

# The Hyakugo Bank, Ltd.

First Section of TSE and First Section of NSE (8368)

## INFORMATION MEETING

Presentation for FY2019 Financial Results

June 11, 2020



## Profit-Making Power in Operating Region: Changes in Heisei Era

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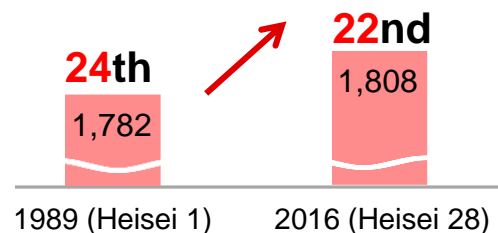
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# **Profit-Making Power in Operating Region: Changes in Heisei Era**

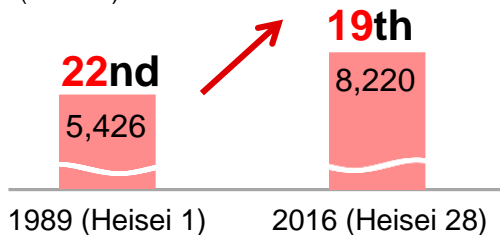
## Changes in the economic power or “profit-making power” in Heisei era

### Mie Prefecture

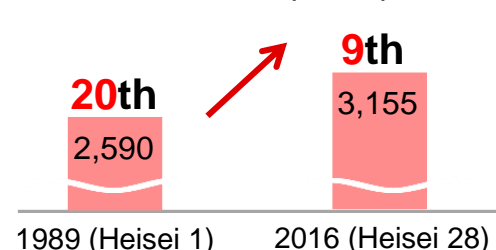
Total population (Unit: 1,000 persons)



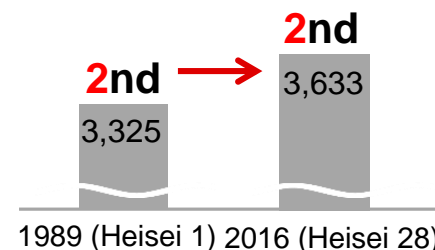
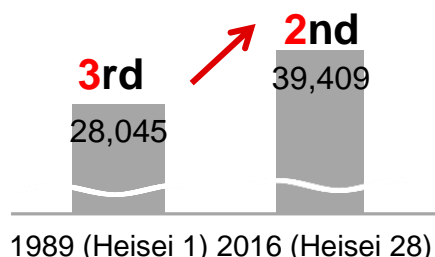
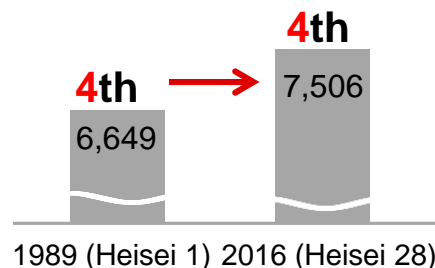
Gross prefectural product (Unit: billion yen)  
(nominal)



Prefectural income per capita (Unit: 1,000 yen)



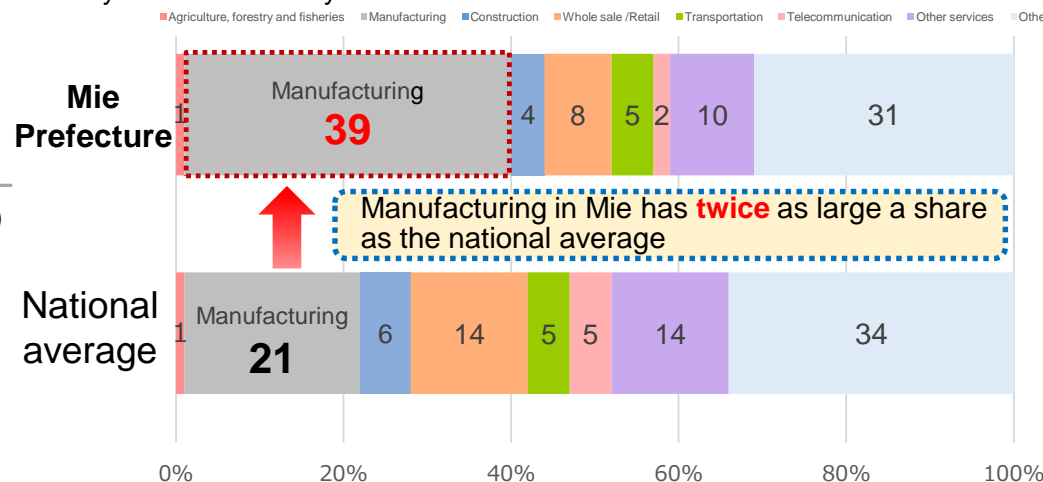
### Aichi Prefecture



## Mie, a leading “industrial prefecture” in Japan

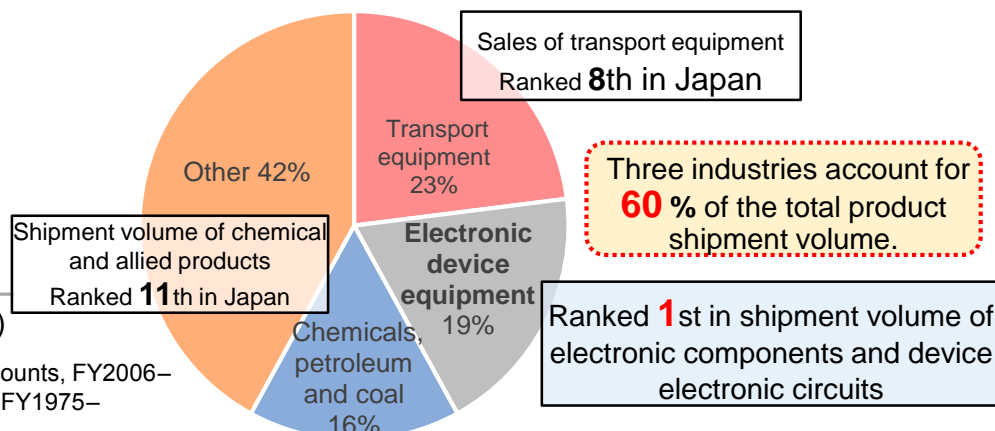
Product shipment volume, etc. 1989 (Heisei 1) Ranked **14th** in Japan → 2018 (Heisei 30) Ranked **9th** in Japan

Compositions of output in Mie Prefecture, by economic activity \* The Censuses of Manufacturers (1989, 2018)



Source: Compositions of Gross Prefectural Output by Economic Activity (FY2016)

## Compositions of product shipment volume in Mie Prefecture, by industry



Source: The 2018 Census of Manufacturers

\* Prepared by Hyakugo Bank based on the Cabinet Office, “Annual Reports on Prefectural Accounts, FY2006–FY2016) (2008SNA, Benchmark year = 2011) and “Annual Reports on Prefectural Accounts, FY1975–FY1999) (1968SNA, Benchmark year = 1990).

\* Comparisons of 1989 and 2016. The ranks are for Mie and Aichi prefectures among all the 47 prefectures.

# Outline of Financial Position

- Gain posted from revisions of the retirement benefit scheme to extraordinary gains caused net income to increase 5.6% year-on-year.

(Unit: million yen)		FY 3/19	FY 3/20	Year-on-year
Gross operating income	(1)	55,131	57,140	2,008
Interest income		49,388	49,095	(292)
Fees and commissions		9,300	9,591	291
Other operating income		(3,556)	(1,547)	2,008
Of which, gain and loss from government bonds and other bonds	(2)	70	2,572	2,501
Provision of general allowance for loan losses	(3)	(574)	85	660
Expenses	(4)	40,987	41,295	308
Net operating income	(1) - (3) - (4)	14,718	15,758	1,039
Core net operating income	(1) - (2) - (4)	14,073	13,272	(801)
Core net operating income (excluding gain and loss from cancellation of Investment trusts)		12,675	12,570	(105)
Non-recurring gain and loss		304	(2,613)	(2,918)
Of which, disposal of bad debts	(5)	1,387	1,802	415
Gain and loss from stocks and other securities		1,665	(1,312)	(2,977)
Ordinary income		15,023	13,144	(1,878)
Extraordinary gain and loss		(177)	2,167	2,344
Net income before income taxes		14,845	15,311	465
Net income		10,766	11,371	605
Credit costs	(3) + (5)	812	1,888	1,075

## Impact of the outbreak of COVID-19

### Credit costs

(Unit: million yen)

FY 3/19

812

FY 3/20

1,888

 Year-on-year  
comparison with  
the financial results

+1,075

### Gain and loss from stocks and other securities

FY 3/19

1,665

FY 3/20 (1,312)

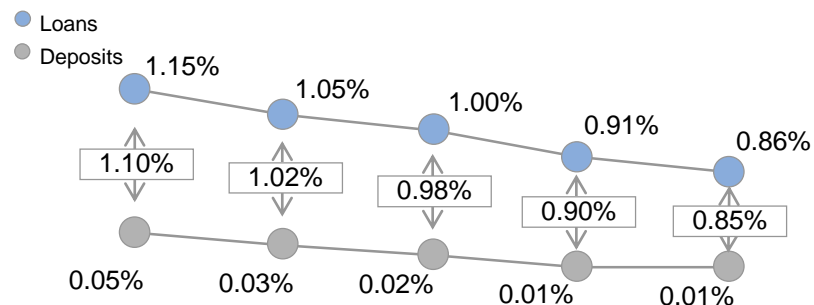
(2,977)

- Net operating income increased due mainly to increases in other operating income
- Direct adverse effects of COVID-19 such as bad debt loss are minimal. However, as the bank performed stricter self-assessment of assets in preparation for an uncertain future, the amount of provision allowance for loan losses increased. This increased credit cost by 1,075 million yen year-on-year
- The stock markets plunged in response to the outbreak of COVID-19. This caused the bank to record 1,871 million yen of losses on devaluation of stocks and other securities. Accordingly, gain and loss from stocks and other securities dropped by 2,977 million yen year-on-year
- Ordinary income dropped but net income increased due to gain from revisions of the retirement benefit scheme

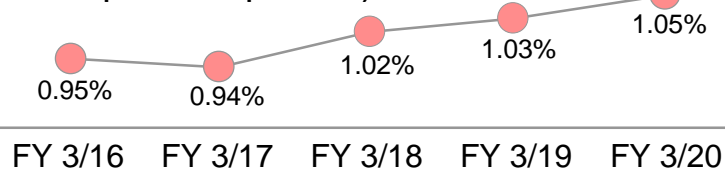
- A decrease in interest on JPY denominated bonds contributed to a decrease in interest income of 0.6% year-on-year.

(Unit: million yen)	FY 3/19	FY 3/20	Year-on-year
Interest income	49,388	49,095	(292)
Total interest income	54,044	55,350	1,305
Loan interest	34,089	35,020	931
Interest and dividends on securities	18,791	19,647	856
Other	1,164	682	(481)
Interest expenses	4,657	6,254	1,597
Interest on deposits	999	925	(74)
Other	3,657	5,329	1,672

### Deposit-loan yield margin (domestic operations departments)

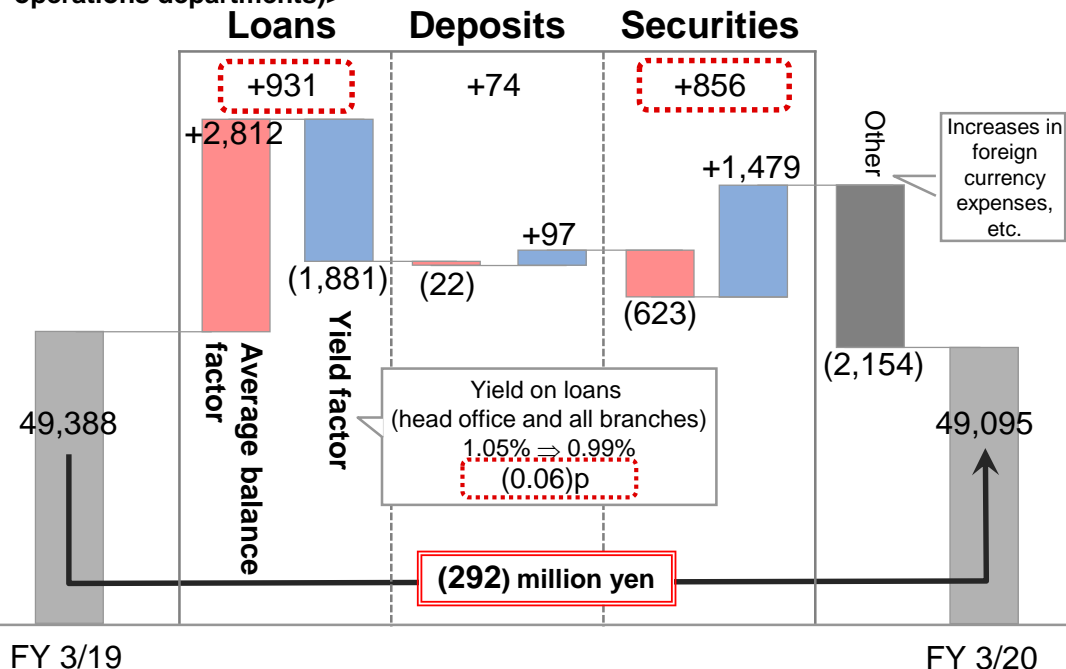


### Returns on securities investments (domestic operations departments)



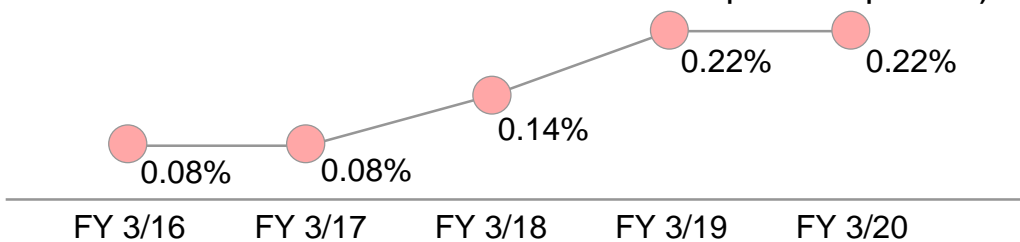
### Factors behind increase/decrease in interest income

<Head office and all branches (including domestic and international operations departments)> (Unit: million yen)



### Historical overall profit margin

<Head office and all branches (including domestic and international operations departments)>

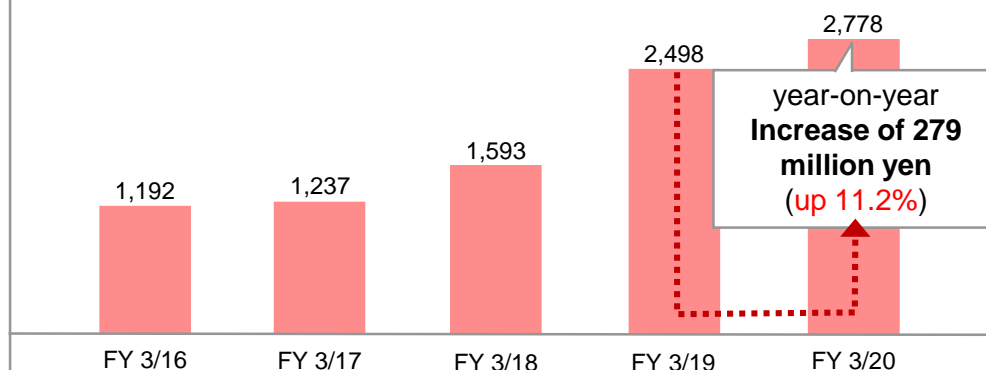


- An increase in housing loan handling fees contributed to an increase in fees and commissions of 3.1% year-on-year

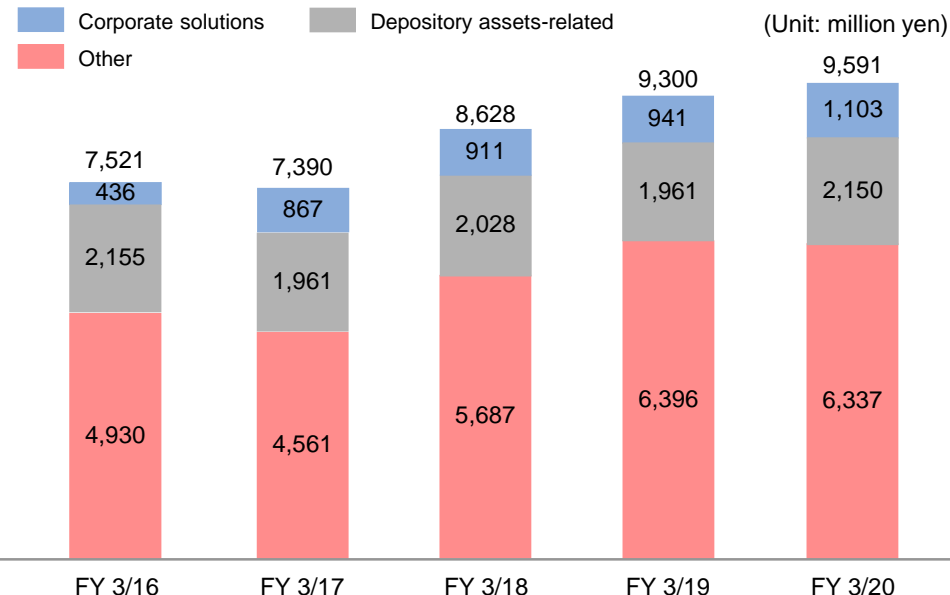
	(Unit: million yen)		
	FY 3/19	FY 3/20	Year-on-year
<b>Fees and commissions</b>	<b>9,300</b>	<b>9,591</b>	<b>291</b>
<b>Fees and commissions</b>	<b>13,816</b>	<b>14,555</b>	<b>738</b>
Commissions related to depository assets	1,961	2,150	188
Investment trust commissions	820	892	71
Insurance sales commissions*	993	990	(3)
Financial instruments brokerage commissions	68	172	103
Defined contribution pension commissions	79	95	16
Corporate solutions fees*	941	1,103	162
Housing loan handling fees	2,498	2,778	279
<b>Fees and commissions expenses (expenses)</b>	<b>4,516</b>	<b>4,963</b>	<b>447</b>
Of which, payment of housing loan guarantee and insurance premium, etc. (expenses)	2,972	3,405	432

\* Business insurance commissions are included in Corporate solutions fees, not in financial instruments brokerage commissions.

