

# **The Yamanashi Chuo Bank, Ltd. The 34th Analyst Meeting**

**Supplementary Materials**

**June 6, 2018 (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 Business Results (1)

(¥ billion, %)

		FY15	FY16	FY17	YoY change (FY16)		YoY change (FY17)	
					Amount	Percentage	Amount	Percentage
Average balance	Fund operations	3,020.6	3,069.1	3,071.2	48.4	1.60	2.1	0.06
	Loans	1,461.6	1,498.3	1,525.8	36.7	2.51	27.4	1.83
	Securities	1,419.1	1,281.9	1,132.0	(137.2)	(9.67)	(149.8)	(11.69)
	Call loans	35.4	90.2	282.0	54.7	154.49	191.7	212.52
	Due from banks (interest-bearing)	92.8	185.5	117.8	92.7	99.93	(67.6)	(36.47)
	Fund procurement	2,901.0	2,963.0	3,016.0	61.9	2.13	52.9	1.78
	Deposits	2,834.2	2,852.8	2,917.3	18.6	0.65	64.4	2.25
	Call money	0.2	0.0	—	(0.2)	(99.60)	(0.0)	(100.00)
	(Reference) Money held in trust	—	—	—	—	—	—	—
Yields / Interest margin	Fund operations	1.19	1.09	1.04	(0.10)		(0.05)	
	Loans	1.24	1.11	1.03	(0.13)		(0.08)	
	Securities	1.24	1.29	1.40	0.05		0.11	
	Call loans	0.24	0.22	0.06	(0.02)		(0.16)	
	Due from banks	0.10	(0.01)	0.03	(0.11)		0.04	
	Fund procurement	0.06	0.07	0.05	0.01		(0.02)	
	Deposits	0.05	0.03	0.01	(0.02)		(0.02)	
	Call money	0.39	1.23	—	0.84		(1.23)	
	Borrowings	0.15	0.50	0.30	0.35		(0.20)	
	Cost ratio	0.98	0.94	0.92	(0.04)		(0.02)	
	Fund procurement cost	1.02	0.98	0.95	(0.04)		(0.03)	
	Loan / deposit interest margin	1.19	1.08	1.02	(0.11)		(0.06)	
	Fund operation / procurement interest margin	1.13	1.02	0.99	(0.11)		(0.03)	
	Loans/deposit margin	0.21	0.13	0.10	(0.08)		(0.03)	
	Gross interest margin on funds under management	0.17	0.11	0.09	(0.06)		(0.02)	

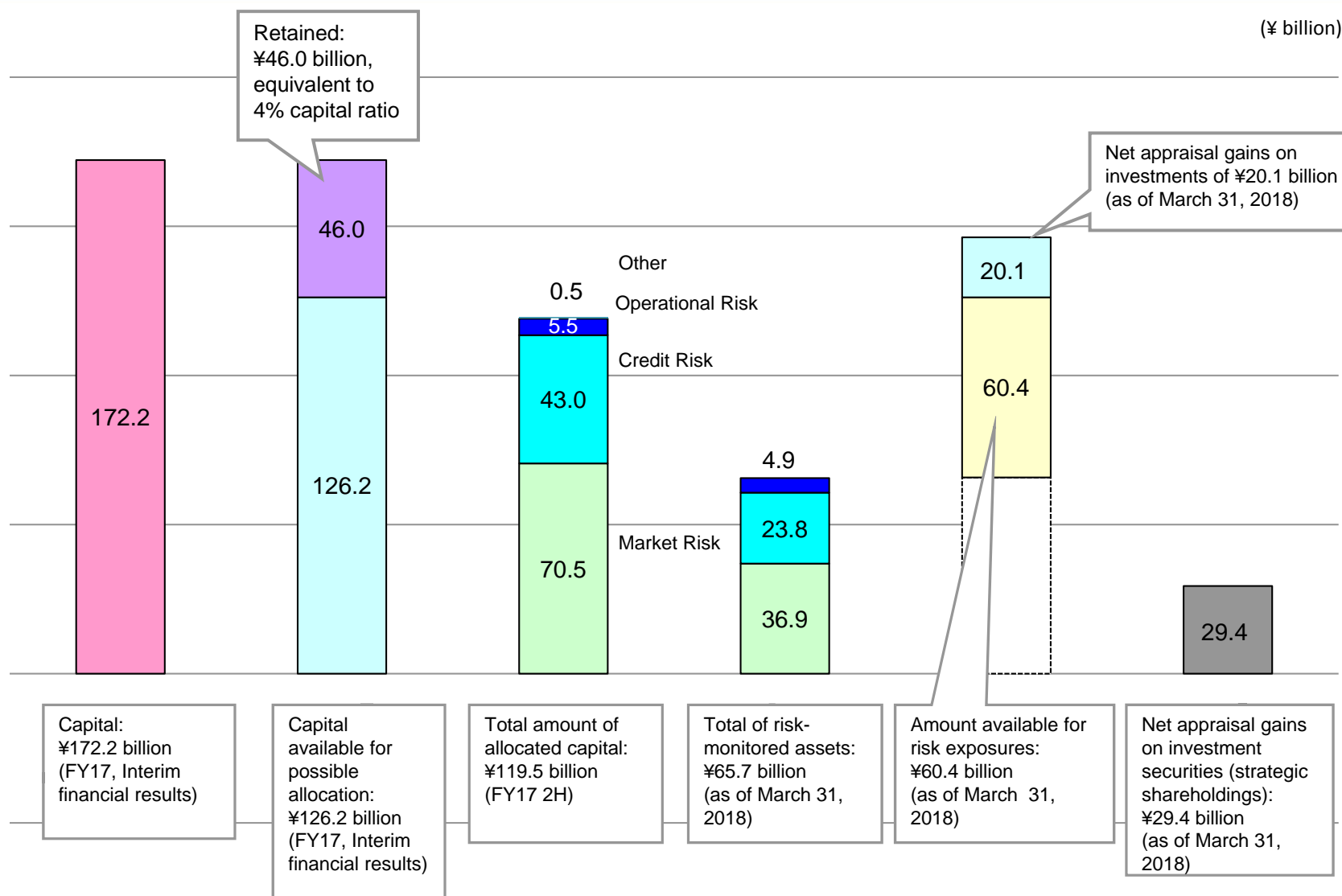
# FY17 Business Results (2)

(¥ billion,%)

