

Financial Highlights
For the Six Months Ended September 30, 2019



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, 2019	As of September 30, 2019
Assets:		
Cash and due from banks	769,410	791,477
Call loans and bills purchased	332	1,295
Debt purchased	10,801	11,026
Trading securities	57	86
Money held in trust	4,000	4,973
Securities	1,599,306	1,569,895
Loans and bills discounted	3,090,046	3,130,223
Foreign exchange	5,957	4,069
Lease receivables and investment assets	28,997	30,124
Other assets	69,972	69,462
Tangible fixed assets	36,245	35,865
Intangible fixed assets	5,327	6,142
Net defined benefit assets	-	37
Deferred tax assets	262	198
Customers' liabilities for acceptances and guarantees	16,441	15,007
Reserve for possible loan losses	(37,517)	(37,682)
Reserve for devaluation of securities	(46)	(44)
Total assets	5,599,597	5,632,157
Liabilities:		
Deposits	3,818,934	3,783,867
Negotiable certificates of deposit	321,370	242,970
Call money and bills sold	75,973	138,790
Cash collateral received under securities lending	468,440	534,850
Borrowed money	447,367	449,455
Foreign exchange	7	50
Other liabilities	56,969	57,535
Reserve for employees' bonuses	1,008	1,023
Net defined benefit liabilities	11,258	10,442
Reserve for stocks payment	315	334
Reserve for directors' and corporate auditors' retirement benefits	88	73
Reserve for reimbursement of deposits	414	382
Reserve for contingencies	969	909
Reserve under special laws	0	0
Deferred tax liabilities	5,244	9,096
Deferred tax liabilities for land revaluation excess	2,293	2,258
Acceptances and guarantees	16,441	15,007
Total liabilities	5,227,098	5,247,046
Net assets:		
Common stock	20,705	20,705
Capital surplus	21,381	21,385
Retained earnings	276,800	280,263
Treasury stock	(724)	(680)
Total shareholders' equity	318,162	321,674
Net unrealized gain on other securities	54,697	63,562
Net deferred gain/(loss) on hedging instruments	(8)	5
Land revaluation excess	2,820	2,738
Valuation adjustment of defined benefit plans	(4,792)	(4,482)
Total accumulated other comprehensive income	52,716	61,824
Subscription rights to share	292	281
Non-controlling interests	1,326	1,330
Total net assets	372,498	385,110
Total liabilities and net assets	5,599,597	5,632,157

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

Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income	(Millions of yen)	
	For the six months ended September 30, 2018	For the six months ended September 30, 2019
Ordinary income:	50,143	43,847
Interest income	31,135	28,525
<i>Interest on loans and bills discounted</i>	16,315	16,460
<i>Interest and dividends on securities</i>	11,753	10,798
Fees and commissions	5,734	5,308
Other operating income	8,346	8,677
Other income	4,927	1,336
Ordinary expenses:	40,484	34,492
Interest expenses	4,910	2,320
<i>Interest on deposits</i>	2,833	778
Fees and commissions	2,074	2,083
Other operating expenses	11,231	7,862
General and administrative expenses	20,882	20,580
Other expenses	1,384	1,645
Ordinary profit	9,659	9,354
Extraordinary gains	87	0
Extraordinary losses	179	201
Income before income taxes	9,568	9,153
Income taxes:	2,858	2,789
current	3,086	2,989
deferred	(227)	(200)
Net income :	6,710	6,364
attributable to non-controlling interests	41	7
attributable to owners of the Bank	6,668	6,356

Consolidated Statements of Comprehensive Income

	For the six months ended September 30, 2018	For the six months ended September 30, 2019
Net income	6,710	6,364
Other comprehensive income :	(3,925)	9,186
Net unrealized gain on other securities	(4,230)	8,862
Net deferred gain/(loss) on hedging instruments	(160)	13
Valuation adjustment of defined benefit plans	464	310
Comprehensive income :	2,784	15,550
attributable to owners of the Bank	2,763	15,545
attributable to non-controlling interests	21	4

