

# FY2021 Earnings Results Briefing

## (Reference Materials)



## Industrial Structure of Okayama Prefecture

Economic Scale of Okayama Prefecture	4
Industrial Structure of Okayama Prefecture	6
Growth Infrastructure and Potential of Okayama Prefecture	8

## Economic Status of Okayama Prefecture

Business Survey Index (BSI)	14
Industrial production and exports	15
Capital investment and public investment	16
Consumer spending	17
Housing investment	18
Employment and personal income	19
Land prices and corporate bankruptcies	20

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

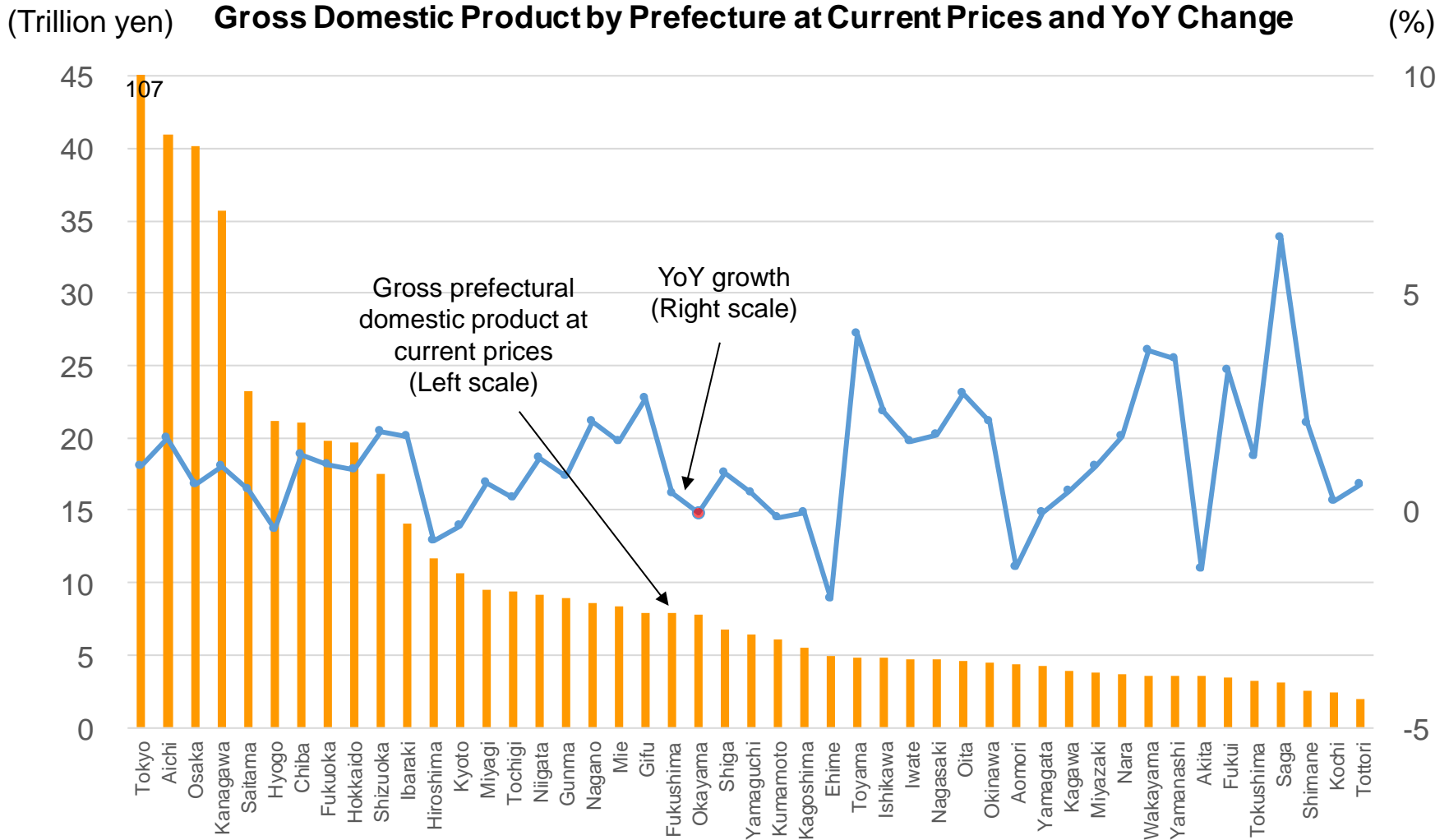
Summary of earnings	22
Breakdown of ordinary income	24
Breakdown of ordinary expenses	25
Breakdown of expenses	26
Principal returns	27
Major accounts (Year-end balance)	28
Major accounts (Average balance)	30
Deposits (Year-end balance and average balance)	32
Loans (Year-end balance and average balance)	34
Loans by industry	36
Shares in deposits and loans	38
Securities	40
Balances and durations of securities by remaining period	41
Handling of housing loans	42
Non-performing loans	43
Transition of debtor categories	44
Capital adequacy ratio	48
Capital allocation and integration risks	49
Use of allocated capital and risk exposure assumptions	50
Group companies	51
Key press releases	52

# Industrial Structure of Okayama Prefecture

# Economic Scale of Okayama Prefecture

Items	Result	Nationwide share (%)	Rank	Source	Survey date
Area	7,114 km <sup>2</sup>	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

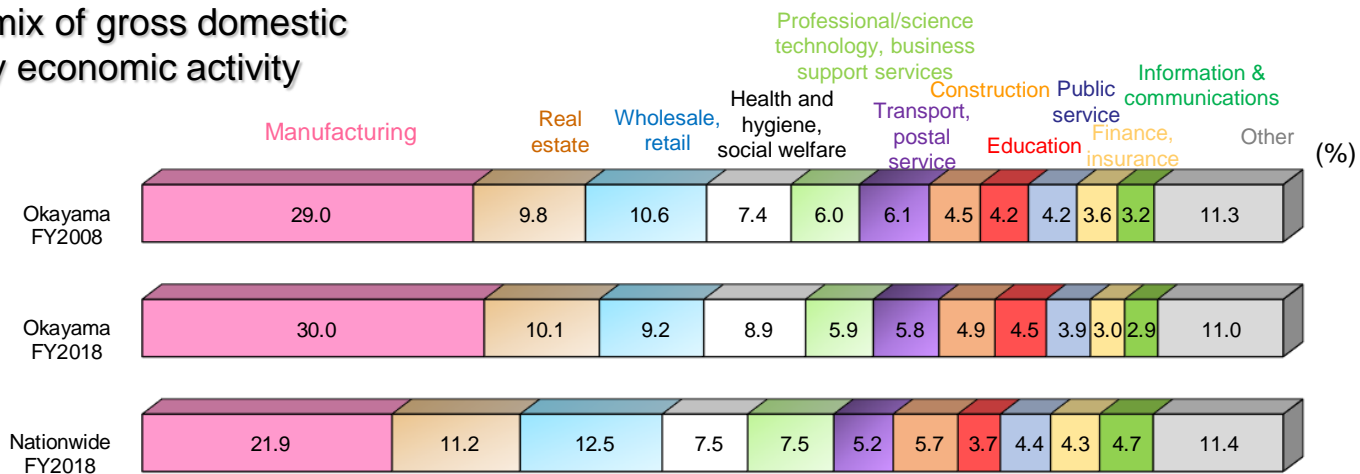
# Economic Scale of Okayama Prefecture



Source: FY2018 Annual Report on Prefectural Accounts, Cabinet Office

# Industrial Structure of Okayama Prefecture (1)

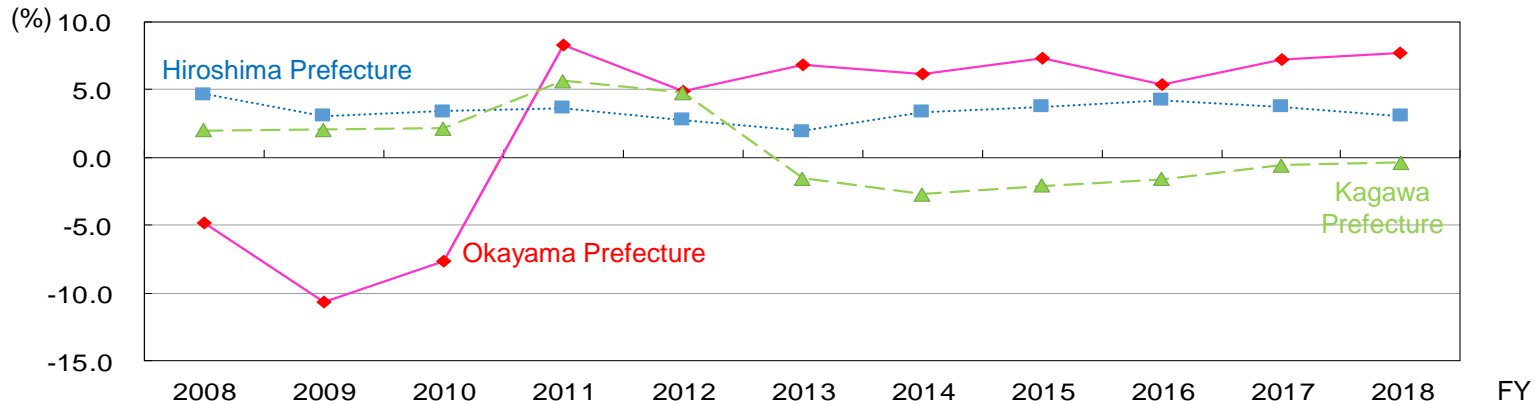
Percentage mix of gross domestic product by economic activity



Source: Annual Report on Prefectural Accounts, Cabinet Office

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

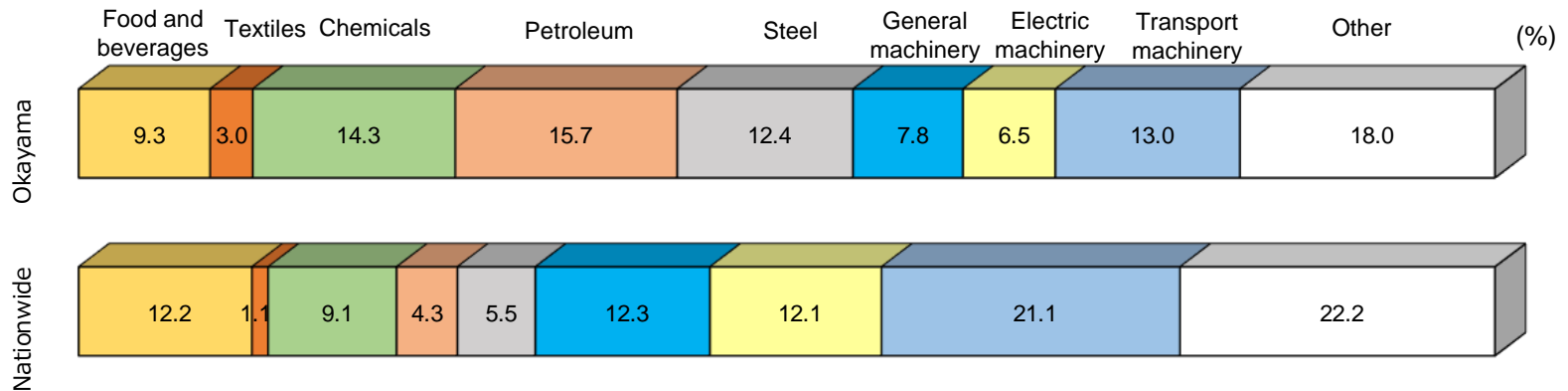
Proportion of incoming/outgoing transfer (net) of goods and services in gross prefectural domestic product (at current prices)



Source: Annual Report on Prefectural Accounts, Cabinet Office

# Industrial Structure of Okayama Prefecture (2)

## Percentage mix of value of manufactured goods shipments (2019)

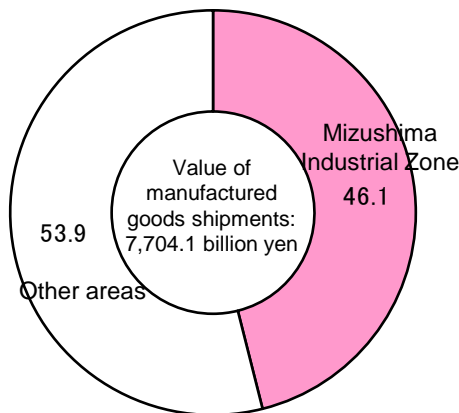


\*The sum may not be 100% due to rounding.

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

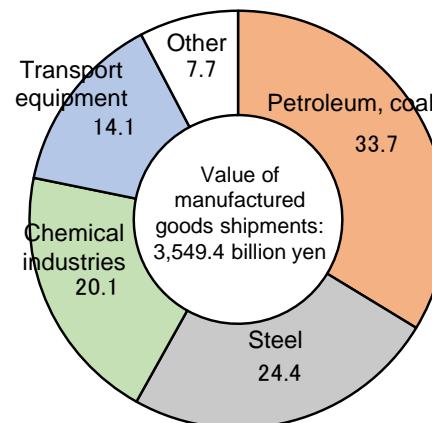
## Presence of the Mizushima Industrial Zone

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



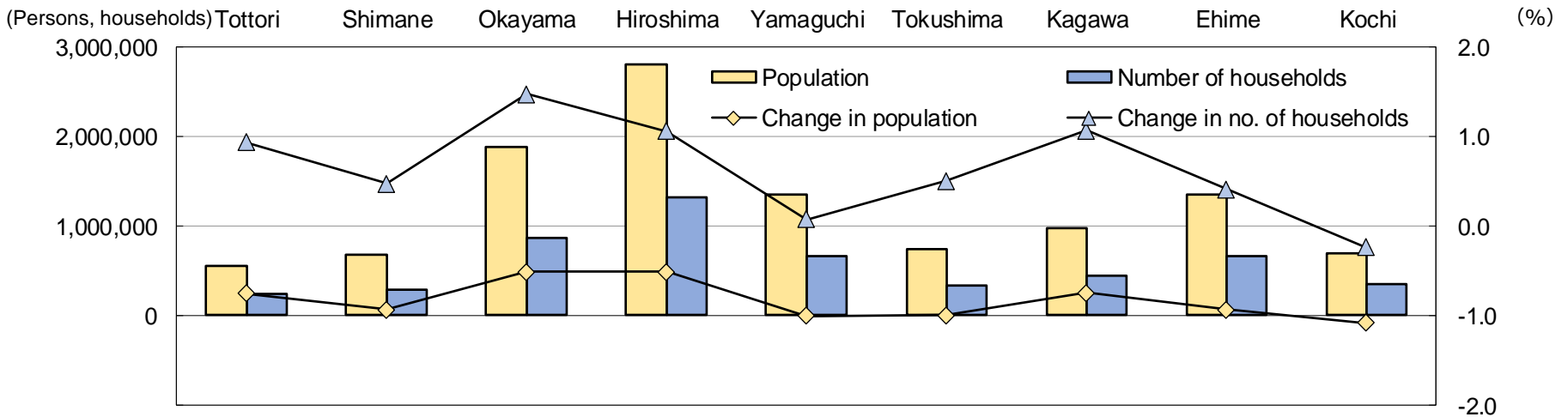
Source: *Census of Manufacture (Okayama Prefecture)*

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



Source: *Census of Manufacture (Okayama Prefecture)*

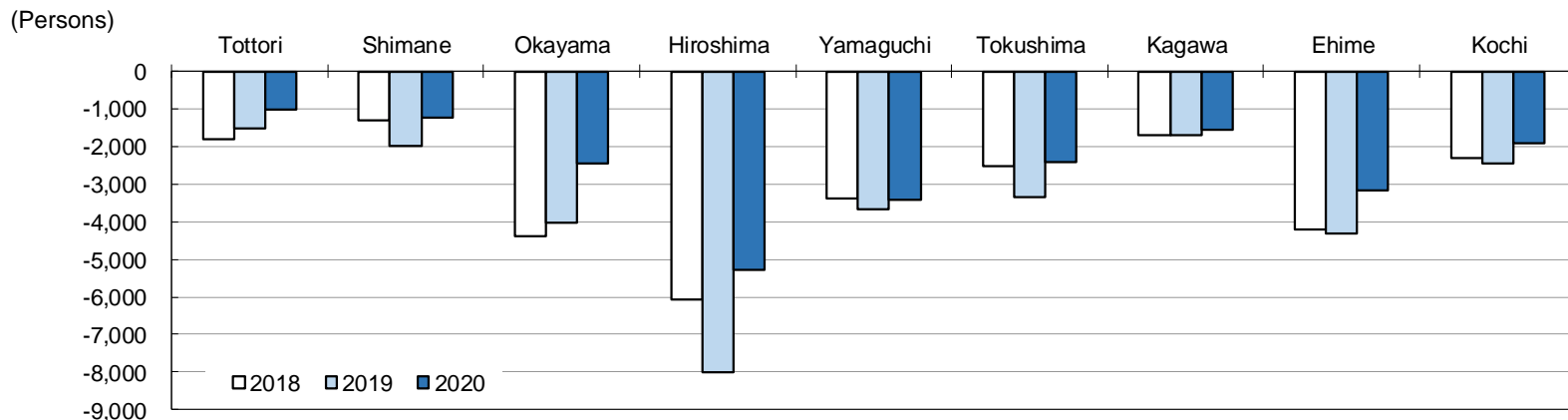
## Population and number of households of the Chugoku-Shikoku region



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.

