

Financial Highlights for the Third Quarter of FY2022 ending March 2023



Summary of Financial Results

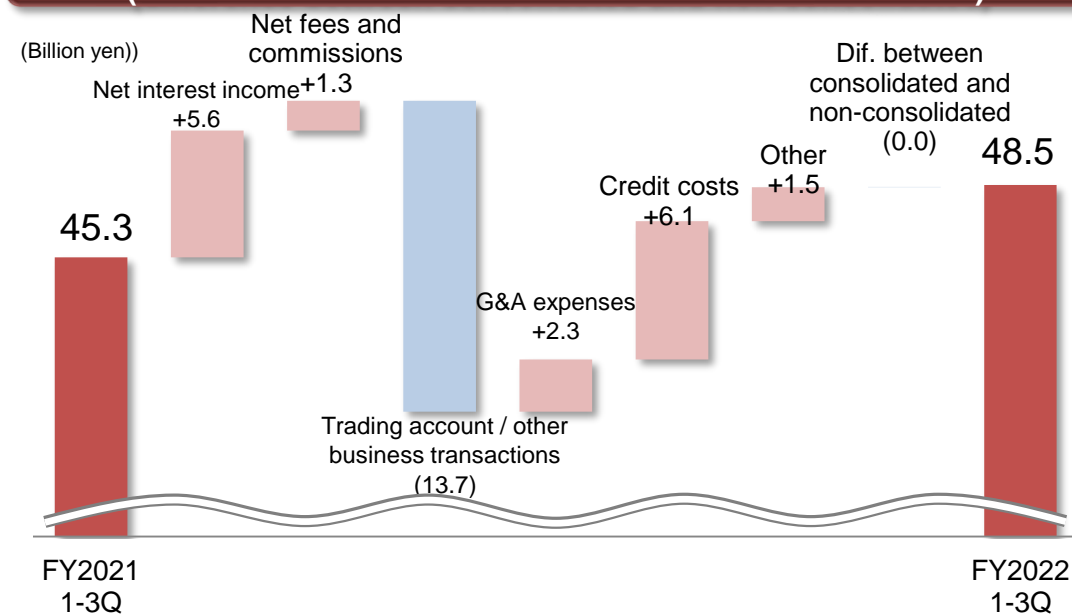
NEXT STEP 2023

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Non-consolidated (Billion yen)	FY2021	FY2022	Change
	1-3Q	1-3Q	
Gross business profit	124.8	118.0	(6.7)
Net interest income	101.9	107.5	5.6
Net fees and commissions	19.5	20.8	1.3
Trading account income	0.8	1.0	0.1
Net other ordinary income	2.4	(11.4)	(13.8)
Bond-related gains (losses) (Government bonds, etc.)	0.8	(16.0)	(16.8)
General & administrative expenses (-)	63.7	61.3	(2.3)
Business profit	61.1	56.6	(4.4)
Core business income	60.2	72.6	12.4
Excluding gains (losses) on the cancellation of investment trusts	57.0	66.9	9.8
Net provisions to general allowance for loan losses (-)	0.3	-	(0.3)
Net business income	60.7	56.6	(4.0)
Non-recurring gains (losses)	1.3	10.1	8.8
Disposal of non-performing loans (-)	2.3	(3.3)	(5.7)
Reversal of allowance for loan losses	-	2.0	2.0
Gains (losses) related to stocks, etc.	2.4	6.2	3.8
Ordinary profit	62.0	66.8	4.8
Extraordinary profit (loss)	(0.0)	(0.1)	(0.0)
Net income	44.8	48.0	3.2
Credit-related expenses (-)	2.7	(3.3)	(6.1)
Consolidated (Billion yen)	FY2021	FY2022	YoY
	1-3Q	1-3Q	
Ordinary profit	65.0	69.8	4.8
Profit attributable to owners of parent	45.3	48.5	3.1

- ◆ Net interest income increased by 5.6 billion yen compared to the previous year, while bond-related gains decreased significantly by 16.8 billion yen as the Bank rebalanced its foreign bond portfolio. As a result, gross business profit decreased by 6.7 billion yen.
- ◆ Core business income increased by 12.4 billion yen compared the previous year, the highest 3Q result in the 14 years since FY2008, as the Bank's core business operations remained strong.
- ◆ Credit-related expenses decreased significantly by 6.1 billion yen compared to the previous year.
- ◆ Net income reached a record high 3Q result on both a non-consolidated and consolidated basis, representing progress towards the full-year plan of 84.3% and 80.8%, respectively.

Breakdown of Profit Attributable to Owners of Parent (difference between consolidated and non-consolidated)



Summary of Financial Results (Consolidated)

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Consolidated (Billion yen)	FY2021	FY2022	Change
	1-3Q	1-3Q	
Net Revenue	132.0	123.6	(8.4)
Net interest income	98.2	103.7	5.5
Net fees and commissions	27.9	29.7	1.8
Trading account income	3.5	1.6	(1.9)
Net other ordinary income	2.3	(11.4)	(13.8)
General and administrative expenses (-)	68.5	66.0	(2.4)
Credit-related expenses (-)	3.3	(3.9)	(7.2)
Net provisions to general allowance for loan losses (-)	0.4	-	(0.4)
Disposal of non-performing loans (-)	2.8	(3.9)	(6.7)
Gains (losses) related to stocks, etc.	2.3	6.6	4.2
Gains (losses) on equity-method investments	0.0	0.0	(0.0)
Other	2.3	1.7	(0.6)
Ordinary profit	65.0	69.8	4.8
Extraordinary profit (loss)	(0.1)	(0.1)	(0.0)
Pre-tax net income	64.9	69.7	4.8
Total income taxes (-)	19.5	21.2	1.6
Net income	45.3	48.5	3.1
Profit attributable to non-controlling interests	-	-	-
Profit attributable to owners of parent	45.3	48.5	3.1
(Reference)			
Consolidated net business income	67.5	62.4	(5.0)

Subsidiaries

【Consolidated subsidiaries】 ※Showing profit/loss after reclassification for consolidated financial statements (Billion yen)

Company name	Investment ratio (Including indirect)	Profit items (after deduction of inter-subsidiary dividends)	FY2021	FY2022	Change
			1-3Q	1-3Q	
Chibagin Securities Co., Ltd.	100%	Ordinary profit	1.2	0.0	(1.1)
		Net income	0.8	0.0	(0.8)
Chibagin Leasing Co., Ltd.	100%	Ordinary profit	0.6	0.8	0.1
		Net income	0.4	0.5	0.0
Chibagin Guarantee Co., Ltd.	100%	Ordinary profit	3.9	4.9	1.0
		Net income	2.5	3.2	0.6
Chibagin JCB Card Co., Ltd.	100%	Ordinary profit	0.7	0.8	0.0
		Net income	0.5	0.5	0.0
Total of 5 other companies	100%	Ordinary profit	0.5	0.5	0.0
		Net income	0.3	0.3	0.0
Total		Ordinary profit	7.2	7.3	0.1
		Net income	4.7	4.8	0.0

【Equity method subsidiaries】

Total of 6 companies	Net income according to equity method	0.0	0.0	(0.0)
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Dividends to parent company (-)	4.2	4.4	0.1
Dif. between consolidated and non-consolidated ※	0.5	0.4	(0.0)

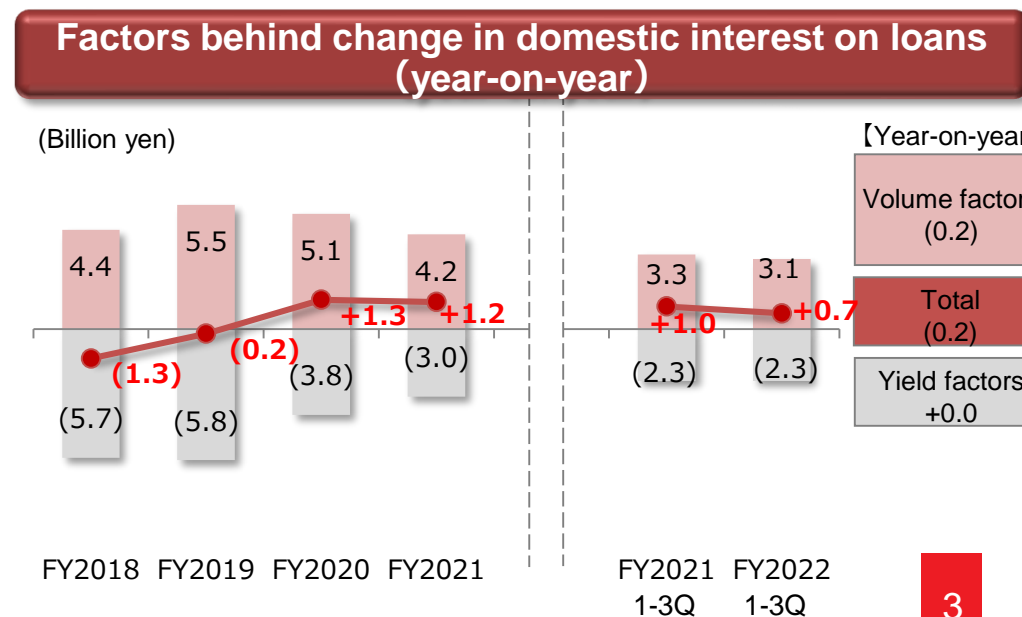
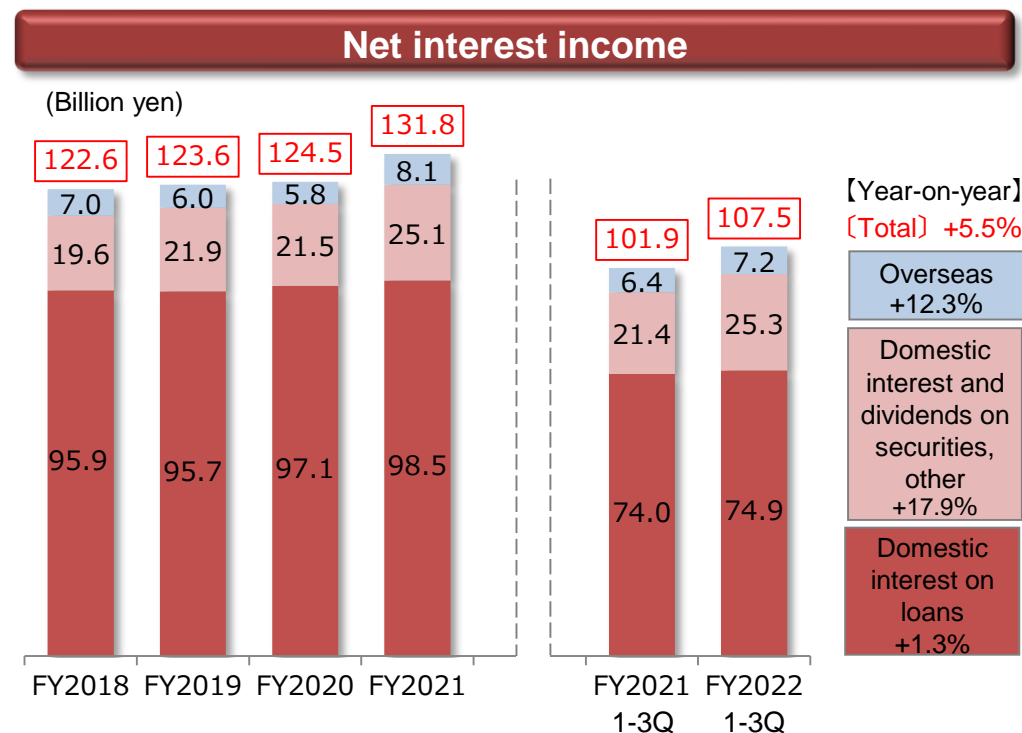
※After adjusting for unrealized gains, etc.

