

Iyo Bank First Half of Fiscal 2020 Earnings Briefing Materials

Investor Relations 2020



December 4, 2020

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I. Summary of Earnings for the First Half of Fiscal 2020

Profit and Loss Conditions for the First Half of Fiscal 2020

▼ Profit was up year-on-year at every income level, and a high level of profit was secured

Earnings for the first half of Fiscal 2020

(Units: Millions of yen)

(Nonconsolidated)	First half of Fiscal 2020	YoY	Increase/Decrease	First half of Fiscal 2019
Core business gross profit (Note 1)	39,818	+1,966	+5.19%	37,852
Interest and dividend income	34,809	+2,335		32,474
Fees and commissions	3,025	(692)		3,717
Of which, revenue on assets in custody	685	(195)		880
Other operating income (Excluding profit/loss related to bonds including JGBs, etc.)	1,983	+324		1,659
Expenses (-)	24,899	(461)	(1.82%)	25,360
Personnel expenses	12,863	(236)		13,099
Nonpersonnel expenses	10,375	(335)		10,710
Taxes	1,660	+111		1,549
Core business net income (Note 2)	14,919	+2,428	+19.44%	12,491
Core business net income (excluding gain (loss) on cancellation of investment trusts)	14,111	+1,685	+13.56%	12,426
Credit costs (-) ①+②-③	1,433	(1,863)		3,296
Provision of reserve for general loan losses ①	392	(292)		684
Amortization of non-performing loans ②	1,231	(1,638)		2,869
Recoveries of written off claims ③	190	(68)		258
Gain (loss) related to securities	4,906	+820		4,086
Gain (loss) related to bonds including JGBs	3,768	+1,138		2,630
Gain (loss) related to stock, etc.	1,138	(318)		1,456
Other temporary gain (loss)	1,085	(621)		1,706
Ordinary income	19,478	+4,489	+29.95%	14,989
Extraordinary income (loss)	(220)	(154)		(66)
Income before income taxes	19,257	+4,334		14,923
Net income	13,639	+2,755	+25.31%	10,884
Ordinary revenue	53,775	(705)	(1.29%)	54,480
Business net income	18,295	+3,858	+26.72%	14,437

(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 ¥1,966 million YoY

- ◎ Interest and dividend income up due to increases in gain on loan management and gain on securities management
- ◎ Fees and commissions down due to decreases in revenue on assets in custody and solutions-related revenue
- ◎ Other operating income up due to an increase in gain (loss) on foreign exchange transactions

Expenses: Down ¥461 million YoY

- ◎ Personnel expenses and nonpersonnel expenses down due to operational efficiency

Core business net income up as core business gross profit increased and expenses decreased, up ¥2,428 million YoY

Credit costs: Down ¥1,863 million YoY

- ◎ Provision of reserve for general loan losses decreased due to a decrease in loan loss result, etc.
- ◎ Amortization of non-performing loans decreased due to a decrease in bankruptcies and downgrades, etc.

Gain (loss) related to securities: Up ¥820 million YoY

Gain (loss) related to bonds including JGBs (Up ¥1,138 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 ¥318 million YoY)

- ◎ Gain (loss) on sales of stock, etc. decreased due to the recording of loss on sales of funds

Other temporary gain (loss): Down ¥621 million YoY

- ◎ Temporary retirement benefit expenses up, etc.

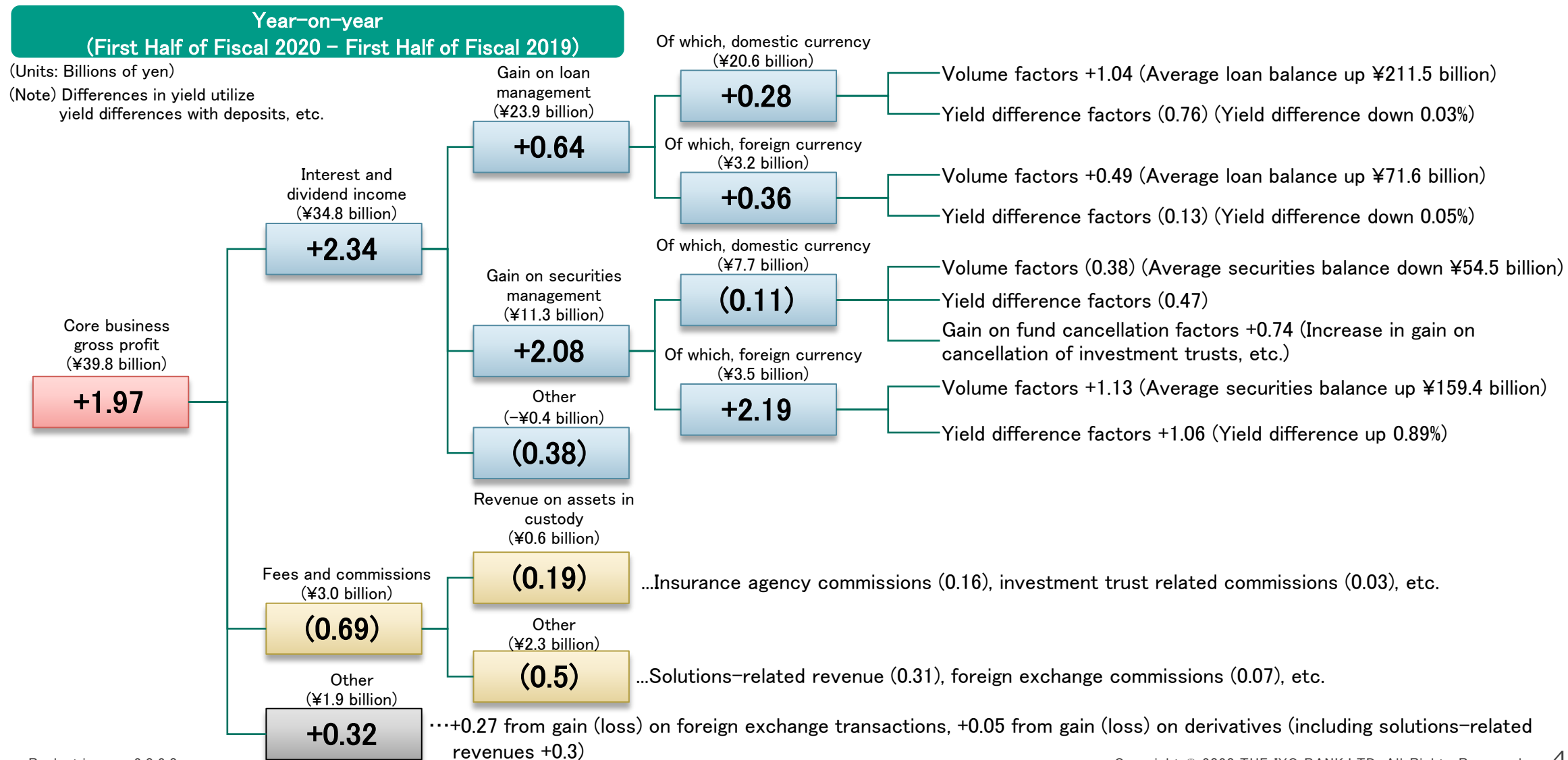
Due to an increase in core business net income and a decrease in credit costs, ordinary income increased, up ¥4,489 million YoY

Extraordinary income (loss): Down ¥154 million YoY

As a result, net income was up ¥2,755 million YoY

Factors in Increase / Decrease in Core Business Gross Profit (First Half of Fiscal 2020) IYO BANK

- ▼ Interest and dividend income was up due to increases in gain on loan management and gain on securities management
- ▼ Fees and commissions were down due to decreases in revenue on assets in custody and solutions-related revenue



Conditions in Loans, Deposits, and Assets in Custody

▼“Deposits, etc.” were up 6.3% year-on-year

▼“Loans” were up 5.6% year-on-year, increasing in all regions

Balance of deposits, etc. by region

(Units: Billions of yen)

Region	First half of Fiscal 2019	First half of Fiscal 2020	YoY	Increase/Decrease
Within Ehime Prefecture	4,456.3	4,766.9	+310.6	+7.0%
Shikoku (excluding Ehime)	230.2	255.6	+25.4	+11.0%
Kyushu	163.2	171.5	+8.3	+5.1%
Chugoku	232.5	282.9	+50.4	+21.7%
Kinki	149.8	167.5	+17.7	+11.8%
Tokyo and Nagoya	445.6	418.6	(27.0)	(6.1)%
Overseas, etc.	139.4	121.3	(18.1)	(13.0)%
Total	5,817.3	6,184.6	+367.3	+6.3%

Balance of assets in custody

(Units: Billions of yen)

	First half of Fiscal 2019	First half of Fiscal 2020	YoY	Increase/Decrease
Group assets in custody	565.0	574.5	+9.5	+1.7%
Balance at the Bank	357.1	347.8	(9.3)	(2.6)%
Balance at Shikoku Alliance Securities	207.8	226.6	+18.8	+9.0%
Sales of Group assets in custody	53.9	54.8	+0.9	+1.7%
Sales at the Bank	27.0	20.9	(6.1)	(22.6)%
Sales at Shikoku Alliance Securities	26.8	33.8	+7.0	+26.1%

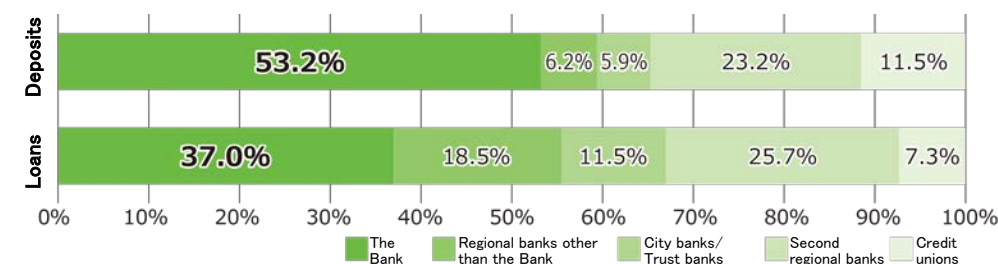
Balance of loans by region

(Units: Billions of yen)

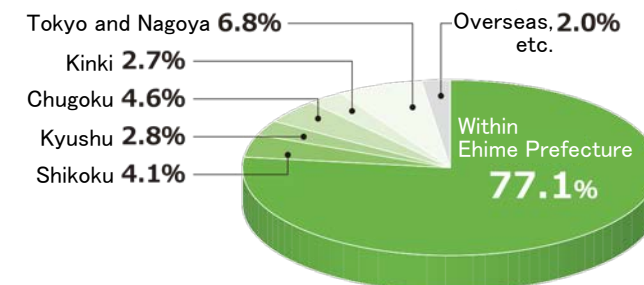
Region	First half of Fiscal 2019	First half of Fiscal 2020	YoY	Increase/Decrease
Within Ehime Prefecture	2,361.4	2,465.1	+103.7	+4.4%
Shikoku (excluding Ehime)	299.7	326.2	+26.5	+8.8%
Kyushu	298.6	310.9	+12.3	+4.1%
Chugoku	420.9	458.7	+37.8	+9.0%
Kinki	364.0	387.2	+23.2	+6.4%
Tokyo and Nagoya	630.5	649.0	+18.5	+2.9%
Financial Market Business Office	109.2	116.4	+7.2	+6.6%
Total (domestic branches)	4,484.6	4,714.0	+229.4	+5.1%
Overseas, etc.	132.8	160.5	+27.7	+20.9%
Total	4,617.5	4,874.5	+257.0	+5.6%

*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.

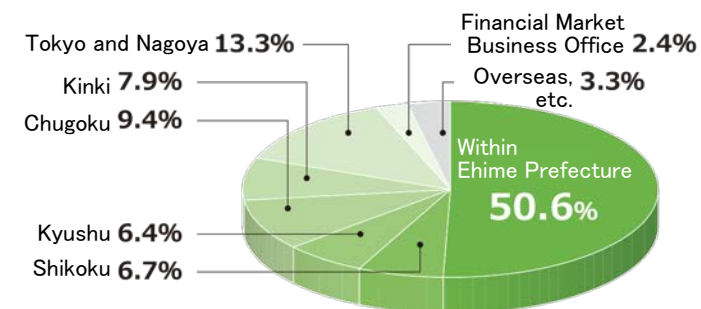
Share within Ehime Prefecture as of September 30, 2020
(excluding Japan Post, agricultural cooperatives, etc.)



Composition by region for balance of deposits, etc.



Composition by region for balance of loans



Conditions in Credit Costs and Disclosed Non-performing Loans

▼ Credit costs were down year-on-year mainly due to decreases in bankruptcies and downgrades

▼ Ratio of disclosed non-performing loans was 1.47%, remaining at a low level

Credit costs by factor

(Units: Billions of yen)

	Fiscal 2017		Fiscal 2018		Fiscal 2019		First half of Fiscal 2020	YoY
	First Half		First Half		First Half			
Credit costs total	0.6	3.5	0.8	5.8	3.2	6.9	1.4	(1.8)
Provision of reserve for general loan losses	(0.0)	(0.6)	(0.5)	0.2	0.6	0.4	0.3	(0.3)
Amortization of non-performing loans	0.9	4.7	1.7	6.1	2.8	7.1	1.2	(1.6)
Bankruptcies	0.3	0.8	0.5	1.0	0.8	1.3	0.3	(0.5)
Downgrades, etc.	1.9	6.3	2.3	6.9	3.6	8.1	2.6	(1.0)
Upgrades and collections	(1.3)	(2.3)	(1.1)	(1.8)	(1.6)	(2.2)	(1.7)	(0.1)
Recoveries of written off claims (-)	0.2	0.5	0.2	0.5	0.2	0.7	0.1	(0.1)
Credit management expense ratio (*)	0.03%	0.09%	0.04%	0.13%	0.14%	0.15%	0.06%	(0.08)P

(*) 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)

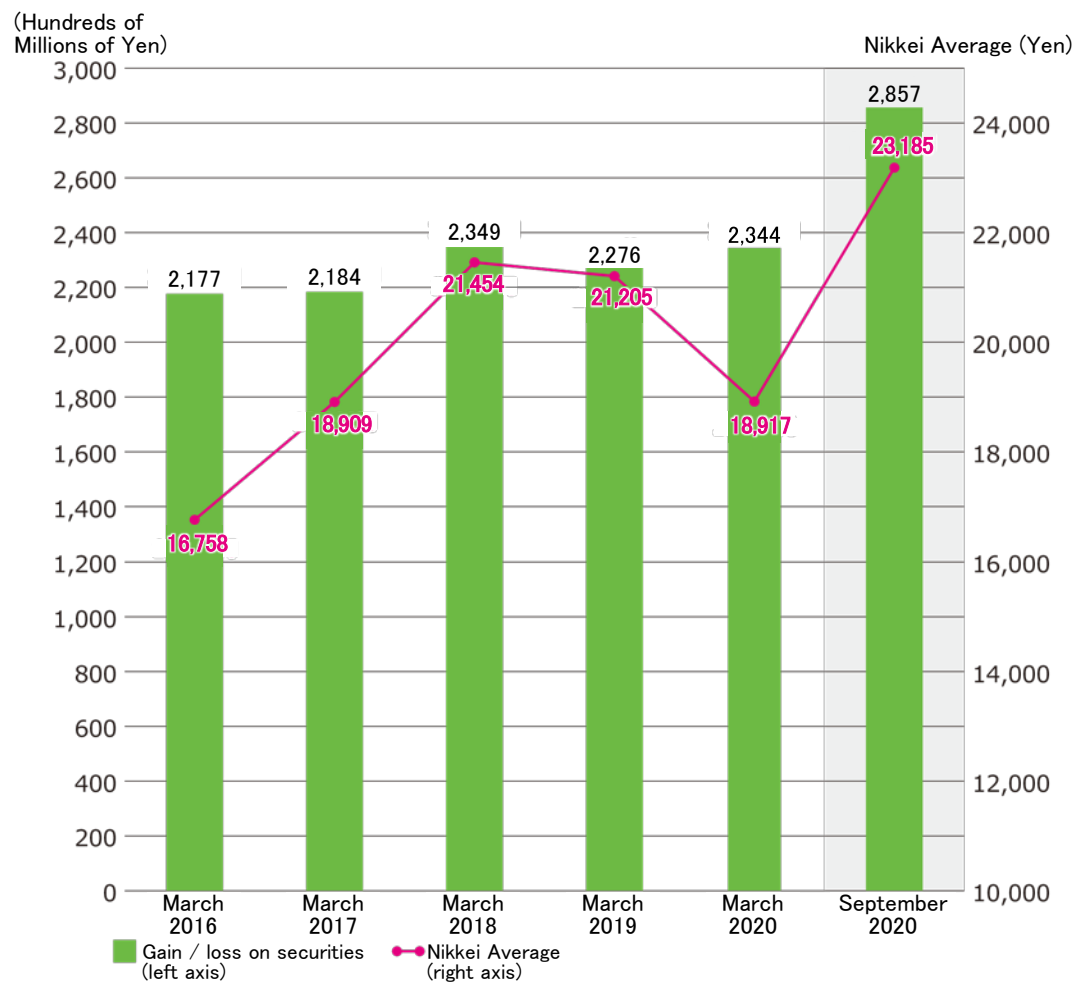
	Fiscal 2017	Fiscal 2018	First Half	Fiscal 2019	First half of Fiscal 2020	YoY
Loans to bankrupt or effectively bankrupt borrowers	3.0	6.0	6.1	6.5	3.1	(3.0)
Doubtful assets	44.1	46.6	45.1	53.2	54.5	+9.4
Credit subject to specific risk management	18.0	18.6	22.7	18.0	18.0	(4.7)
Total disclosed non-performing loans	65.2	71.3	74.0	77.7	75.7	+1.7
Ratio of disclosed non-performing loans	1.44%	1.48%	1.52%	1.55%	1.47%	(0.05)P

Conditions in Evaluation Gain on Securities and Equity Ratio

▼ Evaluation gain on securities was ¥285.7 billion, maintaining a top level among regional banks

▼ Consolidated equity ratio (BIS standards) was 15.28%

Evaluation Gain on Securities (Nonconsolidated)



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

Consolidated Gross Equity Ratio



▼ Although the negative impact is still significant, a gradual recovery is expected as there are signs of bottoming out in some areas

Impact on Local Industries (Manufacturing Industries)

Manufacturing industries	Shipbuilding	<ul style="list-style-type: none"> ◎Inquiries are sluggish and construction work on hand is down as shipowners are less willing to place orders due to the self-restraint of face-to-face sales and uncertainty of future cargo movement. ◎Key to the recovery of orders are improvement of supply and demand for shipping space, response to environmental regulations, the difference in overseas ship prices, etc.
	Towels	<ul style="list-style-type: none"> ◎On the way to recovery as demand in a wide range of products such as custom orders (for events), gifts and souvenirs decreased drastically due to self-restraint and cancellation of events. ◎Increasing the production of gauze masks and antibacterial towels and expanding online sales.
	Paper manufacturing	<ul style="list-style-type: none"> ◎The demand for sanitary papers (tissues and toilet paper) grew rapidly for a while, but has been shrinking. Meanwhile, the demand for paper towels remains high. In paper processing, the production of unwoven masks has started and increased. In printing and communication paper, the demand for flyers is sluggish due to restraint in events and the demand for printing paper for offices is also low due to the promotion of remote work. ◎The demand for printing and communication paper is expected to continue to decrease due to the expansion of remote work. If the administrative procedures go paperless with the launch of the Digital Agency, the decline in demand will be spurred. Meanwhile, with the growing awareness of hygiene, the production of hygiene paper, masks, etc. is expected to continue to increase in the future.
	General machinery	<ul style="list-style-type: none"> ◎Overall capacity utilization rate declined. For construction material-related subcontractors, the order environment worsened from around May. ◎In some areas, there are positives such as inquiries about orders for next spring and beyond.

Impact on Local Industries (Non-manufacturing Industries)

Non-manufacturing industries	Ocean transport	<ul style="list-style-type: none"> ◎Ocean shipping suffered increased costs with restrictions on port call and stricter requirements for crew changes. Freight charges and charter fees declined temporarily, but are recovering due to increased cargo movements of iron ore, grains, etc. ◎In ocean shipping, further market recovery is expected due to increased cargo movements. Cargo movements in coastal shipping are also expected to recover with the restart of the economic activities.
	Marine culture	<ul style="list-style-type: none"> ◎A sharp decline of demand for restaurants and stagnant export caused a serious slump in sales of both red sea breams and young yellowtails, but due to strong sales in mass retailers and recovery in restaurants, marine product prices at fishing ports have been bottoming out. ◎Surplus in the stockpile of fish is being eliminated, but it takes time for marine product prices at fishing ports to recover to the pre-COVID-19 level.
	Tourism	<ul style="list-style-type: none"> ◎Under the declaration of a state of emergency, the number of guests at Dogo Onsen hotels in May recorded a significant drop. Since July, the number of tourists has been recovering due to “Go to Travel Campaign” and other demand stimulus measures. ◎Holding off of long-distance travels and reluctance to travel will continue for some time. While the demand is largely supported by stimulus measures, there is a concern that it will drop once the measures end.

