

Financial Highlights
For the Six Months Ended September 30, 2020



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, 2020	As of September 30, 2020
Assets:		
Cash and due from banks	571,248	661,489
Debt purchased	11,230	10,216
Trading securities	89	156
Money held in trust	4,955	4,980
Securities	1,654,917	1,776,555
Loans and bills discounted	3,322,376	3,454,247
Foreign exchange	6,324	9,223
Lease receivables and investment assets	30,392	29,847
Other assets	71,585	67,318
Tangible fixed assets	35,259	34,461
Intangible fixed assets	5,596	5,212
Deferred tax assets	3,663	66
Customers' liabilities for acceptances and guarantees	14,323	14,305
Reserve for possible loan losses	(40,465)	(43,021)
Reserve for devaluation of securities	(39)	(109)
Total assets	5,691,460	6,024,952
Liabilities:		
Deposits	3,911,792	4,199,692
Negotiable certificates of deposit	309,400	204,890
Call money and bills sold	108,793	73,465
Cash collateral received under securities lending	443,097	431,093
Borrowed money	447,717	660,665
Foreign exchange	24	25
Other liabilities	78,222	44,564
Reserve for employees' bonuses	970	1,005
Net defined benefit liabilities	11,195	10,912
Reserve for stocks payment	388	331
Reserve for directors' and corporate auditors' retirement benefits	77	77
Reserve for reimbursement of deposits	350	337
Reserve for contingencies	981	892
Reserve under special laws	0	0
Deferred tax liabilities	312	2,291
Deferred tax liabilities for land revaluation excess	2,161	2,135
Acceptances and guarantees	14,323	14,305
Total liabilities	5,329,809	5,646,687
Net assets:		
Common stock	20,705	20,705
Capital surplus	21,385	21,381
Retained earnings	283,495	286,763
Treasury stock	(947)	(748)
Total shareholders' equity	324,637	328,101
Net unrealized gain on other securities	38,191	51,040
Net deferred gain/(loss) on hedging instruments	8	1
Land revaluation excess	2,522	2,513
Valuation adjustment of defined benefit plans	(5,314)	(4,872)
Total accumulated other comprehensive income	35,407	48,683
Subscription rights to share	281	170
Non-controlling interests	1,323	1,309
Total net assets	361,650	378,264
Total liabilities and net assets	5,691,460	6,024,952

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, 2019	For the six months ended September 30, 2020
Ordinary income:	43,847	43,063
Interest income	28,525	27,605
<i>Interest on loans and bills discounted</i>	16,460	17,212
<i>Interest and dividends on securities</i>	10,798	9,769
Fees and commissions	5,308	5,073
Other operating income	8,677	8,751
Other income	1,336	1,633
Ordinary expenses:	34,492	35,109
Interest expenses	2,320	1,067
<i>Interest on deposits</i>	778	656
Fees and commissions	2,083	2,109
Other operating expenses	7,862	7,632
General and administrative expenses	20,580	20,425
Other expenses	1,645	3,873
Ordinary profit	9,354	7,954
Extraordinary gains	0	5
Extraordinary losses	201	258
Income before income taxes	9,153	7,701
Income taxes:	2,789	2,419
current	2,989	2,694
deferred	(200)	(275)
Net income :	6,364	5,281
attributable to non-controlling interests	7	(25)
attributable to owners of the Bank	6,356	5,307

Consolidated Statements of Comprehensive Income

	For the six months ended September 30, 2019	For the six months ended September 30, 2020
Net income	6,364	5,281
Other comprehensive income :	9,186	13,296
Net unrealized gain on other securities	8,862	12,861
Net deferred gain/(loss) on hedging instruments	13	(7)
Valuation adjustment of defined benefit plans	310	442
Comprehensive income :	15,550	18,578
attributable to owners of the Bank	15,545	18,591
attributable to non-controlling interests	4	(13)

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

Consolidated Statements of Changes in Net Assets

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

For the six months ended September 30, 2020

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total
Balance at the beginning of the period	20,705	21,385	283,495	(947)	324,637
Changes during the period					
Dividends from surplus	-	-	(2,035)	-	(2,035)
Net income attributable to owners of the Bank	-	-	5,307	-	5,307
Purchases of treasury stock	-	-	-	(0)	(0)
Sales of treasury stock	-	(3)	(12)	199	183
Transfer from land revaluation excess	-	-	8	-	8
Net changes of items other than shareholders' equity	-	-	-	-	-
Total changes during the period	-	(3)	3,268	199	3,463
Balance at the end of the period	20,705	21,381	286,763	(748)	328,101

