

# Supplement Information for FY2022

The Bank of Kyoto, Ltd.

(Note)

This document is a translation of a part of the original Japanese version and provided for reference purposes only. In the event of any discrepancy between the Japanese original and this English translation, the Japanese original shall prevail.

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## I Key points in the financial results for FY2022

## 1. Summary

## (1) Profit and loss

Profit (consolidated) grew in FY2022; ordinary profit increased ¥9.0 billion year on year to ¥38.1 billion, and profit attributable to owners of parent increased ¥6.5 billion year on year to ¥27.2 billion, largely exceeding the medium-term management plan target (¥20.0 billion).

[Consolidated (A)]				(Million yen)
		FY2022		FY2021
		Year-on-year change		
Gross banking profit		93,561	(2,095)	95,656
Ordinary profit		38,177	9,001	29,176
Profit attributable to owners of parent		27,213	6,592	20,621

[Non-consolidated (B)]				(Million yen)
		FY2022		FY2021
		Year-on-year change		
Gross banking profit		88,307	(2,147)	90,454
Ordinary profit		35,544	9,459	26,084
Profit		25,639	6,920	18,718

[Difference (A-B) (Contributions by subsidiaries)]				(Million yen)
		FY2022		FY2021
		Year-on-year change		
Gross banking profit		5,254	52	5,201
Ordinary profit		2,633	(458)	3,091
Profit		1,573	(328)	1,902

## (2) Deposits, negotiable certificates of deposit, and loans and bills discounted [Non-consolidated]

Deposits and negotiable certificates of deposit amounted to ¥9,104.6 billion, and loans and bills discounted stood at ¥6,305.9 billion.

		March 31, 2023		March 31, 2022
		Change from March 31, 2022		
Term-end	Deposits and negotiable certificates of deposit	9,104.6	116.8	8,987.8
	Loans and bills discounted	6,305.9	156.9	6,148.9
Term-average	Deposits and negotiable certificates of deposit	8,916.2	148.2	8,768.0
	Loans and bills discounted	6,212.4	135.2	6,077.1

## 2. Overview of profit and loss

Core banking profit, which indicates profit from core business of the bank, increased ¥2.4 billion year on year to ¥39.4 billion as net fees and commissions reached an all-time high.

In addition, while gains on bonds declined as we recognized losses on sales of bonds to improve our foreign bond portfolio, credit-related costs improved significantly. As a result, ordinary profit increased ¥9.4 billion year on year to ¥35.5 billion, and profit increased ¥6.9 billion year on year to ¥25.6 billion.

[Non-consolidated]		FY2022		Year-on-year change	FY2021
					(Million yen)
Gross banking profit	A	88,307	(2,147)		90,454
Net interest income		78,531	(451)		78,982
Net fees and commissions		11,702	833		10,868
Net other ordinary income		(1,926)	(2,529)		603
Gains (losses) on bonds		(4,843)	(4,745)	*	(97)
Expenses	B	53,651	121		53,530
Overhead ratio (OHR)	(B/A)	60.75 %	1.58 %		59.17 %
Net banking profit		34,655	(2,268)		36,924
Core banking profit		39,498	2,477	*	37,021
Excluding gains (losses) on cancellation of investment trusts		38,766	2,495	*	36,270
Provision for allowance for general loan losses	(1)	24	(7,979)		8,003
Banking profit		34,631	5,710		28,921
Non-recurring income (losses)		912	3,749		(2,836)
Losses related to non-performing loans	(2)	2,284	(696)		2,981
Income (losses) related to shares		2,774	1,971		803
Other non-recurring income (losses)		422	1,080		(658)
Ordinary profit		35,544	9,459		26,084
Extraordinary income (losses)		(400)	335		(735)
Profit before income taxes		35,143	9,795		25,348
Total income taxes		9,504	2,874		6,629
Profit		25,639	6,920		18,718
Credit-related costs	((1) + (2))	2,308	(8,675)		10,984

(Notes) Net banking profit is calculated by deducting expenses from gross banking profit.

Core banking profit is calculated by deducting gains (losses) on bonds from net banking profit.

\*After adjusting for the cost of unwinding hedge transactions (13,869 million yen).

## 3. Main accounts [Non-consolidated]

## (1) Deposits and negotiable certificates of deposit

Deposits and negotiable certificates of deposit increased primarily for individuals, amounting to ¥9,104.6 billion, presenting an increase of ¥116.8 billion from March 31, 2022.

