



Kansai Mirai Financial Group, Inc.

Consolidated Financial Results for the Third Quarter of Fiscal Year 2019
(Nine months ended December 31, 2019/ Unaudited)
<under Japanese GAAP>



Code number: 7321
URL: <https://www.kmfg.co.jp/english/index.html>
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Representative Director and Executive President
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Annual securities report issuing date: February 7, 2020
Supplemental information for the financial results: Available
Quarterly investor meeting presentation: Not Scheduled

Stock exchange listings: Tokyo
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Dividends payment date: -
Trading accounts: Not Established

Note: Amounts of less than one million yen are rounded down.

1. Consolidated Financial Results for the Third Quarter of Fiscal Year 2019 (April 1, 2019- December 31, 2019)

(1) Consolidated Operating Results (% represents the change from the previous fiscal year)

	Ordinary Income		Ordinary Profits		Net Income Attributable to Owners of Parent	
	Million yen	%	Million yen	%	Million yen	%
1-3Q of FY2019	139,602	(-3.3)	9,788	(-52.3)	6,304	(-91.2)
1-3Q of FY2018	144,422	(-)	20,508	(-)	71,578	(-)

Notes: 1. Comprehensive Income: 1-3Q of FY2019: 13,765 million yen (-78.6%) 1-3Q of FY2018: 64,441 million yen (-)
2. For 1-3Q of FY2018, year-to-year change ratios are not disclosed as Consolidated Financial Statement for 1-3Q of FY2017 were not prepared.

	Net Income per Share of Common Stock	Diluted Net Income per Share of Common Stock
	Yen	Yen
1-3Q of FY2019	16.92	16.90
1-3Q of FY2018	192.18	191.97

(2) Consolidated Financial Conditions

	Total Assets	Net Assets	Net Assets Attributable to Stockholders to Total Assets Ratio
	Million yen	Million yen	%
December 31, 2019	11,495,241	477,968	4.1
March 31, 2019	11,630,112	473,520	4.0

(Reference) Net Assets Attributable to Stockholders: December 31, 2019: 474,936 million yen March 31, 2019: 470,629 million yen

Note: "Net Assets Attributable to Stockholders to Total Assets Ratio" is (Net assets at period-end minus Stock option at period-end minus Noncontrolling interests at period-end) divided by Total assets at period-end. This ratio is not calculated based on the "Notification on Consolidated Capital Adequacy".

2. Dividends on Common Stock

	Dividends per Share				
	1st Quarter-end	2nd Quarter-end	3rd Quarter-end	Fiscal Year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY2018	-	0.00	-	25.00	25.00
FY2019	-	0.00	-	-	-
FY2019(Forecast)	-	-	-	25.00	25.00

Note: Revision of forecasts for dividends from the latest announcement: No

3. Earnings Targets for Fiscal Year 2019 (April 1, 2019 - March 31, 2020)

(% represents the change from the previous fiscal year)

	Net Income Attributable to Owners of Parent		Net Income per Share of Common Stock
	Million yen	%	Yen
FY2019 (Full year)	12,500	(-81.7)	33.56

Note: Revision of earnings targets from the latest announcement: No

4. Other

- (1) Changes in significant subsidiaries during the period : Yes
Excluded : Kansai Urban Banking Corporation
- (2) Adoption of any particular accounting methods for quarterly consolidated financial statements: No
- (3) Changes in Accounting Policies, Changes in Accounting Estimates and Restatements
- | | |
|--|----|
| A) Changes due to revision of accounting standards : | No |
| B) Changes due to other reasons : | No |
| C) Changes in accounting estimates : | No |
| D) Restatements : | No |
- (4) Number of Shares of Common Stock Outstanding
- | | |
|---|--------------------|
| A) Total outstanding shares including treasury stock at the end of the period | |
| December 31, 2019 : | 372,876,219 shares |
| March 31, 2019 : | 372,876,219 shares |
| B) Treasury stock at the end of the period | |
| December 31, 2019 : | 412,590 shares |
| March 31, 2019 : | 414,624 shares |
| C) Average outstanding shares during the period | |
| 1-3Q of FY2019 : | 372,460,876 shares |
| 1-3Q of FY2018 : | 372,455,051 shares |

Note: Status of the quarterly review process

This report is out of the scope of the external auditor's review procedure which is required by "Financial Instruments and Exchange Act."

