

THE KYOTO CHUO SHINKIN BANK

ANNUAL REPORT 2014

Company profile of the Kyoto Chuo Shinkin Bank

Customer deposits

(Fund procurement in the community)

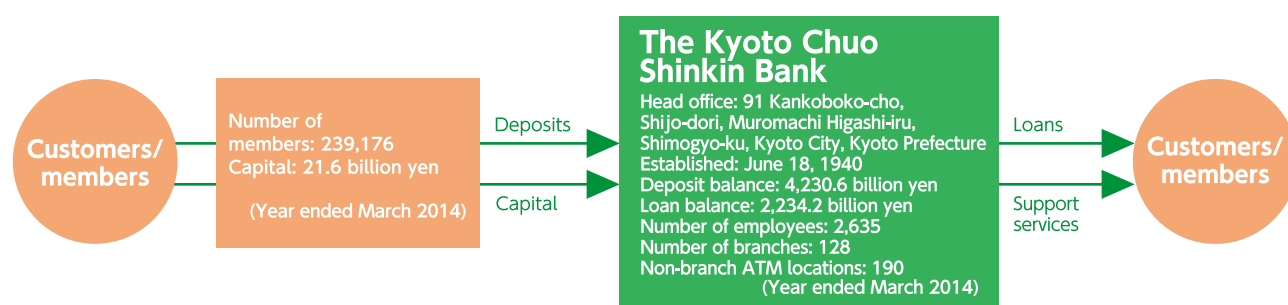
Deposits the Bank received from individual and corporate customers in its operating areas reached 4,230.6 billion yen in the fiscal year ended March 31, 2014. The Bank offers various types of deposit products in line with the respective demands of customers so that customers can manage their valuable assets safely and securely.

Loans to customers

(Supply of funds to the community)

The Bank returns the deposits entrusted by customers to the community by supplying funds in response to wide-ranging needs in order to assist the development of the community and people's daily lives.

The Bank's loan balance at the end of March 2014 was 2,234.2 billion yen and the ratio of loans to deposits (loan : deposit ratio) stood at 52.81%.



Fund management

(Circumstances concerning the management of funds other than loans)

The Bank strove to ensure sound and stable profits in fund management with credit trends in mind in FY2013 and increase fund management capabilities.

Summary of financial results for the term of business ended March 2014

The Bank posted 15.0 billion yen in net business profit, 15.6 billion yen in ordinary profit and 10.6 billion yen in current net profit.

Capital adequacy ratio

The capital adequacy ratio was 11.48%, far higher than the standard level indicating financial health for financial institutions (Japanese domestic standard of 4.0%).

We are actively involved in activities that contribute to society with thanks to our community.

Unlike city bank, which promote sales on a national scale, credit association(SHINKIN BANK) is limited in their sales areas. As such, credit association cannot hope for development without development of their communities. The Kyoto Chuo Shinkin Bank not only serves to help the region prosper through financial institution activities, but is actively involved in environmental issues and proactively engages in various social contribution activities with thanks to our community as a financial institution headquartered in the land of the Kyoto Protocol.

We feel our calling is to revive and revitalize our community and thus promote smooth finance.

We also place effort into cultivating venture businesses, including small and medium-sized corporations.

The Kyoto Chuo Shinkin Bank is a cooperative financial institution that operates under the shared philosophy of prosperity for everyone, including local small and medium-sized businesses and individuals, and serves Kyoto City and parts of Kyoto, Shiga, Osaka, and Nara Prefectures.

The vital savings that we receive from customers in our community is invested in customers that require capital, such as venture corporations, for the continued development of the local economy and local businesses.

Additionally, we have formed a strong network with close ties to the community through utilizing our wide branch system, provide products and service that meet customer demands, and assist in creating better lives.

Furthermore, we are actively involved in cultivating human resources and engaging in support activities to protect and pass on the local natural environment, scenery, and traditional culture in our community, starting with Kyoto, an international city of culture and tourism. We also contribute to the development thereof not just financially, but from various angles as well.

