



The Chiba Bank, Ltd. Financial Data 2019

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The Chiba Bank, Ltd. and Consolidated Subsidiaries
Years ended March 31

*1 Japanese yen amounts are presented in millions of yen by rounding down figures below one million. As a result, the totals in Japanese yen in the supplementary information do not necessarily agree with the sums of individual amounts.

*2 U.S. dollar amounts are shown solely for the convenience of the readers of this Annual Report and are translated at the rate of ¥110.99 to \$1.00, the exchange rate prevailing at March 31, 2019.

Consolidated Balance Sheet

The Chiba Bank, Ltd. and Consolidated Subsidiaries
As of March 31, 2019

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2019	2018	2019
Assets			
Cash and Due from Banks (Note 26)	¥ 2,068,231	¥ 1,845,198	\$ 18,634,396
Call Loans and Bills Bought	109,047	75,801	982,496
Receivables under Resale Agreements	14,999	14,999	135,147
Monetary Claims Bought	22,012	21,448	198,333
Trading Assets (Notes 5 and 31)	188,905	122,069	1,702,002
Money Held in Trust (Note 33)	28,526	30,911	257,023
Securities (Notes 6, 11, 31 and 32)	2,095,049	2,169,542	18,876,017
Loans and Bills Discounted (Notes 7, 11 and 31)	10,090,072	9,774,912	90,909,741
Foreign Exchanges (Note 8)	3,829	3,187	34,500
Other Assets (Notes 9 and 11)	198,301	185,943	1,786,663
Tangible Fixed Assets (Notes 10 and 19)	107,017	99,476	964,206
Intangible Fixed Assets	12,870	11,858	115,961
Net Defined Benefit Asset (Note 18)	—	1,072	—
Deferred Tax Assets (Note 29)	4,503	4,535	40,574
Customers' Liabilities for Acceptances and Guarantees	50,608	48,569	455,972
Allowance for Loan Losses	(29,845)	(27,714)	(268,906)
Total Assets	¥14,964,129	¥14,381,815	\$134,824,124
Liabilities			
Deposits (Notes 11, 12 and 31)	¥12,847,994	¥12,468,379	\$115,758,127
Call Money and Bills Sold	170,000	—	1,531,670
Payables under Repurchase Agreements (Note 11)	29,404	17,085	264,930
Payables under Securities Lending Transactions (Note 11)	213,345	260,387	1,922,208
Trading Liabilities (Notes 13 and 31)	22,216	12,632	200,166
Borrowed Money (Notes 11 and 14)	374,830	334,405	3,377,156
Foreign Exchanges (Note 15)	727	587	6,557
Bonds Payable (Note 16)	116,578	113,714	1,050,350
Borrowed Money from trust account	2,383	963	21,476
Other Liabilities (Note 17)	143,217	120,458	1,290,363
Net Defined Benefit Liability (Note 18)	2,049	14,898	18,468
Provision for Directors' Retirement Benefits	155	132	1,405
Provision for Reimbursement of Deposits	2,377	3,074	21,423
Provision for Point Loyalty Programs	495	482	4,466
Reserve under Special Laws	21	21	197
Deferred Tax Liabilities (Note 29)	24,602	31,930	221,665
Deferred Tax Liabilities for Land Revaluation (Note 19)	10,850	10,852	97,764
Acceptances and Guarantees	50,608	48,569	455,972
Total Liabilities	¥14,011,861	¥13,438,578	\$126,244,363
Net Assets			
Capital Stock (Note 20)	¥ 145,069	¥ 145,069	\$ 1,307,047
Capital Surplus	122,134	122,134	1,100,406
Retained Earnings	621,548	600,931	5,600,042
Treasury Shares	(56,260)	(59,256)	(506,900)
Total Shareholders' Equity	832,491	808,878	7,500,596
Valuation Difference on Available-for-sale Securities (Note 34)	112,448	121,950	1,013,141
Deferred Gains or Losses on Hedges	(1,976)	1,822	(17,808)
Revaluation Reserve for Land (Note 19)	10,798	10,802	97,288
Remeasurements of Defined Benefit Plans	(1,973)	(730)	(17,778)
Total Accumulated Other Comprehensive Income	119,296	133,846	1,074,843
Subscription Rights to Shares	479	511	4,322
Total Net Assets	¥ 952,267	¥ 943,236	\$ 8,579,761
Total Liabilities and Net Assets	¥14,964,129	¥14,381,815	\$134,824,124

See notes to consolidated financial statements.

Consolidated Statement of Income

The Chiba Bank, Ltd. and Consolidated Subsidiaries
For the year ended March 31, 2019

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2019	2018	2019
Income			
Interest Income:			
Interest on Loans and Discounts	¥112,603	¥108,285	\$1,014,541
Interest and Dividends on Securities	28,131	25,684	253,458
Other Interest Income	3,461	3,528	31,185
Trust Fees	23	16	216
Fees and Commissions	51,752	52,701	466,278
Trading Income (Note 21)	5,106	5,686	46,012
Other Ordinary Income (Note 22)	6,620	5,378	59,647
Other Income (Note 23)	30,921	32,885	278,596
Total Income	¥238,621	¥234,166	\$2,149,933
Expenses			
Interest Expenses:			
Interest on Deposits	¥ 13,083	¥ 8,374	\$ 117,882
Interest on Borrowings and Rediscounts	2,803	1,764	25,255
Other Interest Expenses	9,240	8,786	83,256
Fees and Commissions Payments	18,812	17,777	169,501
Trading Expenses	527	—	4,757
Other Ordinary Expenses (Note 24)	581	3,249	5,238
General and Administrative Expenses	89,113	91,193	802,893
Other Expenses (Note 25)	32,236	25,931	290,449
Total Expenses	¥166,399	¥157,077	\$1,499,231
Profit before Income Taxes	72,221	77,089	650,702
Income Taxes—Current	23,118	22,969	208,297
Income Taxes—Deferred	(1,375)	323	(12,394)
Profit	¥ 50,478	¥ 53,796	\$ 454,799
Profit Attributable to Owners of Parent	¥ 50,478	¥ 53,796	\$ 454,799

See notes to consolidated financial statements.

Consolidated Statement of Comprehensive Income

The Chiba Bank, Ltd. and Consolidated Subsidiaries
For the year ended March 31, 2019

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2019	2018	2019
Profit	¥50,478	¥53,796	\$454,799
Other Comprehensive Income (Note 27)			
Valuation Difference on Available-for-sale Securities	(9,431)	12,371	(84,972)
Deferred Gains or Losses on Hedges	(3,799)	312	(34,232)
Remeasurments of Defined Benefit Plans	(1,243)	1,847	(11,201)
Share of Other Comprehensive Income of Associates Accounted for using Equity Method	(71)	151	(640)
Total Other Comprehensive Income	(14,544)	14,683	(131,044)
Comprehensive Income	¥35,933	¥68,479	\$323,755
(Breakdown)			
Comprehensive Income Attributable to Owners of Parent	¥35,933	¥68,479	\$323,755

See notes to consolidated financial statements.

Consolidated Statement of Changes in Net Assets

The Chiba Bank, Ltd. and Consolidated Subsidiaries
For the year ended March 31, 2019

	Millions of Yen (Note 1)											
	Shareholders' Equity					Accumulated Other Comprehensive Income						
	Capital Stock	Capital Surplus	Retained Earnings	Treasury Shares	Total Shareholders' Equity	Valuation Difference on Available-for-sale Securities	Deferred Gains or Losses on Hedges	Revaluation Reserve for Land	Remeasurements of Defined Benefit Plans	Total Accumulated Other Comprehensive Income	Subscription Rights to Shares	Total Net Assets
Balance at March 31, 2017	¥145,069	¥122,134	¥566,050	¥(52,219)	¥781,033	¥109,427	¥ 1,510	¥10,733	¥(2,577)	¥119,093	¥423	¥900,550
Cash Dividends	—	—	(11,900)	—	(11,900)	—	—	—	—	—	—	(11,900)
Profit	—	—	53,796	—	53,796	—	—	—	—	—	—	53,796
Purchase of Treasury Shares	—	—	—	(14,058)	(14,058)	—	—	—	—	—	—	(14,058)
Disposal of Treasury Shares	—	—	(14)	91	77	—	—	—	—	—	—	77
Retirement of Treasury Shares	—	—	(6,930)	6,930	—	—	—	—	—	—	—	—
Reversal of Revaluation Reserve for Land	—	—	(69)	—	(69)	—	—	—	—	—	—	(69)
Net Changes of Items other than Shareholders' Equity	—	—	—	—	—	12,523	312	69	1,847	14,752	88	14,841
Total of Items during FY2017	—	—	34,881	(7,036)	27,844	12,523	312	69	1,847	14,752	88	42,686
Balance at March 31, 2018	¥145,069	¥122,134	¥600,931	¥(59,256)	¥808,878	¥121,950	¥ 1,822	¥10,802	¥ (730)	¥133,846	¥511	¥943,236
Cash Dividends	—	—	(12,060)	—	(12,060)	—	—	—	—	—	—	(12,060)
Profit	—	—	50,478	—	50,478	—	—	—	—	—	—	50,478
Purchase of Treasury Shares	—	—	—	(15,001)	(15,001)	—	—	—	—	—	—	(15,001)
Disposal of Treasury Shares	—	—	(28)	219	191	—	—	—	—	—	—	191
Retirement of Treasury Shares	—	—	(17,776)	17,776	—	—	—	—	—	—	—	—
Reversal of Revaluation Reserve for Land	—	—	4	—	4	—	—	—	—	—	—	4
Net Changes of Items other than Shareholders' Equity	—	—	—	—	—	(9,502)	(3,799)	(4)	(1,243)	(14,549)	(31)	(14,580)
Total of Items during FY2018	—	—	20,616	2,995	23,612	(9,502)	(3,799)	(4)	(1,243)	(14,549)	(31)	9,031
Balance at March 31, 2019	¥145,069	¥122,134	¥621,548	¥(56,260)	¥832,491	¥112,448	¥(1,976)	¥10,798	¥(1,973)	¥119,296	¥479	¥952,267

	Thousands of U.S. Dollars (Note 1)											
	Shareholders' Equity					Accumulated Other Comprehensive Income						
	Capital Stock	Capital Surplus	Retained Earnings	Treasury Shares	Total Shareholders' Equity	Valuation Difference on Available-for-sale Securities	Deferred Gains or Losses on Hedges	Revaluation Reserve for Land	Remeasurements of Defined Benefit Plans	Total Accumulated Other Comprehensive Income	Subscription Rights to Shares	Total Net Assets
Balance at March 31, 2018	\$1,307,047	\$1,100,406	\$5,414,287	\$(533,888)	\$7,287,853	\$1,098,753	\$ 16,424	\$97,331	\$ (6,578)	\$1,205,929	\$4,607	\$8,498,389
Cash Dividends	0	0	(108,665)	0	(108,665)	0	0	0	0	0	0	(108,665)
Profit	0	0	454,799	0	454,799	0	0	0	0	0	0	454,799
Purchase of Treasury Shares	0	0	0	(135,157)	(135,157)	0	0	0	0	0	0	(135,157)
Disposal of Treasury Shares	0	0	(257)	1,981	1,723	0	0	0	0	0	0	1,723
Retirement of Treasury Shares	0	0	(160,164)	160,164	0	0	0	0	0	0	0	0
Reversal of Revaluation Reserve for Land	0	0	42	0	42	0	0	0	0	0	0	42
Net Changes of Items other than Shareholders' Equity	0	0	0	0	0	(85,612)	(34,232)	(42)	(11,201)	(131,087)	(285)	(131,371)
Total of Items during FY2018	0	0	185,755	26,988	212,743	(85,612)	(34,232)	(42)	(11,201)	(131,087)	(285)	81,371
Balance at March 31, 2019	\$1,307,047	\$1,100,406	\$5,600,042	\$(506,900)	\$7,500,596	\$1,013,141	\$(17,808)	\$97,288	\$(17,778)	\$1,074,843	\$4,322	\$8,579,761

See notes to consolidated financial statements.

