

Financial Results for the First Half of FY2019 ending March 2020

November 21, 2019

THE CHIBA BANK,LTD.

(Tokyo Stock Exchange First Section: 8331)

Table of contents

Summary of Financial Results

Summary of Financial Results	3
Net Interest Income	4
Deposits and Loans Portfolio	5
Securities Portfolio	6
Net Fees and Commissions Income	7
Expenses	8
Net Credit Costs	9
Earnings Projections	10

Medium Term Management Plan

Achievements of the Current Plan	12
Approach to the Next Plan	13

Business Strategies

Loans for Corporate Customers (1)	15
Loans for Corporate Customers (2)	16
Credit Controls	17
Loans to Real Estate Leasing Sector	18
Housing Loans	19
Unsecured Consumer Loans	20
Group Total Balance of Financial Products	21
Trust Business and Inheritance-related Services	22
Market and International Business	23
Improved Operational Efficiency and Personnel Reassignment	24

Alliance and Channel Strategies

Overview of Alliances	26
TSUBASA Alliance	27
Chiba-Musashino Alliance	28
Chiba-Yokohama Partnership (1)	29
Chiba-Yokohama Partnership (2)	30
Tokyo Metropolitan Area Strategy	31
Branch Channel	32
TSUBASA FinTech Platform	33
Expansion of Digital Approach	34
Cashless Payment and Card Business	35

Sustainability and Capital Policy

Trends in the Regional Economy	37
Sustainable Management	38
ESG (1)	39
ESG (2)	40
ESG (3)	41
Capital Policy (1)	42
Capital Policy (2)	43

Summary of Financial Results

Summary of Financial Results

Non-Consolidated		2019/3	2020/3	YoY
		1H	1H	
		(¥Bil.)		
Gross business profits		79.1	78.7	(0.3)
Net interest income		64.1	64.4	0.3
Net fees and commissions income		10.9	10.8	(0.1)
Trading income		0.5	1.1	0.6
Profit from other business transactions		3.4	2.3	(1.1)
Gains (losses) related to bonds		2.3	1.5	(0.7)
Expenses (-)		40.6	40.4	(0.2)
Real net business income		38.4	38.3	(0.0)
Core net business income		36.0	36.7	0.7
Excl. gains(losses) on investment trust cancellations		33.5	33.9	0.4
Net transfer to general allowance for loan losses (-)		0.6	1.9	1.3
Net business income		37.7	36.3	(1.4)
Non-recurring income and losses		3.5	3.2	(0.2)
Disposal of non-performing loans (-)		1.4	2.8	1.3
Gains (losses) related to stocks etc.		1.0	2.2	1.2
Ordinary profit		41.3	39.6	(1.6)
Extraordinary income (loss)		(0.1)	(0.0)	0.1
Net income (interim)		30.0	28.8	(1.1)
Net credit costs (-)		2.1	4.7	2.6
Consolidated		2019/3	2020/3	YoY
		1H	1H	
		(¥Bil.)		
Ordinary profit		42.1	39.9	(2.2)
Profit attributable to owners of parent		29.2	27.8	(1.4)

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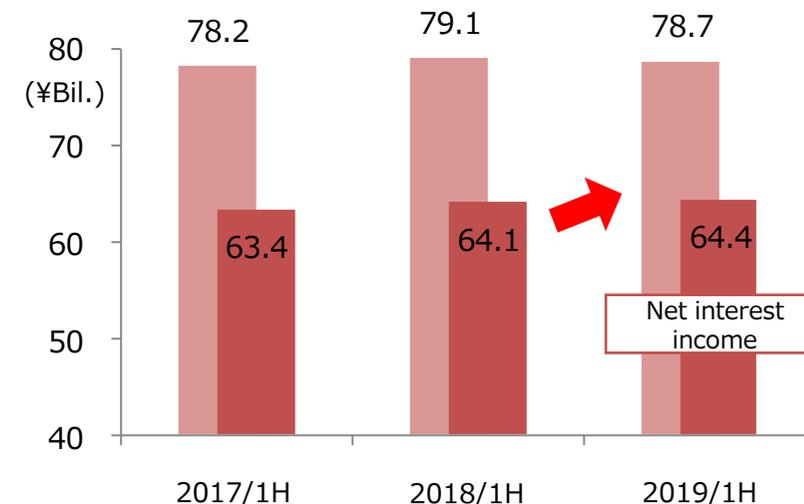
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Non-Consolidated Gross Business Profits (1st Half Trends)



Key Interim Results for FY2019 ending March 2020

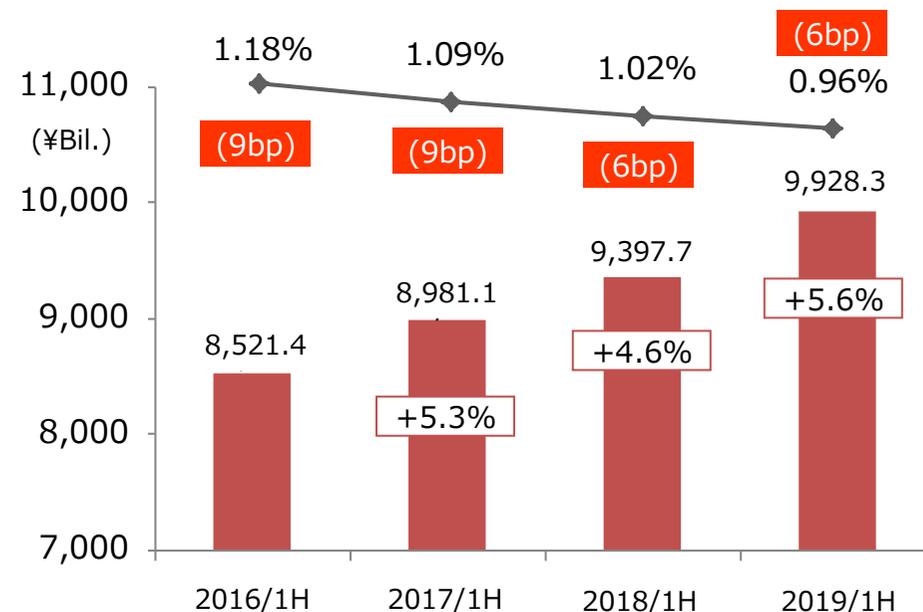
- ◆ Net interest income showing steady trend up ¥0.3 Billion YoY
- ◆ Both expenses and credit-related expenses remain within 1H projection targets
- ◆ Revenue growth seen in main businesses, with core net business income up ¥0.7 Billion YoY and core net income minus gains from investment trust cancellations up ¥0.4 Billion YoY

Net interest income

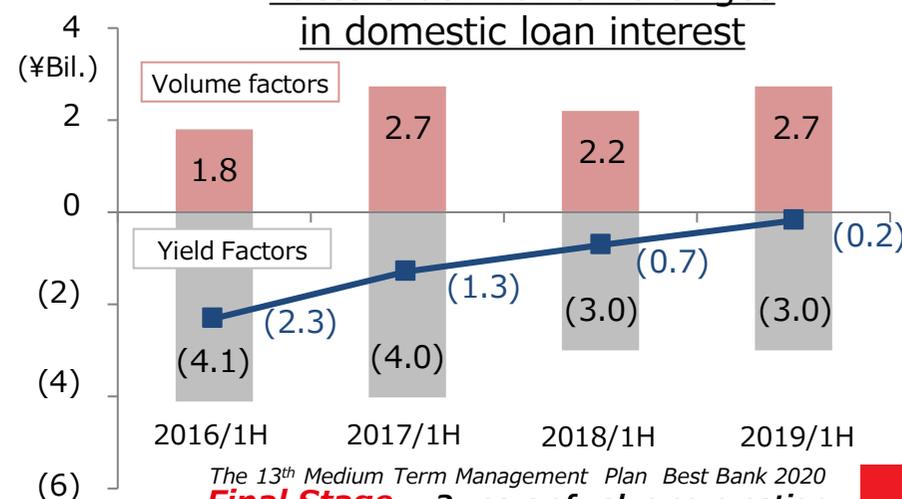
Steady increase in domestic loans, with loan interest declining at a slower pace

	(¥Bil.)	2019/3 1H	2020/3 1H	YoY
Net interest income		64.1	64.4	0.3
Loans and deposits		51.1	51.3	0.2
Loans		55.2	55.0	(0.1)
Domestic		48.3	48.0	(0.2)
International		6.8	7.0	0.1
Deposits		4.0	3.6	(0.3)
Domestic		0.4	0.3	(0.0)
International		3.6	3.3	(0.3)
Securities		18.5	19.9	1.3
Bonds		6.7	7.1	0.3
Domestic		1.7	1.3	(0.3)
International		5.0	5.7	0.7
Stocks		6.7	6.5	(0.2)
Investments trusts etc.		5.0	6.2	1.2
Gains(Losses) from investment trust cancellations		2.5	2.8	0.3
Market operations, procurement etc. (incl. NCD)		(5.6)	(6.8)	(1.2)
Domestic		60.4	61.1	0.7
International		3.7	3.2	(0.4)

Average balance and yield of domestic loans



Factors behind YoY changes in domestic loan interest



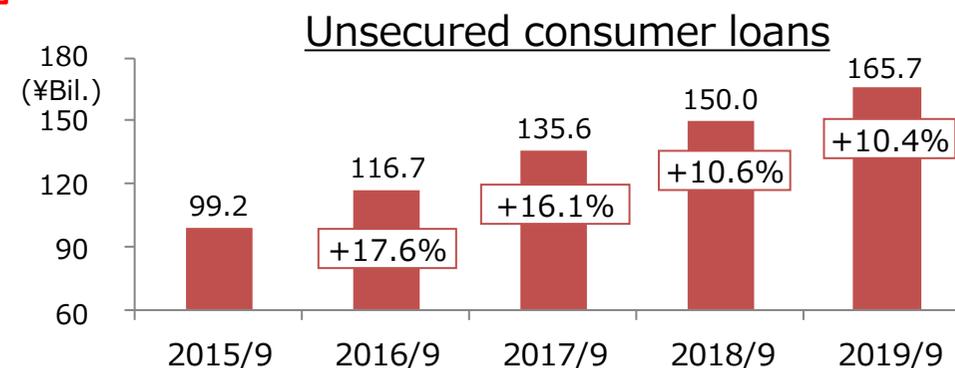
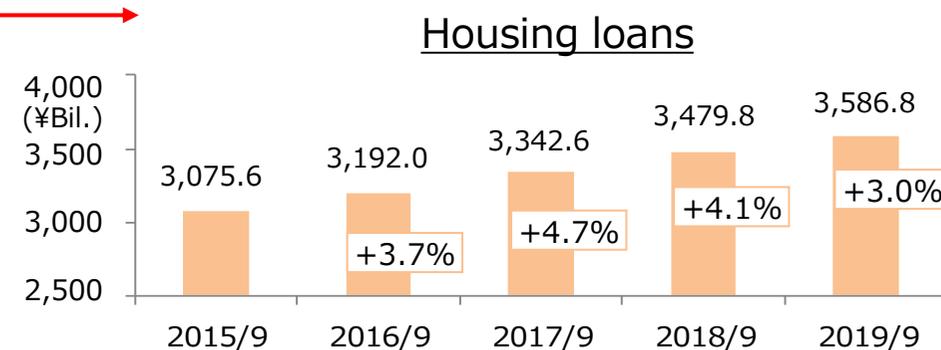
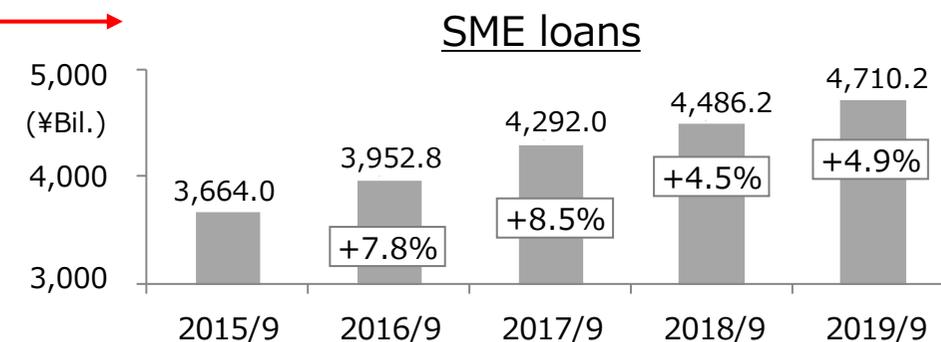
Deposits and Loans Portfolio

Growth remains strong in SME loans, housing loans and unsecured consumer loans

(¥Bil.)	2018/9	2019/9	YoY	%
Deposits	12,032.2	12,315.3	283.1	2.3%
Domestic deposits	11,634.2	11,955.9	321.7	2.7%
Personal deposits	8,804.9	9,058.6	253.6	2.8%

(¥Bil.)	2018/9	2019/9	YoY	%
Loans	9,995.8	10,551.1	555.3	5.5%
Domestic loans	9,761.4	10,309.3	547.9	5.6%
Excl. public sector	9,536.3	9,881.8	345.5	3.6%
Corporate loans	5,896.0	6,120.0	223.9	3.7%
Large corporations	1,409.8	1,409.7	(0.0)	(0.0%)
SMEs	4,486.2	4,710.2	224.0	4.9%
Consumer loans	3,640.2	3,761.8	121.5	3.3%
Housing loans	3,479.8	3,586.8	107.0	3.0%
Unsecured consumer loans	150.0	165.7	15.6	10.4%

Public sector	225.1	427.4	202.3	89.8%
Domestic loans	9,761.4	10,309.3	547.9	5.6%
Excl. public sector	9,536.3	9,881.8	345.5	3.6%
Branches in Chiba	6,639.4	6,846.1	206.7	3.1%
Branches outside Chiba	2,896.8	3,035.7	138.8	4.7%
Special Branches*	1,494.2	1,526.6	32.4	2.1%
Retail branches	1,402.6	1,509.0	106.3	7.5%

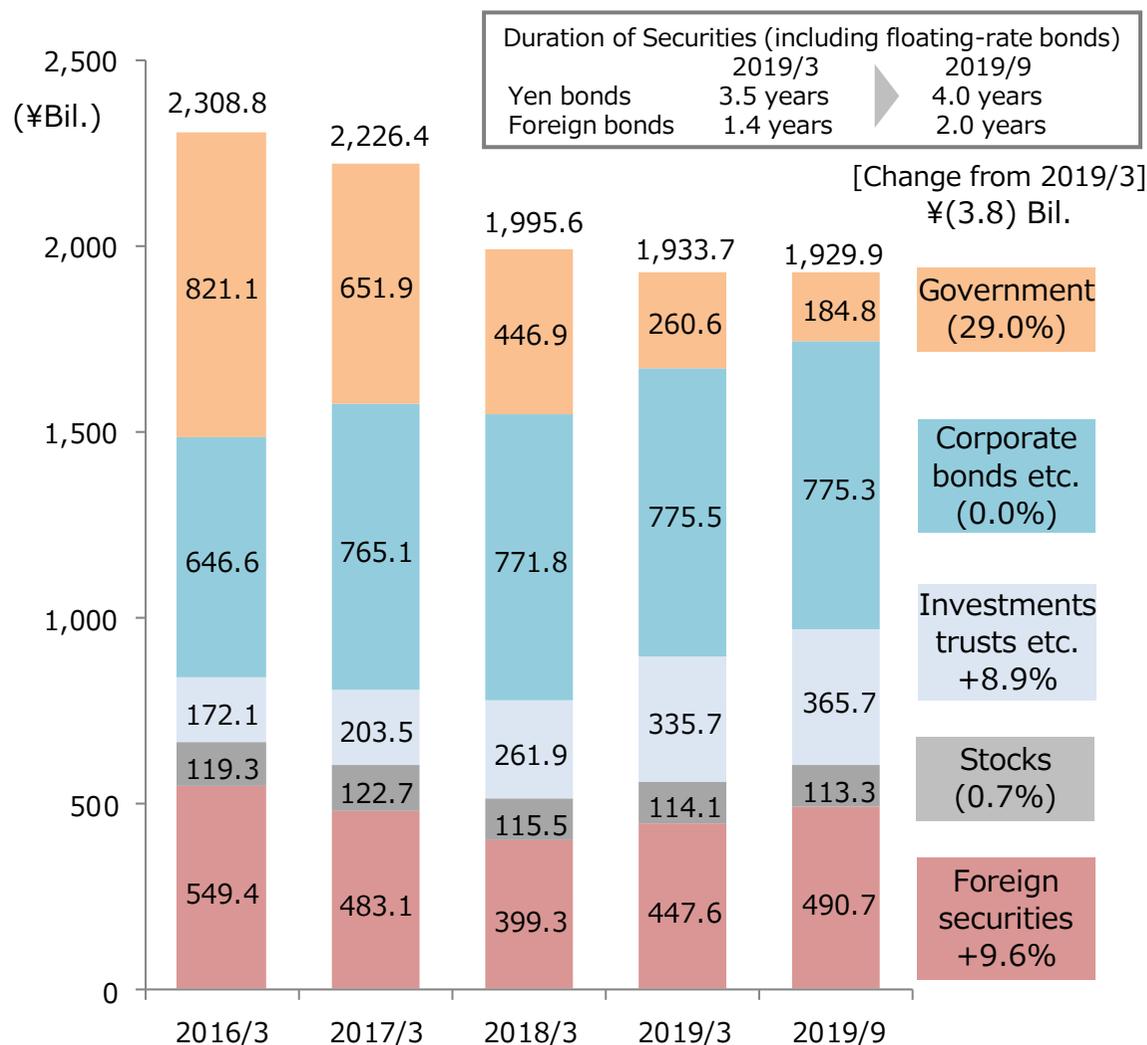


*Tokyo Head Office, Shinjuku Branch and Osaka Branch

Controlling interest rate risks while diversifying investments

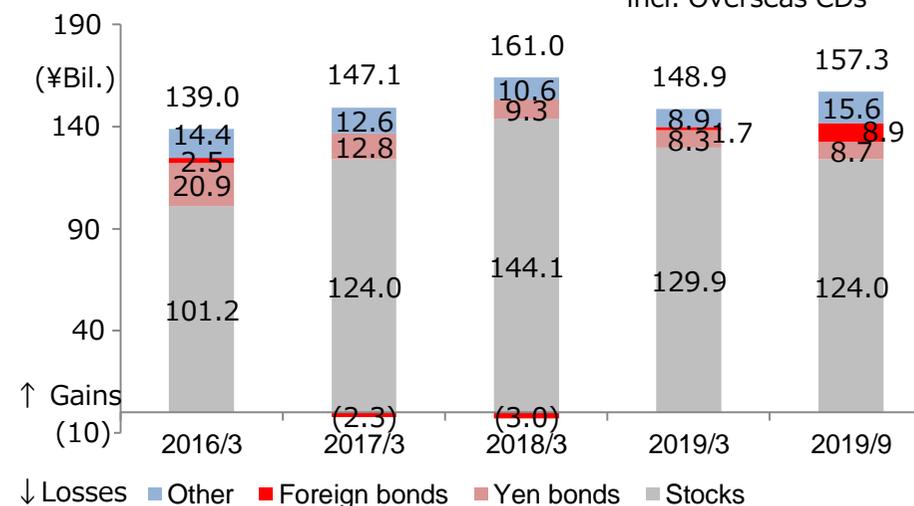
Balance of securities*

*excl. Unrealized gains (losses)