Impact on Businesses

Individuals	Companies
Increase in deposits due mainly to the government's special cash handout	Increase in liquidity on hand
Decrease in card loans due to declining consumer confidence	Increase in loan demand (working capital)
Decrease in face-to-face sales (insurance and investment products)	

Response to COVID-19

▼ Recognize customers' needs in a timely manner and provide appropriate and prompt fund management support, together with wide support for business issues

Business Continuity System as Regional Financial Infrastructure

● Operational system with infection prevention and other measures

Bank Branch

Headquarters

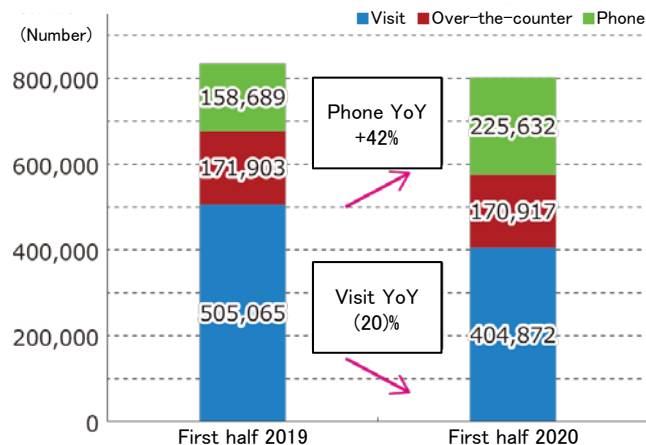
- ◎ Launched Business Consultation Service (all branches) and Holiday Consultation Service (by phone, Minatomachi branch)
- ◎ Refraining from visiting sales activities
- ◎ Introduced splash prevention sheets and face shields
- ◎ Adopted lunch break
- ◎ Established an online meeting system with tablets

- ◎ Refraining from events, seminars, business trips, etc.
- ◎ Using video conferencing, etc.
- ◎ Introduced non face-to-face thermometers (headquarters entrance)

- ◎ Working from home and shift work
- ◎ Promoting staggered commuting
- ◎ Split working (spreading out on different floors)

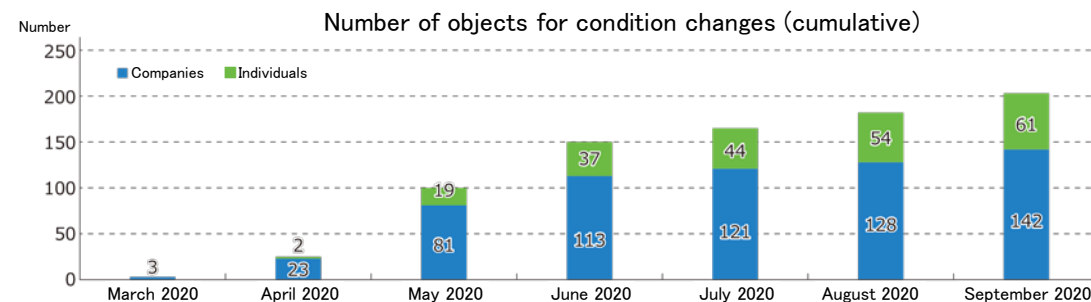
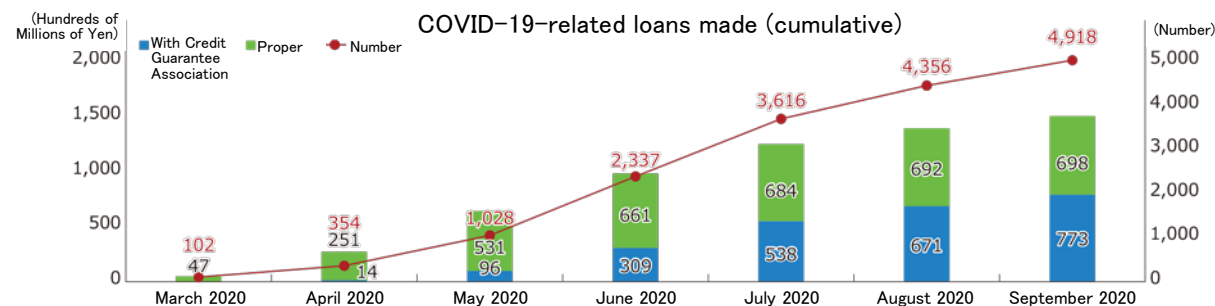
● Number of contacts with customers (cumulative number of cases during the period)

- ◎ The decrease in contacts due to restraints on visits was covered by conducting phone interviews with customers for their needs
- ◎ Distributed tablets to all branches and established a system to enable online meetings



Fund Management Support Status and Business Issue Support

● Nearly 150 billion yen of COVID-19-related loans and condition changes for more than 200 borrowers



● Support by the support team for COVID-19 measures

- ◎ Launched a COVID-19 support team in April 2020
- ◎ Consisting of ten employees in the headquarters with expertise and know-how in business support
- ◎ Providing wide support for business issues as well as consulting on fund management

<Support results (as of September 30, 2020)>

In progress	Done	Total
39	66	105

<Support menu>

Business matching, ICT consulting, business succession, M&A, financing, primary industry support, staffing, manufacturer support, overseas business support, etc.

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

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



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.

	Fiscal 2018		Fiscal 2019 Results
	Targets	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	¥78.5 billion
¥8.5 billion	¥6.5 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. ¥676.0 billion during the three years of the Medium-Term Management Plan, with an average balance totaling ¥6,130.0 billion during fiscal 2020
- ▼ Loans are planned to be increased approx. ¥791.0 billion during the three years of the Medium-Term Management Plan, with an average balance totaling ¥4,909.0 billion during fiscal 2020

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

(Units: Billions of yen)

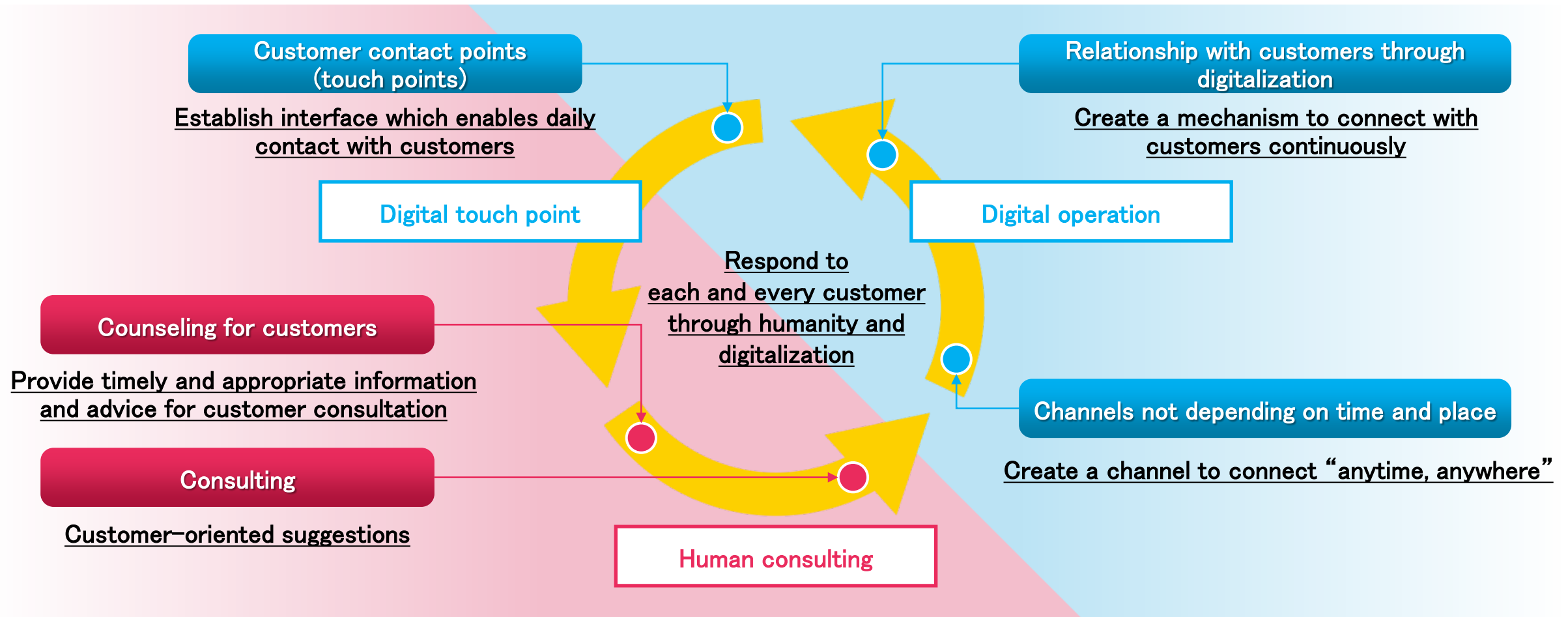
	Fiscal 2017 Results	Fiscal 2018		Fiscal 2019		Plan	Fiscal 2020	
		Results	YoY	Results	YoY		YoY	Increase/decrease during the Plan
Average deposits, etc., balance	5,453.7	5,576.3	+122.6	5,821.3	+245.0	6,130.0	+308.7	+676.3
Of which, individual deposits	3,387.1	3,417.2	+30.1	3,474.6	+57.4	3,650.0	+175.4	+262.9
Group assets in custody balance	544.4	557.4	+13.0	542.2	(15.2)	585.0	+42.8	+40.6
Of which, balance of assets in custody at the Bank	343.0	357.9	+14.9	339.7	(18.2)	350.0	+10.3	+7.0
Of which, balance at Shikoku Alliance Securities	201.4	199.5	(1.9)	202.4	+2.9	235.0	+32.6	+33.6

Plans for average loan balance

(Units: Billions of yen)

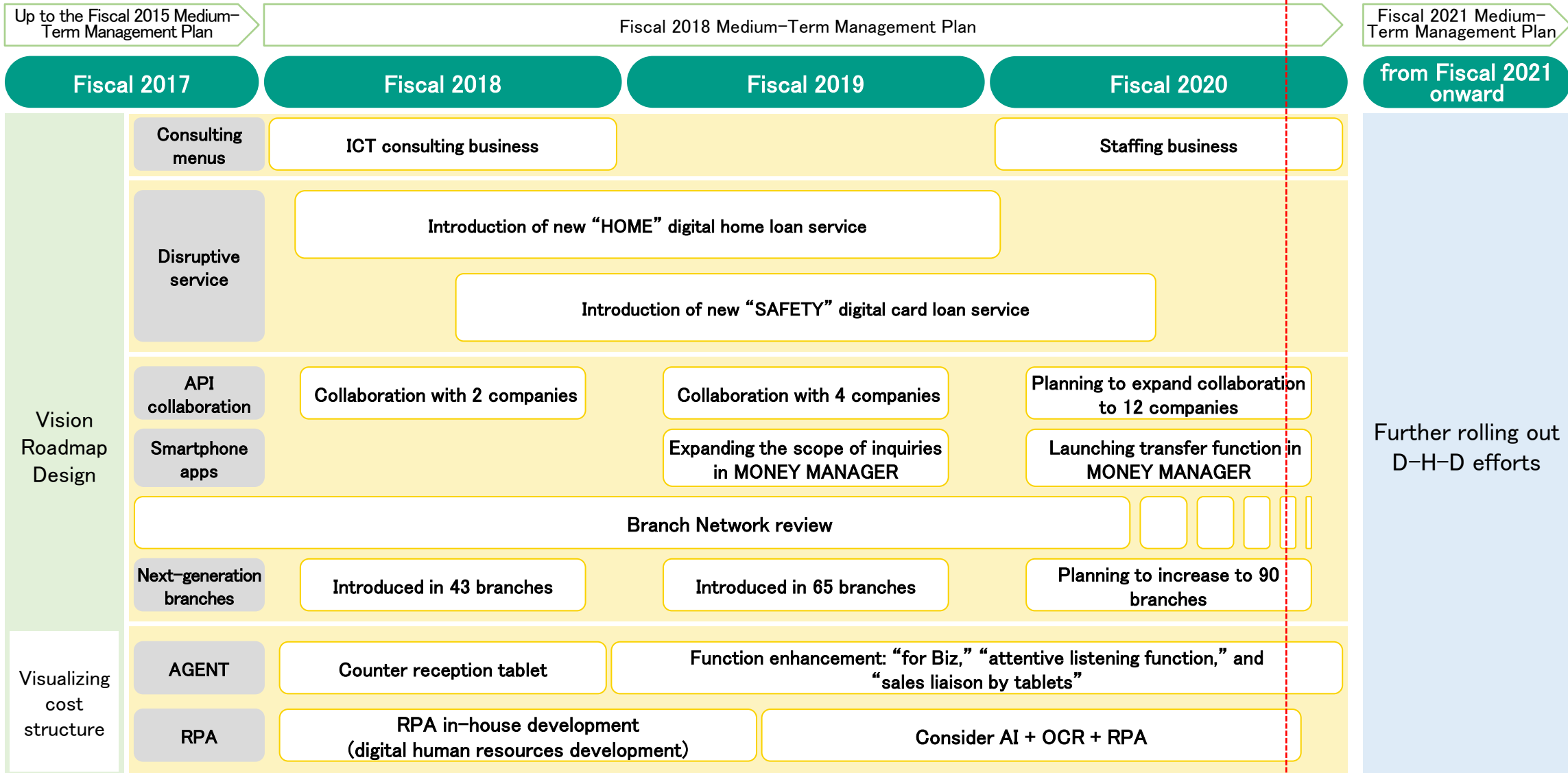
	Fiscal 2017 Results	Fiscal 2018		Fiscal 2019		Plan	Fiscal 2020	
		Results	YoY	Results	YoY		YoY	Increase/decrease during the Plan
Average loan balance	4,118.0	4,398.6	+280.6	4,621.8	+223.2	4,909.0	+287.2	+791.0
Corporate loans	2,784.6	2,940.1	+155.5	3,061.2	+121.1	3,257.0	+195.8	+472.4
Of which, within Ehime	1,254.3	1,300.4	+46.1	1,344.3	+43.9	1,440.0	+95.7	+185.7
Individual loans	996.5	1,034.8	+38.3	1,085.2	+50.4	1,136.0	+50.8	+139.5
Municipal loans	236.8	241.5	+4.7	236.6	(4.9)	233.0	(3.6)	(3.8)
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	165.0	+35.4	+139.5

Digital touch point – **Human consulting** – **Digital operation**



Progress in “D-H-D Bank”

▼ Steadily deploying services combining humans and digital to provide optimal value to customers Present

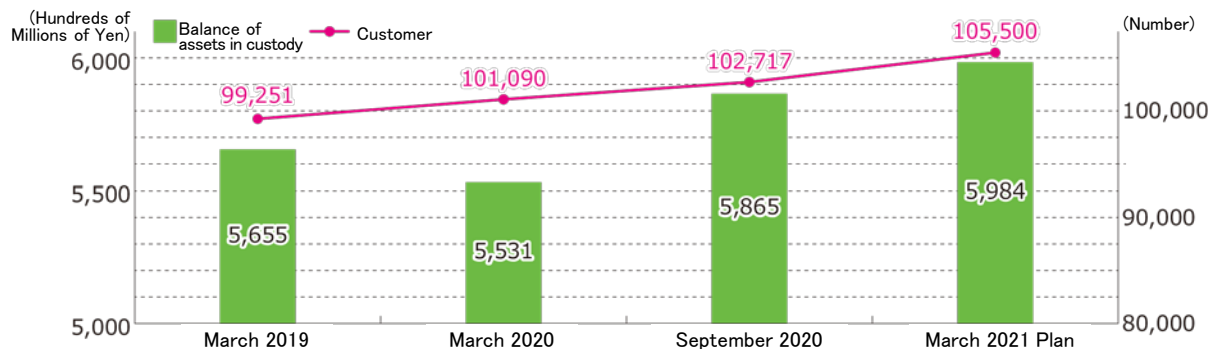


Consulting Strategy I: Personal Banking

- ▼ Provide a wide variety of financial services responding to various customer needs such as increasing assets, inheriting assets and preparing for risks based on customers' aspirations in the "100-Year Life Society"
- ▼ Established the "wealth advisors" system to provide advanced solutions to meet a wide range of needs and challenges of personal assets of corporate

Number of Contracts on Assets in Custody

- Expanding the base of assets in custody by proposing "long-term investment," "time diversification" and "asset diversification" such as saving trusts

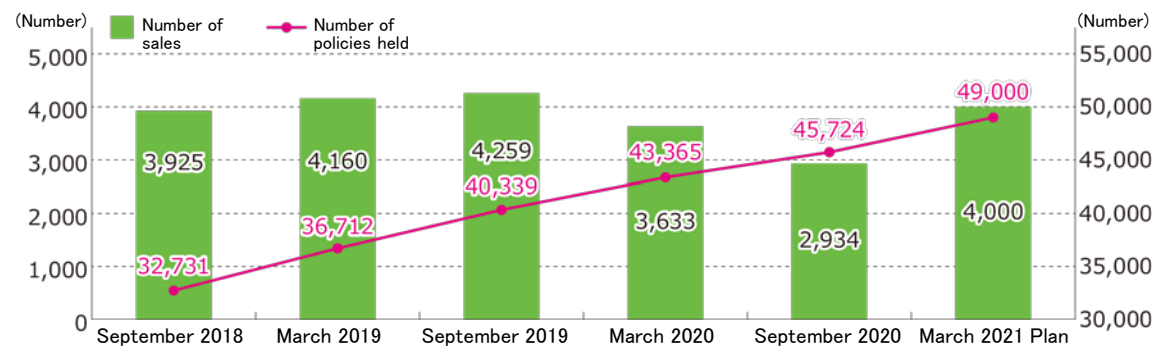


*Contracts on assets in custody: Contracts with balances of investment trusts, single premium policies, public bonds, foreign bonds, structured bonds, and foreign currency deposits not less than ¥1 and level premium insurance contracts (including Shikoku Alliance Securities)

*Balance of assets in custody: Balance of assets in custody of the Group including Shikoku Alliance Securities plus balance of foreign currency deposits (individuals)

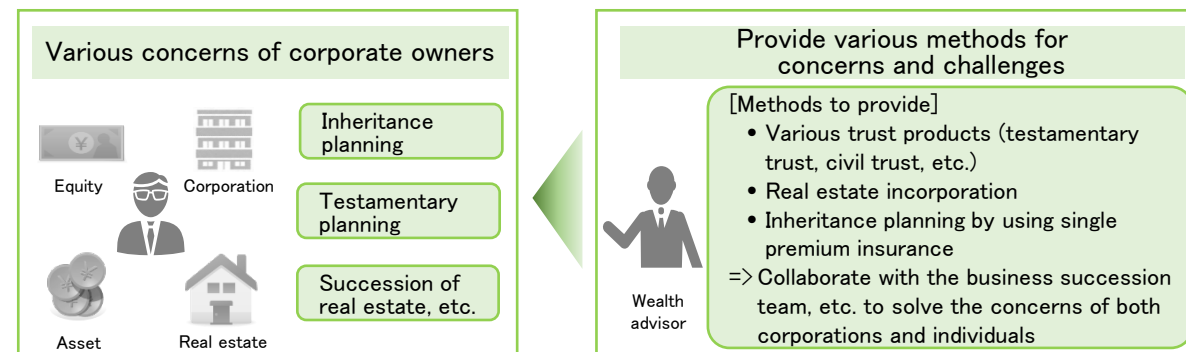
Level Premium Insurance Sales and Number of Policies Held

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

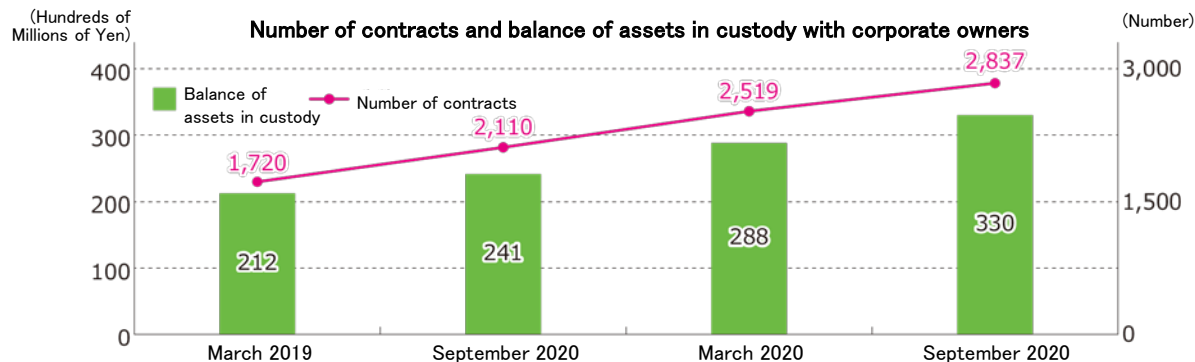


Meeting the Needs of Personal Assets of Corporate Owners

- In April 2019, the Bank established the "wealth advisor" system, building a structure to respond to aspirations and concerns of individual corporate owners as well as corporations



- Since April 2019, the Bank has been **strengthening the promotion of assets in custody for corporate owners**, proposing various methods to meet the needs of corporate owners as well as corporations.



