

Financial Results for FY2019



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I . Overviews of the Financial Results for the Year Ended March 31, 2020 (Fiscal Year 2019)

1 . Summary of Revenue and Expenses

【Consolidated】

(million yen)

	FY 2019		FY 2018
	(A)	(A)-(B)	(B)
Consolidated net revenue ※1	95,711	11,870	83,840
Net interest income	48,789	(1,494)	50,284
Net fees and commissions	12,655	(294)	12,949
Net trading income	18,073	9,733	8,340
Net other ordinary income	16,191	3,925	12,265
General and administrative expenses	(53,398)	(3,965)	(49,433)
Business profit ※2	42,312	7,904	34,407
Credit-related expenses	(11,742)	(10,724)	(1,018)
Write-off of loans	(1,089)	(829)	(260)
Provision of specific allowance for loan losses	(8,068)	(3,876)	(4,191)
Provision of general allowance for loan losses	(2,660)	(5,215)	2,554
Provision of allowance for loans to restructuring countries	-	-	-
Loss on disposition of loans	(721)	(395)	(325)
Recoveries of written-off claims	501	(569)	1,070
Provision of reserve for credit losses on off-balance-sheet instruments	296	161	134
Gains (losses) on stock transactions	11,663	(1,630)	13,294
Income from interests in associated undertakings	-	-	-
Other	1,096	(15)	1,112
Ordinary profit	43,330	(4,466)	47,796
Extraordinary profit (loss)	(4)	(2)	(1)
Profit before income taxes and non-controlling interests	43,325	(4,469)	47,794
Income taxes-current	(19,843)	(6,364)	(13,478)
Income taxes-deferred	2,099	2,388	(288)
Profit	25,582	(8,445)	34,027
Loss attributable to non-controlling interests	2,560	456	2,103
Profit attributable to owners of parent	28,142	(7,988)	36,130

※1 Consolidated net revenue = (Interest income - Interest expenses)
+ (Trust fees + Fees and commissions income - Fees and commissions expenses)
+ (Trading income - Trading expenses) + (Other ordinary income - Other ordinary expenses)

※2 Business profit = Consolidated net revenue - General and administrative expenses

(Note) The amounts are rounded down to the nearest million yen.

(Scope of Consolidation and Equity-Method Application)

(Number of companies)

	FY 2019		FY 2018
	(A)	(A)-(B)	(B)
Consolidated subsidiaries	25	2	23
Subsidiaries and affiliated companies applying equity-method	0	0	0

【Non-consolidated】

(million yen)

	FY 2019		FY 2018 (B)
	(A)	(A)-(B)	
Net revenue	87,925	9,556	78,369
(Excluding gains (losses) on bond transactions)	73,336	(126)	73,463
Net interest income	46,237	(1,605)	47,842
Net fees and commissions ※	12,047	(523)	12,570
Net trading income	13,620	7,427	6,193
Net other ordinary income	16,020	4,257	11,763
(Gains (losses) on bond transactions)	14,589	9,682	4,906
General and administrative expenses	(43,498)	(2,625)	(40,872)
Personnel	(21,221)	(958)	(20,262)
Property and equipment	(19,535)	(1,388)	(18,147)
Taxes	(2,741)	(279)	(2,462)
Core net business profit	44,427	6,930	37,496
Core net business profit excluding gains(losses) on bonds	29,838	(2,752)	32,590
Core net business profit excluding gains(losses) on bonds and cancellation on investment trusts	29,345	871	28,473
Credit-related expenses	(11,353)	(10,974)	(378)
Written-off of loans	(1,133)	(983)	(149)
Provision of specific allowance for loan losses	(8,058)	(3,863)	(4,195)
Provision of general allowance for loan losses	(2,761)	(5,770)	3,009
Provision of allowance for loans to restructuring countries	-	-	-
Loss on disposition of loans	-	(214)	214
Recoveries of written-off claims	320	(284)	605
Provision of reserve for credit losses on off-balance-sheet instruments	280	142	138
Gains (losses) on stock transactions	11,663	(1,630)	13,294
Other	604	(318)	922
Ordinary profit	45,342	(5,993)	51,335
Extraordinary profit (loss)	(4)	(2)	(1)
Profit before income taxes	45,338	(5,996)	51,334
Income taxes-current	(18,530)	(5,471)	(13,058)
Income taxes-deferred	1,861	2,094	(233)
Profit	28,669	(9,373)	38,043
Business profit	41,666	1,160	40,505

※ Trust fees are included.

(Note) The amounts are rounded down to the nearest million yen.

