

1H FY2021 Earnings Results Briefing

(Reference Materials)



Industrial Structure of Okayama Prefecture

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

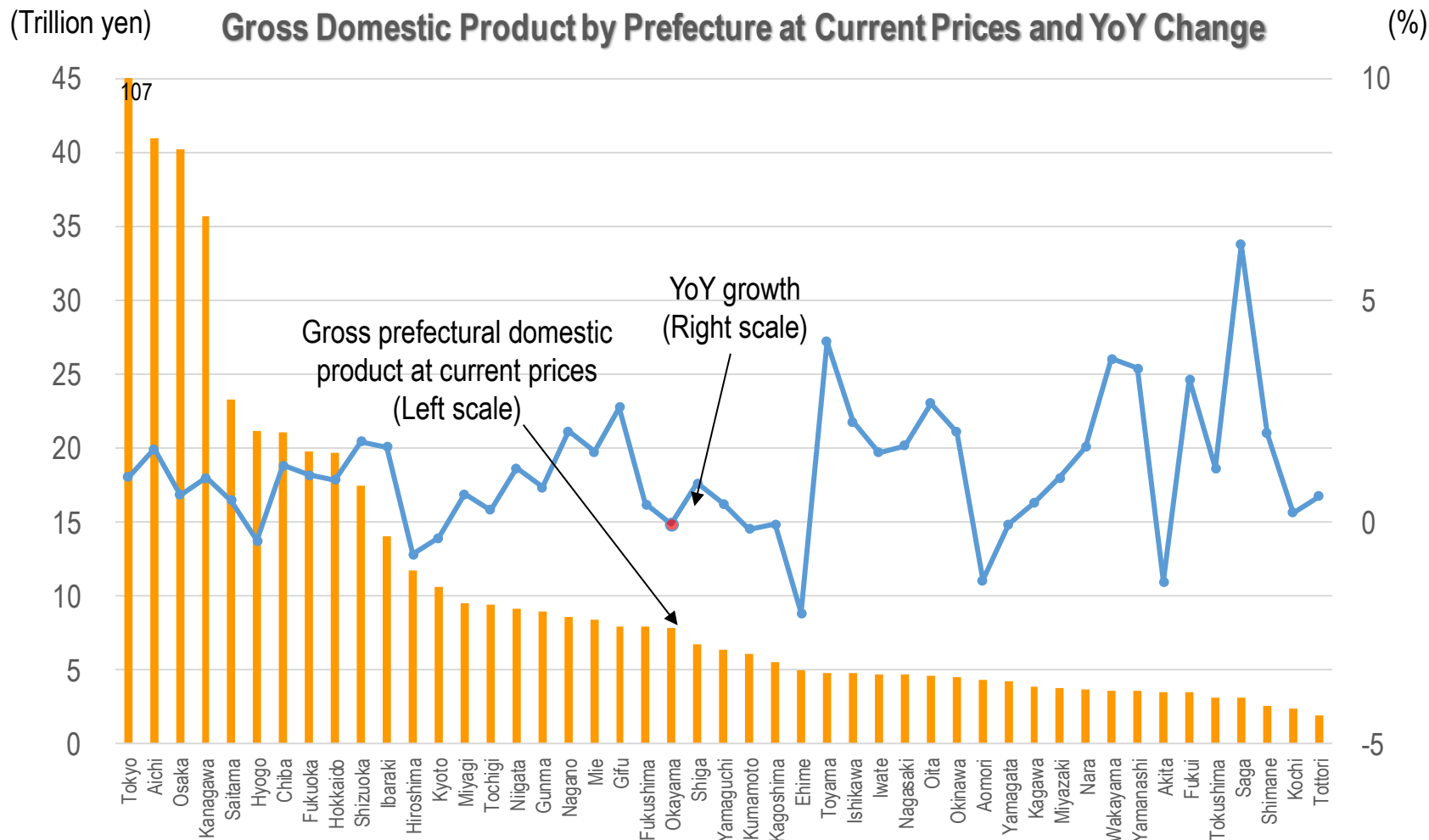
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Industrial Structure of Okayama Prefecture

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. 2021
Population	1,894,000 people	1.5	20	Population Estimates	Jan. 2021
Number of households	859,930 households	1.4	18	Population Estimates	Jan. 2021
Gross prefectural domestic product (at current prices)	7,805.7 billion yen	1.4	22	Annual Report on Prefectural Accounts	FY2018
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	7,704.1 billion yen	2.4	15	Census of Manufacture	2019
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

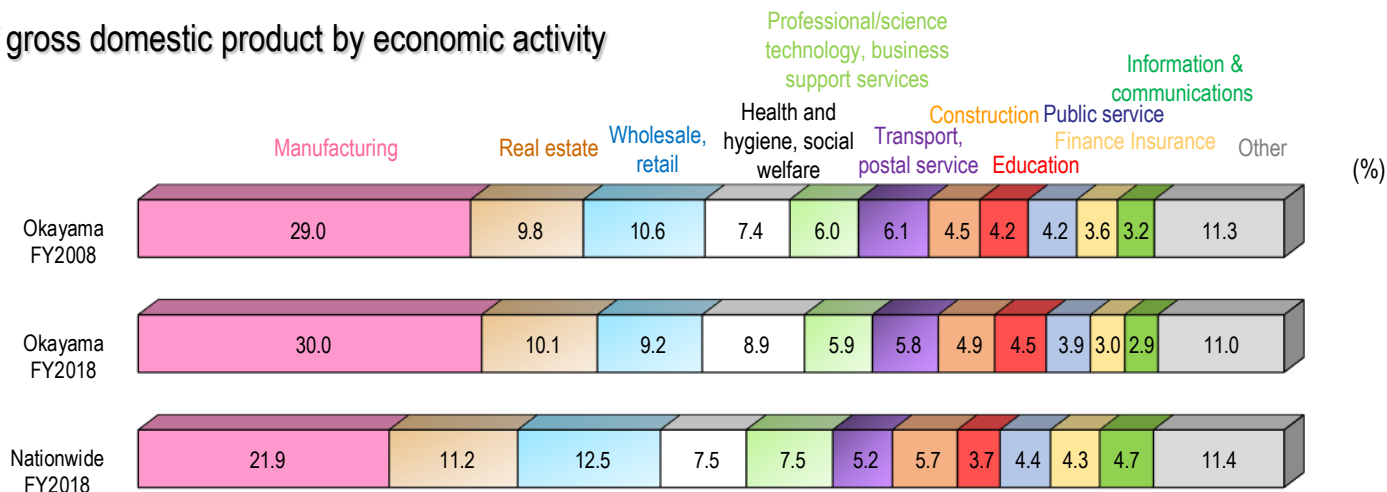
Economic Scale of Okayama Prefecture



Source: FY2018 Annual Report on Prefectural Accounts, Cabinet Office

Industrial Structure of Okayama Prefecture (1)

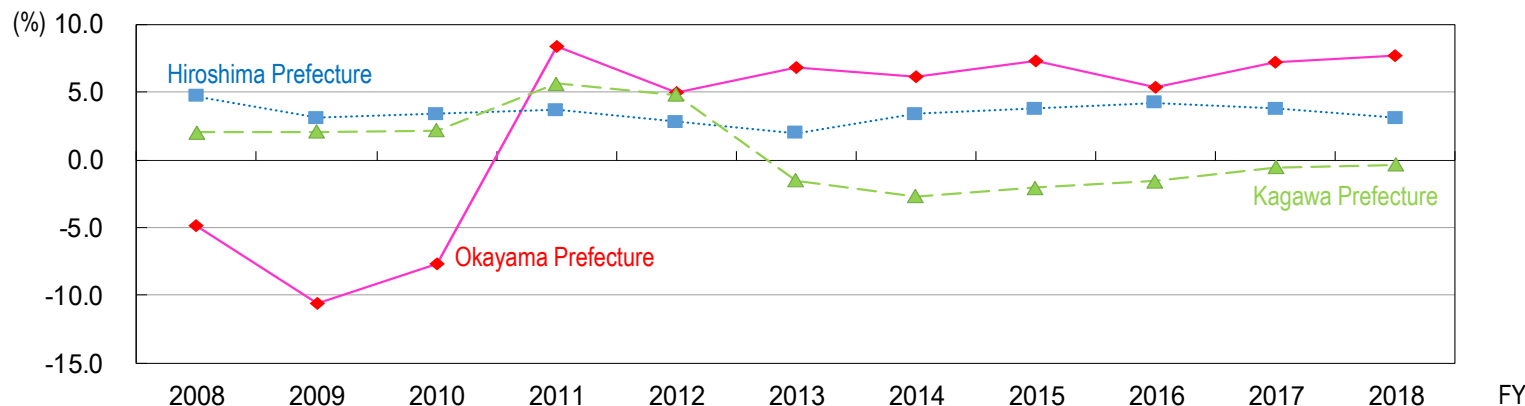
Percentage mix of gross domestic product by economic activity



Source: Annual Report on Prefectural Accounts, Cabinet Office

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

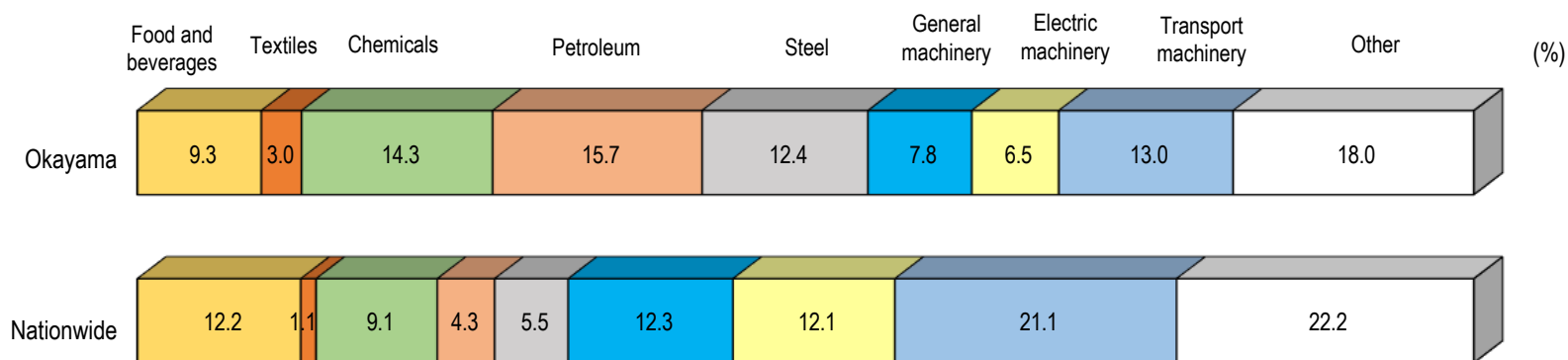
Proportion of incoming/outgoing transfer (net) of goods and services in gross prefectural domestic product (at current prices)



Source: Annual Report on Prefectural Accounts, Cabinet Office

Industrial Structure of Okayama Prefecture (2)

Percentage mix of value of manufactured goods shipments (2019)

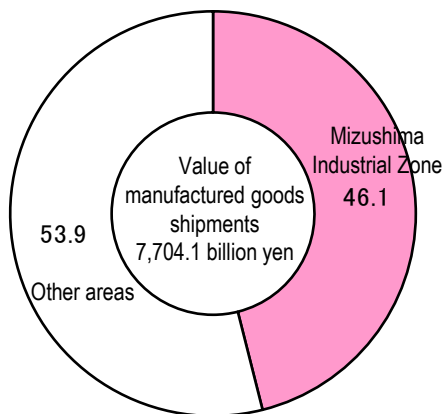


Source: *Census of Manufacture (Okayama Prefecture)*, METI

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

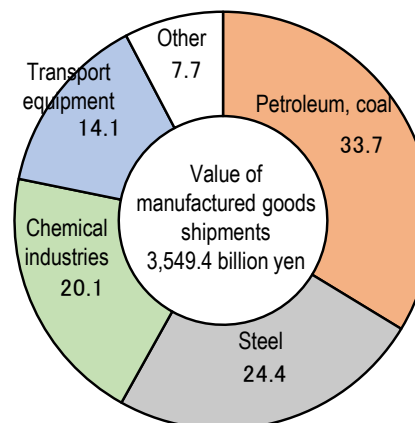
Presence of the Mizushima Industrial Zone

Proportion of the Mizushima Industrial Zone in Okayama Prefecture's value of manufactured goods shipments (2019)



Source: *Census of Manufacture (Okayama Prefecture)*

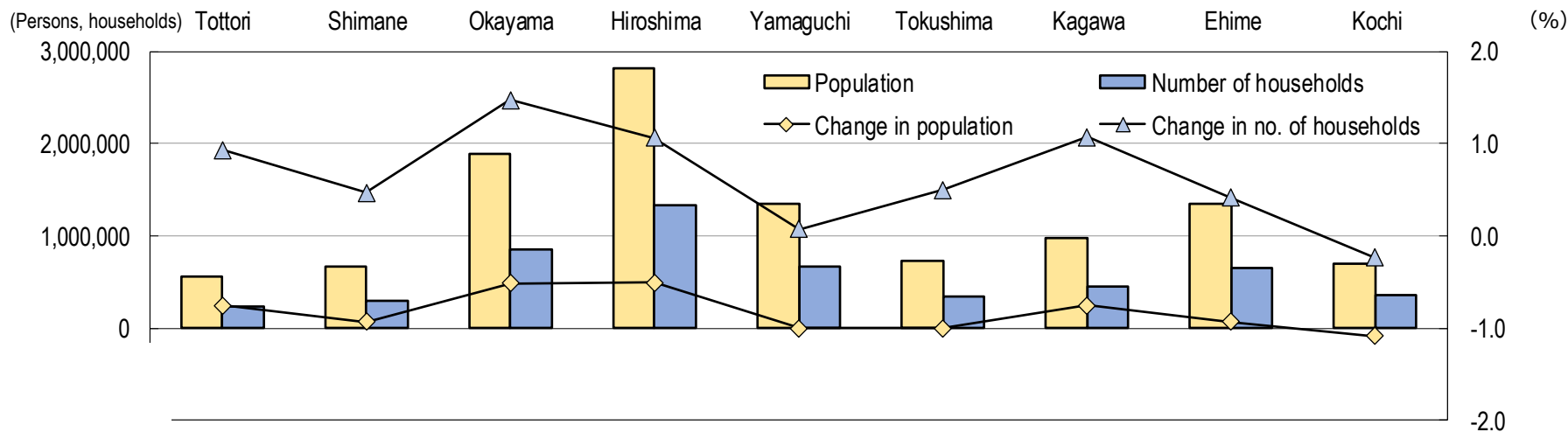
Percentage mix of Mizushima Industrial Zone's value of manufactured goods shipments by industry (2019)



Source: *Census of Manufacture (Okayama Prefecture)*

Growth Infrastructure and Potential of Okayama Prefecture (1)

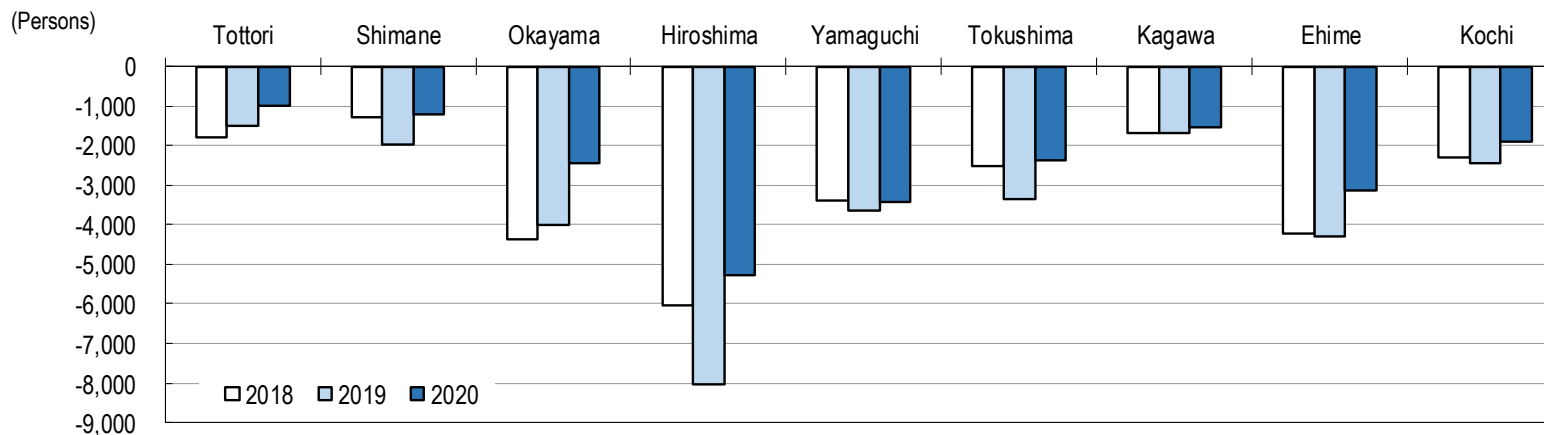
Population and number of households of the Chugoku-Shikoku region



Source: Survey of Population, Demographics and Number of Households Based on the Basic Resident Register, Ministry of Internal Affairs and Communications

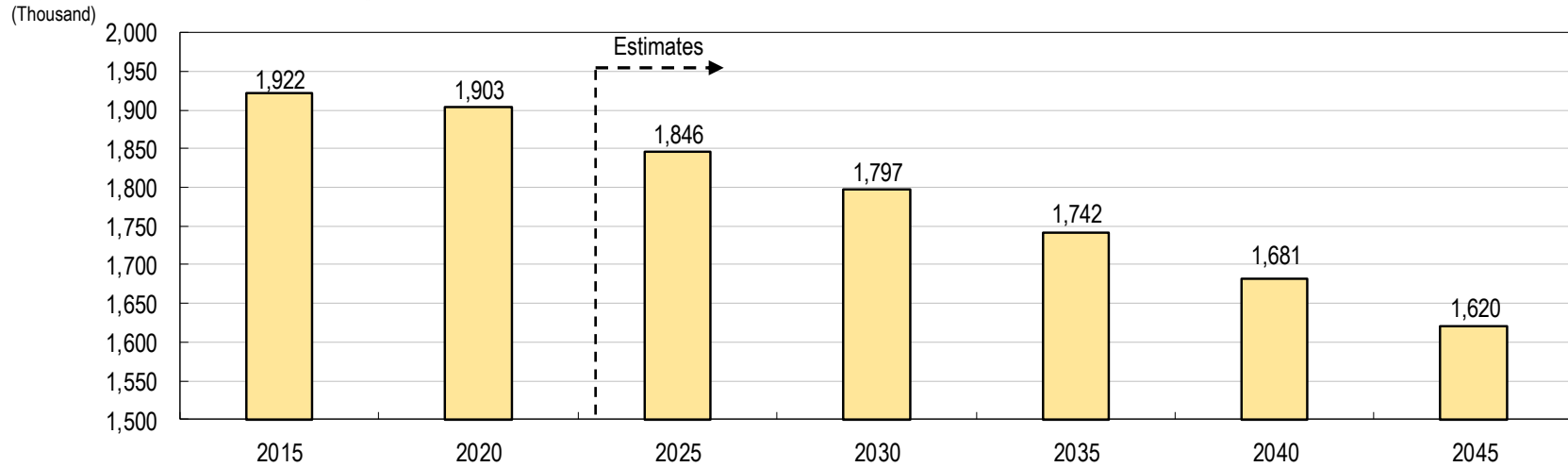
Note: Population and number of households are as of January 1, 2021; the change in the number of households represents the change between January 2020 and January 2021.