Consolidated Statement of Cash Flows

The Chiba Bank, Ltd. and Consolidated Subsidiaries
For the year ended March 31, 2019

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2019	2018	2019
Cash Flows from Operating Activities:			
Profit before Income Taxes	¥ 72,221	¥ 77,089	\$ 650,702
Depreciation and Amortization	8,724	8,605	78,609
Impairment Loss	34	107	310
Equity in (Earnings) Losses of Affiliates	(410)	(380)	(3,696)
Increase (Decrease) in Allowance for Loan Losses	2,131	(4,836)	19,206
Decrease (Increase) in Net Defined Benefit Asset	1,072	(1,072)	9,667
Increase (Decrease) in Net Defined Benefit Liability	(12,848)	(7,940)	(115,761)
Increase (Decrease) in Provision for Directors' Retirement Benefits	23	(37)	210
Increase (Decrease) in Provision for Reimbursement of Deposits	(696)	153	(6,279)
Increase (Decrease) in Provision for Point Loyalty Programs	13	(24)	120
Interest Income	(144,196)	(137,498)	(1,299,184)
Financing Expenses	25,127	18,925	226,393
Loss (Gain) Related to Securities	(6,387)	(1,022)	(57,554)
Loss (Gain) on Money Held in Trust	(89)	(604)	(802)
Foreign Exchange Losses (Gains)	3	(16)	29
Loss (Gain) on Disposal of Fixed Assets	211	379	1,907
Loss on Reconstruction of the Head Office	—	907	—
Net Decrease (Increase) in Trading Assets	(66,835)	7,751	(602,180)
Net Increase (Decrease) in Trading Liabilities	9,583	(3,841)	86,349
Net Decrease (Increase) in Loans and Bills Discounted	(315,159)	(506,058)	(2,839,529)
Net Increase (Decrease) in Deposits (excluding Negotiable Certificates of Deposit)	312,775	452,815	2,818,050
Net Increase (Decrease) in Negotiable Certificates of Deposit	66,839	30,779	602,214
Net Increase (Decrease) in Borrowed Money (excluding Subordinated Borrowings)	40,424	54,963	364,219
Net Decrease (Increase) in Due from Banks (excluding Due from BOJ)	62,046	44,723	559,024
Net Decrease (Increase) in Call Loans and Bills Bought and Others	(33,810)	78,455	(304,626)
Net Increase (Decrease) in Call Money and Bills Sold	182,318	(232,914)	1,642,659
Net Increase (Decrease) in Payables under Securities Lending Transactions	(47,041)	(58,605)	(423,836)
Net Decrease (Increase) in Foreign Exchanges - Assets	(641)	1,375	(5,777)
Net Increase (Decrease) in Foreign Exchanges - Liabilities	140	(105)	1,266
Increase (decrease) in borrowed money from trust account	1,419	901	12,792
Interest and Dividends Received	139,638	134,598	1,258,119
Interest Paid	(24,452)	(19,071)	(220,310)
Other, net	3,477	(20,786)	31,330
Subtotal	¥ 275,659	¥ (82,284)	\$ 2,483,640
Income Taxes Paid	(24,039)	(18,563)	(216,595)
Net Cash Provided by (Used in) Operating Activities	¥ 251,619	¥ (100,848)	\$ 2,267,045
Cash Flows from Investing Activities:			
Purchase of Securities	¥ (572,164)	¥ (459,681)	\$ (5,155,097)
Proceeds from Sales of Securities	333,564	489,124	3,005,358
Proceeds from Redemption of Securities	315,774	192,439	2,845,073
Increase in Money Held in Trust	(4,500)	(11,600)	(40,544)
Decrease in Money Held in Trust	6,772	10,191	61,015
Purchase of Tangible Fixed Assets	(13,869)	(4,632)	(124,963)
Purchase of Intangible Fixed Assets	(4,949)	(5,809)	(44,592)
Proceeds from Sales of Tangible Fixed Assets	—	165	—
Payments for Retirement of Tangible Fixed Assets	(104)	—	(937)
Net Cash Provided by (Used in) Investing Activities	¥ 60,524	¥ 210,197	\$ 545,313
Cash Flows from Financing Activities:			
Issuance of Subordinated Bonds	—	—	—
Redemption of Subordinated Bonds	—	—	—
Cash Dividends Paid	(12,060)	(11,900)	(108,665)
Purchase of Treasury Shares	(15,001)	(14,058)	(135,157)
Proceeds from Sales of Treasury Shares	0	1	7
Net Cash Provided by (Used in) Financing Activities	¥ (27,061)	¥ (25,957)	\$ (243,815)
Effect of Exchange Rate Change on Cash and Cash Equivalents	¥ (3)	¥ 16	\$ (29)
Net Increase (Decrease) in Cash and Cash Equivalents	¥ 285,079	¥ 83,407	\$ 2,568,514
Cash and Cash Equivalents at Beginning of Period	¥1,697,707	¥1,614,299	\$15,296,040
Cash and Cash Equivalents at End of Period (Note 26)	¥1,982,786	¥1,697,707	\$17,864,554

See notes to consolidated financial statements.

Notes to Consolidated Financial Statements

The Chiba Bank, Ltd. and Consolidated Subsidiaries
For the year ended March 31, 2019

1. Basis of Presentation

The Chiba Bank, Ltd. (the "Bank") and its consolidated subsidiaries maintain their books of accounts in accordance with the provisions set forth in the Japanese Financial Instruments and Exchange Act and its related accounting regulations and in conformity with accounting principles and practices generally accepted in Japan, which are different in certain respects as to the application and disclosure requirements of International Financial Reporting Standards. The classification of accounts is in conformity with the Ordinance for Enforcement of Banking Act of Japan.

The accompanying consolidated financial statements have been compiled from the consolidated financial statements issued domestically in order to present them in a form which is more familiar to readers outside Japan. Certain reclassifications and rearrangements have been made to the financial statements for the previous year to conform to the classification used in the financial statements for the current year. In addition, the accompanying notes include information that is not required under accounting principles generally accepted in Japan, but is presented herein for the convenience of readers.

Japanese yen amounts are presented in millions of yen by rounding down figures below one million. As a result, the totals in Japanese yen in the accompanying consolidated financial statements do not necessarily agree with the sums of individual amounts.

U.S. dollar amounts are shown solely for the convenience of the readers of this Annual Report and are translated at the rate of ¥110.99 to \$1.00, the exchange rate prevailing at March 31, 2019.

2. Principles of Consolidation

The consolidated financial statements include the accounts of the Bank and its subsidiaries, including Chibagin Guarantee Co., Ltd., Chibagin Leasing Co., Ltd., Chibagin Securities Co., Ltd. (Chibagin Securities) and other subsidiaries. The number of consolidated subsidiaries as of March 31, 2019 was nine (nine as of March 31, 2018).

All significant inter-company balances and transactions have been eliminated in consolidation. The consolidated financial statements do not include the accounts of the Chibagin Computer Service Co., Ltd. and four other subsidiaries, since the combined total assets, total income, profit (based on the owned interest), retained earnings (based on the owned interest) and accumulated other comprehensive income (based on the owned interest) of these subsidiaries are not significant and would not have a material impact on the consolidated financial statements of the Bank. Nevertheless, the investments in these unconsolidated subsidiaries are carried using the equity method and are included in securities in the consolidated balance sheet. Also, the consolidated financial statements do not include the accounts of nine limited partnerships (nine as of March 31, 2018). The investments in these unconsolidated subsidiaries and affiliates including the Chiba-Musashino Alliance Co., Ltd. and the Chiba-Musashino Alliance Series 1 Investment Limited Partnership established in the current fiscal year, are not accounted for by the equity method since profit (based on the owned interest), retained earnings (based on the owned interest) and accumulated other comprehensive

income (based on the owned interest) of these subsidiaries are not significant and would not have a material impact on the consolidated financial statements of the Bank. The difference between the cost and the underlying equity in the net assets measured at their market value at dates of acquisition of consolidated subsidiaries is amortized in the year of acquisition.

Fiscal year-ends of all consolidated subsidiaries are at the end of March.

3. Significant Accounting Policies

(1) Trading Account

The following criteria are applied in accounting for the Bank's trading assets and liabilities, and trading income and expenses:

Transactions that aim to gain a profit by arbitraging short term fluctuations in interest rates, currency values and market prices, other benchmarks in the traded securities' market prices and by arbitraging differentials between markets (hereafter "trading purposes") are accounted for under "Trading Assets" or "Trading Liabilities" on the consolidated balance sheet. Profit or loss from such transactions is recorded under "Trading Income" or "Trading Expenses" on the consolidated statement of income.

Trading securities and monetary claims, etc. held for trading purposes are stated at market value at the end of the fiscal year. Trading-related financial derivatives such as swaps, futures or options are valued on the assumption that they were settled at the end of the fiscal year.

In the case of trading-related financial derivatives, "Trading Income/Expenses" includes the interest received/paid during the fiscal year and the difference between the amount of profit/loss based on the assumption that transactions were settled at the end of the current fiscal year and that at the end of the previous fiscal year.

(2) Securities

Held-to-maturity bonds are stated at amortized cost determined by the moving average method. Investments in unconsolidated subsidiaries and affiliates not accounted for by the equity method are stated at cost determined by the moving average method. Available-for-sale equity shares and investment trusts listed on Japanese markets are stated at the average market value during the last month of the fiscal year, and other available-for-sale securities whose fair value can be estimated are stated at fair value at the fiscal year-end while their costs are calculated mainly by the moving average method. Other non-marketable securities whose fair value cannot be reliably estimated are stated at cost determined by the moving average method or amortized cost.

Unrealized gains and losses on available-for-sale securities are included in net assets, net of income taxes.

Moreover, the same way as above (1) and fair value method based upon the market value at the fiscal year end are applied for the valuation of securities that are held as trust assets in individually managed money trusts with the principal objective of securities portfolio management.

(3) Derivatives

Derivatives for purposes other than trading are stated at fair value.

(4) Tangible Fixed Assets

Depreciation of tangible fixed assets of the Bank is computed using the declining-balance method. Principal useful lives are as follows:

Buildings.....	6 years to 50 years
Others	2 years to 20 years

Tangible fixed assets of the consolidated subsidiaries are depreciated principally by the declining-balance method over the estimated useful lives.

(5) Intangible Fixed Assets

Depreciation of intangible fixed assets is computed using the straight-line method. Depreciation for capitalized software for internal use is computed using the straight-line method based on useful lives determined by the Bank and its consolidated subsidiaries (5 years).

(6) Allowance for Loan Losses

Allowance for Loan Losses made by the Bank is provided in accordance with the internally established standards for write-offs and provisions.

For claims on borrowers that have entered into bankruptcy, special liquidation proceedings or similar legal proceedings ("Bankrupt Borrowers"), or borrowers that are not legally or formally insolvent but are regarded as substantially in the same situation ("Effectively Bankrupt Borrowers"), an allowance is provided based on the amount of claims, after the write-off stated below, net of the expected amount of recoveries from collateral and guarantees.

For claims on borrowers that are not currently bankrupt but likely to become bankrupt in the future ("Potentially Bankrupt Borrowers"), an allowance is provided in the amount deemed necessary based on an overall solvency assessment of the claims, net of the expected amount of recoveries from collateral and guarantees.

For claims on Potentially Bankrupt Borrowers and on borrowers whose loans are classified as "Loans past due 3 months or more" or "Restructured Loans" over a certain amount, if future cash flows from the collection of principal and interest are reasonably estimated, the allowances for loan losses are calculated by "Discounted Cash Flow Method," by which the allowances for loan losses are calculated as the difference between the booked amounts of the loans and the cash flows discounted by the original contractual interest rates.

For other claims, an allowance is provided based on the historical loan-loss ratio.

The operating divisions assess all claims in accordance with the Bank's policy and guidelines for the self-assessment of asset quality, and the internal Audit and Inspection Division, which is independent from the operating divisions, audits these assessments. The allowance for loan losses is provided based on the results of these assessments.

For collateralized or guaranteed claims on Bankrupt Borrowers and Effectively Bankrupt Borrowers, the amount exceeding the

estimated value of collateral and guarantees is deemed to be uncollectible and written off against the total outstanding amount of the claims. The amount of write-off as of March 31, 2019 was ¥28,897 million (¥23,993 million as of March 31, 2018). Allowance made by consolidated subsidiaries for general claims is provided in the amount deemed necessary based on the historical loan-loss ratio, and for specific claims in the amount deemed uncollectible based on the respective assessments.

(7) Provision for Directors' Retirement Benefits

Provision for directors' retirement benefits is provided for payment of retirement benefits to directors and corporate auditors of consolidated subsidiaries, in the amount deemed accrued until the fiscal year-end.

(8) Provision for Reimbursement of Deposits

Provision for reimbursement of deposits, which were derecognized from liabilities, is based on the possible losses on the future claims of withdrawal to prepare for depositor's needs of withdrawal.

(9) Provision for Point Loyalty Programs

Provision for point loyalty programs which is provided for accumulation of points granted to customers using the credit card of the Bank or the consolidated subsidiaries is based on the estimated amounts equivalent to expected future usage of the points.

(10) Reserve under Special Laws

Reserve under special laws is a Reserve for Financial Products Transaction Liabilities provided by Chibagin Securities. This reserve is provided for losses from securities transactions pursuant to Paragraph 46-5-1 of the Financial Instruments and Exchange Act and Paragraph 175 of the Cabinet Office Ordinance on Financial Instrument Business Operators, etc.

(11) Retirement Benefits

In retirement benefit obligation calculations, the method of allocating the estimated value of retirement benefits to the current fiscal year is based on the benefit formula method. The net actuarial gain (loss) is amortized using the straight-line method over 10 years from following fiscal year. Consolidated subsidiaries calculate the net defined benefit liability and retirement benefit cost using the simplified method which assumes the retirement benefit obligation to be equal to the necessary payments assuming the voluntary retirement of all employees at the fiscal year-end.

(12) Translation of Foreign Currencies

The Bank's assets and liabilities denominated in foreign currencies and overseas branches' accounts are translated into Japanese yen primarily at the exchange rate at the balance sheet date. Consolidated subsidiaries' assets and liabilities denominated in foreign currencies are translated into Japanese yen at the exchange rate prevailing at the fiscal year-end of each company.

(13) Lease Transactions

(As lessors)

Finance leases other than those that are deemed to transfer the ownership of leased property to the lessees are accounted for as installment sales.

(14) Hedge Accounting

i) Hedge of Interest Rate Risk

As for the hedge accounting method applied to hedging transactions for interest rate risk arising from financial assets and liabilities, the Bank applies the deferral hedge accounting stipulated in the "Treatment for Accounting and Auditing of Application of Accounting Standard for Financial Instruments in Banking Industry" (JICPA Industry Audit Committee Report No. 24).