2. Profit Margins [Non-consolidated]

(Total)

	FY 2019		FY 2018
	(A)	(A)-(B)	
(1) Yield on total investments (A)	2.11%	(0.18%)	2.29%
Yield on loans (B)	2.05%	(0.07%)	2.12%
Yield on securities	2.45%	(0.41%)	2.86%
(2) Rate of funding cost (including general and administrative expenses) (C)	2.01%	(0.07%)	2.08%
Cost of debentures, deposits & certificates of deposit (including general and administrative expenses) (D)	1.54%	(0.01%)	1.55%
Yield on debentures, deposits & certificates of deposit (E)	0.22%	(0.02%)	0.24%
Yield on borrowings	0.44%	(0.11%)	0.55%
(3) Profit margins (A) - (C)	0.10%	(0.11%)	0.21%
(4) Loan margin (B) - (D)	0.51%	(0.06%)	0.57%
(5) Yield spread (B) - (E)	1.83%	(0.05%)	1.88%

(Note) The figures are calculated in the method specified in "Kessan Jokyohyo".

(Domestic operations)

	FY 2019		FY 2018
	(A)	(A)-(B)	
(1) Yield on total investments (A)	0.73%	0.04%	0.69%
Yield on loans (B)	1.02%	0.12%	0.90%
Yield on securities	1.58%	(0.27%)	1.85%
(2) Rate of funding cost (including general and administrative expenses) (C)	1.21%	0.00%	1.21%
Cost of debentures, deposits & certificates of deposit (including general and administrative expenses) (D)	1.38%	(0.01%)	1.39%
Yield on debentures, deposits & certificates of deposit (E)	0.15%	(0.01%)	0.16%
Yield on borrowings	0.26%	(0.01%)	0.27%
(3) Profit margins (A) - (C)	(0.48%)	0.04%	(0.52%)
(4) Loan margin (B) - (D)	(0.36%)	0.13%	(0.49%)
(5) Yield spread (B) - (E)	0.87%	0.13%	0.74%

(Note) The figures are calculated in the method specified in "Kessan Jokyohyo".

3. Business Profit [Non-consolidated]

(million yen)

	FY 2019		FY 2018
	(A)	(A)-(B)	
Core net business profit	44,427	6,930	37,496
per employee (thousand yen)	22,959	2,789	20,170

4. ROE [Non-consolidated]

	FY 2019		FY 2018
	(A)	(A)-(B)	
Core net business profit basis	10.24%	1.64%	8.60%
Profit basis	6.61%	(2.11%)	8.72%

$$\text{ROE} = \frac{\text{Profit}}{\{(\text{Total net assets at beginning of term} - \text{Share acquisition rights}) + (\text{Total net assets at end of term} - \text{Share acquisition rights})\}} \div 2$$

5. Gains (losses) on Securities Transactions [Non-consolidated]

(million yen)

	FY 2019		FY 2018
	(A)	(A)-(B)	
Gains (losses) on bond transactions	14,589	9,682	4,906
Gain on sale	19,677	12,017	7,659
Gain on redemption	-	-	-
Loss on sale	(4,586)	(2,411)	(2,174)
Loss on redemption	(292)	286	(579)
Loss on devaluation	(209)	(209)	(0)
Gains (losses) on stock transactions	11,663	(1,630)	13,294
Gain on sale	13,408	113	13,294
Loss on sale	(0)	(0)	-
Loss on devaluation	(1,744)	(1,744)	-

6. Investments and Funding

【Non-consolidated】

(Total)

(million yen)

	FY 2019 (A)		(A) - (B)		FY 2018 (B)	
	Average balance	Yield	Average balance	Yield	Average balance	Yield
Total investments	4,386,274	2.11%	241,883	(0.18%)	4,144,391	2.29%
Due from banks	39,152	1.79%	(3,781)	(0.07%)	42,933	1.86%
Call loans	249	0.05%	(73)	(1.66%)	322	1.71%
Receivables under resale agreements	1,358	(0.10%)	1,355	(0.03%)	2	(0.07%)
Receivables under securities borrowing transactions	-	-	(283)	(0.00%)	283	0.00%
Securities	1,279,631	2.45%	19,798	(0.41%)	1,259,832	2.86%
Loans and bills discounted	2,879,883	2.04%	197,547	(0.07%)	2,682,336	2.11%
Total funding	4,469,091	1.04%	247,755	(0.07%)	4,221,336	1.11%
Deposits	3,160,434	0.22%	209,617	(0.02%)	2,950,817	0.24%
Negotiable certificates of deposit	76,555	0.00%	(34,104)	0.00%	110,659	0.00%
Debentures	50,170	0.27%	(3,677)	0.00%	53,847	0.27%
Call money	49,823	1.26%	(27,056)	0.00%	76,880	1.26%
Payables under repurchase agreements	67,393	2.26%	26,944	(0.11%)	40,448	2.37%
Payables under securities lending transactions	457,352	2.07%	29,846	0.02%	427,505	2.05%
Borrowed money	335,189	0.31%	30,854	(0.06%)	304,334	0.37%
Bonds payable	240,913	1.10%	16,706	0.28%	224,206	0.82%

(Domestic operations)

(million yen)

