

Supplement Information for the  
Six Months Ended  
September 30, 2022

The Bank of Kyoto, Ltd.

(Note)

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## [Table of Contents]

I Key points in the financial results for the six months ended September 30, 2022		
1. Summary	Non-consolidated & Consolidated .....	1
2. Overview of profit and loss	Non-Consolidated .....	2
3. Main accounts	Non-Consolidated .....	3
4. Financial soundness	Non-consolidated & Consolidated .....	5
5. Financial results forecast	Non-consolidated & Consolidated .....	7
6. Interim and year-end dividends		
7. Income structure	Non-Consolidated .....	8
II Financial results for the six months ended September 30, 2022		
1. Profit and loss	Non-consolidated & Consolidated .....	9
2. Banking profit	Non-Consolidated .....	11
3. Interest rate spread	Non-Consolidated	
4. Gains and losses on securities	Non-Consolidated	
5. Valuation difference on securities	Non-consolidated & Consolidated .....	12
6. ROE	Non-consolidated & Consolidated .....	13
7. Number of branches	Non-Consolidated	
III Loans, etc.		
1. Non-performing Loans based on the Financial Reconstruction Law(risk management loans)	Non-consolidated & Consolidated .....	14
2. Results of self-assessment and Allowance for loan losses	Non-Consolidated .....	15
3. Loans by industry	Non-Consolidated .....	16
4. Loans by country	Non-Consolidated .....	17

## I Key points in the financial results for the six months ended September 30, 2022

## 1. Summary

## (1) Profit and loss

Ordinary profit and Profit(Consolidated and Non-consolidated) are both hitting a record high.

Profit (consolidated) grew in the six months ended September 30, 2022; ordinary profit increased ¥2.9 billion year on year to ¥22.2 billion, and profit attributable to owners of parent increased ¥2.1 billion year on year to ¥15.9 billion, both hitting a record high.

## [Consolidated (A)]

(Million yen)

	Six months ended September 30, 2022		Six months ended September 30, 2021
		Year-on-year change	
Gross banking profit	49,405	(1,016)	50,422
Ordinary profit	22,218	2,933	19,285
Profit attributable to owners of parent	15,959	2,196	13,762

## [Non-consolidated (B)]

(Million yen)

	Six months ended September 30, 2022		Six months ended September 30, 2021
		Year-on-year change	
Gross banking profit	46,717	(1,119)	47,837
Ordinary profit	20,758	2,977	17,780
Profit	15,073	2,262	12,811

## [Difference (A-B) (Contributions by subsidiaries)]

(Million yen)

	Six months ended September 30, 2022		Six months ended September 30, 2021
		Year-on-year change	
Gross banking profit	2,688	102	2,585
Ordinary profit	1,459	(44)	1,504
Profit	885	(66)	951

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

Deposits and negotiable certificates of deposit amounted to ¥8,838.6 billion, and loans and bills discounted stood at ¥6,222.3 billion.

(Billion yen)

		September 30, 2022		September 30, 2021
			Change from September 30, 2021	
Term-end	Deposits and negotiable certificates of deposit	8,838.6	181.3	8,657.2
	Loans and bills discounted	6,222.3	191.2	6,031.0
Term-average	Deposits and negotiable certificates of deposit	8,910.4	122.6	8,787.7
	Loans and bills discounted	6,165.9	82.4	6,083.5

## 2. Overview of profit and loss

Core banking profit, which indicates profit from core business of the bank, increased ¥3.0 billion year on year to ¥22.9 billion as net interest income grew and net fees and commissions reached an all-time high.

In addition, while gains on bonds declined significantly as we recognized losses on sales of bonds to improve our foreign bond portfolio, income related to shares increased and credit-related costs decreased. As a result, ordinary profit increased ¥2.9 billion year on year to ¥20.7 billion, and profit increased ¥2.2 billion year on year to ¥15.0 billion, both marking a record high.

