

Financial Results for the First Half of FY 2020 ending March 2021

November 16, 2020
株式会社 千葉銀行

(TSE 1st Section: 8331)

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Summary of Financial Results

Summary of Financial Results

NEXT STEP 2023

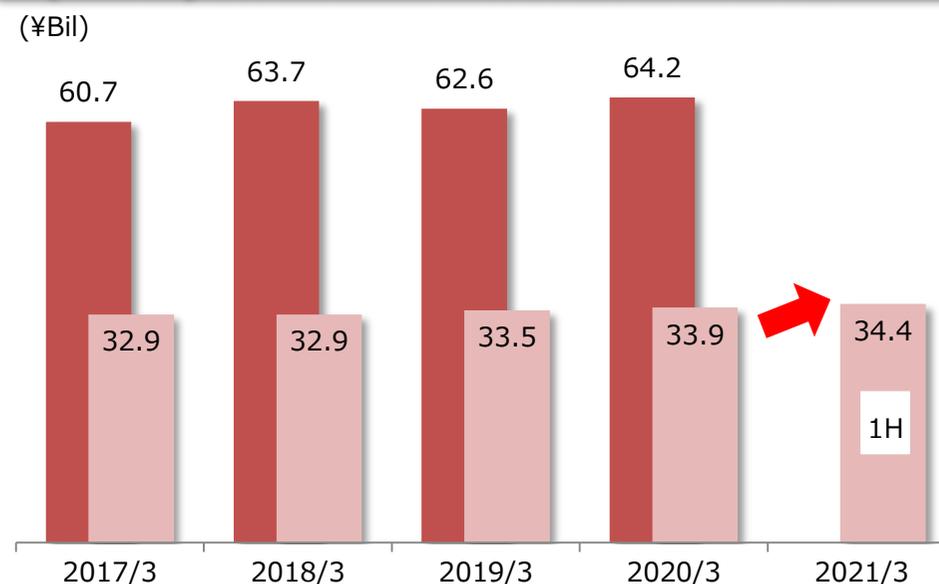
~ connect and go beyond, for the future ~

Non-consolidated	(¥Bil.)	2020/3	2021/3	YoY	
		1H	1H		
Gross business profits		78.7	79.0	0.3	
Net interest income		64.4	62.9	(1.4)	P.4
Net fees and commissions income		10.8	12.7	1.9	P.7
Trading income		1.1	0.8	(0.3)	
Profit from other business transactions		2.3	2.4	0.1	
Gains (losses) related to bonds		1.5	0.9	(0.6)	
Expenses (-)		40.4	41.4	0.9	P.8
Real net business income		38.3	37.6	(0.6)	
Core net business income		36.7	36.7	(0.0)	
Excl. gains (losses) on cancellation of investment trusts		33.9	34.4	0.5	
Net transfer to general allowance for loan losses (-)		1.9	1.1	(0.8)	P.9
Net business income		36.3	36.5	0.1	
Non-recurrent income and losses		3.2	0.9	(2.3)	
Disposal of non-performing loans (-)		2.8	2.5	(0.3)	P.9
Gains (losses) related to stocks, etc.		2.2	3.3	1.0	
Ordinary profit		39.6	37.4	(2.1)	
Extraordinary income (loss)		(0.0)	(0.0)	0.0	
Profit (interim)		28.8	27.4	(1.4)	
Net credit cost (-)		4.7	3.6	(1.1)	P.9
Consolidated		2020/3	2021/3		
	(¥Bil.)	1H	1H	YoY	
Consolidated ordinary profit		39.9	38.6	(1.2)	
Profit attributable to owners of parent (interim)		27.8	27.0	(0.8)	

Key interim results for FY2020 ending March 2021

- ◆ Net fees and commissions income increased by ¥1.9 billion compared with the corresponding period of previous fiscal year and gross business profits increased by ¥0.3 billion while net interest income from international operations decreased due to the temporarily refrain from investment in foreign currency.
- ◆ Expenses were within the plan. Profits in core business were remained strong as core net business income excluding gains (losses) on cancellation of investment trusts increased by ¥0.5 billion compared with the corresponding period of previous fiscal year and it kept increase for the third consecutive terms.
- ◆ Net credit costs were limited and decreased by ¥1.1 billion compared with the corresponding period of previous fiscal year.
- ◆ Profit progressed steadily and achieved 59% of the projection for the year ending March 2021 on a non-consolidated basis and 55% on a consolidated basis.

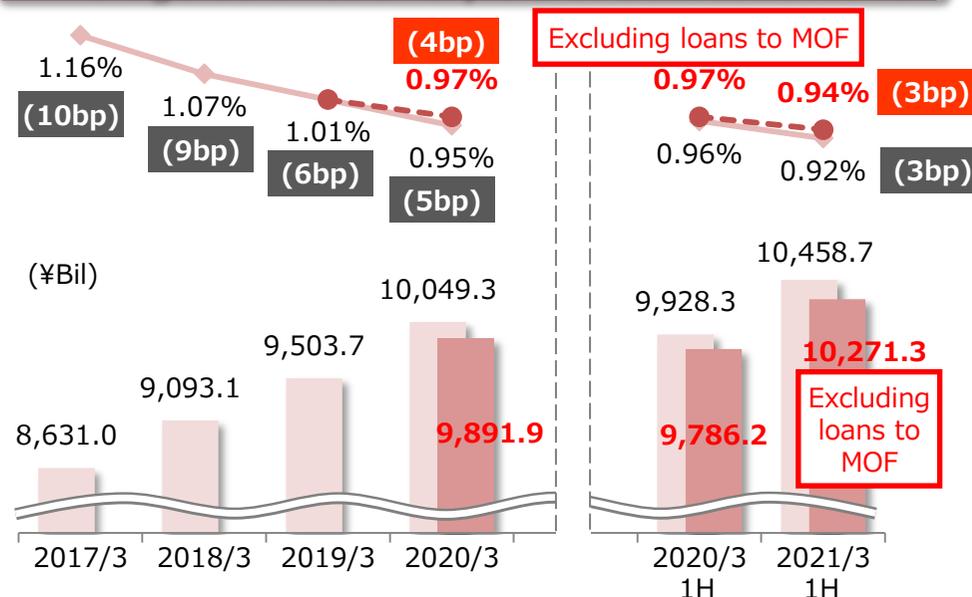
Core net business income excluding gains (losses) on cancellation of investment trusts



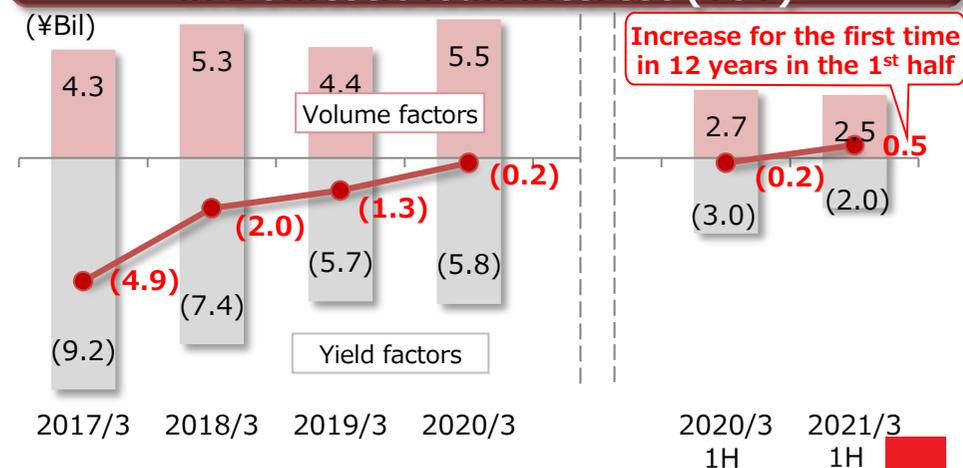
Domestic loans interest increase for the first time in 12 years in the 1st half

(¥Bil.)	2020/3 1H	2021/3 1H	YoY
Net interest income	64.4	62.9	(1.4)
Domestic	61.1	60.4	(0.7)
Interest on Loans	47.6	48.2	0.6
Loans and bills discounted	48.0	48.6	0.5
Deposit (incl. NCD)	0.3	0.3	(0.0)
Interest and dividends on securities	13.1	11.7	(1.4)
Bonds	1.3	1.2	(0.1)
Stock dividends	6.5	6.3	(0.2)
Investment funds	0.8	0.0	(0.8)
investment trusts	4.4	4.1	(0.2)
Gains (losses) on cancellation	2.4	1.9	(0.5)
Others (Market operation, etc.)	0.3	0.4	0.0
International	3.2	2.5	(0.7)
Loans and bills discounted	7.0	3.2	(3.7)
Foreign Securities	6.7	5.4	(1.2)
Foreign Securities	5.7	4.5	(1.1)
Foreign currency funds	0.5	0.4	(0.1)
Investment trusts	0.4	0.4	0.0
Gains (losses) on cancellation	0.3	0.3	(0.0)
Others (Funding and market operation, etc.)	(10.4)	(6.2)	4.2
Net interest income (Excluding gains (losses) on cancellation of investment trusts)	61.5	60.7	(0.8)
Gains (losses) on cancellation of investment trusts	2.8	2.2	(0.5)

Average balance and yield of domestic loans



Factors behind Changes in Domestic loan interest (YoY)

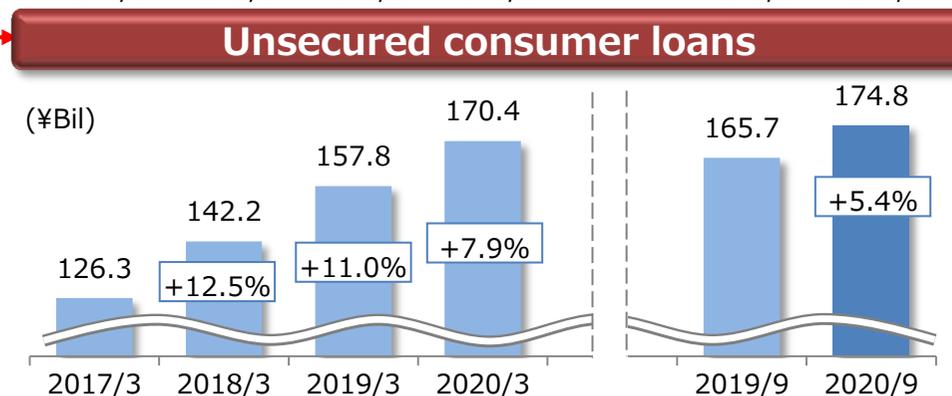
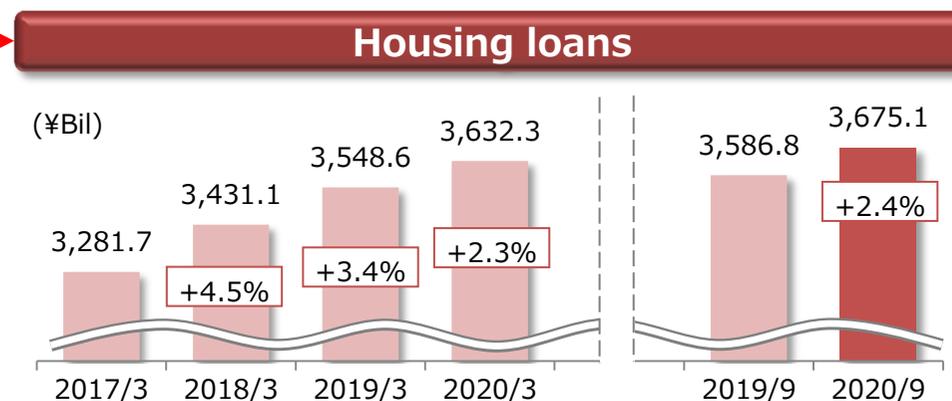
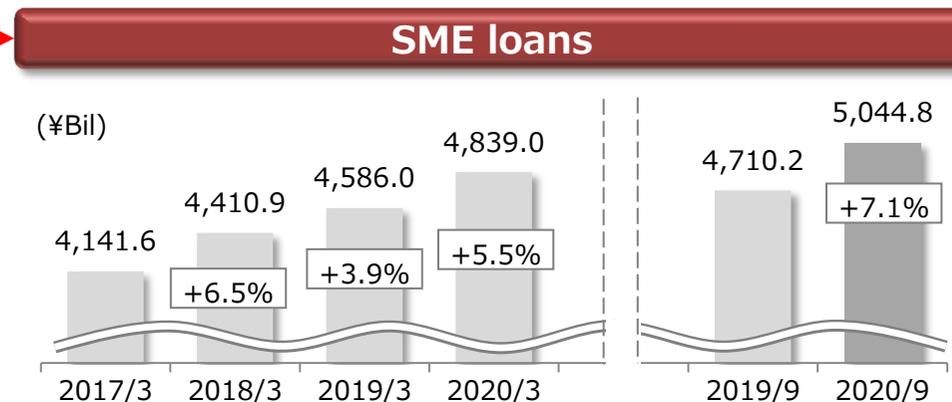


Steady increase in SME loans, housing loans, and unsecured consumer loans

(¥Bil.)	2019/9	2020/9	YoY	%
Deposits	12,315.3	13,486.8	1,171.5	9.5%
Domestic deposits	11,955.9	13,191.7	1,235.7	10.3%
Personal deposits	9,058.6	9,744.6	685.9	7.5%

(¥Bil.)	2019/9	2020/9	YoY	%
Loans	10,551.1	10,955.4	404.3	3.8%
Domestic loans	10,309.3	10,736.5	427.1	4.1%
Excl. public sector	9,881.8	10,332.3	450.4	4.5%
Corporate loans	6,120.0	6,474.4	354.3	5.7%
Large corporations	1,409.7	1,429.5	19.7	1.4%
SMEs	4,710.2	5,044.8	334.5	7.1%
Consumer loans	3,761.8	3,857.9	96.1	2.5%
Housing loans	3,586.8	3,675.1	88.3	2.4%
Unsecured consumer loans	165.7	174.8	9.0	5.4%
Public sector	427.4	404.1	(23.2)	(5.4%)

(¥Bil.)	2019/9	2020/9	YoY	%
Domestic loans	10,309.3	10,736.5	427.1	4.1%
Excl. public sector	9,881.8	10,332.3	450.4	4.5%
Branches in Chiba	6,846.1	7,135.2	289.0	4.2%
Branches outside Chiba	3,035.7	3,197.1	161.3	5.3%
Special Branches*	1,526.6	1,538.1	11.4	0.7%
Retail branches	1,509.0	1,658.9	149.9	9.9%



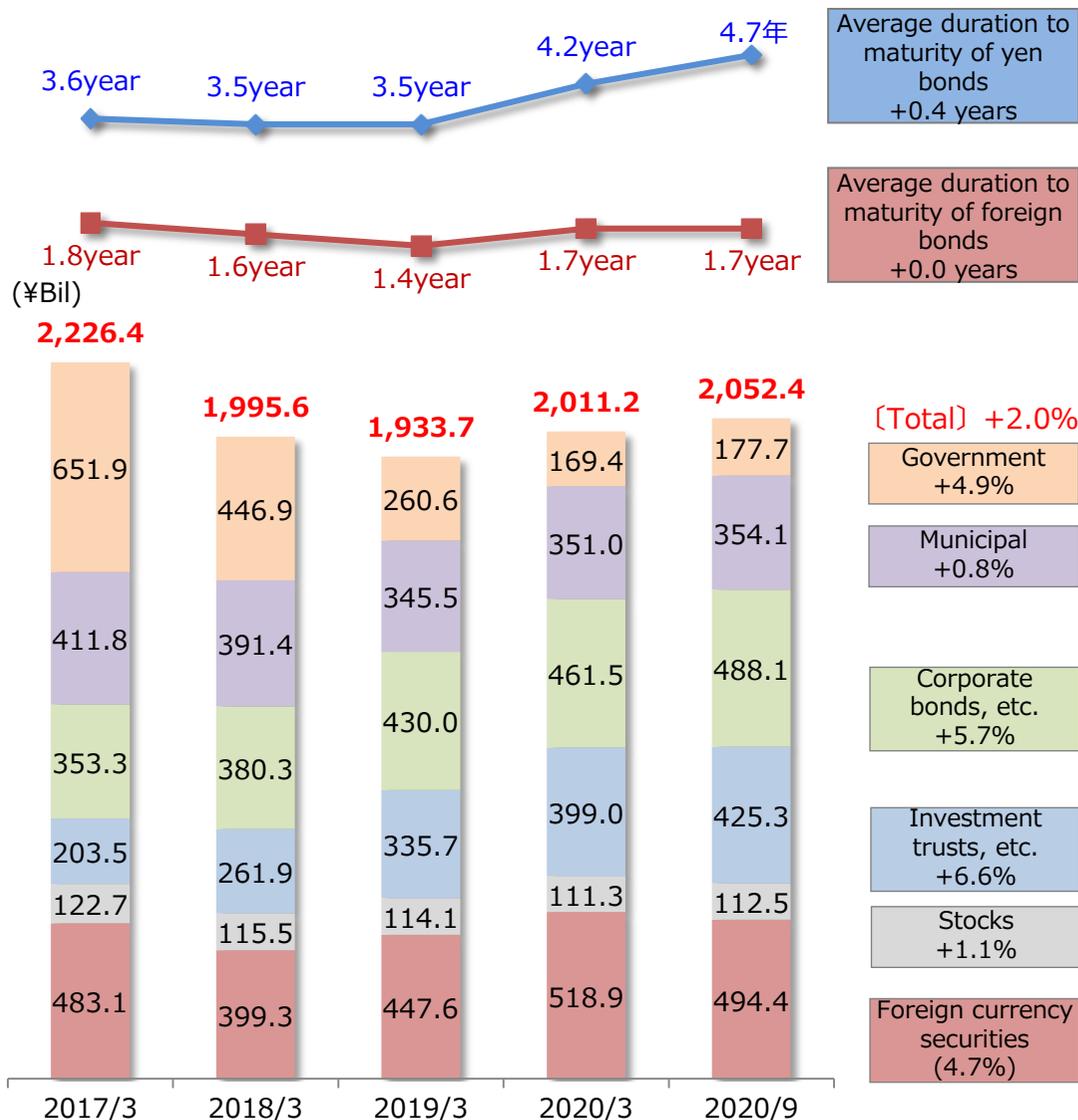
*Tokyo Head Office, Shinjuku Branch and Osaka Branch

Controlling interest rate risk while diversifying investment

Balance of securities^{※1} · Duration of securities^{※2}

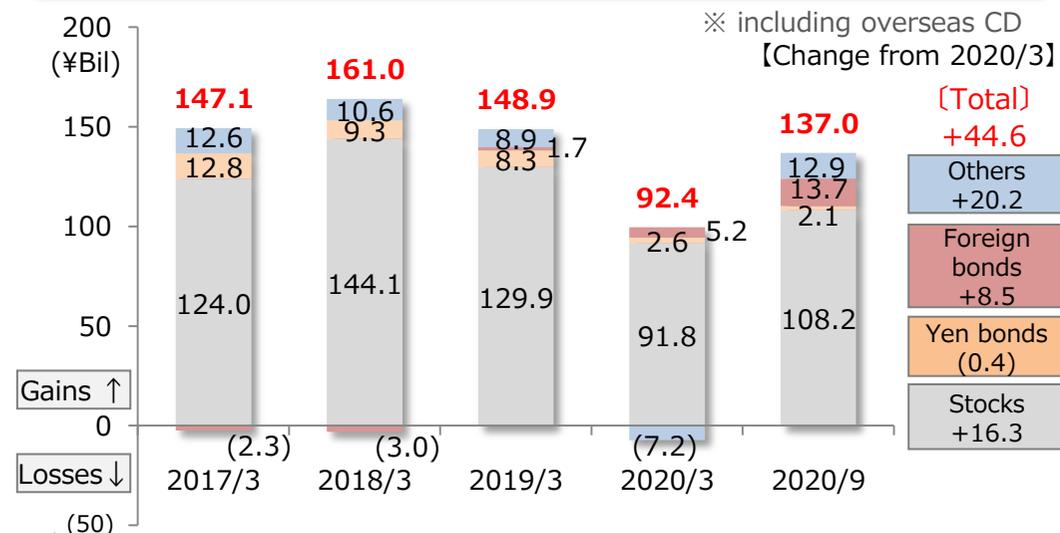
※2 after hedging with asset swap

[Change from 2020/3]

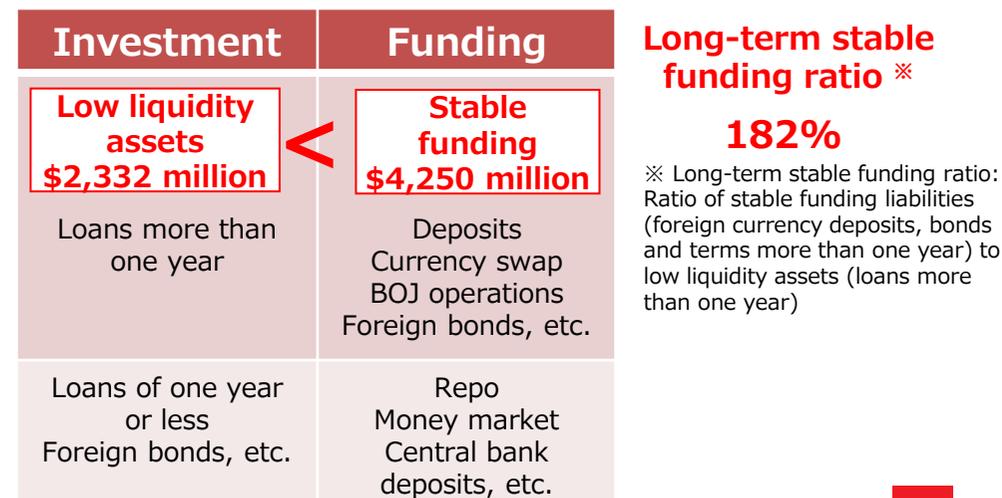


Unrealized gains (losses) on other securities

※ including overseas CD
[Change from 2020/3]



