



2021  
**Annual Report**  
Year Ended March 31, 2021

The Keiyo Bank, Ltd.

# Into the future with solid ties



**Toshiyuki Kumagai**  
President

Please accept my sincere gratitude for your continued patronage and support for the Keiyo Bank.

I would like to offer my heartfelt sympathy to everyone who has been infected with the COVID-19 virus, to the families of the afflicted, and to everyone who has been impacted by the pandemic.

We would like to present our 2021 Keiyo Bank Annual Report, I hope that in viewing it, you will gain a deeper understanding of the Keiyo Bank.

Regional financial institutions currently find themselves in a continued harsh business environment characterized by declining capital management yields due to prolongation of low-interest policies, and by immediate fears of worsening business performance due to the COVID-19 pandemic. Moreover, the issues and needs faced by our customers are becoming more diverse and sophisticated year by year against the background of a declining birthrate and aging population, a decrease in population, changes in lifestyle and advancement of digital technology.

This is the environment in which the Keiyo Bank Group initiated our 19th three-year medium-term business plan 'α ACTION PLAN 2024 - "Further Advancements"' in April of this year. As we advance our ongoing efforts to new stages, we are steadily implementing our basic strategies of strengthening solution-based business operations, improving productivity while developing human resources, and bolstering our management foundation introduced in this plan. In doing so, we will create a virtuous cycle of growth together with our regional customers.

In addition, we will engage in management that is mindful of enriching the environment, society and governance (ESG) and of the Sustainable Development Goals (SDGs) declared by the United Nations. The executives of Keiyo Bank Group will all pull together to meet the expectations of all of our stakeholders. We earnestly ask for your continued support in these efforts.

July 2021

## Corporate Profile



Date of foundation  
March 31, 1943



Employees  
1,997 people



Business locations  
122 locations

Name: The Keiyo Bank, Ltd.

Capital: JPY49.7 billion

Headquarters:

11-11, Fujimi 1-chome, Chuo-ku, Chiba City, Chiba, Japan

Chibaminato Headquarters:

5-45 Chiba-minato, Chuo-ku, Chiba City, Chiba, Japan

Total assets: JPY5,547.3 billion

Deposits: JPY4,929.7 billion

Loans: JPY3,875.6 billion

Capital adequacy ratio:

11.25% (unconsolidated)

11.29% (consolidated) (Domestic standards)

Chiba Prefecture: 118 locations  
(Including 2 sub-branch offices)

Tokyo metropolitan area:  
3 locations

Online: 1 location

Total: 122 locations

(As of March 31, 2021)

## Board of Directors and Corporate Auditors



President  
(Representative Director)  
Toshiyuki Kumagai

### Director

#### Director Senior Managing Executive Officer

Satoru Akiyama

#### Director Managing Executive Officer

Tatsushi Ichikawa

Kazuo Fujisaki

Seiji Sato

#### Director (Outside Director)

Yasushi Saito

Katsusada Akiyama

Hiroshi Uchimura

Tomoko Tobe

### Executive Officer

#### Managing Executive Officer

Katsuya Taniai

Hiromi Kosaka



Vice President  
(Representative Director)  
Kiyoshi Hashimoto

### Executive Officer

#### Executive Officer

Minoru Yoshida

Tomoyuki Kunii

Yasuhiko Suba

Hideaki Ushikawa

Go Fujita

Satoko Watanabe

Seiichiro Matsuki

Shiro Yamazaki

### Corporate Auditor

#### Standing Corporate Auditor

Koichi Takahashi

Kazuhiro Hieda

#### Corporate Auditor (Outside Corporate Auditor)

Isao Ono

Tsutomu Hanada

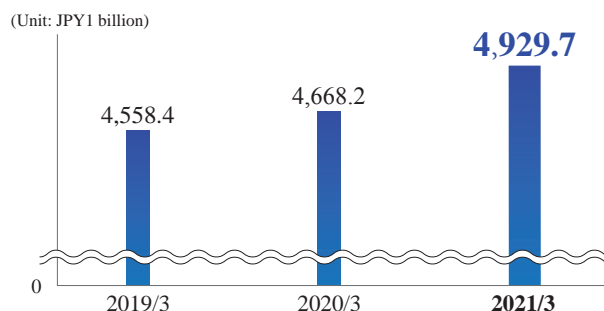
Jun-ichi Iwahara

## Summary of Performance Results (non-consolidated)

### Balance of deposits

**JPY4,929.7 billion**

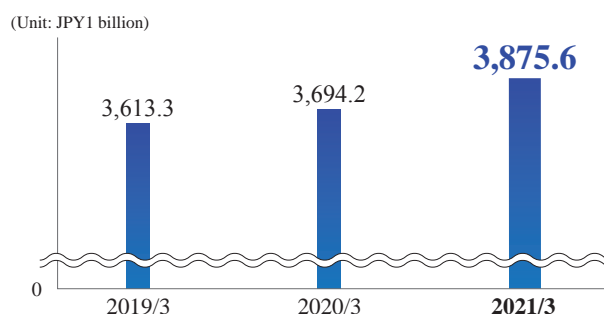
(Annual increase of JPY261.4 billion)