	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	38,191	8	2,522	(5,314)	35,407	281	1,323	361,650
Changes during the period								
Dividends from surplus	-	-	-	-	-	-	-	(2,035)
Net income attributable to owners of the Bank	-	-	-	-	-	-	-	5,307
Purchases of treasury stock	-	-	-	-	-	-	-	(0)
Sales of treasury stock	-	-	-	-	-	-	-	183
Transfer from land revaluation excess	-	-	-	-	-	-	-	8
Net changes of items other than shareholders' equity	12,848	(7)	(8)	442	13,275	(110)	(14)	13,150
Total changes during the period	12,848	(7)	(8)	442	13,275	(110)	(14)	16,614
Balance at the end of the period	51,040	1	2,513	(4,872)	48,683	170	1,309	378,264

After the balance sheet date, mid-year dividend of ¥7 per share is to be paid to the shareholders as of September 30, 2020.

The San-in Godo Bank, Ltd.

Balance Sheets (summarized, non-consolidated)

(Millions of yen)

	As of March 31, 2020	As of September 30, 2020
Assets:		
Cash and due from banks	568,491	658,394
Debt purchased	9,826	9,105
Trading securities	89	156
Money held in trust	4,955	4,980
Securities	1,656,038	1,776,346
Loans and bills discounted	3,353,056	3,484,685
Foreign exchange	6,324	9,223
Other assets	53,777	50,827
Tangible fixed assets	32,769	31,995
Intangible fixed assets	5,568	5,159
Prepaid pension cost	5,548	5,133
Deferred tax assets	1,409	-
Customers' liabilities for acceptances and guarantees	14,290	14,275
Reserve for possible loan losses	(39,907)	(42,393)
Reserve for devaluation of securities	(38)	(36)
Total assets	5,672,201	6,007,854
Liabilities:		
Deposits	3,927,848	4,219,641
Negotiable certificates of deposit	309,400	204,890
Call money	108,793	73,465
Cash collateral received under securities lending	443,097	431,093
Borrowed money	432,000	642,000
Foreign exchange	24	25
Other liabilities	70,272	37,261
Reserve for employees' bonuses	914	945
Reserve for employees' retirement benefits	8,985	8,920
Reserve for stocks payment	388	331
Reserve for reimbursement of deposits	350	337
Reserve for contingencies	981	892
Deferred tax liabilities	-	3,898
Deferred tax liabilities for land revaluation excess	2,161	2,135
Acceptances and guarantees	14,290	14,275
Total liabilities	5,319,508	5,640,114
Net assets:		
Common stock	20,705	20,705
Capital surplus	15,520	15,516
Retained earnings	277,487	279,825
Treasury stock	(947)	(748)
Total shareholders' equity	312,765	315,298
Net unrealized gain on other securities	37,115	49,756
Net deferred gain/(loss) on hedging instruments	8	1
Land revaluation excess	2,522	2,513
Total valuation and translation adjustments	39,646	52,271
Subscription rights to share	281	170
Total net assets	352,692	367,740
Total liabilities and net assets	5,672,201	6,007,854

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

(Millions of yen)

	For the six months ended September 30, 2019	For the six months ended September 30, 2020
Ordinary income:	35,408	34,491
Interest income	28,582	27,670
<i>Interest on loans and bills discounted</i>	16,511	17,264
<i>Interest and dividends on securities</i>	10,816	9,788
Fees and commissions	4,934	4,617
Other operating income	563	602
Other income	1,328	1,600
Ordinary expenses:	26,179	26,455
Interest expenses	2,299	1,047
<i>Interest on deposits</i>	779	656
Fees and commissions	2,190	2,216
Other operating expenses	668	150
General and administrative expenses	19,410	19,326
Other expenses	1,610	3,714
Ordinary profit	9,229	8,036
Extraordinary gains	0	1
Extraordinary losses	193	1,249
Income before income taxes	9,035	6,788
Income taxes:	2,731	2,411
current	2,866	2,648
deferred	(135)	(236)
Net income	6,303	4,376

Financial Data

Summary of income (consolidated) (Millions of yen)

	For the six months ended September 30, 2019 (B)	For the six months ended September 30, 2020 (A)	
		(A)-(B)	
Ordinary profit	9,354	(1,400)	7,954
Net income attributable to owners of the Bank	6,356	(1,049)	5,307
Earnings per share - basic (yen)	¥40.73	(¥6.65)	¥34.08