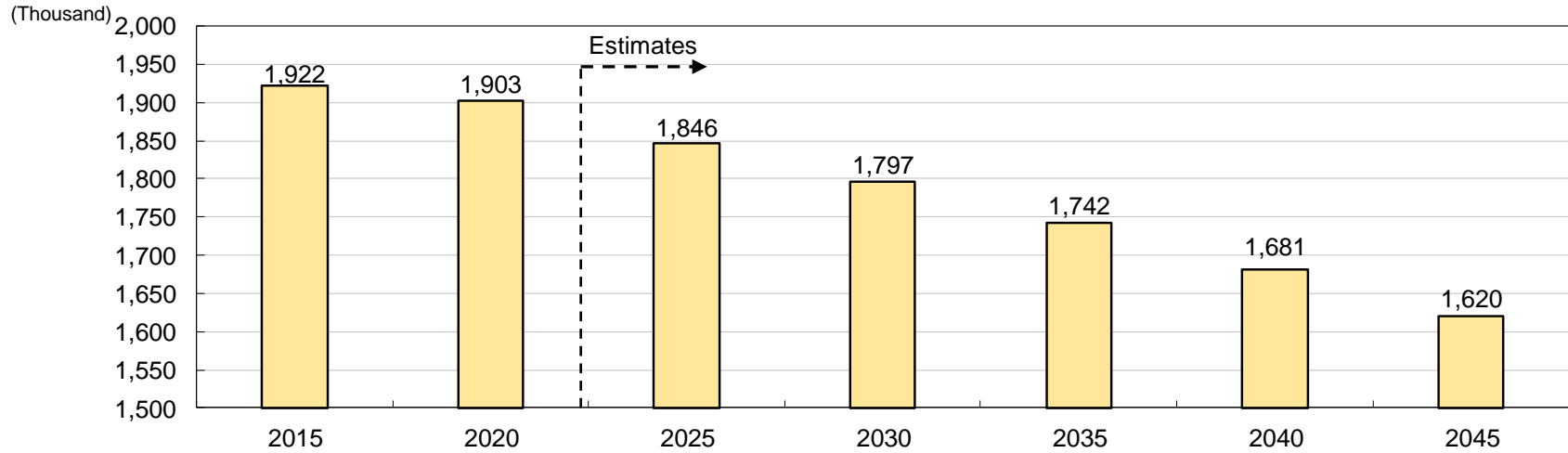
## Net migration by prefecture in the Chugoku-Shikoku region



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



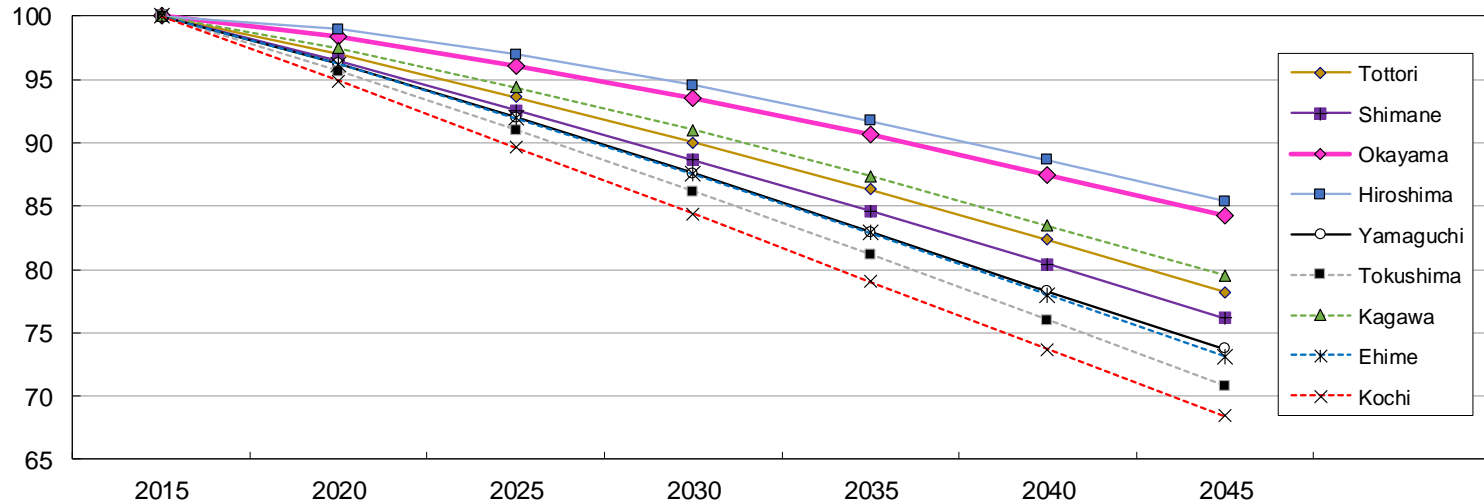
## Population estimates of Okayama Prefecture



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

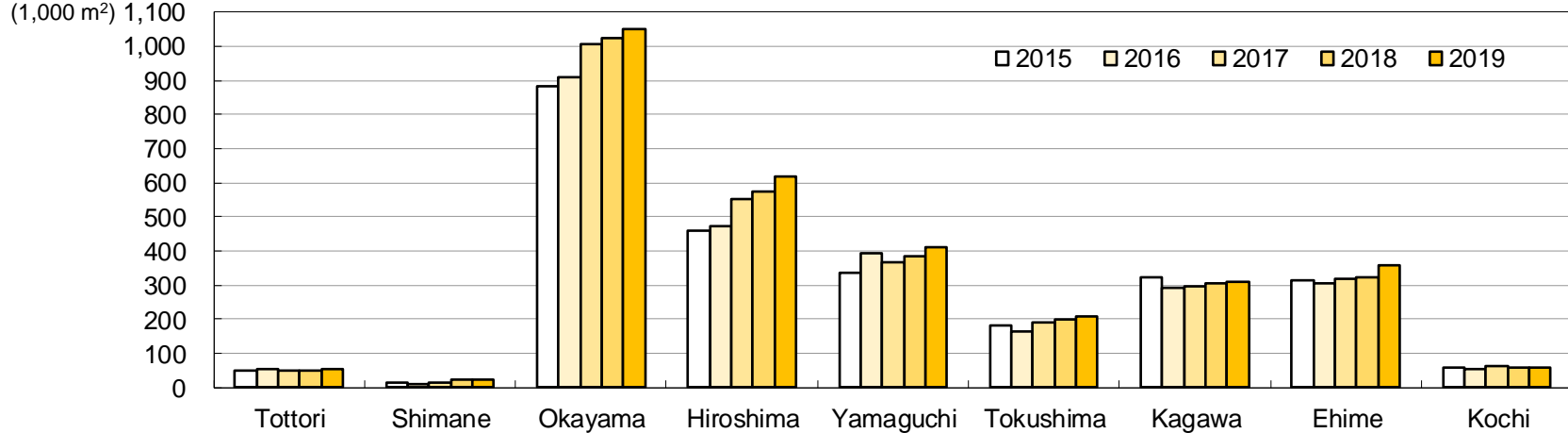
- Temperate climate with few natural disasters
- Long sunlight hours and a large quantity of water available

### Seto Ohashi (Great Seto Bridge)

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

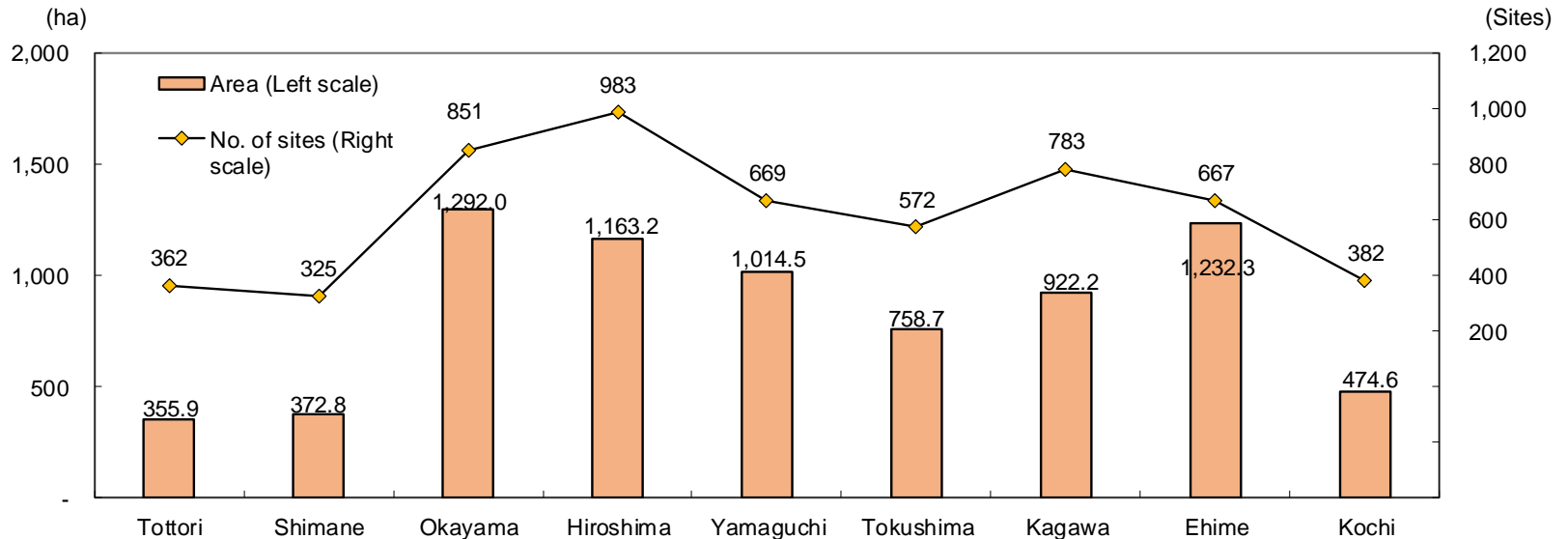


## Floor space of warehouses in the Chugoku-Shikoku region



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

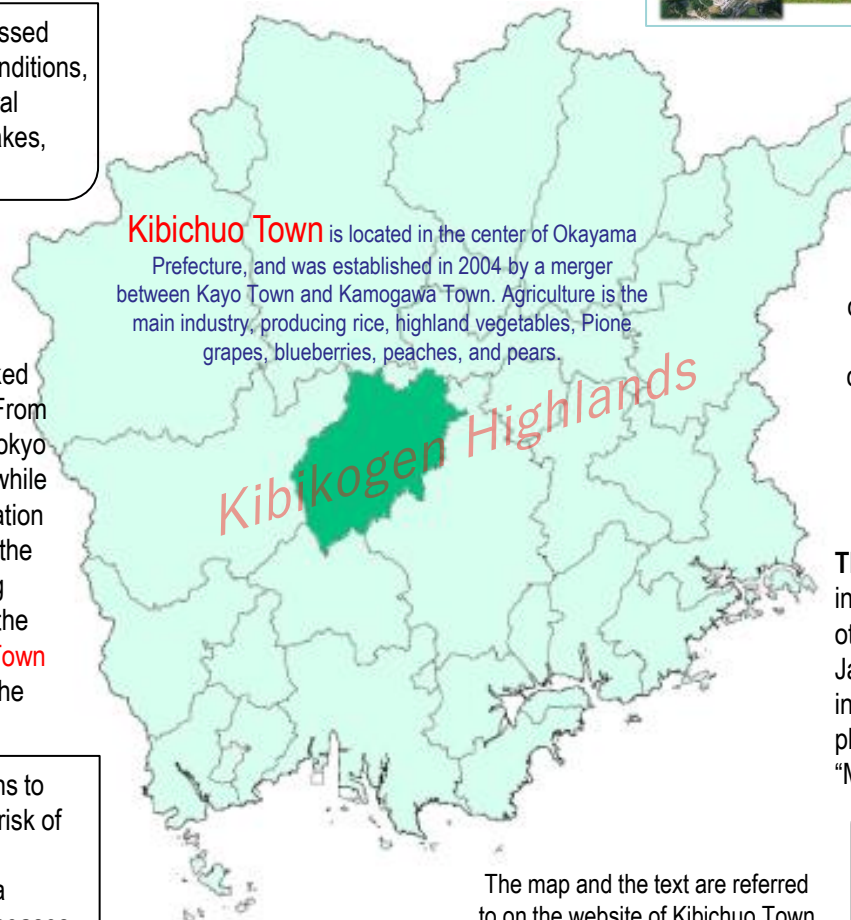
The **Kibikogen Highlands**, where Kibichuo Town and other municipalities are included, are located just between the Chugoku Mountains and the Seto Inland Sea, consisting of mountains 300 meters to 700 meters high extending to Hiroshima, Okayama and Hyogo Prefectures. In recent years, research has indicated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



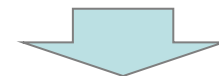
The map and the text are referred to on the website of Kibichuo Town.



## 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.

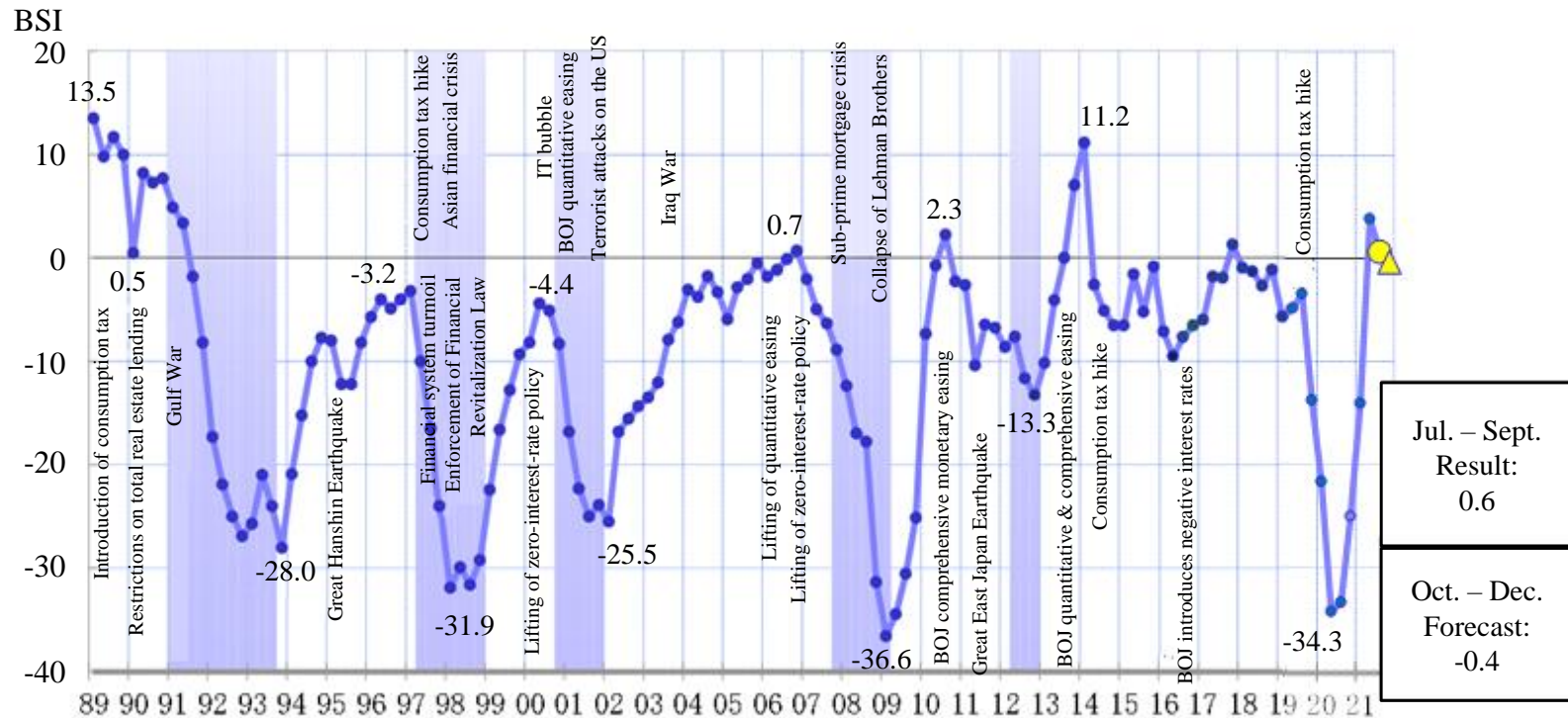


The **Supercity Initiative** represents a “whole future city initiative” to solve the regional “problems” ahead of other areas of the world by using cutting-edge Japanese technology. **Kibichuo Town** is the only town in the prefecture that has applied for the initiative, placing an emphasis on advanced 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 continues to face difficulties due to the impact of COVID-19, but it is expected to head for recovery.