	FY 2019 (A)		(A) - (B)		FY 2018 (B)	
	Average balance	Yield	Average balance	Yield	Average balance	Yield
Total investments	3,690,043	0.73%	194,115	0.04%	3,495,928	0.69%
Due from banks	353	0.02%	(4,420)	0.02%	4,774	0.00%
Call loans	246	0.02%	191	(0.10%)	55	0.12%
Receivables under resale agreements	1,358	(0.10%)	1,355	(0.03%)	2	(0.07%)
Receivables under securities borrowing transactions	-	-	(283)	(0.00%)	283	0.00%
Securities	300,647	1.58%	(3,366)	(0.27%)	304,013	1.85%
Loans and bills discounted	1,738,633	1.04%	166,841	0.10%	1,571,792	0.94%
Total funding	3,745,417	0.16%	165,667	(0.01%)	3,579,749	0.17%
Deposits	3,048,801	0.15%	205,504	(0.01%)	2,843,296	0.16%
Negotiable certificates of deposit	76,555	0.00%	(34,104)	0.00%	110,659	0.00%
Debentures	50,170	0.27%	(3,677)	0.00%	53,847	0.27%
Call money	26,131	(0.00%)	(14,235)	0.02%	40,367	(0.02%)
Payables under repurchase agreements	-	-	(2)	0.02%	2	(0.02%)
Payables under securities lending transactions	32,034	0.00%	(21,233)	(0.00%)	53,268	0.00%
Borrowed money	329,165	0.28%	33,551	(0.03%)	295,613	0.31%
Bonds payable	159,341	0.11%	(13,022)	0.00%	172,364	0.11%

【Consolidated】

(Total)

(million yen)

	FY 2019 (A)		(A) - (B)		FY 2018 (B)	
	Average balance	Yield	Average balance	Yield	Average balance	Yield
Total investments	4,385,755	2.17%	269,810	(0.19%)	4,115,945	2.36%
Due from banks	72,628	1.15%	5,724	(0.23%)	66,903	1.38%
Call loans and bills bought	20,768	(0.02%)	20,445	(1.73%)	322	1.71%
Receivables under resale agreements	1,358	(0.10%)	1,355	(0.03%)	2	(0.07%)
Receivables under securities borrowing transactions	-	-	(283)	(0.00%)	283	0.00%
Securities	1,203,893	2.60%	9,253	(0.42%)	1,194,640	3.02%
Loans and bills discounted	2,878,279	2.13%	208,092	(0.08%)	2,670,187	2.21%
Total funding	4,517,505	1.03%	278,309	(0.08%)	4,239,196	1.11%
Deposits	3,208,266	0.22%	241,162	(0.02%)	2,967,104	0.24%
Negotiable certificates of deposit	76,555	0.00%	(34,104)	0.00%	110,659	0.00%
Debentures	50,170	0.27%	(3,677)	0.00%	53,847	0.27%
Call money and bills sold	49,823	1.26%	(27,056)	0.00%	76,880	1.26%
Payables under repurchase agreements	67,393	2.26%	26,944	(0.11%)	40,448	2.37%
Payables under securities lending transactions	457,352	2.07%	29,846	0.02%	427,505	2.05%
Borrowed money	335,771	0.32%	29,863	(0.05%)	305,907	0.37%
Bonds payable	240,913	1.10%	16,706	0.28%	224,206	0.82%

7. Unrealized Gains and Losses on Securities

① Valuation standards

Held-for-trading securities	Fair value
Held-to-maturity bonds	Amortized cost
Stocks in subsidiaries and affiliates	Acquisition cost
Available-for-sale securities	
With fair value available	Fair value (Unrealized gains (losses) recorded in net assets, net of taxes.)
Without fair value available	Acquisition cost

② Unrealized gains and losses

【Non-consolidated】

(million yen)

		March 31, 2020				March 31, 2019		
		Unrealized gains and losses				Unrealized gains and losses		
		(A)	(A)-(B)	gains	losses	(B)	gains	losses
Held-to-maturity bonds		-	-	-	-	-	-	-
Stocks in subsidiaries and affiliates		-	-	-	-	-	-	-
Available-for-sale securities		(18,651)	(56,581)	39,018	57,670	37,929	64,999	27,069
Japanese stocks		10,132	(38,382)	10,178	45	48,515	48,545	30
Japanese debt securities		594	67	749	154	527	624	96
Other		(29,378)	(18,265)	28,091	57,469	(11,112)	15,829	26,942
Total		(18,651)	(56,581)	39,018	57,670	37,929	64,999	27,069
Japanese stocks		10,132	(38,382)	10,178	45	48,515	48,545	30
Japanese debt securities		594	67	749	154	527	624	96
Other		(29,378)	(18,265)	28,091	57,469	(11,112)	15,829	26,942

(Note) The gain or loss from revaluation of 'Securities' on the balance sheet is included in the table above.