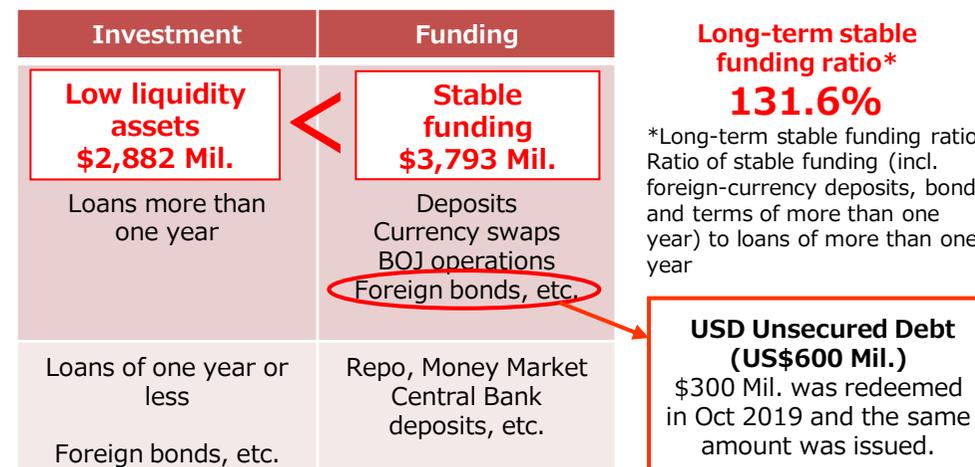


Unrealized gains (losses) on other securities*

*incl. Overseas CDs



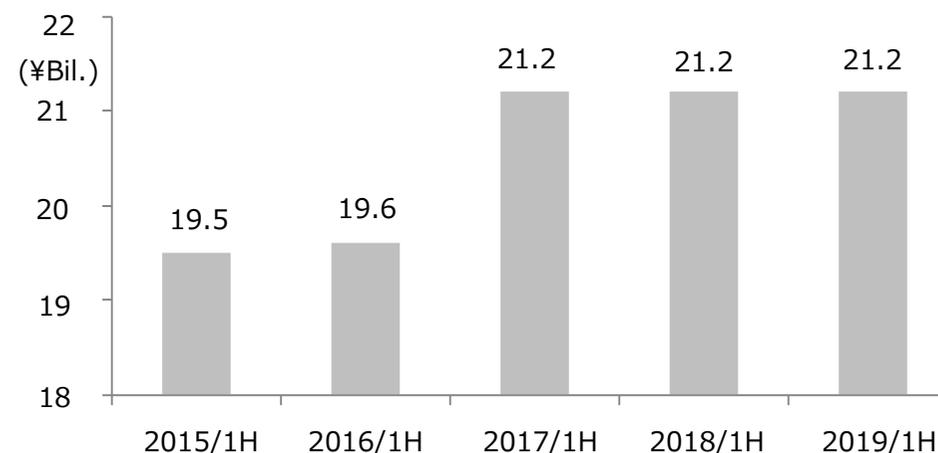
USD funding (as of the end of 2019/9)



Fees and commissions revenue remain high level, mainly solution-related fees from corporate customers

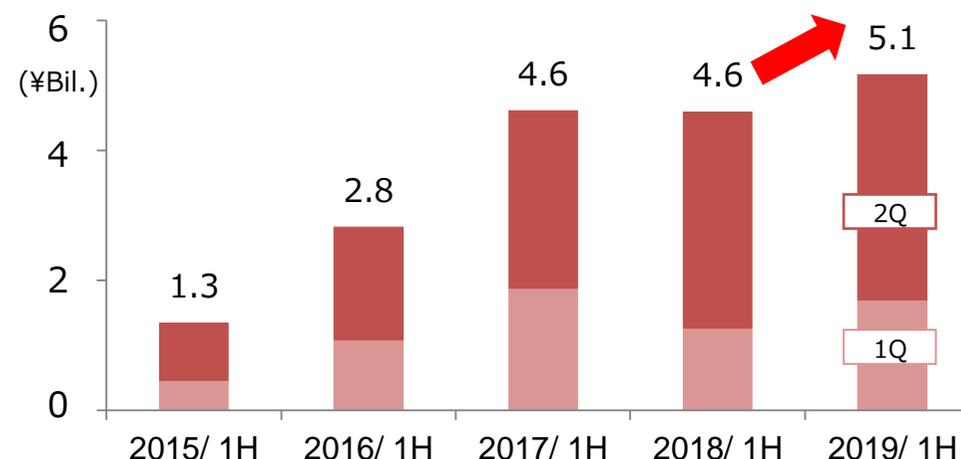
	(¥Bil.)	2019/3 1H	2020/3 1H	YoY
Net fees and commissions income		10.9	10.8	(0.1)
Net fees and commissions revenue		21.2	21.2	0.0
Net fees and commissions payments (-)		10.2	10.4	0.1
<Main breakdown>				
Investment trusts and personal annuities		5.0	3.7	(1.2)
Investment trusts		1.6	1.3	(0.3)
Annuities and whole life insurance		1.1	0.8	(0.3)
Level paying life insurance		1.8	1.3	(0.5)
Financial instrument intermediary		0.3	0.2	(0.0)
Solution-related fees from corporate customers		4.6	5.1	0.5
Private placement bonds		0.2	0.3	0.0
Syndicated loans		3.2	3.5	0.2
Business matching		0.5	0.5	0.0
Inheritance		0.3	0.6	0.2
Payment and settlement transactions		6.0	6.3	0.3
Guarantee charges and group insurance costs (-)		6.9	7.1	0.1
(Reference) Other non-recurring income and loss				
Dividends from group credit life insurance		2.1	2.1	(0.0)

Net fees and commissions revenue (1H trends)



Solution-related fees from corporate customers

(Private placement bonds, syndicated loans, etc., M&A, business matching, inheritance-related services and others)



Further improvement in operating efficiencies and controlling expenses

	2019/3			2020/3		
	(¥Bil.)	1H	1H	YoY	(Projection)	YoY
Expenses (-)		40.6	40.4	(0.2)	82.0	0.8
Personnel expenses (-)		20.8	20.4	(0.4)	40.7	(0.6)
Non-personnel expenses (-)		16.8	17.1	0.3	35.1	1.0
Taxes (-)		2.9	2.8	(0.1)	6.0	0.4
OHR		52.98%	52.17%	(0.80%)		

OHR level comparison

Chiba Bank
52.1%



Ave. of 3 mega group*1:
68.8%

Ave. of 64 regional banks*2:
68.7%

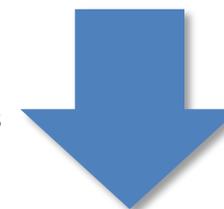
*1 Expenses ÷ (Consolidated gross business profits - Gains/losses related to bonds)
[2019/3]: Calculation based on disclosed information

*2 Expenses ÷ (Non-consolidated gross business profits - Gains/losses related to bonds)
[2019/3]: Disclosed by Regional Banks Association of Japan

Main factors behind increase/decrease in expenses

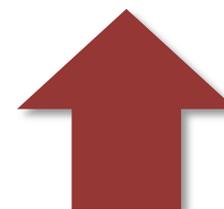
(¥Bil.)	2020/3 1H (Actual)	2020/3 (Projection)
Personnel expenses (-)	Retirement benefit cost (0.1) (0.4) Overtime reductions, etc. (0.1) Personnel decrease (0.2)	Overtime reductions etc. (0.2) (0.6) Personnel reductions (0.4)
Non-personnel expenses (-)	New businesses, etc. +0.2 + 0.3 Work efficiency +0.1 System expenses (0.1)	New businesses, etc. +0.7 + 1.0 Work efficiency +0.2 System expenses (0.1)
Taxes (-)	(0.1) Stamp duty (0.0)	+ 0.4 Consumption tax rate +0.2

- Reduction in work volumes
- Review of branches, etc.
- Business consolidation/
collaboration with partner banks



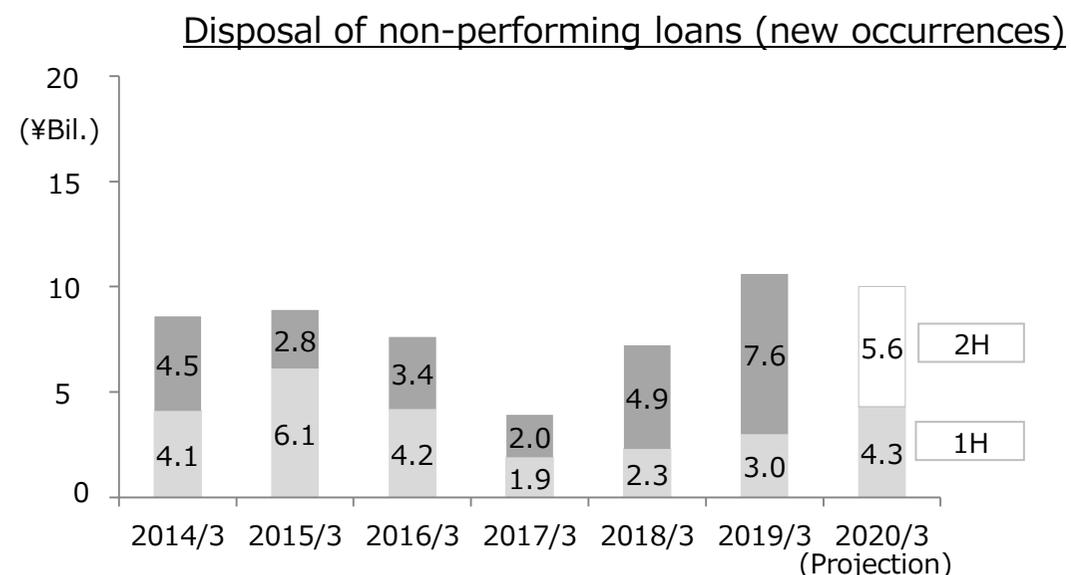
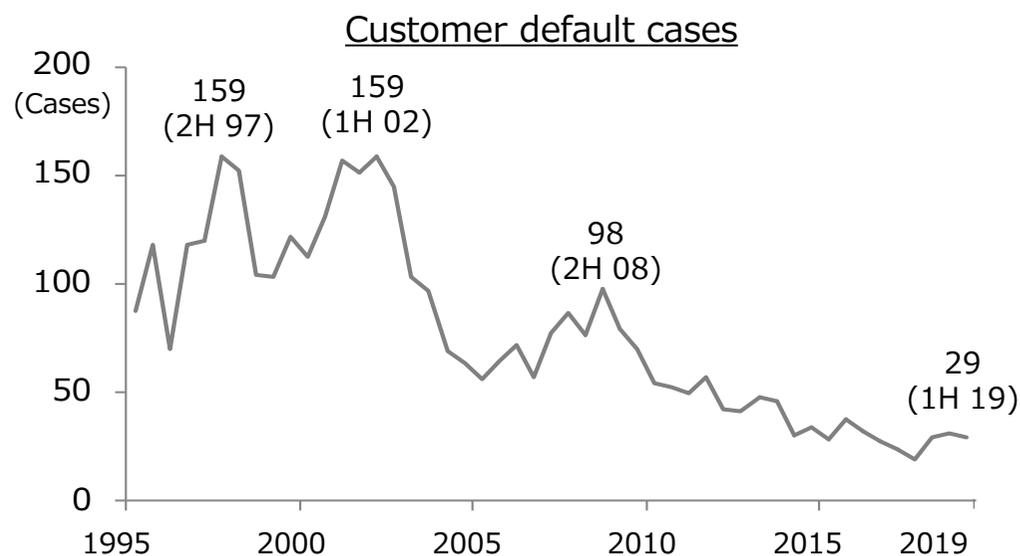
An Extensive Review of Our Cost Structure

- IT investment to improve work efficiencies
- Reforms in working practices and initiatives to improve productivity
- Strategic investment, etc. in digital initiatives and new business



Maintain a sound loan portfolio through on-going, strict credit controls

(¥Bil.)	1H	1H	YoY	(Projection)	YoY
Net credit costs (-)	2.1	4.7	2.6	7.4	(3.9)
Net transfer to general allowance for loan losses (-)	0.6	1.9	1.3	0.1	(2.4)
Disposal of non-performing loans (-)	1.4	2.8	1.3	7.3	(1.4)
Write-offs/Net transfers to specific allowance etc. (-)	2.3	4.0	1.6	9.5	(0.7)
New downgrades (-)	3.0	4.3	1.2	10.0	(0.6)
Decreases in collateral value etc. (-)	0.1	0.3	0.2	0.6	0.1
Collections etc.	0.8	0.6	(0.1)	1.1	0.1
Recoveries of written-off claims	0.9	1.2	0.3	2.2	0.7
Net credit cost ratio	4bp	9bp	4bp	6bp	(4bp)

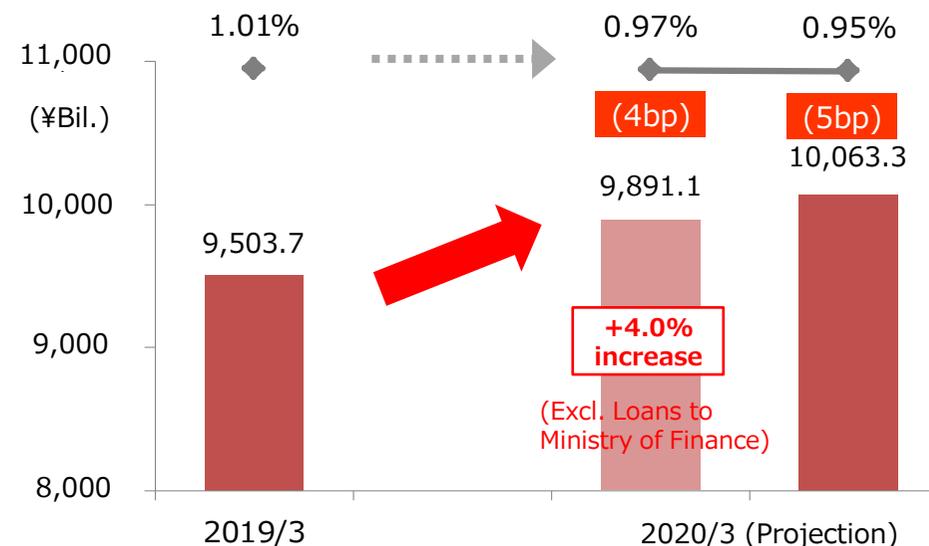


Earnings Projections

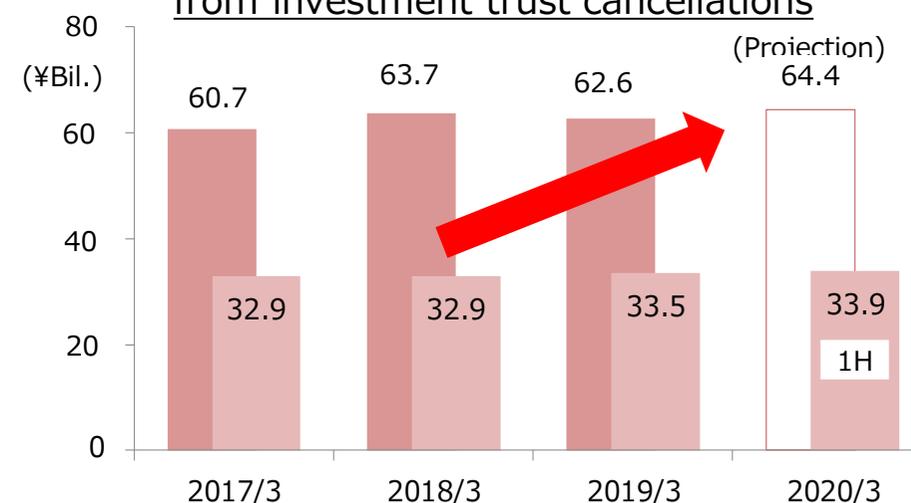
Non-Consolidated	(¥Bil.)	2019/3	2020/3	YoY	2H	2020/3 Compared to original projections
		(Projection)	(Projection)		(Projection)	
Gross business profits		152.2	152.5	0.2	73.7	±0
Net interest income		122.6	122.7	0.1	58.3	+2.9
Net Fees and Commissions Income		22.4	23.1	0.7	12.3	(0.8)
Trading income		1.1	2.5	1.4	1.4	(0.1)
Profit from other business transactions		6.0	3.9	(2.0)	1.6	(2.0)
Gains (losses) related to bonds		4.5	1.9	(2.5)	0.3	(1.4)
Expenses (-)		81.1	82.0	0.8	41.5	±0
Real net business income		71.1	70.5	(0.6)	32.1	±0
Core net business income		66.5	68.5	1.9	31.7	+1.4
Excl. gains/losses on investment trust cancellations		62.6	64.4	1.7	30.5	
Net transfer to general allowance for loan losses (-)		2.5	0.1	(2.4)	(1.8)	
Net business income		68.5	70.4	1.8	34.0	
Non-recurring income and losses		(1.4)	(0.4)	1.0	(3.6)	
Disposal of non-performing loans (-)		8.7	7.3	(1.4)	4.4	
Gains (losses) related to stocks etc.		1.8	2.7	0.8	0.5	
Ordinary profit		67.0	70.0	2.9	30.3	±0
Extraordinary income (loss)		(0.2)	(2.8)	(2.5)	(2.7)	
Profit		48.0	48.2	0.1	19.3	±0
Net credit costs (-)		11.3	7.4	(3.9)	2.6	(0.4)

Consolidated	(¥Bil.)	2019/3	2020/3	YoY	2H	2020/3 Compared to original projections
		(Projection)	(Projection)		(Projection)	
Consolidated ordinary profit		72.4	76.0	3.5	36.0	±0
Profit attributable to owners of parent		50.4	51.0	0.5	23.1	±0

Average balance and yield of domestic loans



Core net business income - excluding gains from investment trust cancellations



Medium Term Management Plan

<Achievements for key issues>

Co-creating customer value

- Evaluation of business and regional revitalization
 - ・Solution-related fees from corporate customers
 - ・Cooperation with local governments
- Provision of comprehensive financial services for personal customers
 - ・Collaboration with Hoken-no-Madoguchi
 - ・Inheritance-related services
- New services respond to digitalization
 - ・API platform / Digital passbooks
 - ・Non-face-to-face channel for consumer loans
- Expansion of retail base in Tokyo metropolitan area
 - ・Opening new branches and offices (Ebisu/Ikebukuro/Hamamatsucho)

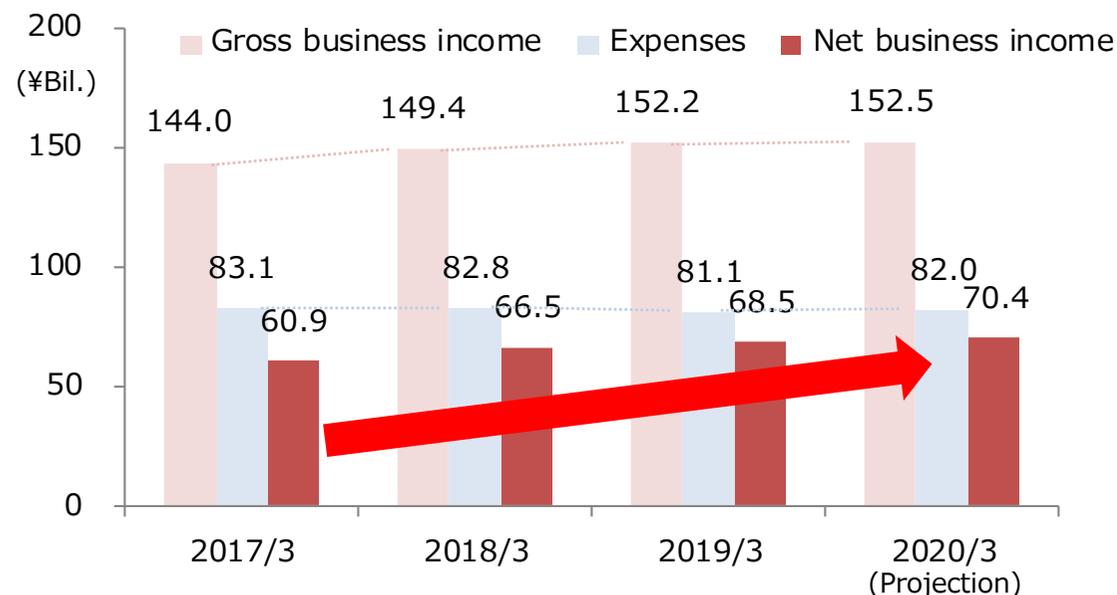
Realizing work style reforms that allow all employees to shine

- Promoting diversity
 - ・Increasing a ratio of female managers
 - ・Revision of HR courses
- Workstyle reforms
 - ・Electric work flow / Telework
 - ・Flexible working hours

Strengthening a sustainable management structure

- Strategic alliances
 - ・TSUBASA Alliance
 - ・Chiba-Musashino Alliance
 - ・Chiba-Yokohama Partnership
- Work efficiency improvements
 - ・Centralize administrative work / TSUBASA Smile
- Initiatives on ESG issues
 - ・Declaration on SDGs / Integrated report
 - ・Group Chief Officer system

Core profit growth by increasing top-line and reducing costs



Target indicators for 2020/3		Progress
Profit attributable to owners of parent	¥60.0 Bil.	¥51.0 Bil. (2020/3 projection)
Consolidated ROE (based on total shareholders' equity)	7% range	6.15% (2019/3 actual)
Consolidated CET1 capital ratio	12% range	11.97% (2019/9 actual)
Balance of loans	¥10.5 Tri.	¥10.5 Tri. (2019/9 actual)
Balance of deposits	¥12.5 Tri.	¥12.3 Tri. (2019/9 actual)
Group total balance of financial products	¥2.5 Tri.	¥2.0 Tri. (2019/9 actual)

2014.4 - 2017.3
Best Bank 2020
- 3 years of value creation

2017.4 - 2020.3
Best Bank 2020 Final Stage
- 3 years of value co-creation

Next medium term management plan

Putting the customer first

Initiatives to achieve SDGs

Corporate

Proposals for solving management issues
(advisory services/personnel recruitment services, etc.)

