

FY2020 Earnings Results Briefing (Reference Materials)

May 31, 2021



Industrial Structure of Okayama Prefecture

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

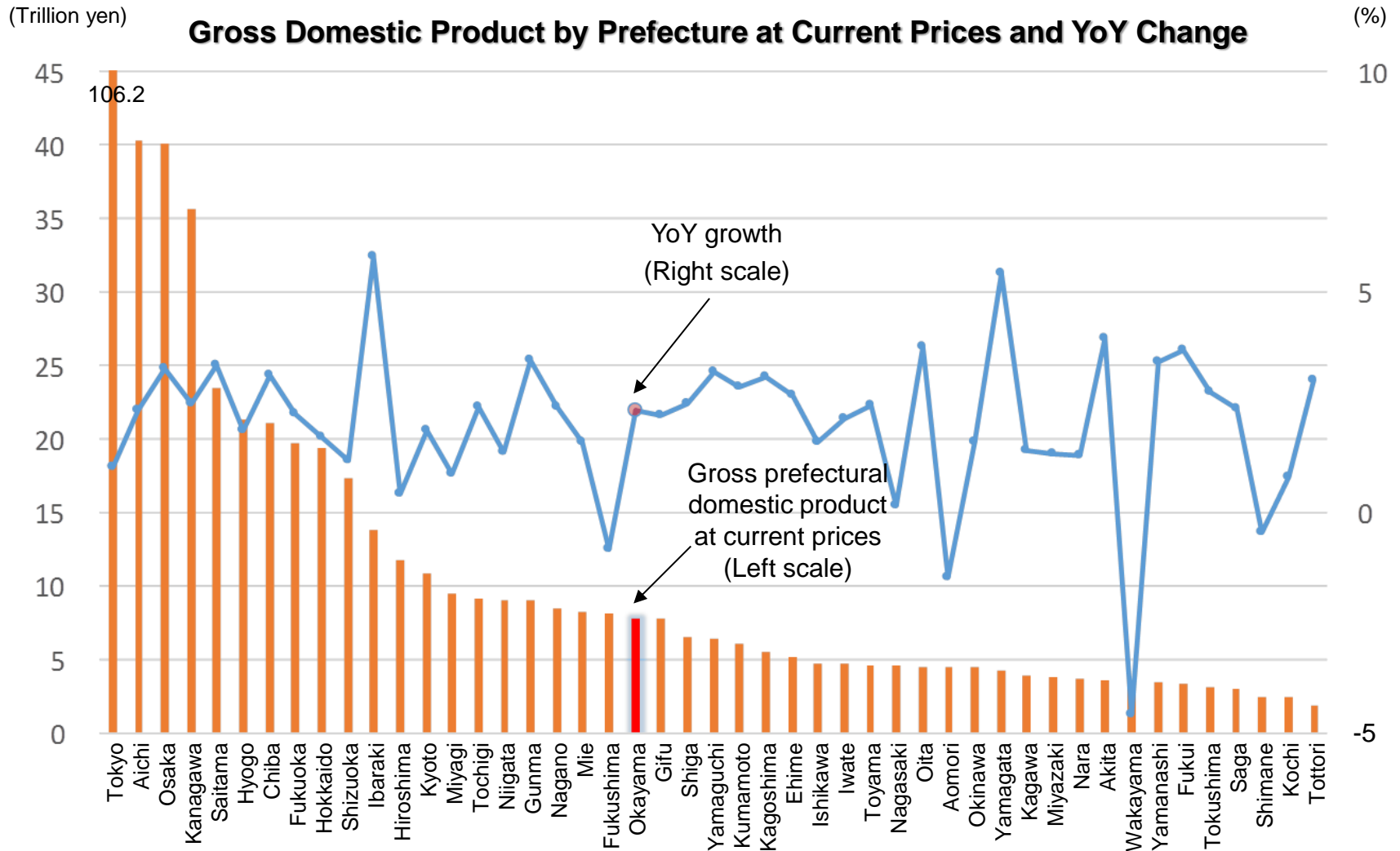
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Industrial Structure of Okayama Prefecture

Economic Scale of Okayama Prefecture

Items	Result	Nationwide share (%)	Rank	Source	Survey date
Area	7,114 km ²	1.9	17	Nationwide Survey on Area by Municipality	Jul. 2020
Population	1,903,000 people	1.5	20	Population Estimates	Jan. 2020
Number of households	854,521 households	1.4	18	Population Estimates	Jan. 2020
Gross prefectural domestic product (at current prices)	7,813.1 billion yen	1.4	21	Annual Report on Prefectural Accounts	FY2017
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 output	141.7 billion yen	1.6	23	Statistics of Agricultural Income Produced	2019
Value of manufactured goods shipments	8,354.2 billion yen	2.5	14	Census of Manufacture	2018
Sales of information and communications industry	167.8 billion yen	0.3	26	Economic Census	2015
Sales of wholesale and retail trade industry	5,968.3 billion yen	1.0	19	Economic Census	2015
Sales of real estate and goods rental and leasing industry	322.3 billion yen	0.7	18	Economic Census	2015
Sales of accommodations, eating and drinking services industry	263.8 billion yen	1.0	26	Economic Census	2015
Sales of living-related and personal services and amusement services industry	507.9 billion yen	1.1	23	Economic Census	2015
Sales of medical, health care and welfare industry	1,870.5 billion yen	1.6	15	Economic Census	2015
Amount of construction work completed	678.5 billion yen	1.3	27	Integrated Statistics on Construction Work	2020
New housing starts	12,103 units	1.5	16	Housing Starts Statistics	2020
Value of customs-cleared trade	2,212.0 billion yen	1.6	12	Foreign Trade Value by Ports Nationwide	2020

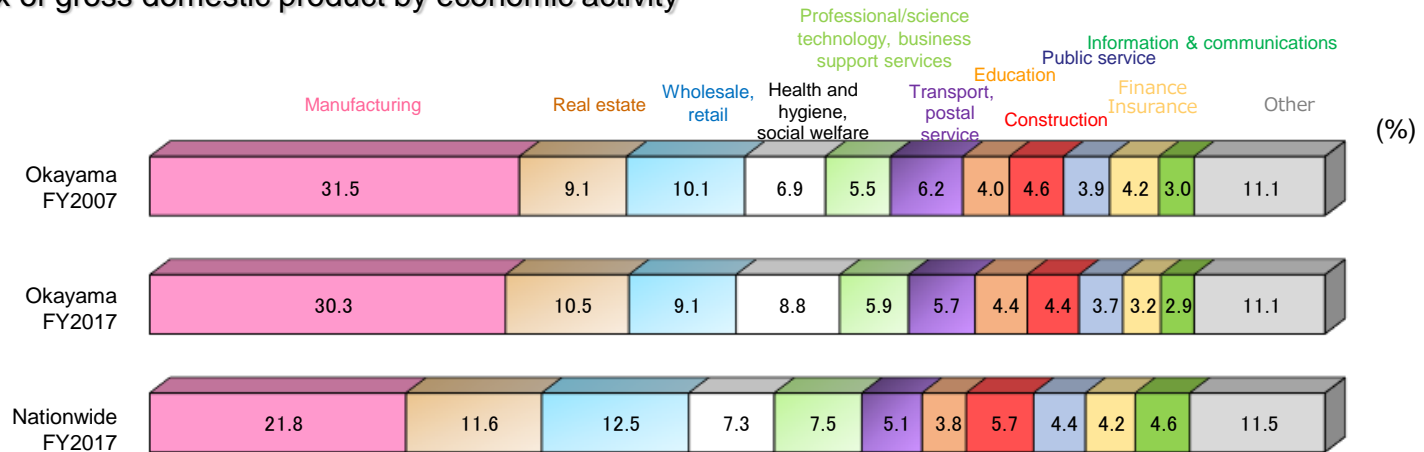
Economic Scale of Okayama Prefecture



Source: FY2017 Annual Report on Prefectural Accounts, Cabinet Office

Industrial Structure of Okayama Prefecture (1)

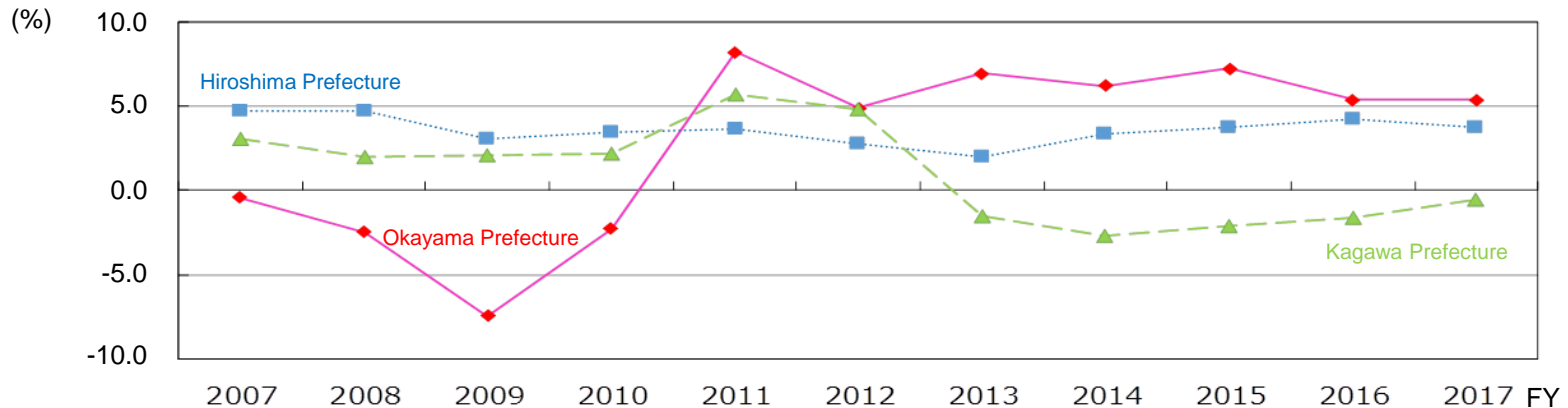
Percentage mix of gross domestic product by economic activity



Source: Annual Report on Prefectural Accounts, Cabinet Office

*The sum may not be 100% due to rounding.

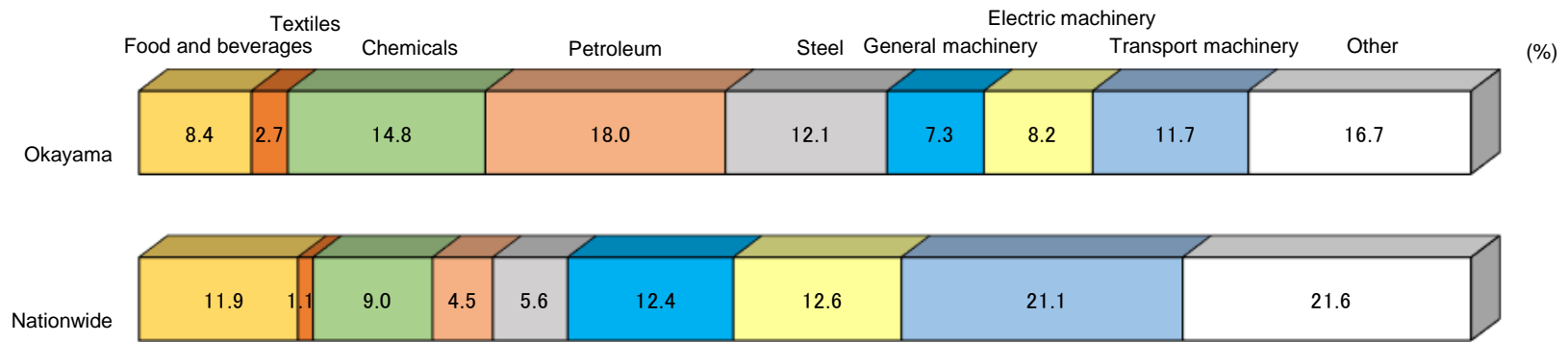
Proportion of incoming/outgoing transfer (net) of goods and services in gross prefectural domestic product (at current prices)



Source: Annual Report on Prefectural Accounts, Cabinet Office

Industrial Structure of Okayama Prefecture (2)

Percentage mix of value of manufactured goods shipments (2018)

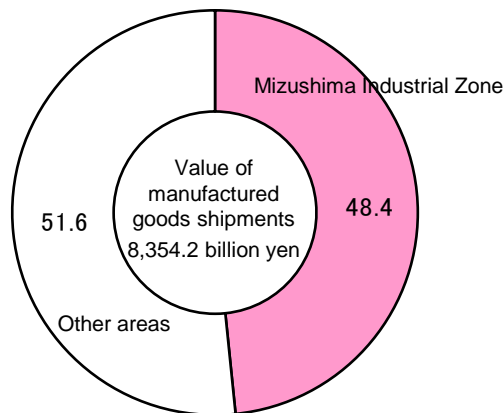


Source: *Census of Manufacture (Okayama Prefecture)*, METI

*The sum may not be 100% due to rounding.

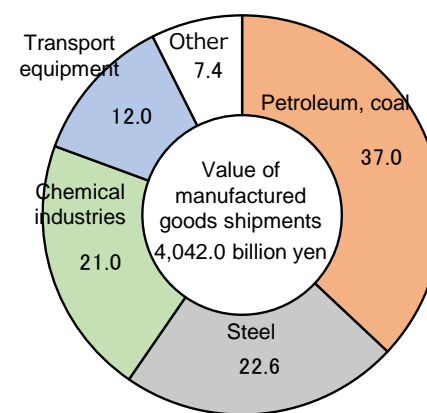
Presence of the Mizushima industrial zone

Proportion of the Mizushima Industrial Zone in Okayama Prefecture's value of manufactured goods shipments (2018)



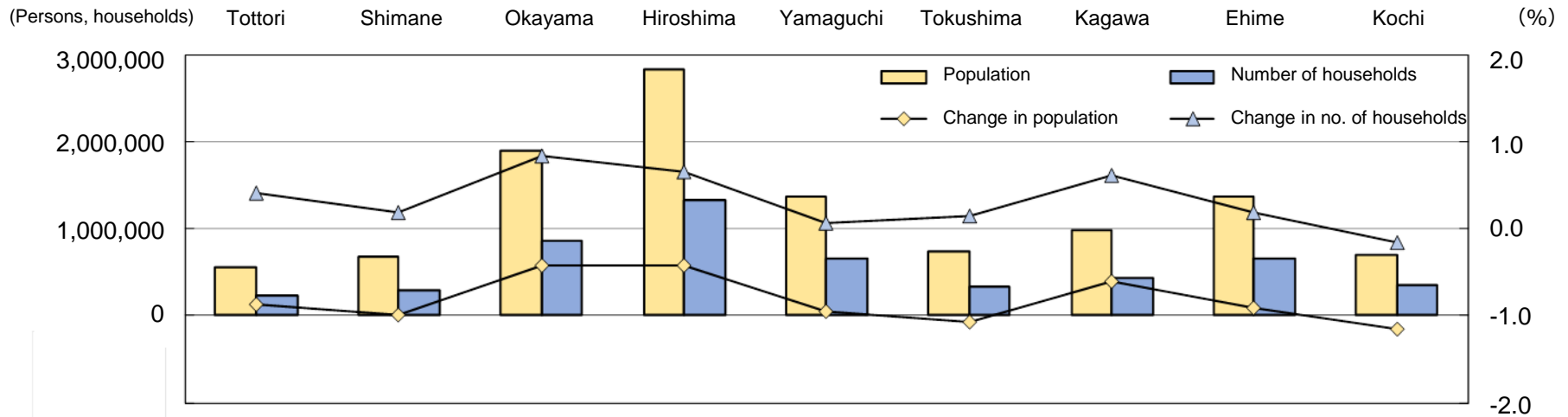
Source: *Census of Manufacture (Okayama Prefecture)*

Percentage mix of Mizushima Industrial Zone's value of manufactured goods shipments by industry (2018)



Source: *Census of Manufacture (Okayama Prefecture)*

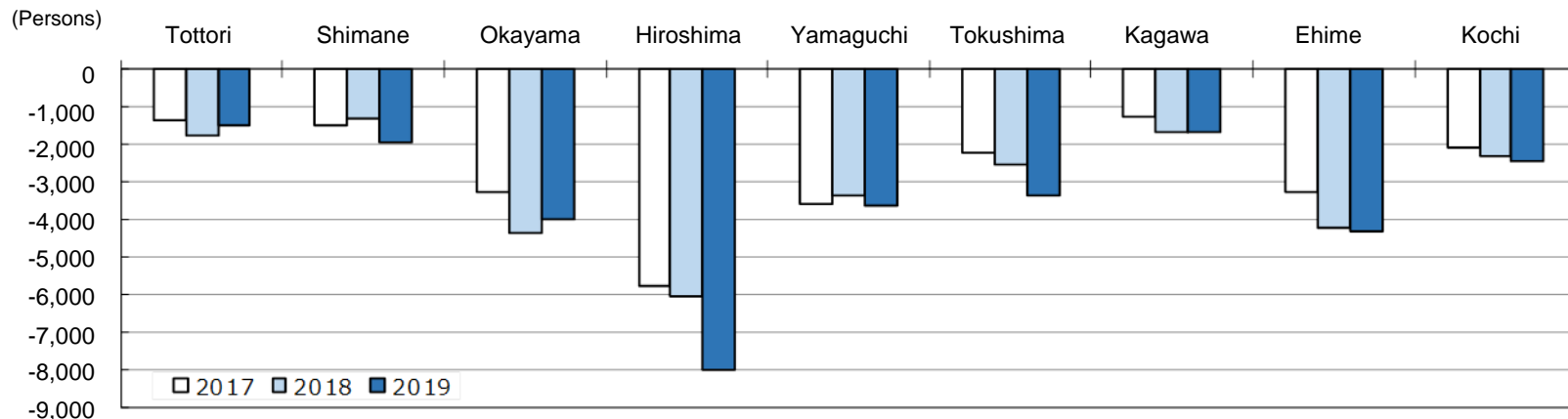
Population and number of households of the Chugoku-Shikoku region



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 are as of January 1, 2020; the change in the number of households represents the change between January 2019 and January 2020.

