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Japan

BANKING & FINANCE

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This country-specific Q&A provides an overview of banking & finance laws and regulations applicable in Japan.

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JAPAN
BANKING & FINANCE

1. What are the national authorities for banking regulation, supervision and resolution in your jurisdiction?

The Financial Services Agency of Japan (FSA) is the national authority for banking regulation and supervision of banks, whose authority is delegated by the prime minister of Japan under the Banking Act. The FSA issues banking licenses, publishes its supervisory guidelines, and imposes administrative dispositions (e.g. business improvement orders, orders to suspend a bank's operations, and revocation orders of banking licenses of banks) on problematic banks.

On-site Inspections in relation to security-related services of banks are performed by the Securities and Exchange Surveillance Commission of Japan.

In the event of the resolution of banks, the Deposit Insurance Corporation of Japan (DICJ) takes a significant role. The Deposit Insurance Act provides that the prime minister may appoint the DICJ as a financial administrator, who will manage the assets and the business of the failed bank. Also, in order to ensure financial system stability, the prime minister may authorize the DICJ to perform Special Monitoring on banks.

2. Which type of activities trigger the requirement of a banking licence?

The Banking Act prohibits a person from conducting Banking Business without a banking license. "Banking Business" refers to: (i) (a) taking deposits, and (b) lending funds; or (ii) conducting exchange transfers (*kawase torihiki*). Conducting lending without taking deposits does not require a banking license, but it will trigger the money lending license requirement under the Money Lending Business Act unless the lender can rely on certain exceptions.

The Banking Act does not provide the definition of "exchange transfers." Typically, providing a fund transfer service constitutes "conducting exchange transfers" and requires a banking license unless permitted under the Payment Services Act as stated below in No.3.

3. Does your regulatory regime know different licenses for different banking services?

As stated in No. 2 above, the Payment Service Act provides different licenses for fund transfers, which enables a person to engage in fund transfer services under a less restrictive regulation compared to the Banking Act. Under the Payment Services Act, there are three types of licenses (Type 1 Funds Transfer Service, Type 2 Funds Transfer Service and Type 3 Funds Transfer Service) depending on the size of transfers which the Funds Transfer Service Provider can handle. While there is no upper limit for fund transfers by a Type 1 Funds Transfer Service Provider, fund transfers by a Type 2 Funds Transfer Service Provider shall not exceed one (1) million JPY per transaction, and fund transfers by a Type 3 Funds Transfer Service Provider shall not exceed fifty (50) thousand JPY.

Security related services are regulated by the Financial Instruments and Exchange Act (the "FIEA"). In order to engage in security-related services, a license (registration) as a Financial Instruments Business Operator is required. Banks may engage in security-related services if they are registered as "Registered Financial Institutions" pursuant to the FIEA.

4. Does a banking license automatically permit certain other activities, e.g., broker dealer activities, payment services, issuance of e-money?

Basically, a banking license does not automatically permit other licensable activities. That said, since conducting exchange transfers constitutes Banking Business, banks can provide payment services without

other licenses. Similarly, banks can engage in lending without a Money Lending Business license. In order to engage in other licensable activities, the relevant license is required. As stated above in No. 3, banks may engage in security-related services including dealing with government bonds, unit trusts and derivative transactions if they are registered as "Registered Financial Institutions" under the FIEA. Banks are not permitted to conduct certain securities business including the underwriting of corporate bonds and shares.

Issuance of e-money requires a license under the Payment Service, if (i) users are required to pre-pay money in exchange for the issuance of e-money, and (ii) e-money will be used for the payment of goods and services. This license requirement is also applicable to banks.

5. Is there a "sandbox" or "license light" for specific activities?

As stated in No. 3 above, the Payment Service Act provides different licenses for fund transfers, which enable a person to provide fund transfer services under a less restrictive regulation compared to the Banking Act.

The government of Japan introduced a project-based regulatory sandbox framework in June 2018 to promote innovative technologies and business models. Under this regulatory sandbox framework, organizations and companies both in and outside Japan can apply to demonstrate and experiment with limited time periods without complying with existing Japanese regulations to certain extent. This framework covers regulations on financial services, the healthcare industry, mobility and transportation. The FSA will process the application and monitor the testing projects in the financial services sector. The data to be collected through the demonstration of testing projects would be used by the FSA to consider the necessity of deliberation of regulatory reform.