	March 31, 2023			March 31, 2022
	Change from March 31, 2022			
	Billion yen	%		
Deposits (Term-end)	8,375.9	56.1	0.6	8,319.7
Negotiable certificates of deposit (Term-end)	728.7	60.6	9.0	668.0
Deposits and negotiable certificates of deposit (Term-end)	9,104.6	116.8	1.2	8,987.8
Individuals	5,669.1	177.3	3.2	5,491.7
Corporations	2,799.0	74.2	2.7	2,724.8
Financial institutions	636.5	(134.6)	(17.4)	771.2
Deposits (Term-average)	8,332.3	188.5	2.3	8,143.8
Negotiable certificates of deposit (Term-average)	583.9	(40.2)	(6.4)	624.1
Deposits and negotiable certificates of deposit (Term-average)	8,916.2	148.2	1.6	8,768.0

## (2) Loans and bills discounted

Loans and bills discounted increased ¥156.9 billion from March 31, 2022 to ¥6,305.9 billion, primarily due to a growth in loans for corporations.  
Loans to small and medium enterprises (SMEs), etc. increased ¥113.5 billion from March 31, 2022 to ¥4,184.8 billion.

	March 31, 2023			March 31, 2022
	Change from March 31, 2022			
	Billion yen	%		
Loans and bills discounted (Term-end)	6,305.9	156.9	2.5	6,148.9
Loans for SMEs, etc.	4,184.8	113.5	2.7	4,071.3
Loans for SMEs	2,525.8	103.8	4.2	2,421.9
Housing loans	1,728.4	3.8	0.2	1,724.5
Loans and bills discounted (Term-average)	6,212.4	135.2	2.2	6,077.1

## (3) Securities

We strived to appropriately manage our investments in securities while carefully monitoring market trends. As a result, securities with valuation difference excluded totaled ¥2,223.7 billion as of March 31, 2023.

	March 31, 2023			(Billion yen, %)	
		March 31, 2023	Change from March 31, 2022		March 31, 2022
			Billion yen	%	
Securities (Term-end)	2,944.2	(97.9)	(3.2)	3,042.1	
Bonds	2,011.8	30.4	1.5	1,981.3	
Shares	932.4	(128.3)	(12.1)	1,060.8	
(Valuation difference)	720.4	(160.7)	(18.2)	881.1	
Securities with valuation difference excluded (Term-end)	2,223.7	62.8	2.9	2,160.9	
Securities (Term-average)	2,254.8	58.4	2.6	2,196.4	

## (4) Group's client assets

Group's client assets increased ¥28.8 billion from March 31, 2022 to ¥740.7 billion. As for sales during the fiscal year ended March 31, 2023, sales of investment trusts decreased while sales of insurance increased year on year.

		March 31, 2023		(Billion yen)	
		March 31, 2023	Change from March 31, 2022	March 31, 2022	
The Bank of Kyoto	Investment trusts	234.9	7.3	227.6	
	Insurance	290.4	16.6	273.8	
	Foreign currency deposits	12.3	(6.8)	19.1	
	Public bonds	50.8	(11.6)	62.4	
	Kyogin Securities	152.1	23.3	128.7	
Group total		740.7	28.8	711.9	

(Note) Figures presented above for foreign currency deposits are those for foreign currency deposits made by individuals.

		FY2022		(Billion yen)	
		FY2022	Year-on-year change	FY2021	
The Bank of Kyoto	Investment trusts	57.1	(20.3)	77.5	
	Insurance	42.3	19.0	23.3	
	Foreign currency deposits	18.0	(4.9)	23.0	
	Public bonds	7.7	2.6	5.0	
	Kyogin Securities	52.3	(5.2)	57.5	

(Note) Figures presented above for insurance are total sales of single-premium personal annuities and whole life insurance.

## 4. Financial soundness

## (1) Equity-to-asset ratio (Domestic standard)

As of March 31, 2023, the equity-to-asset ratio (non-consolidated) (domestic standard) increase by 1.38% to become 12.97%. The composition of Net Assets is presented on the Bank's website (<https://www.kyotobank.co.jp/>) (available only in Japanese).

[Non-consolidated]

(Billion yen)

	March 31, 2023		March 31, 2022
		Change from March 31, 2022	
Equity-to-asset ratio	12.97 %	1.38 %	11.59 %
Net assets	458.0	18.0	440.0
Risk-weighted assets, etc.	3,530.4	(264.0)	3,794.4

[Consolidated]

(Billion yen)

	March 31, 2023		March 31, 2022
		Change from March 31, 2022	
Equity-to-asset ratio	13.51 %	1.40 %	12.11 %
Net assets	479.2	18.9	460.3
Risk-weighted assets, etc.	3,545.4	(253.6)	3,799.1

(Note) 1. To calculate credit risk-weighted assets, the Bank uses the foundation internal ratings-based approach (FIRB).

2. Compared to the former standard (approximate), both non-consolidated and consolidated have increased by around 1%.

## (2) Non-performing loans [Non-consolidated]

We maintained the ratio of non-performing loans based on the Financial Reconstruction Law at a low level as of March 31, 2023; the ratio was 1.56%, and if partial direct write-offs had been made, the ratio would have been 1.49%.

