

Financial Data (Non-Consolidated)

Year Ended March 31, 2019

Balance Sheets	51
Statements of Operations	53
Capital Account Details	55
Profit and Loss Details	56
Details of Operations	57

Trends in Principal Financial Indicators (Non-Consolidated)

Fiscal period ended	Billions of yen				
	March 31, 2019	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015
Total Operating Income	¥ 146.4	¥ 170.1	¥ 160.2	¥ 170.2	¥ 180.7
Income (Loss) before Income Taxes and Other	30.7	56.9	49.1	33.5	36.0
Net Income (Loss)	14.4	36.2	31.3	11.5	15.6
Capital	218.6	218.6	218.6	218.6	218.6
[Total Number of Shares Issued in Thousands of Units]	[2,186,531]	[2,186,531]	[2,186,531]	[2,186,531]	[2,186,531]
Total Capital Funds	962.3	971.5	937.7	909.1	898.2
Total Assets	11,749.8	11,890.2	12,778.8	12,507.4	12,565.5
Outstanding Deposits	5,057.9	4,892.2	5,109.0	5,164.8	5,019.1
Outstanding Debentures	4,238.3	4,459.5	4,744.1	4,816.8	4,833.5
Outstanding Loans	8,289.7	8,648.1	9,356.8	9,539.5	9,503.1
Balance of Investment Securities	1,383.9	1,514.6	1,543.1	1,703.5	1,931.4
Net Assets per Share (Yen)	195.97	193.32	177.79	164.61	159.63
Dividends per Share (Yen)	Common stock (non-government portion)	Common stock (non-government portion)	Common stock (non-government portion)	Common stock (non-government portion)	Common stock (non-government portion)
	3.00	3.00	3.00	3.00	3.00
Net Income per Share (Yen)	(government portion)	(government portion)	(government portion)	(government portion)	(government portion)
	1.00	1.00	1.00	1.00	1.00
Net Income per Share (Diluted) (Yen)	6.65	16.67	14.38	5.31	7.16
Capital Ratio (%)	8.18	8.17	7.33	7.26	7.14
Non-consolidated Tier 1 (Common Stock etc.) Ratio (%)	12.34	12.75	12.03	12.07	12.25
Non-consolidated Tier 1 Ratio (%)	12.34	12.75	12.03	12.07	12.25
Non-consolidated Total Capital Ratio (%)	13.02	13.57	13.16	13.41	13.59
Return on Equity (%)	1.49	3.80	3.39	1.28	1.75
Price Earnings Ratio	—	—	—	—	—
Dividend Payment Ratio (%)	31.04	12.39	14.36	38.88	28.83
Number of Employees (Persons)	3,798	3,765	3,753	3,773	3,816
[Average Number of Temporary Employees excluded from Above]	[895]	[917]	[908]	[884]	[853]

Notes: 1. National and local consumption taxes are accounted for with the tax exclusion method.

2. The figure for Net Income per Share (Diluted) is not disclosed because there were no shares with a dilutive effect.

3. Dividends per Share are classified and presented in two separate categories, namely, Cash Dividend per Common Stock (government portion) and Cash Dividend per Common Stock (non-government portion). This separate classification is pursuant to Article 50 of the Shoko Chukin Bank Limited Act, which stipulates that the dividend per share applicable to Common Stock held by the government shall not exceed the dividend per share applicable to Common Stock held by parties other than the government. Furthermore, pursuant to Article 15 of the Regulation Enforcing the Shoko Chukin Bank Limited Act, the dividend per share applicable to Common Stock held by the government is set at a ratio of one-third in relation to the dividend per share applicable to Common Stock held by parties other than the government.

4. The Capital Ratio is calculated as follows:

(Total Net Assets as of the fiscal period-end - Stock acquisition rights as of the fiscal period-end)/Total Assets as of the fiscal period-end × 100.

5. Figures for Price Earnings Ratio are not disclosed because the Shoko Chukin Bank is not publicly listed or registered.

6. The Non-consolidated Capital Ratio is calculated in accordance with Announcement No. 2 of 2008 from the Financial Services Agency, the Ministry of Finance and the Ministry of Economy, Trade and Industry pursuant to Article 23, Paragraph 1 of the Shoko Chukin Bank Limited Act. The Shoko Chukin Bank has adopted the BIS international capital adequacy guidelines.

7. Dividend Payment Ratio is calculated by dividing average dividends per share (as calculated by dividing dividends by the number of shares outstanding at the end of the period) by net income per share.

