

1H FY2018
Earnings Results Briefing
(Reference materials)

December 3, 2018



Okayama Prefecture's Industrial Structure

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

Okayama Prefecture's Economic Trends

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

Chugoku Bank's Management Indicators

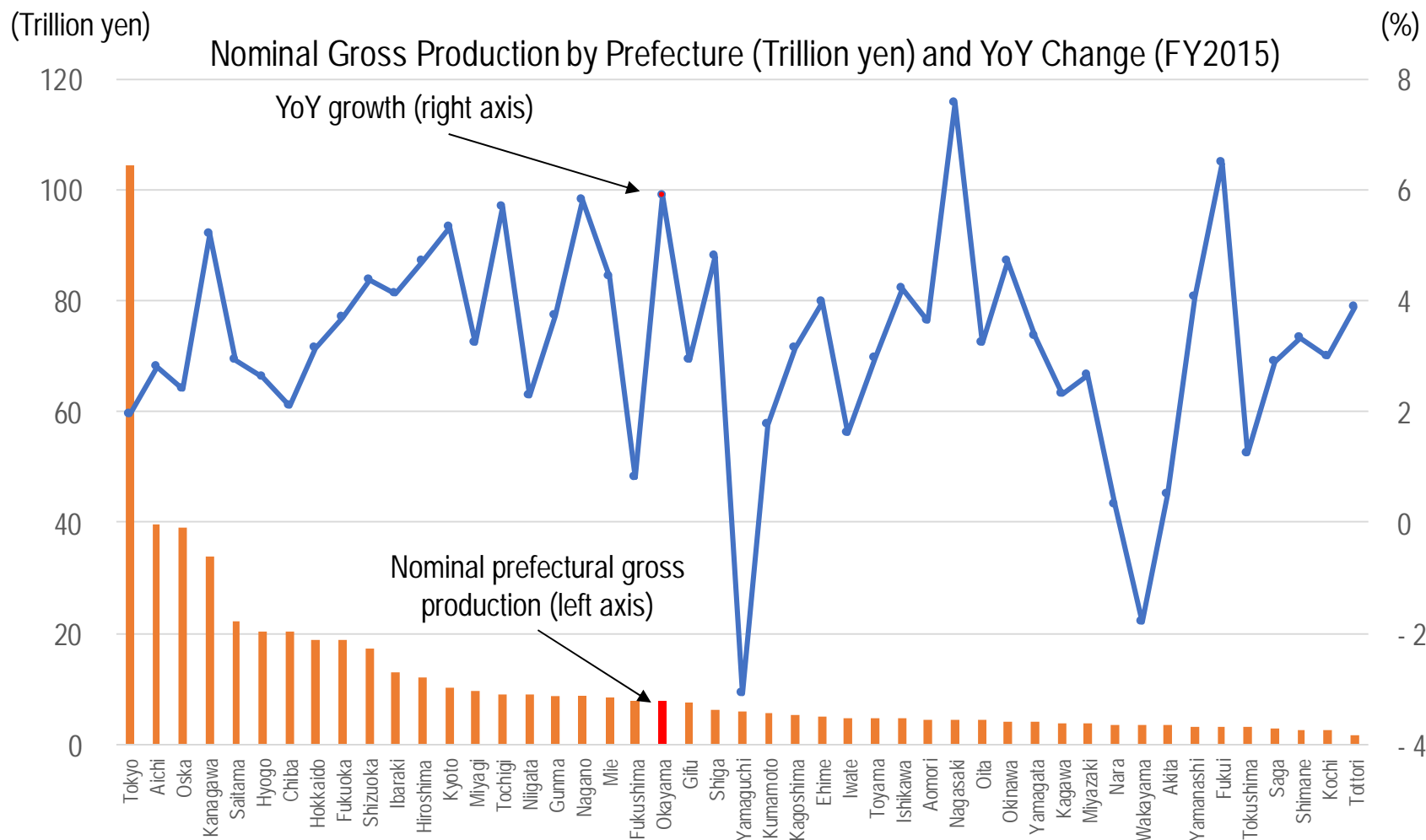
Profit and Loss Statement	22
Ordinary Revenue Breakdown	24
Ordinary Expense Breakdown	25
Expense Breakdown	26
Major Yields	27
Major Accounts (year-end balance)	28
Major Accounts (average balance)	30
Deposits (year-end and average balance)	32
Loans (year-end and average balance)	34
Loans by Industry	36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

Okayama Prefecture's Industrial Structure

Okayama Prefecture's Economic Scale

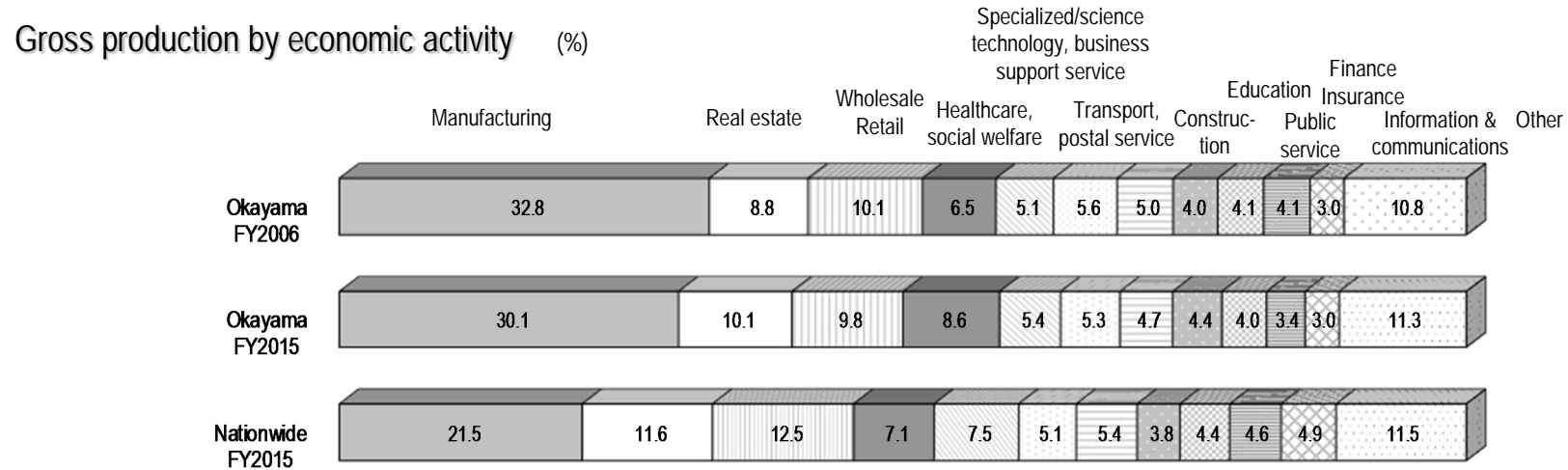
Items	Actual	Nationwide ranking (%)	Rank	Source	Survey date
Area	7,114 km ²	1.9	17	Nationwide survey on size of villages, townships, cities, and prefectures	Oct. 2017
Population	1,921,000	1.5	20	Population estimate	Jan. 2018
Number of Households	841,911	1.5	17	Population estimate	Jan. 2018
Prefectural gross production (nominal)	7.7879 trillion yen	1.4	21	Prefectural accounts	FY2015
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	7.0919 trillion yen	2.3	16	Economic census	2016
Information and communication industry sales	167.8 billion yen	0.3	26	Economic census	2015
Wholesale and retail industry sales	5.9683 trillion yen	1.0	19	Economic census	2015
Real estate industry sales and lease of goods	322.3 billion yen	0.7	17	Economic census	2015
Hotel and restaurant industry sales	263.8 billion yen	1.0	26	Economic census	2015
Life related services and entertainment industry sales	507.9 billion yen	1.1	23	Economic census	2015
Healthcare and welfare sales	1.8705 trillion yen	1.6	15	Economic census	2015
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: FY2015 Cabinet Office's Annual Report on Prefectural Accounts

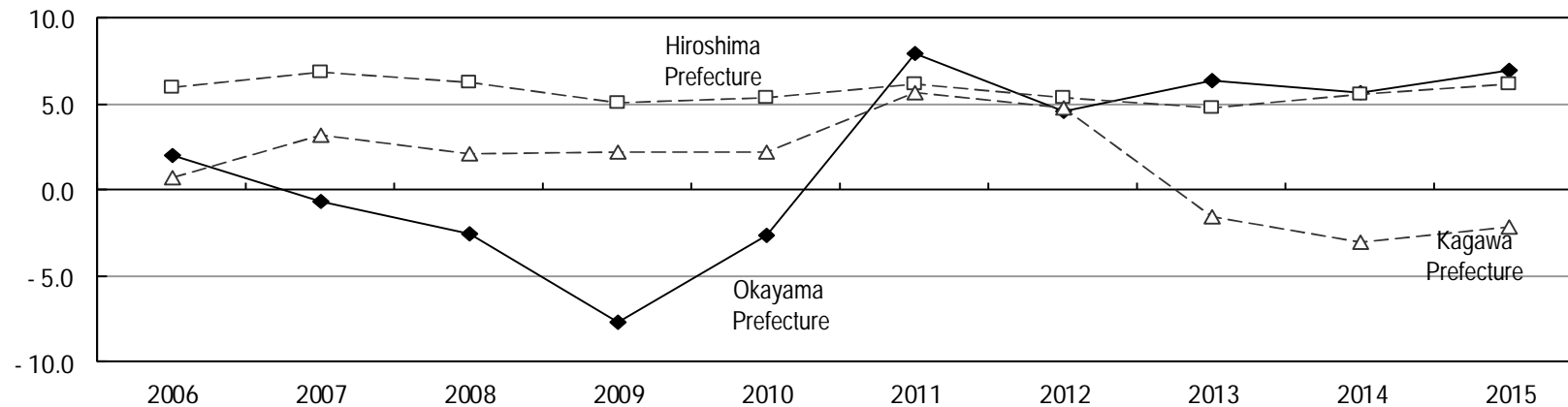
Okayama Prefecture's Industrial Structure (1)



Source: Cabinet Office's Annual Report on Prefectural Accounts

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

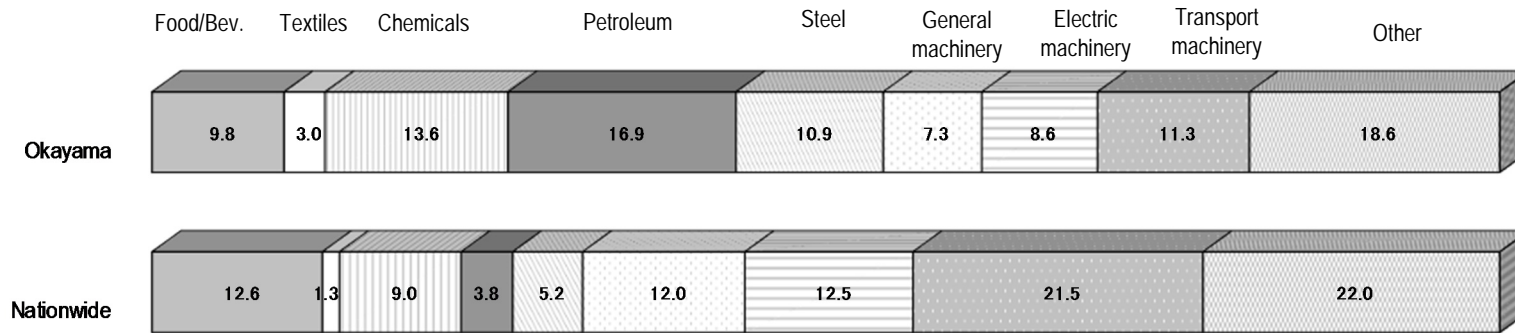
Ratio of goods and services imports/exports (net) to prefectural gross production (nominal) (%)



Source: Cabinet Office's Annual Report on Prefectural Accounts

Okayama Prefecture's Industrial Structure (2)

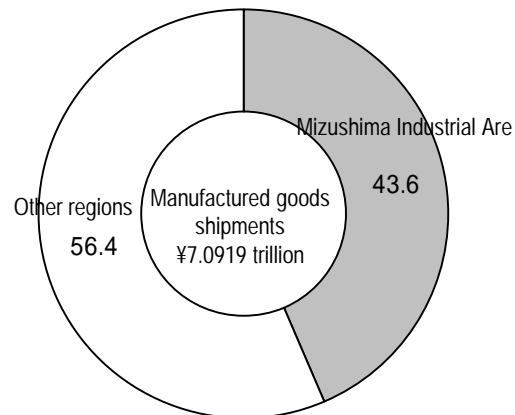
Breakdown of manufactured goods shipments (2016)



Source: METI, Okayama Prefecture "Census of Manufacture"

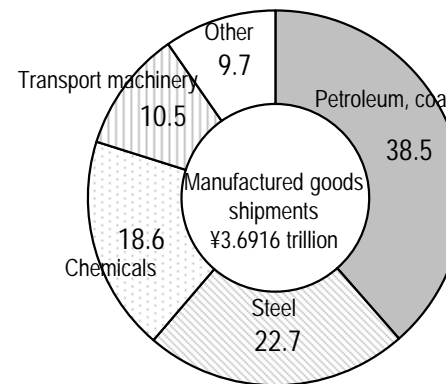
Mizushima Industrial Area's presence

Ratio of manufactured goods from the Mizushima Industrial Area versus total Okayama manufactured goods shipments (2016)



Source: Okayama Prefecture "Census of Manufacture"

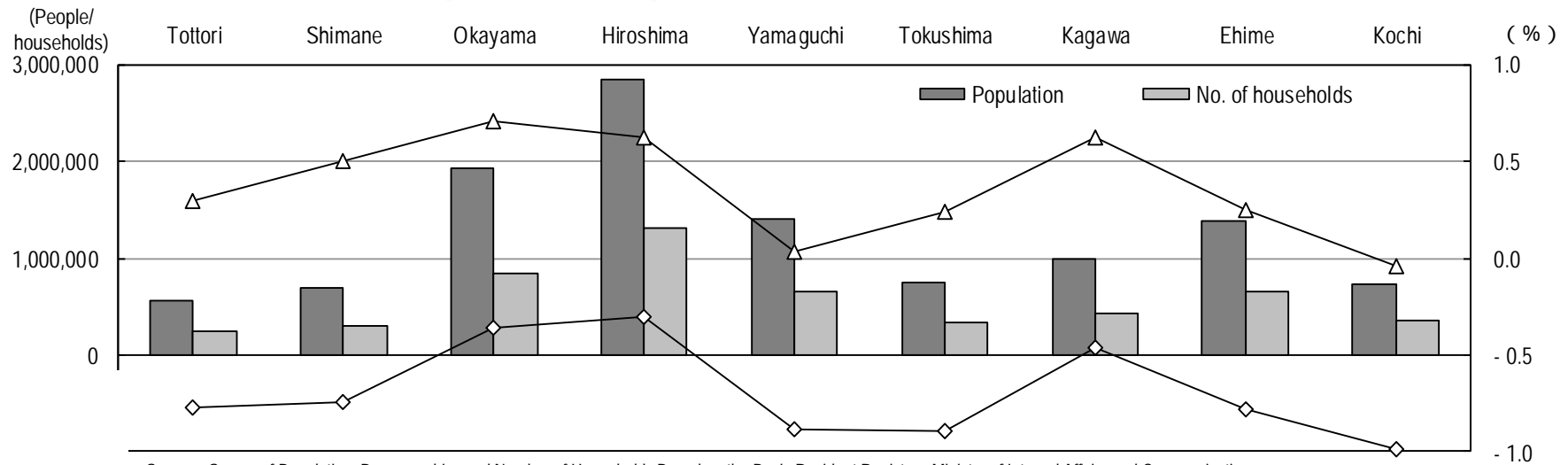
Breakdown of manufactured goods from the Mizushima Industrial Area by industry (2016)



Source: Okayama Prefecture "Census of Manufacture"

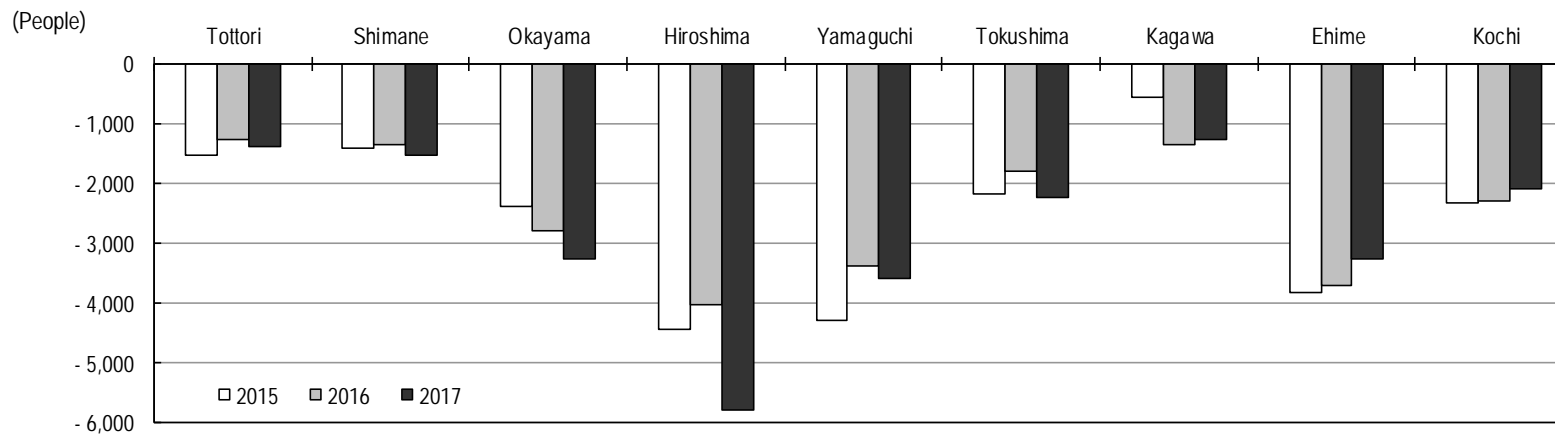
Okayama Prefecture's Growth Infrastructure and Potential (1)

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, 2018; The change in population and households is a comparison between January 2017 and January 2018.

