

FY2018
Earnings Results Briefing
(Reference materials)

June 3, 2019



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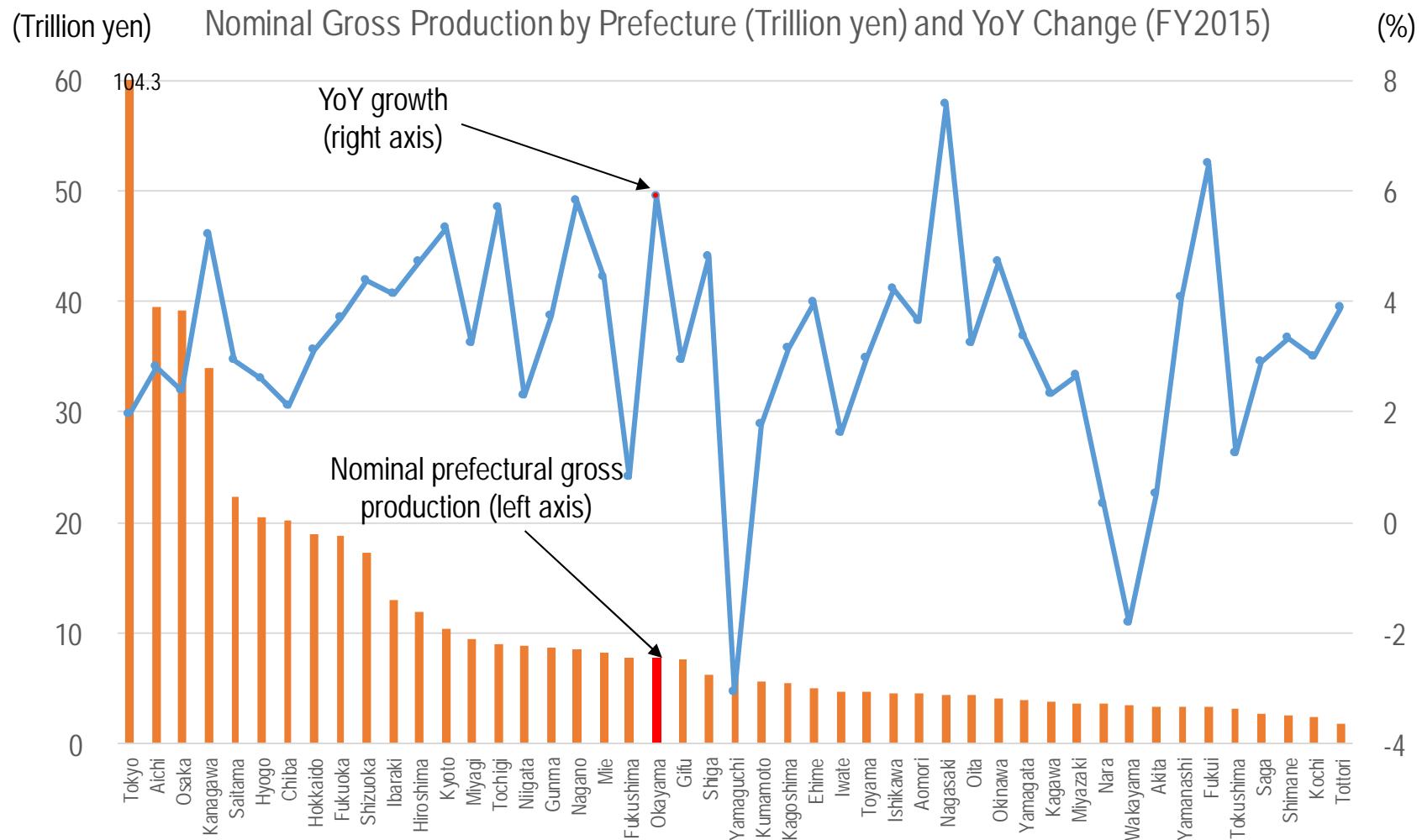
Okayama Prefecture's Industrial Structure

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. 2018
Population	1,921,000 people	1.5	20	Population estimate	Jan. 2018
Number of Households	841,911 households	1.5	17	Population estimate	Jan. 2018
Prefectural gross production (nominal)	7,787.9 billion 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 people	1.4	20	Economic census	Jun. 2016
Agricultural yield	150.5 billion yen	1.6	23	Statistics of Source: Agricultural Income Produced	FY2017
Product shipments	7,091.9 billion yen	2.3	16	Census of manufacturers	FY2016
Information and communication industry sales	167.8 billion yen	0.3	26	Economic census	FY2015
Wholesale and retail industry sales	5,968.3 billion yen	1.0	19	Economic census	FY2015
Real estate industry sales and lease of goods	322.3 billion yen	0.7	18	Economic census	FY2015
Hotel and restaurant industry sales	263.8 billion yen	1.0	26	Economic census	FY2015
Life related services and entertainment industry sales	507.9 billion yen	1.1	23	Economic census	FY2015
Healthcare and welfare sales	1,870.5 billion yen	1.6	15	Economic census	FY2015
Construction output	655.0 billion yen	1.2	27	Construction statistics	FY2018
New housing starts	13,118	1.4	18	Housing start statistics	FY2018
Customs and trade	3,185.3 billion yen	1.9	12	Trade figures by port	FY2018

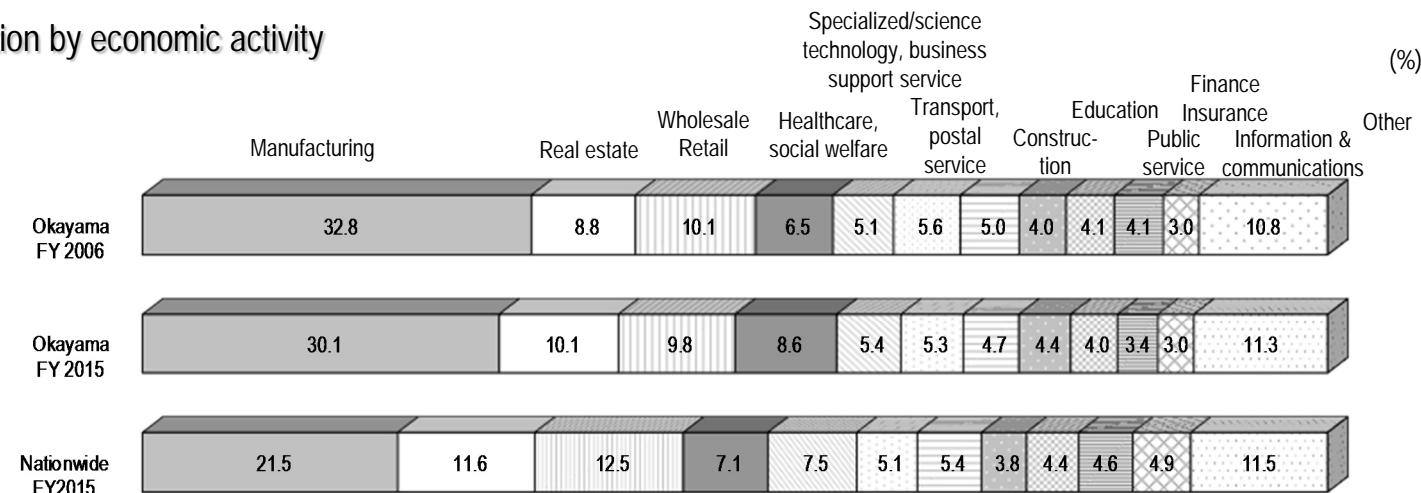
Okayama Prefecture's Economic Scale



Source: FY2015 Cabinet Office's Annual Report on Prefectural Accounts

Okayama Prefecture's Industrial Structure (1)

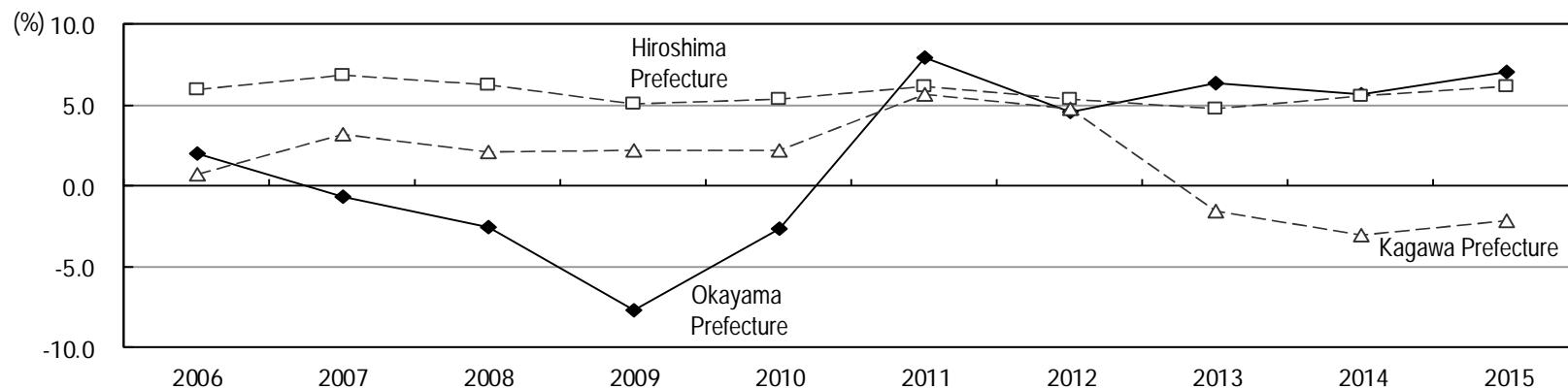
Gross production by economic activity



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

Source: Cabinet Office's Annual Report on Prefectural Accounts

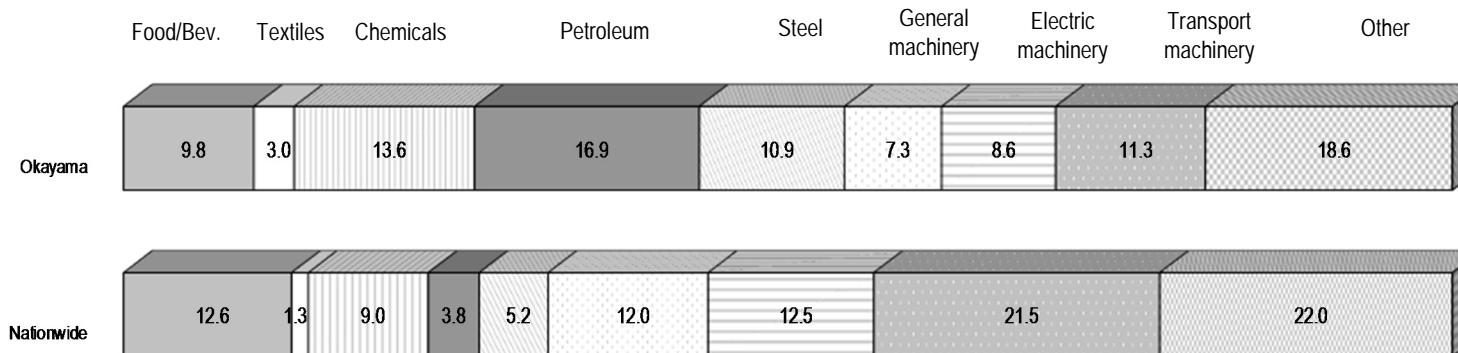
Ratio of goods and services imports/exports (net) to prefectoral gross production (nominal)



Source: Cabinet Office's Annual Report on Prefectural Accounts

Okayama Prefecture's Industrial Structure (2)

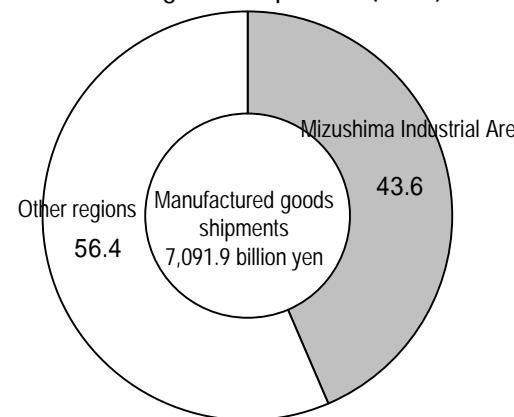
Breakdown of manufactured goods shipments (2016)



Source: METI, Okayama Prefecture "Census of Manufacture"

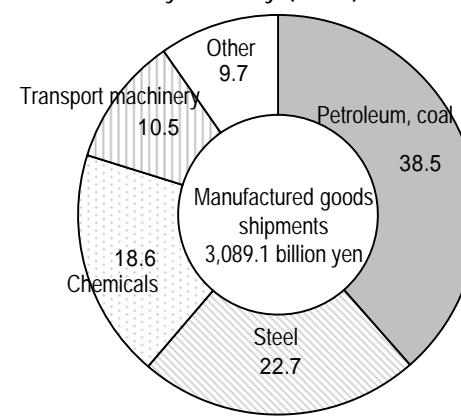
Mizushima Industrial Area's presence

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)

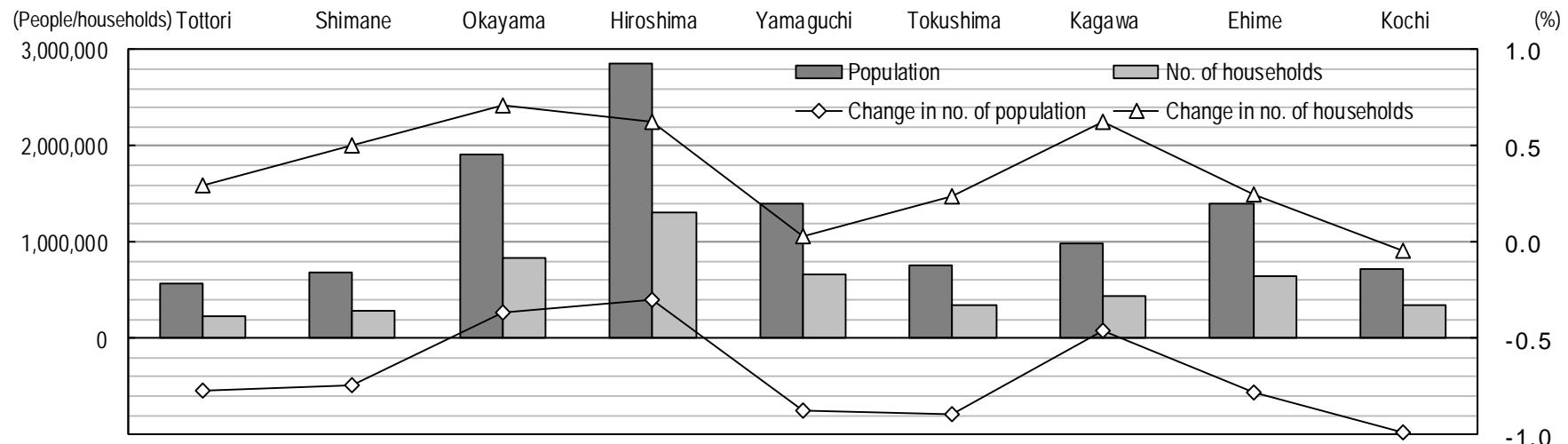


Source: Okayama Prefecture "Census of Manufacture"

Okayama Prefecture's Growth Infrastructure and Potential (1)



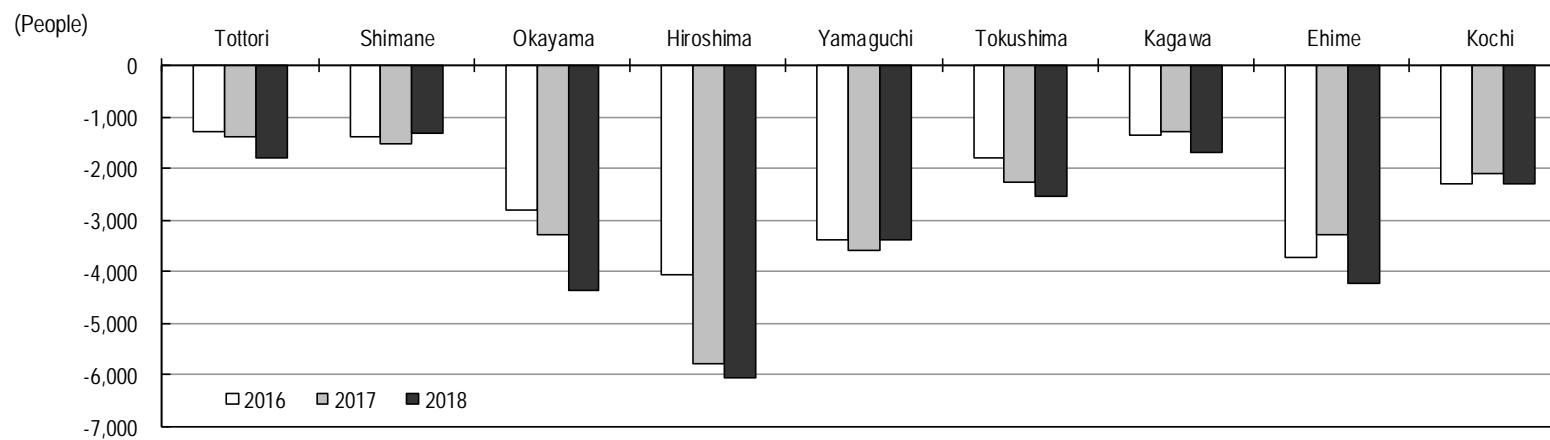
Population/No. of Households in Chugoku/Shikoku Region



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)

