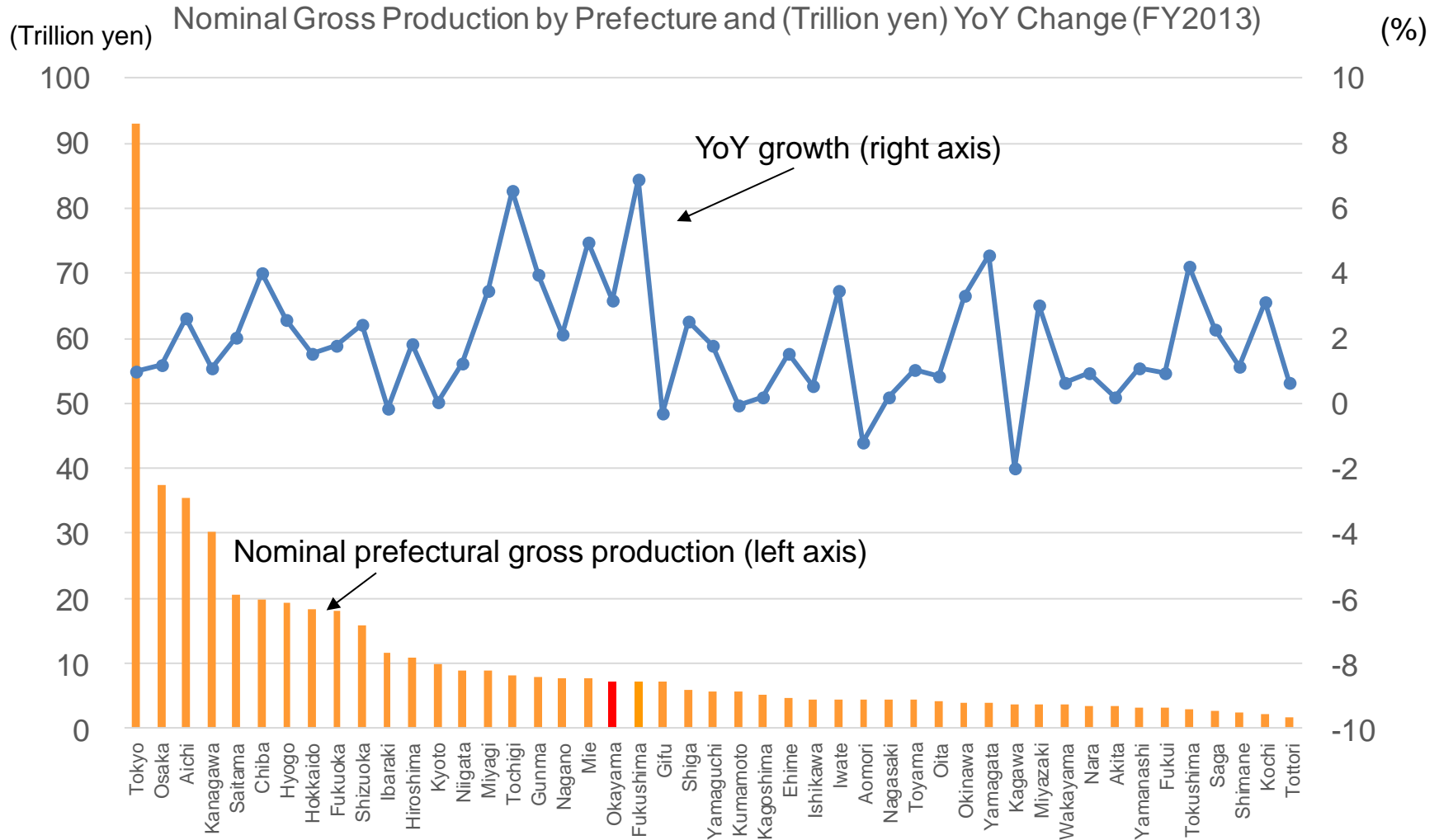
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Okayama Prefecture's Industrial Structure

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. 2016
Population	1,934,000	1.5	21	Population estimate	Jan. 2016
Number of Households	829,811	1.4	17	Population estimate	Jan. 2016
Prefectural gross production (nominal)	7.2734 trillion yen	1.4	20	Prefectural accounts	FY2013
Number of private enterprises	85,510	1.5	21	Economic census	Jul. 2014
Number of employees working at private enterprises	823,920	1.4	20	Economic census	Jul. 2014
Agricultural yield	132.2 billion yen	1.5	23	Statistics of Source: Agricultural Income Produced	2015
Product shipments	8.2557 trillion yen	2.7	14	Survey of Industry Statistics	2014
Information and communication industry sales	145.8 billion yen	0.3	21	Economic census	2013
Wholesale and retail industry sales	4.9866 trillion yen	1.0	19	Economic census	2013
Real estate industry sales and lease of goods	264.0 billion yen	0.7	17	Economic census	2013
Hotel and restaurant industry sales	236.4 billion yen	1.2	23	Economic census	2013
Life related services and entertainment industry sales	372.6 billion yen	1.1	25	Economic census	2013
Healthcare and welfare sales	1.1158 trillion yen	1.2	17	Economic census	2013
Construction output	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: FY2013 Cabinet Office's Annual Report on Prefectural Accounts

Okayama Prefecture's Industrial Structure (1)

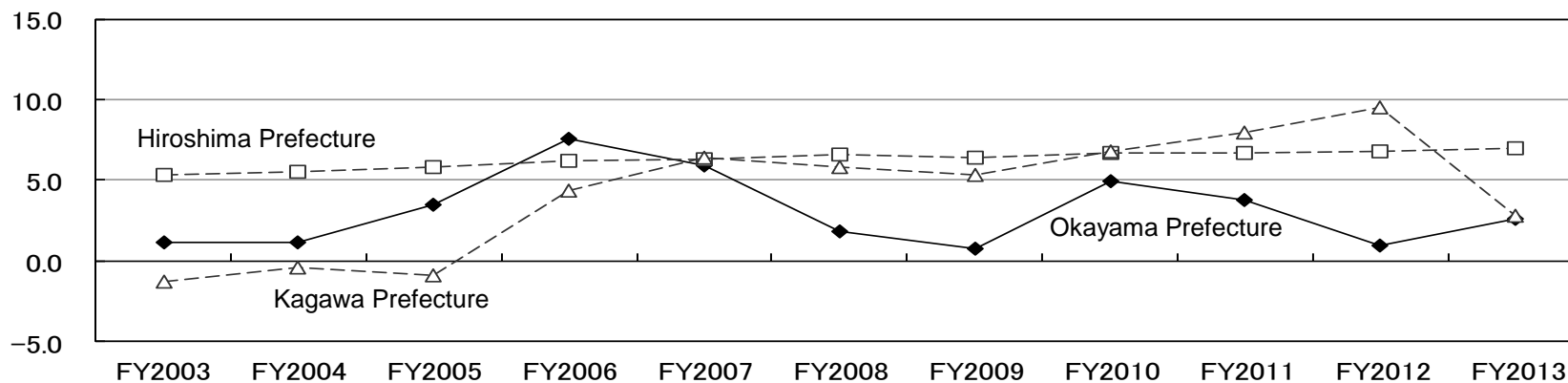
Gross production by economic activity (%)



Source: Cabinet Office's Annual Report on Prefectural Accounts

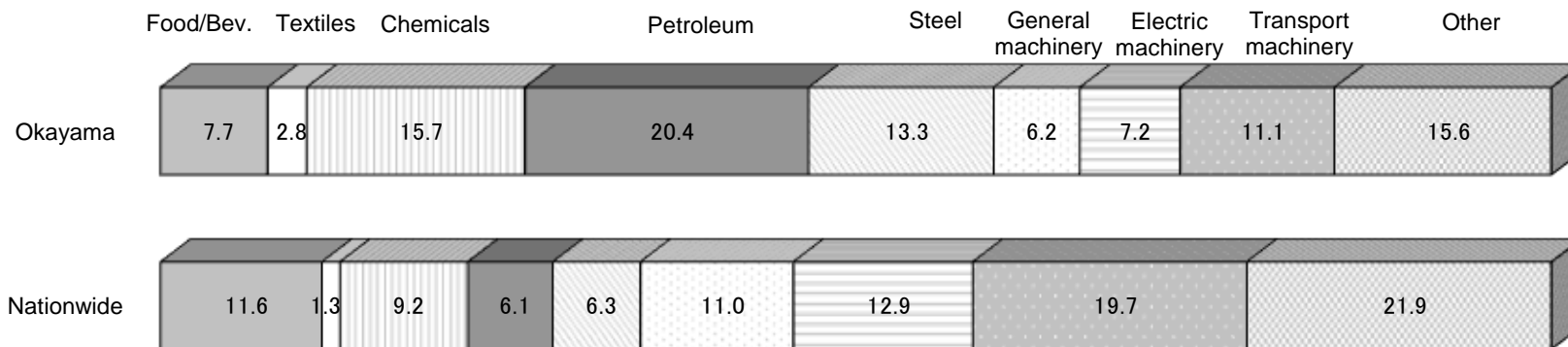
*Total figures may not be 100% due to rounding.

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



Source: Cabinet Office's Annual Report on Prefectural Accounts

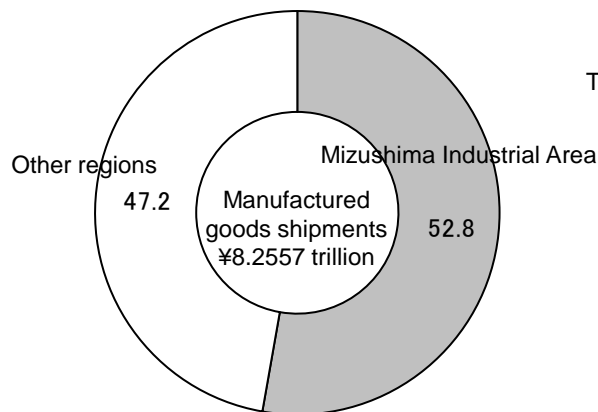
Breakdown of manufactured goods shipments (2014)



Source: METI, Survey of Industry Statistics for Okayama Prefecture

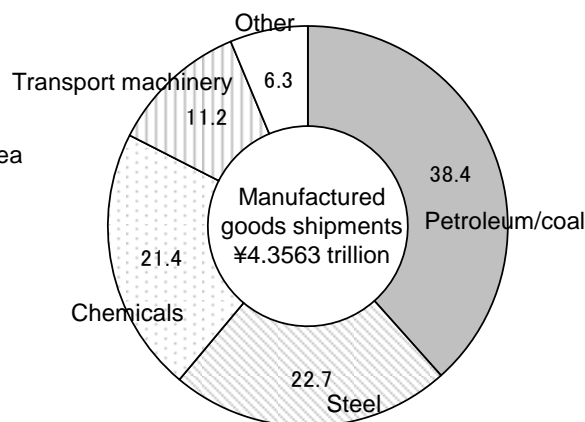
Mizushima Industrial Area's presence

Ratio of manufactured goods from the Mizushima Industrial Area versus total Okayama manufactured goods shipments (2014)



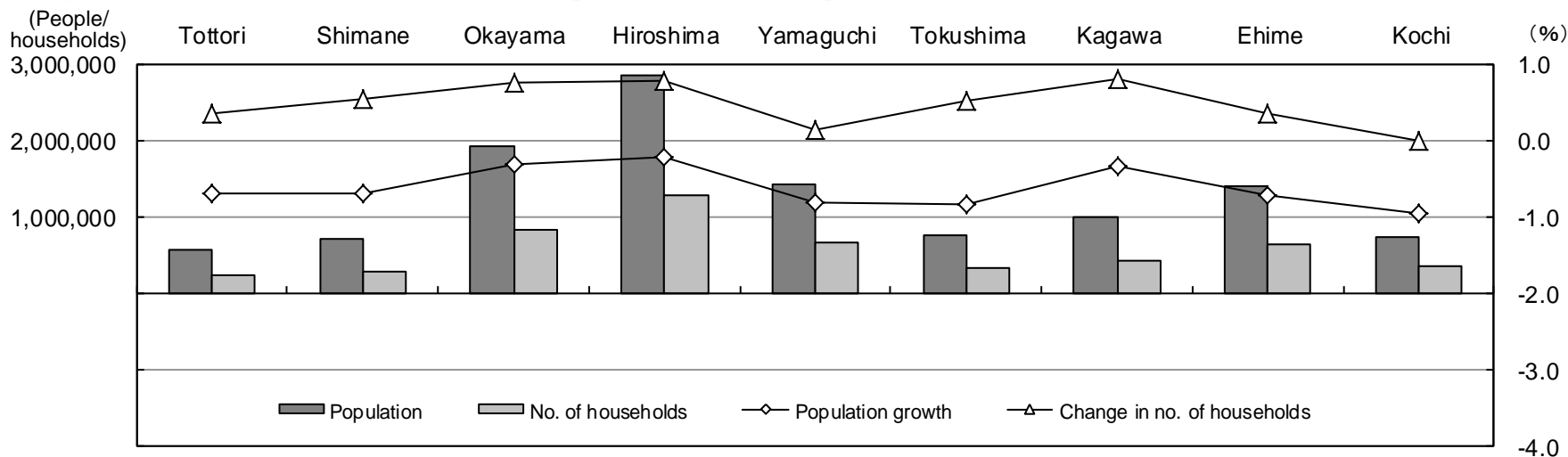
Source: Survey of Industry Statistics for Okayama Prefecture

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



Source: Same as on the left

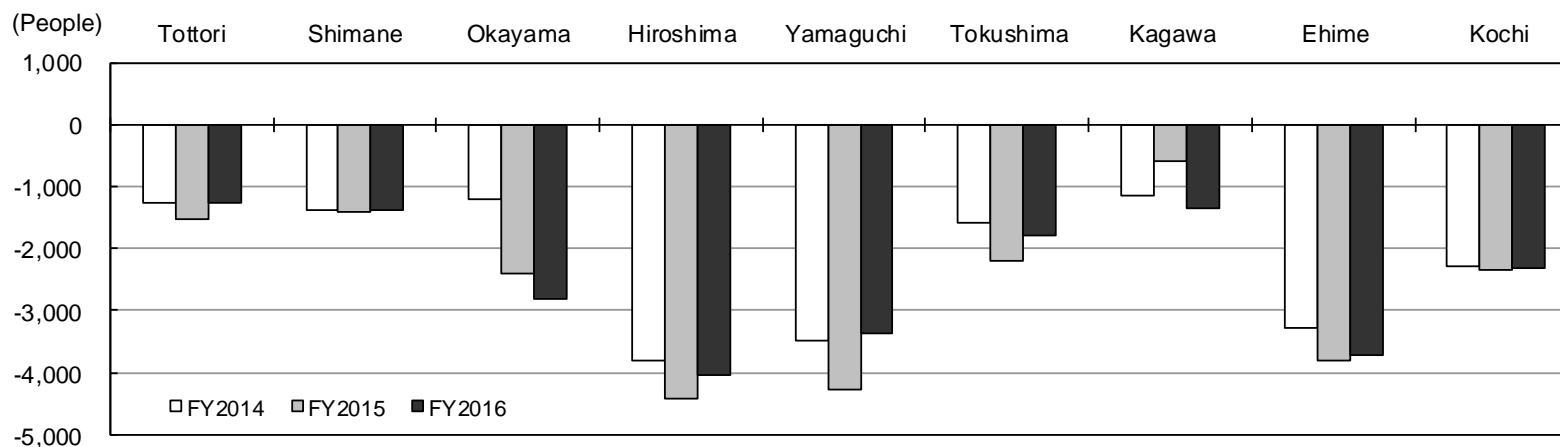
Population/No. of Households in Chugoku/Shikoku Region



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

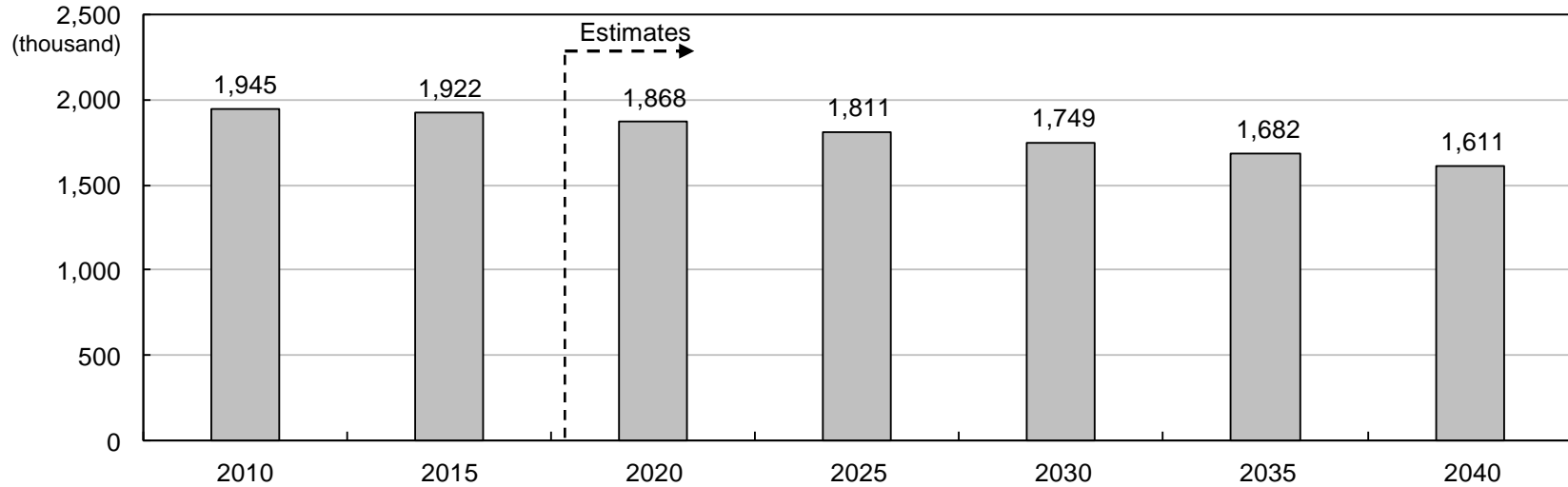
Note: Population and number of households is for January 1, 2016; The change in population and households is a comparison between January 2015 and January 2016.

