

Reference Material for the First Quarter of FY2018

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Note.1: Figures reported herein are not reviewed by the audit corporation.

Note.2: Capital adequacy ratio will be announced soon after the calculation is completed.

Note: [Total of three banks] Sum of non-consolidated figures for Kansai Urban Banking Corporation, Kinki Osaka Bank, and Minato Bank.

1. Statements of income

(1) Kansai Mirai Financial Group (Consolidated)

(Millions of yen)

		1Q FY 2018	Change	1Q FY 2017
Ordinary income	1	48,315	-	-
Consolidated gross operating profit	2	36,413	-	-
Interest income	3	28,562	-	-
Fees and commissions	4	6,902	-	-
Other operating income	5	947	-	-
Expenses(excluding non-recurring items,Amortization of goodwill)	6	(29,775)	-	-
Personnel expenses	7	(16,327)	-	-
Non-personnel expenses	8	(11,622)	-	-
Taxes	9	(1,824)	-	-
Actual net operating profit (2+6)	10	6,637	-	-
Amortization of goodwill	11	-	-	-
Provision to general reserve for possible loan losses	12	(232)	-	-
Other gains/(losses), net	13	(1,003)	-	-
Net gains/(losses) on stocks	14	644	-	-
Disposal of problem loans	15	(517)	-	-
Reversal of credit expenses	16	138	-	-
Ordinary profit	17	5,401	-	-
Extraordinary gains	18	56,628	-	-
Gain on negative goodwill	19	56,628	-	-
Extraordinary losses	20	(101)	-	-
Income before income taxes	21	61,928	-	-
Income taxes - current	22	(633)	-	-
Income taxes - deferred	23	(1,083)	-	-
Net income	24	60,211	-	-
Net loss attributable to non-controlling interests	25	7	-	-
Net income attributable to owners of the parent	26	60,218	-	-
Credit expense (12+15+16)	27	(611)	-	-
Provision to general reserve for possible loan losses	28	(232)	-	-
Write-off of loans	29	(312)	-	-
Provision to specific reserve for possible loan losses	30	(303)	-	-
Other disposal of problem loans	31	98	-	-
Gains on recoveries of written-off loans	32	138	-	-

Note: The figures of "credit expense" include the figures of "gains on recoveries of written-off loans".

○ ROE

(%)

	1Q FY 2018	Change	1Q FY 2017
ROE based on net income attributable to owners of the parent	51.87	-	-

(Note)

$$\text{ROE} = \frac{\text{Net income attributable to owners of the parent (1Q)} \times 365/91}{(\text{Total stockholders' equity at beginning of period} + \text{Total stockholders' equity at end of period}) / 2}$$

Note: Statements of income for the first Quarter of FY2017 is not stated above since Kansai Mirai Financial Group was established on November 14, 2017.

(2) Total of three banks, Non-consolidated figures of each bank

(Millions of yen)