Net migration by prefecture in the Chugoku-Shikoku region



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

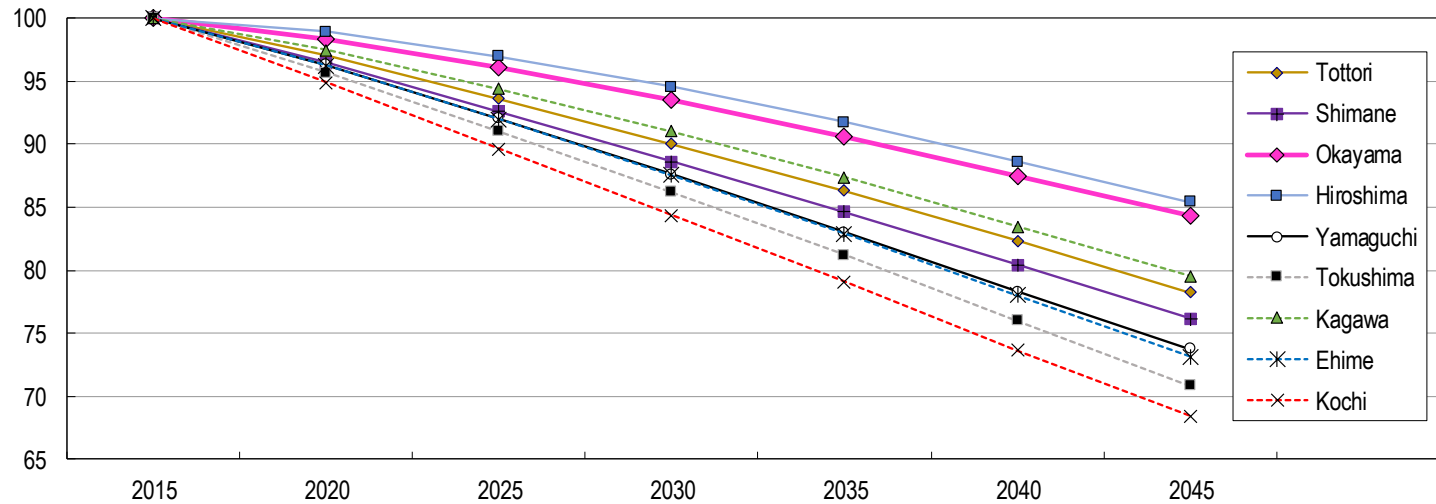
Population estimates of Okayama Prefecture



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

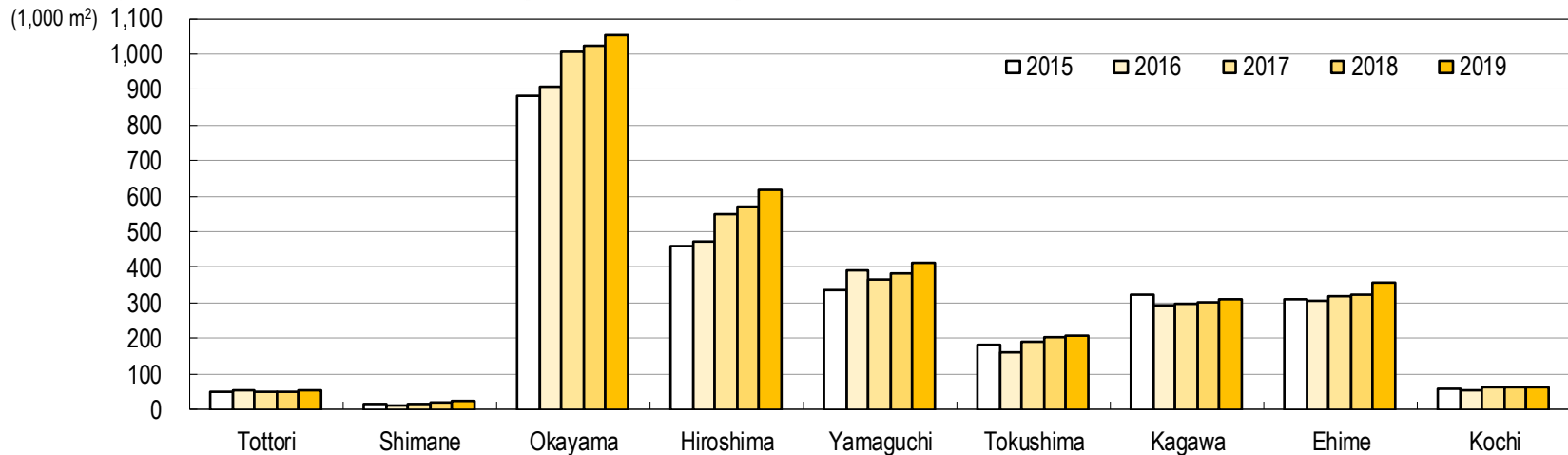
- Temperate climate with few natural disasters
- Long sunlight hours and a large quantity of water available

Seto Ohashi (Great Seto Bridge)

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

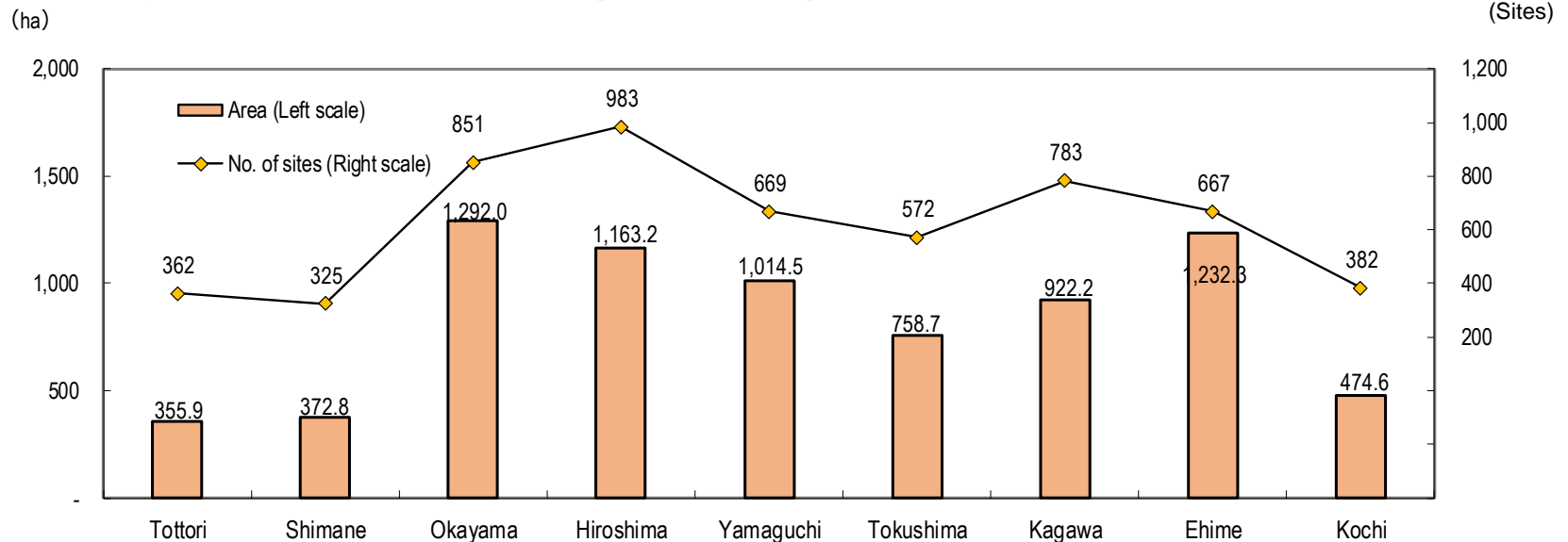


Floor space of warehouses in the Chugoku-Shikoku region



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 tip for the solution of Japan's problems can be found in the middle of Okayama Prefecture.

Disaster prevention

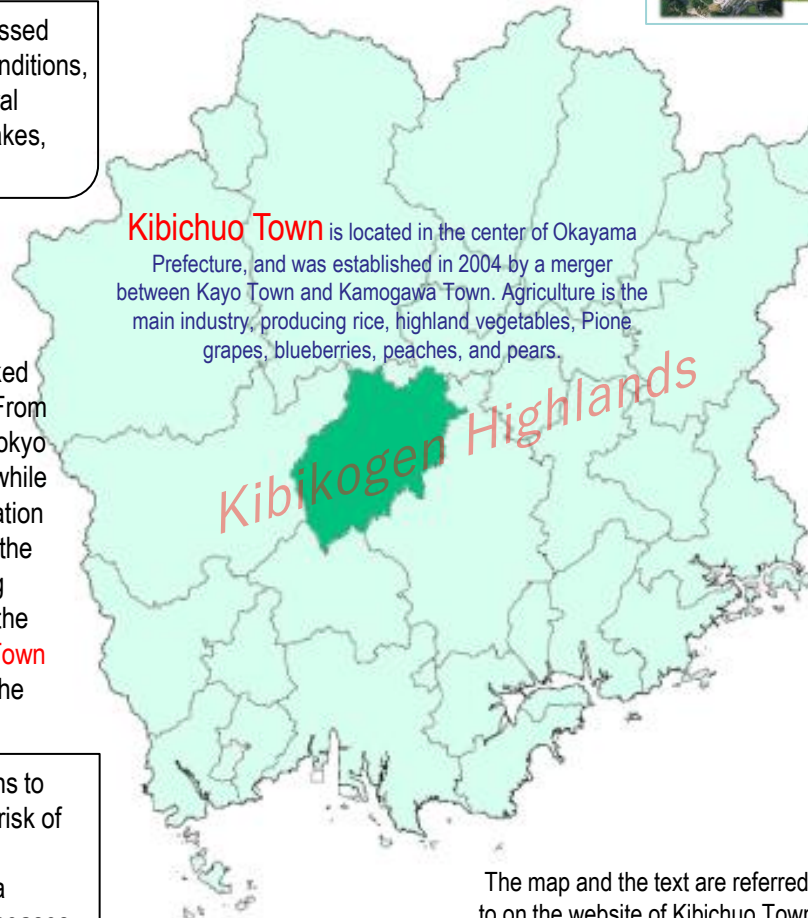
The **Kibikogen Highlands**, where Kibichuo Town and other municipalities are included, are located just between the Chugoku Mountains and the Seto Inland Sea, consisting of mountains 300 meters to 700 meters high extending to Hiroshima, Okayama and Hyogo Prefectures. In recent years, research has indicated that this area is located on firm ground.

Okayama Prefecture is blessed with favorable sunshine conditions, and has suffered few natural disasters such as earthquakes, tsunami, and typhoons.

Regional revitalization

Decentralization is closely linked to the concentration in Tokyo. From a geographical point of view, Tokyo is the center of eastern Japan while Okayama is a hub of transportation in western Japan. Considering the warm climate and being “strong against disaster” in addition to the transportation base, **Kibichuo Town** is said to be suitable to act as the capital of Japan.

The transfer of capital functions to other regions helps avoid the risk of extreme concentration of core functions and also serves as a measure against infectious diseases.



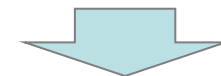
The map and the text are referred to on the website of Kibichuo Town.



Town development

Kibi Highland City, for which a fundamental plan was created in 1975, is a construction plan for a community city oriented to the 21st century. The city was designed

to have sophisticated functions in various domains including health and welfare, education and culture, industries and recreation, and would be added to **Kibichuo Town**, which is blessed with a natural environment and excellent access to wide-range and high-speed traffic networks. Although it was planned that the area would be 1,912 ha (corresponding to that of Shinjuku ward of Tokyo) with a population of 30,000, the plan failed to be realized as expected due to the collapse of the bubble economy and other factors. As a result, the scale has been significantly reduced and vast areas remain undeveloped.

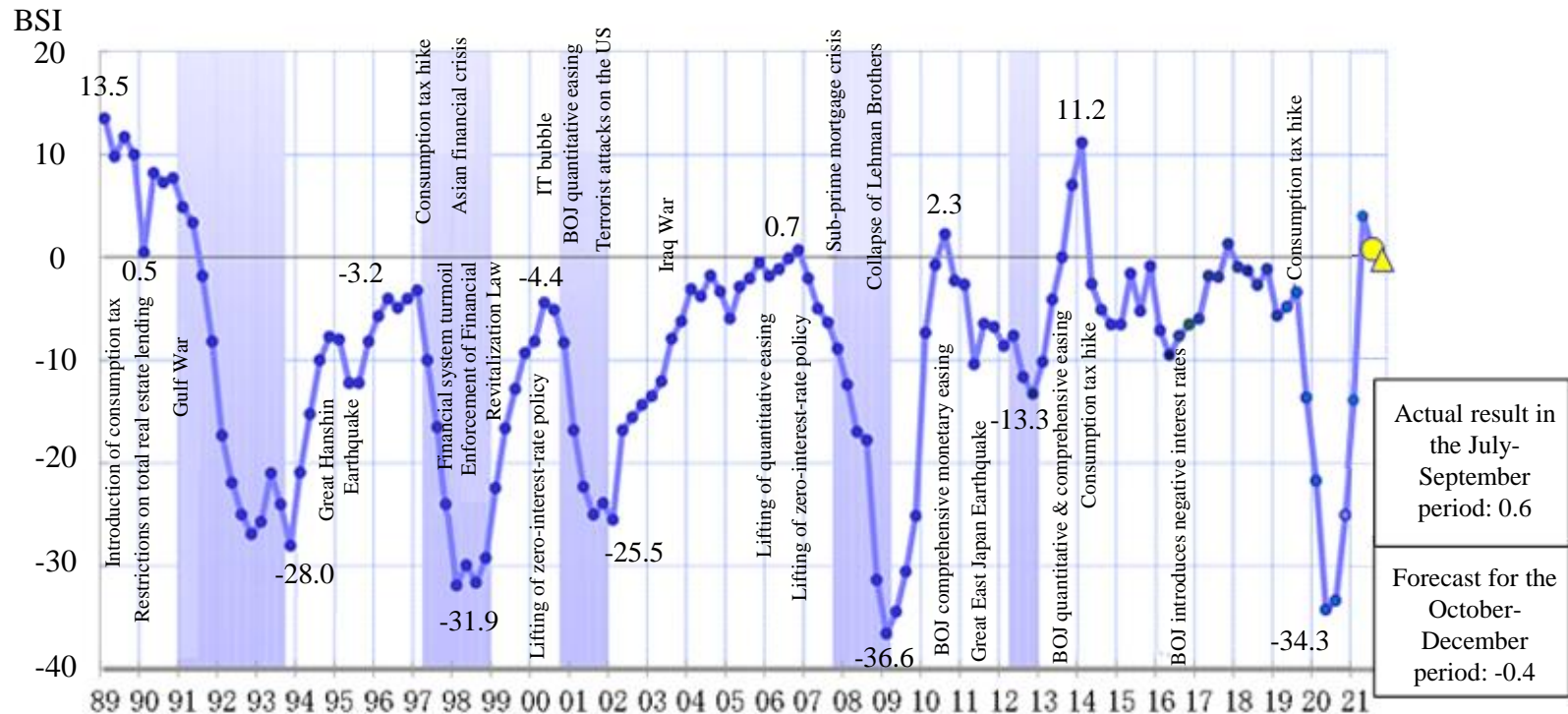


The **Supercity Initiative** represents a “whole future city initiative” to solve the regional “problems” ahead of other areas of the world by using cutting-edge Japanese technology. **Kibichuo Town** is the only town in the prefecture that has applied for the initiative, placing an emphasis on advanced services centered on “Medical care and welfare.”

