1H FY2019
Earnings Results Briefing
(Reference materials)

December 2, 2019

CHUGOKU BANK

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中国銀行

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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	1,912,000 people	1.5	20	Population estimate	Jan. 2019
Number of Households	847,424 households	1.4	18	Population estimate	Jan. 2019
Prefectural gross production (nominal)	7,681.2 billion yen	1.4	20	Prefectural accounts	FY2016
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	7,603.2 billion yen	2.4	16	Census of manufacturers	FY2017
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

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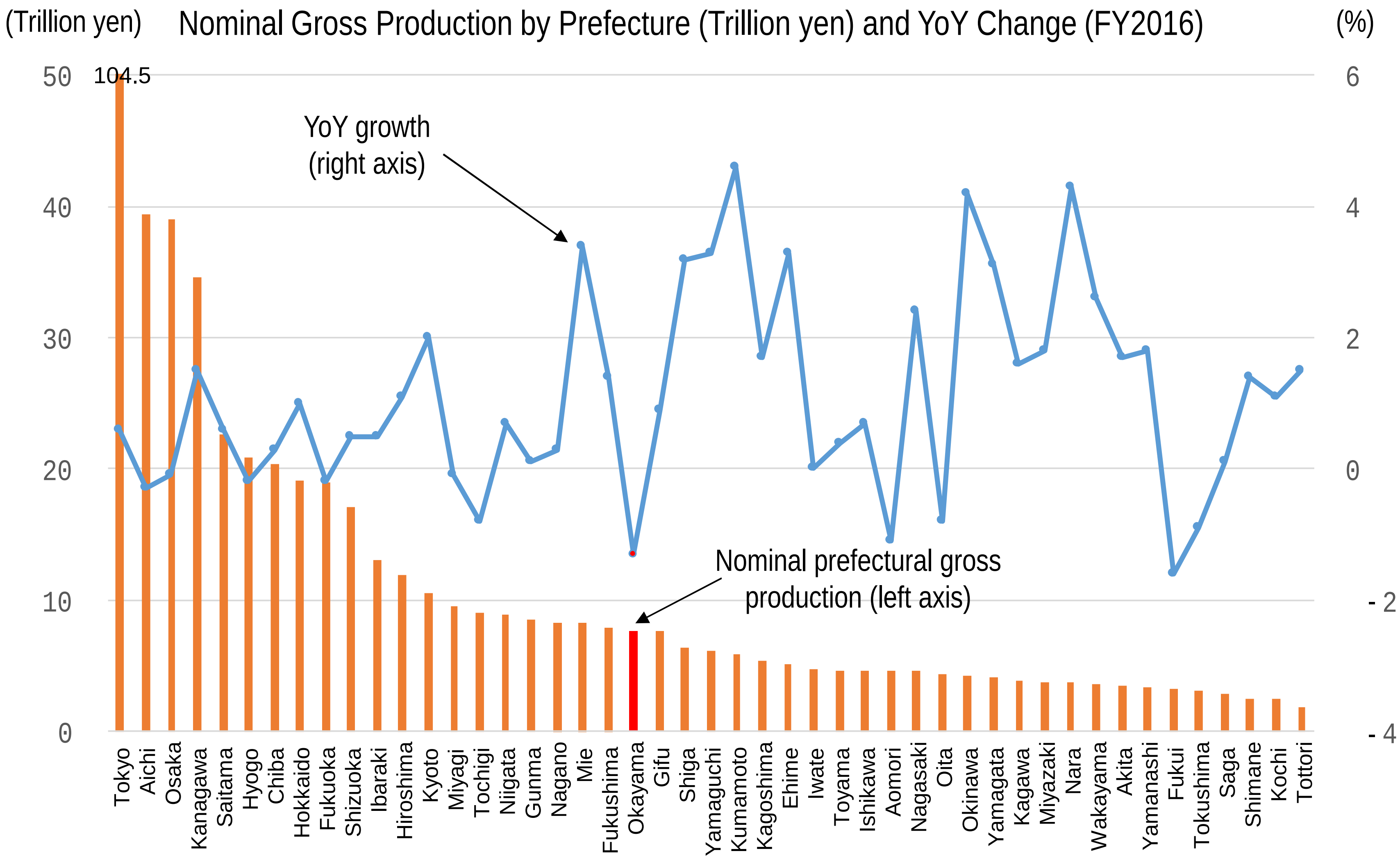

Source: FY2016 Cabinet Office's Annual Report on Prefectural Accounts

Okayama Prefecture’s Industrial Structure (1)

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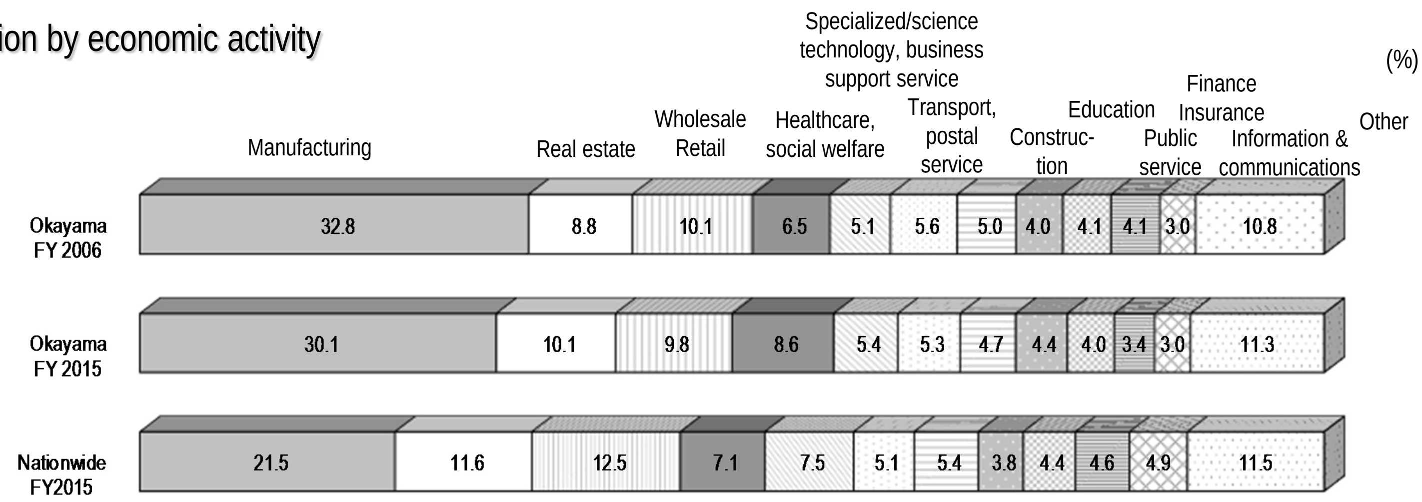
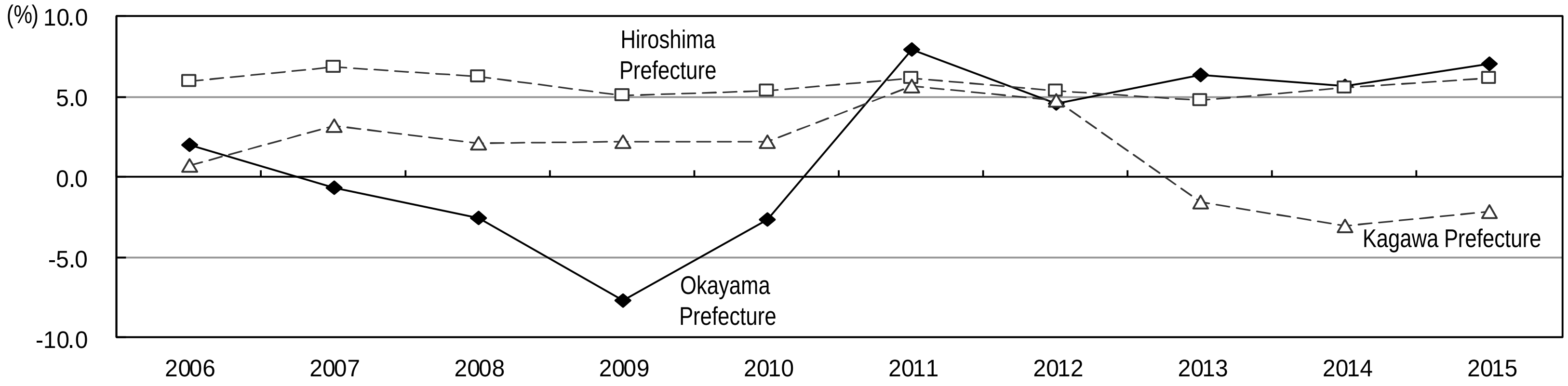
Gross production by economic activity



*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 prefectural gross production (nominal)



Source: Cabinet Office’s Annual Report on Prefectural Accounts

Okayama Prefecture's Industrial Structure (2)

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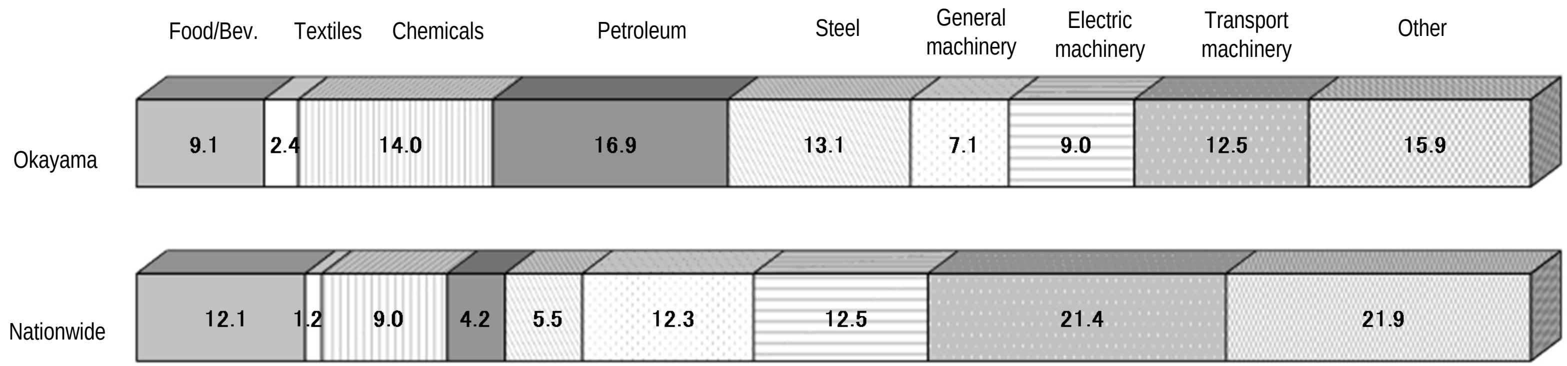
Breakdown of manufactured goods shipments (2017)

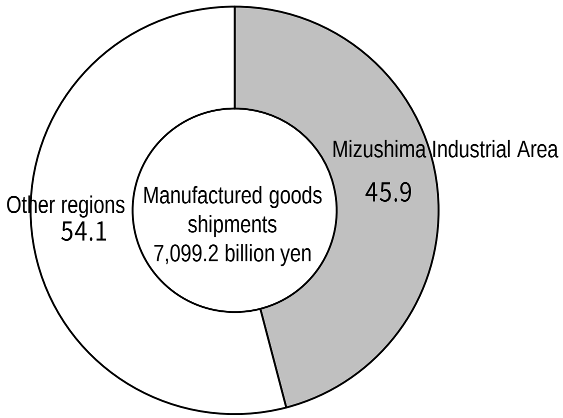


Source: METI, Okayama Prefecture "Census of Manufacture"

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

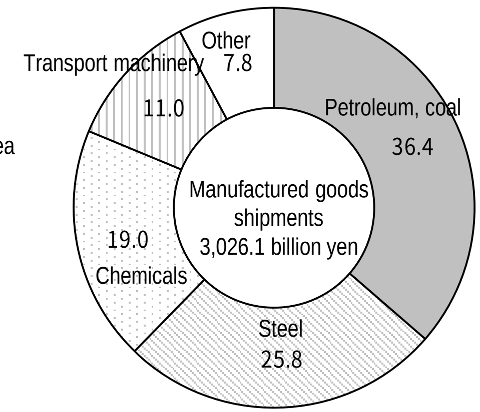
Mizushima Industrial Area's presence

Ratio of manufactured goods from the Mizushima Industrial Area versus total Okayama manufactured goods shipments (2017)



Source: Okayama Prefecture "Census of Manufacture"

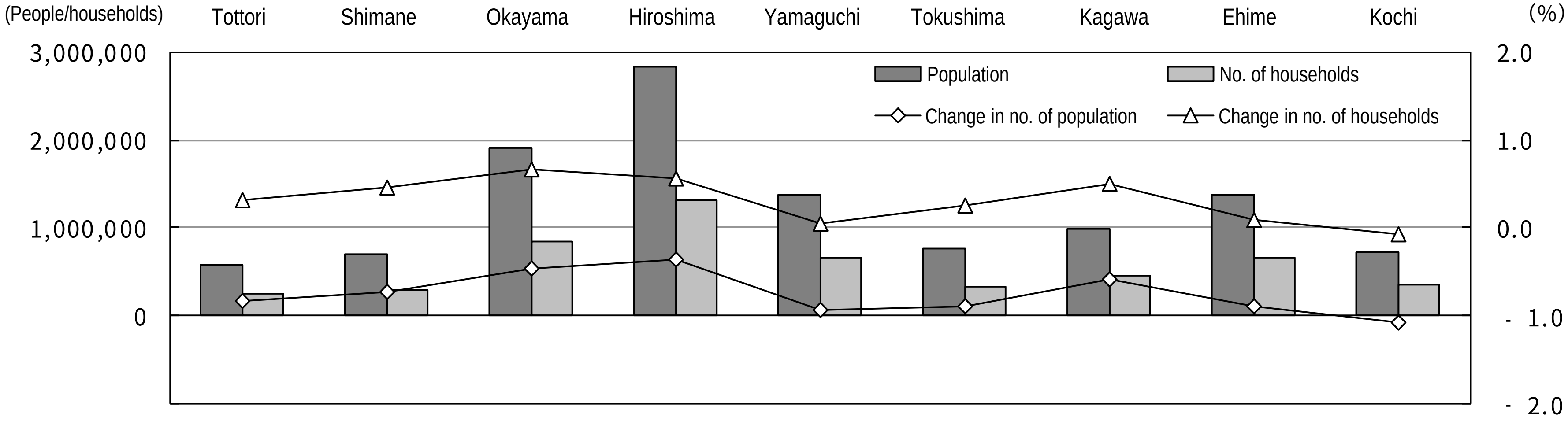
Breakdown of manufactured goods from the Mizushima Industrial Area by industry (2017)



Source: Okayama Prefecture "Census of Manufacture"

Okayama Prefecture's Growth Infrastructure and Potential (1)

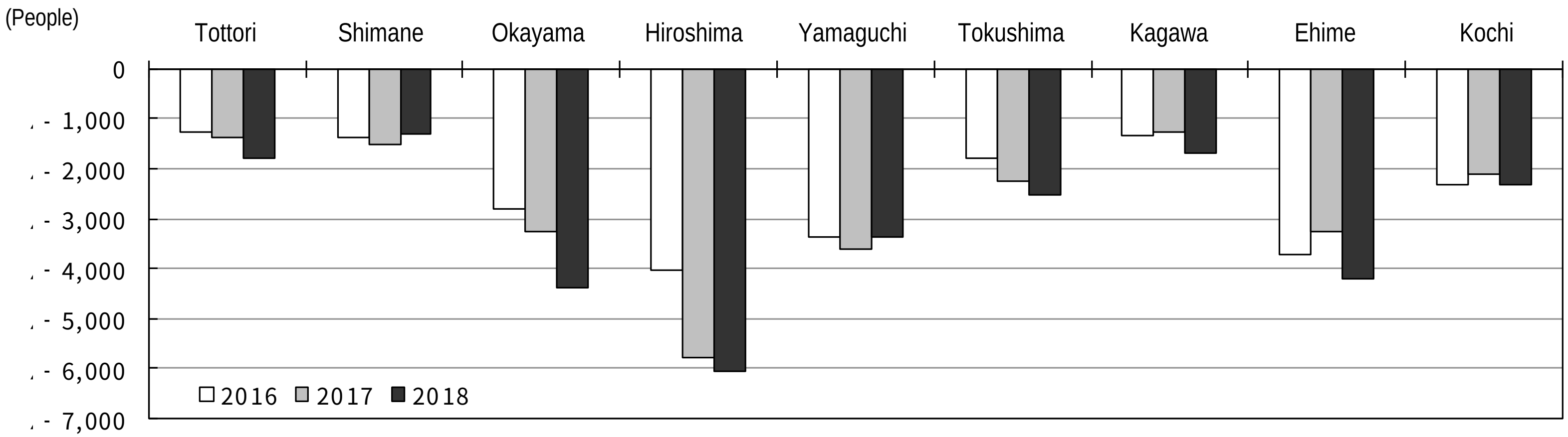
Population/No. of Households in Chugoku/Shikoku Region



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, 2019; The change in population and households is a comparison between January 2018 and January 2019.