Fund Procurement and Management

Deposit performance in the year ended March 2014

We add up an end-of-term balance of 4,230,600 million yen through our steadfast increasing of total deposits. The balance of personal deposits increased by 11,000 million yen from the previous term, marking 3,214,000 million yen.

Deposit balances by account type

(Unit : million yen)

	Year ended March 2013	(Component ratio)	Year ended March 2014	(Component ratio)
Current deposits	65,626	(1.58%)	68,263	(1.61%)
Ordinary deposits	1,312,830	(31.76%)	1,385,974	(32.75%)
Savings deposits	44,954	(1.08%)	47,649	(1.12%)
Deposits at notice	19,024	(0.46%)	49,712	(1.17%)
Time deposits	2,520,766	(60.99%)	2,516,521	(59.48%)
Fixed savings deposits	70,734	(1.71%)	62,742	(1.48%)
Other deposits	99,019	(2.39%)	99,828	(2.35%)
Total	4,132,955	(100.00%)	4,230,692	(100.00%)

(Notes) Foreign currency deposits are included in "Other deposits".

Deposit balances by depositor

(Unit : million yen)

	Year ended March 2013	(Component ratio)	Year ended March 2014	(Component ratio)
Individual customers	3,202,983	(77.49%)	3,214,057	(75.97%)
Corporate customers	728,302	(17.62%)	775,643	(18.33%)
Public institutions	65,369	(1.58%)	96,798	(2.28%)
Financial institutions	136,299	(3.29%)	144,192	(3.40%)
Total	4,132,955	(100.00%)	4,230,692	(100.00%)

(Notes) Negotiable certificates of deposits are not included in this table.

The policy of loan management

The Bank's basic attitude is to respond positively to the business activities of small and medium sized companies in the region and the consumption needs of individual customers, including consultation work from the customer's perspective, under the advertising slogan "On Your Side". We are providing high quality financial services to everybody in the region and working under the motto of contributing to the development of regional society and the prosperity of our customers.

Overall loan management centers on small-scale finance and housing loans, and we are striving for the improvement of assets with the construction of a balanced portfolio under the enhancement and strengthening of risk management systems.

Loan performance in the year ended March 2014

Bright spots are starting to be seen in the severe economic environment that had continued for a long while, and as a result of actively facilitating the supply of smooth capital to local small and medium-sized businesses and individual customers, overall lendings were up 52,800 million yen compared to the previous period, with the end-of-term balance standing at 2,234,200 million yen. In terms of the breakdown, business loan increased 21,500 million yen over the previous term, with an end-of-term balance of 1,159,000 million yen and consumer loan increase by 31,200 million yen over the previous term, making an end-of-term balance of 1,075,100 million yen.

Loan balances by account

(Unit : million yen)

	Year ended March 2013	Year ended March 2014
Bills discounted	12,774	11,151
Loans on bills	76,855	80,873
Loans on deeds	2,020,160	2,069,945
Overdrafts	71,626	72,272
Total	2,181,417	2,234,242

(Notes) The Bank does not distinguish between domestic and international operations.

Breakdown of loan balances by business type

(Unit : number, million yen)