## Trend in non-performing loans based on the Financial Reconstruction Law

(Billion yen)

	Self-assessment category	March 31, 2023		March 31, 2022
			Change from March 31, 2022	
Unrecoverable or valueless	Borrowers in legal or de facto bankruptcy	8.6	2.7	5.8
Risk	Borrowers in danger of bankruptcy	84.8	4.1	80.6
Special attention		6.2	(0.0)	6.2
Total non-performing loans		99.7	6.8	92.8
Non-performing loan ratio		1.56%	0.07%	1.49%
<If partial direct write-offs had been made>		95.6	5.2	90.3
Total non-performing loans				
Non-performing loan ratio		1.49%	0.04%	1.45%

## (3) Valuation difference on securities [Non-consolidated]

We maintained valuation difference on securities at a high level as of March 31, 2023; they totaled ¥720.4 billion.

(Billion yen)

	March 31, 2023		March 31, 2022
		Change from March 31, 2022	
Valuation difference on securities	720.4	(160.7)	881.1
Shares	762.2	(126.5)	888.7
Bonds	(27.9)	(17.7)	(10.2)
Others	(13.7)	(16.4)	2.6



## 5. Financial results forecast

Financial results forecast for the fiscal year ending March 31, 2024 (April 1, 2023 to March 31, 2024)

Although the social and economic outlook remains uncertain, the Bank will strive to provide quality solutions to even more customers and continue to grow alongside the community and our customers.

With this in mind, we expect profit attributable to owners of parent (consolidated) to be ¥28.0 billion and profit (non-consolidated) to be ¥26.5 billion for the fiscal year ending March 31, 2024 (FY2023), exceeding the results for the the fiscal year ended March 31, 2023 (FY2022).

[Consolidated]	FY2023 (Current forecast)		FY2022 (Actual)
		Interim	
Ordinary profit	39,400	22,300	38,177
Profit attributable to owners of parent	28,000	16,000	27,213

[Non-consolidated]	FY2023 (Current forecast)		FY2022 (Actual)
		Interim	
Banking profit	36,500	19,800	34,631
Ordinary profit	36,900	21,100	35,544
Profit	26,500	15,300	25,639
Credit-related costs	3,000	1,500	2,308

## 6. Year-end and next period dividends

The year-end dividend for FY2022 is planned to be ¥80. This, together with the interim dividend of ¥60, will bring the total dividend for the full year to ¥140.

For FY2023, we plan to pay the interim dividend and the year-end dividend of ¥80, the annual dividend will thus be of ¥160, an increase of ¥20.

	Interim	Year-end	Annual
FY2023 (Planned)	¥80	¥80	¥160
FY2022 (Planned)	¥60	¥80	¥140
FY2021 (Actual)	¥35	¥65	¥100

(Note) The commemorative dividend (¥5) at the FY2021 interim dividend payment is an 80-year anniversary dividend.

## 7. Income structure [Non-consolidated]

Income for the FY2022 is calculated based on the structure presented below.

<Expenses>		<Income>	
Interest expenses Interest paid on various deposits, etc.	7.3 bn yen	Interest income Interest income from business loans, housing loans, securities, etc.	85.9 bn yen
<b>(1) Net interest income</b>	<b>78.5 bn yen</b>		
Fees and commissions payments Fees paid by the Bank such as fees and commissions on exchanges	5.7 bn yen	Fees and commissions Fees received from various services, such as investment trust sales and money transfers	17.4 bn yen
<b>(2) Net fees and commissions</b>	<b>11.7 bn yen</b>		
Other ordinary expenses Losses on sales of bonds	8.3 bn yen	Other ordinary income Gains on foreign exchange transactions, gains on sales of bonds, etc.	6.4 bn yen
<b>(3) Net other ordinary income</b>	<b>(1.9) bn yen</b>		
Gains (losses) on bonds	(4.8) bn yen (A)		
Provision for allowance for general loan losses	0.0 bn yen (C)	<b>Gross banking profit</b>	<b>88.3 bn yen (B)</b>
Expenses	53.6 bn yen (D)	(1) Net interest income	78.5 bn yen
<b>Banking profit</b> <b>(E) = (B) - (C) - (D)</b>	<b>34.6 bn yen</b>	(2) Net fees and commissions	11.7 bn yen
		(3) Net other ordinary income	(1.9) bn yen
Non-recurring expenses Expenses related to write-offs of non-performing loans, shares, etc.	3.2 bn yen	<b>Banking profit</b>	<b>34.6 bn yen</b>
<b>Ordinary profit</b>	<b>35.5 bn yen</b>	Non-recurring income Gains on sales of shares, etc.	4.1 bn yen
Extraordinary losses	0.6 bn yen	<b>Ordinary profit</b>	<b>35.5 bn yen</b>
Income taxes - current	9.3 bn yen		
Income taxes - deferred	0.1 bn yen	<b>Extraordinary income</b>	<b>0.2 bn yen</b>
<b>Profit</b>	<b>25.6 bn yen</b>		

Net banking profit and core banking profit are indices that show profitability after deducting gains (losses) on sales of bonds and provision for allowance for general loan losses, etc. from banking profit.

