

# Overview of Results for FY3/17 1H



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## – Consolidated and Non-consolidated –



### ▼ Non-consolidated

(Billion yen)

No	Calc. formula	FY3/16 1H	FY3/17 1H	Change
1	Gross operating profit [3+4+5]	36.5	34.4	-2.1
2	(Core gross operating profit) [1-6]	(33.4)	(31.7)	(-1.7)
3	Net interest income	28.9	28.0	-0.9
4	Fees and commissions	3.7	2.5	-1.2
5	Other operating profit	3.7	3.8	0.1
6	Gains/losses on JGBs and other debt securities	3.0	2.6	-0.4
7	Expenses	26.3	25.9	-0.4
8	Personnel expenses	14.6	14.4	-0.2
9	Non-personnel expenses	10.0	9.8	-0.2
10	Taxes	1.6	1.6	0.0
11	Net business profit [1-7]	10.1	8.4	-1.7
12	Net core operating profit [2-7]	7.1	5.7	-1.4
13	Net operating profit [11-15]	10.1	8.5	-1.6
14	Credit costs [15+16-17-18-19]	-0.8	0.9	1.7
15	Provision of general loan-loss reserves	-	-0.0	-0.0
16	Write-downs of nonperforming loans	0.1	1.0	0.9
17	Gain on reversal of loan loss reserves	0.9	-	-0.9
18	Gain on collection of written-off loans	0.0	0.0	-0.0
19	Gain on reversal of contingent loss	-	-	-
20	Gains/losses on equities	0.5	-0.0	-0.5
21	Other extraordinary gains/losses	1.7	1.2	-0.5
22	Investment trust financing expenses	0.0	0.0	-0.0
23	Ordinary profit [11-14+20+21-22]	13.3	8.6	-4.7
24	Extraordinary gains/losses	-0.1	-0.1	0.0
25	Interim net income before taxes [23+24]	13.1	8.5	-4.6
26	Total income taxes	3.5	2.3	-1.2
27	Interim net income [25-26]	9.5	6.1	-3.4

### ▼ Consolidated

Forecasts for FY3/17 1H	FY3/17 1H
	37.7
	(35.0)
	28.0
	4.6
	4.9
	2.6
	27.7
8.0	9.9
6.4	7.2
7.7	9.9
1.8	1.4
	-0.0
	1.5
	-
	0.0
	-
	-0.0
	1.2
	0.0
7.5	9.7
	-0.1
	9.5
	2.7
5.5	* 6.4

### Overviews of non-consolidated results

#### Gross operating profit

- Gross operating profit fell ¥2.1 billion YoY to ¥34.4 billion, due mainly to a decline in fees and commissions.

#### Net business profit

- Personnel expenses and non-personnel expenses declined, but net business profit fell ¥1.7 billion YoY to ¥8.4 billion due to the drop in gross operating profit.

#### Ordinary profit

- Ordinary profit declined ¥4.7 billion YoY to ¥8.6 billion, primarily reflecting an increase in credit costs.

#### Interim net income

- Interim net income declined ¥3.4 billion YoY to ¥6.1 billion due to the drop in ordinary profit.