A software business has been added to the existing infrastructure to which Tech is applied. The solution of regional problems is sought by utilizing the “National Strategic Special Zone.”

Economic Status of Okayama Prefecture

The economy of Okayama Prefecture is expected to recover regardless of the continued severe situation under the impact of COVID-19

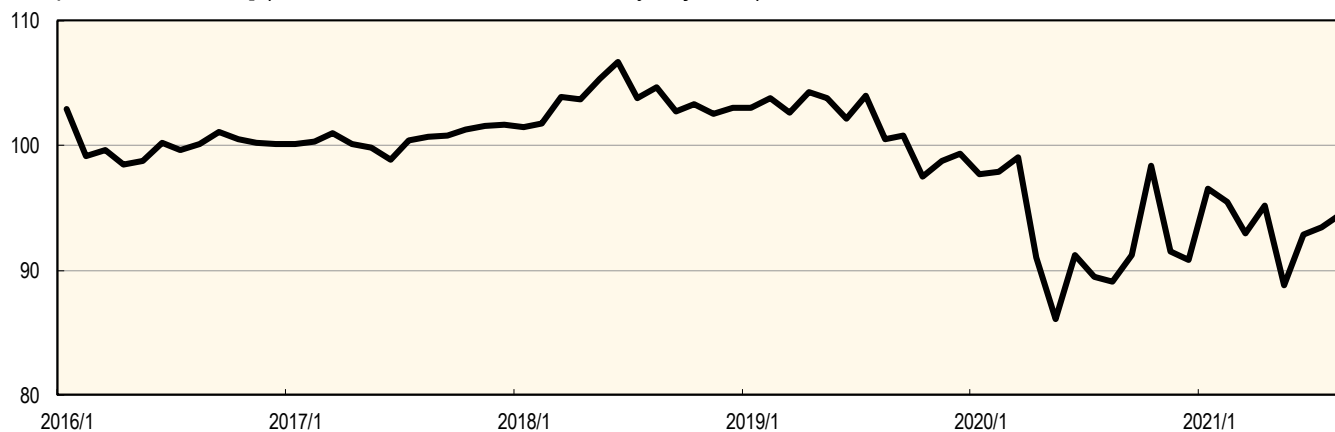


Shaded areas represent periods of economic recession (as determined by the Cabinet Office).

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: Bottoming out on the back of the recovery of exports

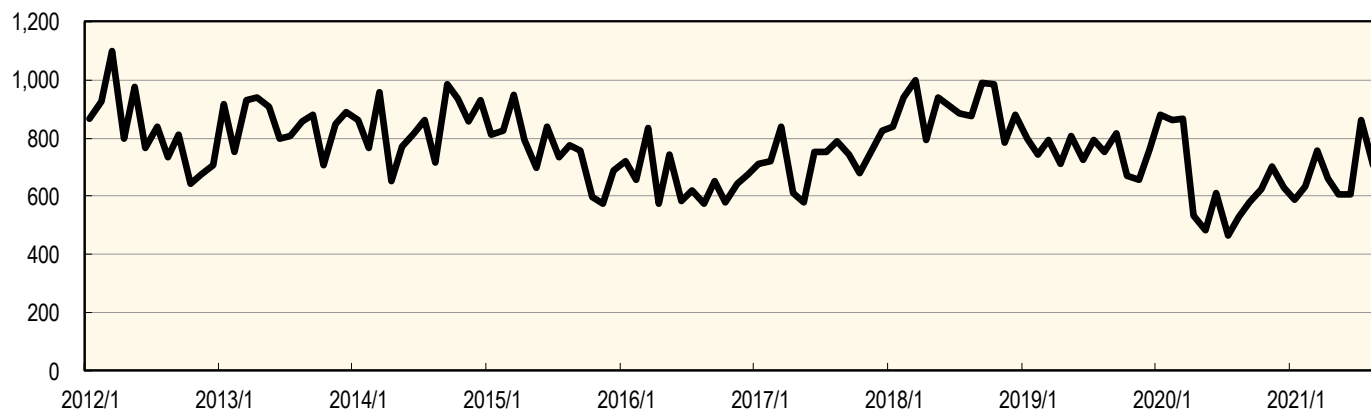
[Industrial production index] (2015 indexed at 100; seasonally adjusted)



Source: Okayama Prefecture Statistical Analysis Section

Exports: Recovering reflecting the recovery of the global economy

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



Source: Kobe customs

Capital investment: Upward trend mainly in manufacturing

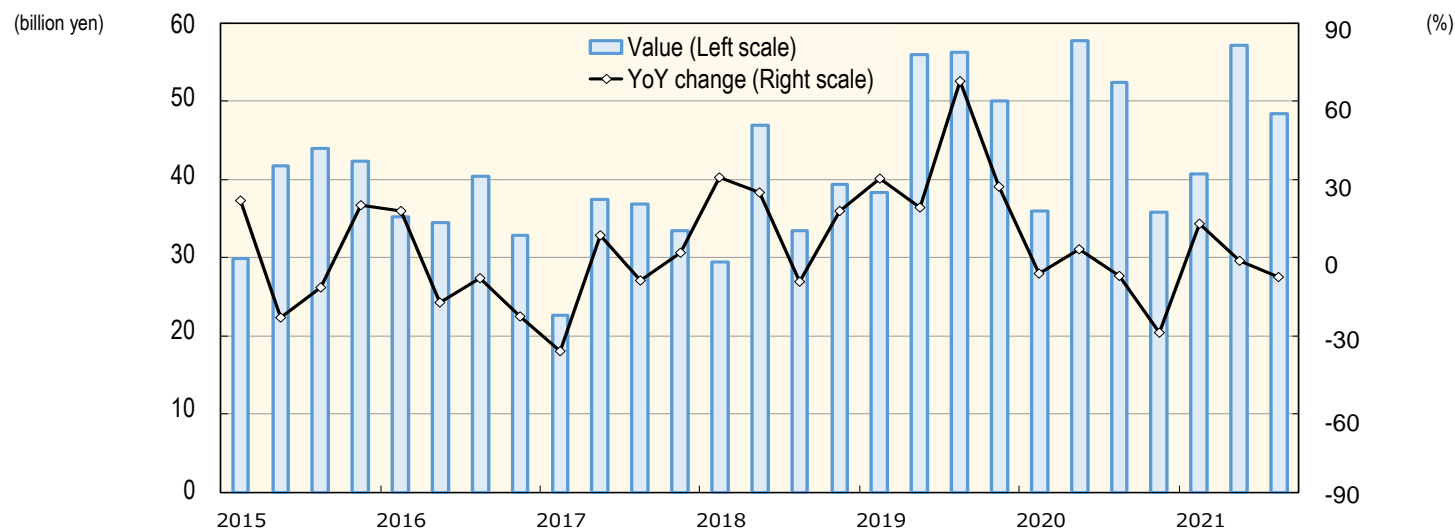
[YoY change in capital investment]

(%)	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 result	- 19.9	- 6.5	- 16.0	- 10.0	- 7.5	- 8.5
FY2021 plan	15.1	3.4	11.3	12.0	5.5	7.9

Source: Central branch and Okayama branch of Bank of Japan

Public investment: Decelerating while remaining at a high level

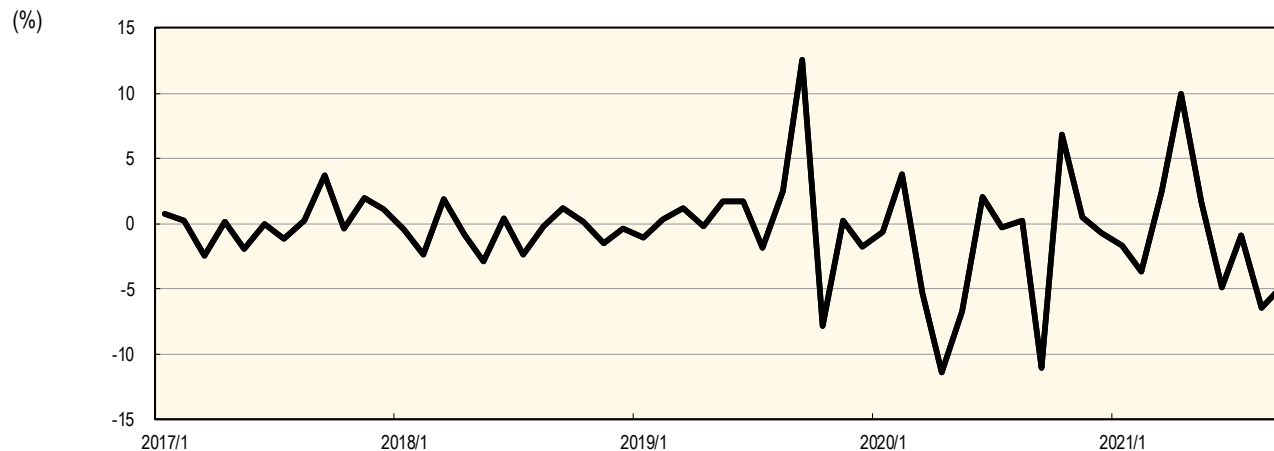
[YoY change in public investment]



Source: West Japan Construction Surety Co., Ltd.

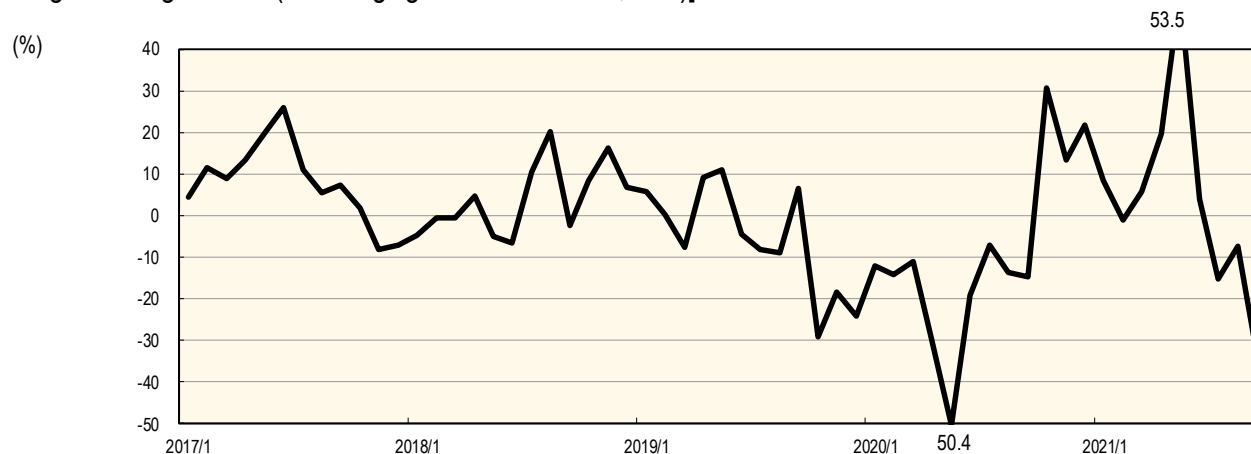
Consumer spending: Showing weakness due to the impact of COVID-19

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



Source: Chugoku Bureau of Economy, Trade and Industry

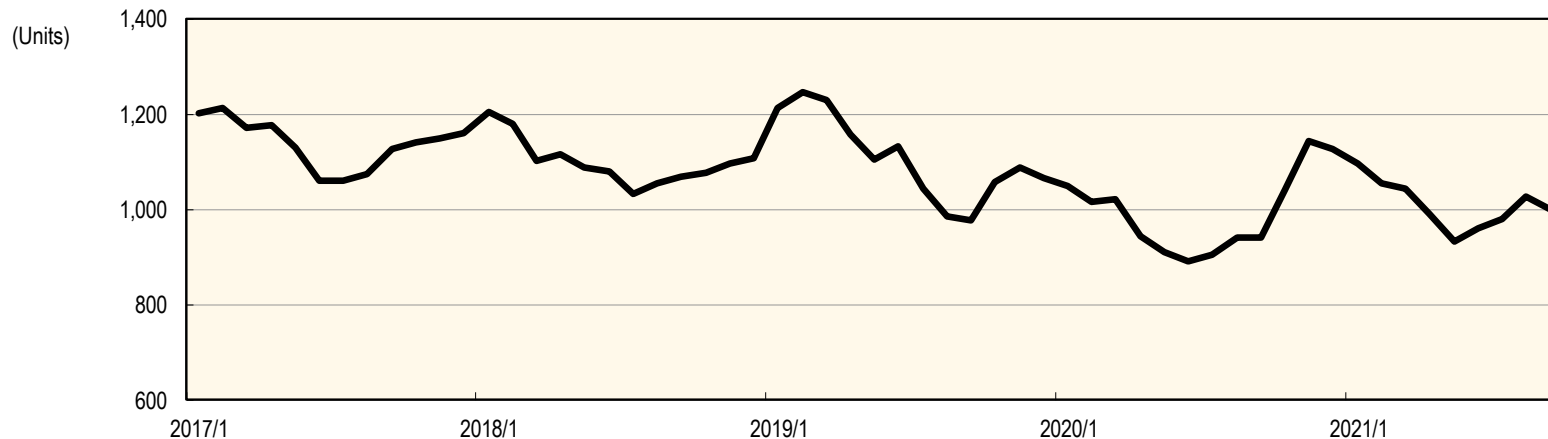
[New passenger car registration (including light motor vehicles; YoY)]



