

Toward a Sounder Financial Position

Pursuit of a sounder financial position is ranked as one of the Bank's key priorities. Accordingly, we are strengthening our capital adequacy and reducing non-performing loans (NPLs).

NPL Ratio Improved by 0.28 Percentage Points to 2.44%

The Bank carries out write-offs and provision of reserves for its NPLs according to strict standards, based on self-assessment of assets. As of March 31, 2015, the Bank's NPL balance (subject to mandatory disclosure of claims under the Financial Reconstruction Law, non-consolidated basis) decreased by ¥8.7 billion year-on-year to ¥145.6 billion. As a result, the NPL ratio declined to 2.44%, compared to 2.72% at the end of the previous fiscal year.

The coverage ratio for loans subject to mandatory disclosure of claims under the Financial Reconstruction Law is 83.11%, mainly through collateral and guarantees. The coverage ratio for bankrupt and quasi-bankrupt assets remains at 100%.

Capital Ratio (Consolidated) at 9.62%

The capital ratio as of March 31, 2015, stood at 9.52% on a non-consolidated basis and 9.62% on a consolidated basis. These figures are significantly higher than the minimum level of 4.0% required of banks operating in Japan.

We will be implementing measures to further strengthen our capital adequacy and raise the capital ratio.

Balance of NPLs and ratio of loans subject to mandatory disclosure of claims under the Financial Reconstruction Law



Capital ratio