Net Interest Income

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	(Billion yen)	FY2021	FY2022	Change
		1-3Q	1-3Q	
Net interest income		101.9	107.5	5.6
Domestic		95.4	100.3	4.8
Interest on loans		74.0	74.9	0.9
Loans and bills discounted		74.4	75.2	0.7
Deposits (incl. NCDs)		0.4	0.2	(0.1)
Interest and dividends on securities		19.5	23.1	3.6
Bonds		1.9	3.0	1.1
Stock dividends		9.4	10.9	1.5
Investment funds		0.5	0.6	0.0
Investment trusts		7.5	8.4	0.9
Gains (losses) on cancellations		2.7	4.0	1.2
Other (market operations, etc.)		1.9	2.2	0.2
Overseas		6.4	7.2	0.7
Loans and bills discounted		3.0	8.5	5.4
Foreign securities		9.5	14.2	4.6
Foreign securities		6.3	10.2	3.9
Foreign currency funds		2.5	2.0	(0.5)
Investment trusts		0.6	1.9	1.2
Gains (losses) on cancellations		0.5	1.7	1.2
Other (funding and market operations, etc.)		(6.1)	(15.4)	(9.3)
Net interest income (excluding gains (losses) on the cancellation of investment trusts)		98.7	101.8	3.0
Gains (losses) on the cancellation of investment trusts		3.2	5.7	2.5

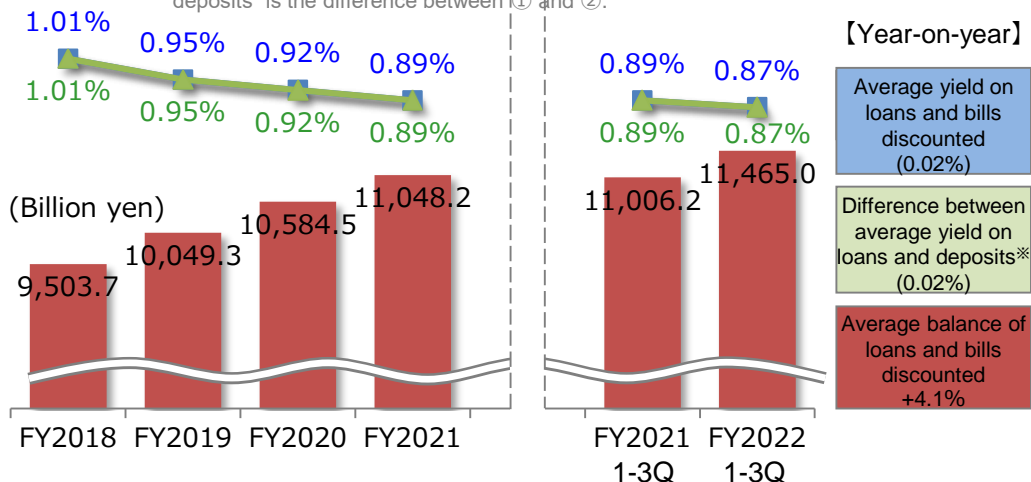


Yield / Interest on Loans

Domestic Operations

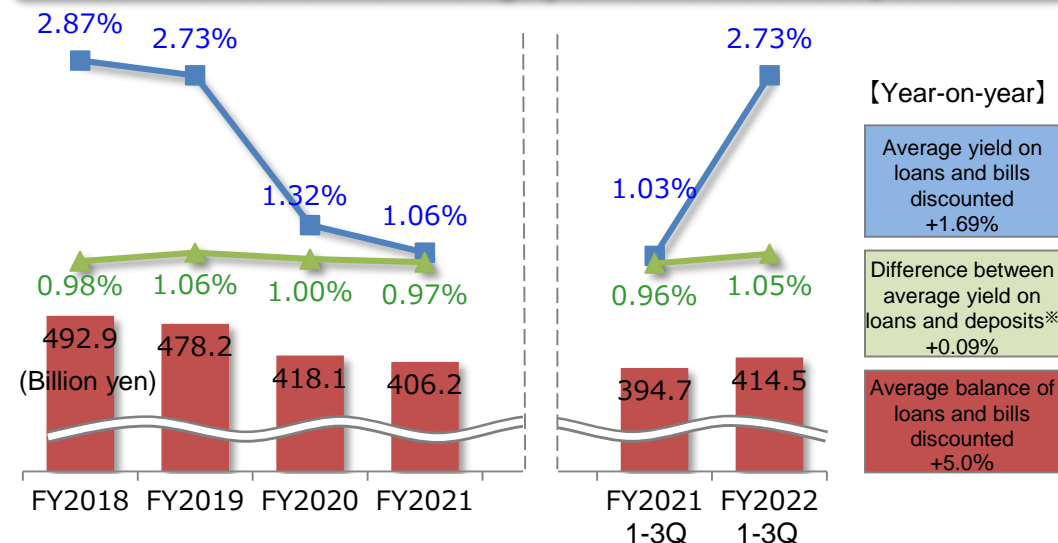
Average balance and yield of loans and bills discounted, difference between average yield on loans and deposits

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



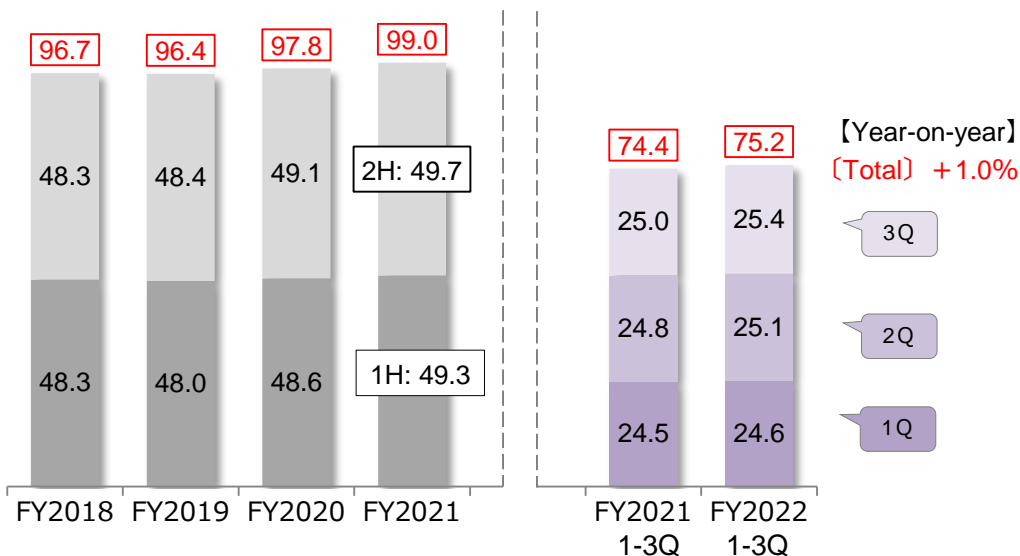
Overseas Operations

Average balance and yield of loans and bills discounted, difference between average yield on loans and deposits