### Balance of loans

**JPY3,875.6 billion**

(Annual increase of JPY181.4 billion)



### Ordinary profit

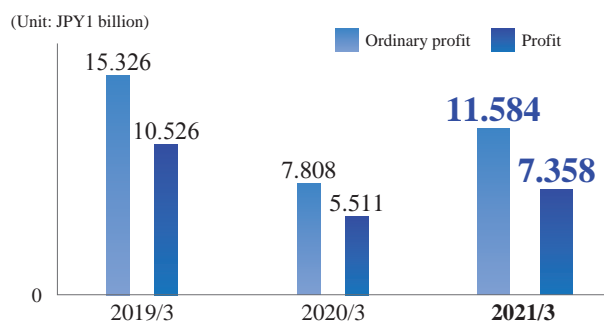
**JPY11.5 billion**

(Annual increase of JPY3.776 billion)

### Profit

**JPY7.3 billion**

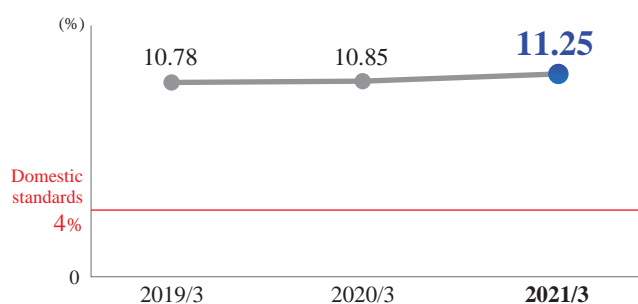
(Annual increase of JPY1.846 billion)



### Capital adequacy ratio

**11.25%**

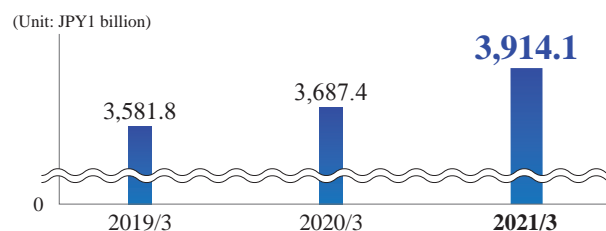
(Annual increase of 0.4%)



## Individual deposit balance

**JPY3,914.1 billion**

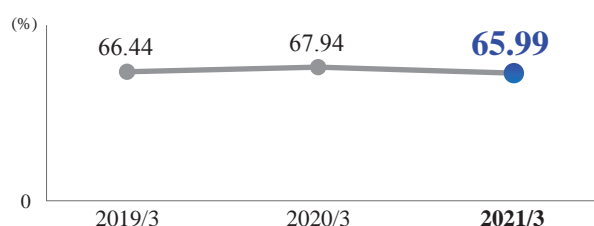
(Annual increase of JPY226.7 billion)



## OHR

**65.99%**

(Annual decrease of 1.94%)

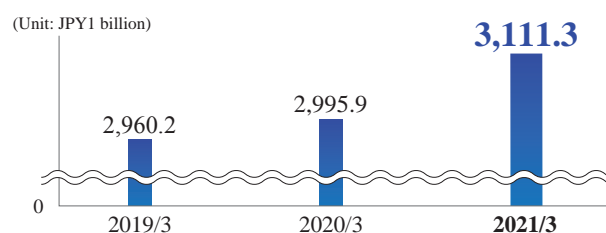


※Indicates that the smaller the figure, the higher the efficiency.

## Balance of loans to small and medium-sized companies, etc.

**JPY3,111.3 billion**

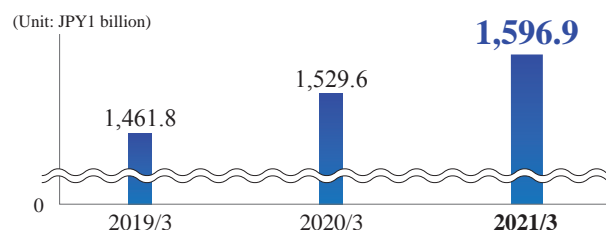
(Annual increase of JPY115.3 billion)