## ■ Housing loan handling fees (Unit: million yen)



## ■ Fees and commissions graph (non-consolidated)

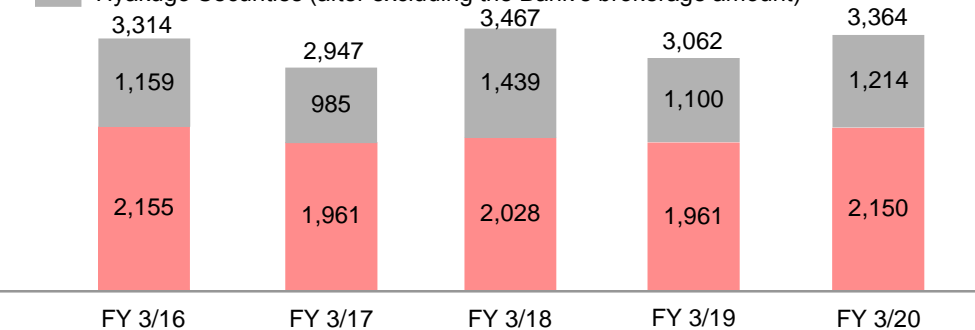


## ■ Commissions related to depository assets

(Hyakugo Bank + Hyakugo Securities)

(Unit: million yen)

Hyakugo Bank  
Hyakugo Securities (after excluding the Bank's brokerage amount)



- Expenses increased 0.8% year-on-year due mainly to an increase in non-personnel expenses

(Unit: million yen)

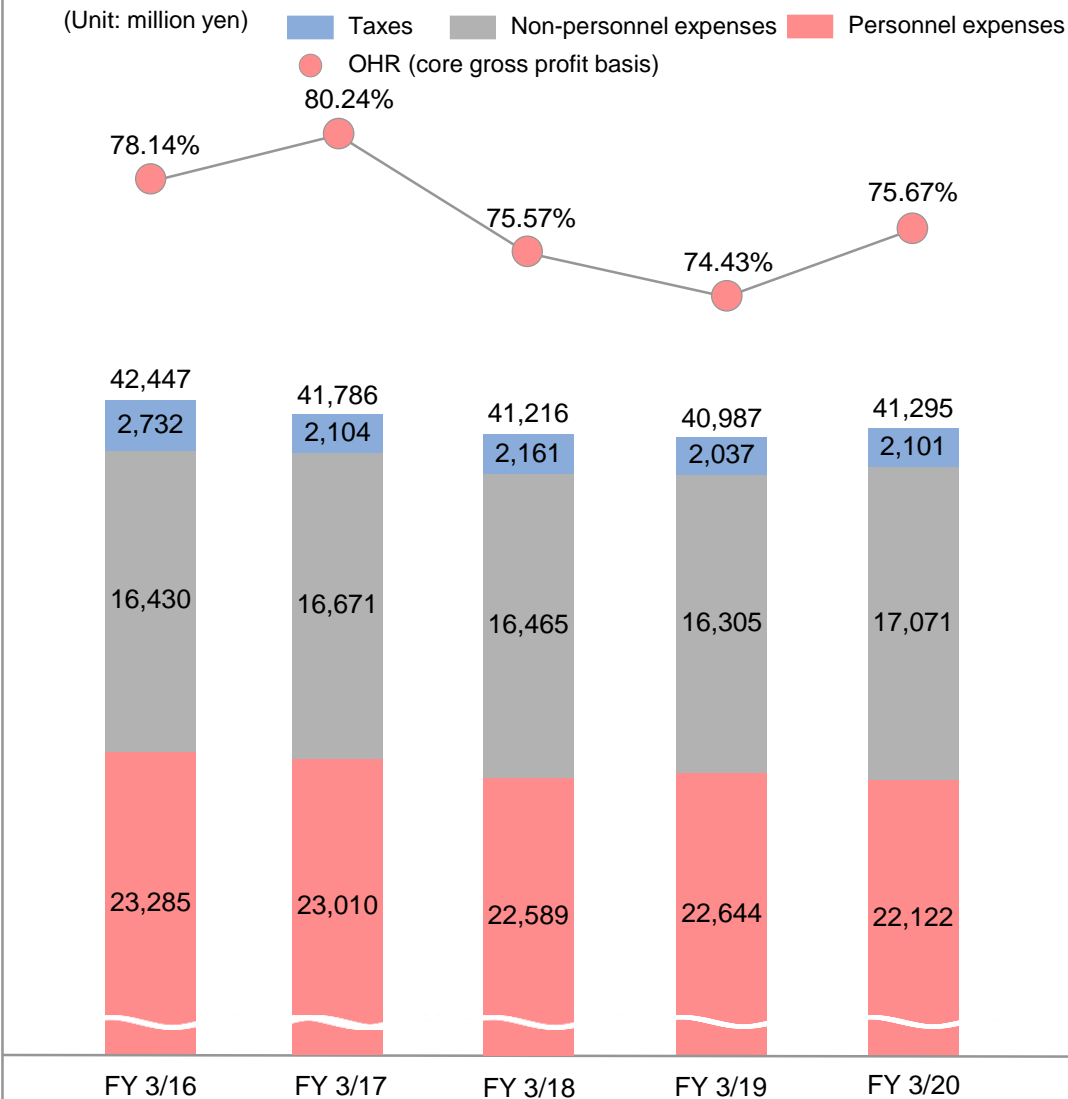
	FY 3/19	FY 3/20	Year-on-year
<b>Expenses</b>	<b>40,987</b>	<b>41,295</b>	<b>308</b>
Personnel expenses	22,644	22,122	(522)
Non-personnel expenses	16,305	17,071	766
Taxes	2,037	2,101	64

### Major factors underlying changes in expenses

- Personnel expenses**  
Salaries and bonuses decreased due to a decrease in personnel  
Retirement benefit expenses decreased due to revisions of the retirement benefit scheme
- Non-personnel expenses**  
Depreciation expenses +268 million yen (branch system, etc.)  
Supplies expenses +142 million yen (PC and office equipment, etc.)
- Taxes** +111 million yen  
Consumption tax
- Core OHR for FY2021 increased to around 79% due to strategic IT investment, etc., but the Bank will seek to achieve around 75% in FY2024 and a mark between 60% and 69% in FY2028**

### Expenses and core OHR

(Unit: million yen)



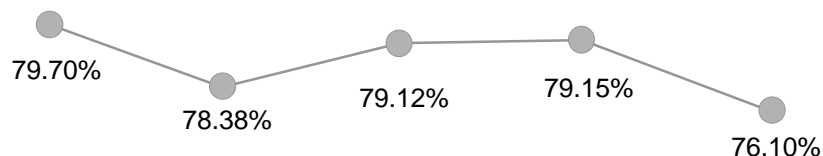
- An increase in the provision of allowance for specific loan losses caused a year-on-year increase in credit costs

(Unit: million yen)

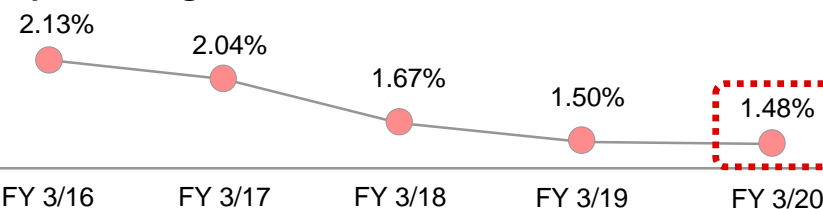
	FY 3/19	FY 3/20	Year-on-year
<b>Credit costs</b>	<b>812</b>	<b>1,888</b>	<b>1,075</b>
Of which, provision of general allowance for loan losses	(574)	85	660
Of which, provision of specific allowance for loan losses	943	1,769	825
Of which, loss on sale of receivables and other securities	291	-	(291)
<b>Credit cost ratio</b>	<b>0.02%</b>	<b>0.05%</b>	<b>0.03p</b>

	March-end 2019	March-end 2020	Year-on-year
<b>Nonperforming loans</b>	<b>52,250</b>	<b>54,706</b>	<b>2,455</b>

### Nonperforming loans coverage ratio



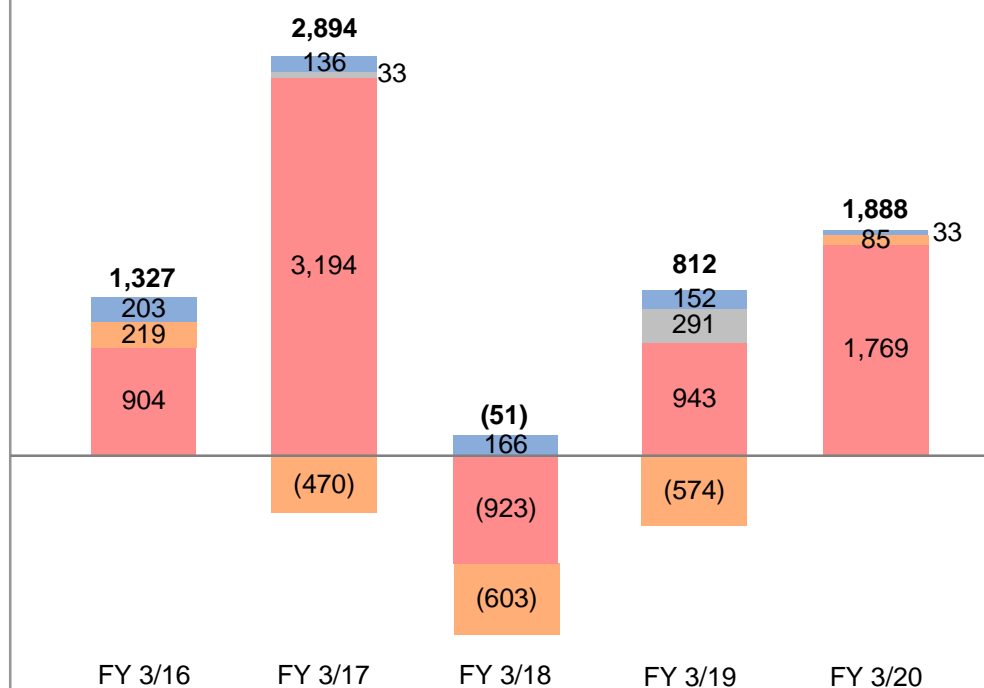
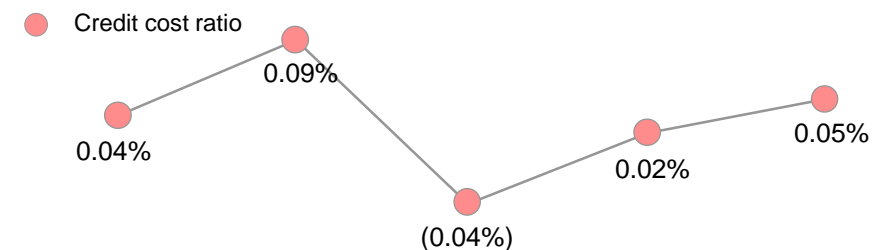
### Nonperforming loans ratio



### Credit costs (non-consolidated)

(Unit: million yen)

■ Other  
■ Loss on sale of receivables and other securities  
■ Provision of specific allowance for loan losses  
■ Provision of general allowance for loan losses



- Individual deposits and corporate deposits both remained strong, increasing total deposits 2.2% year-on-year

(Unit: 100 million yen)

	FY 3/19	FY 3/20	Year-on-year
<b>Total deposits (average balance)</b>	<b>49,929</b>	<b>51,023</b>	<b>1,094</b>
Mie Prefecture	44,687	45,740	1,052
Aichi Prefecture	4,973	4,982	9
Tokyo and Osaka	267	300	32

(Unit: 100 million yen)

	FY 3/19	FY 3/20	Year-on-year
<b>Individual deposits (average balance)</b>	<b>36,979</b>	<b>37,846</b>	<b>867</b>
Mie Prefecture	34,271	34,989	718
Aichi Prefecture	2,688	2,835	147
Tokyo and Osaka	20	21	1

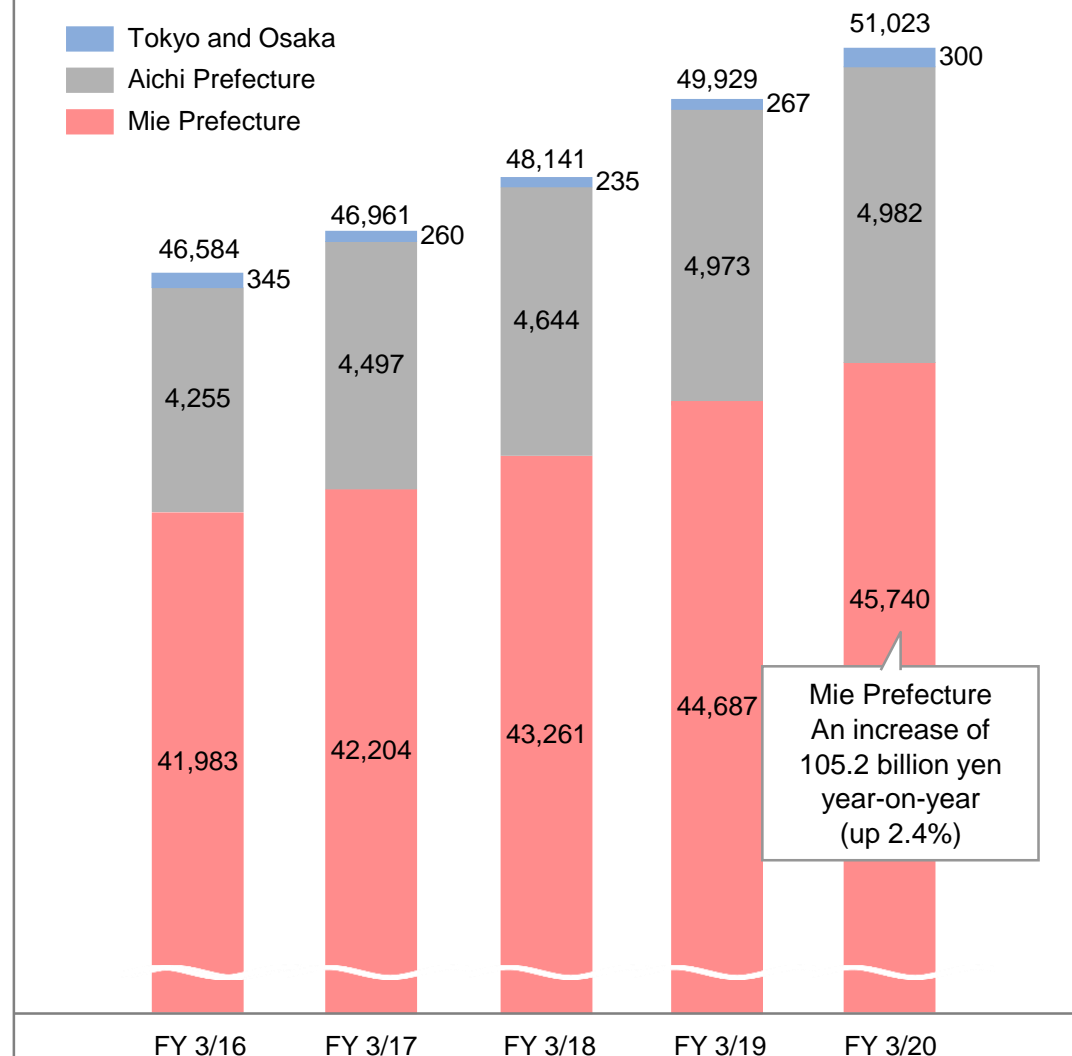
(Unit: 100 million yen)

	FY 3/19	FY 3/20	Year-on-year
<b>Corporate deposits (average balance)</b>	<b>10,244</b>	<b>10,539</b>	<b>295</b>
Mie Prefecture	7,974	8,220	245
Aichi Prefecture	2,025	2,043	17
Tokyo and Osaka	244	275	31

## Total deposits (average balance)

(Unit: 100 million yen)

■ Tokyo and Osaka  
■ Aichi Prefecture  
■ Mie Prefecture



\* Mie Prefecture includes Shingu and Internet branches.

- Individual loans such as housing loans increased, resulting in an 8.7% increase year-on-year in total loans

(Unit: 100 million yen)

	FY 3/19	FY 3/20	Year-on-year
<b>Total loans (average balance)</b>	<b>32,462</b>	<b>35,297</b>	<b>2,834</b>
Mie Prefecture	16,499	17,052	552
Aichi Prefecture	9,272	10,987	1,715
Tokyo and Osaka	6,691	7,257	566

up  
8.7%up  
18.5%

(Unit: 100 million yen)

	FY 3/19	FY 3/20	Year-on-year
<b>Loans to SMEs (average balance)</b>	<b>11,994</b>	<b>12,474</b>	<b>479</b>
Mie Prefecture	7,033	7,172	138
Aichi Prefecture	3,124	3,324	199
Tokyo and Osaka	1,835	1,977	141

(Unit: 100 million yen)

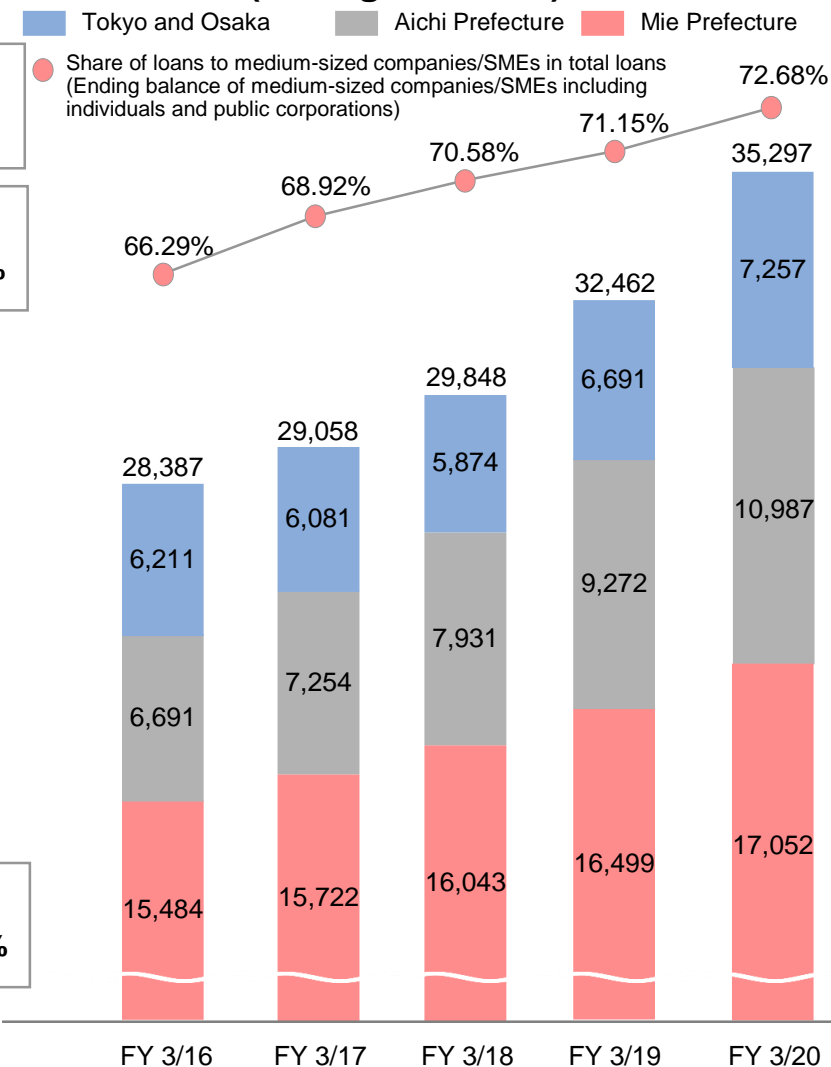
	FY 3/19	FY 3/20	Year-on-year
<b>Housing loans (average balance)</b>	<b>10,258</b>	<b>12,164</b>	<b>1,906</b>
Mie Prefecture	5,743	6,252	508
Aichi Prefecture	4,514	5,912	1,397

up  
18.6%

\* Mie Prefecture includes Shingu and Internet branches.