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

Consolidated Statements of Changes in Net Assets

For the six months ended September 30, 2018

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total
Balance at the beginning of the period	20,705	21,381	267,604	(697)	308,993
Changes during the period					
Dividends from surplus	-	-	(2,975)	-	(2,975)
Net income attributable to owners of the Bank	-	-	6,668	-	6,668
Purchases of treasury stock	-	-	-	(0)	(0)
Sales of treasury stock	-	-	(8)	91	83
Transfer from land revaluation excess	-	-	69	-	69
Net changes of items other than shareholders' equity	-	-	-	-	-
Total changes during the period	-	-	3,754	90	3,845
Balance at the end of the period	20,705	21,381	271,358	(606)	312,839

	Accumulated other comprehensive income					Subscription rights to share	Non-controlling interests	Total net assets
	Net unrealized gain on other securities	Net deferred gain/(loss) on hedging instruments	Land revaluation excess	Valuation adjustment of defined benefit plans	Total			
Balance at the beginning of the period	53,227	25	2,892	(4,470)	51,674	349	1,396	362,415
Changes during the period								
Dividends from surplus	-	-	-	-	-	-	-	(2,975)
Net income attributable to owners of the Bank	-	-	-	-	-	-	-	6,668
Purchases of treasury stock	-	-	-	-	-	-	-	(0)
Sales of treasury stock	-	-	-	-	-	-	-	83
Transfer from land revaluation excess	-	-	-	-	-	-	-	69
Net changes of items other than shareholders' equity	(4,209)	(160)	(69)	464	(3,975)	(57)	19	(4,013)
Total changes during the period	(4,209)	(160)	(69)	464	(3,975)	(57)	19	(167)
Balance at the end of the period	49,017	(134)	2,822	(4,005)	47,699	292	1,415	362,247

For the six months ended September 30, 2019

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total
Balance at the beginning of the period	20,705	21,381	276,800	(724)	318,162
Changes during the period					
Dividends from surplus	-	-	(2,974)	-	(2,974)
Net income attributable to owners of the Bank	-	-	6,356	-	6,356
Purchases of treasury stock	-	-	-	(0)	(0)
Sales of treasury stock	-	3	-	45	48
Transfer from land revaluation excess	-	-	81	-	81
Net changes of items other than shareholders' equity	-	-	-	-	-
Total changes during the period	-	3	3,463	44	3,511
Balance at the end of the period	20,705	21,385	280,263	(680)	321,674

	Accumulated other comprehensive income					Subscription rights to share	Non-controlling interests	Total net assets
	Net unrealized gain on other securities	Net deferred gain/(loss) on hedging instruments	Land revaluation excess	Valuation adjustment of defined benefit plans	Total			
Balance at the beginning of the period	54,697	(8)	2,820	(4,792)	52,716	292	1,326	372,498
Changes during the period								
Dividends from surplus	-	-	-	-	-	-	-	(2,974)
Net income attributable to owners of the Bank	-	-	-	-	-	-	-	6,356
Purchases of treasury stock	-	-	-	-	-	-	-	(0)
Sales of treasury stock	-	-	-	-	-	-	-	48
Transfer from land revaluation excess	-	-	-	-	-	-	-	81
Net changes of items other than shareholders' equity	8,865	13	(81)	310	9,107	(11)	3	9,100
Total changes during the period	8,865	13	(81)	310	9,107	(11)	3	12,611
Balance at the end of the period	63,562	5	2,738	(4,482)	61,824	281	1,330	385,110

After the balance sheet date, mid-year dividend of ¥7 per share is to be paid to the shareholders as of September 30, 2019.

The San-in Godo Bank, Ltd.