	Year ended March 2013			Year ended March 2014		
	Number of borrowers	Loan balance	Component ratio	Number of borrowers	Loan balance	Component ratio
Manufacturing	2,963	140,979	6.46%	2,851	136,374	6.10%
Agriculture, forestry	42	830	0.03%	40	999	0.04%
Fishing	0	—	—	0	—	—
Mining, quarrying, sand and gravel gathering	8	1,089	0.04%	8	1,014	0.04%
Construction	3,343	102,558	4.70%	3,252	100,380	4.49%
Electricity, gas, heat supply, water	6	51	0.00%	6	28	0.00%
Telecommunications	202	4,996	0.22%	183	4,688	0.20%
Transportation, postal industry	275	18,580	0.85%	271	17,691	0.79%
Wholesale business	1,509	80,065	3.67%	1,467	79,071	3.53%
Retail business	1,881	53,950	2.47%	1,783	52,670	2.35%
Finance, insurance	48	4,520	0.20%	49	7,655	0.34%
Real estate	4,289	445,318	20.41%	4,527	461,126	20.63%
Rental industry	38	8,572	0.39%	43	6,884	0.30%
Scientific research, specialist/technical services	450	8,924	0.40%	429	8,960	0.40%
Accommodation industry	75	14,028	0.64%	72	13,532	0.60%
Restaurant industry	1,333	28,088	1.28%	1,276	26,052	1.16%
Lifestyle-related service industries, entertainment industry	500	42,370	1.94%	484	39,696	1.77%
Education, study support industry	99	8,396	0.38%	101	8,319	0.37%
Medicine, welfare	560	42,622	1.95%	576	49,020	2.19%
Other services	1,068	36,955	1.69%	1,071	39,444	1.76%
Subtotal	18,689	1,042,898	47.80%	18,489	1,053,613	47.15%
Local public entities	25	90,549	4.15%	25	103,473	4.63%
Individual (housing, consumption, tax payment funds, etc.)	149,399	1,047,970	48.04%	149,360	1,077,155	48.21%
Total	168,113	2,181,417	100.00%	167,874	2,234,242	100.00%

Fund management and securities business

Average balance by type of security

(Unit : million yen)

	Year ended March 2013	Year ended March 2014
Japanese government bonds	739,893	793,169
Local government bonds	71,720	79,905
Short-term corporate bonds	65	—
Corporate bonds	471,027	434,850
Stocks	12,204	15,696
Foreign securities	84,521	106,415
Other securities	16,685	26,115
Total	1,396,119	1,456,153

Other Indicators

Foreign exchange transaction handling performance

(Unit : million US\$)

	Year ended March 2013	Year ended March 2014
Export exchange	88	97
Import exchange	172	176
Total	260	273

Foreign currency denominated assets balance

(Unit : million US\$)

	Year ended March 2013	Year ended March 2014
Balance of foreign currency denominated assets	492	629

About the Capital-to-Asset Ratio (Consolidated)

Consolidated Capital-to-Asset Ratio (Basel II Domestic Framework)

(Unit : million yen)

Item		Year ended March 2013
Basic items (A) (Tier 1)	Capital	22,250
	Earned surplus	176,262
	Unsettled equity	△ 497
	Loss from valuation of other marketable securities	—
	Minority equity of consolidated associated companies, etc.	3,554
Total (A)		201,570
Complementary items (B) (Tier 2)	Amount equivalent to 45% of the difference between land revaluation values and book values immediately prior to revaluation	5,790
	General allowance for doubtful accounts	5,083
	Liability financing measures, etc.	12,000
Total (B)		22,873
Total owned capital (C)		(A) + (B) 224,443
Deduction items (D)	Amount equivalent to intentional financing measures by other financial institutions	10,900
	Deduction items not included	△ 10,900
Total (D)		—
Owned capital (E)		(C) – (D) 224,443
Risk assets, etc. (F)	Assets (on-balance sheet items)	1,762,591
	Items of off-balance sheet transactions, etc.	10,409
	Amount derived by dividing the total amount equivalent to operational risk by 8%	97,427
Total (F)		1,870,427
Consolidated Tier 1 ratio	$\frac{(A)}{(F)} \times 100$	10.77%
Consolidated capital-to-asset ratio	$\frac{(E)}{(F)} \times 100$	11.99%

* Basic Items (Tier 1)

Also referred to as "core capital," this item is owned capital comprised of investments from members and earned surplus from special funds accumulated from previous internal reserves.

* Complementary Items (Tier 2)

This item is comprised of 45% of the general allowance for doubtful accounts and the difference in reevaluation of land and methods for procuring liability investments.

* Risk Assets

Refers to the reevaluated asset value by multiplying assets with risks (lendings, securities, etc.) by a loan-to-value ratio based on the size of the risk.

