

The Yamanashi Chuo Bank, Ltd. The 31st Analyst Meeting

Supplementary Materials

December 7, 2016 (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.

Fiscal 2016 First Half Business Results (1)

(¥ billion; %)

		FY2014 (1st half)	FY2015 (1st half)	FY2016 (1st half)	YoY comparison (FY15 1H)		YoY comparison (FY16 1H)	
					Amount	Percentage	Amount	Percentage
Average balance	Fund operations	2,961.0	3,023.7	3,048.5	62.7	2.12	24.7	0.81
	Loans	1,430.9	1,454.2	1,490.0	23.3	1.62	35.7	2.46
	Securities	1,374.4	1,443.9	1,312.2	69.4	5.05	(131.7)	(9.12)
	Call loans	25.4	27.9	39.4	2.5	10.08	11.4	40.83
	Due from banks (interest-bearing)	118.7	86.2	193.3	(32.5)	(27.38)	107.0	124.11
	Fund procurement	2,849.5	2,905.5	2,951.4	55.9	1.96	45.9	1.58
	Deposits	2,810.7	2,848.4	2,856.1	37.7	1.34	7.6	0.26
	Call money	5.0	0.2	—	(4.7)	(94.42)	(0.2)	(100.00)
(Reference) Money held in trust		—	—	—	—	—	—	—

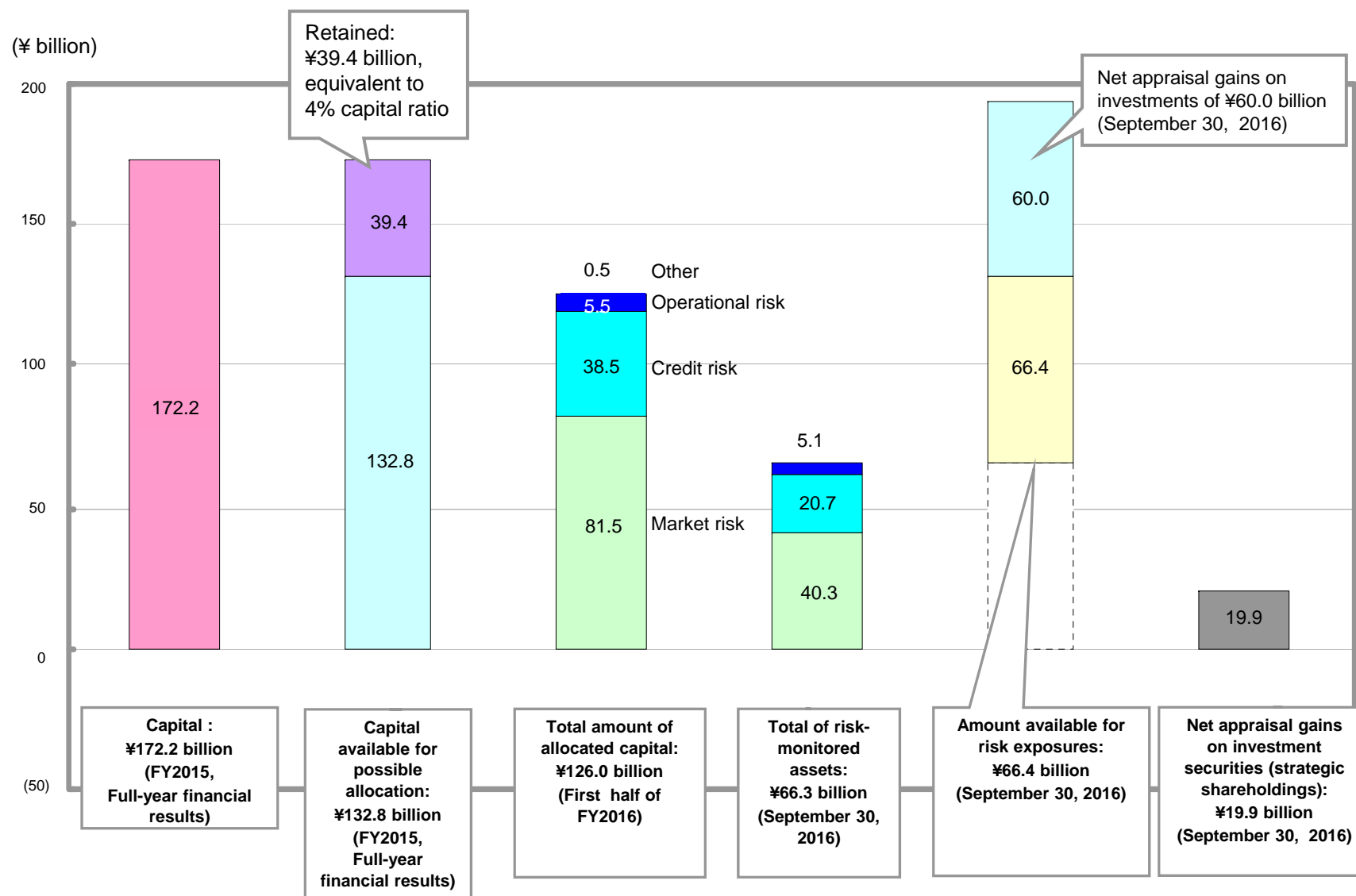
Yields / Interest margin	Fund operations	1.14	1.17	1.14	0.03		(0.03)	
	Loans	1.36	1.25	1.13	(0.11)		(0.12)	
	Securities	1.03	1.18	1.34	0.15		0.16	
	Call loans	0.15	0.14	0.42	(0.01)		0.28	
	Due from banks	0.10	0.10	(0.01)	0.00		(0.11)	
	Fund procurement	0.06	0.06	0.06	0.00		0.00	
	Deposits	0.05	0.05	0.04	0.00		(0.01)	
	Call money	0.34	0.56	—	0.22		(0.56)	
	Borrowings	0.12	0.14	0.30	0.02		0.16	
	Cost ratio	1.02	0.98	0.96	(0.04)		(0.02)	
	Fund procurement cost	1.07	1.02	0.99	(0.05)		(0.03)	
	Loan / deposit interest margin	1.31	1.20	1.09	(0.11)		(0.11)	
	Fund operation / procurement interest margin	1.08	1.11	1.08	0.03		(0.03)	
	Gross interest margin on loans	0.28	0.21	0.13	(0.07)		(0.08)	
	Gross interest margin on funds under management	0.07	0.15	0.15	0.08		0.00	

Fiscal 2016 First Half Business Results (2)

(¥ billion; %)