The Bank assesses the effectiveness of such hedges by monitoring offsetting fluctuation of fair value by changes in interest rates, of the hedged items (such as deposits and loans) and hedging instruments (such as interest rate swaps) classified by their maturity.

ii) Hedge of Foreign Currency Fluctuation Risk

As for the hedge accounting method applied to hedging transactions for foreign currency fluctuation risk arising from foreign-currency-denominated financial assets and liabilities, the Bank applies the deferral hedge accounting stipulated in the "Treatment for Accounting and Auditing concerning Accounting for Foreign Currency Transactions in Banking Industry" (JICPA Industry Audit Committee Report No. 25).

The Bank designates certain currency swaps and foreign exchange swap transactions as hedges against fluctuation in foreign currency exchange rates arising from foreign-currency monetary claims and debts, and assesses the effectiveness of such hedges by verifying that the Bank holds foreign currency positions of the hedged items corresponding to the positions of the hedging instruments.

In addition to the above accounting, the Bank applies for a part of assets and liabilities the deferral hedge accounting method or exceptional treatments permitted for interest rate swaps.

(15) Cash Flows

In preparing the consolidated statement of cash flows, cash and due from the Bank of Japan are considered to be cash and cash equivalents.

(16) Consumption Taxes

Consumption tax and municipal consumption tax of the Bank and its domestic consolidated subsidiaries are accounted for using the tax-excluded method.

(17) Appropriation of Retained Earnings

Dividends are recorded in the fiscal year in which the proposed appropriation of retained earnings is approved by the Board of Directors and by the general meeting of shareholders. There is a limit for dividend by Article 18 of the Banking Act. An amount equal to 20% of the aggregated amount of dividends shall be set aside as a legal reserve or legal capital surplus, regardless of Article 445-4 of the Companies Act of Japan.

4. Securities Purchased under Resale Agreements

As for securities purchased under resale agreements or securities accepted as collateral for derivative transactions, ¥14,999 million was held in hand on March 31, 2019 (¥14,998 million on March 31, 2018).

5. Trading Assets

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2019	2018	2019
Trading Account Securities	¥ 8,502	¥ 8,317	\$ 76,604
Trading-Related Financial Derivatives	25,732	16,057	231,846
Other Trading Assets	154,670	97,693	1,393,553
Total	¥188,905	¥122,069	\$1,702,002

6. Securities

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2019	2018	2019
Japanese Government Bonds	¥ 263,875	¥ 452,069	\$ 2,377,469
Japanese Local Government Bonds	348,004	394,301	3,135,459
Japanese Corporate Bonds	414,112	364,620	3,731,080
Japanese Stocks	256,409	272,504	2,310,199
Other Securities	812,647	686,048	7,321,810
Total	¥2,095,049	¥2,169,542	\$18,876,017

Securities included investments in non-consolidated subsidiaries and affiliates of ¥11,005 million on March 31, 2019 (¥10,112 million on March 31, 2018).

Guarantee obligations for bonds in private placement (defined in Article 2 (3) of Financial Instruments and Exchange Act) included in Japanese Corporate Bonds was ¥74,256 million as of March 31, 2019 (¥69,673 million as of March 31, 2018).

7. Loans and Bills Discounted

(1) Loans and bills discounted :

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2019	2018	2019
Bills Discounted	¥ 14,468	¥ 14,739	\$ 130,356
Loans on Bills	157,478	153,645	1,418,849
Loans on Deeds	9,187,907	8,906,301	82,781,401
Overdrafts	730,218	700,226	6,579,135
Total	¥10,090,072	¥9,774,912	\$90,909,741

Bills discounted are accounted for as financial transactions in accordance with JICPA Industry Audit Committee Report No. 24. The Bank has rights to sell or pledge bank acceptance bought, commercial bills discounted, documentary bills and foreign exchanges bought without restrictions. Their total face value as of March 31, 2019 was ¥14,652 million (¥15,066 million as of March 31, 2018).

Contracts of overdraft facilities and loan commitment limits are the contracts that the Bank lends to customers up to the prescribed limits in response to customers' application of loan as long as there is no violation of any condition in the contracts. The unused amount within the limits was ¥2,265,147 million relating to these contracts, including ¥2,065,540 million of which the term of contracts is less than one year or revocable at any time as of March 31, 2019 (respective amounts were ¥2,279,632 million and ¥2,091,728 million as of March 31, 2018).

Since many of these commitments expire without being utilized, the unused amount does not necessarily represent a future cash requirement. Most of these contracts have conditions that the Bank can refuse customers' application of loan or decrease the contract limits with proper reasons (e.g., changes in financial situation, deterioration in customers' creditworthiness). At the inception of contracts, the Bank obtains real estate, securities, etc. as collateral if considered to be necessary. Subsequently, the Bank performs periodic review of the customers' business results based on initial rules, and takes necessary measures to reconsider conditions in contracts and/or require additional collateral and guarantees.

Additionally, the unused amount within the limits of overdraft facilities on General Accounts as of March 31, 2019 was ¥851,225 million (¥878,875 million as of March 31, 2018). General Accounts are the Ordinary Deposit Accounts that its depositors can overdraw up to the amounts calculated by multiplying incidental Time Deposits and so on by certain weight.

(2) Risk-Monitored Loans :

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2019	2018	2019
Loans to Bankrupt Borrowers	¥ 1,298	¥ 1,210	\$ 11,697
Delinquent Loans	78,582	82,737	708,013
Loans Past Due 3 Months or More	672	1,137	6,059
Restructured Loans	40,316	39,359	363,242
Total	¥120,869	¥124,445	\$1,089,012

Loans to bankrupt borrowers represent non-accrual loans to borrowers who are legally bankrupt as defined in Article 96 (1) (iii) and (iv) of the Corporation Tax Act Enforcement Ordinance (Article 97 of 1965 Cabinet Order).

Delinquent loans represent non-accrual loans other than (i) loans to bankrupt borrowers and (ii) loans of which payments of interest are deferred in order to assist or facilitate the restructuring of borrowers in financial difficulties.

Loans past due 3 months or more represent loans on which the payment of principal and/or interest has not been received for 3 months or more from the due date, and which are not included in Loans to bankrupt borrowers or Delinquent loans.

Restructured loans are loans which have been restructured to support the rehabilitation of certain borrowers who are encountering financial difficulties, with the intention of ensuring recovery of the loans by providing easier repayment terms for the borrowers (such as by reducing the rate of interest or by providing a grace period for the payment of principal/interest, etc.) and are not classified in any of the above categories.

8. Foreign Exchange Assets

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2019	2018	2019
Due from Foreign Banks (our accounts)	¥2,315	¥1,946	\$20,863
Foreign Bills Bought	187	327	1,685
Foreign Bills Receivable	1,326	914	11,952
Total	¥3,829	¥3,187	\$34,500

9. Other Assets

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2019	2018	2019
Accrued Income	¥ 14,362	¥ 13,142	\$ 129,407
Prepaid Expenses	1,020	1,043	9,191
Derivatives	14,573	14,668	131,307
Lease Investment Assets	49,278	47,714	443,993
Other	119,066	109,374	1,072,765
Total	¥198,301	¥185,943	\$1,786,663

10. Tangible Fixed Assets

Depreciation was computed using the declining-balance method.

Tangible fixed assets were shown at net of the following accumulated depreciation:

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2019	2018	2019
	¥100,770	¥97,070	\$907,923

Deferred gain on real estate deductible for tax purposes amounted to ¥11,755 million as of March 31, 2019 (¥11,698 million as of March 31, 2018).

11. Assets Pledged

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2019	2018	2019
Securities	¥632,997	¥701,216	\$5,703,192
Loans and Bills Discounted	519,650	572,648	4,681,955

Liabilities related to the above pledged assets were as follows:

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2019	2018	2019
Deposits	¥ 49,857	¥ 47,327	\$ 449,211
Payables under Repurchase Agreements	29,404	17,085	264,930
Payables under Securities Lending Transactions	213,345	260,387	1,922,208
Borrowed Money	372,469	330,835	3,355,884

In addition, the following was pledged as collateral for settlements of exchange or margins for futures transactions.

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2019	2018	2019
Securities	¥9,681	¥17,345	\$87,228

Initial margins of futures markets of ¥3,064 million, cash collateral paid for financial instruments of ¥72,795 million and guarantee deposits of ¥7,190 million were included in Other Assets as of March 31, 2019 (respective amounts were ¥1,883 million, ¥67,229 million and ¥7,284 million as of March 31, 2018).

12. Deposits

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2019	2018	2019
Current Deposits	¥ 254,466	¥ 272,048	\$ 2,292,696
Ordinary Deposits	8,072,190	7,673,786	72,728,988
Savings Deposits	253,224	250,625	2,281,505
Deposits at Notice	5,771	5,350	51,998
Time Deposits	3,464,046	3,527,993	31,210,436
Other Deposits	266,484	273,602	2,400,981
Subtotal	¥12,316,183	¥12,003,407	\$110,966,604
Negotiable Certificates of Deposit	531,811	464,971	4,791,523
Total	¥12,847,994	¥12,468,379	\$115,758,127

13. Trading Liabilities

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2019	2018	2019
Derivatives of Trading Securities	¥ 11	1	\$ 103
Trading-related Financial Derivatives	22,205	12,631	200,063
Total	¥22,216	¥12,632	\$200,166

14. Borrowed Money

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2019	2018	2019
Borrowings from the Bank of Japan and Other Financial Institutions	¥374,830	¥334,405	\$3,377,156

15. Foreign Exchange Liabilities

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2019	2018	2019
Foreign Bills Sold	¥414	¥428	\$3,735
Foreign Bills Payable	313	158	2,822
Total	¥727	¥587	\$6,557

16. Bonds Payable

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2019	2018	2019
Subordinated Bonds	¥ 50,000	¥ 50,000	\$ 450,491
Straight Bond	66,578	63,714	599,859
Total	¥116,578	¥113,714	\$1,050,350

17. Other Liabilities

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2019	2018	2019
Domestic Exchange Settlement Account, credit	¥ 49	¥ 36	\$ 450
Accrued Expenses	11,265	11,667	101,501
Unearned Revenue	33,776	32,143	304,320
Income Taxes Payable	10,976	11,897	98,892
Derivatives	20,603	11,277	185,633
Other	66,545	53,437	599,566
Total	¥143,217	¥120,458	\$1,290,363

18. Retirement Benefit Plans

The Bank and its consolidated subsidiaries have defined benefit plans, i.e., lump-sum payment plans, welfare pension fund plans and tax-qualified pension plans, as well as corporate-type defined contribution plans. The Bank has retirement benefit trusts for lump-sum payment plans since the end of March 2018.

Net retirement benefit liability and retirement benefit cost of the consolidated subsidiaries' lump-sum payment plans are calculated by the simplified method.

I. Defined Benefit Plans**(1) Retirement Benefit Obligation**

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2019	2018	2019
Balance at the Beginning of Current Period	¥81,809	¥81,986	\$737,091
Service Cost	2,845	2,815	25,640
Interest Cost	162	162	1,461
Actuarial Gain or Loss	231	993	2,088
Retirement Benefits Paid	(4,101)	(4,147)	(36,957)
Balance at the End of Current Period	¥80,947	¥81,809	\$729,324

(2) Plan Assets at Fair Value

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2019	2018	2019
Balance at the Beginning of Current Period	¥67,984	¥59,147	\$612,530
Expected Return on Plan Assets	2,134	1,774	19,227
Actuarial Gain or Loss	(2,096)	2,418	(18,888)
Contributions by the Company	809	811	7,289
Retirement Benefits Trusts	12,600	6,300	113,524
Retirement Benefits Paid	(2,533)	(2,466)	(22,825)
Balance at the End of Current Period	¥78,897	¥67,984	\$710,856

(3) Net Defined Benefit Liability/Asset

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2019	2018	2019
Funded Retirement Benefit Obligation	¥ 80,309	¥ 81,236	\$ 723,571
Plan Assets at fair value	(78,897)	(67,984)	(710,856)
Subtotal	¥ 1,411	¥ 13,251	\$ 12,715
Unfunded Retirement Benefit Obligation	638	573	5,753
Net Amount Accrued on the Balance Sheet	¥ 2,049	¥ 13,825	\$ 18,468

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2019	2018	2019
Net Defined Benefit Liability	¥2,049	¥14,898	\$18,468
Net Defined Benefit Asset	—	(1,072)	—
Net Amount Accrued on the Balance Sheet	¥2,049	¥13,825	\$18,468

(4) Retirement Benefit Cost

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2019	2018	2019
Service Cost	¥ 2,845	¥ 2,815	\$ 25,640
Interest Cost	162	162	1,461
Expected Return on Plan Assets	(2,134)	(1,774)	(19,227)
Amortization of Actuarial Gain or Loss	539	1,236	4,861
Retirement Benefit Cost	¥ 1,413	¥ 2,440	\$ 12,735

(5) Remeasurements of Defined Benefit Plans Included in Other Comprehensive Income(before Tax Effect)

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2019	2018	2019
Actuarial Gain or Loss	¥(1,788)	¥2,662	\$(16,116)

(6) Remeasurements of Defined Benefit Plans Included in Accumulated Other Comprehensive Income(before Tax Effect)

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2019	2018	2019
Unrecognized Actuarial Gain or Loss	¥(2,839)	¥(1,050)	\$(25,580)

(7) Components of Plan Assets at Fair Value

	2019	2018
Stocks	42%	44%
General Accounts at Life Insurance Companies	20%	24%
Bonds	25%	31%
Other	13%	1%
Total	100%	100%

(8) Assumptions used in Accounting for the above Plans

	2019	2018
Discount Rate	0.2%	0.2%
Expected Rate of Long-Term Return on Plan Assets	3.0%	3.0%
Expected Rates of Future Salary Increases	1.1%-3.4%	1.1%-3.4%

The expected rates of long-term return on plan assets has been estimated based on the anticipated allocation to each asset class and the expected long-term returns on assets held in each category.