		FY15	FY16	FY17	YoY change (FY16)		YoY change (FY17)	
					Amount	Percentage	Amount	Percentage
Profits and losses	Interest income	34.2	31.3	30.1	(2.8)	(8.45)	(1.1)	(3.62)
	Loans	18.1	16.6	15.8	(1.4)	(8.07)	(0.8)	(5.27)
	Securities	17.6	16.5	15.8	(1.1)	(6.31)	(0.7)	(4.25)
	Call loans	0.0	0.2	0.1	0.1	129.54	(0.0)	(7.92)
	Due from banks	0.0	(0.0)	0.0	(0.1)	(133.68)	0.0	209.37
	Fees and commissions	4.5	4.2	4.7	(0.3)	(7.95)	0.4	11.76
	Other operating income	(0.1)	2.1	(0.2)	2.3	1,944.53	(2.4)	(109.47)
	JGBs and other bond transactions	0.5	4.3	0.6	3.7	696.31	(3.6)	(83.97)
	General provision to loan loss reserve	1.6	(0.1)	—	(1.7)	(106.92)	0.1	100.00
	Expenses	27.9	26.9	26.9	(0.9)	(3.38)	(0.0)	(0.30)
	Net business profit	9.1	10.8	7.8	1.7	19.15	(3.0)	(28.26)
	Modified banking profit	10.7	10.7	7.8	0.0	0.02	(2.9)	(27.50)
	Net business profit on core operations	10.2	6.4	7.1	(3.7)	(36.96)	0.6	10.40
	Non-operating income (losses)	3.7	(1.9)	(1.1)	(5.6)	(151.13)	0.7	39.43
	Gains on reversal of provision to loan loss reserve	—	—	0.6	—	—	0.6	—
	Equity share and similar transactions	5.2	4.5	6.4	(0.6)	(12.99)	1.9	42.19
	Loss on dissolution of investment trusts	1.8	5.2	7.5	3.3	178.70	2.3	44.36
	Reversal of loan loss reserve	0.0	0.5	0.0	0.4	520.22	(0.5)	(98.73)
	Ordinary profits	12.8	8.9	6.6	(3.8)	(30.23)	(2.3)	(25.88)
	Extraordinary income (losses)	(0.1)	(0.2)	(0.6)	(0.1)	(153.44)	(0.3)	(106.12)
	Income taxes - basic	3.9	2.1	1.0	(1.8)	(46.17)	(1.0)	(49.85)
	Income taxes - deferred	0.0	(0.1)	0.5	(0.2)	(430.61)	0.6	415.43
	Net income	8.7	6.7	4.4	(2.0)	(23.20)	(2.2)	(33.47)

# Capital Allocation

(¥ billion)



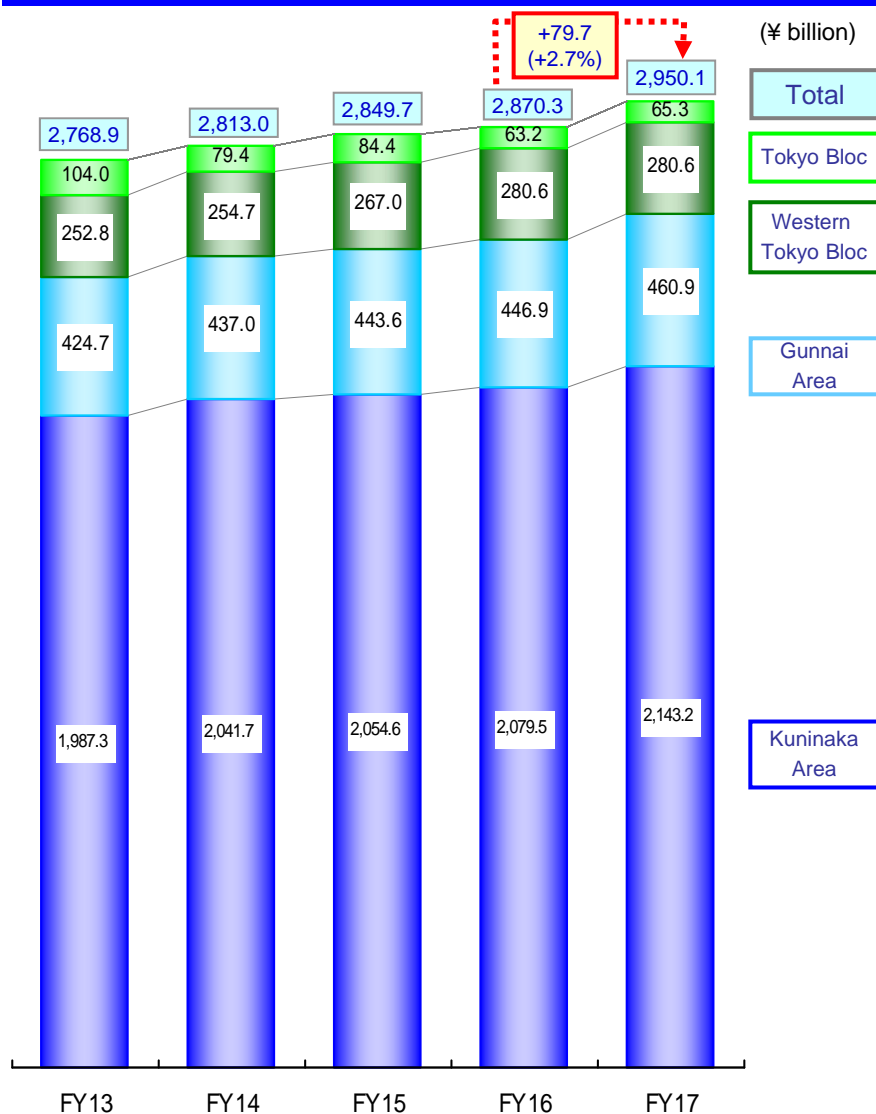
# Employees and Branches

	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	Comparison with FY07
Regular employees	1,564	1,605	1,659	1,705	1,704	1,708	1,699	1,675	1,677	1,685	1,737	173
Fixed-term contract workers	716	760	789	776	736	714	691	672	678	711	714	(2)
Branches (including sub-branches)	91	92	91	91	91	90	90	90	91	91	<sup>*2</sup> 92	1
Ordinary type	42	43	42	42	42	43	41	41	42	42	41	(1)
Covering wide area/ full-range services	23	22	22	22	21	21	21	21	21	21	21	(2)
Covering wide area/designated for <sup>*1</sup> special functions, Internet branches	26	27	27	27	28	26	28	28	28	28	<sup>*2</sup> 30	4
Corporate Sales Office	0	0	0	1	2	1	1	1	0	0	0	0
Life Squares/Loan Squares	4	5	5	5	5	6	7	7	8	8	8	4
Off-branch ATMs	132	134	132	130	129	126	129	130	133	135	141	9

