

Financial Highlights for the First Quarter of FY2021 ending March 2022

**August 6, 2021
THE CHIBA BANK, LTD.**

Summary of Financial Results

NEXT STEP 2023

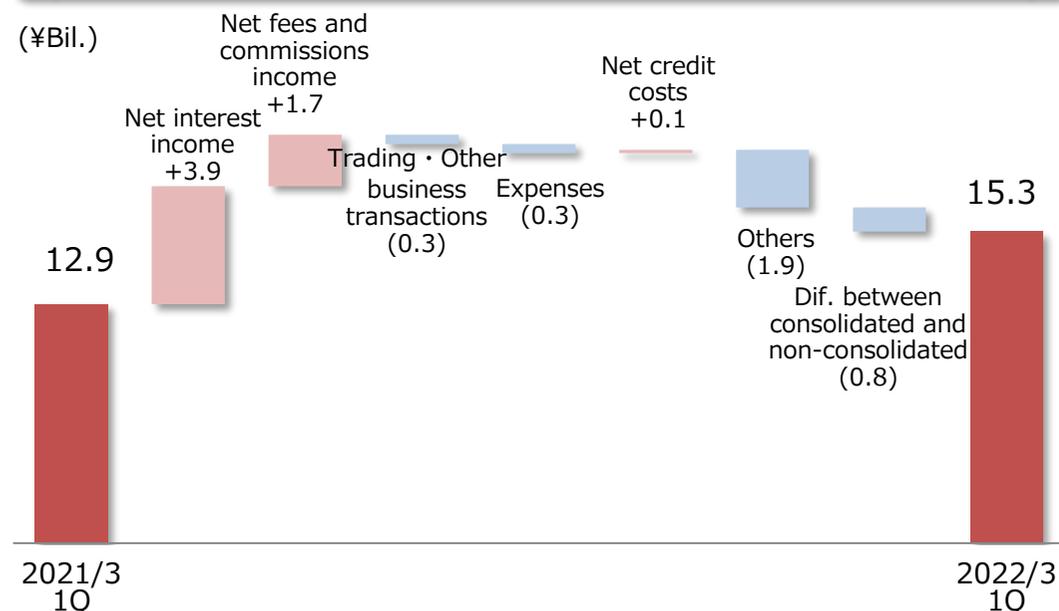
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Non-consolidated	(¥Bil.)	2021/3 1Q	2022/3 1Q	Change
Gross business profits		39.8	45.2	5.3
Net interest income		33.5	37.4	3.9
Net fees and commissions income		5.0	6.7	1.7
Trading income		0.4	0.2	(0.2)
Profit from other business transactions		0.8	0.7	(0.0)
Gains (losses) related to bonds (Government bonds, etc.)		0.6	0.2	(0.3)
Expenses (-)		20.5	20.8	0.3
Real net business income		19.3	24.3	4.9
Core net business income		18.6	24.0	5.3
Excluding gains (losses) on cancellation of investment trusts		17.5	22.4	4.8
Net transfer to general allowance for loan losses (-)		1.2	1.6	0.3
Net business income		18.0	22.6	4.5
Non-recurrent income and losses		1.3	0.7	(0.5)
Disposal of non-performing loans (-)		1.5	1.0	(0.5)
Gains (losses) related to stocks, etc.		3.0	1.1	(1.8)
Ordinary profit		19.4	23.4	4.0
Extraordinary income (loss)		(0.0)	0.0	0.0
Profit		14.8	17.9	3.1
Net credit costs (-)		2.8	2.6	(0.1)

Consolidated	(¥Bil.)	2021/3 1Q	2022/3 1Q	Change
Ordinary profit		18.2	21.4	3.1
Profit attributable to owners of parent		12.9	15.3	2.3

- ◆ Net interest income increased by ¥3.9 billion YoY and net fees and commissions income increased by ¥1.7 billion YoY, which were strong. As a result, Gross business profits increased significantly by ¥5.3 billion YoY.
- ◆ Expenses were kept under control while increased due to the completion of the new head office building. Core net business income excluding gains (losses) on cancellation of investment trusts increased by ¥4.8 billion YoY, and core business were remained strong.
- ◆ Net credit costs decreased by ¥0.1 billion YoY, generally in line with the corresponding period of previous fiscal year. New downgrades decreased by ¥0.3 billion YoY to ¥1.2 billion.
- ◆ Profit also increased, with 64% of non-consolidated profit and 55% of consolidated profit progressing steadily against the 1H projection.

Breakdown of changes in profit attributable to owners of parent (Non-consolidated + Dif. between consolidated and non-consolidated)

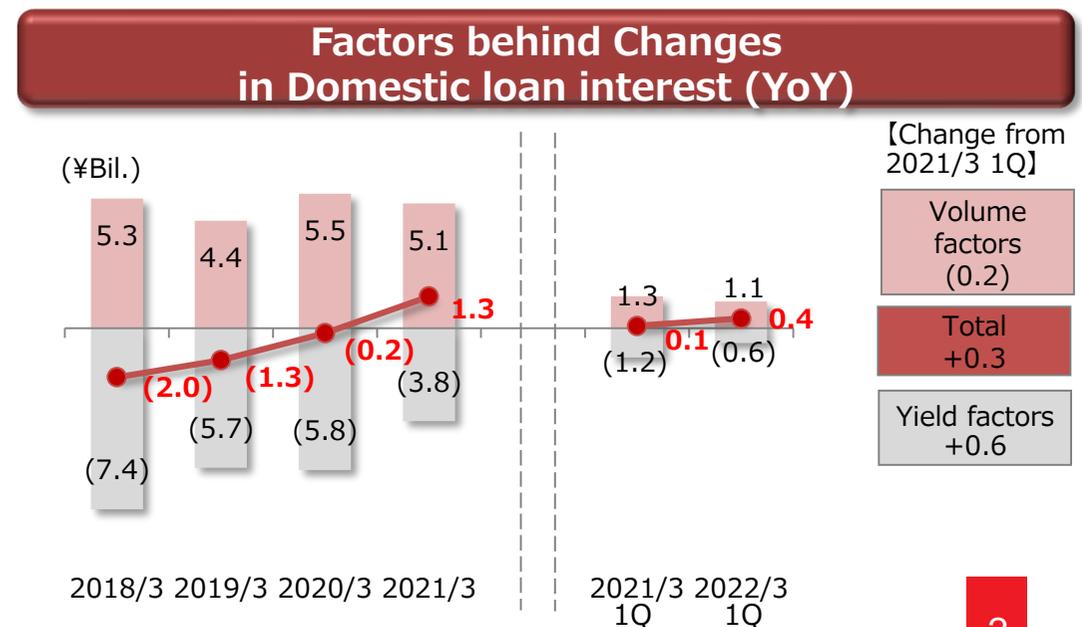
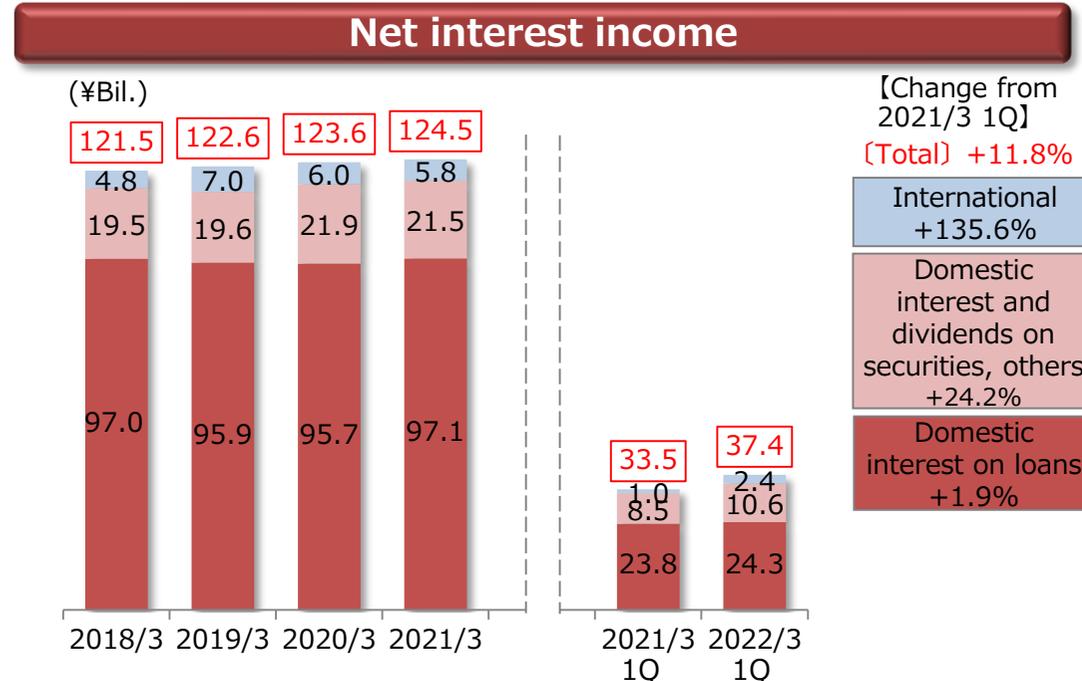


Net Interest Income

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(¥Bil.)	2021/3 1Q	2022/3 1Q	Change
Net interest income	33.5	37.4	3.9
Domestic	32.4	34.9	2.5
Interest on Loans	23.8	24.3	0.4
Loans and bills discounted	24.0	24.5	0.4
Deposit (incl. NCD)	0.1	0.1	(0.0)
Interest and dividends on securities	8.3	10.3	1.9
Bonds	0.6	0.6	0.0
Stock dividends	5.9	6.9	0.9
Investment funds	0.0	(0.0)	(0.0)
investment trusts	1.8	2.7	0.9
Gains (losses) on cancellation	0.9	1.1	0.2
Others (Market operation, etc.)	0.1	0.2	0.1
International	1.0	2.4	1.4
Loans and bills discounted	2.0	1.0	(1.0)
Foreign Securities	2.6	3.5	0.8
Foreign Securities	2.4	2.1	(0.3)
Foreign currency funds	(0.0)	0.9	0.9
Investment trusts	0.2	0.5	0.2
Gains (losses) on cancellation	0.2	0.4	0.2
Others (Funding and market operation, etc.)	(3.6)	(2.0)	1.5
Net interest income (Excluding gains (losses) on cancellation of investment trusts)	32.3	35.8	3.5
Gains (losses) on cancellation of investment trusts	1.1	1.6	0.4

