

# FY2019 Earnings Results Briefing

## (Reference Materials)

June 1, 2020



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## Management Indices, etc. of The Chugoku Bank, Ltd.

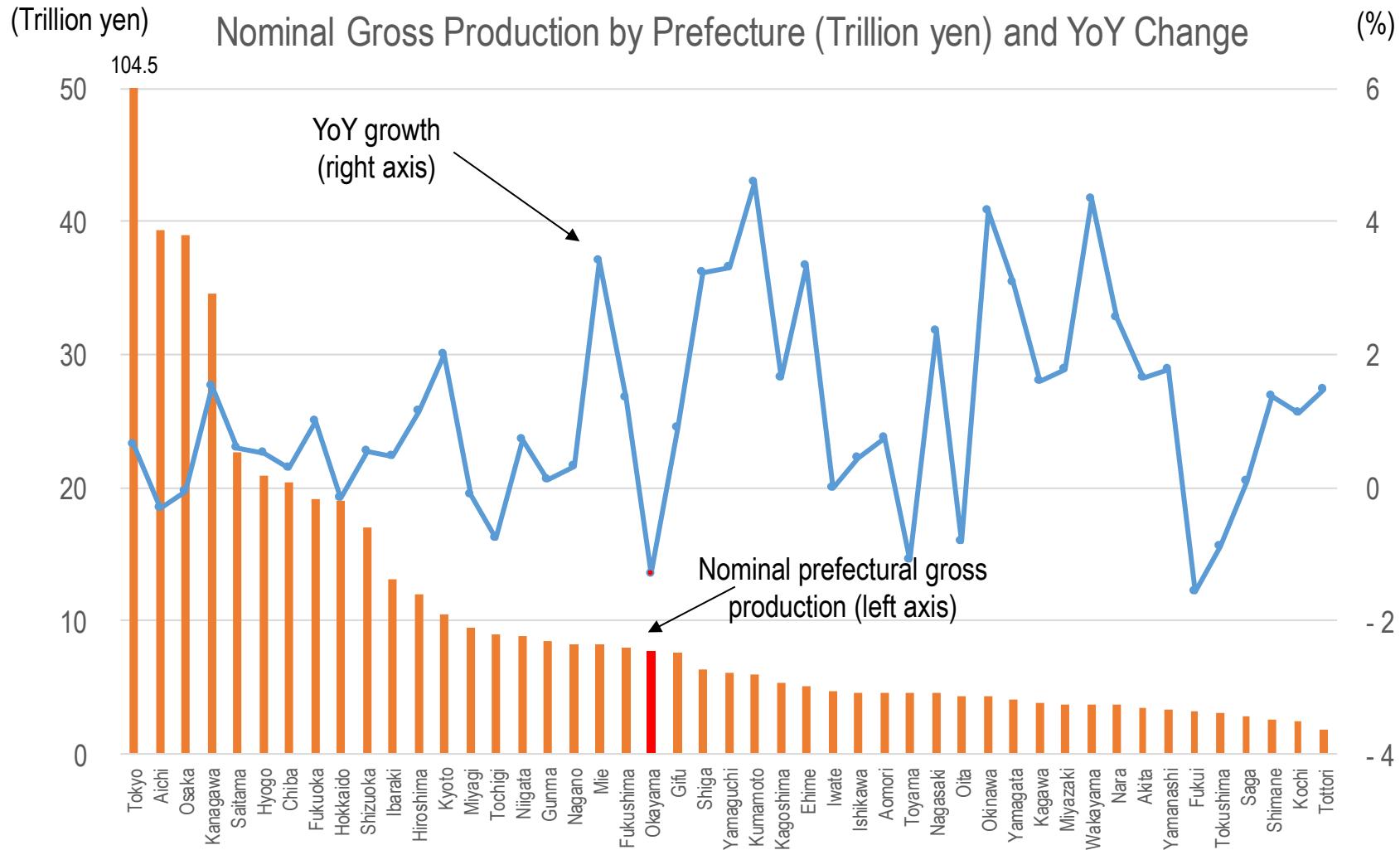
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# Industrial Structure of Okayama Prefecture

# Okayama Prefecture's Economic Scale

Items	Actual	Nationwide share (%)	Rank	Source	Survey date
Area	7,114 km <sup>2</sup>	1.9	17	Nationwide survey on size of villages, townships, cities, and prefectures	Jul. 2019
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	21	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	140.1 billion yen	1.5	23	Statistics of Source: Agricultural Income Produced	FY2018
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	748.3 billion yen	1.4	25	Construction statistics	FY2019
New housing starts	13,200	1.5	17	Housing start statistics	FY2019
Customs and trade	2,605.9 billion yen	1.7	12	Trade figures by port	FY2019

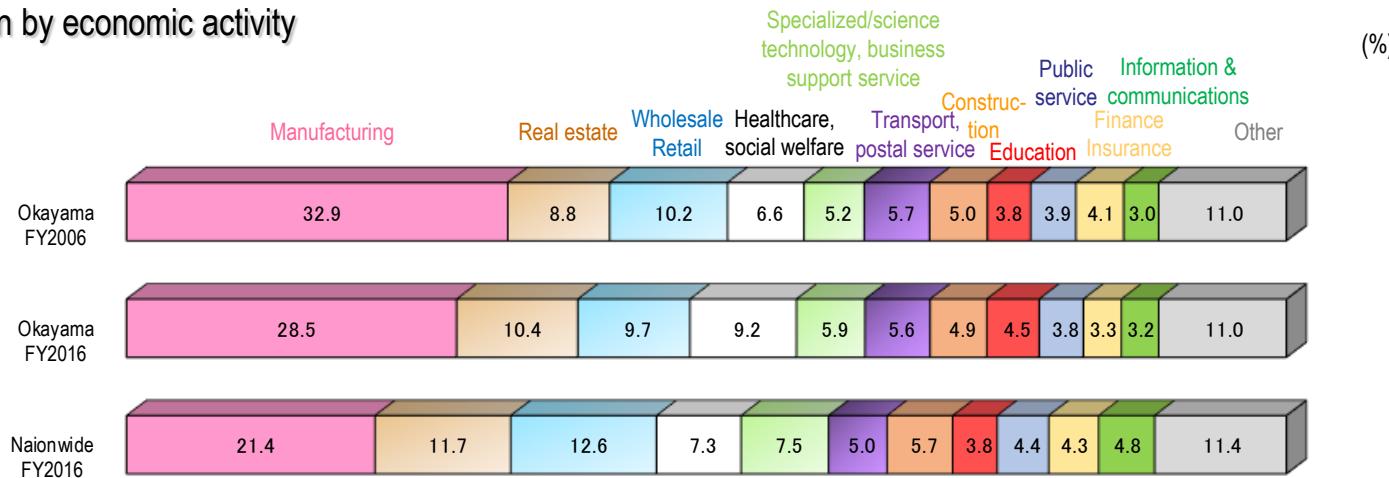
# Okayama Prefecture's Economic Scale



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

# Okayama Prefecture's Industrial Structure (1)

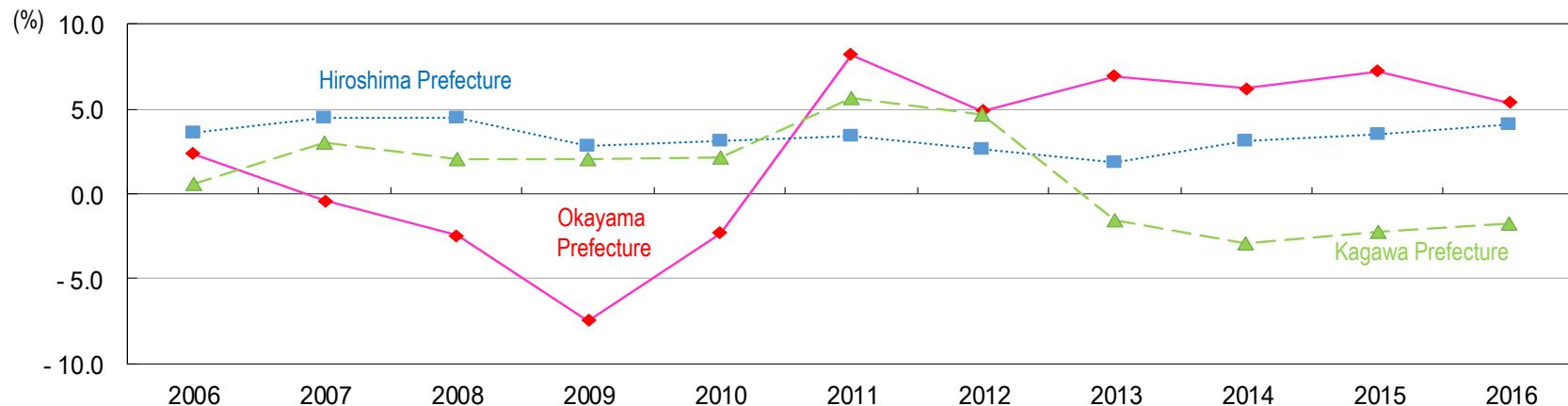
## Gross production by economic activity



Source: Cabinet Office's Annual Report on Prefectural Accounts

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

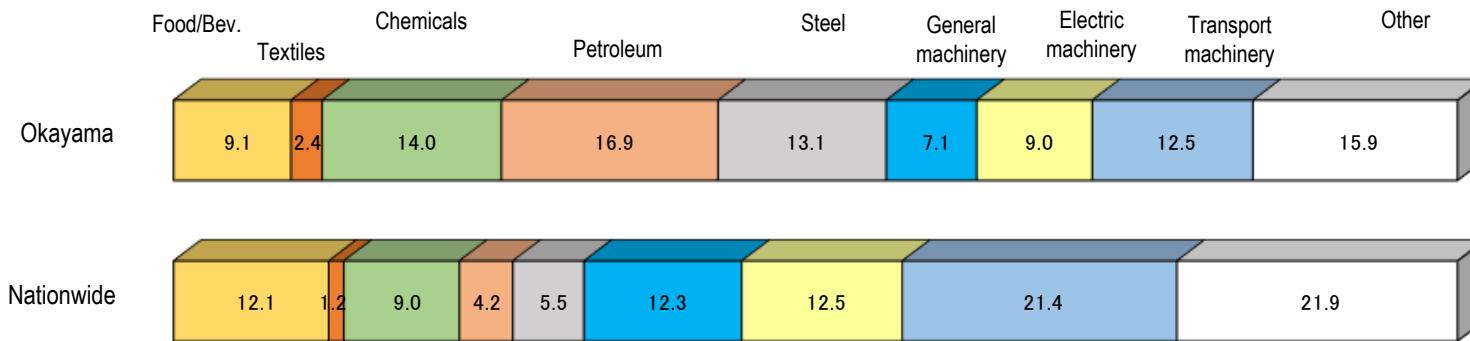
## Ratio of goods and services imports/exports (net) to prefectoral gross production (nominal)



Source: Cabinet Office's Annual Report on Prefectural Accounts

# Okayama Prefecture's Industrial Structure (2)

## Breakdown of manufactured goods shipments (2017)

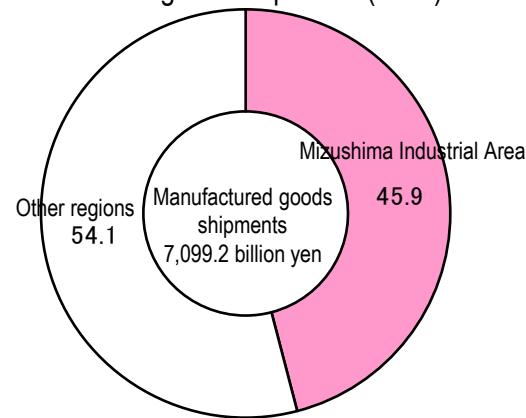


Source: METI, Okayama Prefecture "Census of Manufacture"

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

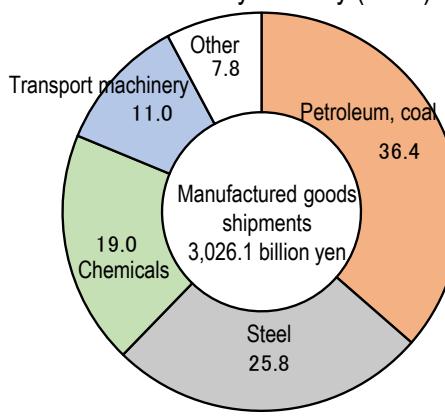
## Mizushima Industrial Area's presence

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



Source: Okayama Prefecture "Census of Manufacture"

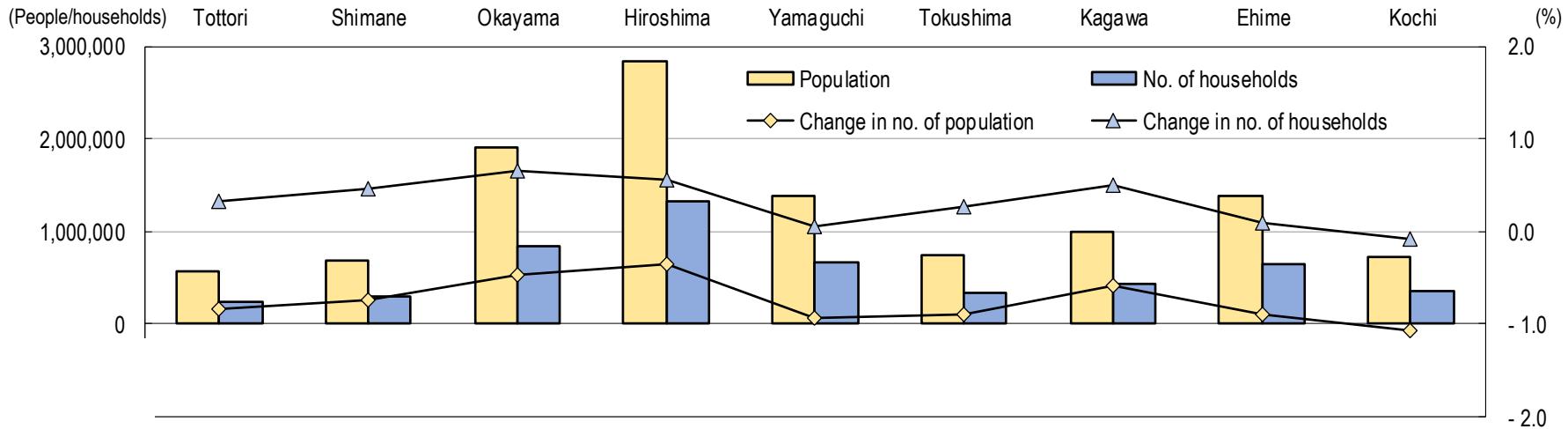
Breakdown of manufactured goods from the Mizushima Industrial Area by industry (2017)



Source: Okayama Prefecture "Census of Manufacture"

# Okayama Prefecture's Growth Infrastructure and Potential (1) CHUGOKU BANK

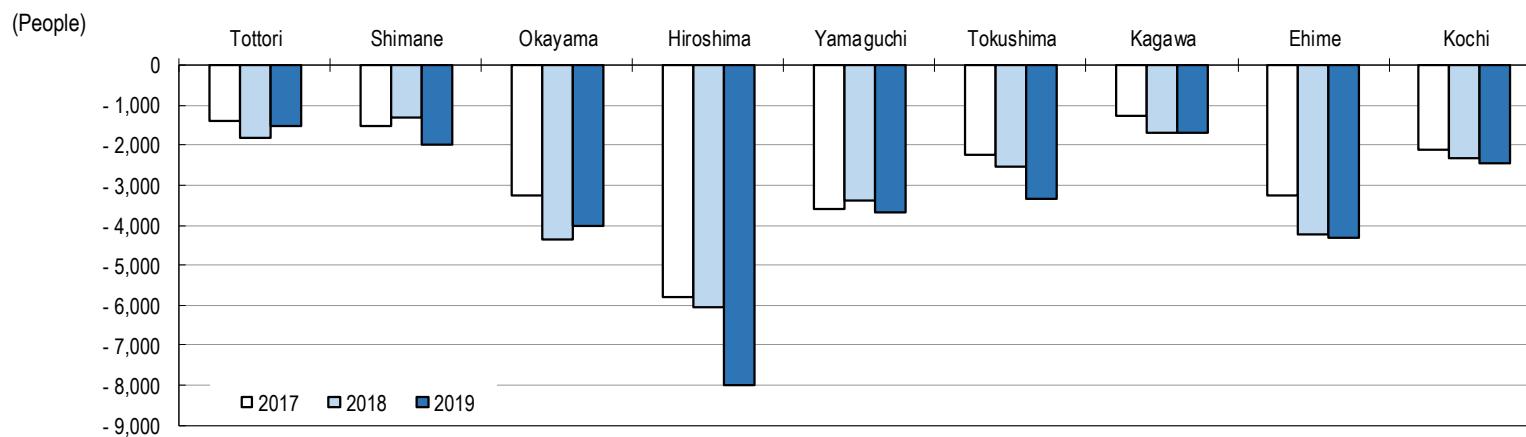
## Population/No. of Households in Chugoku/Shikoku Region



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.