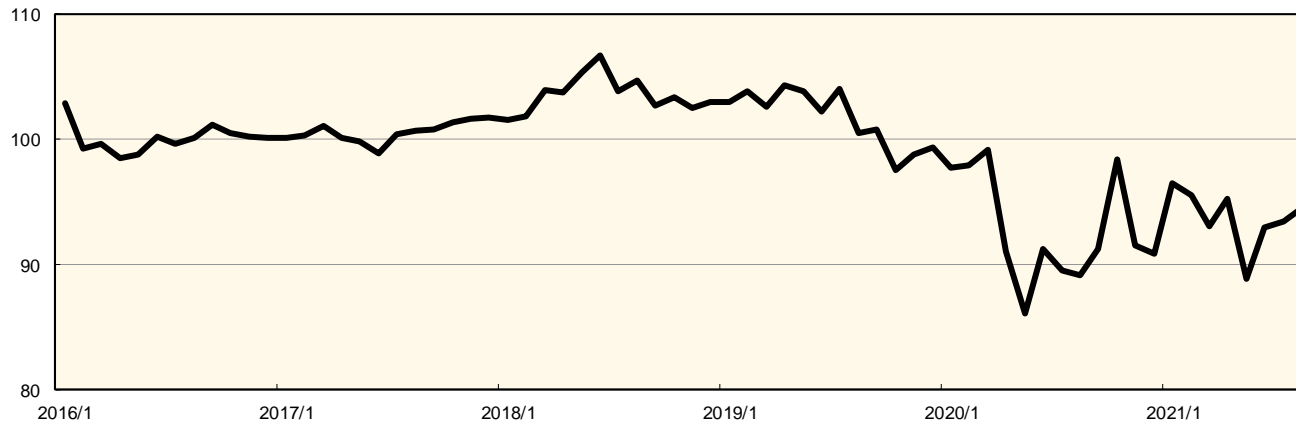


Shaded areas represent periods of economic recession (as determined by the Cabinet Office).

The 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 a recovery of exports

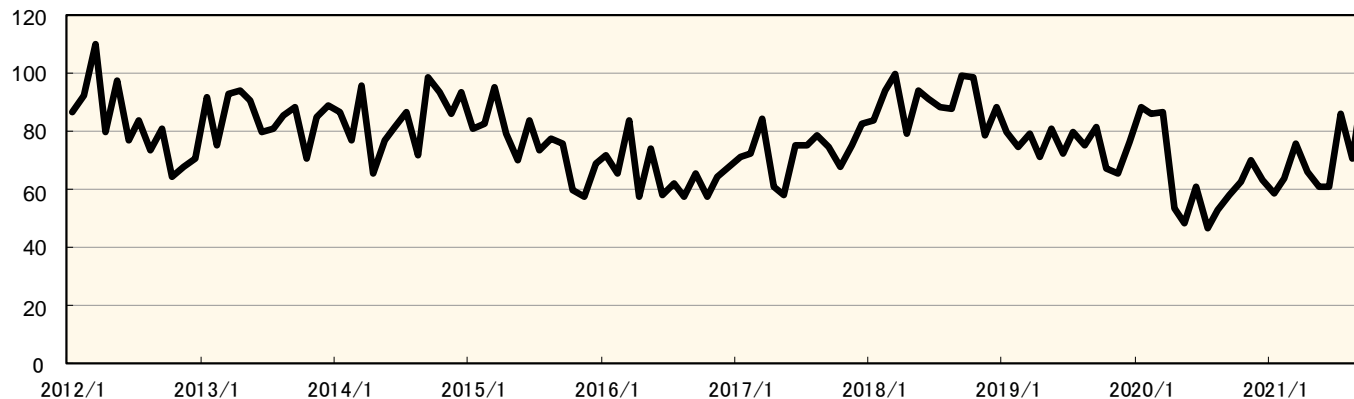
[Industrial production index] (2015 indexed at 100; seasonally adjusted)



Source: Okayama Prefecture Statistical Analysis Section

## Exports: Picking up in line with a recovery of global economy

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



Source: Kobe Customs

## Capital investment: Picking up mainly in the manufacturing industry

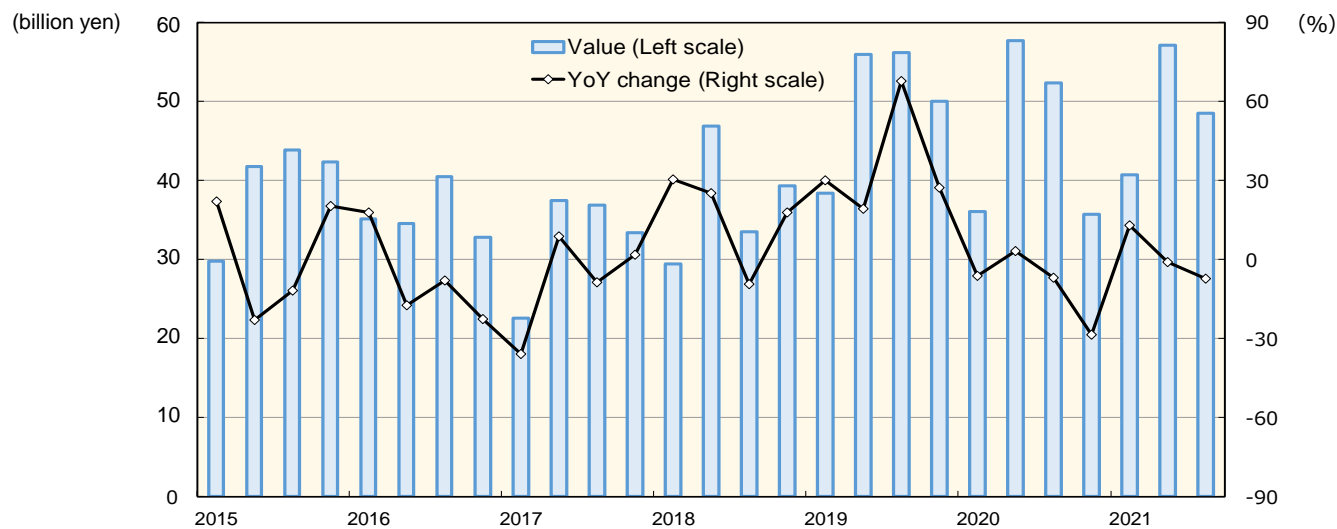
[YoY change in capital investment]

(%)	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: Head Office and Okayama Branch of Bank of Japan

## Public investment: Decelerating while remaining at a high level

[YoY change in public investment]

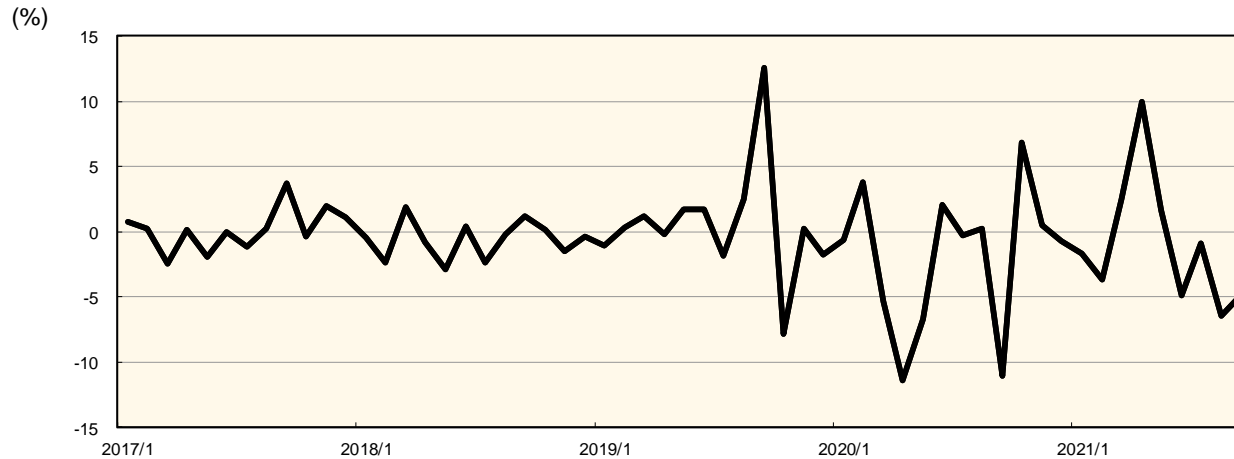


Source: West Japan Construction Surety Co., Ltd.



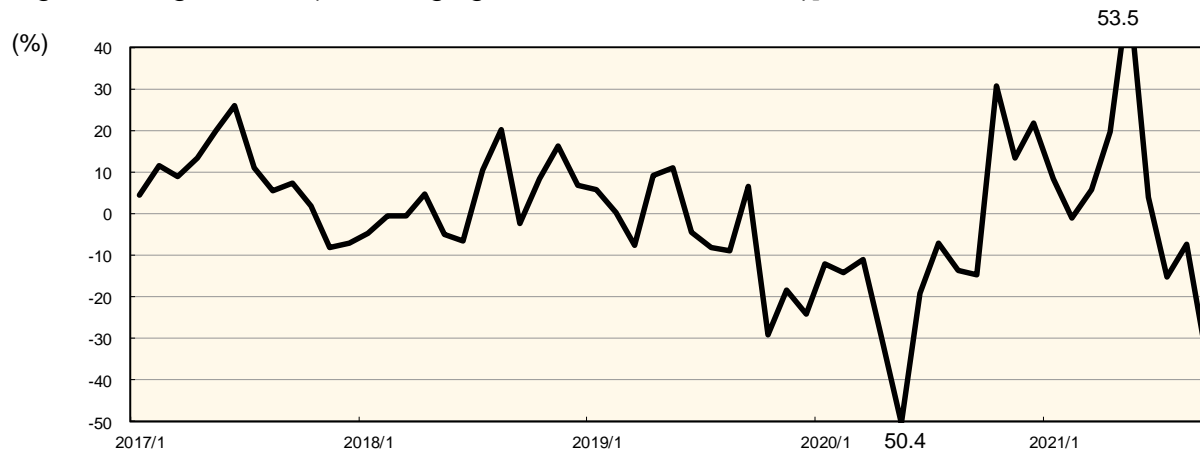
## Consumer spending: Showing weakness due to the impact of COVID-19

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



Source: Chugoku Bureau of Economy, Trade and Industry

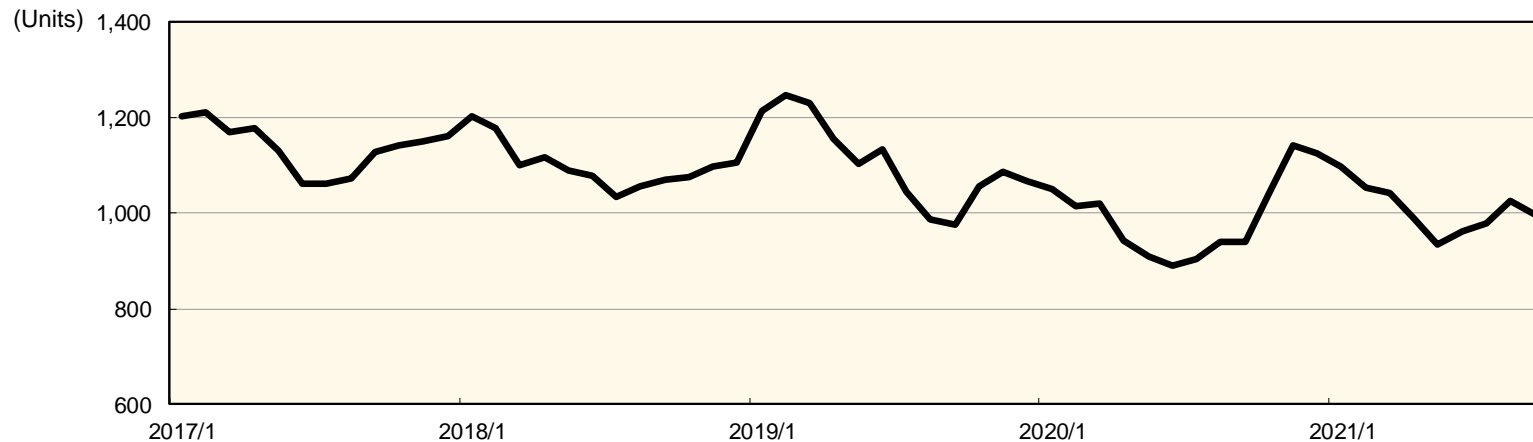
[New passenger car registration (including light motor vehicles; YoY)]



Source: Okayama Branch, Chugoku Transport & Tourism Bureau

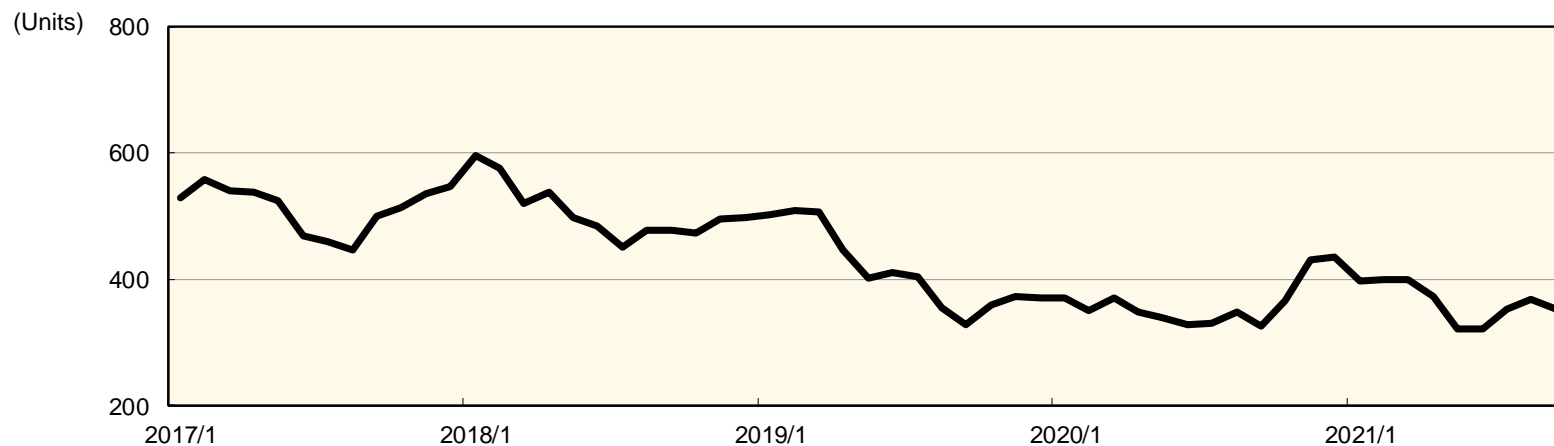
## Housing investment: Remains flat

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



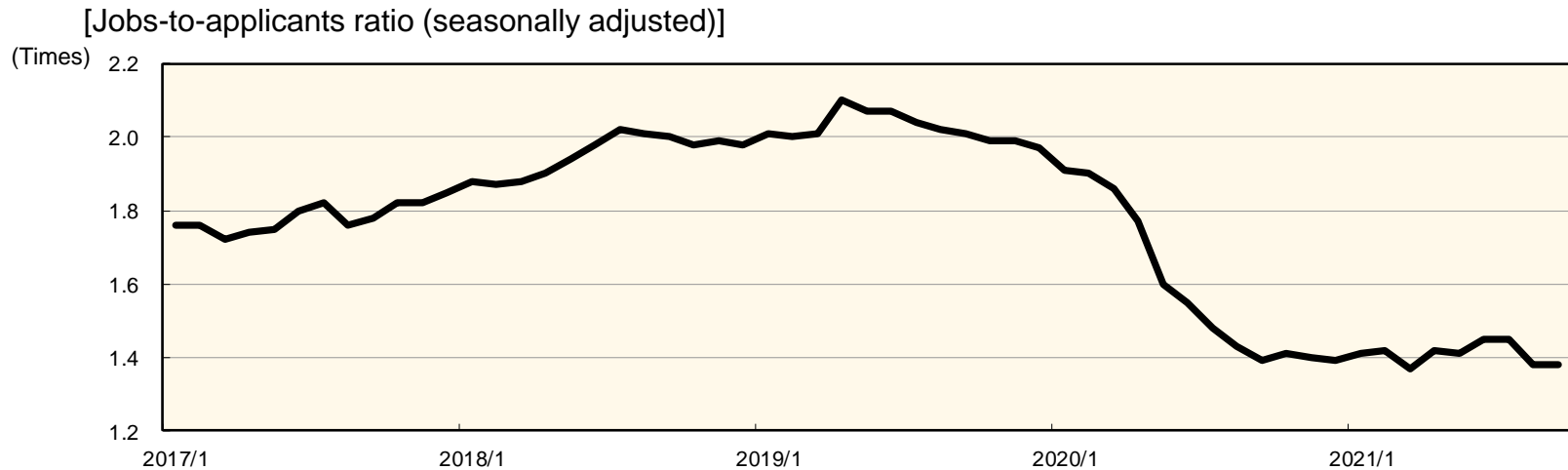
Source: MLIT

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



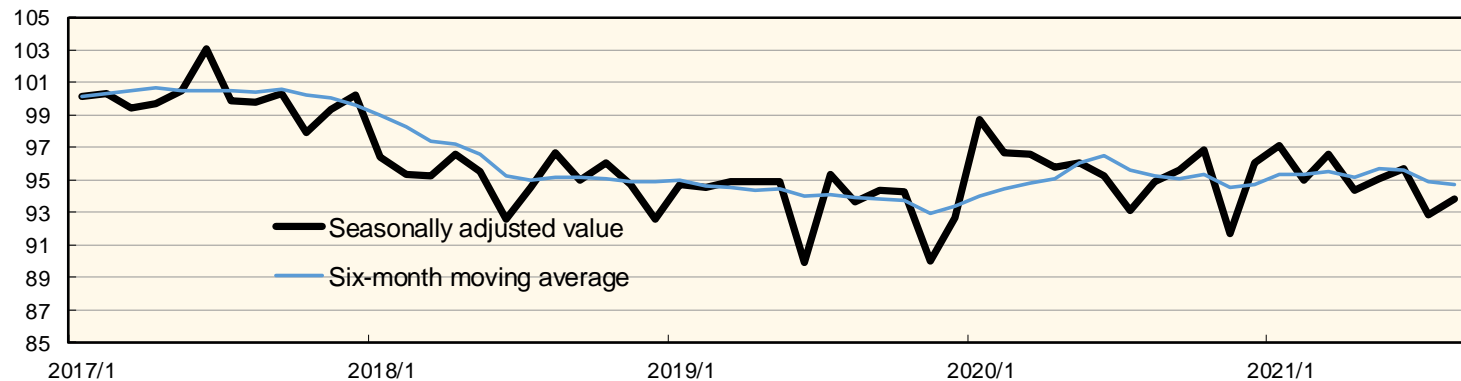
Source: MLIT

Employment situation: Indicating a sign of recovery despite a weakening trend due to the impact of COVID-19