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*Balance of assets in custody: Balance of assets in custody of the Group including Shikoku Alliance Securities plus balance of foreign currency deposits (individuals)

*Definition of corporate owners: Corporate owners who have transactions with the Bank, and their family members

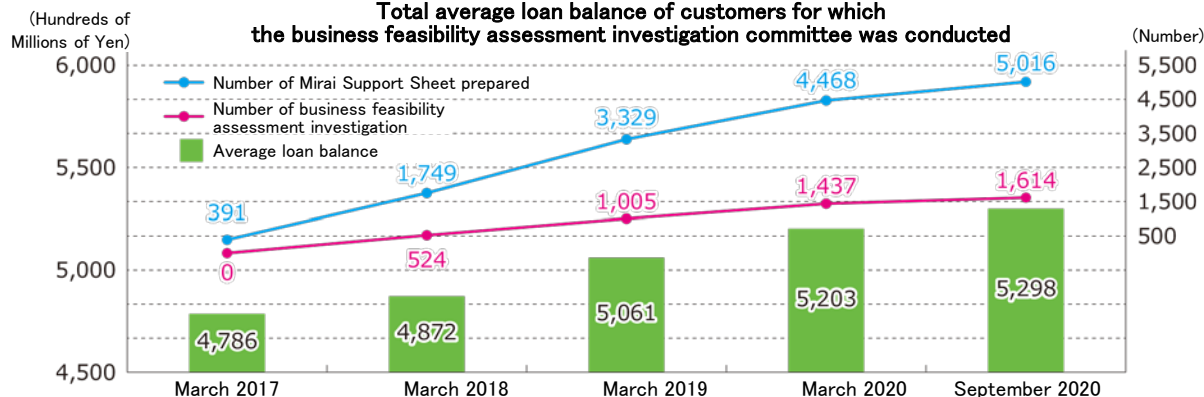
Consulting Strategy II: Corporate Banking

- ▼ Conducting consulting sales activities to solve customers' issues for their "future vision" in view of rapid external environment changes and the COVID-19 outbreak, and the revenue is steady

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

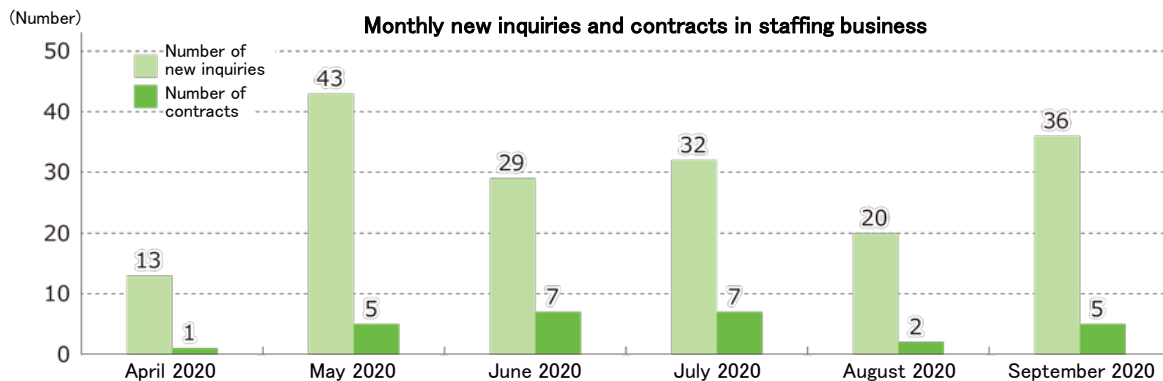
Total average loan balance of customers for which the business feasibility assessment investigation committee was conducted



Start of Staffing Business [from April 2020]

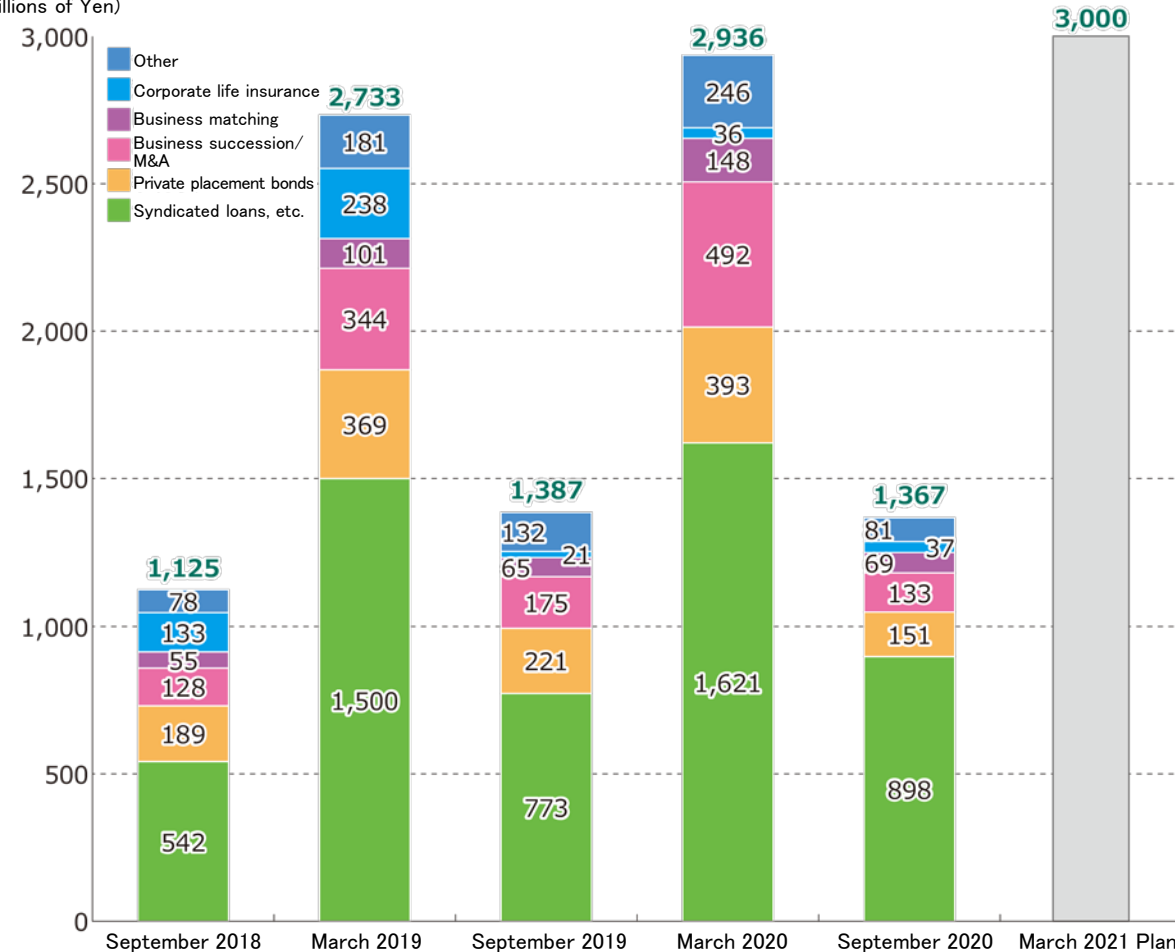
- Collaborate with partner staffing agencies to support customers' hiring activities
- Steady start with a total of 173 inquiries including 27 contracts from April 2020, when the service started, to the end of September

Monthly new inquiries and contracts in staffing business



Expansion of Fee Businesses through Enhanced Consulting Functions

(Millions of Yen)

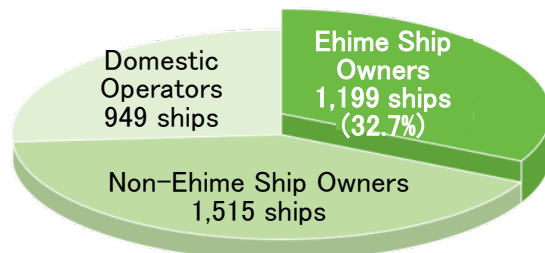


- Continue to contribute to the development of the maritime industry by developing human resources to pass on the Bank's expertise in ship finance

The Bank's Strength

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

No. 1 in Japan



IRC survey (As of September 30, 2020)

Accumulation and utilization of data

- Owns income and expenditure result data for more than 1,000 ships owned by customers

Previously: Used for review of loan cases and company assessment

From now on: Utilized for advice to customers and exploring new risk-taking possibilities

Expand ship finance human resources

- Enhance human resource development, planning and research analysis function in addition to credit examination and management as roles of the Ship Finance Division
- Expand "Ship Finance human resources" in not just Ship Finance Division, but also in domestic branch offices and Singapore Branch
- Strengthen the ability to provide value to major local industries, ocean transport and shipbuilding, by continuing to develop Ship Finance human resources using external dispatch, trainee system, etc.

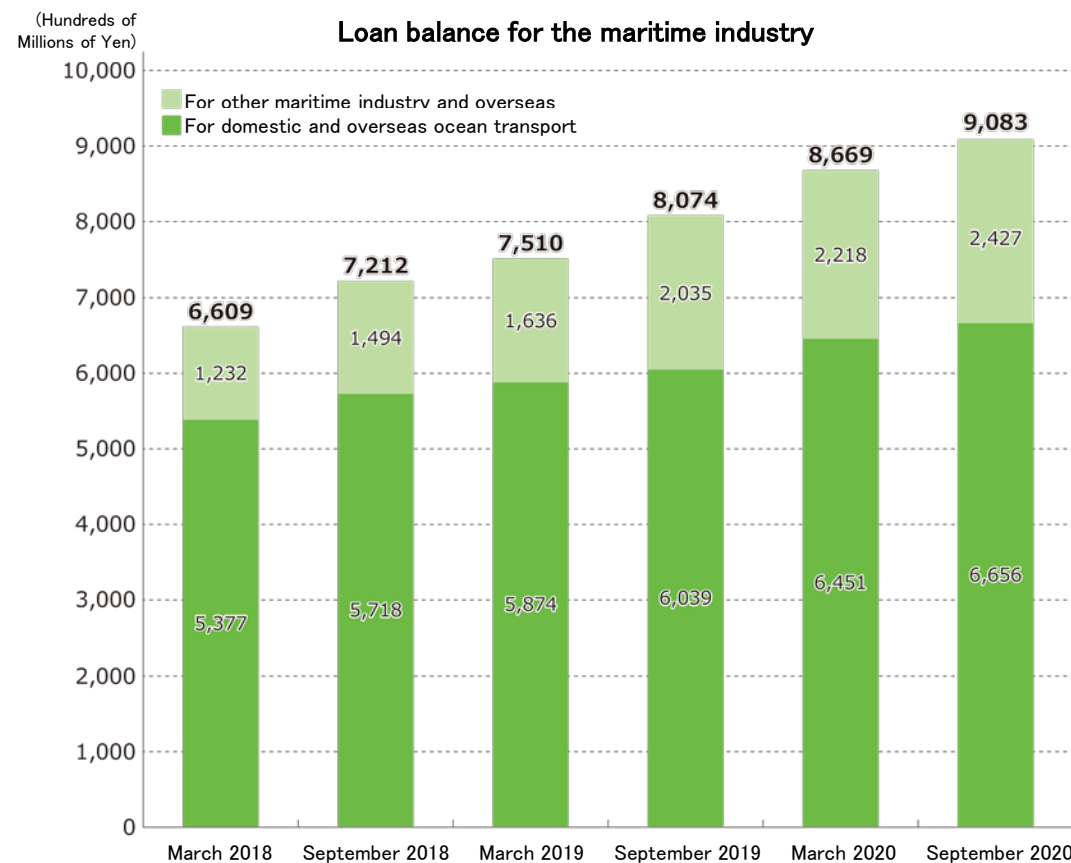
Recent Trends

Impact of COVID-19 on the market and loan assets

- The impact of COVID-19 on the ocean transport market is limited
- Ratio of performing loans of the Bank's Ship Finance remains at a high level

Status of Loans for the Maritime Industry

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



▼ Improve CX and strengthen top line by introduction of new digital services

▼ Functions and service area of “HOME” are being expanded, and convenience of “SAFETY” also continues to be improved

Operational Progress of “HOME,” the New Digital Home Loan Service

● Became more useful by **enhancing service function**

Patent application was made

- ◎ Assesses loanable amount in a chat form (as quick as three minutes!)
- ◎ Complete from application through borrowing via the app
- ◎ No revenue stamp fees for contracts needed due to electronic contract
- ◎ Digital group credit life insurance applied also for joint loans (October 2020)
- ◎ Launched web-based app for house builders (November 2020)

● The use of HOME is steadily expanding

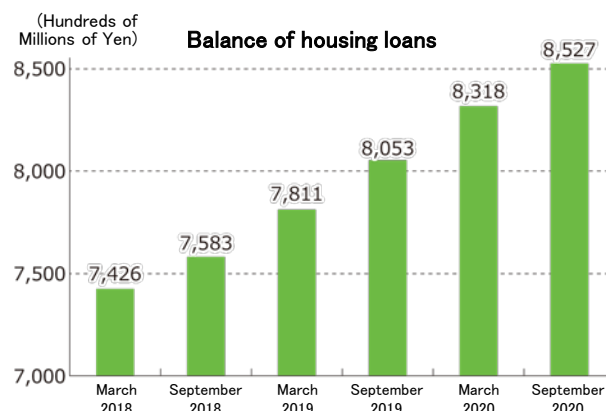
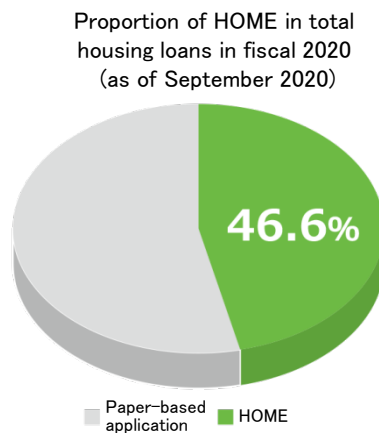
- ◎ **About half** of all the housing loans have **shifted to HOME**

● Aiming to improve top line by **expanding service areas**

- ◎ Expand services to Osaka, Hyogo, and Fukuoka (October 2020)
- * Current service areas: 11 prefectures including 4 in Shikoku, Osaka, Hyogo, Okayama, Hiroshima, Yamaguchi, Fukuoka, and Oita

● Housing loan balances are **steadily increasing**

- ◎ Core products which are “phased interest rate type” are selling well
- ◎ Increased implementation in the Setouchi region in addition to Ehime.



Operational Progress of “SAFETY,” the New Digital Card Loan Service

● **Expansion of target OS**

- ◎ Support for Android (July 2020) in addition to iPhone (May 2020)

● **Continuous improvement of convenience for the future**

- ◎ Assesses loanable amount in a chat form (as quick as 1 minute!)
- ◎ Complete from application through borrowing via the app
- ◎ Notification on the amount expected to be insufficient based on registered account information
- ◎ Repayment via the app is possible at any time (November 2020)

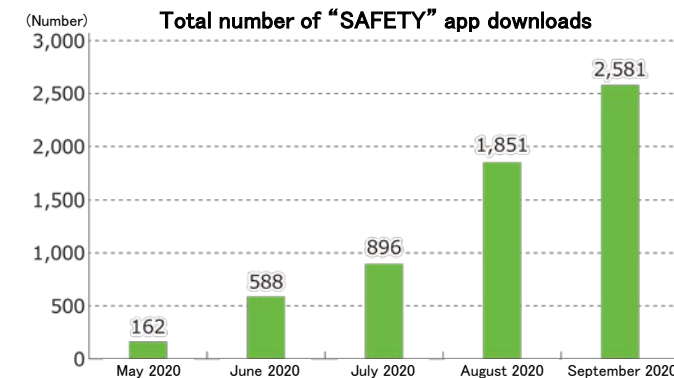


● **Enhanced security**

- ◎ Identification by eKYC (Liquid, inc.), mobile terminal user authentication, etc.

● App downloads and applications are **steadily increasing**

- ◎ Aiming to increase further by expanding promotion
- * Direct mails and telemarketing (September 2020), TV commercials (October 2020)

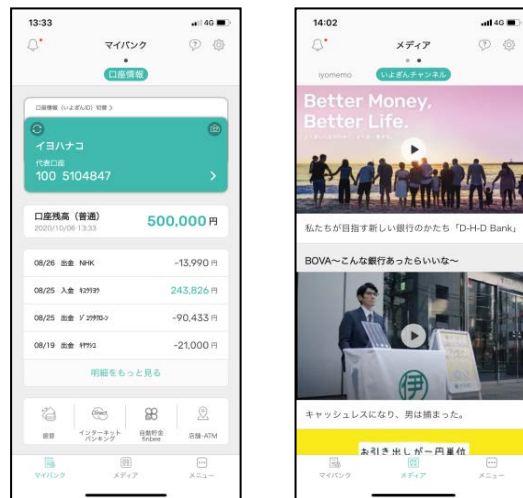


▼ Expansion and improvement of digital touch points through improvement of smartphone applications and expansion of API linkage services

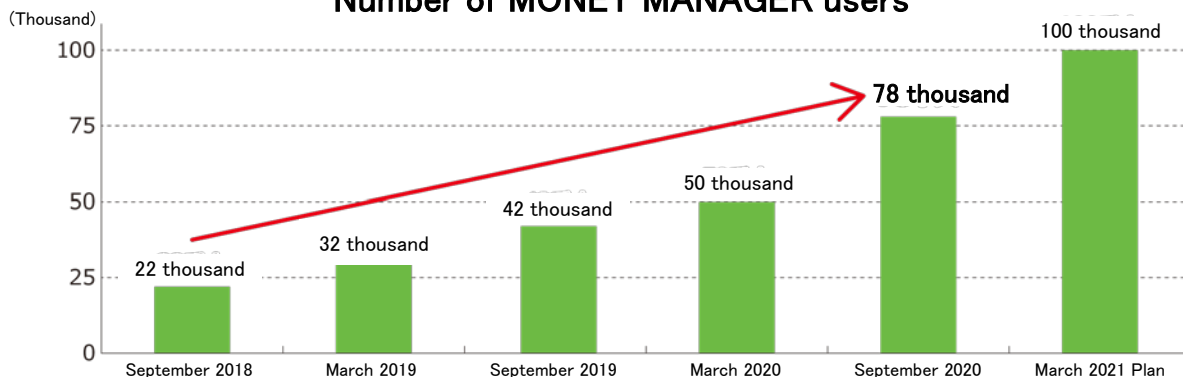
Improvement of Smartphone App

Renewal of “MONEY MANAGER” smartphone app

- Updated in November 2020, including improvement of UI/UX through design update and installation of a transfer function utilizing an updatable API
- With continuous renewals, the number of app users remains steady
- Further promotion of use of digital channels by adding functions continually to the application



Number of MONEY MANAGER users



Improvement of the API Linkage Service

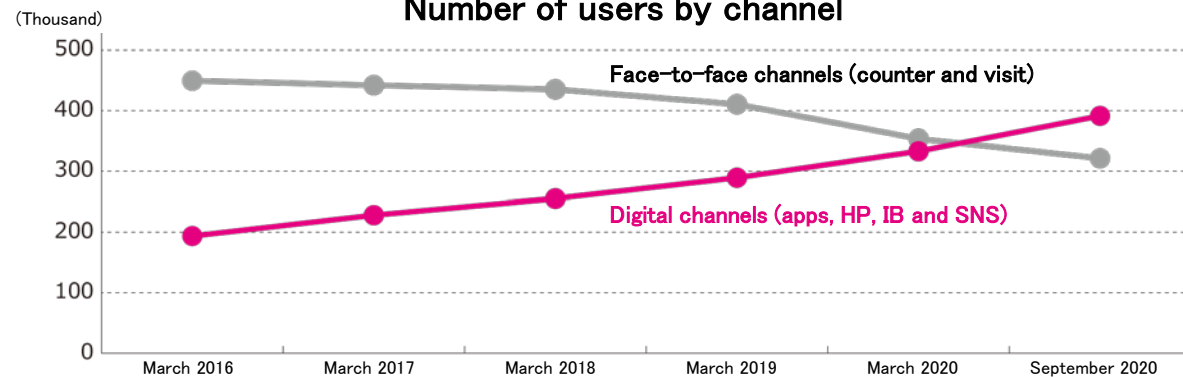
- Realized API linkage with external services of seven companies in total including services for individuals and business corporations
- Linkage partners will be expanded further and new use cases will be sought including linkage among different industries

Number of linkage partners	July 2018	May 2019	June 2020	October 2020	March 2021 (expected)
	2 companies	4 companies	6 companies	7 companies	12 companies (expected)

Expansion of Digital Touch Point

- In fiscal 2020, the number of touch points via digital channels such as apps and websites exceeded the number of face-to-face touch points. Enhancement of digital channels will continue.

