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# The 35th Information Meeting

The 30th Long-Term Management Plan

**Change to the bank creating regional vitality**

(April 2015 ~ March 2018)

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May 28, 2015

 八十二銀行

This report includes the descriptions relating to the future business performance  
but these descriptions would not assure the future business results.  
Please note that the actual business results will be substantially changed  
due to variable economic conditions.

<For inquiry>

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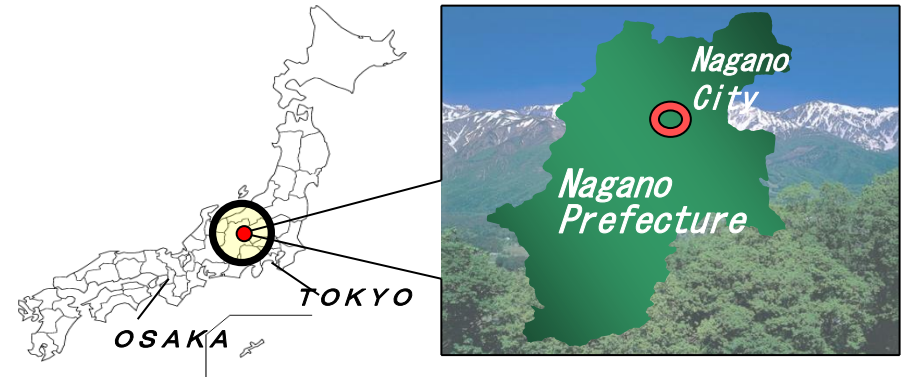
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# Hachijuni Bank's Profile

## Company overview

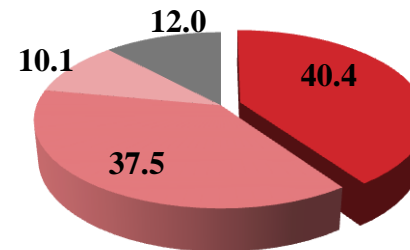
Company name	<b>THE HACHIJUNI BANK, LTD.</b>
Head office	Nagano City, Nagano Prefecture
Date of establishment	August 1st, 1931
Network	<u>Domestic</u> 151 (In Nagano: 131, outside Nagano: 20) <u>Overseas</u> 1 branch (Hong Kong) 4 representative offices (Dalian, Shanghai, Bangkok, Singapore)
No. of employees	3,184
Capital stock	¥52.2bn
Issued shares	511,103 thousand shares
Total assets	¥7,951.8bn
Net assets	¥644.4bn
Deposits	¥6,251.5bn
Loans	¥4,558.4bn
Total capital ratio (Basel III)	Consolidated: 19.79% (preliminary) Non-consolidated: 18.98% (preliminary)
Rating	S&P : A R&I : A+



## Share in Nagano (outstanding balance of Mar 31, 2015)

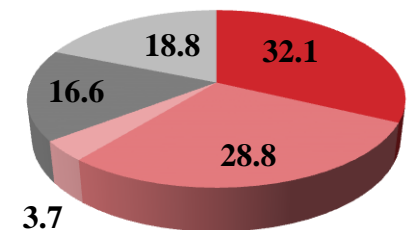
### Loans (%)

- The Hachijuni Bank
- Bank, Credit union, Credit association
- Workers credit union, Govt. financial institution
- Agricultural cooperative



### Deposits (%)

- The Hachijuni Bank
- Bank, Credit union, Credit association
- Workers credit union, Govt. financial institution
- Agricultural cooperative
- Post-office saving

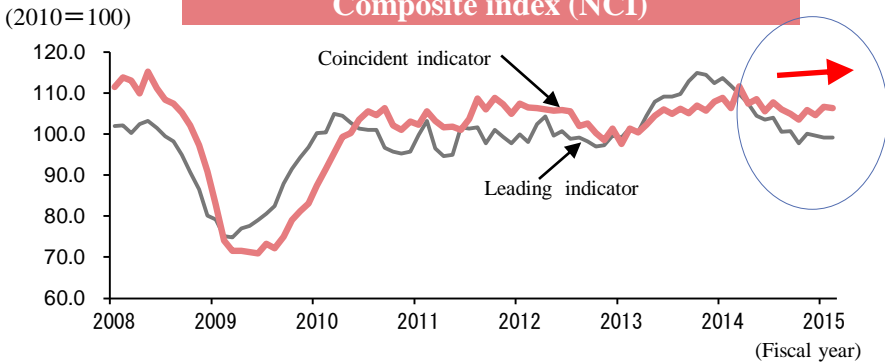


※Post-office saving ratio was our estimation.

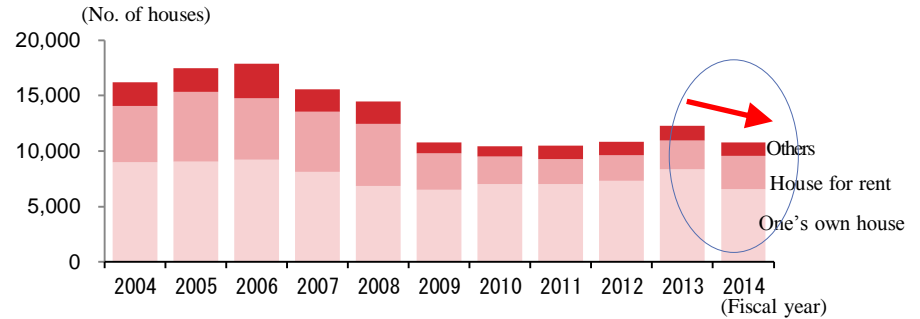
(as of Mar 31, 2015)