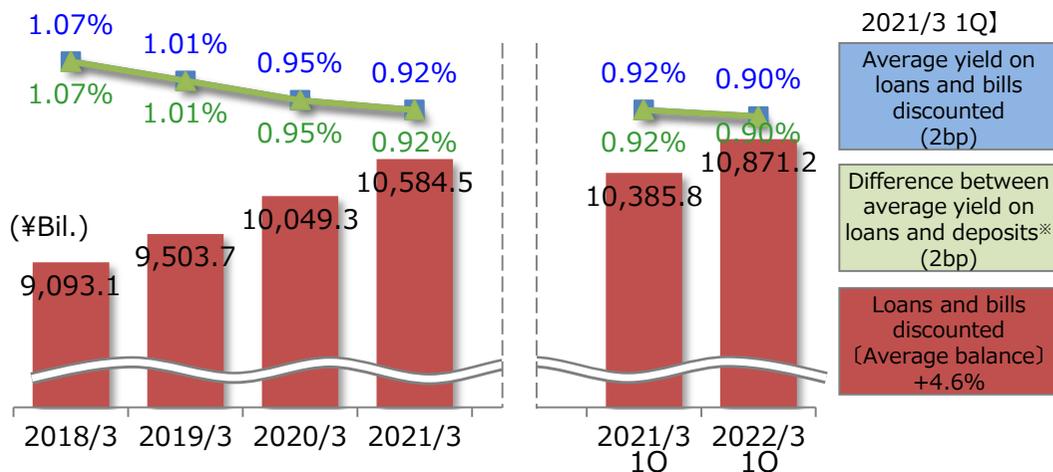


Yield · Interest on Loans

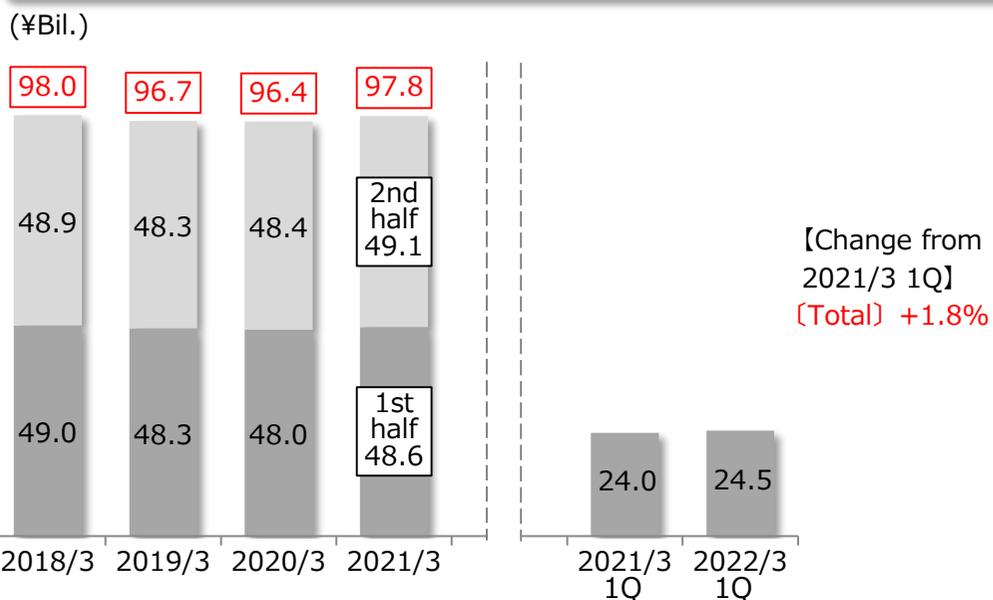
Domestic operations

Loans and bills discounted (average balance) · Yield, Difference between average yield on loans and deposits

※① "Yield on loans and bills discounted" and ② "Yield on deposits" (including NCDs) are rounded down to second decimal places, and "Difference between average yield on loans and deposits" is the difference between ① and ②.



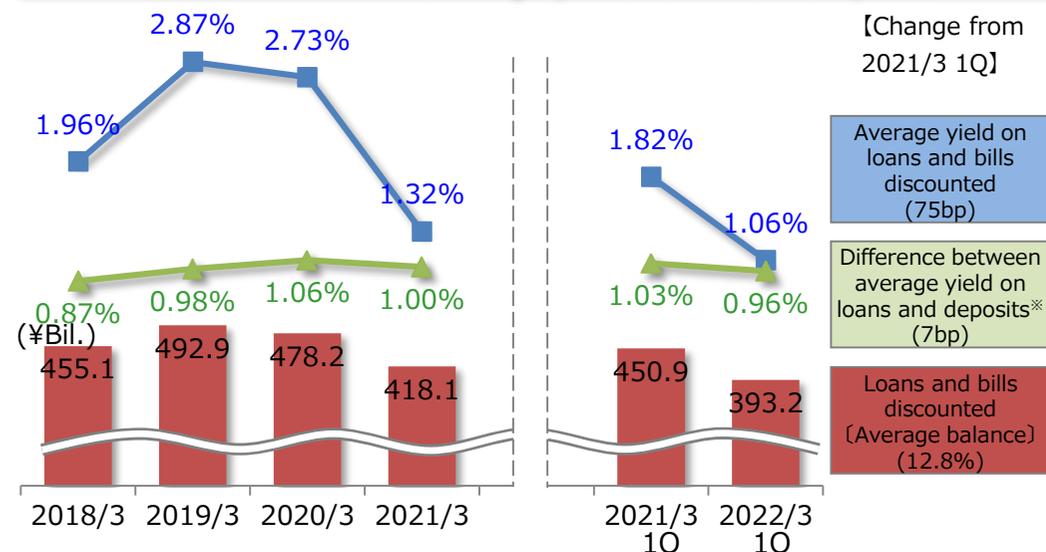
Interest on loans and bills discounted



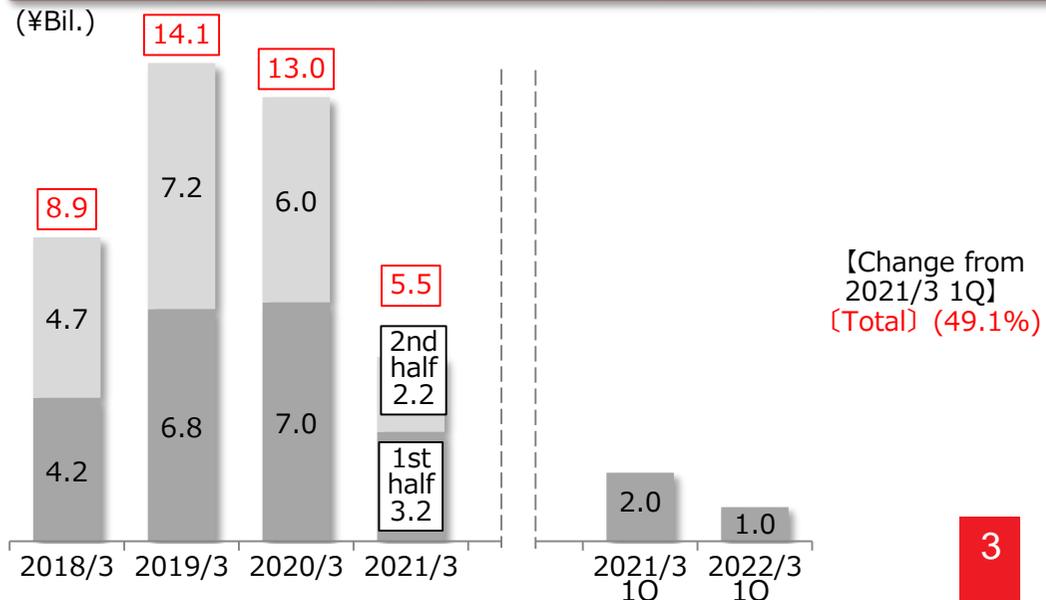
International operations

Loans and bills discounted (average balance) · Yield, Difference between average yield on loans and deposits

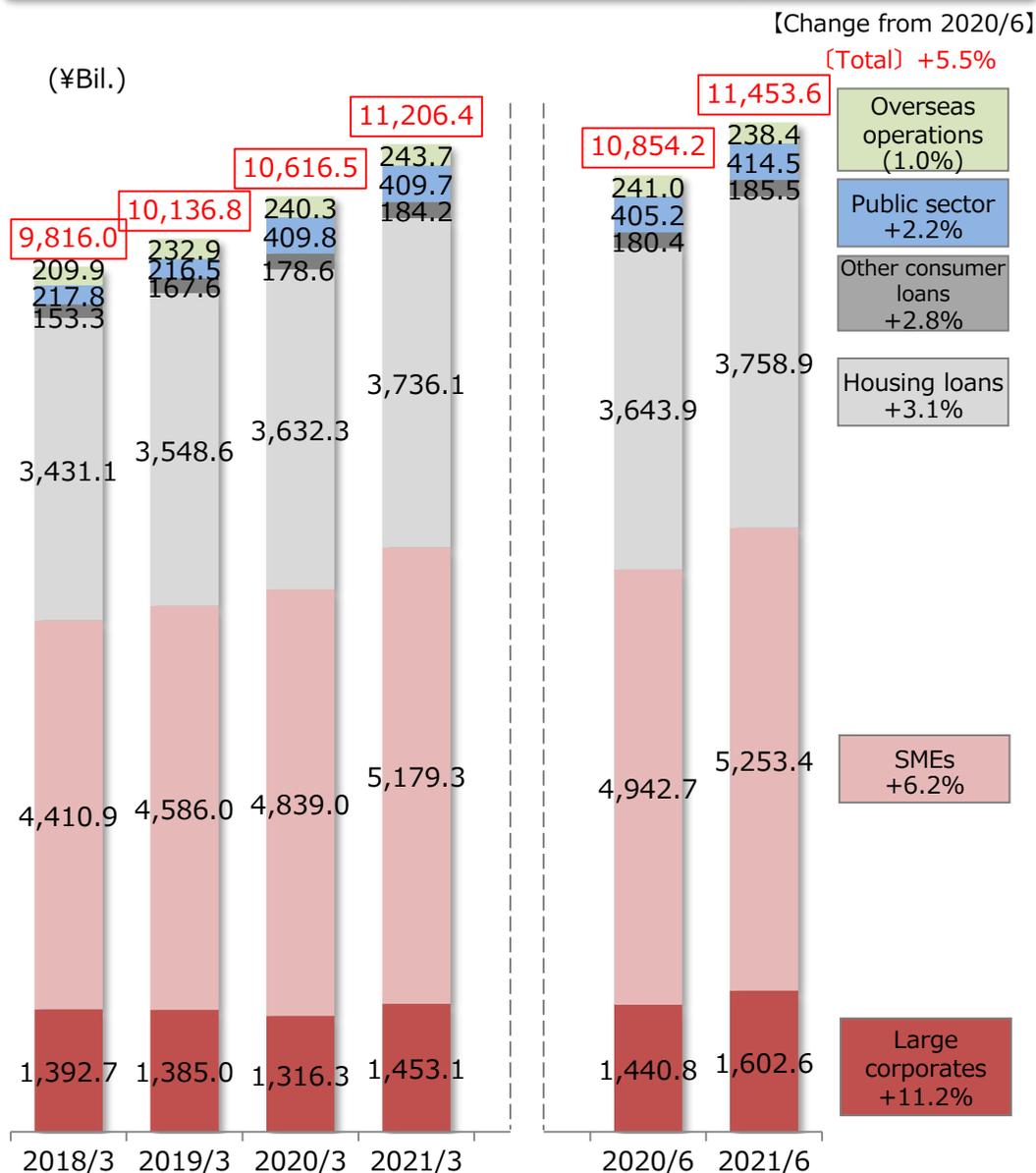
[Change from 2021/3 1Q]