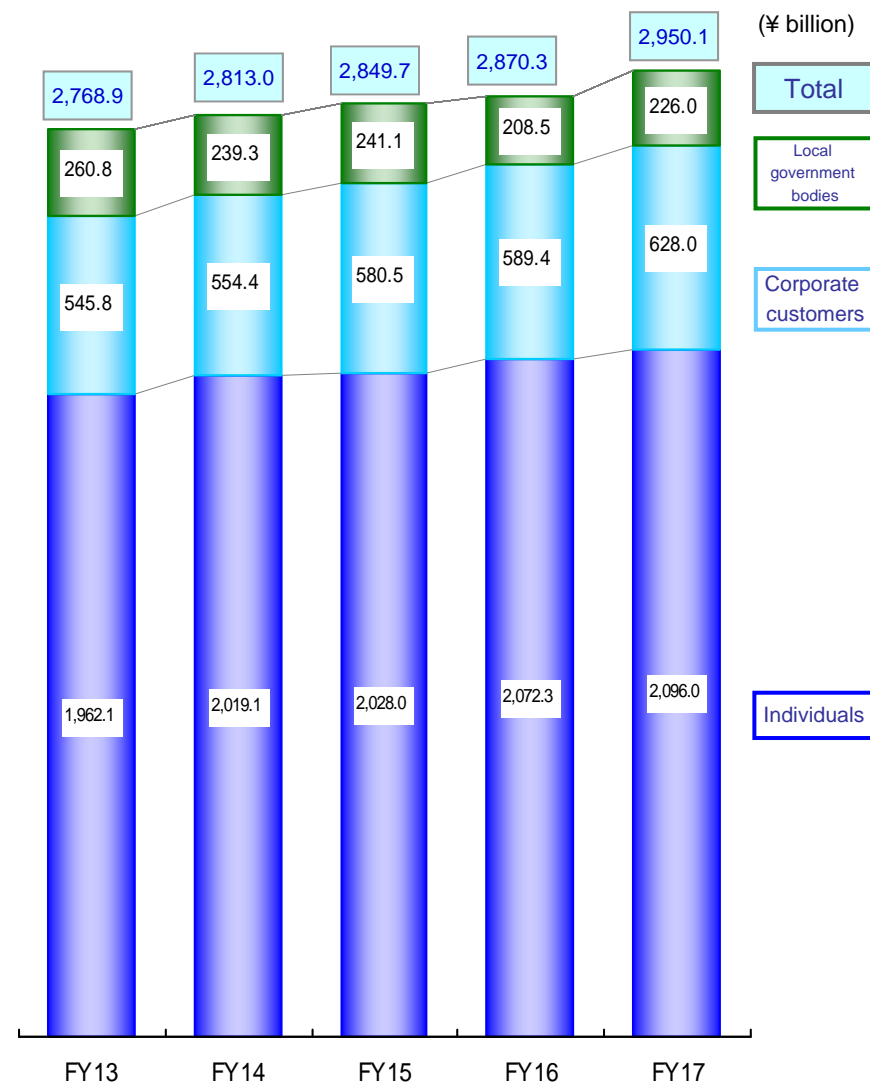
<sup>\*1</sup>: Branches designated for special functions are the total of branches specialized in retailing and branches specialized in loans to individuals, and a special-designation branch (Life Square Kofu Branch) and an Internet branch (Fujisan Internet Branch).

<sup>\*2</sup>: The Chuo Ichiba Branch operates at the Kokubo Branch, the Sumiyoshi Branch at the Minami Branch, the Chizuka Branch at the Yumura Branch, and the Art Gallery Branch at the Life Square Kofu Branch.

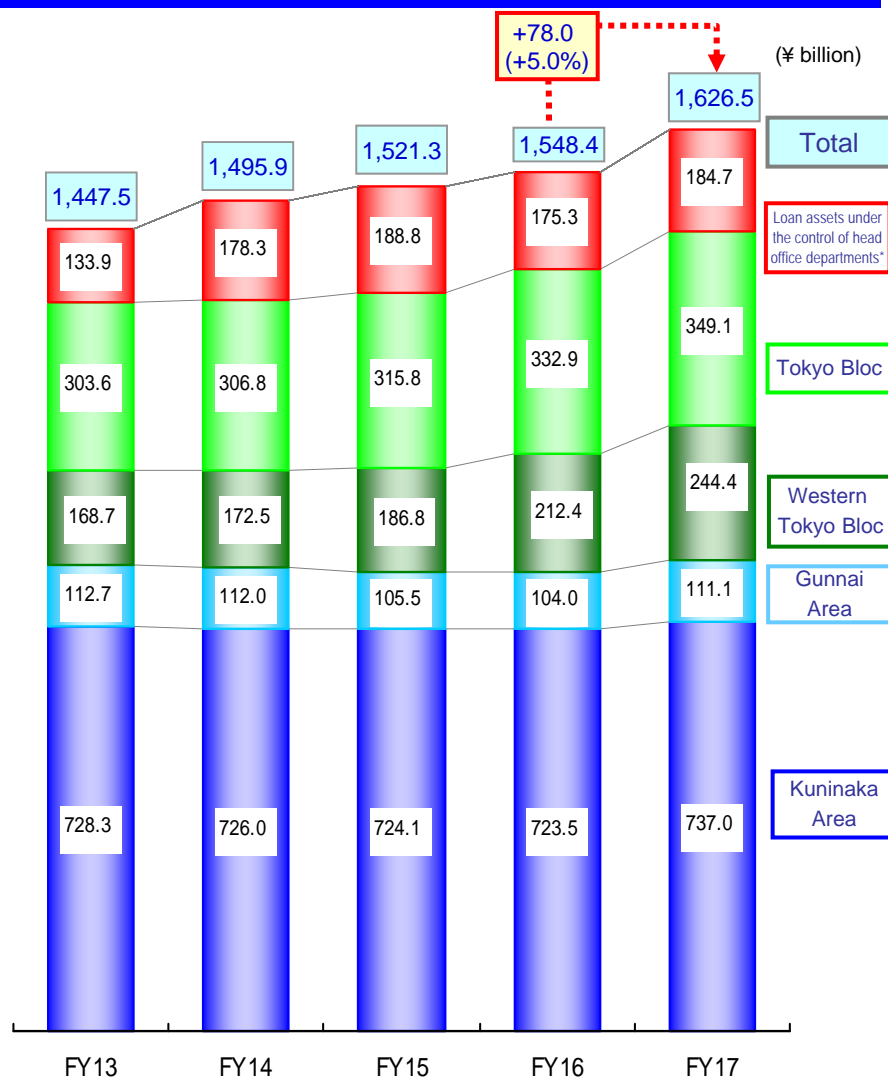
## Balance of Deposits (term-end)