[Non-consolidated]

(Million yen)

		Six months ended		Six months ended September 30, 2021
		September 30, 2022	Year-on-year change	
Gross banking profit	A	46,717	(1,119)	47,837
Net interest income		42,125	961	41,164
Net fees and commissions		5,964	362	5,602
Net other ordinary income		(1,372)	(2,442)	1,070
Gains (losses) on bonds		(3,299)	(3,947)	647
Expenses	B	27,058	(244)	27,303
Overhead ratio (OHR)	(B / A)	57.91 %	0.84 %	57.07 %
Net banking profit		19,658	(875)	20,533
Core banking profit		22,957	3,071	19,886
Excluding gains (losses) on cancellation of investment trusts		22,139	2,810	19,329
Provision for allowance for general loan losses	(1)	(919)	(3,796)	2,877
Banking profit		20,577	2,920	17,656
Non-recurring income (losses)		180	57	123
Losses related to non-performing loans	(2)	1,590	1,647	(57)
Income (losses) related to shares		1,591	1,294	297
Other non-recurring income (losses)		179	410	(230)
Ordinary profit		20,758	2,977	17,780
Extraordinary income (losses)		(109)	196	(306)
Profit before income taxes		20,648	3,174	17,474
Total income taxes		5,575	911	4,663
Profit		15,073	2,262	12,811
Credit-related costs	((1) + (2))	671	(2,148)	2,819

(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.

## 3. Main accounts [Non-consolidated]

## (1) Deposits and negotiable certificates of deposit

Deposits and negotiable certificates of deposit increased for both individuals and corporations. As of September 30, 2022, they amounted to ¥8,838.6 billion, presenting an increase of ¥181.3 billion from September 30, 2021.

(Billion yen, %)

	September 30, 2022	Change from September 30, 2021		September 30, 2021	March 31, 2022
		Billion yen	%		
		Deposits (Term-end)	8,201.1		
Negotiable certificates of deposit (Term-end)	637.4	54.6	9.3	582.8	668.0
Deposits and negotiable certificates of deposit (Term-end)	8,838.6	181.3	2.0	8,657.2	8,987.8
Individuals	5,585.3	208.3	3.8	5,376.9	5,491.7
Corporations	2,696.7	75.9	2.8	2,620.7	2,724.8
Financial institutions	556.5	(102.9)	(15.6)	659.4	771.2
Deposits (Term-average)	8,302.0	186.2	2.2	8,115.7	
Negotiable certificates of deposit (Term-average)	608.3	(63.5)	(9.4)	671.9	
Deposits and negotiable certificates of deposit (Term-average)	8,910.4	122.6	1.3	8,787.7	

## (2) Loans and bills discounted

Loans and bills discounted increased ¥191.2 billion from September 30, 2021 to ¥6,222.3 billion, primarily due to a growth in loans for corporations.

Loans to small and medium enterprises (SMEs), etc. increased ¥88.0 billion from September 30, 2021 to ¥4,097.7 billion, as we responded to a wide range of financing needs.

(Billion yen, %)

	September 30, 2022	Change from September 30, 2021		September 30, 2021	March 31, 2022
		Billion yen	%		
		Loans and bills discounted (Term-end)	6,222.3		
Loans for SMEs, etc.	4,097.7	88.0	2.1	4,009.6	4,071.3
Loans for SMEs	2,445.4	81.8	3.4	2,363.5	2,421.9
Housing loans	1,723.7	(1.3)	(0.0)	1,725.0	1,724.5
Loans and bills discounted (Term-average)	6,165.9	82.4	1.3	6,083.5	

## (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 ¥2,230.7 billion as of September 30, 2022.

	September 30, 2022	Change from September 30, 2021		September 30, 2021	March 31, 2022
		Billion yen	%		
		Securities (Term-end)	2,987.3		
Bonds	2,023.4	(29.7)	(1.4)	2,053.1	1,981.3
Shares	963.9	(195.4)	(16.8)	1,159.4	1,060.8
(Valuation difference)	756.6	(259.7)	(25.5)	1,016.4	881.1
Securities with valuation difference excluded (Term-end)	2,230.7	34.5	1.5	2,196.1	2,160.9
Securities (Term-average)	2,185.2	(39.9)	(1.7)	2,225.1	

## (4) Group's client assets

Group's client assets increased ¥37.1 billion from September 30, 2021 to ¥717.7 billion.

As for sales during the six months ended September 30, 2022, sales of insurance and financial product intermediary services increased year on year, while sales of investment trusts declined.