II. Defined Contribution Plans

The required contribution amount of the Bank and its consolidated subsidiaries for the fiscal year ended March 31, 2019 was ¥347 million (¥299 million as of March 31, 2018).

19. Revaluation Reserve for Land

Pursuant to the Law concerning Revaluation of Premises, premises used for business operations have been revalued as of March 31, 1998. Premises revaluation gain was included in Net Assets, net of income taxes.

Date of the revaluation: March 31, 1998

The method of the revaluation (set forth in Article 3 (3) of the Law): Pursuant to Article 2 (4) of the Enforcement Ordinance for the Law concerning Revaluation of Premises, the premises price for the revaluation is determined based on the method established and published by the Director General of National Tax Agency in order to calculate the premises value for a basis of determining the taxable amount subject to premises value tax prescribed by Article 16 of the Premises Value Tax Law, reflecting appropriate adjustments for land shape and timing of the assessment.

The difference between the revalued carrying amount and the fair value of premises revalued pursuant to Article 10 of the Law was ¥28,474 million as of March 31, 2019 (¥29,182 million as of March 31, 2018).

20. Capital Stock

The number of the Bank's authorized shares was 2,500,000,000 as of March 31, 2019 and 2018.

	Number of Shares	
	2019	2018
Shares in Issue	840,521,087	865,521,087

The number of treasury shares held by the Bank was 79,121 thousand as of March 31, 2019 (84,573 thousand as of March 31, 2018).

21. Trading Income

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2019	2018	2019
Gains on Trading Account Securities Transactions	¥3,405	¥4,201	\$30,684
Income from Securities and Derivatives related to Trading Transactions	190	309	1,719
Income from Trading-Related Financial Derivatives Transactions	1,495	1,159	13,476
Other Trading Income	14	15	132
Total	¥5,106	¥5,686	\$46,012

22. Other Ordinary Income

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2019	2018	2019
Gains on Foreign Exchange Transactions	¥1,876	¥2,690	\$16,906
Gains on Sales of Bonds	4,743	2,662	42,740
Income from Derivatives other than for Trading or Hedging	—	24	—
Other	0	0	1
Total	¥6,620	¥5,378	\$59,647

23. Other Income

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2019	2018	2019
Gains on Sales of Stocks and Other Securities	¥ 1,889	¥ 1,903	\$ 17,021
Gains on Money Held in Trust	141	604	1,277
Revenue on Lease	15,397	14,833	138,730
Recoveries of Written-Off Claims	1,478	1,662	13,319
Reversal of Allowance for Loan Losses	—	3,476	—
Equity in Earnings of Affiliates	410	380	3,696
Other	11,604	10,024	104,553
Total	¥30,921	¥32,885	\$278,596

27. Other Comprehensive Income

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2019	2018	2019
Valuation Difference on Available-for-Sale Securities			
Gains (Losses) Arising during the Fiscal Year	¥ (2,919)	¥22,293	\$ (26,302)
Reclassification Adjustment to Profit or Loss	(10,221)	(4,317)	(92,091)
Amount before Income Tax Effect	(13,140)	17,975	(118,393)
Income Tax Effect	3,709	(5,603)	33,421
Total	(9,431)	12,371	(84,972)
Deferred Gains or Losses on Hedges			
Gains (Losses) Arising during the Fiscal Year	¥(11,516)	¥(5,276)	\$(103,758)
Reclassification Adjustment to Profit or Loss	6,049	5,726	54,504
Amount before Income Tax Effect	(5,466)	449	(49,254)
Income Tax Effect	1,667	(137)	15,023
Total	(3,799)	312	(34,232)
Remeasurements of Defined Benefit Plans			
Gains (Losses) Arising during the Fiscal Year	¥ (2,328)	¥ 1,425	\$ (20,977)
Reclassification Adjustment to Profit or Loss	539	1,236	4,861
Amount before Income Tax Effect	(1,788)	2,662	(16,116)
Income Tax Effect	545	(814)	4,915
Total	(1,243)	1,847	(11,201)
Share of Other Comprehensive Income of Entities Accounted for by the Equity Method			
Gains (Losses) Arising during the Fiscal Year	¥ (67)	¥ 151	\$ (612)
Reclassification Adjustment to Profit or Loss	(3)	—	(28)
Amount before Income Tax Effect	(71)	151	(640)
Income Tax Effect	—	—	—
Total	(71)	151	(640)
Total Other Comprehensive Income	¥(14,544)	¥14,683	\$(131,044)

24. Other Ordinary Expenses

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2019	2018	2019
Loss on Sales of Bonds	¥133	¥2,583	\$1,204
Loss on Redemption of Bonds	—	666	—
Loss on Devaluation of Bonds	90	—	811
Expenses on Derivatives other than for Trading or Hedging	357	—	3,223
Total	¥581	¥3,249	\$5,238

25. Other Expenses

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2019	2018	2019
Provision of Allowance for Loan Losses	¥ 4,253	¥ —	\$ 38,321
Written-Off of Loans	¥ 8,413	¥ 5,339	\$ 75,804
Losses on Sales of Stocks and Other Securities	8	69	79
Losses on Devaluation of Stocks and Other Securities	12	224	114
Losses on Money Held in Trust	52	—	475
Cost of Leased Assets	13,821	13,286	124,529
Provision for Reimbursement of Deposits	—	894	—
Loss on Disposal of Fixed Assets	216	449	1,949
Impairment Loss on Fixed Assets	34	107	310
Loss on Reconstruction of the Head Office	—	907	—
Other	5,424	4,650	48,870
Total	¥32,236	¥25,931	\$290,449

26. Cash and Cash Equivalents

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2019	2018	2019
Cash and Due from Banks	¥2,068,231	¥1,845,198	\$18,634,396
Interest-Bearing Deposits included in Due from Banks (excluding Due from BOJ)	(85,444)	(147,490)	(769,843)
Cash and Cash Equivalents	¥1,982,786	¥1,697,707	\$17,864,554

28. Lease Transactions

Operating Lease Transactions

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2019	2018	2019
Lessee Side (Lease Payables Related to Non-Cancelable Operating Lease Transactions)			
Amount Corresponding to Lease Payables (within 1 year)	¥192	¥207	\$1,737
Amount Corresponding to Lease Payables (over 1 year)	451	624	4,066
Total	¥644	¥832	\$5,803

29. Tax Effect

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2019	2018	2019
Deferred Tax Assets:			
Allowance for Loan Losses	¥ 16,191	¥ 14,205	\$ 145,884
Net Defined Benefit Liability	5,837	5,957	52,596
Write-Offs of Securities	970	1,046	8,741
Remeasurements of Defined Benefit Plans	865	320	7,802
Other	8,468	7,902	76,302
Subtotal	¥ 32,334	¥ 29,432	\$ 291,325
Valuation Allowance	(1,265)	(1,454)	(11,399)
Total Deferred Tax Assets	¥ 31,069	¥ 27,978	\$ 279,926
Deferred Tax Liabilities:			
Valuation Difference on Available-for-Sale Securities	¥(49,515)	¥(53,224)	\$(446,124)
Net Defined Benefit Asset	(273)	(115)	(2,463)
Other	(1,379)	(2,033)	(12,431)
Total Deferred Tax Liabilities	¥(51,168)	¥(55,373)	\$(461,018)
Net Deferred Tax Assets (Liabilities)	¥(20,099)	¥(27,395)	\$(181,091)

For the fiscal years ended March 31, 2018 and 2019, as the difference between the statutory tax rate and the effective income tax rate was less than 5 percent of the statutory tax rate, the reconciliation of the effective income tax rate is not disclosed.

30. Segment Information
I. Segment Information of the Current Fiscal Year (from April 1, 2018 to March 31, 2019) and the Previous Fiscal Year (from April 1, 2017 to March 31, 2018)

Since the Bank and its consolidated subsidiaries (the "Group") operate solely within the banking segment, segment information is omitted.

II. Related Information**(1) Information by Service Type**

Since the ordinary income of banking business from external customers of the Group exceeds 90% of ordinary income in the consolidated statement of income, segment information is omitted.

(2) Information by Geographic Areas

i) Ordinary Income

Since the ordinary income from domestic external customers of the Group exceeds 90% of ordinary income in the consolidated statement of income, segment information is omitted.

ii) Tangible Fixed Assets

Since the balance of the Group's tangible fixed assets located in Japan exceeds 90% of the balance of those in the consolidated balance sheet, segment information is omitted.

(3) Information by Major Customers

Since there is no single customer with which the Group earns ordinary income exceeding 10% of ordinary income in the consolidated statement of income, segment information by major customer is omitted.

III. Information about Impairment Loss of Fixed Assets by Reporting Segments

Since the Group operates solely within the banking segment, segment information is omitted.

IV. Information about Amortization Expense and Unamortized Balance of Goodwill by Reporting Segments

Not applicable.

V. Information about Gains from Negative Goodwill by Reporting Segment

Not applicable.

31. Financial Instruments**I. Disclosure on Financial Instruments****(1) Policy on Financial Instruments**

The Group conducts market businesses such as deposit-taking, lending and securities investments as a regional bank which is mainly based in Chiba Prefecture.

The Group takes deposits, which are its main financing source, and invests those deposits in corporate loans, personal housing loans and securities. In order to manage these assets and liabilities and also to make management plan in response to changes in market environment, we have established ALM management system led by ALM Committee.

(2) Types of and Risks Associated with Financial Instruments

Because of corporate and housing loans being our main financial assets, we are exposed to credit risk which is the risk of losses on receivable such as those arising from nonperformance of borrowers.

We hold securities primarily comprising bonds, stocks and investment trusts for investment and operating purposes. These securities have credit risk of the issuers and market risk arising from changes in interest rates, prices and exchange rates.

The Group's financial liabilities are mainly deposits from our individual customers in Chiba Prefecture which consist of liquid deposits and time deposits. These deposits have liquidity risk arising from unexpected outflows of fund in certain situations.

The Group has interest rate risk caused by a mismatch in terms of interest rates or time period between the assets (e.g., loans) and liabilities (e.g., deposits). We in part hedge the risk using interest rate swaps.

We also have foreign exchange risk arising from a position mismatch between the foreign currency denominated assets and liabilities, which we in part hedge using currency swaps.

We utilize derivatives for purposes of: addressing customer's various needs for investments and financing, managing risks from the assets and liabilities, and trading (i.e., for a gain from sales in a short term). We enter into derivatives transactions to hedge interest rate and exchange rate risks from the assets and liabilities as follows:

	Hedged Item	Hedging Instrument
Interest rate risk hedge	Loans and bills discounted	Interest rate swaps
Foreign exchange risk hedge	Receivables and payables denominated in foreign currencies	Currency swaps Forward foreign exchange

We apply hedge accounting to these transactions. Derivatives bear market risk and credit risk like other transactions in markets.

Some of our subsidiaries have leasing credit and installment receivables which are subject to interest rate risk and credit risk.

(3) Risk Management Relating to Financial Instruments

i) Credit Risk Management

We have established the system of self-assessment of assets to provide appropriate allowance and write-offs. We also perform rigid credit risk management through individual credit management and credit portfolio management based on internal rating system. The Risk Management Division, which is responsible for credit risk management, has been placed as a division independent of the Credit Unit (including the Credit Division) for a check-and-balance effect. Further, the Credit Risk Management Committee discusses plans and actions on credit portfolios based on consideration of credit risk situations.

The details of credit risk management are as follows:

(Individual Credit Management)

Branches and the Credit Division take the lead in credit review in accordance with credit review standards under the basic principles of credit (safety, profitability, liquidity, growth potential and public good). The Business Support Division provides support for customers who need to improve business operations and collection activities with regard to Bankrupt Borrowers and others. The Bank strives to accumulate high-performing loan assets and minimize future losses through these in-advance review and after-the-fact administration.

(Credit Portfolio Management)

Credit portfolio management is to control risk of incurring a major loss at a time due to concentration of individual loans in specific countries or specific industries. The Risk Management Division monitors the state of credit risk from various perspectives, such as by country, by industry, and by customer credit rating. They also establish policies and take actions such as setting credit limits to control an increase in credit risk.

ii) Market Risk Management

We have established strict market risk management system including risk limit monitoring. The Risk Management Division, which is responsible for market risk management, has been placed as a division independent of the Treasury Division and overseas branches in business operation unit and the Treasury Operation Division in business management unit, for a check-and-balance effect. The ALM Committee discusses plans and actions on overall management of the assets and liabilities based on market risk situations. The following is how we set and monitor the upper guideline limits: (Risk Limit Monitoring)

We set and monitor upper guideline limits to control market risk of financial assets such as securities, loans and deposits. In order to control an increase in market risk, we also set upper limits on investment balances, average duration, 10BPV and unrealized gains (losses) according to risk characteristics of transactions and products, and utilize such limits as additional management indicators. For trading, we set and monitor upper guideline limits on positions and losses.

(Quantitative Information on Market Risk)

(a) Financial Instruments of Banking Account

We use VaR (the assumed maximum loss) for quantitative analysis on market risk of financial instruments such as available-for-sale securities, loans and deposits. For calculating VaR, we have adopted the variance co-variance model (holding period of 1 year; confidence interval of 99.9%; and observation period of 1 year), and the changes of interest and stock price are considered. However, the VaR based on a holding period of 10 days is used for a part of tradings such as market asset trading. Those VaR are used for risk limit monitoring. Our VaR of banking business is ¥161,751 million as of March 31, 2019 (¥116,524 million as of March 31, 2018). In case of 99% confidence level, VaR is ¥129,905 million as of March 31, 2019 (¥92,012 million as of March 31, 2018).