## Total loans (average balance)

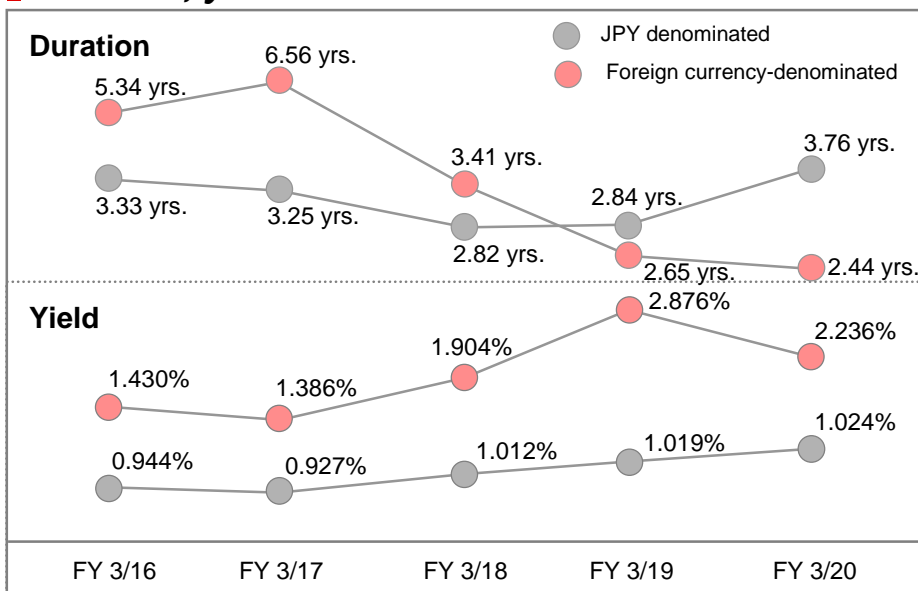
(Unit: 100 million yen)



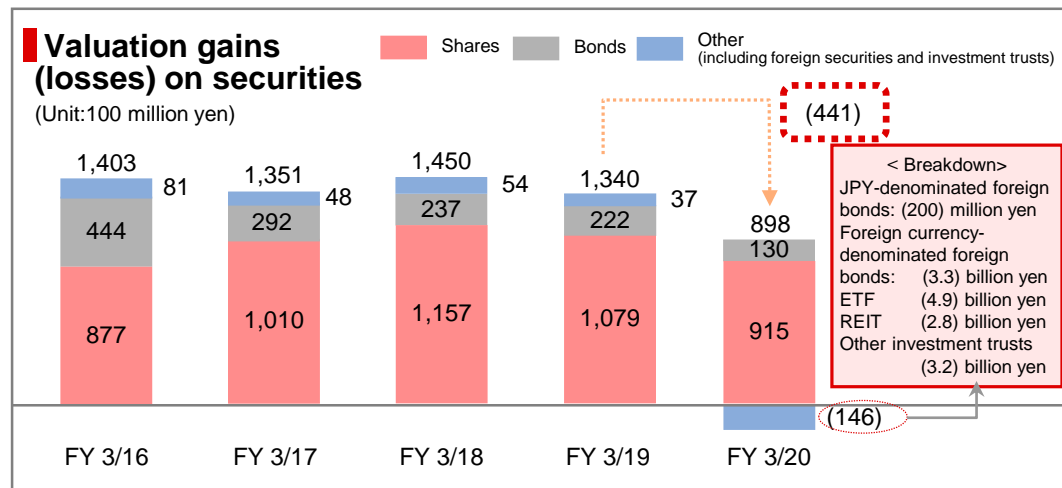
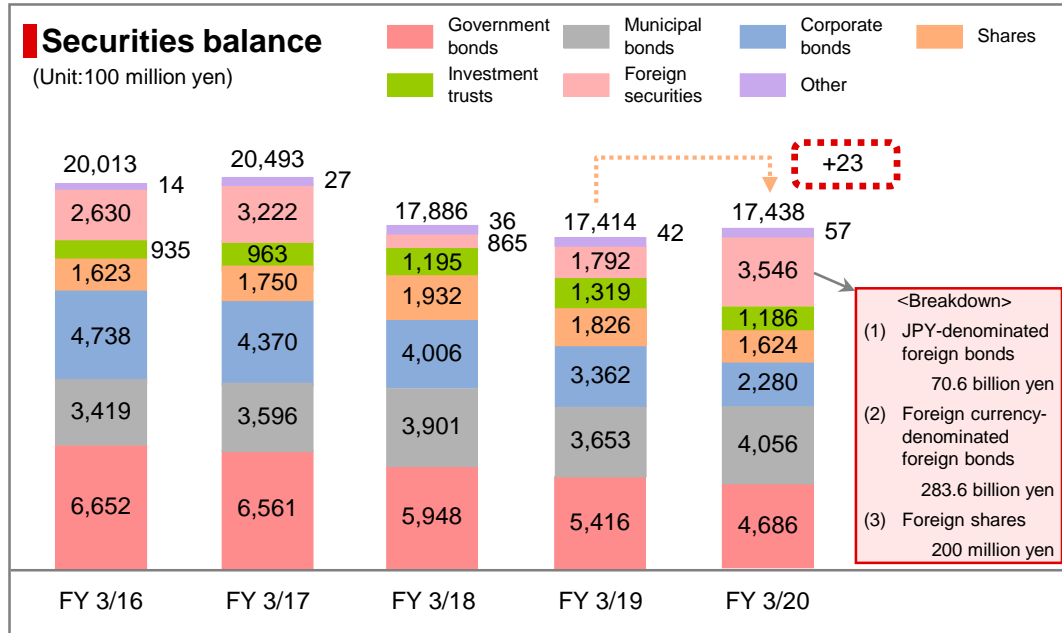
- Valuation gains (losses) on securities declined 32.9% from the end of the previous fiscal year due mainly to decreases in share prices and investment trusts.

(Unit: 100 million yen)	March-end 2019	March-end 2020	Year-on-year
<b>Securities balance</b>	<b>17,414</b>	<b>17,438</b>	<b>23</b>
Government bonds	5,416	4,686	(730)
Municipal bonds	3,653	4,056	403
Corporate bonds	3,362	2,280	(1,081)
Shares	1,826	1,624	(202)
Investment trusts	1,319	1,186	(133)
Foreign securities	1,792	3,546	1,753
Other	42	57	14
<b>JPY-denominated average balance*</b>	<b>16,098</b>	<b>14,127</b>	<b>(1,971)</b>
<b>Foreign currency-denominated average balance*</b>	<b>826</b>	<b>2,319</b>	<b>1,492</b>

## Duration, yield\*



\* Including trust beneficiary rights



- An increase in equity capital, resulting from income recognition, caused the equity ratio to increase 0.33 percentage points year-on-year

(Unit: 100 million yen)

Computation method of credit risk asset value	Fundamental internal rating based approach		
As of	March-end 2018	March-end 2019	March-end 2020
Equity capital (For equity ratio calculation purposes)	2,244	2,285	2,338
Risk Assets	21,839	23,458	23,200
Equity ratio	10.27%	9.74%	10.07%

Shareholders' equity	2,443	2,530	2,621
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Method of computing value-at-credit-risk: Fundamental internal rating based approach

Method of computing value-at-operational risk: The Standardized Approach (TSA)

## Benefits of introducing FIRB

**Sophisticated management of risk and equity capital**

**Achieves financial health**

**Enhances financial intermediary capability**

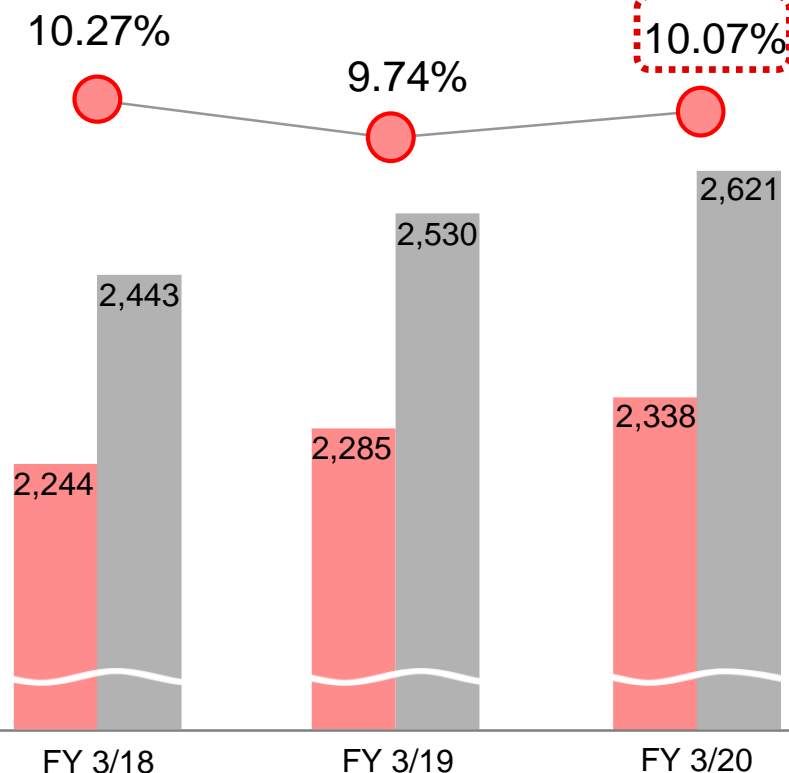
## Equity capital, shareholders' equity, and equity ratio

(Unit: 100 million yen)

Equity capital   Shareholders' equity   Equity ratio

**Fundamental internal rating based approach (FIRB)**

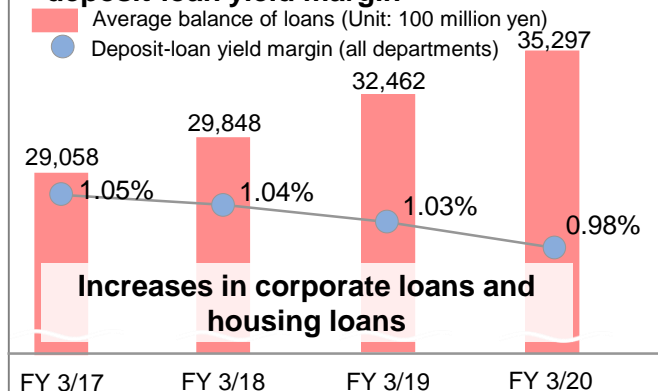
(JGAAP)



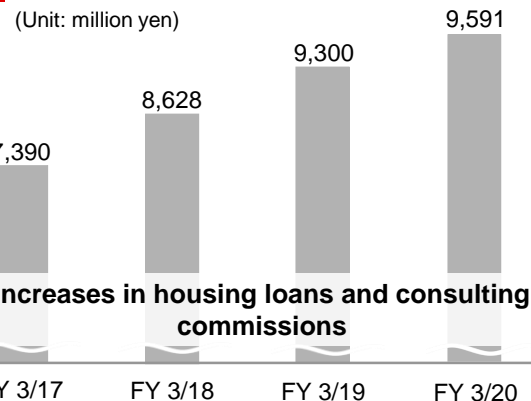
- Operating income from services to customers was in the black for two consecutive years since the previous fiscal year, and the surplus amount also increased

### Increased operating income from services to customers

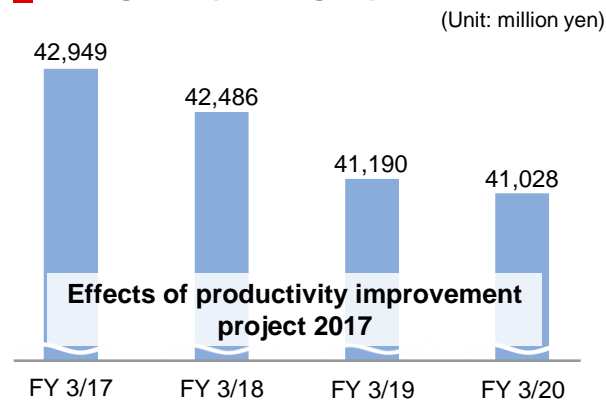
#### Change in average balance of loans and deposit-loan yield margin



#### Change in fees and commission

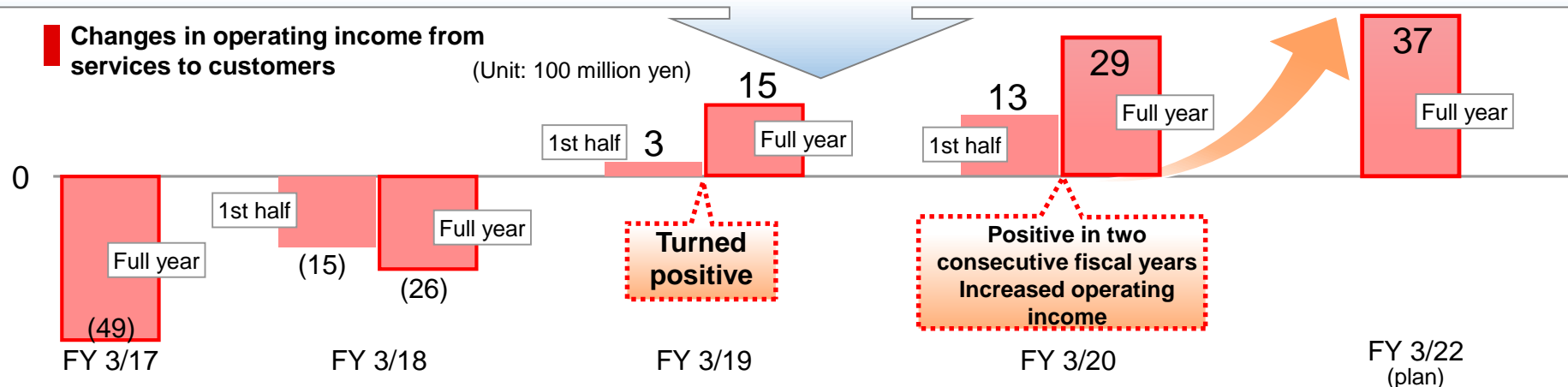


#### Change in operating expenses



#### Changes in operating income from services to customers

(Unit: 100 million yen)



#### Operating income from services to customers

Average balance of loans × (interest rate on loans – interest on deposits, etc.) + fees and commissions – operating expenses (including retirement benefit expenses in extraordinary gain and loss, etc.)

- Net income is forecast to decrease due mainly to an increase in credit costs and the market conditions affected by the outbreak of COVID-19.

## Forecast (non-consolidated)

(Unit: million yen)

	FY 3/20	FY 3/21 (forecast)
Gross operating income	57,140	54,400
Interest income	49,095	47,500
Fees and commissions	9,591	9,700
Other operating income	(1,547)	(2,800)
Net operating income	15,758	12,300
Ordinary income	13,144	12,400
Net income	11,371	9,000
Credit costs	1,888	3,300
Consolidated net income attributable to shareholders of the parent (consolidated)	11,427	9,100

### Impact of COVID-19

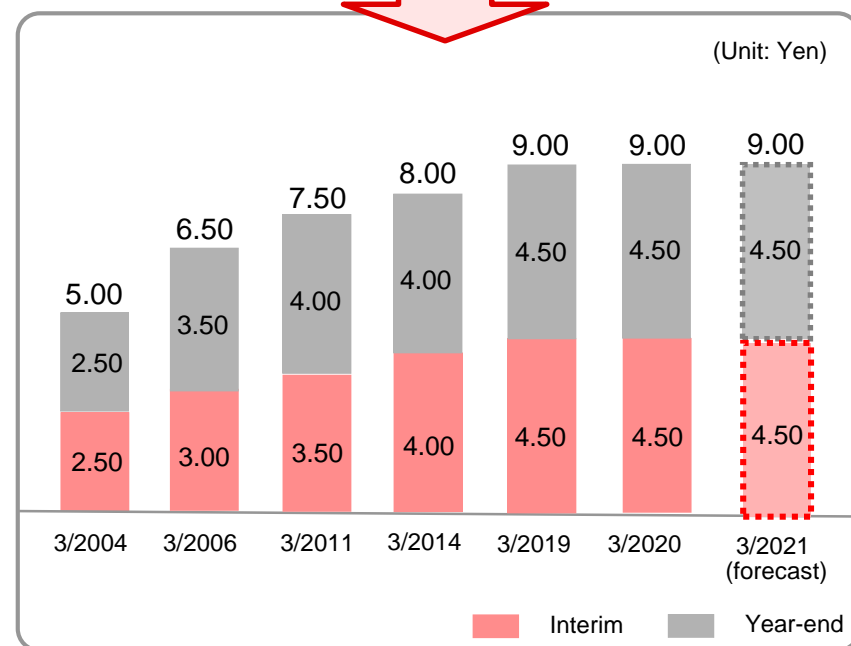
- Items incorporated in the plan: Credit costs
- Items not incorporated in the plan:
  - ⇒ An increase in loan interest due to an increase in loans related to the COVID-19 outbreak
  - ⇒ A decrease in fees and commissions due to contracting business activities

## Dividend forecast

Interim	Year-end	Full year
4.50 yen	4.50 yen	9.00 yen

## Shareholder return policy

The stable dividend policy continues



# Medium-term Management Plan

## “KAI-KAKU 150 1st STAGE—Gateway to the Future”

Aiming to Transform into a Digital & Consulting Bank

## Progress Review

- The indicators demonstrated steady performance towards the final goals of the Medium-term Management Plan. Personnel with professional qualifications increased to as many as 220.

## Numerical Targets of the Medium-term Management Plan

	Item	FY 3/19 (actual)	FY 3/20 (actual)	FY 3/22 (Final goal of the Plan)
Profitability indicator	Net income	10.7 billion yen	11.3 billion yen	10.0 billion yen
Capital efficiency indicator	ROE (shareholders' equity basis)	4.32%	4.41%	3.7% or more
Efficiency indicator	OHR (core gross operating profit basis)	74.43%	75.67%	Less than 79%
Soundness indicator	Equity ratio	9.74%	10.07%	9.5% or more
Growth indicators	Average balance of total deposits (including negotiable certificates of deposit)	4,992.9 billion yen	5,102.3 billion yen	5,230 billion yen or more
	Average balance of total loans	3,246.2 billion yen	3,529.7 billion yen	3,700 billion yen or more
	Loan-to-deposit ratio (average balance base)	65.0%	69.2%	70.8% or more
Profit indicators	Operating income from services to customers	1.5 billion yen	2.9 billion yen	3.7 billion yen
	Corporate solutions fees	941 million yen	1,103 million yen	2,000 million yen
Human resources development indicator	Number of personnel with professional qualifications	161 persons	221 persons	300 persons
<div> <div>No. 1 among regional banks in Japan</div> <div>A total of 28 staff members passed the knowledge-based exam of the 1st Grade Financial Planning Qualifications (for examination held in Jan 2020)</div> </div>				

- A challenge is “many redemptions of relatively high-yield JPY-denominated bonds.” A solution is to increase the volume of loans to local companies and housing loans

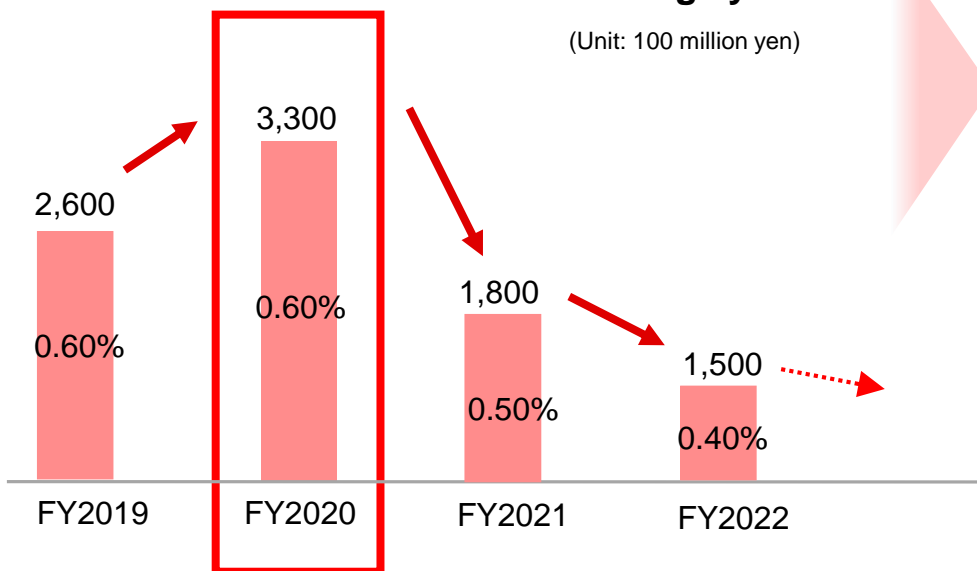
## Maturity of many JPY-denominated bonds will peak in FY2020

As fewer JPY-denominated bonds mature in FY2021 onward,

**FY2020 is the crucial point.**

### Trends in redemption amount of JPY-denominated bonds and average yield

(Unit: 100 million yen)

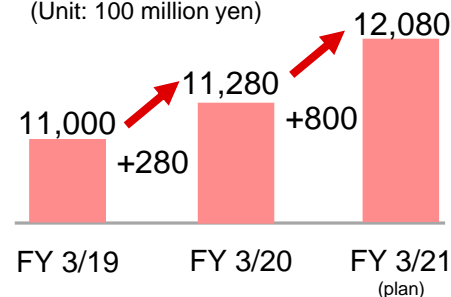


## Solution

**Focus on increasing the volume of loans to medium-sized companies/SMEs in the region, and housing loans**

### Increase the volume of loans to medium-sized companies/SMEs in the region

(Unit: 100 million yen)

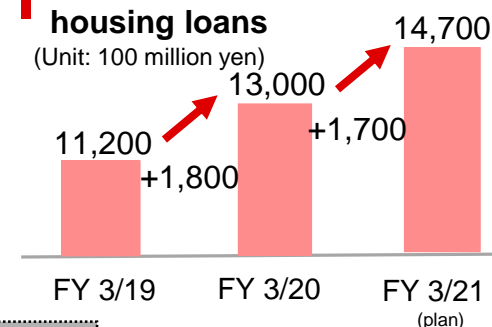


FY2019  
Average effective yield  
of loans to medium-  
sized companies/SMEs  
in the region

**1.055 %**

### Increase the volume of housing loans

(Unit: 100 million yen)



FY2019  
Average effective  
yield of housing  
loans

**0.55 %**

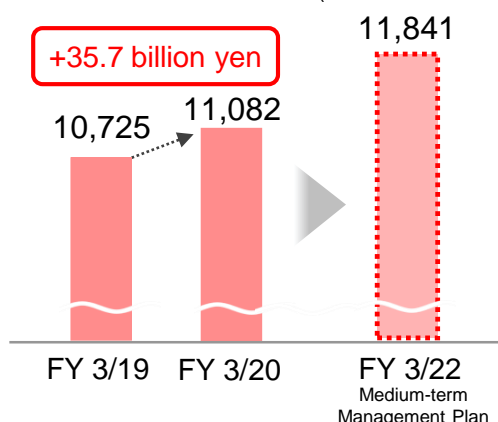
**Secure profits while minimizing the impact of JPY-denominated bond redemption**

- Increase average balance of loans, such as loans to local medium-sized companies/SMEs and consumer loans, by approx. 500 billion yen.

