

Overview of the Japanese regional banks' financial results for the fiscal year ended March 31 2020

1. Profitability

- Pre-provision operating profit for the fiscal year ended March 31 increased by 4.3% year on year, as the increase in bond gains fully offset the declined net interest income.
- Net income decreased by 10.2% year on year, mainly due to the increased credit costs and decreased net gains on equity securities.

(Unit: 100 million yen)

	Fiscal Year ended Mar 31, 2018	Fiscal Year ended Mar 31, 2019	Fiscal Year ended Mar 31, 2020	YoY change
Gross operating profits	42,707	42,233	42,480	247
Net interest income	38,319	37,201	36,172	▲ 1,029
Net fees and commissions	5,297	5,281	5,233	48
Net other business profits			1,032	—
Net gains on debt securities	▲ 1,213	▲ 332	832	1,164
Operating expenses	▲ 30,528	▲ 30,011	▲ 29,728	283
Pre-provision operating profit	12,178	12,221	12,751	530
Core net business profits			11,919	—
Core net business profits(excluding gains and losses from cancellation of investment trusts)			11,113	—
Credit costs*	▲ 1,065	▲ 3,473	▲ 3,583	▲ 110
Net gains on equity securities	2,751	2,485	749	▲ 1,736
Net income	9,965	7,686	6,901	▲ 785

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

	Mar 31, 2018	Mar 31, 2019	Mar 31, 2020
Loans (¥ trillion)	260.6	269.3	277.7

2. Non-Performing Loans

- While the amount of NPLs were flat, the NPL ratio decreased from March 31, 2019

	Mar 31, 2018	Mar 31, 2019	Mar 31, 2020
Volume of NPL (¥ trillion)	4.5	4.8	4.8
NPL ratio (%)	1.71	1.74	1.70

3. Capital adequacy ratio

- The total capital adequacy ratio of internationally active banks decreased by 56 bps to 13.28%.
- The capital ratio of domestically active banks increased by 5 bps to 9.52%.

(Internationally active banks: 11 banks)

	Mar 31, 2019	Mar 31, 2020
Total capital ratio (%)	13.84	13.28
Tier I capital ratio (%)	13.37	12.73
Common Equity Tier I capital ratio (%)	13.37	12.73

(Domestically active banks: March 31, 2019 94 banks, Mar 31, 2020 92 banks)

	Mar 31, 2019	Mar 31, 2020
Capital ratio (%)	9.47	9.52

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.