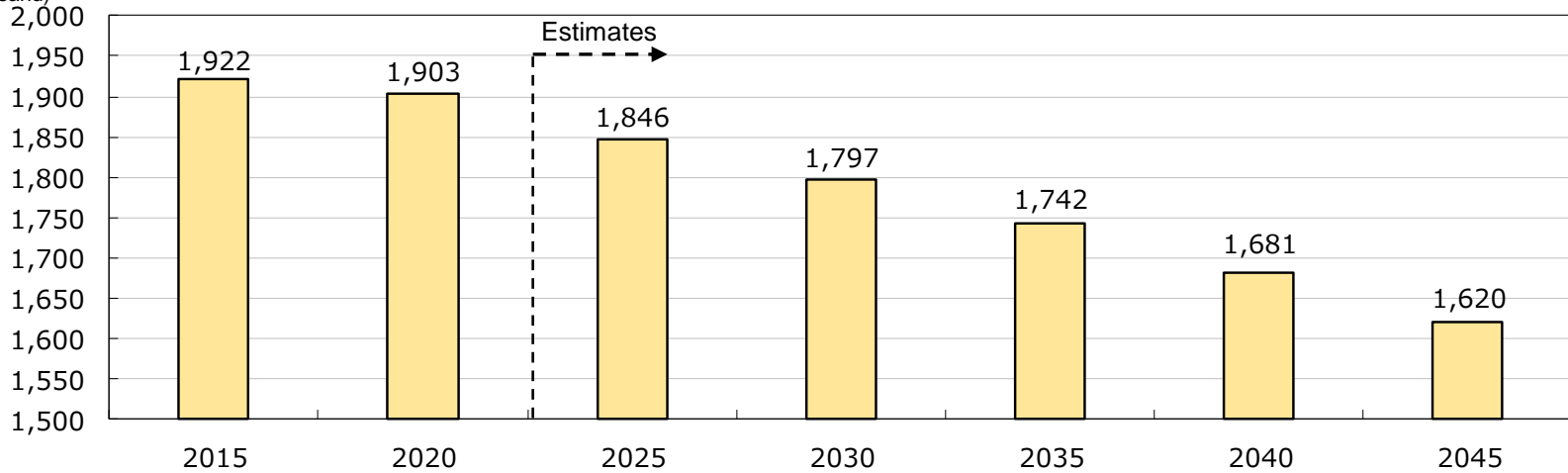
Net migration by prefecture in the Chugoku-Shikoku region



•Source: Report on Internal Migration in Japan, Ministry of Internal Affairs and Communications

Population estimates of Okayama Prefecture

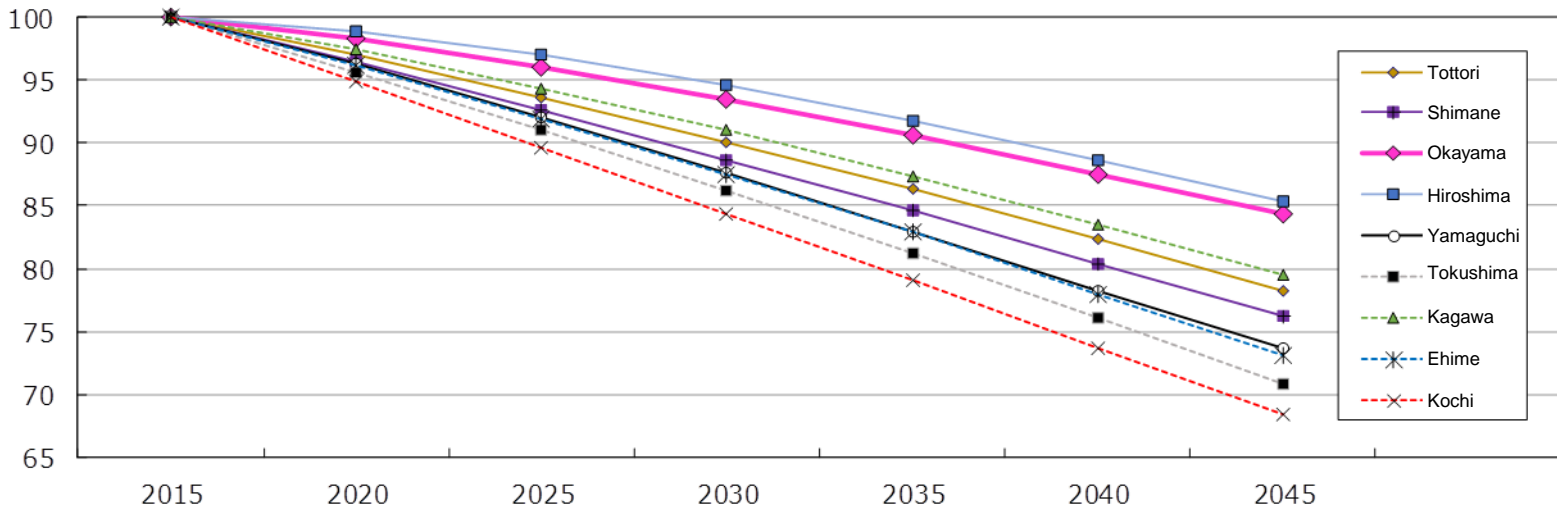
(Thousand)



Source: National Institute of Population and Social Security Research

Future population estimates of the Chugoku-Shikoku region

(2015 indexed at 100)



Source: National Institute of Population and Social Security Research

A crossing point of land traffic in the Western Japan

Two expressways extending in the east-west direction (Sanyo and Chugoku Expressways) cross at two points in the prefecture with another expressway running from the coast of the Sea of Japan to the coast of the Pacific Ocean via the Seto Inland Sea.

The Mimasaka-Okayama Expressway is currently under construction, with the aim of creating a circular belt-line motorway within the Prefecture.

Logistics centers

- The total floor space of the warehouses is the largest in the Chugoku-Shikoku region.
- The population within 2-hours' drive from the Okayama Interchange exceeds 16 million.

Plant sites

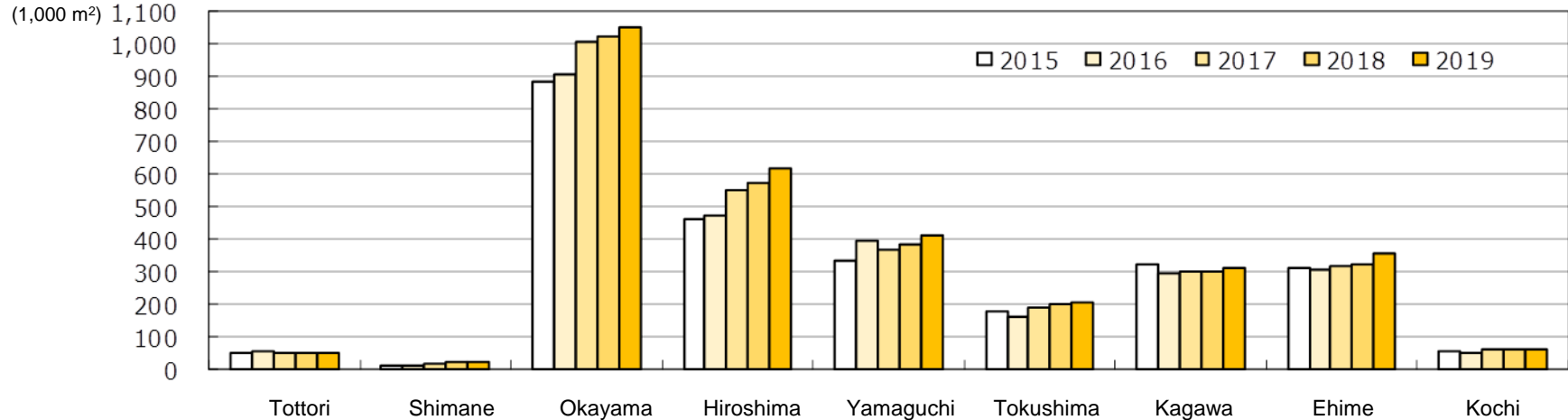
- Temperate climate with few natural disasters
- Long sunlight hours and a large quantity of water available

Seto Ohashi (Great Seto Bridge)

- Okayama and Shikoku are to become one economic zone.
- The largest number of visitors among the three routes

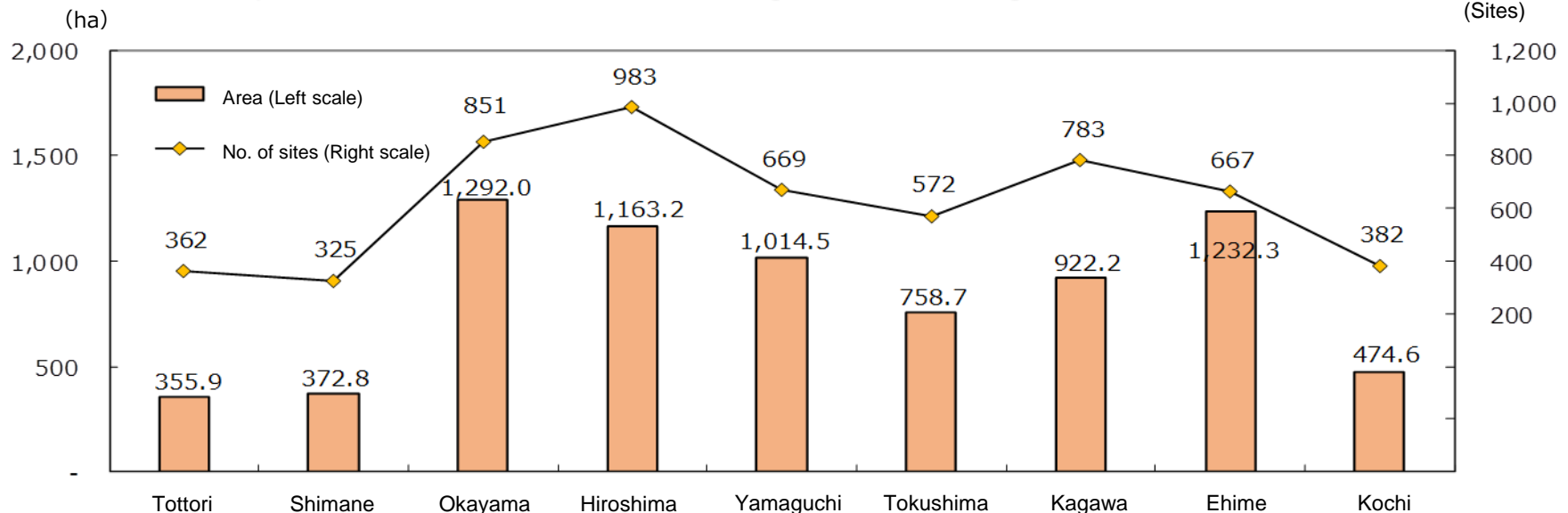


Floor space of warehouses in the Chugoku-Shikoku region



Source: Ministry of Land, Infrastructure, Transport and Tourism (MLIT) Note: Floor space of warehouses in categories 1 to 3; as of December 31 of each year.

Cumulative total of plant sites and site area of the Chugoku-Shikoku region

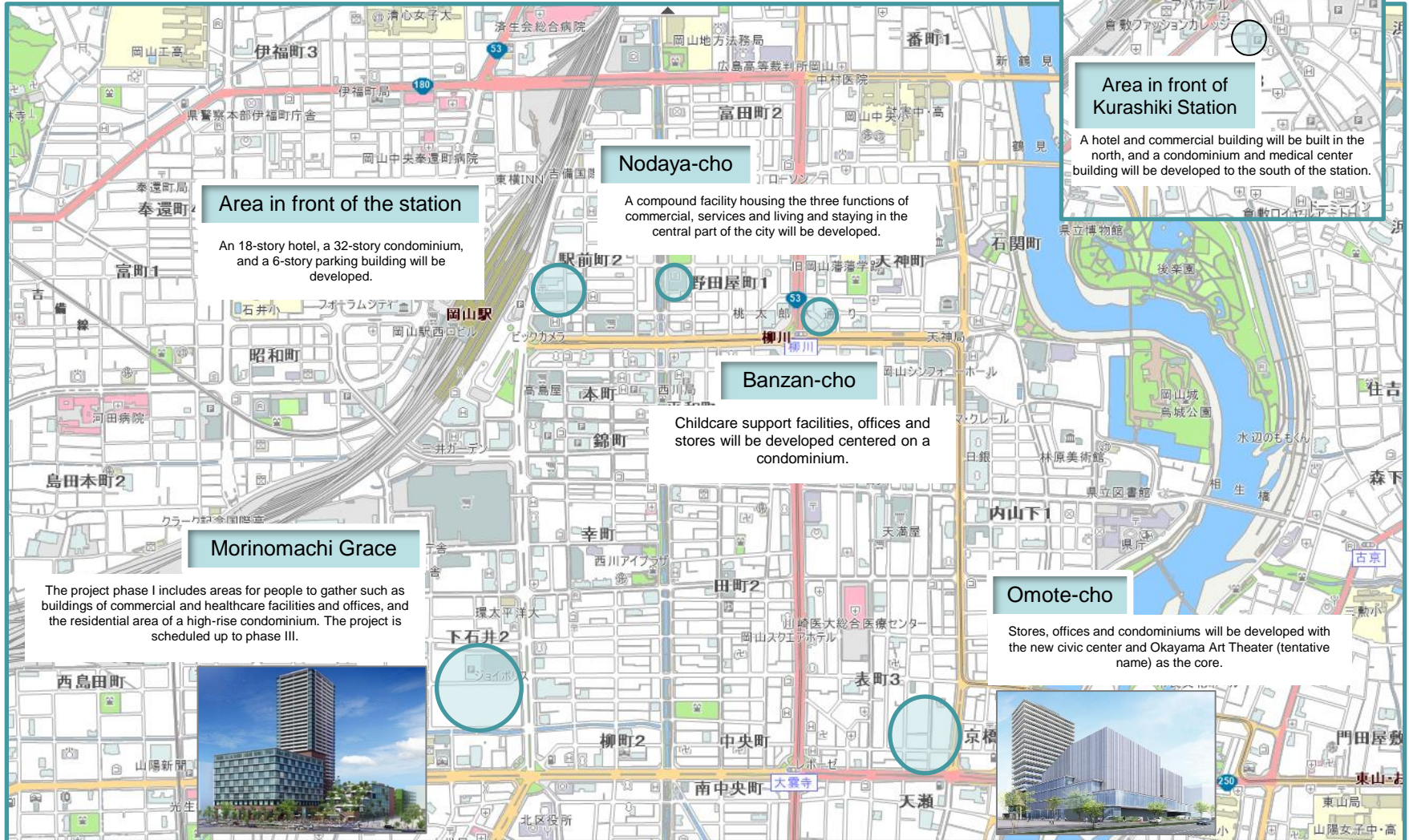


Note: Plants subject to the survey are those with an acquired site of 1,000 sq. meters or more. Cumulative total from Jan. 1988 through Dec. 2019. Excludes the electric power industry from 2015 to 2018.

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

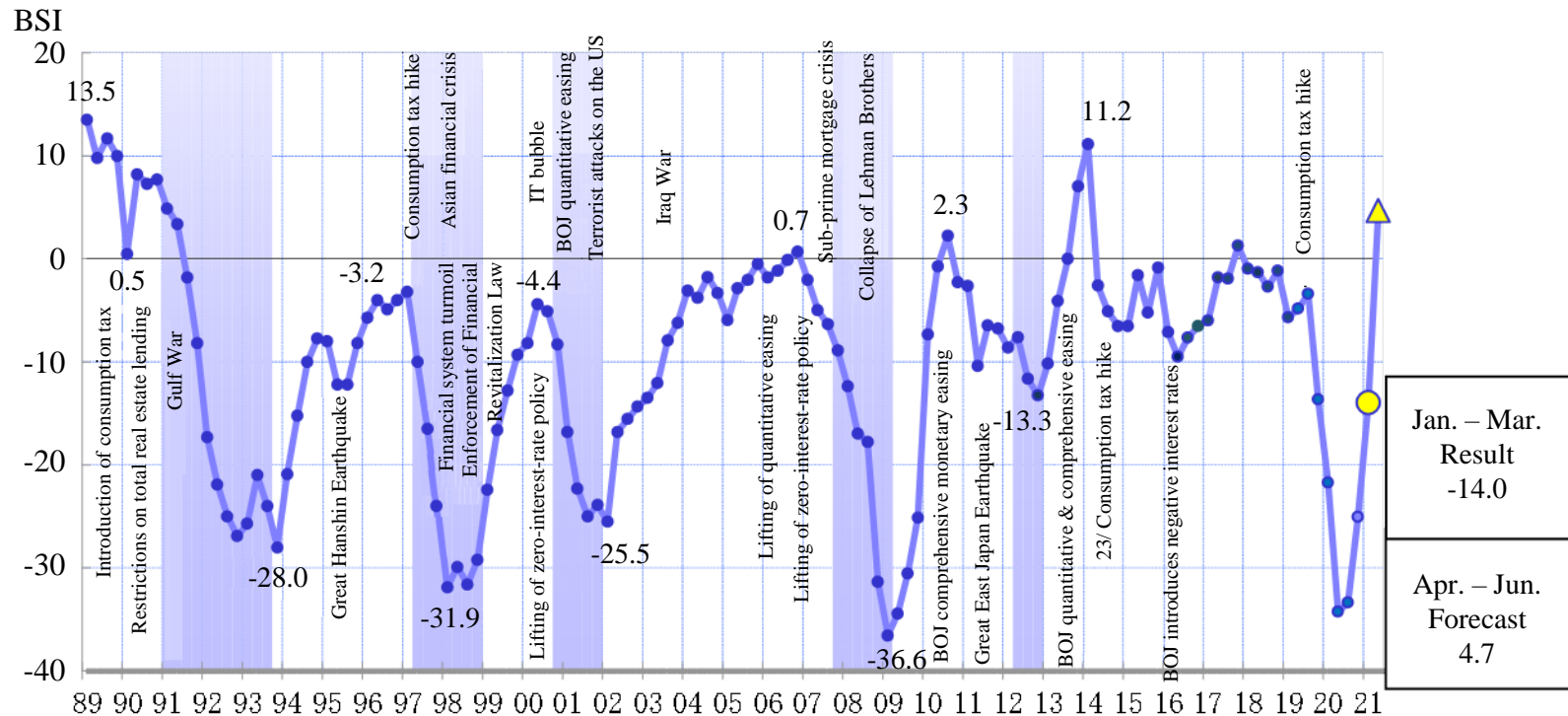
A number of redevelopment projects are scheduled.