Number of users by channel

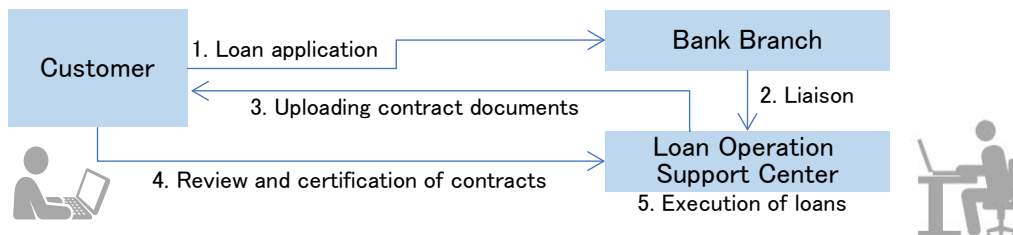


*The number of people who used the channel more than once a year, or the number of service registrant at fiscal year-end

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

Launch of "Electronic Contracting Service" for Business Loans

● Non-face-to-face, headquarters-centralized loan contracting procedures are realized



◎ Pilot start at four branches in Matsuyama city from October 2020

Targeted for overdrafts and will expand to loans on deeds

⇒ After implementation in all Bank Branches, **8,400 hours of delivery cost per year will be reduced**

⇒ **Creates time for sales activities** for employees at Bank Branches

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

● Realized a "person" (Bank employee) serves as a "bank" by off-site use of AGENT tablets for sales liaison activities

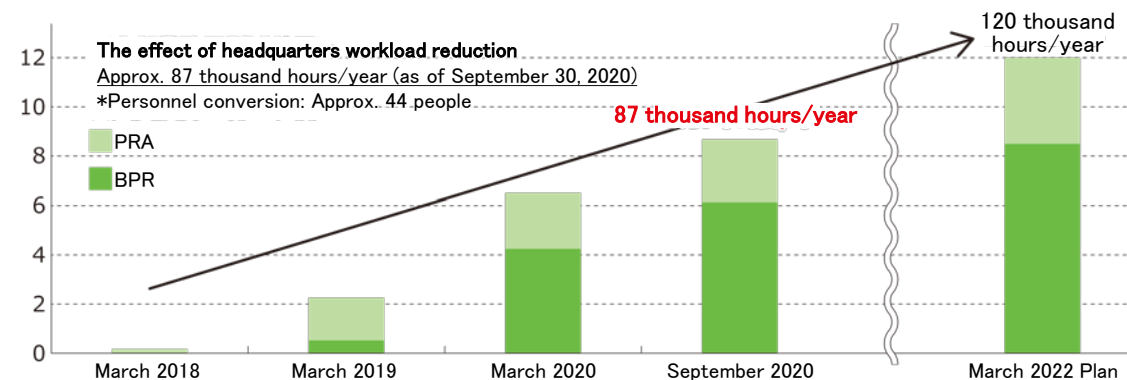


"AGENT" Counter Reception Tablet

◎ Started off-site use of "AGENT" from July 2020
⇒ **Expanded business opportunities** by taking "AGENT" to off-site locations

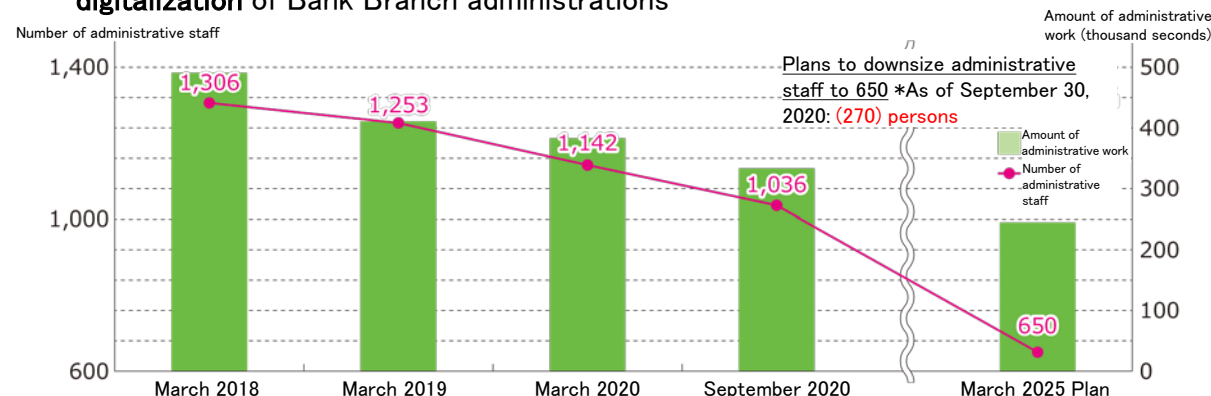
Improvement of Operational Efficiency at Headquarters

● Productivity of headquarters operation has improved through the use of BPR and RPA



Reduction of the Number of Administrative Staff by BPR

● Realized the reduction of the number of administrative staff by promoting BPR and digitalization of Bank Branch administrations



Shift Branches to a “Place Where Customers’ Issues Are Solved”
from a “Place Mainly for Administrative Tasks”

● September 2020: Yawatahama Branch renewal open

Guides customers to a proper counter according to their needs

Functions

- ◎ New counter reception system

Purposes

- ◎ Account opening
- ◎ Various registrations
- ◎ Asset management
- ◎ Loans, etc.



General reception

Purposes

- ◎ Deposits and withdrawals
- ◎ Payment of tax and utilities
- ◎ Transfer, etc.



Consulting lobby



Transaction lobby

Place to provide customers with solutions

Features

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

Functions

- ◎ AGENT System, large digital signage, etc.

Realization of cashless processing

Features

- ◎ Cashless processing and transaction without a slip (less burden of filling out) are realized

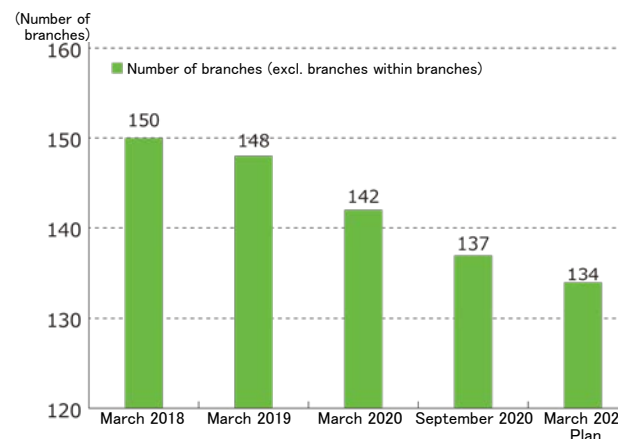
Functions

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

Review of Branches and ATM Locations

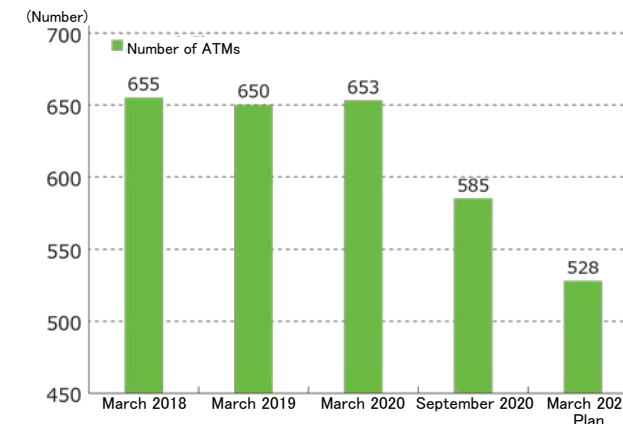
Number of branches

◎ **Sorting out excessive branches**



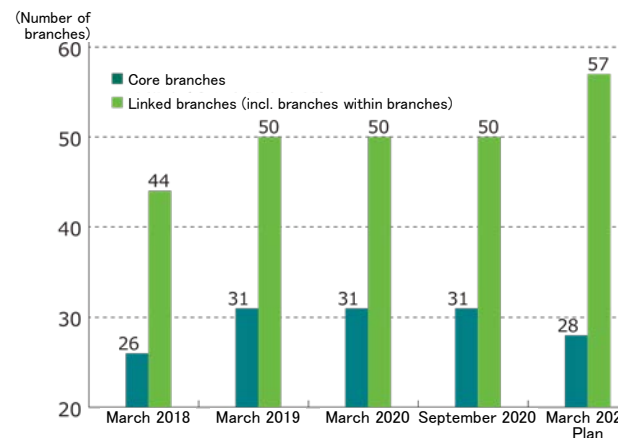
Number of ATMs

◎ **Reducing excessive number of ATMs to the proper number, maintaining cash points for customers**



Review of Branch Functions

Introduction of the Group Head system



Change of business hours

◎ **Extension of business hours (3 branches)**

Matsuyamakita Branch, Yogo Branch, and Yawatahama Branch

- ✓ Extended business hours for consultation services that lead to business solutions [Business hours] 9:00 a.m. to 5:00 p.m.

◎ **Adopted lunch break (8 branches)**

Kuwabara Branch, Ikazaki Branch, etc.

- ✓ Branches are managed efficiently with minimum staffing. [Business hours] 9:00 a.m. to 11:30 a.m., 12:30 p.m. to 3:00 p.m.

[Market Strategy I]:

Strategic Asset Allocation Responding to Continuing Low Interest Environment

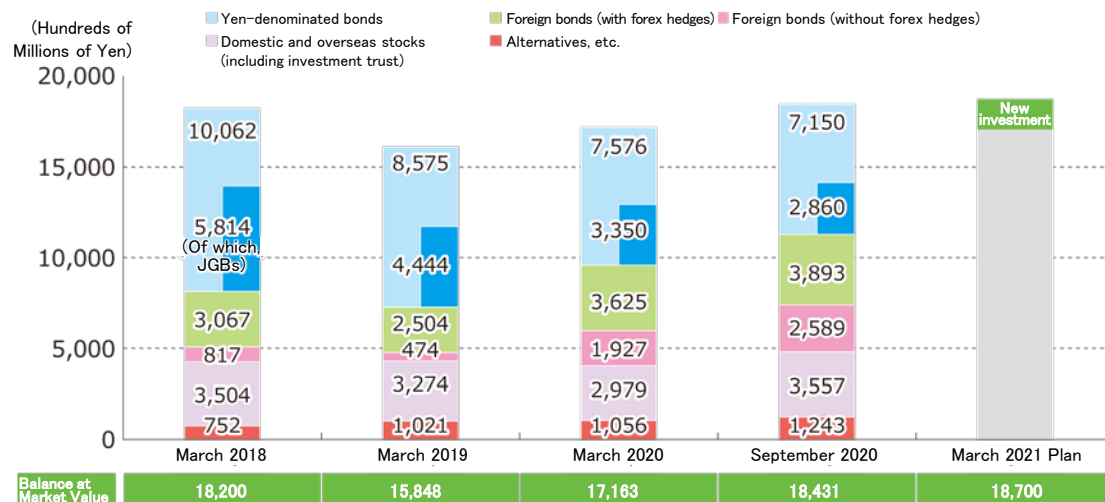
IYO BANK

- ▼ 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 accumulation centering on foreign currency bonds (with/ without forex hedges) with flexible risk control
- ▼ Continue to manage with an awareness of total profit/loss which leads to future earnings from a medium- to long-term viewpoint, not just periodic profit/loss

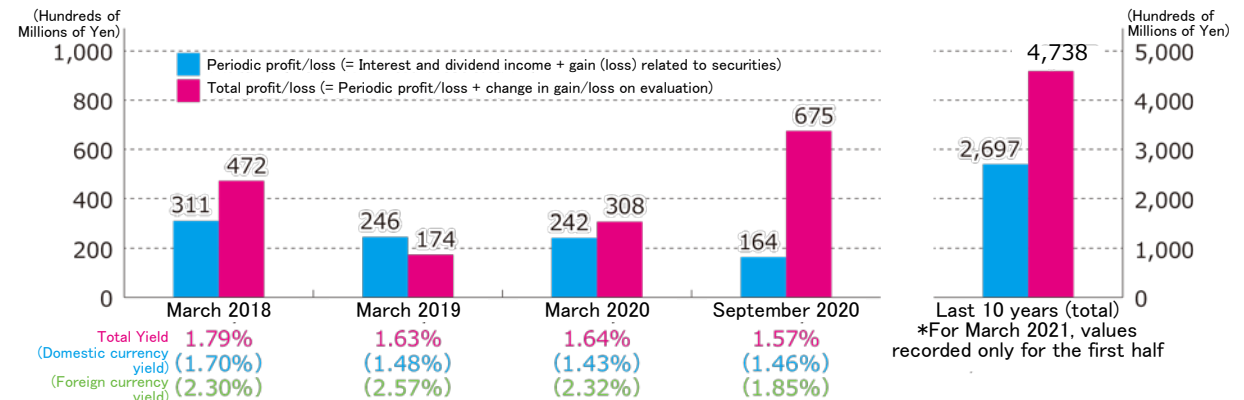
New Investment Policy by Risk Category

(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



Securities Performance



Portfolio Risk Sensitivity and Duration

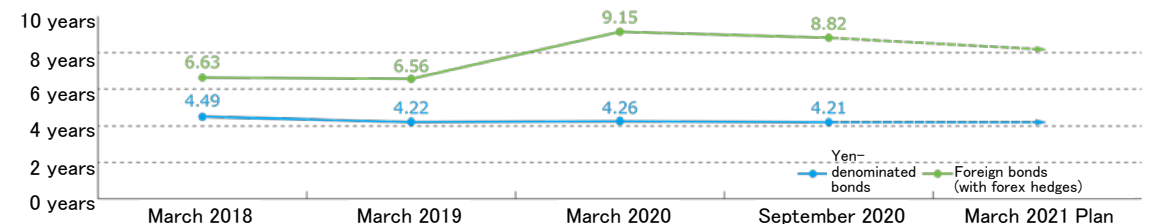
Portfolio risk sensitivity

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

◎ Yen-denominated bond portfolio	10BPV	¥3.0 billion
◎ Foreign bond portfolio (with hedges)	10BPV	¥2.8 billion
◎ Stock portfolio	Nikkei Stock Average ¥1,000V	¥10.0 billion
◎ Forex portfolio	USD/JPY ¥10V	¥24.5 billion

(*As of September 30, 2020)

Duration

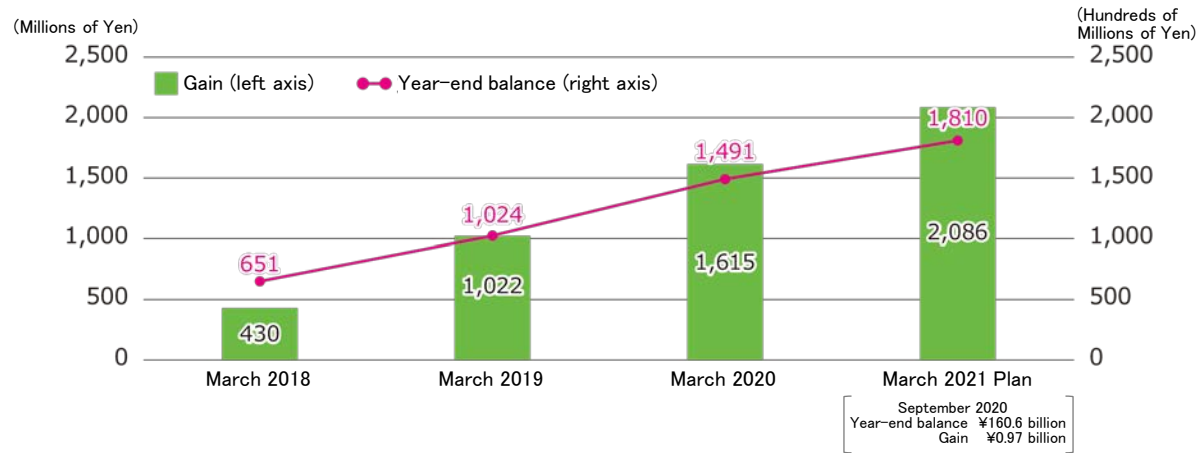


[Market Strategy II]:

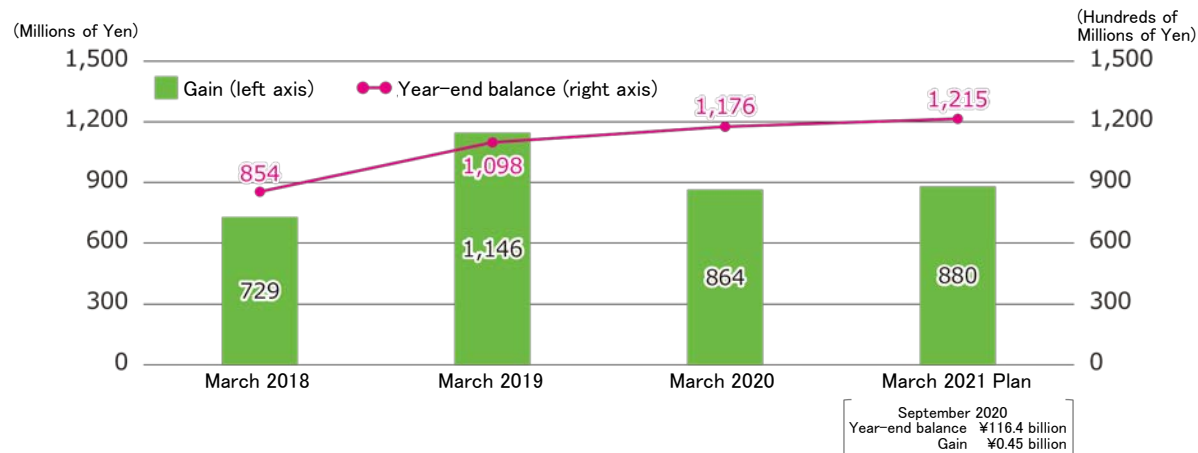
Ensure Earnings from Market Investment and Stabilize Foreign Currency Procurement

- ▼ Build up quality assets mainly in the Singapore Branch and Financial Market Business Office with regard to safety
- ▼ Maintain profitability by stable foreign currency procurement and reduction of procurement cost

Singapore Branch

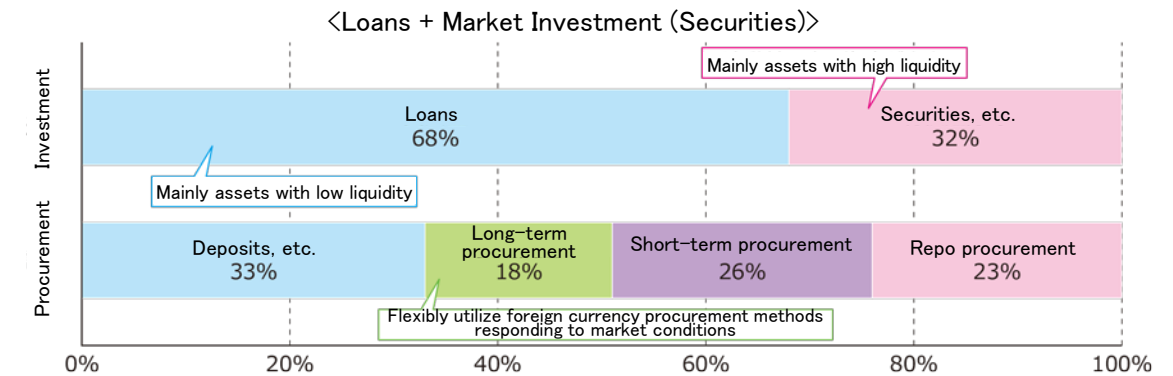


Financial Market Business Office

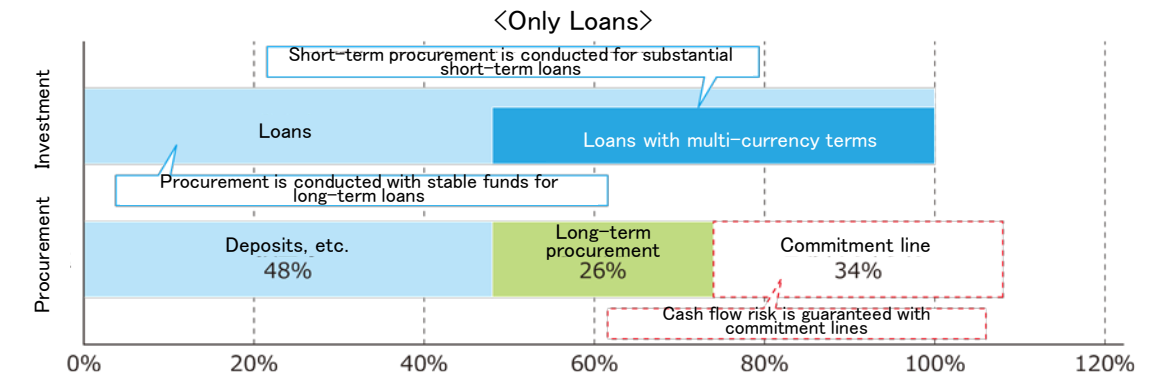


Status of Foreign Currency Investment and Procurement (September 30, 2020)