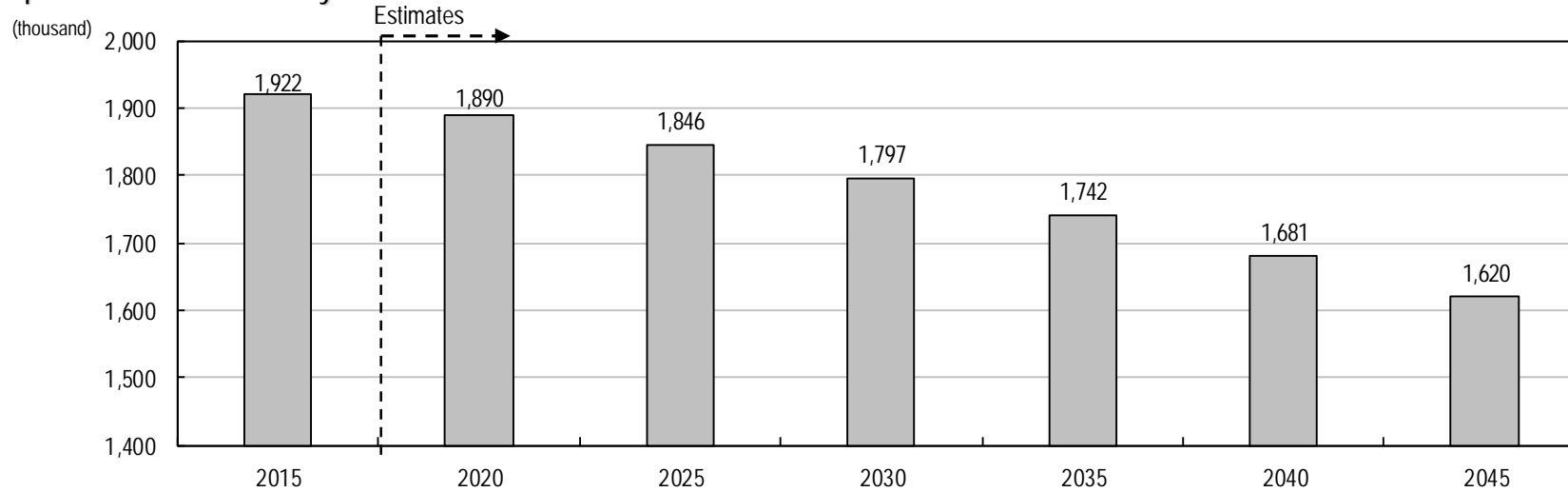
Number of people moving to prefectures in the Chugoku-Shikoku region (in excess of the number of people leaving)



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

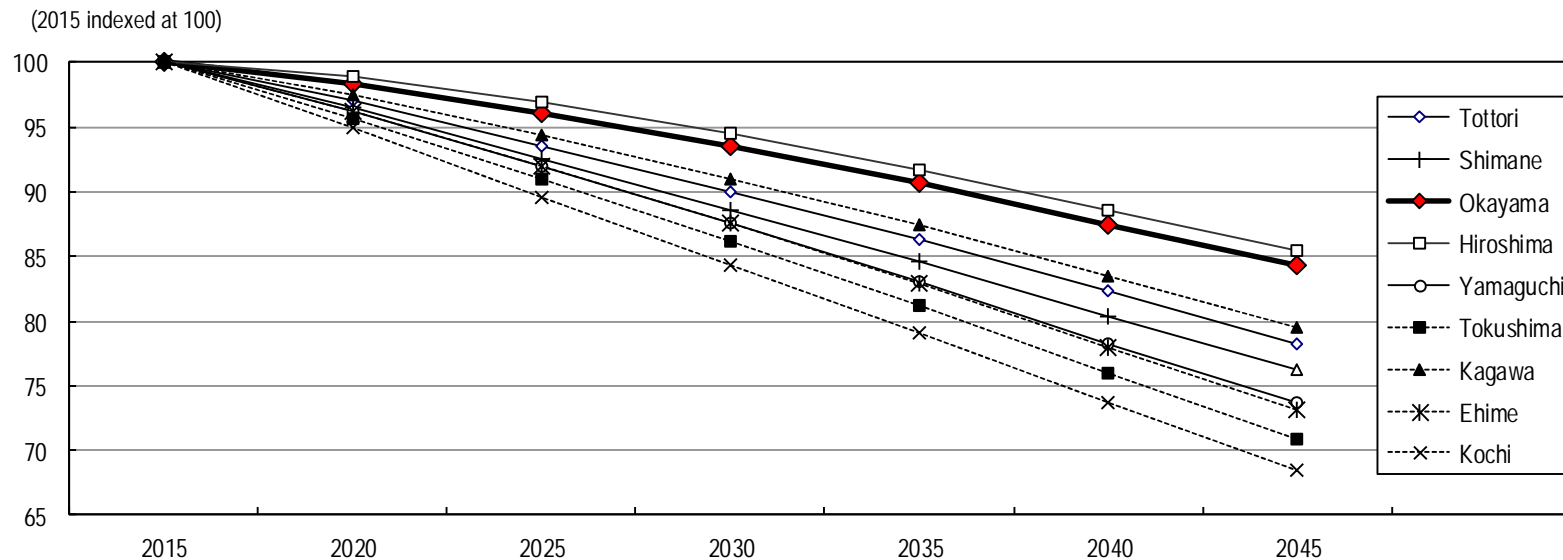
Okayama Prefecture's Growth Infrastructure and Potential (2)

Population trends for Okayama Prefecture



Source: National Institute of Population and Social Security Research

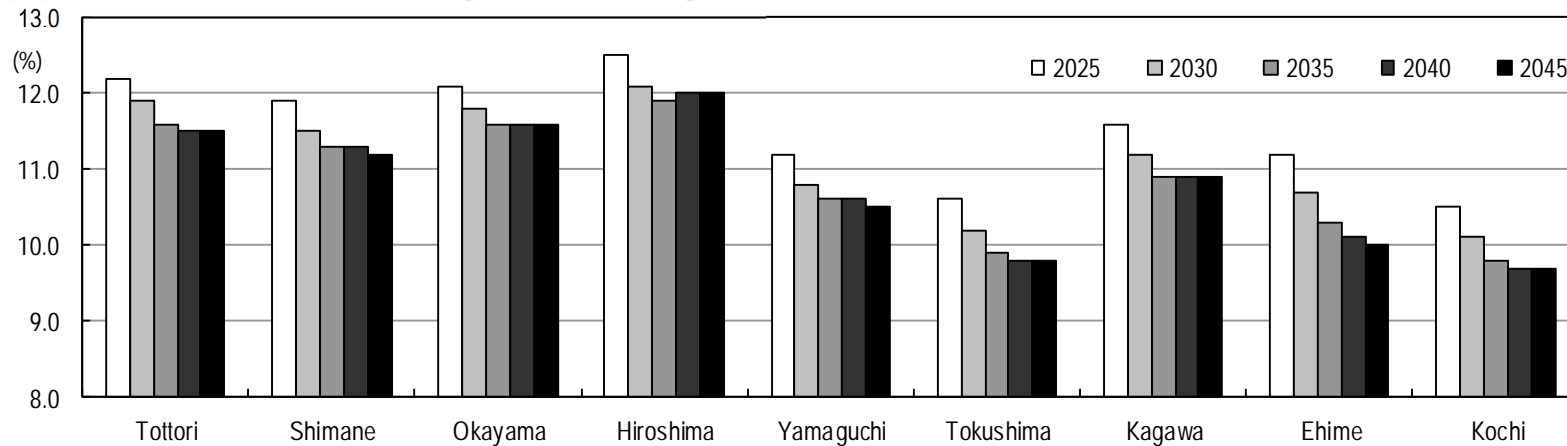
Future population trends for the Chugoku-Shikoku region



Source: National Institute of Population and Social Security Research

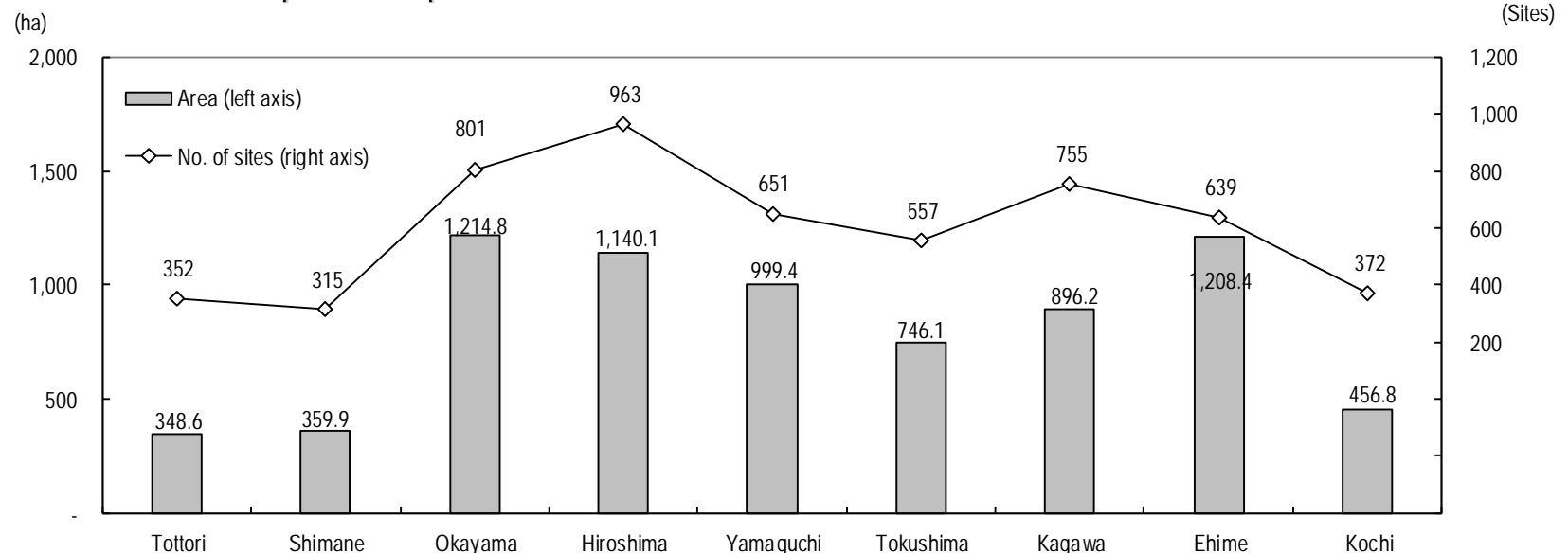
Okayama Prefecture's Growth Infrastructure and Potential (3)

Youth population ratio trends in the Chugoku-Shikoku region



Source: National Institute of Population and Social Security Research

Cumulative total for number of 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 attracts 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 Prefecture Film Commission
 - ~ Provides information on all 27 cities and villages within the prefecture
- ✓ Active cooperation by the community
 - ~ Extras, shopping streets, police, schools, etc.

Okayama Prefecture 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
Momo to Kiji	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 Prefecture Film Commission)

Okayama Prefecture's Growth Infrastructure and Potential (5)

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 are 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.

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)

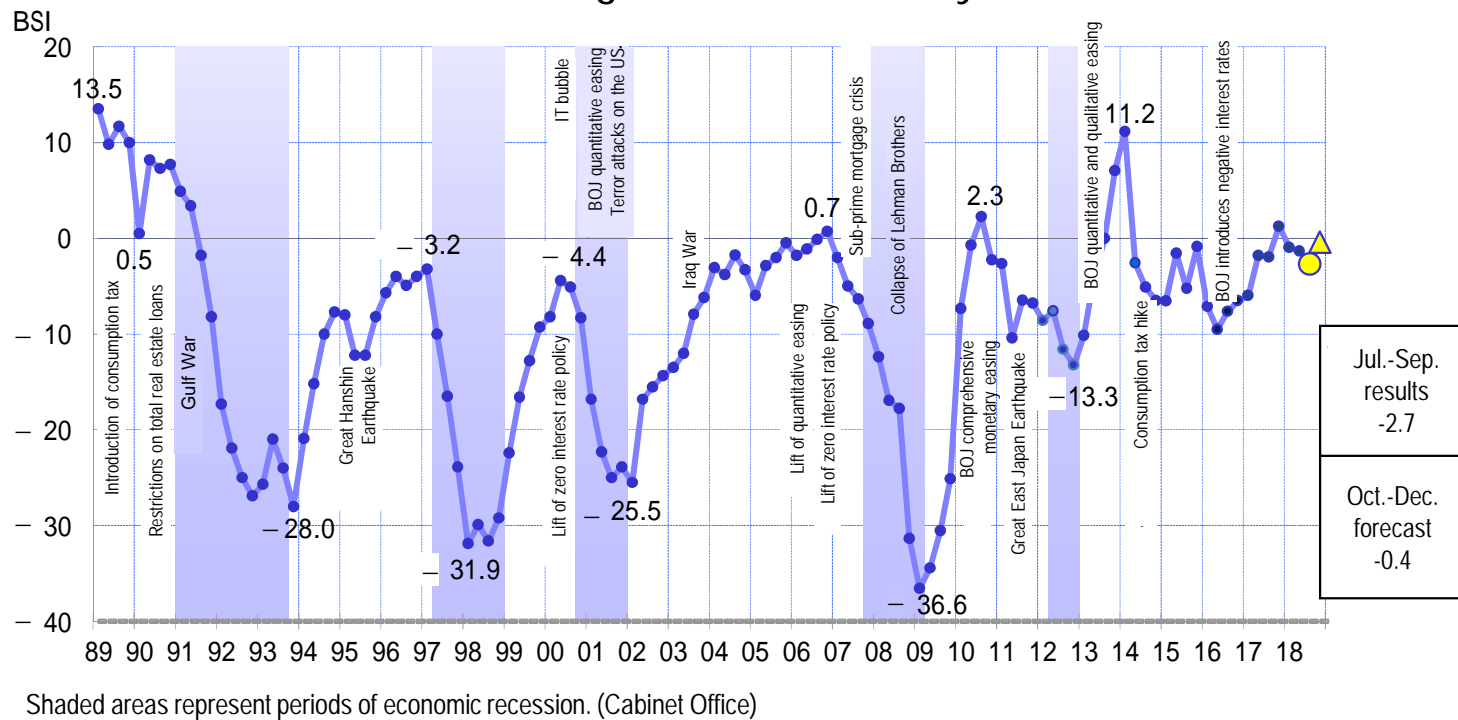
- Manufacturers and distribution companies using Okayama as their main location for West Japan
Distribution to East Japan possible during emergencies

The population of the area within a two-hour range by expressway is 16 million.



Okayama Prefecture's Economic Trends

The economy in Okayama is moving toward a recovery.