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



Economic Status of Okayama Prefecture

The economy of Okayama Prefecture continues to face difficulties but is showing signs of recovery.

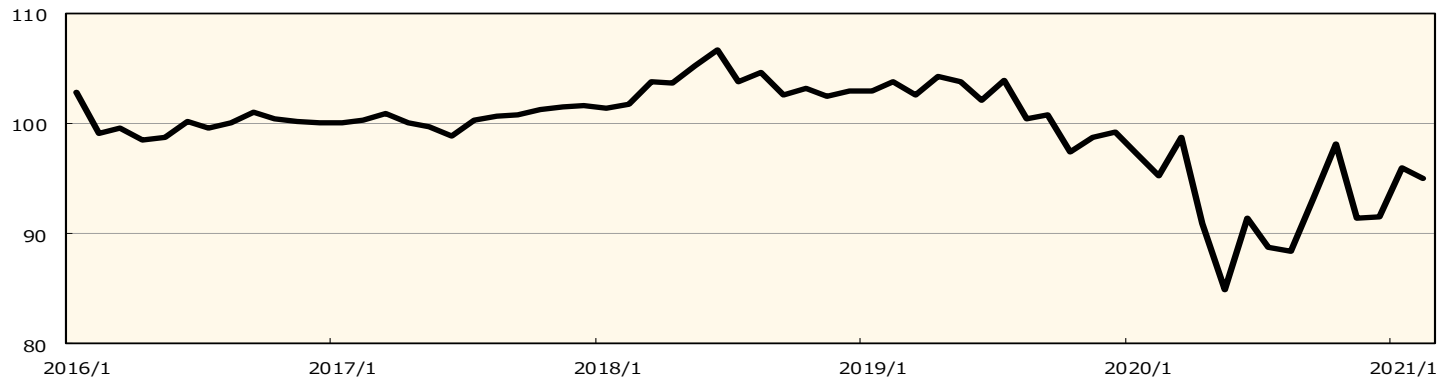


Shaded areas represent periods of economic recession (as determined by the Cabinet Office).

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 quarter-on-quarter or 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.

Industrial production: Showing signs of bottoming out

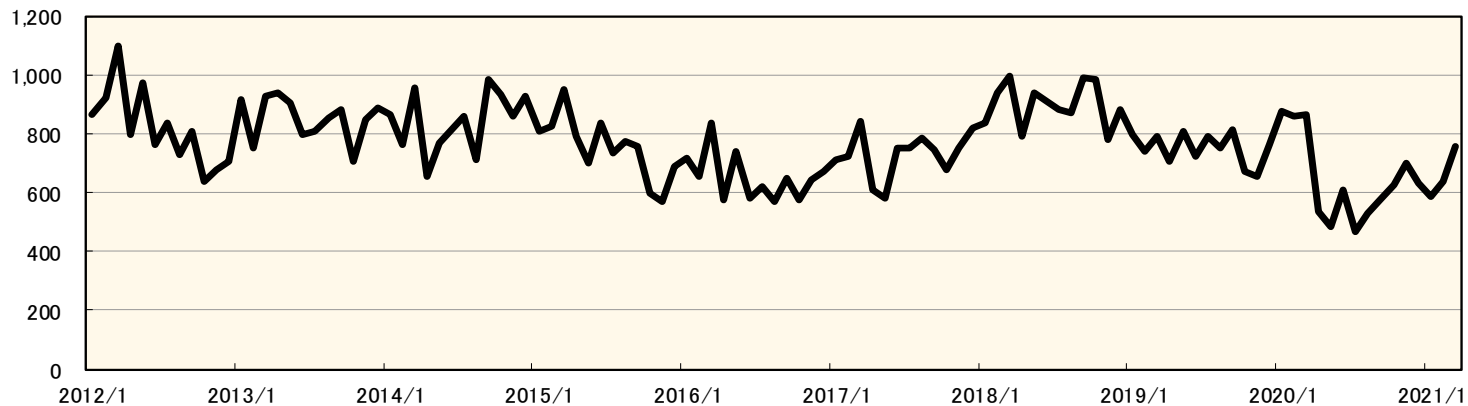
[Industrial production index] (2015 indexed at 100; seasonally adjusted)



Source: Okayama Prefecture Statistical Analysis Section

Exports: Continuing to decrease due to COVID-19 but are bottoming out

[Value of custom-cleared exports] (Yen basis; 100 million yen)



Source: Kobe customs

Capital investment: Decelerating on the back of uncertainties for the future

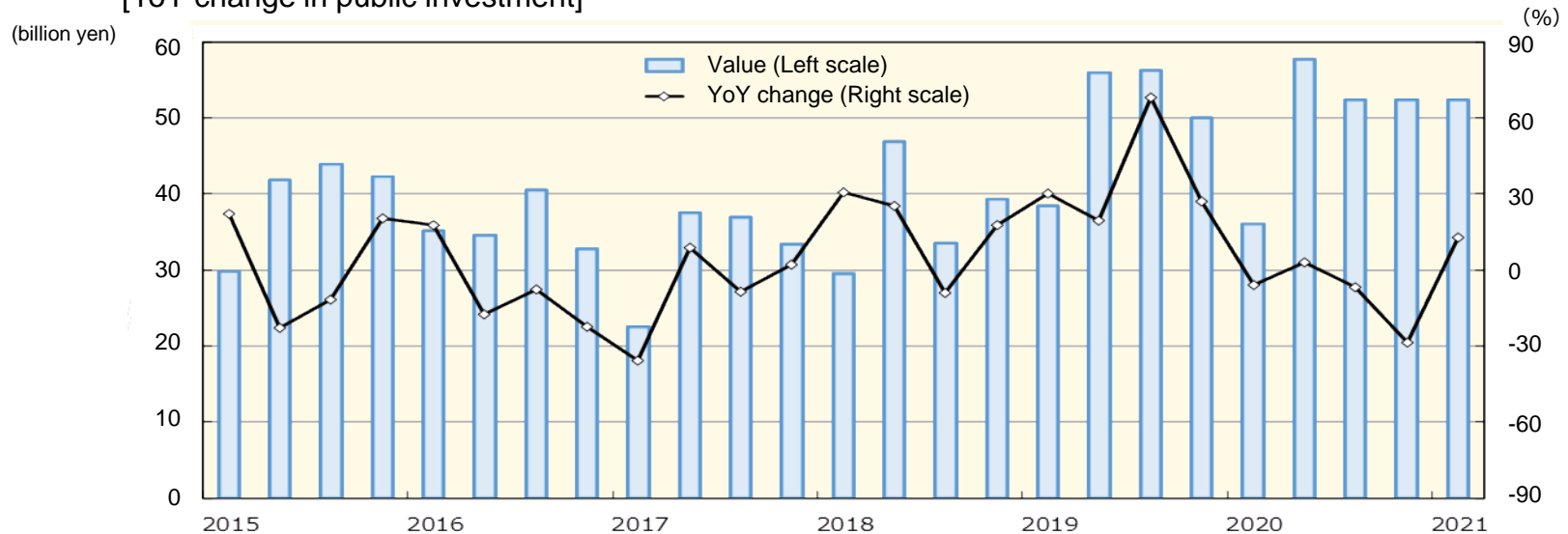
[YoY change in capital investment]

(%)	Okayama			Nationwide		
	Manufacturing	Non-manufacturing	Total	Manufacturing	Non-manufacturing	Total
FY2018 result	24.1	17.4	21.8	8.6	5.4	6.6
FY2019 result	4.6	-15.1	-2.1	0.9	-1.5	-0.6
FY2020 plan	-14.1	-7.8	-12.3	-5.7	-5.3	-5.5
FY2021 plan	26.0	-11.1	14.9	3.0	-1.0	0.5

Source: Central branch and Okayama branch of Bank of Japan

Public investment: Remaining at a high level due to disaster-prevention works while restoration works faced a slight pause

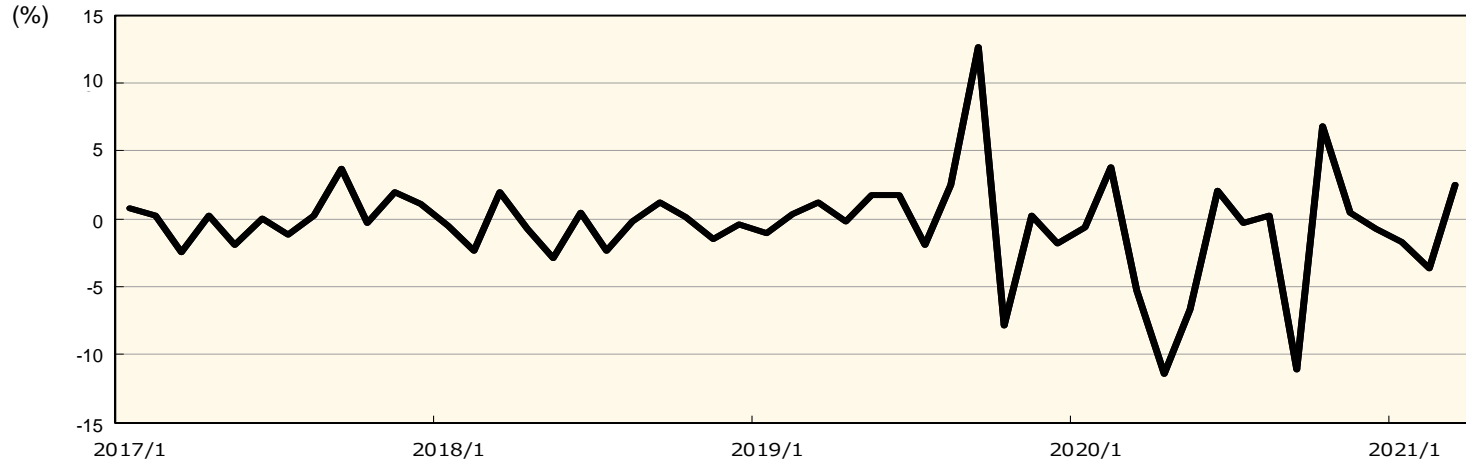
[YoY change in public investment]



Source: West Japan Construction Surety Co., Ltd.

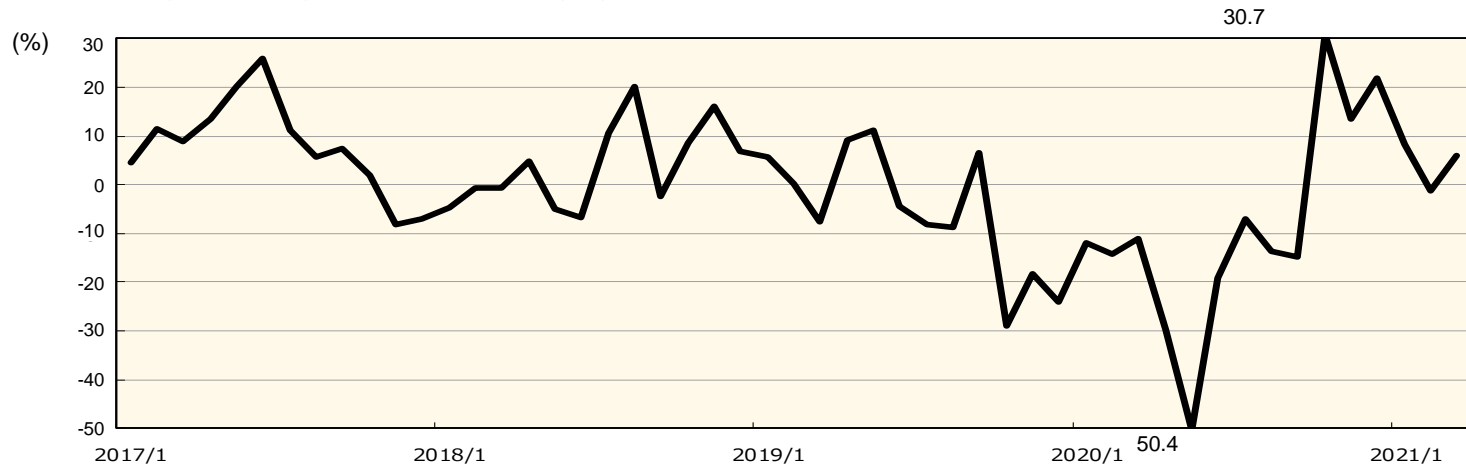
Consumer spending: Consumption polarized; remains weak overall

[Department store and supermarket sales (all stores; YoY)]



Source: Chugoku Bureau of Economy, Trade and Industry

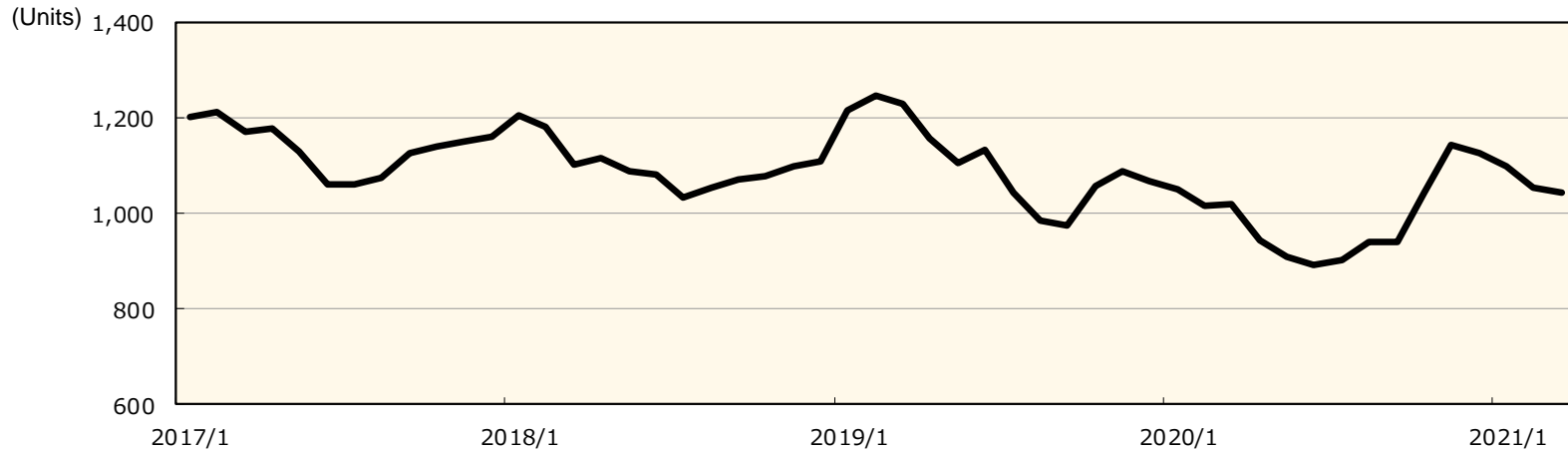
[New passenger car registration (including light motor vehicles; YoY)]



Source: Okayama branch, Chugoku Transport & Tourism Bureau

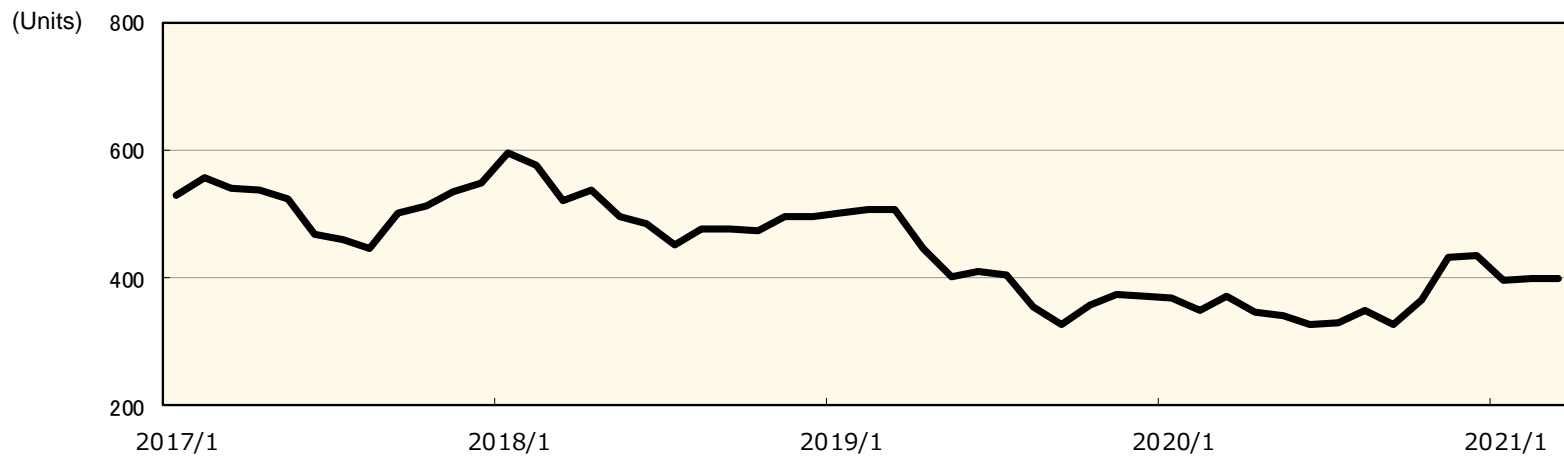
Housing investment: Flat

[New housing starts (six-month moving average)]