8. Number of employees refers to the number of persons employed (excluding seconded workers).

Non-Consolidated Balance Sheets

The Shoko Chukin Bank, Ltd. As of March 31, 2019 and 2018

	Millions of yen		Millions of U.S. dollars	
	2019	2018	2019	2018
ASSETS				
Cash and Due from Banks	¥ 1,856,751	¥ 1,526,881	\$ 16,728	\$ 14,371
Cash	26,559	27,028	239	254
Due from Banks	1,830,192	1,499,853	16,489	14,117
Call Loans	45,347	41,412	408	389
Monetary Claims Purchased	26,573	27,621	239	259
Trading Assets	14,132	21,413	127	201
Trading Securities	—	3,275	—	30
Trading-related Financial Derivatives	14,132	18,138	127	170
Investment Securities	1,383,976	1,514,685	12,469	14,257
Government Bonds	606,776	790,036	5,466	7,436
Local Government Bonds	442,781	347,202	3,989	3,268
Corporate Bonds	233,223	284,867	2,101	2,681
Stocks	38,358	44,226	345	416
Other Securities	62,836	48,351	566	455
Loans	8,289,724	8,648,176	74,688	81,402
Bills Discounted	192,881	201,695	1,737	1,898
Loans on Notes	341,666	305,092	3,078	2,871
Loans on Deeds	6,703,553	7,240,610	60,397	68,153
Overdrafts	1,051,622	900,777	9,474	8,478
Foreign Exchange	16,571	15,586	149	146
Due from Foreign Banks	7,932	7,035	71	66
Foreign Exchange Bills Purchased	686	911	6	8
Foreign Exchange Bills Receivable	7,952	7,640	71	71
Other Assets	89,254	89,224	804	839
Unsettled Account of Transfer on Receiving Bank	2	—	0	—
Prepaid Expenses	1,656	2,861	14	26
Accrued Income	4,918	5,702	44	53
Financial Derivatives	257	2,085	2	19
Cash Collateral Received for Financial Instruments	77,944	73,014	702	687
Other Assets	4,474	5,559	40	52
Tangible Fixed Assets	36,198	43,271	326	407
Buildings	15,762	16,980	142	159
Land	18,210	23,214	164	218
Leased Assets	—	0	—	0
Construction in Progress	740	949	6	8
Other Tangible Fixed Assets	1,484	2,126	13	20
Intangible Fixed Assets	11,854	11,021	106	103
Software	6,317	6,986	56	65
Other Intangible Fixed Assets	5,536	4,034	49	37
Prepaid Pension Cost	28,697	21,072	258	198
Deferred Income Taxes	35,446	32,396	319	304
Customers' Liabilities for Acceptances and Guarantees	104,966	102,699	945	966
Customers' Liabilities for Acceptances and Guarantees	103,730	101,356	934	954
Customers' Liabilities for Guaranteeing Agency Loans	1,236	1,343	11	12
Reserve for Possible Loan Losses	(189,665)	(205,239)	(1,708)	(1,931)
Total Assets	¥ 11,749,830	¥ 11,890,224	\$ 105,863	\$ 111,918

Non-Consolidated Balance Sheets

The Shoko Chukin Bank, Ltd. As of March 31, 2019 and 2018

Pursuant to Article 396-1 of the Companies Act, the material that the Shoko Chukin Bank makes public in accordance with Article 52-1 of the Shoko Chukin Bank Law has been audited by an audit and supervisory board member.

In addition, the Bank's financial statements — the balance sheets, statements of operations, and statements of changes in net assets — have been certified by an audit and supervisory board member pursuant to Article 193-2-1 of the Financial Instruments and Exchange Act.

