

Financial Review (Consolidated)

Financial and Economic Environment

During the fiscal year under review, the Japanese economy followed a moderate expansion trend overall, despite lacking strength due in part to a temporary impact from natural disasters. In this period, the corporate sector saw a marked weakness in export and production activity from around the end of the calendar year, partly due to a slowdown in the Chinese economy, although capital investment remained firm. On the other hand, consumer spending remained firm, supported by improvement in employment and income conditions, while spending by overseas tourists also trended strongly with growth in the number of visitors to Japan. Toward the end of the fiscal year, while concern grew over the slowdown in the global economy caused by trade friction between the U.S. and China, the year ended amid a growing sense of expectation for the new era.

Business Progress and Results

Consolidated ordinary income amounted to ¥133,539 million, an increase of ¥23,307 million year on year. Consolidated ordinary expenses totaled ¥88,355 million, a year-on-year increase of ¥5,053 million. As a result, consolidated ordinary profit increased ¥18,253 million year on year to ¥45,184 million. Net income attributable to owners of the parent increased ¥12,358 million to ¥31,681 million.

Earnings by segment in the banking business, the core business of the Bank of Kyoto Group, were ordinary income of ¥124,023 million, an increase of ¥22,969 million from the previous fiscal year. Segment profit was ¥42,454 million, up ¥18,116 million. In others, ordinary income was ¥12,453 million, an increase of ¥172 million, while segment profit was ¥2,743 million, a year-on-year increase of ¥130 million.

Main Accounts

Regarding main accounts, deposits amounted to ¥7,086.4 billion, an increase of ¥207.4 billion from the previous fiscal year, due to solid increases in deposits, mainly held by individuals. Negotiable certificates of deposit came to ¥944.0 billion, an increase of ¥23.9 billion. As a result, the total of deposits and negotiable certificates of deposit increased by ¥231.3 billion to ¥8,030.4 billion at year-end, breaking through the ¥8 trillion level.

Turning next to loans and bills discounted, as a result of our active response to individual and corporate customers, mainly in home loans and loans to small and medium-sized enterprises, loans and bills discounted increased by ¥213.1 billion compared to the previous fiscal year to ¥5,479.3 billion.

As for securities, as a result of appropriate fund management while closely monitoring market trends, securities ended the year at ¥2,917.4 billion, a decrease of ¥159.9 billion year on year. Appraisal gains (unrealized) yielded from mark-to-market accounting decreased ¥151.2 billion year on year, reaching ¥600.9 billion at the end of the year under review.

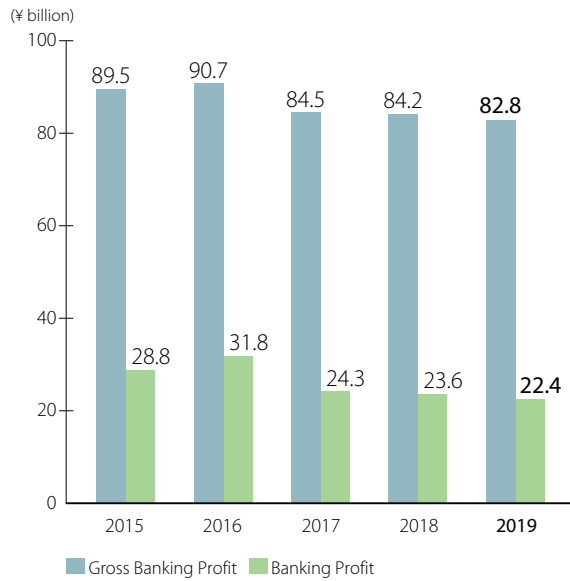
In addition, total assets ended the year at ¥9,665.1 billion, an increase of ¥186.5 billion compared with the end of the previous fiscal year. Equity stood at ¥438.0 billion, an increase of ¥27.2 billion.

Cash Flows

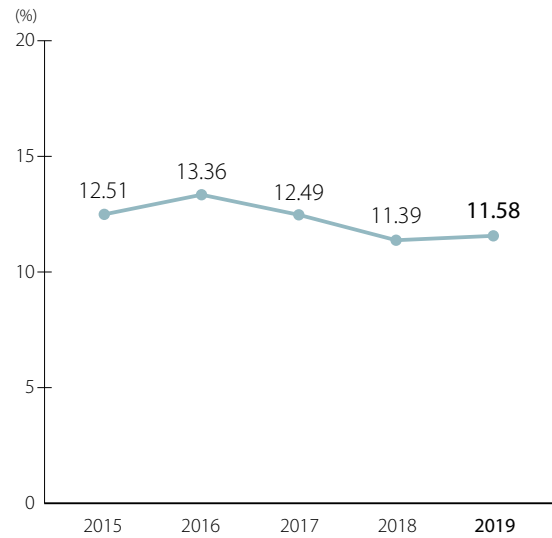
Net cash provided by operating activities during the fiscal year under review was ¥24.7 billion. Net cash provided by investing activities was ¥49.4 billion, and net cash used in financing activities was ¥20.5 billion.

As a result, the balance of cash and cash equivalents increased ¥53.6 billion year on year to ¥898.6 billion.

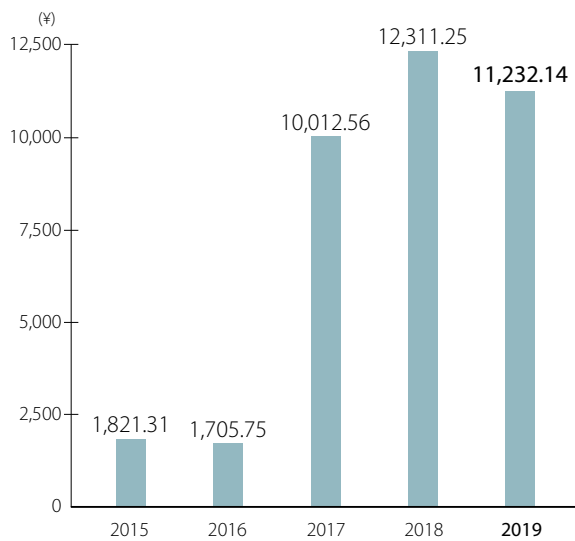
Gross Banking Profit/Banking Profit



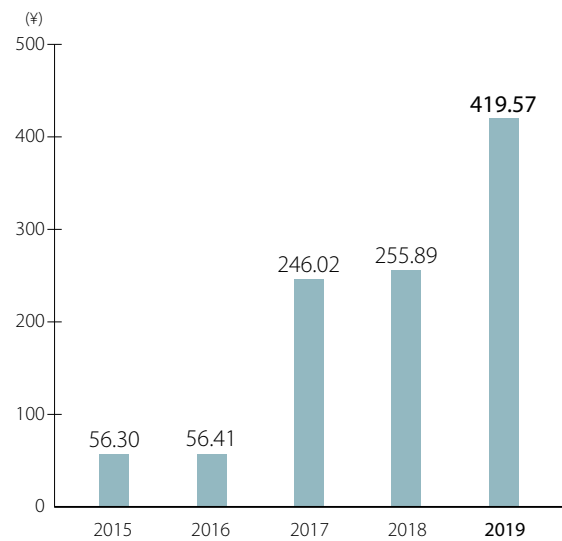
Capital Ratio (Domestic)



Net Assets per Share



Net Income per Share



Note: Share figures have been restated, as appropriate, to reflect a one-for-five reverse stock split effected October 1, 2017.