

Non-Performing Loans

The Bank provides information about the status of its assets in three different ways. First, we conduct self assessment to calculate appropriate write-offs and reserves by classifying borrowers according to their financial soundness. Second, disclosure based on “The Financial Reconstruction Law” is used to classify prob-

lem assets. Third, we disclose the value of Risk-Monitored Loans based on the Banking Law, which excludes non-loan assets such as foreign exchange, accrued interest and advance payments.

Asset Self-Assessment / Assets Disclosed under the Financial Reconstruction Law / Risk-Monitored Loans under the Banking Law (as of March 31, 2014)

(Non-consolidated)

Billions of Yen

Asset Self-Assessment For all assets				
Borrower category Balances of credits	Classification			
	I	II	III	IV
Legally bankrupt borrowers 4.9 [1.1]	4.5	0.5	— (0.1)	— (3.8)
Virtually bankrupt borrowers 12.2 [6.5]	9.3	2.9	— (1.1)	— (5.7)
Potentially bankrupt borrowers 95.1	52.5	24.5	18.1 (18.5)	
Borrowers requiring caution				
Substandard borrowers 14.2	3.7	10.5		
Others*1 594.8	214.8	380.0		
Normal borrowers 3,092.0	3,092.0			
Total 3,813.2 [3,803.8]	3,376.8	418.3	18.1 (19.7)	— (9.4)

*1 Borrowers requiring caution, excluding substandard borrowers
*2 Portion of claims secured by collateral or guarantees

Assets disclosed under the Financial Reconstruction Law and coverage of the claims For all claims			
Classification Balances of claims	Portion of claims secured*2	Reserves	Coverage ratio
Bankrupt and quasi-bankrupt assets 17.1 [7.7]	6.4	10.7	100.0%
Doubtful assets 95.1	58.6	18.5	81.0%
Substandard loans*3 12.1	4.6	0.7	43.1%
Sub-total 124.3 [114.9]	69.6	29.8	79.9%
Normal assets 3,688.9		3.2% [3.0%]	
Total 3,813.2 [3,803.8]			

*3 Substandard claims consist of loans only.

Risk-monitored loans Loans only (no other type of credit included)	
Classification	Loan balances
Bankrupt loans	4.7 [1.1]
Non-accrual loans	107.1 [101.4]
Past due loans (3 months or more)	0.6
Restructured loans	11.4
Total	124.0 [114.7]

Ratio of risk-monitored loans to total loans

Figures in brackets are those after application of partial charge-offs (direct deduction).
3.3%
[3.0%]

Notes:

1. Amounts in asset self-assessment and claims disclosed under the Financial Reconstruction Law and the coverage of claims are rounded to the nearest 100 million yen. Amounts in risk-monitored loans are rounded down to the nearest 100 million yen. Figures for ratios are rounded down to the first decimal place.

2. All credit items = Loans + Customers' liabilities for acceptances and guarantees + Bonds issued through private placements covered by guarantees of the Bank + Foreign exchanges + Suspense payments with a similar nature to loans + Accrued interest.

3. Amounts in asset self-assessment are those after deduction of specific reserves for possible loan losses, and the amounts in parentheses are specific reserves for each classification.

4. The Bank does not implement partial charge-offs (direct deduction). If partial charge-offs were implemented, relevant figures would decline to the figures shown in brackets.