Personal

Asset management consulting services
(Core funds, investment trust funding,
security insurance, etc.)

(Environmental changes)
Negative interest rate policy
Digitalization / declining birthrate
and aging population

Cashless/card business

Productivity improvements/
work practice reforms

TSUBASA

Sharing of API and administration

Musashino

Joint store openings and securities links, etc.

Yokohama

Collaboration in sales divisions

Deepening existing business

Non face-to-face

Provide new experiences/
value for customers

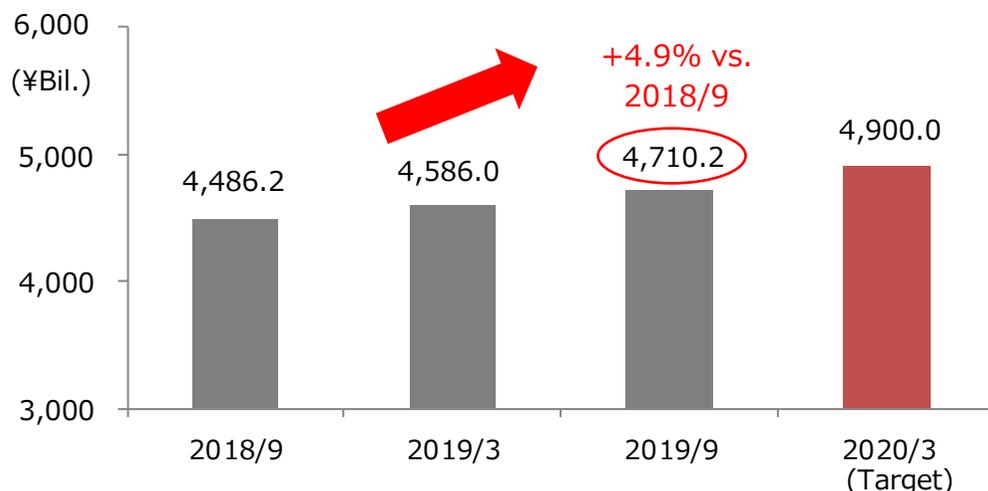
Advancing Alliance Strategies

Business Strategies

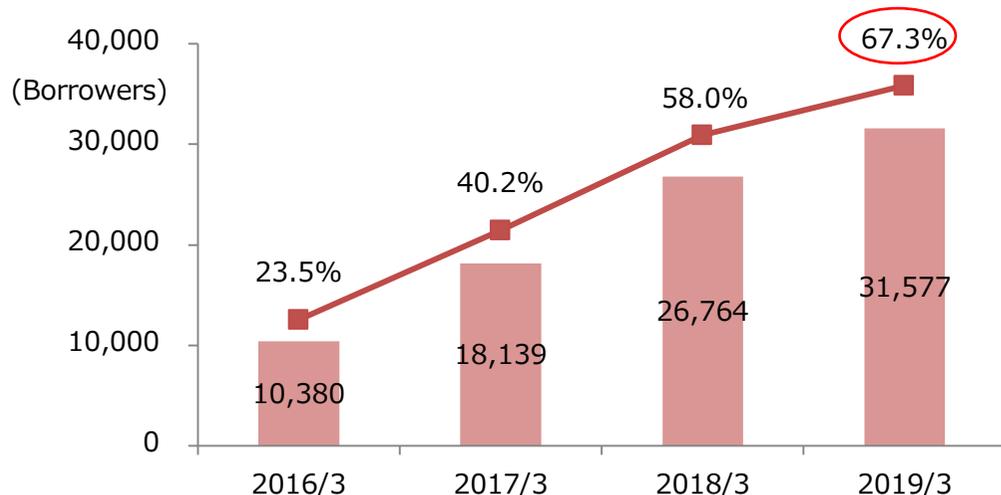
Loans for Corporate Customers (1)

Strengthening corporate loans, with a proactive approach to meet client needs and provide solutions

Balance of SME loans



Number and percentage of borrowers for whom loans are based on evaluation of business



Advisory services

Provide solutions—such as the analyses needed to formulate medium-term management plans, conduct external environmental studies, and procure funding—to corporate counter-parties facing a variety of management issues.

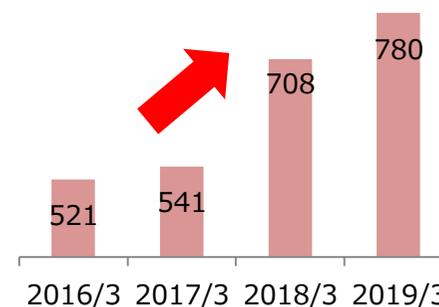
CRi ちばきん総合研究所

Contracts signed in **19 cases** up to end of 2019/9
(Substantial consultations held in **151 cases**)

M&A Support

Pro-active utilization of external institutions, as well as alliances and partnerships

N. of borrowers supported in relation to business succession and M&A (Group)



Staffing services

Providing support for the staffing needs of corporate counter-parties, such as human resources for management teams, business successors, and professional engineers, etc.



Information provided in **349 cases** up to end of 2019/9

We intend to support staffing needs through the use of professional human resources and external data-bases

Capital Loans

New

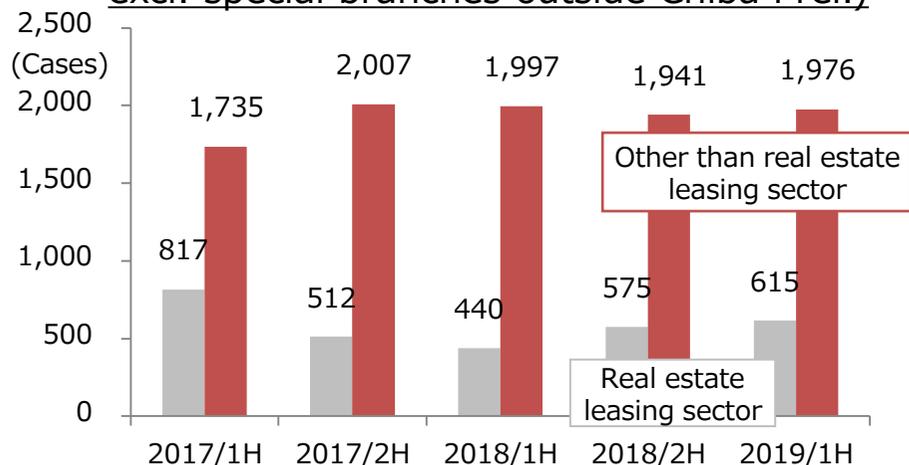
Operational support for corporate counter-parties facing issues such as under-capitalization and lack of cash-flow, etc.

Target borrowers	<ul style="list-style-type: none"> • Mainly borrowing from Chiba Bank • Rated as “requiring caution” or better • With a current account surplus - before depreciation
Purpose of funds	Working capital
Amount of loans	¥30 - 300 Mil
Loan duration	Over 5 years, up to 10 years
Repayment method	Full repayment on due date

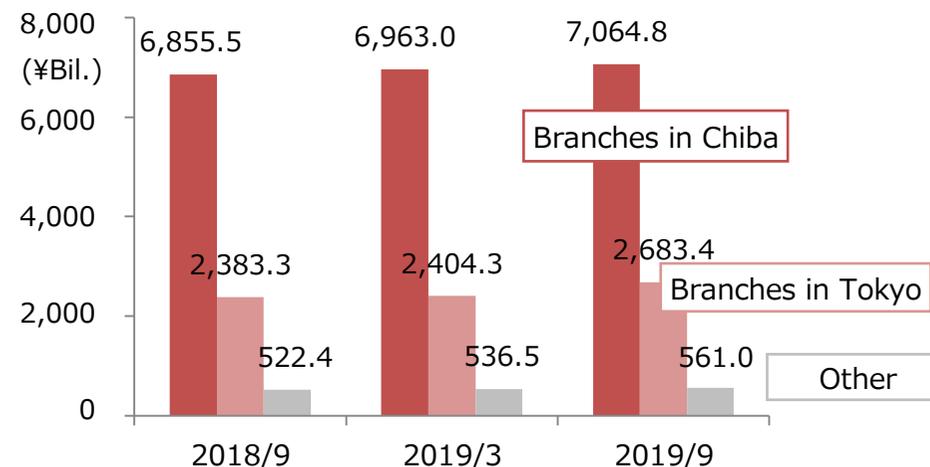
Loans for Corporate Customers (2)

Further expansion of retail bases within and outside Chiba Prefecture

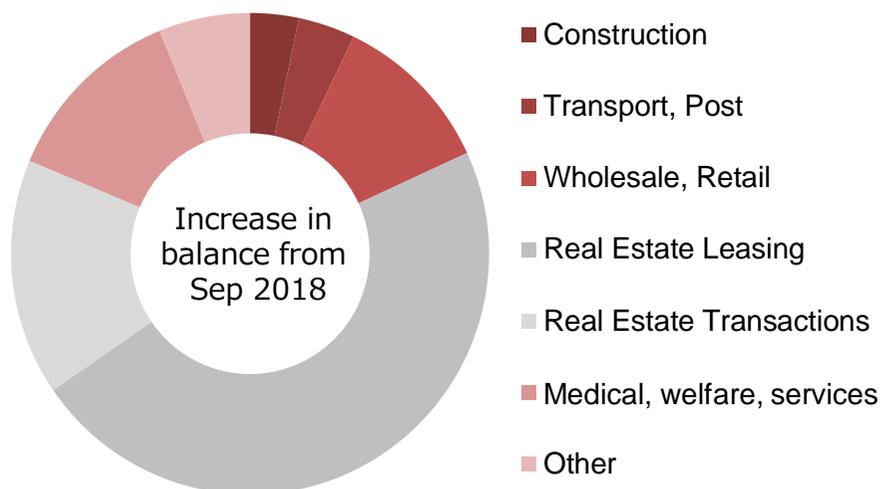
Number of new borrowers (by sector, excl. special branches outside Chiba Pref.)



Balance of domestic loans (by area)



Amount of increase of SME loan balance and composition by sector



2018 Main Bank Survey (Teikoku Data Bank)

No. of companies that identified Chiba Bank as their main bank: **21,227**
Chiba Bank named as the **No. 1 Regional Bank**
(for 10 years running, since the survey began)

Number of borrowers in the Tokyo Metropolitan Area (by region; excl. special branches outside the prefectures)

(Area)	Chiba	Tokyo	Ibaraki	Saitama	Total
2019/3	38,792	4,778	1,347	1,029	45,946
2018/3	38,604	4,452	1,251	967	45,274

Response based on strict review, operations flow, and internal control system

Operations policies for retail stores outside the prefecture

Initiative/Policy	Purpose
Elimination of fraudulent borrowers	To prevent operations with counter-parties with fraudulent accounting practices
Tightening up of working capital	To provide credit support tailored to business conditions
Elimination of credit surges	To prevent additional, increased credit risk due to rapid credit support
Elimination of industry-specific risks	To curtail risks specific to a particular industry



Industry Specific Monitoring (Monthly Basis)

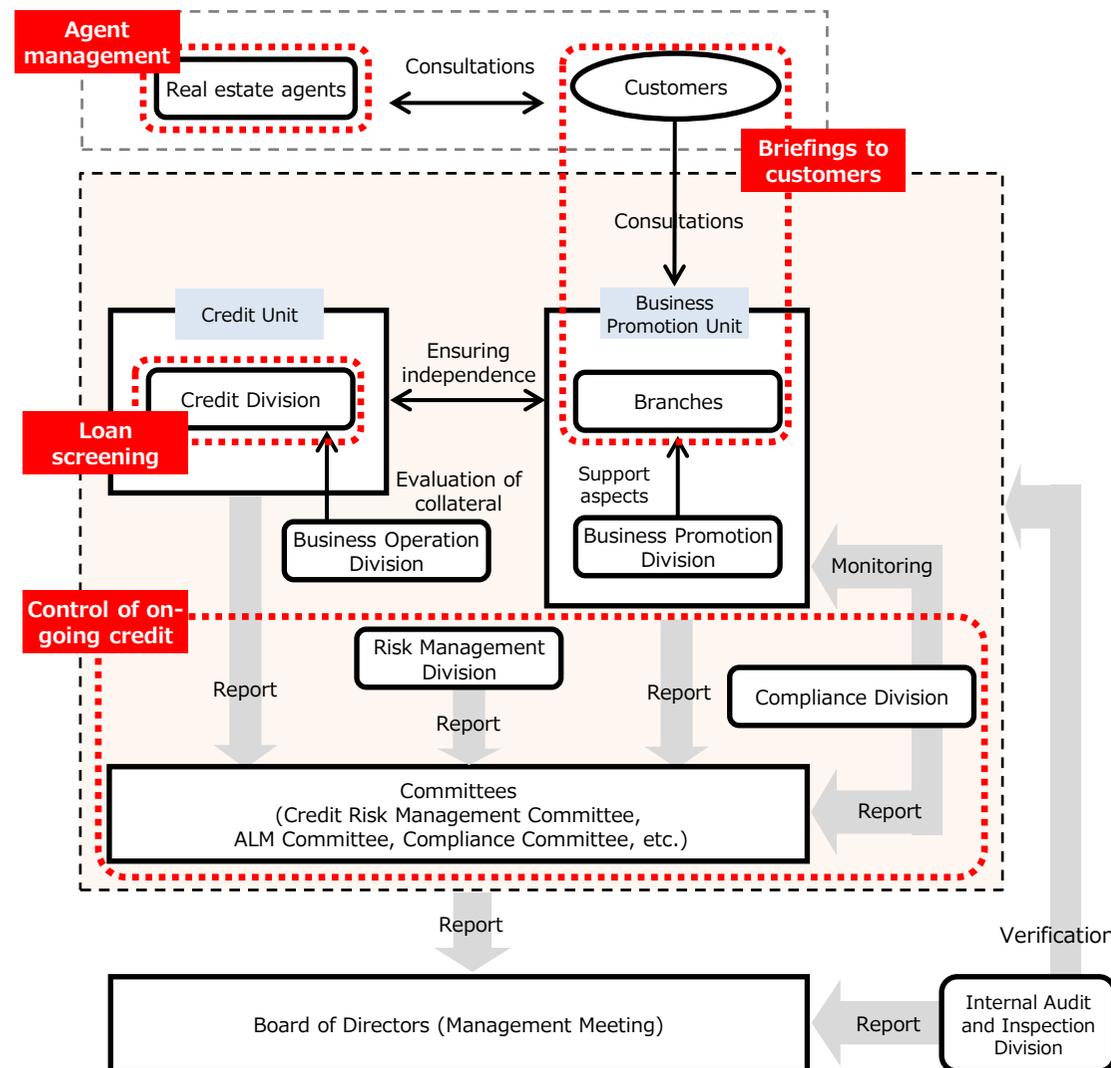
If the default rate conflicts with alarm points in our system, we investigate the factors that led to the default and then review our operation rules.

Use of external data agencies

We use information from external data agencies to reexamine business conditions

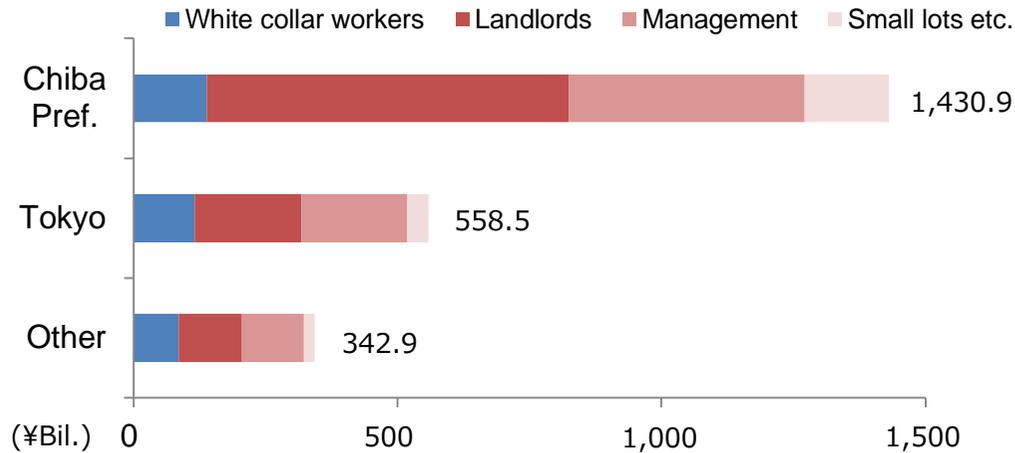


Framework of operation flows and internal controls for loans to the real estate leasing sector

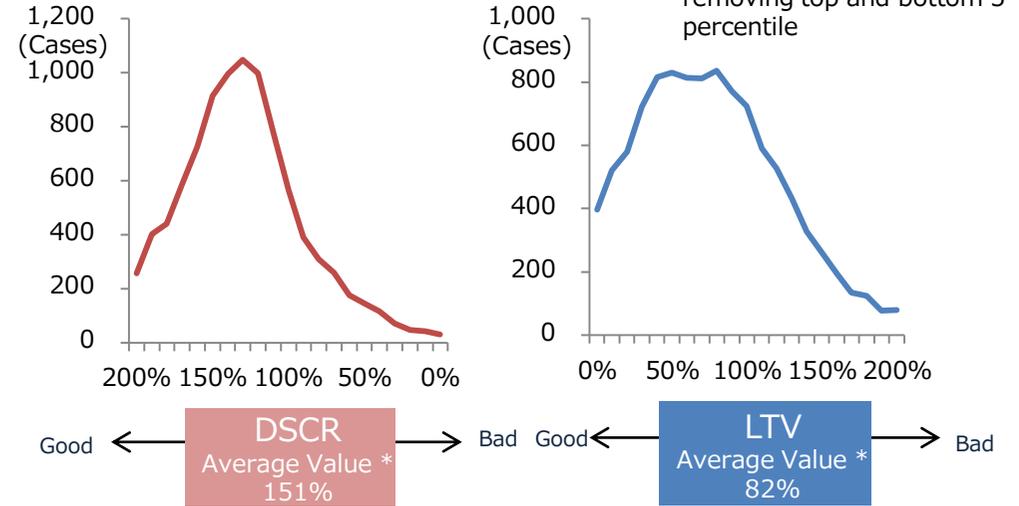


Supporting robust funding needs in the region and performing ongoing credit management thoroughly