\* Interim net income attributable to shareholders of the parent company

# Factors affecting gross operating profit

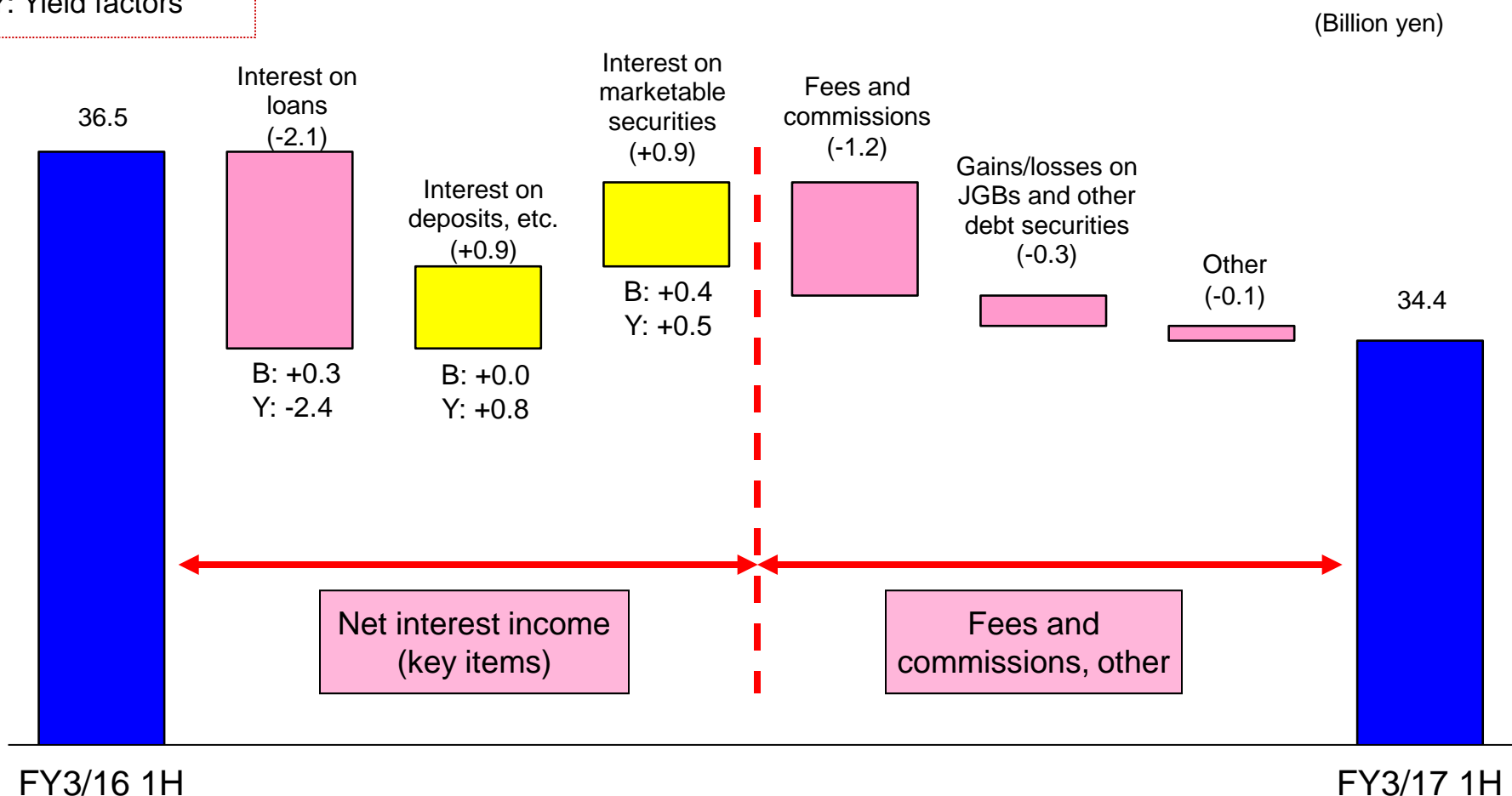
## – Non-consolidated –



Interest on loans and fees and commissions declined, but an improvement for interest on deposits and for interest on marketable securities limited the drop in gross operating profit to ¥2.1 billion YoY