## Balance of housing loans

**JPY1,596.9 billion**

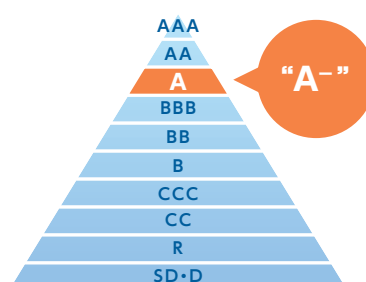
(Annual increase of JPY67.3 billion)



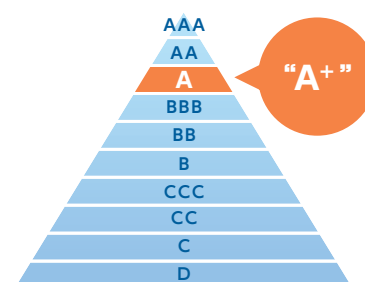
## Credit rating

The credit rating (long-term obligor rating) for the Keiyo Bank given by S&P Global Ratings, one of the world's top three credit-rating companies, was "A-" as of June 30, 2021. The credit rating (long-term obligor rating) by Japan Credit Rating Agency remained "A+" as of June 30, 2021. Both rating companies gave high ranking appraisals to the Keiyo Bank.

(S&P Global Ratings)



(Japan Credit Rating Agency, Ltd.)



(As of June 30, 2021)

## Consolidated Balance Sheets

	Unit: JPY million		Unit: Thousands of U.S. dollars
	FY2019	FY2020	FY2020 ※Note
<b>Assets</b>			
Cash and due from banks	¥ 250,132	¥ 514,412	\$ 4,646,481
Trading account securities	3,931	3,656	33,023
Money trust	—	2,954	26,682
Securities	933,367	1,047,334	9,460,157
Loans and bills discounted	3,694,413	3,875,818	35,008,743
Foreign exchanges	3,498	7,739	69,903
Other assets	39,748	41,022	370,535
Tangible fixed assets	61,313	59,477	537,232
Buildings, net	25,388	23,642	213,548
Land	31,059	30,806	278,258
Construction in progress	134	583	5,266
Other tangible fixed assets	4,731	4,444	40,140
Intangible fixed assets	6,222	7,886	71,231
Software	1,966	2,160	19,510
Software in progress	4,056	5,557	50,194
Other intangible fixed assets	199	168	1,517
Assets related to retirement benefits	—	1,970	17,794
Deferred tax assets	6,809	3,197	28,877
Customers' liabilities for acceptances and guarantees	3,940	3,203	28,931
Allowance for loan losses	(12,635)	(15,643)	(141,297)
<b>Total assets</b>	<b>4,994,723</b>	<b>5,553,028</b>	<b>50,158,323</b>
<b>Liabilities</b>			
Deposits	¥ 4,665,243	¥ 4,926,199	\$ 44,496,423
Negotiable certificates of deposit	17,000	85,874	775,666
Borrowed funds	—	216,600	1,956,462
Foreign exchanges	135	165	1,490
Other liabilities	15,242	14,569	131,596
Provision for bonuses	1,307	1,314	11,868
Provision for bonuses for directors (and other officers)	61	60	542
Retirement benefit liability	2,507	284	2,565
Provision for retirement benefits for directors (and other officers)	2	5	45
Provision for loss on interest repayment	5	2	18
Provision for reimbursement of deposits	799	589	5,320
Provision for contingent loss	1,165	1,023	9,240
Deferred tax liabilities	363	515	4,651
Deferred tax liabilities for land revaluation	4,639	4,570	41,279
Acceptances and guarantees	3,940	3,203	28,931
<b>Total liabilities</b>	<b>4,712,416</b>	<b>5,254,977</b>	<b>47,466,145</b>
<b>Net assets</b>			
Share capital	¥ 49,759	¥ 49,759	\$ 449,453
Capital surplus	39,704	39,704	358,630
Retained earnings	171,957	177,123	1,599,882
Treasury shares	(8,432)	(8,301)	(74,979)
<b>Total shareholders' equity</b>	<b>252,989</b>	<b>258,286</b>	<b>2,332,996</b>
Valuation difference on available-for-sale securities	20,065	27,015	244,015
Revaluation reserve for land	7,198	7,040	63,589
Remeasurements of defined benefit plans	(2,744)	451	4,073
<b>Total accumulated other comprehensive income</b>	<b>24,519</b>	<b>34,507</b>	<b>311,688</b>
Share acquisition rights	346	312	2,818
Non-controlling interests	4,451	4,944	44,657
<b>Total net assets</b>	<b>282,306</b>	<b>298,051</b>	<b>2,692,177</b>
<b>Total liabilities and net assets</b>	<b>4,994,723</b>	<b>5,553,028</b>	<b>50,158,323</b>