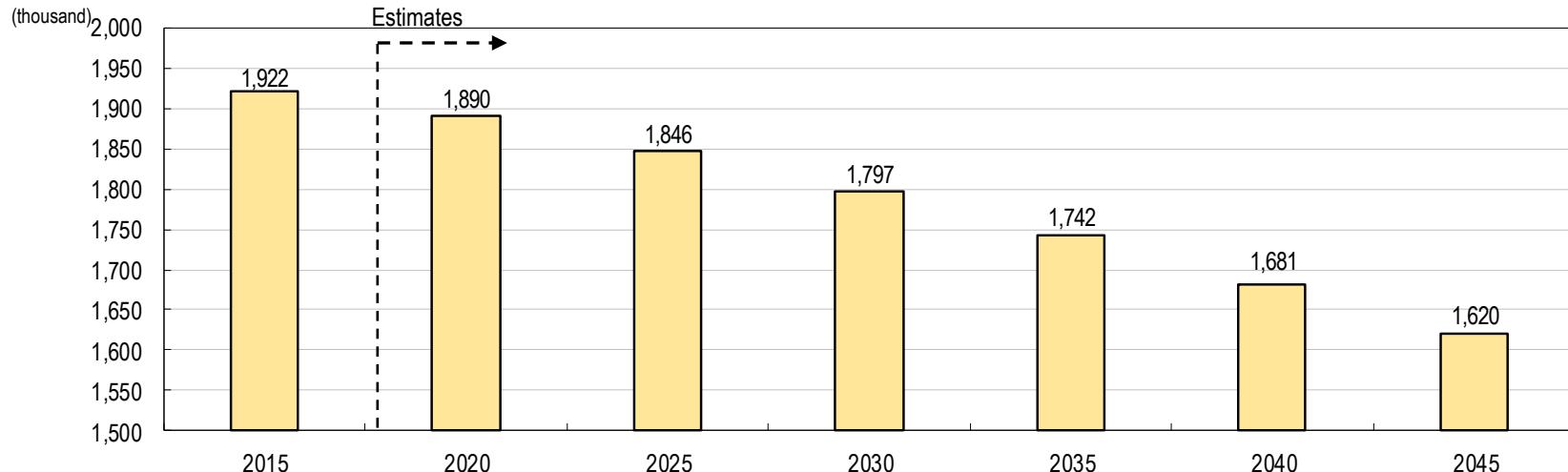
## Number of people moving to prefectures in the Chugoku-Shikoku region (in excess of the number of people leaving)



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

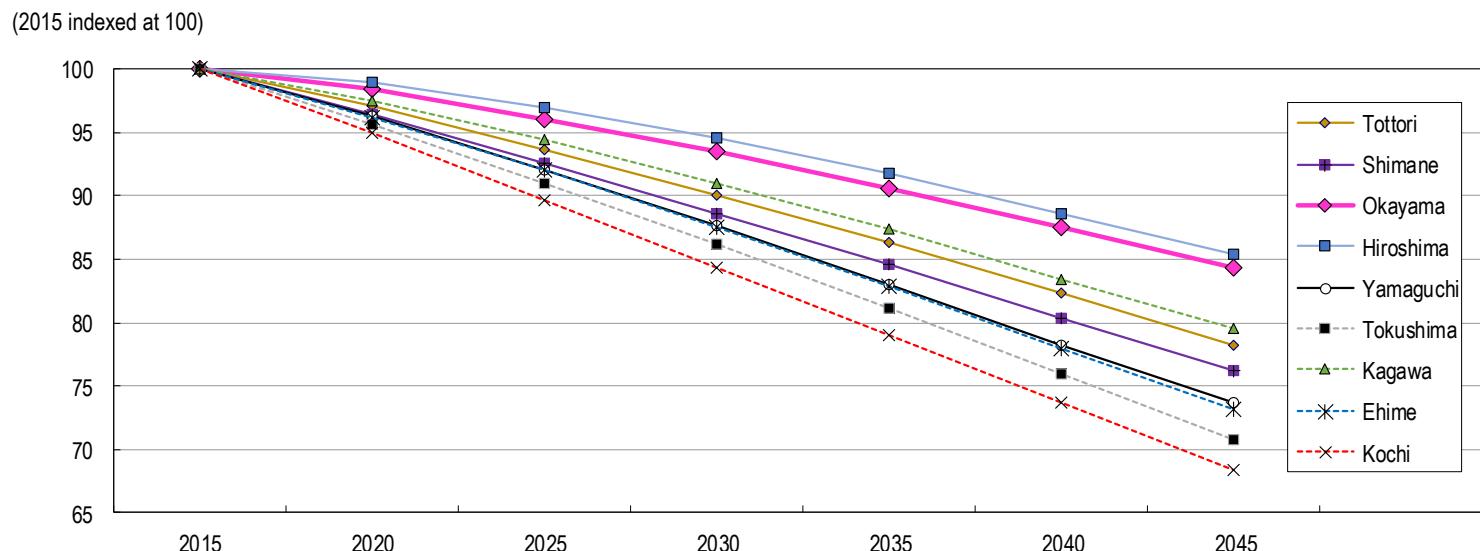
# Okayama Prefecture's Growth Infrastructure and Potential (2) CHUGOKU BANK

## Population trends for Okayama Prefecture



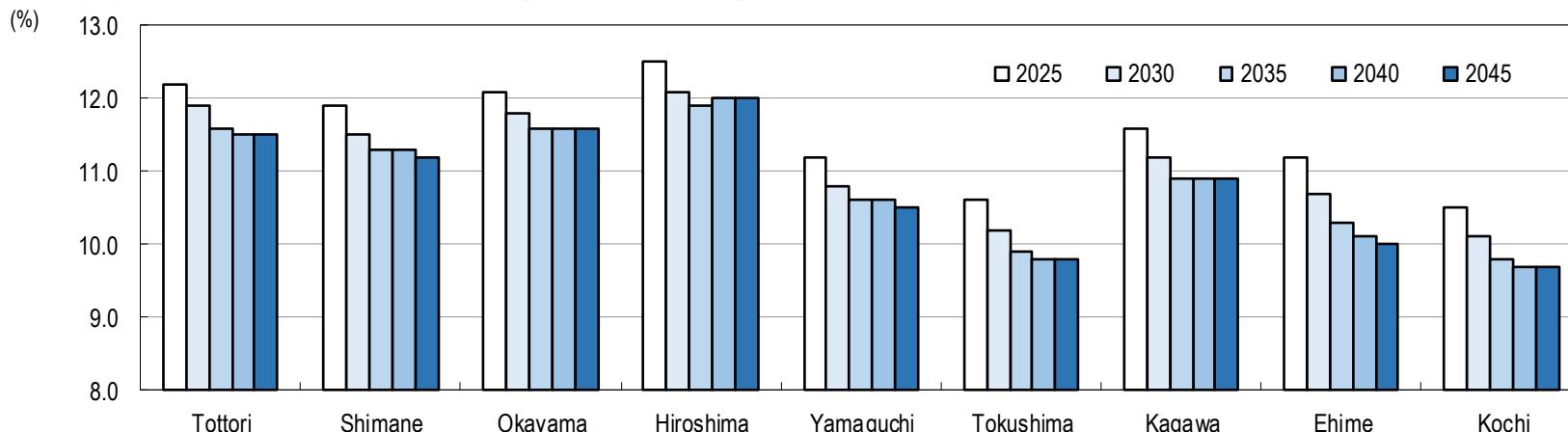
Source: National Institute of Population and Social Security Research

## Future population trends for the Chugoku-Shikoku region



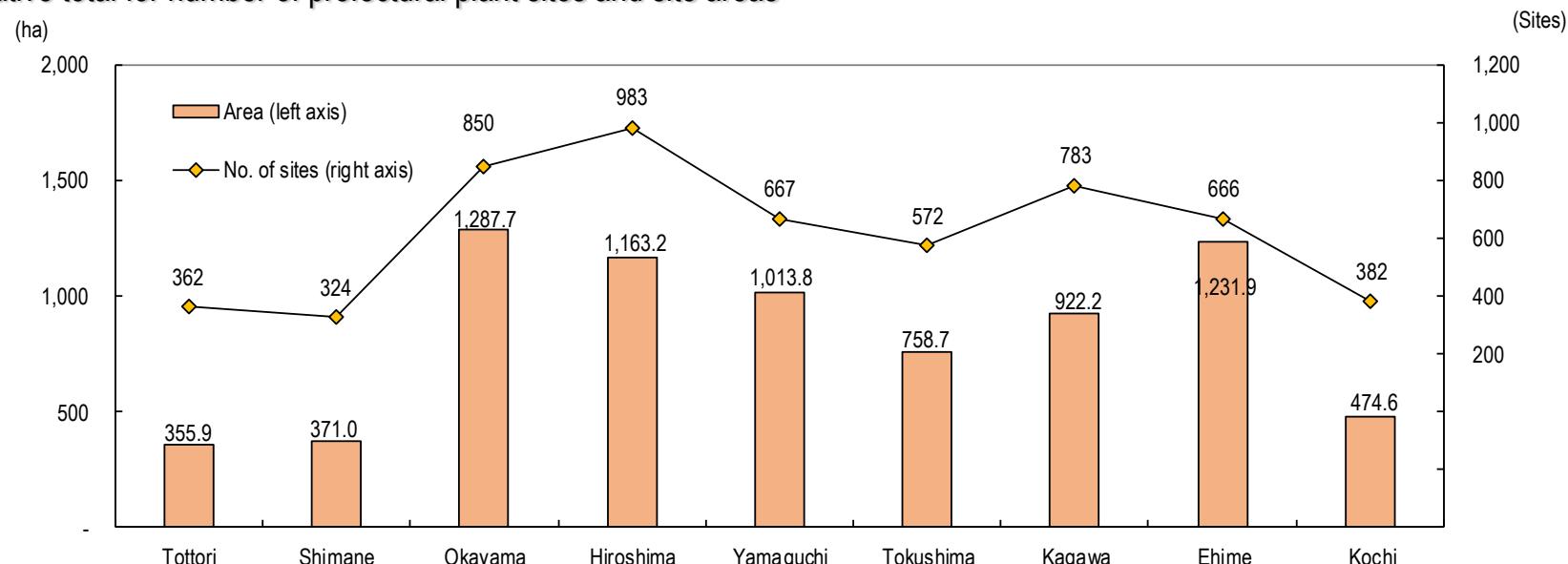
Source: National Institute of Population and Social Security Research

## 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. 2019. Excludes the electric power industry from 2015 to 2018.

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

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 reached 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 Chuugoku-Shikoku area.\*

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

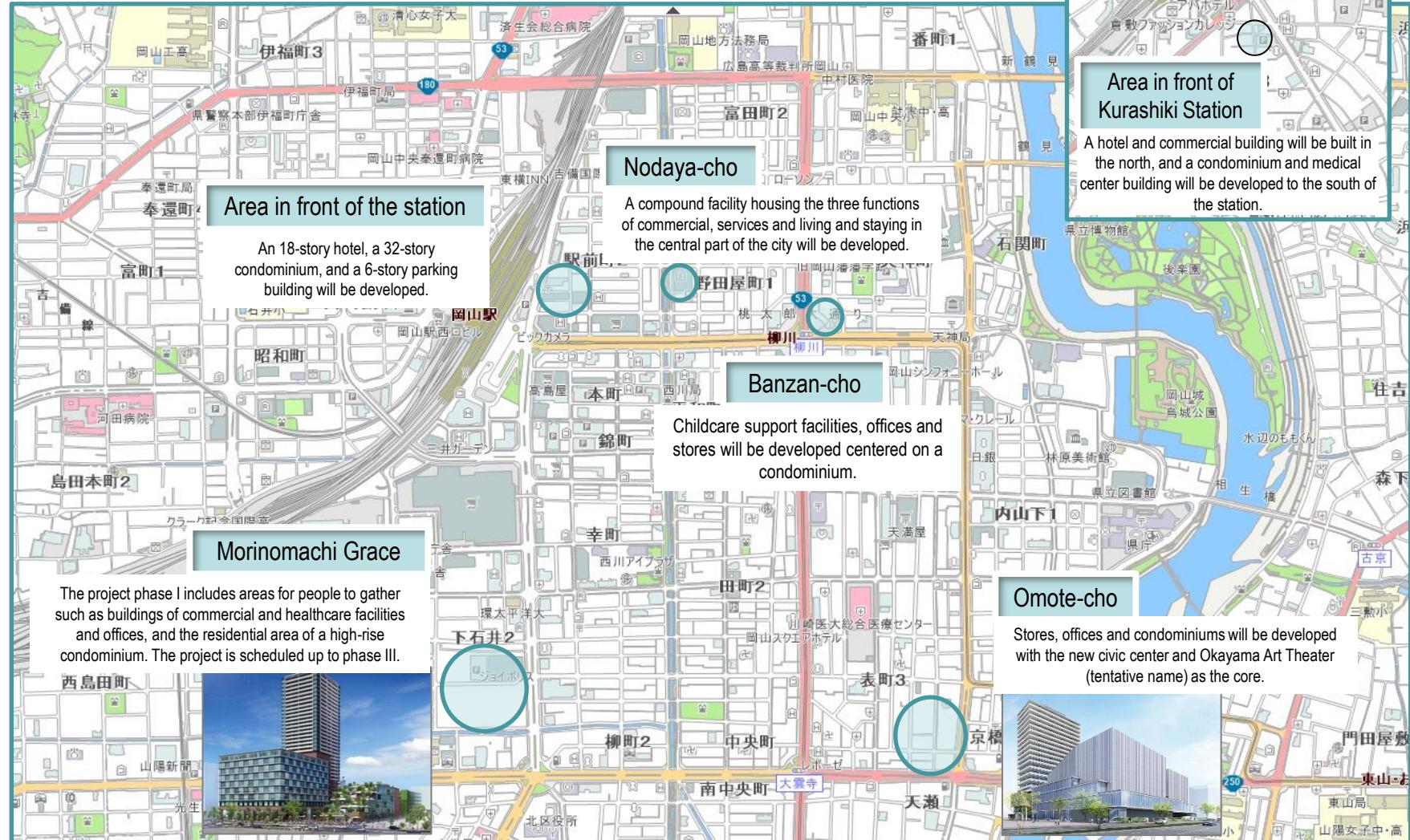
- Manufacturers and distribution companies using Okayama as their main location for West Japan  
Distribution to East Japan possible during emergencies



Source: Website of Okayama Prefecture

## A number of redevelopment projects are scheduled.

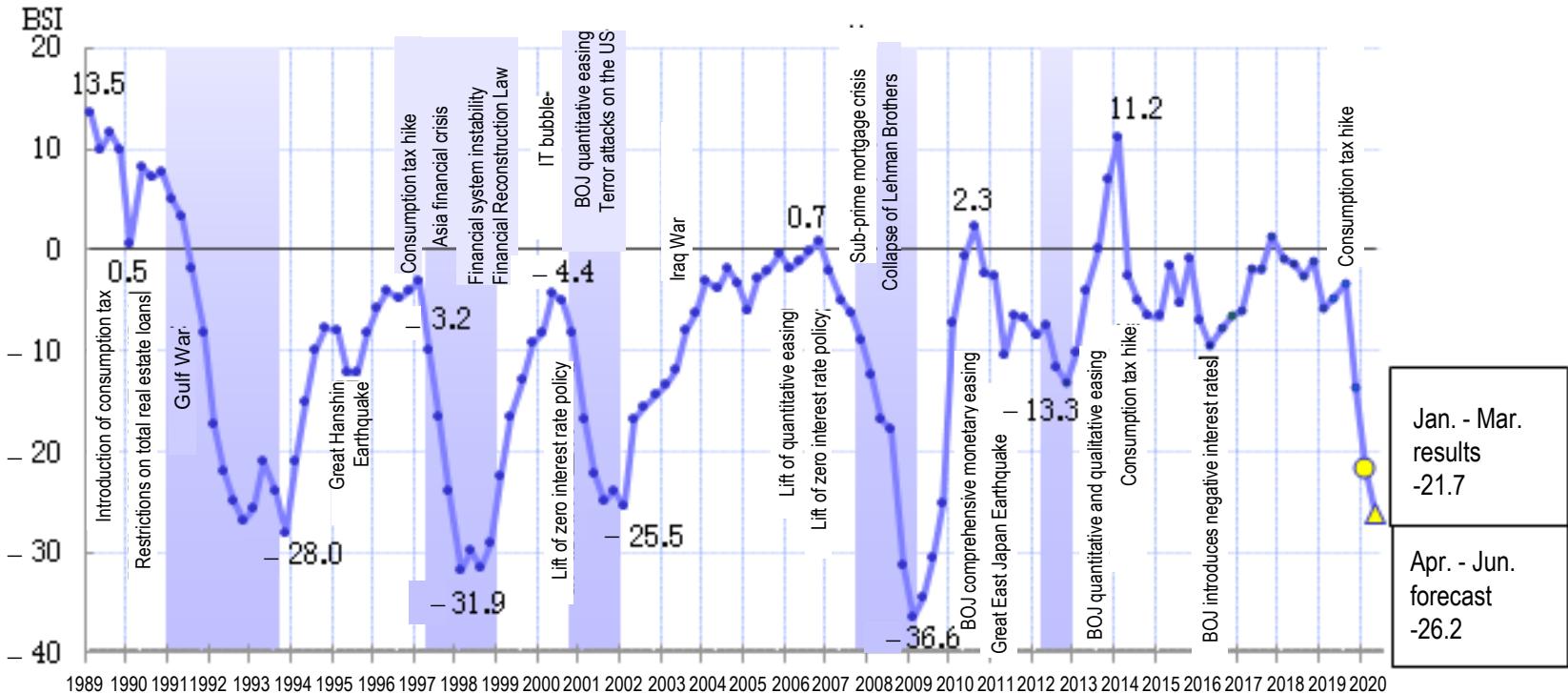
Central parts of Okayama City and Kurashiki City where  
“Town development for future generations” is in progress.



# Economic Status of Okayama Prefecture

\* The content of the presentation is based on economic indicators up to March 2020 at the preparation of this document in May 2020. It should be noted, however, that the economic conditions in Okayama Prefecture may differ significantly from the statement herein depending upon the status of the novel coronavirus infectious disease (COVID-19).