	Millions of yen		Millions of U.S. dollars	
	2019	2018	2019	2018
LIABILITIES				
Deposits	¥ 5,057,977	¥ 4,892,270	\$ 45,571	\$ 46,049
Current Deposits	525,729	539,147	4,736	5,074
Ordinary Deposits	1,127,315	1,128,118	10,156	10,618
Deposits at Notice	35,239	35,772	317	336
Time Deposits	3,288,142	3,099,081	29,625	29,170
Other Deposits	81,550	90,149	734	848
Negotiable Certificates of Deposit	284,360	257,222	2,562	2,421
Shoko Chukin Bank Debentures	4,238,310	4,459,540	38,186	41,976
Shoko Chukin Bank Debentures Issued	4,238,310	4,459,540	38,186	41,976
Payables under Securities Lending Transactions	593,243	580,278	5,345	5,461
Trading Liabilities	8,404	12,653	75	119
Trading-related Financial Derivatives	8,404	12,653	75	119
Borrowed Money	341,129	461,779	3,073	4,346
Borrowings	341,129	461,779	3,073	4,346
Foreign Exchange	30	8	0	0
Due to Foreign Banks	13	1	0	0
Foreign Exchange Bills Sold	2	6	0	0
Foreign Exchange Bills Payable	14	—	0	—
Other Liabilities	84,490	100,261	761	943
Corporate Taxes Payable	6,066	7,575	54	71
Accrued Expenses	5,696	6,444	51	60
Unearned Income	4,747	5,351	42	50
Deposits by Employees	3,988	3,973	35	37
Financial Derivatives	823	678	7	6
Cash Collateral Received for Financial Instruments	16,083	5,597	144	52
Lease Obligations	—	0	—	0
Asset Retirement Obligations	196	157	1	1
Debenture Principal Payable	5,679	37,212	51	350
Other Liabilities	41,209	33,270	371	313
Reserve for Bonuses	4,390	4,410	39	41
Reserve for Retirement Benefits	19,812	19,932	178	187
Reserve for Retirement Benefits for Directors	17	78	0	0
Reserve for Losses on Refund for Dormant Bonds	50,243	27,395	452	257
Reserve for Environmental Measures	144	143	1	1
Acceptances and Guarantees	104,966	102,699	945	966
Acceptances and Guarantees	103,730	101,356	934	954
Guarantees for Agency Loans	1,236	1,343	11	12
Total Liabilities	¥ 10,787,521	10,918,673	\$ 97,193	102,773
NET ASSETS				
Capital	218,653	218,653	1,970	2,058
Crisis Response Reserve	135,000	150,000	1,216	1,411
Special Reserve under the Shoko Chukin Bank Law	400,811	400,811	3,611	3,772
Capital Surplus	0	0	0	0
Other Capital Surplus	0	0	0	0
Retained Earnings	187,583	177,595	1,690	1,671
Earnings Reserve	22,411	21,511	201	202
Other Retained Earnings	165,171	156,083	1,488	1,469
Reserve for Advanced Depreciation of Noncurrent Assets	433	465	3	4
Reserve for Particular Purposes	49,570	49,570	446	466
Retained Earnings Brought Forward	115,167	106,046	1,037	998
Treasury Stock	(1,061)	(1,049)	(9)	(9)
Total Shareholders' Equity	940,986	946,009	8,478	8,904
Unrealized Gains on Other Securities	21,317	25,516	192	240
Deferred Hedge Gains	5	24	0	0
Total Valuation and Translation Adjustments	21,323	25,540	192	240
Total Net Assets	962,309	971,550	8,670	9,144
Total Liabilities and Net Assets	¥ 11,749,830	¥ 11,890,224	\$ 105,863	\$ 111,918