# The State of Economy of Nagano Prefecture

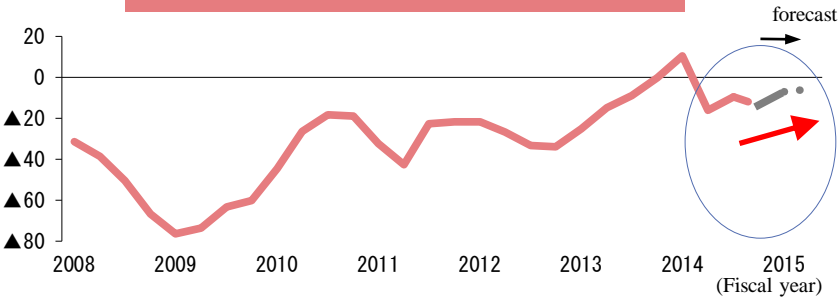
### Composite index (NCI)



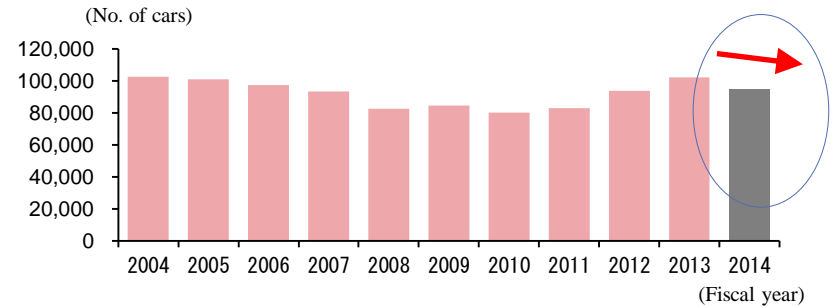
### The change in new housing starts



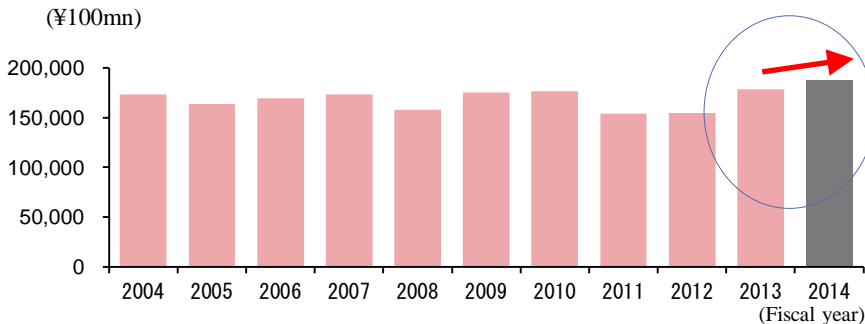
### Diffusion index



### The change in car sales



### Contract amount of public work projects



(Source)

The left (upper and middle): Nagano Economic Research Institute

The left (lower): East Japan Construction Survey Co., Ltd. Nagano Branch

The right (upper): Nagano Prefecture

The right (lower): Ministry of Land, Infrastructure, Transport and Tourism  
Hokuriku-Shinetsu District Transport Bureau

# **Outline of FY2014 Financial Results and FY2015 Forecast**

**The 30th Long-Term Management Plan**

**Main Financial Figures**

# Outline of Financial Results

## Main points of FY2014 financial results

### 【Consolidated】

- ◆ Operating profit was ¥47.8bn (+¥1.4bn from FY2013, *record high*) due mainly to the decrease in credit costs (the increase in reversal of allowance for loan losses).
- ◆ Net income was ¥27.1bn (+¥0.6bn from FY2013).

### 【Non-consolidated】

- ◆ Core net business profit was ¥29.9bn (▲¥3.0bn from FY2013) due to the decrease in profit on interest, reflecting the reduction of interest margin.
- ◆ Credit costs was a negative ¥3.7bn (▲¥4.5bn from FY2013) due to the decrease in transfer to general reserve for possible loan losses.
- ◆ Profit/losses related to securities was ¥6.7bn (▲¥1.4bn from FY2013) due to decreases in both gains/losses related to bonds and gains/losses related to stocks.
- ◆ Operating profit was ¥41.2bn (+¥0.7bn from FY2013, *record high*) as the decrease in profit on interest was offset by reversal of allowance for loan losses.
- ◆ Net income was ¥25.7bn (+¥1.0bn from FY2013).

# FY2015 Forecast

## Key points of FY2015 full year forecast

### 【Consolidated】

- ◆ Operating profit will decrease by ¥11.8bn from FY2014 to ¥36.0bn due to the decrease in profit on interest of non-consolidated account.
- ◆ Net income will decrease by ¥4.6bn from FY2014 to ¥22.5bn.

### 【Non-consolidated】

- ◆ Core net business profit will decrease by ¥8.4bn from FY2014 to ¥21.5bn due to decreases in interest on loans and interest and dividend on securities, as well as the increase in funding cost of foreign currencies.
- ◆ Credit costs will decrease by ¥0.1bn from FY2014 to a negative ¥3.8bn, stabilizing at low level.
- ◆ Profit/losses related to securities will decrease by ¥2.4bn from FY2014 to ¥4.3bn owing to the decrease in gains/losses related to bonds.
- ◆ Operating profit will decrease by ¥10.2bn from FY2014 to ¥31.0bn as a large profit on sales of stocks is not projected.
- ◆ Net income will decrease by ¥4.7bn from FY2014 to ¥21.0bn.

# Details of Income 【consolidated】

	FY2013 results	FY2014 results	(¥100mn) From FY2013	
Consolidated gross business profit	1,098	1,050	▲47	<ul style="list-style-type: none"> <li>● Factors of the difference (cf. non-consolidated figure: ¥10.5bn)               <ul style="list-style-type: none"> <li>✓ Hachijuni DC Card Co., Ltd. (¥1.8bn)</li> <li>✓ Hachijuni Securities Co., Ltd. (¥1.7bn)</li> <li>✓ Hachijuni Credit Guarantee Co., Ltd. (¥0.7bn)</li> </ul> </li> </ul>
Profit on interest	808	767	▲41	
Profit on fees & commissions	155	157	2	
Trading profit	17	16	▲0	
Profit from other business transactions	116	109	▲7	
General & administrative expenses	636	637	1	<ul style="list-style-type: none"> <li>● Factors of the difference (cf. non-consolidated figure: ¥0.2bn)               <ul style="list-style-type: none"> <li>✓ Hachijuni Securities Co., Ltd. (¥1.3bn)</li> </ul> </li> </ul>
Credit costs	16	▲34	▲50	
Gains/losses related to stocks	17	15	▲1	<ul style="list-style-type: none"> <li>● Factors of the difference (cf. non-consolidated figure: ¥6.2bn)               <ul style="list-style-type: none"> <li>✓ Hachijuni Lease Co., Ltd. (¥2.7bn)</li> <li>✓ Hachijuni Auto Lease Co., Ltd. (¥0.9bn)</li> </ul> </li> </ul>
Others	1	15	14	
Operating profit	463	478	14	
Extraordinary gains/losses	▲3	▲6	▲3	
Net income	265	271	6	
No. of consolidated subsidiaries	11	10	▲1	<ul style="list-style-type: none"> <li>● Excluded Hachijuni Asia Limited</li> </ul>
Ratio of consolidated profits to parent company's profits	1.073	1.055	▲0.018	