B: Balance factors

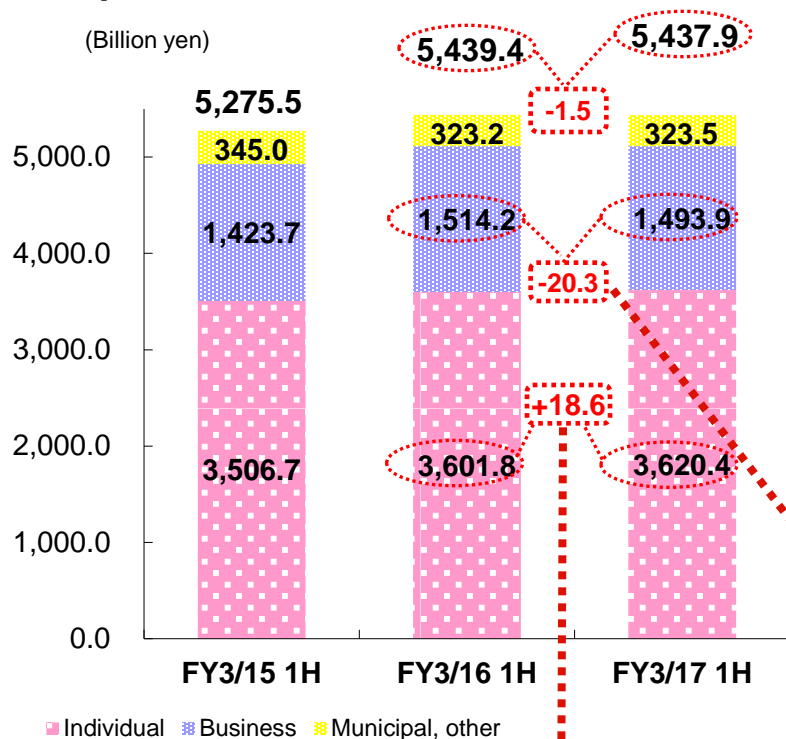
Y: Yield factors



# Key data (deposits)

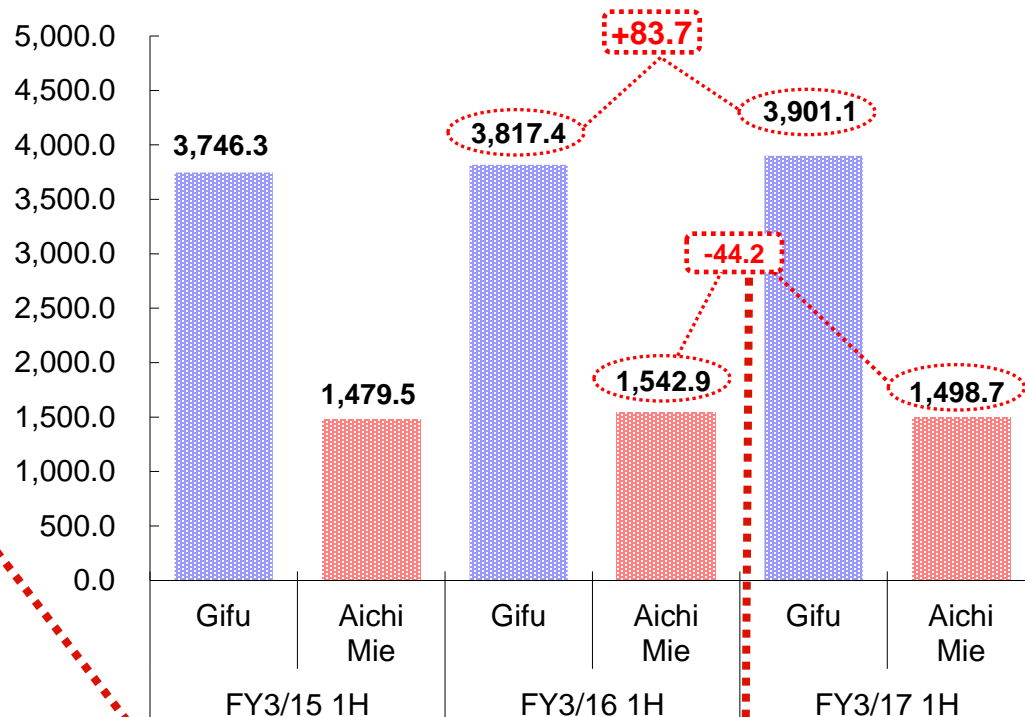
## ▼ Deposits

(Billion yen)



## ▼ Deposits by region

(Billion yen)



**Deposits from individuals increased, despite a lower promotional interest rate for deposits**



**Decline in deposits from businesses main reason for ¥56 billion drop in negotiable certificates of deposit**

Summer promotional interest rates on time deposits (1 year) in Juroku Bank's sales area	
Juroku Bank	0.05%
Bank A	0.10%
Bank B	0.12%
Shinkin Bank C	0.15%
Shinkin Bank D	0.20%
Agricultural Cooperative E	0.27%