		FY2014 (1st half)	FY2015 (1st half)	FY2016 (1st half)	YoY comparison (FY15 1H)		YoY comparison (FY16 1H)	
					Amount	Percentage	Amount	Percentage
Profits and losses	Interest income	16.1	16.9	16.5	0.7	4.51	(0.3)	(2.33)
	Loans	9.7	9.1	8.4	(0.6)	(6.51)	(0.6)	(7.49)
	Securities	7.1	8.5	8.8	1.4	19.61	0.3	3.65
	Call loans	0.0	0.0	0.0	0.0	0.00	0.0	315.00
	Due from banks	0.0	0.0	(0.0)	(0.0)	(27.86)	(0.0)	(129.54)
	Fees and commissions	2.1	2.2	2.0	0.1	4.65	(0.2)	(12.08)
	Other operating income (losses)	0.1	(0.0)	2.9	(0.1)	(136.29)	2.9	6,106.12
	JGBs and other bond transactions	0.0	0.0	3.8	(0.0)	(56.25)	3.7	13,542.85
	General provision to loan loss reserve	—	—	—	—	—	—	—
	Expenses	14.4	14.0	13.7	(0.3)	(2.28)	(0.3)	(2.39)
	Banking profit	4.0	5.0	7.7	0.9	23.93	2.6	52.57
	Modified banking profit	4.0	5.0	7.7	0.9	23.93	2.6	52.57
	Net business profit on core operations	4.0	5.0	3.8	1.0	25.21	(1.1)	(22.50)
	Non-operating income (losses)	0.9	4.4	(0.5)	3.5	358.07	(5.0)	(111.65)
	Equity share and similar transactions	0.3	4.0	0.9	3.6	1,176.43	(3.0)	(75.47)
	NPL disposal amount	0.0	0.0	0.4	0.0	20.00	0.3	1,069.44
	Money held in trust	—	—	—	—	—	—	—
	Ordinary profits	5.0	9.5	7.1	4.4	88.50	(2.3)	(24.57)
	Extraordinary income (losses)	(0.3)	(0.1)	(0.0)	0.1	(48.29)	0.1	78.68
	Income taxes - basic	1.0	2.5	2.0	1.5	149.95	(0.4)	(19.54)
	Income taxes - deferred	0.2	0.3	0.0	0.0	40.80	(0.2)	(80.25)
	Net income	3.4	6.5	5.0	3.0	88.94	(1.4)	(22.18)

Capital Allocation



Employees and Branches

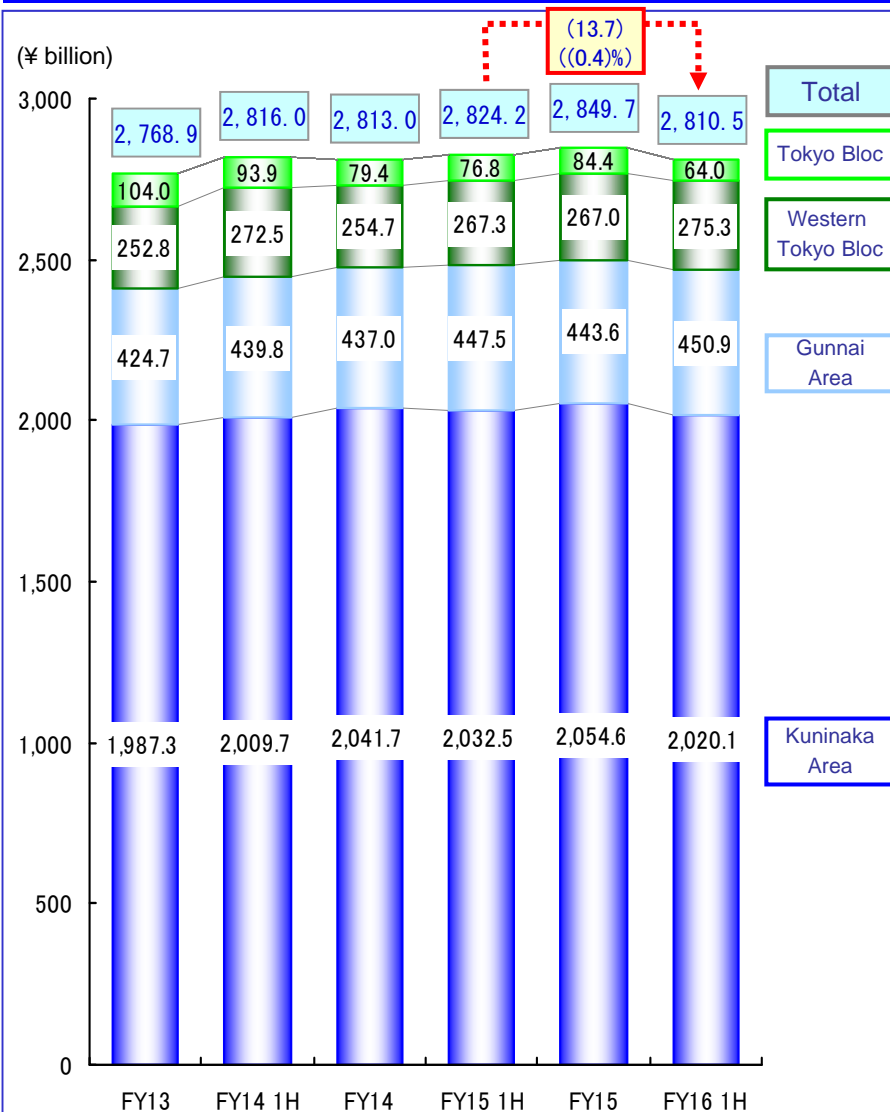
	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16 (1st half)	Comparison with FY2004
Regular employees	1,688	1,612	1,564	1,605	1,659	1,705	1,704	1,708	1,699	1,675	1,677	1,724	36
Fixed-term contract workers	496	581	716	760	789	776	736	714	691	672	678	698	202
Branches (including sub-branches)	91	91	91	92	91	91	91	90	90	90	91	* 2 91	0
Ordinary type	49	45	42	43	42	42	42	43	41	41	42	42	(7)
Covering wide area; full-range services	21	21	23	22	22	22	21	21	21	21	21	21	0
Covering wide area; designated for special functions * 1	21	25	26	27	27	27	28	26	28	28	28	* 2 28	7
Corporate Sales Office	0	0	0	0	0	1	2	1	1	1	0	0	0
Loan Squares	3	3	4	5	5	5	5	6	7	7	8	8	5
Off-branch ATMs	138	131	132	134	132	130	129	126	129	130	133	134	(4)

*1. Total of branches specialized in retailing and branches specialized in loans to individuals

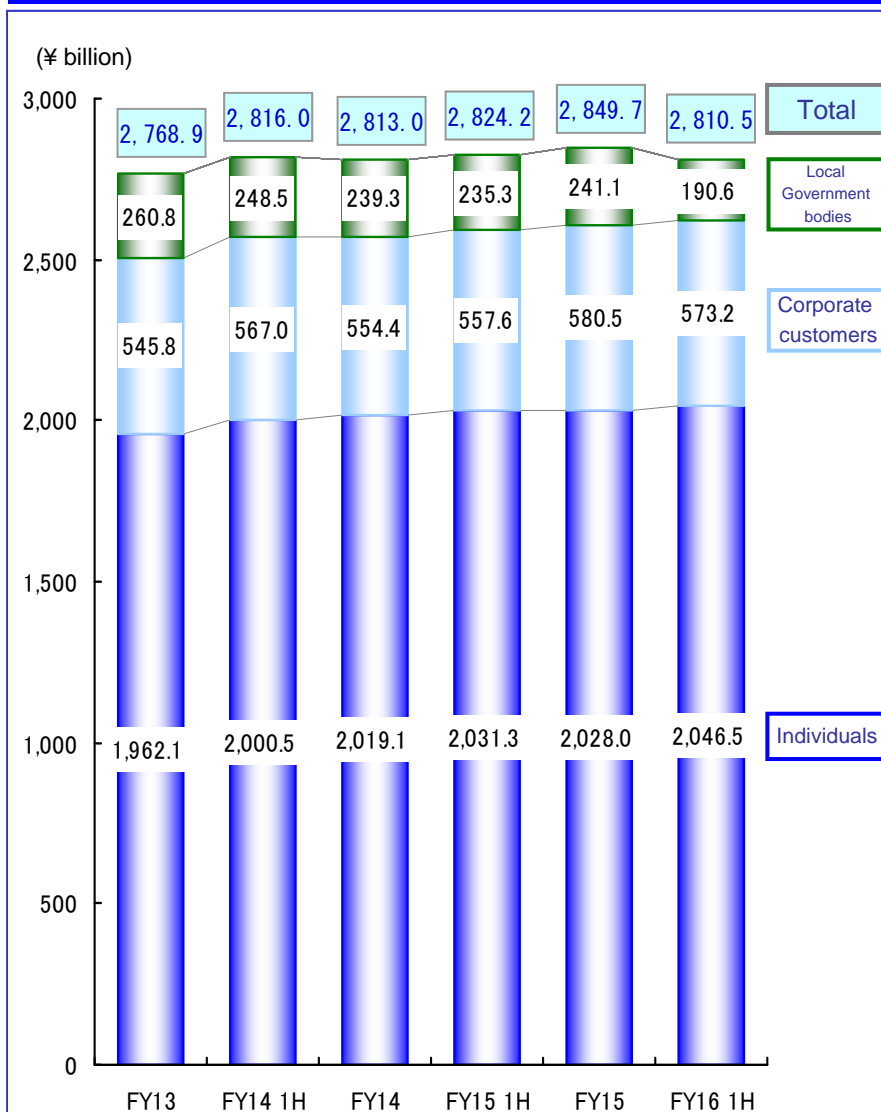
*2. Chuo Ichiba Branch operates at the Kokubo Branch