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)

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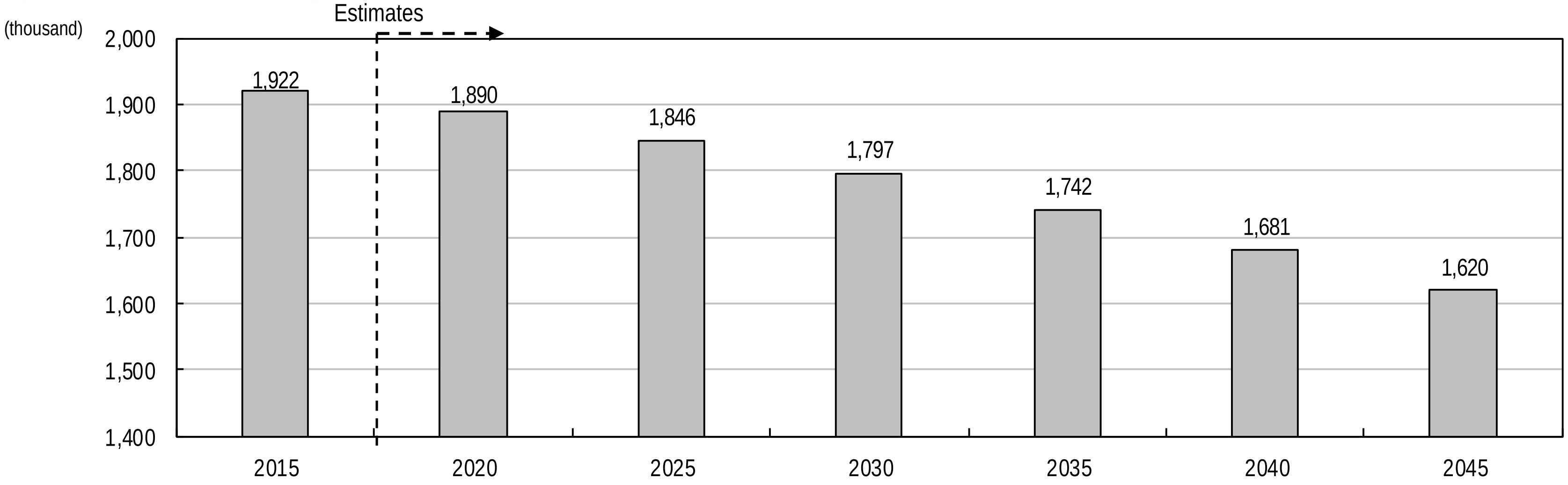
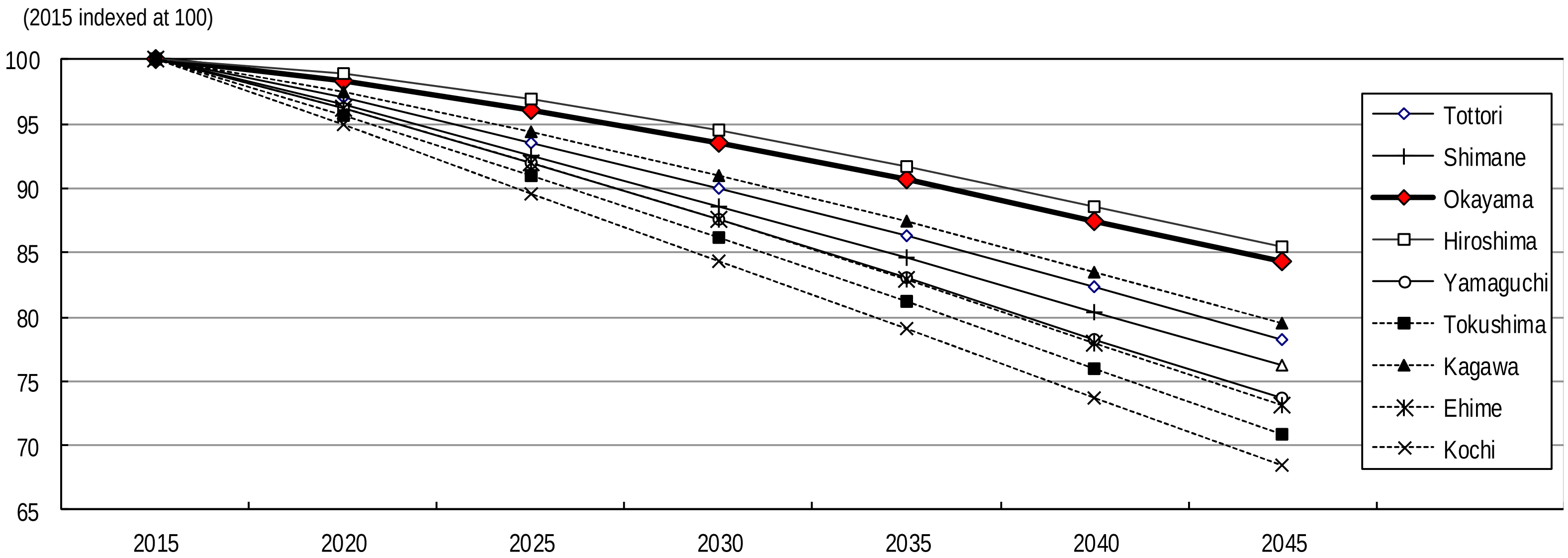
Population trends for Okayama Prefecture



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)

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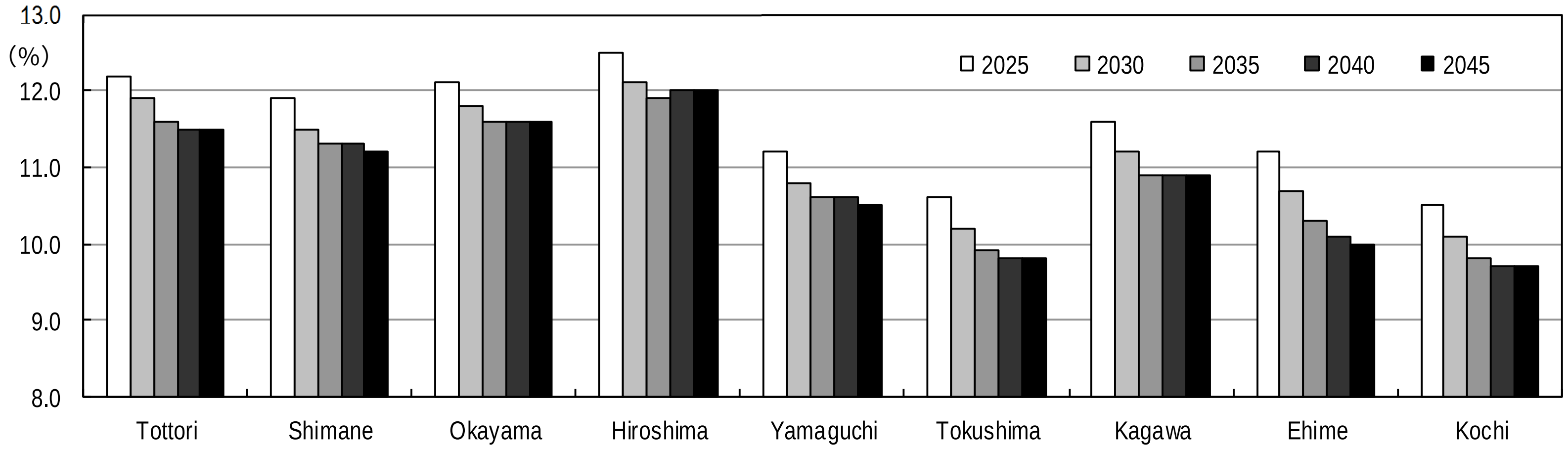
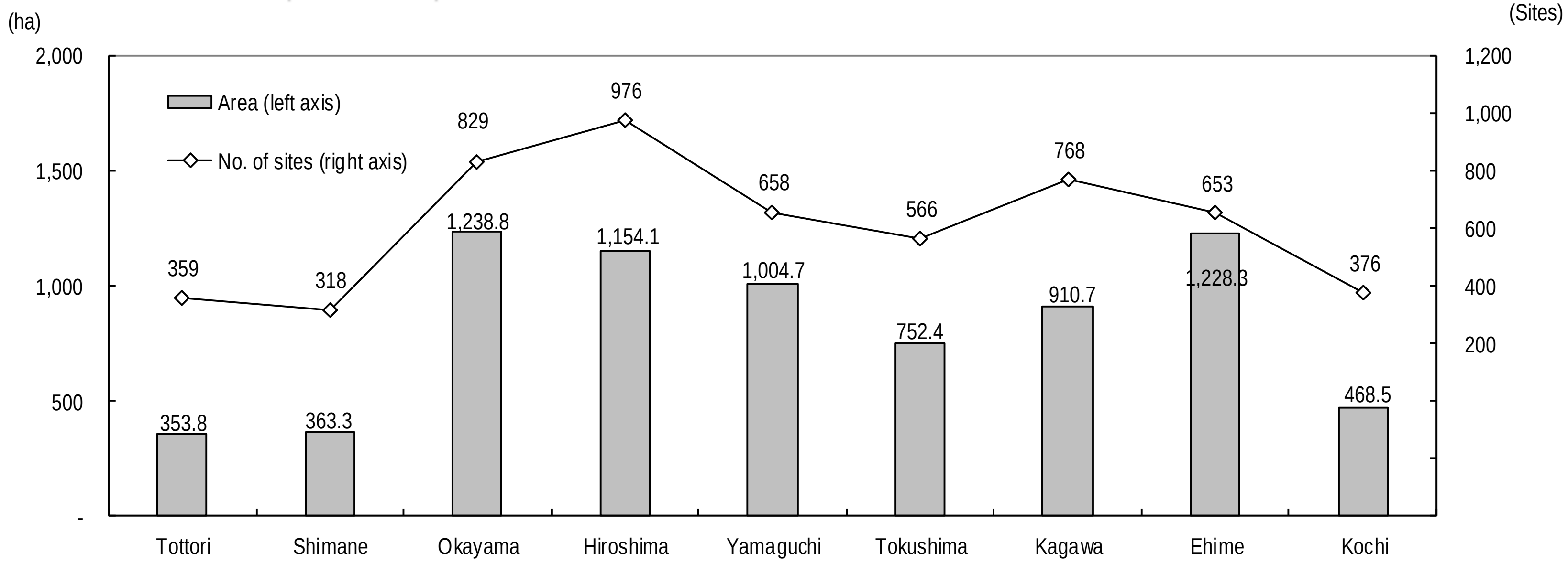
Youth population ratio trends in the Chugoku-Shikoku region



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. 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

industry, government, academia, financial institutions and media

- **Okayama Kenkooo 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.

- **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 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

- 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 t heir main location for West Japan
    Distribution to East Japan possible during emergencies

Source: Website of Okayama Prefecture

Okayama Prefecture's Economic Trends

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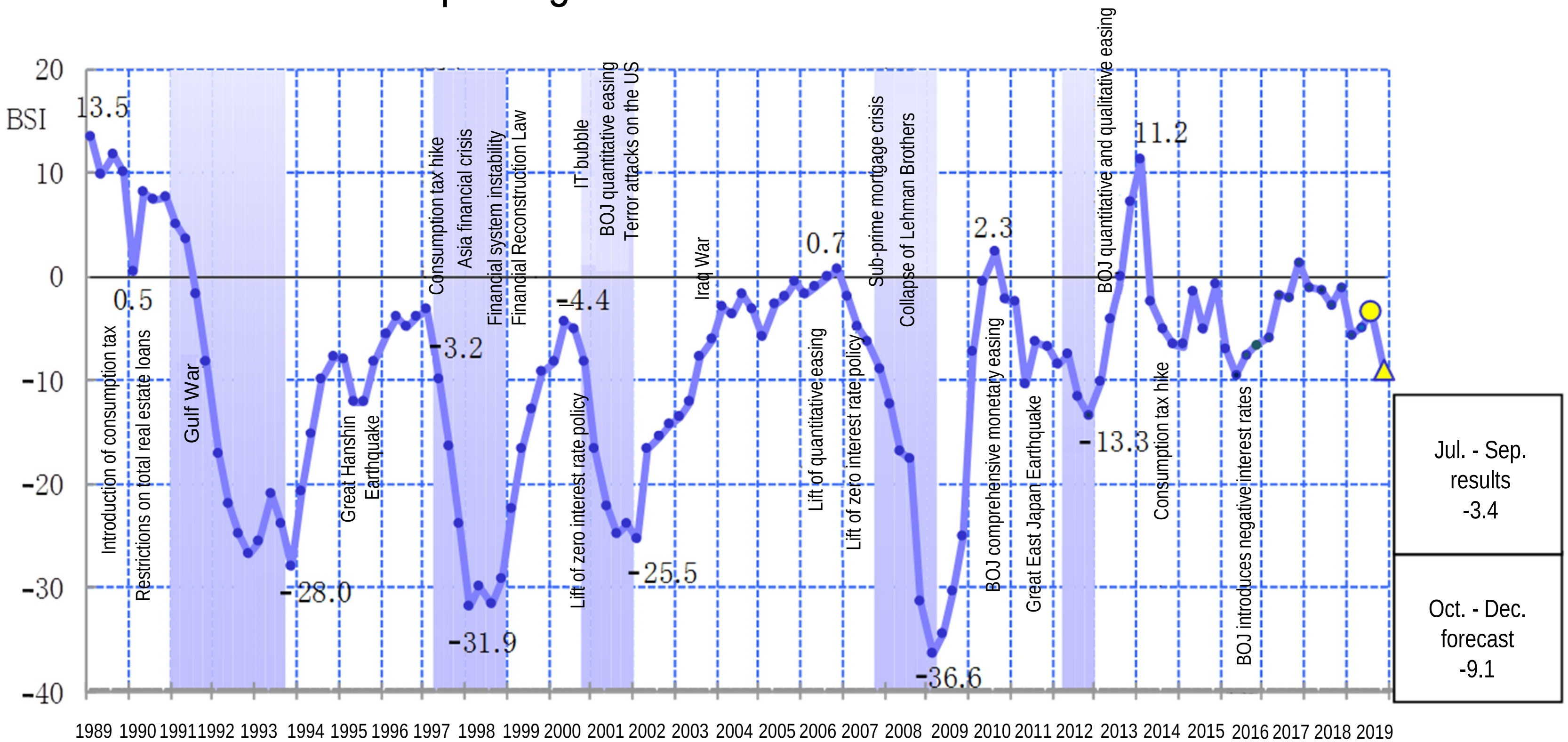
The economy in Okayama Prefecture is on a recovery track despite signs of slowdown in some areas.



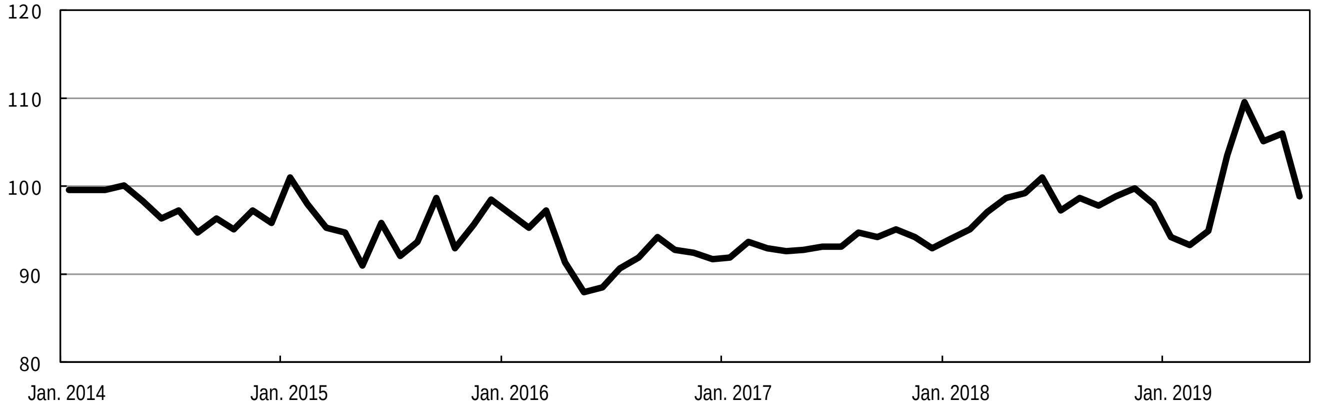
Shaded areas represent periods of economic recession. (Cabinet Office)

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

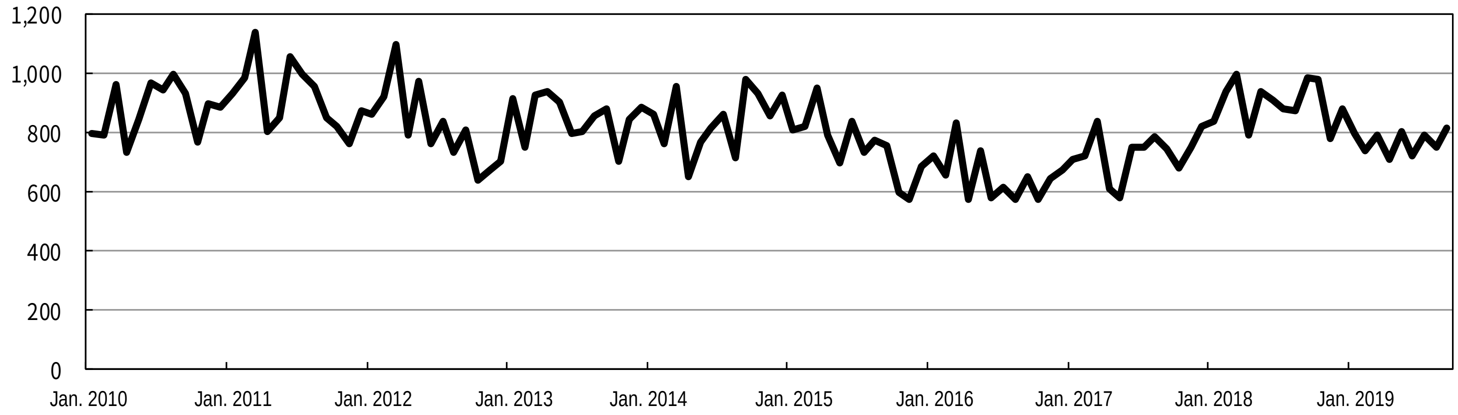
[Industrial production index trends]   (2010 indexed at 100; seasonally adjusted)



Source: Okayama Prefecture Statistical Analysis Section

Exports - - - Decreasing due to the impact of trade conflicts

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



Source: Kobe customs

Local Economic Trends (3)

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Capital investment - - - The trend of growth slowed down.

