

The Yamanashi Chuo Bank, Ltd. The 33rd Analyst Meeting

Supplementary Materials

December 6, 2017 (Wed)

Supplementary Materials

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The reader is advised that these materials contain forward-looking statements. These statements do not constitute guarantees of future business performance, and they involve various risks and unforeseeable future circumstances.
The Bank's future business performance may be affected by changes in the business environment that are beyond the prediction or control of the Bank, and actual results may therefore differ substantially from the figures contained in the said forward-looking statements.

FY17 1st Half Business Results (1)

(¥ billion, %)

		FY15 1H	FY16 1H	FY17 1H	YoY change (FY16 1H)		YoY change (FY17 1H)	
					Amount	Percentage	Amount	Percentage
Average balance	Fund operations	3,023.7	3,048.5	3,119.8	24.7	0.81	71.3	2.34
	Loans	1,454.2	1,490.0	1,509.3	35.7	2.46	19.3	1.29
	Securities	1,443.9	1,312.2	1,135.0	(131.7)	(9.12)	(177.1)	(13.50)
	Call loans	27.9	39.4	308.0	11.4	40.83	268.6	681.93
	Due from banks (interest-bearing)	86.2	193.3	154.2	107.0	124.11	(39.0)	(20.21)
	Fund procurement	2,905.5	2,951.4	3,035.4	45.9	1.58	83.9	2.84
	Deposits	2,848.4	2,856.1	2,923.0	7.6	0.26	66.9	2.34
	Call money	0.2	—	—	(0.2)	(100.00)	—	—
(Reference) Money held in trust		—	—	—	—	—	—	—

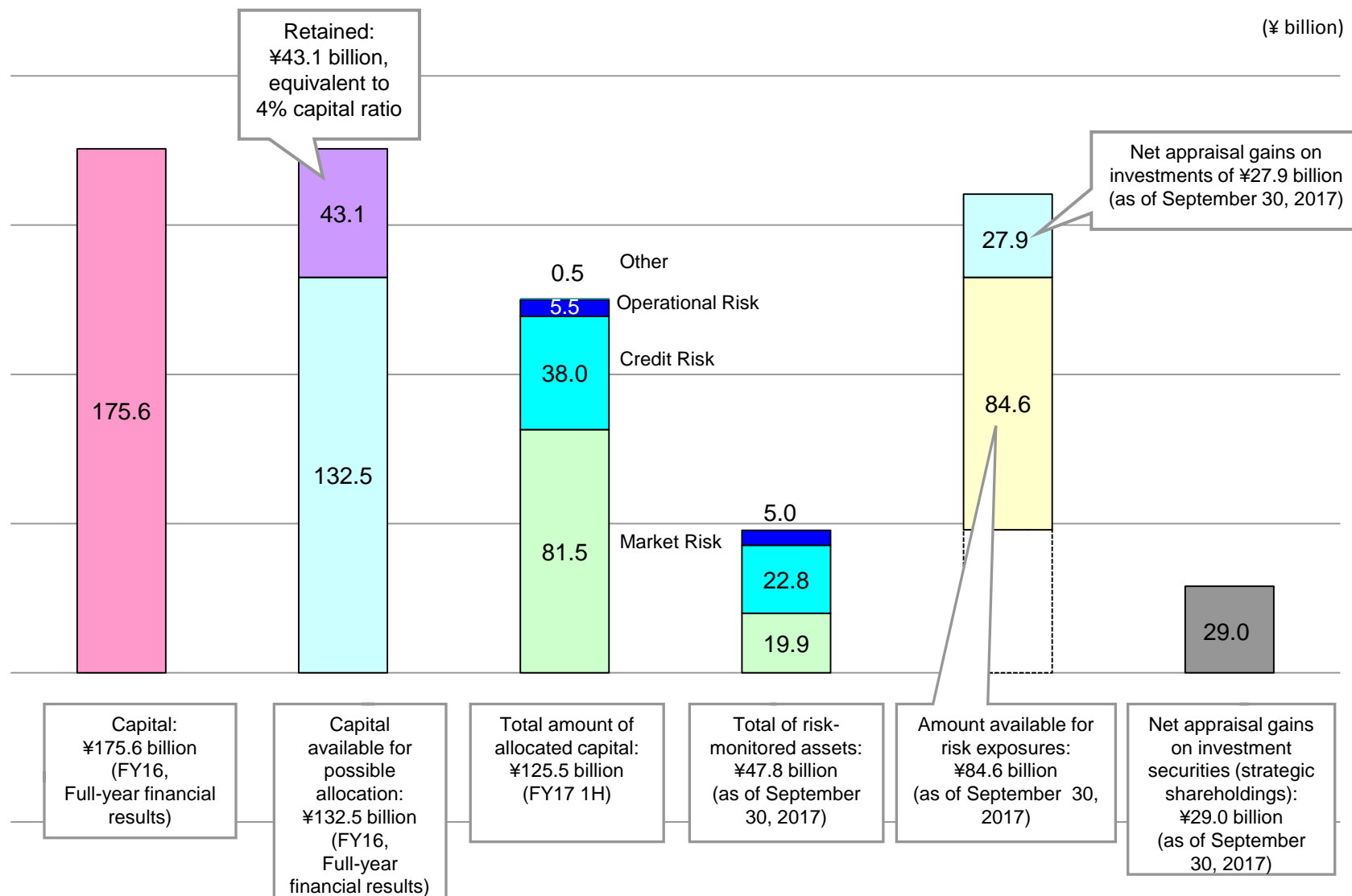
Yields / Interest margin	Fund operations	1.17	1.14	1.00	(0.03)		(0.14)	
	Loans	1.25	1.13	1.05	(0.12)		(0.08)	
	Securities	1.18	1.34	1.32	0.16		(0.02)	
	Call loans	0.14	0.42	0.08	0.28		(0.34)	
	Due from banks	0.10	(0.01)	(0.00)	(0.11)		0.01	
	Fund procurement	0.06	0.06	0.07	0.00		0.01	
	Deposits	0.05	0.04	0.01	(0.01)		(0.03)	
	Call money	0.56	—	—	(0.56)		—	
	Borrowings	0.14	0.30	0.98	0.16		0.68	
	Cost ratio	0.98	0.96	0.93	(0.02)		(0.03)	
	Fund procurement cost	1.02	0.99	0.97	(0.03)		(0.02)	
	Loan / deposit interest margin	1.20	1.09	1.04	(0.11)		(0.05)	
	Fund operation / procurement interest margin	1.11	1.08	0.93	(0.03)		(0.15)	
	Loans/deposit margin	0.21	0.13	0.10	(0.08)		(0.03)	
	Gross interest margin on funds under management	0.15	0.15	0.03	0.00		(0.12)	

FY17 1st Half Business Results (2)

(¥ billion, %)

