

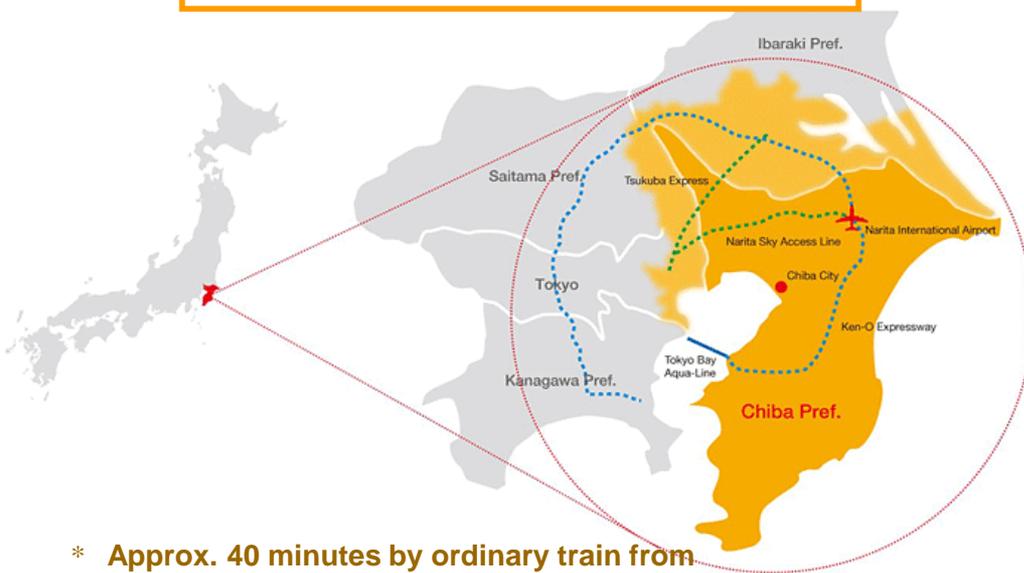
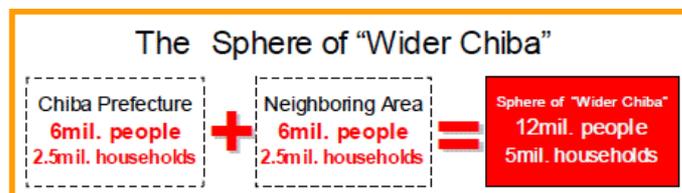
Small and Medium-Sized Enterprise Finance at Chiba Bank

Lending Stance in the High Economic Growth Period and High Value-Added Services

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- 1. Profile of Bank**
 2. Lending Stance in the High Economic Growth Period
 3. High Value-Added Services

Profile of Bank

- Base of operations in **"Wider Chiba"** (Chiba prefecture and neighboring areas)
- No. 2 among regional banks on deposits and loans (non-consolidated)



* Approx. 40 minutes by ordinary train from Tokyo Station to bank head office

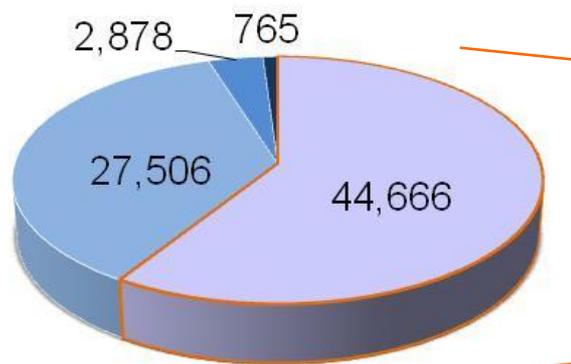
Outline of Bank (FYE March 2012)

Established	March 1943
Deposits	¥9,376.5B (of which, Chiba Prefecture: ¥8,980.7B)
Loans	¥7,581.7B (of which, Chiba Prefecture: ¥5,672.9B)
Ordinary income	¥61.7B (non-consolidated)
Net income	¥36.0B (non-consolidated)
Capital adequacy	13.63% (non-consolidated, uniform international standard)
External ratings	Moody's : A1; S&P : A
Offices	177 (Chiba Prefecture 157; other prefectures 17; international 3)
Employees	4,308 (not including temporary staff)