# Details of Income 【non-consolidated】

(¥100mn)		FY2013 results	FY2014 results	From FY2013	FY2015 full year forecast	1H2015 forecast	FY15 full year from FY14
Gross business profit		981	935	▲45	821	420	▲114
Profit on interest		806	765	▲41	676	344	▲89
Profit on fees & commissions		103	105	1	94	47	▲11
Profit from other business transactions		68	62	▲6	44	25	▲18
Gains/losses related to bonds		64	52	▲11	31	19	▲21
General & administrative expenses		587	583	▲3	576	291	▲7
Personnel expenses		297	291	▲6	295	148	4
Non personnel expenses		264	261	▲2	248	124	▲13
Core net business profit		330	299	▲30	215	110	▲84
Actual net business profit		394	352	▲41	245	130	▲107
Transfer to general reserve for possible loan losses		▲59	—	59	—	—	—
Net business profit		453	352	▲101	245	130	▲107
Tempo- rary profit/ losses	Reversal of allowance for loan losses	—	40	40	42	15	2
	Reversal of general reserve	—	12	12	—	—	—
	Reversal of specific reserve	—	27	27	—	—	—
	Gains/losses related to stocks	18	14	▲3	12	6	▲2
	Disposal of NPL	67	3	▲64	3	1	0
Transfer to specific reserve	60	—	▲60	—	—	—	
Operating profit		404	412	7	310	160	▲102
Extraordinary gains/losses		▲3	▲2	0	—	—	—
Net income		247	257	10	210	110	▲47
Credit costs		8	▲37	▲45	▲38	▲13	▲1
Profit/losses related to securities		82	67	▲14	43	25	▲24

- Factors of the difference (cf. FY13 figure)
  - ✓ Interest on loans ▲¥3.1bn
  - ✓ Interest and dividends on securities ▲¥0.1bn
  - ✓ Interest on deposits + ¥0.4bn

- Factors of the difference (cf. projections figure: ¥72.9bn)
  - ✓ Interest on loans +¥0.3bn
  - ✓ Interest and dividend on securities +¥3.0bn

- Factors of the difference (cf. FY14 figure)
  - ✓ Interest on loans ▲¥2.1bn
  - ✓ Interest and dividends on securities ▲¥4.1bn
  - ✓ Funding costs of foreign currencies +¥2.2bn

- Factors of the difference (cf. FY14 figure)
  - ✓ Decline in deposit insurance premiums rate

- Other factor
  - ✓ Reversal of deferred tax assets caused by lowering the corporation tax rate ¥1.6bn (downward pressure on net income)

# Returns to Shareholders

(¥100mn)

	FY2012	FY2013	FY2014	FY2015 (forecast)
Annual dividends <sup>①</sup>	50	55	75	45
Dividend per share (full year)	¥10.0	¥11.0	¥15.0	¥9.0
Interim dividend	¥3.5	¥5.0	¥5.0	¥4.0
Purchase of own stocks <sup>②</sup>	20	0	30	—
Shareholder returns <sup>③</sup> = ① + ②	70	55	105	45
Net income <sup>④</sup>	205	247	257	210
Payout ratio <sup>①</sup> ÷ <sup>④</sup>	24.6%	22.5%	29.2%	21.4%
Ratio of shareholder returns <sup>③</sup> ÷ <sup>④</sup>	34.4%	22.6%	40.9%	—

## 【Dividend policy】

Distribution ratio will be approximately 20% against net income of ¥20bn or lower. And if net income exceeds ¥20bn, add 30% of a portion of net income in excess of ¥20bn.  
(lower limit of dividend per share: ¥5.0 a year)

## 【FY2014 full year dividend】

As net income, which was significantly higher than the 29th Long-Term Management Plan target of ¥20bn and it has exceeded ¥20bn for 3 consecutive years during the period of the Plan, the Bank added an extra amount to the basic amount calculated by dividend policy.

Outline of FY2014 Financial Results  
and FY2015 Forecast

**The 30th Long-Term Management Plan**

Main Financial Figures

# Results of the 29th Long-Term Management Plan

Items	Targets for the end of FY2014	Results of the end of FY2014
Actual net business profit	¥40.0bn	¥35.2bn
Net income	¥20.0bn	¥25.7bn
NPL ratio based on the Financial Revitalization Law	3.5%	2.64%
Tier 1 Capital Ratio (Basel III)	16%	(preliminary) 16.55%
OHR	50% level	62.3%

# Outline of the 30th Long-Term Management Plan①

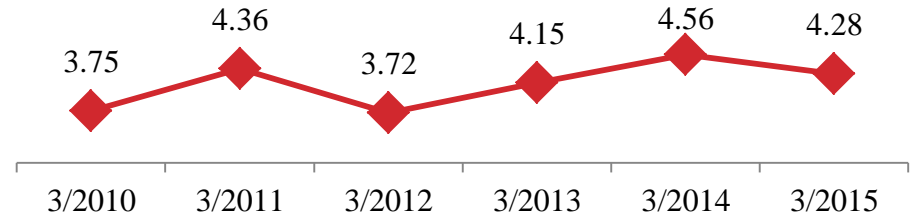
## Long-Term Management Guideline

**ROE: 5% or higher**

A return on equity (ROE) of 5% or higher has been adopted as the key guideline by which we measure our management performance.