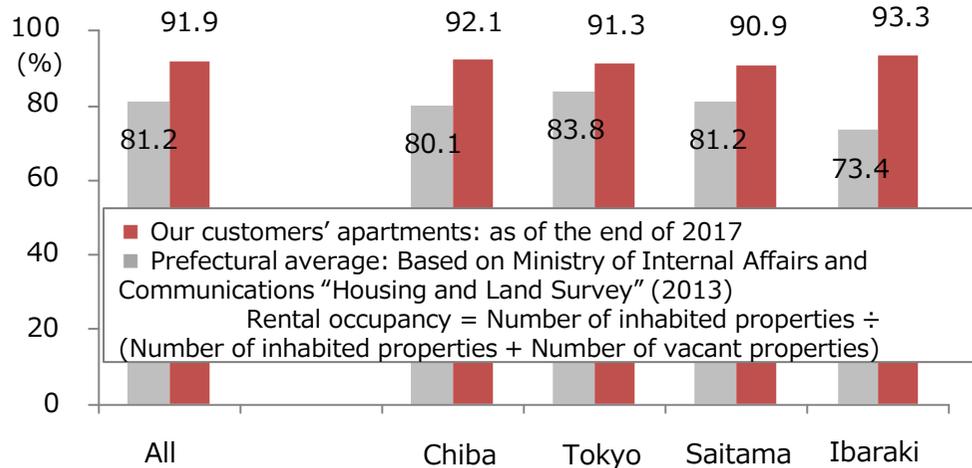
Loan Balance of Real Estate for Lease
(by property location & borrower attributes)



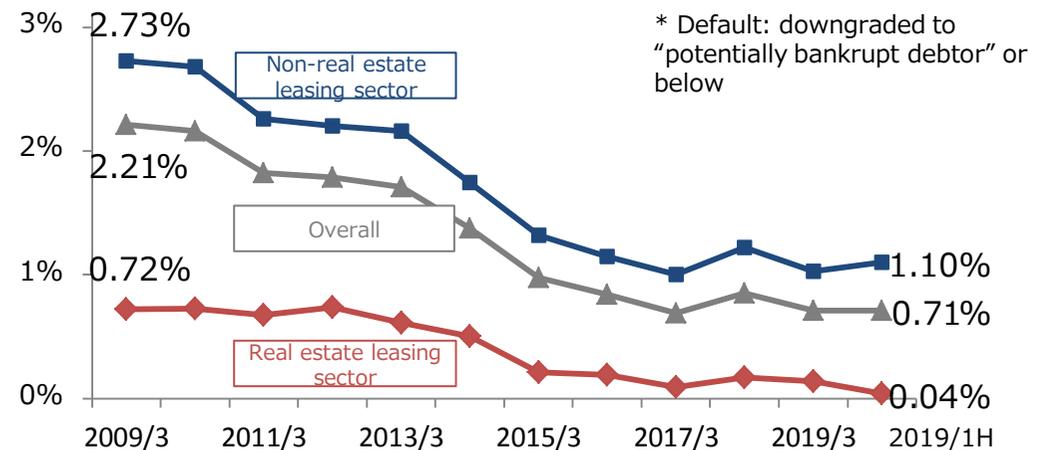
DSCR·LTV distribution



Occupancy rates of our customers' apartments by region

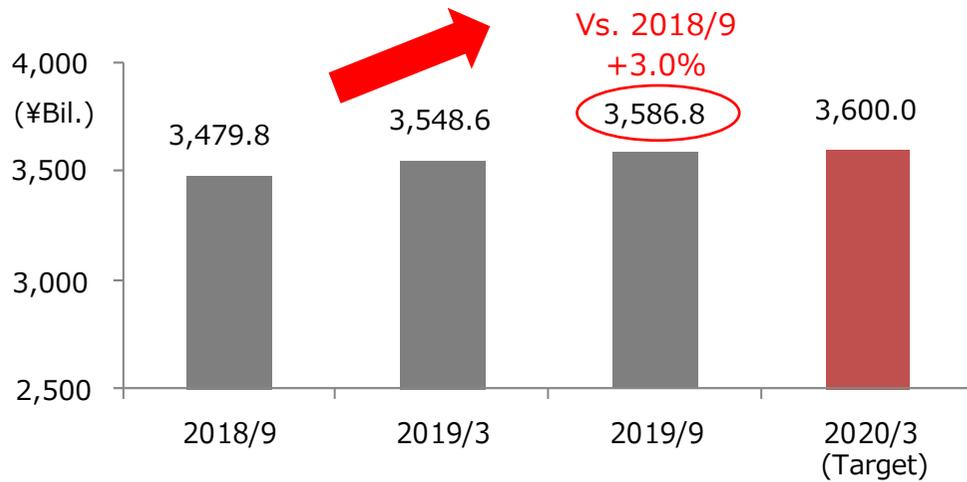


Trends in default* rates

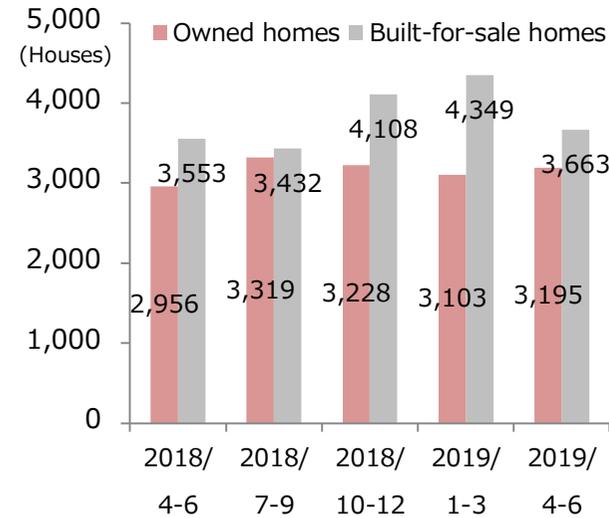


Respond pro-actively to customer needs, improving both convenience and operating efficiency

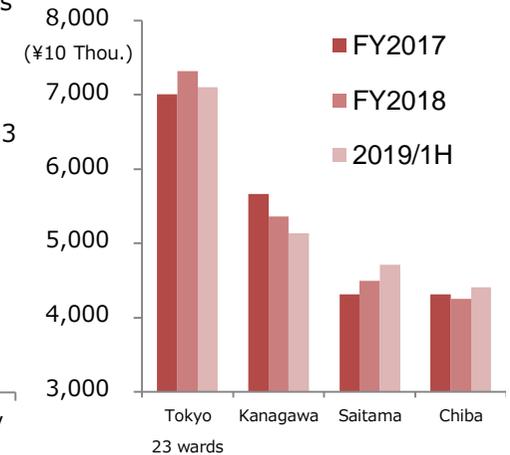
Balance of housing loans



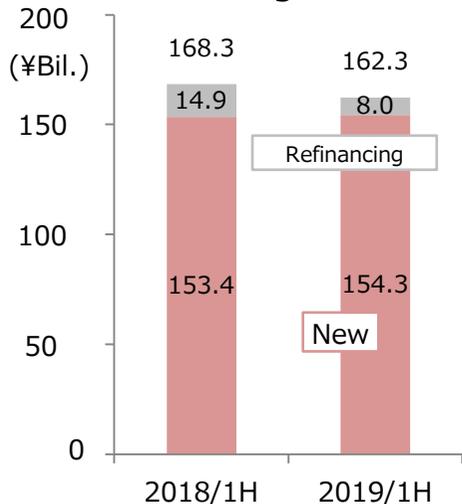
Number of new housing starts in Chiba Pref.



Average price of a condominium in Tokyo Metropolitan Area



Executed amount of housing loans



Premium housing loans

(with insurance for all lifestyle diseases*)
*excl. mental diseases, etc.



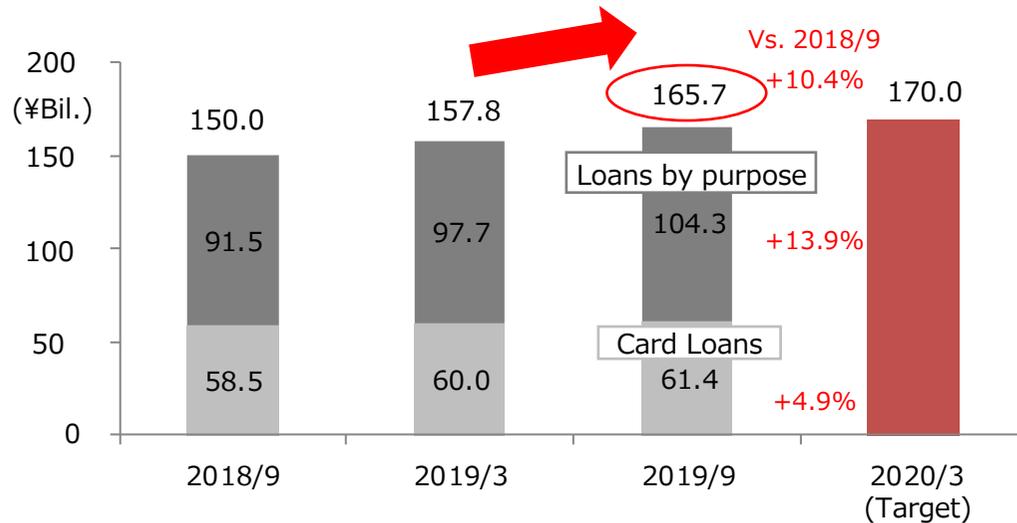
Amount of loans	Over ¥0.1 Bil Up to ¥0.3 Bil
Loan Duration	Up to 35 years
Loan interest rate	Handled in line with housing loan
Main coverage	<ul style="list-style-type: none"> • Company management • Officers at major companies • Private business owners, etc.

Measures to increase housing loans

Improved level of convenience	<ul style="list-style-type: none"> ■ Pre-assessment app and Web handling ■ Electronic agreements for loans
Differentiation from other banks	<ul style="list-style-type: none"> ■ Group credit life insurance for 11 lifestyle diseases, insurance for all lifestyle diseases (expanded coverage) New ■ Use of reverse mortgage instruments
Review of sales structure & improvements in work efficiency	<ul style="list-style-type: none"> ■ Cooperative activities with blocks ■ Consolidation/expansion of back office operations at headquarters

Precisely respond to customer requirements with appropriate screening systems

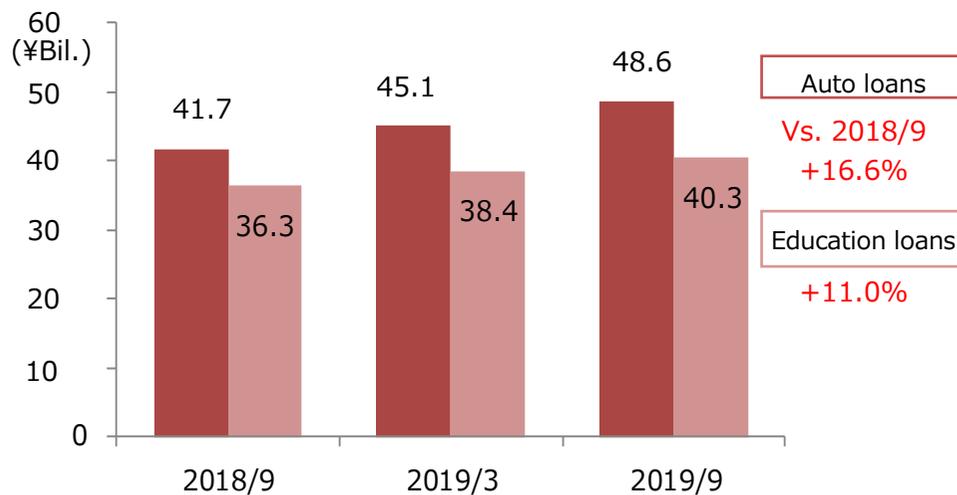
Balance of unsecured consumer loans



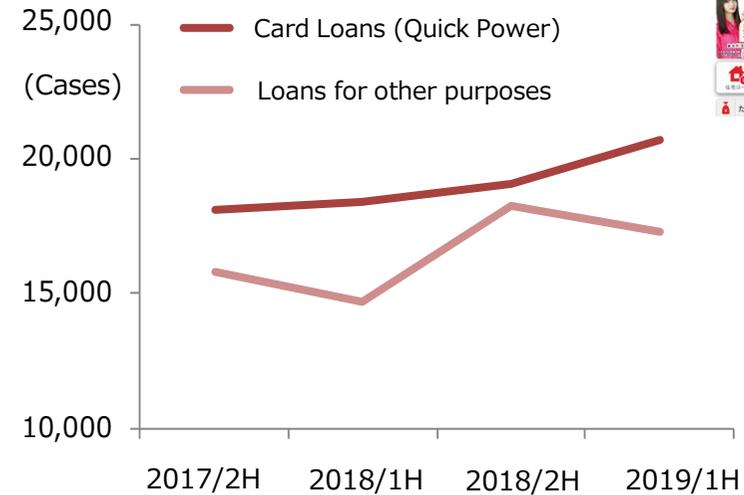
Measures to increase unsecured consumer loans

Non face-to-face channels	<ul style="list-style-type: none"> Entirely web-based schemes for loans by purpose DM with expected borrowing amount using AI New
Cross-sales	<ul style="list-style-type: none"> Cross-selling to housing loan customers Approach to employees of our business partners
Other	<ul style="list-style-type: none"> Utilization of sales campaigns Loans to assist disaster recovery

Balance of auto loans and education loans



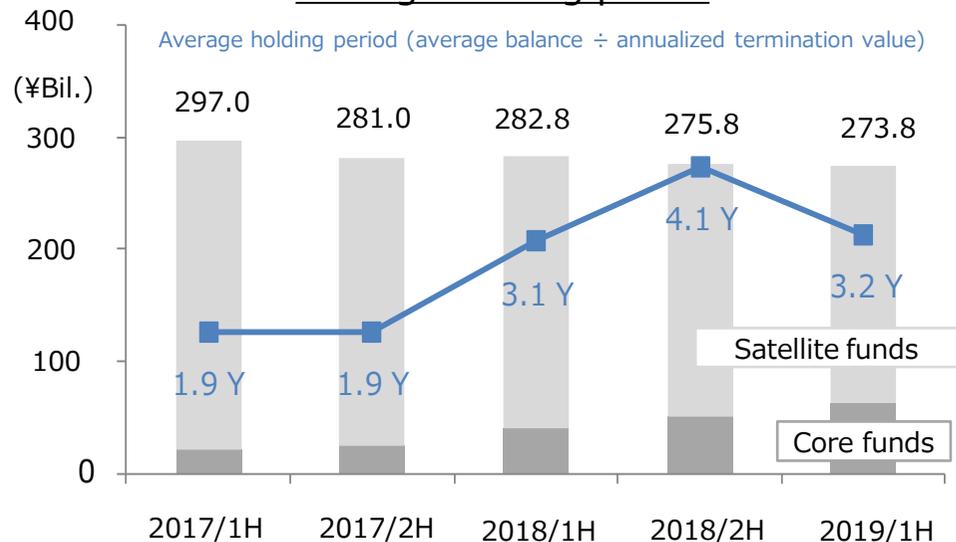
No. of applications through non face-to-face channels



Group Total Balance of Financial Products

Extensive "customer-oriented" business operations (as per fiduciary duties)

Balance of invest trusts and average holding period



High net-worth customers
(with deposits of at least ¥10 Mil)
0.28 million people

Asset-forming customers
4.02 million people

Face-to-face channels
(customer liaison/counter sales)

PB (private banking)

High-end consulting services from headquarters and professionals

AC (Area Consultants)
LC (liaison officers/branch tellers)

Detailed consulting services based on customer liaison

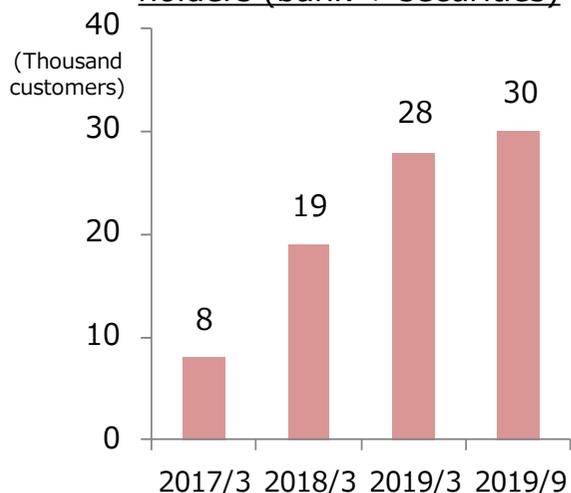
MC (in-store consultation help desks)

Hoken no Madoguchi

Asset formation support for toss-up customers

Promotion of insurance for protection in line with life events

No. of funded investment trust holders (bank + securities)



Percentage of customers making investment trust gains (individuals/bank)

Percentage of customers with gains
As of the end of 2019/3
52.4%

As of the end of 2019/9
62.1%

Non face-to-face channels
(digital)

Smartphone app

Home page

Emails/push notifications/DM

Contact Center



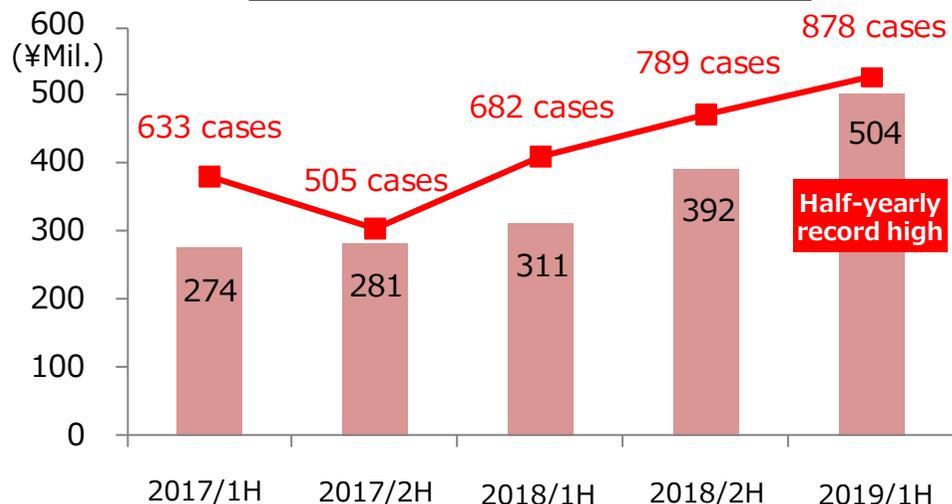
Expansion of sales support tools such as life design systems and training, etc.