Average contracted interest rate on deposits down 0.037%

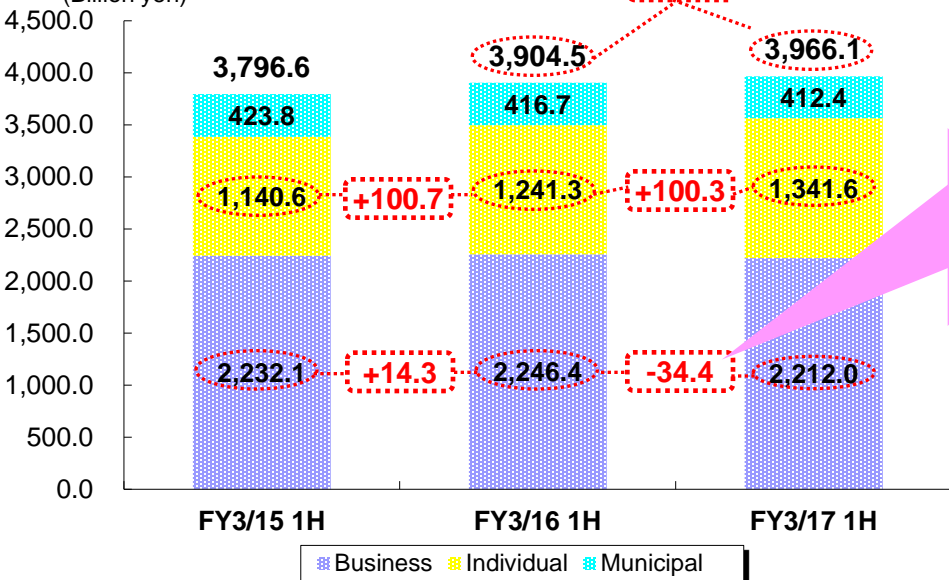
**Decline in fund procurement costs**

# Key data (loans)

**Loans to individuals strong, low interest rate loans to large companies decline, loans to SMEs continue to grow**

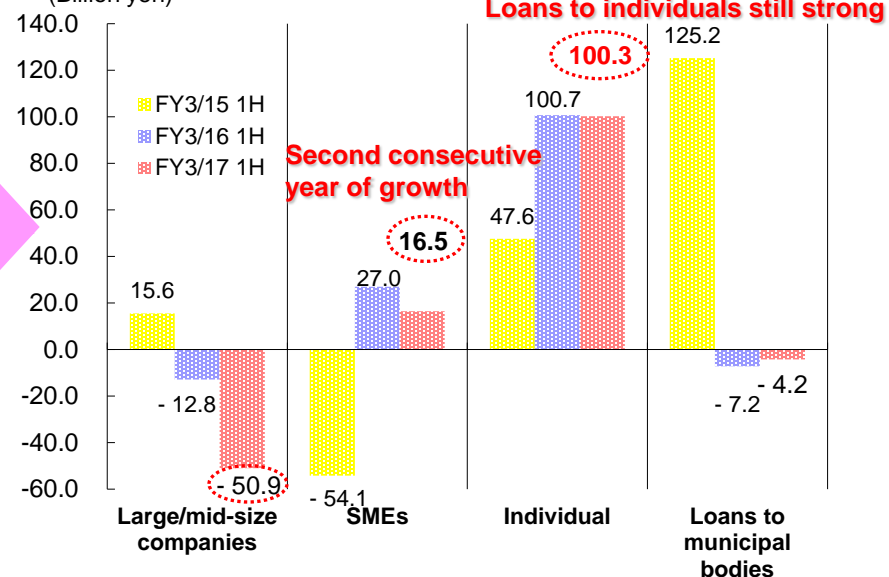
## ▼ Loans by sector

(Billion yen)