<Balance>		September 30, 2022	Change from September 30, 2021	September 30, 2021	March 31, 2022
The Bank of Kyoto	Investment trusts	218.7	8.5	210.2	227.6
	Insurance	280.3	19.4	260.9	273.8
	Foreign currency deposits	15.6	(5.5)	21.2	19.1
	Public bonds	56.3	(10.8)	67.1	62.4
	Kyogin Securities	146.6	25.7	120.9	128.7
Group total		717.7	37.1	680.5	711.9

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

## &lt;Sales during the six months ended September 30, 2022&gt;

	Six months ended		Six months ended September 30, 2021
	September 30, 2022	Year-on-year change	
Investment trusts	29.5	(9.9)	39.4
Financial product intermediary services	32.7	1.6	31.1
Insurance	16.6	6.1	10.4

(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)

Equity-to-asset ratio (non-consolidated) (domestic standard) was 11.96%.  
The composition of Net Assets is presented on the Bank's website (<https://www.kyotobank.co.jp/>)  
(available only in Japanese).

## [Non-consolidated]

	September 30, 2022 (Preliminary)		September 30, 2021	(Billion yen) March 31, 2022
		Change from September 30, 2021		
Equity-to-asset ratio	11.96 %	0.46 %	11.50 %	11.59 %
Net assets	452.6	18.2	434.4	440.0
Risk-weighted assets, etc.	3,782.9	5.8	3,777.1	3,794.4

## [Consolidated]

	September 30, 2022 (Preliminary)		September 30, 2021	(Billion yen) March 31, 2022
		Change from September 30, 2021		
Equity-to-asset ratio	12.50 %	0.50 %	12.00 %	12.11 %
Net assets	474.0	19.9	454.0	460.3
Risk-weighted assets, etc.	3,792.4	11.4	3,780.9	3,799.1

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

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

We maintained the ratio of Non-performing loans based on the Financial Reconstruction Law at a low level; the ratio was 1.53%, and if partial direct write-offs had been made, the ratio would have been 1.45%.

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

(Billion yen)

	Self-assessment category	September 30,		September 30, 2021	March 31, 2022
		2022	Change from September 30, 2021		
Unrecoverable or valueless	Borrowers in legal or de facto bankruptcy	10.0	3.9	6.0	5.8
Risk	Borrowers in danger of bankruptcy	80.2	6.9	73.3	80.6
Special attention		6.2	(0.6)	6.8	6.2
Total Non-performing loans		96.5	10.2	86.2	92.8
Non-performing loan ratio		1.53%	0.12%	1.41%	1.49%
<If partial direct write-offs had been made> Total Non-performing loans		91.9	8.5	83.3	90.3
Non-performing loan ratio		1.45%	0.09%	1.36%	1.45%

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

We maintained valuation difference on securities at a high level; they totaled ¥756.6 billion.

(Billion yen)

	September 30,		September 30, 2021	March 31, 2022
	2022	Change from September 30, 2021		
Valuation difference on securities	756.6	(259.7)	1,016.4	881.1
Shares	793.1	(192.8)	986.0	888.7
Bonds	(23.3)	(27.9)	4.5	(10.2)
Others	(13.1)	(38.9)	25.8	2.6



## 5. Financial results forecast

Financial results forecast for the fiscal year ending March 31, 2023 (April 1, 2022 to March 31, 2023)

As the social and economic outlook remains uncertain, we will continue to offer high-quality and comprehensive financial solutions so that we will be able to grow together with our community and customers.

We expect profit attributable to owners of parent (consolidated) to be ¥24.0 billion and profit (non-consolidated) to be ¥22.2 billion for the fiscal year ending March 31, 2023 (FY2022), exceeding the results for the fiscal year ended March 31, 2022 (FY2021).

