

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, 2020)

(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 [1.2]	2.7	0.5	— (0.1)	— (2.0)
Virtually bankrupt borrowers 9.4 [4.6]	6.9	2.4	— (1.0)	— (4.8)
Potentially bankrupt borrowers 48.2	28.1	10.9	9.2 (8.1)	
Borrowers requiring caution				
Substandard borrowers 2.3	0.2	2.1		
Others*1 367.8	93.4	274.4		
Normal borrowers 4,019.2	4,019.2			
Total 4,450.1 [4,443.3]	4,150.6	290.4	9.2 (9.2)	— (6.8)

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 12.6 [5.8]	4.7	7.9	100.0%
Doubtful assets 48.2	31.0	8.1	80.9%
Substandard loans*3 2.1	1.3	0.2	76.3%
Sub-total 62.9 [56.1]	37.0	16.2	84.6%
Normal assets 4,387.3		1.4% [1.2%]	
Total 4,450.1 [4,443.3]			

Risk-monitored loans Loans only (no other type of credit included)	
Classification	Loan balances
Bankrupt loans	3.1 [1.2]
Non-accrual loans	57.4 [52.6]
Past due loans (3 months or more)	0.0
Restructured loans	1.9
Total	62.6 [55.8]

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.