

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, 2019)

(Non-consolidated)

Billions of Yen

Asset Self-Assessment For all assets				
Borrower category Balances of credits	Classification			
	I	II	III	IV
Legally bankrupt borrowers 3.2 [0.8]	2.8	0.4	— (0.1)	— (2.5)
Virtually bankrupt borrowers 10.9 [4.6]	8.6	2.2	— (1.0)	— (6.3)
Potentially bankrupt borrowers 48.1	29.0	11.2	8.0 (7.3)	
Borrowers requiring caution				
Substandard borrowers 2.6	0.2	2.5		
Others*1 372.4	101.8	270.6		
Normal borrowers 3,959.1	3,959.1			
Total 4,396.4 [4,387.6]	4,101.5	286.9	8.0 (8.4)	— (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 14.1 [5.3]	4.3	9.8	100.0%
Doubtful assets 48.1	32.8	7.3	83.4%
Substandard loans*3 2.4	1.5	0.2	67.9%
Sub-total 64.6 [55.9]	38.6	17.3	86.5%
Normal assets 4,331.8		1.4% [1.2%]	
Total 4,396.4 [4,387.6]			

Risk-monitored loans Loans only (no other type of credit included)	
Classification	Loan balances
Bankrupt loans	3.2 [0.7]
Non-accrual loans	58.8 [52.6]
Past due loans (3 months or more)	0.1
Restructured loans	2.2
Total	64.4 [55.7]

Ratio of risk-monitored loans to total loans

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

1.4%
[1.2%]

*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.