This guideline applies regardless of the long-term management plan. We will do our best to achieve this target over the long term.

The change in ROE



(Based on Annual Securities Report)

## Management Targets for the end of FY2017

Items	Target level
Net income for current term (non-consolidated)	¥20.0bn
Ratio of consolidated profits to parent company's profits (net income basis)	1.2 times
Ratio of return to shareholders	40%

# Outline of the 30th Long-Term Management Plan ②

## Theme① Creating regional vitality

### Strengthening the competitiveness of regional industries

#### ◆ Support for startups

- Encouragement for launching new businesses  
(exclusive products for new businesses, venture competitions)



**Targeted number of new business launches within Nagano Prefecture: 600 cases over 3 years**

#### ◆ Support for attracting enterprises to Nagano

- Enhanced collaboration with public sector  
(conclusion of The Cooperation Agreement with Nagano Prefecture)



**Targeted number of new plant and research institute projects in Nagano: 30 cases over 3 years**

◆ Support for nurturing next-generation and growth industries

◆ Maintenance and development of industrial foundation taking advantage of business succession and M&A

◆ Problem-solving support by mobilizing outside professionals

### Contributions to community revitalization and human resources development

#### ◆ Effective use of the Bank's available management resources

- Effective use of the Bank's office space  
(concurrent use of our offices as housing, day-care facilities for children)

#### ◆ Support for promoting immigration and personnel exchanges

- Supporting activities to increase the number of "Shinshu (Nagano)" fans  
(by dispatching staff to the "Ginza Nagano" antenna shop in Tokyo)

#### ◆ Support for regional economy revitalization via public-private collaboration

- Setting up a regional revitalization project team

#### ◆ Supporting Nagano-based companies' efforts to develop talented human resources

- Supporting the training of human resources  
(holding of seminars by donations etc.)

# Outline of the 30th Long-Term Management Plan ③

## Theme② Developing customer convenience

### Strengthening of customer contact points

#### ◆ Strengthening of functions of non-face-to-face channels

- Renewal of the homepage
- Upgrading internet banking functions
- Strengthening of ATM function  
(adding loan application function)

#### ◆ Review of our office network and business organization

- Increase of offices open on holidays
- Extension of business hours on weekdays
- Introduction of new types of office  
(branch-in-branch offices, mobile offices)

### Enhancement of responsiveness to customers

#### ◆ Strengthening of consultation functions

- Adding more function to tablet terminal
- Considering remote consultation function  
(introduction of videophone system)

#### ◆ Review of clerical work procedure from the viewpoint of customer convenience

- Simplification of application and contract procedures
- Enhancement of operational efficiency by means of next version of offices' terminal system (perspective for paperless operations)

# Outline of the 30th Long-Term Management Plan④

## Theme③ Enhancing corporate strength

### Diversification of profit sources

#### ◆ Strengthening of overseas operational bases

- Considering the establishment of new offices
- Effective uses of our existing network and allied banks (dispatching staff to overseas)

#### ◆ Strengthening of asset management business, including that of Group companies

- Personnel training through reciprocal dispatching of young employees

#### ◆ Diversifying into other business areas and developing new businesses

- Initiatives for drastic expansion of business spheres, including our transformation to a holding company

### Deepening of environmental management

#### ◆ Strengthening of environmental conservation activities

- Promotion of energy-saving plant and equipment investments
- Expansion of environment-related loans

**10% reduction in greenhouse gas emissions**  
(cf. FY2010)

### Expansion of employee fields of activity

#### ◆ Creation of an environment that nurtures human resources with diverse capabilities, diverse values and outstanding creativity – an environment that allows every employee to play their respective roles to the fullest

- Various support for “healthy balance of work and life”
- Employment of diverse human resources