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

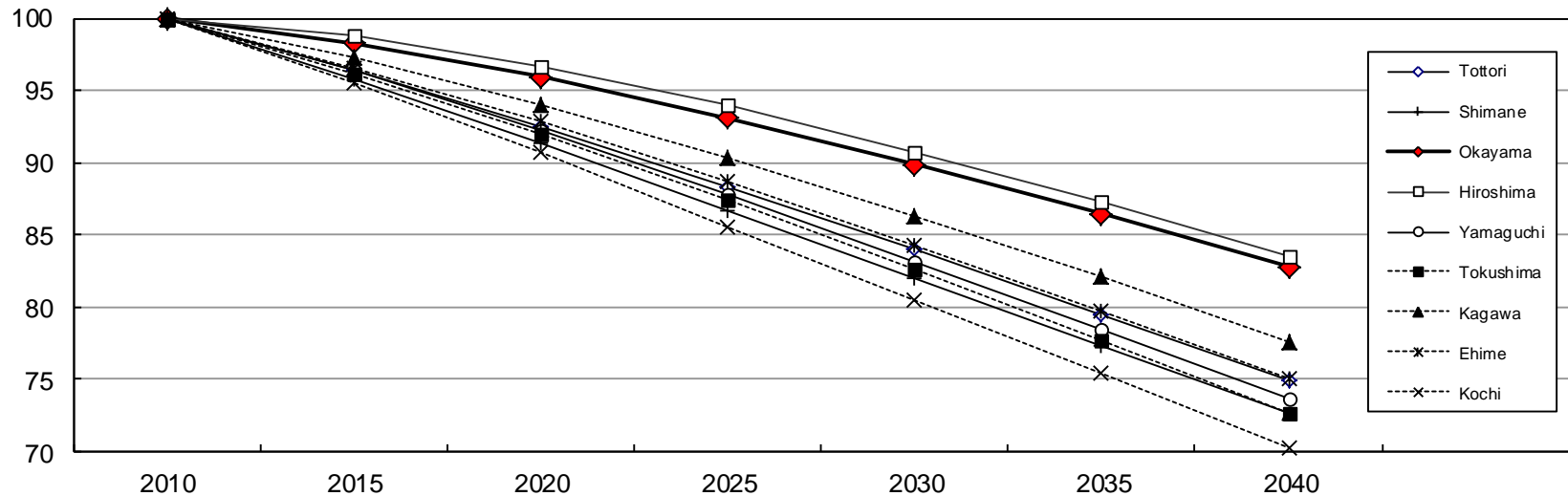
Population trends for Okayama Prefecture



Source: National Institute of Population and Social Security Research

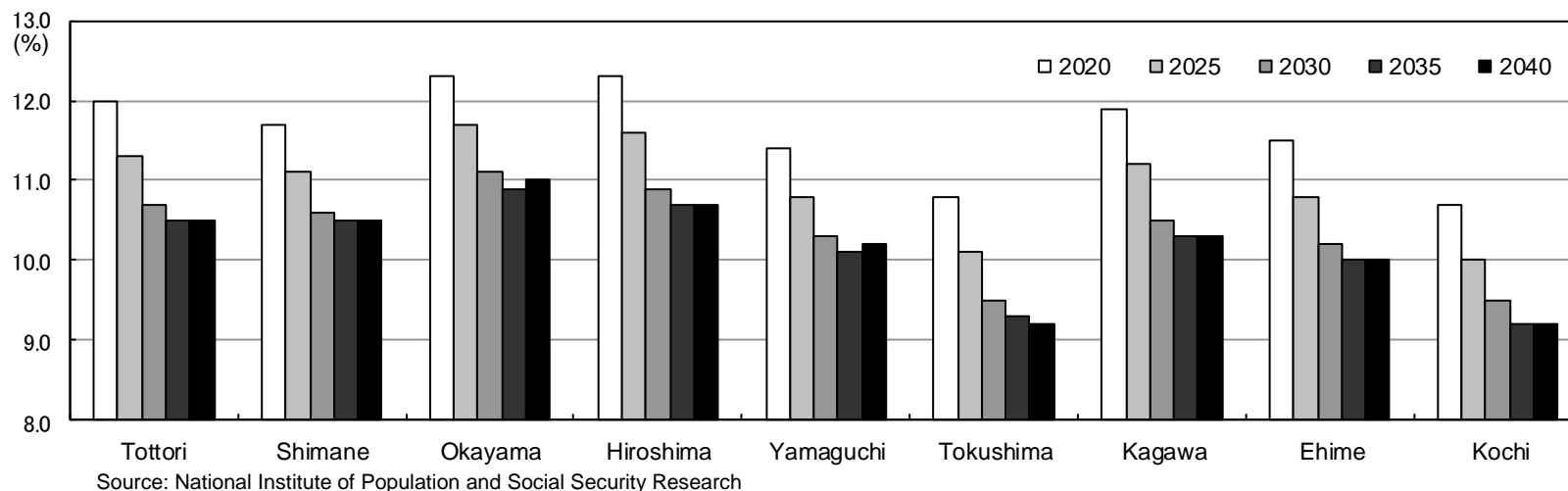
Future population trends for the Chugoku-Shikoku region

(2010 indexed at 100)

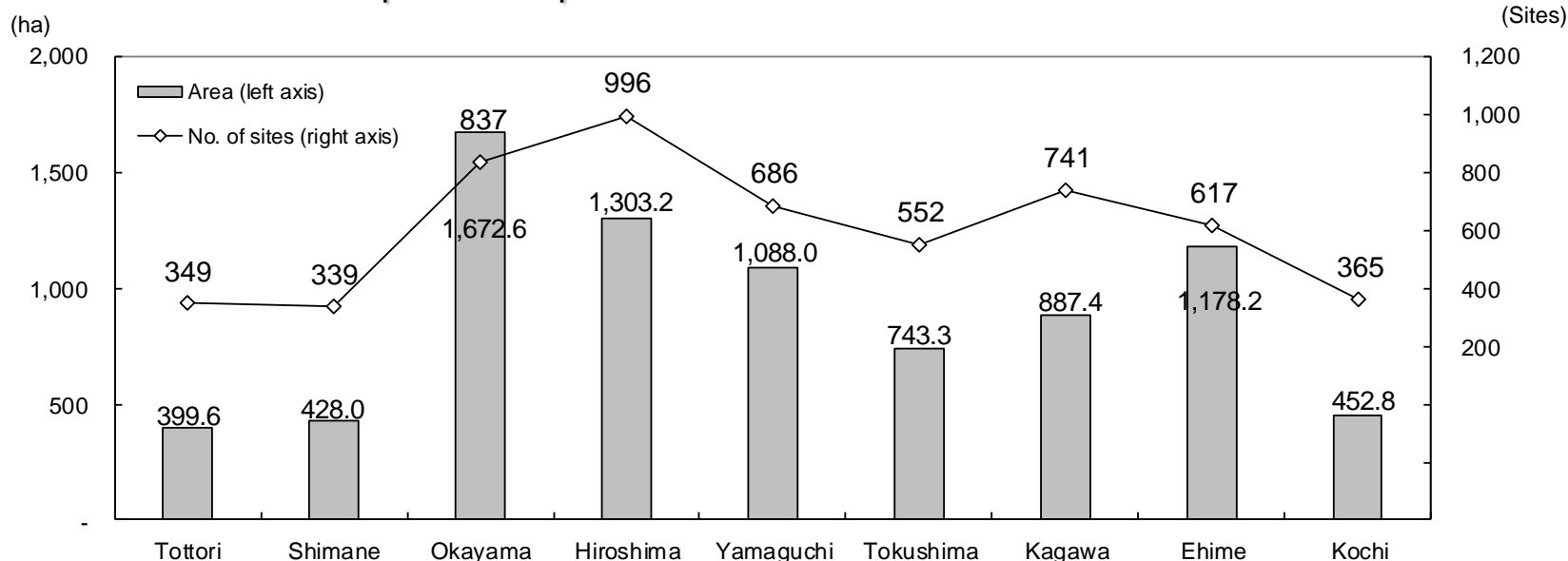


Source: National Institute of Population and Social Security Research

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 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 launched 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 Japan
- ◆ An international contemporary art festival that attracted 230,000 visitors (Okayama Art Summit 2016)

Cheerful life in native prefecture: Popular among people raising children

Ranking of rural areas people wish to live in **Top 6*** (2016)

- ◆ Natural environment that also offers urban functions
- ◆ Public and private sectors promoting move to and permanent residence in Okayama
Extensive aid for child-rearing and medical subsidies
Active support for housing, farming, and job hunting

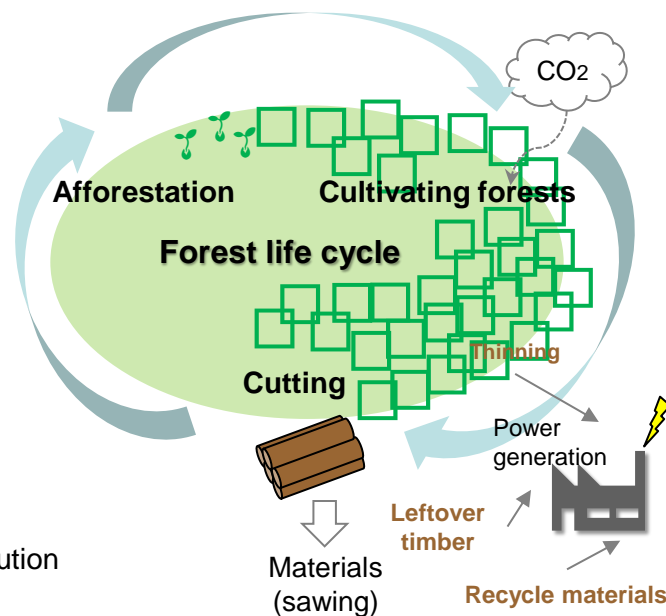
*Based on survey by NPO aiding people's return to home prefectures (NPO Furusato Kaiki Support Center)

Recycling-oriented economy in north of prefecture

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

- ◆ Renewable energy by using abundant natural resources
Power generation using recyclable, wood biomass
Maintain, preserve forest functions by using timber from forest thinning
- ◆ A forestry cluster with a concentration of production, processing, and distribution
The recovery of self-sufficiency of domestic timber poses a further growth opportunity
In April 2016, the first plant dedicated to CLT* (Cross Laminated Timber) in Japan was completed

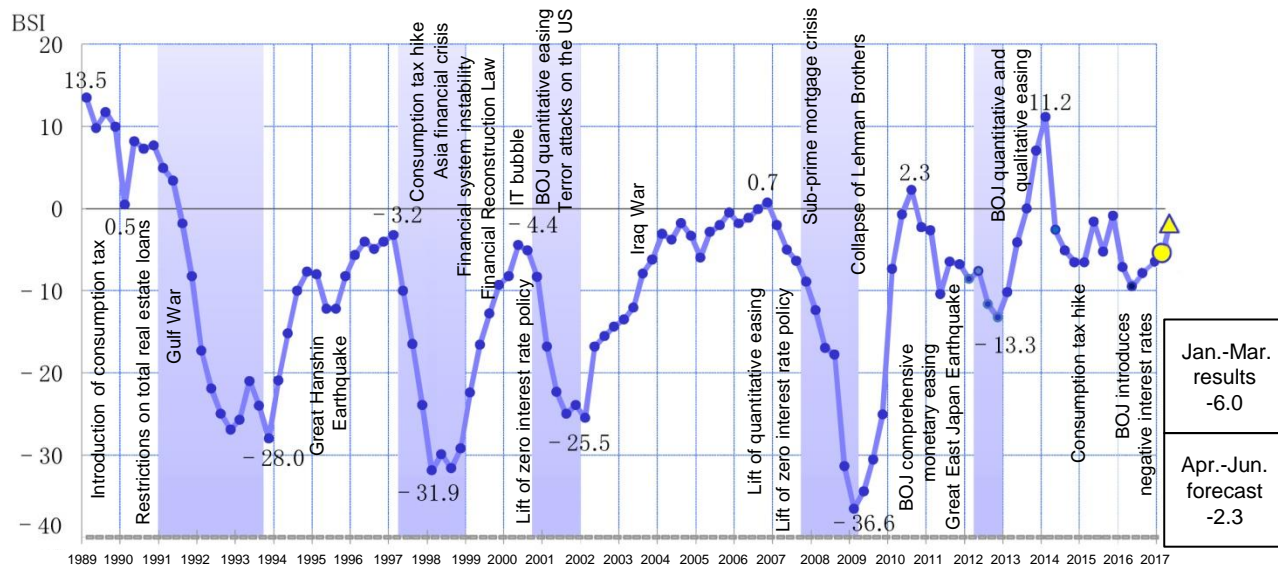
Korakuen (Photo: Official website of Okayama Korakuen)



*Cross Laminated Timber: large wood panels that consist of layers of boards glued together under pressure with the grain of the boards in one layer running perpendicular to the grain in adjoining layers. They are more easily processed than steel frames and steel reinforced concrete, and are widespread mainly in Europe.

Okayama Prefecture's Economic Trends

Some parts of the economy in Okayama see an upswing from sluggishness

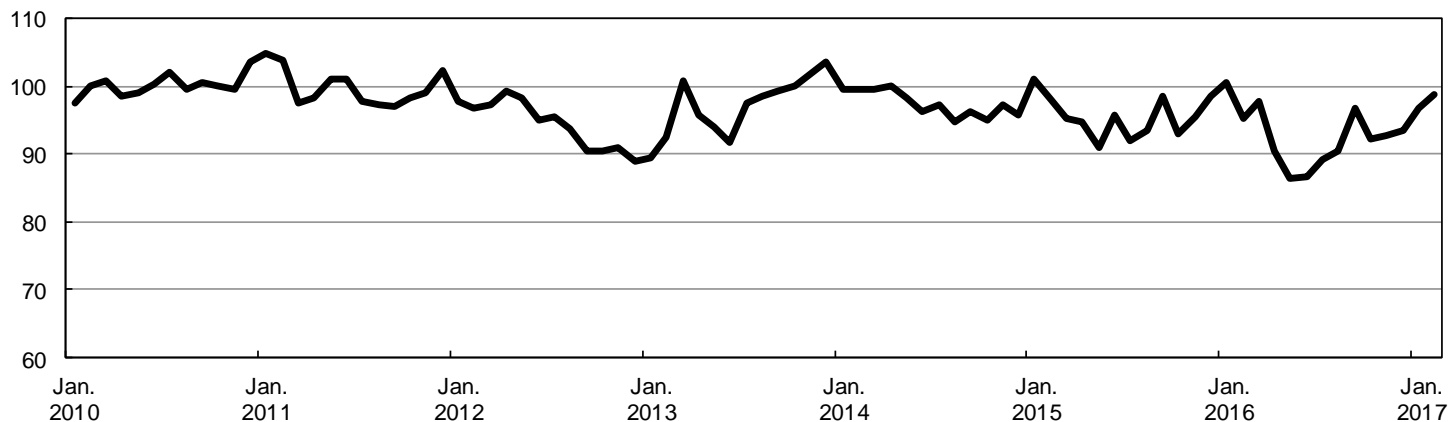


Shaded areas represent periods of economic recession (Cabinet Office)

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.