The economy in Okayama Prefecture has deteriorated due to the impact of COVID-19.



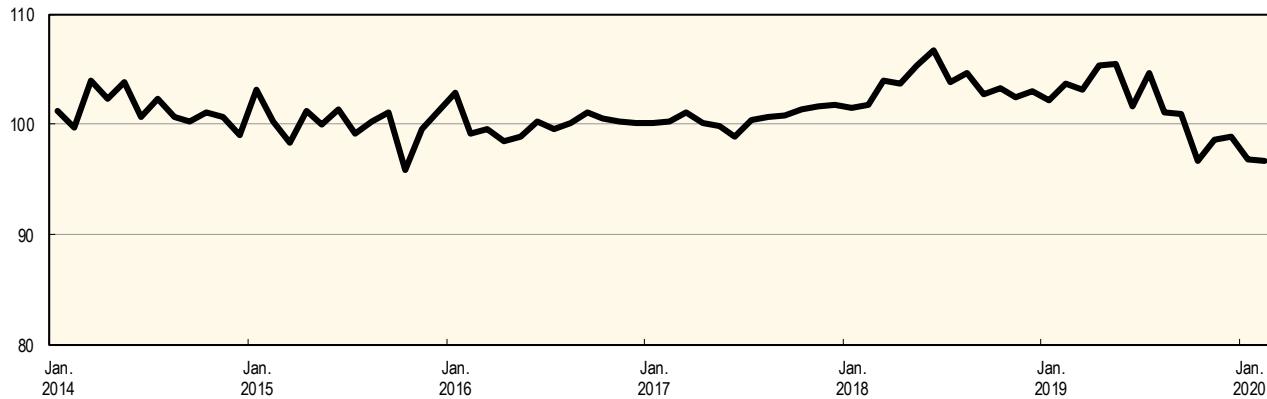
Shaded areas represent periods of economic recession. (Cabinet Office)

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

# Local Economic Trends (2)

Industrial production - - - Sluggish

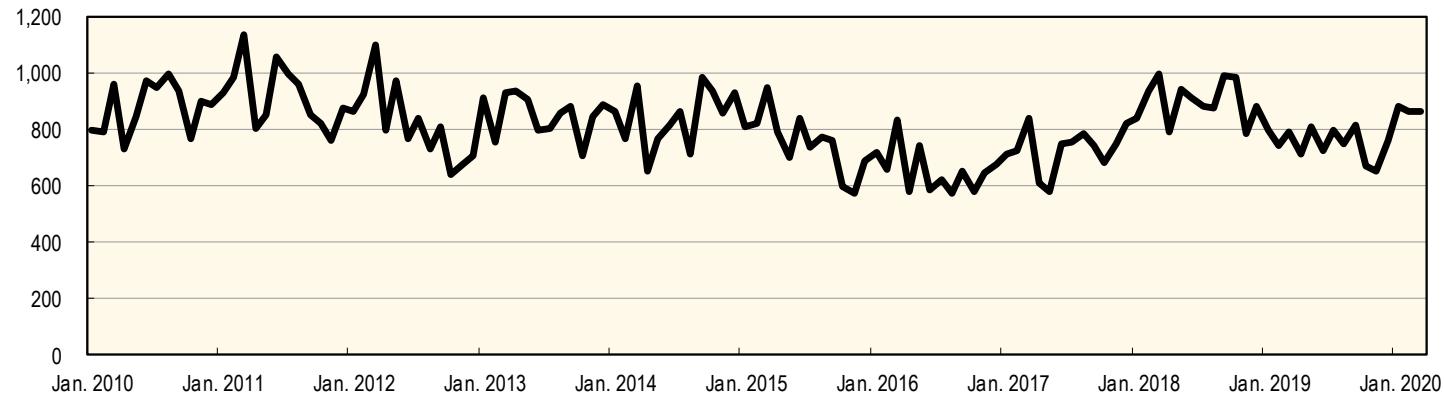
[Industrial production index trends] (2015 indexed at 100; seasonally adjusted)



Source: Okayama Prefecture Statistical Analysis Section

Exports - - - Decreased due to the COVID-19 pandemic.

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



Source: Kobe customs

# Local Economic Trends (3)

Capital investment - - - Maintains a stable trend.

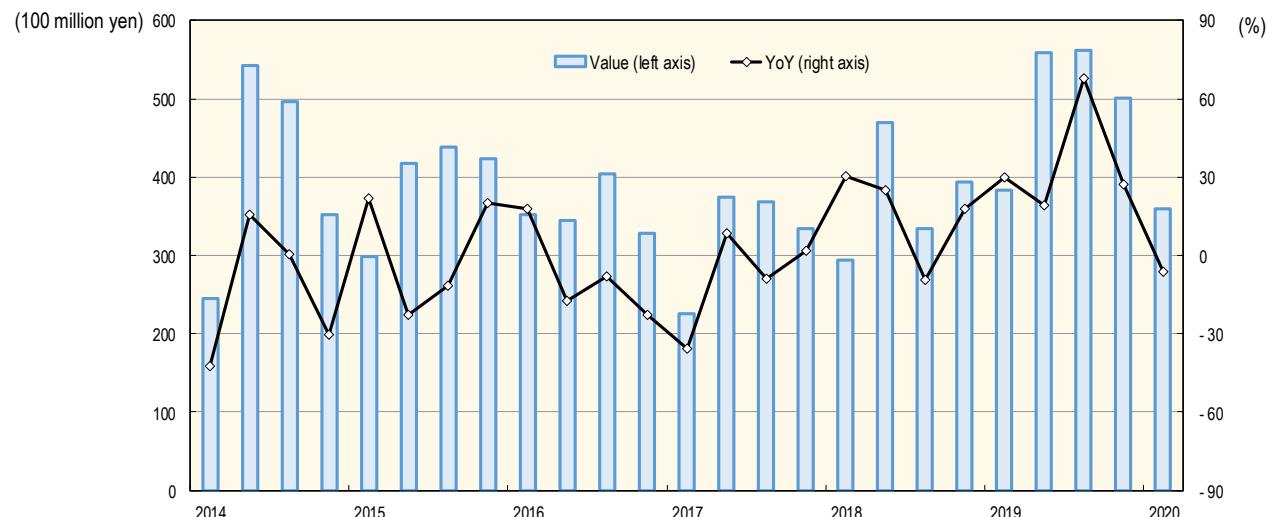
[Change in capital investment year-on-year]

(%)	Okayama			Nationwide		
	Manufacturing industry	Non-manufacturing	Total	Manufacturing industry	Non-manufacturing	Total
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	4.7	- 16.7	- 2.6	4.1	1.9	2.7
FY2020 Plan	- 13.1	- 8.7	- 11.8	2.4	- 2.0	- 0.4

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]

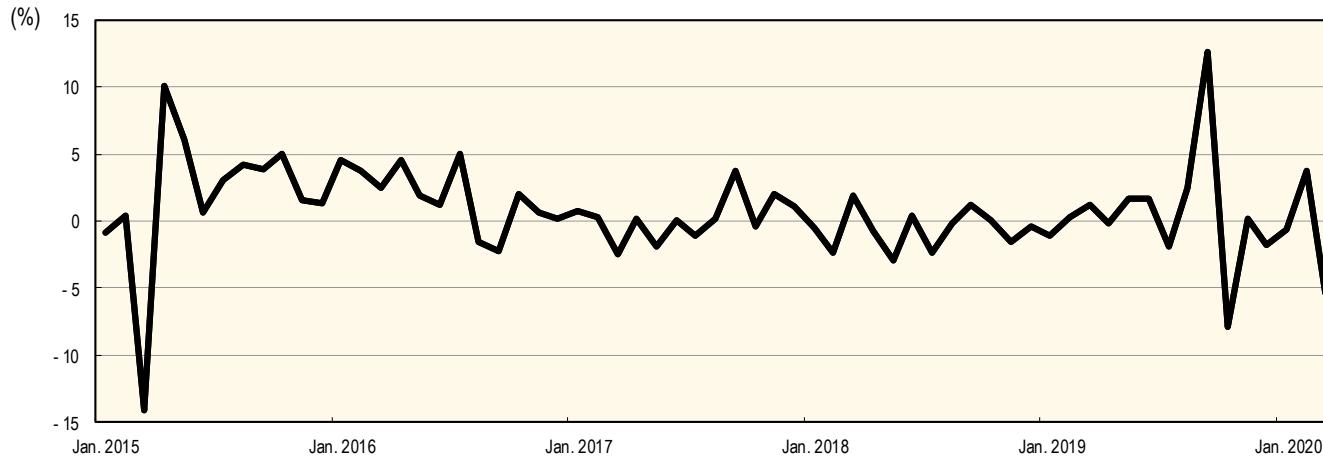


Source: West Japan Construction Surety Co., Ltd.

# Local Economic Trends (4)

Consumer spending - - - Weak due to the impact of COVID-19

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



Source: Chugoku Bureau of Economy, Trade and Industry

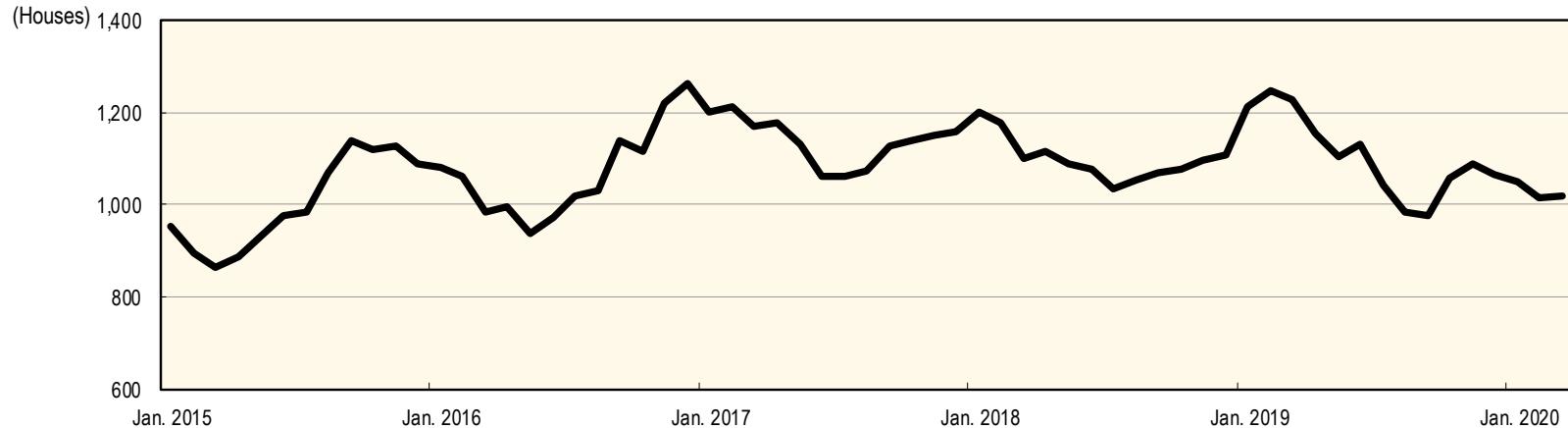
[New passenger car registration trend (including minicars; YoY)]



Source: Chugoku Transport & Tourism Bureau, Okayama branch

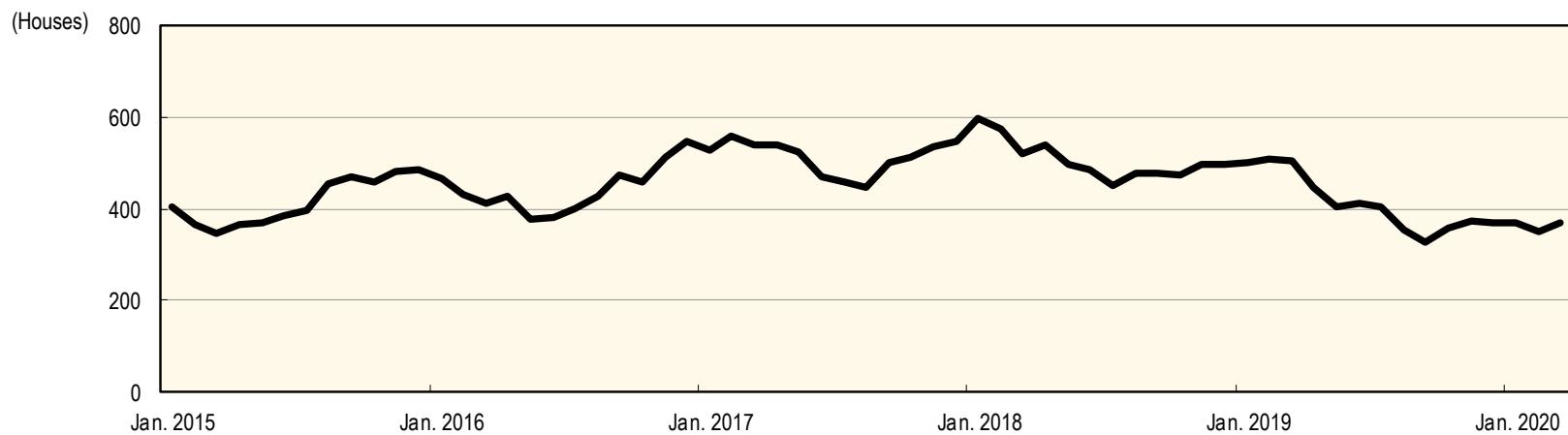
Housing investment - - - A weak trend continues reflecting uncertain prospects.

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



Source: MLIT

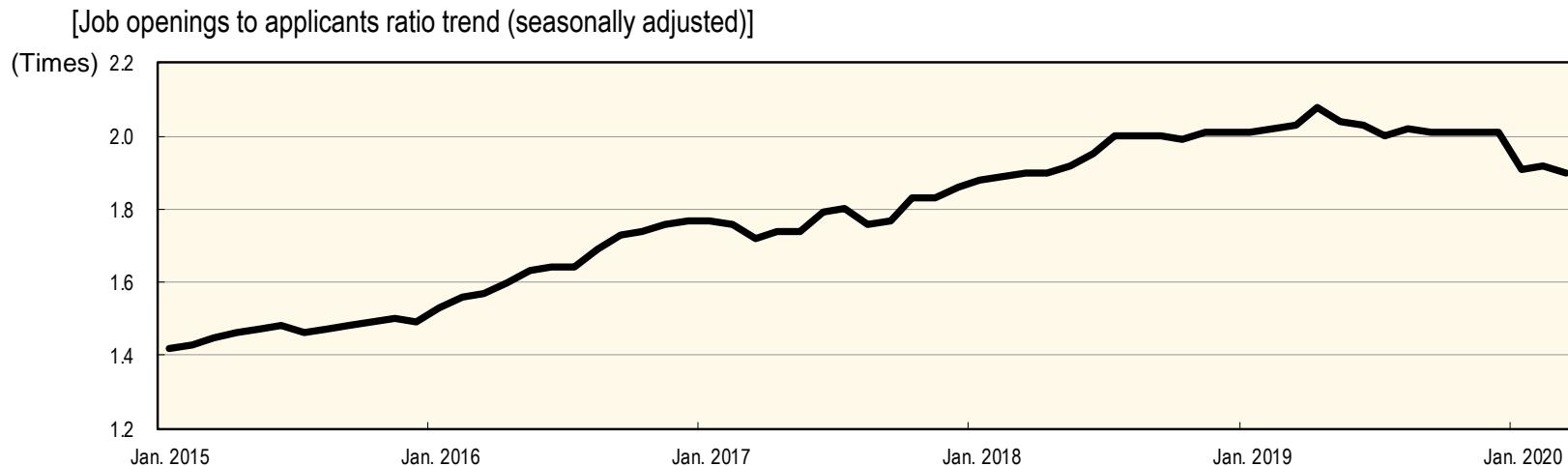
[Rental housing start trend (six-month moving average)]



Source: MLIT

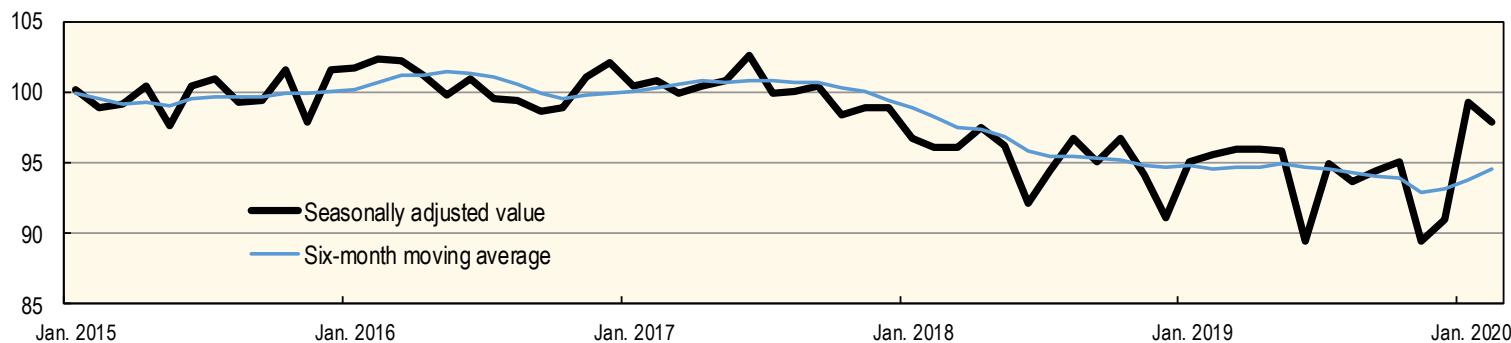
# Local Economic Trends (6)

Employment trends - - - The improvement trend paused temporarily due to the decrease in job offers.