**40% increase of female staff in managerial position**  
(cf. Apr 1, 2015)

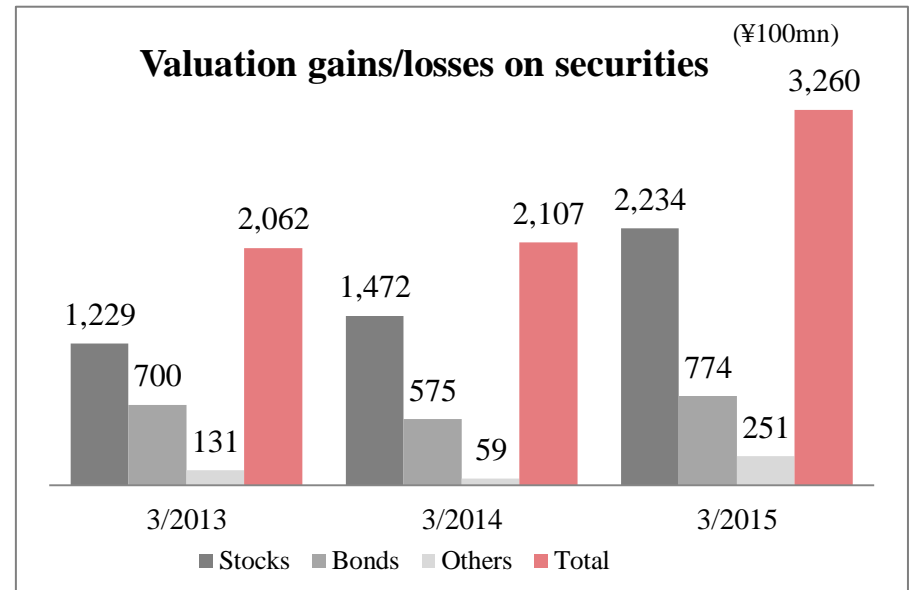
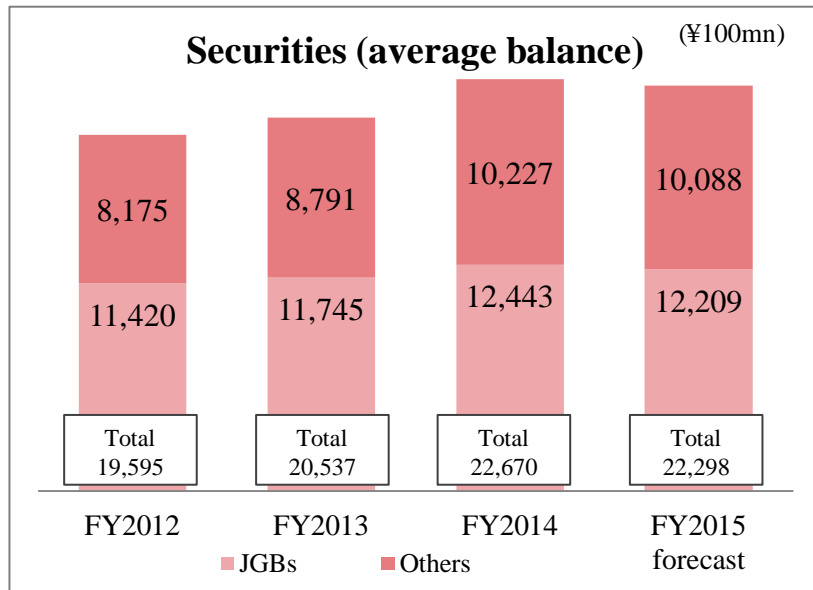
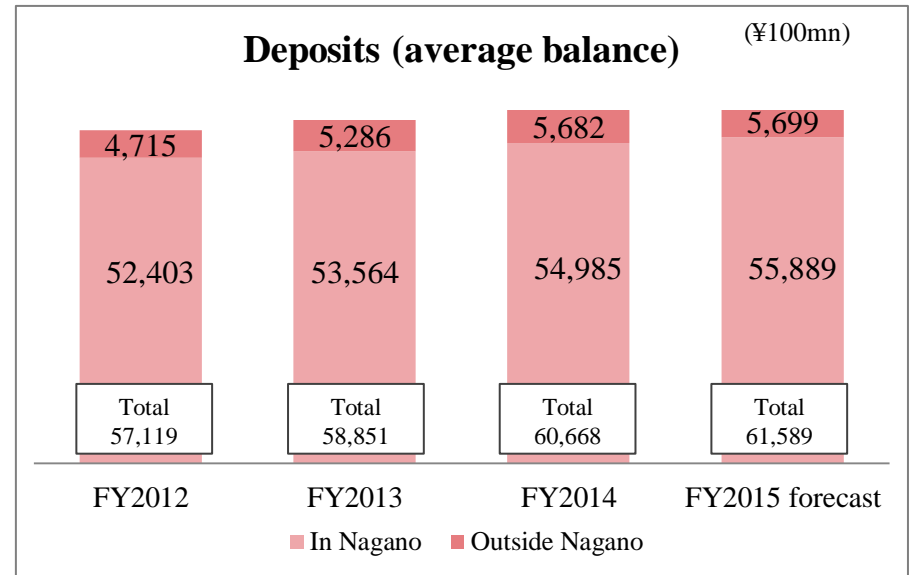
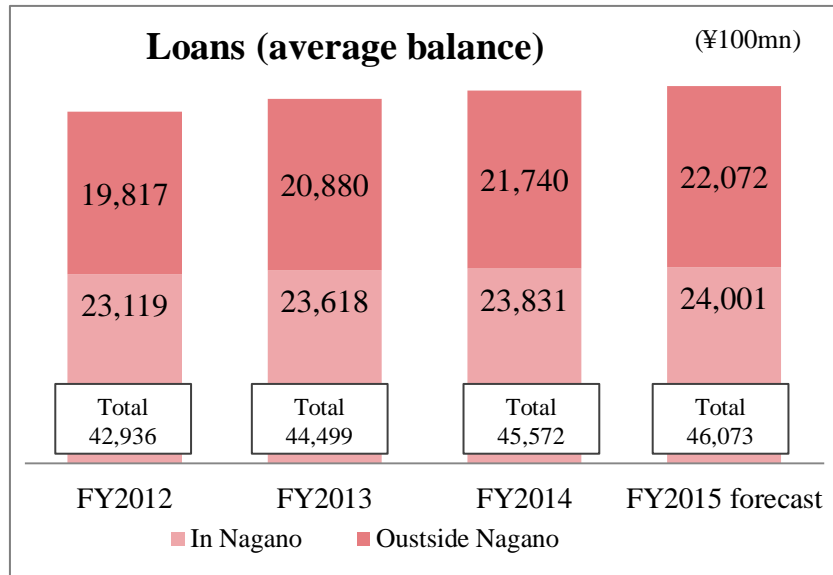


Outline of FY2014 Financial Results  
and FY2015 Forecast

The 30th Long-Term Management Plan

**Main Financial Figures**

# Major Accounts (Loans/Deposits/Securities)



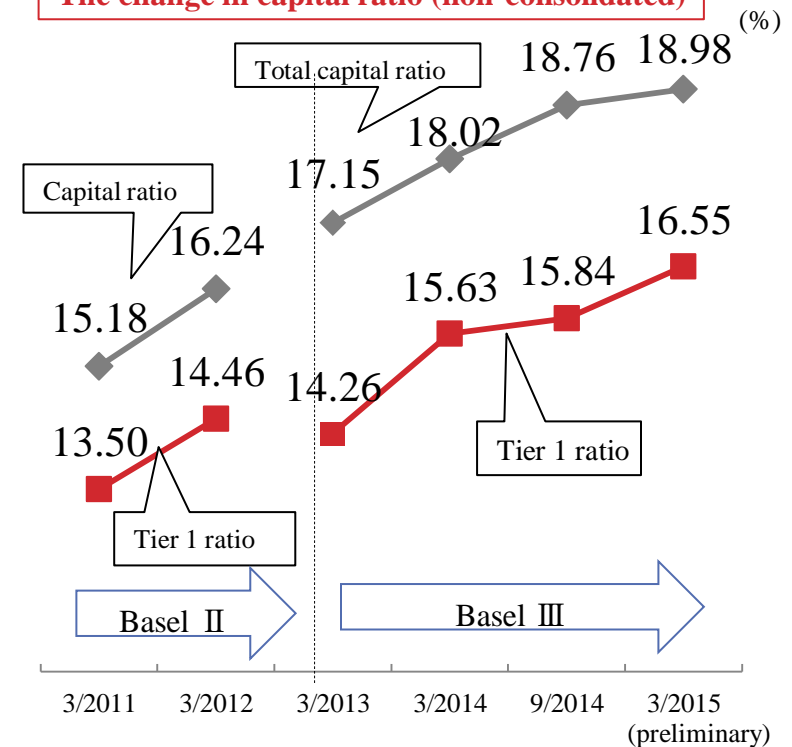
# Capital (non-consolidated)

