

THE KYOTO CHUO SHINKIN BANK

ANNUAL REPORT 2025

Company profile of the Kyoto Chuo Shinkin Bank

**Customers/
members**

Number of
members: 222,544
Capital: 19.1 billion yen

Deposits

Capital

Head Office: 91 Kankoboko-cho,
Shijo-dori Muromachi Higashi-iru,
Shimogyo-ku, Kyoto City, Kyoto Prefecture

Established: June 18, 1940

Deposit: 5,405.6 billion yen

Loan balance: 3,415.5 billion yen

Net business profit: 15.4 billion yen

Ordinary profit: 19.6 billion yen

Net profit: 15.0 billion yen

Capital adequacy ratio: 11.24%

Number of employees: 2,376

Number of branches: 135

Loans



Support
services

**Customers/
members**

(Year ended March 2025)

The Kyoto Chuo Shinkin Bank is a cooperative financial institution that operates under the shared philosophy of prosperity for all, including for local SMEs and individuals. The Kyoto Chuo Shinkin Bank serves Kyoto City and parts of Kyoto, Shiga, Osaka and Nara prefectures. The deposits we look after for our customers in the community are used for investments in customers that require capital, such as venture corporations, in order to foster the continued development of local economies and businesses. Moreover, we have formed a strong network characterized by close ties to the community. With a broad branch system, we provide products and services in-line with the demand of customers and assist them in improving their lives. We are also actively involved in activities designed to help the cultivation of human resources and engage in activities geared toward protecting and passing on to the next generation the local natural environment, scenery, and traditional culture in our community, including within an international city of culture and tourism; Kyoto. Thus, we contribute to development in our community not just financially, but in other various ways as well.

We are actively involved in activities that contribute to a society to which we are thankful.

Unlike city-based commercial banks, which do business on a national scale, credit associations are limited in their terms of where they do business. As such, credit associations cannot hope for their own development without the development of the communities where they do business. The Kyoto Chuo Shinkin Bank (as a financial institution headquartered in the land of the Kyoto Protocol) not only serves to help the region prosper through financial institution activities, but is also actively involved with environmental issues and continuously engages in various activities that contribute to a society we are grateful for.

Fund procurement and management

Deposit balances by account type

(Unit : million yen)

	Year ended March 2024 (Component ratio)	Year ended March 2025 (Component ratio)	Changes
Current deposits	138,491 (2.59%)	120,364 (2.22%)	△18,127 (△0.36%)
Ordinary deposits	2,822,454 (52.83%)	2,829,158 (52.33%)	6,704 (△0.49%)
Savings deposits	54,731 (1.02%)	53,494 (0.98%)	△1,236 (△0.03%)
Deposits at notice	58,956 (1.10%)	67,322 (1.24%)	8,366 (0.14%)
Time deposits	2,208,911 (41.34%)	2,257,537 (41.76%)	48,625 (0.41%)
Fixed savings deposits	27,707 (0.51%)	24,918 (0.46%)	△2,789 (△0.05%)
Other deposits	31,095 (0.58%)	52,834 (0.97%)	21,739 (0.39%)
Total deposit reserve	5,342,348 (100.00%)	5,405,630 (100.00%)	63,282 (-)
Certificate of deposit	0 (0.00%)	0 (0.00%)	0 (-)
Total	5,342,348 (100.00%)	5,405,630 (100.00%)	63,282 (-)

(Note) Foreign currency deposits are included in "Other deposits."

Deposit balances by depositor

(Unit : million yen)

	Year ended March 2024 (Component ratio)	Year ended March 2025 (Component ratio)	Changes
Individual customers	3,609,751 (67.56%)	3,595,541 (66.51%)	△14,210 (△1.05%)
Corporate customers	1,277,053 (23.90%)	1,420,262 (26.27%)	143,209 (2.36%)
Public institutions	188,330 (3.52%)	167,151 (3.09%)	△21,179 (△0.43%)
Financial institutions	267,213 (5.00%)	222,675 (4.11%)	△44,537 (△0.88%)
Total deposit reserve	5,342,348 (100.00%)	5,405,630 (100.00%)	63,282 (-)
Certificate of deposit	0 (0.00%)	0 (0.00%)	0 (-)
Total	5,342,348 (100.00%)	5,405,630 (100.00%)	63,282 (-)

Loan balances by account type

(Unit : million yen)

	Year ended March 2024	Year ended March 2025	Changes
Bills discounted	3,716	1,599	△2,117
Loans on bills	89,345	72,768	△16,577
Loans on deeds	3,113,767	3,246,516	132,749
Overdrafts	91,280	94,671	3,390
Total	3,298,110	3,415,554	117,444

(Note) The Bank does not distinguish between domestic and international operations.