		FY15 1H	FY16 1H	FY17 1H	YoY change (FY16 1H)		YoY change (FY17 1H)	
					Amount	Percentage	Amount	Percentage
Profits and losses	Interest income	16.9	16.5	14.6	(0.3)	(2.33)	(1.8)	(11.46)
	Loans	9.1	8.4	7.9	(0.6)	(7.49)	(0.5)	(6.10)
	Securities	8.5	8.8	7.5	0.3	3.65	(1.3)	(14.68)
	Call loans	0.0	0.0	0.1	0.0	315.00	0.0	65.06
	Due from banks	0.0	(0.0)	(0.0)	(0.0)	(129.54)	0.0	76.92
	Fees and commissions	2.2	2.0	2.2	(0.2)	(12.08)	0.1	9.87
	Other operating income	(0.0)	2.9	(0.3)	2.9	6,106.12	(3.2)	(111.41)
	JGBs and other bond transactions	0.0	3.8	0.2	3.7	13,542.85	(3.6)	(94.52)
	General provision to loan loss reserve	—	—	—	—	—	—	—
	Expenses	14.0	13.7	13.7	(0.3)	(2.39)	(0.0)	(0.42)
	Net business profit	5.0	7.7	2.8	2.6	52.57	(4.9)	(63.69)
	Modified banking profit	5.0	7.7	2.8	2.6	52.57	(4.9)	(63.69)
	Net business profit on core operations	5.0	3.8	2.5	(1.1)	(22.50)	(1.3)	(33.52)
	Non-operating income (losses)	4.4	(0.5)	0.2	(5.0)	(111.65)	0.7	151.91
	Gains on reversal of provision to loan loss reserve	0.3	0.0	0.7	(0.3)	(94.83)	0.7	3,645.00
	Equity share and similar transactions	4.0	0.9	3.8	(3.0)	(75.47)	2.8	293.08
	Loss on dissolution of investment trusts	—	1.1	4.0	1.1	—	2.8	241.37
	Reversal of loan loss reserve	0.0	0.0	0.0	(0.0)	(8.33)	(0.0)	(100.00)
	Ordinary profits	9.5	7.1	3.0	(2.3)	(24.57)	(4.1)	(57.28)
	Extraordinary income (losses)	(0.1)	(0.0)	(0.2)	0.1	78.68	(0.2)	(511.90)
	Income taxes - basic	2.5	2.0	0.0	(0.4)	(19.54)	(2.0)	(99.55)
	Income taxes - deferred	0.3	0.0	0.5	(0.2)	(80.25)	0.5	817.74
	Net income	6.5	5.0	2.2	(1.4)	(22.18)	(2.8)	(55.94)

(¥ billion)

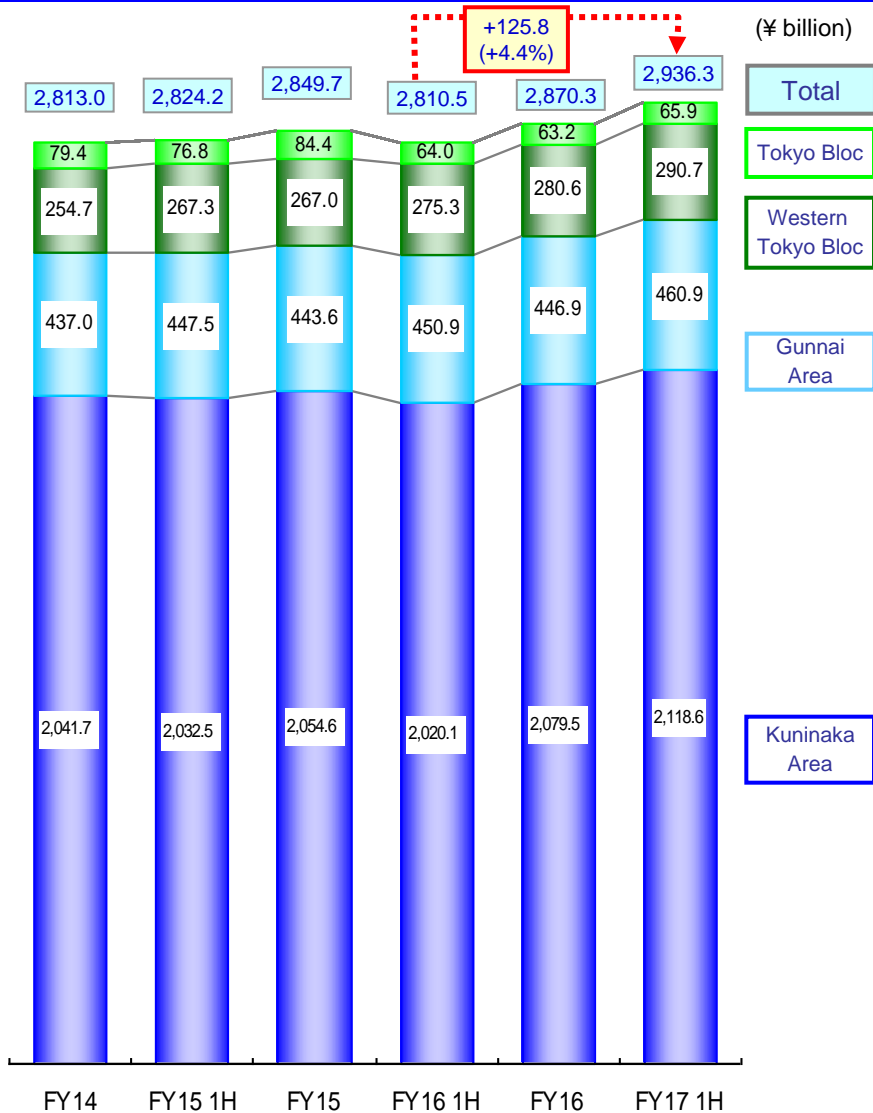


	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17 1H	Comparison with FY06
Regular employees	1,612	1,564	1,605	1,659	1,705	1,704	1,708	1,699	1,675	1,677	1,685	1,762	150
Fixed-term contract workers	581	716	760	789	776	736	714	691	672	678	711	725	144
Branches (including sub-branches)	91	91	92	91	91	91	90	90	90	91	91	*2 92	1
Ordinary type	45	42	43	42	42	42	43	41	41	42	42	42	(3)
Covering wide area/ full-range services	21	23	22	22	22	21	21	21	21	21	21	21	0
Covering wide area/designated for special functions *1	25	26	27	27	27	28	26	28	28	28	28	*2 29	4
Corporate Sales Office	0	0	0	0	1	2	1	1	1	0	0	0	0
Life Squares/Loan Squares	3	4	5	5	5	5	6	7	7	8	8	8	5
Off-branch ATMs	131	132	134	132	130	129	126	129	130	133	135	137	6