Source: Okayama branch, Chugoku Transport & Tourism Bureau

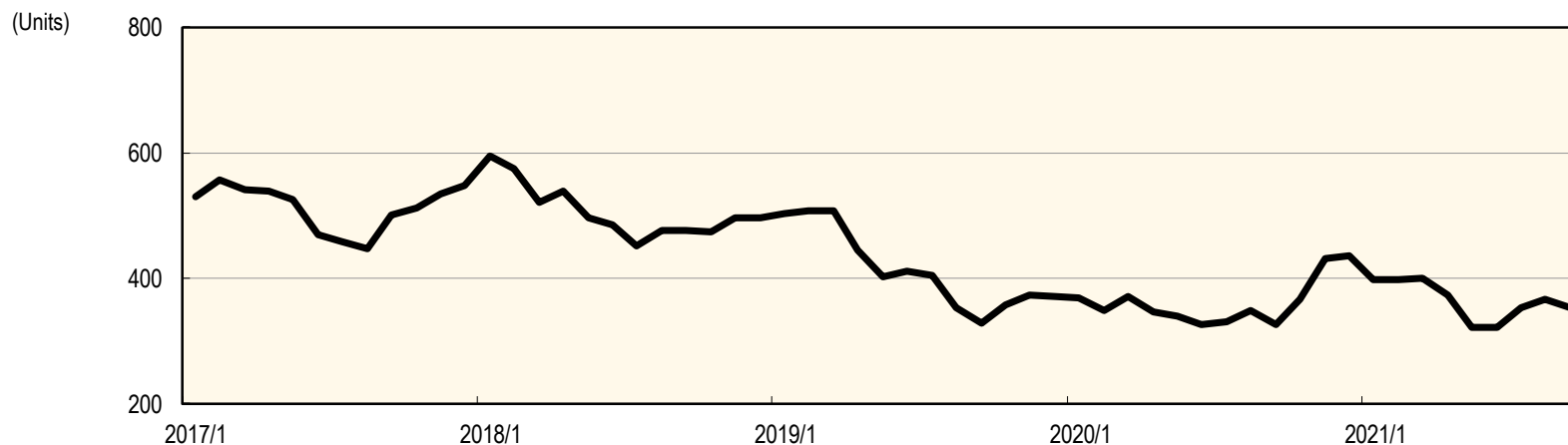
Housing investment: Flat

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



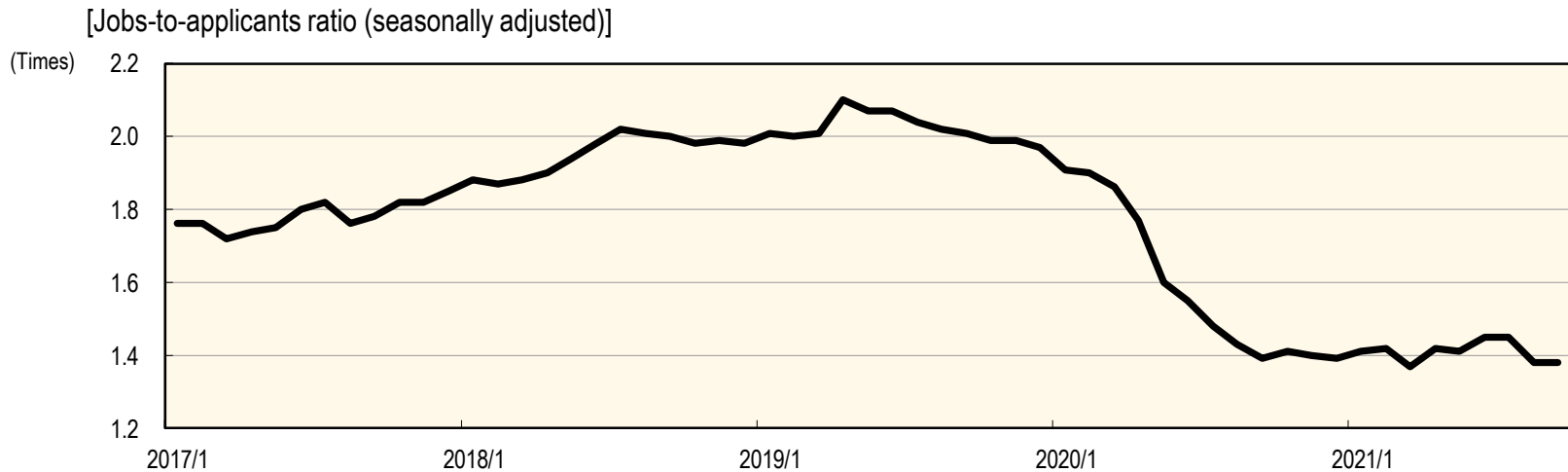
Source: MLIT

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



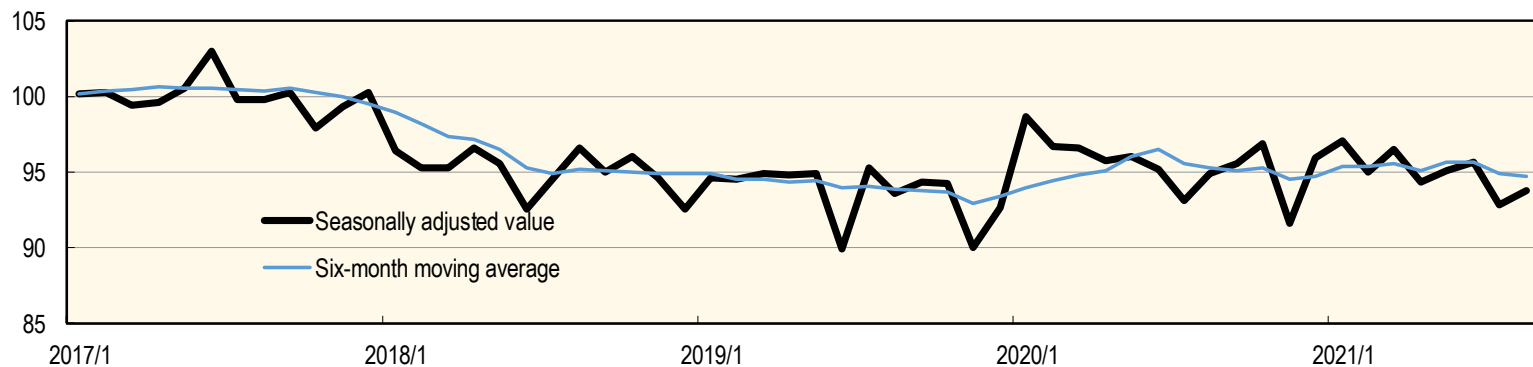
Source: MLIT

Employment situation: Showing a sign of recovery while continued weakness is seen due to the impact of COVID-19



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

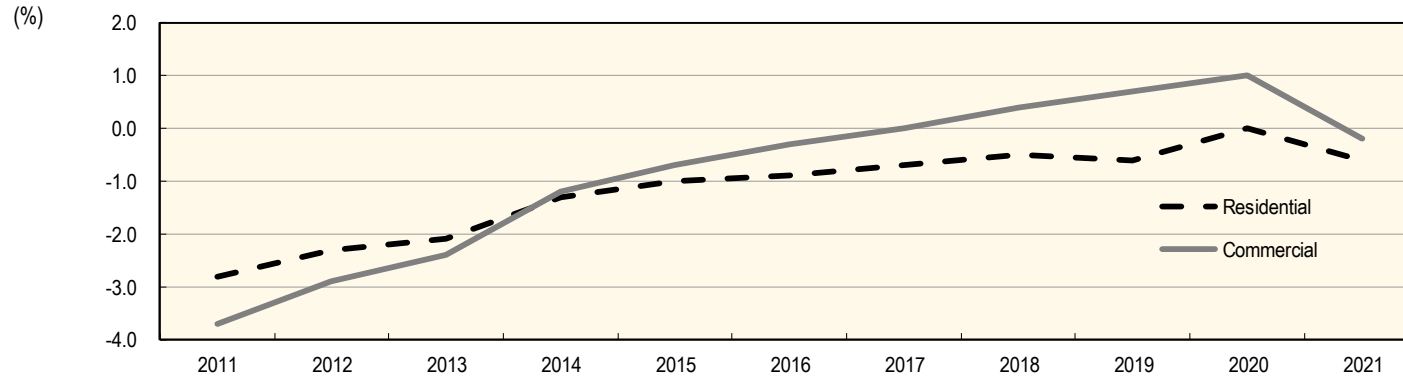
[Total sum of cash earnings (2015 indexed at 100; seasonally adjusted)]



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

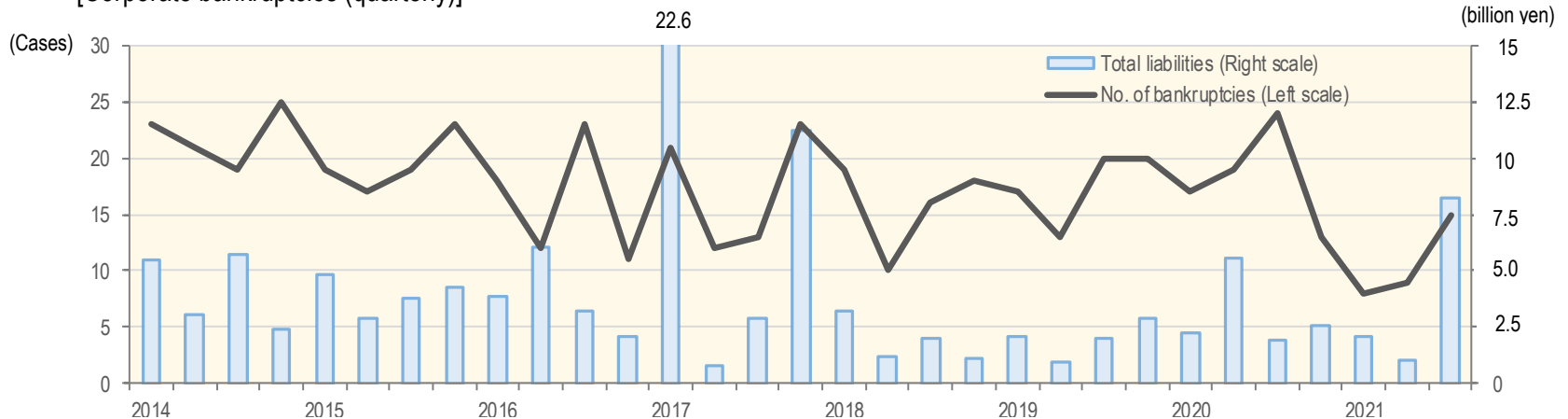
[Official land price (YoY)]



Source: Hilly and Mountainous Areas Development Division, Okayama Prefecture

Corporate bankruptcies: Continuing to decrease due to financing support

[Corporate bankruptcies (quarterly)]



Source: Okayama branch, Teikoku Databank

Chugoku Bank's Management Indicators

Profit and Loss Statement (1)

[Parent] (million yen)	FY2016	FY2017 1H	FY2017	FY2018 1H	FY2018	FY2019 1H	FY2019	FY2020 1H	FY2020	FY2021 1H
Ordinary revenue	125,036	57,586	116,499	57,415	113,461	56,143	110,829	49,824	99,765	51,869
Banking revenue	111,877	51,803	103,360	53,545	104,638	51,457	100,630	46,415	90,108	47,999
Extraordinary revenue	13,159	5,783	13,138	3,869	8,822	4,686	10,198	3,409	9,657	3,869
Ordinary expense	96,068	43,543	88,567	44,196	91,541	43,899	95,353	38,712	80,720	37,521
Banking expense	86,795	40,643	81,918	41,870	83,680	39,680	82,776	35,161	70,881	34,342
Extraordinary expense	9,272	2,900	6,649	2,325	7,860	4,219	12,577	3,550	9,839	3,178
Recurring profit	28,968	14,043	27,931	13,219	21,919	12,244	15,475	11,111	19,045	14,348
Banking income	25,090	11,164	21,451	11,679	20,965	11,780	17,860	11,257	19,235	13,659
Gross income	79,977	39,887	77,117	39,375	78,149	38,820	74,251	39,794	75,812	40,040
(Net interest income)	67,765	33,862	66,265	32,948	63,033	30,060	58,290	30,384	58,871	31,380
(Fees and commissions)	15,214	7,116	14,610	7,578	14,886	7,535	15,857	7,588	15,672	8,841
(Other banking income)	-3,002	-1,091	-3,757	-1,150	228	1,224	103	1,821	1,268	-181
Expenses	54,886	28,723	55,666	27,232	54,211	27,397	54,010	26,404	52,783	25,914
General provisions for doubtful receivables	-	-	-	464	2,972	-358	2,380	2,133	3,794	466
Extraordinary gain	3	0	14	15	15	1	1	-	-	2
Extraordinary loss	466	143	209	143	289	298	627	140	339	499
Impairment loss	414	132	148	100	222	289	596	69	244	453
Income before income tax (1H)	28,505	13,900	27,736	13,090	21,645	11,946	14,849	10,971	18,706	13,851
Corporate, residential, and business taxes	8,688	2,964	7,218	3,056	6,758	3,261	4,326	3,655	7,316	3,151
Income tax adjustments	776	1,117	1,107	617	-451	270	-291	▲ 475	-1,617	962
Net income (1H)	19,039	9,819	19,409	9,416	15,338	8,414	10,815	7,791	13,007	9,737

[Consolidated]

Ordinary revenue	142,867	65,261	132,445	64,758	128,621	63,780	127,318	58,173	116,976	60,594
Recurring profit	31,605	15,385	30,922	14,012	23,696	12,943	17,463	11,967	21,252	15,200
Net income attributable to owners of the parent (1H)	20,323	10,566	21,258	9,713	16,199	8,644	11,916	8,226	14,418	10,179
Net income (1H)	20,627	10,566	21,258	9,713	16,199	8,644	11,916	8,226	14,418	10,179
Other comprehensive income	-18,359	12,312	8,687	3,250	-11,164	6,805	-33,836	20,479	40,685	8,005
Valuation difference from other available-for-sale securities	-19,641	11,431	6,403	763	-6,137	9,181	-30,699	18,650	33,586	8,120
Deferred hedge gains	675	222	1,087	1,966	-3,894	-2,703	-2,563	1,370	6,136	-497
Comprehensive income (1H)	2,268	22,879	29,946	12,963	5,035	15,450	-21,919	28,706	55,104	18,184

Profit and Loss Statement (2)

[Parent] (million yen)	FY2016	FY2017 1H	FY2017	FY2018 1H	FY2018	FY2019 1H	FY2019	FY2020 1H	FY2020	FY2021 1H
Bond related gains/losses	-2,038	-300	-2,481	-316	1,117	1,084	-524	822	-552	-447
Gain on bond sales, including JGBs	13,536	1,634	3,827	2,679	4,865	1,727	3,026	1,407	2,496	3,506
Gain on bond redemption, including JGBs	-	-	-	-	-	25	25	-	50	-
Loss on bond sales, including JGBs	15,575	1,901	6,308	2,895	3,622	668	3,526	535	2,948	3,909
Loss on bond redemption, including JGBs	-	-	-	-	-	-	-	-	-	-
Bond redemption, including JGBs	-	34	-	100	125	-	50	49	150	45
Equity-related gains/losses	4,379	456	4,437	335	1,495	456	73	963	5,586	1,564
Gain on equity sales	9,937	1,717	6,888	1,868	5,574	2,361	7,073	1,761	7,233	2,623
Loss on equity sales	2,928	1,261	2,450	1,529	4,075	1,643	4,596	678	1,497	1,058
Share redemption	2,628	-	-	3	3	260	2,403	119	149	-
Non-performing loan disposal	-209	-2,632	-1,770	202	4,199	1,020	5,610	3,286	8,067	1,511
General provisions for doubtful receivables	-104	-2,498	-1,753	464	2,972	-358	2,380	2,133	3,794	466
Individual provisions for doubtful accounts	-187	-136	-25	-261	1,088	1,373	3,212	1,153	4,245	722
Loan write-offs	-	-	-	-	65	-	0	-	26	-
Loss on claim sales	81	1	8	-	74	5	18	-	2	322

Ordinary Revenue Breakdown

[Parent] (million yen)	FY2016	FY2017 1H	FY2017	FY2018 1H	FY2018	FY2019 1H	FY2019	FY2020 1H	FY2020	FY2021 1H
Ordinary revenue	125,036	57,586	116,499	57,415	113,461	56,143	110,829	49,824	99,765	51,869
Banking revenue	111,877	51,803	103,360	53,545	104,638	51,457	100,630	46,415	90,108	47,999
Net interest income	78,762	40,722	80,016	40,950	80,230	39,740	76,726	34,284	65,741	33,905
Lending rate	42,891	23,134	47,027	25,408	51,412	25,506	50,493	23,169	45,840	22,595
Securities interest rate (gains or losses on cancellation of investment trusts)	34,962	16,975	31,545	14,864	27,659	13,843	25,499	10,772	19,160	10,920
Call loan interest rate	(532)	(712)	(1,664)	(450)	(1,026)	(126)	(93)	(312)	(165)	(3)
Deposit interest rate	307	299	813	361	521	82	153	48	125	11
Foreign currency interest income	375	187	374	192	382	186	358	206	450	299
Financial swap interest income	53	28	58	35	75	34	61	19	32	13
Other interest income	-	-	-	-	-	-	-	-	-	-
Other interest income	172	97	196	88	179	86	159	67	132	64
Fees and commissions	19,439	9,276	18,911	9,757	19,175	9,709	20,217	9,717	19,954	10,321
Fee and commission income	5,712	2,818	5,669	2,811	5,635	2,822	5,625	3,013	5,899	2,816
Other fee and commission income	13,725	6,458	13,240	6,945	13,537	6,887	14,590	6,704	14,053	7,504
Trust fees	1	0	1	0	1	0	1	0	0	0
Other banking revenue	13,675	1,804	4,432	2,837	5,232	2,007	3,687	2,412	4,412	3,772
Gain on sale of bonds, including JGBs	13,536	1,634	3,827	2,679	4,865	1,727	3,026	1,407	2,496	3,506
Gain on redemption of bonds	-	-	-	-	-	25	25	-	50	-
Gain on sale of foreign currencies	-	-	-	-	-	-	411	835	1,345	201
Gain on sale of securities	9	-	-	0	-	-	-	7	8	-
Financial derivative revenue	126	168	603	-	-	136	37	-	349	45
Other	2	0	1	157	367	117	185	162	163	18
Extraordinary income	13,159	5,783	13,138	3,869	8,822	4,686	10,198	3,409	9,657	3,869
Gain on sale of equities	9,937	1,717	6,888	1,868	5,574	2,361	7,073	1,761	7,233	2,623
Gain on investment trusts	67	103	85	154	-	48	72	31	113	157
Reversal to provisions for doubtful receivables	291	2,634	1,778	-	-	-	-	-	-	-
Gain on non-performing loans recovered	12	5	5	0	0	3	3	0	0	23
Other	2,850	1,322	4,380	1,846	3,248	2,273	3,048	1,616	2,310	1,065