Industrial production ... Recovering

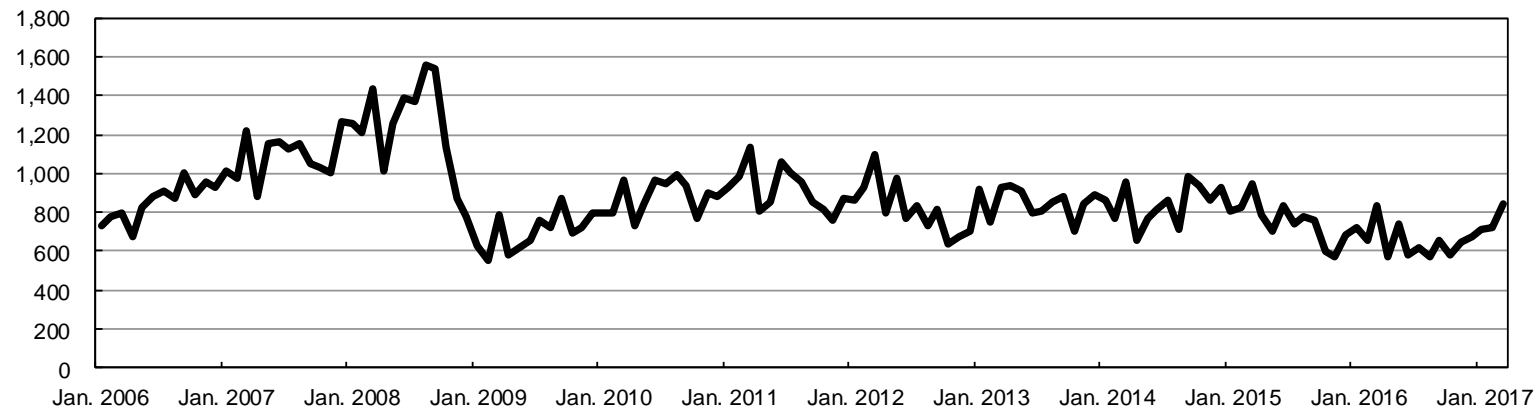
Industrial production index trends (2010 indexed at 100; seasonally adjusted)



Source: Okayama Prefecture Statistical Analysis Section

Exports ... Bottomed out due to recovery of the Asian economy

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



Source: Kobe customs

Capital investment ...Improving

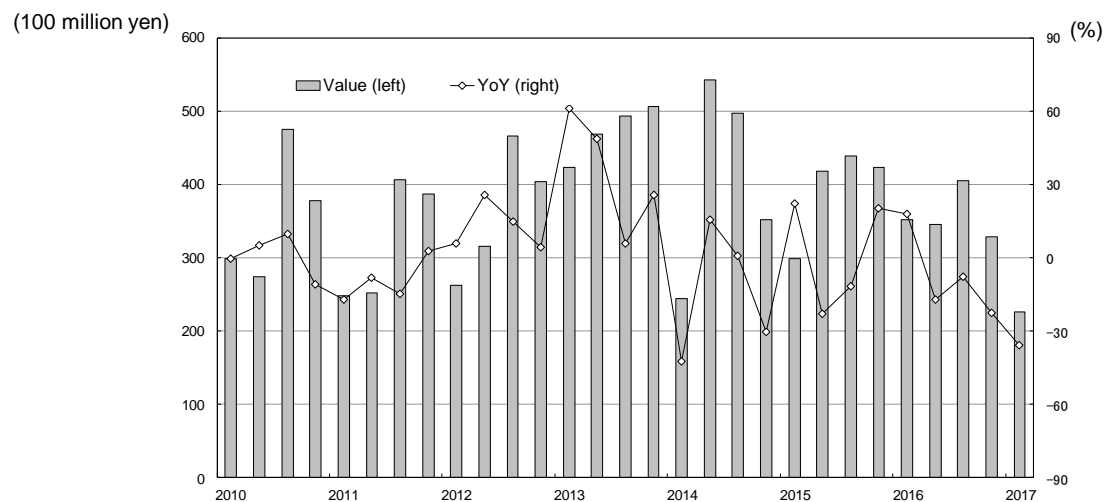
Change in capital investment year-on-year

(%)	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 plan	32.6	-20.2	14.5	2.1	-0.5	0.4
FY2017 plan	-2.5	0.1	-1.9	4.4	-4.4	-1.3

Source: Bank of Japan; Okayama BOJ branch

Public investment ...Weak

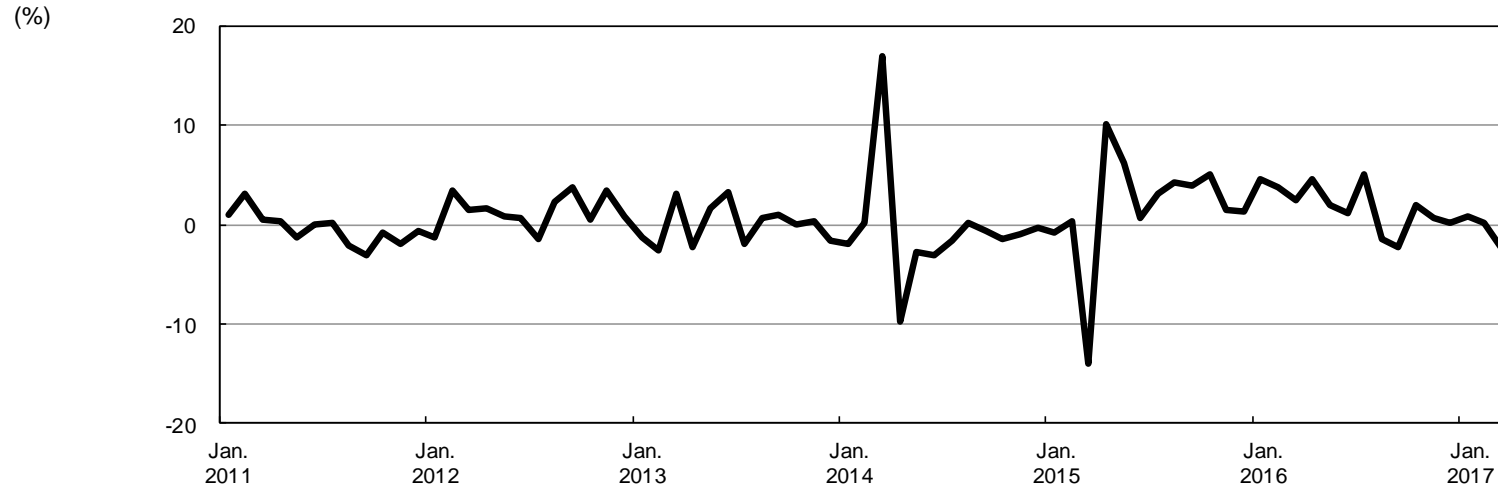
Change in public works investment year-on-year



Source: West Japan Construction Surety Co.,Ltd.

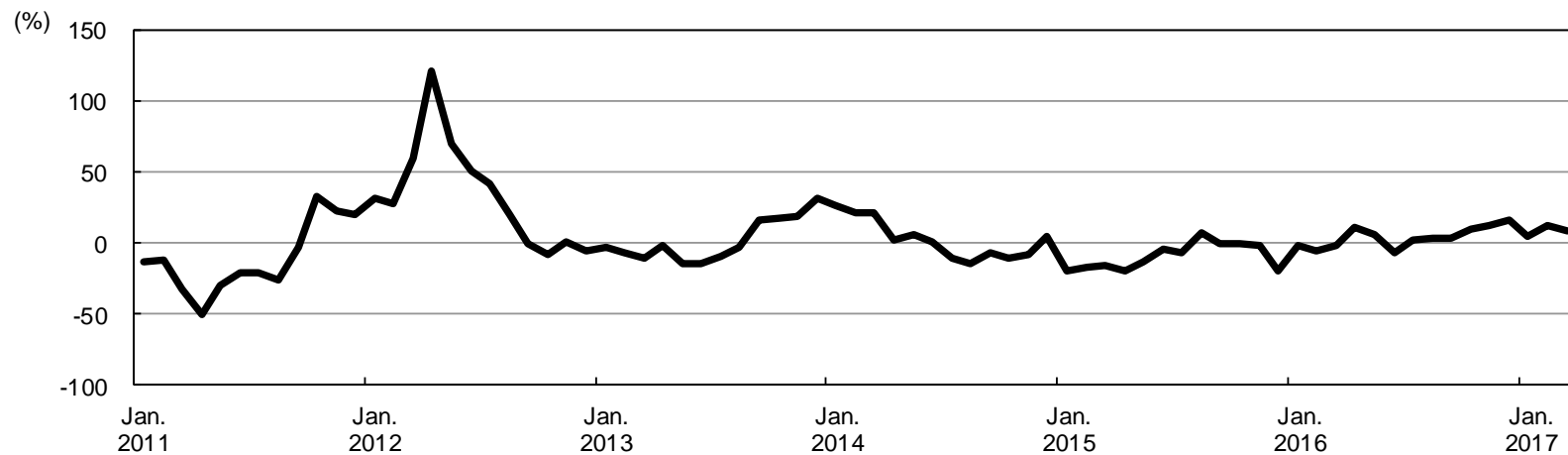
Consumer spending ...Picking up pace due to recovery of automobile sales

Large store retail sales trend (all stores; YoY)



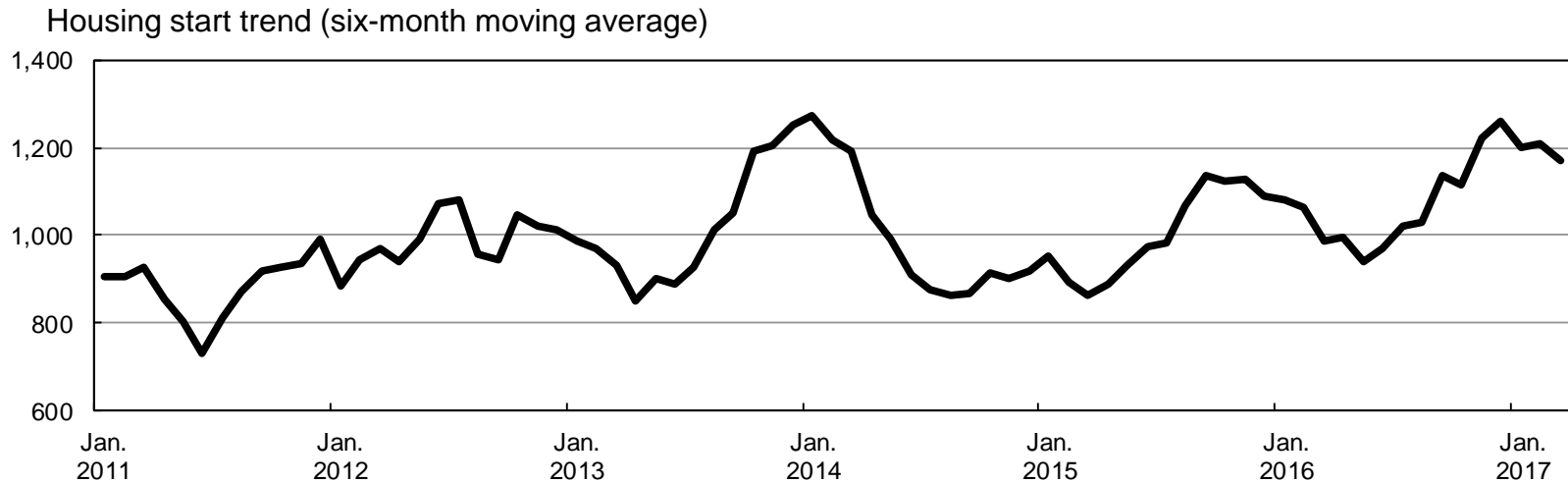
Source: Chugoku Bureau of Economy, Trade and Industry

New passenger car registration trend (including minicars; YoY)

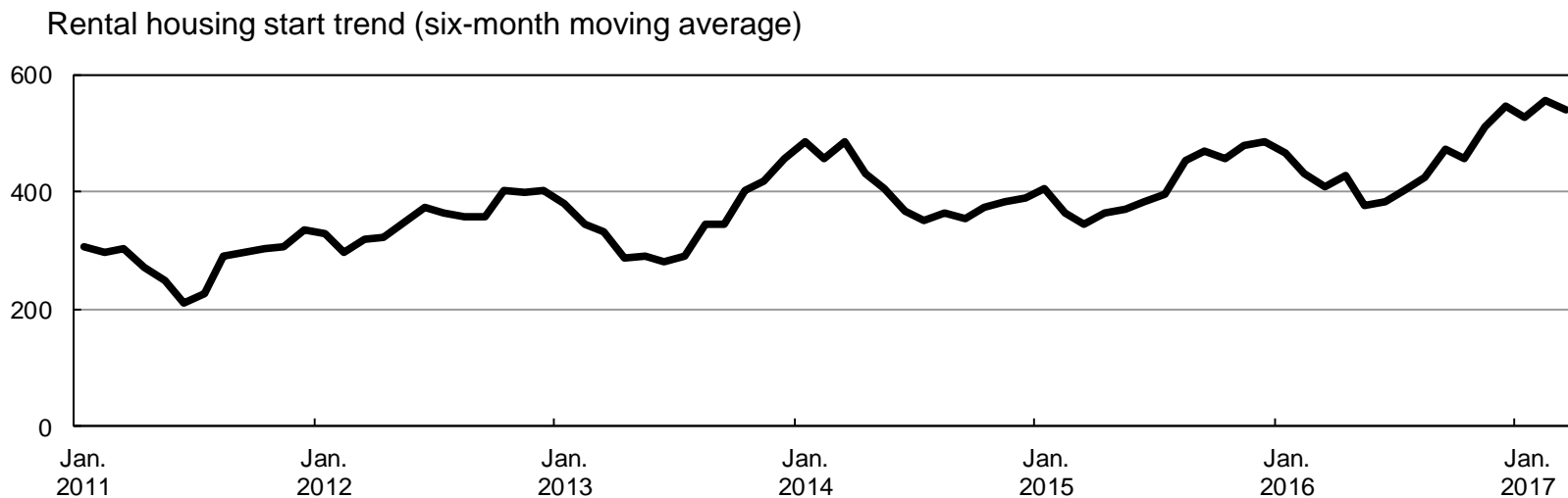


Source: Chugoku Transport & Tourism Bureau, Okayama branch

Housing investment ... Recovering mainly in rental housing

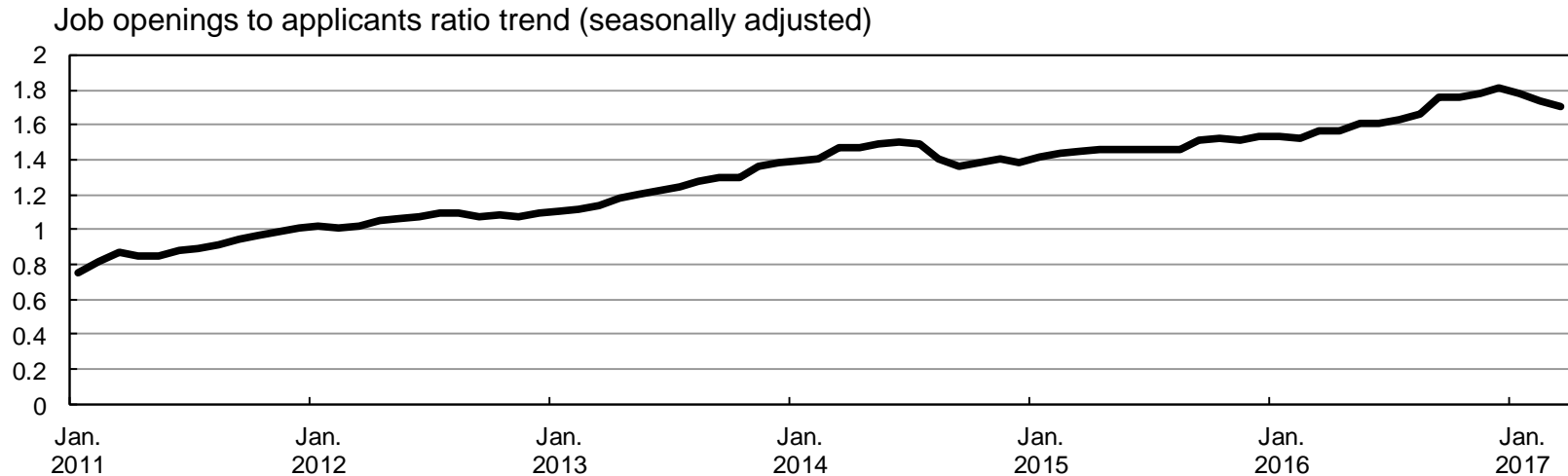


Source: MLIT

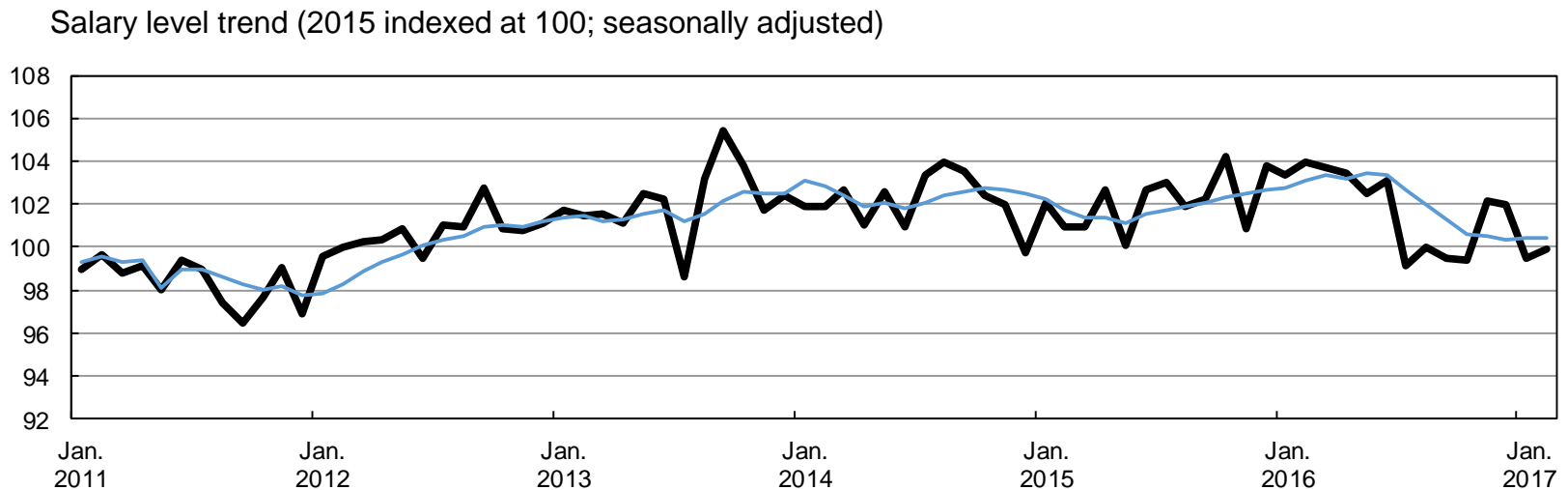


Source: MLIT

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



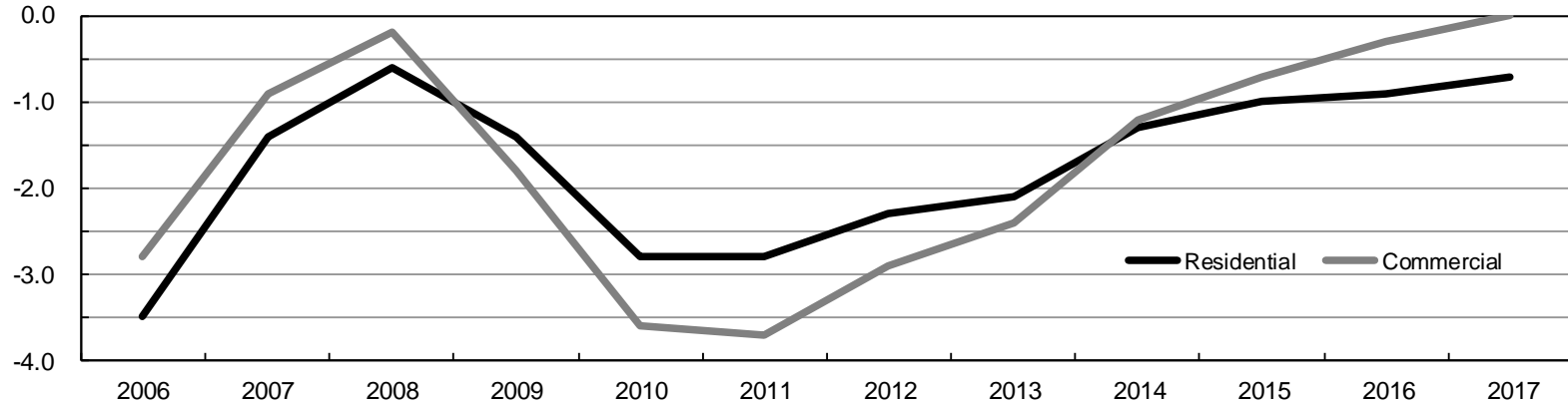
Source: Data from employment service section Okayama Labor Bureau Ministry of Health, Labor and Welfare