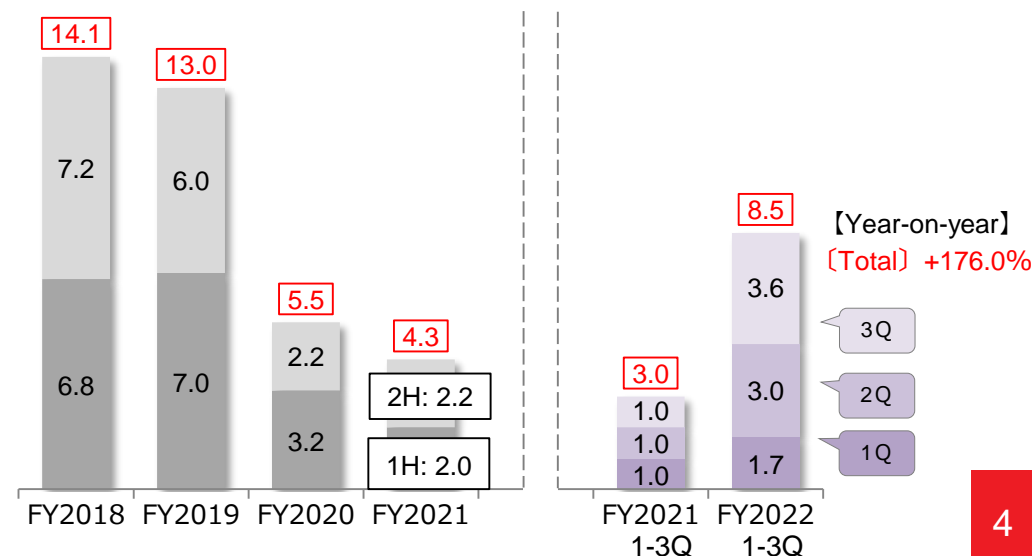
Interest on loans and discounts

(Billion yen)



Interest on loans and discounts

(Billion yen)

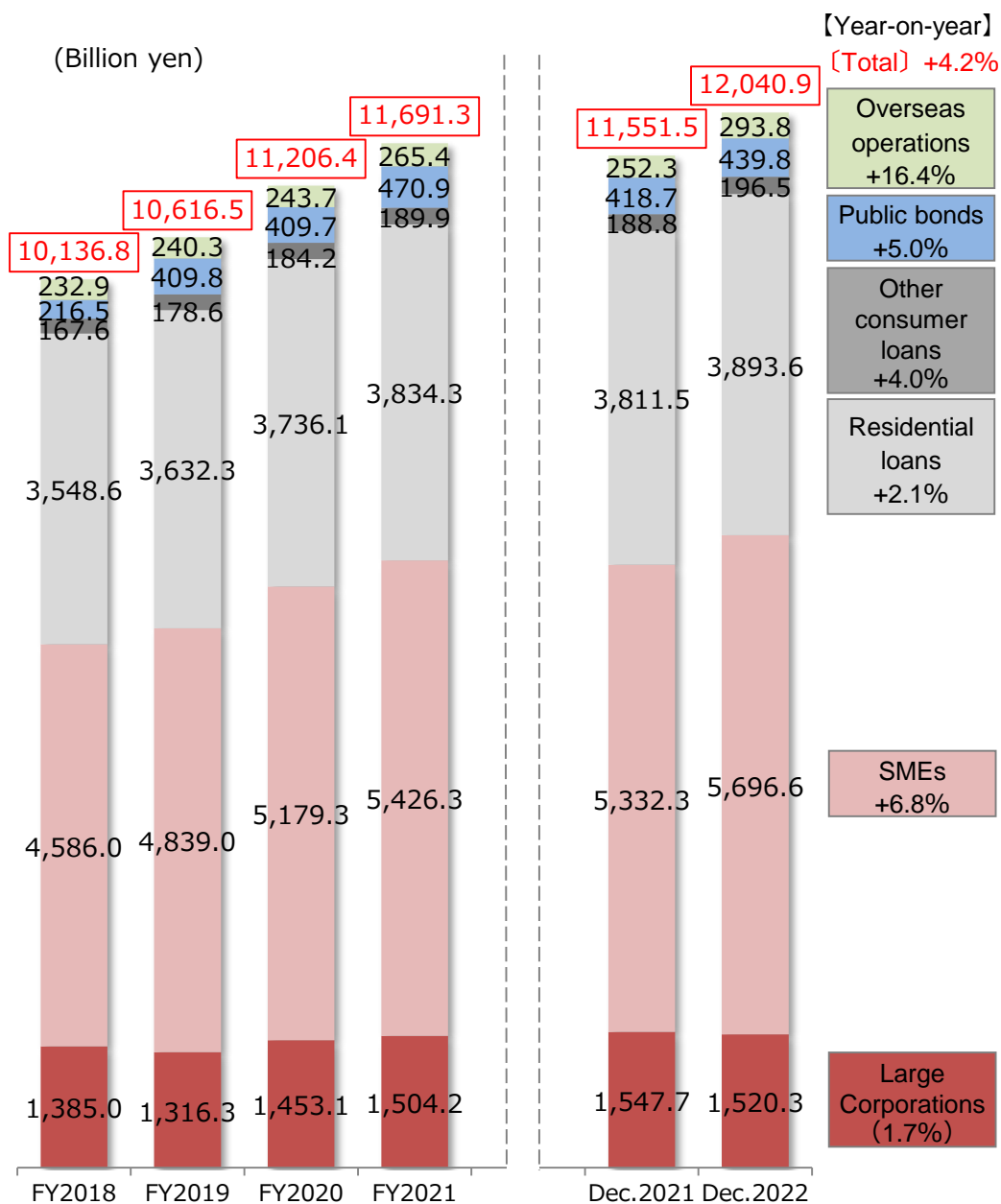


Loans / Deposits

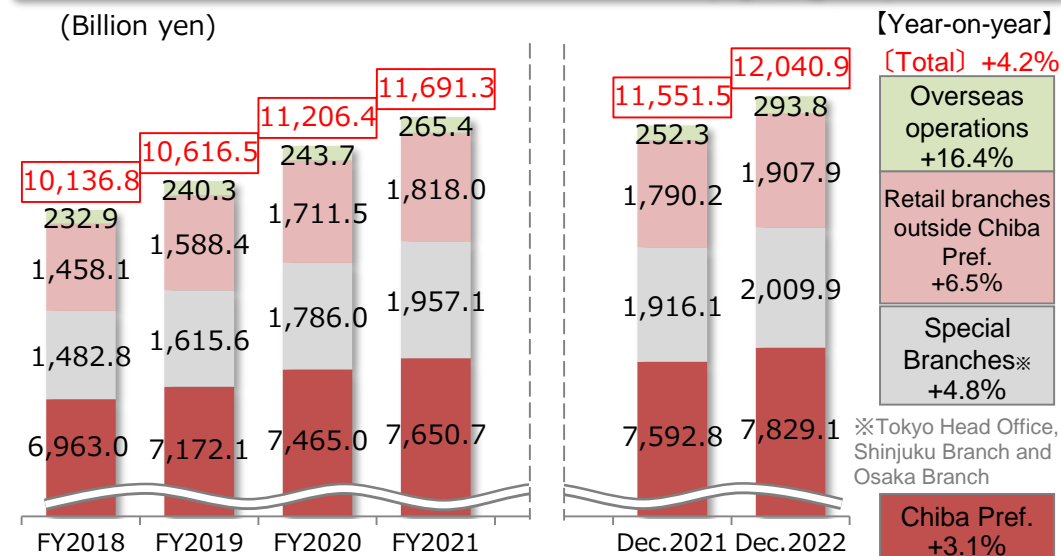
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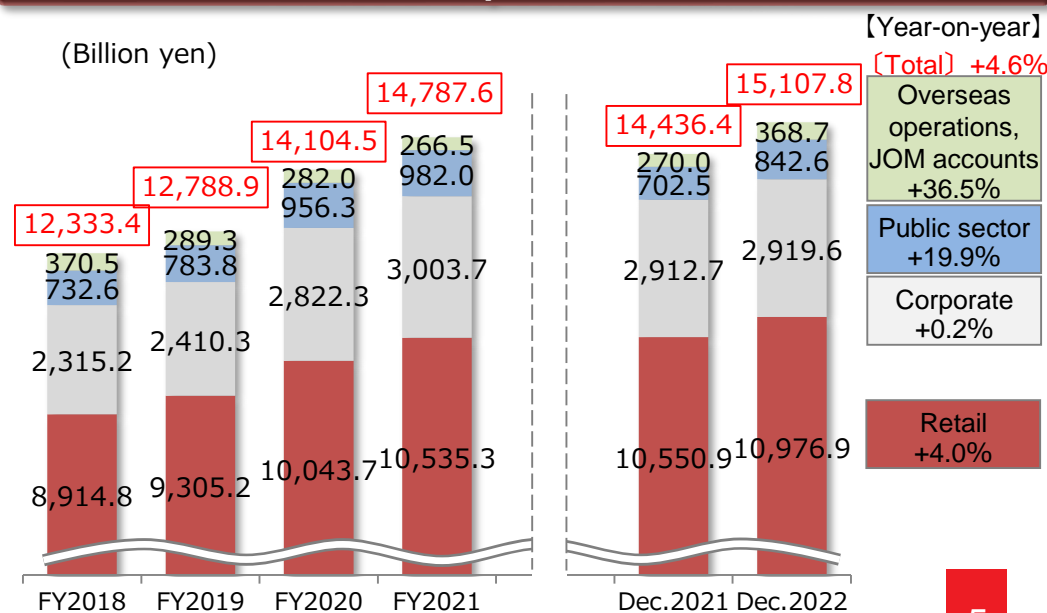
Balance of loans at term-end



Balance of loans at term-end (by region)



