ANNUAL REPORT 2008/2009

April 2008-March 2009

DEPOSIT INSURANCE CORPORATION OF JAPAN

This Annual Report was produced based on the English translation of the original Annual Report in Japanese. The original Annual Report in Japanese shall govern for all purposes and prevail in case of any discrepancy with this Annual Report.

This Annual Report covers the DICJ's activities from April 2008 to March 2009.

Message from the Governor

To start off, I would like to review the recent key operations of the Deposit Insurance Corporation of Japan (DICJ). In order to maintain and improve the failure resolution framework for the protection of depositors, the DICJ accepted the actual set of data submitted by financial institutions to verify their performance with particular concern for how financial institutions manage and maintain depositors' name-based aggregation databases and systems. In addition, the DICJ dispatched officers to financial institutions to conduct on-site inspections. Moreover, in preparing for cases in which failures occur under limited coverage, the DICJ verified and reviewed the resolution procedures that should be implemented by the organization as financial administrators. At the same time we have implemented regular training in order to expect smooth execution of such resolution procedures. As for depositors, taking into consideration the transition to a system of limited coverage, the DICJ has been actively promoting public awareness and disclosing information regarding the deposit insurance system, and the mandate and operations of the DICJ in particular through lectures, articles in financial journals, our website and the mass media.

This annual report presents an operational overview of the DICJ for FY2008. There were no new failure cases in FY2008. The cumulative deficit of the general account fell, and the strengthening of financial affairs has been advanced. Meanwhile, the DICJ has further accelerated the disposal of past failure resolutions.

The DICJ has continued to strive to collect non-performing loans purchased from failed financial institutions through the Resolution and Collection Corporation (RCC), which is a DICJ subsidiary, actively utilizing corporate revitalization techniques and implementing the liquidation and securitization of non-performing loans. Moreover, the DICJ completed special crisis management for Ashikaga Bank with the transfer of all its shares. Upon collection, the DICJ conducted asset investigations to reveal the hidden assets of debtors and supported collection operations regarding cases of difficult recovery by putting civil execution and other legal steps into full use. The DICJ has focused on dealing strictly with cases involving antisocial forces. Regarding the pursuit of civil liability of the executive management of failed financial institutions, the DICJ attempted to settle lawsuits while taking account of the DICJ's mission and economic rationality.

Concerning capital injections into financial institutions, in addition to subscribing for preferred shares based on the Act on Special Measures for Strengthening Financial Functions which was revised in December 2008, the DICJ has appropriately managed and smoothly disposed of the preferred shares and others acquired by capital injection pursuant to the acts, including the Act on Emergency Measures for Early Strengthening of Financial Functions.

In the area of international cooperation activities, amid the significantly changing global financial environment including the issue of worsening management of financial institutions in western countries, among other issues, the DICJ has cooperated with foreign deposit insurance authorities, organized international conferences (DICJ Round Table) and proactively participated in the activities of the International Association of Deposit Insurers (IADI). In addition, the DICJ has striven to collect information concerning international trends of the deposit insurance system for reference purposes to enhance the deposit insurance system of Japan and has also striven to assist foreign countries in ways such as sharing our experience of how Japan has coped with financial crises as exemplified in the so-called Heisei Financial Crisis. Moreover, the DICJ published the journal "Deposit Insurance Review" to share the results of research and study it has conducted on the measures taken by various countries for the resolution of bank failures and the financial crisis.

The Act on Damage Recovery Benefit Distributed from Funds in Bank Accounts Used for Crimes came into force in June 2008. Based on this act, the DICJ started to conduct public notice and other activities related to relieving the victims of bank transfer scams this year.

In this way, from the aspect of "flow," the DICJ has further improved the failure resolution framework. Meanwhile, in terms of the aspect of "stock," the DICJ has promoted proper and efficient disposal of assets held, debts and credits, and the pursuit of liability, etc.; and has further striven all the more to strengthen financial affairs. In the future, in order to perform all-round deposit insurance functions as deposit insurers, ranging from failure resolution under limited coverage to financial crisis management, we will do our utmost to review the present status of the organization, improve our organizational capability and rationalize our operations.

On the occasion of the publication of this annual report, I would like to convey my sincere hope that this report will be helpful in facilitating a more in-depth understanding of the DICJ's mandate and operations, and for us to gain your support for the activities of the DICJ.

Shunichi Nagata

Shunichi Nagata
Governor

Deposit Insurance Corporation of Japan
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Contents

Abbreviations and others in this annual report

[Acts]

- Act on Emergency Measures for Financial Functions Stabilization (*Former Financial Functions Stabilization Act*)
- Act on Emergency Measures for the Revitalization of the Financial Functions (*Financial Revitalization Act*)
- Act on Emergency Measures for Early Strengthening of Financial Functions (*Early Strengthening Act*)
- Act on Special Measures concerning Promotion of Disposal of Claims and Debts of Specific Jusen Companies (*Jusen Act*)
- Act on Special Measures for Promotion of Organizational Restructuring of Financial Institutions (*Organizational Restructuring Act*)
- Act on Special Measures for Strengthening Financial Functions (*Financial Functions Strengthening Act*)
- Act on Special Treatment of Corporate Reorganization Proceedings and Other Insolvency Proceedings of Financial Institutions (*Special Corporate Reorganization Act*)
- Industrial Revitalization Corporation Act (*Industrial Revitalization Corporation Act*)
- Act on Damage Recovery Benefit Distributed from Fund in Bank Accounts Used for Crimes (*Criminal Accounts Damage Recovery Act*)

[Accounts]

- Account for Early Strengthening of Financial Functions (*Early Strengthening Account*)
- Account for Disposal of Claims and Debts of Specific Jusen Companies (*Jusen Account*)
- Financial Institutions "Management Base Strengthening Account (*Management Base Strengthening Account*)

[Organization]

- Deposit Insurance Corporation of Japan (*DICJ*)
- Resolution and Collection Corporation (*RCC*)
- Housing Loan Administration Corporation (*HLAC*)
- Resolution and Collection Bank (*RCB*)
- Industrial Revitalization Corporation of Japan (*IRCJ*)
- Seven Specific Jusen Companies stipulated in the Jusen Act (*seven former Jusen Companies*)
- Financial Services Agency (*FSA*)

[Delegation of authority]

- The Prime Minister delegates authority to the Commissioner of the Financial Services Agency, authority shall be given to the "Commissioner of the FSA."

I. OPERATIONS OF THE DICJ

1. The DICJ's Mission and Operations

The mission of the DICJ is to appropriately manage the deposit insurance system in order to achieve the objectives of the Deposit Insurance Act, which are "to establish a deposit insurance system in order to provide the protection of depositors and other parties, and to ensure the settlement of funds related to failed financial institutions, thereby contributing to the maintenance of stability of the financial system."

The deposit insurance system consists of the following operations: payment of deposit insurance and the purchase of claims relating to deposits, etc. that are necessary in the event that a financial institution has suspended repayment of deposits; financial assistance in mergers and other situations in the resolution of failed financial institutions, and the management and transfer of business by a financial administrator; and measures to deal with financial crises.

2. Preparation and Announcement of the Medium-Term Goals, Policy of Operation and Performance Evaluation

Based on the changes in the circumstances surrounding Japan's deposit insurance system, the DICJ considers it important to continue appropriately implementing its mission. Recognizing this, the DICJ attempts to improve governance, appropriateness and efficiency in operations through the operation management process of setting medium-term operational goals, conducting operations according to policies drawn up each year based on the same goals, evaluating performance and furthermore applying these evaluations in operations.

In FY2008, with the goals of systematically and appropriately tackling challenges including the improvement and enhancement of the failure resolution framework, promotion of operations involved in failure resolutions that have been implemented to date and the further strengthening of the DICJ's financial standing, the DICJ formulated and published the medium-term goals and policy of operation as mentioned below on April 1, 2008. The DICJ also amended the medium-term goals and policy of operations partially on December 19, 2008 upon enforcement of the amended Financial Functions Strengthening Act.

The DICJ evaluated the FY2008 performance of operations executed under the policy of operation concerned and posted it on its homepage (http://www.dic.go.jp/).

(Reference) The DICJ medium-term goals and the policy of operation

The medium-term goals were set for the next three years at the beginning of each fiscal year, based on which the policy of operation for the first fiscal year was formulated. Its evaluation is implemented following the end of the fiscal year. The medium-term goals and the policy of operation are subject to be revised as needed in a discretionary fashion.

April 1, 2008
December 19, 2008 Revised

Deposit Insurance Corporation of Japan Medium-Term Goals (FY2008-FY2010)

I DICJ's Mission

The mission of the DICJ is to appropriately manage the deposit insurance system in order to achieve the objectives of the Deposit Insurance Act, which are "to establish a deposit insurance system (Notes) in order to provide the protection of depositors and other parties, and to ensure the settlement of funds related to failed financial institutions, thereby contributing to the maintenance of stability of the financial system."

Notes: The deposit insurance system consists of the following operations: payment of deposit insurance and the purchase of claims relating to deposits, etc. that are necessary in the event that a financial institution has suspended repayment of deposits; financial assistance in mergers and other situations in the resolution of failed financial institutions, and the management and transfer of business by a financial administrator; and measures to deal with financial crises.

II Circumstances Surrounding the Deposit Insurance System and Organizational Operations of the DICJ

The environment surrounding Japan's deposit insurance system reveals that the strength of financial institutions is on track for recovery as a whole, but it is becoming imperative for financial institutions to advance risk management for themselves, according to the changes in the financial environment. Meanwhile, in financial transactions and markets, the transactions are becoming increasingly globalized, and there is rapid diversification in financial products and sales channels. Amid such structural change, greater independence and self-help are called for on the side of participants in financial transactions, including depositors and financial institutions, while the importance of securing an equitable market norm, sufficient consumer protection and an adequate safety net is ever-increasing. Furthermore, while the modus operandi used in finance-related crimes has recently become increasingly innovative and malicious, the importance of preventing criminal damage caused by antisocial forces is also increasing.
Regarding DICJ operations, starting from April 2005, all ordinary deposits, excluding those for payment and settlement purposes, also shifted from full protection to limited coverage in principle, and the blanket guarantee system was removed. While the number of additional purchases of non-performing loans has been decreased, the fair and efficient execution of administration, recovery, and disposal of the retained assets relating to past failure resolutions and other transactions is called for.
In order to appropriately implement its mission in this changing environment, the DICJ must further improve the failure resolution framework under the limited coverage system, promote the operation processes relating to failure resolutions and other matters that have been implemented to date, and take appropriate measures towards the further strengthening of the DICJ's financial standing. In order to maintain its all-round insurance function, from failure resolutions under the limited coverage system to financial crisis management, while also improving in terms of the efficiency and quality of its services, the DICJ must further improve its organization and operation system.

III Medium-Term Goals for FY2008-FY2010

The DICJ has set the following medium-term goals for FY2008-FY2010 as a roadmap for advancing the operations described above. The goals also set out the basic directions for execution and improvement of operations.

1. The DICJ will systemically improve and functionally enhance its system to process the failure resolution of financial institutions from a depositor protection point of view, while promoting public relations in connection with the deposit insurance system to depositors and others.

2. The DICJ will work closely with the relevant authorities and appropriately implement such operations as capital injections based on the Financial Functions Strengthening Act. The DICJ will proceed with the appropriate disposal of retained and other assets through such measures as the resolution of non-performing loans purchased from failed financial institutions and the disposal of preferred shares and others for capital injection.

3. The DICJ will support resolution and collection operations, including strict responses to obstructed recovery cases, and appropriately execute operations in pursuit of the management liability of failed financial institutions.

4. The DICJ will appropriately implement operations regarding recovery procedures for the victims of criminal accounts that the DICJ is newly supposed to implement.

5. The DICJ will strengthen its financial management as well as rationalize operations related to its finances.

6. The DICJ will carry out research and study activities, and international cooperation comprehensively taking account of financial and economic situations.

7. The DICJ will collaborate and cooperate with affiliated companies to execute appropriate management.

8. The DICJ will further improve upon a system required for augmenting essential compliance and operational risk management.

IV The Relation between the Medium-Term Goals and the Policy of Operation for each Fiscal Year

The policy of operation for each fiscal year is formulated based on the medium-term goals, the situation at that point in time, and the achievements and an evaluation of preceding fiscal years. The medium-term goals, in principle, are revised each fiscal year to reflect those factors.

April 1, 2008
December 19, 2008 Revised

Deposit Insurance Corporation of Japan Policy of Operation for FY2008
(April 2008-March 2009)

1. Improvement and Enhancement of the Failure Resolution Framework of Financial Institutions from the Perspective of Depositor Protection

(i) The DICJ will endeavor to promote its public relations activities by utilizing various materials in order to enhance depositors' understanding of the deposit insurance system from a depositor protection point of view.

(ii) The DICJ will endeavor to strengthen its organization in order to further enhance the scheme of failure resolution and operations of financial administrators presumed under the limited coverage system. Furthermore, the DICJ will promote collaboration with related parties, both within and outside the DICJ, provide periodic training, workshops and seminars, ensure personnel of the financial administrator panel, and attempt to improve their know-how and skill.

(iii) The DICJ will effectively and efficiently implement inspections against financial institutions, hearings on improvements related to inspection results (referred to as "improvement hearings" hereinafter), system verification (Notes), and training and advice while pursuing linkage among these measures in order to maintain and improve the accuracy of the depositor's name-based aggregation database. In doing so, the DICJ will engage in a thorough exchange of opinions with financial institutions regarding inspection and improvement hearings, and through such interactions, will encourage financial institutions to appropriately maintain and manage the name-based aggregation database and its system.

Notes: System verification refers to the verification by the DICJ's system of appropriate development of the name-based aggregation at each financial institution by requesting submission of the depositor data from financial institutions.

(iv) From a systems perspective, it is necessary to further accelerate name-based aggregating deposits database processing and smoothly facilitate the operations of financial administrators and others. To this end, the DICJ will improve and expand the organization and system to process related operations of the DICJ and to improve its management ability while taking effectiveness into account.

(v) The DICJ will verify necessary matters from the perspective of ensuring the smooth management of the deposit insurance system.

2. Proper and Steady Operations Related to Failure Resolution and Retained Assets

(i) Regarding the management and disposal of shares, claims, etc. acquired and retained by the DICJ from failed financial institutions, the DICJ will implement the necessary operations appropriately and effectively under the appropriate policy, including the processing period, based on the perspective of minimizing the public financial burden and market influence, and compliance with laws and regulations.

(ii) Regarding preferred shares and others assumed under the Early Strengthening Act, the DICJ will continue to work toward appropriate management and smooth disposal, based on the Statement by the Governor regarding "Immediate Guideline for Disposal of Preferred Stocks, etc., Acquired through Capital Injection with Public Funds" (published in October 2005). In cases where capital injection and other operations have taken place under the Financial Functions Strengthening Act, the DICJ will also respond appropriately while coordinating closely with relevant authorities.

3. Supporting Resolution and Collection Operations, including the Fair Handling of Obstructed Recovery Cases, and Proper Implementation of Pursuit of Liability

(i) The DICJ will enhance its support for resolution and collection operations by the RCC, including provision of detailed guidance and advice, while enhancing collaboration with the RCC in order to support their appropriate collection operations from malicious debtors and others, especially in support of their strict response to obstructed recovery cases involving antisocial forces.

(ii) The DICJ will strongly support the RCC's collection of non-performing loans by appropriately selecting cases for investigation, centering on malicious debtors, including antisocial forces, and by promoting an in-depth asset investigation.

(iii) The DICJ will upgrade investigation methods at the time of failure resolution and strengthen collaboration systems in order to appropriately pursue the managerial liability of failed financial institutions.

4. Appropriate Implementation of Operations regarding Recovery Procedures for the Victims of Criminal Accounts

The DICJ will endeavor to implement smooth operations concerned at all aspects, as well as to promote infrastructure improvement such as setting inside organizations, revising organization regulations of distributing personnel regarding operations involved in criminal accounts damages recovery.

5. The Certain Advancement of the Strengthening and Efficiency of Finances

(i) The DICJ will implement strengthening of its financial management as well as rationalization of operations related to its finances and will draw up, execute and manage its budget plans in an appropriate fashion. Furthermore, in order to improve efficiency in accounting operations and strengthen the functions of management and security, while striving for the stable operation of the newly introduced financial accounting system, the DICJ will deal appropriately with the accounting for new accounts.

(ii) Taking into account its financial standing, the DICJ will ensure a balanced insurance premium level in order to achieve equilibrium in the finances of the DICJ (General Account) over the long run.

(iii) With regard to fund management, the DICJ will continue to diversify its management means and improve management efficiency. Meanwhile, in regards to funding, the DICJ will attempt to further improve the stability and efficiency of administrative work, and implement appropriate management of the interest volatility risk and other matters.

6. Research/Study and International Cooperation Comprehensively Taking Account of Financial and Economic Situations

While conducting research on and studying the deposit insurance system both at home and abroad, the DICJ will enhance cooperation and collaboration with foreign deposit insurance authorities, host international conferences and contribute to the IADI. The DICJ will also continue to provide technical assistance to various foreign countries and form a cooperative framework among Asian countries.

7. Appropriate Management of Affiliated Companies

In collaborating and cooperating with affiliated companies, the DICJ will implement appropriate management of them, such as providing appropriate and timely guidance and advice to the RCC in line with the changing market environment.

8. Improvement of System in Securing Compliance and Operational Risk Management

The DICJ will further develop a system required for the improvement of essential compliance and operational risk management.

(Reference)

The DICJ medium-term goals (FY2009-FY2011) and the DICJ policy of operation (April 2009-March 2010)

Upon managing operations for FY2009, based on the changes in the environment surrounding the deposit insurance system, the DICJ has reviewed the medium-term goals and policy of operation for the previous fiscal year, and formulated and published the DICJ medium-term goals (FY2009-FY2011) and the DICJ policy of operation (April 2009-March 2010), as mentioned below.

April 1, 2009

Deposit Insurance Corporation of Japan Medium-Term Goals (FY2009-FY2011)

I DICJ's Mission

The mission of the DICJ is to appropriately manage the deposit insurance system in order to achieve the objectives of the Deposit Insurance Act, which are "to establish a deposit insurance system (Notes) in order to provide the protection of depositors and other parties, and to ensure the settlement of funds related to failed financial institutions, thereby contributing to the maintenance of stability of the financial system."

Notes: The deposit insurance system consists of the following operations: payment of deposit insurance and the purchase of claims relating to deposits, etc. that are necessary in the event that a financial institution has suspended repayment of deposits; financial assistance in mergers and other situations in the resolution of failed financial institutions, and the management and transfer of business by a financial administrator; and measures to deal with financial crises.

II Circumstances Surrounding the Deposit Insurance System and Organizational Operations of the DICJ

With regards to Japan's deposit insurance system, starting from April 2005, all ordinary deposits, excluding those for payment and settlement purposes, also shifted from full protection to limited coverage in principle. However, looking at the global financial and capital markets, extremely tough circumstances are being seen in that managerial problems at financial institutions in the US and Europe are escalating, and authorities in each country are hard-pressed to dispose of nationalization, raising the limit of the amount of insured deposits, capital injection, guaranty of liabilities, etc.

It is recognized that upon the changes in the global financial environment, Japanese financial institutions are also advancing risk management for themselves as well as addressing the issue of enhancing capital bases. Amid such structural change, the importance of securing an equitable market norm, sufficient consumer protection and an adequate safety net is ever-increasing. Furthermore, while the modus operandi used in finance-related crimes has recently become increasingly innovative and malicious, the importance of preventing criminal damage caused by antisocial forces is also increasing.

Regarding DICJ operations, given the global circumstances of financial and capital markets, and responses from the authorities in each country, in order to maintain the stability of Japan's financial system, it is becoming imperative to appropriately operate the deposit insurance system and of the injection of capital into each financial institution. Moreover, fair and efficient execution of administration, recovery, and disposal of the retained assets relating to failure resolutions and other matters that have been implemented to date, is continuously called for.

In order to appropriately implement its mission in this changing environment, the DICJ must further enhance the failure resolution framework, promote the operation processes relating to failure resolutions and other matters that have been implemented to date, and take appropriate measures towards further improving the DICJ's financial standing. In order to maintain its all-round insurance function, from failure resolutions under the limited coverage system to financial crisis management, while also improving in terms of the efficiency and quality of its services, the DICJ must further improve its organization and operation system.

III Medium-Term Goals for FY2009-FY2011

The DICJ has set the following medium-term goals for FY2009-FY2011 as a roadmap for advancing the operations described above. The goals also set out the basic directions for execution and improvement of operations.

1. The DICJ will systematically improve and functionally enhance its system to process the failure resolution of financial institutions from a depositor protection point of view in response to every situation. In particular, the DICJ will respond towards establishing the appropriate next system as a mid-term response for the operations of name-based aggregation and financial administrators.

2. The DICJ will work closely with the relevant authorities and appropriately implement such operations as capital injections based on the Financial Functions Strengthening Act.

3. The DICJ will proceed with the appropriate disposal of retained and other assets such measures as through the resolution of non-performing loans purchased from failed financial institutions and the disposition of preferred shares and others for capital injection.

4. The DICJ will support resolution and collection operations, including strict responses to obstructed recovery cases, and appropriately execute operations in pursuit of the management liability of failed financial institutions.

5. The DICJ will appropriately implement operations regarding recovery procedures for the victims of criminal accounts.

6. The DICJ will carry out public relations activities regarding the operation of the DICJ.

7. The DICJ will implement strengthening of its financial management as well as rationalization of operations related to its finances.

8. The DICJ will carry out research and study activities, and international cooperation comprehensively taking account of the financial and economic situation.

9. The DICJ will collaborate and cooperate with affiliated companies and execute appropriate management.

10. The DICJ will further enhance the system required for augmenting essential compliance and operational risk management.

IV The Relation between the Medium-Term Goals and the Policy of Operation for each Fiscal Year

The policy of operation for each fiscal year is formulated based on the medium-term goals, the situation at that point in time, and the achievements and an evaluation of preceding fiscal years. The medium-term goals, in principle, are revised each fiscal year to reflect those factors.

April 1, 2009

Deposit Insurance Corporation of Japan Policy of Operation for FY2009
(April 2009-March 2010)

1. Improvement and Enhancement of a System for the Resolution of Failed Financial Institutions from the Perspective of Depositor Protection in Response to Every Situation

(i) The DICJ will endeavor to augment its organization in order to further enhance the scheme of failure resolution and the operations of financial administrators. Furthermore, the DICJ will promote collaboration with related parties, both within and outside the DICJ, provide periodic training, workshops and seminars, ensure personnel of the financial administrator panel, and attempt to improve their know-how and skill, while striving for all-inclusive management and analysis of necessary information.

(ii) The DICJ will effectively and efficiently implement inspections; hearings on improvements related to inspection results (hereinafter referred to as “improvement hearings”); system verification (Notes); and training and advice, while pursuing linkage among these measures in order to maintain and improve the accuracy of the name-based aggregation database. In doing so, the DICJ will engage in a thorough exchange of opinions with financial institutions regarding inspection and improvement hearings, and through such interactions, will encourage financial institutions to appropriately maintain and manage the name-based aggregation database and its system.

Notes: System verification refers to the verification by the DICJ’s system of appropriate development of the name-based aggregation at each financial institution by requesting submission of the depositor data from financial institutions.

(iii) In order to further accelerate name-based aggregating deposits database processing and smoothly facilitate the operations of financial administrators, the DICJ will continuously develop and expand its current system and its business operations based on this system, and improve its management ability. The DICJ will also efficiently respond towards establishing the appropriate next system as a mid-term response.

(iv) The DICJ will verify necessary matters from the perspective of ensuring the smooth management of the deposit insurance system.

2. Operations Related to Capital Injection

The DICJ will work closely with the relevant authorities and appropriately implement such operations as capital injections based on the Financial Functions Strengthening Act.

3. Proper and Steady Operations Related to Failure Resolution and Retained Assets

(i) Regarding the management and disposal of shares, claims, etc. acquired and retained by the DICJ from failed financial institutions, the DICJ will implement the necessary operations appropriately and effectively under the appropriate policy, including the processing period, based on the perspective of minimizing the public financial burden and market influence, and compliance with laws and ordinances.

(ii) Regarding preferred shares and others assumed under the Early Strengthening Act, the DICJ will continue to work toward appropriate management and smooth disposal, based on the Statement by the Governor regarding "Immediate Guideline for Disposal of Preferred Stocks, etc., Acquired through Capital Injection with Public Funds" (published in October 2005).

4. Supporting Resolution and Collection Operations, including the Fair Handling of Obstructed Recovery Cases, and Proper Implementation of Pursuit of Liability

(i) The DICJ will enhance collaboration with the RCC, and provide proactive guidance and advice in order to support their appropriate collection operations from malicious debtors and others, especially in support of their strict response to obstructed recovery cases involving antisocial forces.

(ii) As to Jusen claims with the disposal period drawing on, the DICJ will consider the necessity of investigation as well as appropriately implement accurate selection of cases to be investigated and profound asset investigations centered on malicious debtors including antisocial forces.

(iii) The DICJ will further improve the investigation technique and strive to improve a system at the time of failure resolution in order to appropriately pursue the managerial liability of failed financial institutions, as well as improvement of the system, trying to promptly respond at the time of failure resolution.

5. Appropriate Implementation of Operations regarding Recovery Procedures for the Victims of Criminal Accounts

The DICJ will strive for efficiency and stability of operations such as the improvement of the system, taking into account the operations concerned after the enforcement of the Criminal Accounts Damage Recovery Act, as well as to ensure public awareness on the drift of publication/status of performance. The DICJ will also provide support and advice for publication to be smoothly executed for financial institutions.

6. Public Relations Activities of the DICJ's Operations

The DICJ will carry out proactive public relations activities utilizing various media for ensuring depositors' awareness of the operations of the DICJ such as the deposit insurance system.

7. The Certain Advancement of the Strengthening and Efficiency of Finances

(i) The DICJ will implement strengthening of its financial management as well as rationalization of operations related to its finances and will draw up, execute and manage its budget plans in an appropriate fashion. Furthermore, in order to promote efficiency in accounting operations, the DICJ will ensure the stable operation of the financial accounting system which unifies accounting processing within the DICJ.

(ii) Taking into account its financial standing, the DICJ will ensure a balanced insurance premium level in order to achieve equilibrium in the finances of the DICJ (General Account) over the long run.

(iii) With regard to fund management, the DICJ will strive for diversification and efficiency within a safe and appropriate range, based on the changes in the financial circumstances. Meanwhile, with regard to funding, the DICJ will attempt to further improve stability and efficiency based on appropriately grasping capital requirements.

8. Research/Study and International Cooperation Comprehensively Taking Account of the Financial and Economic Situation

(i) As to the matters relating to the DICJ operations such as deposit insurance system, etc., the DICJ will conduct study and research both at home and abroad and make proposals.

(ii) The DICJ will enhance cooperation and collaboration with foreign deposit insurance authorities. The DICJ will also strive to improve its operations by grasping international movements through hosting international conferences and proactively participating in the IADI. Furthermore, the DICJ will contribute to the establishment of an international cooperation system with deposit insurance institutions in each country, as well as continue to provide technical assistance to various foreign countries and form a cooperative framework among Asian countries.

9. Appropriate Management of Affiliated Companies

The DICJ will implement appropriate management while ensuring collaboration and cooperation, such as providing precise guidance and advice by deepening discussions based on changes in the environment, disposal period of Jusen claims, etc.

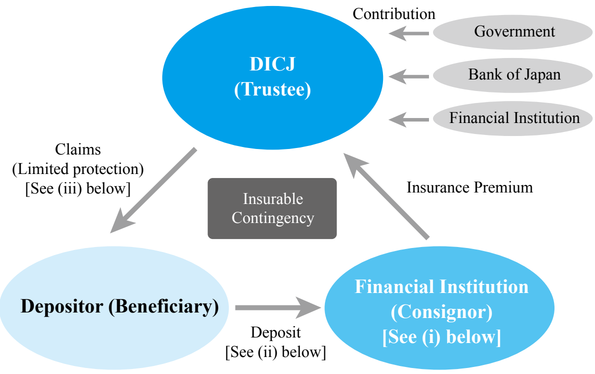
10. Enhancement of System in Securing Compliance and Operational Risk Management

The DICJ will further develop a system required for the augmentation of essential compliance, operational risk management, disaster countermeasures and other matters.

Column 1: Overview of the Deposit Insurance System (Basis of the Deposit Insurance System)

The deposit insurance system is a system whereby the DICJ makes a certain amount of insurance payments to protect depositors in the event of a failure of a financial institution. This system has also been adopted in various countries all over the world.

As shown in the figure on the right side, when a depositor makes a deposit at a financial institution covered by the deposit insurance system, an insurance relationship is automatically established among the depositor, the financial institution and the DICJ due to the Deposit Insurance Act; in other words, a three-way relationship of trust is established among these three parties when a depositor makes a deposit at a financial institution covered by the deposit insurance system. Therefore, the depositor is not required to make any special arrangements for deposit insurance.



Insurance premiums, which become resources for funds of the deposit insurance system are paid to the DICJ every year by financial institutions, and the amount of the premium a financial institution pays is calculated according to the volume of the institution's total deposits during the previous fiscal year.

Notes: The trustee, beneficiary and consignor in the above figure indicate the positions of the parties in the deposit insurance relationship comparing to the three-way relationship of trust.

(i) Financial institutions covered by the deposit insurance system are banks that have head offices in Japan as stipulated by the Banking Act, long-term credit banks, shinkin banks, credit cooperatives, labor banks, the Shinkin Central Bank, the National Federation of Credit Cooperatives, the Rokinren Bank, and the Shoko Chukin Bank. Apart from the deposit insurance system, the Norinchukin Bank, agricultural cooperatives and fisheries cooperatives are covered by "the Agricultural and Fishery Co-operative Savings Insurance Corporation."

(ii) Deposits, etc. insured by the deposit insurance system include deposits, installment savings, installment deposits, money trusts under the guarantee of principal and bank debentures (limited to custody products). Excluded from protection of the deposit insurance system are foreign-currency deposits, negotiable certificates of deposits, subscribed bank debentures, and bank debentures whose custody agreement has terminated. Furthermore, those deposits and others under other names or fictitious/false names, and those that are to be relent to third parties are also excluded.

(iii) The scope of protection under the deposit insurance system is as shown in the table below.

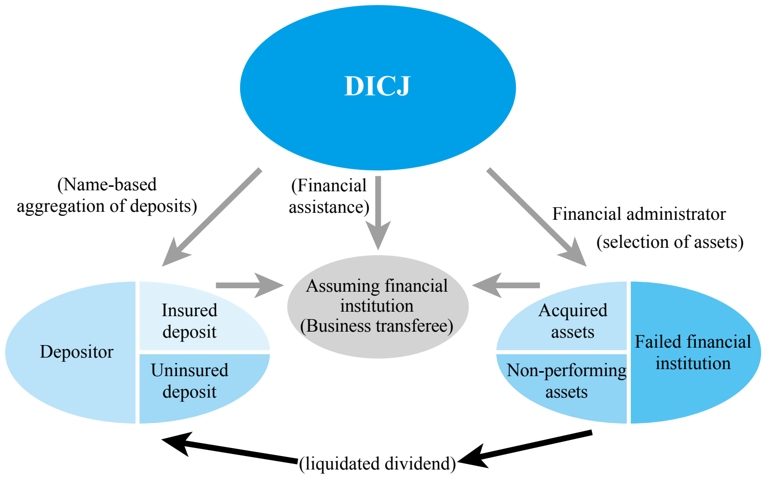
Types of Deposits, etc.			Scope of Protection
Deposits, etc. covered by deposit insurance	Deposits for payment and settlement purposes	Current deposits, ordinary deposits no interest accrues, etc.	Full protection
	General deposits, etc.	Interest-accruing ordinary deposits, time deposits, installment savings, money trusts under the guarantee of principal, bank debentures (limited to custody products), etc.	Protection up to a total of ¥10 million principal plus its interest, etc. Repayment is made for an amount in excess of ¥10 million according to the failed financial institution's assets. (Subject to deductions)
Deposits, etc. not covered by deposit insurance		Foreign-currency deposits, negotiable certificates of deposits, subscribed bank debentures, bank debentures whose custody agreement has terminated, etc.	No protection Repayment is made according to the failed financial institution's assets (subject to deductions).

Column 2: Overview of the Deposit Insurance System (Prompting of Deposit Insurance)

The basis of the deposit insurance system is as explained above. The next area to consider is what actually happens when a financial institution fails.

As the word "insurance" in the name of the current deposit insurance system suggests, the main purpose of the scheme is to provide for the payment of claims when an insurable contingency occurs. However, under the actual legal system, there are two methods: the insurance payout method, where payouts are made directly to the depositors, and the financial assistance method, where the business of a failed financial institution is transferred to an assuming financial institution and the DICJ provides financial assistance to that institution. The Financial Services Council Report of December 1999 recognizes the importance of keeping disorder to a minimum accompanying the resolution of a failed financial institution while taking into consideration the costs required for its resolution, and accordingly indicates the principle of giving preference to the method of providing financial assistance rather than the insurance payout method when an actual failure occurs. Based on this, when an actual failure occurs, the objective of the scheme is to look for a financial institution which will assume the business of the failed financial institution and to transfer the business to the assuming financial institution while maintaining insofar as possible the financial functions of the failed financial institution.

To illustrate how this works, consider the scenario of a financial institution failing on a Friday and the DICJ being appointed as the financial administrator. In such a case, the DICJ dispatches staff to the failed financial institution and has them undertake the work of the financial administrator. The DICJ undertakes preparations to resume business the following Monday so that deposits covered by the deposit insurance system based on name-based aggregation of deposits (insured deposits) can be repaid to depositors. Afterwards, the DICJ will transfer the sound and not seriously impaired assets (= acquired assets) to an assuming financial institution to which it can transfer the business of the failed institution. Furthermore, the DICJ will formulate a revitalization plan in accordance with the Civil Rehabilitation Act and will reimburse other creditors for outstanding debts with the aim of completing the process within about a year. The figure shows this series of resolution procedures.



The above gives an overview of the resolution process followed by the DICJ. In addition, the current legal system also provides for measures "when an extremely serious hindrance could be caused to the maintenance of the stability of the financial system in Japan or in a certain region where financial institutions are conducting business." For such crises, deposits and other related interests may be fully protected in accordance with Article 102 of the Deposit Insurance Act subject to a resolution by the Council for Financial Crises chaired by the Prime Minister as measures against a crisis.

Also, capital injections may be undertaken for a financial institution (Notes). Over the past several years, similar functions were set in motion under previous laws and regulations, and special public management, special crisis management and capital injections were consequently undertaken against financial institutions.

The reason why the DICJ at present holds shares of many financial institutions is due to crisis measures or measures under the capital increase system for stabilizing and fortifying Japanese financial functions. In the future, the DICJ will continue to apply appropriate management and settlement procedures.

Notes: As to capital injection of financial institutions, other than capital injection based on the Deposit Insurance Act (deposit insurance system), at present there is capital injection based on the Financial Functions Strengthening Act amended in December 2008. Capital injection based on the amended Financial Functions Strengthening Act is carried out with the expectation of sound and efficient operation of financial institutions and the revitalization of the economy in the region, and has already been implemented to some financial institutions. [See P23 II 2 (4) "Operations Related to Capital Injection"]

II. ACTIVITIES SUMMARY OF FY2008

1. Improvement and Enhancement of the Failure Resolution Framework of Financial Institutions from the Perspective of Depositor Protection

(1) Promoting Preparation for the Depositors' Name-based Aggregation Database and System

The DICJ consolidates and totals all accounts held by the identical depositor promptly based on the depositor data submitted by the failed financial institution. If the data is not accurate, or if delivery to the DICJ is delayed, the DICJ cannot calculate the amount of insured deposits promptly, and thus the smooth protection of deposits may be hampered. [Concerning the above operation, see the following page, Column 3: "Name-based Aggregation of Depositors."]

Accordingly, the Deposit Insurance Act requires each financial institution to provide depositor data on magnetic tapes (hereinafter referred to as "the name-based aggregation database") to the DICJ without delay in the event of failure, and requires each financial institution to continuously maintain the name-based aggregation database and system (Article 55-2 of the same act). Furthermore, in order to ensure the smooth repayment of the insured deposit, each financial institution is required to develop and maintain their own system to enable the prompt reflection of the result of the name-based aggregation of deposits returned from the DICJ (Article 58-3 of the same act).

In FY2008, the DICJ conducted system verification, training and advice as follows.

(i) System verification on the depositors' name-based aggregation database

The DICJ requests that each financial institution submit their name-based aggregation database to ensure smooth name-based aggregation of deposits at the failure of a financial institution in accordance with Article 37 of the Deposit Insurance Act, and verifies whether those data conform to the format designated by the DICJ system among others.

Name-based aggregation databases that are found to be defective or feared to be defective are sent back to each financial institution concerned for correction and confirmation. The DICJ also sends back the name-based aggregation results obtained by using the DICJ's own system and asks each financial institution to confirm that these results can be reflected in its own business system promptly.

In FY2008, the DICJ conducted system verification at 177 insured financial institutions.

(ii) Training and Advice

In order to facilitate the development of the name-based aggregation database and systems, the DICJ dispatches its staff at the request of individual financial institutions to provide training and advice tailored to their unique circumstances.

In FY2008, the DICJ provided 62 cases of training and advice for individual financial institutions.

Column 3: "Name-based Aggregation of Deposits"

(i) "Name-based aggregation of deposits"

The limit of deposits protected under deposit insurance is the full amount of deposits for payment and settlement purposes (Notes), and a total of ¥10 million in principal and interest, etc. per depositor per financial institution for other deposits. Therefore, in the event of failure of a financial institution, it is imperative to consolidate and total all accounts held by the identical depositor at the identical financial institution. This operation is called "name-based aggregation of deposits."

Notes: Deposits that meet the three requirements of "zero interest, payable on demand, and capable of providing settlement services," fall under the category of deposits for payment and settlement purposes.

(ii) The identical depositor in "name-based aggregation of deposits"

In name-based aggregation of deposits, the persons mentioned below are treated as the identical depositor:

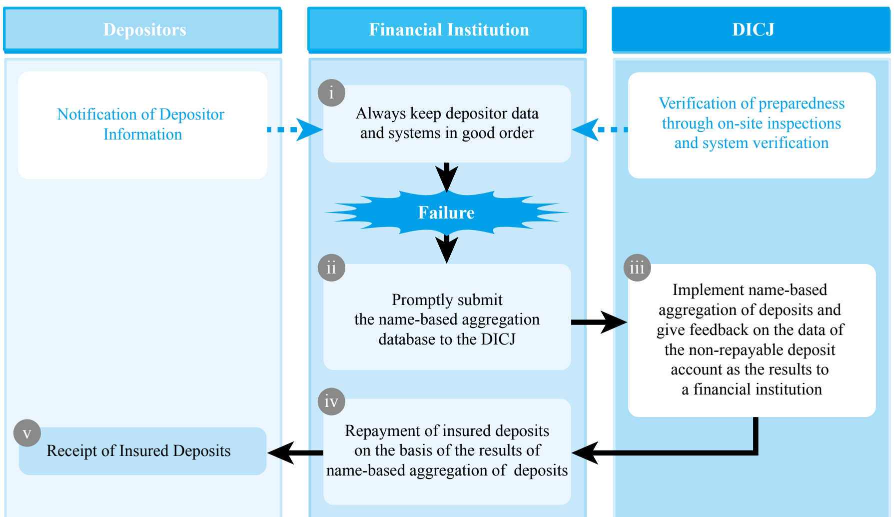
(1) Individuals
Each individual is regarded as one depositor. Spouses, parents and children are regarded as different depositors. However, deposits borrowing the names of family members are not protected by deposit insurance.
In the case of sole proprietors, deposits for business and non-business purposes are aggregated as deposits under the same name.

(2) Juridical persons
Regarding deposits in the names of juridical persons, one juridical person is regarded as an individual depositor.

(3) Unincorporated (non-juridical) associations or foundations
One unincorporated (non-juridical) association or one foundation is regarded as an individual depositor.
In order for organizations to fall under the category of unincorporated (non-juridical) associations or foundations, they are generally required to have structures as an organization and the method of managing an organization has to be provided for in the articles of associations and other guidelines. The eligibility is determined on a case-by-case basis according to the specific circumstances of the respective organizations.

(4) Voluntary organizations
Voluntary organizations (This term means associations other than juridical persons and "unincorporated [non-juridical] associations and foundations"; hereinafter, the same) are not regarded as individual depositors. Deposits in the name of a voluntary organization are divided into those in the names of respective members comprising the organization according to their respective amount of deposits.

[Maintenance of Depositor Data and "Name-based Aggregation of Deposits" in the Event of Financial Institution Failure]



(2) On-Site Inspections

(i) On-site inspections

The Deposit Insurance Act provides that the Commissioner of the FSA may, when deeming it necessary to ensure smooth implementation of the provisions of the act, authorize the DICJ to conduct on-site inspections of financial institutions.

The scope of on-site inspections that may be undertaken by the DICJ is defined in Article 137, paragraph 6 of the Deposit Insurance Act. Namely, the DICJ may conduct inspections to check that: (i) payment of insurance premiums is being made properly (item 1 of the same); (ii) measures are being implemented to prepare databases, electronic data processing systems and other relevant measures for aggregating data related to deposits held by the same depositor, as obligatory to financial institutions (item 2); and (iii) the estimated amount to be repaid on deposits and other claims when a financial institution has been made subject to bankruptcy proceedings (item 3). Penal provisions also exist for cases including evasion of these on-site inspections (Article 143, paragraph 2 of the Deposit Insurance Act).

The DICJ began inspecting depositors' name-based aggregation databases in August 2001 (inspection under item 2), and is effectively and efficiently undertaking the inspections in order to ensure and improve the accuracy of the depositor data.

In addition to the inspection of depositors' name-based aggregation databases, the DICJ expanded its inspections to include insurance premiums confirmation (inspection under item 1) in January 2003. As the adequate payment of insurance premiums is indispensable for the stable operation of the deposit insurance system, the DICJ is striving, through its inspections, to ensure that premium payments are being made properly and that fairness is maintained among financial institutions, as payers of insurance premiums. Regarding the calculation of the "estimated proceeds payment rate" (inspection under item 3), the DICJ is prepared, if necessary, to undertake the inspection in order for a failed financial institution to properly pay the estimated proceeds in the event that a failure occurs.

To enhance the quality of these inspections, the DICJ established its Inspection Department in July 2003 and has been taking appropriate measures to create a system under which inspections can be properly performed.

The DICJ carried out 116 cases of on-site inspections in the 2008 inspection year (July 2008 to June 2009). [See P98 III.4. (12) "Number of On-Site Inspections Implemented."]

(ii) Follow-up of the results of inspections conducted by DICJ

Concerning items pointed out by the DICJ during inspections, the FSA or Local Finance Bureaus request a report from financial institutions on improvements based on Article 24 of the Banking Act and Article 136 of the Deposit Insurance Act, and then conducts a hearing. The DICJ also participates in this hearing and advises financial institutions to ensure that effective improvements are made.

(3) Collaboration among Persons Undertaking On-Site Inspection, System Verification and Training/ Advice

In order to effectively promote improvement in the name-based aggregation database and operation systems of financial institutions, persons-in-charge of the DICJ collaborate to undertake on-site inspection, system verification, and training and advice as described below.

- Upon undertaking on-site inspection, system verification, and training and advice, persons-in-charge endeavor to share information within the DICJ at all times.
- On-site inspections are conducted also on the basis of system verification results.
- Upon confirmation of the results of system verification or upon the start of work on amendments, the staff of the DICJ gives advice to the financial institutions concerned as to the results of verification and the state of improvement in the database, including directly visiting the institutions to provide training.

(4) PR Activities to Ensure Public Awareness of the Deposit Insurance System

Placing great importance on positive public awareness of the deposit insurance system, including depositors, the DICJ has devoted significant attention to public relations activities. In FY2008, in order to deepen public awareness of the deposit insurance system from the viewpoint of protecting depositors, the DICJ carried out proactive public relations activities in collaboration with the Financial Services Agency and the Bank of Japan through various mass media. The following is an overview of those activities.

(i) PR activities to ensure public awareness of the system

In FY2008, the DICJ decided to effectively use various media to make the deposit insurance system and others known to public. The DICJ attempted to further improve its website by uploading "Overview of the Japanese

Deposit Insurance System." The DICJ cooperated with newspapers, TV stations and other mass media in their news coverage activities and also exchanged views with journalists on the results of research into the global financial crisis.

Furthermore, the DICJ dispatched officers and staff members to training sessions hosted by various kinds of associations and institutions to give lectures about the deposit insurance system, as well as contributed papers on the deposit insurance system and the activities of the DICJ to the journals specialized in finance. Further, the DICJ aired radio commercial messages via nationwide networks twice (in November 2008 and March 2009) to help enhance public awareness of the deposit insurance system and caution against the prevalence of bank transfer fraud, and conducted a survey on the degree of recognition of the deposit insurance system, thus carrying out public relations activities proactively in response to changes in the economic and financial environments.

In addition, the DICJ appropriately responded to an increase in access to the website, which probably reflected depositors' growing interest in bank transfer frauds and the global financial situation, as well as an increase in inquiries about the deposit insurance system.

In the above-mentioned survey, of 14,547 people polled, 84.1% replied that they "know" about the deposit insurance system. Of those who replied that they "know" about the deposit insurance system, 94.7% said that they "know" about the scope of deposit protection provided that "in the event of a failure of a financial institution, in principle, up to ¥10 million in principal plus accrued interest thereon is protected per depositor per financial institution."

(ii) Publication of brochures

In order to help deepen the understanding of depositors about the deposit insurance system, the DICJ prepares brochures and other materials. In FY2008, in addition to an annual report published in each fiscal year, the DICJ published revised editions of two brochures, "Understanding the Deposit Insurance System with Comics" and "Operations of the Deposit Insurance Corporation of Japan," both of which plainly explain to depositors about the deposit insurance system and operations of the DICJ, and distributed them to financial institutions and relevant government offices.

"Understanding the Deposit Insurance System with Comics" is the brochure version of the same material which is posted on the DICJ website, prepared with the aim of depositors with no access to the Internet gaining an understanding of the deposit insurance system.

"Operations of the Deposit Insurance Corporation of Japan" is prepared as a brochure to introduce the organizational structure of the DICJ which is responsible for operating the deposit insurance system.

(iii) Explanation of the system in response to telephone inquiries

The DICJ set up dedicated telephone lines for answering inquiries concerning the deposit insurance system from the public to help them gain a correct understanding of the deposit insurance system, and answered a wide range of questions and inquiries from the public, including depositors.

The number of inquiries totaled 5,766 in FY2008, showing a significant increase becoming 200.9% of the FY2007 level. [See (Reference 1) of the following page.]

Conceivable reasons behind the increase in inquiries include (i) against the backdrop of impacts of newspaper reports on the global financial crisis, the failure of the U.S. investment bank Lehman Brothers in September 2008 triggered a sharp rise in inquiries in the latter half of the fiscal year; and (ii) following the enforcement of the Act on Criminal Accounts Damages Recovery in June 2008, inquiries from bank transfer fraud victims about relief under the damages recovery system increased.

In FY2008, numerous inquiries were made about "insured financial institutions," "limit of insurance payment" and "insured financial products," which together accounted for about half (50.3%) of the total number of inquiries. [See (Reference 2) of the following page.]

(Reference 1) Number of Inquiries Recorded about General Matters

Fiscal year	2004	2005	2006	2007	2008
Individual	5,167	2,062	1,522	2,193	4,661
Corporation	3,034	1,162	642	677	1,105
Total Number	8,201	3,224	2,164	2,870	5,766

(Reference 2) Number of Inquiries Recorded by item in FY2008

Category		Number of cases	Composition ratio (%)
1. Inquiries about the Outline of the System		751	5.7
	System in General	366	2.8
	Organization of the DICJ	186	1.4
	Deposit Insurance Fund, Insurance Premium Rate	199	1.5
2. Insurance Payment; Purchase of Deposits		10,262	77.4
	Insured Financial Institution	2,742	20.7
	Insured Financial Product	1,720	13.0
	Insured Depositor	765	5.8
	Limit of Insurance Payment	2,196	16.6
	Purchase System; Estimated Proceeds Payment	141	1.1
	Interest	1,033	7.8
	Name-based Aggregation of Deposits	748	5.6
	Settlement Function	143	1.1
	Time of Reimbursement	355	2.7
	Procedures for Claiming Insurance Payment	401	3.0
	Partial Payment	18	0.1
3. Financial Assistance		169	1.3
4. Set-Off of Deposits Against Borrowings		184	1.4
5. Requesting Materials, Other		1,895	14.3
	Requesting Materials; About Website	481	3.6
	Other	1,414	10.7
Total by item		13,261 (Notes 1)	100.0 (Notes 2)

Notes 1: Because in some cases one line of inquiry covered two or more inquiry items, the total by item does not match that for each case of inquiry, as shown in (Reference 1).
Notes 2: Composition ratios by item do not add up to the total due to rounding.

(5) Failure Resolution System under Limited Coverage

There are two methods for resolving the failure of a financial institution, namely the method of paying insurance money directly to each depositor or related party, (insurance payout method) and the method of providing financial assistance to assuming financial institutions taking over the operations of failed financial institutions (the financial assistance method). However, in the Financial System Council Report of December 1999, the basic policy for resolution of failed institutions was specified as follows: "If a financial institution fails, it is necessary to select the resolution method which has the prospect of having the lowest cost required for resolving the failure, as well as to make every effort to minimize the confusion accompanying the failure. As a method for treating the failure of a financial institution, the choice of the financial assistance method should have the first priority and insurance payout should be avoided as much as possible."

Following the transition to limited coverage of time deposits and others beginning in FY2002, no financial institution has failed (except for the case where full deposits and others were protected as a result of measures against financial crises). Under the limited coverage scheme, as deposits other than insured deposits and general claims are reimbursed in accordance with the state of assets of a failed financial institution, it is necessary to impose certain restrictions on the operations of the failed financial institution to preserve its assets in order to maintain the equality among depositors and general creditors and prevent an outflow of assets. For this reason, resolution of failed financial institutions under the limited coverage scheme is to make use of the civil rehabilitation procedures under court supervision.

Notes: When the failure of a financial institution threatens to undermine the stability of the financial system, deposits and others may be "fully protected" as a crisis management measure under Article 102 of the Deposit Insurance Act subject to the resolution of the Council for Financial Crises chaired by the Prime Minister.

The DICJ is deliberating failure resolution schemes under limited coverage and is preparing a manual for dealing with procedures of the failure resolution assuming a case where the DICJ is appointed as a financial administrator. The DICJ is also exercising periodic in-service training for failure resolution procedures in order to ensure the proper implementation of the prepared failure resolution procedures and to make all possible preparations to cope with the failure resolution (Notes). This in-service training is aiming at preparatory measures for the failure of an individual financial institution, and is not intended for the failure of a specific financial institution. [See P58, III. 1. (5) "Failure Resolution Scheme under the Limited Coverage."]

Notes: Training is exercised on a periodic and continuous basis. In FY2008, the following training was exercised to cover each segment of the financial administrator tasks:
July 11, 14 and 15, 2008 (3 days in total, around 320 participants in total);
December 11 and 12, 2008 (2 days in total, around 230 participants in total).

2. Proper and Steady Operations Related to Failure Resolution and Retained Assets

In order to facilitate the resolution of failed financial institutions and also to boost the capital bases of financial institutions, the DICJ has so far given monetary grants of ¥18,867.3 billion, purchased assets of ¥9,777.5 billion, carried out bank recapitalization totaling ¥12,548.4 billion and provided other financial assistance totaling ¥6,011.0 billion. Of these amounts, ¥9,719.6 billion out of assets purchased, ¥10,814.7 billion out of bank recapitalization, and ¥4,865.6 billion out of other financial assistance, respectively, were recovered as of the end of March 2009. [See P79: III. 4. (3) "Status of Financial Assistance and Recovery (as of March 31, 2009)."]

(1) Management and Disposal of Assets Purchased from the Failed Financial Institutions

(i) Recovery of assets purchased from the failed financial institutions

Of assets purchased, the DICJ purchased ¥6,482.1 billion of assets from failed financial institutions, and recovered ¥7,341.5 billion through debt collection and the sale of assets by the end of March 2009. In actually carrying out operations (purchases, management and disposal of assets), the bulk of these operations are entrusted to the RCC, which is a DICJ subsidiary.
The RCC also manages and recovers assets transferred directly from seven former Jusen companies.

● Amount of Purchase of Assets from Failed Financial Institutions and Cumulative Amount of Recoveries (as of March 31, 2009)

(Unit: billion yen)

Category	Amount of purchase	Cumulative amount of recoveries
Purchases of assets	9,777.5	9,719.6
Purchase of assets from failed financial institutions	6,482.1	7,341.5
Of these, purchase of nonperforming assets from banks under special public management	1,179.8	1,650.9
Of these, purchase of assets from a bank under special crisis management	99.9	97.7
Purchase of healthy assets from banks under special public management (Notes)	2,942.1	1,717.2
Purchase of assets from sound financial institutions	353.3	660.9

Notes: Mainly purchases of equity shares held by banks under special public management.
(Reference) [See P27: II. 2. (5) "Management and Disposal of Assets Purchased from Sound Financial Institutions," and P81: III. 4. (5) "Recoveries of Claims Purchased under Article 53 of the Financial Revitalization Act."]

● Transfers of Assets from Seven former Jusen Companies and Cumulative Recoveries (as of March 31, 2009)

(Unit: billion yen)

Category	Amount of transfers	Cumulative amount of recoveries
Loan claims transferred to RCC from now-defunct 7 Jusen companies	4,655.8	3,294.5

[See P82: III. 4. (6) “Collection Performance of the RCC.”]

The DICJ provides the guidance and advice necessary for the execution of business under the Deposit Insurance Act, the Financial Revitalization Act and the Jusen Act among others to the RCC’s operations. These supporting activities cover a wide range including the recovery of transferred claims, civil recovery proceedings, the legal process and other transactions related to real estate, recovery by uncovering hidden assets by fully exploiting the investigative powers entrusted to the DICJ, as well as the pursuit of civil and/or criminal liability of directors or other persons concerned, of failed financial institutions. [See P28, II. 3. “Supporting Resolution and Collection Operations, including Fair Handling of Obstructed Recovery Cases, and Proper Implementation of Pursuit of Liability.”]

In addition to conventional debt collection methods, attempts are being made at the RCC to make collection methods more diversified by utilizing collection with corporate revitalization methods, and liquidation and securitization of loan assets.

(ii) Debt recovery activities by the RCC

1) Debt collection policy of the RCC

The RCC assumes the role of appropriately and swiftly recovering the assets purchased with public funds from failed financial institutions and seven former Jusen companies to contribute to the minimization of public burdens. Upholding the three guidelines for debt recovery, namely, “pursuit of the binding character of contracts,” “preservation of human dignity” and “pursuit of corporate revitalization,” the RCC is making the best efforts toward collection while pursuing collection with emphasis on consultations with debtors, taking their specific circumstances into consideration.