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

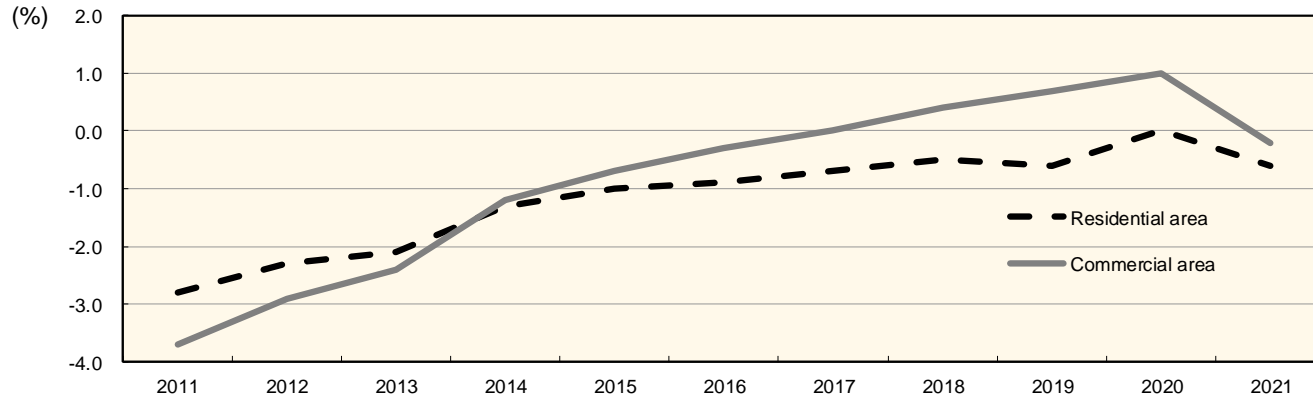
[Total sum of cash earnings (2015 indexed at 100; seasonally adjusted)]



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 the impact of COVID-19

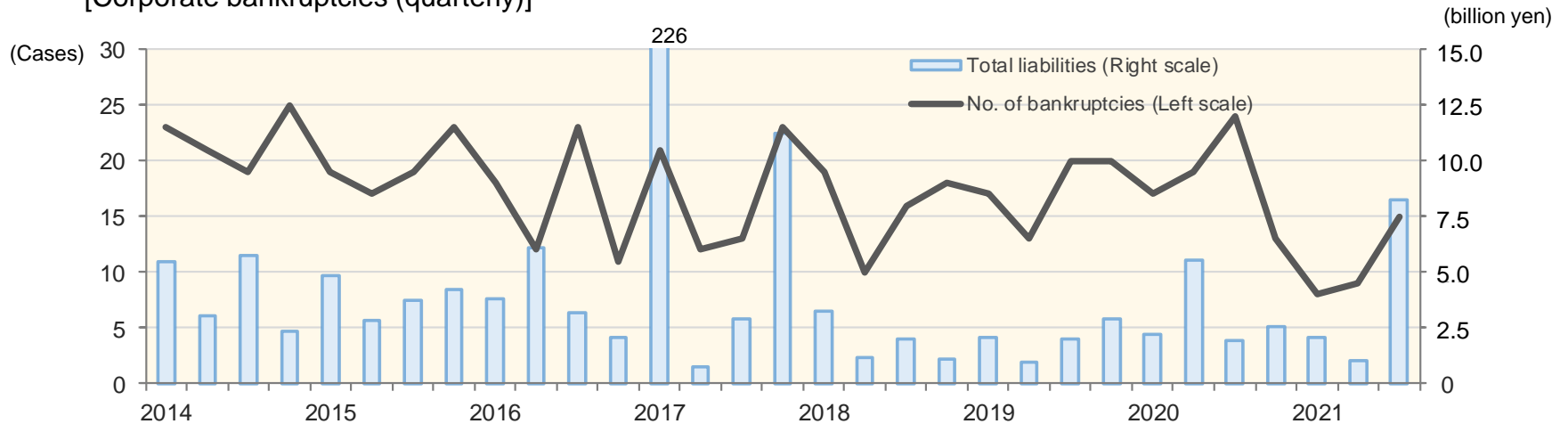
[Official land price (YoY)]



Source: Hilly and Mountainous Areas Development Division, Okayama Prefecture

## Corporate bankruptcies: Continuing to decrease, helped by financial support measures

[Corporate bankruptcies (quarterly)]



Source: Okayama Branch, Teikoku Databank

# Chugoku Bank's Management Indicators

# Profit and Loss Statement (1)

[Parent] (million yen)	FY2017 1H	FY2017	FY2018 1H	FY2018	FY2019 1H	FY2019	FY2020 1H	FY2020	FY2021 1H	FY2021
Ordinary revenue	57,586	116,499	57,415	113,461	56,143	110,829	49,824	99,765	51,869	110,337
Banking revenue	51,803	103,360	53,545	104,638	51,457	100,630	46,415	90,108	47,999	98,558
Extraordinary revenue	5,783	13,138	3,869	8,822	4,686	10,198	3,409	9,657	3,869	11,779
Ordinary expense	43,543	88,567	44,196	91,541	43,899	95,353	38,712	80,720	37,521	86,928
Banking expense	40,643	81,918	41,870	83,680	39,680	82,776	35,161	70,881	34,342	78,252
Extraordinary expense	2,900	6,649	2,325	7,860	4,219	12,577	3,550	9,839	3,178	8,675
Recurring profit	14,043	27,931	13,219	21,919	12,244	15,475	11,111	19,045	14,348	23,408
Banking income	11,164	21,451	11,679	20,965	11,780	17,860	11,257	19,235	13,659	20,312
Gross income	39,887	77,117	39,375	78,149	38,820	74,251	39,794	75,812	40,040	77,345
(Net interest income)	33,862	66,265	32,948	63,033	30,060	58,290	30,384	58,871	31,380	61,613
(Fees and commissions)	7,116	14,610	7,578	14,886	7,535	15,857	7,588	15,672	8,841	17,159
(Other banking income)	-1,091	-3,757	-1,150	228	1,224	103	1,821	1,268	-181	-1,427
Expenses	28,723	55,666	27,232	54,211	27,397	54,010	26,404	52,783	25,914	51,986
General provisions for doubtful receivables	-	-	464	2,972	-358	2,380	2,133	3,794	466	5,047
Extraordinary gain	0	14	15	15	1	1	-	-	2	314
Extraordinary loss	143	209	143	289	298	627	140	339	499	708
Impairment loss	132	148	100	222	289	596	69	244	453	505
Income before income tax (1H)	13,900	27,736	13,090	21,645	11,946	14,849	10,971	18,706	13,851	23,015
Corporate, residential, and business taxes	2,964	7,218	3,056	6,758	3,261	4,326	3,655	7,316	3,151	6,155
Income tax adjustments	1,117	1,107	617	-451	270	-291	▲ 475	-1,617	962	-56
Net income (1H)	9,819	19,409	9,416	15,338	8,414	10,815	7,791	13,007	9,737	16,915

[Consolidated]										
Ordinary revenue	65,261	132,445	64,758	128,621	63,780	127,318	58,173	116,976	60,594	128,565
Recurring profit	15,385	30,922	14,012	23,696	12,943	17,463	11,967	21,252	15,200	25,804
Net income attributable to owners of the parent (1H)	10,566	21,258	9,713	16,199	8,644	11,916	8,226	14,418	10,179	18,374

Net income (1H)	10,566	21,258	9,713	16,199	8,644	11,916	8,226	14,418	10,179	18,374
Other comprehensive income	12,312	8,687	3,250	-11,164	6,805	-33,836	20,479	40,685	8,005	-21,454
Valuation difference from other available-for-sale securities	11,431	6,403	763	-6,137	9,181	-30,699	18,650	33,586	8,120	-28,965
Deferred hedge gains	222	1,087	1,966	-3,894	-2,703	-2,563	1,370	6,136	-497	4,713
Comprehensive income (1H)	22,879	29,946	12,963	5,035	15,450	-21,919	28,706	55,104	18,184	-3,079

# Profit and Loss Statement (2)

[Parent] (million yen)	FY2017 1H	FY2017	FY2018 1H	FY2018	FY2019 1H	FY2019	FY2020 1H	FY2020	FY2021 1H	FY2021
<b>Bond related gains/losses</b>	-300	-2,481	-316	1,117	1,084	-524	822	-552	-447	-2,949
Gain on bond sales, including JGBs	1,634	3,827	2,679	4,865	1,727	3,026	1,407	2,496	3,506	9,400
Gain on bond redemption, including JGBs	-	-	-	-	25	25	-	50	-	150
Loss on bond sales, including JGBs	1,901	6,308	2,895	3,622	668	3,526	535	2,948	3,909	12,330
Loss on bond redemption, including JGBs	-	-	-	-	-	-	-	-	-	37
Bond redemption, including JGBs	34	-	100	125	-	50	49	150	45	132
<b>Equity-related gains/losses</b>	456	4,437	335	1,495	456	73	963	5,586	1,564	6,000
Gain on equity sales	1,717	6,888	1,868	5,574	2,361	7,073	1,761	7,233	2,623	9,800
Loss on equity sales	1,261	2,450	1,529	4,075	1,643	4,596	678	1,497	1,058	3,799
Share redemption	-	-	3	3	260	2,403	119	149	-	1
<b>Non-performing loan disposal</b>	-2,632	-1,770	202	4,199	1,020	5,610	3,286	8,067	1,511	7,703
General provisions for doubtful receivables	-2,498	-1,753	464	2,972	-358	2,380	2,133	3,794	466	5,047
Individual provisions for doubtful accounts	-136	-25	-261	1,088	1,373	3,212	1,153	4,245	722	2,334
Loan write-offs	-	-	-	65	-	0	-	26	-	-
Loss on claim sales	1	8	-	74	5	18	-	2	322	322

# Ordinary Revenue Breakdown

[Parent] (million yen)	FY2017 1H	FY2017	FY2018 1H	FY2018	FY2019 1H	FY2019	FY2020 1H	FY2020	FY2021 1H	FY2021
Ordinary revenue	57,586	116,499	57,415	113,461	56,143	110,829	49,824	99,765	51,869	110,337
Banking revenue	51,803	103,360	53,545	104,638	51,457	100,630	46,415	90,108	47,999	98,558
Net interest income	40,722	80,016	40,950	80,230	39,740	76,726	34,284	65,741	33,905	66,830
Lending rate	23,134	47,027	25,408	51,412	25,506	50,493	23,169	45,840	22,595	45,162
Securities interest rate (gains or losses on cancellation of investment trusts)	16,975	31,545	14,864	27,659	13,843	25,499	10,772	19,160	10,920	19,952
Call loan interest rate	299	813	361	521	82	153	48	125	11	126
Deposit interest rate	187	374	192	382	186	358	206	450	299	1,437
Foreign currency interest income	28	58	35	75	34	61	19	32	13	25
Financial swap interest income	-	-	-	-	-	-	-	-	-	-
Other interest income	97	196	88	179	86	159	67	132	64	126
Fees and commissions	9,276	18,911	9,757	19,175	9,709	20,217	9,717	19,954	10,321	20,645
Fee and commission income	2,818	5,669	2,811	5,635	2,822	5,625	3,013	5,899	2,816	5,249
Other fee and commission income	6,458	13,240	6,945	13,537	6,887	14,590	6,704	14,053	7,504	15,394
Trust fees	0	1	0	1	0	1	0	0	0	0
Other banking revenue	1,804	4,432	2,837	5,232	2,007	3,687	2,412	4,412	3,772	11,081
Gain on sale of bonds, including JGBs	1,634	3,827	2,679	4,865	1,727	3,026	1,407	2,496	3,506	9,400
Gain on redemption of bonds	-	-	-	-	25	25	-	50	-	150
Gain on sale of foreign currencies	-	-	-	-	-	411	835	1,345	201	768
Gain on sale of securities	-	-	0	-	-	-	7	8	-	-
Financial derivative revenue	168	603	-	-	136	37	-	349	45	743
Other	0	1	157	367	117	185	162	163	18	19
Extraordinary income	5,783	13,138	3,869	8,822	4,686	10,198	3,409	9,657	3,869	11,779
Gain on sale of equities	1,717	6,888	1,868	5,574	2,361	7,073	1,761	7,233	2,623	9,800
Gain on investment trusts	103	85	154	-	48	72	31	113	157	203
Reversal to provisions for doubtful receivables	2,634	1,778	-	-	-	-	-	-	-	-
Gain on non-performing loans recovered	5	5	0	0	3	3	0	0	23	42
Other	1,322	4,380	1,846	3,248	2,273	3,048	1,616	2,310	1,065	1,732



# Ordinary Expense Breakdown

[Parent] (million yen)	FY2017 1H	FY2017	FY2018 1H	FY2018	FY2019 1H	FY2019	FY2020 1H	FY2020	FY2021 1H	FY2021
Ordinary expenses	43,543	88,567	44,196	91,541	43,899	95,353	38,712	80,720	37,521	86,928
Banking expenses	40,643	81,918	41,870	83,680	39,680	82,776	35,161	70,881	34,342	78,252
Interest expense	6,863	13,759	8,007	17,204	9,683	18,442	3,904	6,878	2,528	5,224
Expenses matching the amount of investment of money held in trust	3	9	4	7	3	6	3	7	3	6
Deposit interest	1,018	1,928	1,173	2,333	1,300	2,564	416	843	334	659
Negotiable certificates of deposit (NCD) interest	33	60	21	42	18	34	14	28	13	25
Call money interest	824	1,374	538	869	192	284	-37	-124	-133	-282
Interest on sales under agreement to repurchase	538	1,584	1,025	2,397	1,763	3,277	131	268	60	209
Securities lending transaction interest payable	943	1,474	325	594	263	658	120	301	219	521
Interest on commercial papers	336	779	395	1,100	566	920	85	173	70	155
Borrowed money interest payable	556	1,237	1,162	2,504	1,241	2,156	901	1,051	81	182
Foreign exchange interest payable	7	7	0	12	3	80	80	76	17	115
Interest on bonds, Interest on bonds-NOE									39	78
Financial swap interest payable	2,605	5,311	3,361	7,347	4,332	8,460	2,190	4,217	1,822	3,553
Other interest payable	0	0	3	1	0	5	0	5	1	5
Fees and commissions	2,159	4,301	2,178	4,288	2,174	4,359	2,129	4,281	1,479	3,485
Fees and commissions payable	463	919	474	932	466	916	455	904	468	678
Other fees and commissions payable	1,696	3,382	1,704	3,355	1,708	3,442	1,673	3,376	1,010	2,807
Other banking expenses	2,895	8,190	3,988	5,004	783	3,583	591	3,144	3,954	12,508
Loss on sale of bonds, including JGBs	1,901	6,308	2,895	3,622	668	3,526	535	2,948	3,909	12,330
Bond redemption, including JGBs	34	-	100	125	-	50	49	150	45	37
Loss on foreign exchange transactions	957	1,873	771	843	102	-	-	-	-	-
Loss on securities transactions	2	8	-	4	12	6	-	-	0	8
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	5,047
Expenses	28,723	55,666	27,232	54,211	27,397	54,010	26,404	52,783	25,914	51,986
Extraordinary expenses	2,900	6,649	2,325	7,860	4,219	12,577	3,550	9,839	3,178	8,675
Individual provisions for doubtful accounts	-	-	-261	1,088	1,373	3,212	1,153	4,245	722	2,334
Redemption of loans and bills discounted	-	-	-	65	-	0	-	26	-	-
Loss on sale of equity	1,261	2,450	1,529	4,075	1,643	4,596	678	1,497	1,058	3,799
Equity redemption	-	-	3	3	260	2,403	119	149	-	1
Loss on money held in trust	0	118	14	104	14	63	18	4	11	104
Retirement expense	949	1,899	748	1,497	471	942	663	1,323	549	1,029
Other	688	2,179	290	1,026	456	1,358	916	2,592	835	1,407