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

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

(%) Standard land price trend (YoY)



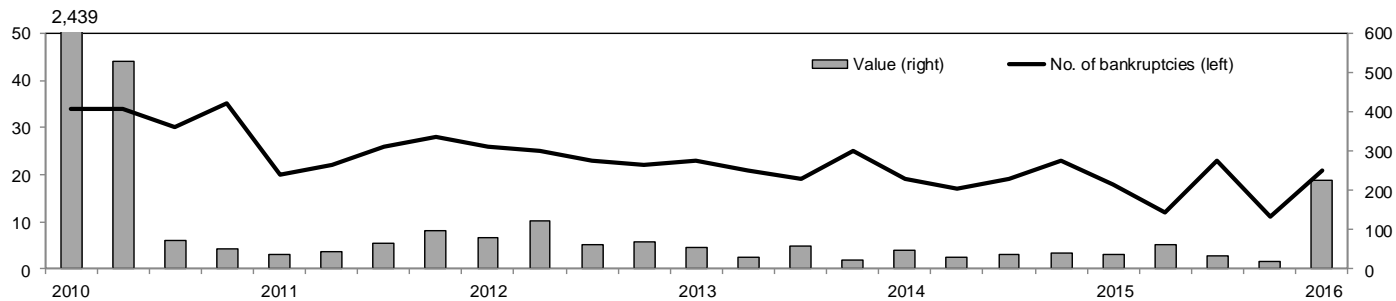
Source: Hilly and Mountainous Areas Development Division, Okayama Prefecture

Corporate bankruptcies ... Number of bankruptcies and total liabilities remain low

Corporate bankruptcy trend (quarterly)

(cases)

(100 million yen)



Source: Okayama branch, Teikoku Databank

Chugoku Bank's Management Indicators

Profit and Loss Statement (1)

[Parent] (million yen)	FY2012 1H	FY2012	FY2013 1H	FY2013	FY2014 1H	FY2014	FY2015 1H	FY2015	FY2016 1H	FY2016
Ordinary revenue	51,195	102,256	60,354	117,853	55,893	109,307	58,723	113,236	58,634	125,036
Banking revenue	49,518	97,820	50,625	98,500	49,835	100,785	50,904	101,156	50,876	111,877
Extraordinary revenue	1,676	4,435	9,729	19,352	6,057	8,521	7,819	12,080	7,758	13,159
Ordinary expense	39,994	74,859	39,161	73,703	36,262	73,536	35,796	72,600	41,286	96,068
Banking expense	33,397	63,509	36,804	69,732	34,573	69,797	34,608	69,303	37,402	86,795
Extraordinary expense	6,596	11,350	2,357	3,971	1,688	3,739	1,187	3,297	3,883	9,272
Recurring profit	11,200	27,396	21,193	44,149	19,631	35,770	22,927	40,635	17,348	28,968
Banking income	16,128	34,327	13,828	28,783	15,269	31,001	16,303	31,866	13,478	25,090
Gross income	44,548	86,984	42,528	85,334	44,211	88,270	44,082	87,326	41,666	79,977
(Net interest income)	36,706	72,094	36,985	72,121	36,287	72,416	35,889	70,028	33,428	67,765
(Fees and commissions)	6,904	13,534	6,906	13,709	7,465	14,834	7,431	15,024	7,645	15,214
(Other banking income)	937	1,355	-1,363	-495	459	1,019	762	2,272	592	-3,002
Expenses	29,605	56,919	28,700	56,551	28,942	57,269	27,779	55,459	28,187	54,886
General provisions for doubtful receivables	-1,186	-4,262	-	-	-	-	-	-	-	-
Extraordinary gain	-	8	30	91	1	1	44	46	-	3
Extraordinary loss	92	253	120	364	289	361	177	394	126	466
Impairment loss	55	79	36	143	237	246	66	124	80	414
Income before income tax (1H)	11,108	27,151	21,103	43,876	19,342	35,409	22,794	40,288	17,222	28,505
Corporate, residential, and business taxes	4,216	9,039	4,311	9,214	6,258	12,322	6,101	11,006	4,110	8,688
Income tax adjustments	-230	1,150	3,322	7,575	133	2,182	1,140	3,352	996	776
Net income (1H)	7,122	16,960	13,469	27,086	12,950	20,904	15,552	25,928	12,115	19,039

[Consolidated]										
Ordinary revenue	58,420	117,198	68,010	133,177	63,124	124,221	65,753	129,180	66,647	142,867
Recurring profit	13,093	31,216	23,189	48,107	21,306	39,106	24,262	43,440	18,473	31,605
Net income attributable to owners of the parent (1H)	7,793	18,426	14,301	28,717	13,594	24,702	16,094	27,252	12,590	20,323
Net income (1H)	8,294	19,392	14,736	29,592	13,931	25,446	16,211	27,522	12,745	20,627
Other comprehensive income	-5,419	38,713	-995	-669	15,318	48,293	-25,610	-14,871	-4,307	-18,359
Valuation difference from other available-for-sale securities	-4,771	39,636	-2,067	-1,682	16,011	48,301	-25,683	-4,798	-4,556	-19,641
Deferred hedge gains	-647	-923	1,072	1,012	-648	-1,262	46	-1,811	-344	675
Comprehensive income (1H)	2,875	58,105	13,741	28,922	29,250	73,739	-9,398	12,650	8,437	2,268

Profit and Loss Statement (2)

[Parent] (million yen)	FY2012 1H	FY2012	FY2013 1H	FY2013	FY2014 1H	FY2014	FY2015 1H	FY2015	FY2016 1H	FY2016
Bond related gains/losses	730	1,034	-2,136	-1,626	225	45	406	1,742	732	-2,038
Gain on bond sales, including JGBs	862	2,229	1,037	1,878	1,038	2,625	1,892	4,311	3,520	13,536
Gain on bond redemption, including JGBs	-	-	-	-	-	-	-	-	-	-
Loss on bond sales, including JGBs	131	1,195	3,173	3,505	813	2,580	1,485	2,568	2,788	15,575
Loss on bond redemption, including JGBs	-	-	-	-	-	-	-	-	-	-
Bond redemption, including JGBs	-	-	-	-	-	-	-	-	-	-
Equity-related gains/losses	-2,458	-1,498	1,982	2,620	1,569	3,775	2,696	3,349	945	4,379
Gain on equity sales	302	1,628	3,574	5,062	2,438	5,448	3,255	5,126	3,401	9,937
Loss on equity sales	181	2,334	1,587	2,437	817	1,673	540	1,586	1,666	2,928
Share redemption	2,579	792	4	4	51	-	18	190	789	2,628
Non-performing loan disposal	1,745	2,349	-4,310	-10,845	-1,827	222	-2,659	-3,755	-2,716	-209
General provisions for doubtful receivables	-1,186	-4,262	-4,001	-9,456	-4,145	-6,160	-2,577	-3,652	-487	-104
Individual provisions for doubtful accounts	2,931	6,599	-328	-1,456	2,109	5,789	-82	-209	-2,241	-187
Loan write-offs	-	-	-	6	-	-	-	-	-	-
Loss on claim sales	0	12	18	61	208	592	0	106	11	81

Ordinary Revenue Breakdown

[Parent]	FY2012	FY2012	FY2013	FY2013	FY2014	FY2014	FY2015	FY2015	FY2016	FY2016
(million yen)	1H		1H		1H		1H		1H	
Ordinary revenue	51,195	102,256	60,354	117,853	55,893	109,307	58,723	113,236	58,634	125,036
Banking revenue	49,518	97,820	50,625	98,500	49,835	100,785	50,904	101,156	50,876	111,877
Net interest income	39,458	77,760	39,830	77,648	39,004	78,174	39,113	77,137	37,604	78,762
Lending rate	24,421	48,241	22,945	45,475	21,991	43,673	21,195	42,622	20,789	42,891
Securities interest rate	14,789	29,041	16,656	31,751	16,787	33,951	17,526	33,777	16,432	34,962
Call loan interest rate	52	88	46	78	34	83	56	77	73	307
Interest rate on bills bought	-	-	-	-	-	-	-	-	-	-
Gensaki transaction interest rate	0	0	-	-	-	-	-	-	-	-
Deposit interest rate	13	40	23	39	53	207	211	410	189	375
Foreign currency interest income	26	52	30	60	26	51	23	50	28	53
Financial swap interest income	-	-	-	-	-	-	-	-	-	-
Other interest income	154	294	127	242	110	207	99	199	90	172
Fees and commissions	8,865	17,509	8,975	17,831	9,522	18,950	9,502	19,173	9,735	19,439
Fee and commission income	2,931	5,862	2,903	5,817	2,883	5,780	2,844	5,737	2,853	5,712
Other fee and commission income	5,931	11,642	6,072	12,012	6,639	13,167	6,657	13,435	6,882	13,725
Trust fees	2	3	-	1	-	1	-	1	0	1
Other banking revenue	1,194	2,550	1,818	3,020	1,308	3,659	2,288	4,844	3,536	13,675
Gain on sale of bonds, including JGBs	862	2,229	1,037	1,878	1,038	2,625	1,892	4,311	3,520	13,536
Gain on sale of foreign currencies	325	104	256	296	-	-	-	24	-	-
Gain on sale of securities	6	9	-	-	-	-	-	-	14	9
Financial derivative revenue	-	203	521	841	268	1,032	394	506	-	126
Other	0	2	2	4	0	2	1	3	1	2
Extraordinary income	1,676	4,435	9,729	19,352	6,057	8,521	7,819	12,080	7,758	13,159
Gain on sale of equities	302	1,628	3,574	5,062	2,438	5,448	3,255	5,126	3,401	9,937
Gain on investment trusts	6	52	119	152	50	145	-	12	5	67
Reversal to provisions for doubtful receivables	-	-	4,329	10,912	2,035	370	2,659	3,861	2,728	291
Gain on non-performing loans recovered	27	45	6	6	0	4	0	0	12	12
Other	1,339	2,709	1,700	3,218	1,532	2,553	1,903	3,079	1,610	2,850

Ordinary Expense Breakdown

[Parent]	FY2012	FY2012	FY2013	FY2013	FY2014	FY2014	FY2015	FY2015	FY2016	FY2016
(million yen)	1H	2H	1H	2H	1H	2H	1H	2H	1H	2H
Ordinary expenses	39,994	74,859	39,161	73,703	36,262	73,536	35,796	72,600	41,286	96,068
Banking expenses	33,397	63,509	36,804	69,732	34,573	69,797	34,608	69,303	37,402	86,795
Interest expense	2,760	5,681	2,852	5,542	2,724	5,771	3,230	7,121	4,180	11,006
Expenses matching the amount of investment of money held in trust	7	15	7	14	6	13	6	13	4	9
Deposit interest	1,286	2,561	1,229	2,333	1,122	2,182	1,136	2,221	820	1,791
Negotiable certificates of deposit (NCD) interest	102	196	113	211	95	196	102	196	52	89
Call money interest	252	648	423	839	378	937	630	1,607	1,085	2,436
Interest on sales under agreement to repurchase	-	-	-	-	-	-	-	-	0	101
Securities lending transaction interest payable	236	512	130	237	161	511	384	1,134	889	2,354
Interest on commercial papers	-	-	-	-	-	-	-	-	-	48
Borrowed money interest payable	40	80	47	112	92	218	144	303	190	572
Foreign exchange interest payable	2	0	0	0	0	0	9	22	92	316
Financial swap interest payable	837	1,680	907	1,802	868	1,714	820	1,627	1,048	3,290
Other interest payable	1	2	1	5	5	10	1	8	0	6
Fees and commissions	1,960	3,975	2,069	4,122	2,057	4,115	2,071	4,149	2,090	4,225
Fees and commissions payable	437	879	440	880	435	875	441	883	454	902
Other fees and commissions payable	1,522	3,095	1,628	3,241	1,621	3,239	1,630	3,265	1,635	3,323
Other banking expenses	257	1,195	3,182	3,516	848	2,640	1,526	2,572	2,944	16,677
Loss on sale of bonds, including JGBs	131	1,195	3,173	3,505	813	2,580	1,485	2,568	2,788	15,575
Redemption of bonds, including JGBs	-	-	-	-	-	-	-	-	-	-
Loss on foreign exchange transactions	-	-	-	-	34	48	34	-	82	1,101
Loss on securities transactions	-	-	8	11	1	11	6	3	-	-
Financial derivative expenses	125	-	-	-	-	-	-	-	73	-
Other	-	-	-	-	-	-	-	-	-	-
General provisions for doubtful receivables	-1,186	-4,262	-	-	-	-	-	-	-	-
Expenses	29,605	56,919	28,700	56,551	28,942	57,269	27,779	55,459	28,187	54,886
Extraordinary expenses	6,596	11,350	2,357	3,971	1,688	3,739	1,187	3,297	3,883	9,272
Individual provisions for doubtful accounts	2,931	6,599	-	-	-	-	-	-	-	-
Redemption of loans and bills discounted	-	-	-	6	-	-	-	-	-	-
Loss on sale of equity	181	2,334	1,587	2,437	817	1,673	540	1,586	1,666	2,928
Equity redemption	2,579	792	4	4	51	-	18	190	789	2,628
Loss on money held in trust	135	17	62	25	70	3	106	182	98	88
Retirement expense	254	510	-37	-75	-67	13	39	78	855	1,711
Other	512	1,096	740	1,573	816	2,049	482	1,259	473	1,914

Expense Breakdown

[Parent]	FY2012	FY2012	FY2013	FY2013	FY2014	FY2014	FY2015	FY2015	FY2016	FY2016
(million yen)	1H		1H		1H		1H		1H	
Expenses (1)	29,605	56,919	28,700	56,551	28,942	57,269	27,779	55,459	28,187	54,886
Personnel	15,440	30,727	15,434	31,106	15,457	31,232	14,879	29,758	14,903	29,553
Salaries	8,320	16,706	8,290	16,650	8,250	16,549	8,259	16,571	8,316	16,610
Bonuses	2,923	5,640	2,879	5,894	3,029	6,268	3,107	6,146	3,002	5,755
Retirement expenses	1,216	2,433	1,222	2,437	1,011	2,024	212	426	222	446
Social insurance	1,682	3,371	1,714	3,461	1,753	3,550	1,789	3,580	1,804	3,600
Temporary employment expense	1,296	2,576	1,328	2,662	1,412	2,840	1,511	3,035	1,557	3,140
Property expense	12,408	23,600	11,496	23,015	11,636	23,238	10,901	22,615	11,250	22,218
Depreciation	1,375	2,849	1,382	2,829	1,368	2,837	1,456	3,135	1,730	3,539
Land and building leasing expense	330	676	357	722	371	757	398	787	358	748
Machinery leasing expense	102	197	62	137	58	128	60	134	62	136
Outsourcing expense	1,258	2,492	1,276	2,542	1,288	2,552	1,294	2,592	1,361	2,727
Maintenance expense	125	342	119	318	120	232	107	224	109	207
Travel expense	113	222	101	201	92	192	104	207	102	194
Sales promotion expense	16	39	26	53	33	64	33	62	34	69
Deposit insurance premium	2,153	3,572	2,193	3,639	2,258	3,789	1,178	2,356	1,209	2,418
Miscellaneous expense	6,932	13,209	5,976	12,570	6,042	12,681	6,266	13,114	6,283	12,177
Taxes	1,756	2,591	1,768	2,428	1,848	2,798	1,999	3,085	2,033	3,114
Core business gross profit (2)	43,818	85,950	44,664	86,960	43,986	88,225	43,676	85,583	40,933	82,016
OHR (1)÷(2)	67.6%	66.2%	64.3%	65.0%	65.8%	64.9%	63.6%	64.8%	68.8%	66.9%