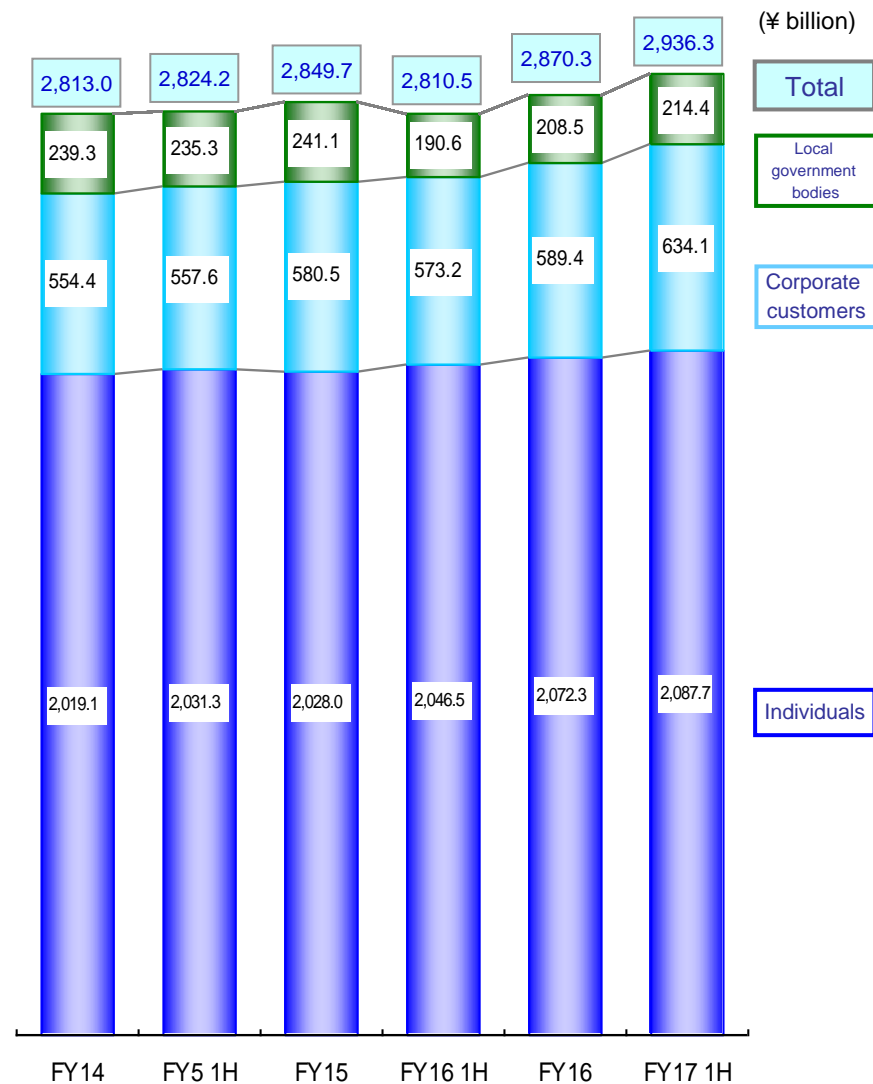
*1. Branches designated for special functions are the total of branches specialized in retailing and branches specialized in loans to individuals, and Internet branches (Fujisan Internet Branch).

*2. Chuo Ichiba Branch operates at the Kokubo Branch.

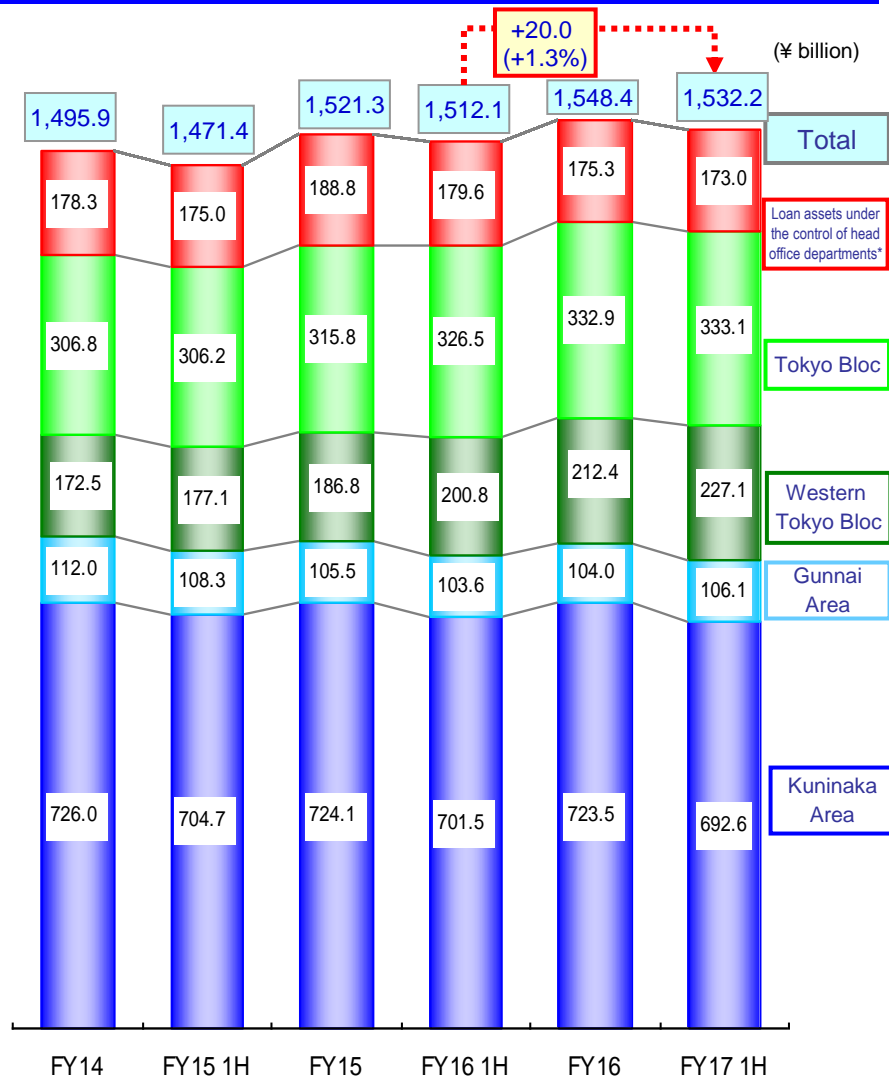
Balance of Deposits (term-end)