Contact is normally done digitally but
If someone wants to talk, he/she can choose to have a face-to-face meeting

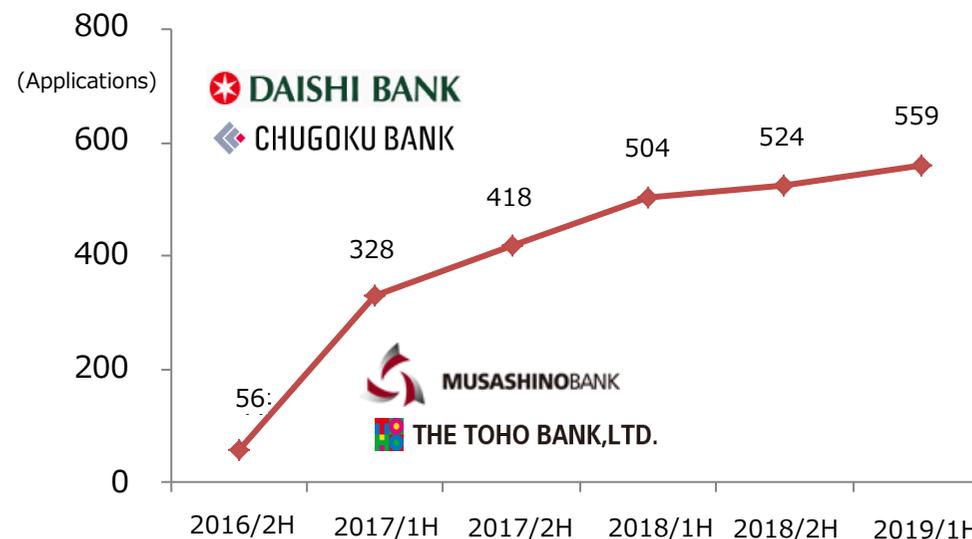
Trust Business and Inheritance-related Services

Expand business with alliance banks, broadening products to address the aging society

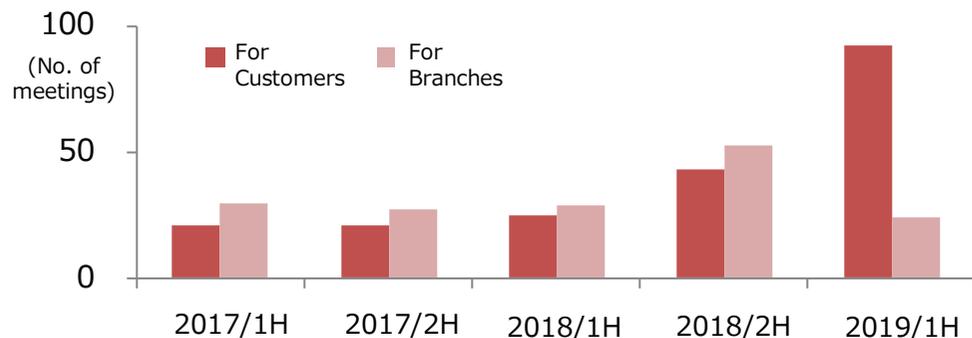
Number of contracts and income for inheritance-related services



Number of applications at alliance banks



Seminars for customers & branch study sessions



Professional certification system

- ✓ Visualize promotion skills and improve motivation

As of end 2019/9
No. of certified persons: **192**

Supporting the smooth succession of assets and responding to an aging population

Inheritance-related services	Trust Business
Testamentary trust	Land trust Public interest trust Specified gift trust
Testamentary trust Support services	Guardianship support trust
Inheritance sorting service	Alternative testamentary trust
Management succession support service	
Family trust support services	
Need for measures to support dementia	

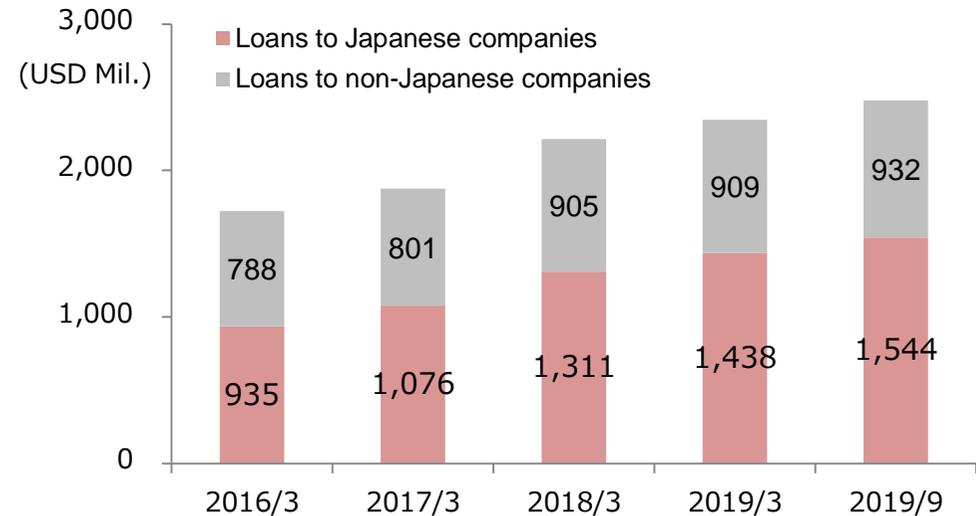
Expand income opportunities through utilization of new support tools and knowhow

Take advantage of the largest overseas network of regional banks

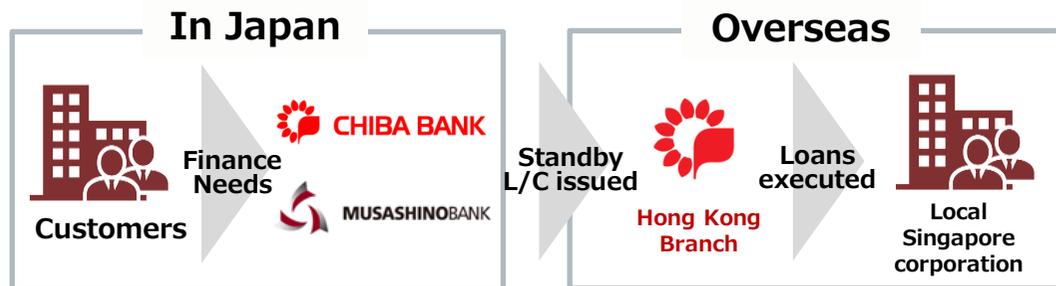
Our overseas network



Credit balances in overseas branches



Co-financing scheme with alliance banks



- ✓ "Ikebukuro Branch" - a joint branch of both banks (established in Oct 2019)
- ✓ Support and data links offered by the Singapore Office of both banks (converted to a joint office in Aug 2018)



Measures anti-money laundering and terrorism funding

- ✓ Customer risk rating (development systems and scoring models)



- ✓ Revise regulations governing deposits and the check sheet for account openings
- ✓ Assessment and review of all correspondents
- ✓ Upgrade group company system and establish a comprehensive management system for overseas branches
- ✓ Investigate the consolidation of services with alliance banks

Reassign personnel to growth fields through improved operational efficiencies

Branches

Strategic operation of branch channels
(Review areas, functions and services)

Realizing initiatives to improve operational efficiency

- ✓ Lending operations
- ✓ Front-of-branch and in-branch operations

HQ

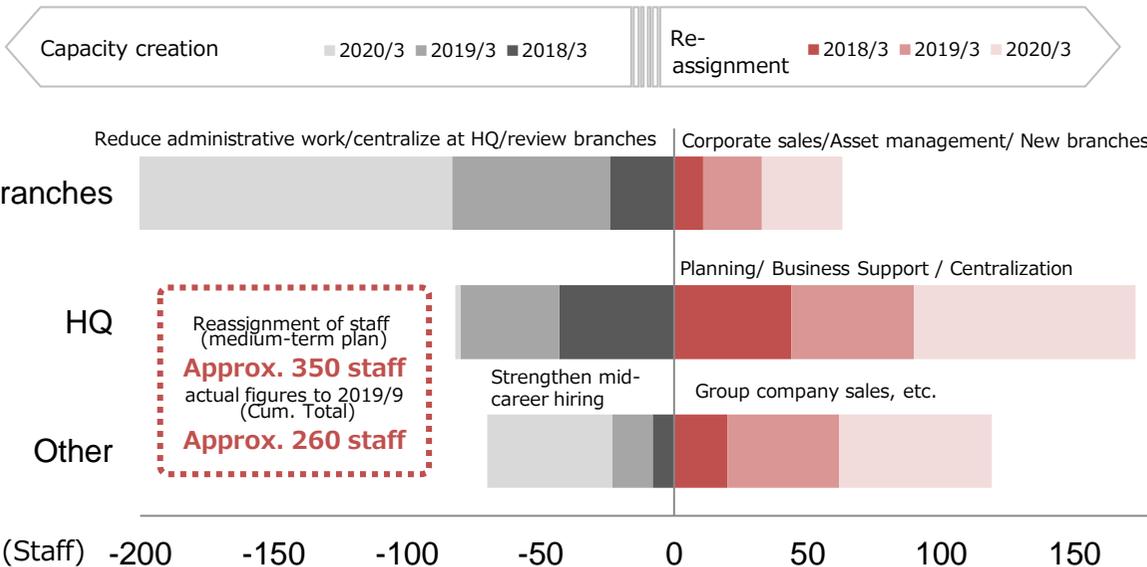
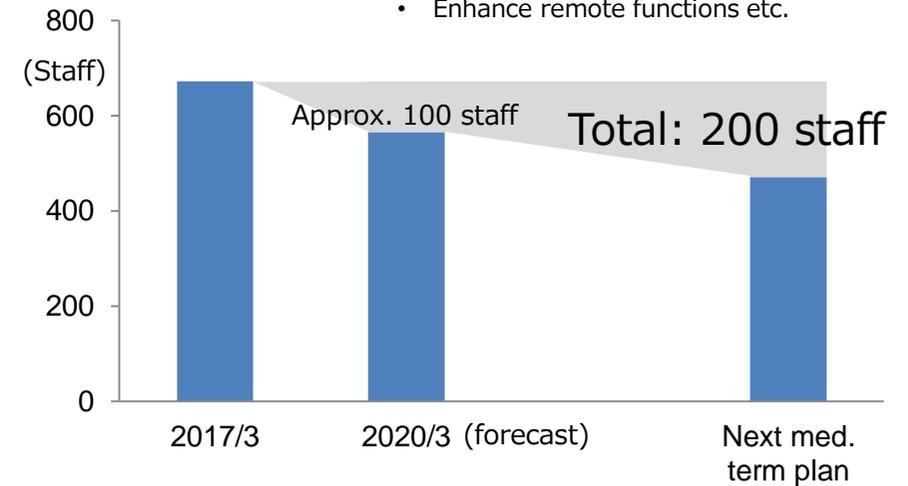
Improve efficiency by advancing digital strategies for HQ and group companies
(Take advantage of RPA/AI, etc.)

Strategic reassignment of personnel

- Open new branches for expanded market share in the Tokyo Metropolitan Area
- Enhance consulting capabilities (corporate and personal)
- Enhance planning functions and professional operations
- Enhance human resource development

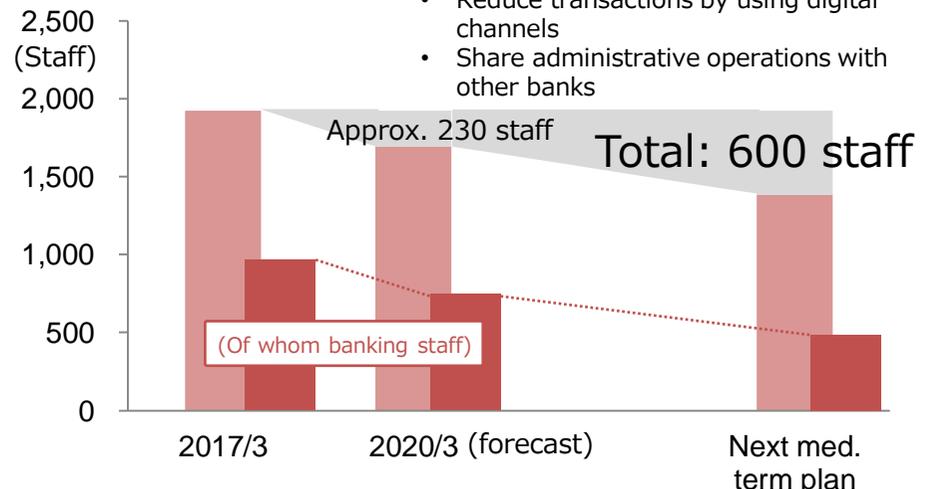
Lending operations

- Migrate to new system from Feb 2020
- Introduce electronic agreements
- Enhance remote functions etc.



Front-of-branch and in-branch operations

- Improve sales capacity of customer-service tellers
- Reduce transactions by using digital channels
- Share administrative operations with other banks



Alliance and Channel Strategies

Develop the largest alliance of regional banks, seeking further synergies

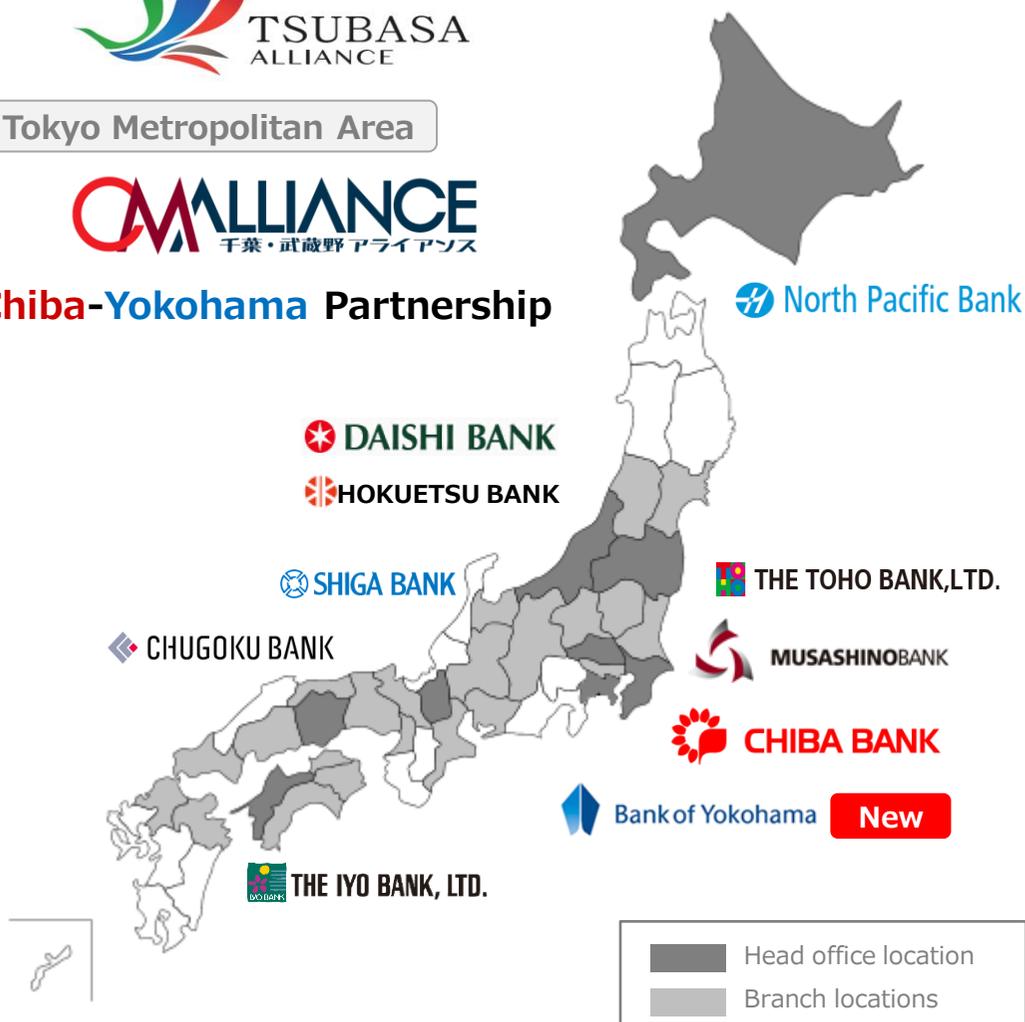
Broader based areas



Tokyo Metropolitan Area



Chiba-Yokohama Partnership



< Ranking of banks in consolidated asset size as of 2019/3 >

(¥Tri.)	Total assets	Deposits	Loans
MUFG	311.1	180.1	107.4
SMFG	203.6	122.3	77.9
Mizuho FG	200.7	124.3	78.4
TSUBASA*³*⁴	65.7	54.1	41.8
Resona HD* ¹	59.1	51.1	36.1
SMTrust HD* ²	57.0	31.9	29.0
Chiba-Yokohama	31.7	26.6	21.2
Fukuoka FG	20.8	14.0	12.9
Chiba-Musashino	19.5	16.4	13.6
Concordia FG	18.9	15.9	12.6
Mebuki FG	17.3	14.3	11.1

*1 Consolidated Kansai Mirai FG from Apr 2018

*2 Deconsolidated three entities from Oct 2018

*3 Hokuetsu Bank joined in Apr 2018 and Daishi Hokuetsu FG from Oct 2018

*4 Musashino Bank joined in Mar 2019 and Shiga Bank joined in May 2019

Total assets are next only to those of the mega banks

Building on the outcomes of initiatives, as the scale of alliances expands

Launching the TSUBASA Alliance & expanding the number of member banks
 Oct 2015: Chiba Bank, Daishi Bank, Chugoku Bank
 Mar 2016: Iyo Bank, Toho Bank, Hokuyo Bank

- Main frame system cooperation - migration to a new system
(Jan 2016: Chiba Bank Jan 2017: Daishi Bank May 2017: Chugoku Bank)
- Establishment of T&I Innovation Center
(Jul 2016: Chiba Bank, Daishi Bank, Chugoku Bank, Iyo Bank, Toho Bank, North Pacific Bank, IBM Japan)
- Alliance for inheritance-related services (Oct 2016: Daishi Bank, Chugoku Bank Jun 2017: Toho Bank)
- Agreement on joint collaboration of administrative units
(Feb 2018: Chiba Bank, Daishi Bank)
- Migration to TSUBASA FinTech common platform (Apr 2018)

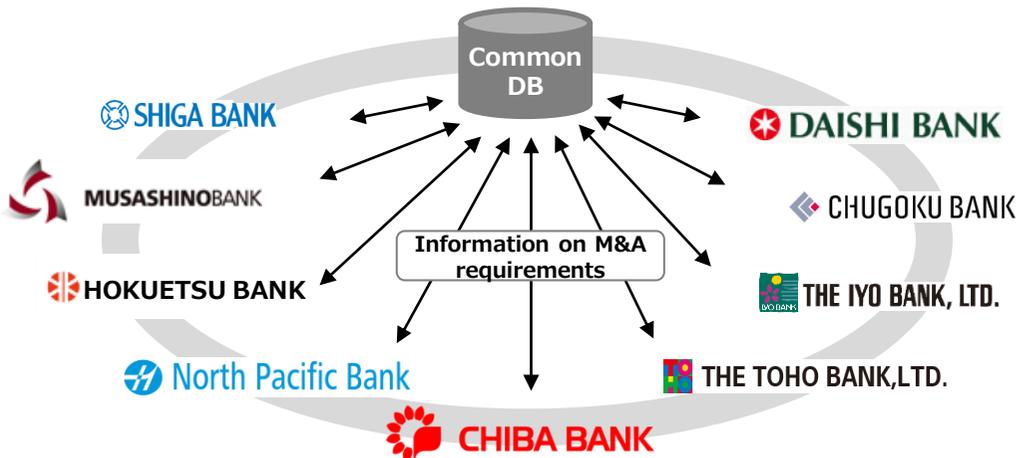
Increase in member banks – Apr 2018: Hokuetsu Bank

- Introduction of TSUBASA Smile (Nov 2018: Daishi Apr 2019: Chiba Bank May 2019: Chugoku Bank)
- Introduction of passbook app (Feb 2019 Chiba Bank, North Pacific Bank Apr 2019: Daishi Bank May 2019: Chugoku Bank)

Increase in member banks – Mar 2019: Musashino Bank May 2019: Shiga Bank

- Construction of an M&A operations platform (Oct 2019)

New



Main frame system cooperation

New

Chiba Bank	Daishi Bank	Chugoku Bank	North Pacific Bank	Toho Bank
Since Jan 2016	Since Jan 2017	Since May 2017	FY2022 (planned)	FY2023 (planned)
Joint operation of new systems			Master Agreement on Joint Initiatives	

Establishment of joint facility with Toho Bank (Mito Corporate Banking Office)

New

Opened in Oct 2019
(First joint establishment with TSUBASA banks)



New

Acceptance of Japanese Stewardship Code by each bank's pension fund participating to TSUBASA alliance

- ✓ Actively involved in monitoring governance of investment and asset management companies
- ✓ Enhancing their corporate governance and supporting employees' asset building



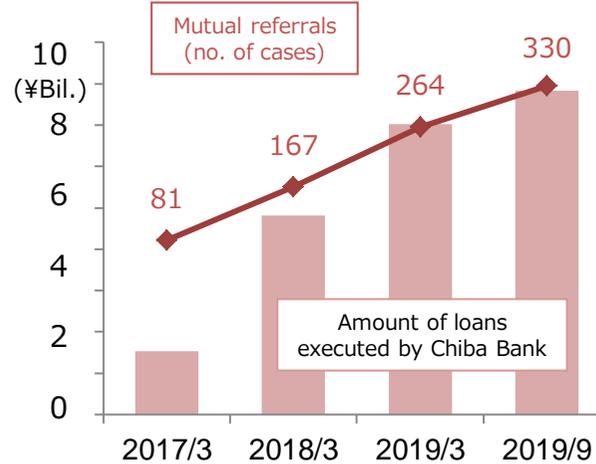
Comprehensive alliance between the two banks based in Chiba and Saitama

Joint branch (Ikebukuro Branch)

Opened in Oct 2019



Actual results from customer referrals (accumulated total)



Year 1 to 2017/3

- Asset management
 - Lease brokerage
 - Private placement bonds for regional revitalization funds
 - Syndicated loans
 - ATM, open teller machines
 - Reduction in branch rents
 - Screening tool
 - Partner funds, etc.
- Quick implementation of initiatives, with the focus on sub-committees

Year 2 to 2018/3

- Inheritance-related services
 - Securities
 - Business succession fund No. 1
 - Review of all types of charges (electricity charges, security costs)
 - Joint ATM
- Implementation of major initiatives in inheritance business and securities, etc.