Deposits

Deposit (term-end)

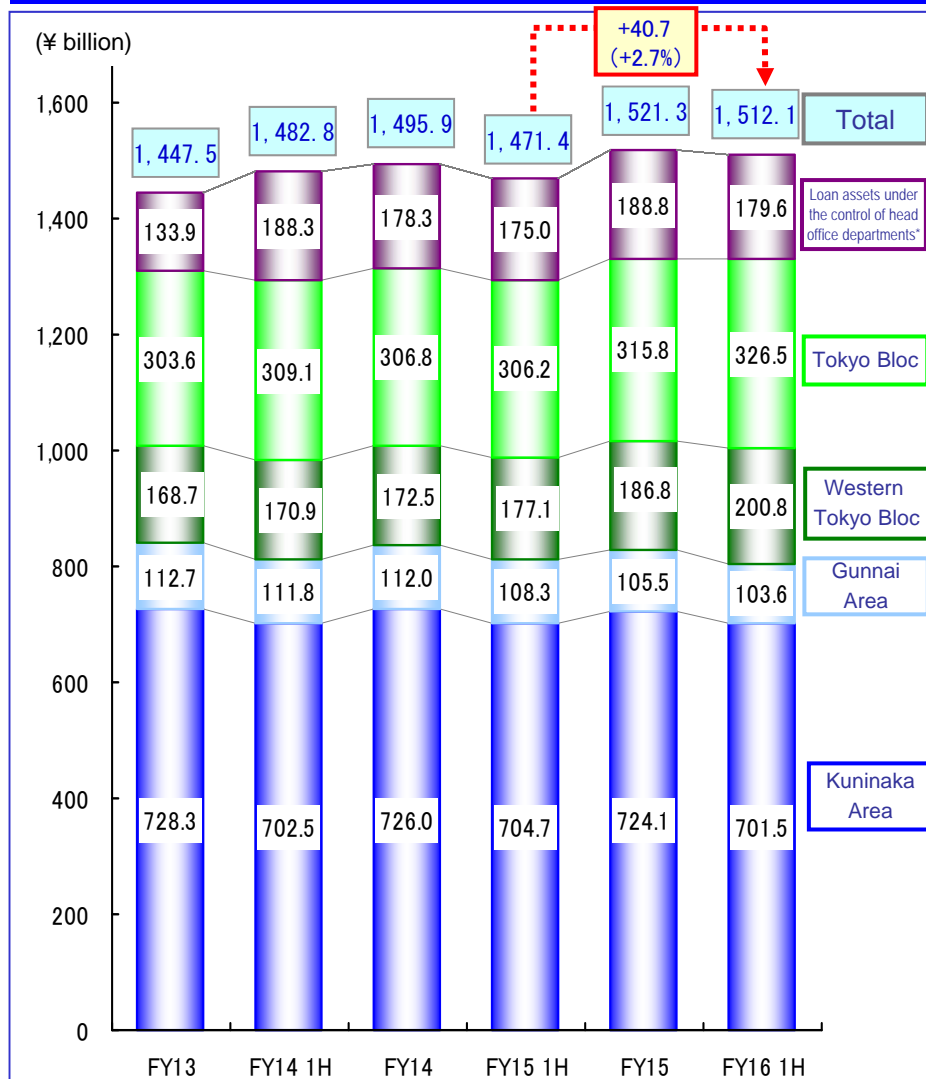


Customer Segment (term-end)

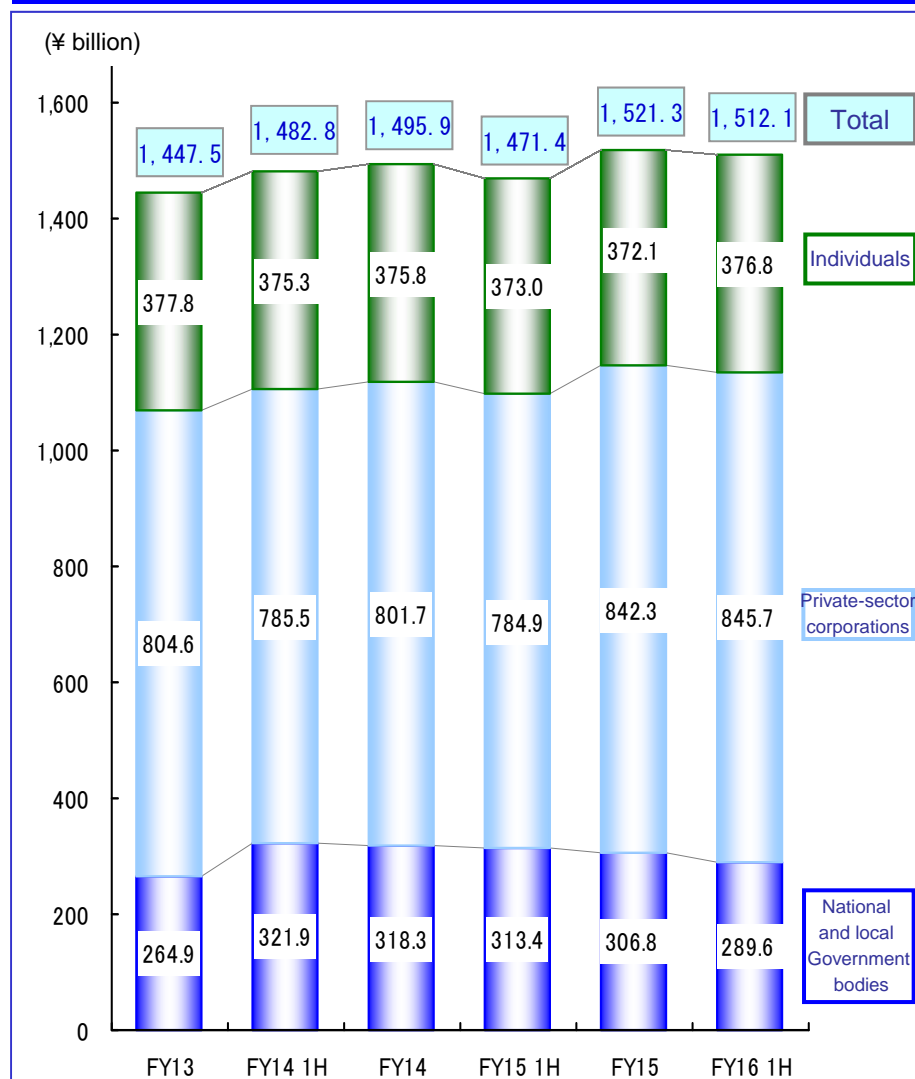


Loans

Loan (term-end)



