

Fiscal 2019 Earnings Briefing Materials



伊予銀行

June 5, 2020

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I. Summary of Earnings for Fiscal 2019

Profit and Loss Conditions in Fiscal 2019

- Profit was up year-on-year at every income level, exceeding the earnings forecast disclosed in November 2019

Earnings for Fiscal 2019 (Nonconsolidated)

(Units: Millions of yen)

	Fiscal 2019	YoY	Increase/Decrease	Fiscal 2018
Core business gross profit (Note 1)	76,768	+592	+0.78%	76,176
Interest and dividend income	66,200	(241)		66,441
Fees and commissions	7,114	+51		7,063
Of which, revenue on assets in custody	1,697	(401)		2,098
Other operating income (Excluding profit/loss related to bonds including JGBs, etc.)	3,453	+782		2,671
Expenses (-)	49,933	(424)	(0.84%)	50,357
Personnel expenses	25,833	(501)		26,334
Nonpersonnel expenses	21,225	+146		21,079
Taxes	2,873	(71)		2,944
Core business net income (Note 2)	26,835	+1,017	+3.94%	25,818
Core business net income (excluding gain (loss) on cancellation of investment trusts)	26,895	+1,881	+7.52%	25,014
Credit costs (-) ①+②-③	6,910	+1,104		5,806
Provision of reserve for general loan losses ①	464	+259		205
Amortization of non-performing loans ②	7,192	+1,062		6,130
Recoveries of written off claims ③	745	+217		528
Gain (loss) related to securities	3,516	(639)		4,155
Gain (loss) related to bonds including JGBs	2,021	+1,815		206
Gain (loss) related to stock, etc.	1,494	(2,455)		3,949
Other temporary gain (loss)	3,141	+960		2,181
Ordinary income	26,581	+232	+0.88%	26,349
Extraordinary income (loss)	(955)	(428)		(527)
Income before income taxes	25,626	(195)		25,821
Net income	18,502	+240	+1.31%	18,262
Ordinary revenue	106,398	(824)	(0.77%)	107,222
Business net income	28,392	+2,573	+9.97%	25,819

(Note 1) Core business gross profit: "Business gross profit" excluding profit/loss related to bonds including JGBs, etc.

(Note 2) Core business net income: Core business gross profit - Expenses

Key factors in increase / decrease, etc. (YoY)

Core business gross profit: Up ¥592 million YoY

- Interest and dividend income down due to a decrease in gain on securities management, although gain on loan management increased
- Fees and commissions up due to an increase in solutions-related revenue
- Other operating income up due to increases in gain (loss) on foreign exchange transactions and gain (loss) on derivatives

Expenses: Down ¥424 million YoY

- Personnel expenses down although nonpersonnel expenses up as strategic investments increased

Core business net income up as core business gross profit increased and expenses decreased, up ¥1,017 million YoY

Credit costs: Up ¥1,104 million YoY

- Provision of reserve for general loan losses increased due to a rise in loan loss result, etc.
- Amortization of non-performing loans increased due to an increase in bankruptcies and downgrades, etc.

Gain (loss) related to securities: Down ¥639 million

Gain(loss) related to bonds including JGBs (Up ¥1,815 million YoY)

- Gain (loss) on sales of bonds increased due to sales of foreign bonds in view of market trends

Gain (loss) related to stock, etc. (Down ¥2,455 million YoY)

- Loss on sale of ETF was recorded following a drop in stock prices

Other temporary gain (loss): Up ¥960 million YoY

- Temporary retirement benefit expenses down, etc.

Despite an increase in credit costs, ordinary income increased, up ¥232 million YoY, due to an increase in core business net income

Extraordinary income (loss): Down ¥428 million YoY

As a result, net income was up ¥240 million YoY

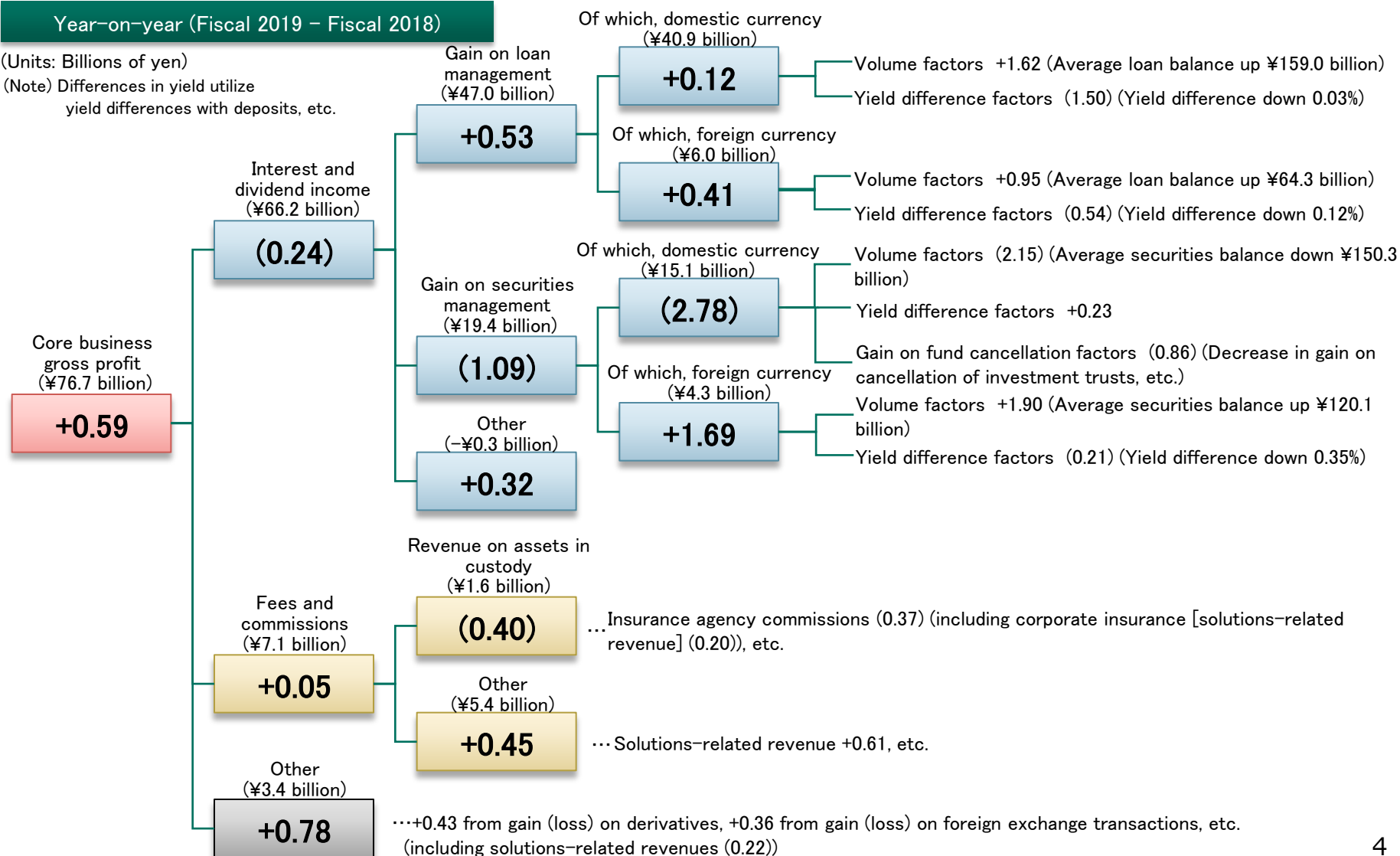
Factors in Increase / Decrease in Core Business Gross Profit (Fiscal 2019)

- Interest and dividend income were down due to a decrease in gain on fund cancellation, etc., despite an increase in gain on loan management in domestic and foreign currencies
- Fees and commissions were up due mainly to higher solutions-related revenue

Year-on-year (Fiscal 2019 – Fiscal 2018)

(Units: Billions of yen)

(Note) Differences in yield utilize
yield differences with deposits, etc.



Conditions in Loans, Deposits, and Assets in Custody

- “Deposits, etc.” were up 0.7% year-on-year
- “Loans” were up 4.5% year-on-year. Loans and deposits both grew for the 23rd consecutive year

Balance of deposits, etc. by region

(Units: Billions of yen)

Region	Fiscal 2018	Fiscal 2019	YoY	Increase/Decrease
Within Ehime Prefecture	4,413.0	4,536.3	+123.3	+2.8%
Shikoku (excluding Ehime)	230.2	234.4	+4.2	+1.8%
Kyushu	166.0	163.1	(2.9)	(1.7)%
Chugoku	250.5	242.1	(8.4)	(3.4)%
Kinki	146.3	152.0	+5.7	+3.9%
Tokyo and Nagoya	425.9	398.1	(27.8)	(6.5)%
Overseas, etc.	80.5	28.0	(52.5)	(65.2)%
Total	5,712.6	5,754.3	+41.7	+0.7%

Balance of assets in custody

(Units: Billions of yen)

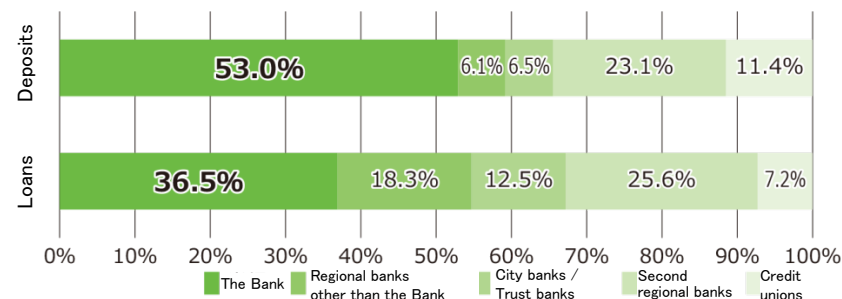
	Fiscal 2018	Fiscal 2019	YoY	Increase/Decrease
Group assets in custody	557.4	542.2	(15.2)	(2.7)%
Balance at the Bank	357.9	339.7	(18.2)	(5.1)%
Balance at Shikoku Alliance Securities	199.5	202.4	+2.9	+1.5%
Sales of Group assets in custody	117.6	122.3	+4.7	+4.0%
Sales at the Bank	56.7	54.4	(2.3)	(4.1)%
Sales at Shikoku Alliance Securities	60.8	67.9	+7.1	+11.7%

Balance of loans by region

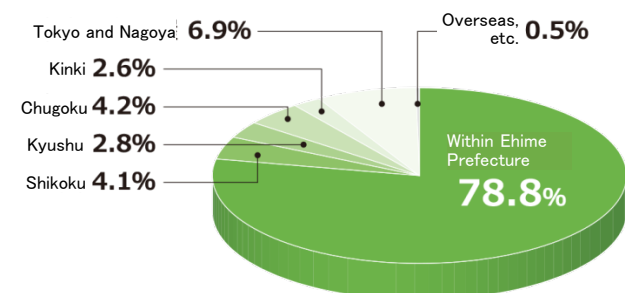
(Units: Billions of yen)

Region	Fiscal 2018	Fiscal 2019	YoY	Increase/Decrease
Within Ehime Prefecture	2,351.1	2,409.2	+58.1	+2.5%
Shikoku (excluding Ehime)	294.3	315.6	+21.3	+7.2%
Kyushu	295.1	306.9	+11.8	+4.0%
Chugoku	410.7	447.0	+36.3	+8.8%
Kinki	361.2	371.6	+10.4	+2.9%
Tokyo and Nagoya	625.8	639.4	+13.6	+2.2%
Financial Market Business Office	109.8	117.6	+7.8	+7.1%
Total (domestic branches)	4,448.4	4,607.5	+159.1	+3.6%
Overseas, etc.	102.4	149.0	+46.6	+45.5%
Total	4,550.8	4,756.6	+205.8	+4.5%

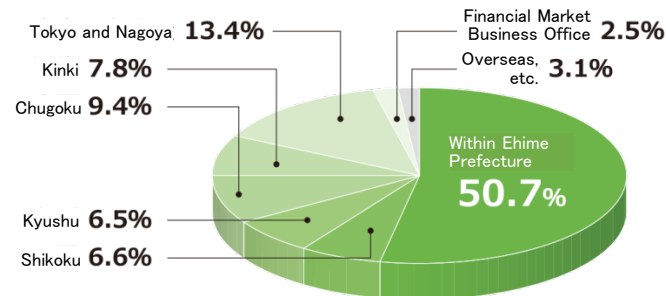
Share within Ehime Prefecture as of March 31, 2020
(excluding Japan Post, agricultural cooperatives, etc.)



Composition by region for balance of deposits, etc.



Composition by region for balance of loans



*Please refer to pages 12 and 13 of the Reference Materials section for the breakdown, etc. of the balance of loans and deposits at the end of the period.

- Credit costs were up year-on-year mainly due to increases in bankruptcies and downgrades
- Ratio of disclosed non-performing loans was 1.55%, remaining at a low level

Credit costs by factor

(Units: Billions of yen)

	Fiscal 2016	Fiscal 2017	Fiscal 2018	Fiscal 2019	YoY
Credit costs total	0.6	3.5	5.8	6.9	+1.1
Provision of reserve for general loan losses	(0.8)	(0.6)	0.2	0.4	+0.3
Amortization of non-performing loans	2.4	4.7	6.1	7.1	+1.1
Bankruptcies	0.2	0.8	1.0	1.3	+0.2
Downgrades, etc.	5.0	6.3	6.9	8.1	+1.2
Upgrades and collections	(2.9)	(2.3)	(1.8)	(2.2)	(0.4)
Recoveries of written off claims (-)	0.8	0.5	0.5	0.7	+0.2
Credit management expense ratio (*)	0.02%	0.09%	0.13%	0.15%	+0.02P

(*) Credit management expense ratio = Credit costs / Average loan balance

Amounts and ratios of disclosed non-performing loans under the Financial Reconstruction Act

(Units: Billions of yen)

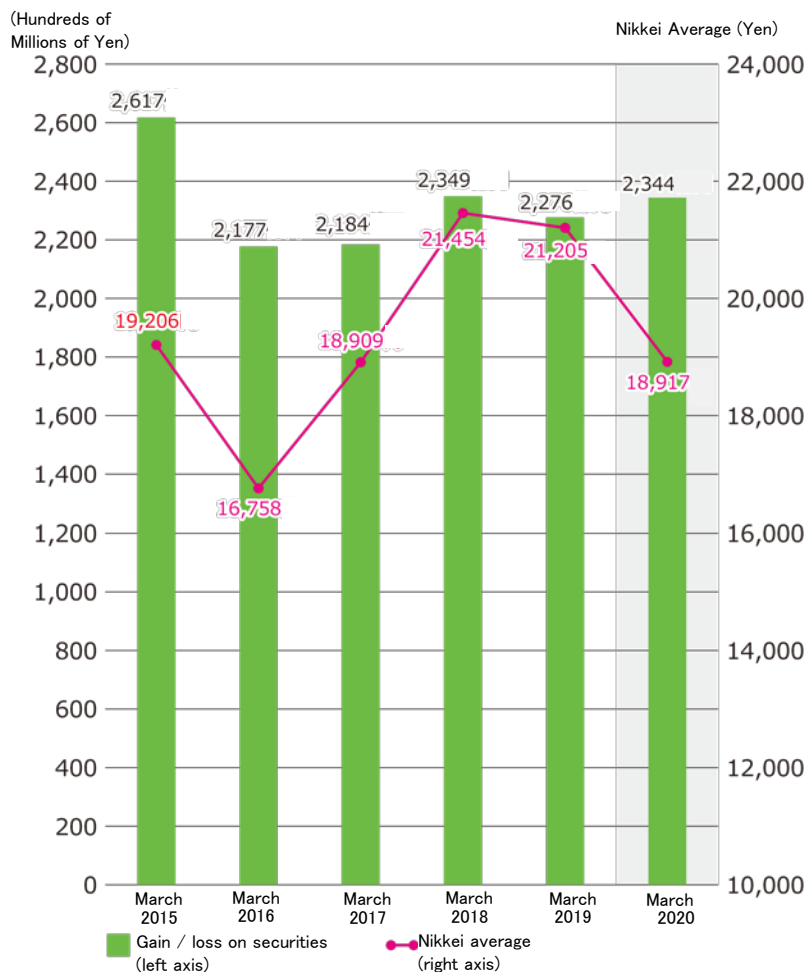
	Fiscal 2016	Fiscal 2017	Fiscal 2018	Fiscal 2019	YoY
Loans to bankrupt or effectively bankrupt borrowers	4.4	3.0	6.0	6.5	+0.5
Doubtful assets	39.8	44.1	46.6	53.2	+6.6
Credit subject to specific risk management	18.1	18.0	18.6	18.0	(0.6)
Total disclosed non-performing loans	62.4	65.2	71.3	77.7	+6.4
Ratio of disclosed non-performing loans	1.48%	1.44%	1.48%	1.55%	+0.07P

Conditions in Evaluation Gain on Securities and Equity Ratio

IYO BANK

- Evaluation gain on securities was ¥234.4 billion, maintaining a top level among regional banks
- Consolidated equity ratio (BIS standards) was 14.85%

Evaluation Gain on Securities (Nonconsolidated)