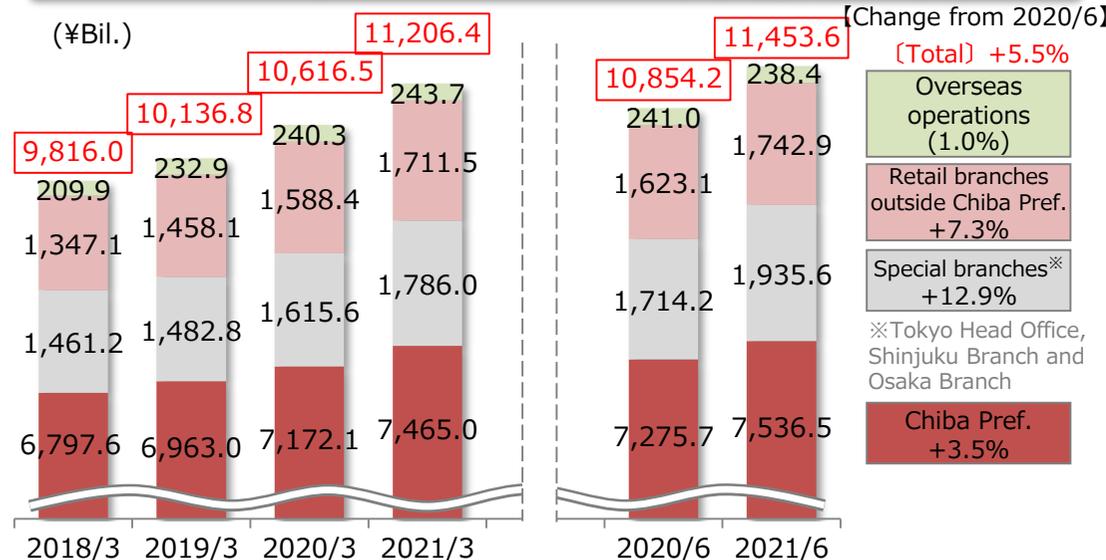
Interest on loans and bills discounted



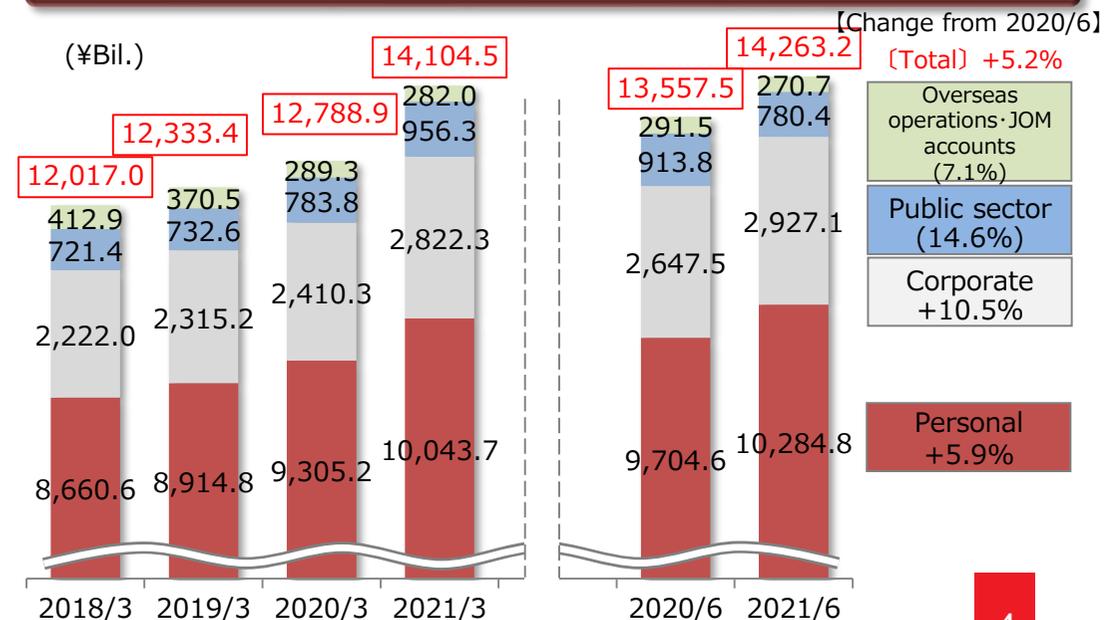
Loans (term-end balance)



Loans (term-end balance) [by region]

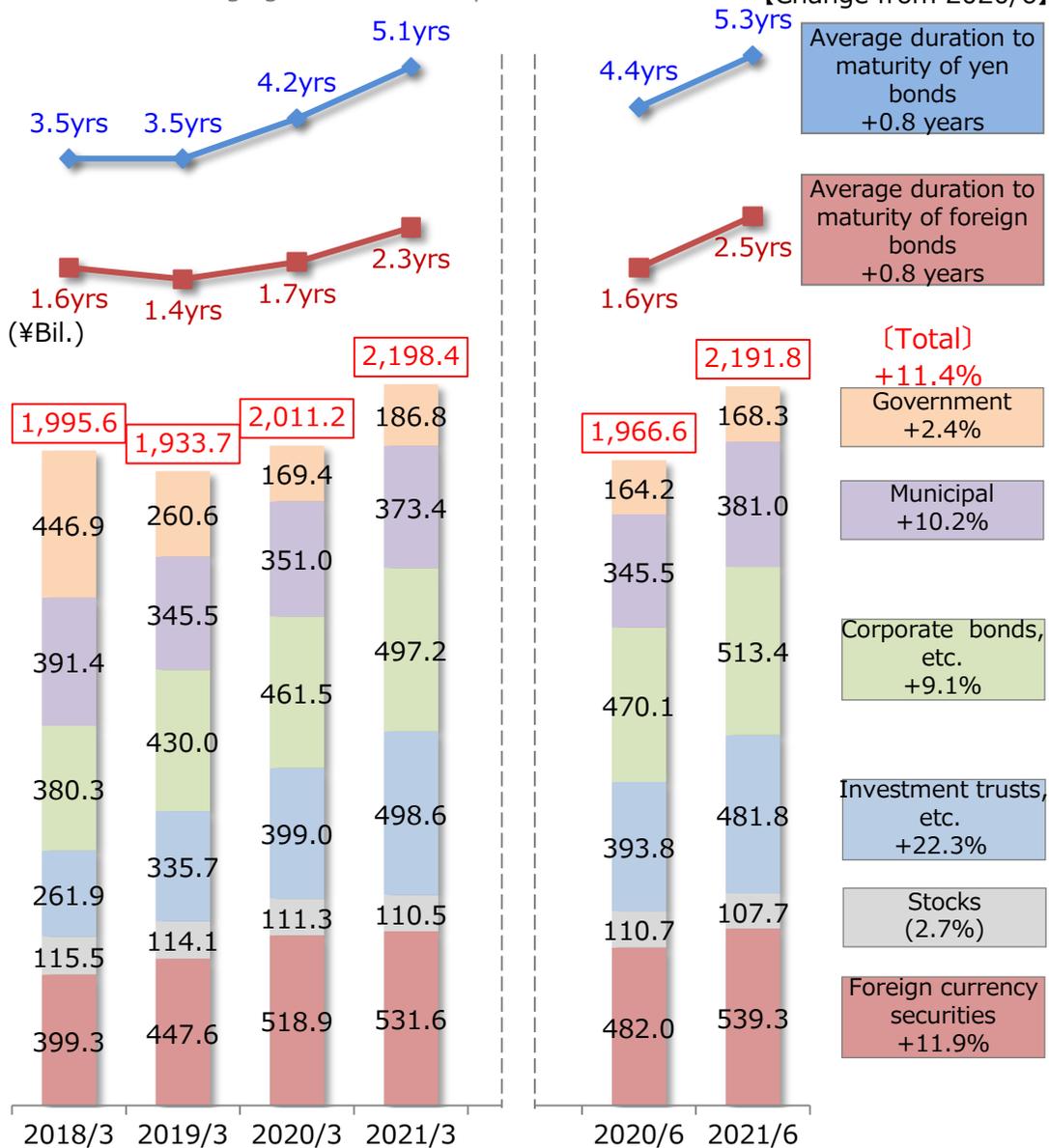


Deposits (term-end balance)