Major Yields

		FY2012	FY2012	FY2013	FY2013	FY2014	FY2014	FY2015	FY2015	FY2016	FY2016
		1H		1H		1H		1H		1H	
Total for all branches	1. Interest-earning asset yield	1.28	1.25	1.22	1.19	1.14	1.11	1.08	1.06	1.00	1.03
	Loan yield	1.43	1.41	1.32	1.30	1.22	1.20	1.11	1.09	1.00	1.01
	Securities yield	1.11	1.06	1.14	1.08	1.10	1.10	1.21	1.16	1.12	1.20
	Call loan yield	0.17	0.19	0.14	0.14	0.20	0.18	0.17	0.19	0.30	0.32
	Deposit yield (including NCD)	0.33	0.26	0.16	0.18	0.10	0.10	0.09	0.10	0.10	0.10
	2. Interest-bearing liabilities	0.09	0.09	0.09	0.08	0.08	0.08	0.09	0.10	0.11	0.14
	Deposit yield	0.04	0.04	0.04	0.04	0.04	0.03	0.04	0.03	0.02	0.02
	Call money yield	0.45	0.45	0.36	0.35	0.32	0.37	0.51	0.65	1.00	1.20
	Loan yield	0.12	0.12	0.12	0.12	0.14	0.15	0.17	0.17	0.23	0.34
	3. Expense ratio	1.06	1.02	0.99	0.97	0.97	0.96	0.91	0.91	0.89	0.87
	4. Fundraising expense	1.10	1.05	1.01	0.99	0.97	0.94	0.90	0.90	0.88	0.88
	5. Total net interest income (1-4)	0.18	0.20	0.21	0.19	0.17	0.17	0.18	0.16	0.12	0.15
Simple loan-deposit margin	1.39	1.37	1.28	1.26	1.18	1.17	1.07	1.06	0.98	0.99	
Simple deposit-securities margin	1.07	1.02	1.10	1.04	1.06	1.07	1.17	1.13	1.10	1.18	

Domestic banking operations	1. Interest-earning asset yield	1.21	1.17	1.13	1.09	1.04	1.01	0.96	0.94	0.86	0.84
	Loan yield	1.44	1.42	1.33	1.31	1.23	1.21	1.12	1.09	0.97	0.95
	Securities yield	1.01	0.94	1.00	0.93	0.94	0.94	1.03	0.97	0.94	0.96
	Call loan yield	0.12	0.13	0.12	0.12	0.17	0.15	0.13	0.13	-0.02	-0.02
	Deposit yield (including NCD)	0.24	0.24	0.16	0.18	0.10	0.10	0.09	0.10	0.10	0.10
	2. Interest-bearing liabilities	0.07	0.07	0.07	0.07	0.06	0.06	0.06	0.06	0.04	0.04
	Deposit yield	0.04	0.04	0.04	0.04	0.03	0.03	0.03	0.03	0.02	0.01
	Call money yield	0.10	0.10	0.07	0.07	0.06	0.06	0.05	0.06	-0.03	-0.03
	Loan yield	0.12	0.12	0.12	0.11	0.11	0.11	0.11	0.11	0.06	0.04
	3. Expense ratio	1.04	1.00	0.97	0.95	0.95	0.93	0.88	0.88	0.87	0.85
	4. Fundraising expense	1.10	1.06	1.03	1.00	0.98	0.95	0.90	0.89	0.84	0.80
	5. Total net interest income (1-4)	0.11	0.11	0.10	0.09	0.06	0.06	0.06	0.05	0.02	0.04
Simple loan-deposit margin	1.40	1.38	1.29	1.27	1.20	1.18	1.09	1.06	0.95	0.94	
Simple deposit-securities margin	0.97	0.90	0.96	0.89	0.91	0.91	1.00	0.94	0.92	0.95	

Major Accounts (year-end balance) Assets

(100 million yen)	FY2012 1H	FY2012	FY2013 1H	FY2013	FY2014 1H	FY2014	FY2015 1H	FY2015	FY2016 1H	FY2016
Total assets	64,148	67,453	66,814	69,508	72,964	75,894	73,908	77,701	82,481	82,554
Interest-earning assets	62,902	66,364	65,425	68,159	69,468	71,082	68,344	72,100	74,626	73,673
Loans	34,036	34,811	34,486	35,664	36,121	37,289	38,610	40,365	42,173	44,003
Securities	27,613	30,240	29,672	31,431	32,013	32,614	28,773	31,073	30,347	27,146
Securities products	29	30	29	23	23	23	23	19	20	23
Money in trust	198	200	200	200	199	200	198	200	199	150
Deposits (excluding non-interest bearing portion)	100	300	150	150	150	52	52	53	112	102
Call loans	582	477	584	351	658	518	405	74	1,457	1,905
Debt purchased	300	261	239	273	242	320	198	206	222	215
Foreign exchange	40	42	62	64	58	63	81	107	76	64
Cash collateral paid	-	-	-	-	-	-	-	-	14	61
(Interest-earnings assets)	62,703	66,164	65,224	67,959	69,268	70,882	68,145	71,900	74,427	73,523
Cash and deposits (non-interest bearing)	723	706	883	734	2,829	3,871	4,818	4,815	6,912	7,953
Tangible fixed assets	448	447	441	436	432	433	426	431	427	413
Intangible fixed assets	1	8	13	20	30	38	48	60	68	74
Other assets	324	374	375	369	350	580	355	332	461	446
Deferred tax assets	229	-	-	-	-	-	-	-	-	-
Guarantee endorsements	253	260	255	256	281	321	308	328	321	340
Provisions for doubtful receivables	-735	-708	-580	-469	-428	-433	-392	-367	-336	-347

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

	FY2012	FY2012	FY2013	FY2013	FY2014	FY2014	FY2015	FY2015	FY2016	FY2016
(100 million yen)	1H		1H		1H		1H		1H	
Total liabilities and net assets	64,148	67,453	66,814	69,508	72,964	75,894	73,908	77,701	82,481	82,554
Total liabilities	60,383	63,176	62,437	65,037	68,316	70,890	69,032	72,585	77,334	77,526
Interest-bearing liabilities	59,464	62,172	61,568	64,035	67,097	69,409	67,912	71,385	76,136	76,370
Deposits	53,167	54,925	55,294	56,900	56,667	58,945	58,113	60,114	59,545	62,018
Negotiable certificates of deposit (NCD)	2,233	2,040	2,471	1,626	2,544	1,638	2,568	1,847	3,025	2,229
Call money	1,362	2,268	2,063	2,901	2,189	3,392	1,799	2,500	1,722	1,492
Sales under agreement to repurchase account	-	-	-	-	-	-	-	-	-	215
Payables under Securities Lending Transactions	2,052	2,308	750	1,544	4,119	3,898	3,475	5,157	10,369	8,323
Commercial paper	-	-	-	-	-	-	-	-	-	242
Borrowed money	646	624	986	1,058	1,571	1,530	1,951	1,762	1,461	1,818
Foreign exchange	0	1	1	3	3	1	3	1	2	1
Cash collateral received	-	-	-	-	-	-	-	-	8	27
(Expenses matching the amount of investment of money held in trust)	198	200	200	200	199	200	198	200	199	150
(Fund procurement account)	59,266	61,972	61,367	63,835	66,897	69,209	67,713	71,185	75,937	76,220
Other liabilities	496	562	411	501	548	664	433	426	449	464
Retirement provision	140	139	137	134	237	233	221	209	204	200
Bonus provision	13	14	14	14	13	15	15	14	14	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	13	12	12	11	10	9	9	10	10	10
Deferred tax liabilities	-	15	38	83	127	236	131	209	195	126
Acceptances and guarantees	253	260	255	256	281	321	308	328	321	340
Total net assets	3,764	4,276	4,376	4,470	4,647	5,004	4,876	5,116	5,146	5,028
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	3,449	3,461	3,581	3,628	3,670	3,696	3,831	3,915	4,017	4,067
Treasury stock (-)	125	65	75	32	52	36	46	79	98	121
Valuation difference on other securities	269	712	691	694	854	1,177	922	1,130	1,080	925
Gain/loss on deferred hedges	-44	-46	-36	-36	-43	-49	-49	-67	-71	-60
Warrants	1	1	1	2	2	3	2	3	3	3

Major Accounts (average balance) Assets

(100 million yen)

	FY2012 1H	FY2012	FY2013 1H	FY2013	FY2014 1H	FY2014	FY2015 1H	FY2015	FY2016 1H	FY2016
Total assets	62,951	63,752	66,357	66,863	69,722	71,711	73,666	74,501	78,330	79,899
Interest-earning assets	61,580	62,392	64,926	65,401	68,138	70,063	71,932	72,629	75,074	76,580
Loans	33,909	34,083	34,523	34,866	35,908	36,351	37,881	38,748	41,310	42,324
Securities	26,437	27,162	28,933	29,261	30,376	30,773	28,688	28,950	29,042	29,030
Securities products	32	31	29	28	24	24	22	22	20	22
Money in trust	199	199	200	200	199	200	199	199	199	199
Deposits (excluding non-interest bearing portion)	82	151	278	214	1,047	1,989	4,220	4,048	3,713	3,719
Call loans	592	458	641	529	329	444	645	392	483	947
Repurchase agreement	11	5	-	-	-	-	-	-	-	-
Debt purchased	242	233	206	193	187	172	176	160	144	149
Foreign exchange	72	65	114	108	63	106	97	107	157	156
Cash collateral paid	-	-	-	-	-	-	-	-	2	29
(Interest-earnings assets)	61,380	62,192	64,726	65,201	67,938	69,863	71,732	72,430	74,874	76,380
Cash and deposits (non-interest bearing)	795	794	813	825	829	837	863	954	2,309	2,297
Tangible fixed assets	453	458	448	451	441	444	434	438	438	441
Intangible fixed assets	1	3	10	13	24	29	42	47	64	67
Other assets	230	224	242	213	209	201	226	245	224	284
Deferred tax assets	355	356	342	325	284	292	281	275	247	243
Guarantee endorsements	256	256	256	264	262	292	314	321	329	332
Provisions for doubtful receivables	-722	-734	-683	-631	-467	-449	-428	-411	-358	-347

Major Accounts (average balance) Liabilities & Net Assets

(100 million yen)	FY2012 1H	FY2012	FY2013 1H	FY2013	FY2014 1H	FY2014	FY2015 1H	FY2015	FY2016 1H	FY2016
Total liabilities and net assets	62,951	63,752	66,357	66,863	69,722	71,711	73,666	74,501	78,330	79,899
Total liabilities	59,434	60,177	62,746	63,184	65,977	67,892	69,768	70,530	74,267	75,767
Interest-bearing liabilities	58,605	59,336	61,915	62,344	65,153	66,944	68,864	69,544	73,384	74,784
Deposits	52,928	53,125	54,803	55,225	56,835	56,912	58,260	58,350	59,937	60,078
Negotiable certificates of deposit (NCD)	2,504	2,391	2,816	2,684	2,555	2,629	2,621	2,512	2,909	2,965
Call money	1,097	1,418	2,294	2,373	2,304	2,506	2,434	2,457	2,157	2,016
Sales under agreement to repurchase	-	-	-	-	-	-	-	-	0	111
Payables under Securities Lending Transactions	1,432	1,761	1,229	1,169	2,151	3,463	3,861	4,495	6,747	7,913
Commercial paper	-	-	-	-	-	-	-	-	-	41
Borrowed money	638	636	770	889	1,301	1,429	1,681	1,724	1,625	1,649
Foreign exchange	1	1	1	1	3	3	3	2	1	1
Cash collateral received	-	-	-	-	-	-	-	-	3	3
(Expenses matching the amount of investment of money held in trust)	199	199	200	200	199	200	199	199	199	199
(Fund procurement account)	58,405	59,136	61,715	62,144	64,953	66,744	68,864	69,345	73,184	74,584
Other liabilities	412	424	416	419	356	425	343	423	328	428
Retirement provision	139	139	137	136	186	210	228	222	206	204
Bonus provision	7	7	6	7	7	7	7	7	7	7
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	11	10	10	8	8	9	10
Deferred tax liabilities	-	-	-	-	-	-	-	-	-	-
Acceptances and guarantees	256	256	256	264	262	292	314	321	329	332
Total net assets	3,517	3,575	3,611	3,678	3,744	3,819	3,898	3,971	4,063	4,131
Capital	151	151	151	151	151	151	151	151	151	151
Surplus capital	62	61	62	62	62	62	62	62	62	62
Retained earnings	3,425	3,481	3,461	3,534	3,564	3,647	3,713	3,795	3,925	4,002
Treasury stock (-)	125	125	72	79	45	54	42	52	90	99
Valuation difference on other securities	2	4	6	7	9	10	11	11	12	11
Gain/loss on deferred hedges	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0
Warrants	1	1	2	2	2	2	2	2	3	3

Deposits (year-end balance)

(100 million yen)		FY2012	FY2012	FY2013	FY2013	FY2014	FY2014	FY2015	FY2015	FY2016	FY2016
		1H		1H		1H		1H		1H	
Okayama		40,150	41,461	41,885	43,351	43,152	44,936	44,251	46,194	45,465	47,052
	Private portion	31,404	32,059	32,599	33,123	33,425	34,178	34,305	34,845	34,807	35,313
	Corporate portion	7,474	7,671	7,824	8,038	8,258	8,549	8,480	8,870	8,989	9,314
Hiroshima		7,406	7,915	7,688	7,803	7,884	8,388	8,055	8,101	8,172	8,762
	Private portion	5,220	5,308	5,395	5,443	5,482	5,554	5,544	5,519	5,514	5,569
	Corporate portion	1,989	2,159	2,120	2,203	2,209	2,387	2,414	2,466	2,528	2,614
Kagawa, Ehime		3,837	3,877	3,904	3,995	3,919	4,002	3,928	3,992	3,952	4,029
	Private portion	2,707	2,755	2,796	2,789	2,785	2,821	2,804	2,792	2,764	2,763
	Corporate portion	1,111	1,076	1,092	1,162	1,120	1,136	1,114	1,154	1,177	1,220
Hyogo		929	931	926	947	944	962	1,017	1,044	1,068	1,089
	Private portion	601	607	612	611	613	619	624	627	624	636
	Corporate portion	323	321	309	334	329	342	381	405	438	451
Tottori		90	93	89	94	96	102	105	105	106	114
	Private portion	49	50	50	53	51	51	51	49	50	49
	Corporate portion	40	42	38	41	44	50	53	55	55	64
Osaka		228	195	342	201	216	202	236	217	216	237
	Private portion	70	72	66	67	67	67	67	65	64	72
	Corporate portion	156	122	274	133	147	133	167	150	150	163
Tokyo		272	156	255	231	248	167	199	133	176	137
	Private portion	76	74	68	66	68	69	70	70	71	69
	Corporate portion	192	78	178	162	171	96	126	59	102	66
Total domestic branches (before reconciliation of transit items)		52,916	54,630	55,092	56,625	56,462	58,763	57,794	59,789	59,158	61,422
	Total for private portion	40,130	40,928	41,589	42,154	42,494	43,363	43,469	43,971	43,897	44,476
	Total for corporate portion	11,289	11,472	11,839	12,075	12,282	12,695	12,737	13,163	13,441	13,895
Overseas branches		253	296	205	276	206	183	321	325	388	597
Total deposits		53,167	54,925	55,294	56,900	56,667	58,945	58,113	60,114	59,545	62,018
	Liquidity	32,009	33,573	33,855	35,698	35,620	38,085	37,071	39,260	39,035	41,644
	Time deposits	21,158	21,352	21,439	21,201	21,046	20,860	21,042	20,853	20,510	20,374
	Domestic banking	52,402	54,071	54,506	55,942	55,895	58,196	57,153	59,187	58,569	60,869
	International banking	765	854	788	957	772	749	960	926	976	1,149

Deposits (average balance)