## Summary of Performance Results (consolidated)

	Unit: JPY million		Unit: Thousands of U.S. dollars
	FY2019	FY2020	FY2020 ※Note
<b>Trends in key indexes</b>			
Ordinary income	¥ 68,081	¥ 62,957	\$ 568,665
Ordinary profit	8,182	11,987	108,273
Profit attributable to owners of parent	5,564	7,383	66,687
Comprehensive income	(8,875)	18,026	162,821
Total net assets	282,306	298,051	2,692,177
Total assets	4,994,723	5,553,028	50,158,323
Capital adequacy ratio (Based on standards for a domestically-operating bank)	10.83%	11.29%	—

※Note: U.S. dollar amounts are shown solely for the purpose of convenience and calculated at the conversion rate of JPY 110.71 to USD 1.00, the exchange rate prevailing on March 31, 2021.

# Consolidated Statements of (comprehensive) Income

	Unit: JPY million		Unit: Thousands of U.S. dollars
	FY2019	FY2020	FY2020 ※Note
<b>Consolidated Profit-loss Statement</b>			
<b>Ordinary income</b>	<b>¥ 68,081</b>	<b>¥ 62,957</b>	<b>\$ 568,665</b>
Interest income	47,930	47,810	431,849
Interest on loans and discounts	36,557	36,097	326,050
Interest and dividends on securities	10,818	11,151	100,722
Interest on call loans and bills bought	87	(3)	(27)
Interest on deposits with banks	466	564	5,094
Other interest income	0	0	0
Fees and commissions	10,849	11,648	105,211
Other ordinary income	1,801	988	8,924
Other income	7,499	2,510	22,671
Recoveries of written off receivables	3	2	18
Other	7,496	2,508	22,653
<b>Ordinary expenses</b>	<b>¥ 59,899</b>	<b>¥ 50,970</b>	<b>\$ 460,392</b>
Interest expenses	778	753	6,801
Interest on deposits	454	323	2,917
Interest on negotiable certificates of deposit	2	2	18
Interest on call money and bills sold	(12)	(5)	(45)
Interest on payables under securities lending transactions	334	433	3,911
Interest on borrowings and rediscounts	0	0	0
Fees and commissions payments	4,447	4,377	39,535
Other ordinary expenses	471	2,201	19,880
General and administrative expenses	37,067	36,647	331,018
Other expenses	17,134	6,991	63,147
Provision of allowance for loan losses	13,188	4,173	37,693
Other	3,945	2,817	25,444
<b>Ordinary profit</b>	<b>¥ 8,182</b>	<b>¥ 11,987</b>	<b>\$ 108,273</b>
Extraordinary income	235	95	858
Gain on disposal of non-current assets	235	95	858
Extraordinary losses	329	1,217	10,992
Loss on disposal of non-current assets	127	229	2,068
Impairment loss	202	987	8,915
<b>Profit before income taxes</b>	<b>¥ 8,087</b>	<b>¥ 10,866</b>	<b>\$ 98,148</b>
Income taxes - current	5,514	4,124	37,250
Income taxes - deferred	(3,198)	(878)	(7,930)
<b>Total income taxes</b>	<b>¥ 2,316</b>	<b>¥ 3,246</b>	<b>\$ 29,319</b>
<b>Profit</b>	<b>¥ 5,771</b>	<b>¥ 7,620</b>	<b>\$ 68,828</b>
<b>Profit attributable to non-controlling interests</b>	<b>¥ 206</b>	<b>¥ 236</b>	<b>\$ 2,131</b>
<b>Profit attributable to owners of parent</b>	<b>¥ 5,564</b>	<b>¥ 7,383</b>	<b>\$ 66,687</b>

※Note: U.S.dollar amounts are shown solely for the purpose of convenience and calculated at the conversion rate of JPY110.71 to USD1.00, the exchange rate prevailing on March 31, 2021.

# Consolidated Statements of Comprehensive Income

	Unit: JPY million		Unit: Thousands of U.S. dollars
	FY2019	FY2020	FY2020 ※Note
<b>Consolidated Comprehensive Profit Statement</b>			
Profit	¥ 5,771	¥ 7,620	\$ 68,828
Other comprehensive income	(14,646)	10,406	93,993
Valuation difference on available-for-sale securities	(13,558)	7,198	65,016
Remeasurements of defined benefit plans, net of tax	(1,088)	3,207	28,967
<b>Comprehensive income</b>	<b>(8,875)</b>	<b>18,026</b>	<b>162,821</b>
Comprehensive income attributable to:			
Owners of parent	(9,093)	17,529	158,332
Non-controlling interests	217	497	4,489

※Note: U.S.dollar amounts are shown solely for the purpose of convenience and calculated at the conversion rate of JPY110.71 to USD1.00, the exchange rate prevailing on March 31, 2021.

## **The Keiyo Bank, Ltd.**

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