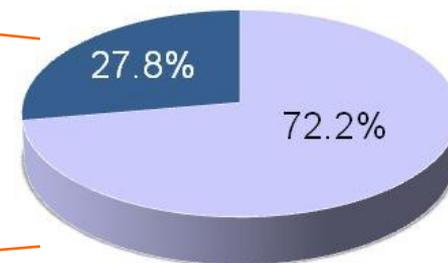
Profile of Bank (Breakdown of Lending 2012/3)

➤ Domestic commercial lending accounts for approx. 59% of all lending (7,581.7 billion yen)
72% of domestic commercial lending is to small and medium-sized enterprises (SMEs)

Breakdown of Lending (unit: 100 million yen)



Breakdown of Domestic Commercial Lending

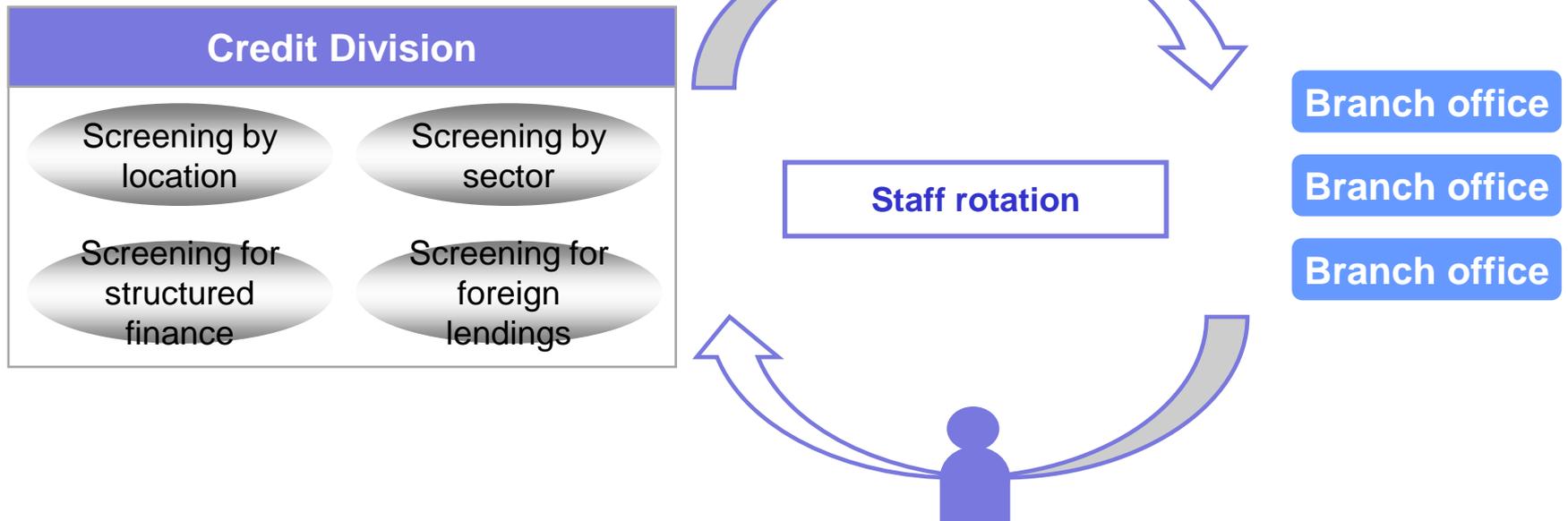


■ Domestic commercial lending ■ Consumer loans
■ Lending to public institutions ■ International lending

■ SME lending ■ Larger enterprise lending

Profile of Bank (Credit Division)