The consolidated capital-to-asset ratio for the March 2014 term fell 0.17 points from the March 2013 term to 11.82% owing to the introduction of new capital-to-asset ratio regulations (Basel III domestic framework), well over the level representing the standard for a health financial institution (4% domestic framework).

Consolidated Capital-to-Asset Ratio (Basel III Domestic Framework)

(Unit: million yen)

Item		Year ended March 2014	Non-deductable due to transitional measures
Fundamental items related to core capital (A)	Member accounts related to ordinary investment	207,173	
	(Investments)	21,645	
	(Earned surplus)	187,024	
	(Predicted outflow (–))	1,011	
	(Other)	△ 485	
	General allowance for doubtful accounts	4,345	
	Fundamental items related to core capital among eligible former capital procurement methods	9,607	
	Fundamental items related to core capital among the 45% general amount of difference in reevaluation of land	5,790	
	Fundamental items related to core capital among minority shareholders' interest	4,462	
	(A)	231,378	
Adjusted items related to core capital (B)	Intangible fixed assets	—	3,727
		(B)	—
Owned capital (C)		(A) – (B)	
		231,378	
Risk assets, etc. (D)	Trust risk assets	1,862,929	
	Amount derived by dividing the total amount equivalent to operational risk by 8%	94,462	
		(D)	1,957,391
Consolidated capital-to-asset ratio		$\frac{(C)}{(D)}$	
		11.82%	

(Notes) The “Standards for judging whether the owned capital a Shinkin Bank or Shinkin Bank association has is appropriate according to the assets they possess based on the regulations in Article 14, Section 2 of the Banking Act applying to Article 89, Section 1 of the Shinkin Bank Act (Financial Services Agency announcement 21 of 2006),” which set forth the method of calculating the capital-to-asset ratio, were revised, and the post-revision announcement was applied starting March 31, 2014. As such, our disclosure for the March 2013 term is based on the old announcement, while that for the March 2014 term is based on the new announcement. In addition, our group adopts the domestic framework.

* New capital-to-asset ratio regulations (Basel III domestic framework)

The new capital-to-asset ratio regulations (Basel III domestic framework) were introduced starting with the March 2014 term. This framework aims to maintain the previous minimum capital-to-asset ratio (4%) while improving the quality of owned capital.

* Amount of owned capital

“Amount of owned capital” = “Fundamental items related to core capital” – “Adjusted items related to core capital”

Owned capital, which was originally composed of Basic Items (Tier 1) and Complementary Items (Tier 2), have been streamlined into core capital centered on investments and internal reserves (earned surplus – predicted outflow).

Consolidated Financial Statements

Consolidated balance sheet

(Unit : million yen)

(Assets)	As of March 31, 2013	As of March 31, 2014
Cash and due from banks	735,645	876,861
Bills purchased and call loans	1,067	809
Monetary claims purchased	3,458	3,133
Trust funds	1,564	1,495
Trading securities	817	1,057
Investment securities	1,453,871	1,403,194
Loans	2,180,197	2,232,639
Foreign exchange	340	711
Other assets	26,088	24,282
Tangible fixed assets	54,009	53,706
Buildings	6,849	6,768
Land	41,827	42,259
Lease assets	1,989	2,201
Construction work in progress	1,004	74
Other tangible fixed assets	2,338	2,402
Intangible fixed assets	5,568	5,163
Software	1,561	2,206
Lease assets	416	2,628
Other intangible fixed assets	3,590	328
Deferred tax assets	7,994	8,978
Customers' liabilities for acceptances and guarantees	4,516	3,869
Reserve for possible loan loss	△ 18,243	△ 17,992
Reserve for investment loss	△ 138	△ 88
Total assets	4,456,760	4,597,823

