

Overview of the Japanese regional banks' financial results for six months ended September 30, 2022

1. Profitability

- Net income for six month ended September 30, 2022 increased by 8.6% year on year, mainly due to the increase in net interest income and net gains on equity securities and the decrease in operating expenses, despite the increased net loss on debt securities.

(Unit: 100 million yen)

	Six months ended Sep 30, 2020	Six months ended Sep 30, 2021	Six months ended Sep 30, 2022	YoY
Gross profits	21,184	21,809	20,796	(1,013)
Net interest income	18,191	18,676	19,522	846
Net fees and commissions	2,458	3,028	3,157	129
Net other business profits	512	87	(1,911)	(1,998)
Net gains on debt securities	277	(175)	(2,677)	(2,502)
Operating expenses	(14,728)	(14,518)	(14,015)	503
Pre-provision operating profit	6,456	7,290	6,780	(510)
Core net business profits	6,178	7,465	9,457	1,992
Core net business profits (excluding gains and losses from cancellation of investment trusts)	5,723	7,070	8,817	1,747
Credit costs*	(1,561)	(968)	(575)	393
Net gains on equity securities	910	1,003	1,826	823
Net income	4,130	5,468	5,938	470

* Positive figures on credit costs indicate gains such as a reversal of loan loss reserves.

	Sep 30, 2020	Sep 30, 2021	Sep 30, 2022
Loans (Period-end balance) (¥ trillion)	288.0	294.2	305.5

2. Non-Performing Loans

- While the balance of NPLs were flat, the NPL ratio decreased from March 31, 2022.

	Sep 30, 2021	Mar 31, 2022	Sep 30, 2022
Balance of NPLs (¥ trillion)	5.4	5.5	5.5
NPL ratio (%)	1.81	1.81	1.78

3. Capital adequacy ratio

- The total capital adequacy ratio of internationally active banks decreased from March 31, 2022, while the capital ratio of domestically active banks increased from March 31, 2022.

(Internationally active banks: 11 banks)

	Mar 31, 2022	Sep 30, 2022
Total capital ratio (%)	13.41	12.41
Tier I capital ratio (%)	12.93	11.96
Common Equity Tier I capital ratio (%)	12.93	11.96

(Domestically active banks: 89 banks)

	Mar 31, 2022	Sep 30, 2022
Capital ratio (%)	9.71	9.72

1. Figures are rounded off.
2. Non-consolidated basis in general, but the credit costs and the NPL-related data partially incorporate the information of a bank's subsidiary company established for restructuring its corporate clients.