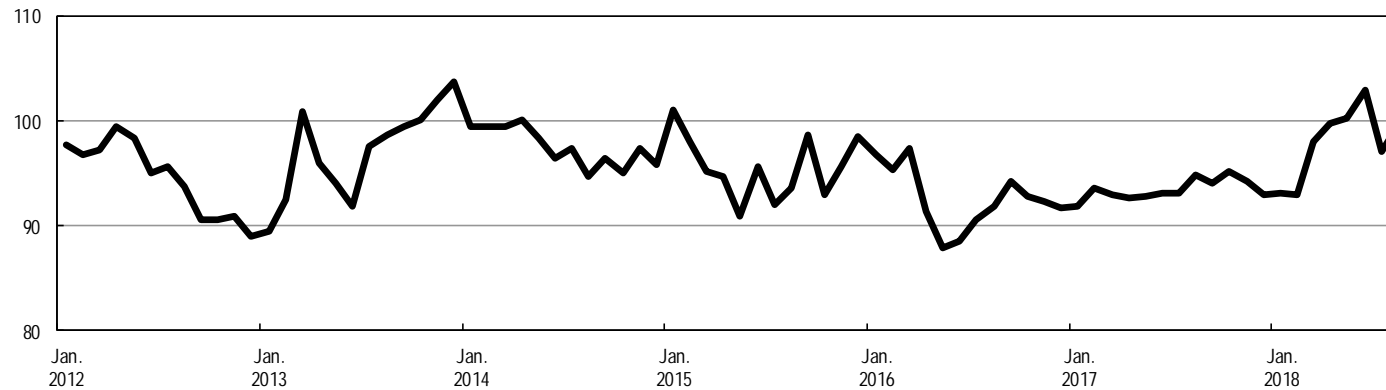


BSI (Business Survey Index) is designed to measure corporate managers' confidence in sales and business conditions and their forecasts for their company's performance (favorable turnaround, unchanged, deterioration). A favorable turnaround year-on-year warrants an A, while unchanged performance warrants a B, and deterioration a C (A + B + C = 100). The BSI is calculated by using the following equation: $(A - C) / 2$. 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 - - - Improving, led by external demand

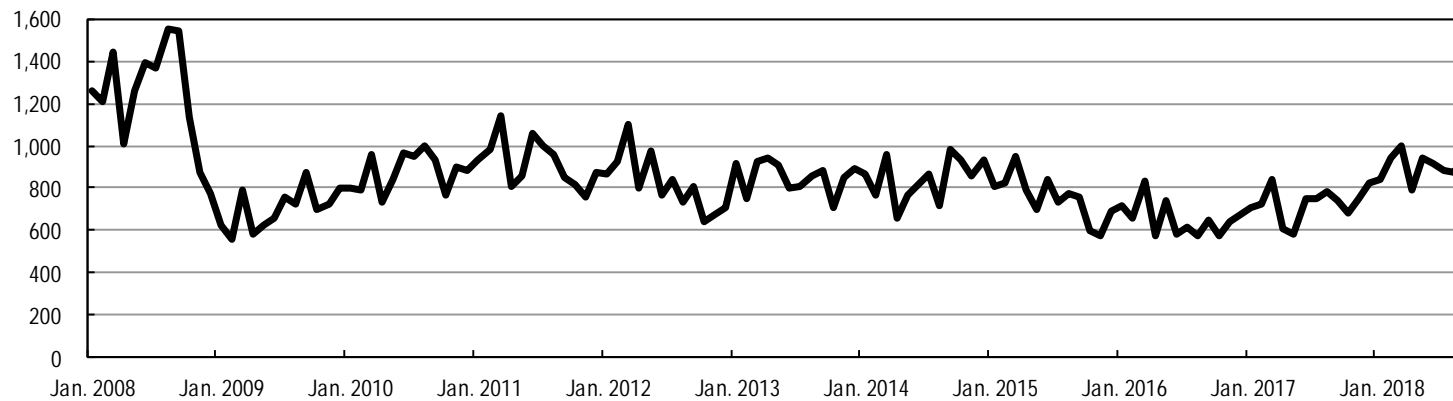
[Industrial production index trends] (2010 indexed at 100; seasonally adjusted)



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 - - - Robust

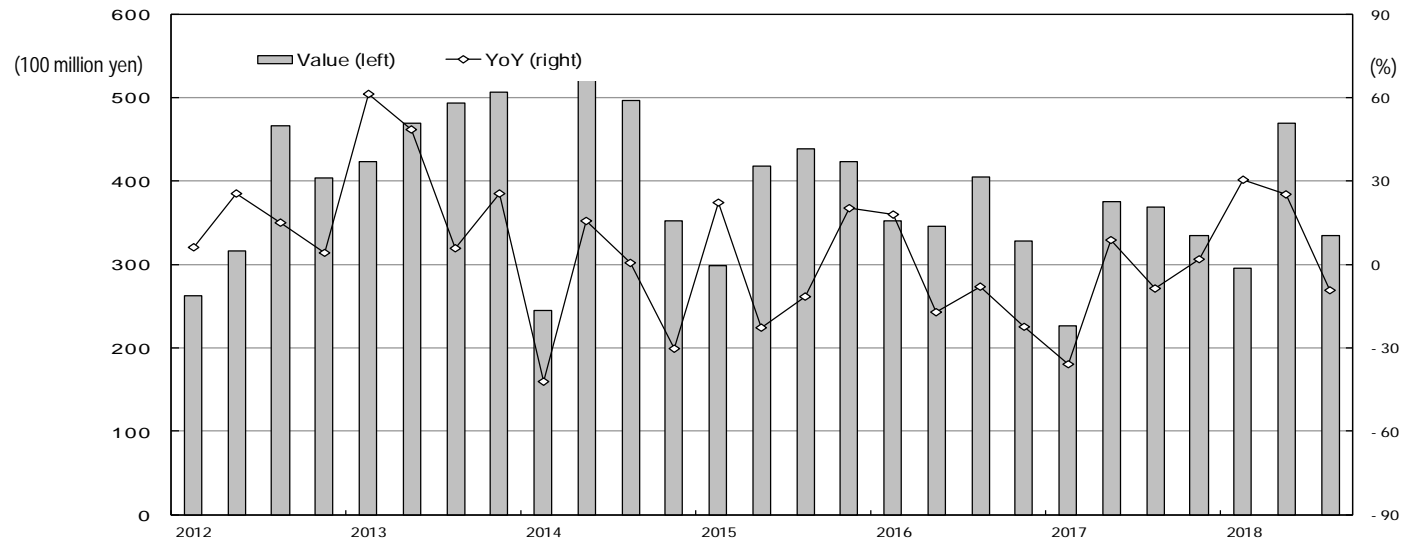
[Change in capital investment year-on-year]

(%)	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 results	- 7.0	0.4	- 4.5	6.3	3.4	4.4

Source: Bank of Japan; Okayama BOJ branch

Public investment - - - Showing signs of improvement

[Change in public works investment year-on-year]



Source: West Japan Construction Surety Co., Ltd.

Local Economic Trends (4)

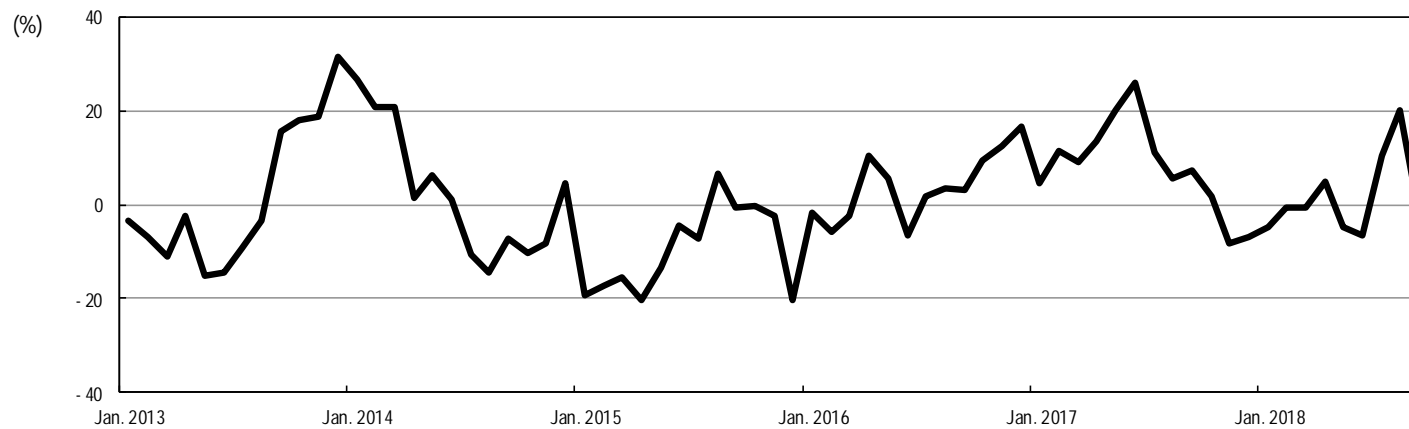
Consumer spending - - - Stagnant

[Large store retail sales trend (all stores; YoY)]



Source: Chugoku Bureau of Economy, Trade and Industry

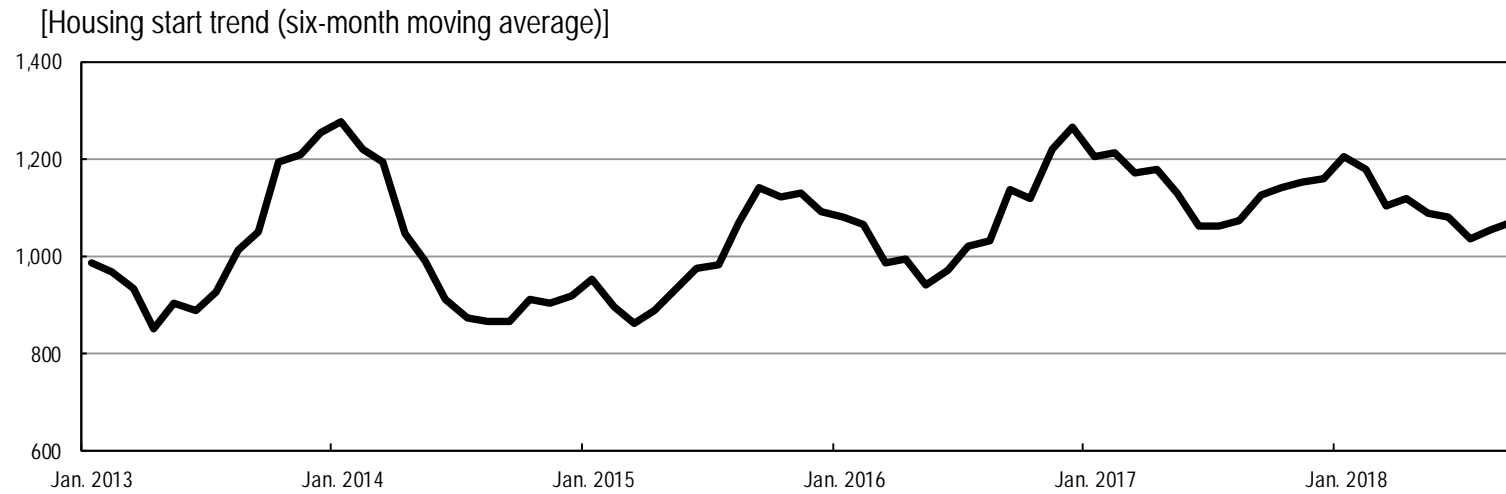
[New passenger car registration trend (including minicars; YoY)]



Source: Chugoku Transport & Tourism Bureau, Okayama branch

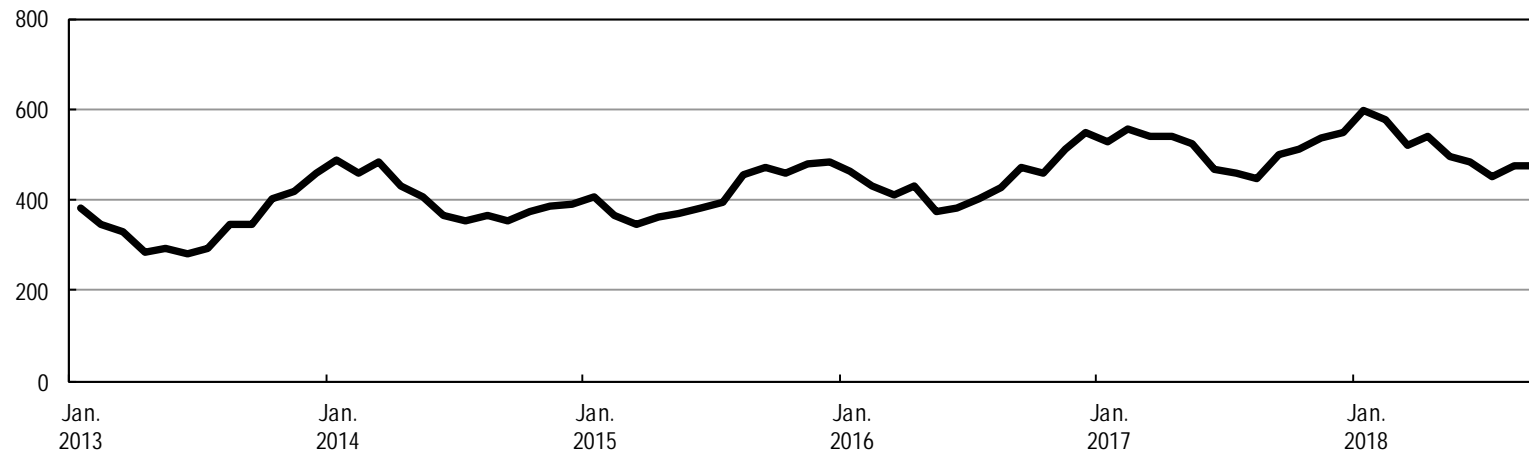
Local Economic Trends (5)

Housing investment - - - Sluggish



Source: MLIT

[Rental housing start trend (six-month moving average)]

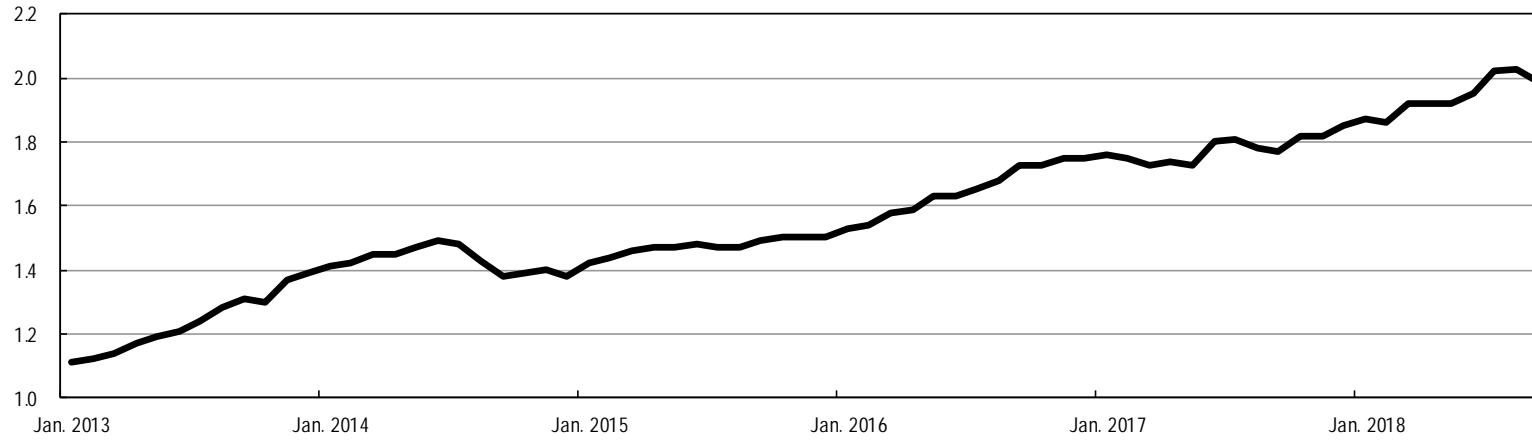


Source: MLIT

Local Economic Trends (6)

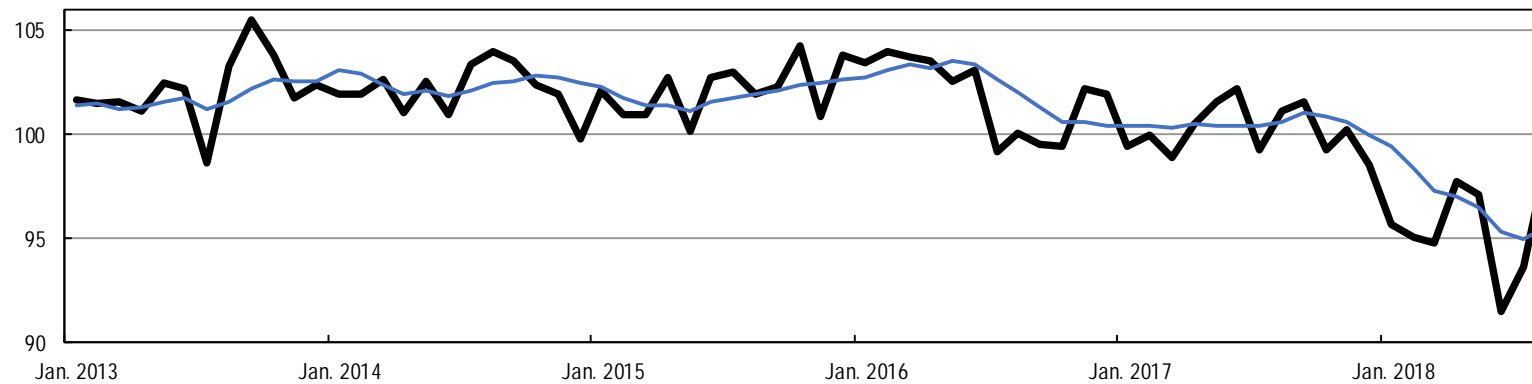
Employment trends - - Although employment is robust due to increased job openings, labor shortage is intensifying.