		Total of three banks [Non-consolidated]			Kansai Urban Banking Corporation		
		1Q	Change	1Q	1Q	Change	1Q
		FY 2018		FY 2017	FY 2018		FY 2017
Gross operating profit (2+4+5)	1	33,667	(1,198)	34,865	14,284	(418)	14,703
Interest income	2	28,732	(444)	29,177	13,127	(211)	13,339
<Net interest income from loans and deposits (Domestic operations, including NCDs)>	3	25,208	(919)	26,127	12,420	(287)	12,708
Fees and commissions	4	4,435	32	4,403	616	(41)	658
Other operating income	5	498	(785)	1,284	539	(164)	704
Net gains/(losses) on bonds	6	(90)	(781)	690	100	(150)	250
Expenses (excluding non-recurring items, Amortization of goodwill)	7	(28,622)	(636)	(27,985)	(10,499)	(333)	(10,165)
Personnel expenses	8	(14,876)	73	(14,950)	(5,533)	(43)	(5,489)
Non-personnel expenses	9	(11,987)	(590)	(11,396)	(4,335)	(181)	(4,154)
Taxes	10	(1,758)	(119)	(1,638)	(629)	(108)	(521)
Actual net operating profit (1+7)	11	5,045	(1,834)	6,880	3,785	(752)	4,537
Core net operating profit (11-6)	12	5,135	(1,053)	6,189	3,685	(602)	4,287
Amortization of goodwill	13	(184)	-	(184)	(184)	-	(184)
Provision to general reserve for possible loan losses	14	(166)	(201)	34	(157)	(157)	-
Net operating profit (1+7+13+14)	15	4,694	(2,036)	6,730	3,443	(909)	4,353
Other gains/(losses), net	16	153	(1,800)	1,954	(961)	(1,017)	56
Net gains/(losses) on stocks	17	460	(1,330)	1,791	141	141	-
Gains on sale	18	505	(1,299)	1,804	146	146	-
Losses on sale	19	(39)	(38)	(0)	(0)	(0)	-
Losses on devaluation	20	(5)	7	(12)	(5)	(5)	-
Disposal of problem loans	21	(1,094)	(374)	(719)	(338)	(200)	(137)
Reversal of credit expenses	22	2,092	(66)	2,159	0	(810)	810
Other	23	(1,305)	(29)	(1,276)	(764)	(147)	(616)
Ordinary profit (15+16)	24	4,847	(3,836)	8,684	2,482	(1,926)	4,409
Extraordinary gains/(losses), net	25	217	214	3	(1)	(13)	11
Net gains/(losses) on disposal of fixed assets	26	(101)	(91)	(9)	(1)	(0)	(0)
Impairment losses on fixed assets	27	(0)	0	(0)	(0)	0	(0)
Income before income taxes (24+25)	28	5,065	(3,622)	8,687	2,481	(1,940)	4,421
Income taxes-current	29	(131)	329	(461)	(109)	(117)	8
Income taxes-deferred	30	(1,078)	36	(1,115)	(360)	148	(508)
Net income (28+29+30)	31	3,854	(3,256)	7,110	2,010	(1,909)	3,920

Credit expense (14+21+22)	32	831	(642)	1,473	(495)	(1,168)	672
Provision to general reserve for possible loan losses	33	(396)	(922)	525	(157)	(181)	24
Write-off of loans	34	(312)	(43)	(269)	-	-	-
Provision to specific reserve for possible loan losses	35	1,309	388	921	(231)	(1,017)	785
Other disposal of problem loans	36	94	253	(159)	(106)	30	(137)
Gains on recoveries of written-off loans	37	136	(318)	455	0	0	-

Note: The figures of "credit expense" include the figures of "gains on recoveries of written-off loans".

○ Interest rate spreads (domestic operations)

(%)

	Total of three banks [Non-consolidated]			Kansai Urban Banking Corporation		
	1Q	Change	1Q	1Q	Change	1Q
	FY 2018		FY 2017	FY 2018		FY 2017
Average interest rate of loans and bills discounted (A)	1.21	(0.07)	1.28	1.35	(0.08)	1.43
Average interest rate of deposits and negotiable CDs (B)	0.04	(0.00)	0.05	0.07	(0.01)	0.09
Loan-to-deposit spread (A) - (B)	1.16	(0.06)	1.23	1.27	(0.06)	1.34

(Millions of yen)