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)

	March 31, 2016		September 30, 2016		YoY change	
	Balance	Ratio to total	Balance	Ratio to total	Balance	Ratio to total
Manufacturing	150.5	9.9%	149.8	9.9%	(0.7)	0.0P
Agriculture, forestry	2.2	0.1%	2.4	0.2%	0.1	0.1P
Fishery	0.0	0.0%	0.0	0.0%	0.0	0.0P
Mining, quarrying and gravel digging	4.4	0.3%	4.0	0.3%	(0.3)	0.0P
Construction	39.4	2.6%	37.7	2.5%	(1.6)	(0.1)P
Utilities, heat provision	26.9	1.8%	29.8	2.0%	2.9	0.2P
Telecommunications	12.1	0.8%	11.9	0.8%	(0.1)	0.0P
Transportation, postal services	73.3	4.8%	79.5	5.3%	6.1	0.5P
Wholesaling, retailing	114.5	7.5%	114.8	7.6%	0.3	0.1P
Financing, insurance	76.5	5.0%	74.2	4.9%	(2.2)	(0.1)P
Real estate, equipment rental and leasing	214.2	14.1%	210.7	13.9%	(3.5)	(0.2)P
Miscellaneous services	127.9	8.4%	130.4	8.6%	2.4	0.2P
National and local governments	306.8	20.2%	289.6	19.1%	(17.2)	(1.1)P
Individuals and others	372.1	24.5%	376.8	24.9%	4.7	0.4P
Total lending	1,521.3	100.0%	1,512.1	100.0%	(9.1)	—

Loan Balance by Customer Business Scale / Designated Financial Institution Contracts with Local Governments

Loan Balance by Customer Business Scale (term-end)

(¥ billion; %)

		Overall		Yamanashi Prefecture		Western Tokyo Bloc		Tokyo Bloc		Headquarters	
		FY15	FY16 (1st half)	FY15	FY16 (1st half)	FY15	FY16 (1st half)	FY15	FY16 (1st half)	FY15	FY16 (1st half)
National and local government	Balance	306.8	289.6	212.9	204.2	0.2	0.1	3.4	3.0	90.3	82.2
	Ratio to total	20.2%	19.2%	25.7%	25.4%	0.1%	0.0%	1.1%	0.9%	47.8%	45.8%
Large companies	Balance	314.5	321.5	27.2	26.6	7.9	9.6	244.6	252.7	34.6	32.6
	Ratio to total	20.7%	21.3%	3.3%	3.3%	4.3%	4.8%	77.5%	77.4%	18.4%	18.2%
Second-tier companies	Balance	25.8	27.9	11.4	13.3	5.5	5.5	8.8	8.9	0.0	0.0
	Ratio to total	1.7%	1.8%	1.4%	1.7%	3.0%	2.7%	2.8%	2.7%	0.0%	0.0%
SMEs	Balance	501.9	496.2	287.2	267.7	94.0	104.0	56.8	59.6	63.8	64.8
	Ratio to total	33.0%	32.8%	34.6%	33.3%	50.3%	51.8%	18.0%	18.3%	33.8%	36.1%
Other individuals	Balance	372.1	376.8	290.8	293.1	79.1	81.4	2.1	2.2	0.0	0.0
	Ratio to total	24.5%	24.9%	35.0%	36.4%	42.3%	40.5%	0.7%	0.7%	0.0%	0.0%
Total	Balance	1,521.3	1,512.1	829.7	805.1	186.8	200.8	315.8	326.5	188.8	179.6
	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 (September 30, 2016)

	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)

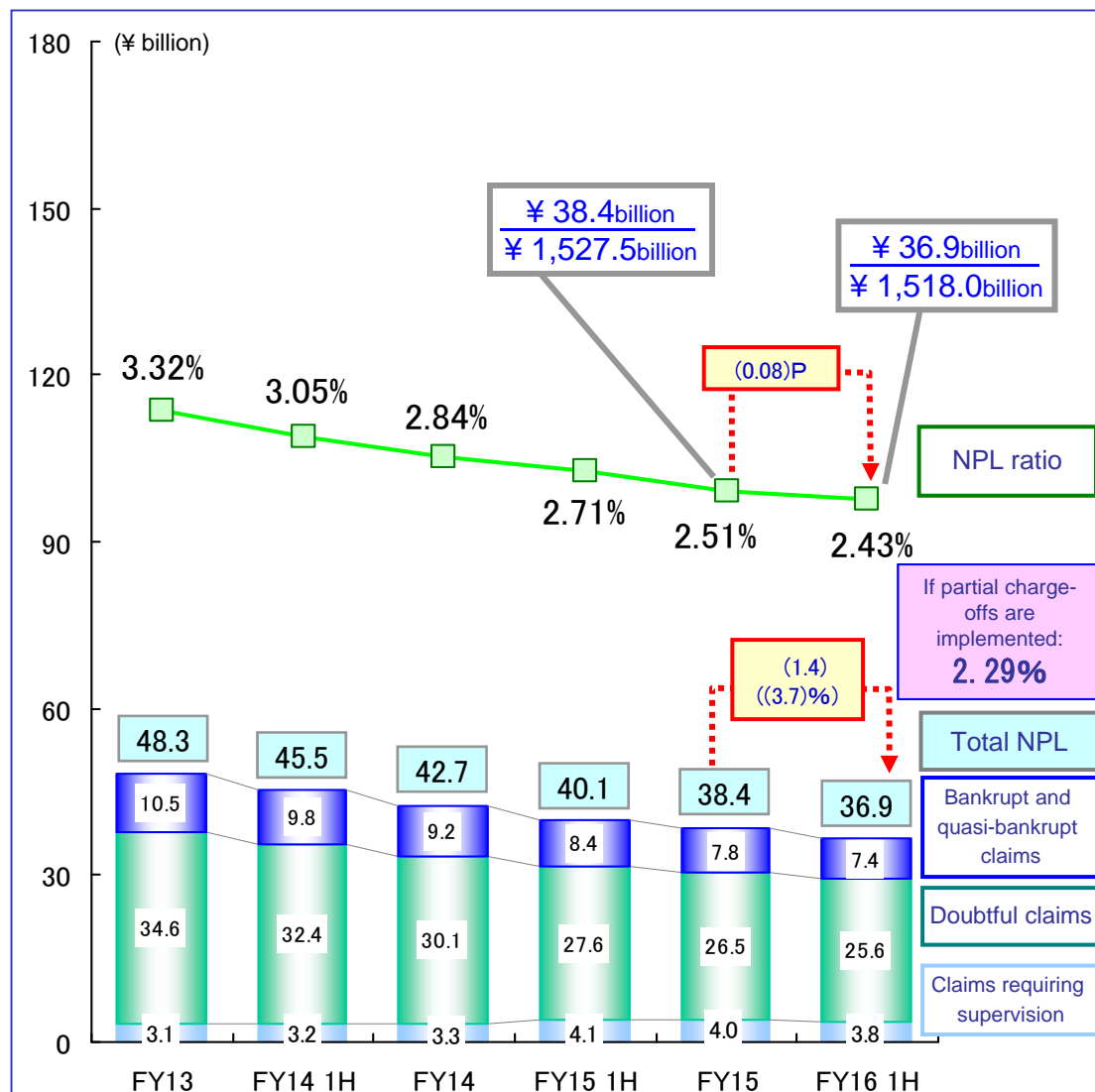
	March 31, 2016	September 30, 2016	Comparison with previous term-end	September 30, 2016 (consolidated basis)
Loans to customers in bankruptcy	2.4	2.3	(0.1)	2.4
Past due loans	31.7	30.6	(1.1)	31.3
Accruing loans contractually past due three months or more	0.0	0.1	0.1	0.1
Restructured loans	4.0	3.6	(0.4)	3.6
Total risk-monitored loans (A)	38.2	36.8	(1.4)	37.6
As a percentage of total loans	(2.51%)	(2.43%)	((0.08)P)	(2.50%)
Portions covered by collateral and guarantees (B) (including specific reserves)	35.0	33.6	(1.4)	34.4
Coverage ratio B / A	91.65%	91.25%	(0.40)P	91.41%
Reserve for possible loan losses (non-specific) (C)	3.3	2.9	(0.4)	5.2
Coverage ratio (B + C) / A (including loan loss reserves)	100.42%	99.26%	(1.16)P	105.30%