(Liabilities)	As of March 31, 2013	As of March 31, 2014
Deposits	4,119,544	4,214,845
Borrowings	27,150	60,020
Bills sold and call money	26,765	40,352
Foreign exchange	16	0
Other liabilities	34,611	28,283
Reserve for bonuses	14	14
Reserve for retirement benefits	13,688	—
Retirement benefit liability	—	13,333
Reserve for retirement bonuses for directors	894	934
Reserve for reimbursement of deposits	248	248
Reserve for contingent losses	352	307
Reserve for reward payments of deposits	194	192
Deferred tax liabilities as for land revaluation	4,844	4,844
Acceptances and guarantees	4,516	3,869
Total liabilities	4,232,842	4,367,246
(Net assets)		
Capital	22,250	21,645
Earned surplus	177,297	187,024
Unsettled equity	△ 497	△ 485
Total members' equity	199,050	208,184
Net unrealized gains on available-for-sale securities	13,295	9,911
Deferred hedging gains and losses	△ 5	△ 2
Land revaluation surplus	8,022	8,022
Total amount on valuation and translation	21,312	17,930
Minority's share on associated companies' net assets	3,554	4,462
Total net assets	223,917	230,577
Total liabilities and net assets	4,456,760	4,597,823

Consolidated Financial Statements

Consolidated statement of income

(Unit : thousand yen)

	April 1, 2012 through March 31, 2013	April 1, 2013 through March 31, 2014
Ordinary income	73,774,788	70,221,658
Fund management income	55,539,118	53,599,670
Interest on loans	41,182,495	39,120,592
Interest on deposits	3,183,311	2,565,928
Interest on bills purchased and call loans	40,190	25,205
Interest and dividends on securities	9,940,771	10,959,286
Other interest income	1,192,349	928,656
Fees and commissions	5,620,965	5,993,745
Other operating income	10,244,254	7,380,372
Other ordinary income	2,370,449	3,247,870
Bad debt recovered	1,183,717	760,430
Other ordinary income	1,186,732	2,487,439
Ordinary expenses	56,638,696	53,233,036
Financing expenses	6,300,676	5,293,887
Interest on deposits	5,805,250	4,708,235
Interest on Fixed savings deposits	56,465	34,058
Interest on borrowings	139,299	135,023
Interest on bills sold and call money	71,359	94,829
Interest paid in bond lending transactions	26,590	57,129
Other interest expenses	201,711	264,611
Fees and commissions	4,610,748	4,628,002
Other operating expenses	4,704,355	4,744,438
Expenses	37,205,482	36,942,177
Other ordinary expenses	3,817,435	1,624,529
Provision of allowance for doubtful debt accounts	1,230,746	198,004
Other ordinary expenses	2,586,689	1,426,525
Ordinary profit	17,136,092	16,988,622
Extraordinary profit	5,350	60
Gain on disposal of fixed assets	5,350	60
Extraordinary loss	71,999	62,393
Loss on disposal of fixed assets	71,420	61,367
Impairment losses	578	1,025
Net income before taxes and other adjustments	17,069,443	16,926,289
Corporate tax, inhabitant tax and business tax	4,940,734	5,092,952
Adjustment with corporate tax, etc.	444,990	346,994
Total corporate tax, etc.	5,385,724	5,439,947
Net income before minority interests	11,683,718	11,486,342
Minority interests	774,428	738,222
Net income	10,909,289	10,748,119

Consolidated statement of retained earnings

(Unit : thousand yen)

(Earned surplus)	April 1, 2012 through March 31, 2013	April 1, 2013 through March 31, 2014
Earned surplus at the beginning of the term	167,382,152	177,297,523
Increase in earned surplus	10,909,289	10,748,119
Net income	10,909,289	10,748,119
Decrease in earned surplus	993,917	1,021,407
Dividends	993,917	1,021,407
Earned surplus at the end of the term	177,297,523	187,024,236

Segment information by business type

Some consolidated companies conduct credit guarantee business, etc., in addition to credit association business, but because the ratio of these business activities to all segments is minimal, segment information by business type is not included here.

Non-Performing Loans

Self-assessment, depreciation and allowance for non-performing loans

The Bank has established standards in accordance with the financial inspections manual to ensure the health of assets, and has rigorously implemented "self-assessment" to scrutinize its own assets individually and "depreciation and allowance" to process non-performing loans properly.