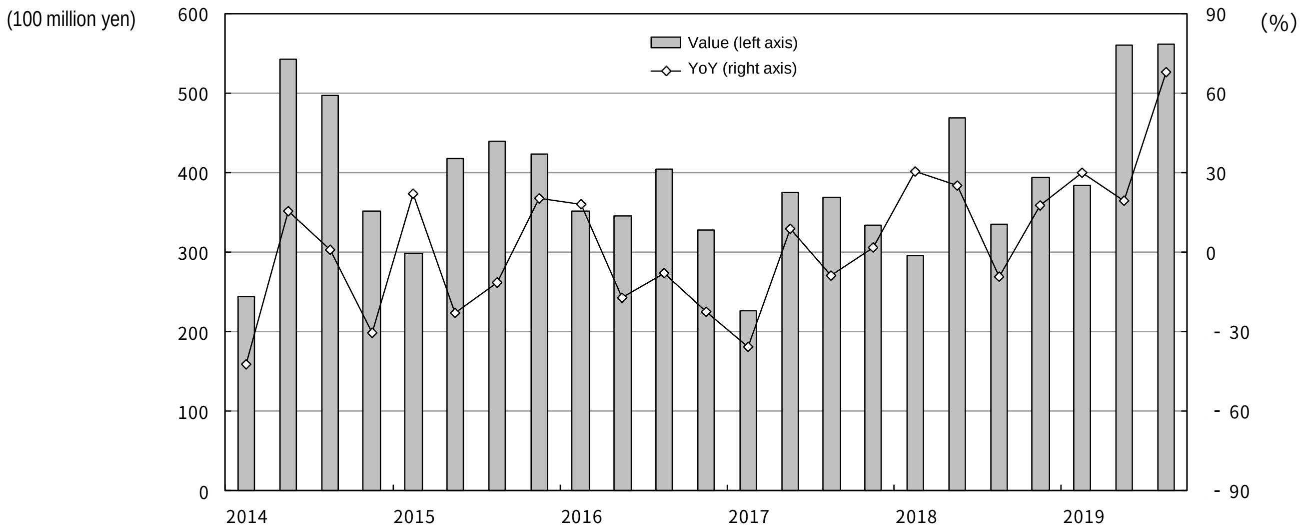
[Change in capital investment year-on-year]

(%)	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	24.1	17.4	21.8	8.6	5.4	6.6
FY2019 Plan	5.7	- 17.6	- 2.2	7.3	- 0.4	2.4

Source: Bank of Japan; Okayama BOJ branch

Public investment - - - Increased due to restoration works in disaster-affected areas.

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



Source: West Japan Construction Surety Co., Ltd.

Local Economic Trends (4)

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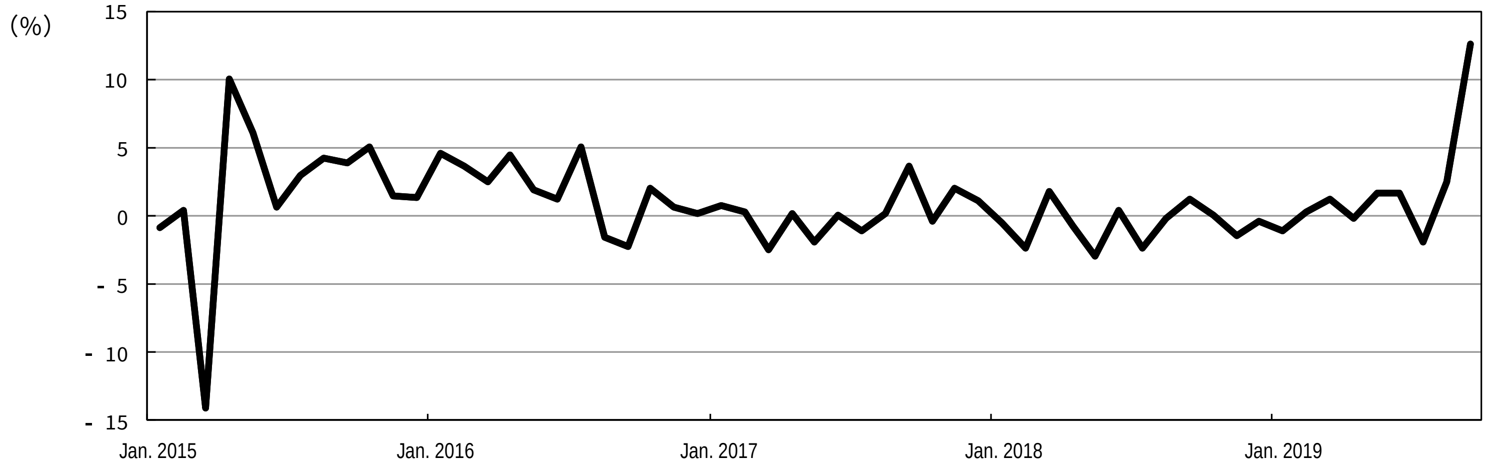
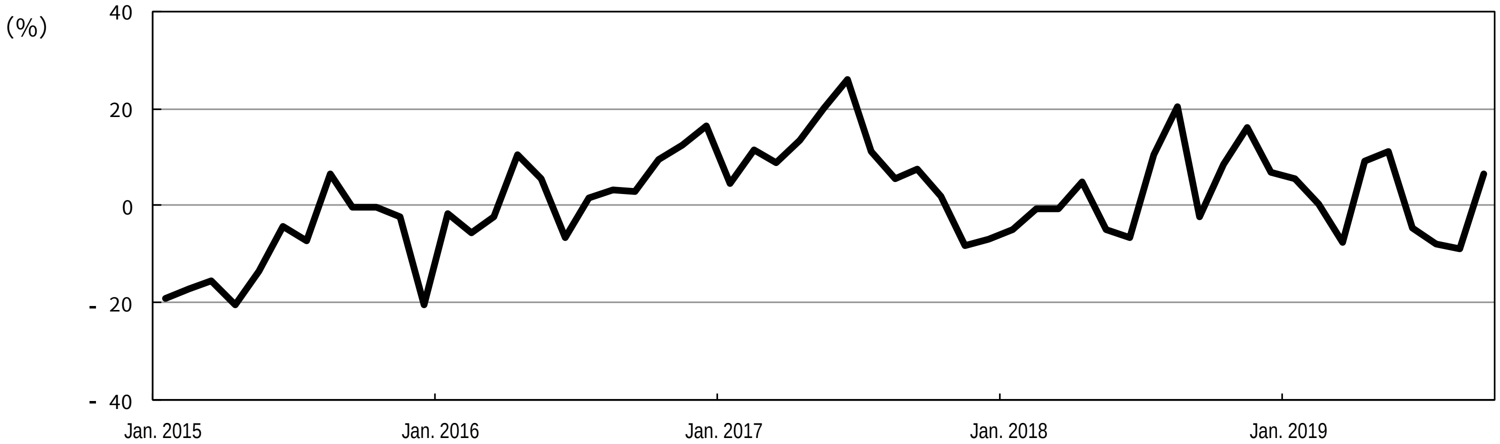
Consumer spending - - - Stagnant

[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

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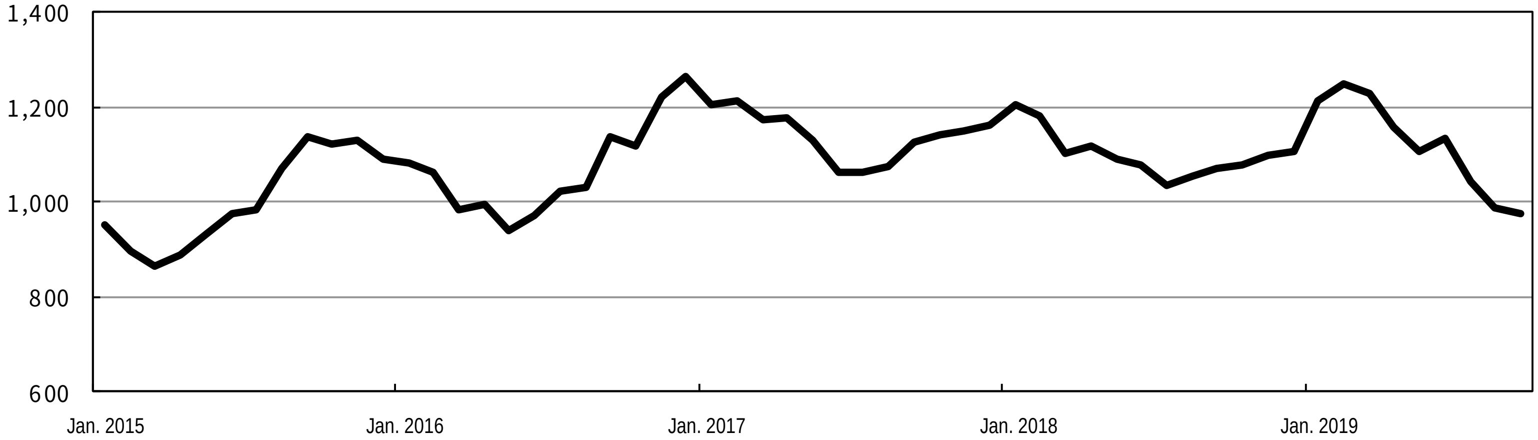
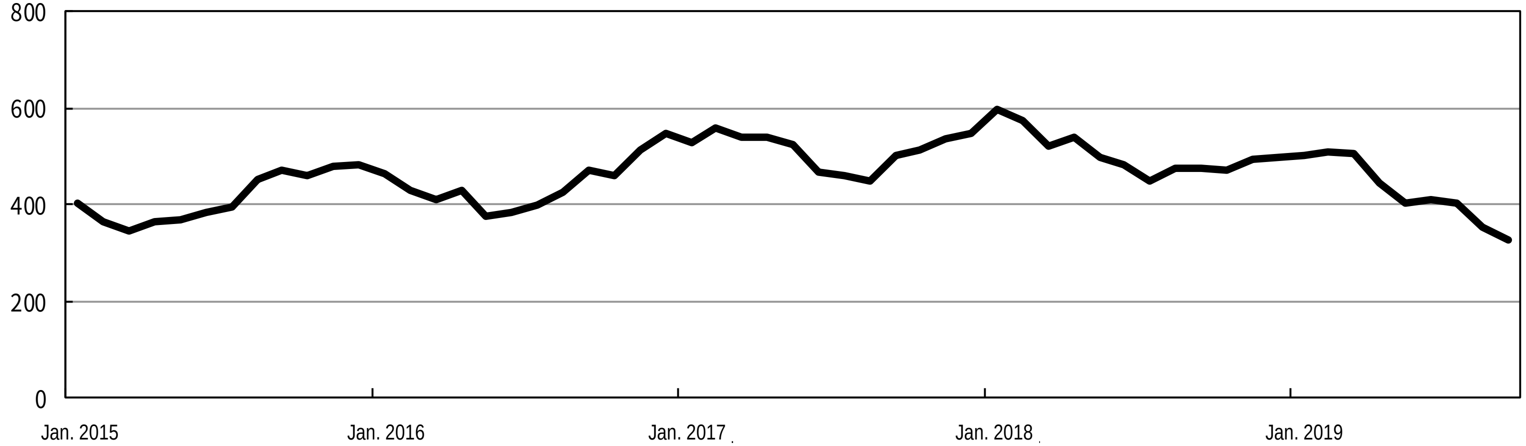
Housing investment - - - Sluggish

[Housing start trend (six-month moving average)]



Source: MLIT

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



Source: MLIT

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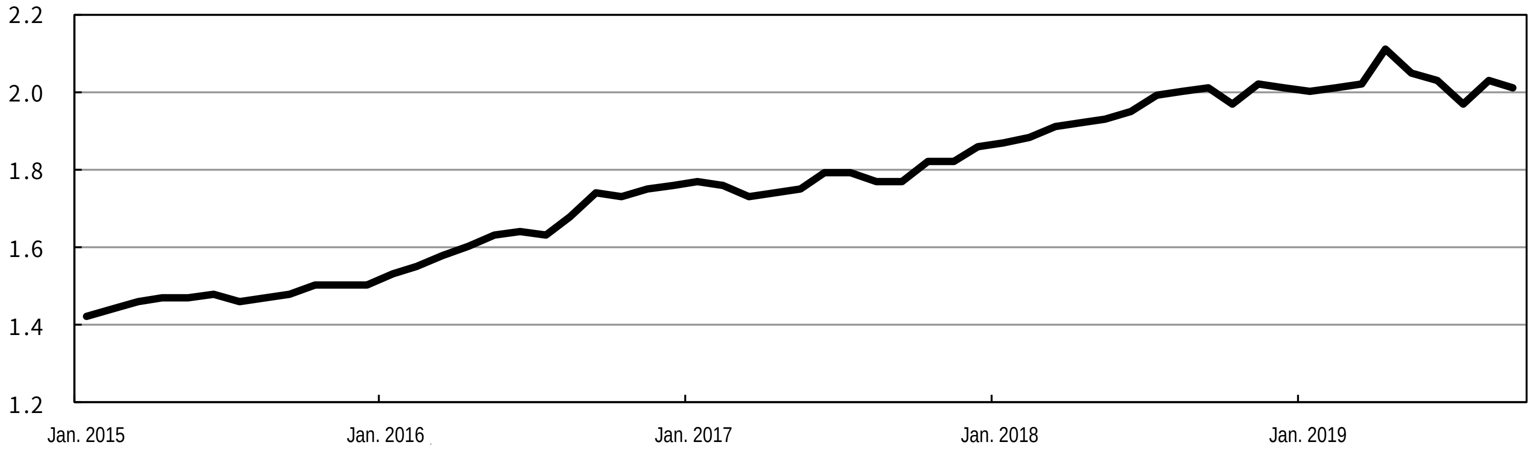
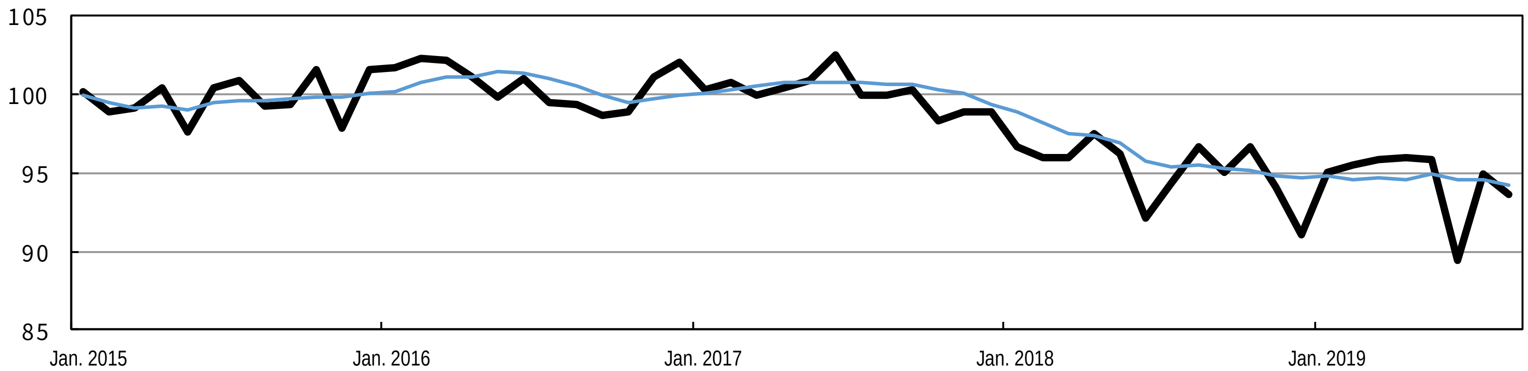
Employment trends - - - Sentiment of labor shortage becoming stronger despite continued recovery trend of employment

[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)

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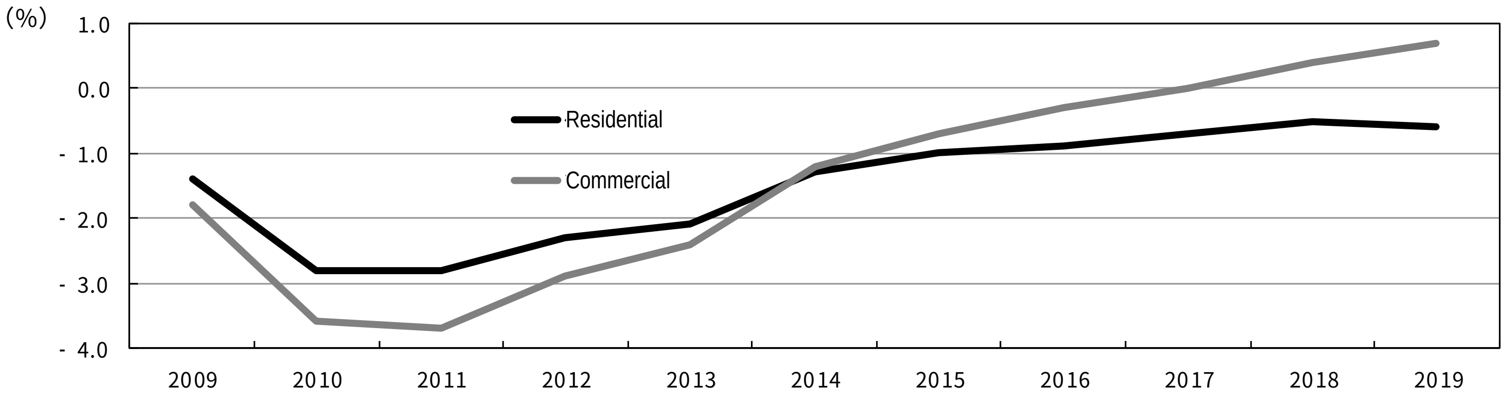
Land prices - - - Commercial land prices rose for two consecutive years while the margin of decline in residential land prices expanded.