6. Are there specific restrictions with respect to the issuance or custody of crypto currencies, such as a regulatory or voluntary moratorium?

From the regulatory point of view, the crypto assets (formerly defined as "crypto currencies") are divided into two categories: security token and crypt assets. The security token is defined under the FIEA as the crypto assets having the right to receive distributions of profits (the crypto assets other than the security token are referred to as "crypto currencies" herein). The brokerage and trading of the security token is regulated under the FIEA whereas that of the crypto assets is regulated under the Payment Services Act. The custody service of the security token or the crypto assets are also regulated by, and subject to a license requirement, by either the Payment Services Act or the FIEA respectively.

In respect of the security token, the disclosure rules under the FIEA are applicable to the offering of the security token which is highly liquid. The FIEA will also apply to derivative transactions in which the underlying assets are the crypto assets or the security token.

7. Do crypto assets qualify as deposits and, if so, are they covered by deposit insurance and/or segregation of funds?

The security Token or the Crypto Assets are not qualified as deposits. They are not categorized as *deposit, etc*. as defined in Deposit Insurance Law of Japan, and as a result, are not insured by the deposit insurance. The segregation requirements are applied to the custody of the security token or the crypto assets under the Payment Services Act or the FIEA respectively. There is also a Cold-wallet requirement in respect of the custody the security token or the crypto assets.

8. What is the general application process for bank licenses and what is the average timing?

The application process for a bank business license basically takes the following three steps: (1) preliminary consultation, (2) preliminary examination (*yobi-shinsa*); and (3) formal application for the banking license. In the preliminary consultation stage, the applicant engages in informal discussions with the regulator and performs preparations towards the application for the preliminary examination. Since the preliminary consultation is not a formal procedure provided for in the Banking Act, there is no standard processing time and it often takes one year or more. The preliminary examination can be applied by filing the full package of the application documents. The regulator will conduct a substantial examination on whether the applicant satisfies the requirements for the banking license in this step. The Banking Act does not specify the standard processing time for the preliminary examination, but it is said that this procedure often takes 3 – 6 months. The formal application will be made after the completion of the preliminary examination. According to the Banking Act, the standard processing time is less than a month.

9. Is mere cross-border activity permissible? If yes, what are the requirements?

A foreign bank is not permitted to engage in banking business in Japan unless its branch office is licensed as a foreign bank or the foreign bank is acting through a foreign bank agency pursuant to the Banking Act. Under a foreign bank agency framework, a foreign bank agent which must be licensed with the FSA may provide agency or intermediary services to foreign banks.

The Banking Act neither prohibits nor expressly imposes any requirement for FSA-licensed banks to engage in cross-border activities. However, if a bank intends to establish, change the type of or abolish a branch office of the bank in a foreign country, it must obtain an authorization (*ninka*) from the regulator. In addition, if a bank intends to establish a representative office in a foreign country, it must file a notification with the regulator.

10. What legal entities can operate as banks? What legal forms are generally used to operate as banks?

A bank must be a *kabushiki-kaisha*, which is joint-stock corporation established under the Corporate Act of Japan, which is similar to a "C-corporation." A branch office of a foreign bank may also apply for a banking business license.

11. What are the organizational requirements for banks, including with respect to corporate governance?

A bank must have the following internal organizations:

a. board of directors;
b. any one of the following:
    i. board of statutory auditors (*kansa-yakkai*);
    ii. audit and supervisory committee (*kansa-tou iinkai*); or
    iii. nominating committee, audit committee and compensation committee; and
c. accounting auditor.

12. Do any restrictions on remuneration policies apply?

The FSA Supervisory Guidelines for Major Banks require international operating banks to implement sound compensation practices, including the establishment of an individual committee or other internal organization to oversee the compensation system's design and operation and to monitor and review the compensation system to ensure that the compensation scheme will not grant incentives toward excessive risk taking. The compensation scheme should take into account the risks that employees take on behalf of the banks. In addition, staff engaged in financial and risk control must be compensated in a manner that is independent of the business areas they oversee and commensurate with their key roles. In addtion, under the Banking Act, banks are required to disclose their remuneration policies and other matters. The FSA regulary and continuously engages in monitoring the implementation of sound compensation practices by banks.

13. Has your jurisdiction implemented the Basel III framework with respect to regulatory capital? Are there any major deviations, e.g., with respect to certain categories of banks?