Balance of securities※1 · Duration of securities※2

※2 after hedging with asset swap

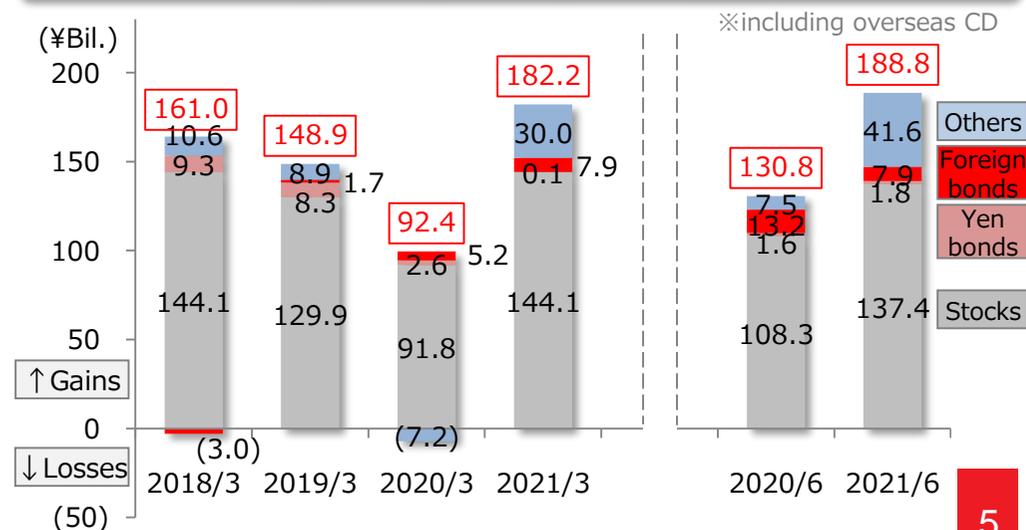


※1 excluding unrealized gains (losses)

Gain (loss) on securities

(¥Bil.)	2021/3 1Q	2022/3 1Q	Change
Interest income on securities	11.0	13.8	2.7
Bonds	3.0	2.7	(0.3)
Domestic	0.6	0.6	0.0
International	2.4	2.1	(0.3)
Stocks	5.9	6.9	0.9
Investments trusts etc.	2.0	4.1	2.1
Gains(losses) from investment trust cancellations	1.1	1.6	0.4
Gains(losses) related to bonds(Government bonds, etc.)	0.6	0.2	(0.3)
Gains on sales	0.7	0.6	(0.0)
Gains(losses) related to stocks, etc.	3.0	1.1	(1.8)
Gains on sales	3.0	2.9	(0.0)

Unrealized gains (losses) on other securities



Net Fees and Commissions Income

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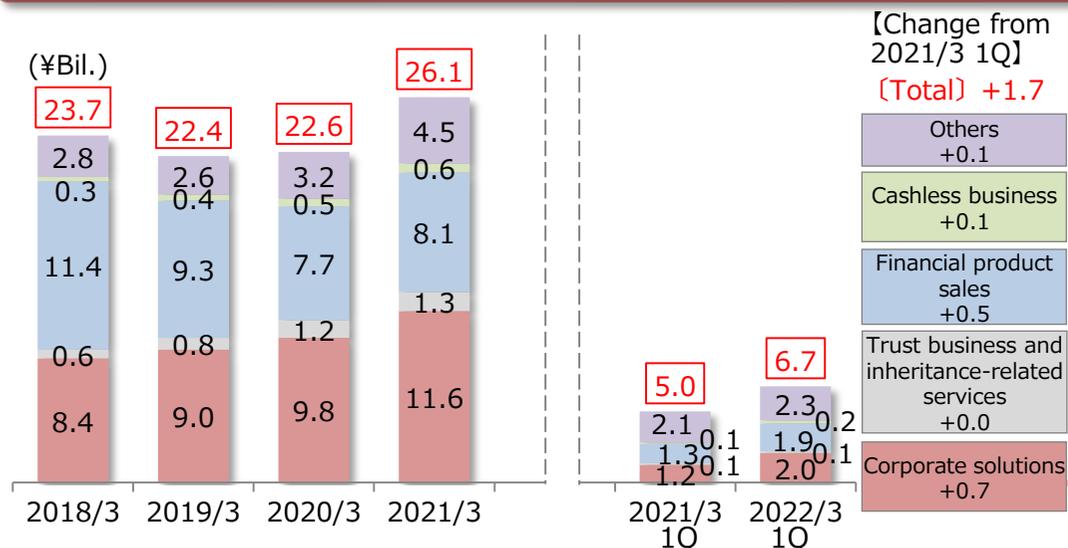
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	(¥Bil.)	2021/3	2022/3	Change
		1Q	1Q	
Net fees and commissions income		5.0	6.7	1.7
Net fees and commissions revenue		10.2	10.4	0.2
Net fees and commissions payments (-)		5.1	3.6	(1.5)

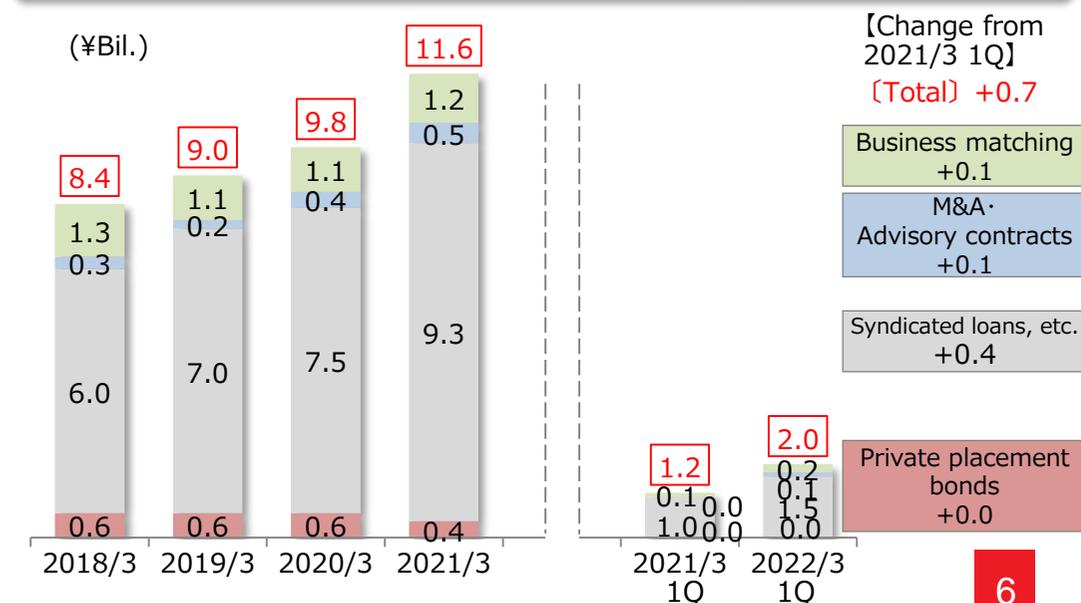
<Main breakdown>

Investment trusts and personal annuities	1.3	1.9	0.5
Investment trusts	0.5	1.0	0.5
Annuities and whole life insurance	0.1	0.2	0.1
Level paying life insurance	0.5	0.3	(0.1)
Financial instrument intermediary	0.1	0.1	0.0
Corporate solutions	1.2	2.0	0.7
Private placement bonds	0.0	0.0	0.0
Syndicated loans	1.0	1.5	0.4
M&A and advisory contracts	0.0	0.1	0.1
Business matching	0.1	0.2	0.1
Trust business and inheritance-related services	0.1	0.1	0.0
Cashless payment and card business	0.1	0.2	0.1
Payment and settlement transactions	3.3	3.2	(0.0)
Guarantee charges and group insurance costs (-)	3.5	1.8	(1.6)