- Stable procurement methods are selected in view of asset structures while foreign currency assets increased
- Control procurement costs by seizing the declining phase of market interest rates
- Secure stable procurement methods with commitment lines even when market conditions rapidly change



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



Efforts for SDGs I: Local Economy and Community

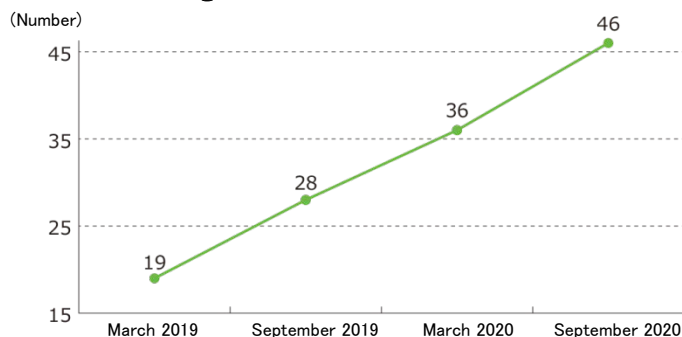


IYO BANK

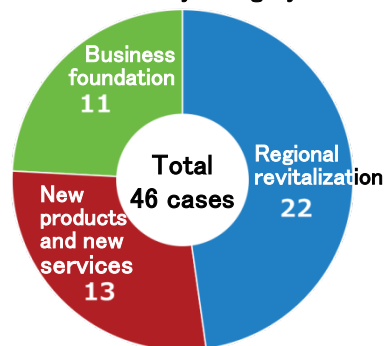
▼ Continue to focus on efforts for promoting growth in local economies and regional development, and contribute to enriching the lifestyles and developing the businesses of customers

Revitalization of Local Economy by Supporting Business Foundation and Business Succession

Crowdfunding



Number by category



Number of business foundation support

	March 2019	March 2020	September 2020
Business foundation planning support	205	255	167
Of which, start-up loans (with/without Credit Guarantee Association)	93	72	136
Of which, referrals to government-affiliated financial institutions and start-up support organizations	43	50	6
Of which, venture companies registered for grants or investments	26	25	7

*Businesses within 3 years of establishment are counted

Number of business succession support

	March 2019	March 2020
Number of companies supported with business succession	3,504	3,746

Iyo Bank Social Welfare Fund (Public Interest Incorporated Foundation)

- Contributing to improving social welfare and human resource development for the next generation
- Cumulative total of ¥675 million has been granted since its foundation in 1976

(Total as of September 30, 2020)

Scholarships, employment benefit, etc.	2,503 persons	¥483 million
Donation of social welfare equipment, etc.	371 destinations	¥192 million

Efforts of a Regional Trading Company by Shikoku Alliance

- Established **SHIKOKU BRAND inc.**, a regional trading company, as a joint investment by four banks in April 2020 to support branding and sales channel development of Shikoku resources
- More than 200 consultations were made despite the restriction of sales activities due to the impact of COVID-19, showing high expectations from the region



*1. Number of support related to treasury stock evaluation and business succession (consulting, loans, corporate insurance, etc.)

*2. The total number of businesses supported since fiscal 2014 is recorded in the figure, as the Bank has been supporting business succession at full scale since fiscal 2014.

Efforts for SDGs II: Financial and Information Services

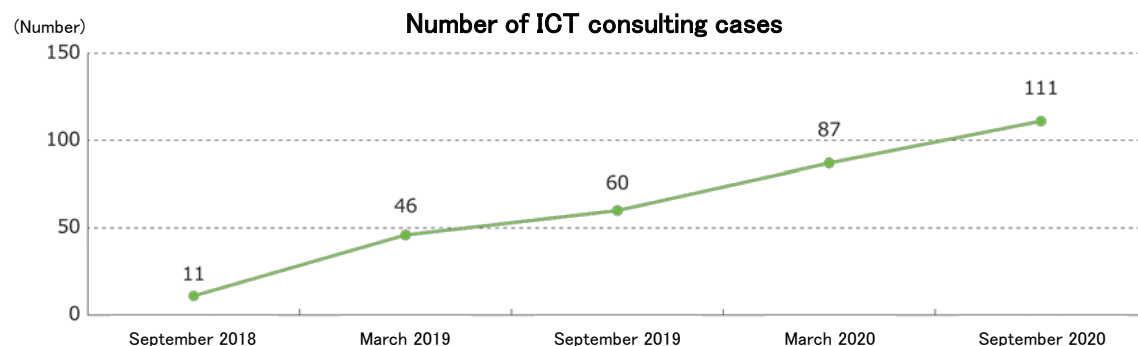


IYO BANK

▼ Aiming to provide advanced, high-quality and integrated financial and information services

Efforts with ICT Consulting

- Supporting the introduction of ICT, which enables customers to respond to workstyle change due to work style reforms and the COVID-19 crisis, in addition to improving operational efficiency and sales capabilities



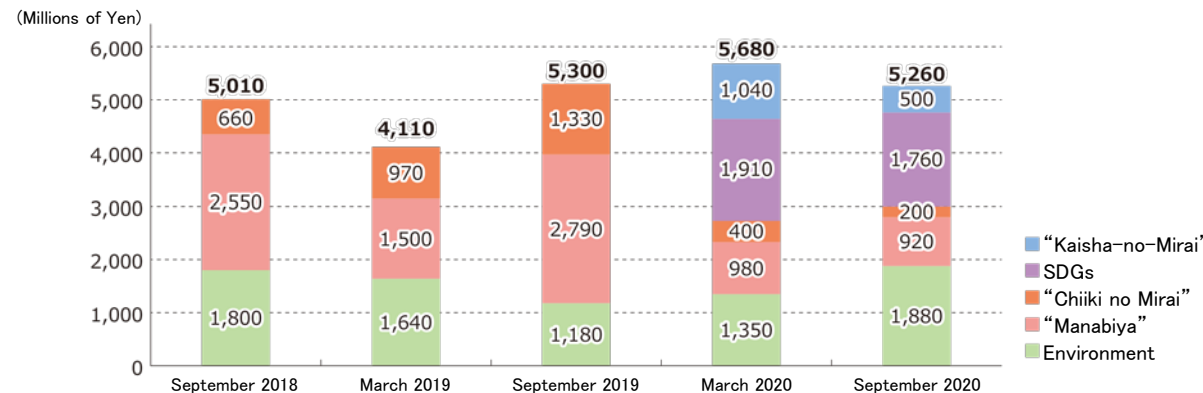
Introduction of Iyogin Big Advance, a Management Support Digital Platform

- Started in October 2020 to respond to the new normal and improve productivity and operational efficiency of both customers and the Bank
- Aiming to solve customers' issues and enhance the Bank's trading base by utilizing various digital contents



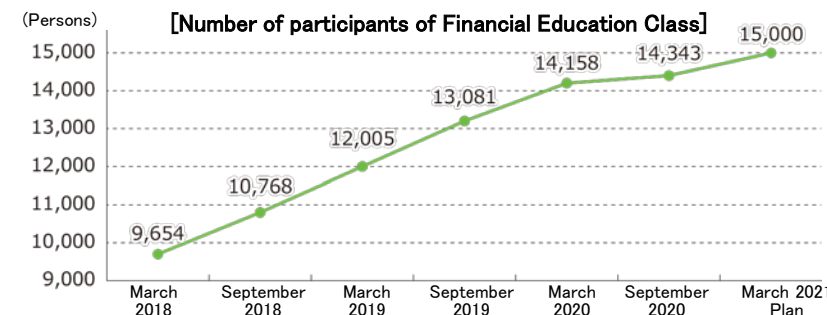
Efforts with ESG/ SDGs Related Private Placement Bonds

- Financial support for customers engaged in ESG/SDGs



Iyogin Financial Education Class

- Financial education activities for people of all ages, from elementary school students to adults
- Number of participants: 14,343 in total (as of September 30, 2020)
- Started streaming Financial Education Class on the Bank's official YouTube account in April 2020 (total of 5 sessions)



*Total from March 2007

*Visiting class, bank tour, seminars for kids, Economics Koshien, etc.

<Iyogin Junior Mirai Juku>



Lesson program in line with school curriculum guidelines and financial literacy map

Efforts for SDGs III: Strong Management Foundation

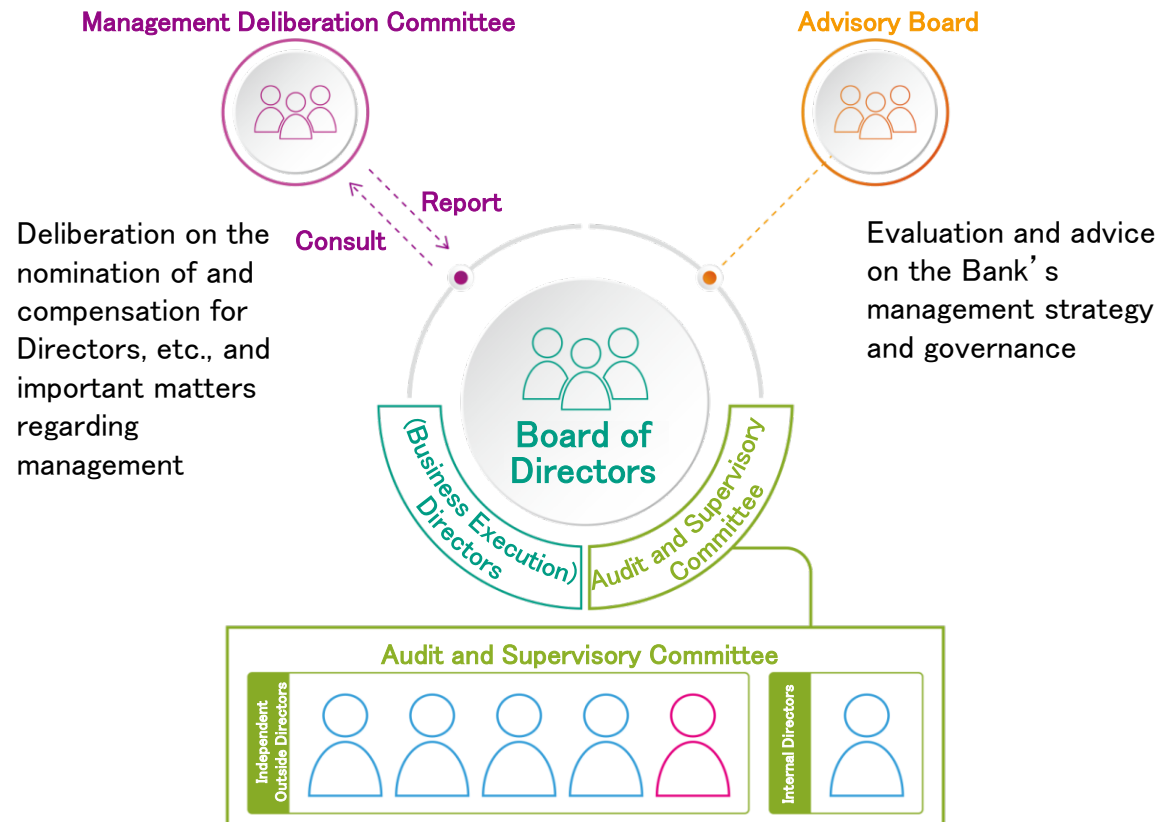


IYO BANK

- ▼ Set corporate governance as a top management priority and build structures to secure transparency and objectivity of management

Governance System

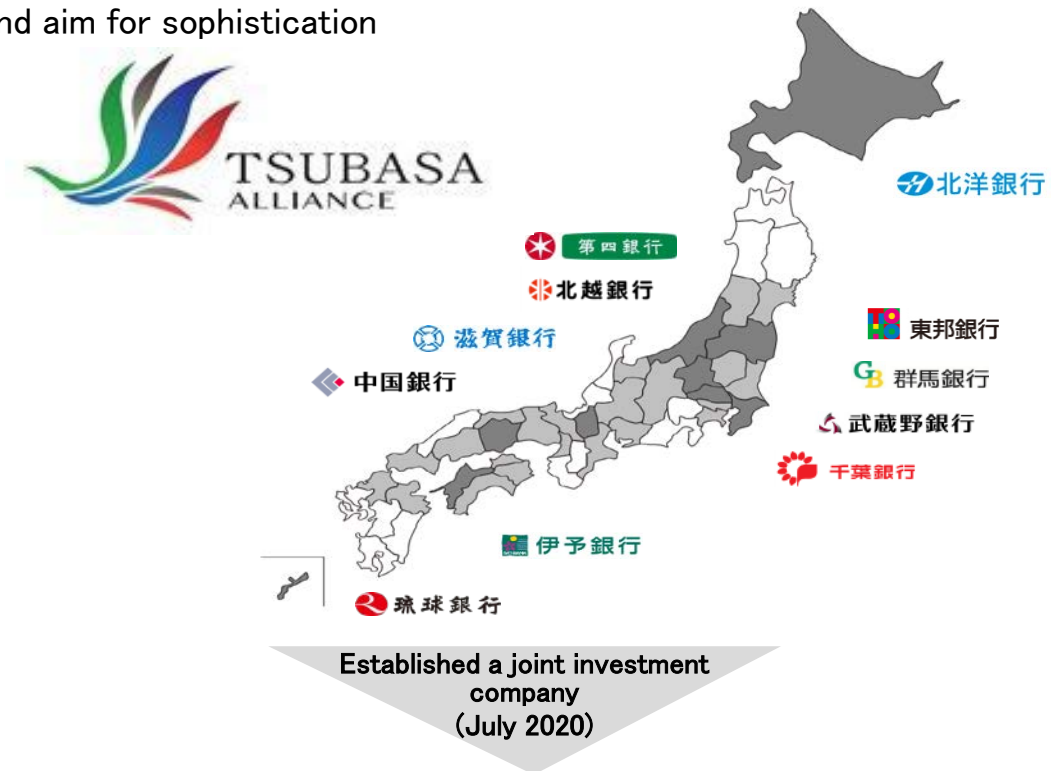
- Build structures that secure transparency and objectivity of management



- ◎ 1/3 or more of Directors are **Independent Outside Directors**
- ◎ Appointment of **female Directors**
- ◎ Strengthening of audit and supervision functions and revitalization of the Board of Directors

Building Structures for AML Enhancement

- Bring together the knowledge and expertise of each bank regarding AML and aim for sophistication



TSUBASA Alliance Co., Ltd.

- ◎ Established AML (Anti-Money Laundering) Center in October 2020

*Gunma Bank is considering investing in TSUBASA Alliance Co., Ltd.

Efforts for SDGs IV: Diversity and Work Style Reforms



IYO BANK

▼ Strengthen efforts to realize an organization and a society where diverse human resources can thrive

Efforts with Gender through ESG Investment

- First regional bank in Chugoku and Shikoku regions to invest in gender bonds issued by the Asian Development Bank
- Financial support for the Asian Development Bank's activities for the achievement of gender related SDGs

Investment amount and period	50 million US dollars (about ¥5.2 billion), 10 years
Projects invested in	1. Women's economic empowerment 2. Gender equality in human resources development 3. Reduction of women's household work 4. Women's participation in policy making and leadership 5. Improving women's resilience to disaster and climate change risks
Issuing entity	Asian Development Bank



<Drinking water improvement project>



<Access to higher education>



<Microfinance>

Source: Prepared by the Bank based on the "ADB Gender Bond Newsletter," Asian Development Bank, July 2019

Creating Work Environment That Respects Flexible Work Styles

- Development of human resources by accepting side businesses

- ◎ Currently, 19 employees are conducting side businesses such as website development, creator business and restaurant planning.



- Business casual trials

- ◎ Conducting business casual trials with the goal of increasing job satisfaction by respecting diverse values



Development of Diverse Human Resources with Abilities and Qualities Adapted to the Times

- Development of digital human resources

- ◎ Dispatching employees to external institutions proactively for the purpose of obtaining knowledge and skills in data analysis and utilizations
- ◎ Revised the official qualification incentive program to expand the scope of recommended qualifications, such as qualifications related to information processing, web and marketing

Efforts for SDGs V: Environmental Protection



▼ Actively and continuously reduce the environmental burden and participate in activities for environmental protection, and contribute to preserving and protecting the natural environment

Efforts with Financing for Environmental Protection

- Promote financing that contributes to environmental protection centering on renewable energy

Number of arranged project finance for renewable energy

(Total as of September 30, 2020)

Solar power generation	13
Biomass generation	4

Number of other environmental loans executed

(Total as of September 30, 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

- Measures for natural disaster risk: using IoT technology for flood-responsive financing
 - Added immersion detection and notification service by IoT technology to flood-responsive financing (September 2020)
 - IoT water depth sensors are installed on business premises, and in case water immersion is detected, the principal amount of loan is waived

Flood-responsive financing (started in August 2019)

A loan that waives a predetermined percentage of the principal amount when precipitation above a certain level is observed at a predetermined location, regardless of whether there is direct/indirect damage

Promoting Paperless

- Promote the reduction of paper use by digitization of forms and paperless meetings
 - Introduced an electronic approval system (April 2017)
 - Implemented paperless meetings by loaning laptop PC to all executives and employees (March 2019)
 - Introduced a new groupware (April 2019)

- ✓ Number of forms reduced : 120 forms (Vs. March 31, 2019)
- ✓ Amount of paper usage reduced : Approx. 5.3 million sheets during the year
 ≒ approx. 400 forest planted trees
 (Vs. fiscal 2016) *0.7 yen per sheet of A4 copy paper

Environmental Protection Activities in the Region

Iyo Bank Environment Foundation “Evergreen” (public trust) established in 2008

- Support environmental protection activities by handing down the nature of the region to the next generation
 - Fund support for individual and organizational activities to protect natural environment of the region
 - Granted about ¥55 million to 153 recipients in total

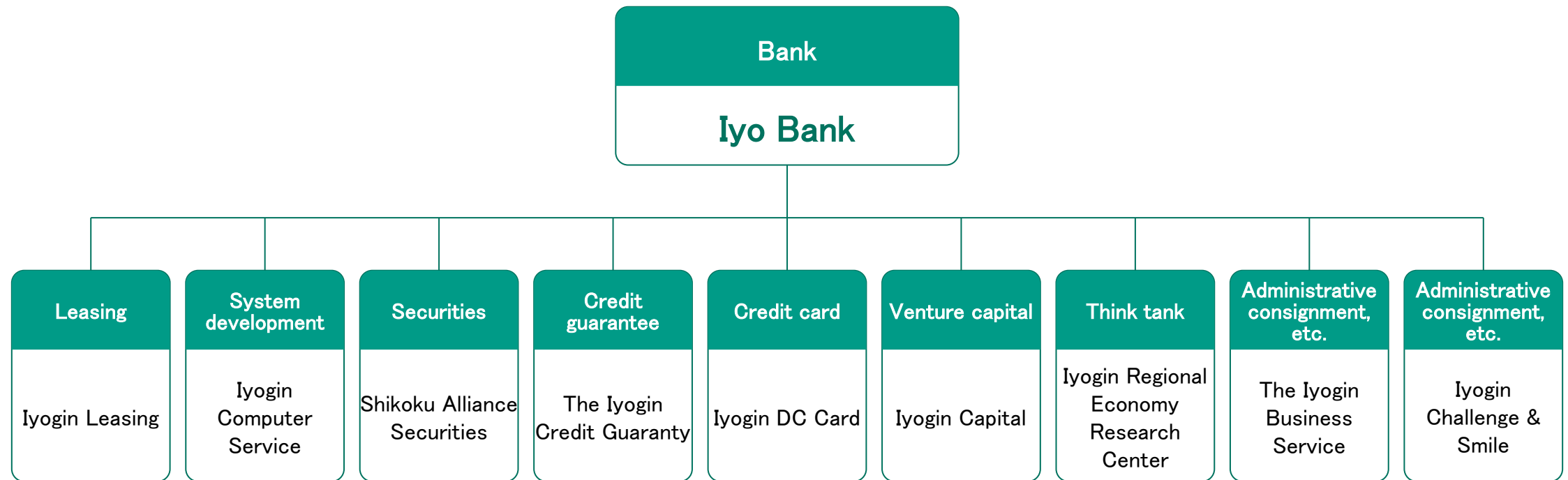


“Iyo Bank Evergreen Forest” activities started in 2008

- Promote forestation with local community
 - Activities to grow forests in four areas within Ehime Prefecture
 - Planted about 3,250 trees, contributing to an increase of about 39t of CO2 absorption since its establishment in 2008