Balance Sheets (summarized, non-consolidated)

(Millions of yen)

	As of March 31, 2019	As of September 30, 2019
Assets:		
Cash and due from banks	766,292	788,863
Call loans	332	1,295
Debt purchased	9,629	9,828
Trading securities	57	86
Money held in trust	4,000	4,973
Securities	1,600,463	1,570,722
Loans and bills discounted	3,121,051	3,157,824
Foreign exchange	5,957	4,069
Other assets	53,223	53,153
Tangible fixed assets	33,600	33,275
Intangible fixed assets	5,205	6,026
Prepaid pension cost	4,768	5,171
Customers' liabilities for acceptances and guarantees	16,394	14,964
Reserve for possible loan losses	(36,922)	(37,144)
Reserve for devaluation of securities	(44)	(40)
Total assets	5,584,011	5,613,067
Liabilities:		
Deposits	3,835,922	3,799,842
Negotiable certificates of deposit	321,370	242,970
Call money	75,973	138,790
Cash collateral received under securities lending	468,440	534,850
Borrowed money	432,000	432,000
Foreign exchange	7	50
Other liabilities	50,129	50,064
Reserve for employees' bonuses	938	952
Reserve for employees' retirement benefits	9,019	9,020
Reserve for stocks payment	315	334
Reserve for reimbursement of deposits	414	382
Reserve for contingencies	969	909
Deferred tax liabilities	6,816	10,580
Deferred tax liabilities for land revaluation excess	2,293	2,258
Acceptances and guarantees	16,394	14,964
Total liabilities	5,221,004	5,237,970
Net assets:		
Common stock	20,705	20,705
Capital surplus	15,516	15,520
Retained earnings	270,781	274,192
Treasury stock	(724)	(680)
Total shareholders' equity	306,278	309,737
Net unrealized gain on other securities	53,623	62,334
Net deferred gain/(loss) on hedging instruments	(8)	5
Land revaluation excess	2,820	2,738
Total valuation and translation adjustments	56,434	65,077
Subscription rights to share	292	281
Total net assets	363,006	375,096
Total liabilities and net assets	5,584,011	5,613,067

The San-in Godo Bank, Ltd.
Statements of Income (non-consolidated)

(Millions of yen)

	For the six months ended September 30, 2018	For the six months ended September 30, 2019
Ordinary income:	41,694	35,408
Interest income	31,224	28,582
<i>Interest on loans and bills discounted</i>	<i>16,367</i>	<i>16,511</i>
<i>Interest and dividends on securities</i>	<i>11,792</i>	<i>10,816</i>
Fees and commissions	5,447	4,934
Other operating income	181	563
Other income	4,840	1,328
Ordinary expenses:	32,525	26,179
Interest expenses	4,888	2,299
<i>Interest on deposits</i>	<i>2,834</i>	<i>779</i>
Fees and commissions	2,486	2,190
Other operating expenses	4,222	668
General and administrative expenses	19,444	19,410
Other expenses	1,483	1,610
Ordinary profit	9,168	9,229
Extraordinary gains	87	0
Extraordinary losses	173	193
Income before income taxes	9,083	9,035
Income taxes:	2,790	2,731
current	2,942	2,866
deferred	(151)	(135)
Net income	6,292	6,303

Financial Data

Summary of income (consolidated) (Millions of yen)

	For the six months ended September 30, 2018 (B)	For the six months ended September 30, 2019 (A)	
		(A)-(B)	
Ordinary profit	9,659	(305)	9,354
Net income attributable to owners of the Bank	6,668	(312)	6,356
Earnings per share - basic (yen)	¥42.71	(¥1.98)	¥40.73

Summary of financial conditions (consolidated) (%)

	As of March 31, 2019 (B)	As of September 30, 2019 (A)	
		(A)-(B)	
Net assets (except for subscription rights to share and non-controlling interests) ratio	6.6	0.2	6.8
Capital adequacy ratio (domestic standard)	13.83	0.31	14.14

Summary of income (non-consolidated) (Millions of yen)

	For the six months ended September 30, 2018 (B)	For the six months ended September 30, 2019 (A)	
		(A)-(B)	
Ordinary profit	9,168	61	9,229
Net income	6,292	11	6,303
Earnings per share - basic (yen)	¥40.30	¥0.09	¥40.39
Credit cost	1,361	(404)	957
Gains/(Losses) on bonds	(4,077)	3,827	(250)
Gains/(Losses) on stocks	4,047	(4,096)	(49)

Summary of financial conditions (non-consolidated) (%)

	As of March 31, 2019 (B)	As of September 30, 2019 (A)	
		(A)-(B)	
Net assets (except for subscription rights to share) ratio	6.4	0.2	6.6
Capital adequacy ratio (domestic standard)	13.36	0.29	13.65