		Kinki Osaka Bank			Minato Bank		
		1Q	Change	1Q	1Q	Change	1Q
		FY 2018		FY 2017	FY 2018		FY 2017
Gross operating profit (2+4+5)	1	9,792	(150)	9,942	9,591	(628)	10,219
Interest income	2	7,519	94	7,425	8,085	(327)	8,412
<Net interest income from loans and deposits (Domestic operations, including NCDs)>	3	6,284	(418)	6,702	6,503	(212)	6,716
Fees and commissions	4	2,122	(98)	2,221	1,696	173	1,522
Other operating income	5	149	(146)	296	(190)	(474)	283
Net gains/(losses) on bonds	6	95	(133)	228	(286)	(498)	211
Expenses (excluding non-recurring items, Amortization of goodwill)	7	(9,255)	(47)	(9,208)	(8,867)	(256)	(8,611)
Personnel expenses	8	(4,905)	71	(4,976)	(4,438)	45	(4,483)
Non-personnel expenses	9	(3,742)	(126)	(3,616)	(3,909)	(283)	(3,626)
Taxes	10	(607)	7	(614)	(520)	(18)	(501)
Actual net operating profit (1+7)	11	536	(198)	734	723	(884)	1,608
Core net operating profit (11-6)	12	441	(64)	505	1,009	(386)	1,396
Amortization of goodwill	13	-	-	-	-	-	-
Provision to general reserve for possible loan losses	14	-	-	-	(9)	(44)	34
Net operating profit (1+7+13+14)	15	536	(198)	734	713	(928)	1,642
Other gains/(losses), net	16	1,398	(119)	1,517	(282)	(663)	380
Net gains/(losses) on stocks	17	48	(997)	1,045	271	(474)	745
Gains on sale	18	48	(998)	1,046	310	(447)	758
Losses on sale	19	-	0	(0)	(39)	(39)	-
Losses on devaluation	20	(0)	(0)	-	-	12	(12)
Disposal of problem loans	21	(33)	180	(213)	(723)	(353)	(369)
Reversal of credit expenses	22	2,073	751	1,321	19	(7)	26
Other	23	(690)	(53)	(637)	149	171	(22)
Ordinary profit (15+16)	24	1,934	(317)	2,252	430	(1,592)	2,023
Extraordinary gains/(losses), net	25	(4)	(2)	(1)	223	229	(6)
Net gains/(losses) on disposal of fixed assets	26	(4)	(2)	(1)	(95)	(88)	(6)
Impairment losses on fixed assets	27	-	-	-	-	-	-
Income before income taxes (24+25)	28	1,930	(320)	2,250	653	(1,362)	2,016
Income taxes-current	29	(21)	449	(470)	(0)	(2)	1
Income taxes-deferred	30	(591)	(499)	(92)	(126)	387	(514)
Net income (28+29+30)	31	1,317	(369)	1,687	525	(977)	1,503

Credit expense (14+21+22)	32	2,040	931	1,108	(713)	(405)	(308)
Provision to general reserve for possible loan losses	33	(230)	(697)	467	(9)	(44)	34
Write-off of loans	34	(311)	(66)	(245)	(0)	23	(24)
Provision to specific reserve for possible loan losses	35	2,185	1,759	426	(644)	(353)	(290)
Other disposal of problem loans	36	278	246	32	(77)	(23)	(53)
Gains on recoveries of written-off loans	37	117	(311)	428	19	(7)	26

Note: The figures of "credit expense" include the figures of "gains on recoveries of written-off loans".

○ Interest rate spreads (domestic operations)

(%)

	Kinki Osaka Bank			Minato Bank		
	1Q	Change	1Q	1Q	Change	1Q
	FY 2018		FY 2017	FY 2018		FY 2017
Average interest rate of loans and bills discounted (A)	1.10	(0.08)	1.19	1.09	(0.04)	1.14
Average interest rate of deposits and negotiable CDs (B)	0.02	(0.00)	0.03	0.02	0.00	0.02
Loan-to-deposit spread (A) - (B)	1.07	(0.08)	1.15	1.06	(0.04)	1.11

2. Claims disclosure according to the Financial Reconstruction Act

(Millions of yen, %)

<Total of three banks>		End of Jun.			End of Mar.	End of Jun.
		2018 (A)	(A)-(B)	(A)-(C)	2018 (B)	2017 (C)
	Unrecoverable or valueless claims	32,556	1,979	906	30,577	31,650
	Risk claims	112,076	(2,520)	(8,530)	114,597	120,607
	Special attention loans	18,244	2,080	(489)	16,163	18,734
	Financial Reconstruction Act subtotal [A]	162,877	1,539	(8,114)	161,337	170,992
	Normal claims	8,875,894	8,442	191,903	8,867,451	8,683,990
	Financial Reconstruction Act total [B]	9,038,772	9,982	183,789	9,028,789	8,854,982
	Partial direct write-offs	78,273	(87)	(13,204)	78,361	91,478
	NPL Ratio [A] / [B]	1.80	0.01	(0.12)	1.78	1.93