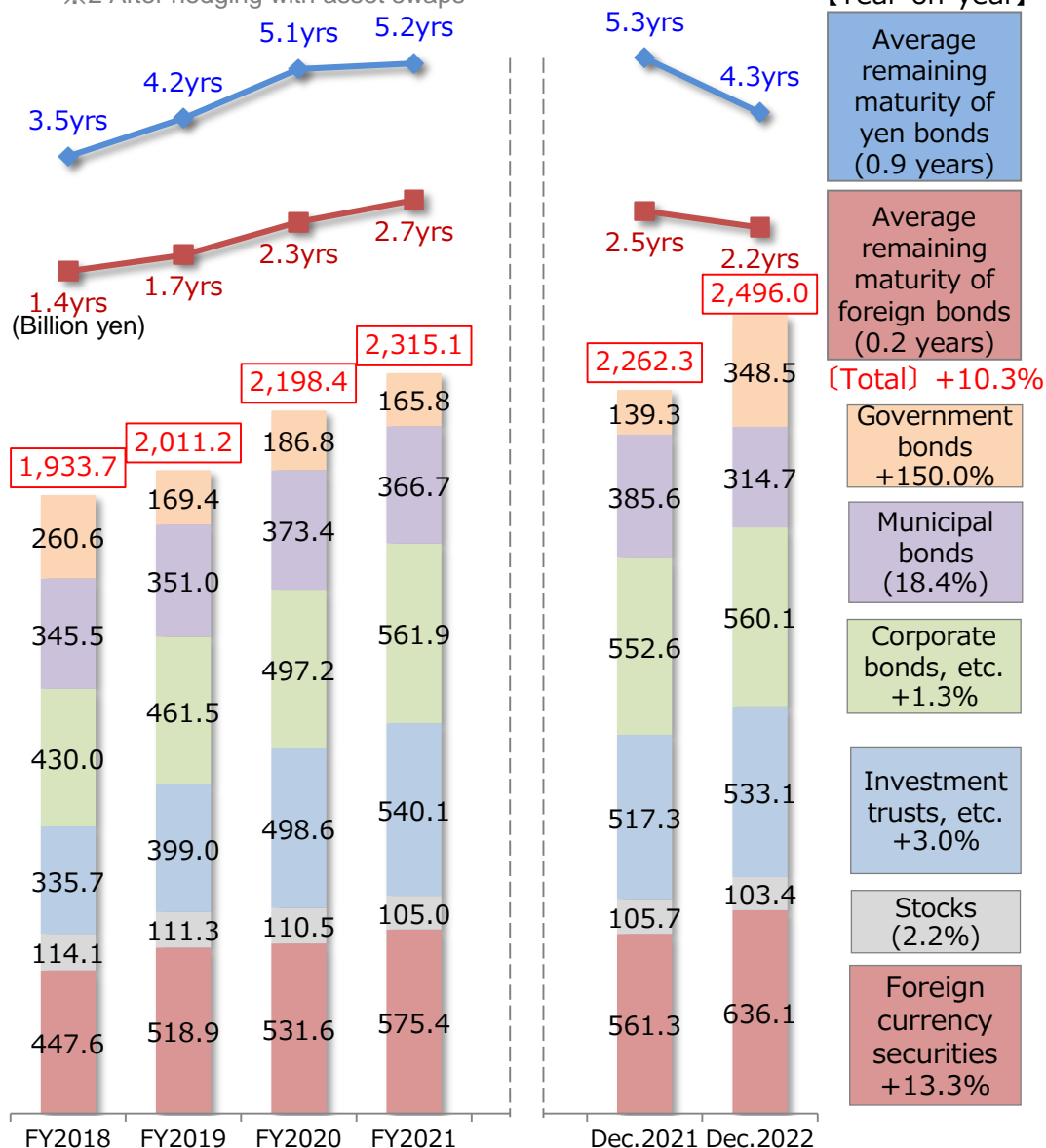
Balance of deposits at term-end



Securities

Balance of securities^{※1} / Average remaining maturity of securities^{※2}

※2 After hedging with asset swaps

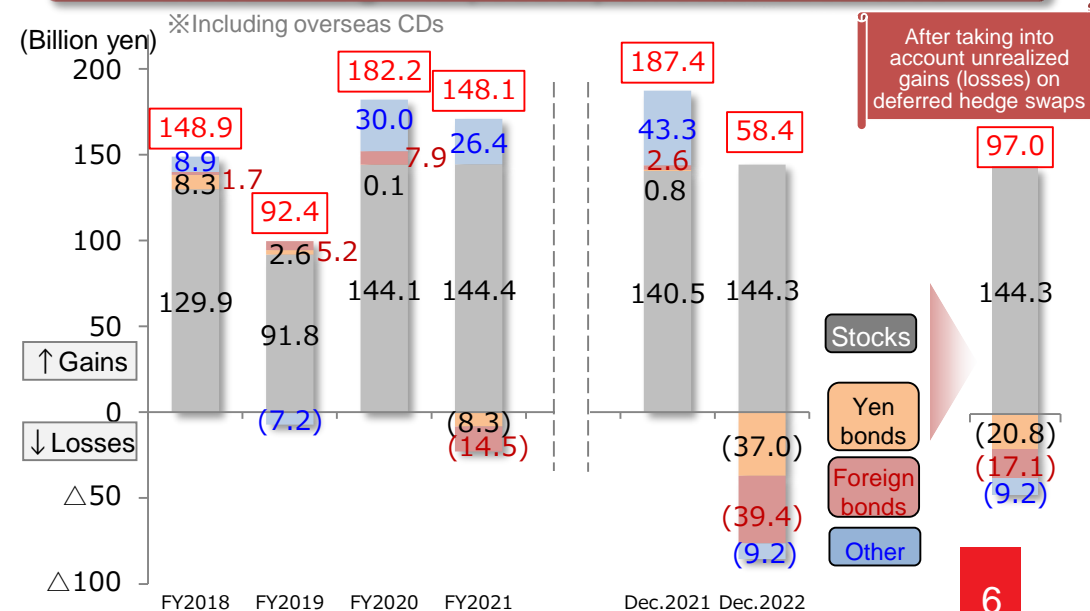


※1 Excluding unrealized gains/losses

Gains (losses) on securities

(Billion yen)	FY2021 1-3Q	FY2022 1-3Q	Change
Interest income on securities	29.0	37.3	8.2
Bonds	8.2	13.2	5.0
Domestic	1.9	3.0	1.1
Foreign	6.3	10.2	3.9
Stocks	9.4	10.9	1.5
Investments trusts etc.	11.3	13.0	1.6
Gains (losses) from investment trust cancellations	3.2	5.7	2.5
Gains(losses) related to bonds(Government bonds, etc.)	0.8	(16.0)	(16.8)
Gains on sales	1.5	2.2	0.7
Gains (losses) related to stocks, etc.	2.4	6.2	3.8
Gains on sales	5.0	6.3	1.3

Unrealized gains (losses) on other securities



Net Fees and Commissions

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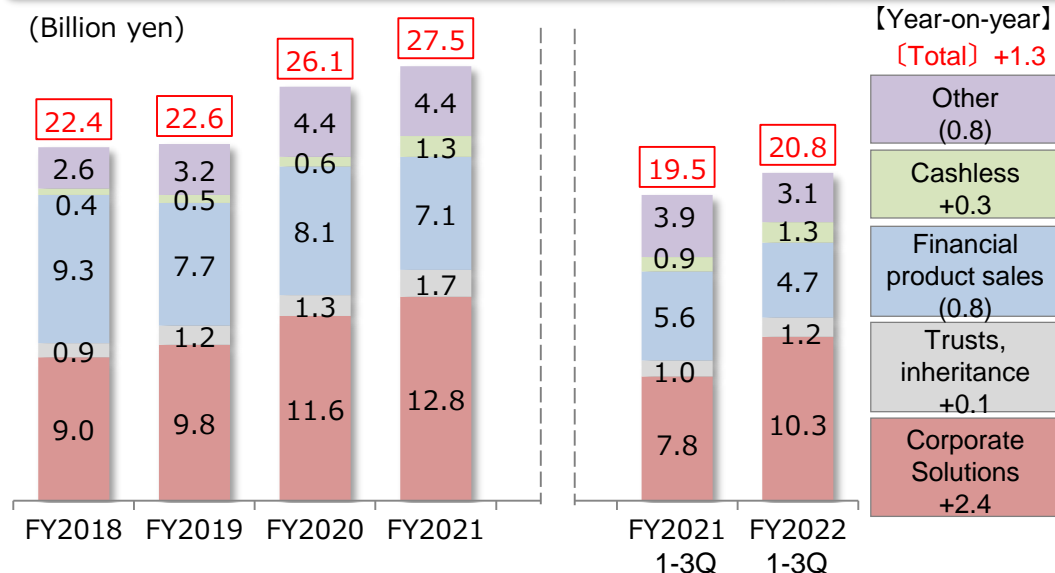
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	(Billion yen)	FY2021	FY2022	Change
		1-3Q	1-3Q	
Net fees and commissions		19.5	20.8	1.3
Fees and commissions received		33.1	35.4	2.3
Fees and commissions payments (-)		13.6	14.6	1.0
<Main breakdown>				
Investment trusts and personal annuities		5.6	4.7	(0.8)
Investment trusts		3.0	2.0	(1.0)
Annuities and whole life insurance		0.9	1.4	0.5
Level-premium life insurance		1.0	0.8	(0.1)
Financial instrument intermediary		0.5	0.2	(0.2)
Corporate solutions		7.8	10.3	2.4
Private placement bonds		0.3	0.2	(0.0)
Syndicated loans		6.0	8.3	2.3
M&A and advisory contracts		0.6	0.7	0.1
Business matching		0.8	0.9	0.0
Trust business and inheritance-related services		1.0	1.2	0.1
Cashless operations		0.9	1.3	0.3
Payment and settlement transactions		9.5	9.4	(0.1)
Guarantee charges and group insurance costs (-)		8.4	9.2	0.7

※ Trust business and inheritance-related services include trust fees from the full-year results for FY2021 (updated retroactively).