Breakdown of loan balances by business type

(Unit : number, million yen)

	Year ended March 2024			Year ended March 2025		
	Number of borrowers	Loan balance	Component ratio	Number of borrowers	Loan balance	Component ratio
Manufacturing	2,545	161,700	4.90%	2,481	159,099	4.65%
Agriculture, forestry	72	1,440	0.04%	70	1,335	0.03%
Fishing	—	—	—	—	—	—
Mining, quarrying, sand and gravel gathering	7	2,991	0.09%	8	8,062	0.23%
Construction	4,425	185,221	5.61%	4,466	184,090	5.38%
Electricity, gas, heat supply, water	44	2,445	0.07%	46	3,407	0.09%
Telecommunications	276	8,887	0.26%	297	9,360	0.27%
Transportation, postal industry	512	46,839	1.42%	512	44,522	1.30%
Wholesale business	1,472	101,076	3.06%	1,436	100,787	2.95%
Retail business	1,834	71,617	2.17%	1,827	71,423	2.09%
Finance, insurance	89	176,792	5.36%	86	202,870	5.93%
Real estate	7,159	828,579	25.12%	7,441	904,400	26.47%
Rental industry	73	7,195	0.21%	78	7,719	0.22%
Scientific research, specialist/technical services	688	19,159	0.58%	737	19,820	0.58%
Accommodation industry	173	20,152	0.61%	175	19,016	0.55%
Restaurant industry	1,754	47,768	1.44%	1,711	44,016	1.28%
Lifestyle-related service industries, entertainment industry	809	50,180	1.52%	824	54,272	1.58%
Education, study support industry	207	19,508	0.59%	195	21,243	0.62%
Medicine, welfare	1,164	79,273	2.40%	1,197	79,291	2.32%
Other services	1,589	74,796	2.26%	1,559	75,794	2.21%
Subtotal	24,892	1,905,625	57.77%	25,146	2,010,538	58.86%
Local public entities	28	163,744	4.96%	28	194,091	5.68%
Individual (housing, consumption, tax payment funds, etc.)	115,208	1,228,739	37.25%	113,257	1,210,924	35.45%
Total	140,128	3,298,110	100.00%	138,431	3,415,554	100.00%

(Notes) 1. Business categories are based on the large classification of Japan Standard Industrial Classification.

2. Loans outside Japan are classified in the same manner as those in Japan and are included within their respective business category.

Fund management and securities business

Average balance by type of security

(Unit : million yen)

	Year ended March 2024	Year ended March 2025	Changes
Japanese government bonds	456,888	479,625	22,737
Local government bonds	440,947	425,120	△15,826
Corporate bonds	548,353	532,065	△16,288
Stocks	47,570	51,809	4,239
Foreign securities	235,394	173,999	△61,394
Other securities	112,339	121,312	8,973
Total	1,841,492	1,783,933	△57,559

Other indicators

Foreign exchange transaction handling performance

(Unit : million US\$)

	Year ended March 2024	Year ended March 2025	Changes
Export exchange	62	62	△0
Import exchange	162	136	△25
Total	225	199	△25

Foreign currency denominated assets balance

(Unit : million US\$)

	Year ended March 2024	Year ended March 2025	Changes
Balance of foreign currency denominated assets	449	347	△102

About the capital-to-asset ratio

Consolidated capital-to-asset ratio (Basel III domestic framework)

(Unit : million yen)