In self-assessment, the Bank assesses borrowers' repayment capacity based on their financial condition, cash position and profitability, and classifies them into the 5 groups of "Normal entities", "Entities requiring caution", "Potentially bankrupt entities", "Entities bankrupt in substance" and "Bankrupt entities" according to the assessment. Then, the Bank classifies each individual loan into the 4 group of "Unclassified", "Classification II", "Classification III" and "Classification IV" based on the degree of risk of collection or the risk of damage to the value of the loan. The Bank has fully established regulations, for depreciation and allowance, and processes all possible non-performing loans based on the classification of borrowers and loans.

Self-assessment, disclosed loans, and recovery conditions (non-consolidated basis)

(Unit : 100 million yen)											
	Self-assessment				Disclosure based on the Financial Reconstruction Law (loans and other claims)		Risk management loans (loans)		Recovery conditions		
	Unclassified	Classification II	Classification III	Classification IV*	Classification	Year ended March 2014	Classification	Year ended March 2014	Collectible amount by collateral, guarantees, etc.	Reserve of the Bank	Recovery rate
Bankrupt entities	21	6	14	—	Bankrupt and quasi-bankrupt loans and claims	79	Loans to bankrupt entities	21	59	20	100.00%
Entities bankrupt in substance	58	14	23	—			20	Overdue loans			
Potentially bankrupt entities	1,312	456	525	331	Doubtful loans and claims	1,312	Loans overdue for 3 months or more	—	981	96	82.15%
Entities requiring caution	4,312	1,285	3,027	—			20	Loans with eased lending conditions			
					Subtotal	1,546	Subtotal	1,545	1,113	124	80.02%
Normal entities	16,686	16,686			Normal loans and claims	20,848			17,673	29	84.91%
Total			22,391		Total	22,395			18,786	154	84.58%

* Category IV assessment off balance due to amortization is 1,300 million yen.

* The value of "Disclosure based on the Financial Reconstruction Law" includes the value of privately placed bonds that the Bank guarantees. In addition, "Recovery conditions" show ratios in proportion to the values shown under "Disclosure based on the Financial Reconstruction Law".

Explanation of terms

		Self-assessment	Financial Reconstruction Law (loans and other claims)	Risk management loans (loans)			
Disclosed loans	Non-performing loans	Bankrupt entities	Borrowers who are undergoing legal and formal bankruptcy proceedings	Bankrupt and quasi-bankrupt loans and claims	"Bankrupt entities" and "Entities bankrupt in substance" in self-assessment	Loans to bankrupt entities	"Bankrupt entities" in self-assessment
		Entities bankrupt in substance	Borrowers who are not undergoing legal and formal bankruptcy proceedings, but who are in serious financial difficulties and bankrupt in substance			Overdue loans	"Entities bankrupt in substance" and "Potentially bankrupt entities" in self-assessment
		Potentially bankrupt entities	Borrowers who are not bankrupt at present, but who are in financial difficulties, whose measures for management improvement are not progressing well, and who are recognized to be highly likely to become bankrupt in the future (including borrowers who are receiving support)	Doubtful loans and claims	"Potentially bankrupt entities" in self-assessment	Loans overdue for 3 months or more	
		Entities requiring caution	Borrowers who require caution for the management of loans in the future because business is sluggish and unstable or they have problems in their financial conditions	Substandard loans and claims	i) Loans for which principal and interest payments are overdue for 3 months or more ii) Loans with eased lending conditions such as a reduction in interest or a moratorium on principal repayment, etc.	Loans with eased lending conditions	
	Normal loans and claims	Normal entities	Borrowers whose business conditions are good and who have no problems in their financial conditions	Normal loans and claims	"Normal entities" in self-assessment and "Entities requiring caution" other than substandard loans and claims		

Non-Performing Loans

Disclosure of non-performing loans

The disclosure of “Disclosed claims based on the Financial Reconstruction Law” and “Risk management loans” based on the Shinkin Bank Law is required with regard to non-performing loans. One difference between disclosed claims based on the Financial Reconstruction Law and risk management loans lies in the fact that the former includes claims other than loans and bills discounted such as customers’ liabilities for acceptances and guarantees, while the latter includes only loans and bills discounted.

