

Coverage and reserve conditions of disclosed loans based on the Shinkin Bank Act (risk management loans) and disclosed claims based on the Financial Reconstruction Act

	Millions of yen		Millions of U.S. dollars
	Mar 31, 2022	Mar 31, 2021	Mar 31, 2022
Bankrupt or de-facto bankrupt	¥ 31,510	¥ 28,838	\$ 257
Doubtful (In danger or bankruptcy)	72,478	66,397	592
Special attention	2,271	1,934	18
Loans in arrears 3 months or more	—	—	—
Loans whose conditions have been eased	2,271	1,934	18
Subtotal (a)	106,260	97,169	868
Normal loans and claims	1,341,998	1,350,275	10,964
Total	1,448,259	1,447,445	11,832
Coverage amount (b)	101,755	92,559	831
Portion of loans and claims secured by collateral or guarantees, etc. (c)	94,890	85,312	775
Reserve (d)	6,865	7,246	56
Protection ratio (%) (b) / (a)	95.76	95.25	—
Reserve rate (%) (d) / ((a) - (c))	60.38	61.12	—

1. "Bankrupt or de-facto bankrupt"

Loans to borrowers who have fallen into bankruptcy for reasons such as commencement of bankruptcy proceedings, commencement of rehabilitation proceedings, or commencement of reorganization proceedings.

2. "Doubtful (in danger of bankruptcy)"

Loans for which final collection of principal and interest in line with original agreements is highly improbable due to deterioration of financial position and business performance, but not insolvency of the borrower (except those in 1).

3. "Special attention"

Total amount of loans classified as "Loans in arrears for 3 months or more" and loans classified as "Loans whose conditions have been eased" in the Shinkin Bank Act.

4. "Loans in arrears for 3 months or more"

Loans for which repayment of the capital or interest is past the stipulated due date by three months or more (except those in 1 and 2 above).

5. "Loans whose conditions have been eased"

Loans for which special conditions have been negotiated that are favorable to the borrower, such as reduction of interest rate, delay of interest payment, delay of capital repayment, or debt forgiveness, to encourage management reorganization of the borrower (except those in 1, 2, and 4 above).

6. "Normal loans and claims"

Loans for which there are no particular problems in terms of the financial situation or operating results of the borrower; i.e., loans other than those in 1, 2, and 3 above.

7. "Portion of loans and claims secured by collateral or guarantees, etc." (c) is the total of collateral expected to be available for disposition, plus the amount of funds expected to be recoverable from guarantees, calculated based on self-assessment.

8. "Reserve" (d) is calculated by excluding general reserves for possible loan losses for normal loans and claims.

9. Loans in the categories "Bankrupt or de-facto bankrupt," "Doubtful (in danger of bankruptcy)," and "Normal loans and claims" appear in the balance sheet as: corporate bonds under securities (only those for which redemption of principal and all or part of interest payments are guaranteed, and for which issue of the said bond is "private placement of securities" (Article 2, Paragraph 3 of the Financial Instruments and Exchange Act)), loans and bills discounted, foreign exchange, accrued interest and suspense payments under other assets, and customers' liabilities for acceptances and guarantees, and securities in the case when there is lending of securities indicated in the note (only loans for use based on an agreement and lending based on an agreement).