Net fees and commissions income



Fees and commissions income of corporate solutions

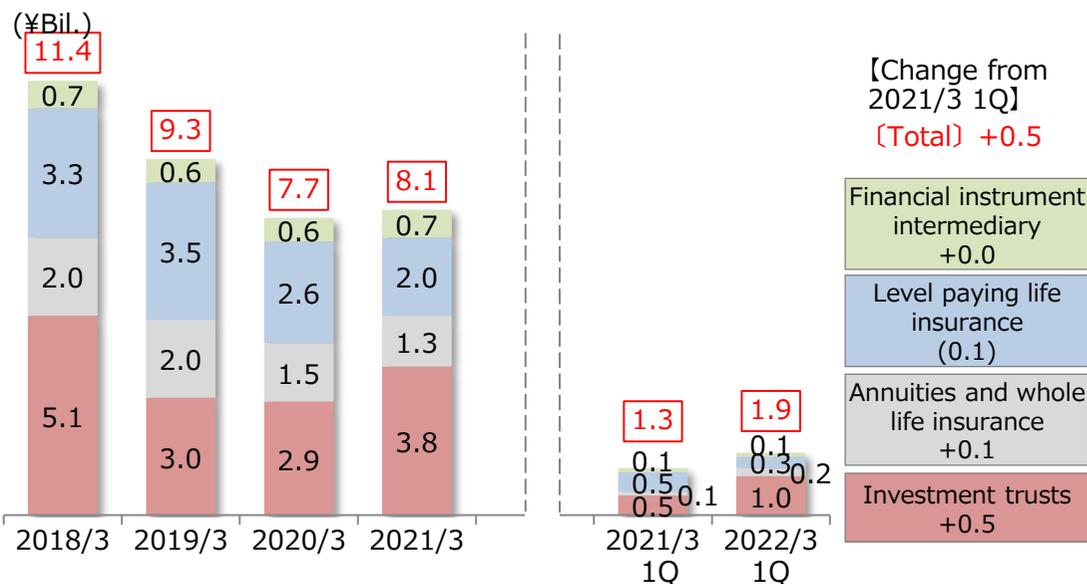


Financial Products

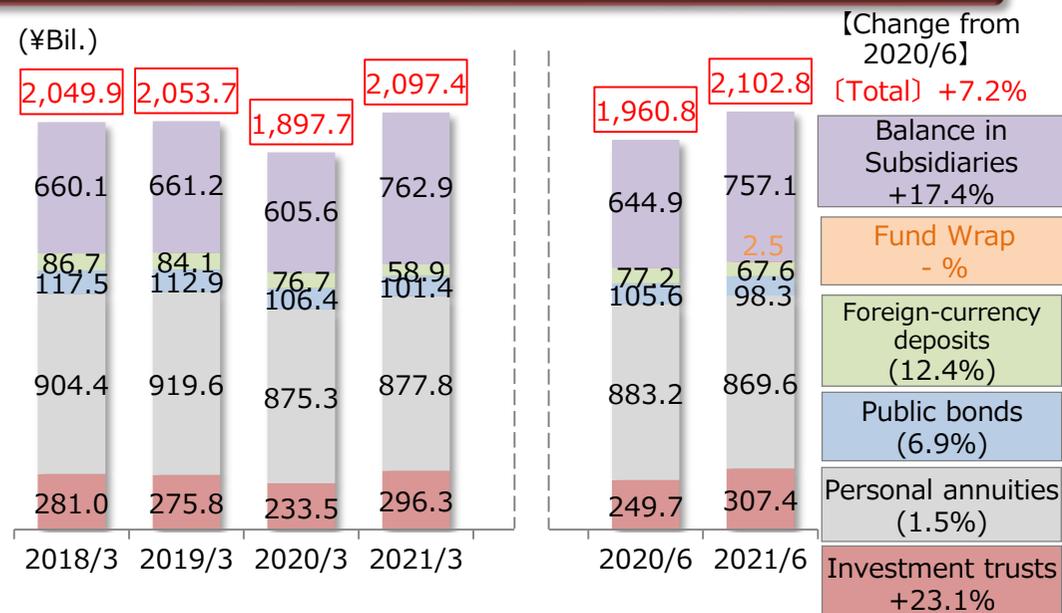
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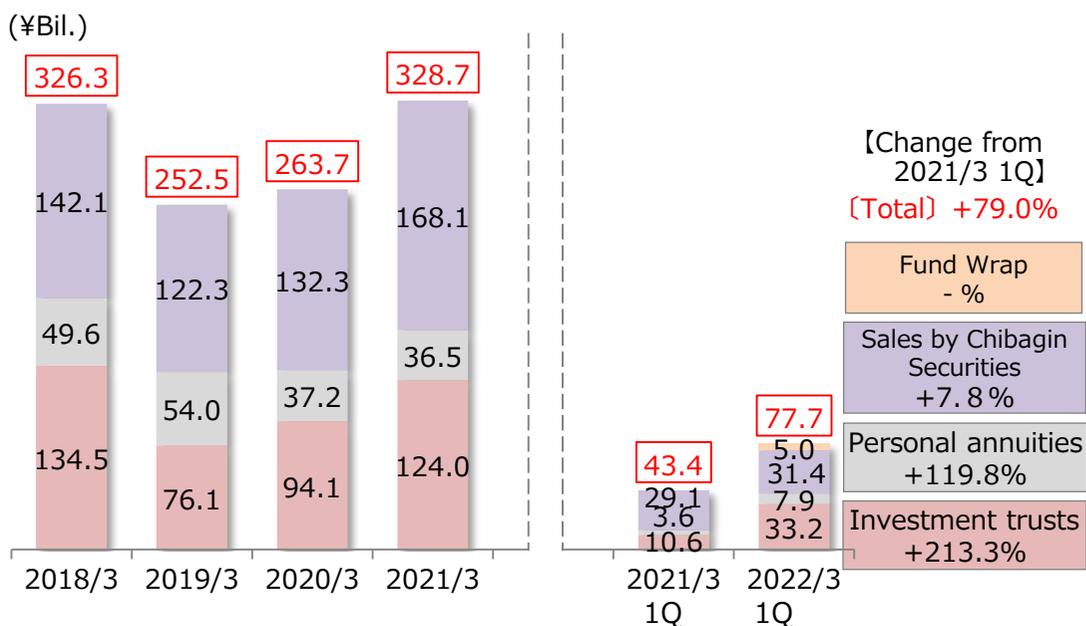
Fees and commissions income of financial products



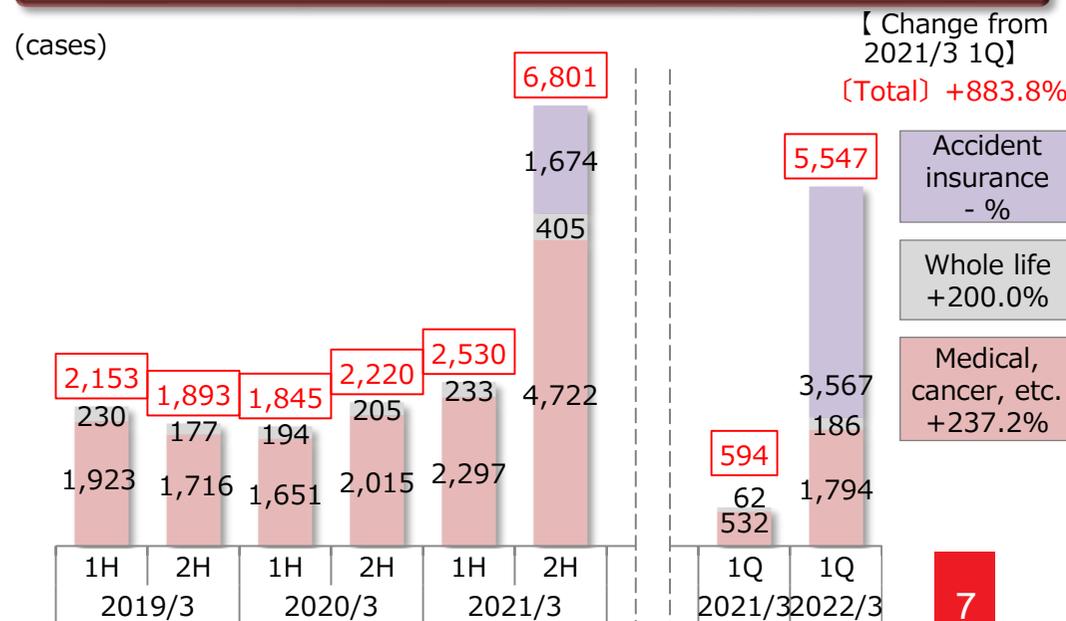
Balance of financial products (group total)



Financial products sales (group total)



Number of protection-type insurance contracts

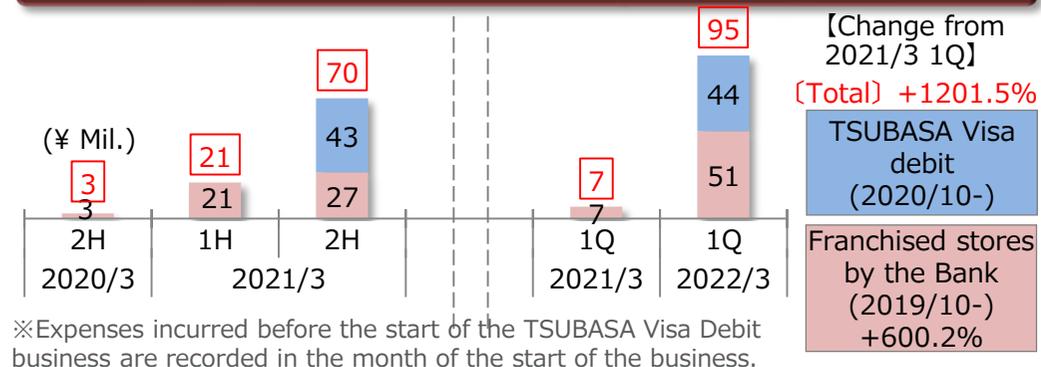


Cashless business income and expenditure

		2021/3		2022/3	
		1Q		1Q	
				Change	
Total of new and existing business by the Bank	Profit	108	252	143	
	Revenue	492	706	213	
	Expenses(-)	383	454	70	
Total of new business by the Bank	Profit	7	95	88	
	Revenue	21	193	171	
	Expenses(-)	14	97	83	
Franchised stores by the Bank	Profit	7	51	44	
	Revenue	21	134	113	
	Expenses(-)	14	83	68	
TSUBASA Visa debit	Profit	-	44	44	
	Revenue	-	58	58	
	Expenses(-)	-	14	14	
Existing business by the Bank	Profit	101	156	55	
	Revenue	470	512	41	
	Expenses(-)	369	356	(13)	
Subsidiaries (Chibagin JCB Card) (Chibagin DC Card)	Profit	247	228	(19)	
	Revenue	1,044	1,150	106	
	Expenses(-)	796	922	125	

※Expenses of subsidiaries include personnel expenses and other operating expenses.

New business profit

"Franchised stores by the Bank business"
Number of franchised stores and transaction volume"TSUBASA Visa debit"
Number of cardholders and transaction volume