- ◆ From the end of 2012, the Bank's capital ratio was based on new Basel III standards as a bank subject to international standards.
- ◆ Total capital ratio (non-consolidated) by Basel III standards was 18.98%, Tier 1 ratio was 16.55%, CET1 ratio (Common Equity Tier 1 Capital Ratio) was 16.55% (preliminary basis).

(¥100mn, %)

Basel III standards	3/2014	3/2015 (preliminary)	Inc/Dec
Total capital ratio	18.02%	18.98%	0.96%
Tier 1 ratio	15.63%	16.55%	0.92%
Common Equity Tier 1 Capital Ratio	15.63%	16.55%	0.92%
Total capital	5,116	5,850	733
Tier 1	4,438	5,100	661
(Common Equity Tier 1)	(4,438)	(5,100)	661
Tier 2	678	750	71
Risk weighted assets	28,384	30,810	2,426
Credit risk	26,602	29,080	2,477
Operational risk	1,781	1,730	▲50

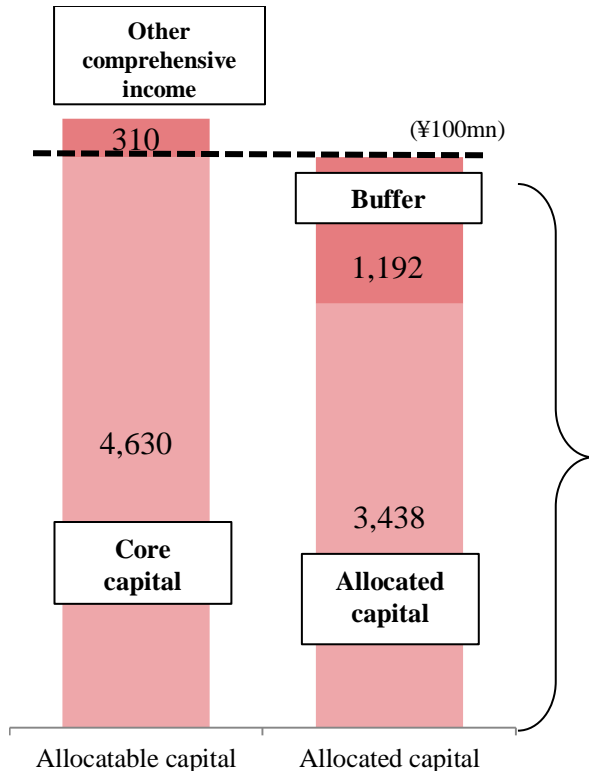
**The change in capital ratio (non-consolidated)**



# 1H15 Implementation of Capital Allocation (consolidated)

## Consolidated Common Equity Tier 1 Capital

as of Sep 30, 2014: ¥494.0bn



- Domestic loans  
the same level as 2H2014, reflecting the change of loan portfolios and the improvement of credit risk in spite of the expected increase in loan balance
- ALM  
the same level as 2H2014, reflecting the latest risk amount results despite the expected increase in loans and deposits
- Market-related, cross-shareholdings
  - Market-related: +¥1.5bn from 2H2014, reflecting the expected increases in stocks and investment trusts
  - Cross-shareholdings: ▲¥2.0bn, reflecting the decrease in risk amount (Risk amount in cross-shareholdings: “VaR – valuation gains/losses”, the smallest amount is zero. The expected lower price of stock market is around ¥11,000.)
- Buffer  
Preparation for providing loans to local companies in case of unexpected change of conditions

	1H2015 allocated capital	2H2014 allocated capital	Inc/Dec	Risk amount results(3/2015)
<b>Total (¥100mn)</b>	<b>3,438</b>	<b>3,438</b>	<b>0</b>	<b>2,230</b>
Credit risk (credit risk of loans)	880	880	0	661
Interest rate risk (interest rate risk of loans and deposits)	350	350	0	214
Market-related	1,670	1,655	+15	898
Cross-shareholdings	80	100	▲20	2
Operational risk	142	143	▲1	143
Consolidated subsidiaries	316	310	+6	310

Credit risk	Interest rate risk	Price risk
Holding period: 1 year	Holding period: 6 months※	Holding period : 6 months※
Confidence interval: 99.9%	Confidence interval: 99.9%	Confidence interval: 99.9%

※Note: transactions for trading etc.: 10 business days, cross shareholdings: 1 year

# Credit Costs, Nonperforming Loans, Body Risk

## Credit costs

(¥100mn, %)

	FY2013	FY2014	FY2015 forecast	
			1H	
Transfer to general reserve for possible loan losses	▲59	▲12	▲7	▲23
Disposal of NPL	67	▲24	▲6	▲15
Credit costs	8	▲37	▲13	▲38
Credit costs ratio※	0.01	▲0.08	▲0.05	▲0.08

※Credit costs ratio: credit costs / average balance of total loans

## Nonperforming Loans (NPL)

(based on the Financial Revitalization Law)

(¥100mn, %)

	FY2013	FY2014	FY2015 forecast	
			1H	
Bankrupt assets	158	116	105	81
Doubtful assets	969	844	824	794
Substandard assets	276	259	264	264
Total	1,404	1,220	1,193	1,139
NPL ratio	3.11	2.64	2.56	2.44
After partial direct charge-off	2.90	2.50	2.42	

※Partial direct charge-off was not executed.