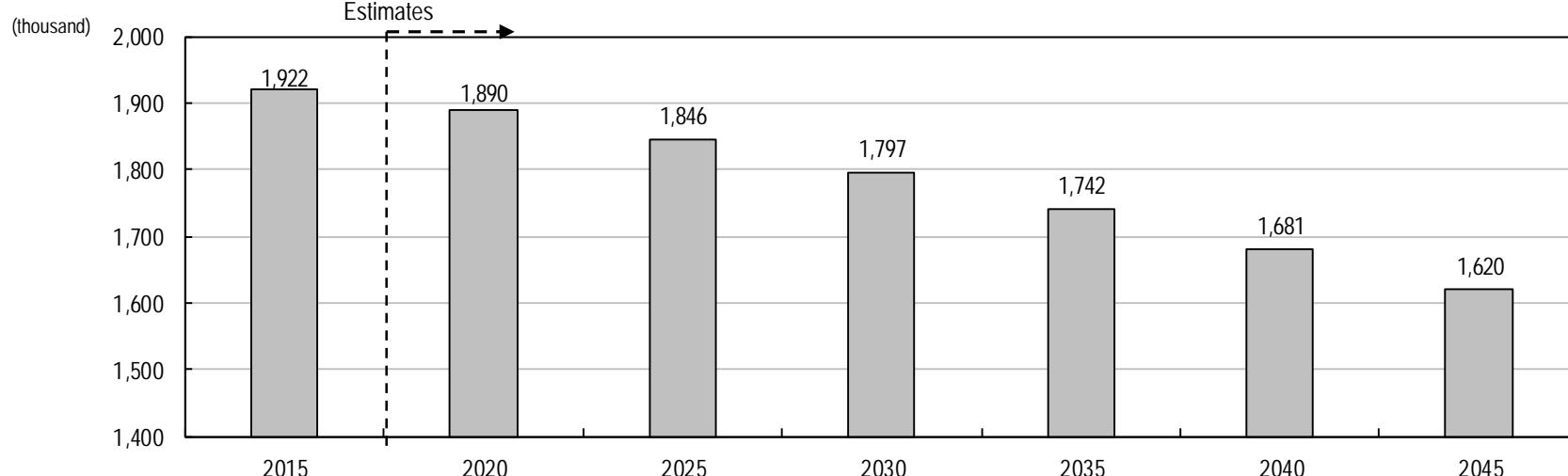


Source: Population transfer report based on basic resident registrations, Ministry of Internal Affairs and Communications

Okayama Prefecture's Growth Infrastructure and Potential (2)

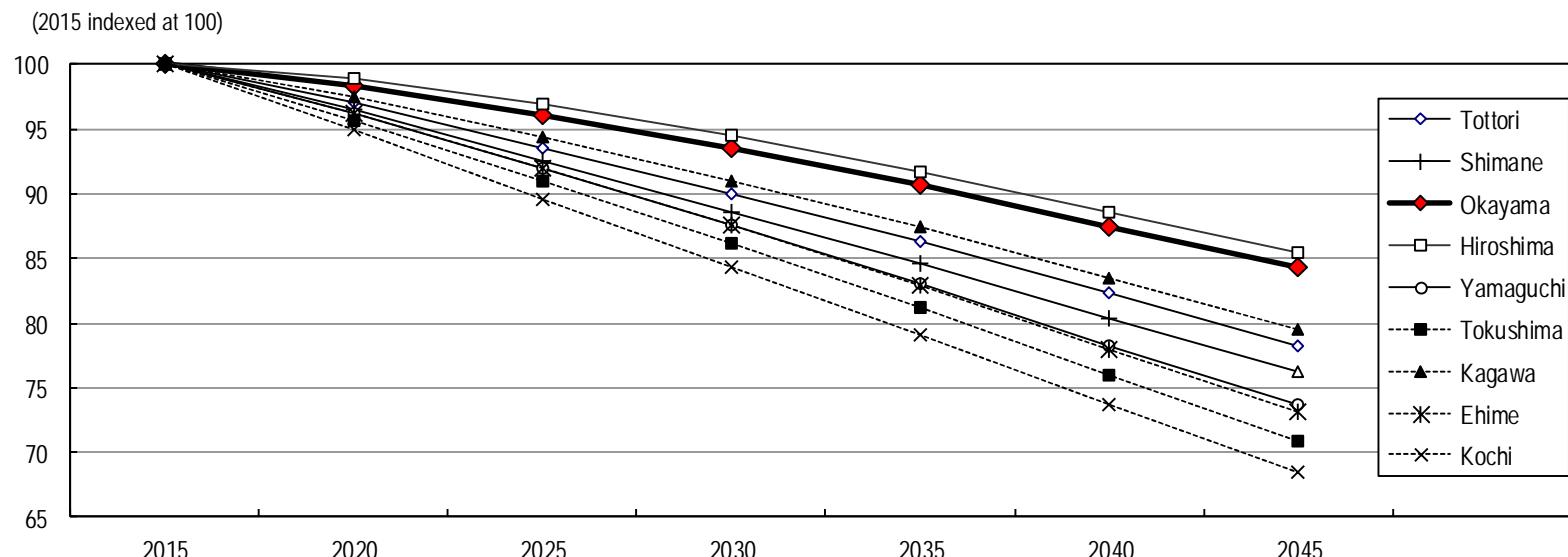


Population trends for Okayama Prefecture



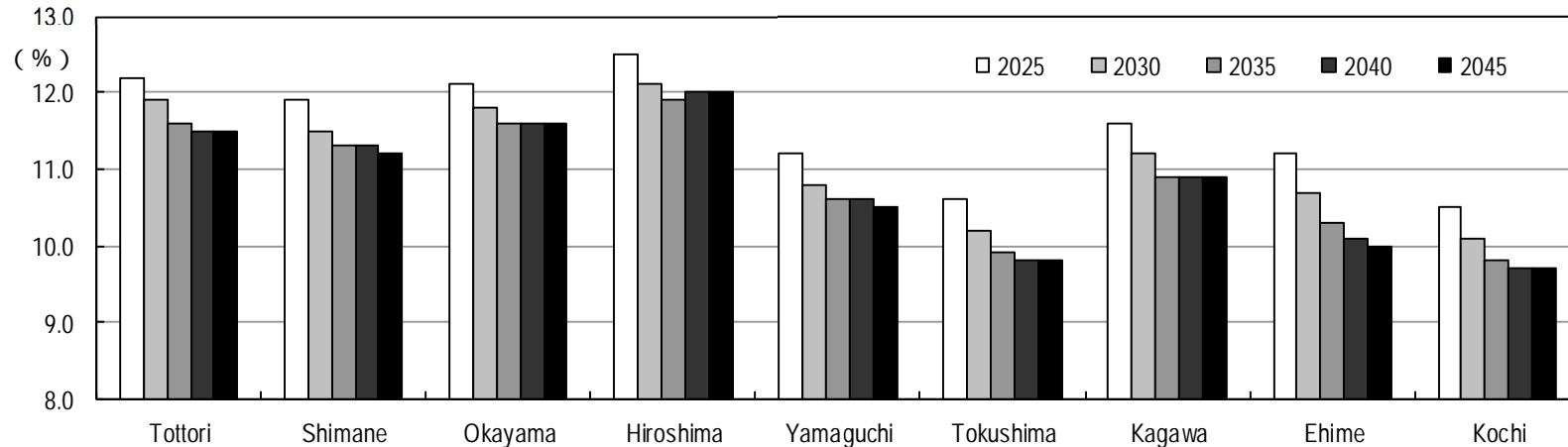
Source: National Institute of Population and Social Security Research

Future population trends for the Chugoku-Shikoku region



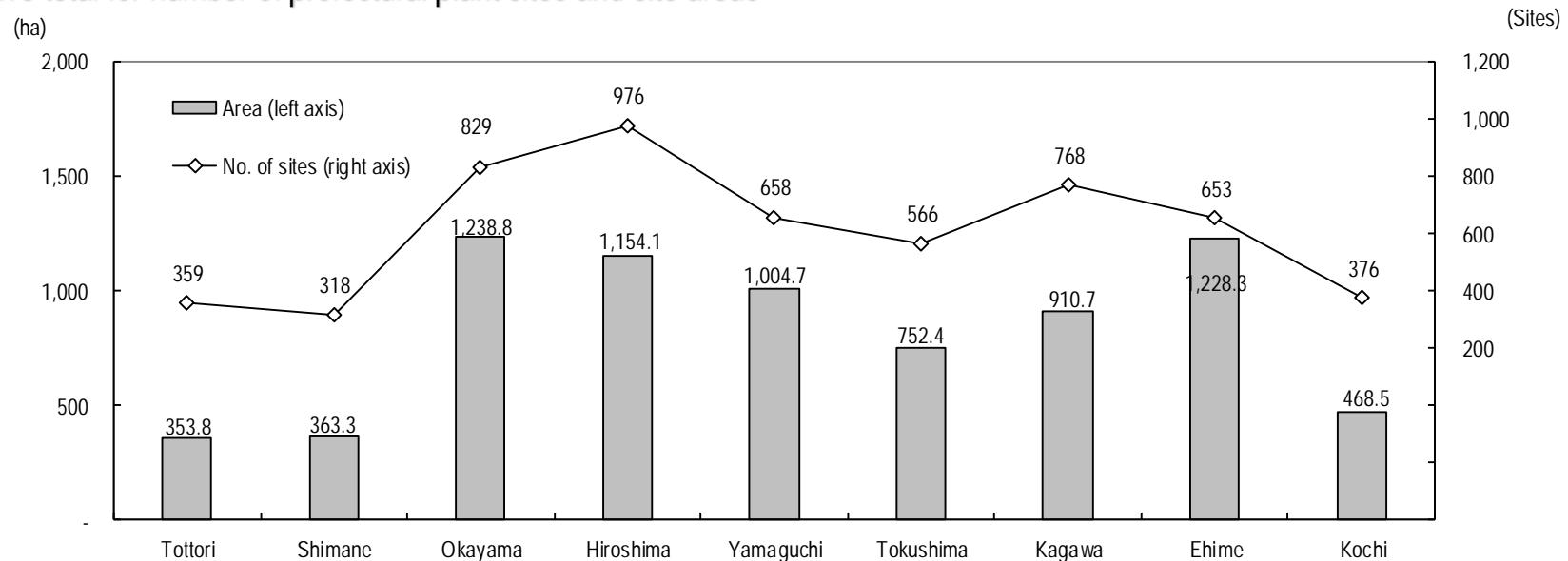
Source: National Institute of Population and Social Security Research

Youth population ratio trends in the Chugoku-Shikoku region



Source: National Institute of Population and Social Security Research

Cumulative total for number of prefectoral plant sites and site areas



Note: Acquired sites 1,000 sq. meters or larger. Aggregate number from Jan. 1988 through Dec. 2018. Excludes the electric power industry from 2015 onward

Source: Chugoku Bureau of Economy, Trade and Industry, Shikoku Bureau of Economy, Trade and Industry

Sports × Hospitality = Town development

Initiatives for sport tourism

□ Popular running events

Okayama Marathon
Soja Kibiji Marathon
Tsuyama Kamogo Full Marathon
FORESTRAIL SHINJO-HIRUZEN

Initiative by social networks

□ Okayama Kenkoo Daisakusen

A Health Point Business using the Social Impact Bonds (SIB) introduced by Okayama City, which started in April 2019. It is a service of adding points when a participant receives health-related services at various stores and facilities in Okayama City. People living or working in Okayama City of 35 years of age or older are eligible. People can also participate in this program as a group of workplace colleagues, hobby enthusiasts, volunteers, etc.

industry, government,
academia, financial
institutions and media

□ Okayama Sports Navigation/Sports Training Camp Navigation

Sports information in Okayama Prefecture is unified.
Sports information for residents of Okayama Prefecture, information on sports training camps in Okayama Prefecture, and enticement of training camps for the Tokyo Olympics, etc.

□ Okayama Sports Promotion Study Group

A voluntary organization consisting of volunteers from the economic world and local universities, aiming at discussing regional revitalization by making use of sports.
The motto is "Wisdom and efforts" of the participants.

□ Five professional sports clubs

Football: **Fagiano OKAYAMA**

Women's football: **OKAYAMA YUNOGO BELLE**

Volleyball: **OKAYAMA SEAGULLS**

Basketball: **TRYHOOP OKAYAMA**

Table tennis: **OKAYAMA Rivets**



Okayama is the place where table tennis was first introduced.

OKAYAMA Rivets took part in the T. League!
Recorded a good performance by taking second place in the first year.



Photo courtesy of OKAYAMA Rivets

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

□ The Great Seto Bridge connecting local communities

The largest number of visitors 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 Prefecture is the largest in the Chugoku-Shikoku area*

* Okayama Prefecture Warehouse Association survey
(areas for warehouses in categories 1-3)

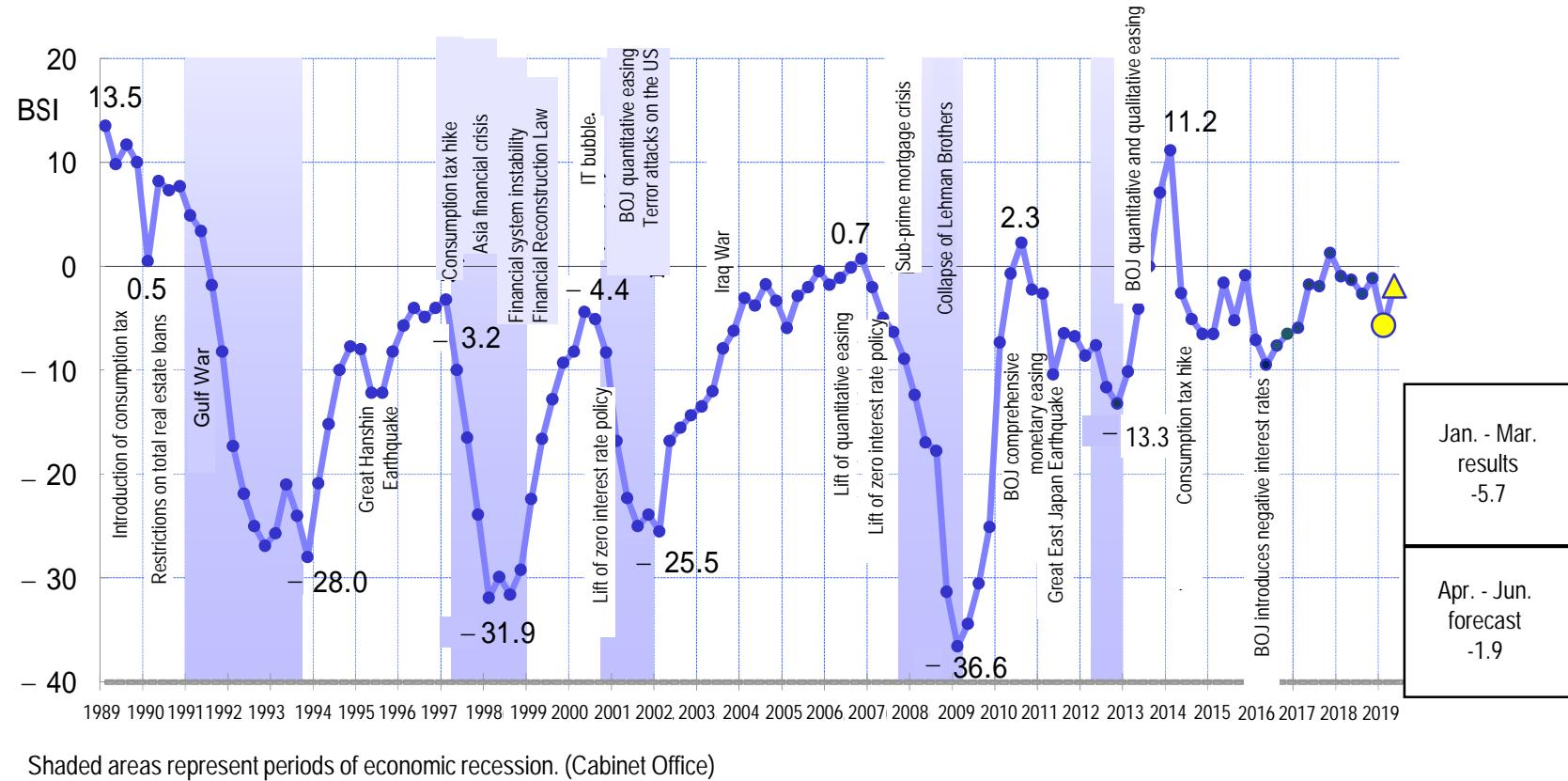
- Manufacturers and distribution companies using Okayama as their main location for West Japan
- Distribution to East Japan possible during emergencies



Source: Website of Okayama Prefecture

Okayama Prefecture's Economic Trends

The economy in Okayama Prefecture is moving toward a recovery.