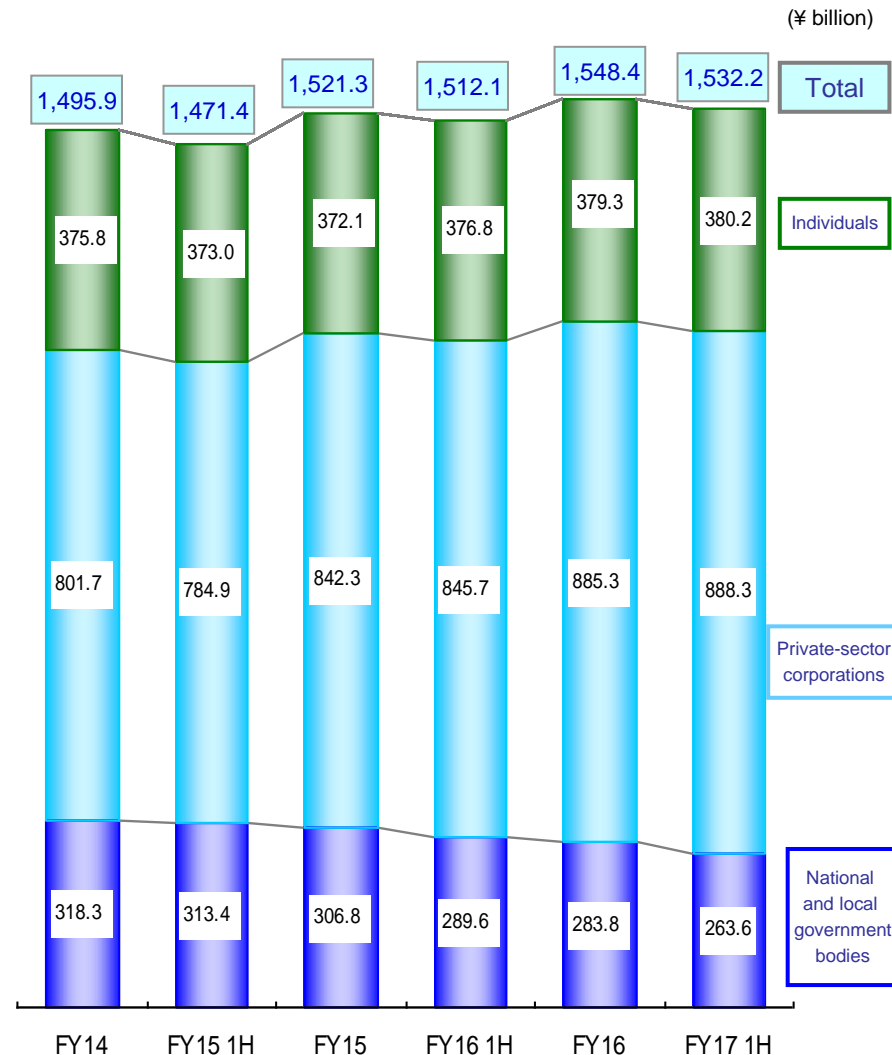
Balance by Customer Segment (term-end)



Balance of Loans (term-end)



Balance by Customer Segment (term-end)



*Note: Loan assets under the control of head office departments refers to loans to the Ministry of Finance, loans made under loan participation agreements and financial receivables transferred from other industries.

Loan Portfolio by Customer Industry

(¥ billion)

	FY16		FY17 1H		YoY change	
	Balance	Ratio to total	Balance	Ratio to total	Balance	Ratio to total
Manufacturing	149.9	9.7%	154.1	10.0%	4.2	0.3P
Agriculture, forestry	2.3	0.1%	2.6	0.2%	0.3	0.1P
Fishery	0.0	0.0%	0.0	0.0%	0.0	0.0P
Mining, quarrying and gravel digging	4.0	0.3%	4.0	0.2%	(0.0)	(0.1)P
Construction	40.4	2.6%	36.2	2.4%	(4.2)	(0.2)P
Utilities, heat provision	30.4	2.0%	31.6	2.1%	1.2	0.1P
Telecommunications	13.1	0.8%	13.3	0.9%	0.2	0.1P
Transportation, postal services	83.1	5.4%	82.8	5.4%	(0.3)	0.0P
Wholesaling, retailing	117.2	7.6%	110.9	7.2%	(6.2)	(0.4)P
Financing, insurance	69.9	4.5%	73.1	4.8%	3.1	0.3P
Real estate, equipment rental and leasing	238.6	15.4%	244.6	16.0%	5.9	0.6P
Miscellaneous services	135.9	8.8%	134.7	8.8%	(1.1)	0.0P
National and local government bodies	283.8	18.3%	263.6	17.2%	(20.1)	(1.1)P
Individuals and others	379.3	24.5%	380.2	24.8%	0.9	0.3P
Total lending	1,548.4	100.0%	1,532.2	100.0%	(16.2)	–

Balance of Loans by Customer Business Scale (term-end)

(¥ billion, %)

		Overall		Yamanashi Prefecture		Western Tokyo Bloc		Tokyo Bloc		Headquarters	
		FY16	FY17 1H	FY16	FY17 1H	FY16	FY17 1H	FY16	FY17 1H	FY16	FY17 1H
National and local government bodies	Balance	283.8	263.6	201.3	184.0	0.1	0.1	2.6	2.2	79.5	77.1
	Ratio to total	18.3%	17.2%	24.3%	23.0%	0.0%	0.0%	0.8%	0.7%	45.4%	44.6%
Large companies	Balance	320.0	316.2	27.2	27.4	8.9	9.6	252.0	250.5	31.8	28.5
	Ratio to total	20.7%	20.6%	3.3%	3.4%	4.2%	4.2%	75.7%	75.2%	18.1%	16.5%
Second-tier companies	Balance	26.2	27.2	12.5	14.0	5.4	5.3	8.2	7.8	0.0	0.0
	Ratio to total	1.7%	1.8%	1.5%	1.8%	2.5%	2.3%	2.5%	2.3%	0.0%	0.0%
SMEs	Balance	539.0	544.8	292.1	280.0	115.0	127.1	67.8	70.2	63.9	67.4
	Ratio to total	34.8%	35.6%	35.3%	35.1%	54.1%	56.0%	20.4%	21.1%	36.5%	39.0%
Other individuals	Balance	379.3	380.2	294.3	293.1	82.7	84.8	2.1	2.2	0.0	0.0
	Ratio to total	24.5%	24.8%	35.6%	36.7%	38.9%	37.3%	0.6%	0.7%	0.0%	0.0%
Total	Balance	1,548.4	1,532.2	827.6	798.8	212.4	227.1	332.9	333.1	175.3	173.0
	Ratio to total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Designated Financial Institution Contracts with Local Governments (FY17 1H)

	Prefecture	City	Town / Village	Total
Total number of local governments in Yamanashi Prefecture	1	13	14	28
Number of government bodies by which the Bank is designated	1	13	10	24

<Risk-Monitored Loans under the Banking Law>

The Bank has never implemented partial charge-offs.