A portion of beneficial interests in investment trust within 'Monetary claims bought' are marked-to-market, but the unrealized gains and losses in the table below are not included in the table above.

		March 31, 2020				March 31, 2019		
		Unrealized gains and losses (A)	(A)-(B)	gains	losses	Unrealized gains and losses (B)	gains	losses
Monetary claims bought		13	2	13	-	10	11	0

Available-for-sale securities are marked-to-market, and above figures are difference between balance sheet amount and acquisition cost.

【Consolidated】

(million yen)

		March 31, 2020				March 31, 2019		
		Unrealized gains and losses				Unrealized gains and losses		
		(A)	(A)-(B)	gains	losses	(B)	gains	losses
Held-to-maturity bonds		-	-	-	-	-	-	-
Available-for-sale securities		(18,650)	(56,619)	39,019	57,670	37,968	65,037	27,069
Japanese stocks		10,132	(38,382)	10,178	45	48,515	48,545	30
Japanese debt securities		595	66	749	154	529	625	96
Other		(29,378)	(18,302)	28,091	57,469	(11,075)	15,866	26,942
Total		(18,650)	(56,619)	39,019	57,670	37,968	65,037	27,069
Japanese stocks		10,132	(38,382)	10,178	45	48,515	48,545	30
Japanese debt securities		595	66	749	154	529	625	96
Other		(29,378)	(18,302)	28,091	57,469	(11,075)	15,866	26,942

(Note) The gain or loss from revaluation of 'Securities' on the consolidated balance sheet is included in the table above.

A portion of beneficial interests in investment trust within 'Monetary claims bought' are marked-to-market, but the unrealized gains and losses in the table below are not included in the table above.

		March 31, 2020				March 31, 2019		
		Unrealized gains and losses (A)	(A)-(B)	gains	losses	Unrealized gains and losses (B)	gains	losses
Monetary claims bought		13	2	13	-	10	11	0

Available-for-sale securities are marked-to-market, and above figures are difference between consolidated balance sheet amount and acquisition cost.

8. Employees' Retirement Benefits

① Provision for retirement benefits

【Non-consolidated】

(million yen)

			March 31, 2020		March 31, 2019
			(A)	(A) - (B)	(B)
	Defined retirement benefit obligation	(A)	(41,555)	135	(41,691)
	Fair value of plan assets	(B)	33,983	(1,773)	35,757
	Unfunded retirement benefit obligation	(C)=(A)+(B)	(7,572)	(1,637)	(5,934)
	Unrecognized actuarial losses	(D)	2,816	1,117	1,698
	Unrecognized prior-service cost	(E)	(409)	327	(737)
	Net liability recognized	(F)=(C)+(D)+(E)	(5,165)	(192)	(4,972)
	Prepaid pension costs	(G)	4,669	396	4,272
	Provision for retirement benefits	(F)-(G)	(9,834)	(589)	(9,245)

【Consolidated】

(million yen)

			March 31, 2020		March 31, 2019
			(A)	(A) - (B)	(B)
	Defined retirement benefit obligation	(A)	(41,824)	46	(41,871)
	Fair value of plan assets	(B)	33,983	(1,773)	35,757
	Unfunded retirement benefit obligation	(C)=(A)+(B)	(7,841)	(1,727)	(6,113)
	Retirement benefit asset	(D)	2,507	(1,163)	3,671
	Retirement benefit liability	(C)-(D)	(10,348)	(563)	(9,784)
	Unrecognized actuarial losses	(E)	(2,816)	(1,117)	(1,698)
	Unrecognized prior-service cost	(F)	409	(327)	737
	Remeasurements of defined benefit plans (before income tax effect)	(E)+(F)	(2,406)	(1,445)	(961)

② Net periodic retirement benefit costs

【Non-consolidated】

(million yen)

			FY 2019		FY 2018
			(A)	(A) - (B)	(B)
	Net periodic retirement benefit costs		1,098	388	710
	Service cost		1,587	26	1,560
	Interest cost		165	1	163
	Expected return on plan assets		(893)	(23)	(870)
	Amortization of prior-service cost		(327)	-	(327)
	Recognized actuarial losses		564	380	184
	Other		3	3	-

【Consolidated】

(million yen)

			FY 2019		FY 2018
			(A)	(A) - (B)	(B)
	Net periodic retirement benefit costs regarding defined benefit pension plans		1,202	429	773

9. Capital Adequacy Ratio (under Japanese domestic standards)

■ Basel III

【Consolidated】

(million yen)

	March 31, 2020			March 31, 2019 (B)	September 30, 2019 (C)
	preliminary (A)	(A) - (B)	(A) - (C)		
(1) Capital adequacy ratio (4)/(5)	10.29%	0.02%	(0.05%)	10.27%	10.34%
(2) Core capital: instruments and reserves	488,389	10,797	4,974	477,592	483,415
(3) Core capital: regulatory adjustments	15,268	(464)	(1,069)	15,733	16,337
(4) Regulatory capital (2)-(3)	473,121	11,262	6,043	461,859	467,077
(5) Risk-weighted assets	4,594,922	101,756	81,355	4,493,166	4,513,566
(6) Total required capital (5)*4%	183,796	4,070	3,254	179,726	180,542