U.S. dollar funding (as of the end of 2020/9)



※1 Excluding unrealized gains (losses)

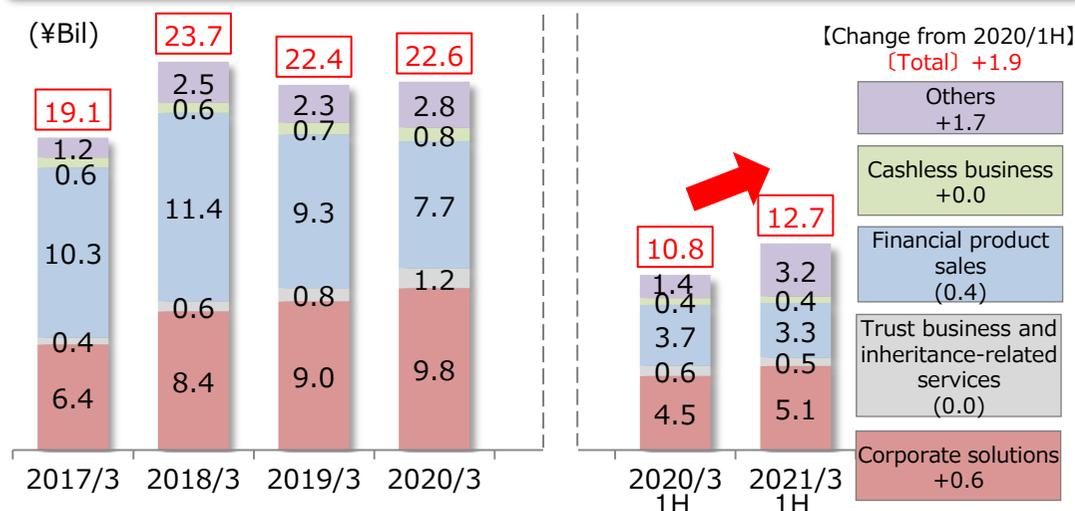
Higher fees and commissions income, driven by corporate solutions

	(¥Bil.)	2020/3	2021/3	YoY
		1H	1H	
Net fees and commissions income		10.8	12.7	1.9
Net fees and commissions revenue		21.2	21.1	(0.1)
Net fees and commissions payments (-)		10.4	8.3	(2.0)

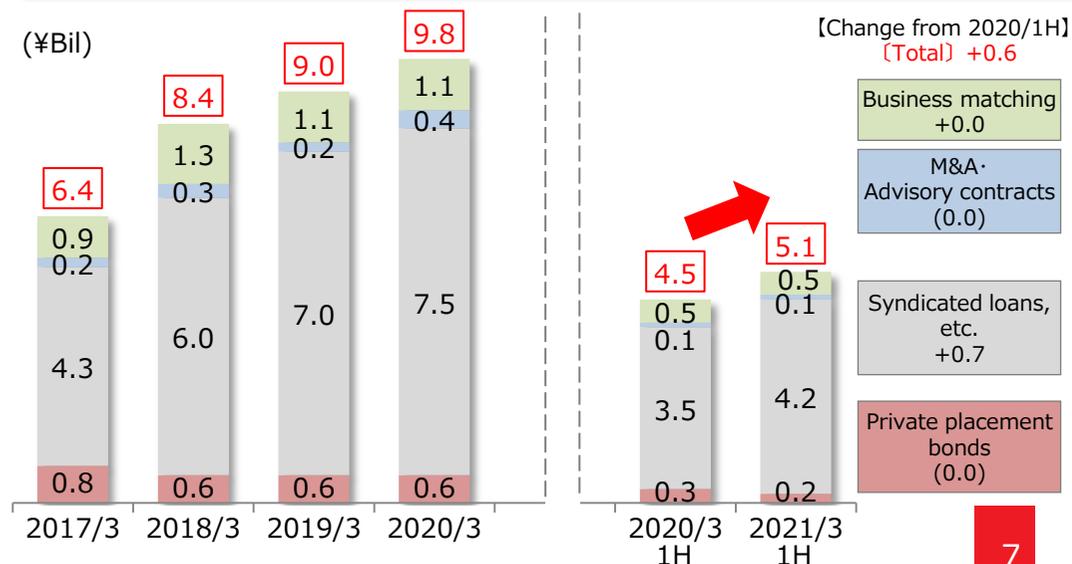
<Main breakdown>

Investment trusts and personal annuities		3.7	3.3	(0.4)
Investment trusts		1.3	1.3	0.0
Annuities and whole life insurance		0.8	0.6	(0.1)
Level paying life insurance		1.3	1.0	(0.3)
Financial instrument intermediary		0.2	0.2	0.0
Corporate solutions		4.5	5.1	0.6
Private placement bonds		0.3	0.2	(0.0)
Syndicated loans		3.5	4.2	0.7
M&A and advisory contracts		0.1	0.1	(0.0)
Business matching		0.5	0.5	0.0
Trust business and inheritance-related services		0.6	0.5	(0.0)
Cashless payment and card business		0.4	0.4	0.0
Payment and settlement transactions		6.3	6.6	0.2
Guarantee charges and group insurance costs (-)		7.1	5.1	(1.9)

Net fees and commissions income



Fees and commissions income of corporate solutions



Maintain highest level expense ratio (OHR) and efficient operations

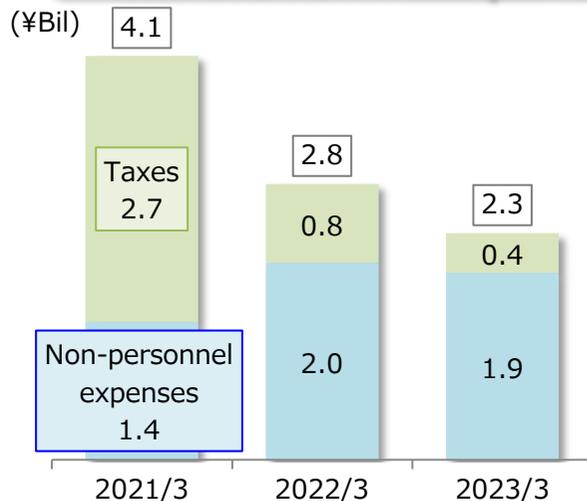
(¥Bil.)	2020/3	2021/3	YoY	2021/3	YoY
	1H	1H		(Projection)	
Expenses (-)	40.4	41.4	0.9	87.3	5.3
Personnel expenses (-)	20.4	20.3	(0.1)	40.8	(0.0)
Non-personnel expenses (-)	17.1	17.9	0.8	38.0	2.8
Taxes (-)	2.8	3.1	0.3	8.5	2.6
OHR ※	52.1%	52.9%	0.7pt	56.4%	1.8pt

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

Main factors of change in expenses

(¥Bil.)	2021/3 1H (Actual)	2021/3 (Projection)
Personnel expenses (-)	(0.1) Subsidied for employment adjustment (0.1)	(0.0) Temporary employee allowance +0.2 Subsidied for employment adjustment (0.2)
Non-personnel expenses (-)	+0.8 Work efficiency and digitalization +1.1 Cashless business +0.2 Impact of COVID-19 (0.1) Realization of efficiency and cost reduction (0.1)	+2.8 Work efficiency and digitalization +2.0 New HQ building +1.4 Cashless business +0.3 Realization of efficiency and cost reduction (0.4)
Taxes (-)	+0.2 Consumption tax rate +0.2 Increased investment (consumption tax) +0.2	+2.6 New HQ building (consumption tax)+2.7

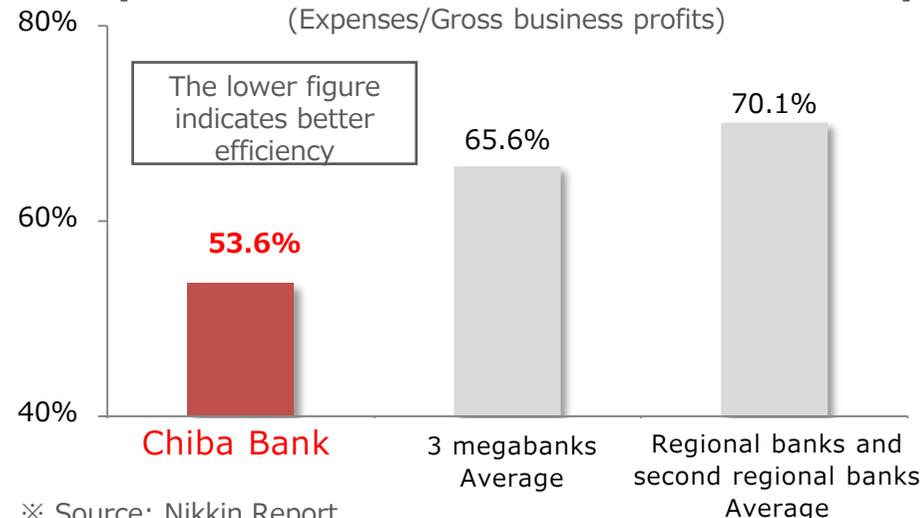
Expenses expectation associated with the new headquarters office building



Completed in September 2020

Expense ratio (OHR) compared with other banks

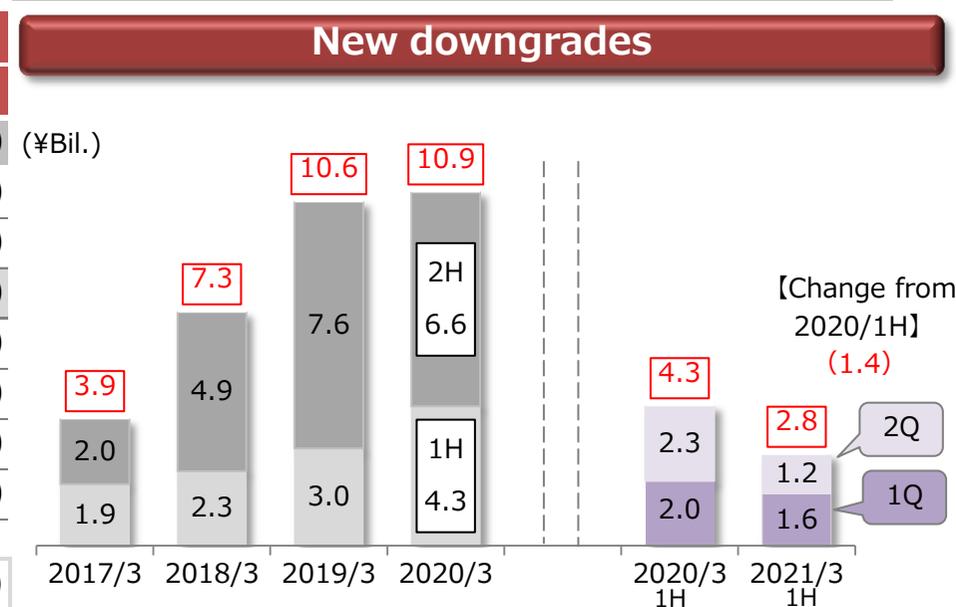
[Non-consolidated basis for the FY 2019 ended March 2020]
 (Expenses/Gross business profits)



Net Credit Costs

Net credit costs decrease thorough credit controls even under COVID-19

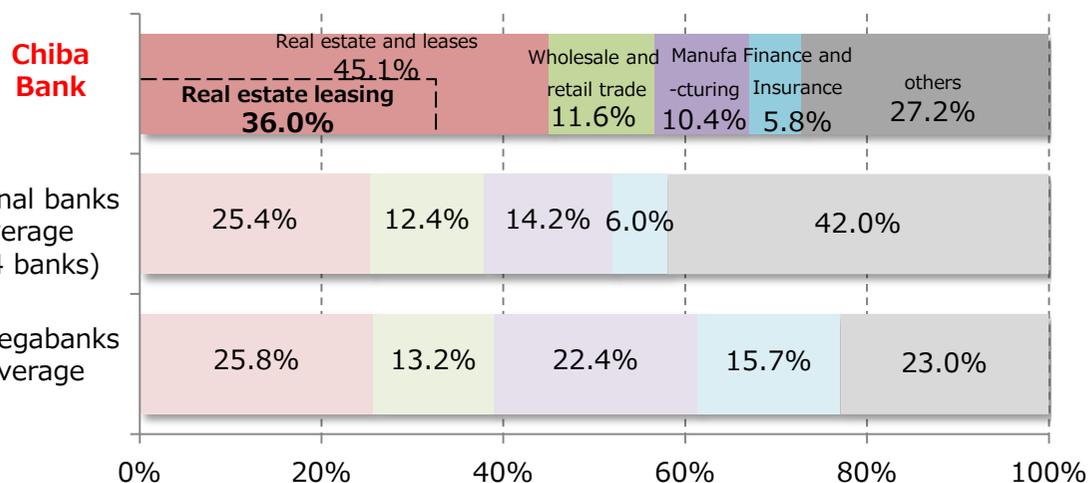
	2020/3			2021/3		
	(¥Bil.)	1H	1H	YoY	2021/3 (Projection)	YoY
Net credit costs (-)		4.7	3.6	(1.1)	8.0	(1.4)
Net transfer to general allowance for loan losses (-)		1.9	1.1	(0.8)	0.8	(0.4)
Disposal of non-performing loans (-)		2.8	2.5	(0.3)	7.2	(1.0)
Write-offs/Net transfers to specific allowance etc. (-)		4.0	2.9	(1.1)	8.8	(2.0)
New downgrades (-)		4.3	2.8	(1.4)	9.2	(1.7)
Decreases in collateral value etc. (-)		0.3	0.3	(0.0)	0.6	(0.5)
Collections etc.		0.6	0.2	(0.3)	1.0	(0.1)
Recoveries of written-off claims		1.2	0.4	(0.8)	1.5	(1.0)
Net credit cost ratio (-)		9bp	6bp	(2bp)	7bp	(1bp)



Loan breakdown by industry (as of March 2020)

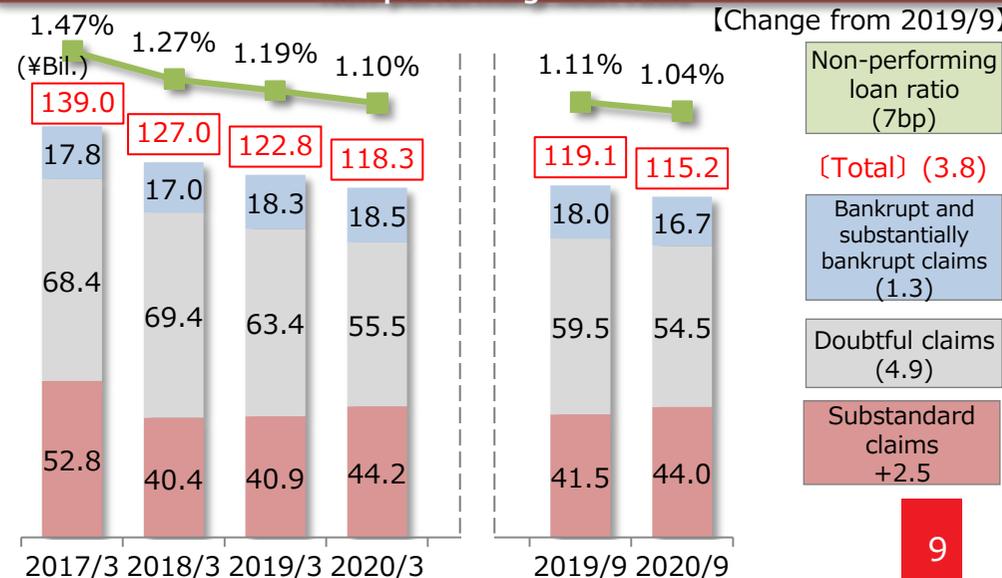
※ Non-consolidated. Excluding loans to individuals and others.

[Source: Nikkin]



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

[Change from 2019/9]



Earning Projections

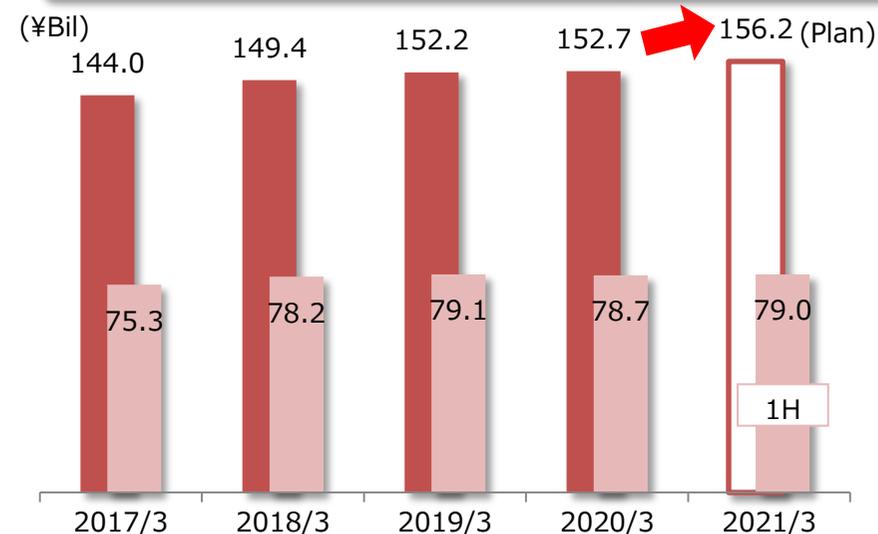
NEXT STEP 2023

~ connect and go beyond, for the future ~

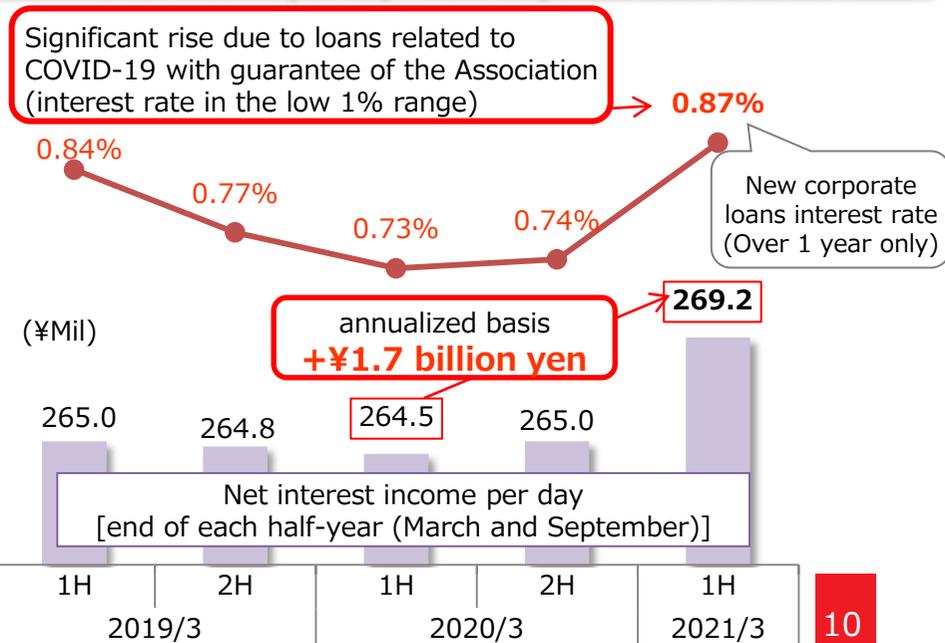
Non-Consolidated	2020/3	2021/3		Compared to original projections	2021/3 2H (Projection)
		(Projection)	YoY		
Gross business profit	152.7	156.2	3.4	1.9	77.1
Net interest income	123.6	122.4	(1.2)	(0.7)	59.4
Net Fees and commissions income	22.6	25.9	3.2	0.9	13.1
Trading income	1.8	2.8	0.9	0.0	1.9
Profit from other business transactions	4.5	5.1	0.5	1.7	2.6
Gains (losses) related to bonds	3.2	1.7	(1.5)	0.2	0.7
Expenses (-)	81.9	87.3	5.3	(0.7)	45.8
Real net business income	70.8	68.9	(1.9)	2.5	31.2
Core net business income	67.5	67.2	(0.3)	2.3	30.4
Excl. gains (losses) on cancellation of investment trusts	64.2	63.5	(0.7)	2.6	29.0
Net transfer to general allowance for loan losses (-)	1.2	0.8	(0.4)	(0.2)	(0.3)
Net business income	69.5	68.1	(1.4)	2.7	31.5
Non-recurring income and losses	(1.6)	(4.1)	(2.4)	(2.7)	(5.0)
Disposal of non-performing loans (-)	8.2	7.2	(1.0)	0.2	4.7
Gains (losses) related to stocks etc.	2.6	3.3	0.6	0.2	0.0
Ordinary profit	67.8	64.0	(3.8)	±0	26.5
Extraordinary income (loss)	(3.8)	(0.2)	3.6	±0	(0.1)
Profit	45.9	46.0	0.0	±0	18.5
Net credit costs (-)	9.5	8.0	(1.4)	±0	4.3