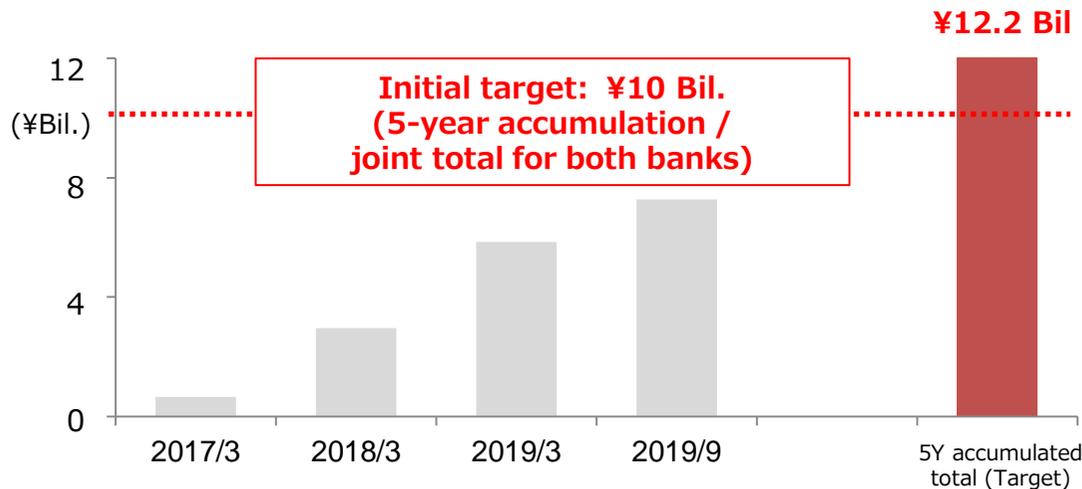
Year 3 to 2019/3

- Establishment of a joint facility in Hamamatsucho
 - Singapore Rep. Office
 - Joint overseas inspection training
- Stable operation of initiatives that have been implemented & greater cooperation from the long-term perspective

Years 4 and 5

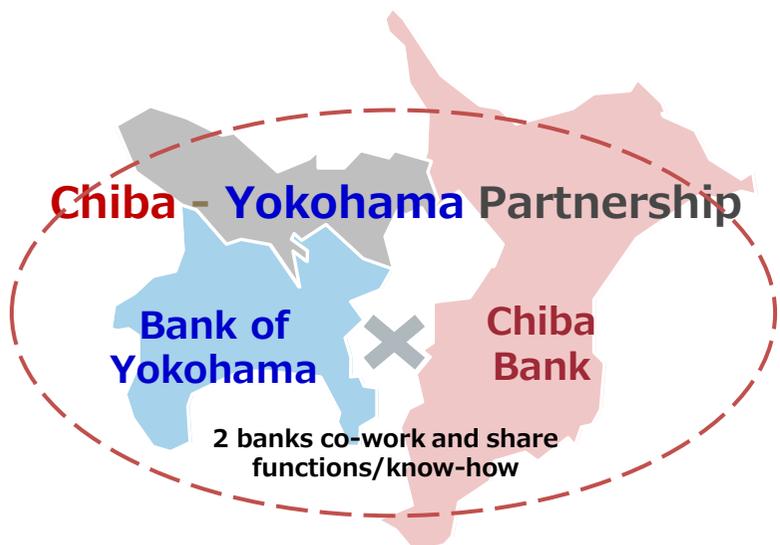
- Establishment of joint branch (Ikebukuro Branch)
 - Cooperation with the TSUBASA Alliance
- Realization of more in-depth initiatives, creating new value and new products

Value of Project Outcomes & 5-Year Cumulative Forecast



Two banks of equal size in the capital region will gather forces together to provide customers with enhanced services and products

Partnership between 2 major regional banks



Provide value-added solutions



Customer base	No. of borrowers	Approx. 45,000	Approx. 50,000
	No. of retail customers	Approx. 4.3mn	Approx. 5.0mn

Note: The above figures are as of end of Mar 2019
No. of borrowers is the borrowers of business loans including an individual leasing its properties
No. of retail customers shows those with average balance

Key partnership initiatives

Corporate customers

- Under optimal risk management expand total market share in central Tokyo
- Enhance corporate sales in central Tokyo
- M&A support and business matching between their customers
- Joint formation/participation of syndicated loan
- Co-arrange LBO/hybrid financing
- PFI, regional revitalization projects
- Use each other's overseas entities

Retail customers

- Utilize 2 banks' retail customer base of approx. 9.3mn
- Co-develop investment products
- Co-develop consumer loans based on mobile apps.
- Cooperation in inheritance related business

Regional revitalization

- Implement joint measures to revitalize the regions and support disaster recovery
- Jointly promote regional revitalization projects

Others

- Co-develop new service function
- Improve the skills of employees by sharing expertise
- New business co-creation project
- Joint-training sessions

Synergies

¥20.0bn
(5-year accumulation / joint total for both banks)



Joint initiatives will be speedily implemented mainly in the sales divisions

Enhance corporate sales in central Tokyo

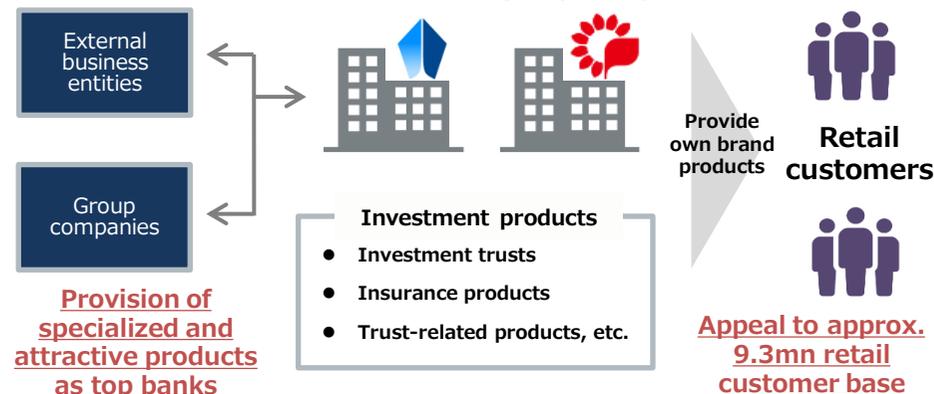
- In Oct 2019 two banks assigned managers to promote corporate sales at branches in central Tokyo (6 managers in total, respectively 3)



Syndicated loans arranged by 2 banks (by Sep 2019)
Total 11 deals/¥16.8 Bil.

Co-develop investment products

- Consider co-developing investment products also through partnership with external business entities and both group companies



Jointly promote regional revitalization projects

- Support disaster recovery utilizing the network of cycle tourism
- Collaborate with local municipality and business entities and hold regional promotion events, etc.

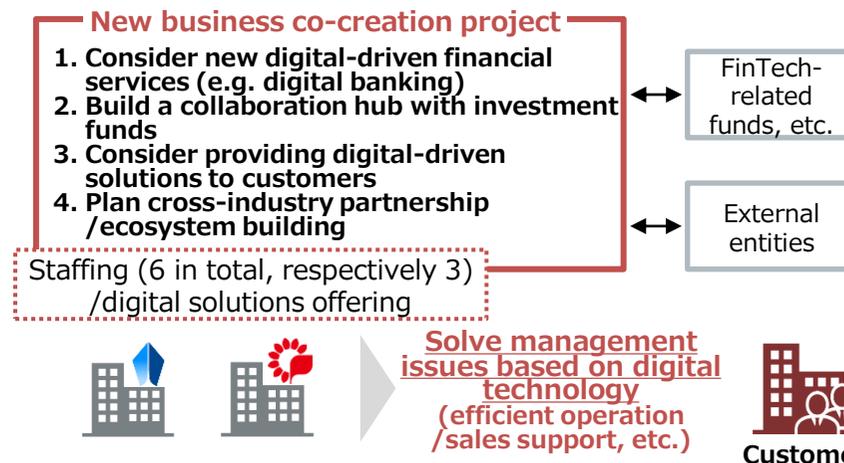


Develop a wide-area cycling network to visit sightseeing spots in both prefectures and collaborate in various events



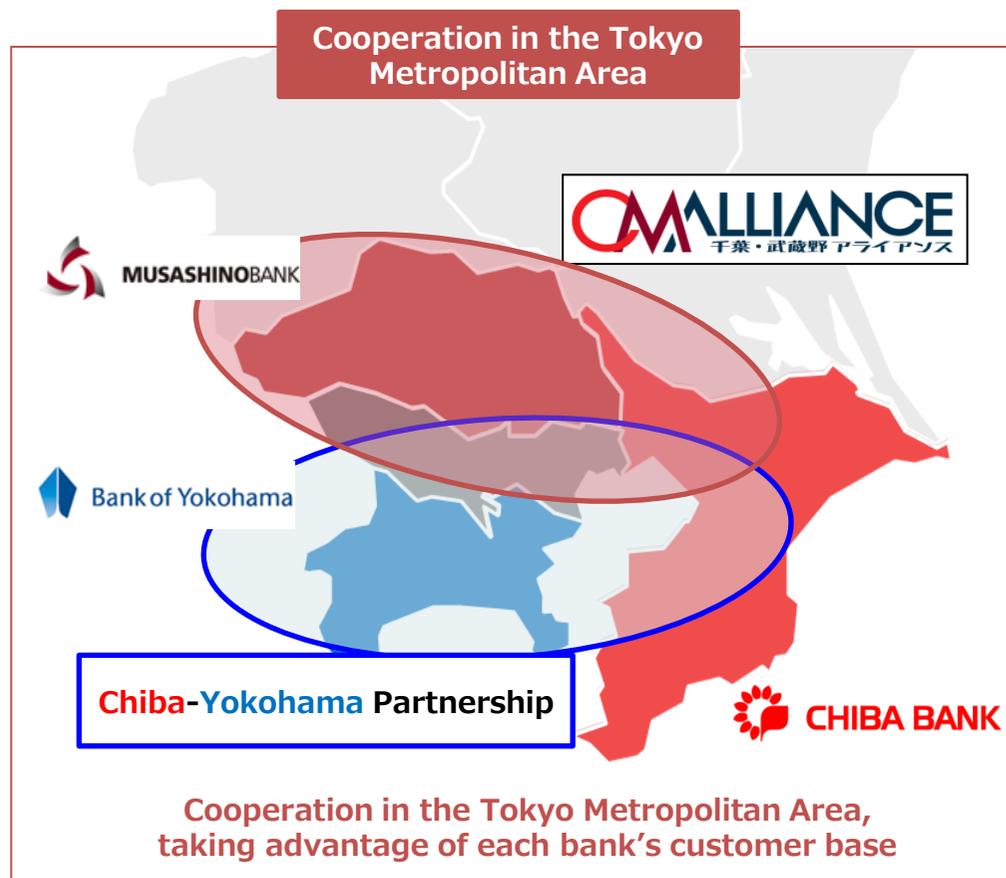
New business co-creation project

- In Oct 2019 launched "New business co-creation project"
- Uncover new business areas beyond their banking domain



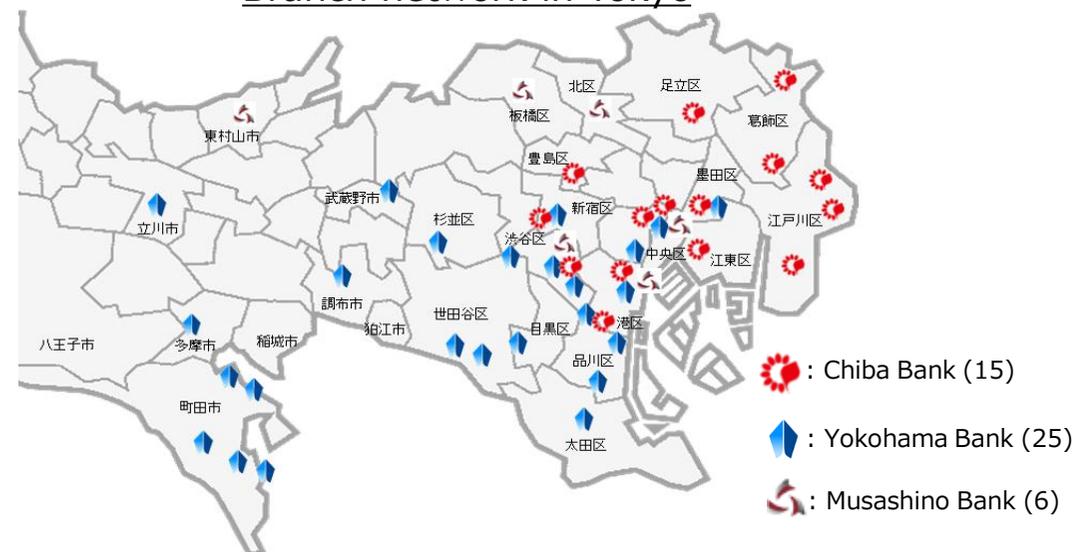
Tokyo Metropolitan Area Strategy

Making the most of alliances and partnerships to increase market share in the Tokyo Metropolitan Area

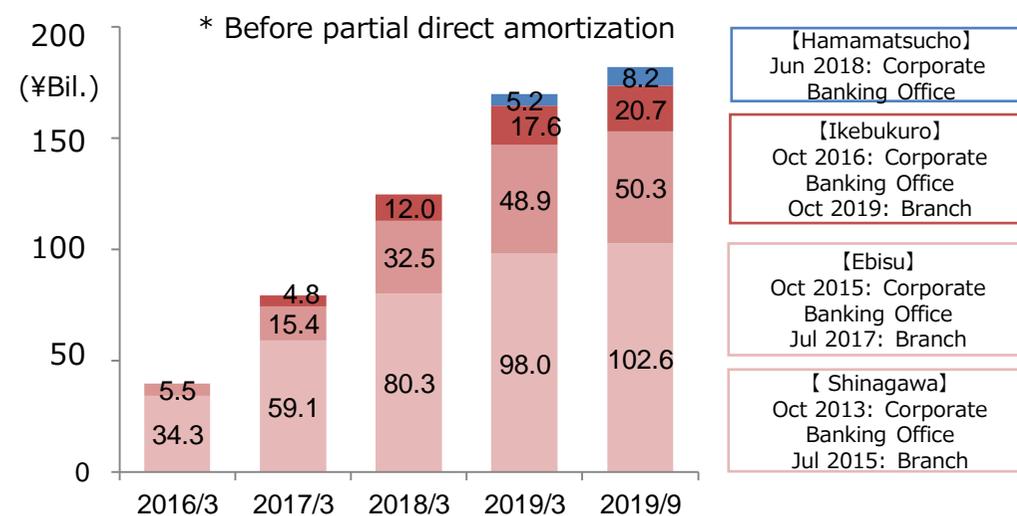


Alliances	Comprehensive collaboration, including systems; examining/implementing initiatives that take advantage of economies of scale, including enhancement of top line products and cost savings.
Partnership	Cooperation for the benefit of customers, predominantly in sales divisions, with mutual use and sharing of both banks' know-how and local information on growth markets to provide more advanced services

Branch network in Tokyo



Balance of loans from new branches in Tokyo



Branch channel

Aiming to provide a balance between improved levels of customer convenience and efficient operation of offices

Status of branch network review

Initiatives	In place as of 2019/9
Revision of functions (since 1999) Personal finance specialization, money plaza format	26 branches
Branches in stores (since 2013)	9 branches
Promotion of greater efficiencies (since 2018) Introduction of lunch breaks, staffing reductions, etc.	40 branches

TSUBASA Smile



Joint development of a new counter system by Chiba Bank, Daishi Bank and Chugoku Bank, based on "Smile Branch" by Nihon Unisys

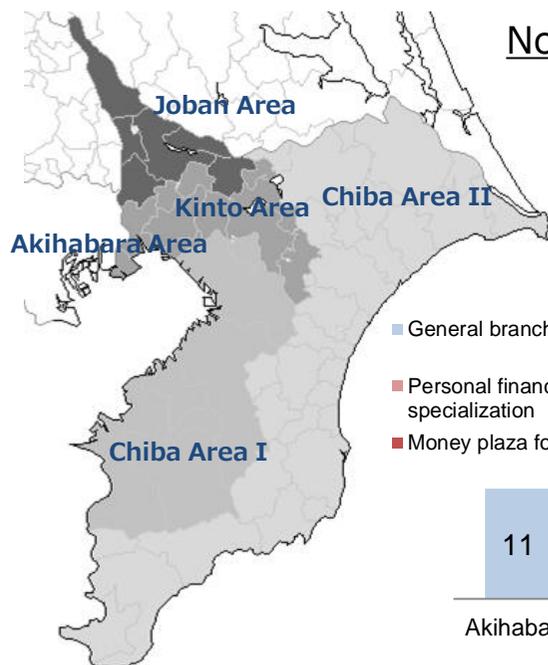
Introduced in some branches from Apr 2019
To be rolled out to all branches (Scheduled for FY2020)

Digital passbooks

普通預金			
¥3,778,303			
2017年12月			
年月日	お引き出し	お預け入れ	お取り扱い内容
2017/12/27	75,000		振込 ENET158745793E メモ:
2017/12/27	432		振込手数料 メモ:
2017/12/25		265,331	給料振込 月 3回 メモ:
2017/12/24	20,000		カード 引当 :BK199C メモ:
			残高
			3,778,303
			3,853,303
			3,853,735
			3,588,404

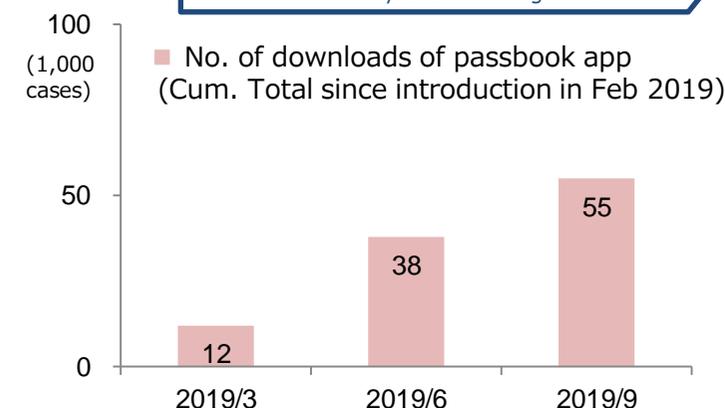
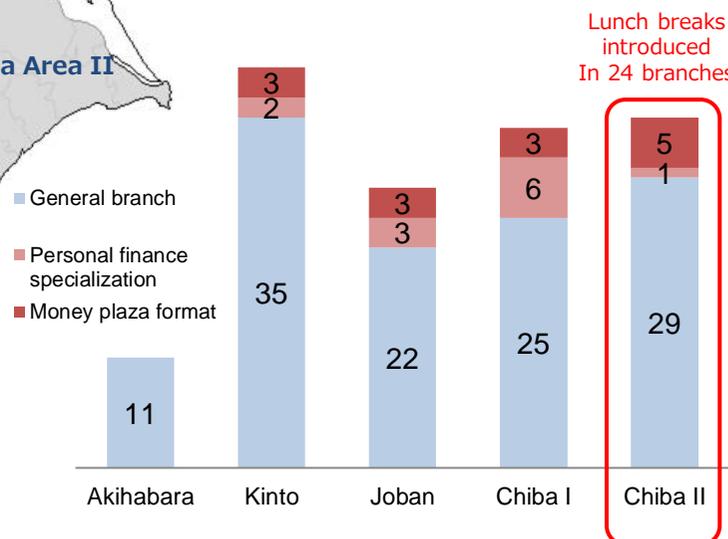
Joint development by Chiba Bank and Hokuyo Bank using the common TSUBASA FinTech platform

Introduced from Feb 2019 in Chiba Bank and North Pacific Bank; from Apr 2019 in Daishi Bank; and from May 2019 in Chugoku Bank.