The Bank has a total coverage ratio of 80.02% in combination with collateral, guarantees and reserves for non-performing loans and continues to maintain a sufficient level of reserves. The Bank believes that contributing to the development and support of the region while establishing sufficient reserves and securing the soundness of management is the mission of the Bank.

Disclosed claims and reserve and recovery conditions under the Financial Reconstruction Law

(Disclosure criteria specified in Article 6 and Article 7 of the Law Concerning Emergency Measures for the Reconstruction of the Functions of the Financial System)

(Unit : 100 million yen)

Classification		Disclosure balance (A)	Ratio	Amount collectible by collateral, guarantee, etc. (B)	Reserve for possible loan loss (C)	Recovery rate *1 ([B] + [C]) / (A)	Reserve rate *2 (C) / ([A] - [B])	
Non-performing loans based on the Financial Reconstruction Law	Year ended March 2013	1,842	8.42%	1,291	121	76.73%	22.12%	
	Year ended March 2014	1,546	6.91%	1,113	124	80.02%	28.73%	
	Bankrupt and quasi-bankrupt loans and claims	Year ended March 2013	76	0.35%	59	17	100.00%	100.00%
		Year ended March 2014	79	0.36%	59	20	100.00%	100.00%
	Doubtful loans and claims	Year ended March 2013	1,586	7.25%	1,160	92	79.00%	21.75%
		Year ended March 2014	1,312	5.86%	981	96	82.15%	29.20%
Substandard loans and claims	Year ended March 2013	179	0.82%	71	11	46.59%	10.97%	
	Year ended March 2014	154	0.69%	71	7	51.54%	9.54%	
Normal loans and claims	Year ended March 2013	20,042	91.58%	17,224	31	86.10%	1.12%	
	Year ended March 2014	20,848	93.09%	17,673	29	84.91%	0.93%	
Total	Year ended March 2013	21,884	100.00%	18,516	153	85.31%	4.55%	
	Year ended March 2014	22,395	100.00%	18,786	154	84.58%	4.27%	

Reserve and recovery conditions of risk management loans

(Disclosure criteria specified in Article 89 of the Shinkin Bank Act)

The balance of risk management loans on a consolidated accounting basis for the year ended March 31, 2014 is the same as above.

(Unit : 100 million yen)

Classification		Disclosure balance (A)	Ratio*3	Amount collectible by collateral, guarantee, etc. (B)	Reserve for possible loan loss (C)	Recovery rate *1 ([B] + [C]) / (A)	Reserve rate *2 (C) / ([A] - [B])
Loans to bankrupt entities	Year ended March 2013	31	0.14%	31	0	100.00%	100.00%
	Year ended March 2014	21	0.09%	21	—	100.00%	—
Overdue loans	Year ended March 2013	1,630	7.47%	1,187	109	79.58%	24.82%
	Year ended March 2014	1,369	6.13%	1,019	116	82.90%	33.19%
Loans overdue for 3 months or more	Year ended March 2013	—	0.00%	—	—	—	—
	Year ended March 2014	—	0.00%	—	—	—	—
Loans with eased lending conditions	Year ended March 2013	179	0.82%	71	11	46.59%	10.97%
	Year ended March 2014	154	0.69%	71	7	51.54%	9.54%
Total risk management loans	Year ended March 2013	1,841	8.44%	1,290	121	76.72%	22.12%
	Year ended March 2014	1,545	6.92%	1,112	124	80.01%	28.68%

* 1. The recovery rate indicates the coverage ratio of loans overall and is calculated using the following formula.

Recovery rate = (estimated amounts collectible by collateral / guarantee, etc. + reserve for possible loan loss prepared for unrecoverable amounts) / claim amounts

* 2. The reserve rate indicates the reserve rate for unsecured balances.

* 3. The ratio of risk management loans shows the ratio of such loans against loans overall.