Q. Will future acquisitions by Union Bank basically be on the U.S. West Coast, or are you planning to expand the bank in other regions of the United States?
A. We will mainly focus on the West Coast. The key point is whether or not an acquisition would yield synergies for Union Bank. There will be many FDIC-assisted transactions this fiscal year, and we are always analyzing potential deals. Since FDIC conducts auctions, we may not always be able to acquire the banks in question, but we plan to actively bid for banks that we believe would yield synergies.

Q. What are MUFG’s competitive advantages compared to major U.S. and European banks in Asia?
A. In countries such as China, Hong Kong, Singapore and Indonesia, we believe we are able to compete at least on par with the global players. In mainland China, for instance, we were the first foreign bank to issue an RMB-denominated bond. Although we do not have a retail presence in China, we are one of the top three international banks in corporate business.

In India, we are currently making advances into the market. It might be worthwhile to consider creating and independently operating a local subsidiary in India, as we have done in China.

Q. How do you assess your current capital level? Do you have enough capital to make strategic investments?
A. Our Core Tier 1 capital ratio, which is Tier 1 capital less preferred shares and preferred securities, is 8.2%, and around 7.6% if deferred tax assets
are also excluded. As new capital regulations have not yet been finalized, it is difficult to comment on whether our capital level will be sufficient under new regulations. We, however, believe that we will be able to meet whatever the new regulations may be adopted given the current level of capital. As to whether we have enough capital for strategic investments, we believe that capital will not be a factor that will particularly affect investment decisions, because most of investment opportunities are under US$1 billion.