Summary of financial conditions (consolidated) (%)

	As of March 31, 2020 (B)	As of September 30, 2020 (A)	
		(A)-(B)	
Net assets (except for subscription rights to share and non-controlling interests) ratio	6.3	(0.1)	6.2
Capital adequacy ratio (domestic standard)	12.95	0.05	13.00

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

	For the six months ended September 30, 2019 (B)	For the six months ended September 30, 2020 (A)	
		(A)-(B)	
Ordinary profit	9,229	(1,193)	8,036
Net income	6,303	(1,927)	4,376
Earnings per share - basic (yen)	¥40.39	(¥12.28)	¥28.11
Credit cost	957	1,609	2,566
Gains/(Losses) on bonds	(250)	543	293
Gains/(Losses) on stocks	(49)	(123)	(172)

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

	As of March 31, 31, 2020 (B)	As of September 30, 2020 (A)	
		(A)-(B)	
Net assets (except for subscription rights to share) ratio	6.2	(0.1)	6.1
Capital adequacy ratio (domestic standard)	12.52	0.04	12.56

Dividends per share (Yen)

	For the year ended March 31, 2020 (B)	For the year ending March 31, 2021 (A)	
		(A)-(B)	
Dividends per share (*expected)	¥20	(¥4)	¥16 *
Mid-year dividend per share	¥7	¥0	¥7
Year-end dividend per share (*expected)	¥13	(¥4)	¥9 *

Net Holding Gain (Loss) on Securities

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

	As of March 31, 2020 (B)	As of September	
		(A) - (B)	30, 2020 (A)
Held to maturity	(378)	240	(138)
Other securities	55,048	18,496	73,544
Stock	18,762	5,434	24,196
Bond	29,355	(2,570)	26,785
Others	6,930	15,632	22,562
Total	54,669	18,736	73,405

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

	As of March 31, 2020 (B)	As of September	
		(A) - (B)	30, 2020 (A)
Held to maturity	(372)	238	(134)
Other securities	53,369	18,163	71,532
Stock	17,083	5,100	22,183
Bond	29,355	(2,570)	26,785
Others	6,930	15,632	22,562
Total	52,997	18,400	71,397

Risk Managed Loans

Risk managed loans (consolidated)		(Millions of yen)	
		As of March 31, 2020 (B)	As of September 30, 2020 (A)
		(A) - (B)	
Risk managed loans (C)	59,442	2,188	61,630
Loans to borrowers under bankruptcy proceedings	3,870	1,073	4,943
Non-accrual past due loans	40,353	3,094	43,447
Loans past due for three months or more	-	52	52
Loans with altered lending conditions	15,218	(2,032)	13,186
Loans and bills discounted (D)	3,322,376	131,871	3,454,247

Ratio of risk managed loans (consolidated)		(%)	
Risk managed loans (C)/(D)	1.78	0.00	1.78
Loans to borrowers under bankruptcy proceedings	0.11	0.03	0.14
Non-accrual past due loans	1.21	0.04	1.25
Loans past due for three months or more	-	0.00	0.00
Loans with altered lending conditions	0.45	(0.07)	0.38

Risk managed loans (non-consolidated)		(Millions of yen)	
	As of March 31, 2020 (B)	As of September 30, 2020 (A)	
		(A) - (B)	
Risk managed loans (E)	59,442	2,188	61,630
Loans to borrowers under bankruptcy proceedings	3,870	1,073	4,943
Non-accrual past due loans	40,353	3,094	43,447
Loans past due for three months or more	-	52	52
Loans with altered lending conditions	15,218	(2,032)	13,186
Loans and bills discounted (F)	3,353,056	131,629	3,484,685

Ratio of risk managed loans (non-consolidated)		(%)	
Risk managed loans (E)/(F)	1.77	(0.01)	1.76
Loans to borrowers under bankruptcy proceedings	0.11	0.03	0.14
Non-accrual past due loans	1.20	0.04	1.24
Loans past due for three months or more	-	0.00	0.00
Loans with altered lending conditions	0.45	(0.08)	0.37