(¥ billion)

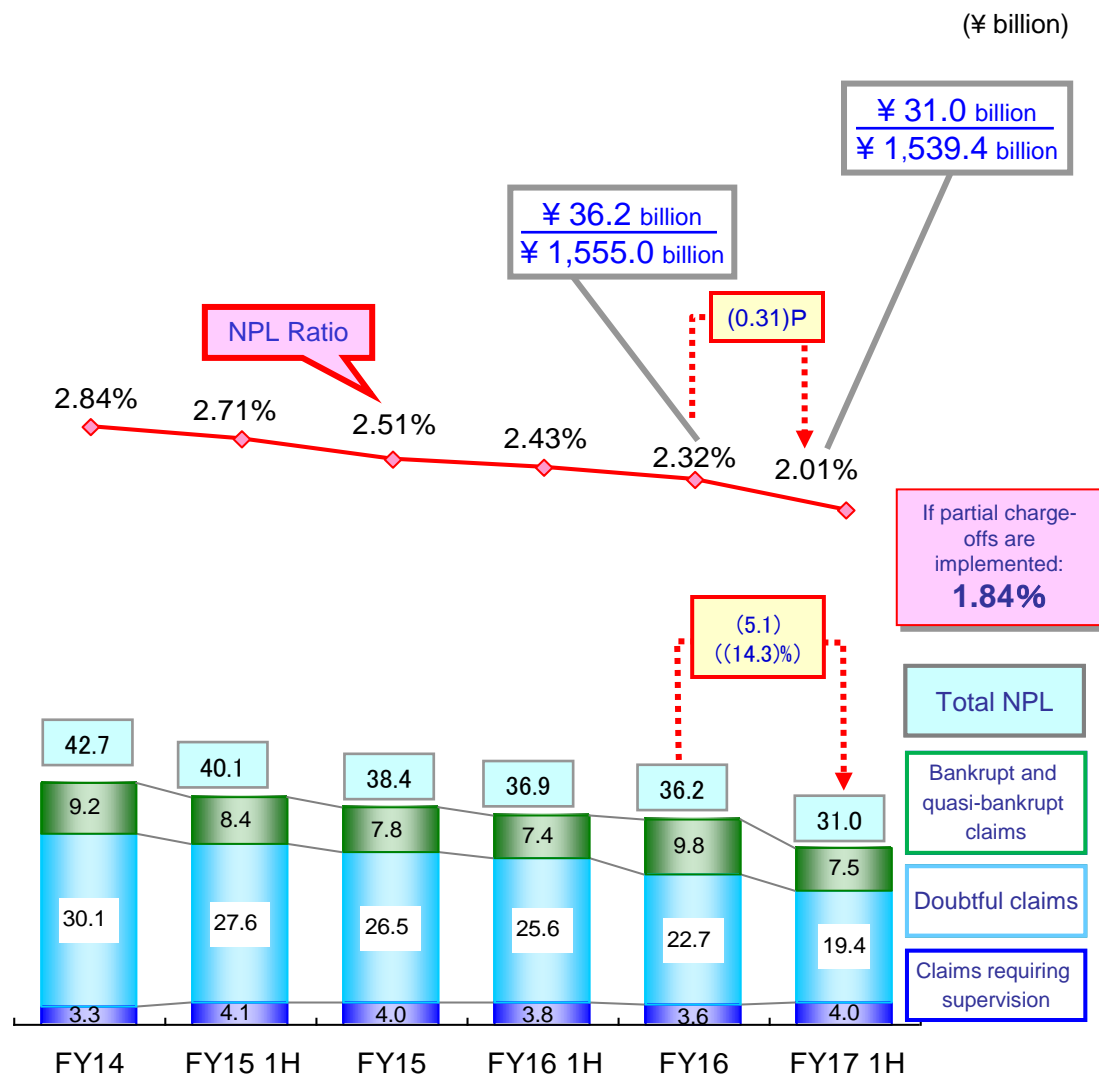
	FY16	FY17 1H	YoY change	FY17 1H (consolidated basis)
Loans to customers in bankruptcy	2.2	2.6	0.4	2.8
Past due loans	30.1	24.1	(6.0)	24.7
Accruing loans contractually past due three months or more	0.0	0.0	(0.0)	0.0
Restructured loans	3.5	4.0	0.4	4.0
Total risk-monitored loans (A)	36.0	30.9	(5.1)	31.5
As a percentage of total loans	(2.32%)	(2.01%)	((0.31)P)	(2.06%)
Portions covered by collateral and guarantees (B) (including specific reserves)	32.7	27.5	(5.2)	28.1
Coverage ratio B / A	90.87%	89.02%	(1.85)P	89.20%
Reserve for possible loan losses (non-specific) (C)	3.2	3.3	0.1	5.4
Coverage ratio (B + C) / A (including loan loss reserves)	99.87%	99.87%	0.00P	106.37%

* The following figures in the yellow column represent risk-monitored loan amounts (non-consolidated basis) on the assumption of implementation of partial charge-offs.

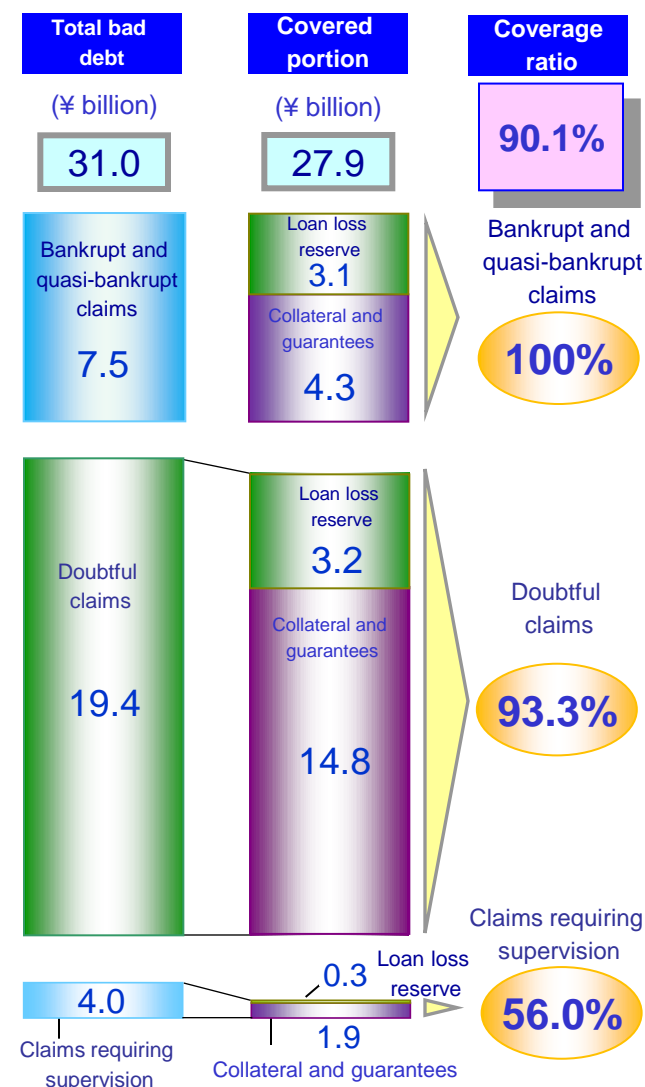
(¥ billion)

	FY16 Prior to partial charge-offs (1)	FY17 1H After partial charge-offs (2)	Decrease (2) - (1)
Loans to customers in bankruptcy	2.6	1.5	(1.1)
Past due loans	24.1	22.6	(1.5)
Accruing loans contractually past due three months or more	0.0	0.0	0.0
Restructured loans	4.0	4.0	0.0
Total risk-monitored loans	30.9	28.2	(2.6)
As a percentage of total loans	(2.01%)	(1.84%)	((0.17)P)

Bad Debt under the Financial Reconstruction Law





Coverage of Bad Debt under the Financial Reconstruction Law



Changes in Borrower Categories

(¥ billion)