(100 million yen)		FY2012	FY2012	FY2013	FY2013	FY2014	FY2014	FY2015	FY2015	FY2016	FY2016
		1H		1H		1H		1H		1H	
Okayama		40,095	40,244	41,763	42,006	43,204	43,301	44,458	44,544	45,887	45,766
	Private portion	31,314	31,605	32,582	32,850	33,477	33,731	34,483	34,599	34,963	35,082
	Corporate portion	7,394	7,382	7,826	7,833	8,158	8,179	8,469	8,541	8,989	9,014
Hiroshima		7,438	7,437	7,584	7,661	7,922	7,958	8,089	8,070	8,196	8,224
	Private portion	5,210	5,246	5,378	5,413	5,481	5,510	5,577	5,565	5,522	5,533
	Corporate portion	1,977	1,971	2,050	2,104	2,209	2,244	2,408	2,414	2,510	2,534
Kagawa, Ehime		3,828	3,818	3,882	3,909	3,996	3,966	4,001	3,977	3,969	3,992
	Private portion	2,697	2,715	2,785	2,801	2,794	2,802	2,828	2,817	2,780	2,772
	Corporate portion	1,121	1,093	1,087	1,099	1,191	1,153	1,167	1,153	1,181	1,210
Hyogo		910	912	919	928	938	949	978	1,005	1,042	1,054
	Private portion	599	601	611	613	616	616	623	625	626	627
	Corporate portion	308	308	305	313	321	330	348	371	408	420
Tottori		88	89	88	90	93	93	101	101	103	105
	Private portion	47	48	50	51	52	51	53	51	50	50
	Corporate portion	40	40	37	38	40	41	47	48	52	55
Osaka		174	172	201	216	176	182	195	200	213	215
	Private portion	67	69	67	67	67	67	68	67	65	67
	Corporate portion	106	101	133	147	108	114	126	132	147	147
Tokyo		166	169	162	171	205	187	186	177	193	185
	Private portion	69	72	70	69	67	70	70	70	71	70
	Corporate portion	93	94	90	100	136	115	114	105	119	112
Total domestic branches		52,702	52,843	54,601	54,984	56,537	56,640	58,008	58,076	59,606	59,546
	Total for private portion	40,007	40,360	41,547	41,866	42,556	42,851	43,701	43,796	44,080	44,205
	Total for corporate portion	11,042	10,992	11,531	11,638	12,166	12,179	12,680	12,766	13,410	13,497
Overseas branches		225	281	201	240	297	272	252	274	330	531
Total deposits		52,928	53,125	54,803	55,225	56,835	56,912	58,260	58,350	59,937	60,078
	Liquidity	31,837	31,927	33,455	33,881	35,579	35,786	37,274	37,412	39,274	39,405
	Time deposits	21,090	21,197	21,347	21,343	21,255	21,126	20,986	20,938	20,663	20,672
	Domestic banking	52,164	52,290	54,042	54,395	55,940	56,065	57,399	57,458	59,009	58,956
	International banking	763	834	760	829	894	847	861	892	928	1,122

Loans (year-end balance)

		FY2011	FY2012	FY2012	FY2013	FY2013	FY2014	FY2014	FY2015	FY2015	FY2016	FY2016	
(100 million yen)			1H		1H		1H		1H		1H		
	General capital	30,365	30,212	30,829	30,598	31,663	31,918	32,710	33,669	35,298	37,059	38,930	
	Scale	Large-scale companies	6,300	6,536	6,802	6,950	7,234	7,555	7,597	8,001	8,431	8,869	8,869
		Medium-scale companies	1,301	1,212	1,457	1,400	1,399	1,358	1,379	1,420	1,427	1,477	1,499
		Small-scale companies	15,241	14,804	14,813	14,457	15,178	15,135	15,809	16,258	17,389	18,568	20,309
		Private individuals	7,520	7,658	7,756	7,790	7,850	7,868	7,922	7,988	8,050	8,144	8,252
	Government and municipal loans		3,836	3,749	3,892	3,786	3,903	4,089	4,415	4,792	4,908	4,985	4,904
		State and local public works groups	3,694	3,626	3,762	3,696	3,819	4,014	4,327	4,726	4,836	4,932	4,847
		Local public corporations	141	123	130	90	84	74	87	66	71	53	57
	Total loans by domestic branches		34,201	33,962	34,721	34,384	35,567	36,007	37,125	38,461	40,206	42,045	43,835
	Region	Okayama	18,315	18,061	18,403	17,916	18,426	18,461	19,167	19,842	21,166	22,441	24,003
		Hiroshima	6,263	6,198	6,291	6,219	6,407	6,518	6,588	6,726	6,924	7,162	7,415
		Kagawa, Ehime	2,490	2,391	2,447	2,400	2,497	2,536	2,603	2,602	2,766	2,839	2,985
		Hyogo	1,272	1,317	1,373	1,421	1,494	1,539	1,628	1,705	1,873	1,996	2,102
		Tottori	259	263	263	256	276	273	267	270	278	296	297
Osaka		944	1,054	924	973	986	1,029	1,049	1,162	1,175	1,286	1,313	
Tokyo		4,657	4,677	5,021	5,197	5,479	5,649	5,822	6,151	6,022	6,020	5,717	
Loan liabilities		-	-	-	-	-	-	-	-	-	-	-	
Overseas branches		72	74	89	101	97	113	163	149	158	128	168	
Total loans		34,273	34,036	34,811	34,486	35,664	36,121	37,289	38,610	40,365	42,173	44,003	

Loans (average balance)

(100 million yen)

		FY2012	FY2012	FY2013	FY2013	FY2014	FY2014	FY2015	FY2015	FY2016	FY2016
		1H		1H		1H		1H		1H	
General capital		30,077	30,264	30,606	30,934	31,746	32,129	33,084	33,908	36,191	37,230
Type	Local development	15,765	15,836	15,640	15,783	16,025	16,172	16,382	16,832	17,746	18,132
	Urban	5,617	5,655	5,971	6,103	6,468	6,609	6,885	7,040	7,217	7,170
	Private loans	8,683	8,761	8,984	9,026	9,202	9,253	9,433	9,501	9,762	9,873
	Housing loan portion	7,134	7,195	7,332	7,350	7,407	7,420	7,472	7,487	7,507	7,542
	Other	10	10	10	21	49	94	383	532	1,464	2,055
Government and municipal loans		3,761	3,737	3,817	3,826	4,046	4,093	4,636	4,688	4,984	4,952
State and local public works groups		3,627	3,608	3,698	3,721	3,973	4,018	4,569	4,620	4,929	4,898
Local public corporations		133	129	119	104	73	75	67	67	54	53
Total loans by domestic branches		33,838	34,002	34,424	34,761	35,792	36,223	37,720	38,596	41,175	42,182
Region	Okayama	18,024	18,101	18,118	18,178	18,472	18,641	19,533	20,021	21,812	22,607
	Hiroshima	6,186	6,216	6,233	6,295	6,468	6,524	6,626	6,733	7,008	7,168
	Kagawa, Ehime	2,402	2,385	2,377	2,413	2,494	2,517	2,582	2,639	2,781	2,832
	Hyogo	1,284	1,316	1,400	1,433	1,518	1,556	1,689	1,753	1,943	1,992
	Tottori	264	264	256	259	270	270	270	274	288	295
	Osaka	975	971	953	973	999	1,023	1,087	1,134	1,288	1,306
	Tokyo	4,705	4,749	5,083	5,206	5,568	5,689	5,930	6,038	6,053	5,980
Loan liabilities		-	-	-	-	-	-	-	-	-	-
Overseas branches		71	81	98	104	116	127	160	152	135	141
Total loans		33,909	34,083	34,523	34,866	35,908	36,351	37,881	38,748	41,310	42,324

Loans by Industry (year-end balance)

(100 million yen)	FY2012	FY2012	FY2013	FY2013	FY2014	FY2014	FY2015	FY2015	FY2016	FY2016
	1H		1H		1H		1H		1H	
Domestic branches	33,962	34,721	34,384	35,567	36,007	37,125	38,461	40,206	42,045	43,835
Manufacturing	6,389	6,802	6,581	6,918	6,720	6,911	6,845	7,108	6,977	6,911
Agriculture, forestry	23	27	28	30	30	31	30	29	29	34
Fishing	6	3	5	2	14	10	13	11	17	25
Mining, stone, sand	23	21	19	24	23	23	24	22	22	21
Construction	1,227	1,205	1,145	1,203	1,167	1,130	1,119	1,159	1,140	1,214
Electric power, gas, heat supply, water	419	475	544	576	656	739	861	965	1,205	1,392
Information and communications	325	294	280	317	302	304	281	294	292	301
Transport, postal	1,122	1,149	1,138	1,186	1,275	1,274	1,362	1,460	1,602	1,719
Wholesale, retail	5,006	4,992	4,746	4,899	4,839	4,815	4,848	5,105	5,089	5,106
Financial, insurance	1,197	1,152	1,271	1,302	1,291	1,337	1,686	1,964	2,801	3,474
Real estate, goods leasing	3,592	3,727	3,827	3,995	4,292	4,495	4,760	4,917	5,374	5,623
Public corporations	123	130	90	84	74	87	66	71	53	57
Other	3,469	3,597	3,737	3,911	4,217	4,408	4,693	4,845	5,320	5,566
Various services	2,313	2,321	2,314	2,405	2,404	2,500	2,510	2,693	2,788	2,966
Public organizations	3,626	3,762	3,696	3,819	4,014	4,327	4,726	4,836	4,932	4,847
Other	8,689	8,785	8,784	8,884	8,975	9,222	9,389	9,637	9,770	10,195
Housing loans	7,263	7,364	7,402	7,465	7,478	7,525	7,563	7,588	7,637	7,672
Overseas branches + Offshore loans	74	89	101	97	113	163	149	158	128	168
Total	34,036	34,811	34,486	35,664	36,121	37,289	38,610	40,365	42,173	44,003

Loans by Industry (percentage)

[Parent]	FY2012 1H	FY2012	FY2013 1H	FY2013	FY2014 1H	FY2014	FY2015 1H	FY2015	FY2016 1H	FY2016
Domestic branches	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Manufacturing	18.8%	19.6%	19.1%	19.5%	18.7%	18.6%	17.8%	17.7%	16.6%	15.8%
Agriculture, forestry	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Fishing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%
Mining, stone, sand	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.0%
Construction	3.6%	3.5%	3.3%	3.4%	3.2%	3.0%	2.9%	2.9%	2.7%	2.8%
Electric power, gas, heat supply, water	1.2%	1.4%	1.6%	1.6%	1.8%	2.0%	2.2%	2.4%	2.9%	3.2%
Information and communications	1.0%	0.8%	0.8%	0.9%	0.8%	0.8%	0.7%	0.7%	0.7%	0.7%
Transport, postal	3.3%	3.3%	3.3%	3.3%	3.5%	3.4%	3.5%	3.6%	3.8%	3.9%
Wholesale, retail	14.7%	14.4%	13.8%	13.8%	13.4%	13.0%	12.6%	12.7%	12.1%	11.6%
Financial, insurance	3.5%	3.3%	3.7%	3.7%	3.6%	3.6%	4.4%	4.9%	6.7%	7.9%
Real estate, goods leasing	10.6%	10.7%	11.1%	11.2%	11.9%	12.1%	12.4%	12.2%	12.8%	12.8%
Public corporations	0.4%	0.4%	0.3%	0.2%	0.2%	0.2%	0.2%	0.2%	0.1%	0.1%
Other	10.2%	10.4%	10.9%	11.0%	11.7%	11.9%	12.2%	12.1%	12.7%	12.7%
Various services	6.8%	6.7%	6.7%	6.8%	6.7%	6.7%	6.5%	6.7%	6.6%	6.8%
Public organizations	10.7%	10.8%	10.7%	10.7%	11.1%	11.7%	12.3%	12.0%	11.7%	11.1%
Other	25.6%	25.3%	25.5%	25.0%	24.9%	24.8%	24.4%	24.0%	23.2%	23.3%
Housing loans	21.4%	21.2%	21.5%	21.0%	20.8%	20.3%	19.7%	18.9%	18.2%	17.5%

Share of Total Deposits

[Year-end balance]		FY2012	FY2012	FY2013	FY2013	FY2014	FY2014	FY2015	FY2015	FY2016	FY2016
(%)		1H		1H		1H		1H		1H	
Okayama	Chugoku Bank	46.6	47.3	47.7	47.8	47.4	48.0	47.7	48.4	48.2	48.4
	Other than Chugoku Bank	53.4	52.7	52.3	52.2	52.6	52.0	52.3	51.6	51.8	51.6
	Local banks other than Chugoku Bank	8.4	8.3	8.3	8.3	8.3	8.3	8.4	8.1	8.1	8.1
	Secondary local banks	11.3	11.3	11.1	11.3	11.6	11.6	11.8	11.9	11.7	11.7
	City banks, trust banks	12.3	11.6	11.5	11.5	11.7	11.2	11.0	10.8	11.2	11.4
	Shinkin banks, investment association, etc.	21.4	21.3	21.4	21.1	21.0	20.9	21.1	20.8	20.8	20.4
Bingo region (Eastern region of Hiroshima)	Chugoku Bank	21.3	21.6	20.8	20.7	21.5	21.6	21.0	20.6	21.3	21.3
	Other than Chugoku Bank	78.7	78.4	79.2	79.3	78.5	78.4	79.0	79.4	78.7	78.7
	Local banks other than Chugoku Bank	37.9	38.0	38.7	39.5	39.1	39.5	40.1	40.9	40.0	40.2
	Secondary local banks	13.0	12.8	12.8	12.5	12.2	11.9	11.9	11.9	11.8	11.9
	City banks, trust banks	12.4	12.5	12.2	12.2	12.1	12.2	12.0	11.9	12.2	12.1
	Shinkin banks, investment association, etc.	15.4	15.0	15.5	15.0	15.1	14.8	15.0	14.7	14.7	14.5
Shikoku region	Chugoku Bank	8.0	7.9	8.0	7.9	7.8	7.9	7.7	7.7	7.8	7.7
	Other than Chugoku Bank	92.0	92.1	92.0	92.1	92.2	92.1	92.3	92.3	92.2	92.3
	Local banks other than Chugoku Bank	51.0	51.0	51.0	51.6	51.2	51.7	51.8	52.3	52.1	52.1
	Secondary local banks	17.7	17.6	17.3	17.0	17.2	17.2	17.2	17.1	17.2	17.1
	City banks, trust banks	10.6	10.9	11.0	11.0	11.1	10.8	10.9	10.7	10.4	10.8
	Shinkin banks, investment association, etc.	12.7	12.6	12.7	12.4	12.6	12.4	12.4	12.2	12.5	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	FY2012	FY2013	FY2013	FY2014	FY2014	FY2015	FY2015	FY2016	FY2016
(%)		1H		1H		1H		1H		1H	
Okayama	Chugoku Bank	38.5	38.7	38.1	38.1	37.7	38.2	38.8	39.7	41.0	42.1
	Other than Chugoku Bank	61.5	61.3	61.9	61.9	62.3	61.8	61.2	60.3	59.0	57.9
	Local banks other than Chugoku Bank	17.6	17.5	17.8	17.8	17.8	17.9	17.8	17.7	17.4	17.2
	Secondary local banks	16.2	16.6	16.9	17.1	17.6	17.6	17.8	17.5	17.4	17.3
	City banks, trust banks	10.6	10.4	10.4	10.6	10.5	10.3	9.7	9.8	9.2	8.8
	Shinkin banks, investment association, etc.	17.1	16.8	16.8	16.4	16.4	16.0	15.9	15.3	15.0	14.6
Bingo region (Eastern region of Hiroshima)	Chugoku Bank	23.5	23.7	23.4	23.5	23.4	23.2	23.1	22.8	23.0	22.8
	Other than Chugoku Bank	76.5	76.3	76.6	76.5	76.6	76.8	76.9	77.2	77.0	77.2
	Local banks other than Chugoku Bank	42.5	42.5	43.2	42.8	43.5	44.1	43.7	43.1	43.0	43.0
	Secondary local banks	12.8	12.8	13.2	13.2	12.7	12.8	13.7	14.1	14.3	14.7
	City banks, trust banks	8.2	8.2	7.6	8.0	7.9	7.8	7.8	8.8	8.7	8.7
	Shinkin banks, investment association, etc.	13.0	12.8	12.6	12.5	12.5	12.1	11.7	11.2	11.0	10.8
Shikoku region	Chugoku Bank	9.6	9.7	9.4	9.5	9.6	9.6	9.7	10.2	10.5	10.6
	Other than Chugoku Bank	90.4	90.3	90.6	90.5	90.4	90.4	90.3	89.8	89.5	89.4
	Local banks other than Chugoku Bank	49.8	50.5	50.6	50.9	51.4	51.3	50.3	50.5	50.3	49.9
	Secondary local banks	17.4	17.0	16.7	16.5	16.5	16.5	17.2	17.5	17.9	17.8
	City banks, trust banks	11.0	11.0	11.7	11.7	11.3	11.6	11.7	10.9	10.4	11.2
	Shinkin banks, investment association, etc.	12.2	11.8	11.6	11.4	11.2	11.0	11.1	10.9	10.9	10.5