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, 2020 (B)	As of September 30, 2020 (A)	
		(A) - (B)	
Domestic loans (Excluding JOM account)	3,353,056	131,629	3,484,685
Manufacturing	427,976	30,482	458,458
Agriculture and forestry	10,234	(56)	10,178
Fishery	3,548	40	3,588
Mining, quarrying and gravel-digging	1,787	97	1,884
Construction	105,381	10,876	116,257
Electric power, gas, heat supply and water supply	94,540	4,216	98,756
Telecommunication	23,657	(2,480)	21,177
Transportation and postal service	118,731	41,790	160,521
Wholesale and retail	346,837	16,370	363,207
Finance and insurance	136,461	(3,233)	133,228
Real estate and leasing	497,544	578	498,122
Services	350,514	29,594	380,108
Local government	317,123	(25,271)	291,852
Others	918,718	28,622	947,340

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

	As of March 31, 2020 (B)	As of September 30, 2020 (A)	
		(A) - (B)	
Domestic loans (Excluding JOM account)	59,442	2,188	61,630
Manufacturing	11,166	993	12,159
Agriculture and forestry	130	(1)	129
Fishery	872	178	1,050
Mining, quarrying and gravel-digging	-	40	40
Construction	2,572	106	2,678
Electric power, gas, heat supply and water supply	230	0	230
Telecommunication	134	(14)	120
Transportation and postal service	1,452	62	1,514
Wholesale and retail	13,623	181	13,804
Finance and insurance	2,935	(1)	2,934
Real estate and leasing	4,456	(164)	4,292
Services	13,383	814	14,197
Local government	-	-	-
Others	8,486	(8)	8,478

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

Disclosed assets (Millions of yen, %)

	As of March 31, 2020 (B)	As of September 30,	
		(A) - (B)	2020 (A)
Bankrupt and quasi-bankrupt assets	16,584	459	17,043
Doubtful assets	28,013	3,681	31,694
Substandard loans	15,218	(1,980)	13,238
Subtotal (C)	59,817	2,159	61,976
Normal assets	3,398,191	131,529	3,529,720
Total (D)	3,458,008	133,689	3,591,697
(C)/(D)	1.72	0.00	1.72

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

	As of March 31, 2020 (B)	As of September 30,	
		(A) - (B)	2020 (A)
Total (E)=(F)+(G)	47,215	2,984	50,199
Collateral and guarantees (F)	23,242	586	23,828
Bankrupt and quasi-bankrupt assets	5,497	(756)	4,741
Doubtful assets	14,946	1,592	16,538
Substandard loans	2,798	(250)	2,548
Reserve for possible loan losses (G)	23,972	2,399	26,371
Bankrupt and quasi-bankrupt assets	11,087	1,214	12,301
Doubtful assets	10,092	1,750	11,842
Substandard loans	2,792	(565)	2,227

Coverage ratio (E)/(C)	78.93	2.06	80.99
Bankrupt and quasi-bankrupt assets	100.00	-	100.00
Doubtful assets	89.38	0.16	89.54
Substandard loans	36.73	(0.66)	36.07

Ratio of reserve (G)/((C)-(F))	65.54	3.58	69.12
Bankrupt and quasi-bankrupt assets	100.00	-	100.00
Doubtful assets	77.23	0.90	78.13
Substandard loans	22.48	(1.65)	20.83

Projections for the Year Ending March 31, 2021

Projections of earnings (consolidated)

(Millions of yen)

	For the year ended March 31, 2020 (B)	For the year ending March 31, 2021 (A)	
		(A)-(B)	
Ordinary income	90,352	(3,752)	86,600
Ordinary profit	16,256	(3,056)	13,200
Net income attributable to owners of the Bank	10,467	(1,767)	8,700
Earnings per share - basic (Yen)	¥67.07	(¥11.22)	¥55.85

Projections of earnings (non-consolidated)

(Millions of yen)

	For the year ended March 31, 2020 (B)	For the year ending March 31, 2021 (A)	
		(A)-(B)	
Ordinary income	73,350	(3,650)	69,700
Ordinary profit	15,906	(3,106)	12,800
Net income	10,478	(2,978)	7,500
Earnings per share - basic (Yen)	¥67.15	(¥19.00)	¥48.15

Expected credit costs (non-consolidated)

(Millions of yen)

	For the year ended March 31, 2020 (B)	For the year ending March 31, 2021 (A)	
		(A)-(B)	
Expected credit costs	5,234	966	6,200

Expected dividend (non-consolidated)

(Yen)

	For the year ended March 31, 2020 (B)	For the year ending March 31, 2021 (A)	
		(A)-(B)	
Expected dividend per share	¥20	(¥4)	¥16 *

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