- ▼ Capital structures of the Group Companies were reviewed in the period between the year ended March 31, 2020 and the year ending March 31, 2021, in order to increase the Group's ownership ratio
- ▼ Aiming to continue to strengthen cooperation with the Group companies and become a consulting group providing value to customers in various ways



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 decrease due to reduced face-to-face business opportunities resulting in decreases in revenue on assets in custody, foreign exchange commissions, 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

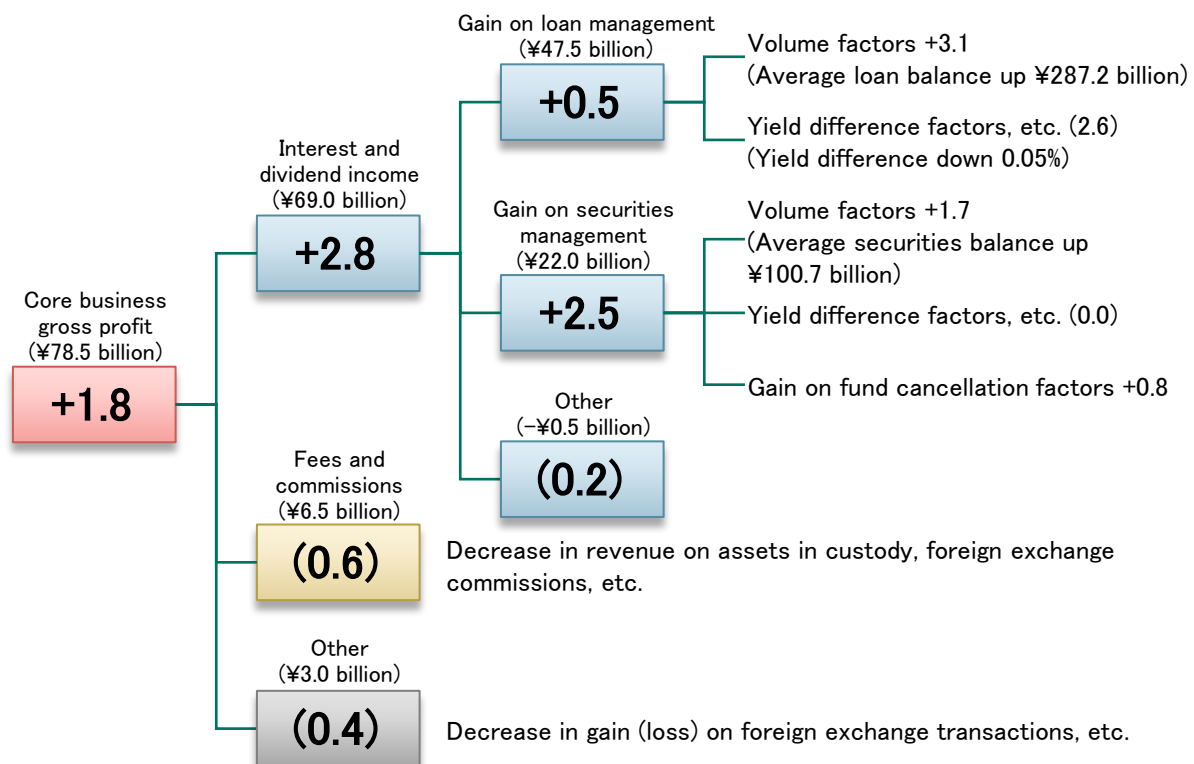
(Units: Billions of yen)

	Fiscal 2019 results	Fiscal 2020 forecast	YoY
Core business gross profit	76.7	78.5	+1.8
Of which, interest and dividend income	66.2	69.0	+2.8
Of which, fees and commissions	7.1	6.5	(0.6)
Expenses (-)	49.9	49.5	(0.4)
Of which, personnel expenses	25.8	25.5	(0.3)
Of which, nonpersonnel expenses	21.2	21.0	(0.2)
Core business net income	26.8	29.0	+2.2
Credit costs (-)	6.9	12.0	+5.1
Gain (loss) related to securities	3.5	4.5	+1.0
Ordinary income	26.5	23.0	(3.5)
Net income	18.5	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.



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.

<For inquiries regarding this document> Nakatani, General Planning Division, Iyo Bank TEL:089-907-1034/FAX:089-946-9104

Iyo Bank First Half of Fiscal 2020 Earnings Briefing:

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◎Dividend Trends and Shareholder Benefit Program	18

Head Office	Matsuyama, Ehime Prefecture
Year of 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, 2,754 employees (excluding temporary staff)
Number of branches	149 domestic (including 13 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)

Consolidated equity ratio (BIS standards)	15.28%
Consolidated subsidiaries	16 companies
Consolidated employees (excluding temporary staff)	3,128 persons

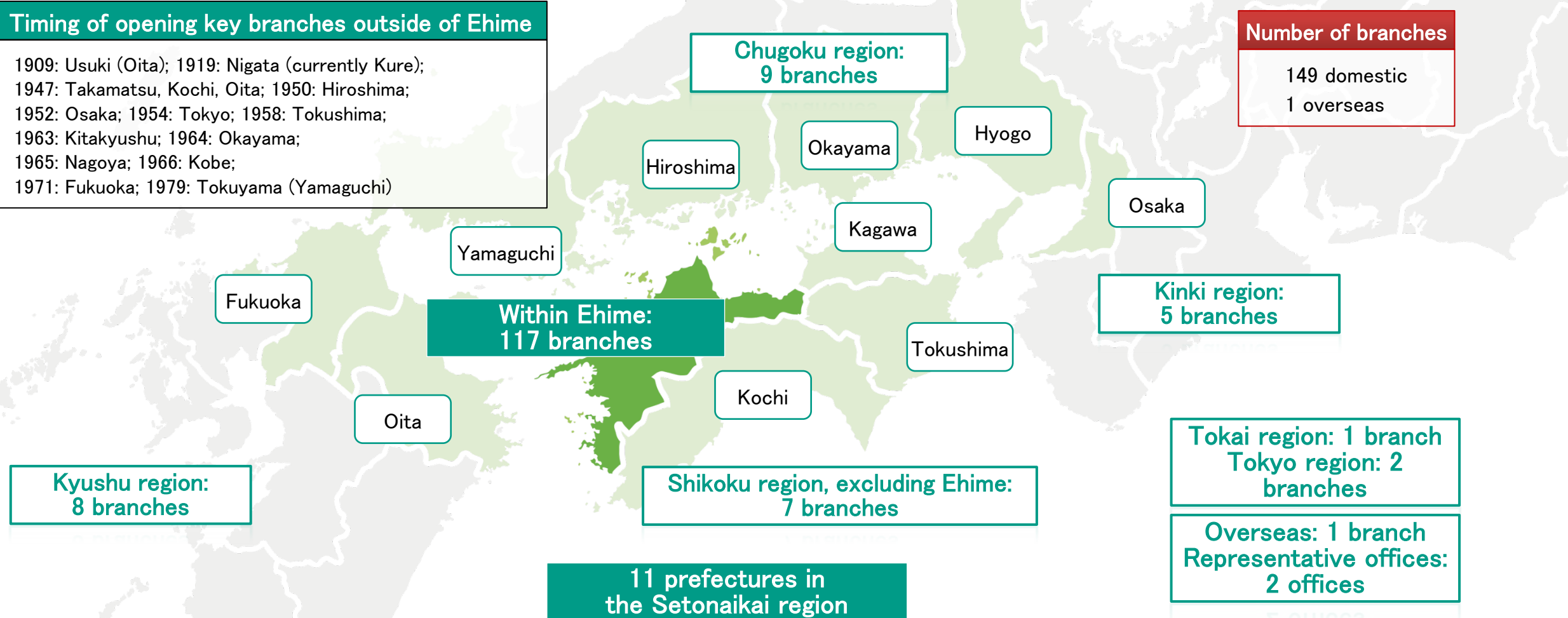
(As of September 30, 2020)

Branch Network

- ▼ 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);
1947: Takamatsu, Kochi, Oita; 1950: Hiroshima;
1952: Osaka; 1954: Tokyo; 1958: Tokushima;
1963: Kitakyushu; 1964: Okayama;
1965: Nagoya; 1966: Kobe;
1971: Fukuoka; 1979: Tokuyama (Yamaguchi)



(As of September 30, 2020)

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

Summary of the Iyo Bank Group

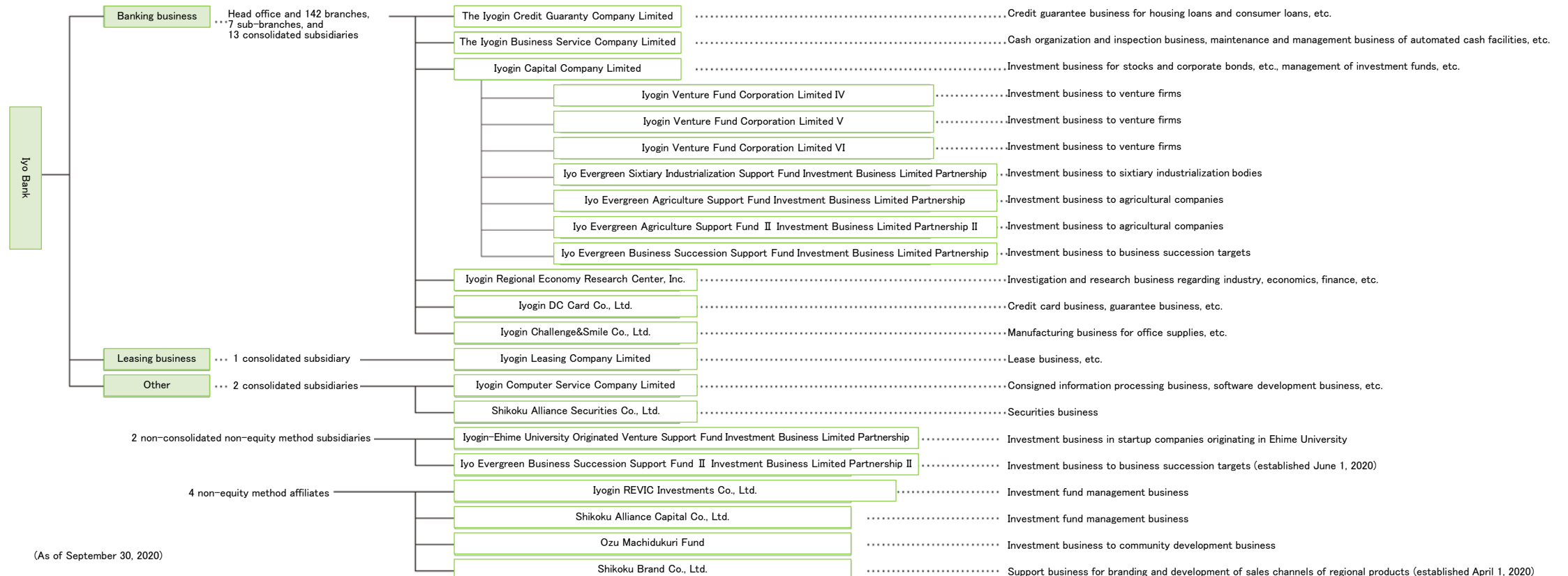
Consolidated Earnings Summary

(Units: Millions of Yen)

[Consolidated]	First half of Fiscal 2020	YoY	Increase/Decrease	First half of Fiscal 2019	Consolidated-nonconsolidated Difference (Note)
Ordinary revenue	63,705	(498)	(0.8)%	64,203	9,930
Ordinary income	20,144	3,814	+23.4%	16,330	666
Profit attributable to owners of parent	13,997	2,958	+26.8%	11,039	358

(Note) The difference between consolidated and nonconsolidated. The Bank has acquired additional shares of consolidated subsidiaries during fiscal 2019 and the first half of fiscal 2020. By this additional acquisition, the Group's shareholding ratio increased, and profit attributable to owners of parent increased by about ¥255 million.


List of Iyo Bank Group Companies



(As of September 30, 2020)

Main Industries in Ehime Prefecture

- ▼ 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

32.7%
(1,199 ships)

No. 1 in Japan
(Note 2)

Number of ocean-going vessels owned by domestic ship owners (as of September 2020) (Note 1)
3,663 total vessels in Japan (including operators)

65.0%
(¥34.8 billion)

No. 1 in Japan
(Note 2)

Towels (2018)
¥53.6 billion shipped in Japan

Uwajima Region

14.1%
(¥68.4 billion)

No. 1 in Japan
(Note 2)

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

Niihama Region

Manufactured product shipments
(2018)

¥1,740.4 billion

**Approx. 41% 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

7.2%
(¥542.1 billion)

No. 2 in Japan
(Note 2)

Pulp and paper industry (2018)
¥7,548.4 billion shipped in Japan

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

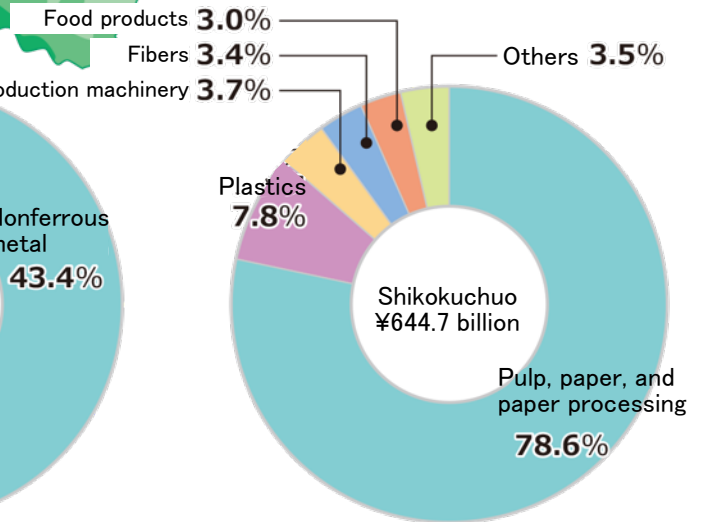
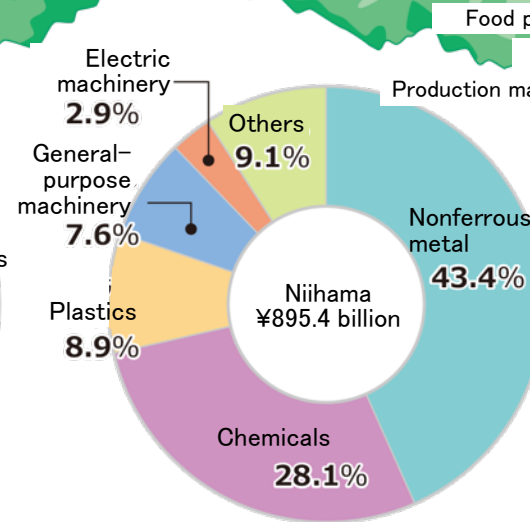
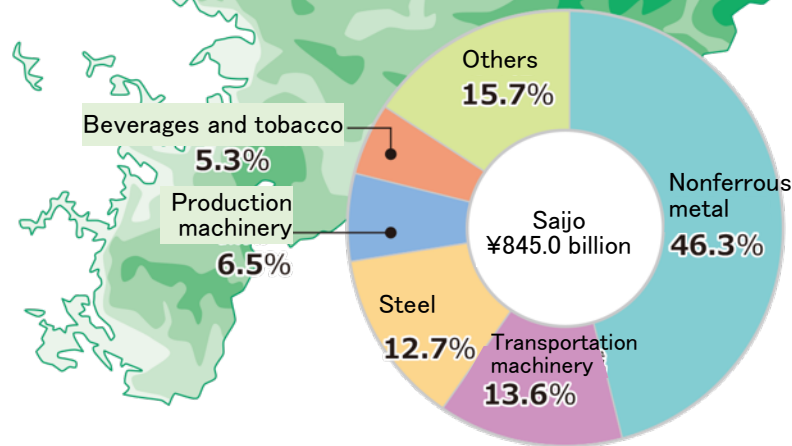
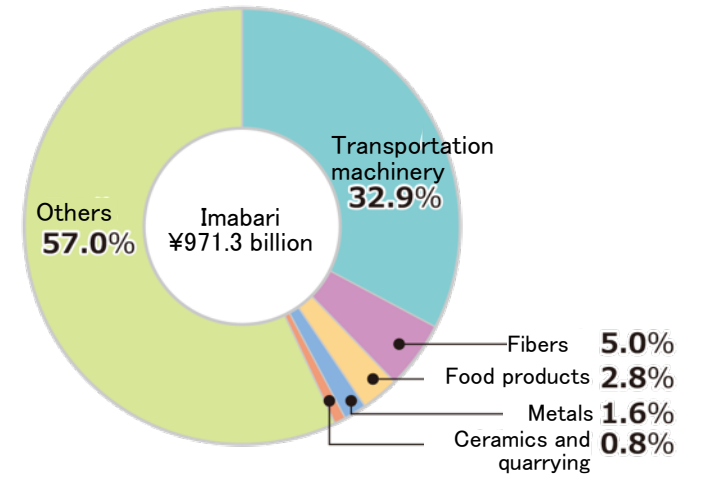
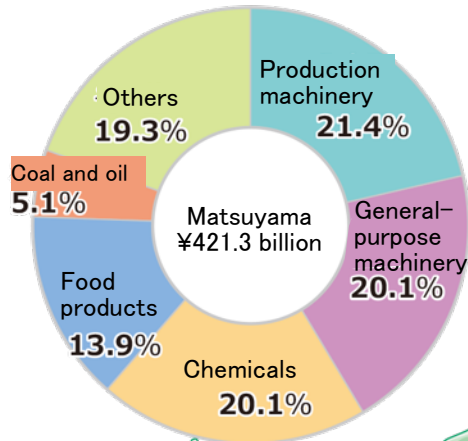
(Note 2) Ranking of Ehime Prefecture

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

Manufacturing Industry in Ehime Prefecture

▼ Ehime Prefecture has manufacturing industries distinctive to each region

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

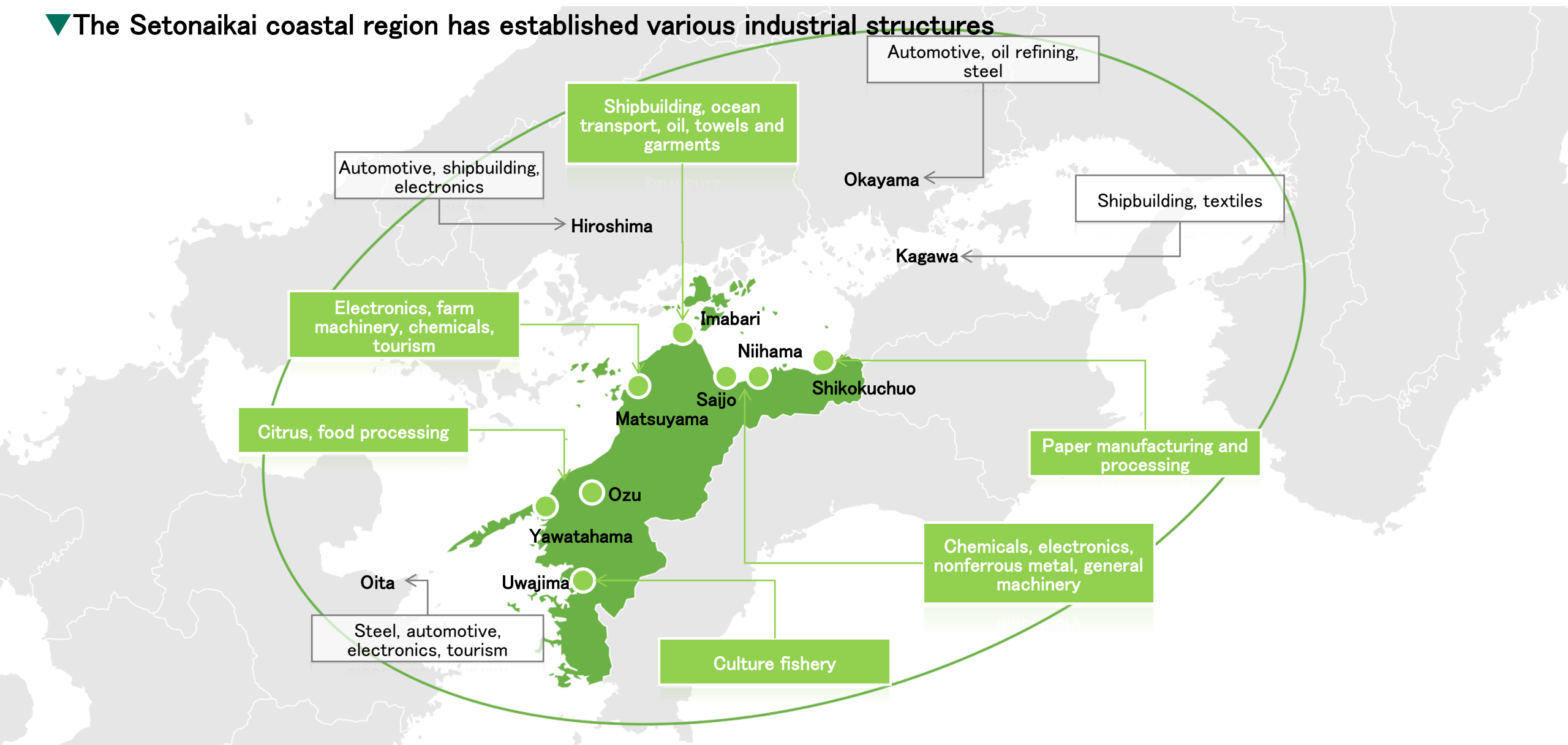


(Note) The shipment amount of “coal and oil” for Imabari City is a concealed value for statistical purposes, thus it is included in “others.”