◎ Net banking profit (¥34.6 bn) = Banking profit (E) (¥34.6 bn) + Provision for allowance for general loan losses (C) (¥0.0 bn)

◎ Core banking profit (¥39.4 bn) = Net banking profit (¥34.6 bn) - Gains (losses) on bonds (A) (¥(4.8) bn)

\* Gains (losses) on bonds = Gains on sales of bonds + gains on redemption of bonds

- losses on sales of bonds - losses on redemption of bonds - write-offs of bonds

## II Financial results for FY2022

## 1. Profit and loss

[Non-consolidated]

(Million yen)

	FY2022		FY2021
		Year-on-year change	
Gross banking profit	88,307	(2,147)	90,454
(Excluding gains (losses) on bonds)	( 93,150 )	( 2,598 )	(* 90,551 )
Net interest income	78,531	(451)	78,982
Net fees and commissions	11,702	833	10,868
Net other ordinary income	(1,926)	(2,529)	603
(Gains (losses) on bonds)	( 4,843 )	( 4,745 )	(* (97) )
Gross banking profit from domestic operations	91,251	2,799	88,452
(Excluding gains (losses) on bonds)	( 87,844 )	( 3 )	( 87,848 )
Net interest income	76,504	(803)	77,308
Net fees and commissions	11,496	837	10,658
Net other ordinary income	3,250	2,766	484
(Gains (losses) on bonds)	( 3,407 )	( 2,803 )	( 603 )
Gross banking profit from international operations	(2,944)	(4,947)	2,002
(Excluding gains (losses) on bonds)	( 5,306 )	( 2,602 )	( 2,703 )
Net interest income	2,026	352	1,674
Net fees and commissions	206	(3)	209
Net other ordinary income	(5,177)	(5,295)	118
(Gains (losses) on bonds)	( 8,250 )	( 7,549 )	( 700 )
Expenses	53,651	121	53,530
Personnel expenses	30,726	197	30,529
Non-personnel expenses	18,973	(430)	19,403
Taxes	3,951	354	3,596
Net banking profit	34,655	(2,268)	36,924
Core banking profit	39,498	2,477	* 37,021
Excluding gains (losses) on cancellation of investment trusts	38,766	2,495	* 36,270
(1) Provision for allowance for general loan losses	24	(7,979)	8,003
Banking profit	34,631	5,710	28,921
Gains (losses) on bonds	(4,843)	(4,745)	(97)
Non-recurring income (losses)	912	3,749	(2,836)
(2) Losses related to non-performing loans	2,284	(696)	2,981
Write-offs of loans and bills discounted	2	2	0
Net provision for allowance for specific loan losses	2,190	(722)	2,912
Losses on sales of loans	1	(150)	151
Others	90	172	(82)
Income (losses) related to shares	2,774	1,971	803
Other non-recurring income (losses)	422	1,080	(658)
Ordinary profit	35,544	9,459	26,084
Extraordinary income (losses)	(400)	335	(735)
Gains (losses) on disposal of non-current assets	(324)	144	(468)
Impairment losses	76	(190)	266
Profit before income taxes	35,143	9,795	25,348
Income taxes - current	9,308	646	8,662
Income taxes - deferred	195	2,228	(2,032)
Total income taxes	9,504	2,874	6,629
Profit	25,639	6,920	18,718
Credit-related costs ((1) + (2))	2,308	(8,675)	10,984

(Note) Amounts of less than one million yen are rounded down.

\*After adjusting for the cost of unwinding hedge transactions (13,869 million yen).

## [Consolidated]

&lt;Based on the consolidated statements of income for FY2022&gt;

(Million yen)

	FY2022		FY2021
		Year-on-year change	
<b>Gross banking profit (consolidated)</b>	93,561	(2,095)	95,656
Net interest income	78,616	(432)	79,048
Net fees and commissions	15,478	1,207	14,270
Net other ordinary income	(532)	(2,870)	2,337
<b>General and administrative expenses</b>	56,159	409	55,750
Write-offs and provision for allowance for loan losses	2,387	(8,593)	10,980
Write-offs of loans and bills discounted	23	(3)	27
Provision for allowance for general loan losses	(8)	(7,915)	7,907
Provision for allowance for specific loan losses	2,268	(683)	2,951
Losses on sales of loans	13	(163)	176
Others	90	172	(82)
<b>Income (losses) related to shares</b>	2,774	1,802	972
Share of loss (profit) of entities accounted for using equity method	1	(15)	17
<b>Others</b>	385	1,125	(740)
<b>Ordinary profit</b>	38,177	9,001	29,176
Extraordinary income (losses)	(401)	334	(735)
<b>Profit before income taxes</b>	37,776	9,336	28,440
Income taxes - current	10,169	524	9,644
Income taxes - deferred	247	2,234	(1,986)
<b>Total income taxes</b>	10,416	2,758	7,657
<b>Profit</b>	27,359	6,577	20,782
Profit attributable to non-controlling interests	146	(14)	160
<b>Profit attributable to owners of parent</b>	27,213	6,592	20,621