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

Balance by type

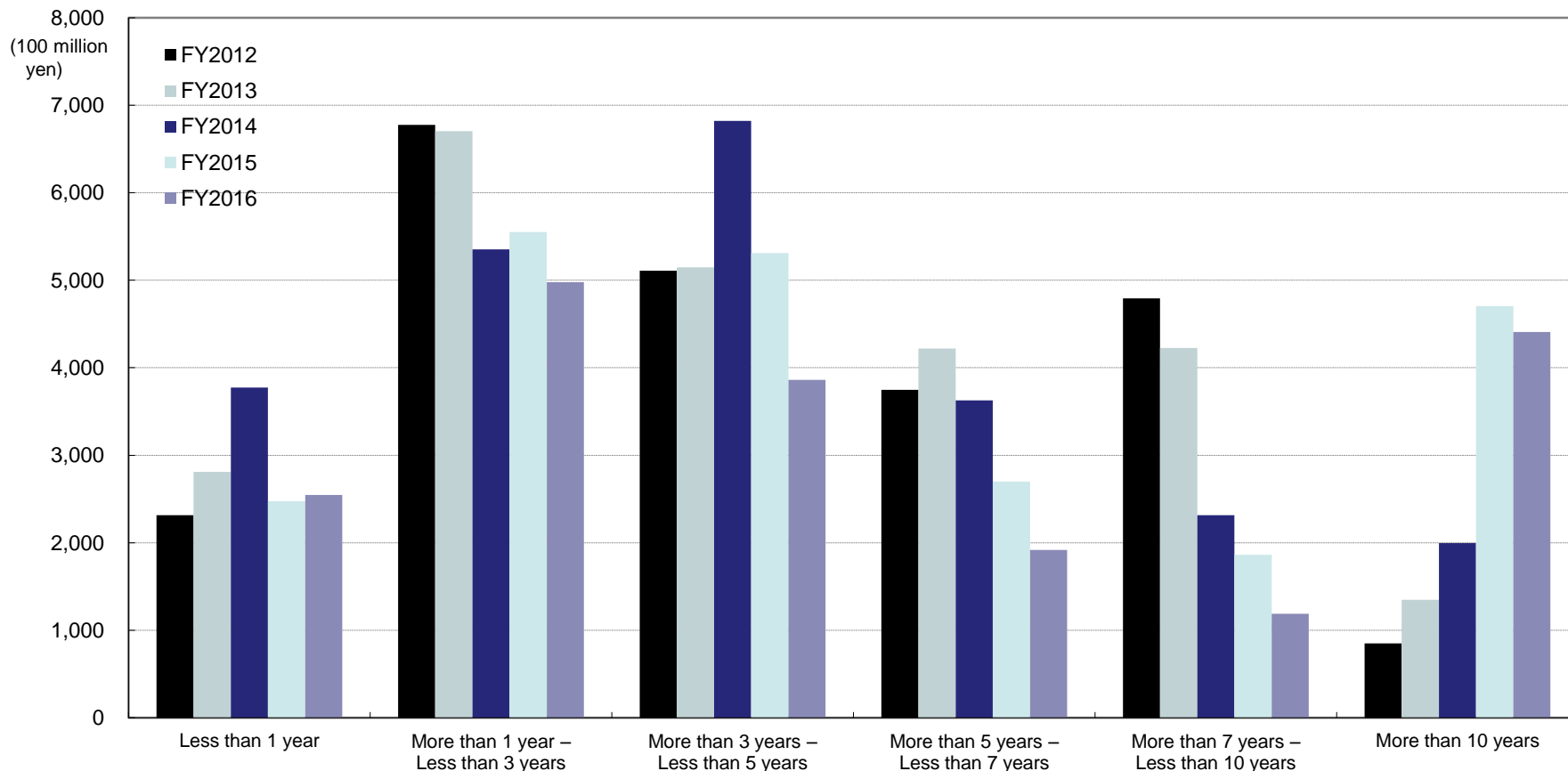
[Parent] (100 million yen)	FY2012 1H	FY2012	FY2013 1H	FY2013	FY2014 1H	FY2014	FY2015 1H	FY2015	FY2016 1H	FY2016
Year-end balance	27,613	30,240	29,672	31,431	32,013	32,614	28,773	31,073	30,347	27,146
JGBs	10,457	11,212	11,144	12,268	12,947	13,615	11,377	12,069	11,295	9,064
Local bonds	6,761	6,548	6,215	6,159	5,764	5,175	4,654	5,441	5,579	5,635
Corporate bonds	4,768	5,310	5,356	5,352	4,907	4,237	4,040	4,256	3,965	3,251
Foreign bonds	3,898	4,777	4,328	4,813	5,125	5,803	5,284	5,883	6,051	5,750
(Foreign currency denominated portion)	(3,482)	(4,367)	(3,959)	(4,455)	(4,727)	(5,387)	(4,949)	(5,544)	(5,650)	(5,426)
Other securities	701	977	1,073	1,230	1,541	1,779	1,624	1,728	1,897	1,753
Equities	1,026	1,413	1,554	1,607	1,726	2,002	1,792	1,693	1,558	1,690

Average balance during year	26,437	27,162	28,933	29,261	30,376	30,773	28,688	28,950	29,042	29,030
JGBs	9,485	9,723	10,865	11,214	12,382	12,878	11,822	11,715	11,151	10,765
Local bonds	6,692	6,692	6,212	6,166	5,814	5,628	4,801	4,988	5,504	5,559
Corporate bonds	4,859	4,921	5,274	5,324	5,165	4,754	4,079	4,116	3,969	3,835
Foreign bonds	3,630	4,016	4,600	4,493	4,684	5,080	5,392	5,539	5,743	6,194
(Foreign currency denominated portion)	(3,320)	(3,647)	(4,207)	(4,115)	(4,311)	(4,690)	(5,038)	(5,199)	(5,393)	(5,839)
Other securities	664	701	827	882	1,129	1,224	1,383	1,374	1,490	1,520
Equities	1,106	1,106	1,154	1,178	1,200	1,206	1,210	1,215	1,182	1,155

Valuation gain/loss

[Parent] (million yen)	FY2012 1H	FY2012	FY2013 1H	FY2013	FY2014 1H	FY2014	FY2015 1H	FY2015	FY2016 1H	FY2016
Securities held to maturity	806	635	576	501	479	406	564	759	763	565
Subsidiary/affiliate equities	-	-	-	-	-	-	-	-	-	-
Other securities	42,377	109,917	106,181	106,859	131,344	172,331	135,180	162,262	155,021	132,300
Equities	-4,436	27,501	39,780	39,262	51,898	75,726	57,427	47,280	41,615	57,643
Bonds	41,886	48,180	37,087	38,320	40,565	41,653	40,807	69,801	68,904	40,296
Others	4,928	34,235	29,313	29,276	38,880	54,951	36,944	45,181	44,501	34,361
Total	43,184	110,552	106,757	107,360	131,823	172,738	135,744	163,022	155,785	132,866

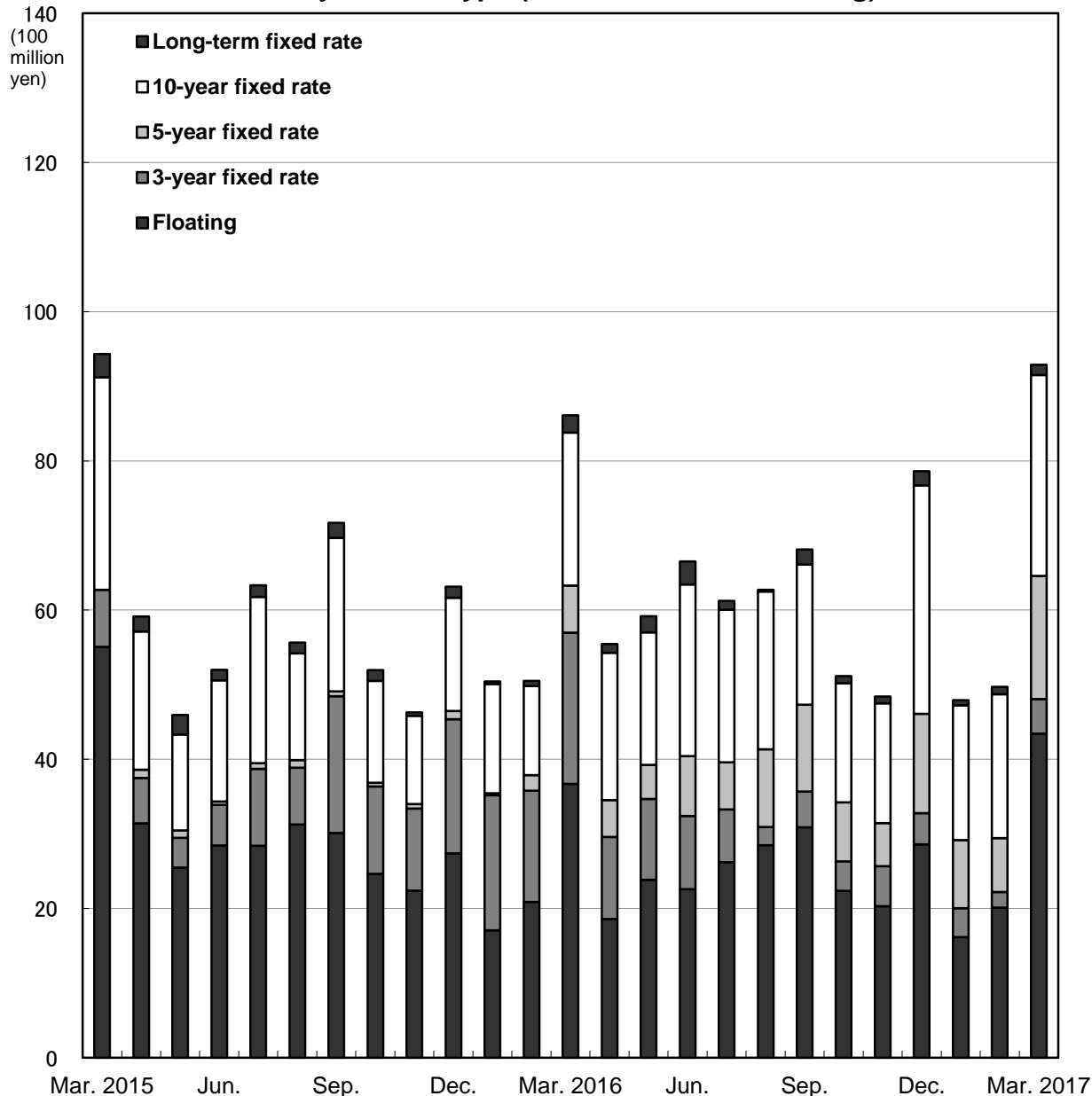
Outstanding balance based on the remaining number of years to maturity for securities



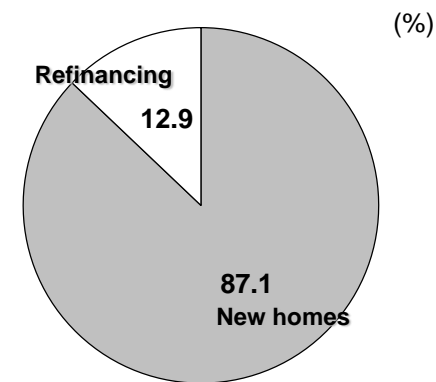
Duration

(year)	FY2012	FY2012	FY2013	FY2013	FY2014	FY2014	FY2015	FY2015	FY2016	FY2016
	1H		1H		1H		1H		1H	
Yen denominated	4.0	4.1	3.9	4.2	4.0	4.2	4.1	5.4	5.8	4.5
Foreign currency denominated	3.6	3.7	3.1	2.7	2.6	2.9	3.1	4.4	5.0	4.2

Loans executed by interest type (new homes + refinancing)

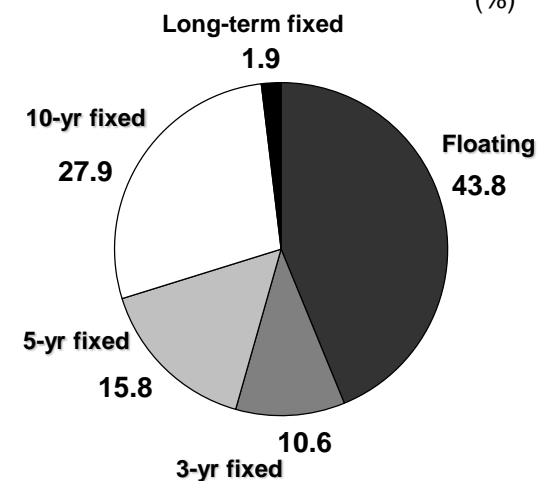


Breakdown of use of loans executed (%)



Total for period from Apr. 2016 to Mar. 2017

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



Total for period from Apr. 2016 to Mar. 2017

Non-Performing Loans

Risk monitored loans

[Parent] (million yen, %)	FY2012 1H	FY2012	FY2013 1H	FY2013	FY2014 1H	FY2014	FY2015 1H	FY2015	FY2016 1H	FY2016
1. Loans in bankruptcy proceedings (% of total loans outstanding)	16,903 0.50	17,141 0.49	12,761 0.37	7,778 0.22	6,412 0.18	5,355 0.14	4,151 0.11	4,311 0.11	4,706 0.11	4,625 0.11
2. Delinquent loans (% of total loans outstanding)	72,942 2.14	78,034 2.24	69,770 2.02	64,003 1.79	65,215 1.81	67,891 1.82	65,206 1.69	61,003 1.51	55,528 1.32	59,435 1.35
3. Loans more than 3 months delinquent (% of total loans outstanding)	1,735 0.05	569 0.02	844 0.02	663 0.02	589 0.02	1,068 0.03	1,617 0.04	1,055 0.03	2,025 0.05	802 0.02
4. Restructured loans (% of total loans outstanding)	14,055 0.41	13,397 0.38	12,206 0.35	13,756 0.39	14,367 0.40	14,542 0.39	17,088 0.44	16,606 0.41	15,262 0.36	15,349 0.35
Total risk monitored loans (% of total loans outstanding)	105,637 3.10	109,142 3.14	95,583 2.77	86,202 2.42	86,584 2.40	88,858 2.38	88,063 2.28	82,976 2.06	77,524 1.84	80,213 1.82

Loans based on the Financial Reconstruction Act

[Parent] (million yen)	FY2012 1H	FY2012	FY2013 1H	FY2013	FY2014 1H	FY2014	FY2015 1H	FY2015	FY2016 1H	FY2016
Bankrupt and quasi-bankrupt loans (after partial direct write-off)	40,388 (11,003)	37,690 (10,805)	25,635 (8,112)	20,479 (7,576)	18,639 (7,067)	20,063 (8,147)	18,059 (7,357)	20,782 (8,296)	19,916 (7,592)	20,653 (7,981)
Doubtful loans	49,847	58,966	57,419	51,818	53,412	54,395	52,632	45,871	41,164	44,443
Substandard loans	15,791	13,966	13,051	14,420	14,956	15,611	18,705	17,662	17,288	16,151
Subtotal (A) (after partial direct write-off) (B)	106,027 (76,641)	110,623 (83,739)	96,106 (78,583)	86,718 (73,815)	87,008 (75,436)	90,069 (78,153)	89,398 (78,696)	84,316 (71,829)	78,368 (66,044)	81,248 (68,576)
Healthy loans	3,359,810	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
Total (C) (after partial direct write-off) (D)	3,465,837 (3,436,452)	3,547,683 (3,520,798)	3,515,489 (3,497,966)	3,634,982 (3,622,079)	3,688,088 (3,676,516)	3,811,056 (3,799,140)	3,947,390 (3,936,688)	4,131,048 (4,118,561)	4,321,783 (4,309,459)	4,515,005 (4,502,333)
Ratio of target loans (A/C)	3.06	3.12	2.73	2.39	2.36	2.36	2.26	2.04	1.81	1.80
(after partial direct write-off) (B/D)	(2.23)	(2.38)	(2.25)	(2.04)	(2.05)	(2.06)	(2.00)	(1.74)	(1.53)	(1.52)

*We do not implement partial direct write-off.

Debtor Classification Transition: 1 year

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

			FY2016							Favorable turnaround	Deterioration
			Healthy loans	Other doubtful loans	Substandard loans	Virtually bankrupt loans	Legally bankrupt loans	Bankrupt clients	Other (see note)		
FY2015	Healthy loans	152,730	151,680	722	62	36	47	4	179		871
		37,659	36,834	351	15	21	5	0	433		392
	Other doubtful loans	5,382	592	4,058	107	55	26	6	538	592	194
		2,125	480	1,358	87	136	2	0	62	480	225
	Substandard loans	825	32	133	547	10	11	5	87	165	26
		280	48	43	176	1	3	1	8	91	5
	Virtually bankrupt loans	948	5	51	5	764	29	3	91	61	32
		454	0	61	0	331	37	3	22	61	40
	Legally bankrupt loans	500	2	4	2	8	384	14	86	16	14
		162	0	0	0	1	130	12	19	1	12
	Bankrupt clients	228	-	2	-	-	1	187	38	3	
		41	-	0	-	-	0	34	7	0	
	Total	160,613	152,311	4,970	723	873	498	219	1,019	837	1,137
		40,721	37,362	1,813	278	490	177	50	551	633	674

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

Debtor Classification Transition (YoY comparison)

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

			FY2016							Favorable turnaround	Deterioration
			Healthy loans	Other doubtful loans	Substandard loans	Virtually bankrupt loans	Legally bankrupt loans	Bankrupt clients	Other (see note)		
FY2015	Healthy loans	100%	99.31%	0.47%	0.04%	0.02%	0.03%	0.00%	0.12%		0.57%
		100%	97.81%	0.93%	0.04%	0.06%	0.01%	0.00%	1.15%		1.04%
	Other doubtful loans	100%	11.00%	75.40%	1.99%	1.02%	0.48%	0.11%	10.00%	11.00%	3.60%
		100%	22.59%	63.91%	4.09%	6.40%	0.09%	0.00%	2.92%	22.59%	10.59%
	Substandard loans	100%	3.88%	16.12%	66.30%	1.21%	1.33%	0.61%	10.55%	20.00%	3.15%
		100%	17.14%	15.36%	62.86%	0.36%	1.07%	0.36%	2.86%	32.50%	1.79%
	Virtually bankrupt loans	100%	0.53%	5.38%	0.53%	80.59%	3.06%	0.32%	9.60%	6.43%	3.38%
		100%	0.00%	13.44%	0.00%	72.91%	8.15%	0.66%	4.85%	13.44%	8.81%
	Legally bankrupt loans	100%	0.40%	0.80%	0.40%	1.60%	76.80%	2.80%	17.20%	3.20%	2.80%
		100%	0.00%	0.00%	0.00%	0.62%	80.25%	7.41%	11.73%	0.62%	7.41%
	Bankrupt clients	100%	-	0.88%	-	-	0.44%	82.02%	16.67%	1.32%	
		100%	-	0.00%	-	-	0.00%	82.93%	17.07%	0.00%	
	Total	100%	94.83%	3.09%	0.45%	0.54%	0.31%	0.14%	0.63%	0.52%	0.71%
		100%	91.75%	4.45%	0.68%	1.20%	0.43%	0.12%	1.35%	1.55%	1.66%