Source: Prepared by Iyogin Regional Economy Research Center, Inc. (IRC) based on the Ministry of Economy, Trade and Industry’s “Census of Manufacture 2019” (2018 results).

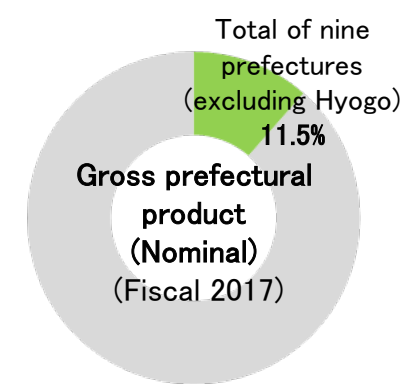
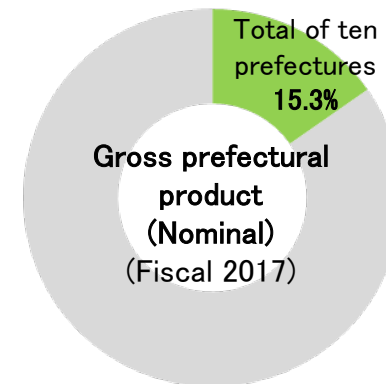
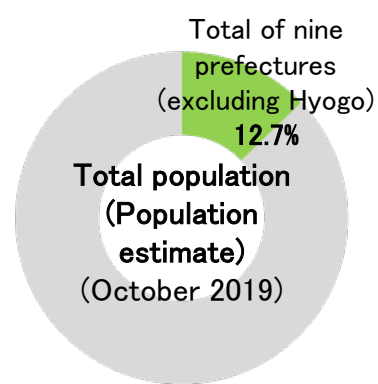
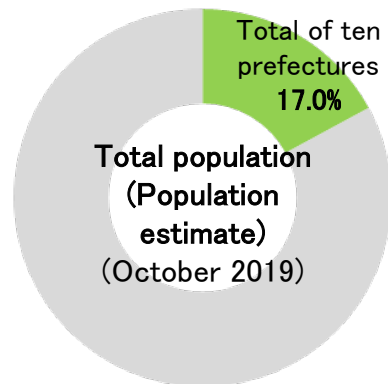
Industrial Structure of the Setouchi Region

▼ The Setonaikai coastal region has established various industrial structures



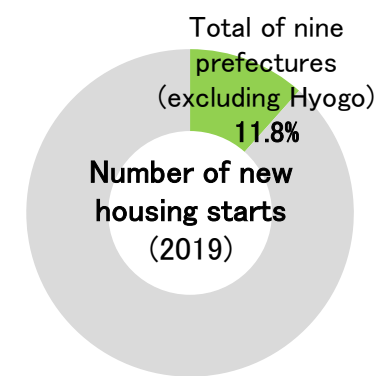
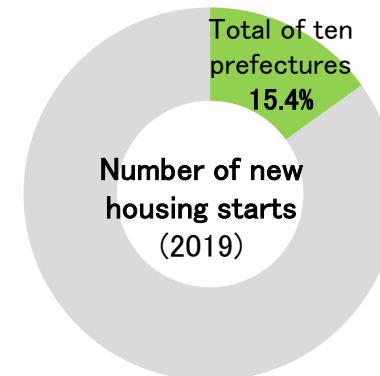
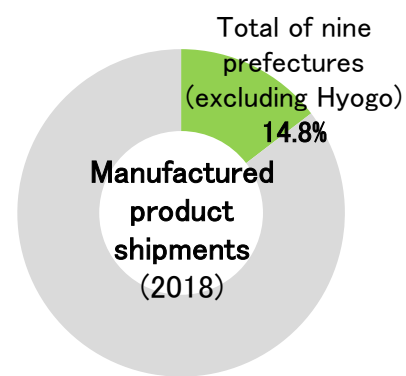
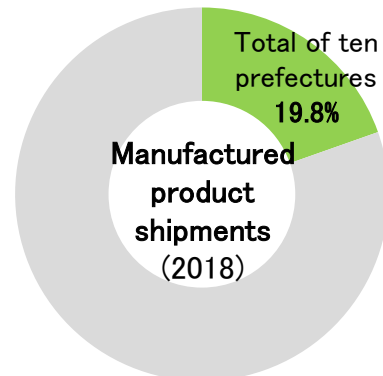
Economic Indicators of the Setouchi Region I

	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)	July 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	2,429.5	+ 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	3,258
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	51,839	715,237	6,996,808	64,788.4		
(A)/(C)	12.7%	13.7%	13.4%	12.3%	11.5%		
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	60,240	929,406	9,199,910	86,117.2		
(B)/(C)	17.0%	15.9%	17.4%	16.2%	15.3%		
National total (C)	126,166,948	377,977	5,340,783	56,872,826	561,523.4	+ 2.0	3,304

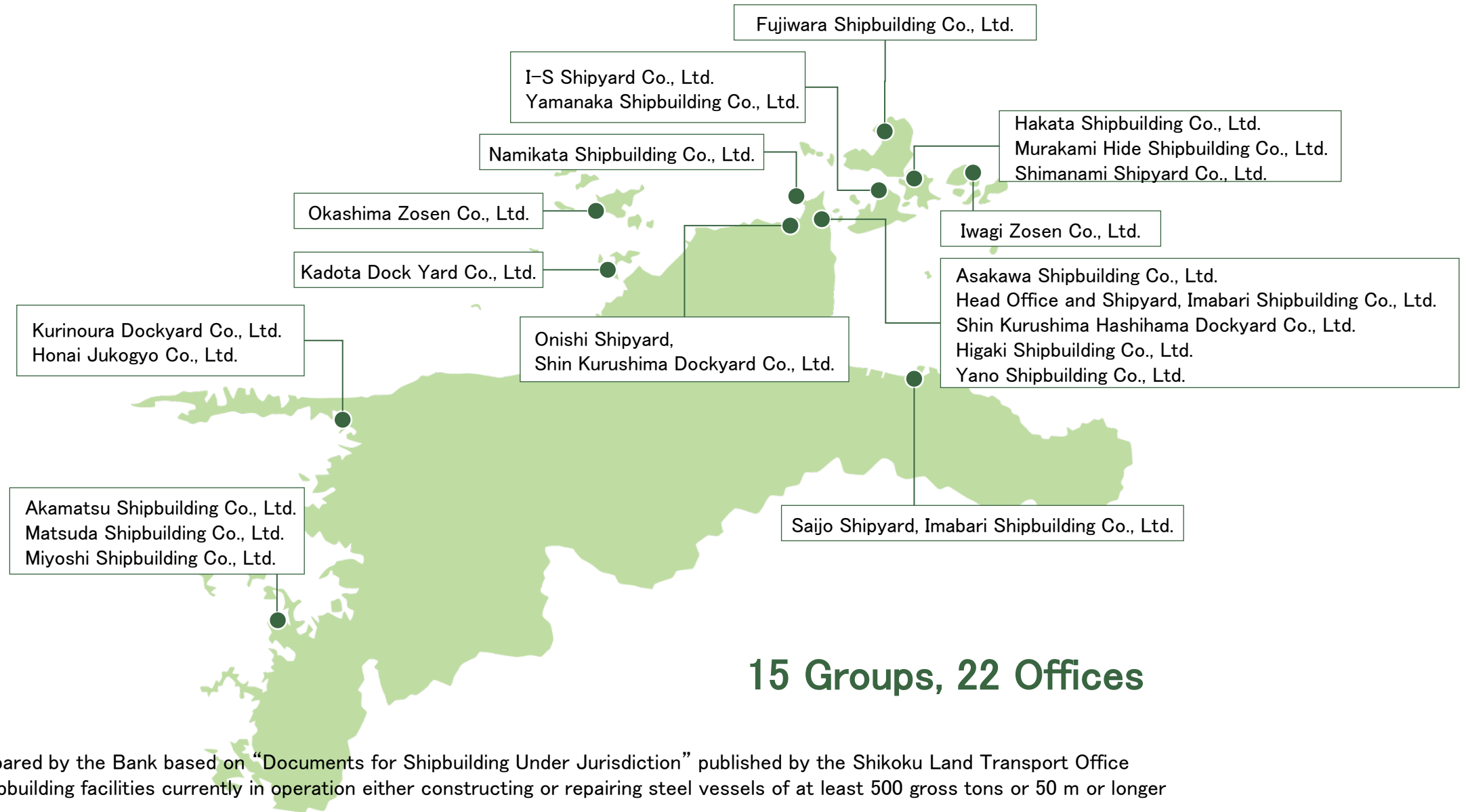


Economic Indicators of the Setouchi Region II

	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)	2019 2015=100	2019 (Homes)	2019 (Times)	2019 (%)
Ehime	4,264,038	2,511,264	1,528,554	99.9	7,756	1.64	1.6
Kagawa	2,769,479	2,619,010	1,169,352	106.5	5,680	1.80	2.0
Tokushima	1,853,356	904,487	757,121	101.3	4,122	1.50	1.9
Kochi	594,523	874,256	753,371	99.8	3,310	1.29	1.9
Oita	4,438,950	1,344,689	1,235,257	96.1	6,926	1.53	2.0
Fukuoka	10,237,865	16,970,699	5,864,032	105.1	39,860	1.57	2.8
Yamaguchi	6,701,163	1,641,957	1,488,895	107.0	7,311	1.62	1.8
Hiroshima	10,039,720	9,166,762	3,309,726	100.7	18,845	2.05	2.4
Okayama	8,354,250	3,543,971	2,093,111	101.4	13,200	2.02	2.3
Total of the above nine prefectures (A)	49,253,344	39,577,095	18,199,419		107,010		
(A)/(C)	14.8%	9.1%	12.5%		11.8%		
Hyogo	16,506,736	10,219,241	5,726,476	104.1	32,110	1.43	2.3
Total of ten prefectures (B)	65,760,080	49,796,336	23,925,895		139,120		
(B)/(C)	19.8%	11.4%	16.5%		15.4%		
National total (C)	331,809,377	436,522,525	145,103,822	101.1	905,123	1.60	2.4



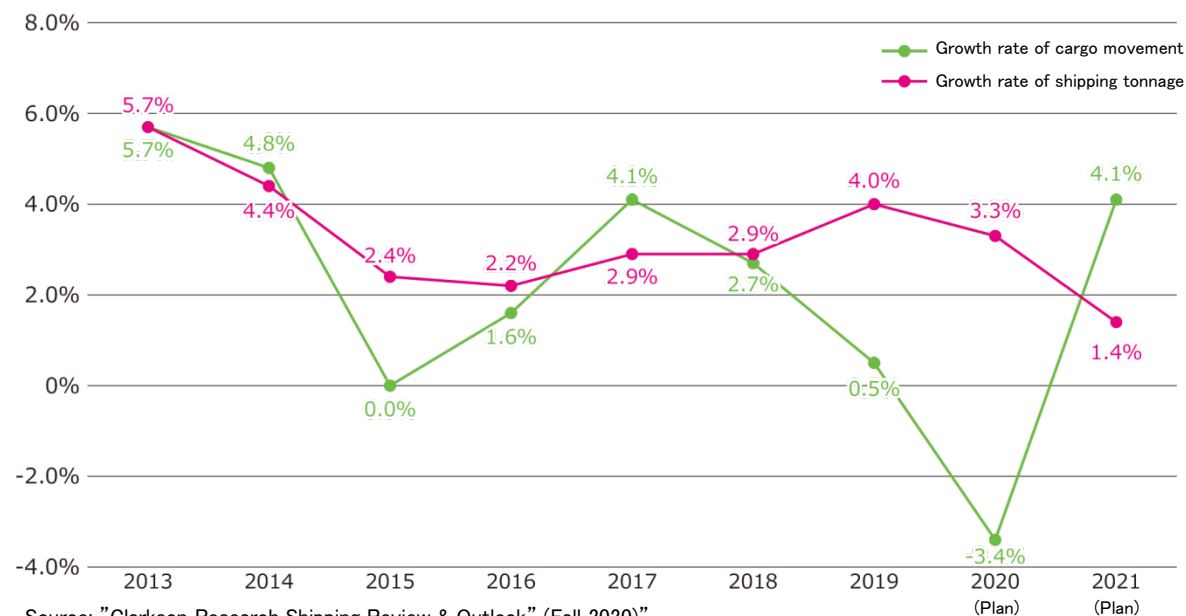
Shipbuilding Yards in Ehime Prefecture



Outlook of Dry Bulk Market Conditions

Dry Bulk Transport Demand and Supply

◆ Volume of cargo movement and shipping tonnage

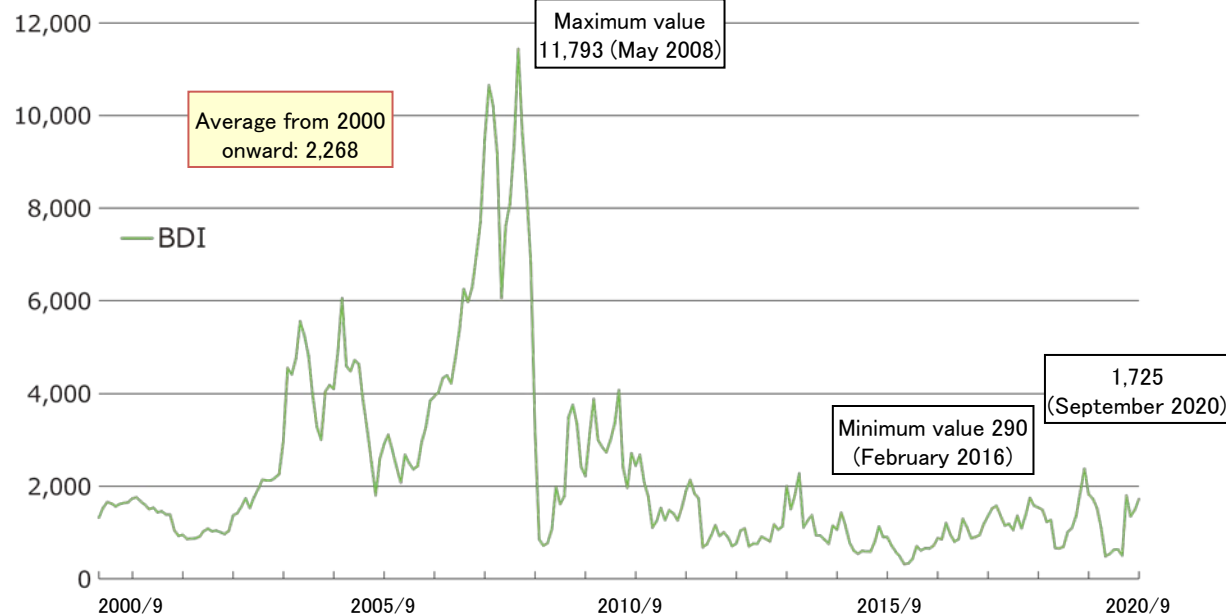


◆ Dry bulk transport demand and supply

- ◎ Shipping tonnage of dry bulk vessels for 2020 is expected to increase by 3.3% (up 29.4 million 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 decrease by 3.4% from 2019 due to the impact of COVID-19.
- ◎ The growth rate of shipping tonnage is expected to be limited to 1.4% in 2021 as growth of 12.3 million tons is expected. Meanwhile, cargo movement is expected to grow at 4.1%, which indicates a V-shaped recovery. As dry bulk market is highly dependent on demand in China, economic activities and policies of China continue to require close attention.

Future Market Outlook

◆ Baltic Dry Index (BDI) trends



◆ Future market outlook

- ◎ During the first half of 2020, affected by the sluggish global economy due to the impact of COVID-19, there were times the market reached at a low level as severe as that of the maritime depression in 2016. Thereafter, the market recovered sharply mainly due to the resumption of China's economic activities and the increase of shipments to China.
- ◎ Moving forward, the market is expected to rise toward the end of 2020 and settle down around the beginning of 2021, then continue to rise throughout 2021 as the volume of cargo movement is expected to recover while the volume of new ship construction is limited.
- ◎ However, the outlook is uncertain due to unpredictable factors such as the impact on the market of COVID-19 and the presidential election in the U.S.