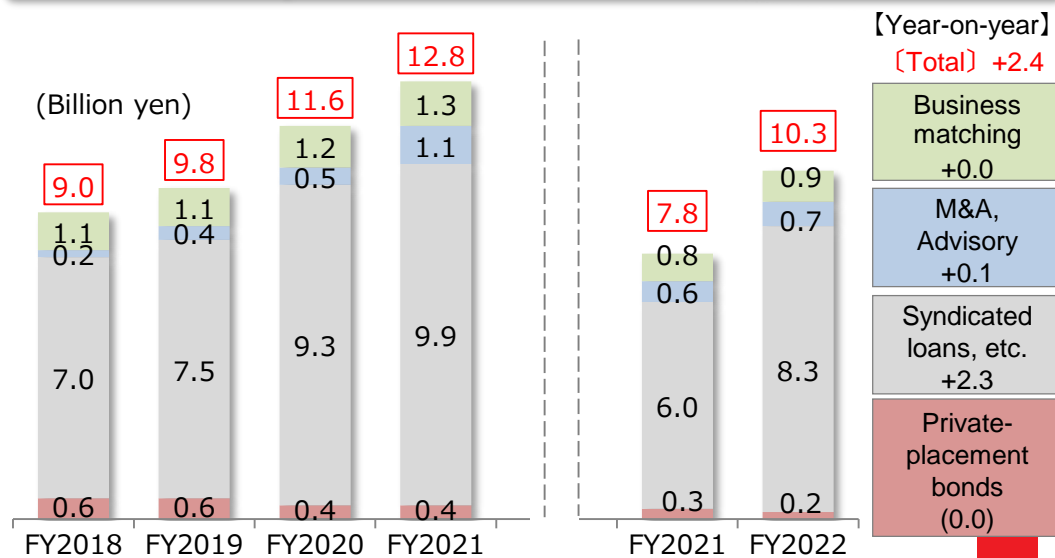
Fees and commission received

(Billion yen)



Corporate Solutions-related income

(Billion yen)



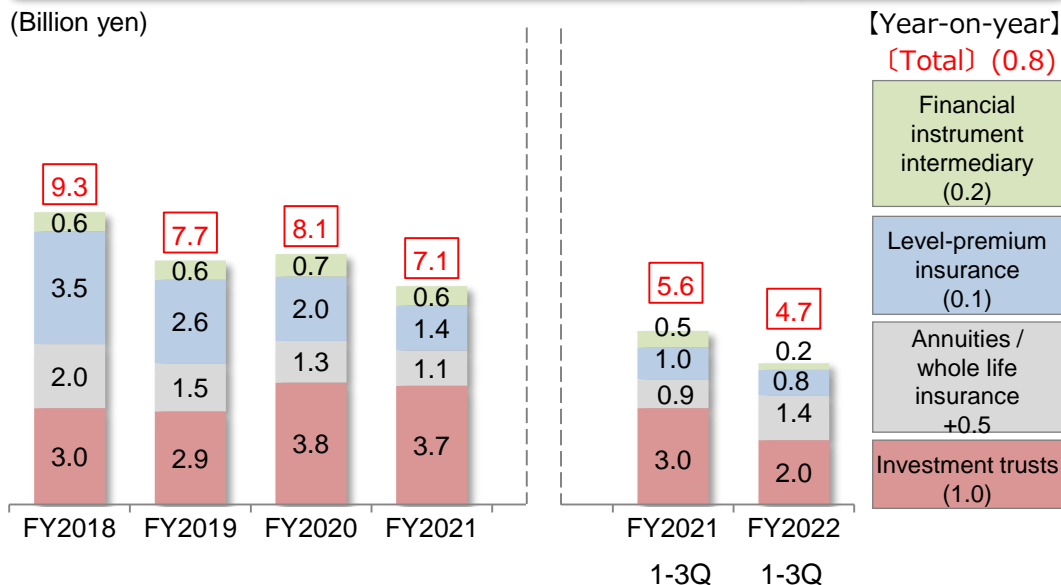
※ Corporate solutions-related income does not include Corporate Portal revenue from the full year results for FY2021 (updated retroactively).

Financial Products

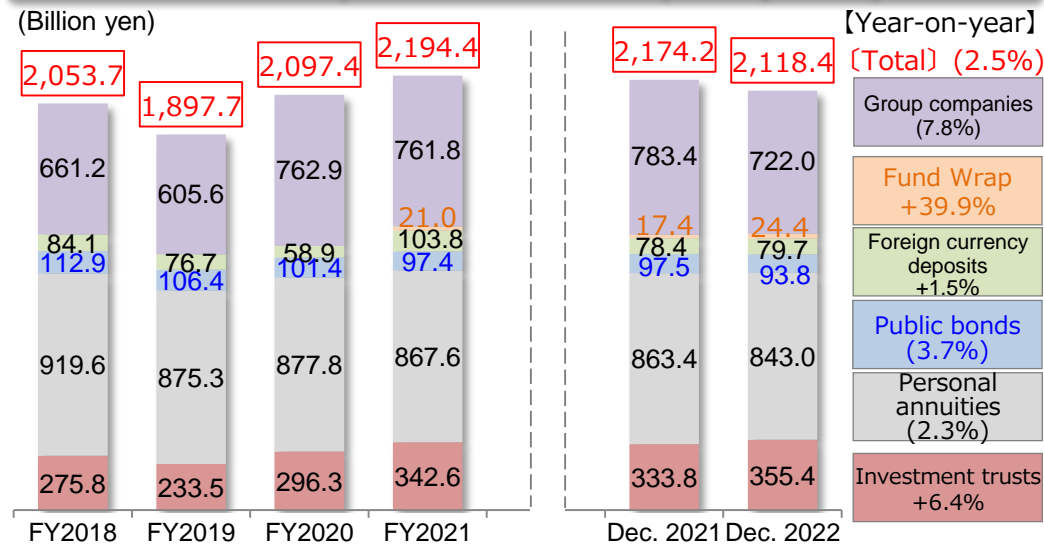
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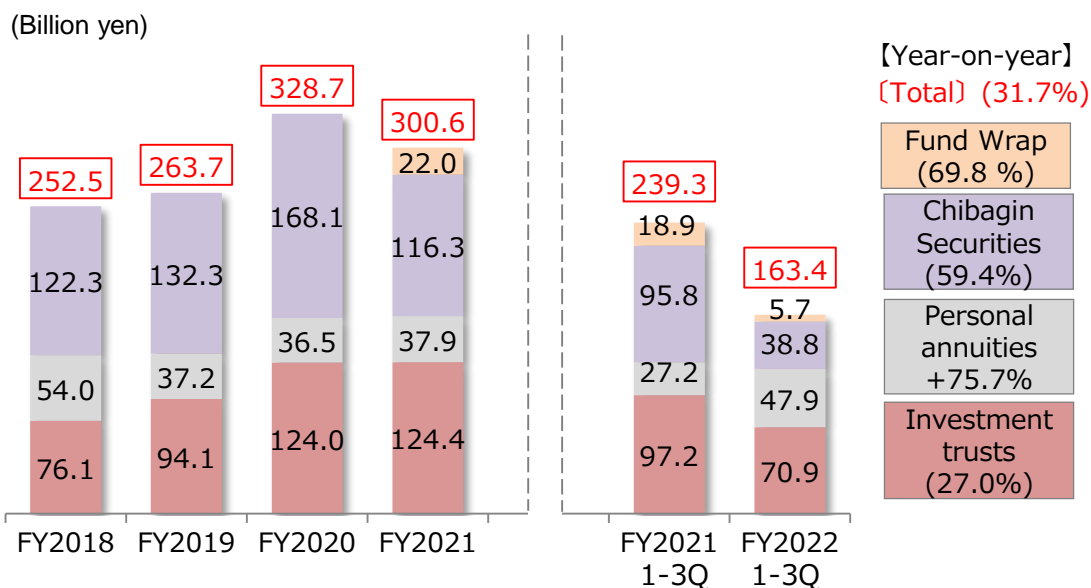
Fees and commissions from financial products



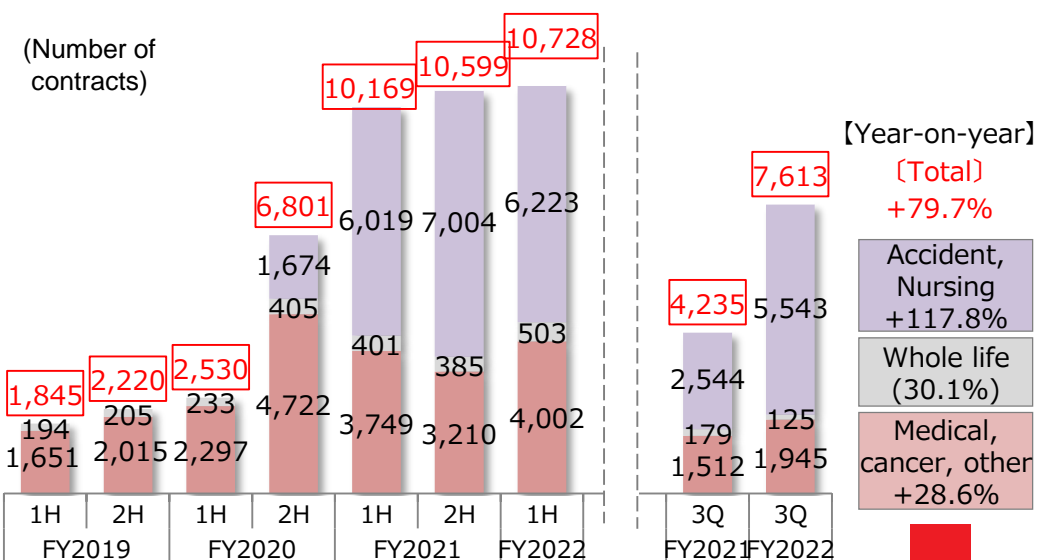
Financial product balances (Group total)



Sales of financial products (Group total)