# Expense Breakdown

[Parent] (million yen)	FY2017 1H	FY2017	FY2018 1H	FY2018	FY2019 1H	FY2019	FY2020 1H	FY2020	FY2021 1H	FY2021
Expenses (1)	28,723	55,666	27,232	54,211	27,397	54,010	26,404	52,783	25,914	51,986
Personnel	14,702	28,910	13,953	27,834	14,164	28,204	13,794	27,725	14,022	28,037
Salaries	8,171	16,051	7,740	15,438	7,594	15,072	7,262	14,560	7,348	14,620
Bonuses	2,807	5,410	2,506	4,992	2,582	5,132	2,358	4,807	2,538	5,106
Retirement expenses	353	710	288	571	499	1,012	664	1,314	488	927
Social insurance	1,800	3,575	1,796	3,559	1,772	3,532	1,733	3,446	1,752	3,529
Temporary employment expense	1,569	3,162	1,621	3,272	1,715	3,454	1,774	3,596	1,895	3,854
Property expense	11,502	23,138	11,381	23,263	11,379	22,780	11,016	22,001	10,368	21,109
Depreciation	2,063	4,329	2,043	4,233	2,053	4,201	1,978	4,096	1,924	3,957
Land and building leasing expense	384	780	398	800	386	775	391	774	375	757
Machinery leasing expense	69	153	80	169	85	186	91	180	88	180
Outsourcing expense	1,393	2,755	1,333	2,607	1,264	2,521	1,179	2,466	1,099	2,227
Maintenance expense	107	224	136	305	127	277	192	295	155	242
Travel expense	104	213	100	202	105	200	26	75	38	84
Sales promotion expense	46	83	46	79	33	79	53	105	82	137
Deposit insurance premium	1,094	2,188	1,029	2,059	1,031	2,063	1,028	2,057	1,053	2,106
Miscellaneous expense	6,239	12,410	6,213	14,865	6,291	12,474	6,074	11,948	5,551	11,414
Taxes	2,518	3,617	1,896	3,114	1,853	3,025	1,593	3,056	1,522	2,839
Core business gross profit (2)	40,187	79,598	39,692	77,031	37,735	74,775	38,972	76,365	40,487	80,295
OHR (1)÷(2)	71.4%	69.9%	68.6%	70.3%	72.6%	72.2%	67.7%	69.1%	64.0%	64.7%

# Major Yields

		FY2017	FY2017	FY2018	FY2018	FY2019	FY2019	FY2020	FY2020	FY2021	FY2021
		1H		1H		1H		1H		1H	
Total for all branches	1. Interest-earning asset yield	1.05	1.04	1.05	1.03	1.02	0.98	0.84	0.79	0.77	0.72
	Loan yield	1.02	1.03	1.08	1.08	1.06	1.04	0.92	0.90	0.87	0.87
	Securities yield	1.31	1.24	1.23	1.17	1.20	1.10	0.91	0.81	0.89	0.81
	Call loan yield	0.29	0.44	0.32	0.22	0.06	0.05	0.02	0.02	0.00	0.01
	Deposit yield (including NCD)	0.10	0.10	0.10	0.10	0.10	0.09	0.10	0.12	0.14	0.16
	2. Interest-bearing liabilities	0.18	0.18	0.21	0.22	0.25	0.24	0.09	0.08	0.05	0.05
	Deposit yield	0.03	0.03	0.03	0.03	0.03	0.03	0.01	0.01	0.00	0.00
	Call money yield	1.40	1.37	1.96	1.71	1.11	0.91	-0.12	-0.17	-0.35	-0.33
	Loan yield	0.60	0.65	1.32	1.49	1.85	1.77	0.51	0.34	0.05	0.03
	3. Expense ratio	0.88	0.86	0.80	0.80	0.80	0.79	0.72	0.71	0.66	0.66
	4. Fundraising expense	0.94	0.91	0.92	0.94	0.96	0.94	0.75	0.72	0.64	0.63
	5. Total net interest income (1-4)	0.11	0.13	0.13	0.09	0.06	0.04	0.09	0.07	0.13	0.09
Simple loan-deposit margin	0.99	1.00	1.05	1.05	1.03	1.01	0.91	0.89	0.87	0.87	
Simple deposit-securities margin	1.28	1.21	1.20	1.14	1.17	1.07	0.90	0.80	0.89	0.81	

Domestic banking operations	1. Interest-earning asset yield	0.81	0.80	0.80	0.77	0.74	0.71	0.70	0.67	0.67	0.61
	Loan yield	0.89	0.88	0.86	0.85	0.83	0.83	0.81	0.81	0.80	0.79
	Securities yield	1.03	1.00	1.03	0.95	0.92	0.82	0.79	0.73	0.82	0.71
	Call loan yield	-0.02	-0.01	-0.03	-0.03	-0.03	-0.03	-0.02	-0.02	-0.01	-0.01
	Deposit yield (including NCD)	0.10	0.10	0.10	0.10	0.10	0.09	0.10	0.12	0.14	0.16
	2. Interest-bearing liabilities	0.04	0.04	0.03	0.03	0.03	0.03	0.03	0.03	0.02	0.02
	Deposit yield	0.01	0.01	0.01	0.01	0.00	0.00	0.00	0.00	0.00	0.00
	Call money yield	-0.02	-0.04	-0.05	-0.06	-0.05	-0.04	-0.02	-0.02	-0.02	-0.02
	Loan yield	0.01	0.01	0.02	0.02	0.03	0.04	0.02	0.00	0.00	0.00
	3. Expense ratio	0.86	0.84	0.78	0.78	0.78	0.77	0.70	0.69	0.64	0.64
	4. Fundraising expense	0.82	0.80	0.76	0.76	0.76	0.75	0.71	0.69	0.62	0.61
	5. Total net interest income (1-4)	-0.01	0.00	0.04	0.01	-0.02	-0.04	-0.01	-0.02	0.05	0.00
Simple loan-deposit margin	0.88	0.87	0.85	0.84	0.83	0.83	0.81	0.81	0.80	0.79	
Simple deposit-securities margin	1.02	0.99	1.02	0.94	0.92	0.82	0.79	0.73	0.82	0.71	

# Major Accounts (year-end balance) Assets

(100 million yen)

	FY2017 1H	FY2017	FY2018 1H	FY2018	FY2019 1H	FY2019	FY2020 1H	FY2020	FY2021 1H	FY2021
Total assets	82,991	84,395	83,679	82,257	83,579	81,136	87,417	91,226	98,542	101,779
Interest-earning assets	75,527	75,209	75,871	73,224	75,272	73,911	77,520	79,586	81,136	83,168
Loans	45,607	46,761	47,300	48,087	47,847	49,097	50,580	51,444	51,584	52,690
Securities	27,439	26,208	25,074	23,949	24,587	23,451	23,913	26,225	25,653	25,098
Securities products	18	18	19	23	23	13	11	11	12	28
Money in trust	150	250	201	180	180	230	230	230	231	230
Deposits (excluding non-interest bearing portion)	141	167	165	135	154	100	219	0	0	0
Call loans	1,743	1,412	2,614	396	2,091	598	2,155	1,258	3,270	4,463
Debt purchased	261	271	268	295	258	230	206	196	189	186
Foreign exchange	59	79	107	90	93	119	150	83	75	62
Cash collateral paid	101	41	119	65	34	69	51	135	118	407
(Interest-earnings assets)	75,376	74,959	75,669	73,044	75,091	73,681	77,290	79,356	80,904	82,938
Cash and deposits (non-interest bearing)	6,403	7,609	6,621	7,497	6,715	5,662	8,456	10,005	16,086	17,569
Tangible fixed assets	405	396	392	388	382	380	377	368	359	347
Intangible fixed assets	65	58	51	44	37	30	24	23	18	13
Other assets	550	1,094	703	1,118	1,167	1,170	1,099	1,322	993	821
Prepaid pension costs	-	-	-	-	-	-	-	30	32	35
Deferred tax assets	-	-	-	-	-	22	-	-	-	-
Guarantee endorsements	351	340	347	324	346	334	333	320	344	309
Provisions for doubtful receivables	-311	-314	-306	-341	-342	-375	-393	-429	-428	-484

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

	FY2017	FY2017	FY2018	FY2018	FY2019	FY2019	FY2020	FY2020	FY2021	FY2021
(100 million yen)	1H		1H		1H		1H		1H	
Total liabilities and net assets	82,991	84,395	83,679	82,257	83,579	81,136	87,417	91,226	98,542	101,779
Total liabilities	77,774	79,161	78,350	77,021	78,224	76,174	82,201	85,786	92,963	96,482
Interest-bearing liabilities	76,496	77,624	76,958	75,499	76,571	74,750	80,874	84,086	91,487	95,108
Deposits	61,693	64,236	63,831	66,399	64,751	67,116	71,544	75,113	74,791	76,616
Negotiable certificates of deposit (NCD)	3,038	2,224	3,562	1,783	2,991	2,044	2,787	1,771	2,599	2,221
Call money	720	579	366	187	150	300	715	712	856	1,107
Sales under agreement to repurchase account	1,582	715	782	1,250	1,559	1,247	1,246	1,296	1,053	1,910
Payables under Securities Lending Transactions	6,911	7,472	6,229	3,772	5,601	2,171	1,548	1,727	5,113	5,883
Commercial paper	517	461	487	487	365	326	465	542	548	550
Borrowed money	2,014	1,885	1,656	1,559	1,075	1,480	2,467	2,754	6,340	6,631
Foreign exchange	2	2	1	17	7	2	9	2	8	6
Bond	-	-	-	-	-	-	-	100	100	100
Borrowed money from trust account	7	15	23	27	32	33	36	48	59	69
Cash collateral received	6	31	16	14	36	28	52	16	17	12
(Expenses matching the amount of investment of money held in trust)	150	250	201	180	180	230	230	230	231	230
(Fund procurement account)	76,345	77,374	76,757	75,319	76,391	74,520	80,644	83,856	91,256	94,878
Other liabilities	518	803	645	862	947	993	844	1,229	942	1,027
Retirement provision	198	195	188	185	179	75	73	3	2	1
Provision for bonuses	13	12	12	12	12	12	12	12	12	13
Other provision	21	25	23	23	20	19	17	3	2	1
Deferred tax liabilities	186	169	187	125	158	-	58	130	172	21
Acceptances and guarantees	351	340	347	324	346	334	333	320	344	309
Total net assets	5,217	5,234	5,329	5,235	5,355	4,962	5,216	5,440	5,578	5,296
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	4,074	4,151	4,226	4,266	4,328	4,331	4,388	4,420	4,491	4,541
Treasury stock (-)	54	74	84	94	96	96	96	96	106	116
Valuation difference on other securities	1,038	989	999	934	1,023	625	808	952	1,034	660
Gain/loss on deferred hedges	-58	-49	-30	-88	-115	-114	-100	-53	-58	-6
Warrants	2	2	2	3	1	1	1	2	2	2

# Major Accounts (average balance) Assets

(100 million yen)

	FY2017 1H	FY2017	FY2018 1H	FY2018	FY2019 1H	FY2019	FY2020 1H	FY2020	FY2021 1H	FY2021
Total assets	80,719	80,986	81,574	81,554	81,738	82,160	85,635	87,544	93,337	96,396
Interest-earning assets	76,924	77,056	77,507	77,484	77,602	78,167	81,284	82,863	87,143	91,984
Loans	44,859	45,518	46,907	47,344	47,780	48,116	49,942	50,531	51,558	51,757
Securities	25,747	25,311	23,939	23,456	22,963	23,049	23,427	23,524	24,388	24,356
Securities products	19	19	26	21	23	21	14	14	12	15
Money in trust	150	210	249	209	180	179	230	230	230	230
Deposits (excluding non-interest bearing portion)	3,727	3,735	3,741	3,718	3,678	3,663	3,865	3,699	4,085	8,834
Call loans	2,014	1,822	2,198	2,292	2,615	2,796	3,447	4,515	6,501	6,382
Debt purchased	175	182	187	191	206	189	152	146	129	126
Foreign exchange	137	157	171	168	107	99	150	144	123	124
Cash collateral paid	85	100	85	80	47	50	53	58	113	157
(Interest-earnings assets)	76,774	76,846	77,257	77,274	77,422	77,987	81,054	82,633	86,913	91,754
Cash and deposits (non-interest bearing)	2,486	2,616	2,779	2,763	2,740	2,546	2,767	3,155	4,711	2,957
Tangible fixed assets	415	416	399	402	392	395	382	386	369	369
Intangible fixed assets	72	71	58	57	44	43	30	31	24	24
Other assets	578	570	580	595	736	780	973	922	892	865
Prepaid pension costs	-	-	-	-	-	-	-	0	30	31
Deferred tax assets	240	234	229	226	234	233	238	240	253	249
Guarantee endorsements	345	347	332	335	324	336	336	332	333	341
Provisions for doubtful receivables	-343	-328	-311	-312	-336	-343	-377	-388	-423	-429

# Major Accounts (average balance) Liabilities & Net Assets

	FY2017	FY2017	FY2018	FY2018	FY2019	FY2019	FY2020	FY2020	FY2021	FY2021
(100 million yen)	1H		1H		1H		1H		1H	
Total liabilities and net assets	80,719	80,986	81,574	81,554	81,738	82,160	85,635	87,544	93,337	96,396
Total liabilities	76,598	76,804	77,306	77,236	77,341	77,731	81,169	83,039	88,769	91,789
Interest-bearing liabilities	75,590	75,748	76,227	76,165	76,445	76,840	80,418	82,275	87,943	90,883
Deposits	61,560	61,694	63,475	63,620	64,997	65,295	69,979	71,288	75,071	75,336
Negotiable certificates of deposit (NCD)	2,916	2,883	3,712	3,535	3,052	2,964	2,806	2,805	2,694	2,678
Call money	1,167	999	547	505	344	311	602	698	751	846
Sales under agreement to repurchase	753	1,011	903	978	1,360	1,415	701	974	1,065	1,316
Payables under Securities Lending Transactions	6,839	6,739	5,432	5,365	4,842	5,174	2,452	2,949	4,466	5,169
Commercial paper	487	498	376	445	450	395	281	407	555	557
Borrowed money	1,846	1,897	1,746	1,673	1,334	1,216	3,517	3,021	3,162	4,795
Foreign exchange	3	3	3	4	5	5	4	4	3	4
Bond	-	-	-	-	-	-	-	46	100	100
Borrowed money from trust account	3	7	20	22	29	31	34	38	54	60
Cash collateral received	11	14	9	13	28	28	37	42	17	16
(Expenses matching the amount of investment of money held in trust)	150	210	249	209	180	179	230	230	230	230
(Fund procurement account)	75,440	75,538	75,978	75,956	76,265	76,660	80,188	82,045	87,713	90,653
Other liabilities	447	494	534	527	371	360	327	347	480	554
Retirement provision	198	197	191	189	183	179	73	73	2	1
Bonus provision	6	6	6	6	6	6	6	6	6	6
Other provision	10	9	13	11	9	8	6	5	3	2
Deferred tax liabilities	-	-	-	-	-	-	-	-	-	-
Acceptances and guarantees	345	347	332	335	324	336	336	332	333	341
Total net assets	4,120	4,182	4,268	4,317	4,396	4,429	4,465	4,504	4,567	4,606
Capital	151	151	151	151	151	151	151	151	151	151
Surplus capital	27	44	62	62	62	62	62	62	62	62
Retained earnings	4,016	4,047	4,121	4,175	4,266	4,300	4,338	4,376	4,442	4,487
Treasury stock (-)	88	75	81	84	95	95	96	96	102	107
Valuation difference on other securities	11	11	11	10	10	9	8	9	11	10
Gain/loss on deferred hedges	-0	-0	-0	-0	-1	-1	-1	-0	-0	-0
Warrants	3	2	2	2	2	2	1	1	2	2