The Banking Act requires international operating banks to maintain at a minimum, on both a consolidated and unconsolidated basis: (i) a common equity Tier I ratio of 4.5%; (ii) Tier I ratio of 6.0%; and (iii) a capital adequacy ratio of 8.0%. As from 2010, the FSA has implemented several revisions to the capital adequacy requirements under the Banking Act in line with the implementation of Basel III. For example, the FSA has: (a) increased the requirements for the ratio of the high total loss-absorbing capacity capital and introduced a capital conservation buffer; (b) introduced a liquidity coverage ratio and revised the disclosure requirements and the treatment of securitization transactions; and (c) thoroughly revised capital requirements for the trading book, and made final reviews of the risk measurement methods. The FSA is introducing the Basel III final reforms.

14. Are there any requirements with respect to the leverage ratio?

In response to the Basel III finalized post-crisis reforms, the FSA has implemented a leverage ratio requirement, effective as of March 31, 2019, which is a minimum of 3% on a consolidated or unconsolidated basis. The disclosure requirement of the leverage ratio has already come into force as of March 2015.

15. What liquidity requirements apply? Has your jurisdiction implemented the Basel III liquidity requirements, including regarding LCR and NSFR?

The LCR ministerial notification (kokuji) under the Banking Act which accommodates the Basel III liquidity requirements came into force in March 2015. The regulations require international operating banks to maintain the minimum LCR provided in the ministerial notification (kokuji), which was 60% in 2015, has been increased by 10% each year, and is currently 100%.

In response to the final standard for the Net Stable Funding Ratio in October 2014 and the final Net Stable Funding Ratio disclosure standards in June 2015, the FSA has prepared the draft of the NSFR regulations and the new regulations were scheduled to come into force on March 31, 2019, but this has now been postponed and the FSA has not yet announced the enforcement date.

16. Do banks have to publish their financial statements? Is there interim reporting and, if so, in which intervals?

Banks are required to publish their financial statements pursuant to the Banking Act and the Ordinance for Enforcement of the Banking Act. Banks are required to publish their financial statements on a semi-annual basis pursuant thereto. Additionally, banks are required to publish their financial statements in accordance with the Company Law, the Financial Instruments and Exchange Act (FIEA), the Corporate Tax Law and other accounting standards. Among others, listed banks on a stock exchange are required to publish their financial statements on a quarterly basis and they are subject to public disclosure on EDINET (Electronic Disclosure for Investors' NETwork) operated by the FSA pursuant to the FIEA.

17. Does consolidated supervision of a bank exist in your jurisdiction? If so, what are the consequences?

The FSA supervises a bank's holding companies, major shareholders, and consolidated subsidiaries under the Banking Act.

Any person who intends to become a holding company (a company whose value of shareholding in subsidiary companies in Japan exceeds 50% of the value of its total assets) of a bank must obtain prior authorization from the FSA to be a "bank holding company."

Similarly, as mentioned in No. 18 below, major shareholders of a bank must obtain authorization from the FSA.

The FSA has the authority to (i) order bank holding companies, major shareholders, and consolidated subsidiaries to submit reports on the business and property of the banks, (ii) conduct on-site monitoring or inspection on these entities, and (iii) impose administrative dispositions on bank holding companies and major shareholders.

18. What reporting and/or approval requirements apply to the acquisition of shareholdings in, or control of, banks?

There is both reporting and approval requirements for the acquisition of voting rights in a bank.

A person who acquired voting rights in a bank or a bank holding company that exceeds 5% of all the voting rights in that entity must submit a report to the FSA within five (5) days of the acquisition. After this submission, if there is an increase or decrease of its possession by 1% or more, such person must submit a report of the change within five (5) days of the change.

A person who intends to become a major shareholder of a bank must obtain prior authorization from the FSA. A major shareholder is a shareholder who holds voting rights of 20% or more of the bank. This 20% threshold shall be lowered to 15% if the shareholder is able to exert a material impact on the financial and operational or business policy decisions of the bank.

As stated in No. 16, a person who intends to become a holding company (a company whose value of shareholding in subsidiary companies in Japan exceeds 50% of the value of its total assets) of a bank must obtain prior authorization from the FSA to be a "bank holding company."