Item		Year ended March 2024	Year ended March 2025	Changes
Fundamental items related to core capital (A)	Member accounts related to ordinary investment	310,040	323,840	13,799
	(Investments and capital surplus)	19,443	19,210	△ 232
	(Earned surplus)	293,198	307,221	14,022
	(Predicted outflow (△))	699	690	△ 9
	(Other)	△ 1,901	△ 1,901	△ 0
	General reserve for possible loan loss	5,127	5,721	593
	Fundamental items related to core capital among non controlling interest	—	—	—
(A)		315,168	329,561	14,393
Adjusted items related to core capital (B)	Intangible fixed assets	2,239	2,085	△ 154
	(B)	2,239	2,085	△ 154
Owned capital (C)		312,929	327,476	14,547
Risk assets, etc. (D)	Trust risk assets	2,722,100	2,773,374	51,273
	Amount derived by dividing the total amount equivalent to market risk by 8%		—	—
	Amount derived by dividing the total amount equivalent to operational risk by 8%	95,349	103,928	8,579
	(D)	2,817,449	2,877,303	59,853
Consolidated capital-to-asset ratio $\frac{(C)}{(D)}$		11.10%	11.38%	0.28%

(Note) The above is calculated based on the "Standards for judging whether the owned capital Shinkin Bank or Shinkin Bank Association holds is appropriate according to the assets they possess based on the regulations in Article 14-2 of the Banking Act applying to Article 89, Section 1 of the Shinkin Bank Act (Financial Services Agency announcement 21 of 2006)." Our group has adopted a domestic framework.

Consolidated Financial Statements

Consolidated balance sheet

(Unit : million yen)

(Assets)	As of March 31, 2024	As of March 31, 2025	Changes
Cash and due from banks	1,245,062	1,146,214	△ 98,848
Bills bought and call loans	177	149	△ 27
Monetary claims purchased	10,000	10,000	—
Trust funds	0	0	△ 0
Trading securities	532	441	△ 90
Investment securities	1,758,705	1,570,449	△ 188,256
Loans	3,296,941	3,413,516	116,575
Foreign exchange	946	632	△ 314
Other assets	43,694	39,751	△ 3,942
Tangible fixed assets	59,130	64,462	5,331
Buildings	8,343	12,015	3,671
Land	44,520	44,526	6
Leased assets	0	2	1
Construction work in progress	2,167	3,033	866
Other tangible fixed assets	4,098	4,883	785
Intangible fixed assets	3,114	2,922	△ 192
Software	2,862	2,020	△ 842
Other intangible fixed assets	251	901	650
Deferred tax assets	11,356	30,378	19,022
Customers' liabilities for acceptances and guarantees	1,602	1,810	208
Reserve for possible loan loss	△ 14,093	△ 15,308	△ 1,215
Reserve for investment loss	△ 92	△ 83	8
Total assets	6,417,077	6,265,338	△ 151,739

(Liabilities)	As of March 31, 2024	As of March 31, 2025	Changes
Deposits	5,326,838	5,391,409	64,570
Borrowings	393,100	333,066	△ 60,033
Bills sold and call money	9,008	19,213	10,204
Bond lending transaction collateral received	332,597	195,834	△ 136,763
Foreign exchange	76	328	251
Other liabilities	25,473	26,733	1,260
Reserve for bonuses	13	11	△ 1
Retirement benefit liability	11,270	11,446	175
Reserve for retirement bonuses for directors	726	796	70
Reserve for reimbursement of deposits	182	216	34
Reserve for contingent losses	475	576	100
Deferred tax liability	2	—	△ 2
Deferred tax liabilities as for land revaluation	4,554	4,670	115
Acceptances and guarantees	1,602	1,810	208
Total liabilities	6,105,923	5,986,114	△ 119,808
(Net assets)			
Investments	19,397	19,164	△ 232
Capital surplus	46	46	—
Earned surplus	293,198	307,221	14,022
Unsettled equity	△ 1,901	△ 1,901	△ 0
Total members' equity	310,740	324,530	13,790
Net unrealized gains on available-for-sale securities	△ 12,604	△ 54,429	△ 41,824
Deferred hedging gains and losses	4,698	764	△ 3,934
Land revaluation surplus	8,234	8,263	28
Total amount on valuation and translation	328	△ 45,401	△ 45,729
Non controlling interest	85	94	8
Total net assets	311,154	279,223	△ 31,930
Total liabilities and net assets	6,417,077	6,265,338	△ 151,739

Consolidated Financial Statements

Consolidated statement of income

(Unit : thousand yen)