Ordinary Expense Breakdown

[Parent] (million yen)	FY2016	FY2017 1H	FY2017	FY2018 1H	FY2018	FY2019 1H	FY2019	FY2020 1H	FY2020	FY2021 1H
Ordinary expenses	96,068	43,543	88,567	44,196	91,541	43,899	95,353	38,712	80,720	37,521
Banking expenses	86,795	40,643	81,918	41,870	83,680	39,680	82,776	35,161	70,881	34,342
Interest expense	11,006	6,863	13,759	8,007	17,204	9,683	18,442	3,904	6,878	2,528
Expenses matching the amount of investment of money held in trust	9	3	9	4	7	3	6	3	7	3
Deposit interest	1,791	1,018	1,928	1,173	2,333	1,300	2,564	416	843	334
Negotiable certificates of deposit (NCD) interest	89	33	60	21	42	18	34	14	28	13
Call money interest	2,436	824	1,374	538	869	192	284	-37	-124	-133
Interest on sales under agreement to repurchase	101	538	1,584	1,025	2,397	1,763	3,277	131	268	60
Securities lending transaction interest payable	2,354	943	1,474	325	594	263	658	120	301	219
Interest on commercial papers	48	336	779	395	1,100	566	920	85	173	70
Borrowed money interest payable	572	556	1,237	1,162	2,504	1,241	2,156	901	1,051	81
Foreign exchange interest payable	316	7	7	0	12	3	80	80	76	17
Interest on bonds, Interest on bonds-NOE										39
Financial swap interest payable	3,290	2,605	5,311	3,361	7,347	4,332	8,460	2,190	4,217	1,822
Other interest payable	6	0	0	3	1	0	5	0	5	1
Fees and commissions	4,225	2,159	4,301	2,178	4,288	2,174	4,359	2,129	4,281	1,479
Fees and commissions payable	902	463	919	474	932	466	916	455	904	468
Other fees and commissions payable	3,323	1,696	3,382	1,704	3,355	1,708	3,442	1,673	3,376	1,010
Other banking expenses	16,677	2,895	8,190	3,988	5,004	783	3,583	591	3,144	3,954
Loss on sale of bonds, including JGBs	15,575	1,901	6,308	2,895	3,622	668	3,526	535	2,948	3,909
Bond redemption, including JGBs	-	34	-	100	125	-	50	49	150	45
Loss on foreign exchange transactions	1,101	957	1,873	771	843	102	-	-	-	-
Loss on securities transactions	-	2	8	-	4	12	6	-	-	0
Financial derivative expenses	-	-	-	221	407	-	-	5	-	-
Other	-	-	-	-	-	-	-	-	45	0
General provisions for doubtful receivables	-	-	-	464	2,972	-358	2,380	2,133	3,794	466
Expenses	54,886	28,723	55,666	27,232	54,211	27,397	54,010	26,404	52,783	25,914
Extraordinary expenses	9,272	2,900	6,649	2,325	7,860	4,219	12,577	3,550	9,839	3,178
Individual provisions for doubtful accounts	-	-	-	-261	1,088	1,373	3,212	1,153	4,245	722
Redemption of loans and bills discounted	-	-	-	-	65	-	0	-	26	-
Loss on sale of equity	2,928	1,261	2,450	1,529	4,075	1,643	4,596	678	1,497	1,058
Equity redemption	2,628	-	-	3	3	260	2,403	119	149	-
Loss on money held in trust	88	0	118	14	104	14	63	18	4	11
Retirement expense	1,711	949	1,899	748	1,497	471	942	663	1,323	549
Other	1,914	688	2,179	290	1,026	456	1,358	916	2,592	835

Expense Breakdown

[Parent] (million yen)	FY2016	FY2017 1H	FY2017	FY2018 1H	FY2018	FY2019 1H	FY2019	FY2020 1H	FY2020	FY2021 1H
Expenses (1)	54,886	28,723	55,666	27,232	54,211	27,397	54,010	26,404	52,783	25,914
Personnel	29,553	14,702	28,910	13,953	27,834	14,164	28,204	13,794	27,725	14,022
Salaries	16,610	8,171	16,051	7,740	15,438	7,594	15,072	7,262	14,560	7,348
Bonuses	5,755	2,807	5,410	2,506	4,992	2,582	5,132	2,358	4,807	2,538
Retirement expenses	446	353	710	288	571	499	1,012	664	1,314	488
Social insurance	3,600	1,800	3,575	1,796	3,559	1,772	3,532	1,733	3,446	1,752
Temporary employment expense	3,140	1,569	3,162	1,621	3,272	1,715	3,454	1,774	3,596	1,895
Property expense	22,218	11,502	23,138	11,381	23,263	11,379	22,780	11,016	22,001	10,368
Depreciation	3,539	2,063	4,329	2,043	4,233	2,053	4,201	1,978	4,096	1,924
Land and building leasing expense	748	384	780	398	800	386	775	391	774	375
Machinery leasing expense	136	69	153	80	169	85	186	91	180	88
Outsourcing expense	2,727	1,393	2,755	1,333	2,607	1,264	2,521	1,179	2,466	1,099
Maintenance expense	207	107	224	136	305	127	277	192	295	155
Travel expense	194	104	213	100	202	105	200	26	75	38
Sales promotion expense	69	46	83	46	79	33	79	53	105	82
Deposit insurance premium	2,418	1,094	2,188	1,029	2,059	1,031	2,063	1,028	2,057	1,053
Miscellaneous expense	12,177	6,239	12,410	6,213	14,865	6,291	12,474	6,074	11,948	5,551
Taxes	3,114	2,518	3,617	1,896	3,114	1,853	3,025	1,593	3,056	1,522
Core business gross profit (2)	82,016	40,187	79,598	39,692	77,031	37,735	74,775	38,972	76,365	40,487
OHR (1)÷(2)	66.9%	71.4%	69.9%	68.6%	70.3%	72.6%	72.2%	67.7%	69.1%	64.0%

Major Yields

		FY2016	FY2017	FY2017	FY2018	FY2018	FY2019	FY2019	FY2020	FY2020	FY2021
			1H		1H		1H		1H		1H
Total for all branches	1. Interest-earning asset yield	1.03	1.05	1.04	1.05	1.03	1.02	0.98	0.84	0.79	0.77
	Loan yield	1.01	1.02	1.03	1.08	1.08	1.06	1.04	0.92	0.90	0.87
	Securities yield	1.20	1.31	1.24	1.23	1.17	1.20	1.10	0.91	0.81	0.89
	Call loan yield	0.32	0.29	0.44	0.32	0.22	0.06	0.05	0.02	0.02	0.00
	Deposit yield (including NCD)	0.10	0.10	0.10	0.10	0.10	0.10	0.09	0.10	0.12	0.14
	2. Interest-bearing liabilities	0.14	0.18	0.18	0.21	0.22	0.25	0.24	0.09	0.08	0.05
	Deposit yield	0.02	0.03	0.03	0.03	0.03	0.03	0.03	0.01	0.01	0.00
	Call money yield	1.20	1.40	1.37	1.96	1.71	1.11	0.91	-0.12	-0.17	-0.35
	Loan yield	0.34	0.60	0.65	1.32	1.49	1.85	1.77	0.51	0.34	0.05
	3. Expense ratio	0.87	0.88	0.86	0.80	0.80	0.80	0.79	0.72	0.71	0.66
	4. Fundraising expense	0.88	0.94	0.91	0.92	0.94	0.96	0.94	0.75	0.72	0.64
	5. Total net interest income (1-4)	0.15	0.11	0.13	0.13	0.09	0.06	0.04	0.09	0.07	0.13
Simple loan-deposit margin	0.99	0.99	1.00	1.05	1.05	1.03	1.01	0.91	0.89	0.87	
Simple deposit-securities margin	1.18	1.28	1.21	1.20	1.14	1.17	1.07	0.90	0.80	0.89	

Domestic banking operations	1. Interest-earning asset yield	0.84	0.81	0.80	0.80	0.77	0.74	0.71	0.70	0.67	0.67
	Loan yield	0.95	0.89	0.88	0.86	0.85	0.83	0.83	0.81	0.81	0.80
	Securities yield	0.96	1.03	1.00	1.03	0.95	0.92	0.82	0.79	0.73	0.82
	Call loan yield	-0.02	-0.02	-0.01	-0.03	-0.03	-0.03	-0.03	-0.02	-0.02	-0.01
	Deposit yield (including NCD)	0.10	0.10	0.10	0.10	0.10	0.10	0.09	0.10	0.12	0.14
	2. Interest-bearing liabilities	0.04	0.04	0.04	0.03	0.03	0.03	0.03	0.03	0.03	0.02
	Deposit yield	0.01	0.01	0.01	0.01	0.01	0.00	0.00	0.00	0.00	0.00
	Call money yield	-0.03	-0.02	-0.04	-0.05	-0.06	-0.05	-0.04	-0.02	-0.02	-0.02
	Loan yield	0.04	0.01	0.01	0.02	0.02	0.03	0.04	0.02	0.00	0.00
	3. Expense ratio	0.85	0.86	0.84	0.78	0.78	0.78	0.77	0.70	0.69	0.64
	4. Fundraising expense	0.80	0.82	0.80	0.76	0.76	0.76	0.75	0.71	0.69	0.62
	5. Total net interest income (1-4)	0.04	-0.01	0.00	0.04	0.01	-0.02	-0.04	-0.01	-0.02	0.05
Simple loan-deposit margin	0.94	0.88	0.87	0.85	0.84	0.83	0.83	0.81	0.81	0.80	
Simple deposit-securities margin	0.95	1.02	0.99	1.02	0.94	0.92	0.82	0.79	0.73	0.82	

Major Accounts (year-end balance) Assets

(100 million yen)

	FY2016	FY2017	FY2017	FY2018	FY2018	FY2019	FY2019	FY2020	FY2020	FY2021
		1H		1H		1H		1H		1H
Total assets	82,554	82,991	84,395	83,679	82,257	83,579	81,136	87,417	91,226	98,542
Interest-earning assets	73,673	75,527	75,209	75,871	73,224	75,272	73,911	77,520	79,586	81,136
Loans	44,003	45,607	46,761	47,300	48,087	47,847	49,097	50,580	51,444	51,584
Securities	27,146	27,439	26,208	25,074	23,949	24,587	23,451	23,913	26,225	25,653
Securities products	23	18	18	19	23	23	13	11	11	12
Money in trust	150	150	250	201	180	180	230	230	230	231
Deposits (excluding non-interest bearing portion)	102	141	167	165	135	154	100	219	0	0
Call loans	1,905	1,743	1,412	2,614	396	2,091	598	2,155	1,258	3,270
Debt purchased	215	261	271	268	295	258	230	206	196	189
Foreign exchange	64	59	79	107	90	93	119	150	83	75
Cash collateral paid	61	101	41	119	65	34	69	51	135	118
(Interest-earnings assets)	73,523	75,376	74,959	75,669	73,044	75,091	73,681	77,290	79,356	80,904
Cash and deposits (non-interest bearing)	7,953	6,403	7,609	6,621	7,497	6,715	5,662	8,456	10,005	16,086
Tangible fixed assets	413	405	396	392	388	382	380	377	368	359
Intangible fixed assets	74	65	58	51	44	37	30	24	23	18
Other assets	446	550	1,094	703	1,118	1,167	1,170	1,099	1,322	993
Prepaid pension costs	-	-	-	-	-	-	-	-	30	32
Deferred tax assets	-	-	-	-	-	-	22	-	-	-
Guarantee endorsements	340	351	340	347	324	346	334	333	320	344
Provisions for doubtful receivables	-347	-311	-314	-306	-341	-342	-375	-393	-429	-428

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

	FY2016	FY2017	FY2017	FY2018	FY2018	FY2019	FY2019	FY2020	FY2020	FY2021
(100 million yen)		1H		1H		1H		1H		1H
Total liabilities and net assets	82,554	82,991	84,395	83,679	82,257	83,579	81,136	87,417	91,226	98,542
Total liabilities	77,526	77,774	79,161	78,350	77,021	78,224	76,174	82,201	85,786	92,963
Interest-bearing liabilities	76,370	76,496	77,624	76,958	75,499	76,571	74,750	80,874	84,086	91,487
Deposits	62,018	61,693	64,236	63,831	66,399	64,751	67,116	71,544	75,113	74,791
Negotiable certificates of deposit (NCD)	2,229	3,038	2,224	3,562	1,783	2,991	2,044	2,787	1,771	2,599
Call money	1,492	720	579	366	187	150	300	715	712	856
Sales under agreement to repurchase account	215	1,582	715	782	1,250	1,559	1,247	1,246	1,296	1,053
Payables under Securities Lending Transactions	8,323	6,911	7,472	6,229	3,772	5,601	2,171	1,548	1,727	5,113
Commercial paper	242	517	461	487	487	365	326	465	542	548
Borrowed money	1,818	2,014	1,885	1,656	1,559	1,075	1,480	2,467	2,754	6,340
Foreign exchange	1	2	2	1	17	7	2	9	2	8
Bond	-	-	-	-	-	-	-	-	100	100
Borrowed money from trust account	1	7	15	23	27	32	33	36	48	59
Cash collateral received	27	6	31	16	14	36	28	52	16	17
(Expenses matching the amount of investment of money held in trust)	150	150	250	201	180	180	230	230	230	231
(Fund procurement account)	76,220	76,345	77,374	76,757	75,319	76,391	74,520	80,644	83,856	91,256
Other liabilities	464	518	803	645	862	947	993	844	1,229	942
Retirement provision	200	198	195	188	185	179	75	73	3	2
Provision for bonuses	13	13	12	12	12	12	12	12	12	12
Other provision	23	21	25	23	23	20	19	17	3	2
Deferred tax liabilities	126	186	169	187	125	158	-	58	130	172
Acceptances and guarantees	340	351	340	347	324	346	334	333	320	344
Total net assets	5,028	5,217	5,234	5,329	5,235	5,355	4,962	5,216	5,440	5,578
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	4,067	4,074	4,151	4,226	4,266	4,328	4,331	4,388	4,420	4,491
Treasury stock (-)	121	54	74	84	94	96	96	96	96	106
Valuation difference on other securities	925	1,038	989	999	934	1,023	625	808	952	1,034
Gain/loss on deferred hedges	-60	-58	-49	-30	-88	-115	-114	-100	-53	-58
Warrants	3	2	2	2	3	1	1	1	2	2

Major Accounts (average balance) Assets

(100 million yen)

	FY2016	FY2017 1H	FY2017	FY2018 1H	FY2018	FY2019 1H	FY2019	FY2020 1H	FY2020	FY2021 1H
Total assets	79,899	80,719	80,986	81,574	81,554	81,738	82,160	85,635	87,544	93,337
Interest-earning assets	76,580	76,924	77,056	77,507	77,484	77,602	78,167	81,284	82,863	87,143
Loans	42,324	44,859	45,518	46,907	47,344	47,780	48,116	49,942	50,531	51,558
Securities	29,030	25,747	25,311	23,939	23,456	22,963	23,049	23,427	23,524	24,388
Securities products	22	19	19	26	21	23	21	14	14	12
Money in trust	199	150	210	249	209	180	179	230	230	230
Deposits (excluding non-interest bearing portion)	3,719	3,727	3,735	3,741	3,718	3,678	3,663	3,865	3,699	4,085
Call loans	947	2,014	1,822	2,198	2,292	2,615	2,796	3,447	4,515	6,501
Debt purchased	149	175	182	187	191	206	189	152	146	129
Foreign exchange	156	137	157	171	168	107	99	150	144	123
Cash collateral paid	29	85	100	85	80	47	50	53	58	113
(Interest-earnings assets)	76,380	76,774	76,846	77,257	77,274	77,422	77,987	81,054	82,633	86,913
Cash and deposits (non-interest bearing)	2,297	2,486	2,616	2,779	2,763	2,740	2,546	2,767	3,155	4,711
Tangible fixed assets	441	415	416	399	402	392	395	382	386	369
Intangible fixed assets	67	72	71	58	57	44	43	30	31	24
Other assets	284	578	570	580	595	736	780	973	922	892
Prepaid pension costs	-	-	-	-	-	-	-	-	0	30
Deferred tax assets	243	240	234	229	226	234	233	238	240	253
Guarantee endorsements	332	345	347	332	335	324	336	336	332	333
Provisions for doubtful receivables	-347	-343	-328	-311	-312	-336	-343	-377	-388	-423

Major Accounts (average balance) Liabilities & Net Assets

(100 million yen)	FY2016	FY2017 1H	FY2017	FY2018 1H	FY2018	FY2019 1H	FY2019	FY2020 1H	FY2020	FY2021 1H
Total liabilities and net assets	79,899	80,719	80,986	81,574	81,554	81,738	82,160	85,635	87,544	93,337
Total liabilities	75,767	76,598	76,804	77,306	77,236	77,341	77,731	81,169	83,039	88,769
Interest-bearing liabilities	74,784	75,590	75,748	76,227	76,165	76,445	76,840	80,418	82,275	87,943
Deposits	60,078	61,560	61,694	63,475	63,620	64,997	65,295	69,979	71,288	75,071
Negotiable certificates of deposit (NCD)	2,965	2,916	2,883	3,712	3,535	3,052	2,964	2,806	2,805	2,694
Call money	2,016	1,167	999	547	505	344	311	602	698	751
Sales under agreement to repurchase	111	753	1,011	903	978	1,360	1,415	701	974	1,065
Payables under Securities Lending Transactions	7,913	6,839	6,739	5,432	5,365	4,842	5,174	2,452	2,949	4,466
Commercial paper	41	487	498	376	445	450	395	281	407	555
Borrowed money	1,649	1,846	1,897	1,746	1,673	1,334	1,216	3,517	3,021	3,162
Foreign exchange	1	3	3	3	4	5	5	4	4	3
Bond	-	-	-	-	-	-	-	-	46	100
Borrowed money from trust account	1	3	7	20	22	29	31	34	38	54
Cash collateral received	3	11	14	9	13	28	28	37	42	17
(Expenses matching the amount of investment of money held in trust)	199	150	210	249	209	180	179	230	230	230
(Fund procurement account)	74,584	75,440	75,538	75,978	75,956	76,265	76,660	80,188	82,045	87,713
Other liabilities	428	447	494	534	527	371	360	327	347	480
Retirement provision	204	198	197	191	189	183	179	73	73	2
Bonus provision	7	6	6	6	6	6	6	6	6	6
Other provision	10	10	9	13	11	9	8	6	5	3
Deferred tax liabilities	-	-	-	-	-	-	-	-	-	-
Acceptances and guarantees	332	345	347	332	335	324	336	336	332	333
Total net assets	4,131	4,120	4,182	4,268	4,317	4,396	4,429	4,465	4,504	4,567
Capital	151	151	151	151	151	151	151	151	151	151
Surplus capital	62	27	44	62	62	62	62	62	62	62
Retained earnings	4,002	4,016	4,047	4,121	4,175	4,266	4,300	4,338	4,376	4,442
Treasury stock (-)	99	88	75	81	84	95	95	96	96	102
Valuation difference on other securities	11	11	11	11	10	10	9	8	9	11
Gain/loss on deferred hedges	-0	-0	-0	-0	-0	-1	-1	-1	-0	-0
Warrants	3	3	2	2	2	2	2	1	1	2