## ▼ Business loans by company size (YoY change)

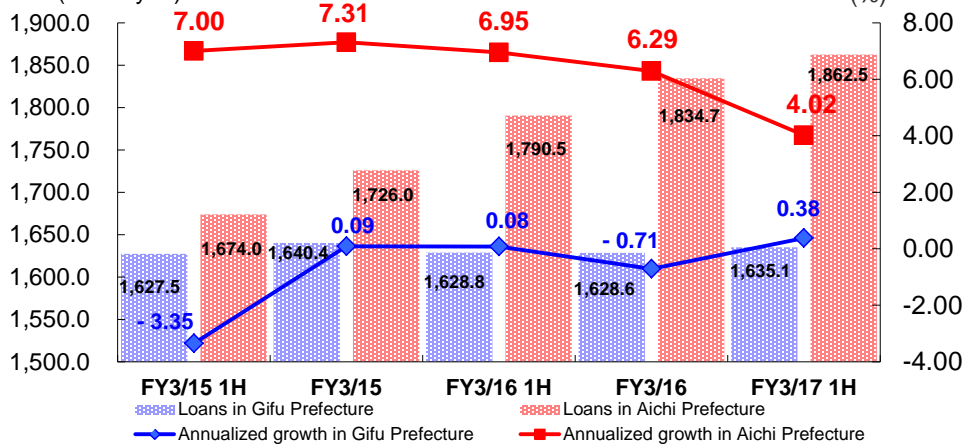
(Billion yen)



## ▼ Loan balance and annualized growth by region

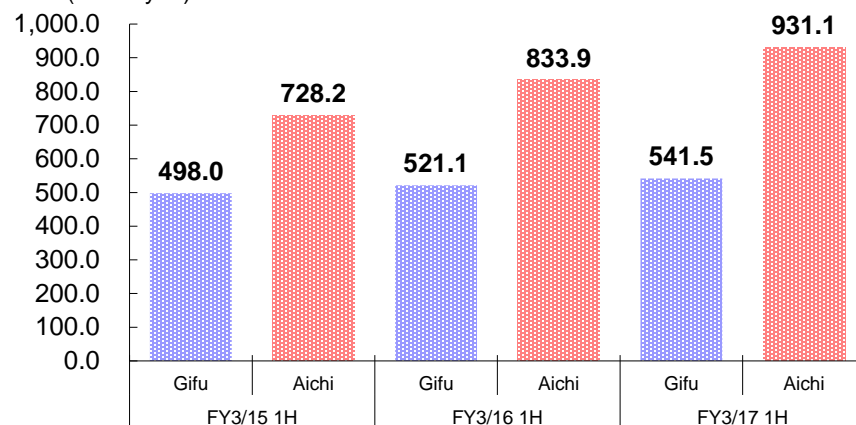
(Billion yen)

(%)



## ▼ Housing loans by region

(Billion yen)

