

Overview of the Japanese regional banks' financial results for six months ended September 30, 2021

1. Profitability

- Net income for six month ended September 30, 2021 increased by 32.4% year on year, mainly due to the increase in net fees and commissions and the decrease in credit costs, despite the decreased net gains on debt securities.

(Unit: 100 million yen)

	Six months ended Sep 30, 2019	Six months ended Sep 30, 2020	Six months ended Sep 30, 2021	YoY
Gross profits	21,748	21,184	21,809	625
Net interest income	18,302	18,191	18,676	485
Net fees and commissions	2,569	2,458	3,028	570
Net other business profits	855	512	87	(425)
Net gains on debt securities	779	277	(175)	(452)
Operating expenses	(14,995)	(14,728)	(14,518)	210
Pre-provision operating profit	6,752	6,456	7,290	834
Core net business profits	5,973	6,178	7,465	1,287
Core net business profits (excluding gains and losses from cancellation of investment trusts)	5,537	5,723	7,070	1,347
Credit costs*	(1,308)	(1,561)	(968)	593
Net gains on equity securities	846	910	1,003	93
Net income	4,667	4,130	5,468	1,338

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

	Sep 30, 2019	Sep 30, 2020	Sep 30, 2021
Loans (Period-end balance) (¥ trillion)	272.4	288.0	294.2

2. Non-Performing Loans

- The balance of NPLs and the NPL ratio increased from March 31, 2021.

	Sep 30, 2020	Mar 31, 2021	Sep 30, 2021
Balance of NPLs (¥ trillion)	5.0	5.3	5.4
NPL ratio (%)	1.73	1.78	1.81

3. Capital adequacy ratio

- The total capital adequacy ratio of internationally active banks and the capital ratio of domestically active banks increased from March 31, 2021.

(Internationally active banks: 11 banks)

	Mar 31, 2021	Sep 30, 2021
Total capital ratio (%)	14.07	14.22
Tier I capital ratio (%)	13.48	13.68
Common Equity Tier I capital ratio (%)	13.48	13.68

(Domestically active banks: March 31, 2021 90 banks, Sep 30, 2021 89 banks)

	Mar 31, 2021	Sep 30, 2021
Capital ratio (%)	9.70	9.85

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