	April 1, 2023 through March 31, 2024	April 1, 2024 through March 31, 2025	Changes
Ordinary income	84,339,562	92,935,729	8,596,167
Fund management income	58,516,047	62,395,985	3,879,937
Interest on loans	37,636,834	40,214,511	2,577,677
Interest on deposits	3,402,100	4,256,731	854,630
Interest on bills purchased and call loans	10,248	34,083	23,834
Interest and dividends on securities	16,932,290	17,355,516	423,226
Other interest income	534,573	535,142	568
Fees and commissions	8,239,666	8,834,632	594,965
Other operating income	5,100,853	13,843,652	8,742,798
Other ordinary income	12,482,994	7,861,459	△ 4,621,535
Reversal of allowance for doubtful debt accounts	64,926	—	△ 64,926
Bad debt recovered	564,273	760,430	196,157
Other ordinary income	11,853,794	7,101,028	△ 4,752,765
Ordinary expenses	65,651,279	72,952,390	7,301,110
Financing expenses	4,318,168	6,453,615	2,135,447
Interest on deposits	1,119,622	5,068,573	3,948,950
Interest on fixed savings deposits	1,071	5,643	4,571
Certificate of deposit interest	390	—	△ 390
Interest on borrowings	12,763	48,166	35,402
Interest on bills sold and call money	508,526	106,631	△ 401,895
Interest paid in bond lending transactions	2,532,296	833,455	△ 1,698,841
Other interest expenses	143,495	391,145	247,649
Fees and commissions	6,615,721	6,883,862	268,141
Other operating expenses	19,058,958	21,057,835	1,998,876
Expenses	34,540,751	34,441,457	△ 99,293
Other ordinary expenses	1,117,679	4,115,618	2,997,939
Provision of allowance for doubtful debt accounts	—	1,568,506	1,568,506
Other ordinary expenses	1,117,679	2,547,112	1,429,433
Ordinary profit	18,688,282	19,983,339	1,295,056
Extraordinary profit	909,685	329,181	△ 580,503
Gain on disposal of fixed assets	909,685	329,181	△ 580,503
Extraordinary loss	287,896	214,454	△ 73,441
Loss on disposal of fixed assets	287,896	151,119	△ 136,776
Impairment losses	—	63,334	63,334
Net income before taxes and other adjustments	19,310,071	20,098,066	787,994
Corporate tax, inhabitant tax and business tax	4,964,176	5,755,851	791,675
Adjustment with corporate tax, etc.	357,717	△ 520,399	△ 878,116
Total corporate tax, etc.	5,321,893	5,235,452	△ 86,440
Net income	13,988,178	14,862,613	874,435
Profit attributable to non-controlling interests	△ 5,210	△ 4,318	891
Profit attributable to owners of parent	13,993,388	14,866,932	873,543

Consolidated statement of retained earnings

(Unit : thousand yen)

	April 1, 2023 through March 31, 2024	April 1, 2024 through March 31, 2025	Changes
(Capital surplus)			
Capital surplus balance at beginning of year	46,756	46,756	—
Increase in capital surplus	—	—	—
Decrease in capital surplus	—	—	—
Capital surplus balance at end of year	46,756	46,756	—
(Earned surplus)			
Earned surplus balance at beginning of year	280,850,072	293,198,444	12,348,372
Increase in earned surplus	13,061,683	14,722,791	1,661,107
Profit attributable to owners of parent	13,993,388	14,866,932	873,543
Reversal of revaluation reserve for land	△ 931,704	△ 144,140	787,564
Decrease in earned surplus	713,311	699,860	△ 13,451
Dividends	713,311	699,860	△ 13,451
Earned surplus balance at end of year	293,198,444	307,221,375	14,022,931

Segment information by business type

Some consolidated companies conduct credit guarantee business, etc., in addition to credit association business, but because the ratio of these business activities to all segments is minimal, segment information by business type is not included here.

Status of Loan Assets

Self-assessment and write-off/allowance

For ensuring the health of assets, the Bank has rigorously implemented "self-assessment" in order to scrutinize its own assets individually, as well as "write-off and allowance" in accordance with it.

In the self-assessment, the Bank assesses the repayment capacity of borrowers based on their financial condition, cash position and profitability. In accordance with the results of the assessment, they are classified into one of five groups consisting of "Normal entities," "Entities requiring caution," "Potentially bankrupt entities," "Entities bankrupt in substance" and "Bankrupt entities." Then, the Bank classifies each individual loan into one of four groups consisting of "Unclassified," "Classification II," "Classification III" and "Classification IV," based on the degree of the risk inherent in collection of the loan or based on the risk of damage to the value of the loan. The Bank has fully established regulations for write-off and allowance. It processes based on the classification of borrowers and loans.