※Transaction volume : settlement amount for one month in the relevant month

Credit Costs · Disclosed Claims

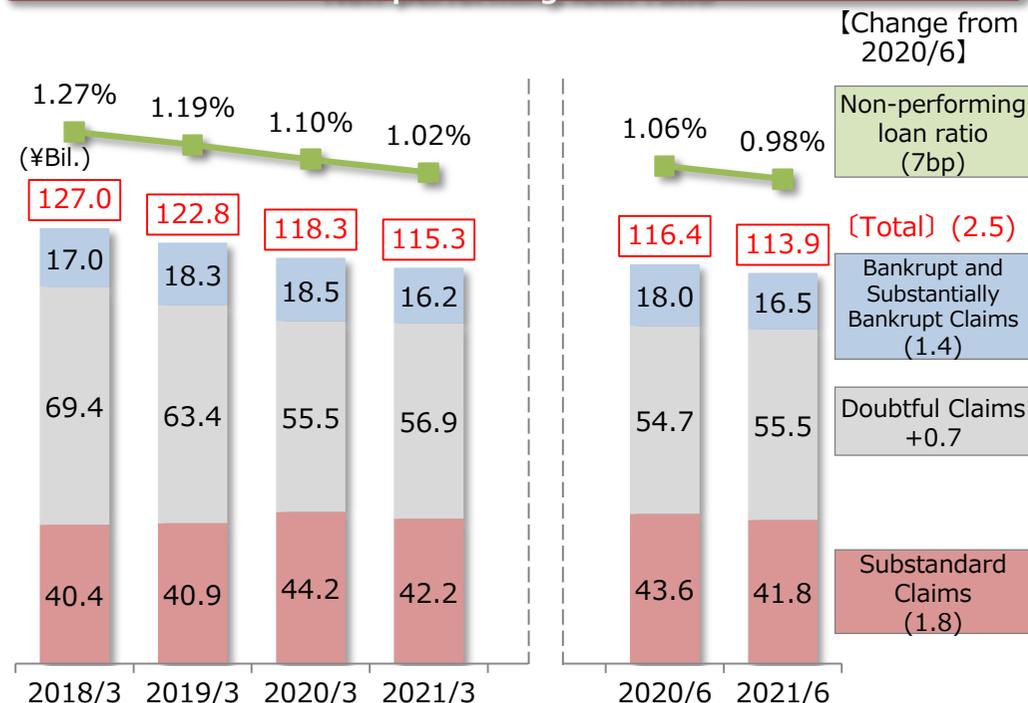
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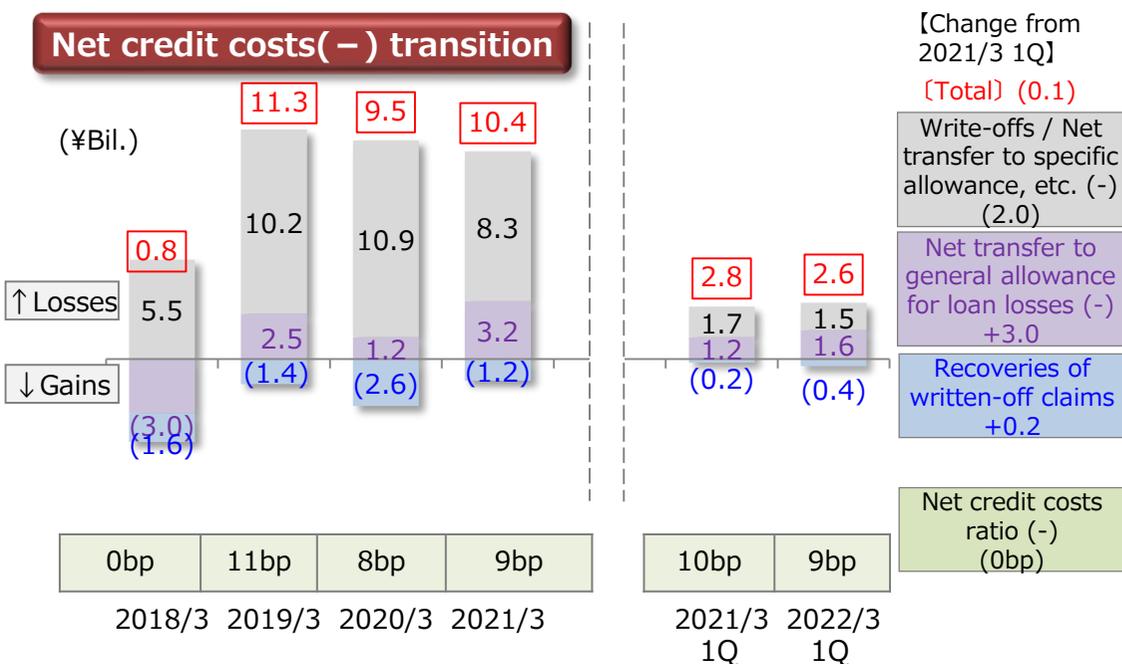
Net credit costs

	2021/3		2022/3	
	(¥Bil.)	1Q	1Q	Change
Net credit costs (-)		2.8	2.6	(0.1)
Net transfer to general allowance for loan losses (-)		1.2	1.6	0.3
Disposal of non-performing loans (-)		1.5	1.0	(0.5)
Write-offs / Net transfer to specific allowance, etc. (-)		1.7	1.5	(0.2)
New downgrades (-)		1.6	1.2	(0.3)
Existing non-performing loans (-)		0.3	0.4	0.1
Collections etc.		0.1	0.1	0.0
Recoveries of written-off claims		0.2	0.4	0.2
Net credit costs ratio (-)		10bp	9bp	(0bp)

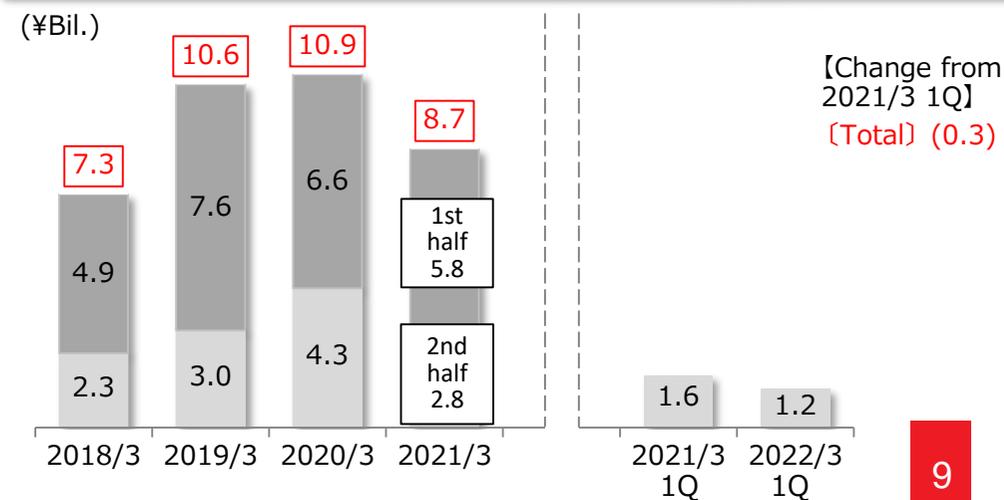
Disclosed claims under the Financial Reconstruction Law · Non-performing loan ratio