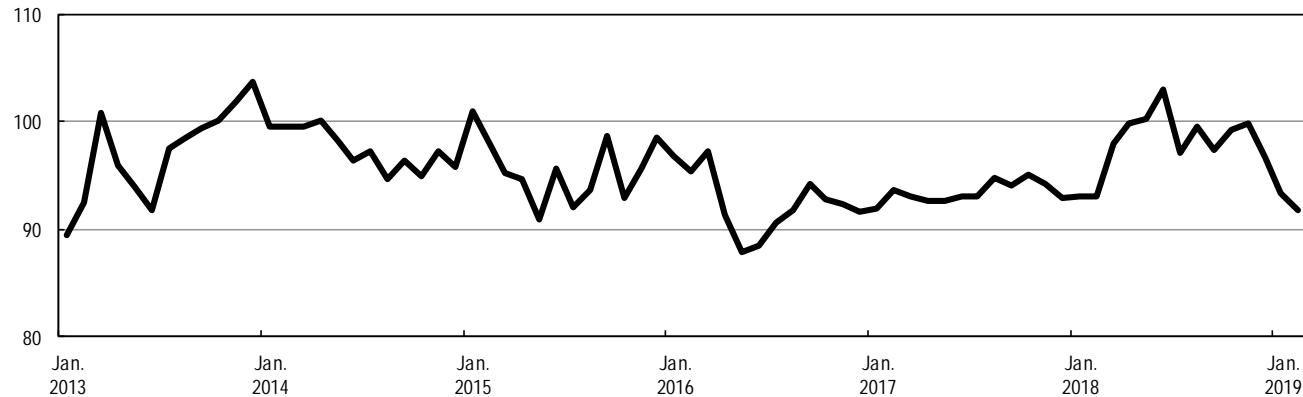


BSI (Business Survey Index) is designed to measure corporate managers' confidence in sales and business conditions and their forecasts for their company's performance (favorable turnaround, unchanged, deterioration). A favorable turnaround year-on-year warrants an A, while unchanged performance warrants a B, and deterioration a C ($A+B+C=100$). The BSI is calculated by using the following equation: $(A-C) \div 2$. Consequently, the more corporate managers that indicate their company's performance is taking a positive turnaround, the closer the index reaches to 50. Conversely, the more respondents that determine performance is deteriorating, the closer the index is to -50.

Local Economic Trends (2)

Industrial production - - - Upward trends with partially weak domains

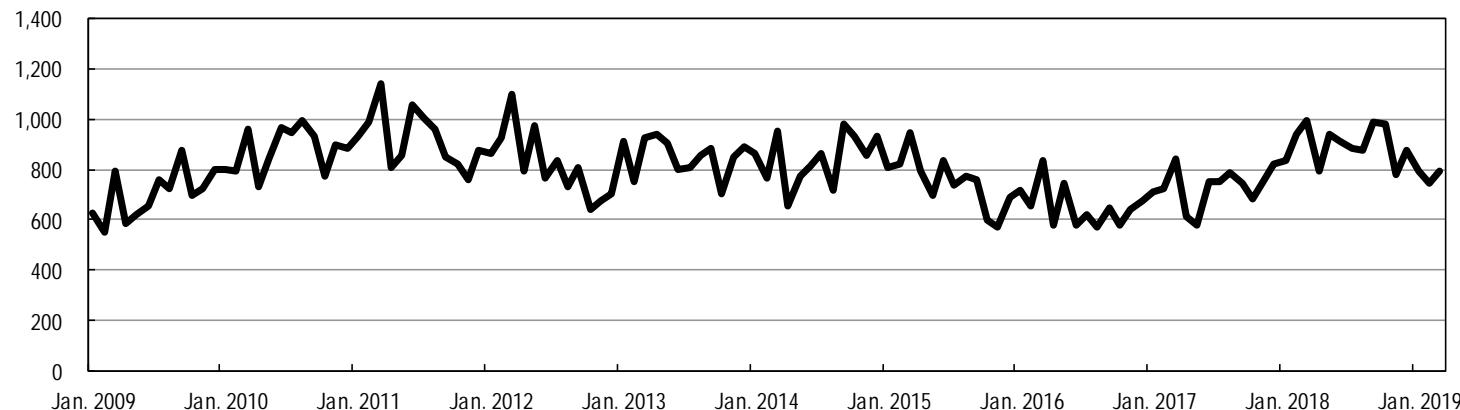
[Industrial production index trends] (2010 indexed at 100; seasonally adjusted)



Source: Okayama Prefecture Statistical Analysis Section

Exports - - - An increasing trend has paused.

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



Source: Kobe customs

Local Economic Trends (3)

Capital investment - - - Robust

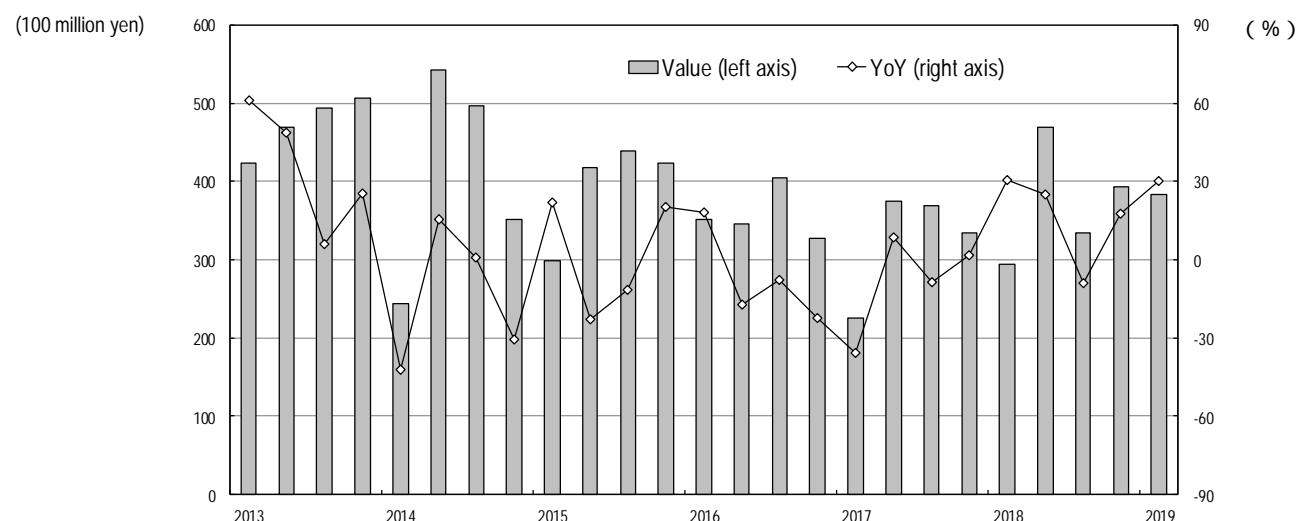
[Change in capital investment year-on-year]

(%)	Okayama			Nationwide		
	Manufacturing industry	Non-manufacturing	Total	Manufacturing industry	Non-manufacturing	Total
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
FY2018 results	18.4	18.1	18.3	11.1	10.0	10.4
FY2019 plan	13.0	- 19.9	1.4	2.0	- 5.6	- 2.8

Source: Bank of Japan; Okayama BOJ branch

Public investment - - - Improvement reflecting full-fledged disaster reconstruction works

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



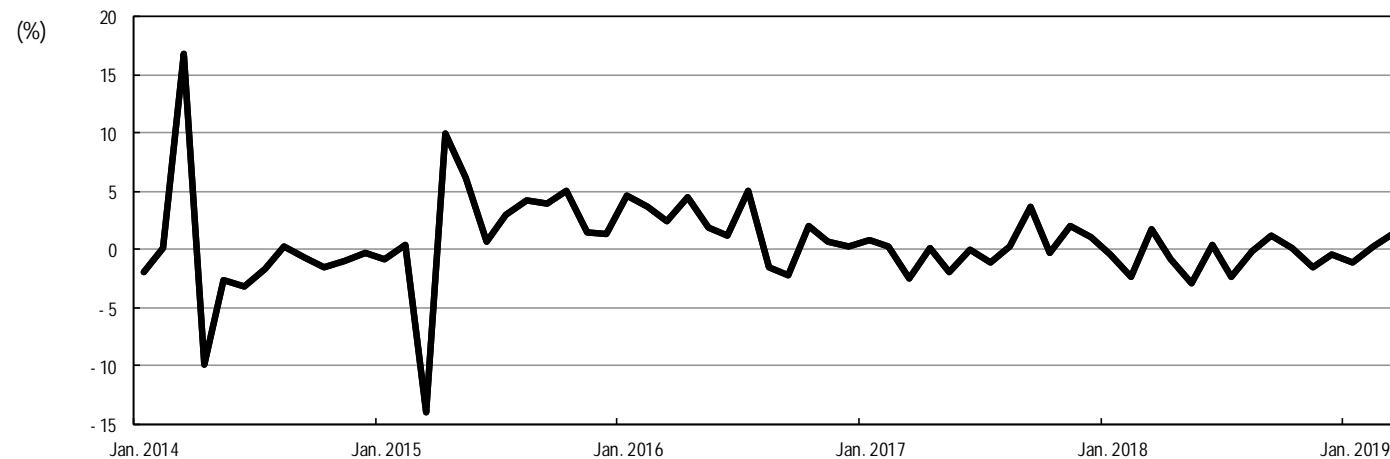
Source: West Japan Construction Surety Co., Ltd.

Local Economic Trends (4)



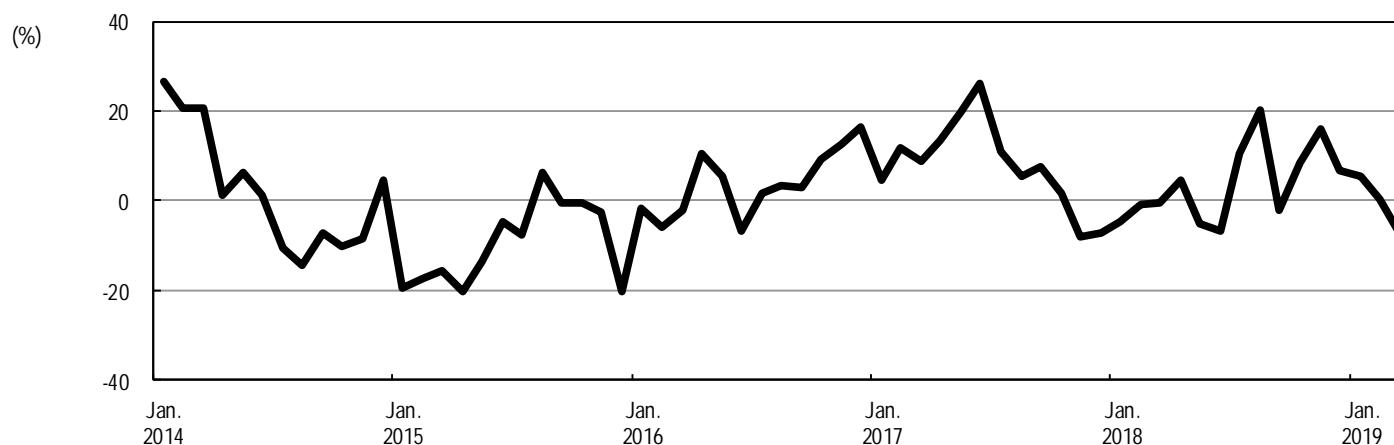
Consumer spending - - - Stagnant

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



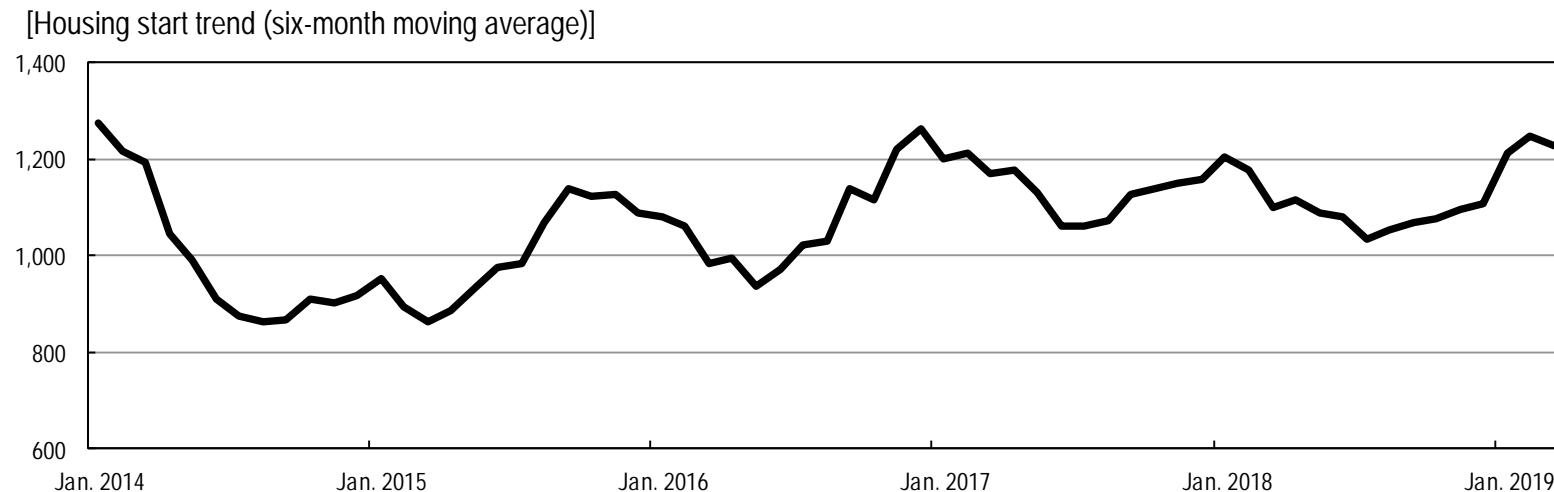
Source: Chugoku Bureau of Economy, Trade and Industry

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

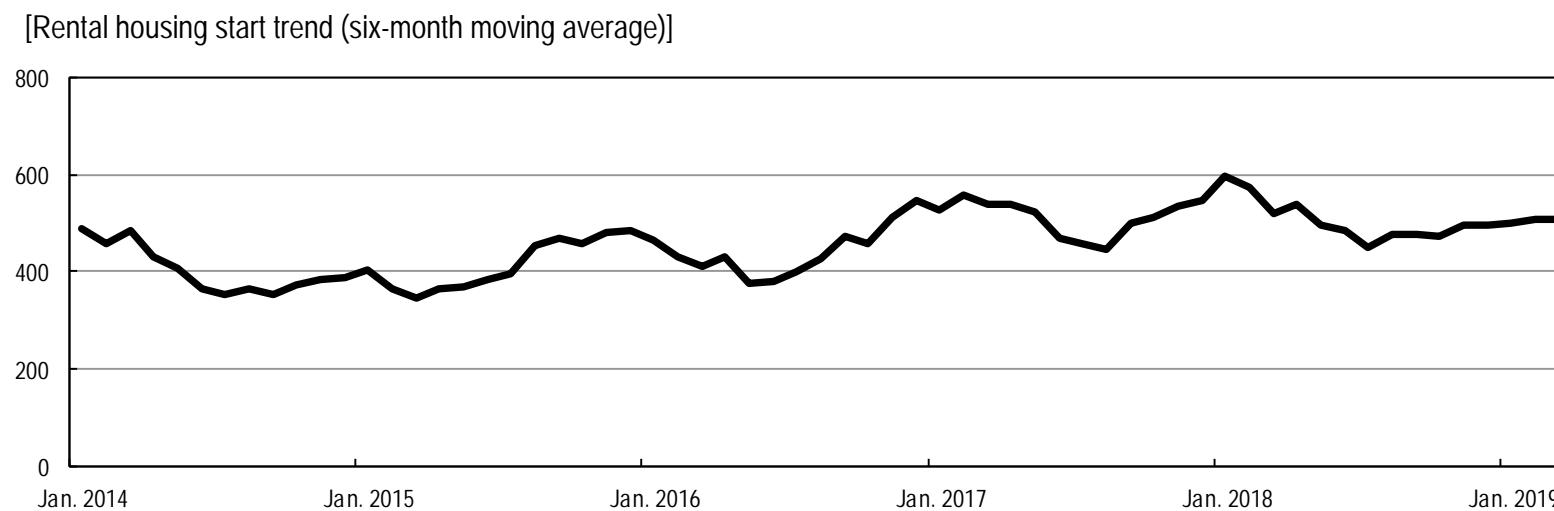


Source: Chugoku Transport & Tourism Bureau, Okayama branch

Housing investment - - - Showing signs of recovery



Source: MLIT



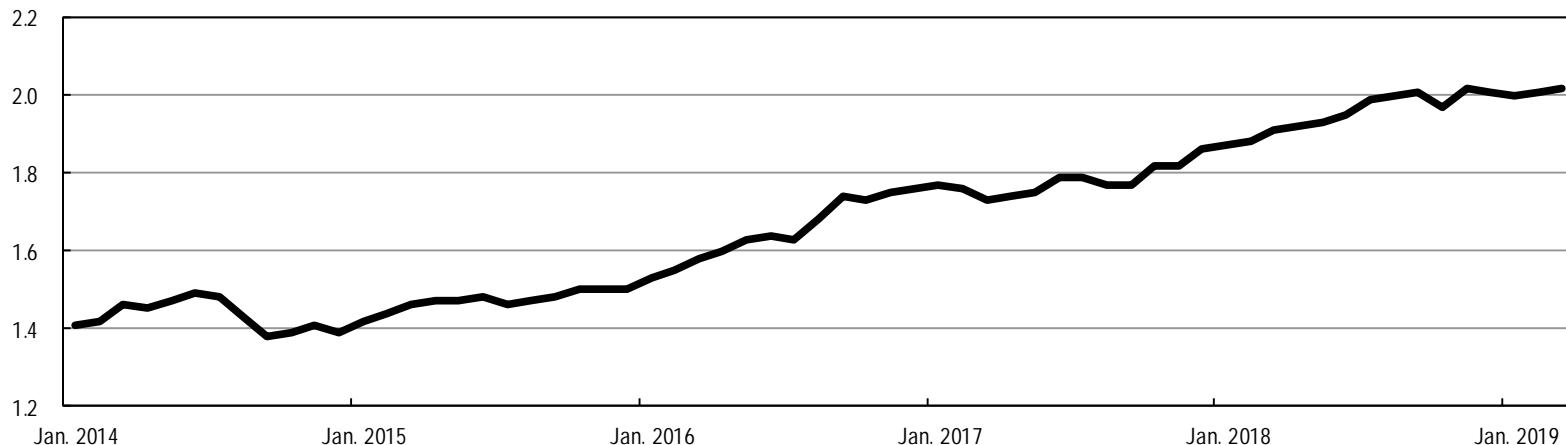
Source: MLIT

Local Economic Trends (6)



