

Quarterly Financial Highlights
For the Nine Months Ended December 31, 2018



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, 2018	As of December 31, 2018
Assets:		
Cash and due from banks	565,961	920,490
Call loans and bills purchased	3,718	1,221
Debt purchased	10,229	11,621
Trading securities	117	94
Money held in trust	4,000	4,015
Securities	1,847,414	1,634,398
Loans and bills discounted	2,983,603	3,029,127
Foreign exchange	4,556	4,263
Lease receivables and investment assets	27,177	28,183
Other assets	82,772	72,006
Tangible fixed assets	36,496	36,178
Intangible fixed assets	2,427	3,008
Net defined benefit assets	-	486
Deferred tax assets	269	223
Customers' liabilities for acceptances and guarantees	14,720	16,402
Reserve for possible loan losses	(34,834)	(37,226)
Reserve for devaluation of securities	(26)	(49)
Total assets	5,548,604	5,724,446
Liabilities:		
Deposits	3,989,404	3,883,657
Negotiable certificates of deposit	72,190	64,500
Call money and bills sold	35,292	424,083
Payables under repurchase agreements	20,882	-
Cash collateral received under securities lending	517,951	471,382
Borrowed money	451,050	448,048
Foreign exchange	24	74
Other liabilities	63,251	44,343
Reserve for employees' bonuses	1,037	-
Net defined benefit liabilities	11,383	10,514
Reserve for stocks payment	211	280
Reserve for directors' and corporate auditors' retirement benefits	116	90
Reserve for reimbursement of deposits	388	336
Reserve for contingencies	865	974
Reserve under special laws	0	0
Deferred tax liabilities	5,088	565
Deferred tax liabilities for land revaluation excess	2,328	2,293
Acceptances and guarantees	14,720	16,402
Total liabilities	5,186,189	5,367,547
Net assets:		
Common stock	20,705	20,705
Capital surplus	21,381	21,381
Retained earnings	267,604	272,862
Treasury stock	(697)	(607)
Total shareholders' equity	308,993	314,342
Net unrealized gain on other securities	53,227	41,849
Net deferred gain/(loss) on hedging instruments	25	(15)
Land revaluation excess	2,892	2,822
Valuation adjustment of defined benefit plans	(4,470)	(3,773)
Total accumulated other comprehensive income	51,674	40,883
Subscription rights to share	349	292
Non-controlling interests	1,396	1,379
Total net assets	362,415	356,898
Total liabilities and net assets	5,548,604	5,724,446

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

Consolidated Statements of Income

(Millions of yen)

	For the nine months ended December 31, 2017	For the nine months ended December 31, 2018
Ordinary income:	71,027	73,662
Interest income	46,605	46,952
<i>Interest on loans and bills discounted</i>	24,352	24,570
<i>Interest and dividends on securities</i>	19,595	17,575
Fees and commissions	8,297	8,564
Other operating income	13,368	13,109
Other income	2,755	5,036
Ordinary expenses:	54,507	60,213
Interest expenses	7,324	7,505
<i>Interest on deposits</i>	3,447	4,312
Fees and commissions	2,957	3,095
Other operating expenses	12,332	15,392
General and administrative expenses	30,819	30,688
Other expenses	1,073	3,530
Ordinary profit	16,519	13,448
Extraordinary gains	8	89
Extraordinary losses	124	200
Income before income taxes	16,403	13,336
Income taxes :	4,910	4,009
current	4,449	4,355
deferred	460	(345)
Net income :	11,493	9,326
attributable to non-controlling interests	0	58
attributable to owners of the Bank	11,493	9,268

Consolidated Statements of Comprehensive Income

(Millions of yen)

	For the nine months ended December 31, 2017	For the nine months ended December 31, 2018
Net income	11,493	9,326
Other comprehensive income :	7,609	(10,793)
Net unrealized gain on other securities	6,777	(11,450)
Net deferred gain/(loss) on hedging instruments	54	(40)
Valuation adjustment of defined benefit plans	777	697
Comprehensive income :	19,103	(1,467)
attributable to owners of the Bank	19,053	(1,452)
attributable to non-controlling interests	49	(14)

Financial Data (consolidated)

Highlights (Millions of yen)

	For the nine months ended December 31, 2017 (B)	For the nine months ended December 31, 2018 (A)	(A)-(B)
Ordinary profit	16,519	13,448	(3,071)
Net income attributable to owners of the Bank	11,493	9,268	(2,225)
Earnings per share - basic (Yen)	¥73.67	¥59.36	(¥14.31)
Earnings per share - diluted (Yen)	¥73.43	¥59.20	(¥14.23)

(%)

	As of March 31, 2018 (B)	As of December 31, 2018 (A)	(A)-(B)
Net assets (except for subscription rights to share and non-controlling interests) ratio	6.5	6.2	(0.3)

Projections for the year ending March 31, 2019 (Millions of yen)

	For the nine months ended December 31, 2018	For the year ending March 31, 2019
Ordinary income	73,662	95,000
Ordinary profit	13,448	19,300
Net income attributable to owners of the Bank	9,268	13,200
Earnings per share - basic (Yen)	¥59.36	¥84.55

Securities (consolidated)

Holding gains and losses of other securities (consolidated)

(100 Millions of yen)

		As of December 31, 2017			
		Fair value	Net gain / (loss)		
				gains	losses
Other securities		18,163	895	941	45
	Stocks	663	336	355	18
	Bonds	11,552	438	442	3
	Others	5,947	119	143	23

		As of December 31, 2018			
		Fair value	Net gain / (loss)		
				gains	losses
Other securities		15,484	602	703	100
	Stocks	526	209	228	18
	Bonds	9,131	376	377	0
	Others	5,826	16	97	81

		As of September 30, 2018			
		Fair value	Net gain / (loss)		
				gains	losses
Other securities		16,151	706	781	75
	Stocks	639	322	328	6
	Bonds	9,325	340	347	7
	Others	6,186	43	105	61

Soundness of Assets (non-consolidated)

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

(Millions of yen)

	As of December 31, 2017 (B)	As of December 31, 2018 (A)	(A)-(B)
Bankrupt and quasi-bankrupt assets	14,432	14,944	512
Doubtful assets	30,339	27,602	(2,737)
Substandard loans	11,503	14,922	3,419
Subtotal (C)	56,275	57,469	1,194
Normal assets	2,950,650	3,085,656	135,006
Total (D)	3,006,926	3,143,126	136,200

(C)/(D) (%)	1.87	1.82	(0.05)
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Risk managed loans (non-consolidated)

(Millions of yen)

	As of December 31, 2017 (B)	As of December 31, 2018 (A)	(A)-(B)
Risk managed loans (E)	55,477	57,021	1,544
Loans to borrowers under bankruptcy proceedings	3,146	2,338	(808)
Non-accrual past due loans	40,827	39,759	(1,068)
Loans past due for three months or more	-	418	418
Loans with altered lending conditions	11,503	14,504	3,001

Loans and bills discounted (F)	2,935,958	3,056,642	120,684
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Ratio of risk managed loans (E)/(F) (%)	1.88	1.86	(0.02)
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