[Consolidated]

(Million yen)

	FY2022 (Current forecast)		FY2021 (Actual)
		Change from FY2021	
Ordinary profit	34,200	5,024	29,176
Profit attributable to owners of parent	24,000	3,379	20,621

[Non-consolidated]

(Million yen)

	FY2022 (Current forecast)		FY2021 (Actual)
		Change from FY2021	
Banking profit	32,100	3,179	28,921
Ordinary profit	31,200	5,116	26,084
Profit	22,200	3,482	18,718
Credit-related costs	3,000	(7,984)	10,984

## 6. Interim and year-end dividends

As for dividends for the fiscal year ending March 31, 2023 (FY2022), we plan to pay the interim dividend and the year-end dividend of ¥60, an increase of ¥10 from the originally announced amount of ¥50. The annual dividend will thus be ¥120, an increase of ¥20 from the original forecast.

Additionally, we have decided on matters regarding stock buybacks of up to ¥3.0 billion (up to 700 thousand shares), which, together with the dividend payouts, will make the total return ratio 50%.

	FY2022 (Current forecast)			FY2022 (Original forecast)	FY2021 (Actual)
		Change form original forecast	Change from FY2021		
Interim dividends	¥60	¥10	¥25	¥50	¥35
Year-end dividends	¥60	¥10	(¥5)	¥50	¥65
Annual dividends	¥120	¥20	¥20	¥100	¥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 six months ended September 30, 2022 is calculated based on the structure presented below.

<Expenses>		<Income>	
Interest expenses Interest paid on various deposits, etc.	2.1 bn yen	Interest income	44.2 bn yen
(1) Net interest income	42.1 bn yen	Interest income from business loans, housing loans, securities, etc.	
Fees and commissions payment: Fees paid by the Bank such as fees and commissions on exchanges	2.8 bn yen	Fees and commissions	8.8 bn yen
(2) Net fees and commissions	5.9 bn yen	Fees received from various services, such as investment trust sales and money transfers	
Other ordinary expenses Losses on sales of bonds	6.4 bn yen	Other ordinary income	5.0 bn yen
(3) Net other ordinary income	(1.3) bn yen	Gains on foreign exchange transactions, gains on sales of bonds, etc.	
Gains (losses) on bonds	(3.2) bn yen (A)		
Provision for allowance for general loan losses	(0.9) bn yen (C)	Gross banking profit	46.7 bn yen (B)
Expenses	27.0 bn yen (D)	(1) Net interest income	42.1 bn yen
Banking profit (E) = (B) - (C) - (D)	20.5 bn yen	(2) Net fees and commissions	5.9 bn yen
		(3) Net other ordinary income	(1.3) bn yen
Non-recurring expenses Expenses related to write-offs of non-performing loans, shares, etc.	2.2 bn yen	Banking profit	20.5 bn yen
Ordinary profit	20.7 bn yen	Non-recurring income	2.3 bn yen
		Gains on sales of shares, etc.	
Extraordinary losses	0.2 bn yen	Ordinary profit	20.7 bn yen
Income taxes - current	5.3 bn yen		
Income taxes - deferred	0.2 bn yen	Extraordinary income	0.1 bn yen
Profit	15.0 bn yen		

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 (¥19.6 bn) = Banking profit (E) (¥20.5 bn) + Provision for allowance for general loan losses (C) (¥(0.9) bn)

◎ Core banking profit (¥22.9 bn) = Net banking profit (¥19.6 bn) - Gains (losses) on bonds (A) ¥(3.2) 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 the six months ended September 30, 2022

## 1. Profit and loss

[Non-consolidated]

(Million yen)