(b) Financial Instruments of Trading Account

We use VaR for quantitative analysis on market risk of financial instruments such as securities for trading and derivatives. For calculating VaR, we have adopted the variance co-variance model (holding period of 10 days; confidence interval of 99.9%; and observation period of 1 year). Those VaR is used for risk limit monitoring. Our VaR of trading business is ¥19 million as of March 31, 2019 (¥18 million as of March 31, 2018). In case of 99% confidence level, VaR is ¥14 million as of March 31, 2019 (¥13 million as of March 31, 2018).

(c) Validity of VaR

We check the validity of the market risk measurement made by VaR approach by the back-test which compares VaR calculated using the model with actual profit and loss. Since VaR estimates possible losses statistically under the certain probability from the past market changes, risk might not be complemented under anomalous market situations.

iii) Liquidity Risk Management

We have established strict liquidity risk management system including limit monitoring. The Risk Management Division, which is responsible for liquidity risk management, has been placed as a division independent of Treasury Division in financing management unit for a check-and-balance effect. The ALM Committee discusses plans and actions on overall management of the assets and liabilities based on liquidity risk situations. Upon an event with a significant impact on the cash flows, we would immediately have a conference chaired by the President and discuss plans to address the event. The following is how we set and monitor limits for liquidity management:

(Limit Management)

We set and monitor the minimum level of liquid assets such as government bonds that can be converted to cash in a short time. We also set upper limits on financing from inter-bank and other markets in order to facilitate stable cash flows with our fund-raising capacity.

iv) Integrated Risk Management

We have established rigid integrated risk management system including risk capital allocation framework. The Risk Management Division is responsible for integrated risk management and is the unit that monitors various risks including credit and market risks. In order to ensure that we have capital sufficient for the risks we bear, the Risk Management Division also conducts stress test, the results of which the Board of Directors monitors on a regular basis and discuss actions to take as necessary. The following is the details of risk capital allocation framework:

(Risk Capital Allocation Framework)

Risk capital allocation framework is to distribute risk capital (tolerable risk) within the capital representing our financial strength, to divisions such as domestic business divisions and treasury divisions in advance. Each division then controls risks within the allocated risk capital. Through this framework, each division conducts its operations focusing on risk-return spectrum (e.g., improves profitability and/or utilize the capital in a more efficient manner) while the entire Bank's strength is maintained.

(4) Supplementary Explanation on Fair Value of Financial Instruments

The fair value of financial instruments includes, in addition to values determined based on market prices, those calculated on a reasonable basis if no market price is available. Since certain assumptions are used for the calculations, the result may vary if different assumptions are used.

II. Disclosure on Fair Value of Financial Instruments

The following table summarizes the amount stated in the consolidated balance sheet and the fair value of financial instruments as of March 31, 2019 with their difference. Note that the following table does not include unlisted equity securities and other securities for which fair value is extremely difficult to determine (Note ii). Furthermore, some items are not shown since the consolidated balance sheet amounts are insignificant.

Millions of Yen (Note 1)						
	March 31, 2019			March 31, 2018		
	Consolidated Balance Sheet Amount	Fair Value	Difference*1	Consolidated Balance Sheet Amount	Fair Value	Difference*1
(1) Securities						
Held-to-Maturity Bonds	¥ 7,919	¥ 8,007	¥ 87	¥ 7,608	¥ 7,643	¥ 34
Available-for-Sale Securities	2,053,839	2,053,839	—	2,133,398	2,133,398	—
(2) Loans and Bills Discounted	10,090,072			9,774,912		
Allowance for Loan Losses*2	(27,357)			(25,382)		
	10,062,714	10,181,340	118,625	9,749,530	9,849,630	100,100
Total Assets	¥12,124,473	¥12,243,186	¥118,713	¥11,890,537	¥11,990,673	¥100,135
(1) Deposits	12,316,183	12,316,311	(128)	12,003,407	12,003,612	(204)
(2) Negotiable Certificates of Deposit	531,811	531,811	0	464,971	464,971	—
Total Liabilities	¥12,847,994	¥12,848,122	¥ (128)	¥12,468,379	¥12,468,583	¥ (204)
Derivative Transactions*3						
Not Qualifying for Hedge Accounting	3,605	3,605	—	3,664	3,664	—
Qualifying for Hedge Accounting	(4,348)	(4,348)	—	1,250	1,250	—
Total Derivative Transactions	¥ (742)	¥ (742)	¥ —	¥ 4,915	¥ 4,915	¥ —

*1 Unrealized gains (losses) are presented.

*2 General and specific allowance for Loans and bills discounted is deducted here.

*3 Presents derivative transactions included in Trading assets/liabilities as well as those in Other assets/liabilities. Also presents assets or liabilities arising from derivative transactions on a net basis. Net liability positions are presented with brackets [].

(Note i) Methods used for determining the estimated fair value of financial instruments

Assets

(1) Securities

The fair value of stocks is determined based on price quoted by the exchanges. The fair value of bonds is determined based on the Trading Reference Statistical Data published by Japanese Securities Dealers Association or prices provided by financial institutions. The fair value of investment trusts is determined based on the net asset value provided by financial institutions.

The fair value of domestic stocks and domestic investment trusts is based on the average market price during the month preceding the consolidated fiscal year-end. The fair value of privately placed bonds guaranteed by the Bank is determined based on a market interest rate adjusted with projected default rate.

(2) Loans and Bills Discounted

Because a floating-rate loan reflects market interest rate within a short term, its fair value approximates the carrying amount unless the credit-worthiness of the borrower has changed significantly since the loan origination. As such the carrying amount is deemed as the fair value. With respect to fixed rate loans, the fair value is calculated as total of principal and interest discounted at market interest rate adjusted with projected default rate for each category of loans based on type, internal rating and maturity length.

As for short-term loans with maturity of one year or less, the carrying amount is deemed as the fair value since the fair value approximates such carrying amount.

For loans to Bankrupt, Effectively Bankrupt and Potentially Bankrupt Borrowers, Allowance for loan losses is estimated based on present value of expected future cash flows or expected amount to be collected from collaterals and guarantees. Accordingly, the fair value approximates the consolidated balance sheet amount less the allowance, which is then deemed and used as the fair value in the above table.

For loans without a fixed maturity due to loan characteristics such as limiting loans to within the value of collateral, the carrying amount is deemed as the fair value since the fair value is considered to approximate such carrying amount in terms of expected duration and interest rate.

Liabilities

(1) Deposits and (2) Negotiable Certificates of Deposit

For demand deposits, the amount payable on demand as of the consolidated balance sheet date is considered to be the fair value. The fair value of time deposits and negotiable certificates of deposit are calculated as future cash flows discounted by time period. The discount rate used in the calculation is the interest rate that would be applied to newly accepted deposits. For short-term deposits, the carrying amount is deemed as the fair value since the fair value approximates such carrying amount because of the short contract term of one year or less.

Derivative Transactions

See “35. Derivative Transactions.”

(Note ii) The following table summarizes financial instruments whose fair value is extremely difficult to be estimated. These securities are not included in the amount presented under “Assets, (1) Available-for-Sale Securities” in the above table.

Millions of Yen (Note 1)		
	March 31, 2019	March 31, 2018
	Consolidated Balance Sheet Amount	Consolidated Balance Sheet Amount
(1) Unlisted Stocks ^(*) (^(*))	¥ 5,277	¥ 5,354
(2) Investments in Limited Partnerships, etc. ^(*)	17,007	13,068
Total	¥22,284	¥18,422

*1 Unlisted stocks do not carry quoted market prices. Since it is extremely difficult to estimate the fair value of these securities, the fair value is not disclosed.

*2 An impairment loss of ¥4 million (¥2 million for the previous fiscal year) was recorded on these unlisted stocks in the current fiscal year.

*3 Fair value of investments in limited partnerships, etc., is not disclosed since such partnerships invest in assets, such as unlisted stocks, of which fair value is extremely difficult to be estimated.

(Note iii) Redemption schedule of monetary claims and securities with maturities:

Millions of Yen (Note 1)						
March 31, 2019						
	Within 1 Year	1-3 Years	3-5 Years	5-7 Years	7-10 Years	Over 10 Years
Securities	¥ 251,831	¥ 484,009	¥ 336,953	¥ 265,214	¥ 190,572	¥ 145,628
Held-to-Maturity Bonds	—	—	5,549	2,219	—	—
Available-for-Sale Securities with Maturities	251,831	484,009	331,404	262,944	190,572	145,628
Government Bonds	93,000	112,000	22,500	30,000	—	1,000
Local Government Bonds	41,263	69,612	57,742	106,628	66,742	595
Short-Term Corporate Bonds	—	—	—	—	—	—
Corporate Bonds	42,671	124,094	109,944	63,638	8,540	60,741
Loans ^(*)	1,295,133	1,622,965	1,220,909	847,780	1,042,805	3,251,725
Total	¥1,546,965	¥2,106,975	¥1,557,863	¥1,112,995	¥1,233,377	¥3,397,353

* These amounts do not include loans to Bankrupt, Effectively Bankrupt or Potentially Bankrupt Borrowers and other loans of which redemption amount cannot be projected and those which do not have specific maturities, amounting to ¥808,750 million in total.

Millions of Yen (Note 1)						
March 31, 2018						
	Within 1 Year	1-3 Years	3-5 Years	5-7 Years	7-10 Years	Over 10 Years
Securities	¥ 287,660	¥ 477,570	¥ 399,164	¥ 275,384	¥ 211,824	¥ 92,326
Held-to-Maturity Bonds	—	—	—	6,374	1,062	—
Available-for-Sale Securities with Maturities	287,660	477,570	399,164	269,009	210,761	92,326
Government Bonds	144,500	129,500	98,000	55,000	16,500	—
Local Government Bonds	31,347	84,057	39,876	122,429	109,587	637
Short-Term Corporate Bonds	—	—	—	—	—	—
Corporate Bonds	30,808	104,452	138,666	57,582	3,500	26,426
Loans ^(*)	1,290,029	1,576,276	1,149,104	853,878	985,785	3,136,778
Total	¥1,577,689	¥2,053,846	¥1,548,268	¥1,129,262	¥1,197,609	¥3,229,105

* These amounts do not include loans to Bankrupt, Effectively Bankrupt or Potentially Bankrupt Borrowers and other loans of which redemption amount cannot be projected and those which do not have specific maturities, amounting to ¥783,060 million in total.

(Note iv) Repayment schedule of interest-bearing liabilities:

Millions of Yen (Note 1)						
March 31, 2019						
	Within 1 Year	1-3 Years	3-5 Years	5-7 Years	7-10 Years	over 10 Years
Deposits ^(*)	¥11,567,094	¥688,981	¥45,582	¥7,648	¥6,877	¥—
Negotiable Certificates of Deposit	531,731	80	—	—	—	—
Total	¥12,098,825	¥689,061	¥45,582	¥7,648	¥6,877	¥—

* Demand deposits are included in “Within 1 year.”

Millions of Yen (Note 1)						
March 31, 2018						
	Within 1 Year	1-3 Years	3-5 Years	5-7 Years	7-10 Years	over 10 Years
Deposits ^(*)	¥11,279,230	¥669,323	¥39,137	¥7,184	¥8,531	¥—
Negotiable Certificates of Deposit	464,971	—	—	—	—	—
Total	¥11,744,201	¥669,323	¥39,137	¥7,184	¥8,531	¥—

* Demand deposits are included in “Within 1 year.”