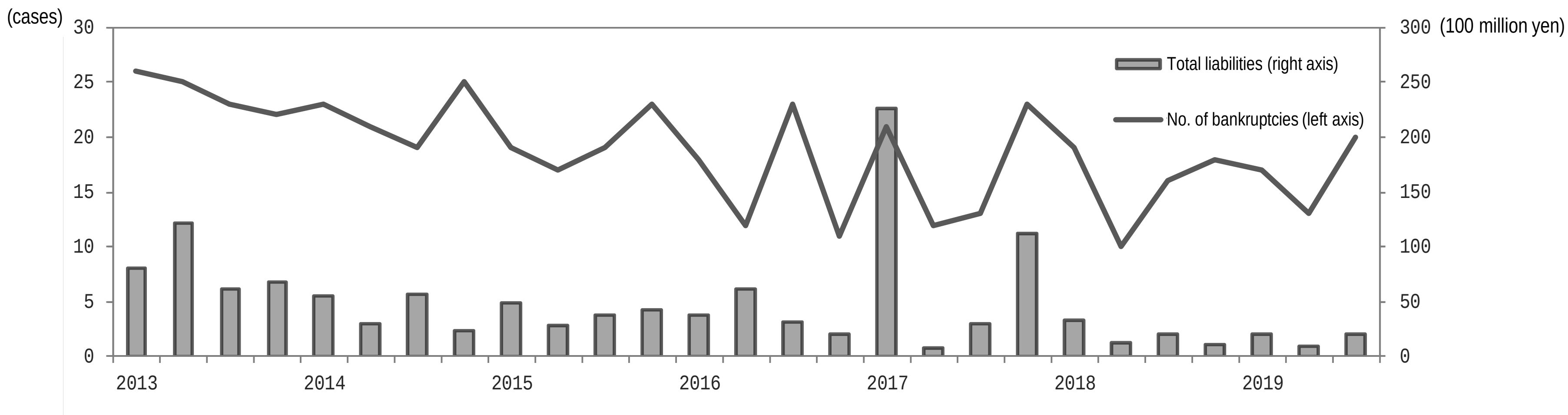
[Standard land price trend (YoY)]



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)

CHUGOKU BANK

[Parent] (million yen)	FY2014	FY2015 1H	FY2015	FY2016 1H	FY2016	FY2017 1H	FY2017	FY2018 1H	FY2018	FY2019 1H
Ordinary revenue	109,307	58,723	113,236	58,634	125,036	57,586	116,499	57,415	113,461	56,143
Banking revenue	100,785	50,904	101,156	50,876	111,877	51,803	103,360	53,545	104,638	51,457
Extraordinary revenue	8,521	7,819	12,080	7,758	13,159	5,783	13,138	3,869	8,822	4,686
Ordinary expense	73,536	35,796	72,600	41,286	96,068	43,543	88,567	44,196	91,541	43,899
Banking expense	69,797	34,608	69,303	37,402	86,795	40,643	81,918	41,870	83,680	39,680
Extraordinary expense	3,739	1,187	3,297	3,883	9,272	2,900	6,649	2,325	7,860	4,219
Recurring profit	35,770	22,927	40,635	17,348	28,968	14,043	27,931	13,219	21,919	12,244
Banking income	31,001	16,303	31,866	13,478	25,090	11,164	21,451	11,679	20,965	11,780
Gross income	88,270	44,082	87,326	41,666	79,977	39,887	77,117	39,375	78,149	38,820
(Net interest income)	72,416	35,889	70,028	33,428	67,765	33,862	66,265	32,948	63,033	30,060
(Fees and commissions)	14,834	7,431	15,024	7,645	15,214	7,116	14,610	7,578	14,886	7,535
(Other banking income)	1,019	762	2,272	592	-3,002	-1,091	-3,757	-1,150	228	1,224
Expenses	57,269	27,779	55,459	28,187	54,886	28,723	55,666	27,232	54,211	27,397
General provisions for doubtful receivables	-	-	-	-	-	-	-	464	2,972	-358
Extraordinary gain	1	44	46	-	3	0	14	15	15	1
Extraordinary loss	361	177	394	126	466	143	209	143	289	298
Impairment loss	246	66	124	80	414	132	148	100	222	289
Income before income tax (1H)	35,409	22,794	40,288	17,222	28,505	13,900	27,736	13,090	21,645	11,946
Corporate, residential, and business taxes	12,322	6,101	11,006	4,110	8,688	2,964	7,218	3,056	6,758	3,261
Income tax adjustments	2,182	1,140	3,352	996	776	1,117	1,107	617	-451	270
Net income (1H)	20,904	15,552	25,928	12,115	19,039	9,819	19,409	9,416	15,338	8,414

[Consolidated]

[Consolidated]	FY2014	FY2015 1H	FY2015	FY2016 1H	FY2016	FY2017 1H	FY2017	FY2018 1H	FY2018	FY2019 1H
Ordinary revenue	124,221	65,753	129,180	66,647	142,867	65,261	132,445	64,758	128,621	63,780
Recurring profit	39,106	24,262	43,440	18,473	31,605	15,385	30,922	14,012	23,696	12,943
Net income attributable to owners of the parent (1H)	24,702	16,094	27,252	12,590	20,323	10,566	21,258	9,713	16,199	8,644
Net income (1H)	25,446	16,211	27,522	12,745	20,627	10,566	21,258	9,713	16,199	8,644
Other comprehensive income	48,293	-25,610	-14,871	-4,307	-18,359	12,312	8,687	3,250	-11,164	6,805
Valuation difference from other available-for-sale securities	48,301	-25,683	-4,798	-4,556	-19,641	11,431	6,403	763	-6,137	9,181
Deferred hedge gains	-1,262	46	-1,811	-344	675	222	1,087	1,966	-3,894	-2,703
Comprehensive income (1H)	73,739	-9,398	12,650	8,437	2,268	22,879	29,946	12,963	5,035	15,450

Profit and Loss Statement (2)

CHUGOKU BANK

[Parent] (million yen)	FY2014	FY2015 1H	FY2015	FY2016 1H	FY2016	FY2017 1H	FY2017	FY2018 1H	FY2018	FY2019 1H
Bond related gains/losses	45	406	1,742	732	-2,038	-300	-2,481	-316	1,117	1,084
Gain on bond sales, including JGBs	2,625	1,892	4,311	3,520	13,536	1,634	3,827	2,679	4,865	1,727
Gain on bond redemption, including JGBs	-	-	-	-	-	-	-	-	-	25
Loss on bond sales, including JGBs	2,580	1,485	2,568	2,788	15,575	1,901	6,308	2,895	3,622	668
Loss on bond redemption, including JGBs	-	-	-	-	-	-	-	-	-	-
Bond redemption, including JGBs	-	-	-	-	-	34	-	100	125	-
Equity-related gains/losses	3,775	2,696	3,349	945	4,379	456	4,437	335	1,495	456
Gain on equity sales	5,448	3,255	5,126	3,401	9,937	1,717	6,888	1,868	5,574	2,361
Loss on equity sales	1,673	540	1,586	1,666	2,928	1,261	2,450	1,529	4,075	1,643
Share redemption	-	18	190	789	2,628	-	-	3	3	260
Non-performing loan disposal	222	-2,659	-3,755	-2,716	-209	-2,632	-1,770	202	4,199	1,020
General provisions for doubtful receivables	-6,160	-2,577	-3,652	-487	-104	-2,498	-1,753	464	2,972	-358
Individual provisions for doubtful accounts	5,789	-82	-209	-2,241	-187	-136	-25	-261	1,088	1,373
Loan write-offs	-	-	-	-	-	-	-	-	65	-
Loss on claim sales	592	0	106	11	81	1	8	-	74	5

Ordinary Revenue Breakdown

CHUGOKU BANK

[Parent] (million yen)	FY2014	FY2015 1H	FY2015	FY2016 1H	FY2016	FY2017 1H	FY2017	FY2018 1H	FY2018	FY2019 1H
Ordinary revenue	109,307	58,723	113,236	58,634	125,036	57,586	116,499	57,415	113,461	56,143
Banking revenue	100,785	50,904	101,156	50,876	111,877	51,803	103,360	53,545	104,638	51,457
Net interest income	78,174	39,113	77,137	37,604	78,762	40,722	80,016	40,950	80,230	39,740
Lending rate	43,673	21,195	42,622	20,789	42,891	23,134	47,027	25,408	51,412	25,506
Securities interest rate	33,951	17,526	33,777	16,432	34,962	16,975	31,545	14,864	27,659	13,843
Call loan interest rate	83	56	77	73	307	299	813	361	521	82
Interest rate on bills bought	-	-	-	-	-	-	-	-	-	-
Gensaki transaction interest rate	-	-	-	-	-	-	-	-	-	-
Deposit interest rate	207	211	410	189	375	187	374	192	382	186
Foreign currency interest income	51	23	50	28	53	28	58	35	75	34
Financial swap interest income	-	-	-	-	-	-	-	-	-	-
Other interest income	207	99	199	90	172	97	196	88	179	86
Fees and commissions	18,950	9,502	19,173	9,735	19,439	9,276	18,911	9,757	19,175	9,709
Fee and commission income	5,780	2,844	5,737	2,853	5,712	2,818	5,669	2,811	5,635	2,822
Other fee and commission income	13,167	6,657	13,435	6,882	13,725	6,458	13,240	6,945	13,537	6,887
Trust fees	1	-	1	0	1	0	1	0	1	0
Other banking revenue	3,659	2,288	4,844	3,536	13,675	1,804	4,432	2,837	5,232	2,007
Gain on sale of bonds, including JGBs	2,625	1,892	4,311	3,520	13,536	1,634	3,827	2,679	4,865	1,727
Gain on sale of foreign currencies	-	-	24	-	-	-	-	-	-	-
Gain on sale of securities	-	-	-	14	9	-	-	0	-	-
Financial derivative revenue	1,032	394	506	-	126	168	603	-	-	136
Other	2	1	3	1	2	0	1	157	367	117
Extraordinary income	8,521	7,819	12,080	7,758	13,159	5,783	13,138	3,869	8,822	4,686
Gain on sale of equities	5,448	3,255	5,126	3,401	9,937	1,717	6,888	1,868	5,574	2,361
Gain on investment trusts	145	-	12	5	67	103	85	154	-	48
Reversal to provisions for doubtful receivables	370	2,659	3,861	2,728	291	2,634	1,778	-	-	-
Gain on non-performing loans recovered	4	0	0	12	12	5	5	0	0	3
Other	2,553	1,903	3,079	1,610	2,850	1,322	4,380	1,846	3,248	2,273

Ordinary Expense Breakdown

CHUGOKU BANK

[Parent] (million yen)	FY2014	FY2015 1H	FY2015	FY2016 1H	FY2016	FY2017 1H	FY2017	FY2018 1H	FY2018	FY2019 1H
Ordinary expenses	73,536	35,796	72,600	41,286	96,068	43,543	88,567	44,196	91,541	43,899
Banking expenses	69,797	34,608	69,303	37,402	86,795	40,643	81,918	41,870	83,680	39,680
Interest expense	5,771	3,230	7,121	4,180	11,006	6,863	13,759	8,007	17,204	9,683
Expenses matching the amount of investment of money held in trust	13	6	13	4	9	3	9	4	7	3
Deposit interest	2,182	1,136	2,221	820	1,791	1,018	1,928	1,173	2,333	1,300
Negotiable certificates of deposit (NCD) interest	196	102	196	52	89	33	60	21	42	18
Call money interest	937	630	1,607	1,085	2,436	824	1,374	538	869	192
Interest on sales under agreement to repurchase	-	-	-	0	101	538	1,584	1,025	2,397	1,763
Securities lending transaction interest payable	511	384	1,134	889	2,354	943	1,474	325	594	263
Interest on commercial papers	-	-	-	-	48	336	779	395	1,100	566
Borrowed money interest payable	218	144	303	190	572	556	1,237	1,162	2,504	1,241
Foreign exchange interest payable	0	9	22	92	316	7	7	0	12	3
Financial swap interest payable	1,714	820	1,627	1,048	3,290	2,605	5,311	3,361	7,347	4,332
Other interest payable	10	1	8	0	6	0	0	3	1	0
Fees and commissions	4,115	2,071	4,149	2,090	4,225	2,159	4,301	2,178	4,288	2,174
Fees and commissions payable	875	441	883	454	902	463	919	474	932	466
Other fees and commissions payable	3,239	1,630	3,265	1,635	3,323	1,696	3,382	1,704	3,355	1,708
Other banking expenses	2,640	1,526	2,572	2,944	16,677	2,895	8,190	3,988	5,004	783
Loss on sale of bonds, including JGBs	2,580	1,485	2,568	2,788	15,575	1,901	6,308	2,895	3,622	668
Bond redemption, including JBGs	-	-	-	-	-	34	-	100	125	-
Loss on foreign exchange transactions	48	34	-	82	1,101	957	1,873	771	843	102
Loss on securities transactions	11	6	3	-	-	2	8	-	4	12
Financial derivative expenses	-	-	-	73	-	-	-	221	407	-
Other	-	-	-	-	-	-	-	-	-	
General provisions for doubtful receivables	-	-	-	-	-	-	-	464	2,972	-358
Expenses	57,269	27,779	55,459	28,187	54,886	28,723	55,666	27,232	54,211	27,397
Extraordinary expenses	3,739	1,187	3,297	3,883	9,272	2,900	6,649	2,325	7,860	4,219
Individual provisions for doubtful accounts	-	-	-	-	-	-	-	-261	1,088	1,373
Redemption of loans and bills discounted	-	-	-	-	-	-	-	-	65	-
Loss on sale of equity	1,673	540	1,586	1,666	2,928	1,261	2,450	1,529	4,075	1,643
Equity redemption	-	18	190	789	2,628	-	-	3	3	260
Loss on money held in trust	3	106	182	98	88	0	118	14	104	14
Retirement expense	13	39	78	855	1,711	949	1,899	748	1,497	471
Other	2,049	482	1,259	473	1,914	688	2,179	290	1,026	456

Expense Breakdown

CHUGOKU BANK

[Parent] (million yen)	FY2014	FY2015 1H	FY2015	FY2016 1H	FY2016	FY2017 1H	FY2017	FY2018 1H	FY2018	FY2019 1H
Expenses (1)	57,269	27,779	55,459	28,187	54,886	28,723	55,666	27,232	54,211	27,397
Personnel	31,232	14,879	29,758	14,903	29,553	14,702	28,910	13,953	27,834	14,164
Salaries	16,549	8,259	16,571	8,316	16,610	8,171	16,051	7,740	15,438	7,594
Bonuses	6,268	3,107	6,146	3,002	5,755	2,807	5,410	2,506	4,992	2,582
Retirement expenses	2,024	212	426	222	446	353	710	288	571	499
Social insurance	3,550	1,789	3,580	1,804	3,600	1,800	3,575	1,796	3,559	1,772
Temporary employment expense	2,840	1,511	3,035	1,557	3,140	1,569	3,162	1,621	3,272	1,715
Property expense	23,238	10,901	22,615	11,250	22,218	11,502	23,138	11,381	23,263	11,379
Depreciation	2,837	1,456	3,135	1,730	3,539	2,063	4,329	2,043	4,233	2,053
Land and building leasing expense	757	398	787	358	748	384	780	398	800	386
Machinery leasing expense	128	60	134	62	136	69	153	80	169	85
Outsourcing expense	2,552	1,294	2,592	1,361	2,727	1,393	2,755	1,333	2,607	1,264
Maintenance expense	232	107	224	109	207	107	224	136	305	127
Travel expense	192	104	207	102	194	104	213	100	202	105
Sales promotion expense	64	33	62	34	69	46	83	46	79	33
Deposit insurance premium	3,789	1,178	2,356	1,209	2,418	1,094	2,188	1,029	2,059	1,031
Miscellaneous expense	12,681	6,266	13,114	6,283	12,177	6,239	12,410	6,213	14,865	6,291
Taxes	2,798	1,999	3,085	2,033	3,114	2,518	3,617	1,896	3,114	1,853