【Non-consolidated】

(million yen)

	March 31, 2020			March 31, 2019 (B)	September 30, 2019 (C)
	preliminary (A)	(A) - (B)	(A) - (C)		
(1) Capital adequacy ratio (4)/(5)	10.26%	0.07%	(0.03%)	10.19%	10.29%
(2) Core capital: instruments and reserves	484,041	13,059	6,657	470,982	477,384
(3) Core capital: regulatory adjustments	11,638	183	(78)	11,454	11,716
(4) Regulatory capital (2)-(3)	472,403	12,876	6,735	459,527	465,667
(5) Risk-weighted assets	4,604,075	96,799	82,713	4,507,275	4,521,361
(6) Total required capital (5)*4%	184,163	3,871	3,308	180,291	180,854

The 'Composition of Capital Disclosure' is available on our website at

<https://www.aozorabank.co.jp/english/ir/library/>

II. Status of Loans, etc.

1. Risk Monitored Loans

☐ After partial and direct written-off

【Non-consolidated】

(million yen)

		March 31, 2020			March 31, 2019	September 30, 2019
		(A)	(A) - (B)	(A) - (C)	(B)	(C)
Risk Monitored Loans	Loans to bankrupt companies	4,400	4,400	1,178	-	3,222
	Past due loans	21,600	7,398	5,598	14,201	16,001
	Loans overdue for 3 months or more	-	-	-	-	-
	Restructured loans	2,284	875	875	1,409	1,409
	Total	28,285	12,674	7,652	15,610	20,633
Loan balance (end of period basis)		2,937,508	155,376	83,063	2,782,131	2,854,444

Ratio to Loan balance	Loans to bankrupt companies	0.1%	0.1%	0.0%	-	0.1%
	Past due loans	0.7%	0.2%	0.1%	0.5%	0.6%
	Loans overdue for 3 months or more	-	-	-	-	-
	Restructured loans	0.1%	0.0%	0.1%	0.1%	0.0%
	Total	1.0%	0.4%	0.3%	0.6%	0.7%

☐ After partial and direct written-off

【Consolidated】

(million yen)

		March 31, 2020			March 31, 2019	September 30, 2019
		(A)	(A) - (B)	(A) - (C)	(B)	(C)
Risk Monitored Loans	Loans to bankrupt companies	4,460	4,460	1,186	-	3,274
	Past due loans	21,614	7,413	5,583	14,201	16,030
	Loans overdue for 3 months or more	-	-	-	-	-
	Restructured loans	2,284	875	875	1,409	1,409
	Total	28,359	12,748	7,645	15,610	20,713
Loan balance (end of period basis)		2,954,122	174,228	115,665	2,779,894	2,838,456

Ratio to Loan balance	Loans to bankrupt companies	0.2%	0.2%	0.1%	-	0.1%
	Past due loans	0.7%	0.2%	0.1%	0.5%	0.6%
	Loans overdue for 3 months or more	-	-	-	-	-
	Restructured loans	0.1%	0.0%	0.0%	0.1%	0.1%
	Total	1.0%	0.4%	0.3%	0.6%	0.7%

2. Allowance for Loan Losses

☐ After partial and direct written-off

【Non-consolidated】

(million yen)

	March 31, 2020			March 31, 2019	September 30, 2019
	(A)	(A) - (B)	(A) - (C)	(B)	(C)
Allowance for loan losses	53,183	8,904	11,990	44,279	41,192
General allowance	39,612	2,761	7,292	36,851	32,320
Specific allowance	13,571	6,143	4,698	7,428	8,872
Allowance for loans to restructuring countries	-	-	-	-	-

☐ After partial and direct written-off

【Consolidated】

(million yen)

	March 31, 2020			March 31, 2019	September 30, 2019
	(A)	(A) - (B)	(A) - (C)	(B)	(C)
Allowance for loan losses	53,799	8,795	12,010	45,004	41,789
General allowance	40,217	2,641	7,315	37,576	32,902
Specific allowance	13,581	6,153	4,695	7,428	8,886
Allowance for loans to restructuring countries	-	-	-	-	-

3. Disclosed Claims under the Financial Reconstruction Law ("FRL Credit")☐ After partial and direct written-off

【Non-consolidated】

(million yen)