32. Market Value of Securities

(1) Trading Securities

	Millions of Yen (Note 1)	
	March 31, 2019	March 31, 2018
	Unrealized Gains (Losses) Included in the Consolidated Statement of Income	Unrealized Gains (Losses) Included in the Consolidated Statement of Income
Trading Securities	¥(9)	¥7

(2) Marketable Securities Held to Maturity

		Millions of Yen (Note 1)					
		March 31, 2019			March 31, 2018		
		Consolidated balance sheet amount	Fair Value	Difference	Consolidated balance sheet amount	Fair Value	Difference
(a) Securities for which the Fair Value Exceeds the Consolidated Balance Sheet Amount	Bonds:						
	Japanese Government Bonds	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —
	Japanese Local Government Bonds	—	—	—	—	—	—
	Japanese Short-Term Corporate Bonds	—	—	—	—	—	—
	Japanese Corporate Bonds	—	—	—	—	—	—
	Other	8,260	8,348	87	8,418	8,454	35
	Foreign Bonds	7,919	8,007	87	7,608	7,643	34
	Subtotal	¥8,260	¥8,348	¥87	¥8,418	¥8,454	¥35
(b) Securities for which the Fair Value Does Not Exceed the Consolidated Balance Sheet Amount	Bonds:						
	Japanese Government Bonds	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —
	Japanese Local Government Bonds	—	—	—	—	—	—
	Japanese Short-Term Corporate Bonds	—	—	—	—	—	—
	Japanese Corporate Bonds	—	—	—	—	—	—
	Other	641	638	(3)	978	974	(3)
	Foreign Bonds	—	—	—	—	—	—
	Subtotal	¥ 641	¥ 638	¥ (3)	¥ 978	¥ 974	¥ (3)
	Total	¥8,902	¥8,986	¥84	¥9,397	¥9,429	¥32

(3) Marketable Securities Available for Sale

		Millions of Yen (Note 1)					
		March 31, 2019			March 31, 2018		
		Consolidated balance sheet amount	Acquisition Cost	Difference	Consolidated balance sheet amount	Acquisition Cost	Difference
(a) Securities for which the Fair Value Exceeds the Amortized Acquisition Cost	Stocks	¥ 226,963	¥ 81,140	¥145,823	¥ 252,844	¥ 93,974	¥158,870
	Bonds:	1,010,419	1,002,021	8,398	1,052,129	1,042,222	9,906
	Japanese Government Bonds	263,875	260,641	3,234	451,037	445,895	5,141
	Japanese Local Government Bonds	343,265	340,771	2,494	300,823	297,687	3,135
	Japanese Short-Term Corporate Bonds	—	—	—	—	—	—
	Japanese Corporate Bonds	403,278	400,608	2,669	300,268	298,639	1,628
	Other	465,179	445,537	19,642	320,183	302,081	18,101
	Foreign Bonds	269,234	265,242	3,991	153,311	151,994	1,317
	Subtotal	¥1,702,562	¥1,528,698	¥173,864	¥1,625,157	¥1,438,278	¥186,878
(b) Securities for which the Fair Value Does Not Exceed the Amortized Acquisition Cost	Stocks	¥ 16,278	¥ 19,348	¥ (3,069)	¥ 6,965	¥ 7,824	¥ (859)
	Bonds:	15,572	15,593	(21)	158,860	159,423	(562)
	Japanese Government Bonds	—	—	—	1,031	1,032	(0)
	Japanese Local Government Bonds	4,738	4,739	(1)	93,477	93,806	(328)
	Japanese Short-Term Corporate Bonds	—	—	—	—	—	—
	Japanese Corporate Bonds	10,834	10,854	(20)	64,351	64,584	(232)
	Other	322,200	331,234	(9,034)	345,072	355,606	(10,533)
	Foreign Bonds	164,493	166,777	(2,284)	229,644	234,020	(4,375)
	Subtotal	¥ 354,052	¥ 366,176	¥ (12,124)	¥ 510,898	¥ 522,854	¥ (11,955)
	Total	¥2,056,615	¥1,894,875	¥161,739	¥2,136,056	¥1,961,133	¥174,923

(4) Securities Held to Maturity Sold during the Fiscal Year

None.

(5) Securities Available for Sale Sold during the Fiscal Year

	Millions of Yen (Note 1)					
	March 31, 2019			March 31, 2018		
	Proceeds from Sales	Gain	Loss	Proceeds from Sales	Gain	Loss
Stocks	¥ 3,262	¥1,877	¥ —	¥ 8,810	¥1,886	¥ 59
Bonds:	175,594	2,532	53	286,909	1,046	55
Japanese Government Bonds	108,192	1,296	35	262,337	1,038	41
Japanese Local Government Bonds	64,734	1,224	17	22,760	4	14
Japanese Short-Term Corporate Bonds	—	—	—	—	—	—
Japanese Corporate Bonds	2,668	11	—	1,810	2	—
Other	68,080	2,223	89	156,669	1,632	2,537
Foreign Bonds	59,596	504	79	136,780	473	1,694
Total	¥246,937	¥6,632	¥142	¥452,389	¥4,565	¥2,653

(6) Securities for which the Holding Purpose Has Been Altered

None.

(7) Impairment Losses on Securities

Marketable securities available for sale are subject to write-downs when the market value or reasonably estimated value of these securities (collectively, "fair value") has declined considerably and it is not probable that the value will recover to the acquisition cost. In such case, any differences between fair value and acquisition cost are recognized as losses for the period. For the current fiscal year, impairment losses was ¥102 million (Corporate bonds; ¥90 million, Stocks; ¥12 million) (Stocks; ¥224 million for the previous fiscal year).

"Considerable decline in fair value" is determined based on the classification of issuers in accordance with the internal standards for self-assessment of assets as follows:

Bankrupt, effectively bankrupt and potentially bankrupt

Fair value is lower than acquisition cost.

Requiring caution

Fair value has declined by 30% or more from acquisition cost.

Normal

Fair value has declined by 50% or more from acquisition cost, or fair value has declined by more than 30% but less than 50% from acquisition cost and stayed below a certain level.

Bankrupt issuer means one who has entered into bankruptcy, special liquidation proceedings, corporate rehabilitation, civil rehabilitation or similar legal proceedings or whose notes have been dishonored and suspended from processing through clearing houses.

Effectively bankrupt issuer means one who is not legally or formally bankrupt but regarded as substantially in a similar condition.

Potentially bankrupt issuer means one who is not legally bankrupt but deemed to have high possibility of becoming bankrupt.

Requiring caution issuer means one who is financially weak and under close monitoring conducted by the Bank.

Normal issuer means one who does not belong to the other categories.

33. Money Held in Trust

(1) Money Held in Trust for Trading Purposes

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2019	2018	2019
Consolidated Balance Sheet Amount	¥19,947	¥20,032	\$179,727
Unrealized Gains (Losses) Included in the Consolidated Statement of Income	36	60	329

(2) Money Held in Trust for Other Purposes

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2019	2018	2019
Acquisition Cost	¥8,579	¥10,879	\$77,295
Consolidated Balance Sheet Amount	8,579	10,879	77,295
Valuation Differences	—	—	—
Gains	—	—	—
Losses	—	—	—

34. Valuation Difference on Available-for-Sale Securities

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2019	2018	2019
Valuation Difference	¥161,527	¥174,668	\$1,455,336
Securities Available for Sale	161,527	174,668	1,455,336
Other Money Held in Trust	—	—	—
Deferred Tax Liabilities (Assets)	49,515	53,224	446,124
Valuation Difference, Net of Taxes	¥112,012	¥121,443	\$1,009,212
Net Unrealized Gains on Securities Available for Sale Owned by Subsidiaries, which is Attributable to the Parent	436	507	3,929
Valuation Difference on Available-for-Sale Securities	¥112,448	¥121,950	\$1,013,141

35. Derivative Transactions

(1) Derivative Transactions to which Hedge Accounting Is Not Applied

With respect to the derivative transactions, contract amount or notional principal, fair value, unrealized gains (losses) and fair value calculation by transaction type as of the consolidated balance sheet date are as follows. Contract amount or notional principal does not necessarily represent market risk of the derivative transaction.

(a) Interest Rate Derivatives

Millions of Yen (Note 1)					
March 31, 2019					
Notional Principal or Contract Amount					
	Total	Over 1 Year	Fair Value	Unrealized Gains (Losses)	
Listed:					
Futures:					
Sold	¥ —	¥ —	¥ —	¥ —	¥ —
Bought	—	—	—	—	—
Options:					
Sold	—	—	—	—	—
Bought	—	—	—	—	—
Over-the-Counter:					
FRAs:					
Sold	—	—	—	—	—
Bought	—	—	—	—	—
Swaps:					
Receive Fixed / Pay Float	1,469,956	1,327,602	24,625	24,625	
Receive Float / Pay Fixed	1,468,905	1,301,455	(21,228)	(21,228)	
Receive Float / Pay Float	38,680	29,680	47	47	
Options:					
Sold	—	—	—	—	—
Bought	—	—	—	—	—
Other:					
Sold	1,675	900	(0)	(0)	
Bought	—	—	—	—	—
Total	¥ —	¥ —	¥ 3,443	¥ 3,443	

1. The above transactions are valued at fair value and the unrealized gains (losses) are included in the consolidated statement of income.
2. The fair value of listed transactions is based on the final price issued by Tokyo Financial Exchange or other exchange. The fair value of OTC transactions is based on the discounted cash flow method, option pricing models, etc.

Millions of Yen (Note 1)					
March 31, 2018					
Notional Principal or Contract Amount					
	Total	Over 1 Year	Fair Value	Unrealized Gains (Losses)	
Listed:					
Futures:					
Sold	¥ —	¥ —	¥ —	¥ —	¥ —
Bought	—	—	—	—	—
Options:					
Sold	—	—	—	—	—
Bought	—	—	—	—	—
Over-the-Counter:					
FRAs:					
Sold	—	—	—	—	—
Bought	—	—	—	—	—
Swaps:					
Receive Fixed / Pay Float	1,283,538	1,094,297	12,021	12,021	
Receive Float / Pay Fixed	1,282,993	1,061,683	(8,644)	(8,644)	
Receive Float / Pay Float	55,680	30,680	22	22	
Options:					
Sold	—	—	—	—	—
Bought	—	—	—	—	—
Other:					
Sold	3,616	1,765	(1)	(1)	
Bought	700	—	0	0	
Total	¥ —	¥ —	¥ 3,398	¥ 3,398	

1. The above transactions are valued at fair value and the unrealized gains (losses) are included in the consolidated statement of income.
2. The fair value of listed transactions is based on the final price issued by Tokyo Financial Exchange or other exchange. The fair value of OTC transactions is based on the discounted cash flow method, option pricing models, etc.

(b) Currency Derivatives

Millions of Yen (Note 1)					
March 31, 2019					
Notional Principal or Contract Amount					
	Total	Over 1 Year	Fair Value	Unrealized Gains (Losses)	
Listed:					
Futures:					
Sold	¥ —	¥ —	¥ —	¥ —	—
Bought	—	—	—	—	—
Options:					
Sold	—	—	—	—	—
Bought	—	—	—	—	—
Over-the-Counter:					
Currency Swaps	465,495	314,145	143	143	
Forward Foreign Exchange:					
Sold	12,075	—	20	20	
Bought	7,887	—	8	8	
Currency Options:					
Sold	118,581	—	(11,363)	1,885	
Bought	118,581	—	11,363	208	
Other:					
Sold	—	—	—	—	
Bought	—	—	—	—	
Total	¥ —	¥ —	¥ 173	¥2,267	

1. The above transactions are valued at fair value and the unrealized gains (losses) are included in the consolidated statement of income.
2. The fair value is based on the discounted cash flow method, etc.

Millions of Yen (Note 1)					
March 31, 2018					
Notional Principal or Contract Amount					
	Total	Over 1 Year	Fair Value	Unrealized Gains (Losses)	
Listed:					
Futures:					
Sold	¥ —	¥ —	¥ —	¥ —	—
Bought	—	—	—	—	—
Options:					
Sold	—	—	—	—	—
Bought	—	—	—	—	—
Over-the-Counter:					
Currency Swaps	535,870	392,591	136	136	
Forward Foreign Exchange:					
Sold	14,192	—	130	130	
Bought	8,751	—	(0)	(0)	
Currency Options:					
Sold	70,492	—	(7,217)	1,344	
Bought	70,492	—	7,217	143	
Other:					
Sold	—	—	—	—	
Bought	—	—	—	—	
Total	¥ —	¥ —	¥ 267	¥1,755	

1. The above transactions are valued at fair value and the unrealized gains (losses) are included in the consolidated statement of income.
2. The fair value is based on the discounted cash flow method, etc.

(c) Equity Derivatives

None.

(d) Bond Derivatives

Millions of Yen (Note 1)					
March 31, 2019					
Notional Principal or Contract Amount					
	Total	Over 1 Year	Fair Value	Unrealized Gains (Losses)	
Listed:					
Futures:					
Sold	¥3,054	¥—	¥(11)	¥(11)	
Bought	—	—	—	—	
Futures Options:					
Sold	—	—	—	—	
Bought	—	—	—	—	
Over-the-Counter:					
Options:					
Sold	—	—	—	—	
Bought	—	—	—	—	
Other:					
Sold	—	—	—	—	
Bought	—	—	—	—	
Total	¥ —	¥—	¥(11)	¥(11)	

1. The above transactions are valued at fair value and the unrealized gains (losses) are included in the consolidated statement of income.
2. The fair value of listed transactions is based on the final price issued by Osaka Exchange or other exchange. The fair value of OTC transactions is based on the discounted cash flow method, option pricing models, etc.

Millions of Yen (Note 1)					
March 31, 2018					
Notional Principal or Contract Amount					
	Total	Over 1 Year	Fair Value	Unrealized Gains (Losses)	
Listed:					
Futures:					
Sold	¥3,164	¥—	¥ (1)	¥ (1)	
Bought	—	—	—	—	
Futures Options:					
Sold	—	—	—	—	
Bought	—	—	—	—	
Over-the-Counter:					
Options:					
Sold	—	—	—	—	
Bought	—	—	—	—	
Other:					
Sold	—	—	—	—	
Bought	—	—	—	—	
Total	¥ —	¥—	¥ (1)	¥ (1)	

1. The above transactions are valued at fair value and the unrealized gains (losses) are included in the consolidated statement of income.
2. The fair value of listed transactions is based on the final price issued by Osaka Exchange or other exchange. The fair value of OTC transactions is based on the discounted cash flow method, option pricing models, etc.

(e) Commodity Derivatives

None.

(f) Credit Derivatives

None.

(2) Derivative Transactions to which Hedge Accounting Is Applied

With respect to the derivative transactions, contract amount or notional principal, fair value, unrealized gains (losses) and fair value calculation by hedge accounting method as of the consolidated balance sheet date are as follows. Contract amount or notional principal does not necessarily represent market risk of the derivative transaction.