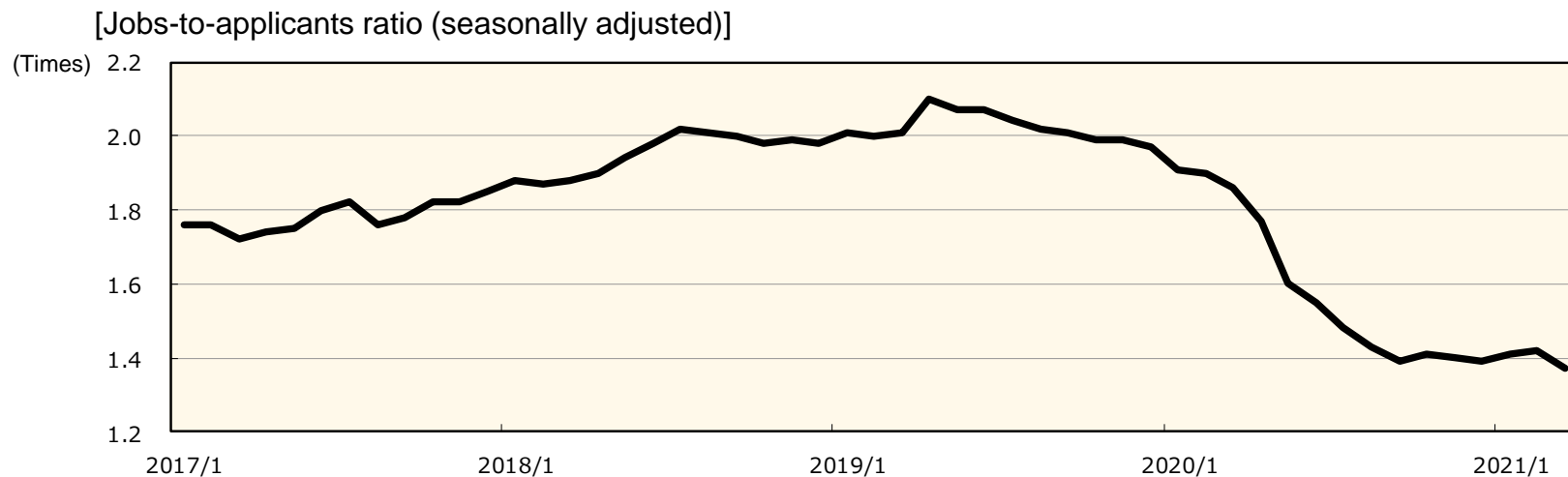
Source: MLIT

[Rental housing starts (six-month moving average)]



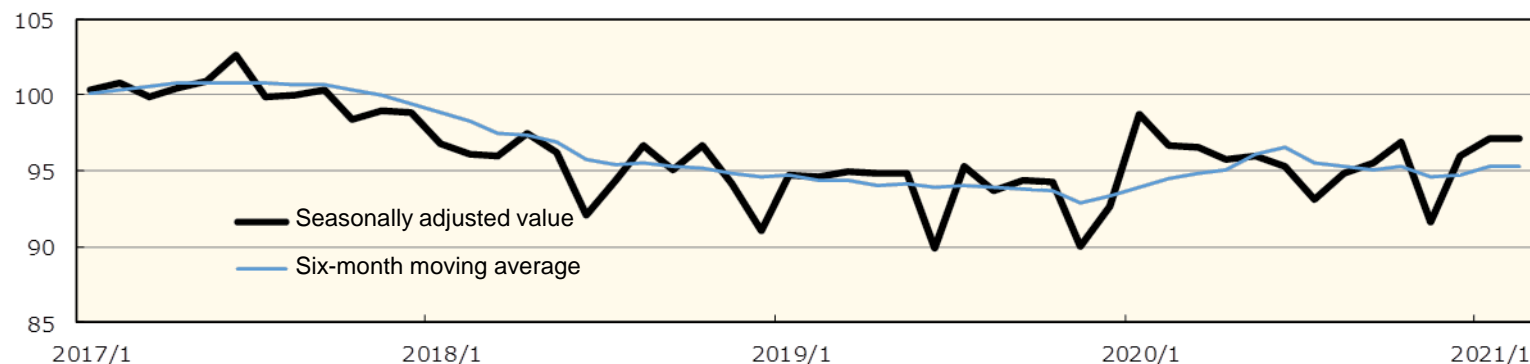
Source: MLIT

Employment situation: Showing weakness due to the impact of COVID-19



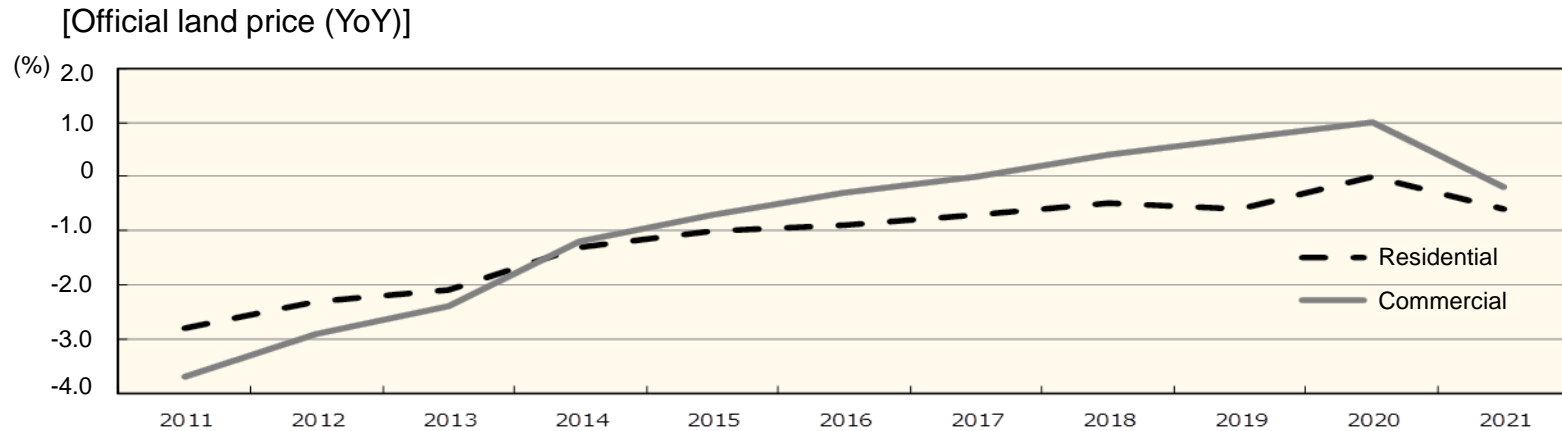
Source: Employment Service Section, Okayama Labor Bureau, Ministry of Health, Labor and Welfare

[Total sum of cash earnings (2015 indexed at 100; seasonally adjusted)]



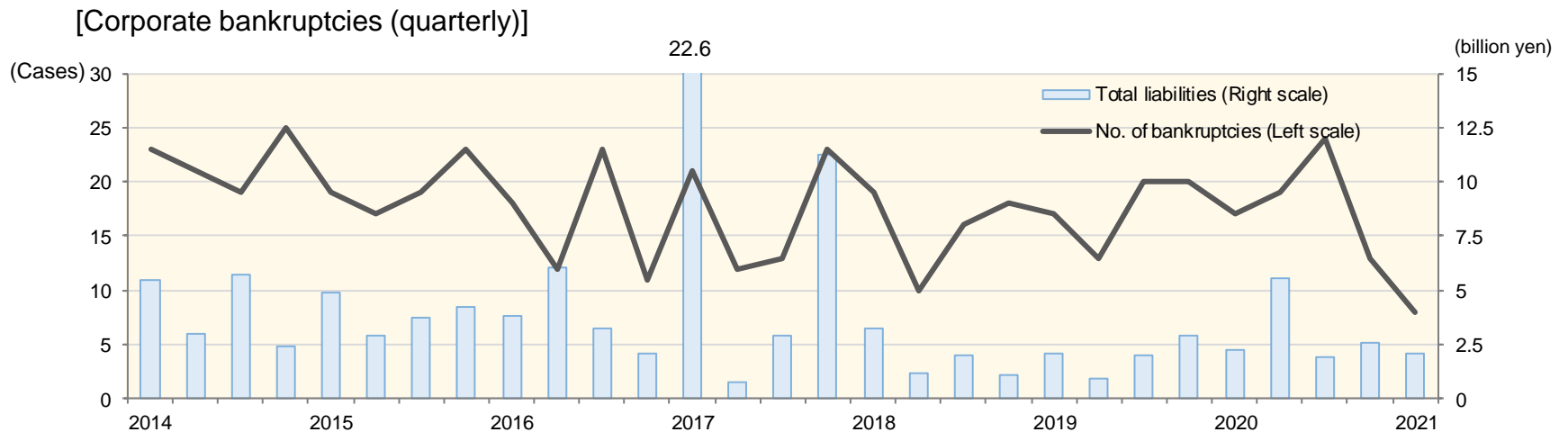
Source: Seasonally adjusted value calculated by the Okayama Economic Research Institute based on data from the Statistic Analysis Section of Okayama Prefecture

Land prices: Beginning to drop due to impact of COVID-19



Source: Hilly and Mountainous Areas Development Division, Okayama Prefecture

Corporate bankruptcies: Bankruptcies decreasing due to financing support, despite coronavirus recession



Source: Okayama branch, Teikoku Databank

Chugoku Bank's Management Indicators

Profit and Loss Statement (1)

[Parent] (million yen)	FY2016 1H	FY2016	FY2017 1H	FY2017	FY2018 1H	FY2018	FY2019 1H	FY2019	FY2020 1H	FY2020
Ordinary revenue	58,634	125,036	57,586	116,499	57,415	113,461	56,143	110,829	49,824	99,765
Banking revenue	50,876	111,877	51,803	103,360	53,545	104,638	51,457	100,630	46,415	90,108
Extraordinary revenue	7,758	13,159	5,783	13,138	3,869	8,822	4,686	10,198	3,409	9,657
Ordinary expense	41,286	96,068	43,543	88,567	44,196	91,541	43,899	95,353	38,712	80,720
Banking expense	37,402	86,795	40,643	81,918	41,870	83,680	39,680	82,776	35,161	70,881
Extraordinary expense	3,883	9,272	2,900	6,649	2,325	7,860	4,219	12,577	3,550	9,839
Recurring profit	17,348	28,968	14,043	27,931	13,219	21,919	12,244	15,475	11,111	19,045
Banking income	13,478	25,090	11,164	21,451	11,679	20,965	11,780	17,860	11,257	19,235
Gross income	41,666	79,977	39,887	77,117	39,375	78,149	38,820	74,251	39,794	75,812
(Net interest income)	33,428	67,765	33,862	66,265	32,948	63,033	30,060	58,290	30,384	58,871
(Fees and commissions)	7,645	15,214	7,116	14,610	7,578	14,886	7,535	15,857	7,588	15,672
(Other banking income)	592	-3,002	-1,091	-3,757	-1,150	228	1,224	103	1,821	1,268
Expenses	28,187	54,886	28,723	55,666	27,232	54,211	27,397	54,010	26,404	52,783
General provisions for doubtful receivables	-	-	-	-	464	2,972	-358	2,380	2,133	3,794
Extraordinary gain	-	3	0	14	15	15	1	1	-	-
Extraordinary loss	126	466	143	209	143	289	298	627	140	339
Impairment loss	80	414	132	148	100	222	289	596	69	244
Income before income tax (1H)	17,222	28,505	13,900	27,736	13,090	21,645	11,946	14,849	10,971	18,706
Corporate, residential, and business taxes	4,110	8,688	2,964	7,218	3,056	6,758	3,261	4,326	3,655	7,316
Income tax adjustments	996	776	1,117	1,107	617	-451	270	-291	▲ 475	-1,617
Net income (1H)	12,115	19,039	9,819	19,409	9,416	15,338	8,414	10,815	7,791	13,007

[Consolidated]										
Ordinary revenue	66,647	142,867	65,261	132,445	64,758	128,621	63,780	127,318	58,173	116,976
Recurring profit	18,473	31,605	15,385	30,922	14,012	23,696	12,943	17,463	11,967	21,252
Net income attributable to owners of the parent (1H)	12,590	20,323	10,566	21,258	9,713	16,199	8,644	11,916	8,226	14,418
Net income (1H)	12,745	20,627	10,566	21,258	9,713	16,199	8,644	11,916	8,226	14,418
Other comprehensive income	-4,307	-18,359	12,312	8,687	3,250	-11,164	6,805	-33,836	20,479	40,685
Valuation difference from other available-for-sale securities	-4,556	-19,641	11,431	6,403	763	-6,137	9,181	-30,699	18,650	33,586
Deferred hedge gains	-344	675	222	1,087	1,966	-3,894	-2,703	-2,563	1,370	6,136
Comprehensive income (1H)	8,437	2,268	22,879	29,946	12,963	5,035	15,450	-21,919	28,706	55,104

Profit and Loss Statement (2)

[Parent] (million yen)	FY2016 1H	FY2016	FY2017 1H	FY2017	FY2018 1H	FY2018	FY2019 1H	FY2019	FY2020 1H	FY2020
Bond related gains/losses	732	-2,038	-300	-2,481	-316	1,117	1,084	-524	822	-552
Gain on bond sales, including JGBs	3,520	13,536	1,634	3,827	2,679	4,865	1,727	3,026	1,407	2,496
Gain on bond redemption, including JGBs	-	-	-	-	-	-	25	25	-	50
Loss on bond sales, including JGBs	2,788	15,575	1,901	6,308	2,895	3,622	668	3,526	535	2,948
Loss on bond redemption, including JGBs	-	-	-	-	-	-	-	-	-	-
Bond redemption, including JGBs	-	-	34	-	100	125	-	50	49	150
Equity-related gains/losses	945	4,379	456	4,437	335	1,495	456	73	963	5,586
Gain on equity sales	3,401	9,937	1,717	6,888	1,868	5,574	2,361	7,073	1,761	7,233
Loss on equity sales	1,666	2,928	1,261	2,450	1,529	4,075	1,643	4,596	678	1,497
Share redemption	789	2,628	-	-	3	3	260	2,403	119	149
Non-performing loan disposal	-2,716	-209	-2,632	-1,770	202	4,199	1,020	5,610	3,286	8,067
General provisions for doubtful receivables	-487	-104	-2,498	-1,753	464	2,972	-358	2,380	2,133	3,794
Individual provisions for doubtful accounts	-2,241	-187	-136	-25	-261	1,088	1,373	3,212	1,153	4,245
Loan write-offs	-	-	-	-	-	65	-	0	-	26
Loss on claim sales	11	81	1	8	-	74	5	18	-	2

Ordinary Revenue Breakdown

[Parent] (million yen)	FY2016 1H	FY2016	FY2017 1H	FY2017	FY2018 1H	FY2018	FY2019 1H	FY2019	FY2020 1H	FY2020
Ordinary revenue	58,634	125,036	57,586	116,499	57,415	113,461	56,143	110,829	49,824	99,765
Banking revenue	50,876	111,877	51,803	103,360	53,545	104,638	51,457	100,630	46,415	90,108
Net interest income	37,604	78,762	40,722	80,016	40,950	80,230	39,740	76,726	34,284	65,741
Lending rate	20,789	42,891	23,134	47,027	25,408	51,412	25,506	50,493	23,169	45,840
Securities interest rate (gains or losses on cancellation of investment trusts)	16,432	34,962	16,975	31,545	14,864	27,659	13,843	25,499	10,772	19,160
Call loan interest rate	(120)	(532)	(712)	(1,664)	(450)	(1,026)	(126)	(93)	(312)	(165)
Interest rate on bills bought	73	307	299	813	361	521	82	153	48	125
Interest rate on bills bought	-	-	-	-	-	-	-	-	-	-
Gensaki transaction interest rate	-	-	-	-	-	-	-	-	-	-
Deposit interest rate	-	-	-	-	-	-	-	-	-	-
Foreign currency interest income	189	375	187	374	192	382	186	358	206	450
Financial swap interest income	28	53	28	58	35	75	34	61	19	32
Other interest income	-	-	-	-	-	-	-	-	-	-
Other interest income	90	172	97	196	88	179	86	159	67	132
Fees and commissions	9,735	19,439	9,276	18,911	9,757	19,175	9,709	20,217	9,717	19,954
Fee and commission income	2,853	5,712	2,818	5,669	2,811	5,635	2,822	5,625	3,013	5,899
Other fee and commission income	6,882	13,725	6,458	13,240	6,945	13,537	6,887	14,590	6,704	14,053
Trust fees	0	1	0	1	0	1	0	1	0	0
Other banking revenue	3,536	13,675	1,804	4,432	2,837	5,232	2,007	3,687	2,412	4,412
Gain on sale of bonds, including JGBs	3,520	13,536	1,634	3,827	2,679	4,865	1,727	3,026	1,407	2,496
Gain on sale of foreign currencies	-	-	-	-	-	-	-	411	835	1,345
Gain on sale of securities	14	9	-	-	0	-	-	-	7	8
Financial derivative revenue	-	126	168	603	-	-	136	37	-	349
Other	1	2	0	1	157	367	117	185	162	163
Extraordinary income	7,758	13,159	5,783	13,138	3,869	8,822	4,686	10,198	3,409	9,657
Gain on sale of equities	3,401	9,937	1,717	6,888	1,868	5,574	2,361	7,073	1,761	7,233
Gain on investment trusts	5	67	103	85	154	-	48	72	31	113
Reversal to provisions for doubtful receivables	2,728	291	2,634	1,778	-	-	-	-	-	-
Gain on non-performing loans recovered	12	12	5	5	0	0	3	3	0	0
Other	1,610	2,850	1,322	4,380	1,846	3,248	2,273	3,048	1,616	2,310