19. Does your regulatory regime impose conditions for eligible owners of banks (e.g., with respect to major participations)?

Upon the authorization of a major shareholder, the FSA shall examine whether the following requirements are satisfied: (i) there shall be no risk of impairment of sound and appropriate management of the business of the bank in light of (a) the particulars of funds for the acquisition and the purpose of holding the voting rights, and (b) the status of property and income and expenditure of the shareholder, and (iii) the shareholder has sufficient understanding of the public nature of the

business of the bank and has sufficient social credibility.

Similarly, upon the authorization of a bank holding company, the FSA shall examine whether the following requirements are satisfied: (i) the person who intends to be a bank holding company (the "Applicant") has good prospects for the balancing of income and expenditure; (ii) the adequacy of equity capital of the Applicant must be appropriate in light of the assets owned by them; and (iii) in light of its personnel structure, the Applicant shall have the knowledge and experience that will enable the Applicant to carry out the business management of its subsidiary bank appropriately and fairly and must have sufficient social credibility.

20. Are there specific restrictions on foreign shareholdings in banks?

There are no specific restrictions on foreign ownership in banks. On the other hand, the acquisition of shares in Japanese banks by foreign investors is restricted to a certain extent under the Foreign Exchange and Foreign Trade Act. In cases where (a) shares in Japanese banks have been acquired by the parent company as a foreign corporation, and (b) a seller is a resident of Japan, in principle, a post facto notification regarding direct inward investment is required to be filed with the Bank of Japan by the parent company by the 15th day of the month following the month of acquisition of all or part of the shares in Japanese banks (Articles 26 and 55-5, Paragraph 1 of the Foreign Exchange and Foreign Trade Act); however, prior-notification is required for designated business sectors, such as the Bank of Japan, agricultural cooperatives, fisheries cooperatives, and marine product processing cooperatives as listed in Appended Table 2 (Article 27, Paragraph 1 of the Foreign Exchange and Foreign Trade Act).

21. Is there a special regime for domestic and/or globally systemically important banks?

The FSA has designated (i) three G-SIBs (globally systemically important banks) and (ii) four D-SIBs (domestic systemically important banks) in 2015. G-SIBs and D-SIBs are subject to heightened capital adequacy requirements under the FSA ministerial notification (kokuji) on capital adequacy rules (so-called "pillar 1 notices").

G-SIBs and D-SIBs are required to create and submit their recovery and resolution plans to the FSA. The FSA has also designated G-SIBs and one of the D-SIBs as entities which should comply with TLAC requirements.

22. What are the sanctions the regulator(s) can order in the case of a violation of banking regulations?

FSA may order a bank to take remedial measures, suspend all or part of its business, deposit its assets, or take other necessary measures to ensure the bank's sound and appropriate operation. If a bank violates the Banking Act or any other relevant laws, in the case of a relatively serious violation, the FSA will order the bank to suspend all or part of its business; in the case of an extremely serious violation, the FSA may revoke the bank's banking license (Article 27, Paragraph 1 of the Banking Act). The FSA may also issue a notification or an order for improvement of business operations (Article 52-55 of the Banking Act).

In addition, those who violate the Banking Act may be punished with imprisonment, criminal fines or administrative fines (Articles 61 to 66 of the Banking Act)

The details of the orders for rescission of licenses, suspension of business and notifications, etc. issued by the FSA are publicly announced on the FSA's website from time to time.

23. What is the resolution regime for banks?

Taking into account international trends, such as the report entitled "Key Attributes of Effective Resolution Regimes for Financial Institutions" prepared by the Financial Stability Board (FSB) and adopted at the G20 Cannes Summit (November 2011), the following system was established as the resolution regime under the Act for Partial Revision of the Financial Instruments and Exchange Act, etc. enacted on June 12, 2013, in order to respond not only to non-performing loan-type financial crises but also to market-type financial crises represented by the Lehman Shock.

When the Prime Minister finds that, if the "resolution" measures are not taken, it may cause severe disruption in Japan's financial market and any other financial systems, the Financial Crisis Response Council (Members: Prime Minister, Chief Cabinet Secretary, Minister of State for Financial Services, Minister of Finance, Governor of the Bank of Japan, and Commissioner of the Financial Services Agency), may certify the need to take such "resolution" measures toward financial institutions, etc. ("Specified Certification") (Article 126-2, Paragraph 1 of Deposit Insurance Act).