(a) Interest Rate Derivatives

Millions of Yen (Note 1)			
March 31, 2019			
Hedged item	Notional Principal or Contract Amount		Fair Value
	Total	Over 1 Year	
Principle Method			
Interest Swap			
Interest-bearing financial assets and liabilities including loans, available-for-sale debt securities, deposits and negotiable certificates of deposit			
Receive Fixed / Pay Float	¥ —	¥ —	¥ —
Receive Float / Pay Fixed	316,451	278,922	(3,369)
Receive Float / Pay Float	—	—	—
Other	—	—	—
Exceptional Accrual Method			
Interest Swap			
Loans			
Receive Fixed / Pay Float	—	—	—
Receive Float / Pay Fixed	34,401	29,400	*3
Receive Float / Pay Float	—	—	—
Total	—	¥ —	¥(3,369)

1. Deferred hedge is primarily applied to the above transactions under the "Treatment for Accounting and Auditing of Application of Accounting Standard for Financial Instruments in Banking Industry" (JICPA Industry Audit Committee Report No. 24).

2. The fair value of the above transactions is based on the discounted cash flow method, option pricing models, etc.

3. Since derivative transactions qualifying for the exceptional accrual method are treated as a unit of loans, those fair values are included in fair values of such loans in "31. Financial Instruments."

Millions of Yen (Note 1)			
March 31, 2018			
Hedged item	Notional Principal or Contract Amount		Fair Value
	Total	Over 1 Year	
Principle Method			
Interest Swap			
Interest-bearing financial assets and liabilities including loans, available-for-sale debt securities, deposits and negotiable certificates of deposit			
Receive Fixed / Pay Float	¥ —	¥ —	¥ —
Receive Float / Pay Fixed	243,429	205,749	1,887
Receive Float / Pay Float	—	—	—
Other	—	—	—
Exceptional Accrual Method			
Interest Swap			
Loans			
Receive Fixed / Pay Float	—	—	—
Receive Float / Pay Fixed	34,726	25,722	*3
Receive Float / Pay Float	—	—	—
Total	—	¥ —	¥1,887

1. Deferred hedge is primarily applied to the above transactions under the "Treatment for Accounting and Auditing of Application of Accounting Standard for Financial Instruments in Banking Industry" (JICPA Industry Audit Committee Report No. 24).

2. The fair value of the above transactions is based on the discounted cash flow method, option pricing models, etc.

3. Since derivative transactions qualifying for the exceptional accrual method are treated as a unit of loans, those fair values are included in fair values of such loans in "31. Financial Instruments."

(b) Currency Derivatives

Method of hedge accounting : Principle method

Millions of Yen (Note 1)				
March 31, 2019				
	Hedged item	Notional Principal or Contract Amount		Fair Value
		Total	Over 1 Year	
Currency Swap	Foreign currency denominated loans, securities, deposits and foreign exchanges	¥215,659	¥126,493	¥(979)
Total	—	¥ —	¥ —	¥(979)

1. Deferred hedge is primarily applied to the above transactions under the "Treatment for Accounting and Auditing Concerning Accounting for Foreign Currency Transactions in Banking Industry" (JICPA Industry Audit Committee Report No. 25).
2. The fair value is based on the discounted cash flow method, etc.

Millions of Yen (Note 1)				
March 31, 2018				
	Hedged item	Notional Principal or Contract Amount		Fair Value
		Total	Over 1 Year	
Currency Swap	Foreign currency denominated loans, securities, deposits and foreign exchanges	¥160,534	¥105,820	¥(637)
Total	—	¥ —	¥ —	¥(637)

1. Deferred hedge is primarily applied to the above transactions under the "Treatment for Accounting and Auditing Concerning Accounting for Foreign Currency Transactions in Banking Industry" (JICPA Industry Audit Committee Report No. 25).
2. The fair value is based on the discounted cash flow method, etc.

(c) Equity Derivatives

None.

(d) Bond Derivatives

None.

36. Per Share Data

	Yen (Note 1)		U.S. Dollars (Note 1)
	2019	2018	2019
Net Assets per Share of Common Stock	¥1,250.05	¥1,207.15	\$11.26
Profit per Share of Common Stock	65.30	67.98	0.59
Diluted Net Income per Share of Common Stock	65.23	67.91	0.59

I. Basis on Calculating Net Assets per Share

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2019	2018	2019
Total Net Assets	¥952,267	¥943,236	\$8,579,761
Less: Subscription Rights to Shares	479	511	4,322
Consolidated Net Assets Attributable to Common Stockholders	¥951,787	¥942,724	\$8,575,438

	Number of Shares	
	2019	2018
Number of Shares of Common Stock Used for Calculating Net Assets per Share	761,399,368	780,947,638

II. Basis on calculating Net Income per Share

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2019	2018	2019
Profit Attributable to Owners of Parent	¥50,478	¥53,796	\$454,799
Not Attributable to Common Stock	—	—	—
Profit Attributable to Owners of Parent for Common Stock	¥50,478	¥53,796	\$454,799

	Number of Shares	
	2019	2018
Average Number of Shares of Common Stock (excluding Treasury Shares)	772,954,616	791,243,837

The increased number of shares of common stock for stock options is 882 thousand (915 thousand for the previous fiscal year), which is used for calculating diluted profit per share.

37. Related Party Transactions

I. Related Party Transactions

(1) Transactions between the Bank and Related Parties

Directors of the Bank or major shareholders (individuals only), etc.

For the Fiscal Year Ended March 31, 2018

Party Classification	Name of Company or Individual	Address	Capital	Type of Business	Percentage of Voting Rights Held by the Bank	Relations with Related Party	Type of Transaction	Amounts of the Transactions	Account Classification	Balance at the Fiscal Year-End
Company, a majority of whose voting rights are owned by the close members of directors' respective families	Daimaru Foods Co., Ltd.	Choshi-shi, Chiba Pref.	¥35 million	Food Manufacturing	0.00	—	Lending	Average balance of ¥56 million	Loan	¥56 million

The terms of transactions and policies of determining the terms are similar to general cases.

For the Fiscal Year Ended March 31, 2019

None.

(2) Transactions between Subsidiaries of the Bank and Related Parties

None.

II. Notes to the Parent Company or Major Affiliated Companies

None.

38. Cash Dividends Paid

I. Cash Dividends Paid for the Fiscal Year Ended March 31, 2018

Resolution	Category of Shares	Total Amounts of Cash Dividends Paid Millions of Yen (Note 1)	Cash Dividends per Share Yen (Note 1)	Record Date	Effective Date
Annual General Shareholders Meeting, at June 28, 2017	Common Stock	¥5,983	¥7.50	March 31, 2017	June 29, 2017
Board of Directors, at November 8, 2017	Common Stock	¥5,917	¥7.50	September 30, 2017	December 5, 2017

II. Cash Dividends Paid for the Fiscal Year Ended March 31, 2019

Resolution	Category of Shares	Total Amounts of Cash Dividends Paid Millions of Yen (Note 1)	Cash Dividends per Share Yen (Note 1)	Record Date	Effective Date
Annual General Shareholders Meeting, at June 28, 2018	Common Stock	¥5,857	¥7.50	March 31, 2018	June 28, 2018
Board of Directors, at November 7, 2018	Common Stock	¥6,203	¥8.00	September 30, 2018	December 5, 2018

III. Cash Dividends with the record date in the Fiscal Year Ended March 31, 2019 and the effective date in the Fiscal Year Ending March 31, 2020

Resolution	Category of Shares	Total Amounts of Cash Dividends Paid Millions of Yen (Note 1)	Source of Dividends	Cash Dividends per Share Yen (Note 1)	Record Date	Effective Date
Annual General Shareholders Meeting, at June 26, 2019	Common Stock	¥6,091	Retained Earnings	¥8.00	March 31, 2019	June 27, 2019

39. Stock Options

I. Line Item where Stock Option Expense Is Presented and the Amount

	Millions of Yen (Note 1)		Thousands of U.S. Dollars (Note 1)
	2019	2018	2019
General and Administrative Expenses	¥158	¥164	\$1,432

II. Stock Option Activity

(1) Outline of Stock Options

		The first subscription rights	The second subscription rights	The third subscription rights	The fourth subscription rights	The fifth subscription rights
Number of Grantees	Directors	9	9	9	9	10
	Executive officers	9	9	9	11	10
Number of Stock Options	Common stock	311,100	343,600	344,700	229,400	243,000
Date of Grant		July 20, 2010	July 20, 2011	July 20, 2012	July 19, 2013	July 18, 2014
Requirement for Determination of Rights		Not fixed	Not fixed	Not fixed	Not fixed	Not fixed
Target Period		Not fixed	Not fixed	Not fixed	Not fixed	Not fixed
Exercise Period		From July 21, 2010 to July 20, 2040	From July 21, 2011 to July 20, 2041	From July 21, 2012 to July 20, 2042	From July 20, 2013 to July 19, 2043	From July 19, 2014 to July 18, 2044

		The sixth subscription rights	The seventh subscription rights	The eighth subscription rights	The ninth subscription rights
Number of Grantees	Directors	10	10	9	6
	Executive officers	10	10	11	14
Number of Stock Options	Common stock	180,700	365,400	230,500	231,800
Date of Grant		July 17, 2015	July 20, 2016	July 20, 2017	July 20, 2018
Requirement for Determination of Rights		Not fixed	Not fixed	Not fixed	Not fixed
Target Period		Not fixed	Not fixed	Not fixed	Not fixed
Exercise Period		From July 18, 2015 to July 17, 2045	From July 21, 2016 to July 20, 2046	From July 21, 2017 to July 20, 2047	From July 21, 2018 to July 20, 2048

(2) Size and Situation of Stock Options

(a) Number of Stock Options

		Number of Shares				
		The first subscription rights	The second subscription rights	The third subscription rights	The fourth subscription rights	The fifth subscription rights
Non-vested						
As of March 31, 2018		—	—	—	—	—
Granted		—	—	—	—	—
Forfeited		—	—	—	—	—
Vested		—	—	—	—	—
Outstanding		—	—	—	—	—
Vested						
As of March 31, 2018		54,000	58,000	66,900	58,000	81,600
Vested		—	—	—	—	—
Exercised		—	—	—	17,400	38,800
Forfeited		—	—	—	—	—
Outstanding		54,000	58,000	66,900	40,600	42,800

		Number of Shares			
		The sixth subscription rights	The seventh subscription rights	The eighth subscription rights	The ninth subscription rights
Non-vested					
As of March 31, 2018		—	—	—	—
Granted		—	—	—	231,800
Forfeited		—	—	—	—
Vested		—	—	—	231,800
Outstanding		—	—	—	—
Vested					
As of March 31, 2018		93,100	297,700	230,500	—
Vested		—	—	—	231,800
Exercised		41,500	130,000	80,800	—
Forfeited		—	—	—	—
Outstanding		51,600	167,700	149,700	231,800

(b) Price Information

	Yen (Note 1)				
	The first subscription rights	The second subscription rights	The third subscription rights	The fourth subscription rights	The fifth subscription rights
Exercise Price	1	1	1	1	1
Average Price at Exercise	—	—	—	766	766
Fair Value at Grant Date	467	446	403	686	673

	Yen (Note 1)			
	The sixth subscription rights	The seventh subscription rights	The eighth subscription rights	The ninth subscription rights
Exercise Price	1	1	1	1
Average Price at Exercise	766	766	766	—
Fair Value at Grant Date	913	433	721	675

III. Estimations Used to Measure Fair Value of Stock Options

(1) Valuation Method

Black-Scholes option pricing model

(2) Main Figures and the Way of Estimation

	The ninth subscription rights
Volatility of Stock Price ^{(*)1}	30.265%
Estimated Remaining Outstanding Period ^{(*)2}	5 years
Estimated Dividend ^{(*)3}	¥15 per share
Risk-Free Interest Rate ^{(*)4}	-0.108%

*1. Volatility of Stock Price is calculated based on the actual stock prices of Estimated Remaining Outstanding Period.

*2. Estimated Remaining Outstanding Period is estimated based on the average administration period of the directors from the past decade.

*3. Estimated Dividend is based on the actual results of the fiscal year ended March 31, 2018.

*4. Risk-Free Interest Rate is based on bonds' yields of the Estimated Remaining Outstanding Period.

IV. Estimated Number of Stock Options to be Vested

The actual number of forfeited stock options alone is reflected because the number of stock options that will be forfeited in the future cannot be readily estimated.



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Independent Auditor's Report

The Board of Directors
The Chiba Bank, Ltd.

We have audited the accompanying consolidated financial statements of The Chiba Bank, Ltd. and its consolidated subsidiaries, which comprise the consolidated balance sheet as at March 31, 2019, and the consolidated statements of income, comprehensive income, changes in net assets, and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information, all expressed in Japanese yen.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. The purpose of an audit of the consolidated financial statements is not to express an opinion on the effectiveness of the entity's internal control, but in making these risk assessments the auditor considers internal controls relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of The Chiba Bank, Ltd. and its consolidated subsidiaries as at March 31, 2019, and their consolidated financial performance and cash flows for the year then ended in conformity with accounting principles generally accepted in Japan.

Convenience Translation

We have reviewed the translation of these consolidated financial statements into U.S. dollars, presented for the convenience of readers, and, in our opinion, the accompanying consolidated financial statements have been properly translated on the basis described in Note 1.