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

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

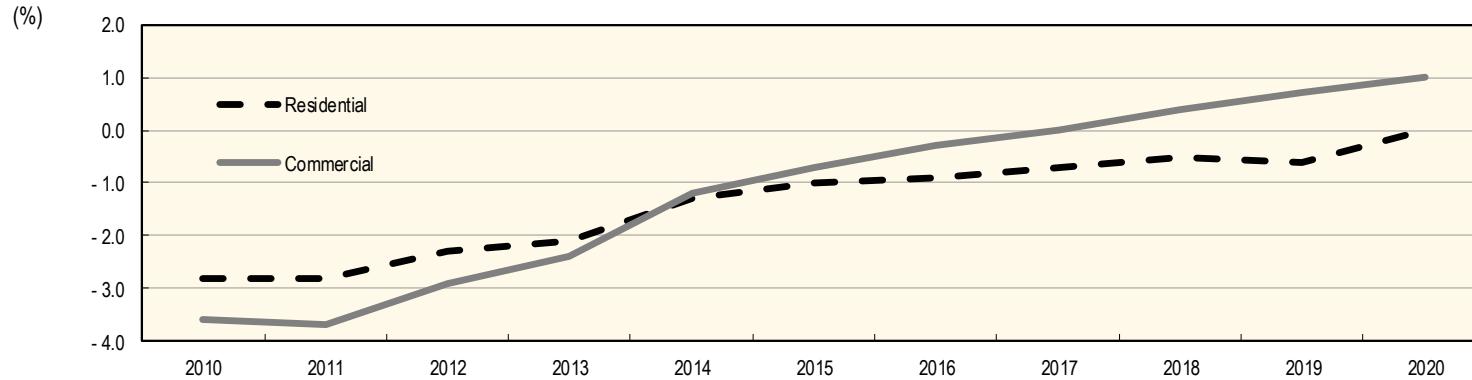


Source: Seasonally adjusted value calculated by the Okayama Economic Research Institute based on data from the Statistic Analysis Section of Okayama Prefecture

# Local Economic Trends (7)

Land prices - - - Commercial land prices rose for three consecutive years while the decline in residential land prices halted.

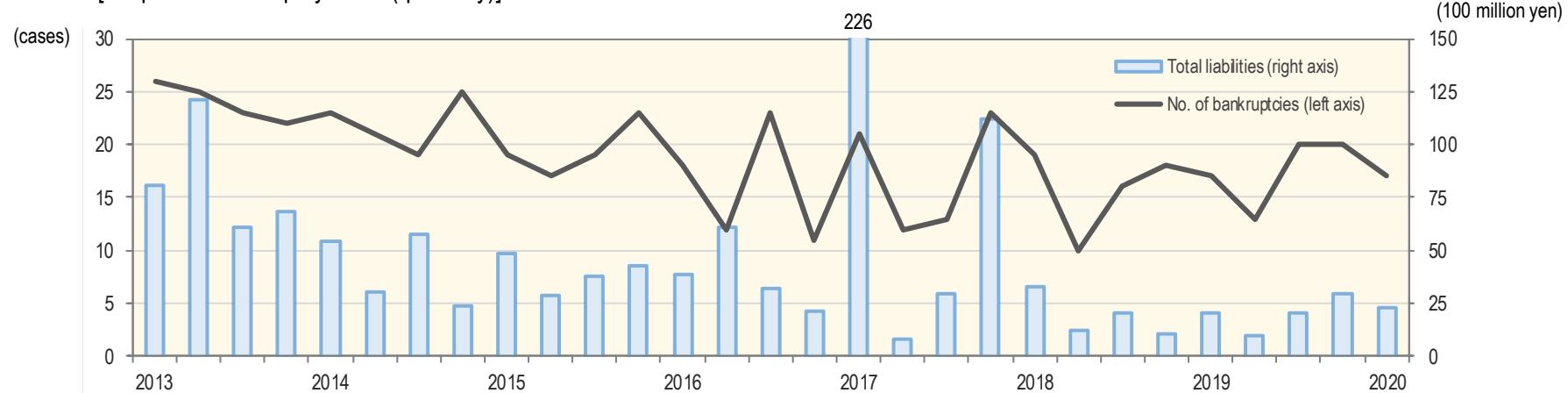
[Standard land price trend (YoY)]



Source: Hilly and Mountainous Areas Development Division, Okayama Prefecture

Corporate bankruptcies - - - Currently, limited growth in terms of both number of bankruptcies and value of liabilities

[Corporate bankruptcy trend (quarterly)]



Source: Okayama branch, Teikoku Databank

# Chugoku Bank's Management Indicators

# Profit and Loss Statement (1)

[Parent] (million yen)	FY2015 1H	FY2015	FY2016 1H	FY2016	FY2017 1H	FY2017	FY2018 1H	FY2018	FY2019 1H	FY2019
Ordinary revenue	58,723	113,236	58,634	125,036	57,586	116,499	57,415	113,461	56,143	110,829
Banking revenue	50,904	101,156	50,876	111,877	51,803	103,360	53,545	104,638	51,457	100,630
Extraordinary revenue	7,819	12,080	7,758	13,159	5,783	13,138	3,869	8,822	4,686	10,198
Ordinary expense	35,796	72,600	41,286	96,068	43,543	88,567	44,196	91,541	43,899	95,353
Banking expense	34,608	69,303	37,402	86,795	40,643	81,918	41,870	83,680	39,680	82,776
Extraordinary expense	1,187	3,297	3,883	9,272	2,900	6,649	2,325	7,860	4,219	12,577
Recurring profit	22,927	40,635	17,348	28,968	14,043	27,931	13,219	21,919	12,244	15,475
Banking income	16,303	31,866	13,478	25,090	11,164	21,451	11,679	20,965	11,780	17,860
Gross income	44,082	87,326	41,666	79,977	39,887	77,117	39,375	78,149	38,820	74,251
(Net interest income)	35,889	70,028	33,428	67,765	33,862	66,265	32,948	63,033	30,060	58,290
(Fees and commissions)	7,431	15,024	7,645	15,214	7,116	14,610	7,578	14,886	7,535	15,857
(Other banking income)	762	2,272	592	-3,002	-1,091	-3,757	-1,150	228	1,224	103
Expenses	27,779	55,459	28,187	54,886	28,723	55,666	27,232	54,211	27,397	54,010
General provisions for doubtful receivables	-	-	-	-	-	-	464	2,972	-358	2,380
Extraordinary gain	44	46	-	3	0	14	15	15	1	1
Extraordinary loss	177	394	126	466	143	209	143	289	298	627
Impairment loss	66	124	80	414	132	148	100	222	289	596
Income before income tax (1H)	22,794	40,288	17,222	28,505	13,900	27,736	13,090	21,645	11,946	14,849
Corporate, residential, and business taxes	6,101	11,006	4,110	8,688	2,964	7,218	3,056	6,758	3,261	4,326
Income tax adjustments	1,140	3,352	996	776	1,117	1,107	617	-451	270	-291
Net income (1H)	15,552	25,928	12,115	19,039	9,819	19,409	9,416	15,338	8,414	10,815

## [Consolidated]

Ordinary revenue	65,753	129,180	66,647	142,867	65,261	132,445	64,758	128,621	63,780	127,318
Recurring profit	24,262	43,440	18,473	31,605	15,385	30,922	14,012	23,696	12,943	17,463
Net income attributable to owners of the parent (1H)	16,094	27,252	12,590	20,323	10,566	21,258	9,713	16,199	8,644	11,916
Net income (1H)	16,211	27,522	12,745	20,627	10,566	21,258	9,713	16,199	8,644	11,916
Other comprehensive income	-25,610	-14,871	-4,307	-18,359	12,312	8,687	3,250	-11,164	6,805	-33,836
Valuation difference from other available-for-sale securities	-25,683	-4,798	-4,556	-19,641	11,431	6,403	763	-6,137	9,181	-30,699
Deferred hedge gains	46	-1,811	-344	675	222	1,087	1,966	-3,894	-2,703	-2,563
Comprehensive income (1H)	-9,398	12,650	8,437	2,268	22,879	29,946	12,963	5,035	15,450	-21,919

# Profit and Loss Statement (2)

[Parent] (million yen)	FY2015 1H	FY2015 1H	FY2016 1H	FY2016 1H	FY2017 1H	FY2017 1H	FY2018 1H	FY2018 1H	FY2019 1H	FY2019 1H
Bond related gains/losses	406	1,742	732	-2,038	-300	-2,481	-316	1,117	1,084	-524
Gain on bond sales, including JGBs	1,892	4,311	3,520	13,536	1,634	3,827	2,679	4,865	1,727	3,026
Gain on bond redemption, including JGBs	-	-	-	-	-	-	-	-	25	25
Loss on bond sales, including JGBs	1,485	2,568	2,788	15,575	1,901	6,308	2,895	3,622	668	3,526
Loss on bond redemption, including JGBs	-	-	-	-	-	-	-	-	-	-
Bond redemption, including JGBs	-	-	-	-	34	-	100	125	-	50
Equity-related gains/losses	2,696	3,349	945	4,379	456	4,437	335	1,495	456	73
Gain on equity sales	3,255	5,126	3,401	9,937	1,717	6,888	1,868	5,574	2,361	7,073
Loss on equity sales	540	1,586	1,666	2,928	1,261	2,450	1,529	4,075	1,643	4,596
Share redemption	18	190	789	2,628	-	-	3	3	260	2,403
Non-performing loan disposal	-2,659	-3,755	-2,716	-209	-2,632	-1,770	202	4,199	1,020	5,610
General provisions for doubtful receivables	-2,577	-3,652	-487	-104	-2,498	-1,753	464	2,972	-358	2,380
Individual provisions for doubtful accounts	-82	-209	-2,241	-187	-136	-25	-261	1,088	1,373	3,212
Loan write-offs	-	-	-	-	-	-	-	65	-	0
Loss on claim sales	0	106	11	81	1	8	-	74	5	18

# Ordinary Revenue Breakdown

[Parent] (million yen)	FY2015 1H	FY2015 1H	FY2016 1H	FY2016	FY2017 1H	FY2017	FY2018 1H	FY2018	FY2019 1H	FY2019
Ordinary revenue	58,723	113,236	58,634	125,036	57,586	116,499	57,415	113,461	56,143	110,829
Banking revenue	50,904	101,156	50,876	111,877	51,803	103,360	53,545	104,638	51,457	100,630
Net interest income	39,113	77,137	37,604	78,762	40,722	80,016	40,950	80,230	39,740	76,726
Lending rate	21,195	42,622	20,789	42,891	23,134	47,027	25,408	51,412	25,506	50,493
Securities interest rate	17,526	33,777	16,432	34,962	16,975	31,545	14,864	27,659	13,843	25,499
Call loan interest rate	56	77	73	307	299	813	361	521	82	153
Interest rate on bills bought	-	-	-	-	-	-	-	-	-	-
Gensaki transaction interest rate	-	-	-	-	-	-	-	-	-	-
Deposit interest rate	211	410	189	375	187	374	192	382	186	358
Foreign currency interest income	23	50	28	53	28	58	35	75	34	61
Financial swap interest income	-	-	-	-	-	-	-	-	-	-
Other interest income	99	199	90	172	97	196	88	179	86	159
Fees and commissions	9,502	19,173	9,735	19,439	9,276	18,911	9,757	19,175	9,709	20,217
Fee and commission income	2,844	5,737	2,853	5,712	2,818	5,669	2,811	5,635	2,822	5,625
Other fee and commission income	6,657	13,435	6,882	13,725	6,458	13,240	6,945	13,537	6,887	14,590
Trust fees	-	1	0	1	0	1	0	1	0	1
Other banking revenue	2,288	4,844	3,536	13,675	1,804	4,432	2,837	5,232	2,007	3,687
Gain on sale of bonds, including JGBs	1,892	4,311	3,520	13,536	1,634	3,827	2,679	4,865	1,727	3,026
Gain on sale of foreign currencies	-	24	-	-	-	-	-	-	-	411
Gain on sale of securities	-	-	14	9	-	-	0	-	-	-
Financial derivative revenue	394	506	-	126	168	603	-	-	136	37
Other	1	3	1	2	0	1	157	367	117	185
Extraordinary income	7,819	12,080	7,758	13,159	5,783	13,138	3,869	8,822	4,686	10,198
Gain on sale of equities	3,255	5,126	3,401	9,937	1,717	6,888	1,868	5,574	2,361	7,073
Gain on investment trusts	-	12	5	67	103	85	154	-	48	72
Reversal to provisions for doubtful receivables	2,659	3,861	2,728	291	2,634	1,778	-	-	-	-
Gain on non-performing loans recovered	0	0	12	12	5	5	0	0	3	3
Other	1,903	3,079	1,610	2,850	1,322	4,380	1,846	3,248	2,273	3,048

# Ordinary Expense Breakdown

[Parent] (million yen)	FY2015 1H	FY2015 1H	FY2016 1H	FY2016	FY2017 1H	FY2017	FY2018 1H	FY2018	FY2019 1H	FY2019
<b>Ordinary expenses</b>	<b>35,796</b>	<b>72,600</b>	<b>41,286</b>	<b>96,068</b>	<b>43,543</b>	<b>88,567</b>	<b>44,196</b>	<b>91,541</b>	<b>43,899</b>	<b>95,353</b>
Banking expenses	34,608	69,303	37,402	86,795	40,643	81,918	41,870	83,680	39,680	82,776
Interest expense	3,230	7,121	4,180	11,006	6,863	13,759	8,007	17,204	9,683	18,442
Expenses matching the amount of investment of money held in trust	6	13	4	9	3	9	4	7	3	6
Deposit interest	1,136	2,221	820	1,791	1,018	1,928	1,173	2,333	1,300	2,564
Negotiable certificates of deposit (NCD) interest	102	196	52	89	33	60	21	42	18	34
Call money interest	630	1,607	1,085	2,436	824	1,374	538	869	192	284
Interest on sales under agreement to repurchase	-	-	0	101	538	1,584	1,025	2,397	1,763	3,277
Securities lending transaction interest payable	384	1,134	889	2,354	943	1,474	325	594	263	658
Interest on commercial papers	-	-	-	48	336	779	395	1,100	566	920
Borrowed money interest payable	144	303	190	572	556	1,237	1,162	2,504	1,241	2,156
Foreign exchange interest payable	9	22	92	316	7	7	0	12	3	80
Financial swap interest payable	820	1,627	1,048	3,290	2,605	5,311	3,361	7,347	4,332	8,460
Other interest payable	1	8	0	6	0	0	3	1	0	5
Fees and commissions	2,071	4,149	2,090	4,225	2,159	4,301	2,178	4,288	2,174	4,359
Fees and commissions payable	441	883	454	902	463	919	474	932	466	916
Other fees and commissions payable	1,630	3,265	1,635	3,323	1,696	3,382	1,704	3,355	1,708	3,442
Other banking expenses	1,526	2,572	2,944	16,677	2,895	8,190	3,988	5,004	783	3,583
Loss on sale of bonds, including JGBs	1,485	2,568	2,788	15,575	1,901	6,308	2,895	3,622	668	3,526
Bond redemption, including JBGs	-	-	-	-	34	-	100	125	-	50
Loss on foreign exchange transactions	34	-	82	1,101	957	1,873	771	843	102	-
Loss on securities transactions	6	3	-	-	2	8	-	4	12	6
Financial derivative expenses	-	-	73	-	-	-	221	407	-	-
Other	-	-	-	-	-	-	-	-	-	-
General provisions for doubtful receivables	-	-	-	-	-	-	464	2,972	-358	2,380
Expenses	27,779	55,459	28,187	54,886	28,723	55,666	27,232	54,211	27,397	54,010
<b>Extraordinary expenses</b>	<b>1,187</b>	<b>3,297</b>	<b>3,883</b>	<b>9,272</b>	<b>2,900</b>	<b>6,649</b>	<b>2,325</b>	<b>7,860</b>	<b>4,219</b>	<b>12,577</b>
Individual provisions for doubtful accounts	-	-	-	-	-	-	-261	1,088	1,373	3,212
Redemption of loans and bills discounted	-	-	-	-	-	-	-	65	-	0
Loss on sale of equity	540	1,586	1,666	2,928	1,261	2,450	1,529	4,075	1,643	4,596
Equity redemption	18	190	789	2,628	-	-	3	3	260	2,403
Loss on money held in trust	106	182	98	88	0	118	14	104	14	63
Retirement expense	39	78	855	1,711	949	1,899	748	1,497	471	942
Other	482	1,259	473	1,914	688	2,179	290	1,026	456	1,358

