

1. Classification of Customers, Disclosure of Problem Assets, and Reserve Policy (Non-consolidated)

* Loan amount after direct reduction.

* The Bank has adopted the uniform non-accrual loan accounting method for loans to "bankrupt customers," "virtually bankrupt customers" and "potentially bankrupt customers," as classified in the self-assessment categories. As such, loans to customers in these three categories are recognized as "non-accrual" even if not past-due.

(Billions of Yen)

Classification of Customers under Self-Assessment	"Revitalization Law" Standard	Coverage Status	Reserve Policy (First Half of FY2000)	Reserve (Reserve Ratio) (*3)
Bankrupt Customers	Bankrupt and Quasi-Bankrupt	Amounts recoverable due to guarantees, collateral and others 178.5 (i)	100% write-off (including direct reduction) or 100% reserves provided for the portion excluding amounts recoverable. (amount of direct reduction: as at Sep. 30 2000: 763.3 billion yen as at Mar. 31 2000: 731.0 billion yen)	6.5(*1) (100%)
Virtually Bankrupt Customers	181.8 (1) (change from Mar.00 -9.0)	Others 3.3		Specific Reserve
Potentially Bankrupt Customers	Doubtful	Amounts recoverable due to guarantees, collateral and others 731.7 (ii)	Various reserve ratio applied to the portion excluding amounts recoverable of respective assets, based on their credit risks.	711.0 (*1) (64.2%)
Customers Requiring Caution	Substandard Loans	Portion secured by Guarantees and Collateral: 35.6 (iii)	Reserve Policy: 15% of entire exposure is covered by general reserves.	Reserve for Substandard Loans : 21.6 (15.0%)
	(*2) Substandard Assets			Average (2.1%)
Normal Customers	Normal Assets		Reserve based on historical credit loss ratio according to the classification in self-assessment. Reserve categories based on each customer's credit history and credit ratings are applied to customers requiring caution.	(0.2%)
	32,987.9			Total General Reserve 229.7
			Loan Loss Reserve for Specific Overseas Countries	11.6

Total	35,152.4	Total Reserve for Possible Loan Losses	958.8
		(B) Reserve for "Revitalization Law" Assets (*4)	739.1
(A) = (1)+(2)+(3)	2,164.5 (change from Mar.2000:+247.5)	(C) Amounts recoverable due to guarantees, collateral and others (i)+(ii)+(iii)	945.8
		(D) Others (A)-(C)	1,218.7
		(B) / (D) Reserve Ratio	60.6% (change from Mar.2000: 15.1%)

Notes:

(*1) Includes reserves for on-balance and off-balance sheet assets, which do not fall under the "Revitalization Law" disclosure standards.

(Bankrupt/Virtually Bankrupt Customers: 3.2 billion yen, Potentially Bankrupt Customers: 7.2 billion yen)

(*2) "Substandard Loans" are classified on a loan by loan basis. If loans to a customer are classified as "Substandard Loans," the customer is categorized as "Substandard Assets." 15% of entire exposure to "Substandard Assets" is covered by General Reserve.

(*3) The reserve ratio shows the degree of reserve coverage against the total amount of each classification, except the reserve ratio with respect to "Bankrupt and Quasi-Bankrupt" and "Doubtful," which provide reserve coverage against the portion excluding amounts recoverable of those classifications.

(*4) Sum of specific reserves and general reserve for substandard loans.