## JPY-denominated loans Average balance plan

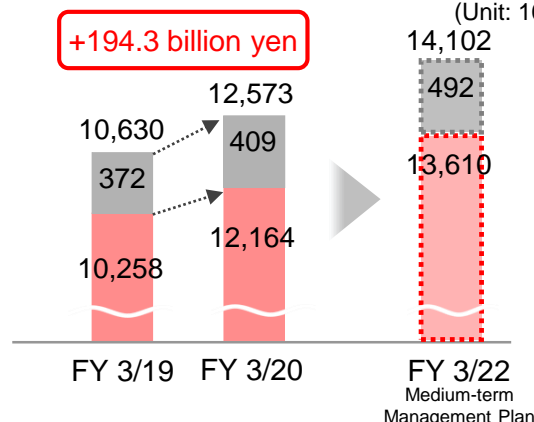
### Loans to medium-sized companies and SMEs in the region

(Unit: 100 million yen)



### Consumer loans

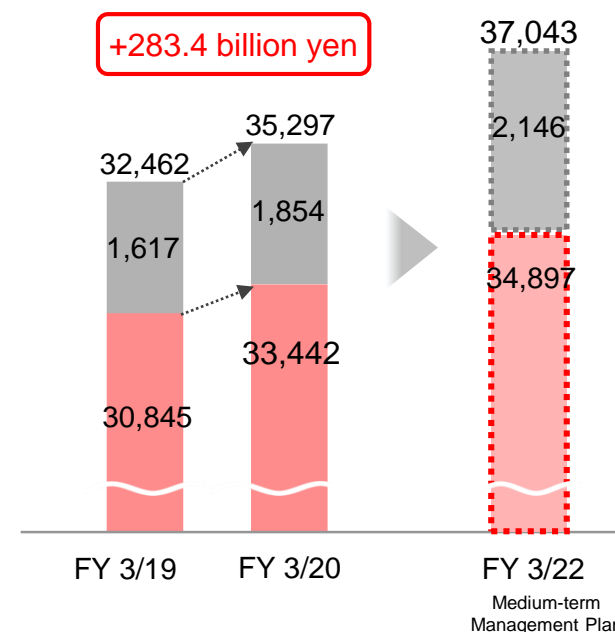
(Unit: 100 million yen)



## Total loans Average balance plan

JPY-denominated loans  
Foreign currency-denominated loans

(Unit: 100 million yen)



## Foreign currency-denominated loans Average balance plan

Acquire prime borrowers while enhancing the operating scheme and performing careful risk analysis

For companies operating overseas business

Increase the volume of loans for higher portfolio diversification

For companies operating domestic business

Ensure to acquire fund needs of overseas subsidiaries

Aircraft finance

Fulfill aircraft demand while carefully examining the industry trends

During the term of the Medium-term Management Plan  
**50 billion yen up**

## Loan-to-deposit ratio

	FY 3/19 (actual)	FY 3/20 (actual)
Loan-to-deposit ratio	65.0%	69.2%

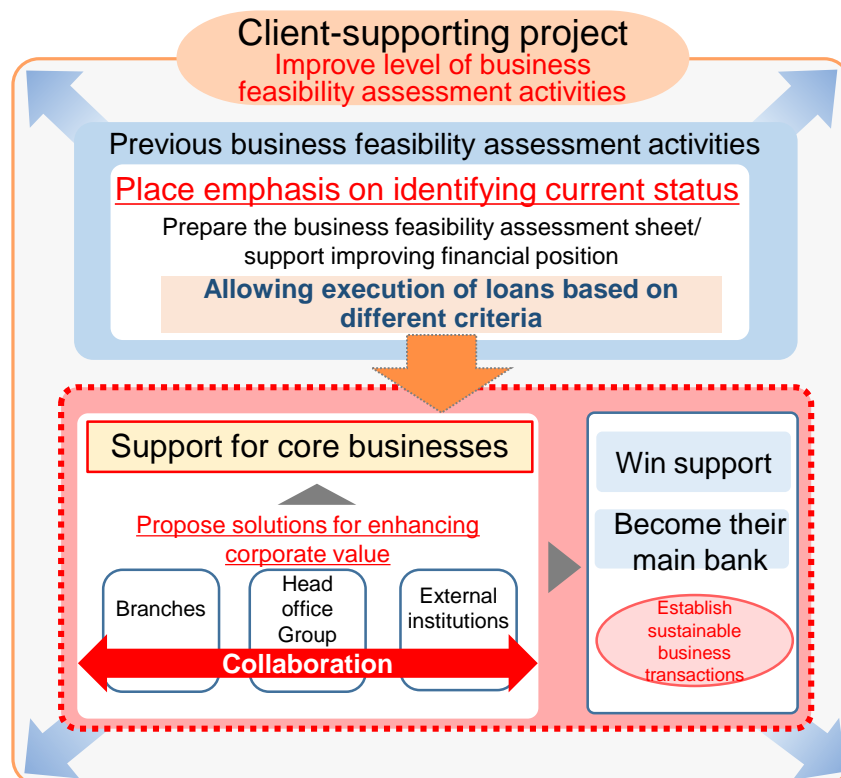
**+4.2p**

FY 3/22  
(Final year of the Medium-term Management Plan)

**70.8% or more**

- Deepen business feasibility assessment to further strengthen financial intermediary capability and increase market share for loans.

## Toward More Sophisticated Business Feasibility Assessments



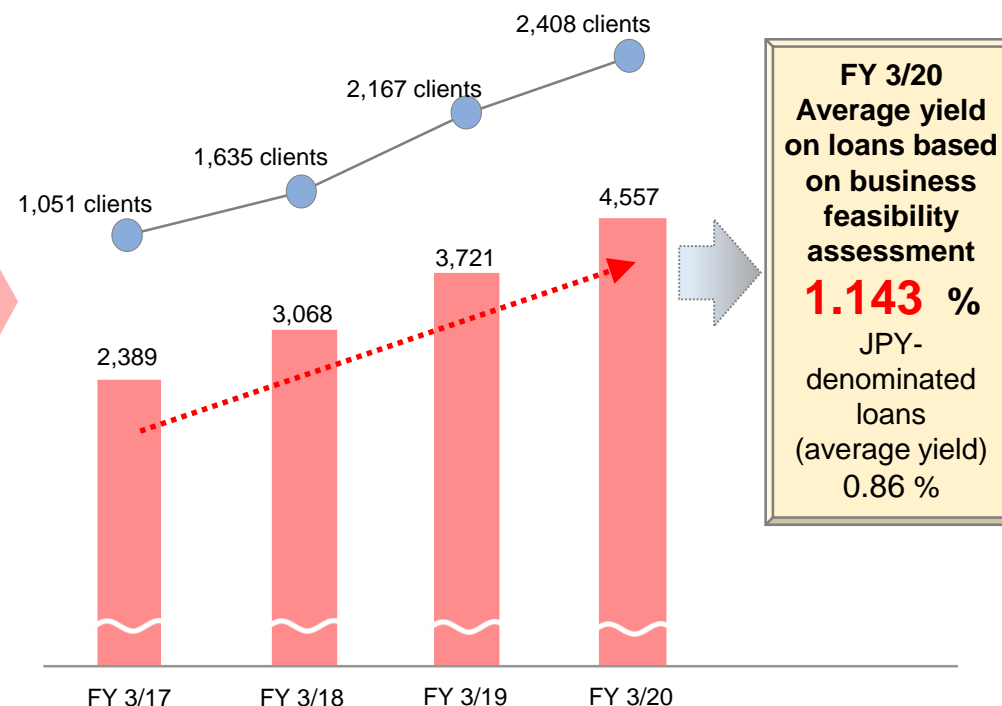
Achieve differentiation and superiority in loan transactions

Expand share of loans ► Strengthen loan income

### Change in the loan balance based on business feasibility assessment and the number of clients who received a business feasibility assessment

(Unit: 100 million yen)

- Balance of loans based on the business feasibility assessment
- Number of clients who received a business feasibility assessment



- Advancing into new sales areas. Establishing no branch, while encouraging new customers to open new accounts at Aichi Internet branch

## Housing loan promotion measures

### Advancing into new sales areas



Started offering housing loans in Toyohashi City,  
Aichi Prefecture

### Aichi Internet Branch

Available to customers under a housing loan contract at Toyohashi Personal Plaza only  
Save expenses by not launching a second Internet branch after the Osaka internet branch

### Housing starts in municipalities in Aichi Prefecture

1st: Nagoya City 27,046

2nd: Okazaki City 3,182

**3rd: Toyohashi City 2,712**

4th: Toyota City 2,645

•

•

\*Prepared based on Ministry of Land, Infrastructure, Transport and Tourism, "the 2019 Statistical Survey of Construction Starts"



**Attract more borrowers by developing new excellent housing loan markets**

- Make more use of the business hours by streamlining operations. The average balance is increasing at a faster pace than stated in the Medium-term Management Plan

## Streamlining operations and numerical targets

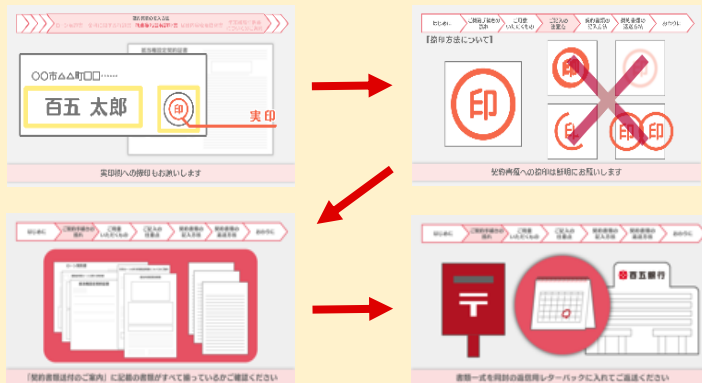
### Streamlining operations

#### Streamlining and homogenizing operations



#### The use of YouTube content

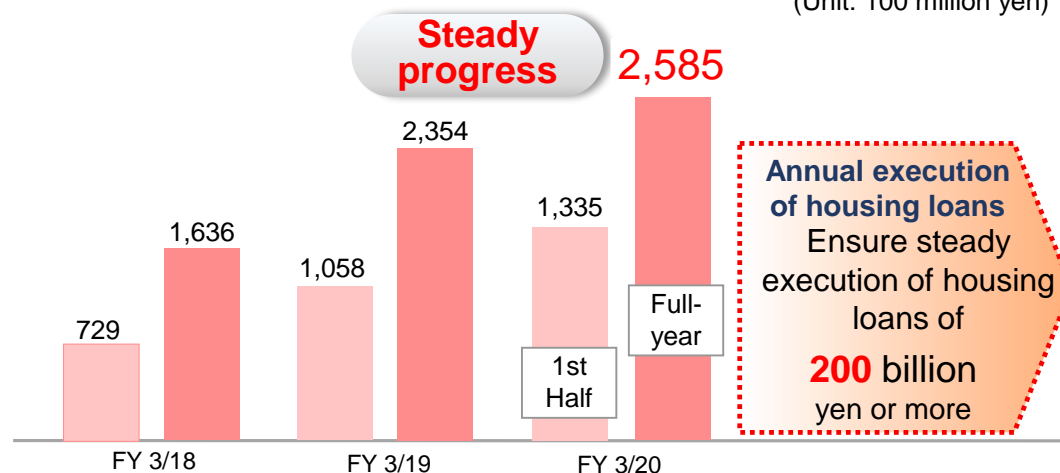
Present the flow of a loan agreement in an animated format to expand the coverage of contactless and mail contracting



**Make more use of the business hours by reducing the operational burden**

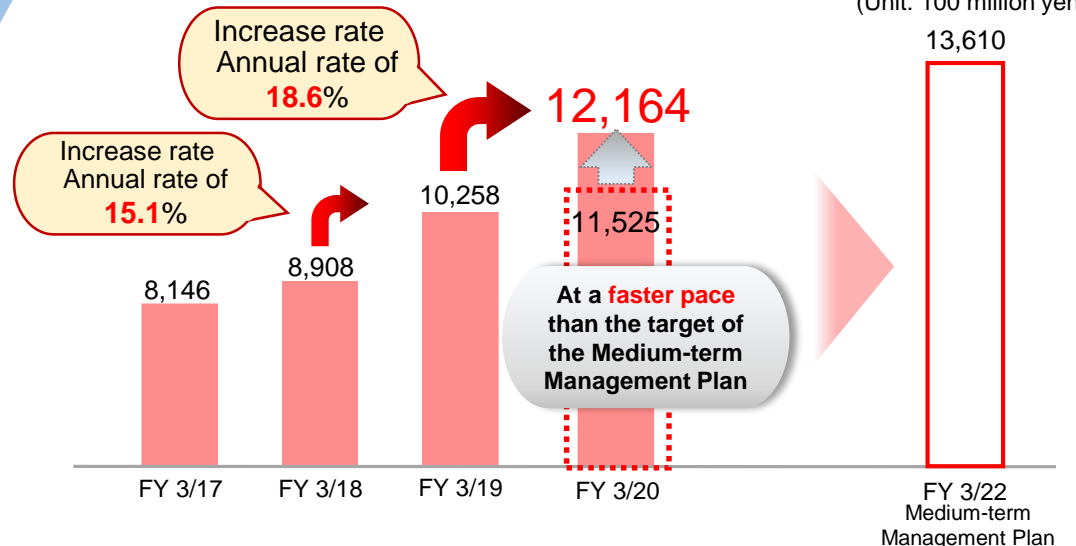
### Single-year execution of housing loans

(Unit: 100 million yen)



### Average balance of housing loans (plan)

(Unit: 100 million yen)



- Capture potential fund needs for housing loans, and increase contactless transactions through online contracting

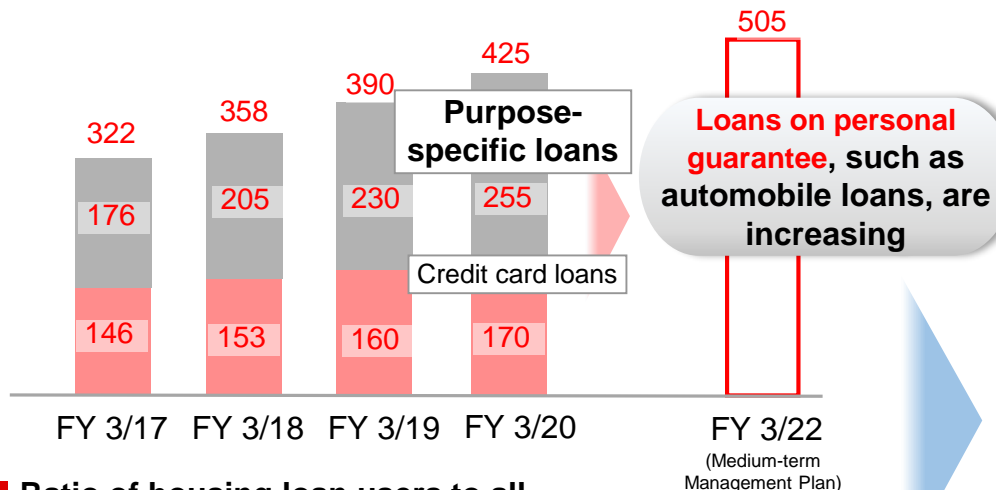
### Trend in balance of unsecured loans, and promotion measures

#### Balance of unsecured loans

(Unit: 100 million yen)

**No. 1 among regional banks in Tokai Region in terms of balance of unsecured loans**

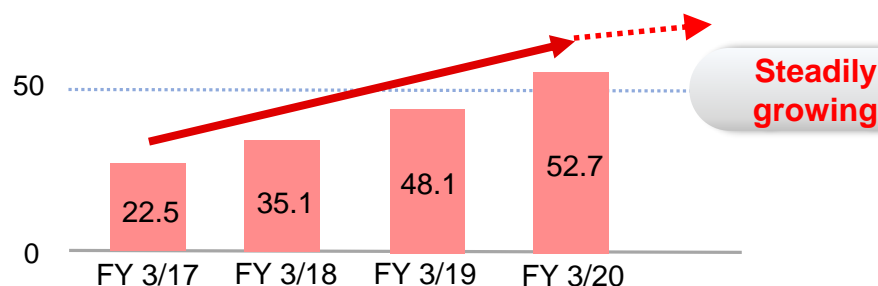
\* Prompt report of Nikkin (the Japan Financial News), Mar 2020



#### Ratio of housing loan users to all unsecured loan users

100

(% )



### Enhance customer loyalty of those with a housing loan

Products exclusively for housing loan users

Value Plan

- (1) Propose refinancing when customers are applying for a housing loan

- (2) One Writing



Preliminary review for housing loan



Review for refinancing of loan from other financial



- (3) Apply preferential interest rates to housing loan users

### Design easy-to-use websites



**64 regional banks**  
**Website Ranking**  
in websites for credit card loans  
**No. 1**

\* WACUL Inc., Research Report (Apr 2020)

