

Table 2 Breakdown of Factors Affecting Changes in Loans of All Banks Based on the FRA

(trillion yen)

| | March-03 | March-04 | March-05 | September-05 | March-06 | September-06 | March-07 | September-07 | March-08 | September-08 | March-09 | September-09 | March-10 | September-10 | March-11 | September-11 | March-12 | September-12 | March-13 | September-13 | March-14 | September-14 |
|---|----------|----------|----------|--------------|----------|--------------|----------|--------------|----------|--------------|----------|--------------|----------|--------------|----------|--------------|----------|--------------|----------|--------------|----------|--------------|
| Loans based on the FRA | - 7.9 | - 8.7 | - 8.7 | - 2.0 | - 4.6 | - 1.0 | - 1.4 | - 0.1 | - 0.6 | + 0.9 | + 0.6 | + 0.3 | - 0.2 | - 0.2 | - 0.2 | + 0.1 | + 0.3 | + 0.0 | + 0.1 | - 0.9 | - 1.7 | - 0.8 |
| (Of which,) "Special attention loans" | + 0.1 | - 5.5 | - 5.2 | - 0.7 | - 1.2 | - 0.5 | - 0.8 | - 0.3 | - 0.2 | - 0.3 | - 1.5 | + 0.1 | - 0.0 | + 0.1 | + 0.4 | + 0.0 | + 0.2 | + 0.0 | + 0.1 | - 0.2 | - 0.4 | - 0.2 |
| [Increase factors] | | | | | | | | | | | | | | | | | | | | | | |
| Weakened business activities | + 4.7 | + 3.0 | + 2.1 | + 1.1 | + 1.5 | + 0.6 | + 1.0 | + 0.7 | + 1.2 | + 0.8 | + 0.9 | + 0.8 | + 0.9 | + 0.6 | + 0.9 | + 0.6 | + 1.0 | + 0.5 | + 0.9 | + 0.3 | + 0.5 | + 0.3 |
| Upgrade from lower categories | + 1.5 | + 0.3 | + 0.2 | + 0.2 | + 0.4 | + 0.2 | + 0.2 | + 0.2 | + 0.3 | + 0.1 | + 0.0 | + 0.1 | + 0.1 | + 0.0 | + 0.1 | + 0.1 | + 0.1 | + 0.1 | + 0.1 | + 0.1 | + 0.1 | + 0.1 |
| Improvement of business conditions of borrowers | + 0.6 | + 0.2 | + 0.2 | + 0.1 | + 0.3 | + 0.1 | + 0.1 | + 0.0 | + 0.2 | + 0.1 | + 0.0 | + 0.1 | + 0.1 | + 0.0 | + 0.1 | + 0.1 | + 0.1 | + 0.1 | + 0.1 | + 0.1 | + 0.0 | + 0.1 |
| Establishment of restructuring plans | + 0.9 | + 0.1 | + 0.1 | + 0.1 | + 0.1 | + 0.0 | + 0.0 | + 0.2 | + 0.2 | + 0.0 | + 0.0 | + 0.0 | + 0.0 | + 0.0 | + 0.0 | + 0.0 | + 0.0 | + 0.0 | + 0.0 | + 0.0 | + 0.0 | + 0.0 |
| [Decrease factors] | | | | | | | | | | | | | | | | | | | | | | |
| Exit from NPL category(*) | - 2.3 | - 3.8 | - 3.4 | - 1.0 | - 1.5 | - 0.9 | - 1.1 | - 1.0 | - 1.3 | - 0.7 | - 2.3 | - 0.4 | - 0.7 | - 0.4 | - 0.5 | - 0.3 | - 0.5 | - 0.3 | - 0.4 | - 0.4 | - 0.6 | - 0.4 |
| Improvement of business conditions of borrowers | - 2.2 | - 3.3 | - 1.9 | - 0.8 | - 1.3 | - 0.8 | - 1.0 | - 0.9 | - 1.1 | - 0.7 | - 0.9 | - 0.3 | - 0.4 | - 0.2 | - 0.3 | - 0.3 | - 0.4 | - 0.2 | - 0.3 | - 0.3 | - 0.4 | - 0.3 |