Net credit costs(-) transition



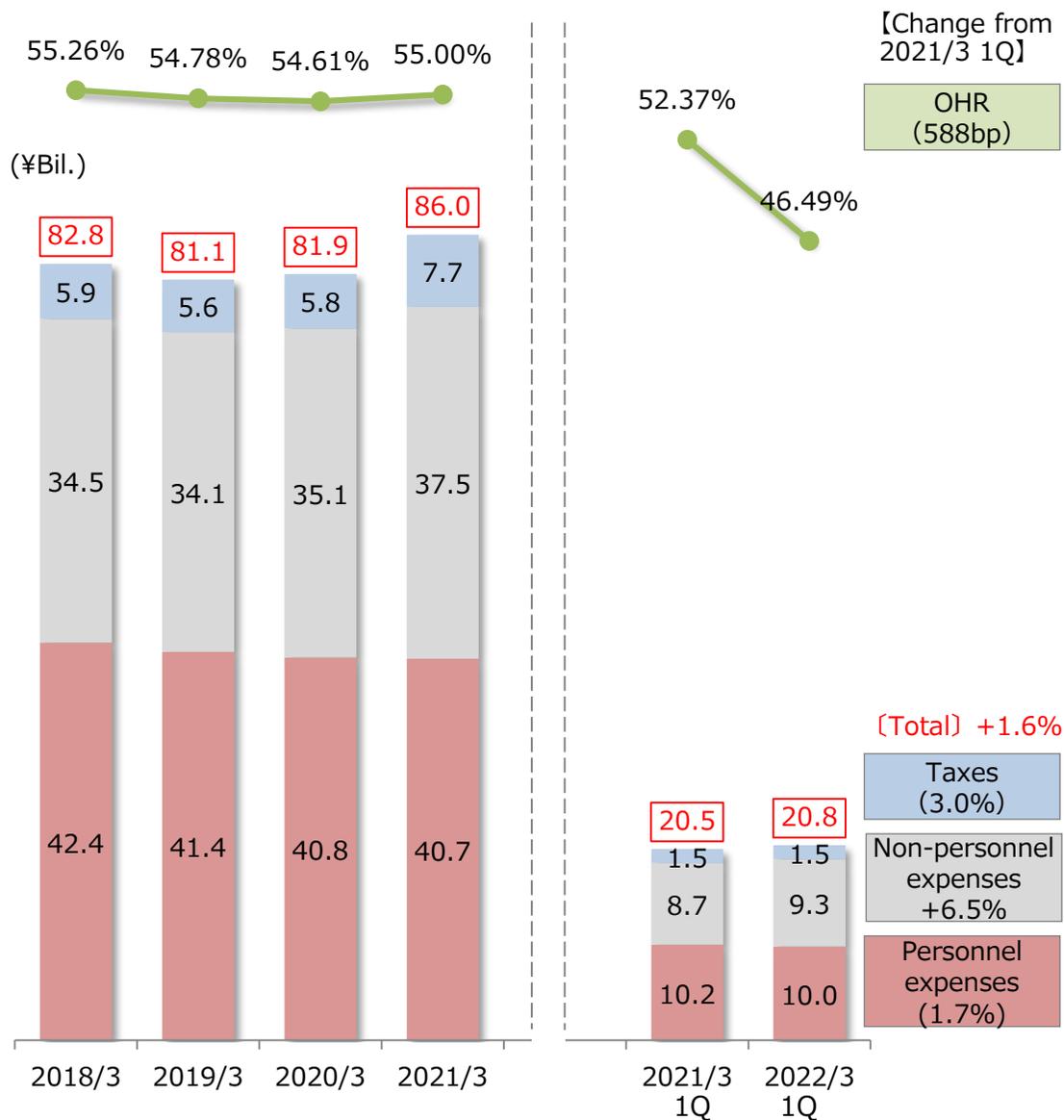
New downgrades



Expenses · Capital Ratios

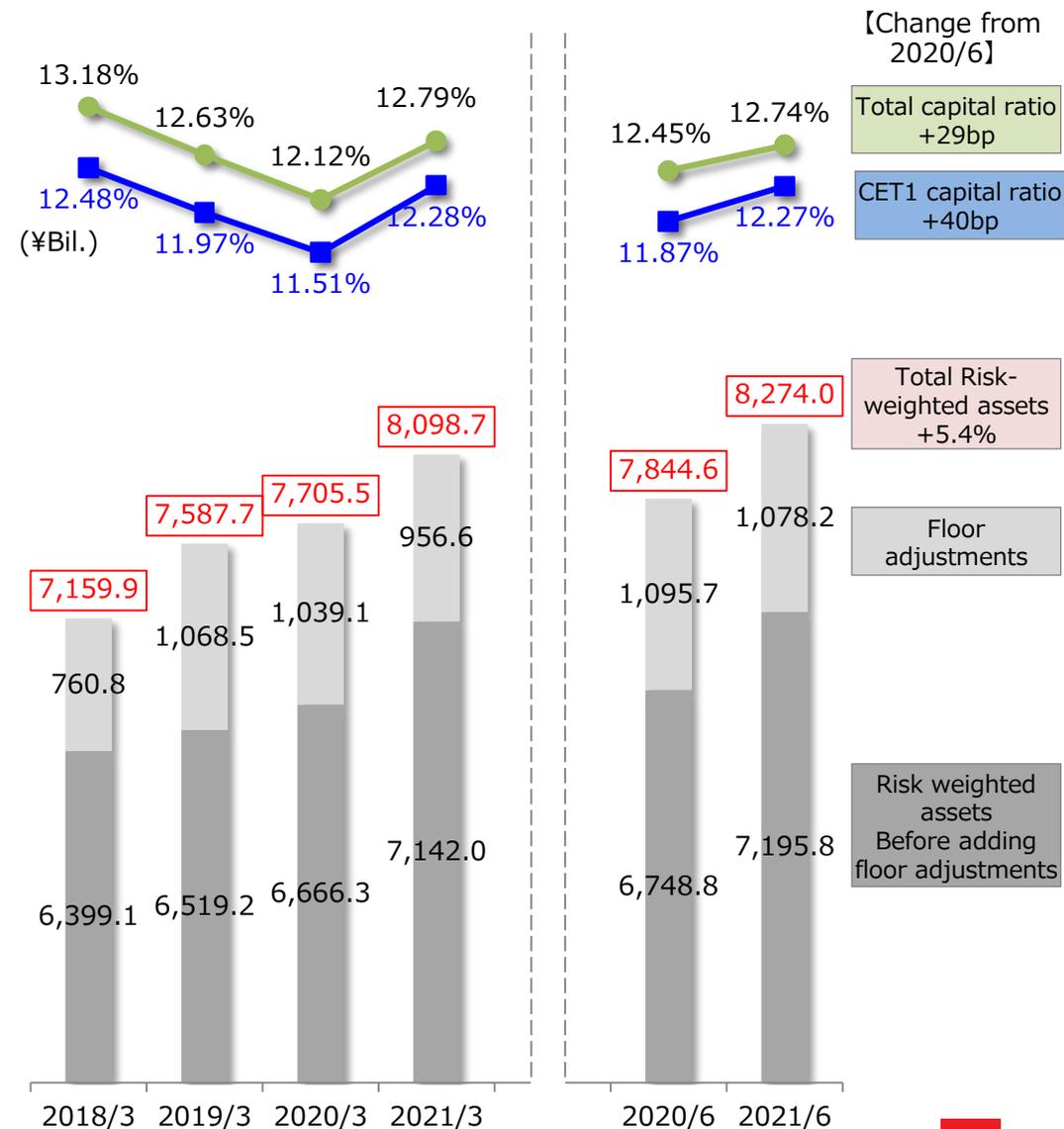
Expenses · OHR

※ OHR : Expenses / (Net business income – Gains (Losses) related to bonds, etc. + Net transfer to general allowance for loan losses + Expenses)



Capital ratios · Risk-weighted assets (Consolidated)

※Preliminary figures



Status of Subsidiaries

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【Consolidated subsidiaries】

(¥Bil.)

Company name	Business Description	Investment ratio (Including indirect)	Profit items (After deduction of inter-subsidary dividends)	2021/3	2022/3	Change
				1Q	1Q	
Chibagin Securities Co.,Ltd.	Securities business dealing in stocks, bonds, investment trusts and other financial products	100%	Ordinary profit	0.1	0.4	0.2
			Profit	0.1	0.4	0.2
Chibagin Leasing Co.,Ltd.	Leasing business of OA equipment, carriages, industrial machinery, store equipment, medical equipment, recycling equipment, etc.	100%	Ordinary profit	0.3	0.2	(0.1)
			Profit	0.2	0.1	(0.0)
Chibagin Guarantee Co.,Ltd	Guaranteeing business of mortgage loans and card loans, etc and collection agency business of sales charges, various fees, membership fees, etc.	100%	Ordinary profit	1.3	1.1	(0.1)
			Profit	0.9	0.7	(0.1)
Chibagin JCB Card Co.,Ltd	JCB brand's credit card and credit guarantee business	100%	Ordinary profit	0.2	0.2	(0.0)
			Profit	0.1	0.1	(0.0)
Total of 5 other companies	—	100%	Ordinary profit	0.1	0.1	0.0
			Profit	0.0	0.1	0.0
Total			Ordinary profit	2.3	2.3	(0.0)
			Profit	1.5	1.6	0.0

【Equity method subsidiaries】

Total of 6 companies	Profit according to equity method	0.0	0.0	(0.0)
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Dividends to parent company(-)	3.5	4.2	0.7
Difference between consolidated and non-consolidated ※	△ 1.8	△ 2.6	△ 0.8

※After adjustment for unrealized gains, etc.

Loans related to COVID-19

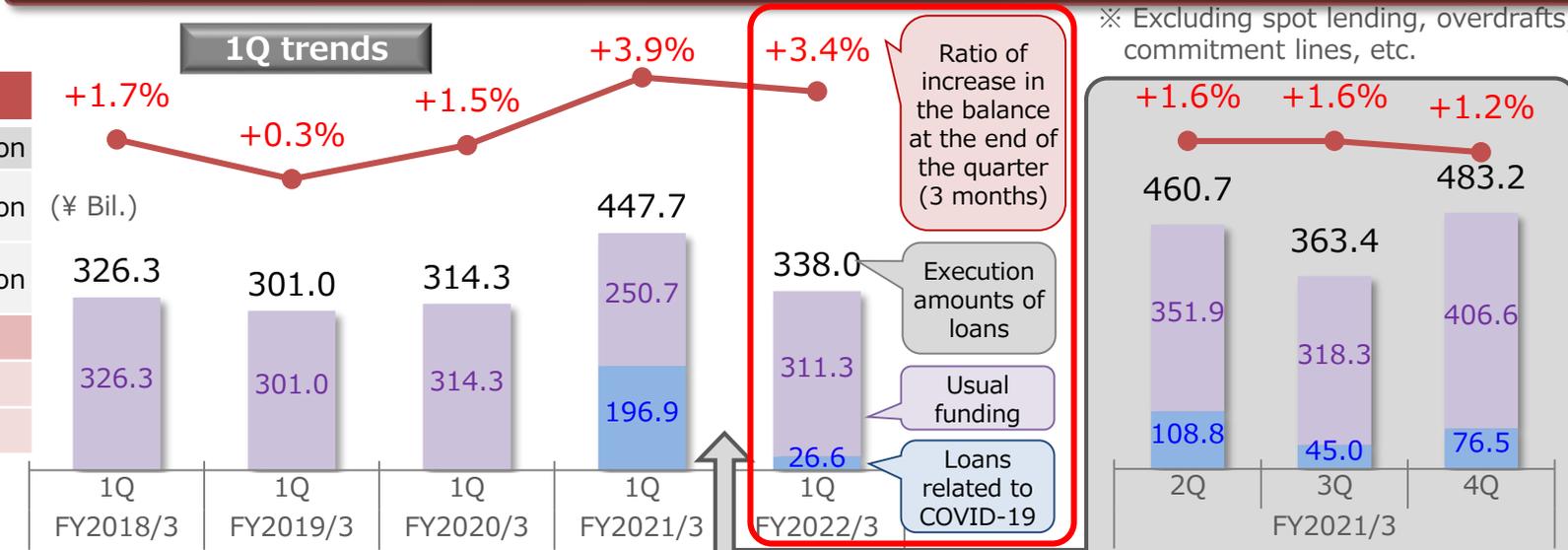
Even after the completion of loans related to COVID-19, the loan balance is steadily increasing

Status of loans related to COVID-19

[As of June 2021]

(cases/amounts)	Execution	
New loans	17,039	¥723.1billion
Without guarantee of the Association	829	¥333.7 billion
With guarantee of the Association	16,210	¥389.3 billion
Restructuring loans	1,282	-
Corporate loans	417	-
Consumer loans	865	-

Execution amount of loans* · Ratio of increase in the balance at the end of the quarter

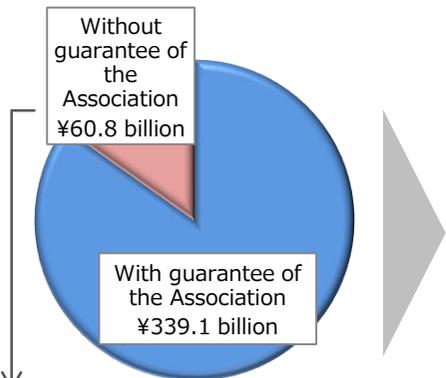


* Excluding spot lending, overdrafts, commitment lines, etc.

COVID-19-related loans balance

[As of June 2021]

* Excluding spot lending, overdrafts, commitment lines, etc.



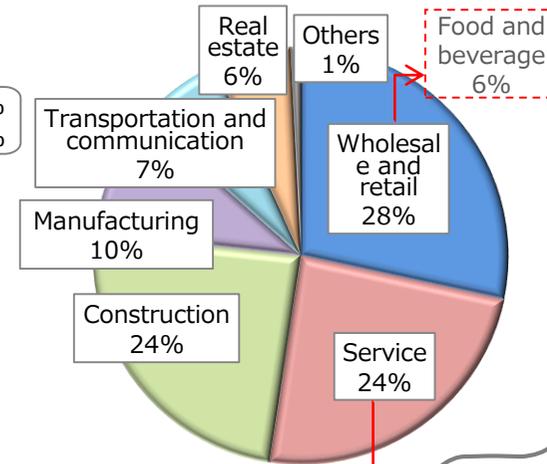
85% of loans without guarantee of the Association are for corporations with sales of greater than or equal to ¥1 billion

Details of COVID-19-related loans with guarantee of the Association



Average interest rate (weighted average): 1.32% * Amount : Percentage based on number of customer (per customer) Others : Percentage based on amount (per claim)

By industry



Estimated net credit costs taking impact of COVID-19 into account from both macro and micro perspectives

Calculation from a macro perspective

Calculation method similar to the estimated net credit costs listed in the presentations of 2020/11 and 2021/2 (Impact of COVID-19 changed to match the current situation)

Target borrowers : **All borrowers** (excluding borrowers subject to credit cost calculation in "Micro Perspective" below and consumer loans)

Identify the target by comprehensively considering each element for each company

Cash flow position

With or without support in the COVID-19

Industries

Internal rating

Cash flow before COVID-19 (Current account deficit)

New or restructuring loans under COVID-19

Industries affected by COVID-19

Taking into account the current internal rating

Impact of COVID-19 by industry		Impact		
		2022/3 1H	2022/3 2H	2023/3 for year
Med-ium	Large	High	High	Certain effects
	Commercial real estate leasing	None	High	Certain effects
	Others	High	Certain effects	None
	Small	Certain effects	None	None

Simulation of net credit costs (new downgrades)

	2021/3 Actual	2022/3	2023/3
Macro	8.7	7.2	4.5
Micro		3.2	2.2
Total	8.7	10.5	6.8

(¥Bil.)