Number of protection-type insurance contracts



※Accepted contracts

Cashless Operations

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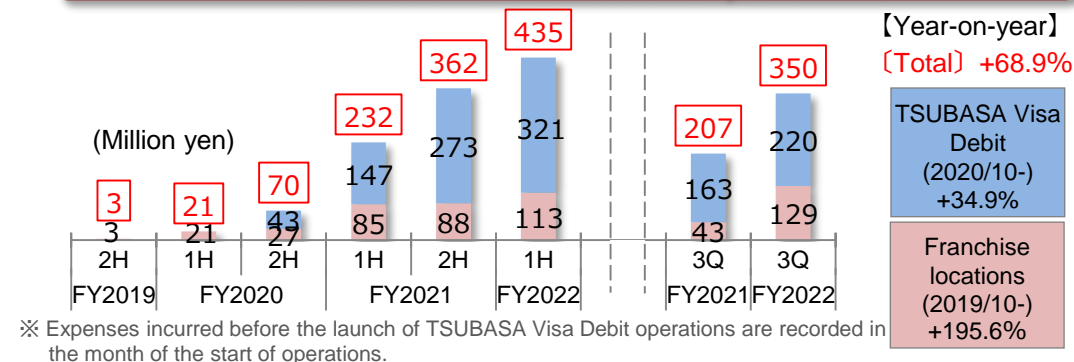
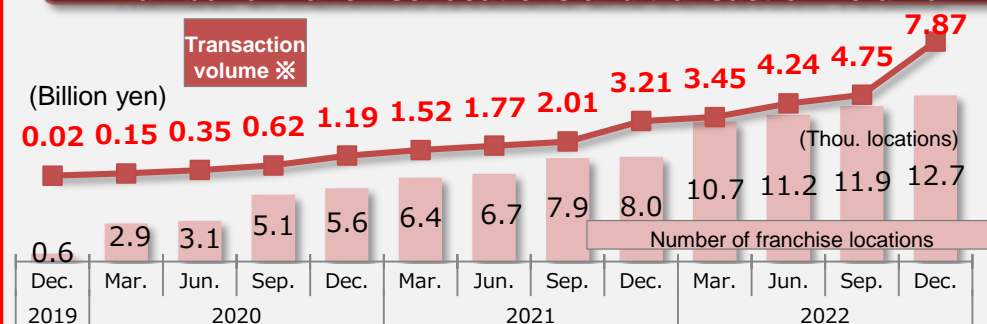
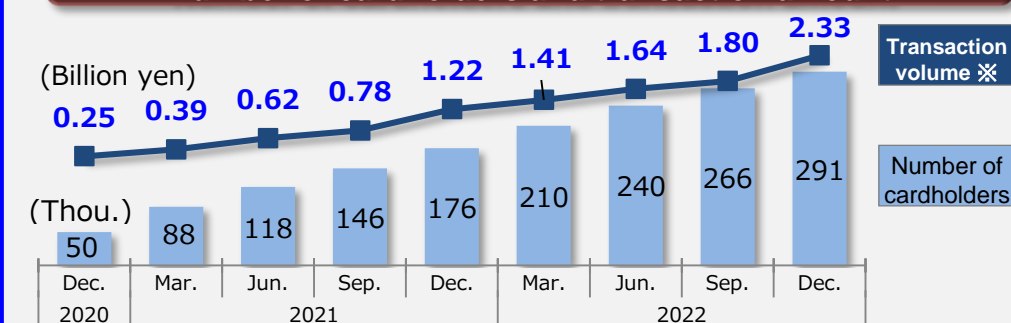
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Income and expenditure of cashless operations

		FY2021	FY2022	
(Million yen)		1-3Q	1-3Q	Change
Total of Cashless Operations	Profit	965	1,346	381
	Revenue	2,436	3,411	974
	Expenses(-)	1,471	2,064	593
Total of New Cashless Operations	Profit	439	785	345
	Revenue	850	1,780	930
	Expenses(-)	410	995	584
Franchise locations	Profit	129	243	114
	Revenue	495	1,127	631
	Expenses(-)	366	883	516
TSUBASA Visa Debit	Profit	310	542	231
	Revenue	354	653	299
	Expenses(-)	43	111	67
Existing cashless operations	Profit	525	560	35
	Revenue	1,586	1,630	44
	Expenses(-)	1,060	1,069	8
Subsidiaries (Chibagin JCB Card) (Chibagin DC Card)	Profit	875	985	109
	Revenue	3,640	3,921	280
	Expenses(-)	2,764	2,935	170
(Reference)				
Group Total	Profit	1,841	2,331	490
	Revenue	6,077	7,332	1,255
	Expenses(-)	4,236	5,000	764

※ Subsidiary expenses include personnel expenses and other operating expenses.

Profit from new cashless operations

Franchise location cashless operations:
Number of franchise locations and transaction volumeTSUBASA Visa Debit:
Number of cardholders and transaction amount

※ Transaction volume: monthly settlement amount for the relevant month

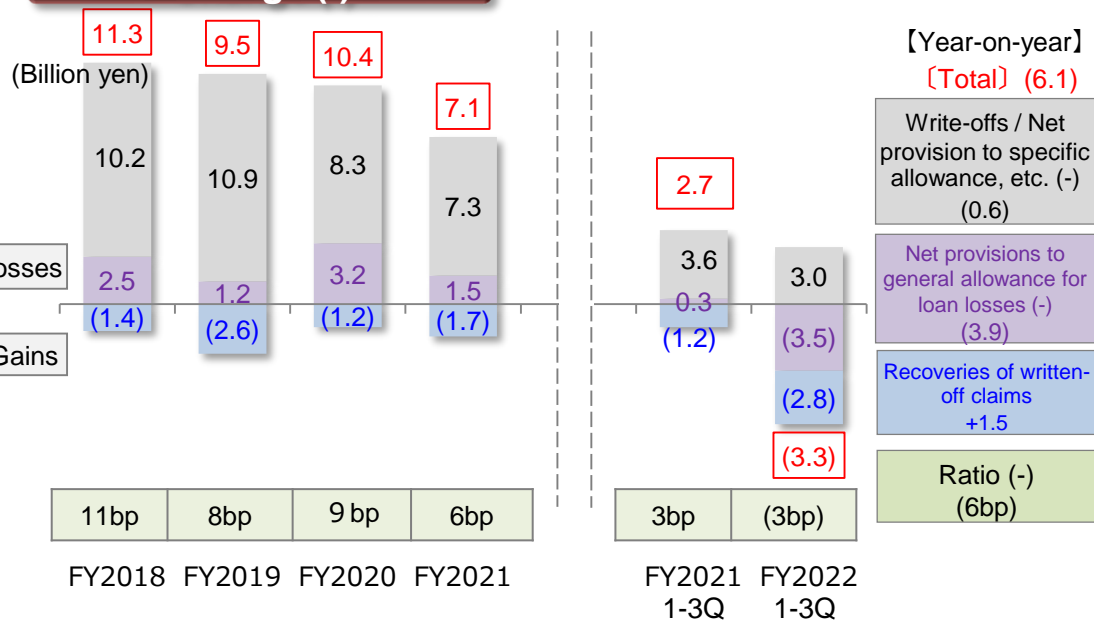
Credit-related Expenses / FRA Claims

Credit-related expenses

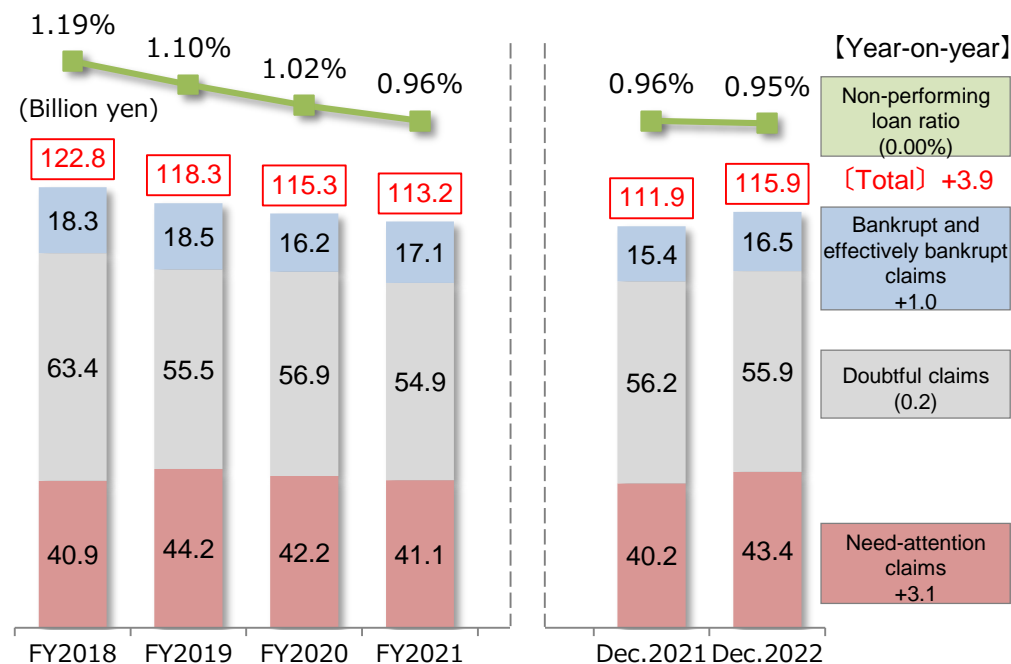
(Billion yen)	FY2021 1-3Q	FY2022 1-3Q	Change
Credit-related expenses	2.7	(3.3)	(6.1)
Net provisions to general allowance for loan losses (-)	0.3	(3.5)	(3.9)
Disposal of non-performing loans (-)	2.3	0.1	(2.2)
Write-offs / Net provisions to specific allowance, etc. (-)	3.6	3.0	(0.6)
Net provisions to specific allowance for loan losses (-)	0.9	1.4	0.5
New downgrades (-)	3.2	3.2	0.0
Existing non-performing loans (-)	0.8	0.4	(0.4)
Collections etc.	0.4	0.7	0.3
Recoveries of written-off claims	1.2	2.8	1.5
Net credit cost ratio (-)	3bp	(3bp)	(6bp)

※ Net reversals of loan loss reserves are shown in this table divided between net provisions to both the general and specific allowance for loan losses compared to the previous year