Deposits (year-end balance)

(100 million yen)		FY2016	FY2017	FY2017	FY2018	FY2018	FY2019	FY2019	FY2020	FY2020	FY2021
			1H		1H		1H		1H		1H
Okayama		47,052	46,850	49,026	48,864	50,953	49,712	51,863	54,855	57,260	57,259
	Private portion	35,313	35,832	36,311	37,072	37,347	37,610	38,327	39,941	41,081	42,033
	Corporate portion	9,314	9,657	10,043	10,140	10,485	10,425	10,507	11,849	12,592	12,404
Hiroshima		8,762	8,534	8,533	8,634	9,144	8,644	9,043	9,300	9,605	9,493
	Private portion	5,569	5,584	5,604	5,633	5,627	5,649	5,743	5,916	6,015	6,063
	Corporate portion	2,614	2,858	2,794	2,838	2,862	2,908	2,935	3,215	3,307	3,346
Kagawa, Ehime		4,029	4,022	4,141	4,074	4,020	3,968	4,054	4,335	4,448	4,513
	Private portion	2,763	2,766	2,765	2,759	2,736	2,717	2,719	2,781	2,832	2,847
	Corporate portion	1,220	1,253	1,338	1,312	1,249	1,248	1,303	1,552	1,571	1,658
Hyogo		1,089	1,136	1,130	1,159	1,152	1,132	1,166	1,233	1,285	1,280
	Private portion	636	640	637	642	630	622	625	635	651	647
	Corporate portion	451	495	492	516	521	509	540	596	633	632
Tottori		114	119	129	120	123	133	128	145	148	152
	Private portion	49	50	51	52	51	52	51	53	54	53
	Corporate portion	64	68	78	67	71	81	76	90	94	93
Osaka		237	241	211	264	229	253	212	261	239	224
	Private portion	72	67	68	69	69	70	71	73	66	65
	Corporate portion	163	172	142	193	158	182	139	187	172	157
Tokyo		137	136	188	194	131	188	128	342	477	697
	Private portion	69	67	66	65	62	61	57	59	58	58
	Corporate portion	66	67	119	127	66	124	68	280	415	634
Total domestic branches (before reconciliation of transit items)		61,422	61,042	63,361	63,310	65,755	64,033	66,596	70,474	73,464	73,621
	Total for private portion	44,476	45,010	45,504	46,294	46,526	46,783	47,597	49,460	50,761	51,769
	Total for corporate portion	13,895	14,572	15,009	15,194	15,415	15,478	15,572	17,771	18,786	18,928
Overseas branches		597	653	877	521	644	717	519	1,070	1,648	1,170
Total deposits		62,018	61,693	64,236	63,831	66,399	64,751	67,116	71,544	75,113	74,791
	Liquidity	41,644	41,224	44,590	44,332	47,261	45,646	48,186	52,534	56,159	55,665
	Time deposits	20,374	20,469	19,646	19,499	19,137	19,105	18,929	19,009	18,954	19,126
	Domestic banking	60,869	60,433	62,671	62,564	65,120	63,406	65,999	69,876	72,632	72,807
	International banking	1,149	1,260	1,565	1,267	1,278	1,344	1,116	1,668	2,480	1,984

Deposits (average balance)

(100 million yen)		FY2016	FY2017	FY2017	FY2018	FY2018	FY2019	FY2019	FY2020	FY2020	FY2021
			1H		1H		1H		1H		1H
Okayama		45,766	46,806	47,003	48,589	48,754	50,008	50,166	54,031	54,653	57,468
	Private portion	35,082	35,697	35,981	36,755	37,054	37,681	37,915	39,457	40,033	41,761
	Corporate portion	9,014	9,442	9,464	9,958	9,927	10,354	10,385	11,360	11,703	12,605
Hiroshima		8,224	8,427	8,429	8,643	8,638	8,688	8,721	9,352	9,444	9,536
	Private portion	5,533	5,579	5,596	5,619	5,628	5,647	5,680	5,865	5,923	6,046
	Corporate portion	2,534	2,736	2,736	2,828	2,825	2,918	2,943	3,163	3,250	3,385
Kagawa, Ehime		3,992	4,050	4,064	4,073	4,053	4,025	4,022	4,238	4,332	4,531
	Private portion	2,772	2,762	2,765	2,760	2,754	2,739	2,729	2,760	2,783	2,841
	Corporate portion	1,210	1,284	1,294	1,310	1,296	1,283	1,289	1,476	1,544	1,682
Hyogo		1,054	1,115	1,116	1,141	1,141	1,124	1,130	1,205	1,238	1,299
	Private portion	627	637	638	637	636	626	626	631	635	649
	Corporate portion	420	477	476	503	503	497	503	573	601	649
Tottori		105	114	116	126	124	125	126	135	140	149
	Private portion	50	50	50	52	51	51	51	51	51	53
	Corporate portion	55	63	64	73	71	73	74	82	84	91
Osaka		215	218	220	233	241	227	231	248	252	260
	Private portion	67	69	68	68	68	69	70	71	69	65
	Corporate portion	147	148	150	164	171	157	160	176	182	193
Tokyo		185	163	155	157	149	140	144	207	274	558
	Private portion	70	68	67	66	65	62	60	58	58	58
	Corporate portion	112	92	85	88	82	75	81	146	212	495
Total domestic branches		59,546	60,896	61,107	62,963	63,104	64,340	64,546	69,420	70,341	73,804
Total for private portion		44,205	44,865	45,171	45,960	46,261	46,878	47,135	48,897	49,559	51,476
Total for corporate portion		13,497	14,246	14,276	14,925	14,879	15,361	15,441	16,979	17,583	19,103
Overseas branches		531	664	587	512	515	656	749	558	947	1,267
Total deposits		60,078	61,560	61,694	63,475	63,620	64,997	65,295	69,979	71,288	75,071
Liquidity		39,405	41,059	41,781	43,848	44,152	45,766	46,177	51,197	52,345	55,896
Time deposits		20,672	20,500	19,913	19,627	19,467	19,230	19,118	18,781	18,942	19,174
Domestic banking		58,956	60,277	60,486	62,216	62,397	63,717	63,922	68,810	69,701	73,084
International banking		1,122	1,282	1,208	1,259	1,223	1,279	1,373	1,168	1,586	1,986

Loans (year-end balance)

(100 million yen)

		FY2016	FY2017	FY2017	FY2018	FY2018	FY2019	FY2019	FY2020	FY2020	FY2021	
			1H		1H		1H		1H		1H	
General capital		38,930	40,332	41,543	42,098	42,982	42,811	44,087	45,659	46,663	46,792	
	Scale	Large-scale companies	8,869	8,251	7,919	7,778	7,754	7,411	7,659	8,149	8,344	8,053
		Medium-scale companies	1,499	1,661	1,710	1,672	1,665	1,456	1,486	1,321	1,271	1,170
		Small-scale companies	20,309	22,067	23,426	24,044	24,754	24,941	25,772	26,915	27,572	27,905
		Private individuals	8,252	8,352	8,486	8,602	8,807	9,002	9,168	9,271	9,475	9,663
	Government and municipal loans		4,904	5,108	5,017	4,962	4,882	4,804	4,758	4,699	4,557	4,550
	State and local public works groups		4,847	5,067	4,979	4,939	4,860	4,793	4,745	4,692	4,550	4,544
	Local public corporations		57	40	38	23	21	11	12	7	7	5
	Total loans by domestic branches		43,835	45,440	46,561	47,061	47,864	47,616	48,845	50,358	51,221	51,343
	Region	Okayama	24,003	25,305	25,973	26,423	26,911	26,808	27,667	28,351	28,804	29,098
		Hiroshima	7,415	7,671	7,935	8,128	8,408	8,503	8,583	8,918	9,078	9,119
		Kagawa, Ehime	2,985	3,097	3,241	3,236	3,351	3,362	3,391	3,527	3,519	3,497
Hyogo		2,102	2,295	2,513	2,623	2,699	2,664	2,748	2,788	2,865	2,845	
Tottori		297	315	341	341	357	365	363	366	363	349	
Osaka		1,313	1,228	1,120	1,129	1,051	1,033	1,013	1,216	1,273	1,246	
Tokyo		5,717	5,525	5,433	5,177	5,084	4,879	5,077	5,189	5,317	5,184	
Loan liabilities		-	-	-	-	-	-	-	-	-	-	
Overseas branches		168	166	200	239	222	230	252	222	222	241	
Total loans		44,003	45,607	46,761	47,300	48,087	47,847	49,097	50,580	51,444	51,584	

Loans (average balance)

(100 million yen)

		FY2016	FY2017	FY2017	FY2018	FY2018	FY2019	FY2019	FY2020	FY2020	FY2021	
			1H		1H		1H		1H		1H	
General capital		37,230	39,604	40,295	41,680	42,194	42,744	43,113	44,954	45,610	46,735	
	Type	Local development	18,132	18,840	19,237	20,043	20,381	20,819	21,008	21,922	22,240	22,289
		Urban	7,170	6,857	6,699	6,289	6,210	5,827	5,844	6,091	6,232	6,342
		Private loans	9,887	10,375	10,514	10,894	11,006	11,335	11,419	11,641	11,706	11,973
		Housing loan portion	7,542	7,655	7,668	7,738	7,783	7,975	8,040	8,239	8,314	8,593
		Other	2,041	3,531	3,843	4,454	4,597	4,762	4,845	5,299	5,429	6,129
	Government and municipal loans		4,952	5,082	5,055	4,999	4,932	4,818	4,770	4,741	4,675	4,585
	State and local public works groups		4,898	5,042	5,014	4,973	4,907	4,805	4,757	4,733	4,668	4,580
	Local public corporations		53	39	40	25	24	13	12	8	7	5
	Total loans by domestic branches		42,182	44,686	45,350	46,679	47,126	47,563	47,883	49,695	50,286	51,321
	Region	Okayama	22,607	24,665	25,181	26,114	26,381	26,741	26,967	28,035	28,291	28,973
Hiroshima		7,168	7,517	7,652	8,014	8,167	8,444	8,485	8,806	8,912	9,092	
Kagawa, Ehime		2,832	3,028	3,086	3,216	3,254	3,356	3,375	3,464	3,518	3,548	
Hyogo		1,992	2,193	2,290	2,571	2,625	2,686	2,701	2,795	2,828	2,883	
Tottori		295	306	317	337	345	360	363	362	363	349	
Osaka		1,306	1,280	1,229	1,119	1,116	1,026	1,019	1,073	1,164	1,219	
Tokyo		5,980	5,694	5,593	5,305	5,234	4,947	4,970	5,157	5,205	5,253	
Loan liabilities		-	-	-	-	-	-	-	-	-	-	
Overseas branches		141	173	167	227	218	216	233	247	244	237	
Total loans		42,324	44,859	45,518	46,907	47,344	47,780	48,116	49,942	50,531	51,558	

Loans by Industry (year-end balance)

(100 million yen)

	FY2016	FY2017 1H	FY2017	FY2018 1H	FY2018	FY2019 1H	FY2019	FY2020 1H	FY2020	FY2021 1H
Domestic branches	43,835	45,440	46,561	47,061	47,864	47,616	48,845	50,358	51,221	51,343
Manufacturing	6,911	6,663	7,003	6,655	6,757	6,443	6,731	7,034	7,124	6,728
Agriculture, forestry	34	44	60	61	71	87	90	82	81	110
Fishing	25	46	45	36	32	34	27	28	25	25
Mining, stone, sand	21	20	21	20	21	21	20	22	25	22
Construction	1,214	1,194	1,296	1,221	1,304	1,210	1,280	1,390	1,563	1,439
Electric power, gas, heat supply, water	1,392	1,700	1,860	2,014	2,087	2,203	2,451	2,448	2,533	2,611
Information and communications	301	301	232	206	202	190	184	189	181	180
Transport, postal	1,719	1,939	2,036	2,095	2,171	2,093	2,163	2,465	2,471	2,435
Wholesale, retail	5,106	5,077	5,124	5,217	5,259	5,232	5,377	5,523	5,469	5,468
Financial, insurance	3,474	3,892	3,810	3,975	3,856	3,699	3,856	3,959	4,382	4,909
Real estate, goods leasing	5,623	6,041	6,387	6,539	6,672	6,914	7,007	7,254	7,208	7,273
Public corporations	57	40	38	23	21	11	12	7	7	5
Other	5,566	6,001	6,349	6,516	6,650	6,902	6,994	7,246	7,201	7,268
Various services	2,966	3,035	3,200	3,201	3,196	3,169	3,149	3,316	3,410	3,328
Public organizations	4,847	5,067	4,979	4,939	4,860	4,793	4,745	4,692	4,550	4,544
Other	10,195	10,414	10,502	10,875	11,371	11,523	11,758	11,950	12,192	12,262
Housing loans	7,672	7,683	7,736	7,790	7,930	8,082	8,213	8,326	8,511	8,748
Overseas branches + Offshore loans	168	166	200	239	222	230	252	222	222	241
Total	44,003	45,607	46,761	47,300	48,087	47,847	49,097	50,580	51,444	51,584

Loans by Industry (percentage)

	FY2016	FY2017	FY2017	FY2018	FY2018	FY2019	FY2019	FY2020	FY2020	FY2021
		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	15.8%	14.7%	15.0%	14.1%	14.1%	13.5%	13.8%	14.0%	13.9%	13.1%
Agriculture, forestry	0.1%	0.1%	0.1%	0.1%	0.1%	0.2%	0.2%	0.2%	0.2%	0.2%
Fishing	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Mining, stone, sand	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.1%
Construction	2.8%	2.6%	2.8%	2.6%	2.7%	2.5%	2.6%	2.8%	3.0%	2.8%
Electric power, gas, heat supply, water	3.2%	3.7%	4.0%	4.3%	4.4%	4.6%	5.0%	4.9%	4.9%	5.1%
Information and communications	0.7%	0.7%	0.5%	0.4%	0.4%	0.4%	0.4%	0.4%	0.3%	0.3%
Transport, postal	3.9%	4.3%	4.4%	4.5%	4.5%	4.4%	4.4%	4.9%	4.8%	4.7%
Wholesale, retail	11.6%	11.2%	11.0%	11.1%	11.0%	11.0%	11.0%	11.0%	10.7%	10.7%
Financial, insurance	7.9%	8.6%	8.2%	8.4%	8.1%	7.8%	7.9%	7.9%	8.5%	9.6%
Real estate, goods leasing	12.8%	13.3%	13.7%	13.9%	13.9%	14.5%	14.3%	14.4%	14.1%	14.1%
Public corporations	0.1%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other	12.7%	13.2%	13.6%	13.8%	13.9%	14.5%	14.3%	14.4%	14.1%	14.1%
Various services	6.8%	6.7%	6.9%	6.8%	6.7%	6.7%	6.4%	6.6%	6.7%	6.5%
Public organizations	11.1%	11.2%	10.7%	10.5%	10.2%	10.1%	9.7%	9.3%	8.9%	8.9%
Other	23.3%	22.9%	22.6%	23.1%	23.8%	24.2%	24.1%	23.5%	23.8%	23.8%
Housing loans	17.5%	16.9%	16.6%	16.6%	16.6%	17.0%	16.8%	16.5%	16.6%	17.0%

Share of Total Deposits

[Year-end balance]		FY2016	FY2017	FY2017	FY2018	FY2018	FY2019	FY2019	FY2020	FY2020	FY2021
(%)			1H		1H		1H		1H		1H
Okayama	Chugoku Bank	48.4	48.0	48.6	48.9	49.4	49.2	49.8	49.8	50.3	50.4
	Other than Chugoku Bank	51.6	52.0	51.4	51.1	50.6	50.8	50.2	50.2	49.7	49.6
	Local banks other than Chugoku Bank	8.1	7.9	7.8	7.5	7.8	7.7	7.7	7.7	7.8	7.7
	Secondary local banks	11.7	11.7	11.5	11.7	11.5	11.5	11.5	11.5	11.5	11.4
	City banks, trust banks	11.4	11.8	11.9	11.2	10.7	10.9	10.6	10.8	10.2	10.2
	Shinkin banks, investment association, etc.	20.4	20.6	20.3	20.5	20.5	20.7	20.4	20.2	20.2	20.3

Bingo region (Eastern region of Hiroshima)	Chugoku Bank	21.3	20.5	20.0	21.5	21.5	20.0	20.9	20.9	20.0	19.5
	Other than Chugoku Bank	78.7	79.5	80.0	78.5	78.5	80.0	79.1	79.1	80.0	80.5
	Local banks other than Chugoku Bank	40.2	40.7	41.2	39.8	40.3	41.4	41.3	41.0	41.9	42.5
	Secondary local banks	11.9	11.8	12.0	11.9	11.7	11.7	11.5	11.7	12.3	12.3
	City banks, trust banks	12.1	12.2	12.2	11.9	11.9	11.9	11.7	11.8	11.6	11.6
	Shinkin banks, investment association, etc.	14.5	14.8	14.6	14.8	14.5	15.0	14.5	14.6	14.2	14.1