Note: Disclaimer regarding Forward-looking Statements

This report contains forward-looking statements, which are based on the information currently available and certain assumptions the Company considers to be reasonable. Risks, uncertainties and other factors may cause actual results, performance, achievements or financial position to be materially different from any future results, performance, achievements or financial position expressed or implied by these forward-looking statements.

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(Supplementary Explanatory Material)

Reference Materials for the Third Quarter of FY2019

○ Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	March 31, 2019	December 31, 2019
Assets		
Cash and due from banks	¥ 1,160,157	¥ 1,186,904
Call loans and bills bought	5,918	10,665
Monetary claims bought	4,537	2,854
Trading account securities	83	15
Securities	1,025,327	890,457
Loans and bills discounted	9,092,337	9,071,927
Foreign exchange assets	23,563	19,128
Lease receivables and investments assets	37,021	35,636
Other assets	155,219	139,112
Tangible fixed assets	110,139	106,917
Intangible fixed assets	8,837	7,672
Net defined benefit asset	6,149	21,888
Deferred tax assets	27,610	24,511
Customers' liabilities for acceptances and guarantees	25,086	26,047
Reserve for possible loan losses	(51,877)	(48,496)
Total Assets	11,630,112	11,495,241
Liabilities and Net Assets		
Liabilities		
Deposits	10,685,792	10,611,201
Negotiable certificates of deposit	206,950	133,380
Call money and bills sold	124	1,818
Payables under securities lending transactions	23,014	19,061
Borrowed money	101,851	111,064
Foreign exchange liabilities	277	421
Other liabilities	87,048	85,853
Reserve for employees' bonuses	5,346	3,117
Net defined benefit liability	12,219	17,266
Other reserves	8,420	7,504
Deferred tax liabilities	460	535
Acceptances and guarantees	25,086	26,047
Total Liabilities	11,156,591	11,017,273
Net Assets		
Capital stock	29,589	29,589
Capital surplus	309,357	309,356
Retained earnings	133,654	130,647
Treasury stock	(375)	(373)
Total stockholders' equity	472,225	469,219
Net unrealized gains on available-for-sale securities	6,904	10,105
Net deferred gains on hedges	(39)	(18)
Remeasurements of defined benefit plans	(8,461)	(4,369)
Total accumulated other comprehensive income	(1,596)	5,717
Stock acquisition rights	309	307
Noncontrolling interests	2,581	2,723
Total Net Assets	473,520	477,968
Total Liabilities and Net Assets	¥ 11,630,112	¥ 11,495,241

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income
[Consolidated Statements of Income]

(Millions of yen)

	Third Quarter of FY2018		Third Quarter of FY2019	
	From April 1, 2018		From April 1, 2019	
	to December 31, 2018		to December 31, 2019	
Ordinary income	¥	144,422	¥	139,602
Interest income		90,756		85,937
Interest on loans and bills discounted		80,305		77,521
Interest and dividends on securities		8,297		6,407
Fees and commissions		34,741		31,785
Other operating income		15,949		19,120
Other ordinary income		2,974		2,759
Ordinary expenses		123,914		129,814
Interest expenses		4,932		3,738
Interest on deposits		3,994		3,392
Fees and commissions		10,924		11,357
Other operating expenses		12,973		13,900
General and administrative expenses		89,382		87,323
Other ordinary expenses		5,700		13,494
Ordinary profits		20,508		9,788
Extraordinary gains		56,628		4,191
Gains on disposal of fixed assets		—		0
Gain on negative goodwill		56,628		—
Gain on revision of retirement benefit plan		—		4,191
Extraordinary losses		220		4,708
Losses on disposal of fixed assets		183		846
Impairment losses on fixed assets		37		931
Other extraordinary losses		—		2,930
Income before income taxes		76,915		9,271
Income taxes – current		3,315		2,948
Income taxes – deferred		1,935		(84)
Total income taxes		5,250		2,863
Net income		71,664		6,408
Net income attributable to noncontrolling interests		86		104
Net income attributable to owners of parent	¥	71,578	¥	6,304