## The change in body risk

	Objectives	Target risk			VaR		
					Confidence interval	Holding period	
Body risk measurement	Grasp of impact on term's profit	"Body risk": the risk that potential losses having impact on net business profit will happen.			85%	Half year	
(¥100mn)		10/2014	11/2014	12/2014	1/2015	2/2015	3/2015
Domestic loans (credit risk)		78	78	80	84	84	86
Cross-shareholdings stock (write-down risk)		3	3	0	0	0	0
Total		81	81	80	85	84	86

※ "An upside risk in credit costs" and "a write-down risk in cross-shareholdings" were targeted because two items have large impact on term's profit.

# Yield, Interest Margin

## Yield and margin (all offices)

(%)

	FY2011		FY2012		FY2013		FY2014		FY2015 forecast		From FY2014
	1H	Full year	1H	Full year	1H	Full year	1H	Full year	1H	Full year	
Yield	1.48	1.47	1.39	1.37	1.32	1.31	1.18	1.19	1.13	1.14	▲0.05
Funding costs	0.14	0.14	0.12	0.13	0.14	0.13	0.13	0.14	0.16	0.18	+0.04
Interest margin	1.33	1.33	1.26	1.24	1.18	1.18	1.04	1.05	0.97	0.96	▲0.09

## Yield and margin (domestic)

(%)

	FY2011		FY2012		FY2013		FY2014		FY2015 forecast		From FY2014
	1H	Full year	1H	Full year	1H	Full year	1H	Full year	1H	Full year	
Yield on loans	1.54	1.53	1.44	1.42	1.33	1.30	1.22	1.21	1.14	1.14	▲0.07
Yield on securities	1.36	1.34	1.30	1.27	1.31	1.38	1.28	1.21	1.14	1.13	▲0.08
Funding costs	0.13	0.12	0.11	0.11	0.12	0.12	0.11	0.11	0.12	0.12	+0.01
Yield on deposits	0.06	0.05	0.04	0.04	0.04	0.03	0.03	0.03	0.03	0.03	0.00
Interest margin	1.32	1.32	1.24	1.21	1.15	1.12	1.02	1.00	0.97	0.97	▲0.03

# Main figures in Corporate and Personal Banking

## Business loans

(Half-year average balance: ¥100mn)

	2H2013	1H2014	2H2014	1H2015 forecast
Neighboring Nagano (Nagano, Niigata and Gifu)	11,491	11,063	11,099	10,989
For SMEs	8,783	8,528	8,702	—
Outside Nagano (Tokyo, Saitama, Gunma, Aichi and Osaka)	17,501	17,788	18,048	18,111
Loans guaranteed by CGC※ (outstanding balance)	3,010	2,937	2,906	—

## Profit on fees and commissions

(¥mn)

Derivatives	140	116	111	110
Syndicated loans, private placement bonds, factoring	534	480	553	437
M&A, business matching etc.	243	253	322	274
Total	917	850	987	822

## 401K plan

(No. of companies, ¥mn)

401K-contracted companies	413	419	422	429
Financial assets ※ (outstanding balance)	38,995	40,269	42,178	43,180
Investment type products	8,815	9,504	10,707	11,000
Deposits	30,179	30,764	31,471	32,180

※CGC: Credit Guaranty Corporation

※Financial assets: a part of fund assets of participant companies deposited with the Bank

※FIIS: financial instruments intermediary service

## Personal loans

(Outstanding balance: ¥100mn)

	2H2013	1H2014	2H2014	1H2015 forecast
Consumer loans	10,590	10,707	10,866	10,970
Housing related loans	9,832	9,950	10,117	10,200

## Investment type products

(Outstanding balance: ¥100mn)

Public bonds	2,247	1,900	1,552	1,332
(new increase)	(133)	(124)	(87)	(90)
Investment trusts	1,651	1,743	1,855	1,925
(new increase)	(313)	(276)	(359)	(380)
Foreign currency deposits	254	239	196	283
Life insurance (market price basis)	3,027	3,213	3,295	3,445
(new increase)	(230)	(272)	(229)	(220)
FIIS※	251	301	266	306
(new increase)	(159)	(71)	(177)	(140)

## Profit on investment type products

(¥mn)

Public bonds	64	56	54	55
Investment trusts	844	775	983	970
Trust fees	399	396	443	470
Foreign currency deposits	287	227	249	239
Life & non-life insurance	842	951	1,034	790
FIIS※	413	204	422	380
Total	2,450	2,213	2,742	2,434

# Personal Banking

## ◆ Providing products/services suited to each target

	Population in Nagano※		Our bank users (as of Mar 31, 2015)	Issues to be addressed
The youth (~19 years old)	378,690	⇒	Account holders: 138,478	<ul style="list-style-type: none"> <li>Expansion of the customer base by deposits for education fund donation</li> </ul>
Working People (20~59 years old)	945,705	⇒	Payroll-credit service contractors: 466,205 Internet Banking contractors: 280,043 (Total contractors: about 388 thousand) Housing loans borrowers: 57,067 Card loan contractors: 75,391	(scheduled in FY2016) <ul style="list-style-type: none"> <li>Renewal of homepage</li> <li>Considering new loan product contracted by the Internet procedure only</li> <li>Considering convenient education loans (card type)</li> </ul>
		⇒	NISA account holders: 37,598 Investment-type products users: 142,583 Insurance policy holders: 62,998	<ul style="list-style-type: none"> <li>Introduction of new products of NISA/life insurance</li> <li>Reinforcement of the alliance with Hachijuni Securities Co., Ltd.</li> </ul>
The elderly (60 years old~)	767,514	⇒	Pension-receiving service contractors: 231,268 Use of education support deposits: 1,002 Inheritance seminar visitors: about 540/a year	<ul style="list-style-type: none"> <li>Making use of the alliance with Asahi Trust Co, Ltd. by all branches</li> <li>Reinforcement of approaches to high-net-worth individuals by private banking team</li> </ul>