Ordinary Expense Breakdown

[Parent]	FY2016	FY2016	FY2017	FY2017	FY2018	FY2018	FY2019	FY2019	FY2020	FY2020
(million yen)	1H		1H		1H		1H		1H	
Ordinary expenses	41,286	96,068	43,543	88,567	44,196	91,541	43,899	95,353	38,712	80,720
Banking expenses	37,402	86,795	40,643	81,918	41,870	83,680	39,680	82,776	35,161	70,881
Interest expense	4,180	11,006	6,863	13,759	8,007	17,204	9,683	18,442	3,904	6,878
Expenses matching the amount of investment of money held in trust	4	9	3	9	4	7	3	6	3	7
Deposit interest	820	1,791	1,018	1,928	1,173	2,333	1,300	2,564	416	843
Negotiable certificates of deposit (NCD) interest	52	89	33	60	21	42	18	34	14	28
Call money interest	1,085	2,436	824	1,374	538	869	192	284	-37	-124
Interest on sales under agreement to repurchase	0	101	538	1,584	1,025	2,397	1,763	3,277	131	268
Securities lending transaction interest payable	889	2,354	943	1,474	325	594	263	658	120	301
Interest on commercial papers	-	48	336	779	395	1,100	566	920	85	173
Borrowed money interest payable	190	572	556	1,237	1,162	2,504	1,241	2,156	901	1,051
Foreign exchange interest payable	92	316	7	7	0	12	3	80	80	76
Financial swap interest payable	1,048	3,290	2,605	5,311	3,361	7,347	4,332	8,460	2,190	4,217
Other interest payable	0	6	0	0	3	1	0	5	0	5
Fees and commissions	2,090	4,225	2,159	4,301	2,178	4,288	2,174	4,359	2,129	4,281
Fees and commissions payable	454	902	463	919	474	932	466	916	455	904
Other fees and commissions payable	1,635	3,323	1,696	3,382	1,704	3,355	1,708	3,442	1,673	3,376
Other banking expenses	2,944	16,677	2,895	8,190	3,988	5,004	783	3,583	591	3,144
Loss on sale of bonds, including JGBs	2,788	15,575	1,901	6,308	2,895	3,622	668	3,526	535	2,948
Bond redemption, including JGBs	-	-	34	-	100	125	-	50	49	150
Loss on foreign exchange transactions	82	1,101	957	1,873	771	843	102	-	-	-
Loss on securities transactions	-	-	2	8	-	4	12	6	-	-
Financial derivative expenses	73	-	-	-	221	407	-	-	5	-
Other	-	-	-	-	-	-	-	-	-	45
General provisions for doubtful receivables	-	-	-	-	464	2,972	-358	2,380	2,133	3,794
Expenses	28,187	54,886	28,723	55,666	27,232	54,211	27,397	54,010	26,404	52,783
Extraordinary expenses	3,883	9,272	2,900	6,649	2,325	7,860	4,219	12,577	3,550	9,839
Individual provisions for doubtful accounts	-	-	-	-	-261	1,088	1,373	3,212	1,153	4,245
Redemption of loans and bills discounted	-	-	-	-	-	65	-	0	-	26
Loss on sale of equity	1,666	2,928	1,261	2,450	1,529	4,075	1,643	4,596	678	1,497
Equity redemption	789	2,628	-	-	3	3	260	2,403	119	149
Loss on money held in trust	98	88	0	118	14	104	14	63	18	4
Retirement expense	855	1,711	949	1,899	748	1,497	471	942	663	1,323
Other	473	1,914	688	2,179	290	1,026	456	1,358	916	2,592

Expense Breakdown

[Parent]	FY2016	FY2016	FY2017	FY2017	FY2018	FY2018	FY2019	FY2019	FY2020	FY2020
(million yen)	1H		1H		1H		1H		1H	
Expenses (1)	28,187	54,886	28,723	55,666	27,232	54,211	27,397	54,010	26,404	52,783
Personnel	14,903	29,553	14,702	28,910	13,953	27,834	14,164	28,204	13,794	27,725
Salaries	8,316	16,610	8,171	16,051	7,740	15,438	7,594	15,072	7,262	14,560
Bonuses	3,002	5,755	2,807	5,410	2,506	4,992	2,582	5,132	2,358	4,807
Retirement expenses	222	446	353	710	288	571	499	1,012	664	1,314
Social insurance	1,804	3,600	1,800	3,575	1,796	3,559	1,772	3,532	1,733	3,446
Temporary employment expense	1,557	3,140	1,569	3,162	1,621	3,272	1,715	3,454	1,774	3,596
Property expense	11,250	22,218	11,502	23,138	11,381	23,263	11,379	22,780	11,016	22,001
Depreciation	1,730	3,539	2,063	4,329	2,043	4,233	2,053	4,201	1,978	4,096
Land and building leasing expense	358	748	384	780	398	800	386	775	391	774
Machinery leasing expense	62	136	69	153	80	169	85	186	91	180
Outsourcing expense	1,361	2,727	1,393	2,755	1,333	2,607	1,264	2,521	1,179	2,466
Maintenance expense	109	207	107	224	136	305	127	277	192	295
Travel expense	102	194	104	213	100	202	105	200	26	75
Sales promotion expense	34	69	46	83	46	79	33	79	53	105
Deposit insurance premium	1,209	2,418	1,094	2,188	1,029	2,059	1,031	2,063	1,028	2,057
Miscellaneous expense	6,283	12,177	6,239	12,410	6,213	14,865	6,291	12,474	6,074	11,948
Taxes	2,033	3,114	2,518	3,617	1,896	3,114	1,853	3,025	1,593	3,056
Core business gross profit (2)	40,933	82,016	40,187	79,598	39,692	77,031	37,735	74,775	38,972	76,365
OHR (1)÷(2)	68.8%	66.9%	71.4%	69.9%	68.6%	70.3%	72.6%	72.2%	67.7%	69.1%

Major Yields

		FY2016	FY2016	FY2017	FY2017	FY2018	FY2018	FY2019	FY2019	FY2020	FY2020
		1H		1H		1H		1H		1H	
(%)											
Total for all branches	1. Interest-earning asset yield	1.00	1.03	1.05	1.04	1.05	1.03	1.02	0.98	0.84	0.79
	Loan yield	1.00	1.01	1.02	1.03	1.08	1.08	1.06	1.04	0.92	0.90
	Securities yield	1.12	1.20	1.31	1.24	1.23	1.17	1.20	1.10	0.91	0.81
	Call loan yield	0.30	0.32	0.29	0.44	0.32	0.22	0.06	0.05	0.02	0.02
	Deposit yield (including NCD)	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.09	0.10	0.12
	2. Interest-bearing liabilities	0.11	0.14	0.18	0.18	0.21	0.22	0.25	0.24	0.09	0.08
	Deposit yield	0.02	0.02	0.03	0.03	0.03	0.03	0.03	0.03	0.01	0.01
	Call money yield	1.00	1.20	1.40	1.37	1.96	1.71	1.11	0.91	-0.12	-0.17
	Loan yield	0.23	0.34	0.60	0.65	1.32	1.49	1.85	1.77	0.51	0.34
	3. Expense ratio	0.89	0.87	0.88	0.86	0.80	0.80	0.80	0.79	0.72	0.71
4. Fundraising expense	0.88	0.88	0.94	0.91	0.92	0.94	0.96	0.94	0.75	0.72	
5. Total net interest income (1-4)	0.12	0.15	0.11	0.13	0.13	0.09	0.06	0.04	0.09	0.07	
Simple loan-deposit margin	0.98	0.99	0.99	1.00	1.05	1.05	1.03	1.01	0.91	0.89	
Simple deposit-securities margin	1.10	1.18	1.28	1.21	1.20	1.14	1.17	1.07	0.90	0.80	

Domestic banking operations	1. Interest-earning asset yield	0.86	0.84	0.81	0.80	0.80	0.77	0.74	0.71	0.70	0.67
	Loan yield	0.97	0.95	0.89	0.88	0.86	0.85	0.83	0.83	0.81	0.81
	Securities yield	0.94	0.96	1.03	1.00	1.03	0.95	0.92	0.82	0.79	0.73
	Call loan yield	-0.02	-0.02	-0.02	-0.01	-0.03	-0.03	-0.03	-0.03	-0.02	-0.02
	Deposit yield (including NCD)	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.09	0.10	0.12
	2. Interest-bearing liabilities	0.04	0.04	0.04	0.04	0.03	0.03	0.03	0.03	0.03	0.03
	Deposit yield	0.02	0.01	0.01	0.01	0.01	0.01	0.00	0.00	0.00	0.00
	Call money yield	-0.03	-0.03	-0.02	-0.04	-0.05	-0.06	-0.05	-0.04	-0.02	-0.02
	Loan yield	0.06	0.04	0.01	0.01	0.02	0.02	0.03	0.04	0.02	0.00
	3. Expense ratio	0.87	0.85	0.86	0.84	0.78	0.78	0.78	0.77	0.70	0.69
4. Fundraising expense	0.84	0.80	0.82	0.80	0.76	0.76	0.76	0.75	0.71	0.69	
5. Total net interest income (1-4)	0.02	0.04	-0.01	0.00	0.04	0.01	-0.02	-0.04	-0.01	-0.02	
Simple loan-deposit margin	0.95	0.94	0.88	0.87	0.85	0.84	0.83	0.83	0.81	0.81	
Simple deposit-securities margin	0.92	0.95	1.02	0.99	1.02	0.94	0.92	0.82	0.79	0.73	

Major Accounts (year-end balance) Assets

(100 million yen)

	FY2016 1H	FY2016	FY2017 1H	FY2017	FY2018 1H	FY2018	FY2019 1H	FY2019	FY2020 1H	FY2020
Total assets	82,481	82,554	82,991	84,395	83,679	82,257	83,579	81,136	87,417	91,226
Interest-earning assets	74,626	73,673	75,527	75,209	75,871	73,224	75,272	73,911	77,520	79,586
Loans	42,173	44,003	45,607	46,761	47,300	48,087	47,847	49,097	50,580	51,444
Securities	30,347	27,146	27,439	26,208	25,074	23,949	24,587	23,451	23,913	26,225
Securities products	20	23	18	18	19	23	23	13	11	11
Money in trust	199	150	150	250	201	180	180	230	230	230
Deposits (excluding non-interest bearing portion)	112	102	141	167	165	135	154	100	219	0
Call loans	1,457	1,905	1,743	1,412	2,614	396	2,091	598	2,155	1,258
Debt purchased	222	215	261	271	268	295	258	230	206	196
Foreign exchange	76	64	59	79	107	90	93	119	150	83
Cash collateral paid	14	61	101	41	119	65	34	69	51	135
(Interest-earnings assets)	74,427	73,523	75,376	74,959	75,669	73,044	75,091	73,681	77,290	79,356
Cash and deposits (non-interest bearing)	6,912	7,953	6,403	7,609	6,621	7,497	6,715	5,662	8,456	10,005
Tangible fixed assets	427	413	405	396	392	388	382	380	377	368
Intangible fixed assets	68	74	65	58	51	44	37	30	24	23
Other assets	461	446	550	1,094	703	1,118	1,167	1,170	1,099	1,322
Deferred tax assets	-	-	-	-	-	-	-	22	-	-
Guarantee endorsements	321	340	351	340	347	324	346	334	333	320
Provisions for doubtful receivables	-336	-347	-311	-314	-306	-341	-342	-375	-393	-429

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

	FY2016	FY2016	FY2017	FY2017	FY2018	FY2018	FY2019	FY2019	FY2020	FY2020
(100 million yen)	1H		1H		1H		1H		1H	
Total liabilities and net assets	82,481	82,554	82,991	84,395	83,679	82,257	83,579	81,136	87,417	91,226
Total liabilities	77,334	77,526	77,774	79,161	78,350	77,021	78,224	76,174	82,201	85,786
Interest-bearing liabilities	76,136	76,370	76,496	77,624	76,958	75,499	76,571	74,750	80,874	84,086
Deposits	59,545	62,018	61,693	64,236	63,831	66,399	64,751	67,116	71,544	75,113
Negotiable certificates of deposit (NCD)	3,025	2,229	3,038	2,224	3,562	1,783	2,991	2,044	2,787	1,771
Call money	1,722	1,492	720	579	366	187	150	300	715	712
Sales under agreement to repurchase account	-	215	1,582	715	782	1,250	1,559	1,247	1,246	1,296
Payables under Securities Lending Transactions	10,369	8,323	6,911	7,472	6,229	3,772	5,601	2,171	1,548	1,727
Commercial paper	-	242	517	461	487	487	365	326	465	542
Borrowed money	1,461	1,818	2,014	1,885	1,656	1,559	1,075	1,480	2,467	2,754
Foreign exchange	2	1	2	2	1	17	7	2	9	2
Bond	-	-	-	-	-	-	-	-	-	100
Cash collateral received	8	27	6	31	16	14	36	28	52	16
(Expenses matching the amount of investment of money held in trust)	199	150	150	250	201	180	180	230	230	230
(Fund procurement account)	75,937	76,220	76,345	77,374	76,757	75,319	76,391	74,520	80,644	83,856
Other liabilities	449	464	518	803	645	862	947	993	844	1,229
Retirement provision	204	200	198	195	188	185	179	75	73	3
Other provision	24	23	21	25	23	23	20	19	5	3
Deferred tax liabilities	195	126	186	169	187	125	158	-	58	130
Acceptances and guarantees	321	340	351	340	347	324	346	334	333	320
Total net assets	5,146	5,028	5,217	5,234	5,329	5,235	5,355	4,962	5,216	5,440
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	4,017	4,067	4,074	4,151	4,226	4,266	4,328	4,331	4,388	4,420
Treasury stock (-)	98	121	54	74	84	94	96	96	96	96
Valuation difference on other securities	1,080	925	1,038	989	999	934	1,023	625	808	952
Gain/loss on deferred hedges	-71	-60	-58	-49	-30	-88	-115	-114	-100	-53
Warrants	3	3	2	2	2	3	1	1	1	2

Major Accounts (average balance) Assets

(100 million yen)

	FY2016 1H	FY2016	FY2017 1H	FY2017	FY2018 1H	FY2018	FY2019 1H	FY2019	FY2020 1H	FY2020
Total assets	78,330	79,899	80,719	80,986	81,574	81,554	81,738	82,160	85,635	87,544
Interest-earning assets	75,074	76,580	76,924	77,056	77,507	77,484	77,602	78,167	81,284	82,863
Loans	41,310	42,324	44,859	45,518	46,907	47,344	47,780	48,116	49,942	50,531
Securities	29,042	29,030	25,747	25,311	23,939	23,456	22,963	23,049	23,427	23,524
Securities products	20	22	19	19	26	21	23	21	14	14
Money in trust	199	199	150	210	249	209	180	179	230	230
Deposits (excluding non-interest bearing portion)	3,713	3,719	3,727	3,735	3,741	3,718	3,678	3,663	3,865	3,699
Call loans	483	947	2,014	1,822	2,198	2,292	2,615	2,796	3,447	4,515
Debt purchased	144	149	175	182	187	191	206	189	152	146
Foreign exchange	157	156	137	157	171	168	107	99	150	144
Cash collateral paid	2	29	85	100	85	80	47	50	53	58
(Interest-earnings assets)	74,874	76,380	76,774	76,846	77,257	77,274	77,422	77,987	81,054	82,633
Cash and deposits (non-interest bearing)	2,309	2,297	2,486	2,616	2,779	2,763	2,740	2,546	2,767	3,155
Tangible fixed assets	438	441	415	416	399	402	392	395	382	386
Intangible fixed assets	64	67	72	71	58	57	44	43	30	31
Other assets	224	284	578	570	580	595	736	780	973	922
Deferred tax assets	247	243	240	234	229	226	234	233	238	240
Guarantee endorsements	329	332	345	347	332	335	324	336	336	332
Provisions for doubtful receivables	-358	-347	-343	-328	-311	-312	-336	-343	-377	-388

Major Accounts (average balance) Liabilities & Net Assets

(100 million yen)	FY2016 1H	FY2016	FY2017 1H	FY2017	FY2018 1H	FY2018	FY2019 1H	FY2019	FY2020 1H	FY2020
Total liabilities and net assets	78,330	79,899	80,719	80,986	81,574	81,554	81,738	82,160	85,635	87,544
Total liabilities	74,267	75,767	76,598	76,804	77,306	77,236	77,341	77,731	81,169	83,039
Interest-bearing liabilities	73,384	74,784	75,590	75,748	76,227	76,165	76,445	76,840	80,418	82,275
Deposits	59,937	60,078	61,560	61,694	63,475	63,620	64,997	65,295	69,979	71,288
Negotiable certificates of deposit (NCD)	2,909	2,965	2,916	2,883	3,712	3,535	3,052	2,964	2,806	2,805
Call money	2,157	2,016	1,167	999	547	505	344	311	602	698
Sales under agreement to repurchase	0	111	753	1,011	903	978	1,360	1,415	701	974
Payables under Securities Lending Transactions	6,747	7,913	6,839	6,739	5,432	5,365	4,842	5,174	2,452	2,949
Commercial paper	-	41	487	498	376	445	450	395	281	407
Borrowed money	1,625	1,649	1,846	1,897	1,746	1,673	1,334	1,216	3,517	3,021
Foreign exchange	1	1	3	3	3	4	5	5	4	4
Bond	-	-	-	-	-	-	-	-	-	46
Cash collateral received	3	3	11	14	9	13	28	28	37	42
(Expenses matching the amount of investment of money held in trust)	199	199	150	210	249	209	180	179	230	230
(Fund procurement account)	73,184	74,584	75,440	75,538	75,978	75,956	76,265	76,660	80,188	82,045
Other liabilities	328	428	447	494	534	527	371	360	327	347
Retirement provision	206	204	198	197	191	189	183	179	73	73
Other provision	16	17	15	14	20	18	16	14	6	5
Deferred tax liabilities	-	-	-	-	-	-	-	-	-	-
Acceptances and guarantees	329	332	345	347	332	335	324	336	336	332
Total net assets	4,063	4,131	4,120	4,182	4,268	4,317	4,396	4,429	4,465	4,504
Capital	151	151	151	151	151	151	151	151	151	151
Surplus capital	62	62	27	44	62	62	62	62	62	62
Retained earnings	3,925	4,002	4,016	4,047	4,121	4,175	4,266	4,300	4,338	4,376
Treasury stock (-)	90	99	88	75	81	84	95	95	96	96
Valuation difference on other securities	12	11	11	11	11	10	10	9	8	9
Gain/loss on deferred hedges	-0	-0	-0	-0	-0	-0	-1	-1	-1	-0
Warrants	3	3	3	2	2	2	2	2	1	1

Deposits (year-end balance)