Note: "Other" indicates loans that were cancelled as of the end of March 2016 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))

		FY2016							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	154,489	153,952	366	27	8	39	1	96		441
		39,713	39,331	169	8	2	5	0	198		184
	Other doubtful loans	5,219	266	4,541	67	32	18	4	291	266	121
		1,948	136	1,592	62	131	1	0	26	136	194
	Substandard loans	768	9	82	624	7	5	4	37	91	16
		254	15	26	198	0	1	0	14	41	1
	Virtually bankrupt loans	933	4	27	5	821	26	3	47	36	29
		408	0	27	0	344	32	0	5	27	32
	Legally bankrupt loans	499	1	-	-	4	411	10	73	5	10
		151	0	-	-	0	127	14	10	0	14
	Bankrupt clients	226	-	1	-	1	1	197	26	3	
		46	-	0	-	0	0	33	13	0	
	Total	162,134	154,232	5,017	723	873	500	219	570	401	617
		42,520	39,482	1,814	268	477	166	47	266	204	425

Note: "Other" indicates loans that were cancelled as of the end of March 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 (100 million yen))

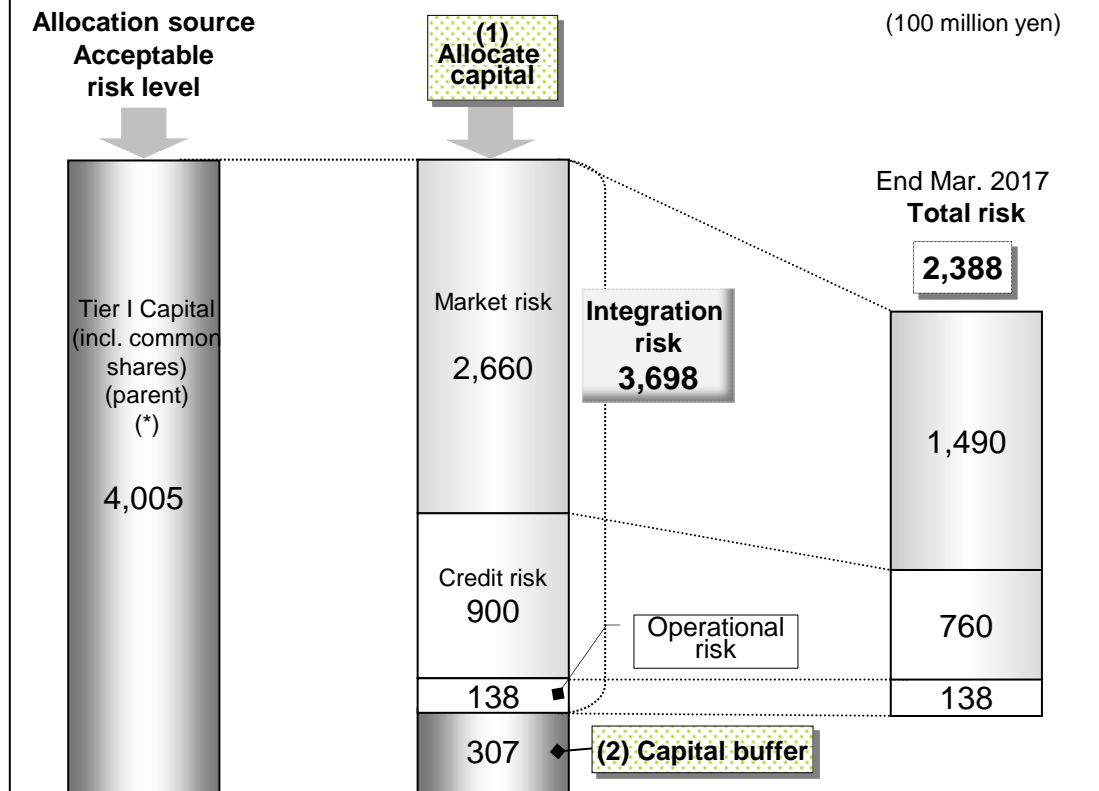
			FY2016							Favorable turnaround	Deterioration
			Healthy loans	Other doubtful loans	Substandard loans	Virtually bankrupt loans	Legally bankrupt loans	Bankrupt clients	Other (see note)		
1H FY2016	Healthy loans	100%	99.65%	0.24%	0.02%	0.01%	0.03%	0.00%	0.06%		0.29%
		100%	99.04%	0.43%	0.02%	0.01%	0.01%	0.00%	0.50%		0.46%
	Other doubtful loans	100%	5.10%	87.01%	1.28%	0.61%	0.34%	0.08%	5.58%	5.10%	2.32%
		100%	6.98%	81.72%	3.18%	6.72%	0.05%	0.00%	1.33%	6.98%	9.96%
	Substandard loans	100%	1.17%	10.68%	81.25%	0.91%	0.65%	0.52%	4.82%	11.85%	2.08%
		100%	5.91%	10.24%	77.95%	0.00%	0.39%	0.00%	5.51%	16.14%	0.39%
	Virtually bankrupt loans	100%	0.43%	2.89%	0.54%	88.00%	2.79%	0.32%	5.04%	3.86%	3.11%
		100%	0.00%	6.62%	0.00%	84.31%	7.84%	0.00%	1.23%	6.62%	7.84%
	Legally bankrupt loans	100%	0.20%	-	-	0.80%	82.36%	2.00%	14.63%	1.00%	2.00%
		100%	0.00%	-	-	0.00%	84.11%	9.27%	6.62%	0.00%	9.27%
	Bankrupt clients	100%	-	0.44%	-	0.44%	0.44%	87.17%	11.50%	1.33%	
		100%	-	0.00%	-	0.00%	0.00%	71.74%	28.26%	0.00%	
	Total	100%	95.13%	3.09%	0.45%	0.54%	0.31%	0.14%	0.35%	0.25%	0.38%
		100%	92.86%	4.27%	0.63%	1.12%	0.39%	0.11%	0.63%	0.48%	1.00%

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

Capital Adequacy Ratio Trends

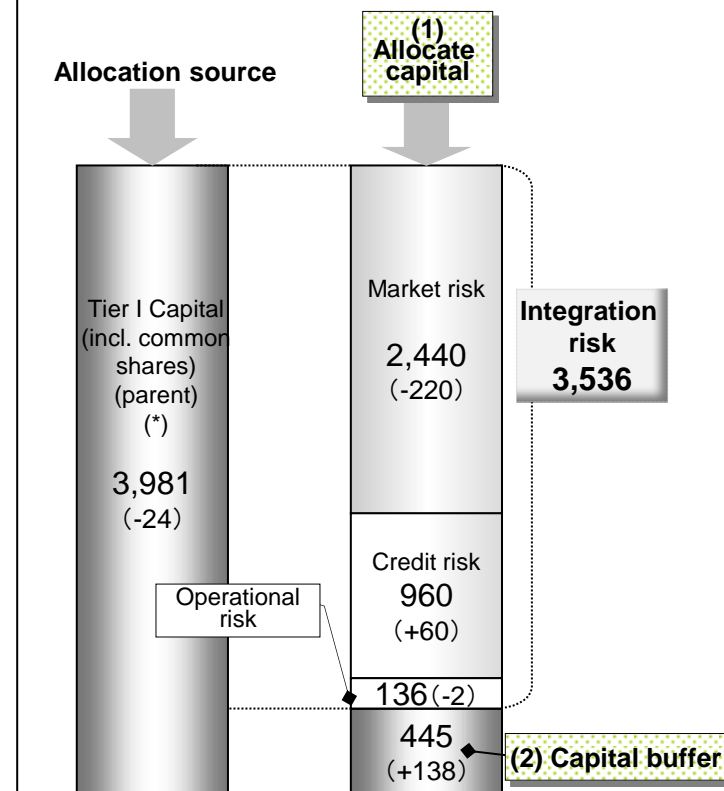
[Basel III standards]	1H FY2013	FY2013	1H FY2014	FY2014	1H FY2015	FY2015	1H FY2016	FY2016
[Parent] (% , 100 million yen)								
Overall capital adequacy ratio	15.13	14.83	14.35	14.73	14.80	14.56	13.85	13.06
Tier I ratio	13.22	13.52	12.89	13.34	13.72	13.75	13.12	12.77
Tier I ratio (including common shares)	13.22	13.52	12.89	13.34	13.72	13.75	13.12	12.77
Overall capital adequacy ratio	4,241	4,306	4,405	4,722	4,603	4,864	4,902	4,817
Tier 1 capital	3,706	3,925	3,955	4,275	4,269	4,595	4,645	4,712
Common equity Tier 1 capital	3,706	3,925	3,955	4,275	4,269	4,595	4,645	4,712
Risk weighted assets	28,029	29,035	30,680	32,038	31,094	33,407	35,397	36,880
Credit risk	26,365	27,378	29,022	30,399	29,454	31,765	33,778	35,267
Operational risk	1,664	1,657	1,658	1,639	1,640	1,641	1,619	1,612
[Consolidated] (% , 100 million yen)								
Overall capital adequacy ratio	15.82	15.47	14.98	15.27	15.35	14.94	14.24	13.38
Tier I ratio	13.79	14.05	13.45	13.84	14.24	14.11	13.48	13.08
Tier I ratio (including common shares)	13.71	13.98	13.41	13.82	14.24	14.11	13.48	13.08
Overall capital adequacy ratio	4,483	4,538	4,646	4,941	4,823	5,034	5,087	4,978
Tier 1 capital	3,906	4,124	4,173	4,477	4,473	4,753	4,815	4,863
Common equity Tier 1 capital	3,884	4,102	4,159	4,471	4,473	4,753	4,815	4,863
Risk weighted assets	28,327	29,333	31,004	32,341	31,415	33,687	35,700	37,181
Credit risk	26,589	27,601	29,268	30,622	29,696	31,968	34,007	35,494
Operational risk	1,737	1,732	1,735	1,718	1,718	1,718	1,693	1,687

2H FY2016 Results



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

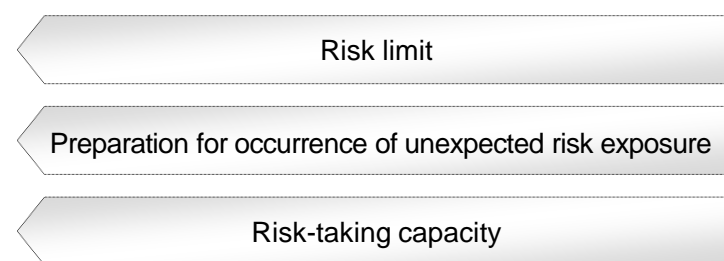
1H FY2017 Plan



Figures in parentheses are versus 2H FY2016

Role of different types of capital

(1) Allocate 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 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 FY2016, and the Capital allocation trends for 1H FY2017.

(100 million yen)

	2H FY2016		1H FY2017			Calculation methods, etc. (Supplement measurements)
	Value	Risk exposure (End Mar. 2017)	Value	YoY	Major factors that triggered change	
Allocation source	4,005		3,981	(-24)	—	Deduction of positive securities valuation gain from Tier I capital (including parent common shares) at the end of FY2016
Allocate capital (Integration risk)	3,698	2,388	3,536	(-162)		
Market risk total	2,660	1,490	2,440	(-220)		
Banking	2,640	628	2,420	(-220)	• Decrease due to reduction in interest risk (decrease in bond investment balance, shortened durations) -220	• VaR (factor in 125-day retention period, 99.9% confidence level, core deposits) • Interest sensitive assets and liabilities, including deposits, loans, and bonds; assets with price fluctuation risk, including equities and investment trusts • Employ VaR taking into account the correlation between interest risk and equities (net investment) • Includes assets and liabilities belonging to consolidated subsidiaries
		1,069				
		(Correlation) -208				
Trading	20	1	20	(0)	—	• VaR (10-day retention period, 99.9% confidence level) • Money in trust • Trading securities
Credit risk total	900	760	960	(+60)		
Commercial credit	750	625	800	(+50)	• Increase due to rise in structured transactions, etc. +50	• Monte Carlo simulation UL (1-year retention period*, 99.9% confidence level) • Commercial credit, including securities, and assets possessed by consolidated subsidiaries • For securitization, some restrictions on capital • Six months for market related credit (bonds)
Consumer credit	150	135	160	(+10)	—	UL capital requirements based on an IRB approach retail RW function • Home loans, etc.
Operational risk	138	138	136	(-2)	—	Post risk exposure estimated at the time business plans were created, based on the gross profit allocation methods (to be fixed during 1H FY2017)
(Unused allocate capital)		1,617				
Capital buffer	307		445	(+138)	• Buffer against market risk and credit risk +138	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 1H	FY2014	FY2015 1H	FY2015	FY2016 1H	FY2016
Chugin Lease Co., Ltd	Leasing	100.00	Ordinary revenue	5,589	11,378	5,684	12,855	6,975	15,120
			Recurring profit	346	721	427	883	570	1,089
			Net income	222	430	297	584	386	725
Chugin Credit Guarantee Co., Ltd.	Credit assurance	100.00	Ordinary revenue	798	1,677	838	1,653	851	1,644
			Recurring profit	744	1,686	837	1,562	664	1,176
			Net income	471	1,033	553	1,006	439	772
Chugin Card Co., Ltd.	Credit card	100.00	Ordinary revenue	606	1,196	660	1,276	699	1,338
			Recurring profit	148	310	184	334	201	319
			Net income	62	186	100	205	170	243
Chugin Asset Management Co., Ltd.	Securities investment advisor	100.00	Ordinary revenue	155	330	213	403	210	410
			Recurring profit	42	71	70	99	26	32
			Net income	27	44	49	68	21	24
Chugin Securities Co., Ltd.	Financial instrument transactions	100.00	Ordinary revenue	1,678	4,047	1,969	3,517	1,582	3,594
			Recurring profit	323	877	454	518	114	391
			Net income	198	563	305	349	76	261
CBS Co., Ltd.	Banking operation outsourcing	100.00	Ordinary revenue	509	1,014	516	1,018	549	1,109
			Recurring profit	55	99	46	65	95	184
			Net income	35	58	29	38	61	117
Chugin Operation Center Co., Ltd.	Banking operation outsourcing	100.00	Ordinary revenue	373	756	388	777	403	789
			Recurring profit	18	40	16	32	27	31
			Net income	13	23	9	16	17	16

2016	Oct. 3	Participation in a Consortium concerning the Examination of Unification of Domestic and Foreign Exchange Using Block Chaining Technologies
	Oct. 11	The Convening of the Southeast Asia M&A and Inter-Business Partnership Seminar
	Oct. 19	Start of Handling the Testamentary Trust and Inheritance Sorting Business by the Trust Business
	Oct. 19	Partnership with the Chiba Bank and the Daishi Bank for Inheritance-Related Business
	Oct. 24	Responses to Customers who were Affected by the Earthquake Centered in the Central Area of Tottori Prefecture
	Oct. 25	Chugoku Bank Accommodates Apple Pay as of Today
	Oct. 26	Start of Project to Utilize Artificial Intelligence Technology
	Oct. 31	The Convening of a Fintech Contest
	Nov. 2	Start of Handling Educational Institution Donation-Type Private Placement Bond (with Bank Guarantee)
	Nov. 4	Initiatives for Syndicate Loan for New Plant Construction Targeting Growth Markets
	Nov. 7	Implementation of Demonstration of a New Settlement Service Using Biometric Verification
	Nov. 25	New Establishment of a Housing Loan Incentive Plan to Promote Emigration and Settlement in Fukuyama City
	Dec. 16	The Convening of the China Business Seminar & Exchange Meeting in Shanghai 2016
	Dec. 20	Start of Application for Fintech Contest, TSUBASA Alliance Finovation Challenge
Dec. 26	Initiatives for Supporting Agribusiness –The Convening of the Chugin Sixth Industry Seminar & Exchange Meeting	
2017	Jan. 6	Business Partnership with Fintech Company, Generic Solution Corporation
	Jan. 10	The Convening of the Bangkok Business Exchange Meeting by Banks Participating in the TSUBASA Project
	Jan. 26	Start of App for Credit Settlement Application by Smartphone
	Feb. 1	Business Partnership with Shared Value Co., Ltd.
	Feb. 15	Business Partnership with BIDV (Bank for Investment and Development of Vietnam)
	Mar. 1	Business Partnership with Alibaba.com Japan Co., Ltd.
	Mar. 7	Start of Investment Trust Robot Advisor Service
	Mar. 13	The Convening of the FBC Shanghai 2017 <i>Monozukuri</i> Business Discussion Meeting
	Mar. 13	The Addition of an Electronic Money Balance Display Function for Smartphone App
	Mar. 16	Donation of Purchase Cost of Information Materials for Traffic Safety Awareness-Raising
	Mar. 17	Conclusion of an Agreement on Surveillance Activities in Tsuyama City
	Mar. 29	Lending Initiatives for the Smart Horticulture Business in the Kasaoka Polder —Supporting Initiatives for the World’s Most Advanced Facility Horticulture Business that Combines Energy Technology
	Mar. 30	Start of Handling the Chugin Guardian System Support Trust
	Mar. 30	Start of Handling the Civil Trust Contract Support Business

Chugoku Bank Profile and Branch (office) Network



Chugoku Bank Profile

(As of Mar. 31, 2017)

- Establishment: December 21, 1930
- Headquarters: 1-15-20 Marunouchi, Kita-ku Okayama
- Capital: ¥15.1 billion
- No. of employees: 3,074
- 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:

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