(Note) Gross banking profit (consolidated)

- = net interest income (interest income - (interest expenses - expenses equivalent to gains (losses) on money held in trust))
- + net fees and commissions (fees and commissions - fees and commissions payments)
- + net other ordinary income (other ordinary income - other ordinary expenses)

(Reference)

(Million yen)

	FY2022		FY2021
		Year-on-year change	
<b>Net banking profit (consolidated)</b>	37,402	(2,504)	39,906
<b>Banking profit (consolidated)</b>	37,410	5,411	31,999

(Note) Banking profit (consolidated) = Gross banking profit (consolidated) - general and administrative expenses  
- provision for allowance for general loan losses

(Comprehensive income (consolidated))

(Million yen)

	FY2022		FY2021
		Year-on-year change	
<b>Comprehensive income</b>	(83,596)	(13,083)	(70,512)
Profit	27,359	6,577	20,782
Other comprehensive income	(110,955)	(19,661)	(91,294)
(Valuation difference on available-for-sale securities) (Fluctuation)	(111,209)	(12,464)	(98,744)

(Number of entities within the scope of consolidation)

(Entities)

	March 31, 2023		March 31, 2022
		Change from March 31, 2022	
Number of consolidated subsidiaries	7	—	7
Number of entities accounted for by the equity method	1	—	1

## 2. Banking profit [Non-consolidated] (Million yen)

	FY2022		FY2021
		Year-on-year change	
(1) Net banking profit	34,655	(2,268)	36,924
Per employee (thousand yen)	10,145	(511)	10,656
(2) Banking profit	34,631	5,710	28,921
Per employee (thousand yen)	10,138	1,791	8,346

(Note) The term-average number of employees (excluding seconded employees) is used for calculation.

## 3. Interest rate spread [Non-consolidated]

## (1) Overall (%)

	FY2022		FY2021
		Year-on-year change	
Interest rate earned on loans and bills discounted (A)	0.76	0.04	0.72
Interest rate earned on securities	1.50	(0.05)	1.55
Interest rate earned on interest-earning assets (a)	0.96	0.01	0.95
Costs incurred on deposits, etc. (B)	0.66	0.04	0.62
Interest rate paid on deposits, etc.	0.06	0.05	0.01
Overhead ratio	0.60	(0.01)	0.61
Costs of funding (b)	0.60	0.09	0.51
Interest rate spread (A) - (B)	0.10	0.00	0.10
Gross interest rate spread (a) - (b)	0.36	(0.08)	0.44

## (2) Domestic operations (%)

	FY2022		FY2021
		Year-on-year change	
Interest rate earned on interest-earning assets (A)	0.89	(0.06)	0.95
Interest rate earned on loans and bills discounted	0.70	(0.02)	0.72
Interest rate earned on securities	1.50	(0.06)	1.56
Costs of funding (B)	0.54	0.04	0.50
Interest rate paid on deposits, etc.	0.00	0.00	0.00
Interest rate paid on external liabilities	(0.00)	0.00	(0.00)
Gross interest rate spread (A) - (B)	0.35	(0.10)	0.45

## 4. Gains and losses on securities [Non-consolidated] (Million yen)

	FY2022		FY2021
		Year-on-year change	
Gains (losses) related to bonds	(4,843)	(18,614)	13,771
Gains on sales	3,534	(11,405)	14,939
Gains on redemption	—	—	—
Losses on sales	8,370	7,203	1,167
Losses on redemption	—	—	—
Write-offs	6	5	0

(Note) Before adjustment for costs associated with the unwinding of hedging transactions (FY2021).

Gains (losses) related to shares	2,774	1,971	803
Gains on sales	2,968	1,619	1,348
Losses on sales	53	(6)	60
Write-offs	140	(345)	485

## ○ Impairment criteria

Our standards for asset self-assessment dictate following impairment criteria by issuer category:

Issuer category	Impairment criteria
In legal bankruptcy, in de facto bankruptcy, or in danger of bankruptcy	The fair value falls below the acquisition cost.
Requiring vigilance	The fair value declines 30% or more from the acquisition cost.
In good standing	The fair value declines 50% or more from the acquisition cost, or the fair value declines 30% or more and less than 50% from the acquisition cost and the market value remains at or below a certain level.