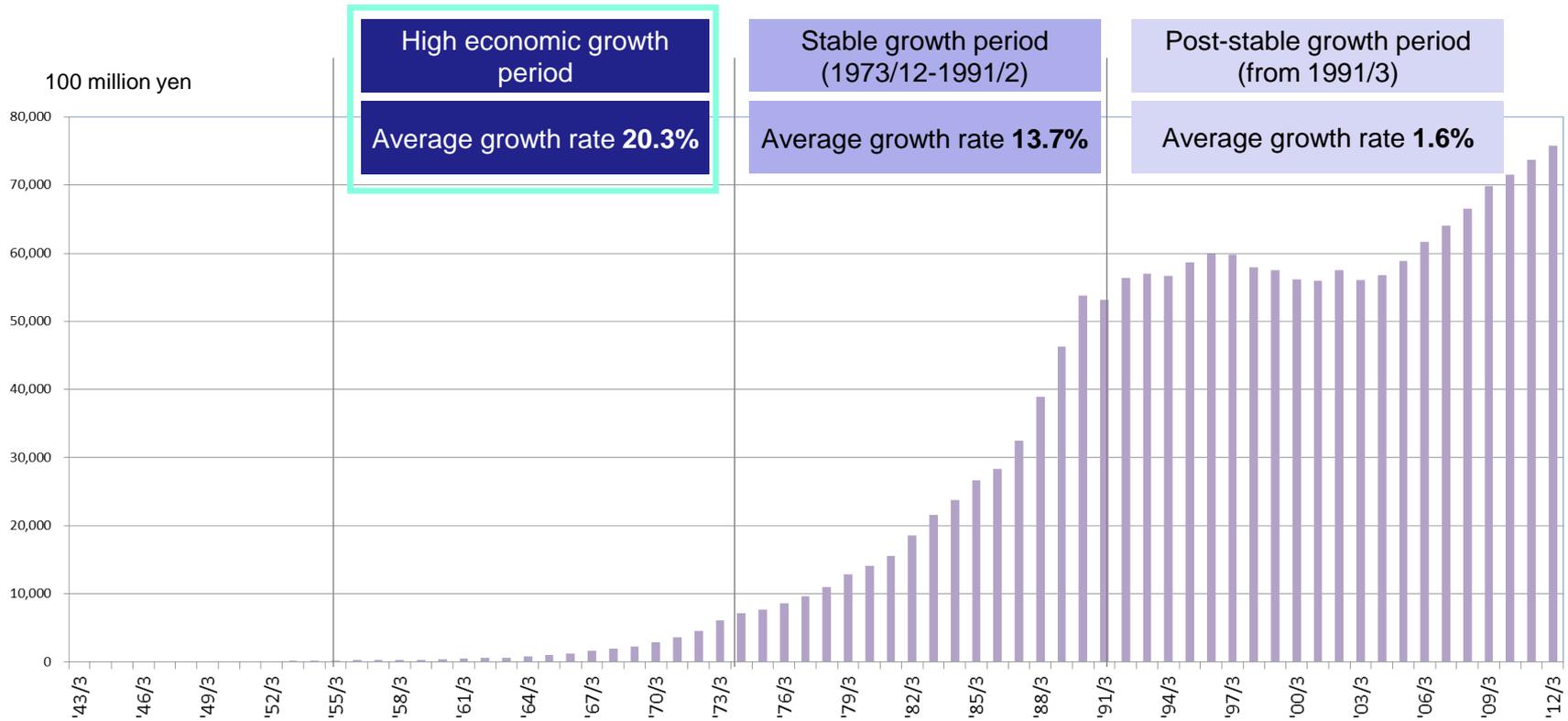
- Senior loan officers authorized to approve loans and expected to gain expertise in screening
 - ⇒ Many eventually become general managers of branches and oversee all office operations, including lending
- Trainees, mostly younger employees, accepted
 - ⇒ After training, assigned to branch lending (sales) operations to put expertise to work



Profile of Bank (Lending Trends)

➤ Growth rates high during the December 1954 to November 1973 period (high economic growth period)