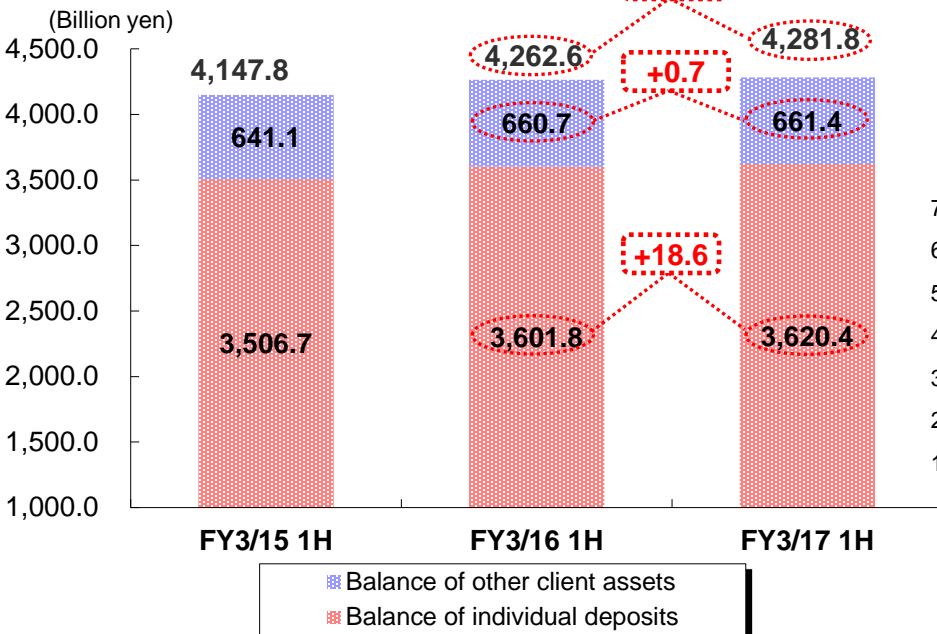


# Key data (fees and commissions)



**Individual client assets up ¥19.2 billion YoY to ¥4,281.8 billion, balance of other client assets also higher YoY**

## ▼ Individual client assets

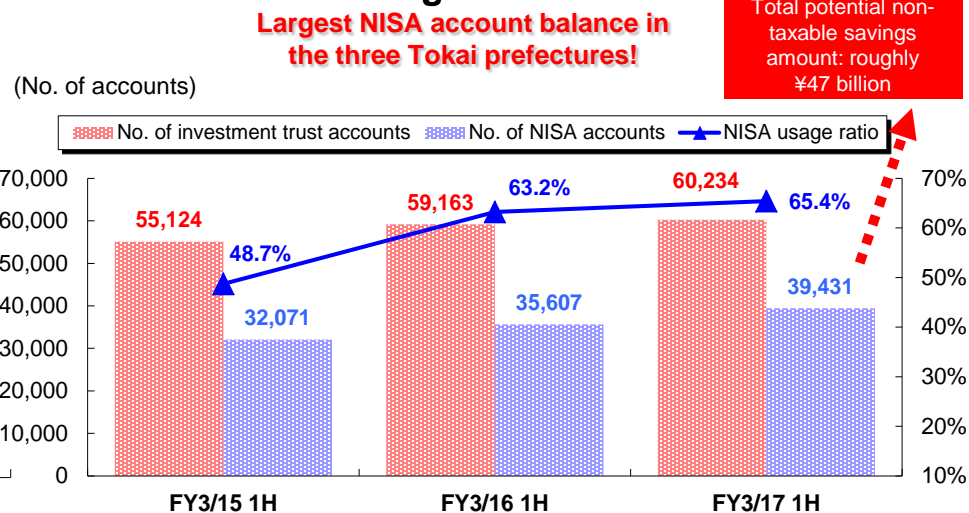


## ▼ Other client assets

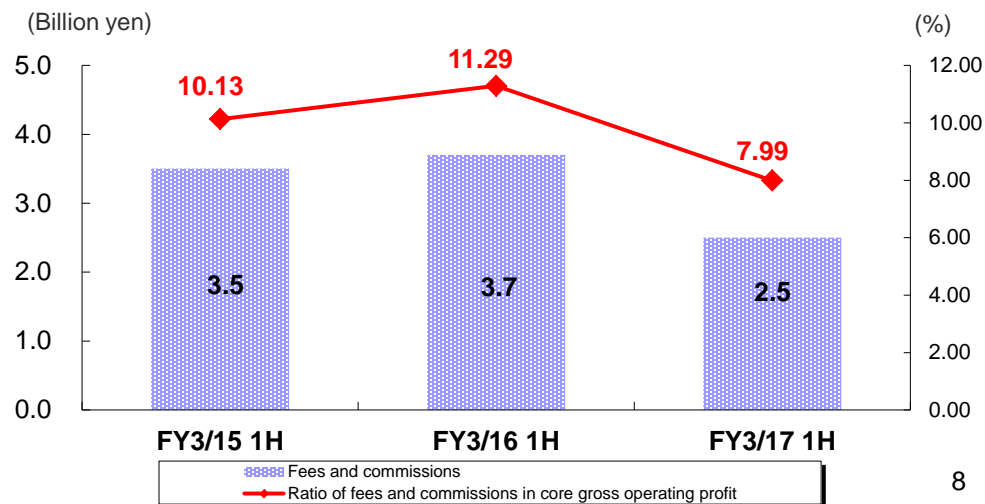
(Billion yen)

	FY3/15 1H	FY3/16 1H	FY3/17 1H	YoY15	YoY
	(A)	(B)	(C)	(C)-(A)	(C)-(B)
Mutual fund	165.8	174.5	167.2	1.4	-7.3
Individual annuity insurance	396.0	454.2	477.4	81.4	23.2
Public bond	79.2	31.9	16.6	-62.6	-15.3
Total	641.1	660.7	661.4	20.3	0.7