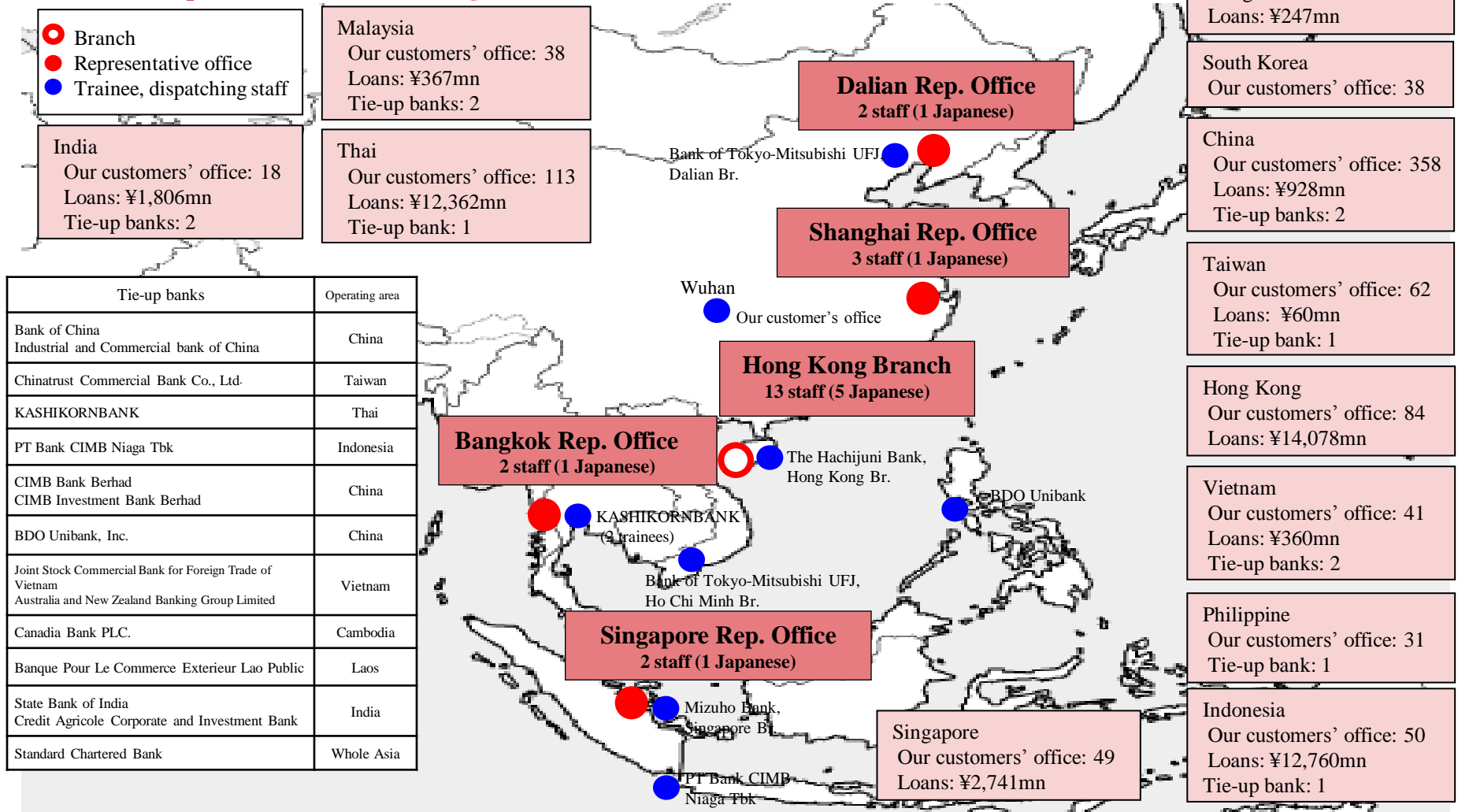
※Source: Information Statistics Section of Nagano Prefecture (as of Apr 1st, 2015)



# International Business

## ◆ Upgrading the ability to respond promptly to global needs


















- **Total loan balance in international business: ¥91.8bn (in Asia: ¥47.3bn)**
- **Adding overseas trainees (Philippine in Nov)**
- **Business tie-up banks: 15 banks (adding Taiwan/Vietnam in Oct, Cambodia in Nov, Laos in Dec)**



※Our customers' office: Nagano Prefecture Census of Manufactures dated Dec 31, 2013

※Loans: outstanding balance of loans as of Mar 31, 2015 provided from domestic branches/Hong Kong Branch to foreign companies/Japanese-affiliated companies

# Market Investment Business

		Outstanding balance of securities (cost basis)					Direction of 1H2015	(¥100mn)
		3/2013	9/2013	3/2014	9/2014	3/2015		
Bonds	Interest-bearing JGBs	9,685	8,850	9,627	9,854	11,029		
	Floating-rate JGBs	1,927	1,878	1,879	1,880	1,880		
	Inflation-protected JGBs	706	638	622	566	569		
	Other domestic bonds	3,268	3,345	3,400	3,292	2,880		
	Yen-denominated securitized products	0	0	89	260	406		
	Structured bonds etc.	67	34	29	124	114		
Domestic securities	Domestic stocks	1,118	1,113	1,129	1,141	1,126		
	Domestic ETF	42	49	53	65	162		
	J-REIT	163	149	152	167	185		
	Other investment trusts	119	236	410	570	781		
	Union-type of funds etc.	119	157	184	227	240		
	Hedge funds	139	118	121	119	138		
Foreign securities	Hedge funds	53	55	61	64	55		
	Yen-denominated foreign bonds	733	582	495	469	422		
	Foreign stocks, ETF etc.	25	26	33	34	51		
	Foreign currency-denominated bonds	2,424	2,562	3,343	3,685	4,048		
<b>Total</b>		<b>20,593</b>	<b>19,798</b>	<b>21,635</b>	<b>22,525</b>	<b>24,093</b>		
Yen bonds duration (after swap hedge transactions)		4.15	3.29	3.67	4.07	4.51		