(100 million yen)		FY2016	FY2016	FY2017	FY2017	FY2018	FY2018	FY2019	FY2019	FY2020	FY2020
		1H		1H		1H		1H		1H	
Okayama		45,465	47,052	46,850	49,026	48,864	50,953	49,712	51,863	54,855	57,260
	Private portion	34,807	35,313	35,832	36,311	37,072	37,347	37,610	38,327	39,941	41,081
	Corporate portion	8,989	9,314	9,657	10,043	10,140	10,485	10,425	10,507	11,849	12,592
Hiroshima		8,172	8,762	8,534	8,533	8,634	9,144	8,644	9,043	9,300	9,605
	Private portion	5,514	5,569	5,584	5,604	5,633	5,627	5,649	5,743	5,916	6,015
	Corporate portion	2,528	2,614	2,858	2,794	2,838	2,862	2,908	2,935	3,215	3,307
Kagawa, Ehime		3,952	4,029	4,022	4,141	4,074	4,020	3,968	4,054	4,335	4,448
	Private portion	2,764	2,763	2,766	2,765	2,759	2,736	2,717	2,719	2,781	2,832
	Corporate portion	1,177	1,220	1,253	1,338	1,312	1,249	1,248	1,303	1,552	1,571
Hyogo		1,068	1,089	1,136	1,130	1,159	1,152	1,132	1,166	1,233	1,285
	Private portion	624	636	640	637	642	630	622	625	635	651
	Corporate portion	438	451	495	492	516	521	509	540	596	633
Tottori		106	114	119	129	120	123	133	128	145	148
	Private portion	50	49	50	51	52	51	52	51	53	54
	Corporate portion	55	64	68	78	67	71	81	76	90	94
Osaka		216	237	241	211	264	229	253	212	261	239
	Private portion	64	72	67	68	69	69	70	71	73	66
	Corporate portion	150	163	172	142	193	158	182	139	187	172
Tokyo		176	137	136	188	194	131	188	128	342	477
	Private portion	71	69	67	66	65	62	61	57	59	58
	Corporate portion	102	66	67	119	127	66	124	68	280	415
Total domestic branches (before reconciliation of transit items)		59,158	61,422	61,042	63,361	63,310	65,755	64,033	66,596	70,474	73,464
	Total for private portion	43,897	44,476	45,010	45,504	46,294	46,526	46,783	47,597	49,460	50,761
	Total for corporate portion	13,441	13,895	14,572	15,009	15,194	15,415	15,478	15,572	17,771	18,786
Overseas branches		388	597	653	877	521	644	717	519	1,070	1,648
Total deposits		59,545	62,018	61,693	64,236	63,831	66,399	64,751	67,116	71,544	75,113
	Liquidity	39,035	41,644	41,224	44,590	44,332	47,261	45,646	48,186	52,534	56,159
	Time deposits	20,510	20,374	20,469	19,646	19,499	19,137	19,105	18,929	19,009	18,954
	Domestic banking	58,569	60,869	60,433	62,671	62,564	65,120	63,406	65,999	69,876	72,632
	International banking	976	1,149	1,260	1,565	1,267	1,278	1,344	1,116	1,668	2,480

Deposits (average balance)

(100 million yen)		FY2016	FY2016	FY2017	FY2017	FY2018	FY2018	FY2019	FY2019	FY2020	FY2020
		1H		1H		1H		1H		1H	
Okayama		45,887	45,766	46,806	47,003	48,589	48,754	50,008	50,166	54,031	54,653
	Private portion	34,963	35,082	35,697	35,981	36,755	37,054	37,681	37,915	39,457	40,033
	Corporate portion	8,989	9,014	9,442	9,464	9,958	9,927	10,354	10,385	11,360	11,703
Hiroshima		8,196	8,224	8,427	8,429	8,643	8,638	8,688	8,721	9,352	9,444
	Private portion	5,522	5,533	5,579	5,596	5,619	5,628	5,647	5,680	5,865	5,923
	Corporate portion	2,510	2,534	2,736	2,736	2,828	2,825	2,918	2,943	3,163	3,250
Kagawa, Ehime		3,969	3,992	4,050	4,064	4,073	4,053	4,025	4,022	4,238	4,332
	Private portion	2,780	2,772	2,762	2,765	2,760	2,754	2,739	2,729	2,760	2,783
	Corporate portion	1,181	1,210	1,284	1,294	1,310	1,296	1,283	1,289	1,476	1,544
Hyogo		1,042	1,054	1,115	1,116	1,141	1,141	1,124	1,130	1,205	1,238
	Private portion	626	627	637	638	637	636	626	626	631	635
	Corporate portion	408	420	477	476	503	503	497	503	573	601
Tottori		103	105	114	116	126	124	125	126	135	140
	Private portion	50	50	50	50	52	51	51	51	51	51
	Corporate portion	52	55	63	64	73	71	73	74	82	84
Osaka		213	215	218	220	233	241	227	231	248	252
	Private portion	65	67	69	68	68	68	69	70	71	69
	Corporate portion	147	147	148	150	164	171	157	160	176	182
Tokyo		193	185	163	155	157	149	140	144	207	274
	Private portion	71	70	68	67	66	65	62	60	58	58
	Corporate portion	119	112	92	85	88	82	75	81	146	212
Total domestic branches		59,606	59,546	60,896	61,107	62,963	63,104	64,340	64,546	69,420	70,341
	Total for private portion	44,080	44,205	44,865	45,171	45,960	46,261	46,878	47,135	48,897	49,559
	Total for corporate portion	13,410	13,497	14,246	14,276	14,925	14,879	15,361	15,441	16,979	17,583
Overseas branches		330	531	664	587	512	515	656	749	558	947
Total deposits		59,937	60,078	61,560	61,694	63,475	63,620	64,997	65,295	69,979	71,288
	Liquidity	39,274	39,405	41,059	41,781	43,848	44,152	45,766	46,177	51,197	52,345
	Time deposits	20,663	20,672	20,500	19,913	19,627	19,467	19,230	19,118	18,781	18,942
	Domestic banking	59,009	58,956	60,277	60,486	62,216	62,397	63,717	63,922	68,810	69,701
	International banking	928	1,122	1,282	1,208	1,259	1,223	1,279	1,373	1,168	1,586

Loans (year-end balance)

(100 million yen)

		FY2016	FY2016	FY2017	FY2017	FY2018	FY2018	FY2019	FY2019	FY2020	FY2020	
		1H		1H		1H		1H		1H		
General capital		37,059	38,930	40,332	41,543	42,098	42,982	42,811	44,087	45,659	46,663	
	Scale	Large-scale companies	8,869	8,869	8,251	7,919	7,778	7,754	7,411	7,659	8,149	8,344
		Medium-scale companies	1,477	1,499	1,661	1,710	1,672	1,665	1,456	1,486	1,321	1,271
		Small-scale companies	18,568	20,309	22,067	23,426	24,044	24,754	24,941	25,772	26,915	27,572
		Private individuals	8,144	8,252	8,352	8,486	8,602	8,807	9,002	9,168	9,271	9,475
	Government and municipal loans		4,985	4,904	5,108	5,017	4,962	4,882	4,804	4,758	4,699	4,557
	State and local public works groups		4,932	4,847	5,067	4,979	4,939	4,860	4,793	4,745	4,692	4,550
	Local public corporations		53	57	40	38	23	21	11	12	7	7
	Total loans by domestic branches		42,045	43,835	45,440	46,561	47,061	47,864	47,616	48,845	50,358	51,221
	Region	Okayama	22,441	24,003	25,305	25,973	26,423	26,911	26,808	27,667	28,351	28,804
		Hiroshima	7,162	7,415	7,671	7,935	8,128	8,408	8,503	8,583	8,918	9,078
		Kagawa, Ehime	2,839	2,985	3,097	3,241	3,236	3,351	3,362	3,391	3,527	3,519
Hyogo		1,996	2,102	2,295	2,513	2,623	2,699	2,664	2,748	2,788	2,865	
Tottori		296	297	315	341	341	357	365	363	366	363	
Osaka		1,286	1,313	1,228	1,120	1,129	1,051	1,033	1,013	1,216	1,273	
Tokyo		6,020	5,717	5,525	5,433	5,177	5,084	4,879	5,077	5,189	5,317	
Loan liabilities		-	-	-	-	-	-	-	-	-	-	
Overseas branches		128	168	166	200	239	222	230	252	222	222	
Total loans		42,173	44,003	45,607	46,761	47,300	48,087	47,847	49,097	50,580	51,444	

Loans (average balance)

(100 million yen)

		FY2016	FY2016	FY2017	FY2017	FY2018	FY2018	FY2019	FY2019	FY2020	FY2020	
		1H		1H		1H		1H		1H		
General capital		36,191	37,230	39,604	40,295	41,680	42,194	42,744	43,113	44,954	45,610	
	Type	Local development	17,746	18,132	18,840	19,237	20,043	20,381	20,819	21,008	21,922	22,240
		Urban	7,217	7,170	6,857	6,699	6,289	6,210	5,827	5,844	6,091	6,232
		Private loans	9,762	9,873	10,375	10,514	10,894	11,006	11,335	11,419	11,641	11,706
		Housing loan portion	7,507	7,542	7,655	7,668	7,738	7,783	7,975	8,040	8,239	8,314
		Other	1,464	2,055	3,531	3,843	4,454	4,597	4,762	4,845	5,299	5,429
	Government and municipal loans		4,984	4,952	5,082	5,055	4,999	4,932	4,818	4,770	4,741	4,675
	State and local public works groups		4,929	4,898	5,042	5,014	4,973	4,907	4,805	4,757	4,733	4,668
	Local public corporations		54	53	39	40	25	24	13	12	8	7
	Total loans by domestic branches		41,175	42,182	44,686	45,350	46,679	47,126	47,563	47,883	49,695	50,286
Region	Okayama	21,812	22,607	24,665	25,181	26,114	26,381	26,741	26,967	28,035	28,291	
	Hiroshima	7,008	7,168	7,517	7,652	8,014	8,167	8,444	8,485	8,806	8,912	
	Kagawa, Ehime	2,781	2,832	3,028	3,086	3,216	3,254	3,356	3,375	3,464	3,518	
	Hyogo	1,943	1,992	2,193	2,290	2,571	2,625	2,686	2,701	2,795	2,828	
	Tottori	288	295	306	317	337	345	360	363	362	363	
	Osaka	1,288	1,306	1,280	1,229	1,119	1,116	1,026	1,019	1,073	1,164	
	Tokyo	6,053	5,980	5,694	5,593	5,305	5,234	4,947	4,970	5,157	5,205	
Loan liabilities		-	-	-	-	-	-	-	-	-	-	
Overseas branches		135	141	173	167	227	218	216	233	247	244	
Total loans		41,310	42,324	44,859	45,518	46,907	47,344	47,780	48,116	49,942	50,531	

Loans by Industry (year-end balance)

(100 million yen)	FY2016	FY2016	FY2017	FY2017	FY2018	FY2018	FY2019	FY2019	FY2020	FY2020
	1H		1H		1H		1H		1H	
Domestic branches	42,045	43,835	45,440	46,561	47,061	47,864	47,616	48,845	50,358	51,221
Manufacturing	6,977	6,911	6,663	7,003	6,655	6,757	6,443	6,731	7,034	7,124
Agriculture, forestry	29	34	44	60	61	71	87	90	82	81
Fishing	17	25	46	45	36	32	34	27	28	25
Mining, stone, sand	22	21	20	21	20	21	21	20	22	25
Construction	1,140	1,214	1,194	1,296	1,221	1,304	1,210	1,280	1,390	1,563
Electric power, gas, heat supply, water	1,205	1,392	1,700	1,860	2,014	2,087	2,203	2,451	2,448	2,533
Information and communications	292	301	301	232	206	202	190	184	189	181
Transport, postal	1,602	1,719	1,939	2,036	2,095	2,171	2,093	2,163	2,465	2,471
Wholesale, retail	5,089	5,106	5,077	5,124	5,217	5,259	5,232	5,377	5,523	5,469
Financial, insurance	2,801	3,474	3,892	3,810	3,975	3,856	3,699	3,856	3,959	4,382
Real estate, goods leasing	5,374	5,623	6,041	6,387	6,539	6,672	6,914	7,007	7,254	7,208
Public corporations	53	57	40	38	23	21	11	12	7	7
Other	5,320	5,566	6,001	6,349	6,516	6,650	6,902	6,994	7,246	7,201
Various services	2,788	2,966	3,035	3,200	3,201	3,196	3,169	3,149	3,316	3,410
Public organizations	4,932	4,847	5,067	4,979	4,939	4,860	4,793	4,745	4,692	4,550
Other	9,770	10,195	10,414	10,502	10,875	11,371	11,523	11,758	11,950	12,192
Housing loans	7,637	7,672	7,683	7,736	7,790	7,930	8,082	8,213	8,326	8,511
Overseas branches + Offshore loans	128	168	166	200	239	222	230	252	222	222
Total	42,173	44,003	45,607	46,761	47,300	48,087	47,847	49,097	50,580	51,444

Loans by Industry (percentage)

	FY2016	FY2016	FY2017	FY2017	FY2018	FY2018	FY2019	FY2019	FY2020	FY2020
	1H		1H		1H		1H		1H	
Domestic branches	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Manufacturing	16.6%	15.8%	14.7%	15.0%	14.1%	14.1%	13.5%	13.8%	14.0%	13.9%
Agriculture, forestry	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.2%	0.2%	0.2%	0.2%
Fishing	0.0%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Mining, stone, sand	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%
Construction	2.7%	2.8%	2.6%	2.8%	2.6%	2.7%	2.5%	2.6%	2.8%	3.0%
Electric power, gas, heat supply, water	2.9%	3.2%	3.7%	4.0%	4.3%	4.4%	4.6%	5.0%	4.9%	4.9%
Information and communications	0.7%	0.7%	0.7%	0.5%	0.4%	0.4%	0.4%	0.4%	0.4%	0.3%
Transport, postal	3.8%	3.9%	4.3%	4.4%	4.5%	4.5%	4.4%	4.4%	4.9%	4.8%
Wholesale, retail	12.1%	11.6%	11.2%	11.0%	11.1%	11.0%	11.0%	11.0%	11.0%	10.7%
Financial, insurance	6.7%	7.9%	8.6%	8.2%	8.4%	8.1%	7.8%	7.9%	7.9%	8.5%
Real estate, goods leasing	12.8%	12.8%	13.3%	13.7%	13.9%	13.9%	14.5%	14.3%	14.4%	14.1%
Public corporations	0.1%	0.1%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other	12.7%	12.7%	13.2%	13.6%	13.8%	13.9%	14.5%	14.3%	14.4%	14.1%
Various services	6.6%	6.8%	6.7%	6.9%	6.8%	6.7%	6.7%	6.4%	6.6%	6.7%
Public organizations	11.7%	11.1%	11.2%	10.7%	10.5%	10.2%	10.1%	9.7%	9.3%	8.9%
Other	23.2%	23.3%	22.9%	22.6%	23.1%	23.8%	24.2%	24.1%	23.5%	23.8%
Housing loans	18.2%	17.5%	16.9%	16.6%	16.6%	16.6%	17.0%	16.8%	16.5%	16.6%

Share of Total Deposits

[Year-end balance] (%)		FY2016	FY2016	FY2017	FY2017	FY2018	FY2018	FY2019	FY2019	FY2020	FY2020
		1H		1H		1H		1H		1H	
Okayama	Chugoku Bank	48.2	48.4	48.0	48.6	48.9	49.4	49.2	49.8	49.8	50.3
	Other than Chugoku Bank	51.8	51.6	52.0	51.4	51.1	50.6	50.8	50.2	50.2	49.7
	Local banks other than Chugoku Bank	8.1	8.1	7.9	7.8	7.5	7.8	7.7	7.7	7.7	7.8
	Secondary local banks	11.7	11.7	11.7	11.5	11.7	11.5	11.5	11.5	11.5	11.5
	City banks, trust banks	11.2	11.4	11.8	11.9	11.2	10.7	10.9	10.6	10.8	10.2
	Shinkin banks, investment association, etc.	20.8	20.4	20.6	20.3	20.5	20.5	20.7	20.4	20.2	20.2
Bingo region (Eastern region of Hiroshima)	Chugoku Bank	21.3	21.3	20.5	20.0	21.5	21.5	20.0	20.9	20.9	20.0
	Other than Chugoku Bank	78.7	78.7	79.5	80.0	78.5	78.5	80.0	79.1	79.1	80.0
	Local banks other than Chugoku Bank	40.0	40.2	40.7	41.2	39.8	40.3	41.4	41.3	41.0	41.9
	Secondary local banks	11.8	11.9	11.8	12.0	11.9	11.7	11.7	11.5	11.7	12.3
	City banks, trust banks	12.2	12.1	12.2	12.2	11.9	11.9	11.9	11.7	11.8	11.6
	Shinkin banks, investment association, etc.	14.7	14.5	14.8	14.6	14.8	14.5	15.0	14.5	14.6	14.2
Shikoku region	Chugoku Bank	7.8	7.7	7.7	7.7	7.6	7.4	7.3	7.4	7.4	7.4
	Other than Chugoku Bank	92.2	92.3	92.3	92.3	92.4	92.6	92.7	92.6	92.6	92.6
	Local banks other than Chugoku Bank	52.1	52.1	51.9	52.3	51.7	51.9	51.8	52.0	52.0	52.0
	Secondary local banks	17.2	17.1	17.3	17.2	17.5	17.7	17.7	17.6	17.7	17.6
	City banks, trust banks	10.4	10.8	10.8	10.8	10.8	10.8	10.8	10.6	10.4	10.7
	Shinkin banks, investment association, etc.	12.5	12.3	12.3	12.0	12.2	12.2	12.4	12.3	12.5	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]		FY2016	FY2016	FY2017	FY2017	FY2018	FY2018	FY2019	FY2019	FY2020	FY2020
(%)		1H		1H		1H		1H		1H	
Okayama	Chugoku Bank	41.0	42.1	42.9	43.0	43.1	43.0	42.6	42.8	42.8	42.9
	Other than Chugoku Bank	59.0	57.9	57.1	57.0	56.9	57.0	57.4	57.2	57.2	57.1
	Local banks other than Chugoku Bank	17.4	17.2	17.2	17.3	17.3	17.5	17.6	17.8	17.8	18.0
	Secondary local banks	17.4	17.3	17.4	17.3	17.4	17.3	17.2	16.9	16.9	17.1
	City banks, trust banks	9.2	8.8	8.1	8.2	8.0	8.1	8.4	8.8	8.4	8.0
	Shinkin banks, investment association, etc.	15.0	14.6	14.4	14.3	14.2	14.1	14.2	13.8	14.1	14.0
Bingo region (Eastern region of Hiroshima)	Chugoku Bank	23.0	22.8	22.8	22.7	22.5	22.8	22.6	22.1	22.5	22.2
	Other than Chugoku Bank	77.0	77.2	77.2	77.3	77.5	77.2	77.4	77.9	77.5	77.8
	Local banks other than Chugoku Bank	43.0	43.0	43.2	43.1	43.1	42.9	42.8	43.6	43.6	44.1
	Secondary local banks	14.3	14.7	15.1	15.3	15.0	15.1	14.8	14.7	14.3	14.5
	City banks, trust banks	8.7	8.7	8.2	8.3	8.7	8.6	9.1	9.3	8.9	8.7
	Shinkin banks, investment association, etc.	11.0	10.8	10.7	10.6	10.7	10.6	10.7	10.4	10.7	10.5
Shikoku region	Chugoku Bank	10.5	10.6	11.2	11.3	11.3	11.5	11.5	11.5	11.4	11.2
	Other than Chugoku Bank	89.5	89.4	88.8	88.7	88.7	88.5	88.5	88.5	88.6	88.8
	Local banks other than Chugoku Bank	50.3	49.9	49.6	49.9	49.4	49.6	48.9	49.2	49.0	49.3
	Secondary local banks	17.9	17.8	18.2	17.9	18.2	17.8	17.7	17.7	17.5	17.3
	City banks, trust banks	10.4	11.2	10.3	10.3	10.3	10.1	11.0	10.5	10.9	11.0
	Shinkin banks, investment association, etc.	10.9	10.5	10.7	10.5	10.9	10.8	10.9	11.1	11.2	11.2