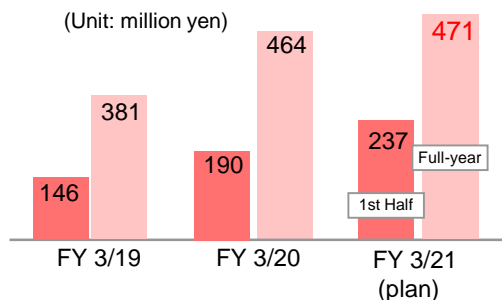
**Leading to an increase in contracts**

- Enhance offerings of solutions and support system to address customers' management issues and strengthen non-interest income

## Strengthening corporate solutions fees

### Structured finance-related fees

(Unit: million yen)



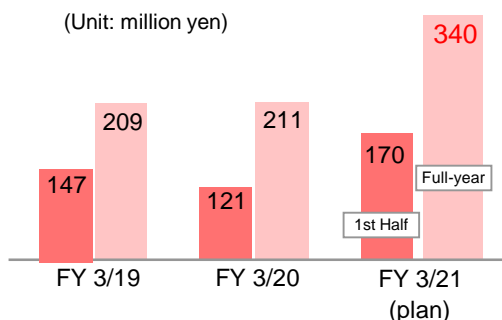
**464 million yen**

(Results as of FY 3/20)

- ◇ Offer loan methods satisfying customer needs and financing for PPP/PFI operations

### M&A fees

(Unit: million yen)



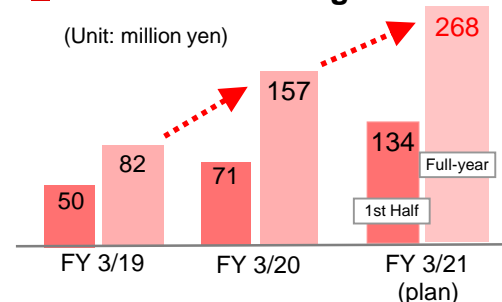
**211 million yen**

(Results as of FY 3/20)

- ◇ Focus more on some 1,500 target customers with net assets of 300 million yen or more

### Business matching fees

(Unit: million yen)



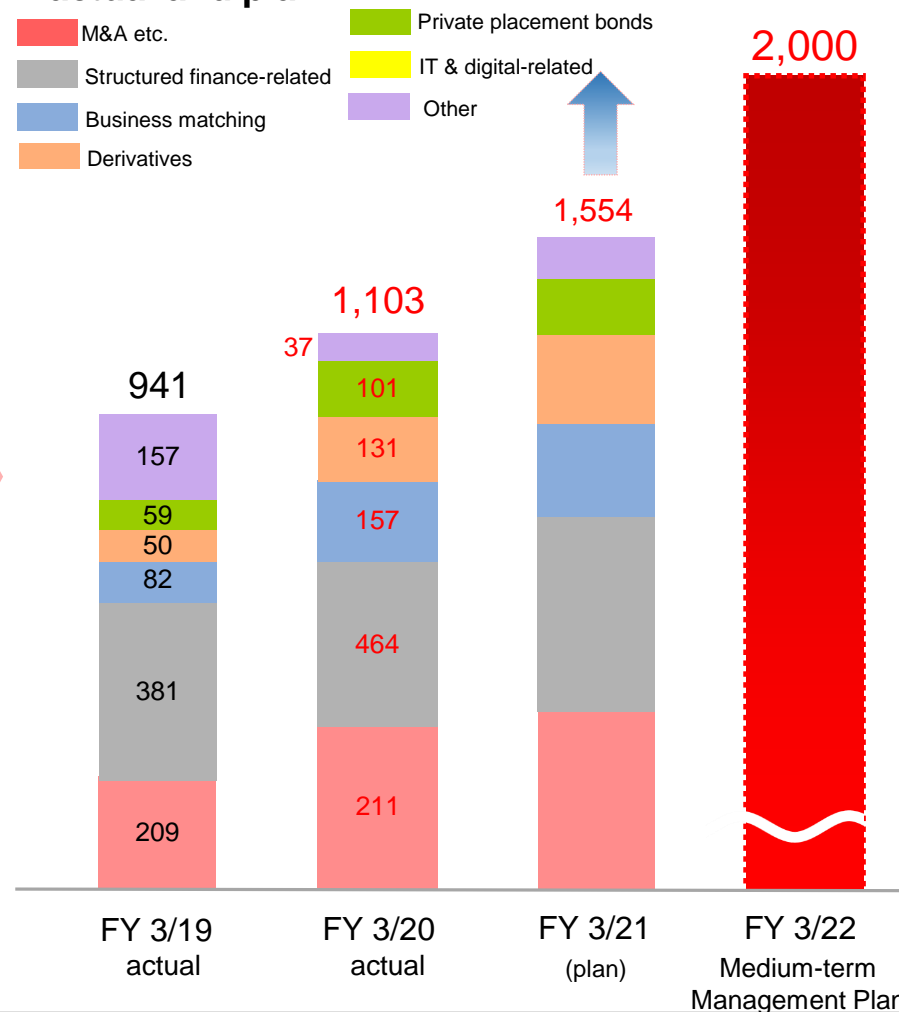
**157 million yen**

(Results as of FY 3/20)

- ◇ Start full-scale operations of real estate business matching by enhancing partnership with constructors, and newly start business matching in areas related to artificial intelligence and the IoT

### Corporate solutions fees: actual and plan

(Unit: million yen)

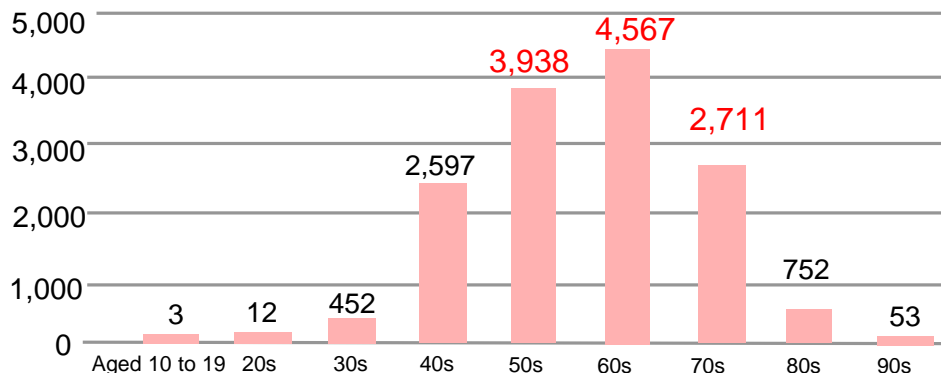


- Enhance the scheme to support business succession as part of the Bank's commitment to sustainable community development, and increase earnings also

### Situation of SMEs business succession

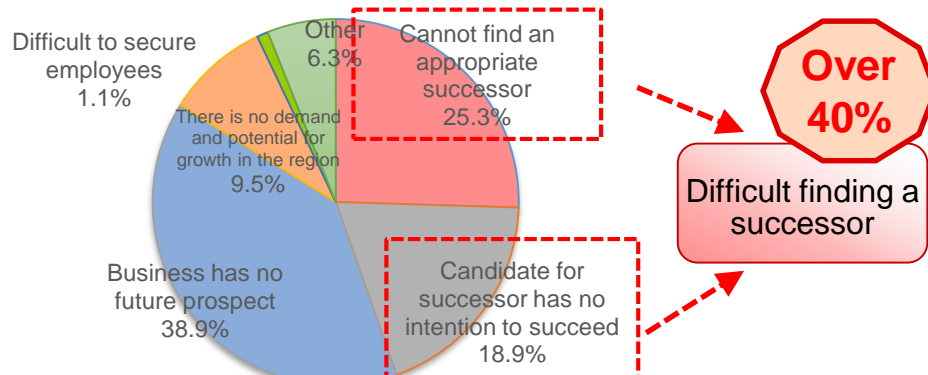
#### Entrepreneurs demographic distribution (Mie Prefecture)

(Unit: Businesses)



Source: Tokyo Shoko Research, Ltd.; a total of 15,085 companies, for which the age of the owner is available among data on companies in Mie Prefecture (as of Dec 2017)

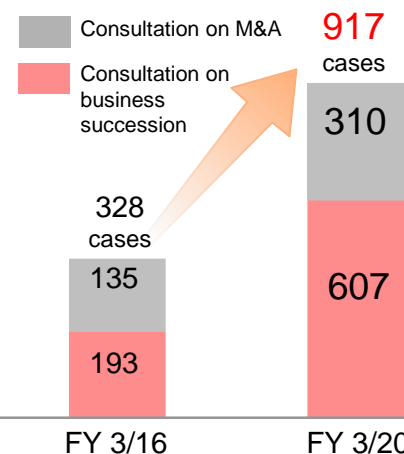
#### Why they are considering going out of business (Mie Prefecture)



Source: The results of a questionnaire survey on small and medium-sized companies in Mie Prefecture on business succession (Jan 2018)

### Enhance the scheme to support business succession

#### Number of consultations on business succession and M&A



#### Newly established

**Hyakugo Mirai Investment Co., Ltd.**

\* December 2019

Capitalization: 70 million yen

Shareholder: The Hyakugo Bank Ltd.

Business succession fund "AIDMA No. 1"

\* January 2020

Total fund: 3 billion yen

- Proactively support business succession with equity investment
- Curb business discontinuation due to lack of a successor, and contribute to maintenance and development of the regional economy

Investments made: **2 cases**

\* From Dec 19 to Mar 20

- Make customer-oriented proposals for depository assets according to their needs in order to increase the penetration ratio of depository assets and strengthen depository assets-related fees

## Depository assets sales strategy to increase penetration ratio

### Depository assets penetration ratio

Depository assets penetration ratio (%)

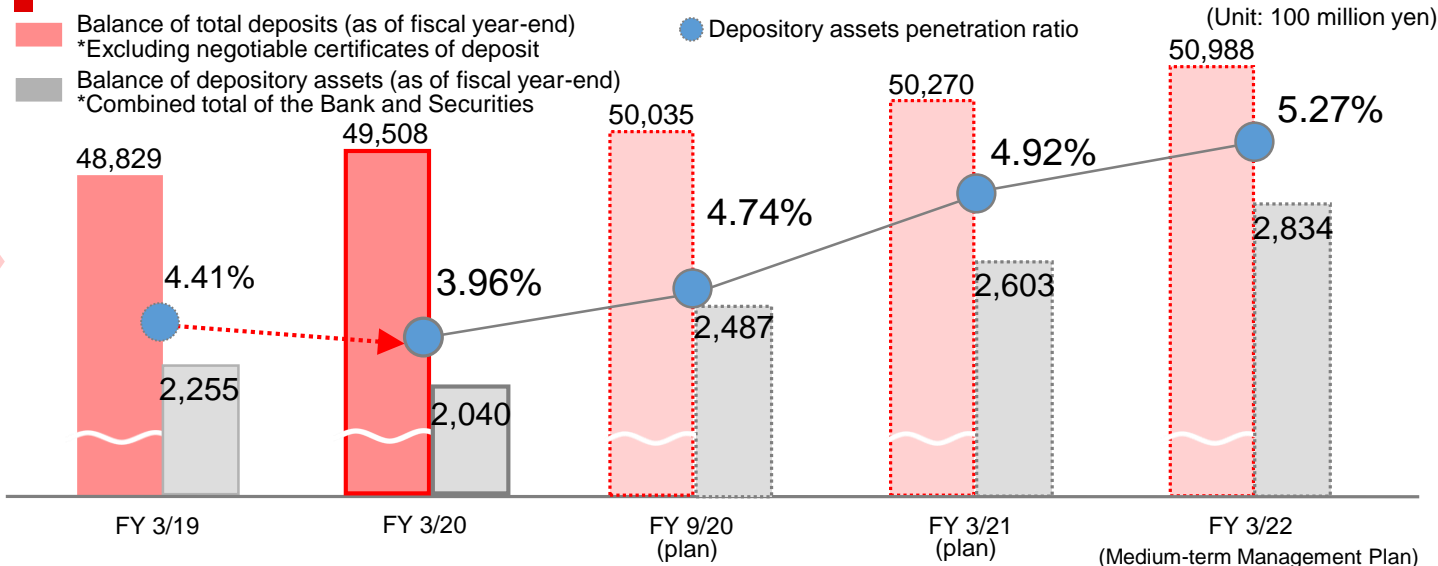
II

Balance of depository assets

Total balance of deposits +  
Balance of depository assets

Integrated management of deposits and depository assets through collaboration between the Bank and Securities

### Trend of depository assets penetration ratio (combined total of the Bank and Securities) and plan



### Effects of reforms to the sales system

Allocation of sales force by segment

Accurate consulting services and proposals by segment

New system under enhanced collaboration with **Hyakugo Securities**

Increase in opportunities to offer financial instruments brokerage to corporate customers

Improve efficiency of insurance consultation service locations

Increase in the number of insurance contracts

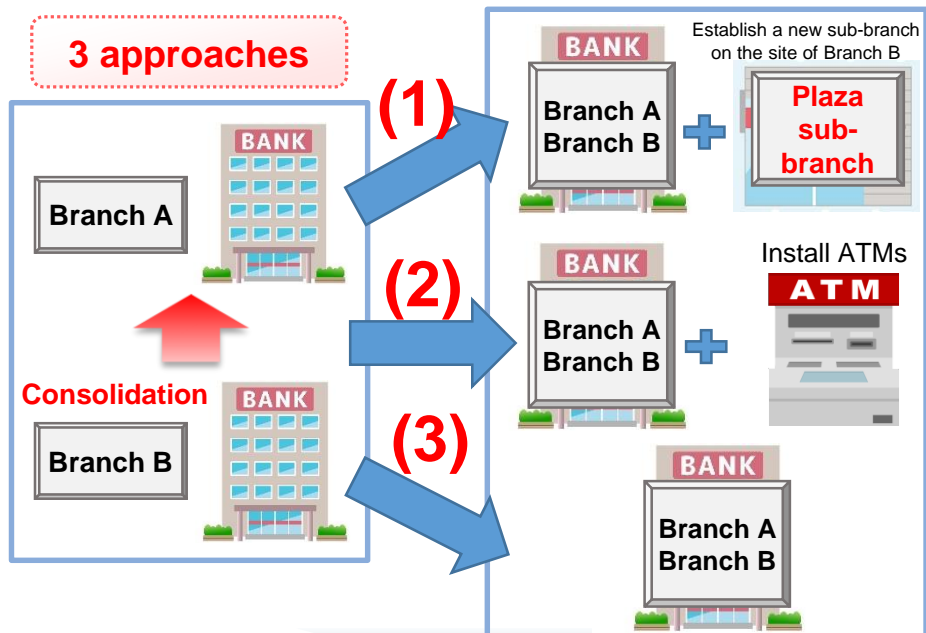
### Depository assets-related fees

(Unit: million yen)

	FY 3/19 (actual)	FY 3/20 (actual)	FY 3/21 (plan)	FY 3/22 (Medium-term Management Plan)
Investment trusts	820	892	1,021	1,176
Insurance	993	990	1,255	1,396
Financial instruments brokerage	68	172	225	225
Defined contribution pension	79	95	100	100
Total	1,961	2,150	2,601	2,897

- Accelerate efficiency of branch network by eliminating inefficient overlapping of sales areas, while maintaining branch network and convenience for customers

### Consolidate functions by adopting branch-in-branch method



**Plan** 16 branches over three years, and more

	FY2019	FY2020	FY2021	
Initial plan	5 branches	5 branches	6 branches	Surplus employees to work out <b>55 persons</b>
Current plan	2 branches completed	8 branches, of which consolidation in progress for 4 branches	6 branches	

### Downsizing of Sub-branches

#### Rollout of “105 Plaza”

Branch operation with a small number of staff  
(Two employees and two to four part-timers)

- (1) Limiting the services offered
- (2) Changing business hours



**Plan** 10 branches over three years, and more

	FY2019	FY2020	FY2021	
Initial plan	5 branches	5 branches	—	Surplus employees to work out <b>20 persons</b>
Current plan	7 branches completed	3 branches	—	

Forwarding the scheduled downsizing

- For a more accessible and flexible bank with smartphone banking. No time-consuming application and approval process is needed. Easy to start with a cash card

## Towards the rollout of smartphone banking

Towards services, where banking transactions are completed only on smartphone

Phase 1 (Nov 2019)  
Smart passbook

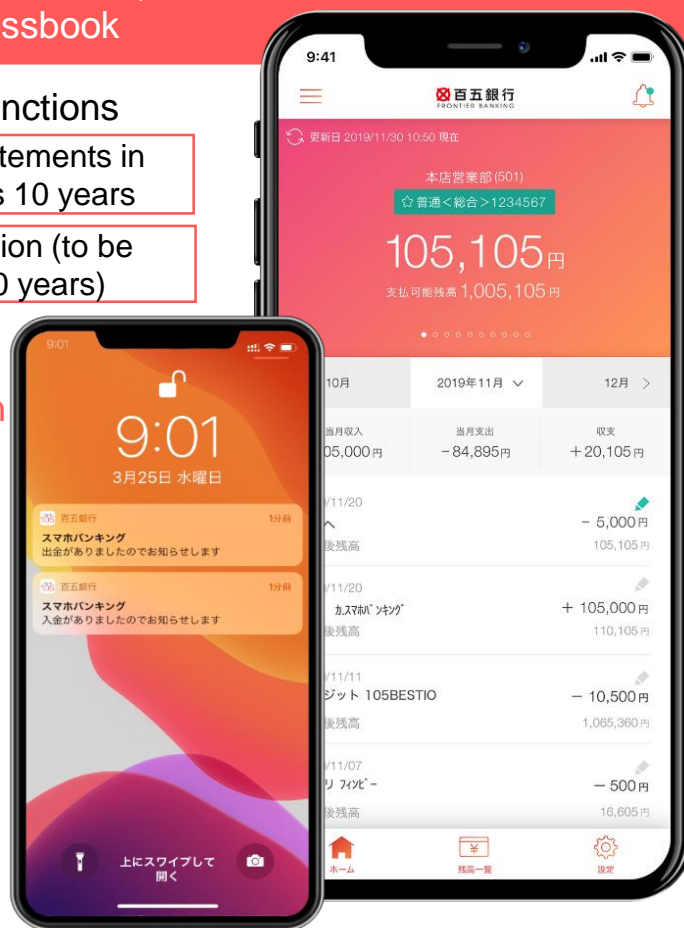
New functions

Account statements in  
the previous 10 years

Memo function (to be  
saved for 10 years)

Alert and notification  
services

Cash-in/cash-out  
Advice on direct  
debit  
Non-sufficient fund

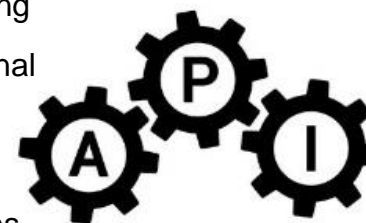


Phase 2 (scheduled Jun 2020)  
Counter services

Phase 3  
Procedures and  
notifications

Connected with API

Account opening  
Transfer / internal  
transfer  
Time deposits  
Credit card loans



Procedures to  
revise information  
Notifications  
Investment trusts  
Foreign currency  
deposits and other  
services

Use of new technology and services

eKYC identification

Linkage to "Mynportal"

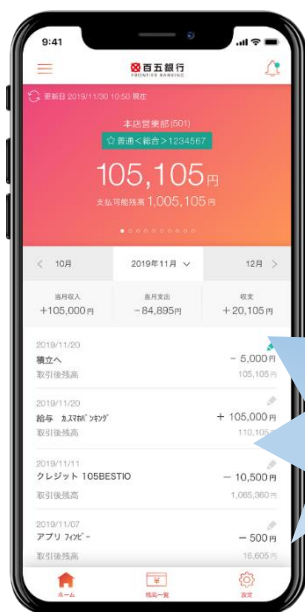
Services alternative to  
Internet banking

## ● Digital transformation of operations and branches with smartphone banking

### Smartphone banking to start digital transformation of operations and branches

#### Effects of smartphone banking and cashless economy

##### <Increased smartphone banking usage>



Number of  
accounts with no  
passbook reaching  
300,000

Shift in retail  
services

A decrease in the  
number of  
passbooks

A decrease in the  
number of ATM  
users

A decrease in  
admin. workload  
at branches

An expansion in  
sales areas

##### <Increased cashless transactions>

###### QR code settlement service

Smartphone settlement service  
offered by a bank

**BP Bank Pay**



Japan's largest number of  
participants  
More than 1,800 shops and  
retailers

###### Barcode settlement service

Tax and bill payments at  
convenience stores

**Barcode Pay**



Japan's first service  
Adopted by 23 municipalities in  
Mie Prefecture  
And also for automobile taxes  
for Mie and Aichi prefectures

#### Cost reduction

- A reduction in cost of passbooks
- Branch downsizing and a reduction in the number of ATMs
- A reduction in the running cost of Internet banking  
(shift from Internet banking to smartphone banking)

#### Building a more efficient sales system with minimal personnel

- Effective reallocation of management resources to priority areas
- Expansion in sales areas of the retail segment
- Use of tablets with smartphone banking API at branches

# Initiatives for ESG/SDGs



- The Bank will implement the 13 management strategies set out in the Medium-term Management Plan as initiatives for ESG/SDGs and practice sustainable management.