# Deposits (year-end balance)

(100 million yen)		FY2017	FY2017	FY2018	FY2018	FY2019	FY2019	FY2020	FY2020	FY2021	FY2021
		1H		1H		1H		1H		1H	
Okayama		46,850	49,026	48,864	50,953	49,712	51,863	54,855	57,260	57,259	59,388
	Private portion	35,832	36,311	37,072	37,347	37,610	38,327	39,941	41,081	42,033	42,945
	Corporate portion	9,657	10,043	10,140	10,485	10,425	10,507	11,849	12,592	12,404	12,425
Hiroshima		8,534	8,533	8,634	9,144	8,644	9,043	9,300	9,605	9,493	9,754
	Private portion	5,584	5,604	5,633	5,627	5,649	5,743	5,916	6,015	6,063	6,126
	Corporate portion	2,858	2,794	2,838	2,862	2,908	2,935	3,215	3,307	3,346	3,403
Kagawa, Ehime		4,022	4,141	4,074	4,020	3,968	4,054	4,335	4,448	4,513	4,539
	Private portion	2,766	2,765	2,759	2,736	2,717	2,719	2,781	2,832	2,847	2,864
	Corporate portion	1,253	1,338	1,312	1,249	1,248	1,303	1,552	1,571	1,658	1,631
Hyogo		1,136	1,130	1,159	1,152	1,132	1,166	1,233	1,285	1,280	1,289
	Private portion	640	637	642	630	622	625	635	651	647	655
	Corporate portion	495	492	516	521	509	540	596	633	632	632
Tottori		119	129	120	123	133	128	145	148	152	144
	Private portion	50	51	52	51	52	51	53	54	53	53
	Corporate portion	68	78	67	71	81	76	90	94	93	90
Osaka		241	211	264	229	253	212	261	239	224	226
	Private portion	67	68	69	69	70	71	73	66	65	66
	Corporate portion	172	142	193	158	182	139	187	172	157	158
Tokyo		136	188	194	131	188	128	342	477	697	198
	Private portion	67	66	65	62	61	57	59	58	58	59
	Corporate portion	67	119	127	66	124	68	280	415	634	134
Total domestic branches (before reconciliation of transit items)		61,042	63,361	63,310	65,755	64,033	66,596	70,474	73,464	73,621	75,540
	Total for private portion	45,010	45,504	46,294	46,526	46,783	47,597	49,460	50,761	51,769	52,771
	Total for corporate portion	14,572	15,009	15,194	15,415	15,478	15,572	17,771	18,786	18,928	18,477
Overseas branches		653	877	521	644	717	519	1,070	1,648	1,170	1,075
Total deposits		61,693	64,236	63,831	66,399	64,751	67,116	71,544	75,113	74,791	76,616
	Liquidity	41,224	44,590	44,332	47,261	45,646	48,186	52,534	56,159	55,665	57,498
	Time deposits	20,469	19,646	19,499	19,137	19,105	18,929	19,009	18,954	19,126	19,117
	Domestic banking	60,433	62,671	62,564	65,120	63,406	65,999	69,876	72,632	72,807	74,929
	International banking	1,260	1,565	1,267	1,278	1,344	1,116	1,668	2,480	1,984	1,686



# Deposits (average balance)

(100 million yen)		FY2017	FY2017	FY2018	FY2018	FY2019	FY2019	FY2020	FY2020	FY2021	FY2021
		1H		1H		1H		1H		1H	
Okayama		46,806	47,003	48,589	48,754	50,008	50,166	54,031	54,653	57,468	57,668
	Private portion	35,697	35,981	36,755	37,054	37,681	37,915	39,457	40,033	41,761	42,193
	Corporate portion	9,442	9,464	9,958	9,927	10,354	10,385	11,360	11,703	12,605	12,542
Hiroshima		8,427	8,429	8,643	8,638	8,688	8,721	9,352	9,444	9,536	9,585
	Private portion	5,579	5,596	5,619	5,628	5,647	5,680	5,865	5,923	6,046	6,077
	Corporate portion	2,736	2,736	2,828	2,825	2,918	2,943	3,163	3,250	3,385	3,408
Kagawa, Ehime		4,050	4,064	4,073	4,053	4,025	4,022	4,238	4,332	4,531	4,546
	Private portion	2,762	2,765	2,760	2,754	2,739	2,729	2,760	2,783	2,841	2,850
	Corporate portion	1,284	1,294	1,310	1,296	1,283	1,289	1,476	1,544	1,682	1,688
Hyogo		1,115	1,116	1,141	1,141	1,124	1,130	1,205	1,238	1,299	1,299
	Private portion	637	638	637	636	626	626	631	635	649	651
	Corporate portion	477	476	503	503	497	503	573	601	649	646
Tottori		114	116	126	124	125	126	135	140	149	146
	Private portion	50	50	52	51	51	51	51	51	53	53
	Corporate portion	63	64	73	71	73	74	82	84	91	88
Osaka		218	220	233	241	227	231	248	252	260	253
	Private portion	69	68	68	68	69	70	71	69	65	65
	Corporate portion	148	150	164	171	157	160	176	182	193	187
Tokyo		163	155	157	149	140	144	207	274	558	531
	Private portion	68	67	66	65	62	60	58	58	58	58
	Corporate portion	92	85	88	82	75	81	146	212	495	467
Total domestic branches		60,896	61,107	62,963	63,104	64,340	64,546	69,420	70,341	73,804	74,030
	Total for private portion	44,865	45,171	45,960	46,261	46,878	47,135	48,897	49,559	51,476	51,951
	Total for corporate portion	14,246	14,276	14,925	14,879	15,361	15,441	16,979	17,583	19,103	19,030
Overseas branches		664	587	512	515	656	749	558	947	1,267	1,306
Total deposits		61,560	61,694	63,475	63,620	64,997	65,295	69,979	71,288	75,071	75,336
	Liquidity	41,059	41,781	43,848	44,152	45,766	46,177	51,197	52,345	55,896	56,108
	Time deposits	20,500	19,913	19,627	19,467	19,230	19,118	18,781	18,942	19,174	19,228
	Domestic banking	60,277	60,486	62,216	62,397	63,717	63,922	68,810	69,701	73,084	73,316
	International banking	1,282	1,208	1,259	1,223	1,279	1,373	1,168	1,586	1,986	2,020

# Loans (year-end balance)

(100 million yen)		FY2017	FY2017	FY2018	FY2018	FY2019	FY2019	FY2020	FY2020	FY2021	FY2021
		1H		1H		1H		1H		1H	
General capital		40,332	41,543	42,098	42,982	42,811	44,087	45,659	46,663	46,792	48,087
Scale	Large-scale companies	8,251	7,919	7,778	7,754	7,411	7,659	8,149	8,344	8,053	8,519
	Medium-scale companies	1,661	1,710	1,672	1,665	1,456	1,486	1,321	1,271	1,170	1,101
	Small-scale companies	22,067	23,426	24,044	24,754	24,941	25,772	26,915	27,572	27,905	28,563
	Private individuals	8,352	8,486	8,602	8,807	9,002	9,168	9,271	9,475	9,663	9,903
Government and municipal loans		5,108	5,017	4,962	4,882	4,804	4,758	4,699	4,557	4,550	4,358
State and local public works groups		5,067	4,979	4,939	4,860	4,793	4,745	4,692	4,550	4,544	4,354
Local public corporations		40	38	23	21	11	12	7	7	5	4
Total loans by domestic branches		45,440	46,561	47,061	47,864	47,616	48,845	50,358	51,221	51,343	52,446
Region	Okayama	25,305	25,973	26,423	26,911	26,808	27,667	28,351	28,804	29,098	29,905
	Hiroshima	7,671	7,935	8,128	8,408	8,503	8,583	8,918	9,078	9,119	9,150
	Kagawa, Ehime	3,097	3,241	3,236	3,351	3,362	3,391	3,527	3,519	3,497	3,549
	Hyogo	2,295	2,513	2,623	2,699	2,664	2,748	2,788	2,865	2,845	2,885
	Tottori	315	341	341	357	365	363	366	363	349	366
	Osaka	1,228	1,120	1,129	1,051	1,033	1,013	1,216	1,273	1,246	1,275
	Tokyo	5,525	5,433	5,177	5,084	4,879	5,077	5,189	5,317	5,184	5,313
Overseas branches		166	200	239	222	230	252	222	222	241	243
Total loans		45,607	46,761	47,300	48,087	47,847	49,097	50,580	51,444	51,584	52,690

# Loans (average balance)

(100 million yen)

		FY2017	FY2017	FY2018	FY2018	FY2019	FY2019	FY2020	FY2020	FY2021	FY2021	
		1H		1H		1H		1H		1H		
General capital		39,604	40,295	41,680	42,194	42,744	43,113	44,954	45,610	46,735	46,992	
	Type	Local development	18,840	19,237	20,043	20,381	20,819	21,008	21,922	22,240	22,289	22,243
		Urban	6,857	6,699	6,289	6,210	5,827	5,844	6,091	6,232	6,342	6,311
		Private loans	10,375	10,514	10,894	11,006	11,335	11,419	11,641	11,706	11,973	12,100
		Housing loan portion	7,655	7,668	7,738	7,783	7,975	8,040	8,239	8,314	8,593	8,715
		Other	3,531	3,843	4,454	4,597	4,762	4,845	5,299	5,429	6,129	6,337
	Government and municipal loans	5,082	5,055	4,999	4,932	4,818	4,770	4,741	4,675	4,585	4,513	
	State and local public works groups	5,042	5,014	4,973	4,907	4,805	4,757	4,733	4,668	4,580	4,507	
	Local public corporations	39	40	25	24	13	12	8	7	5	5	
	Total loans by domestic branches		44,686	45,350	46,679	47,126	47,563	47,883	49,695	50,286	51,321	51,506
Region	Okayama	24,665	25,181	26,114	26,381	26,741	26,967	28,035	28,291	28,973	29,199	
	Hiroshima	7,517	7,652	8,014	8,167	8,444	8,485	8,806	8,912	9,092	9,096	
	Kagawa, Ehime	3,028	3,086	3,216	3,254	3,356	3,375	3,464	3,518	3,548	3,539	
	Hyogo	2,193	2,290	2,571	2,625	2,686	2,701	2,795	2,828	2,883	2,878	
	Tottori	306	317	337	345	360	363	362	363	349	351	
	Osaka	1,280	1,229	1,119	1,116	1,026	1,019	1,073	1,164	1,219	1,228	
	Tokyo	5,694	5,593	5,305	5,234	4,947	4,970	5,157	5,205	5,253	5,213	
Overseas branches		173	167	227	218	216	233	247	244	237	251	
Total loans		44,859	45,518	46,907	47,344	47,780	48,116	49,942	50,531	51,558	51,757	

# Loans by Industry (year-end balance)

(100 million yen)

	FY2017 1H	FY2017	FY2018 1H	FY2018	FY2019 1H	FY2019	FY2020 1H	FY2020	FY2021 1H	FY2021
Domestic branches	45,440	46,561	47,061	47,864	47,616	48,845	50,358	51,221	51,343	52,446
Manufacturing	6,663	7,003	6,655	6,757	6,443	6,731	7,034	7,124	6,728	6,981
Agriculture, forestry	44	60	61	71	87	90	82	81	110	115
Fishing	46	45	36	32	34	27	28	25	25	23
Mining, stone, sand	20	21	20	21	21	20	22	25	22	25
Construction	1,194	1,296	1,221	1,304	1,210	1,280	1,390	1,563	1,439	1,548
Electric power, gas, heat supply, water	1,700	1,860	2,014	2,087	2,203	2,451	2,448	2,533	2,611	2,697
Information and communications	301	232	206	202	190	184	189	181	180	112
Transport, postal	1,939	2,036	2,095	2,171	2,093	2,163	2,465	2,471	2,435	2,432
Wholesale, retail	5,077	5,124	5,217	5,259	5,232	5,377	5,523	5,469	5,468	5,570
Financial, insurance	3,892	3,810	3,975	3,856	3,699	3,856	3,959	4,382	4,909	5,380
Real estate, goods leasing	6,041	6,387	6,539	6,672	6,914	7,007	7,254	7,208	7,273	7,288
Public corporations	40	38	23	21	11	12	7	7	5	4
Other	6,001	6,349	6,516	6,650	6,902	6,994	7,246	7,201	7,268	7,283
Various services	3,035	3,200	3,201	3,196	3,169	3,149	3,316	3,410	3,328	3,296
Public organizations	5,067	4,979	4,939	4,860	4,793	4,745	4,692	4,550	4,544	4,354
Other	10,414	10,502	10,875	11,371	11,523	11,758	11,950	12,192	12,262	12,620
Housing loans	7,683	7,736	7,790	7,930	8,082	8,213	8,326	8,511	8,748	8,979
Overseas branches + Offshore loans	166	200	239	222	230	252	222	222	241	243
<b>Total</b>	<b>45,607</b>	<b>46,761</b>	<b>47,300</b>	<b>48,087</b>	<b>47,847</b>	<b>49,097</b>	<b>50,580</b>	<b>51,444</b>	<b>51,584</b>	<b>52,690</b>

# Loans by Industry (percentage)

	FY2017 1H	FY2017	FY2018 1H	FY2018	FY2019 1H	FY2019	FY2020 1H	FY2020	FY2021 1H	FY2021
Domestic branches	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Manufacturing	14.7%	15.0%	14.1%	14.1%	13.5%	13.8%	14.0%	13.9%	13.1%	13.3%
Agriculture, forestry	0.1%	0.1%	0.1%	0.1%	0.2%	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%	0.1%	0.1%	0.1%
Construction	2.6%	2.8%	2.6%	2.7%	2.5%	2.6%	2.8%	3.0%	2.8%	3.0%
Electric power, gas, heat supply, water	3.7%	4.0%	4.3%	4.4%	4.6%	5.0%	4.9%	4.9%	5.1%	5.1%
Information and communications	0.7%	0.5%	0.4%	0.4%	0.4%	0.4%	0.4%	0.3%	0.3%	0.2%
Transport, postal	4.3%	4.4%	4.5%	4.5%	4.4%	4.4%	4.9%	4.8%	4.7%	4.6%
Wholesale, retail	11.2%	11.0%	11.1%	11.0%	11.0%	11.0%	11.0%	10.7%	10.7%	10.6%
Financial, insurance	8.6%	8.2%	8.4%	8.1%	7.8%	7.9%	7.9%	8.5%	9.6%	10.3%
Real estate, goods leasing	13.3%	13.7%	13.9%	13.9%	14.5%	14.3%	14.4%	14.1%	14.1%	13.9%
Public corporations	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other	13.2%	13.6%	13.8%	13.9%	14.5%	14.3%	14.4%	14.1%	14.1%	13.9%
Various services	6.7%	6.9%	6.8%	6.7%	6.7%	6.4%	6.6%	6.7%	6.5%	6.3%
Public organizations	11.2%	10.7%	10.5%	10.2%	10.1%	9.7%	9.3%	8.9%	8.9%	8.3%
Other	22.9%	22.6%	23.1%	23.8%	24.2%	24.1%	23.5%	23.8%	23.8%	24.0%
Housing loans	16.9%	16.6%	16.6%	16.6%	17.0%	16.8%	16.5%	16.6%	17.0%	17.1%

# Share of Total Deposits

[Year-end balance]		FY2017	FY2017	FY2018	FY2018	FY2019	FY2019	FY2020	FY2020	FY2021	FY2021
(%)		1H		1H		1H		1H		1H	
Okayama	Chugoku Bank	48.0	48.6	48.9	49.4	49.2	49.8	49.8	50.3	50.4	51.1
	Other than Chugoku Bank	52.0	51.4	51.1	50.6	50.8	50.2	50.2	49.7	49.6	48.9
	Local banks other than Chugoku Bank	7.9	7.8	7.5	7.8	7.7	7.7	7.7	7.8	7.7	7.6
	Secondary local banks	11.7	11.5	11.7	11.5	11.5	11.5	11.5	11.5	11.4	11.3
	City banks, trust banks	11.8	11.9	11.2	10.7	10.9	10.6	10.8	10.2	10.2	9.6
	Shinkin banks, investment association, etc.	20.6	20.3	20.5	20.5	20.7	20.4	20.2	20.2	20.3	20.4
Bingo region (Eastern region of Hiroshima)	Chugoku Bank	20.5	20.0	21.5	21.5	20.0	20.9	20.9	20.0	19.5	20.4
	Other than Chugoku Bank	79.5	80.0	78.5	78.5	80.0	79.1	79.1	80.0	80.5	79.6
	Local banks other than Chugoku Bank	40.7	41.2	39.8	40.3	41.4	41.3	41.0	41.9	42.5	42.3
	Secondary local banks	11.8	12.0	11.9	11.7	11.7	11.5	11.7	12.3	12.3	11.9
	City banks, trust banks	12.2	12.2	11.9	11.9	11.9	11.7	11.8	11.6	11.6	11.7
	Shinkin banks, investment association, etc.	14.8	14.6	14.8	14.5	15.0	14.5	14.6	14.2	14.1	13.7
Shikoku region	Chugoku Bank	7.7	7.7	7.6	7.4	7.3	7.4	7.4	7.4	7.4	7.3
	Other than Chugoku Bank	92.3	92.3	92.4	92.6	92.7	92.6	92.6	92.6	92.6	92.7
	Local banks other than Chugoku Bank	51.9	52.3	51.7	51.9	51.8	52.0	52.0	52.0	51.9	52.4
	Secondary local banks	17.3	17.2	17.5	17.7	17.7	17.6	17.7	17.6	17.4	17.5
	City banks, trust banks	10.8	10.8	10.8	10.8	10.8	10.6	10.4	10.7	11.0	10.9
	Shinkin banks, investment association, etc.	12.3	12.0	12.2	12.2	12.4	12.3	12.5	12.3	12.3	11.9