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

Balance by type

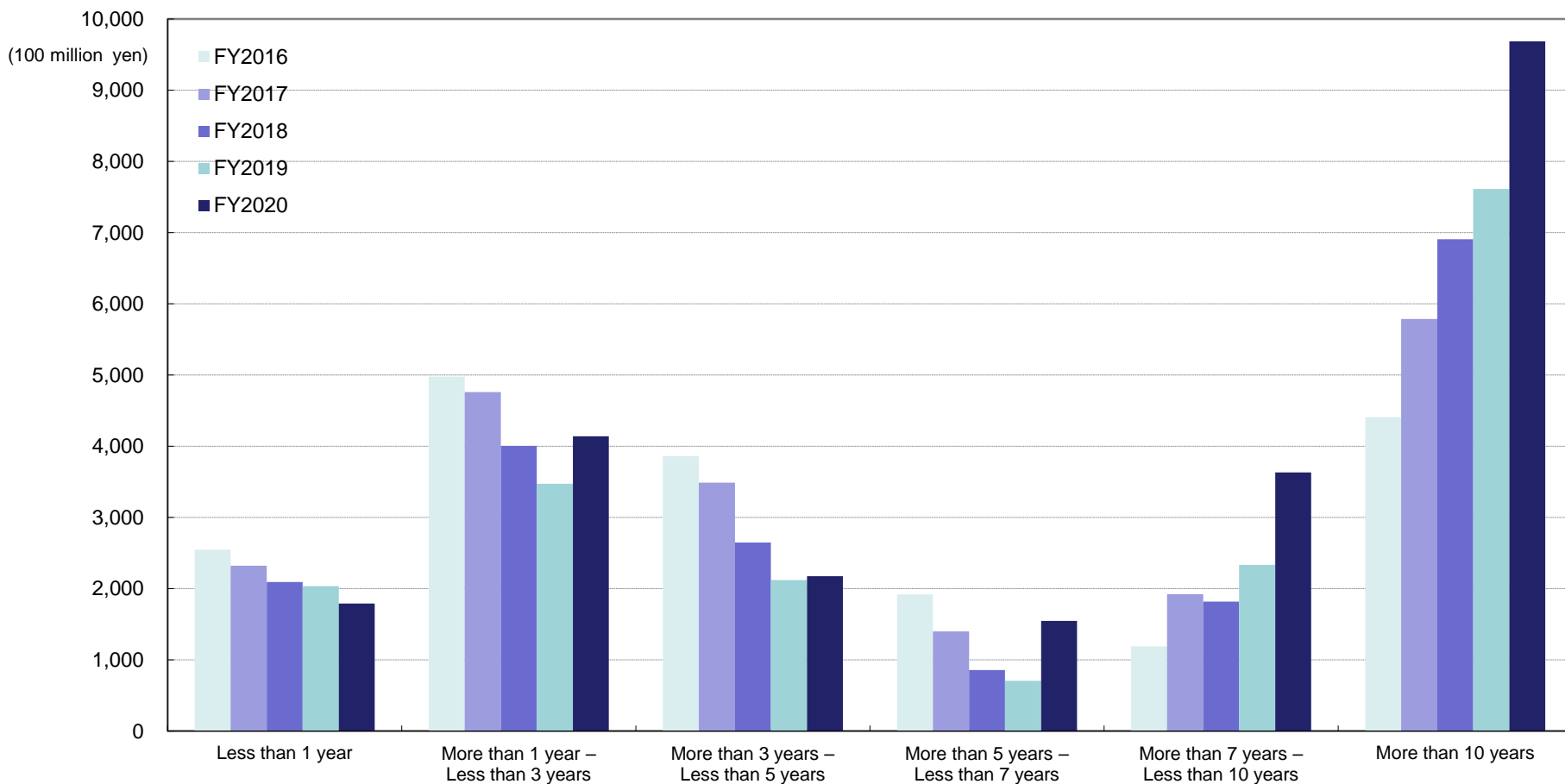
[Parent] (100 million yen)	FY2016 1H	FY2016	FY2017 1H	FY2017	FY2018 1H	FY2018	FY2019 1H	FY2019	FY2020 1H	FY2020
Year-end balance	30,347	27,146	27,439	26,208	25,074	23,949	24,587	23,451	23,913	26,225
JGBs	11,295	9,064	8,111	8,536	7,649	6,502	6,091	6,534	6,827	7,565
Local bonds	5,579	5,635	6,716	6,781	7,259	7,234	7,714	7,513	7,482	7,479
Corporate bonds	3,965	3,251	3,499	3,617	3,680	3,762	3,853	3,558	3,351	3,056
Foreign bonds (Foreign currency denominated portion)	6,051 (5,650)	5,750 (5,426)	5,393 (5,185)	3,591 (3,408)	2,933 (2,653)	3,181 (3,013)	3,448 (3,250)	2,896 (2,725)	3,171 (2,968)	4,418 (4,195)
Other securities	1,897	1,753	1,848	1,859	1,793	1,747	2,102	1,735	1,749	2,250
Equities	1,558	1,690	1,869	1,822	1,757	1,521	1,377	1,212	1,330	1,455

Average balance during year	29,042	29,030	25,747	25,311	23,939	23,456	22,963	23,049	23,427	23,524
JGBs	11,151	10,765	8,447	8,225	7,726	7,314	5,899	5,982	6,939	6,870
Local bonds	5,504	5,559	6,173	6,375	6,997	7,029	7,474	7,544	7,457	7,445
Corporate bonds	3,969	3,835	3,405	3,423	3,658	3,641	3,837	3,741	3,444	3,328
Foreign bonds (Foreign currency denominated portion)	5,743 (5,393)	6,194 (5,839)	5,298 (5,023)	4,781 (4,571)	3,057 (2,887)	3,036 (2,845)	3,249 (3,072)	3,259 (3,107)	3,213 (3,038)	3,491 (3,298)
Other securities	1,490	1,520	1,379	1,434	1,484	1,455	1,566	1,605	1,525	1,540
Equities	1,182	1,155	1,042	1,071	1,014	977	936	916	847	847

Valuation gain/loss

[Parent] (million yen)	FY2016 1H	FY2016	FY2017 1H	FY2017	FY2018 1H	FY2018	FY2019 1H	FY2019	FY2020 1H	FY2020
Securities held to maturity	763	565	512	488	388	457	490	320	283	244
Subsidiary/affiliate equities	-	-	-	-	-	-	-	-	-	-
Other securities	155,021	132,300	148,508	141,551	142,815	133,717	146,879	89,501	115,720	136,418
Equities	41,615	57,643	75,537	73,051	75,927	53,277	50,380	36,473	47,504	62,200
Bonds	68,904	40,296	36,548	36,053	25,004	42,395	46,371	30,478	27,109	20,052
Others	44,501	34,361	36,422	32,446	41,883	38,044	50,127	22,549	41,106	54,165
Total	155,785	132,866	149,020	142,039	143,203	134,174	147,370	89,821	116,004	136,663

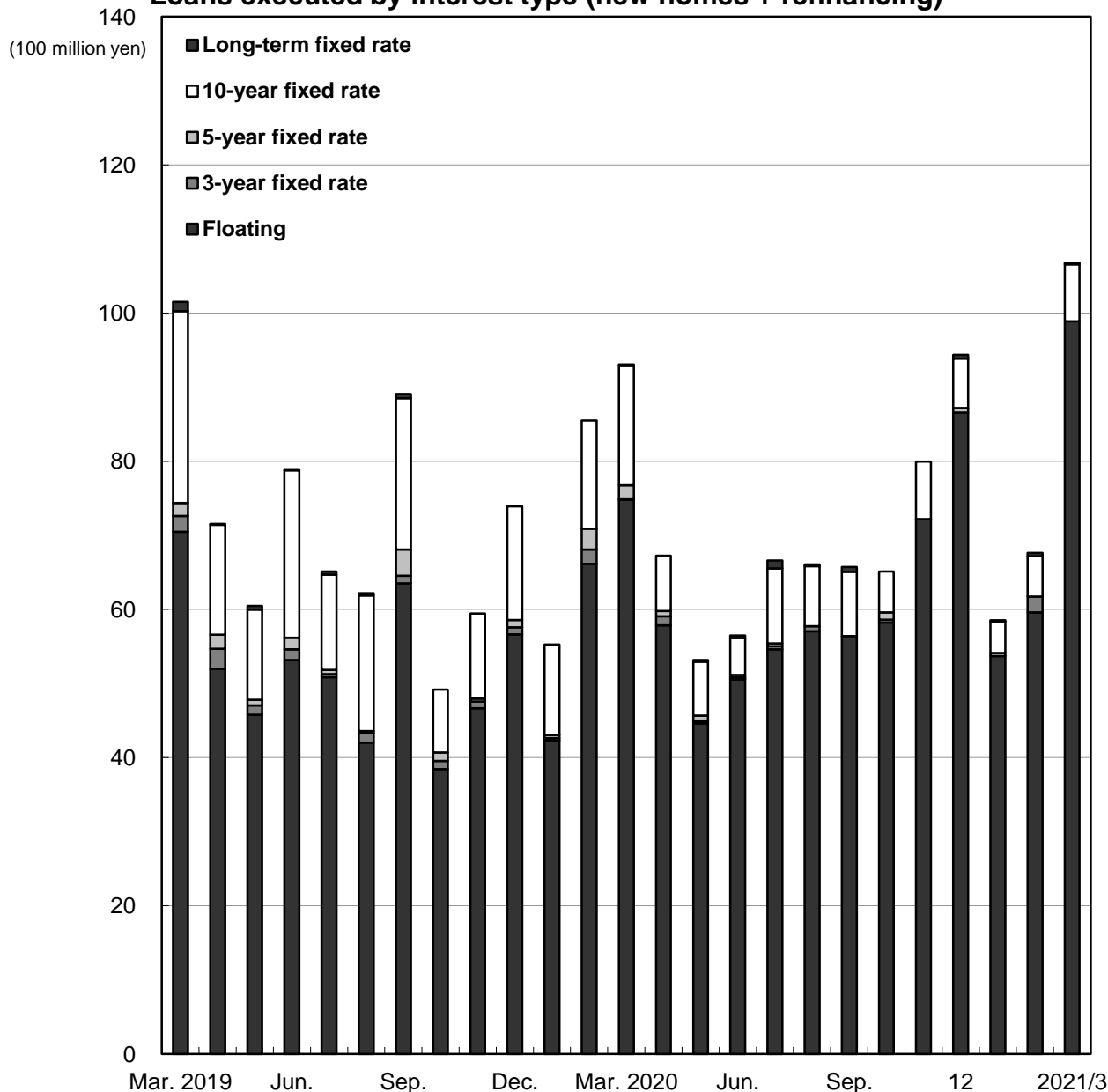
Outstanding balance based on the remaining number of years to maturity for securities



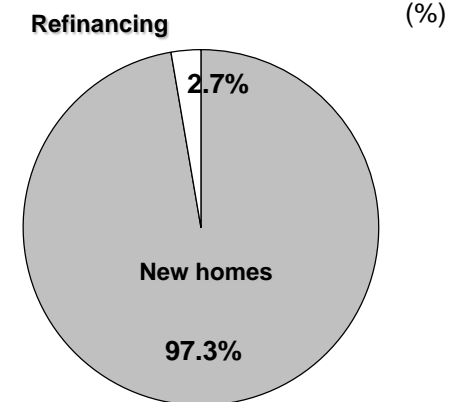
Duration

(year)	FY2016	FY2016	FY2017	FY2017	FY2018	FY2018	FY2019	FY2019	FY2020	FY2020
	1H		1H		1H		1H		1H	
Yen denominated	5.8	4.5	4.8	4.7	5.0	5.1	5.4	5.5	5.5	5.8
Foreign currency denominated	5.0	4.2	3.8	4.2	4.7	4.1	4.4	3.7	2.5	4.2

Loans executed by interest type (new homes + refinancing)

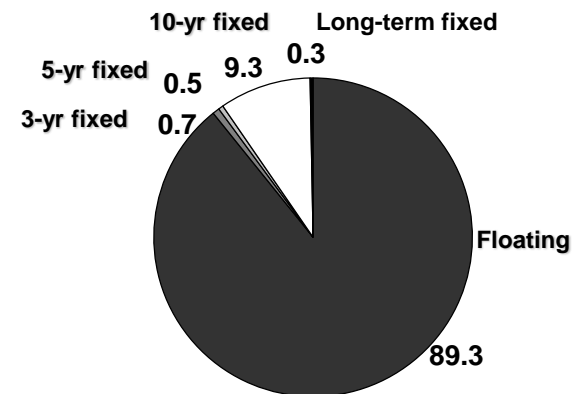


Breakdown of use of loans executed



Total for period from Apr. 2020 to Mar.2021

Ratio of loans by interest type for new homes



Total for period from Apr. 2020 to Mar.2021

Non-Performing Loans

Risk monitored loans

[Parent] (million yen, %)	FY2016 1H	FY2016	FY2017 1H	FY2017	FY2018 1H	FY2018	FY2019 1H	FY2019	FY2020 1H	FY2020
1. Loans in bankruptcy proceedings (% of total loans outstanding)	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	4,745 0.09	4,447 0.09
2. Delinquent loans (% of total loans outstanding)	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	48,229 0.95	55,600 1.08
3. Loans more than 3 months delinquent (% of total loans outstanding)	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	1,376 0.03	833 0.02
4. Restructured loans (% of total loans outstanding)	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	27,443 0.54	30,343 0.59
Total risk monitored loans (% of total loans outstanding)	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	81,795 1.62	91,224 1.77

Loans based on the Financial Reconstruction Act

[Parent] (million yen)	FY2016 1H	FY2016	FY2017 1H	FY2017	FY2018 1H	FY2018	FY2019 1H	FY2019	FY2020 1H	FY2020
Bankrupt and quasi-bankrupt loans (after partial direct write-off)	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)	19,661 (7,212)	22,058 (9,321)
Doubtful loans	41,164	44,443	39,819	34,721	34,303	27,959	27,489	28,142	33,453	38,375
Substandard loans	17,288	16,151	15,007	16,329	17,313	20,065	20,461	22,964	28,820	31,176
Subtotal (A)	78,368	81,248	76,207	71,968	70,425	69,334	69,463	72,957	81,934	91,611
(after partial direct write-off) (B)	(66,044)	(68,576)	(63,040)	(58,824)	(58,778)	(56,208)	(56,199)	(59,578)	(69,486)	(78,873)
Healthy loans	4,243,414	4,433,756	4,610,832	4,734,322	4,791,861	4,869,157	4,847,703	4,970,651	5,114,051	5,190,231
Total (C)	4,321,783	4,515,005	4,687,040	4,806,290	4,862,286	4,938,491	4,917,167	5,043,609	5,195,986	5,281,842
(after partial direct write-off) (D)	(4,309,459)	(4,502,333)	(4,673,873)	(4,793,146)	(4,850,640)	(4,925,366)	(4,903,903)	(5,030,229)	(5,183,538)	(5,269,105)
Ratio of target loans (A/C)	1.81	1.80	1.63	1.50	1.45	1.40	1.41	1.44	1.58	1.73
(after partial direct write-off) (B/D)	(1.53)	(1.52)	(1.35)	(1.23)	(1.21)	(1.14)	(1.15)	(1.18)	(1.34)	(1.50)

*We do not implement partial direct write-off.

Debtor Classification Transition in 1H

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

		FY2020							Favorable turnaround	Deterioration	
		Healthy loans	Other doubtful loans	Substandard loans	Virtually bankrupt loans	Legally bankrupt loans	Bankrupt clients	Other (see note)			
FY2020 1H	Healthy loans	152,185	138,163	762	45	29	153	3	13,030		992
		47,469	46,361	368	22	9	5	0	704		404
	Other doubtful loans	6,894	327	5,906	84	56	39	-	482	327	179
		2,573	124	2,259	84	46	10	-	50	124	140
	Substandard loans	1,148	5	47	941	25	11	-	119	52	36
		385	20	13	309	34	1	-	8	33	35
	Virtually bankrupt loans	970	2	5	22	870	21	2	48	29	23
		334	0	0	4	295	32	1	2	4	33
	Legally bankrupt loans	778	2	3	14	1	561	8	189	20	8
		148	0	0	0	0	129	10	9	0	10
	Bankrupt clients	224	-	-	-	-	-	197	27	-	-
		47	-	-	-	-	-	36	11	-	-
	Total	162,199	138,499	6,723	1,106	981	785	210	13,895	428	1,238
		50,956	46,505	2,640	419	384	177	47	784	161	622

Note: "Other" indicates loans that were cancelled as of the end of March 2021 or those excluded from the self-assessment due to their small size.