1. As to financial institutions which are not insolvent (*saimu chouka*), measures involving (a) special monitoring, (b) extension of loans, etc., and (c) subscription for specified shares, etc. may be taken (*tokutei 1 gou sochi*).
2. As to financial institutions which are insolvent, have suspended payments or are likely to become insolvent or suspend payments, measures involving (a) special monitoring and (b) specified financial assistance may be taken (*tokutei 2 gou sochi*).

In addition, before the introduction of the above resolution measures, financial stabilization measures against financial crises with respect to depository financial institutions have already been introduced in Japan, as stipulated in Article 102 of the Deposit Insurance Act.

When the Prime Minister finds that, if the measures specified in each of the following items are not taken with respect to the Financial Institution specified in each respective item, this may extremely seriously hinder the maintenance of an orderly credit system in Japan or in a certain region where the relevant Financial Institution conducts its business, the Prime Minister may, following deliberation by a council for financial crises, certify the need to take such steps, and may pursue the following measures:

1. The subscription for shares, etc. of the relevant financial institution for the purpose of satisfying the equity capital adequacy of the Financial Institution (*1 gou sochi*).
2. As to bankrupt or insolvent financial institutions, financial assistance for an amount that is expected to exceed the expected costs for the payment of insurance proceeds with respect to an insured event of such financial institution (*2 gou sochi*).
3. As to banks, etc. falling under bankrupt financial institutions that are unable to satisfy their obligations in full by their assets, the measures prescribed in Articles 111 through 119 of the Deposit Insurance Act (*3 gou sochi*).

24. How are client's assets and cash deposits protected?

Financial institutions in Japan are required to join the deposit insurance system. The deposit insurance system means that if a financial institution fails, current deposits and non-interest-bearing ordinary deposits, etc. (deposits for payment and settlement purposes) will be fully protected, as to fixed deposits and interest-bearing ordinary deposits, etc. (general deposits, etc.), the total for each financial institution, up to a principal amount of 10 million yen and interest up to the date of failure per depositor will be protected (Article 54, 54-2 of the Deposit Insurance Act).

On the other hand, deposit amounts exceeding 10 million yen of principal and interest, other than insured deposits (deposits, etc. protected by deposit insurance) and deposits for payment and settlement purposes, etc., and deposits that are not covered by the deposit insurance system, will be paid depending on the status of the assets of the failed financial institution, and may be partially cut off.

25. Does your jurisdiction know a bail-in tool in bank resolution and which liabilities are covered?

The Financial Stability Board (FSB) has stipulated a bail-in tool as an international rule to avoid measures requiring the spending of public funds for bank remedies. Considering this international trend, the Deposit Insurance Act was amended in June 2013 to incorporate the concept of bail-in in Japan. However, the Deposit Insurance Act, which was revised in 2013, still requires bail-outs through the injection of public funds.

The bail-in system can be categorized as (i) a statutory bail-in approach, which means a bail-in enforced under the authority of the resolution authorities in the event of a financial strain, and (ii) a contractual bail-in approach, which means, in order to qualify for Tier I or Tier II in maintaining Basel III capital adequacy, it is required that Tier I Capital Instruments and Tier II Capital Instruments be issued based on a contractual agreement under which such instruments must be written off or converted to common equities, in order to protect important debts in a financial system, such as deposits, if the supervisory authority finds the entity to be substantially bankrupt. Such contractual bail-in approach was incorporated into the amended Deposit Insurance Act and its ministerial notification (kokuji) (see Article 6, Section 4, Item 15 and Article 7, Section 5, Item 10 of the Standards for Determining Whether the Status of Capital Adequacy is Appropriate in Light of the Assets, etc. Held by Banks).

In Japan, while a statutory bail-in approach as above has not been introduced, contractual bail-in approach has been introduced under which important debts in the financial system will be transferred to bridge banks and protected; however, other bankrupt financial institutions that have remaining debts and equities are subject to bankruptcy law. In such event, the insured deposits and the like are protected by deposit insurance, etc.;

however, other debts and equities will be resolved by the court's bankruptcy procedure, so losses will be borne by such creditor and equity investors under such procedure. In the event of such bankruptcy, contractual bail-in instruments will be written off or converted to common equities.