## 5. Valuation difference on securities

## (1) Valuation methods for securities

Trading securities	Fair value method (valuation difference recognized in profit or loss)
Held-to-maturity securities	Amortized cost method
Available-for-sale securities	Fair value method (valuation difference recognized entirely in net assets)
Shares of subsidiaries and affiliated companies	Cost method

(Reference) Securities in the money held in trust

Money held in trust for investment purposes	Fair value method (valuation difference recognized in profit or loss)
---------------------------------------------	-----------------------------------------------------------------------

## (2) Valuation difference

[Non-consolidated]

(Million yen)

	March 31, 2023				March 31, 2022		
	Valuation difference				Valuation difference		
		Change from March 31, 2022	Gain on valuation	Loss on valuation		Gain on valuation	Loss on valuation
Held-to-maturity securities	—	—	—	—	—	—	—
Shares of subsidiaries and affiliated companies	—	—	—	—	—	—	—
Available-for-sale securities	720,464	(160,730)	765,801	45,336	881,194	902,420	21,225
Shares	762,202	(126,544)	762,930	728	888,746	890,303	1,556
Bonds	(27,982)	(17,732)	1,685	29,667	(10,250)	3,780	14,030
Others	(13,756)	(16,453)	1,185	14,941	2,697	8,336	5,638
Total	720,464	(160,730)	765,801	45,336	881,194	902,420	21,225
Shares	762,202	(126,544)	762,930	728	888,746	890,303	1,556
Bonds	(27,982)	(17,732)	1,685	29,667	(10,250)	3,780	14,030
Others	(13,756)	(16,453)	1,185	14,941	2,697	8,336	5,638

(Notes) 1. Available-for-sale securities are valued at fair value. Presented in the table above are the differences between the figures in the non-consolidated balance sheets and the acquisition prices.

2. Valuation difference on available-for-sale securities as of March 31, 2023 is ¥501,781 million.

[Consolidated]

(Million yen)

	March 31, 2023				March 31, 2022		
	Valuation difference				Valuation difference		
		Change from March 31, 2022	Gain on valuation	Loss on valuation		Gain on valuation	Loss on valuation
Held-to-maturity securities	(56)	(45)	5	62	(11)	7	19
Available-for-sale securities	721,193	(160,429)	766,529	45,336	881,622	902,848	21,225
Shares	762,931	(126,243)	763,659	728	889,175	890,731	1,556
Bonds	(27,982)	(17,732)	1,685	29,667	(10,250)	3,780	14,030
Others	(13,756)	(16,453)	1,185	14,941	2,697	8,336	5,638
Total	721,136	(160,475)	766,535	45,399	881,611	902,856	21,245
Shares	762,931	(126,243)	763,659	728	889,175	890,731	1,556
Bonds	(28,039)	(17,777)	1,690	29,729	(10,261)	3,788	14,050
Others	(13,756)	(16,453)	1,185	14,941	2,697	8,336	5,638

(Notes) 1. Available-for-sale securities are valued at fair value. Presented in the table above are the differences between the figures in the consolidated balance sheets and the acquisition prices.

2. Valuation difference on available-for-sale securities as of March 31, 2023 is ¥501,966 million.

## 6. ROE

[Consolidated]

(%)

	FY2022		FY2021
		Year-on-year change	
Based on shareholders' equity	5.63	1.25	4.38
Based on net assets	2.62	0.79	1.83

- (Notes)
1. The average balance of shareholders' equity and the average balance of net assets, which serve as the denominators of the calculation formulae, are computed by dividing the sum of the balance at the beginning of the term and the balance at the end of the term by two.
  2. Shareholders' equity = total net assets - subscription right to share - non-controlling interests  
- total accumulated other comprehensive income
  3. Net assets = total net assets - subscription right to share - non-controlling interests

&lt;Reference&gt;

[Non-consolidated]

(%)

	FY2022		FY2021
		Year-on-year change	
Based on shareholders' equity	5.54	1.40	4.14
Based on net assets	2.51	0.83	1.68

- (Notes)
1. The average balance of shareholders' equity and the average balance of net assets, which serve as the denominators of the calculation formulae, are computed by dividing the sum of the balance at the beginning of the term and the balance at the end of the term by two.
  2. Shareholders' equity = total net assets - subscription right to share - total valuation and translation adjustments
  3. Net assets = total net assets - subscription right to share

## 7. Retirement benefit-related

[Non-consolidated]

(Million yen)

	FY2022		FY2021
		Year-on-year change	
Retirement benefit expenses	2,385	(0)	2,385
Service expenses	2,059	13	2,046
Interest expenses	292	4	287
Expected investment income	(613)	(34)	(579)
Actuarial gains and losses	647	16	631
Others	—	—	—

&lt;Reference&gt;

[Consolidated]

(Million yen)

	FY2022		FY2021
		Year-on-year change	
Retirement benefit expenses	2,396	0	2,395

(Note) In addition to the above, the Bank recorded ¥353 million in required contributions to a defined contribution plan in the fiscal year under review.

## 8. Number of branches [Non-consolidated]

(Branches)

	March 31, 2023		March 31, 2022
		Change from March 31, 2022	
Kyoto Prefecture	111	—	111
Osaka Prefecture	31	—	31
Shiga Prefecture	14	—	14
Nara Prefecture	7	—	7
Hyogo Prefecture	8	—	8
Aichi Prefecture	2	—	2
Tokyo Prefecture	1	—	1
Total	174	—	174

## III Loans, etc.

We do not make partial direct write-offs.