In addition, based on the governmental policies and others adopted in FY2001 and afterward, the RCC is pursuing the minimization of public burdens by aiming at corporate revitalization by carefully coping with the debtors of possible revitalization.

2) Debt collection performance of the RCC

In FY2008, debt totaling ¥170.6 billion was recovered. The total includes ¥61.3 billion transferred from the seven former Jusen companies, ¥90.4 billion for the former RCB purchased from failed financial institutions, and ¥18.8 billion purchased from sound financial institutions. [See P82, III. 4. (6) “Collection Performance of the RCC.”]

3) Corporate revitalization

a. Promotion of corporate revitalization activities

In response to the “Structural Reform in the Japanese Basic Policy for Fiscal and Economic Management and for Economic and Social Structural Reform” (known as the Honebuto Policies) decided by the Cabinet on June 26, 2001 and the amendments to the Financial Revitalization Act in the same month, the RCC launched its “Headquarters for Corporate Revival,” with the RCC president serving as director, and a corporate revival department in charge of performing these activities was established in November of that same year. In January 2002, in order to judge expertly and objectively whether or not revitalization was possible, the “Corporate Revitalization Study Committee” was established as an advisory body of the Headquarters for the Corporate Revival director. Moreover, an organizational structure was arranged to tackle the corporate revival, and since that time its function has been strengthened and its organization enhanced.

b. Corporate revitalization performance, etc.

Since the establishment of the Headquarters for Corporate Revival in November 2001, and up to March 31, 2009, the RCC has been involved with 604 cases in the process of formulating revitalization plans (380 cases of private revitalization, 87 cases of legal revitalization and 137 cases with trusts and funds), and there are 101 cases of proposed candidates for revitalization. As for the performance in FY2008 (single year), the RCC was involved with 35 cases (18 cases of private revitalization, 3 cases of legal revitalization and 14 cases with trusts and funds). [See P84, III. 4. (8) “Corporate Revitalization Cases by the RCC.”]

4) Trust operations

The RCC obtained a license to engage in the trust business on August 31, 2001, established the “Trust Business Department” and commenced to subscribe to non-performing loans using the trust method. In addition, the RCC utilizes the trust function in tackling the securitization of non-performing loans and setting up the corporate revitalization fund using private funds.

Claims entrusted to the RCC had a book value of ¥46.4 billion (including RCC contributions of ¥44.8 billion) in

FY2008, making a cumulative total of ¥2,342.8 billion (including RCC contributions of ¥661.5 billion) by March 31, 2009, and contributed to promoting the smooth disposal of the non-performing loans of financial institutions.

5) Liquidation and securitization of loan assets

Regarding the liquidation of loan claims held by the RCC, the "Program for Financial Revival," inaugurated in October 2002, specified that (i) the RCC will accelerate collections and sales of loan assets purchased by the RCC and (ii) the RCC will strengthen its functions to securitize its loan asset portfolio. In line with this, in December of the same year, the DICJ and RCC announced the "Basic Policy concerning the Liquidation and Securitization of Assets held by the DICJ and the RCC." Under this policy, sales or securitization will be more actively considered when, from the perspective of economic rationality, these options are advantageous compared to recovery by the RCC on its own.

In line with the aforementioned basic policy, the RCC adopted a method to sell multiple claims in bulk (bulk sales) through bidding at the end of FY2002. During FY2008, the RCC carried out bulk sales for a combined value of ¥546.9 billion in principal owed by a total of 2,215 debtors (for the cumulative total value of ¥6,770.8 billion). The RCC also carried out individual sales for a total principal value of ¥58.0 billion owed by 57 debtors (for the cumulative total value of ¥1,620.3 billion). In addition, through "RCC Trust Series" under which non-performing loans held by the RCC are combined with those of financial institutions for securitization, the RCC sold a total of ¥44.8 billion of claims in principal (for the cumulative total value of ¥661.5 billion).

As a result, liquidation and securitization, including individual sales, bulk sales and securitization, were carried out with a total book value of ¥9,052.6 billion by March 31, 2009 (including the commissioned recovery of former Hanwa Bank claims and the purchase of assets under Article 53 of the Financial Revitalization Act).

● Liquidation of Receivables (original book value of claims)

(Unit: billion yen)

Fiscal year	1999-2000	2001	2002	2003	2004	2005	2006	2007	2008	Accumulated Total
Individual Sales	95.5	133.9	220.4	359.2	327.4	167.6	122.8	135.5	58.0	1,620.3
Securitization	—	32.3	109.6	341.2	56.4	77.4	—	—	44.8	661.5
Bulk Sales	—	—	263.8	361.8	1,322.7	2,445.1	769.6	1,060.9	546.9	6,770.8
Total	95.5	166.2	593.8	1,062.2	1,706.4	2,690.1	892.4	1,196.4	649.7	9,052.6

Notes: 1. The difference in the total amount is due to fraction adjustment.
2. Figures are rounded off.

6) Real estate management and disposal

The RCC is working on the proper management of real estate purchased from the seven former Jusen companies and failed financial institutions, and efficient disposal of these properties according to fair and transparent rules. More specifically, this includes the posting of real estate sales information on the REINS (the Real Estate Information Network System administered by the Organization for Real Estate Transactions under the authorization of the Minister of Land, Infrastructure, Transport and Tourism), as well as the Internet website of the RCC, and the application of competitive bidding.

The sales of real estate properties purchased from the seven former Jusen companies and failed financial institutions had been completed during FY2007, except for those transferred from the now-defunct Hanwa Bank and acquired in payments in substitution in the process of claims recovery.

In FY2008, the RCC sold three properties for a total of ¥120 million. As a result, cumulative sales reached 4,032 properties (including those transferred to the HLAC and the RCB, as well as those acquired by performance in accord and satisfaction) worth a total of ¥333.3 billion to date.

For the purpose of warding off antisocial forces bidding for collateral real estate involved in claims held by the RCC, the RCC newly acquired two properties for ¥60 million in total by making winning bids in its own auctions during FY2008.

(iii) Management of corporations under liquidation and lawsuits

In FY2008, out of failed financial institutions which became corporations under liquidation proceedings (referred to as "corporation under liquidation" hereinafter), one corporation finalized liquidation procedures (13 corporations under liquidation as of March 31, 2009). On the other hand, the DICJ increased monetary grants by ¥200 million as a result of settlements of lawsuits where the corporations under liquidation acted as defendants.

(2) Operations Related to Banks under the Special Public Management

(i) Management and recovery of nonperforming loans

As described in II.2. (1) “Management and Disposal of Assets Purchased from the Failed Financial Institutions,” the DICJ purchased non-performing loans of ¥1,179.8 billion from banks under special public management (the former Long-Term Credit Bank of Japan and the former Nippon Credit Bank) under Article 72 of the Financial Revitalization Act, and has recovered ¥1,650.9 billion to date.

In addition to the above, the DICJ took over nonperforming loans subject to the warranty for latent defect (loan buy-back) provision, as stipulated in the share sales agreement on the transfer of the former Long-Term Credit Bank of Japan (now Shinsei Bank) and the former Nippon Credit Bank (now Aozora Bank), and the amount of buy-back payments reached ¥894.1 billion for Shinsei Bank and ¥328.6 billion for Aozora Bank by March 31, 2009. The DICJ had recovered ¥463 billion in non-performing loans purchased from Shinsei Bank and ¥190.7 billion of such loans from Aozora Bank as of March 31, 2009. With regard to the non-performing loans taken over subject to the above-mentioned loan buy-back provision, the RCC is working on its management and recovery operations, entrusted by the DICJ.

(ii) Management and disposal of shares

Out of shares held by the former Long-Term Credit Bank of Japan (now Shinsei Bank) and the former Nippon Credit Bank (now Aozora Bank) when the special public management of both banks terminated in 2000, the DICJ purchased shares needed by both banks to carry on business, and entrusted them to Shinsei Trust & Banking and Aozora Trust Bank, respectively. Under the share sales agreement on the transfer of both banks, both banks could buy back the shares concerned during the five-year trust period, but in the event of any loss at the time of sale, the DICJ could reject selling them back. In cases in which the buy-back of the shares was rejected within one year before the expiration of the trust period, the trust period of such shares was to be extended for one year from the date of the rejection.

The transfers to the DICJ of all of the concerned shares held by Shinsei Bank and Aozora Bank except for those bought back by Shinsei Bank and Aozora Bank were completed in February 2006 and August 2006, respectively, after a one-year extension of the trust period.

The shares transferred to the DICJ were being disposed of in an appropriate and smooth manner over a target period of about 10 years under the principles of “Minimizing public burdens” and “Minimizing the impact on the market.” In view of the government’s measures to deal with the sharp fall of the stock market during 2008, however, the DICJ decided to put on hold the sales of exchange-listed stocks for the time being, effective as of October 15, 2008.

Consequently, a total of ¥8.1 billion was recovered during FY2008, with the accumulated total by March 31, 2009 reaching ¥1,708.6 billion.

● Overview of Shares Purchased (as of March 31, 2009)

(Unit: billion yen)

		March 31, 2008	March 31, 2009	Comparison
Accumulated Total of Book Value of Shares Purchased		2,939.7	2,939.7	—
	Shinsei Bank	2,269.3	2,269.3	—
	Aozora Bank	670.4	670.4	—
Outstanding Balance of Book Value		1,577.3	1,568.5	(8.8)
	Market Value	1,089.7	762.8	(326.9)
Accumulated Total of Amount Recovered		1,700.4	1,708.6	8.1
	Accumulated Total of Book Value Recovered	1,362.4	1,371.2	8.8
	Gain/Loss From Recovery	338.1	337.4	(0.7)

Notes: 1. Figures are rounded off.
2. Market value is based on market price on the last day of the period.
3. The accumulated total of the book value recovered (the difference between the accumulated total of book value of shares purchased and the outstanding balance of book value) comprises buy-backs by Shinsei Bank and Aozora Bank before the transfer to the DICJ, both sales on the market and purchases of own shares by issuing entities after the transfer to the DICJ.
4. For the implementation of financial assistance and the status of recovery, see P79, III. 4. (3) “Status of Financial Assistance and Recovery.”
5. The management of shares transferred to the DICJ have been entrusted to Japan Trustee Services Bank. Of the transferred shares, the DICJ has commissioned Chuo Mitsui Asset Trust and Banking Co. to undertake the disposal of exchange-listed shares excluding shares of banks whose capital bases were boosted with public funds.

(3) Operations Related to a Bank under the Special Crisis Management

The DICJ, as a shareholder as well as the provider of financial assistance, has dealt properly with the selection of an assuming financial institution for Ashikaga Bank under the special crisis management as follows: (i) The "working group on the selection of an assuming financial institution of Ashikaga Bank" (an advisory panel of the Commissioner of the FST) was established and the DICJ has participated in the working group as an observer, and (ii) The DICJ examined and prepared the proposed share sales agreement and has participated in various preparations for the sale of Ashikaga Bank shares by exercising due diligence.

Under such circumstances, on March 14, 2008, "a consortium led by Nomura Financial Partners Co., Ltd. and Next Capital Partners Co., Ltd." (hereinafter referred to collectively as "the acquiring shareholder") was selected as an assuming financial institution.

Following the selection, the acquiring shareholder established Ashikaga Holdings Co. (hereinafter referred to "the buyer"), a holding company that serves as an assuming financial institution for Ashikaga Bank. On April 11, 2008, the buyer, the acquiring shareholder, Ashikaga Bank and the DICJ concluded a contract on the sale of Ashikaga Bank shares for ¥120 billion for execution as of July 1, 2008.

On July 1, 2008, the special crisis management of Ashikaga Bank came to an end with the DICJ transferring all the Ashikaga Bank shares it had held to the buyer.

In a related development, upon the completion of the special crisis management, the buyer and Ashikaga Bank on May 21, 2008, filed a request with the DICJ for financial assistance. In response, the DICJ, as resolved by the Policy Board of the DICJ on June 6, 2008, decided to provide financial assistance by (i) giving Ashikaga Bank a monetary grant of ¥260.3 billion (equivalent to an amount of capital deficit of Ashikaga Bank as of June 30, 2008, estimated at the time), and (ii) purchasing ¥1.7 billion worth of assets from Ashikaga Bank (the purchase entrusted to the RCC).

The purchase of assets was carried out on June 16, 2008, and the monetary grant was given on June 30, 2008, one day prior to the transfer of Ashikaga Bank shares. The amount of the monetary grant was reduced to ¥256.6 billion on September 17, 2008, after the excess of Ashikaga Bank's liabilities over assets was fixed. Combined with four cases of asset purchases carried out in FY2007 under Article 129 of the Deposit Insurance Act (all the purchases were entrusted to the RCC), the cumulative purchases of assets from Ashikaga Bank stood at ¥99.9 billion (for a book value of ¥592.2 billion). [See P79: III. 4. (3) "Status of Financial Assistance and Recovery (as of March 31, 2009)."]

It is stipulated in Article 121 of the Deposit Insurance Act that in the financial assistance for banks under special crisis management the amount equivalent to any excess paid past the payout cost shall be transferred from the Crisis Management Account to the General Account. However, in the financial assistance to Ashikaga Bank, the whole amount has been paid from the General Account, with no transfer from the Crisis Management Account, i.e. from insurance premiums paid by financial institutions covered by the deposit insurance system.

(4) Operations Related to Capital Injection

(i) Management and disposal of shares subscribed through capital injection

The DICJ undertakes operations related to capital injection into financial institutions under the acts mentioned in (ii) below (P24, 25), and entrusts share subscription related operations in (ii) 1) and 2) to the RCC. The DICJ directly subscribes shares for operations set forth in (ii) 3). [See P88, III. 4. (9) Table 1. "Status of Capital Injection and Disposition."]

● Operations Related to Capital Injection

Operations related to capital injection are divided into the following three categories:

1) Capital Injection Operations:
The DICJ subscribes for shares of financial institutions under relevant acts.

2) Management Operations:
The DICJ manages properly preferred shares and others retained.

3) Disposal Operations:
The DICJ smoothly disposes of preferred shares and others retained.

1) Capital injection operations

In FY2008, the Financial Functions Strengthening Act was revised on December 16, 2008. On March 31, 2009, a total of ¥121.0 billion was injected into North Pacific Bank, Fukuho Bank and Minami-Nippon Bank, Ltd. in accordance with the provisions of the revised Act. A cumulative total of ¥12,548.4 billion of capital has been injected into financial institutions to date. [See P26: "Column 4: What Public Capital Injection Means."]

The capital injection schemes are those under the Financial Functions Strengthening Act (until March 31, 2012) and the Deposit Insurance Act (permanent measures against financial crises and capital injection into assuming financial institutions).

2) Management operations

The DICJ lends funds necessary for the operations of the RCC, collects profits arising from the RCC's operations, authorizes RCC exercises such as voting and other rights as a shareholder and investor, and directly exercises its voting rights for shares the DICJ has subscribed for. In December 2008, the DICJ announced the "Basic Policy in Exercising a Voting Right as a Shareholder," setting out its basic policy for the exercise of voting rights for shares acquired as a result of capital injections with public funds. The DICJ is also properly managing activities such as conducting hearings with financial institutions that have received capital injections in a timely manner regarding their account settlements, dividend policies and accumulation of retained earnings as well as capital policies including future plans for public fund repayments.

Main management operations in FY2008

- The exercise of voting rights at the general meetings of shareholders
- Requests for materials under Article 37, paragraph 1 of the Deposit Insurance Act
- Hearings after annual and interim account settlements
- Depositing of common share certificates held by the DICJ with securities firms following the share dematerialization

Basic Policy in Exercising a Voting Right as a Shareholder

From the viewpoint of ensuring shareholder's benefits, the DICJ exercises its voting rights, taking note of the following:

- Does it contribute to maintaining the soundness of bank management?
- Does it contribute to securing repayment sources of public funds?
- Is it in accordance with the purposes of the act, such as financial facilitating, on which capital injection of public funds has been based?

In addition, the DICJ pays attention to whether its votes are consistent with administrative policies and measures.

3) Disposal operations

With regard to the disposal of preferred shares and others held as a result of capital injections, a cumulative total of ¥9,443.0 billion was disposed of by March 31, 2009, with the balance of preferred shares stemming from capital injections standing at ¥3,105.4 billion as of March 31, 2009. For the disposal of assets in the form of preferred shares, the DICJ holds the "Divestment Examination Board for Preferred Shares and Others," that comprises outside experts, in order to secure the adequacy of disposal prices. [See P75, III. 3. (2) (iii) 2) "Divestment Examination Board for Preferred Shares, etc."]

Moreover, assuming that a secondary offering is implemented as the method of disposal, the DICJ maintains fairness and makes disposal effectively by adopting a method whereby the DICJ selects in advance the lead manager securities companies among the lead manager candidates securities companies through public advertisements at the time of each secondary offering.

The DICJ made its disposal policy clear by announcing the "Immediate Guideline for the Disposal of Preferred Stocks, etc., Acquired through Capital Injection with Public Funds" on October 28, 2005.

Specifically, the disposal of preferred shares and others is made, in principle, on the basis of requests from financial institutions that received capital injections in accordance with their own capital policy. Upon such request, the DICJ disposes of preferred shares and others if it finds no particular problems with the requests from the viewpoints of: (i) avoidance of public burdens, (ii) stability of the financial system and (iii) sound management of financial institutions.

However, in view of the fact that it is requested to take an approach that places more emphasis from the standpoint of "taxpayers' interest" in its role of managing financial assets acquired through the capital injections, the DICJ disposes of shares even when it does not expect any possibilities of applying for disposal of shares from a financial institution after an adequate negotiation with the financial institution in consideration of its managerial soundness as well as avoidance of bad influence to the market, subject to the condition where it is extremely advantageous to dispose the shares in terms of merchantability of preferred shares and the share price movement. [See P85, III. 4. (9) (Reference) "Statement by the Governor."]

Main disposal operations in FY2008

- With regard to the disposal of preferred shares and others held as a result of capital injection, the DICJ disposed of them on nine occasions during FY2008.
- The DICJ held the "Divestment Examination Board for Preferred Shares and Others."
- The DICJ selected the lead manager candidate securities companies for FY2009 in February 2009.

(ii) Capital injection and disposal under relevant acts

1) The former Financial Functions Stabilization Act and the Early Strengthening Act

The DICJ subscribed for shares of ¥10,420.9 billion in total, putting together a cumulative amount of ¥1,815.6 billion provided by capital injection under the former Financial Functions Stabilization Act (abolished in October 1998), and that of ¥8,605.3 billion provided by capital injection under the Early Strengthening Act.

By March 31, 2009, the DICJ received applications from various financial institutions through the RCC for transfer and other means of disposal, and it approved the RCC's applications for disposal as follows: ¥131.0 billion in preferred shares, ¥1,180.0 billion in subordinated bonds, and ¥314.6 billion in subordinated loans out of preferred shares and others that the DICJ subscribed for under the former Financial Functions Stabilization Act.

Moreover the DICJ subscribed for ¥6,452.7 billion in preferred shares, ¥954.0 billion in subordinated bonds, and ¥370.0 billion in subordinated loans out of preferred shares, and others under the Early Strengthening Act.
Consequently, as of March 31, 2009, the net outstanding balance of subscription after reducing the repayments made to that point was ¥190.0 billion under the former Financial Functions Stabilization Act and ¥828.7 billion under the Early Strengthening Act. [See P134, III. 4. (9) Table 3. "List of Capital Injection Operations Pursuant to the Former Financial Functions Stabilization Act" and P92, III. 4. (9) Table 4. "List of Capital Injection Operations Pursuant to the Early Strengthening Act."]

2) The Act on Organizational Restructuring and the Financial Functions Strengthening Act

Under the Organizational Restructuring Act, which makes it possible for financial institutions pursuing organizational restructuring through mergers and other means to receive capital injections from the DICJ, a capital injection of ¥6.0 billion was made, which had already been repaid. Furthermore, under the Financial Functions Strengthening Act, designed to revitalize regional economies and thereby to contribute to maintaining stability of the financial system and promoting the healthy development of the national economy through public assistance to financial institutions' efforts toward reinforcing financial functions in their respective regions, the DICJ injected capital totaling ¥40.5 billion by subscribing for bank preferred shares by the March 31, 2008 deadline for accepting applications.
Subsequently, the Financial Functions Strengthening Act was revised on December 16, 2008, for the purpose of supporting regional economies and medium- and small-sized enterprises finding themselves in dire straits by reinforcing the financial intermediary function of financial institutions through the state's capital participation, and the deadline for subscriptions for shares and others in applicant financial institutions was extended to the end of March 2012. Under the Financial Functions Strengthening Act, on March 31, 2009, ¥100.0 billion in public funds was injected into North Pacific Bank, ¥6.0 billion into Fukuho Bank, and ¥15.0 billion into Minami-Nippon Bank through the subscription for their preferred shares. [See P95: III. 4. (9) Table 5 "List of Capital Injection Operations Pursuant to the Organizational Restructuring Act," and Table 6 "List of Capital Injection Operations Pursuant to the Financial Functions Strengthening Act."]

3) The Deposit Insurance Act

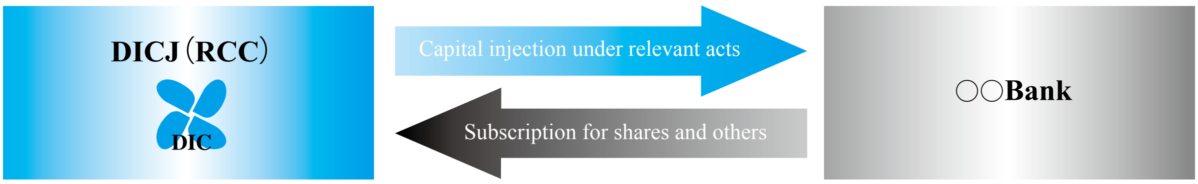
Under the Deposit Insurance Act, the DICJ is authorized to subscribe for the shares and other securities in response to a financial crisis (Article 102, paragraph 1, item 1 of the Deposit Insurance Act). It is also authorized to subscribe for the preferred shares and others of the assuming financial institutions and bank holding companies, which take over business or conduct a merger (hereinafter referred to as "the assuming financial institutions and others") as a form of financial assistance (according to Article 59, paragraph 1, item 6 of the Deposit Insurance Act, hereinafter referred to as "capital injection to assuming financial institutions"). [See P59, III. 1. (6)(i) i) "Outline of the Capital Injection Scheme based on Article 102, paragraph 1, item 1 of the Deposit Insurance Act," and P60, III. 1. (6)(i) ii) "Outline of Capital Injection Scheme for Assuming Financial Institutions under Article 59, paragraph 1, item 6 of the Deposit Insurance Act."]
As a measure in response to the financial crisis, when the Prime Minister acknowledges necessity, the DICJ can subscribe for the financial institutions' shares and others. In accordance with such acknowledgment, the DICJ implemented a capital injection into Resona Bank, Ltd. totaling ¥1,960.0 billion in subscribing for preferred and common shares on June 30, 2003 through a meeting of the Council for Financial Crisis Management held on May 17, 2003. (Subsequently, these shares were exchanged for shares issued by Resona Holdings.)
Since February 2005, at the request of Resona Holdings, the DICJ, after obtaining the approval of the Commissioner of the FSA and the Minister of Finance, disposed of some of the common shares. Consequently, as of March 31, 2009, the outstanding balance of shares held stood at ¥1,925.3 billion.
The purpose of a capital injection into an assuming financial institution involved in the bailout of a failed financial institution is to help restore its capital adequacy ratio, should the ratio decline as a result of the merger with the failed institution. To date, however, no capital injection of this type has been carried out. [See P95, III. 4. (9) Table 7. "List of Capital Injection Operations Pursuant to the Deposit Insurance Act (Response against Financial Crises)."]

Column 4: What Public Capital Injection Means

Since 1997, the bloating of non-performing loans in the aftermath of the bursting of the economic bubble eroded the strength of Japanese financial institutions and led to a string of failures of financial institutions, seriously shaking the confidence in the Japanese financial system as a whole both at home and abroad. The resulting decline in financial functions, such as banks' perceived reluctance to lend money, was cited as a factor behind the prolonged economic stagnation in Japan, looming as a significant social problem.

In response to such a situation, it was decided to use public funds to subscribe for shares and others issued by financial institutions (public capital injection) to help restore the strength of financial institutions and normalize financial functions in Japan. With the former Financial Functions Stabilization Act enacted in February 1998, and the Early Strengthening Act enacted in October of the same year, the DICJ was called upon to assume the role of injecting capital into financial institutions. Furthermore, the Deposit Insurance Act was revised (measures against financial crises) in order to prepare for a potential financial crisis in the future and maintain the stability of the financial system under limited coverage, and the Organizational Restructuring Act aiming at promoting reorganization of financial institutions and the Financial Functions Strengthening Act (revised on December 16, 2008) aiming at strengthening financial functions were enacted, respectively. Thereafter, the DICJ, under these acts, has carried out capital injections into financial institutions with funds raised through issuance of government-guaranteed bonds (DICJ bonds) and borrowings.

The DICJ has been managing preferred shares and others it subscribed for with public funds in an appropriate manner and smoothly disposed of such shares and others based on the conditions of financial institutions.



Capital Injection and Disposal (as of March 31, 2009)

(Unit: case, billion yen)

Applicable Acts		Number of Financial Institutions		Amount of Capital Injection	Disposal Book Value		Balance of Capital Injection
		Initial	Present		Cumulative	For FY2008	
Former Financial Functions Stabilization Act		21	2	1,815.6	1,625.6	—	190.0
Early Strengthening Act		32	10	8,605.3	7,776.7	408.2	828.7
Organizational Restructuring Act		1	—	6.0	6.0	6.0	—
Financial Functions Strengthening Act		5	5	161.5	—	—	161.5
Deposit Insurance Act	Measures against financial crisis (item 1)	1	1	1,960.0	34.7	32.0	1,925.3
	Capital injection into assuming financial institutions	—	—	—	—	—	—
Total		40	15	12,548.4	9,443.0	446.2	3,105.4

Notes: 1. Figures are rounded off.
2. An amount is based on that of capital injection.

(5) Management and Disposal of Assets Purchased from Sound Financial Institutions

(i) Outline of the system

Article 53 of the Financial Revitalization Act provides for a system of emergency measures concerning the purchase of assets from financial institutions as a means of stabilizing and revitalizing financial functions in Japan. In response to requests from sound financial institutions for the purchase of assets under the Article, the DICJ has purchased their assets after consulting on the asset prices with the Purchase Price Examination Board (an advisory body of the Governor of the DICJ), and obtaining the approval of the Prime Minister (the Financial Reconstruction Commission granted such approval until it was abolished in January 2001).

Under the aforementioned system, the DICJ was authorized to purchase assets from banks under special public management and sound financial institutions. When the Financial Revitalization Act was first enacted, the deadline for filing an application for the purchase of assets was set at the end of March 2001 for both cases. However, as one of the measures for resolving the problem of nonperforming loans at financial institutions incorporated in the "Emergency Economic Package" following the amendment of the Financial Revitalization Act in June 2001, the deadline for applying for the purchase of assets from sound financial institutions was extended to March 31, 2004. Furthermore, the said act was amended in January 2002 in line with the government's "Advanced Reform Program" (October 26, 2001) and other programs so that in order to further accelerate the processing of non-performing loans of financial institutions and others the price calculation methods were made flexible to purchase non-performing loans at the market value, and the purchasing methods were diversified through enabling participation in bidding. In addition, regulations relating to the handling of purchased non-performing loans were reformulated in the agreement between the DICJ and RCC. (Specifically: (i) the disposal methods were diversified, (ii) a goal of three years was set for recovery and disposal, and (iii) the decision as to whether it would be possible for debtors to revitalize should be determined speedily and efforts to ensure their quick revitalization should be made.)

In addition, as a result of the enforcement of the act regarding improvement of related acts in connection with the enforcement of the Industrial Revitalization Corporation Act in April 2003, purchasing from the IRCJ became possible, and the deadline for asset purchases from sound financial institutions and others was extended to March 31, 2005. After the application deadline for request of asset purchases from sound financial institutions expired, only the IRCJ was eligible to make such requests. However, the IRCJ was dissolved in March 2007 without making such a request.

(ii) Track record of purchase

In FY2005, the DICJ purchased assets from sound financial institutions for the final applications, for which the deadlines were March 31, 2005. The DICJ, therefore, has purchased no further assets since then. The cumulative total since the enactment of the Financial Revitalization Act in 1999 is ¥4,004.1 billion in principle claims and ¥353.3 billion in purchase value.

(iii) Management and disposal after purchase

Most of the actual operations under the system (purchase, management and disposal of assets) are entrusted to the RCC, a subsidiary of the DICJ, by concluding agreements in line with the provisions of Article 53 of the Financial Revitalization Act. As such, the DICJ provides the RCC with loans needed to undertake these operations, and also collects profits, which the RCC has earned by undertaking the operations. Further, the DICJ provides guidance and advice regarding operations stipulated under agreements with the RCC.

In order to minimize public burdens, the RCC is supposed to strive to collect and dispose of assets purchased from sound financial institutions within the three-year target. [For specific details of the recovery and disposal as well as efforts toward corporate revitalization, see P20, II. 2. (1) (ii) "Debt recovery activities by the RCC."]

The RCC manages assets purchased from sound financial institutions in the Article 53 account (the principal amount of claims at ¥4,046 billion, the value of purchase at ¥355.7 billion), together with assets purchased from banks under the special public management (the principal amount of claims at ¥41.9 billion, the value of purchase at ¥2.4 billion) similarly with the entrustment by the DICJ under this scheme. The amount of recovery through the Article 53 account during FY2008 was ¥18.8 billion, bringing the cumulative total by March 31, 2009 to ¥667.7 billion, with the ratio of the cumulative total to the purchase value standing at 187.7%. [See P81, III. 4. (5) "Results of Recoveries of Assets Purchased under Article 53 of the Financial Revitalization Act."]

3. Supporting Resolution and Collection Operations, including Fair Handling of Obstructed Recovery Cases, and Proper Implementation of Pursuit of Liability

(1) Asset Investigation

The DICJ provides the RCC with guidance and advice necessary to support the recovery operations of nonperforming loans transferred. In particular, the DICJ has been making strenuous efforts to uncover the hidden assets of devious debtors who are presumed to have enough resources to repay debts but are suspected of concealing assets to elude debt repayments by exercising the investigative powers prescribed by the Jusen Act, the Deposit Insurance Act and the Financial Revitalization Act.

For this purpose, the DICJ's Special Investigation Department (Tokyo) and the Osaka Operation Department both have three Special Investigation Divisions (from the first to third divisions, but the Special Investigation Division III of the Osaka Operation Department was abolished at the end of FY2008), staffed by personnel who previously worked at the National Tax Agency, Public Prosecutor's Office, National Police Agency and Japanese customs agencies as well as at private-sector financial institutions.

In FY2008, the DICJ investigated 237 cases, of which 15 were on-site investigations, and uncovered hidden assets worth some ¥11.2 billion. The cumulative total of uncovered hidden assets since June 1996, when the asset investigative powers were granted to the DICJ, is ¥716.3 billion.

Investigation activities mainly include inquiries into financial institutions and on-site investigations into debtors as well as related sites. As for on-site investigations, any obstruction or refusal of investigations may result in certain penalties.

Among cases of concealed assets uncovered by the asset investigations, some were found to be quite devious, including cases where a debtor transferred property to a company whose registered representative is a third party but which is effectively run by the debtor, or where assets were concealed using the names of family members or other third parties.

Under these circumstances, the DICJ continues its utmost efforts to properly exercise the asset investigative powers. The DICJ has also been making proactive efforts to recover claims in hard-to-collect cases involving devious debtors including antisocial forces.

(Reference) Result of Assets Investigations

Categories	FY2008	Cumulative total after June 1996
Investigations Initiated	137 cases	2,194 cases
All Investigations	237 cases	3,069 cases
Of which, On-Site Examinations	15 cases	428 cases
(Hidden) Assets Confirmed	¥11.2 billion	¥716.3 billion

Notes: 1. The number of all investigations: the number of investigations carried over from the previous fiscal year + the number of investigations initiated during the fiscal year under review.
2. Figures are rounded off.

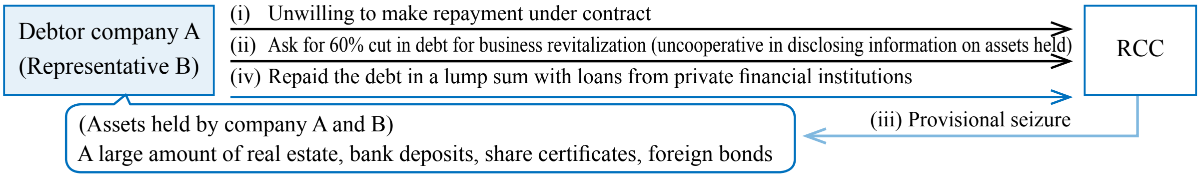
Column 5: Cases of Concealed Assets

[Case 1]

Debtor company A was continuing with its voluntary repayment in relatively large sums with its representative (guarantor) B as the contact person for repayment negotiations, despite its refusal to make repayments under contract. Then, B requested "a reduction of some 60% in the outstanding balance of debt for business revitalization." However, since the proposal lacked specifics and B was not forthcoming about disclosure of information on assets, an investigation was initiated.

The investigation into assets held by B and financial institutions near the location of company A unearthed the fact that there are a lot of real estate, bank deposits, certificates of share, foreign bonds, etc. held by company A and B.

The RCC moved for provisional seizure of these assets and conducted repayment negotiations. B then showed a positive stance on debt repayment, and agreed to pay back the debt in a lump sum by taking out loans from private-sector financial institutions.

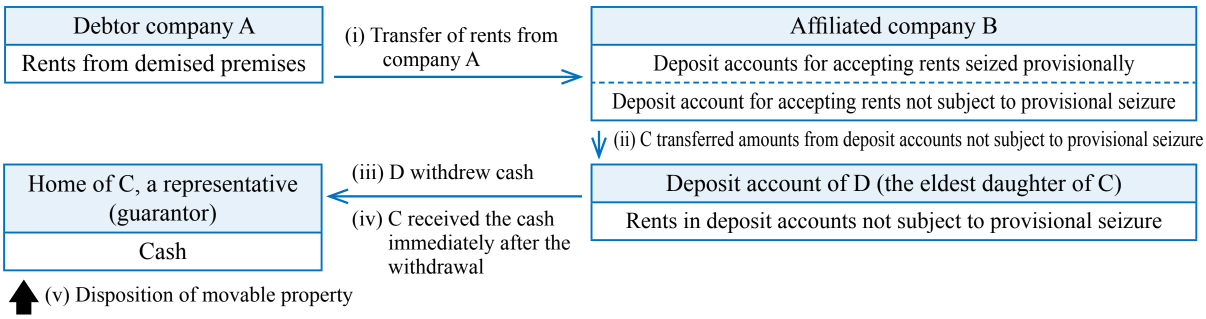


[Case 2]

As a follow-up, an investigation of rents from demised premises held by debtor company A revealed that rents have been credited to deposit accounts in the name of affiliated company B, some of the deposit accounts were seized provisionally. Immediately afterward, C, a representative (guarantor) of company A withdrew almost all amounts in multiple deposit accounts not subject to provisional seizure and put the amounts into a deposit account of D, the eldest daughter of C.

On-site investigations into D and C revealed the fact that D withdrew the above-mentioned amounts from her account in cash and kept them at the home of C.

The RCC recognized the cash kept at the home of C as assets of company A and B, and was able to recover nearly the entire amount through the disposition of movable property.

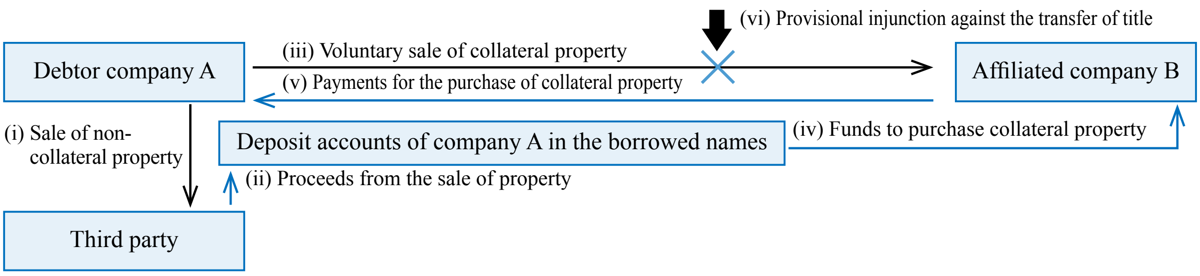


[Case 3]

Debtor company A voluntarily sold collateral property of the RCC to company B, whose representative was found to be a former employee of company A and to have close ties with company A. Since some questions arose about the funding for the purchase of the property by company B, an investigation was initiated.

The investigation into banks regarding the funding for the purchase by company B revealed that company A, immediately before the start of repayment negotiations with the RCC, sold non-collateral property and part of the proceeds from the sale were deposited temporarily in an account in the name of a relative and another accounts in the name of an employee, and subsequently transferred the money to a deposit account of company B, which used it to pay for the purchase of the collateral property.

The RCC immediately asserted the invalidity of the transaction by lies for collusion, and preserved the property involved by filing a petition for a provisional injunction against the transfer of title.



(2) Pursuit of Criminal Liability

The DICJ held direct hearings with RCC officials in charge of claims collection, convened meetings with the RCC as needed in a bid to grasp the actual situation, and strove to provide guidance and advice on the pursuit of criminal liability. The cumulative total of accusations (complaints) brought against debtors and lenders since June 1996 came to 321 (against 670 people). [See P96, III. 4. (10) “Accusations/Complaints.”]

During FY2008, the DICJ filed accusations (complaints) against debtors in 10 cases (against 20 people), bringing the cumulative total to 284 cases (565 people). There were no accusations (complaints) brought against lenders, with the cumulative total standing flat at 37 cases (105 people).

Regarding loans in which antisocial forces are involved, the DICJ has reinforced support for the rigorous handling by providing meticulous guidance and advice to the RCC on the close monitoring of unlawful behaviors in the process of subsequent negotiations on recovery conducive to the eventual filing of accusations (complaints), even when they are not immediately linked to criminal acts.

(3) Support for Collection Operations in Difficult Recovery Cases

In removing antisocial forces illegally occupying collateral property, the DICJ provided support for the RCC’s collection efforts with meticulous guidance and advice, making full use of legal means, including civil execution proceedings, and taking precautionary measures to ensure the safety of collection staff in the field by seeking cooperation with police as required.

Concerning difficult recovery cases (so-called “gamban (rock-hard)” cases) where collection work has made little progress due to a complicated web of relations of rights, the DICJ and the RCC are jointly undertaking “Project Phoenix” for strong collection measures by the multifaceted application of relevant laws and regulations.

Consequently, the DICJ brought accusations against a manager of a famous time-honored hotel and others for obstruction of compulsory seizure for debt collection, a representative director of a real estate development company, and a registrar for unauthorized creation and use of electromagnetic records.

In a case where a debtor of the RCC was the head of a legally-designated gang organization, the DICJ and the RCC resorted to a set of legal actions, including a loan repayment suit, a suit for the confirmation of the ownership of the building and measures for preservation, and brought the land and building of the gang organization’s office to forced auction. In the auction, the RCC submitted a winning bid in order to block any antisocial force from acquiring the property. With the removal of the gang organization completed, the DICJ and the RCC are now considering the disposal of the land and building concerned, including the possibility of selling the property to a public organization.

In recognition of these activities, the RCC was presented with letters of appreciation by the Commissioner General of the National Police Agency and the chiefs of the Fukui and Wakayama Prefectural Police headquarters for contributing to the prevention of wrongful acts by antisocial forces through debt collection efforts.

The court ruled in favor of the RCC in June 2007 in the suit the RCC filed against the General Association of Korean Residents in Japan to seek the return of some ¥62.7 billion in loans. Currently, the RCC is taking legal action to recover the claims from the real estate property where the association’s headquarters are located.

(4) Pursuit of Civil Liability

In the pursuit of responsibility of the former executives of the seven former Jusen companies and failed financial institutions, the DICJ and the RCC have pursued their civil liability (“managerial liability”) through lawsuits or settlement and arbitration prior to court proceedings as well as civil liability (“intermediary liability”) of financial institutions which introduced the borrowers to the seven former Jusen companies. Most of the actions taken are damages suits against the former executives’ breach of the good manager’s duty of due care as well as the duty of loyalty in extending illegal loans. Taking into account the mission of the DICJ and the economic rationality through the Liability Investigation Committee and the meeting of Special Advisors to the Liability Investigation Committee, the DICJ has been striving to properly resolve the pending cases.

Concerning Ashikaga Bank which failed in 2003, the DICJ, as an observer, participated in the internal investigation committee established to pursue the legal liability of the bank’s former executives to cooperate in its investigation. To date, an amicable settlement has been reached with 11 former directors of Ashikaga Bank, an incorporated accounting firm and four auditors.

The damages suits the DICJ and the RCC brought against the former executives of the seven former Jusen companies and failed financial institutions numbered 125 cases against 488 defendants (including legal entities), demanding a total of approximately ¥127.1 billion in damages. [See P98, III. 4. (11) “Pursuit of Civil Liability via Litigation and Conciliation.”]

(5) Participation in the Government’s Activity of Warding off the Interference of Antisocial Forces

In December 2008, the government’s Ministerial Meeting Concerning Measures against Crimes mapped out a new action plan for continuous and fundamental measures against crime, "Action Plan for the Realization of a Society Resistant to Crime, 2008," in order to reestablish Japan as "the safest country in the world." The Action Plan includes a section on "measures against crime organizations and other antisocial forces," and the DICJ is making proactive efforts to ward off the interference of antisocial forces by, for example, participating in and offering its opinions at the "Council for Eliminating Racketeering" at the Japanese Bankers Association.

4. Proper Implementation of Operations involved in Criminal Accounts Damages Recovery

(1) Outline of Public Notices

Based on the Criminal Accounts Damage Recovery Act, the DICJ in July 2008 inaugurated operations to give public notices on the procedures for payments of damage recovery distributions for the purpose of contributing to the prompt recovery of proprietary damages suffered by victims of criminal acts such as fraud in which people were tricked to send money to designated deposit accounts.

The Act provides for various types of public notices, and these notices are posted on the DICJ's website. [See P88, III. 4. (14) Table 1 "Status of Public Notices Placed during FY2008."]

Of these, there are three types of notices that form the core of the procedures for the relief of victims: the public notice on the start of procedures for extinction of claims on bank deposit accounts for potentially forfeiting the rights of deposit account holders, the public notice on the start of procedures for the payment of damage recovery distributions for making payments of dividends to the victims, and the public notice on the result of the payment of damage recovery distributions upon completion of dividend payments. The above three main public notices are announced in public twice a month, in principle, along with an outline of the total number of cases publicized and the sum of monetary amounts involved.

The Criminal Accounts Damage Recovery Act requires an announcement of the status of public notices placed at least once a year. Accordingly, on April 9, 2009, the DICJ announced the record of public notices posted during FY2008.

(Reference) Flow of Procedures for Public Notices (Outline)

Financial institution suspends transaction of bank account suspicious of being used in crime, and requests the DICJ to give public notice on forfeiture.

↓

The public notice on the start of procedures for extinction of claims on bank deposit accounts
(Notification period for execution of right is 60 days in principle, more than 60 days under law)

↓

The public notice on the extinction of claims on bank deposit accounts

↓

The public notice on the start of procedures for the payment of distributions
(Application period for payment is 60 days in principle, more than 30 days under law)

↓

The financial institution decides an eligible applicant, makes the payment

↓

The public notice on the result of the payment

[See P67, III. 2. (1) Flow of Procedures for the Payment of Distribution of Funds Collected to Victims and Operations Handled by the DICJ]

(2) The Three Main Public Notices given during FY2008

The Criminal Accounts Damage Recovery Act provides for various types of public notices. The status of the main public notices that form the core of the procedures for the relief of victims posted during FY2008 is as follows.

(i) The public notice on the start of procedures for extinction of claims on bank deposit accounts

The DICJ gives this public notice at the request of a financial institution as the procedure for extinction of claims on a bank deposit account (forfeiture), when the financial institution has enough reason to believe that the deposit account is being used in a crime. (Article 5, paragraph 1 of the Criminal Accounts Damage Recovery Act.)

The public notice sets a period of 60 days, in principle, for account holders to file applications to receive the payments. Following the lapse of the application period, the financial institution makes the account on forfeiture in the case of no applications.

The public notices on the start of procedures for extinction of claims on bank deposit accounts posted by the DICJ (the first such notice was given on July 16, 2008) numbered 16, involving 130,003 deposit accounts and deposits claims of ¥8,439 million.

Regarding the deposit account forfeited under public notice, the next step is to post a public notice on the extinction of claims on the deposits to announce the forfeiture of claims on the deposit account concerned. Subsequently, in principle, a procedure described in (ii) below is initiated to distribute the remaining claims on the deposit account. Meanwhile, regarding a deposit account for which an amount of claims is less than ¥1,000, a public notice is posted to announce that there are no distribution of claims to victims of the fraud (Article 8, paragraph 3 of the Criminal Accounts Damage Recovery Act), the amount is transferred to the DICJ (Article 19 of the Criminal Accounts Damage Recovery Act). The number of deposit accounts with less than ¥1,000 came to 48,254, for a combined remaining amount of ¥24 million.

(ii) The public notice on the start of procedures for the payment of damage recovery distributions

The DICJ gives this notice at the request of a financial institution as the procedure to make payments of distributions to victims from the extinct claims on deposits (Article 11, paragraph 1 of the Criminal Accounts Damage Recovery Act).

The public notice sets a period of 60 days, in principle, for victims to file applications to receive the payments. Following the lapse of the application period, the financial institution makes the payments of distributions after prescribed proceedings, including the decision on whether an applicant is eligible for receiving the payment of distributions.

The public notices on the start of procedures for the payment of damage recovery distributions posted by the DICJ (the first such notice was given on October 16, 2008) numbered 11, involving 45,691 deposit accounts and deposits claims of ¥6,745 million.

(iii) The public notice on the result of the payment of damage recovery distributions

The DICJ gives this notice as the procedure after the payment of distributions. The financial institution is required to call on the DICJ for the public notice once the payment procedures are completed (Article 18, paragraph 1 of the Criminal Accounts Damage Recovery Act).

The public notice does not cover information on individual deposit accounts, but only posts the sum of claims, the sum of payments of distributions, and the sum of expected transfers to the DICJ (Article 31 of Ordinance for the Enforcement of the Criminal Accounts Damage Recovery Act).

The sum of extinct deposit claims covered by the public notices on the result of the payment of damage recovery distributions initiated on December 1, 2008, and posted until March 31, 2009, came to ¥1,177 million. Of the sum, payments to victims amounted to ¥657 million, with the remaining amount of ¥520 million to be transferred to the DICJ (Article 19 of the Criminal Accounts Damage Recovery Act).

As with the case where payment was not made to the victims for whom the public notice for payment procedure was finished by December 2008, or the cases where public notice was implemented due to the amount being less than ¥1,000 payment of damage recovery distribution would not be made, the first payment of ¥14 million was paid from financial institutions on March 2, 2009. The following payment is planned to be made every three months. The DICJ opened the bank account exclusively for payment so as not to be mixed with other capital and manages it separately. [See P.68: III.2.(2) “Structure and Use of Money Financial Institutions Transfer to the DICJ.”]

(Reference) Status of the Main Public Notices Posted during FY2008

○The public notice on the start of procedures for extinction of claims on bank deposit accounts (16 times)

No. of financial institutions	452
No. of deposit accounts	130,003
Sum of deposit claims involved	¥8,439,056,179

○The public notice on the start of procedures for the payment of damage recovery distributions (11 times)

No. of financial institutions	361
No. of deposit accounts	45,691
Sum of extinct deposit claims	¥6,745,162,196

○The public notice on the result of the payment of damage recovery distributions (9 times)

No. of financial institutions	211
Sum of extinct deposit claims	¥1,177,474,342
Sum of payments to victims determined eligible to receive distributions	¥657,043,551
Sum of planned transfers to the DICJ in accordance of provisions of Article 19 of the Criminal Accounts Damage Recovery Act	¥520,430,791

Notes: "No. of deposit accounts" and "Sum of deposit claims" are the total figures for all the public notices posted. "No. of financial institutions" is the net number, not the total of the numbers of public notices.

[P.152: III.4.(14) Refer to Table 2 "Implementation Status of Major Public Notices in FY2009.]

(3) Status of the Utilization of Public Notices

(i) No. of accesses

The number of accesses to the public notices by the DICJ on its website came to some 500,000 from July 2008 to March 2009, since the public notices began to be posted. The number of consultations and inquiries from victims of crime or deposit account holders came to some 2,000 from July 2008 to March 2009.

No. of Accesses to the Website during FY2008

Unit: case

Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Total
110,341	55,179	41,131	52,820	48,890	61,530	45,894	48,755	37,711	502,251

No. of Inquiries during FY2008

Unit: case

Jul.	Aug.	Sep	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Total
314	165	129	150	98	161	110	688	187	2,002

(ii) Financial institutions covered

Financial institutions covered, under law, are banks (including the Japan Post bank and foreign banks), shinkin banks, labor banks, credit cooperatives, agricultural cooperatives, fishery cooperatives, fishery processing cooperatives, the Norinchukin Bank, the Shoko Chukin Bank, and federations of these cooperatives.

The number of financial institutions covered was 1,762 as of June 21, 2008 (when the Criminal Accounts Damage Recovery Act was put into force). Given the inclusion of agricultural and fishery cooperatives as well as foreign banks, which are outside the deposit insurance system, the wider scope of financial institutions may utilize this system than 609 financial institutions covered by the deposit insurance system as of the same date. The number of financial institutions that made use of this system by March 2009 came to 452.

The DICJ collects fees, set under a decision by the Policy Board, from financial institutions that use public notices to cover expenses required for operations related to public notices, including system and personnel costs.

(Reference) Financial Institutions Covered (as of June 21, 2008)

Unit: case	Banks	Shinkin banks	Labor banks	Credit cooperatives	Norinchukin Bank Agricultural/Fishery cooperatives	Fishery cooperatives	Shoko Chukin Bank
No. of covered cases	213	281	14	165	1,039	49	1
No. of cases using the system	131	213	7	58	42	0	1

5. The Certain Advancement of the Strengthening and Efficiency of Finances

(1) Financial Conditions

The DICJ runs its operations through seven separate accounts (Notes): the General Account, the Crisis Management Account, the Financial Revitalization Account, the Early Strengthening Account, the Jusen Account, the Financial Functions Strengthening Account and the Damage Recovery Distribution Account (FY2008). These seven accounts were established under the respective relevant acts. The General Account and the Crisis Management Account were established under the "Deposit Insurance Act," the Financial Revitalization Account under the "Financial Revitalization Act," the Early Strengthening Account under the "Early Strengthening Act," the Jusen Account under the "Jusen Act," the Financial Function Strengthening Account under the "Financial Functions Strengthening Act," and the Damage Recovery Distribution Account under the "Criminal Accounts Damage Recovery Act."

The seven accounts were established because their respective relevant acts stipulate that accounting should be separated for respective operations under special accounts. (The Deposit Insurance Act calls for separate accounting for each area of operation that is to be organized under special accounts.) Consequently, the state of financial results (retained loss, earned surplus, etc.) can be monitored for each act (in the case of the Deposit Insurance Act, for general operations and crisis management operations, respectively). [See P101, III. 5."Financial Statement by Account."]

(i) Overview of the seven accounts

During FY2008, the General Account recorded net income for the term of ¥467.2 billion. As a result, retained loss decreased from ¥1,377.7 billion on March 31, 2008 to ¥910.5 billion on March 31, 2009. In other accounts, as of March 31, 2009, the Crisis Management Account had an earned surplus of ¥105.8 billion, the Financial Revitalization Account retained a loss of ¥309.1 billion, the Early Strengthening Account earned a surplus of ¥1,480.2 billion, and the Jusen Account a retained loss of ¥405.6 billion.

Like cases from the past several years, many accounts saw their retained loss decrease and earned surplus increase. This indicates that the DICJ's financial conditions are steadily progressing toward strength and efficiency. (See the table below.)

● Earned Surplus/Retained Loss of Seven Accounts

(Unit: billion yen; ( ) denotes loss)

Name of Account	March 31, 2006	March 31, 2007	March 31, 2008	March 31, 2009
General Account	(2,454.9)	(1,932.6)	(1,377.7)	(910.5)
Crisis Management Account	14.4	23.1	26.7	105.8
Financial Revitalization Account	(684.6)	(476.4)	(323.6)	(309.1)
Early Strengthening Account	345.5	738.6	1,461.1	1,480.2
Jusen Account	(287.3)	(341.2)	(363.4)	(405.6)
Financial Functions Strengthening Account	0.2	0.4	0.5	0.6
Damage Recovery Distribution Account (Notes)	—	—	—	(0.1)

Notes: The account was created on June 21, 2008, in accordance with the enforcement of the Criminal Accounts Damages Recovery Act.

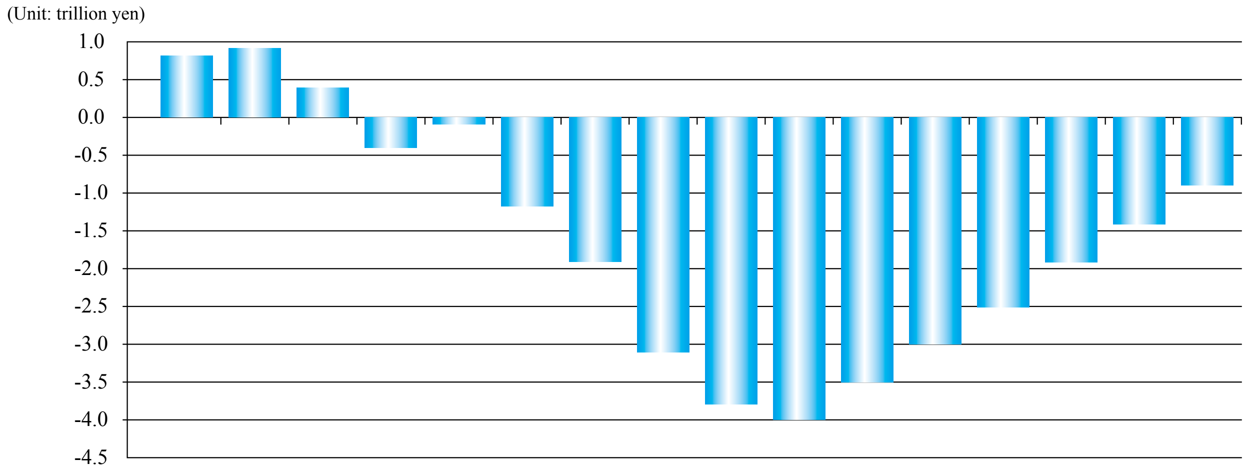
(ii) General Account

The General Account is used for insurance payments within the expense estimated to be incurred in paying insurance money for the protection of depositors of failed financial institutions (payoff cost) and financial assistance. The General Account is funded with income of insurance premiums collected at rates set in a manner such as to ensure that "the DICJ's finances are balanced over the long term in light of expected amounts of expenses required for its operations, and no specific financial institution is treated discriminately (except for the treatment in accordance with the degree of management soundness of financial institutions), and the difference between revenue and expenses must be set aside as liability reserves. However, any fund shortage stemming from the execution of the DICJ's operations may be financed by borrowings or issuance of DICJ bonds. [See P36, II. 5. (2) "Funding and Investment" and P39, II. 5. (3) "Deposit Insurance Premium Rates."]