New downgrades in the 1Q limited to **¥1.2 billion**※
 ※Most of them are borrowers that we expected in the simulation

[Assumptions] Economic conditions from the second half of the fiscal year onward are expected to recover gradually, but it will take time for recovery depending on the conditions of the industry and individual companies.

Calculation from a micro perspective

Target borrowers :

- ① Borrowers whose loans restructured, etc., **with a credit amount of ¥100 million or more** (excluding residential real estate leasing, finance, public works, etc.)
- ② **Lower than or equal to Potentially Bankrupt Assets**

Estimated net credit costs taking into the actual conditions of each company based on the following surveys, etc.

- Recovery from the impact
- Current level of sales
- Need for support

Target borrowers :

- ③ To whom credit examination section individually ascertains the actual situation

Estimated credit costs based on actual conditions for each company

Responding to Climate Change

Responding to TCFD

Scenario analysis results (accrual of credit risk)

Physical risks

To 2050

Large-scale storm and flood disasters, etc.

- Loss of real estate collateral
- Business stagnation due to damage to customers' business locations

Sea level rise

- Withdrawal from business due to damage to customers' business locations

Damage to real estate collateral due to typhoons, torrential rains and other windstorms in Chiba Prefecture
Impact of collateral value on credit costs
¥3~4 bil.

Transition to a decarbonized society

Transition risks

To 2050

- Impact on customers' businesses due to changes in regulations, taxation, etc.
- Impact on customers' business due to failure of decarbonization-related technologies or changes in the market

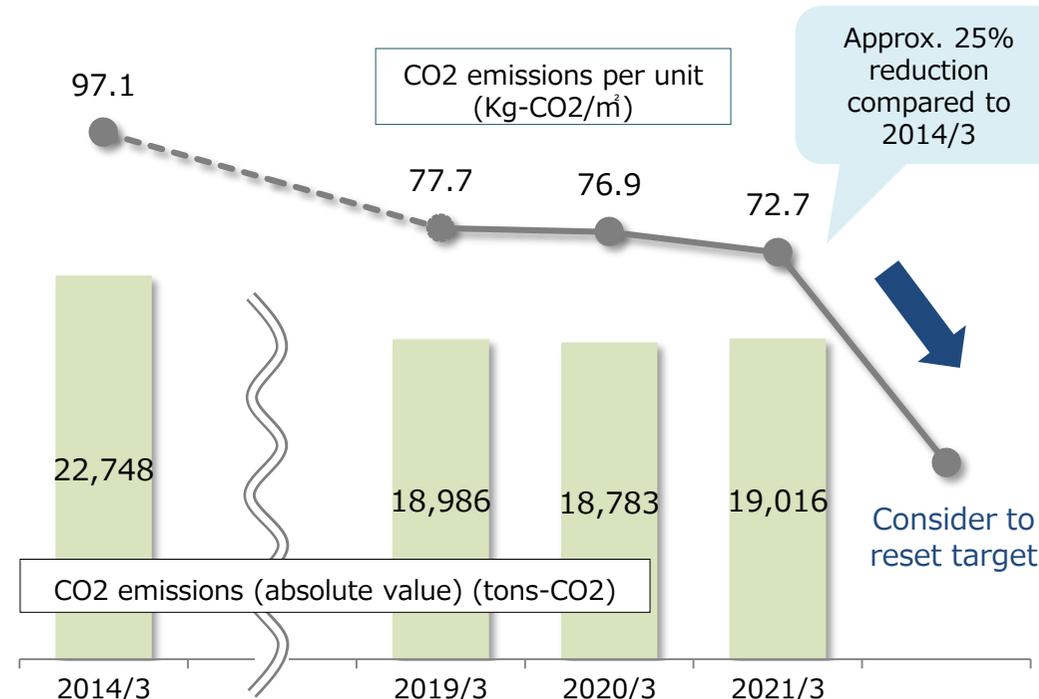
Increase in credit costs ^{※2}
Maximum of ¥14 bil.

Ratio of carbon-related assets to total loans and other assets of the Bank **1.1%** ^{※3}

Oil, Gas, Coal

Power, Utilities

Changes in CO2 emissions



	2019/3	2020/3	2021/3
SCOPE1	2,591	2,493	2,425
SCOPE2	16,395	16,290	16,591
SCOPE3	-	-	-
Total CO2 emissions ^{※4}	18,986	18,783	19,016

[Responding to TCFD]

※1 Calculated based on data on building damage in Chiba Prefecture caused by the "Typhoon Faxai" and "Typhoon Hagibis" and subsequent heavy rains in autumn 2019, and IPCC's RCP2.6 scenario (2°C scenario) and RCP8.5 scenario (4°C scenario). The analysis covers real estate collateral (loans excluding mortgages) in Chiba Prefecture.

※2 Calculated based on the IEA SDS scenario.

※3 Total loans, Acceptances and guarantees, foreign exchange, and private placed bond to the energy and utility sectors as of March 31, 2021, based on the definition recommended by the TCFD recommendations. However, water supply and renewable energy generation projects are excluded.

[Changes in CO2 emissions]
※4 Not calculated for SCOPE 3

Target of sustainable finance

Sustainable Finance※
Execution amount target
(from April, 2019 to March, 2031) **¥ 2 tri.**

Of which, environmental finance
Execution amount target
(from April, 2019 to March, 2031) **¥ 1 tri.**

※ Finance for solving environmental and social issue
(Including financing to support customers' ESG and SDGs initiatives)

Sustainability linked loan initiative

July, 2021 SLL for Nomura Real Estate Holdings, Inc.

- The first SLL initiative that utilizes the SLL framework in Japan
- 11.0 billion in total loans provided by banks participating in TSUBASA Alliance

Nomura Real Estate Holdings, Inc.

[SLL framework established]

- SPTs(target) and criterion
- Incentive details and levels
- Reporting system, etc.



Each financial institution loan contract

CHIBA BANK
Sustainability Coordinator
(Formulation support)

R&I
格付投資情報センター
Rating and Investment Information, Inc.
Second opinion

Standardize SLL requirements
and make it easier to tie them
to loan contracts with each
financial institution.

Environmental finance

As of the end of 2021/6	Loans balance
Solar power generation	¥128.9 billion
Biomass generation	¥13.9 billion
Wind power generation	¥12.7 billion
Water power generation	¥0.6 billion
Total	¥156.1 billion

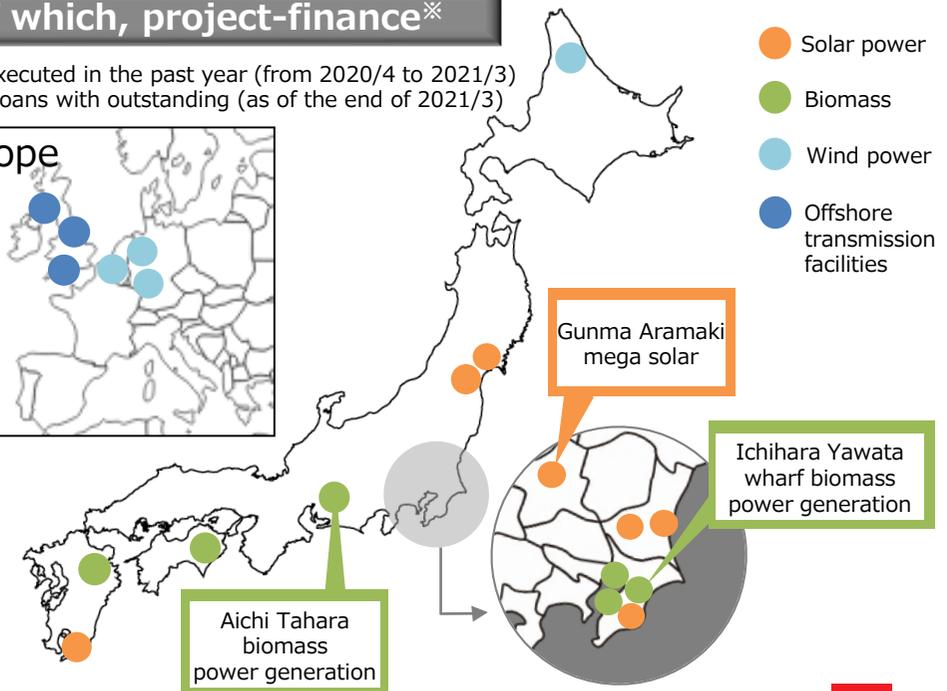
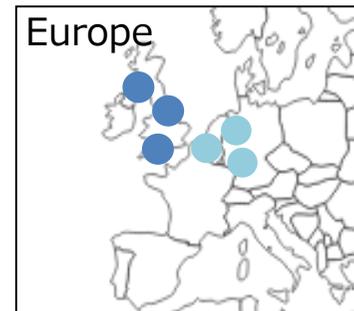
Amount of renewable energy generated from loans provided by the Bank (cumulative) ※

※Include projects under construction

- Annual power generation :
Approx. 5.5 millionMWh
- Converted to households :
Approx. 1.5 million households
- CO2 savings :
Approx. 2.5 million tonnes

Of which, project-finance※

※Japan: Executed in the past year (from 2020/4 to 2021/3)
Europe: Loans with outstanding (as of the end of 2021/3)



- Solar power
- Biomass
- Wind power
- Offshore transmission facilities

Inquiries related to this presentation should be addressed to:

The Chiba Bank, Ltd.
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