

Overview of regional banks' financial results as of March 31, 2017

1. Profit

- Net income decreased by 14.7% from the previous year, triggered by a decline in net interest income, fees and commissions, and gains on bond trading, etc., while net gains on equities increased. Lower net interest margin is one of the reasons for a drop in net interest income.

(Unit: 100 million yen)

| | Fiscal Year ended Mar 31, 2015 | Fiscal Year ended Mar 31, 2016 | Fiscal Year ended Mar 31, 2017 | Compared with previous year |
|--|--------------------------------|--------------------------------|--------------------------------|-----------------------------|
| Gross operating profits from core business profits | 47,547 | 46,842 | 43,729 | ▲ 3,113 |
| Net interest income | 40,242 | 39,813 | 38,419 | ▲ 1,394 |
| Fees and Commissions | 5,550 | 5,471 | 5,010 | ▲ 461 |
| Gains/losses on bond trading etc. | 909 | 856 | ▲ 372 | ▲ 1,228 |
| Charge-offs | ▲ 24 | ▲ 57 | ▲ 14 | 43 |
| Operating expenses | ▲ 31,357 | ▲ 30,936 | ▲ 30,894 | 42 |
| Net operating profits from core business | 16,190 | 15,905 | 12,834 | ▲ 3,071 |
| Credit related expenses* | ▲ 937 | ▲ 872 | ▲ 861 | 11 |
| Net gains/losses on equities | 1,158 | 1,609 | 2,136 | 527 |
| Charge-offs | ▲ 28 | ▲ 95 | ▲ 55 | 40 |
| Net income | 10,629 | 11,729 | 10,002 | ▲ 1,727 |

*Positive figures of "Credit related expenses" indicate gains, while negative figures in these refer to losses.

Reference:

| | Fiscal Year ended Mar 31, 2015 | Fiscal Year ended Mar 31, 2016 | Fiscal Year ended Mar 31, 2017 |
|--------------------|--------------------------------|--------------------------------|--------------------------------|
| Loans (¥ trillion) | 233.8 | 242.0 | 251.0 |

2. Non-Performing Loans

- The amount of NPLs and the NPL ratio decreased from March 31, 2016.

| | Fiscal Year ended Mar 31, 2015 | Fiscal Year ended Mar 31, 2016 | Fiscal Year ended Mar 31, 2017 |
|----------------------------|--------------------------------|--------------------------------|--------------------------------|
| Volume of NPL (¥ trillion) | 5.6 | 5.2 | 4.8 |
| NPL ratio (%) | 2.38 | 2.13 | 1.90 |

3. Capital adequacy ratio

- Total capital adequacy ratio of internationally active banks and Capital adequacy ratio of domestically active banks decreased from March 31, 2016.

(Internationally active banks: 11 banks)

| | Mar 31, 2016 | Mar 31, 2017 |
|--|--------------|--------------|
| Total capital ratio (%) | 14.10 | 13.94 |
| Tier I capital ratio (%) | 13.19 | 13.34 |
| Common Equity Tier I capital ratio (%) | 13.16 | 13.34 |

(Domestically active banks: 95 banks)

| | Mar 31, 2016 | Mar 31, 2017 |
|-------------------|--------------|--------------|
| Capital ratio (%) | 10.20 | 9.86 |

1. Figures are rounded off.
2. The data are on a non-consolidated basis. The data for subsidiary companies for corporate revitalization and subsidiary companies for stockholdings are included in the calculation.