Total claim basis* (under the Financial Reconstruction Law) From FY16 to FY17 1H			FY17 1H						Deterioration to potentially bankrupt or worse
			Normal borrower	Other requiring caution	Requiring supervision	Potentially bankrupt	Effectively bankrupt	Legally bankrupt	
FY16	Amount of newly occurred	—	20.1	2.6	—	0.0	0.0	—	
	Normal borrower	1,414.6	1,392.8	5.6	0.0	0.2	0.0	0.0	0.02%
	Other requiring caution	102.1	4.0	79.6	0.6	0.2	0.0	0.0	0.32%
	Requiring supervision	4.1	0.0	0.0	3.8	0.0	—	—	1.88%
	Potentially bankrupt	22.7	0.0	0.5	0.3	18.8	0.6	0.7	
	Effectively bankrupt	7.6	0.0	0.0	—	0.0	4.0	0.1	
	Legally bankrupt	2.2	—	—	—	0.0	—	1.8	
	Total	1,553.5	1,417.0	88.4	4.9	19.4	4.8	2.6	

 Deterioration
 Improvement

* Including loans, customers' liabilities for acceptances and guarantees, foreign exchanges, suspense payments and accrued interest.
Loans to national and local government bodies and claims outside scope of asset under self-assessment are included in "Normal borrower".

<Prior to Mark-to-Market Adjustment>

(¥ billion, %)

	FY14		FY15 1H		FY15		FY16 1H		FY16		FY17 1H		YoY change	
	Balance	Ratio to total	Balance	Ratio to total	Balance	Ratio to total	Balance	Ratio to total	Balance	Ratio to total	Balance	Ratio to total	Balance	Ratio to total
JGBs	774.2	54.6	696.1	49.3	592.4	41.4	464.5	37.9	381.9	32.1	345.9	31.2	(118.6)	(6.7)
Municipal bonds	225.4	15.9	219.1	15.5	227.3	15.9	191.3	15.6	162.1	13.6	162.6	14.7	(28.7)	(0.9)
Government guaranteed bonds	116.6	8.2	94.6	6.7	79.0	5.5	67.8	5.5	45.1	3.8	34.7	3.1	(33.1)	(2.4)
FILP Agency bonds	1.0	0.1	0.9	0.1	0.9	0.1	0.8	0.1	0.8	0.1	0.7	0.1	(0.1)	0.0
Financial debentures	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Corporate bonds	23.3	1.6	16.3	1.2	9.2	0.6	7.4	0.6	6.2	0.5	4.9	0.4	(2.5)	(0.2)
Equity shares	46.3	3.3	42.7	3.0	39.3	2.8	37.8	3.1	33.8	2.9	34.4	3.1	(3.4)	0.0
Strategic holdings	28.7	2.1	28.7	2.0	27.7	1.9	27.7	2.3	26.6	2.2	26.6	2.4	(1.1)	0.1
Portfolio investments	17.5	1.2	13.9	1.0	11.5	0.8	10.0	0.8	7.1	0.6	7.8	0.7	(2.2)	(0.1)
Foreign securities	79.1	5.6	121.5	8.6	216.8	15.2	179.7	14.7	205.3	17.3	120.1	10.8	(59.6)	(3.9)
Investment trusts, etc.	152.2	10.7	219.3	15.6	265.1	18.5	275.0	22.5	352.9	29.7	404.4	36.5	129.4	14.0
Total	1,418.4	100.0	1,410.9	100.0	1,430.4	100.0	1,224.7	100.0	1,188.4	100.0	1,108.0	100.0	(116.7)	

<Yields and Valuation Gains (Losses)>

Yields

(%)

	FY14	FY15 1H	FY15	FY16 1H	FY16	FY17 1H	YoY change (P)
Yen-denominated bonds	0.82	0.79	0.82	0.86	0.86	0.87	0.01
Equity shares	2.91	3.32	3.29	3.48	3.43	3.86	0.38
Investment trusts, etc.	3.35	2.61	2.66	2.36	1.68	1.53	(0.83)
Total of yen-denominated bonds	1.08	1.13	1.19	1.27	1.15	1.21	(0.06)
Foreign-currency-denominated bonds	1.92	1.82	1.72	1.72	1.95	2.03	0.31
Total	1.11	1.18	1.24	1.34	1.29	1.32	(0.02)

Valuation gains (losses)

(¥ million)

	FY14	FY15 1H	FY15	FY16 1H	FY16	FY17 1H	YoY change(P)
JGBs and other bond transactions	10	28	543	3,820	4,324	209	(3,611)
On bond gain on sale	95	555	1,474	3,886	5,149	340	(3,546)
On bond sale loss	85	526	930	65	825	131	66
On bond amortization	—	—	—	—	—	—	—
Stock and other related income	1,032	4,008	5,219	983	4,541	3,864	2,881
Gains on sales of stocks and other securities	1,188	4,334	5,545	1,086	4,644	3,864	2,778
Shares loss on sale	79	321	321	100	100	—	(100)
Shares amortization	76	3	3	1	1	—	(1)
Total	1,042	4,036	5,763	4,804	8,866	4,074	(730)

(¥ million)

<One-Month Results (September 2017)>

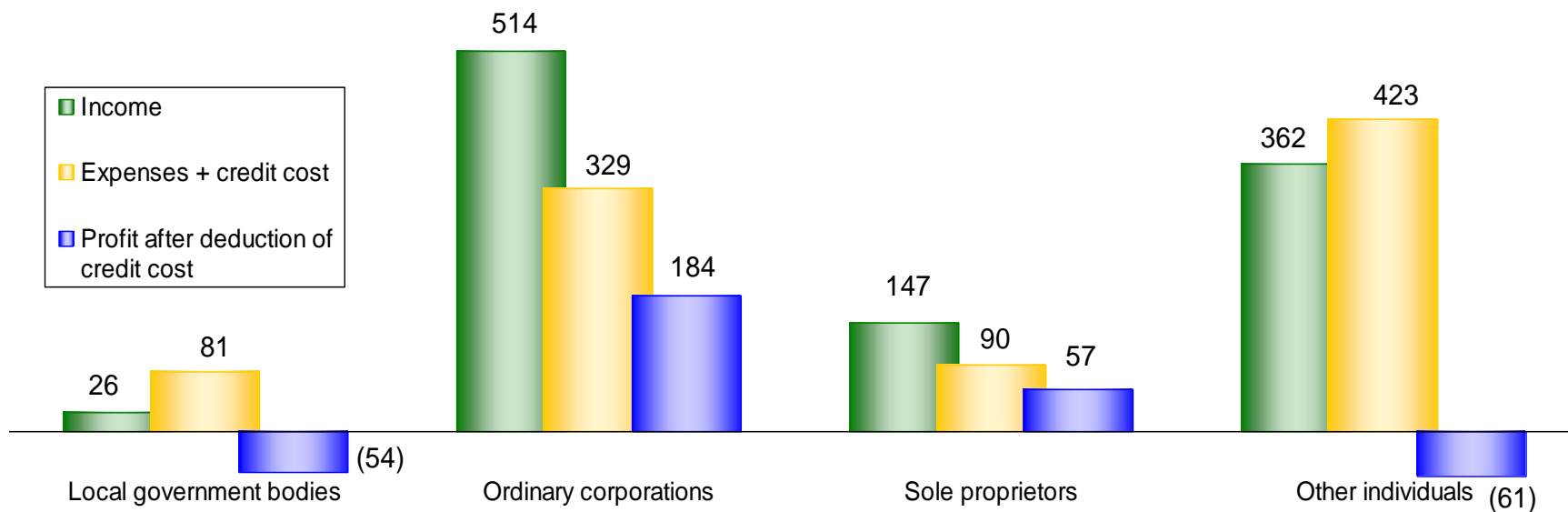
Assumptions

< Scope >

Outstanding borrowers (excluding loans to and claims on the Ministry of Finance)