# Expense Breakdown

[Parent] (million yen)	FY2015 1H	FY2015 1H	FY2016 1H	FY2016 1H	FY2017 1H	FY2017 1H	FY2018 1H	FY2018 1H	FY2019 1H	FY2019 1H
Expenses (1)	27,779	55,459	28,187	54,886	28,723	55,666	27,232	54,211	27,397	54,010
Personnel	14,879	29,758	14,903	29,553	14,702	28,910	13,953	27,834	14,164	28,204
Salaries	8,259	16,571	8,316	16,610	8,171	16,051	7,740	15,438	7,594	15,072
Bonuses	3,107	6,146	3,002	5,755	2,807	5,410	2,506	4,992	2,582	5,132
Retirement expenses	212	426	222	446	353	710	288	571	499	1,012
Social insurance	1,789	3,580	1,804	3,600	1,800	3,575	1,796	3,559	1,772	3,532
Temporary employment expense	1,511	3,035	1,557	3,140	1,569	3,162	1,621	3,272	1,715	3,454
Property expense	10,901	22,615	11,250	22,218	11,502	23,138	11,381	23,263	11,379	22,780
Depreciation	1,456	3,135	1,730	3,539	2,063	4,329	2,043	4,233	2,053	4,201
Land and building leasing expense	398	787	358	748	384	780	398	800	386	775
Machinery leasing expense	60	134	62	136	69	153	80	169	85	186
Outsourcing expense	1,294	2,592	1,361	2,727	1,393	2,755	1,333	2,607	1,264	2,521
Maintenance expense	107	224	109	207	107	224	136	305	127	277
Travel expense	104	207	102	194	104	213	100	202	105	200
Sales promotion expense	33	62	34	69	46	83	46	79	33	79
Deposit insurance premium	1,178	2,356	1,209	2,418	1,094	2,188	1,029	2,059	1,031	2,063
Miscellaneous expense	6,266	13,114	6,283	12,177	6,239	12,410	6,213	14,865	6,291	12,474
Taxes	1,999	3,085	2,033	3,114	2,518	3,617	1,896	3,114	1,853	3,025
Core business gross profit (2)	43,676	85,583	40,933	82,016	40,187	79,598	39,692	77,031	37,735	74,775
OHR (1)÷(2)	63.6%	64.8%	68.8%	66.9%	71.4%	69.9%	68.6%	70.3%	72.6%	72.2%

(%)		FY2015 1H	FY2015 1H	FY2016 1H	FY2016	FY2017 1H	FY2017	FY2018 1H	FY2018	FY2019 1H	FY2019
Total for all branches	1. Interest-earning asset yield	1.08	1.06	1.00	1.03	1.05	1.04	1.05	1.03	1.02	0.98
	Loan yield	1.11	1.09	1.00	1.01	1.02	1.03	1.08	1.08	1.06	1.04
	Securities yield	1.21	1.16	1.12	1.20	1.31	1.24	1.23	1.17	1.20	1.10
	Call loan yield	0.17	0.19	0.30	0.32	0.29	0.44	0.32	0.22	0.06	0.05
	Deposit yield (including NCD)	0.09	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.09
	2. Interest-bearing liabilities	0.09	0.10	0.11	0.14	0.18	0.18	0.21	0.22	0.25	0.24
	Deposit yield	0.04	0.03	0.02	0.02	0.03	0.03	0.03	0.03	0.03	0.03
	Call money yield	0.51	0.65	1.00	1.20	1.40	1.37	1.96	1.71	1.11	0.91
	Loan yield	0.17	0.17	0.23	0.34	0.60	0.65	1.32	1.49	1.85	1.77
	3. Expense ratio	0.91	0.91	0.89	0.87	0.88	0.86	0.80	0.80	0.80	0.79
4. Fundraising expense		0.90	0.90	0.88	0.88	0.94	0.91	0.92	0.94	0.96	0.94
5. Total net interest income (1-4)		0.18	0.16	0.12	0.15	0.11	0.13	0.13	0.09	0.06	0.04
Simple loan-deposit margin		1.07	1.06	0.98	0.99	0.99	1.00	1.05	1.05	1.03	1.01
Simple deposit-securities margin		1.17	1.13	1.10	1.18	1.28	1.21	1.20	1.14	1.17	1.07

(%)		FY2015 1H	FY2015 1H	FY2016 1H	FY2016	FY2017 1H	FY2017	FY2018 1H	FY2018	FY2019 1H	FY2019
Domestic banking operations	1. Interest-earning asset yield	0.96	0.94	0.86	0.84	0.81	0.80	0.80	0.77	0.74	0.71
	Loan yield	1.12	1.09	0.97	0.95	0.89	0.88	0.86	0.85	0.83	0.83
	Securities yield	1.03	0.97	0.94	0.96	1.03	1.00	1.03	0.95	0.92	0.82
	Call loan yield	0.13	0.13	-0.02	-0.02	-0.02	-0.01	-0.03	-0.03	-0.03	-0.03
	Deposit yield (including NCD)	0.09	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.09
	2. Interest-bearing liabilities	0.06	0.06	0.04	0.04	0.04	0.04	0.03	0.03	0.03	0.03
	Deposit yield	0.03	0.03	0.02	0.01	0.01	0.01	0.01	0.01	0.00	0.00
	Call money yield	0.05	0.06	-0.03	-0.03	-0.02	-0.04	-0.05	-0.06	-0.05	-0.04
	Loan yield	0.11	0.11	0.06	0.04	0.01	0.01	0.02	0.02	0.03	0.04
	3. Expense ratio	0.88	0.88	0.87	0.85	0.86	0.84	0.78	0.78	0.78	0.77
4. Fundraising expense		0.90	0.89	0.84	0.80	0.82	0.80	0.76	0.76	0.76	0.75
5. Total net interest income (1-4)		0.06	0.05	0.02	0.04	-0.01	0.00	0.04	0.01	-0.02	-0.04
Simple loan-deposit margin		1.09	1.06	0.95	0.94	0.88	0.87	0.85	0.84	0.83	0.83
Simple deposit-securities margin		1.00	0.94	0.92	0.95	1.02	0.99	1.02	0.94	0.92	0.82

# Major Accounts (year-end balance) Assets

(100 million yen)	FY2015 1H	FY2015 1H	FY2016 1H	FY2016	FY2017 1H	FY2017	FY2018 1H	FY2018	FY2019 1H	FY2019
Total assets	73,908	77,701	82,481	82,554	82,991	84,395	83,679	82,257	83,579	81,136
Interest-earning assets	68,344	72,100	74,626	73,673	75,527	75,209	75,871	73,224	75,272	73,911
Loans	38,610	40,365	42,173	44,003	45,607	46,761	47,300	48,087	47,847	49,097
Securities	28,773	31,073	30,347	27,146	27,439	26,208	25,074	23,949	24,587	23,451
Securities products	23	19	20	23	18	18	19	23	23	13
Money in trust	198	200	199	150	150	250	201	180	180	230
Deposits (excluding non-interest bearing portion)	52	53	112	102	141	167	165	135	154	100
Call loans	405	74	1,457	1,905	1,743	1,412	2,614	396	2,091	598
Debt purchased	198	206	222	215	261	271	268	295	258	230
Foreign exchange	81	107	76	64	59	79	107	90	93	119
Cash collateral paid	-	-	14	61	101	41	119	65	34	69
(Interest-earnings assets)	68,145	71,900	74,427	73,523	75,376	74,959	75,669	73,044	75,091	73,681
Cash and deposits (non-interest bearing)	4,818	4,815	6,912	7,953	6,403	7,609	6,621	7,497	6,715	5,662
Tangible fixed assets	426	431	427	413	405	396	392	388	382	380
Intangible fixed assets	48	60	68	74	65	58	51	44	37	30
Other assets	355	332	461	446	550	1,094	703	1,118	1,167	1,170
Deferred tax assets	-	-	-	-	-	-	-	-	-	22
Guarantee endorsements	308	328	321	340	351	340	347	324	346	334
Provisions for doubtful receivables	-392	-367	-336	-347	-311	-314	-306	-341	-342	-375

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



(100 million yen)	FY2015 1H	FY2015 1H	FY2016 1H	FY2016 1H	FY2017 1H	FY2017 1H	FY2018 1H	FY2018 1H	FY2019 1H	FY2019 1H
Total liabilities and net assets	73,908	77,701	82,481	82,554	82,991	84,395	83,679	82,257	83,579	81,136
Total liabilities	69,032	72,585	77,334	77,526	77,774	79,161	78,350	77,021	78,224	76,174
Interest-bearing liabilities	67,912	71,385	76,136	76,370	76,496	77,624	76,958	75,499	76,571	74,750
Deposits	58,113	60,114	59,545	62,018	61,693	64,236	63,831	66,399	64,751	67,116
Negotiable certificates of deposit (NCD)	2,568	1,847	3,025	2,229	3,038	2,224	3,562	1,783	2,991	2,044
Call money	1,799	2,500	1,722	1,492	720	579	366	187	150	300
Sales under agreement to repurchase account	-	-	-	215	1,582	715	782	1,250	1,559	1,247
Payables under Securities Lending Transactions	3,475	5,157	10,369	8,323	6,911	7,472	6,229	3,772	5,601	2,171
Commercial paper	-	-	-	242	517	461	487	487	365	326
Borrowed money	1,951	1,762	1,461	1,818	2,014	1,885	1,656	1,559	1,075	1,480
Foreign exchange	3	1	2	1	2	2	1	17	7	2
Cash collateral received	-	-	8	27	6	31	16	14	36	28
(Expenses matching the amount of investment of money held in trust)	198	200	199	150	150	250	201	180	180	230
(Fund procurement account)	67,713	71,185	75,937	76,220	76,345	77,374	76,757	75,319	76,391	74,520
Other liabilities	433	426	449	464	518	803	645	862	947	993
Retirement provision	221	209	204	200	198	195	188	185	179	75
Other provision	24	24	24	23	21	25	23	23	20	19
Deferred tax liabilities	131	209	195	126	186	169	187	125	158	-
Acceptances and guarantees	308	328	321	340	351	340	347	324	346	334
Total net assets	4,876	5,116	5,146	5,028	5,217	5,234	5,329	5,235	5,355	4,962
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	3,831	3,915	4,017	4,067	4,074	4,151	4,226	4,266	4,328	4,331
Treasury stock (-)	46	79	98	121	54	74	84	94	96	96
Valuation difference on other securities	922	1,130	1,080	925	1,038	989	999	934	1,023	625
Gain/loss on deferred hedges	-49	-67	-71	-60	-58	-49	-30	-88	-115	-114
Warrants	2	3	3	3	2	2	2	3	1	1

# Major Accounts (average balance) Assets

(100 million yen)	FY2015 1H	FY2015 1H	FY2016 1H	FY2016	FY2017 1H	FY2017	FY2018 1H	FY2018	FY2019 1H	FY2019
Total assets	73,666	74,501	78,330	79,899	80,719	80,986	81,574	81,554	81,738	82,160
Interest-earning assets	71,932	72,629	75,074	76,580	76,924	77,056	77,507	77,484	77,602	78,167
Loans	37,881	38,748	41,310	42,324	44,859	45,518	46,907	47,344	47,780	48,116
Securities	28,688	28,950	29,042	29,030	25,747	25,311	23,939	23,456	22,963	23,049
Securities products	22	22	20	22	19	19	26	21	23	21
Money in trust	199	199	199	199	150	210	249	209	180	179
Deposits (excluding non-interest bearing portion)	4,220	4,048	3,713	3,719	3,727	3,735	3,741	3,718	3,678	3,663
Call loans	645	392	483	947	2,014	1,822	2,198	2,292	2,615	2,796
Debt purchased	176	160	144	149	175	182	187	191	206	189
Foreign exchange	97	107	157	156	137	157	171	168	107	99
Cash collateral paid	-	-	2	29	85	100	85	80	47	50
(Interest-earnings assets)	71,732	72,430	74,874	76,380	76,774	76,846	77,257	77,274	77,422	77,987
Cash and deposits (non-interest bearing)	863	954	2,309	2,297	2,486	2,616	2,779	2,763	2,740	2,546
Tangible fixed assets	434	438	438	441	415	416	399	402	392	395
Intangible fixed assets	42	47	64	67	72	71	58	57	44	43
Other assets	226	245	224	284	578	570	580	595	736	780
Deferred tax assets	281	275	247	243	240	234	229	226	234	233
Guarantee endorsements	314	321	329	332	345	347	332	335	324	336
Provisions for doubtful receivables	-428	-411	-358	-347	-343	-328	-311	-312	-336	-343

# Major Accounts (average balance) Liabilities & Net Assets



(100 million yen)	FY2015 1H	FY2015 1H	FY2016 1H	FY2016	FY2017 1H	FY2017	FY2018 1H	FY2018	FY2019 1H	FY2019
Total liabilities and net assets	73,666	74,501	78,330	79,899	80,719	80,986	81,574	81,554	81,738	82,160
Total liabilities	69,768	70,530	74,267	75,767	76,598	76,804	77,306	77,236	77,341	77,731
Interest-bearing liabilities	68,864	69,544	73,384	74,784	75,590	75,748	76,227	76,165	76,445	76,840
Deposits	58,260	58,350	59,937	60,078	61,560	61,694	63,475	63,620	64,997	65,295
Negotiable certificates of deposit (NCD)	2,621	2,512	2,909	2,965	2,916	2,883	3,712	3,535	3,052	2,964
Call money	2,434	2,457	2,157	2,016	1,167	999	547	505	344	311
Sales under agreement to repurchase	-	-	0	111	753	1,011	903	978	1,360	1,415
Payables under Securities Lending Transactions	3,861	4,495	6,747	7,913	6,839	6,739	5,432	5,365	4,842	5,174
Commercial paper	-	-	-	41	487	498	376	445	450	395
Borrowed money	1,681	1,724	1,625	1,649	1,846	1,897	1,746	1,673	1,334	1,216
Foreign exchange	3	2	1	1	3	3	3	4	5	5
Cash collateral received	-	-	3	3	11	14	9	13	28	28
(Expenses matching the amount of investment of money held in trust)	199	199	199	199	150	210	249	209	180	179
(Fund procurement account)	68,664	69,345	73,184	74,584	75,440	75,538	75,978	75,956	76,265	76,660
Other liabilities	343	423	328	428	447	494	534	527	371	360
Retirement provision	228	222	206	204	198	197	191	189	183	179
Other provision	15	15	16	17	15	14	20	18	16	14
Deferred tax liabilities	-	-	-	-	-	-	-	-	-	-
Acceptances and guarantees	314	321	329	332	345	347	332	335	324	336
Total net assets	3,898	3,971	4,063	4,131	4,120	4,182	4,268	4,317	4,396	4,429
Capital	151	151	151	151	151	151	151	151	151	151
Surplus capital	62	62	62	62	27	44	62	62	62	62
Retained earnings	3,713	3,795	3,925	4,002	4,016	4,047	4,121	4,175	4,266	4,300
Treasury stock (-)	42	52	90	99	88	75	81	84	95	95
Valuation difference on other securities	11	11	12	11	11	11	11	10	10	9
Gain/loss on deferred hedges	-0	-0	-0	-0	-0	-0	-0	-0	-1	-1
Warrants	2	2	3	3	3	2	2	2	2	2

# Deposits (year-end balance)

(100 million yen)	FY2015 1H	FY2015 1H	FY2016 1H	FY2016 1H	FY2017 1H	FY2017 1H	FY2018 1H	FY2018 1H	FY2019 1H	FY2019 1H	
Okayama	44,251	46,194	45,465	47,052	46,850	49,026	48,864	50,953	49,712	51,863	
	Private portion	34,305	34,845	34,807	35,313	35,832	36,311	37,072	37,347	37,610	38,327
	Corporate portion	8,480	8,870	8,989	9,314	9,657	10,043	10,140	10,485	10,425	10,507
Hiroshima	8,055	8,101	8,172	8,762	8,534	8,533	8,634	9,144	8,644	9,043	
	Private portion	5,544	5,519	5,514	5,569	5,584	5,604	5,633	5,627	5,649	5,743
	Corporate portion	2,414	2,466	2,528	2,614	2,858	2,794	2,838	2,862	2,908	2,935
Kagawa, Ehime	3,928	3,992	3,952	4,029	4,022	4,141	4,074	4,020	3,968	4,054	
	Private portion	2,804	2,792	2,764	2,763	2,766	2,765	2,759	2,736	2,717	2,719
	Corporate portion	1,114	1,154	1,177	1,220	1,253	1,338	1,312	1,249	1,248	1,303
Hyogo	1,017	1,044	1,068	1,089	1,136	1,130	1,159	1,152	1,132	1,166	
	Private portion	624	627	624	636	640	637	642	630	622	625
	Corporate portion	381	405	438	451	495	492	516	521	509	540
Tottori	105	105	106	114	119	129	120	123	133	128	
	Private portion	51	49	50	49	50	51	52	51	52	51
	Corporate portion	53	55	55	64	68	78	67	71	81	76
Osaka	236	217	216	237	241	211	264	229	253	212	
	Private portion	67	65	64	72	67	68	69	69	70	71
	Corporate portion	167	150	150	163	172	142	193	158	182	139
Tokyo	199	133	176	137	136	188	194	131	188	128	
	Private portion	70	70	71	69	67	66	65	62	61	57
	Corporate portion	126	59	102	66	67	119	127	66	124	68
Total domestic branches (before reconciliation of transit items)	57,794	59,789	59,158	61,422	61,042	63,361	63,310	65,755	64,033	66,596	
Total for private portion	43,469	43,971	43,897	44,476	45,010	45,504	46,294	46,526	46,783	47,597	
Total for corporate portion	12,737	13,163	13,441	13,895	14,572	15,009	15,194	15,415	15,478	15,572	
Overseas branches	321	325	388	597	653	877	521	644	717	519	
Total deposits	58,113	60,114	59,545	62,018	61,693	64,236	63,831	66,399	64,751	67,116	
Liquidity	37,071	39,260	39,035	41,644	41,224	44,590	44,332	47,261	45,646	48,186	
Time deposits	21,042	20,853	20,510	20,374	20,469	19,646	19,499	19,137	19,105	18,929	
Domestic banking	57,153	59,187	58,569	60,869	60,433	62,671	62,564	65,120	63,406	65,999	
International banking	960	926	976	1,149	1,260	1,565	1,267	1,278	1,344	1,116	