26. Is there a requirement for banks to hold gone concern capital ("TLAC")?

In Japan, a ministerial notification (*kokuji*) has been enacted for the domestic application of the TLAC regulations which came into effect on March 31, 2019. Additionally, the FSA issued its supervisory guidelines etc. pertaining to TLAC on March 15, 2019.

The ministerial notification system regarding TLAC is based on the FSB's TLAC standard as a minimum external TLAC standard and it has established two standards as follows: (1) "external TLAC risk-asset based ratio", which is calculated by the risk-asset based ratio, and (2) "external TLAC total leverage exposure-based ratio", which is the denominator of the leverage ratio. Based on the above, in relation to the three Japanese megabanks, minimum requirements are stipulated as 16% based on the risk-asset based ratio and 6% based on the total exposure-based ratio from the end of March 2019, and 18% and 6.75% from the end of March 2022, being three years from the commencement of application (Article 1 and Exhibit of "Standards for determining management soundness in relation to TLAC and recapitalization capacity as determined for the standards for a bank holding company to determine the management soundness of it and its subsidiary companies pursuant to Article 52-25 of the Banking Act and reference for determining the management soundness of banks").

27. In your view, what are the recent trends in bank regulation in your jurisdiction?

Recently, in Japan, legislation of financial settlements and financial services intermediation, and an amendment have been amended as follows.

1. Legislation of Financial Settlements:

    1. Funds Transfer Service Providers

    In relation to funds transfer service providers, only businesses that handle remittances of 1 million yen or less are permitted before the enforcement of amendment of Payment Services Act in May 2021. By the amendment of Payment Services Act regulations categorizing funds transfer service providers into three types, Type 1 Funds Transfer Service, Type 2 Funds Transfer Service and Type 3 Funds Transfer Service, are established: such three types of licenses are depending on the size of transfers which the Funds Transfer Service Provider can handle. While there is no upper limit for fund transfers by a Type 1 Funds Transfer Service Provider, fund transfers by a Type 2 Funds Transfer Service Provider shall, provided that the size of the transfer does not exceed one (1) million JPY per transaction, and fund transfers by a Type 3 Funds Transfer Service Provider shall not exceed fifty (50) thousand JPY.

    2. Prepaid Payment Means

    Since the transfer of a top-up balance can be substantially made as a remittance of funds between individuals, such activity is considered to have similar characteristics to remittance services and the regulations on such service providers to protect users' funds has therefore beenamended.

    3. Receiving Agent Services and Cash-On-Delivery Services, etc.

    In response to recent developments in information and communication technologies, services that cannot be categorized as conventional receiving agent or cash-on-delivery services have arisen, such as so-called "split bill apps." For this reason, receiving agent services, etc., where general consumers are the creditors are regarded as being regulated as "funds transfer services".

2. Legislation of Financial Services Intermediation:

    1. Unification of Entry Regulations (one-stop)

    System for introduction of license that gives permission to intermediation in all fields of banking, securities and insurance with one registration instead of registering for each type of business has been established and enforced on November 1, 2021.

    2. Affiliation System

    Before the amendment of the Banking Act, Financial Instruments and Exchange Act and Insurance Business Act in relation to bank agents, financial instruments intermediary service

providers, insurance solicitors, etc., the affiliation system of a certain financial institution was adopted, and the affiliating financial institutions were responsible for the guidance and liabilities of the intermediaries. However, receiving guidance, etc. from each financial institution is not realistic in terms of the burdens involved. Therefore, such affilication system has been relaxed while certain measures to protect the users have been introduced.

3. Associations and Dispute Settlement Procedures

Legislations regarding associations pertaining to intermediaries' service providers and alternative dispute resolution system has been introduced.

28. What do you believe to be the biggest threat to the success of the financial sector in your jurisdiction?

Japanese banks have been suffering from a lower interest margin on their commercial loans due to the central bank's zero interest rate and quantitative easing policies. The prolonged period of these policies is still placing pressure on Japanese banks' overall earnings. In respect of regional banks, the FSA has requested them to "Build a sustainable business model". As a background to such request, there are shrinking local economies due to a decrease in the population and the number of companies in local cities and towns. Realignment and business integrations have been accelerating among regional banks for the purpose of efficiency of management and diversification. Among others, it is particularly requested that regional banks diversify their profit areas such as commission revenue. The introduction of artificial intelligence (AI) and fintech are also seen as being important to regional banks.

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