(Note) Excludes evaluation gains / losses on money held in trust

Consolidated Gross Equity Ratio

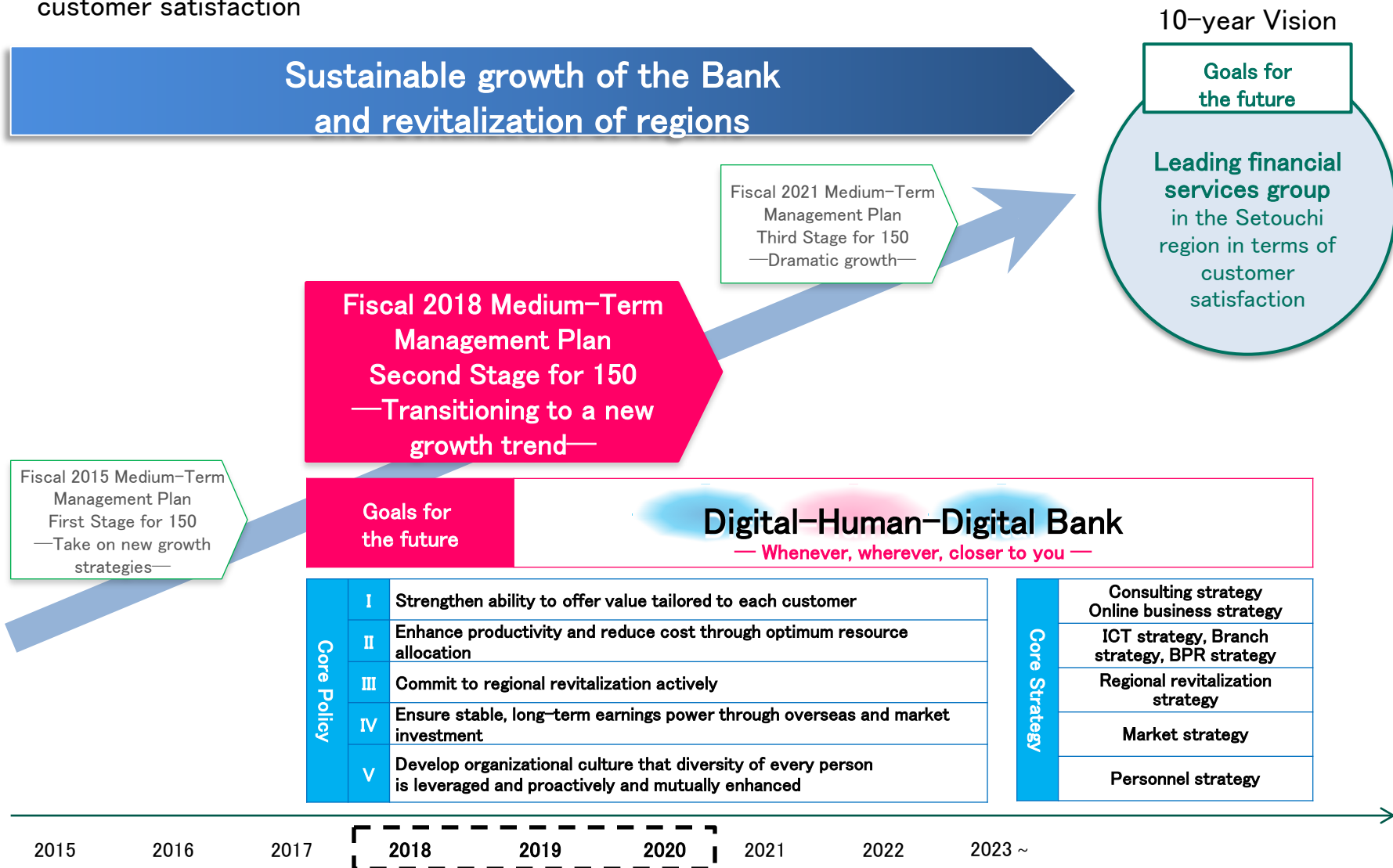


II. Main Strategies and Progress of the Fiscal 2018 Medium-Term Management Plan

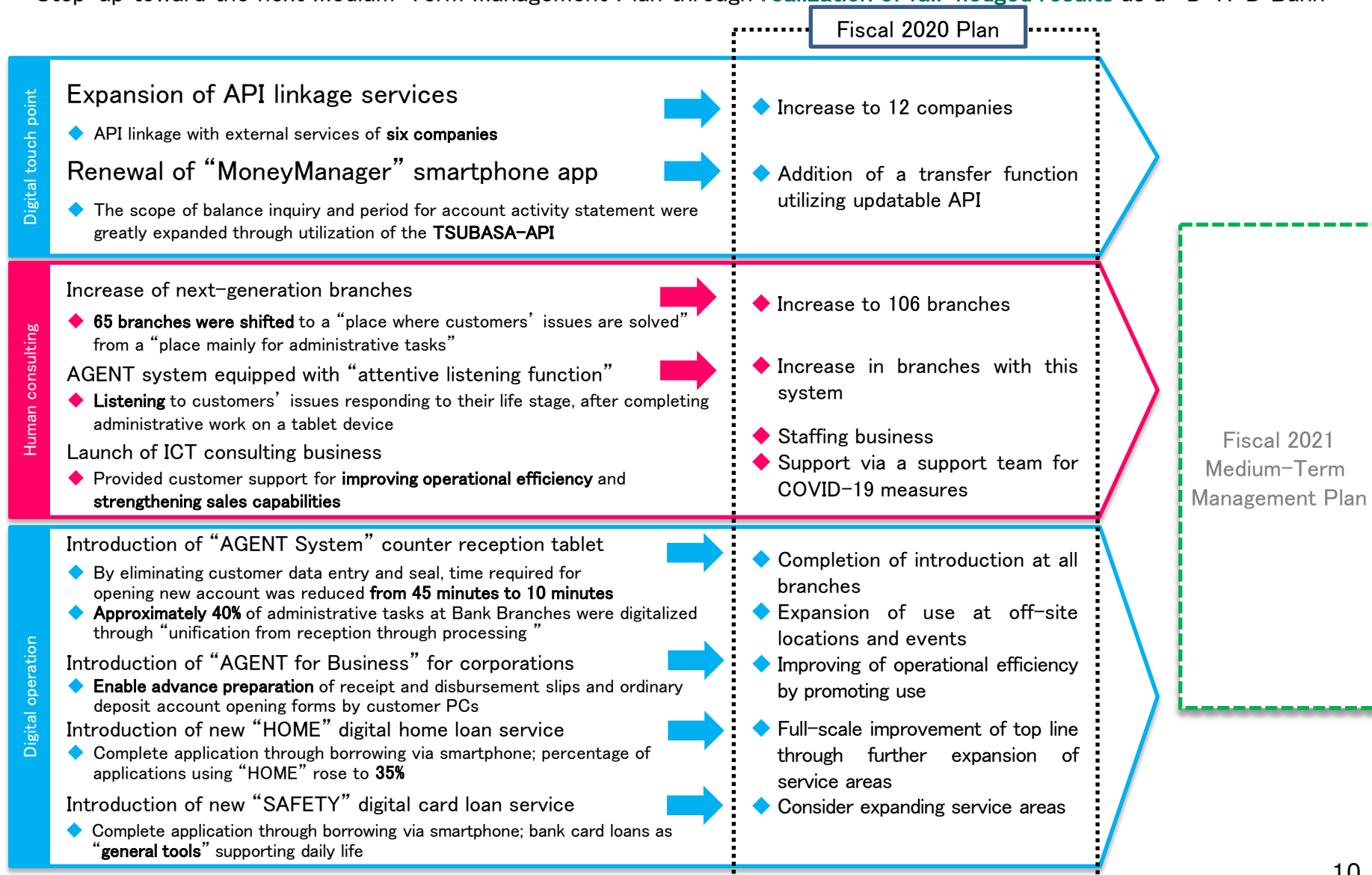
Second Stage for 150
(April 1, 2018 –March 31, 2021)

Positioning of 10-year Vision and Medium-Term Management Plan IYO BANK

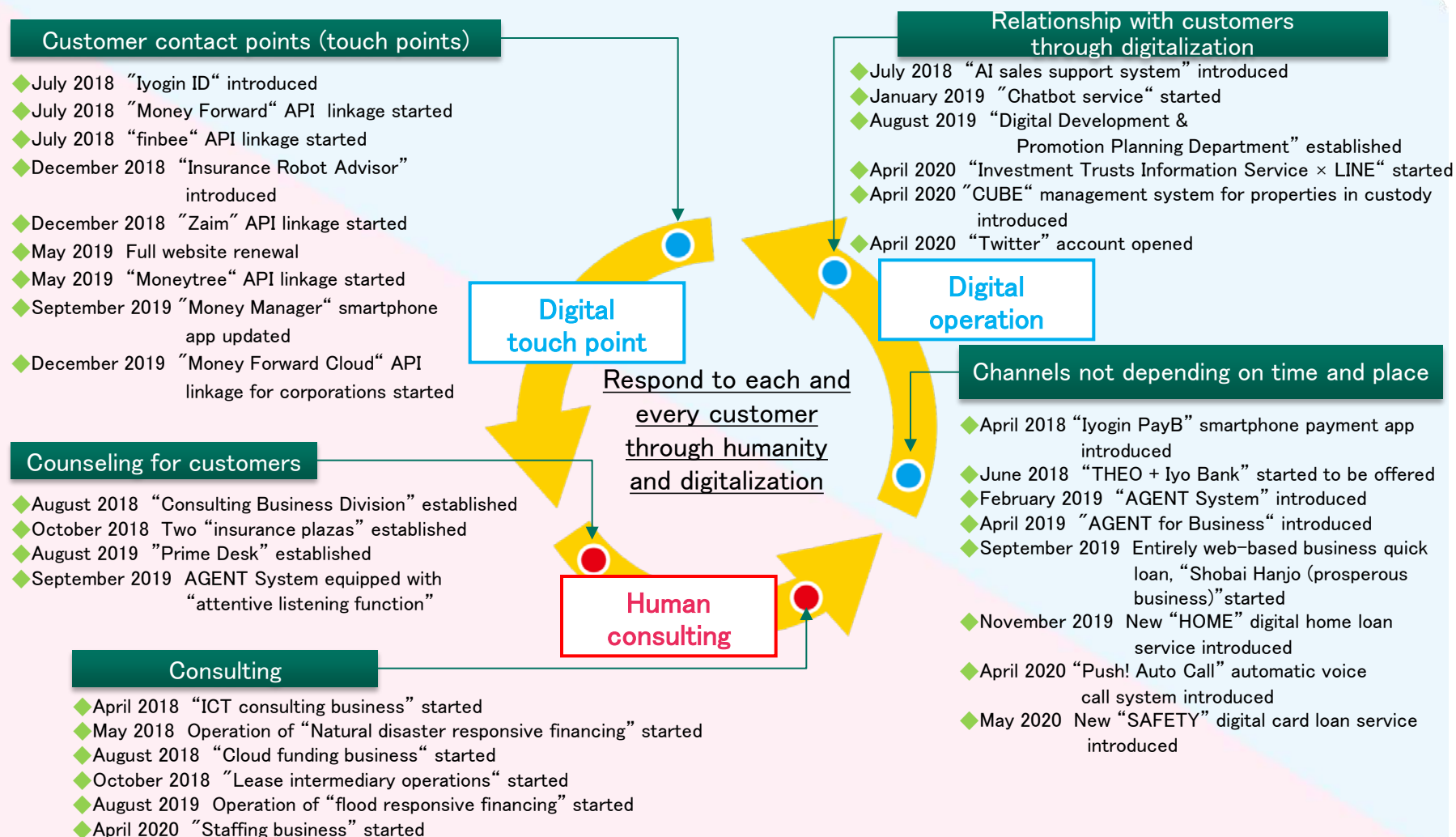
- **Steady growth toward** 10-year vision of the “leading financial services group in the Setouchi region in terms of customer satisfaction”



- Step-up toward the next Medium-Term Management Plan through **realization of full-fledged results** as a “D-H-D Bank”



Digital touch point – Human consulting – Digital operation



Major Numerical Targets of Fiscal 2018 Medium-Term Management Plan

- Present progress is generally steady against numerical targets of the Medium-Term Management Plan
- Net income of ¥16.0 billion is planned, assuming an increase in credit costs caused by the COVID-19 outbreak and other factors, although core business gross profit is expected to reach the target for the fiscal 2020 due to implementation of various measures.

Target items	Fiscal 2018		Fiscal 2019
	Targets	Results	Results
Core business gross profit	¥75.0 billion	¥76.1 billion	¥76.7 billion
Fees and commissions	¥7.0 billion	¥7.0 billion	¥7.1 billion
Net income	¥18.0 billion	¥18.2 billion	¥18.5 billion
ROE	3.0% or more	2.99%	2.95%
Core OHR	70.0% or less	66.10%	65.04%
Equity ratio (BIS standard)	15.0% or more	14.38%	14.85%
Ratio of non-performing loans	2.0% or less	1.48%	1.55%



Fiscal 2020 Targets	Fiscal 2020 Forecast
¥76.5 billion	¥78.0 billion
¥8.5 billion	¥8.0 billion
¥20.5 billion	¥16.0 billion
3.0% or more	
65.0% or less	
15.0% or more	
2.0% or less	

Plans for Loans, Deposits, and Assets in Custody

- Deposits, etc., are planned to be increased **approx. ¥487.0 billion** during the three years of the Medium-Term Management Plan, with an average balance totaling **¥5,941.0 billion** during fiscal 2020
- Loans are planned to be increased **approx. ¥711.0 billion** during the three years of the Medium-Term Management Plan, with an average balance totaling **¥4,829.0 billion** during fiscal 2020

Plans for average deposits, etc., balance and assets in custody balance

(Units: Billions of yen)

	Fiscal 2017 Results	Fiscal 2018		Fiscal 2019		Fiscal 2020		
		Results	YoY	Results	YoY	Plan	YoY	Increase/ decrease during the Plan
Average deposits, etc., balance	5,453.7	5,576.3	+122.6	5,821.3	+245.0	5,941.0	+119.7	+487.3
Of which, individual deposits	3,387.1	3,417.2	+30.1	3,474.6	+57.4	3,545.0	+70.4	+157.9
Group assets in custody balance	544.4	557.4	+13.0	542.2	(15.2)	600.0	+57.8	+55.6
Of which, balance of assets in custody at the Bank	343.0	357.9	+14.9	339.7	(18.2)	370.0	+30.3	+27.0
Of which, balance at Shikoku Alliance Securities	201.4	199.5	(1.9)	202.4	+2.9	230.0	+27.6	+28.6

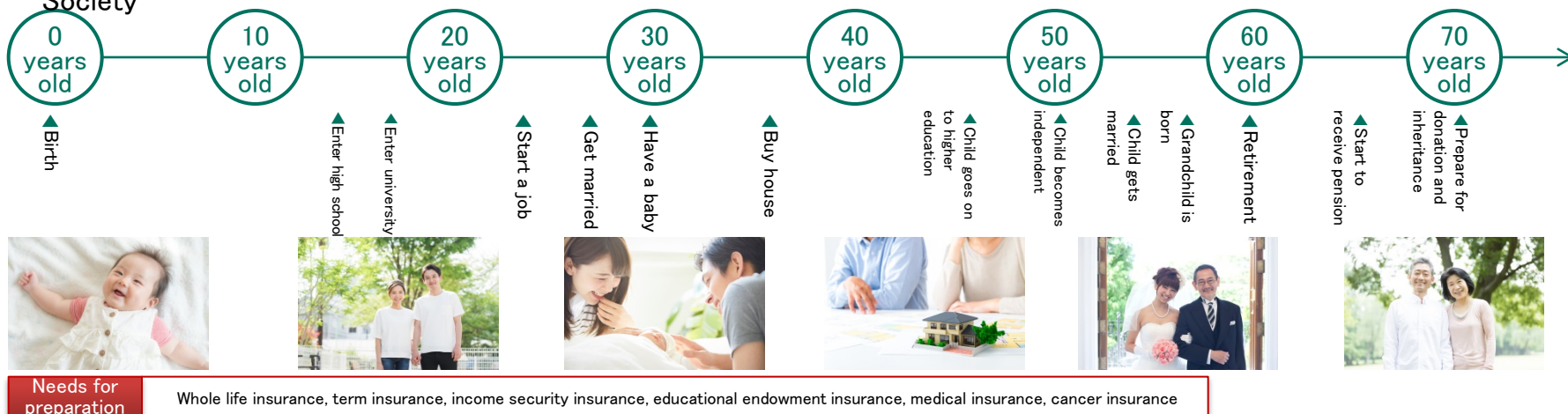
Plans for average loan balance

(Units: Billions of yen)

	Fiscal 2017 Results	Fiscal 2018		Fiscal 2019		Fiscal 2020		
		Results	YoY	Results	YoY	Plan	YoY	Increase/ decrease during the Plan
Average loan balance	4,118.0	4,398.6	+280.6	4,621.9	+223.3	4,829.0	+207.1	+711.0
Corporate loans	2,784.6	2,940.1	+155.5	3,061.2	+121.1	3,162.0	+100.8	+377.4
Of which, within Ehime	1,254.3	1,300.4	+46.1	1,344.3	+43.9	1,381.0	+36.7	+126.7
Individual loans	996.5	1,034.8	+38.3	1,085.2	+50.4	1,139.0	+53.8	+142.5
Municipal loans	236.8	241.5	+4.7	236.6	(4.9)	230.0	(6.6)	(6.8)
Financial Market Business Office	74.4	98.8	+24.4	109.3	+10.5	118.0	+8.7	+43.6
Singapore Branch	25.5	83.2	+57.7	129.6	+46.4	180.0	+50.4	+154.5

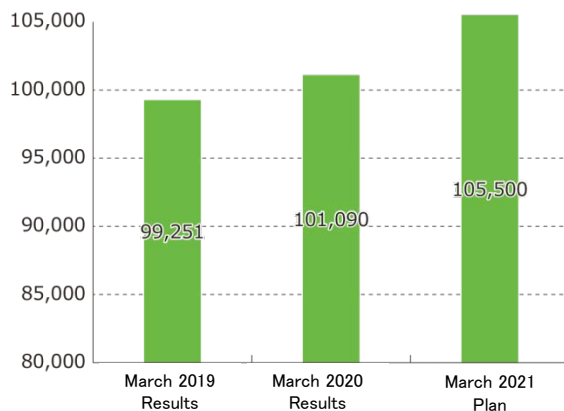
Provide Diversified Services Tailored to “Thoughts” of More Customers

- Provide a wide variety of financial services responding to various customer needs with the arrival of “100-Year Life Society”



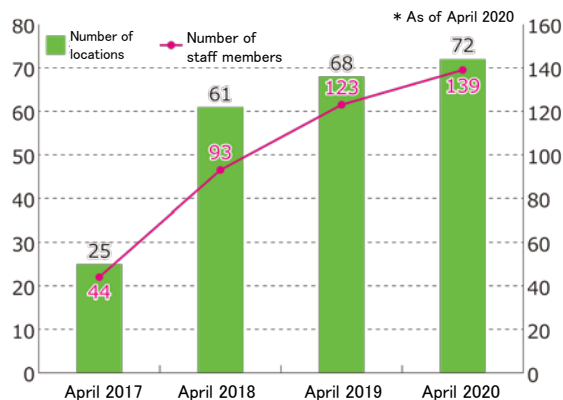
Number of contracts on assets in custody

* Contracts on assets in custody
Contracts with balances of investment trusts, single premium policies, public bonds, foreign bonds, structured bonds, and foreign currency deposits not less than ¥1 and level premium insurance contracts (including Shikoku Alliance Securities)



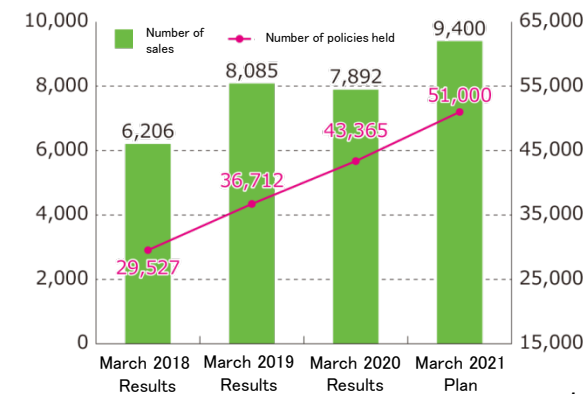
Establishment of insurance proposal structure