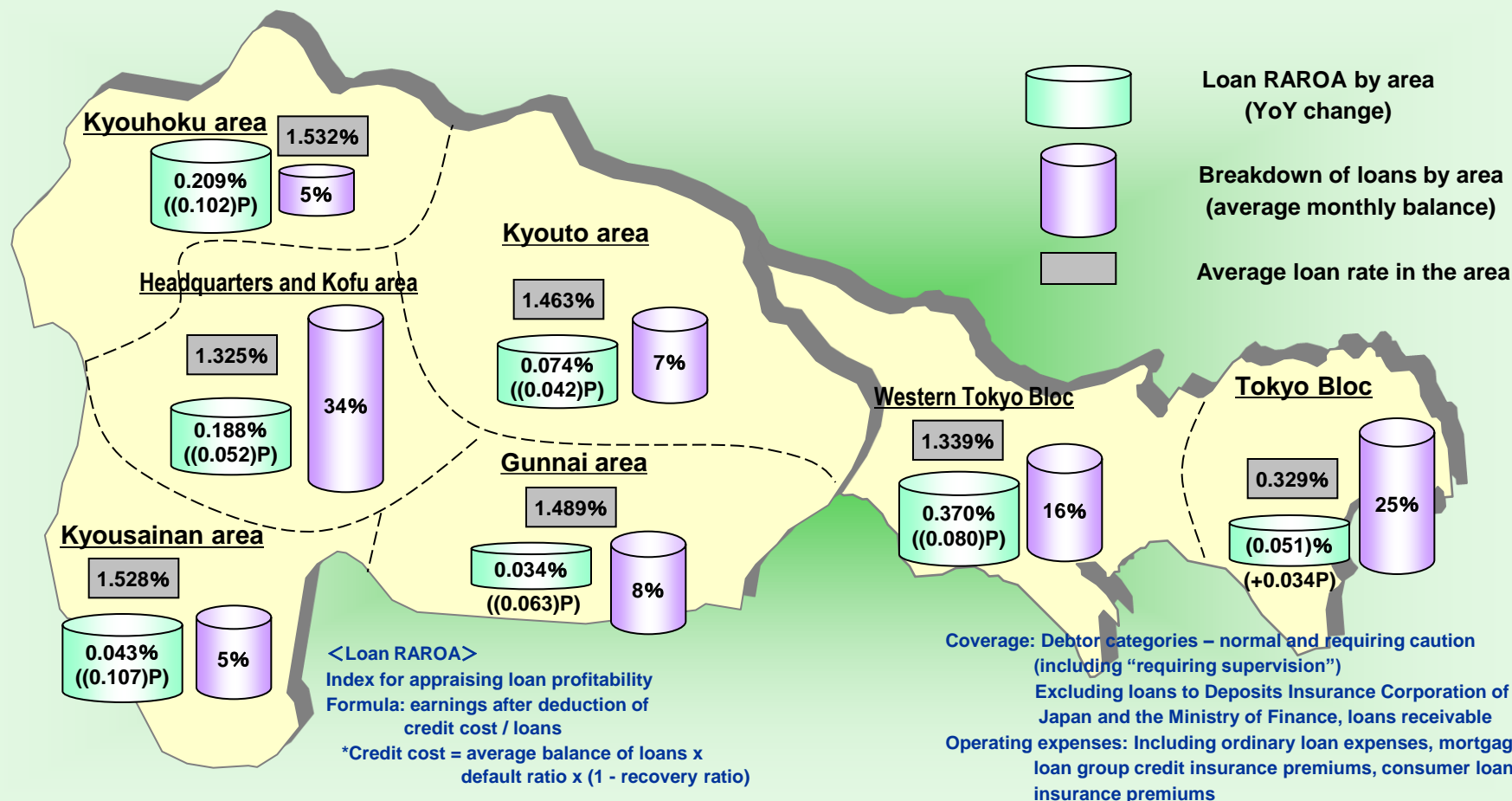
< Calculation period >

September 2017 was used for the calculation of profitability of loans by borrower category.



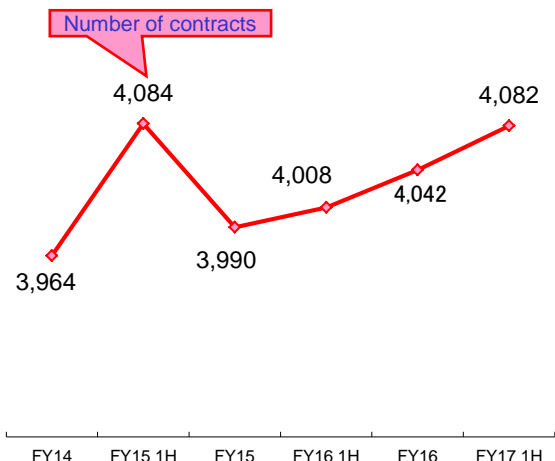
Loan RAROA for all areas: 0.131% ((0.039) P YoY change)

<One-Month Results
(September 2017)>

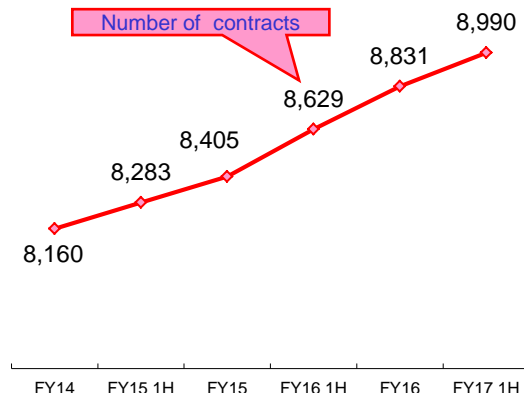


Corporate Promotion Item Results

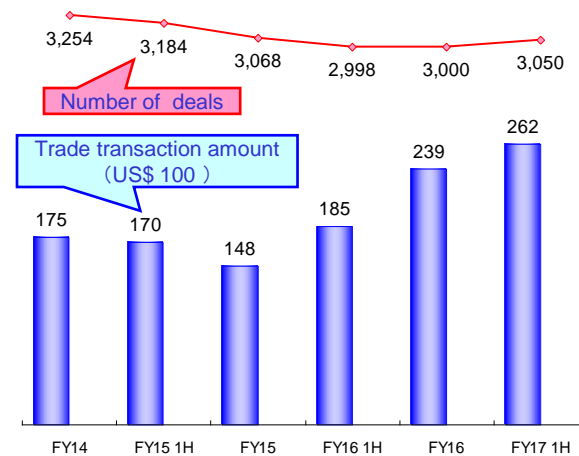
Number of Salary Transfer Customers Where Yamanashi Chuo Acts as Receiving Bank