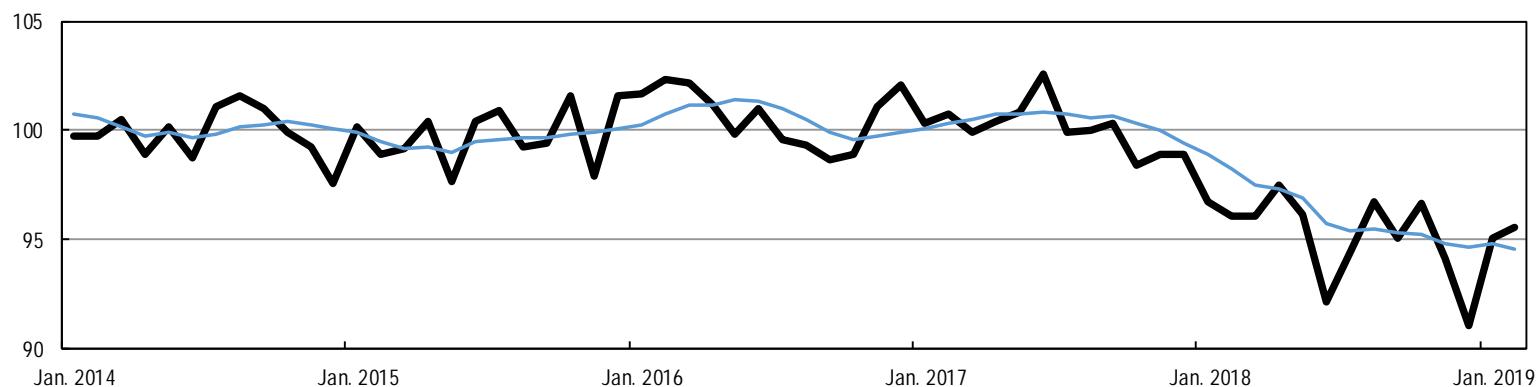
Employment trends - - - Sentiment of labor shortage becoming stronger despite continued recovery trend of employment

[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)]

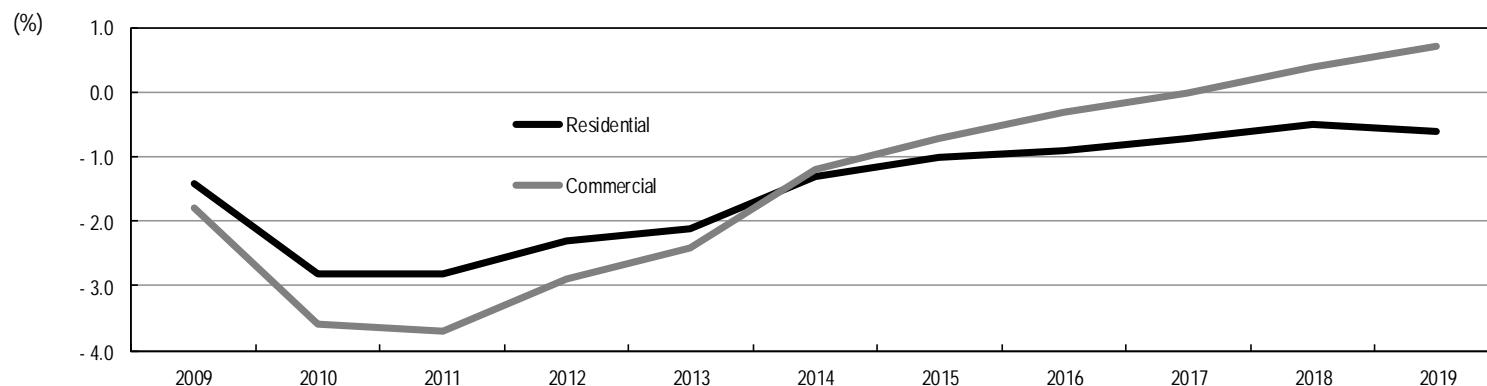


Source: Data from the Statistic Analysis Section of Okayama Prefecture seasonally adjusted by the Okayama Economic Research Institute

Local Economic Trends (7)

Land prices - - - Commercial land prices rose for two consecutive years while the margin of decline in residential land prices expanded.

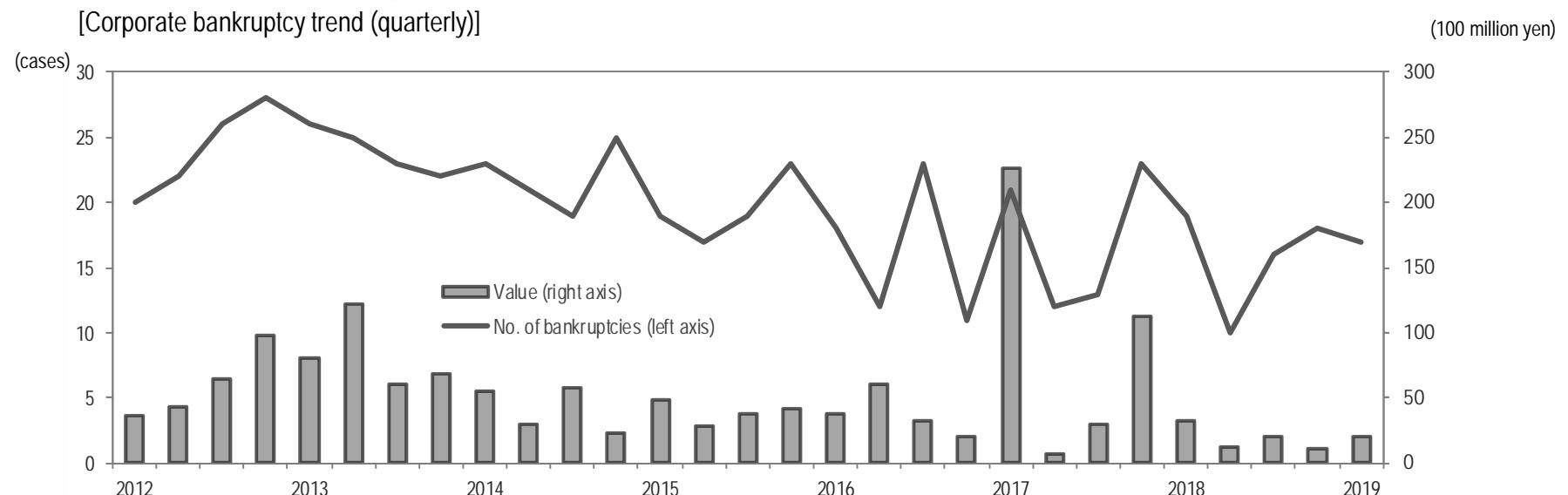
[Standard land price trend (YoY)]



Source: Hilly and Mountainous Areas Development Division, Okayama Prefecture

Corporate bankruptcies - - - Limited growth in terms of 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)	FY2014 1H	FY2014 1H	FY2015 1H	FY2015 1H	FY2016 1H	FY2016 1H	FY2017 1H	FY2017 1H	FY2018 1H	FY2018 1H
Ordinary revenue	55,893	109,307	58,723	113,236	58,634	125,036	57,586	116,499	57,415	113,461
Banking revenue	49,835	100,785	50,904	101,156	50,876	111,877	51,803	103,360	53,545	104,638
Extraordinary revenue	6,057	8,521	7,819	12,080	7,758	13,159	5,783	13,138	3,869	8,822
Ordinary expense	36,262	73,536	35,796	72,600	41,286	96,068	43,543	88,567	44,196	91,541
Banking expense	34,573	69,797	34,608	69,303	37,402	86,795	40,643	81,918	41,870	83,680
Extraordinary expense	1,688	3,739	1,187	3,297	3,883	9,272	2,900	6,649	2,325	7,860
Recurring profit	19,631	35,770	22,927	40,635	17,348	28,968	14,043	27,931	13,219	21,919
Banking income	15,269	31,001	16,303	31,866	13,478	25,090	11,164	21,451	11,679	20,965
Gross income	44,211	88,270	44,082	87,326	41,666	79,977	39,887	77,117	39,375	78,149
(Net interest income)	36,287	72,416	35,889	70,028	33,428	67,765	33,862	66,265	32,948	63,033
(Fees and commissions)	7,465	14,834	7,431	15,024	7,645	15,214	7,116	14,610	7,578	14,886
(Other banking income)	459	1,019	762	2,272	592	-3,002	-1,091	-3,757	-1,150	228
Expenses	28,942	57,269	27,779	55,459	28,187	54,886	28,723	55,666	27,232	54,211
General provisions for doubtful receivables	-	-	-	-	-	-	-	-	464	2,972
Extraordinary gain	1	1	44	46	-	3	0	14	15	15
Extraordinary loss	289	361	177	394	126	466	143	209	143	289
Impairment loss	237	246	66	124	80	414	132	148	100	222
Income before income tax (1H)	19,342	35,409	22,794	40,288	17,222	28,505	13,900	27,736	13,090	21,645
Corporate, residential, and business taxes	6,258	12,322	6,101	11,006	4,110	8,688	2,964	7,218	3,056	6,758
Income tax adjustments	133	2,182	1,140	3,352	996	776	1,117	1,107	617	-451
Net income (1H)	12,950	20,904	15,552	25,928	12,115	19,039	9,819	19,409	9,416	15,338

[Consolidated]

Ordinary revenue	63,124	124,221	65,753	129,180	66,647	142,867	65,261	132,445	64,758	128,621
Recurring profit	21,306	39,106	24,262	43,440	18,473	31,605	15,385	30,922	14,012	23,696
Net income attributable to owners of the parent (1H)	13,594	24,702	16,094	27,252	12,590	20,323	10,566	21,258	9,713	16,199
Net income (1H)	13,931	25,446	16,211	27,522	12,745	20,627	10,566	21,258	9,713	16,199
Other comprehensive income	15,318	48,293	-25,610	-14,871	-4,307	-18,359	12,312	8,687	3,250	-11,164
Valuation difference from other available-for-sale securities	16,011	48,301	-25,683	-4,798	-4,556	-19,641	11,431	6,403	763	-6,137
Deferred hedge gains	-648	-1,262	46	-1,811	-344	675	222	1,087	1,966	-3,894
Comprehensive income (1H)	29,250	73,739	-9,398	12,650	8,437	2,268	22,879	29,946	12,963	5,035

Profit and Loss Statement (2)



[Parent] (million yen)	FY2014 1H	FY2014 1H	FY2015 1H	FY2015 1H	FY2016 1H	FY2016 1H	FY2017 1H	FY2017 1H	FY2018 1H	FY2018 1H
Bond related gains/losses	225	45	406	1,742	732	-2,038	-300	-2,481	-316	1,117
Gain on bond sales, including JGBs	1,038	2,625	1,892	4,311	3,520	13,536	1,634	3,827	2,679	4,865
Gain on bond redemption, including JGBs	-	-	-	-	-	-	-	-	-	-
Loss on bond sales, including JGBs	813	2,580	1,485	2,568	2,788	15,575	1,901	6,308	2,895	3,622
Loss on bond redemption, including JGBs	-	-	-	-	-	-	-	-	-	-
Bond redemption, including JGBs	-	-	-	-	-	-	34	-	100	125
Equity-related gains/losses	1,569	3,775	2,696	3,349	945	4,379	456	4,437	335	1,495
Gain on equity sales	2,438	5,448	3,255	5,126	3,401	9,937	1,717	6,888	1,868	5,574
Loss on equity sales	817	1,673	540	1,586	1,666	2,928	1,261	2,450	1,529	4,075
Share redemption	51	-	18	190	789	2,628	-	-	3	3
Non-performing loan disposal	-1,827	222	-2,659	-3,755	-2,716	-209	-2,632	-1,770	202	4,199
General provisions for doubtful receivables	-4,145	-6,160	-2,577	-3,652	-487	-104	-2,498	-1,753	464	2,972
Individual provisions for doubtful accounts	2,109	5,789	-82	-209	-2,241	-187	-136	-25	-261	1,088
Loan write-offs	-	-	-	-	-	-	-	-	-	65
Loss on claim sales	208	592	0	106	11	81	1	8	-	74

Ordinary Revenue Breakdown



[Parent] (million yen)	FY2014 1H	FY2014 1H	FY2015 1H	FY2015 1H	FY2016 1H	FY2016 1H	FY2017 1H	FY2017 1H	FY2018 1H	FY2018 1H
Ordinary revenue	55,893	109,307	58,723	113,236	58,634	125,036	57,586	116,499	57,415	113,461
Banking revenue	49,835	100,785	50,904	101,156	50,876	111,877	51,803	103,360	53,545	104,638
Net interest income	39,004	78,174	39,113	77,137	37,604	78,762	40,722	80,016	40,950	80,230
Lending rate	21,991	43,673	21,195	42,622	20,789	42,891	23,134	47,027	25,408	51,412
Securities interest rate	16,787	33,951	17,526	33,777	16,432	34,962	16,975	31,545	14,864	27,659
Call loan interest rate	34	83	56	77	73	307	299	813	361	521
Interest rate on bills bought	-	-	-	-	-	-	-	-	-	-
Gensaki transaction interest rate	-	-	-	-	-	-	-	-	-	-
Deposit interest rate	53	207	211	410	189	375	187	374	192	382
Foreign currency interest income	26	51	23	50	28	53	28	58	35	75
Financial swap interest income	-	-	-	-	-	-	-	-	-	-
Other interest income	110	207	99	199	90	172	97	196	88	179
Fees and commissions	9,522	18,950	9,502	19,173	9,735	19,439	9,276	18,911	9,757	19,175
Fee and commission income	2,883	5,780	2,844	5,737	2,853	5,712	2,818	5,669	2,811	5,635
Other fee and commission income	6,639	13,167	6,657	13,435	6,882	13,725	6,458	13,240	6,945	13,537
Trust fees	-	1	-	1	0	1	0	1	0	1
Other banking revenue	1,308	3,659	2,288	4,844	3,536	13,675	1,804	4,432	2,837	5,232
Gain on sale of bonds, including JGBs	1,038	2,625	1,892	4,311	3,520	13,536	1,634	3,827	2,679	4,865
Gain on sale of foreign currencies	-	-	-	24	-	-	-	-	-	-
Gain on sale of securities	-	-	-	-	14	9	-	-	0	-
Financial derivative revenue	268	1,032	394	506	-	126	168	603	-	-
Other	0	2	1	3	1	2	0	1	157	367
Extraordinary income	6,057	8,521	7,819	12,080	7,758	13,159	5,783	13,138	3,869	8,822
Gain on sale of equities	2,438	5,448	3,255	5,126	3,401	9,937	1,717	6,888	1,868	5,574
Gain on investment trusts	50	145	-	12	5	67	103	85	154	-
Reversal to provisions for doubtful receivables	2,035	370	2,659	3,861	2,728	291	2,634	1,778	-	-
Gain on non-performing loans recovered	0	4	0	0	12	12	5	5	0	0
Other	1,532	2,553	1,903	3,079	1,610	2,850	1,322	4,380	1,846	3,248

Ordinary Expense Breakdown

[Parent] (million yen)	FY2014 1H	FY2014 1H	FY2015 1H	FY2015 1H	FY2016 1H	FY2016 1H	FY2017 1H	FY2017 1H	FY2018 1H	FY2018 1H
Ordinary expenses	36,262	73,536	35,796	72,600	41,286	96,068	43,543	88,567	44,196	91,541
Banking expenses	34,573	69,797	34,608	69,303	37,402	86,795	40,643	81,918	41,870	83,680
Interest expense	2,724	5,771	3,230	7,121	4,180	11,006	6,863	13,759	8,007	17,204
Expenses matching the amount of investment of money held in trust	6	13	6	13	4	9	3	9	4	7
Deposit interest	1,122	2,182	1,136	2,221	820	1,791	1,018	1,928	1,173	2,333
Negotiable certificates of deposit (NCD) interest	95	196	102	196	52	89	33	60	21	42
Call money interest	378	937	630	1,607	1,085	2,436	824	1,374	538	869
Interest on sales under agreement to repurchase	-	-	-	-	0	101	538	1,584	1,025	2,397
Securities lending transaction interest payable	161	511	384	1,134	889	2,354	943	1,474	325	594
Interest on commercial papers	-	-	-	-	-	48	336	779	395	1,100
Borrowed money interest payable	92	218	144	303	190	572	556	1,237	1,162	2,504
Foreign exchange interest payable	0	0	9	22	92	316	7	7	0	12
Financial swap interest payable	868	1,714	820	1,627	1,048	3,290	2,605	5,311	3,361	7,347
Other interest payable	5	10	1	8	0	6	0	0	3	1
Fees and commissions	2,057	4,115	2,071	4,149	2,090	4,225	2,159	4,301	2,178	4,288
Fees and commissions payable	435	875	441	883	454	902	463	919	474	932
Other fees and commissions payable	1,621	3,239	1,630	3,265	1,635	3,323	1,696	3,382	1,704	3,355
Other banking expenses	848	2,640	1,526	2,572	2,944	16,677	2,895	8,190	3,988	5,004
Loss on sale of bonds, including JGBs	813	2,580	1,485	2,568	2,788	15,575	1,901	6,308	2,895	3,622
Bond redemption, including JGBs	-	-	-	-	-	-	34	-	100	125
Loss on foreign exchange transactions	34	48	34	-	82	1,101	957	1,873	771	843
Loss on securities transactions	1	11	6	3	-	-	2	8	-	4
Financial derivative expenses	-	-	-	-	73	-	-	-	221	407
Other	-	-	-	-	-	-	-	-	-	-
General provisions for doubtful receivables	-	-	-	-	-	-	-	-	464	2,972
Expenses	28,942	57,269	27,779	55,459	28,187	54,886	28,723	55,666	27,232	54,211
Extraordinary expenses	1,688	3,739	1,187	3,297	3,883	9,272	2,900	6,649	2,325	7,860
Individual provisions for doubtful accounts	-	-	-	-	-	-	-	-	-261	1,088
Redemption of loans and bills discounted	-	-	-	-	-	-	-	-	-	65
Loss on sale of equity	817	1,673	540	1,586	1,666	2,928	1,261	2,450	1,529	4,075
Equity redemption	51	-	18	190	789	2,628	-	-	3	3
Loss on money held in trust	70	3	106	182	98	88	0	118	14	104
Retirement expense	-67	13	39	78	855	1,711	949	1,899	748	1,497
Other	816	2,049	482	1,259	473	1,914	688	2,179	290	1,026