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

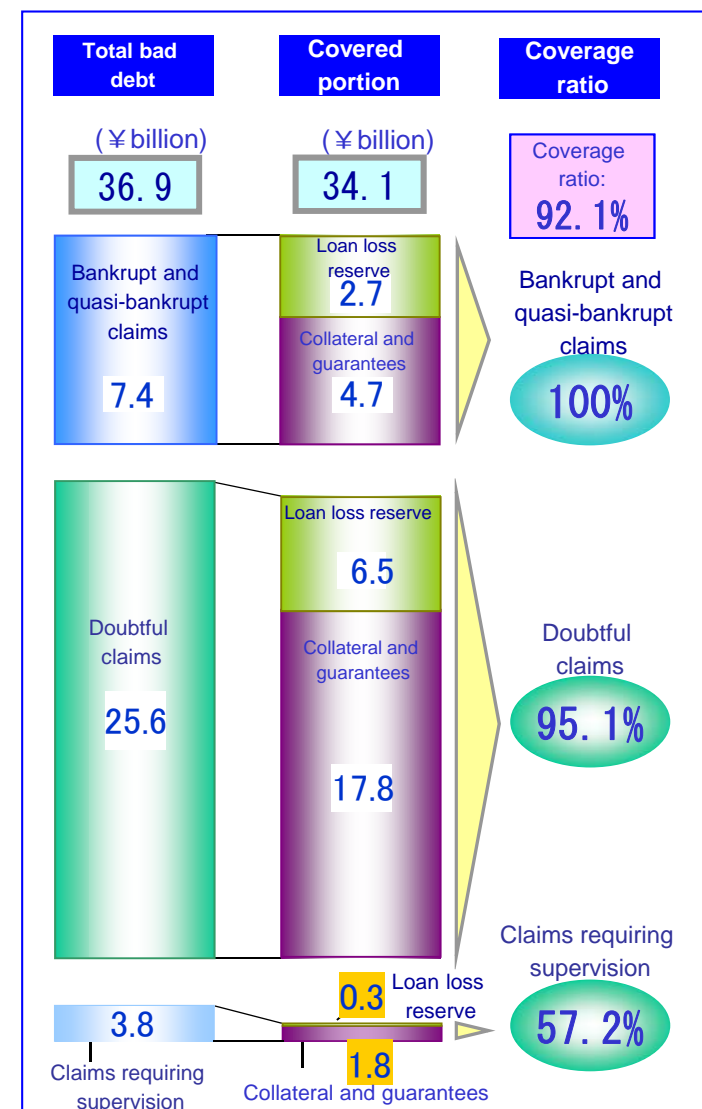
(¥ billion)

	September 30, 2016 Prior to partial charge-offs (1)	September 30, 2016 After partial charge-offs (2)	Decrease (2) - (1)
Loans to customers in bankruptcy	2.3	1.4	(0.9)
Past due loans	30.6	29.3	(1.3)
Accruing loans contractually past due three months or more	0.1	0.1	0.0
Restructured loans	3.6	3.6	0.0
Total risk-monitored loans	36.8	34.6	(2.2)
As a percentage of total loans	(2.43%)	(2.29%)	((0.14)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 March 31, 2016 to September 30, 2016		September 30, 2016						Deterioration to potentially bankrupt or worse
		Normal borrower	Other requiring caution	Requiring supervision	Potentially bankrupt	Effectively Bankrupt	Legally bankrupt	
March 31, 2016	Amount of newly occurred	—	14.6	0.3	—	0.0	0.0	—
	Normal borrower	1,376.9	1,369.0	4.1	0.0	0.3	0.2	—
	Other requiring caution	110.0	7.6	82.1	0.5	0.9	0.2	—
	Requiring supervision	5.1	0.2	0.3	3.7	—	—	5.82%
	Potentially bankrupt	26.5	0.0	0.4	0.5	24.0	0.1	—
	Effectively Bankrupt	5.3	—	—	—	0.0	4.5	0.0
	Legally bankrupt	2.4	—	—	—	—	—	2.2
	Total	1,526.5	1,391.7	87.5	4.7	25.6	5.1	2.3

 Deterioration
 Improvement

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

Securities Portfolio (1)

Prior to Mark-to-Market Adjustment

(¥ billion; %)

	FY13		FY14 (1st half)		FY14		FY15 (1st half)		FY15		FY16 (1st half)		YoY increase (decrease)	
	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	818.9	60.2	798.5	58.0	774.2	54.6	696.1	49.3	592.4	41.4	464.5	37.9	(231.6)	(11.4)
Municipal bonds	210.5	15.5	224.1	16.3	225.4	15.9	219.1	15.5	227.3	15.9	191.3	15.6	(27.8)	0.1
Government guaranteed bonds	155.5	11.4	131.1	9.5	116.6	8.2	94.6	6.7	79.0	5.5	67.8	5.5	(26.8)	(1.2)
FILP Agency bonds	1.1	0.1	1.0	0.1	1.0	0.1	0.9	0.1	0.9	0.1	0.8	0.1	(0.1)	0.0
Financial debentures	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Corporate bonds	46.6	3.4	35.7	2.6	23.3	1.6	16.3	1.2	9.2	0.6	7.4	0.6	(8.9)	(0.6)
Equity shares	47.6	3.5	46.8	3.4	46.3	3.3	42.7	3.0	39.3	2.8	37.8	3.1	(4.9)	0.1
Strategic holdings	29.4	2.2	29.3	2.1	28.7	2.1	28.7	2.0	27.7	1.9	27.7	2.3	(1.0)	0.3
Portfolio investments	18.2	1.3	17.5	1.3	17.5	1.2	13.9	1.0	11.5	0.8	10.0	0.8	(3.9)	(0.2)
Foreign securities	19.8	1.5	38.3	2.8	79.1	5.6	121.5	8.6	216.8	15.2	179.7	14.7	58.2	6.1
Investment trusts, etc.	60.4	4.4	99.7	7.2	152.2	10.7	219.3	15.6	265.1	18.5	275.0	22.5	55.7	6.9
Total	1,360.7	100.0	1,375.6	100.0	1,418.4	100.0	1,410.9	100.0	1,430.4	100.0	1,224.7	100.0	(186.2)	