[Consolidated Statements of Comprehensive Income]

(Millions of yen)

	Third Quarter of FY2018		Third Quarter of FY2019	
	From April 1, 2018		From April 1, 2019	
	to December 31, 2018		to December 31, 2019	
Net income	¥	71,664	¥	6,408
Other comprehensive income		(7,223)		7,356
Net unrealized gains (losses) on available-for-sale securities		(8,142)		3,244
Net deferred gains (losses) on hedges		(22)		20
Remeasurements of defined benefit plans		941		4,092
Total comprehensive income		<u>64,441</u>		<u>13,765</u>
Total comprehensive income attributable to:				
Owners of parent		64,337		13,617
Noncontrolling interests	¥	103	¥	147

(3) Notes

【Note on Going-Concern Assumption】

Not applicable

【Change in Scope of Consolidation or Application of the Equity Method of Accounting】

FY2019(April 1,2019 to December 31,2019)

Significant changes in scope of consolidation

On April 1, 2019, Kansai Urban Banking Corporation and The Kinki Osaka Bank, Ltd. effected an absorption-type merger under which The Kinki Osaka Bank, Ltd. was the surviving company and Kansai Urban Banking Corporation was the dissolving company. The name of the merged company was changed to Kansai Mirai Bank, Limited on the same day.

【Additional information】

Effective October 1, 2019, a consolidated subsidiary of the Group have integrated retirement benefit plans succeeded from former Kansai Urban Banking Corporation and former The Kinki Osaka Bank, Ltd., revised the benefit level, and transferred a part of defined benefit corporate pension plan to a defined contribution retirement plan.

As a result of these revisions, the Group recognized JPY4,191 million of extraordinary gain for the third quarter of fiscal year 2019.

【Quarterly consolidated statement of income】

JPY2,930 millions of other extraordinary loss presents settlement money for the pensioners of former The Kinki Osaka Bank, Ltd. as a result of withdrawal from the Resona corporate pension fund along with the revisions of the retirement Benefit plan implemented by a consolidated subsidiary.

【Note for Significant Changes in the Amount of Stockholder's Equity】

Not applicable

【Business Combination】

FY2019 (April 1, 2019 to December 31, 2019)

Transaction under common control

(Merger between consolidated subsidiaries)

At the Board of Directors' meeting held on July 27, 2018, the Company resolved merger between Kansai Urban Banking Corporation and The Kinki Osaka Bank, Ltd., both consolidated subsidiaries, in order to maximize synergies of business integration as Kansai Mirai Financial Group, subject to the approval and permission of the relevant authorities. Kansai Urban Banking Corporation and The Kinki Osaka Bank, Ltd. concluded the merger agreement on December 19, 2018.

Following the official permission obtained for the merger (Article 30, paragraph 1 of the Banking Act) on March 29, 2019, Kansai Urban Banking Corporation and The Kinki Osaka Bank, Ltd. merged and changed the name of surviving company on April 1, 2019.

1. Overview of the business combination

(1) Name and business of combining companies

- (i) Name of the combining company: The Kinki Osaka Bank, Ltd.
Business of the combining company: Banking
- (ii) Name of the combined company: Kansai Urban Banking Corporation
Business of the combined company: Banking

(2) Date of the business combination

April 1, 2019

(3) Legal form of the business combination

Absorption-Type Merger with The Kinki Osaka Bank, Ltd. as the surviving company and Kansai Urban Banking Corporation as the absorbed company

(4) Company name after the combination

Kansai Mirai Bank, Limited

Note: The Kinki Osaka Bank, Ltd. changed its name to above on April 1, 2019.

2. Summary of accounting treatments

This merger is treated as a transaction under common control in accordance with "Accounting Standard for Business Combinations" (ASBJ Statement No.21 issued on January 16, 2019) and "Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (ASBJ Guidance No.10 issued on January 16, 2019).

Reference Material for the Third Quarter of FY2019

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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.1: [Total of two banks] Sum of non-consolidated figures for Kansai Mirai Bank and Minato Bank.

Note.2: Kansai Urban Banking Corporation and Kinki Osaka Bank merged and became Kansai Mirai Bank on April 1, 2019.

Figures of Kansai Mirai Bank before the merger are simple sum of non-consolidated results of two banks above.