## ▼ No. of investment trust accounts and NISA accounts / NISA usage ratio



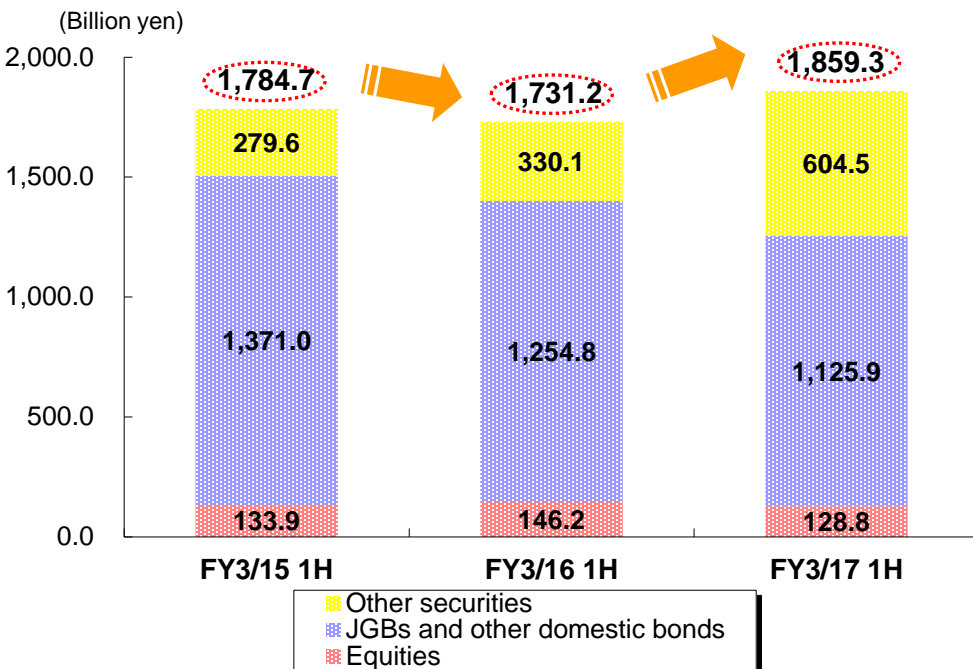
## ▼ Fees and commissions



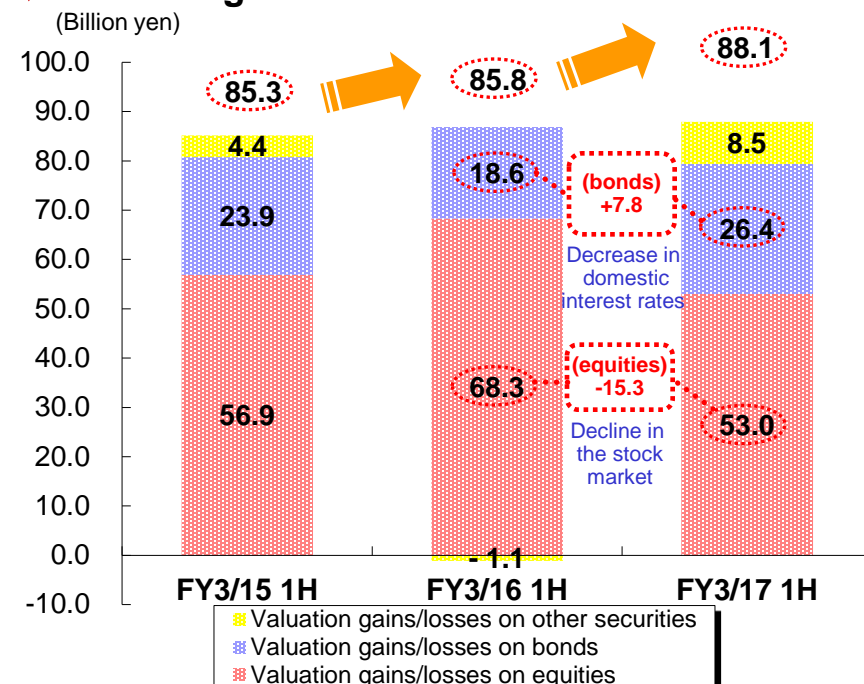
# Key data (marketable securities)