The liability reserve of the General Account increased each year until FY1994, but declined from FY1995 due mainly to the resolution of many failed financial institutions, and went into deficit in FY1996.

The deficit expanded to ¥4,006.5 billion at the end of FY2002, but subsequently narrowed partly because no new monetary grants were made in the resolution of failed financial institutions except for the case of the bank under the special crisis management (Ashikaga Bank) in FY2008 (¥910.5 billion at the end of FY2008).

Balance of Liability Reserve/Retained Loss



(Unit: trillion yen)

	FY1993	FY1994	FY1995	FY1996	FY1997	FY1998	FY1999	FY2000	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008
Balances of Liability Reserve/Retained Loss	0.8	0.9	0.4	-0.4	-0.1	-1.2	-1.9	-3.1	-3.8	-4.0	-3.5	-3.0	-2.5	-1.9	-1.4	-0.9

(iii) Other accounts

Other accounts also improved on the whole, thanks to proceeds from the disposal of retained assets and revenue from retained assets (dividends, interest, etc.). (See table below.)

● Increase and Decrease of Earned Surplus and Retained Loss, and its Major Factors

(Unit: billion yen; ( ) denotes loss)

Account	March 31, 2009	Y/Y	Major Factors
General Account	(910.5)	467.2	Insurance premium income: ¥611.6 billion
Crisis Management Account	105.8	79.0	Proceeds from sale of shares held (Notes 1): ¥67.9 billion
Financial Revitalization Account	(309.1)	14.5	Proceeds from purchase and recovery under Article 53: ¥29.6 billion
Early Strengthening Account	1,480.2	19.0	Proceeds from disposal of preferred shares and others: ¥5.9 billion
Jusen Account	(405.6)	(42.2)	Business promotion subsidies payable (Notes 2): ¥42.2 billion
Financial Functions Strengthening Account	0.6	0.1	
Damage Recovery Distribution Account (Notes 3)	(0.1)	—	

Notes: 1. Shares of Resona Holdings
2. The increase in retained loss in the Jusen Account is brought about by the fact that no loss was made good by business promotion subsidies payable to the RCC to poor investment because of the low interest rate of the Financial Stabilization Contribution Fund. (Accrued liabilities of ¥42.2 billion.) [See P101, III. 5. "Financial Statement by Account."]
3. The account was created on June 21, 2008, in accordance with the enforcement of the Criminal Accounts Damage Recovery Act.

(2) Funding and Investment

(i) Funding

For deficits arising from operations performed, the DICJ is authorized to raise funds for each account in the form of borrowing and/or DICJ bond issued up to the amount separately stipulated by the Cabinet Order (however, for the Jusen Account and the Damage Recovery Distribution Account, only borrowing is allowed). Government guarantees can be given on funding for accounts other than the Jusen Account and the Damage Recovery Distribution Account under the ordinances concerning borrowing or DICJ bond issues (the total limit of the government guarantee being, as stipulated in the general provisions of the budget, ¥53 trillion for FY2008 and ¥52 trillion for FY2009, partly because the limit was raised by ¥10 trillion for the Financial Functions Strengthening Account during the course of FY2008). [See P99, III. 4. (13) Table1. "Outline of Funding Program by Account."]

The outstanding balance of the DICJ's funding at the end of the fiscal year peaked in FY2002, and it was around ¥6 trillion on March 31, 2009. [See P100, III. 4. (13) Table 2. "Outstanding Balance of Funds Raised in Each Fiscal Year."]

The DICJ has been raising funds in an efficient manner by combining borrowings (up to one year, in principle) and issuance of DICJ bonds (maturities of two to seven years) to match medium- and long-term assets. With the objective of securing stable funding, funds raised with issuance of DICJ bonds account for over half of the outstanding funding balance of ¥6 trillion at March 31, 2009.

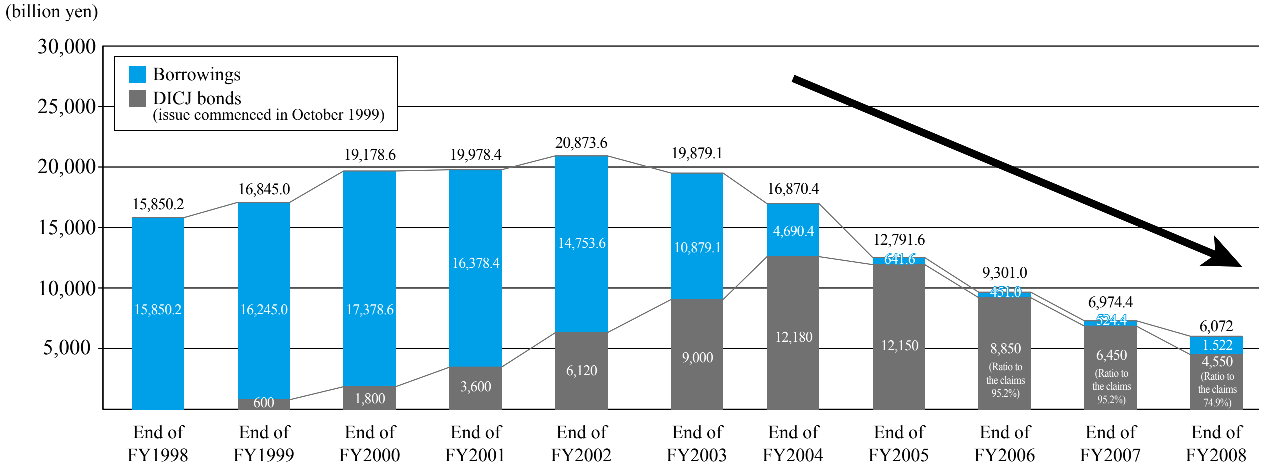
● Outstanding Balance of Funds Raised (as of March 31, 2009)

(Unit: billion yen, share in parenthesis)

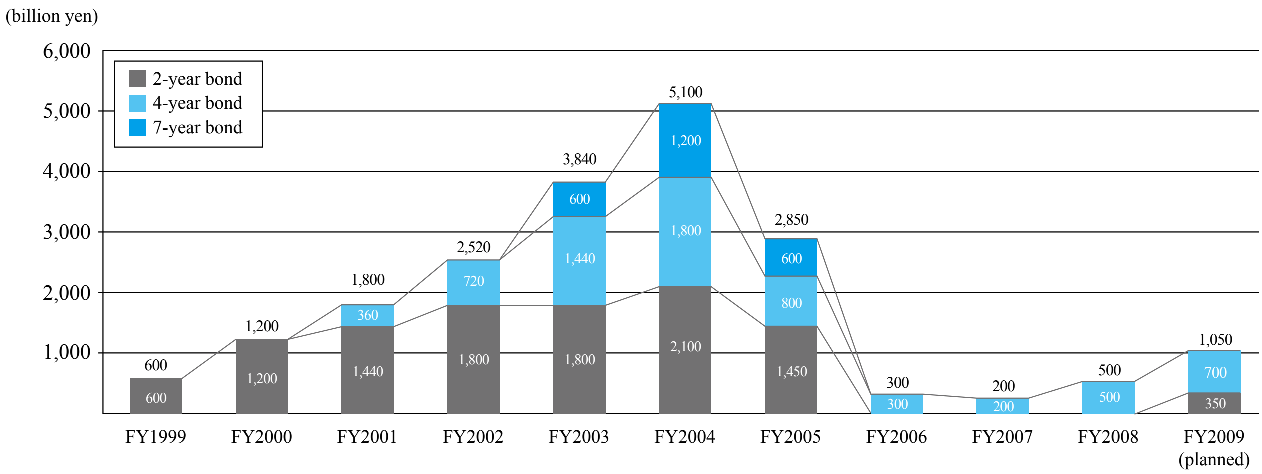
	Outstanding Balance of Funds Raised		
		Borrowing	DICJ bonds
Total	6,072.4 (100.0%)	1,522.4 (25.1%)	4,550.0 (74.9%)
General Account	1,143.2	63.2	1,080.0
Crisis Management Account	1,841.3	1,041.3	800.0
Financial Revitalization Account	1,920.5	250.5	1,670.0
Early Strengthening Account	1,000.0	—	1,000.0
Financial Function Strengthening Account	167.2	167.2	—
Jusen Account	—	—	—
Damage Recovery Distribution Account	0.2	0.2	—

● Outstanding Balance of Funding

(fiscal years ended March 31)



● Annual Issuance of DICJ Bonds



During FY2008, the DICJ has continuously kept the annual issuance amount of DICJ bonds (all for the Financial Revitalization Account, all in two-year bonds) to the minimum necessary level of ¥500.0 billion, in light of the actual sales of shares purchased from the former Long-Term Credit Bank of Japan and former Nippon Credit Bank in FY2007.

Following FY2007, the DICJ endeavored to make the borrowing period more flexible in order to reflect actual funding conditions of each DICJ account more precisely. The DICJ started borrowings in September 2008 through the Damage Recovery Distribution Account created in June 2008 (without government guarantee) and also borrowed money at the end of FY2008 for capital injections into financial institutions with public funds under the Financial Functions Strengthening Act revised in December 2008.

Given the recent rapid changes in the financial and economic environment, the DICJ decided to hold meetings with financial institutions that participate in fund-borrowing auctions to brief them on the status of the DICJ's borrowings in order to maintain funding in a stable and efficient manner going forward. The first of such briefing sessions was held in February 2009.

● Outline of Funding Operations

1999	Oct.	• Commenced the issue of bonds for the Early Strengthening Account (four-year bonds).
2001	Jun.	• Commenced the issue of two-year bonds for the Early Strengthening Account (from four-year bonds to two- or four-year bonds).
2002	Mar.	• The Bank of Japan accepted the governmental guaranteed claim on deeds to the DICJ as eligible security (assessment rate of eligible security: 80% of the outstanding principal).
	Dec.	• The Bank of Japan raised the assessment rate of the eligible security on deeds of which the initial claim period is less than one year (from 80% to 96% of the outstanding principal, and to 97% in September 2005).
2003	Apr.	• Commenced the issue of seven-year bonds for the Early Strengthening Account (from two- or four-year bonds to two-, four- or seven-year bonds). • Commenced the issue of two- or four-year bonds for the General Account and the Financial Revitalization Account.
2004	Mar.	• Commenced the unsecured call money.
	Apr.	• Commenced the issue of four- or seven-year bonds for the Crisis Management Account. • Commenced interest rate swap transaction. • Changed the method of bond auction (from the total amount method to the Yield-Dutch Style auction). (Notes) Notes: The Yield-Dutch Style auction refers to a method of accepting bids of lower yield in ascending order until reaching the expected issuance volume (the highest accepted bid yielding), and issuing bonds are subject to the terms of the highest accepted bid yielding.
	Jul.	• The time for announcing the results of bidding for borrowers was brought forward by half a day (from 4:00 p.m. to 9:30 a.m. of the business day following the date of bidding).
2006	Jan.	• Commenced bidding of the transfer bond, in line with the Book-Entry Transfer System for “Corporate Bonds.” Fee rates for principal repayments and interest payments on newly issued bonds was lowered.
	Mar.	• The time for announcing the results of bidding for borrowers was brought forward by half a day (from 9:30 a.m. of the following business day after the bidding to 5:00 p.m. of the date of bidding).
	Jun.	• Decided to shift outstanding DICJ bonds issued by December 2005 to book-entry bonds, and also to reduce fee rates for principal repayments and interest payments on these bonds after the changeover.
	Dec.	• Carried out medium-term borrowings (for two years and five months) for the Financial Function Strengthening Account.
2008	Mar.	• Reviewed participants in bid for borrowing. (Number of participants in bid: from 175 to 69.)
	Sep.	• Commenced borrowings without government guarantee for the Damage Recovery Distribution Account
2009	Feb.	• Commenced briefing sessions for participants in borrowing auctions

● Interest Rate on Funding (funded during FY2008)

	Borrowing (guaranteed by the government)	DICJ Bond subscriber’s yield (guaranteed by the government)			Unsecured call money	Borrowing rate (without government guarantee) (Damage Recovery Distribution Account)
		2-year bond	4-year bond	7-year bond		
Average (Notes)	0.577%	0.714%	—	—	0.595%	0.764%
Peak	0.792%	0.940%	—	—	0.595%	0.950%
Bottom	0.280%	0.454%	—	—	0.595%	0.580%

Notes: The average is calculated by the weighted average of the amount.

(ii) Management of surplus funds

The DICJ invests surplus funds mainly in mid- and long-term bonds through the Financial Stabilization Contribution Fund in the Jusen Account (the Jusen Fund). The Jusen Fund is the fund (¥1,007 billion) that was established in the DICJ based on the Cabinet's understanding "Regarding Specification of the Jusen Resolution Measures" of January 30, 1996 in order to invest capital in the claim resolution company, provide operations promotion subsidies, and fulfill debt guarantees. With the exception of ¥100 billion of capital invested in the claim resolution company, the DICJ invests ¥907 billion of the above fund in the order of: (i) Japanese Government Bonds; (ii) government guaranteed bonds; and (iii) highly rated municipal bonds, general secured corporate bonds and, fiscal investment and loan institution bonds, while paying sufficient consideration to ensuring the balance of security, profitability, and liquidity in compliance with laws and regulations.

● Investment Status of the Financial Stabilization Contribution Fund

(Unit: billion yen, %)

	March 31, 2007		March 31, 2008		March 31, 2009	
	Balance	Share	Balance	Share	Balance	Share
Total investment	907.0	100.0	907.0	100.0	907.0	100.0
Medium- and long-term bonds	906.7	100.0	906.7	100.0	906.9	100.0
Japanese Government Bonds	198.8	21.9	200.0	22.1	228.8	25.2
Government guaranteed bonds	189.0	20.8	189.0	20.8	184.7	20.4
Municipal bonds	61.1	6.7	61.1	6.7	54.6	6.0
Secured corporate bond	269.8	29.7	268.6	29.6	250.8	27.7
Fiscal investment and loan institution bond	188.0	20.7	188.0	20.7	188.0	20.7
Short-term bond, etc.	0.3	0.0	0.3	0.0	0.1	0.0
FT, TB	0.0	0.0	0.0	0.0	0.0	0.0
Secured call loan	0.3	0.0	0.3	0.0	0.1	0.0

Notes: Since figures are rounded off, totals sometimes do not equal the sum of the amounts.

(Unit: billion yen, %)

	FY2006	FY2007	FY2008
Investment return	12.7	13.4	12.3
Investment yield	1.400	1.476	1.351

In addition to the above, the DICJ has invested surplus funds in accounts other than the Jusen Account, which come about as differences between fund outflows and inflows through these accounts in (i) secured call loan transactions settled on the very day of contract, (ii) short-term gensaki transactions (purchase under resale agreement) for financing bills (FBs) and treasury bills (TBs), (iii) outright purchases of FBs and TBs for short-term investment, and (iv) outright purchases of interest-bearing government bonds for longer-term investment.

In the meantime, surplus funds in the Early Strengthening Account continued to exceed the outstanding balance of interest-bearing liabilities (all DICJ bonds) in FY2008, as a result of receiving profit payments due to repayments of public funds injected by major banks into the Early Strengthening Account. In response, the DICJ further promoted purchases of interest-bearing government bonds (those with maturities similar to DICJ bonds) which the DICJ started in March 2007 (Outstanding balance of outright purchases of interest-bearing government bonds: ¥29.6 billion on March 31, 2007, ¥1,097.4 billion on March 31, 2008, and ¥1,450.9 billion on March 31, 2009). In addition, the DICJ introduced electronic trading for outright purchases of government bonds for the sake of greater efficiency in investment.

In investment of surplus funds, the DICJ, while paying due heed to the financial and economic environment and interest rate movements going forward, and also from the standpoint of minimizing public burdens, will continue to strive toward the diversification and greater efficiency of investment vehicles within a safe and appropriate scope.

(3) Deposit Insurance Premium Rates

The Policy Board at its meeting held on March 25, 2009, decided to change the deposit insurance premium rate for FY2009 to 0.107% for "deposits for payment and settlement purposes" (0.108% in FY2008). After obtaining the authorization of the Commissioner of the FSA and the Minister of Finance, the DICJ announced the new rate in public on April 1, 2009. The deposit insurance premium rate for "general deposits, etc." remains unchanged at 0.081% for FY2009.

Given that the DICJ's financial position (the

General Account) remains in deficit (with the retained loss for FY2008 estimated at some ¥0.9 trillion), the DICJ changed the deposit insurance premium rates for FY2009 while maintaining the basic policy described below and taking into account the changes of the balance of insured deposits, such as a decline in "deposits for payment and settlement purposes" and an increase in "general deposits, etc." [See P45, III. 1. (1) (v) "Deposit insurance premium."]

(Basic policy)
- An effective rate as a whole is maintained at the current 0.084%.
- The deposit insurance premium rate is calculated to ensure the equal insurance premium burden for each yen of insured deposits between the deposits for payment and settlement purposes which are fully protected, and "general deposits, etc." which are under limited coverage (Notes).

Notes: The limited coverage protects a principal of up to ¥10 million and its interest, etc.

6. Research & Study Activities and International Cooperation Comprehensively Taking Account of the Financial and Economic Situation

(1) International Cooperation

(i) Multilateral cooperation and international exchanges

Recently, particularly against the backdrop of the latest global financial crisis, governments around the world have been deepening the understanding that it is an important task to stabilize the financial system and to improve and manage the deposit insurance system. The DICJ has promoted mutual understanding among deposit insurance institutions of various countries, and monitored the deposit insurance system around the world and international trends in the market surrounding the financial industry through continuous participation in the International Association of Deposit Insurers, holding of meetings hosted by the DICJ, and collaboration and cooperation with deposit insurance authorities overseas. We think these activities will lead not only to enhancement of the deposit insurance system in Japan, but also to strengthening the deposit insurance system of foreign countries by conveying the experiences and knowledge of Japan which dealt with the so-called Heisei financial crisis, amid significant change of the financial market in the world.

1) International Association of Deposit Insurers (IADI)

The DICJ, as one of the IADI's founding members, has been participating in the activities of the association since its establishment in order to maintain and strengthen cooperative relations with deposit insurance institutions of various countries and also to gather information related to overseas deposit insurance systems.

The IADI has the Executive Council, a decision-making body that sets policies for the execution of its operations. The DICJ has been serving as one of the members of the Executive Council since its establishment, and in February 2008 assumed the newly created post of vice chairman.

In addition to the above, the IADI has various standing committees (six committees in all) for undertaking specific activities. Furthermore, the IADI has Regional Committees (seven committees in all) with the primary objective of reflecting the interests of each region in its overall activities. In Asia, there is the Asian Regional Committee (ARC) which is comprised of deposit insurance institutions and related organizations in the region, and the DICJ has been serving as the chair of the ARC since establishment of the IADI.

As the chairing institution of the ARC, the DICJ also took the initiative, in efforts of the IADI Membership and Communication Committee to increase the number of deposit insurance institutions participating in the IADI from non-member institutions in the Asian region. The DICJ helped realize the membership by India, Bangladesh, Indonesia, Singapore and Thailand to date.

Column 6: International Association of Deposit Insurers (IADI)

The International Association of Deposit Insurers (IADI) was established in May 2002 by deposit insurance institutions and relevant government agencies from around the world with the objective of contributing to financial system stability by expanding mutual cooperation among deposit insurance institutions. In order to achieve this objective, the IADI's main activities include: (i) deepening the understanding of common matters of concern and problems related to the deposit insurance system; (ii) preparing guidance to enhance the effectiveness of the deposit insurance system; (iii) exchanging and sharing expert knowledge and information on various issues relating to deposit insurance; and (iv) undertaking various research and study activities concerning the deposit insurance system, etc. Since its inception, the number of IADI member institutions has increased steadily year by year, standing at 75 institutions from 54 countries/regions as of March 31, 2009.

The IADI has developed "Core Principles for Effective Deposit Insurance Systems" (hereinafter referred to as "Core Principles") as the basic policy of the deposit insurance system and announced them in April 2008. In the summer of 2008, at the proposal of the Basel Committee on Banking Supervision, it was decided that the Core Principles of the IADI would be shared with the Basel Committee, and work is now underway for a review of the Core Principles necessary for this purpose. [See P125, III. 7. (1) (i) "International Association of Deposit Insurers (IADI) List of Participants."]

2) Holding of the 4th DICJ Round Table

Since 2006, the DICJ has annually held the "DICJ Round Table" conference, where the DICJ, as a moderator, presents important issues that the DICJ may confront in the future. Discussions and exchanges of opinions were made over such issues with the participation of well-experienced executives and expert officials from major deposit insurance institutions.

The Round Table is designed to: (i) gather various information for the benefit of the DICJ's future operations; (ii) provide information (intellectual assistance) to Asian countries (in particular, countries that plan to introduce the deposit insurance system soon or that have introduced the system only recently); and (iii) strengthen cooperation among deposit-insurance-related organizations.

The latest meeting, the 4th Round Table, was held in Tokyo for two days in February 2009, with the participation of 29 executives and expert officials from 17 deposit insurance institutions and related organizations.

Given that the world is gripped by the serious financial crisis, the agenda of the 4th Round Table consisted of: (i) "Systemic issues on dealing with and managing financial crises from the deposit insurers' viewpoint"; and (ii) "Specific issues and case studies of recent bank resolution." After the DICJ presented issues for discussion, a wide-ranging exchange of views took place among representatives of deposit insurance institutions from the United States, the United Kingdom, Hungary, Canada and Asian countries as well as the IADI Secretary-General.

The 4th DICJ Round Table

In the session on (i) "Systemic issues on dealing with and managing financial crises from the deposit insurers' viewpoint," through presentations and discussions by participants from various countries on the issues presented by the DICJ, the common understanding was reached that in order to cope with a global financial crisis, international collaboration and cooperation among safety-net players in each country are of great importance. In the session on (ii) "Specific issues and case studies of recent bank resolution," lively discussions took place, after the DICJ introduced how Japan dealt with the Heisei financial crisis while participants from the United States, the United Kingdom and some other countries explained their respective measures taken to cope with the financial crises. The DICJ found these discussions as a useful reference for its future operations, while representatives of deposit insurance institutions of the participating countries/regions rated them as contributory to the improvement of their deposit insurance systems. [See P127, III. 7 (1) (ii) "Program and Participants at the 4th DICJ Round Table."]

3) Interchanges with related organizations overseas

The DICJ strengthens cooperative ties with related organizations overseas. Through such opportunities, the DICJ deepens the understanding of the deposit insurance system and the circumstances surrounding the financial market around the world, and strives to convey the experiences of Japan to deposit insurance institutions of various countries and regions. In June 2008, the Chairman of the Indonesia Deposit Insurance Corporation visited the DICJ for an exchange of views on the recent situation and issues surrounding the deposit insurance systems of the two countries.

In January 2009, the Chairman and CEO of Korea Asset Management Corporation (KAMCO) visited the DICJ for discussions about the financial conditions of both countries as well as KAMCO's activities. In the same month, the Chairman of the Deposit Protection Agency of Thailand paid a visit to the DICJ and held an exchange of views on issues involved in the strengthening of the deposit insurance systems of the two countries and their future bilateral cooperation. On that occasion, the DICJ exchanged letters with the Deposit Protection Agency of Thailand on the furtherance of mutual cooperation, including an exchange of information and technical cooperation, similar to those already concluded with deposit insurance institutions of other Asian countries. [See P129, III. 7. (1) (iii) "Visits Paid and Received in Relation to International Operations," and P132, III. 7. (1) (iv) "Deposit Insurance Schemes of Key Countries."]

(ii) Bilateral technical cooperation

The DICJ is tackling the task of providing technical support for introduction and strengthening of deposit insurance systems focusing on the Asian region which is important to Japan from the standpoint of strengthening international relations in the economic and financial aspects. In addition to lectures which the expert officials of the DICJ give overseas, the DICJ provides training services in Japan in collaboration with other Japanese organizations.

Photograph with Chairman of Deposit Protection Agency of Thailand

1) Dispatch of expert officials abroad

a. Support for strengthening/introduction of deposit insurance systems in Vietnam and Laos

In May 2008, at the request of the Deposit Insurance of Vietnam, which is seeking to strengthen the deposit insurance system as part of efforts to improve the financial safety-net, and the Bank of the Lao PDR, which is aiming to establish a full-fledged deposit insurance system, the DICJ held a "Deposit Insurance Seminar" in Ho Chi Minh City and Vientiane, where the expert officials of the DICJ gave lectures on such matters as an outline of the Japanese deposit insurance system, resolution of failed financial institutions and the bridge bank system.

b. Deposit Insurance Seminar in the Philippines

In October 2008, invited by the Philippine Deposit Insurance Corporation, the DICJ dispatched expert officials to the seminar held there, explaining the failure resolution systems, etc. in Japan as well as exchanging opinions on the systems in both countries.

c. Deposit Insurance Seminar in Vietnam and Thailand

At the request of the Deposit Insurance of Vietnam and the Deposit Protection Agency of Thailand, newly inaugurated in August 2008, the DICJ held seminars in both countries in March 2009. In Vietnam, discussions were held on the strengthening of the deposit insurance system the country is currently addressing and DICJ officials gave lectures on the Japanese deposit insurance system. In Thailand, in conjunction with the Korea Deposit Insurance Corporation and the Malaysia Deposit Insurance Corporation, the DICJ sponsored an international deposit insurance seminar targeted at officials and staff at the Deposit Protection Agency of Thailand, the central bank and the Ministry of Finance, where DICJ officials gave lectures on an outline of the deposit insurance system and international comparison.

2) Acceptance of trainees and research groups from overseas (including those in collaboration with other Japanese organizations)

a. Research groups from Thailand, Indonesia and Canada

The DICJ endeavors proactively to accept trainees and research groups from overseas. In FY2008, the DICJ accepted the research teams from the Bank of Thailand, the Deposit Protection Agency of Thailand, the Indonesia Deposit Insurance Corporation of Indonesia and the Canada Deposit Insurance Corporation.

b. Seminars hosted by the Japan International Cooperation Agency (JICA)

The DICJ cooperated by expert officials dispatched as lecturers to the training program, "Seminar on Strengthening the Financial System" on the part of the deposit insurance system, aiming at strengthening the financial sector of ASEAN countries, which JICA has implemented annually since FY2004. In the seminar they give lectures on deposit insurance systems. In FY2008, nine trainees from the relevant countries came for the 5th Seminar and in January 2009, the DICJ conducted training on the themes "Function and role of the DICJ," "Approaches for resolution of failed financial institution," "Role of the RCC and collection operations of non-performing loans," etc.

Prior to this, in November 2008, the DICJ expert officials lectured about Japan's deposit insurance system at "Vietnam banking supervision seminar," which JICA hosted for officials in charge of the finances in Vietnam.

(2) Strengthening Research & Study

(i) Enhancing and strengthening functions of research and study

In order to study more deeply the role of the deposit insurance system as a safety-net in protecting depositors and ensuring financial system stability, in FY2004, the DICJ newly established the Office for Research and Intelligence and enhanced the functions of studying and researching deposit insurance systems both within and outside Japan.

In FY2008, the DICJ invited experts from both within and outside Japan, held the seminar for executives and staff of the DICJ and exchanged views. Furthermore, the DICJ gathered widely information on foreign deposit insurance systems, financial stabilization measure and others.

Particularly, the DICJ researched into the deposit insurance system focusing on "Resolution of financial institutions," "Financial stabilization measures in foreign countries,“ "Deposit insurance premium and deposit insurance fund," "Treatment of dormant accounts,“ "Insurance coverage," "Pursuit of civil liability claims against failed financial Institutions in past cases," and the like.

Regarding "resolution of financial institutions," the DICJ conducted a detailed study and research of various resolution cases including collection of information by visiting the relevant countries and its policy responses in foreign countries, which drastically increased since July 2008. As with "Financial stabilization measures in foreign countries“ the DICJ proactively gathered information on various financial stabilization measures including expanding deposit protection implemented in foreign countries since September 2008.

(ii) Issuing the journal "Deposit Insurance Review"

In March 2004, the DICJ started to issue the journal "Deposit Insurance Review," which makes public the results of ongoing investigations and research. In FY2008, the DICJ published the ninth issue in June 2008. Also, the tenth and eleventh issues were published in April 2009 (Notes). The DICJ posts the journal on its website (http://www.dic.go.jp/kenkyu/kenkyu.html) for easy access by researchers, those in the financial industry, and many others.

Notes: Articles and materials published in the DICJ research and study journal "Deposit Insurance Review" (Newly published).

○ No. 9 (June 2008)
- Resolution of Cross-border banks and deposit insurance system
- Warding off the interference of antisocial forces in auctions – Proposal for improvements in civil execution proceedings
- Property management and disposal operations of the DICJ – Upon completion of management and disposal of real estate acquired from Hanwa Bank
- Deposit insurance system in Canada
- The 2nd DICJ Round Table
- The 3rd DICJ Round Table

○ No. 10 (April 2009)
- Mounting international debate on the deposit insurance system – Establishment of global principles and diversity of deposit insurance institutions
- Financial stabilization measures in foreign countries
- Diversification of financial intermediation channels and the role of the safety net – Focusing on responses to restore "market" liquidity
- Reforms of deposit insurance and failed bank resolution systems in the U.K.
- Resolution of failed financial institutions in the U.S.
- International comparison of deposit insurance systems

○ No. 11 (April 2009)
- Identification of accomplices – Examination of precedents concerning co-principals within lending institutions
- Understanding of the purpose of promoting his/her own interest or the interest of a third party, or inflicting damage on another with the aim of self-protection in breach of trust – Pursuit of criminal liability of failed financial institution executives
- The current situation of the U.S. housing finance sector and legal approaches – Roles of FinCEN and SAR

III. FACTS & FIGURES

1. Deposit Insurance System

(1) Outline of Deposit Insurance System

(i) Formation of a deposit insurance relationship

A deposit insurance relationship among the DICJ, a financial institution and its depositors is automatically formed in conformity with the Deposit Insurance Act when the insured financial institutions described in (ii) below accept the insured deposits, etc. described in (iii) below.

(ii) Insured financial institutions

The financial institutions covered by the deposit insurance system are those mentioned below.

a. Banks stipulated in the Banking Act
b. Long-term credit banks stipulated in the Long-Term Credit Bank Act
c. Shinkin banks
d. Credit cooperatives
e. Labor banks
f. The Shinkin Central Bank
g. The National Federation of Credit Cooperatives
h. The Rokinren Bank
i. The Shoko Chukin Bank

Notes:
- At present, no long-term credit banks exist that are stipulated in the Long-Term Credit Bank Act.
- Overseas branches of the above financial institutions, government-related financial institutions, and Japanese branches of foreign banks are not covered by this system.
- The Norinchukin Bank, agricultural cooperatives, fishery cooperatives, and others are members of the "Agricultural and Fishery Co-operative Savings Insurance Corporation."
- Securities companies belong to "the Investor Protection Fund," and life and non-life insurance companies belong to "the Life Insurance Policyholders Protection Corporation of Japan" and "the Non-life Insurance Policyholders Protection Corporation of Japan," respectively.

(iii) Insured deposits, etc.

The deposits, etc. insured by the deposit insurance system are as follows:

a. Deposits;
b. Installment savings;
c. Installment deposits;
d. Money trusts under the guarantee of principal; and
e. Bank debentures (limited to custody products).

Provided that the deposits, etc. described below are excluded from insured deposits, etc.

a. foreign-currency deposits;
b. negotiable certificates of deposits;
c. subscribed bank debentures and bank debentures whose custody agreement has terminated;
d. loan trusts whose rights of beneficiary are recorded in the transfer of corporate bonds, shares and others;
e. deposits and others in special international financial transaction accounts (Japan offshore market accounts);
f. deposits and others from the Bank of Japan (excluding treasury funds);
g. deposits and others from insured financial institutions (excluding those related to the investment of fixed contribution pension reserves);
h. deposits and others from the DICJ; and
i. anonymous bank accounts.

Furthermore, the deposits, etc. described below are excluded from protection under the deposit insurance system:

a. Deposits and others under other names (including those under fictitious/false names); and

b. Deposits and others to be re-lent to third parties.

(iv) Scope of protection

1) Scope of protection

Regarding the amount of deposits and others protected by the deposit insurance system when a financial institution has failed, deposits falling under the category of deposits for payment and settlement purposes (those meeting three requirements – zero-interest, payable on demand, and capable of providing settlement services) are fully protected, while deposits and others other than the above-mentioned (called "general deposits and others") are protected up to a maximum of ¥10 million in principal, plus related interest, per depositor per financial institution.

For amounts in excess of ¥10 million in principal among general deposits and others as well as uninsured deposits and others and their interest, repayment is made according to the failed financial institution's assets, so these deposits and others are subject to deduction.

Types of Deposits, etc.			Scope of Protection
Deposits, etc. covered by deposit insurance	Deposits for payment and settlement purposes	Current deposits, ordinary deposits no interest accrues, etc.	Full protection
	General Deposits, etc.	Interest-accruing ordinary deposits, time deposits, installment savings, money trusts under the guarantee of principal, bank debentures (limited to custody products), etc.	Protection up to a total of ¥10 million principal (Notes 1) plus its interest and others (Notes 2) Repayment is made for an amount in excess of ¥10 million according to the failed financial institution's assets. (Subject to deductions)
Deposits, etc. not covered by deposit insurance		Foreign-currency deposits, negotiable certificates of deposits, subscribed bank debentures and bank debentures whose custody agreement has terminated, etc.	No protection Repayment is made according to the failed financial institution's assets (subject to deductions).

Notes: 1. Presently, if financial institutions merge or the entire business is transferred, limited to a period of one year thereafter, the corresponding ¥10 million protected amounts are replaced by the amount "(¥10 million)×(number of financial institutions involved in mergers, etc.)" per depositor and its interest.

2. Reimbursable benefits of installment savings, distributions of earnings from money trusts, etc., which meet certain conditions are also protected similar to interest.

2) Scope of protection of settlement obligations

The obligations (limited to cases of payment in Japanese yen) assumed by the insured financial institutions concerning transactions involved in settlement of funds (funds transfers, transactions for settlement of bills and checks at the clearing house and those concerning self-addressed checks drawn by financial institutions) are called settlement obligations (Notes), and are fully protected. For example, an obligation of an insured financial institution arising from funds transfers requested from a customer where the funds received from the customer have not been transferred to the payee at the time of the financial institution's failure.

However, of the obligations arising from funds transfers and the settlement of bills and checks at the clearing house, those which are of the insured financial institutions or other financial institutions or those entrusted by the same do not fall under the category of the settlement obligations, as far as a part of their business.

Notes: The settlement obligations which are not accepted as deposits for settlement and payment purposes or general deposits and others are called "Specified settlement obligations" (suspense receipts and others).

(v) Deposit insurance premium

1) Outline

Deposit insurance premiums are sources of funds for operations such as financial assistance and insurance payment operations, and the insured financial institution must pay their insurance premium to the DICJ. An insured financial institution calculates the premium by multiplying the insurance premium rates by the balance of insured deposits and others for the previous fiscal year (the average balance for business days during the previous fiscal year) for general deposits and others, and deposits for payment and settlement purposes separately, then pays its insurance premium within the first three months of each fiscal year (semiannual installments are also acceptable).

Deposit insurance premium rates are changed, subsequent to a decision of the Policy Board upon authorization from the Commissioner of the FSA and the Minister of Finance. Subsequently, deposit insurance premium rates are publicly announced in the Official Gazette.

2) Recent deposit insurance premium rates

Taking into consideration the fact that the framework of deposit protection changed to limited coverage from April 2005, the insurance premium rates applicable to FY2005 were set at 0.115% for "deposits for payment and settlement purposes" and 0.083% for general deposits and others in accordance with the policy of: (i) maintaining the effective rates as a whole at the current level of 0.084%; and (ii) calculating the rate so as to ensure an equal premium burden for each yen of insured deposits and others between the "deposits for payment and settlement purposes," which are fully protected, and "general deposits and others" under limited coverage, as well as taking into account the trend in the balance of the insured deposits and others.

The DICJ has not changed its basic policy to date, but in FY2006, the premium rates were set at 0.110% for "deposits for payment and settlement purposes" and at 0.080% for "general deposits and others" because a trend emerged whereby general deposits and others were shifted to deposits for payment and settlement purposes.

In FY2007, the deposit insurance premium rates remained unchanged, but because a trend emerged whereby deposits for payment and settlement purposes were shifted to general deposits and others in FY2007, the premium rates applicable for FY2008 were set at 0.108% for "deposits for payment and settlement purposes" and at 0.081% for "general deposits and others."

In FY2009, the premium rate applicable for "deposits for payment and settlement purposes" was changed to 0.107% because of a decrease of deposits for payment and settlement purposes, and an increase of general deposits and others during FY2008. The premium rate applicable for "general deposits and others" remained unchanged. [See P39: II.5 (3) "Deposit Insurance Premium Rates."]

● Trend of Insurance Premium Rates

<table>
<tr><th></th><th colspan="2">Premium Rate (Notes 1)</th><th>Effective Rate (Notes 2)</th></tr>
<tr><td>From 1971 on (when the system began)</td><td colspan="2">0.006%</td><td>0.006%</td></tr>
<tr><td>From FY1982 on</td><td colspan="2">0.008%</td><td>0.008%</td></tr>
<tr><td>From FY1986 on</td><td colspan="2">0.012%</td><td>0.012%</td></tr>
<tr><td>From FY1996 on</td><td colspan="2">0.048%</td><td rowspan="10">0.084%</td></tr>
<tr><td rowspan="2">FY2001</td><td>Specific deposits</td><td>Other deposits, etc.</td></tr>
<tr><td>0.048%</td><td>0.048%</td></tr>
<tr><td>FY2002</td><td>0.094%</td><td>0.080%</td></tr>
<tr><td rowspan="2">From FY2003 on</td><td>Deposits for payment and settlement purposes</td><td>General deposits and others</td></tr>
<tr><td>0.090%</td><td>0.080%</td></tr>
<tr><td>FY2005</td><td>0.115%</td><td>0.083%</td></tr>
<tr><td>From FY2006 on</td><td>0.110%</td><td>0.080%</td></tr>
<tr><td>FY2008</td><td>0.108%</td><td rowspan="2">0.081%</td></tr>
<tr><td>FY2009</td><td>0.107%</td></tr>
</table>

Notes: 1. "Specific deposits" are current, ordinary and specified deposits, and "other deposits, etc." are deposits other than specific deposits such as time deposits. Up to FY2004, "deposits for payment and settlement purposes" had been the same as "specific deposits" and "general deposits and others" as "other deposits, etc." (In FY2004, including specified settlement obligations provided for in Article 69-2, paragraph 1 of the Deposit Insurance Act). From FY2005 onward, "deposits for payment and settlement purposes" comprised of deposits meeting three requirements – zero-interest, payable on demand, and capable of providing settlement services – and specified settlement obligations, and "general deposits and others," comprised deposits and others other than those for payment and settlement purposes such as time deposits.

2. Including a rate (0.036%) of special insurance premium (premium provided for in Article 19, paragraph 1 of the Supplementary Provisions of the Deposit Insurance Act), which had been set during the period from FY1996 to FY2001. The rate for FY2002 is the weighted average of "specific deposits" and "other deposits, etc." and from FY2003 onward, that of "deposits for payments and settlement purposes" and "general deposits and others."

(vi) Resolution of failed financial institutions

If the insured financial institution is subject to any insurable contingency, the insured deposits and others of the failed financial institution are protected within the scope of the protection prescribed (limited coverage). Provided that the Prime Minister acknowledges that unless any measures against financial crises, such as full protection of the insured deposits and others, are taken, the maintenance of the stability of the financial system in Japan or in the region where the insured financial institution conducts its business could be severely hindered, measures against financial crises may be taken through the deliberation of the Council for Financial Crises.

[Concerning the scope of deposit protection, see P45 (iv) “Scope of protection,” concerning measures against financial crises, see P49 (vii) “Measures against financial crises.” Furthermore, concerning the development of a failure resolution scheme, see P52 (3) “Historical Development of Deposit Insurance System.”]

1) Insurable contingency

Events invoking the deposit insurance (Insurable Contingency) are divided into two types – suspension of the repayment of deposits and others by a financial institution (Category One Insurable Contingency) and cancellation of a financial institution’s license to conduct business, ruling of the commencement of bankruptcy proceedings, or resolution to dissolve the financial institution (Category Two Insurable Contingency).

If a financial institution should be likely to suspend repayment of deposits and others, and fall into insolvency, or would be likely to fall into insolvency, repayment of deposits and others shall be suspended by the business suspension order of the competent minister (occurrence of Category One Insurable Contingency).

2) Method of protection

When a Category One Insurable Contingency has occurred, the insured deposits are protected by either of the following two methods: the insurance payout method, whereby payouts are made directly to depositors; or the financial assistance method, whereby financial assistance is provided to an assuming financial institution. The choice of method to be adopted is decided by the Policy Board within one month of the occurrence of a Category One Insurable Contingency (if necessary, this period may be extended by a further month). In this choice, in order to minimize the costs required for a resolution while controlling any disorder accompanying the failure of a financial institution, the financial assistance method is prioritized.

Meanwhile, if a Category Two Insurable Contingency has occurred, because the financial function of a failed financial institution is not maintained, the insurance payout method is adopted.

3) Protection by the insurance payout method

When adopting the insurance payout method, as soon as preparations such as the depositors’ name-based aggregation of deposits accounts held at the failed financial institution are complete, the DICJ, upon request of the depositors, will make insurance payment to the depositors. The amount of insurance is the amount of deposits and others within the scope of protection on the date of occurrence of the insurable contingency. However, insurance payments on deposits pledged as security may be deferred while the right of pledge exists.

Concerning the method of making insurance payments, in addition to the method of making payment directly to depositors and others, there is also the method of placing deposits at insured financial institutions other than the failed financial institution and transferring them to depositors and others (the method of placing deposits).

When adopting the insurance payout method, the DICJ determines, subject to a resolution by the Policy Board, details of the insurance payment, such as the payment period, place, method, and processing time. It then places public notices in the Official Gazette and others to ensure that all depositors understand these details.

4) Protection by the financial assistance method

When adopting the financial assistance method, the DICJ provides financial assistance to an assuming financial institution or others which takes over the insured deposits and others of a failed financial institution by implementing a merger, business transfer (including partial transfer), transfer of the insured deposits, or the acquisition of shares of a failed financial institution (hereinafter referred to as “merger and others”), up to the estimated cost necessary in the case of adopting the claim payment method (hereinafter referred to as “the payout cost”). Financial assistance may take the form of a monetary grant, loan for the deposit of funds, purchase of assets, guarantee of liabilities, assumption of financial obligations, subscription for preferred shares and others, or loss sharing. Furthermore, in cases where an assuming financial institution undertakes the partial transfer of business or transfer of the insured deposits, the DICJ can also provide financial assistance by a monetary grant to secure a repayment amount to the creditors who were not covered by the business transfer of the failed financial institutions to make the equal treatment of creditors (financial assistance for equal treatment).

In the financial assistance method, the DICJ, upon receiving an application for financial assistance in the joint names of an assuming financial institution (it is necessary to receive authorization (Notes) for the eligibility of the merger and others or recommendation of the merger and others by the Commissioner of the FSA) and a failed financial institution, decides, subject to the resolution of the Policy Board, whether or not to provide the relevant financial assistance and, if so, the amount, method and other details, and then enters into a financial assistance agreement with the assuming financial institution and the failed institution. Upon making this decision, the Policy Board takes account of the financial condition of the DICJ and the estimated cost necessary for the financial assistance and the payout cost, and strives to make effective use of the DICJ assets.

Notes: Authorization for eligibility may only be granted when all the following three requirements are satisfied:

1. The implementation of the merger and others must contribute to the protection of depositors and other creditors.
2. The financial assistance by the DICJ must be indispensable to the facilitation of the merger and others.
3. The merger and others must be such that, if not carried out and the failed financial institutions ceased all business or were dissolved, it could severely hinder the smooth flow of funds and convenience of users within the region or sector in which the failed financial institution operates.

5) Partial payments

When an insurable contingency has occurred, the DICJ, upon request by the depositors, makes a partial payment to depositors to the limit of ¥600,000 per account against the balance of ordinary deposits (principal only).

The DICJ pays partial payments to cover the immediate living costs and other expenses of depositors when it is anticipated that insurance payments (when adopting the insurance payout method) or the reimbursement of insured deposits (when adopting the financial assistance method) will not begin for a considerable length of time. The DICJ decides whether or not to make partial payments within one week of occurrence of the insurable contingency, subject to a resolution by the Policy Board. When making partial payments, the DICJ decides, subject to a resolution by the Policy Board, the period of partial payment, place, method, processing time and others, and in the same manner as making the insurance payments, places public notices in the Official Gazette and others to ensure that all depositors understand these details.

6) Purchase of deposits and other claims

When an insurance contingency has occurred, deposits and others which are outside the scope of protection are repaid as part of the reorganization proceedings, rehabilitation proceedings or bankruptcy proceedings of a failed financial institution (hereinafter referred to as “reorganization procedures and others”). Among uninsured deposits and others the DICJ may, upon request by depositors, purchase from depositors the principal of general deposits and others in excess of ¥10 million and foreign-currency deposits and their interests (excluding deposits and others pledged as security).

The purchase of deposits and other claims represents a system for providing liquidity to depositors and others while requesting that they share any loss from failure at an early date before the payment of liquidating dividends of a failed financial institution. The DICJ purchases deposits and other claims by paying an amount (amount of the estimated proceeds payment) calculated by multiplying the amount of claims by a rate determined by the DICJ for the failed financial institution (the estimated proceeds payment rate) (the estimated proceeds payment).

When the amount which the DICJ has received as the payment of liquidating dividends for deposits and other claims purchased from a failed financial institution exceeds the total of the estimated proceeds payments and expenses incurred in purchasing deposits and other claims, the DICJ pays the surplus to depositors (settlement payment).

The DICJ determines, subject to a resolution of the Policy Board, whether or not to purchase deposits and other claims. The DICJ then obtains, subject to a resolution by the Policy Board, the authorization from the Commissioner of the FSA and the Minister of Finance for the estimated proceeds payment rate.

After obtaining authorization for the purchase of deposits and other claims, the DICJ determines, subject to a resolution by the Policy Board, the purchase period, place, method of making the estimated proceeds payment, processing time and others, and then places public notices in the Official Gazette and others to ensure that all depositors understand the details. When making settlement payments, the DICJ determines, subject to a resolution of the Policy Board, the amount of the settlement payment, the period of settlement payment, the method of making the settlement payment and others, and places public notices in the Official Gazette and others.

● Conceptual diagram of the treatment of deposits and others at a failed financial institution

(The space within the bold lines indicates deposit protection by the deposit insurance system)

<table>
<tr><th colspan="2">Type of Deposit, etc.</th><th colspan="4">Treatment</th></tr>
<tr><td rowspan="2">Deposits, etc. covered by deposit insurance</td><td>Deposits for payment and settlement purposes (current deposits, ordinary deposits no interest accrued, etc.)</td><td colspan="4">Full protection
(Full protection for principal)</td></tr>
<tr><td>General deposits, etc. (interest-accruing ordinary deposits, time deposits, installment savings, money trusts under the guarantee of principal, bank debentures; limited to custody products), etc.</td><td>Limited protection
(Protection up to a total of ¥10 million principal plus its interest, etc.)</td><td rowspan="2">Estimated proceeds payments
(Purchase of principal of general deposits, etc. portion in excess of ¥10 million, and foreign-currency deposits and their interest and others at the amount calculated by multiplying the amount of claims by the estimate proceeds payment rate)</td><td rowspan="2">Settlement payment</td><td rowspan="3">Subject to deduction</td></tr>
<tr><td rowspan="2">Deposits, etc. not covered by deposit insurance</td><td>Foreign-currency deposits</td><td></td></tr>
<tr><td>Negotiable certificates of deposits, subscribed bank debentures and bank debentures whose custody agreement has terminated, etc.</td><td colspan="3">Repayment is made according to the failed financial institution's assets.</td></tr>
</table>

7) Representation of depositors in court procedures

Under the Special Corporate Reorganization Act for financial institutions, the DICJ participates in reorganization procedures and others in principle, on behalf of the depositors and others of insured deposits and others under the deposit insurance system to ensure the realization of depositors' rights and to facilitate reorganization procedures and others for failed financial institutions.

In participating in the reorganization procedures and others on behalf of depositors and others of insurable deposits and others under the deposit insurance system, the DICJ assumes the fiduciary duty and the duty of due care of a prudent manager.

(vii) Measures against financial crises

1) Overview

Provided that the Prime Minister acknowledges that unless one of the following measures against financial crises is taken, the maintenance of the stability of the financial system in Japan or in the region where the insured financial institution conducts its business could be severely hindered, measures against financial crises may be taken through the deliberation of the Council for Financial Crises.

Measures to be taken	Insured financial institutions
i) Capital injection	Financial institutions (excluding failed or insolvent financial institutions)
ii) Financial assistance in excess of the payout cost	Failed or insolvent financial institutions
iii) Special crises management	Failed financial institutions that are insolvent banks

2) Capital injection

The DICJ subscribes for common shares, preferred shares or subordinated corporate bonds and others which the insured financial institutions or their holding companies issue to strengthen the capital of the insured financial institutions in accordance with the decision to implement capital injections by the Commissioner of the FSA (subject to the consent of the Minister of Finance) (Notes).

Notes: In cases where the insured financial institutions are labor banks or the Rokinren Bank, the decisions of the Commissioner of the FSA, and the Minister of Health, Labor and Welfare are required; and in the case of the Shoko Chukin Bank, the decisions of the Commissioner of the FSA, the Minister of Finance, and the Minister of Economy, Trade and Industry are required.

3) Financial assistance in excess of the payout cost

The DICJ may provide financial assistance in excess of the payout cost to an assuming financial institution involved in mergers and others. This makes it possible to protect deposits and others in the full amount.

When this measure is taken, the Commissioner of the FSA issues an order to manage the business and assets of the failed financial institution by a financial administrator.

4) Special crises management

Special crises management may be implemented only in the case where it is acknowledged that even if financial assistance were provided in excess of the payout cost, it would be impossible to maintain the stability of the financial system in Japan or in the region where the insured bank conducts its business.

In the case of implementation of the special crisis management, the DICJ acquires the shares of the insured bank by the decision of the Commissioner of the FSA, and selects the directors, auditors and others according to the appointment of the Commissioner of the FSA. Moreover, the DICJ may implement financial assistance to the insured banks without taking into account the payout cost, which enables full protection of deposits and others.

The special crises management is to be terminated by the merger, transfer of business, or disposal of shares as early as possible.

5) Crisis Management Account and contributions

The DICJ records all the expenses for capital injection, and the cost for financial assistance and special crisis management in excess of the payout cost, not in the General Account, but the Crisis Management Account.

Deficit of the Crisis Management Account shall be funded by the contributions of the insured financial institutions that the deposit insurance system covers. When the Commissioner of the FSA and the Minister of Finance acknowledge the need to collect the contributions, the insured financial institutions must also pay contributions to the DICJ according to the contribution rate and the period for the payment of contribution determined by the Commissioner of the FSA and the Minister of Finance. The amount is calculated by multiplying the contribution rate by the amount of debt (excluding some specified reserves) as of the end of the previous fiscal year of the insured financial institutions.

However, the government may subsidize some of the expenses to the DICJ only when it is recognized that if deficit of the Crises Management Account were funded by the contributions alone, the financial situation of the insured financial institutions would deteriorate substantially and an extremely serious impediment could be caused to the maintenance of the stability of the financial system in Japan.

(2) Operations of the Financial Administrator

Failure resolution of a financial institution begins when the Commissioner of the FSA, citing liabilities in excess of assets and other reasons, issues "an order to manage the business and assets of the failed financial institution by a financial administrator" (hereinafter referred to as "the order for management"). The Commissioner of the FSA issues "the order for management" and at the same time appoints the financial administrator to manage the failed financial institution. While the financial administrator is usually selected among lawyers, certified public accountants or those well versed in financial practices, the DICJ itself, with the accumulation of know-how about failure resolution of financial institutions, may be chosen as a financial administrator. Until now, the DICJ has been appointed as a financial administrator in a total of 11 cases of failure resolution.

The financial administrator, immediately after the issuance of the order for management, goes to the failed financial institution to work toward the reopening of operations and manages as well as disposes of its assets. The financial administrator, at the request of the Commissioner of the FSA, also prepares a report on the status of the business and assets of the failed financial institution as well as a plan for its management, and works for the provisional maintenance and continuation of the business of the failed financial institution. Moreover, the financial administrator seeks the swift transfer of the business of the failed financial institution to assuming financial institutions and also files civil suits and/or criminal accusations to make clear the responsibility of former managers for the business failure. Thus, despite being simply referred to as a financial administrator, the tasks that are to be undertaken are quite varied.

The DICJ, in anticipation of its appointment as a financial administrator, always keeps administrative procedures for failure resolution ready and regularly conducts practical training to appropriately prepare for failure resolution. When actually appointed as a financial administrator, the DICJ expects to proceed with failure resolution with the following administrative procedures:

(i) As many financial institution failures in the past occurred on weekends, the DICJ assumes that a financial institution is most likely to fail on a Friday and that as soon as the Commissioner of the FSA issues the order for management for the failed financial institution, the DICJ is appointed as a financial administrator;

(ii) The failed financial institution files a court application to commence civil rehabilitation proceedings;

(iii) Immediately after the issue of the order for management, preparations are launched to reopen business of the failed financial institution on the following Monday. Main initial operations are as follows:

- The shutdown altogether of on-line connections to the failed financial institution's systems, including CDs/ATMs, ATMs with affiliated institutions, and Internet-based banking,
- Working to fix insured deposits through name-based aggregation of deposits,
- Preparation to reimburse insured deposits,
- Extraction of transactions to be excluded from settlement obligations,
- Preparation for new operations such as responses to depositors' offsetting requests, and
- Keeping employees of the failed financial institution informed of the business setup going forward;

(iv) A financial administrator proactively undertakes public relations activities, and resumes the reimbursement of insured deposits, settlement services and lending operations on Monday in order to prevent confusion at bank counters;

(v) A financial administrator ensures that the failed financial institution makes a purchase of claims on bank deposits and others (estimated proceeds payment) promptly on commission by the DICJ;

(vi) The DICJ begins to select an assuming financial institution upon its appointment as a financial administrator and transfers the business to the assuming financial institution. After six months from the date of the order for management, the insured deposits and sound lending assets, etc. are transferred to the bridge bank, a provisional assuming institution;

(vii) Starting from approximately one year after the date of the order for management, the remaining assets of the failed financial institution are to be reimbursed based on the recovery plan; and

(viii) The bridge bank is a provisional assuming financial institution, and shall retransfer the business to the final assuming financial institution within two years (in cases with unavoidable circumstances, within three years) of the date of the order for management.