Consolidated	2020/3	2021/3		Compared to original projections	2021/3 2H (Projection)
		(Projection)	YoY		
Consolidated ordinary profit	72.6	69.5	(3.1)	±0	30.8
Profit attributable to owners of parent	48.0	48.5	0.4	±0	21.4

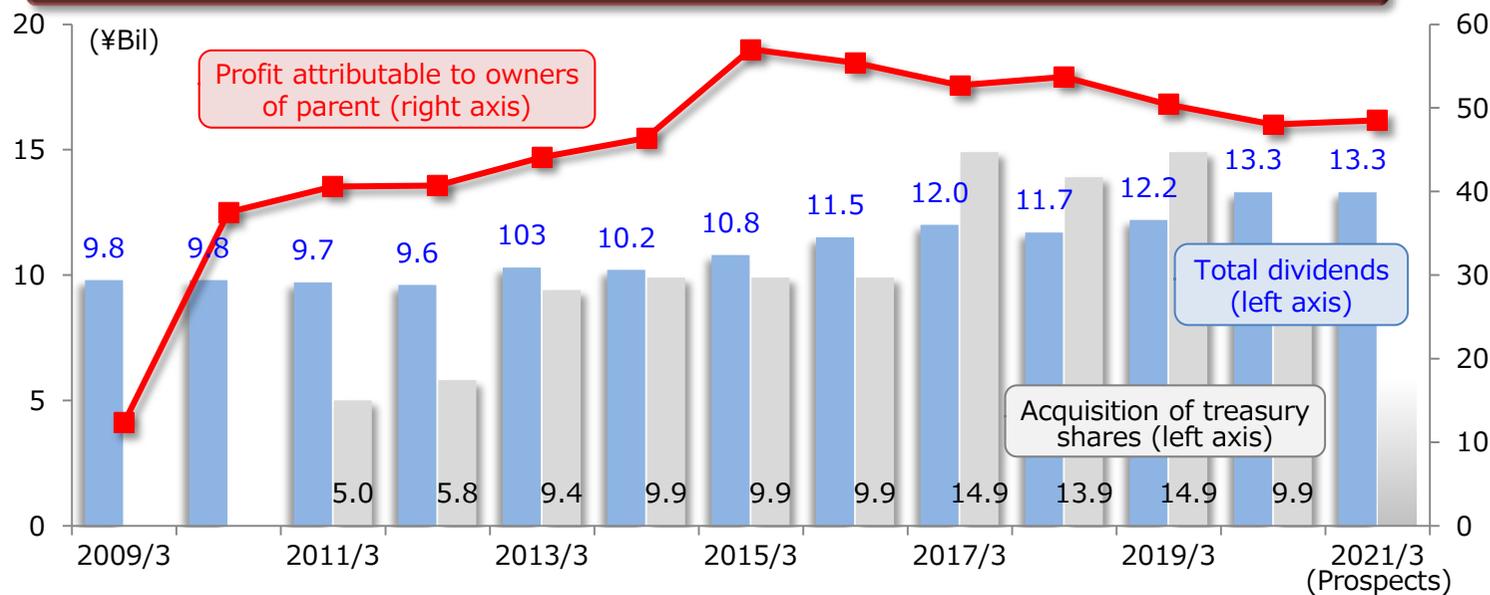
Gross business profit



Loans in yen currency net interest income per day · new corporate loans interest rates



Shareholder returns: actual and forecasts



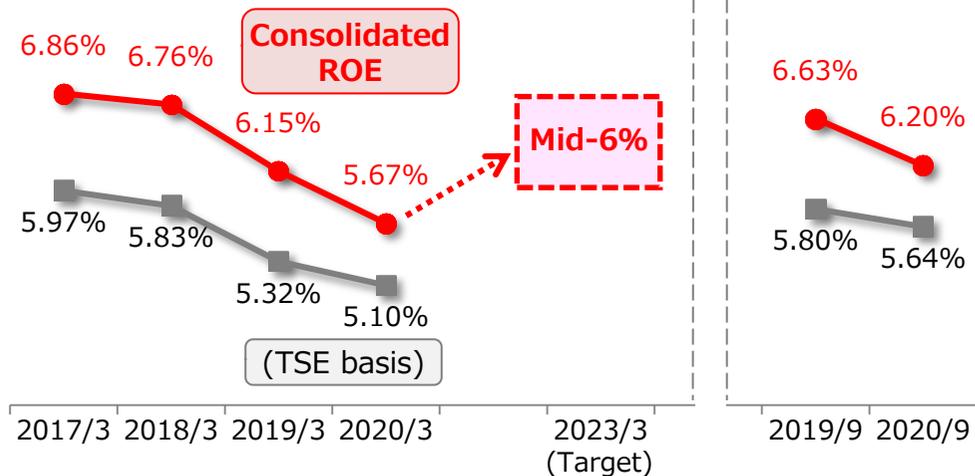
Shareholder returns policy

Return profits to shareholders by balancing growth-investments and a sound capital base

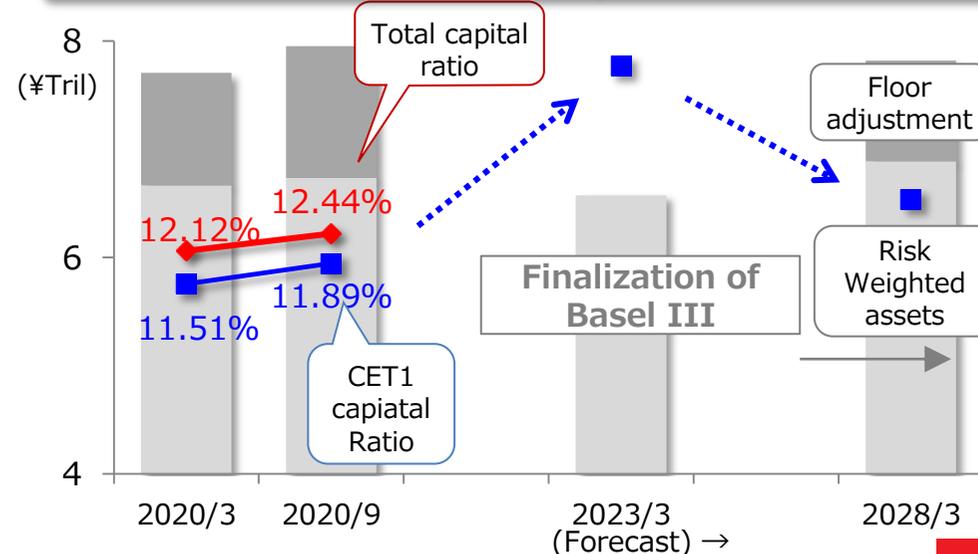
- Dividends**
 Aim for a stable increase in dividends per share through earnings growth
- Acquisition of treasury shares**
 Improve capital efficiency by flexibly and agilely acquiring treasury shares

Consolidated ROE

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



Consolidated capital ratio



Medium Term Management Plan

Overview of the Plan

Our Group's Mission

Contribute to the sustainable development of regional economies through the provision of the latest financial services as a partner for customers and regional communities

Title

The 14th Medium Term Management Plan NEXT STEP 2023
~ connect and go beyond, for the future ~ (Plan period: April 1, 2020 to March 31, 2023)

Vision

Enhance customer experience by deepening financial functions and creating new models for regional finance

Basic Policies

Basic Policy I

"We will continue to evolve closely with our customers"

- We will be a consulting partner that is closely linked to the lives of individual customers
- We will be the best partner as solving the diverse management issues of corporate customers
- We will continue to build branches that are both convenient and able to consult

Basic Policy II

"We will continue to create new value for our customers' future"

- We will provide new value to our customers by using digital technology and all kinds of information resources
- We will create new value by taking on challenges that go beyond the framework of banking

Basic Policy III

"We will advance alliance strategies"

- In order to provide new value and stand with our customers, we will further strengthen collaboration with other banks and companies in other industries

Basic Policy IV

"We will realize sustainable management"

- We will strive to build a rewarding company by enhancing human resource development and realizing diverse work styles
- We will further strengthen our internal control structures, including governance, compliance, and risk management

Target

Profit attributable to owners of parent

¥60.0 Bil.

Consolidated ROE

Mid-6%

Non-consolidated OHR

In the lower 50% range

Planned Figures

	2019/3	2020/3	2023/3 Target	Change
Gross business profit	152.2	152.7	164.0	+11.2
Expenses (-)	81.1	81.9	85.5	+3.5
Real net business income	71.1	70.8	78.5	+7.6
Net credit costs (-)	11.3	9.5	8.8	(0.7)
Ordinary income	67.0	67.8	78.9	+11.0
Profit	48.0	45.9	56.0	+10.0
Profit attributable to owners of parent	50.4	48.0	60.0	+11.9

(¥Bil)

Key points

■ Net interest income

- Loan growth in mainly metropolitan areas
- Strengthen overseas business and fund management capabilities

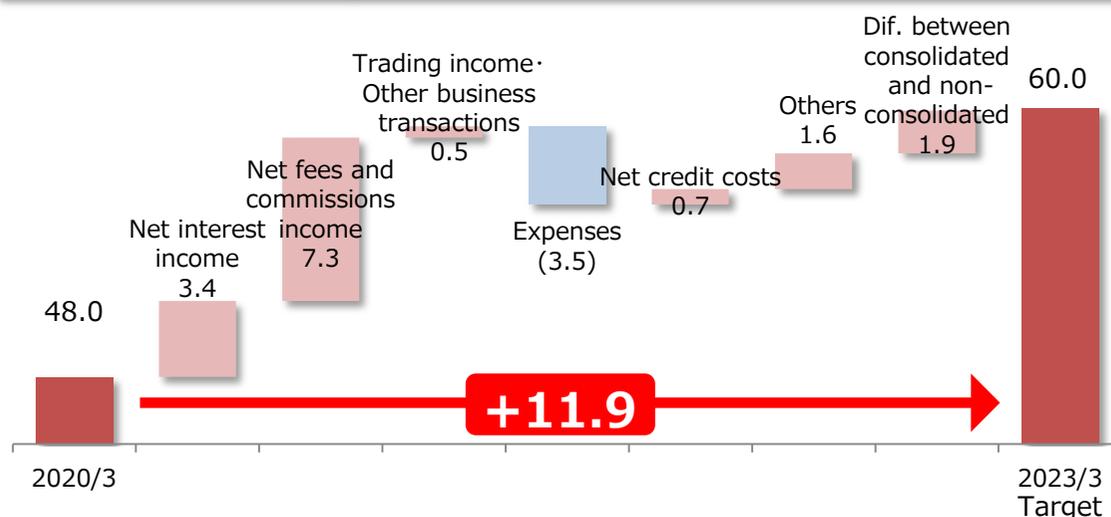
■ Net fees and commissions income

- Cashless business +3.1
- Corporate solutions +1.9
- Trust business and inheritance-related services +1.0
- Financial product sales, others +1.4

■ Expenses

- New headquarters building related +2.3
- Efficiency improvement, new businesses, etc. +4.4
- Reducing existing expenses (3.3)

Breakdown of changes in profit attributable to owners of parent



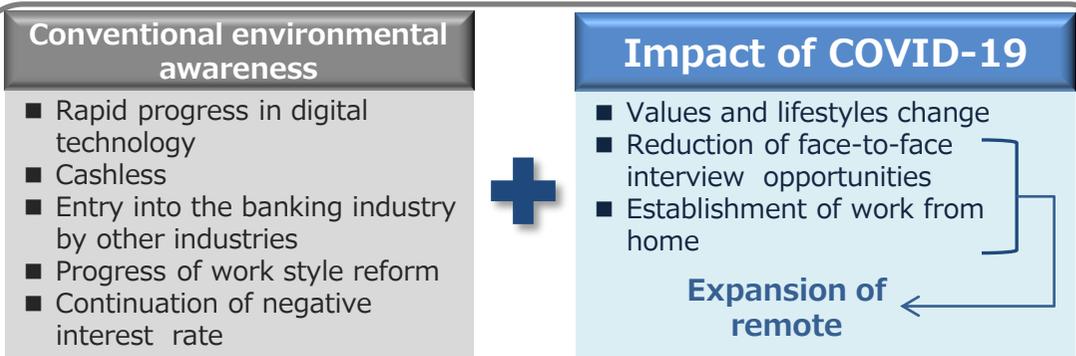
Investment plan (total in 3 years)

Strategic investments	13.0
For Customers (Digital, new services, etc.)	8.0
Strengthen management (Efficiency improvement, internal management, etc.)	5.0
Regular investment (Investment for legal compliance and renewal)	12.0
Total investment (excluding headquarters building related)	25.0

COVID-19

Environmental Changes due to COVID-19

Digitization becomes more significant with COVID-19 / After COVID-19



[With COVID-19 and after COVID-19]

Digitization becomes a more important theme

Our group's DX※

※ Digital Transformation

Innovate "business model"

- Relationships with customers, channels, products, proposal capabilities, and proposal methods

Innovate "Work Style"

- Place of work, business flow, organizational culture, and human resource skills

What we want to achieve through DX

Improved CX※

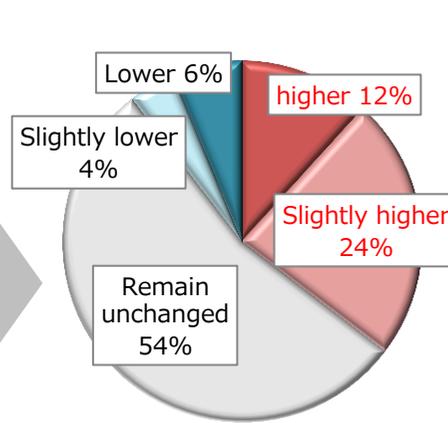
+

Productivity improvement

※ Customer Experience

Interest in migrating to rural area in their 20s living in Tokyo's 23 wards

Source: Cabinet Office



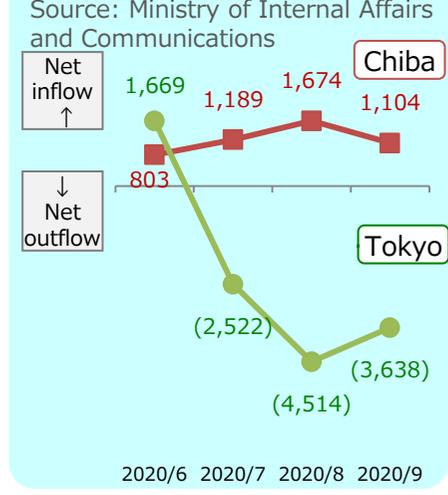
SUUMO number of property view [Kanto area] (Top rate of change in Jan-Aug 2020)

Source: Recruit Sumai Company Ltd.

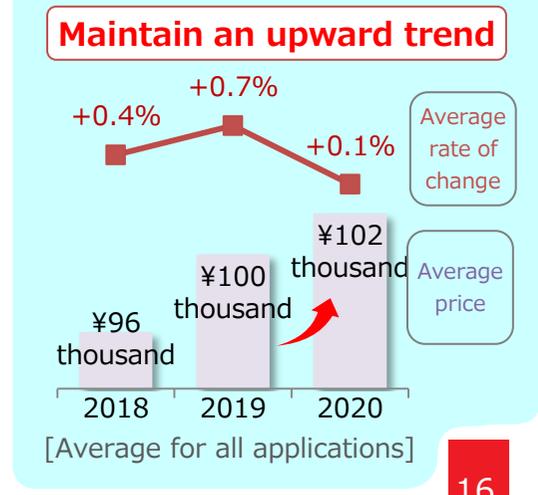
	Rank-ing	City name	Prefec-tures	change
Newly built detached houses	No. 1	Yachimata city	Chiba	278.7%
	No. 2	Wakaba-ku, Chiba city	Chiba	203.4%
	No. 3	Fujisawa city	Kanagawa	189.2%
	No. 4	Shinagawa ward	Tokyo	183.0%
	No. 5	Hanamigawa-ku, Chiba city	Chiba	181.9%
Used detached houses	No. 1	Futtsu City	Chiba	305.9%
	No. 2	Tateyama City	Chiba	269.1%
	No. 3	Nasu town, Nasu-gun	Tochigi	241.4%
	No. 4	Kisarazu City	Chiba	222.3%
	No. 5	Mihama-ku, Chiba city	Chiba	213.5%

Moving in and out of prefectures

Source: Ministry of Internal Affairs and Communications



The standard land prices ,Chiba (July 2020)



Responding to COVID-19

Careful activities to fulfill the role, mission, and raison d'etre of regional financial institutions

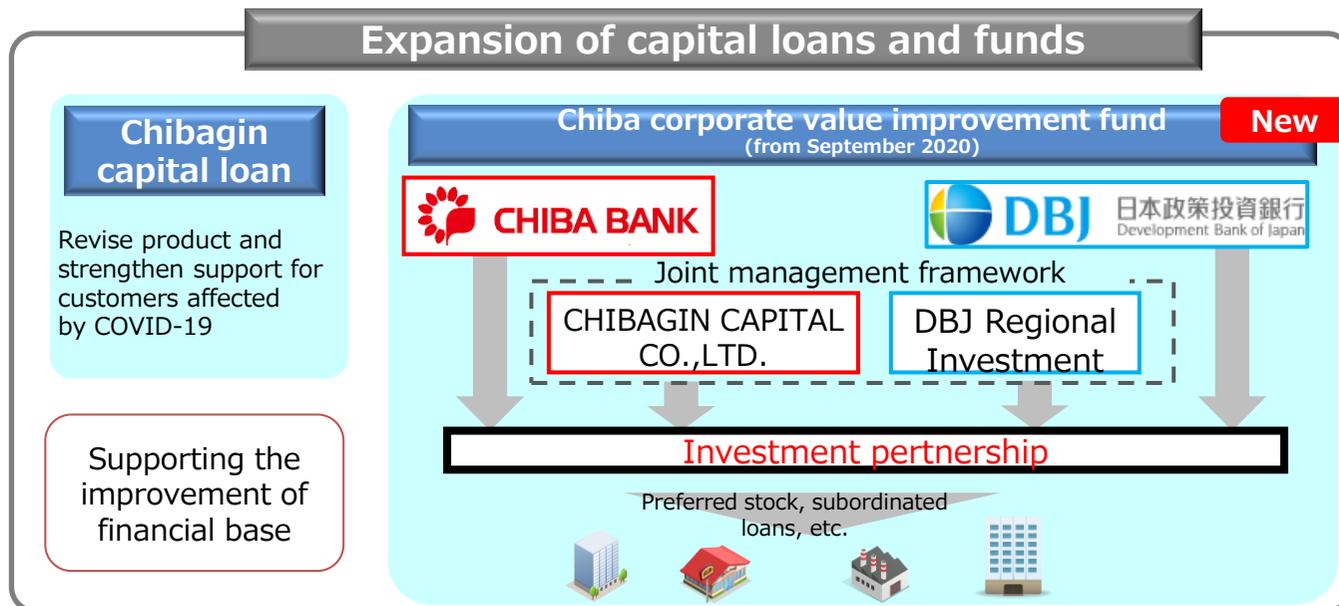
Status of loans related to COVID-19

[As of September 2020]

(cases/amounts)	Application		Execution	
New loans	10,525	¥585.0 billion	9,350	¥519.5 billion
Without guarantee of the Association	768	¥327.2 billion	656	¥289.6 billion
With guarantee of the Association	9,757	¥257.8 billion	8,694	¥229.9 billion
Restructuring loans	720	-	566	-
Corporate loans	382	-	311	-
Consumer loans	338	-	255	-

Continue proactive financial support through sincere and prompt customer services

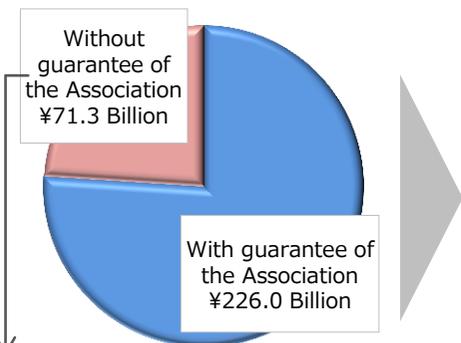
Expansion of capital loans and funds



COVID-19-related loans balance

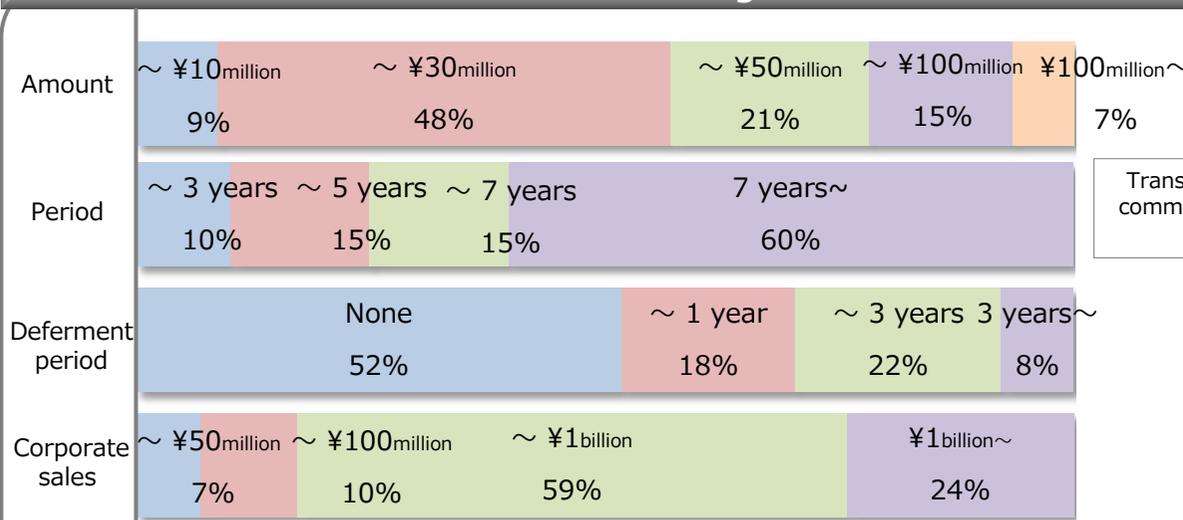
[As of September 2020]