	March 31, 2020			March 31, 2019	September 30, 2019
	(A)	(A) - (B)	(A) - (C)	(B)	(C)
Bankrupt and similar credit	4,400	4,400	1,178	-	3,222
Doubtful credit	21,700	7,498	5,698	14,201	16,001
Special attention credit	2,284	875	875	1,409	1,409
Total (a)	28,385	12,774	7,752	15,610	20,633
Normal assets	2,951,507	146,499	78,192	2,805,007	2,873,314
Grand total (b)	2,979,892	159,274	85,944	2,820,618	2,893,947
Non-performing loans ratio (a/b)	1.0%	0.4%	0.3%	0.6%	0.7%

4. Allowance and Coverage for FRL Credit☐ After partial and direct written-off

【Non-consolidated】

(million yen)

	March 31, 2020			March 31, 2019	September 30, 2019
	(A)	(A) - (B)	(A) - (C)	(B)	(C)
Allowance & Coverage (c)	27,568	12,962	8,541	14,605	19,026
Allowance for loan losses (d)	15,263	6,426	4,981	8,837	10,281
Collateral / guarantee coverage (e)	12,304	6,536	3,559	5,767	8,744

(Note) Allowance for loan losses (d) is the sum of specific allowance for loan losses and general allowance for loan losses for FRL Credit.

Coverage Ratio c/a

	March 31, 2020			March 31, 2019	September 30, 2019
	(A)	(A) - (B)	(A) - (C)	(B)	(C)
After partial and direct written-off	97.1%	3.5%	4.9%	93.6%	92.2%

Allowance Ratio d/(a-e)

	March 31, 2020			March 31, 2019	September 30, 2019
	(A)	(A) - (B)	(A) - (C)	(B)	(C)
After partial and direct written-off	94.9%	5.1%	8.4%	89.8%	86.5%

5. Coverage for FRL Credit by Borrowers' Category

☐ After partial and direct written-off

【Non-consolidated】

(100 millions yen)

Borrower categories for self-assessment	FRL Credit		Allowance & Coverage	Allowance Ratio	Coverage Ratio	Risk Monitored Loans
	Loans	other				
Bankrupt borrowers	Bankrupt and similar credit 44		Collateral / Guarantee coverage 44	100.0%	100.0%	Loans to bankrupt companies 44
De facto bankrupt borrowers						
In Danger of Bankruptcy borrowers	Doubtful credit 217		Collateral / Guarantee coverage 79	98.4%	99.0%	Past due loans 216
			Allowance 135			Estimated collections 2
Need Attention borrowers	Special attention credit 22		Collateral / Guarantee coverage -	74.1%	74.1%	Loans overdue for three months or more -
			Allowance 16			Estimated collections 5
Normal borrowers	(Normal credit) (29,515)					

FRL Credit, total 283	Collateral / Guarantee coverage 123 Allowance 152 Estimated collections 8	FRL Credit Allowance Ratio 94.9%	FRL Credit Coverage Ratio 97.1%	Risk Monitored loans 282
Total credit 29,798	Total allowance 531	Allowance ratio = Allowance / (Credit – Collateral, Guarantees, etc.) Coverage ratio = (Collateral, Guarantees + Allowance) / Credit		
The reserve ratio for the non-secured portion of special attention credit		74.1%		
The reserve ratio for the need attention credit		4.8%		
The reserve ratio for the normal credit		0.9%		

(Note) The amounts are rounded down to the nearest 100 millions yen.

6. Off-Balancing of FRL Credit [Non-consolidated]

① Balance of doubtful credit, and bankrupt and similar credit

(100 millions yen)

Newly added within:		As of Sep. 30, 2016	As of Mar. 31, 2017	As of Sep. 30, 2017	As of Mar. 31, 2018	As of Sep. 30, 2018	As of Mar. 31, 2019	As of Sep. 30, 2019 (B)	As of increase (decrease) (A)-(B)	As of Mar. 31, 2020 (A)
-Sep. 30, 2016	Bankrupt and similar credit	1	0	0	-	-	-	-	-	-
	Doubtful credit	149	113	14	14	13	13	3	(0)	3
	subtotal	150	113	14	14	13	13	3	(0)	3
Oct. 1, 2016 -Mar. 31, 2017	Bankrupt and similar credit	-	-	-	-	-	-	-	-	-
	Doubtful credit	-	1	1	1	-	-	-	-	-
	subtotal	-	1	1	1	-	-	-	-	-
Apr. 1, 2017 -Sep. 30, 2017	Bankrupt and similar credit	-	-	1	1	-	-	-	-	-
	Doubtful credit	-	-	2	-	-	-	-	-	-
	subtotal	-	-	3	1	-	-	-	-	-
Oct. 1, 2017 -Mar. 31, 2018	Bankrupt and similar credit	-	-	-	-	-	-	-	-	-
	Doubtful credit	-	-	-	30	30	30	30	-	30
	subtotal	-	-	-	30	30	30	30	-	30
Apr. 1, 2018 -Sep. 30, 2018	Bankrupt and similar credit	-	-	-	-	-	-	-	-	-
	Doubtful credit	-	-	-	-	24	16	9	(8)	0
	subtotal	-	-	-	-	24	16	9	(8)	0
Oct. 1, 2018 -Mar. 31, 2019	Bankrupt and similar credit	-	-	-	-	-	-	-	-	-
	Doubtful credit	-	-	-	-	-	81	25	(0)	24
	subtotal	-	-	-	-	-	81	25	(0)	24
Apr. 1, 2019 -Sep. 30, 2019	Bankrupt and similar credit	-	-	-	-	-	-	32	11	43
	Doubtful credit	-	-	-	-	-	-	91	(13)	78
	subtotal	-	-	-	-	-	-	124	(2)	121
Oct. 1, 2019 -Mar. 31, 2020	Bankrupt and similar credit	-	-	-	-	-	-	-	-	-
	Doubtful credit	-	-	-	-	-	-	-	79	79
	subtotal	-	-	-	-	-	-	-	80	80

