

Quarterly Financial Highlights
For the Three Months Ended June 30, 2017



SAN-IN GODO BANK

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(Note)

Information presented herein has been extracted from the original material, solely for the convenience of the readers outside Japan.

The amounts, ratios or any other information presented herein have not been audited.

The San-in Godo Bank, Ltd. and Consolidated Subsidiaries

Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2017	As of June 30, 2017
Assets:		
Cash and due from banks	553,638	636,509
Call loans and bills purchased	36,142	1,809
Debt purchased	9,744	9,515
Trading securities	224	272
Money held in trust	3,996	4,004
Securities	1,920,658	1,849,418
Loans and bills discounted	2,798,238	2,800,796
Foreign exchange	4,317	4,761
Lease receivables and investment assets	25,427	25,460
Other assets	41,852	56,902
Tangible fixed assets	36,746	36,633
Intangible fixed assets	1,901	1,797
Deferred tax assets	290	242
Customers' liabilities for acceptances and guarantees	16,529	15,880
Reserve for possible loan losses	(38,109)	(37,677)
Reserve for devaluation of securities	(127)	(198)
Total assets	5,411,472	5,406,129
Liabilities:		
Deposits	3,937,562	3,838,410
Negotiable certificates of deposit	7,200	39,760
Call money and bills sold	29,730	266,320
Payables under repurchase agreements	34,330	41,622
Cash collateral received under securities lending	410,793	320,990
Borrowed money	510,342	452,668
Foreign exchange	17	12
Other liabilities	89,060	48,959
Reserve for employees' bonuses	1,066	-
Net defined benefit liabilities	12,522	12,176
Reserve for stocks payment	99	133
Reserve for directors' and corporate auditors' retirement benefits	89	85
Reserve for reimbursement of deposits	371	359
Reserve for contingencies	840	822
Reserve under special laws	0	0
Deferred tax liabilities	5,704	7,129
Deferred tax liabilities for land revaluation excess	2,363	2,363
Acceptances and guarantees	16,529	15,880
Total liabilities	5,058,625	5,047,694
Net assets:		
Common stock	20,705	20,705
Capital surplus	21,381	21,381
Retained earnings	256,590	259,700
Treasury stock	(851)	(714)
Total shareholders' equity	297,825	301,072
Net unrealized gain on other securities	55,449	57,774
Net deferred gain/(loss) on hedging instruments	36	1
Land revaluation excess	2,970	2,970
Valuation adjustment of defined benefit plans	(5,194)	(5,026)
Total accumulated other comprehensive income	53,263	55,720
Subscription rights to share	470	349
Non-controlling interests	1,287	1,292
Total net assets	352,846	358,435
Total liabilities and net assets	5,411,472	5,406,129

The San-in Godo Bank, Ltd. and Consolidated Subsidiaries

Consolidated Statements of Income

(Millions of yen)

	For the three months ended June 30, 2016	For the three months ended June 30, 2017
Ordinary income:	22,800	25,530
Interest income	15,944	15,702
<i>Interest on loans and bills discounted</i>	8,165	8,054
<i>Interest and dividends on securities</i>	6,907	6,730
Fees and commissions	2,636	2,675
Other operating income	3,669	4,760
Other income	550	2,393
Ordinary expenses:	18,138	18,723
Interest expenses	2,042	2,396
<i>Interest on deposits</i>	1,251	1,225
Fees and commissions	938	973
Other operating expenses	3,293	4,352
General and administrative expenses	10,843	10,825
Other expenses	1,020	176
Ordinary profit	4,661	6,807
Extraordinary gains	0	-
Extraordinary losses	16	39
Income before income taxes	4,646	6,768
Income taxes	1,365	1,998
: current	1,310	1,582
: deferred	55	415
Net income :	3,280	4,769
Attributable to non-controlling interests	50	0
Attributable to owners of the Bank	3,230	4,769

Consolidated Statements of Comprehensive Income

(Millions of yen)

	For the three months ended June 30, 2016	For the three months ended June 30, 2017
Net income	3,280	4,769
Other comprehensive income :	5,471	2,462
Net unrealized gain on other securities	5,111	2,330
Net deferred gain/(loss) on hedging instruments	58	(35)
Valuation adjustment of defined benefit plans	301	167
Comprehensive income :	8,752	7,232
Attributable to owners of the Bank	8,713	7,226
Attributable to non-controlling interests	39	5

Financial Data (consolidated)

Highlights (Millions of yen)

	For the three months ended June 30, 2016 (B)	For the three months ended June 30, 2017 (A)	(A)-(B)
Ordinary profit	4,661	6,807	2,146
Net income attributable to owners of the Bank	3,230	4,769	1,539
Earnings per share - basic (Yen)	¥20.36	¥30.59	¥10.23
Earnings per share - diluted (Yen)	¥20.27	¥30.47	¥10.20

(%)

	As of March 31, 2017 (B)	As of June 30, 2017 (A)	(A)-(B)
Net assets (except for subscription rights to share and non-controlling interests) ratio	6.4	6.5	0.1

Projections for the year ending March 31, 2018 (Millions of yen)

	For the three months ended June 30, 2017	For the six months ending September 30, 2017	For the year ending March 31, 2018
Ordinary income	25,530	45,400	91,100
Ordinary profit	6,807	9,200	19,400
Net income attributable to owners of the Bank	4,769	6,200	13,300
Earnings per share - basic (Yen)	¥30.59	¥39.77	¥85.33

Securities (consolidated)

Holding gains and losses of other securities (consolidated) (100 Millions of yen)

	As of June 30, 2016			
	Fair value	Net gain / (loss)		
			gains	losses
Other securities	18,223	1,160	1,226	65
Stocks	500	147	181	33
Bonds	13,328	804	804	0
Others	4,393	208	239	31

	As of June 30, 2017			
	Fair value	Net gain / (loss)		
			gains	losses
Other securities	17,901	831	876	45
Stocks	576	252	270	17
Bonds	11,860	470	474	4
Others	5,464	108	131	23

	As of March 31, 2017			
	Fair value	Net gain / (loss)		
			gains	losses
Other securities	18,622	797	869	71
Stocks	545	215	235	19
Bonds	12,782	513	517	3
Others	5,295	68	117	48

Soundness of Assets (non-consolidated)

Disclosed Assets Based on the Financial Reconstruction Act (non-consolidated)

(Millions of yen)

	As of June 30, 2016 (B)	As of June 30, 2017 (A)	(A)-(B)
Bankrupt and quasi-bankrupt assets	16,716	15,672	(1,044)
Doubtful assets	33,606	29,754	(3,852)
Substandard loans	17,065	12,316	(4,749)
Subtotal (C)	67,388	57,743	(9,645)
Normal assets	2,600,301	2,833,617	233,316
Total (D)	2,667,689	2,891,361	223,672

(C)/(D) (%)	2.52	1.99	(0.53)
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Risk managed loans (non-consolidated)

(Millions of yen)

	As of June 30, 2016 (B)	As of June 30, 2017 (A)	(A)-(B)
Risk managed loans (E)	66,556	57,065	(9,491)
Loans to borrowers under bankruptcy proceedings	1,760	2,640	880
Non-accrual past due loans	47,729	42,108	(5,621)
Loans past due for three months or more	372	-	(372)
Loans with altered lending conditions	16,693	12,316	(4,377)

Loans and bills discounted (F)	2,612,294	2,825,842	213,548
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Ratio of risk managed loans (E)/(F) (%)	2.54	2.01	(0.53)
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