# Deposits (average balance)

(100 million yen)	FY2015 1H	FY2015 1H	FY2016 1H	FY2016 1H	FY2017 1H	FY2017 1H	FY2018 1H	FY2018 1H	FY2019 1H	FY2019 1H
Okayama	44,458	44,544	45,887	45,766	46,806	47,003	48,589	48,754	50,008	50,166
	Private portion	34,483	34,599	34,963	35,082	35,697	35,981	36,755	37,054	37,681
	Corporate portion	8,469	8,541	8,989	9,014	9,442	9,464	9,958	9,927	10,354
Hiroshima	8,089	8,070	8,196	8,224	8,427	8,429	8,643	8,638	8,688	8,721
	Private portion	5,577	5,565	5,522	5,533	5,579	5,596	5,619	5,628	5,647
	Corporate portion	2,408	2,414	2,510	2,534	2,736	2,736	2,828	2,825	2,918
Kagawa, Ehime	4,001	3,977	3,969	3,992	4,050	4,064	4,073	4,053	4,025	4,022
	Private portion	2,828	2,817	2,780	2,772	2,762	2,765	2,760	2,754	2,739
	Corporate portion	1,167	1,153	1,181	1,210	1,284	1,294	1,310	1,296	1,283
Hyogo	978	1,005	1,042	1,054	1,115	1,116	1,141	1,141	1,124	1,130
	Private portion	623	625	626	627	637	638	637	636	626
	Corporate portion	348	371	408	420	477	476	503	503	497
Tottori	101	101	103	105	114	116	126	124	125	126
	Private portion	53	51	50	50	50	50	52	51	51
	Corporate portion	47	48	52	55	63	64	73	71	73
Osaka	195	200	213	215	218	220	233	241	227	231
	Private portion	68	67	65	67	69	68	68	68	70
	Corporate portion	126	132	147	147	148	150	164	171	157
Tokyo	186	177	193	185	163	155	157	149	140	144
	Private portion	70	70	71	70	68	67	66	65	62
	Corporate portion	114	105	119	112	92	85	88	82	75
Total domestic branches	58,008	58,076	59,606	59,546	60,896	61,107	62,963	63,104	64,340	64,546
Total for private portion	43,701	43,796	44,080	44,205	44,865	45,171	45,960	46,261	46,878	47,135
Total for corporate portion	12,680	12,766	13,410	13,497	14,246	14,276	14,925	14,879	15,361	15,441
Overseas branches	252	274	330	531	664	587	512	515	656	749
Total deposits	58,260	58,350	59,937	60,078	61,560	61,694	63,475	63,620	64,997	65,295
Liquidity	37,274	37,412	39,274	39,405	41,059	41,781	43,848	44,152	45,766	46,177
Time deposits	20,986	20,938	20,663	20,672	20,500	19,913	19,627	19,467	19,230	19,118
Domestic banking	57,399	57,458	59,009	58,956	60,277	60,486	62,216	62,397	63,717	63,922
International banking	861	892	928	1,122	1,282	1,208	1,259	1,223	1,279	1,373

# Loans (year-end balance)

(100 million yen)		FY2015 1H	FY2015 1H	FY2016 1H	FY2016	FY2017 1H	FY2017	FY2018 1H	FY2018	FY2019 1H	FY2019
	General capital	33,669	35,298	37,059	38,930	40,332	41,543	42,098	42,982	42,811	44,087
Scale	Large-scale companies	8,001	8,431	8,869	8,869	8,251	7,919	7,778	7,754	7,411	7,659
	Medium-scale companies	1,420	1,427	1,477	1,499	1,661	1,710	1,672	1,665	1,456	1,486
	Small-scale companies	16,258	17,389	18,568	20,309	22,067	23,426	24,044	24,754	24,941	25,772
	Private individuals	7,988	8,050	8,144	8,252	8,352	8,486	8,602	8,807	9,002	9,168
	Government and municipal loans	4,792	4,908	4,985	4,904	5,108	5,017	4,962	4,882	4,804	4,758
	State and local public works groups	4,726	4,836	4,932	4,847	5,067	4,979	4,939	4,860	4,793	4,745
	Local public corporations	66	71	53	57	40	38	23	21	11	12
	Total loans by domestic branches	38,461	40,206	42,045	43,835	45,440	46,561	47,061	47,864	47,616	48,845
Region	Okayama	19,842	21,166	22,441	24,003	25,305	25,973	26,423	26,911	26,808	27,667
	Hiroshima	6,726	6,924	7,162	7,415	7,671	7,935	8,128	8,408	8,503	8,583
	Kagawa, Ehime	2,602	2,766	2,839	2,985	3,097	3,241	3,236	3,351	3,362	3,391
	Hyogo	1,705	1,873	1,996	2,102	2,295	2,513	2,623	2,699	2,664	2,748
	Tottori	270	278	296	297	315	341	341	357	365	363
	Osaka	1,162	1,175	1,286	1,313	1,228	1,120	1,129	1,051	1,033	1,013
	Tokyo	6,151	6,022	6,020	5,717	5,525	5,433	5,177	5,084	4,879	5,077
	Loan liabilities	-	-	-	-	-	-	-	-	-	-
	Overseas branches	149	158	128	168	166	200	239	222	230	252
	Total loans	38,610	40,365	42,173	44,003	45,607	46,761	47,300	48,087	47,847	49,097

# Loans (average balance)

(100 million yen)		FY2015	FY2015	FY2016	FY2016	FY2017	FY2017	FY2018	FY2018	FY2019	FY2019
		1H		1H		1H		1H		1H	
General capital	Local development	33,084	33,908	36,191	37,230	39,604	40,295	41,680	42,194	42,744	43,113
	Type	16,382	16,832	17,746	18,132	18,840	19,237	20,043	20,381	20,819	21,008
	Urban	6,885	7,040	7,217	7,170	6,857	6,699	6,289	6,210	5,827	5,844
	Private loans	9,433	9,501	9,762	9,873	10,375	10,514	10,894	11,006	11,335	11,419
	Housing loan portion	7,472	7,487	7,507	7,542	7,655	7,668	7,738	7,783	7,975	8,040
	Other	383	532	1,464	2,055	3,531	3,843	4,454	4,597	4,762	4,845
	Government and municipal loans	4,636	4,688	4,984	4,952	5,082	5,055	4,999	4,932	4,818	4,770
	State and local public works groups	4,569	4,620	4,929	4,898	5,042	5,014	4,973	4,907	4,805	4,757
	Local public corporations	67	67	54	53	39	40	25	24	13	12
	Total loans by domestic branches	37,720	38,596	41,175	42,182	44,686	45,350	46,679	47,126	47,563	47,883
Region	Okayama	19,533	20,021	21,812	22,607	24,665	25,181	26,114	26,381	26,741	26,967
	Hiroshima	6,626	6,733	7,008	7,168	7,517	7,652	8,014	8,167	8,444	8,485
	Kagawa, Ehime	2,582	2,639	2,781	2,832	3,028	3,086	3,216	3,254	3,356	3,375
	Hyogo	1,689	1,753	1,943	1,992	2,193	2,290	2,571	2,625	2,686	2,701
	Tottori	270	274	288	295	306	317	337	345	360	363
	Osaka	1,087	1,134	1,288	1,306	1,280	1,229	1,119	1,116	1,026	1,019
	Tokyo	5,930	6,038	6,053	5,980	5,694	5,593	5,305	5,234	4,947	4,970
Loan liabilities		-	-	-	-	-	-	-	-	-	-
Overseas branches		160	152	135	141	173	167	227	218	216	233
Total loans		37,881	38,748	41,310	42,324	44,859	45,518	46,907	47,344	47,780	48,116

# Loans by Industry (year-end balance)

(100 million yen)	FY2015 1H	FY2015 1H	FY2016 1H	FY2016	FY2017 1H	FY2017	FY2018 1H	FY2018	FY2019 1H	FY2019
Domestic branches	38,461	40,206	42,045	43,835	45,440	46,561	47,061	47,864	47,616	48,845
Manufacturing	6,845	7,108	6,977	6,911	6,663	7,003	6,655	6,757	6,443	6,731
Agriculture, forestry	30	29	29	34	44	60	61	71	87	90
Fishing	13	11	17	25	46	45	36	32	34	27
Mining, stone, sand	24	22	22	21	20	21	20	21	21	20
Construction	1,119	1,159	1,140	1,214	1,194	1,296	1,221	1,304	1,210	1,280
Electric power, gas, heat supply, water	861	965	1,205	1,392	1,700	1,860	2,014	2,087	2,203	2,451
Information and communications	281	294	292	301	301	232	206	202	190	184
Transport, postal	1,362	1,460	1,602	1,719	1,939	2,036	2,095	2,171	2,093	2,163
Wholesale, retail	4,848	5,105	5,089	5,106	5,077	5,124	5,217	5,259	5,232	5,377
Financial, insurance	1,686	1,964	2,801	3,474	3,892	3,810	3,975	3,856	3,699	3,856
Real estate, goods leasing	4,760	4,917	5,374	5,623	6,041	6,387	6,539	6,672	6,914	7,007
Public corporations	66	71	53	57	40	38	23	21	11	12
Other	4,693	4,845	5,320	5,566	6,001	6,349	6,516	6,650	6,902	6,994
Various services	2,510	2,693	2,788	2,966	3,035	3,200	3,201	3,196	3,169	3,149
Public organizations	4,726	4,836	4,932	4,847	5,067	4,979	4,939	4,860	4,793	4,745
Other	9,389	9,637	9,770	10,195	10,414	10,502	10,875	11,371	11,523	11,758
Housing loans	7,563	7,588	7,637	7,672	7,683	7,736	7,790	7,930	8,082	8,213
Overseas branches + Offshore loans	149	158	128	168	166	200	239	222	230	252
Total	38,610	40,365	42,173	44,003	45,607	46,761	47,300	48,087	47,847	49,097

# Loans by Industry (percentage)

	FY2015 1H	FY2015 1H	FY2016 1H	FY2016 1H	FY2017 1H	FY2017 1H	FY2018 1H	FY2018 1H	FY2019 1H	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	17.8%	17.7%	16.6%	15.8%	14.7%	15.0%	14.1%	14.1%	13.5%	13.8%
Agriculture, forestry	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.2%	0.2%
Fishing	0.0%	0.0%	0.0%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Mining, stone, sand	0.1%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Construction	2.9%	2.9%	2.7%	2.8%	2.6%	2.8%	2.6%	2.7%	2.5%	2.6%
Electric power, gas, heat supply, water	2.2%	2.4%	2.9%	3.2%	3.7%	4.0%	4.3%	4.4%	4.6%	5.0%
Information and communications	0.7%	0.7%	0.7%	0.7%	0.7%	0.5%	0.4%	0.4%	0.4%	0.4%
Transport, postal	3.5%	3.6%	3.8%	3.9%	4.3%	4.4%	4.5%	4.5%	4.4%	4.4%
Wholesale, retail	12.6%	12.7%	12.1%	11.6%	11.2%	11.0%	11.1%	11.0%	11.0%	11.0%
Financial, insurance	4.4%	4.9%	6.7%	7.9%	8.6%	8.2%	8.4%	8.1%	7.8%	7.9%
Real estate, goods leasing	12.4%	12.2%	12.8%	12.8%	13.3%	13.7%	13.9%	13.9%	14.5%	14.3%
Public corporations	0.2%	0.2%	0.1%	0.1%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%
Other	12.2%	12.1%	12.7%	12.7%	13.2%	13.6%	13.8%	13.9%	14.5%	14.3%
Various services	6.5%	6.7%	6.6%	6.8%	6.7%	6.9%	6.8%	6.7%	6.7%	6.4%
Public organizations	12.3%	12.0%	11.7%	11.1%	11.2%	10.7%	10.5%	10.2%	10.1%	9.7%
Other	24.4%	24.0%	23.2%	23.3%	22.9%	22.6%	23.1%	23.8%	24.2%	24.1%
Housing loans	19.7%	18.9%	18.2%	17.5%	16.9%	16.6%	16.6%	16.6%	17.0%	16.8%

# Share of Total Deposits

[Year-end balance] (%)		FY2015 1H	FY2015 1H	FY2016 1H	FY2016 1H	FY2017 1H	FY2017 1H	FY2018 1H	FY2018 1H	FY2019 1H	FY2019 1H
Okayama	Chugoku Bank	47.7	48.4	48.2	48.4	48.0	48.6	48.9	49.4	49.2	49.8
	Other than Chugoku Bank	52.3	51.6	51.8	51.6	52.0	51.4	51.1	50.6	50.8	50.2
	Local banks other than Chugoku Bank	8.4	8.1	8.1	8.1	7.9	7.8	7.5	7.8	7.7	7.7
	Secondary local banks	11.8	11.9	11.7	11.7	11.7	11.5	11.7	11.5	11.5	11.5
	City banks, trust banks	11.0	10.8	11.2	11.4	11.8	11.9	11.2	10.7	10.9	10.6
	Shinkin banks, investment association, etc.	21.1	20.8	20.8	20.4	20.6	20.3	20.5	20.5	20.7	20.4
Bingo region (Eastern region of Hiroshima)	Chugoku Bank	21.0	20.6	21.3	21.3	20.5	20.0	21.5	21.5	20.0	20.9
	Other than Chugoku Bank	79.0	79.4	78.7	78.7	79.5	80.0	78.5	78.5	80.0	79.1
	Local banks other than Chugoku Bank	40.1	40.9	40.0	40.2	40.7	41.2	39.8	40.3	41.4	41.3
	Secondary local banks	11.9	11.9	11.8	11.9	11.8	12.0	11.9	11.7	11.7	11.5
	City banks, trust banks	12.0	11.9	12.2	12.1	12.2	12.2	11.9	11.9	11.9	11.7
	Shinkin banks, investment association, etc.	15.0	14.7	14.7	14.5	14.8	14.6	14.8	14.5	15.0	14.5
Shikoku region	Chugoku Bank	7.7	7.7	7.8	7.7	7.7	7.7	7.6	7.4	7.3	7.4
	Other than Chugoku Bank	92.3	92.3	92.2	92.3	92.3	92.3	92.4	92.6	92.7	92.6
	Local banks other than Chugoku Bank	51.8	52.3	52.1	52.1	51.9	52.3	51.7	51.9	51.8	52.0
	Secondary local banks	17.2	17.1	17.2	17.1	17.3	17.2	17.5	17.7	17.7	17.6
	City banks, trust banks	10.9	10.7	10.4	10.8	10.8	10.8	10.8	10.8	10.8	10.6
	Shinkin banks, investment association, etc.	12.4	12.2	12.5	12.3	12.3	12.0	12.2	12.2	12.4	12.3

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

Note 2: Excluding offshore loans. Including our NCDs.

# Share of Total Loans

[Year-end balance] (%)		FY2015 1H	FY2015 1H	FY2016 1H	FY2016	FY2017 1H	FY2017	FY2018 1H	FY2018	FY2019 1H	FY2019
Okayama	Chugoku Bank	38.8	39.7	41.0	42.1	42.9	43.0	43.1	43.0	42.6	42.8
	Other than Chugoku Bank	61.2	60.3	59.0	57.9	57.1	57.0	56.9	57.0	57.4	57.2
	Local banks other than Chugoku Bank	17.8	17.7	17.4	17.2	17.2	17.3	17.3	17.5	17.6	17.8
	Secondary local banks	17.8	17.5	17.4	17.3	17.4	17.3	17.4	17.3	17.2	16.9
	City banks, trust banks	9.7	9.8	9.2	8.8	8.1	8.2	8.0	8.1	8.4	8.8
	Shinkin banks, investment association, etc.	15.9	15.3	15.0	14.6	14.4	14.3	14.2	14.1	14.2	13.8
Bingo region (Eastern region of Hiroshima)	Chugoku Bank	23.1	22.8	23.0	22.8	22.8	22.7	22.5	22.8	22.6	22.1
	Other than Chugoku Bank	76.9	77.2	77.0	77.2	77.2	77.3	77.5	77.2	77.4	77.9
	Local banks other than Chugoku Bank	43.7	43.1	43.0	43.0	43.2	43.1	43.1	42.9	42.8	43.6
	Secondary local banks	13.7	14.1	14.3	14.7	15.1	15.3	15.0	15.1	14.8	14.7
	City banks, trust banks	7.8	8.8	8.7	8.7	8.2	8.3	8.7	8.6	9.1	9.3
	Shinkin banks, investment association, etc.	11.7	11.2	11.0	10.8	10.7	10.6	10.7	10.6	10.7	10.4
Shikoku region	Chugoku Bank	9.7	10.2	10.5	10.6	11.2	11.3	11.3	11.5	11.5	11.5
	Other than Chugoku Bank	90.3	89.8	89.5	89.4	88.8	88.7	88.7	88.5	88.5	88.5
	Local banks other than Chugoku Bank	50.3	50.5	50.3	49.9	49.6	49.9	49.4	49.6	48.9	49.2
	Secondary local banks	17.2	17.5	17.9	17.8	18.2	17.9	18.2	17.8	17.7	17.7
	City banks, trust banks	11.7	10.9	10.4	11.2	10.3	10.3	10.3	10.1	11.0	10.5
	Shinkin banks, investment association, etc.	11.1	10.9	10.9	10.5	10.7	10.5	10.9	10.8	10.9	11.1

