

Quarterly Financial Highlights
For the Three Months Ended June 30, 2018



SAN-IN GODO BANK

Table of Contents

Consolidated Balance Sheets.....	1
Consolidated Statements of Income.....	2
Consolidated Statements of Comprehensive Income.....	2
Financial Data (consolidated).....	3
Securities (consolidated).....	4
Soundness of Assets (non-consolidated).....	5

(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 June 30, 2018
Assets:		
Cash and due from banks	565,961	627,107
Call loans and bills purchased	3,718	-
Debt purchased	10,229	9,975
Trading securities	117	115
Money held in trust	4,000	4,003
Securities	1,847,414	1,742,077
Loans and bills discounted	2,983,603	2,983,638
Foreign exchange	4,556	6,147
Lease receivables and investment assets	27,177	27,427
Other assets	82,772	73,673
Tangible fixed assets	36,496	36,521
Intangible fixed assets	2,427	2,461
Deferred tax assets	269	253
Customers' liabilities for acceptances and guarantees	14,720	14,427
Reserve for possible loan losses	(34,834)	(35,571)
Reserve for devaluation of securities	(26)	(29)
Total assets	5,548,604	5,492,230
Liabilities:		
Deposits	3,989,404	3,899,917
Negotiable certificates of deposit	72,190	80,490
Call money and bills sold	35,292	199,427
Payables under repurchase agreements	20,882	5,402
Cash collateral received under securities lending	517,951	430,812
Borrowed money	451,050	452,067
Foreign exchange	24	19
Other liabilities	63,251	24,917
Reserve for employees' bonuses	1,037	-
Net defined benefit liabilities	11,383	10,898
Reserve for stocks payment	211	246
Reserve for directors' and corporate auditors' retirement benefits	116	63
Reserve for reimbursement of deposits	388	363
Reserve for contingencies	865	902
Reserve under special laws	0	0
Deferred tax liabilities	5,088	5,887
Deferred tax liabilities for land revaluation excess	2,328	2,314
Acceptances and guarantees	14,720	14,427
Total liabilities	5,186,189	5,128,160
Net assets:		
Common stock	20,705	20,705
Capital surplus	21,381	21,386
Retained earnings	267,604	267,850
Treasury stock	(697)	(687)
Total shareholders' equity	308,993	309,255
Net unrealized gain on other securities	53,227	54,435
Net deferred gain/(loss) on hedging instruments	25	(14)
Land revaluation excess	2,892	2,867
Valuation adjustment of defined benefit plans	(4,470)	(4,237)
Total accumulated other comprehensive income	51,674	53,050
Subscription rights to share	349	334
Non-controlling interests	1,396	1,429
Total net assets	362,415	364,070
Total liabilities and net assets	5,548,604	5,492,230

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

Consolidated Statements of Income

(Millions of yen)

	For the three months ended June 30, 2017	For the three months ended June 30, 2018
Ordinary income:	25,530	27,413
Interest income	15,702	15,972
<i>Interest on loans and bills discounted</i>	8,054	8,124
<i>Interest and dividends on securities</i>	6,730	6,063
Fees and commissions	2,675	2,686
Other operating income	4,760	4,214
Other income	2,393	4,540
Ordinary expenses:	18,723	22,896
Interest expenses	2,396	2,862
<i>Interest on deposits</i>	1,225	1,711
Fees and commissions	973	1,035
Other operating expenses	4,352	7,407
General and administrative expenses	10,825	10,653
Other expenses	176	938
Ordinary profit	6,807	4,516
Extraordinary gains	-	4
Extraordinary losses	39	67
Income before income taxes	6,768	4,453
Income taxes	1,998	1,223
: current	1,582	1,010
: deferred	415	213
Net income :	4,769	3,229
Attributable to non-controlling interests	0	32
Attributable to owners of the Bank	4,769	3,197

Consolidated Statements of Comprehensive Income

(Millions of yen)

	For the three months ended June 30, 2017	For the three months ended June 30, 2018
Net income	4,769	3,229
Other comprehensive income :	2,462	1,403
Net unrealized gain on other securities	2,330	1,211
Net deferred gain/(loss) on hedging instruments	(35)	(40)
Valuation adjustment of defined benefit plans	167	232
Comprehensive income :	7,232	4,633
Attributable to owners of the Bank	7,226	4,598
Attributable to non-controlling interests	5	34

Financial Data (consolidated)

Highlights (Millions of yen)

	For the three months ended June 30, 2017 (B)	For the three months ended June 30, 2018 (A)	(A)-(B)
Ordinary profit	6,807	4,516	(2,291)
Net income attributable to owners of the Bank	4,769	3,197	(1,572)
Earnings per share - basic (Yen)	¥30.59	¥20.48	(¥10.11)
Earnings per share - diluted (Yen)	¥30.47	¥20.42	(¥10.05)

(%)

	As of March 31, 2018 (B)	As of June 30, 2018 (A)	(A)-(B)
Net assets (except for subscription rights to share and non-controlling interests) ratio	6.5	6.5	0.0

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

	For the three months ended June 30, 2018	For the six months ending September 30, 2018	For the year ending March 31, 2019
Ordinary income	27,413	46,600	90,000
Ordinary profit	4,516	9,300	18,900
Net income attributable to owners of the Bank	3,197	6,500	13,100
Earnings per share - basic (Yen)	¥20.48	¥41.65	¥83.94

Securities (consolidated)

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

	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 June 30, 2018			
	Fair value	Net gain / (loss)		
			gains	losses
Other securities	16,676	779	839	60
Stocks	619	309	318	8
Bonds	10,642	400	404	3
Others	5,413	68	117	48

	As of March 31, 2018			
	Fair value	Net gain / (loss)		
			gains	losses
Other securities	17,756	761	849	87
Stocks	622	294	311	16
Bonds	11,558	421	425	3
Others	5,575	45	112	66

Soundness of Assets (non-consolidated)

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

(Millions of yen)

	As of June 30, 2017 (B)	As of June 30, 2018 (A)	(A)-(B)
Bankrupt and quasi-bankrupt assets	15,672	13,044	(2,628)
Doubtful assets	29,754	29,570	(184)
Substandard loans	12,316	12,199	(117)
Subtotal (C)	57,743	54,814	(2,929)
Normal assets	2,833,617	3,033,525	199,908
Total (D)	2,891,361	3,088,339	196,978

(C)/(D) (%)	1.99	1.77	(0.22)
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Risk managed loans (non-consolidated)

(Millions of yen)

	As of June 30, 2017 (B)	As of June 30, 2018 (A)	(A)-(B)
Risk managed loans (E)	57,065	54,243	(2,822)
Loans to borrowers under bankruptcy proceedings	2,640	2,742	102
Non-accrual past due loans	42,108	39,301	(2,807)
Loans past due for three months or more	-	-	-
Loans with altered lending conditions	12,316	12,199	(117)

Loans and bills discounted (F)	2,825,842	3,011,229	185,387
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Ratio of risk managed loans (E)/(F) (%)	2.01	1.80	(0.21)
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