(3) Historical Development of the Deposit Insurance System

	Initial Provisions in 1971	→ Jul. 1986 →	→ Jun. 1996 →
1. Insured financial institutions (by act)	Banks, sogo banks (Notes 1), shinkin banks, credit cooperatives →	(Jul. 1986) Labor banks added →	→
2. Capitalization (by approval)	¥450 million → Government: ¥150 million BOJ: ¥150 million Private Financial Institutions: ¥150 million	(Jul. 1986) ¥455 million → Capital subscription by Labor banks (¥5 million) added	(Jul. 1996) ¥5,455 million → Capital subscription by the Government [Jusen Account] (¥5 billion) added
3. Executives Governor, deputy governors, auditor (by act)	Governor → (Deputy Governor of the BOJ) Deputy Governor (1) → Auditor (1) →	→	(Jun. 1996) (Appointed by Minister of Finance) → (Oct. 1998) (Appointed by PM, approved by both Houses of the Diet) → (Jun. 1996) Max. 3 persons → (Oct 1998) Max.4 persons →
4. Insurance premium rates (Notes 2) (by approval)	0.006% →	(FY1982) 0.008% → (FY1986) 0.012% →	(FY1996) 0.048% →
5. Payment date of insurance premium (by act)	Within 3 months after beginning of fiscal year →	→	Within 3 months after the beginning of the fiscal year. However, half may be paid within 3 months after the beginning of second half of fiscal year →
6. Maximum insurance payments (by cabinet order)	Principal ¥1 million →	(Jun. 1974) ¥3 million → (Jul. 1986) ¥10 million →	→
7. Special measures for the blanket guarantee of deposit insurance (by act)			Introduced →
8. Insurance payment by deposit transfer (by act)			Introduced →
9. Partial payment (by act) and maximum amount of partial payment (by cabinet order)		(Jul. 1986) Introduced ¥200,000 →	→
10. Purchase of deposits and other claims (by act)			(Apr. 1997) Introduced →
11. Representation of depositors in court (Notes 3) procedures (by act)			(Apr. 1997) Introduced →
12. Financial assistance (by act)		(Jul. 1986) Introduced →	→
13. Purchase of assets from failed financial institutions and others (by act)		(Jul. 1986) Purchase of assets from assuming financial institutions →	(Jun. 1996) Purchase of assets from failed financial institutions → (Oct. 1998) Purchase of assets from banks under special public management and others →
14. Borrowings of funds (General Account) (1) Maximum borrowings (Notes 4) (by cabinet order) (2) Borrowings from financial institutions for repayment of borrowings from BOJ (by act)	¥50 billion →	(Jul. 1986) ¥500 billion → (Jul. 1986) Introduced →	(Jun. 1996) ¥1 trillion → (Apr. 1999) ¥2 trillion → (Apr. 2000) ¥4 trillion → (Oct. 1998) Financial institutions and others

Notes: 1. Sogo banks (mutual financing banks) have gradually transformed into ordinary commercial banks since February 1989 (Mutual Financing Bank Act abolished on April 1, 1993).
2. During the period from FY1996 to FY2001, a special premium (the insurance premium rate 0.036 %) was set.
3. The Special Corporate Reorganization Act.
4. Maximum borrowings from the Bank of Japan between 1971 and March 31, 2001.
5. Current deposits, ordinary deposits and specified deposits had been insured under the blanket guarantee system until the end of FY2002 and were considered as deposits for settlement and payment purposes until the end of FY2004.

Amendments or Additions since May 2000

(Jun. 2000) → The Shinkin Central Bank, The National Federation of Credit Cooperatives & The Rokinren Bank added → (October 2008) The Shoko Chukin Bank joined

→

→

→

→

		<FY2001>	<FY2002>		<FY2003>	<FY2005>
→	Special deposits	0.048%	→ 0.094%	→ Deposits for payment and settlement purposes	0.090%	→ 0.115%
	Other deposits, etc.	0.048%	0.080%	General deposits	0.080%	0.083%

	<FY2006>	<FY2008>	<FY2009>
→	0.110%	→ 0.108%	→ 0.107%
	0.080%	0.081%	0.081%

→

(Apr. 2001) → Principal ¥10 million + interests, etc. → (Apr. 2003) Full amount of deposits for payment and settlement purposes + ¥10 million principal and related interest of general deposits, etc. →

→ Until March 31, 2005 (Notes 5)

→

(Apr. 2001) → ¥600,000 →

→

→

→

(Apr. 2001) → Purchase of assets from bank under special crisis management, etc. →

(Apr. 2001) → ¥6 trillion → (Apr. 2002) ¥13 trillion → (Apr. 2003) ¥19 trillion → (Apr. 2004) ¥20.14 trillion → (Apr. 2005) ¥ 20.6 trillion → (Apr. 2006) ¥21.18 trillion

(Apr. 2007) ¥20.58 trillion → (Apr. 2008) ¥20.08 trillion → (Apr. 2009) ¥19 trillion

Principal Special Operations Introduced in the Jun. 1996 Amendment of the Deposit Insurance Act

- Special financial assistance
- Special purchase of deposits and other claims
- Collection of special insurance premiums
- Capital contribution, loss compensation, debt guarantee, guidance, advice, etc. for the contracted bank
- Asset investigation of debtors concerning loan assets transferred to the contracted bank and loan collection
- Entrusting purchase of assets of failed credit cooperatives to the contracted bank
- Government debt guarantees for borrowings from the BOJ, other financial institutions, etc. to implement special operations concerning failed credit cooperatives

Main Points in the Amendment of the Deposit Insurance Act of Dec. 1997

- Addition of consolidation to the types of merger, etc., for which an application for financial assistance can be made
- Financial assistance for specified mergers (temporary measure)

Main Points in the Amendment of the Deposit Insurance Act of Feb. 1998

- Integration of the Special Account for general financial institutions and the Special Account for credit cooperatives into the Special Operations Account
- Expansion of the RCB's function to act as an assuming bank for general financial institutions
- Issues of DICJ bonds
- Extension of penal investigating power to include the recovery of loan assets of failed financial institutions
- Introduction of the Special Operations Fund (up to a limit of ¥7 trillion worth of government-granted bonds)

Main Points in the Financial Revitalization Related Acts enacted in Oct. 1998

- Addition of financial administrator operations
- Addition of operations related to: establishment and business management of bridge banks, special public management, and equity capital injection of financial institutions, etc.
- Expansion of the scope of where organizations can purchase assets from, including special public management banks, bridge banks, and financial institutions
- Establishment of the Financial Revitalization Account and the Early Strengthening Account

Main Points in the Amendment of the Deposit Insurance Act of May 2000

- Extension of Special Measures for the blanket guarantee of deposits, etc. (until end FY2001)
- Obligation for financial institutions to prepare data for aggregating deposits held by the identical depositor, and to make necessary adjustments to computer systems, etc.
- Introduction of procedural arrangements for provisional resolutions for business transfers, etc., and court authorization procedures (subrogation) to substitute for special resolutions
- Addition of financial administrator operations
- Addition of operations concerning the establishment and management of the business of bridge banks
- Addition of financial assistance in case of partial transfer of business
- Addition of capital injection and loss sharing collateral for the assuming financial institution
- Addition of operations for loans to help failed financial institutions repay insured deposits and prevent deterioration of asset value
- Addition of operations against financial crisis (creation of the Crisis Management Account)
- Increased provision of government-granted bonds to the Special Operations Account (from ¥7 trillion to ¥13 trillion)

Main Points in the Amendment of the Deposit Insurance Act of Dec. 2002

- Addition of "securing of payment and settlements for failed financial institutions" to the purposes of the Deposit Insurance Act
- Full protection for deposits for payment and settlement purposes (as a permanent measure)
- Guarantee for the completion of ongoing settlements
- Addition of obligation that financial institutions implement systems for ensuring the smooth payment of insurance payouts for deposits for payment and settlement purposes (Additional measures established in April 2006 for smooth payment of deposits for payment and settlement purposes)

(4) Development of Special Measures for the Contracted Bank, the Specified Contracted Bank and the Claim Resolution Company

(i) Related to the Deposit Insurance Act

Amendment of June 1996 (Enforced on June 21, 1996)	Amendment of February 1998 (Enforced on February 18, 1998)	Amendment of October 1998 (Enforced on October 23, 1998)	Amendment of May 2000 (Enforced on June 30, 2000)	Amendment of May 2000 (Enforced on April 1, 2001)
				• Resolution and collection operations established as measures for the time being
• Capital contribution in the contracted bank				
• Entrusting purchase of assets of failed credit cooperatives to the contracted bank	• Expansion of the scope of asset purchases to "failed financial institutions"		• Addition of "transferees of special assets and others" to the scope of entrusting • (until March 31, 2001)	• Expansion of the scope of asset purchases to "failed financial institutions, etc. (failed financial institutions, bridge banks, banks under special crisis management)"
• Compensation for losses of the contracted bank (limited to losses related to entrusting of asset purchases)	• Expansion of the scope of loss compensation to "loss related to mergers and business transfers based on agreement"			
	• Lending of funds to the contracted bank			• Repeal of restrictions on profit payments • Addition of provisions on bad debt allowance for profit payment, profit on loss compensation and loss
• Guarantees of borrowings by the contracted bank				
	• Collection of monies paid by the contracted bank			
• Guidance and advice to the contracted bank				
• Asset investigation and debt collection from debtors of loan claims, etc. transferred to the contracted bank	• Asset investigation of debtor secured by punitive measures			
	• Approval for entrusting of collection to the claim resolution company			Elimination of provisions
• Requests for reference to and cooperation by authorities, public organizations, etc.				
		• Required measures for a merger of the contracted bank with the claim resolution company		

(ii) Related to the Financial Revitalization Act

Financial Revitalization Act established in October 1998 (Enforced on October 23, 1998)	Amendment of May 2000 (Enforced on April 1, 2001)	Amendment of June 2001 (Enforced on June 27, 2001)	Amendment of December 2001 (Enforced on January 11, 2002)	Amendment of April 2003 (Enforced on April 10, 2003)
• Asset purchases from financial institutions and others, and entrusting to the specified contracted bank	No change	• Extension of the period that sound financial institutions and others can apply to purchase assets (until March 31, 2004)	• Use of market value for asset purchase prices • Participation in bidding enabled • Clarification of provisions to make efforts on diversification and acceleration of methods of disposing purchased assets, and reconstruction of debtors	• Extension of the period that sound financial institutions and others can apply to purchase assets (until March 31, 2005) • Addition of purchase of assets of the IRCJ
• Resolution and collection of purchased assets				
• Loans to the specified contracted bank				
• Guarantee of borrowings by the specified contracted bank				
• Collection of monies paid from the specified contracted bank				
• Loss compensation for the specified contracted bank				
• Approval of implementation plans and funding plans for the specified contracted bank				
• Guidance and advice to the specified contracted bank				
• Asset investigation (ensured by penal provisions) and debt collection from debtors of loan claims, etc. transferred to the specified contracted bank				
• Requests for reference to and cooperation by authorities, public organizations, etc.				
• Approval for entrusting collection to the claim resolution company	Elimination of provisions			

(iii) Related to the Early Strengthening Act

Establishment of Early Strengthening Act in October 1998 (Enforced on October 23, 1998)	Amendment of May 2000 (Enforced on June 30, 2000)
• Entrusting to the contracted bank of subscription and others for shares and others	• Applications for subscription and others for shares and others of "specified cooperative financial institutions and others" are set until March 31, 2002
• Loss compensation for the contracted bank	
• Loans to the contracted bank	
• Guarantee of debt related to borrowings by the contracted bank	
• Collection of monies paid by the contracted bank	
• Guidance and advice when a bank which issued shares to the contracted bank becomes a subsidiary of the contracted bank	

(iv) Related to the Financial Functions Strengthening Act

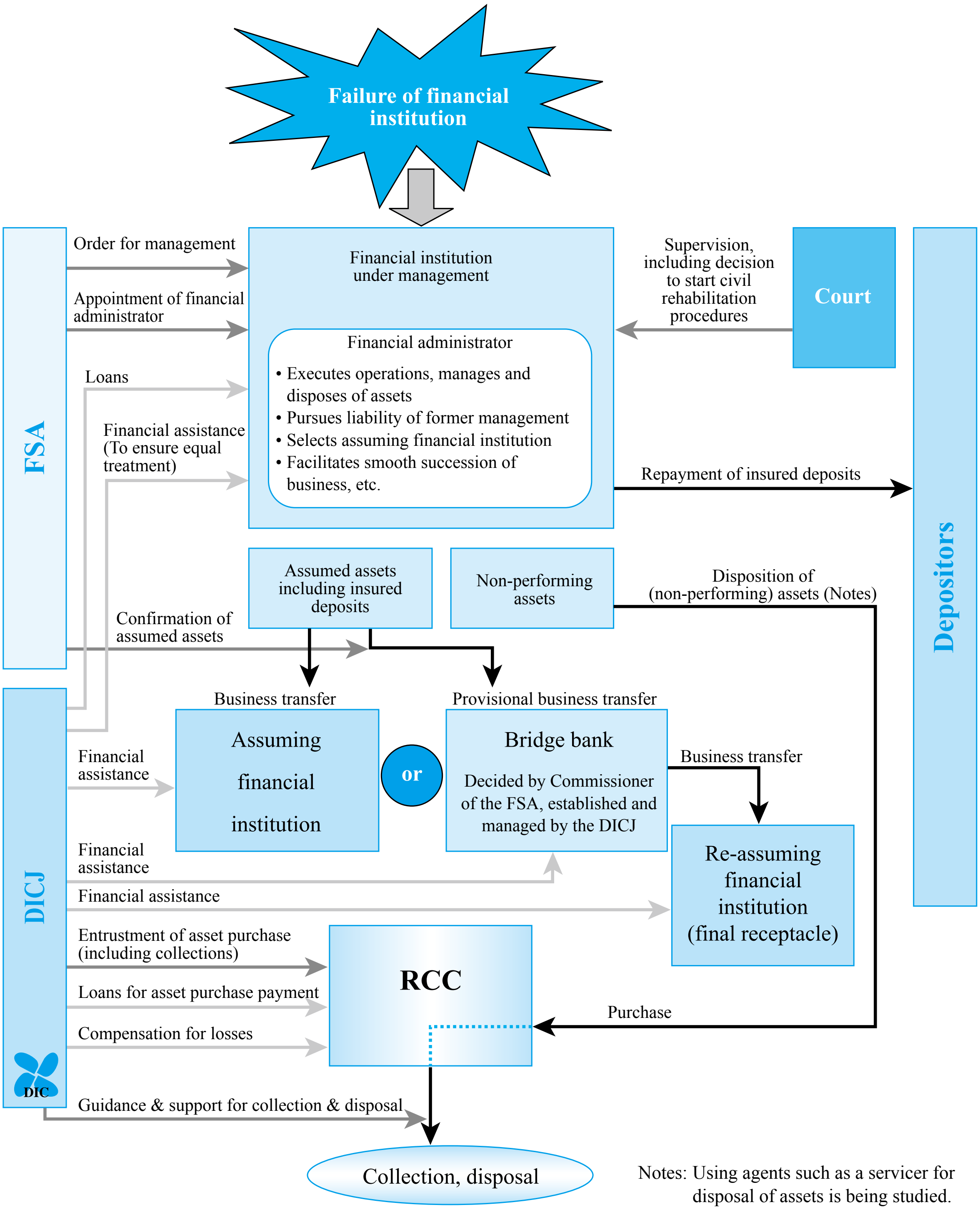
Establishment of Financial Functions Strengthening Act in June 2004 (Enforced on August 1, 2004)	Amendment of December 2008 (Enforced on December 17, 2008)
• Entrusting to the contracted bank of: a) subscription and others for shares and others; b) and purchase of beneficial interests in trust investments and others from the cooperative central financial institution	• Extension of application period for subscription for shares and others, and purchases of trust beneficiary rights and others (until March 31, 2012)
• Loss compensation for the contracted bank	
• Loans to the contracted bank	
• Guarantee of debt related to borrowings by the contracted bank	
• Collection of monies paid by the contracted bank	

(v) Related to the Jusen Act

Establishment of Jusen Act in June 1996 (Enforced on June 21, 1996)	Amendment of April 1998 (Enforced on April 10, 1998)	Amendment of October 1998 (Enforced on October 23, 1998)	Amendment of May 2000 (Enforced on April 1, 2001)
• Capital contributions, granting subsidies, debt guarantees, guidance and advice to the claim resolution company			
• Asset investigation (ensured by penal provisions) and debt collection from debtors of loan claims, etc. transferred to the claim resolution company	• Expansion of scope of investigations with penal provisions to “real estate with collateral provided by third parties”		
	• Approval for entrusting collections to the contracted bank		Elimination of provisions
• Requests for reference to and cooperation by authorities, public organizations, etc.			
• Borrowings from financial institutions and others (in a framework separate from general operations to the extent of amount of capital contributions from the government to the Jusen Account)			
• Government subsidies, receipt of capital contributions from the Bank of Japan and private financial institutions and others, payment to the national treasury of profits relating to collection of the claim resolution company	• Revision of the method of paying collected profit of the claim resolution company to the national treasury and receiving government subsidies (every fiscal year if, after setting off 1/2 of the secondary losses against the collected profit, any profit remains, such profit will be paid to the national treasury; if any shortfall remains, government subsidies will be granted)		
• Coordination discussion group established by government			
		• Measures required for a merger of the claim resolution company and the contracted bank	

(5) Failure Resolution Scheme under the Limited Coverage

[An example of how failures are processed through the financial assistance method]

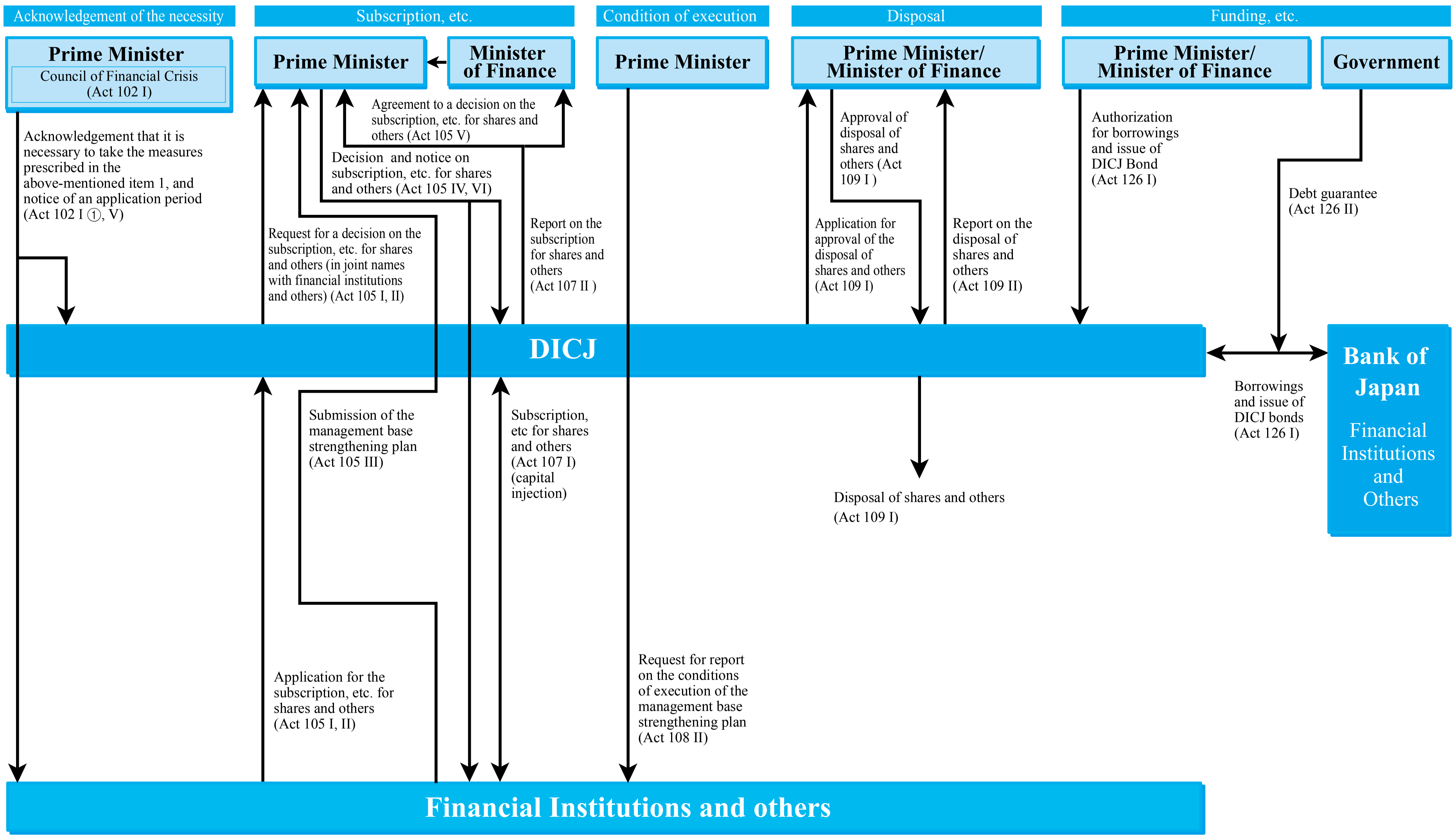


Notes: Using agents such as a servicer for disposal of assets is being studied.

(6) Capital Injection Scheme

(1) Capital Injection Scheme based on the Deposit Insurance Act

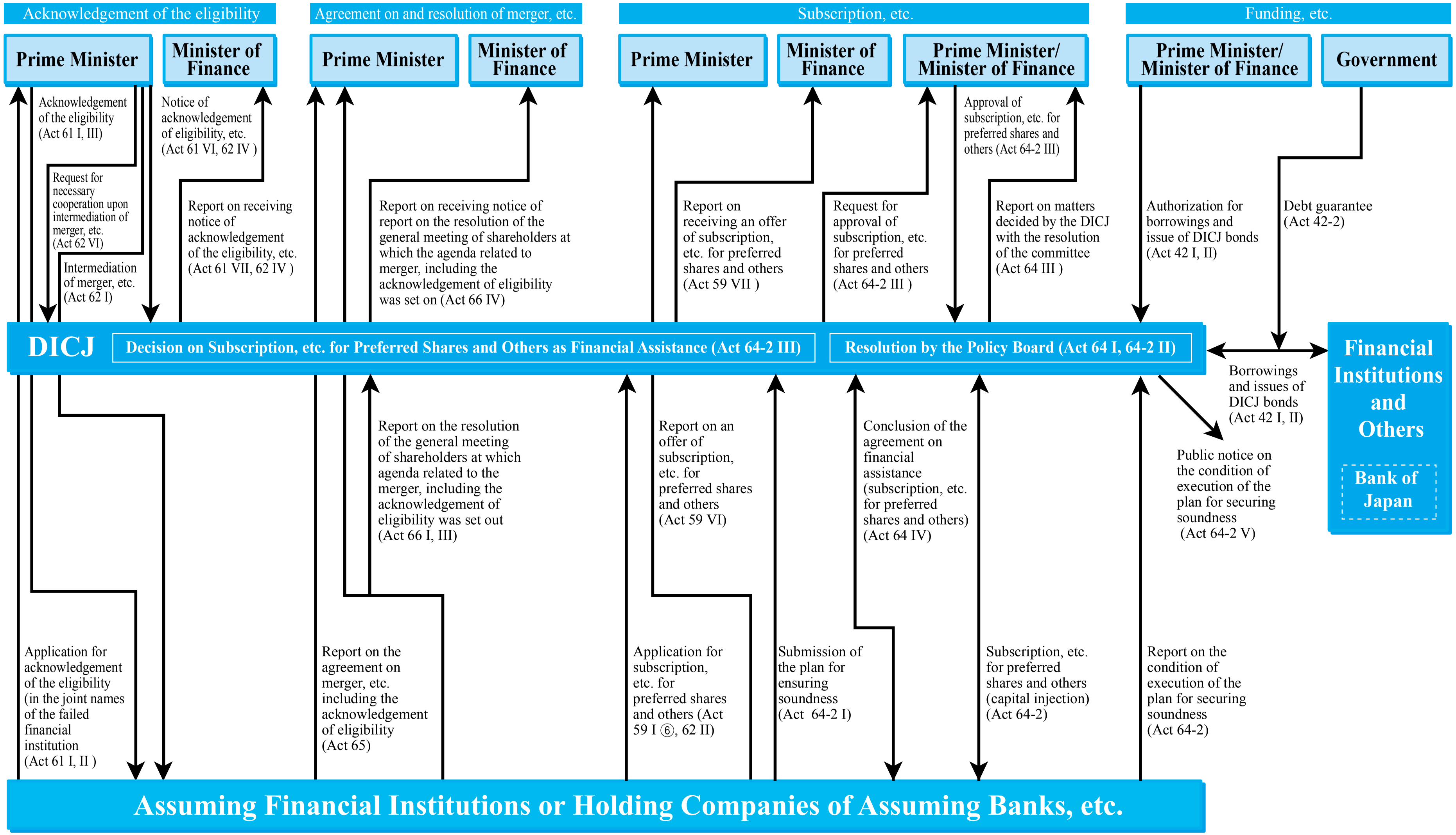
1) Outline of the Capital Injection Scheme based on Article 102, paragraph 1, item I of the Deposit Insurance Act ~Subscription for shares and others for taking measures against financial crisis~



Notes:
- This scheme's diagram is designed to focus on the flow of DICJ activities. In the case of a financial institution or other being a labor bank, etc., the Minister of Health, Labor and Welfare also becomes involved in the activities shown in the diagram, and in the case of a financial institution being the Shoko Chukin Bank, the Minister of Economy, Trade and Industry also becomes involved.
- There are cases where the Prime Minister in this scheme's diagram entrusts his authority to the Commissioner of the FSA.
- Entries in parentheses are governing regulations. The "Act" refers to the Deposit Insurance Act. (Arabic numerals show the article number, Roman numerals show the paragraph number, and circled numerals show the item number.)

2) Outline of Capital Injection Scheme for Assuming Financial Institutions under Article 59, paragraph 1, item 6 of the Deposit Insurance Act

~Subscription of preferred shares and others of an assuming financial institution which merges with the failed financial institution~

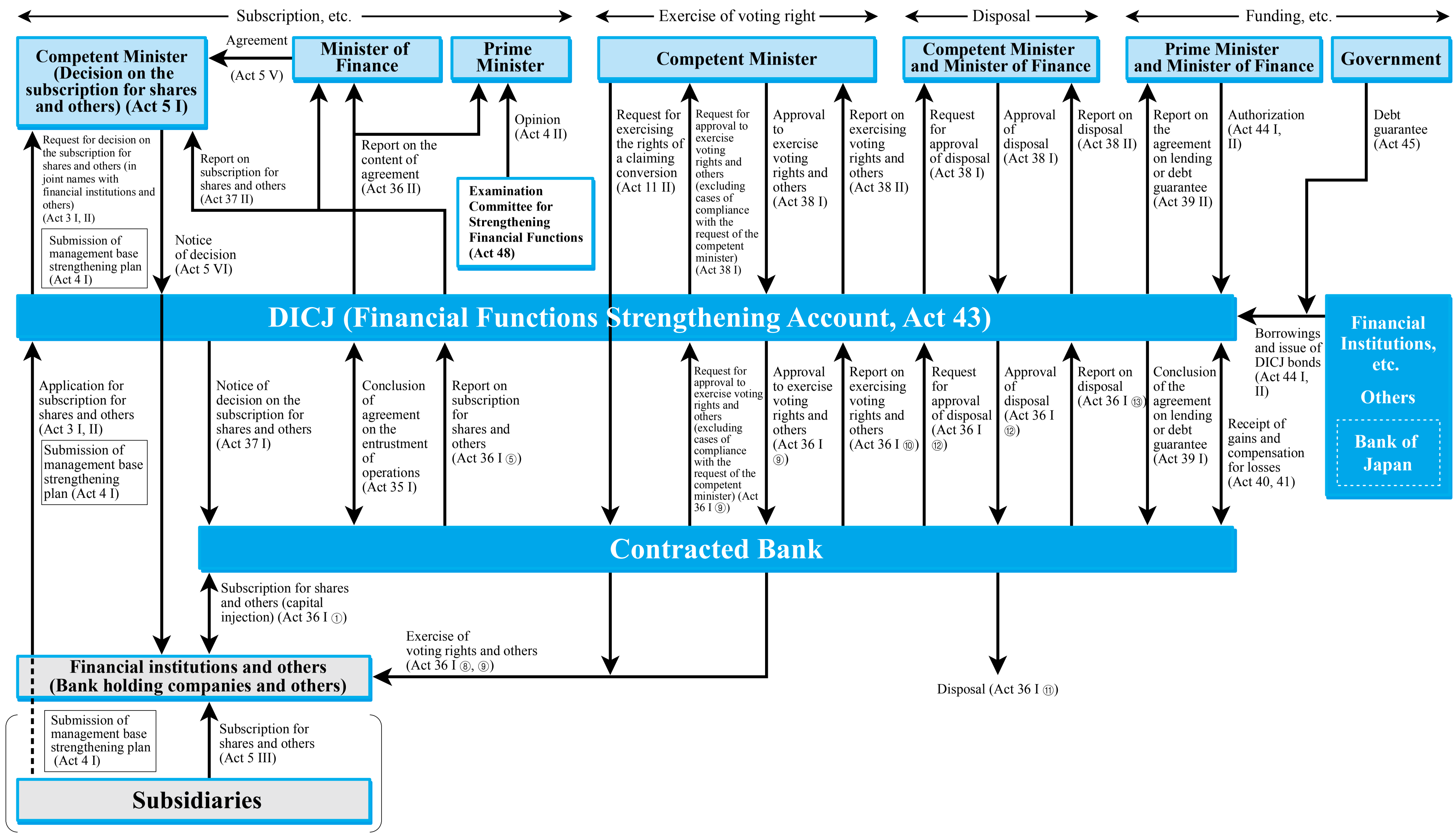


Notes:

- This scheme's diagram is designed to focus on the flow of DICJ activities. In the case of the assuming financial institution or other being a labor bank, etc., the Minister of Health, Labor and Welfare also becomes involved in the activities shown in the diagram, and in the case of the financial institution being the Shoko Chukin Bank, the Minister of Economy, Trade and Industry also becomes involved.
- There are cases where Prime Minister in this scheme's diagram entrusts his authority to the Commissioner of the FSA.
- Entries in parentheses are governing regulations. The "Act" refers to the Deposit Insurance Act. (Arabic numerals show the article number, Roman numerals show the paragraph number and circled numerals show the item number.)

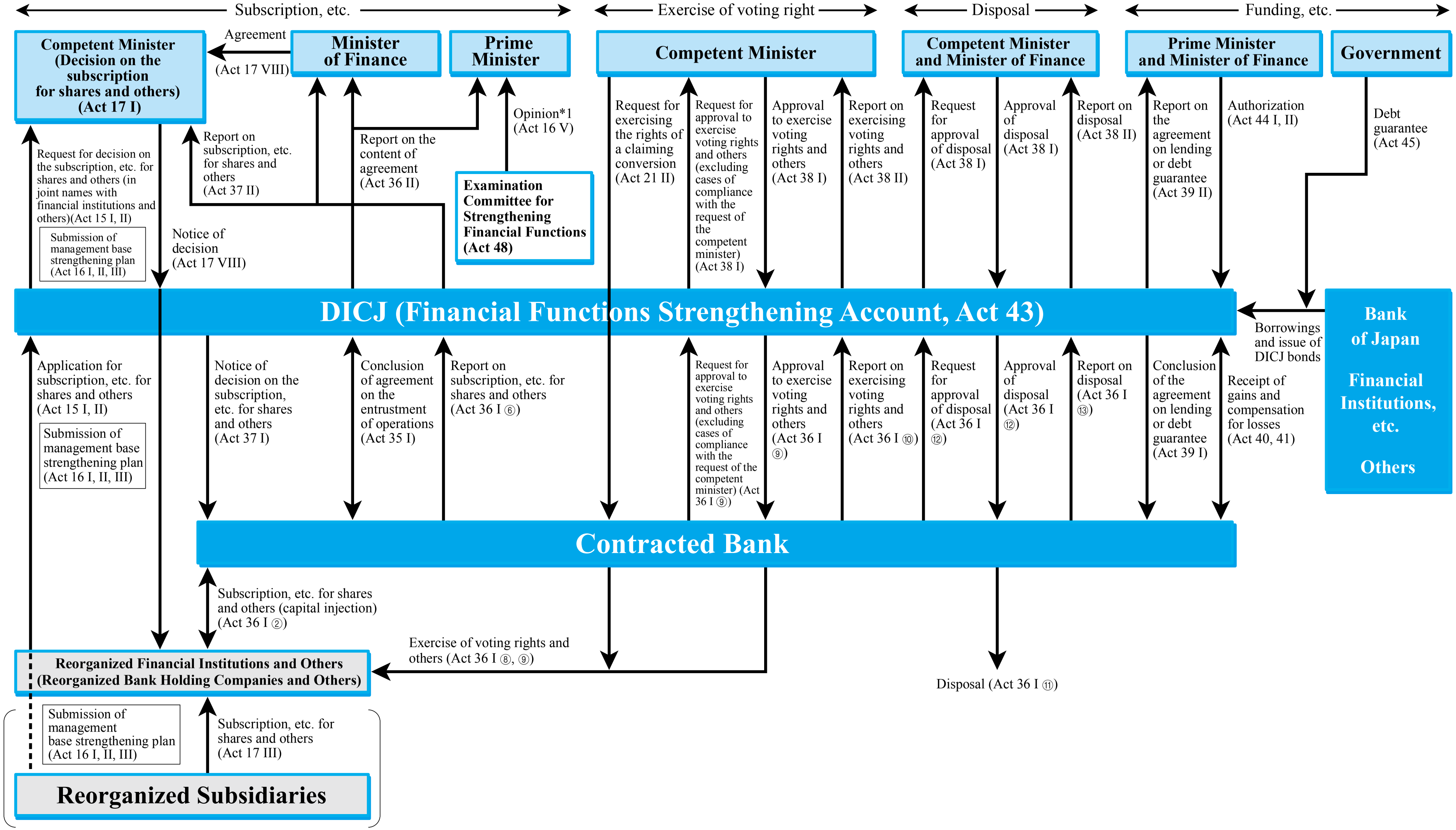
(2) Capital Injection Schemes for Financial Institutions based on the Financial Function Strengthening Act

~Outline of the scheme of subscription, etc. for shares and others~



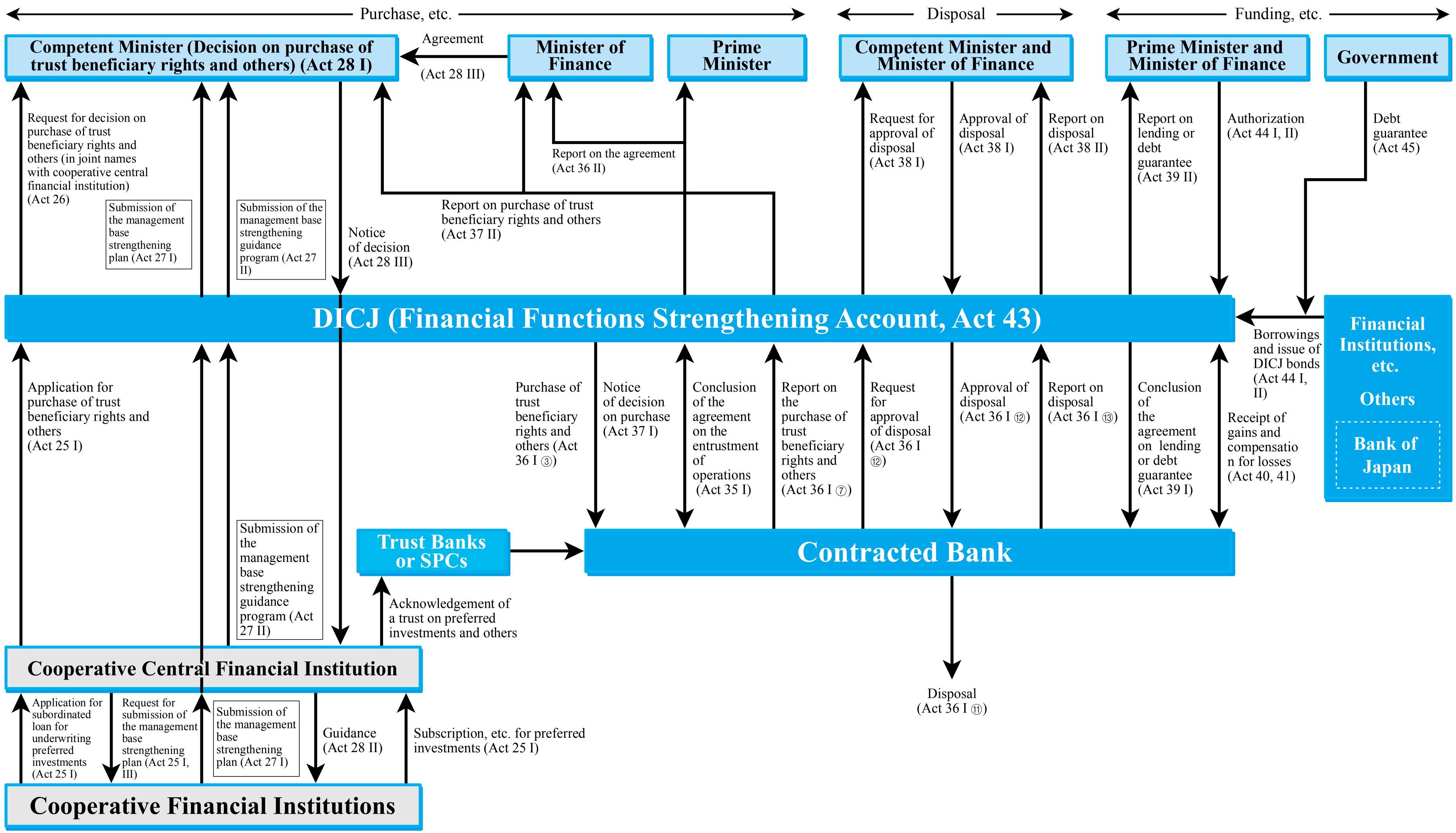
Notes:
- This scheme's diagram is designed to focus on the flow of DICJ activities.
- The competent minister follows up on the conditions of execution of the management base strengthening plan.
- Entries in parentheses are governing regulations. The "Act" refers to the Financial Functions Strengthening Act. (Arabic numerals show the article number, Roman numerals show the paragraph number, and circled numerals show the item number.)
- In cases where the financial institutions applying for the subscription, etc. for shares and others are banks, the subscribing shares concerned shall be limited to shares (Act 3 I).
- In case of shares and others being subscribed for, the share to be subscribed shall be the limited voting share, except where otherwise specified (Act 5 II).
- The Prime Minister in this scheme's diagram entrusts his authority to the Commissioner of the FSA.

~Outline of the scheme of subscription, etc. for shares and others of reorganized financial institutions~



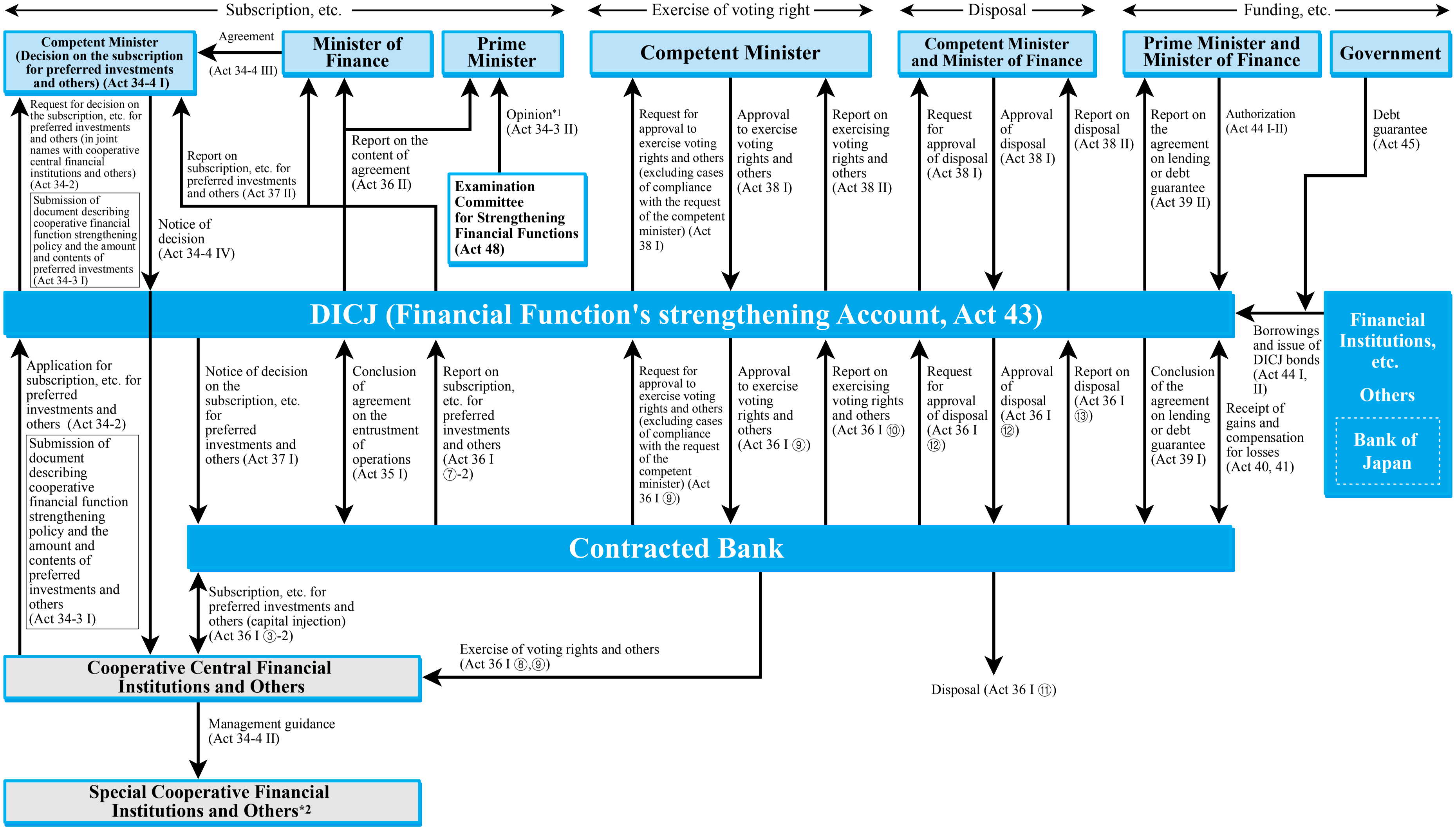
Notes:
- This scheme's diagram is designed to focus on the flow of DICJ activities.
- The competent minister follows up on the conditions of execution of the management base strengthening plan.
- Entries in parentheses are governing regulations. The "Act" refers to the Financial Functions Strengthening Act. (Arabic numerals show the article number, Roman numerals show the paragraph number, and circled numerals show the item number.)
- In cases where the financial institutions applying for the subscription, etc. for shares and others are banks, the subscribing shares concerned shall be limited to shares (Act 15 I).
- In case of shares and others being subscribed for, the share to be subscribed shall be the limited voting share, except where otherwise specified (Act 17 II).
- Borrowings and issue of DICJ bonds in this scheme's diagram are based on Article 4, paragraph 1 of the Organizational Restructuring Act supplementary provisions (Act No. 128 of 2004).
- The Prime Minister in this scheme's diagram entrusts his authority to the Commissioner of the FSA.
- *1 Applies when deemed necessary.

~Outline of the purchase scheme of trust beneficiary rights, etc. (cooperative central financial institution intermediate-type)~



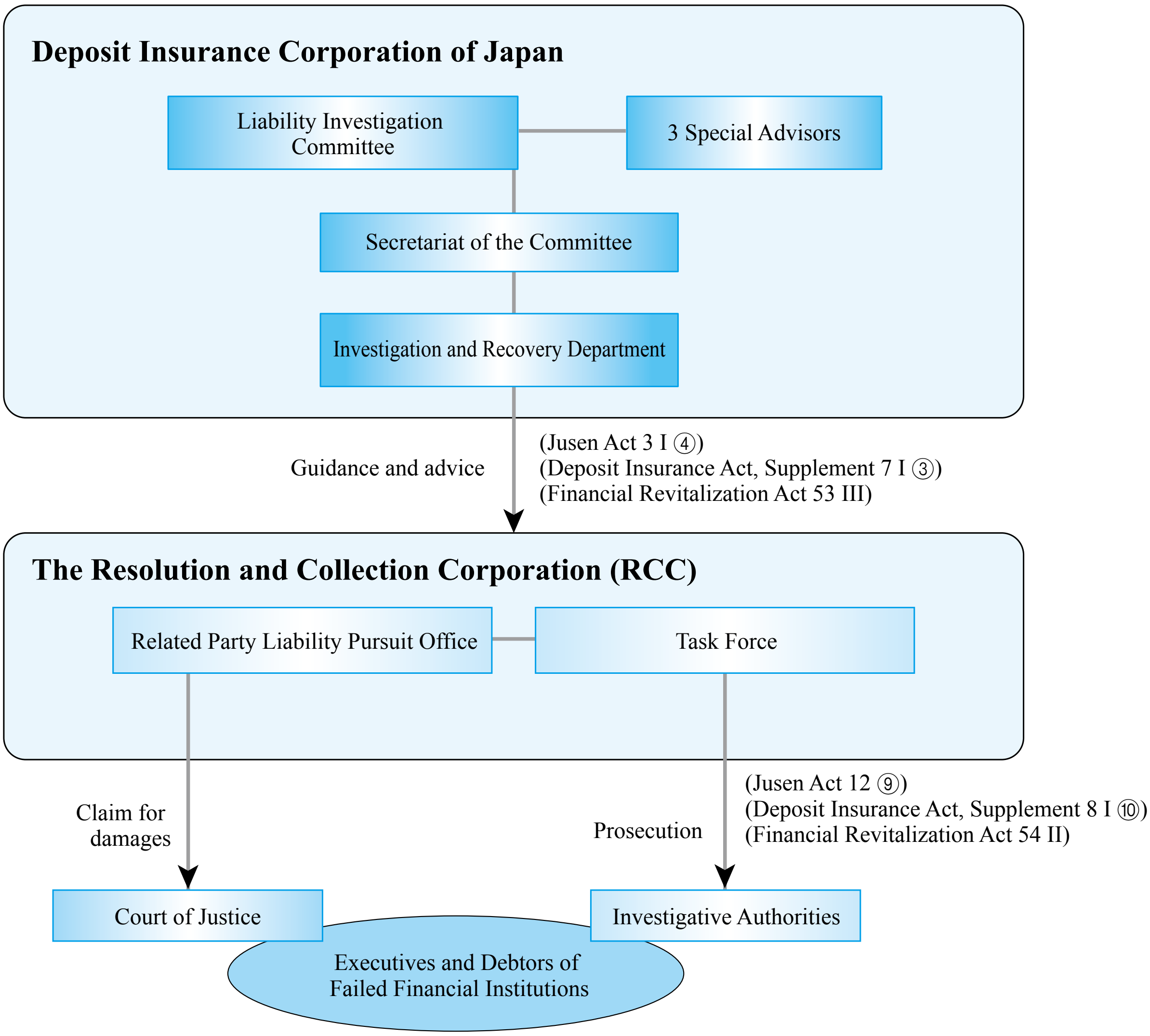
Notes:
- This scheme's diagram is designed to focus on the flow of DICJ activities.
- The competent minister follows up on the conditions of execution of the management base strengthening plan and its guidance program.
- Entries in parentheses are governing regulations. The "Act" refers to the Financial Functions Strengthening Act. (Arabic numerals show the article number, Roman numerals show the paragraph number, and circled numerals show the item number.)
- The Prime Minister in this scheme's diagram entrusts his authority to the Commissioner of the FSA.

~Outline of the scheme of subscription, etc. for preferred investments and others of cooperative central financial institutions, etc.~

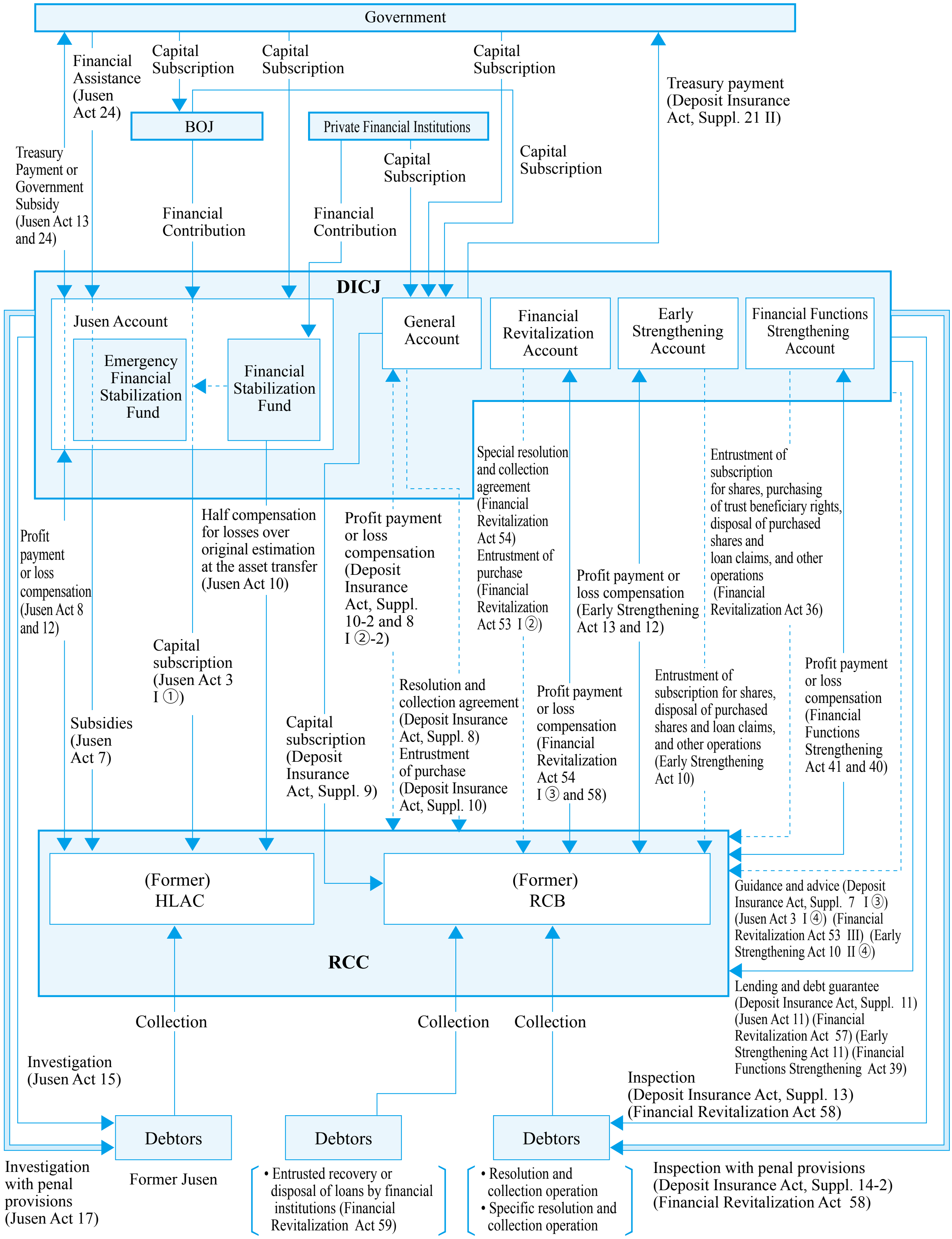


Notes:
- This scheme's diagram is designed to focus on the flow of DICJ activities.
- The competent minister follows up on the conditions of execution of the cooperative financial function strengthening policy.
- Entries in parentheses are governing regulations. The "Act" refers to the Financial Functions Strengthening Act. (Arabic numerals show the article number, Roman numerals show the paragraph number, and circled numerals show the item number.)
- The Prime Minister in this scheme's diagram entrusts his authority to the Commissioner of the FSA.
- *1 Applies when deemed necessary. *2 Applies to special cooperative financial institutions and others stipulated in Act 34-3 III.

(7) System of Liability Pursuit



(8) Relationship between the DICJ and the RCC concerning Collection Operations



Notes: Entries in parentheses are governing regulations. (Arabic numerals show the article number, Roman numerals show the paragraph number, and circled numerals show the item number.)

2. Flow of Procedures for the Payment of Distribution of Funds Collected to Victims and Operations, etc. Handled by the DICJ

(1) Flow of Procedures for the Payment of Distribution of Funds Collected to Victims and Operations Handled by the DICJ

Procedures for Forfeiture

i A bank account suspected to be used in crime is found out

ii The financial institution freezes the bank account

iii The financial institution requests a public notice of the potential for the forfeiture of the depositors' rights to the DICJ

iv **The DICJ makes a public notice of the forfeiture (posting it on the website of the DICJ)**

(Account holders are notified of the chance to exercise their rights.
The account holders or victims take actions such as initiating a lawsuit and others)

No actions are being taken

Actions are being taken → Settlement via the existing legal system such as a lawsuit

v Elapse of a prescribed period (more than 60 days)
= Forfeiture of rights (Account holders claims for deposits and others cease to exist.)

Procedures for Payment

vi The financial institution requests a public notice of the payment of distribution to the DICJ

vii
- **The DICJ makes a public notice of the payment of distribution (posting it on the website of the DICJ)**
- The financial institution receives an application for payment from victims.
 (The period of application shall be more than 30 days.)

viii The financial institution determines the account of payment on an application. (Notes)

【Notes】

$$\text{Amount of payment} = \text{Amount of claims such as deposits and others} \times \frac{\text{Amount of criminal damage suffered by each victim}}{\text{Total amount of damage suffered}}$$

ix The financial institution makes the payment to the victim

Residual property (The financial institution transfers to the DICJ.)

x **Management of the residual property by the DICJ**

- A certain proportion of the residual property is appropriated for the relief of deposit account holders.
- The remainder, if any, is used to support crime victims.