Core business gross profit (2)	88,225	43,676	85,583	40,933	82,016	40,187	79,598	39,692	77,031	37,735
OHR (1)÷(2)	64.9%	63.6%	64.8%	68.8%	66.9%	71.4%	69.9%	68.6%	70.3%	72.6%

Major Yields

CHUGOKU BANK

(%)		FY2014	FY2015 1H	FY2015	FY2016 1H	FY2016	FY2017 1H	FY2017	FY2018 1H	FY2018	FY2019 1H
Total for all branches	1. Interest-earning asset yield	1.11	1.08	1.06	1.00	1.03	1.05	1.04	1.05	1.03	1.02
	Loan yield	1.20	1.11	1.09	1.00	1.01	1.02	1.03	1.08	1.08	1.06
	Securities yield	1.10	1.21	1.16	1.12	1.20	1.31	1.24	1.23	1.17	1.20
	Call loan yield	0.18	0.17	0.19	0.30	0.32	0.29	0.44	0.32	0.22	0.06
	Deposit yield (including NCD)	0.10	0.09	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
	2. Interest-bearing liabilities	0.08	0.09	0.10	0.11	0.14	0.18	0.18	0.21	0.22	0.25
	Deposit yield	0.03	0.04	0.03	0.02	0.02	0.03	0.03	0.03	0.03	0.03
	Call money yield	0.37	0.51	0.65	1.00	1.20	1.40	1.37	1.96	1.71	1.11
	Loan yield	0.15	0.17	0.17	0.23	0.34	0.60	0.65	1.32	1.49	1.85
	3. Expense ratio	0.96	0.91	0.91	0.89	0.87	0.88	0.86	0.80	0.80	0.80
	4. Fundraising expense	0.94	0.90	0.90	0.88	0.88	0.94	0.91	0.92	0.94	0.96
	5. Total net interest income (1-4)	0.17	0.18	0.16	0.12	0.15	0.11	0.13	0.13	0.09	0.06
	Simple loan-deposit margin	1.17	1.07	1.06	0.98	0.99	0.99	1.00	1.05	1.05	1.03
	Simple deposit-securities margin	1.07	1.17	1.13	1.10	1.18	1.28	1.21	1.20	1.14	1.17

Domestic banking operations	1. Interest-earning asset yield	1.01	0.96	0.94	0.86	0.84	0.81	0.80	0.80	0.77	0.74
	Loan yield	1.21	1.12	1.09	0.97	0.95	0.89	0.88	0.86	0.85	0.83
	Securities yield	0.94	1.03	0.97	0.94	0.96	1.03	1.00	1.03	0.95	0.92
	Call loan yield	0.15	0.13	0.13	-0.02	-0.02	-0.02	-0.01	-0.03	-0.03	-0.03
	Deposit yield (including NCD)	0.10	0.09	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
	2. Interest-bearing liabilities	0.06	0.06	0.06	0.04	0.04	0.04	0.04	0.03	0.03	0.03
	Deposit yield	0.03	0.03	0.03	0.02	0.01	0.01	0.01	0.01	0.01	0.00
	Call money yield	0.06	0.05	0.06	-0.03	-0.03	-0.02	-0.04	-0.05	-0.06	-0.05
	Loan yield	0.11	0.11	0.11	0.06	0.04	0.01	0.01	0.02	0.02	0.03
	3. Expense ratio	0.93	0.88	0.88	0.87	0.85	0.86	0.84	0.78	0.78	0.78
	4. Fundraising expense	0.95	0.90	0.89	0.84	0.80	0.82	0.80	0.76	0.76	0.76
	5. Total net interest income (1-4)	0.06	0.06	0.05	0.02	0.04	-0.01	0.00	0.04	0.01	-0.02
	Simple loan-deposit margin	1.18	1.09	1.06	0.95	0.94	0.88	0.87	0.85	0.84	0.83
	Simple deposit-securities margin	0.91	1.00	0.94	0.92	0.95	1.02	0.99	1.02	0.94	0.92

Major Accounts (year-end balance) Assets

CHUGOKU BANK

(100 million yen)	FY2014	FY2015 1H	FY2015	FY2016 1H	FY2016	FY2017 1H	FY2017	FY2018 1H	FY2018	FY2019 1H
Total assets	75,894	73,908	77,701	82,481	82,554	82,991	84,395	83,679	82,257	83,579
Interest-earning assets	71,082	68,344	72,100	74,626	73,673	75,527	75,209	75,871	73,224	75,272
Loans	37,289	38,610	40,365	42,173	44,003	45,607	46,761	47,300	48,087	47,847
Securities	32,614	28,773	31,073	30,347	27,146	27,439	26,208	25,074	23,949	24,587
Securities products	23	23	19	20	23	18	18	19	23	23
Money in trust	200	198	200	199	150	150	250	201	180	180
Deposits (excluding non-interest bearing portion)	52	52	53	112	102	141	167	165	135	154
Call loans	518	405	74	1,457	1,905	1,743	1,412	2,614	396	2,091
Debt purchased	320	198	206	222	215	261	271	268	295	258
Foreign exchange	63	81	107	76	64	59	79	107	90	93
Cash collateral paid	-	-	-	14	61	101	41	119	65	34
(Interest-earnings assets)	70,882	68,145	71,900	74,427	73,523	75,376	74,959	75,669	73,044	75,091
Cash and deposits (non-interest bearing)	3,871	4,818	4,815	6,912	7,953	6,403	7,609	6,621	7,497	6,715
Tangible fixed assets	433	426	431	427	413	405	396	392	388	382
Intangible fixed assets	38	48	60	68	74	65	58	51	44	37
Other assets	580	355	332	461	446	550	1,094	703	1,118	1,167
Deferred tax assets	-	-	-	-	-	-	-	-	-	-
Guarantee endorsements	321	308	328	321	340	351	340	347	324	346
Provisions for doubtful receivables	-433	-392	-367	-336	-347	-311	-314	-306	-341	-342

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

CHUGOKU BANK

(100 million yen)	FY2014	FY2015 1H	FY2015	FY2016 1H	FY2016	FY2017 1H	FY2017	FY2018 1H	FY2018	FY2019 1H
Total liabilities and net assets	75,894	73,908	77,701	82,481	82,554	82,991	84,395	83,679	82,257	83,579
Total liabilities	70,890	69,032	72,585	77,334	77,526	77,774	79,161	78,350	77,021	78,224
Interest-bearing liabilities	69,409	67,912	71,385	76,136	76,370	76,496	77,624	76,958	75,499	76,571
Deposits	58,945	58,113	60,114	59,545	62,018	61,693	64,236	63,831	66,399	64,751
Negotiable certificates of deposit (NCD)	1,638	2,568	1,847	3,025	2,229	3,038	2,224	3,562	1,783	2,991
Call money	3,392	1,799	2,500	1,722	1,492	720	579	366	187	150
Sales under agreement to repurchase account	-	-	-	-	215	1,582	715	782	1,250	1,559
Payables under Securities Lending Transactions	3,898	3,475	5,157	10,369	8,323	6,911	7,472	6,229	3,772	5,601
Commercial paper	-	-	-	-	242	517	461	487	487	365
Borrowed money	1,530	1,951	1,762	1,461	1,818	2,014	1,885	1,656	1,559	1,075
Foreign exchange	1	3	1	2	1	2	2	1	17	7
Cash collateral received	-	-	-	8	27	6	31	16	14	36
(Expenses matching the amount of investment of money held in trust)	200	198	200	199	150	150	250	201	180	180
(Fund procurement account)	69,209	67,713	71,185	75,937	76,220	76,345	77,374	76,757	75,319	76,391
Other liabilities	664	433	426	449	464	518	803	645	862	947
Retirement provision	233	221	209	204	200	198	195	188	185	179
Other provision	24	24	24	24	23	21	25	23	23	20
Deferred tax liabilities	236	131	209	195	126	186	169	187	125	158
Acceptances and guarantees	321	308	328	321	340	351	340	347	324	346
Total net assets	5,004	4,876	5,116	5,146	5,028	5,217	5,234	5,329	5,235	5,355
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	3,696	3,831	3,915	4,017	4,067	4,074	4,151	4,226	4,266	4,328
Treasury stock (-)	36	46	79	98	121	54	74	84	94	96
Valuation difference on other securities	1,177	922	1,130	1,080	925	1,038	989	999	934	1,023
Gain/loss on deferred hedges	-49	-49	-67	-71	-60	-58	-49	-30	-88	-115
Warrants	3	2	3	3	3	2	2	2	3	1

Major Accounts (average balance) Assets

CHUGOKU BANK

(100 million yen)	FY2014	FY2015 1H	FY2015	FY2016 1H	FY2016	FY2017 1H	FY2017	FY2018 1H	FY2018	FY2019 1H
Total assets	71,711	73,666	74,501	78,330	79,899	80,719	80,986	81,574	81,554	81,738
Interest-earning assets	70,063	71,932	72,629	75,074	76,580	76,924	77,056	77,507	77,484	77,602
Loans	36,351	37,881	38,748	41,310	42,324	44,859	45,518	46,907	47,344	47,780
Securities	30,773	28,688	28,950	29,042	29,030	25,747	25,311	23,939	23,456	22,963
Securities products	24	22	22	20	22	19	19	26	21	23
Money in trust	200	199	199	199	199	150	210	249	209	180
Deposits (excluding non-interest bearing portion)	1,989	4,220	4,048	3,713	3,719	3,727	3,735	3,741	3,718	3,678
Call loans	444	645	392	483	947	2,014	1,822	2,198	2,292	2,615
Debt purchased	172	176	160	144	149	175	182	187	191	206
Foreign exchange	106	97	107	157	156	137	157	171	168	107
Cash collateral paid	-	-	-	2	29	85	100	85	80	47
(Interest-earnings assets)	69,863	71,732	72,430	74,874	76,380	76,774	76,846	77,257	77,274	77,422
Cash and deposits (non-interest bearing)	837	863	954	2,309	2,297	2,486	2,616	2,779	2,763	2,740
Tangible fixed assets	444	434	438	438	441	415	416	399	402	392
Intangible fixed assets	29	42	47	64	67	72	71	58	57	44
Other assets	201	226	245	224	284	578	570	580	595	736
Deferred tax assets	292	281	275	247	243	240	234	229	226	234
Guarantee endorsements	292	314	321	329	332	345	347	332	335	324
Provisions for doubtful receivables	-449	-428	-411	-358	-347	-343	-328	-311	-312	-336

Major Accounts (average balance) Liabilities & Net Assets

CHUGOKU BANK

(100 million yen)	FY2014	FY2015 1H	FY2015	FY2016 1H	FY2016	FY2017 1H	FY2017	FY2018 1H	FY2018	FY2019 1H
Total liabilities and net assets	71,711	73,666	74,501	78,330	79,899	80,719	80,986	81,574	81,554	81,738
Total liabilities	67,892	69,768	70,530	74,267	75,767	76,598	76,804	77,306	77,236	77,341
Interest-bearing liabilities	66,944	68,864	69,544	73,384	74,784	75,590	75,748	76,227	76,165	76,445
Deposits	56,912	58,260	58,350	59,937	60,078	61,560	61,694	63,475	63,620	64,997
Negotiable certificates of deposit (NCD)	2,629	2,621	2,512	2,909	2,965	2,916	2,883	3,712	3,535	3,052
Call money	2,506	2,434	2,457	2,157	2,016	1,167	999	547	505	344
Sales under agreement to repurchase	-	-	-	0	111	753	1,011	903	978	1,360
Payables under Securities Lending Transactions	3,463	3,861	4,495	6,747	7,913	6,839	6,739	5,432	5,365	4,842
Commercial paper	-	-	-	-	41	487	498	376	445	450
Borrowed money	1,429	1,681	1,724	1,625	1,649	1,846	1,897	1,746	1,673	1,334
Foreign exchange	3	3	2	1	1	3	3	3	4	5
Cash collateral received	-	-	-	3	3	11	14	9	13	28
(Expenses matching the amount of investment of money held in trust)	200	199	199	199	199	150	210	249	209	180
(Fund procurement account)	66,744	68,664	69,345	73,184	74,584	75,440	75,538	75,978	75,956	76,265
Other liabilities	425	343	423	328	428	447	494	534	527	371
Retirement provision	210	228	222	206	204	198	197	191	189	183
Other provision	17	15	15	16	17	15	14	20	18	16
Deferred tax liabilities	-	-	-	-	-	-	-	-	-	-
Acceptances and guarantees	292	314	321	329	332	345	347	332	335	324
Total net assets	3,819	3,898	3,971	4,063	4,131	4,120	4,182	4,268	4,317	4,396
Capital	151	151	151	151	151	151	151	151	151	151
Surplus capital	62	62	62	62	62	27	44	62	62	62
Retained earnings	3,647	3,713	3,795	3,925	4,002	4,016	4,047	4,121	4,175	4,266
Treasury stock (-)	54	42	52	90	99	88	75	81	84	95
Valuation difference on other securities	10	11	11	12	11	11	11	11	10	10
Gain/loss on deferred hedges	-0	-0	-0	-0	-0	-0	-0	-0	-0	-1
Warrants	2	2	2	3	3	3	2	2	2	2

Deposits (year-end balance)

CHUGOKU BANK

(100 million yen)	FY2014	FY2015 1H	FY2015	FY2016 1H	FY2016	FY2017 1H	FY2017	FY2018 1H	FY2018	FY2019 1H
Okayama	44,936	44,251	46,194	45,465	47,052	46,850	49,026	48,864	50,953	49,712
Private portion	34,178	34,305	34,845	34,807	35,313	35,832	36,311	37,072	37,347	37,610
Corporate portion	8,549	8,480	8,870	8,989	9,314	9,657	10,043	10,140	10,485	10,425
Hiroshima	8,388	8,055	8,101	8,172	8,762	8,534	8,533	8,634	9,144	8,644
Private portion	5,554	5,544	5,519	5,514	5,569	5,584	5,604	5,633	5,627	5,649
Corporate portion	2,387	2,414	2,466	2,528	2,614	2,858	2,794	2,838	2,862	2,908
Kagawa, Ehime	4,002	3,928	3,992	3,952	4,029	4,022	4,141	4,074	4,020	3,968
Private portion	2,821	2,804	2,792	2,764	2,763	2,766	2,765	2,759	2,736	2,717
Corporate portion	1,136	1,114	1,154	1,177	1,220	1,253	1,338	1,312	1,249	1,248
Hyogo	962	1,017	1,044	1,068	1,089	1,136	1,130	1,159	1,152	1,132
Private portion	619	624	627	624	636	640	637	642	630	622
Corporate portion	342	381	405	438	451	495	492	516	521	509
Tottori	102	105	105	106	114	119	129	120	123	133
Private portion	51	51	49	50	49	50	51	52	51	52
Corporate portion	50	53	55	55	64	68	78	67	71	81
Osaka	202	236	217	216	237	241	211	264	229	253
Private portion	67	67	65	64	72	67	68	69	69	70
Corporate portion	133	167	150	150	163	172	142	193	158	182
Tokyo	167	199	133	176	137	136	188	194	131	188
Private portion	69	70	70	71	69	67	66	65	62	61
Corporate portion	96	126	59	102	66	67	119	127	66	124
Total domestic branches (before reconciliation of transit items)	58,763	57,794	59,789	59,158	61,422	61,042	63,361	63,310	65,755	64,033
Total for private portion	43,363	43,469	43,971	43,897	44,476	45,010	45,504	46,294	46,526	46,783
Total for corporate portion	12,695	12,737	13,163	13,441	13,895	14,572	15,009	15,194	15,415	15,478
Overseas branches	183	321	325	388	597	653	877	521	644	717
Total deposits	58,945	58,113	60,114	59,545	62,018	61,693	64,236	63,831	66,399	64,751
Liquidity	38,085	37,071	39,260	39,035	41,644	41,224	44,590	44,332	47,261	45,646
Time deposits	20,860	21,042	20,853	20,510	20,374	20,469	19,646	19,499	19,137	19,105
Domestic banking	58,196	57,153	59,187	58,569	60,869	60,433	62,671	62,564	65,120	63,406
International banking	749	960	926	976	1,149	1,260	1,565	1,267	1,278	1,344

Deposits (average balance)