Shikoku region	Chugoku Bank	7.7	7.7	7.7	7.6	7.4	7.3	7.4	7.4	7.4	7.4
	Other than Chugoku Bank	92.3	92.3	92.3	92.4	92.6	92.7	92.6	92.6	92.6	92.6
	Local banks other than Chugoku Bank	52.1	51.9	52.3	51.7	51.9	51.8	52.0	52.0	52.0	51.9
	Secondary local banks	17.1	17.3	17.2	17.5	17.7	17.7	17.6	17.7	17.6	17.4
	City banks, trust banks	10.8	10.8	10.8	10.8	10.8	10.8	10.6	10.4	10.7	11.0
	Shinkin banks, investment association, etc.	12.3	12.3	12.0	12.2	12.2	12.4	12.3	12.5	12.3	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	FY2017	FY2017	FY2018	FY2018	FY2019	FY2019	FY2020	FY2020	FY2021
(%)			1H		1H		1H		1H		1H
Okayama	Chugoku Bank	42.1	42.9	43.0	43.1	43.0	42.6	42.8	42.8	42.9	43.2
	Other than Chugoku Bank	57.9	57.1	57.0	56.9	57.0	57.4	57.2	57.2	57.1	56.8
	Local banks other than Chugoku Bank	17.2	17.2	17.3	17.3	17.5	17.6	17.8	17.8	18.0	18.0
	Secondary local banks	17.3	17.4	17.3	17.4	17.3	17.2	16.9	16.9	17.1	17.2
	City banks, trust banks	8.8	8.1	8.2	8.0	8.1	8.4	8.8	8.4	8.0	7.7
	Shinkin banks, investment association, etc.	14.6	14.4	14.3	14.2	14.1	14.2	13.8	14.1	14.0	13.9
Bingo region (Eastern region of Hiroshima)	Chugoku Bank	22.8	22.8	22.7	22.5	22.8	22.6	22.1	22.5	22.2	21.8
	Other than Chugoku Bank	77.2	77.2	77.3	77.5	77.2	77.4	77.9	77.5	77.8	78.2
	Local banks other than Chugoku Bank	43.0	43.2	43.1	43.1	42.9	42.8	43.6	43.6	44.1	44.0
	Secondary local banks	14.7	15.1	15.3	15.0	15.1	14.8	14.7	14.3	14.5	14.6
	City banks, trust banks	8.7	8.2	8.3	8.7	8.6	9.1	9.3	8.9	8.7	9.0
	Shinkin banks, investment association, etc.	10.8	10.7	10.6	10.7	10.6	10.7	10.4	10.7	10.5	10.6
Shikoku region	Chugoku Bank	10.6	11.2	11.3	11.3	11.5	11.5	11.5	11.4	11.2	11.1
	Other than Chugoku Bank	89.4	88.8	88.7	88.7	88.5	88.5	88.5	88.6	88.8	88.9
	Local banks other than Chugoku Bank	49.9	49.6	49.9	49.4	49.6	48.9	49.2	49.0	49.3	49.4
	Secondary local banks	17.8	18.2	17.9	18.2	17.8	17.7	17.7	17.5	17.3	17.2
	City banks, trust banks	11.2	10.3	10.3	10.3	10.1	11.0	10.5	10.9	11.0	11.1
	Shinkin banks, investment association, etc.	10.5	10.7	10.5	10.9	10.8	10.9	11.1	11.2	11.2	11.2

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

Balance by type

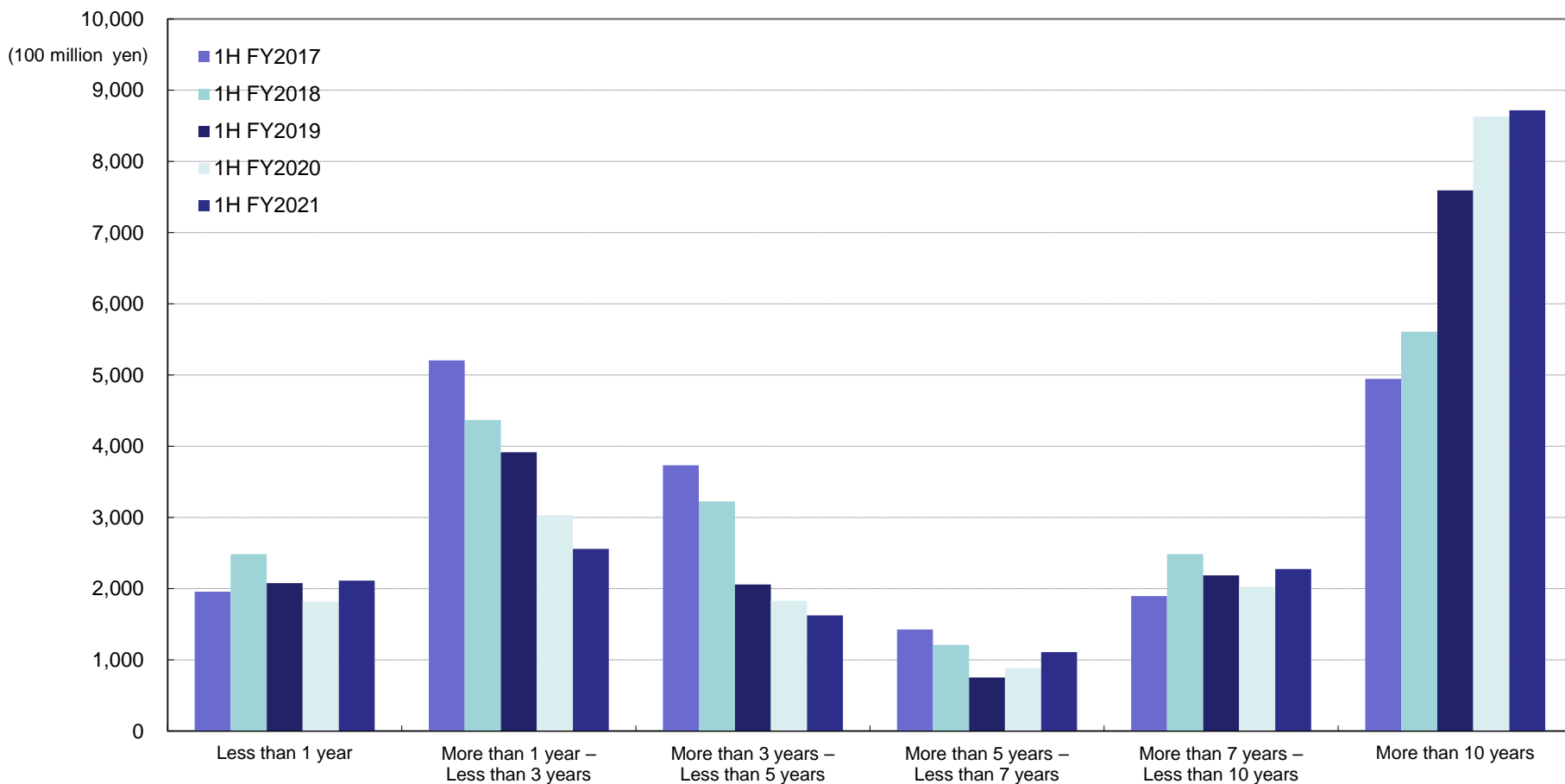
[Parent] (100 million yen)	FY2016	FY2017 1H	FY2017	FY2018 1H	FY2018	FY2019 1H	FY2019	FY2020 1H	FY2020	FY2021 1H
Year-end balance	27,146	27,439	26,208	25,074	23,949	24,587	23,451	23,913	26,225	25,653
JGBs	9,064	8,111	8,536	7,649	6,502	6,091	6,534	6,827	7,565	6,762
Local bonds	5,635	6,716	6,781	7,259	7,234	7,714	7,513	7,482	7,479	7,602
Corporate bonds	3,251	3,499	3,617	3,680	3,762	3,853	3,558	3,351	3,056	3,200
Foreign bonds (Foreign currency denominated portion)	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)	4,210 (4,021)
Other securities	1,753	1,848	1,859	1,793	1,747	2,102	1,735	1,749	2,250	2,366
Equities	1,690	1,869	1,822	1,757	1,521	1,377	1,212	1,330	1,455	1,510

Average balance during year	FY2016	FY2017 1H	FY2017	FY2018 1H	FY2018	FY2019 1H	FY2019	FY2020 1H	FY2020	FY2021 1H
Average balance during year	29,030	25,747	25,311	23,939	23,456	22,963	23,049	23,427	23,524	24,388
JGBs	10,765	8,447	8,225	7,726	7,314	5,899	5,982	6,939	6,870	7,109
Local bonds	5,559	6,173	6,375	6,997	7,029	7,474	7,544	7,457	7,445	7,526
Corporate bonds	3,835	3,405	3,423	3,658	3,641	3,837	3,741	3,444	3,328	3,090
Foreign bonds (Foreign currency denominated portion)	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)	4,066 (3,850)
Other securities	1,520	1,379	1,434	1,484	1,455	1,566	1,605	1,525	1,540	1,741
Equities	1,155	1,042	1,071	1,014	977	936	916	847	847	853

Valuation gain/loss

[Parent] (100 million yen)	FY2016	FY2017 1H	FY2017	FY2018 1H	FY2018	FY2019 1H	FY2019	FY2020 1H	FY2020	FY2021 1H
Securities held to maturity	5	5	4	3	4	4	3	2	2	2
Subsidiary/affiliate equities	-	-	-	-	-	-	-	-	-	-
Other securities	1,323	1,485	1,415	1,428	1,337	1,468	895	1,157	1,364	1,482
Equities	576	755	730	759	532	503	364	475	622	658
Bonds	402	365	360	250	423	463	304	271	200	214
Others	343	364	324	418	380	501	225	411	541	609
Total	1,328	1,490	1,420	1,432	1,341	1,473	898	1,160	1,366	1,484

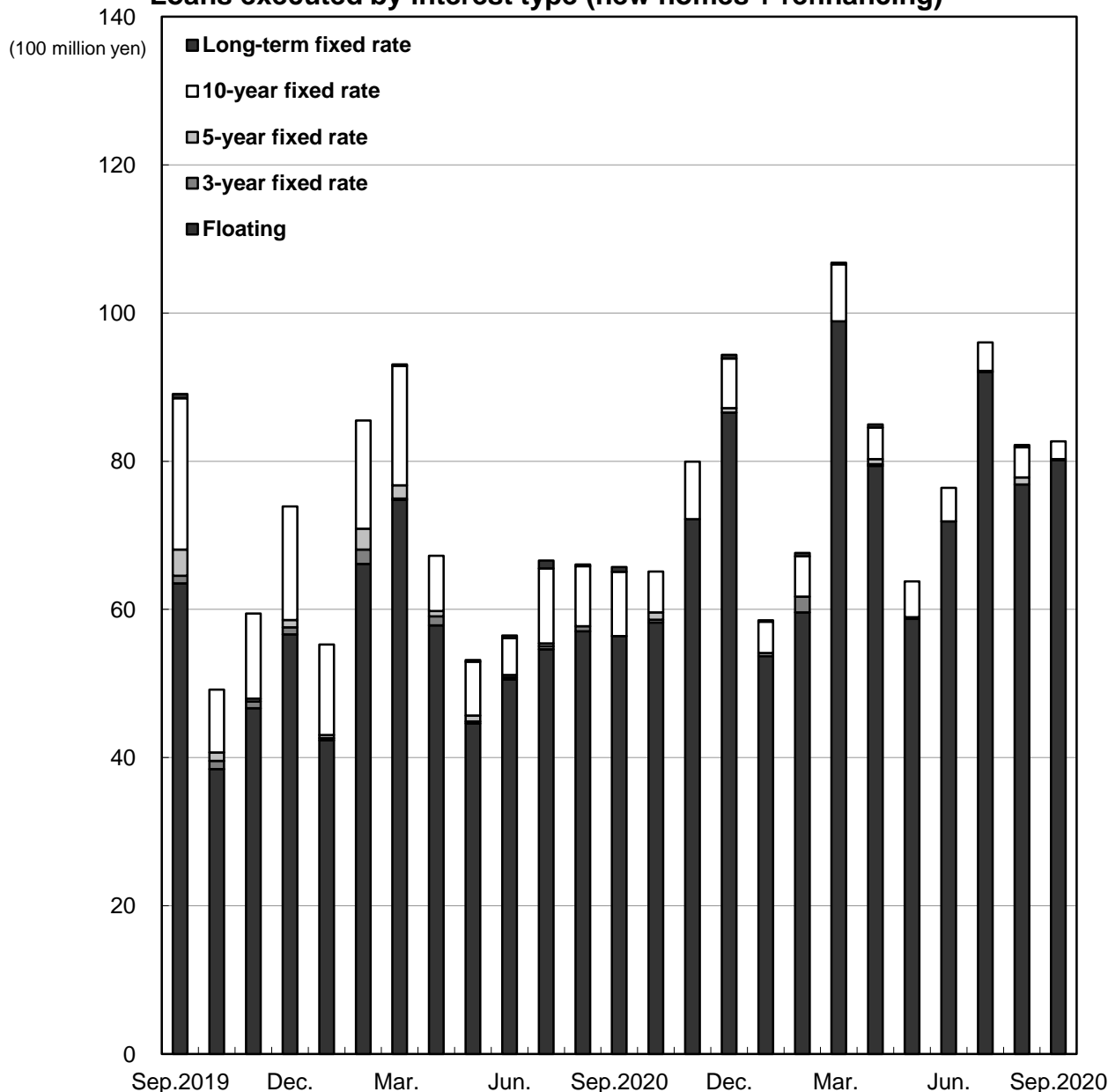
Outstanding balance based on the remaining number of years to maturity for securities



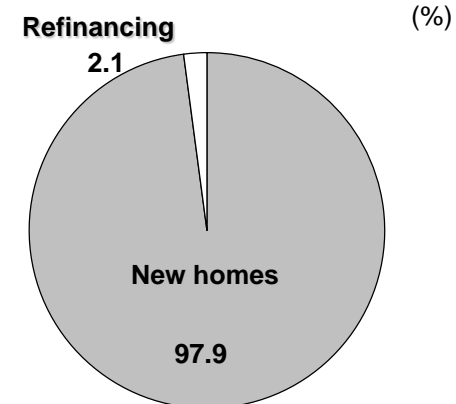
Duration

(year)	FY2016	FY2017 1H	FY2017	FY2018 1H	FY2018	FY2019 1H	FY2019	FY2020 1H	FY2020	FY2021 1H
Yen denominated	4.5	4.8	4.7	5.0	5.1	5.4	5.5	5.5	5.8	5.8
Foreign currency denominated	4.2	3.8	4.2	4.7	4.1	4.4	3.7	2.5	4.2	4.4

Loans executed by interest type (new homes + refinancing)

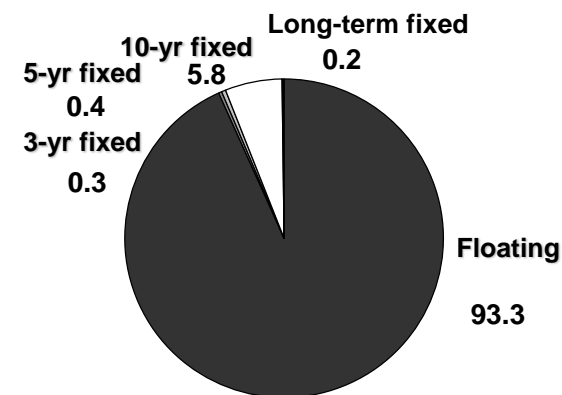


Breakdown of use of loans executed



Total for period from Oct. 2020 to Sep.2021

Ratio of loans by interest type for new homes



Total for period from Oct. 2020 to Sep.2021

Non-Performing Loans

Risk monitored loans

[Parent] (million yen, %)	FY2016	FY2017 1H	FY2017	FY2018 1H	FY2018	FY2019 1H	FY2019	FY2020 1H	FY2020	FY2021 1H
1. Loans in bankruptcy proceedings (% of total loans outstanding)	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	4,205 0.08
2. Delinquent loans (% of total loans outstanding)	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	54,164 1.05
3. Loans more than 3 months delinquent (% of total loans outstanding)	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	600 0.01
4. Restructured loans (% of total loans outstanding)	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	29,654 0.57
Total risk monitored loans (% of total loans outstanding)	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	88,625 1.72

Loans based on the Financial Reconstruction Act

[Parent] (million yen)	FY2016	FY2017 1H	FY2017	FY2018 1H	FY2018	FY2019 1H	FY2019	FY2020 1H	FY2020	FY2021 1H
Bankrupt and quasi-bankrupt loans (after partial direct write-off)	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)	19,678 (7,417)
Doubtful loans	44,443	39,819	34,721	34,303	27,959	27,489	28,142	33,453	38,375	39,127
Substandard loans	16,151	15,007	16,329	17,313	20,065	20,461	22,964	28,820	31,176	30,255
Subtotal (A)	81,248	76,207	71,968	70,425	69,334	69,463	72,957	81,934	91,611	89,060
(after partial direct write-off) (B)	(68,576)	(63,040)	(58,824)	(58,778)	(56,208)	(56,199)	(59,578)	(69,486)	(78,873)	(76,800)
Healthy loans	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	5,210,497
Total (C)	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	5,299,558
(after partial direct write-off) (D)	(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)	(5,287,297)
Ratio of target loans (A/C)	1.80	1.63	1.50	1.45	1.40	1.41	1.44	1.58	1.73	1.68
(after partial direct write-off) (B/D)	(1.52)	(1.35)	(1.23)	(1.21)	(1.14)	(1.15)	(1.18)	(1.34)	(1.50)	(1.45)

*We do not implement partial direct write-off.