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

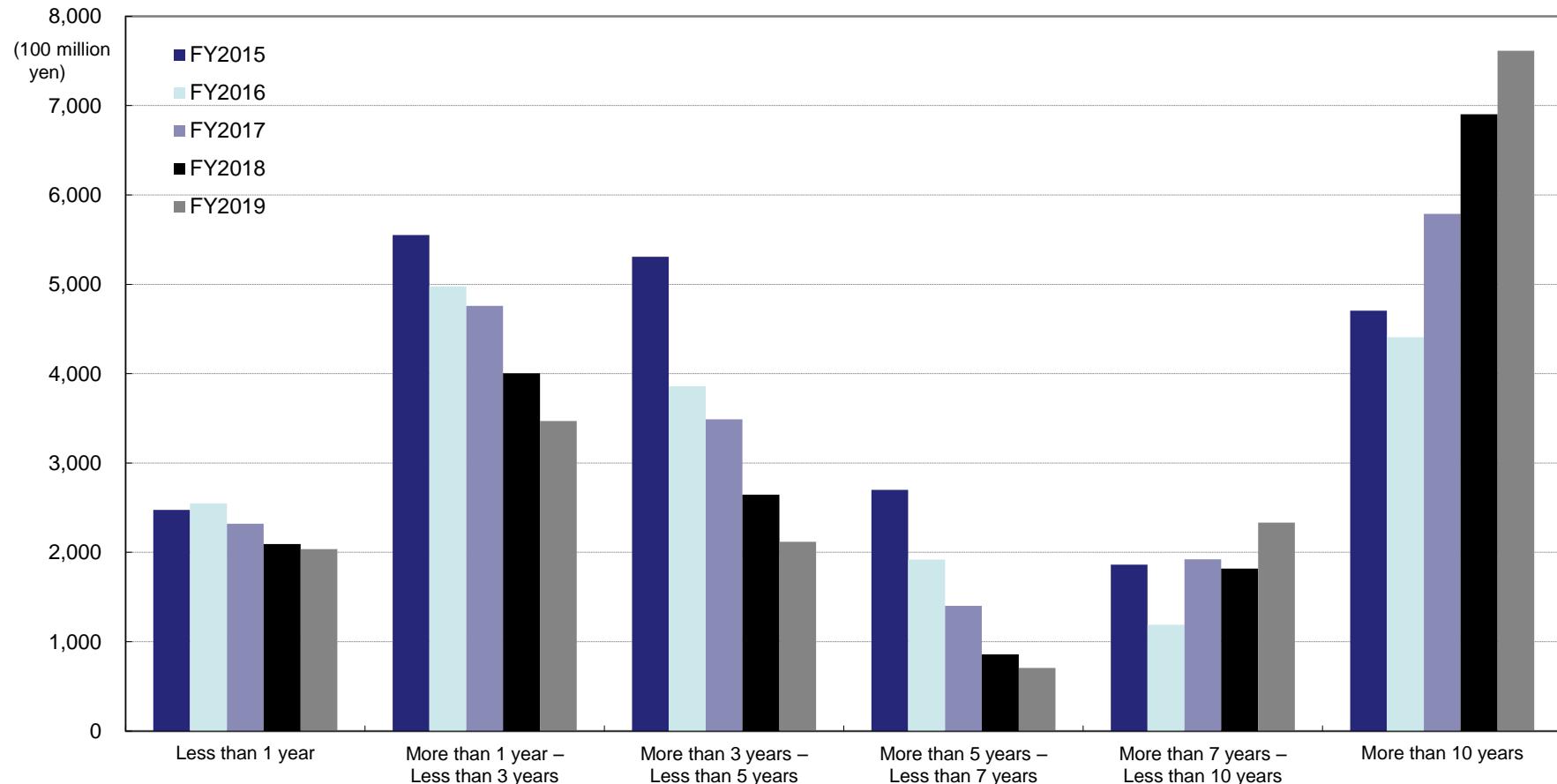
## Balance by type

[Parent] (100 million yen)	FY2015 1H	FY2015 1H	FY2016 1H	FY2016 1H	FY2017 1H	FY2017 1H	FY2018 1H	FY2018 1H	FY2019 1H	FY2019 1H
Year-end balance	28,773	31,073	30,347	27,146	27,439	26,208	25,074	23,949	24,587	23,451
JGBs	11,377	12,069	11,295	9,064	8,111	8,536	7,649	6,502	6,091	6,534
Local bonds	4,654	5,441	5,579	5,635	6,716	6,781	7,259	7,234	7,714	7,513
Corporate bonds	4,040	4,256	3,965	3,251	3,499	3,617	3,680	3,762	3,853	3,558
Foreign bonds	5,284	5,883	6,051	5,750	5,393	3,591	2,933	3,181	3,448	2,896
(Foreign currency denominated portion)	(4,949)	(5,544)	(5,650)	(5,426)	(5,185)	(3,408)	(2,653)	(3,013)	(3,250)	(2,725)
Other securities	1,624	1,728	1,897	1,753	1,848	1,859	1,793	1,747	2,102	1,735
Equities	1,792	1,693	1,558	1,690	1,869	1,822	1,757	1,521	1,377	1,212
Average balance during year	28,688	28,950	29,042	29,030	25,747	25,311	23,939	23,456	22,963	23,049
JGBs	11,822	11,715	11,151	10,765	8,447	8,225	7,726	7,314	5,899	5,982
Local bonds	4,801	4,988	5,504	5,559	6,173	6,375	6,997	7,029	7,474	7,544
Corporate bonds	4,079	4,116	3,969	3,835	3,405	3,423	3,658	3,641	3,837	3,741
Foreign bonds	5,392	5,539	5,743	6,194	5,298	4,781	3,057	3,036	3,249	3,259
(Foreign currency denominated portion)	(5,038)	(5,199)	(5,393)	(5,839)	(5,023)	(4,571)	(2,887)	(2,845)	(3,072)	(3,107)
Other securities	1,383	1,374	1,490	1,520	1,379	1,434	1,484	1,455	1,566	1,605
Equities	1,210	1,215	1,182	1,155	1,042	1,071	1,014	977	936	916

## Valuation gain/loss

[Parent] (million yen)	FY2015 1H	FY2015 1H	FY2016 1H	FY2016 1H	FY2017 1H	FY2017 1H	FY2018 1H	FY2018 1H	FY2019 1H	FY2019 1H
Securities held to maturity	564	759	763	565	512	488	388	457	490	320
Subsidiary/affiliate equities	-	-	-	-	-	-	-	-	-	-
Other securities	135,180	162,262	155,021	132,300	148,508	141,551	142,815	133,717	146,879	89,501
Equities	57,427	47,280	41,615	57,643	75,537	73,051	75,927	53,277	50,380	36,473
Bonds	40,807	69,801	68,904	40,296	36,548	36,053	25,004	42,395	46,371	30,478
Others	36,944	45,181	44,501	34,361	36,422	32,446	41,883	38,044	50,127	22,549
Total	135,744	163,022	155,785	132,866	149,020	142,039	143,203	134,174	147,370	89,821

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

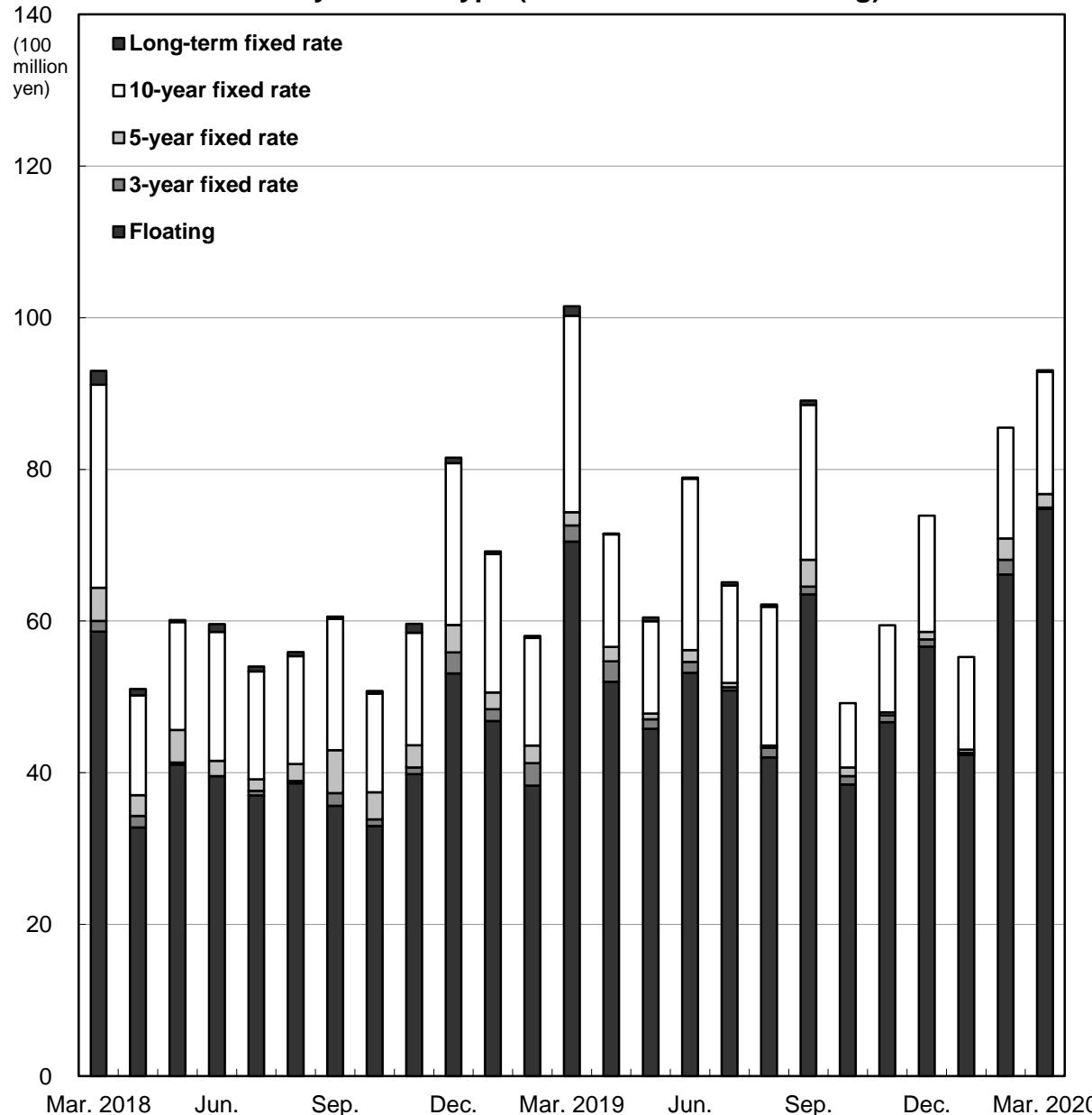


#### Duration

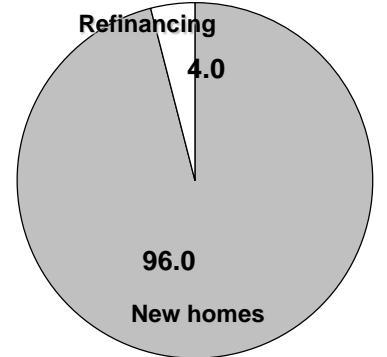
(year)	FY2015 1H	FY2015	FY2016 1H	FY2016	FY2017 1H	FY2017	FY2018 1H	FY2018	FY2019 1H	FY2019
Yen denominated	4.1	5.4	5.8	4.5	4.8	4.7	5.0	5.1	5.4	5.5
Foreign currency denominated	3.1	4.4	5.0	4.2	3.8	4.2	4.7	4.1	4.4	3.7

# Housing Loans

Loans executed by interest type (new homes + refinancing)

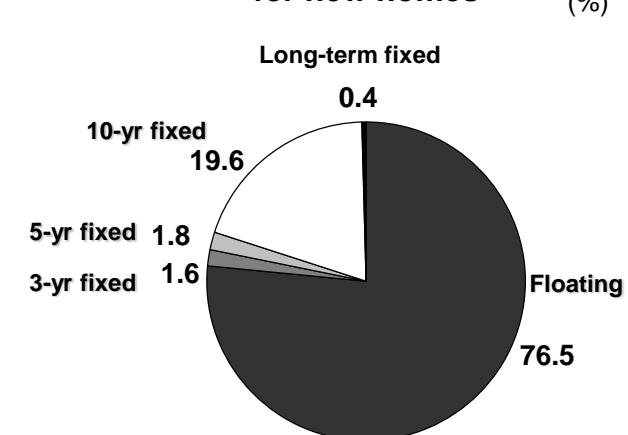


Breakdown of use of loans executed



Total for period from Apr. 2019 to Mar..2020

Ratio of loans by interest type for new homes



Total for period from Apr. 2018 to Mar. 2019

# Non-Performing Loans

## Risk monitored loans

[Parent] (million yen, %)	FY2015 1H	FY2015	FY2016 1H	FY2016	FY2017 1H	FY2017	FY2018 1H	FY2018	FY2019 1H	FY2019
1. Loans in bankruptcy proceedings (% of total loans outstanding)	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	3,676 0.08	5,340 0.11
2. Delinquent loans (% of total loans outstanding)	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	44,896 0.94	44,426 0.90
3. Loans more than 3 months delinquent (% of total loans outstanding)	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	739 0.02	757 0.02
4. Restructured loans (% of total loans outstanding)	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	19,722 0.41	22,206 0.45
Total risk monitored loans (% of total loans outstanding)	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	69,035 1.44	72,731 1.48

## Loans based on the Financial Reconstruction Act

[Parent] (million yen)	FY2015 1H	FY2015	FY2016 1H	FY2016	FY2017 1H	FY2017	FY2018 1H	FY2018	FY2019 1H	FY2019
Bankrupt and quasi-bankrupt loans (after partial direct write-off)	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)	21,512 (8,248)	21,851 (8,471)
Doubtful loans	52,632	45,871	41,164	44,443	39,819	34,721	34,303	27,959	27,489	28,142
Substandard loans	18,705	17,662	17,288	16,151	15,007	16,329	17,313	20,065	20,461	22,964
Subtotal (A) (after partial direct write-off) (B)	89,398 (78,696)	84,316 (71,829)	78,368 (66,044)	81,248 (68,576)	76,207 (63,040)	71,968 (58,824)	70,425 (58,778)	69,334 (56,208)	69,463 (56,199)	72,957 (59,578)
Healthy loans	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	4,970,651
Total (C) (after partial direct write-off) (D)	3,947,390 (3,936,688)	4,131,048 (4,118,561)	4,321,783 (4,309,459)	4,515,005 (4,502,333)	4,687,040 (4,673,873)	4,806,290 (4,793,146)	4,862,286 (4,850,640)	4,938,491 (4,925,366)	4,917,167 (4,903,903)	5,043,609 (5,030,229)
Ratio of target loans (A/C) (after partial direct write-off) (B/D)	2.26 (2.00)	2.04 (1.74)	1.81 (1.53)	1.80 (1.52)	1.63 (1.35)	1.50 (1.23)	1.45 (1.21)	1.40 (1.14)	1.41 (1.15)	1.44 (1.18)

\*We do not implement partial direct write-off.

# Debtor Classification Transition in 1H

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

		FY2019							Favorable turnaround	Deterioration
		Healthy loans	Other doubtful loans	Substandard loans	Virtually bankrupt loans	Legally bankrupt loans	Bankrupt clients	Other (see note)		
FY2019 1H	Healthy loans	160,945	157,448	2,200	550	175	430	14	128	3,369
		45,477	44,687	348	37	9	8	0	388	401
	Other doubtful loans	4,927	293	4,316	91	52	38	3	134	293
		1,994	110	1,762	56	22	7	7	29	110
	Substandard loans	627	13	23	548	8	10	7	18	36
		284	14	9	238	12	3	4	5	23
	Virtually bankrupt loans	790	3	13	3	728	21	0	22	19
		274	0	8	1	242	19	0	4	9
	Legally bankrupt loans	462	4	4	1	0	360	22	71	9
		178	0	0	0	0	148	14	15	0
Total	Bankrupt clients	199	-	-	-	-	-	181	18	-
		37	-	-	-	-	-	30	7	-
	Total	167,950	157,761	6,556	1,193	963	859	227	391	357
		48,244	44,812	2,126	331	285	186	56	448	142

Note: "Other" indicates loans that were cancelled as of the end of March 2020 or those excluded from the self-assessment due to their small size.

# Debtor Classification Transition in 1H (comparison)



(Upper level: Forecast Lower level: Value)

		FY2019							Favorable turnaround	Deterioration
		Healthy loans	Other doubtful loans	Substandard loans	Virtually bankrupt loans	Legally bankrupt loans	Bankrupt clients	Other (see note)		
FY2019 1H	Healthy loans	100%	97.83%	1.37%	0.34%	0.11%	0.27%	0.00%	0.08%	2.09%
		100%	98.26%	0.76%	0.08%	0.02%	0.02%	0.00%	0.85%	0.88%
	Other doubtful loans	100%	5.95%	87.60%	1.85%	1.06%	0.77%	0.06%	2.72%	5.95%
		100%	5.53%	88.34%	2.82%	1.12%	0.36%	0.35%	1.46%	5.53%
	Substandard loans	100%	2.07%	3.67%	87.40%	1.28%	1.59%	1.12%	2.87%	5.74%
		100%	5.00%	3.08%	83.56%	4.08%	1.14%	1.46%	1.68%	8.08%
	Virtually bankrupt loans	100%	0.38%	1.65%	0.38%	92.15%	2.66%	0.00%	2.78%	2.41%
		100%	0.06%	2.97%	0.23%	88.52%	6.87%	0.00%	1.37%	3.25%
	Legally bankrupt loans	100%	0.87%	0.87%	0.22%	0.00%	77.92%	4.76%	15.37%	1.95%
		100%	0.07%	0.06%	0.00%	0.00%	83.37%	7.94%	8.56%	0.13%
Bankrupt clients	Bankrupt clients	100%	-	-	-	-	-	90.95%	9.05%	-
		100%	-	-	-	-	-	81.04%	18.96%	-
	Total	100%	93.93%	3.90%	0.71%	0.57%	0.51%	0.14%	0.23%	0.21%
		100%	92.89%	4.41%	0.69%	0.59%	0.38%	0.12%	0.93%	0.30%

Note: "Other" indicates loans that were cancelled as of the end of March 2020 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))

		FY2019							Favorable turnaround	Deterioration
		Healthy loans	Other doubtful loans	Substandard loans	Virtually bankrupt loans	Legally bankrupt loans	Bankrupt clients	Other (see note)		
FY2018	Healthy loans	159,802	155,902	2,474	578	179	430	16	223	3,677
		45,641	44,193	545	64	17	20	2	800	649
	Other doubtful loans	5,025	521	3,951	151	72	44	7	279	521
		2,061	239	1,639	73	35	9	8	58	239
	Substandard loans	599	21	50	456	11	10	7	44	71
		277	22	13	199	13	9	4	18	34
	Virtually bankrupt loans	804	4	24	6	692	23	6	49	34
		279	0	15	4	232	14	4	9	20
	Legally bankrupt loans	515	9	3	0	0	339	24	140	12
		177	1	0	0	0	133	15	28	1
FY2019	Bankrupt clients	199	0	0	0	0	0	167	32	-
		35	-	-	-	-	-	26	9	-
	Total	166,944	156,457	6,502	1,191	954	846	227	767	638
		48,470	44,454	2,212	340	296	185	60	922	4,032
										295
										833

Note: "Other" indicates loans that were cancelled as of the end of March 2020 or those excluded from the self-assessment due to their small size.

