

Overview of the Japanese regional banks' financial results for six months ended September 30, 2020

1. Profitability

- Pre-provision operating profit for six month ended September 30 decreased by 4.3% year on year, mainly due to the decline in net gains on debt securities despite the decrease of operating expense.
- Net income decreased by 11.5% year on year, due to the increased credit costs.

(Unit: 100 million yen)

	Six months ended Sep 30, 2018	Six months ended Sep 30, 2019	Six months ended Sep 30, 2020	YoY change
Gross operating profits	21,462	21,748	21,184	▲ 564
Net interest income	19,094	18,302	18,191	▲ 111
Net fees and commissions	2,657	2,569	2,458	▲ 111
Net other business profits		855	512	▲ 343
Net gains on debt securities	▲ 370	779	277	▲ 502
Operating expenses	▲ 15,114	▲ 14,995	▲ 14,728	267
Pre-provision operating profit	6,348	6,752	6,456	▲ 296
Core net business profits		5,973	6,178	205
Core net business profits(excluding gains and losses from cancellation of investment trusts)		5,537	5,723	186
Credit costs*	▲ 1,799	▲ 1,308	▲ 1,561	▲ 253
Net gains on equity securities	1,417	846	910	64
Net income	4,228	4,667	4,130	▲ 537

	Sep 30, 2018	Sep 30, 2019	Sep 30, 2020
Loans (¥ trillion)	264.4	272.4	288.0

2. Non-Performing Loans

- Both the amount of NPLs and the NPL ratio increased, compared with March 31, 2020.

	Sep 30, 2019	Mar 31, 2020	Sep 30, 2020
Volume of NPL (¥ trillion)	4.8	4.8	5.0
NPL ratio (%)	1.72	1.70	1.73

3. Capital adequacy ratio

- The total capital adequacy ratio of internationally active banks increased by 57 bps to 13.85%.
- The capital ratio of domestically active banks also increased by 18 bps to 9.70%.

(Internationally active banks: 11 banks)

	Mar 31, 2020	Sep 30, 2020
Total capital ratio (%)	13.28	13.85
Tier I capital ratio (%)	12.73	13.27
Common Equity Tier I capital ratio (%)	12.73	13.27

(Domestically active banks: 92 banks)

	Mar 31, 2020	Sep 30, 2020
Capital ratio (%)	9.52	9.70

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.