[Job openings to applicants ratio trend (seasonally adjusted)]



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

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

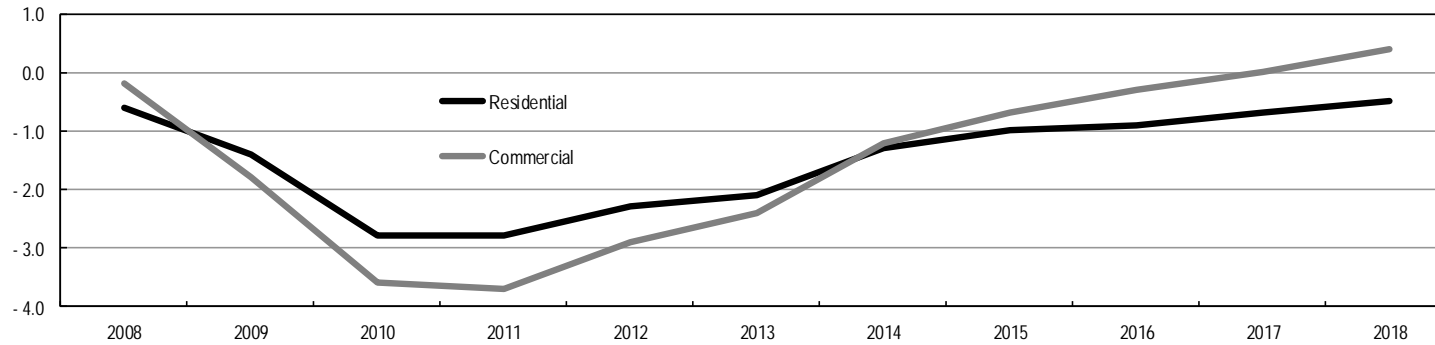


Source: Data from the Statistic Analysis Section of Okayama Prefecture seasonally adjusted by the Okayama Economic Research Institute

Local Economic Trends (7)

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

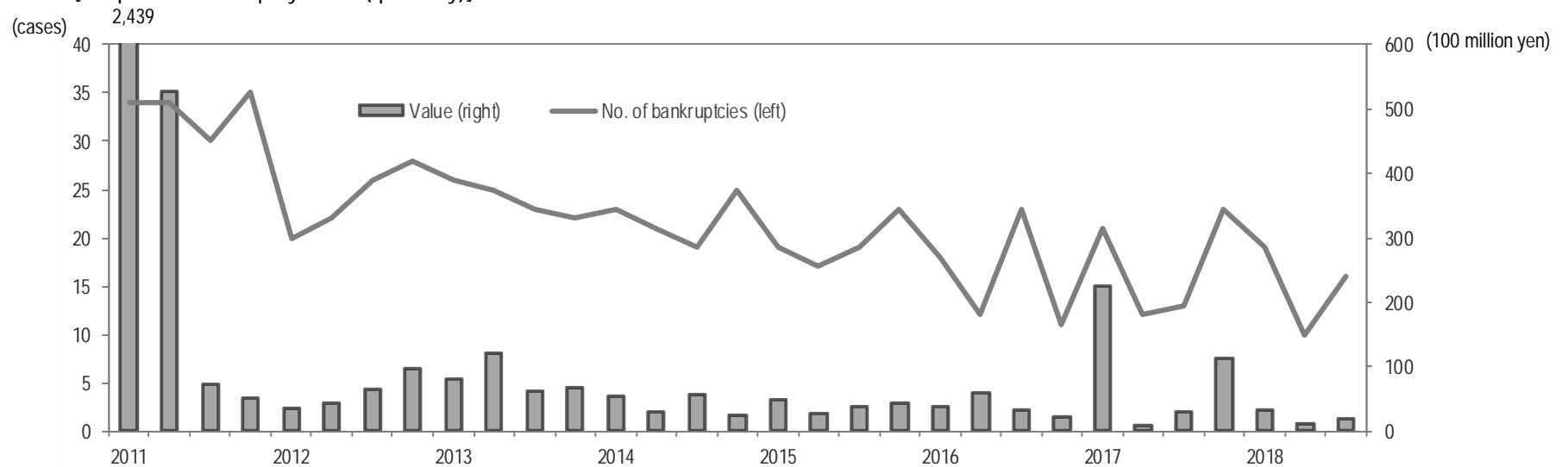
(%) [Standard land price trend (YoY)]



Source: Hilly and Mountainous Areas Development Division, Okayama Prefecture

Corporate bankruptcies - - - Flat growth in both number of bankruptcies and value

[Corporate bankruptcy trend (quarterly)]



Source: Okayama branch, Teikoku Databank

Chugoku Bank's Management Indicators

Profit and Loss Statement (1)

[Parent] (million yen)	FY2013	FY2014 1H	FY2014	FY2015 1H	FY2015	FY2016 1H	FY2016	FY2017 1H	FY2017	FY2018 1H
Ordinary revenue	117,853	55,893	109,307	58,723	113,236	58,634	125,036	57,586	116,499	57,415
Banking revenue	98,500	49,835	100,785	50,904	101,156	50,876	111,877	51,803	103,360	53,545
Extraordinary revenue	19,352	6,057	8,521	7,819	12,080	7,758	13,159	5,783	13,138	3,869
Ordinary expense	73,703	36,262	73,536	35,796	72,600	41,286	96,068	43,543	88,567	44,196
Banking expense	69,732	34,573	69,797	34,608	69,303	37,402	86,795	40,643	81,918	41,870
Extraordinary expense	3,971	1,688	3,739	1,187	3,297	3,883	9,272	2,900	6,649	2,325
Recurring profit	44,149	19,631	35,770	22,927	40,635	17,348	28,968	14,043	27,931	13,219
Banking income	28,783	15,269	31,001	16,303	31,866	13,478	25,090	11,164	21,451	11,679
Gross income	85,334	44,211	88,270	44,082	87,326	41,666	79,977	39,887	77,117	39,375
(Net interest income)	72,121	36,287	72,416	35,889	70,028	33,428	67,765	33,862	66,265	32,948
(Fees and commissions)	13,709	7,465	14,834	7,431	15,024	7,645	15,214	7,116	14,610	7,578
(Other banking income)	-495	459	1,019	762	2,272	592	-3,002	-1,091	-3,757	-1,150
Expenses	56,551	28,942	57,269	27,779	55,459	28,187	54,886	28,723	55,666	27,232
General provisions for doubtful receivables	-	-	-	-	-	-	-	-	-	464
Extraordinary gain	91	1	1	44	46	-	3	0	14	15
Extraordinary loss	364	289	361	177	394	126	466	143	209	143
Impairment loss	143	237	246	66	124	80	414	132	148	100
Income before income tax (1H)	43,876	19,342	35,409	22,794	40,288	17,222	28,505	13,900	27,736	13,090
Corporate, residential, and business taxes	9,214	6,258	12,322	6,101	11,006	4,110	8,688	2,964	7,218	3,056
Income tax adjustments	7,575	133	2,182	1,140	3,352	996	776	1,117	1,107	617
Net income (1H)	27,086	12,950	20,904	15,552	25,928	12,115	19,039	9,819	19,409	9,416

[Consolidated]										
Ordinary revenue	133,177	63,124	124,221	65,753	129,180	66,647	142,867	65,261	132,445	64,758
Recurring profit	48,107	21,306	39,106	24,262	43,440	18,473	31,605	15,385	30,922	14,012
Net income attributable to owners of the parent (1H)	28,717	13,594	24,702	16,094	27,252	12,590	20,323	10,566	21,258	9,713
Net income (1H)	29,592	13,931	25,446	16,211	27,522	12,745	20,627	10,566	21,258	9,713
Other comprehensive income	-669	15,318	48,293	-25,610	-14,871	-4,307	-18,359	12,312	8,687	3,250
Valuation difference from other available-for-sale securities	-1,682	16,011	48,301	-25,683	-4,798	-4,556	-19,641	11,431	6,403	763
Deferred hedge gains	1,012	-648	-1,262	46	-1,811	-344	675	222	1,087	1,966
Comprehensive income (1H)	28,922	29,250	73,739	-9,398	12,650	8,437	2,268	22,879	29,946	12,963

Profit and Loss Statement (2)

[Parent] (million yen)	FY2013	FY2014 1H	FY2014	FY2015 1H	FY2015	FY2016 1H	FY2016	FY2017 1H	FY2017	FY2018 1H
Bond related gains/losses	-1,626	225	45	406	1,742	732	-2,038	-300	-2,481	-316
Gain on bond sales, including JGBs	1,878	1,038	2,625	1,892	4,311	3,520	13,536	1,634	3,827	2,679
Gain on bond redemption, including JGBs	-	-	-	-	-	-	-	-	-	-
Loss on bond sales, including JGBs	3,505	813	2,580	1,485	2,568	2,788	15,575	1,901	6,308	2,895
Loss on bond redemption, including JGBs	-	-	-	-	-	-	-	-	-	-
Bond redemption, including JGBs	-	-	-	-	-	-	-	34	-	100
Equity-related gains/losses	2,620	1,569	3,775	2,696	3,349	945	4,379	456	4,437	335
Gain on equity sales	5,062	2,438	5,448	3,255	5,126	3,401	9,937	1,717	6,888	1,868
Loss on equity sales	2,437	817	1,673	540	1,586	1,666	2,928	1,261	2,450	1,529
Share redemption	4	51	-	18	190	789	2,628	-	-	3
Non-performing loan disposal	-10,844	-1,827	222	-2,659	-3,755	-2,716	-209	-2,632	-1,770	202
General provisions for doubtful receivables	-9,456	-4,145	-6,160	-2,577	-3,652	-487	-104	-2,498	-1,753	464
Individual provisions for doubtful accounts	-1,456	2,109	5,789	-82	-209	-2,241	-187	-136	-25	-261
Loan write-offs	6	-	-	-	-	-	-	-	-	-
Loss on claim sales	61	208	592	0	106	11	81	1	8	-

Ordinary Revenue Breakdown

[Parent]	FY2013	FY2014	FY2014	FY2015	FY2015	FY2016	FY2016	FY2017	FY2017	FY2018
(million yen)		1H		1H		1H		1H		1H
Ordinary revenue	117,853	55,893	109,307	58,723	113,236	58,634	125,036	57,586	116,499	57,415
Banking revenue	98,500	49,835	100,785	50,904	101,156	50,876	111,877	51,803	103,360	53,545
Net interest income	77,648	39,004	78,174	39,113	77,137	37,604	78,762	40,722	80,016	40,950
Lending rate	45,475	21,991	43,673	21,195	42,622	20,789	42,891	23,134	47,027	25,408
Securities interest rate	31,751	16,787	33,951	17,526	33,777	16,432	34,962	16,975	31,545	14,864
Call loan interest rate	78	34	83	56	77	73	307	299	813	361
Interest rate on bills bought	-	-	-	-	-	-	-	-	-	-
Gensaki transaction interest rate	-	-	-	-	-	-	-	-	-	-
Deposit interest rate	39	53	207	211	410	189	375	187	374	192
Foreign currency interest income	60	26	51	23	50	28	53	28	58	35
Financial swap interest income	-	-	-	-	-	-	-	-	-	-
Other interest income	242	110	207	99	199	90	172	97	196	88
Fees and commissions	17,831	9,522	18,950	9,502	19,173	9,735	19,439	9,276	18,911	9,757
Fee and commission income	5,817	2,883	5,780	2,844	5,737	2,853	5,712	2,818	5,669	2,811
Other fee and commission income	12,012	6,639	13,167	6,657	13,435	6,882	13,725	6,458	13,240	6,945
Trust fees	1	-	1	-	1	0	1	0	1	0
Other banking revenue	3,020	1,308	3,659	2,288	4,844	3,536	13,675	1,804	4,432	2,837
Gain on sale of bonds, including JGBs	1,878	1,038	2,625	1,892	4,311	3,520	13,536	1,634	3,827	2,679
Gain on sale of foreign currencies	296	-	-	-	24	-	-	-	-	-
Gain on sale of securities	-	-	-	-	-	14	9	-	-	0
Financial derivative revenue	841	268	1,032	394	506	-	126	168	603	-
Other	4	0	2	1	3	1	2	0	1	157
Extraordinary income	19,352	6,057	8,521	7,819	12,080	7,758	13,159	5,783	13,138	3,869
Gain on sale of equities	5,062	2,438	5,448	3,255	5,126	3,401	9,937	1,717	6,888	1,868
Gain on investment trusts	152	50	145	-	12	5	67	103	85	154
Reversal to provisions for doubtful receivables	10,912	2,035	370	2,659	3,861	2,728	291	2,634	1,778	-
Gain on non-performing loans recovered	6	0	4	0	0	12	12	5	5	0
Other	3,218	1,532	2,553	1,903	3,079	1,610	2,850	1,322	4,380	1,846

Ordinary Expense Breakdown

[Parent] (million yen)	FY2013	FY2014 1H	FY2014	FY2015 1H	FY2015	FY2016 1H	FY2016	FY2017 1H	FY2017	FY2018 1H
Ordinary expenses	73,703	36,262	73,536	35,796	72,600	41,286	96,068	43,543	88,567	44,196
Banking expenses	69,732	34,573	69,797	34,608	69,303	37,402	86,795	40,643	81,918	41,870
Interest expense	5,542	2,724	5,771	3,230	7,121	4,180	11,006	6,863	13,759	8,007
Expenses matching the amount of investment of money held in trust	14	6	13	6	13	4	9	3	9	4
Deposit interest	2,333	1,122	2,182	1,136	2,221	820	1,791	1,018	1,928	1,173
Negotiable certificates of deposit (NCD) interest	211	95	196	102	196	52	89	33	60	21
Call money interest	839	378	937	630	1,607	1,085	2,436	824	1,374	538
Interest on sales under agreement to repurchase	-	-	-	-	-	0	101	538	1,584	1,025
Securities lending transaction interest payable	237	161	511	384	1,134	889	2,354	943	1,474	325
Interest on commercial papers	-	-	-	-	-	-	48	336	779	395
Borrowed money interest payable	112	92	218	144	303	190	572	556	1,237	1,162
Foreign exchange interest payable	0	0	0	9	22	92	316	7	7	0
Financial swap interest payable	1,802	868	1,714	820	1,627	1,048	3,290	2,605	5,311	3,361
Other interest payable	5	5	10	1	8	0	6	0	0	3
Fees and commissions	4,122	2,057	4,115	2,071	4,149	2,090	4,225	2,159	4,301	2,178
Fees and commissions payable	880	435	875	441	883	454	902	463	919	474
Other fees and commissions payable	3,241	1,621	3,239	1,630	3,265	1,635	3,323	1,696	3,382	1,704
Other banking expenses	3,516	848	2,640	1,526	2,572	2,944	16,677	2,895	8,190	3,988
Loss on sale of bonds, including JGBs	3,505	813	2,580	1,485	2,568	2,788	15,575	1,901	6,308	2,895
Bond redemption, including JGBs	-	-	-	-	-	-	-	34	-	100
Loss on foreign exchange transactions	-	34	48	34	-	82	1,101	957	1,873	771
Loss on securities transactions	11	1	11	6	3	-	-	2	8	-
Financial derivative expenses	-	-	-	-	-	73	-	-	-	221
Other	-	-	-	-	-	-	-	-	-	-
General provisions for doubtful receivables	-	-	-	-	-	-	-	-	-	464
Expenses	56,551	28,942	57,269	27,779	55,459	28,187	54,886	28,723	55,666	27,232
Extraordinary expenses	3,971	1,688	3,739	1,187	3,297	3,883	9,272	2,900	6,649	2,325
Individual provisions for doubtful accounts	-	-	-	-	-	-	-	-	-	-261
Redemption of loans and bills discounted	6	-	-	-	-	-	-	-	-	-
Loss on sale of equity	2,437	817	1,673	540	1,586	1,666	2,928	1,261	2,450	1,529
Equity redemption	4	51	-	18	190	789	2,628	-	-	3
Loss on money held in trust	25	70	3	106	182	98	88	0	118	14
Retirement expense	-75	-67	13	39	78	855	1,711	949	1,899	748
Other	1,573	816	2,049	482	1,259	473	1,914	688	2,179	290