Debtor Classification Transition in 1H

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

		FY2021 1H							Favorable turnaround	Deterioration	
		Healthy loans	Other doubtful loans	Substandard loans	Virtually bankrupt loans	Legally bankrupt loans	Bankrupt clients	Other (see note)			
FY2020	Healthy loans	153,093	139,416	748	32	13	139	1	12,744		933
		48,224	46,786	221	15	2	3	0	1,197		241
	Other doubtful loans	6,881	362	5,906	42	58	64	2	447	362	166
		2,567	333	2,118	52	28	1	2	33	333	83
	Substandard loans	1,107	7	55	908	21	8	1	107	62	30
		415	10	16	346	22	1	0	20	26	23
	Virtually bankrupt loans	999	-	4	3	928	16	2	46	7	18
		382	-	1	2	344	15	1	19	3	16
	Legally bankrupt loans	797	-	1	-	-	563	5	228	1	5
		176	-	0	-	-	136	9	31	0	9
	Bankrupt clients	210	-	-	-	-	-	187	23	-	-
		44	-	-	-	-	-	31	13	-	-
	Total	163,087	139,785	6,714	985	1,020	790	198	13,595	432	1,152
		51,808	47,129	2,356	415	396	156	43	1,313	362	372

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

			FY2021 1H							Favorable turnaround	Deterioration
			Healthy loans	Other doubtful loans	Substandard loans	Virtually bankrupt loans	Legally bankrupt loans	Bankrupt clients	Other (see note)		
FY2020	Healthy loans	100%	91.07%	0.49%	0.02%	0.01%	0.09%	0.00%	8.32%		0.61%
		100%	97.02%	0.46%	0.03%	0.00%	0.01%	0.00%	2.48%		0.50%
	Other doubtful loans	100%	5.26%	85.83%	0.61%	0.84%	0.93%	0.03%	6.50%	5.26%	2.41%
		100%	12.97%	82.51%	2.03%	1.09%	0.04%	0.08%	1.29%	12.97%	3.23%
	Substandard loans	100%	0.63%	4.97%	82.02%	1.90%	0.72%	0.09%	9.67%	5.60%	2.71%
		100%	2.41%	3.86%	83.37%	5.30%	0.24%	0.00%	4.82%	6.27%	5.54%
	Virtually bankrupt loans	100%	-	0.40%	0.30%	92.89%	1.60%	0.20%	4.60%	0.70%	1.80%
		100%	-	0.26%	0.52%	90.05%	3.93%	0.26%	4.97%	0.79%	4.19%
	Legally bankrupt loans	100%	-	0.13%	-	-	70.64%	0.63%	28.61%	0.13%	0.63%
		100%	-	0.00%	-	-	77.27%	5.11%	17.61%	0.00%	5.11%
	Bankrupt clients	100%	-	-	-	-	-	89.05%	10.95%	-	-
		100%	-	-	-	-	-	70.45%	29.55%	-	-
	Total	100%	85.72%	4.12%	0.60%	0.63%	0.48%	0.12%	8.34%	0.26%	0.71%
		100%	90.97%	4.55%	0.80%	0.76%	0.30%	0.08%	2.53%	0.70%	0.72%

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

Capital Adequacy Ratio Trends

[Parent] (% , 100 million yen)	FY2017	1HFY2018	FY2018	1HFY2019	FY2019	1HFY2020	FY2020	1HFY2021
Overall capital adequacy ratio	12.87	12.96	12.56	13.25	12.70	12.63	13.01	13.41
Tier I ratio	12.87	12.96	12.56	13.25	12.70	12.63	12.77	13.17
Tier I ratio (including common shares)	12.87	12.96	12.56	13.25	12.70	12.63	12.77	13.17

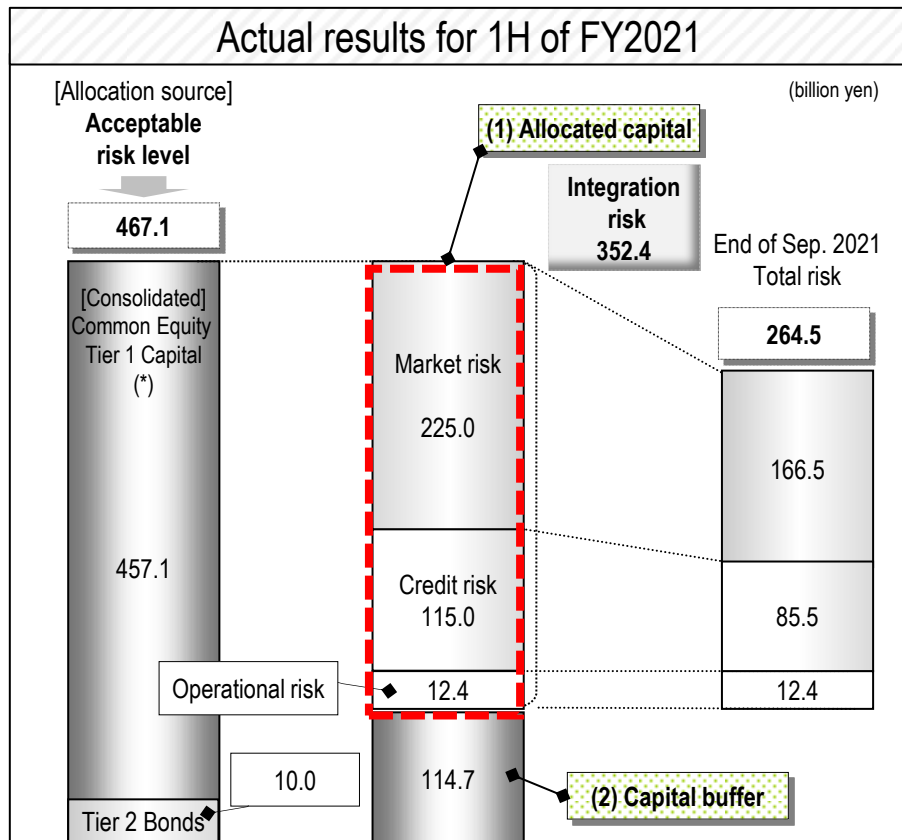
Overall capital adequacy	5,078	5,159	5,104	5,226	4,849	5,080	5,377	5,544
Tier 1 capital	5,078	5,159	5,104	5,226	4,849	5,080	5,277	5,444
Common equity Tier 1 capital	5,078	5,159	5,104	5,226	4,849	5,080	5,277	5,444

Risk weighted assets	39,449	39,781	40,609	39,441	38,187	40,200	41,323	41,319
Credit risk	37,889	38,247	39,104	37,957	36,727	38,745	39,879	39,869
Operational risk	1,559	1,533	1,504	1,484	1,460	1,455	1,444	1,449

[Consolidated] (% , 100 million yen)	FY2017	1HFY2018	FY2018	1HFY2019	FY2019	1HFY2020	FY2020	1HFY2021
Overall capital adequacy ratio	13.22	13.33	12.88	13.62	13.04	13.02	13.50	13.90
Tier I ratio	13.22	13.32	12.88	13.61	13.04	13.02	13.25	13.65
Tier I ratio (including common shares)	13.22	13.32	12.88	13.61	13.04	13.02	13.25	13.65

Overall capital adequacy	5,250	5,336	5,267	5,397	5,021	5,265	5,611	5,788
Tier 1 capital	5,247	5,334	5,265	5,395	5,019	5,262	5,509	5,684
Common equity Tier 1 capital	5,247	5,334	5,265	5,395	5,019	5,262	5,509	5,684

Risk weighted assets	39,691	40,026	40,867	39,625	38,485	40,418	41,556	41,640
Credit risk	38,054	38,413	39,280	38,057	36,937	38,875	40,025	40,101
Operational risk	1,637	1,612	1,586	1,568	1,547	1,542	1,530	1,538

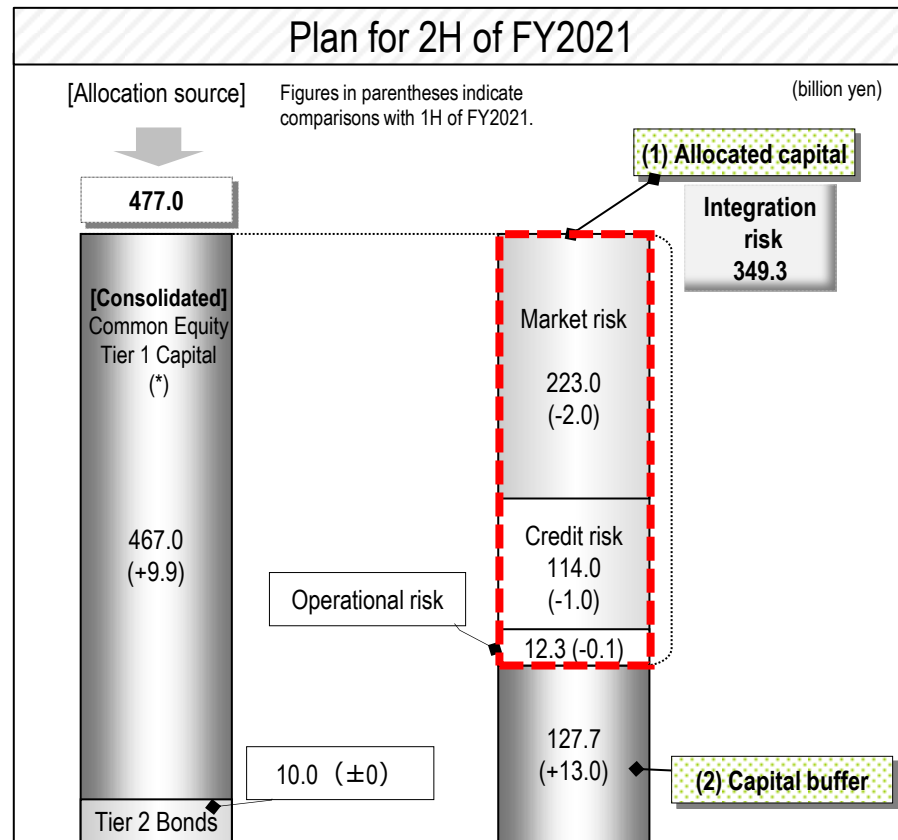


*Valuation difference on available-for-sale securities, etc. is deducted.

(Reference) IRRBB (Interest Rate Risk in the Banking Book) (consolidated)

(as of end of Sep. 2021)

Maximum value of ΔEVE	40.9 billion yen
Materiality test (maximum value of ΔEVE / Tier I)	7.2%
⇒ 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 1H FY2021, and capital allocation in 2H FY2021.

(billion yen)

	1H FY2021		2H FY2021			Calculation method, etc.
	Value	Risk exposure (End of Sep. 2021)	Value	(YoY)	Major factor of change	(Supplement on measurements)
Allocation source	467.1		477.0	(+ 9.9)		• Tier 2 bonds were added to 1H of FY2021 consolidated common equity Tier 1 capital. (However, valuation difference on available-for-sale securities, etc. was deducted.)
Allocated capital (integration risk)	352.4	264.5	349.3	(- 3.1)		
Market risk total	225.0	166.5	223.0	(- 2.0)		
Banking	223.0	55.7 122.2 (Correlation) - 11.4	221.0	(- 2.0)	• Decreased due to policy to shorten the durations of foreign bonds, etc.	• 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 • 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
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	115.0	85.5	114.0	(- 1.0)		
Commercial credit	94.0	68.8	92.0	(- 2.0)	• Decreased due to improvement in the credit ratings of large borrowers, etc.	• Monte Carlo simulation UL (1-year retention period*, 99.9% confidence level) • For securitized products, etc., some requisite equity capital was used (Securitized products, etc.) • Commercial credit, including securities, and assets possessed by consolidated subsidiaries (* Six months for market-related credit (bonds))
Consumer credit	21.0	16.7	22.0	(+ 1.0)	• Increased due to policy to increase the balance of personal loans, etc.	• Requisite equity capital • Housing loans, etc.
Operational risk	12.4	12.4	12.3	(- 0.1)	—	• Posted actual risk exposure measured based on the gross profit allocation method (to be fixed during 2H of FY2021)
(Unused allocated capital)		87.9				
Capital buffer	114.7		127.7	(+ 13.0)		• 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	FY2019 1H	FY2019	FY2020 1H	FY2020	FY2021 1H
Chugin Lease Co., Ltd	Leasing	100.00	Ordinary revenue	11,312	5,879	12,038	6,370	12,453	6,534
			Recurring profit	873	455	764	446	537	24
			Net income	600	324	523	324	382	47
Chugin Credit Guarantee Co., Ltd.	Credit assurance	100.00	Ordinary revenue	1,713	919	1,744	919	1,770	955
			Recurring profit	1,290	716	1,275	623	1,288	820
			Net income	878	500	871	444	879	569
Chugin Card Co., Ltd.	Credit card	100.00	Ordinary revenue	1,526	825	1,626	835	1,532	760
			Recurring profit	344	250	417	273	445	214
			Net income	246	189	297	201	313	163
Chugin Asset Management Co., Ltd.	Securities investment advisor	100.00	Ordinary revenue	516	288	579	309	607	323
			Recurring profit	94	61	112	89	182	118
			Net income	71	48	83	69	134	89
Chugin Securities Co., Ltd.	Financial instrument transactions	100.00	Ordinary revenue	2,731	1,048	2,753	1,226	3,111	1,785
			Recurring profit	-100	-240	-109	-55	236	320
			Net income	-137	-261	-146	-59	224	236
CBS Co., Ltd.	Banking operation outsourcing	100.00	Ordinary revenue	1,035	487	972	474	945	478
			Recurring profit	142	55	107	57	101	52
			Net income	90	35	67	39	66	37
Chugin Operation Center Co., Ltd.	Banking operation outsourcing	100.00	Ordinary revenue	732	364	711	307	609	272
			Recurring profit	30	23	36	20	27	13
			Net income	17	17	23	14	17	10

2021	April 1	Decision of Investment by “Chugin Infinity Fund” in enpay Inc.
	April 7	Commencement of Handling of “Chugin Sustainable Loan”
	April 7	Initiatives for ESG Investment (Capital contributions to ship investment funds that contribute to the reduction of environmental load)
	April 7	Formulation of “Policy of Initiatives for Responsible Investments and Loans”
	April 28	Notice on the Partial Revision to the Articles of Incorporation
	May 10	Commencement of Joint Development with The Chiba Bank, Ltd. toward the Establishment of “TSUBASA General Purpose Paperless System”: Initiatives for Paperless and Seal-less Practices at Sales Offices
	May 10	Commencement of Consideration for the Establishment of a Joint Venture to Provide Financial Consulting Services via a Remote System: Agreement between the Four Parties of The Chugoku Bank, Ltd., The Chiba Bank, Ltd., Daishi Hokuetsu Bank, Ltd. and Nomura Holdings, Inc.
	May 14	Notice on the Dividend of Surplus (Commemorative Dividend of the 90th Anniversary)
	May 17	Cooperation in Regional Recycle-based Development of Antibacterial Hand Wipe by Utilizing Fruit Produced in Akaiwa City, Okayama Prefecture
	May 26	Cooperation with Kurashiki City for the “Promotion of SDGs Investments in the Takahashi River Basin, Kurashiki City,” and Holding “Seminar on the SDGs in the Takahashi River basin, Kurashiki City, and Crowdfunding”
	May 31	Expression of Support for the Recommendation of the “TCFD (Task Force on Climate-related Financial Disclosures)
	June 1	Holding of “Science Castle 2021 Chugoku-Shikoku Convention”
	June 11	Participation in “Male Leaders’ Meeting for Accelerating Active Women’s Participation”
	June 18	Handling of “Capital Loans (Chugin Capital Loans)”
	June 18	Transition to the New Regional Headquarters System
	June 22	[Okayama Future Co-creation Alliance Measures] Commencement of Joint Research Using AI Technology between Okayama University and Our Client
	July 1	Provision of the “Chugin App” and Establishment of New Fees
	July 1	Business Alliance with enpay Inc.
	July 15	Subscription for Chugin SDGs Medical Institute Bonds
	August 5	Implementation of “Project Manatii” for Picking Up Trash in the Sea
	August 25	Establishment of a Joint Venture to Engage in the Provision of Online Financial Consulting Services
	September 10	Conclusion of “Business Cooperation Agreement Concerning Business Rehabilitation and Support for Improvement of Management” with The Shoko Chukin Bank, Ltd.
	September 15	Collaboration with Aozora Bank, Ltd. Relating to the Commodity Derivatives Field
	September 29	Official Introduction of Business Casual
	September 30	Establishment of the Business Strategy Department at T SUBASA Alliance Co., Ltd.



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