Expense Breakdown



[Parent] (million yen)	FY2014 1H	FY2014 1H	FY2015 1H	FY2015	FY2016 1H	FY2016	FY2017 1H	FY2017	FY2018 1H	FY2018
Expenses (1)	28,942	57,269	27,779	55,459	28,187	54,886	28,723	55,666	27,232	54,211
Personnel	15,457	31,232	14,879	29,758	14,903	29,553	14,702	28,910	13,953	27,834
Salaries	8,250	16,549	8,259	16,571	8,316	16,610	8,171	16,051	7,740	15,438
Bonuses	3,029	6,268	3,107	6,146	3,002	5,755	2,807	5,410	2,506	4,992
Retirement expenses	1,011	2,024	212	426	222	446	353	710	288	571
Social insurance	1,753	3,550	1,789	3,580	1,804	3,600	1,800	3,575	1,796	3,559
Temporary employment expense	1,412	2,840	1,511	3,035	1,557	3,140	1,569	3,162	1,621	3,272
Property expense	11,636	23,238	10,901	22,615	11,250	22,218	11,502	23,138	11,381	23,263
Depreciation	1,368	2,837	1,456	3,135	1,730	3,539	2,063	4,329	2,043	4,233
Land and building leasing expense	371	757	398	787	358	748	384	780	398	800
Machinery leasing expense	58	128	60	134	62	136	69	153	80	169
Outsourcing expense	1,288	2,552	1,294	2,592	1,361	2,727	1,393	2,755	1,333	2,607
Maintenance expense	120	232	107	224	109	207	107	224	136	305
Travel expense	92	192	104	207	102	194	104	213	100	202
Sales promotion expense	33	64	33	62	34	69	46	83	46	79
Deposit insurance premium	2,258	3,789	1,178	2,356	1,209	2,418	1,094	2,188	1,029	2,059
Miscellaneous expense	6,042	12,681	6,266	13,114	6,283	12,177	6,239	12,410	6,213	14,865
Taxes	1,848	2,798	1,999	3,085	2,033	3,114	2,518	3,617	1,896	3,114
Core business gross profit (2)	43,986	88,225	43,676	85,583	40,933	82,016	40,187	79,598	39,692	77,031
OHR (1)÷(2)	65.8%	64.9%	63.6%	64.8%	68.8%	66.9%	71.4%	69.9%	68.6%	70.3%

Major Yields

(%)		FY2014 1H	FY2014 1H	FY2015 1H	FY2015 1H	FY2016 1H	FY2016 1H	FY2017 1H	FY2017 1H	FY2018 1H	FY2018 1H
Total for all branches	1. Interest-earning asset yield	1.14	1.11	1.08	1.06	1.00	1.03	1.05	1.04	1.05	1.03
	Loan yield	1.22	1.20	1.11	1.09	1.00	1.01	1.02	1.03	1.08	1.08
	Securities yield	1.10	1.10	1.21	1.16	1.12	1.20	1.31	1.24	1.23	1.17
	Call loan yield	0.20	0.18	0.17	0.19	0.30	0.32	0.29	0.44	0.32	0.22
	Deposit yield (including NCD)	0.10	0.10	0.09	0.10	0.10	0.10	0.10	0.10	0.10	0.10
	2. Interest-bearing liabilities	0.08	0.08	0.09	0.10	0.11	0.14	0.18	0.18	0.21	0.22
	Deposit yield	0.04	0.03	0.04	0.03	0.02	0.02	0.03	0.03	0.03	0.03
	Call money yield	0.32	0.37	0.51	0.65	1.00	1.20	1.40	1.37	1.96	1.71
	Loan yield	0.14	0.15	0.17	0.17	0.23	0.34	0.60	0.65	1.32	1.49
	3. Expense ratio	0.97	0.96	0.91	0.91	0.89	0.87	0.88	0.86	0.80	0.80
Domestic banking operations	4. Fundraising expense	0.97	0.94	0.90	0.90	0.88	0.88	0.94	0.91	0.92	0.94
	5. Total net interest income (1-4)	0.17	0.17	0.18	0.16	0.12	0.15	0.11	0.13	0.13	0.09
	Simple loan-deposit margin	1.18	1.17	1.07	1.06	0.98	0.99	0.99	1.00	1.05	1.05
	Simple deposit-securities margin	1.06	1.07	1.17	1.13	1.10	1.18	1.28	1.21	1.20	1.14
	1. Interest-earning asset yield	1.04	1.01	0.96	0.94	0.86	0.84	0.81	0.80	0.80	0.77
	Loan yield	1.23	1.21	1.12	1.09	0.97	0.95	0.89	0.88	0.86	0.85
	Securities yield	0.94	0.94	1.03	0.97	0.94	0.96	1.03	1.00	1.03	0.95
	Call loan yield	0.17	0.15	0.13	0.13	-0.02	-0.02	-0.02	-0.01	-0.03	-0.03
	Deposit yield (including NCD)	0.10	0.10	0.09	0.10	0.10	0.10	0.10	0.10	0.10	0.10
	2. Interest-bearing liabilities	0.06	0.06	0.06	0.06	0.04	0.04	0.04	0.04	0.03	0.03
	Deposit yield	0.03	0.03	0.03	0.03	0.02	0.01	0.01	0.01	0.01	0.01
	Call money yield	0.06	0.06	0.05	0.06	-0.03	-0.03	-0.02	-0.04	-0.05	-0.06
	Loan yield	0.11	0.11	0.11	0.11	0.06	0.04	0.01	0.01	0.02	0.02
	3. Expense ratio	0.95	0.93	0.88	0.88	0.87	0.85	0.86	0.84	0.78	0.78
Domestic banking operations	4. Fundraising expense	0.98	0.95	0.90	0.89	0.84	0.80	0.82	0.80	0.76	0.76
	5. Total net interest income (1-4)	0.06	0.06	0.06	0.05	0.02	0.04	-0.01	0.00	0.04	0.01
	Simple loan-deposit margin	1.20	1.18	1.09	1.06	0.95	0.94	0.88	0.87	0.85	0.84
	Simple deposit-securities margin	0.91	0.91	1.00	0.94	0.92	0.95	1.02	0.99	1.02	0.94

Major Accounts (year-end balance) Assets



(100 million yen)	FY2014 1H	FY2014 1H	FY2015 1H	FY2015 1H	FY2016 1H	FY2016 1H	FY2017 1H	FY2017 1H	FY2018 1H	FY2018 1H
Total assets	72,964	75,894	73,908	77,701	82,481	82,554	82,991	84,395	83,679	82,257
Interest-earning assets	69,468	71,082	68,344	72,100	74,626	73,673	75,527	75,209	75,871	73,224
Loans	36,121	37,289	38,610	40,365	42,173	44,003	45,607	46,761	47,300	48,087
Securities	32,013	32,614	28,773	31,073	30,347	27,146	27,439	26,208	25,074	23,949
Securities products	23	23	23	19	20	23	18	18	19	23
Money in trust	199	200	198	200	199	150	150	250	201	180
Deposits (excluding non-interest bearing portion)	150	52	52	53	112	102	141	167	165	135
Call loans	658	518	405	74	1,457	1,905	1,743	1,412	2,614	396
Debt purchased	242	320	198	206	222	215	261	271	268	295
Foreign exchange	58	63	81	107	76	64	59	79	107	90
Cash collateral paid	-	-	-	-	14	61	101	41	119	65
(Interest-earnings assets)	69,268	70,882	68,145	71,900	74,427	73,523	75,376	74,959	75,669	73,044
Cash and deposits (non-interest bearing)	2,829	3,871	4,818	4,815	6,912	7,953	6,403	7,609	6,621	7,497
Tangible fixed assets	432	433	426	431	427	413	405	396	392	388
Intangible fixed assets	30	38	48	60	68	74	65	58	51	44
Other assets	350	580	355	332	461	446	550	1,094	703	1,118
Deferred tax assets	-	-	-	-	-	-	-	-	-	-
Guarantee endorsements	281	321	308	328	321	340	351	340	347	324
Provisions for doubtful receivables	-428	-433	-392	-367	-336	-347	-311	-314	-306	-341

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



(100 million yen)	FY2014 1H	FY2014 1H	FY2015 1H	FY2015 1H	FY2016 1H	FY2016 1H	FY2017 1H	FY2017 1H	FY2018 1H	FY2018 1H
Total liabilities and net assets	72,964	75,894	73,908	77,701	82,481	82,554	82,991	84,395	83,679	82,257
Total liabilities	68,316	70,890	69,032	72,585	77,334	77,526	77,774	79,161	78,350	77,021
Interest-bearing liabilities	67,097	69,409	67,912	71,385	76,136	76,370	76,496	77,624	76,958	75,499
Deposits	56,667	58,945	58,113	60,114	59,545	62,018	61,693	64,236	63,831	66,399
Negotiable certificates of deposit (NCD)	2,544	1,638	2,568	1,847	3,025	2,229	3,038	2,224	3,562	1,783
Call money	2,189	3,392	1,799	2,500	1,722	1,492	720	579	366	187
Sales under agreement to repurchase account	-	-	-	-	-	215	1,582	715	782	1,250
Payables under Securities Lending Transactions	4,119	3,898	3,475	5,157	10,369	8,323	6,911	7,472	6,229	3,772
Commercial paper	-	-	-	-	-	242	517	461	487	487
Borrowed money	1,571	1,530	1,951	1,762	1,461	1,818	2,014	1,885	1,656	1,559
Foreign exchange	3	1	3	1	2	1	2	2	1	17
Cash collateral received	-	-	-	-	8	27	6	31	16	14
(Expenses matching the amount of investment of money held in trust)	199	200	198	200	199	150	150	250	201	180
(Fund procurement account)	66,897	69,209	67,713	71,185	75,937	76,220	76,345	77,374	76,757	75,319
Other liabilities	548	664	433	426	449	464	518	803	645	862
Retirement provision	237	233	221	209	204	200	198	195	188	185
Other provision	23	24	24	24	24	23	21	25	23	23
Deferred tax liabilities	127	236	131	209	195	126	186	169	187	125
Acceptances and guarantees	281	321	308	328	321	340	351	340	347	324
Total net assets	4,647	5,004	4,876	5,116	5,146	5,028	5,217	5,234	5,329	5,235
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	3,670	3,696	3,831	3,915	4,017	4,067	4,074	4,151	4,226	4,266
Treasury stock (-)	52	36	46	79	98	121	54	74	84	94
Valuation difference on other securities	854	1,177	922	1,130	1,080	925	1,038	989	999	934
Gain/loss on deferred hedges	-43	-49	-49	-67	-71	-60	-58	-49	-30	-88
Warrants	2	3	2	3	3	3	2	2	2	3

Major Accounts (average balance) Assets



(100 million yen)	FY2014 1H	FY2014 1H	FY2015 1H	FY2015 1H	FY2016 1H	FY2016 1H	FY2017 1H	FY2017 1H	FY2018 1H	FY2018 1H
Total assets	69,722	71,711	73,666	74,501	78,330	79,899	80,719	80,986	81,574	81,554
Interest-earning assets	68,138	70,063	71,932	72,629	75,074	76,580	76,924	77,056	77,507	77,484
Loans	35,908	36,351	37,881	38,748	41,310	42,324	44,859	45,518	46,907	47,344
Securities	30,376	30,773	28,688	28,950	29,042	29,030	25,747	25,311	23,939	23,456
Securities products	24	24	22	22	20	22	19	19	26	21
Money in trust	199	200	199	199	199	199	150	210	249	209
Deposits (excluding non-interest bearing portion)	1,047	1,989	4,220	4,048	3,713	3,719	3,727	3,735	3,741	3,718
Call loans	329	444	645	392	483	947	2,014	1,822	2,198	2,292
Debt purchased	187	172	176	160	144	149	175	182	187	191
Foreign exchange	63	106	97	107	157	156	137	157	171	168
Cash collateral paid	-	-	-	-	2	29	85	100	85	80
(Interest-earnings assets)	67,938	69,863	71,732	72,430	74,874	76,380	76,774	76,846	77,257	77,274
Cash and deposits (non-interest bearing)	829	837	863	954	2,309	2,297	2,486	2,616	2,779	2,763
Tangible fixed assets	441	444	434	438	438	441	415	416	399	402
Intangible fixed assets	24	29	42	47	64	67	72	71	58	57
Other assets	209	201	226	245	224	284	578	570	580	595
Deferred tax assets	284	292	281	275	247	243	240	234	229	226
Guarantee endorsements	262	292	314	321	329	332	345	347	332	335
Provisions for doubtful receivables	-467	-449	-428	-411	-358	-347	-343	-328	-311	-312

Major Accounts (average balance) Liabilities & Net Assets



(100 million yen)	FY2014 1H	FY2014 1H	FY2015 1H	FY2015 1H	FY2016 1H	FY2016 1H	FY2017 1H	FY2017 1H	FY2018 1H	FY2018 1H
Total liabilities and net assets	69,722	71,711	73,666	74,501	78,330	79,899	80,719	80,986	81,574	81,554
Total liabilities	65,977	67,892	69,768	70,530	74,267	75,767	76,598	76,804	77,306	77,236
Interest-bearing liabilities	65,153	66,944	68,864	69,544	73,384	74,784	75,590	75,748	76,227	76,165
Deposits	56,835	56,912	58,260	58,350	59,937	60,078	61,560	61,694	63,475	63,620
Negotiable certificates of deposit (NCD)	2,555	2,629	2,621	2,512	2,909	2,965	2,916	2,883	3,712	3,535
Call money	2,304	2,506	2,434	2,457	2,157	2,016	1,167	999	547	505
Sales under agreement to repurchase	-	-	-	-	0	111	753	1,011	903	978
Payables under Securities Lending Transactions	2,151	3,463	3,861	4,495	6,747	7,913	6,839	6,739	5,432	5,365
Commercial paper	-	-	-	-	-	41	487	498	376	445
Borrowed money	1,301	1,429	1,681	1,724	1,625	1,649	1,846	1,897	1,746	1,673
Foreign exchange	3	3	3	2	1	1	3	3	3	4
Cash collateral received	-	-	-	-	3	3	11	14	9	13
(Expenses matching the amount of investment of money held in trust)	199	200	199	199	199	199	150	210	249	209
(Fund procurement account)	64,953	66,744	68,664	69,345	73,184	74,584	75,440	75,538	75,978	75,956
Other liabilities	356	425	343	423	328	428	447	494	534	527
Retirement provision	186	210	228	222	206	204	198	197	191	189
Other provision	17	17	15	15	16	17	15	14	20	18
Deferred tax liabilities	-	-	-	-	-	-	-	-	-	-
Acceptances and guarantees	262	292	314	321	329	332	345	347	332	335
Total net assets	3,744	3,819	3,898	3,971	4,063	4,131	4,120	4,182	4,268	4,317
Capital	151	151	151	151	151	151	151	151	151	151
Surplus capital	62	62	62	62	62	62	27	44	62	62
Retained earnings	3,564	3,647	3,713	3,795	3,925	4,002	4,016	4,047	4,121	4,175
Treasury stock (-)	45	54	42	52	90	99	88	75	81	84
Valuation difference on other securities	9	10	11	11	12	11	11	11	11	10
Gain/loss on deferred hedges	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0
Warrants	2	2	2	2	3	3	3	2	2	2

Deposits (year-end balance)