Dividends per share (Yen)

	For the year ended March 31, 2019 (B)	For the year ending March 31, 2020(A)	
		(A)-(B)	
Dividends per share (*expected)	¥26	(¥2)	¥24 *
Mid-year dividend per share	¥7	¥0	¥7
Year-end dividend per share (*expected)	¥19	(¥2)	¥17 *

Net Holding Gain (Loss) on Securities

Net holding gain (loss) on securities (consolidated) (Millions of yen)

	As of March 31, 2019 (B)	As of September	
		(A) - (B)	30, 2019 (A)
Held to maturity	(181)	66	(115)
Other securities	78,717	12,800	91,517
Stock	23,672	1,441	25,113
Bond	40,012	936	40,948
Others	15,033	10,422	25,455
Total	78,535	12,867	91,402

Net holding gain (loss) on securities (non-consolidated) (Millions of yen)

	As of March 31, 2019 (B)	As of September	
		(A) - (B)	30, 2019 (A)
Held to maturity	(181)	70	(111)
Other securities	77,001	12,569	89,570
Stock	21,956	1,210	23,166
Bond	40,012	936	40,948
Others	15,033	10,422	25,455
Total	76,820	12,639	89,459

Risk Managed Loans

Risk managed loans (consolidated) (Millions of yen)

	As of March 31, 2019 (B)	As of September 30,	
		(A) - (B)	2019 (A)
Risk managed loans (C)	56,567	1,742	58,309
Loans to borrowers under bankruptcy proceedings	2,422	(92)	2,330
Non-accrual past due loans	40,250	(1,249)	39,001
Loans past due for three months or more	-	39	39
Loans with altered lending conditions	13,895	3,043	16,938
Loans and bills discounted (D)	3,090,046	40,177	3,130,223

Ratio of risk managed loans (consolidated) (%)

Risk managed loans (C)/(D)	1.83	0.03	1.86
Loans to borrowers under bankruptcy proceedings	0.07	0.00	0.07
Non-accrual past due loans	1.30	(0.06)	1.24
Loans past due for three months or more	-	0.00	0.00
Loans with altered lending conditions	0.44	0.10	0.54

Risk managed loans (non-consolidated) (Millions of yen)

	As of March 31, 2019 (B)	As of September 30,	
		(A) - (B)	2019 (A)
Risk managed loans (E)	56,567	1,742	58,309
Loans to borrowers under bankruptcy proceedings	2,422	(92)	2,330
Non-accrual past due loans	40,250	(1,249)	39,001
Loans past due for three months or more	-	39	39
Loans with altered lending conditions	13,895	3,043	16,938
Loans and bills discounted (F)	3,121,051	36,773	3,157,824

Ratio of risk managed loans (non-consolidated) (%)

Risk managed loans (E)/(F)	1.81	0.03	1.84
Loans to borrowers under bankruptcy proceedings	0.07	0.00	0.07
Non-accrual past due loans	1.28	(0.05)	1.23
Loans past due for three months or more	-	0.00	0.00
Loans with altered lending conditions	0.44	0.09	0.53

Classification of Loans and Bills Discounted by Types of Industry (non-consolidated)

Loans and bills discounted (non-consolidated) (Millions of yen)

	As of March 31, 2019 (B)	As of September 30, 2019 (A)	
		(A) - (B)	
Domestic loans (Excluding JOM account)	3,121,051	36,773	3,157,824
Manufacturing	385,892	6,719	392,611
Agriculture and forestry	8,651	615	9,266
Fishery	2,996	67	3,063
Mining, quarrying and gravel-digging	1,233	421	1,654
Construction	98,285	(6,105)	92,180
Electric power, gas, heat supply and water supply	70,577	6,384	76,961
Telecommunication	20,197	541	20,738
Transportation and postal service	112,096	2,938	115,034
Wholesale and retail	328,808	1,418	330,226
Finance and insurance	129,809	(1,520)	128,289
Real estate and leasing	465,330	(2,963)	462,367
Services	340,797	(4,054)	336,743
Local government	320,213	(14,221)	305,992
Others	836,160	46,533	882,693