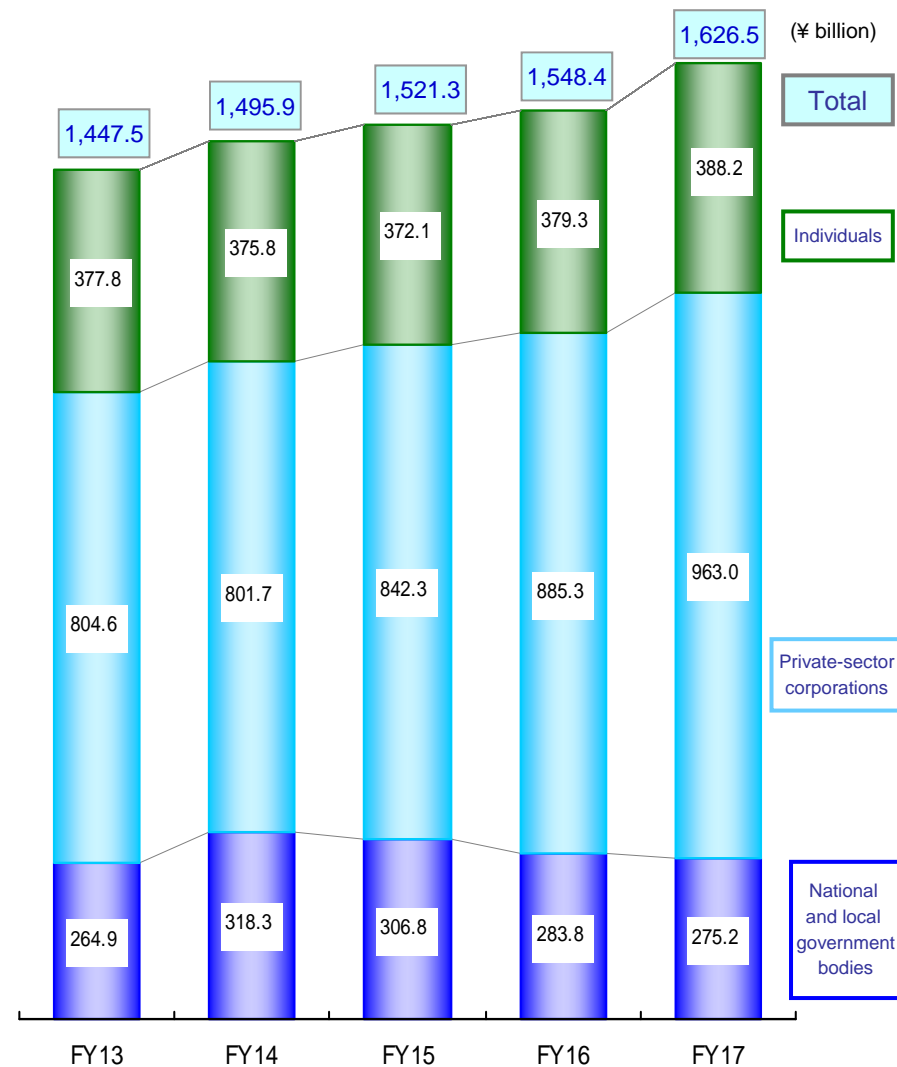
## Balance by Customer Segment (term-end)



## 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		YoY change	
	Balance	Ratio to total	Balance	Ratio to total	Balance	Ratio to total
Manufacturing	149.9	9.7%	161.2	9.9%	11.3	0.2P
Agriculture, forestry	2.3	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	4.0	0.3%	4.0	0.2%	(0.0)	(0.1)P
Construction	40.4	2.6%	37.4	2.3%	(2.9)	(0.3)P
Utilities, heat provision	30.4	2.0%	31.4	1.9%	0.9	(0.1)P
Telecommunications	13.1	0.8%	14.1	0.9%	1.0	0.1P
Transportation, postal services	83.1	5.4%	86.0	5.3%	2.8	(0.1)P
Wholesaling, retailing	117.2	7.6%	116.6	7.2%	(0.5)	(0.4)P
Financing, insurance	69.9	4.5%	80.9	5.0%	10.9	0.5P
Real estate, equipment rental and leasing	238.6	15.4%	271.6	16.7%	32.9	1.3P
Other services	135.9	8.8%	156.9	9.6%	20.9	0.8P
National and local government bodies	283.8	18.3%	275.2	16.9%	(8.5)	(1.4)P
Individuals and others	379.3	24.5%	388.2	23.9%	8.8	(0.6)P
Total lending	1,548.4	100.0%	1,626.5	100.0%	78.0	—

## Balance of Loans by Customer Business Scale/

## Designated Financial Institution Contracts with Local Government bodies 山梨中央銀行

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

(¥ billion, %)

		Overall			Yamanashi Prefecture			Western Tokyo Bloc			Tokyo Bloc			Headquarters		
		FY16	FY17		FY16	FY17		FY16	FY17		FY16	FY17		FY16	FY17	
				YoY change			YoY change			YoY change			YoY change			YoY change
National and local government bodies	Balance	283.8	275.2	(0.8)	201.3	195.7	(5.6)	0.1	0.6	0.5	2.6	1.8	(0.8)	79.5	77.0	(2.5)
	Ratio to total	18.3%	16.9%	(1.4)%	24.3%	23.1%	(1.2)%	0.0%	0.2%	0.2%	0.8%	0.5%	(0.3)%	45.4%	41.7%	(3.7)%
Large companies	Balance	320.0	324.9	0.4	27.2	27.8	0.0	8.9	10.2	1.3	252.0	259.0	7.0	31.8	27.7	(4.1)
	Ratio to total	20.7%	20.0%	(0.7)%	3.3%	3.3%	(0.0)%	4.2%	4.2%	(0.0)%	75.7%	74.2%	(1.5)%	18.1%	15.0%	(3.1)%
Second-tier companies	Balance	26.2	23.1	(3.1)	12.5	9.4	(3.1)	5.4	6.3	0.9	8.2	7.4	(0.8)	0.0	0.0	0.0
	Ratio to total	1.7%	1.4%	(0.3)%	1.5%	1.1%	(0.4)%	2.5%	2.6%	0.0%	2.5%	2.1%	(0.3)%	0.0%	0.0%	0.0%
SMEs	Balance	539.0	614.9	75.9	292.1	316.6	24.5	115.0	139.8	24.8	67.8	78.4	10.6	63.9	79.9	16.0
	Ratio to total	34.8%	37.8%	3.0%	35.3%	37.3%	2.0%	54.1%	57.2%	3.1%	20.4%	22.5%	2.1%	36.5%	43.3%	6.8%
Other individuals	Balance	379.3	388.2	8.9	294.3	298.4	4.1	82.7	87.4	4.7	2.1	2.3	0.2	0.0	0.0	0.0
	Ratio to total	24.5%	23.9%	(0.6)%	35.6%	35.2%	(0.4)%	38.9%	35.8%	(3.2)%	0.6%	0.7%	0.0%	0.0%	0.0%	0.0%
Total	Balance	1,548.4	1,626.5	78.1	827.6	848.1	20.5	212.4	244.4	32.0	332.9	349.1	16.2	175.3	184.7	9.4
	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 Government bodies (FY17)