Expense Breakdown

[Parent] (million yen)	FY2013	FY2014 1H	FY2014	FY2015 1H	FY2015	FY2016 1H	FY2016	FY2017 1H	FY2017	FY2018 1H
Expenses (1)	56,551	28,942	57,269	27,779	55,459	28,187	54,886	28,723	55,666	27,232
Personnel	31,106	15,457	31,232	14,879	29,758	14,903	29,553	14,702	28,910	13,953
Salaries	16,650	8,250	16,549	8,259	16,571	8,316	16,610	8,171	16,051	7,740
Bonuses	5,894	3,029	6,268	3,107	6,146	3,002	5,755	2,807	5,410	2,506
Retirement expenses	2,437	1,011	2,024	212	426	222	446	353	710	288
Social insurance	3,461	1,753	3,550	1,789	3,580	1,804	3,600	1,800	3,575	1,796
Temporary employment expense	2,662	1,412	2,840	1,511	3,035	1,557	3,140	1,569	3,162	1,621
Property expense	23,015	11,636	23,238	10,901	22,615	11,250	22,218	11,502	23,138	11,381
Depreciation	2,829	1,368	2,837	1,456	3,135	1,730	3,539	2,063	4,329	2,043
Land and building leasing expense	722	371	757	398	787	358	748	384	780	398
Machinery leasing expense	137	58	128	60	134	62	136	69	153	80
Outsourcing expense	2,542	1,288	2,552	1,294	2,592	1,361	2,727	1,393	2,755	1,333
Maintenance expense	318	120	232	107	224	109	207	107	224	136
Travel expense	201	92	192	104	207	102	194	104	213	100
Sales promotion expense	53	33	64	33	62	34	69	46	83	46
Deposit insurance premium	3,639	2,258	3,789	1,178	2,356	1,209	2,418	1,094	2,188	1,029
Miscellaneous expense	12,570	6,042	12,681	6,266	13,114	6,283	12,177	6,239	12,410	6,213
Taxes	2,428	1,848	2,798	1,999	3,085	2,033	3,114	2,518	3,617	1,896
Core business gross profit (2)	86,960	43,986	88,225	43,676	85,583	40,933	82,016	40,187	79,598	39,692
OHR (1)÷(2)	65.0%	65.8%	64.9%	63.6%	64.8%	68.8%	66.9%	71.4%	69.9%	68.6%

Major Yields

		FY2013	FY2014	FY2014	FY2015	FY2015	FY2016	FY2016	FY2017	FY2017	FY2018
			1H		1H		1H		1H		1H
Total for all branches	1. Interest-earning asset yield	1.19	1.14	1.11	1.08	1.06	1.00	1.03	1.05	1.04	1.05
	Loan yield	1.30	1.22	1.20	1.11	1.09	1.00	1.01	1.02	1.03	1.08
	Securities yield	1.08	1.10	1.10	1.21	1.16	1.12	1.20	1.31	1.24	1.23
	Call loan yield	0.14	0.20	0.18	0.17	0.19	0.30	0.32	0.29	0.44	0.32
	Deposit yield (including NCD)	0.18	0.10	0.10	0.09	0.10	0.10	0.10	0.10	0.10	0.10
	2. Interest-bearing liabilities	0.08	0.08	0.08	0.09	0.10	0.11	0.14	0.18	0.18	0.21
	Deposit yield	0.04	0.04	0.03	0.04	0.03	0.02	0.02	0.03	0.03	0.03
	Call money yield	0.35	0.32	0.37	0.51	0.65	1.00	1.20	1.40	1.37	1.96
	Loan yield	0.12	0.14	0.15	0.17	0.17	0.23	0.34	0.60	0.65	1.32
	3. Expense ratio	0.97	0.97	0.96	0.91	0.91	0.89	0.87	0.88	0.86	0.80
4. Fundraising expense	0.99	0.97	0.94	0.90	0.90	0.88	0.88	0.94	0.91	0.92	
5. Total net interest income (1-4)	0.20	0.17	0.17	0.18	0.16	0.12	0.15	0.11	0.13	0.13	
Simple loan-deposit margin	1.26	1.18	1.17	1.07	1.06	0.98	0.99	0.99	1.00	1.05	
Simple deposit-securities margin	1.04	1.06	1.07	1.17	1.13	1.10	1.18	1.28	1.21	1.20	

Domestic banking operations	1. Interest-earning asset yield	1.09	1.04	1.01	0.96	0.94	0.86	0.84	0.81	0.80	0.80
	Loan yield	1.31	1.23	1.21	1.12	1.09	0.97	0.95	0.89	0.88	0.86
	Securities yield	0.93	0.94	0.94	1.03	0.97	0.94	0.96	1.03	1.00	1.03
	Call loan yield	0.12	0.17	0.15	0.13	0.13	-0.02	-0.02	-0.02	-0.01	-0.03
	Deposit yield (including NCD)	0.18	0.10	0.10	0.09	0.10	0.10	0.10	0.10	0.10	0.10
	2. Interest-bearing liabilities	0.07	0.06	0.06	0.06	0.06	0.04	0.04	0.04	0.04	0.03
	Deposit yield	0.04	0.03	0.03	0.03	0.03	0.02	0.01	0.01	0.01	0.01
	Call money yield	0.07	0.06	0.06	0.05	0.06	-0.03	-0.03	-0.02	-0.04	-0.05
	Loan yield	0.11	0.11	0.11	0.11	0.11	0.06	0.04	0.01	0.01	0.02
	3. Expense ratio	0.95	0.95	0.93	0.88	0.88	0.87	0.85	0.86	0.84	0.78
4. Fundraising expense	1.00	0.98	0.95	0.90	0.89	0.84	0.80	0.82	0.80	0.76	
5. Total net interest income (1-4)	0.09	0.06	0.06	0.06	0.05	0.02	0.04	-0.01	0.00	0.04	
Simple loan-deposit margin	1.27	1.20	1.18	1.09	1.06	0.95	0.94	0.88	0.87	0.85	
Simple deposit-securities margin	0.89	0.91	0.91	1.00	0.94	0.92	0.95	1.02	0.99	1.02	

Major Accounts (year-end balance) Assets



(100 million yen)	FY2013	FY2014 1H	FY2014	FY2015 1H	FY2015	FY2016 1H	FY2016	FY2017 1H	FY2017	FY2018 1H
Total assets	69,508	72,964	75,894	73,908	77,701	82,481	82,554	82,991	84,395	83,679
Interest-earning assets	68,159	69,468	71,082	68,344	72,100	74,626	73,673	75,527	75,209	75,871
Loans	35,664	36,121	37,289	38,610	40,365	42,173	44,003	45,607	46,761	47,300
Securities	31,431	32,013	32,614	28,773	31,073	30,347	27,146	27,439	26,208	25,074
Securities products	23	23	23	23	19	20	23	18	18	19
Money in trust	200	199	200	198	200	199	150	150	250	201
Deposits (excluding non-interest bearing portion)	150	150	52	52	53	112	102	141	167	165
Call loans	351	658	518	405	74	1,457	1,905	1,743	1,412	2,614
Debt purchased	273	242	320	198	206	222	215	261	271	268
Foreign exchange	64	58	63	81	107	76	64	59	79	107
Cash collateral paid	-	-	-	-	-	14	61	101	41	119
(Interest-earnings assets)	67,959	69,268	70,882	68,145	71,900	74,427	73,523	75,376	74,959	75,669
Cash and deposits (non-interest bearing)	734	2,829	3,871	4,818	4,815	6,912	7,953	6,403	7,609	6,621
Tangible fixed assets	436	432	433	426	431	427	413	405	396	392
Intangible fixed assets	20	30	38	48	60	68	74	65	58	51
Other assets	369	350	580	355	332	461	446	550	1,094	703
Deferred tax assets	-	-	-	-	-	-	-	-	-	-
Guarantee endorsements	256	281	321	308	328	321	340	351	340	347
Provisions for doubtful receivables	-469	-428	-433	-392	-367	-336	-347	-311	-314	-306

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



(100 million yen)	FY2013	FY2014 1H	FY2014	FY2015 1H	FY2015	FY2016 1H	FY2016	FY2017 1H	FY2017	FY2018 1H
Total liabilities and net assets	69,508	72,964	75,894	73,908	77,701	82,481	82,554	82,991	84,395	83,679
Total liabilities	65,037	68,316	70,890	69,032	72,585	77,334	77,526	77,774	79,161	78,350
Interest-bearing liabilities	64,035	67,097	69,409	67,912	71,385	76,136	76,370	76,496	77,624	76,958
Deposits	56,900	56,667	58,945	58,113	60,114	59,545	62,018	61,693	64,236	63,831
Negotiable certificates of deposit (NCD)	1,626	2,544	1,638	2,568	1,847	3,025	2,229	3,038	2,224	3,562
Call money	2,901	2,189	3,392	1,799	2,500	1,722	1,492	720	579	366
Sales under agreement to repurchase account	-	-	-	-	-	-	215	1,582	715	782
Payables under Securities Lending Transactions	1,544	4,119	3,898	3,475	5,157	10,369	8,323	6,911	7,472	6,229
Commercial paper	-	-	-	-	-	-	242	517	461	487
Borrowed money	1,058	1,571	1,530	1,951	1,762	1,461	1,818	2,014	1,885	1,656
Foreign exchange	3	3	1	3	1	2	1	2	2	1
Cash collateral received	-	-	-	-	-	8	27	6	31	16
(Expenses matching the amount of investment of money held in trust)	200	199	200	198	200	199	150	150	250	201
(Fund procurement account)	63,835	66,897	69,209	67,713	71,185	75,937	76,220	76,345	77,374	76,757
Other liabilities	501	548	664	433	426	449	464	518	803	645
Retirement provision	134	237	233	221	209	204	200	198	195	188
Other provision	25	23	24	24	24	24	23	21	25	23
Deferred tax liabilities	83	127	236	131	209	195	126	186	169	187
Acceptances and guarantees	256	281	321	308	328	321	340	351	340	347
Total net assets	4,470	4,647	5,004	4,876	5,116	5,146	5,028	5,217	5,234	5,329
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	3,628	3,670	3,696	3,831	3,915	4,017	4,067	4,074	4,151	4,226
Treasury stock (-)	32	52	36	46	79	98	121	54	74	84
Valuation difference on other securities	694	854	1,177	922	1,130	1,080	925	1,038	989	999
Gain/loss on deferred hedges	-36	-43	-49	-49	-67	-71	-60	-58	-49	-30
Warrants	2	2	3	2	3	3	3	2	2	2

Major Accounts (average balance) Assets

(100 million yen)	FY2013	FY2014 1H	FY2014	FY2015 1H	FY2015	FY2016 1H	FY2016	FY2017 1H	FY2017	FY2018 1H
Total assets	66,863	69,722	71,711	73,666	74,501	78,330	79,899	80,719	80,986	81,574
Interest-earning assets	65,401	68,138	70,063	71,932	72,629	75,074	76,580	76,924	77,056	77,507
Loans	34,866	35,908	36,351	37,881	38,748	41,310	42,324	44,859	45,518	46,907
Securities	29,261	30,376	30,773	28,688	28,950	29,042	29,030	25,747	25,311	23,939
Securities products	28	24	24	22	22	20	22	19	19	26
Money in trust	200	199	200	199	199	199	199	150	210	249
Deposits (excluding non-interest bearing portion)	214	1,047	1,989	4,220	4,048	3,713	3,719	3,727	3,735	3,741
Call loans	529	329	444	645	392	483	947	2,014	1,822	2,198
Debt purchased	193	187	172	176	160	144	149	175	182	187
Foreign exchange	108	63	106	97	107	157	156	137	157	171
Cash collateral paid	-	-	-	-	-	2	29	85	100	85
(Interest-earnings assets)	65,201	67,938	69,863	71,732	72,430	74,874	76,380	76,774	76,846	77,257
Cash and deposits (non-interest bearing)	825	829	837	863	954	2,309	2,297	2,486	2,616	2,779
Tangible fixed assets	451	441	444	434	438	438	441	415	416	399
Intangible fixed assets	13	24	29	42	47	64	67	72	71	58
Other assets	213	209	201	226	245	224	284	578	570	580
Deferred tax assets	325	284	292	281	275	247	243	240	234	229
Guarantee endorsements	264	262	292	314	321	329	332	345	347	332
Provisions for doubtful receivables	-631	-467	-449	-428	-411	-358	-347	-343	-328	-311

Major Accounts (average balance) Liabilities & Net Assets



(100 million yen)

	FY2013	FY2014 1H	FY2014	FY2015 1H	FY2015	FY2016 1H	FY2016	FY2017 1H	FY2017	FY2018 1H
Total liabilities and net assets	66,863	69,722	71,711	73,666	74,501	78,330	79,899	80,719	80,986	81,574
Total liabilities	63,184	65,977	67,892	69,768	70,530	74,267	75,767	76,598	76,804	77,306
Interest-bearing liabilities	62,344	65,153	66,944	68,864	69,544	73,384	74,784	75,590	75,748	76,227
Deposits	55,225	56,835	56,912	58,260	58,350	59,937	60,078	61,560	61,694	63,475
Negotiable certificates of deposit (NCD)	2,684	2,555	2,629	2,621	2,512	2,909	2,965	2,916	2,883	3,712
Call money	2,373	2,304	2,506	2,434	2,457	2,157	2,016	1,167	999	547
Sales under agreement to repurchase	-	-	-	-	-	0	111	753	1,011	903
Payables under Securities Lending Transactions	1,169	2,151	3,463	3,861	4,495	6,747	7,913	6,839	6,739	5,432
Commercial paper	-	-	-	-	-	-	41	487	498	376
Borrowed money	889	1,301	1,429	1,681	1,724	1,625	1,649	1,846	1,897	1,746
Foreign exchange	1	3	3	3	2	1	1	3	3	3
Cash collateral received	-	-	-	-	-	3	3	11	14	9
(Expenses matching the amount of investment of money held in trust)	200	199	200	199	199	199	199	150	210	249
(Fund procurement account)	62,144	64,953	66,744	68,664	69,345	73,184	74,584	75,440	75,538	75,978
Other liabilities	419	356	425	343	423	328	428	447	494	534
Retirement provision	136	186	210	228	222	206	204	198	197	191
Other provision	18	17	17	15	15	16	17	15	14	20
Deferred tax liabilities	-	-	-	-	-	-	-	-	-	-
Acceptances and guarantees	264	262	292	314	321	329	332	345	347	332
Total net assets	3,678	3,744	3,819	3,898	3,971	4,063	4,131	4,120	4,182	4,268
Capital	151	151	151	151	151	151	151	151	151	151
Surplus capital	62	62	62	62	62	62	62	27	44	62
Retained earnings	3,534	3,564	3,647	3,713	3,795	3,925	4,002	4,016	4,047	4,121
Treasury stock (-)	79	45	54	42	52	90	99	88	75	81
Valuation difference on other securities	7	9	10	11	11	12	11	11	11	11
Gain/loss on deferred hedges	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0
Warrants	2	2	2	2	2	3	3	3	2	2

Deposits (year-end balance)

(100 million yen)	FY2013	FY2014 1H	FY2014	FY2015 1H	FY2015	FY2016 1H	FY2016	FY2017 1H	FY2017	FY2018 1H
Okayama	43,351	43,152	44,936	44,251	46,194	45,465	47,052	46,850	49,026	48,864
Private portion	33,123	33,425	34,178	34,305	34,845	34,807	35,313	35,832	36,311	37,072
Corporate portion	8,038	8,258	8,549	8,480	8,870	8,989	9,314	9,657	10,043	10,140
Hiroshima	7,803	7,884	8,388	8,055	8,101	8,172	8,762	8,534	8,533	8,634
Private portion	5,443	5,482	5,554	5,544	5,519	5,514	5,569	5,584	5,604	5,633
Corporate portion	2,203	2,209	2,387	2,414	2,466	2,528	2,614	2,858	2,794	2,838
Kagawa, Ehime	3,995	3,919	4,002	3,928	3,992	3,952	4,029	4,022	4,141	4,074
Private portion	2,789	2,785	2,821	2,804	2,792	2,764	2,763	2,766	2,765	2,759
Corporate portion	1,162	1,120	1,136	1,114	1,154	1,177	1,220	1,253	1,338	1,312
Hyogo	947	944	962	1,017	1,044	1,068	1,089	1,136	1,130	1,159
Private portion	611	613	619	624	627	624	636	640	637	642
Corporate portion	334	329	342	381	405	438	451	495	492	516
Tottori	94	96	102	105	105	106	114	119	129	120
Private portion	53	51	51	51	49	50	49	50	51	52
Corporate portion	41	44	50	53	55	55	64	68	78	67
Osaka	201	216	202	236	217	216	237	241	211	264
Private portion	67	67	67	67	65	64	72	67	68	69
Corporate portion	133	147	133	167	150	150	163	172	142	193
Tokyo	231	248	167	199	133	176	137	136	188	194
Private portion	66	68	69	70	70	71	69	67	66	65
Corporate portion	162	171	96	126	59	102	66	67	119	127
Total domestic branches (before reconciliation of transit items)	56,625	56,462	58,763	57,794	59,789	59,158	61,422	61,042	63,361	63,310
Total for private portion	42,154	42,494	43,363	43,469	43,971	43,897	44,476	45,010	45,504	46,294
Total for corporate portion	12,075	12,282	12,695	12,737	13,163	13,441	13,895	14,572	15,009	15,194
Overseas branches	276	206	183	321	325	388	597	653	877	521
Total deposits	56,900	56,667	58,945	58,113	60,114	59,545	62,018	61,693	64,236	63,831
Liquidity	35,698	35,620	38,085	37,071	39,260	39,035	41,644	41,224	44,590	44,332
Time deposits	21,201	21,046	20,860	21,042	20,853	20,510	20,374	20,469	19,646	19,499
Domestic banking	55,942	55,895	58,196	57,153	59,187	58,569	60,869	60,433	62,671	62,564
International banking	957	772	749	960	926	976	1,149	1,260	1,565	1,267