1. Statements of income

(1)Kansai Mirai Financial Group (Consolidated)

(Millions of yen)

		1-3Q FY 2019	Change	1-3Q FY 2018
Ordinary income	1	139,602	(4,819)	144,422
Consolidated gross operating profit	2	107,846	(4,770)	112,617
Interest income	3	82,199	(3,625)	85,824
Fees and commissions	4	20,427	(3,389)	23,817
Other operating income	5	5,219	2,244	2,975
Expenses(excluding non-recurring items,Amortization of goodwill)	6	(85,883)	1,478	(87,361)
Personnel expenses	7	(47,413)	789	(48,203)
Non-personnel expenses	8	(32,385)	1,034	(33,420)
Taxes	9	(6,084)	(346)	(5,738)
Actual net operating profit	(2+6) 10	21,963	(3,292)	25,256
Amortization of goodwill	11	-	-	-
Provision to general reserve for possible loan losses	12	1,272	3,331	(2,059)
Other gains/(losses), net	13	(13,446)	(10,758)	(2,688)
Net gains/(losses) on stocks	14	172	(1,212)	1,385
Disposal of problem loans	15	(6,463)	(7,144)	681
Reversal of credit expenses	16	997	665	331
Ordinary profit	17	9,788	(10,719)	20,508
Extraordinary gains	18	4,191	(52,436)	56,628
Gain on negative goodwill	19	-	(56,628)	56,628
Extraordinary losses	20	(4,708)	(4,487)	(220)
Income before income taxes	21	9,271	(67,644)	76,915
Income taxes - current	22	(2,948)	367	(3,315)
Income taxes - deferred	23	84	2,020	(1,935)
Net income	24	6,408	(65,256)	71,664
Net Income attributable to non-controlling interests	25	(104)	(17)	(86)
Net income attributable to owners of parent	26	6,304	(65,274)	71,578
Credit expense	(12+15+16) 27	(4,193)	(3,147)	(1,046)
Provision to general reserve for possible loan losses	28	1,272	3,331	(2,059)
Write-off of loans	29	(3,438)	(2,749)	(689)
Provision to specific reserve for possible loan losses	30	(2,429)	(4,469)	2,039
Other disposal of problem loans	31	(595)	73	(668)
Gains on recoveries of written-off loans	32	997	665	331

○ ROE

(%)

	1-3Q FY 2019	Change	1-3Q FY 2018
ROE based on net income attributable to owners of parent	1.77	(18.37)	20.15

(Note)

$$\text{ROE} = \frac{\text{Net income attributable to owners of parent (1-3Q)} \times 365/275}{(\text{Total stockholders' equity at beginning of period} + \text{Total stockholders' equity at end of period}) / 2}$$

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

(Millions of yen)