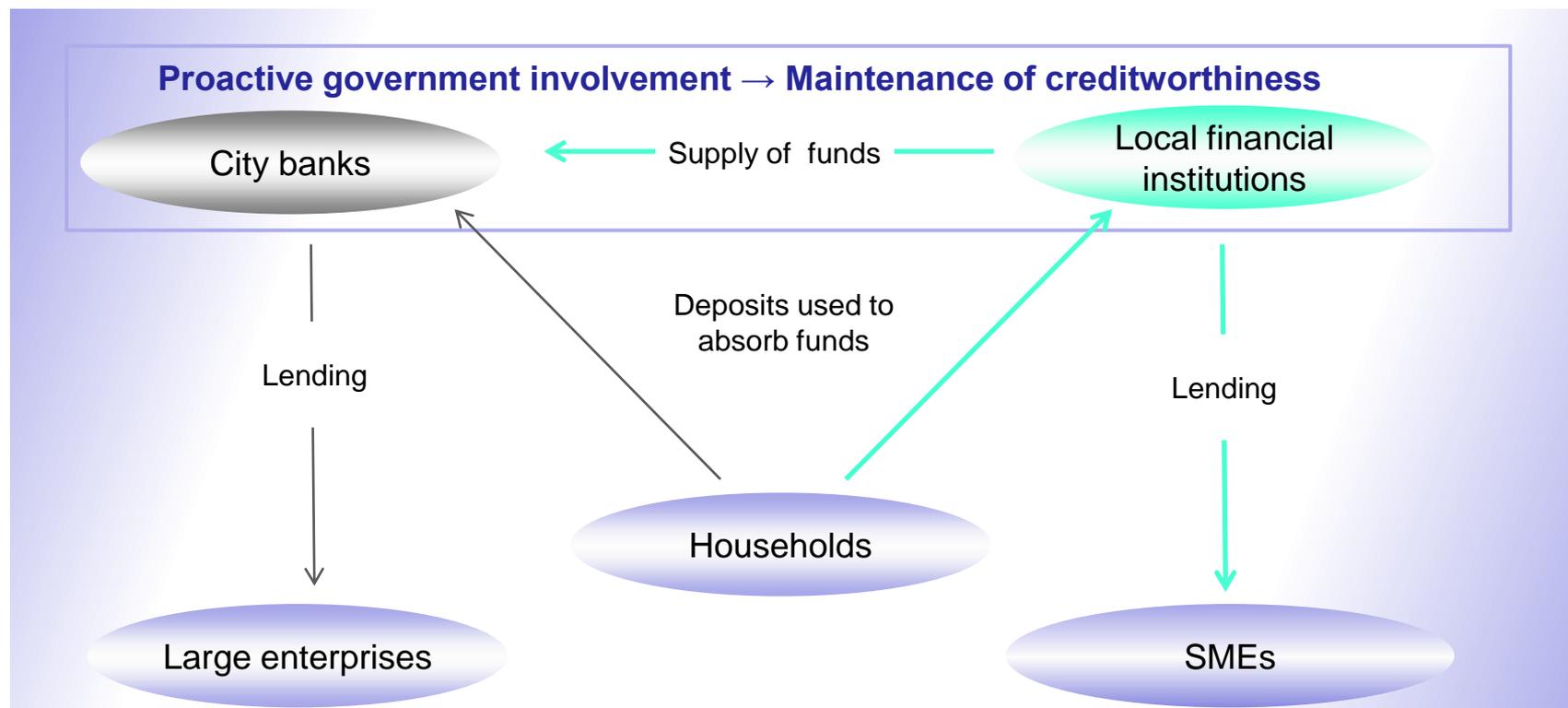
Lending Trends



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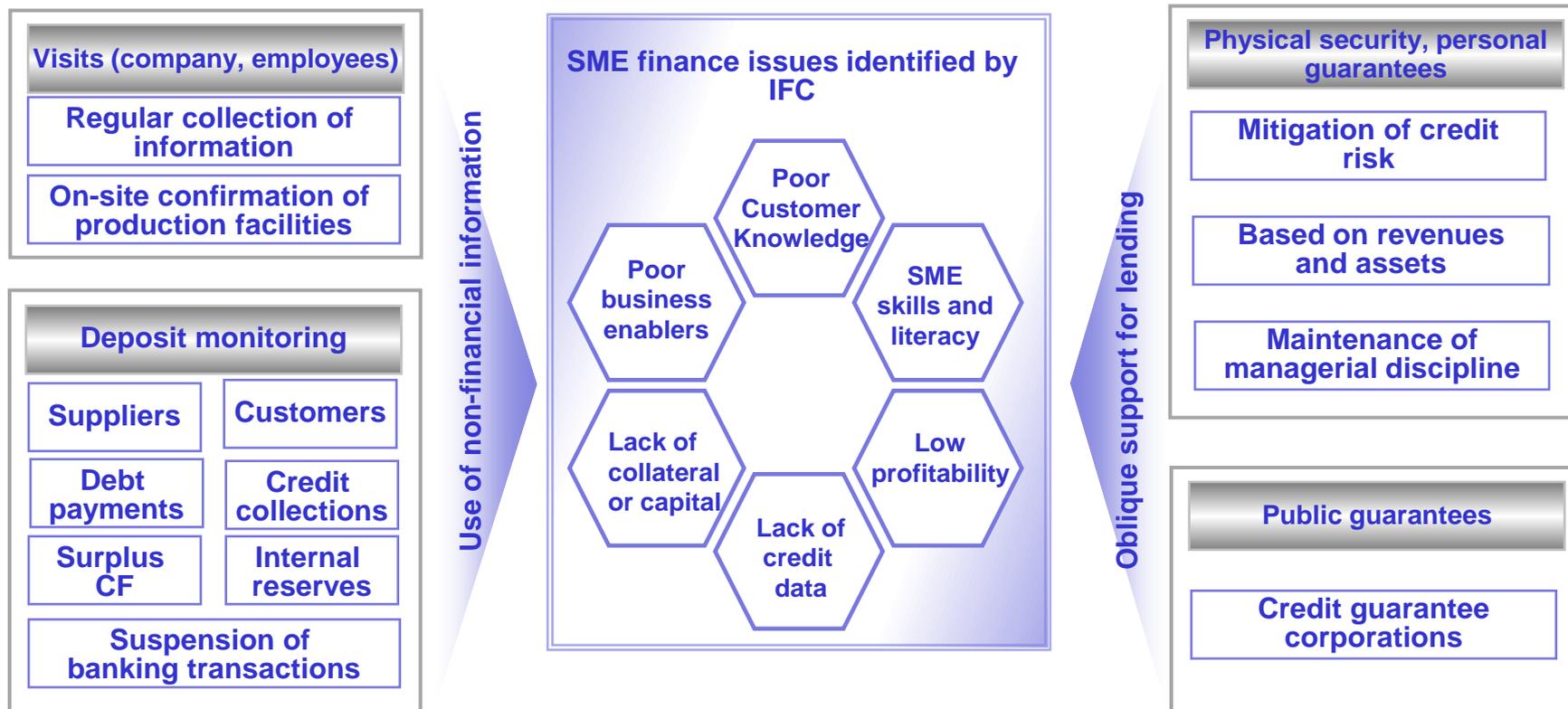
Overview of the High Economic Growth Period (December 1954 to November 1973)

- **Over-lending (loans greater than deposits)** by city banks and others serving large borrowers
 - ⇒ Government regulation of financial institutions gave high levels of creditworthiness and allowed creditworthiness to support deposit fundraising
- Local financial institutions used branch office networks to gather deposits
 - ⇒ **Funding supplied both to SMEs and to over-lent city banks**