# Debtor Classification Transition 1year(comparison)



(Upper level: Forecast Lower level: Value)

		FY2019							Favorable turnaround	Deterioration
		Healthy loans	Other doubtful loans	Substandard loans	Virtually bankrupt loans	Legally bankrupt loans	Bankrupt clients	Other (see note)		
FY2018	Healthy loans	100%	97.56%	1.55%	0.36%	0.11%	0.27%	0.01%	0.14%	2.30%
		100%	96.83%	1.19%	0.14%	0.04%	0.04%	0.00%	1.75%	0.00% 1.42%
	Other doubtful loans	100%	10.37%	78.63%	3.00%	1.43%	0.88%	0.14%	5.55%	10.37% 5.45%
		100%	11.60%	79.52%	3.54%	1.70%	0.44%	0.39%	2.81%	11.60% 6.11%
	Substandard loans	100%	3.51%	8.35%	76.13%	1.84%	1.67%	1.17%	7.35%	11.85% 4.67%
		100%	7.94%	4.69%	71.84%	4.69%	3.25%	1.44%	6.50%	12.27% 9.39%
	Virtually bankrupt loans	100%	0.50%	2.99%	0.75%	86.07%	2.86%	0.75%	6.09%	4.23% 3.61%
		100%	0.00%	5.38%	1.43%	83.15%	5.02%	1.43%	3.23%	7.17% 6.45%
	Legally bankrupt loans	100%	1.75%	0.58%	-	-	65.83%	4.66%	27.18%	2.33% 4.66%
		100%	0.56%	0.00%	-	-	75.14%	8.47%	15.82%	0.56% 8.47%
Total	Bankrupt clients	100%	-	-	-	-	-	83.92%	16.08%	-
		100%	-	-	-	-	-	74.29%	25.71%	-
		100%	93.72%	3.89%	0.71%	0.57%	0.51%	0.14%	0.46%	0.38% 2.42%
		100%	91.71%	4.56%	0.70%	0.61%	0.38%	0.12%	1.90%	0.61% 1.72%

Note: "Other" indicates loans that were cancelled as of the end of March 2020 or those excluded from the self-assessment due to their small size.

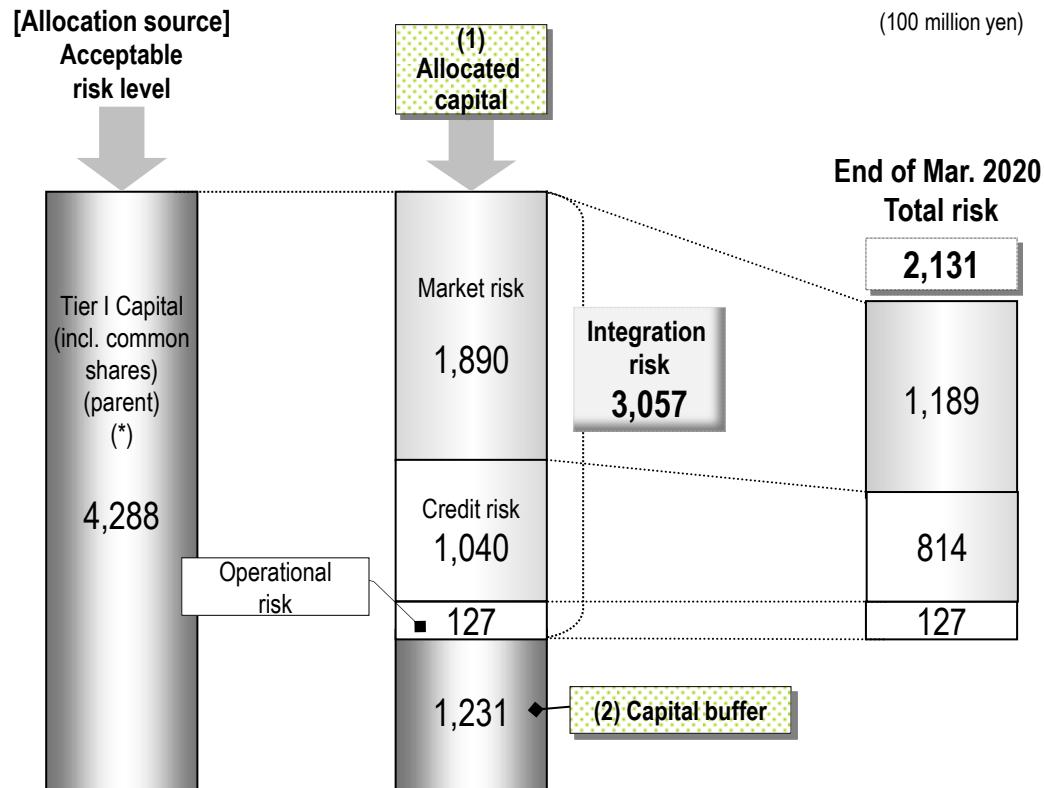
# Capital Adequacy Ratio Trends

[Basel III standards]

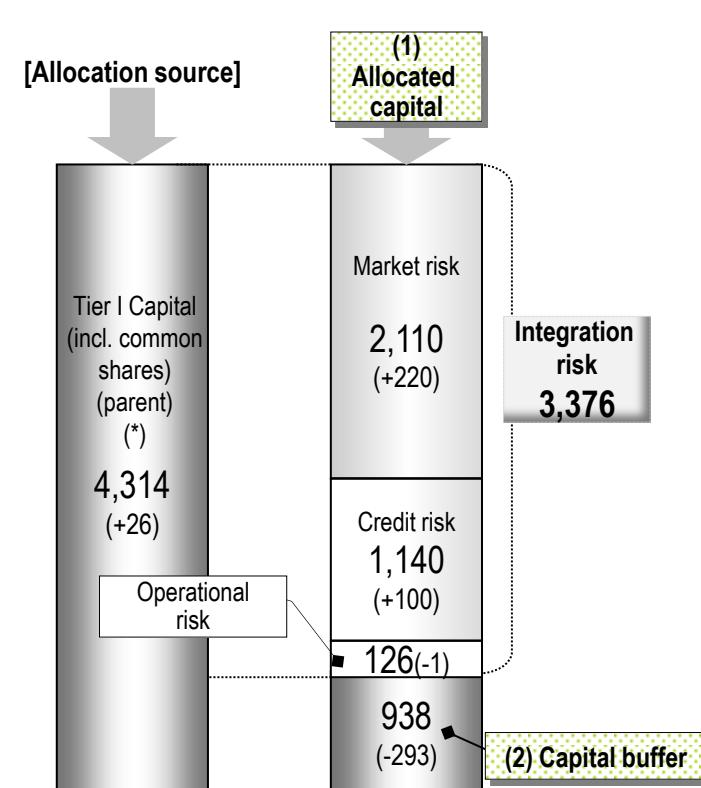
[Parent] (% , 100 million yen)	1H FY2016	FY2016	1H FY2017	FY2017	1H FY2018	FY2018	1H FY2019	FY2019
Overall capital adequacy ratio	13.85	13.06	13.03	12.87	12.96	12.56	13.25	12.70
Tier I ratio	13.12	12.77	12.71	12.87	12.96	12.56	13.25	12.70
Tier I ratio (including common shares)	13.12	12.77	12.71	12.87	12.96	12.56	13.25	12.70
Overall capital adequacy	4,902	4,817	5,004	5,078	5,159	5,104	5,226	4,849
Tier 1 capital	4,645	4,712	4,883	5,078	5,159	5,104	5,226	4,849
Common equity Tier 1 capital	4,645	4,712	4,883	5,078	5,159	5,104	5,226	4,849
Risk weighted assets	35,397	36,880	38,402	39,449	39,781	40,609	39,441	38,187
Credit risk	33,778	35,267	36,812	37,889	38,247	39,104	37,957	36,727
Operational risk	1,619	1,612	1,590	1,559	1,533	1,504	1,484	1,460

[Consolidated] (% , 100 million yen)	1H FY2016	FY2016	1H FY2017	FY2017	1H FY2018	FY2018	1H FY2019	FY2019
Overall capital adequacy ratio	14.24	13.38	13.39	13.22	13.33	12.88	13.62	13.04
Tier I ratio	13.48	13.08	13.06	13.22	13.32	12.88	13.61	13.04
Tier I ratio (including common shares)	13.48	13.08	13.06	13.22	13.32	12.88	13.61	13.04
Overall capital adequacy	5,087	4,978	5,174	5,250	5,336	5,267	5,397	5,021
Tier 1 capital	4,815	4,863	5,046	5,247	5,334	5,265	5,395	5,019
Common equity Tier 1 capital	4,815	4,863	5,046	5,247	5,334	5,265	5,395	5,019
Risk weighted assets	35,700	37,181	38,642	39,691	40,026	40,867	39,625	38,485
Credit risk	34,007	35,494	36,977	38,054	38,413	39,280	38,057	36,937
Operational risk	1,693	1,687	1,665	1,637	1,612	1,586	1,568	1,547

## 2H FY2019 Results



## 1H FY2020 Plan



### [Role of different types of capital]

(1) Allocated capital	Capital allocated to each risk up to the allocated source (Risk limit)
(2) Capital buffer	<ul style="list-style-type: none"> <li>✓ Reserves of capital in case of its losses due to stress</li> <li>✓ In case of immeasurable risks</li> <li>✓ When econometric model unable to estimate risk</li> <li>✓ Reserves in case of new risk-taking, etc.</li> </ul>

Figures in parentheses represent versus 2H FY2019.  
(Reference) IRRBB (Interest Rate Risk in the Banking Book) (non-consolidated)  
(as of end of Mar. 2020)

Maximum value of $\Delta$ EVE	18.1 billion yen
Materiality test (maximum value of $\Delta$ EVE / Tier I)	3.7%
$\Rightarrow$ The interest risk (maximum value of $\Delta$ EVE) 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 FY2019, and the capital allocation trends in 1H FY2020.

(100 million yen)

	2H FY2019		1H FY2020			Calculation methods, etc. (Supplement measurements)
	Value	Risk exposure (End of Mar. 2020)	Value	YoY	Major factors that triggered change	
Allocation source	4,288		4,314	(+26)	—	
Allocated capital (Integration risk)	3,057	2,131	3,376	(+319)		
Market risk total	1,890	1,189	2,110	(+220)		
Banking	1,870	Interest risk Price fluctuation risk (Correlation)	373 928 - 112		• Increased due to the policy to increase the balance of foreign bonds and investment trusts.	<ul style="list-style-type: none"> <li>VaR (factor in 125-day retention period, 99.9% confidence level, core deposits)</li> <li>Employ VaR taking into account the correlation between interest risk and equities (net investment)</li> <li>For cross-shareholdings, deduct valuation gains from VaR</li> </ul>
Trading	20	0	20	(0)	—	<ul style="list-style-type: none"> <li>VaR (10-day retention period, 99.9% confidence level)</li> <li>Money in trust</li> <li>Trading securities</li> </ul>
Credit risk total	1,040	814	1,140	(+100)	—	
Commercial credit	860	665	960	(+100)	• Increased due to the policy to increase the balance of specified loans and securitized products.	<ul style="list-style-type: none"> <li>Monte Carlo simulation UL (1-year retention period*, 99.9% confidence level)</li> <li>For securitization, some restrictions on capital</li> <li>Commercial credit, including securities, and assets possessed by consolidated subsidiaries</li> </ul> <p>(* Six months for market related credit (bonds))</p>
Consumer credit	180	149	180	(0)	—	• Home loans, etc.
Operational risk	127	127	126	( - 1)	—	
(Unused allocated capital )		926				Post risk exposure estimated at the time business plans were created, based on the gross profit allocation methods (To be fixed during 1H FY2020)
Capital buffer	1,231		938	( - 293)	• 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



(Million yen, %)	Business profile	Real ownership ratio		FY2017 1H	FY2017	FY2018 1H	FY2018	FY2019 1H	FY2019
Chugin Lease Co., Ltd	Leasing	100.00	Ordinary revenue	5,695	11,245	5,772	11,312	5,879	12,038
			Recurring profit	521	823	561	873	455	764
			Net income	356	553	397	600	324	523
Chugin Credit Guarantee Co., Ltd.	Credit assurance	100.00	Ordinary revenue	816	1,608	894	1,713	919	1,744
			Recurring profit	740	1,344	650	1,290	716	1,275
			Net income	491	885	459	878	500	871
Chugin Card Co., Ltd.	Credit card	100.00	Ordinary revenue	726	1,439	772	1,526	825	1,626
			Recurring profit	206	354	196	344	250	417
			Net income	145	240	151	246	189	297
Chugin Asset Management Co., Ltd.	Securities investment advisor	100.00	Ordinary revenue	223	454	267	516	288	579
			Recurring profit	32	54	60	94	61	112
			Net income	24	39	48	71	48	83
Chugin Securities Co., Ltd.	Financial instrument transactions	100.00	Ordinary revenue	1,940	4,303	1,589	2,731	1,048	2,753
			Recurring profit	276	735	108	-100	-240	-109
			Net income	188	521	72	-137	-261	-146
CBS Co., Ltd.	Banking operation outsourcing	100.00	Ordinary revenue	565	1,136	519	1,035	487	972
			Recurring profit	122	232	69	142	55	107
			Net income	81	151	45	90	35	67
Chugin Operation Center Co., Ltd.	Banking operation outsourcing	100.00	Ordinary revenue	407	789	382	732	364	711
			Recurring profit	31	30	27	30	23	36
			Net income	19	17	17	17	17	23

# Key Press Releases

2019	Oct. 1	Concerning the event of "The Second Okayama Tech Planter"
	Oct. 3	Establishment of M&A Operation Platform by the member banks of the TSUBASA Alliance
	Oct. 9	Relief money donated to those affected by the localized torrential rain mainly in Niimi City and the victims of Typhoon No. 15 that hit Chiba Prefecture
	Oct. 21	Introduction of a new inspection model using information on money payment from and to bank accounts, and launch of "Chugin Business Loan New Type"
	Oct. 23	Relief money for those affected by Typhoon No. 19 of 2019
	Oct. 31	Execution of "Agreement of the Regional Revitalization Partnership"
	Nov. 27	Concerning the event of "Joint Exchange Meeting of Clients of Three Regional Banks"
2020	Jan. 10	Revision to transfer fees and collection charges
	Jan. 17	Launch of charging services in cooperation with LINE Pay Corporation
	Jan. 23	Sponsorship of "TryHoop Okayama" basketball team as part of our initiatives for regional vitalization and the SDGs
	Jan. 27	Holding a "Seminar to formulate plans for enhancing business continuity capability"
	Jan. 29	Charitable trust "Hyakken River Water and Green Foundation": Invitation to application for subsidy
	Feb. 10	Establishment of "COVID-19 Consultation Counter" and the launch of "Emergency Special Loan"
	Feb. 20	Increase in the number of branch offices housing an Automated External Defibrillator (AED) for "Secure and Safe Town Development Initiatives for the SDGs"
	Mar. 2	Launch of a charging function service in cooperation with NTT DOCOMO, INC.
	Mar. 6	Establishment of Okayama UNICEF Chugin Bunko – Towards the promotion of UNICEF's enlightenment activities and the expansion of initiatives for the SDGs
	Mar. 13	Announcement of the establishment of "Countermeasures and Support Center concerning the COVID-19" and the "Expansion of COVID-19 Consultation Counter"
	Mar. 23	Donation for the purchase of articles for use in traffic safety promotion
	Mar. 23	Expansion of the content of "Chugin Emergency Special Loan against COVID-19"
	Mar. 27	Initiatives for providing support for listing on the TOKYO PRO Market
	Mar. 27	Business alliance with Tranzax Co., Ltd. and launch of institutional loans using Purchase Order Finance (PO Finance), an electronically recorded monetary claims acquisition service
	Mar. 27	Certification as Health and Productivity Management Organization 2020 (Large Enterprise Category) (White 500)
	Mar. 31	Establishment of "Chugin's Declaration of Support for the SDGs"
	Mar. 31	Announcement on the new Medium-term Management Plan: "Plan for Creating the Future Together: Stage II"



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