<Kansai Urban Banking Corporation>

	Unrecoverable or valueless claims	12,802	1,727	779	11,075	12,023
	Risk claims	43,487	3,635	3,095	39,851	40,392
	Special attention loans	7,735	1,264	(1,852)	6,470	9,588
	Financial Reconstruction Act subtotal [A]	64,025	6,628	2,021	57,397	62,003
	Normal claims	3,921,775	(340)	96,326	3,922,116	3,825,449
	Financial Reconstruction Act total [B]	3,985,801	6,287	98,348	3,979,514	3,887,453
	Partial direct write-offs	68,072	(623)	(7,303)	68,696	75,376
	NPL Ratio [A] / [B]	1.60	0.16	0.01	1.44	1.59

<Kinki Osaka Bank>

	Unrecoverable or valueless claims	6,296	(276)	(2,074)	6,572	8,370
	Risk claims	36,095	(3,982)	(6,890)	40,078	42,985
	Special attention loans	8,122	1,100	1,203	7,022	6,918
	Financial Reconstruction Act subtotal [A]	50,514	(3,159)	(7,760)	53,673	58,274
	Normal claims	2,387,673	(22,845)	49,409	2,410,519	2,338,264
	Financial Reconstruction Act total [B]	2,438,188	(26,004)	41,649	2,464,192	2,396,539
	Partial direct write-offs	5,645	(826)	(4,701)	6,472	10,347
	NPL Ratio [A] / [B]	2.07	(0.10)	(0.35)	2.17	2.43

<Minato Bank>

	Unrecoverable or valueless claims	13,458	528	2,201	12,929	11,256
	Risk claims	32,493	(2,173)	(4,736)	34,666	37,229
	Special attention loans	2,386	(284)	158	2,670	2,227
	Financial Reconstruction Act subtotal [A]	48,337	(1,929)	(2,375)	50,266	50,713
	Normal claims	2,566,444	31,628	46,167	2,534,815	2,520,277
	Financial Reconstruction Act total [B]	2,614,782	29,699	43,791	2,585,082	2,570,990
	Partial direct write-offs	4,554	1,361	(1,199)	3,192	5,754
	NPL Ratio [A] / [B]	1.84	(0.09)	(0.12)	1.94	1.97

3. Unrealized gains/(losses) on marketable securities (Held-to-maturity debt securities, stocks of subsidiaries and affiliates and available-for-sale securities)

(Millions of yen)

<Consolidated>	B/S Amount (End of Jun. 2018)	Change from End of Mar. 2018	Unrealized gains/(losses)			Change from End of Mar. 2018
			(End of Jun. 2018)	Gain	Loss	
Bonds held to maturity	216,272		3,380	3,663	(283)	
Available-for-sale securities	1,006,862		12,646	16,342	(3,696)	
Stocks	63,534		11,112	12,455	(1,343)	
Bonds	698,951		(321)	320	(642)	
JGB	84,814		53	74	(20)	
Other	244,376		1,854	3,566	(1,711)	

Note: The figures presented in the table above include securities, negotiable certificates of deposit (NCDs) included in "cash and due from banks" and a portion of "monetary claims bought."

The presented figures only include marketable securities.