## The Bank's basic stance towards SDGs

### Organization to promote SDGs

In April 2019, **The SDGs Promotion Committee** was established

Announced on October 21, 2019

 **百五銀行 Group** **SDGs Policy** 

(Hyakugo Bank Group Sustainability Policy)























The Hyakugo Bank Group will contribute to the achievement of a sustainable society by setting the SDGs as important indicators for both the resolution of regional social challenges and achievement of economic development, and linking these SDGs to the Group's corporate activities.

**As a regional financial institution** 

**Achieving a sustainable regional society**

**Playing a role to promote SDGs in the region**

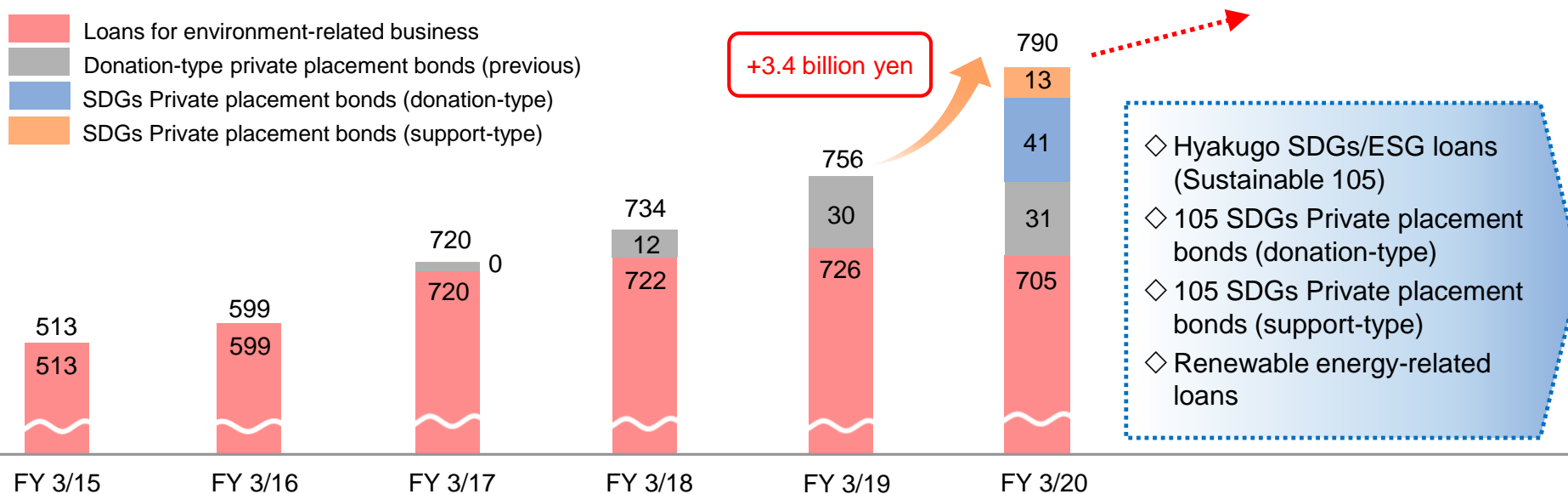
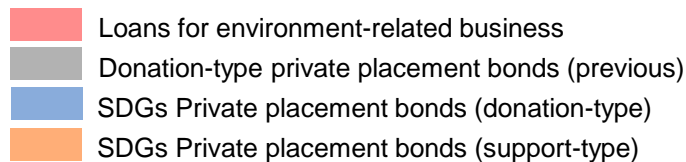
## Relationship between Priority Issues, Action Policy and SDG targets

Priority issues	Action policy	SDGs
Protecting global and regional environments	<ul style="list-style-type: none"> <li>Contribute to realization of a sustainable global environment by supporting businesses leading to environmental preservation and a reduction in environmental burdens</li> <li>Undertake forest preservation and energy-saving activities to help preserve the regional environment and raise awareness</li> </ul>	     
Creating regional economy	<ul style="list-style-type: none"> <li>Offer financial services meeting varied challenges and issues of customers, and contribute to creating regional economy</li> <li>Offer advanced financial services, support local companies to enhance value-added and help customers to accumulate quality wealth</li> </ul>	    
Sustainably developing regional societies	<ul style="list-style-type: none"> <li>Sensitively clarify issues and needs of regional societies, and contribute to their sustainable development through business and community activities</li> <li>Actively committed to education of children that will be responsible for the next generation, and contribute to the achievement of vital regional societies</li> </ul>	      
Promoting Diversity	<ul style="list-style-type: none"> <li>Maximize personnel potential based on a work environment having diversity and inclusion, and seek to improve employment satisfaction</li> <li>Contribute to creating a society allowing diversified career formations</li> </ul>	  
Strengthening business management systems	<ul style="list-style-type: none"> <li>Constantly review and enhance the risk management and compliance systems for higher transparency of corporate management</li> </ul>	

## ● Promote ESG/SDGs through fund supply (loans)

### Trends in balance of ESG/SDG-related loans

(Unit: 100 million yen)



### Loans for environment-related business

Heightened **awareness of environment consideration** among companies



**105** cases worth **12.6** billion yen

\* Cumulative total as of FY2019

### Hyakugo SDGs Private placement bonds

Launched July 2019

Heightened **awareness of regional contribution** among local companies



**67** cases worth **5.6** billion yen

\* From the launch until the end of Mar 2020



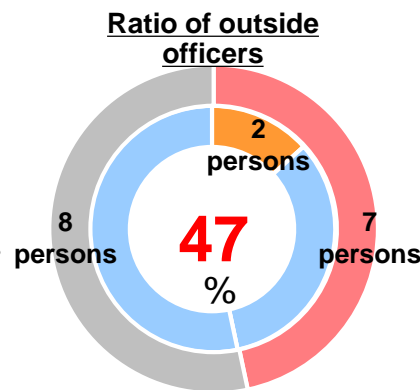
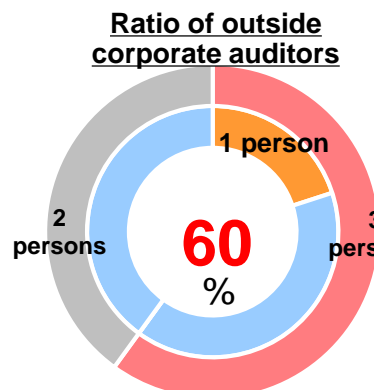
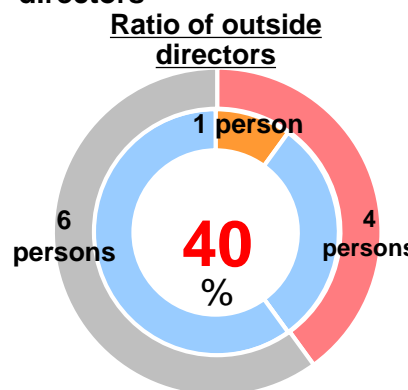
## ● Governance: Strengthening corporate governance

### Strengthen corporate governance with selective and diversified outside directors and corporate auditors

#### Ratio of outside directors

\* Scheduled June 2020

Outside Inside Female Male



**[Future policy]**  
Seek further selection and diversification of outside directors and corporate auditors

\* Seven outside directors and corporate auditors are all “independent.”

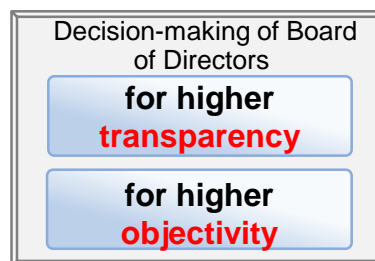
### Strengthen governance with appropriate commitment and advice of outside directors and corporate auditors

#### Corporate governance meeting

(non-mandatory nomination/remuneration committee)

Chairperson is elected from among  
**outside directors**

Title	No. of persons
<b>Outside directors</b>	<b>4</b>
<b>Inside directors</b> (representative director)	<b>2</b>
<b>Total</b>	<b>6</b>



#### [Functions]

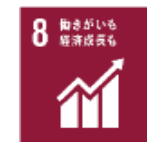
Providing advice on the following matters to Board of Directors

- **Matters concerning candidates for directors and auditors**
- **Matters concerning remunerations, etc. to directors**
- **Other significant matters concerning management**

\* The figures are as of June 2020.



## ● Social: Initiatives for sustainable development of regional societies



## Promoting Diversity

### Employment of persons with disabilities

Special affiliated  
company

Initiatives of Hyakugo Kanri Service Co., Ltd.

**First in Japan**

Certified as a "company actively hiring persons with disabilities" as a special affiliated company of a regional bank



Companies taking excellent initiatives, where persons with disabilities work with satisfaction

Offer employment know-how

- Holds seminars and sending lecturers
- Hosts **study tours organized by Mie Prefecture**

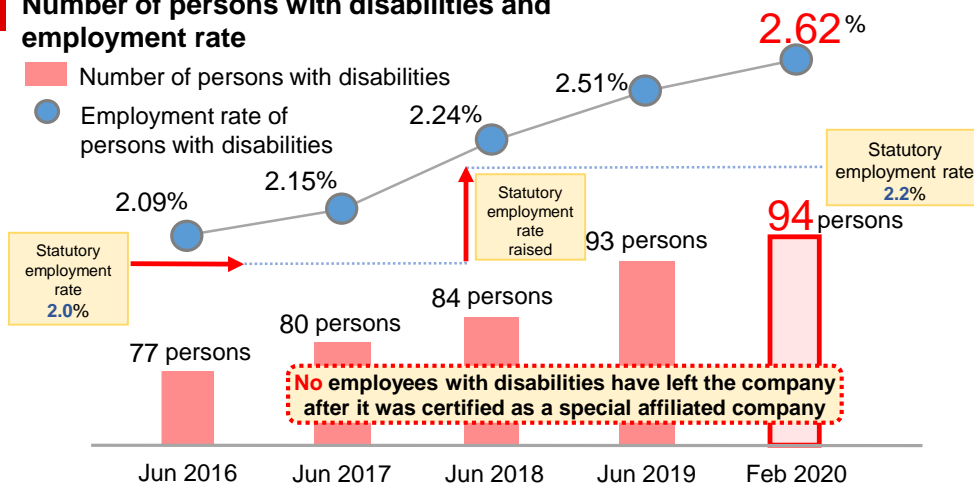


As part of HR development, staff members with disabilities give study tours

### Number of persons with disabilities and employment rate

Number of persons with disabilities

Employment rate of persons with disabilities



### Initiatives for active participation of female employees

Encourage **male employees to participate in child-raising** to promote active participation by their partners, female employees

Mums' and Dads' meeting

- Meetings for couples with children  
Provide chances to share problems and information about child-raising, and think about balancing work and child-raising



For employees raising children

Hands-on workplace tour/cooking school for dads

- For male employees and their children
- Prompt the workplace to deepen the understanding of child-raising, and encourage male employees to participate in parenting

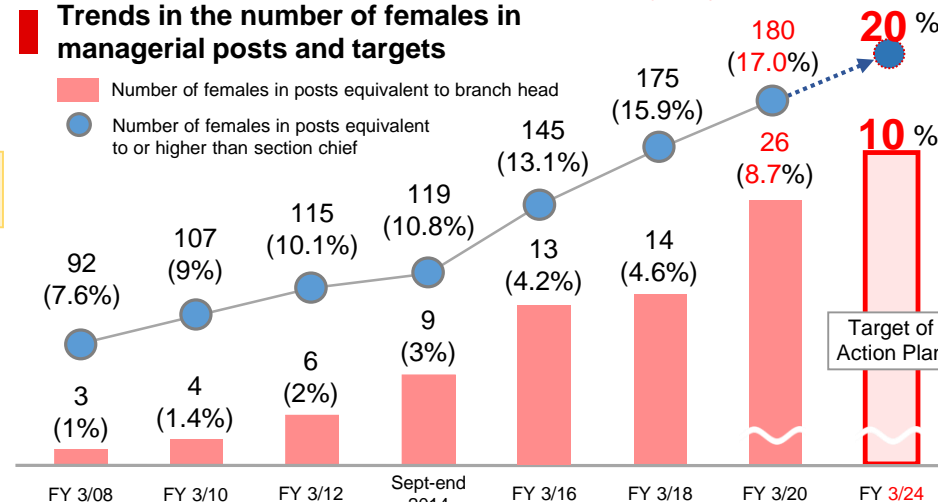


"Cooking school for dads" held jointly with Mie Prefecture

### Trends in the number of females in managerial posts and targets

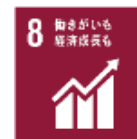
Number of females in posts equivalent to branch head

Number of females in posts equivalent to or higher than section chief





- **Social: Initiatives for sustainable development of regional societies**



## Initiative in collaboration with Mie Prefecture

### Campaign to support products in Mie Prefecture

May–July 2020

Held jointly with Mie Prefecture to support business operators affected by COVID-19



## Support for higher productivity

### Seminar on digital solutions

Held Dec 2019

Attended by  
**40** persons

Practice of IT management reform

Use of IT for difficult hiring situation and labor shortage

Hands-on experience at display area



Opportunity to learn case studies of business innovation leveraging digital technology

## Help producers to expand their sales channels

### Matching exhibition and exchange for “foods in Mie”

Held Jan 2020



Attended by  
**58** exhibitors

Number of business negotiations: **110**

Attended by  
**200** buyers

**JA Mie Shinren and Mie Prefecture and Hyakugo Bank**



## ● Environment: Initiatives with higher environmental awareness

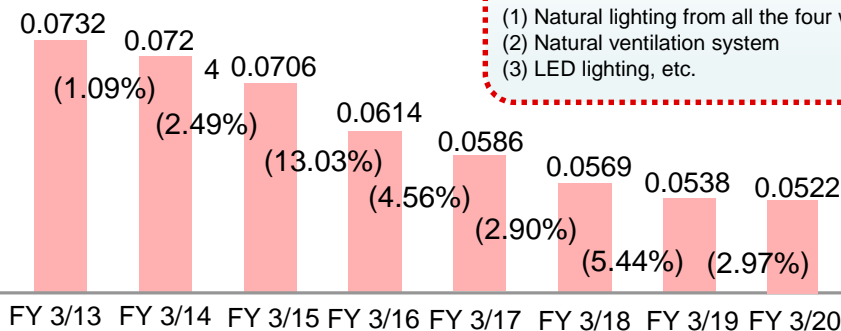


### Internal environmental initiatives

#### Initiative for CO<sub>2</sub> emission reductions

Trend in the volume of CO<sub>2</sub> emissions per square meter of floor area

(Unit: t-CO<sub>2</sub>/m<sup>2</sup>)



#### Promoting forestation activities “Hyakugo Forest”

“Hyakugo Forest” started in 2006

The bank is engaged in forestation activities in five areas in Mie Prefecture



### Initiatives for outside parties for environment preservation

#### Seminars and consultation on carbon-free management and adoption of renewables

Held Dec 2019

##### Ministry of Environment, Mie Prefecture and Hyakugo Bank

Ministry of  
Environment, Mie  
Prefecture



Encouraging public  
bodies to attend

Financial institution  
Hyakugo Bank



Encouraging local  
companies to attend

50 persons

attended

50 persons

attended



Initiatives of the  
national and prefectural  
governments

Case studies of  
adoption of renewables

Simplified estimate of  
economic efficiency

Leverage these seminars to **raise the energy-saving awareness** of public bodies and companies in the region

# Appendix

## Deposits (ending balance)

(Unit: million yen)

	March-end 2016	March-end 2017	March-end 2018	March-end 2019	March-end 2020
<b>Corporate deposits</b>	817,514	852,381	897,550	940,577	957,260
JPY liquid	531,742	559,677	607,132	637,719	652,847
JPY time	280,270	286,610	284,375	296,595	296,535
Foreign currency	5,501	6,093	6,043	6,261	7,877
<b>Individual deposits</b>	3,489,272	3,551,239	3,647,772	3,741,707	3,821,661
JPY liquid	1,685,030	1,798,213	1,900,053	2,000,289	2,122,226
JPY time	1,790,090	1,736,663	1,728,979	1,720,154	1,680,890
Foreign currency	14,150	16,362	18,739	21,263	18,544
<b>Public funds deposits</b>	108,116	112,305	145,611	165,245	129,009
JPY liquid	84,164	81,376	110,241	126,707	104,235
JPY time	23,952	30,928	35,370	38,537	24,774
Foreign currency	0	0	0	0	0
<b>Other</b>	38,046	36,054	31,961	35,456	42,955
<b>Total deposits</b>	4,452,949	4,551,980	4,722,896	4,882,986	4,950,887
Deposits in Mie Prefecture*	4,051,769	4,133,334	4,298,018	4,427,746	4,485,538
Deposits outside Mie Prefecture	401,180	418,645	424,877	455,239	465,348
Tokyo and Osaka	13,621	13,276	9,518	11,169	18,396
Aichi Prefecture	387,559	405,368	415,358	444,069	446,952
<b>Negotiable certificates of deposit</b>	202,311	179,465	187,500	182,115	160,490