## 1. Non-performing loans based on the Financial Reconstruction Law (risk management loans)

[Non-consolidated]

(Million yen)

	March 31, 2023	Change from		September 30, 2022	March 31, 2022
		September 30, 2022	March 31, 2022		
Unrecoverable or valueless	8,631	(1,425)	2,733	10,057	5,898
Risk	84,853	4,598	4,197	80,254	80,655
Special attention	6,242	40	(41)	6,201	6,284
Accruing loans (three months or more)	—	(0)	—	0	—
Restructured loans	6,242	40	(41)	6,201	6,284
Total non-performing loans a	99,727	3,214	6,888	96,513	92,839
Normal	6,287,500	79,719	155,870	6,207,780	6,131,629
Total b	6,387,227	82,933	162,759	6,304,294	6,224,468
Non-performing loan ratio (a/b)	1.56 %	0.03 %	0.07 %	1.53 %	1.49 %

(Note) Assets include: Credit-related receivables, such as loans and bills discounted, customers' liabilities for acceptances and guarantees, foreign exchanges, suspense payments equivalent to loans, accrued interest, etc., and private placement bonds guaranteed by banks

Coverage c	92,385	2,955	7,570	89,429	84,814
Allowance for loan losses	18,384	(196)	1,209	18,580	17,175
Collateral, guarantees, etc.	74,000	3,152	6,361	70,848	67,639
Coverage ratio (c/a)	92.6 %	0.0 %	1.3 %	92.6 %	91.3 %

<Reference> If partial direct write-offs had been made

	March 31, 2023	Change from		September 30, 2022	March 31, 2022
		September 30, 2022	March 31, 2022		
Total non-performing loans	95,600	3,695	5,281	91,905	90,319
Non-performing loan ratio	1.49 %	0.04 %	0.04 %	1.45 %	1.45 %

[Consolidated]

(Million yen)

	March 31, 2023	Change from		September 30, 2022	March 31, 2022
		September 30, 2022	March 31, 2022		
Unrecoverable or valueless	9,221	(1,423)	2,748	10,645	6,472
Risk	84,862	4,599	4,198	80,263	80,664
Special attention	6,242	40	(41)	6,201	6,284
Accruing loans (three months or more)	—	(0)	—	0	—
Restructured loans	6,242	41	(41)	6,201	6,284
Total non-performing loans a	100,326	3,216	6,904	97,110	93,421
Normal	6,288,709	81,661	158,875	6,207,047	6,129,833
Total b	6,389,035	84,878	165,780	6,304,157	6,223,255
Non-performing loan ratio (a/b)	1.57 %	0.03 %	0.07 %	1.54 %	1.50 %

<Reference> If partial direct write-offs had been made

	March 31, 2023	Change from		September 30, 2022	March 31, 2022
		September 30, 2022	March 31, 2022		
Total non-performing loans	95,771	3,711	5,283	92,059	90,487
Non-performing loan ratio	1.50 %	0.04 %	0.05 %	1.46 %	1.45 %



## 2. Results of self-assessment and allowance for loan losses

## Results of self-assessment [Non-consolidated]

(Million yen)

	March 31, 2023		September 30, 2022	March 31, 2022	
		Change from September 30, 2022			Change from March 31, 2022
In legal bankruptcy	2,421	390	1,060	2,031	1,361
In de facto bankruptcy	6,210	(1,815)	1,673	8,025	4,537
In danger of bankruptcy	84,617	4,523	4,117	80,093	80,499
Requiring vigilance	549,992	(3,310)	(37,734)	553,302	587,726
Requiring management	15,926	577	(493)	15,349	16,420
Special attention (Loans and bills discounted only)	6,242	40	(41)	6,201	6,284
Others requiring vigilance	534,065	(3,887)	(37,240)	537,952	571,306
Normal	5,684,612	81,181	189,337	5,603,431	5,495,275
Total	6,327,854	80,969	158,453	6,246,884	6,169,400

(Note) Assets include: Credit-related receivables, such as loans and bills discounted, customers' liabilities for acceptances and guarantees, foreign exchanges, suspense payments equivalent to loans, accrued interest, etc.

## Allowance for loan losses [Non-consolidated]

	March 31, 2023		September 30, 2022	March 31, 2022	
		Change from September 30, 2022			Change from March 31, 2022
Allowance for loan losses	34,864	765	1,165	34,099	33,698
Allowance for general loan losses	19,008	943	24	18,065	18,984
Allowance for specific loan losses	15,856	(177)	1,141	16,034	14,714

## ○ Policy for write-offs and allowances for loan losses

Borrower category	Policy for write-offs and allowances for loan losses
In good standing	On a loan, an allowance is provided for expected losses in the following year using the historical loss rate.
Requiring vigilance (Except for those requiring management)	
Requiring management	On a loan, an allowance is provided for expected losses in the following three years using the historical loss rate. For some loans, allowances are provided using the discounted cash flow method.
In danger of bankruptcy	On the portion of a loan that is not covered by collateral or a guarantee, an allowance is provided for expected losses in the following three years using the historical loss rate. For some loans, allowances are provided using the discounted cash flow method.
In de facto or legal bankruptcy	A write-off is made or an allowance is provided for the entire portion of a loan that is not covered by collateral or a guarantee.

