

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

<As of Sep. 30, 2001>		(Billions of yen)					
Category 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 574.0 (Change from Mar. 2001: -15.9)	Claims secured by collateral and guarantees, etc. 535.3	Fully reserved 38.7	Direct Write-offs (*1)		Specific Reserve 42.9 (*2)	100%
Effectively Bankrupt Borrowers							
Potentially Bankrupt Borrowers	Doubtful Assets 1,645.7 (Change from Mar. 2001: -297.4)	Claims secured by collateral and guarantees, etc. 730.8	Necessary amount reserved 914.9			Specific Reserve 548.7 (*2)	60.0%
Borrowers Requiring Caution	Substandard Loans 1,107.2 (Change from Mar. 2001: +817.8) (Claims to Substandard Borrowers)	Substandard Loans secured by collateral and guarantees, etc. 391.5				Specific Reserve 0.5 General Reserve for Substandard Loans 106.9	15.0% (*3)
	Normal Assets 64,039.9	Claims to Borrowers Requiring Caution excluding Claims to Substandard Borrowers				General Reserve 405.2	Avg. 4.8%
Normal Borrowers		Claims to Normal Borrowers					Avg. 3.1%
							Average 0.2%
	Total	67,366.8				Loan Loss Reserve for Specific Overseas Countries 11.7	
	A: Problem Assets Based on Financial Reconstruction Law 3,326.9 (Change from Mar. 2001: +504.4)	B: Portion secured by collateral and guarantees, etc. 1,657.6	(A - B) 1,669.3			C: Reserve for Problem Assets Based on Financial Reconstruction Law 699.0	Reserve Ratio (*4) $\frac{C}{A - B}$ 41.9%

$$\text{Coverage Ratio} = (B+C)/A \quad 70.8\%$$

(*1) Including direct reduction of 1,580.8 billion yen.

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

(Bankrupt/Effectively Bankrupt Borrowers: 4.2 billion yen, Potentially Bankrupt Borrowers: 8.2 billion yen)

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

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

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