

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, 2017)

(Non-consolidated)

Billions of Yen

Asset Self-Assessment For all assets				
Borrower category Balances of credits	Classification			
	I	II	III	IV
Legally bankrupt borrowers 5.1 [1.3]	4.3	0.8	— (0.3)	— (3.7)
Virtually bankrupt borrowers 9.6 [4.5]	7.5	2.0	— (0.7)	— (5.0)
Potentially bankrupt borrowers 59.0	34.6	14.0	10.4 (8.3)	
Borrowers requiring caution				
Substandard borrowers 7.8	0.4	7.4		
Others*1 422.3	138.6	283.7		
Normal borrowers 3,576.2	3,576.2			
Total 4,080.0 [4,071.3]	3,761.7	308.0	10.4 (9.2)	— (8.8)

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 14.6 [5.9]	4.9	9.7	100.0%
Doubtful assets 59.0	40.3	8.3	82.3%
Substandard loans*3 6.8	2.0	1.9	57.9%
Sub-total 80.4 [71.7]	47.3	19.9	83.5%
Normal assets 3,999.6		1.9% [1.7%]	
Total 4,080.0 [4,071.3]			

Risk-monitored loans Loans only (no other type of credit included)	
Classification	Loan balances
Bankrupt loans	5.0 [1.3]
Non-accrual loans	68.3 [63.3]
Past due loans (3 months or more)	—
Restructured loans	6.7
Total	80.2 [71.5]

Ratio of risk-monitored loans to total loans

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

1.9%
[1.7%]

*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.