<Yields and Valuation gains (losses)>

Yields

(%)

	FY13	FY14 (1st half)	FY14	FY15 (1st half)	FY15	FY16 (1st half)	YoY increase (decrease)
Yen-denominated bonds	0.89	0.82	0.82	0.79	0.82	0.86	0.07
Equity shares	2.44	2.99	2.91	3.32	3.29	3.48	0.16
Investment trusts, etc.	2.72	2.89	3.35	2.61	2.66	2.36	(0.25)
Total of yen-denominated bonds	0.99	1.01	1.08	1.13	1.19	1.27	0.14
Foreign-currency-denominated bonds	1.94	2.07	1.92	1.82	1.72	1.72	(0.10)
Total	1.00	1.03	1.11	1.18	1.24	1.34	0.16

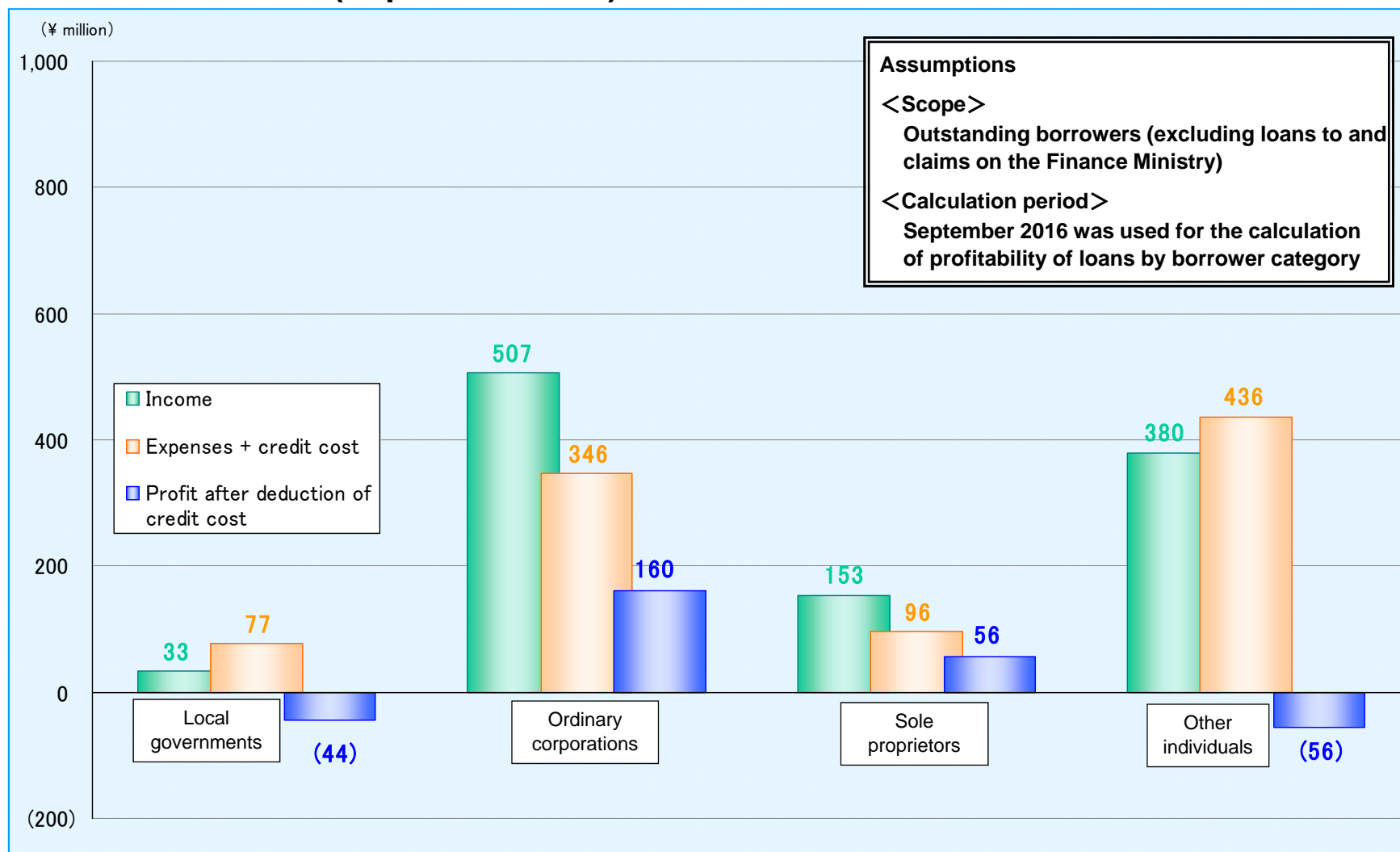
Valuation gains (losses)

(¥ million)

	FY13	FY14 (1st half)	FY14	FY15 (1st half)	FY15	FY16 (1st half)	YoY increase (decrease)
On bond relationship profit and loss	284	64	10	28	543	3,820	3,792
On bond gain on sale	1,037	86	95	555	1,474	3,886	3,331
On bond sale loss	746	21	85	526	930	65	(461)
On bond amortization	7	—	—	—	—	—	0
Stock and other related income	740	314	1,032	4,008	5,219	983	(3,025)
Gains on sales of stocks and other securities	876	476	1,188	4,334	5,545	1,086	(3,248)
Shares loss on sale	56	79	79	321	321	100	(221)
Shares amortization	80	82	76	3	3	1	(2)
Total	1,024	378	1,042	4,036	5,763	4,804	768

