

Overview of the Japanese regional banks' financial results for the fiscal year ended March 31, 2019

1. Profitability

- Pre-provision operating profit for the fiscal year ended March 31 increased by 0.4% year on year, mainly due to the decline in net bond losses and operating expenses.
- Net income decreased by 22.9% year on year, as credit costs increased substantially.

(Unit: 100 million yen)

	Fiscal Year ended Mar 31, 2017	Fiscal Year ended Mar 31, 2018	Fiscal Year ended Mar 31, 2019	YoY change
Gross operating profits	43,729	42,707	42,233	▲ 474
Net interest income	38,419	38,319	37,201	▲ 1,118
Fees and Commissions	5,010	5,297	5,281	▲ 16
Net gains/losses on bond trading etc.	▲ 372	▲ 1,213	▲ 332	881
Charge-offs	▲ 14	▲ 20	▲ 31	▲ 11
Operating expenses	▲ 30,894	▲ 30,528	▲ 30,011	517
Pre-provision operating profit	12,834	12,178	12,221	43
Credit costs*	▲ 861	▲ 1,065	▲ 3,473	▲ 2,408
Net gains/losses on equities	2,136	2,751	2,485	▲ 266
Charge-offs	▲ 55	▲ 36	▲ 128	▲ 92
Net income	10,002	9,965	7,686	▲ 2,279

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

Reference:

	Fiscal Year ended Mar 31, 2017	Fiscal Year ended Mar 31, 2018	Fiscal Year ended Mar 31, 2019
Loans (¥ trillion)	251.0	260.6	269.3

2. Non-Performing Loans

- Both the amount of NPLs and the NPL ratio increased, compared with March 31, 2018.

	Fiscal Year ended Mar 31, 2017	Fiscal Year ended Mar 31, 2018	Fiscal Year ended Mar 31, 2019
Volume of NPL (¥ trillion)	4.8	4.5	4.8
NPL ratio (%)	1.90	1.71	1.74

3. Capital adequacy ratio

- The total capital adequacy ratio of internationally active banks declined to 13.84%, from 14.01% a year ago
- The capital ratio of domestically active banks also declined to 9.47%, from 9.70% a year ago.

(Internationally active banks: 11 banks)

	Mar 31, 2018	Mar 31, 2019
Total capital ratio (%)	14.01	13.84
Tier I capital ratio (%)	13.61	13.37
Common Equity Tier I capital ratio (%)	13.61	13.37

(Domestically active banks: March 31, 2018 95 banks, March 31, 2019 94 banks)

	Mar 31, 2018	Mar 31, 2019
Capital ratio (%)	9.70	9.47

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.