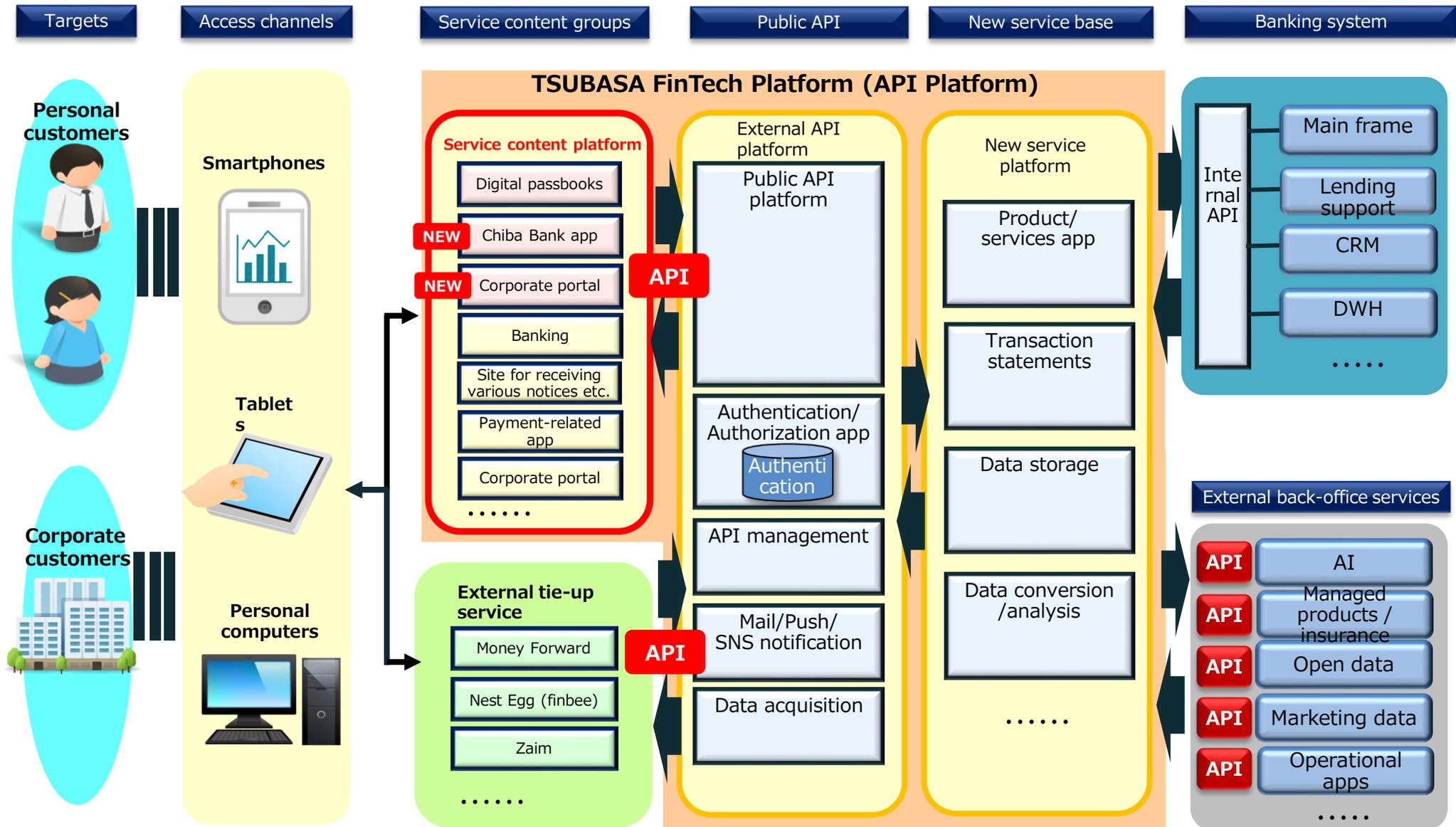


No. of branches by area/function

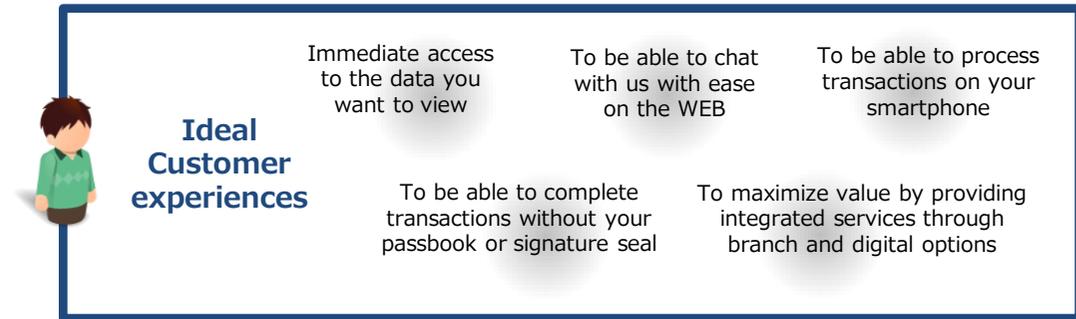
*Excluding special branches, branches in stores and sub-branches



Develop advanced services with T&I Innovation Center

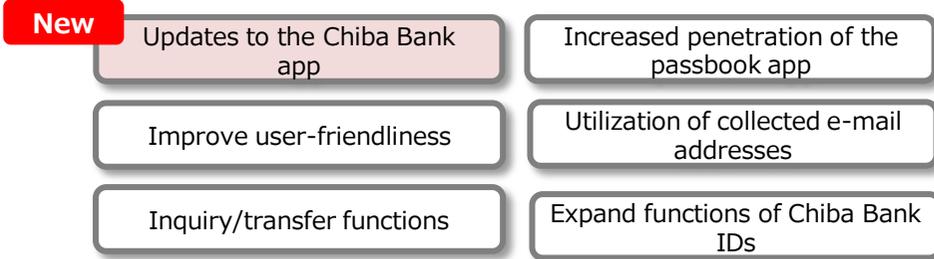


Providing customers with unique digital experiences to give them a choice of non face-to-face channels



Phase 1 (scheduled for Apr 2020)

• Customer contact: construction of a platform to capture Chiba Bank ID (e-mail address)



Phase 2

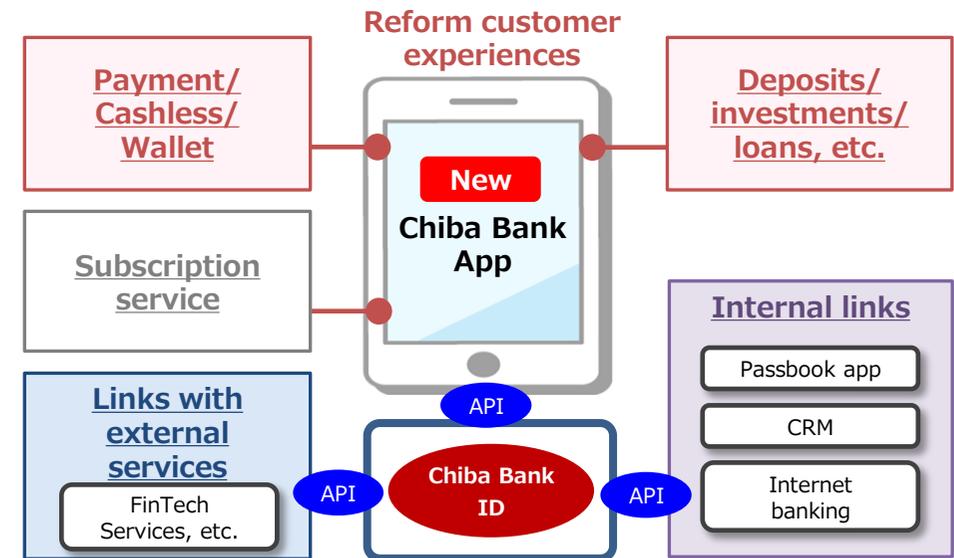
• Transaction processing that was previously only available at the branch
• Enhanced settlement functions with the introduction of additional authentication

Phase 3

• Delivery of personalized information
• Investments/easy loans for first-timers

First class non face-to-face channels for regional banks - offering the customer a choice

An illustration of updates to the Chiba Bank app

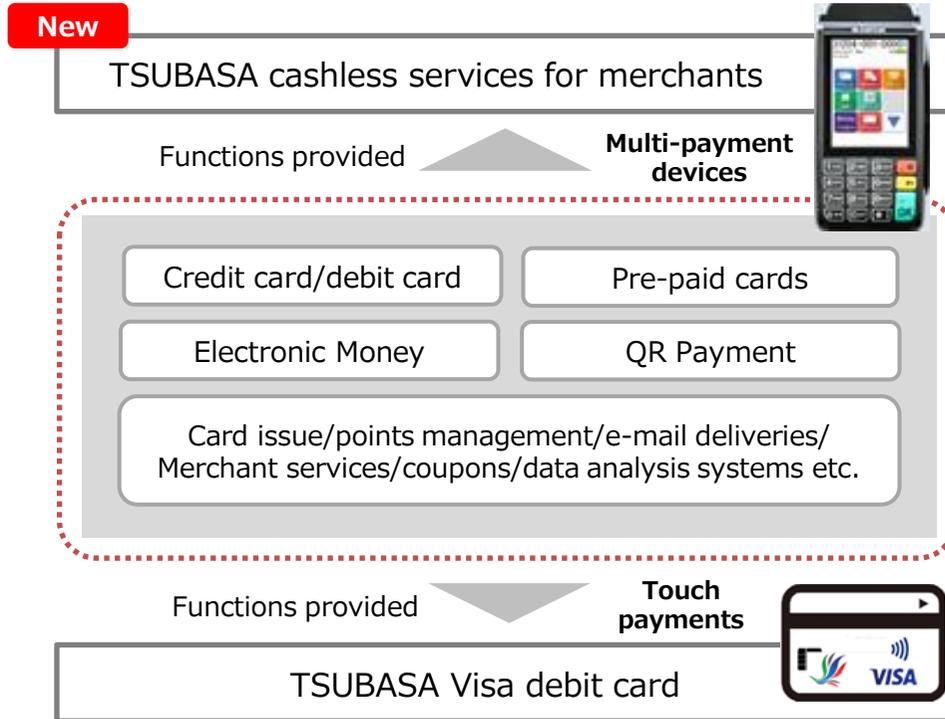


Construction of portal for corporate customers



Construction of the TSUBASA cashless payment platform to provide a comprehensive settlement solution

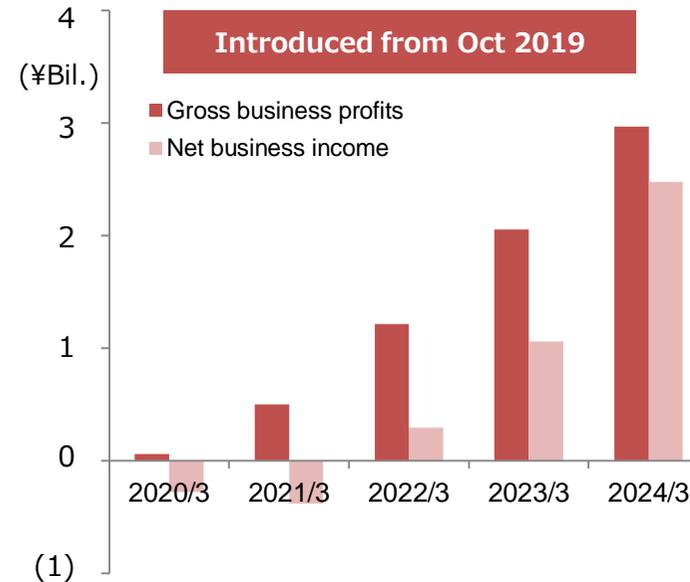
TSUBASA cashless payment platform



Top-line target: approx. ¥4 Bil after 5 years

Establishing the TSUBASA Brand in the cashless payment sector

(Projected) Revenue from merchant business



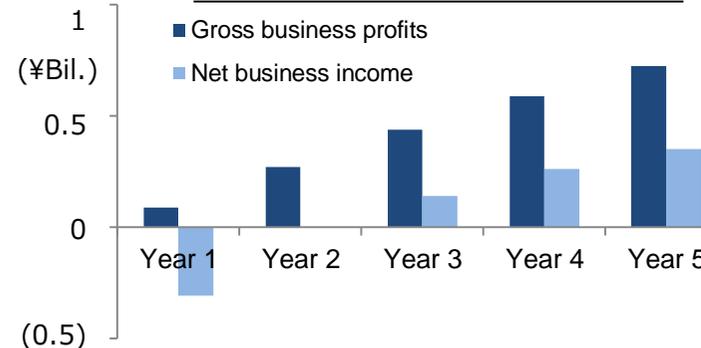
SHOP

Corporations within the prefecture targeted by promotions
Approx. 82,000 companies

Year 5 (forecast)

- No. of participating merchants **approx. 20,000**
- Turnover **approx. ¥800 Bil.**

(Projected) Revenue from cards issued



Issue Planned In 1H/FY2020

Year 5 (forecast)

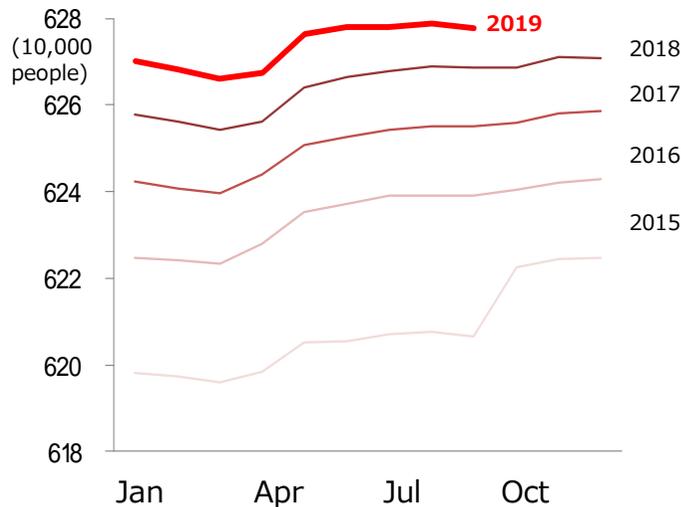
- No of members: **approx. 500,000**
- Turnover: **approx. ¥50 Bil.**

Sustainability & Capital Policy

Trends in the Regional Economy

The Chiba Prefecture economy remains favorable due to progress in various kinds of projects

Population of Chiba Prefecture
(Monthly living population survey)



Status of improvements in transportation infrastructure



Ken-O Expressway extension

Taiei JCT -Matsuo-Yokoshiba IC (opening planned for FY2024)
Improvements of key access roads to each area of Chiba Pref.

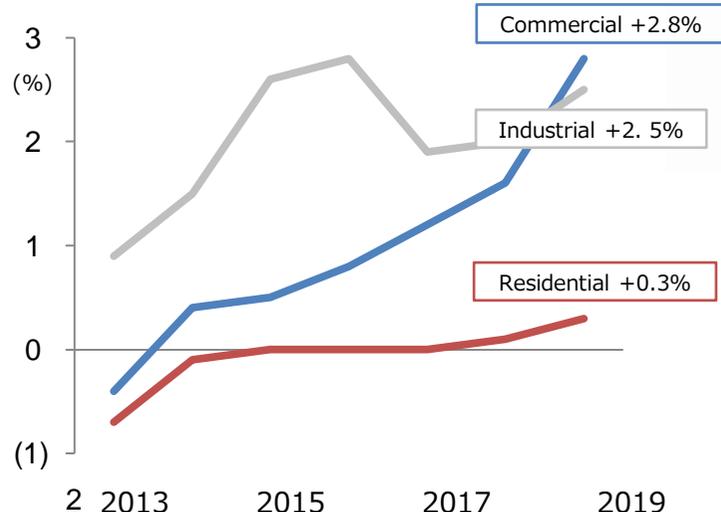
Narita area development

Third runway of Narita Airport (C runway)
University Hospital (opening planned for 2020) of the International University of Health and Welfare (Medical School opened in 2017)

Olympics, Paralympics

Chiba City - Makuhari Messe (fencing, taekwondo, wrestling / goal ball, sitting volleyball, taekwondo, wheelchair fencing)
Tsurigasaki beach, Chosei-gun, Ichinomiya Town (surfing)

Rate of change in Chiba Prefecture benchmark land prices, by use segment



Support for disasters such as typhoons and floods, etc.

Rehabilitation loans for recovery efforts following Typhoon No. 15, Typhoon No. 19, and floods which occurred in 2019

General loans
Up to end Oct 2019 Applications received: 179 applications with a value of ¥5,634 Mil.
Consumer loans
Up to end Oct 2019 Applications received: 27 applications with a value of ¥90 Mil.



Our goal is to achieve both social value and economic value through our long-term aims

Sustainable management = “long-term aims” + “social value (solving social issues) + economic value”

Chiba Bank Group Declaration on SDGs

Themes	Materiality	SDGs
Regional economy and community	Contributing to the revitalization of the regional economy and local community	   
An aging population	Supporting a secure and safe lifestyle for senior citizens	   
Financial Services	Providing financial services for a better life	  
Diversity	Promoting diversity and work reforms	   
Environmental conservation	Contributing to the conservation of a sustainable environment	       



Integrated Report (first published in Jul 2019)

New

- ✓ Creation/publication of integrated reports (disclosure papers) in line with various guidelines, etc.
- ✓ Working to enhance the integrated disclosure of strategies and non-financial information in a bid to ensure sustainable growth based on discussions at the ESG Promotion Committee



<https://www.chibabank.co.jp/company/ir/library/disclosure/>

Initiatives to counteract global warming, provision of ESG-related financial products

Promotion of environmental finance

- Financial support for customers working on the use of renewable energies

As of the end of Sep 2019	Loan balance
Solar power generation	¥110.4 Bil
Biomass generation	¥5.8 Bil.
Wind power generation	¥5.7 Bil.
Water power generation	¥0.1 Bil.
Total	¥122.2 Bil

Annual solar power generation capacity funded by Chiba Bank loans: 973GWh
Impact on CO2 reductions: approx. 440,000 tons;
which converts to approx. 50 million cedar trees, equating to a forested area of 50,000 hectares (which is around 30% of the total forested area of Chiba Prefecture)

New

Joint sales of green bonds

- The securities companies* belonging to each of the TSUBASA Alliance member banks' groups are collectively selling green bonds and SDG bonds issued by the World Bank.