Earnings Structure by Borrower Segment

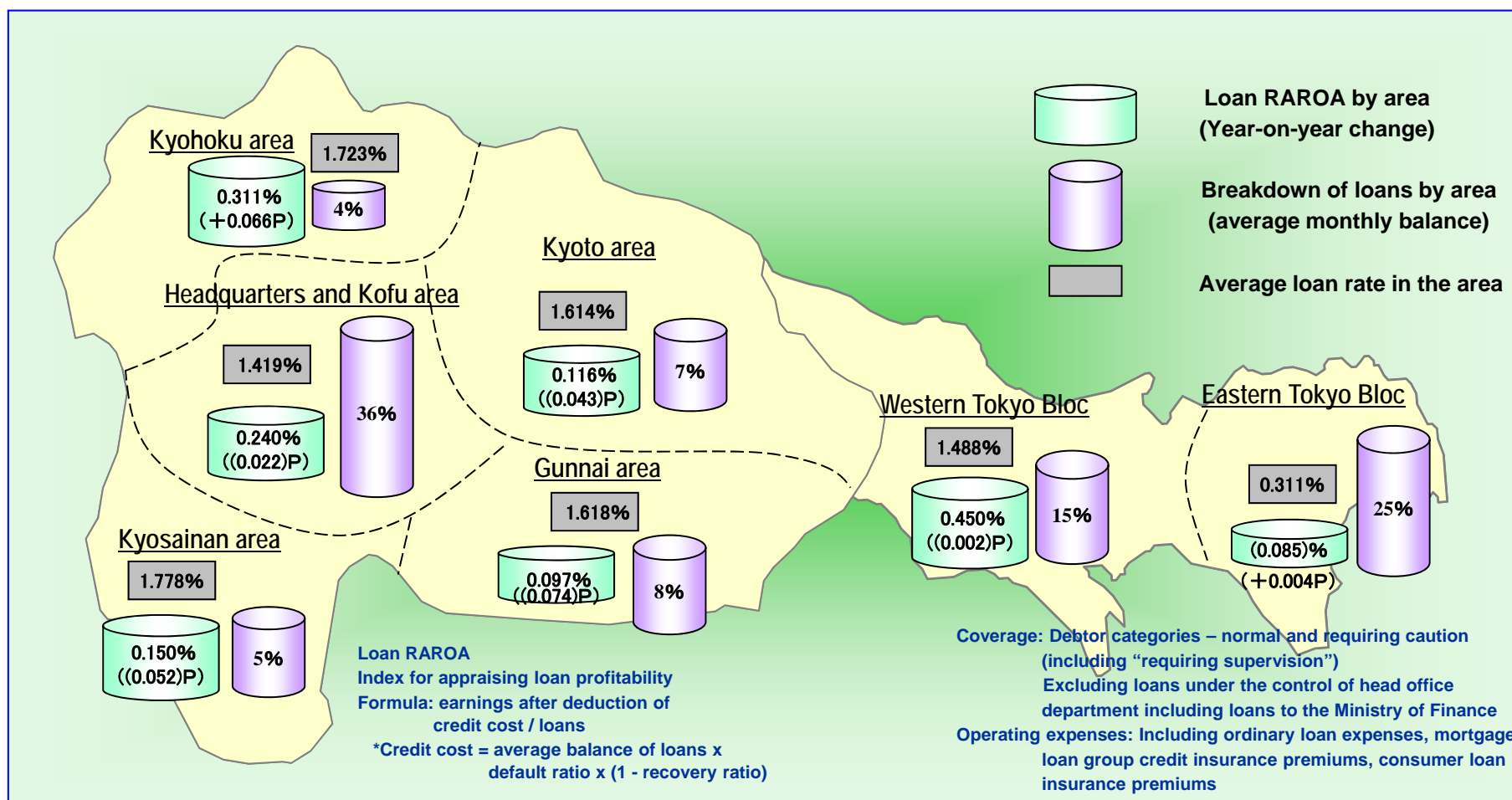
One-Month Results (September 2016)



Loan RAROA by Area

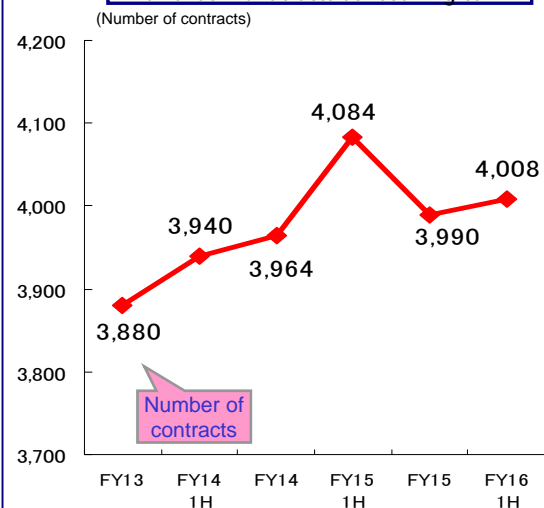
Loan RAROA for all areas: 0.171% ((0.013) percentage points YoY)

One-Month Results
(September 2016)

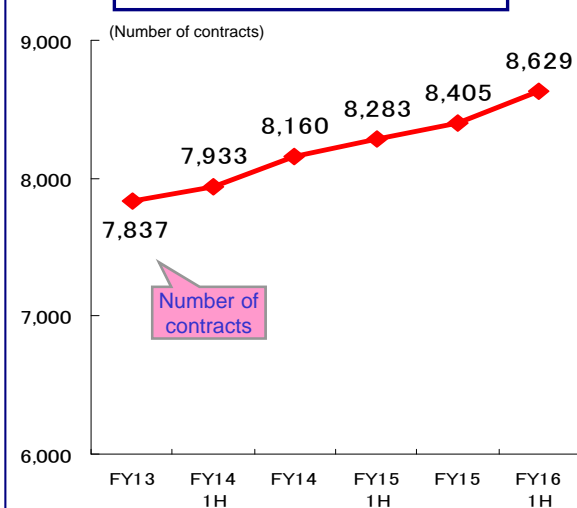


Corporate Promotion Item Results

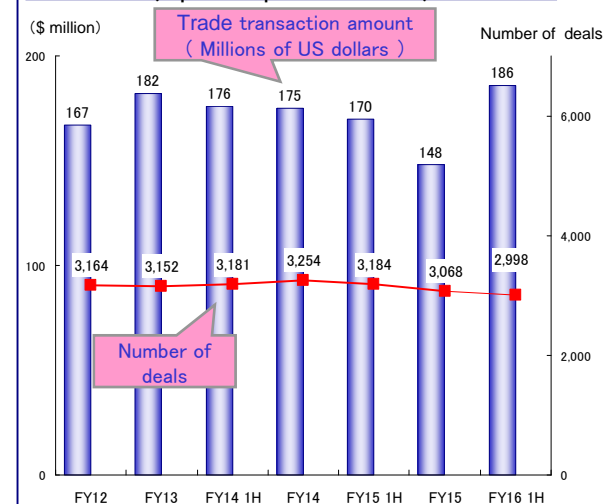
Number of salary transfer customers where Yamanashi Chuo acts as receiving bank



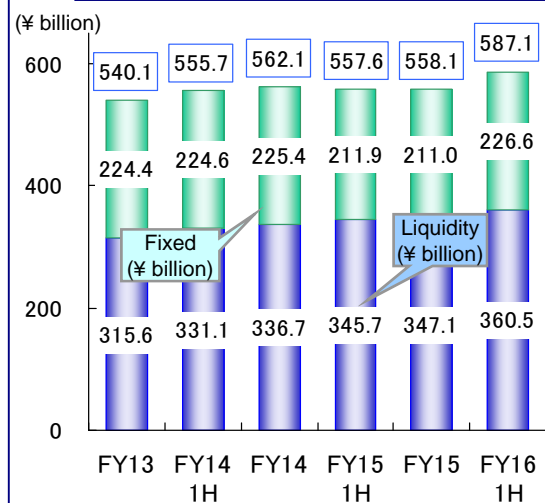
Number of Biz Direct contracts



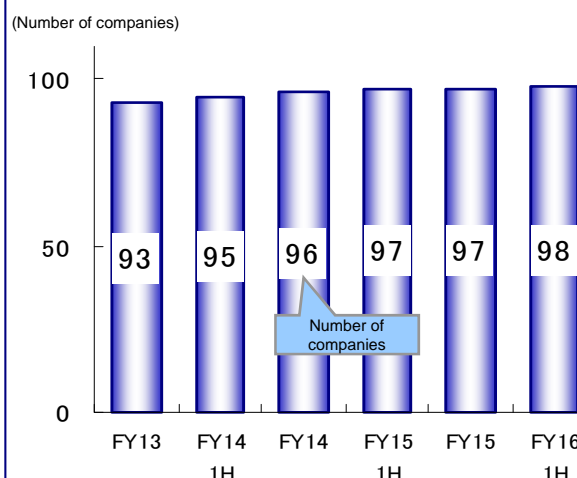
Changes in trade handling sales and number (export + import transactions)