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



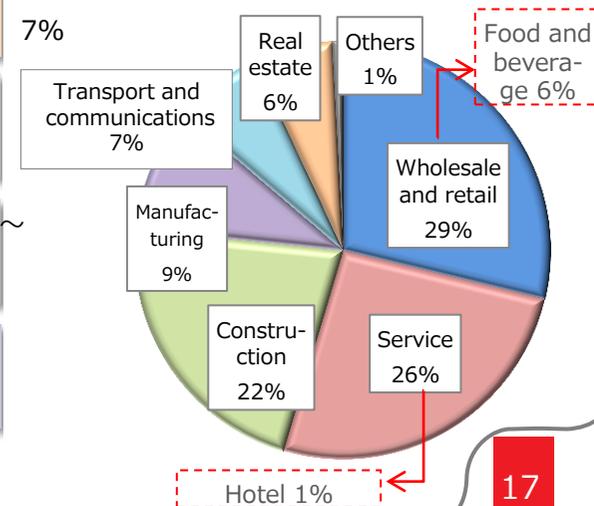
84% of loans without guarantee of the Association are for corporations with sales of greater than or equal to ¥1 billion

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



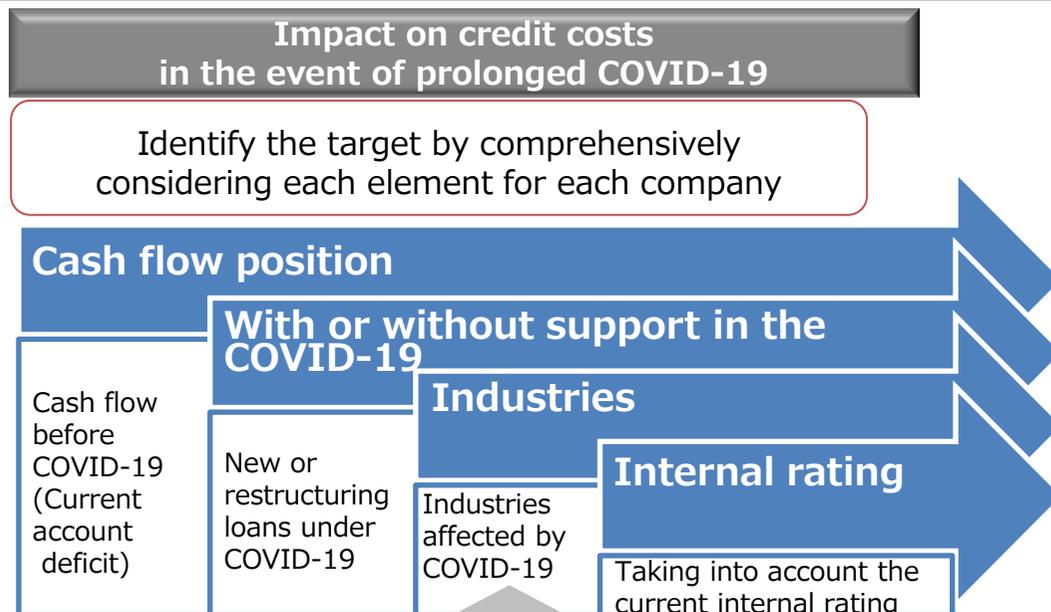
Average interest rate (weighted average): 1.33%

By industry



Impact of COVID-19 on Net Credit Costs

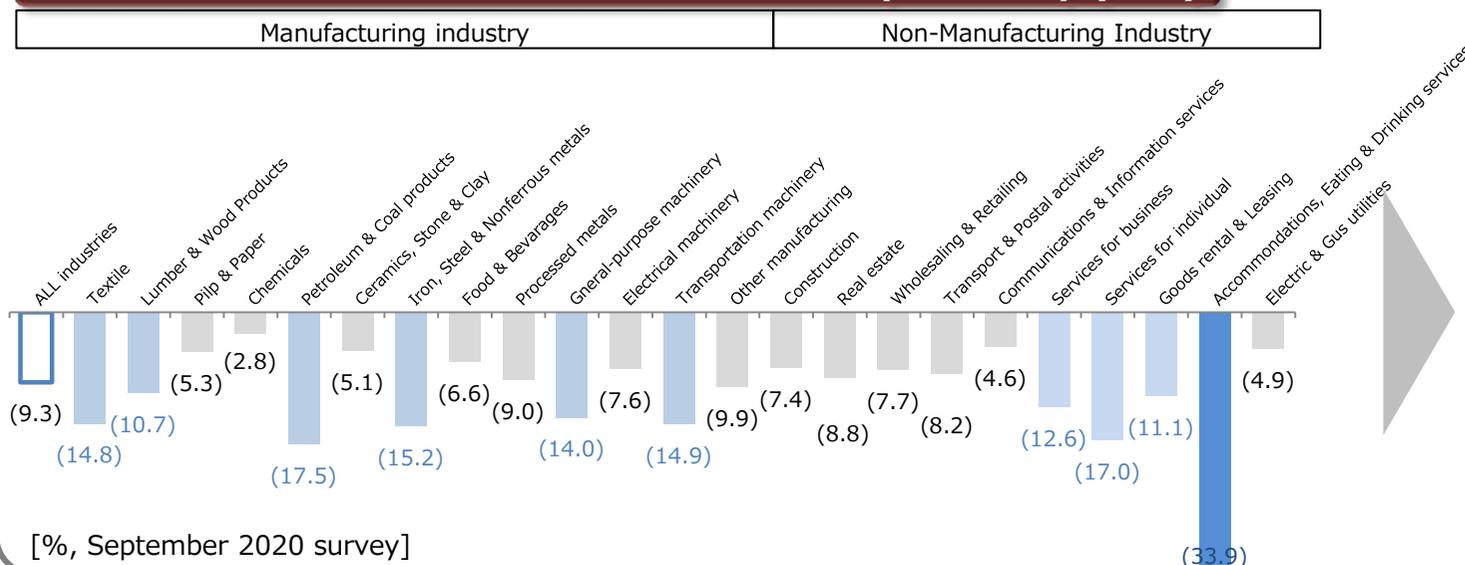
Even if COVID-19 impact is prolonged, the increase in credit costs can be suppressed



Impact of COVID-19 by industry	Impact	
	1st year (FY2020)	2nd year (FY2021)
Large	High	High
Medium	High	Certain effects
Small	Certain effects	None

Credit costs		
2021/3 2H	¥3.6 billion	Within the range of ¥6.3 billion expected to be new downgrades in the 2nd half
2022/3 1 year	¥8.3 billion	FY2020 New downgrades related to COVID-19 (1H result: ¥1.3 billion + 2H forecast: ¥3.6 billion) + Approximately ¥3.4 billion

“BOJ Tankan” Sales forecasts for FY2020 by industry (YoY)



Using BOJ Tankan data, Refinement of impact by industry

Impact of COVID-19 by industry	Percentage of the Bank Loans
Large	Hotels, Food and beverage 1%
Medium	Industries for which sales forecasts is lower than the all industries average 11%
Small	Industries for which sales forecasts is higher than the all industries 88%

※ Individual judgments for industries not included in BOJ Tankan

Business Strategies

Strengthen ability to resolve management issues as a partner

Advisory activities

As developing evaluation of business, creating customers' corporate value by providing optimal solutions

As a partner (advisor) continuous dialogue to identify potential challenges

Sharing of issues, initiatives aimed at solutions

Evaluation of business (analysis and evaluation)

Provide total solutions

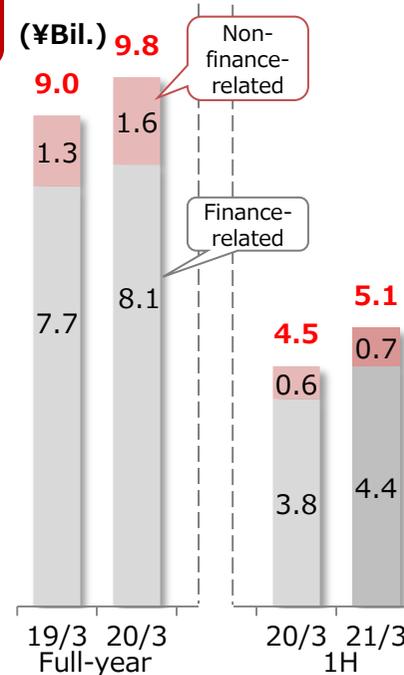
Group companies

External partner

Overseas network

Creation of corporate value

Fees and commissions income of corporate solutions



Large-scale syndicated loan origination

Using the financial resources of the alliance banks, originated two large syndicated loans worth ¥50 billion in September and October

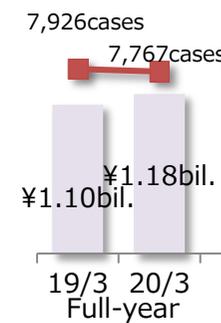
<Arranger>



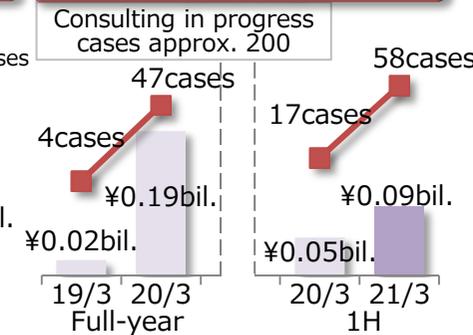
<Participating banks>



Number of business matching transactions and Fees



Number and fees of advisory contracts



ICT ※ consultation New

※ Information and Communication Technology

Supporting companies' adoption of ICT (Utilize cloud)

(Scheduled for the second half of FY2020)

- Improvement of business flow
- Comparison / review

Support for introduction

Chibagin Computer Service

Chibagin Career Service



Recruitment



Consulting



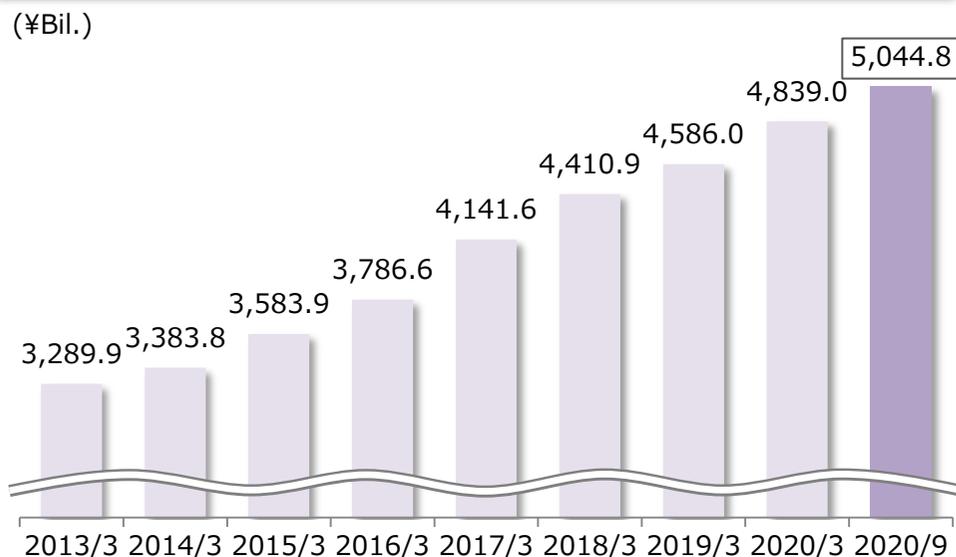
Preparing management plan



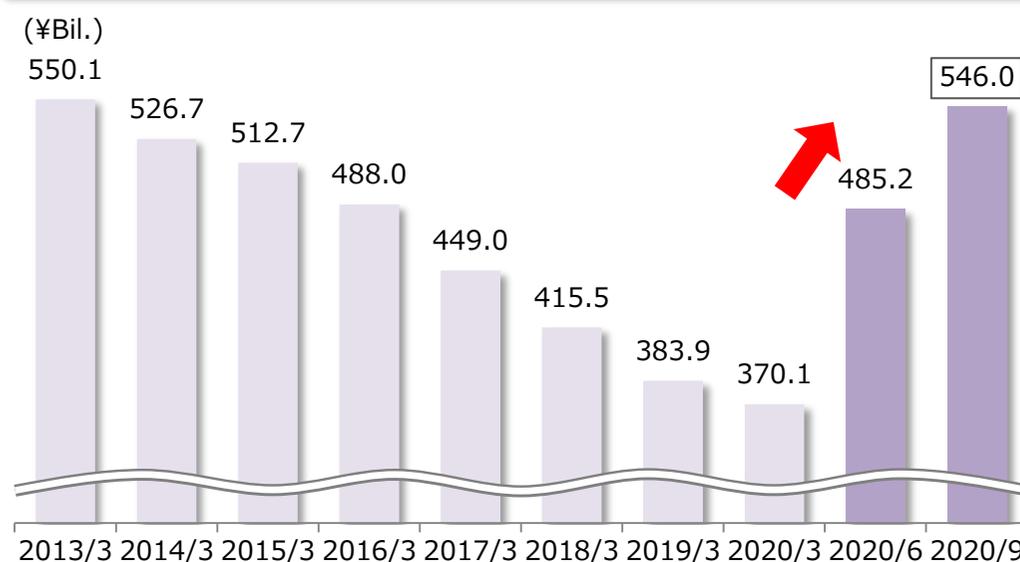
CRi Chibagin Research Institute

Aggressive responding to SME borrowing needs by COVID-19 disaster

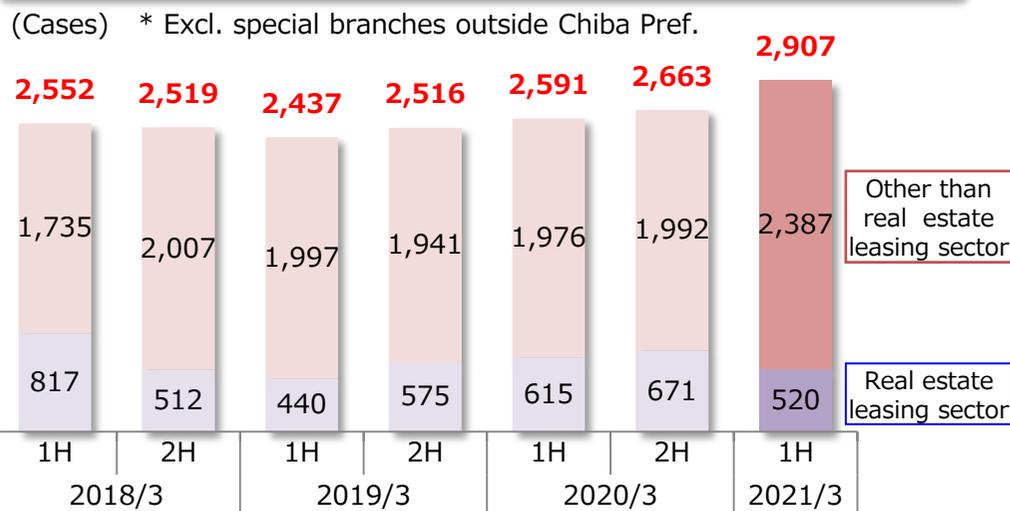
Balance of loans to SMEs



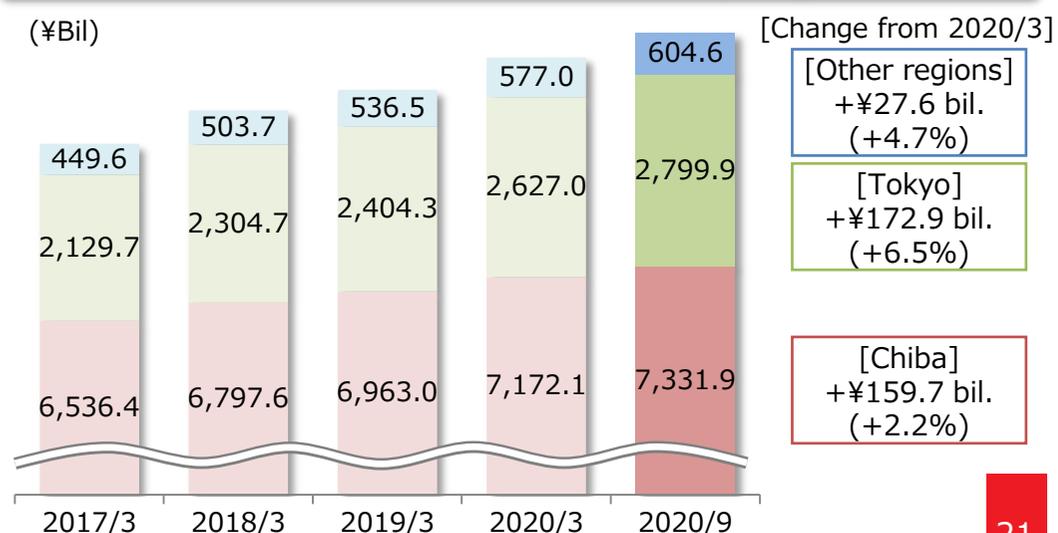
Balance of loans with guarantee of the Association



Number of new loan customers



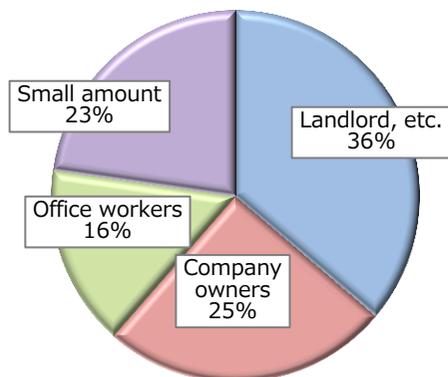
Balance of domestic loans by region



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

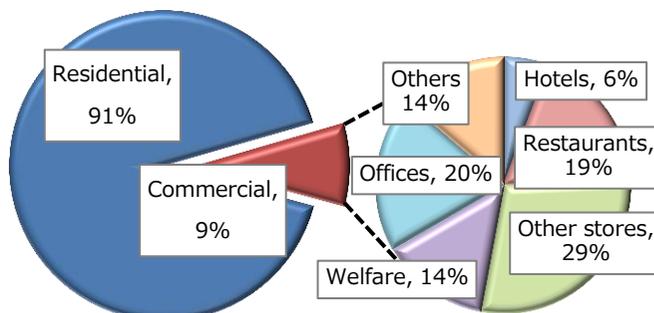
Ratio by borrower attribute

[Based on number of customers as of March 2020]



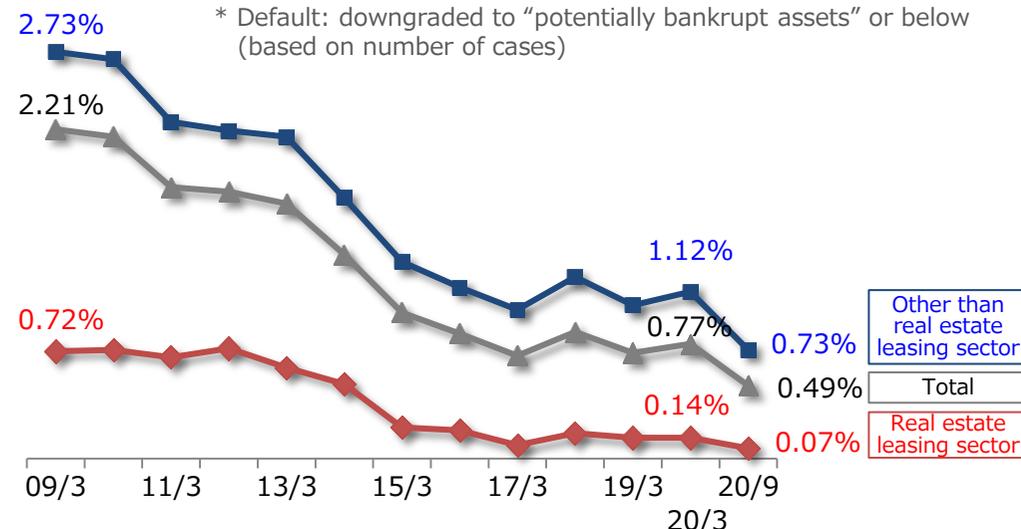
Ratio by tenant

※ Ratio of "commercial" is the data which aggregate the customers whose loan outstanding is more than ¥0.1 Bil.



Default-rate ※

* Default: downgraded to "potentially bankrupt assets" or below (based on number of cases)



※ Ratio of 2020/9 are annualized.

Occupancy rate

Average of the customers' properties : 92.3% (national average : 86.4%)

DSCR

Average of the customers' properties : 152%

DSCR: Debt service coverage ratio

(Cash flows before principal and interest payments for the property / Principal and interest payments)

If the ratio is less than 100%, the repayment and expenses cannot be covered by the property rent income.