## Loans (ending balance)

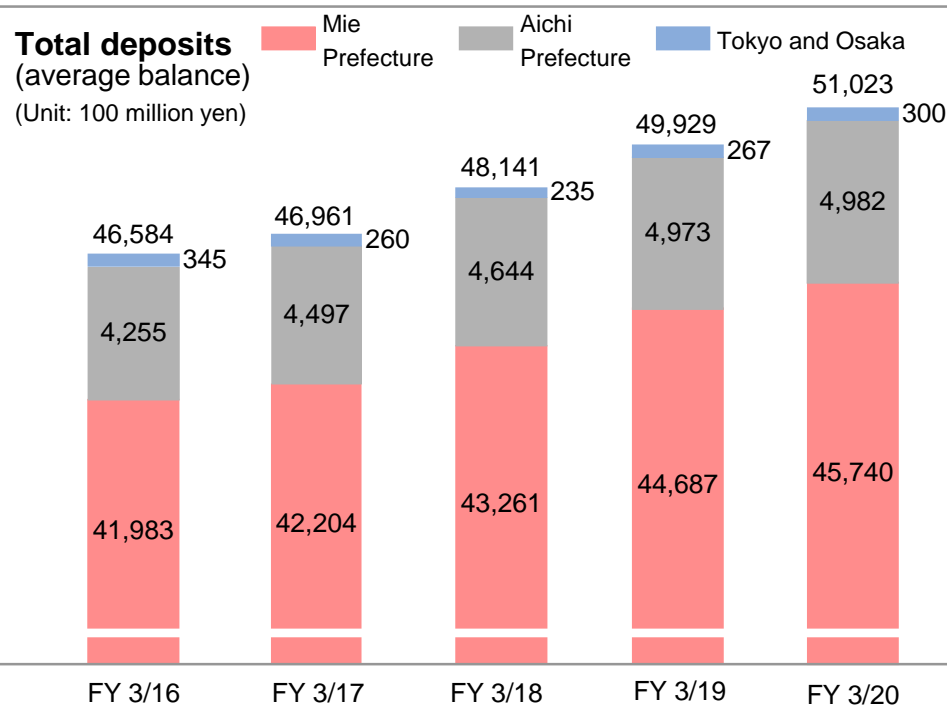
(Unit: million yen)

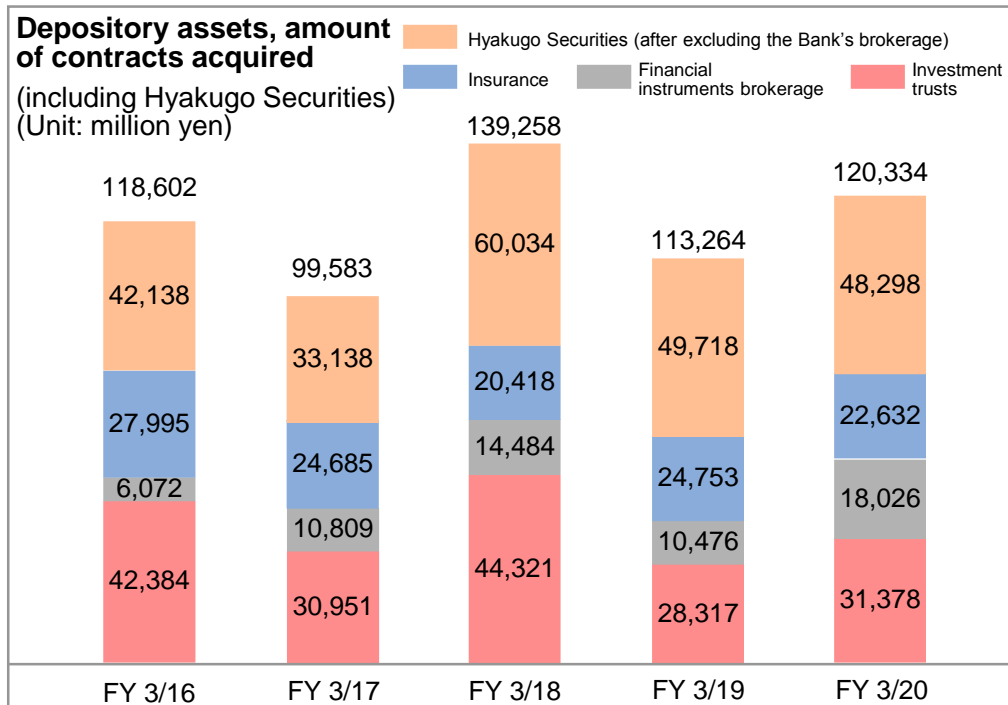
	March-end 2016	March-end 2017	March-end 2018	March-end 2019	March-end 2020
<b>Corporate sector</b>	1,796,820	1,793,112	1,837,194	2,023,492	2,038,320
Large companies	670,007	615,873	597,913	701,520	706,445
Medium-sized companies	67,247	65,736	70,576	68,607	76,523
Small and medium-sized companies	1,059,565	1,111,502	1,168,705	1,253,364	1,255,350
<b>Individual sector</b>	845,213	909,265	1,014,861	1,188,146	1,378,725
<b>Public corporations</b>	245,149	238,333	249,991	230,114	214,004
Governments	2,862	1,491	120	0	0
Other	242,287	236,841	249,870	230,114	214,004
Total loans	2,887,184	2,940,712	3,102,047	3,441,753	3,631,051
(except those for governments)	2,884,322	2,939,220	3,101,926	3,441,753	3,631,051
(Offshore account)	0	0	0	0	0
<b>Consumer loans</b>	826,295	891,264	997,845	1,172,255	1,363,812
Housing loans	784,465	848,167	952,761	1,125,634	1,315,068
Other loans	41,830	43,097	45,084	46,621	48,744
<b>Loans in Mie Prefecture*</b>	1,559,710	1,590,550	1,647,928	1,688,946	1,732,337
<b>Loans outside Mie Prefecture</b>	1,327,473	1,350,161	1,454,118	1,752,807	1,898,713
Tokyo and Osaka	637,053	590,938	606,232	733,660	710,896
Aichi Prefecture	690,419	759,223	847,885	1,019,146	1,187,816

\* Deposits in Mie Prefecture and Loans in Mie Prefecture include Shingu.

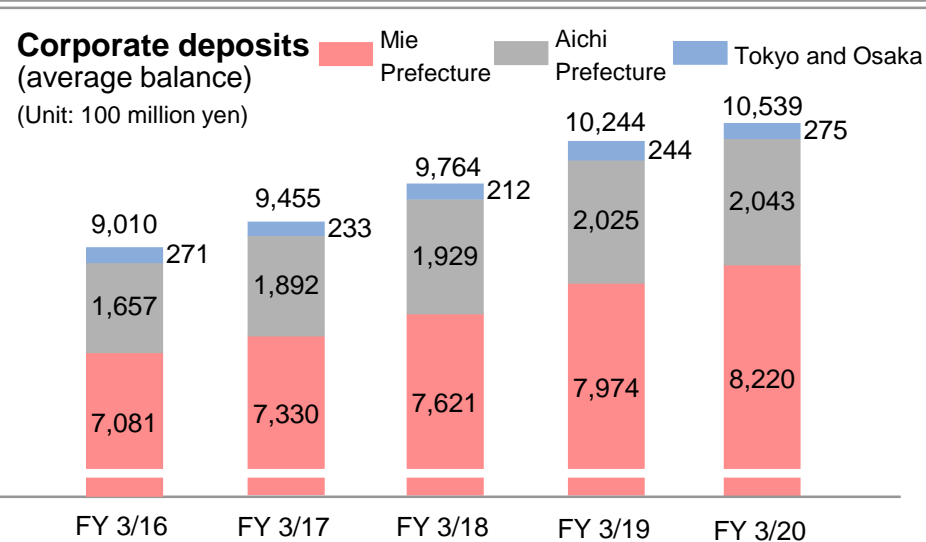
**Total deposits**  
 (average balance)

(Unit: 100 million yen)

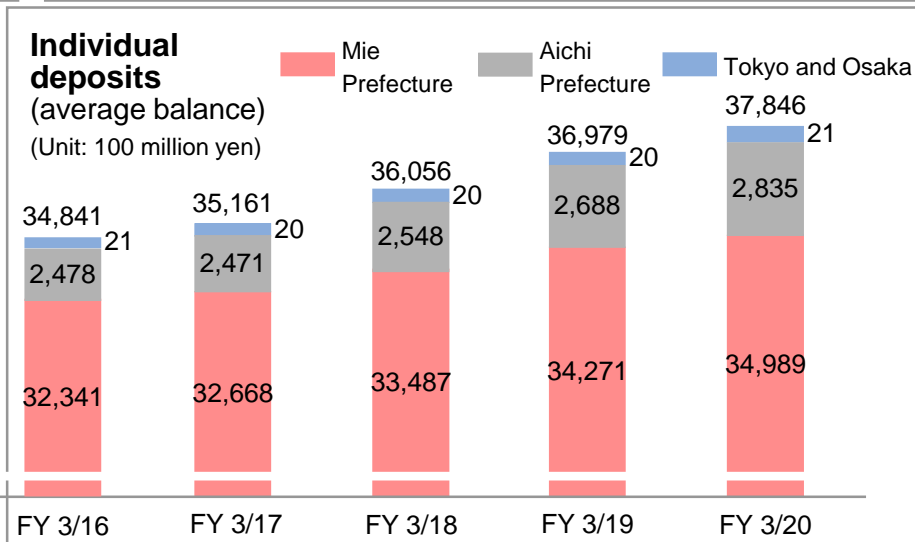

**Depository assets, amount of contracts acquired**

 (including Hyakugo Securities)  
 (Unit: million yen)

**Corporate deposits**  
 (average balance)

(Unit: 100 million yen)

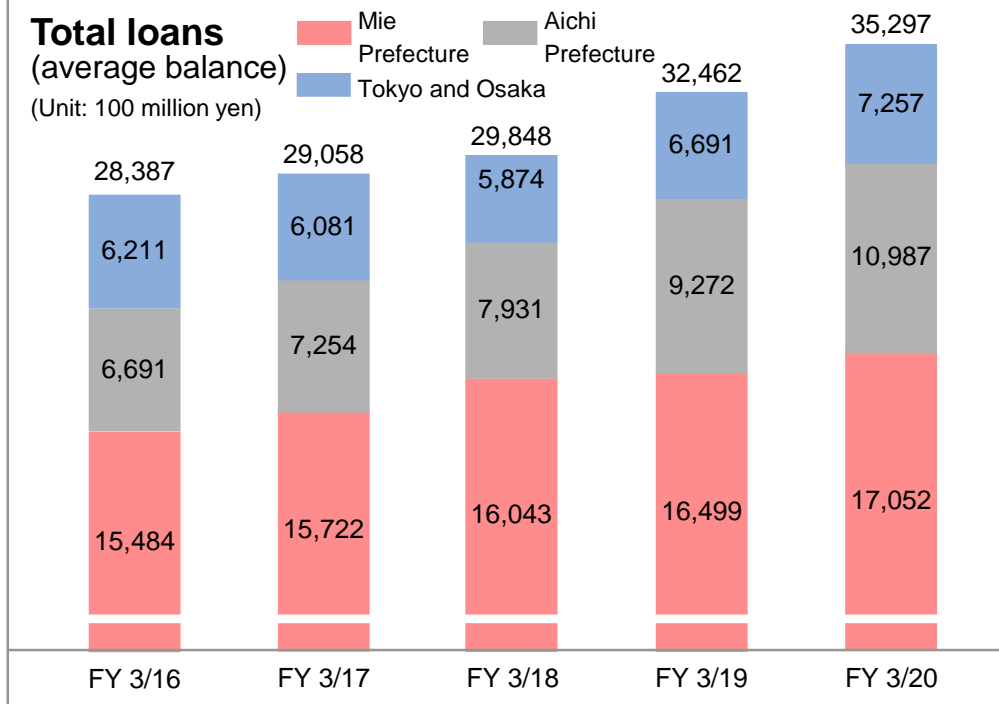

**Individual deposits**  
 (average balance)

(Unit: 100 million yen)

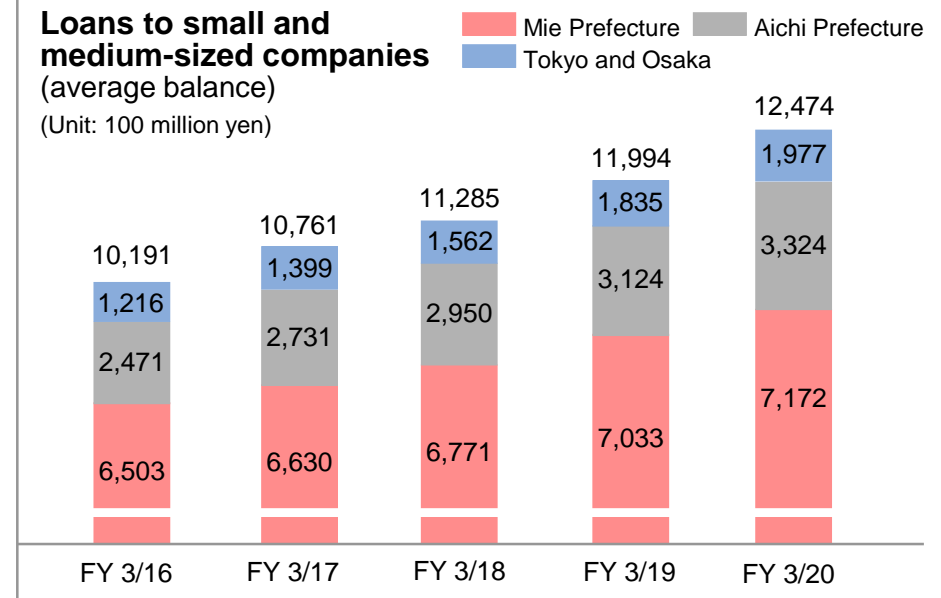


**Total loans**  
 (average balance)

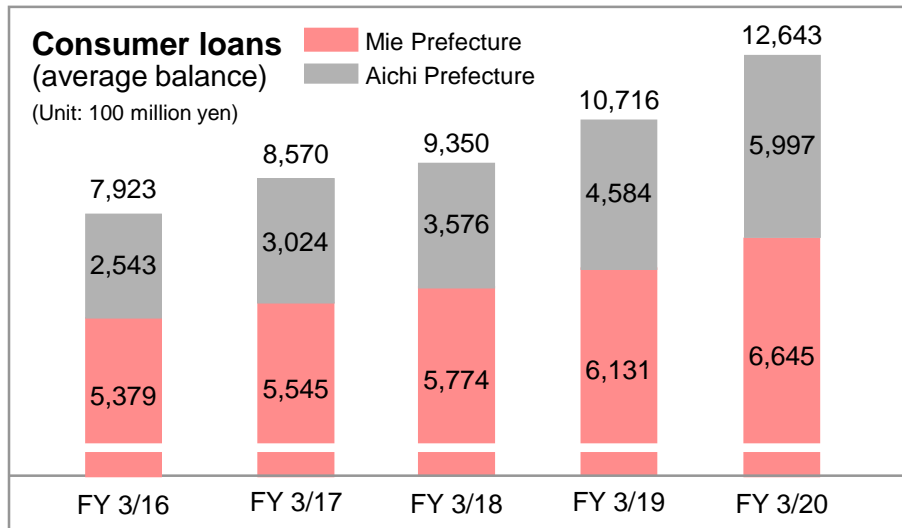
(Unit: 100 million yen)


**Loans to small and medium-sized companies**  
 (average balance)

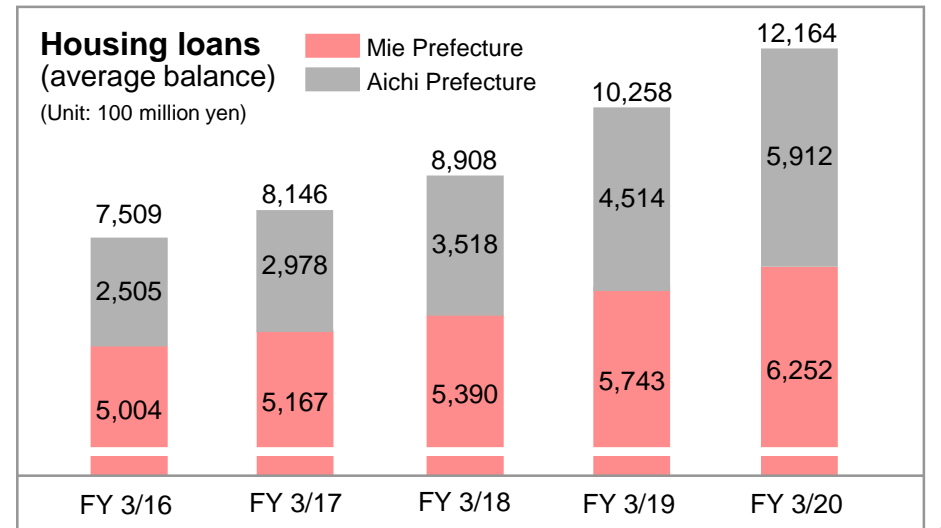
(Unit: 100 million yen)


**Consumer loans**  
 (average balance)

(Unit: 100 million yen)


**Housing loans**  
 (average balance)

(Unit: 100 million yen)



## Change in risk-monitored loans

(Unit: 100 million yen)

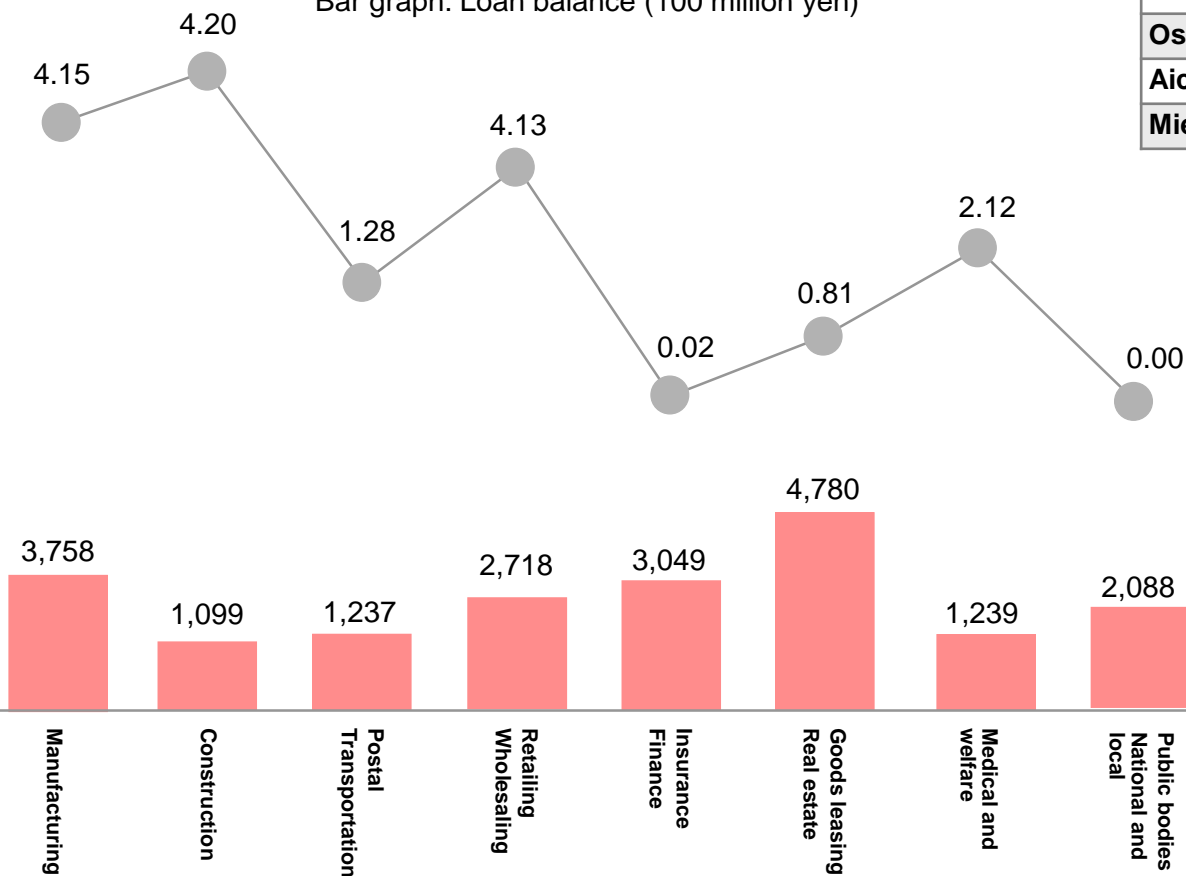
	3/31/2016	3/31/2017	3/31/2018	3/31/2019	3/31/2020	Year-on-year
Risk-monitored loans balance (total)	614	602	518	517	541	24
Risk-monitored loan ratio	2.12%	2.05%	1.67%	1.50%	1.49%	(0.01)P