Deposits (average balance)

(100 million yen)	FY2013	FY2014 1H	FY2014	FY2015 1H	FY2015	FY2016 1H	FY2016	FY2017 1H	FY2017	FY2018 1H
Okayama	42,006	43,204	43,301	44,458	44,544	45,887	45,766	46,806	47,003	48,589
Private portion	32,850	33,477	33,731	34,483	34,599	34,963	35,082	35,697	35,981	36,755
Corporate portion	7,833	8,158	8,179	8,469	8,541	8,989	9,014	9,442	9,464	9,958
Hiroshima	7,661	7,922	7,958	8,089	8,070	8,196	8,224	8,427	8,429	8,643
Private portion	5,413	5,481	5,510	5,577	5,565	5,522	5,533	5,579	5,596	5,619
Corporate portion	2,104	2,209	2,244	2,408	2,414	2,510	2,534	2,736	2,736	2,828
Kagawa, Ehime	3,909	3,996	3,966	4,001	3,977	3,969	3,992	4,050	4,064	4,073
Private portion	2,801	2,794	2,802	2,828	2,817	2,780	2,772	2,762	2,765	2,760
Corporate portion	1,099	1,191	1,153	1,167	1,153	1,181	1,210	1,284	1,294	1,310
Hyogo	928	938	949	978	1,005	1,042	1,054	1,115	1,116	1,141
Private portion	613	616	616	623	625	626	627	637	638	637
Corporate portion	313	321	330	348	371	408	420	477	476	503
Tottori	90	93	93	101	101	103	105	114	116	126
Private portion	51	52	51	53	51	50	50	50	50	52
Corporate portion	38	40	41	47	48	52	55	63	64	73
Osaka	216	176	182	195	200	213	215	218	220	233
Private portion	67	67	67	68	67	65	67	69	68	68
Corporate portion	147	108	114	126	132	147	147	148	150	164
Tokyo	171	205	187	186	177	193	185	163	155	157
Private portion	69	67	70	70	70	71	70	68	67	66
Corporate portion	100	136	115	114	105	119	112	92	85	88
Total domestic branches	54,984	56,537	56,640	58,008	58,076	59,606	59,546	60,896	61,107	62,963
Total for private portion	41,866	42,556	42,851	43,701	43,796	44,080	44,205	44,865	45,171	45,960
Total for corporate portion	11,638	12,166	12,179	12,680	12,766	13,410	13,497	14,246	14,276	14,925
Overseas branches	240	297	272	252	274	330	531	664	587	512
Total deposits	55,225	56,835	56,912	58,260	58,350	59,937	60,078	61,560	61,694	63,475
Liquidity	33,881	35,579	35,786	37,274	37,412	39,274	39,405	41,059	41,781	43,848
Time deposits	21,343	21,255	21,126	20,986	20,938	20,663	20,672	20,500	19,913	19,627
Domestic banking	54,395	55,940	56,065	57,399	57,458	59,009	58,956	60,277	60,486	62,216
International banking	829	894	847	861	892	928	1,122	1,282	1,208	1,259

Loans (year-end balance)

		FY2013	FY2014	FY2014	FY2015	FY2015	FY2016	FY2016	FY2017	FY2017	FY2018	
(100 million yen)			1H		1H		1H		1H		1H	
	General capital	31,663	31,918	32,710	33,669	35,298	37,059	38,930	40,332	41,543	42,098	
	Scale	Large-scale companies	7,234	7,555	7,597	8,001	8,431	8,869	8,869	8,251	7,919	7,778
		Medium-scale companies	1,399	1,358	1,379	1,420	1,427	1,477	1,499	1,661	1,710	1,672
		Small-scale companies	15,178	15,135	15,809	16,258	17,389	18,568	20,309	22,067	23,426	24,044
		Private individuals	7,850	7,868	7,922	7,988	8,050	8,144	8,252	8,352	8,486	8,602
	Government and municipal loans		3,903	4,089	4,415	4,792	4,908	4,985	4,904	5,108	5,017	4,962
		State and local public works groups	3,819	4,014	4,327	4,726	4,836	4,932	4,847	5,067	4,979	4,939
		Local public corporations	84	74	87	66	71	53	57	40	38	23
	Total loans by domestic branches		35,567	36,007	37,125	38,461	40,206	42,045	43,835	45,440	46,561	47,061
	Region	Okayama	18,426	18,461	19,167	19,842	21,166	22,441	24,003	25,305	25,973	26,423
		Hiroshima	6,407	6,518	6,588	6,726	6,924	7,162	7,415	7,671	7,935	8,128
		Kagawa, Ehime	2,497	2,536	2,603	2,602	2,766	2,839	2,985	3,097	3,241	3,236
		Hyogo	1,494	1,539	1,628	1,705	1,873	1,996	2,102	2,295	2,513	2,623
Tottori		276	273	267	270	278	296	297	315	341	341	
Osaka		986	1,029	1,049	1,162	1,175	1,286	1,313	1,228	1,120	1,129	
Tokyo		5,479	5,649	5,822	6,151	6,022	6,020	5,717	5,525	5,433	5,177	
Loan liabilities		-	-	-	-	-	-	-	-	-	-	
Overseas branches		97	113	163	149	158	128	168	166	200	239	
Total loans		35,664	36,121	37,289	38,610	40,365	42,173	44,003	45,607	46,761	47,300	

Loans (average balance)

		FY2013	FY2014	FY2014	FY2015	FY2015	FY2016	FY2016	FY2017	FY2017	FY2018	
			1H		1H		1H		1H		1H	
(100 million yen)												
	General capital	30,934	31,746	32,129	33,084	33,908	36,191	37,230	39,604	40,295	41,680	
	Type	Local development	15,783	16,025	16,172	16,382	16,832	17,746	18,132	18,840	19,237	20,043
		Urban	6,103	6,468	6,609	6,885	7,040	7,217	7,170	6,857	6,699	6,289
		Private loans	9,026	9,202	9,253	9,433	9,501	9,762	9,873	10,375	10,514	10,894
		Housing loan portion	7,350	7,407	7,420	7,472	7,487	7,507	7,542	7,655	7,668	7,738
		Other	21	49	94	383	532	1,464	2,055	3,531	3,843	4,454
	Government and municipal loans	3,826	4,046	4,093	4,636	4,688	4,984	4,952	5,082	5,055	4,999	
	State and local public works groups	State and local public works groups	3,721	3,973	4,018	4,569	4,620	4,929	4,898	5,042	5,014	4,973
		Local public corporations	104	73	75	67	67	54	53	39	40	25
	Total loans by domestic branches		34,761	35,792	36,223	37,720	38,596	41,175	42,182	44,686	45,350	46,679
	Region	Okayama	18,178	18,472	18,641	19,533	20,021	21,812	22,607	24,665	25,181	26,114
		Hiroshima	6,295	6,468	6,524	6,626	6,733	7,008	7,168	7,517	7,652	8,014
Kagawa, Ehime		2,413	2,494	2,517	2,582	2,639	2,781	2,832	3,028	3,086	3,216	
Hyogo		1,433	1,518	1,556	1,689	1,753	1,943	1,992	2,193	2,290	2,571	
Tottori		259	270	270	270	274	288	295	306	317	337	
Osaka		973	999	1,023	1,087	1,134	1,288	1,306	1,280	1,229	1,119	
Tokyo		5,206	5,568	5,689	5,930	6,038	6,053	5,980	5,694	5,593	5,305	
Loan liabilities		-	-	-	-	-	-	-	-	-	-	
Overseas branches		104	116	127	160	152	135	141	173	167	227	
Total loans		34,866	35,908	36,351	37,881	38,748	41,310	42,324	44,859	45,518	46,907	

Loans by Industry (year-end balance)

(100 million yen)	FY2013	FY2014 1H	FY2014	FY2015 1H	FY2015	FY2016 1H	FY2016	FY2017 1H	FY2017	FY2018 1H
Domestic branches	35,567	36,007	37,125	38,461	40,206	42,045	43,835	45,440	46,561	47,061
Manufacturing	6,918	6,720	6,911	6,845	7,108	6,977	6,911	6,663	7,003	6,655
Agriculture, forestry	30	30	31	30	29	29	34	44	60	61
Fishing	2	14	10	13	11	17	25	46	45	36
Mining, stone, sand	24	23	23	24	22	22	21	20	21	20
Construction	1,203	1,167	1,130	1,119	1,159	1,140	1,214	1,194	1,296	1,221
Electric power, gas, heat supply, water	576	656	739	861	965	1,205	1,392	1,700	1,860	2,014
Information and communications	317	302	304	281	294	292	301	301	232	206
Transport, postal	1,186	1,275	1,274	1,362	1,460	1,602	1,719	1,939	2,036	2,095
Wholesale, retail	4,899	4,839	4,815	4,848	5,105	5,089	5,106	5,077	5,124	5,217
Financial, insurance	1,302	1,291	1,337	1,686	1,964	2,801	3,474	3,892	3,810	3,975
Real estate, goods leasing	3,995	4,292	4,495	4,760	4,917	5,374	5,623	6,041	6,387	6,539
Public corporations	84	74	87	66	71	53	57	40	38	23
Other	3,911	4,217	4,408	4,693	4,845	5,320	5,566	6,001	6,349	6,516
Various services	2,405	2,404	2,500	2,510	2,693	2,788	2,966	3,035	3,200	3,201
Public organizations	3,819	4,014	4,327	4,726	4,836	4,932	4,847	5,067	4,979	4,939
Other	8,884	8,975	9,222	9,389	9,637	9,770	10,195	10,414	10,502	10,875
Housing loans	7,465	7,478	7,525	7,563	7,588	7,637	7,672	7,683	7,736	7,790
Overseas branches + Offshore loans	97	113	163	149	158	128	168	166	200	239
Total	35,664	36,121	37,289	38,610	40,365	42,173	44,003	45,607	46,761	47,300

Loans by Industry (percentage)

	FY2013	FY2014 1H	FY2014	FY2015 1H	FY2015	FY2016 1H	FY2016	FY2017 1H	FY2017	FY2018 1H
Domestic branches	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Manufacturing	19.5%	18.7%	18.6%	17.8%	17.7%	16.6%	15.8%	14.7%	15.0%	14.1%
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%	0.1%	0.1%	0.1%	0.1%
Mining, stone, sand	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%
Construction	3.4%	3.2%	3.0%	2.9%	2.9%	2.7%	2.8%	2.6%	2.8%	2.6%
Electric power, gas, heat supply, water	1.6%	1.8%	2.0%	2.2%	2.4%	2.9%	3.2%	3.7%	4.0%	4.3%
Information and communications	0.9%	0.8%	0.8%	0.7%	0.7%	0.7%	0.7%	0.7%	0.5%	0.4%
Transport, postal	3.3%	3.5%	3.4%	3.5%	3.6%	3.8%	3.9%	4.3%	4.4%	4.5%
Wholesale, retail	13.8%	13.4%	13.0%	12.6%	12.7%	12.1%	11.6%	11.2%	11.0%	11.1%
Financial, insurance	3.7%	3.6%	3.6%	4.4%	4.9%	6.7%	7.9%	8.6%	8.2%	8.4%
Real estate, goods leasing	11.2%	11.9%	12.1%	12.4%	12.2%	12.8%	12.8%	13.3%	13.7%	13.9%
Public corporations	0.2%	0.2%	0.2%	0.2%	0.2%	0.1%	0.1%	0.1%	0.1%	0.0%
Other	11.0%	11.7%	11.9%	12.2%	12.1%	12.7%	12.7%	13.2%	13.6%	13.8%
Various services	6.8%	6.7%	6.7%	6.5%	6.7%	6.6%	6.8%	6.7%	6.9%	6.8%
Public organizations	10.7%	11.1%	11.7%	12.3%	12.0%	11.7%	11.1%	11.2%	10.7%	10.5%
Other	25.0%	24.9%	24.8%	24.4%	24.0%	23.2%	23.3%	22.9%	22.6%	23.1%
Housing loans	21.0%	20.8%	20.3%	19.7%	18.9%	18.2%	17.5%	16.9%	16.6%	16.6%

Share of Total Deposits

[Year-end balance]		FY2013	FY2014	FY2014	FY2015	FY2015	FY2016	FY2016	FY2017	FY2017	FY2018
(%)			1H		1H		1H		1H		1H
Okayama	Chugoku Bank	47.8	47.4	48.0	47.7	48.4	48.2	48.4	48.0	48.6	48.9
	Other than Chugoku Bank	52.2	52.6	52.0	52.3	51.6	51.8	51.6	52.0	51.4	51.1
	Local banks other than Chugoku Bank	8.3	8.3	8.3	8.4	8.1	8.1	8.1	7.9	7.8	7.5
	Secondary local banks	11.3	11.6	11.6	11.8	11.9	11.7	11.7	11.7	11.5	11.7
	City banks, trust banks	11.5	11.7	11.2	11.0	10.8	11.2	11.4	11.8	11.9	11.2
	Shinkin banks, investment association, etc.	21.1	21.0	20.9	21.1	20.8	20.8	20.4	20.6	20.3	20.5
Bingo region (Eastern region of Hiroshima)	Chugoku Bank	20.7	21.5	21.6	21.0	20.6	21.3	21.3	20.5	20.0	21.5
	Other than Chugoku Bank	79.3	78.5	78.4	79.0	79.4	78.7	78.7	79.5	80.0	78.5
	Local banks other than Chugoku Bank	39.5	39.1	39.5	40.1	40.9	40.0	40.2	40.7	41.2	39.8
	Secondary local banks	12.5	12.2	11.9	11.9	11.9	11.8	11.9	11.8	12.0	11.9
	City banks, trust banks	12.2	12.1	12.2	12.0	11.9	12.2	12.1	12.2	12.2	11.9
	Shinkin banks, investment association, etc.	15.0	15.1	14.8	15.0	14.7	14.7	14.5	14.8	14.6	14.8
Shikoku region	Chugoku Bank	7.9	7.8	7.9	7.7	7.7	7.8	7.7	7.7	7.7	7.6
	Other than Chugoku Bank	92.1	92.2	92.1	92.3	92.3	92.2	92.3	92.3	92.3	92.4
	Local banks other than Chugoku Bank	51.6	51.2	51.7	51.8	52.3	52.1	52.1	51.9	52.3	51.7
	Secondary local banks	17.0	17.2	17.2	17.2	17.1	17.2	17.1	17.3	17.2	17.5
	City banks, trust banks	11.0	11.1	10.8	10.9	10.7	10.4	10.8	10.8	10.8	10.8
	Shinkin banks, investment association, etc.	12.4	12.6	12.4	12.4	12.2	12.5	12.3	12.3	12.0	12.2

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

Note 2: Excluding offshore loans. Including our NCDs.