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]		FY2017	FY2017	FY2018	FY2018	FY2019	FY2019	FY2020	FY2020	FY2021	FY2021
(%)		1H		1H		1H		1H		1H	
Okayama	Chugoku Bank	42.9	43.0	43.1	43.0	42.6	42.8	42.8	42.9	43.2	43.4
	Other than Chugoku Bank	57.1	57.0	56.9	57.0	57.4	57.2	57.2	57.1	56.8	56.6
	Local banks other than Chugoku Bank	17.2	17.3	17.3	17.5	17.6	17.8	17.8	18.0	18.0	18.2
	Secondary local banks	17.4	17.3	17.4	17.3	17.2	16.9	16.9	17.1	17.2	17.0
	City banks, trust banks	8.1	8.2	8.0	8.1	8.4	8.8	8.4	8.0	7.7	7.9
	Shinkin banks, investment association, etc.	14.4	14.3	14.2	14.1	14.2	13.8	14.1	14.0	13.9	13.5
Bingo region (Eastern region of Hiroshima)	Chugoku Bank	22.8	22.7	22.5	22.8	22.6	22.1	22.5	22.2	21.8	21.6
	Other than Chugoku Bank	77.2	77.3	77.5	77.2	77.4	77.9	77.5	77.8	78.2	78.4
	Local banks other than Chugoku Bank	43.2	43.1	43.1	42.9	42.8	43.6	43.6	44.1	44.0	44.6
	Secondary local banks	15.1	15.3	15.0	15.1	14.8	14.7	14.3	14.5	14.6	14.4
	City banks, trust banks	8.2	8.3	8.7	8.6	9.1	9.3	8.9	8.7	9.0	8.8
	Shinkin banks, investment association, etc.	10.7	10.6	10.7	10.6	10.7	10.4	10.7	10.5	10.6	10.6
Shikoku region	Chugoku Bank	11.2	11.3	11.3	11.5	11.5	11.5	11.4	11.2	11.1	11.1
	Other than Chugoku Bank	88.8	88.7	88.7	88.5	88.5	88.5	88.6	88.8	88.9	88.9
	Local banks other than Chugoku Bank	49.6	49.9	49.4	49.6	48.9	49.2	49.0	49.3	49.4	49.6
	Secondary local banks	18.2	17.9	18.2	17.8	17.7	17.7	17.5	17.3	17.2	17.2
	City banks, trust banks	10.3	10.3	10.3	10.1	11.0	10.5	10.9	11.0	11.1	11.1
	Shinkin banks, investment association, etc.	10.7	10.5	10.9	10.8	10.9	11.1	11.2	11.2	11.2	11.0

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

## Balance by type

[Parent] (100 million yen)	FY2017 1H	FY2017	FY2018 1H	FY2018	FY2019 1H	FY2019	FY2020 1H	FY2020	FY2021 1H	FY2021
Year-end balance	27,439	26,208	25,074	23,949	24,587	23,451	23,913	26,225	25,653	25,098
JGBs	8,111	8,536	7,649	6,502	6,091	6,534	6,827	7,565	6,762	6,942
Local bonds	6,716	6,781	7,259	7,234	7,714	7,513	7,482	7,479	7,602	7,548
Corporate bonds	3,499	3,617	3,680	3,762	3,853	3,558	3,351	3,056	3,200	3,131
Foreign bonds (Foreign currency denominated portion)	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)	4,039 (3,879)
Other securities	1,848	1,859	1,793	1,747	2,102	1,735	1,749	2,250	2,366	2,110
Equities	1,869	1,822	1,757	1,521	1,377	1,212	1,330	1,455	1,510	1,325

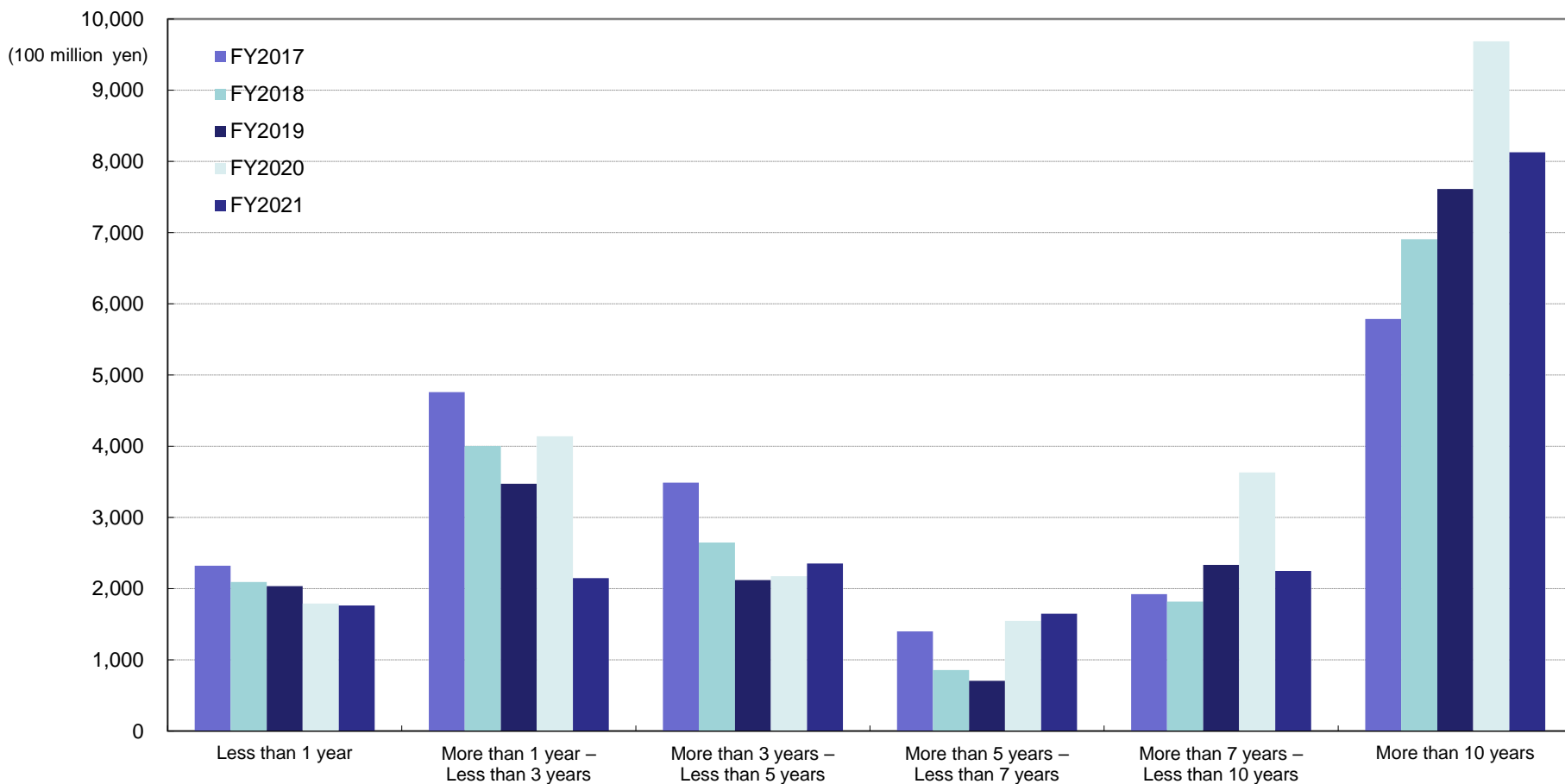
Average balance during year	25,747	25,311	23,939	23,456	22,963	23,049	23,427	23,524	24,388	24,356
JGBs	8,447	8,225	7,726	7,314	5,899	5,982	6,939	6,870	7,109	6,825
Local bonds	6,173	6,375	6,997	7,029	7,474	7,544	7,457	7,445	7,526	7,549
Corporate bonds	3,405	3,423	3,658	3,641	3,837	3,741	3,444	3,328	3,090	3,163
Foreign bonds (Foreign currency denominated portion)	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)	4,243 (4,053)
Other securities	1,379	1,434	1,484	1,455	1,566	1,605	1,525	1,540	1,741	1,730
Equities	1,042	1,071	1,014	977	936	916	847	847	853	845

## Valuation gain/loss

[Parent] (100 million yen)	FY2017 1H	FY2017	FY2018 1H	FY2018	FY2019 1H	FY2019	FY2020 1H	FY2020	FY2021 1H	FY2021
Securities held to maturity	5	4	3	4	4	3	2	2	2	1
Subsidiary/affiliate equities	-	-	-	-	-	-	-	-	-	-
Other securities	1,485	1,415	1,428	1,337	1,468	895	1,157	1,364	1,482	944
Equities	755	730	759	532	503	364	475	622	658	537
Bonds	365	360	250	423	463	304	271	200	214	38
Others	364	324	418	380	501	225	411	541	609	367
Total	1,490	1,420	1,432	1,341	1,473	898	1,160	1,366	1,484	945



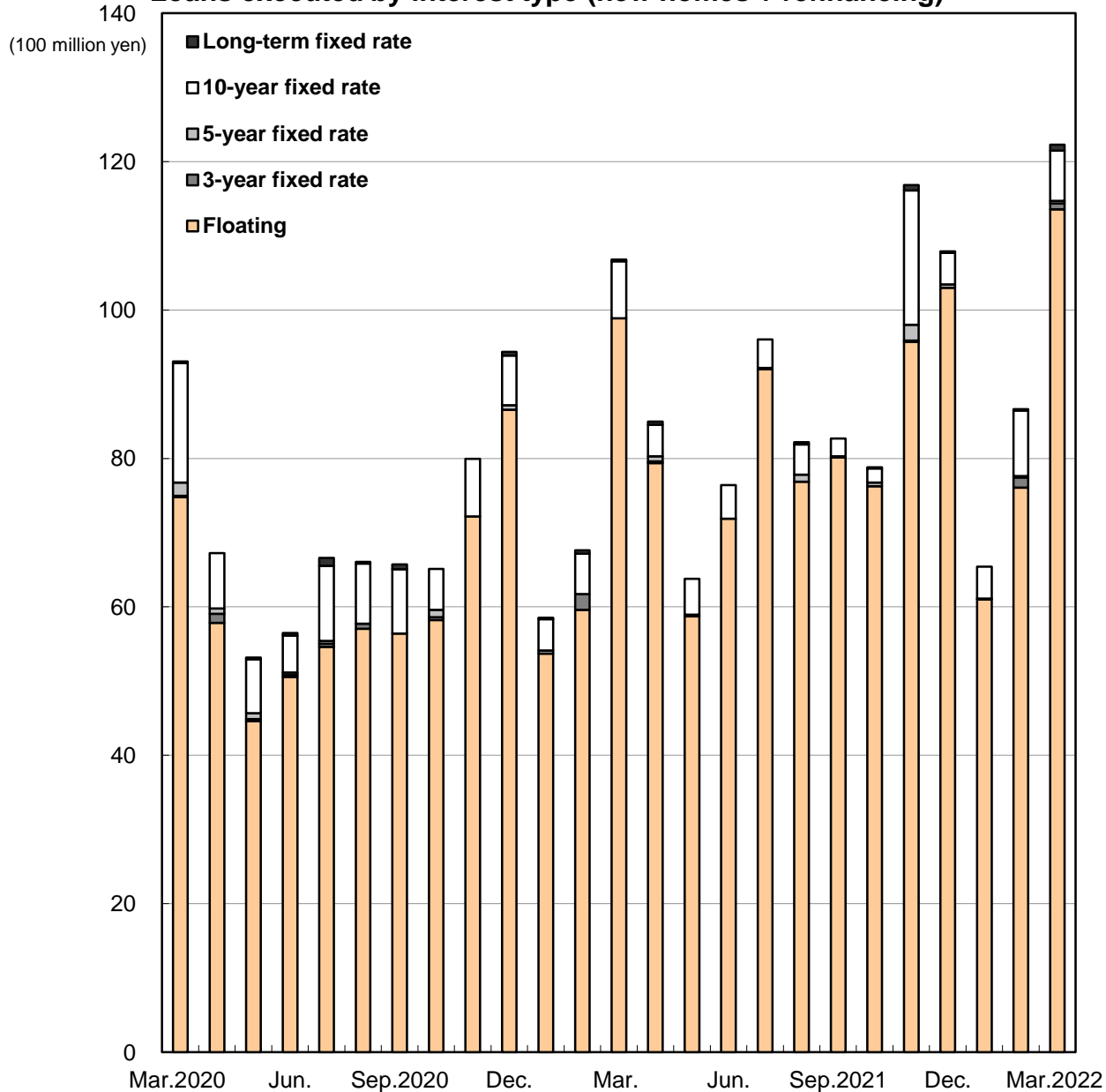
Outstanding balance based on the remaining number of years to maturity for securities



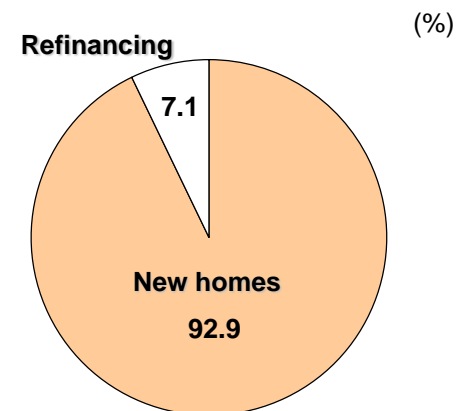
## Duration

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

### Loans executed by interest type (new homes + refinancing)

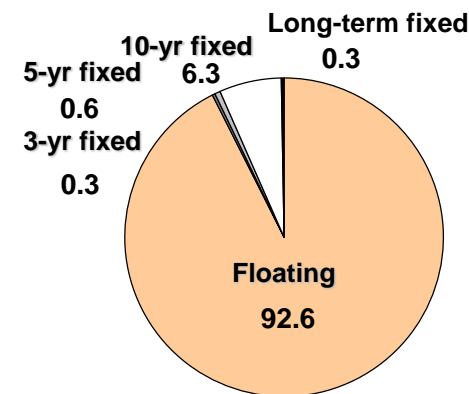


### Breakdown of use of loans executed (%)



Total for period from Apr. 2021 to Mar. 2022

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



Total for period from Apr. 2021 to Mar. 2022

# Non-Performing Loans

Loans based on the Financial Reconstruction Act

[Parent] (million yen)	FY2017 1H	FY2017	FY2018 1H	FY2018	FY2019 1H	FY2019	FY2020 1H	FY2020	FY2021 1H	FY2021
Bankrupt and quasi-bankrupt loans (after partial direct write-off)	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)	20,918 (7,760)
Doubtful loans	39,819	34,721	34,303	27,959	27,489	28,142	33,453	38,375	39,127	46,492
Substandard loans	15,007	16,329	17,313	20,065	20,461	22,964	28,820	31,176	30,255	28,310
Subtotal (A)	76,207	71,968	70,425	69,334	69,463	72,957	81,934	91,611	89,060	95,721
(after partial direct write-off) (B)	(63,040)	(58,824)	(58,778)	(56,208)	(56,199)	(59,578)	(69,486)	(78,873)	(76,800)	(82,563)
Healthy loans	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	5,312,244
Total (C)	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	5,407,965
(after partial direct write-off) (D)	(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)	(5,394,808)
Ratio of target loans (A/C)	1.63	1.50	1.45	1.40	1.41	1.44	1.58	1.73	1.68	1.77
(after partial direct write-off) (B/D)	(1.35)	(1.23)	(1.21)	(1.14)	(1.15)	(1.18)	(1.34)	(1.50)	(1.45)	(1.53)

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

# Debtor Classification Transition in 1H

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

		FY2021							Favorable turnaround	Deterioration	
		Healthy loans	Other doubtful loans	Substandard loans	Virtually bankrupt loans	Legally bankrupt loans	Bankrupt clients	Other (see note)			
FY2021 1H	Healthy loans	153,946	139,992	693	35	32	160	1	13,033		921
		48,693	47,215	244	32	16	5	0	1,178		298
	Other doubtful loans	6,872	251	5,971	44	70	98	2	436	251	214
		2,294	82	1,901	40	42	1	3	222	82	88
	Substandard loans	987	4	43	805	28	8	2	97	47	38
		408	18	22	311	39	7	4	4	41	51
	Virtually bankrupt loans	1,030	1	7	-	942	30	4	46	8	34
		389	0	4	-	360	8	3	12	4	11
	Legally bankrupt loans	806	-	4	-	2	592	6	202	6	6
		154	-	0	-	0	148	1	4	0	1
	Bankrupt clients	199	-	-	-	-	-	186	13	-	-
		42	-	-	-	-	-	36	5	-	-
	Total	163,840	140,248	6,718	884	1,074	888	201	13,827	312	1,213
		51,981	47,316	2,172	383	459	170	49	1,428	128	451

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)

			FY2021							Favorable turnaround	Deterioration
			Healthy loans	Other doubtful loans	Substandard loans	Virtually bankrupt loans	Legally bankrupt loans	Bankrupt clients	Other (see note)		
FY2021 1H	Healthy loans	100%	90.94%	0.45%	0.02%	0.02%	0.10%	0.00%	8.47%		0.60%
		100%	96.97%	0.50%	0.07%	0.03%	0.01%	0.00%	2.42%		0.61%
	Other doubtful loans	100%	3.65%	86.89%	0.64%	1.02%	1.43%	0.03%	6.34%	3.65%	3.11%
		100%	3.59%	82.87%	1.76%	1.87%	0.07%	0.15%	9.69%	3.59%	3.84%
	Substandard loans	100%	0.41%	4.36%	81.56%	2.84%	0.81%	0.20%	9.83%	4.76%	3.85%
		100%	4.50%	5.62%	76.18%	9.61%	1.77%	1.22%	1.10%	10.12%	12.60%
	Virtually bankrupt loans	100%	0.10%	0.68%	-	91.46%	2.91%	0.39%	4.47%	0.78%	3.30%
		100%	0.01%	1.11%	-	92.69%	2.17%	0.85%	3.17%	1.12%	3.01%
	Legally bankrupt loans	100%	-	0.50%	-	0.25%	73.45%	0.74%	25.06%	0.74%	0.74%
		100%	-	0.01%	-	0.03%	96.02%	1.22%	2.72%	0.03%	1.22%
	Bankrupt clients	100%	-	-	-	-	-	93.47%	6.53%	-	-
		100%	-	-	-	-	-	86.23%	13.77%	-	-
	Total	100%	85.60%	4.10%	0.54%	0.66%	0.54%	0.12%	8.44%	0.19%	0.74%
		100%	91.03%	4.18%	0.74%	0.88%	0.33%	0.10%	2.75%	0.25%	0.87%