- ◆ Insurance plazas 12 locations (32 staff members)
- ◆ Insurance consulting staff 60 locations (107 staff members)



Level premium insurance sales and number of policies held

- ◆ Medical insurance sales results in fiscal 2019 is **No. 1 among regional banks for two consecutive years** (survey by The Japan Financial News)



Strengthen Consulting Functions Toward Solutions to Customers' Management Issues

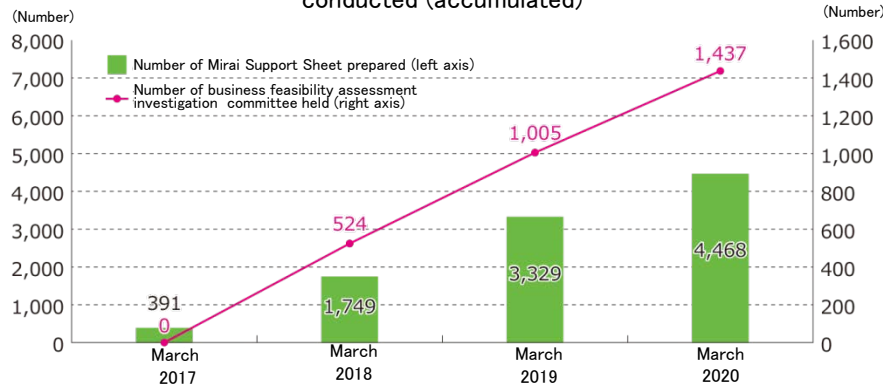
- Share our customers' "future vision" and management issues based on business feasibility assessment and offer smooth financing and solution for issues
- Provide support for business succession of customers through M&As and various schemes utilizing a wide-area network centered on the Setouchi region

Sharing of Management Issues and Optimal Offering of Value through Business Feasibility Assessment

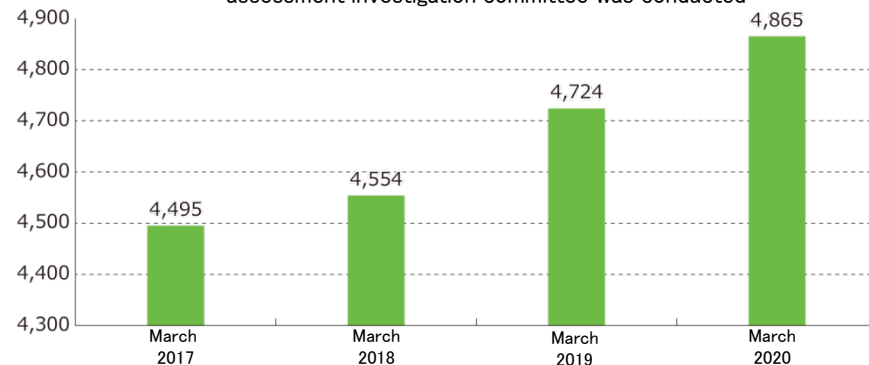
- ◆ Support customers solve management issues using the "Mirai Support Sheet" as a business feasibility assessment tool and the "business feasibility assessment investigation committee" held among the head office and branches



Number of business feasibility assessment conducted (accumulated)



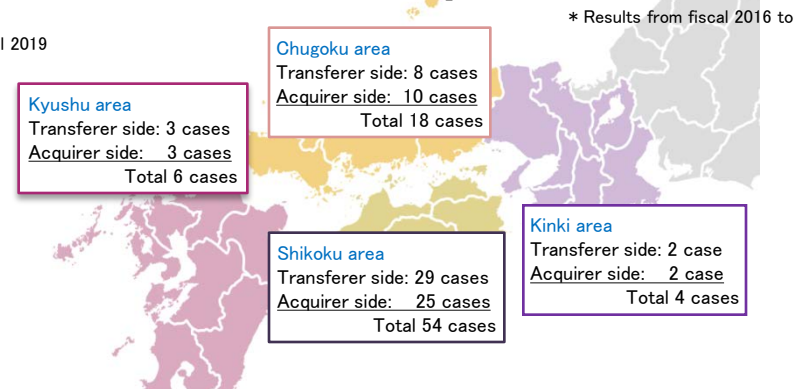
Total average loan balance of customers for which the business feasibility assessment investigation committee was conducted



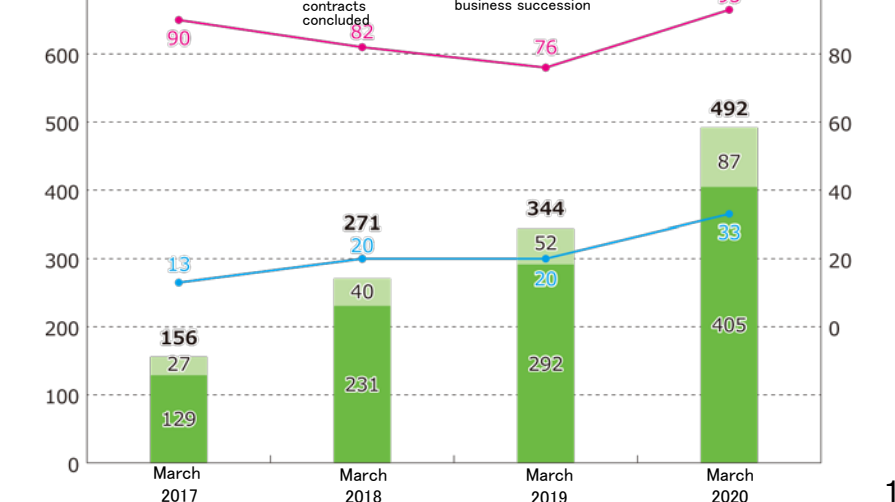
M&As and Business Succession

- ◆ Consulting on M&A for "business growth" for further enhancing corporate value increased, in addition to that on M&A as a solution to the issue of "a lack of successors" [M&A transactions concluded as an advisor]

fiscal 2019

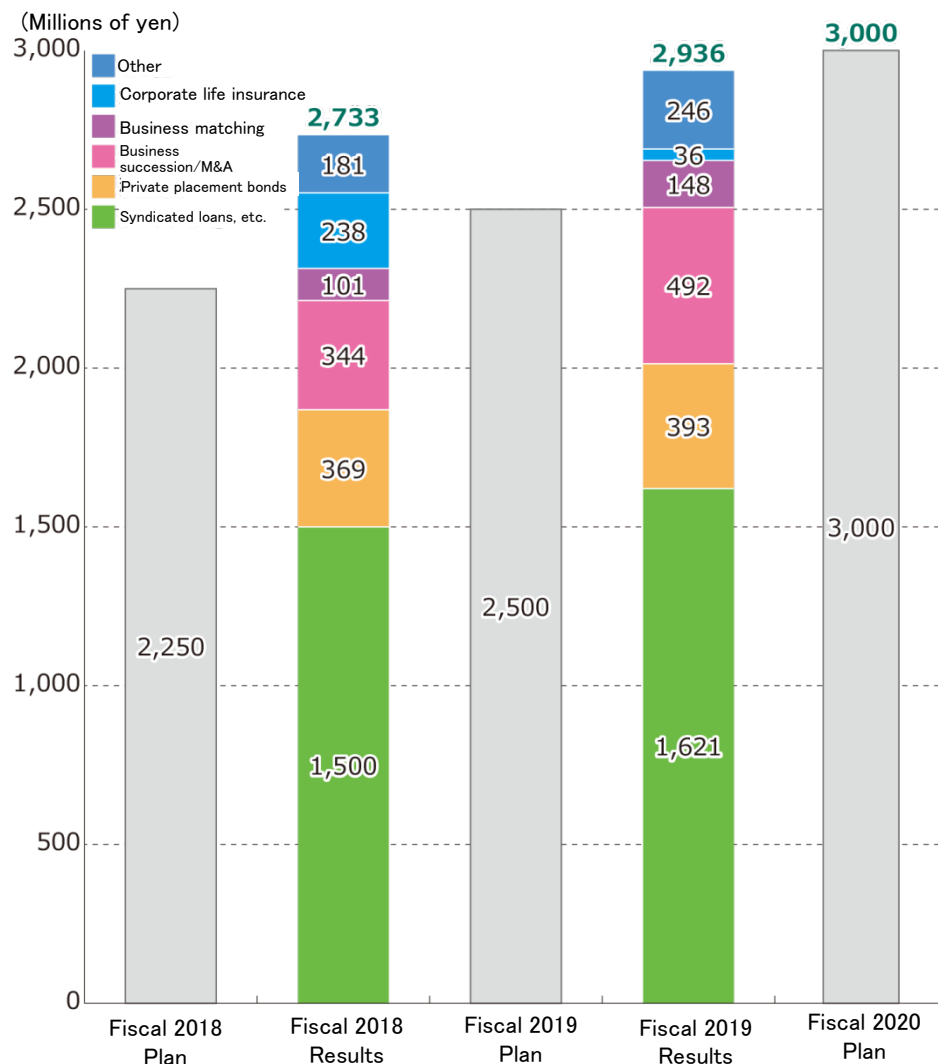


Number of M&A contracts concluded and consulting on business succession conducted



Expansion of Fee Businesses through Enhanced Consulting Functions

- Solutions-related revenue was steady at **¥2,936 million** in fiscal 2019
- Improve menus and strengthen the structure further toward **achieving** the Fiscal 2018 Medium-Term Management Plan target of **¥3,000 million**



New Support Menus for the Fiscal 2018 Medium-Term Management Plan

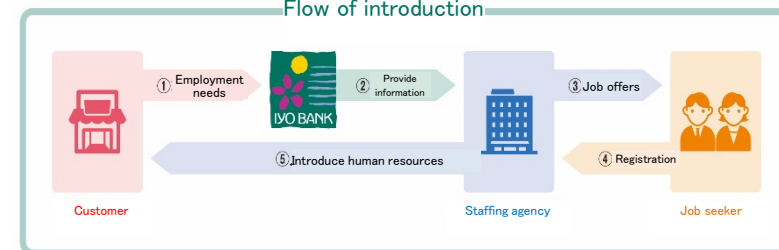


From April 2020

Staffing business started

- Introduce appropriate human resources through a partner staffing agency, responding to customers' management issues and employment needs to support growth and productivity
- The Bank was selected as an entity that adopts business as a "pioneering HR business" of the Cabinet Office

Flow of introduction



- Support further development of the maritime-related industry in Japan and overseas by utilizing expertise in ship finance, the Bank's strength

The Bank's Strength in Ship Finance

- Accumulated good-quality loan assets through solid efforts of ship finance over a long period (transactions with 70% of Ehime ship owners)

Number of ocean-going vessels owned by ship owners in Ehime

No. 1 in Japan



IRC survey (As of September 30, 2018)

- Collects and provides high-quality information by regularly visiting domestic and foreign maritime-related companies
- Good relationship between Singapore Branch and Japanese/non-Japanese companies in the ASEAN region
- Develops professional human resources by conducting long-term dispatch to domestic operators, trade companies, etc. and using the trainee system at the Bank
- Established a structure for organizing syndicated loans to respond to diversifying finance needs

Appropriate Risk Management Structure

- Main charter destinations have shifted from "domestic operators" to "foreign operators"

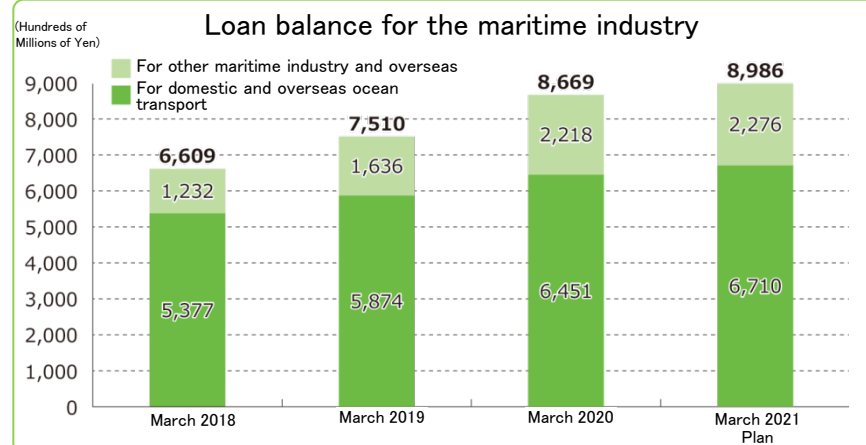
Existing vessels eligible for loans



- Efforts centered on operators which disclose proper information and with which communication can be ensured
- Deeper examination utilizing the network the Bank has built up thus far
- The Bank's original evaluation of charterers based on accumulated information

Response to constantly fluctuating market trends

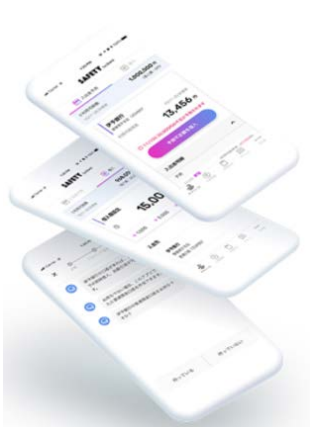
- Verification of durability of partners through periodic stress tests
- Provision of an exchange risk hedging method through currency selection type loans



◆ Concept: “bank card loans as ‘general tools’ supporting daily life”

Patent application was made

- ◎ Generally complete from application through borrowing via the app
- ◎ Assesses loanable amount in a chat form (as quick as one minute!)
- ◎ Messages on insufficient balance based on account balance, planned receipt/disbursement, and payment amount
- ◎ Enable borrowing by one-time tapping or in specified amount based on the amount expected to be insufficient
- ◎ Questions can be made via chat



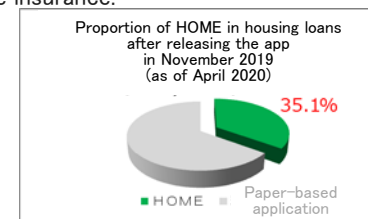
◆ This service is provided on Shikoku Island, as well as Hiroshima, Okayama, Oita, and Yamaguchi Pref.

©The service area will be further expanded in future

- ◆ After releasing the app in November 2019, the number of applications is steadily increasing.

- Generally complete from application through borrowing via the app
 - HOME TICKET: Assesses loanable amount in a chat form (as quick as three minutes!)
 - HOME: Loan procedures that are “easily, anytime, and anywhere”
 - Electronic contract and digital group credit life insurance:
- Full digitalization and non-face-to-face operation even for peripheral business
No revenue stamp fees for contracts
- Proportion of HOME in total amount of new loans after releasing the restriction on the amount of new loans in November 2019 (as of April 2020)

Patent application was made



◆ Full-scale improvement of top line by further expanding service areas

- ◆ Addition of a new plan with no monthly charge that provides account balance and activity statement functions only
- ◆ Planning to establish digital touch points with business operators and expand online business bases



- ◆ **Expansion and improvement of touch points** through improvement of smartphone applications, expansion of API linkage partners and advancement of digital promotion

Improvement of Applications through the use of API and Expansion of Linkage Services

Improvement of “Money Manager” smartphone app

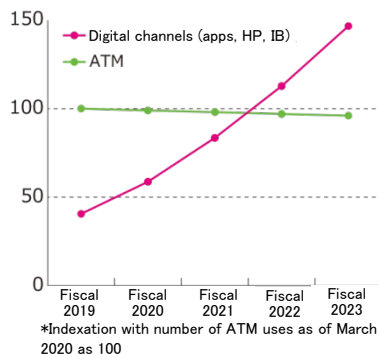


- ◆ An update is scheduled in November 2020, including improvement of UI/UX through design update and installation of a transfer function utilizing an updatable API
- ◆ Further promotion of use of digital channels centering on adding functions continually to the application

[Added functions]

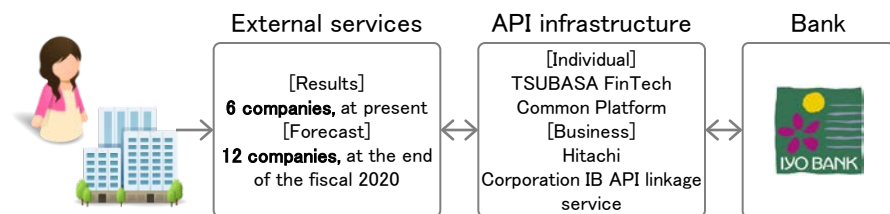
November 2017	Release of “Money Manager” Inquiry functions for maximum of five accounts
February 2018	Addition of account activity messaging function
September 2019	Update Great expansion of scope of inquiry and periods
November 2020	Update Design update and addition of transfer function

[Channel utilization targets]



Improvement of the API linkage service

- ◆ Realized API linkage with external services of six companies in total including services for individuals and business corporations
- ◆ Linkage partners will be expanded further in fiscal 2020 and new use cases will be sought including linkage among different industries



Advancement of Digital Promotion

Sending more information from owned media

- ◆ A Twitter account was opened in April 2020 to start to send information actively and provide interactive communication
- ◆ Functions and operability of “iyomemo,” editorial content with 16 thousand monthly views, were expanded in May 2020



+



Active development of video promotion

- ◆ The Bank co-sponsored the “Brain Online Video Award (BOVA)” and is actively providing promotional videos collected from creators.



Student Award
winning video



Award entry videos



Efforts for visualization of advertisement effects

- ◆ Initiatives leading to efficient and effective spending are started by making cost efficiency of various advertising measures visible
- ◆ An effect estimation simulator based on past data and an effect measurement dashboard have been established and utilized

Utilization of Digital Technologies to Improve Operational Efficiency and Provide Added Value

- Carving out time for solving customers' issues by strengthening efforts toward a **"bank where procedures are the simplest in Japan"**

Improvement of "Agent" Counter Reception Tablet without Seal or Data Entry

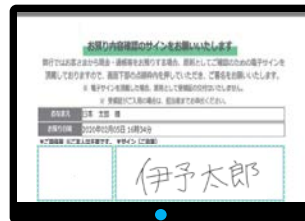
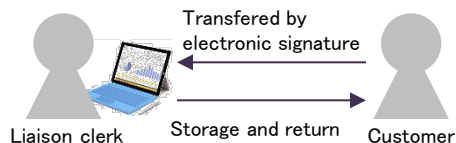
- Off-site tablet use by sales liaison clerks (scheduled to be released in June 2020)
 - ⇒ Counter reception tasks at off-site locations will be possible with AGENT
- Use at workplaces, universities, and events in shopping centers, etc.
 - ⇒ Expansion of business opportunities by taking AGENT to events, etc.