Non-Consolidated Statement of Operations

The Shoko Chukin Bank, Ltd. For the years ended March 31, 2019 and 2018

	Millions of yen		Millions of U.S. dollars	
	2019	2018	2019	2018
Operating Income	¥ 146,437	¥ 170,187	\$ 1,319	\$ 1,601
Interest Income	101,929	113,183	918	1,065
Interest on Loans	92,450	103,701	832	976
Interest and Dividends on Securities	5,603	5,722	50	53
Interest on Call Loans	1,264	857	11	8
Interest on Deposits	1,247	1,232	11	11
Interest on Interest Swaps	21	32	0	0
Other Interest Income	1,342	1,637	12	15
Fees and Commissions	9,668	9,357	87	88
Domestic and Foreign Exchange Commissions	1,450	1,469	13	13
Other Fees and Commissions	8,218	7,887	74	74
Trading Revenue	2,948	2,579	26	24
Trading Securities Revenue	—	17	—	0
Income from Securities and Derivatives Related to Trading Transactions	1	—	0	—
Revenue from Trading-related Financial Derivatives	2,946	2,561	26	24
Other Operating Income	1,479	1,714	13	16
Revenue from Foreign Exchange Trading	943	1,393	8	13
Revenue from Sales of Government and Other Bonds	536	318	4	2
Income from Derivatives Other than for Trading or Hedging	—	2	—	0
Other Income	30,411	43,354	273	408
Reversal of Reserve for Possible Loan Losses	—	20,984	—	197
Collection of Written-off Claims	46	100	0	0
Revenue from Sales of Stocks and Other Securities	454	350	4	3
Other Income	29,910	21,918	269	206
Operating Expenses	115,645	113,240	1,041	1,065
Interest Expenses	7,277	7,490	65	70
Interest on Deposits	2,971	2,844	26	26
Interest on Negotiable Certificates of Deposit	1,080	612	9	5
Interest on Debentures	1,555	2,097	14	19
Interest on Call Money	(1)	(16)	(0)	(0)
Interest on Payables under Repurchase Agreements	—	0	—	0
Interest on Debenture Rental Transactions	57	45	0	0
Interest on Borrowed Money	1,574	1,866	14	17
Other Interest Expenses	38	40	0	0
Fees and Commissions	2,016	2,620	18	24
Domestic and Foreign Exchange Commissions	405	400	3	3
Other Fees and Commissions	1,611	2,219	14	20
Trading Expenses	9	0	0	0
Expenses on Trading Securities and Derivatives	9	—	0	—
Expenses on Securities and Derivatives Related to Trading Transactions	—	0	—	0
Other Operating Expenses	611	139	5	1
Losses on Sales of Government and Other Bonds	77	12	0	0
Amortization of Government and Other Bonds	143	114	1	1
Amortization of Debenture Issue Expenses	17	12	0	0
Expenses on Financial Derivatives	373	—	3	—
General and Administrative Expenses	77,715	77,408	700	728
Other Expenses	28,014	25,581	252	240
Provision for Possible Loan Losses	1,419	—	12	—
Write-off of Loans	349	314	3	2
Losses on Sales of Stocks and Other Securities	30	27	0	0
Write-off of Stocks	152	10	1	0
Other Expenses	26,062	25,227	234	237
Profit before Income Taxes and Other	30,791	56,947	277	536

Non-Consolidated Statement of Operations

The Shoko Chukin Bank, Ltd. For the years ended March 31, 2019 and 2018

	Millions of yen		Millions of U.S. dollars	
	2019	2018	2019	2018
Other Gains	686	102	6	0
Gains on Disposal of Fixed Assets	686	102	6	0
Other Losses	6,850	745	61	7
Losses on Disposal of Fixed Assets	89	187	0	1
Impairment Losses	6,760	558	60	5
Profit before Income Taxes	24,628	56,304	221	529
Provision for Income Taxes	11,342	13,178	102	124
Adjustment for Income Taxes	(1,200)	6,830	(10)	64
Total Income Taxes	10,142	20,008	91	188
Profit	¥ 14,485	¥ 36,295	\$ 130	\$ 341

PRINCIPAL SHAREHOLDERS
Common Stock

Shareholder Name	Number of Stocks Held (Thousand shares)	Percentage of Total Common Stock Issued and Outstanding (%)
The Minister of Finance	1,016,000	46.68
Chubu Automobile Insurance Cooperative for Truck Transport Companies	8,085	0.37
Kantoh Automobile Insurance Cooperative for Truck Transport Companies	6,580	0.30
Koishia Co., Ltd.	6,087	0.27
BOT LEASE CO., LTD.	5,300	0.24
Tokyo Mokuzai Tonya Kyoudou Kumiai	5,000	0.22
OSAKA SEMBA FASHION CO-OPERATIVE ASSOCIATION	4,810	0.22
Hokuoh Shinyo Kumiai	4,662	0.21
Kyodokumiai Koyama Kyoiku Sangyo Group	4,223	0.19
Kyouritsu Shinyo Kumiai	3,772	0.17
Total	1,064,519	48.68

Notes: 1. As of March 31, 2019.

2. In addition to the principal shareholder information presented in the preceding chart, the Shoko Chukin Bank holds 10,142 thousand shares of treasury stock, representing 0.46% of total common stock issued and outstanding.