Loans to the properties which were built by Leoplace21

	No. of properties	Loan Balance	Occupancy rate
No defect	464	¥38.2 bil.	96.1%
Under investigation	30	¥2.7 bil.	97.1%
Defect	163	¥10.1 bil.	77.7%
Total	657	¥50.9 bil.	91.6%

Occupancy rates for "Defect" properties declined due to under repair construction, etc.

Occupancy rates significantly exceeding the national average rate of 78.2% for properties managed by Leoplace21 in August

[As of September 2020]

"Balance" and "percentage" in the sector of restructuring loans for real estate leasing sector

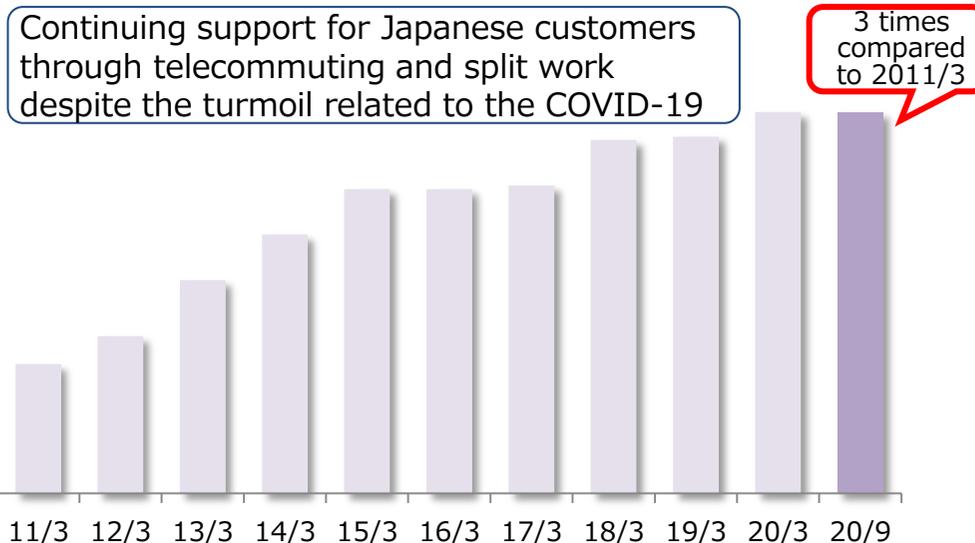


Take advantage of the largest overseas network of regional banks

Overseas Network of the Bank



Loan customers number of Japanese-affiliated company at overseas branches



Co-financing results with alliance banks

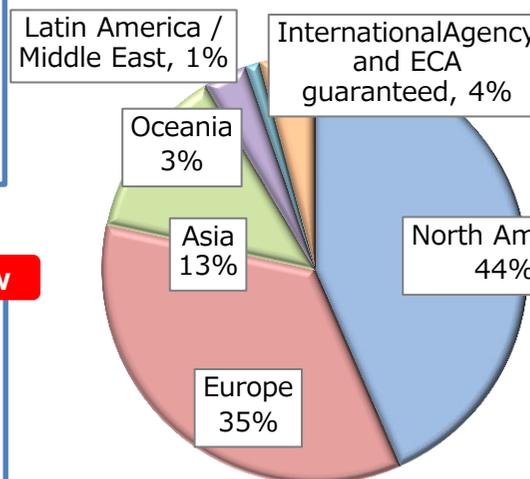


➤ Executed in May 2020

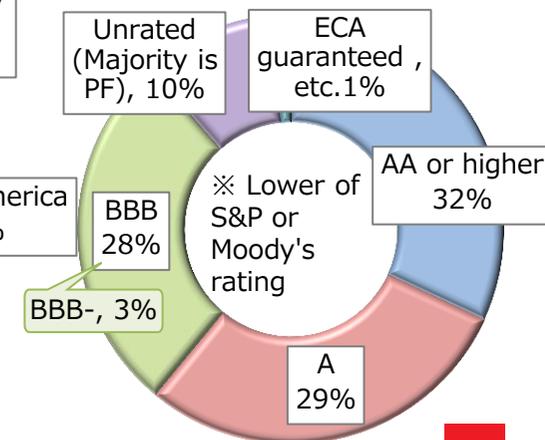


➤ Executed in July 2020 ➤ Utilize both Chiba-Musashino and TSUBASA alliances

Balance of non-Japanese loans (by region)

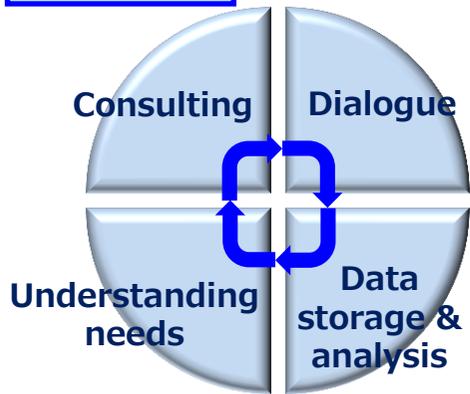
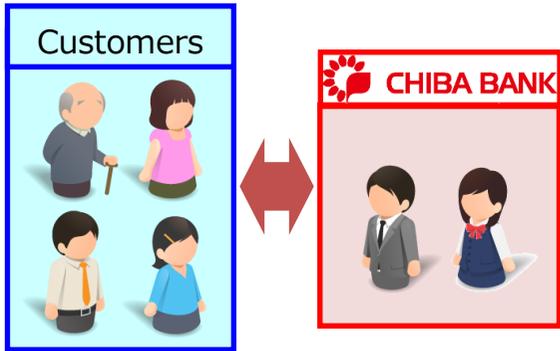


Balance of non-Japanese loans (by external credit rating)



※ Including credit to non-Japanese companies in domestic branches and market divisions

Strengthen consulting functions that are closely linked to the lives of individuals



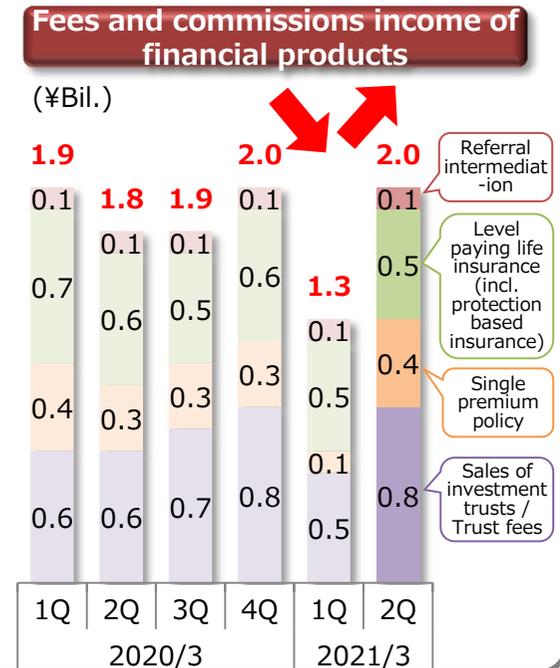
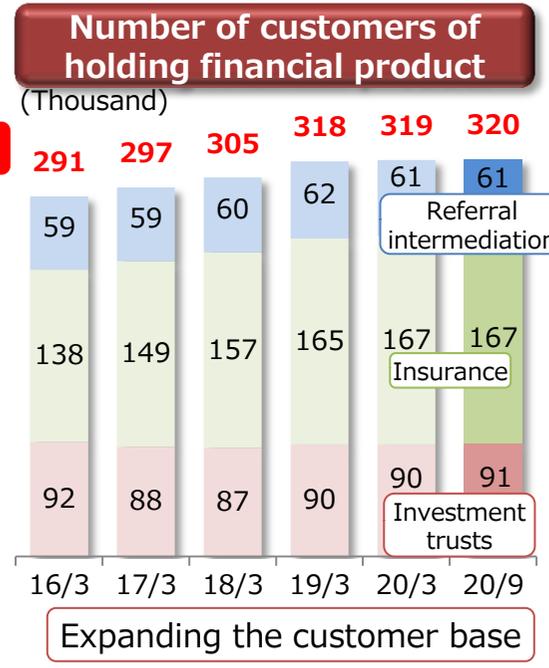
Financial product sale

FD* rating

* Fiduciary duty

(Jun. 2020) **New**

Rated "S" in R&I's "Customer-Oriented Assessment of Investment Trust Sales Companies" rating.



Trust and inheritance

Our products

Inheritance-related	Trust
Testamentary trust	Land trust
Testamentary trust support services	Public interest trust
Inheritance sorting service	Specified gift trust
Management succession support service	Guardianship support trust
Family trust support service	Alternative testamentary trust

Interest is increasing due to the COVID-19 crisis. We stimulated the needs through online seminars, etc.

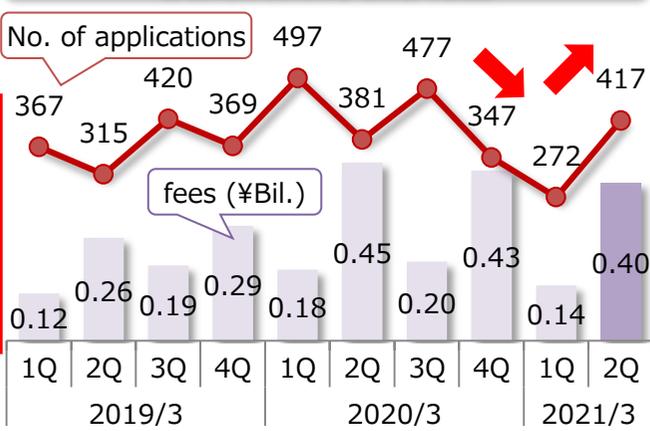
Asset management trust

(Scheduled in the 2H of FY2020)

- Measures against bank transfer fraud
- Measures against dementia

Measures against dementia

Trust and inheritance-related transactions and fees



Assets identified through inheritance business

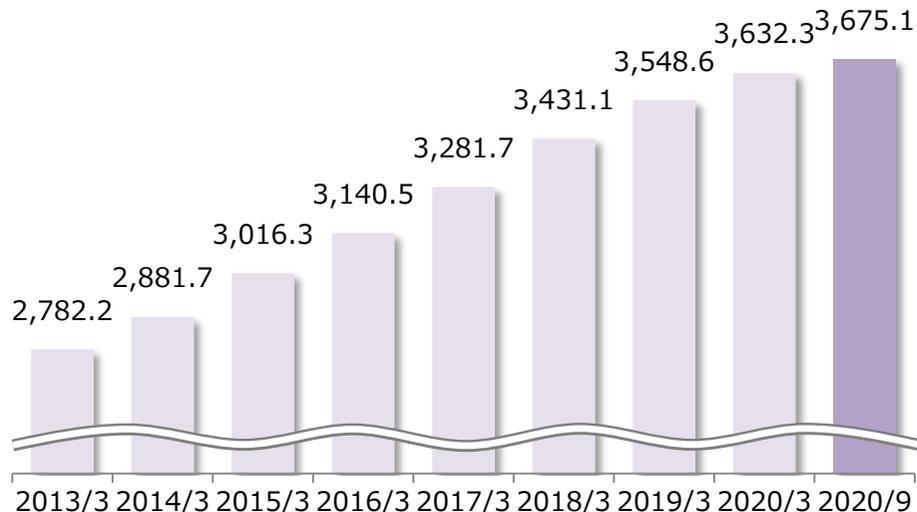


Expansion of derived transactions

Enhance product value and convenience to respond positively to customer needs

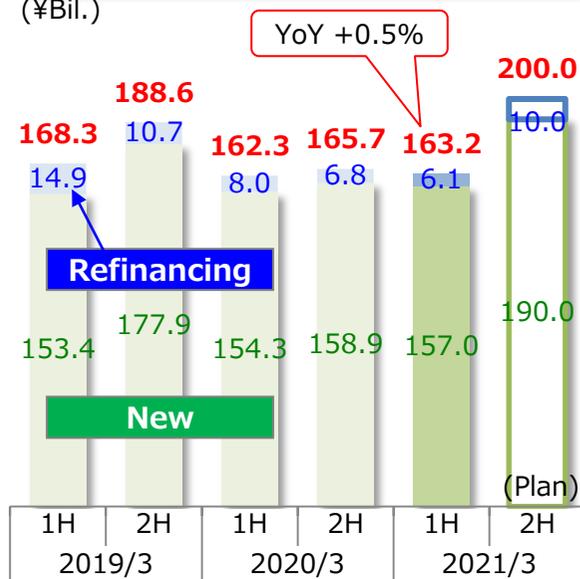
Balance of housing loans

(¥Bil.)



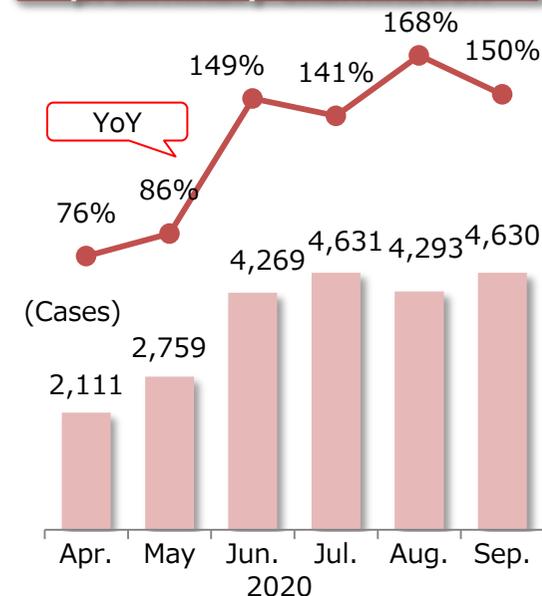
Executed amount of housing loans

(¥Bil.)



Number of applications for preliminary examination

(Cases)



Measures to expand housing loans

COVID-19 impact

<Need to purchase second house>
 ■ Considering **the revision of the product of the Second House Loan** (during the 2H of the FY 2020) **New**

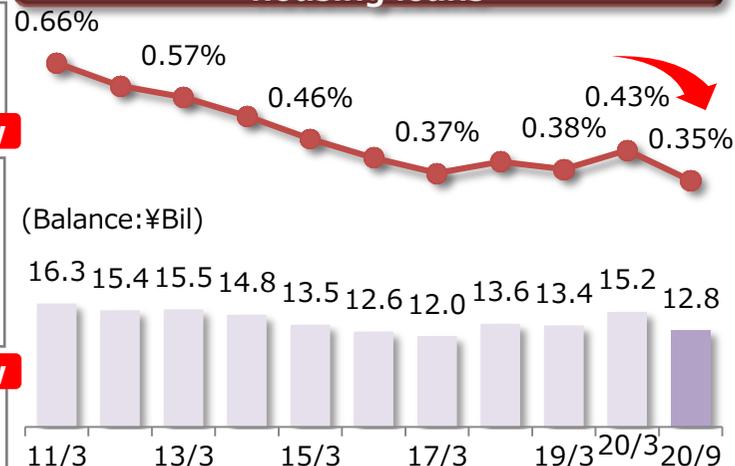
Differentiation with other banks

■ **Natural disaster support covenant** (from Apr. 2020)
 ■ Group insurance for 11 sickness, for all sickness (extended products)
 ■ Revised product of reverse mortgage-type loan

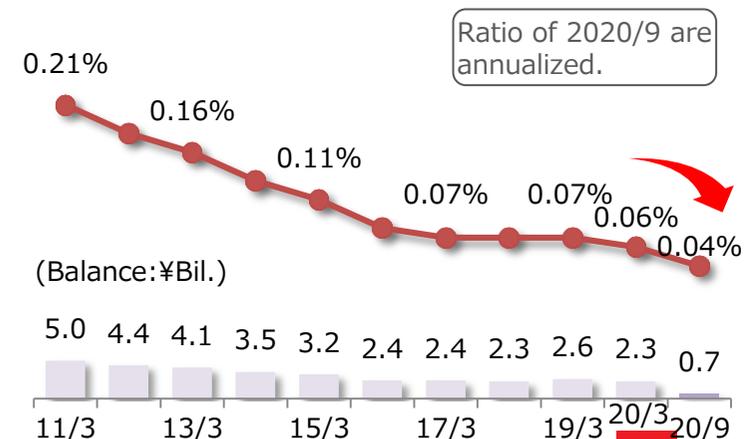
Convenience improvement

■ "My Post" (from Oct. 2020) **New**
Documents are sent to customers online.
 ■ Electronic Icontract (from Feb. 2020)

Balance and ratio of delinquency housing loans



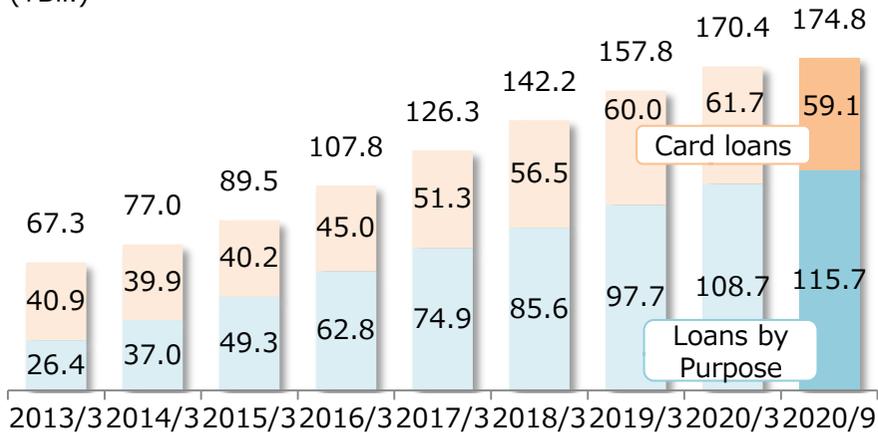
Balance and ratio of requesting subrogation payment of housing loans



Maintain the soundness of assets while increasing the balance

Balance of unsecured consumer loans

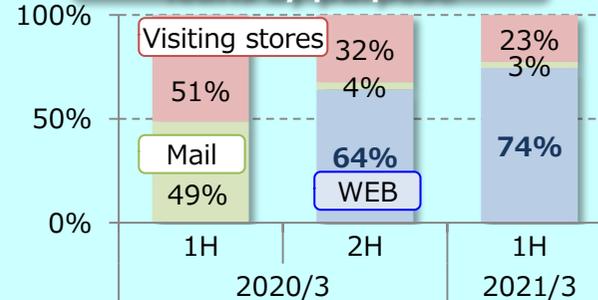
(¥Bil.)



Measures to expand unsecured consumer loans

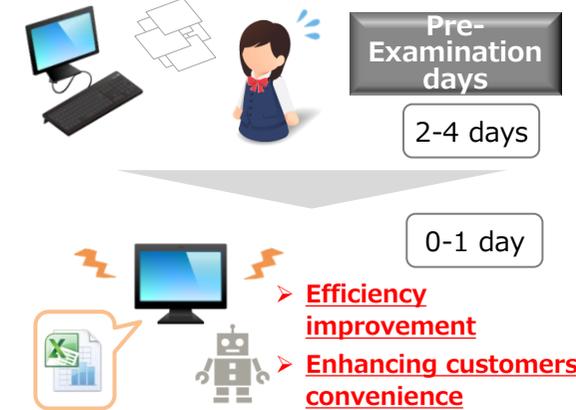
- Web completion scheme for loan by purpose (from Oct. 2019)
- DM with borrowable amount expected by AI
- ・ Started for "educational loan" from Nov. 2019
- ⇒ Expanding to other loans in the future

Application method for loans by purpose



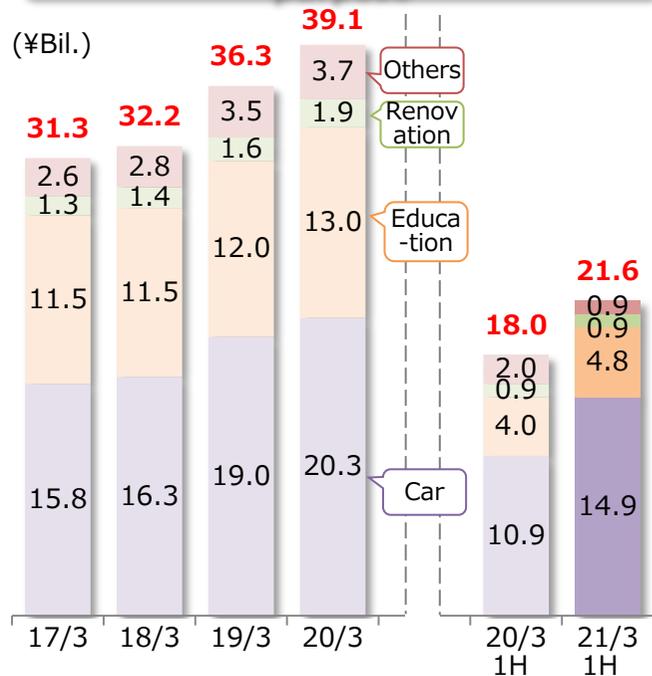
Improving operational efficiency of unsecured consumer loans

- Introduction of RPA for acceptance and preliminary examination of loans by purpose (from Sep. 2020) **New**

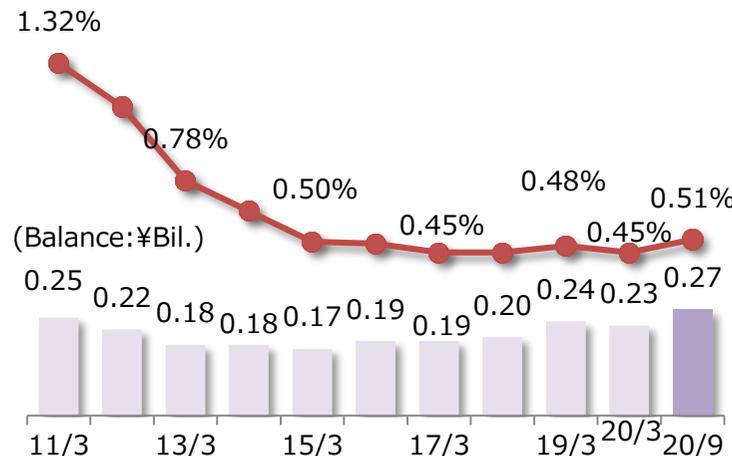


Executed amount of loans by purpose

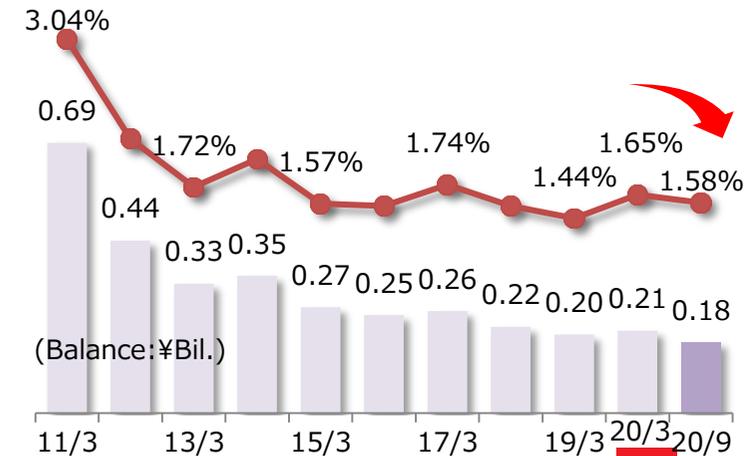
(¥Bil.)



