

Non-consolidated Financial Statements

Non-consolidated Balance Sheets

The Chugoku Bank, Limited
March 31, 2020 and 2019

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2020	2019	2020
ASSETS:			
Cash and due from banks.....	¥ 576,290	¥ 763,284	\$ 5,295,322
Call loans	59,877	39,677	550,188
Other debt purchased.....	23,065	29,599	211,936
Trading account securities.....	1,316	2,375	12,092
Money trusts	23,000	18,000	211,338
Securities	2,345,154	2,394,994	21,548,782
Loans and bills discounted	4,909,791	4,808,712	45,114,315
Foreign exchange	11,960	9,042	109,896
Other assets	124,009	118,371	1,139,474
Tangible fixed assets.....	38,040	38,894	349,535
Intangible fixed assets.....	3,019	4,427	27,740
Deferred tax assets	2,215	—	20,352
Customers' liabilities for acceptances and guarantees.....	33,413	32,490	307,020
Reserve for possible loan losses.....	(37,519)	(34,158)	(344,748)
Total assets	¥ 8,113,634	¥ 8,225,712	\$ 74,553,284
LIABILITIES AND NET ASSETS:			
Liabilities:			
Deposits.....	¥ 6,916,076	¥ 6,818,255	\$ 63,549,352
Call money	30,068	18,790	276,284
Payables under repurchase agreements	124,704	125,088	1,145,860
Payables under securities lending transactions	217,164	377,224	1,995,442
Commercial paper.....	32,611	48,717	299,650
Borrowed money.....	148,005	155,936	1,359,965
Foreign exchange	272	1,709	2,499
Due to trust account.....	3,309	2,760	30,405
Other liabilities.....	102,216	87,725	939,226
Liability for employees' severance and retirement benefits.....	7,585	18,556	69,695
Accrued employees' bonuses	1,284	1,291	11,798
Reserve for reimbursement of deposits.....	642	995	5,899
Reserve for point program	59	78	542
Deferred tax liabilities	—	12,540	—
Acceptances and guarantees.....	33,413	32,490	307,020
Total liabilities	¥ 7,617,413	¥ 7,702,161	\$ 69,993,687
Net assets			
Shareholders' equity			
Common stock.....	¥ 15,149	¥ 15,149	\$ 139,198
Capital surplus	6,286	6,286	57,759
Retained earnings	433,148	426,685	3,980,042
Less treasury stock, at cost.....	(9,622)	(9,401)	(88,413)
Valuation and translation adjustments:			
Net unrealized gains on available-for-sale securities.....	62,535	93,412	574,611
Net deferred losses on hedging instruments.....	(11,456)	(8,893)	(105,265)
Subscription rights to shares.....	179	311	1,644
Total net assets	496,220	523,551	4,559,588
Total liabilities and net assets	¥ 8,113,634	¥ 8,225,712	\$ 74,553,284

Non-consolidated Income Statements

The Chugoku Bank, Limited
For the Years Ended March 31, 2020 and 2019

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2020	2019	2020
Income:			
Interest and dividends on:			
Loans and discounts.....	¥ 50,493	¥ 51,412	\$ 463,962
Securities	25,499	27,659	234,301
Other	733	1,158	6,735
Fees and commissions	20,217	19,175	185,766
Other operating income:			
Gains on sales and redemptions of other securities and trading account securities	3,052	4,865	28,043
Foreign exchange gains	411	—	3,776
Other	223	367	2,049
Other income:			
Bad debt recovered	3	0	27
Gains on sales of equity securities	7,073	5,574	64,991
Gains on money trusts	72	—	661
Gains on disposals of fixed assets	1	15	9
Other	3,048	3,248	28,006
Total income	110,830	113,476	1,018,377
Expenses:			
Interest on:			
Deposits	2,599	2,375	23,881
Borrowing	2,156	2,504	19,810
Interest rate swaps	8,460	7,347	77,735
Other	5,227	4,976	48,029
Fees and commissions	4,359	4,288	40,053
Other operating expenses:			
Losses on sales and redemptions of bonds and trading account securities	3,583	3,753	32,922
Foreign exchange losses	—	843	—
Other	—	407	—
General and administrative expenses	54,953	55,708	504,943
Other expenses:			
Losses on sales and write-offs of shares	7,000	4,078	64,320
Losses on money trusts	63	104	578
Reserve for possible loan losses	5,592	4,060	51,382
Write-offs of loans	0	65	0
Losses on disposals of fixed assets	31	67	284
Losses on impairment of fixed assets	596	222	5,476
Other	1,358	1,026	12,478
Total expenses	95,981	91,831	881,935
Income before income taxes	14,849	21,645	136,442
Income taxes:			
Current	4,326	6,758	39,750
Deferred	(291)	(451)	(2,673)
	4,034	6,306	37,066
Net income	¥ 10,815	¥ 15,338	\$ 99,375