(Notes) 1. When a loan receivable by the Bank is converted to a capital subordinated loan, and the Bank treats it as capital, the Bank provides an allowance not exceeding the amount of the said loan but for the entire amount of the uncovered portion of the loan as if it were not capital. For some loans, allowances are provided using the discounted cash flow method.

2. Of the loans to the borrowers categorized as borrowers requiring vigilance or borrowers requiring management according to the policy presented above, on loans to specific borrowers for whom it is considered difficult to determine the prospect of formulating plans due to the impact of COVID-19, allowances are provided based on the expected loss rate on the uncovered amount of the loans to borrowers in danger of bankruptcy.

## 3. Loans by industry

## (1) Loans by industry [Non-consolidated]

(Million yen)

	March 31, 2023		September 30, 2022	March 31, 2022	
		Change from September 30, 2022			Change from March 31, 2022
Domestic (Excluding special international financial transactions accounts)	6,305,947	83,630	156,978	6,222,317	6,148,969
Manufacture	1,170,322	31,151	70,011	1,139,171	1,100,310
Agriculture and forestry	3,882	691	959	3,190	2,922
Fisheries	39	1	(1)	37	41
Mining, stone quarrying, and gravel quarrying	14,836	(965)	(3,448)	15,802	18,285
Construction	199,260	4,235	4,380	195,025	194,880
Electricity, gas, heat supply and water	114,055	27	8,962	114,027	105,092
Information and communications	31,288	3,599	5,163	27,688	26,125
Transport and postal services	233,288	7,060	1,189	226,228	232,098
Wholesale and retail trade	663,725	(14,456)	(2,587)	678,181	666,312
Finance and insurance	274,439	18,000	27,273	256,438	247,165
Real estate and goods rental and leasing	838,351	21,424	43,665	816,926	794,685
Services	495,444	13,934	11,191	481,510	484,253
Local governments	591,553	(9,257)	(20,877)	600,810	612,430
Others	1,675,460	8,181	11,095	1,667,278	1,664,364

## (2) Risk management loans by industry [Non-consolidated]

(Million yen)

	March 31, 2023		September 30, 2022	March 31, 2022	
		Change from September 30, 2022			Change from March 31, 2022
Domestic (Excluding special international financial transactions accounts)	99,727	3,214	6,888	96,513	92,839
Manufacture	21,045	1,883	1,393	19,161	19,651
Agriculture and forestry	224	11	9	213	215
Fisheries	25	(1)	(2)	27	28
Mining, stone quarrying, and gravel quarrying	1	(2)	(4)	4	6
Construction	8,820	746	1,529	8,074	7,291
Electricity, gas, heat supply and water	13	(0)	(1)	14	15
Information and communications	1,502	(0)	(17)	1,502	1,519
Transport and postal services	3,609	335	939	3,274	2,670
Wholesale and retail trade	21,225	(381)	1,966	21,606	19,258
Finance and insurance	530	68	57	462	473
Real estate and goods rental and leasing	4,959	194	196	4,764	4,762
Services	24,569	98	689	24,470	23,879
Local governments	—	—	—	—	—
Others	13,199	262	132	12,936	13,067

## (3) Loans to SMEs, etc. [Non-consolidated]

(Million yen)

	March 31, 2023		September 30, 2022	March 31, 2022	
		Change from September 30, 2022			Change from March 31, 2022
Loans to SMEs, etc.	4,184,862	87,146	113,524	4,097,716	4,071,338
Ratio of loans to SMEs, etc. (%)	66.36	0.51	0.15	65.85	66.21

## (4) Consumer loans [Non-consolidated]

(Million yen)

	March 31, 2023		September 30, 2022	March 31, 2022	
		Change from September 30, 2022			Change from March 31, 2022
Consumer loans	1,759,733	5,284	4,463	1,754,449	1,755,269
Housing loans	1,728,498	4,769	3,899	1,723,728	1,724,599
Other consumer loans	31,234	514	564	30,720	30,670

## 4. Loans by country

## (1) Specified overseas receivables [Non-consolidated]

None

## (2) Loans to Asia [Non-consolidated]

(Million yen)

	March 31, 2023		September 30, 2022	March 31, 2022
		Change from September 30, 2022		
Singapore	3,000	—	3,000	3,000
China	233	(278)	511	469
Indonesia	52	(135)	187	289
UAE	2,318	(402)	2,721	2,470
Qatar	667	(56)	724	611
Total	6,271	(872)	7,144	6,841

## (3) Loans to major countries in Latin America [Non-consolidated]

(Million yen)

	March 31, 2023		September 30, 2022	March 31, 2022
		Change from September 30, 2022		
Chile	667	(56)	724	611
Mexico	307	(74)	381	322
Total	974	(130)	1,105	934

## (4) Loans to Russia [Non-consolidated]

None