Share of Total Loans

[Year-end balance]		FY2013	FY2014	FY2014	FY2015	FY2015	FY2016	FY2016	FY2017	FY2017	FY2018
(%)			1H		1H		1H		1H		1H
Okayama	Chugoku Bank	38.1	37.7	38.2	38.8	39.7	41.0	42.1	42.9	43.0	43.1
	Other than Chugoku Bank	61.9	62.3	61.8	61.2	60.3	59.0	57.9	57.1	57.0	56.9
	Local banks other than Chugoku Bank	17.8	17.8	17.9	17.8	17.7	17.4	17.2	17.2	17.3	17.3
	Secondary local banks	17.1	17.6	17.6	17.8	17.5	17.4	17.3	17.4	17.3	17.4
	City banks, trust banks	10.6	10.5	10.3	9.7	9.8	9.2	8.8	8.1	8.2	8.0
	Shinkin banks, investment association, etc.	16.4	16.4	16.0	15.9	15.3	15.0	14.6	14.4	14.3	14.2
Bingo region (Eastern region of Hiroshima)	Chugoku Bank	23.5	23.4	23.2	23.1	22.8	23.0	22.8	22.8	22.7	22.5
	Other than Chugoku Bank	76.5	76.6	76.8	76.9	77.2	77.0	77.2	77.2	77.3	77.5
	Local banks other than Chugoku Bank	42.8	43.5	44.1	43.7	43.1	43.0	43.0	43.2	43.1	43.1
	Secondary local banks	13.2	12.7	12.8	13.7	14.1	14.3	14.7	15.1	15.3	15.0
	City banks, trust banks	8.0	7.9	7.8	7.8	8.8	8.7	8.7	8.2	8.3	8.7
	Shinkin banks, investment association, etc.	12.5	12.5	12.1	11.7	11.2	11.0	10.8	10.7	10.6	10.7
Shikoku region	Chugoku Bank	9.5	9.6	9.6	9.7	10.2	10.5	10.6	11.2	11.3	11.3
	Other than Chugoku Bank	90.5	90.4	90.4	90.3	89.8	89.5	89.4	88.8	88.7	88.7
	Local banks other than Chugoku Bank	50.9	51.4	51.3	50.3	50.5	50.3	49.9	49.6	49.9	49.4
	Secondary local banks	16.5	16.5	16.5	17.2	17.5	17.9	17.8	18.2	17.9	18.2
	City banks, trust banks	11.7	11.3	11.6	11.7	10.9	10.4	11.2	10.3	10.3	10.3
	Shinkin banks, investment association, etc.	11.4	11.2	11.0	11.1	10.9	10.9	10.5	10.7	10.5	10.9

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

Securities

Balance by type

[Parent] (100 million yen)	FY2013	FY2014 1H	FY2014	FY2015 1H	FY2015	FY2016 1H	FY2016	FY2017 1H	FY2017	FY2018 1H
Year-end balance	31,431	32,013	32,614	28,773	31,073	30,347	27,146	27,439	26,208	25,074
JGBs	12,268	12,947	13,615	11,377	12,069	11,295	9,064	8,111	8,536	7,649
Local bonds	6,159	5,764	5,175	4,654	5,441	5,579	5,635	6,716	6,781	7,259
Corporate bonds	5,352	4,907	4,237	4,040	4,256	3,965	3,251	3,499	3,617	3,680
Foreign bonds (Foreign currency denominated portion)	4,813 (4,455)	5,125 (4,727)	5,803 (5,387)	5,284 (4,949)	5,883 (5,544)	6,051 (5,650)	5,750 (5,426)	5,393 (5,185)	3,591 (3,408)	2,933 (2,653)
Other securities	1,230	1,541	1,779	1,624	1,728	1,897	1,753	1,848	1,859	1,793
Equities	1,607	1,726	2,002	1,792	1,693	1,558	1,690	1,869	1,822	1,757

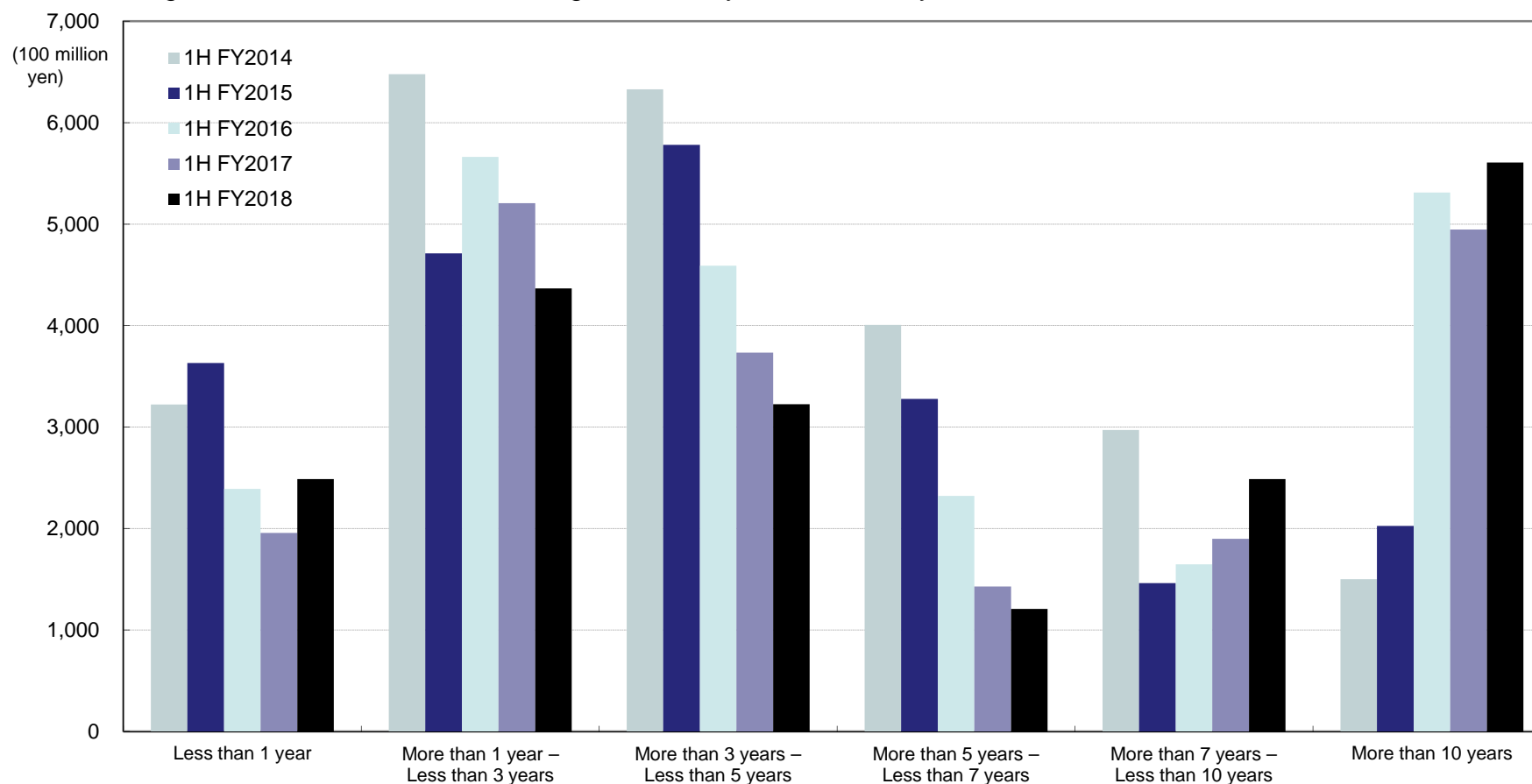
Average balance during year	FY2013	FY2014 1H	FY2014	FY2015 1H	FY2015	FY2016 1H	FY2016	FY2017 1H	FY2017	FY2018 1H
Average balance during year	29,261	30,376	30,773	28,688	28,950	29,042	29,030	25,747	25,311	23,939
JGBs	11,214	12,382	12,878	11,822	11,715	11,151	10,765	8,447	8,225	7,726
Local bonds	6,166	5,814	5,628	4,801	4,988	5,504	5,559	6,173	6,375	6,997
Corporate bonds	5,324	5,165	4,754	4,079	4,116	3,969	3,835	3,405	3,423	3,658
Foreign bonds (Foreign currency denominated portion)	4,493 (4,115)	4,684 (4,311)	5,080 (4,690)	5,392 (5,038)	5,539 (5,199)	5,743 (5,393)	6,194 (5,839)	5,298 (5,023)	4,781 (4,571)	3,057 (2,887)
Other securities	882	1,129	1,224	1,383	1,374	1,490	1,520	1,379	1,434	1,484
Equities	1,178	1,200	1,206	1,210	1,215	1,182	1,155	1,042	1,071	1,014

Valuation gain/loss

[Parent] (million yen)	FY2013	FY2014 1H	FY2014	FY2015 1H	FY2015	FY2016 1H	FY2016	FY2017 1H	FY2017	FY2018 1H
Securities held to maturity	501	479	406	564	759	763	565	512	488	388
Subsidiary/affiliate equities	-	-	-	-	-	-	-	-	-	-
Other securities	106,859	131,344	172,331	135,180	162,262	155,021	132,300	148,508	141,551	142,815
Equities	39,262	51,898	75,726	57,427	47,280	41,615	57,643	75,537	73,051	75,927
Bonds	38,320	40,565	41,653	40,807	69,801	68,904	40,296	36,548	36,053	25,004
Others	29,276	38,880	54,951	36,944	45,181	44,501	34,361	36,422	32,446	41,883
Total	107,360	131,823	172,738	135,744	163,022	155,785	132,866	149,020	142,039	143,203

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

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

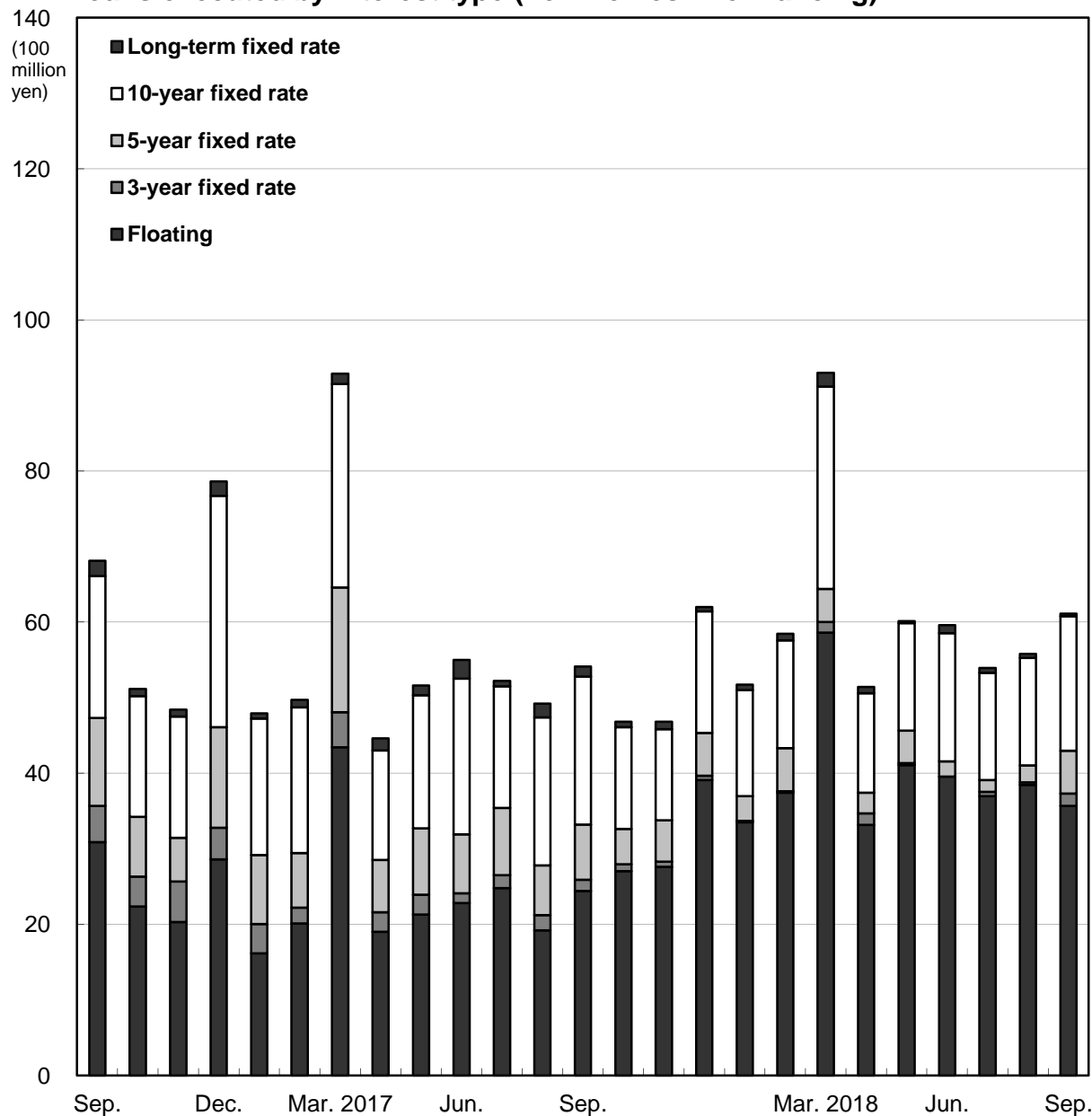


Duration

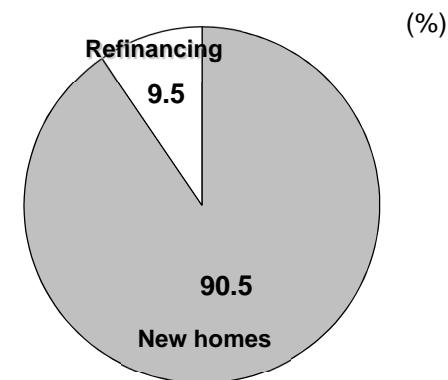
(year)	FY2013	FY2014 1H	FY2014	FY2015 1H	FY2015	FY2016 1H	FY2016	FY2017 1H	FY2017	FY2018 1H
Yen denominated	4.2	4.0	4.2	4.1	5.4	5.8	4.5	4.8	4.7	5.0
Foreign currency denominated	2.7	2.6	2.9	3.1	4.4	5.0	4.2	3.8	4.2	4.7

Housing Loans

Loans executed by interest type (new homes + refinancing)

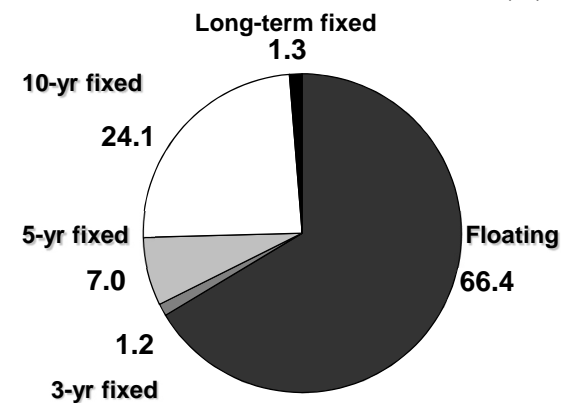


Breakdown of use of loans executed (%)



Total for period from Oct. 2017 to Sep. 2018

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



Total for period from Oct. 2017 to Sep. 2018

Non-Performing Loans

Risk monitored loans

[Parent] (million yen, %)	FY2013	FY2014 1H	FY2014	FY2015 1H	FY2015	FY2016 1H	FY2016	FY2017 1H	FY2017	FY2018 1H
1. Loans in bankruptcy proceedings (% of total loans outstanding)	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	3,363 0.07
2. Delinquent loans (% of total loans outstanding)	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	48,947 1.03
3. Loans more than 3 months delinquent (% of total loans outstanding)	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	789 0.02
4. Restructured loans (% of total loans outstanding)	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	16,523 0.35
Total risk monitored loans (% of total loans outstanding)	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	69,623 1.47

Loans based on the Financial Reconstruction Act

[Parent] (million yen)	FY2013	FY2014 1H	FY2014	FY2015 1H	FY2015	FY2016 1H	FY2016	FY2017 1H	FY2017	FY2018 1H
Bankrupt and quasi-bankrupt loans (after partial direct write-off)	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)	18,809 (7,162)
Doubtful loans	51,818	53,412	54,395	52,632	45,871	41,164	44,443	39,819	34,721	34,303
Substandard loans	14,420	14,956	15,611	18,705	17,662	17,288	16,151	15,007	16,329	17,313
Subtotal (A)	86,718	87,008	90,069	89,398	84,316	78,368	81,248	76,207	71,968	70,425
(after partial direct write-off) (B)	(73,815)	(75,436)	(78,153)	(78,696)	(71,829)	(66,044)	(68,576)	(63,040)	(58,824)	(58,778)
Healthy loans	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	4,791,861
Total (C)	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	4,862,286
(after partial direct write-off) (D)	(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)	(4,850,640)
Ratio of target loans (A/C)	2.39	2.36	2.36	2.26	2.04	1.81	1.80	1.63	1.50	1.45
(after partial direct write-off) (B/D)	(2.04)	(2.05)	(2.06)	(2.00)	(1.74)	(1.53)	(1.52)	(1.35)	(1.23)	(1.21)

*We do not implement partial direct write-off.