(2) Structure and Use of Money Financial Institutions Transfer to the DICJ

(i) Structure of Money Transferred

Financial institutions transfer to the DICJ amounts of claims relating to deposits accounts when such amounts are less than ¥1,000 following the procedures for extinction of deposit claims and relating to deposit accounts, and the remaining claims when undistributed deposit claims still remain after the completion of the procedures for payments of damage recovery dividends to victims (under Article 19 of the Criminal Accounts Damage Recovery Act). In principle, the transfer of money for each quarter takes place in the following quarter.

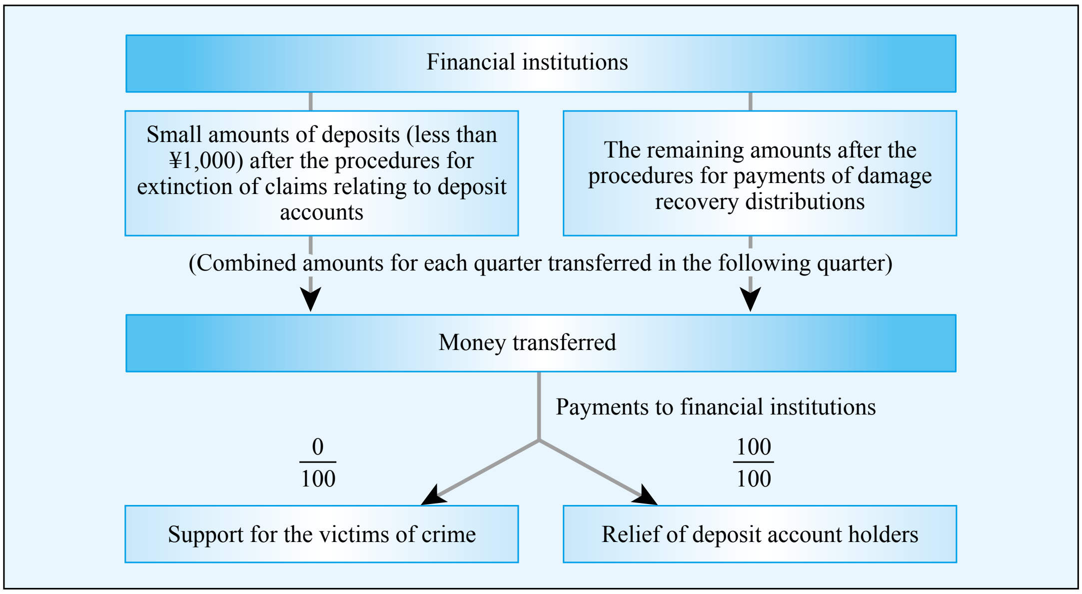
(ii) Use of Money Transferred

While the money transferred is to be used on enhancing the support for the victims of crime, a certain portion of the money transferred as provided for under ministerial ordinance is to be relieved under law to pay for the system under which financial institutions, under certain circumstances, can claim to the DICJ amounts they paid to relieve the rights of deposit account holders. Since the certain portion is prescribed as 100% (100/100) under ministerial ordinance enforced in June 2008, at present, the money financial institutions transfer to the DICJ is to be fully appropriated for the relief of rights of deposit account holders.

(iii) Management of Money Transferred

The DICJ manages the money transferred by financial institutions in a separate dedicated account to avoid the money becoming mixed up with other funds.

(Reference) Structure of Money Transferred



3. Structure and Organization

(1) Establishment & Roles

(i) Establishment

The DICJ is a semi-governmental organization that was established in 1971 with the purpose of operating Japan's deposit insurance system under the Deposit Insurance Act.

The background of the DICJ's establishment lies in July 1970, when the idea of a deposit insurance system was raised in a Financial System Research Committee report on policies for private financial institutions. The report stressed the need to create a system aimed at protecting depositors, and indicated basic directions to that end. Based on this, the Deposit Insurance Act was enacted in March 1971 (coming into effect on April 1 of the same year). The DICJ was then established on July 1, 1971, with funding from the government, the Bank of Japan, and private financial institutions.

The DICJ was originally capitalized at ¥450 million (with funding of ¥150 million each from the government, the Bank of Japan, and private financial institutions). The additional participation of labor banks in July 1986 brought a further injection of ¥5 million. With funding of ¥5 billion by the government for the Jusen Account in July 1996, capitalization now stands at ¥5,455 million.

(ii) Roles

The purpose of the Deposit Insurance Act, as defined in Article 1 thereof, is "to protect depositors and other parties as well as maintain the stability of financial systems, by providing for the payment of deposit insurance claims and the purchase of deposits and other claims in the event that repayment of said deposits, etc. is suspended by a financial institution, and, regarding the resolution of failed financial institutions, providing appropriate financial assistance to facilitate mergers, etc. or other resolutions of failed financial institutions, providing for financial administrators for failed financial institutions, providing for the succession of business of failed financial institutions, and establishing a system for appropriate measures in response to financial crises."

The DICJ undertakes the following operations, among others, to achieve these objectives: 1) Collection of insurance premiums; 2) Reimbursement of insured deposits and partial payments; 3) Financial assistance to facilitate mergers or other resolutions of failed financial institutions; 4) Purchase of deposits and other claims; 5) Operations related to financial administrators, and others; 6) Operations related to the business management of bridge banks; 7) Operations in response to financial crises; 8) On-site inspections of financial institutions; 9) Operations related to purchase of assets from sound financial institutions; 10) Subscription for shares and others from financial institutions (capital injection operations); 11) Guidance and advice to the RCC concerning its resolution and collection operations; 12) Asset investigation of debtors of the RCC; 13) Pursuit of civil and/or criminal liability on the part of former executives and others, and failed financial institutions; and 14) Operations of public notice under Criminal Accounts Damage Recovery Act.

(2) Organizational Structure

● Organization Chart (as of July 1, 2009)

- Policy Board
- DICJ
- Liability Investigation Committee/Policy Board
- Divestment Examination Board for Preferred Shares, etc.
- Performance Appraisal Committee
- Governor
  - Legal Affairs Department
  - Audit Department
  - Deputy Governor
  - Deputy Governor
  - Deputy Governor
  - Deputy Governor
- Auditor (part-time)

- Planning and Coordination Department
  - Administration Division
  - Personnel Division
  - Public Relations and Information Management Office
  - Planning and Coordination Division
  - Subsidiary Administration Division
  - Office for International Affairs
  - Office for Research and Intelligence
- Treasury Department
  - Financial Planning and Coordination Division
  - Budget and Accounting Division I
  - Budget and Accounting Division II
  - Budget and Accounting Division III
  - Finance Division I
  - Finance Division II
  - Bank Transfer Fraud Recovery Division
- Financial Reconstruction Department
  - Planning and Coordination Division
  - Capital Operation Division
  - Financial Reorganization Division
- Deposit Insurance Department
  - Planning Division
  - Financial Assistance Division
  - Advisory Service Division
  - Information System Division
- Special Investigation Department
  - Policy Planning and Coordination Division
  - Investigation and Recovery Division
  - Special Investigation Division I
  - Special Investigation Division II
  - Special Investigation Division III
- Inspection Department
  - Inspection Planning Division
  - Monitoring and Analysis Division
  - Evaluation Division
  - Inspection Division I
  - Inspection Division II
- Osaka Operation Department
  - Administration, Policy Planning and Coordination Division
  - Financial Reorganization Office
  - Financial Assistance Division
  - Investigation and Recovery Division
  - Special Investigation Division I
  - Special Investigation Division II

● Changes in the authorized number of staff, by working role, at the DICJ

Fiscal Year	Executive				Member of Staff						Increase/ Decrease compared with previous fiscal year
	Governor	Deputy Governor	Auditor	Total	Secretariat of the Committee	Department Head	Deputy Head	Division Head	Manager, etc.	Total	
July 1971 Establishment	1*	1	1*	1	1	0	0	0	10	11	—
1975	1*	1	1*	1	1	0	2	0	7	10	(1)
1976	1*	1	1*	1	1	0	2	0	7	10	0
1977	1*	1	1*	1	1	0	4	0	7	12	2
1978	1*	1	1*	1	1	0	4	0	7	12	0
1979	1*	1	1*	1	1	0	4	0	7	12	0
1980	1*	1	1*	1	1	0	4	0	7	12	0
1981	1*	1	1*	1	1	0	4	0	7	12	0
1982	1*	1	1*	1	1	0	4	0	7	12	0
1983	1*	1	1*	1	1	0	4	0	7	12	0
1984	1*	1	1*	1	1	0	4	0	7	12	0
1985	1*	1	1*	1	1	0	4	0	8	13	1
1986	1*	1	1*	1	1	0	4	0	8	13	0
1987	1*	1	1*	1	1	0	4	0	9	14	1
1988	1*	1	1*	1	1	0	4	0	9	14	0
1989	1*	1	1*	1	1	0	4	0	9	14	0
1990	1*	1	1*	1	1	0	4	0	9	14	0
1991	1*	1	1*	1	1	0	4	0	9	14	0
1992	1*	1	1*	1	1	0	4	0	10	15	1
1993	1*	1	1*	1	1	0	4	0	10	15	0
1994	1*	1	1*	1	1	0	4	0	9	14	(1)
1995	1*	1	1*	1	1	0	4	0	10	15	1
1996	1	3	1*	4	0	4	11	10	94	119	107
1997	1	3	1*	4	—	7	11	14	155	187	68
1998 Initial	1	3	1*	4	—	8	14	27	239	288	101
1998 After change	1	4	1*	5	—	10	16	29	278	333	147
1999	1	4	1*	5	—	11	16	31	275	333	0
2000	1	4	1*	5	—	11	16	34	292	353	20
2001	1	4	1*	5	—	11	16	34	320	381	28
2002	1	4	1*	5	—	13	16	34	346	409	28
2003	1	4	1*	5	—	13	17	37	331	398	(11)
2004	1	4	1*	5	—	14	16	39	328	397	(1)
2005	1	4	1*	5	—	14	16	38	318	386	(11)
2006	1	4	1*	5	—	14	16	38	305	373	(13)
2007	1	4	1*	5	—	14	16	36	297	363	(10)
2008	1	4	1*	5	—	14	16	37	293	360	(3)
2009	1	4	1*	5	—	14	16	37	294	361	1

1. Figures with * represent part-time work.
2. "Department Head" includes Chief Legal Officer, the Chief Audit Officer, Executive Directors, while "Division Head" includes Office Head, and "Manager" includes the Deputy General Counsels, Senior Managers, senior staff members and division staff.

(i) Policy Board

The Policy Board meeting

The Policy Board functions as a decision-making body that passes resolutions on important matters regarding the management of the DICJ. It consists of a maximum of eight Board Members together with the Governor and Deputy Governors of the DICJ. Board Members are appointed by the Governor of the DICJ from persons with experience and expert knowledge in finance.

All appointments must be approved by the Prime Minister (a task legally delegated to the Commissioner of the FSA) and the Minister of Finance. At present, the Policy Board consists of eight people; five representatives of the financial community and three members from outside the financial community.

According to the Articles of Incorporation, a resolution of the Policy Board is required, among others, for: 1) amendments to the Articles of Incorporation; 2) preparation of and amendments to the Operational Guidelines; 3) budget and funding plans; 4) settlement of accounts; 5) decisions on and changes to insurance premium rates; 6) decisions on the reimbursement of deposit insurance and partial payments thereof; 7) decisions on financial assistance; and 8) decisions on the purchase of deposits and other claims. In FY2008, the Board met on seven occasions.

Policy Board Members and the DICJ Executives (as of July 16, 2009)

< Policy Board >

Chairman:	Shunichi Nagata	(Governor of the DICJ)
Members (in alphabetical order):	Nobuo Kojima	(Chairman, The Second Association of Regional Banks)
	Yasuo Matoi	(Adviser, NEC Corporation)
	Katsunori Nagayasu	(Chairman, Japanese Bankers Association)
	Masahiro Nakatsugawa	(Chairman, National Central Society of Credit Cooperatives)
	Masamichi Narita	(Adviser, Japan Tobacco, Inc.)
	Tadashi Ogawa	(regional Banks Association of Japan)
	Koji Omae	(Chairman, National Association of Shinkin Banks)
	Naoyuki Yoshino	(Professor of Economics, Keio University)
Deputy Governor:	Hakaru Hirose	(Deputy Governor of the DICJ)
	Mutsuo Hatano	(Deputy Governor of the DICJ)
	Masanori Tanabe	(Deputy Governor of the DICJ)
	Toshihiko Niibori	(Deputy Governor of the DICJ)

< Executives of the DICJ >

Governor:	Shunichi Nagata
Deputy Governors:	Hakaru Hirose
	Mutsuo Hatano
	Masanori Tanabe
	Toshihiko Niibori
Auditor (Part-Time):	Sayoko Iida

< Department Heads of the DICJ >

Planning and Coordination Department:	Toshiaki Hamada
Treasury Department:	Kazukiyo Onishi
Financial Reconstruction Department:	Manabu Matsuda
Deposit Insurance Department:	Kunio Matsuda
Special Investigation Department:	Naoki Hosaka
Inspection Department:	Toshihiko Toyooka
Osaka Operation Department:	Kazuya Nishihata
Legal Affairs Department:	Yasuyuki Shimura
Audit Department:	Tetsuji Nagatomo
Executive Advisor to the Governor:	Tetsuro Wada

(ii) Operations of departments

1) Planning and Coordination Department

The Planning and Coordination Department is in charge of overall coordination of the DICJ's administrative work, convening the Policy Board and other meetings, public relations, information disclosure, protection of personal information, personnel affairs, organization, recruitment, guidance and advice to or liaison with the RCC, international affairs, research activities at home and abroad, and other administrative work not handled by other departments.

The Department consists of four divisions and three offices: the Administration Division; the Personnel Division; the Public Relations and Information Management Office; the Planning and Coordination Division; the Subsidiary Administration Division; the Office for International Affairs; and the Office for Research and Intelligence.

2) Treasury Department

The Treasury Department is responsible for budgeting, settlement, accounting, financial audits, asset management, financial planning, funding and fund management, the collection of insurance premiums, public notices made under Criminal Accounts Damage Recovery Act and so on.

The Department consists of seven divisions: the Financial Planning and Coordination Division; the Budget and Accounting Division I; the Budget and Accounting Division II; the Budget and Accounting Division III; the Finance Division I; the Finance Division II; and the Bank Transfer Fraud Recovery Division.

3) Financial Reconstruction Department

The Financial Reconstruction Department is in charge of work related to financial administrators, the transfer of business of failed financial institutions, responses to financial crises, special public management of banks, asset purchases from and capital injection to financial institutions, as well as corporate revitalization, etc. and other work.

The Department consists of three divisions: the Planning and Coordination Division; the Capital Operation Division; and the Financial Reorganization Division.

4) Deposit Insurance Department

The Deposit Insurance Department is in charge of work related to execution of claims and other payments, financial assistance (including responses to financial crises), purchase of deposits and other claims, development and operation of information systems, training and advice to financial institutions on the enhancement of the depositors' name-based aggregation system and database, and preparation of lists of depositors in line with Special Corporate Reorganization Act.

The Department consists of four divisions: the Planning Division; the Financial Assistance Division; the Advisory Service Division; and the Information System Division.

5) Special Investigation Department

The Special Investigation Department is in charge of investigating cases in pursuit of criminal and civil liability, investigatory guidance and advice to the RCC, investigating debtors and others regarding claims transferred to the RCC, collection commissioned by the RCC, the management, collection and disposal of purchased assets, and other work.

The Department has five divisions: the Policy Planning and Coordination Division; the Investigation and Recovery Division; the Special Investigation Division I; the Special Investigation Division II; and the Special Investigation Division III.

6) Inspection Department

The Inspection Department is in charge of inspections and verifications to examine the propriety of insurance premium payments, management of depositors' name-based aggregation databases and data processing systems, and estimations of the liquidating dividends of failed financial institutions to calculate the estimated proceeds payment rate.

The Department has five divisions: the Inspection Planning Division; the Monitoring and Analysis Division; the Evaluation Division; the Inspection Division I; and the Inspection Division II.

7) Osaka Operation Department

The Osaka Operation Department is in charge of work related to the reimbursement of deposit insurance and other payments, financial assistance, the purchase of deposits and other claims, financial administrators, as well as investigating cases in pursuit of criminal and civil liability, guidance and advice to the RCC, investigating debtors and others regarding claims transferred to the RCC, collection commissioned by the RCC, the management, recovery and disposal of

purchased assets, and other work, mainly when such work pertains to the Kansai region and regions further west.
The Department has five divisions and one office: the Administration, the Policy Planning and Coordination Division; the Financial Reorganization Office; the Financial Assistance Division; the Investigation and Recovery Division; the Special Investigation Division I; and the Special Investigation Division II.

8) Legal Affairs Department
The Legal Affairs Department is in charge of administering legal affairs related to the operational activities of the DICJ and administering practical work related to the compliance activities of the DICJ.

9) Audit Department
The Audit Department is responsible for the administration of internal audits, overseeing external auditing, and administration relating to inspections by the Board of Audit of Japan, etc.

(iii) Other committees, etc.

1) Liability Investigation Committee
According to the amendment of the Deposit Insurance Act in February 1998, the Governor of the DICJ set up provisions with the objective of improving the structure required to effectively implement operations regarding resolution and collection and, legal request for liability pursuance was strengthened more than ever.
In response to this the Liability Investigation Committee, chaired by the Governor of the DICJ and with DICJ executives as its members, was established in February of the same year. It is in charge of clarifying the civil and criminal liability of debtors, executives, etc. of failed financial institutions, former Jusen companies and others with a view to properly implementing criminal accusations, compensation claims, and other requisite measures. The Committee did not meet during FY2008.
The Liability Investigation Committee includes three outside experts as special advisers, who discuss as to how to appropriately implement the above measures.

< Special Advisors to the Liability Investigation Committee (as of July 1, 2009) >
Shigeru Kobori (former President of the Japan Federation of Bar Associations)
Hidehiko Sato (former Commissioner General of the National Police Agency)
Kiyoshi Uetani (former President of the Osaka High Court)

2) Divestment Examination Board for Preferred Shares, etc.
The Divestment Price Examination Board was established as the Governor's advisory committee in June 2004 for the purpose of deciding on appropriate prices through fair and neutral procedures, when preferred shares and others subscribed with public funds to carry out capital injections are disposed.
On February 23, 2006, the Board revised its name to the "Divestment Examination Board for Preferred Shares, etc." and added "execution of divestment," "method of divestment," and "amount of divestment" to the subjects for examination to cope with situations where applications for divestment from financial institutions are not expected. This adjustment was taken in line with the "Immediate Guideline for Disposal of Preferred Stocks, etc. Acquired through Capital Injection with Public Funds" announced on October 28, 2005.
During FY2008, the Committee was held five times (twice of which were in a rotating manner).

< Members of the Divestment Examination Board for Preferred Shares, etc. (as of July 1, 2009) >
Chairman: Satoshi Komiyama (Certified public accountant)
Deputy Chairman: Yasuyuki Kuratsu (Financial practitioner)
Member: Hidetaka Kawakita (Academic expert)

3) Performance Appraisal Committee
The Performance Appraisal Committee was established in April 2004 to decide the rate of contribution to the DICJ performance for the purpose of making fair and reasonable payment of retirement allowance to DICJ executives.
The Performance Appraisal Committee is composed of three members of the Policy Board (excluding members from the financial industry) and one part-time auditor.
There is no record of the committee having been held during FY2008.

<Members of the Performance Appraisal Committee (as of July 1, 2009)>
Chairman: Masamichi Narita (Policy Board member)
Members: Yasuo Matoi (Policy Board, member)
Naoyuki Yoshino (Policy Board member)
Sayoko Iida (DICJ auditor)

(3) Organizational Reform

Regarding organizational reform in FY2009, amidst the global financial crisis, the strengthening of capacity to respond to financial crisis as is seen in a spate of failed financial institutions in the U.S. and other countries is urgently needed. What is also needed is the improvement and strengthening of an appropriate operation of the deposit insurance system. In this regard, in order to unify management and analyze information that enables prompt and appropriate failure resolution, the DICJ established the Monitoring and Analysis Division in the Inspection Department, and strives to improve the system for executing operations to respond appropriately to fluctuations in the volume of administrative work accompanying capital injection operations newly commissioned to the DICJ under Financial Functions Strengthening Act. Consequently, the authorized number of staff for FY2009 stands at 361 people; 1 more than in the previous fiscal year.

(4) Subsidiaries of the DICJ

(i) Resolution and Collection Corporation (RCC)

Following amendments to the Deposit Insurance Act and the Jusen Act in October 1998, the RCC was established as a 100% subsidiary (limited company) of the DICJ (capital: ¥212 billion) through a merger between the HLAC and the RCB on April 1, 1999. Its purpose was to achieve quick and efficient collection of non-performing loans using fair and transparent means, and to minimize the injection of public funds.
As of April 1, 2009, the RCC had nine officers (six directors and three auditors) and 677 employees (including 8 operating officers). As an organization, its headquarters' functions are performed by the headquarters division, seven other divisions, and three offices. It also has 17 collection offices nationwide.
The main business of the RCC includes: (i) recovery of loan assets, etc. transferred from seven former Jusen companies; (ii) purchase and collection of non-performing loans, etc. from failed financial institutions; (iii) purchase and collection of non-performing loans from sound financial institutions and others in line with Article 53 of the Financial Revitalization Act (receipt of applications for the purchase of assets closed on March 31, 2005); and (iv) subscription for shares, etc. as capital injections under Financial Functions Strengthening Act. In addition, the RCC started servicer operations based on a servicer license acquired in June 1999. In April 2001, according to the Agricultural and Fishery Cooperative Savings Insurance Act, it entered an agreement on collection operations with the Agricultural and Fishery Cooperative Savings Insurance Corporation and became a contracted debt collection company.
Moreover, in August 2001, the RCC was authorized to conduct trust business and currently it is pushing forward with the subscription for non-performing loans via the trust method, securitization for non-performing loans through trusts, and the creation of corporate revitalization funds that make use of private sector funding. [See P66, III. 1. (8) "Relationship between the DICJ and the RCC concerning Collection Operations."]

(ii) The Second Bridge Bank of Japan

The 2nd Bridge Bank of Japan (2nd BBJ) was established as a 100% subsidiary of the DICJ (capital: ¥2.12 billion), obtaining founding approval by the Commissioner of the FSA on February 26, 2004, and having acquired a license for banking and secured bond trust businesses on March 8, 2004.
The BBJ aims at continuing operations temporarily by taking over insured deposits and sound assets from failed financial institutions placed under management by a financial administrator in cases where no assuming financial institution is found at the time of failure, and seeking an assuming financial institution for such operations (re-assuming financial institution) in an attempt to protect depositors and maintain the stability of the financial system.
As of March 31, 2009 there was no business (operations) transfer from failed financial institutions.

4. Record of Operations

(1) Major Events in FY2008

April 1, 2008	• The medium-term goals and policy for operation were announced (the statement of the Governor released) (partially revised on December 19, 2008)
April 11, 2008	• DICJ signed an agreement to sell all outstanding shares in Ashikaga Bank it held to Ashikaga Holdings with Ashikaga Holdings and a consortium of Nomura Financial Partners, Next Capital Partners, JAFCO Super V3 Investment Limited Partnership and Ashikaga Bank for ¥120 billion (the sale consummated on July 1, 2008) (the statement of the Governor released)
June 6, 2008	• 196th Policy Board meeting held
〃	• DICJ, upon request for financial assistance under Articles 118 and 59 of the Deposit Insurance Act from Ashikaga Holdings and Ashikaga Bank, held the Policy Board meeting and decided to provide a monetary grant of ¥260.3 billion (consummated on June 30, 2008) and purchase assets worth ¥1.7 billion (with book value of ¥7.4 billion) (consummated on June 16, 2008) (the statement of the Governor released)
June 19, 2008	• DICJ sold common shares in Resona Holdings worth ¥14.444 billion via ToSTNeT-2
June 21, 2008	• The Act on Damage Recovery Benefit Distributed from Fund in Bank Account Used for Crimes was enforced (the statement of the Governor released)
〃	• The Bank Transfer Fraud Recovery Division was newly established within the Treasury Department
〃	• The Damage Recovery Dividends Payments Account was created
〃	• A website dedicated to giving public notices stipulated under Criminal Accounts Damages Recovery Act was set up
June 23, 2008	• 197th Policy Board meeting held
〃	• DICJ approved the disposal of preferred shares in Hokuhoku Financial Group worth ¥25.032 billion (consummated on June 26, 2008) (the statement of the Governor released)
July 2, 2008	• DICJ approved the disposal of preferred shares in Chuo Mitsui Trust Holdings worth ¥86.4 billion (consummated on July 3, 2008) (the statement of the Governor released)
July 14, 2008	• DICJ approved the exercise of acquisition claims for preferred shares in Chuo Mitsui Trust Holdings worth ¥76.5 billion and the disposal (sale) of common shares delivered by the company (consummated on July 18, 2008) (the statement of the Governor released)
July 16, 2008	• DICJ gave a public notice announcing the commencement of the first procedures in FY2008 for extinction of claims on deposit accounts used in crime
September 12, 2008	• DICJ approved the voluntary prepayment of fixed-term subordinated loans worth ¥6.0 billion by Kanto Tsukuba Bank (consummated on September 30, 2008) (the statement of the Governor released)
September 17, 2008	• 198th Policy Board meeting held
October 15, 2008	• DICJ suspended disposal in the markets of shares purchased from the former Long-Term Credit Bank of Japan and the former Nippon Credit Bank (the statement of the Governor released)
December 8, 2008	• 199th Policy Board meeting held
December 17, 2008	• An Act partially revising the Act on Special Measures for Strengthening Financial Functions and the Act on Special Measures for Promotion of Organizational Restructuring of Financial Institutions was enforced
December 18, 2008	• 200th Policy Board meeting held
December 19, 2008	• DICJ sold common shares in Resona Holdings worth ¥17.568 billion via ToSTNeT-2
February 13, 2009	• 201st Policy Board meeting held
February 27, 2009	• DICJ approved the voluntary prepayment of perpetual subordinated loans worth ¥45.0 billion by Resona Holdings (consummated on March 31, 2009) (the statement of the Governor released)
March 10, 2009	• DICJ approved the disposal of preferred shares in Resona Holdings worth ¥175.291 billion (consummated on March 13, 2009) (the statement of the Governor released)
〃	• DICJ settled a lawsuit with Shinsei Bank over a share purchase agreement on the transfer of shares in former Long-Term Credit Bank of Japan (the statement of the Governor released)
March 25, 2009	• 202nd Policy Board meeting held
March 31, 2009	• DICJ infused capital in North Pacific Bank (¥100.0 billion), Fukuho Bank (¥6.0 billion), and Minami-Nippon Bank (¥15.0 billion) by subscribing for preferred shares issued by the three banks based on the Act on Special Measures for Strengthening Financial Functions.
〃	• DICJ, with the approval of the Commissioner of the FSA and the Minister of Finance, changed the deposit insurance premium rate for deposits for payment and settlement purposes to 0.107% (applicable from FY2009, with the deposit insurance premium rate for general deposits kept unchanged at 0.081%) (the statement of the Governor released)

Notes: For the statements of the Governor and other information, please see the DICJ website (http://www.dic.go.jp/).

(2) Policy Board Meetings during FY2008

	Date	Agenda
196th Meeting	June 6, 2008	• Financial assistance to Ashikaga Holdings Co. regarding its acquisition of shares of Ashikaga Bank • Terms and conditions for entrusting the purchase of assets from Ashikaga Bank to the RCC • Changes in the ceilings on loans and debt guarantees extended to the RCC. • Amendments to the Articles of Incorporation of the DICJ • Amendments to Operational Guidelines of the DICJ in line with Criminal Accounts Damage Recovery Act • Changes (1st changes) in the budget and funding plan for FY2008
197th Meeting	June 23, 2008	• The settlement of accounts for FY2007 • Granting of subsidies for business development to the RCC • Amendments to the Articles of Incorporation of the DICJ • Amendments to Operational Guidelines of the DICJ
198th Meeting	September 17, 2008	• A reduction in monetary grant to Ashikaga Bank • An increase in monetary grant to Tokyo Star Bank following the settlement of the dispute involving Tokyo Star Bank as a litigant • An increase in monetary grant to Kansai Urban Banking Corporation following the settlement of the dispute involving Kansai Urban Banking Corporation as a litigant • An increase in monetary grant to Kinki Sangyo Credit Cooperative following the settlement of the dispute over Kansai Kogin Credit Cooperative • Amendments to Operational Guidelines of the DICJ
199th Meeting	December 8, 2008	• Amendments to Operational Guidelines of the DICJ in line with the Criminal Accounts Damage Recovery Act
200th Meeting	December 18, 2008	• Amendments to Operational Guidelines of the DICJ in line with Financial Functions Strengthening Act
201st Meeting	February 13, 2009	• Amendments to the Articles of Incorporation of the DICJ • Changes (2nd changes) in the budget and funding plan for FY2008
202nd Meeting	March 25, 2009	• Changes in insurance premium rates • The budget and funding plan for FY2009 • Amendments to the Articles of Incorporation of the DICJ • An increase in monetary grant to Kinki Sangyo Credit Cooperative following the settlement of the dispute over Kansai Kogin Credit Cooperative

(3) Status of Financial Assistance and Recovery (as of March 31, 2009)

(Unit: billion yen)

Financial assistance items	The extent to which financial assistance has been implemented	The cumulative amount of recoveries, etc. (Notes 1) (Notes 2)
(1) Grants (Notes 3)	18,867.3	—
Of the above, monetary grants to banks under special public management	6,376.4	—
Of the above, monetary grants to a bank under special crisis management	256.6	—
(2) Purchase of assets (Notes 4) (Notes 5)	9,777.5	9,719.6
Purchase of assets from failed financial institutions	6,482.1	7,341.5
Of the above, the purchase of bad assets from banks under special public management	1,179.8	1,650.9
Of the above, the purchase of assets from a bank under special crisis management	99.9	97.7
Purchase of normal assets from banks under special public management (Notes 6)	2,942.1	1,717.2
Purchase of stocks from banks under special public management	2,939.7	1,708.6
Purchase of assets from sound financial institutions	353.3	660.9
(3) Capital injection (Notes 5) (Notes 7)	12,548.4	10,814.7
Capital injection under the former Financial Functions Stabilization Act	1,815.6	1,652.6
Capital injection under the Early Strengthening Act	8,605.3	9,045.0
Capital injection under the Deposit Insurance Act	1,960.0	111.1
Capital injection under the Organization Restructuring Act	6.0	6.0
Capital injection under the Financial Functions Strengthening Act	161.5	—
(4) Other	6,011.0	4,865.6
Taking delivery of assets under the warranty for latent defect provisions	1,222.6	653.7
Compensation for losses (Notes 8)	576.4	—
Of the above, compensation for losses to banks which are under special public management	494.4	—
Debt assumption (debt assumption to assuming financial institution)	4.0	3.8
Lending (Notes 9)	4,208.0	4,208.0

Figures are rounded off.

Notes: 1. In addition to the amount of collection equivalent to a book value portion, the cumulative amount of recoveries and others includes the amount of collection exceeding book value such as gains from the collection of claims, gains on the sale of securities and on that of real estate property, and the amount of price adjustment (*) of the purchased assets, but excluding income such as interest and dividends.

* The amount of purchase price adjustment: A certain period is required from the base date of evaluation based on which the purchase price of assets is decided until the RCC takes over actual assets from failed financial institutions. The changes in asset price arising from the progress of collection during this period are to be settled (adjustment of purchase price) following close examination and agreement between the RCC and the liquidated corporation (the failed financial institution) after the takeover. Upon settlement, the amount equivalent to the increase or decrease of the purchase price concerned following adjustment shall be the amount of purchase price adjustment. The amount of purchase price adjustment was ¥1,193.6 billion as of March 31, 2009.

2. Other than the cumulative amount of recoveries, etc. shown in the table above, ¥2 billion for banks under special public management (¥1 billion each for the former Long-Term Credit Bank of Japan and the former Nippon Credit Bank), and ¥120 billion for a bank under special crisis management (Ashikaga Bank ¥120 billion) are received as proceeds of sales of shares.

3. ¥10,432.6 billion out of monetary grants is financed by the redemption (use) of grant bonds (¥13,000 billion) (confirmed as public burden at the present stage). The remaining amount is to be financed from the deposit insurance premium. The deposit insurance premium which the DICJ had collected from financial institutions by March 31, 2008 had reached an aggregate of ¥7,435.7 billion. The decreased amount arising from close scrutiny of monetary grants is paid to the national treasury.

* The grant bonds were issued to finance monetary grants exceeding the pay off cost in failure resolutions up to March 31, 2002. (Redemption of the grant bonds was completed on March 21, 2003)

4. Purchase of assets from failed financial institutions includes purchase of assets from the National Federation of Credit Cooperatives (the amount of financial assistance ¥15.9 billion, and the cumulative amount of recoveries ¥23.9 billion).

5. All of the compensation for losses — ¥158.2 billion for the former Long—Term Credit Bank of Japan and the former Nippon Credit Bank, and ¥28.3 billion for Mizuho FG involved in capital injection under the former Financial Functions Stabilization Act; ¥22.4 billion for Ashigin FG involved in capital injection under the Early Strengthening Act; the amount of special compensation for losses (¥78.5 billion) arising from the entrustment of asset purchase operations; and ¥4.1 billion involved in the purchase of

assets from banks under special crisis management — represent compensation for losses granted to the RCC by the DICJ, and so these amounts are not included in the aforementioned table.
6. Purchase of normal assets from a bank under special public management includes the purchase of loan claims and others (the amount of financial assistance ¥2.4 billion and cumulative amount of recoveries ¥8.7 billion).
7. Of the cumulative amount of recoveries and others involved in capital injection, ¥10,814.7 billion, ¥9,443.0 billion equivalent to capital injection.
8. Compensation for losses includes the compensation for losses to the National Federation of Credit Cooperatives (¥82 billion).
9. Lending includes the lending of fund to banks under special public management (the amount of financial assistance ¥4,200 billion, and the cumulative amount of recoveries ¥4,200 billion) and the lending to assuming financial institutions (the amount of financial assistance ¥8 billion, and the cumulative amount of recoveries ¥8 billion).

(4) Financial Assistance in the Resolution of Failed Financial Institutions (as of March 31, 2009)

(i) Financial assistance on a fiscal year basis

(Unit: billion yen)

Fiscal Year	Number of Cases	Grants	Asset Purchases	Lending	Debt Assumption
1992	2	20.0	—	8.0	—
1993	2	45.9	—	—	—
1994	2	42.5	—	—	—
1995	3	600.8	—	—	—
1996	6	1,315.8	90.0	—	—
1997	7	152.4	239.1	—	4.0
1998	30	2,674.1	2,681.5	—	—
1999	20	4,637.4	1,304.4	—	—
2000	20	5,155.3	850.1	—	—
2001	37	1,640.7	406.4	—	—
2002	51	2,325.7	794.9	—	—
2003	0	—	—	—	—
2004	0	—	—	—	—
2005	0	—	—	—	—
2006	0	—	—	—	—
2007	0	—	—	—	—
2008	1	256.6	1.7	—	—
Total	181	18,867.3	6,368.0	8.0	4.0

Notes: 1. Figures for each fiscal year are calculated based on the date of implementation of financial assistance (the date of transfer of business). (The amount of monetary grants is a figure following amendment of the amount as of the date of initial implementation; taking into account the subsequent reduction in amount.)
2. Regarding the number of cases, the purchase of assets from the Long-Term Credit Bank of Japan and the Nippon Credit Bank was implemented twice. In the case of Midori Bank (asset purchases in FY1998 and monetary grants in FY1999), however, only cases for FY1998 are counted.
3. The amount of assets purchased from failed financial institutions is ¥6,466.2 billion; calculated by adding ¥98.2 billion of asset purchases under Article 129 of the Insurance Deposit Act to the amount of financial assistance as mentioned above.
4. "Lending": since the low-interest loan was typical for management assistance for ailing financial institutions at the time of the failure of the Toho Sogo Bank, an application for financial assistance by lending was filed.
5. "Debt assumption": at the time of the failure of the Hanwa Bank, the Kii Deposit Management Bank was the financial institution assuming the repayment of deposits. The DICJ assumed the financial obligations that had not been succeeded by the Kii Deposit Management Bank.
6. Since figures are rounded off, the totals sometimes do not equal the sum of the amounts.

(ii) Financial assistance by category of financial institution

(Unit: billion yen)

Category of Financial Institution		Number of cases	Monetary Grant		Asset purchases		Lending		Debt Assumption	
			Number	Amount	Number	Amount	Number	Amount	Number	Amount
Total		181	177	18,867.3	168	6,368.0	1	8.0	1	4.0
	Under the full amount of protection	169	166	17,784.0	167	6,366.3	0	—	1	4.0
Banks		21	17	12,571.8	18	4,577.4	1	8.0	1	4.0
	Under the full amount of protection	17	14	11,725.2	17	4,575.8	0	—	1	4.0
Shinkin Banks		27	27	972.7	25	550.0	0	—	0	—
	Under the full amount of protection	25	25	926.7	25	550.0	0	—	0	—
Credit Cooperatives		133	133	5,322.7	125	1,240.6	0	—	0	—
	Under the full amount of protection	127	127	5,132.0	125	1,240.6	0	—	0	—

Notes: Figures are rounded off.

(5) Results of Recoveries of Assets Purchased under Article 53 of the Financial Revitalization Act

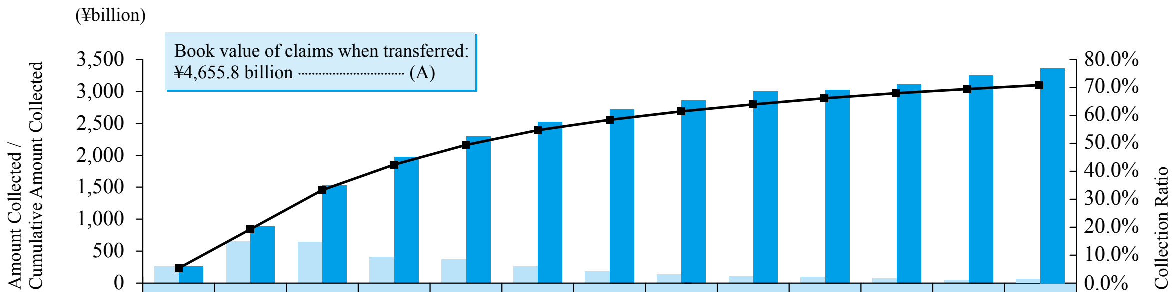
(Unit: billion yen)

	Original Book Value of Claims	Accumulated Total of Original Book Value of Claims	Purchase Value	Accumulated Total of Purchase Value (A)	Total Claims Collection	Accumulated Total of Claims Collection (B)	Collection Ratio (B/A)
FY 1999	493.0	493.0	24.1	24.1	4.2	4.2	17.4%
FY 2000	522.2	1,015.2	12.6	36.8	21.7	25.9	70.4%
FY 2001	330.2	1,345.4	20.6	57.3	30.4	56.3	98.3%
FY 2002	2,088.5	3,433.9	205.7	263.0	39.4	95.6	36.3%
FY 2003	405.4	3,839.3	64.1	327.2	126.0	221.6	67.7%
FY 2004	176.7	4,016.0	23.3	350.5	163.5	385.1	109.9%
FY 2005	29.9	4,046.0	5.2	355.7	145.4	530.4	149.1%
FY 2006	—	4,046.0	—	355.7	79.0	609.4	171.3%
FY 2007	—	4,046.0	—	355.7	39.5	648.9	182.4%
FY 2008	—	4,046.0	—	355.7	18.8	667.7	187.7%

Notes: 1. The figures in the table include collections of claims which DICJ purchased from banks under special public management under Article 53 of the Financial Revitalization Act. (The principal amount of claims at ¥41.9 billion, the value of purchase at ¥2.4 billion.)
2. Since figures are rounded off, totals sometimes do not equal the sum of the amounts.

(6) Collection Performance of the RCC

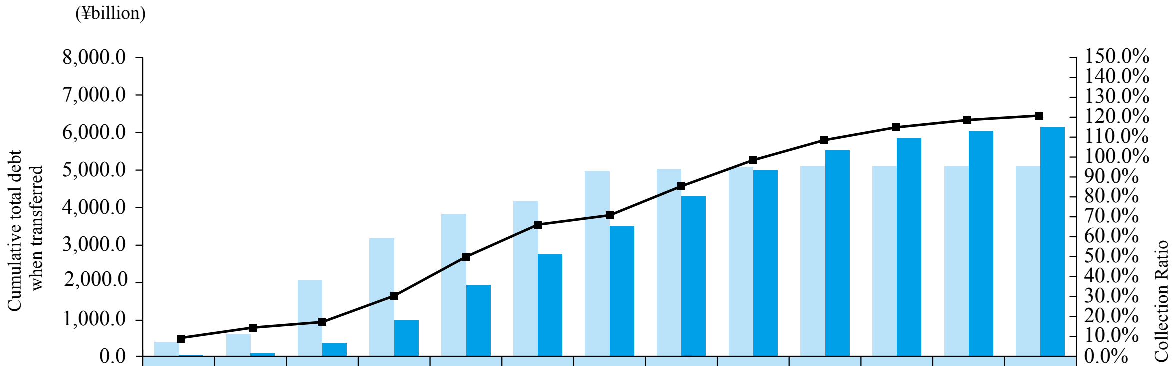
● Claims transferred from seven former Jusen companies



	FY1996	FY1997	FY1998	FY1999	FY2000	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008
Amount Collected	244.5	655.3	650.5	426.0	321.7	250.6	170.0	139.4	117.6	100.3	86.9	70.2	61.3
Cumulative Amount Collected (B)	244.5	899.9	1,550.4	1,976.4	2,298.1	2,548.7	2,718.7	2,858.1	2,975.7	3,076.0	3,163.0	3,233.1	3,294.5
Collection Ratio (B/A)	5.3%	19.3%	33.3%	42.4%	49.4%	54.7%	58.4%	61.4%	63.9%	66.1%	67.9%	69.4%	70.8%

* Since figures are rounded off, totals sometimes do not equal the sum of the amounts.

● Claims transferred from seven former Jusen companies



	FY1996	FY1997	FY1998	FY1999	FY2000	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008
Cumulative Total Book Value when Transferred (A)	384.1	596.6	2,016.7	3,140.1	3,794.9	4,127.9	4,918.3	4,982.4	5,042.8	5,060.2	5,060.2	5,067.0	5,067.5
Cumulative Amount Collected (B)	34.3	85.7	347.5	953.2	1,893.5	2,729.2	3,483.5	4,255.9	4,961.6	5,491.9	5,815.7	6,010.6	6,119.8
Collection Ratio (B/A)	8.9%	14.4%	17.2%	30.4%	49.9%	66.1%	70.8%	85.4%	98.4%	108.5%	114.9%	118.6%	120.8%

* The performance on claims purchased from failed institutions in FY1996 is the total amount collected in FY1995 and FY1996.
* Excluding the trust scheme from the transfer claims of Hokkaido Takushoku Bank.
* Including transfer claims of Hanwa Bank (collected and commission) and the amount of assets purchased under Article 129 of the Deposit Insurance Act and under Article 53 of the Financial Revitalization Act.
* In some cases, the book debt value after transfer may change due to adjustments in purchase prices, etc.
* Since figures are rounded off, totals sometimes do not equal the sum of the amounts.

● The cumulative Amount of Payments from RCC to DICJ (as of March 31,2009)

(Unit: billion yen)

Payments involved in assets transferred from the former Jusen companies (Article 12, item 10 of the Jusen Act)	3.5
Payments involved in assets purchased from failed financial 102 (Article 8, paragraph 1, item 2-2 Supplementary Provisions of Deposit Insurance Act)	886.3
Payments involved in assets purchased from sound financial institutions (Article 54, paragraph 1, item 3 of Financial Revitalization Act)	316.4

* Including those reckoned up in the statement of accounts of RCC for the term ended on March 31, 2009 (DICJ will reckon these up in FY2009).
* In addition to the above, the amount of payments involved in capital injection is ¥1,676.6 billion yen (compensation for losses is not taken into account).

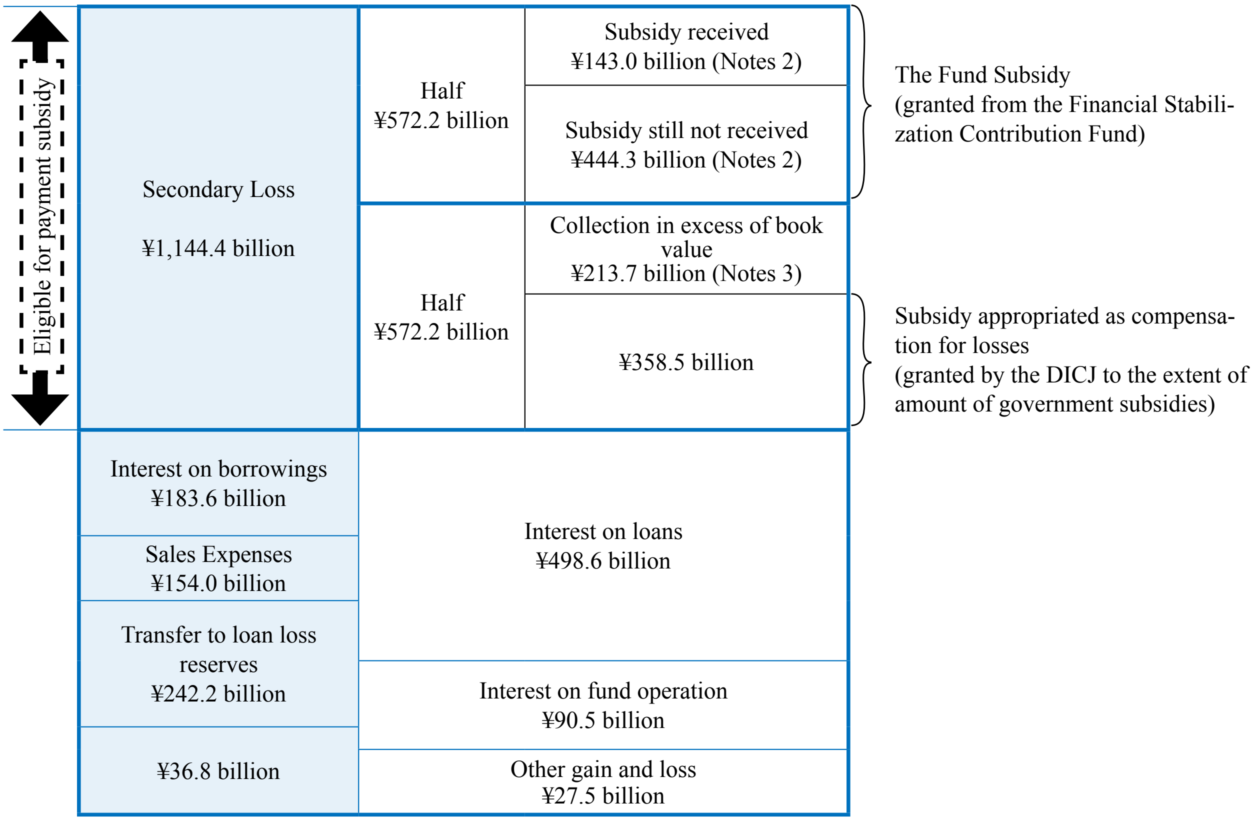
(7) Secondary Loss of Jusen Account of the RCC

The DICJ discloses information concerning the present status of the Jusen Account of the RCC.
Any secondary loss arising from disposal of Jusen companies is to be treated as follows:

(i) To compensate for half the loss by making use of investment earnings (granting of an promotional operations subsidy) of the Financial Stabilization Contribution Fund set up by contributions made by financial institutions (the so-called “private burden portion”); and

(ii) With regard to the other half, if, after setting it off against the collection profit, any shortfall remains, the DICJ will grant any subsidy to the RCC to the extent of government subsidies.

The amount of secondary loss and accumulative gain/loss of Jusen account (FY1996 -FY2008) is as mentioned below.



Notes: 1. Since figures are rounded off, totals sometimes does not equal the sum of the amounts. (In the balance sheet and the profit and loss statement of the DICJ, figures are rounded down.)
2. Including ¥15.1 billion of subsidies corresponding to an amount of interest on the borrowings involved in non-performing assets.
3. Excluding ¥3.5 billion of payments to Government.

(8) Corporate Revitalization Cases by the RCC

[From the establishment of the Headquarters for Corporate Revitalization in November 2001 to March 31, 2009]

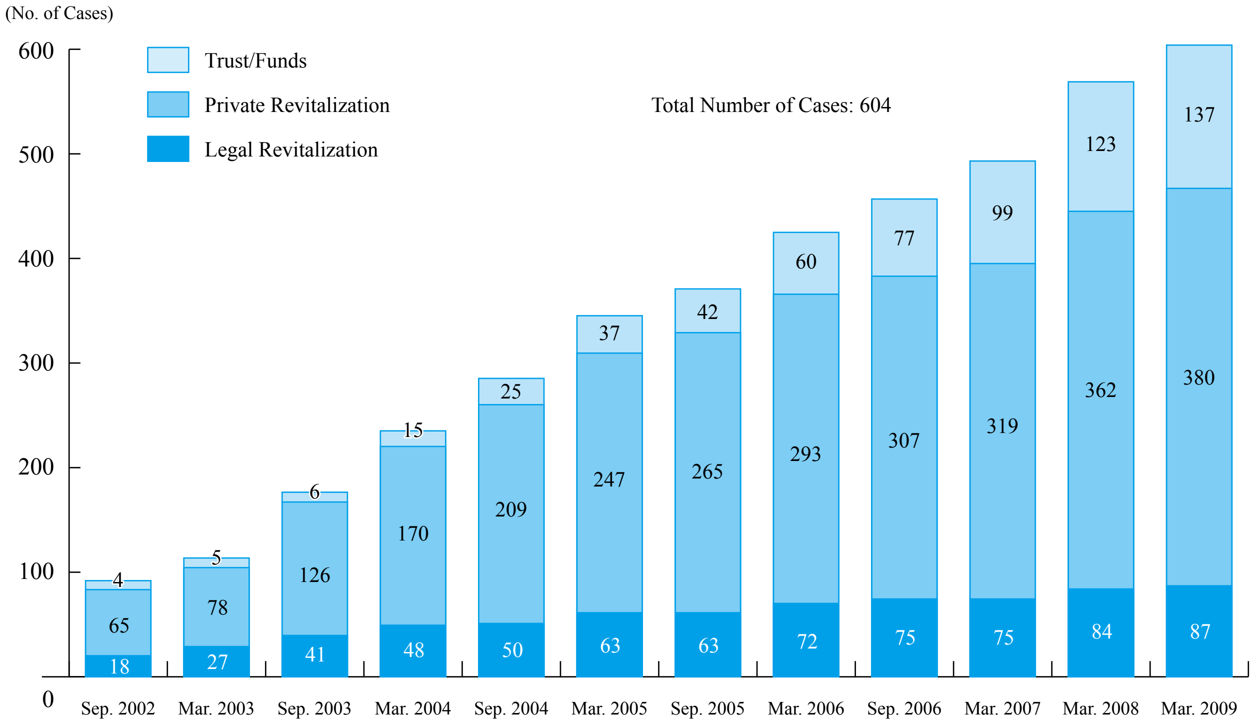
(unit: no. of debtors)

1. Cases of corporate revitalization	
Classification	Number of Cases
(1) Legal revitalization	87
(2) Private revitalization	380
(3) Privately funded revitalization utilizing loans in trusts, funds, etc.	137
Subtotal	604

Notes: cases in which there was RCC intervention in the process of formulating revitalization plan.

2. Candidates for corporate revitalization	
Classification	Number of Cases
(1) Claims held by the RCC, etc.	92
(2) Claims of trusts, funds, etc.	9
Subtotal	101
Total	691

● Corporate Revitalization Cases (Cumulative total)



● Corporate Revitalization Cases (since November 2001)

(Cumulative total, No. of cases)

	Sep. 2002	Mar. 2003	Sep. 2003	Mar. 2004	Sep. 2004	Mar. 2005	Sep. 2005	Mar. 2006	Sep. 2006	Mar. 2007	Mar. 2008	Mar. 2009
Trust/Fund	4	5	6	15	25	37	42	60	77	99	123	137
Private Revitalization	65	78	126	170	209	247	265	293	307	319	362	380
Legal Revitalization	18	27	41	48	50	63	63	72	75	75	84	87
Total	87	110	173	233	284	347	370	425	459	493	569	604

(9) Financial Institutions' Capital Injection and Disposal

(Reference)

October 28, 2005
DICJ

Statement by the Governor

**Immediate Guideline for Disposal of Preferred Stocks, etc.,
Acquired through Capital Injection with Public Funds**

1. The Financial Services Agency has announced today "Approaches to the Disposal of the Financial Assets (Preferred Stocks, etc.,) Acquired through Capital Injections with Public Funds." It demonstrates the concept that, with regard to the disposal of preferred stocks, etc., acquired through the capital injections, "considering the aspect of asset management with more emphasis on the standpoint of 'taxpayers' interest,'" there should be "a basic principle to ensure collection of profits accruing on public funds as the fruit of the stabilization of the financial system, while maintaining sound management of the Recapitalized Financial Institutions and avoiding negative impacts on markets."
   The DICJ will be required "to stand prepared to take appropriate and flexible actions in view of factors including the terms of preferred stocks and stock price movements at a given point in time, while continuously adhering to the position that the disposal is basically made on a request that each financial institution which received the capital injections (hereinafter referred to as the "Recapitalized Financial Institution(s)") makes in accordance with its own capital policy," adapting to the phase transition in relation to the Recapitalized Financial Institutions.

2. Based on the above approaches, the DICJ has revised the "Immediate Guideline for Disposal of Preferred Stocks Acquired for Capital Injection to Third Parties or for Offer of Repaying the Public Funds (announced by the DICJ on July 8, 2004)," and newly published the attached "Immediate Guideline for Disposal of Preferred Stocks, etc., Acquired through Capital Injection with Public Funds" in order to demonstrate the concepts and criteria for judgments for disposing the preferred stocks without any requests for repayment made by the Recapitalized Financial Institutions in addition to the guideline based on the requests for repayment by the Recapitalized Financial Institutions.

3. With changes of the circumstances, in that the sound management of the Recapitalized Financial Institutions and the market environment have improved and the possibilities of early disposal legally expected increasing, the DICJ will additionally take appropriate and flexible actions in the disposal of preferred stocks, subordinated bonds, etc. (hereinafter referred to as "Preferred Stocks"), consulting with the Recapitalized Financial Institutions, taking into consideration the terms of preferred stocks and stock price movements, while adhering to the position that the disposal is basically made on a request that each Recapitalized Financial Institution makes in accordance with its own capital policy.
   In such cases, the DICJ will continue to pay full attention to maintaining sound management of the Recapitalized Financial Institutions and avoiding negative impacts on markets.
   Upon making the specific disposition, from the perspective of respecting the capital policy of each Recapitalized Financial Institution, the DICJ shall see whether there is an intention of the request for disposal of Preferred Stocks from each Recapitalized Financial Institution in advance, and make sufficient discussion with it, based on the appropriate procedures.