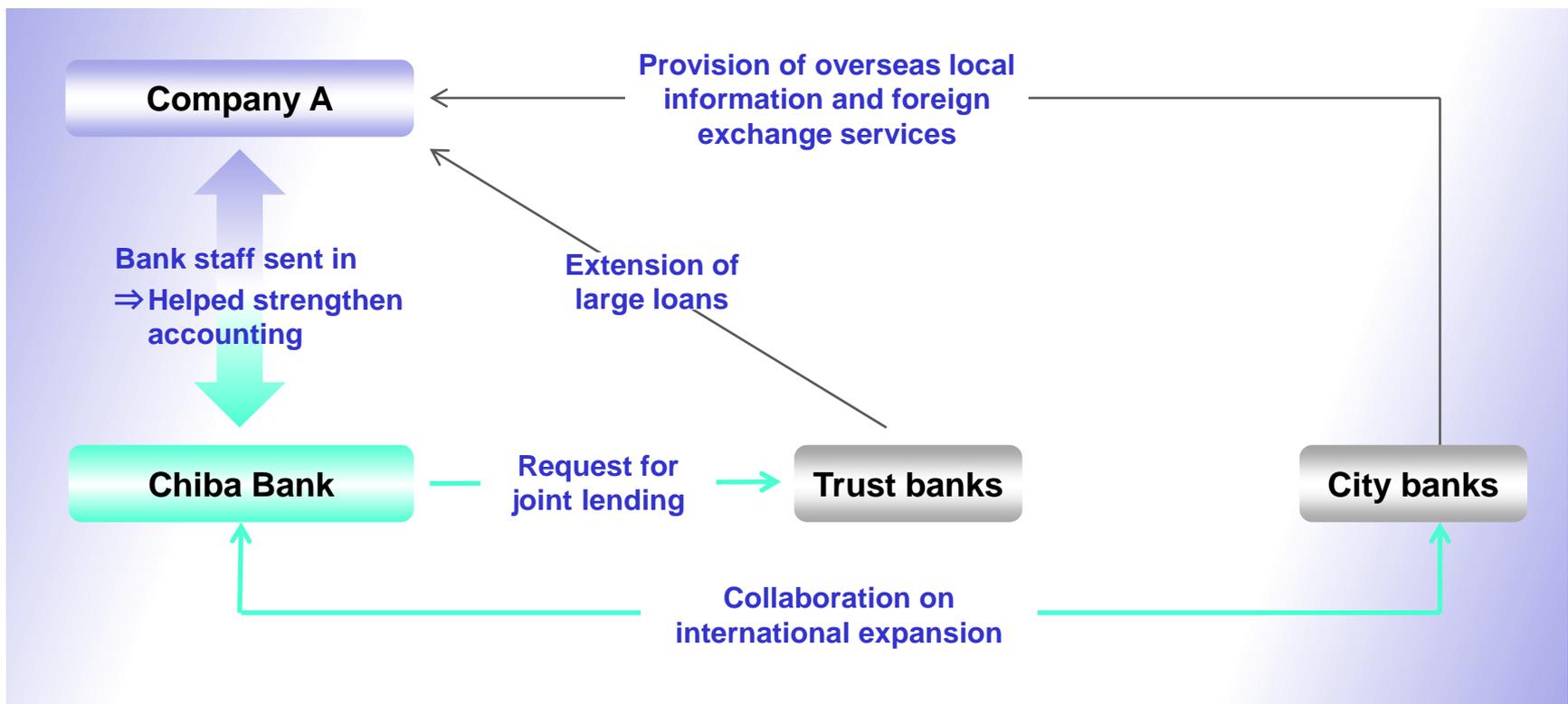
SME Finance in the High Economic Growth Period

- **Regular visits** to confirm status (production, etc.)
- **Deposit transactions monitored** to track operating balances
 - ⇒ Non-financial information collected to **accurately monitor borrower's business and comprehensively evaluate creditworthiness**
- Physical security, personal guarantees, and public guarantees used as necessary
 - ⇒ Active funding while mitigating credit risk



Company A (Located in Chiba)

- **Bank staff sent in** at the request of Company A (sent in the 1960s when Company A was a new SME)
- Seconded staff strengthened accounting, and visits and other activities enabled the bank to **monitor Company A's status and potential**
- **Joint lending with trust banks** for major capital investments
- **Collaboration with city banks to provide local information and foreign exchange services** when Company A set up operations overseas



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1. Profile of Bank
 2. Lending Stance in the High Economic Growth Period
 3. **High Value-Added Services**

Initiatives for Growth Sectors

- Provision of high value-added services to sectors with high growth potential
 - ⇒ **Emphasis on business matching in trade fairs and provision of information in seminars**



Business Matching

[Fairs and seminars held last year (2011/4-2012/3)]

- Bank sponsored 2 fairs on its own (food, agriculture)
- Sponsored 4 in collaboration with major companies (2 with major retailers, 1 each with major housebuilder and major foods wholesaler)
- Participated in 2 fairs sponsored by industry organizations (both foods)
- Held 7 seminars on international expansion (3 in China)



"FOODEX JAPAN" (fair sponsored by industry organization)

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Notes:

- ◆ This document was created for the purpose of explaining the bank's ordinary business activities and does not in any way constitute a promise or undertaking to execute any transaction at the current point in time.
- ◆ The bank in no way guarantees the accuracy or completeness of the content of this document, and this document has no legally binding force with respect to the bank.