Ernst & Young ShinNihon LLC

June 24, 2019

Non-Consolidated Balance Sheet (Unaudited)

The Chiba Bank, Ltd.
As of March 31, 2019

	Millions of Yen*1		Thousands of U.S. Dollars*2
	2019	2018	2019
Assets			
Cash and Due from Banks	¥ 2,063,517	¥ 1,841,522	\$ 18,591,920
Call Loans	109,047	75,801	982,496
Receivables under Resale Agreements	14,999	14,999	135,147
Monetary Claims Bought	10,981	11,328	98,938
Trading Assets	188,088	121,585	1,694,642
Money Held in Trust	22,026	22,111	198,459
Securities	2,082,715	2,156,704	18,764,889
Loans and Bills Discounted	10,136,875	9,816,065	91,331,434
Foreign Exchanges	3,829	3,187	34,500
Other Assets	123,001	114,360	1,108,225
Tangible Fixed Assets	101,861	94,415	917,755
Intangible Fixed Assets	12,726	11,675	114,667
Prepaid Pension Cost	1,558	442	14,039
Customers' Liabilities for Acceptances and Guarantees	41,689	38,477	375,618
Allowance for Loan Losses	(21,316)	(18,978)	(192,061)
Total Assets	¥14,891,602	¥14,303,698	\$134,170,666
Liabilities			
Deposits	¥12,915,232	¥12,530,506	\$116,363,933
Call Money	170,000	—	1,531,670
Payables under Repurchase Agreements	29,404	17,085	264,930
Payables under Securities Lending Transactions	213,345	260,387	1,922,208
Trading Liabilities	22,216	12,632	200,166
Borrowed Money	373,960	333,334	3,369,321
Foreign Exchanges	727	587	6,557
Bonds Payable	116,578	113,714	1,050,350
Borrowed money from trust account	2,383	963	21,476
Other Liabilities	83,597	62,395	753,196
Provision for Retirement Benefits	—	12,486	—
Provision for Reimbursement of Deposits	2,377	3,074	21,423
Provision for Point Loyalty Programs	246	239	2,224
Deferred Tax Liabilities	22,330	28,884	201,193
Deferred Tax Liabilities for Land Revaluation	10,850	10,852	97,764
Acceptances and Guarantees	41,689	38,477	375,618
Total Liabilities	¥14,004,943	¥13,425,622	\$126,182,029
Net Assets			
Capital Stock	¥ 145,069	¥ 145,069	\$ 1,307,047
Capital Surplus	122,134	122,134	1,100,406
Retained Earnings	563,190	545,044	5,074,242
Legal Retained Earnings	50,930	50,930	458,872
Other Retained Earnings	512,259	494,114	4,615,370
Treasury Shares	(56,260)	(59,256)	(506,900)
Total Shareholders' Equity	774,132	752,991	6,974,796
Valuation Difference on Available-for-Sale Securities	103,225	111,947	930,039
Deferred Gains or Losses on Hedges	(1,976)	1,822	(17,808)
Revaluation Reserve for Land	10,798	10,802	97,288
Total Valuation and Translation Adjustments	112,046	124,572	1,009,519
Subscription Rights to Shares	479	511	4,322
Total Net Assets	¥ 886,658	¥ 878,076	\$ 7,988,637
Total Liabilities and Net Assets	¥14,891,602	¥14,303,698	\$134,170,666

*1 Japanese yen amounts are presented in millions of yen by rounding down figures below one million. As a result, the totals in Japanese yen in the non-consolidated financial statements do not necessarily agree with the sums of individual amounts.

*2 U.S. dollar amounts are shown solely for the convenience of the readers of this Annual Report and are translated at the rate of ¥110.99 to \$1.00, the exchange rate prevailing at March 31, 2019.

Non-Consolidated Statement of Income (Unaudited)

The Chiba Bank, Ltd.
For the year ended March 31, 2019

	Millions of Yen*1		Thousands of U.S. Dollars*2
	2019	2018	2019
Income			
Interest Income:			
Interest on Loans and Discounts	¥112,600	¥108,223	\$1,014,506
Interest and Dividends on Securities	31,770	28,795	286,248
Other Interest Income	3,341	3,383	30,105
Trust Fees	23	16	216
Fees and Commissions	42,830	43,476	385,898
Trading Income	1,701	2,001	15,328
Other Ordinary Income	6,601	5,375	59,478
Other Income	11,353	13,962	102,293
Total Income	¥210,223	¥205,233	\$1,894,072
Expenses			
Interest Expenses:			
Interest on Deposits	¥ 13,088	¥ 8,379	\$ 117,927
Interest on Borrowings and Rediscounts	2,801	1,763	25,243
Other Interest Expenses	9,220	8,745	83,074
Fees and Commissions Payments	20,421	19,735	183,998
Trading Expenses	527	—	4,757
Other Ordinary Expenses	581	3,249	5,238
General and Administrative Expenses	82,995	85,082	747,771
Other Expenses	13,772	9,023	124,089
Total Expenses	¥143,409	¥135,979	\$1,292,098
Profit before Income Taxes	66,813	69,254	601,973
Income Taxes—Current	20,321	19,783	183,091
Income Taxes—Deferred	(1,514)	(184)	(13,647)
Profit	¥ 48,006	¥ 49,655	\$ 432,530

*1 Japanese yen amounts are presented in millions of yen by rounding down figures below one million. As a result, the totals in Japanese yen in the non-consolidated financial statements do not necessarily agree with the sums of individual amounts.

*2 U.S. dollar amounts are shown solely for the convenience of the readers of this Annual Report and are translated at the rate of ¥110.99 to \$1.00, the exchange rate prevailing at March 31, 2019.

Supplementary Information (Unaudited)

The Chiba Bank, Ltd. and Consolidated Subsidiaries
As of March 31, 2019

Consolidated Capital Ratio (BIS Guidelines)

	Millions of Yen*1		Thousands of U.S. Dollars*2
	2019	2018	2019
Common Equity Tier 1 Capital: Instruments and Reserves	¥ 946,176	¥ 937,379	\$ 8,524,880
Capital Stock and Capital Surplus	267,203	267,203	2,407,453
Retained Earnings	621,548	600,931	5,600,042
Treasury Shares	56,260	59,256	506,900
Cash Dividends to be Paid	6,091	5,857	54,881
Subscription Rights to Shares	479	511	4,322
Accumulated Other Comprehensive Income and Other Disclosed Reserves	119,296	133,846	1,074,843
Instruments and Reserves (Transitional Arrangements)	—	—	—
Common Equity Tier 1 Capital: Regulatory Adjustments	37,298	43,780	336,057
Total Intangible Assets (Excluding Those Relating to Mortgage Servicing Rights)	8,941	8,238	80,565
Deferred Gains or Losses on Derivatives under Hedge Accounting	(734)	(381)	(6,617)
Shortfall of Eligible Provisions to Expected Losses	29,011	35,066	261,386
Securitization Gain on Sale	39	44	356
Net Defined Benefit Asset	—	765	—
Investments in Own Shares (Excluding Those Reported in the Net Assets Section)	40	46	367
Investments in the Capital of Banking, Financial and Insurance Entities that Are Outside the Scope of Regulatory Consolidation, Net of Eligible Short Positions, where the Bank Does Not Own more than 10% of the Issued Share Capital (Amount above 10% Threshold)	—	—	—
Regulatory Adjustments due to Insufficient Additional Tier 1 and Tier 2	—	—	—
Total Common Equity Tier 1 Capital	¥ 908,877	¥ 893,598	\$ 8,188,823
Additional Tier 1 Capital: Instruments	—	—	—
Instruments (Transitional Arrangements)	—	—	—
Additional Tier 1 Capital: Regulatory Adjustments	—	—	—
Regulatory Adjustments (Transitional Arrangements)	—	—	—
Total Additional Tier 1 Capital	—	—	—
Total Tier 1 Capital	¥ 908,877	¥ 893,598	\$ 8,188,823
Tier 2 Capital: Instruments and Provisions	¥ 50,124	¥ 50,120	\$ 451,617
Directly Issued Qualifying Tier 2 Instruments plus Related Capital Surplus of which: Classified as Liabilities under Applicable Accounting Standards	50,000	50,000	450,491
General Allowance for Loan Losses and Eligible Provisions	124	120	1,126
Instruments and Provisions (Transitional Arrangements)	—	—	—
Tier 2 Capital: Regulatory Adjustments	—	—	—
Investments in the Capital of Banking, Financial and Insurance Entities that Are Outside the Scope of Regulatory Consolidation, Net of Eligible Short Positions, where the Bank Does Not Own more than 10% of the Issued Common Share Capital of the Entity (Amount above 10% Threshold)	—	—	—
Regulatory Adjustments (Transitional Arrangements)	—	—	—
Total Tier 2 Capital	¥ 50,124	¥ 50,120	\$ 451,617
Total Capital	¥ 959,002	¥ 943,719	\$ 8,640,440

	Millions of Yen*1		Thousands of U.S. Dollars*2
	2019	2018	2019
Risk-Weighted Assets:			
Total Risk-Weighted Assets*3	¥7,587,772	¥7,159,997	\$68,364,472
Total Required Capital*4	¥ 607,021	¥ 572,799	\$ 5,469,158
Capital Ratios:			
Common Equity Tier 1 Capital Ratio	11.97%	12.48%	11.97%
Tier 1 Capital Ratio	11.97%	12.48%	11.97%
Total Capital Ratio	12.63%	13.18%	12.63%

*1 Japanese yen amounts are presented in millions of yen by rounding down figures below one million. As a result, the totals in Japanese yen in the supplementary information do not necessarily agree with the sums of individual amounts.

*2 U.S. dollar amounts are shown solely for the convenience of the readers of this Annual Report and are translated at the rate of ¥110.99 to \$1.00, the exchange rate prevailing at March 31, 2019.

*3 The following approaches were adopted to calculate Total Risk-Weighted Assets.

Credit Risk: Foundation Internal Ratings-Based Approach

Operational Risk: Standardized Approach

*4 Total Required Capital is calculated by multiplying Total Risk-Weighted Assets by 8%.

Consolidated Leverage Ratio

	Millions of Yen*1		Thousands of U.S. Dollars*2
	2019	2018	2019
On-Balance Sheet Exposures			
On-Balance Sheet Exposures before Adjustments	¥14,858,214	¥14,278,955	\$133,869,853
Total Assets Reported in the Consolidated Balance Sheet	14,964,129	14,381,815	134,824,124
The Amount of Assets that Are Deducted from the Total Assets Reported in the Consolidated Balance Sheet (except Adjustment Items)	(105,914)	(102,859)	(954,271)
The Amount of Adjustments to Tier 1 Capital	(37,993)	(44,117)	(342,318)
Total On-Balance Sheet Exposures	¥14,820,221	¥14,234,838	\$133,527,535
Derivative Exposures			
Replacement Cost Associated with Derivatives Transactions	—	¥ 30,739	—
Replacement Cost Multiplied by 1.4 Associated with Derivatives Transactions	20,784	—	187,261
Add-On Amounts Associated with Derivatives Transactions	—	34,841	—
The Amount of Cash Collateral Provided in Derivatives Transactions	—	8,563	—
Potential Future Exposure Multiplied by 1.4 Associated with Derivatives Transactions	18,221	—	164,168
The Amount of Deductions of Receivables (Out of Those Arising from Providing Cash Variation Margin)	(12,010)	—	(108,211)
Total Derivative Exposures	¥ 26,994	¥ 74,144	\$ 243,219
Securities Financing Transaction (SFT) Exposures			
The Amount of SFT Assets	¥ 14,999	¥ 14,999	\$ 135,147
The Exposures for Counter-Party Credit Risk for SFTs	2,549	1,393	22,968
Total SFT Exposures	¥ 17,549	¥ 16,393	\$ 158,115
Off-Balance Sheet Exposures			
Notional Amount of Off-Balance Sheet Exposures	¥ 3,318,610	¥ 3,352,753	\$ 29,900,085
The Amount of Adjustments for Conversion in Relation to Off-Balance Sheets	(2,827,074)	(2,866,253)	(25,471,437)
Total Off-Balance Sheet Exposures	¥ 491,535	¥ 486,499	\$ 4,428,647
Tier 1 Capital	¥ 908,877	¥ 893,598	\$ 8,188,823
Total Exposures	¥15,356,300	¥14,811,876	\$138,357,516
Leverage Ratio	5.91%	6.03%	5.91%

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Loans and Bills Discounted, Borrower Classification by Industry (Consolidated)

Millions of Yen (Note 1)

	March 31, 2019	
	Outstanding Balance	Composition
Domestic Operations		
Manufacturing	¥ 693,396	7.04%
Agriculture and Forestry	14,155	0.14%
Fishery	1,565	0.02%
Mining, Quarrying and Gravel	18,421	0.19%
Construction	324,475	3.29%
Electricity, Gas, Heat Supply and Water	78,012	0.79%
Information and Communications	64,054	0.65%
Transport and Postal Service	257,543	2.61%
Wholesale and Retail Trade	734,978	7.46%
Finance and Insurance	405,563	4.11%
Real Estate and Leasing	2,761,164	28.01%
Services	599,649	6.08%
Government and Local Public Sector	199,829	2.03%
Others (Mainly Consumer Loans)	3,704,354	37.58%
Total	¥9,857,165	100.00%
Overseas operations and JOM Account	¥ 232,906	—

Millions of Yen (Note 1)

	March 31, 2018	
	Outstanding Balance	Composition
Domestic Operations		
Manufacturing	¥ 698,625	7.30%
Agriculture and Forestry	11,493	0.12%
Fishery	1,185	0.01%
Mining, Quarrying and Gravel	18,720	0.20%
Construction	314,284	3.29%
Electricity, Gas, Heat Supply and Water	67,090	0.70%
Information and Communications	71,966	0.75%
Transport and Postal Service	244,173	2.55%
Wholesale and Retail Trade	749,431	7.84%
Finance and Insurance	377,026	3.94%
Real Estate and Leasing	2,666,533	27.88%
Services	561,396	5.87%
Government and Local Public Sector	204,587	2.14%
Others (Mainly Consumer Loans)	3,578,470	37.41%
Total	¥9,564,985	100.00%
Overseas operations and JOM Account	¥ 209,926	—