		Total of two banks [Non-consolidated]		
		1-3Q FY 2019	Change	1-3Q FY 2018
Gross operating profit (2+5+6)	1	100,675	(2,293)	102,968
Interest income	2	81,362	(3,983)	85,346
<Net interest income from domestic loans and deposits>	3	73,493	(2,000)	75,493
<Gains/(losses) on cancellation of investment trust>	4	2,408	636	1,771
Fees and commissions	5	14,534	(2,186)	16,721
Other operating income	6	4,777	3,876	900
Net gains/(losses) on bonds	7	3,038	3,753	(715)
Expenses (excluding non-recurring items, Amortization of goodwill)	8	(83,130)	955	(84,086)
Personnel expenses	9	(43,469)	412	(43,882)
Non-personnel expenses	10	(33,729)	924	(34,653)
Taxes	11	(5,931)	(381)	(5,550)
Actual net operating profit (1+8)	12	17,544	(1,337)	18,882
Core net operating profit (12-7)	13	14,506	(5,091)	19,597
Core net operating profit (excluding gains/(losses) on cancellation of investment trust) (13-4)	14	12,097	(5,727)	17,825
Amortization of goodwill	15	(552)	-	(552)
Provision to general reserve for possible loan losses	16	(189)	3,322	(3,511)
Net operating profit (12+15+16)	17	16,802	1,984	14,818
Other gains/(losses), net	18	(5,978)	(7,018)	1,039
Net gains/(losses) on stocks	19	5,034	1,858	3,176
Gains on sale	20	5,631	2,202	3,428
Losses on sale	21	(455)	(260)	(194)
Losses on devaluation	22	(141)	(83)	(58)
Disposal of problem loans	23	(4,056)	(4,422)	366
Reversal of credit expenses	24	1,467	(1,270)	2,738
Other	25	(8,424)	(3,183)	(5,241)
Ordinary profit (17+18)	26	10,824	(5,034)	15,858
Net extraordinary gains/(losses)	27	(914)	(1,024)	110
Net gains/(losses) on disposal of fixed assets	28	(780)	(609)	(170)
Impairment losses on fixed assets	29	(1,092)	(1,054)	(37)
Gain on revision of retirement benefit plan, Other	30	958	639	318
Net income before income taxes (26+27)	31	9,909	(6,058)	15,968
Income taxes-current	32	(1,691)	61	(1,753)
Income taxes-deferred	33	(1,342)	594	(1,936)
Net income (31+32+33)	34	6,875	(5,402)	12,278
Credit expense (16+23+24)	35	(2,777)	(2,370)	(406)
Provision to general reserve for possible loan losses	36	1,321	4,852	(3,531)
Write-off of loans	37	(3,437)	(2,757)	(679)
Provision to specific reserve for possible loan losses	38	(1,065)	(5,118)	4,052
Other disposal of problem loans	39	(589)	(13)	(576)
Gains on recoveries of written-off loans	40	993	665	327

○ Interest rate spreads (domestic operations)

(%)

	Total of two banks [Non-consolidated]		
	1-3Q FY 2019	Change	1-3Q FY 2018
Average interest rate of loans and bills discounted (A)	1.13	(0.06)	1.19
Average interest rate of deposits and negotiable CDs (B)	0.03	(0.00)	0.04
Loan-to-deposit spread (A) - (B)	1.09	(0.05)	1.14

(Millions of yen)

		Kansai Mirai Bank			Minato Bank			
		1-3Q	Change	1-3Q	1-3Q	Change	1-3Q	
		FY 2019		FY 2018	FY 2019		FY 2018	
Gross operating profit	(2+5+6)	1	71,239	(3,999)	75,239	29,435	1,706	27,729
Interest income		2	58,940	(2,591)	61,531	22,422	(1,392)	23,815
<Net interest income from domestic loans and deposits>		3	53,876	(1,955)	55,831	19,617	(44)	19,661
<Gains/(losses) on cancellation of investment trust>		4	1,991	517	1,473	416	118	298
Fees and commissions		5	9,140	(1,388)	10,528	5,394	(798)	6,192
Other operating income		6	3,158	(20)	3,179	1,618	3,897	(2,278)
Net gains/(losses) on bonds		7	1,830	(188)	2,019	1,207	3,942	(2,734)
Expenses (excluding non-recurring items, Amortization of goodwill)		8	(58,332)	80	(58,412)	(24,798)	875	(25,674)
Personnel expenses		9	(30,703)	42	(30,745)	(12,766)	369	(13,136)
Non-personnel expenses		10	(23,242)	444	(23,686)	(10,486)	479	(10,966)
Taxes		11	(4,386)	(406)	(3,979)	(1,545)	25	(1,570)
Actual net operating profit	(1+8)	12	12,907	(3,919)	16,827	4,637	2,581	2,055
Core net operating profit	(12-7)	13	11,076	(3,730)	14,807	3,429	(1,360)	4,790
Core net operating profit (excluding gains/(losses) on cancellation of investment trust)	(13-4)	14	9,084	(4,248)	13,333	3,012	(1,479)	4,492
Amortization of goodwill		15	(552)	-	(552)	-	-	-
Provision to general reserve for possible loan losses		16	-	2,925	(2,925)	(189)	396	(585)
Net operating profit	(12+15+16)	17	12,354	(994)	13,349	4,448	2,978	1,469
Other gains/(losses), net		18	(5,225)	(4,368)	(856)	(753)	(2,649)	1,896
Net gains/(losses) on stocks		19	5,151	4,510	641	(117)	(2,652)	2,535
Gains on sale		20	5,246	4,581	665	384	(2,378)	2,763
Losses on sale		21	(94)	(75)	(18)	(360)	(184)	(175)
Losses on devaluation		22	(0)	5	(5)	(141)	(89)	(52)
Disposal of problem loans		23	(3,532)	(4,712)	1,180	(523)	289	(813)
Reversal of credit expenses		24	1,376	(1,290)	2,667	90	19	70
Other		25	(8,221)	(2,876)	(5,344)	(202)	(306)	103
Ordinary profit	(17+18)	26	7,129	(5,363)	12,492	3,694	328	3,366
Net extraordinary gains/(losses)		27	(882)	(786)	(95)	(32)	(237)	205
Net gains/(losses) on disposal of fixed assets		28	(748)	(690)	(58)	(31)	81	(112)
Impairment losses on fixed assets		29	(1,091)	(1,054)	(37)	(0)	(0)	-
Gain on revision of retirement benefit plan, Other		30	958	958	-	-	(318)	318
Net income before income taxes	(26+27)	31	6,247	(6,149)	12,396	3,662	90	3,571
Income taxes-current		32	(1,297)	(21)	(1,275)	(393)	83	(477)
Income taxes-deferred		33	(553)	829	(1,382)	(789)	(235)	(553)
Net income	(31+32+33)	34	4,396	(5,341)	9,738	2,479	(61)	2,540