&lt;Reference&gt;

End of March 2020  
 Nonperforming loan  
 ratio: 1.48%

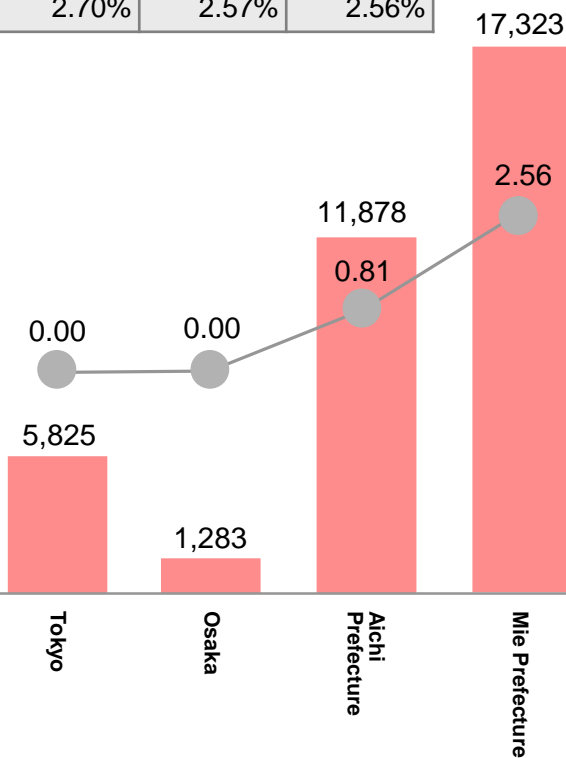
## Loan balance and risk-monitored loan ratio by major industry

Line graph: Risk-monitored loan ratio (%)  
 Bar graph: Loan balance (100 million yen)

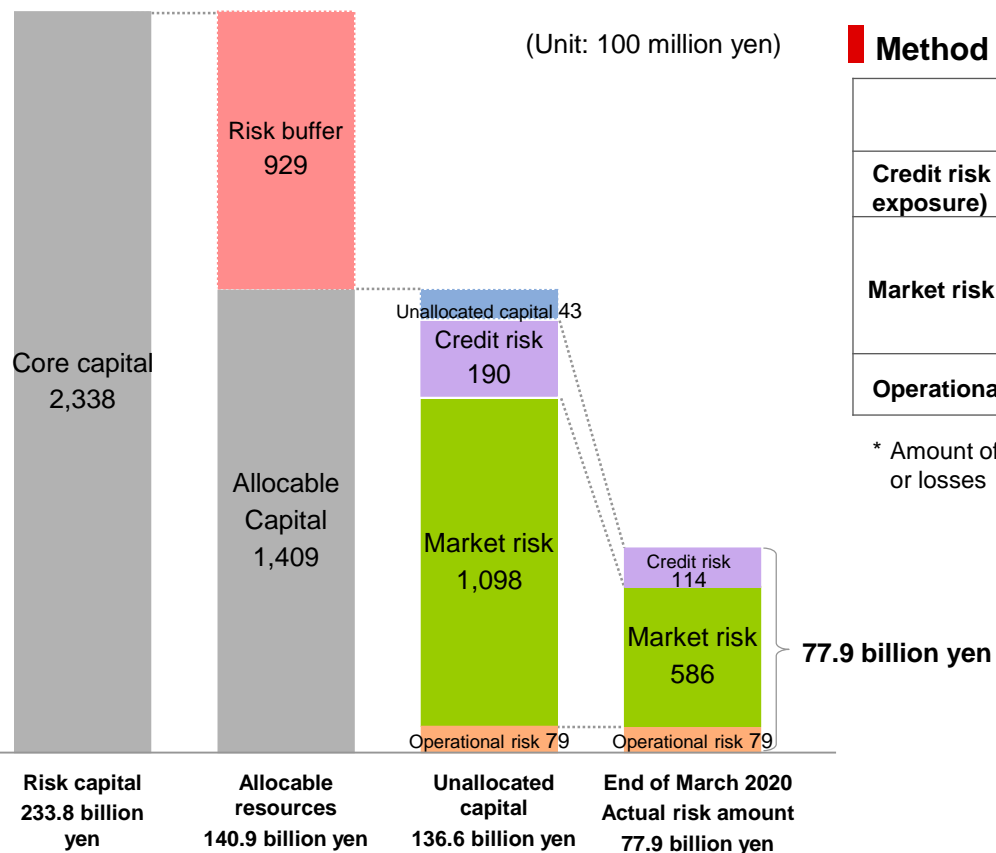


## Risk-monitored loan ratio by region

	FY 3/18	FY 3/19	FY 3/20
Tokyo	0.00%	0.00%	0.00%
Osaka	0.00%	0.00%	0.00%
Aichi Prefecture	0.86%	0.80%	0.81%
Mie Prefecture	2.70%	2.57%	2.56%



- Risk is kept within an appropriate range according to the Bank's operating capabilities based on integrated risk management.
- Compared to core capital of 233.8 billion yen and allocable capital of 140.9 billion yen, actual amount of risk is 77.9 billion yen.



### Method of measuring risk

		Method of measurement	Confidence interval	Holding period
Credit risk (including market-related credit exposure)		VaR	99%	One year
Market risk	Cross-shareholdings	VaR*	99%	Six months
	Investment rates, portfolio investment, investment trusts	VaR	99%	Three months
Operational risk		The standardized approach		

\* Amount of risk of cross-shareholdings is measured after taking into consideration unrealized gains or losses (valuation gains (losses) minus the VaR-equivalent value)

\* Risk buffer : Capital not allocated to risk limits in the case of emergencies (equivalent to 4% of equity ratio)

\* Unallocated capital : Unused portion of allocable capital

# Outstanding Nonperforming Loans by Disclosure Standard and Coverage

Nonperforming Loans under Internal Assessment Standard (target: total credit exposure)						Loans disclosed under the Financial Reconstruction Act (target: total credit exposure) * For substandard loans, only loans are included.					Risk-monitored Loans (target: loans)		
Classification		Credit outstanding	Category			Classification	Credit outstanding	Amount covered by collateral and guarantee	Reserve for possible loan losses	Coverage ratio	Classification	Balance	
			Non- categorized	Category II	Category III								Category IV
Failure		10 <5>	8	2	- (1)	- (5)	Bankrupt and quasi-bankrupt assets	66 <45>	40	26	100.00%	Loans to borrowers in legal bankruptcy	10 <5>
Substantial failure		56 <39>	42	13	- (3)	- (16)						Past due loans	438 <423>
Possible failure		387	239	67	80 (83)	Doubtful assets	387	223	83	79.22%	Debts past due by three months or more		
Watch list	Under control	141	32	109	Normal assets		92	35	7	45.76%		Restructured loans	91
							Sub-total	547 <525>	299	116	76.10%		Total
	Others	818	274	543	Normal		36,217	Ratio of loans disclosed under the Financial Reconstruction Act (sub-total) over total credit exposure: 1.48%		Ratio of risk-monitored loans over total loans: 1.49%			
Normal		35,348	35,348	Ratio of loans disclosed under the Financial Reconstruction Act over total credit exposure if partial direct write-offs were carried out: 1.42%		Ratio of risk-monitored loans over total loans if partial direct write-offs were carried out: 1.43%							
Total		36,764 <36,742>	35,947	736	80 (87)	- (21)	Total	36,764 <36,742>					

(Unit: 100 million yen)

\* Amounts less than stated units are rounded down.

- \* Total credit exposure: Loans, customers' liabilities for acceptances and guarantees, the Bank's guaranteed private placements, foreign exchange, and suspense payments and accrued interest, which are equivalent to loans
- \* Values shown in the section "Nonperforming Loans" under "Internal Assessment Standard" are after loan losses reserves, with the value indicated in parentheses representing amounts of reserves corresponding to the respective sections.
- \* The Bank does not carry out partial direct write-offs, but the amounts that would be derived if a partial direct write-off were carried out is shown in angled brackets

## Trends of Loans disclosed under the Financial Reconstruction Act

(Unit: 100 million yen)

	3/31/2016	3/31/2017	3/31/2018	3/31/2019	3/31/2020	Year-on-year
Bankrupt and quasi-bankrupt assets	81	79	64	73	66	(7)
Doubtful assets	433	445	393	379	387	7
Substandard loans	108	84	67	68	92	23
Total	623	609	524	522	547	24
Nonperforming loans ratio	2.13%	2.04%	1.67%	1.50%	1.48%	(0.02)P

Upper: number of debtors / Lower: credit exposure

(Unit: million yen)

			Debtor Classification as of 3/31/2020								Ratio of downgrading to possible failure or lower	Upgrade	Downgrade
			Normal	Other under close observation	Under control	Possible failure	Substantial failure	Failure	Other	Bulk, etc.			
as of 3/31/2019 Credit exposure by debtor classification	Normal	191,912	165,872	580	45	87	117	8	25,203	6	0.11%	-	837
		3,328,546	2,948,337	18,182	2,710	1,987	1,173	360	355,795	59	0.11%	-	24,414
	Other under close observation	2,116	409	1,307	19	88	14	2	277	1	4.91%	409	123
		85,612	13,352	58,666	1,728	3,476	212	20	8,154	10	4.33%	13,352	5,438
	Under control	201	10	15	144	14	3	-	15	1	8.46%	25	17
		10,724	291	321	8,763	356	31	-	959	12	3.62%	612	388
	Possible failure	1,254	11	46	4	1,025	29	2	137	17		61	31
		37,934	225	970	364	31,681	624	139	3,929	370		1,560	763
	Substantial failure	490	11	3	1	1	320	8	146	9		16	8
		5,308	16	50	13	380	3,453	216	1,177	235		460	216
	Failure	46	-	1	-	1	6	15	23	11		8	-
		2,088	-	27	-	10	106	325	1,618	1,091		144	-
	Total	196,019	166,313	1,952	213	1,216	489	35	25,801	45		519	1,016
		3,470,215	2,962,223	78,218	13,579	37,892	5,602	1,062	371,635	1,779		16,130	31,221

Number of debtors

	1st Half of 2014	2nd Half of 2014	1st Half of 2015	2nd Half of 2015	1st Half of 2016	2nd Half of 2016	1st Half of 2017	2nd Half of 2017	1st Half of 2018	2nd Half of 2018	1st Half of 2019	2nd Half of 2019
Subject to Head Office support	72	64	59	56	45	44	40	46	48	53	62	58
Subject to branch support	322	320	315	352	361	343	308	293	271	259	202	217
Number of instances of upgrading	23	23	23	25	21	21	28	25	32	25	22	18
Number of instances of downgrading	25	26	16	19	28	19	11	12	14	15	14	15
Change in nonperforming loans	500 million yen	(700) million yen	(600) million yen	(2.5) billion yen	1.2 billion yen	(4) million yen	(2.4) billion yen	80 million yen	(800) million yen	100 million yen	300 million yen	2.1 billion yen

**Compliance with Hyakugo Bank's credit policies (as of March 31, 2020)**

(Unit: 100 million yen)

Classification	Content	Limit	Compliance	
Loans for individuals engaging in housing leasing business	7% or less of total loans	2,541	1,932	5.32%
Loans for other real estate industry	7% or less of total loans	2,541	2,058	5.67%
Loans for non-banks	10% or less of total loans	3,631	1,659	4.57%
Loans for large companies	Total loans for large companies by Tokyo and Osaka sales departments should be 20% or less of the Bank's total loans	7,262	4,251	11.71%
Loan balance per borrower	Credit for a borrower should be 10% or less of the Bank's equity capital	233	220	9.41%
Loan balance per corporate group	Credit per corporate group should be 25% or less of the Bank's equity capital	584	481	20.61%

**Changes in loans by industry**

(Unit: 100 million yen)

Industry	3/31/2016	3/31/2017	3/31/2018	3/31/2019	3/31/2020	Share by industry
Manufacturing	3,686	3,455	3,349	3,627	3,758	10.35%
of which, transportation equipment manufacturing	693	621	676	795	865	2.38%
Agriculture, Forestry, Fishery, Mining, Quarrying and Gravel quarrying	163	207	209	241	239	0.65%
Construction	1,024	1,026	1,034	1,057	1,099	3.02%
Utilities	581	700	761	900	977	2.69%
Telecommunication	181	174	106	123	123	0.34%
Transport and Post	986	1,004	1,170	1,231	1,237	3.40%
Wholesale and Retail	2,705	2,564	2,508	2,678	2,718	7.48%
Finance and Insurance	2,944	2,738	2,560	3,440	3,049	8.39%
Real estate and Rental	3,571	3,880	4,377	4,619	4,780	13.16%
of which, Real estate	2,559	3,003	3,307	3,399	3,524	9.70%
Academic research, Specialist and Technical services	137	129	137	136	147	0.40%
Accommodation and Food and beverage	295	295	294	315	316	0.87%
Lifestyle-related services and Entertainment	259	228	242	245	263	0.72%
Education and Learning support	65	72	74	76	76	0.20%
Medical and Social welfare	1,074	1,128	1,196	1,216	1,239	3.41%
Other services	383	388	407	399	407	1.12%
National and local government	2,357	2,321	2,440	2,227	2,088	5.75%
Other	8,452	9,092	10,148	11,881	13,787	37.97%
Total by industry	28,871	29,407	31,020	34,417	36,310	100.00%

## Deposits

## Loans

## ■ Including megabanks

Mega	Other	Shinkin	Bank B	Bank A	Hyakugo Bank		Hyakugo Bank	Bank A	Bank B	Shinkin	Other	Mega
8.9	9.1	12.4	12.5	12.8	44.3	Mie Prefecture	37.1	14.4	14.8	11.4	17.2	5.1

\* Excludes Agricultural Cooperative, Fisheries Cooperative, JP Bank, and Hyakugo Bank's Shingu Branch

(Unit: %) (as of September 30, 2019)

## ■ Excluding megabanks

Other	Shinkin	Bank B	Bank A	Hyakugo Bank		Hyakugo Bank	Bank A	Bank B	Shinkin	Other
10.0	13.6	13.7	14.0	48.7	Mie Prefecture	39.2	15.2	15.6	12.0	18.0
20.0	23.7	7.0	9.4	39.9	Kuwana District	28.3	9.8	10.0	18.7	33.2
8.0	12.3	7.1	35.1	37.5	Yokkaichi District	30.4	29.5	9.4	13.3	17.4
7.5	6.9	14.4	22.2	49.0	Suzuka District	33.5	22.8	19.8	6.6	17.3
20.8	23.6	9.4	7.1	39.1	Iga District	34.3	4.7	11.4	24.0	25.6
7.5	8.0	12.6	6.7	65.2	Tsu district	58.8	11.7	14.0	4.7	10.8
5.1	16.7	28.2	2.3	47.7	Matsusaka District	35.2	4.7	32.0	15.1	13.0
9.7	7.3	17.0	3.1	62.9	Ise District	51.5	6.1	18.4	5.9	18.1
2.5	1.7	24.7	5.2	65.9	Toba Shima District	60.2	2.1	30.5	1.9	5.3
5.5	33.9	28.5	32.1	Kishu District	29.1	30.7	28.6	11.6		

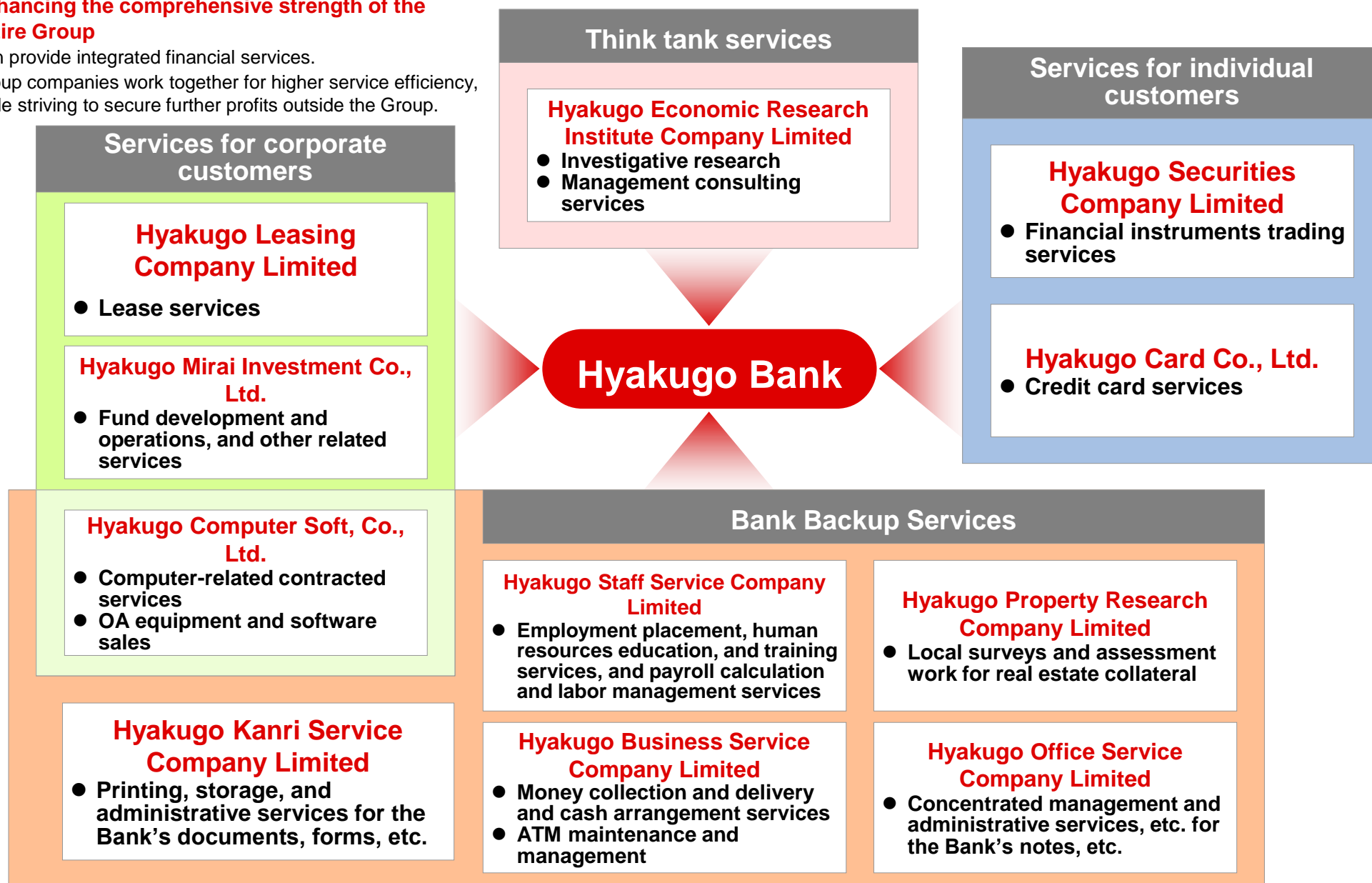
\* Excludes megabanks, Agricultural Cooperative, Fisheries Cooperative, JP Bank, and Hyakugo Bank's Shingu Branch

(Unit: %) (as of September 30, 2019)

## Enhancing the comprehensive strength of the entire Group

Can provide integrated financial services.

Group companies work together for higher service efficiency, while striving to secure further profits outside the Group.



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