Debtor Classification Transition in 1H (comparison)

(Upper level: Forecast Lower level: Value)

			FY2020							Favorable turnaround	Deterioration
			Healthy loans	Other doubtful loans	Substandard loans	Virtually bankrupt loans	Legally bankrupt loans	Bankrupt clients	Other (see note)		
FY2020 1H	Healthy loans	100%	90.79%	0.50%	0.03%	0.02%	0.10%	0.00%	8.56%		0.65%
		100%	97.67%	0.78%	0.05%	0.02%	0.01%	0.00%	1.48%		0.85%
	Other doubtful loans	100%	4.74%	85.67%	1.22%	0.81%	0.57%	-	6.99%	4.74%	2.60%
		100%	4.82%	87.80%	3.26%	1.79%	0.39%	-	1.94%	4.82%	5.44%
	Substandard loans	100%	0.44%	4.09%	81.97%	2.18%	0.96%	-	10.37%	4.53%	3.14%
		100%	5.19%	3.38%	80.26%	8.83%	0.26%	-	2.08%	8.57%	9.09%
	Virtually bankrupt loans	100%	0.21%	0.52%	2.27%	89.69%	2.16%	0.21%	4.95%	2.99%	2.37%
		100%	0.00%	0.00%	1.20%	88.32%	9.58%	0.30%	0.60%	1.20%	9.88%
	Legally bankrupt loans	100%	0.26%	0.39%	1.80%	0.13%	72.11%	1.03%	24.29%	2.57%	1.03%
		100%	0.00%	0.00%	0.00%	0.00%	87.16%	6.76%	6.08%	0.00%	6.76%
	Bankrupt clients	100%	-	-	-	-	-	87.95%	12.05%	-	-
		100%	-	-	-	-	-	76.60%	23.40%	-	-
	Total	100%	85.40%	4.14%	0.68%	0.60%	0.48%	0.13%	8.57%	0.26%	0.76%
		100%	91.27%	5.18%	0.82%	0.75%	0.35%	0.09%	1.54%	0.32%	1.22%

Note: "Other" indicates loans that were cancelled as of the end of March 2021 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))

			FY2020							Favorable turnaround	Deterioration
			Healthy loans	Other doubtful loans	Substandard loans	Virtually bankrupt loans	Legally bankrupt loans	Bankrupt clients	Other (see note)		
FY2019	Healthy loans	158,021	133,128	1,486	147	59	194	3	23,004		1,889
		46,595	44,334	796	121	56	33	0	1,255		1,006
	Other doubtful loans	6,670	613	5,029	108	88	40	3	789	613	239
		2,063	232	1,628	70	56	16	2	59	232	144
	Substandard loans	1,195	13	86	807	30	19	3	237	99	52
		321	15	37	216	39	2	1	11	52	42
	Virtually bankrupt loans	971	2	11	24	800	25	4	105	37	29
		281	0	33	5	227	7	2	7	38	9
	Legally bankrupt loans	871	4	7	16	3	496	17	328	30	17
		165	0	0	0	1	120	19	25	1	19
	Bankrupt clients	228	-	-	-	1	-	180	47	1	
		54	-	-	-	0	-	29	25	0	
	Total	167,956	133,760	6,619	1,102	981	774	210	24,510	780	2,226
		49,479	44,581	2,494	412	379	178	53	1,382	323	1,220

Note: "Other" indicates loans that were cancelled as of the end of March 2021 or those excluded from the self-assessment due to their small size.

Debtor Classification Transition 1year(comparison)

(Upper level: Forecast Lower level: Value)

			FY2020							Favorable turnaround	Deterioration
			Healthy loans	Other doubtful loans	Substandard loans	Virtually bankrupt loans	Legally bankrupt loans	Bankrupt clients	Other (see note)		
FY2019	Healthy loans	100%	84.25%	0.94%	0.09%	0.04%	0.12%	0.00%	14.56%		1.20%
		100%	95.15%	1.71%	0.26%	0.12%	0.07%	0.00%	2.69%		2.16%
	Other doubtful loans	100%	9.19%	75.40%	1.62%	1.32%	0.60%	0.04%	11.83%	9.19%	3.58%
		100%	11.25%	78.91%	3.39%	2.71%	0.78%	0.10%	2.86%	11.25%	6.98%
	Substandard loans	100%	1.09%	7.20%	67.53%	2.51%	1.59%	0.25%	19.83%	8.28%	4.35%
		100%	4.67%	11.53%	67.29%	12.15%	0.62%	0.31%	3.43%	16.20%	13.08%
	Virtually bankrupt loans	100%	0.21%	1.13%	2.47%	82.39%	2.57%	0.41%	10.81%	3.81%	2.99%
		100%	0.00%	11.74%	1.78%	80.78%	2.49%	0.71%	2.49%	13.52%	3.20%
	Legally bankrupt loans	100%	0.46%	0.80%	1.84%	0.34%	56.95%	1.95%	37.66%	3.44%	1.95%
		100%	0.00%	0.00%	0.00%	0.61%	72.73%	11.52%	15.15%	0.61%	11.52%
	Bankrupt clients	100%	-	-	-	0.44%	-	78.95%	20.61%	0.44%	
		100%	-	-	-	0.00%	-	53.70%	46.30%	0.00%	
	Total	100%	79.64%	3.94%	0.66%	0.58%	0.46%	0.13%	14.59%	0.46%	1.33%
		100%	90.10%	5.04%	0.83%	0.77%	0.36%	0.11%	2.79%	0.65%	2.47%

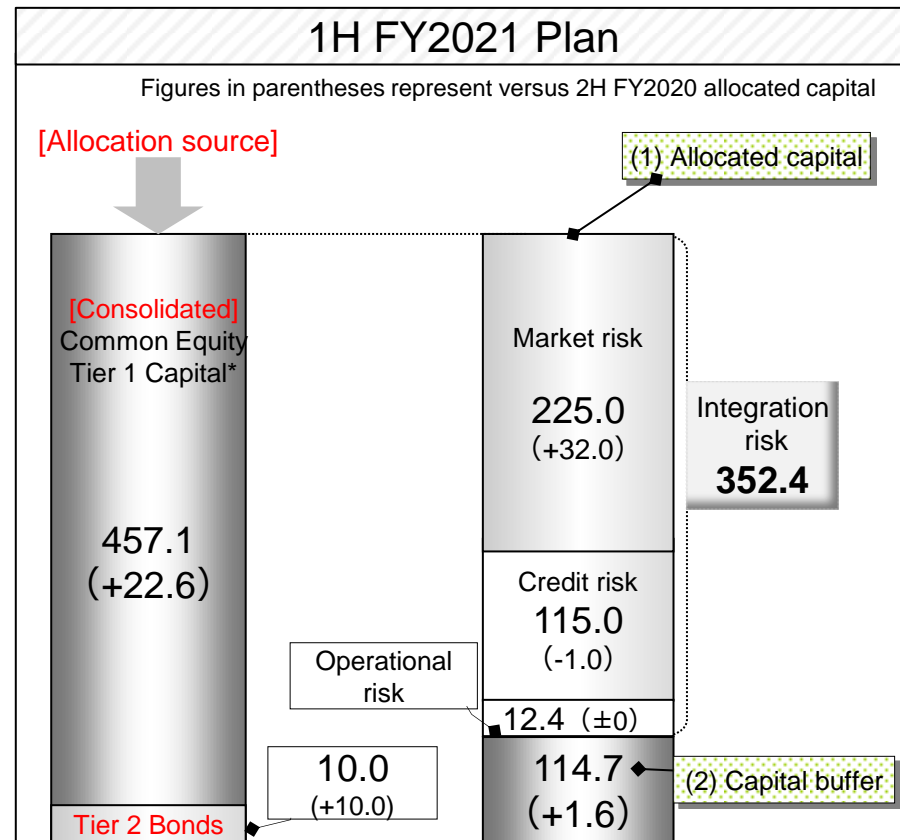
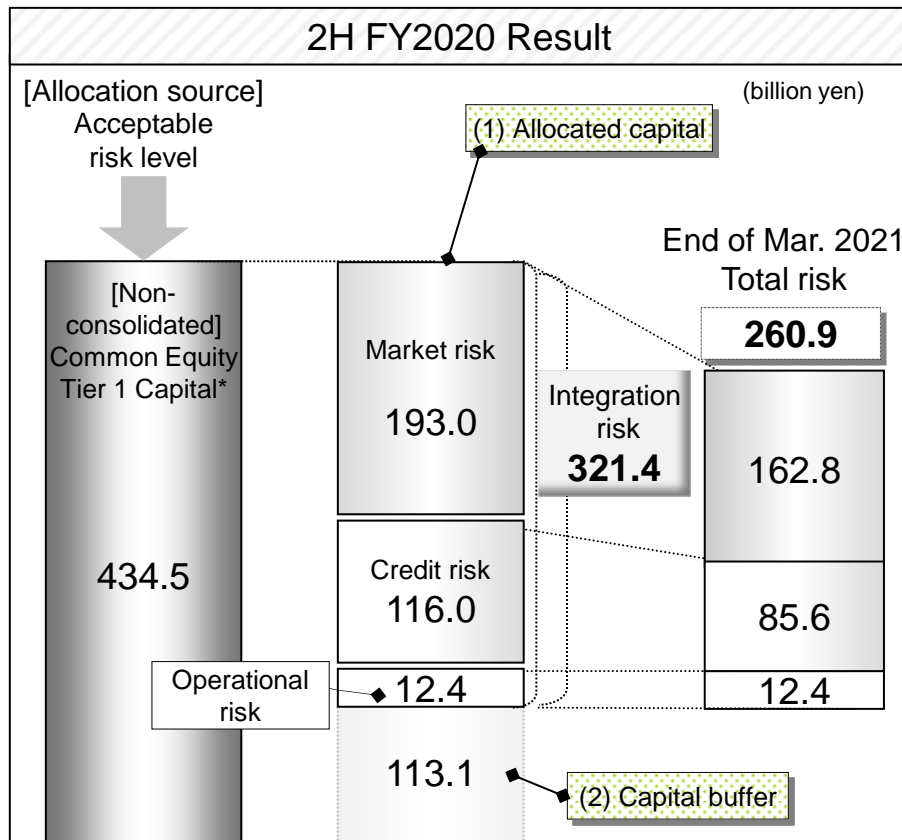
Note: "Other" indicates loans that were cancelled as of the end of March 2021 or those excluded from the self-assessment due to their small size.

Capital Adequacy Ratio Trends

[Basel III standards]

[Parent] (% , 100 million yen)	1H FY2017	FY2017	1H FY2018	FY2018	1H FY2019	FY2019	1H FY2020	FY2020
Overall capital adequacy ratio	13.03	12.87	12.96	12.56	13.25	12.70	12.63	13.01
Tier I ratio	12.71	12.87	12.96	12.56	13.25	12.70	12.63	12.77
Tier I ratio (including common shares)	12.71	12.87	12.96	12.56	13.25	12.70	12.63	12.77
Overall capital adequacy	5,004	5,078	5,159	5,104	5,226	4,849	5,080	5,377
Tier 1 capital	4,883	5,078	5,159	5,104	5,226	4,849	5,080	5,277
Common equity Tier 1 capital	4,883	5,078	5,159	5,104	5,226	4,849	5,080	5,277
Risk weighted assets	38,402	39,449	39,781	40,609	39,441	38,187	40,200	41,323
Credit risk	36,812	37,889	38,247	39,104	37,957	36,727	38,745	39,879
Operational risk	1,590	1,559	1,533	1,504	1,484	1,460	1,455	1,444

[Consolidated] (% , 100 million yen)	1H FY2017	FY2017	1H FY2018	FY2018	1H FY2019	FY2019	1H FY2020	FY2020
Overall capital adequacy ratio	13.39	13.22	13.33	12.88	13.62	13.04	13.02	13.50
Tier I ratio	13.06	13.22	13.32	12.88	13.61	13.04	13.02	13.25
Tier I ratio (including common shares)	13.06	13.22	13.32	12.88	13.61	13.04	13.02	13.25
Overall capital adequacy	5,174	5,250	5,336	5,267	5,397	5,021	5,265	5,611
Tier 1 capital	5,046	5,247	5,334	5,265	5,395	5,019	5,262	5,509
Common equity Tier 1 capital	5,046	5,247	5,334	5,265	5,395	5,019	5,262	5,509
Risk weighted assets	38,642	39,691	40,026	40,867	39,625	38,485	40,418	41,556
Credit risk	36,977	38,054	38,413	39,280	38,057	36,937	38,875	40,025
Operational risk	1,665	1,637	1,612	1,586	1,568	1,547	1,542	1,530



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

(Reference) IRRBB (Interest Rate Risk in the Banking Book) (non-consolidated) (as of end of Mar. 2021)

Maximum value of ΔEVE	32.5 billion yen
Materiality test (maximum value of ΔEVE / Tier I)	6.2%
⇒ The interest rate 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.	

[Roles of different types of capital]

(1) Allocated capital	Capital allocated to each risk up to the allocated source (Risk limit by risk category)
(2) Capital buffer	<ul style="list-style-type: none"> ✓ To prepare for loss of capital due to stress beyond expectation ✓ To prepare for immeasurable risks ✓ To prepare for risks that measurement models cannot estimate ✓ To prepare for new risk-taking, etc.

Use of Allocated Capital and Risk Exposure Assumptions

Capital Allocation and Integration Risk (Supplement)

The following table indicates capital allocation and integration risks in 2H FY2020, and capital allocation in 1H FY2021.

(billion yen)

	2H FY2020		1H FY2021			Calculation method, etc. (Supplement on measurements)
	Value	Risk exposure (End of Mar. 2021)	Value	(YoY)	Major factor of change	
Allocation source	434.5		467.1	(+32.6)		• Tier 2 bonds were added to FY2020 consolidated common equity Tier 1 capital. (However, valuation difference on available-for-sale securities, etc. was deducted.)
Allocated capital (integration risk)	321.4	260.9	352.4	(+31.0)		
Market risk total	193.0	162.8	225.0	(+32.0)		
Banking	191.0	57.7	223.0	(+32.0)		• VaR (factored in 125-day retention period, 99.9% confidence level, core deposits) • Employed VaR taking into account correlation between interest rate risk and equities (pure investment) • For cross-shareholdings, valuation gains were deducted from VaR
		117.7			• Increased due to policy to increase balance of foreign bonds, etc.	• Interest rate sensitive assets and liabilities, including deposits, loans, and bonds; assets with volatility risk, including equities and investment trusts • Includes assets and liabilities belonging to consolidated subsidiaries
		(Correlation) -12.6				
Trading	2.0	0	2.0	(0)	-	• VaR (10-day retention period, 99.9% confidence level) • Money in trust • Proprietary trading securities
Credit risk total	116.0	86.8	115.0	(-1.0)		
Commercial credit	98.0	69.6	94.0	(-4.0)	• Decreased due to policy to decrease market-related credit (bonds, call loans, etc.)	• Monte Carlo simulation UL (1-year retention period*, 99.9% confidence level) • For securitized products, etc., some requisite equity capital was used • Commercial credit, including securities, and assets possessed by consolidated subsidiaries • (*) Six months for market-related credit (bonds)
Consumer credit	18.0	16.0	21.0	(+3.0)	• Increased due to policy to increase balance of housing loans, etc.	• Requisite equity capital • Housing loans, etc.
Operational risk	12.4	12.4	12.4	(0)	-	• Posted risk exposure estimated at the time business plans were created, based on the gross profit allocation method (To be fixed during 1H FY2021)
(Unused allocated capital)		60.5				
Capital buffer	113.1		114.7	(+1.6)		• To prepare for loss of capital due to stress beyond expectation • To prepare for immeasurable risks • To prepare for risks that measurement models cannot estimate • To prepare for new risk-taking, etc.

Group Company Performance Trends

(Million yen, %)	Business profile	Real ownership ratio		FY2018 1H	FY2018	FY2019 1H	FY2019	FY2020 1H	FY2020
Chugin Lease Co., Ltd	Leasing	100.00	Ordinary revenue	5,772	11,312	5,879	12,038	6,370	12,453
			Recurring profit	561	873	455	764	446	537
			Net income	397	600	324	523	324	382
Chugin Credit Guarantee Co., Ltd.	Credit assurance	100.00	Ordinary revenue	894	1,713	919	1,744	919	1,770
			Recurring profit	650	1,290	716	1,275	623	1,288
			Net income	459	878	500	871	444	879
Chugin Card Co., Ltd.	Credit card	100.00	Ordinary revenue	772	1,526	825	1,626	835	1,532
			Recurring profit	196	344	250	417	273	445
			Net income	151	246	189	297	201	313
Chugin Asset Management Co., Ltd.	Securities investment advisor	100.00	Ordinary revenue	267	516	288	579	309	607
			Recurring profit	60	94	61	112	89	182
			Net income	48	71	48	83	69	134
Chugin Securities Co., Ltd.	Financial instrument transactions	100.00	Ordinary revenue	1,589	2,731	1,048	2,753	1,226	3,111
			Recurring profit	108	-100	-240	-109	-55	236
			Net income	72	-137	-261	-146	-59	224
CBS Co., Ltd.	Banking operation outsourcing	100.00	Ordinary revenue	519	1,035	487	972	474	945
			Recurring profit	69	142	55	107	57	101
			Net income	45	90	35	67	39	66
Chugin Operation Center Co., Ltd.	Banking operation outsourcing	100.00	Ordinary revenue	382	732	364	711	307	609
			Recurring profit	27	30	23	36	20	27
			Net income	17	17	17	23	14	17

2020	October 1	Launch of “Chugin Infinity Fund”
	October 26	Establishment of Ship Finance Center
	November 9	Participation of Gunma Bank, Ltd. in the TSUBASA Alliance
	November 19	Partnership with Hiroshima Bank, Ltd. for Free Mutual Use of ATMs
	November 25	Establishment of Setonowa Co., Ltd.
	November 30	Establishment of Succession Japan Investment Limited Partnership
	December 1	Establishment of New Fees and Making Seals Unnecessary for Termination of Ordinary Deposit Accounts of Less Than a Certain Amount
	December 4	Relocation and Consolidation of Branches, and Establishment of Chugin Miniplaza Yoshii (Yoshii Special Subbranch of Ihara Branch)
	December 7	Establishment of Chugin Guidelines for Green Procurement
	December 8	Chugoku Bank 90th Anniversary Project
	December 10	Became a Designated Financial Institution for the Regional ESG Loan Interest Subsidy Project of the Ministry of the Environment
	December 17	Trial of Business Casual Dress Code
	2021	January 8
January 27		Awarded 6th Sustainable Finance Grand Prize
January 29		Launch of Online Consultation Service
February 1		Launch of “Chugin Okomarigoto Kaiketsu (Problem-solving) Support”
February 3		Signing of “Agreement on Co-creating the Future through Regional Revitalization SDGs—Okayama Future Co-creation Alliance”
February 25		Introduction of “Digitalized Deposit Inquiry Service” for Administrative Organs
March 12		Signing of SDGs Partnership Agreement
March 19		Revision of Personnel System
March 22		Donation of Okayama SDGs Map
March 25		Launch of “Chugin SDGs Support” Service
March 30		Start of “Chugin Open Lab”
March 31	Loan for New Passenger Vessel Building Project	



For inquiries regarding this document, please contact:

Management Planning Department, The Chugoku Bank, Ltd.

Mr. Shimizu / Mr. Matsuo

Tel: **+81-86-234-6519**

Email: **souki01@chugin.jp**