CHUGOKU BANK

(100 million yen)	FY2014	FY2015 1H	FY2015	FY2016 1H	FY2016	FY2017 1H	FY2017	FY2018 1H	FY2018	FY2019 1H
Okayama	43,301	44,458	44,544	45,887	45,766	46,806	47,003	48,589	48,754	50,008
Private portion	33,731	34,483	34,599	34,963	35,082	35,697	35,981	36,755	37,054	37,681
Corporate portion	8,179	8,469	8,541	8,989	9,014	9,442	9,464	9,958	9,927	10,354
Hiroshima	7,958	8,089	8,070	8,196	8,224	8,427	8,429	8,643	8,638	8,688
Private portion	5,510	5,577	5,565	5,522	5,533	5,579	5,596	5,619	5,628	5,647
Corporate portion	2,244	2,408	2,414	2,510	2,534	2,736	2,736	2,828	2,825	2,918
Kagawa, Ehime	3,966	4,001	3,977	3,969	3,992	4,050	4,064	4,073	4,053	4,025
Private portion	2,802	2,828	2,817	2,780	2,772	2,762	2,765	2,760	2,754	2,739
Corporate portion	1,154	1,167	1,153	1,181	1,210	1,284	1,294	1,310	1,296	1,283
Hyogo	948	978	1,005	1,042	1,054	1,115	1,116	1,141	1,141	1,124
Private portion	616	623	625	626	627	637	638	637	636	626
Corporate portion	330	348	371	408	420	477	476	503	503	497
Tottori	93	101	101	103	105	114	116	126	124	125
Private portion	52	53	51	50	50	50	50	52	51	51
Corporate portion	41	47	48	52	55	63	64	73	71	73
Osaka	182	195	200	213	215	218	220	233	241	227
Private portion	67	68	67	65	67	69	68	68	68	69
Corporate portion	114	126	132	147	147	148	150	164	171	157
Tokyo	187	186	177	193	185	163	155	157	149	140
Private portion	70	70	70	71	70	68	67	66	65	62
Corporate portion	115	114	105	119	112	92	85	88	82	75
Total domestic branches	56,639	58,008	58,076	59,606	59,546	60,896	61,107	62,963	63,104	64,340
Total for private portion	42,851	43,701	43,796	44,080	44,205	44,865	45,171	45,960	46,261	46,878
Total for corporate portion	12,179	12,680	12,766	13,410	13,497	14,246	14,276	14,925	14,879	15,361
Overseas branches	149	252	274	330	531	664	587	512	515	656
Total deposits	28,495	58,260	58,350	59,937	60,078	61,560	61,694	63,475	63,620	64,997
Liquidity	17,838	37,274	37,412	39,274	39,405	41,059	41,781	43,848	44,152	45,766
Time deposits	10,657	20,986	20,938	20,663	20,672	20,500	19,913	19,627	19,467	19,230
Domestic banking	28,047	57,399	57,458	59,009	58,956	60,277	60,486	62,216	62,397	63,717
International banking	448	861	892	928	1,122	1,282	1,208	1,259	1,223	1,279

Loans (year-end balance)

CHUGOKU BANK

(100 million yen)			FY2014	FY2015 1H	FY2015	FY2016 1H	FY2016	FY2017 1H	FY2017	FY2018 1H	FY2018	FY2019 1H
General capital			32,710	33,669	35,298	37,059	38,930	40,332	41,543	42,098	42,982	42,811
	Scale	Large-scale companies	7,597	8,001	8,431	8,869	8,869	8,251	7,919	7,778	7,754	7,411
	Scale	Medium-scale companies	1,379	1,420	1,427	1,477	1,499	1,661	1,710	1,672	1,665	1,456
	Scale	Small-scale companies	15,809	16,258	17,389	18,568	20,309	22,067	23,426	24,044	24,754	24,941
	Scale	Private individuals	7,922	7,988	8,050	8,144	8,252	8,352	8,486	8,602	8,807	9,002
Government and municipal loans			4,415	4,792	4,908	4,985	4,904	5,108	5,017	4,962	4,882	4,804
	State and local public works groups		4,327	4,726	4,836	4,932	4,847	5,067	4,979	4,939	4,860	4,793
	Local public corporations		87	66	71	53	57	40	38	23	21	11
Total loans by domestic branches			37,125	38,461	40,206	42,045	43,835	45,440	46,561	47,061	47,864	47,616
	Region	Okayama	19,167	19,842	21,166	22,441	24,003	25,305	25,973	26,423	26,911	26,808
	Region	Hiroshima	6,588	6,726	6,924	7,162	7,415	7,671	7,935	8,128	8,408	8,503
	Region	Kagawa, Ehime	2,603	2,602	2,766	2,839	2,985	3,097	3,241	3,236	3,351	3,362
	Region	Hyogo	1,628	1,705	1,873	1,996	2,102	2,295	2,513	2,623	2,699	2,664
	Region	Tottori	267	270	278	296	297	315	341	341	357	365
	Region	Osaka	1,049	1,162	1,175	1,286	1,313	1,228	1,120	1,129	1,051	1,033
	Region	Tokyo	5,822	6,151	6,022	6,020	5,717	5,525	5,433	5,177	5,084	4,879
Loan liabilities			-	-	-	-	-	-	-	-	-	-
Overseas branches			163	149	158	128	168	166	200	239	222	230
Total loans			37,289	38,610	40,365	42,173	44,003	45,607	46,761	47,300	48,087	47,847

Loans (average balance)

CHUGOKU BANK

(100 million yen)			FY2014	FY2015 1H	FY2015	FY2016 1H	FY2016	FY2017 1H	FY2017	FY2018 1H	FY2018	FY2019 1H
General capital			32,129	33,084	33,908	36,191	37,230	39,604	40,295	41,680	42,194	42,744
	Type	Local development	16,172	16,382	16,832	17,746	18,132	18,840	19,237	20,043	20,381	20,819
		Urban	6,609	6,885	7,040	7,217	7,170	6,857	6,699	6,289	6,210	5,827
		Private loans	9,253	9,433	9,501	9,762	9,873	10,375	10,514	10,894	11,006	11,335
		Housing loan portion	7,420	7,472	7,487	7,507	7,542	7,655	7,668	7,738	7,783	7,975
		Other	94	383	532	1,464	2,055	3,531	3,843	4,454	4,597	4,762
Government and municipal loans			4,093	4,636	4,688	4,984	4,952	5,082	5,055	4,999	4,932	4,818
	State and local public works groups		4,018	4,569	4,620	4,929	4,898	5,042	5,014	4,973	4,907	4,805
	Local public corporations		75	67	67	54	53	39	40	25	24	13
Total loans by domestic branches			36,223	37,720	38,596	41,175	42,182	44,686	45,350	46,679	47,126	47,563
	Region	Okayama	18,641	19,533	20,021	21,812	22,607	24,665	25,181	26,114	26,381	26,741
		Hiroshima	6,524	6,626	6,733	7,008	7,168	7,517	7,652	8,014	8,167	8,444
		Kagawa, Ehime	2,517	2,582	2,639	2,781	2,832	3,028	3,086	3,216	3,254	3,356
		Hyogo	1,556	1,689	1,753	1,943	1,992	2,193	2,290	2,571	2,625	2,686
		Tottori	270	270	274	288	295	306	317	337	345	360
		Osaka	1,023	1,087	1,134	1,288	1,306	1,280	1,229	1,119	1,116	1,026
		Tokyo	5,689	5,930	6,038	6,053	5,980	5,694	5,593	5,305	5,234	4,947
Loan liabilities			-	-	-	-	-	-	-	-	-	-
Overseas branches			127	160	152	135	141	173	167	227	218	216
Total loans			36,351	37,881	38,748	41,310	42,324	44,859	45,518	46,907	47,344	47,780

Loans by Industry (year-end balance)

CHUGOKU BANK

(100 million yen)	FY2014	FY2015 1H	FY2015	FY2016 1H	FY2016	FY2017 1H	FY2017	FY2018 1H	FY2018	FY2019 1H
Domestic branches	37,125	38,461	40,206	42,045	43,835	45,440	46,561	47,061	47,864	47,616
Manufacturing	6,911	6,845	7,108	6,977	6,911	6,663	7,003	6,655	6,757	6,443
Agriculture, forestry	31	30	29	29	34	44	60	61	71	87
Fishing	10	13	11	17	25	46	45	36	32	34
Mining, stone, sand	23	24	22	22	21	20	21	20	21	21
Construction	1,130	1,119	1,159	1,140	1,214	1,194	1,296	1,221	1,304	1,210
Electric power, gas, heat supply, water	739	861	965	1,205	1,392	1,700	1,860	2,014	2,087	2,203
Information and communications	304	281	294	292	301	301	232	206	202	190
Transport, postal	1,274	1,362	1,460	1,602	1,719	1,939	2,036	2,095	2,171	2,093
Wholesale, retail	4,815	4,848	5,105	5,089	5,106	5,077	5,124	5,217	5,259	5,232
Financial, insurance	1,337	1,686	1,964	2,801	3,474	3,892	3,810	3,975	3,856	3,699
Real estate, goods leasing	4,495	4,760	4,917	5,374	5,623	6,041	6,387	6,539	6,672	6,914
Public corporations	87	66	71	53	57	40	38	23	21	11
Other	4,408	4,693	4,845	5,320	5,566	6,001	6,349	6,516	6,650	6,902
Various services	2,500	2,510	2,693	2,788	2,966	3,035	3,200	3,201	3,196	3,169
Public organizations	4,327	4,726	4,836	4,932	4,847	5,067	4,979	4,939	4,860	4,793
Other	9,222	9,389	9,637	9,770	10,195	10,414	10,502	10,875	11,371	11,523
Housing loans	7,525	7,563	7,588	7,637	7,672	7,683	7,736	7,790	7,930	8,082
Overseas branches + Offshore loans	163	149	158	128	168	166	200	239	222	230
Total	37,289	38,610	40,365	42,173	44,003	45,607	46,761	47,300	48,087	47,847

Loans by Industry (percentage)

CHUGOKU BANK

	FY2014	FY2015 1H	FY2015	FY2016 1H	FY2016	FY2017 1H	FY2017	FY2018 1H	FY2018	FY2019 1H
Domestic branches	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Manufacturing	18.6%	17.8%	17.7%	16.6%	15.8%	14.7%	15.0%	14.1%	14.1%	13.5%
Agriculture, forestry	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.2%
Fishing	0.0%	0.0%	0.0%	0.0%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Mining, stone, sand	0.1%	0.1%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Construction	3.0%	2.9%	2.9%	2.7%	2.8%	2.6%	2.8%	2.6%	2.7%	2.5%
Electric power, gas, heat supply, water	2.0%	2.2%	2.4%	2.9%	3.2%	3.7%	4.0%	4.3%	4.4%	4.6%
Information and communications	0.8%	0.7%	0.7%	0.7%	0.7%	0.7%	0.5%	0.4%	0.4%	0.4%
Transport, postal	3.4%	3.5%	3.6%	3.8%	3.9%	4.3%	4.4%	4.5%	4.5%	4.4%
Wholesale, retail	13.0%	12.6%	12.7%	12.1%	11.6%	11.2%	11.0%	11.1%	11.0%	11.0%
Financial, insurance	3.6%	4.4%	4.9%	6.7%	7.9%	8.6%	8.2%	8.4%	8.1%	7.8%
Real estate, goods leasing	12.1%	12.4%	12.2%	12.8%	12.8%	13.3%	13.7%	13.9%	13.9%	14.5%
Public corporations	0.2%	0.2%	0.2%	0.1%	0.1%	0.1%	0.1%	0.0%	0.0%	0.0%
Other	11.9%	12.2%	12.1%	12.7%	12.7%	13.2%	13.6%	13.8%	13.9%	14.5%
Various services	6.7%	6.5%	6.7%	6.6%	6.8%	6.7%	6.9%	6.8%	6.7%	6.7%
Public organizations	11.7%	12.3%	12.0%	11.7%	11.1%	11.2%	10.7%	10.5%	10.2%	10.1%
Other	24.8%	24.4%	24.0%	23.2%	23.3%	22.9%	22.6%	23.1%	23.8%	24.2%
Housing loans	20.3%	19.7%	18.9%	18.2%	17.5%	16.9%	16.6%	16.6%	16.6%	17.0%

Share of Total Deposits

CHUGOKU BANK

[Year-end balance] (%)			FY2014	FY2015 1H	FY2015	FY2016 1H	FY2016	FY2017 1H	FY2017	FY2018 1H	FY2018	FY2019 1H
Okayama	Chugoku Bank		48.0	47.7	48.4	48.2	48.4	48.0	48.6	48.9	49.4	49.2
	Other than Chugoku Bank		52.0	52.3	51.6	51.8	51.6	52.0	51.4	51.1	50.6	50.8
		Local banks other than Chugoku Bank	8.3	8.4	8.1	8.1	8.1	7.9	7.8	7.5	7.8	7.7
		Secondary local banks	11.6	11.8	11.9	11.7	11.7	11.7	11.5	11.7	11.5	11.5
		City banks, trust banks	11.2	11.0	10.8	11.2	11.4	11.8	11.9	11.2	10.7	10.9
		Shinkin banks, investment association, etc.	20.9	21.1	20.8	20.8	20.4	20.6	20.3	20.5	20.5	20.7
Bingo region (Eastern region of Hiroshima)	Chugoku Bank		21.6	21.0	20.6	21.3	21.3	20.5	20.0	21.5	21.5	20.0
	Other than Chugoku Bank		78.4	79.0	79.4	78.7	78.7	79.5	80.0	78.5	78.5	80.0
		Local banks other than Chugoku Bank	39.5	40.1	40.9	40.0	40.2	40.7	41.2	39.8	40.3	41.4
		Secondary local banks	11.9	11.9	11.9	11.8	11.9	11.8	12.0	11.9	11.7	11.7
		City banks, trust banks	12.2	12.0	11.9	12.2	12.1	12.2	12.2	11.9	11.9	11.9
		Shinkin banks, investment association, etc.	14.8	15.0	14.7	14.7	14.5	14.8	14.6	14.8	14.5	15.0
Shikoku region	Chugoku Bank		7.9	7.7	7.7	7.8	7.7	7.7	7.7	7.6	7.4	7.3
	Other than Chugoku Bank		92.1	92.3	92.3	92.2	92.3	92.3	92.3	92.4	92.6	92.7
		Local banks other than Chugoku Bank	51.7	51.8	52.3	52.1	52.1	51.9	52.3	51.7	51.9	51.8
		Secondary local banks	17.2	17.2	17.1	17.2	17.1	17.3	17.2	17.5	17.7	17.7
		City banks, trust banks	10.8	10.9	10.7	10.4	10.8	10.8	10.8	10.8	10.8	10.8
		Shinkin banks, investment association, etc.	12.4	12.4	12.2	12.5	12.3	12.3	12.0	12.2	12.2	12.4

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

Note 2: Excluding offshore loans. Including our NCDs.