(100 million yen)	FY2014 1H	FY2014 1H	FY2015 1H	FY2015	FY2016 1H	FY2016	FY2017 1H	FY2017	FY2018 1H	FY2018
Okayama	43,152	44,936	44,251	46,194	45,465	47,052	46,850	49,026	48,864	50,953
Private portion	33,425	34,178	34,305	34,845	34,807	35,313	35,832	36,311	37,072	37,347
Corporate portion	8,258	8,549	8,480	8,870	8,989	9,314	9,657	10,043	10,140	10,485
Hiroshima	7,884	8,388	8,055	8,101	8,172	8,762	8,534	8,533	8,634	9,144
Private portion	5,482	5,554	5,544	5,519	5,514	5,569	5,584	5,604	5,633	5,627
Corporate portion	2,209	2,387	2,414	2,466	2,528	2,614	2,858	2,794	2,838	2,862
Kagawa, Ehime	3,919	4,002	3,928	3,992	3,952	4,029	4,022	4,141	4,074	4,020
Private portion	2,785	2,821	2,804	2,792	2,764	2,763	2,766	2,765	2,759	2,736
Corporate portion	1,120	1,136	1,114	1,154	1,177	1,220	1,253	1,338	1,312	1,249
Hyogo	944	962	1,017	1,044	1,068	1,089	1,136	1,130	1,159	1,152
Private portion	613	619	624	627	624	636	640	637	642	630
Corporate portion	329	342	381	405	438	451	495	492	516	521
Tottori	96	102	105	105	106	114	119	129	120	123
Private portion	51	51	51	49	50	49	50	51	52	51
Corporate portion	44	50	53	55	55	64	68	78	67	71
Osaka	216	202	236	217	216	237	241	211	264	229
Private portion	67	67	67	65	64	72	67	68	69	69
Corporate portion	147	133	167	150	150	163	172	142	193	158
Tokyo	248	167	199	133	176	137	136	188	194	131
Private portion	68	69	70	70	71	69	67	66	65	62
Corporate portion	171	96	126	59	102	66	67	119	127	66
Total domestic branches (before reconciliation of transit items)	56,462	58,763	57,794	59,789	59,158	61,422	61,042	63,361	63,310	65,755
Total for private portion	42,494	43,363	43,469	43,971	43,897	44,476	45,010	45,504	46,294	46,526
Total for corporate portion	12,282	12,695	12,737	13,163	13,441	13,895	14,572	15,009	15,194	15,415
Overseas branches	206	183	321	325	388	597	653	877	521	644
Total deposits	56,667	58,945	58,113	60,114	59,545	62,018	61,693	64,236	63,831	66,399
Liquidity	35,620	38,085	37,071	39,260	39,035	41,644	41,224	44,590	44,332	47,261
Time deposits	21,046	20,860	21,042	20,853	20,510	20,374	20,469	19,646	19,499	19,137
Domestic banking	55,895	58,196	57,153	59,187	58,569	60,869	60,433	62,671	62,564	65,120
International banking	772	749	960	926	976	1,149	1,260	1,565	1,267	1,278

Deposits (average balance)



(100 million yen)	FY2014 1H	FY2014 1H	FY2015 1H	FY2015 1H	FY2016 1H	FY2016 1H	FY2017 1H	FY2017 1H	FY2018 1H	FY2018 1H
Okayama	43,204	43,301	44,458	44,544	45,887	45,766	46,806	47,003	48,589	48,754
Private portion	33,477	33,731	34,483	34,599	34,963	35,082	35,697	35,981	36,755	37,054
Corporate portion	8,158	8,179	8,469	8,541	8,989	9,014	9,442	9,464	9,958	9,927
Hiroshima	7,922	7,958	8,089	8,070	8,196	8,224	8,427	8,429	8,643	8,638
Private portion	5,481	5,510	5,577	5,565	5,522	5,533	5,579	5,596	5,619	5,628
Corporate portion	2,209	2,244	2,408	2,414	2,510	2,534	2,736	2,736	2,828	2,825
Kagawa, Ehime	3,996	3,966	4,001	3,977	3,969	3,992	4,050	4,064	4,073	4,053
Private portion	2,794	2,802	2,828	2,817	2,780	2,772	2,762	2,765	2,760	2,754
Corporate portion	1,191	1,154	1,167	1,153	1,181	1,210	1,284	1,294	1,310	1,296
Hyogo	938	948	978	1,005	1,042	1,054	1,115	1,116	1,141	1,141
Private portion	616	616	623	625	626	627	637	638	637	636
Corporate portion	321	330	348	371	408	420	477	476	503	503
Tottori	93	93	101	101	103	105	114	116	126	124
Private portion	52	52	53	51	50	50	50	50	52	51
Corporate portion	40	41	47	48	52	55	63	64	73	71
Osaka	176	182	195	200	213	215	218	220	233	241
Private portion	67	67	68	67	65	67	69	68	68	68
Corporate portion	108	114	126	132	147	147	148	150	164	171
Tokyo	205	187	186	177	193	185	163	155	157	149
Private portion	67	70	70	70	71	70	68	67	66	65
Corporate portion	136	115	114	105	119	112	92	85	88	82
Total domestic branches	56,537	56,639	58,008	58,076	59,606	59,546	60,896	61,107	62,963	63,104
Total for private portion	42,556	42,851	43,701	43,796	44,080	44,205	44,865	45,171	45,960	46,261
Total for corporate portion	12,166	12,179	12,680	12,766	13,410	13,497	14,246	14,276	14,925	14,879
Overseas branches	297	149	252	274	330	531	664	587	512	515
Total deposits	56,835	28,495	58,260	58,350	59,937	60,078	61,560	61,694	63,475	63,620
Liquidity	35,579	17,838	37,274	37,412	39,274	39,405	41,059	41,781	43,848	44,152
Time deposits	21,255	10,657	20,986	20,938	20,663	20,672	20,500	19,913	19,627	19,467
Domestic banking	55,940	28,047	57,399	57,458	59,009	58,956	60,277	60,486	62,216	62,397
International banking	894	448	861	892	928	1,122	1,282	1,208	1,259	1,223

Loans (year-end balance)



		FY2014 1H	FY2014 1H	FY2015 1H	FY2015 1H	FY2016 1H	FY2016 1H	FY2017 1H	FY2017 1H	FY2018 1H	FY2018 1H	
(100 million yen)												
General capital	Scale	Large-scale companies	31,918	32,710	33,669	35,298	37,059	38,930	40,332	41,543	42,098	42,982
		Medium-scale companies	7,555	7,597	8,001	8,431	8,869	8,869	8,251	7,919	7,778	7,754
		Small-scale companies	1,358	1,379	1,420	1,427	1,477	1,499	1,661	1,710	1,672	1,665
		Private individuals	15,135	15,809	16,258	17,389	18,568	20,309	22,067	23,426	24,044	24,754
Government and municipal loans		4,089	4,415	4,792	4,908	4,985	4,904	5,108	5,017	4,962	4,882	
Region	State and local public works groups	4,014	4,327	4,726	4,836	4,932	4,847	5,067	4,979	4,939	4,860	
		74	87	66	71	53	57	40	38	23	21	
Total loans by domestic branches		36,007	37,125	38,461	40,206	42,045	43,835	45,440	46,561	47,061	47,864	
Region	Okayama	18,461	19,167	19,842	21,166	22,441	24,003	25,305	25,973	26,423	26,911	
	Hiroshima	6,518	6,588	6,726	6,924	7,162	7,415	7,671	7,935	8,128	8,408	
	Kagawa, Ehime	2,536	2,603	2,602	2,766	2,839	2,985	3,097	3,241	3,236	3,351	
	Hyogo	1,539	1,628	1,705	1,873	1,996	2,102	2,295	2,513	2,623	2,699	
	Tottori	273	267	270	278	296	297	315	341	341	357	
	Osaka	1,029	1,049	1,162	1,175	1,286	1,313	1,228	1,120	1,129	1,051	
	Tokyo	5,649	5,822	6,151	6,022	6,020	5,717	5,525	5,433	5,177	5,084	
Loan liabilities		-	-	-	-	-	-	-	-	-	-	
Overseas branches		113	163	149	158	128	168	166	200	239	222	
Total loans		36,121	37,289	38,610	40,365	42,173	44,003	45,607	46,761	47,300	48,087	

Loans (average balance)



(100 million yen)		FY2014 1H	FY2014 1H	FY2015 1H	FY2015 1H	FY2016 1H	FY2016 1H	FY2017 1H	FY2017 1H	FY2018 1H	FY2018 1H
General capital	Local development	31,746	32,129	33,084	33,908	36,191	37,230	39,604	40,295	41,680	42,194
	Urban	16,025	16,172	16,382	16,832	17,746	18,132	18,840	19,237	20,043	20,381
	Type	Private loans	6,468	6,609	6,885	7,040	7,217	7,170	6,857	6,699	6,289
	Housing loan portion	9,202	9,253	9,433	9,501	9,762	9,873	10,375	10,514	10,894	11,006
	Other	7,407	7,420	7,472	7,487	7,507	7,542	7,655	7,668	7,738	7,783
	Government and municipal loans	49	94	383	532	1,464	2,055	3,531	3,843	4,454	4,597
	State and local public works groups	4,046	4,093	4,636	4,688	4,984	4,952	5,082	5,055	4,999	4,932
	Local public corporations	3,973	4,018	4,569	4,620	4,929	4,898	5,042	5,014	4,973	4,907
	Total loans by domestic branches	73	75	67	67	54	53	39	40	25	24
		35,792	36,223	37,720	38,596	41,175	42,182	44,686	45,350	46,679	47,126
Region	Okayama	18,472	18,641	19,533	20,021	21,812	22,607	24,665	25,181	26,114	26,381
	Hiroshima	6,468	6,524	6,626	6,733	7,008	7,168	7,517	7,652	8,014	8,167
	Kagawa, Ehime	2,494	2,517	2,582	2,639	2,781	2,832	3,028	3,086	3,216	3,254
	Hyogo	1,518	1,556	1,689	1,753	1,943	1,992	2,193	2,290	2,571	2,625
	Tottori	270	270	270	274	288	295	306	317	337	345
	Osaka	270	270	270	274	288	295	306	317	337	345
	Tokyo	999	1,023	1,087	1,134	1,288	1,306	1,280	1,229	1,119	1,116
Loan liabilities		-	-	-	-	-	-	-	-	-	-
Overseas branches		116	127	160	152	135	141	173	167	227	218
Total loans		35,908	36,351	37,881	38,748	41,310	42,324	44,859	45,518	46,907	47,344

Loans by Industry (year-end balance)



(100 million yen)	FY2014 1H	FY2014 1H	FY2015 1H	FY2015 1H	FY2016 1H	FY2016 1H	FY2017 1H	FY2017 1H	FY2018 1H	FY2018 1H
Domestic branches	36,007	37,125	38,461	40,206	42,045	43,835	45,440	46,561	47,061	47,864
Manufacturing	6,720	6,911	6,845	7,108	6,977	6,911	6,663	7,003	6,655	6,757
Agriculture, forestry	30	31	30	29	29	34	44	60	61	71
Fishing	14	10	13	11	17	25	46	45	36	32
Mining, stone, sand	23	23	24	22	22	21	20	21	20	21
Construction	1,167	1,130	1,119	1,159	1,140	1,214	1,194	1,296	1,221	1,304
Electric power, gas, heat supply, water	656	739	861	965	1,205	1,392	1,700	1,860	2,014	2,087
Information and communications	302	304	281	294	292	301	301	232	206	202
Transport, postal	1,275	1,274	1,362	1,460	1,602	1,719	1,939	2,036	2,095	2,171
Wholesale, retail	4,839	4,815	4,848	5,105	5,089	5,106	5,077	5,124	5,217	5,259
Financial, insurance	1,291	1,337	1,686	1,964	2,801	3,474	3,892	3,810	3,975	3,856
Real estate, goods leasing	4,292	4,495	4,760	4,917	5,374	5,623	6,041	6,387	6,539	6,672
Public corporations	74	87	66	71	53	57	40	38	23	21
Other	4,217	4,408	4,693	4,845	5,320	5,566	6,001	6,349	6,516	6,650
Various services	2,404	2,500	2,510	2,693	2,788	2,966	3,035	3,200	3,201	3,196
Public organizations	4,014	4,327	4,726	4,836	4,932	4,847	5,067	4,979	4,939	4,860
Other	8,975	9,222	9,389	9,637	9,770	10,195	10,414	10,502	10,875	11,371
Housing loans	7,478	7,525	7,563	7,588	7,637	7,672	7,683	7,736	7,790	7,930
Overseas branches + Offshore loans	113	163	149	158	128	168	166	200	239	222
Total	36,121	37,289	38,610	40,365	42,173	44,003	45,607	46,761	47,300	48,087

Loans by Industry (percentage)



	FY2014 1H	FY2014 1H	FY2015 1H	FY2015 1H	FY2016 1H	FY2016 1H	FY2017 1H	FY2017 1H	FY2018 1H	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	18.7%	18.6%	17.8%	17.7%	16.6%	15.8%	14.7%	15.0%	14.1%	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%	0.1%	0.1%	0.1%	0.1%	0.1%
Mining, stone, sand	0.1%	0.1%	0.1%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%
Construction	3.2%	3.0%	2.9%	2.9%	2.7%	2.8%	2.6%	2.8%	2.6%	2.7%
Electric power, gas, heat supply, water	1.8%	2.0%	2.2%	2.4%	2.9%	3.2%	3.7%	4.0%	4.3%	4.4%
Information and communications	0.8%	0.8%	0.7%	0.7%	0.7%	0.7%	0.7%	0.5%	0.4%	0.4%
Transport, postal	3.5%	3.4%	3.5%	3.6%	3.8%	3.9%	4.3%	4.4%	4.5%	4.5%
Wholesale, retail	13.4%	13.0%	12.6%	12.7%	12.1%	11.6%	11.2%	11.0%	11.1%	11.0%
Financial, insurance	3.6%	3.6%	4.4%	4.9%	6.7%	7.9%	8.6%	8.2%	8.4%	8.1%
Real estate, goods leasing	11.9%	12.1%	12.4%	12.2%	12.8%	12.8%	13.3%	13.7%	13.9%	13.9%
Public corporations	0.2%	0.2%	0.2%	0.2%	0.1%	0.1%	0.1%	0.1%	0.0%	0.0%
Other	11.7%	11.9%	12.2%	12.1%	12.7%	12.7%	13.2%	13.6%	13.8%	13.9%
Various services	6.7%	6.7%	6.5%	6.7%	6.6%	6.8%	6.7%	6.9%	6.8%	6.7%
Public organizations	11.1%	11.7%	12.3%	12.0%	11.7%	11.1%	11.2%	10.7%	10.5%	10.2%
Other	24.9%	24.8%	24.4%	24.0%	23.2%	23.3%	22.9%	22.6%	23.1%	23.8%
Housing loans	20.8%	20.3%	19.7%	18.9%	18.2%	17.5%	16.9%	16.6%	16.6%	16.6%

Share of Total Deposits



[Year-end balance] (%)		FY2014 1H	FY2014 1H	FY2015 1H	FY2015 1H	FY2016 1H	FY2016 1H	FY2017 1H	FY2017 1H	FY2018 1H	FY2018 1H
Okayama	Chugoku Bank	47.4	48.0	47.7	48.4	48.2	48.4	48.0	48.6	48.9	49.4
	Other than Chugoku Bank	52.6	52.0	52.3	51.6	51.8	51.6	52.0	51.4	51.1	50.6
	Local banks other than Chugoku Bank	8.3	8.3	8.4	8.1	8.1	8.1	7.9	7.8	7.5	7.8
	Secondary local banks	11.6	11.6	11.8	11.9	11.7	11.7	11.7	11.5	11.7	11.5
	City banks, trust banks	11.7	11.2	11.0	10.8	11.2	11.4	11.8	11.9	11.2	10.7
	Shinkin banks, investment association, etc.	21.0	20.9	21.1	20.8	20.8	20.4	20.6	20.3	20.5	20.5
Bingo region (Eastern region of Hiroshima)	Chugoku Bank	21.5	21.6	21.0	20.6	21.3	21.3	20.5	20.0	21.5	21.5
	Other than Chugoku Bank	78.5	78.4	79.0	79.4	78.7	78.7	79.5	80.0	78.5	78.5
	Local banks other than Chugoku Bank	39.1	39.5	40.1	40.9	40.0	40.2	40.7	41.2	39.8	40.3
	Secondary local banks	12.2	11.9	11.9	11.9	11.8	11.9	11.8	12.0	11.9	11.7
	City banks, trust banks	12.1	12.2	12.0	11.9	12.2	12.1	12.2	12.2	11.9	11.9
	Shinkin banks, investment association, etc.	15.1	14.8	15.0	14.7	14.7	14.5	14.8	14.6	14.8	14.5
Shikoku region	Chugoku Bank	7.8	7.9	7.7	7.7	7.8	7.7	7.7	7.7	7.6	7.4
	Other than Chugoku Bank	92.2	92.1	92.3	92.3	92.2	92.3	92.3	92.3	92.4	92.6
	Local banks other than Chugoku Bank	51.2	51.7	51.8	52.3	52.1	52.1	51.9	52.3	51.7	51.9
	Secondary local banks	17.2	17.2	17.2	17.1	17.2	17.1	17.3	17.2	17.5	17.7
	City banks, trust banks	11.1	10.8	10.9	10.7	10.4	10.8	10.8	10.8	10.8	10.8
	Shinkin banks, investment association, etc.	12.6	12.4	12.4	12.2	12.5	12.3	12.3	12.0	12.2	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] (%)		FY2014 1H	FY2014 1H	FY2015 1H	FY2015 1H	FY2016 1H	FY2016 1H	FY2017 1H	FY2017 1H	FY2018 1H	FY2018 1H
Okayama	Chugoku Bank	37.7	38.2	38.8	39.7	41.0	42.1	42.9	43.0	43.1	43.0
	Other than Chugoku Bank	62.3	61.8	61.2	60.3	59.0	57.9	57.1	57.0	56.9	57.0
	Local banks other than Chugoku Bank	17.8	17.9	17.8	17.7	17.4	17.2	17.2	17.3	17.3	17.5
	Secondary local banks	17.6	17.6	17.8	17.5	17.4	17.3	17.4	17.3	17.4	17.3
	City banks, trust banks	10.5	10.3	9.7	9.8	9.2	8.8	8.1	8.2	8.0	8.1
	Shinkin banks, investment association, etc.	16.4	16.0	15.9	15.3	15.0	14.6	14.4	14.3	14.2	14.1
Bingo region (Eastern region of Hiroshima)	Chugoku Bank	23.4	23.2	23.1	22.8	23.0	22.8	22.8	22.7	22.5	22.8
	Other than Chugoku Bank	76.6	76.8	76.9	77.2	77.0	77.2	77.2	77.3	77.5	77.2
	Local banks other than Chugoku Bank	43.5	44.1	43.7	43.1	43.0	43.0	43.2	43.1	43.1	42.9
	Secondary local banks	12.7	12.8	13.7	14.1	14.3	14.7	15.1	15.3	15.0	15.1
	City banks, trust banks	7.9	7.8	7.8	8.8	8.7	8.7	8.2	8.3	8.7	8.6
	Shinkin banks, investment association, etc.	12.5	12.1	11.7	11.2	11.0	10.8	10.7	10.6	10.7	10.6
Shikoku region	Chugoku Bank	9.6	9.6	9.7	10.2	10.5	10.6	11.2	11.3	11.3	11.5
	Other than Chugoku Bank	90.4	90.4	90.3	89.8	89.5	89.4	88.8	88.7	88.7	88.5
	Local banks other than Chugoku Bank	51.4	51.3	50.3	50.5	50.3	49.9	49.6	49.9	49.4	49.6
	Secondary local banks	16.5	16.5	17.2	17.5	17.9	17.8	18.2	17.9	18.2	17.8
	City banks, trust banks	11.3	11.6	11.7	10.9	10.4	11.2	10.3	10.3	10.3	10.1
	Shinkin banks, investment association, etc.	11.2	11.0	11.1	10.9	10.9	10.5	10.7	10.5	10.9	10.8