Self-assessment, disclosed loans, and coverage conditions (non-consolidated basis)

(Unit : 100 million yen)

	Self-assessment				Loans and claims required to be disclosed by the Financial Reconstruction Law		Loans and claims required to be disclosed by the Shinkin Bank Act		Coverage conditions		
	Unclassified	Classification II	Classification III	Classification IV*	Classification	Year ended March 2025	Classification	Year ended March 2025	Collectible amount by collateral, guarantees, etc.	Reserve of the Bank	Coverage ratio
Bankrupt entities	29	11	17	—	0		Bankrupt and quasi-bankrupt loans and claims	109	82	26	100.00%
Entities bankrupt in substance	79	21	31	—	26		Doubtful loans and claims	486	414	58	97.24%
Potentially bankrupt entities	486	256	157	71			Substandard loans and claims	58	18	7	43.92%
Entities requiring caution	6,081	1,507	4,574				Loans overdue for 3 months or more	—			
							Loans with eased lending conditions	58			
							Subtotal	654	515	92	92.94%
Normal entities	27,509	27,509					Normal loans and claims	33,569			
Total		34,186				34,224	Total	34,224			

* Classification IV assessment off balance due to write-off is 1,600 million yen.

* The values of "Loans and claims required to be disclosed by the Financial Reconstruction Law" and "Loans and claims required to be disclosed by the Shinkin Bank Act" include the values of privately placed bonds that the Bank guarantees. In addition, "Coverage conditions" show ratios in proportion to the values shown under "Loans and claims required to be disclosed by the Financial Reconstruction Law."

* Coverage ratio is rounded to the second decimal place.

Status of Loan Assets

Disclosure of loan assets

The Bank is obliged to disclose loans and claims based on the Financial Reconstruction Law and the Shinkin Bank Act.

The Bank has a total coverage ratio of 92.94% in combination with collateral, guarantees and reserves for disclosed claims based on the Financial Reconstruction Law (excluding normal loans and claims) and continues to maintain a sufficient level of reserves. The Bank believes that its mission is to contribute to the development of and support for the region, while securing sound management through establishing sufficient reserves.

Coverage conditions and reserve for loans and claims required to be disclosed by the Financial Reconstruction Law and the Shinkin Bank Act [non-consolidated]

(Disclosure criteria specified in Article 6 and Article 7 of the Law Concerning Emergency Measures for the Reconstruction of the Functions of the Financial System)

(Unit : 100 million yen)

Classification	Year ended March 2024	Year ended March 2025
Bankrupt and quasi-bankrupt loans and claims	97	109
Doubtful loans and claims	510	486
Substandard loans and claims	69	58
Loans overdue for 3 months or more	—	—
Loans with eased lending conditions	69	58
Subtotal (A)	677	654
Coverage amount (B)	621	608
Individual reserve for possible loan loss (C)	78	85
General reserve for possible loan loss (D)	2	7
Amount collectible by collateral, guarantee, etc. (E)	540	515
Coverage ratio (B) / (A) (%)	91.71%	92.94%
Reserve rate ((C) + (D)) / ((A) - (E)) (%)	58.99%	66.70%
Normal loans and claims (F)	32,379	33,569
Total credit balance (A) + (F)	33,057	34,224

* 1. The coverage ratio indicates the coverage ratio for the total amount of disclosed loans and claims (excluding normal loans and claims).

* 2. The reserve rate indicates the reserve rate for the unsecured balances within disclosed loans and claims (excluding normal loans and claims).

* 3. All rates within the table are rounded to the second decimal place.

Loans and claims required to be disclosed by the Shinkin Bank Act [consolidated]

(Disclosure criteria specified in Article 89 of the Shinkin Bank Act)

(Unit : 100 million yen)

Classification	Year ended March 2024	Year ended March 2025
Bankrupt and quasi-bankrupt loans and claims	105	116
Doubtful loans and claims	511	488
Loans overdue for 3 months or more	—	—
Loans with eased lending conditions	69	58
Subtotal (A)	686	663
Normal loans and claims (B)	32,409	33,599
Total credit balance (A) + (B)	33,095	34,262