CAPITAL RATIO (Uniform International Standards)

(¥100 million, %)

	(As of March 31, 2019)
1. Total Risk-weighted Capital Ratio (4/7)	13.02
2. Tier 1 Risk-weighted Capital Ratio (5/7)	12.34
3. Common Equity Tier 1 Risk-weighted Capital Ratio (6/7)	12.34
4. Total Capital	9,805
5. Tier 1 Capital	9,296
6. Common Equity Tier 1 Capital	9,296
7. Risk-weighted Assets	75,309
8. Total Required Capital	6,024

LEVERAGE RATIO (Uniform International Standards)

(%)

	(As of March 31, 2019)
Leverage Ratio	7.72

The Bank's Capital Ratio, etc.:

The Bank's capital ratio is calculated in accordance with the formula stipulated in "Standard for Assessment of Management Soundness under Announcement No. 2 of 2008 from the Financial Services Agency, the Ministry of Finance and the Ministry of Economy, Trade and Industry pursuant to Article 23, Paragraph 1 of the Shoko Chukin Bank Law." In addition to applying the uniform international standard, the Bank adopts the standard method for Credit Risk-weighted Assets calculation and the basic method for Operational Risk calculation. Market Risk is not calculated according to special provision for exclusion.

In addition, the Bank's leverage ratio, an indicator that supplements the capital ratio, is calculated in accordance with the formula stipulated in "Standard for Assessment of Soundness Concerning Leverage that is Stipulated as Indicator that Supplements Standard for Assessment of Management Soundness under Announcement No. 3 of 2019 from the Financial Services Agency, the Ministry of Finance and the Ministry of Economy, Trade and Industry pursuant to Article 23, Paragraph 1 of the Shoko Chukin Bank Law."

SUMMARY OF INCOME

(¥100 million)

Fiscal period ended	March 31, 2019	March 31, 2018
Gross Operating Profit	1,061	1,165
General and Administrative Expenses (Excluding Nonrecurring Items)	754	752
Operating Profit (Operating Profit before Deduction of Provision for the General Reserve for Possible Loan Losses)	306	413
Provision for the General Reserve for Possible Loan Losses	(73)	—
Operating Profit	379	413
Nonrecurring Loss (Including Nonrecurring Expenses)	(71)	156
Income before Income Taxes and Other	307	569
Other Gains and Losses	(61)	(6)
Provision for Income Taxes — Corporate Tax, Inhabitant Tax and Enterprise Tax	113	131
Adjustment of Income Taxes	(12)	68
Net Income	144	362

Note: Operating Profit is income generated by the Bank's primary businesses and is calculated using the following formula:

$$\text{Operating Profit} = \text{Gross Operating Profit} - (\text{Provision for the General Reserve for Possible Loan Losses} + \text{General and Administrative Expenses (Excluding Nonrecurring Items)})$$
GROSS OPERATING PROFIT

(¥100 million, %)

Fiscal period ended	March 31, 2019			March 31, 2018		
	Domestic	International	Total	Domestic	International	Total
Net Interest Income	914	32	946	1,029	27	1,056
Fees and Commissions	69	6	76	60	6	67
Trading Revenue	18	10	29	15	10	25
Other Operating Income	2	5	8	4	11	15
Gross Operating Profit	1,005	55	1,061	1,109	56	1,165
Gross Operating Profit Ratio (%)	0.87	2.27	0.91	0.91	2.17	0.94

Notes: 1. Domestic departments handle transactions in yen with Japanese residents through the domestic offices. International departments handle transactions with non-residents in Japan, foreign currency transactions and transactions made on special international financial accounts (transactions in the Tokyo Offshore Market) through the domestic offices and those operated through the New York branch.

$$2. \text{Gross Operating Profit Ratio} = \frac{\text{Gross Operating Profit}}{\text{Average Balance of Interest Earning Assets}} \times 100$$

BALANCE OF LOANS		(¥100 million)					
Fiscal period ended		March 31, 2019			March 31, 2018		
		Domestic	International	Total	Domestic	International	Total
Fiscal Period-end Balance	Loans on Deeds	65,698	1,336	67,035	71,157	1,248	72,406
	Loans on Notes	3,078	338	3,416	2,731	319	3,050
	Overdraft	10,516	—	10,516	9,007	—	9,007
	Bills Discounted	1,928	—	1,928	2,016	—	2,016
	Total	81,222	1,674	82,897	84,913	1,567	86,481
Average Balance	Loans on Deeds	68,102	1,331	69,433	74,214	1,352	75,566
	Loans on Notes	2,849	328	3,177	2,499	354	2,853
	Overdraft	9,273	—	9,273	8,474	—	8,474
	Bills Discounted	1,604	—	1,604	1,652	—	1,652
	Total	81,829	1,659	83,489	86,840	1,706	88,547

Note: The average balance of foreign currency loans with domestic offices stated in the International column is calculated by the monthly current method.