	Six months ended		Six months ended September 30, 2021
	September 30, 2022	Year-on-year change	
Gross banking profit	46,717	(1,119)	47,837
(Excluding gains (losses) on bonds)	( 50,016 )	( 2,827 )	( 47,189 )
Net interest income	42,125	961	41,164
Net fees and commissions	5,964	362	5,602
Net other ordinary income	(1,372)	(2,442)	1,070
(Gains (losses) on bonds)	( (3,299) )	( (3,947) )	( 647 )
Gross banking profit from domestic operations	49,680	3,084	46,596
(Excluding gains (losses) on bonds)	( 46,564 )	( 710 )	( 45,854 )
Net interest income	40,943	475	40,467
Net fees and commissions	5,858	362	5,495
Net other ordinary income	2,879	2,246	632
(Gains (losses) on bonds)	( 3,115 )	( 2,374 )	( 741 )
Gross banking profit from international operations	(2,963)	(4,204)	1,240
(Excluding gains (losses) on bonds)	( 3,451 )	( 2,117 )	( 1,334 )
Net interest income	1,181	485	696
Net fees and commissions	106	0	106
Net other ordinary income	(4,251)	(4,689)	437
(Gains (losses) on bonds)	( (6,415) )	( (6,321) )	( 93 )
Expenses	27,058	(244)	27,303
Personnel expenses	15,232	(73)	15,306
Non-personnel expenses	9,376	(312)	9,689
Taxes	2,450	142	2,307
Net banking profit	19,658	(875)	20,533
Core banking profit	22,957	3,071	19,886
Excluding gains (losses) on cancellation of investment trusts	22,139	2,810	19,329
(1) Provision for allowance for general loan losses	(919)	(3,796)	2,877
Banking profit	20,577	2,920	17,656
Gains (losses) on bonds	(3,299)	(3,947)	647
Non-recurring income (losses)	180	57	123
(2) Losses related to non-performing loans	1,590	1,647	(57)
Write-offs of loans and bills discounted	0	0	0
Net provision for allowance for specific loan losses	1,575	1,579	(3)
Losses on sales of loans	—	(5)	5
Others	14	74	(59)
Income (losses) related to shares	1,591	1,294	297
Other non-recurring income (losses)	179	410	(230)
Ordinary profit	20,758	2,977	17,780
Extraordinary income (losses)	(109)	196	(306)
Gains (losses) on disposal of non-current assets	(33)	272	(306)
Impairment losses	76	76	—
Profit before income taxes	20,648	3,174	17,474
Income taxes - current	5,366	938	4,428
Income taxes - deferred	208	(26)	234
Total income taxes	5,575	911	4,663
Profit	15,073	2,262	12,811
Credit-related costs ((1) + (2))	671	(2,148)	2,819

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

[Consolidated]

&lt;Based on the consolidated statements of income for the six months ended September 30, 2022&gt;

(Million yen)

	Six months ended		Six months ended September 30, 2021
	September 30, 2022	Year-on-year change	
<b>Gross banking profit (consolidated)</b>	49,405	(1,016)	50,422
Net interest income	42,147	951	41,196
Net fees and commissions	7,711	437	7,273
Net other ordinary income	(453)	(2,405)	1,952
General and administrative expenses	28,230	(152)	28,382
Write-offs and provision for allowance for loan losses	734	(2,053)	2,787
Write-offs of loans and bills discounted	2	2	0
Provision for allowance for general loan losses	(943)	(3,763)	2,819
Provision for allowance for specific loan losses	1,652	1,641	10
Losses on sales of loans	7	(9)	17
Others	14	74	(59)
Income (losses) related to shares	1,591	1,294	297
Share of loss (profit) of entities accounted for using equity method	1	(8)	9
Others	184	457	(273)
<b>Ordinary profit</b>	<b>22,218</b>	<b>2,933</b>	<b>19,285</b>
Extraordinary income (losses)	(109)	196	(306)
Profit before income taxes	22,108	3,129	18,978
Income taxes - current	5,846	964	4,881
Income taxes - deferred	231	(41)	272
Total income taxes	6,078	923	5,154
Profit	16,030	2,206	13,824
Profit attributable to non-controlling interests	70	9	61
<b>Profit attributable to owners of parent</b>	<b>15,959</b>	<b>2,196</b>	<b>13,762</b>

(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)

	Six months ended		Six months ended September 30, 2021
	September 30, 2022	Year-on-year change	
Net banking profit (consolidated)	21,174	(864)	22,039
<b>Banking profit (consolidated)</b>	<b>22,118</b>	<b>2,898</b>	<b>19,219</b>

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

(Comprehensive income (consolidated))

(Million yen)

	Six months ended		Six months ended September 30, 2021
	September 30, 2022	Year-on-year change	
Comprehensive income	(69,500)	(75,708)	6,207
Profit	16,030	2,206	13,824
Other comprehensive income	(85,530)	(77,914)	(7,616)
(Valuation difference on available-for-sale securities) (Fluctuation)	(86,249)	(81,466)	(4,782)

(Number of entities within the scope of consolidation)