Credit expense	(16+23+24)	35	(2,155)	(3,077)	921	(622)	706	(1,328)
Provision to general reserve for possible loan losses		36	1,510	4,455	(2,945)	(189)	396	(585)
Write-off of loans		37	(3,431)	(2,752)	(679)	(5)	(5)	(0)
Provision to specific reserve for possible loan losses		38	(1,035)	(5,655)	4,619	(29)	536	(566)
Other disposal of problem loans		39	(100)	228	(329)	(488)	(242)	(246)
Gains on recoveries of written-off loans		40	902	646	256	90	19	70

○ Interest rate spreads (domestic operations)

(%)

	Kansai Mirai Bank			Minato Bank		
	1-3Q	Change	1-3Q	1-3Q	Change	1-3Q
	FY 2019		FY 2018	FY 2019		FY 2018
Average interest rate of loans and bills discounted (A)	1.17	(0.06)	1.23	1.01	(0.05)	1.07
Average interest rate of deposits and negotiable CDs (B)	0.04	(0.00)	0.05	0.02	(0.00)	0.02
Loan-to-deposit spread (A) - (B)	1.13	(0.05)	1.18	0.99	(0.04)	1.04

2. Claims disclosure according to the Financial Reconstruction Act

(Millions of yen, %)

<Total of two banks>		End of Dec.			End of Mar.	End of Dec.
		2019 (A)	(A)-(B)	(A)-(C)	2019 (B)	2018 (C)
	Unrecoverable or valueless claims	32,095	(1,970)	(1,771)	34,066	33,867
	Risk claims	100,156	(7,819)	(4,869)	107,976	105,025
	Special attention loans	24,965	441	1,067	24,524	23,898
	Financial Reconstruction Act subtotal [A]	157,218	(9,349)	(5,573)	166,568	162,791
	Normal claims	9,094,101	(30,639)	(12,981)	9,124,740	9,107,082
	Financial Reconstruction Act total [B]	9,251,320	(39,988)	(18,554)	9,291,308	9,269,874
	Partial direct write-offs	80,081	3,948	1,286	76,133	78,795
	NPL Ratio [A] / [B]	1.69	(0.09)	(0.05)	1.79	1.75

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	Unrecoverable or valueless claims	18,427	(702)	(1,292)	19,129	19,720
	Risk claims	70,177	(5,770)	(3,712)	75,947	73,889
	Special attention loans	20,900	896	1,010	20,004	19,889
	Financial Reconstruction Act subtotal [A]	109,505	(5,576)	(3,994)	115,081	113,499
	Normal claims	6,372,417	(66,341)	(31,878)	6,438,759	6,404,296
	Financial Reconstruction Act total [B]	6,481,923	(71,917)	(35,872)	6,553,840	6,517,795
	Partial direct write-offs	74,763	3,137	138	71,626	74,624
	NPL Ratio [A] / [B]	1.68	(0.06)	(0.05)	1.75	1.74

