

20 August 2020 (No. of pages: 1)

Japanese report: 13 Aug 2020

Effects of Antimonopoly Special Provisions Law on Trends in Regional Bank Mergers

Funding needs, HHI, and sustainability of competition are central in predicting regional bank trends.

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Summary

- With the increasingly severe business environment for regional banks, the Antimonopoly Special Provisions Law was enacted to exclude the application of the Antimonopoly Law in the merger of regional banks. As it becomes easier to conduct mergers and other activities as a means of maintaining the ability to provide services, the actions regional banks take in the future should attract great interest.
- In this paper, we explain the outline of the Antimonopoly Special Provisions Law, and then summarize the points in projecting the effects of this Law on the merger of regional banks. In conclusion, three factors (funding needs, Herfindahl-Hirschman Index (HHI), and sustainability of competition) are considered important in anticipating the impact of the Antimonopoly Special Provisions Law on mergers and future actions of regional bank.

Attention

This report is a summary translation. The official document is only in Japanese.