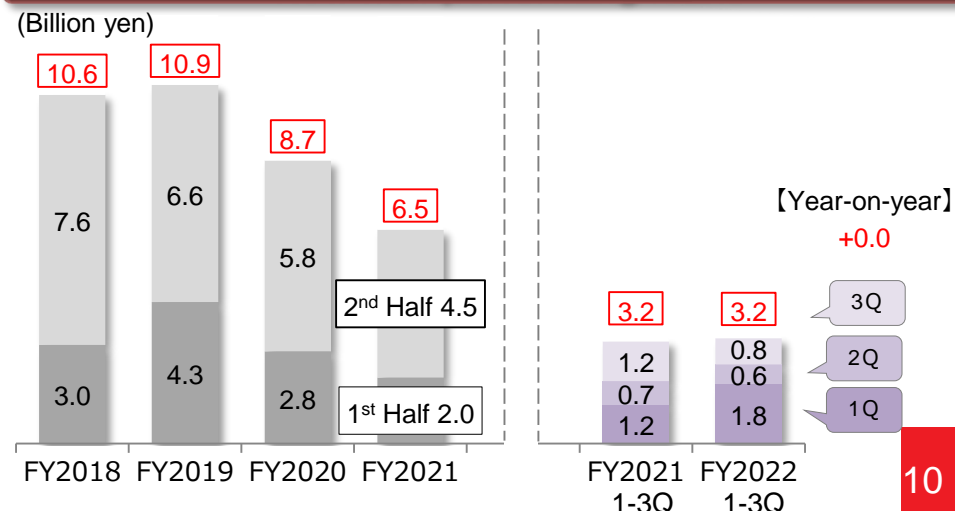
Change (-)



Disclosed claims under the Financial Reconstruction Act / Non-performing loan ratio



New non-performing loans



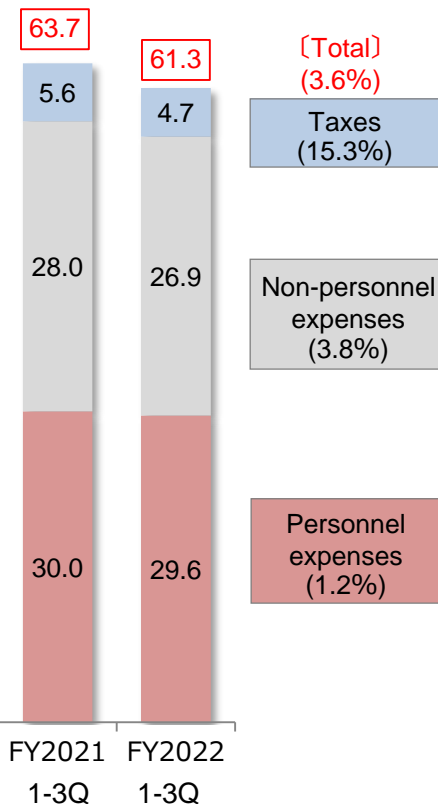
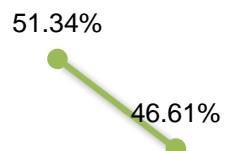
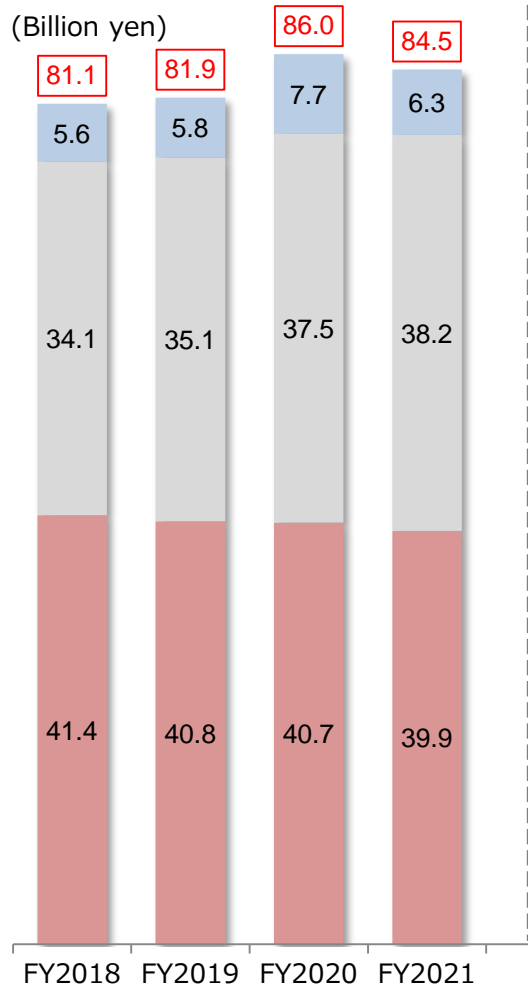
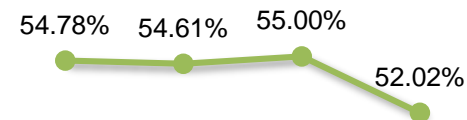
General & Administrative Expenses / Capital Adequacy Ratio

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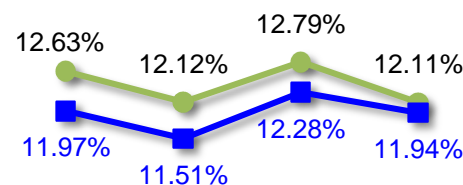
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G&A Expenses / OHR

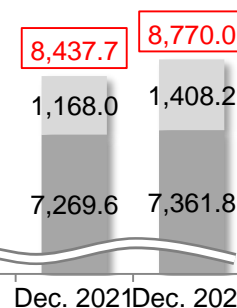
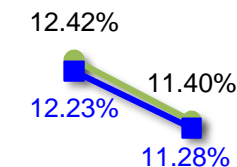
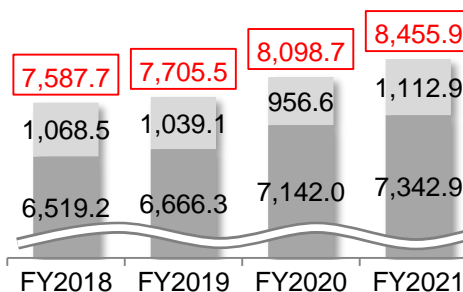
※ OHR: Expenses / (net business income – bond-related gains/losses, etc. + net provisions to general allowance for loan losses + expenses)



Capital Adequacy Ratio / Risk-weighted assets (consolidated)

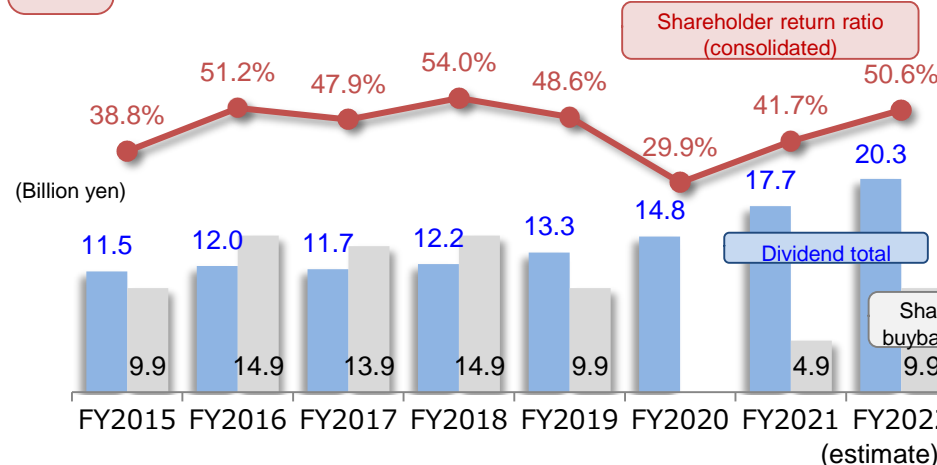
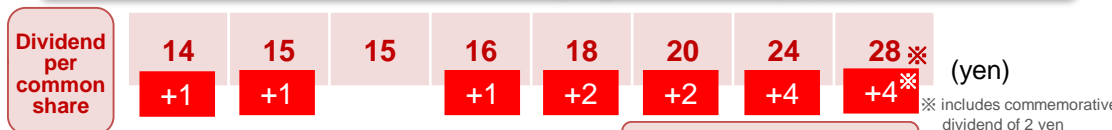


(Billion yen)



【Year-on-year】
 Capital Adequacy Ratio (1.02%)
 CET1 Ratio (0.95%)
 Total risk-weighted assets +3.9%
 Floor adjustments
 Risk-weighted assets (before floor adjustments)

Dividend payments



Supplementary Materials

Impact of Increased Yen Interest Rates

Performed interest rate risk-reduction operations to stem worsening valuation losses with an aim towards improving mid-to-long term net interest income

Yen interest rate risk-reduction operations

Reduced interest rate risk through the following operations:

Spot sale of bonds

Sale of bond futures

Purchase of bond bear funds

Yen bond interest rate sensitivity by term (GPS) ①

※1. Change in valuation gains/losses assuming each interest rate term increases by 10bp

※2. The Bank will begin reporting sensitivity of bond futures (by maturity) to yen bond sensitivity starting next quarter

	~ 1 year	Over 1 year~ 3 years	Over 3 years~ 5 years	Over 5 years~ 7 years	Over 7 years~ 10 years	Over 10 years	Total
9/30/2022	(0.0)	(0.6)	(0.4)	(0.6)	(1.5)	(1.4)	(4.7)
12/31/2022	(0.1)	(0.6)	(0.4)	(0.5)	(1.2)	(1.3)	(4.4)

(Billion yen)