Realization of a "person" serves as a "bank"



Launch of "CUBE" Management System of Property in Custody

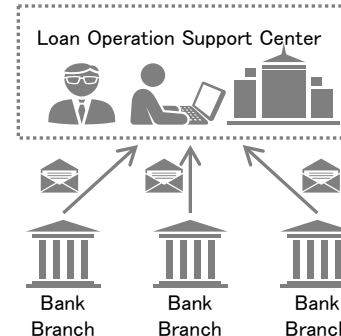
"Digitalization of property in custody and various intermediation businesses by introducing electronic signatures"



- Transfer of property completed by registering property in custody on a Windows device and receiving an electronic signature from the customer without issuance of a receipt
 - ⇒ "Paper-based" collection slips are abolished and paperless procedures are realized

New Establishment and Full Operation of Loan Operation Support Center

"Concentration to headquarters of loan-related administrative tasks at Bank Branches"

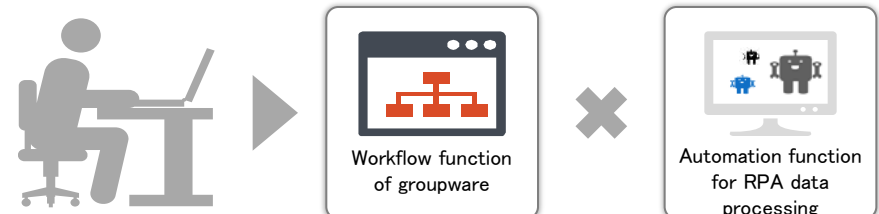


- Target procedures 17 types of procedures including "corporate examination," "self assessment," and "preparation of contracts"
- Introduction status
 - Introduced to 5 branches in Matsuyama region and 16 groups (54 branches in total)

⇒ Creates time for loan judgement and sales activities for employees at Bank Branches

Thorough utilization of other digital tools

"Promoting digitalization and automation by considering utilization of groupware and RPA for all operations"



- Operational efficiency corresponding 65,000 hours annually (approx. 33 employees' annual working hours) was realized as of the end of March 2020 (including BPR effects such as streamlining and rationalization of operations)
- Major examples
 - Digitalization of approval request flow to headquarters, automation of some loan-related administrative tasks

Review Branch Functions Toward Realizing “D-H-D Bank”

- Shift branches to a “place where customers’ issues are solved” from a “place mainly for administrative tasks”
(April 2020: Yogo Branch was newly built opened)



Guides customers properly responding to their needs, utilizing digital technologies

Features

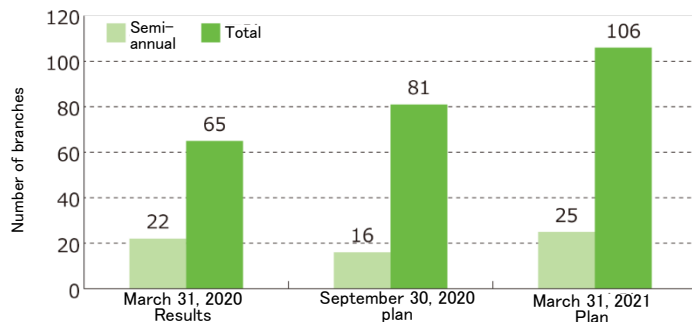
- ◎Lobby advisor guides customers to a proper counter

Functions

- ◎New counter reception system
*Establishing a system for guidance according to needs

◆ Expansion of introduction of next-generation branches

To be introduced to all branches in Ehime Pref. by the end of fiscal 2020 as a target



Place to provide customers with solutions

Features

- ◎Limited to consulting services, reception counter is open until 5:00 p.m. on weekdays
- ◎ Customers’ issues are carefully listened to in a comfortable environment with a sofa, etc.
- ◎Holding open seminars for digital signage

Functions

- ◎AGENT System, large digital signage, etc.



Realization of cashless processing

Features

- ◎ Reduction of waiting time, cashless processing, transaction without a slip (less burden of filling out) are realized

Functions

- ◎ Satto Madoguchi (Quick Counter), deposit machines at lobby , day depositor, etc.

◆ Review of branches and ATM locations

Branches

Excessive branches are merged or abolished according to decreases in population and customer traffic

<Results>

Fiscal 2018: 1 branch

Fiscal 2019: 6 branches

Mar 2019: Yamagoe Branch

Jul 2019: Midoridai Branch, Omachi Branch

Sep 2019: Mitsukue Branch, Ote Branch

Jan 2020: Chikami Branch, Noborimichi Branch

* Utilize a “branch within a branch method”

ATMs

The excessive number of ATMs will be reduced to the proper number, maintaining cash points for customers

<Plan>

* For fiscal 2020

Number of ATMs: reduction of 72 ATMs located in branches (out of 644 in total)

* In the future, the Bank will make efforts to improve efficiency for ATMs outside branches, maintaining local cash points

- ◆ Support of “regional revitalization” through **provision of diverse funding sources**
- ◆ **Establishing a support system immediately** as a response to COVID-19

Foundation and Regional Revitalization Businesses Utilizing Crowdfunding

- ◆ For projects within Ehime Prefecture that reached target amounts, the Bank will provide amounts equivalent to 1/2 of contract fee (maximum ¥250,000)
- ◆ **37 projects were organized, 30 of which achieved targets** (as of April 30, 2020)

Project examples

“Barley Wine” Brewing Project using rye from Ehime Prefecture

- ◆ A young craft beer brewer who received many international awards returned to hometown
- ◆ Supports brewing business in the first year of foundation



- Contributed to funding at the time of foundation, advertisement of local specialties, and development of sales channels –

Establishment of Ozu Town Creation Fund

- ◆ In February 2020, the Bank and the Organization for Promoting Urban Development invested ¥100 million each, totaling ¥200 million to establish the fund
- ◆ The fund provides financial support to businesses which renovate tradesmen’s houses and old folk houses to operate accommodations, restaurants and others in urban areas in Ozu City
- ◆ **The first attempt for financial institutions in Shikoku region and the largest amount of ¥200 million**

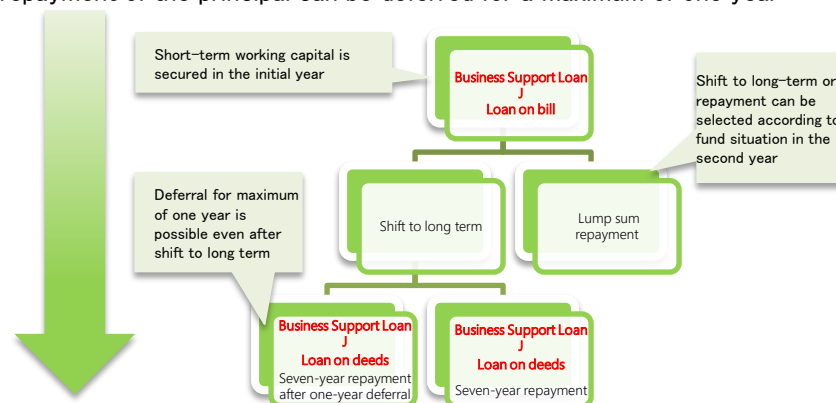
- Contributed to tourism and town creation through cooperation among public and private sectors –



NIPPONIA HOTEL
Ozu Castle Town
Photo provided by
KITA. MANAGEMENT

Measures against COVID-19

- ◆ **“JUST” Iyogin Business Support Loan J** (launched on April 28)
- ◆ Stabilizing fund management and reducing the payment burden
- ◆ Repayment of principal not required, and multiple-time borrowing available during initial year
- ◆ In the case of refinancing with a loan on deeds after the initial year, repayment of the principal can be deferred for a maximum of one year



- ◆ **Support team for COVID-19 (established in April 30)**
- ◆ Composed of headquarters members with expertise and know-how in business consulting
- ◆ Provides support widely for management issues in addition to consulting on fund management
- ◆ <Support menus>
Business matching, ICT consulting, business succession, M&A, financing, primary industry support, staffing, manufacturer support, overseas business support

- ◆ **“Business Cooperation Agreement for Disaster Countermeasures” concluded with Development Bank of Japan**
- ◆ Support is provided to business operators facing a decrease in revenue and other impacts due to COVID-19, natural disasters, etc. from March 2020

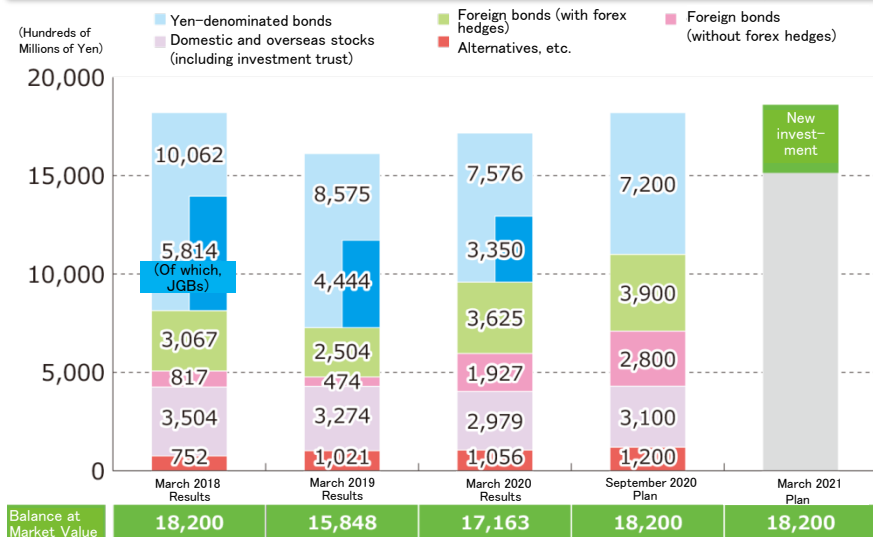
Strategic Asset Allocation Responding to Volatile Financial Market

- Continue to make **diversified investments emphasizing liquidity** to build a portfolio with superior risk versus return for responding to the market environment
- Ensure stable earnings by performing **strategic asset allocation responding to market trends** while taking risks centering on foreign currency bonds (with/without forex hedges)

New Investment Policy by Risk Category

(Risk category)		(New investment policy)
Yen-denominated bonds	Not change	Keep a certain amount as assets inversely correlated with stocks, while in view of interest trends.
Foreign bonds (with forex hedges)	Increase	In a continuing low interest environment in Japan, keep the balance as a bond including foreign bonds with hedges.
Foreign bonds (without forex hedges)	Increase	Plan investment with forex risk to secure stable profit from carry trading (with strategic re-balancing to be implemented).
Domestic and overseas stocks (including investment trust)	Decrease	Assess and classify strategic equity holdings in terms of investment and policy, and sell off stocks if the necessity of holding is not recognized
Alternatives, etc.	Not change	Consider investment to secure stable carrying and portfolio diversification.

Balance of Securities at Market Value by Risk Category



Gain on Securities Management and Yield

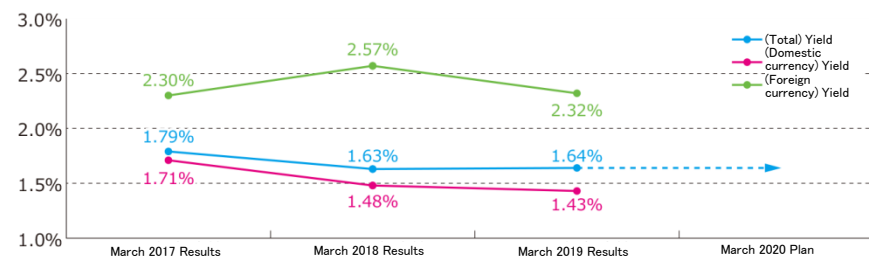
◆ Gain on securities management (after deduction of procurement cost)

(Units: Billions of yen)

	Fiscal 2017 Results	Fiscal 2018 Results	Fiscal 2019 Results	Fiscal 2020 Plan
Gain on securities management	25.1	20.8	21.4	20.0

(Note) Gain on securities management = Interest and dividend income (after procurement cost deduction) + gain (loss) related to securities (excluding strategic equity holdings)

◆ Yield



Portfolio Risk Sensitivity and Duration

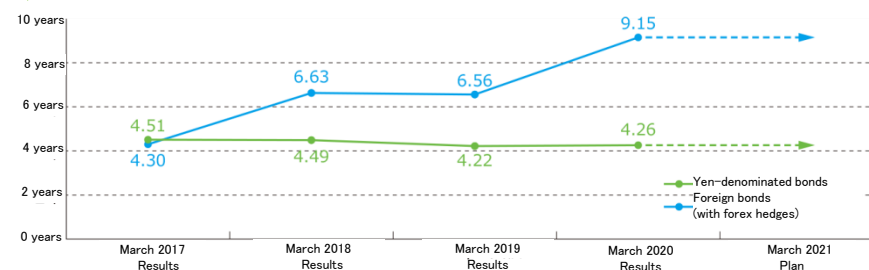
◆ Portfolio risk sensitivity

Impact of fluctuations in interest rates, stock prices, and exchange rates on gain (loss) on valuation of securities

Yen-denominated bond portfolio	10BPV	¥3.2 billion
Foreign bond portfolio (with hedges)	10BPV	¥2.8 billion
Stock portfolio		Nikkei Stock Average ¥1,000V
Forex portfolio		USD/JPY ¥10V
		¥12.0 billion
		¥18.2 billion

(*As of March 31, 2020)

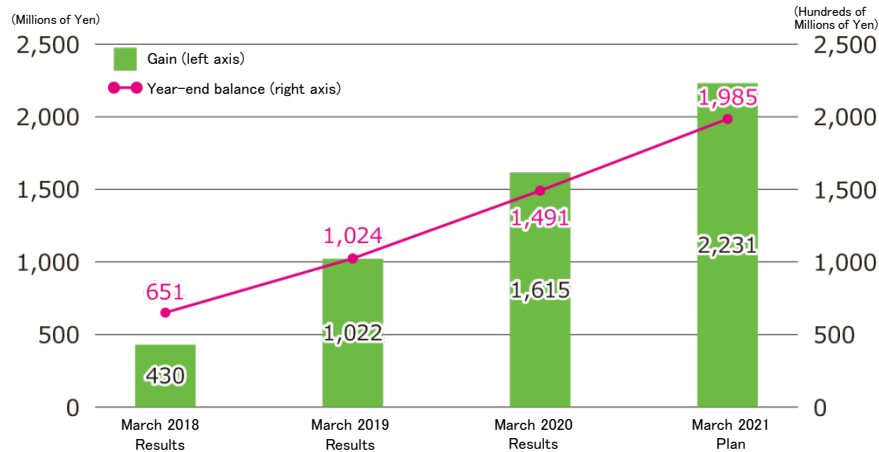
◆ Duration



(Note) Yen-denominated bond durations exclude variable rate government bonds from March 2018.

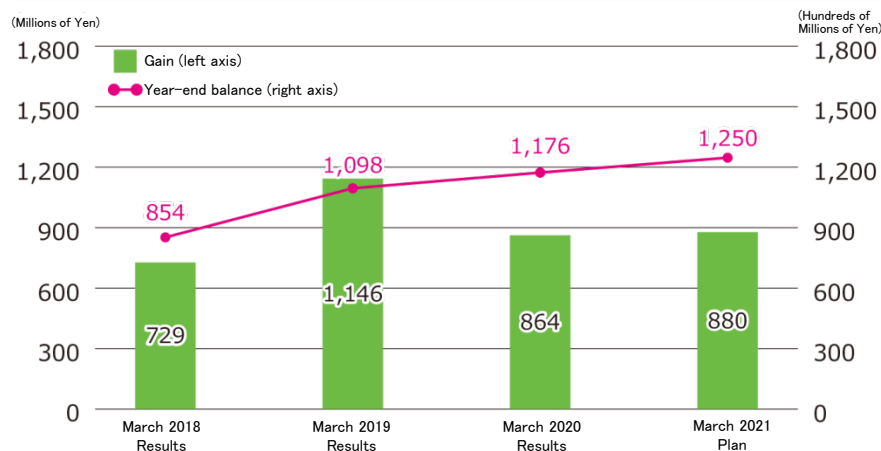
- Increase loan amounts in growth areas such as overseas ship loans and cross border loans mainly in the Singapore Branch and Financial Market Business Office
- Establish a stable system for foreign currency procurement by flexibly utilizing diverse foreign currency procurement methods

Singapore Branch



(Note) March 2021 Plan may be revised due to impact of COVID-19

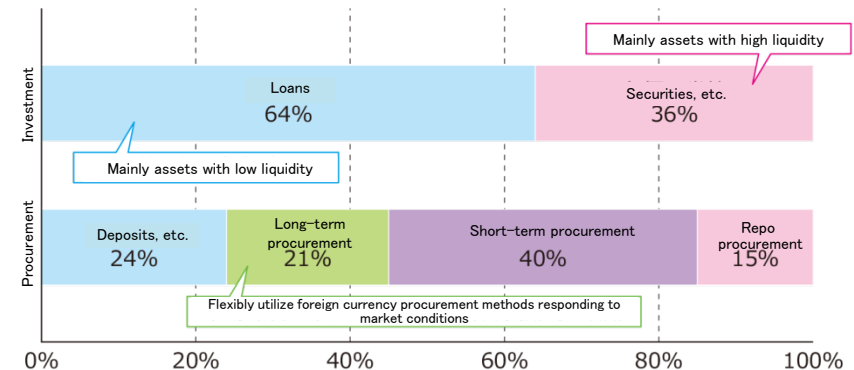
Financial Market Business Office



Status of Foreign Currency Investment and Procurement (March 31, 2020)

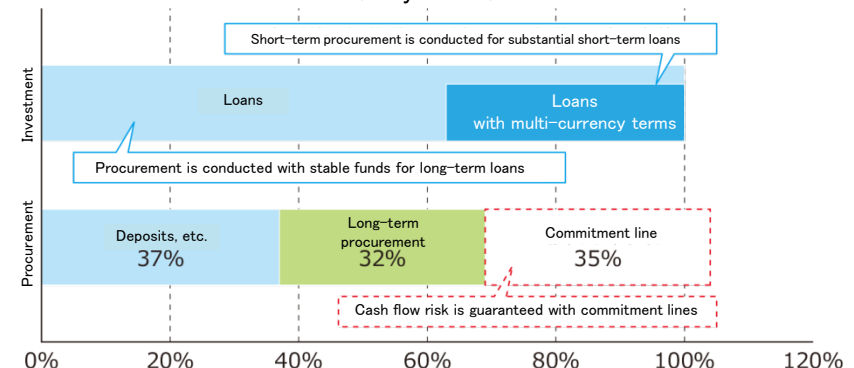
- ◆ Procurement methods according to asset structures are selected
- ◆ Consideration is given to profitability through diversification of procurement methods
- ◆ Stable procurement is possible with commitment lines established, even when market conditions rapidly change

<Loans + Market Investment (Securities) >



(Note) Investment and procurement of short-term funds are offset

<Only Loans>



- Developing and securing human resources with **flexible/innovative ideas and positiveness** to respond to changes