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))

		FY2021							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	132,313	1,240	68	49	219	-	19,204		1,576
		48,223	45,486	429	47	21	7	-	2,231		506
	Other doubtful loans	6,881	550	5,244	68	114	102	7	796	550	291
		2,568	405	1,776	58	84	2	6	235	405	151
	Substandard loans	1,107	12	90	744	46	12	3	200	102	61
		415	29	29	276	43	8	5	22	59	57
	Virtually bankrupt loans	999	1	9	3	862	39	5	80	13	44
		382	0	4	1	316	22	4	32	6	26
	Legally bankrupt loans	797	-	4	-	2	498	7	286	6	7
		176	-	0	-	0	131	10	33	0	10
	Bankrupt clients	210	-	-	-	-	-	178	32	-	-
		44	-	-	-	-	-	26	18	-	-
	Total	163,087	132,876	6,587	883	1,073	870	200	20,598	671	1,979
		51,811	45,921	2,240	384	465	173	52	2,573	470	752

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 1year(comparison)

(Upper level: Forecast Lower level: Value)

			FY2021							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%	86.43%	0.81%	0.04%	0.03%	0.14%	-	12.54%		1.03%
		100%	94.32%	0.89%	0.10%	0.04%	0.01%	-	4.63%		1.05%
	Other doubtful loans	100%	7.99%	76.21%	0.99%	1.66%	1.48%	0.10%	11.57%	7.99%	4.23%
		100%	15.77%	69.15%	2.26%	3.29%	0.11%	0.25%	9.18%	15.77%	5.91%
	Substandard loans	100%	1.08%	8.13%	67.21%	4.16%	1.08%	0.27%	18.07%	9.21%	5.51%
		100%	7.03%	7.15%	66.56%	10.36%	2.09%	1.31%	5.50%	14.18%	13.76%
	Virtually bankrupt loans	100%	0.10%	0.90%	0.30%	86.29%	3.90%	0.50%	8.01%	1.30%	4.40%
		100%	0.02%	1.15%	0.45%	82.93%	5.92%	1.08%	8.44%	1.62%	7.00%
	Legally bankrupt loans	100%	-	0.50%	-	0.25%	62.48%	0.88%	35.88%	0.75%	0.88%
		100%	-	0.01%	-	0.02%	74.94%	6.04%	18.98%	0.03%	6.04%
	Bankrupt clients	100%	-	-	-	-	-	84.76%	15.24%	-	-
		100%	-	-	-	-	-	58.57%	41.43%	-	-
	Total	100%	81.48%	4.04%	0.54%	0.66%	0.53%	0.12%	12.63%	0.41%	1.21%
		100%	88.63%	4.32%	0.74%	0.90%	0.33%	0.10%	4.97%	0.91%	1.45%

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

[Basel III standards]

[Parent] (% , 100 million yen)

	1H FY2018	FY2018	1H FY2019	FY2019	1H FY2020	FY2020	1H FY2021	FY2021
Overall capital adequacy ratio	12.96	12.56	13.25	12.70	12.63	13.01	13.41	13.23
Tier I ratio	12.96	12.56	13.25	12.70	12.63	12.77	13.17	12.98
Tier I ratio (including common shares)	12.96	12.56	13.25	12.70	12.63	12.77	13.17	12.98

Overall capital adequacy	5,159	5,104	5,226	4,849	5,080	5,377	5,544	5,287
Tier 1 capital	5,159	5,104	5,226	4,849	5,080	5,277	5,444	5,187
Common equity Tier 1 capital	5,159	5,104	5,226	4,849	5,080	5,277	5,444	5,187

Risk weighted assets	39,781	40,609	39,441	38,187	40,200	41,323	41,319	39,949
Credit risk	38,247	39,104	37,957	36,727	38,745	39,879	39,869	38,482
Operational risk	1,533	1,504	1,484	1,460	1,455	1,444	1,449	1,467

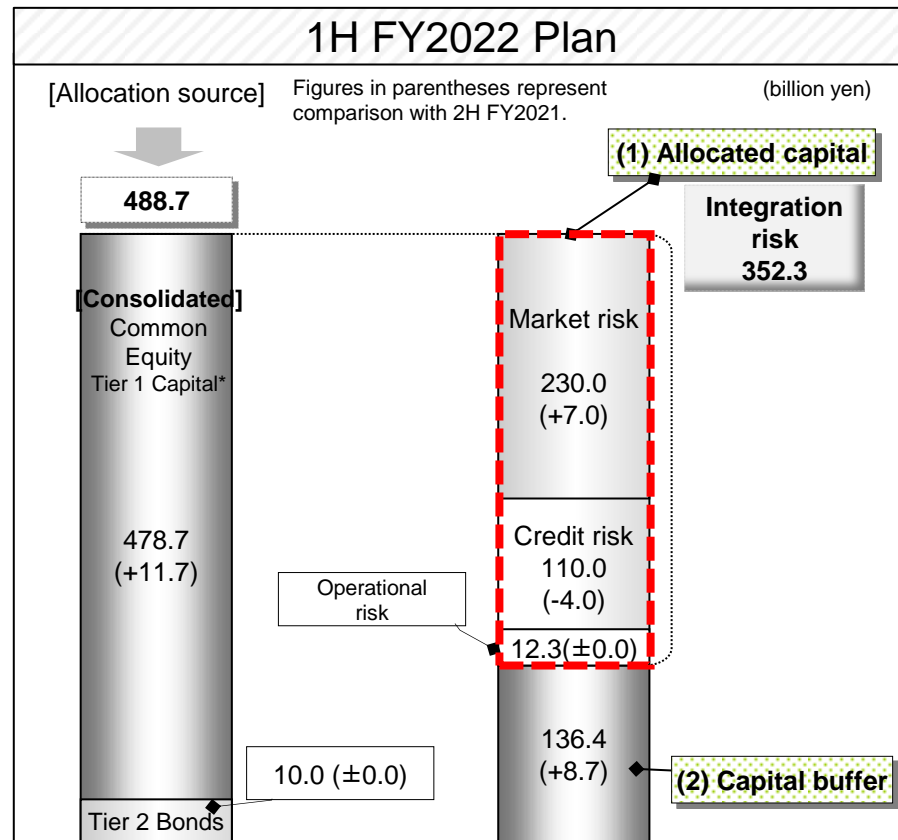
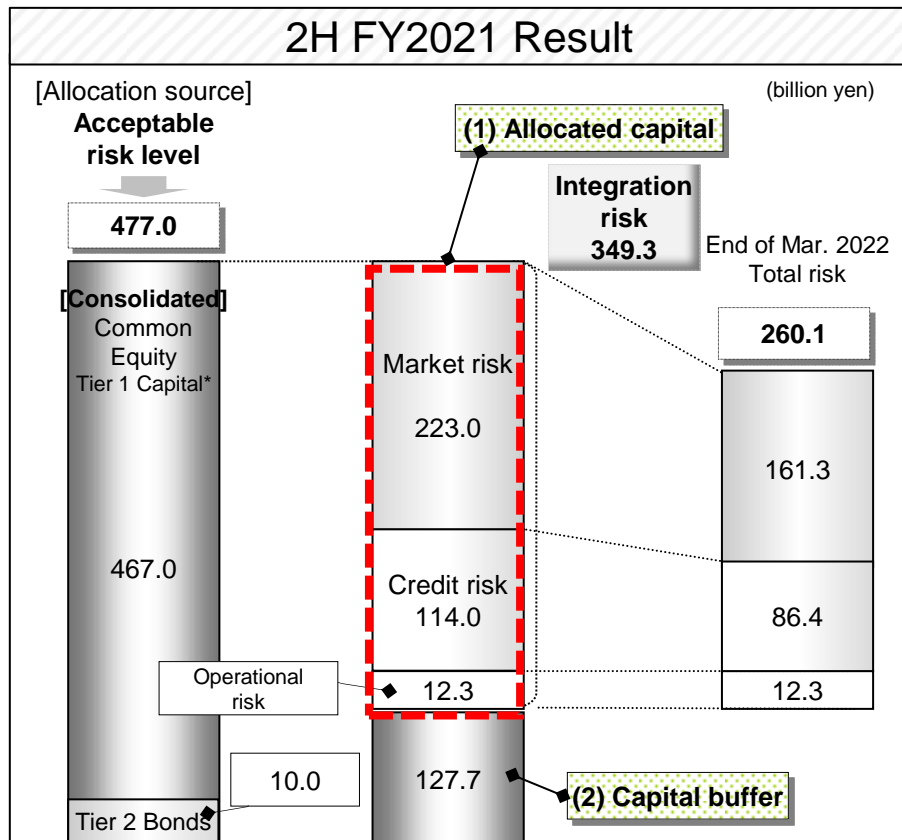
[Consolidated] (% , 100 million yen)

	1H FY2018	FY2018	1H FY2019	FY2019	1H FY2020	FY2020	1H FY2021	FY2021
Overall capital adequacy ratio	13.33	12.88	13.62	13.04	13.02	13.50	13.90	13.83
Tier I ratio	13.32	12.88	13.61	13.04	13.02	13.25	13.65	13.57
Tier I ratio (including common shares)	13.32	12.88	13.61	13.04	13.02	13.25	13.65	13.57

Overall capital adequacy	5,336	5,267	5,397	5,021	5,265	5,611	5,788	5,572
Tier 1 capital	5,334	5,265	5,395	5,019	5,262	5,509	5,684	5,467
Common equity Tier 1 capital	5,334	5,265	5,395	5,019	5,262	5,509	5,684	5,467

Risk weighted assets	40,026	40,867	39,625	38,485	40,418	41,556	41,640	40,286
Credit risk	38,413	39,280	38,057	36,937	38,875	40,025	40,101	38,728
Operational risk	1,612	1,586	1,568	1,547	1,542	1,530	1,538	1,558





\*The valuation difference on available-for-sale securities, etc. is deducted.

(Reference) IRRBB (Interest Rate Risk in the Banking Book)  
(consolidated) (as of end of Mar. 2022)

Maximum value of $\Delta EVE$	40.3 billion yen
Materiality test (maximum value of $\Delta EVE$ / Tier 1 capital)	7.4%
The interest rate risk (maximum value of $\Delta EVE$ ) of the Chugoku Bank was within 15% of Tier 1 capital and meets the requirements of the materiality test of the relevant regulations.	

[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"> <li>✓ To prepare for loss of capital due to stress beyond expectation</li> <li>✓ To prepare for immeasurable risks</li> <li>✓ To prepare for risks that measurement models cannot estimate</li> <li>✓ To prepare for new risk-taking, etc.</li> </ul>

# 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 FY2021 and capital allocation in 1H FY2022.

(billion yen)

	2H FY2021		1H FY2022			Calculation method, etc. (Supplement on measurements)
	Value	Risk exposure (as of end of Mar. 2022)	Value	(YoY)	Major factor of change	
Allocation source	477.0		488.7	(+11.7)		• Tier 2 bonds were added to FY2021 consolidated common equity Tier 1 capital. (However, the valuation difference on available-for-sale securities, etc. was deducted.)
Allocated capital (integration risk)	349.3	260.1	352.3	(+3.0)		
Market risk total	223.0	161.3	230.0	(+7.0)		
Banking	221.0	64.8 107.0 -10.5	228.0	(+7.0)	• Increased due to policy to increase balance of bonds	• VaR (factored in 125-day retention period, 99.9% confidence level, and core deposits) • Employed VaR taking into account correlation between interest rate risk and equities (net 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	114.0	86.4	110.0	(-4.0)		
Commercial credit	92.0	70.5	90.0	(-2.0)	• Decreased due to improvement of credit ratings of large-lot borrowers, etc.	• Monte Carlo simulation UL (1-year; retention period(*)); 99.9% confidence level) • Requisite equity capital is utilized partially (such as securitized products). • Commercial credit, including securities and assets possessed by consolidated subsidiaries (* Six months for market-related credit (bonds))
Consumer credit	22.0	15.9	20.0	(-2.0)	• Decreased due to updated risk parameters	• Requisite equity capital • Housing loans, etc.
Operational risk	12.3	12.3	12.3	(0)	—	• Posted risk exposure measured based on the gross profit allocation method (to be fixed by the end of 1H of FY2022)
(Unused allocated capital)		89.2				
Capital buffer	127.7		136.4	(+8.7)		• 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		FY2019 1H	FY2019	FY2020 1H	FY2020	FY2021 1H	FY2021
Chugin Lease Co., Ltd	Leasing	100.00	Ordinary revenue	5,879	12,038	6,370	12,453	6,534	13,339
			Recurring profit	455	764	446	537	24	248
			Net income	324	523	324	382	47	195
Chugin Credit Guarantee Co., Ltd.	Credit assurance	100.00	Ordinary revenue	919	1,744	919	1,770	955	1,857
			Recurring profit	716	1,275	623	1,288	820	1,575
			Net income	500	871	444	879	569	1,064
Chugin Card Co., Ltd.	Credit card	100.00	Ordinary revenue	825	1,626	835	1,532	760	1,486
			Recurring profit	250	417	273	445	214	381
			Net income	189	297	201	313	163	272
Chugin Asset Management Co., Ltd.	Securities investment advisor	100.00	Ordinary revenue	288	579	309	607	323	628
			Recurring profit	61	112	89	182	118	207
			Net income	48	83	69	134	89	150
Chugin Securities Co., Ltd.	Financial instrument transactions	100.00	Ordinary revenue	1,048	2,753	1,226	3,111	1,785	3,424
			Recurring profit	-240	-109	-55	236	320	541
			Net income	-261	-146	-59	224	236	388
CBS Co., Ltd.	Banking operation outsourcing	100.00	Ordinary revenue	487	972	474	945	478	952
			Recurring profit	55	107	57	101	52	123
			Net income	35	67	39	66	37	82
Chugin Operation Center Co., Ltd.	Banking operation outsourcing	100.00	Ordinary revenue	364	711	307	609	272	512
			Recurring profit	23	36	20	27	13	28
			Net income	17	23	14	17	10	19

2021	October 1:	Introduction of “enpay for Chugoku Bank” to Murazukuri Shinjo Village, a general incorporated association
	October 25:	Launch of charging function services in collaboration with pring Inc.
	October 28:	Launch of Chugin Reverse Mortgage Loans
	October 28:	Application for “Prime Market” in the new market segment
	November 2:	Opening of “Chugin Insurance Call Center”
	November 4:	Introduction of “TABLE FOR TWO,” the donation program at the Head Office restaurant
	November 8:	Execution of the “Memorandum Concerning Business Alliance and Cooperation” with Japan International Cooperation Agency (JICA)
	November 24:	Use of ballpoint pens made from oyster shells that must have become marine waste
	December 13:	Promotion for encouraging immigration and settlement, and the opening of a special website
	December 20:	Joint operation of Bangkok Representative Office with The Shiga Bank, Ltd. using TSUBASA Alliance
	December 22:	Decision of Investment in Bridge Consulting Group Inc. by Chugin Infinity Fund
	2022	January 4:
January 6:		Notice of the revision of commissions and of new commissions
January 11:		Holding of the joint “Webinar on the medical fee revision” with the member banks of TSUBASA Alliance
January 21:		Holding of “The 2nd Okayama Co-creation Agricultural Seminar”
January 28:		Establishment of the Secretariat to “Okayama Consortium for Regional Decarbonization Creation (tentative name)”
February 4:		Execution of “Agreement of the Regional Revitalization Partnership”
February 7:		Change of material of passbook cases
February 10:		Execution of “Agreement of the Regional Revitalization Partnership” with Meiji Yasuda Life Insurance Company
February 24:		Introduction of “Members’ Portal” for corporations and sole proprietors
February 25:		Business alliance with a support business operator of “Corporate version of Donation to Municipalities” for regional revitalization
February 25:		Notice of the establishment of a subsidiary
March 1:		Business alliance with Cyst Corporation, and the start of the provision of “Global Business Premium Club for CHUGOKU BANK”
March 7:		Establishment of “Okayama Consortium for Regional Decarbonization Creation”
March 16:		Revision to the maximum cash withdrawal from ATM by customers aged 75 and over
March 22:		Resumption of new account registration and charging function with “d payment”
March 25:		Launch of business of OnAd Co., Ltd.
March 30:		Responses to sexual minorities (LGBT)
March 31:	Launch of “Chugin Business Succession Plan Support” service	



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**