## Flexibly adjusting asset class allocations in response to market trends

### ▼ Balance of marketable securities



### ▼ Valuation gains/losses

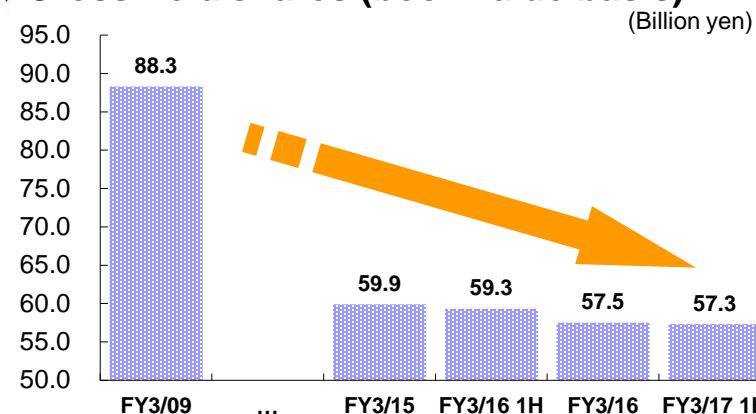


### ▼ Related gains/losses

(Million yen)

	FY3/16 1H	FY3/17 1H	Change
Gains/losses on JGBs and other debt securities	3,014	2,679	-335
Gains on sale	4,238	2,848	-1,390
Gains on redemption	-	6	6
Losses on sale	1,224	171	-1,053
Amortization	-	4	4
Gains/losses on equities	537	-10	-547
Gains on sale	686	790	104
Losses on sale	90	752	662
Amortization	58	47	-11

### ▼ Cross-held shares (book value basis)



# Credit costs and nonperforming loans

## ▼ Credit costs

(Billion yen)

	FY3/15 1H	FY3/16 1H	FY3/17 1H
Credit costs (1+2-3-4-5)	-0.2	-0.8	0.9
(1) Provision of general loan-loss reserves (gain on reversal)	-	-	-0.0
(2) Write-downs of nonperforming loans	0.4	0.1	1.0
Loans written off	-	-	-
Provisions for specific loan-loss reserves	-	-	0.6
Losses on bulk sales	0.1	0.1	0.3
Other	0.2	0.0	0.0
(3) Gain on reversal of loan loss reserves	0.6	0.9	-
(4) Gain on collection of written-off loans	0.0	0.0	0.0
(5) Gain on reversal of contingent loss	-	-	-

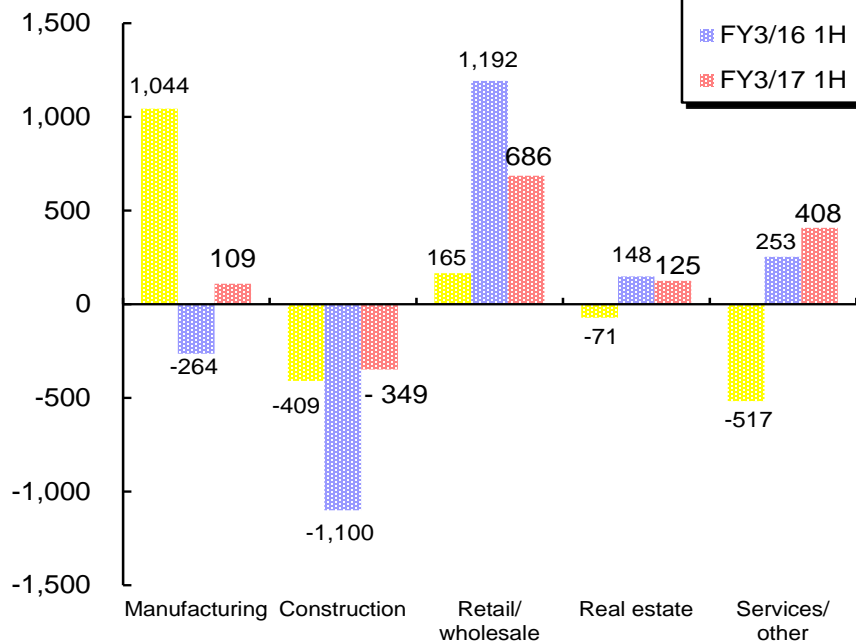
■ Credit costs remain low

■ Nonperforming loan ratio was 2.45% as of end-FY3/17 1H

## ▼ Nonperforming loans (Financial Revitalization Law basis)

## ▼ Write-downs of nonperforming loans by sector

(Million yen)



(Billion yen)

(%)