(Entities)

	September 30, 2022	Change from September 30, 2021	September 30, 2021
	Number of consolidated subsidiaries		7
Number of entities accounted for by the equity method	1	—	1

## 2. Banking profit [Non-consolidated]

(Million yen)

	Six months ended		Six months ended September 30, 2021
	September 30, 2022	Year-on-year change	
(1) Net banking profit	19,658	(875)	20,533
Per employee (thousand yen)	5,681	(165)	5,846
(2) Banking profit	20,577	2,920	17,656
Per employee (thousand yen)	5,947	919	5,027

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

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

## (1) Overall

(%)

	Six months ended		Six months ended September 30, 2021
	September 30, 2022	Year-on-year change	
Interest rate earned on loans and bills discounted (A)	0.74	0.02	0.72
Interest rate earned on securities	1.79	0.04	1.75
Interest rate earned on interest-earning assets (a)	1.01	0.02	0.99
Costs incurred on deposits, etc. (B)	0.64	0.01	0.63
Interest rate paid on deposits, etc.	0.03	0.02	0.01
Overhead ratio	0.60	(0.01)	0.61
Costs of funding (b)	0.56	0.03	0.53
Interest rate spread (A) - (B)	0.10	0.01	0.09
Gross interest rate spread (a) - (b)	0.45	(0.01)	0.46

## (2) Domestic operations

(%)

	Six months ended		Six months ended September 30, 2021
	September 30, 2022	Year-on-year change	
Interest rate earned on interest-earning assets (A)	0.98	(0.01)	0.99
Interest rate earned on loans and bills discounted	0.70	(0.02)	0.72
Interest rate earned on securities	1.80	0.03	1.77
Costs of funding (B)	0.53	0.02	0.51
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)	0.45	(0.03)	0.48

## 4. Gains and losses on securities [Non-consolidated]

(Million yen)

	Six months ended		Six months ended September 30, 2021
	September 30, 2022	Year-on-year change	
Gains (losses) related to bonds	(3,299)	(3,947)	647
Gains on sales	3,140	2,294	846
Gains on redemption	—	—	—
Losses on sales	6,439	6,240	198
Losses on redemption	—	—	—
Write-offs	0	0	—
Gains (losses) related to shares	1,591	1,294	297
Gains on sales	1,756	1,327	429
Losses on sales	10	2	7
Write-offs	155	30	124

## ○ 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)
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## (2) Valuation difference

[Non-consolidated]

(Million yen)

	September 30, 2022				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	756,673	(124,521)	798,472	41,799	881,194	902,420	21,225
Shares	793,189	(95,557)	794,425	1,235	888,746	890,303	1,556
Bonds	(23,384)	(13,134)	2,125	25,509	(10,250)	3,780	14,030
Others	(13,131)	(15,829)	1,922	15,053	2,697	8,336	5,638
Total	756,673	(124,521)	798,472	41,799	881,194	902,420	21,225
Shares	793,189	(95,557)	794,425	1,235	888,746	890,303	1,556
Bonds	(23,384)	(13,134)	2,125	25,509	(10,250)	3,780	14,030
Others	(13,131)	(15,829)	1,922	15,053	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 September 30, 2022 is ¥526,809 million.

[Consolidated]

(Million yen)

	September 30, 2022				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	(36)	(24)	5	41	(11)	7	19
Available-for-sale securities	757,298	(124,324)	799,098	41,799	881,622	902,848	21,225
Shares	793,815	(95,360)	795,050	1,235	889,175	890,731	1,556
Bonds	(23,384)	(13,134)	2,125	25,509	(10,250)	3,780	14,030
Others	(13,131)	(15,829)	1,922	15,053	2,697	8,336	5,638
Total	757,262	(124,348)	799,104	41,841	881,611	902,856	21,245
Shares	793,815	(95,360)	795,050	1,235	889,175	890,731	1,556
Bonds	(23,420)	(13,158)	2,130	25,551	(10,261)	3,788	14,050
Others	(13,131)	(15,829)	1,922	15,053	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 September 30, 2022 is ¥526,960 million.