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	Unrecoverable or valueless claims	13,668	(1,268)	(478)	14,937	14,146
	Risk claims	29,979	(2,049)	(1,157)	32,029	31,136
	Special attention loans	4,065	(455)	56	4,520	4,008
	Financial Reconstruction Act subtotal [A]	47,713	(3,773)	(1,578)	51,486	49,292
	Normal claims	2,721,683	35,701	18,897	2,685,981	2,702,786
	Financial Reconstruction Act total [B]	2,769,396	31,928	17,318	2,737,468	2,752,078
	Partial direct write-offs	5,318	811	1,147	4,506	4,170
	NPL Ratio [A] / [B]	1.72	(0.15)	(0.06)	1.88	1.79

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

(Millions of yen)

<Kansai Mirai Financial Group Consolidated>	B/S Amount (End of Dec. 2019)	Change from End of Mar. 2019	Unrealized gains/(losses)			Change from End of Mar. 2019
			(End of Dec. 2019)	Gain	Loss	
Bonds held-to-maturity	204,080	(3,524)	4,050	4,091	(40)	(640)
Available-for-sale securities	674,704	(139,848)	14,361	18,661	(4,299)	4,688
Stocks	42,482	(6,856)	6,358	9,904	(3,546)	986
Bonds	510,874	(94,868)	356	864	(508)	(953)
JGB	27,492	(8,881)	(253)	31	(284)	(400)
Other	121,347	(38,123)	7,646	7,892	(245)	4,654

Notes: 1.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."

2.The presented figures only include marketable securities.

(Millions of yen)

<Total of two banks>	B/S Amount (End of Dec. 2019)	Change from End of Mar. 2019	Unrealized gains/(losses)			Change from End of Mar. 2019
			(End of Dec. 2019)	Gain	Loss	
Bonds held-to-maturity	204,080	(3,524)	4,050	4,091	(40)	(641)
Stocks of subsidiaries and affiliates	-	-	-	-	-	-
Available-for-sale securities	673,866	(139,015)	30,227	31,680	(1,452)	(779)
Stocks	42,336	(6,862)	23,379	23,653	(273)	(3,964)
Bonds	510,874	(94,868)	752	1,261	(508)	(1,247)
Other	120,655	(37,284)	6,096	6,765	(669)	4,432

<Kansai Mirai Bank>

Bonds held-to-maturity	191,771	(11,414)	4,047	4,072	(25)	(641)
Stocks of subsidiaries and affiliates	-	-	-	-	-	-
Available-for-sale securities	506,651	(128,637)	20,563	21,041	(477)	(1,799)
Stocks	23,480	(8,035)	14,160	14,206	(45)	(5,437)
Bonds	393,141	(92,309)	559	652	(93)	(630)
Other	90,029	(28,293)	5,844	6,182	(338)	4,267

<Minato Bank>

Bonds held-to-maturity	12,308	7,889	3	18	(15)	0
Stocks of subsidiaries and affiliates	-	-	-	-	-	-
Available-for-sale securities	167,215	(10,377)	9,663	10,638	(974)	1,019
Stocks	18,856	1,172	9,218	9,446	(228)	1,472
Bonds	117,732	(2,559)	193	609	(415)	(617)
Other	30,626	(8,990)	251	582	(330)	165

Notes: 1.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."

2.The presented figures only include marketable securities.

4. Balance of deposits and loans

(Millions of yen)

<Total of two banks>	End of Dec.			End of Mar.	End of Dec.
	2019 (A)	(A)-(B)	(A)-(C)	2019 (B)	2018 (C)
Deposits (Term-end)	10,633,780	(81,826)	(318,446)	10,715,607	10,952,226
Deposits (Average balance)	10,644,806	(128,223)	(118,927)	10,773,030	10,763,734
Loans and bills discounted (Term-end)	9,127,736	(26,096)	(4,851)	9,153,833	9,132,588
Loans and bills discounted (Average balance)	9,063,032	113,330	151,049	8,949,701	8,911,982