(Millions of yen)

<Total of three banks>	B/S Amount (End of Jun. 2018)	Change from End of Mar. 2018	Unrealized gains/(losses)			Change from End of Mar. 2018
			(End of Jun. 2018)	Gain	Loss	
Bonds held to maturity	216,262	(1,121)	3,389	3,673	(283)	87
Stock of subsidiaries and affiliates	-	-	-	-	-	-
Available-for-sale securities	1,005,345	(74,143)	36,337	44,938	(8,601)	2,874
Stocks	63,359	235	38,254	38,413	(159)	784
Bonds	698,951	(73,839)	1,332	2,051	(719)	(194)
Other	243,035	(539)	(3,249)	4,473	(7,722)	2,284

<Kansai Urban Banking Corporation>

Bonds held to maturity	-	-	-	-	-	-
Stock of subsidiaries and affiliates	-	-	-	-	-	-
Available-for-sale securities	219,861	4,309	18,104	19,589	(1,485)	2,495
Stocks	25,109	1,088	15,604	15,663	(59)	1,451
Bonds	140,880	288	958	1,058	(100)	(88)
Other	53,870	2,932	1,541	2,867	(1,325)	1,131

<Kinki Osaka Bank>

Bonds held to maturity	206,178	(855)	3,379	3,662	(283)	89
Stock of subsidiaries and affiliates	-	-	-	-	-	-
Available-for-sale securities	507,302	(31,879)	10,198	11,235	(1,036)	109
Stocks	13,637	(739)	9,671	9,699	(28)	(737)
Bonds	417,246	(35,358)	(216)	74	(291)	208
Other	76,417	4,218	744	1,460	(715)	638

<Minato Bank>

Bonds held to maturity	10,084	(265)	10	10	-	(2)
Stock of subsidiaries and affiliates	-	-	-	-	-	-
Available-for-sale securities	278,182	(46,573)	8,034	14,113	(6,079)	269
Stocks	24,611	(114)	12,979	13,050	(71)	70
Bonds	140,823	(38,769)	590	917	(326)	(315)
Other	112,746	(7,690)	(5,535)	146	(5,681)	514

Note: The figures presented in the table above include securities, negotiable certificates of deposit (NCDs) included in "cash and due from banks" and a portion of "monetary claims bought."

The presented figures only include marketable securities.

4. Balance of deposits and loans

(Millions of yen)

<Total of three banks>	End of Jun. 2018 (A)			End of Mar. 2018 (B)	End of Jun. 2017 (C)
		(A)-(B)	(A)-(C)		
Deposits (Term-end)	10,868,974	304,298	252,701	10,564,675	10,616,273
Deposits (Average balance)	10,693,984	166,910	237,025	10,527,074	10,456,959
Loans and bills discounted (Term-end)	8,901,831	314	156,117	8,901,517	8,745,714
Loans and bills discounted (Average balance)	8,832,097	98,682	130,730	8,733,414	8,701,367

<Kansai Urban Banking Corporation>

Deposits (Term-end)	4,217,282	141,186	84,248	4,076,095	4,133,034
Deposits (Average balance)	4,146,716	57,810	86,637	4,088,906	4,060,079
Loans and bills discounted (Term-end)	3,959,630	607	92,629	3,959,023	3,867,001
Loans and bills discounted (Average balance)	3,945,110	60,652	87,259	3,884,458	3,857,851

<Kinki Osaka Bank>

Deposits (Term-end)	3,317,601	67,599	53,965	3,250,002	3,263,635
Deposits (Average balance)	3,275,350	32,622	43,020	3,242,727	3,232,330
Loans and bills discounted (Term-end)	2,384,803	(30,357)	19,815	2,415,160	2,364,987
Loans and bills discounted (Average balance)	2,373,672	18,067	22,974	2,355,605	2,350,697

<Minato Bank>

Deposits (Term-end)	3,334,090	95,512	114,486	3,238,577	3,219,603
Deposits (Average balance)	3,271,917	76,476	107,367	3,195,440	3,164,549
Loans and bills discounted (Term-end)	2,557,397	30,064	43,672	2,527,333	2,513,725
Loans and bills discounted (Average balance)	2,513,314	19,962	20,495	2,493,351	2,492,818

<Reference> Domestic breakdown of individual, corporate and other deposits (Millions of yen)