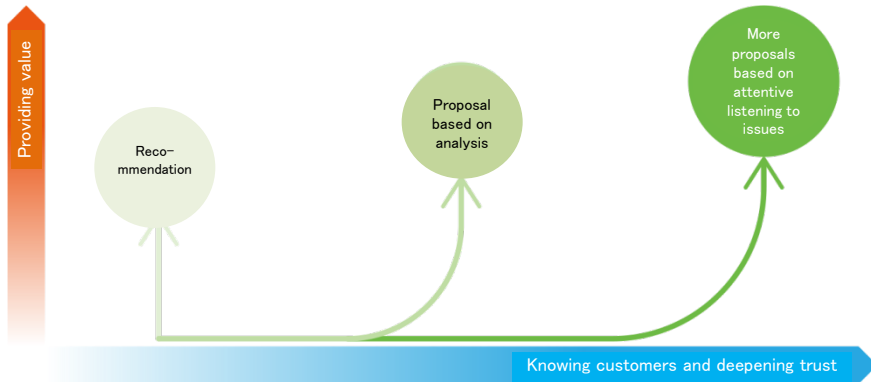
Development of Human Resources with Positiveness

- Introduction of an **“attentive listening function to the AGENT tablet”**

A first step for realizing services that only “humans” can provide, by thoroughly utilizing digital technologies

Shifting Bank Branches from a place for administrative procedures to valuable places for customers

Serving customers using an attentive listening function



Attentively listen to customer issues according to life stage

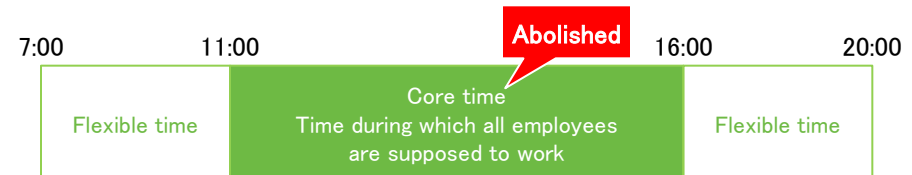
After administrative procedures are completed with a tablet,



Creation of Workplaces Where Employees Can Actively Work

- Introduction of a **“full flex time system”**

Facilitating an autonomous working style by abolishing core time



- Introduction of a **“side business system”**

A side business system (solopreneur type) is introduced for the purpose of securing diverse and excellent human resources with knowledge, skills, and a personal network, etc., gained outside of the Bank



- Raising **initial salaries**

Initial salaries are raised for the first time in 12 years to the highest level among regional banks, and salaries for employees in their 10s and 20s were also raised to enhance motivation of young employees

- Introduction of a **health improvement tool using a wearable device**

Wearable devices are lent to all employees if they choose, as a population approach which facilitates autonomous changes in behavior such as improvement in their lifestyles

- Efforts toward **realizing sustainable local communities through the core business** are promoted based on “**Iyogin Declaration on SDGs**”

1. Local economy and community



- Contribution to **revitalization of local economy and creation of employment** through continual support for commercialization of creative business plans

<Results of IYO BANK Business Plan Contest>

(Total for past six contests from 2014 to 2019)

Number of applicants	511
Number of businesses founded	72

<Transaction status with businesses founded>

(as of March 31, 2020)

Deposit transaction	69 businesses	¥95 million
Loan transaction	19 businesses	¥79 million

- Continual efforts have been made such as donating welfare equipment and granting scholarships with a view to improving social welfare and assisting human resource development for the next generation

<Iyo Bank Social Welfare Fund > (Public Interest Incorporated Foundation)

- Cumulative **total of ¥655 million** has been granted since its foundation in 1976

2. Financial and information services



- Expansion of ESG-related loan products
- Financial support for customers engaged in SDGs
- The **actual** ESG-related loan amount for fiscal 2019 was **¥10,980 million**, exceeding the target of ¥10,000 million

<ESG-related loan results (fiscal 2019)>

Product name	Number executed	Execution amount
SDGs private placement bonds	20	¥1,910 million
Environment private placement bonds	25	¥2,530 million
“Manabiya” (schoolhouse) hometown support private placement bonds	55	¥3,770 million
“Chiiki no Mirai (future in the region)” hometown support private placement bonds	8	¥1,730 million
“Kaisha-no-Mirai (Future of the Company)” welfare support private placement bonds	13	¥1,040 million
Total	121	¥10,980 million

3. Strong management foundation



- ◆ Appropriate establishment and implementation of a whistle-blowing system which is an important element of corporate governance
- ◆ Further promotion of compliance management

Registered for the “Whistleblowing Compliance Management System certification” under the Consumer Affairs Agency



4. Diversity and work style reforms

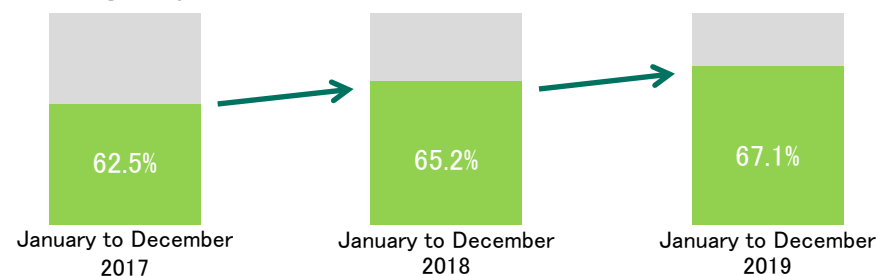


- ◆ Productivity improvement through work style reforms

<Change in overtime work under the Labor Standards Act>



<Change in paid leave utilization rate>



5. Environmental protection



- ◆ Promotion of financial contributing to environmental preservation
- ◆ The Bank **received the Bronze Prize** in the “ESG Finance Awards Japan (loan category)” sponsored by the Ministry of the Environment



<Number of arranged project finance for renewable energy>

(Total as of March 31, 2020)

Solar power generation	12
Biomass generation	3

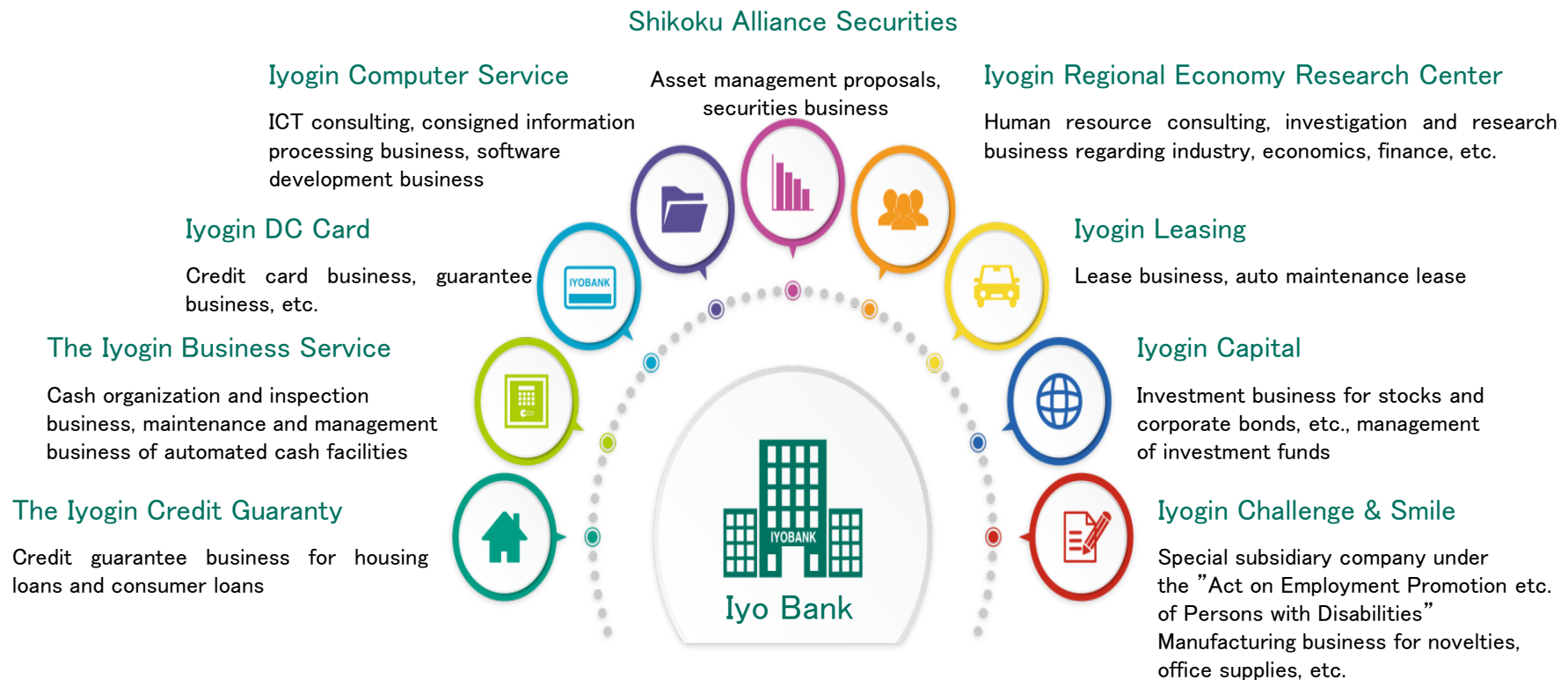
<Number of other environmental loans executed>

(Total as of March 31, 2020)

Loans relating to the interest subsidy business implemented by the Ministry of the Environment	9
Arrangement of syndicated loans for investment funds for green bonds	1

- Exhibit higher value-added consulting functions and respond to various customer needs **by fully utilizing the Iyo Bank Group's collective strengths**

Iyo Bank Group



Improvement of Customer Support and Bank Operations with Alliance Framework

IYO BANK

- Responding widely to various customer needs by **fully utilizing the alliance framework**

Shikoku Alliance (Comprehensive Cooperation Among Four Regional Banks in Shikoku)

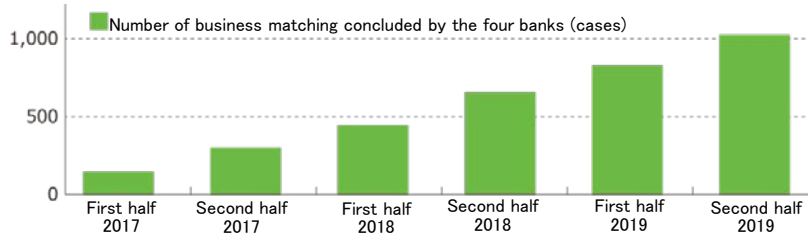


- ◆ A regional trading firm, **SHIKOKU BRAND inc.**, was founded through joint investment by the four banks (as of April 1)
- ◆ Japan's first regional trading firm founded by multiple banks utilizing the system of advanced banking service company
- ◆ Delivers the attractiveness of Shikoku's resources by carrying out operations from branding to development of sales channels at one location



● Six full-time workers
dispatched from the
four banks

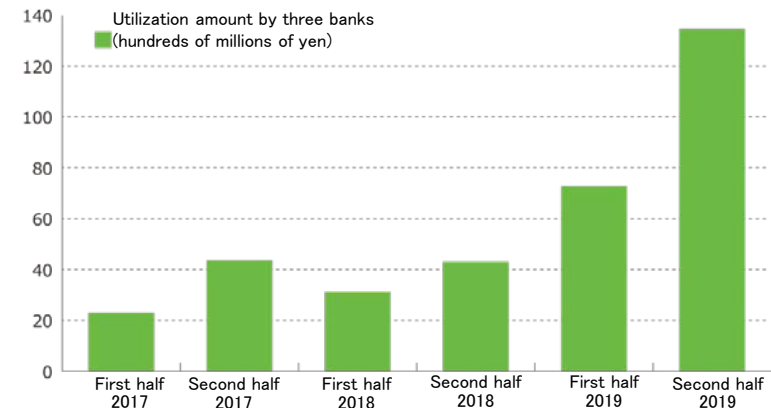
- ◆ Over 1,000 cases of business matching concluded (three-year total)



- ◆ Holding “BCP development seminars” in the four Shikoku prefectures

- Last July, “BCP development seminars” in the preparation for natural disasters and emergencies were held in the four Shikoku prefectures, making use of the “Shikoku Alliance” framework

- ◆ Utilization of “Shikoku Alliance Securities Co., Ltd.” by three banks led to a record high in fiscal 2019



TSUBASA Alliance (A wide-area alliance, the largest class for regional banks)



- ◆ Bank of The Ryukyus, Limited joined in April 2020

- ◆ New measures are carried out through a wide-area alliance among ten banks in total



Profit / Loss Forecasts for Fiscal 2020

- Interest and dividend income to increase due to increases in both gain on loan management and gain on securities management
- Fees and commissions to increase due to increases in revenue on assets in custody, etc.
- Net income to record ¥16.0 billion assuming an increase in credit costs in the COVID-19 environment, despite an increase in core business net income

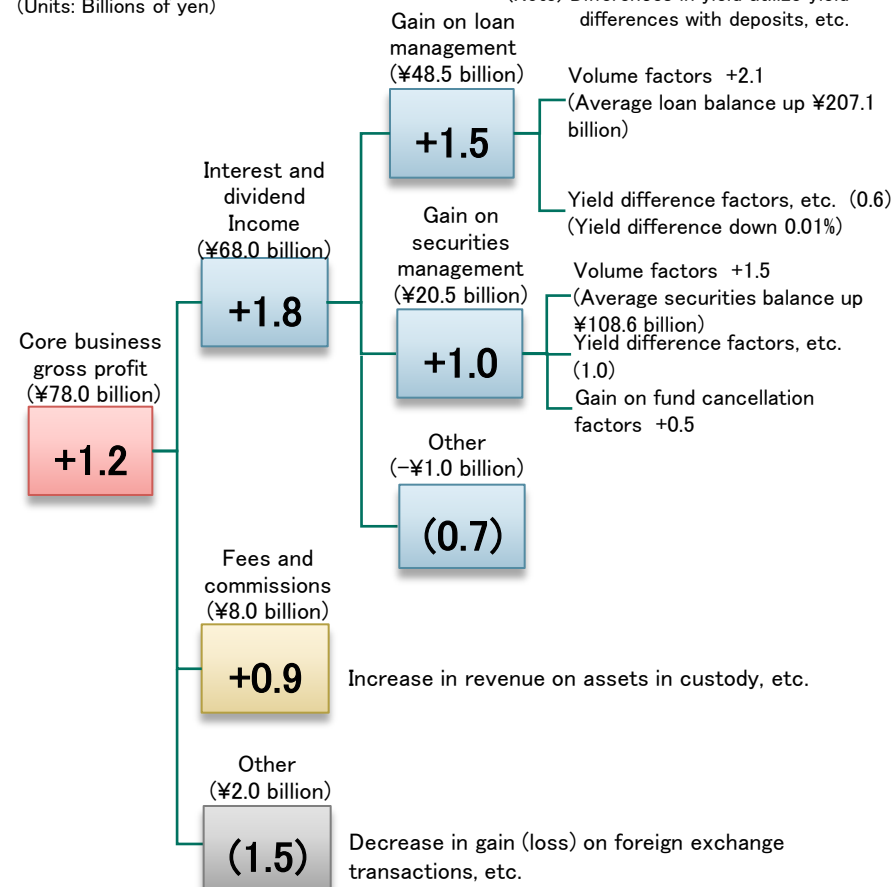
(Units: Billions of yen)


	Fiscal 2019 results		Fiscal 2020 forecast			
	Inter- mediate results		Inter- mediate forecast	YoY		YoY
Core business gross profit	37.8	76.7	39.5	+1.6	78.0	+1.2
Of which, interest and dividend income	32.4	66.2	34.0	+1.6	68.0	+1.8
Of which, fees and commissions	3.7	7.1	3.8	+0.1	8.0	+0.9
Expenses (-)	25.3	49.9	25.5	+0.2	50.5	+0.6
Of which, personnel expenses	13.0	25.8	12.8	(0.2)	25.5	(0.3)
Of which, nonpersonnel expenses	10.7	21.2	11.0	+0.3	22.0	+0.8
Core business net income	12.4	26.8	14.0	+1.5	27.5	+0.7
Credit costs (-)	3.2	6.9	4.9	+1.7	12.0	+5.1
Gain (loss) related to securities	4.0	3.5	3.0	(1.1)	6.5	+3.0
Ordinary income	14.9	26.5	13.0	(2.0)	23.0	(3.6)
Net (intermediate) income	10.8	18.5	9.0	(1.8)	16.0	(2.5)

Factors Contributing to Increase / Decrease in Core Business Gross Profit (Fiscal 2020 – Fiscal 2019)

(Units: Billions of yen)


(Note) Differences in yield utilize yield differences with deposits, etc.





Connecting hearts.
Connecting the
region.

地域の心をつなぐ
Challenge & Smile

 伊予銀行

〈For inquiries regarding this document〉 Nakatani, General Planning Division, Iyo Bank TEL:089-941-1141/FAX:089-946-9104

Future business results contained in this document are based on information available as of announcement and assumptions regarding uncertain factors that may affect future business results. Future business results may differ due to changes in the management environment, etc.