October 28, 2005
DICJ

**Immediate Guideline for Disposal of Preferred Stocks, etc.,
Acquired through Capital Injection with Public Funds**

The DICJ has temporarily been adopting the guideline of disposing of preferred stocks, subordinated bonds and so on (hereinafter referred to as “preferred stocks”) acquired by the RCC for capital injections including the exercise of the conversion right of convertible preferred stocks into common stocks which is made in expectation of selling.

1. Basic concept

While the soundness of the financial institutions that received the capital injections (hereinafter referred to as the “Recapitalized Financial Institution(s)”) has steadily improved since the first series of capital injections and the financial environment surrounding such institutions has been changing—for instance, they are now, in most cases, able to raise capital from private sources—it is requested that they take an approach that places more emphasis on the standpoint of “taxpayers’ interests” in their role of managing the financial assets (preferred stocks, etc.,) acquired through capital injections.

In such circumstances, while adhering to the position that the disposal is basically made on a request that each Recapitalized Financial Institution makes in accordance with its own capital policy, the DICJ will take appropriate and flexible actions in the disposal of preferred stock, taking into account the terms of preferred stocks and stock price movements at a given point in time, and paying attention to maintaining sound management of the Recapitalized Financial Institutions and avoiding negative impacts on markets.

2. When the Recapitalized Financial Institutions have requested the selling of preferred stocks to third parties (including sale in the capital market)

(1) Concept

The DICJ will sell preferred stocks to third parties, meeting the request of the Recapitalized Financial Institutions unless there are any special problems in view of the criteria for judgment as mentioned below, including the requirement of not lowering the capital adequacy ratio in principle.

While it is requested that preferred stocks be fairly sold to third parties, in view of the purport that financial institutions were recapitalized by issuing preferred stocks, the DICJ will give due consideration to the independence in management of the Recapitalized Financial Institutions which issued such preferred stocks.

In the case of selling them in the capital market, the DICJ will conduct their sale by considering stock market conditions.

(2) Criteria for judgment

(i) Avoiding public costs
Whether the repayment, etc., is possible at a proper value that is above the acquisition value

(ii) Not damaging financial system stability
Whether the proposed repayment, etc., will have any negative impacts on markets, from the viewpoint of its method or scale, etc.

(iii) Not damaging the soundness of management of the financial institution
Whether there is no problem with, for instance, the progress of the plan of the financial institution for restoring sound management, and with market evaluation, etc.

3. When the Recapitalized Financial Institution has made a request for repaying the public funds injected

(1) Concept

The DICJ will meet the request for repayment unless there are any special problems in view of the criteria for judgment as mentioned below, including the requirement that the financial institution concerned can consistently ensure a satisfactory capital adequacy ratio.

(2) Criteria for judgment

(i) Not damaging the soundness of management of the financial institution

a. Whether the financial institution will be able to maintain its capital adequacy ratio at a sufficient level after the repayment, etc.

b. Whether there is no problem with, for instance, the progress of the plan of the financial institution for restoring sound management, and with market evaluation, etc.

(ii) Avoiding public costs

Whether the repayment, etc., is possible at a proper value that is above the acquisition value

(iii) Not damaging financial system stability

Whether the proposed repayment, etc., will have any negative impacts on markets, from the viewpoint of its method or scale, etc.

4. When it is very favorably circumstanced to make the dispositions in view of the terms of the preferred stocks and stock price movements

(1) Concept

The DICJ will make the disposition of the preferred stocks, unless there are any special problems, if it is deemed proper in view of the criteria for judgment as mentioned below, taking into consideration that it is appropriate for the DICJ to ensure collection of profits accruing on the public funds on the premise of maintaining sound management of the Recapitalized Financial Institutions and avoiding negative impacts on markets when it is considered very favorably circumstanced to sell Preferred Stock at that time in view of the terms of preferred stocks and stock price movements, while a request from the Recapitalized Financial Institution for the sale is still not expected to be offered after consultation with it.

Upon making the disposition, from the perspective of respecting the capital policy of the Recapitalized Financial Institution, the DICJ shall see whether there is an intention of request for disposal of preferred stocks from the Recapitalized Financial Institution in advance, and make sufficient consultation with it.

(2) Criteria for judgment

(i) That it can be estimated to earn profits for certain by selling the Preferred Stock at a fair price in view of the terms and stock price movements of Preferred Stock, and that it is very favorably circumstanced to make the disposition at that time

Note: Concerning preferred stocks, if the price of the common stock is being maintained for about 30 consecutive trading days at a price of approximately more than 150% of the conversion price, it is judged that profits are estimated to be earned certainly by making the disposition.

(ii) Not damaging financial system stability

Whether the proposed repayment, etc., will have any negative impacts on markets, from the viewpoint of its method or scale, etc.

(iii) Not damaging the soundness of management of the financial institution

Whether there is no problem with, for instance, the progress of the plan of the financial institution for restoring sound management, and with market evaluation, and so on.

The DICJ shall determine the timing and size of converting or selling of preferred stocks, taking into account the timing of the revision of the convertible price, in order to avoid negative impacts on markets. It is required that the method of making the disposition and conversion of preferred stocks is fair. Furthermore, upon converting (Note) or selling, the DICJ shall give due consideration to the independence of management of the Recapitalized Financial Institutions which issued them, in view of the purport that the financial institutions were recapitalized by issuing preferred stocks.

Note: The conversion is made from the perspective of asset management.

Table 1. Status of Capital Injection and Disposal (as of March 31, 2009)

(Unit: cases, billion yen)

Governing Acts	Purposes of Capital Injection		Capital Injection Periods	Number of Financial Institutions	Breakdown of Capital Injection: Preferred Shares Common Shares	Breakdown of Capital Injection: Subordinated Bonds / Loans	Breakdown of Capital Injection: Total
Former Financial Functions Stabilization Act	To maintain the stability of the financial system and promote the sound development of the national economy		March 1998	21 <2>	321.0 <190.0> 130.0*	1,494.6 <—>	1,815.6 <190.0> 130.0*
Early Strengthening Act	To restructure the financial system and contribute to economic revitalization		March 1999 - March 2002	32 <10>	7,281.3 <828.7> 120.0*	1,324.0 <—>	8,605.3 <828.7> 120.0*
Organizational Restructuring Act	To promote organizational restructuring of financial institutions and contribute to economic revitalization		September 2003	1 <—>	—	6.0 <—>	6.0 <—>
Financial Functions Strengthening Act	To strengthen financial functions and promotes the sound development of the national economy.		Until March 31, 2012 (November 2006 - March 2009)	5 <5>	161.5 <161.5>	—	161.5 <161.5>
Deposit Insurance Act	To maintain the stability of the financial system	Response against financial crises (measures under item 1)	Permanent Measure (June 2003)	1 <1>	1,960.0 296.4* <1,925.3> 261.7*	—	1,960.0 296.4* <1,925.3> 261.7*
	To assist in mergers, etc.	Capital injection to assuming institutions	Permanent Measure	[No track record]			
			Total	40 <15>	9,723.8 296.4* <3,105.4> 511.7	2,824.6 <—>	12,548.4 296.4* <3,105.4> 511.7*
			Disposed amount in FY1999		—	100.0	100.0
			Disposed amount in FY2000		200.0	150.0	350.0
			Disposed amount in FY2001		—	—	—
			Disposed amount in FY2002		—	674.6	674.6
			Disposed amount in FY2003		108.0	839.0	947.0
			Disposed amount in FY2004		786.3 2.7*	615.0	1,401.3 2.7*
			Disposed amount in FY2005		1,934.4	340.0	2,274.4
			Disposed amount in FY2006		3,092.4	20.0	3,112.4
			Disposed amount in FY2007		102.0	35.0	137.0
			Disposed amount in FY2008		395.2 32.0*	51.0	446.2 32.0*
			Cumulative Total of Disposal Book Value		6,618.4 34.7*	2,824.6	9443.0 34.7*
			Outstanding Balance of Capital Injection		3,105.4 511.7*	—	3,105.4 511.7*

Notes:
1. Figures are rounded off.
2. The amounts are based on the amounts of capital injection.
3. Outstanding balances as of March 31, 2009 are written in triangular parentheses.
4. Amounts of common shares are written with asterisks.
5. Common shares pursuant to the former Financial Functions Stabilization Act were acquired by the exercise of privilege of acquisition claims, and those pursuant to the Early Strengthening Act were acquired by mandatory acquisition.

Table 2: List of Capital Injections/Disposals/Balances by Financial Institution (as of March 31, 2009)

(Unit: billion yen)

Name of Financial Institution	Amount of Capital Injection	(Classification) Type (Instrument)	Amount	Cumulative Total of Disposed Book Value	Breakdown	(for FY 2009)	Breakdown	Remaining Balance as of March 31, 2009	Breakdown
Resona HD	3,128.0	Preferred Shares	2,531.6	1,042.7	708.0	252.3	175.3	2,085.3	1,823.6
		Common Shares	296.4		34.7		32.0		261.7
		Subordinated Loans	300.0		300.0		45.0		—
Chuo Mitsui Trust HD	710.3	Preferred Shares	432.3	509.9	231.9	162.9	162.9	200.4	200.4
		Common Shares	—		<145.5> Notes 3		<76.5> Notes 3		—
		Subordinated Bonds	100.0		100.0		—		—
		Subordinated Loans	178.0		178.0		—		—
Hokuhoku FG	140.0	Preferred Shares#	120.0	80.0	60.0	25.0	25.0	60.0	60.0 Notes 4
		Subordinated Loans	20.0		20.0		—		—
Shinsei Bank	416.6	Preferred Shares	370.0	166.6	120.0	—	—	250.0	—
		Common Shares	—		<120.0> Notes 3		—		250.0
		Subordinated Loans	46.6		46.6		—		—
Aozora Bank	320.0	Preferred Shares	320.0	104.7	104.7	—	—	215.3	215.3
		Preferred Shares	—		<104.7> Notes 3		—		—
Bank of the Ryukyus	40.0	Preferred Shares*	40.0	34.0	34.0	—	—	6.0	6.0
Chiba Kogyo Bank	60.0	Preferred Shares	60.0	—	—	—	—	60.0	60.0
Higashi-Nippon Bank	20.0	Preferred Shares	20.0	—	—	—	—	20.0	20.0
Gifu Bank	12.0	Preferred Shares	12.0	—	—	—	—	12.0	12.0
Nishi-Nippon City Bank	70.0	Preferred Shares*	70.0	35.0	35.0	—	—	35.0	35.0
Kiyo HD	31.5	Preferred Shares	31.5	—	—	—	—	31.5	31.5
Howa Bank	9.0	Preferred Shares	9.0	—	—	—	—	9.0	9.0
North Pacific Bank	100.0	Preferred Shares	100.0	—	—	—	—	100.0	100.0
Fukuho Bank	6.0	Preferred Shares	6.0	—	—	—	—	6.0	6.0
Minami Nippon Bank	15.0	Preferred Shares	15.0	—	—	—	—	15.0	15.0
Mitsubishi UFJ FG	2,200.0	Preferred shares	1,600.0	2,200.0	1,600.0	—	—	—	—
		Common Shares	—		<1,188.3> Notes 3		—		—
		Subordinated Bonds	600.0		600.0		—		—
Mizuho FG	2,949.0	Preferred Shares	1,949.0	2,949.0	1,949.0	—	—	—	—
		Subordinated Bonds	1,000.0		1,000.0		—		—
Sumitomo Mitsui FG	1,501.0	Preferred Shares	1,301.0	1,501.0	1,301.0	—	—	—	—
		Common Shares	—		<251.0> Notes 3		—		—
		Subordinated Bonds	200.0		200.0		—		—
Sumitomo Trust & Banking	300.0	Preferred Shares	100.0	300.0	100.0	—	—	—	—
		Subordinated Bonds	200.0		200.0		—		—
Bank of Yokohama	220.0	Preferred Shares	100.0	220.0	100.0	—	—	—	—
		Common Shares	—		<55.0> Notes 3		—		—
		Subordinated Loans	120.0		120.0		—		—
Ashigin FG	135.0	Preferred Shares	105.0	135.0	105.0	—	—	—	—
		Subordinated Bonds	30.0		30.0		—		—
Momiji HD	40.0	Preferred Shares	20.0	40.0	20.0	—	—	—	—
		Subordinated Loans	20.0		20.0		—		—
Yachiyo Bank	35.0	Preferred Shares*	35.0	35.0	35.0	—	—	—	—
Kumamoto Family Bank	30.0	Preferred Shares	30.0	30.0	30.0	—	—	—	—
Kansai Sawayaka Bank	12.0	Preferred Shares	8.0	12.0	8.0	—	—	—	—
		Subordinated Bonds	4.0		4.0		—		—
Wakayama Bank	12.0	Preferred Shares*	12.0	12.0	12.0	—	—	—	—
Kyushu-Shinwa HD	30.0	Preferred Shares*	30.0	30.0	30.0	—	—	—	—
Kanto Tsukuba Bank	6.0	Subordinated Loans	6.0	6.0	6.0	6.0	6.0	—	—
Total	Total Amount of Capital Injection		12,548.4	Total of Disposed Book Value	9,443.0	Amount for FY 2009	446.2	Total of Remaining Balance	3,105.4
	Breakdown by Type (Instrument)			Breakdown by Type (Instrument)		Breakdown by Type (Instrument)		Breakdown by Type (Instrument)	
	Preferred Shares		9,427.4		6,583.7		363.2		2,593.7
	Common Shares		296.4	<1,864.5> Notes 3	34.7	<76.5> Notes 3	32.0		511.7
	Subordinated Bonds		2,134.0		2,134.0		—		—
	Subordinated Loans		690.6		690.6		51.0		—

Notes:
1. Figures are rounded off.
2. Of preferred shares, ¥45.0 billion of those indicated by # (for the former Hokkaido Bank) and those indicated by * were subordinated bonds at the time of injection.
3. Preferred shares were converted to common shares before disposal.
4. Preferred shares at the time of injection; those injected pursuant to the Early Strengthening Act (remaining balance of ¥120 billion) were acquired by the bank as mandatory acquisition on August 1, 2007 and common shares were issued in exchange. Regarding the amount (¥96.8864 billion after the reduction of capital) injected pursuant to the former Financial Functions Stabilization Act, the DICJ made an acquisition claim on March 31, 2008 and acquired common shares.

Table 3. List of Capital Injection Operations Pursuant to the Former Financial Functions Stabilization Act (as of March 31, 2009)

(Unit: billion yen, %)

Name of Financial Institution	Month/ Year of Capital Injection	Preferred Shares					Subordinated Bonds/Loans				
		Type	Amount	Rate Approved	Beginning of Conversion	Date of Mandatory Acquisition	Type	Amount	Rate Approved (L stands for the six-month Yen LIBOR) 0~5th Year	Rate Approved (L stands for the six-month Yen LIBOR) 6th Year Onwards	Period
Mizuho FG (former Dai-Ichi Kangyo Bank)	March 1998	Convertible	99.0	0.75	July 1, 1998	August 1, 2005	—	—	—	—	—
Mizuho FG (former Fuji Bank)	March 1998	—	—	—	—	—	Perpetual subordinated bond	100.0	L+1.10	L+2.60	perpetual
Mizuho FG (former Industrial Bank of Japan)	March 1998	—	—	—	—	—	Dated subordinated bond	100.0	L+0.55	L+1.25	10 years
Mizuho FG (former Yasuda Trust & Banking)	March 1998	—	—	—	—	—	Perpetual subordinated bond	150.0	L+2.45	L+3.95	perpetual
Sumitomo Mitsui FG (former Sakura Bank)	March 1998	—	—	—	—	—	Perpetual subordinated bond	100.0	L+1.20	L+2.70	perpetual
Sumitomo Mitsui FG (former Sumitomo Bank)	March 1998	—	—	—	—	—	Perpetual subordinated bond	100.0	L+0.90	L+2.40	perpetual
Mitsubishi UFJ FG (former Bank of Tokyo Mitsubishi)	March 1998	—	—	—	—	—	Perpetual subordinated bond	100.0	L+0.90	L+2.40	perpetual
Mitsubishi UFJ FG (former Mitsubishi Trust & Banking)	March 1998	—	—	—	—	—	Perpetual subordinated bond	50.0	L+1.10	L+2.60	perpetual
Mitsubishi UFJ FG (former Sanwa Bank)	March 1998	—	—	—	—	—	Dated subordinated bond	100.0	L+0.55	L+1.25	10 years
Mitsubishi UFJ FG (former Tokai Bank)	March 1998	—	—	—	—	—	Perpetual subordinated bond	100.0	L+0.90	L+2.40	perpetual
Mitsubishi UFJ FG (former Toyo Trust & Banking)	March 1998	—	—	—	—	—	Perpetual subordinated bond	50.0	L+1.10	L+2.60	perpetual
Resona HD (former Asahi Bank)	March 1998	—	—	—	—	—	Perpetual subordinated loan	100.0	L+1.00	L+2.50	perpetual
Resona HD (former Daiwa Bank)	March 1998	—	—	—	—	—	Perpetual subordinated loan	100.0	L+2.70	L+2.70	perpetual
Sumitomo Trust & Banking	March 1998	—	—	—	—	—	Perpetual subordinated bond	100.0	L+1.10	L+2.60	perpetual
Chuo Mitsui Trust HD (former Mitsui Trust & Banking)	March 1998	—	—	—	—	—	Perpetual subordinated bond	100.0	L+1.45	L+2.95	perpetual
Chuo Mitsui Trust HD (former Chuo Trust & Banking)	March 1998	Convertible	32.0	2.50	July 1, 1998	August 1, 2018	Perpetual subordinated loan	28.0	L+2.45	L+3.95	perpetual
Bank of Yokohama	March 1998	—	—	—	—	—	Perpetual subordinated loan	20.0	L+1.10	L+2.60	perpetual
Hokuhoku FG (Hokuriku Bank)	March 1998	—	—	—	—	—	Perpetual subordinated loan	20.0	L+2.45	L+3.95	perpetual
Ashigin FG (Ashikaga Bank)	March 1998	—	—	—	—	—	Perpetual subordinated bond	30.0	L+2.95	L+4.45	perpetual
Shinsei Bank	March 1998	Convertible	130.0	1.00	October 1, 1998	April 1, 2008	Perpetual subordinated loan	46.6	L+2.45	L+3.95	perpetual
Aozora Bank	March 1998	Convertible	60.0	1.00	October 1, 1998	April 1, 2018	—	—	—	—	—

Total of Capital Injection	1,815.6
Total of Disposed Book Value	1,625.6
Remaining Balance	190.0

Notes: 1. Figures are rounded off.
2. Disposals are shaded .

List of Capital Injection Operations Pursuant to the Former Financial Functions Stabilization Act

Notes:
1. The DICJ acquired preferred shares of Shinsei Bank (former Long-Term Credit Bank of Japan) and Aozora Bank (former Nippon Credit Bank) on October 28, 1998 and December 17, 1998, respectively through the decision to start special public management. The preferred shares of Shinsei Bank were reduced by 25,472,000 shares (of 100,000,000 shares) on March 31, 2000. The preferred shares of Aozora Bank were reduced by 71,856,000 shares (of 120,000,000 shares) on October 3, 2000, and its dividend rate cut from 3% to 1%.
2. The 3-month LIBOR is applied to the rate approved for Resona HD (former Daiwa Bank). The approved rate for perpetual subordinated loans of the Resona HD (former Daiwa Bank) has been 3.95% since July 1, 2008. The date that Resona HD can exercise the call provision for optional repayment is each interest payment date after March 30, 2003.
3. Perpetual subordinated loans to Mitsubishi UFJ FG (former Tokai Bank) were converted to perpetual subordinated bonds on May 21, 2001.
4. Perpetual subordinated bonds injected into Mitsubishi UFJ FG (former Bank of Tokyo Mitsubishi) were repaid (cancellation by purchase) on February 28, 2000 (repayment amount ¥100.56 billion). Perpetual subordinated bonds injected into Mitsubishi UFJ FG (former Mitsubishi Trust & Banking) were repaid (cancellation by purchase) on December 22, 2000 (repayment amount ¥50.002 billion).
5. On March 31, 2003, 6 financial institutions (Sumitomo Mitsui FG, Mitsubishi UFJ FG [former Sanwa Bank, former Tokai Bank, former Toyo Trust & Banking], Sumitomo Trust & Banking, Shinsei Bank, Chuo Mitsui Trust HD [former Chuo Trust & Banking] and Mizuho FG [former Yasuda Trust & Banking (¥50.0 billion out of ¥150.0 billion)] repaid a total of ¥674.6 billion of subordinated bonds/loans in accordance with call provisions provided.
6. On May 9, 2003, Bank of Yokohama repaid a total of ¥20.0 billion of subordinated loans in accordance with call provisions provided.
7. On September 30, 2003, Mizuho Trust & Banking repaid ¥50.0 billion out of ¥100.0 billion (see Notes 5) subordinated bonds of Mizuho FG (former Yasuda Trust & Banking) in accordance with call provisions provided.
8. On March 30, 2004, Ashikaga Bank (¥30 billion) and Mizuho FG (former Fuji Bank and former Industrial Bank of Japan: ¥100 billion each, and former Yasuda Trust & Banking: ¥25 billion out of ¥50 billion [see Notes 7]) repaid ¥255.0 billion in subordinated bonds in accordance with call provisions provided.
9. The preferred shares of Mizuho FG (¥99.0 billion) were repaid (cancellation by purchase) on August 31, 2004 (repayment amount ¥59.49 billion).
10. On September 30, 2004, Mizuho Trust & Banking repaid ¥25.0 billion (see Notes 8) of subordinated bonds of Mizuho FG (former Yasuda Trust & Banking) in accordance with call provisions provided.
11. On March 31, 2005, Chuo Mitsui Trust HD repaid ¥100.0 billion of subordinated bonds (former Mitsui Trust & Banking) in accordance with call provisions provided.
12. On September 30, 2005, Resona HD (former Daiwa Bank) repaid ¥100.0 billion and Hokuhoku FG (Hokuriku Bank) prepaid ¥10.0 billion out of ¥20.0 billion of subordinated loans in accordance with call provisions provided.
13. On October 3, 2005, Resona HD prepaid a total of ¥100.0 billion (former Asahi Bank) of subordinated loans in accordance with call provisions provided.
14. On March 30, 2006, Hokuhoku FG (former Hokuriku Bank) repaid a total of ¥10.0 billion of subordinated loans (see Notes 12) in accordance with call provisions provided.
15. Preferred shares issued by Chuo Mitsui Trust HD (former Chuo Mitsui Trust & Banking: ¥32.0 billion [approved rate: 2.50]) were converted to common shares and sold on July 28, 2006 (proceeds from sale: ¥97.926 billion).
16. On March 31, 2008, Shinsei Bank acquired its preferred shares (74,528,000 shares, see [Notes 1]), at the request of the DICJ, and the bank issued common shares (269,128,888 shares) in exchange for such preferred shares.

Table 4. List of Capital Injection Operations Pursuant to the Early Strengthening Act (as of March 31, 2009)

(Unit: billion yen, %)

Name of Financial Institution	Month/Year of Capital Injection	Preferred Shares: Type	Preferred Shares: Amount	Preferred Shares: Rate Approved	Preferred Shares: Beginning of Conversion	Preferred Shares: Date of Mandatory Acquisition	Subordinated Bonds/Loans: Type	Subordinated Bonds/Loans: Amount	Subordinated Bonds/Loans: Rate Approved (L stands for the six-month Yen LIBOR)	Subordinated Bonds/Loans: Beginning of Step-Up	Subordinated Bonds/Loans: Rate after Step-Up	Subordinated Bonds/Loans: Period
Mizuho FG (former Dai-Ichi Kangyo Bank)	March 1999	convertible	200.0	0.41	August 1, 2004	August 1, 2006	Dated subordinated bond	100	L+0.75	April 1, 2004	L+1.25	10 years
		convertible	200.0	0.70	August 1, 2005	August 1, 2008	Dated subordinated bond	100	L+0.75	April 1, 2005	L+1.25	11 years
		inconvertible	300.0	2.38	—	—	—	—	—	—	—	—
Mizuho FG (former Fuji Bank)	March 1999	inconvertible	300.0	2.10	—	—	Perpetual subordinated bond	200	L+0.65	April 1, 2004	L+1.35	perpetual
		convertible	250.0	0.55	October 1, 2006	February 1, 2011				April 1, 2009	L+2.15	
		convertible	250.0	0.40	October 1, 2004	February 1, 2009	—	—	—	—	—	—
Mizuho FG (former Industrial Bank of Japan)	March 1999	convertible	175.0	1.40	September 1, 2003	September 1, 2009	Perpetual subordinated bond	250	L+0.98	April 1, 2004	L+1.48	perpetual
		convertible	175.0	0.43	July 1, 2003	September 1, 2009						
Sumitomo Mitsui FG (former Sakura Bank)	March 1999	convertible	800.0	1.37	October 1, 2002	October 1, 2009	—	—	—	—	—	—
Sumitomo Mitsui FG (former Sumitomo Bank)	March 1999	convertible	201.0	0.35	May 1, 2002	February 27, 2009	—	—	—	—	—	—
		convertible	300.0	0.95	August 1, 2005	February 27, 2009						
Mitsubishi UFJ FG (former Sanwa Bank)	March 1999	convertible	600.0	0.53	July 1, 2001	August 1, 2008	Perpetual subordinated bond	100	L+0.34	October 1, 2004	L+1.34	perpetual
Mitsubishi UFJ FG (former Tokai Bank)	March 1999	convertible	300.0	0.93	July 1, 2002	March 31, 2009	—	—	—	—	—	—
		convertible	300.0	0.97	July 1, 2003	March 31, 2009						
Mitsubishi UFJ FG (former Toyo Trust & Banking)	March 1999	convertible	200.0	1.15	July 1, 1999	August 1, 2009	—	—	—	—	—	—
Mitsubishi UFJ FG (former Mitsubishi Trust & Banking)	March 1999	convertible	200.0	0.81	July 31, 2003	August 1, 2008	Perpetual subordinated bond	100	L+1.75	April 1, 2004	L+2.25	perpetual
Resona HD (former Daiwa Bank)	March 1999	convertible	408.0	1.06	June 30, 1999	April 1, 2009	—	—	—	—	—	—
Resona HD (former Asahi Bank)	March 1999	convertible	300.0	1.15	July 1, 2002	December 1, 2009	Perpetual subordinated loan	100	L+1.04	April 1, 2009	L+2.54	perpetual
		convertible	100.0	1.48	July 1, 2003	December 1, 2014						
Sumitomo Trust & Banking	March 1999	convertible	100.0	0.76	April 1, 2001	March 31, 2009	Dated subordinated bond	100	L+1.53	April 1, 2006	L+2.03	12 years
Chuo Mitsui Trust HD (former Mitsui Trust & Banking)	March 1999	convertible	250.3	1.25	July 1, 1999	August 1, 2009	Dated subordinated loan	150	L+1.49	March 31, 2004	L+1.99	10 years
Chuo Mitsui Trust HD (former Chuo Trust & Banking)	March 1999	convertible	150.0	0.90	July 1, 1999	August 1, 2009	—	—	—	—	—	—
Bank of Yokohama	March 1999	convertible	70.0	1.13	August 1, 2001	July 31, 2009	Perpetual subordinated loan	50	L+1.65	April 1, 2004	L+2.15	perpetual
		convertible	30.0	1.89	August 1, 2004	July 31, 2009	Subordinated loan	50	L+1.07	April 1, 2004	L+1.57	10 years and 2 months
Ashigin FG (Ashikaga Bank)	March 1999	convertible	75.0	0.94	September 29, 2000	September 30, 2009	—	—	—	—	—	—
	November 1999	convertible	30.0	0.94	November 30, 2000	November 30, 2009						
Hokuhoku FG (Hokuriku Bank)	November 1999	convertible	75.0	1.54	March 1, 2001	July 30, 2010	—	—	—	—	—	—
Hokuhoku FG (Hokkaido Bank)	March 2000	convertible	45.0	1.16	August 1, 2001	August 1, 2010	—	—	—	—	—	—
Bank of the Ryukyus	November 1999	convertible	40.0	1.50	December 29, 2000	October 1, 2010	—	—	—	—	—	—
Momiji HD (former Hiroshima—Sogo Bank)	November 1999	convertible	20.0	1.41	September 30, 2004	August 1, 2011	Perpetual subordinated loan	20	L+2.80	October 1, 2004	L+4.14	perpetual
Kumamoto Family Bank	February 2000	convertible	30.0	1.33	September 2, 2002	March 1, 2014	—	—	—	—	—	—
Shinsei Bank	March 2000	convertible	240.0	1.21	August 1, 2005	August 1, 2007	—	—	—	—	—	—
Chiba Kogyo Bank	November 2000	convertible	60.0	1.29	September 30, 2002	March 31, 2014	—	—	—	—	—	—
Yachiyo Bank	November 2000	convertible	35.0	1.13	September 30, 2002	September 30, 2010	—	—	—	—	—	—
Aozora Bank	October 2000	convertible	260.0	1.24	October 3, 2005	October 3, 2012	—	—	—	—	—	—
Kansai Sawayaka Bank	March 2001	convertible	8.0	1.08	August 1, 2002	March 31, 2011	Dated subordinated bond	4	L+1.87	April 1, 2006	L+2.37	10 years
Higashi-Nippon Bank	March 2001	convertible	20.0	1.10	March 31, 2003	March 31, 2011	—	—	—	—	—	—
Resona HD (Kinki Osaka Bank)	April 2001	convertible	60.0	1.36	January 1, 2002	April 1, 2015	—	—	—	—	—	—
Gifu Bank	April 2001	convertible	12.0	1.21	March 1, 2002	April 1, 2011	—	—	—	—	—	—
Nishi-Nippon City Bank (former Fukuoka City Bank)	January 2002	convertible	70.0	1.20	January 31, 2007	April 1, 2012	—	—	—	—	—	—
Wakayama Bank	January 2002	convertible	12.0	1.34	May 1, 2003	April 1, 2014	—	—	—	—	—	—
Kyushu-Shinwa HD (former Kyushu Bank)	March 2002	convertible	30.0	1.25	March 1, 2006	April 1, 2012	—	—	—	—	—	—

Total Amount of Capital Injection	8,605.3
Total of Disposed Book Value	7,776.7
Remaining Balance	828.7

Notes: 1. Figures are rounded off.
2. Disposals are shaded .

List of Capital Injection Operations Pursuant to the Early Strengthening Act

Notes:
1. Perpetual subordinated bonds issued by Bank of the Ryukyus and Hokkaido Bank were converted to preferred shares on September 29, 2000, those of Yachiyo Bank on February 28, 2001, and those of Fukuoka City Bank, Wakayama Bank, Kyushu Shinwa HD (Kyushu Bank) on September 30, 2002.
2. Subordinated loans to Mizuho FG (former Dai-Ichi Kangyo Bank) were converted to subordinated bonds on November 22, 2000.
3. Perpetual subordinated bonds issued by Mitsubishi UFJ FG (former Mitsubishi Trust & Banking) were repaid by the bank (cancellation by purchase) on December 22, 2000 (payment amount ¥101.807 billion). The bank's preferred shares (proceeds from sale ¥210.35 billion) were also resold on January 24, 2001.
4. Preferred shares issued by Kansai Sawayaka Bank were repaid by the bank (cancellation by purchase) on October 3, 2003 (payment amount ¥10.584 billion). Also, subordinated bonds to the bank were repaid on January 8, 2004 (cancellation by purchase, payment amount ¥4.012 billion).
5. Preferred shares issued by Sumitomo Trust & Banking (proceeds from sale: ¥138.08 billion) were resold on January 13, 2004. Also, subordinated bonds to the bank were repaid on January 14, 2004 (cancellation by purchase, payment amount ¥102.366 billion).
6. On March 31, 2004, Mizuho FG (former Dai-ichi Kangyo Bank and former Industrial Bank of Japan), Bank of Yokohama and Chuo Mitsui Trust HD (former Mitsui Trust & Banking) (¥10 billion out of ¥150.0 billion) prepaid a total of ¥410.0 billion of subordinated bonds/loans in accordance with the call provisions provided.
7. On May 11, 2004, the Bank of Yokohama repaid ¥50.0 billion of subordinated loans in accordance with the call provisions provided.
8. Preferred shares issued by Bank of Yokohama (¥30 billion) were repaid by the bank (cancellation by purchase) on July 2, 2004 (payment amount ¥34.842 billion).
9. Preferred shares issued by Bank of Yokohama (¥55.0 billion out of ¥70.0 billion) were converted to common shares and sold on July 30, 2004 (proceeds from sale ¥81.415 billion).
10. Preferred shares issued by Bank of Yokohama (¥15.0 billion out of ¥70.0 billion) were repaid by the bank (payback) on August 31, 2004 (payment amount ¥17.259 billion).
11. Preferred shares issued by Mizuho FG (¥133.75 billion out of ¥175.0 billion [approved rate 1.40]) were repaid by the bank (cancellation by purchase) on August 31, 2004 (payment amount ¥180.482 billion).
12. On September 30, 2004, Mizuho FG (former Fuji Bank) (payment amount ¥200.0 billion), Chuo Mitsui Trust HD (former Mitsui Trust & Banking) (¥40.0 billion out of ¥140.0 billion [See Notes 6]) repaid a total of ¥240.0 billion of subordinated bonds/loans in accordance with the call provisions provided.
13. On September 30, 2004, preferred shares issued by Sumitomo Mitsui FG (former Sakura Bank ¥105.0 billion out of ¥800.0 billion and former Sumitomo Bank ¥96.0 billion out of ¥201.0 billion) were converted to common shares (acquisition amount ¥201.0 billion), and then sold by ToSTNeT-2 (sale date: November 2, 2004 / account date: November 8, 2004 / proceeds from sale: ¥268.339 billion).
14. Preferred shares issued by Mizuho FG (former Dai-Ichi Kangyo Bank ¥77.2 billion out of ¥200.0 billion [approved rate 0.41], former Fuji Bank ¥131.4 billion out of ¥250.0 billion [approved rate 0.40], and former Industrial Bank of Japan ¥41.25 billion out of ¥175.0 billion [approved rate 1.40, see Notes: 11]) were repaid by the bank (by purchase) on March 7, 2005 (payment amount ¥259.96 billion).
15. On March 31, 2005, Mizuho FG (former Daiichi-Kangyo Bank) (payment amount ¥100.0 billion) (term: 11 years), Chuo Mitsui Trust HD (former Mitsui Trust & Banking) (payment amount the rest of ¥100.0 billion) (see Notes 12) repaid a total of ¥200.0 billion of subordinated bonds/loans in accordance with the call provisions provided.
16. Preferred shares issued by Mizuho FG (former Dai-Ichi Kangyo Bank ¥122.8 billion out of ¥200.0 billion [approved rate 0.41] [see Notes 14]), former Dai-Ichi Kangyo Bank ¥200.0 billion (approved rate 0.70), former Fuji Bank ¥118.6 billion out of ¥250.0 billion (see Notes 14), and former Industrial Bank of Japan ¥175.0 billion (approved rate 0.43) were repaid by the bank on August 29, 2005 (payment amount ¥692.954 billion).
17. On September 30, 2005, Mitsubishi UFJ FG (former Sanwa Bank) (payment amount ¥100.0 billion), Momiji HD (payment amount ¥20.0 billion) repaid a total of ¥120.0 billion of subordinated bonds/loans in accordance with call provisions provided.
18. Preferred shares issued by Mitsubishi UFJ FG (former Sanwa Bank: ¥207.9 billion out of ¥600.0 billion [approved rate 0.53] and former Tokai Bank: ¥115.7 billion out of ¥300.0 billion [approved rate 0.93]) were converted to common shares (acquisition amount ¥323.6 billion), and then sold by ToSTNeT-2 (sale date: October 5, 2005 / account date: October 11, 2005 / proceeds from sale: ¥349.804 billion).
19. On October 12, 2005, preferred shares issued by Mizuho FG (former Fuji Bank: ¥250.0 billion [approved rate 0.55]) were compulsorily redeemed in full based on the bank's articles of incorporation and others (payment amount ¥250.735 billion).
20. Preferred shares issued by Mitsubishi UFJ FG (former Sanwa Bank: ¥155.7 billion out of ¥600.0 billion [approved rate 0.53] [see Notes 18] and former Toyo Trust & Banking: ¥24.7 billion out of ¥200.0 billion [approved rate 1.15]) were converted to common shares (acquisition amount ¥180.4 billion), and then sold by ToSTNeT-2 (sale date: December 7, 2005 / account date: December 12, 2005 / proceeds from sale: ¥200.441 billion).
21. Preferred shares issued by Mitsubishi UFJ FG (former Sanwa Bank: ¥53.1 billion out of ¥600.0 billion [approved rate 0.53] [see Notes 20] and former Toyo Trust & Banking: ¥22.4 billion out of ¥200.0 billion [approved rate 1.15] [see Notes 20]) were resold (proceeds from sale ¥101.395 billion) on December 9, 2005.
22. Preferred shares issued by Wakayama Bank were resold on December 12, 2005 (proceeds from sale ¥12.113 billion).
23. Preferred shares issued by Momiji HD (¥17.0 billion out of ¥20.0 billion) were resold on December 21, 2005 (proceeds from sale ¥25.075 billion) and ¥3.0 billion was repaid (payment amount ¥4.425 billion).
24. Ashigin FG dissolved on December 26, 2005. The DICJ received distribution in regard to preferred shares (total ¥105.0 billion) on February 24, 2006 (distribution amount ¥2.776 billion).
25. Preferred shares issued by Mitsubishi UFJ FG (former Sanwa Bank: ¥155.4 billion out of ¥600.0 billion [approved rate 0.53] [see Notes 21] and former Tokai Bank: ¥24.9 billion out of ¥300.0 billion [approved rate 0.93] [see Notes 18]) were converted to common shares (acquisition amount ¥180.3 billion), and then sold by ToSTNeT-2 (sale date: March 1, 2006 / account date: March 6, 2006 / proceeds from sale: ¥186.141 billion) and by trade on the floor (sale date: March 1, 2006 / account date: March 6, 2006 / proceeds from sale: ¥13.997 billion).
26. Preferred shares issued by Mitsubishi UFJ FG (former Toyo Trust & Banking: ¥136.2 billion out of ¥200.0 billion [approved rate 1.15] [see Notes 21]) were resold (proceeds from sale: ¥300.185 billion) on March 3, 2006.

27. Preferred shares issued by Yachiyo Bank were resold on March 24, 2006 (proceeds from sale: ¥40.068 billion).
28. Preferred shares issued by Sumitomo Mitsui FG (former Sumitomo Bank: ¥105.0 billion out of ¥201.0 billion [approved rate 0.35] [see Notes 13], and ¥99.0 billion out of ¥300.0 billion [approved rate 0.95]) was repaid by the bank (by purchase) on May 17, 2006 (payment amount ¥275.917 billion).
29. Preferred shares issued by Kumamoto Family Bank were resold on May 17, 2006 (proceeds from sale ¥31.552 billion).
30. Preferred shares issued by Mitsubishi UFJ FG (former Sanwa Bank: ¥27.9 billion out of ¥600.0 billion [approved rate 0.53] [see Notes 25], and former Tokai Bank: ¥178.714 billion out of ¥300.0 billion [approved rate 0.97]) were converted to common shares (acquisition amount ¥206.614 billion), and then sold by ToSTNeT-2 (sale date: May 24, 2006 / account date: May 29, 2006 / proceeds from sale: ¥274.85 billion).
31. Preferred shares issued by Mitsubishi UFJ FG (former Tokai & Bank: ¥159.4 billion out of ¥300.0 billion [approved rate 0.93] [see Notes 25]; former Tokai Bank: ¥121.286 billion out of ¥300.0 billion [approved rate 0.97] [see Notes 30] and; former Toyo Trust & Banking: ¥16.7 billion out of ¥200.0 billion [approved rate 1.15] [see Notes 26]), were converted to common shares (acquisition amount ¥297.386 billion) and then sold on June 9, 2006 (proceeds from sale ¥418.42 billion).
32. Preferred shares issued by Mizuho FG (former Dai-Ichi Kangyo Bank: ¥300.0 billion [approved rate 2.38], and former Fuji Bank: ¥300.0 billion [approved rate 2.10]) were compulsorily redeemed in full based on the bank's articles of incorporation and others (payment amount ¥603.498 billion).
33. Preferred shares issued by Shinsei Bank (¥120.0 billion out of ¥240.0 billion [approved rate 1.21]) were converted to common shares in accordance with the request for the approval of the exercise of privilege of acquisition claim, and then sold on July 31, 2006 by ToSTNeT-2 (sale date: August 17, 2006 / account date: August 22, 2006 / proceeds from sale: ¥150.625 billion).
34. Preferred shares issued by Sumitomo Mitsui FG (former Sumitomo Bank: ¥201.0 billion out of ¥300.0 billion [approved rate 0.95] [see Notes 28]) were repaid by the bank (by purchase) on September 6, 2006 (payment amount ¥245.079 billion).
35. Preferred shares issued by Nishi-Nippon City Bank (¥35.0 billion out of ¥70.0 billion) were repaid by the bank (by purchase) on September 6, 2006 (payment amount ¥41.163 billion).
36. On September 29, 2006, of preferred shares issued by Sumitomo Mitsui FG (former Sakura Bank: ¥500.0 billion out of ¥800.0 billion [approved rate 1.37] [see Notes 13]), ¥450.0 billion were repaid by the bank (by purchase) (payment amount ¥653.040 billion), and ¥50.0 billion was converted to common shares.
37. Preferred shares issued by Sumitomo Mitsui FG (former Sakura Bank: ¥195.0 billion out of ¥800.0 billion [approved rate 1.37] [see Notes 36]) were repaid by the bank (by purchase) on October 11, 2006 (payment amount ¥222.242 billion).
38. Preferred shares issued by Bank of the Ryukyus (¥34.0 billion out of ¥40.0 billion) were repaid by the bank (by purchase) on October 11, 2006 (payment amount ¥40.593 billion).
39. Preferred shares issued by Sumitomo Mitsui FG (former Sakura Bank: ¥50 billion out of ¥800 billion [approved rate 1.37] [see Notes 36 and 37]) were converted to common shares in accordance with the request for the approval of the exercise of privilege of acquisition claim, and then sold on September 29, 2006 by ToSTNeT-2 (sale date: October 17, 2006 / account date: October 20, 2006 / proceeds from sale: ¥76.793 billion).
40. Perpetual subordinated loans of Resona HD (former Asahi Bank: ¥20.0 billion out of ¥100.0 billion) were repaid by the bank on November 2, 2006 (partial purchase of perpetual subordinated loans: ¥20.32 billion).
41. Preferred shares issued by Aozora Bank (¥104.72 billion out of ¥260.0 billion) were converted to common shares in accordance with its listing, and then sold on November 14, 2006 (proceeds from sale: ¥132.646 billion).
42. Preferred shares issued by Resona HD (former Daiwa Bank: ¥244.679 billion out of ¥408.0 billion and former Asahi Bank: ¥288.03 billion out of ¥300.0 billion [approved rate 1.15]), were repaid by the bank (by purchase) on January 26, 2007 (payment amount ¥569.999 billion).
43. On June 13, 2007, perpetual subordinated loans to Resona HD (¥35 billion out of the rest of ¥80 billion for the former Asahi Bank [see Notes 40]) were repaid in accordance with the request for the approval of the repayment (partial purchase of perpetual subordinated loans: ¥35.55billion)
44. Preferred shares issued by Chuo Mitsui Trust HD (former Mitsui Trust & Banking: ¥37.0 billion out of ¥250.3 billion [approved rate 1.25]) were converted to common shares in accordance with the request for the approval of the exercise of privilege of acquisition claim, and then sold on July 27, 2007 (proceeds from sales ¥86.662 billion).
45. On August 1, 2007, preferred shares issued by Shinsei Bank (the remaining balance ¥120 billion, 300 million shares [see Notes 33]) were acquired by the said bank as a mandatory acquisition, and Shinsei Bank issued common shares (200 million shares) in exchange for such preferred shares.
46. Preferred shares issued by Hokuhoku FG (Hokuriku Bank: ¥35 billion out of ¥75 billion [approved rate 1.54]) were repaid by the bank (payment amount ¥40.016 billion).
47. On August 29, 2007, Kyushu-Shinwa HD were dissolved, and on February 18, 2008 the DICJ received distribution of residual property (distribution amount ¥30 billion) for preferred shares of ¥30 billion.
48. Preferred shares issued by Hokuhoku FG (Hokuriku Bank ¥15 billion out of the remaining ¥40 billion [approved rate 1.54] [see Notes 46] and Hokkaido Bank: ¥10.032 billion out of ¥45.03 billion [approved rate 1.16]) were repaid by the bank (by purchase) on June 26, 2008 (payment amount ¥30.111 billion).
49. Preferred shares issued by Chuo Mitsui Trust HD (former Mitsui Trust & Banking: ¥86.4 billion out of the remaining ¥213.3 billion [approved rate 1.25] [see Notes 44]) were repaid by the bank (by purchase) on July 3, 2008 (payment amount ¥127.386 billion).
50. Preferred shares issued by Chuo Mitsui Trust HD (former Mitsui Trust & Banking: ¥76.5 billion out of the remaining ¥126.9 billion [approved rate 1.25] [see Notes 49]) were converted to common shares in accordance with the request for the approval of the exercise of privilege of acquisition claim, and then sold on July 18, 2008 (proceeds from sales ¥103.53 billion).
51. Preferred shares issued by Resona HD (former Daiwa Bank: the remaining ¥163.321 billion [see Notes 42] and former Asahi Bank: the remaining ¥11.970 billion [approved rate 1.15] [see Notes 42]) were repaid by the bank (by purchase) on March 13, 2009 (payment amount ¥180.436 billion).
52. Perpetual subordinated loans of Resona HD (former Asahi Bank: the remaining ¥45 billion [see Notes 40 and 43]) were repaid on March 31, 2009 in accordance with the call provisions provided, thus completing repayments.

Table 5. List of Capital Injection Operations Pursuant to the Organizational Restructuring Act (as of March 31, 2009)

Name of Financial Institution	Month/Year of Capital Injection	Preferred Shares					Subordinated Bonds/Loans					
		Type	Amount	Rate of Dividend	Beginning of Conversion	Date of Mandatory Acquisition	Type	Amount	Rate (L stands for the six-month Yen LIBOR)	Beginning of Step-Up	Rate after Step-Up	Period
Kanto Tsukuba Bank	September 2003	—	—	—	—	—	Dated subordinated loan	6.0	L+3.76% (There are rate adjustment clauses which are dependent on the conditions of the fulfilment of the plan.)	October 1, 2008	L+4.76	10 years

(billion yen, %)

Total Amount of Capital Injection	6.0
Total Amount of the Disposed Book Value	6.0
Outstanding Balance	—

Notes: 1. Figures are rounded off.
2. Disposals are shaded ▭.
3. The above loans were fully repaid on September 30, 2008 in accordance with the call provisions provided.

Table 6. List of Capital Injection Operations Pursuant to the Financial Functions Strengthening Act (as of March 31, 2009)

Name of Financial Institution	Month/Year of Capital Injection	Preferred Shares					Subordinated Bonds/Loans					
		Type	Amount	Rate of Dividend	Beginning of Conversion	Date of Mandatory Acquisition	Type	Amount	Rate (L stands for the six-month Yen LIBOR)	Beginning of Step-Up	Rate after Step-Up	Period
Kiyo HD	November 2006	Convertible	31.5	T + 1.15 (T stands for the twelve-month Yen TIBOR) (Max. of 7.50)	October 1, 2011	October 1, 2016	—	—	—	—	—	—
Howa Bank	December 2006	Convertible	9.0	1.84 (Until March 2009) T+1.20 (from April 2009) (T-stands for the six-month Yen TIBOR)	April 1, 2008	The date designated by the board of directors on or after April 2, 2020	—	—	—	—	—	—
North Pacific Bank	March 2009	Convertible	100.0	T + 1.00 (T stands for the twelve-month Yen TIBOR) (Max. of 8.00)	January 1, 2013	April 1, 2024	—	—	—	—	—	—
Fukuho Bank	March 2009	Convertible	6.0	1.90 (until March 2012) T + 1.10 (from April 2012) (T stands for the twelve-month Yen TIBOR) (Max. of 8.00)	October 1, 2011	April 1, 2024	—	—	—	—	—	—
Minami Nippon Bank	March 2009	Convertible	15.0	T + 1.05 (T stands for the twelve-month Yen TIBOR) (Max. of 8.00)	October 1, 2012	April 1, 2024	—	—	—	—	—	—

(billion yen, %)

Total Amount of Capital Injection	161.5
Total Amount of the Disposed Book Value	—
Outstanding Balance	161.5

Notes: Figures are rounded off.

Table 7. List of Capital Injection Operations Pursuant to the Deposit Insurance Act (Response against Financial Crises) (as of March 31, 2009)

Name of Financial Institution	Month/Year of Capital Injection	Preferred Shares					Subordinated Bonds/Loans					
		Type	Amount	Rate of Dividend (L stands for the twelve-month Yen LIBOR)	Beginning of Conversion	Date of Mandatory Acquisition	Type	Amount	Rate (L stands for the six-month Yen LIBOR	Beginning of Step-Up	Rate after Step-Up	Period
Resona HD (Resona Bank)	June 2003	Common Shares	296.4	—	—	—	—	—	—	—	—	—
		Preferred Shares (Convertible)	550.0	L + 0.5	July 1, 2006	—	—	—	—	—	—	—
		Preferred Shares (Convertible)	563.6	L + 0.5	July 1, 2008	—	—	—	—	—	—	—
		Preferred Shares (Convertible)	550.0	L + 0.5	July 1, 2010	—	—	—	—	—	—	—

(billion yen, %)

Total Amount of Capital Injection	1,960.0
Total Amount of the Disposed Book Value	34.7
Outstanding Balance	1,925.3

Notes: 1. Figures are rounded off.
2. Disposals are shaded ▭.
3. Resona Bank's shares paid into on June 30, 2003 and subscribed for on July 1 were exchanged on August 7, 2003 with shares issued by Resona HD.
4. By offer from Resona HD, ¥2.73 billion common shares out of ¥296.4 billion were purchased by Resona HD through ToSTNeT-2 transaction on February 1, 2005 (date of delivery: February 4 / sale amount: ¥11.078 billion).
5. By offer from Resona HD, ¥14.444 billion common shares out of the remaining balance of ¥293.7 billion (see Notes 2) were purchased by the third parties designed by Resona HD through ToSTNeT-2 transaction on June 19, 2008 (date of delivery: June 24 / sale amount: ¥50.0 billion).
6. By offer from Resona HD, 0.001share (¥200) of odd shares of Series 1 Class-2 preferred shares was repaid on December 1, 2008 (repayment amount: ¥207).
7. By offer from Resona HD, ¥17.568 billion common shares out of the remaining balance of ¥279.3 billion (see Notes 3) were purchased by the third parties designated by Resona HD through ToSTNeT-2 transaction on December 19, 2008 (date of delivery: December 25 / sale amount: ¥50.0 billion).

(10) Accusations/Complaints

(i) Number of cases (Accumulated total by March 31, 2009) (Unit: cases)

	DICJ		RCC		HLAC		RCB		Total	
Arrested	28	<80>	193	<403>	76	<149>	23	<37>	320	<669>
Under investigation										
Other (Notes)					1	<1>			1	<1>
Total	28	<80>	193	<403>	77	<150>	23	<37>	321	<670>

Notes: Statute of limitation expired. Figures in triangular parentheses represent the number of persons involved in each category.

(ii) Breakdown of cases

● From the establishment of the Special Investigation Department (June 26, 1996) to March 31, 1999

(Unit: cases)

	DICJ	HLAC		RCB		Total	
Cases related to borrowers		77	<150>	14	<19>	91	<169>
Auction interference		27	<49>	3	<7>	30	<56>
Fraud		18	<44>	2	<2>	20	<46>
Obstruction of compulsory execution		15	<36>	4	<5>	19	<41>
False entry on notarial documents, etc.		4	<7>			4	<7>
Threat / extortion		3	<3>			3	<3>
Fraudulent bankruptcy (Notes)		1	<1>	1	<1>	2	<2>
Other		9	<10>	4	<4>	13	<14>
Cases related to lenders				9	<18>	9	<18>
Breach of trust / aggravated breach of trust				4	<11>	4	<11>
Other				5	<7>	5	<7>
Total	0	77	<150>	23	<37>	100	<187>

Notes: Stipulated in the former Bankruptcy Act (Article 374). Figures in triangular parentheses represent the number of persons involved in each category.

● From the establishment of the RCC (April 1, 1999) to March 31, 2009 (Unit: cases)

	DICJ		RCC						Total	
			Former Jusen Claims		Transferred Claims of Failed Financial Institutions (Notes 2)		Article 53 Claims (Notes 3)			
Cases related to borrowers (Notes 4)	10	<28>	43	<84>	122	<242>	18	<42>	193	<396>
Auction interference	1	<1>	7	<9>	39	<78>	11	<25>	58	<113>
Fraud	4	<10>	14	<30>	32	<63>	3	<8>	53	<111>
Obstruction of compulsory execution	2	<6>	16	<34>	23	<45>	3	<8>	44	<93>
False entry on notarial documents, etc.	1	<7>	3	<7>	8	<27>			12	<41>
Threat/extortion					5	<8>			5	<8>
Fraudulent bankruptcy (Notes 1)	2	<4>			7	<11>	1	<1>	10	<16>
Other			3<4>		8<10>				11	<14>
Cases related to lenders (Notes 5)	18	<52>			10	<35>			28	<87>
Breach of trust / aggravated breach of trust	13	<37>			10	<35>			23	<72>
Other	5	<15>							5	<15>
Total	28	<80>	43	<84>	132	<277>	18	<42>	221	<483>

Figures in triangular parentheses represent the number of persons involved in each category.

Notes:
1. Stipulated in the Bankruptcy Act (Article 265).
2. Transferred Claims of Failed Financial Institutions include the claims transferred from the RCC.
3. Article 53 Claims mean the claims purchased from sound financial institutions under Article 53 of the Financial Revitalization Act.
4. The 10 cases of the "Cases related to borrowers" listed in the "DICJ" column were actually filed by the DICJ and the RCC in their joint names. However, as a matter of convenience, the number is listed in the "DICJ" column in this table.
5. Of the 10 cases of the "Cases related to lenders" listed in the "RCB" column, 5 cases were actually filed by the DICJ and the RCC in their joint names. However, as a matter of convenience, the number is included in the "RCC" column in this table.