(Note1)

The amounts are rounded down to the nearest 100 millions yen.

(Note2)

There were no borrowers for whom measures are undertaken which will lead to eventual off-balancing as of Mar. 31, 2020.

② Off-balancing of doubtful credit, and bankrupt and similar credit

(100 millions yen)

Newly added within:	-Sep. 30, 2016	Oct. 1, 2016 -Mar. 31, 2017	Apr. 1, 2017 -Sep. 30, 2017	Oct. 1, 2017 -Mar. 31, 2018	Apr. 1, 2018 -Sep. 30, 2018	Oct. 1, 2018 -Mar. 31, 2019	Apr. 1, 2019 -Sep. 30, 2019
Liquidation-type disposition	(1)	-	-	-	-	-	-
Restructuring-type disposition	-	-	-	-	-	-	-
Loan liquidations	-	-	-	-	(8)	-	(9)
Direct written-off	2	-	-	-	-	-	-
Other	(0)	-	-	-	(0)	(0)	7
Total	(0)	-	-	-	(8)	(0)	(2)

(Note1) The amounts are rounded down to the nearest 100 millions yen.

(Note2) Liquidation-type disposition : debt waiver in event of bankruptcy or special liquidation

Restructuring-type disposition : debt waiver in event of restructuring-type proceedings, such as corporate reorganization, civil rehabilitation, composition and winding-up; or debt forgiveness

Other : collection by disposition of collateral, business improvement of debtor, etc.

(Note3) If legal proceedings such as debt waiver, forgiveness, collection and so on, occur after direct written-off of book cost, relevant amounts are reentered in "Liquidation-type disposition", "Restructuring-type disposition" or "Other" where appropriate and subtracted from "Direct written-off".

7. Breakdown of Loans and Bills Discounted Classified by Industry [Non-consolidated]

□ After partial and direct written-off

① Loans and Bills Discounted Classified by Industry

(million yen)

	March 31, 2020	March 31, 2019	September 30, 2019
Loans by domestic offices (excluding Japan Offshore Market accounts)	2,937,508	2,782,131	2,854,444
Manufacturing	240,906	226,863	226,995
Agriculture, forestry & fisheries	4,628	3,677	5,047
Mining, quarry, gravel extraction	-	-	-
Construction	10,212	10,762	11,974
Electricity, gas, heat supply & water	47,275	32,130	35,792
Information & communications	77,707	47,853	87,650
Transport, postal Service	35,565	42,483	41,756
Whole sale & retail trade	68,384	72,158	66,204
Finance & insurance	412,053	389,965	410,879
Real estate	625,814	567,699	610,723
Leasing	32,652	43,292	33,509
Various Services	213,015	184,983	178,272
Local governments	7,146	4,417	4,550
Others	1,162,143	1,155,842	1,141,088
Loans by overseas offices (including Japan Offshore Market accounts)	-	-	-
Government	-	-	-
Financial institution	-	-	-
Others	-	-	-
Total	2,937,508	2,782,131	2,854,444

② Risk Monitored Loans Classified by Industry

(million yen)

	March 31, 2020	March 31, 2019	September 30, 2019
Loans by domestic offices (excluding Japan Offshore Market accounts)	28,285	15,610	20,633
Manufacturing	3,379	4,378	2,505
Agriculture, forestry & fisheries	4,612	-	5,023
Mining, quarry, gravel extraction	-	-	-
Construction	-	-	-
Electricity, gas, heat supply & water	-	-	-
Information & communications	-	748	-
Transport, postal Service	2,176	-	2,159
Whole sale & retail trade	2,164	2,168	2,166
Finance & insurance	-	-	-
Real estate	-	1,030	-
Leasing	-	-	-
Various Services	1,239	1,250	1,248
Local governments	-	-	-
Others	14,711	6,033	7,529
Loans by overseas offices (including Japan Offshore Market accounts)	-	-	-
Government	-	-	-
Financial institution	-	-	-
Others	-	-	-
Total	28,285	15,610	20,633

