

Frequently Asked Questions



Below are the main frequently asked questions received by the Bank since the financial results briefing on May 10, 2019.

Q1	What is your policy on decrease in number of branches and decrease in required staffs and equipment in branches?
A1	<p>From a viewpoint both of mission for a regional bank and of convenience for customers, we plan to maintain branch network as contact points with customers without drastically decreasing number of branches.</p> <p>As for decrease in required staffs and equipment in branches, we are working on it together with sales structure reform and business process reengineering in operations. We plan to streamline branches by integrating function to large branches and automating operations.</p>

Q2	What are the prospects for expenses including system-related ones?
A2	<p>While system-related expenses are forecast to reach their peak in FY2020 in which the next generation system is scheduled to start operation, we plan to manage OHR around 55% by increasing gross operating profit and decreasing expenses through business process reengineering in operations.</p>

Q3	What are the prospects for credit-related costs?
A3	<p>Non-performing loans disposal (before netting) in FY2018 is smaller than that in FY2017, and we suppose that the disposal in future will be the same level as that in FY2018.</p> <p>In addition, we conservatively use average maturity in calculating general allowance for loan losses, and also provide allowance based on DCF method. Thus, increase in credit-related costs are forecast to be limited even if number of corporate bankruptcy increases.</p>

Q4	How is the progress of reconstruction of securities portfolio?
A4	<p>We are working on reconstruction of securities portfolio in order to generate stable revenue from investment in securities. We are doing it from medium- and long-term viewpoint without taking excessive risk in market operations for short-term revenue.</p>