	Prefecture	City	Town / Village	Total
Total number of local government bodies in Yamanashi Prefecture	1	13	14	28
Number of local 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)

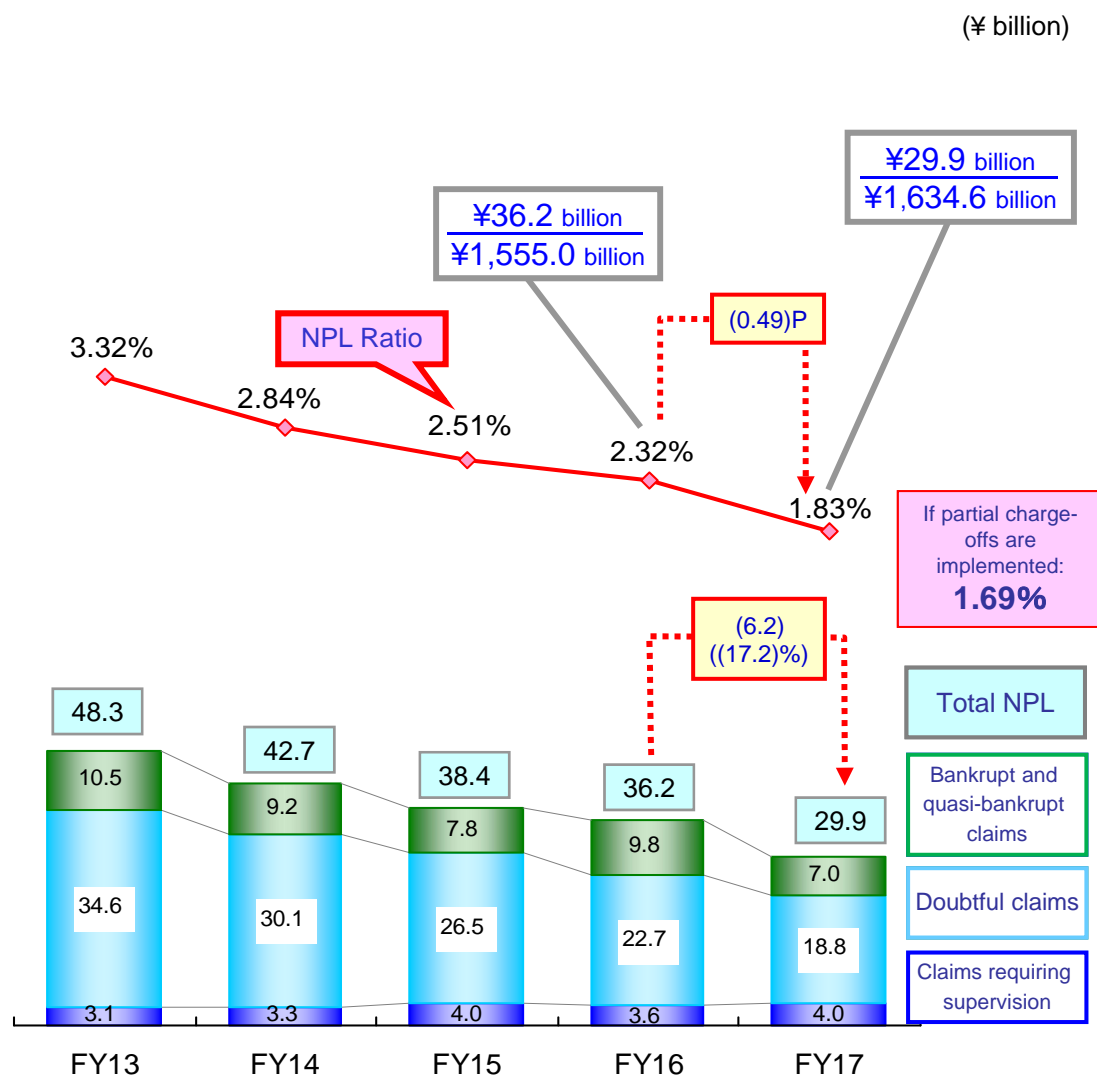
	FY16	FY17	YoY change	FY17 (consolidated basis)
Loans to customers in bankruptcy	2.2	2.1	(0.0)	2.2
Past due loans	30.1	23.6	(6.5)	24.1
Accruing loans contractually past due three months or more	0.0	—	(0.0)	—
Restructured loans	3.5	4.0	0.4	4.0
Total risk-monitored loans (A)	36.0	29.9	(6.1)	30.4
As a percentage of total loans	(2.32%)	(1.83%)	((0.49)P)	(1.87%)
Portions covered by collateral and guarantees (B) (including specific reserves)	32.7	26.3	(6.4)	26.8
Coverage ratio B / A	90.87%	87.97%	(2.90)P	88.15%
Reserve for possible loan losses (non-specific) (C)	3.2	3.6	0.3	5.6
Coverage ratio (B + C) / A (including loan loss reserves)	99.87%	100.04%	0.17P	106.71%

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

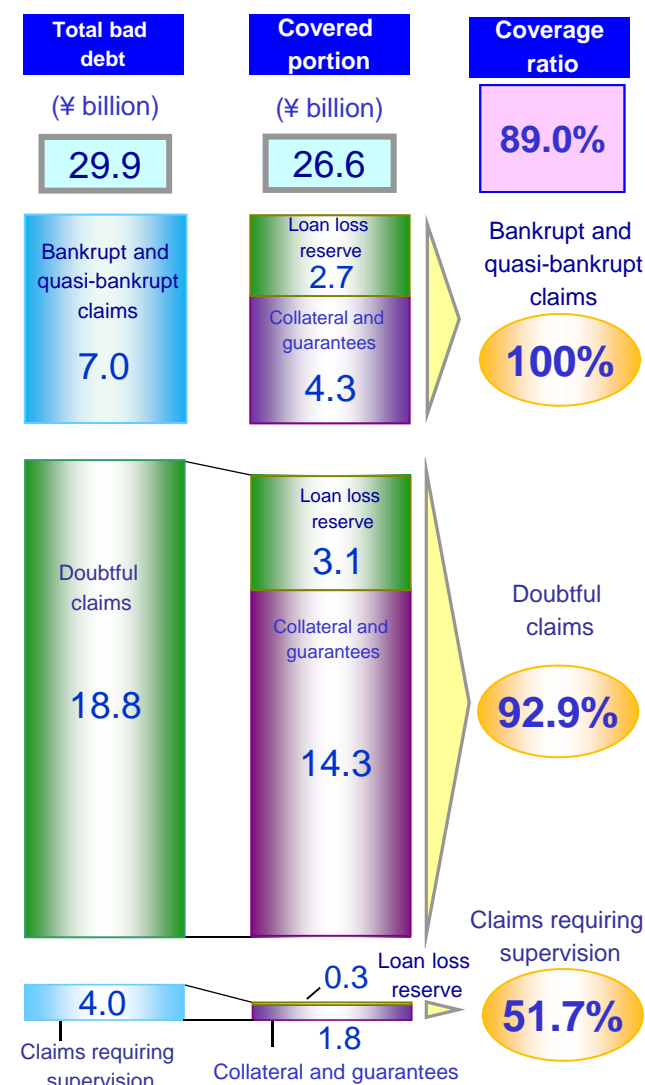
(¥ billion)