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)

	September 2016	March 2017	September 2017	March 2018	September 2018	March 2019	September 2019	March 2020	September 2020	Vs. September 2019
Total loans	3,936.3	4,043.3	4,132.4	4,292.6	4,431.5	4,550.8	4,617.5	4,756.6	4,874.5	257.0
General loans	3,705.5	3,802.3	3,899.0	4,054.6	4,192.2	4,310.7	4,387.7	4,522.2	4,648.1	260.4
Corporate loans (incl. overseas, etc.)	2,729.5	2,807.4	2,891.8	3,030.6	3,146.0	3,238.2	3,291.1	3,397.9	3,507.7	216.6
Corporate loans (domestic branches)	2,729.5	2,806.0	2,864.4	2,965.5	3,060.4	3,135.8	3,158.3	3,248.8	3,347.1	188.8
Individual financing	976.0	994.9	1,007.1	1,024.0	1,046.2	1,072.4	1,096.5	1,124.3	1,140.3	43.8
Housing loans	710.6	723.8	731.2	742.6	758.2	781.0	805.3	831.8	852.6	47.3
Apartment and building loans	179.1	184.0	186.3	191.3	198.0	202.2	203.1	205.2	205.2	2.1
Card loans	29.2	29.6	30.0	29.6	29.1	28.3	27.9	26.9	24.5	(3.4)
Municipal loans, etc.	230.7	241.0	233.4	238.1	239.2	240.1	229.7	234.3	226.4	(3.3)

(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)

	September 2016	March 2017	September 2017	March 2018	September 2018	March 2019	September 2019	March 2020	September 2020	Vs. September 2019
Total deposits, etc. + assets in custody A	5,644.4	5,789.1	5,765.3	5,889.0	5,894.2	6,070.6	6,174.5	6,094.1	6,532.5	358.0
Total deposits, etc.	5,317.8	5,457.0	5,424.5	5,546.0	5,542.2	5,712.6	5,817.3	5,754.3	6,184.6	367.3
Total deposits	4,892.9	5,006.8	4,987.1	5,099.6	5,057.7	5,247.1	5,288.5	5,265.6	5,652.6	364.1
Individual	3,343.4	3,354.6	3,376.3	3,392.1	3,412.0	3,423.6	3,450.2	3,512.5	3,652.2	202.0
General companies	1,392.1	1,434.4	1,429.1	1,442.0	1,455.4	1,555.4	1,553.7	1,564.4	1,733.5	179.8
Public	117.1	146.6	135.8	164.4	111.4	126.4	113.2	119.8	112.7	(0.5)
Financial	31.3	36.0	23.1	53.8	37.4	61.0	31.9	40.8	32.7	0.8
Overseas / offshore	8.7	35.2	22.6	47.3	41.3	80.5	139.4	28.0	121.3	18.1
NCD	424.9	450.2	437.4	446.4	484.4	465.5	528.8	488.7	531.9	3.1
General companies	293.5	354.7	319.6	375.4	345.1	348.2	390.0	367.0	384.9	(5.1)
Public	131.4	95.5	117.7	71.0	139.2	117.3	138.7	121.7	147.0	8.3
General company funds (incl. NCD)	1,685.7	1,789.1	1,748.8	1,817.4	1,800.6	1,903.6	1,943.8	1,931.4	2,118.5	174.7
Public funds (incl. NCD)	248.5	242.1	253.5	235.4	250.7	243.7	252.0	241.5	259.8	7.8
Foreign currency deposits (balance)	115.6	97.1	104.1	118.3	111.0	111.0	101.6	89.3	96.3	(5.3)
Individual deposits+individual assets in custody	3,654.9	3,673.2	3,703.7	3,722.5	3,751.4	3,769.1	3,795.6	3,841.4	3,988.5	192.9
Individual deposits	3,343.4	3,354.6	3,376.3	3,392.1	3,412.0	3,423.6	3,450.2	3,512.5	3,652.2	202.0
Individual assets in custody	311.5	318.6	327.3	330.4	339.3	345.4	345.4	328.8	336.3	(9.1)

<Assets in custody (Term-end basis)>

Assets in custody at the Bank (excl. deposits, etc.)	326.5	332.0	340.7	343.0	351.9	357.9	357.1	339.7	347.8	(9.3)
JGBs	32.5	27.2	25.0	25.4	24.0	22.4	20.3	19.8	19.9	(0.4)
Investment trusts	85.9	85.1	81.0	71.6	71.5	68.6	66.7	53.8	58.7	(8.0)
Single premium policies	187.8	191.5	202.1	206.2	210.8	215.7	216.4	214.2	211.3	(5.1)
Financial product intermediary	20.3	28.3	32.5	39.7	45.5	51.0	53.6	51.7	57.7	4.1
Shikoku Alliance Securities balance C	140.1	163.7	192.7	201.4	208.3	199.5	207.8	202.4	226.6	18.8
Balance of Group's assets in custody B+C=D	466.6	495.8	533.5	544.4	560.3	557.4	565.0	542.2	574.5	9.5
Assets in custody composition (D/A+C)	8.1%	8.3%	9.0%	8.9%	9.2%	8.9%	8.9%	8.6%	8.5%	-

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

Balance and Composition of Loans by Industry

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

(Units: Billions of Yen, %)

	September 2015		September 2016		September 2017		September 2018		September 2019		September 2020		Vs. September 2019	
		Composition		Composition		Composition		Composition		Composition		Composition	Balance	Rate of balance increase/decrease
Manufacturing	599.0	15.4	592.0	15.0	589.4	14.4	629.8	14.5	646.9	14.4	671.7	14.2	+ 24.8	+ 3.8%
Agricultural	2.6	0.1	2.6	0.1	2.5	0.1	2.8	0.1	2.8	0.1	2.9	0.1	+ 0.1	+ 3.6%
Forestry	0.2	0.0	0.1	0.0	0.2	0.0	0.2	0.0	0.3	0.0	0.4	0.0	+ 0.1	+ 33.3%
Fishing	12.7	0.3	11.8	0.3	12.3	0.3	11.1	0.3	11.2	0.2	9.8	0.2	(1.4)	(12.5%)
Mining	3.6	0.1	8.8	0.2	8.9	0.2	8.5	0.2	8.1	0.2	6.8	0.1	(1.3)	(16.0%)
Construction	113.5	2.9	110.0	2.8	105.0	2.6	111.2	2.6	108.9	2.4	126.4	2.7	+ 17.5	+ 16.1%
Electricity, gas, heat provision, water	91.1	2.3	89.2	2.3	97.5	2.4	122.5	2.8	141.3	3.2	167.4	3.6	+ 26.1	+ 18.5%
Information communications	27.6	0.7	27.2	0.7	28.5	0.7	21.7	0.5	20.0	0.4	17.8	0.4	(2.2)	(11.0%)
Transportation	647.2	16.6	603.3	15.3	649.2	15.8	703.3	16.2	728.8	16.3	801.6	17.0	+ 72.8	+ 10.0%
Of which, ocean transport	544.7	14.0	489.9	12.4	526.6	12.8	566.5	13.0	593.6	13.2	666.0	14.1	+ 72.4	+ 12.2%
Wholesale and retail	477.2	12.2	466.9	11.9	465.4	11.3	500.3	11.5	499.5	11.1	509.9	10.8	+ 10.4	+ 2.1%
Finance and insurance	165.6	4.3	180.3	4.6	198.7	4.8	208.9	4.8	190.1	4.2	181.3	3.8	(8.8)	(4.6%)
Real estate	191.1	4.9	213.4	5.4	238.4	5.8	259.0	6.0	284.1	6.3	312.2	6.6	+ 28.1	+ 9.9%
Various services	368.2	9.5	390.9	9.9	426.2	10.4	425.5	9.8	459.2	10.2	483.4	10.3	+ 24.2	+ 5.3%
Of which, medical-related	167.5	4.3	173.5	4.4	187.6	4.6	191.5	4.4	194.2	4.3	205.0	4.3	+ 10.8	+ 5.6%
Regional public entities	227.8	5.8	230.0	5.8	232.6	5.7	233.9	5.4	224.4	5.0	222.1	4.7	(2.3)	(1.0%)
Other	968.8	24.9	1,009.4	25.6	1,049.7	25.6	1,106.5	25.5	1,158.1	25.8	1,199.4	25.4	+ 41.3	+ 3.6%
Total	3,896.2	100.0	3,936.3	100.0	4,105.0	100.0	4,345.9	100.0	4,484.6	100.0	4,714.0	100.0	+ 229.4	+ 5.1%

(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 six months ended September 30, 2020, excluding “goods rental,” was ¥290.1 billion, which is an increase of ¥24.5 billion (+9.2%) compared with the six months ended September 30, 2019. In addition, “other” includes “home renting by individuals” (¥213.8 billion for the six months ended September 30, 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)

			September 30, 2020							Rate of degradation to at risk of bankruptcy or below	Improvement	Degradation
Upper row: Number of borrowers			Total	Normal borrowers	Borrowers requiring close monitoring	Borrowers under strict observation	Borrowers at risk of bankruptcy	Substantially bankrupt borrowers	Bankrupt borrowers			
Lower row: Credit amount (Hundreds of millions of yen)												
September 30, 2019	Normal borrowers	19,339	17,464	16,714	690	20	28	8	4	0.21%		750
		33,808	34,094	32,715	1,354	10	15	1	0	0.05%		1,379
	Borrowers requiring close monitoring	2,000	1,887	370	1,447	14	54	0	2	2.80%	370	70
		3,705	3,656	1,002	2,559	26	67	0	1	1.84%	1,002	95
	Borrowers under strict observation	139	129	9	7	94	16	2	1	13.67%	16	19
		315	295	15	17	201	58	0	3	19.46%	32	61
	Borrowers at risk of bankruptcy	280	253	14	21	5	206	4	3		40	7
September 30, 2020		438	395	5	18	5	365	1	1		28	2
	Substantially bankrupt borrowers	96	73	0	0	0	1	68	4		1	4
		19	14	0	0	0	0	13	0		0	0
	Bankrupt borrowers	35	16	1	0	0	1	0	14		2	
		39	15	0	0	0	9	0	6		9	
		21,889	19,822	17,108	2,165	133	306	82	28		429	850
		38,324	38,469	33,737	3,948	242	515	15	12		1,072	1,538

(Note 1) The chart displays the changes in the borrower classification from September 30, 2019 to September 30, 2020.

(Note 2) The balances after changes are the balances after write-offs as of September 30, 2020.

Management by Risk Category: Securities Investment

(Units: Billions of Yen)

Risk Category (*1)		Year ended September 30, 2020											Source of main revenue and profit
		Book balance	Evaluation gain / loss	Market balance	Composition Vs. March 2020		Total profit / loss (*2)	Interest and dividend income			Profit / loss from purchase, sale, and amortization	Increase/ decrease on gain/loss on evaluation (vs. March 2020)	
								Interest received (*3)	Procurement cost				
Yen-denominated bonds		705.1	+ 9.9	715.0	38.8%	(5.4%)	1.5	2.6	2.6	0.0	0.0	(1.1)	Difference in long and short term interest on yen interest
	Of which, JGBs	283.4	+ 2.7	286.0	15.5%	(4.0%)	(0.5)	1.2	1.2	0.0	0.0	(1.8)	
	Of which, inflation-indexed JGBs	79.5	(1.6)	77.9	4.2%	(0.3%)	(0.5)	(0.2)	(0.2)	0.0	0.0	(0.3)	Rise in expected inflation rate
Foreign currency bonds (with hedges)		357.9	+ 31.4	389.3	21.1%	+0.0%	6.9	3.0	3.4	0.4	1.7	+ 2.2	Difference in long and short term interest on overseas interest
Foreign currency bonds (without hedges)		246.0	+ 12.9	258.9	14.0%	+2.8%	5.5	1.8	1.8	0.0	1.7	+ 2.0	Gain on foreign exchange /interest revenue
Domestic and overseas stocks (incl. stock trusts)		132.2	+ 223.4	355.7	19.3%	+1.9%	45.5	2.8	2.8	0.0	1.1	+ 41.6	Growth in domestic companies centered on transaction partners
Alternatives, etc.		116.0	+ 8.3	124.3	6.8%	+0.6%	8.1	1.4	1.4	0.0	0.3	+ 6.4	
	Hedge funds	37.2	+ 1.0	38.2	2.1%	+0.2%	1.9	0.0	0.0	0.0	0.0	+ 1.9	Strategic diversification by external consigned management
	Real estate-related	63.7	+ 8.5	72.1	3.9%	+0.5%	5.9	1.4	1.4	0.0	0.4	+ 4.2	Revenue from real estate rentals and profit from price increase
	Private equity	7.9	+ 0.1	8.0	0.4%	(0.0%)	(0.1)	0.0	0.0	0.0	(0.1)	+ 0.0	Rise in enterprise value due to management improvement of unlisted stocks, etc.
	Emerging stocks	4.2	(1.2)	3.0	0.2%	+0.0%	0.4	0.0	0.0	0.0	0.0	+ 0.4	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		1,557.2	+ 285.9	1,843.1	100.0%	-	67.5	11.5	11.9	0.4	4.9	+ 51.1	

*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	237.3	+ 4.5	241.8	13.1%	(0.5%)	6.6	1.4	1.5	0.1	0.0	+ 5.1	Business continuity of domestic and foreign companies
Securitized products	3.6	+ 0.0	3.6	0.2%	(0.0%)	(0.0)	0.0	0.0	0.0	0.0	(0.0)	Loan interest revenue from housing loans, etc.
Subtotal	240.9	+ 4.5	245.4	13.3%	(0.5%)	6.6	1.4	1.5	0.1	0.0	+ 5.1	

Balance of Investments by Region and Industry: Financial Market Business

Balance by Region (Final Risk Country Basis)

(Units: Billions of Yen)

	September 2020			
	Loan balance	Commitment balance	Total	Composition
Japan	55.0	14.9	69.9	52.6%
North America	19.0	1.7	20.7	15.6%
(Of which, the U.S.)	(16.3)	(1.7)	(18.0)	(13.6%)
Asia and Oceania	18.5	0.0	18.5	13.9%
Europe	16.1	0.0	16.1	12.2%
Middle East	4.0	0.0	4.0	3.0%
Latin America	2.8	0.0	2.8	2.1%
Other	0.7	0.0	0.7	0.6%
Total	116.4	16.6	133.1	100.0%

* Excluding Singapore Branch

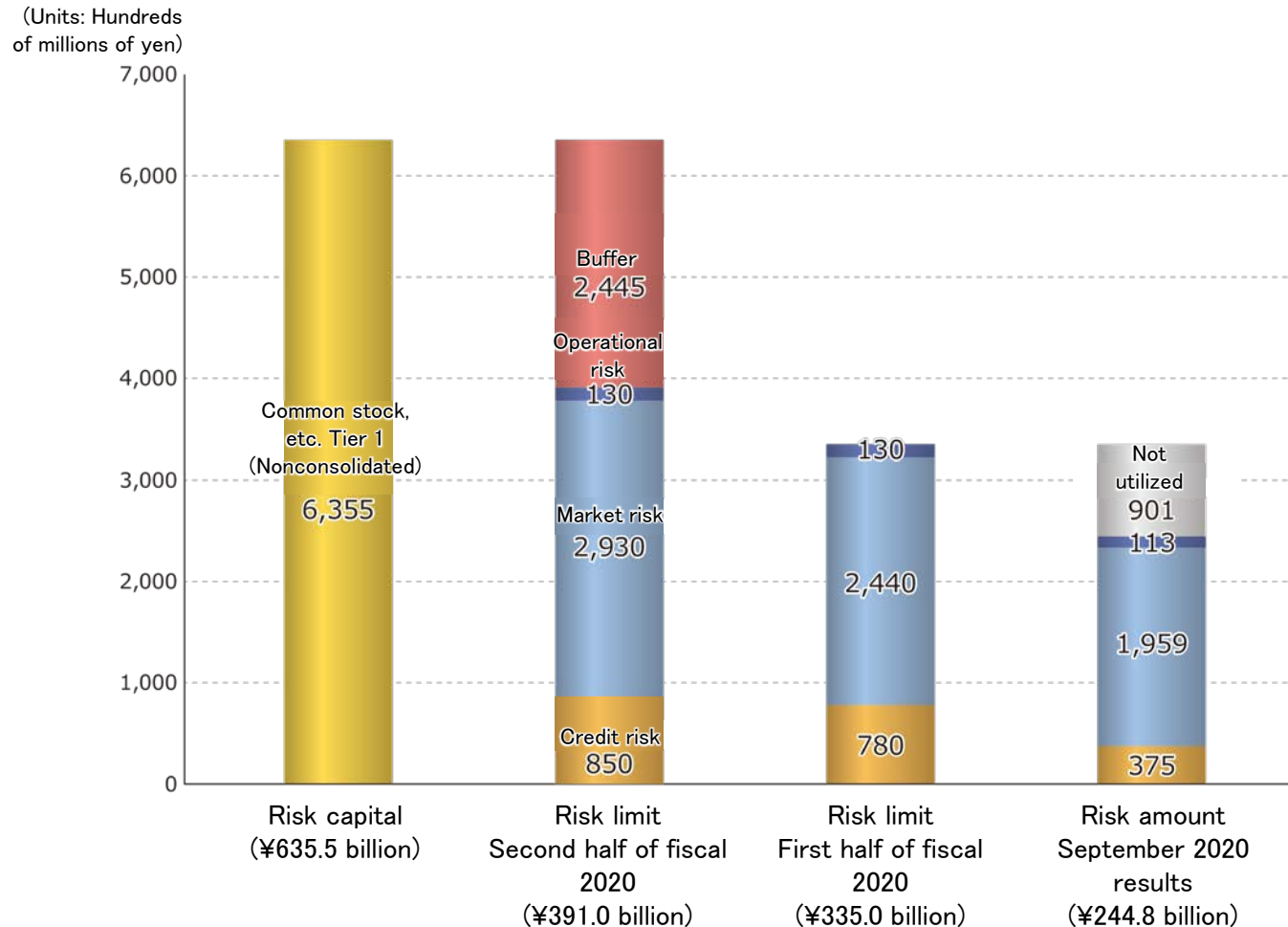
Balance by Industry

(Units: Billions of Yen)

	September 2020			
	Loan balance	Commitment balance	Total	Composition
Electricity and gas	53.4	14.9	68.3	51.3%
(Of which, solar power generation)	(29.9)	(8.2)	(38.1)	(28.7%)
Manufacturing	15.5	0.0	15.5	11.7%
Transportation	17.8	0.0	17.8	13.4%
(Of which, aircraft finance)	(12.9)	(0.0)	(12.9)	(9.7%)
Various services	14.7	0.0	14.7	11.1%
Financial	5.8	1.7	7.5	5.7%
Wholesale and retail	1.8	0.0	1.8	1.4%
Construction	2.1	0.0	2.1	1.6%
Other	5.0	0.0	5.0	3.8%
Total	116.4	16.6	133.1	100.0%

* Excluding Singapore Branch

[Status of Integrated Risk Management (September 30, 2020)]

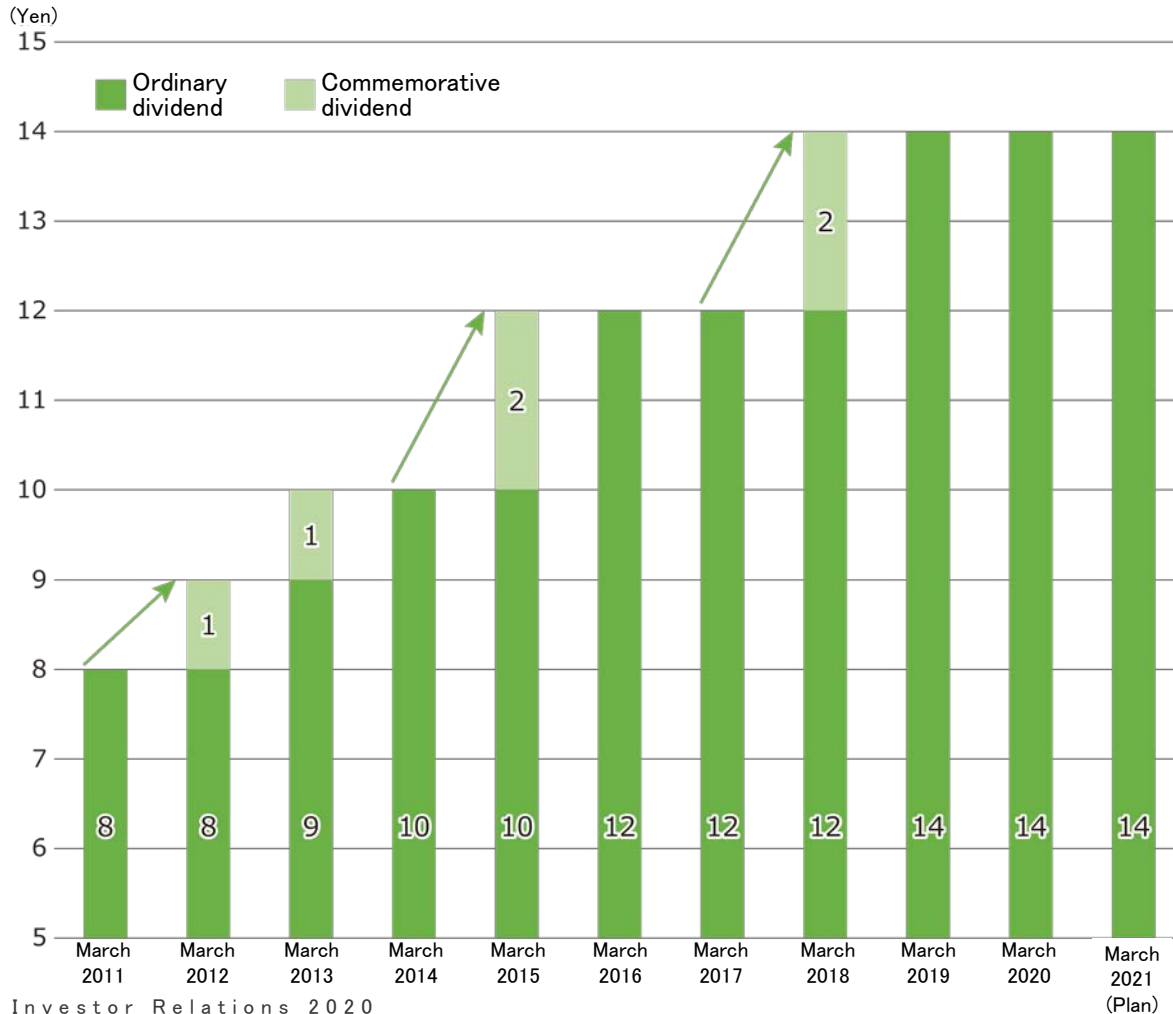


- **Operational risk**
 - Calculated by The Standardized Approach
- **Market risk (holding period of six months, 99.9%)**
 - Take into account correlation between different risks
 - Core deposits: Use an internal model
 - Stock VaR: Includes strategic equity holdings
- **Credit risk (holding period of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

Dividend Trends and Shareholder Benefit Program

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