Risk managed loans (non-consolidated) (Millions of yen)

	As of March 31, 2019 (B)	As of September 30, 2019 (A)	
		(A) - (B)	
Domestic loans (Excluding JOM account)	56,567	1,742	58,309
Manufacturing	8,411	1,957	10,368
Agriculture and forestry	132	(1)	131
Fishery	826	47	873
Mining, quarrying and gravel-digging	-	-	-
Construction	3,020	(128)	2,892
Electric power, gas, heat supply and water supply	-	230	230
Telecommunication	153	4	157
Transportation and postal service	1,326	(51)	1,275
Wholesale and retail	13,964	(1,214)	12,750
Finance and insurance	2,938	(1)	2,937
Real estate and leasing	6,323	(918)	5,405
Services	11,705	1,445	13,150
Local government	-	-	-
Others	7,763	372	8,135

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

Disclosed assets (Millions of yen, %)

	As of March 31, 2019 (B)	As of September 30, 2019 (A)	
		(A) - (B)	
Bankrupt and quasi-bankrupt assets	15,092	(628)	14,464
Doubtful assets	28,011	(751)	27,260
Substandard loans	13,895	3,082	16,977
Subtotal (C)	56,999	1,703	58,702
Normal assets	3,159,628	35,640	3,195,268
Total (D)	3,216,628	37,343	3,253,971
(C)/(D)	1.77	0.03	1.80

Preservation of the disclosed assets (Millions of yen, %)

	As of March 31, 2019 (B)	As of September 30, 2019 (A)	
		(A) - (B)	
Total (E)=(F)+(G)	45,551	(613)	44,938
Collateral and guarantees (F)	24,341	(1,019)	23,322
Bankrupt and quasi-bankrupt assets	5,604	(443)	5,161
Doubtful assets	16,164	(1,235)	14,929
Substandard loans	2,572	659	3,231
Reserve for possible loan losses (G)	21,209	406	21,615
Bankrupt and quasi-bankrupt assets	9,488	(185)	9,303
Doubtful assets	8,897	413	9,310
Substandard loans	2,823	179	3,002

Coverage ratio (E)/(C)	79.91	(3.36)	76.55
Bankrupt and quasi-bankrupt assets	100.00	-	100.00
Doubtful assets	89.47	(0.56)	88.91
Substandard loans	38.83	(2.12)	36.71

Ratio of reserve (G)/((C)-(F))	64.94	(3.85)	61.09
Bankrupt and quasi-bankrupt assets	100.00	-	100.00
Doubtful assets	75.10	0.40	75.50
Substandard loans	24.93	(3.09)	21.84

Projections for the Year Ending March 31, 2020

Projections of earnings (consolidated)

(Millions of yen)

	For the year ended March 31, 2019 (B)	For the year ending March 31, 2020 (A)	
		(A)-(B)	
Ordinary income	97,833	(9,333)	88,500
Ordinary profit	19,294	(1,094)	18,200
Net income attributable to owners of the Bank	13,205	(1,105)	12,100
Earnings per share - basic (Yen)	¥84.58	(¥7.05)	¥77.53

Projections of earnings (non-consolidated)

(Millions of yen)

	For the year ended March 31, 2019 (B)	For the year ending March 31, 2020 (A)	
		(A)-(B)	
Ordinary income	81,512	(9,912)	71,600
Ordinary profit	19,259	(1,159)	18,100
Net income	13,495	(1,195)	12,300
Earnings per share - basic (Yen)	¥86.44	(¥7.63)	¥78.81

Expected credit costs (non-consolidated)

(Millions of yen)

	For the year ended March 31, 2019 (B)	For the year ending March 31, 2020 (A)	
		(A)-(B)	
Expected credit costs	3,969	(1,469)	2,500

Expected dividend (non-consolidated)

(Yen)

	For the year ended March 31, 2019 (B)	For the year ending March 31, 2020 (A)	
		(A)-(B)	
Expected dividend per share	¥26	(¥2)	¥24 *

*Expected dividend per share includes mid-year dividend of ¥7.