Debtor Classification Transition in 1H

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

		1H FY2018							Favorable turnaround	Deterioration	
		Healthy loans	Other doubtful loans	Substandard loans	Virtually bankrupt loans	Legally bankrupt loans	Bankrupt clients	Other (see note)			
FY2017	Healthy loans	159,718	158,909	551	44	14	63	2	135		674
		44,402	43,481	397	16	5	5	0	498		423
	Other doubtful loans	4,962	264	4,250	52	34	22	5	335	264	113
		1,954	225	1,623	34	20	3	5	44	225	62
	Substandard loans	664	10	61	547	10	9	1	26	71	20
		231	8	16	197	5	1	0	4	24	6
	Virtually bankrupt loans	828	2	21	6	742	16	3	38	29	19
		344	0	6	9	320	6	0	3	15	6
	Legally bankrupt loans	515	1	7	-	4	407	6	90	12	6
		168	0	0	-	0	144	0	24	0	0
	Bankrupt clients	200	-	-	-	-	-	179	21	-	-
		38	-	-	-	-	-	31	7	-	-
	Total	166,887	159,186	4,890	649	804	517	196	645	376	832
		47,137	43,714	2,042	256	350	159	36	580	264	497

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

Debtor Classification Transition in 1H (comparison)



(Upper level: Forecast Lower level: Value)

		1H FY2018							Favorable turnaround	Deterioration	
		Healthy loans	Other doubtful loans	Substandard loans	Virtually bankrupt loans	Legally bankrupt loans	Bankrupt clients	Other (see note)			
FY2017	Healthy loans	100%	99.49%	0.34%	0.03%	0.01%	0.04%	0.00%	0.08%		0.42%
		100%	97.93%	0.89%	0.04%	0.01%	0.01%	0.00%	1.12%		0.95%
	Other doubtful loans	100%	5.32%	85.65%	1.05%	0.69%	0.44%	0.10%	6.75%	5.32%	2.28%
		100%	11.51%	83.06%	1.74%	1.02%	0.15%	0.26%	2.25%	11.51%	3.17%
	Substandard loans	100%	1.51%	9.19%	82.38%	1.51%	1.36%	0.15%	3.92%	10.69%	3.01%
		100%	3.46%	6.93%	85.28%	2.16%	0.43%	0.00%	1.73%	10.39%	2.60%
	Virtually bankrupt loans	100%	0.24%	2.54%	0.72%	89.61%	1.93%	0.36%	4.59%	3.50%	2.29%
		100%	0.00%	1.74%	2.62%	93.02%	1.74%	0.00%	0.87%	4.36%	1.74%
	Legally bankrupt loans	100%	0.19%	1.36%	-	0.78%	79.03%	1.17%	17.48%	2.33%	1.17%
		100%	0.00%	0.00%	-	0.00%	85.71%	0.00%	14.29%	0.00%	0.00%
	Bankrupt clients	100%	-	-	-	-	-	89.50%	10.50%	-	-
		100%	-	-	-	-	-	81.58%	18.42%	-	-
	Total	100%	95.39%	2.93%	0.39%	0.48%	0.31%	0.12%	0.39%	0.23%	0.50%
		100%	92.74%	4.33%	0.54%	0.74%	0.34%	0.08%	1.23%	0.56%	1.05%

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

Capital Adequacy Ratio Trends

[Basel III standards]

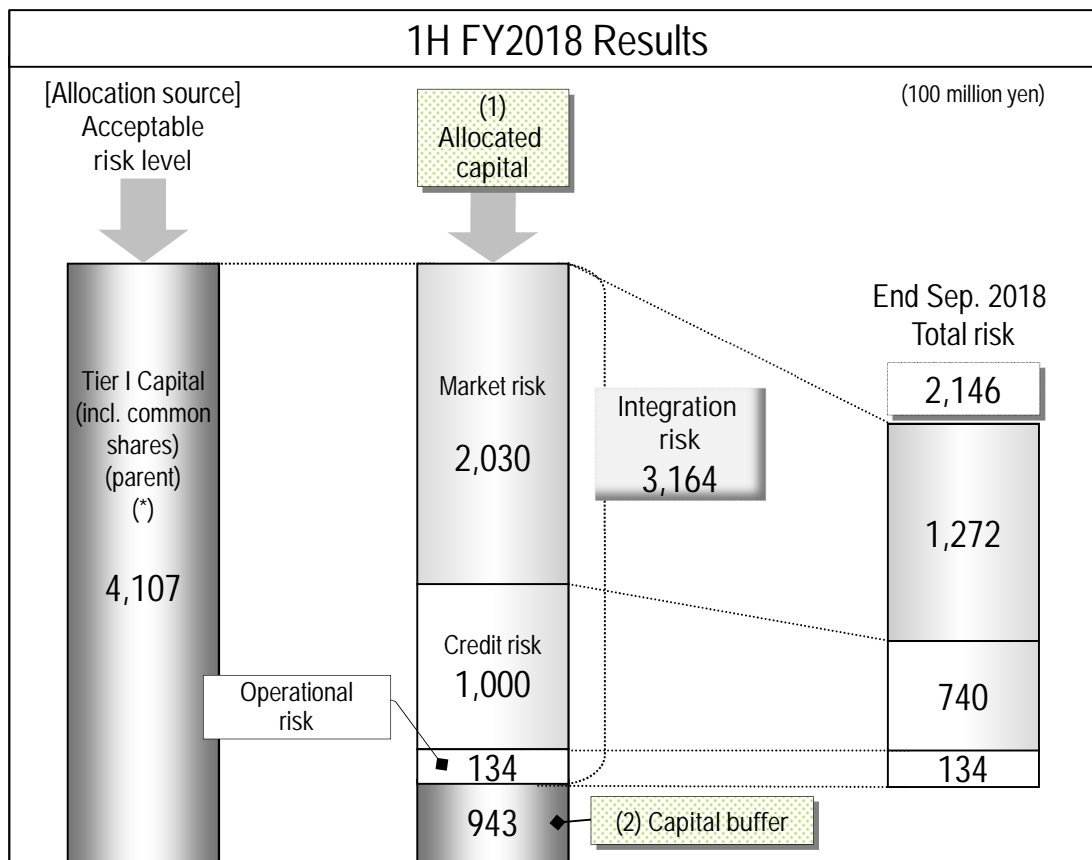
[Parent] (% , 100 million yen)

	FY2014	1HFY2015	FY2015	1HFY2016	FY2016	1HFY2017	FY2017	1HFY2018
Overall capital adequacy ratio	14.73	14.80	14.56	13.85	13.06	13.03	12.87	12.96
Tier I ratio	13.34	13.72	13.75	13.12	12.77	12.71	12.87	12.96
Tier I ratio (including common shares)	13.34	13.72	13.75	13.12	12.77	12.71	12.87	12.96
Overall capital adequacy	4,722	4,603	4,864	4,902	4,817	5,004	5,078	5,159
Tier 1 capital	4,275	4,269	4,595	4,645	4,712	4,883	5,078	5,159
Common equity Tier 1 capital	4,275	4,269	4,595	4,645	4,712	4,883	5,078	5,159
Risk weighted assets	32,038	31,094	33,407	35,397	36,880	38,402	39,449	39,781
Credit risk	30,399	29,454	31,765	33,778	35,267	36,812	37,889	38,247
Operational risk	1,639	1,640	1,641	1,619	1,612	1,590	1,559	1,533

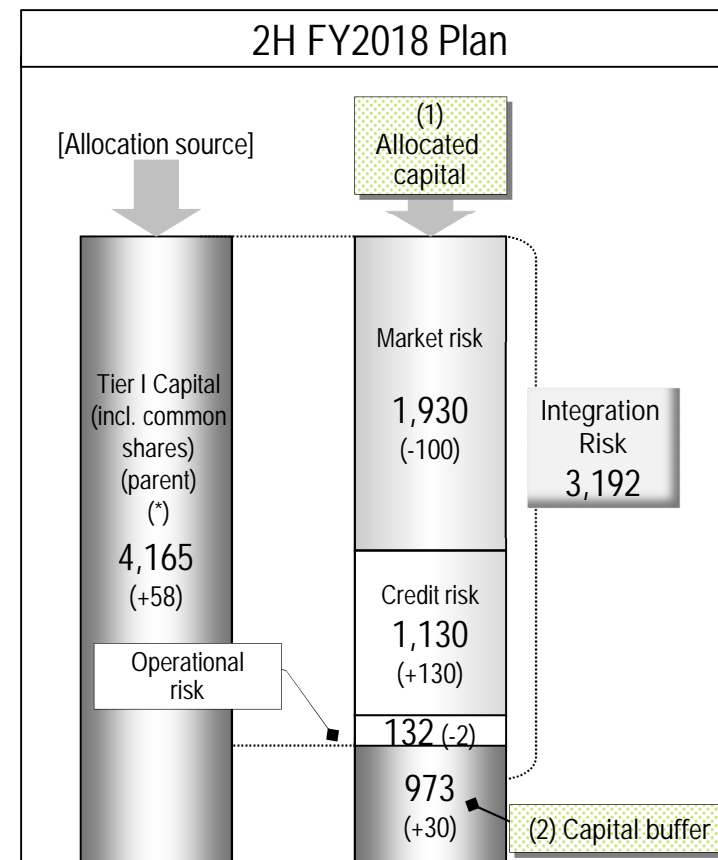
[Consolidated] (% , 100 million yen)

	FY2014	1HFY2015	FY2015	1HFY2016	FY2016	1HFY2017	FY2017	1HFY2018
Overall capital adequacy ratio	15.27	15.35	14.94	14.24	13.38	13.39	13.22	13.33
Tier I ratio	13.84	14.24	14.11	13.48	13.08	13.06	13.22	13.32
Tier I ratio (including common shares)	13.82	14.24	14.11	13.48	13.08	13.06	13.22	13.32
Overall capital adequacy	4,941	4,823	5,034	5,087	4,978	5,174	5,250	5,336
Tier 1 capital	4,477	4,473	4,753	4,815	4,863	5,046	5,247	5,334
Common equity Tier 1 capital	4,471	4,473	4,753	4,815	4,863	5,046	5,247	5,334
Risk weighted assets	32,341	31,415	33,687	35,700	37,181	38,642	39,691	40,026
Credit risk	30,622	29,696	31,968	34,007	35,494	36,977	38,054	38,413
Operational risk	1,718	1,718	1,718	1,693	1,687	1,665	1,637	1,612

Capital Allocation and Integration Risks



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



Figures in parentheses are versus 1H FY2018

[Role of different types of capital]

(1) Allocated capital	Capital allocated to each risk up to the allocated source (Risk limit)
(2) 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	¥34.3 billion
Materiality test (maximum value of ΔEVE / Tier I)	6.7%
⇒ 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 Allocated Capital and Risk Exposure Assumptions

Capital allocation and integration risk trends (supplement)

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

(100 million yen)

	1H FY2018		2H FY2018			Calculation methods, etc. (Supplement measurements)
	Value	Risk exposure (End Sep. 2018)	Value	YoY	Major factors that triggered change	
Allocation source	4,107		4,165	(+58)		Deduction of positive securities valuation gain from Tier I capital (including parent common shares) at the end of 1H FY2018
Allocated capital (Integration risk)	3,164	2,146	3,192	(+28)		
Market risk total	2,030	1,272	1,930	(- 100)		
Banking	2,010	378	1,910	(- 100)	• Decrease due to reduction in foreign currency bond investment -100	<ul style="list-style-type: none"> • 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 • For cross-shareholdings, deduct valuation gains from VaR • Includes assets and liabilities belonging to consolidated subsidiaries
		1,027				
		(Correlation) - 133				
Trading	20	0	20	(0)		<ul style="list-style-type: none"> • VaR (10-day retention period, 99.9% confidence level) • Money in trust • Trading securities
Credit risk total	1,000	740	1,130	(+130)		
Commercial credit	830	598	950	(+120)	• Increase due to a rise in loans and the impact of new regulations on securitization +120	<ul style="list-style-type: none"> • 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	170	142	180	(+10)		Capital requirements
Operational risk	134	134	132	(- 2)		• Home loans, etc.
(Unused allocated capital)		1,018				Post risk exposure estimated at the time business plans were created, based on the gross profit allocation methods (to be fixed during 2H FY2018)
Capital buffer	943		973	(+30)	• Buffer against market risk and credit risk +30	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	FY2016 1H	FY2016	FY2017 1H	FY2017	FY2018 1H
Chugin Lease Co., Ltd	Leasing	100.00	Ordinary revenue	12,855	6,975	15,120	5,695	11,245	5,772
			Recurring profit	883	570	1,089	521	823	561
			Net income	584	386	725	356	553	397
Chugin Credit Guarantee Co., Ltd.	Credit assurance	100.00	Ordinary revenue	1,653	851	1,644	816	1,608	894
			Recurring profit	1,562	664	1,176	740	1,344	650
			Net income	1,006	439	772	491	885	459
Chugin Card Co., Ltd.	Credit card	100.00	Ordinary revenue	1,276	699	1,338	726	1,439	772
			Recurring profit	334	201	319	206	354	196
			Net income	205	170	243	145	240	151
Chugin Asset Management Co., Ltd.	Securities investment advisor	100.00	Ordinary revenue	403	210	410	223	454	267
			Recurring profit	99	26	32	32	54	60
			Net income	68	21	24	24	39	48
Chugin Securities Co., Ltd.	Financial instrument transactions	100.00	Ordinary revenue	3,517	1,582	3,594	1,940	4,303	1,589
			Recurring profit	518	114	391	276	735	108
			Net income	349	76	261	188	521	72
CBS Co., Ltd.	Banking operation outsourcing	100.00	Ordinary revenue	1,018	549	1,109	565	1,136	519
			Recurring profit	65	95	184	122	232	69
			Net income	38	61	117	81	151	45
Chugin Operation Center Co., Ltd.	Banking operation outsourcing	100.00	Ordinary revenue	777	403	789	407	789	382
			Recurring profit	32	27	31	31	30	27
			Net income	16	17	16	19	17	17

Key Press Releases

2018	Apr. 4	The 10th "Japanese Companies Business Exchange Meeting" in the Hong Kong and South China districts
	Apr. 6	Cooperation with the Food Exposition "Food Japan 2018" in Singapore
	May 8	Joint Use of BOJ-NET STP System with Chiba Bank—Collaborative Measures of the T SUBASA Financial System Advancement Alliance—
	May 11	The Chugoku Bank Accepts Outsourcing of Okayama City's Business Concerning Startup Support and Starts Solicitation for the "Okayama City Entrepreneur Academy"
	May 21	Cooperation with "2018 Liaoning Province China-Japan Business Opportunities Meeting"
	May 29	Customer Support Utilizing Purchase-Type Crowd Funding
	May 31	Notice of the 2nd Individual Business Opportunities Meeting with Vietnamese Local Supermarket (FIM MART)
	Jun. 1	Joint Establishment of "Okayama Revitalization Fund No. 2"
	Jun. 4	The Chugoku Bank Starts Handling of Screen-Sharing Service, Remote Operator
	Jun. 14	Notice of the Indonesia Investment Seminar
	Jun. 15	The Chugoku Bank Enters Into a Cooperation Agreement with Leave a Nest Co., Ltd.
	Jun. 18	Customer Support Utilizing Purchase-Type Crowd Funding
	Jun. 18	Notice of "Kokoiko!", a Service for Dreamy Visa Card Members
	Jun. 26	Notice of the Initiatives for Startup Support
	Jul. 2	Notice of the Chugin "iDeCo and Hometown Tax Seminar"
	Jul. 6	Utilization of "Gururi Setouchi Revitalization Guarantee System (Setouchi Guarantee)"
	Jul. 12	Cooperation with "Otsuri de Toushi Service: Toranoko"
	Jul. 17	Start of Handling of In-Store Immediate Issuance of IC Cash Cards
	Jul. 19	Basic Agreement on the Common Mission Critical System
	Jul. 19	Loans for Damages by the 2018 Japan Floods
	Jul. 25	Acquisition of Certification of "Platinum Kurumin"
	Jul. 26	Start of Handling of JCB Platinum Card
	Jul. 31	Notice of the Establishment of the Restoration Support Center for the West Japan Floods Disaster
	Aug. 10	Initiatives for Restoration from the 2018 Japan Floods
	Aug. 30	Decision on Investment in Miraikikai, Inc.
	Aug. 31	The Chugoku Bank Enters into an Agreement on Preferential Provision of Fuel upon Disasters
	Sep. 10	Execution of Syndicate Loan with the Japan Bank for International Cooperation
	Sep. 14	Notice of "Small Innovation Seminar for Small and Medium-Sized Enterprises"
	Sep. 19	Start of Handling of JCB Debit Card
	Sep. 21	The Chugoku Bank Accepts Outsourcing of Kurashiki City's Business Concerning Business Succession and Second Startup Support, and Starts Solicitation for the "Next-Generation Business Manager Academy"
	Sep. 27	The Chugoku Bank Becomes the First Regional Financial Institution in the Chugoku/Shikoku Region to Provide PR and PR Support for Small and Medium-Sized Enterprises Business Alliance with PR TIMES Inc.

Chugoku Bank Profile and Branch (office) Network



Chugoku Bank Profile
(As of Sep. 30, 2018)

- Establishment: December 21, 1930
- Headquarters: 1-15-20 Marunouchi, Kita-ku Okayama
- Capital: ¥15.1 billion
- No. of employees: 2,995
- No. of branches: 162
 HQ, domestic branches (152), overseas branch (1), sub-branch (7), Internet branch (1)

No. of branches in local area

- 108 in Okayama Pref.
 - 39 in Okayama City
 - 20 in Kurashiki City
- 26 in Hiroshima Pref.
 - 20 in Bingo region
 - 3 in Hiroshima City
- 17 in the Shikoku area
- 6 in Hyogo Pref.



For inquiries regarding this document, please contact:

Management Planning Department, The Chugoku Bank, Ltd.

Mr. Fumiyaama / Mr. Maniwa

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

Email: **souki01@chugin.jp**