BREAKDOWN OF LOAN BALANCE BY INDUSTRY		(¥100 million, %)	
		As of March 31, 2019	As of March 31, 2018
Manufacturing		27,199 (32.8)	28,572 (33.0)
Machinery and Metal Product Manufacturing		14,133 (17.0)	14,819 (17.1)
Agriculture and Forestry		304 (0.4)	293 (0.3)
Fisheries		50 (0.1)	36 (0.1)
Mining and Quarrying of Stone and Gravel		125 (0.2)	121 (0.2)
Construction		2,359 (2.9)	2,443 (2.8)
Electricity, Gas, Heat Supply and Water		262 (0.3)	292 (0.3)
Information and Communications, Transport and Postal Activities		11,035 (13.3)	11,509 (13.3)
Wholesale and Retail		25,719 (31.0)	27,101 (31.3)
Finance and Insurance		437 (0.5)	424 (0.5)
Real Estate and Goods Rental and Leasing		6,563 (7.9)	6,503 (7.5)
Various Services		8,273 (10.0)	8,629 (10.0)
Local Governments		2 (0.0)	3 (0.0)
Others		118 (0.1)	132 (0.2)
Overseas and Special International Financial Accounts		444 (0.5)	417 (0.5)
Total		82,897	86,481

Note: The figures in parentheses represent percentages of the total.

PROBLEM LOANS		(¥100 million, %)	
		As of March 31, 2019	As of March 31, 2018
Loans to Bankrupt Companies	(A)	560	565
(Loans to Bankrupt Companies other than Loss Classification Loans)	(B)	(244)	(244)
Overdue Loans	(C)	2,839	3,199
(Overdue Loans other than Loss Classification Loans)	(D)	(2,365)	(2,642)
Loans Overdue for 3 Months or Longer	(E)	4	9
Rescheduled Loans	(F)	231	255
Total Problem Loans	(G) = (A) + (C) + (E) + (F)	3,635	4,028
Loss Classification Loans in Loans to Bankrupt Companies	(H)	316	321
Loss Classification Loans in Overdue Loans	(I)	473	557
Problem Loans other than Loss Classification Loans	(J) = (B) + (D) + (E) + (F)	2,846	3,150
Loans other than Loss Classification Loans	(K)	82,109	85,609
Percentage of Loans (%)	(J)/(K)	3.5	3.7

- Notes: 1. Loans to Bankrupt Companies are loans for which accrued interest is not shown in the accounts* based on the assumption that principal or interest is likely to be unrecoverable (because interest or principal payments have been long overdue or for other reasons), where the loans in question are affected by the circumstances defined in Article 96, Clause 1, Numbers 3a-e or Number 4 of the Corporation Tax Law Enforcement Ordinance (Cabinet Ordinance No. 97 of 1965).
2. Overdue Loans are loans of which accrued interest is not shown in the accounts, excluding loans to bankrupt companies and loans of which the rescheduling of interest payments have been granted to support the financial restructuring of the borrowers.
3. Loans Overdue for 3 Months or Longer are defined as loans on which principal or interest payments are overdue by 3 months or longer reckoning from the payment date stipulated in the contract. The loans that are classified as loans to bankrupt companies and overdue loans are excluded.
4. Rescheduled Loans are loans other than in Loans to Bankrupt Companies, Overdue Loans or Loans Overdue for 3 Months or Longer for which the terms have been eased to support the financial restructuring of the borrower through measures agreed in favor of the borrower, such as reduction of interests payments, postponement of interest or principal repayments and abandonment of claims.
5. Loss Classification Loans are those that are classified as unrecoverable based on our self-assessment of assets. The full amount of these loans is included in the Reserve for Possible Loan Losses.
6. Problem Loans other than Loss Classification Loans equal the amount of problem loans minus the amount of the loans defined in Note 5. (The amount of Loss Classification Loans deducted from Problem Loan balances at the end of the fiscal 2017 was ¥87.8 billion out of the Provision for Possible Loan Losses of ¥158.4 billion and at the end of the fiscal 2018 was ¥78.9 billion out of the Provision for Possible Loan Losses of ¥150.2 billion.)
- * Loans for which accrued interest is not shown in the accounts: loans to bankrupt companies for which accrued interest is not shown in the accounts based on the assumption that principal or interest is likely to be unrecoverable because the interest or principal payments have been long overdue or for other reasons (excluding loans that have been written off.)