③ Consumer Loans

(million yen)

		March 31, 2020			March 31, 2019 (B)	September 30, 2019 (C)
		(A)	(A) - (B)	(A) - (C)		
Consumer loans		1,539	(365)	(188)	1,904	1,727
	Housing loans	1,119	(342)	(173)	1,462	1,292
	Other loans	420	(22)	(15)	442	435

④ Loans to Small/Medium-sized Corporations

(million yen)

		March 31, 2020			March 31, 2019 (B)	September 30, 2019 (C)
		(A)	(A) - (B)	(A) - (C)		
Loans to small/medium-sized corporations		2,362,313	206,210	112,145	2,156,102	2,250,168
Ratio to total loans		80.4%	2.9%	1.6%	77.5%	78.8%

8. Debentures, Deposits and Loans

【Non-consolidated】

(million yen)

		March 31, 2020			March 31, 2019 (B)	September 30, 2019 (C)
		(A)	(A) - (B)	(A) - (C)		
Debentures	Ending balance	44,660	(6,700)	(6,700)	51,360	51,360
	Average balance	50,170	(3,677)	(1,189)	53,847	51,360
Deposits	Ending balance	3,278,749	210,017	187,620	3,068,732	3,091,129
	Average balance	3,160,434	209,617	55,743	2,950,817	3,104,691
Deposits & Certificates of deposits	Ending balance	3,325,989	129,330	146,907	3,196,659	3,179,082
	Average balance	3,236,990	175,513	41,935	3,061,477	3,195,054
Loans and bills discounted	Ending balance	2,937,508	155,376	83,063	2,782,131	2,854,444
	Average balance	2,879,883	197,547	51,347	2,682,336	2,828,535

III. Uniform Questions for FY2019

1. FRL Credit Ratio 【Non-consolidated】【Consolidated】

	Sep. 30, 2017	Mar. 31, 2018	Sep. 30, 2018	Mar. 31, 2019	Sep. 30, 2019	Mar. 31, 2020
Non-consolidated	0.15%	0.26%	0.33%	0.55%	0.71%	0.95%
Consolidated	0.15%	0.26%	0.33%	0.55%	0.72%	0.95%

2. Investment Stocks 【Non-consolidated】

(1) Investment Stocks (100 millions yen)

	Acquisition cost(A)	Market value(B)	(B)-(A)
March 31, 2019	443	928	485
September 30, 2019	360	729	369
March 31, 2020	329	430	101

(Note) The amounts are rounded down to the nearest 100 millions yen. The same applies in the following tables.

(2) Sales of cross-holding stocks

None

(3) Impairment of stocks (100 millions yen)

	Gains (losses) on stock transactions	
		Impairment loss
FY 2018	132	-
FY 2019 1st Half Period	25	(15)
FY 2019	116	(17)

3. Loans to Small/Medium-sized Corporations 【Non-consolidated】

Loan Balance (100 millions yen)

	Balance	Increase/Decrease	Ratio to total loans
March 31, 2019	21,561	5.6%	77.5%
September 30, 2019	22,501	4.4%	78.8%
March 31, 2020	23,623	5.0%	80.4%

4. Sales of investment trusts and annuity insurance to retail customers 【Non-consolidated】

a. Investment trusts (100 millions yen)

	Sales Total
FY 2018	264
FY 2019 1st Half Period	81
FY 2019	194

b. Annuity insurance (100 millions yen)

	Sales Total
FY 2018	357
FY 2019 1st Half Period	75
FY 2019	119

5. Japanese Government Bonds 【Non-consolidated】

(100 millions yen)

	Balance
March 31, 2019	-
September 30, 2019	-
March 31, 2020	-

IV. Deferred Tax Assets

1. Judgement for Recoverability of Deferred Tax Asset

We have categorized the Bank under Category 2 of 'Guidance on Recoverability of Deferred Tax Assets' (ASBJ Guidance on Corporate Accounting Standard No.26) and have calculated recoverable deferred tax assets based on a scheduling of the reversals of temporary differences.

Reference) Past Taxable income

(100 millions yen)

	FY 2017	FY 2018	FY 2019
Taxable income (before offsetting of tax loss carryforwards)	446	377	587

2. Temporary Differences and Loss Carryforwards [Non-consolidated]

(100 millions yen)

	March 31, 2020		March 31, 2019
	(A)	(A) - (B)	(B)
Deferred Tax Assets	335	(50)	386
Allowance for loan losses	160	42	117
Provision for employees' retirement benefits	30	1	28
Securities write-off	192	4	187
Unrealized gain on available-for-sale securities	—	—	—
Tax loss carryforwards	—	—	—
Other	94	(72)	166
Subtotal	476	(23)	499
Less valuation allowance	(141)	(27)	(113)
Deferred tax liabilities	68	(80)	148
Unrealized gain on available-for-sale securities	47	(82)	130
Net deferred tax assets	267	29	237