* Chibagin Securities, Daishi Securities, Chugin Securities, Shikoku Alliance Securities, Toho Securities, and Hokuyo Securities

World Bank "Sustainable Development Bonds"

These bonds are issued to help support developing countries and solve social issues such as global warming and are used to provide lending to various projects dealing with hunger caused through food loss and food waste, as well as environmental issues.

Sep 2019 Amount sold by Chibagin Securities: ¥0.6 Bil.

Chibagin ESG loans with subsidized interest payments (started in Nov 2019)

Establishment of a loan system that provides subsidized interest payments at a maximum of 1% for up to 3 years for business operators making a capital investment in energy saving and renewable energy projects

Target borrowers	<ul style="list-style-type: none"> Business operators in the private sector (the main project protagonist) Operators who have calculated their own CO2 emissions from the previous fiscal year
Purpose of funds	Capital financing (capital investment in low carbon initiatives to combat global warming)
Loan amount	Up to ¥1 Bil. per loan (with Chiba Bank's total exposure being a maximum of ¥2 Bil.)
Loan duration	Up to 20 years
Int. payment subsidy	Screening as prescribed by the Environmental Partnership Council

Formed new ESG index fund

New

- Chibagin asset management formed domestic private index fund using a benchmark characterized by ESG criteria
- Linked to "iSTOXX MUTB JAPAN ESG Quality200, with dividend" composed of 200 companies selected with financial and non-financial criteria



Utilizing a diversity of human resources, contributing to regional revitalization and industrial growth

Promotion of diversity

Regional Banks' Human Resource Bank

(Created by a board of regional banking presidents to accelerate the promotion of talented women)

- ✓ This is for women who leave work when they move home upon getting married, when their spouse is transferred, or when they need to care for their parents, etc., and it is a scheme that tries to introduce women who want to continue to work to a local bank near their new residence.

Apr 2015 – Sep 2019: **186 people re-employed under the scheme**

Status of promotion of women in the workplace

	FY2007	FY2018	FY2020 Target
Percentage of management positions held by women (No. of persons)	2.0% (17)	15.1% (152)	20%
Percentage of leadership positions held by women (No. of persons)	9.4% (98)	30.7% (283)	30%

* Staff members who are in a position with subordinates such as deputy branch managers, etc. and staff in an equivalent position who are officers responsible for organizational management as the responsible person in charge of operations.

As of Oct 2019

Directors	2
Executive officers (General Managers)	2
General Managers (H.Q.)	4
General Managers (Branches) and Deputy General Managers	26



Ministry of the Economy, Trade and Industry & Tokyo Stock Exchange
Nadeshiko Brand

2 years running



Cabinet Office -
"Prime Minister's Award
for the Creation of a
Gender-Equal Society"

Contributions to regional revitalization

"Partnership agreement with Nagareyama-city regarding development tourism city using historical resources" (Jul 2019)

- ✓ Collaboration for industrial development, particularly in tourism using its regional resources



"Partnership agreement with Matsudo-city regarding bequest using will" (Oct 2019)

- ✓ Providing a consultation to citizens attracting bequest
- ✓ This is the 2nd case concluding a similar contract with local communities in Chiba prefecture

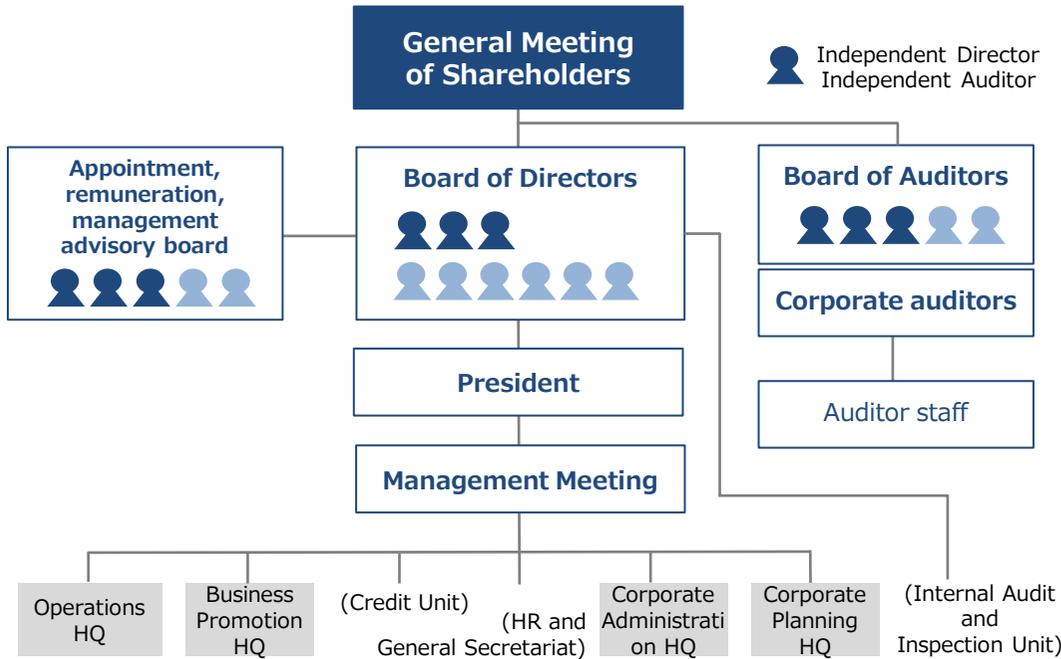
Initiatives for industrial development

- Initiatives to assist venture companies in Chiba and the development of human resources for the future

Scheme	FY2018
Himawari Venture Development Fund (a public interest incorporated foundation)	8 participants/¥26 Mil. in aid grants
Chibagin Mirai Foundation (a public interest incorporated foundation)	Site visits to Thailand and Vietnam (12 officers from 12 companies participating)
Chibagin R&D Assistance Program	5 companies/¥4 Mil. in aid grants
Chibagin Business Ideas Contest for Students	Granting of Award for Excellence, etc. from among 45 applications

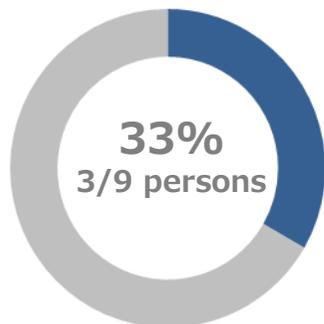
Raising the level of group governance

Corporate Governance Structure

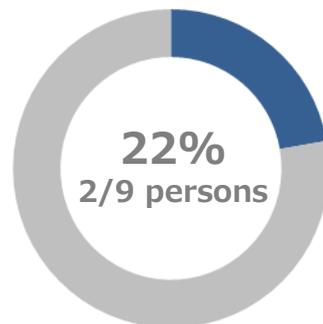


FY	Key Initiatives
2003	• Introduction of an executive officer program
2010	• Introduction of a stock option, share-based remuneration scheme
2011	• Audit Department put under direct control of the Board of Directors
2013	• Appointment of independent directors
2015	<ul style="list-style-type: none"> • Start of an initiative to assess the effectiveness of the Board of Directors • Appointment of two women as independent directors • Establishment of Management Advisory Board (Appointments, Remuneration and Management Advisory Board)
2018	<ul style="list-style-type: none"> • Formulation and publication of policies on the disclosure of information • Introduction of the Group Chief Officer System • Proportion of independent directors raised to 1/3 • Stricter assessments on the effectiveness of the Board of Directors (using an outside agency) New
2019	• Formulation and publication of policies on corporate governance

<Proportion of independent, outside directors>

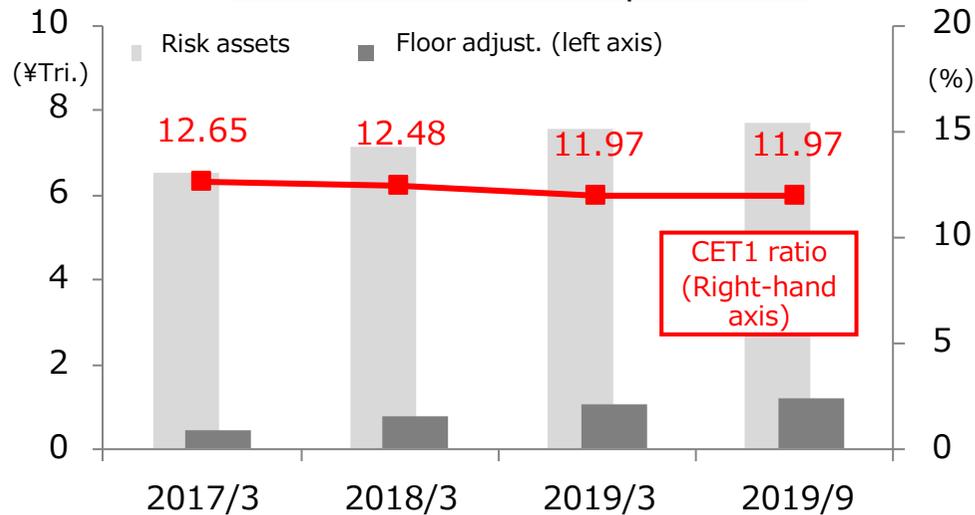


<Proportion of female directors>



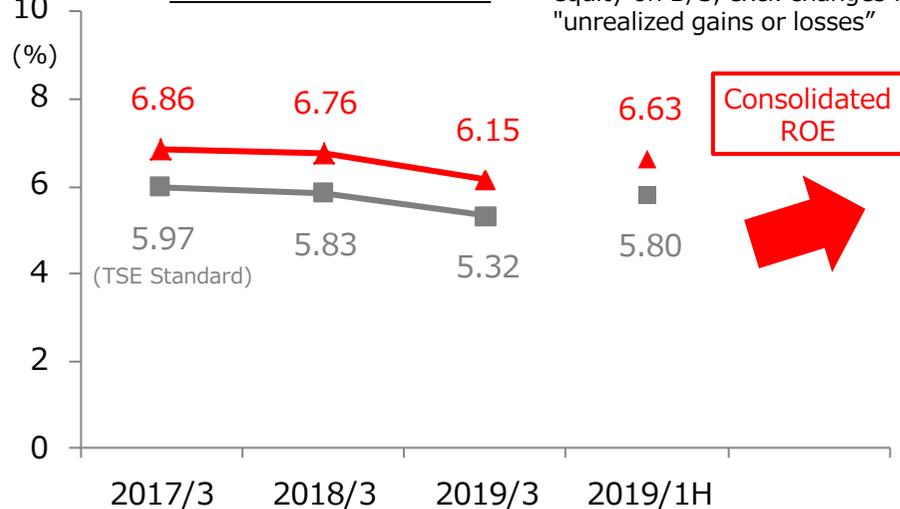
Maintain solid capital ratio and improve capital efficiency

Consolidated CET1 capital ratio

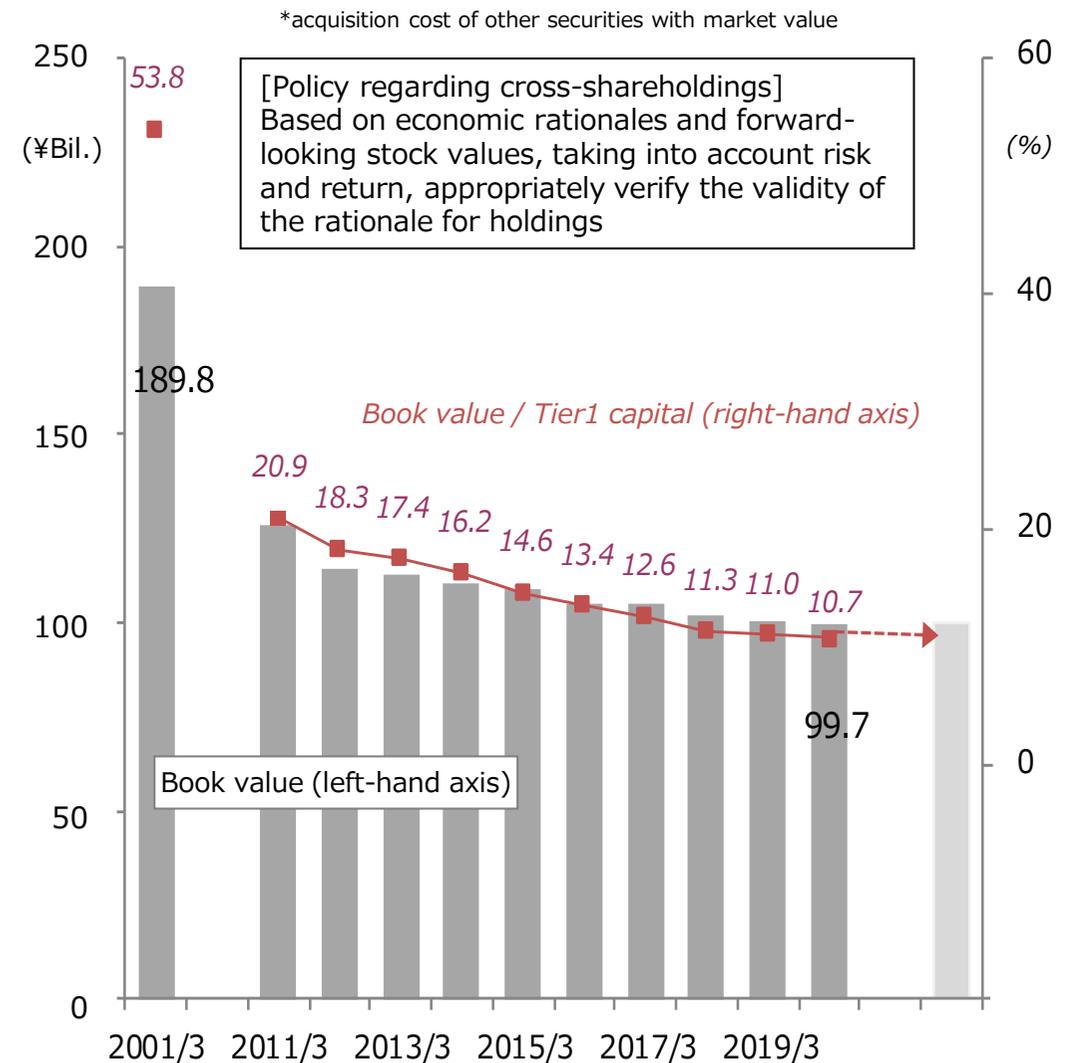


Consolidated ROE*

*Based on total shareholders' equity on B/S, excl. changes in "unrealized gains or losses"



Book value* of stocks and ratio to Tier1 capital (Consolidated)



*acquisition cost of other securities with market value

[Policy regarding cross-shareholdings]
Based on economic rationales and forward-looking stock values, taking into account risk and return, appropriately verify the validity of the rationale for holdings

Active approach toward shareholder returns, targeting around 50% of profit

Shareholder returns

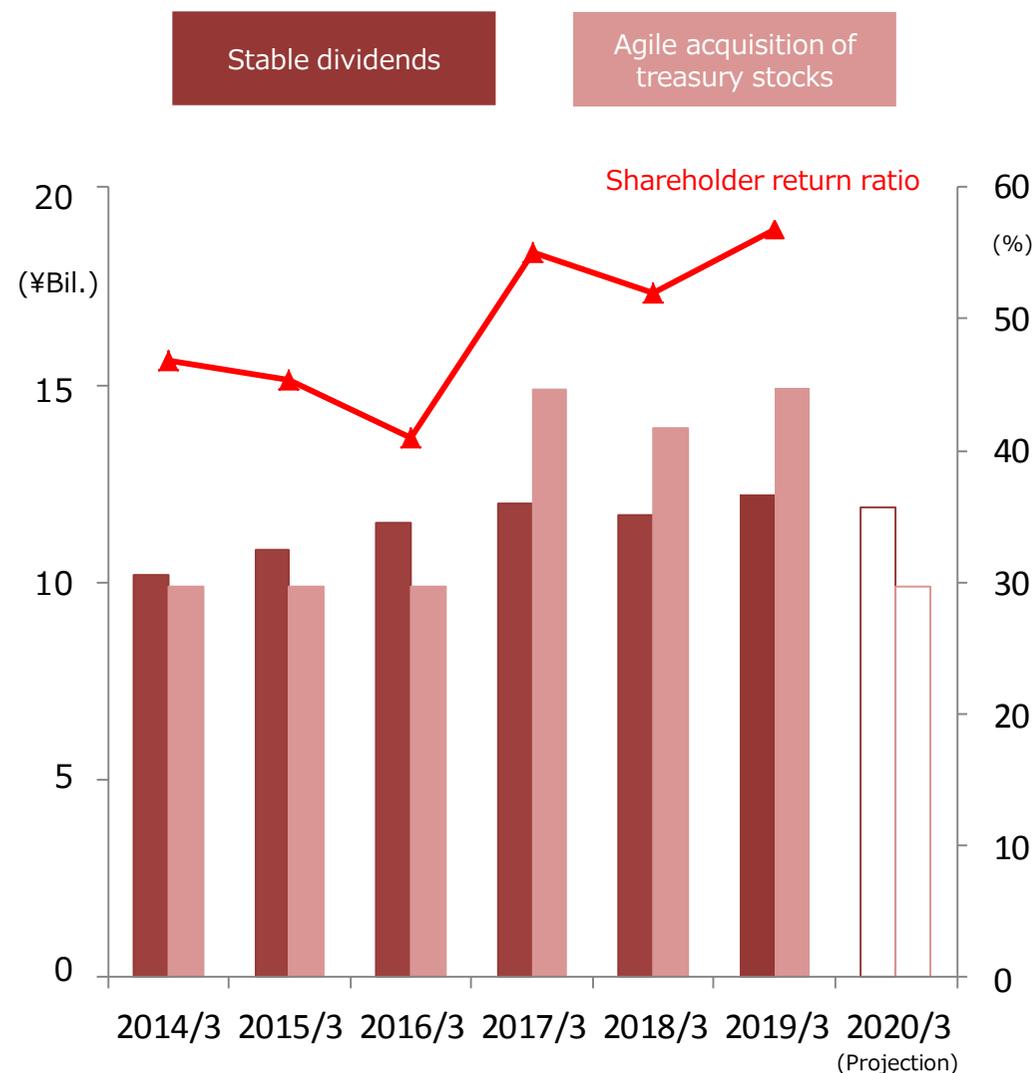
(¥)	2014/3	2015/3	2016/3	2017/3	2018/3	2019/3	2020/3 (Projection)
Dividend per share	12	13 Increase	14 Increase	15 Increase	15	16 Increase	16
(¥Bil.)							
Profit	43.2	45.8	52.5	48.6	49.6	48.0	48.2
Annual cash dividends	10.2	10.8	11.5	12.0	11.7	12.2	11.8
Payout ratio	23.6%	23.6%	21.9%	24.7%	23.7%	25.6%	24.6%
Acquisition of own shares	9.9	9.9	9.9	14.9	13.9	14.9	9.9
Total shareholder return	20.2	20.8	21.5	27.0	25.7	27.2	21.8
Shareholder return ratio	46.8%	45.4%	40.9%	55.5%	51.9%	56.8%	45.4%

During the current medium term management plan

Shareholder return ratio* Around 50%

*1 Acquisition of own shares includes the amount finished in Aug-Sep 2019 (¥9.9 Bil.) and is used to calculate indices, etc.

*2 Shareholder return =
$$\frac{\text{Total shareholder return (amount of dividend payout + amount of acquiring treasury stocks, etc.)}}{\text{Non-consolidated net income}}$$



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