

9. Classification under Self-Assessment, Disclosure of Problem Assets, and Reserve Policy

<As at Mar. 31, 2001>				(Billions of yen)					
Classification of Borrowers under Self-Assessment	Disclosure of Problem Assets Based on Financial Reconstruction Law	Classification under Self-Assessment				Reserve for Possible Loan Losses	Reserve Ratio (*3)		
		Classification I	Classification II	Classification III	Classification IV				
Bankrupt Borrowers	Bankrupt and Quasi-Bankrupt Assets	Claims secured by collateral and guarantees		Fully reserved	Direct Write-offs (*1)	Specific Reserve	100%		
Effectively Bankrupt Borrowers	199.0 (Change from Mar. 2000: +8.2)	188.2		10.8			14.2 (*2)		
Potentially Bankrupt Borrowers	Doubtful Assets	Claims secured by collateral and guarantees		Necessary amount reserved		Specific Reserve	54.5%		
	1,263.5 (Change from Mar. 2000: -87.7)	494.1		769.4			419.2 (*2)		
Borrowers Requiring Caution	Substandard Assets	Claims secured by collateral and guarantees					General Reserve	225.0	15.0% (*3')
	99.1 (Change from Mar. 2000: -275.9) (Claims to Substandard Borrowers)	Substandard Assets secured by collateral and guarantees							6.5
		Claims to Borrowers Requiring Caution excluding Claims to Substandard Borrowers							
Normal Borrowers	Normal Assets	Claims to Normal Borrowers					Average 0.3%		
	33,855.3								
	Total	35,416.9			Loan Loss Reserve for Specific Overseas Countries 8.4		Reserve Ratio (*4) C A - B 53.6%		
	A: Problem Assets Based on Financial Reconstruction Law	B: Claims secured by collateral and guarantees		(A - B)					
	1,561.6 (Change from Mar. 2000: -355.4)	733.0		828.6		C: Reserve for Problem Assets Based on Financial Reconstruction Law 444.1			

$$\text{Coverage Ratio} = (B+C)/A \quad 75.4\%$$

(*1) Including direct reduction of 682.1 billion yen

(*2) Includes reserves which do not fall under the "Financial Reconstruction Law" disclosure standards.

(Bankrupt/Effectively Bankrupt Borrowers: 3.4 billion yen, Potentially Bankrupt Borrowers: 6.0 billion yen)

(*3) Reserve ratio to normal borrowers is the proportion of reserve to the total claims to normal customers. Reserve ratios to other borrowers are the proportion of reserve to the claims of each category excluding the portion secured by collateral and guarantees.

(*3') The proportion of reserve to the unsecured claims to substandard borrowers (excluding the claims to borrowers with specific reserve).

(*4) The proportion of reserve to the claims excluding the portion secured by collateral and guarantees.