Balance and ratio of loans by purpose (guaranteed by Chibagin Guarantee)



Balance and ratio of card loans (guaranteed by Chibagin Guarantee)



Establishment of the TSUBASA cashless payment platform to provide comprehensive payment solutions

Cashless service for merchants

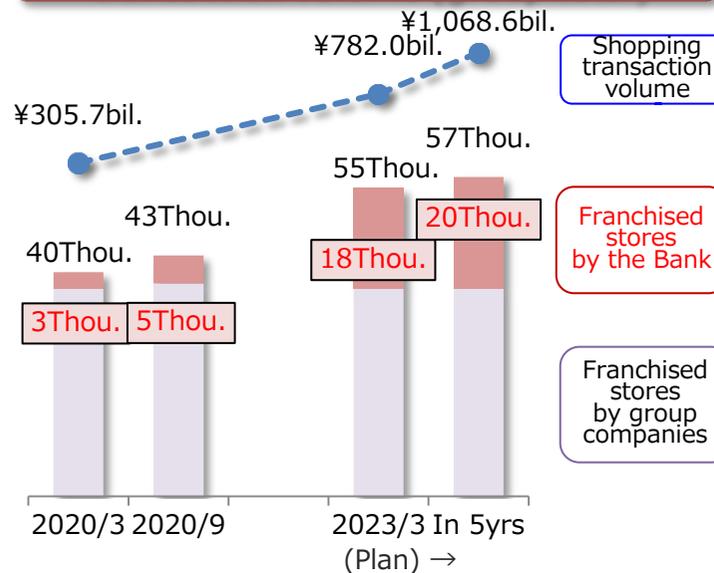
From Oct 2019

- Entered into cashless services to merchant by the Bank itself
- Support customers' cashless service introduction

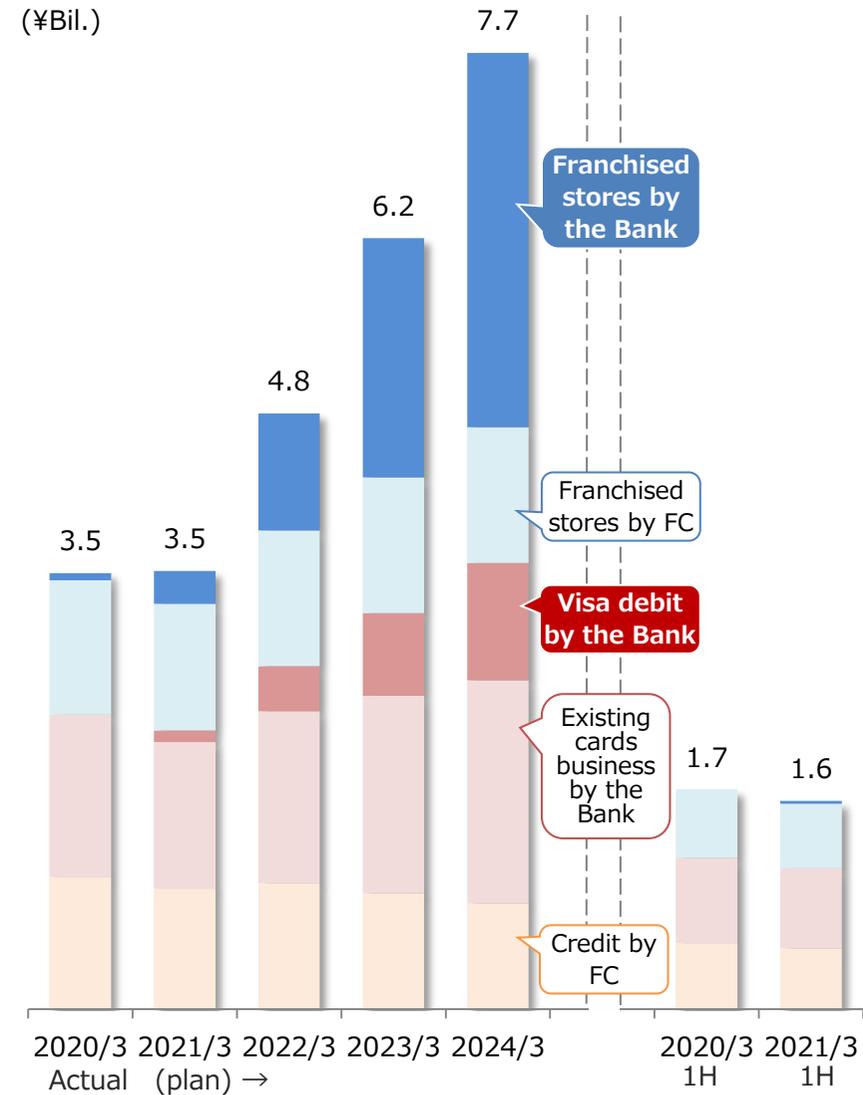
Introduction of the Bank's "merchants Service" to local governments and shrines and temples

- Narashino City (2020/2~)
- Narita City (2020/7~)
- Inage Sengen-jinja Shrine and Tanjo-ji Temple **New**

Number of franchised stores and transaction volume (group total)



Gross business profits of cashless business (group total)



Card business

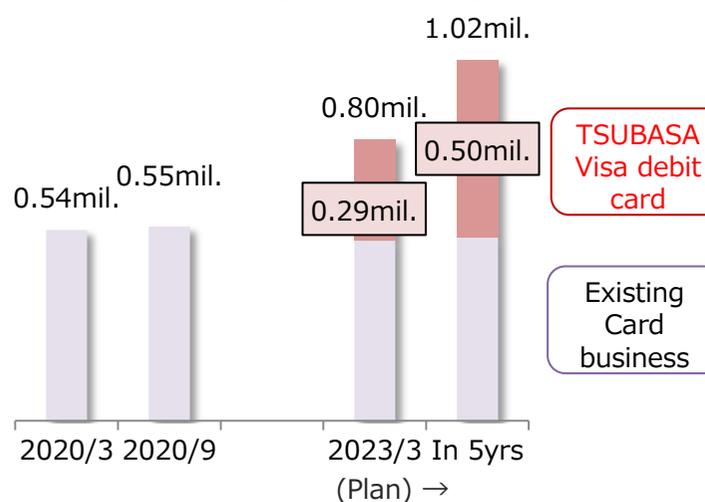
From Oct. 2020

New

- TSUBASA Visa debit card (automatic incidental to a new account)

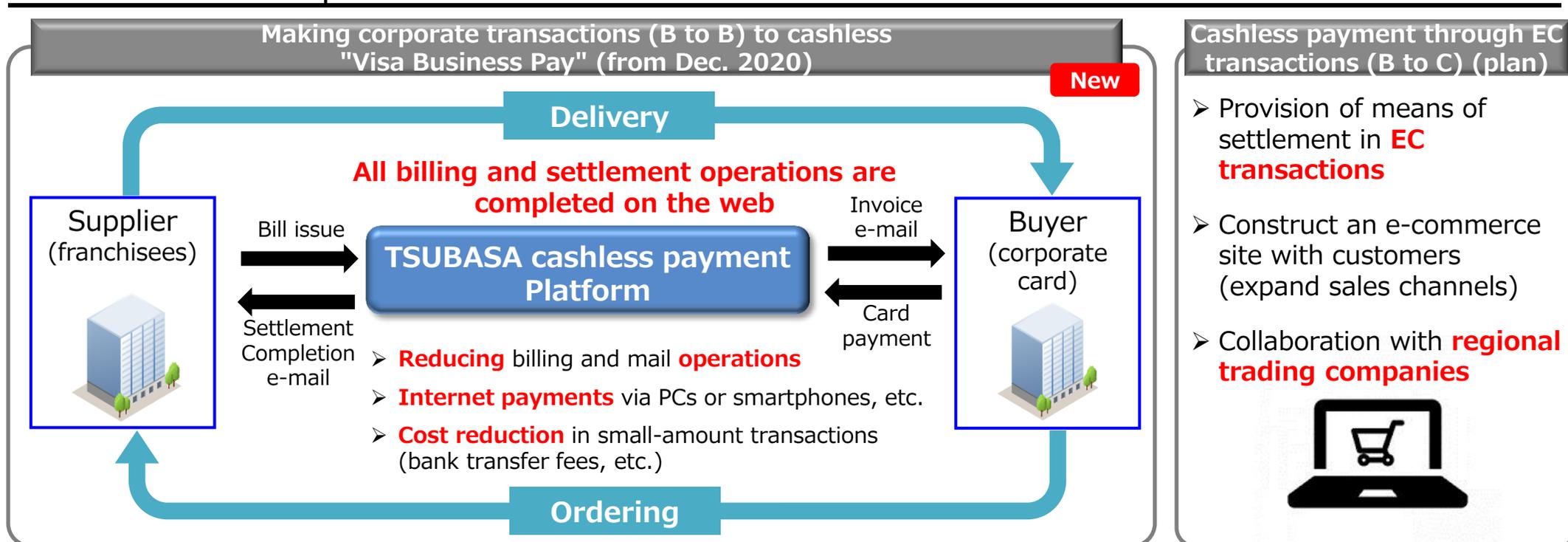


Number of cardholders (group total)



Cashless Business ②

Development of new services in collaboration with other industries



Recurring (planned in the 2H of FY 2020) New

- **Credit card payments for a continuing charge (monthly payment, etc.)**
- Targeting real estate leasing sector, gas companies, tutoring schools, nursing care facilities, etc.

Development of ticket vending machines and automatic settlement machines (planned in the 2H of FY2020) New

- **Co-development with manufacturers**
- Connecting to the Bank's **multi-settlement terminals**
- Accepting **touch-less settlement**
- Touch panel control

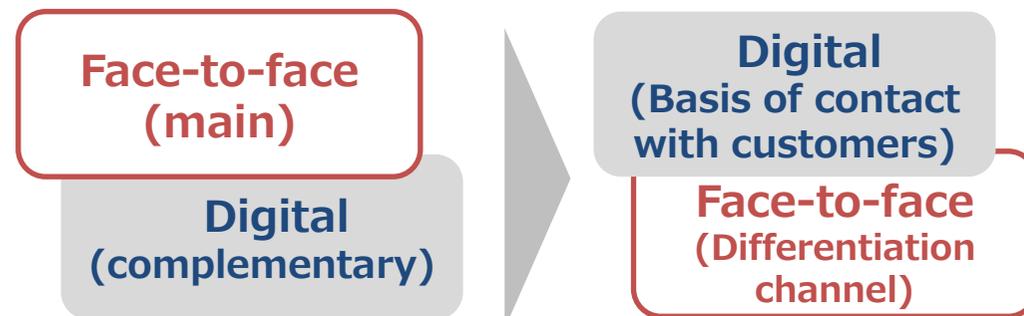
Channel Strategy

From "face-to-face as main / digital as complement" to "digital as main / face-to-face as differentiation"

Continuous optimization of the branch network

(Excluding virtual branches, exchange offices, and branches in-branch)				Number of branches, offices
	Chiba Pre.	Outside of Chiba	Over-seas	
End of Mar. 1992	163	11	4	178
Newly opened	+16	+16	+4	+36
Closed (including transition to branches in-branch)	(33)	(4)	(2)	(39)
Change	(17)	+12	+2	(3)
End of Sep. 2020	146	23	6	175

Positioning of face-to-face and digital channels

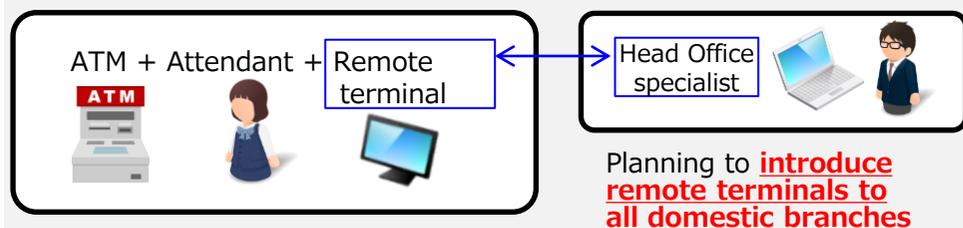


Area collaboration system

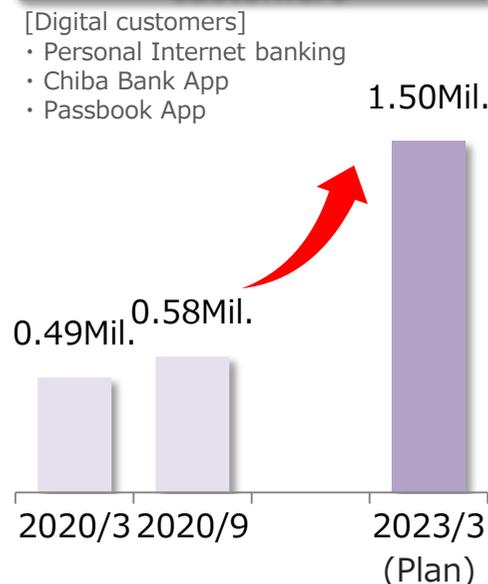
From April 2020
Started trials in the Tateyama area



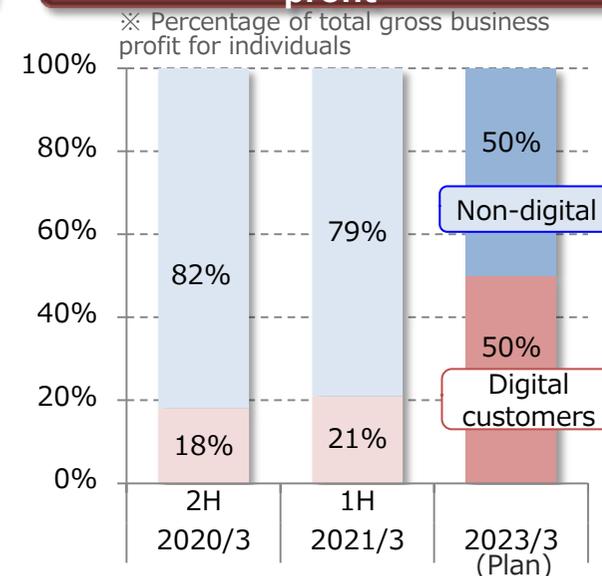
Transitioned to super-lightweight branches in the future



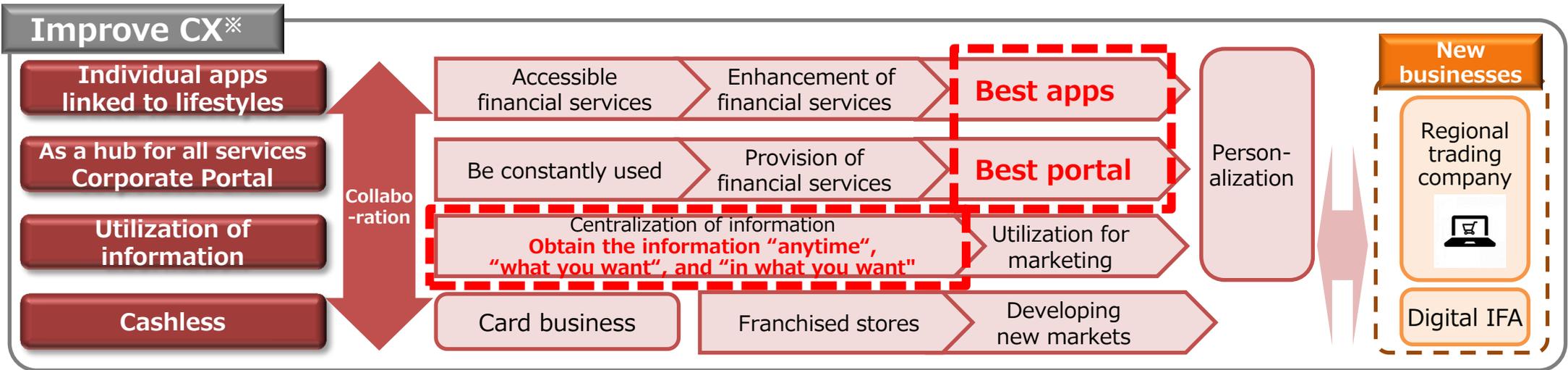
Number of individual digital customers



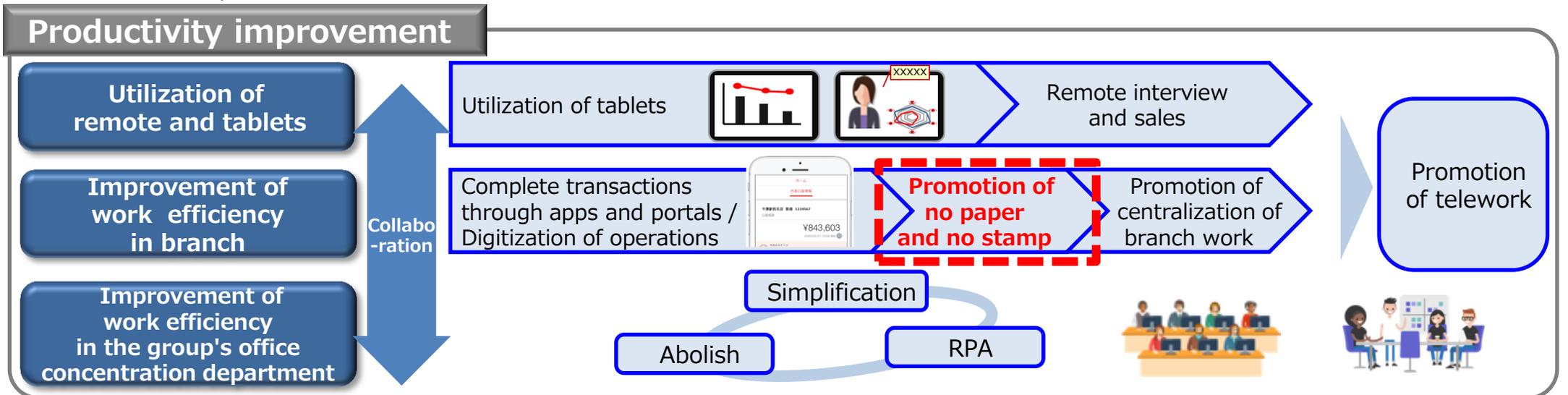
Composition of gross business profit



Establish the "Digital Promotion Committee" and Promote three "Moonshot Goals"



* CX: Customer Experience



Three Moonshot Goals *

- * "Moonshot Goal"
- It originated from the **"Moonshot", the first lunar landing project for humanity** in the Apollo program proposed by the U.S. President John F. Kennedy.
- The word is used for **ambitious goals and challenges that would be a significant impact** but a difficult or enormous costly as looking out future society.