Iyo Bank Fiscal 2019 Earnings Briefing: Reference Materials



伊予銀行

June 5, 2020

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Head Office	Matsuyama, Ehime Prefecture
Year of foundation foundation	March 15, 1878 (The 29th National Bank)
Capital	¥20,900 million (Total number of issued shares: 323,775 thousand shares)
Number of employees	12 Officers, 2,738 employees (excluding temporary staff)
Number of branches	149 domestic (including 8 branches within branches, 7 sub-branches), 1 overseas (Singapore)
	2 overseas representative offices (Shanghai, Hong Kong)
External credit ratings (*)	A+: Rating and Investment (R&I)
	A-: Standard & Poor's (S&P)
	AA: Japan Credit Rating Agency (JCR)

* As of May 31, 2020 for external credit ratings

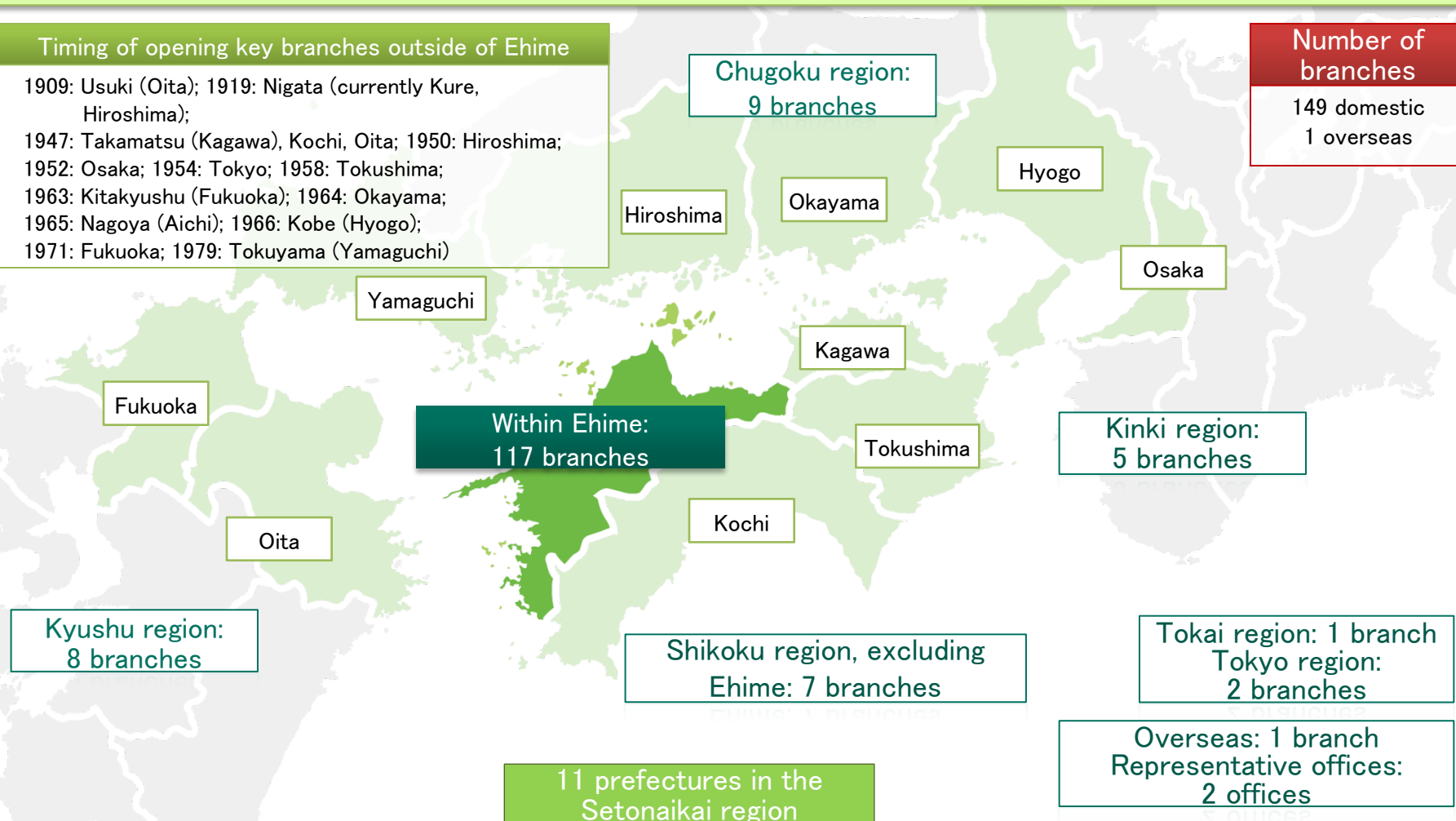
Consolidated equity ratio (BIS standards)	14.85%
Consolidated subsidiaries	16 companies
Consolidated employees (excluding temporary staff)	3,109 persons

(As of March 31, 2020)

- Created the **No. 1 regional bank in terms of broad regional coverage**, in 13 prefectures centered on the Setouchi region
- Established a strong operating base by expanding outside of Ehime Prefecture from long ago

Timing of opening key branches outside of Ehime

1909: Usuki (Oita); 1919: Nigata (currently Kure, Hiroshima);
 1947: Takamatsu (Kagawa), Kochi, Oita; 1950: Hiroshima;
 1952: Osaka; 1954: Tokyo; 1958: Tokushima;
 1963: Kitakyushu (Fukuoka); 1964: Okayama;
 1965: Nagoya (Aichi); 1966: Kobe (Hyogo);
 1971: Fukuoka; 1979: Tokuyama (Yamaguchi)



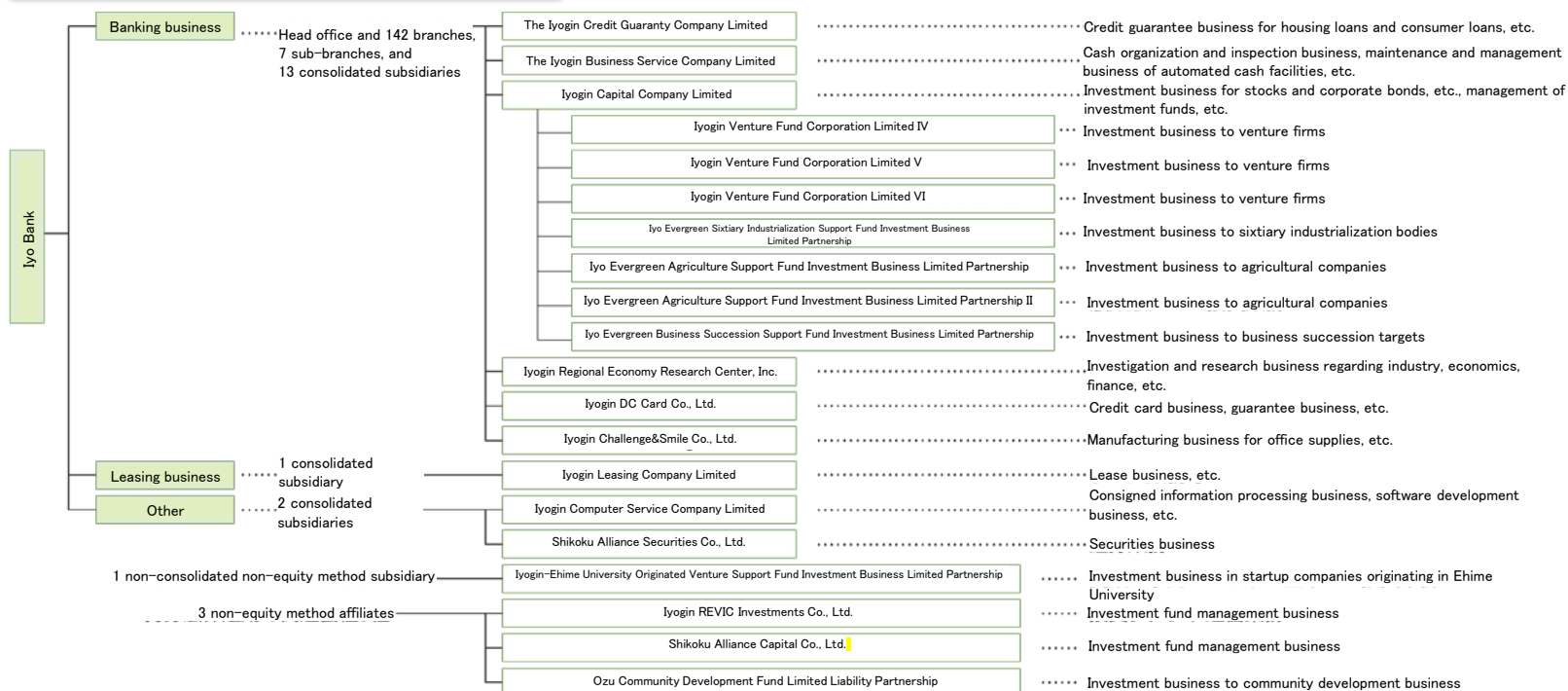
(As of March 31, 2020)

(Note) The Internet branch is included in the number of branches within Ehime Prefecture.

Consolidated Earnings Summary

[Consolidated]				(Units: Millions of Yen)		(Note) The difference between consolidated and nonconsolidated.
	Fiscal 2019	YoY	Increase/ Decrease	Fiscal 2018	Consolidated- nonconsolidated Difference (Note)	
Ordinary revenue	126,506	220	+0.2%	126,286	20,108	
Ordinary income	29,413	755	+2.6%	28,658	2,832	
Profit attributable to owners of parent	18,922	395	+2.1%	18,527	420	

List of Iyo Bank Group Companies



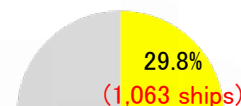
- Industries with top national share concentrated in each region
- Manufactured product shipments from Ehime Prefecture totaled ¥4.3 trillion (45% of Shikoku) in 2018

 Total national share of Ehime Prefecture

Matsuyama Region

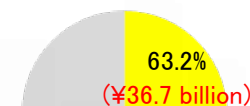
The Matsuyama region has companies with large shares in products such as “small once-through steam boilers,” “farm machinery,” and “dried bonito shavings.”

Imabari Region



No. 1 in Japan

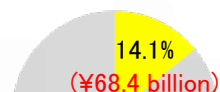
Number of ocean-going vessels owned by domestic ship owners (2018) (Note 1)
3,573 total vessels in Japan (including operators)



No. 1 in Japan
(Note 2)

Towels (2017)
¥58.0 billion shipped in Japan

Uwajima Region



No. 1 in Japan
(Note 2)

Sea culture industry (2018)
¥486.1 billion total national production

Niihama Region

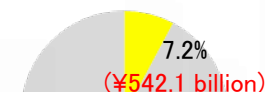
Manufactured product shipments
(2017)

¥1,622.5 billion

Approx. 39% of shipments of manufactured products in Ehime

As a corporate town under the Sumitomo Group, nonferrous metal, chemicals, steel, machinery and equipment are concentrated particularly in the Niihama region.

Shikokuchuo Region



No. 2 in Japan
(Note 2)

Pulp and paper industry (2018)
¥7,543.6 billion shipped in Japan

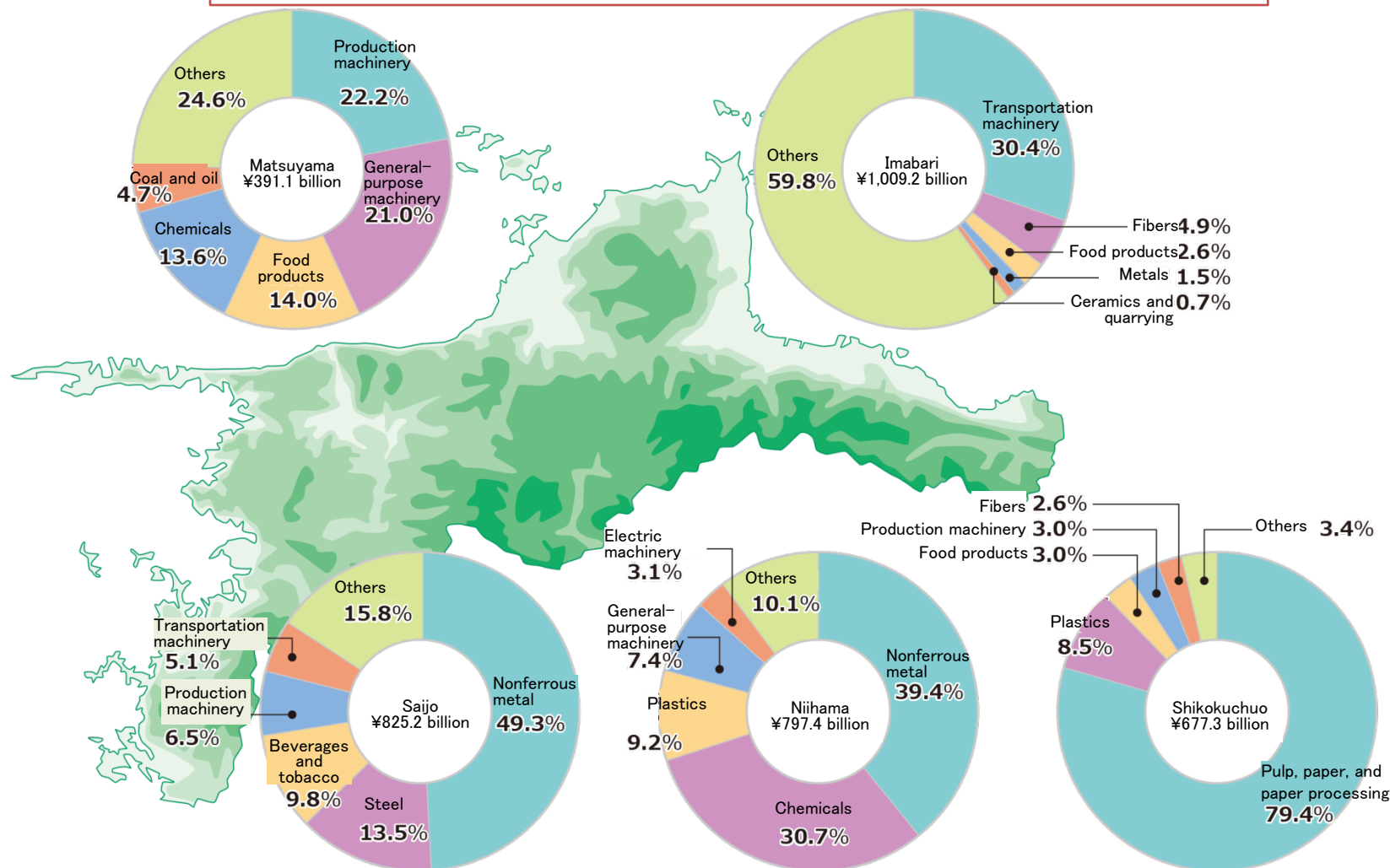
(Note 1) Iyogin Regional Economy Research Center, Inc. (IRC) estimates; the ranking in Japan excludes operators.

(Note 2) Ranking of Ehime Prefecture

Source: Prepared based on the Ministry of Economy, Trade and Industry's "Census of Manufacture 2019" (2018 results, preliminary) and "Census of Manufacture 2018" (2017 results) and the Ministry of Agriculture, Forestry and Fisheries' "total fishery output for 2018."

- Ehime Prefecture has manufacturing industries distinctive to each region

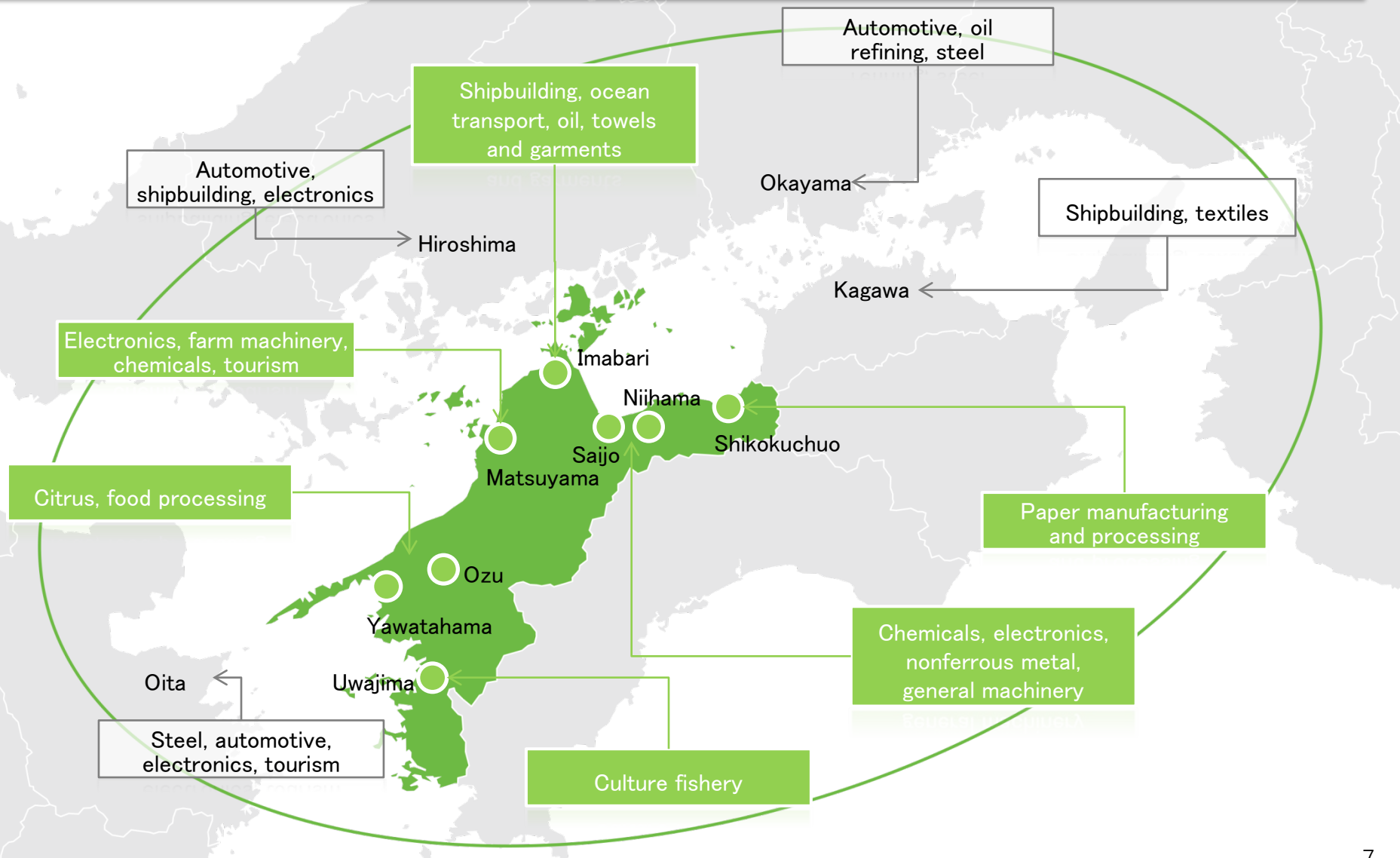
Composition of manufactured goods shipment by city (top five cities)



(Note) The shipment amount of "coal and oil" for Imabari City is a concealed value for statistical purposes, thus it is included in "others."