	FY17 Prior to partial charge-offs (1)	FY17 After partial charge-offs (2)	Decrease (2) - (1)
Loans to customers in bankruptcy	2.1	1.3	(0.7)
Past due loans	23.6	22.1	(1.4)
Accruing loans contractually past due three months or more	—	—	—
Restructured loans	4.0	4.0	0.0
Total risk-monitored loans	29.9	27.6	(2.2)
As a percentage of total loans	(1.83%)	(1.70%)	((0.13)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			FY17						
FY16	Amount of newly occurred	—	Normal borrower	Other requiring caution	Requiring supervision	Potentially bankrupt	Effectively bankrupt	Legally bankrupt	Deterioration to potentially bankrupt or worse
	Normal borrower	1,414.6	1,440.7	11.0	0.0	0.5	0.2	0.0	0.07%
	Other requiring caution	102.1	7.7	88.7	1.0	0.4	0.1	0.0	0.59%
	Requiring supervision	4.1	0.0	0.1	3.5	0.1	—	—	2.40%
	Potentially bankrupt	22.7	0.0	0.8	0.3	17.5	0.7	0.6	<div style="display: flex; align-items: center;"> <div style="width: 15px; height: 15px; background-color: #e0f0ff; border: 1px solid black; margin-right: 5px;"></div> Deterioration </div> <div style="display: flex; align-items: center;"> <div style="width: 15px; height: 15px; background-color: #fff0e0; border: 1px solid black; margin-right: 5px;"></div> Improvement </div>
	Effectively bankrupt	7.6	0.0	0.0	—	0.0	3.7	0.0	
	Legally bankrupt	2.2	—	—	—	0.1	—	1.3	
	Total	1,553.5	1,497.0	103.6	5.0	18.8	4.9	2.1	

\* 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".

# Securities Portfolio (1)

## <Prior to Mark-to-Market Adjustment>

(¥ billion, %)

	FY14		FY15		FY16		FY17		YoY change	
	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	592.4	41.4	381.9	32.1	376.3	31.1	(5.6)	(1.0)
Municipal bonds	225.4	15.9	227.3	15.9	162.1	13.6	168.9	14.0	6.8	0.4
Government guaranteed bonds	116.6	8.2	79.0	5.5	45.1	3.8	50.7	4.2	5.6	0.4
FILP Agency bonds	1.0	0.1	0.9	0.1	0.8	0.1	0.7	0.1	(0.1)	0.0
Financial debentures	—	—	—	—	—	—	—	—	—	—
Corporate bonds	23.3	1.6	9.2	0.6	6.2	0.5	5.9	0.5	(0.3)	0.0
Equity shares	46.3	3.3	39.3	2.8	33.8	2.9	40.5	3.3	6.7	0.4
Strategic holdings	28.7	2.1	27.7	1.9	26.6	2.2	25.5	2.1	(1.1)	(0.1)
Portfolio investments	17.5	1.2	11.5	0.8	7.1	0.6	15.0	1.2	7.9	0.6
Foreign securities	79.1	5.6	216.8	15.2	205.3	17.3	39.4	3.3	(165.9)	(14.0)
Investment trusts, etc.	152.2	10.7	265.1	18.5	352.9	29.7	525.1	43.5	172.2	13.8
Total	1,418.4	100.0	1,430.4	100.0	1,188.4	100.0	1,207.8	100.0	19.4	

## Securities Portfolio (2)

### <Yields and Valuation Gains (Losses)>

#### Yields

(%)

	FY14	FY15	FY16	FY17	YoY change (P)
Yen-denominated bonds	0.82	0.82	0.86	0.84	(0.02)
Equity shares	2.91	3.29	3.43	3.39	(0.04)
Investment trusts, etc.	3.35	2.66	1.68	1.81	0.13
Total of yen-denominated bonds	1.08	1.19	1.15	1.31	0.16
Foreign-currency-denominated bonds	1.92	1.72	1.95	2.06	0.11
Total	1.11	1.24	1.29	1.40	0.11

#### Valuation gains (losses)

(¥ million)

	FY14	FY15	FY16	FY17	YoY change(P)
JGBs and other bond transactions	10	543	4,324	693	(3,631)
On bond gain on sale	95	1,474	5,149	2,164	(2,985)
On bond sale loss	85	930	825	1,471	646
On bond amortization	—	—	—	—	—
Stock and other related income	1,032	5,219	4,541	6,457	1,916
Gains on sales of stocks and other securities	1,188	5,545	4,644	6,457	1,813
Shares loss on sale	79	321	100	—	(100)
Shares amortization	76	3	1	—	(1)
Total	1,042	5,763	8,866	7,150	(1,716)

# Earnings Structure by Borrower Segment

(¥ million)