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

Securities



Balance by type

[Parent] (100 million yen)	FY2014 1H	FY2014 1H	FY2015 1H	FY2015 1H	FY2016 1H	FY2016 1H	FY2017 1H	FY2017 1H	FY2018 1H	FY2018 1H
Year-end balance	32,013	32,614	28,773	31,073	30,347	27,146	27,439	26,208	25,074	23,949
JGBs	12,947	13,615	11,377	12,069	11,295	9,064	8,111	8,536	7,649	6,502
Local bonds	5,764	5,175	4,654	5,441	5,579	5,635	6,716	6,781	7,259	7,234
Corporate bonds	4,907	4,237	4,040	4,256	3,965	3,251	3,499	3,617	3,680	3,762
Foreign bonds	5,125	5,803	5,284	5,883	6,051	5,750	5,393	3,591	2,933	3,181
(Foreign currency denominated portion)	(4,727)	(5,387)	(4,949)	(5,544)	(5,650)	(5,426)	(5,185)	(3,408)	(2,653)	(3,013)
Other securities	1,541	1,779	1,624	1,728	1,897	1,753	1,848	1,859	1,793	1,747
Equities	1,726	2,002	1,792	1,693	1,558	1,690	1,869	1,822	1,757	1,521
Average balance during year	30,376	30,773	28,688	28,950	29,042	29,030	25,747	25,311	23,939	23,456
JGBs	12,382	12,878	11,822	11,715	11,151	10,765	8,447	8,225	7,726	7,314
Local bonds	5,814	5,628	4,801	4,988	5,504	5,559	6,173	6,375	6,997	7,029
Corporate bonds	5,165	4,754	4,079	4,116	3,969	3,835	3,405	3,423	3,658	3,641
Foreign bonds	4,684	5,080	5,392	5,539	5,743	6,194	5,298	4,781	3,057	3,036
(Foreign currency denominated portion)	(4,311)	(4,690)	(5,038)	(5,199)	(5,393)	(5,839)	(5,023)	(4,571)	(2,887)	(2,845)
Other securities	1,129	1,224	1,383	1,374	1,490	1,520	1,379	1,434	1,484	1,455
Equities	1,200	1,206	1,210	1,215	1,182	1,155	1,042	1,071	1,014	977

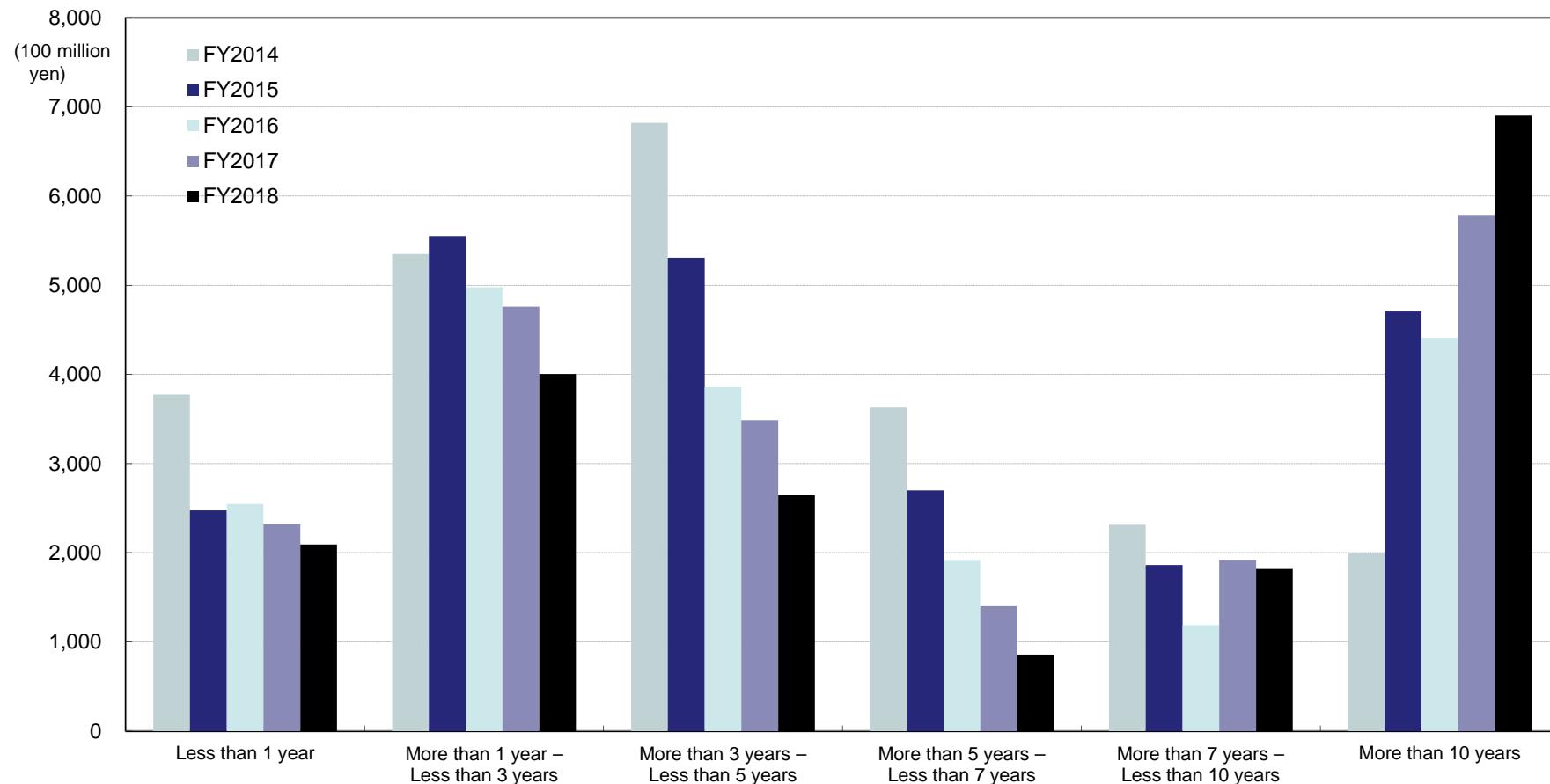
Valuation gain/loss

[Parent] (million yen)	FY2014 1H	FY2014 1H	FY2015 1H	FY2015 1H	FY2016 1H	FY2016 1H	FY2017 1H	FY2017 1H	FY2018 1H	FY2018 1H
Securities held to maturity	479	406	564	759	763	565	512	488	388	457
Subsidiary/affiliate equities	-	-	-	-	-	-	-	-	-	-
Other securities	131,344	172,331	135,180	162,262	155,021	132,300	148,508	141,551	142,815	133,717
Equities	51,898	75,726	57,427	47,280	41,615	57,643	75,537	73,051	75,927	53,277
Bonds	40,565	41,653	40,807	69,801	68,904	40,296	36,548	36,053	25,004	42,395
Others	38,880	54,951	36,944	45,181	44,501	34,361	36,422	32,446	41,883	38,044
Total	131,823	172,738	135,744	163,022	155,785	132,866	149,020	142,039	143,203	134,174

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



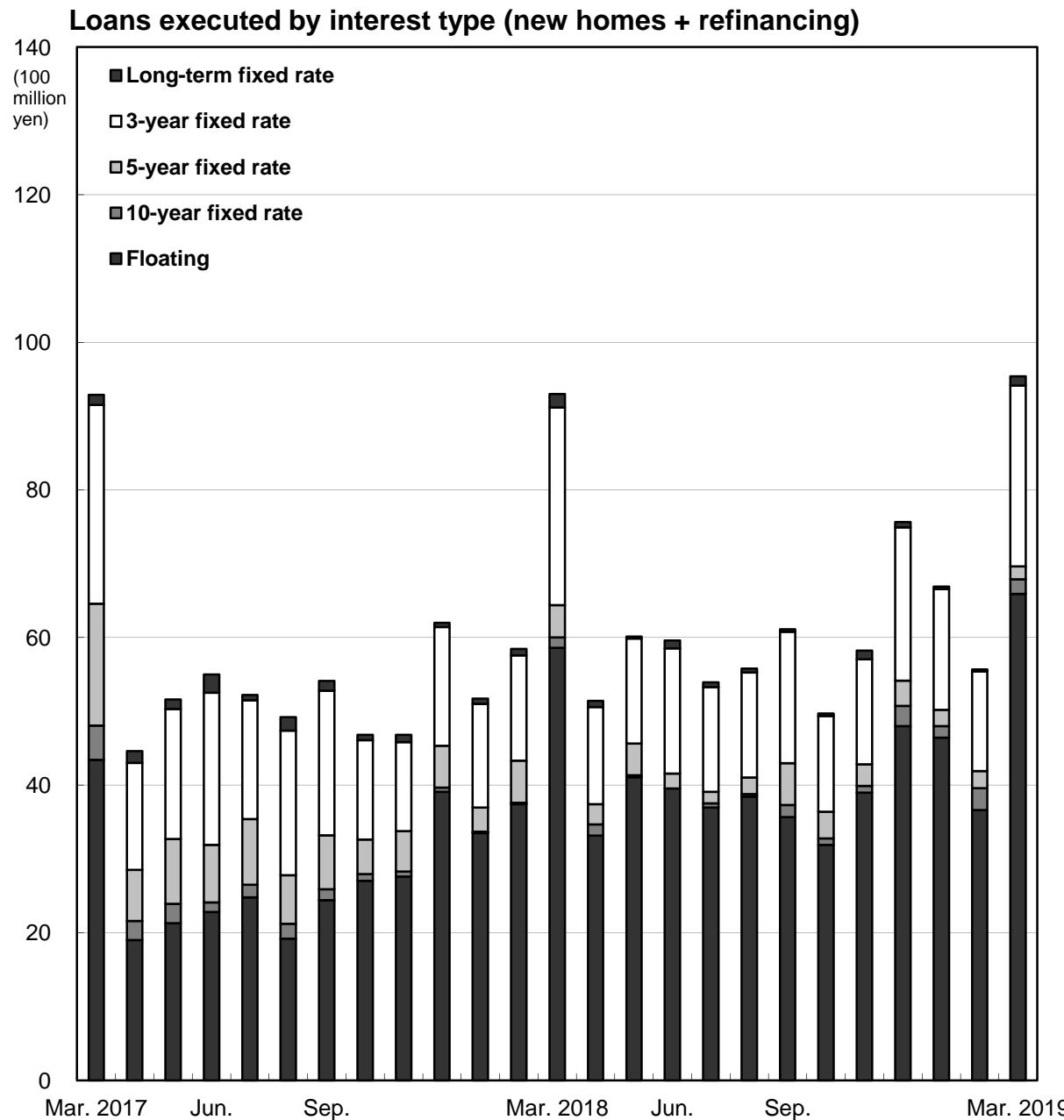
Outstanding balance based on the remaining number of years to maturity for securities



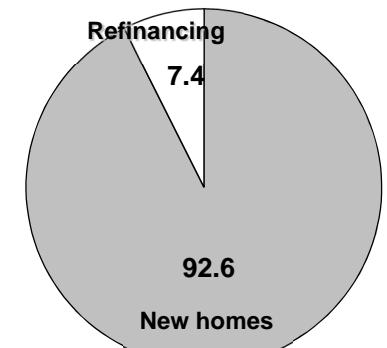
Duration

(year)	FY2014	FY2014	FY2015	FY2015	FY2016	FY2016	FY2017	FY2017	FY2018	FY2018
	1H		1H		1H		1H		1H	
Yen denominated	4.0	4.2	4.1	5.4	5.8	4.5	4.8	4.7	5.0	5.1
Foreign currency denominated	2.6	2.9	3.1	4.4	5.0	4.2	3.8	4.2	4.7	4.1

Housing Loans

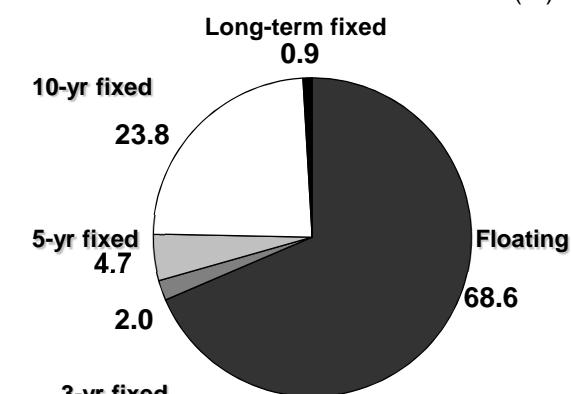


Breakdown of use of loans executed (%)



Total for period from Apr. 2018 to Mar..2019

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



Total for period from Apr. 2018 to Mar. 2019

Non-Performing Loans



Risk monitored loans

[rent] llion yen, %)	FY2014 1H	FY2014 1H	FY2015 1H	FY2015 1H	FY2016 1H	FY2016 1H	FY2017 1H	FY2017 1H	FY2018 1H	FY2018
1. Loans in bankruptcy proceedings (% of total loans outstanding)	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	3,578 0.07
2. Delinquent loans (% of total loans outstanding)	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	45,158 0.94
3. Loans more than 3 months delinquent (% of total loans outstanding)	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	876 0.02
4. Restructured loans (% of total loans outstanding)	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	19,189 0.40
Total risk monitored loans (% of total loans outstanding)	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	68,802 1.43

Loans based on the Financial Reconstruction Act

[rent] llion yen)	FY2014 1H	FY2014 1H	FY2015 1H	FY2015 1H	FY2016 1H	FY2016 1H	FY2017 1H	FY2017 1H	FY2018 1H	FY2018
Bankrupt and quasi-bankrupt loans (after partial direct write-off)	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)	21,308 (8,183)
Doubtful loans	53,412	54,395	52,632	45,871	41,164	44,443	39,819	34,721	34,303	27,959
Substandard loans	14,956	15,611	18,705	17,662	17,288	16,151	15,007	16,329	17,313	20,065
Total (A)	87,008	90,069	89,398	84,316	78,368	81,248	76,207	71,968	70,425	69,334
After partial direct write-off (B)	(75,436)	(78,153)	(78,696)	(71,829)	(66,044)	(68,576)	(63,040)	(58,824)	(58,778)	(56,208)
Healthy loans	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	4,869,157
Total (C)	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	4,938,491
After partial direct write-off (D)	(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)	(4,925,366)
Ratio of target loans (A/C)	2.36	2.36	2.26	2.04	1.81	1.80	1.63	1.50	1.45	1.40
After partial direct write-off (B/D)	(2.05)	(2.06)	(2.00)	(1.74)	(1.53)	(1.52)	(1.35)	(1.23)	(1.21)	(1.14)

We do not implement partial direct write-off.