## 6. ROE

[Consolidated]

(%)

	Six months ended September 30, 2022		Six months ended September 30, 2021
		Year-on-year change	
Based on shareholders' equity	6.60	0.76	5.84
Based on net assets	3.03	0.68	2.35

- (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
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]

(%)

	Six months ended September 30, 2022		Six months ended September 30, 2021
		Year-on-year change	
Based on shareholders' equity	6.51	0.85	5.66
Based on net assets	2.91	0.69	2.22

- (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
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. Number of branches [Non-consolidated]

(Branches)

	September 30, 2022		March 31, 2022
		Change from March 31, 2021	
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)

\* As the Regulation for Enforcement of the Banking Act was revised, we started on March 31, 2022 to categorize and present risk management loans using the categories, etc. for Non-performing loans based on the Financial Reconstruction Law. Past data are also categorized and presented in the new categories, etc.

[Non-consolidated]

(Million yen)

	September 30, 2022	Change from		March 31, 2022	September 30, 2021
		March 31, 2022	September 30, 2021		
Unrecoverable or valueless	10,057	4,158	3,999	5,898	6,057
Risk	80,254	(401)	6,947	80,655	73,307
Special attention	6,201	(82)	(661)	6,284	6,862
Accruing loans (three months or more)	0	0	0	—	—
Restructured loans	6,201	(82)	(661)	6,284	6,862
Total Non-performing loans a	96,513	3,674	10,285	92,839	86,227
Normal	6,207,780	76,150	188,474	6,131,629	6,019,306
Total b	6,304,294	79,825	198,760	6,224,468	6,105,533
Non-performing loan ratio (a/b)	1.53 %	0.04 %	0.12 %	1.49 %	1.41 %

(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	89,429	4,614	12,476	84,814	76,952
Allowance for loan losses	18,580	1,405	4,511	17,175	14,069
Collateral, guarantees, etc.	70,848	3,209	7,964	67,639	62,883
Coverage ratio (c/a)	92.6 %	1.3 %	3.4 %	91.3 %	89.2 %

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

	September 30, 2022	Change from		March 31, 2022	September 30, 2021
		March 31, 2022	September 30, 2021		
Total Non-performing loans	91,905	1,585	8,516	90,319	83,388
Non-performing loan ratio	1.45 %	0.00 %	0.09 %	1.45 %	1.36 %

[Consolidated]

(Million yen)

	September 30, 2022	Change from		March 31, 2022	September 30, 2021
		March 31, 2022	September 30, 2021		
Unrecoverable or valueless	10,645	4,172	3,948	6,472	6,696
Risk	80,263	(401)	6,947	80,664	73,316
Special attention	6,201	(82)	(661)	6,284	6,863
Accruing loans (three months or more)	0	0	0	—	—
Restructured loans	6,201	(83)	(662)	6,284	6,863
Total Non-performing loans a	97,110	3,688	10,233	93,421	86,876
Normal	6,207,047	77,213	191,152	6,129,833	6,015,894
Total b	6,304,157	80,901	201,386	6,223,255	6,102,771
Non-performing loan ratio (a/b)	1.54 %	0.04 %	0.12 %	1.50 %	1.42 %

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

	September 30, 2022	Change from		March 31, 2022	September 30, 2021
		March 31, 2022	September 30, 2021		
Total Non-performing loans	92,059	1,571	8,498	90,487	83,560
Non-performing loan ratio	1.46 %	0.01 %	0.10 %	1.45 %	1.36 %



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

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

(Million yen)

	September 30, 2022	Change from		March 31, 2022	September 30, 2021
		March 31, 2022	September 30, 2021		
In legal bankruptcy	2,031	669	254	1,361	1,777
In de facto bankruptcy	8,025	3,488	3,745	4,537	4,280
In danger of bankruptcy	80,093	(405)	6,930	80,499	73,163
Requiring vigilance	553,302	(34,424)	(52,697)	587,726	606,000
Requiring management	15,349	(1,071)	(2,469)	16,420	17,819
Special attention (Loans and bills discounted only)	6,201	(82)	(661)	6,284	6,862
Others requiring vigilance	537,952	(33,353)	(50,228)	571,306	588,180
Normal	5,603,431	108,156	234,482	5,495,275	5,368,948
Total	6,246,884	77,484	192,715	6,169,400	6,054,169