<Kansai Mirai Bank>

Deposits (Term-end)	7,242,942	(158,642)	(379,219)	7,401,585	7,622,162
Deposits (Average balance)	7,300,389	(180,224)	(172,458)	7,480,614	7,472,847
Loans and bills discounted (Term-end)	6,412,025	(59,706)	(25,783)	6,471,732	6,437,809
Loans and bills discounted (Average balance)	6,378,278	23,628	36,477	6,354,650	6,341,800

<Minato Bank>

Deposits (Term-end)	3,390,837	76,816	60,773	3,314,021	3,330,064
Deposits (Average balance)	3,344,417	52,001	53,531	3,292,416	3,290,886
Loans and bills discounted (Term-end)	2,715,710	33,609	20,931	2,682,100	2,694,779
Loans and bills discounted (Average balance)	2,684,753	89,701	114,571	2,595,051	2,570,181

<Reference> Domestic breakdown of individual, corporate and other deposits

(Millions of yen)

<Total of two banks>	End of Dec. 2019 (A)	(A)-(B)	(A)-(C)	End of Mar. 2019 (B)	End of Dec. 2018 (C)
Domestic individual deposits (Term-end)	8,006,786	74,000	(42,875)	7,932,785	8,049,661
Liquid deposits	4,394,444	230,474	212,434	4,163,969	4,182,009
Time deposits	3,585,756	(158,183)	(259,336)	3,743,940	3,845,092
Domestic corporate deposits (Term-end)	2,415,358	(102,348)	(93,071)	2,517,707	2,508,430
Liquid deposits	1,619,858	(18,427)	26,667	1,638,285	1,593,190
Time deposits	735,299	(109,535)	(133,139)	844,834	868,438

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Domestic individual deposits (Term-end)	5,359,534	(5,148)	(96,090)	5,364,682	5,455,624
Liquid deposits	2,619,723	128,029	120,382	2,491,693	2,499,340
Time deposits	2,729,878	(133,385)	(216,940)	2,863,264	2,946,818
Domestic corporate deposits (Term-end)	1,709,535	(128,331)	(107,962)	1,837,867	1,817,497
Liquid deposits	1,084,646	(39,191)	15,677	1,123,837	1,068,968
Time deposits	579,498	(112,294)	(134,088)	691,793	713,587

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Domestic individual deposits (Term-end)	2,647,251	79,148	53,215	2,568,103	2,594,036
Liquid deposits	1,774,721	102,445	92,052	1,672,276	1,682,669
Time deposits	855,877	(24,797)	(42,396)	880,675	898,274
Domestic corporate deposits (Term-end)	705,823	25,983	14,890	679,840	690,932
Liquid deposits	535,212	20,764	10,990	514,448	524,222
Time deposits	155,800	2,758	949	153,041	154,851

Notes: 1. Figures are based on the reports submitted to Bank of Japan. (excluding overseas loans and loans in Japan offshore banking account)

2. Liquid deposits = current deposits + ordinary deposits + saving deposits + deposits at notice

Time deposits = Time deposits + Installment savings

<Reference> Balance of investment trust and other investment products for individual customers

(Millions of yen)

<Total of two banks>	End of Dec. 2019 (A)	(A)-(B)	(A)-(C)	End of Mar. 2019 (B)	End of Dec. 2018 (C)
Investment trust (Including fund wrap)	698,928	35,419	76,397	663,508	622,530
Public bond	10,141	(2,003)	(2,809)	12,145	12,951
Insurance	846,647	39,769	45,791	806,878	800,856
<Kansai Mirai Bank>					
Investment trust (Including fund wrap)	494,334	30,418	59,240	463,916	435,094
Public bond	4,016	(695)	(900)	4,712	4,916
Insurance	643,762	32,176	32,078	611,585	611,683
<Minato Bank>					
Investment trust (Including fund wrap)	204,594	5,001	17,157	199,592	187,436
Public bond	6,125	(1,307)	(1,909)	7,432	8,034
Insurance	202,885	7,592	13,712	195,292	189,172

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Investment trust (Including fund wrap)	204,594	5,001	17,157	199,592	187,436
Public bond	6,125	(1,307)	(1,909)	7,432	8,034
Insurance	202,885	7,592	13,712	195,292	189,172

Notes: 1. Investment trust: based on market prices at each period-end

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

3. Insurance: based on insurance premiums paid (yen equivalent)