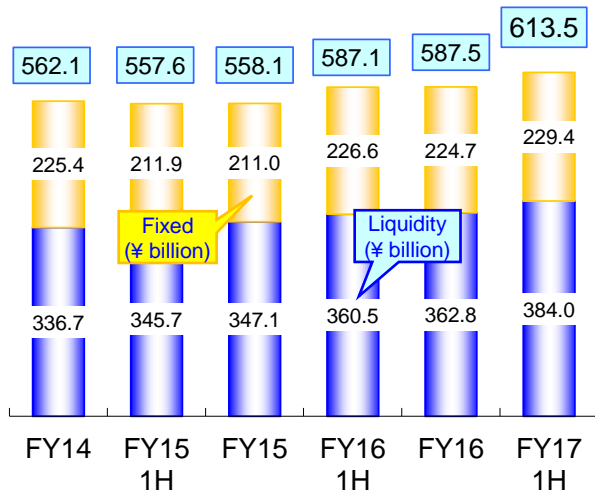
Number of Biz Direct Contracts



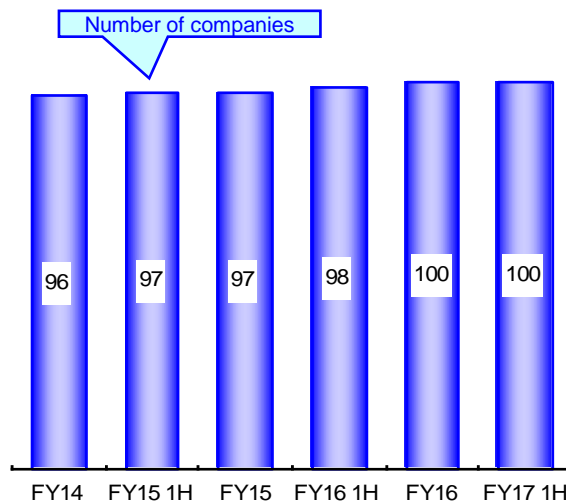
Changes in Trade Volume and Number (Export + Import Transactions)



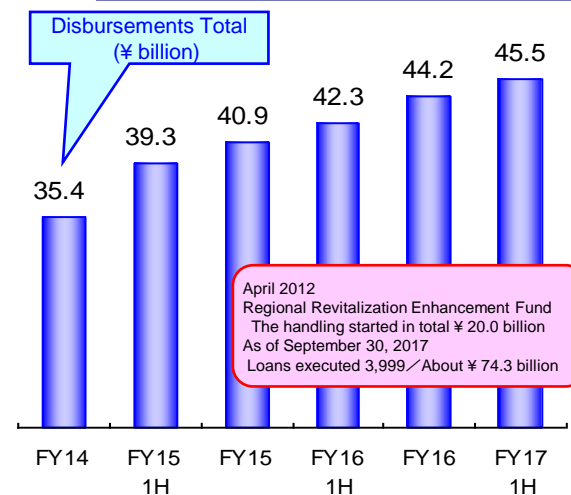
Balance of Corporate Deposit (average)



Number of 401K Contracting Companies



For Growth Areas Disbursements Total
[Bank of Japan money supply target receivables base]



Subsidiaries of the Bank

(¥ million / as of September 30, 2017)

Trade name	Yamanashi Chuo Guarantee Co., Ltd.	Yamanashi Chugin Lease Co., Ltd.	Yamanashi Chugin DC Card Co., Ltd.	Yamanashi Chugin Management Consulting Co., Ltd.
Established	July 1, 1986	April 6, 1987	July 2, 1991	August 2, 1996
Paid-in capital	20	20	20	200
The Bank's equity stake	99.65%	30.25%	30.25%	45%
Consolidated basis	99.81%	61%	67.5%	87.5%
Business lines	Loan guarantees/ Creditworthiness appraisal	Leasing	Credit card	Consulting for corporate management/ Economic research
Operating revenue	212	2,330	435	128
Operating income (loss)	134	230	4	18
Ordinary profits	220	234	16	19
Net income	183	156	13	13
Total assets	7,813	10,963	2,991	1,027
Net assets	5,386	2,693	1,181	838
Borrowings	—	7,910	1,070	—
Borrowed from the Bank	(—)	(7,266)	(1,070)	(—)

Major Economic Indicators in Yamanashi Prefecture

General				Business				Household			
	As of		Pref. rank		As of		Pref. rank		As of		Pref. rank
Total area	2016	4,465km ²	32	Private businesses	2016	42,530	41	Real household income	2016	¥563,436	13
Habitable area	2015	21.4%	44	Value of manufacturing shipments	2015	¥2,442.6 bn	33	(average per month per salaried household)			
Wilderness and parkland, etc	2015	27.1%	8	Value of per capita manufacturing shipments	2015	¥34,785,000	24	Household spending	2016	¥298,710	35
Population	2016	830,000	41	Annual sales of goods	2014	¥1,612.0 bn	42	(average per month per salaried household)			
Number of households	2017	356,000	41	Annual per capita sales of goods	2014	¥29,818,000	37	Average consumption propensity (worker's household)	2016	66.6%	41
Children under 15 years	2016	12.2%	32	Total agricultural output	2015	¥81.5 bn	34	Number of personal vehicles (per 1,000 people)	2016	471.7	7
Working age population	2016	58.7%	22	Ratio of agricultural income to output	2015	46.3%	2	Number of public libraries (per 10,000 people)	2016	0.61	1
Persons over 65 years	2016	29.2%	26	Housing starts	2016	4,866	40	Number of convenience stores (per 100,000 people)	2016	53.9	2
Population growth	2016	(0.63)%	30	Floor area per housing start	2016	100.7m ²	5	Average price of residential land (per m ² , reference price)	2016	¥25,400	33
Prefectural GDP (real-term)	FY14	¥3,480.9 bn	41	Value of public works contracts	2016	¥137.6 bn	37	Home ownership	2013	70.9%	17
Economic growth (real-term)	FY14	0.5%	16	Total site area of construction starts	2016	782,847m ²	42	Cost of education (Worker's household expenditure)	2016	3.9%	44
Per capita income	FY14	¥2,797,000	26	Jobs-to-applicants ratio	2016	1.17 times	32	Proportion of people in higher education	2016	56.4%	10

Placing 41st in Japan in total population and 41st in total production, Yamanashi is one of Japan's lower-ranked prefectures. However, in value of shipments of manufacturers and other items, it is middle-ranking. In terms of economic activity and living standards, it is relatively well-positioned.