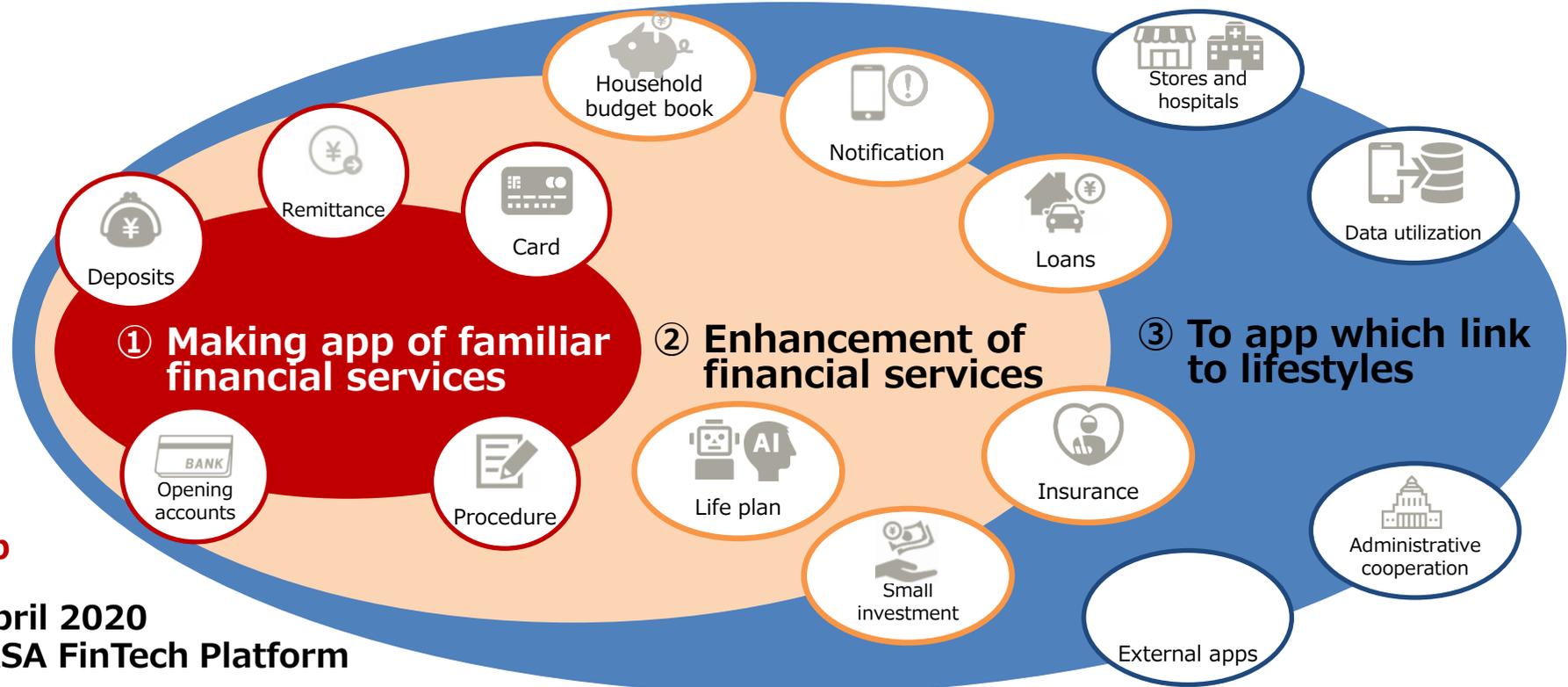
Chiba Bank App

Towards the app linked to lifestyles



Chiba Bank App

Renovated in April 2020
Build on TSUBASA FinTech Platform



Phase 1 Implemented in the 1H of FY2020

- Inquiry of balance and transaction statements
- Transfer between self-accounts
- Link with Passbook App

Phase 2 Implemented in Nov. 2020

- Time deposit transactions
- Transfer (within Chiba Bank)
- Linking to debit cards
- Applications for housing and unsecured consumer loans
- Cooperate with Apple Pay・Google Pay
- Link to external apps

New



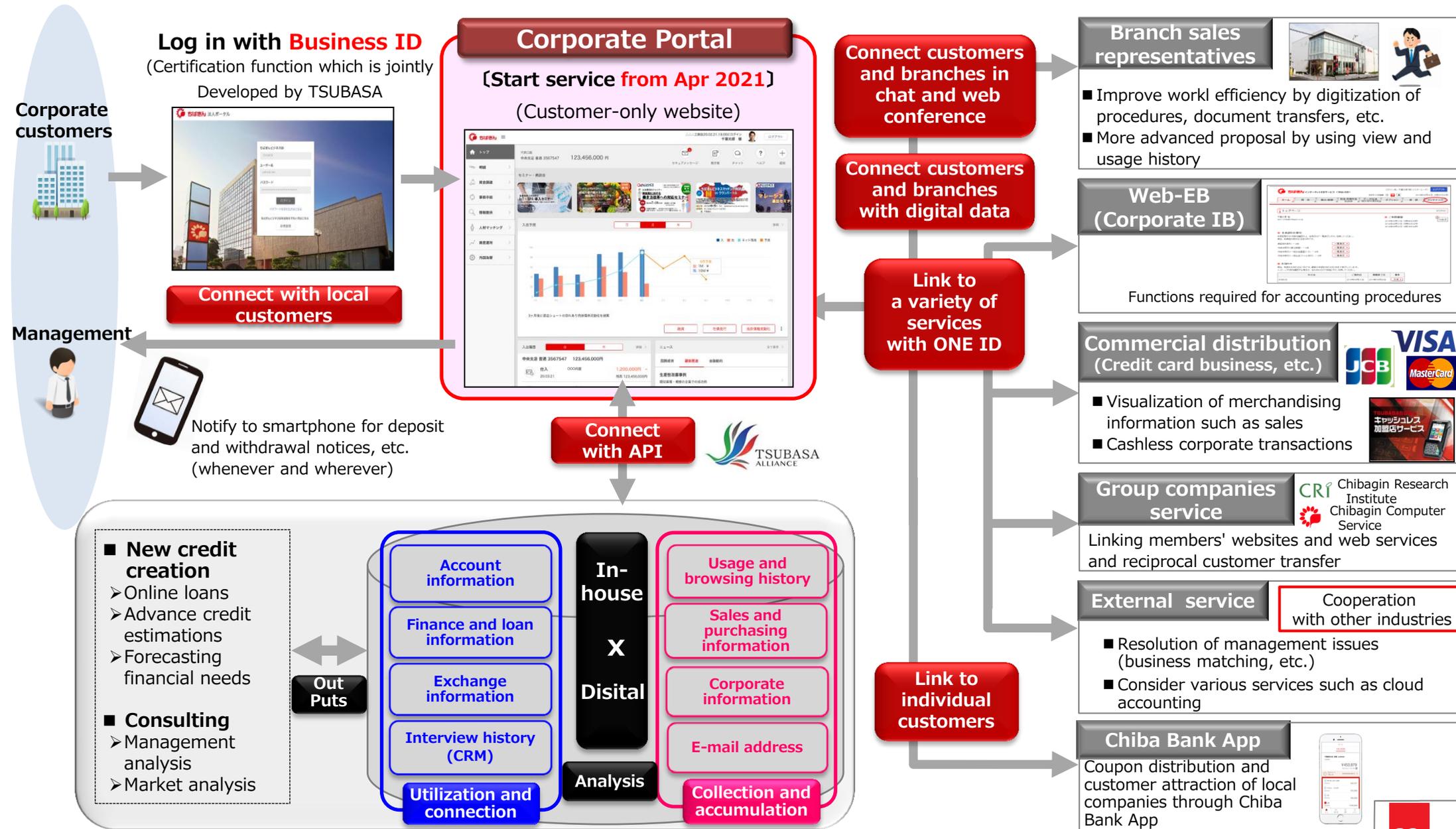
Phase 3 and more

- Transfer (to other banks)
- Procedures (address change, etc.)
- eKYC (electronic identity verification)
- Card loans
- Tax payments
- Application loan
- Life plan simulations
- Small-amount investments, etc.

Evolve into our core channel with development flexibility and extensibility

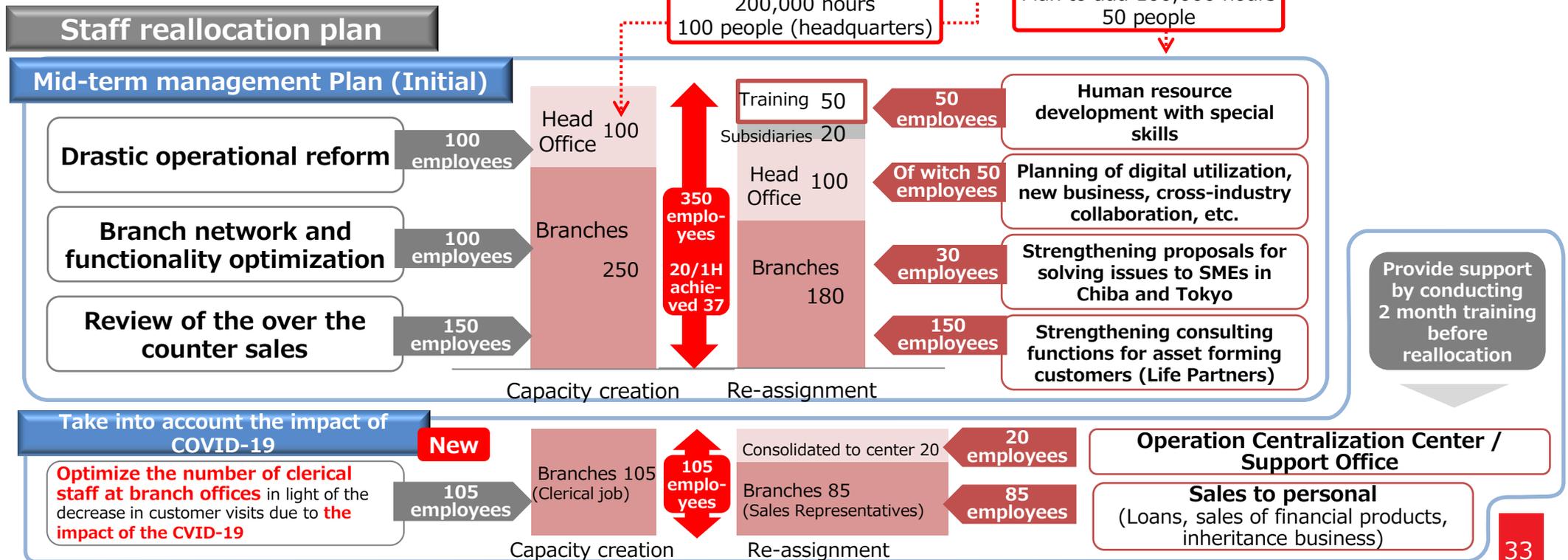
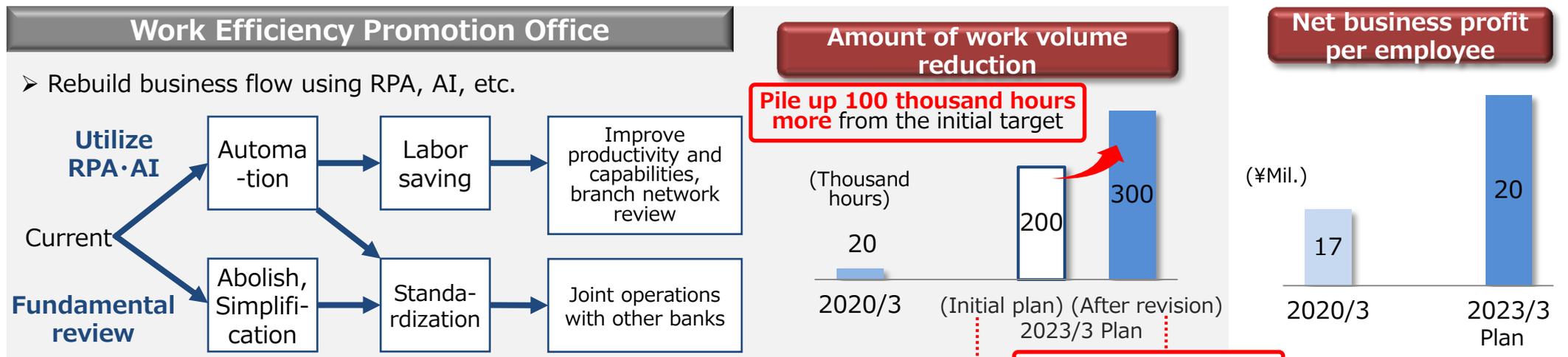
Corporate Portal

Establishment of a corporate portal to serve as a hub for all services essential to business activities



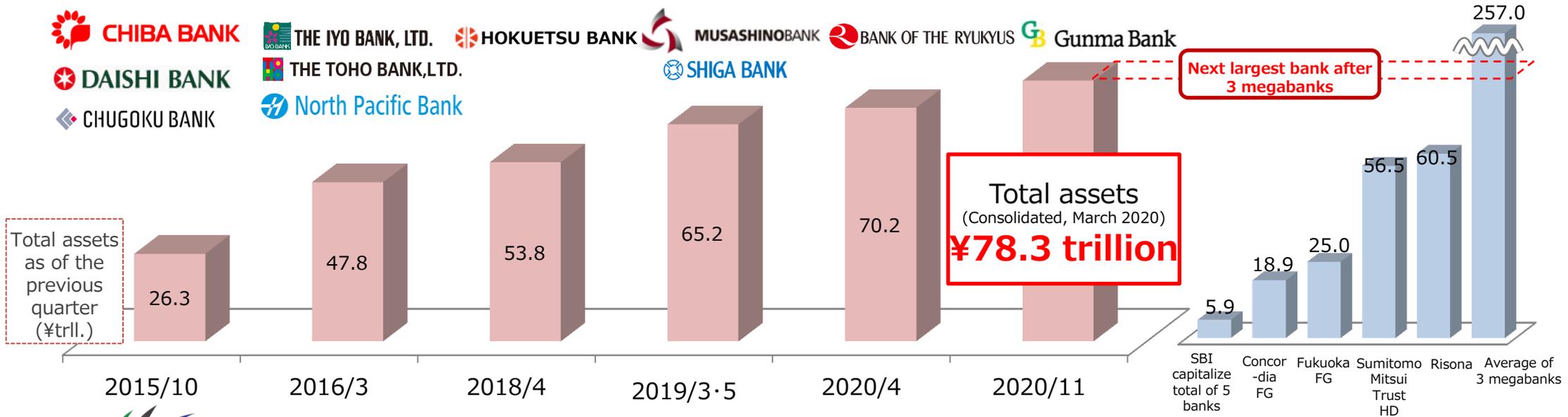
Operational Efficiency and Personal Reassignment

Improve productivity through active digital utilization, reallocate personnel in light of the impact of COVID-19

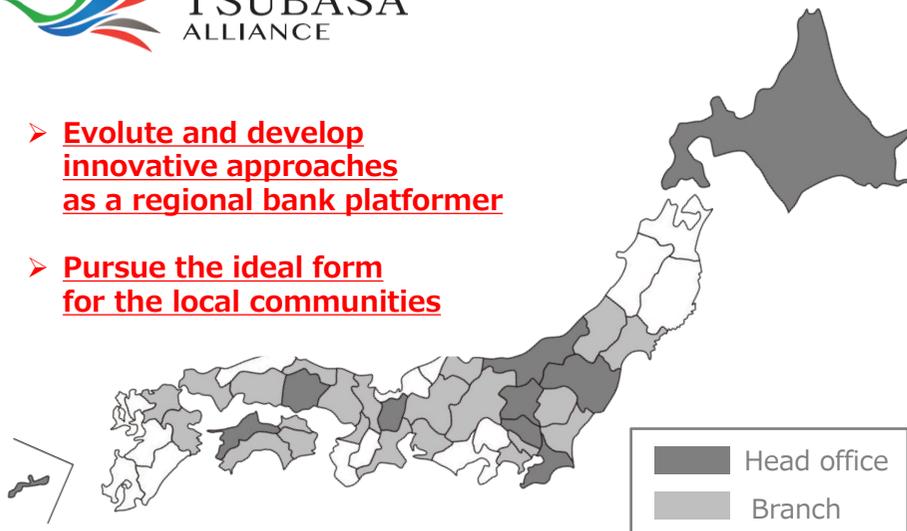


Alliance Strategies

Gunma Bank newly participates in wide-area collaboration by top regional banks in each area



- **Evolute and develop innovative approaches as a regional bank platformer**
- **Pursue the ideal form for the local communities**



Improve productivity by consolidating common functions and divisions

TSUBASA Banks

Jointly invested

New

Established **"TSUBASA Alliances Co., Ltd."** (July 2020)

Consolidate common functions and indirect departments
 Improve productivity by sharing know-how and human resources

Established AML Center
(October 2020)

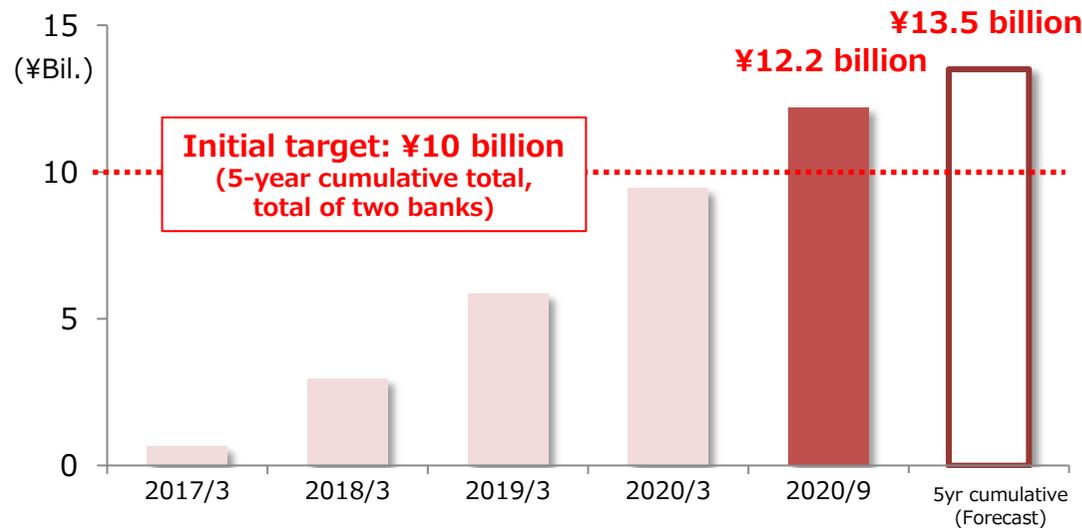
Consolidation of each bank's operations related to money laundering and the prevention of terrorist financing

Chiba-Musashino Alliance

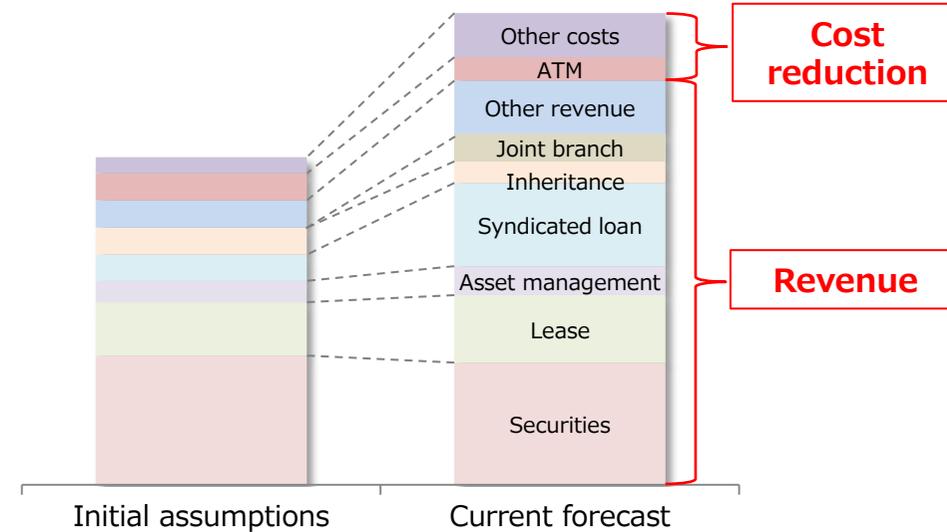
Comprehensive alliance between the two banks based in Chiba and Saitama



Realized and estimated 5-year cumulative synergies

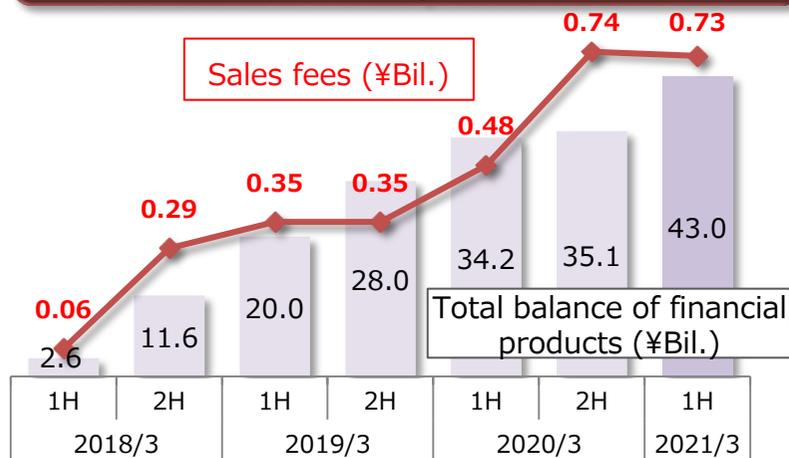


Breakdown of cumulative synergies



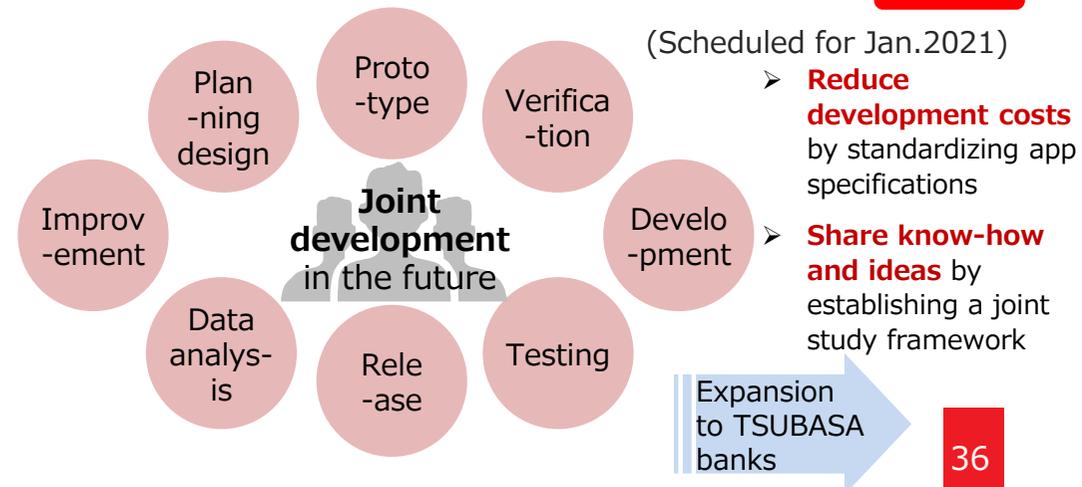
Musashino Bank ⇒ Chibagin Securities "Introduction cases"

Total balance of financial products and sales fees



Musashino Bank adopt the Chiba Bank App and renew the app

New

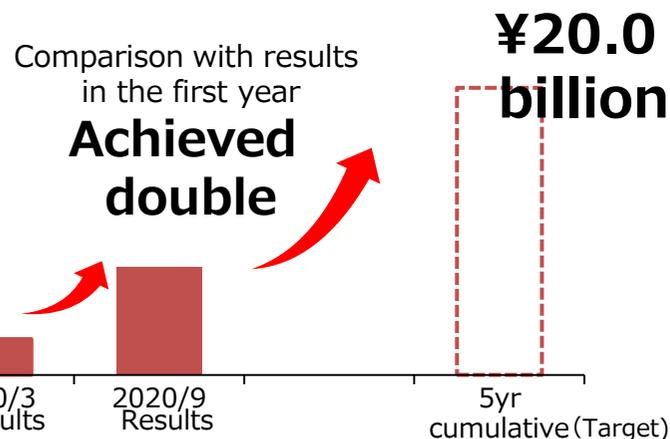


Two banks of equal size in the capital region will gather forces together to provide customers with enhanced services and products



Cumulative synergies from collaborations by both banks

Double the synergies of the 1st year results only in the 1st half. In the 2nd year, in addition to the accumulation of corporate business, the amount of synergies increased accelerating due to collaboration measures for new products, etc. that have been planned and developed in personal business.