(iii) List of cases of complaints/accusations (FY2008)

Number	Date of Indictment/ Accusation	Accuser	Investigative Agency	Suspect	Charges	Contents
1	April 25, 2008	RCC	Kyoto Prefectural Police	One debtor to failed financial institution	Drafting or utterance of a false official document with a signature or seal, obstruction of bidding upon auction	Upon auction, forged and used documents submitted to court, obstructing the auction by using their own child's name to make a successful bid for oneself.
2	June 23, 2008	RCC	Hyogo Prefectural Police	One debtor to failed financial institution	Obstruction of compulsory execution	Concealed property by transferring the account in his wife's name that he managed to his former wife's bank account for the purpose of avoiding compulsory execution.
3	July 16, 2008	RCC	Osaka Prefecture Police	One debtor to failed financial institution	Breach of Bankruptcy Act (Fraudulent bankruptcy)	Upon the decision for bankruptcy procedures to begin, concealed property by having a third party's loan money repayments deposited into the borrower's bank account.
4	July 25, 2008	RCC	Kyoto Prefectural Police	One third party other than debtor	Fraud (other)	Where the RCC used the rebuilding of a credit-holding incorporated education institution as an excuse to swindle money from concerned parties.
5	August 29, 2008					
6	September 19, 2008	RCC	Tochigi Prefectural Police	Two debtors to failed financial institution	Obstruction of compulsory execution	For the purpose of avoiding compulsory execution, concealed property by transferring his own credit into a bank account in his wife's name.
7	September 29, 2008	DICJ RCC	Nagoya District Public Prosecutor's Office	Seven Consisting of debtors to failed financial institution and registrars	Unauthorized creation and use of electromagnetic records, false entries in the originals of electromagnetic records	Misusing acreage correction procedures, registered and provided to the real estate files of the Legal Affairs Bureau false details stating that the ground area had been expanded.
8	November 11, 2008	RCC	Metropolitan Police	One debtor to failed financial institutions	Attempted compulsion	Compelled the RCC lawyer to withdraw from the debtor owned real estate auction, but failed.
9	December 22, 2008	RCC	Osaka Prefecture Police	One debtor to Article 53 claims (Notes 1)	Fraud (other)	In regards to an applicant wishing to purchase land, the RCC agreed to voluntary sale, lied by saying that the mortgage could be erased, and swindled the applicant nominally and monetarily from the down payment of the buyer-seller contract.
10	January 27, 2009	DICJ RCC	Miyagi Prefecture Police	Four debtors to failed financial institution	Use of a false private document with a signature or seal Fraud (Disintermediation) (Notes 2)	Cancellation of lien by declaring the trading value of collateral property lower than the actual trading value for arbitrary sale.

Note: 1. Article 53 claims mean the claims purchased from sound Financial institutions under Article 53 of the Financial Revitalization Act.
2. Disintermediation fraud means an act of obstructing collection whereby under an agreement that lien is cancelled in exchange for appropriating proceeds from the arbitrary sale of collateral property to repayment, a debtor makes false declarations to mortgagees concerning the value of the mortgaged assets to extinguish the mortgage at a lower price and pockets the difference.

(11) Pursuit of Civil Liability via Litigation and Concilliation

(Accumulated total by March 31, 2009)

		DICJ (Notes 3)		RCC						Total	
				RCB (Notes 4)		HLAC (Notes 5)		RCC (Notes 6)			
		No. of Cases	Amount Claimed (million yen)	No. of Cases	Amount Claimed (million yen)	No. of Cases	Amount Claimed (million yen)	No. of Cases	Amount Claimed (million yen)	No. of Cases	Amount Claimed (million yen)
Management Liability (Notes 1)	Failed financial institution	17	38,132.30	15	30,238.35	—	—	87	49,263.09	119	117,633.74
	Jusen	—	—	—	—	1	3,595.00	3	900.00	4	4,495.00
Mediators Liability (Notes 2)		—	—	—	—	2	5,014.46	—	—	2	5,014.46
Total		17	38,132.30	15	30,238.35	3	8,609.46	90	50,163.09	125	127,143.20

Notes: 1. Liability pursuit against former management executives (directors, executive board members, auditors and inspectors) their bereaved families, employees and others who committed jointly illicit activities of failed financial institutions and Jusen companies.
2. Liability pursuit against financial institutions that introduced Jusen companies for financing.
3. Cases that the DICJ itself filed lawsuits as a plaintiff or was involved in lawsuits as a financial administrator of failed financial institutions.
4. Cases that the RCB itself filed lawsuits as a plaintiff or took over lawsuits that failed financial institutions had filed (except cases of Notes 3).
5. Cases that the HLAC itself filed lawsuits as a plaintiff.
6. Cases that the RCC itself filed lawsuits as a plaintiff or took over lawsuits that failed financial institutions had filed (except cases of Notes 3).
7. Figures are rounded down.

(12) Number of On-Site Inspections Implemented

As of June 30, 2009

(Unit: Number of financial institutions)

Inspection Year	Number of Financial Institutions under Inspection	Banks, etc.	Shinkin Banks	Credit Cooperatives
2001	39	2	14	23
2002	66	1	31	34
2003	100	10	56	34
2004	113	17	66	30
2005	105	14	69	22
2006	100	35	35	30
2007	100	58	29	13
2008	116	22	59	35
Total	739	159	359	221

Notes: 1. The inspection year is the working year in which the inspection was conducted (from July to June of the following year).
2. Banks, etc. include labor banks and the Rokinren Bank.
3. Shinkin banks include the Shinkin Central Bank.
4. Credit cooperatives include the National Federation of Credit Cooperatives.

(13) Outline of Funding of the DICJ (FY 2009)

Table 1. Outline of Funding Program by Account

		General Account	Crisis Management Account	Financial Revitalization Account	Early Strengthening Account	Financial Functions Strengthening Account	Damage Recovery Distribution Account
Borrowings/Issue of DICJ Bonds							
	Legal Base	Deposit Insurance Act. 42 I and II	Deposit Insurance Act. 126 I	Financial Revitalization Act. 65 I	Early Strengthening Act.16 I	Financial Functions Strengthening Act. 44 I	Criminal Accounts Damage Recovery Act. 29 I
	Ceiling	¥19 trillion (Deposit Insurance Act Order for Enforcement 2)	¥17 trillion (Deposit Insurance Act Order for Enforcement 29)	¥4 trillion (Financial Revitalization Act, Order for Enforcement 13)	¥1 trillion (Early Strengthening Act Order for Enforcement 5)	¥12 trillion (Financial Functions Strengthening Act, Order for Enforcement 33)	¥700 million Criminal Accounts Damage Recovery Act, Order for Enforcement 1
	Method (Source)	(1) Borrowings: • Financial institutions and others • Bank of Japan (2) DICJ bond issues	(1) Borrowings: • Financial institutions and others • Bank of Japan (2) DICJ bond issues	(1) Borrowings: • Financial institutions and others • Bank of Japan (2) DICJ bond issues	(1) Borrowings: • Financial institutions and others • Bank of Japan (2) DICJ bond issues	(1) Borrowings: • Financial institutions and others • Bank of Japan (2) DICJ bond issues	Borrowings: Financial institutions and others
	Spent on	• Insurance payment • Financial assistance • Purchase of deposits and other claims • Subscribing the capital to establish bridge banks • Loans, etc., to bridge banks • Loans to failed financial institutions • Others	• Share subscription, etc., by the DICJ • Financial assistance to financial institutions under public management • Financial assistance to banks under special crisis management • Others	• Asset purchase from financial institutions • Others	• Loans to contracted banks for subscribing for shares, etc. • Loss compensation for contracted banks • Others	• Loans to contracted banks for subscribing for shares and others and for purchasing trust beneficiary rights, etc. (including those under the former Organizational Restructuring Act) • Loss compensation for contracted banks, etc. • Others	• Cost required for operation of the public notice and others on the start of extinction procedures of claims related to deposits and others • Cost required for operation of the public notice and others on the start of payment procedures of damage recovery benefit distribution • Others
Government guarantee							
	Legal Base	Deposit Insurance Act 42-2	Deposit Insurance Act 126 II	Financial Revitalization Act 66	Early Strengthening Act 17	Financial Functions Strengthening Act 45	
	Appropriation in general provisions of budget in FY 2009	Within the limit approved by the Diet (¥19 trillion in the budget for FY2009)	Within the limit approved by the Diet (¥17 trillion in the budget for FY2009)	Within the limit approved by the Diet (¥4 trillion in the budget for FY2009)	Within the limit approved by the Diet (Nil in the budget for FY2009)	Within the limit approved by the Diet (¥12 trillion in the budget for FY2009)	

Notes: Regarding the legal base, Arabic numerals show the article number and Roman numerals show the paragraph number.

Table 2. Outstanding Balance of Funds Raised in Each Fiscal Year

(Unit: billion yen)

		End of FY2006	End of FY2007	End of FY2008
General Account		2,252.8	1,636.5	1,143.2
	Portions procured by the DICJ bond issues	2,180.0	1,580.0	1,080.0
Crisis Management Account		1,932.0	1,928.4	1,841.3
	Portions procured by the DICJ bond issues	1,600.0	1,600.0	800.0
Financial Revitalization Account		2,270.0	1,963.3	1,920.5
	Portions procured by the DICJ bond issues	2,270.0	1,870.0	1,670.0
Early Strengthening Account		2,800.0	1,400.0	1,000.0
	Portions procured by the DICJ bond issues	2,800.0	1,400.0	1,000.0
Financial Functions Strengthening Account		46.2	46.2	167.2
Damage Recovery Distribution Account		—	—	0.2
Total		9,301.0	6,974.4	6,072.4
	Portions procured by the DICJ bond issues	8,850.0	6,450.0	4,550.0

Notes: 1. Raising funds through DICJ bond issues under the Early Strengthening Account came into operation in October 1999.
2. Raising funds through DICJ bond issues under the General Account and the Financial Revitalization Account came into operation in April 2003.
3. Raising funds through DICJ bond issues under the Crisis Management Account came into operation in April 2004.
4. On April 1, 2005, the Financial Functions Strengthening Account succeeded the assets and liabilities belonging to the Management Base Strengthening Account.

5. Financial Statement by Account

(1) General Account

This account is for operations such as insurance payments and financial assistance within the payout cost, expected to be required in case of protecting by way of insurance payment method, when a financial institution fails. Furthermore, the special operations account, which accounted for operations of special financial assistance and others, in excess of payout cost, was abolished at the end of FY2002, and the assets and liabilities related to that account were inherited by this account.

Revenues in FY2008 totaled ¥828.6 billion, comprised of ¥611.6 billion of insurance premium revenues from financial institutions, and ¥120.0 billion revenues from share sales of the bank under special crisis management (Ashikaga Bank) held by the DICJ.
On the other hand, expenses totaled ¥361.3 billion, comprised of ¥256.7 billion of financial gift to Ashikaga Bank and others.
This resulted in ¥467.2 billion of profits this period, reducing the retained loss at fiscal yearend to ¥910.5 billion, from ¥1,377.7 billion in FY2007.
Furthermore, as mentioned above, a financial gift to the bank under special crisis management (Ashikaga Bank) was provided and the DICJ sold all Ashikaga Bank shares held by the DICJ to Ashikaga Holdings. This results in the completion of special crisis management to the bank.

(2) Crisis Management Account

This account is for operations performed in response to financial crises, after the deliberation of the Council for Financial Crises and approval of the Prime Minister.

Revenues in FY2008 totaled ¥95.1 billion, comprised of ¥67.9 billion of revenues from sales of Resona Holdings shares held by DICJ, and ¥26.9 billion dividend revenues on Resona Holdings shares.
On the other hand, expenses came to ¥16.0 billion due to interest payments and others, for capital raised to acquire Resona Holdings shares.
This resulted in profits of ¥79.0 billion this period, increasing retained earnings at fiscal yearend to ¥105.8 billion, from ¥26.7 billion in FY2007.

(3) Financial Revitalization Account

This account is for operations such as purchases of assets from sound financial institutions and others, based on Article 53 of the Financial Revitalization Act, and disposals related to banks under special public management.
Furthermore, assets and liabilities related to capital injection operations based on the former Financial Function Stabilization Act (abolished October 23, 1998) are inherited by this account.

Revenues in FY2008 totaled ¥147.6 billion, comprising ¥24.0 billion of asset purchase operation revenues, such as dividend revenues of shares purchased from banks under special public management, ¥29.6 billion of revenues from the payment of collection profit on assets which the specified contract bank (RCC) purchased from sound financial institutions and others, and ¥93.5 billion of reversal of loan loss reserves and others.
On the other hand, expenses totaled ¥133.1 billion, comprised of ¥76.5 billion of asset purchase operations expenses, such as loss on disposal of credits with warranty against defects and others, purchased from banks under special public management, ¥41.0 billion transferred to loan loss reserves and others.
This resulted in profits of ¥152.8 billion this period, with the retained loss at fiscal yearend falling to ¥323.6 billion, from ¥309.1 billion in FY2007.

(4) Early Strengthening Account

This account is for operations such as loans of funds to a contracted bank (RCC) related to capital injection operations based on the Early Strengthening Act.

Revenues in FY2008 totaled ¥29 billion, comprised of ¥5.9 billion revenues on payments profits related to capital injections operation from the contracted banks and ¥13.8 billion investment earnings of surplus, etc.
On the other hand, expenses came to ¥10 billion, due to interest payments on funds acquired for loans to the contracted banks and other.
This resulted in profits of ¥19 billion this period, increasing retained earnings at fiscal yearend to ¥1,480.2 billion, from ¥1,461.1 billion in FY2007.

(5) Jusen Account

This account is for operations related to the claim resolution company (RCC), which performs operations of management/collection/disposal, etc., of loan claims and others transferred from seven former Jusen companies, such as provision of subsidies, guarantee of debt related to borrowings, and collection of payments.

Revenues in FY2008 totaled ¥25.1 billion, comprised of ¥12.2 billion investment earnings of the Financial Stabilization Contribution Fund and others.
On the other hand, expenses totaled ¥67.3 billion, comprised of a ¥54.8 billion operations promotion subsidy for half of the secondary losses arising in RCC in FY2007, based on Article 10 of the Jusen Act and others.
This resulted in a loss of ¥42.2 billion this period, increasing retained loss at fiscal yearend to ¥405.6 billion, from ¥363.4 billion in FY2007.
Furthermore, the operations promotion subsidy is allocated from the investment earnings of the Financial Stabilization Contribution Fund, but its investments earned only ¥12.2 billion in FY2008, so accumulated accounts payable for the operations promotion subsidy came to ¥405.6 billion at the end of this fiscal year.

(6) Financial Functions Strengthening Account

This account is for operations such as loans of funds to a contracted bank (RCC) related to capital injection operations based on the Financial Function Strengthening Act.
Furthermore, the financial function revitalization account, which accounted for operations of special financial assistance and others based on Organizational Restructuring Act was abolished at the end of FY2004, with its assets and liabilities inherited by this account.

Revenues in FY2008 totaled ¥561 million, with ¥235 million in payments for earnings related to capital injection operations from contracted bank under Organizational Restructuring Act .
Meanwhile, expenses came to ¥423 million, due to interest payments on funds raised for loans to contracted banks.
This resulted in profits of ¥138 million this period, increasing fiscal yearend retained earnings to ¥696 million, from ¥557 million in FY2007.

(7) Damage Recovery Distribution Account

This account is for operations of public notice and others related to starting determination procedures on claims on deposits, for payment of distribution of funds to victims of criminal acts such as bank transfer fraud and others.

Revenues in FY2008 totaled to ¥14 million payment profit and others from financial institutions related to residue of damage recovery distribution fund.
On the other hand, expenses came to ¥200 million due to expenses required to public notices and others related to starting determination procedures on claims on deposits and others.
This resulted in a loss of ¥186 million this period.

(8) Outline of DICJ Accounts

Figures are rounded down.

Account Name	Account Outline	Surplus/Deficit (-) Recorded as of end of FY 2008	Profit/Loss (-) Recorded as of end of FY 2008	Main Factors	
General Account	• Financial assistance within payout cost during failure of financial institutions • Lending to the contracted bank regarding purchase of assets of financial institutions under the Deposit Insurance Act • Receipt of profit/compensation for loss regarding disposition of purchased assets of the contracted bank, etc. • Collection of insurance premiums	(¥910.5 billion)	¥467.2 billion	Income from deposit insurance premiums Income from payment by contracted banks Payment to the Government Income from sale of shares from a bank under special crisis management Monetary grants	¥611.6 billion ¥84.3 billion (¥81.2 billion) ¥120.0 billion (¥256.7 billion)
Crisis Management Account	• Measures against financial crises which are taken based on approval by the Prime Minister following discussion by the Council for Financial Crises. • Possesses preferred & common shares of Resona Holdings through capital injection under the Deposit Insurance Act (book value as of end of FY2008 ¥1,925.3 billion)	¥105.8 billion	¥79.0 billion	Dividends of Resona Holdings shares Profit on sale of Resona Holdings shares	¥26.9 billion ¥67.9 billion
Financial Revitalization Account	• Transactions for banks under special public management (former Long-Term Credit Bank of Japan and former Nippon Credit Bank) • Lending to the Specified Contracted Bank regarding purchase of assets from sound financial institutions under Article 53 of the Financial Revitalization Act. Receipt of profit/compensation for loss regarding disposition of purchased assets of the specified contracted bank, etc.	(¥309.1 billion)	¥14.5 billion	Income from financial assistance-related business Income from payment by specified contracted banks Financial assistance expenses Transfer to loan loss reserves Reversal from loan loss reserves	¥24.0 billion ¥29.6 billion (¥76.5 billion) (¥41.0 billion) ¥93.5 billion
Early Strengthening Account	• Lending to the contracted bank regarding capital injection under the Early Strengthening Act. • Receipt of profit / compensation for loss regarding disposition of preferred shares and others (capital injection ¥8,605.3 billion / balance ¥828.7 billion as of end of FY2008), etc., possessed by the contracted bank.	¥1,480.2 billion	¥19.0 billion	Income from payment by contracted banks	¥5.9 billion
Jusen Account	• Provision of subsidies, debt guarantees for borrowings, and receipt of payments related to the claim resolution company which recover loans and other assets transferred from seven former Jusen companies.	(¥405.6 billion)	(¥42.2 billion)	Operational subsidy Profits from managing Financial Stabilization Contribution Fund	(¥54.8 billion) ¥12.2 billion
Financial Functions Strengthening Account	• Lending to the contracted bank regarding capital injection under Financial Functions Strengthening Act (enforced from August 2004). • Receipt of profit/compensation for loss regarding disposition of preferred shares (capital injection ¥161.5 billion / balance ¥161.5 billion as of end of FY2008), etc., possessed by the contracted bank. • Capital injection application deadline is the end of March 2012. (Management Base Strengthening Account) • Lending to contracted banks for capital injection based on Organizational Restructuring Act. Receipt of profit/compensation for losses regarding subordinated loan to Kanto Tsukuba Bank, a contracted bank (full repayment on September 30, 2008 with voluntary liquidation). • Abolished at end of FY2004. (Assets and liabilities relating to this account transferred to Financial Functions Strengthening Account.)	¥0.6 billion	¥0.1 billion	Income from payment by contracted bank Compensation for loss to contracted banks	¥0.2 billion (¥0.07 billion)
Damage Recovery Distribution Account	• Collection of handling fee concerned with operations for damage recovery distribution payment • Collection or expenses/payment of residual property of Damage Recovery Distribution	(¥0.1 billion)	(¥0.1 billion)	Management fee Payment of residue of damage recovery distribution fund	(¥0.2 billion) ¥0.01 billion

Notes: The "Special Operations Account," which had been used to account for special financial assistance exceeding the payout cost, was abolished at the end of FY2002. (The assets and liabilities were transferred to the General Account.)

(9) Overview of Settlement of Accounts in FY2008

[General Account]

- Major revenues include ¥611.6 billion income from deposit insurance premiums from financial institutions, and ¥120.0 billion income from sales of Ashikaga Bank shares held by the DICJ.
- Major expenses include ¥256.7 billion monetary grants to Ashikaga Bank.
- Thus, the current profit was ¥467.2 billion, and the deficit decreased from ¥1,377.7 billion of the previous year to ¥910.5 billion.
- Assets related to contracted banks, which are major assets, decreased to ¥159.5 billion with a decrease of ¥46.7 billion accompanying the repayment of loans.
- Borrowings and DICJ bonds, which are major liabilities, decreased by ¥493.3 billion to ¥1,143.2 billion accompanying progress of the disposal of acquired assets and so forth.

Upper case figures in triangular parentheses indicate FY2007

Profit and Loss statement (Unit: million yen)

Expenses		Revenue	
Payment to the government	<120,934> 81,292	Income from deposit insurance premiums	<566,674> 611,676
Monetary grants	<1,208> 256,775	Income from sale of shares from a bank under special crisis management	<—> 120,000
Current profit	<554,882> 467,281		

Upper case figures in triangular parentheses indicate FY2007

Balance Sheet (Unit: million yen)

Assets		Liabilities and Net Assets	
Securities and others	<24,403> 45,333	Borrowings/DICJ bonds	<1,636,500> 1,143,200
Financial assistance operating assets (Hanwa assets and others)	<33,937> 32,559	Capital	<455> 455
RCC Operation assets	<206,200> 159,500	Deficit	<(1,377,784)> (910,502)

[Crisis Management Account]

- Major revenues, income from sale was ¥67.9 billion and income from dividends from Resona Holdings shares was ¥26.9 billion.
- Major expenses, interest on DICJ bonds related to fund procurement for the acquisition of Resona Holdings stock and so forth was ¥15.9 billion.
- Thus, the current profit was ¥79.0 billion, and the surplus increased from ¥26.7 billion of the previous year to ¥105.8 billion.
- Borrowing and DICJ bonds, which are major liabilities, decreased by ¥87.1 billion to ¥1,841.3 billion accompanying income from sale of shares and increase in dividend revenue.

Upper case figures in triangular parentheses indicate FY2007

Profit and Loss statement (Unit: million yen)

Expenses		Revenue	
Non-operating expenses	<16,131> 15,996	Dividend of Resona Holding shares	<19,688> 26,975
Current profit	<3,568> 79,098	Profit on sale of Resona Holdings shares	<—> 67,987

Upper case figures in triangular parentheses indicate FY2007

Balance Sheet (Unit: million yen)

Assets		Liabilities and Net Assets	
Resona Holdings shares	<1,957,270> 1,925,258	Borrowing/DICJ bonds	<1,928,400> 1,841,300
		Earned surplus	<26,733> 105,832

[Jusen Account]

- Major revenues, the operating income of Financial Stabilization Contribution Funds was ¥12.2 billion.
- Major expenses, operation promotion subsidy, which cover an amount equivalent to one half of the secondary losses that were incurred at the claim resolution company (RCC) in FY2007 and so forth, were ¥54.8 billion.
- Thus, the current deficit was ¥42.2 billion, and the deficit brought forward increased from ¥363.4 billion of the previous year to ¥405.6 billion.
- Accounts payable to RCC, which are major liabilities, increased by ¥42.2 billion to ¥405.6 billion. (the same amount as that of deficit).

Upper case figures in triangular parentheses indicate FY2007

Profit and Loss statement (Unit: million yen)

Expenses		Revenue	
Business promotion subsidy (equivalent to one half of the secondary losses)	<35,586> 54,850	Operating income of contribution funds	<13,416> 12,278
		Current deficit	(22,211) 42,246

Upper case figures in triangular parentheses indicate FY2007

Balance Sheet (Unit: million yen)

Assets		Liabilities and Net Assets	
Assets from stabilization contribution funds	<909,121> 908,796	RCC payable	<363,438> 405,684
RCC shares	<200,000> 200,000	Stabilization contribution funds	<1,009,121> 1,008,796
		Deficit	<(363,438)> (405,684)

[Financial Revitalization Account]

- Major revenue, income from financial assistance-related business associated with income from dividends from shares purchased from a bank which is under special public management was ¥24.0 billion, while income from disposal profit payment related to Article 53 assets acquired from RCC was ¥29.6 billion.
- Major expenses, financial assistance-related business expenses such as disposal loss for trust stocks purchased from banks under special public management and credit for guarantee against defects was ¥76.5 billion.
- Thus, the current profit was ¥14.5 billion, and the deficit decreased from ¥323.6 billion of the previous year to ¥309.1 billion.
- Financial assistance-related assets from banks under special public management, which are major assets, decreased to ¥1,638.2 billion with a decrease of ¥67.0 billion accompanying income from the disposal of stocks, ¥8.8 billion, and that of credit for guarantee against defects, ¥58.2 billion.
- Borrowing and DICJ bonds, which are major liabilities, decreased by ¥42.8 billion to ¥1,920.5 billion accompanying progress in the disposal of assets purchased.

Upper case figures in triangular parentheses indicate FY2007

Profit and Loss statement (Unit: million yen)

Expenses		Revenue	
Operating expenses for purchase of assets (shares and credit for guarantee against defects related)	<39,360> 76,549	Income from financial assistance-related business of assets (shares and credit for guarantee against defects related)	<52,925> 24,065
Transfer to loan loss reserves (credit for guarantee against defects)	<93,520> 41,010	Income from RCC payment (proceeds from the disposal of assets under Article 53	<54,491> 29,682
Current profit	<152,830> 14,520	Reversal from loan loss reserves	<128,362> 93,520

Upper case figures in triangular parentheses indicate FY2007

Balance Sheet (Unit: million yen)

Assets		Liabilities and Net Assets	
Securities and others	<9,279> 2,398	Borrowings/DICJ bonds	<1,963,300> 1,920,500
Purchased assets (shares and non-performing loans)	<1,705,344> 1,638,254	Deficit	<(323,664)> (309,144)
RCC loans	<16,400> 10,900		

[Early Strengthening Account]

- Major revenue, income from payment of disposal profit of capital injection assets from RCC and others is ¥5.9 billion and income from operating surplus (non-operating revenue) is ¥13.8 billion.
- Major expenses, interest on DICJ bonds related to fund raising for loans to RCC and so forth was ¥9.9 billion.
- Thus, current profit was ¥19 billion, and the surplus increased from ¥1,461.6 billion of the previous year to ¥1,480.2 billion.
- RCC loans, which are major assets, decreased by ¥474.5 billion to ¥780.8 billion accompanying progress in the disposal of capital injection assets.
- DICJ bonds, which are major liabilities, decreased by ¥400.0 billion to ¥1,000.0 billion accompanying progress in the disposal of capital injection assets.

Upper case figures in triangular parentheses indicate FY2007

Profit and Loss statement (Unit: million yen)

Expenses		Revenue	
Non-operating expenses	<12,735> 9,974	Income from RCC payment	<711,120> 5,980
Current profit	<722,487> 19,051	Non-operating revenue	<13,426> 13,810

Upper case figures in triangular parentheses indicate FY2007

Balance Sheet (Unit: million yen)

Assets		Liabilities and Net Assets	
Securities and others	<1,604,106> 1,697,157	DICJ bonds	<1,400,000> 1,000,000
RCC loans	<1,255,396> 780,855	Earned surplus	<1,461,170> 1,480,222

[Financial Functions Strengthening Account]

- Major revenue, income from the payment of operating profit of capital injection assets from RCC under the Act on Organizational Restructuring Act was ¥235 million.
- Major expenses, compensation for losses to RCC related to capital injection assets under Financial Functions Strengthening Act was ¥70 million.
- Thus, current profit was ¥138 million, and the surplus increased from ¥557 million of the previous year to ¥696 million.
- RCC loans, which are a major asset, increased by ¥115.1 billion to ¥161.7 billion accompanying capital injection based on revised Financial Functions Strengthening Act.
- Borrowings, which are a major liability, increased ¥121.0 billion to ¥167.2 billion accompanying capital injection based on revised Financial Functions Strengthening Act.

Upper case figures in triangular parentheses indicate FY2007

Profit and Loss statement (Unit: million yen)

Expenses		Revenue	
Compensation for RCC Losses	<82> 70	Income from RCC payment	<227> 235
Current profit	<111> 138		

Upper case figures in triangular parentheses indicate FY2007

Balance Sheet (Unit: million yen)

Assets		Liabilities and Net Assets	
RCC loans	<46,600> 161,700	Borrowings	<46,200> 167,200
		Earned surplus	<557> 696

[Damage Recovery Distribution Account]

- Main revenues, income from the payment from financial institution related to damage recovery benefit contribution residue ¥14 million.
- Main expenses, general administrative expenses the public notices related to starting determination procedures on claims on deposits ¥200 million.
- Thus, current deficit was ¥186 million.
- Borrowings, which are major liabilities was ¥210 million.

Profit and Loss statement (Unit: million yen)

Expenses		Revenue	
General administrative expenses	200	Income from payment of residue from damage recovery distribution fund	14
		Current deficit	186

Balance Sheet (Unit: million yen)

Assets		Liabilities and Net Assets	
Cash and deposits	37	Borrowings	210
		Deficit	(186)

[Reference]

Borrowings and DICJ bonds balance (account total) (Unit: million yen)

Item	March 31, 2009	March 31, 2008	Difference
Borrowings	1,522,410	524,400	998.010
DICJ bonds	4,550,000	6,450,000	(1,901,000)
Total	6,072,410	6,974,400	(901,990)

General Administrative Expenses (account total) (Unit: million yen)

Item	March 31, 2009	March 31, 2008	Difference
Labor cost	3,228	3,248	(20)
Non-personal expenses	3,968	3,370	597
(of which system administrative expenses)	2,122	1,527	594
Total	7,196	6,619	577

Changes of Accounting Principal

Accounting processing criteria of government-affiliated corporation were amended based on the enforcement of Companies Act and became unified with accounting criteria of private companies.

1. Changes in Balance Sheet
   Capital → Net assets
2. Abolishment of carried-over assets
   The difference of DICJ bonds issuing cost → Accounted for as DICJ bonds issuing cost, which is direct credit of the DICJ bonds, in the item of liabilities.
   DICJ bonds issuing cost → Accounted as administrative expenses for DICJ bonds at the time of expenses.

(10) Balance Sheets, and Profit and Loss Statements

(i) General Account

Balance Sheet

(Unit: million yen)

Assets			Liabilities and Net Assets		
Item	As of March 31, 2009	(Reference) As of March 31, 2008	Item	As of March 31, 2009	(Reference) As of March 31, 2008
(Current Assets)	46,557	25,460	(Current Liabilities)	1,143,855	557,119
Cash and Deposit	371	437	Short-term Borrowings	63,200	56,500
Short-term Loans	1,421	21,335	DICJ Bonds (due for redemption within 1 year)	1,080,000	500,000
Money Deposited	351	236	Discount on DICJ Bonds (due for redemption within 1 year)	(19)	(4)
Securities	43,912	3,068	Accounts Payable	322	317
Suspense Payments	173	193	Accrued Expenses Payable	331	256
Prepaid Expenses	3	10	Money on Deposit	20	21
Accrued Income	323	176	Suspense Receipts	0	28
Accounts Receivable	0	1			
Loan Loss Reserves	(0)	(0)	(Fixed Liabilities)	197	1,080,046
			DICJ Bonds (due for redemption within 1 year)	-	1,080,000
(Fixed Assets)	187,447	234,377	Discount on DICJ Bonds	-	(100)
Financial Assistance Related Assets	23,255	23,463	Reserves for Retirement Allowance	197	147
Purchased Assets	32,559	33,937			
Loan Loss Reserves	(9,304)	(10,474)	(Liabilities Total)	(1,144,052)	(1,637,166)
Assets Related to Contracted Bridge Bank					
Subsidiary Stock	4,170	4,170	(Capital)	455	455
Assets Related to Contracted Bank	159,500	206,200	Government Capital	150	150
Contracted Bank Shares	12,000	12,000	Bank of Japan Capital	150	150
Loans for Contracted Bank	147,500	194,200	Private Capital	155	155
Tangible Fixed Assets	257	286			
Buildings	203	224	(Deficit)	(910,502)	(1,377,784)
Tools/Equipments/Fixtures	54	62	Deficit Brought Forward	(1,377,784)	(1,932,667)
Intangible Fixed Assets	2	2	Current Profit	467,281	554,882
Investment and Other Assets					
Guarantee Money and Other Security Deposits	262	254	(Net Assets Total)	(910,047)	(1,377,329)
Total	234,005	259,837	Total	234,005	259,837

Notes: 1. In order to compare with the figures at the end of FY2008, the figures at the end of FY2007 were entered in line with accounting processing criteria such as government-affiliated corporations amended based on the enforcement of the Companies Act.
2. Figures are rounded down.

Profit and Loss Statement

(Unit: million yen)

Expenses			Revenues		
Item	FY2008	(Reference) FY2007	Item	FY2008	(Reference) FY2007
(Current Expenses)	361,326	148,656	(Current Revenue)	828,608	703,539
Financial Assistance Expenses	257,715	1,805	Income from Deposit Insurance Premiums		
Grants	256,775	1,208	Deposit Insurance Premiums	611,676	566,674
Loss on sales of Purchased Assets	892	78	Income from Financial Assistance-related Business	35	81
Administrative Expenses for Purchased Assets	18	442	Income from Purchased Assets	14	64
Cost of Commissioning Management and Collection Business	28	75	Profit on Sales of Purchased Assets	21	16
Refunds of Insurance Premiums for Prior Periods	49	67	Income from Sales of Shares from a Bank under Special Crisis Management	120,000	-
Payments to Government	81,292	120,934	Income from Contracted Bank Business	85,511	124,690
General Administrative Expenses	6,204	5,263	Interest on Loans to Contracted Bank	1,130	1,299
Transfer to Loan Loss Reserves	9,304	10,474	Income from Payment by Contracted Bank	84,380	123,390
Non-operating Expenses	6,761	10,110	Income from Contribution by Contracted Bridge Bank	34	34
Interest on Borrowing	970	798	Refunded Grants	656	868
Interest on DICJ Bonds	5,785	8,619	Reversal from Loan Loss Reserves	10,474	10,711
Administrative Expenses for DICJ Bonds	5	29	Non-operating Income	220	479
Amortization of DICJ Bond Issuing Cost	-	663			
Miscellaneous Expenses	-	0			
(Extraordinary Expenses)					
Loss from Retirement of Fixed Assets	0	0			
(Current Profit)	467,281	554,882			
Total	828,608	703,539	Total	828,608	703,539

The notes below refer to the items mentioned for the FY2008 settlement of accounts.

Notes: 1. Current profit of ¥467,178 million for this fiscal year is used to decrease loss brought forward from the previous fiscal year, pursuant to the Reinforcement Regulations.

2. In order to compare with the figures at the end of FY2008, the figures at the end of FY2007 were entered in line with accounting processing criteria such as government-affiliated corporations amended based on the enforcement of the Companies Act.

3. Figures are rounded down.

● Important Accounting Principles and Other Relevant Matters

1. Evaluation Method for Securities

Cost method based on the periodic average method.

2. Depreciation Method for Fixed Assets

   Fixed installment method using the criteria under the Corporation Tax Act. The aggregate depreciation amount is as follows:

   Financial assistance operating assets ¥20 million

   Tangible Fixed Assets ¥262 million

3. Appropriation Criteria for Reserves

   (1) Loan Loss Reserves

   For claims related to debtors for whom statutory facts of business failure (e.g. bankruptcy or composition) have occurred, or debtors in an equivalent position, the estimated disposable collateral and estimated recoverable amount through guarantees are subtracted from the amount of the claim, and the remainder is aggregated. For debtors who face or are highly likely to face serious problems in the repayment of debts although not yet in a state of business failure, the estimated amount recovered through collateral, etc., and the estimated amount recovered in light of the debtors' financial status and business performance are reduced from the amount of the claim, the remainder being aggregated as loan loss reserves. Claims other than the above are aggregated on the basis of a bad debt ratio deemed reasonable.

   (2) Reserves for Retirement Allowance

   The required remuneration at the end of the fiscal year is used as the criteria for appropriating reserves in preparation for payment of retirement allowances for employees.

4. Other Important Matters relating to Preparation of Financial Statements

   (1) Accounting method for consumption tax: tax inclusive method

   (2) Depreciation method of DICJ Bonds Issuing Cost

   Discount on DICJ Bonds: equal depreciation over the period up to the term of bond redemption

   (3) Accounting criteria for revenue and expenses: accrual method

   (4) Other

   Regarding income from contracted banks under the provision of Article 7 of the Supplementary Provisions of Deposit Insurance Act, the DICJ received the payments statement prepared under the account settlement for FY2008 from the RCC (Contracted Bank) on June 3, 2009. In the RCC, the payments are accounted for in FY2008, but in the DICJ, they are accounted for as revenue in the following fiscal year in accordance with the provision of Article 4, paragraph 2 of the Accounting Regulations. An amount of profit or loss which could arise from such accounting is estimated at ¥48,428 million.

5. Changes in Important Accounting Principles

   (1) Changes in Accounting Processing Criteria of Government-affiliated Corporations

   From the current fiscal year, accounting processing criteria of amended government-affiliated corporations is applied for compilation

   (2) Changes in the way item “net asset” is described in Balance Sheet

   Up to the previous fiscal year, items “asset,” “liabilities,” and “capital” were described separately in Balance Sheet, according to the amendment of accounting processing criteria of government-affiliated corporations, from the current fiscal year on, items “asset,” “liabilities,” and “net asset” are described separately. Furthermore, the change does not cause any difference from item “capital.”

   (3) Changes in accounting processing method of DICJ Bonds issuing cost

   According to the amendment of accounting processing criteria of government-affiliated corporations, Discount on DICJ Bonds accounted as carried-out assets in the previous fiscal year is accounted as liabilities, which is the indirect credit of DICJ Bonds from the current fiscal year.

(ii) Crisis Management Account

Balance Sheet

(Unit: million yen)

Assets			Liabilities and Net Assets		
Item	**As of March 31, 2009**	**(Reference) As of March 31, 2008**	**Item**	**As of March 31, 2009**	**(Reference) As of March 31, 2008**
(Current Assets)	26,250	426	(Current Liabilities)	1,045,355	1,130,512
Cash and Deposits	5	42	Short-term Borrowings	1,041,300	328,400
Short-term Loans	316	177	DICJ Bonds (due for redemption within 1 year)	-	800,000
Securities	25,785	-	Discount on DICJ Bonds (due for redemption within 1 year)	-	(23)
Accrued Income	143	207	Accounts Payable	0	0
Accounts Receivable	0	0	Accrued Expenses Payable	4,054	2,135
(Fixed Assets)	1,925,258	1,957,270	(Fixed Liabilities)	800,320	800,450
Acquired Stocks	1,925,258	1,957,270	DICJ Bonds	800,000	800,000
Tangible Fixed Assets			Discount on DICJ Bonds	319	450
Tools/Equipments/Fixtures	0	-	Reserves for Retirement Allowance	0	0
			(Liabilities Total)	1,845,675	1,930,962
			(Surplus)		
			Earned Surplus	105,832	26,733
			Accumulated Fund	26,733	23,165
			Current Profit	79,098	3,568
			(Net Assets Total)	105,832	26,733
Total	1,951,508	1,957,696	Total	1,951,508	1,957,696

Notes: 1. In order to compare with the figures at the end of FY2008, the figures at the end of FY2007 were entered in line with accounting processing criteria such as government-affiliated corporations amended based on the enforcement of the Companies Act.
2. Figures are rounded down.

Profit and Loss Statement

(Unit: million yen)

Expenses			Revenues		
Item	**FY2008**	**(Reference) FY2007**	**Item**	**FY2008**	**(Reference) FY2007**
(Current Expenses)	16,023	16,142	(Current Revenue)	95,122	19,711
Purchased Assets Expenses			Income from Operations such as the Acquisition of Shares	94,962	19,688
Administrative Expenses for Purchased Assets Disposal	2	-	Dividends of Purchased Shares, etc.	26,975	19,688
General Administrative Expenses	24	10	Profit on Sale of Purchased Shares, etc.	67,987	-
Non-operating Expenses	15,996	16,131	Non-operating Revenue	159	22
Interest in Borrowing	4,902	2,587			
Interest on DICJ Bonds	11,087	13,538			
Administrative Expenses for Borrowings	0	-			
Administrative Expenses for DICJ Bonds	5	6			
(Current Profit)	79,098	3,568			
Total	95,122	19,711	Total	95,122	19,711

The notes below refer to the items mentioned for the FY2008 settlement of accounts.

Notes: 1. Current profit of ¥79,098 million is added to the accumulated fund for the next fiscal year, pursuant to the provision of Article 3 of the Deposit Insurance Act Reinforcement Regulations.
2. Figures are rounded down.

● Important Accounting Principles and Other Relevant Matters

1. Evaluation Method for Securities
   Cost method based on the periodic average method.
2. Depreciation Method for Fixed Assets
   Fixed installment method using the criteria under the Corporation Tax Act. The aggregate depreciation amount is as follows:
   Tangible fixed assets: ¥123
3. Appropriation Criteria for Reserves
   Reserves for Retirement Allowance
   The required remuneration at the end of the fiscal year is used as the criterion for appropriating reserves in preparation for payment of retirement allowances for employees.
4. Other Important Matters Relating to Preparation of Financial Statements
   (1) Accounting method for consumption tax: tax inclusive method
   (2) Depreciation method of DICJ Bonds Issuing Cost
   Discount on DICJ Bonds: equal depreciation over the period up to the term of bond redemption.
   (3) Accounting criteria for revenue and expenses: accrual method
   (4) Others
   Because an interest swap transaction involved in interest payment on DICJ Bonds (receive-fixed, pay-floating interest rate swap) meets the requirement of exceptional treatment, the net amount of receipts and payment of interest rate swap transactions is accounted for by adding to or subtracting from the interest on DICJ Bonds. This resulted in the interest payment on DICJ Bonds increasing by ¥611 million (in the previous fiscal year, an increase of ¥989 million).
5. Changes of Important Accounting Procedures
   (1) Changes in Accounting Processing Criteria of Government-affiliated Corporations
   From the current fiscal year, accounting processing criteria of amended government-affiliated corporations is applied for compilation.
   (2) Changes in the way item “net asset” is described in Balance Sheet
   Up to the previous fiscal year, items “asset,” “liabilities,” and “capital” were described separately in the Balance Sheet, according to the amendment of accounting processing criteria of government-affiliated corporations, from the current fiscal year on, items “asset,” “liabilities,” and “net asset” are described separately. Furthermore, the change does not cause any difference from the item “capital.”
   (3) Changes in accounting processing method of DICJ Bonds issuing cost
   According to the amendment of accounting processing criteria of government-affiliated corporations, Discount on DICJ Bonds accounted as carried-out assets in the previous fiscal year is accounted as liabilities, which is the indirect credit of DICJ Bonds from the current fiscal year.

(iii) Financial Revitalization Account

Balance Sheet

(Unit: million yen)

Assets			Liabilities and Net Assets		
Item	**As of March 31, 2009**	**(Reference) As of March 31, 2008**	**Item**	**As of March 31, 2009**	**(Reference) As of March 31, 2008**
(Current Assets)	4,057	12,024	(Current Liabilities)	821,273	794,130
Cash and Deposits	81	452	Short-term Borrowings	250,500	93,300
Short-term Loans	403	4,803	DICJ Bonds (due for redemption within 1 year)	570,000	700,000
Money Deposited	801	858	Discount on DICJ Bonds (due for redemption within 1 year)	(62)	36
Securities	1,995	4,476	Accounts Payable	221	352
Suspense Payments	13	140	Accrued Expenses Payable	485	256
Prepaid Expenses	42	77	Advance Payments Received	31	32
Accrued Income	531	739	Suspense Receipts	97	152
Accounts Receivable	189	475			
Loan Loss Reserves	(0)	(0)	(Fixed Liabilities)	1,100,098	1,169,865
			DICJ Bonds	1,100,000	1,170,000
(Fixed Assets)	1,608,170	1,628,252	Discount on DICJ Bonds	77	(172)
Financial Assistance Related Assets	1,597,243	1,611,823	Reserves for Retirement Allowance	21	38
Purchased Assets	1,638,254	1,705,344			
Loan Loss Reserves	(41,010)	(93520)	(Liabilities Total)	1,921,372	1,963,996
Tangible Fixed Assets	19	22			
Buildings	11	12	(Deficit)	(309,144)	(323,664)
Tools/Equipments/Fixtures	7	10	Deficit Brought Forward	(323,664)	(476,495)
Intangible Fixed Assets	0	0	Current Profit	14,520	152,830
Investment and Other Assets	10,907	16,406			
Loan to Specified Contracted Bank	10,900	16,400	(Net Assets Total)	(309,144)	(323,664)
Guarantee Money and Other Security Deposits	7	6			
(Deferred Changes)					
DICJ Bonds Issuing Cost	-	55			
Total	1,612,227	1,640,331	Total	1,612,227	1,640,331

Notes: 1. In order to compare with the figures at the end of FY2008, the figures at the end of FY2007 were entered in line with accounting processing criteria of government-affiliated corporations amended based on the enforcement of the Companies Act.
Furthermore, issuance expenses of the DICJ bonds apply as before.
2. Figures are rounded down.

Profit and Loss Statement

(Unit: million yen)

Expenses			Revenues		
Item	FY2008	(Reference) FY2007	Item	FY2008	(Reference) FY2007
(Current Expenses)	133,112	149,398	(Current Revenue)	147,632	302,229
Administrative Expenses for Purchased Assets	76,549	39,360	Income from Financial Assistance-related Business	24,065	52,925
Loss on Sales of Purchased Assets	54,526	38,876	Income from Purchased Assets	21,578	23,781
Assets Purchasing Operation Expenses	238	333	Profit on Sales of Purchased Assets	2,487	29,144
Cost of Commissioning Management and Collection Business	113	149	Income from Payment by Specified Contracted Bank	29,682	54,491
Compensation for Purchased Asset Losses	21,670	-	Income from Payment by Contracted Bank	90	65,947
General Administrative Expenses	429	1,000	Interest on Loans to Specified Contracted Bank	125	191
Transfer to Loan Loss Reserves	41,010	93,520	Interest on Loans to Contracted Bank	-	0
Non-operating Expenses	15,122	15,517	Reversal from Loan Loss Reserves	93,520	128,362
Interest on Borrowing	472	213	Non-operating Revenues	148	311
Interest on DICJ Bonds	14,314	14,318			
Administrative Expenses for Borrowings	-	0			
Administrative Expenses for DICJ Bonds	280	41			
Amortization of DICJ Bonds Issuing Cost	55	944			
(Extraordinary Expenses)					
Loss from Retirement of Fixed Assets	-	0			
(Current Total)	14,520	152,830			
Total	147,632	302,229	Total	147,632	302,229

The notes below refer to the items mentioned for the FY2008 settlement of accounts.

Notes: 1. Current profit of ¥14,520 million is used to decrease loss brought forward from the previous fiscal year, pursuant to the provision of Article 25, paragraph 2 of the Financial Revitalization Act Enforcement Regulation.

2. In order to compare with the figures at the end of FY2008, the figures at the end of FY2007 were transferred in line with accounting processing criteria of government-affiliated corporations amended based on the enforcement of the Companies Act.

3. Figures are rounded down.

● Important Accounting Principles and Other Relevant Matters

1. Evaluation Method for Securities
   Cost method based on the periodic average method.
2. Depreciation Method for Fixed Assets
   Fixed installment method using the criteria under the Corporation Tax Act. The aggregate depreciation amount is as follows:
   Tangible fixed assets ¥17 million

3. Appropriation Criteria for Reserves
   (1) Loan Loss Reserves
   For claims related to debtors for whom statutory facts of business failure (e.g. bankruptcy or composition) have occurred, or debtors in an equivalent position, the estimated disposable collateral and estimated recoverable amount through guarantees are subtracted from the amount of the claim, and the remainder is aggregated.
   (2) Reserves for Retirement Allowance
   The required remuneration at the end of the fiscal year is used as the criterion for appropriating reserves in preparation for payment of retirement allowances for employees.
4. Other Important Matters relating to Preparation of Financial Statements
   (1) Accounting method for consumption tax: tax inclusive method
   (2) Depreciation Method of DICJ Bonds Issuing Cost
   Discount on DICJ Bonds: equal depreciation over the period up to the term of bond redemption.
   (3) Appropriating method of DICJ Bonds Issuing Cost
   All the expenses are accounted for at the time of expenses. DICJ Bonds Issuing Cost for DICJ Bonds issued prior to the previous fiscal year: equal depreciation over the period up to the terms of bond redemption
   (4) Accounting criteria for revenue and expenses: accrual method
   (5) Other
   Regarding income from contracted banks under the provision of Article 53 of the Financial Revitalization Act, the DICJ received the payments statement prepared under the account settlement for FY2008 from the RCC (Contracted Bank) on June 1, 2009. In the RCC, the payments are accounted for as expenses in FY2008, but in the DICJ, they are accounted for as revenue in the following fiscal year in accordance with the provision of Article 4, paragraph 2 of the Accounting Regulations. An amount of profit or loss which could arise from such accounting for is estimated at ¥12,099 million in the following fiscal year.
5. Changes in Important Accounting Principles
   (1) Changes in Accounting Processing Criteria of Government-affiliated Corporations
   From the current fiscal year, accounting processing criteria of amended government-affiliated corporations is applied for compilation.
   (2) Changes in the way item “net asset” is described in Balance Sheet
   Up to the previous fiscal year, items “asset,” “liabilities,” and “capital” were described separately in the Balance Sheet, according to the amendment of accounting processing criteria of government-affiliated corporations, from the current fiscal year on, items “asset,” “liabilities,” and “net asset” are described separately. Furthermore, the change does not cause any difference from the item “capital.”
   (3) Changes in accounting processing method of DICJ Bonds issuing cost
   According to the amendment of accounting processing criteria of government-affiliated corporations, Discount on DICJ Bonds accounted as carried-out assets in the previous fiscal year is accounted as liabilities, which is the indirect credit of DICJ Bonds from the current fiscal year.
   Furthermore, as for DICJ Bonds issued in the current fiscal year, the whole amount was accounted for as an administrative fee of DICJ Bonds at the time of issuance. The amount of profit or loss which could arise from such accounting is small.

(iv) Early Strengthening Account

Balance Sheet

(Unit: million yen)

Assets			Liabilities and Net Assets		
Item	As of March 31, 2009	(Reference) As of March 31, 2008	Item	As of March 31, 2009	(Reference) As of March 31, 2008
(Current Assets)	1,699,693	1,606,215	(Current Liabilities)	149	400,193
Cash and Deposit	13	38	DICJ Bonds (due for redemption within 1 year)	-	400,000
Short-term Loans	343	1,480	Discount on DICJ Bonds (due for redemption within 1 year)	-	9
Securities	1,696,814	1,602,626	Accounts Payable	3	2
Suspense Payments	2	41	Accrued Expenses Payable	146	180
Accrued Income	2,520	2,029			
Accounts Receivable	0	0	(Fixed Liabilities)	1,000,181	1,000,252
			DICJ Bonds	1,000,000	1,000,000
(Fixed Assets)	780,860	1,255,401	Discount on DICJ Bonds	178	250
Tangible Fixed Assets	3	3	Reserves for Retirement Allowance	3	2
Buildings	2	3			
Tools/Equipment/Fixtures	0	0	(Liabilities Total)	1,000,331	1,400,446
Intangible Fixed Assets	0	0			
Investment and Other Assets	780,856	1,255,397	(Surplus)		
Loans for Contracted Bank	780,855	1,255,396	Earned Surplus	1,480,222	1,461,170
Guarantee Money and Other Security Deposits	1	1	Accumulated Funds	1,461,170	738,683
			Current Profit	19,051	722,487
			(Net Assets Total)	1,480,222	1,461,170
Total	2,480,553	2,861,617	Total	2,480,553	2,861,617

Notes: 1. In order to compare with the figures at the end of FY2008, the figures at the end of FY2007 were entered in line with accounting processing criteria of government-affiliated corporations amended based on the enforcement of the Companies Act.
2. Figures are rounded down.

Profit and Loss Statement

(Unit: million yen)

Expenses			Revenues		
Item	**FY2008**	**(Reference) FY2007**	**Item**	**FY2008**	**(Reference) FY2007**
(Current Expenses)	10,035	12,799	(Current Revenue)	29,087	735,287
General Administrative Expenses	61	63	Income from the Contracted Bank	5,980	711,120
Non-operating Expenses	9,974	12,735	Interest on Loans to Contracted Bank	9,296	10,740
Interest on DICJ Bonds	9,969	12,676	Non-operating Income	13,810	13,426
Administrative Expenses for DICJ Bonds	4	59			
(Extraordinary Expenses)					
Loss from Retirement of Fixed Assets	-	0			
(Current Profit)	19,051	722,487			
Total	29,087	735,287	Total	29,087	735,287

The notes below refer to the items mentioned for the FY2008 settlement of accounts.

Notes: 1. Current profit of ¥19,051 million is added to the accumulated fund for the next fiscal year, pursuant to the provisions in the Regulations.
2. In order to compare with the figures at the end of FY2008, the figures at the end of FY2007 were entered in line with accounting processing criteria of government-affiliated corporations amended based on the enforcement of the Companies Act.
3. Figures are rounded down.

● Important Accounting Principles and Other Relevant Matters

1. Evaluation Method for Securities
   Cost method based on the periodic average method.
2. Depreciation Method for Fixed Assets
   Fixed installment method using the criteria under the Corporation Tax Act. The aggregate depreciation amount is as follows:
   Tangible fixed assets: ¥3 million
3. Appropriation Criteria for Reserves
   Reserves for Retirement Allowance
   The required remuneration at the end of the fiscal year is used as the criterion for appropriating reserves in preparation for payment of retirement allowance for employees.
4. Other Important Matters Relating to Preparation of Financial Statements
   (1) Accounting method for consumption tax: tax inclusive method
   (2) Depreciation method of DICJ Bonds Issuing Cost
   Discount on DICJ Bonds: equal depreciation over the period up to the term of bond redemption
   (3) Accounting criteria for revenue and expenses: accrual method
   (4) Others
   Regarding income from contracted banks under the provisions of Article 13 of the Early Strengthening Act, the DICJ received settlement from the RCC (Contracted Bank) on May 29, 2009. In the RCC, the payments are accounted for in FY2008, but in the DICJ they were accounted for as expenses for the following fiscal year under the provisions of Article 4, paragraph 2 of the Accounting Regulations.
   The amount of profit or loss which could arise from such accounting is estimated at ¥36,859 million in the account.
5. Changes in Important Accounting Principles
   (1) Changes in Accounting Processing Criteria of Government-affiliated Corporations
   From the current fiscal year, accounting processing criteria of amended government-affiliated corporations is applied for compilation.
   (2) Changes in the way item "net asset" is described in the Balance Sheet
   Up to the previous fiscal year, items "asset," "liabilities," and "capital" were described separately in the Balance Sheet, according to the amendment of accounting processing criteria of government-affiliated corporations, from the current fiscal year on, items "asset," "liabilities," and "net asset" are described separately. Furthermore, the change does not cause any difference from the item "capital."
   (3) Changes in accounting processing method of DICJ Bonds issuing cost
   According to the amendment of accounting processing criteria of government-affiliated corporations, Discount on DICJ Bonds accounted as carried-out assets in the previous fiscal year is accounted as liabilities, which is the indirect credit of DICJ Bonds from the current fiscal year.