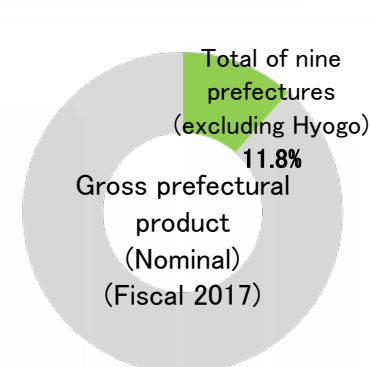
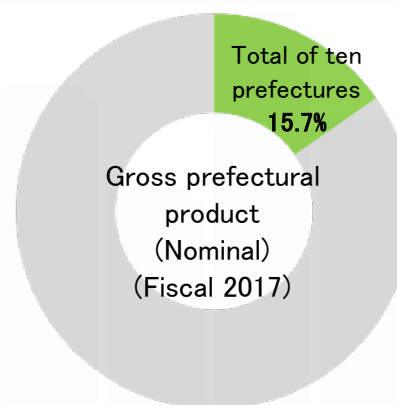
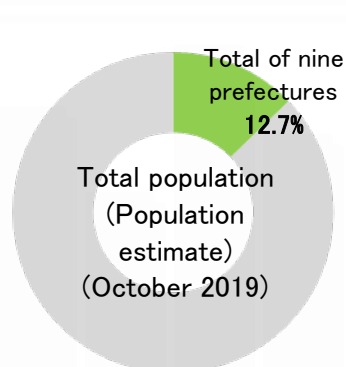
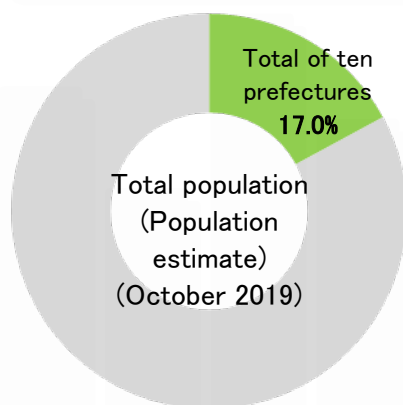
Source: Prepared by Iyogin Regional Economy Research Center, Inc. (IRC) based on the Ministry of Economy, Trade and Industry's "Census of Manufacture 2018" (2017 results).

- The Setonaikai coastal region has established various industrial structures



Economic Indicators of the Setouchi Region I

	Total population (Population estimate)	Total area (Geospatial Information Authority of Japan)	Number of offices (Private sector, excluding public sector)	Number of employees (Private sector, excluding public sector)	Prefecture total production (Nominal)	Prefectural gross product growth rate (Real)	Prefectural income per capita
	October 2019 (Persons)	January 2020 (k m ²)	2016 (Offices)	2016 (Persons)	Fiscal 2017 (Billions of yen)	Fiscal 2017 (%)	Fiscal 2017 (Thousands of yen)
Ehime	1,339,215	5,676	63,310	566,761	5,149.8	+ 2.6	2,741
Kagawa	956,347	1,877	46,774	429,167	3,845.9	+ 1.5	3,018
Tokushima	727,977	4,147	35,853	301,688	3,156.9	+ 2.1	3,091
Kochi	698,029	7,104	35,366	279,196	2,494.5	+ 0.4	2,650
Oita	1,135,434	6,341	52,973	483,206	4,510.0	+ 3.5	2,710
Fukuoka	5,103,679	4,987	212,649	2,236,269	19,679.2	+ 2.3	2,888
Yamaguchi	1,358,336	6,113	61,385	577,791	6,413.1	+ 2.6	3,261
Hiroshima	2,804,177	8,480	127,057	1,302,074	11,790.8	+ 0.5	3,167
Okayama	1,889,586	7,114	79,870	820,656	7,813.2	+ 2.2	2,839
Total of the above nine prefectures (A)	16,012,780	51,837	715,237	6,996,808	64,853.4		
(A)/(C)	12.7%	13.7%	13.4%	12.3%	11.8%		
Hyogo	5,466,190	8,401	214,169	2,203,102	21,328.8	+ 2.2	2,966
Total of ten prefectures (B)	21,478,970	60,238	929,406	9,199,910	86,182.2		
(B)/(C)	17.0%	15.9%	17.4%	16.2%	15.7%		
National total (C)	126,166,948	377,975	5,340,783	56,872,826	547,586.0 (note)	+ 1.9 (note)	3,164 (note)

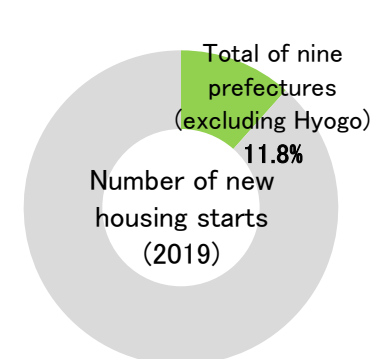
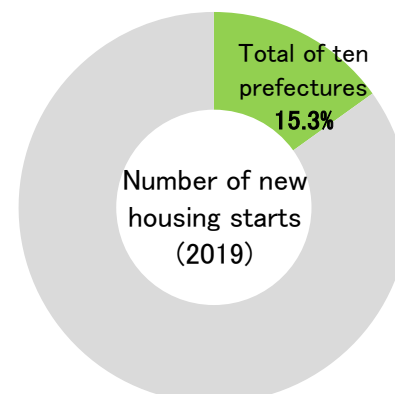
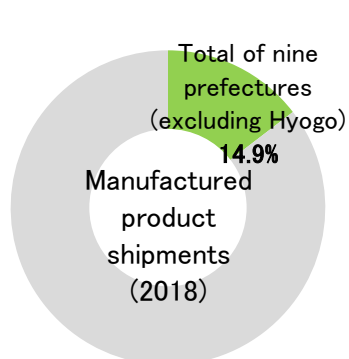
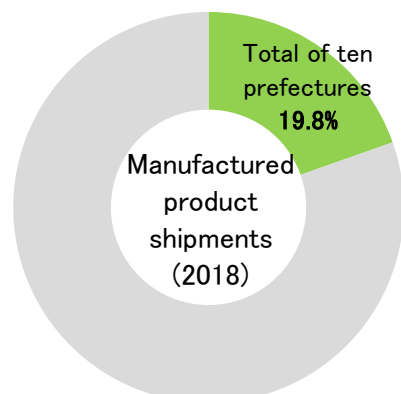


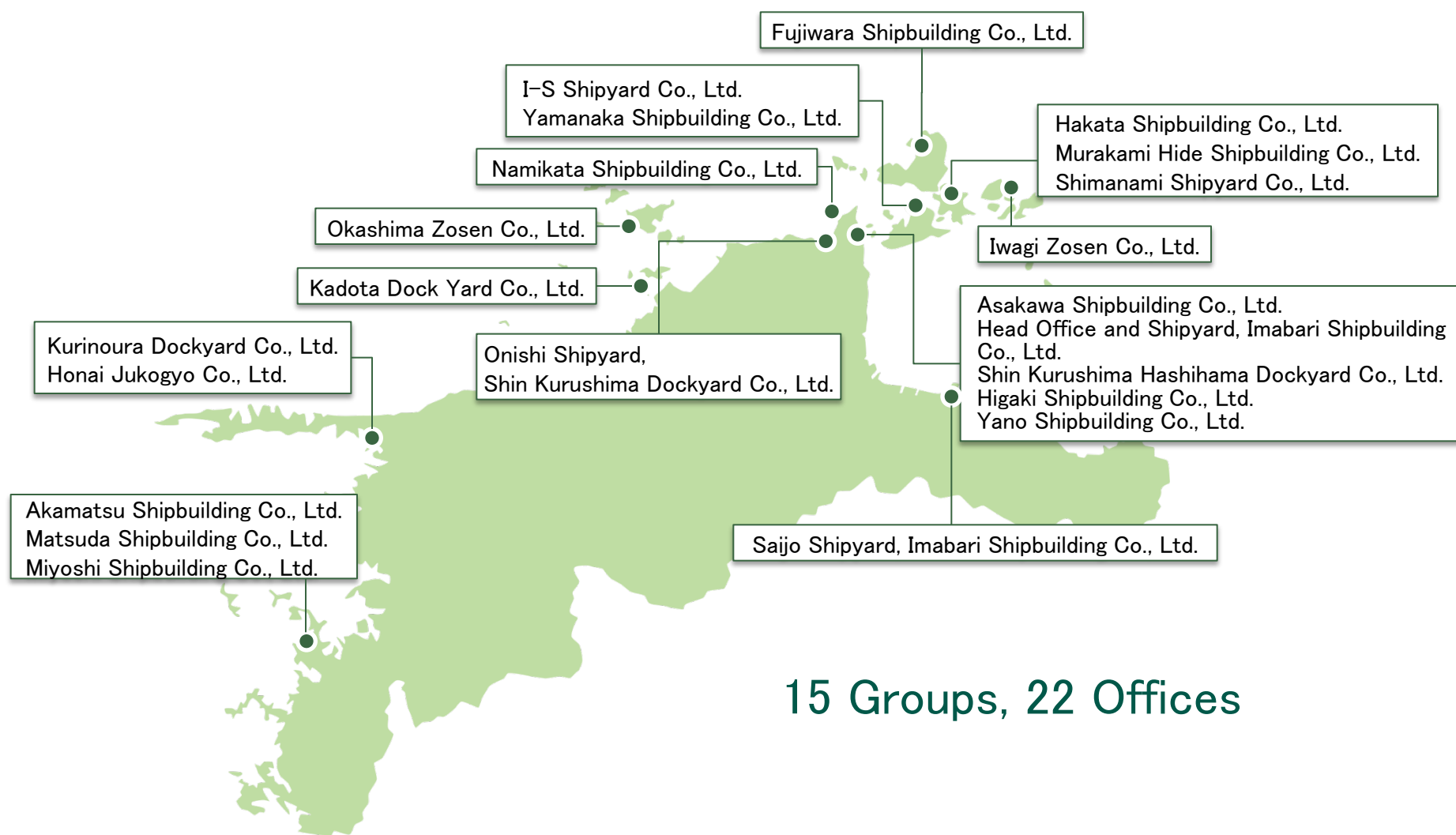
(Note) The figures of national total are those for fiscal 2017 in the Cabinet Office's "FY2018 Annual Estimates of GDP"

Source: Prepared based on the Statistics Bureau of Japan's "Population Estimates," the Geospatial Information Authority of Japan's "Statistical reports on the land area by prefectures and municipalities in Japan," the Ministry of Internal Affairs and Communications' and Ministry of Economy, Trade and Industry's "Economic Census," each prefecture's "Prefectural Accounts" and the Cabinet Office's "FY2018 Annual Estimates of GDP"

Economic Indicators of the Setouchi Region II

	Manufactured product shipments	Annual wholesale sales amount	Annual retail sales amount	Industrial production index (annual average)	Number of new housing starts	Jobs-to-applicants ratio (annual average)	Overall unemployment rate (annual average)
	2018 (Millions of yen)	2016 (Millions of yen)	2016 (Millions of yen)	2018 2015= 100	2019 (Homes)	2019 (Times)	2019 (%)
Ehime	4,264,004	2,511,264	1,528,554	99.0	7,756	1.64	1.6
Kagawa	2,761,936	2,619,010	1,169,352	110.6	5,680	1.80	2.0
Tokushima	1,853,134	904,487	757,121	102.0	4,122	1.50	1.9
Kochi	594,417	874,256	753,371	103.1	3,310	1.29	1.9
Oita	4,438,834	1,344,689	1,235,257	95.4	6,926	1.53	2.0
Fukuoka	10,225,524	16,970,699	5,864,032	107.4	39,860	1.57	2.9
Yamaguchi	6,700,282	1,641,957	1,488,895	105.3	7,311	1.62	1.8
Hiroshima	10,024,903	9,166,762	3,309,726	100.3	18,845	2.05	2.4
Okayama	8,359,134	3,543,971	2,093,111	103.6	13,200	2.02	2.4
Total of the above nine prefectures (A)	49,222,168	39,577,095	18,199,419		107,010		
(A)/(C)	14.9%	9.1%	12.5%		11.8%		
Hyogo	16,486,978	10,219,241	5,726,476	104.7	31,245	1.43	2.4
Total of ten prefectures (B)	65,709,146	49,796,336	23,925,895		138,255		
(B)/(C)	19.8%	11.4%	16.5%		15.3%		
National total (C)	331,354,775	436,522,525	145,103,822	104.2	905,123	1.60	2.4



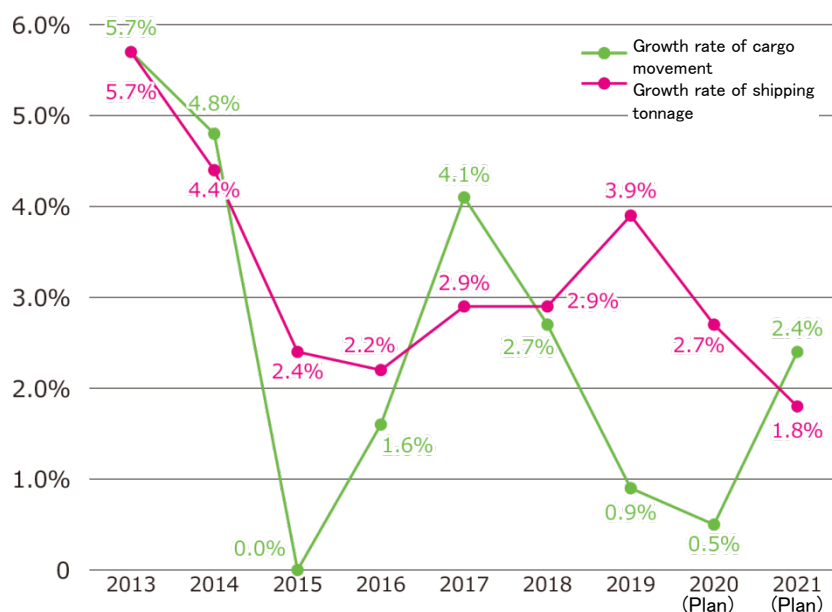


Source: Prepared by the Bank based on “Documents for Shipbuilding Under Jurisdiction” published by the Shikoku Land Transport Office

*Shipbuilding facilities currently in operation either constructing or repairing steel vessels of at least 500 gross tons or 50 m or longer

Dry Bulk Transport Demand and Supply

◆ Volume of cargo movement and shipping tonnage



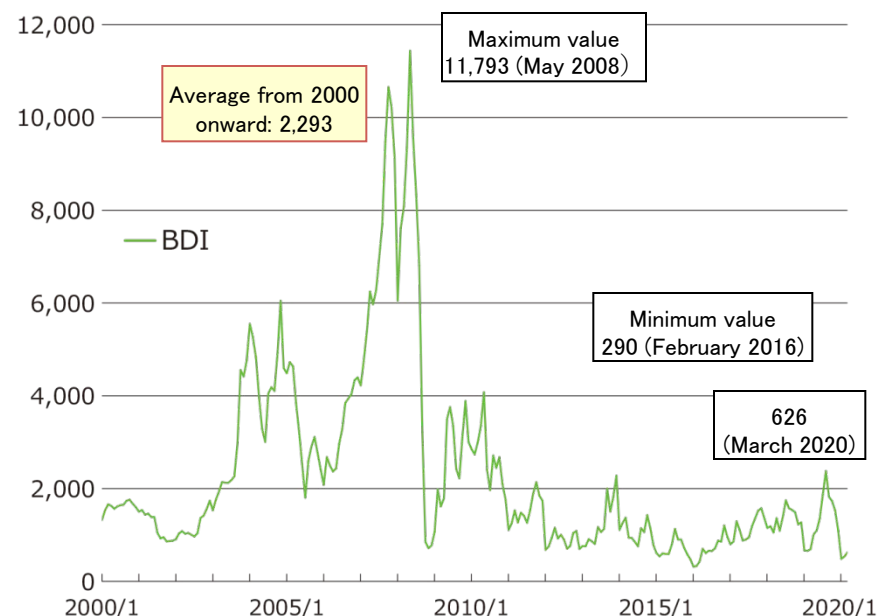
Source: "Clarkson Research Shipping Review & Outlook" (Spring 2020)"

◆ Dry bulk transport demand and supply

- Shipping tonnage of dry bulk vessels for 2020 is expected to increase by 2.7% (up 238 thousand tons) from 2019. The growth is still at a high level despite a slowdown from the increase in 2019. The volume of cargo movement is expected to be limited to a slight 0.5% increase as it has been weak since the start of the year due to the impact of COVID-19.
- The growth rate of shipping tonnage is expected to come to 1.8% in 2021 as growth of 16.4 million tons is expected. Meanwhile, cargo movement is expected to grow at 2.4%, which indicates improvement. However, if global economic activities continue to be sluggish for a longer period of time due to the impact of COVID-19, this may turn downward.

Future Market Outlook

◆ Baltic Dry Index (BDI) trends



◆ Future market outlook

- In early 2020, the capesize spot market remained at a low level consecutively from the previous year as the pace of iron ore shipments by major resource companies lost momentum due mainly to the impact of poor weather in Brazil.
- Thereafter, affected by the sluggish global economy due to the impact of COVID-19, the market remains at a low level as severe as that of the maritime depression in 2016.
- In the future, the greatest concern is the eradication of COVID-19. In China, some plants restarted and shipments to China are on a recovery trend. However, transport demand may decline again if the stagnation of economic activities is prolonged in the U.S. and Europe, which are export destinations. Thus, the outlook is extremely uncertain.

Breakdown of Balance of Loans and Deposits at End of Period

IYO BANK

1. Breakdown of balance of loans at end of period

(Units: Billions of Yen)

	March 2016	September 2016	March 2017	September 2017	March 2018	September 2018	March 2019	September 2019	March 2020	Vs. March 2019
Total loans	3,911.1	3,936.3	4,043.3	4,132.4	4,292.6	4,431.5	4,550.8	4,617.5	4,756.6	205.8
General loans	3,677.4	3,705.5	3,802.3	3,899.0	4,054.6	4,192.2	4,310.7	4,387.7	4,522.2	211.5
Corporate loans (incl. overseas, etc.)	2,717.0	2,729.5	2,807.4	2,891.8	3,030.6	3,146.0	3,238.2	3,291.1	3,397.9	159.7
Corporate loans (domestic branches)	2,717.0	2,729.5	2,806.0	2,864.4	2,965.5	3,060.4	3,135.8	3,158.3	3,248.8	113.0
Individual financing	960.3	976.0	994.9	1,007.1	1,024.0	1,046.2	1,072.4	1,096.5	1,124.3	51.9
Housing loans	700.0	710.6	723.8	731.2	742.6	758.2	781.0	805.3	831.8	50.8
Apartment and building loans	173.3	179.1	184.0	186.3	191.3	198.0	202.2	203.1	205.2	3.0
Card loans	28.6	29.2	29.6	30.0	29.6	29.1	28.3	27.9	26.9	(1.4)
Municipal loans, etc.	233.8	230.7	241.0	233.4	238.1	239.2	240.1	229.7	234.3	(5.8)

(Note) The figures shown for apartment and building loans are the total of the "institutional finance" portion.