Debtor Classification Transition in 2H



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

		FY2018							Favorable turnaround	Deterioration	
		Healthy loans	Other doubtful loans	Substandard loans	Virtually bankrupt loans	Legally bankrupt loans	Bankrupt clients	Other (see note)			
1H FY2018	Healthy loans	158,915	158,194	482	29	11	64	2	133	588	
		44,943	43,990	222	41	1	5	0	684	269	
	Other doubtful loans	4,970	188	4,413	48	30	25	2	264	105	
		1,971	61	1,828	32	15	14	0	21	61	
	Substandard loans	649	7	52	522	17	6	2	43	25	
		249	2	15	216	9	1	0	6	10	
	Virtually bankrupt loans	805	1	13	-	742	11	1	37	12	
		340	0	48	-	260	28	0	4	28	
Legally bankrupt loans	520	-	4	-	1	408	12	95	12	5	
	153	-	0	-	0	140	5	8	0	5	
Bankrupt clients	197	-	-	-	1	-	180	16	1	-	
	32	-	-	-	0	-	30	2			
Total		166,056	158,390	4,964	599	802	514	199	588	267	742
		47,688	44,053	2,113	289	285	188	35	725	126	373

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 2H (comparison)



(Upper level: Forecast Lower level: Value)

		FY2018							Favorable turnaround	Deterioration
		Healthy loans	Other doubtful loans	Substandard loans	Virtually bankrupt loans	Legally bankrupt loans	Bankrupt clients	Other (see note)		
1H FY2018	Healthy loans	100%	99.55%	0.30%	0.02%	0.01%	0.04%	0.00%	0.08%	
		100%	97.88%	0.49%	0.09%	0.00%	0.01%	0.00%	1.52%	0.37%
	Other doubtful loans	100%	3.78%	88.79%	0.97%	0.60%	0.50%	0.04%	5.31%	0.60%
		100%	3.09%	92.74%	1.62%	0.76%	0.71%	0.00%	1.07%	3.78%
	Substandard loans	100%	1.08%	8.01%	80.43%	2.62%	0.92%	0.31%	6.63%	2.11%
		100%	0.80%	6.02%	86.75%	3.61%	0.40%	0.00%	2.41%	3.09%
	Virtually bankrupt loans	100%	0.12%	1.61%	-	92.17%	1.37%	0.12%	4.60%	3.85%
		100%	0.00%	14.12%	-	76.47%	8.24%	0.00%	1.18%	4.02%
	Legally bankrupt loans	100%	-	0.77%	-	0.19%	78.46%	2.31%	18.27%	1.74%
		100%	-	0.00%	-	0.00%	91.50%	3.27%	5.23%	14.12%
	Bankrupt clients	100%	-	-	-	0.51%	-	91.37%	8.12%	2.31%
		100%	-	-	-	0.00%	-	93.75%	6.25%	0.00%
Total		100%	95.38%	2.99%	0.36%	0.48%	0.31%	0.12%	0.35%	3.27%
		100%	92.38%	4.43%	0.61%	0.60%	0.39%	0.07%	1.52%	0.51%
										-
										0.16%
										0.45%
										0.26%
										0.78%

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 1year



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

		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	158,385	902	70	30	88	10	233	1,100
		44,402	42,633	567	59	11	19	2	1,111	658
	Other doubtful loans	4,962	408	3,857	74	57	24	5	537	408
		1,955	247	1,522	46	32	3	5	100	247
	Substandard loans	664	17	103	452	18	8	2	64	120
		229	9	23	176	11	1	0	9	32
	Virtually bankrupt loans	828	3	33	4	690	18	5	75	40
		343	0	54	7	241	31	1	9	61
Legally bankrupt loans	515	2	7	-	6	365	8	127	15	8
	167	0	0	-	0	137	3	27	0	3
Bankrupt clients	200	-	-	-	1	-	168	31	1	-
	37	-	-	-	0	-	29	8		
Total		166,887	158,815	4,902	600	802	503	198	1,067	584
		47,133	42,889	2,166	288	295	191	40	1,264	340

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 1year(comparison)



(Upper level: Forecast Lower level: Value)

		FY2018							Favorable turnaround	Deterioration	
FY2017	Healthy loans	100%	Healthy loans	Other doubtful loans	Substandard loans	Virtually bankrupt loans	Legally bankrupt loans	Bankrupt clients	Other (see note)		
		100%	99.17%	0.56%	0.04%	0.02%	0.06%	0.01%	0.15%		0.69%
		100%	96.02%	1.28%	0.13%	0.02%	0.04%	0.00%	2.50%		1.48%
	Other doubtful loans	100%	8.22%	77.73%	1.49%	1.15%	0.48%	0.10%	10.82%		8.22%
		100%	12.63%	77.85%	2.35%	1.64%	0.15%	0.26%	5.12%		12.63%
	Substandard loans	100%	2.56%	15.51%	68.07%	2.71%	1.20%	0.30%	9.64%		18.07%
		100%	3.93%	10.04%	76.86%	4.80%	0.44%	0.00%	3.93%		13.97%
	Virtually bankrupt loans	100%	0.36%	3.99%	0.48%	83.33%	2.17%	0.60%	9.06%		4.83%
		100%	0.00%	15.74%	2.04%	70.26%	9.04%	0.29%	2.62%		17.78%
	Legally bankrupt loans	100%	0.39%	1.36%	-	1.17%	70.87%	1.55%	24.66%		2.91%
		100%	0.00%	0.00%	-	0.00%	82.04%	1.80%	16.17%		0.00%
	Bankrupt clients	100%	-	-	-	0.50%	-	84.00%	15.50%		0.50%
		100%	-	-	-	0.00%	-	78.38%	21.62%		0.00%
	Total	100%	95.16%	2.94%	0.36%	0.48%	0.30%	0.12%	0.64%		0.35%
		100%	91.00%	4.60%	0.61%	0.63%	0.41%	0.08%	2.68%		0.72%

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

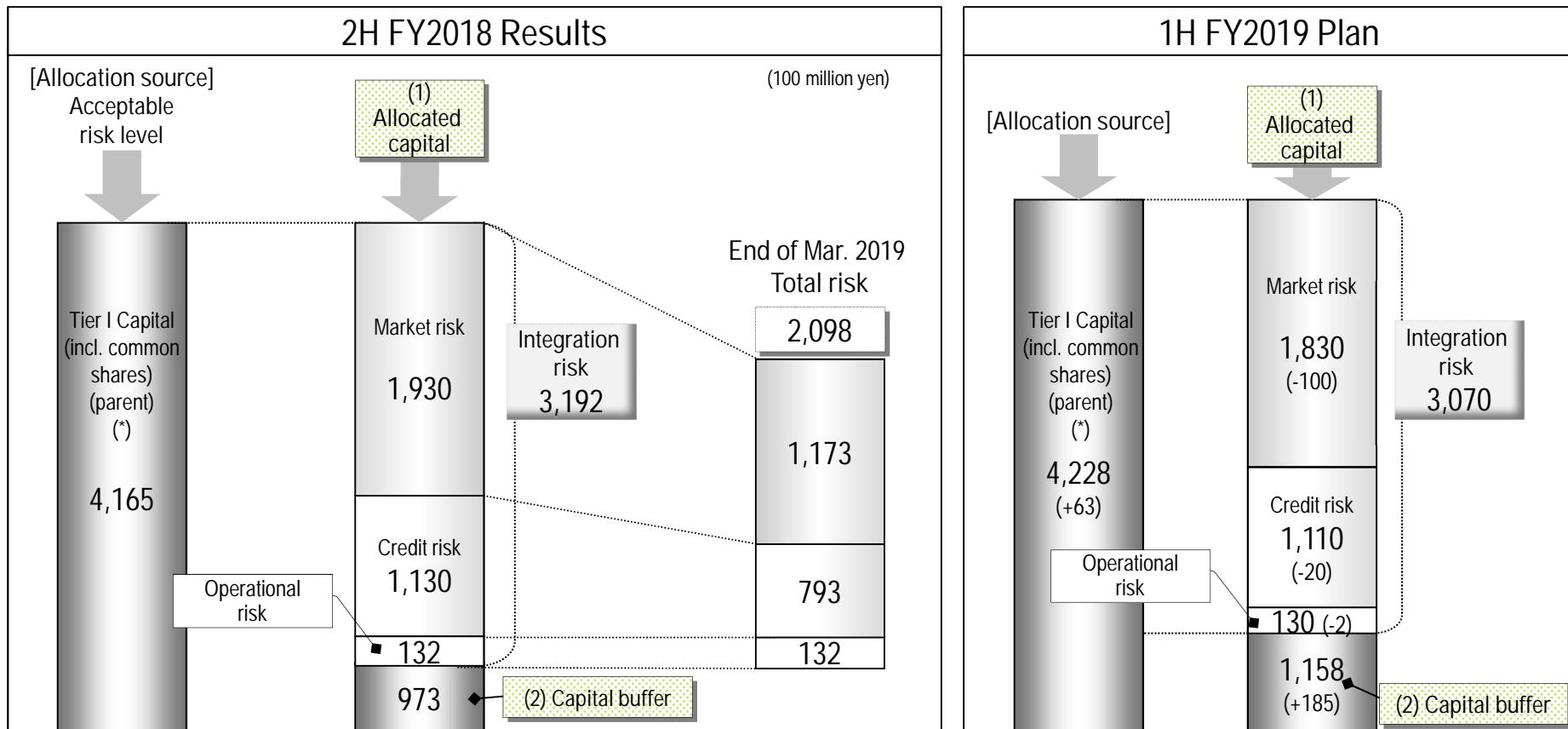


[Basel III standards]

[Parent] (% , 100 million yen)	1H FY2015	FY2015	1H FY2016	FY2016	1H FY2017	FY2017	1H FY2018	FY2018
Overall capital adequacy ratio	14.80	14.56	13.85	13.06	13.03	12.87	12.96	12.56
Tier I ratio	13.72	13.75	13.12	12.77	12.71	12.87	12.96	12.56
Tier I ratio (including common shares)	13.72	13.75	13.12	12.77	12.71	12.87	12.96	12.56
Overall capital adequacy	4,603	4,864	4,902	4,817	5,004	5,078	5,159	5,104
Tier 1 capital	4,269	4,595	4,645	4,712	4,883	5,078	5,159	5,104
Common equity Tier 1 capital	4,269	4,595	4,645	4,712	4,883	5,078	5,159	5,104
Risk weighted assets	31,094	33,407	35,397	36,880	38,402	39,449	39,781	40,609
Credit risk	29,454	31,765	33,778	35,267	36,812	37,889	38,247	39,104
Operational risk	1,640	1,641	1,619	1,612	1,590	1,559	1,533	1,504

[Consolidated] (% , 100 million yen)	1H FY2015	FY2015	1H FY2016	FY2016	1H FY2017	FY2017	1H FY2018	FY2018
Overall capital adequacy ratio	15.35	14.94	14.24	13.38	13.39	13.22	13.33	12.88
Tier I ratio	14.24	14.11	13.48	13.08	13.06	13.22	13.32	12.88
Tier I ratio (including common shares)	14.24	14.11	13.48	13.08	13.06	13.22	13.32	12.88
Overall capital adequacy	4,823	5,034	5,087	4,978	5,174	5,250	5,336	5,267
Tier 1 capital	4,473	4,753	4,815	4,863	5,046	5,247	5,334	5,265
Common equity Tier 1 capital	4,473	4,753	4,815	4,863	5,046	5,247	5,334	5,265
Risk weighted assets	31,415	33,687	35,700	37,181	38,642	39,691	40,026	40,867
Credit risk	29,696	31,968	34,007	35,494	36,977	38,054	38,413	39,280
Operational risk	1,718	1,718	1,693	1,687	1,665	1,637	1,612	1,586

Capital Allocation and Integration Risks



(*) Valuation difference on available-for-sale securities, etc. is deducted.

Figures in parentheses represent versus 2H FY2018.

(Reference) IRRBB (Interest Rate Risk in the Banking Book)
(non-consolidated) (as of end of Mar. 2019)

(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.

Maximum value of ΔEVE	23.9 billion yen
Materiality test (maximum value of ΔEVE / Tier I)	4.7%
⇒ 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 Allocate Capital and Risk Exposure Assumptions



Capital Allocation and Integration Risk Trends (supplement)

The table below illustrates trends in capital allocation and integration risks in 2H FY2018, and the capital allocation trends in 1H FY2019.

(100 million yen)

	2H FY2018		1H FY2019			Calculation methods, etc. (Supplement measurements)
	Value	Risk exposure (End Mar. 2019)	Value	YoY	Major factors that triggered change	
Allocation source	4,165		4,228	(+63)	—	Valuation difference on available-for-sale securities, etc. is deducted from the Tier 1 common stock on a non-consolidated basis for FY ended March 2019.
Allocated capital (Integration risk)	3,192	2,098	3,070	(- 122)		
Market risk total	1,930	1,173	1,830	(- 100)		
Banking	1,910	Interest risk Price fluctuation risk (Correlation)	412 890 - 130	1,810	(- 100)	<ul style="list-style-type: none"> Decrease due to a fall in the market value of the positions of stock and investment trusts
Trading	20		0	20	(0)	—
Credit risk total	1,130		793	1,110	(- 20)	—
Commercial credit	950		653	940	(- 10)	<ul style="list-style-type: none"> Decrease due to a drop in PD, etc.
Consumer credit	180		139	170	(- 10)	<ul style="list-style-type: none"> Decrease due to a drop in PD, etc.
Operational risk	132		132	130	(- 2)	—
(Unused allocated capital)			1,094			
Capital buffer	973			1,158	(+185)	<ul style="list-style-type: none"> Buffer against market risk and credit risk

Group Company Performance Trends



(Million yen, %)	Business profile	Real ownership ratio		FY2016 1H	FY2016	FY2017 1H	FY2017	FY2018 1H	FY2018
Chugin Lease Co., Ltd	Leasing	100.00	Ordinary revenue	6,975	15,120	5,695	11,245	5,772	11,312
			Recurring profit	570	1,089	521	823	561	873
			Net income	386	725	356	553	397	600
Chugin Credit Guarantee Co., Ltd.	Credit assurance	100.00	Ordinary revenue	851	1,644	816	1,608	894	1,713
			Recurring profit	664	1,176	740	1,344	650	1,290
			Net income	439	772	491	885	459	878
Chugin Card Co., Ltd.	Credit card	100.00	Ordinary revenue	699	1,338	726	1,439	772	1,526
			Recurring profit	201	319	206	354	196	344
			Net income	170	243	145	240	151	246
Chugin Asset Management Co., Ltd.	Securities investment advisor	100.00	Ordinary revenue	210	410	223	454	267	516
			Recurring profit	26	32	32	54	60	94
			Net income	21	24	24	39	48	71
Chugin Securities Co., Ltd.	Financial instrument transactions	100.00	Ordinary revenue	1,582	3,594	1,940	4,303	1,589	2,731
			Recurring profit	114	391	276	735	108	▲ 100
			Net income	76	261	188	521	72	▲ 137
CBS Co., Ltd.	Banking operation outsourcing	100.00	Ordinary revenue	549	1,109	565	1,136	519	1,035
			Recurring profit	95	184	122	232	69	142
			Net income	61	117	81	151	45	90
Chugin Operation Center Co., Ltd.	Banking operation outsourcing	100.00	Ordinary revenue	403	789	407	789	382	732
			Recurring profit	27	31	31	30	27	30
			Net income	17	16	19	17	17	17

Key Press Releases



Oct. 1, 2018	Organizational Changes of the Headquarters
Oct. 3, 2018	Addition of SDGs measures to the "Business Code of Conduct"
Oct. 9, 2018	Commencement of Google Pay settlement by DREAMe JCB Card and DREAMe Debit Card
Oct. 12, 2018	Branch reorganization in the Tamano Region
Oct. 24, 2018	Notice of an agreement concerning joint development with The Chiba Bank, Ltd. and The Daishi Bank, Ltd. for the purpose of forming an alliance of new over-the-counter operations. (Tie-up measures of TSUBASA Alliance)
Oct. 26, 2018	Provision of API through the "Common Foundation for TSUBASA Fintech" and the Commencement of Cooperation with Fintech service
Oct. 26, 2018	Issuance of a standby letter of credit to a tie-up bank in Malaysia
Oct. 31, 2018	Notice of the establishment of the Investment Limited Partnership for Supporting the West Japan Torrential Rain Disaster Restoration Fund
Nov. 2, 2018	Entrepreneur born from the "Okayama Innovation Project"
Nov. 12, 2018	Notice of the establishment of the "Chugin Life Plan Center"
Nov. 26, 2018	Notice of the paperless procedures for the purchase of financial instruments using a tablet device
Dec. 4, 2018	Commencement of underwriting of "private placement bonds for BCP support"
Dec. 13, 2018	Notice of the overall renewal of The Chugoku Bank's websites
Dec. 13, 2018	Setting up of foreign currency-denominated syndicated loans by tie-up banks in an alliance
Dec. 27, 2018	Commencement of an accident insurance business by direct mail
Jan. 30, 2019	Implementation of "Diversity Mission" by the member banks of the TSUBASA ALLIANCE (Tie-up measures of TSUBASA ALLIANCE)
Feb. 1, 2019	New initiative for SDGs! Sponsorship for the performances of "Kokoro no Gekijo" in Okayama Prefecture
Feb. 1, 2019	Japan's largest domestic Social Impact Bonds (SIB). Approximately 20 entities, including The Chugoku Bank, Ltd., Okayama City, PS Setouchi and
Feb. 12, 2019	the Social Impact Investment Foundation, commenced a health point business using SIB. Total operating cost for five years amounts to a record high of 370 million yen.
Feb. 20, 2019	Notice of participation in the smartphone payment service "Coin Pay"
Mar. 1, 2019	Decision on investments in the agribusiness towards the enhancement of production systems of local specialty vegetables: supporting the initiatives for the cultivation of yellow Chinese chives and coriander
Mar. 11, 2019	Initiatives for SDGs: initiatives to disseminate the "Help Mark"
Mar. 12, 2019	Decision to invest in FEMTO Deployments Inc.
Mar. 22, 2019	Notice of "Relocation and Integration of Shimotsui Branch" and "Establishment of Shimotsui Special Local Office"
Mar. 27, 2019	Notice of the reorganization of branches in the Onomichi Area
Mar. 28, 2019	Co-financing by local financial institutions to the investees of the Supporting Fund of the West Japan Torrential Rain Disaster Restoration

Chugoku Bank Profile and Branch (office) Network



Chugoku Bank Profile

(As of Mar. 31, 2019)

Establishment

December 21, 1930

Headquarters

1-15-20 Marunouchi,
Kita-ku Okayama

Capital

¥15.1 billion

No. of employees

2,884

No. of branches

162
HQ,
domestic branches (152),
overseas branch (1),
sub-branch (7),
Internet branch (1)

No. of branches in local area

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



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