

# 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, 2021)

(Non-consolidated)

Billions of Yen

Asset Self-Assessment For all assets				
Borrower category Balances of credits	Classification			
	I	II	III	IV
Legally bankrupt borrowers 2.5 [0.8]	2.0	0.5	— (0.1)	— (1.7)
Virtually bankrupt borrowers 9.6 [4.1]	7.7	1.9	— (0.8)	— (5.5)
Potentially bankrupt borrowers 54.4	33.3	11.4	9.8 (9.1)	
Borrowers requiring caution				
Substandard borrowers 3.0	0.5	2.5		
Others*1 433.3	160.8	272.6		
Normal borrowers 4,082.9	4,082.9			
Total 4,585.8 [4,578.5]	4,287.1	288.8	9.8 (10.0)	— (7.3)

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 12.1 [4.9]	4.0	8.1	100.0%
Doubtful assets 54.4	35.5	9.1	82.0%
Substandard loans*3 2.7	2.0	0.3	84.5%
Sub-total 69.3 [62.0]	41.5	17.6	85.2%
Normal assets 4,516.5		1.5% [1.3%]	
Total 4,585.8 [4,578.5]			

Risk-monitored loans Loans only (no other type of credit included)	
Classification	Loan balances
Bankrupt loans	2.4 [0.7]
Non-accrual loans	63.8 [58.3]
Past due loans (3 months or more)	0.0
Restructured loans	2.6
Total	69.0 [61.8]

Ratio of risk-monitored loans to total loans

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

1.5%  
[1.3%]

\*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.