Share of Total Loans

CHUGOKU BANK

[Year-end balance] (%)		FY2014	FY2015 1H	FY2015	FY2016 1H	FY2016	FY2017 1H	FY2017	FY2018 1H	FY2018	FY2019 1H
Okayama	Chugoku Bank	38.2	38.8	39.7	41.0	42.1	42.9	43.0	43.1	43.0	42.6
	Other than Chugoku Bank	61.8	61.2	60.3	59.0	57.9	57.1	57.0	56.9	57.0	57.4
	Local banks other than Chugoku Bank	17.9	17.8	17.7	17.4	17.2	17.2	17.3	17.3	17.5	17.6
	Secondary local banks	17.6	17.8	17.5	17.4	17.3	17.4	17.3	17.4	17.3	17.2
	City banks, trust banks	10.3	9.7	9.8	9.2	8.8	8.1	8.2	8.0	8.1	8.4
	Shinkin banks, investment association, etc.	16.0	15.9	15.3	15.0	14.6	14.4	14.3	14.2	14.1	14.2
Bingo region (Eastern region of Hiroshima)	Chugoku Bank	23.2	23.1	22.8	23.0	22.8	22.8	22.7	22.5	22.8	22.6
	Other than Chugoku Bank	76.8	76.9	77.2	77.0	77.2	77.2	77.3	77.5	77.2	77.4
	Local banks other than Chugoku Bank	44.1	43.7	43.1	43.0	43.0	43.2	43.1	43.1	42.9	42.8
	Secondary local banks	12.8	13.7	14.1	14.3	14.7	15.1	15.3	15.0	15.1	14.8
	City banks, trust banks	7.8	7.8	8.8	8.7	8.7	8.2	8.3	8.7	8.6	9.1
	Shinkin banks, investment association, etc.	12.1	11.7	11.2	11.0	10.8	10.7	10.6	10.7	10.6	10.7
Shikoku region	Chugoku Bank	9.6	9.7	10.2	10.5	10.6	11.2	11.3	11.3	11.5	11.5
	Other than Chugoku Bank	90.4	90.3	89.8	89.5	89.4	88.8	88.7	88.7	88.5	88.5
	Local banks other than Chugoku Bank	51.3	50.3	50.5	50.3	49.9	49.6	49.9	49.4	49.6	48.9
	Secondary local banks	16.5	17.2	17.5	17.9	17.8	18.2	17.9	18.2	17.8	17.7
	City banks, trust banks	11.6	11.7	10.9	10.4	11.2	10.3	10.3	10.3	10.1	11.0
	Shinkin banks, investment association, etc.	11.0	11.1	10.9	10.9	10.5	10.7	10.5	10.9	10.8	10.9

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

Securities

CHUGOKU BANK

Balance by type

[Parent] (100 million yen)	FY2014	FY2015 1H	FY2015	FY2016 1H	FY2016	FY2017 1H	FY2017	FY2018 1H	FY2018	FY2019 1H
Year-end balance	32,614	28,773	31,073	30,347	27,146	27,439	26,208	25,074	23,949	24,587
JGBs	13,615	11,377	12,069	11,295	9,064	8,111	8,536	7,649	6,502	6,091
Local bonds	5,175	4,654	5,441	5,579	5,635	6,716	6,781	7,259	7,234	7,714
Corporate bonds	4,237	4,040	4,256	3,965	3,251	3,499	3,617	3,680	3,762	3,853
Foreign bonds	5,803	5,284	5,883	6,051	5,750	5,393	3,591	2,933	3,181	3,448
(Foreign currency denominated portion)	(5,387)	(4,949)	(5,544)	(5,650)	(5,426)	(5,185)	(3,408)	(2,653)	(3,013)	(3,250)
Other securities	1,779	1,624	1,728	1,897	1,753	1,848	1,859	1,793	1,747	2,102
Equities	2,002	1,792	1,693	1,558	1,690	1,869	1,822	1,757	1,521	1,377
Average balance during year	30,773	28,688	28,950	29,042	29,030	25,747	25,311	23,939	23,456	22,963
JGBs	12,878	11,822	11,715	11,151	10,765	8,447	8,225	7,726	7,314	5,899
Local bonds	5,628	4,801	4,988	5,504	5,559	6,173	6,375	6,997	7,029	7,474
Corporate bonds	4,754	4,079	4,116	3,969	3,835	3,405	3,423	3,658	3,641	3,837
Foreign bonds	5,080	5,392	5,539	5,743	6,194	5,298	4,781	3,057	3,036	3,249
(Foreign currency denominated portion)	(4,690)	(5,038)	(5,199)	(5,393)	(5,839)	(5,023)	(4,571)	(2,887)	(2,845)	(3,072)
Other securities	1,224	1,383	1,374	1,490	1,520	1,379	1,434	1,484	1,455	1,566
Equities	1,206	1,210	1,215	1,182	1,155	1,042	1,071	1,014	977	936

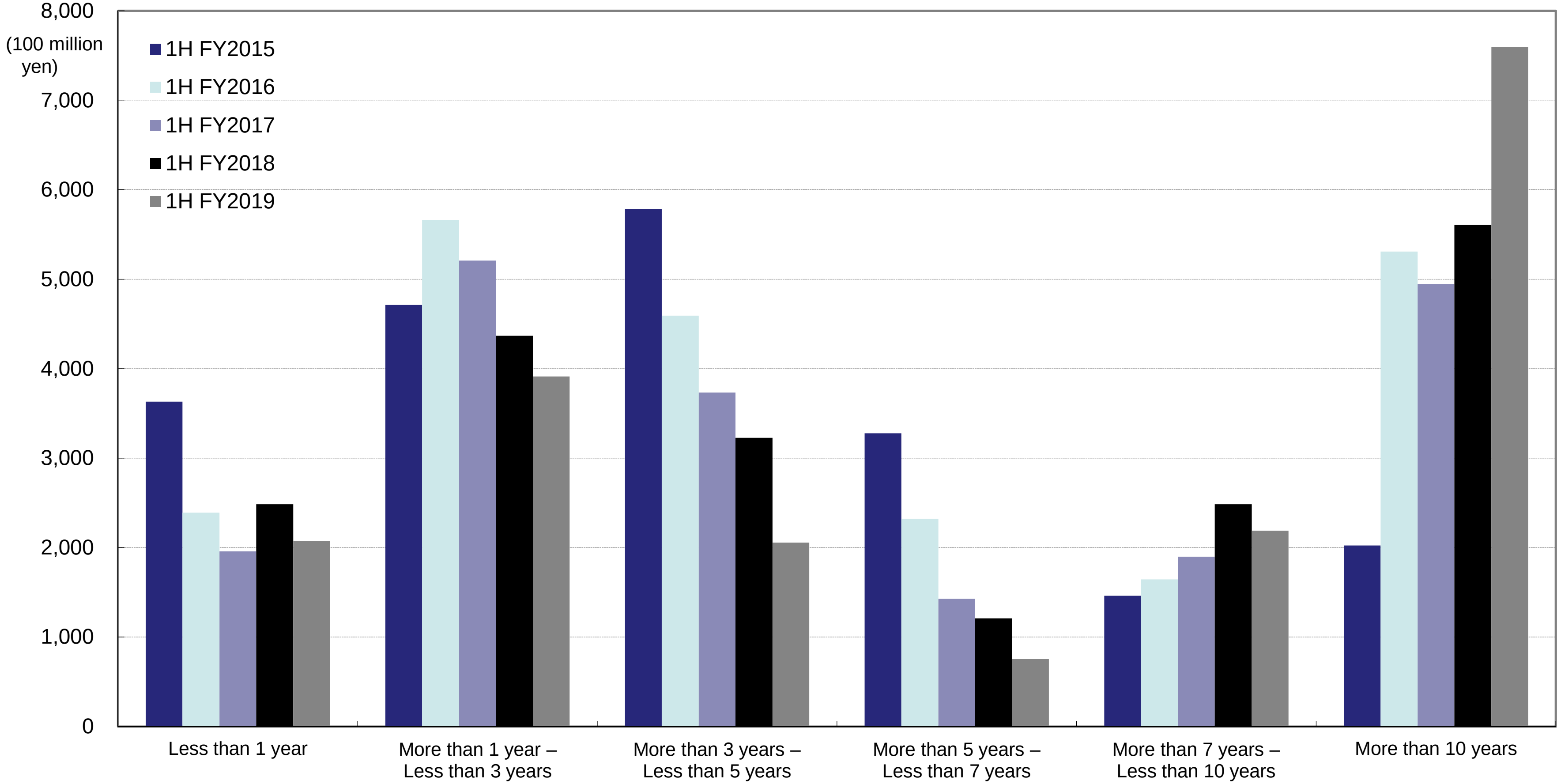
Valuation gain/loss

[Parent] (million yen)	FY2014	FY2015 1H	FY2015	FY2016 1H	FY2016	FY2017 1H	FY2017	FY2018 1H	FY2018	FY2019 1H
Securities held to maturity	406	564	759	763	565	512	488	388	457	490
Subsidiary/affiliate equities	-	-	-	-	-	-	-	-	-	-
Other securities	172,331	135,180	162,262	155,021	132,300	148,508	141,551	142,815	133,717	146,879
Equities	75,726	57,427	47,280	41,615	57,643	75,537	73,051	75,927	53,277	50,380
Bonds	41,653	40,807	69,801	68,904	40,296	36,548	36,053	25,004	42,395	46,371
Others	54,951	36,944	45,181	44,501	34,361	36,422	32,446	41,883	38,044	50,127
Total	172,738	135,744	163,022	155,785	132,866	149,020	142,039	143,203	134,174	147,370

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

CHUGOKU BANK

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

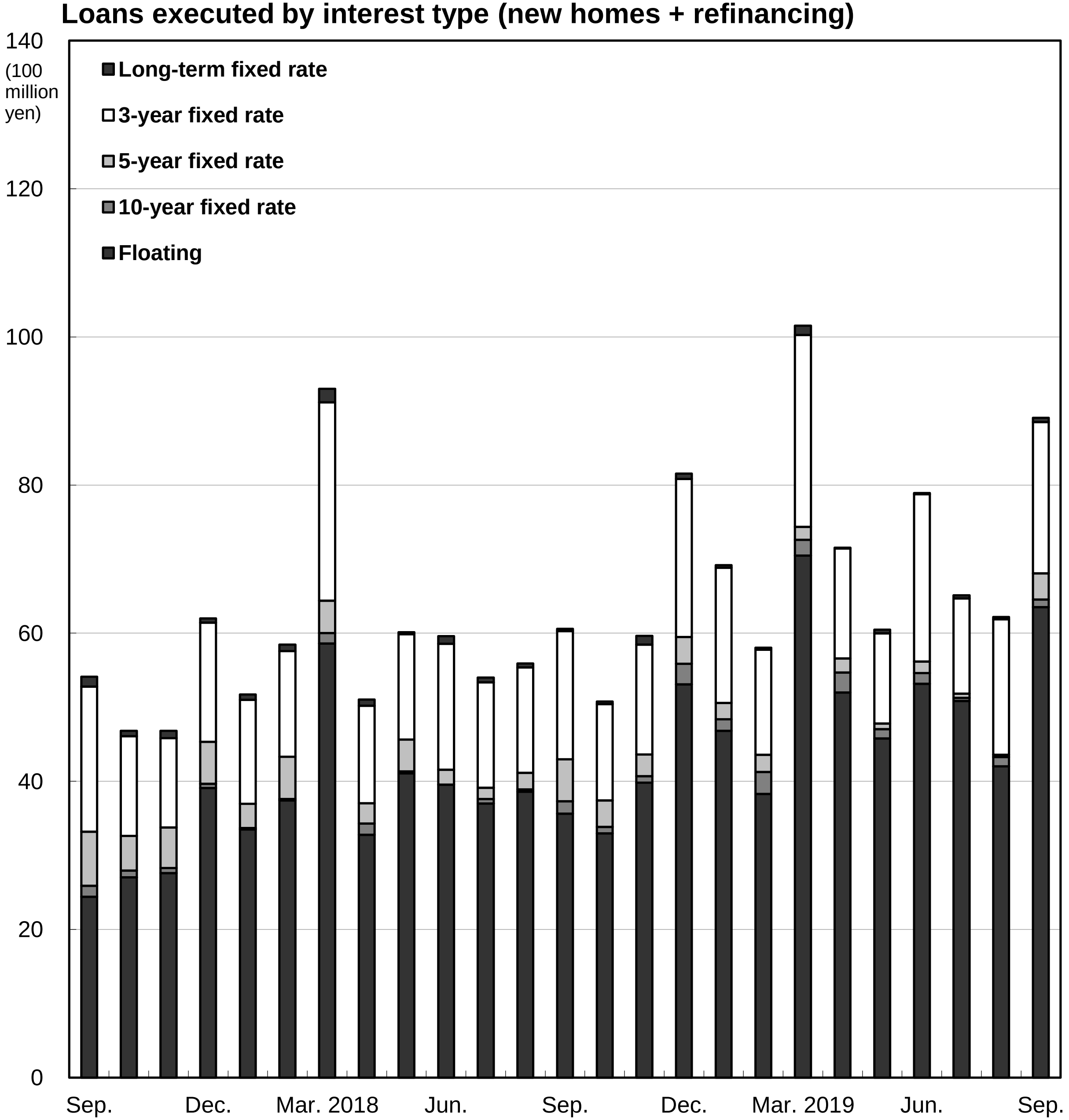


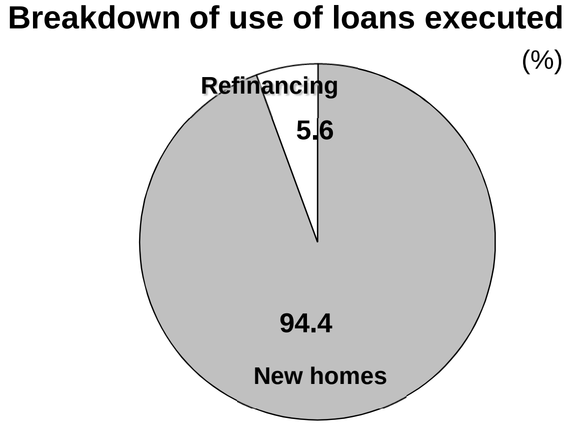
Duration

(year)	FY2014	FY2015 1H	FY2015	FY2016 1H	FY2016	FY2017 1H	FY2017	FY2018 1H	FY2018	FY2019 1H
Yen denominated	4.2	4.1	5.4	5.8	4.5	4.8	4.7	5.0	5.1	5.4
Foreign currency denominated	2.9	3.1	4.4	5.0	4.2	3.8	4.2	4.7	4.1	4.4

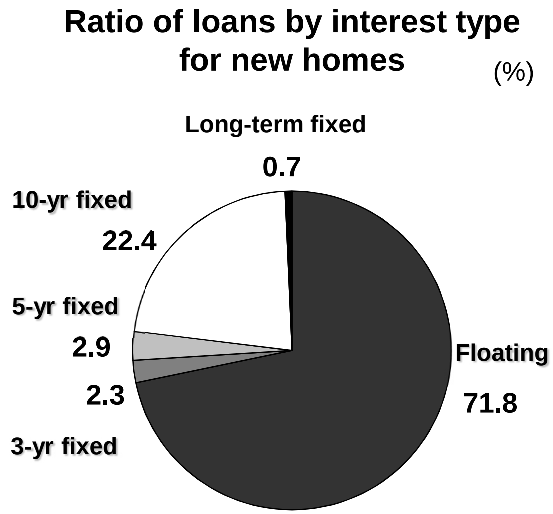
Housing Loans

CHUGOKU BANK





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



Total for period from Apr. 2018 to Mar. 2019

Non-Performing Loans

CHUGOKU BANK

Risk monitored loans

[Parent] (million yen, %)	FY2014	FY2015 1H	FY2015	FY2016 1H	FY2016	FY2017 1H	FY2017	FY2018 1H	FY2018	FY2019 1H
1. Loans in bankruptcy proceedings	5,355	4,151	4,311	4,706	4,625	4,462	3,881	3,363	3,578	3,676
(% of total loans outstanding)	0.14	0.11	0.11	0.11	0.11	0.10	0.08	0.07	0.07	0.08
2. Delinquent loans	67,891	65,206	61,003	55,528	59,435	56,169	50,956	48,947	45,158	44,896
(% of total loans outstanding)	1.82	1.69	1.51	1.32	1.35	1.23	1.09	1.03	0.94	0.94
3. Loans more than 3 months delinquent	1,068	1,617	1,055	2,025	802	724	1,509	789	876	739
(% of total loans outstanding)	0.03	0.04	0.03	0.05	0.02	0.02	0.03	0.02	0.02	0.02
4. Restructured loans	14,542	17,088	16,606	15,262	15,349	14,283	14,819	16,523	19,189	19,722
(% of total loans outstanding)	0.39	0.44	0.41	0.36	0.35	0.31	0.32	0.35	0.40	0.41
Total risk monitored loans	88,858	88,063	82,976	77,524	80,213	75,639	71,168	69,623	68,802	69,035
(% of total loans outstanding)	2.38	2.28	2.06	1.84	1.82	1.66	1.52	1.47	1.43	1.44

Loans based on the Financial Reconstruction Act

[Parent] (million yen)	FY2014	FY2015 1H	FY2015	FY2016 1H	FY2016	FY2017 1H	FY2017	FY2018 1H	FY2018	FY2019 1H
Bankrupt and quasi-bankrupt loans	20,063	18,059	20,782	19,916	20,653	21,381	20,917	18,809	21,308	21,512
(after partial direct write-off)	(8,147)	(7,357)	(8,296)	(7,592)	(7,981)	(8,214)	(7,773)	(7,162)	(8,183)	(8,248)
Doubtful loans	54,395	52,632	45,871	41,164	44,443	39,819	34,721	34,303	27,959	27,489
Substandard loans	15,611	18,705	17,662	17,288	16,151	15,007	16,329	17,313	20,065	20,461
Subtotal (A)	90,069	89,398	84,316	78,368	81,248	76,207	71,968	70,425	69,334	69,463
(after partial direct write-off) (B)	(78,153)	(78,696)	(71,829)	(66,044)	(68,576)	(63,040)	(58,824)	(58,778)	(56,208)	(56,199)
Healthy loans	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	4,847,703
Total (C)	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	4,917,167
(after partial direct write-off) (D)	(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)	(4,903,903)
Ratio of target loans (A/C)	2.36	2.26	2.04	1.81	1.80	1.63	1.50	1.45	1.40	1.41
(after partial direct write-off) (B/D)	(2.06)	(2.00)	(1.74)	(1.53)	(1.52)	(1.35)	(1.23)	(1.21)	(1.14)	(1.15)

*We do not implement partial direct write-off.

Debtor Classification Transition in 1H

CHUGOKU BANK

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

FY2018		FY2019 1H: Healthy loans	Other doubtful loans	Substandard loans	Virtually bankrupt loans	Legally bankrupt loans	Bankrupt clients	Other (see note)	Favorable turnaround	Deterioration
Healthy loans	159,802	159,017	484	35	14	53	1	198		587
	45,637	44,799	228	19	2	11	0	578		260
Other doubtful loans	5,025	247	4,340	86	34	22	3	293	247	145
	2,058	144	1,826	42	16	4	1	25	144	63
Substandard loans	599	8	34	503	9	6	1	38	42	16
	272	5	11	232	10	0	0	14	16	10
Virtually bankrupt loans	804	2	15	3	730	14	4	36	20	18
	275	0	6	3	254	7	1	4	9	8
Legally bankrupt loans	515	3	6	-	-	365	18	123	9	18
	175	0	0	-	-	158	8	9	0	8
Bankrupt clients	199	-	-	-	-	-	172	27	-	
	35	-	-	-	-	-	30	5	-	
Total	166,944	159,277	4,879	627	787	460	199	715	318	784
	48,452	44,948	2,071	296	282	180	40	635	169	349

Note: "Other" indicates loans that were cancelled as of the end of September 2019 or those excluded from the self-assessment due to their small size.