Non-consolidated Statements of Changes in Net Assets

The Chugoku Bank, Limited
For the Years Ended March 31, 2020 and 2019

	Millions of Yen							
	2020							
	Common stock	Capital surplus	Retained earnings	Treasury stock	Net unrealized gains (losses) on available-for-sale securities	Net deferred losses on hedging instruments	Subscription rights to shares	Total net assets
Balance at beginning of year.....	¥ 15,149	¥ 6,286	¥ 426,685	¥ (9,401)	¥ 93,412	¥ (8,893)	¥ 311	¥ 523,551
Net income.....			10,815					10,815
Cash dividends.....			(4,328)					(4,328)
Purchases of treasury stock.....				(412)				(412)
Disposal of treasury stock.....			(23)	191				168
Net changes in items other than shareholders' equity					(30,877)	(2,563)	(131)	(33,572)
Net changes during the year	—	—	6,463	(221)	(30,877)	(2,563)	(131)	(27,330)
Balance at end of year.....	¥ 15,149	¥ 6,286	¥ 433,148	¥ (9,622)	¥ 62,535	¥ (11,456)	¥ 179	¥ 496,220

	Millions of Yen							
	2019							
	Common stock	Capital surplus	Retained earnings	Treasury stock	Net unrealized gains (losses) on available-for-sale securities	Net deferred losses on hedging instruments	Subscription rights to shares	Total net assets
Balance at beginning of year.....	¥ 15,149	¥ 6,286	¥ 415,140	¥ (7,400)	¥ 98,976	¥ (4,998)	¥ 269	¥ 523,422
Net income.....			15,338					15,338
Cash dividends.....			(3,793)					(3,793)
Purchases of treasury stock.....				(2,000)				(2,000)
Disposal of treasury stock.....			(0)	0				0
Net changes in items other than shareholders' equity					(5,563)	(3,894)	42	(9,415)
Net changes during the year	—	—	11,545	(2,000)	(5,563)	(3,894)	42	128
Balance at end of year.....	¥ 15,149	¥ 6,286	¥ 426,685	¥ (9,401)	¥ 93,412	¥ (8,893)	¥ 311	¥ 523,551

	Thousands of U.S. Dollars (Note 1)							
	2020							
	Common stock	Capital surplus	Retained earnings	Treasury stock	Net unrealized gains (losses) on available-for-sale securities	Net deferred losses on hedging instruments	Subscription rights to shares	Total net assets
Balance at beginning of year.....	\$ 139,198	\$ 57,759	\$ 3,920,656	\$ (86,382)	\$ 858,329	\$ (81,714)	\$ 2,857	\$ 4,810,723
Net income.....			99,375					99,375
Cash dividends.....			(39,768)					(39,768)
Purchases of treasury stock.....				(3,785)				(3,785)
Disposal of treasury stock.....			(211)	1,755				1,543
Net changes in items other than shareholders' equity					(283,717)	(23,550)	(1,203)	(308,481)
Net changes during the year	—	—	59,386	(2,030)	(283,717)	(23,550)	(1,203)	(251,125)
Balance at end of year.....	\$ 139,198	\$ 57,759	\$ 3,980,042	\$ (88,413)	\$ 574,611	\$ (105,265)	\$ 1,644	\$ 4,559,588