## <One-Month Results (March 2018)>

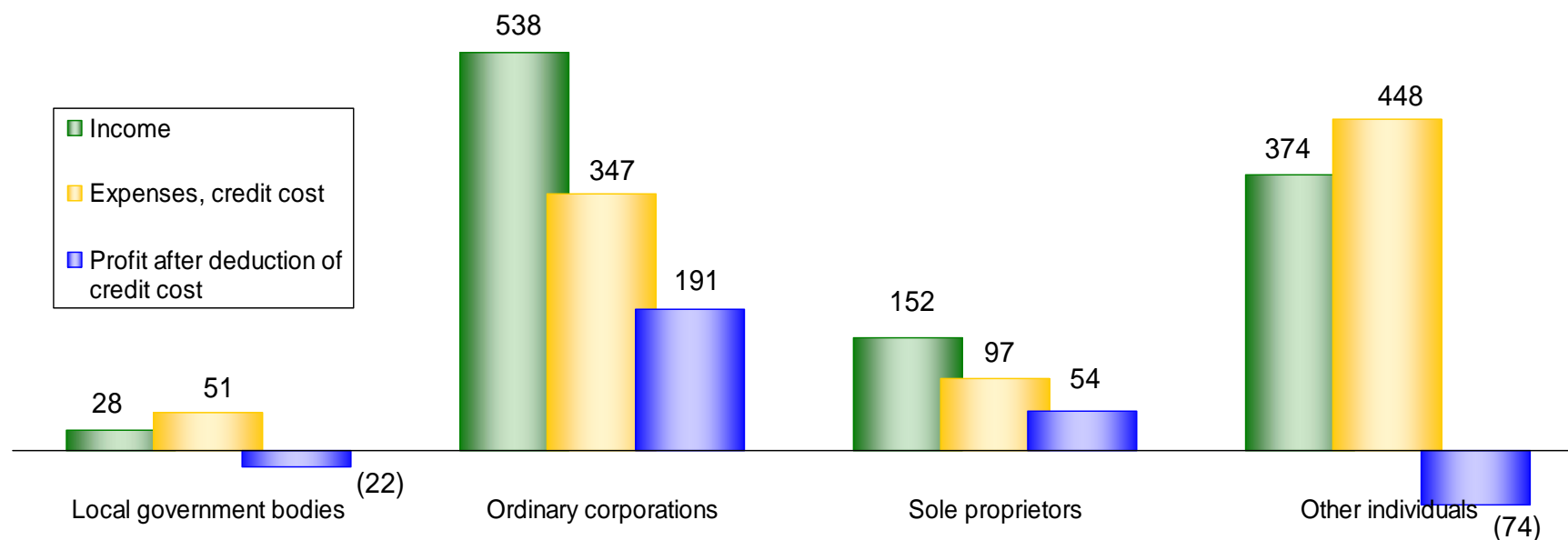
### Assumptions

#### <Scope>

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

#### <Calculation period>

March 2018 was used for the calculation of profitability of loans by borrower category.

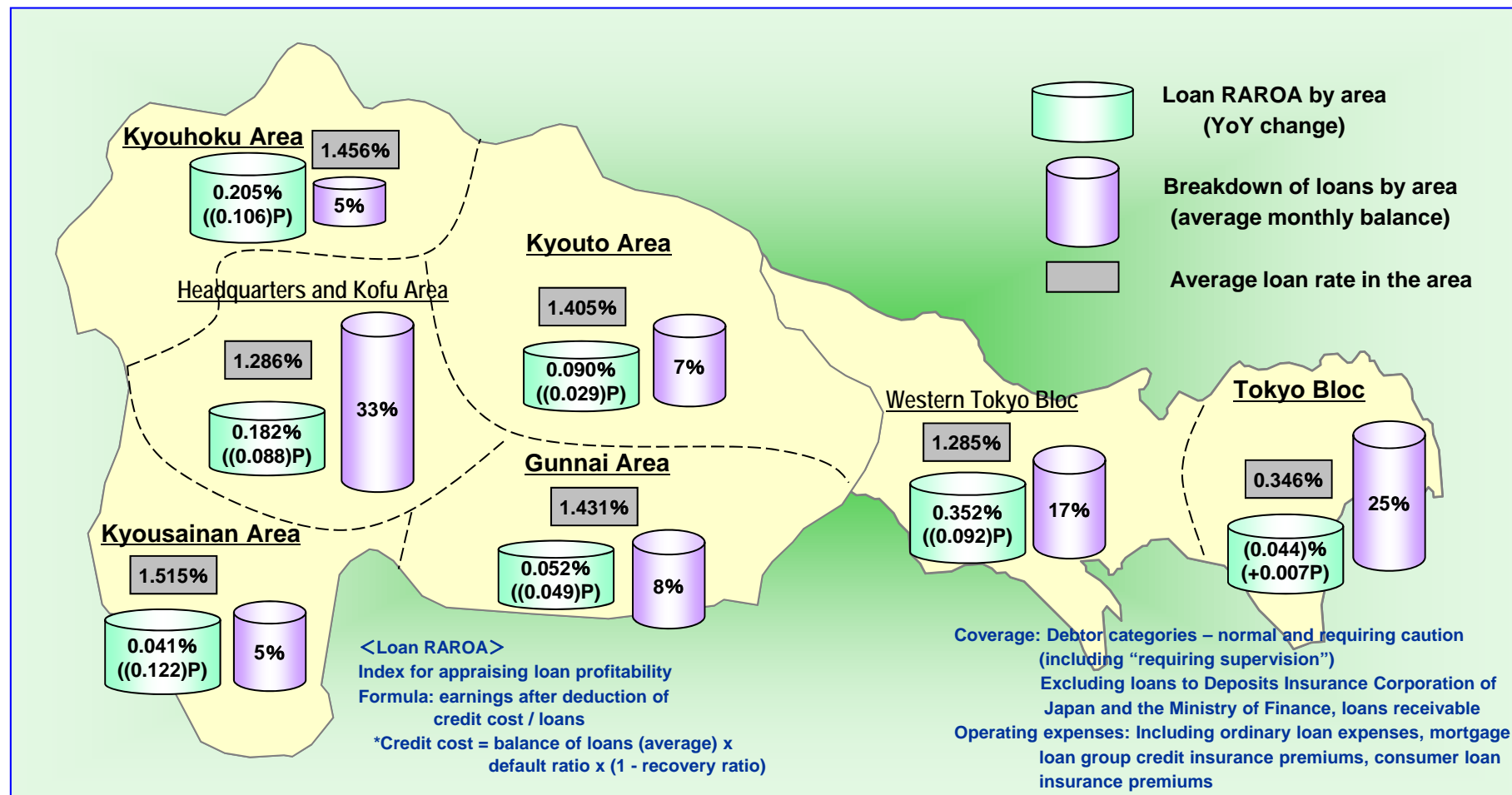




# Loan RAROA by Area

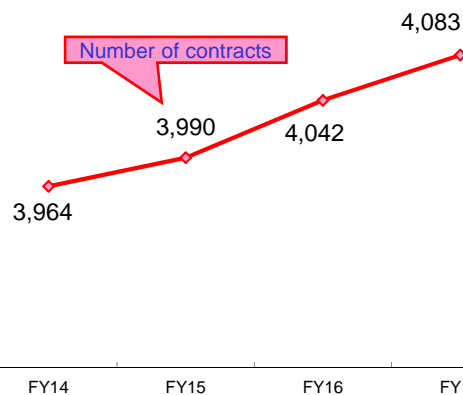
Loan RAROA for all areas: 0.132% ( (0.057) P YoY change)