<Total of three banks>	End of Jun. 2018 (A)	(A)-(B)	(A)-(C)	End of Mar. 2018 (B)	End of Jun. 2017 (C)
Domestic individual deposits (Term-end)	8,043,674	164,898	137,013	7,878,776	7,906,660
Liquid deposits	4,039,363	92,222	181,083	3,947,140	3,858,279
Time deposits	3,978,115	72,797	(47,322)	3,905,317	4,025,437
Domestic corporate deposits (Term-end)	2,482,645	37,216	89,624	2,445,428	2,393,020
Liquid deposits	1,594,726	15,096	124,850	1,579,630	1,469,875
Time deposits	853,265	23,168	(5,816)	830,097	859,081

<Kansai Urban Banking Corporation>

Domestic individual deposits (Term-end)	2,880,376	37,775	16,918	2,842,601	2,863,458
Liquid deposits	877,817	21,980	49,596	855,837	828,221
Time deposits	1,999,883	15,929	(32,497)	1,983,953	2,032,380
Domestic corporate deposits (Term-end)	1,072,998	23,466	40,966	1,049,531	1,032,031
Liquid deposits	562,776	2,724	47,303	560,051	515,473
Time deposits	497,837	21,103	(609)	476,734	498,447

<Kinki Osaka Bank>

Domestic individual deposits (Term-end)	2,564,871	47,589	36,653	2,517,281	2,528,217
Liquid deposits	1,527,104	32,072	59,449	1,495,032	1,467,654
Time deposits	1,029,753	15,742	(23,278)	1,014,010	1,053,032
Domestic corporate deposits (Term-end)	716,573	(7,979)	22,802	724,553	693,770
Liquid deposits	508,612	(9,828)	40,155	518,440	468,456
Time deposits	195,718	1,619	(5,836)	194,098	201,554

<Minato Bank>

Domestic individual deposits (Term-end)	2,598,426	79,533	83,441	2,518,893	2,514,984
Liquid deposits	1,634,440	38,169	72,037	1,596,271	1,562,402
Time deposits	948,478	41,124	8,453	907,353	940,025
Domestic corporate deposits (Term-end)	693,074	21,730	25,855	671,343	667,218
Liquid deposits	523,336	22,199	37,391	501,137	485,945
Time deposits	159,709	445	629	159,263	159,080

(Notes)

1. Figures are based on the reports submitted to Bank of Japan. (loans in Japan Offshore Banking Account)
2. Liquid deposits = current deposits + ordinary deposits + saving deposits + deposits at notice

<Reference> Balance of investment trust and other investment products for individual customers (Millions of yen)

<Total of three banks>	End of Jun. 2018 (A)	(A)-(B)	(A)-(C)	End of Mar. 2018 (B)	End of Jun. 2017 (C)
Investment trust (Including fund wrap)	666,574	(511)	(15,922)	667,085	682,497
Public bond	14,426	(941)	(3,827)	15,367	18,253
Insurance	762,218	17,292		744,926	

<Kansai Urban Banking Corporation>

Investment trust (Including fund wrap)	243,292	2,370	(2,182)	240,921	245,474
Public bond	699	(27)	(142)	726	841
Insurance	341,777	12,218		329,558	

<Kinki Osaka Bank>

Investment trust (Including fund wrap)	222,630	218	(10,649)	222,412	233,279
Public bond	4,583	(84)	(720)	4,667	5,303
Insurance	239,724	1,184	(4,385)	238,540	244,110

<Minato Bank>

Investment trust (Including fund wrap)	200,652	(3,100)	(3,090)	203,752	203,742
Public bond	9,143	(829)	(2,965)	9,973	12,108
Insurance	180,716	3,889	8,927	176,827	171,789

(Note)

Investment trust: based on market prices at each period-end

Public bond: Government bonds, local government bonds, and government-guaranteed bonds in custody accounts. (amounts in par value and on a delivery date basis)

Insurance: based on insurance premiums paid (yen equivalent)