2. Breakdown of balance of assets in custody such as deposits, etc. at end of period

(Units: Billions of Yen)

	March 2016	September 2016	March 2017	September 2017	March 2018	September 2018	March 2019	September 2019	March 2020	Vs. March 2019
Total deposits, etc. + assets in custody A	5,676.5	5,644.4	5,789.1	5,765.3	5,889.0	5,894.2	6,070.6	6,174.5	6,094.1	23.5
Total deposits, etc.	5,343.1	5,317.8	5,457.0	5,424.5	5,546.0	5,542.2	5,712.6	5,817.3	5,754.3	41.7
Total deposits	5,018.0	4,892.9	5,006.8	4,987.1	5,099.6	5,057.7	5,247.1	5,288.5	5,265.6	18.5
Individual	3,348.3	3,343.4	3,354.6	3,376.3	3,392.1	3,412.0	3,423.6	3,450.2	3,512.5	88.9
General companies	1,397.6	1,392.1	1,434.4	1,429.1	1,442.0	1,455.4	1,555.4	1,553.7	1,564.4	9.0
Public	204.0	117.1	146.6	135.8	164.4	111.4	126.4	113.2	119.8	(6.6)
Financial	44.0	31.3	36.0	23.1	53.8	37.4	61.0	31.9	40.8	(20.2)
Overseas / offshore	24.1	8.7	35.2	22.6	47.3	41.3	80.5	139.4	28.0	(52.5)
NCD	325.1	424.9	450.2	437.4	446.4	484.4	465.5	528.8	488.7	23.2
General companies	295.9	293.5	354.7	319.6	375.4	345.1	348.2	390.0	367.0	18.8
Public	29.2	131.4	95.5	117.7	71.0	139.2	117.3	138.7	121.7	4.4
General company funds (incl. NCD)	1,693.5	1,685.7	1,789.1	1,748.8	1,817.4	1,800.6	1,903.6	1,943.8	1,931.4	27.8
Public funds (incl. NCD)	233.3	248.5	242.1	253.5	235.4	250.7	243.7	252.0	241.5	(2.2)
Foreign currency deposits (balance)	102.9	115.6	97.1	104.1	118.3	111.0	111.0	101.6	89.3	(21.7)
Individual deposits+individual assets in custody	3,665.6	3,654.9	3,673.2	3,703.7	3,722.5	3,751.4	3,769.1	3,795.6	3,841.4	72.3
Individual deposits	3,348.3	3,343.4	3,354.6	3,376.3	3,392.1	3,412.0	3,423.6	3,450.2	3,512.5	88.9
Individual assets in custody	317.2	311.5	318.6	327.3	330.4	339.3	345.4	345.4	328.8	(16.6)
<Assets in custody (Term-end basis)>										
Assets in custody at the Bank (excl. deposits, etc.) B	333.4	326.5	332.0	340.7	343.0	351.9	357.9	357.1	339.7	(18.2)
JGBs	40.1	32.5	27.2	25.0	25.4	24.0	22.4	20.3	19.8	(2.6)
Investment trusts	93.5	85.9	85.1	81.0	71.6	71.5	68.6	66.7	53.8	(14.8)
Single premium policies	184.9	187.8	191.5	202.1	206.2	210.8	215.7	216.4	214.2	(1.5)
Financial product intermediary	14.9	20.3	28.3	32.5	39.7	45.5	51.0	53.6	51.7	0.7
Shikoku Alliance Securities balance C	131.5	140.1	163.7	192.7	201.4	208.3	199.5	207.8	202.4	2.9
Balance of Group's assets in custody B + C = D	464.9	466.6	495.8	533.5	544.4	560.3	557.4	565.0	542.2	(15.3)
Assets in custody composition (D / A + C)	8.0%	8.1%	8.3%	9.0%	8.9%	9.2%	8.9%	8.9%	8.6%	-

(Note) The figures shown for foreign currency deposits (balance) are the total excluding overseas / offshore.

Balance and Composition of Loans by Industry

IYO BANK

- There are no major changes in the composition of loans by industry, and the loans are well-balanced

(Units: Billions of Yen, %)

	March 2016		March 2017		March 2018		March 2019		March 2020		Vs. March 2019	
		Composition		Composition		Composition		Composition		Composition	Balance	Rate of balance increase/decrease
Manufacturing	593.8	15.2	583.0	14.4	611.7	14.5	643.0	14.5	650.5	14.1	+ 7.5	+ 1.2%
Agricultural	2.8	0.1	2.8	0.1	2.6	0.1	2.7	0.1	2.6	0.1	(0.1)	(3.7%)
Forestry	0.1	0.0	0.2	0.0	0.3	0.0	0.3	0.0	0.4	0.0	+ 0.1	+ 33.3%
Fishing	12.6	0.3	13.8	0.3	12.1	0.3	11.3	0.3	11.9	0.3	+ 0.6	+ 5.3%
Mining	9.0	0.2	8.8	0.2	8.7	0.2	8.6	0.2	7.1	0.2	(1.5)	(17.4%)
Construction	116.0	3.0	112.6	2.8	112.9	2.7	116.3	2.6	116.0	2.5	(0.3)	(0.3%)
Electricity, gas, heat provision, water	92.9	2.4	92.9	2.3	108.1	2.6	134.0	3.0	154.4	3.4	+ 20.4	+ 15.2%
Information communications	28.1	0.7	28.8	0.7	21.8	0.5	22.0	0.5	18.9	0.4	(3.1)	(14.1%)
Transportation	615.2	15.7	629.9	15.6	679.7	16.1	717.9	16.1	769.7	16.7	+ 51.8	+ 7.2%
Of which, ocean transport	511.3	13.1	510.3	12.6	542.1	12.8	580.3	13.0	639.3	13.9	+ 59.0	+ 10.2%
Wholesale and retail	466.7	11.9	471.2	11.7	469.4	11.1	511.6	11.5	504.3	10.9	(7.3)	(1.4%)
Finance and insurance	170.5	4.4	192.7	4.8	205.7	4.9	200.2	4.5	185.3	4.0	(14.9)	(7.4%)
Real estate	198.0	5.1	221.4	5.5	255.6	6.0	270.5	6.1	299.8	6.5	+ 29.3	+ 10.8%
Various services	382.5	9.8	412.7	10.2	435.1	10.3	438.5	9.9	467.6	10.1	+ 29.1	+ 6.6%
Of which, medical-related	169.6	4.3	181.3	4.5	193.7	4.6	192.2	4.3	197.2	4.3	+ 5.0	+ 2.6%
Regional public entities	232.9	6.0	240.2	5.9	232.7	5.5	234.8	5.3	230.0	5.0	(4.8)	(2.0%)
Other	989.3	25.3	1,030.8	25.5	1,071.2	25.3	1,136.1	25.5	1,188.5	25.8	+ 52.4	+ 4.6%
Total	3,911.1	100.0	4,041.8	100.0	4,227.5	100.0	4,448.4	100.0	4,607.5	100.0	+ 159.1	+ 3.6%

(For domestic branches, excludes special international transactions account)

*“Goods rental” is included in “real estate” from the six months ended September 30, 2009.

“Real estate” for the year ended March 31, 2020, excluding “goods rental,” was ¥277.8 billion, which is an increase of ¥26.1 billion (+10.4%) compared with the year ended March 31, 2019. In addition, “other” includes “home renting by individuals” (¥214.1 billion for the year ended March 31, 2020).

*As “ocean transport” displays balances applicable to the “ocean transport industry” according to Japan Standard Industrial Classification, this figure does not match “Loan balance for the maritime industry” on page 17 of the Earnings Briefing.

Table of Changes in Borrower Classification

- Activities for supporting enhancement of corporate value are conducted through business feasibility assessments of customers
 - Corporate revitalization support is provided mainly by the Corporate Consulting Division
- Use of various types of revitalization schemes, such as reconstruction funds and the SME Business Rehabilitation Support Co-operative, as well as solution sales

[Changes in borrower classification for business borrowers] (one year)

Upper row: Number of borrowers

Lower row: Credit amount
(Hundreds of millions of yen)

			March 31, 2020							Rate of degradation to at risk of bankruptcy or below	Improvement	Degradation
			Total	Normal borrowers	Borrowers requiring close monitoring	Borrowers under strict observation	Borrowers at risk of bankruptcy	Substantially bankrupt borrowers	Bankrupt borrowers			
March 31, 2019	Normal borrowers	19,640 33,473	17,742 32,871	17,166 32,095	506 748	20 7	31 16	8 1	11 4	0.25% 0.06%		576 776
	Borrowers requiring close monitoring	1,940 3,634	1,836 3,616	391 585	1,374 2,885	24 36	45 110	1 0	1 0	2.42% 3.04%	391 585	71 147
	Borrowers under strict observation	139 267	123 249	12 34	11 24	84 169	9 22	6 1	1 0	11.51% 8.53%	23 57	16 23
	Borrowers at risk of bankruptcy	284 454	255 414	14 5	13 8	10 24	210 368	6 4	2 4		37 38	8 8
	Substantially bankrupt borrowers	98 37	71 36	0 0	0 0	0 0	0 0	66 12	5 23		0 0	5 23
	Bankrupt borrowers	41 19	17 11	0 0	0 0	0 0	0 0	0 0	17 11		0 0	
		22,142 37,884	20,044 37,196	17,583 32,718	1,904 3,664	138 237	295 516	87 18	37 42		451 679	676 976

(Note 1) The chart displays the changes in the borrower classification from March 31, 2019 to March 31, 2020.

(Note 2) The balances after changes are the balances after write-offs as of March 31, 2020.

(Units: Billions of yen)

Risk Category (*1)	Year ended March 31, 2020											Source of main revenue and profit
	Book balance	Evaluation gain / loss	Market balance	Composition	Vs. March 2019	Total profit / loss (*2)	Interest and dividend income			Profit / loss from purchase, sale, and amortization	Increase / decrease on gain / loss on evaluation vs. March 2019	
Yen-denominated bonds	746.7	+11.0	757.6	44.1%	(10.0%)	(3.3)	6.6	6.6	0.0	0.2	(10.1)	Difference in long and short term interest on yen interest
Of which, JGBs	330.6	+4.4	335.0	19.5%	(8.5%)	(2.9)	3.3	3.3	0.0	0.2	(6.5)	
Of which, inflation-indexed JGBs	79.7	(1.3)	78.4	4.6%	+0.1%	(1.9)	(0.3)	(0.3)	0.0	0.0	(1.6)	Rise in expected inflation rate
Foreign currency bonds (with hedges)	333.4	+29.1	362.5	21.1%	+5.3%	28.7	3.8	6.8	3.0	0.9	+24.0	Difference in long and short term interest on overseas interest
Foreign currency bonds (without hedges)	181.7	+10.9	192.7	11.2%	+8.2%	13.8	2.5	2.5	0.0	0.4	+10.9	Gain on foreign exchange / interest revenue
Domestic and overseas stocks (Incl. stock trusts)	116.0	+181.9	297.9	17.4%	(3.3%)	(3.1)	5.7	5.7	0.0	1.5	(10.3)	Growth in domestic companies centered on transaction partners
Alternatives, etc.	103.8	+1.8	105.6	6.2%	(0.3%)	(5.3)	2.0	2.0	0.0	0.5	(7.9)	
Hedge funds	33.2	(0.9)	32.4	1.9%	(0.5%)	(0.9)	(0.1)	(0.1)	0.0	0.0	(0.8)	Strategic diversification by external consigned management
Real estate-related	55.0	+4.3	59.3	3.5%	+0.3%	(3.0)	2.2	2.2	0.0	0.5	(5.7)	Revenue from real estate rentals and profit from price increase
Private equity	8.3	+0.0	8.3	0.5%	+0.1%	(0.1)	(0.0)	(0.0)	0.0	0.0	(0.1)	Rise in enterprise value due to management improvement of unlisted stocks, etc.
Emerging stocks	4.2	(1.6)	2.6	0.2%	(0.1%)	(1.4)	0.0	0.0	0.0	0.0	(1.4)	Growth and foreign exchange gains in emerging markets
Other (corporate management, etc.)	3.0	+0.0	3.0	0.2%	(0.0%)	(0.0)	(0.0)	(0.0)	0.0	0.0	+0.0	Seeking short-term profits due to market views
Total	1,481.6	+234.7	1,716.3	100.0%	-	30.8	20.7	23.7	3.0	3.5	+6.6	

*1 Assets invested by the Financial Market Division calculated based on primary risk, regardless of accounting item (on the basis of including money held in trust, unsecured repurchase agreement, etc.)

*2 "Total profit / loss" and "interest and dividend income" eliminate three-month LIBOR interest, etc., as procurement costs, but this differs from actual procurement costs.

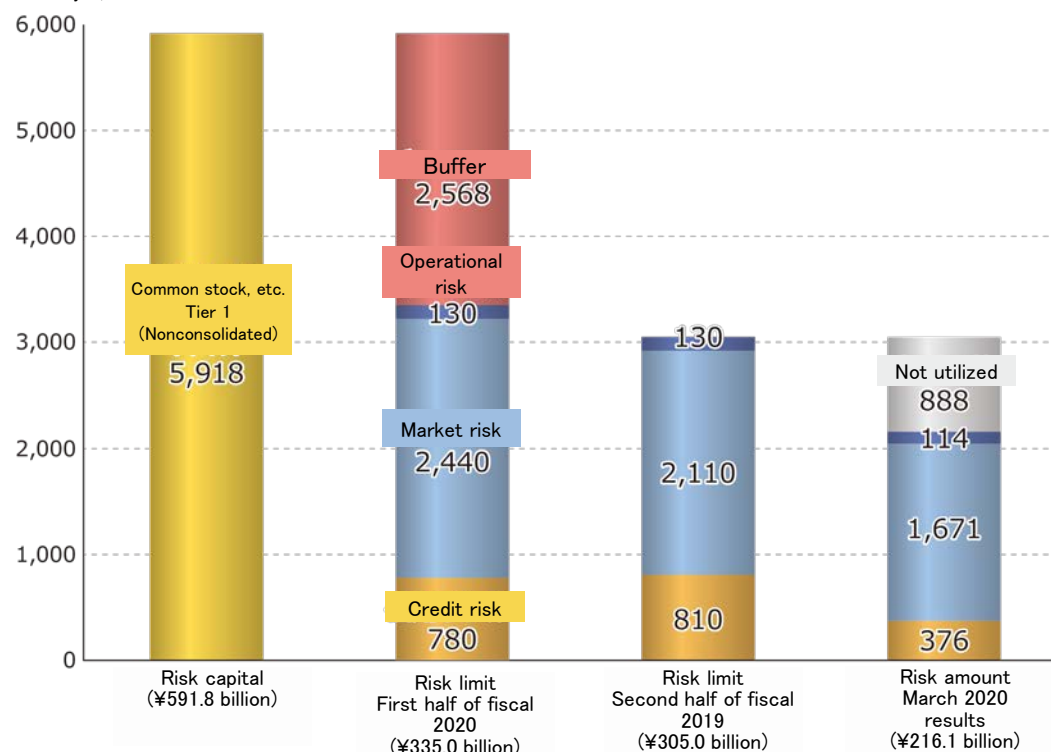
*3 Interest received includes gain / loss on cancellation of funds, etc., recorded in asset management revenue.

<Of yen-denominated bonds and foreign currency bonds, investment conditions in credit risk and securitized products, etc.>

Credit risk	233.7	(0.7)	233.0	13.6%	+0.4%	(0.7)	2.2	3.0	0.9	0.2	(3.0)	Business continuity of domestic and foreign companies
Securitized products	4.1	+0.0	4.1	0.2%	(0.1%)	(0.0)	0.0	0.0	0.0	0.0	(0.0)	Loan interest revenue from housing loans, etc.
Subtotal	237.8	(0.6)	237.2	13.8%	+0.3%	(0.7)	2.2	3.0	0.9	0.2	(3.0)	

[Status of Integrated Risk Management (March 31, 2020)]

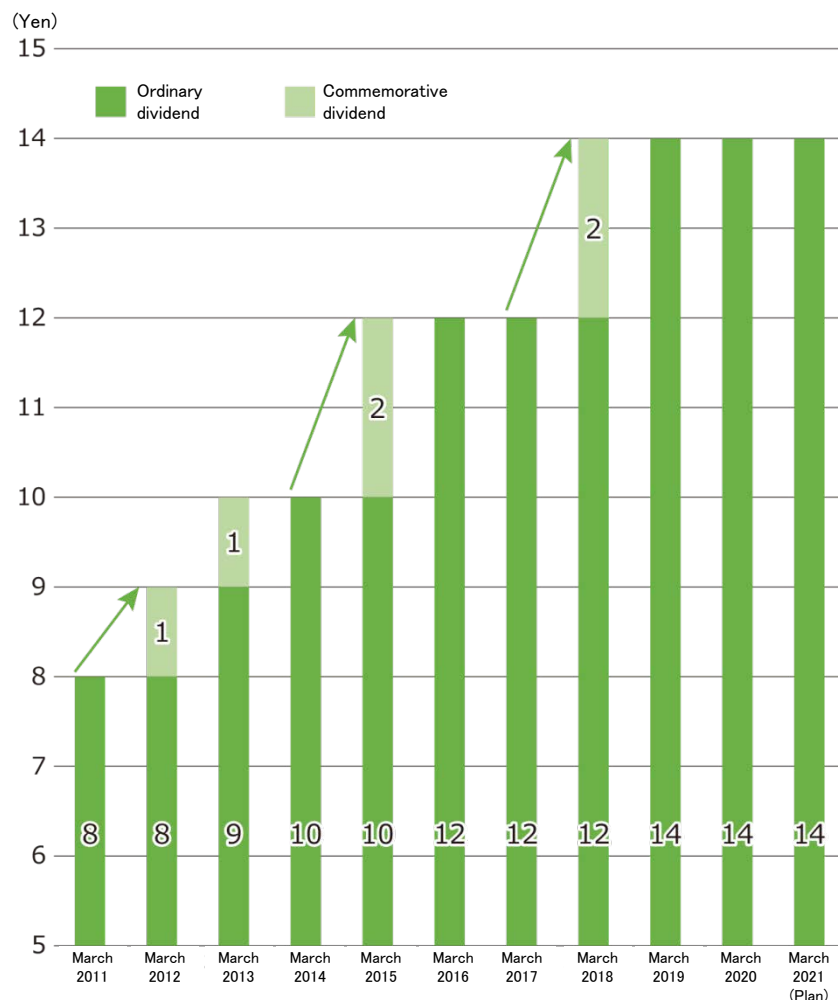
(Units:
Hundreds of
millions of yen)



- Operational risk
 - Calculated by The Standardized Approach
- Market risk (holding period of six months, 99.9%)
 - Take into account correlation between different risks
 - Core deposits: Use an internal model
 - Stock VaR: Includes strategic equity holdings
- Credit risk (holding period of one year, 99.9%)
 - Business loans, etc.: Monte Carlo method
 - Loans for individuals: Analysis method

Dividend Trends

- ◆ Strive to maintain the business base and **stable dividends** by strengthening the financial position with internal reserves



Shareholder Benefit Program

Shareholders holding 100 or more but less than 1,000 shares

- ◆ Grant shareholder benefits (Imabari towel)



* Image for illustrative purposes.

Shareholders holding 1,000 shares or more

Select one of the following three choices

- ◆ Goods made in Ehime Prefecture and special goods jointly designed by the TSUBASA Alliance
- ◆ Preferential time deposit accounts for shareholders
- ◆ Donation to the Japanese Red Cross Society