(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]

	September 30, 2022	Change from		March 31, 2022	September 30, 2021
		March 31, 2022	September 30, 2021		
Allowance for loan losses	34,099	400	7,906	33,698	26,193
Allowance for general loan losses	18,065	(919)	4,207	18,984	13,858
Allowance for specific loan losses	16,034	1,319	3,699	14,714	12,335

## ○ 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 for loan losses 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)

	September 30, 2022		March 31, 2022	September 30, 2021	
		Change from March 31, 2022			Change from September 30, 2021
Domestic (Excluding special international financial transactions accounts)	6,222,317	73,347	191,237	6,148,969	6,031,079
Manufacture	1,139,171	38,860	63,658	1,100,310	1,075,512
Agriculture and forestry	3,190	268	45	2,922	3,145
Fisheries	37	(3)	(7)	41	44
Mining, stone quarrying, and gravel quarrying	15,802	(2,483)	(2,912)	18,285	18,714
Construction	195,025	145	3,602	194,880	191,423
Electricity, gas, heat supply and water	114,027	8,935	16,422	105,092	97,605
Information and communications	27,688	1,563	(8,995)	26,125	36,684
Transport and postal services	226,228	(5,870)	(1,447)	232,098	227,675
Wholesale and retail trade	678,181	11,868	28,055	666,312	650,125
Finance and insurance	256,438	9,272	25,856	247,165	230,581
Real estate and goods rental and leasing	816,926	22,240	55,100	794,685	761,826
Services	481,510	(2,743)	(1,946)	484,253	483,456
Local governments	600,810	(11,619)	7,916	612,430	592,893
Others	1,667,278	2,913	5,888	1,664,364	1,661,390

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

(Million yen)

	September 30, 2022		March 31, 2022	September 30, 2021	
		Change from March 31, 2022			Change from September 30, 2021
Domestic (Excluding special international financial transactions accounts)	96,513	3,674	10,285	92,839	86,227
Manufacture	19,161	(489)	2,208	19,651	16,953
Agriculture and forestry	213	(1)	16	215	197
Fisheries	27	(1)	(2)	28	30
Mining, stone quarrying, and gravel quarrying	4	(2)	(3)	6	7
Construction	8,074	782	996	7,291	7,077
Electricity, gas, heat supply and water	14	(0)	(1)	15	15
Information and communications	1,502	(16)	632	1,519	869
Transport and postal services	3,274	604	1,045	2,670	2,229
Wholesale and retail trade	21,606	2,348	4,438	19,258	17,148
Finance and insurance	462	(11)	356	473	106
Real estate and goods rental and leasing	4,764	1	82	4,762	4,682
Services	24,470	591	639	23,879	23,831
Local governments	—	—	—	—	—
Others	12,936	(130)	(143)	13,067	13,080

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

(Million yen)

	September 30, 2022		March 31, 2022	September 30, 2021	
		Change from March 31, 2022			Change from September 30, 2021
Loans to SMEs, etc.	4,097,716	26,378	88,043	4,071,338	4,009,673
Ratio of loans to SMEs, etc. (%)	65.85	(0.36)	(0.63)	66.21	66.48

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

(Million yen)

	September 30, 2022		March 31, 2022	September 30, 2021	
		Change from March 31, 2022			Change from September 30, 2021
Consumer loans	1,754,449	(820)	(588)	1,755,269	1,755,037
Housing loans	1,723,728	(870)	(1,335)	1,724,599	1,725,064
Other consumer loans	30,720	50	746	30,670	29,973

## 4. Loans by country

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

None

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

(Million yen)

	September 30, 2022		March 31, 2022	September 30, 2021
		Change from March 31, 2022		
Singapore	3,000	—	3,000	3,000
China	511	42	469	319
Indonesia	187	(101)	289	417
UAE	2,721	250	2,470	2,412
Qatar	724	112	611	559
Total	7,144	303	6,841	6,709

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

(Million yen)

	September 30, 2022		March 31, 2022	September 30, 2021
		Change from March 31, 2022		
Chile	724	112	611	559
Mexico	381	59	322	61
Total	1,105	171	934	621

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

None