| Establishment of restructuring plans | - 0.1 | - 0.6 | - 1.6 | - 0.2 | - 0.2 | - 0.1 | - 0.2 | - 0.1 | - 0.2 | - 0.1 | - 1.4 | - 0.2 | - 0.3 | - 0.1 | - 0.2 | - 0.1 | - 0.1 | - 0.1 | - 0.2 | - 0.1 | - 0.2 | - 0.1 |
| Downgrade to lower categories(*) | - 3.1 | - 3.3 | - 2.3 | - 0.8 | - 0.9 | - 0.4 | - 0.7 | - 0.4 | - 0.5 | - 0.3 | - 0.4 | - 0.5 | - 0.5 | - 0.2 | - 0.3 | - 0.2 | - 0.3 | - 0.2 | - 0.4 | - 0.2 | - 0.3 | - 0.2 |
| Repayment, etc.(**) | - 0.7 | - 1.7 | - 1.9 | - 0.2 | - 0.7 | + 0.1 | - 0.2 | + 0.2 | + 0.0 | - 0.1 | + 0.2 | + 0.1 | + 0.2 | + 0.0 | + 0.1 | - 0.1 | - 0.1 | + 0.0 | - 0.0 | - 0.0 | - 0.1 | - 0.0 |
| (Of which,) "Doubtful and bankrupt/de facto bankrupt" | - 8.0 | - 3.2 | - 3.5 | - 1.3 | - 3.4 | - 0.5 | - 0.6 | + 0.2 | - 0.4 | + 1.2 | + 2.1 | + 0.3 | - 0.2 | - 0.3 | - 0.6 | + 0.0 | + 0.1 | + 0.0 | - 0.1 | - 0.7 | - 1.3 | - 0.6 |
| [Increase factors] | | | | | | | | | | | | | | | | | | | | | | |
| Weakened business activities | + 4.0 | + 3.3 | + 3.1 | + 1.4 | + 1.9 | + 1.2 | + 2.7 | + 1.9 | + 2.7 | + 2.7 | + 4.7 | + 2.2 | + 3.3 | + 1.5 | + 2.8 | + 1.5 | + 2.7 | + 1.3 | + 2.3 | + 0.8 | + 1.4 | + 0.7 |
| [Decrease factors] | | | | | | | | | | | | | | | | | | | | | | |
| Downgrade from upper categories(*) | + 3.1 | + 3.3 | + 2.3 | + 0.8 | + 0.9 | + 0.4 | + 0.7 | + 0.4 | + 0.5 | + 0.3 | + 0.4 | + 0.5 | + 0.5 | + 0.2 | + 0.3 | + 0.2 | + 0.3 | + 0.2 | + 0.4 | + 0.2 | + 0.3 | + 0.2 |
| Removal from B/S, etc.(**) | - 15.1 | - 9.8 | - 8.9 | - 3.5 | - 6.3 | - 2.2 | - 4.0 | - 2.1 | - 3.6 | - 1.8 | - 3.1 | - 2.4 | - 4.1 | - 2.0 | - 3.7 | - 1.6 | - 2.9 | - 1.5 | - 2.7 | - 1.7 | - 2.9 | - 1.4 |

Note:
1. Source of figures: survey of banks by FSA.
2. The number of financial institutions targeted as of September-14 is 115.
3. Figures are composed of City Banks, the former Long-term Credit Banks (including Shinsei Bank, which changed its status to an Ordinary Bank Charter on April 1, 2004, and Aozora Bank, which changed its status to an Ordinary Bank Charter on April 1, 2006), Trust Banks and Regional Banks (including Saitama Resona Bank from March-03).
4. Some of the figures for banks include those which are transferred to subsidiary companies for corporate revitalization, and those of subsidiary companies for stockholding.
5. Figures for September are half-year figures, and figures for March are one year figures.
* "Exit from NPL category", "Downgrade to lower categories", and "Downgrade from upper categories" are the changes from "Special Attention loans", which include those from "Normal" loans to "Need Special Attention" borrowers.
** "Repayment, etc." and "Removal from B/S, etc." include balancing items.