Yen-denominated trust interest rate sensitivity ②

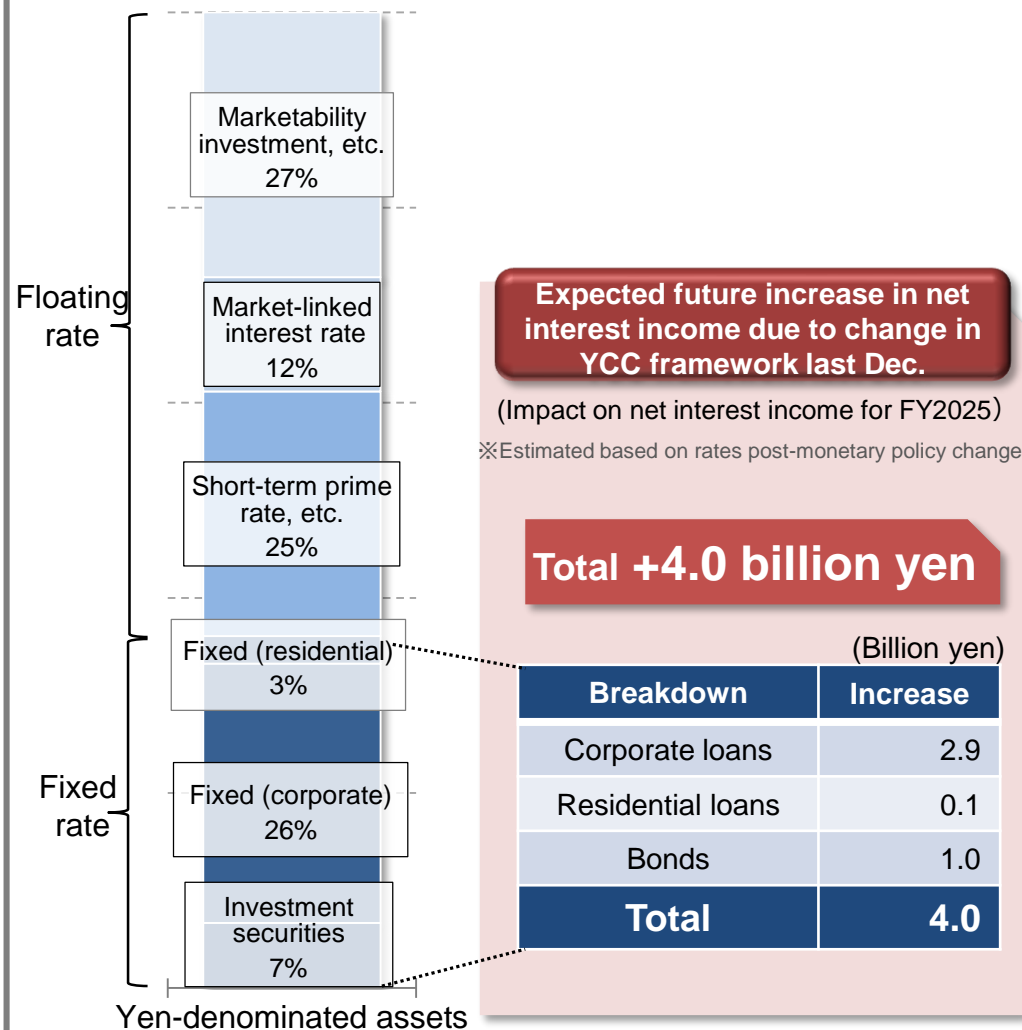
Total +0.3 billion yen (+0.2 billion yen as of Sep.2022)

※By holding bond bear funds, valuation gains/losses will improve as interest rates increase.

10BPV Total (①+②)

Total (4.1 billion yen)

Impact of change to Bank of Japan monetary policy on net interest income

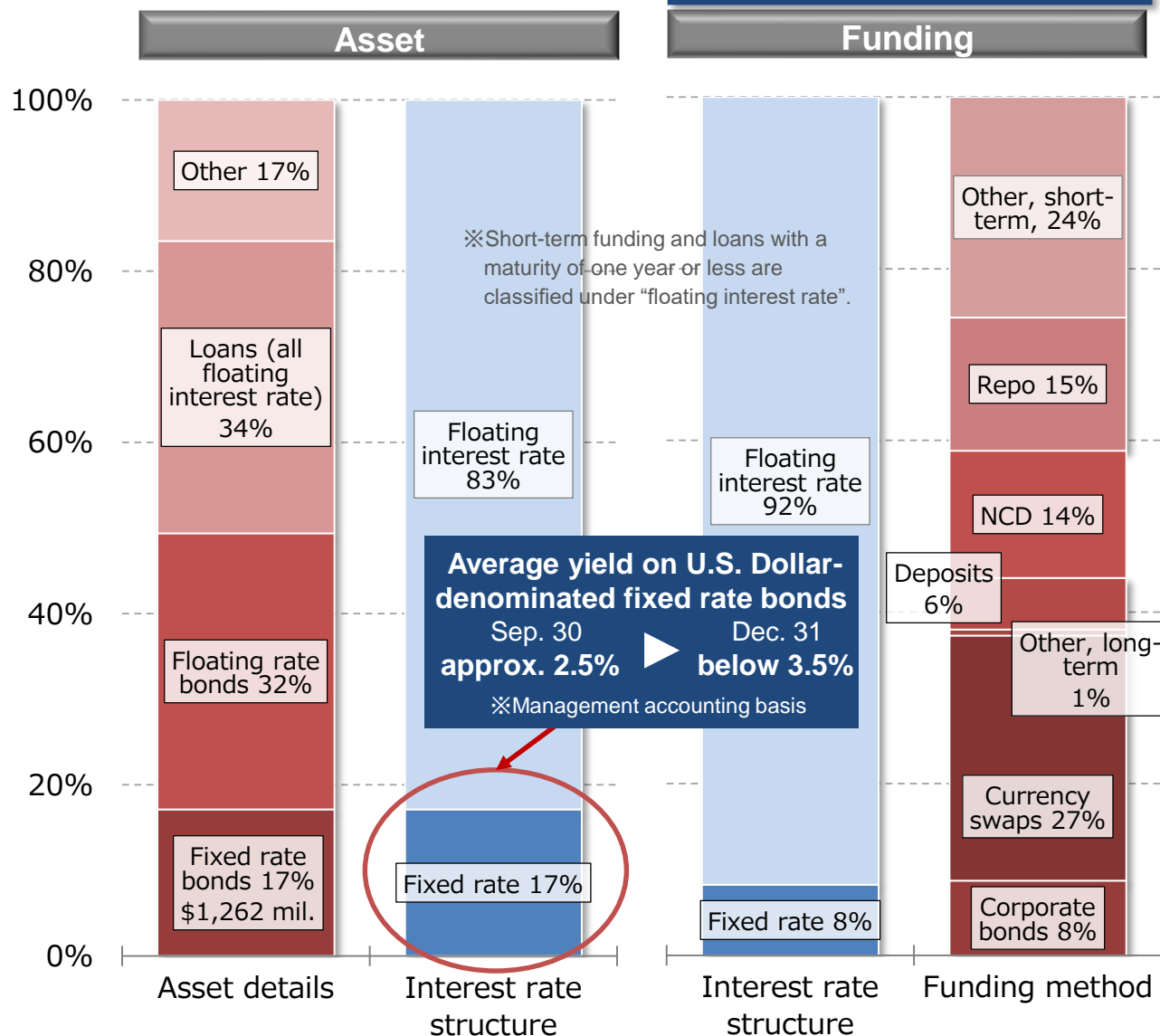


Impact of Increased Foreign Currency Interest Rates

Continued improvement as a result of portfolio rebalancing

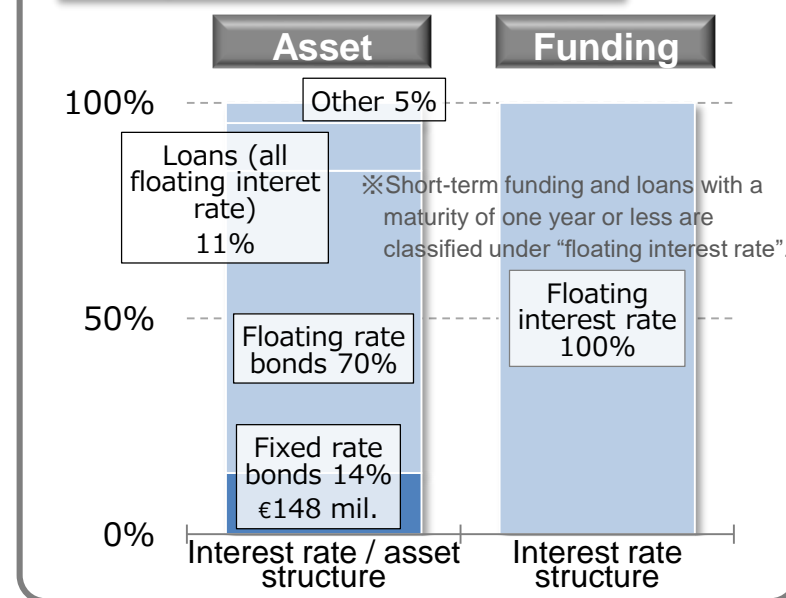
USD asset and funding structure

\$7,371 mil. as of Dec.2022



Euro asset and funding structure

€1,042 mil. as of Dec.2022



※AUM in foreign currencies other than USD and Euro are equivalent to \$227 mil.

Impact on existing loans and securities from increased foreign currency interest rates (approx.)

[Impact of a parallel 10bp increase in interest rates]

※Estimated assuming U.S. dollar foreign currency deposit interest rate around 70%
 ※Not factoring in impact of increasing interest rates on credit risk

(Billion yen)	USD	Euro
Net interest income	(0.07)	(0.01)
Valuation gain/loss	(1.36)	(0.26)
Foreign bonds	(0.82)	(0.1)
Stocks / investment trusts	(0.54)	(0.16)

Inquiries related to this presentation should be addressed to:

The Chiba Bank, Ltd.
Corporate Planning Division
Investor Relations

Tel: 043-301-8459

Fax: 043-242-9121

E-Mail: ir@chibabank.co.jp

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