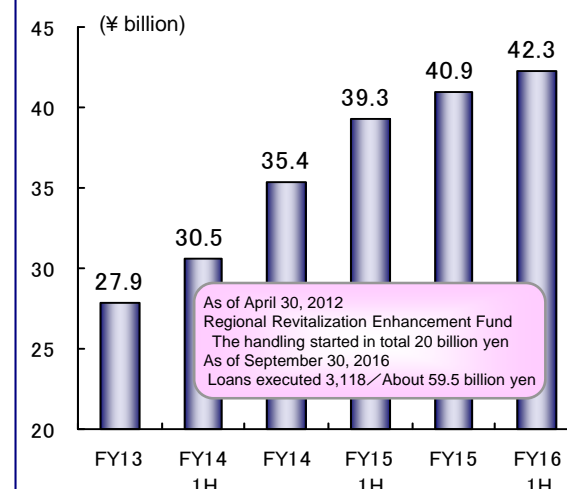
Balance of Corporate Deposit (average)



Number of 401K contracting companies



For growth areas Disbursements total
[Bank of Japan money supply target receivables base]

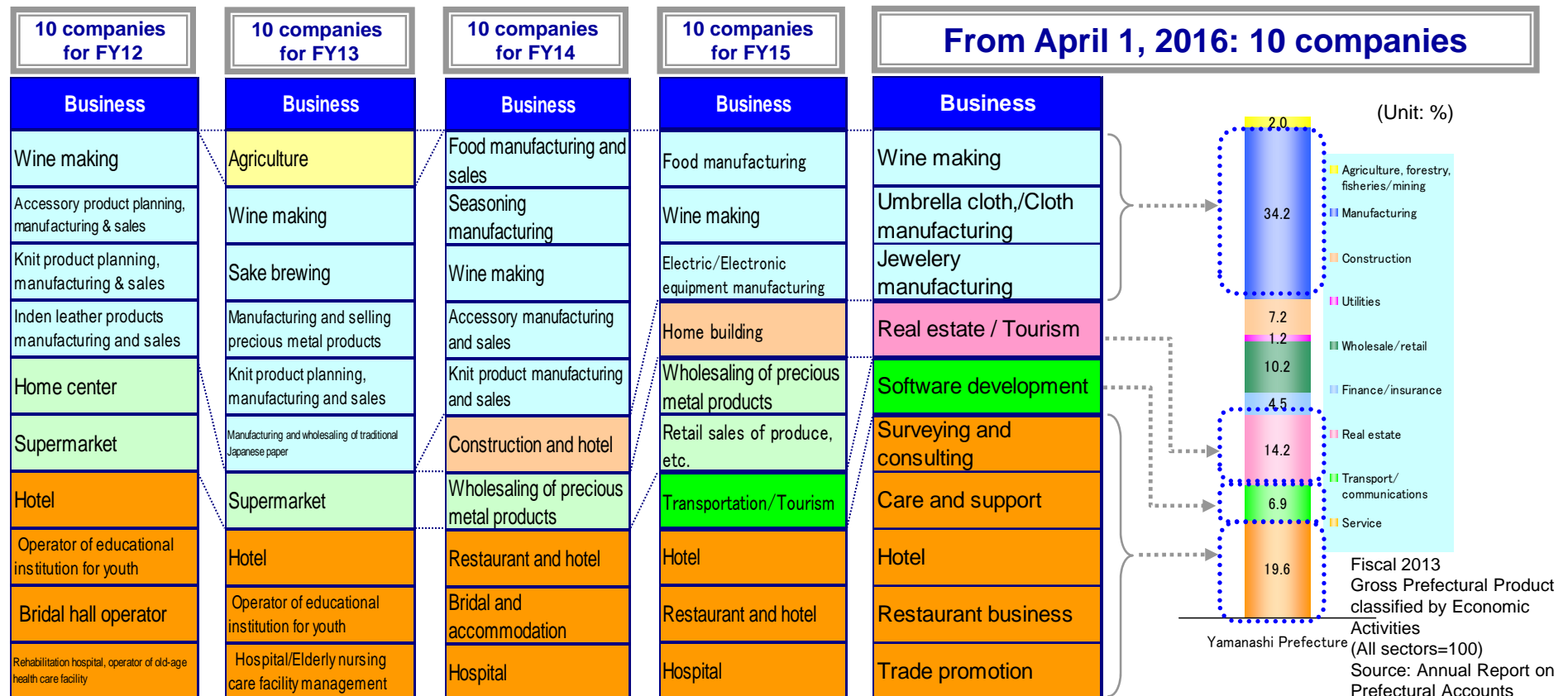


Strengthen Support for Local Industry Revitalization

Status of dispatch of Bank staff to local companies

Develop personnel (50 in 5 years) with good judgment to revitalize local industry and new demand growth

Began dispatching Bank staff for a 1-year period to 10 companies in Yamanashi Pref. on April 1, 2012



40 employees allocated mainly to division and core stores offering regional development/operational support

Utilize core members of loan creation staff

Subsidiaries of the Bank

(¥ million; as of September 30, 2016)

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 managemet: economic research
Operating revenue	202	2,393	423	130
Operating income (loss)	147	218	6	24
Recurring profit (loss)	208	224	13	25
Net income (loss)	172	148	14	17
Total assets	7,472	10,874	2,912	774
Net assets	4,986	2,411	1,122	649
Borrowings	—	8,109	1,068	—
Borrowed from the Bank	(—)	(7,666)	(1,068)	(—)

Major Economic Indicators in Yamanashi Prefecture

General				Business				Household			
	As of		Pref. rank		As of		Pref. rank		As of		Pref. rank
Total area	2015	4,465km ²	32	Private businesses	2014	44,056	41	Real household income	2015	¥552,132	17
Habitable area	2014	21.3%	44	Value of manufacturing shipments *Office with four or more employees	2014	¥2,133.1bn	34	(average per month per salaried household)			
Wilderness and parkland, etc	2014	27.1%	7	Value of per capita manufacturing shipments	2014	¥30,954,000	26	Household spending	2015	¥310,586	27
Population	2015	835,000	41	Annual sales of goods	2014	¥1,612.0bn	42	(average per month per salaried household)			
Number of households	2016	354,000	41	Annual per capita sales of goods	2014	¥29,818,000	37	Average consumption propensity (Worker's household expenditure)	2015	70.7%	32
Children under 15 years	2015	12.4%	33	Total agricultural output	2014	¥79.7bn	34	Number of personal vehicles (per 1,000 people)	2015	470.3	7
Working age population	2015	59.2%	18	Ratio of agricultural income to output	2014	44.8%	2	Number of public libraries (per 10,000 people)	2015	0.60	1
Persons over 65 years	2015	28.4%	26	Housing starts	2015	4,608	41	Number of convenience stores (per 100,000 people)	2015	51.8	2
Population growth	2014	(0.72)%	36	Floor area per housing start	2015	103.8m ²	7	Average price of residential land (per m ² , reference price)	2015	¥25,900	33
Prefectural GDP (real-term)	FY13	¥3,526.2bn	41	Value of public works contracts	2015	¥108.6bn	44	Home ownership	2013	70.9%	17
Economic growth (real-term)	FY13	1.2%	31	Total site area of construction starts	2015	815,080m ²	43	Cost of education (Worker's household expenditure)	2015	6.2%	10
Per capita income	FY13	¥2,918,000	17	Jobs-to-applicants ratio	2015	0.98 times	37	Proportion of people in higher education	2015	57.0%	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.