Debtor Classification Transition in 1H (comparison)

CHUGOKU BANK

(Upper level: Forecast Lower level: Value)

FY2018			FY2019 1H: Healthy loans	Other doubtful loans	Substandard loans	Virtually bankrupt loans	Legally bankrupt loans	Bankrupt clients	Other (see note)	Favorable turnaround	Deterioration
Healthy loans	Forecast	100%	99.51%	0.30%	0.02%	0.01%	0.03%	0.00%	0.12%		0.37%
	Value	100%	98.16%	0.50%	0.04%	0.00%	0.02%	0.00%	1.27%		0.57%
Other doubtful loans	Forecast	100%	4.92%	86.37%	1.71%	0.68%	0.44%	0.06%	5.83%	4.92%	2.89%
	Value	100%	7.00%	88.73%	2.04%	0.78%	0.19%	0.05%	1.21%	7.00%	3.06%
Substandard loans	Forecast	100%	1.34%	5.68%	83.97%	1.50%	1.00%	0.17%	6.34%	7.01%	2.67%
	Value	100%	1.84%	4.04%	85.29%	3.68%	0.00%	0.00%	5.15%	5.88%	3.68%
Virtually bankrupt loans	Forecast	100%	0.25%	1.87%	0.37%	90.80%	1.74%	0.50%	4.48%	2.49%	2.24%
	Value	100%	0.00%	2.18%	1.09%	92.36%	2.55%	0.36%	1.45%	3.27%	2.91%
Legally bankrupt loans	Forecast	100%	0.58%	1.17%	-	-	70.87%	3.50%	23.88%	1.75%	3.50%
	Value	100%	0.00%	0.00%	-	-	90.29%	4.57%	5.14%	0.00%	4.57%
Bankrupt clients	Forecast	100%	-	-	-	-	-	86.43%	13.57%	-	
	Value	100%	-	-	-	-	-	85.71%	14.29%	-	
Total	Forecast	100%	95.41%	2.92%	0.38%	0.47%	0.28%	0.12%	0.43%	0.19%	0.47%
	Value	100%	92.77%	4.27%	0.61%	0.58%	0.37%	0.08%	1.31%	0.35%	0.72%

Note: “Other” indicates loans that were cancelled as of the end of September 2019 or those excluded from the self-assessment due to their small size.

Capital Adequacy Ratio Trends

CHUGOKU BANK

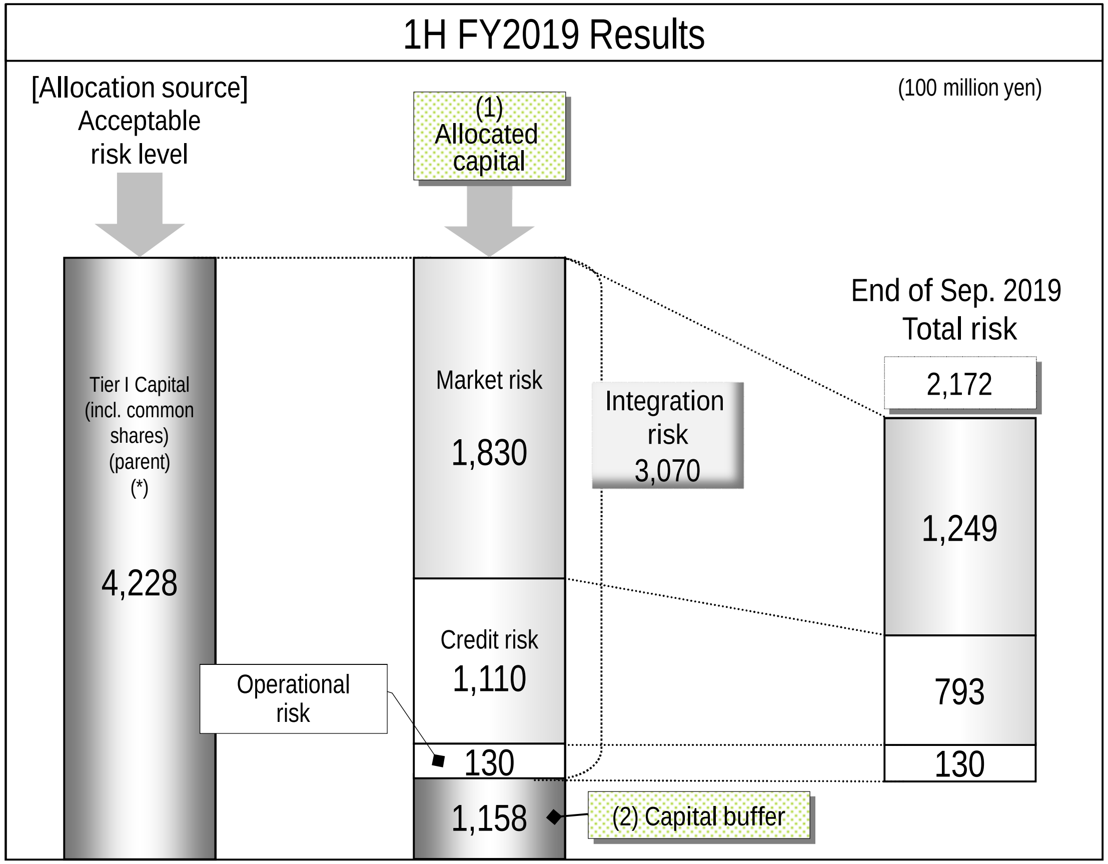
[Basel III standards]

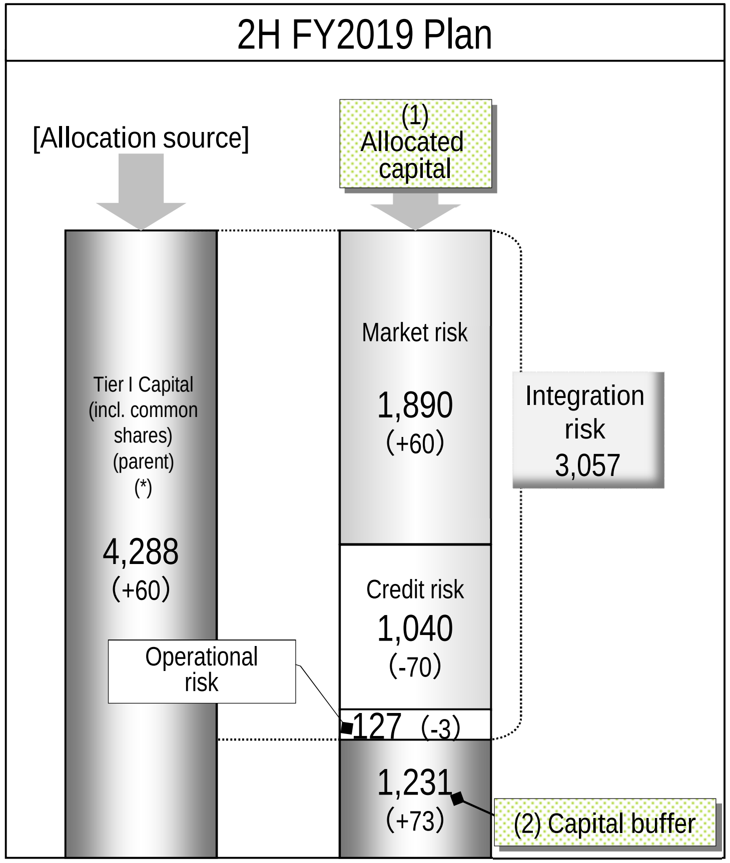
[Parent] (%, 100 million yen)	FY2015	1H FY2016	FY2016	1H FY2017	FY2017	1H FY2018	FY2018	1H FY2019
Overall capital adequacy ratio	14.56	13.85	13.06	13.03	12.87	12.96	12.56	13.25
Tier I ratio	13.75	13.12	12.77	12.71	12.87	12.96	12.56	13.25
Tier I ratio (including common shares)	13.75	13.12	12.77	12.71	12.87	12.96	12.56	13.25
Overall capital adequacy	4,864	4,902	4,817	5,004	5,078	5,159	5,104	5,226
Tier 1 capital	4,595	4,645	4,712	4,883	5,078	5,159	5,104	5,226
Common equity Tier 1 capital	4,595	4,645	4,712	4,883	5,078	5,159	5,104	5,226
Risk weighted assets	33,407	35,397	36,880	38,402	39,449	39,781	40,609	39,441
Credit risk	31,765	33,778	35,267	36,812	37,889	38,247	39,104	37,957
Operational risk	1,641	1,619	1,612	1,590	1,559	1,533	1,504	1,484

[Consolidated] (%, 100 million yen)	FY2015	1H FY2016	FY2016	1H FY2017	FY2017	1H FY2018	FY2018	1H FY2019
Overall capital adequacy ratio	14.94	14.24	13.38	13.39	13.22	13.33	12.88	13.62
Tier I ratio	14.11	13.48	13.08	13.06	13.22	13.32	12.88	13.61
Tier I ratio (including common shares)	14.11	13.48	13.08	13.06	13.22	13.32	12.88	13.61
Overall capital adequacy	5,034	5,087	4,978	5,174	5,250	5,336	5,267	5,397
Tier 1 capital	4,753	4,815	4,863	5,046	5,247	5,334	5,265	5,395
Common equity Tier 1 capital	4,753	4,815	4,863	5,046	5,247	5,334	5,265	5,395
Risk weighted assets	33,687	35,700	37,181	38,642	39,691	40,026	40,867	39,625
Credit risk	31,968	34,007	35,494	36,977	38,054	38,413	39,280	38,057
Operational risk	1,718	1,693	1,687	1,665	1,637	1,612	1,586	1,568

Capital Allocation and Integration Risks

CHUGOKU BANK





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

Figures in parentheses represent versus 1H FY2019.

[Role of different types of capital]

(1) Allocated capital	Capital allocated to each risk up to the allocated source (Risk limit)
(2) Capital buffer	✓ 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)

(as of end of Sep. 2019)

Maximum value of ΔEVE	30.5 billion yen
Materiality test (maximum value of ΔEVE / Tier I)	5.8%

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

Use of Allocate Capital and Risk Exposure Assumptions

CHUGOKU BANK

Capital Allocation and Integration Risk Trends (supplement)

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

(100 million yen)

	1H FY2019			2H FY2019			Calculation methods, etc.	
	Value	Risk exposure (End of Sep. 2019)		Value	YoY	Major factors that triggered change		(Supplement measurements)
Allocation source	4,228			4,288	(+60)	—	Valuation difference on available-for-sale securities, etc. were deducted from non-consolidated common equity Tier 1 capital as of September 30, 2019.	
Allocated capital (Integration risk)	3,070		2,172	3,057	(- 13)			
Market risk total	1,830		1,249	1,890	(+60)			
Banking	1,810	Interest risk	423	1,870	(+60)	• Increased due to the policy to hold bonds with longer durations.	• VaR (factor in 125-day retention period, 99.9% confidence level, core deposits) • Employ VaR taking into account the correlation between interest risk and equities (net investment) • For cross-shareholdings, deduct valuation gains from VaR	• Interest sensitive assets and liabilities, including deposits, loans, and bonds; assets with price fluctuation risk, including equities and investment trusts • Includes assets and liabilities belonging to consolidated subsidiaries
		Price fluctuation risk	949					
		(Correlation)	- 123					
Trading	20		0	20	(0)	—	• VaR (10-day retention period, 99.9% confidence level)	• Money in trust • Trading securities
Credit risk total	1,110		793	1,040	(- 70)	—		
Commercial credit	940		648	860	(- 80)	• Reduced due to the policy to decrease the balance of call loans, etc.	• Monte Carlo simulation UL (1-year retention period*, 99.9% confidence level) • For securitization, some restrictions on capital	• Commercial credit, including securities, and assets possessed by consolidated subsidiaries (*) Six months for market related credit (bonds)
Consumer credit	170		145	180	(+10)	• Increased due to the policy to increase the balance of housing loans, etc.	Capital requirements	• Home loans, etc.
Operational risk	130		130	127	(- 3)	—	Post risk exposure estimated at the time business plans were created, based on the gross profit allocation methods (To be fixed during 2H FY2019)	
(Unused allocated capital)			898					
Capital buffer	1,158			1,231	(+73)	• Buffer against market risk and credit risk	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

CHUGOKU BANK

(Million yen, %)	Business profile	Real ownership ratio		FY2016	FY2017 1H	FY2017	FY2018 1H	FY2018	FY2019 1H
Chugin Lease Co., Ltd	Leasing	100.00	Ordinary revenue	15,120	5,695	11,245	5,772	11,312	5,879
			Recurring profit	1,089	521	823	561	873	455
			Net income	725	356	553	397	600	324
Chugin Credit Guarantee Co., Ltd.	Credit assurance	100.00	Ordinary revenue	1,644	816	1,608	894	1,713	919
			Recurring profit	1,176	740	1,344	650	1,290	716
			Net income	772	491	885	459	878	500
Chugin Card Co., Ltd.	Credit card	100.00	Ordinary revenue	1,338	726	1,439	772	1,526	825
			Recurring profit	319	206	354	196	344	250
			Net income	243	145	240	151	246	189
Chugin Asset Management Co., Ltd.	Securities investment advisor	100.00	Ordinary revenue	410	223	454	267	516	288
			Recurring profit	32	32	54	60	94	61
			Net income	24	24	39	48	71	48
Chugin Securities Co., Ltd.	Financial instrument transactions	100.00	Ordinary revenue	3,594	1,940	4,303	1,589	2,731	1,048
			Recurring profit	391	276	735	108	-100	-240
			Net income	261	188	521	72	-137	-261
CBS Co., Ltd.	Banking operation outsourcing	100.00	Ordinary revenue	1,109	565	1,136	519	1,035	487
			Recurring profit	184	122	232	69	142	55
			Net income	117	81	151	45	90	35
Chugin Operation Center Co., Ltd.	Banking operation outsourcing	100.00	Ordinary revenue	789	407	789	382	732	364
			Recurring profit	31	31	30	27	30	23
			Net income	16	19	17	17	17	17

Key Press Releases

CHUGOKU BANK

2019	Apr. 1	Notice on “FBC Ho Chi Minh 2019 Factory Network Business Expo 2019”
	Apr. 10	Notice on Decision of Investment in the SIB (Social Impact Bonds) Business
	Apr. 17	Commencement of Collaboration with Independent Business Operators to Accelerate Business Processes from the Formulation of ICT-related Strategy to the Development of Products and Services
	Apr. 18	Initiatives for the SDGs – Decision of Provision of Loans for Small Hydroelectric Power Generation Business of Nishiawakura Village
	May. 10	Commencement of acceptance of applicants for “Okayama City Entrepreneur School”
	May. 13	Commencement of Provision of “Chugin Passbook App”
	May. 16	Provision of Loans to “Asuka II” Passenger Ship Project
	May. 17	Commencement of Internet Service “Chugin Startup Support Package”
	May. 22	Establishment of the TSUBASA SDGs Declaration
	May. 22	Participation of The Shiga Bank, Ltd. in the TSUBASA Alliance
	Jul. 12	Conclusion of “Alliance and Cooperation Agreement” with Okayama UNICEF -Raising awareness of the activities of UNICEF; To Expand the SDGs Initiatives -
	Jul. 18	Acceptance of Participants in “Okayama City Business Management Seminar 2019”
	Jul. 18	Acceptance of Participants in “Okayama City Startup Seminar” and “Startup Seminar Exclusively for Women”
	Jul. 22	Opening of a Community-based Crowdfunding Website “HARE FURE OKAYAMA”
	Jul. 26	Commencement of the counter reception tablet “TSUBASA Smile”
	Aug. 1	Establishment of “Okayama Startup Support Base”
	Aug. 1	Commencement of Recruitment Service
	Aug. 2	“Chugin Solution Conference,” the Chugoku Bank’s First-ever and the Largest Scale Seminar and Business Convention to be Held
	Aug. 21	Business Alliance with freee K.K. and the Commencement of Provision of “Accounting freee for Chugoku Bank,” etc.
	Sep. 13	Expansion of Branches That Handle Trust Business
	Sep. 18	Basic Agreement Concerning the Sharing of Mission-critical Systems with The Toho Bank, Ltd. – A Coordinated Measure under “TSUBASA Alliance.”
	Sep. 19	Notice of Holding “Chugin Financial Literacy Seminar 2019” for the Consortium of Universities in Okayama.
	Sep. 24	Holding of “BIDV Business Seminar & Exchange Meeting”

For inquiries regarding this document, please contact:
Management Planning Department, The Chugoku Bank, Ltd.
Mr. Hisaki / Mr. Shimizu
Tel: **+81-86-234-6519**; Fax: **+81-86-234-6587** Email:**souki01@chugin.jp**