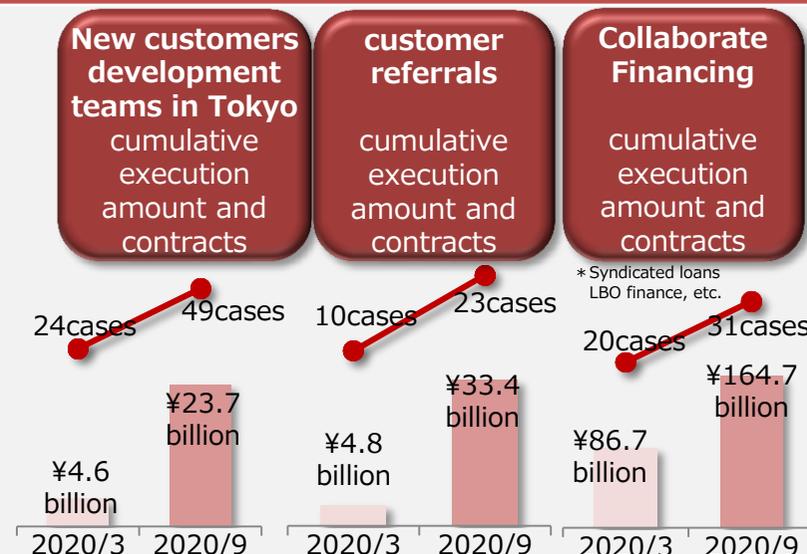
Collaboration measures for COVID-19

- Joint Web Seminar
- Online business meetings
- Support for web site sales of local specialties

Progress of various collaboration measures

Corporate Business

- Steadily accumulated results in new customers development teams in Tokyo, customer referrals and collaborative finance
- M&A (Result: 1)
- Support for overseas subsidiary of Japanese company using stand-by L/C
- **Established a joint fund** to support companies that are forced to transform their business due to COVID-19 (Scheduled during FY2020)



Personal Business

- **Joint development** of original **fixed annuity insurance "Gift for 10 years ahead"**
⇒ Total sales of ¥8.8 billion in both banks
- Mutual introduction of asset management products of both banks
⇒ Total sales of ¥3.9 billion in both banks
- Joint efforts for housing loans for LGBT

Others

- Joint training, mutual opening of holiday seminars and personnel exchanges
- Joint business contest for students

Sustainability

Achieve both social value and economic value through our long-term aims

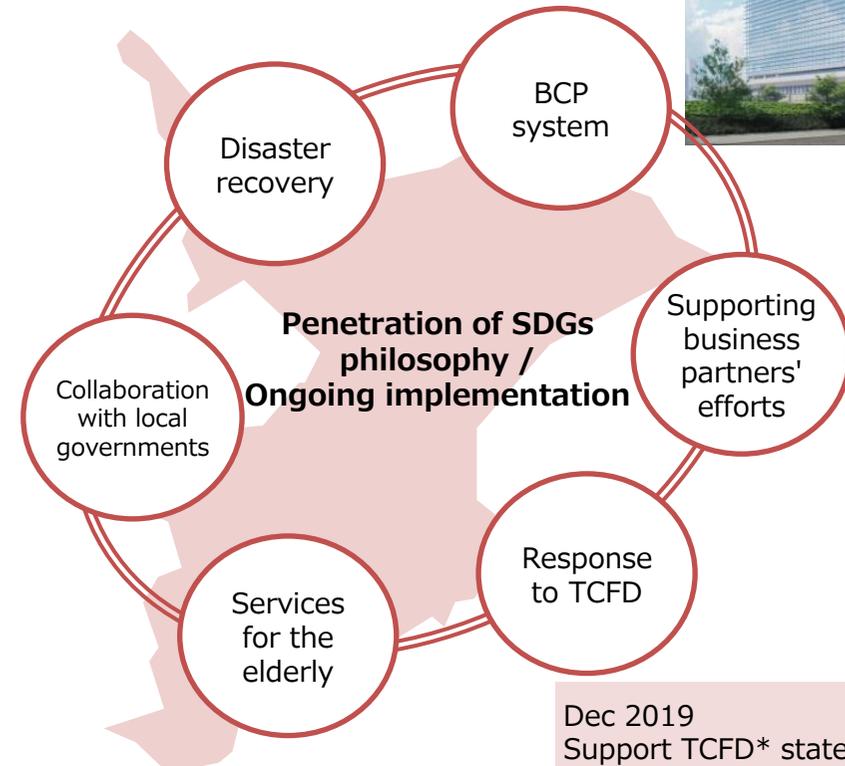
**Sustainable management =
“long-term aim” +
“social value (solving social issues) +
economic value”**

Chiba Bank group declaration on SDGs

Theme	Key issues	SDGs goals
Regional economy and community	Contribute to the revitalization of the regional economy and local communities	8 DECENT WORK AND ECONOMIC GROWTH, 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE, 11 SUSTAINABLE CITIES AND COMMUNITIES, 17 PARTNERSHIPS FOR THE GOALS
Population aging	Support safe and secure lives for the elderly	3 GOOD HEALTH AND WELL-BEING, 11 SUSTAINABLE CITIES AND COMMUNITIES, 16 PEACE, JUSTICE AND STRONG INSTITUTIONS, 17 PARTNERSHIPS FOR THE GOALS
Financial Service	Provide financial services for better life	1 NO POVERTY, 4 QUALITY EDUCATION, 8 DECENT WORK AND ECONOMIC GROWTH
Diversity	Promote diversity and work style reforms	4 QUALITY EDUCATION, 5 GENDER EQUALITY, 10 REDUCED INEQUALITIES, 17 PARTNERSHIPS FOR THE GOALS
Environmental conservation	Contribute to the conservation of a sustainable environment	2 ZERO HUNGER, 6 CLEAN WATER AND SANITATION, 7 AFFORDABLE AND CLEAN ENERGY, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION, 13 CLIMATE ACTION, 14 LIFE BELOW WATER, 15 LIFE ON LAND, 17 PARTNERSHIPS FOR THE GOALS

Basic concept of the new headquarters building

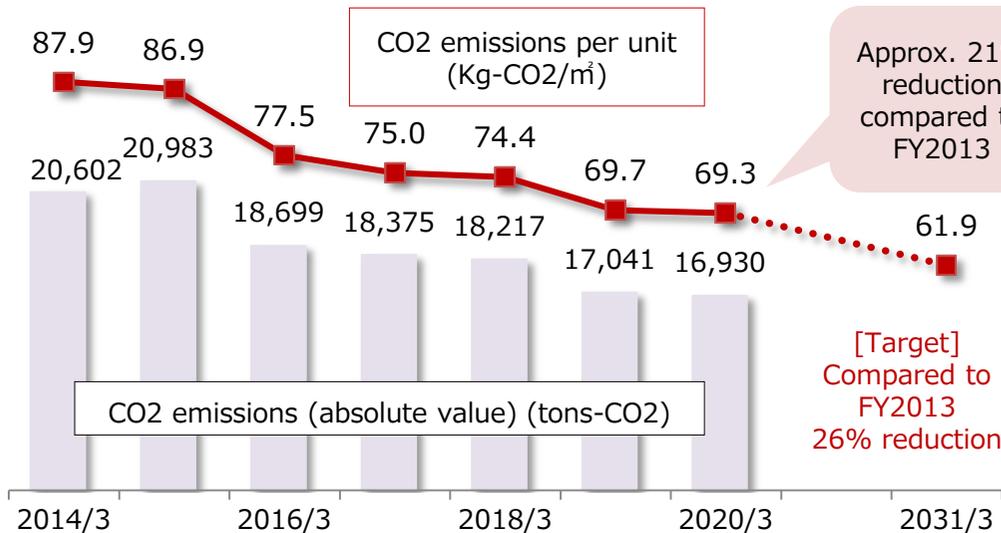
- Connecting with regional communities
- Strengthening BCP
- Consideration for the environment
- Improve productivity through work style reforms



Dec 2019
Support TCFD* statement
*Task Force on Climate-Related Financial Disclosures

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

Changes in CO2 Emissions



Composition and sales of ESG index investment trusts

- Establishment of a domestic stock index fund using ESG-based stock index as benchmarks

Private placement (from Sep 2019): Total sales ¥7.4 billion [for qualified institutional investors]

Public offering (from Mar 2020): Total sales ¥3.6 billion *

* Joint sales by Chiba Bank, Chibagin Securities, Bank of Yokohama, and Musashino Bank

Joint sales of Green Bonds and SDGs Bonds

- Joint sales of **Green Bonds and SDGs Bonds** issued by the World Bank by securities companies belonging to each of TSUBASA Alliance banks

Total sales: **¥8.1 Bil.**
(by Chibagin Securities: ¥4.7 Bil.)



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

Promotion of environmental finance

- Financial support for customers working on the use of **renewable energy**

As of the end of September 2020	Loan balance
Solar power generation	¥119.8 Bil.
Biomass generation	¥10.2 Bil.
Wind power generation	¥7.7 Bil.
Water power generation	¥0.03 Bil.
Total	¥137.9 Bil.

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

- Annual power generation :1,330 MWh
- Conversion of household :0.95million households
- CO2 savings: Approx. 1.6 million tons

Chiba Bank SDGs friends loan (From Oct 2020)

New

- Creation of a "SDGs checklist" describing the relevancy between the business philosophy, etc., and SDGs objectives at the time of business financing, and **support for SDGs management of local enterprises**
- As customers interested in SDGs we post the name as "Chiba Bank SDGs Friends" on our website and inform customers about seminars, etc.



Introduced jointly with the Bank of Yokohama (B/K of Yokohama began this service in Oct 2019)

Utilizing diverse human resources, contributing to regional revitalization and support for customers in COVID-19

Promotion of diversity

Status of promotion of women in the workplace	FY 2007	Oct 2020	Target for Jul 2021
Percentage of management positions held by women (No. of persons)	2.0% (17)	17.4% (174)	20%
Percentage of leadership positions held by women (No. of persons)*	9.4% (98)	31.7% (288)	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.



The "New Diversity Enterprise 100" selected by METI

First as financial institution

"Companies that are easy to both working and child-raising" Ranking **No. 2**

Out of 540 companies (Nikkei DUAL <https://dual.nikkei.com/>)



"Nadeshiko Brand" selected by METI and Tokyo Stock Exchange

Third consecutive year

"Best100 companies in which women are empowered" Work-Life balance deivision **No. 3**

Out of 542 companies (Issue of Nikkei WOMAN Jun 2020)

Contribute to regional communities

"Unique examples" of financial institutions etc. providing funding for regional revitalization

Third consecutive year

Supporting the formation of compact cities and development of diversified energy systems ~ Support for "Mutsuzawa Smart Wellness Town" ~

- We have participates in the planning of "Smart Wellness Town Development Projects" by Mutsuzawa town from early stage
- We assisted in commercialization including investment in "CHIBA Mutsuzawa Energy CO.,LTD.," a new regional electric power company



(Photo: Provided by Pacific Consultants)

Support for customers affected by COVID-19

New

Private placement bonds for supporting medical

We donates money and goods that is consist of a part of underwriting fee from the issuer to local governments and education corporations operating medical institutions such as hospitals designated by the issuer

Results
¥5,640 million/35cases
(from Jun to end of Sep 2020)

Donations

- Donate 8,000 sets face shield to Chiba University Hospital
- Donation * of ¥5 million to Chiba Prefectural Government

* Part of the donation is appropriated to the donation from group officers and employees.



Photo of the donation ceremony

Approach to health and productivity management

New

In August 2020, we enacted the health and productivity management declaration to further strengthen our health management

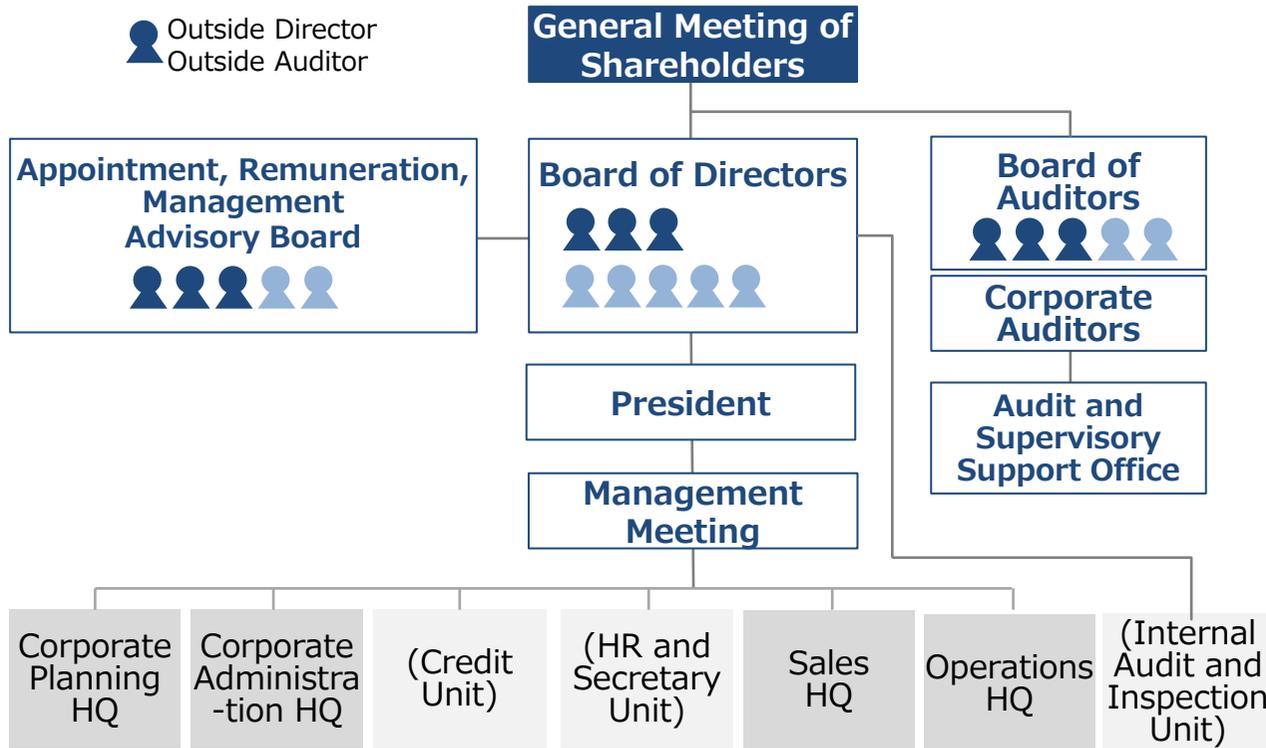
Chiba Bank is creating a company that enables all employees to take pride and pleasure in their job by promoting the approach for maintaining and increasing the physical and mental health and preventing infectious disease. And contribute to the sustainable development of the regional economy as a partner of customers and regional communities .

Provision of food to people in financial difficulties

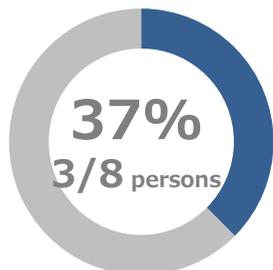
New

We concluded "Comprehensive collaboration agreement on food provision" with Chiba social welfare councils and Food bank Chiba

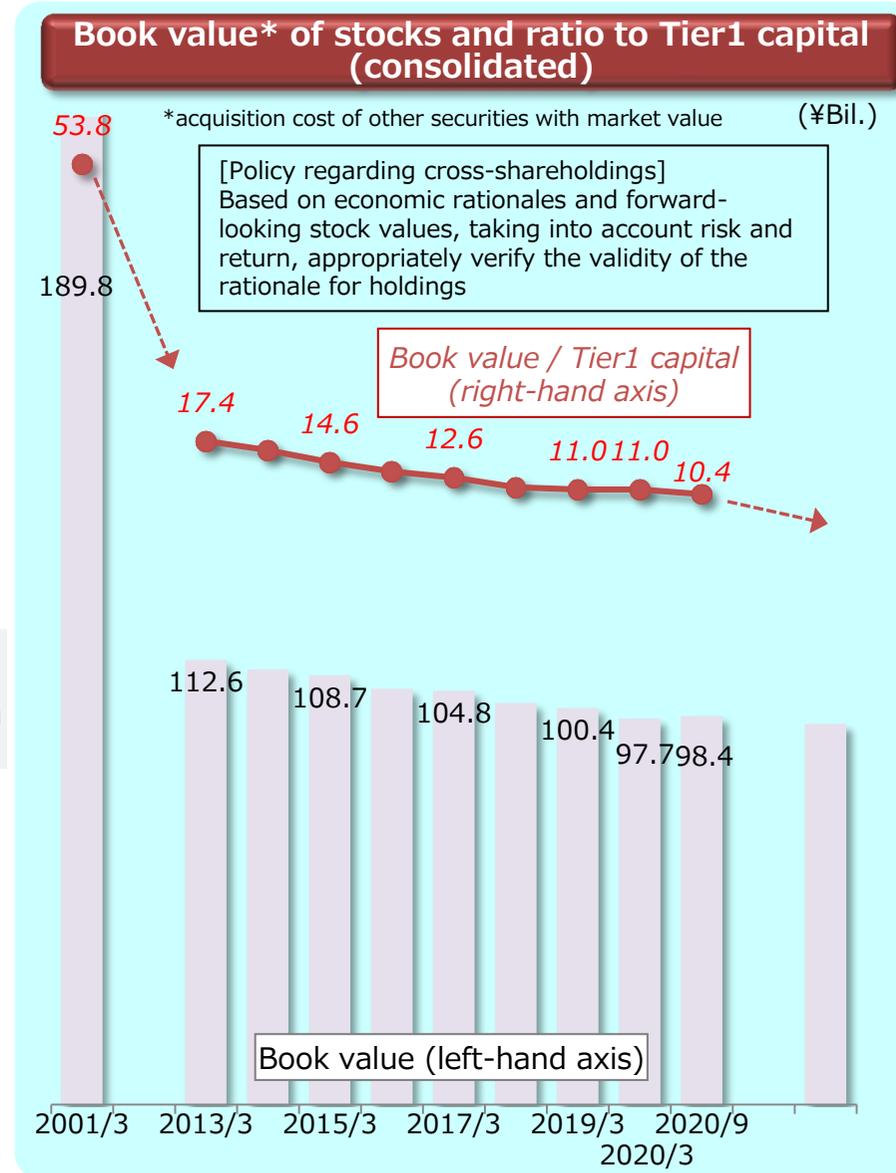
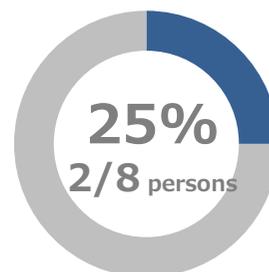
Raising the level of group governance



<Ratio of independent outside board members>



<Ratio of female board members>



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