<One-Month Results  
(March 2018)>

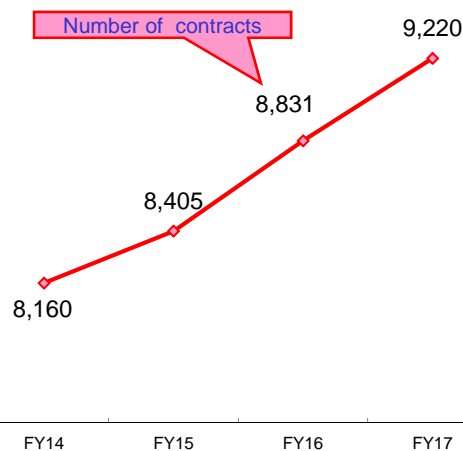


# Corporate Promotion Item Results

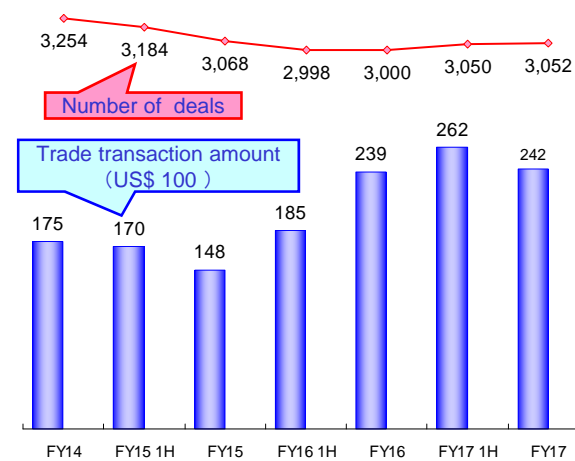
Number of Salary Transfer Customers Where Yamanashi Chuo Acts as Receiving Bank



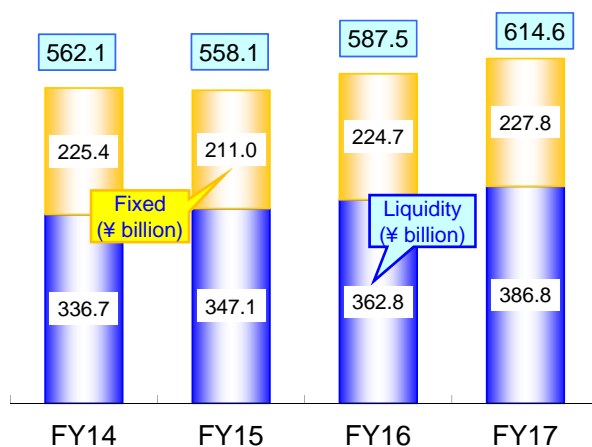
Number of Biz Direct Contracts



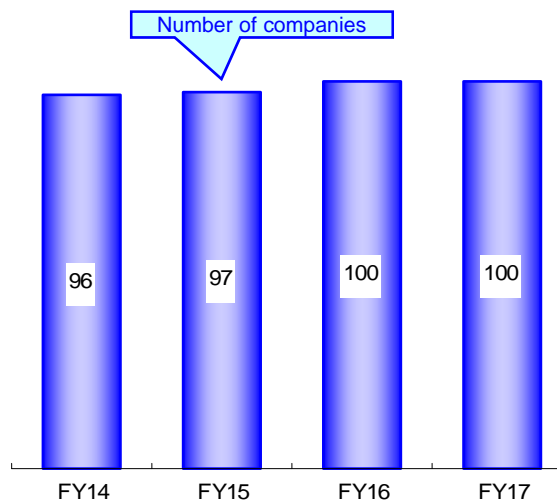
Changes in Trade Volume and Number (Export + Import Transactions)



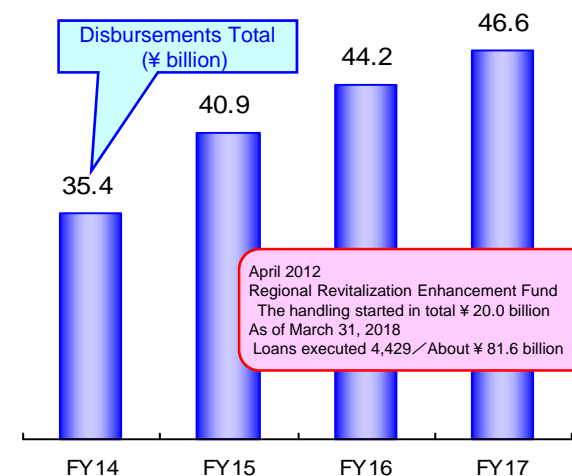
Balance of Corporate Deposit (average)



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 March 31, 2018)

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	436	4,551	880	270
Operating income (loss)	277	426	65	45
Ordinary profits	360	428	83	46
Net income	281	276	56	31
Total assets	8,058	10,417	3,043	1,227
Net assets	5,484	2,815	1,228	983
Borrowings	—	7,138	967	—
Borrowed from the Bank	(—)	(6,493)	(967)	(—)

# Major Economic Indicators in Yamanashi Prefecture

General				Business				Household			
	As of		Pref. rank		As of		Pref. rank		As of		Pref. rank
Total area	2017	4,465km <sup>2</sup>	32	Private businesses	2016	42,530	41	Real household income (average per month per salaried household)	2017	¥541,690	26
Habitable area	2016	21.4%	44	Value of manufacturing shipments	2016	¥2,242.8 bn	34				
Wilderness and parkland, etc	2016	27.1%	8	Value of per capita manufacturing shipments	2016	¥31,939,000	27	Household spending (average per month per salaried household)	2017	¥315,007	22
Population	2017	823,000	42	Annual sales of goods	2014	¥1,612.0 bn	42				
Number of households	2017	356,000	41	Annual per capita sales of goods	2014	¥29,818,000	37	Average consumption propensity (worker's household)	2017	72.0%	18
Children under 15 years	2017	12.0%	33	Total agricultural output	2016	¥89.9 bn	34	Number of personal vehicles (per 1,000 people)	2017	652	5
Working age population	2017	58.2%	21	Ratio of agricultural income to output	2016	50.6%	2	Number of public libraries (per 10,000 people)	2017	0.61	1
Persons over 65 years	2017	29.8%	25	Housing starts	2017	4,897	40	Number of convenience stores (per 100,000 people)	2017	55.3	2
Population growth	2017	(0.77)%	34	Floor area per housing start	2017	101.3m <sup>2</sup>	4	Average price of residential land (per m <sup>2</sup> , reference price)	2017	¥25,000	35
Prefectural GDP (real-term)	FY14	¥3,480.9 bn	41	Value of public works contracts	2017	¥145.7 bn	36	Home ownership	2013	70.9%	17
Economic growth (real-term)	FY14	0.5%	16	Total site area of construction starts	2017	897.172m <sup>2</sup>	40	Cost of education (Worker's household expenditure)	2017	5.2%	24
Per capita income	FY14	¥2,797,000	26	Jobs-to-applicants ratio	2017	1.36 times	31	Proportion of people in higher education	2017	56.9%	10

Placing 42nd 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.