

# 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, 2015)

(Non-consolidated)

Billions of Yen

Asset Self-Assessment For all assets				
Borrower category Balances of credits	Classification			
	I	II	III	IV
Legally bankrupt borrowers 4.1 [1.4]	3.4	0.8	— (0.1)	— (2.8)
Virtually bankrupt borrowers 11.3 [6.0]	8.8	2.5	— (1.0)	— (5.2)
Potentially bankrupt borrowers 86.7	51.0	21.5	14.2 (19.0)	
Borrowers requiring caution				
Substandard borrowers 11.4	1.9	9.5		
Others*1 497.2	182.3	314.9		
Normal borrowers 3,308.2	3,308.2			
Total 3,918.9 [3,910.9]	3,555.4	349.2	14.2 (20.2)	— (8.0)

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 15.4 [7.4]	6.2	9.2	100.0%
Doubtful assets 86.7	53.5	19.0	83.5%
Substandard loans*3 10.1	3.2	0.7	38.8%
Sub-total 112.2 [104.2]	62.9	28.9	81.8%
Normal assets 3,806.6		2.8% [2.6%]	
Total 3,918.9 [3,910.9]			

Risk-monitored loans Loans only (no other type of credit included)	
Classification	Loan balances
Bankrupt loans	3.9 [1.1]
Non-accrual loans	97.7 [92.6]
Past due loans (3 months or more)	0.1
Restructured loans	9.9
Total	111.7 [103.8]

Ratio of risk-monitored loans to total loans

Figures in brackets are those after application of partial charge-offs (direct deduction).

2.8%  
[2.6%]

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

\*3 Substandard claims consist of loans only.

Notes:

- 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.
- 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.
- 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.
- 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.