(v) Jusen Account

Balance Sheet

(Unit: million yen)

Assets			Liabilities and Net Assets		
Item	As of March 31, 2009	(Reference) As of March 31, 2008	Item	As of March 31, 2009	(Reference) As of March 31, 2008
(Current Assets)	5,037	5,060	(Current Liabilities)	405,710	363,488
Cash and Deposits	30	54	Accounts Payable	405,690	363,449
Securities	4,994	4,994	Advance Payments Received	19	39
Accrued Income	11	11			
Accounts Receivable	0	0	(Fixed Liabilities)	979,254	1,054,261
			Reserves for Retirement Allowance	11	10
(Fixed Assets)	1,988,039	2,063,372	Repayable Payments Received from Bank of Japan	100,000	100,000
Tangible Fixed Assets	40	46	Charges against Assets Allotted in Operation	142	148
Buildings	37	41	Loan Guarantees	879,100	954,103
Tools/Equipments/Fixtures	3	4			
Intangible Fixed Assets	1	1	(Statutory Reserves)		
Investment and Other Assets	1,987,997	2,063,325	Financial Stabilization Fund	1,008,796	1,009,121
Assets Relating to Financial Stabilization Fund	908,796	909,121	Counterpart of Private-sector Contributions	1,007,000	1,007,000
Shares of Affiliated Companies	200,000	200,000	Counterpart of Operating Income	1,796	2,121
Guarantee Money and Other Security Deposits	101	100			
Per contra on Loan Guarantees	879,100	954,103	(Liabilities Total)	2,393,761	2,426,871
			(Capital)		
			Government Capital	5,000	5,000
			(Deficit)	(405,684)	(363,438)
			Deficit Brought Forward	(363,438)	(341,227)
			Current Deficit	(42,246)	(22,211)
			(Net Assets Total)	(400,684)	(358,438)
Total	1,993,076	2,068,433	Total	1,993,076	2,068,433

Notes: 1. In order to compare with the figures at the end of FY2008, the figures at the end of FY2007 were transferred in line with accounting processing criteria of government-affiliated corporations amended based on the enforcement of the Companies Act.

2. Figures are rounded down.

Profit and Loss Statement

(Unit: million yen)

Expenses			Revenues		
Item	**FY2008**	**(Reference) FY2007**	**Item**	**FY2008**	**(Reference) FY2007**
(Current Expenses)	67,385	49,247	(Current Revenue)	25,138	27,036
Grant For Claim Resolution Company			Income from Investment		
Operation Promotion Company	54,850	35,586	Income from Investment of Financial Stabilization Fund	12,278	13,416
General Administrative Expenses	255	244	Income from Special Operations Contributions	161	149
Transfer to Financial Stabilization Fund	12,278	13,416	Reversal from Financial Stabilization Fund	12,604	13,375
			Non-operating Income	88	88
			Reversal from Charge Against Assets	5	6
			Allotted in Operation		
(Extraordinary Expenses)			(Current Deficit)	42,246	22,211
Loss from Retirement of Fixed Assets	0	0			
Total	67,385	49,247	Total	67,385	49,247

The notes below refer to the items mentioned for the FY2008 settlement of accounts.

Notes: 1. Current deficit of ¥42,246 million is carried forward to the next fiscal year, pursuant to the provisions of Article 5, paragraph 2.
2. Figures are rounded down.

● Important Accounting Principles and Other Relevant Matters

1. Evaluation Method for Securities
   Cost method based on the periodic average method.
2. Depreciation Method for Fixed Assets
   Fixed installment method using the criteria under the Corporation Tax Act. The aggregate depreciation amount is as follows:
   Tangible fixed assets: ¥62 million
3. Appropriation Criteria for Reserves
   (1) Reserves for Retirement Allowance
   The required remuneration at the end of the fiscal year is used as the criteria for appropriating reserves in preparation for payment of retirement allowances for employees.
   (2) Financial Stabilization Fund
   Contributions made by financial institutions which were investors or creditors of Jusen companies and interest income, etc., to the provisions of Article 9, paragraph 1, and Article 9, paragraph 2, of the Jusen Act, respectively, for investment in companies for the smooth implementation of their business.
4. Other Important Matters Relating to Preparation of Financial Statements
   (1) Accounting method for consumption tax: tax inclusive method
   (2) Accounting criteria for revenue and expenses: accrual method
   (3) Others
   As for the granting of a subsidy to the Claim Resolution Company under the provisions of Article 10 of the Jusen Act, the grant for FY2008 under the accounts settlement from RCC, the Claim Resolution Company, on June 2, 2009. In RCC, this grant is an expense in the following fiscal year under the provisions of Article 4, paragraph 2 of the Accounting Regulations.
   The amount of profit or loss which could arise from such accounting is estimated at ¥38,648 million in the following fiscal year.
5. Changes of Important Accounting Procedures
   (1) Changes in Accounting Processing Criteria of Government-affiliated Corporations
   From the current fiscal year, accounting processing criteria of amended government-affiliated corporations is applied for compilation.
   (2) Changes in the way item “net asset” is described in the Balance Sheet
   Up to the previous fiscal year, items “asset,” “liabilities,” and “capital” were described separately in the Balance Sheet, according to the amendment of accounting processing criteria of government-affiliated corporations, from the current fiscal year on, items “asset,” “liabilities,” and “net asset” are described separately. Furthermore, the change does not cause any difference from the item “capital.”

(vi) Financial Functions Strengthening Account

Balance Sheet

(Unit: million yen)

Assets			Liabilities and Net Assets		
Item	As of March 31, 2009	(Reference) As of March 31, 2008	Item	As of March 31, 2009	(Reference) As of March 31, 2008
(Current Assets)	6,451	431	(Current Liabilities)	167,454	37,472
Cash and Deposit	8	105	Short-term Borrowing	158,200	37,200
Short-term Loans	230	64	Long-term Borrowing (repayment within 1 year)	9,000	-
Securities	5,993	-	Accounts Payable	2	1
Accrued Income	219	261	Accrued Expense Payable	252	271
Accounts Receivable	0	0			
			(Fixed Liabilities)	0	9,001
(Fixed Assets)	161,700	46,600	Long-term Borrowing	-	9,000
Tangible Fixed Assets	0	0	Reserves for Retirement Allowance	0	1
Buildings	0	0			
Tools/Equipments/Fixtures	0	0	(Liabilities Total)	167,455	46,474
Investments and Other Assets	161,700	46,600			
Loans for Contracted Bank	161,700	46,600	(Surplus)		
Guarantee Money and Other Security Deposits	0	0	Earned Surplus	696	557
			Accumulated Funds	557	446
			Current Profit	138	111
			(Net Assets Total)	696	557
Total	168,152	47,031	Total	168,152	47,031

Notes: 1. In order to compare with the figures at the end of FY2008, the figures at the end of FY2007 were entered in line with accounting processing criteria such as government-affiliated corporations amended based on the enforcement of the Companies Act.
2. Figures are rounded down.

Profit and Loss Statement

(Unit: million yen)

Expenses			Revenues		
Item	FY2008	(Reference) FY2007	Item	FY2008	(Reference) FY2007
(Current Expenses)	423	460	(Current Revenue)	561	571
Compensation of Loss of the Contracted Bank	70	82	Income from Payment by Contracted Banks	235	227
General Administrative Expenses	20	34	Interest on Loans to Specified Contracted Bank	311	343
Non-operating Expense			Non-operating Income	13	0
Interest in Borrowing	331	343			
(Current Profit)	138	111			
Total	561	571	Total	561	571

The notes below refer to the items mentioned for the FY2008 settlement of accounts.

Notes: 1. Current profit ¥138 million is added to the accumulated fund for the next fiscal year pursuant to the provision of Article 4, paragraph 1 of the Order Regulating Financial Functions Strengthening Operations of the DICJ.

2. In order to compare with the figures at the end of FY2008, the figures at the end of FY2007 were entered in line with accounting processing criteria such as government-affiliated corporations amended based on the enforcement of the Companies Act.

3. Figures are rounded down.

● Important Accounting Principles and Other Relevant Matters

1. Evaluation Method for Securities
   Cost method based on the periodic average method
2. Depreciation Method for Fixed Assets
   Fixed installment method using the criteria under the Corporation Tax Act. The aggregate depreciation amount is as follows:
   Tangible Fixed Assets ¥279,000
3. Appropriation Criteria for Reserves
   Reserves for Retirement Allowance
   The required remuneration at the end of the fiscal year is used as the criteria for appropriating reserves in preparation for payment of retirement allowances for employees.
4. Other Important Matters Relating to Preparation of Financial Statements
   (1) Accounting method for consumption tax: tax inclusive method
   (2) Accounting criteria for revenue and expenses: accrual method
   (3) Other
      i) Regarding income from contracted banks under the provision of Article 29 of the Organization Restructuring Act before being amended, based on Article 2 of the Supplementary Provisions of the Financial Functions Strengthening Act, which was deemed still effective by the provision of Article 4 of the Supplementary Provision of the Act concerned, the DICJ received the payment statement prepared under the account settlement for FY2008 from the RCC (Contracted Bank) on May 29, 2009. In the RCC, the payments were accounted for FY2008, but in the DICJ, they are accounted for as revenue in the following fiscal year in accordance with the provision of Article 4, paragraph 2 of the Accounting Regulations. The amount of profit or loss which could arise from such accounting is estimated at ¥133 million in the following year.
      ii) Regarding income from contract banks under the provision of Article 41, the DICJ received the payment statement prepared under the account settlement for FY2008 from the RCC (Contract Ban), on May 29. In the RCC the payments are accounted for in FY2008, but in the DICJ, they are accounted for as revenue in the following year. An amount of profit or loss which could arise from such accounting is estimated at ¥349 million.
5. Changes of Important Accounting Procedure
   (1) Changes in Accounting Processing Criteria of Government-affiliated Corporations
   From the current fiscal year, accounting processing criteria of amended government-affiliated corporations is applied for compilation.
   (2) Changes in the way item "net asset" is described in the Balance Sheet
   Up to the previous fiscal year, items "asset," "liabilities," and "capital" were described separately in the Balance Sheet, according to the amendment of accounting processing criteria of government-affiliated corporations, from the current fiscal year on, items "asset," "liabilities," and "net asset" are described separately. Furthermore, the change does not cause any difference from the item "capital."

(vii) Damage Recovery Distribution Account

Balance Sheet

(Unit: million yen)

Assets			Liabilities and Net Assets		
Item	As of March 31, 2009		Item	As of March 31, 2009	
(Current Assets)	37		(Current Liabilities)	219	
Cash and Deposits	37		Short-term Borrowings	210	
Accounts Receivable	0		Accounts Payable	9	
(Fixed Assets)			(Fixed Liabilities)		
Tangible Fixed Assets			Reserves for Retirement Allowance	5	
Tools/Equipments/Fixtures	0				
			(Liabilities Total)	224	
			(Deficit)		
			Current Deficit	(186)	
			(Net Assets Total)	(186)	
Total	37		Total	37	

Notes: Figures are rounded down.

Profit and Loss Statement

(Unit: million yen)

Expenses			Revenues		
Item	FY2008		Item	FY2008	
(Current Expenses)	200		(Current Revenue)	14	
General Administrative Expenses	200		Income from Payment of Damage Recovery Distribution Residual Fund	14	
Non-operating Expenses			Non-operating Income	0	
Interest on Borrowings	0				
			(Current Deficit)	186	
Total	200		Total	200	

The notes below refer to the items mentioned for the FY2008 settlement of account.

Notes: 1. Current lost ¥186 million is added to carried-over loss for the next fiscal year, pursuant to the provision of the Article 3 order on special case of operations of the DICJ provided in Article 5 of Act on Damage Recovery Benefit Distributed from Funds in Bank Accounts Used for Crime.

2. Figures are rounded down.

● Important accounting principles and others

1. Depreciation Method for Fixed Assets
   Fixed installment method using the criteria under the Corporation Tax Act. The aggregate depreciation amount is as follows:
   Tangible Fixed Assets ¥7,000
2. Appropriation Criteria for Reserves
   Reserves for Retirement Allowance
   The required remuneration at the end of the fiscal year is used as the criterion for appropriating for payment of allowances for employees.
3. Other Important Matters relating to Preparation of Financial Statements
   (1) Accounting method for consumption tax: tax inclusive method
   (2) Accounting criteria for revenue and expenses: accrual method

6. Statistical Tables

Table 1. Income and Expenditures

(General Account)

(Unit: million yen)

Fiscal Year (ending on March 31)	Income			Expenditure	Net Earnings	Deposit Insurance Fund (end of FY)
	Insurance Premiums	Paid into Special Operations Funds	Total (including other)			
1971	2,800	—	3,090	23	3,066	3,066
1972	4,560	—	5,030	43	4,987	8,053
1973	5,638	—	6,369	40	6,328	14,381
1974	6,364	—	7,563	57	7,505	21,887
1975	7,214	—	8,958	61	8,896	30,784
1976	8,402	—	10,739	69	10,670	41,454
1977	9,401	—	12,252	78	12,174	53,629
1978	10,571	—	14,024	105	13,919	67,548
1979	11,818	—	16,084	95	15,988	83,536
1980	12,767	—	18,392	104	18,288	101,825
1981	13,631	—	20,314	127	20,187	122,012
1982	20,107	—	28,209	119	28,090	150,103
1983	21,624	—	31,519	123	31,396	181,500
1984	23,232	—	34,769	118	34,650	216,151
1985	25,274	—	38,569	134	38,435	254,586
1986	40,739	—	55,236	140	55,096	309,683
1987	44,195	—	62,015	155	61,860	371,543
1988	48,759	—	68,021	143	67,878	439,421
1989	53,757	—	74,333	146	74,187	513,608
1990	60,381	—	87,944	156	87,788	601,396
1991	63,202	—	95,154	166	94,987	696,384
1992	63,149	—	94,411	20,169	74,241	770,626
1993	63,792	—	96,081	46,137	49,944	820,570
1994	64,972	—	98,140	42,680	55,459	876,030
1995	66,643	—	111,581	601,033	(489,452)	386,578
1996	461,992	—	532,743	1,314,428	(781,684)	(395,106)
1997	462,956	—	464,317	163,228	301,089	(94,017)
1998	465,003	1,199,232	1,675,820	2,769,430	(1,093,610)	(1,187,627)
1999	480,736	3,645,679	4,216,932	4,926,059	(709,127)	(1,896,755)
2000	482,837	3,640,683	4,204,983	5,453,792	(1,248,809)	(3,145,565)
2001	511,087	667,547	1,288,209	1,940,875	(652,666)	(3,798,231)
2002	509,944	1,589,874	2,502,074	2,710,347	(208,273)	(4,006,504)
2003	522,106	—	742,728	230,070	512,657	(3,493,847)
2004	529,386	—	656,581	139,783	516,798	(2,977,048)
2005	537,769	—	740,157	218,034	522,122	(2,454,926)
2006	540,496	—	754,717	232,457	522,259	(1,932,667)
2007	566,674	—	703,539	148,656	554,882	(1,377,784)
2008	611,676	—	828,608	361,326	467,281	(910,502)

Notes: 1. Figures for FY1996, except for inter-account transfers, are the total for the general account, the special account for general financial institutions, and the special account or credit cooperatives.
2. Figures for FY1997 to FY2002, except for inter-account transfers, are the total for the general account and the special operations account.
3. Figures are rounded down.

Table 2. Insured Deposits and Deposit Insurance Fund

(Unit: billion yen, %)

Fiscal Year (ending on March 31)	Deposits of Insured Financial Institutions			Deposit Insurance Fund	
	Total (A)	Insured (B)	Percentage of Insured Deposits (B/A)	Amount	Ratio of Deposit Insurance Fund to Insured Deposits
1971	81,194.7	72,253.0	89.0	3.0	0.004
1972	102,833.3	90,863.5	88.4	8.0	0.009
1973	116,312.7	104,186.7	89.6	14.3	0.014
1974	129,839.0	116,631.5	89.8	21.8	0.019
1975	150,629.5	136,197.8	90.4	30.7	0.023
1976	169,410.4	153,636.2	90.7	41.4	0.027
1977	189,872.9	172,002.1	90.6	53.6	0.031
1978	213,416.8	192,942.1	90.4	67.5	0.035
1979	235,571.3	209,822.2	89.1	83.5	0.040
1980	255,141.1	227,184.8	89.0	101.8	0.045
1981	285,301.3	251,345.8	88.1	122.0	0.049
1982	305,115.2	270,301.4	88.6	150.1	0.056
1983	331,490.5	290,402.5	87.6	181.5	0.062
1984	362,385.1	315,927.8	87.2	216.1	0.068
1985	407,760.2	339,108.6	83.2	254.5	0.075
1986	453,845.5	366,709.3	80.8	309.6	0.084
1987	515,952.1	404,748.5	78.4	371.5	0.092
1988	594,626.7	446,396.8	75.1	439.4	0.098
1989	685,242.0	501,597.7	73.2	513.6	0.102
1990	703,458.9	526,686.0	74.9	601.3	0.114
1991	694,900.5	526,242.7	75.7	696.3	0.132
1992	695,013.6	531,607.0	76.5	770.6	0.145
1993	704,975.2	541,444.8	76.8	820.5	0.152
1994	710,349.8	555,711.2	78.2	876.0	0.158
1995	717,604.3	550,600.5	76.7	386.5	0.070
1996	713,479.8	551,270.8	77.3	(395.1)	—
1997	705,772.0	556,393.5	78.8	(94.0)	—
1998	703,259.9	572,729.9	81.4	(1,187.6)	—
1999	698,382.0	575,717.4	82.4	(1,896.7)	—
2000	728,863.8	611,512.7	83.9	(3,145.5)	—
2001	718,543.4	609,374.8	84.8	(3,798.2)	—
2002	708,597.2	622,556.3	87.9	(4,006.5)	—
2003	709,811.2	627,257.9	88.4	(34,938.0)	—
2004	720,145.2	634,504.6	88.1	(2,977.0)	—
2005	724,834.7	643,507.7	88.8	(2,454.9)	—
2006	724,768.9	646,937.8	89.3	(1,932.6)	—
2007	805,758.2	723,947.6	89.8	(1,377.7)	—
2008	852,909.1	767,364.5	90.0	(910.5)	—

Notes: 1. Total deposits include installment savings, account receivables, money in trust, foreign currency deposits, and negotiable certificates of deposit.
2. Insured deposits exclude deposits, etc., under Article 3 and Article 3-2 of the Deposit Insurance Act Enforcement Regulations (in FY2003, the specific settlement debts based on Article 69-2 of the Deposit Insurance Act are added to this amount).
3. Concerning the balance of deposits of insured financial institutions, the amount stated in the insurance premium statements which were submitted at the time of the first payment are stated. The balance of deposits, based on which the insurance premium is calculated, has been shifted from an end-of-term basis to an average-balance basis since FY2001.
4. Amounts for the Deposit Insurance Fund for FY1996 show the total amount for the general account, the special account for general financial institutions, and the special account for credit cooperatives.
5. Amounts for the Deposit Insurance Fund for FY1997 to FY2002 are the total for the general account and the special operations account.

Table 3. Insured Deposits by Sector of Financial Institutions

(Unit: billion yen)

Fiscal Year (ending on March 31)	Banks						Shinkin Banks	Credit Cooperatives	Labor Banks	Federations	Total	Fiscal Year (ending on March 31)
	City Banks	Regional Banks	Regional Banks II	Trust Banks	Long-Term Credit Banks	Sub-Total						
1971	29,188.7	15,582.0	7,228.8	7,511.6	1,263.7	60,775.0	9,160.6	2,317.2	-	-	72,253.0	1971
1972	36,165.2	19,788.1	9,245.9	9,489.0	1,716.1	76,404.5	11,602.9	2,856.0	-	-	90,863.5	1972
1973	39,037.6	23,497.1	11,280.6	10,760.8	1,928.7	86,505.0	14,195.5	3,486.1	-	-	104,186.7	1973
1974	42,209.5	26,536.8	13,019.3	12,312.3	2,055.3	96,133.4	16,346.8	4,151.2	-	-	116,631.5	1974
1975	49,227.5	30,983.9	15,088.6	14,465.9	2,493.5	112,259.6	19,008.0	4,930.1	-	-	136,197.8	1975
1976	54,967.5	34,935.7	16,881.8	16,887.3	2,753.8	126,426.3	21,639.4	5,570.4	-	-	153,636.2	1976
1977	61,697.8	39,221.4	18,945.1	19,158.3	2,849.5	141,872.3	23,944.0	6,185.7	-	-	172,002.1	1977
1978	68,034.6	44,717.0	21,614.9	21,616.3	2,943.7	158,926.8	27,083.7	6,931.5	-	-	192,942.1	1978
1979	71,684.6	49,556.1	23,851.8	23,544.9	3,090.7	171,728.2	30,371.6	7,722.3	-	-	209,822.2	1979
1980	77,550.1	53,474.3	25,761.9	25,497.9	3,288.4	185,572.7	33,162.8	8,449.2	-	-	227,184.8	1980
1981	85,876.8	59,497.7	28,471.2	28,085.0	3,504.3	205,435.2	36,603.6	9,307.0	-	-	251,345.8	1981
1982	90,962.9	64,099.1	30,573.2	31,417.5	3,630.5	220,683.3	39,491.0	10,127.0	-	-	270,301.4	1982
1983	98,093.4	68,333.0	32,444.7	34,761.6	3,816.4	237,449.3	42,074.7	10,878.4	-	-	290,402.5	1983
1984	107,585.0	76,232.6	33,195.1	37,522.8	4,128.4	258,664.2	45,606.9	11,656.6	-	-	315,927.8	1984
1985	117,048.6	79,947.6	34,460.5	37,963.7	4,119.6	273,540.2	48,412.1	12,372.2	4,784.0	-	339,108.6	1985
1986	128,829.3	86,621.8	37,045.2	39,813.6	4,172.6	296,482.7	51,909.3	13,187.8	5,129.4	-	366,709.3	1986
1987	145,975.0	95,995.9	40,019.0	41,304.2	4,689.8	327,984.1	56,738.4	14,551.4	5,474.5	-	404,748.5	1987
1988	158,959.8	107,207.4	44,179.1	46,063.8	5,154.0	361,564.3	62,574.5	16,349.4	5,908.5	-	446,396.8	1988
1989	180,209.3	120,168.4	47,904.3	50,384.1	6,369.1	405,035.5	70,972.5	19,172.4	6,417.1	-	501,597.7	1989
1990	184,899.5	125,264.3	50,722.6	55,185.0	5,657.9	421,729.6	76,734.8	21,307.2	6,914.2	-	526,686.0	1990
1991	175,188.3	129,149.0	51,681.5	57,126.2	4,377.6	417,522.6	79,876.1	21,473.7	7,370.2	-	526,242.7	1991
1992	169,169.0	133,250.4	52,707.7	59,378.9	4,469.1	418,975.4	82,933.0	21,854.2	7,844.3	-	531,607.0	1992
1993	169,657.0	137,050.6	53,879.5	59,841.5	4,347.2	424,776.0	85,735.4	22,588.5	8,344.8	-	541,448.8	1993
1994	172,413.8	142,630.5	55,794.6	58,628.8	4,540.3	434,071.2	89,632.1	23,158.3	8,849.4	-	555,711.2	1994
1995	170,717.2	144,615.1	55,864.0	52,825.0	4,547.5	428,676.3	91,224.1	21,512.7	9,187.3	-	550,600.5	1995
1996	168,766.4	147,132.3	55,817.9	51,923.5	4,566.7	428,206.9	92,552.2	20,976.2	9,535.3	-	551,270.8	1996
1997	172,244.4	150,615.2	55,549.1	49,482.5	4,587.8	432,488.4	93,725.7	20,098.7	10,080.5	-	556,393.5	1997
1998	178,508.3	154,772.0	58,990.5	49,445.4	5,090.1	446,811.9	96,118.6	19,267.4	10,531.9	-	572,729.9	1998
1999	181,490.1	160,421.9	53,932.7	48,496.1	4,582.5	448,926.7	97,371.8	18,440.3	10,978.4	-	575,717.4	1999
2000	193,100.6	174,359.8	55,917.7	48,794.2	7,016.7	479,229.2	102,201.5	17,853.9	11,709.6	518.5	611,512.70	2000
2001	200,167.1	173,500.6	55,325.8	45,994.1	2,993.5	478,098.3	101,747.7	16,599.3	12,303.8	625.6	609,374.8	2001
2002	216,243.7	176,510.1	52,708.5	43,587.8	3,908.4	493,256.5	100,918.5	14,562.8	13,088.7	729.5	622,556.3	2002
2003	220,185.7	173,472.8	53,875.5	42,053.6	4,318.5	494,460.9	103,442.0	15,015.6	13,527.2	811.9	627,257.9	2003
2004	224,233.5	177,158.8	52,179.7	40,145.5	-	498,979.2	105,328.6	15,399.3	13,899.4	897.9	634,504.6	2004
2005	229,128.6	179,096.6	52,829.0	38,610.6	-	505,949.5	107,099.2	15,769.0	14,151.8	538.1	643,507.7	2005
2006	227,746.9	181,409.6	53,047.4	37,436.3	-	507,250.9	108,753.3	15,879.8	14,455.2	598.4	646,937.8	2006
2007	227,932.9	185,427.6	54,059.5	36,935.2	-	580,399.1	111,513.8	16,170.7	14,860.0	1,003.9	723,947.6	2007
2008	229,688.6	193,291.8	54,740.3	38,099.9	-	617,836.8	113,842.3	16,330.0	15,336.3	4,018.8	767,364.5	2008

Notes: 1. Regional Banks II are Member Banks of the Second Association of Regional Banks. Up to FY1991, inclusive of Sogo Banks (mutual financing banks). Up to FY1987, figures are for Sogo Banks only.
2. From FY2000, the Shinkin Central Bank and others were added.
3. Long Term Credit Banks are included in the Banks total from FY2004.
4. Payment should be made in the year following the year of calculation.
5. From FY2008, Shoko Chukin Bank was newly calculated into the Federations account.

Table 4. Number of Insured Financial Institutions

Fiscal Year (ending on March 31)	Banks						Shinkin Banks	Credit Coopera-tives	Labor Banks	Federa-tions	Other	Total (Notes 2)
	City Banks	Regional Banks	Regional Banks II (Notes 1)	Trust Banks	Long-Term Credit Banks	Sub-Total						
1971	14	61	71	7	3	156	483	524	—	—	—	1,163
1972	14	63	72	7	3	159	484	508	—	—	—	1,151
1973	13	63	72	7	3	158	484	498	—	—	—	1,140
1974	13	63	72	7	3	158	476	492	—	—	—	1,126
1975	13	63	72	7	3	158	471	489	—	—	—	1,118
1976	13	63	71	7	3	157	469	488	—	—	—	1,114
1977	13	63	71	7	3	157	468	490	—	—	—	1,115
1978	13	63	71	7	3	157	466	486	—	—	—	1,109
1979	13	63	71	7	3	157	462	484	—	—	—	1,103
1980	13	63	71	7	3	157	461	476	—	—	—	1,094
1981	13	63	71	7	3	157	456	474	—	—	—	1,087
1982	13	63	71	7	3	157	456	469	—	—	—	1,082
1983	13	63	71	7	3	157	456	469	—	—	—	1,082
1984	13	64	69	7	3	156	456	462	—	—	—	1,074
1985	13	64	69	11	3	160	456	449	—	—	—	1,065
1986	13	64	68	16	3	164	455	447	47	—	—	1,113
1987	13	64	68	16	3	164	455	440	47	—	—	1,106
1988	13	64	68	16	3	164	455	419	47	—	—	1,085
1989	13	64	68	16	3	164	454	415	47	—	—	1,080
1990	12	64	68	16	3	163	451	408	47	—	—	1,069
1991	11	64	68	16	3	162	440	398	47	—	—	1,047
1992	11	64	66	16	3	160	435	394	47	—	—	1,036
1993	11	64	65	21	3	164	428	384	47	—	—	1,023
1994	11	64	65	23	3	167	421	374	47	—	—	1,009
1995	11	64	65	30	3	174	416	370	47	—	—	1,007
1996	10	64	65	33	3	176	410	364	47	—	—	997
1997	10	64	64	33	3	176	401	352	47	—	—	976
1998	9	64	61	34	3	173	396	323	41	—	—	933
1999	9	64	60	33	3	171	386	292	41	—	—	890
2000	9	64	57	31	3	167	372	281	40	3	—	863
2001	7	64	56	29	3	164	349	247	21	3	—	784
2002	7	64	53	27	2	158	326	191	21	3	—	699
2003	7	64	50	27	2	155	306	181	13	3	—	658
2004	7	64	48	27	1	154	298	175	13	3	—	643
2005	6	64	47	24	1	148	292	172	13	3	—	628
2006	6	64	46	23	0	147	287	168	13	3	—	618
2007	6	64	45	22	0	149	281	164	13	3	—	610
2008	6	64	44	22	0	149	279	162	13	3	1	607

Notes: 1. Regional Banks II are Member Banks of the Second Association of Regional Banks. Up to FY1991, inclusive of Sogo Banks (mutual financing banks). Up to FY1987, figures are for Sogo Banks only.
2. Financial institutions ordered to be placed under the management of the Financial Administrators are included.

7. Other

(1) International Relations

(i) International Association of Deposit Insurers (IADI) List of Participants

1) Member Organizations (Deposit insurers: 52 organizations from 51 countries/regions) (As of March 31, 2009)

Asia	(1)	Japan: Deposit Insurance Corporation of Japan
	(2)	Indonesia: Indonesia Deposit Insurance Corporation
	(3)	Bangladesh: Bangladesh Bank
	(4)	Taiwan: Central Deposit Insurance Corporation
	(5)	India: Deposit Insurance and Credit Guarantee Corporation
	(6)	Vietnam: Deposit Insurance of Vietnam
	(7)	Hong Kong: Hong Kong Deposit Protection Board
	(8)	Kazakhstan: Kazakhstan Deposit Insurance Fund
	(9)	Korea: Korea Deposit Insurance Corporation
	(10)	Malaysia: Malaysia Deposit Insurance Corporation
	(11)	Philippines: Philippine Deposit Insurance Corporation
	(12)	Singapore: Singapore Deposit Insurance Corporation
	(13)	Thailand: Deposit Protection Agency
North America	(14)	Canada: Authorité des marchés financiers (Québec)
	(15)	Canada: Canada Deposit Insurance Corporation
	(16)	United States: Federal Deposit Insurance Corporation
Central and South America	(17)	Trinidad and Tobago: Deposit Insurance Corporation
	(18)	Bahamas: Deposit Insurance Corporation, Central Bank of The Bahamas
	(19)	Venezuela: Fondo de Garantía de Depósitos y Protección Bancaria
	(20)	Colombia: Fondo de Garantías de Instituciones Financieras
	(21)	Peru: Fondo de Seguro de Depósitos
	(22)	Brazil: Fundo Garantidor de Créditos
	(23)	El Salvador: Instituto de Garantía de Depósitos
	(24)	Mexico: Instituto para la Protección al Ahorro Bancario
	(25)	Jamaica: Jamaica Deposit Insurance Corporation
	(26)	Nicaragua: Fondo de Garantía de Depósitos de las Instituciones Financieras
	(27)	Argentina: Seguro de Depósitos Sociedad Anónima
	(28)	Ecuador: Agencia de Garantía de Depósitos
	(29)	Uruguay: Banco Central del Uruguay, Superintendencia de Protección del Ahorro Bancario
	(30)	Guatemala: Banco de Guatemala, como Administrador del Fondo para la Protección del Ahorro
	(31)	Barbados: Barbados Deposit Insurance Corporation
Europe	(32)	Albania: Albanian Deposit Insurance Agency
	(33)	Bulgaria: Bulgarian Deposit Insurance Fund
	(34)	Rumania: Deposit Guarantee Fund in the Banking System
	(35)	Russia: Deposit Insurance Agency
	(36)	Bosnia and Herzegovina: Deposit Insurance Agency of Bosnia and Herzegovina
	(37)	Czech: Deposit Insurance Fund
	(38)	France: Fonds de Garantie des Dépôts
	(39)	Hungary: National Deposit Insurance Fund of Hungary
	(40)	Sweden: Swedish National Debt Office
	(41)	Ukraine: Deposit Guarantee Fund
	(42)	Poland: Bank Guarantee Fund
	(43)	United Kingdom: Financial Services Compensation Scheme
Middle East and Africa	(44)	Morocco: Fonds Collectif de Garantie des Dépôts
	(45)	Sudan: Bank Deposit Security Fund of Sudan
	(46)	Tanzania: Deposit Insurance Board of Tanzania
	(47)	Zimbabwe: Deposit Protection Board
	(48)	Kenya: Deposit Protection Fund Board
	(49)	Lebanon: Institut National de Garantie des Dépôts
	(50)	Jordan: Jordan Deposit Insurance Corporation
	(51)	Nigeria: Nigeria Deposit Insurance Corporation
	(52)	Turkey: Savings Deposit Insurance Fund of Turkey

2) Associates (Entities that are considering the establishment of a deposit insurance system or other entities that are part of a financial safety net: 6 entities from 6 countries)

Asia	(1) Philippines: Bangko Sentral ng Pilipinas
	(2) Mongol: Bank of Mongolia
	(3) Thailand: Bank of Thailand
	(4) Singapore: Monetary Authority of Singapore
Europe, Africa	(5) Algeria: Bank of Algeria
	(6) South Africa: The National Treasury

3) Observers (Interested parties such as professional firms and others: 5 organizations from 4 countries/regions)

Asia	(1) Hong Kong: Excel Technology International Holdings Limited
North America	(2) United States: BearingPoint, Inc.
	(3) Canada: Deloitte & Touche LLP
	(4) Canada: Goodmans LLP
	(5) United Kingdom: KPMG Inc.

4) Partners (International organizations, etc.: 12 organizations)

(1)	Asian Development Bank Institute
(2)	European Bank for Reconstruction and Development
(3)	European Forum of Deposit Insurers
(4)	International Monetary Fund
(5)	The South East Asian Central Banks (SEACEN) Research and Training Centre
(6)	The Toronto International Leadership Centre for Financial Sector Supervision
(7)	Association of Supervisors of Banks of the Americas
(8)	Centro de Estudios Monetarios Latinoamericanos
(9)	Inter-American Development Bank
(10)	Union of Arab Banks
(11)	Office of Technical Assistance, US Department of the Treasury, International Affairs
(12)	The World Bank

Number of IADI participants

Category	Number of Countries/Regions	Number of Entities
Member	51	52
Associate	6	6
Observer	4	5
Partner		12
Total	54	75

(Reference: Standing and Regional Committees)

● Standing Committees
- Governance Committee
- Finance and Planning Committee
- Research and Guidance Committee
- Membership and Communication Committee
- Training and Conference Committee
- Audit Committee

● Regional Committees
- Africa Regional Committee
- Asia Regional Committee
- Caribbean Regional Committee
- Eurasia Regional Committee
- Latin America Regional Committee
- Europe Regional Committee
- Middle East and North Africa Committee

(ii) Program and Participants at the 4th DICJ Round Table

1. Program

<table>
<tr><th></th><th>February 25, 2009</th><th>February 26, 2009</th></tr>
<tr><td rowspan="3">Morning</td><td>Session 1
“Systemic issues on dealing with and managing financial crises from the deposit insurers’ viewpoint”</td><td>Session 2
“Specific issues and case studies of recent bank resolution”</td></tr>
<tr><td>(1) Keynote presentation
Masaaki Shirakawa, Governor, Bank of Japan
“Coping with financial crises: Japan’s experiences and current global financial crisis”
Nobusuke Tamaki, Executive Advisor to the Governor, DICJ
“Conventional and unconventional measures for an unconventional crisis”</td><td>(1) Keynote presentation
Shunichi Nagata, Governor, DICJ
Keynote Speech
“Lessons from Japan’s financial crisis”
Yosuke Kawakami, Executive Director, DICJ
“Resolving bank failures and systemic crisis”</td></tr>
<tr><td>(2) Experiences in member countries
① John Bovenzi, COO & Deputy Chairman, Federal Deposit Insurance Corporation, U.S.A.
“Presentation on Financial Market Conditions”
② Andras Fekete-Gyor, Deputy Managing Director, National Deposit Insurance Fund of Hungary
“The macro economic situation in Hungary and measures for the financial crisis”</td><td>(2) Experiences in member countries
① John Bovenzi, COO & Deputy Chairman, Federal Deposit Insurance Corporation, U.S.A.
“Major bank transactions in 2008 involving the FDIC”
② Peter Smith, Manager, Banking & Compensation Reform, Financial Services Authority, U.K.
“Specific issues and case studies of recent bank resolutions”</td></tr>
<tr><td rowspan="3">Afternoon</td><td>(3) Comments from member countries and regions
① Firdaus Djaelani, CEO, Indonesia Deposit Insurance Corporation
② Annie Cheng, Director, Resolution Dept., Central Deposit Insurance Corporation, Taiwan
③ Nguyen Manh Dung, Deputy General Director, Deposit Insurance of Vietnam
④ David Walker, Director, Policy & International Affairs, Canada Deposit Insurance Corporation</td><td>(3) Comments from member countries
① Nikolay Evstratenko, Deputy Head, Planning and Strategic Department, Deposit Insurance Agency, Russia
② Yvonne Wong, Senior Project Manager, Monetary Authority of Singapore</td></tr>
<tr><td>(4) Discussion and wrap-up</td><td rowspan="2">(4) Discussion and wrap-up</td></tr>
<tr><td>Special lecture on the International Association of Deposit Insurers
(1) On Core Principles
(David Walker, Director, Policy & International Affairs, Canada Deposit Insurance Corporation)
(2) Measures the International Association of Deposit Insurers promotes
(Don Inscoe, Secretary General, International Association of Deposit Insurers)</td></tr>
</table>

2. Organizations Participating from Abroad (15 countries/regions, 16 organizations, International Association of Deposit Insurers)

Speaker	Canada	Canada Deposit Insurance Corporation
	Hungary	National Deposit Insurance Fund of Hungary
	United Kingdom	Financial Services Authority
	United States	Federal Deposit Insurance Corporation
	—	International Association of Deposit Insurers
Commentator	Indonesia	Indonesia Deposit Insurance Corporation
	Russia	Deposit Insurance Agency
	Singapore	Monetary Authority of Singapore
	Taiwan	Central Deposit Insurance Corporation
	Vietnam	Deposit Insurance of Vietnam
	Hong Kong	Hong Kong Deposit Protection Board
	India	Deposit Insurance & Credit Guarantee Corporation
Observer	Korea	Korea Deposit Insurance Corporation
	Malaysia	Malaysia Deposit Insurance Corporation
	Philippines	Philippine Deposit Insurance Corporation
	Thailand	Bank of Thailand
	Thailand	Deposit Protection Agency

The 4th Round Table participants

(iii) Visits Paid and Received in Relation to International Operations

1) Technical Assistance

a. Sending expert officials abroad

Date	Purpose	Location
May 12-14, 2008	Holding of and participation in the seminars for Deposit Insurance of Vietnam, the Bank of the Lao PDR and Laos Depositor Protection Fund	Vietnam (Ho Chi Minh), Laos (Vientiane)
October 12-15, 2008	Participation in International Joint Study Visit organized by Philippine Deposit Insurance Corporation	Philippines (Manila)
March 9-15, 2009	Holding of and participation in international workshop at Deposit Insurance of Vietnam and Deposit Protection Agency of Thailand	Vietnam (Hanoi), Thailand (Bangkok)

b. Acceptance of trainees from overseas

Date	Visitor	Organizer/Name of training
November 17-18, 2008	Employees of the Vietnamese government and central bank	Seminar on Financial policy advisor C/P training organized by Japan International Cooperation Agency "Operation of bank supervising"
January 28, 2009	Employees of the governments and central banks of Southeast Asian countries	Seminar for Strengthening financial system organized by Japan International Cooperation Agency

2) International Exchanges

a. International Association of Deposit Insurers (IADI)

Date	Purpose	Location
June 9-14, 2008	Attendance at the Executive Council, Standing Committee, etc.	Czech (Prague)
July 6-13, 2008	Participation in IADI training session as a lecturer	U.S.A. (Washington, D.C.)
August 31-September 6, 2008	Participation in IADI training session as a lecturer	Taiwan (Taipei)
September 18-21, 2008	Participation in the Joint Conference with the Basel Committee for reviewing the IADI core principles	U.K. (London)
October 25-November 3, 2008	Participation in the 7th Annual meeting, Executive Council, Permanent Committee, and the Joint Conference with the Basel Committee for reviewing the IADI core principles	U.S.A. (Washington, D.C.)
December 10-14, 2008	Participation in the Joint Conference with the Basel Committee for reviewing the IADI core principles	Switzerland (Basel)
February 10-14, 2009	Attendance at the Executive Council, Permanent Committee, etc.	Switzerland (Basel)

b. Visits to Related Overseas Organizations

Date	Purpose	Location
April 21-25, 2008	Exchange of opinions with Korea Deposit Insurance Corporation and People's Bank of China	Korea (Seoul), China (Beijing)
May 15-16, 2008	Exchange of opinions with Bank of Thailand and Finance Ministry in Thailand	Thailand (Bangkok)
August 10-14, 2008	Investigation of the deposit insurance system	Korea (Seoul)
September17-18, 2008	Exchange of opinions with UK Financial Services Compensation Scheme and Financial Services Authority	U.K. (London)
September 23-October 2, 2008	Investigation on operations of failure resolution at IndyMac Bank in the U.S.	U.S.A. (Pasadena, San Francisco, Washington, D.C.)
December 8-11, 2008	Exchange of opinions with UK Financial Services Authority and Europe Deposit Insurance Association	U.K. (London), Italy (Rome)
March 9-13, 2009	Investigation of Deposit Protection in Australia and promotion of International Association of Deposit Insurers	Australia (Canberra, Sydney)

c. Reception of Investigative Groups

Date	Visitor
June 16, 2008	Chairman, Executive Councilors (2), Manager, Indonesia Deposit Insurance Corporation
July 28, 2008	Manager, Director, Deputy-Director, Bank of Thailand
August 20, 2008	Director, Deputy Directors (2), Indonesia Deposit Insurance Corporation
October 6, 2008	Delegation of members of parliament of the House of Commons, U.K.
October 16-17, 2008	Manager, staff, Canada Deposit Insurance Corporation
January 14, 2009	Chairman & CEO, Korea Asset Management Corporation
January 26, 2009	Director, Board Members (4), President, Acting Vice-President, Department Manager, Deposit Protection Agency, Thailand

iv) Deposit Insurance Schemes of Key Countries

	Japan	U.S.A.	Canada	U.K.
Deposit Insurance Institution	Deposit Insurance Corporation of Japan (DICJ)	Federal Deposit Insurance Corporation (FDIC)	Canada Deposit Insurance Corporation (CDIC)	Financial Services Compensation Scheme (FSCS)
Year of Foundation	1971	1934	1967	2001 (Deposit insurance system started in 1982)
Character	Public institution	Public institution	Public institution	Public institution
Number of Staff	361 (FY2009 capacity)	4,484 (January 2008)	83 (March 2008)	191 (March 2008)
Insured Financial Institutions	[Compulsory membership] The following financial institutions, where their head office is in Japan: 1) Banks stipulated in the Banking Act 2) Long-term credit banks stipulated in the Long-Term Credit Bank Act 3) Shinkin banks 4) Credit cooperatives 5) Labor banks 6) The Shinkin Central Bank 7) The National Federation of Credit Cooperatives 8) The Rokinren Bank 9) The Shoko Chukin Bank	[Compulsory membership] 1) Banks 2) Savings and loan associations 3) Thrift institutions	[Compulsory membership] 1) Banks 2) Trust companies 3) Loan companies	[Compulsory membership] 1) Banks 2) Branches of foreign banks chartered outside of the EEA 3) Building societies 4) Credit unions
Insured Deposits	[Insured deposits] 1) Deposits 2) Installment savings 3) Installment deposits 4) Money in trusts under the guarantee of principal 5) Bank debentures (limited to custody products) [Uninsured deposits] 1) Foreign-currency deposits 2) Negotiable certificates of deposit 3) Subscribed bank debentures and bank debentures where custody agreement has terminated 4) Loan trust whose rights of beneficiary are recorded in the transfer of corporate bonds, shares and others 5) Deposits and others in special international financial transaction accounts (Japan offshore market accounts) 6) Deposits and others from the Bank of Japan (excluding treasury funds) 7) Deposits and others from insured financial institutions (excluding those related to the investment of fixed contribution pension reserves) 8) Deposits and others from the DICJ 9) Anonymous bank accounts [Deposit excluded from protection] 1) Deposits and others under another party's name (Including those under fictitious / false name) 2) Deposits and others to be re-lent to a third party.	[Insured deposits] 1) Current accounts 2) Ordinary accounts 3) Time deposits 4) NCD 5) Checks, money orders, traveler's cheques [Uninsured deposits] 1) Bonds (in October 2008 announced full protection of certain bonds temporarily by the end of 2009) 2) Trust vehicles	[Insured deposits] 1) Savings accounts 2) Checking accounts 3) Term deposits with maturity date of less than five years 4) NCD 5) Debentures issued by loan companies 6) Certified draft, traveler's cheques, money order of credit [Uninsured deposits] 1) Foreign currency deposits 2) Term deposits with maturity date of more than five years 3) Debentures and bonds issued by other than loan companies	[Insured deposits] 1) Current accounts 2) Ordinary accounts 3) Term deposits 4) Foreign currency deposits 5) Deposits of branches of foreign banks in the EEA [Uninsured deposits] 1) Deposits of branches of foreign banks in the EEA 2) Deposits of financial institutions 3) Individual deposits concerned with failed financial institutions 4) Anonymous bank accounts 5) Deposits under an alias or fictitious name 6) Deposits concerned with money laundering activities

	Japan	U.S.A	Canada	U.K.
Scope of Deposit Protection	Combined capital of up to ¥10 million and accrued interest. Deposits for payment and settlement purposes are fully covered (permanent measures)	US$100,000 (approx. ¥10 million, interest included) Temporary measures by the end of December 2013 • $250,000 Temporary measures by the end of June 2010 • Noninterest-bearing transaction accounts are fully guaranteed	C$100,000 (approx. ¥10 million, interest included)	£50,000
Premium Rate	Fixed premium rate (From April 2009) 0.107% (deposits for payment and settlement purposes) 0.081% (general deposits)	Risk based premium rate 0.07-0.075% (from the second quarter of FY2009)	Risk based premium rate 0.01-0.10%	Up to 0.3% of insured deposits (post procurement method)
Other	• Agricultural cooperatives, fisheries cooperatives, marine product processing cooperatives are protected by Agricultural and Fishery Cooperative Savings Insurance Corporation • Security companies are protected by Investor-Protection Fund • Life/Damage insurance companies are protected by Policyholders' Protection Corporation	• Deposits at trust associations are protected by National Credit Union Administration (NCUA)	• Deposits at credit unions and Co-Ops are insured by provincial deposits insurance corporation	• Security company (Security), insurance company (life insurance, damage insurance), financial advisor (FA), insurance intermediate agency, mortgage intermediate agency (in case inappropriate advice or sales are conducted, it is to be compensated) are insured

Notes: 1. Foreign exchange rates given are TTS of March 31, 2009

2. Sources: U.S.A. (Annual Report 2007, FDIC homepage [www.fdic.gov]), Canada (Annual Report 2008, CDIC homepage [www.cdic.ca]), U.K. (Annual Report 2007/08, FSCS homepage [www.fscs.org.uk]), France (FGD homepage [www.garantiedesdepots.fr]), Germany (The Association of German Banks homepage [www.german-banks.com]), Italy (Annual Report 2008, FITD homepage [www.fitd.it]), Korea (2007 Annual Report, KDIC homepage [www.kdic.or.kr]), Taiwan (Annual Report 2008, CDIC homepage [www.cdic.gov.tw]), Masaru HONMA (2002) "Sekai no Yokin Hoken to Ginko Hatan" Toyokeizai, David S. Hoelscher, Michael Taylor, and Ulrich H. Klueh (2006) "The Design and Implementation of Deposit Insurance System," IMF and foreign deposit insurance institutions hearings.

	France	Germany	Italy	Korea	Taiwan
Deposit Insurance Institution	Fonds de Garantie des Depôts (FGD)	[Compulsory membership] Entschadigungseinrichtung deutscher Banken GmbH (EdB) (Compensation Scheme of German Banks) [Voluntary membership] Bundesverband deutscher Banken (Association of German Banks)	Fondo Interbancario di Tutela dei Depositi (FITD) (Interbank Deposit Protection Fund)	Korea Deposit Insurance Corporation (KDIC)	Central Deposit Insurance Corporation (CDIC)
Year of Foundation	1999 (Deposit insurance system started in 1980)	1966	1987	1996	1985
Character	Private institution	Private institution	Private institution	Public institution	Public institution
Number of Staff	About 5	Several people (full-time staff) (supported by the Association of German Banks)	11 (December 2008)	614 (December 2007)	158 (December 2008)
Insured Financial Institutions	[Compulsory membership] 1) Banks 2) Branches of foreign banks chartered outside of the EEA	[Compulsory membership] 1) Banks 2) Building and Loan Associations 3) Branches of foreign banks chartered outside of the EEA * Branches of foreign banks can be members of the voluntary scheme [Voluntary membership] 1) Banks 2) Branches of foreign banks	[Compulsory membership] All banks in Italy except for mutual banks (includes foreign branches, but in case of foreign branches outside of the EEA, the lower coverage between Italy or accepting country will be applied) [Voluntary membership] 1) Branches of foreign banks in the EEA (complementary purpose of domestic system) 2) Branches of foreign banks outside the EEA (In case they are not insured equivalent with domestic system)	[Compulsory membership] 1) Banks 2) Mutual savings banks (deposit and saving installment deposits, loan association bonds), 3) Korean Federation of Savings Banks (KFSB) (funds acquired by bank cheques), 4) Branches of foreign banks	[Compulsory membership] 1) Banks 2) Trust cooperative association 3) credit departments of agricultural associations 4) credit departments of fishermen's associations 5) Branches of foreign banks (except the case where protected by domestic system)
Insured Deposits	[Insured deposits] 1) Current accounts 2) Ordinary accounts 3) Term deposits 4) Foreign currency-denominated deposits in the EEA 5) Deposits of branches of foreign banks in the EEA 6) Unsettled bonds [Uninsured deposits] 1) NCD 2) Bonds 3) Trust vehicles 4) Deposits from the central government 5) Deposits from financial institutions 6) Deposits concerned with failed financial institutions 7) Anonymous bank accounts 8) Deposits concerned with money laundering activities	[Insured deposits] 1) Current accounts 2) Ordinary accounts 3) Term deposits 4) Foreign currency deposits (Deposits denominated in currencies outside of the European Economic Area are not insured by the compulsory system but insured by the voluntary system 5) Deposits of branches of foreign banks [Uninsured deposits] 1) Deposits of financial institutions 2) Deposits from individuals concerned with failed financial institutions 3) Anonymous bank accounts	[Insured deposits] 1) Repayable funds in Euro and foreign currency in the form of deposits or in other forms 2) Bank bill [Uninsured deposits] 1) Bearer deposits 2) Bonds deriving from acceptances and promissory notes 3) Bank's equity capital and reserves 4) Deposits deriving from transactions regarding a conviction of crime 5) Deposits of local public bodies 6) Deposits made by other bank 7) Deposits of insurance companies, designated financial companies, group of failed banks 8) Deposits of the top management of failed banks 9) Deposits of shareholders holding at least 5% of failed bank shares 10) Deposits deposited on the exceptionally favorable term (The commission of liquidators determines that it damages the financial position of the banks)	[Insured deposits] 1) Current accounts 2) Ordinary accounts 3) Time deposits 4) Secondary Bills 5) Trust vehicles with guarantee of principal 6) Foreign-currency deposits [Uninsured deposits] 1) NCD 2) Bonds except for secondary Bills 3) Trust vehicle without guarantee of principal 4) Deposits from the government 5) Deposits from the central bank 6) Deposits of KDIC 7) Deposits from financial institutions	[Insured deposit] 1) Current accounts 2) Ordinary accounts 3) Time deposits 4) Trust whose purposes designated by member financial institutions [Uninsured deposits] 1) NCD 2) Foreign currency deposits 3) Bonds 4) Trust vehicles other than trust whose purposes designated by member financial institutions 5) Deposits from government agencies 6) Deposits from the central bank 7) Deposits from CDIC 8) Deposits from financial institutions, 9) Structured deposits

	France	Germany	Italy	Korea	Taiwan
Scope of Deposit Protection	€70,000 (approx. ¥9.2 million, interest included)	[Compulsory membership] €50,000 (approx. ¥5 million) [Voluntary membership] An amount of deposits which is equal to 30% of capital is insured per person per institution	€103,291.38 (approx. ¥36 million, interest included)	[Banks, securities companies, commercial banks, mutual savings banks] Won 50 million (approx. ¥6 million, interest included) [Insurance company] Won 50 million (approx. ¥6 million) for the sum of cancellation refund received and other payments	1.5 million Taiwan dollars (approx. ¥4.3 million) principle Temporary measures by December 2009 Full protection
Premium Rate	The payable premium is calculated on the basis of the insured financial institutions' risk	[Compulsory membership] 0.008% [Voluntary membership] 0%-0.075% (8 levels)	If bank failure occurs, after deciding on the total amount for failure resolution is confirmed, contribution is calculated individually	Fixed premium rate Banks: 0.1% security companies: 0.2% insurance companies: 0.3% commercial banks: 0.3% Mutual savings banks: 0.3% (Special premium) All business categories: levy 0.1% until 2027	Risk based premium rate Banks, Branches of foreign banks, trust associations: 0.03%-0.07% (Fixed rate of 0.0025% is applied to those in excess of the maximum coverage) Credit departments of agricultural and fishermen's associations: 0.02%-0.06% (Fixed rate of 0.0025% is applied to those in excess of the maximum coverage)
Other		• Deposits at cooperative association banks and savings banks are protected by different deposit insurance schemes.	• Deposits at Mutual banks are protected by the Mutual Bank Deposit Guarantee Funds (Garanzia dei Depositanti del Credito Cooperativo)	• Commercial banks (Promissory notes, Secondary Bills, CMSs), Security companies (Customer's deposits, Deposits of securities), Insurance companies (Individual agreement of insurance, unemployment agreement) are also protected. • Deposits at credit unions are protected by National Credit Union Federation of Korea	Taiwan post (Postal savings system) is insured

(2) Economic and Financial Trends

	2008									2009		
	April	May	June	July	August	September	October	November	December	January	February	March
Industrial Production Index (seasonally adjusted, as a % of previous month)	(0.6)	1.2	(2.0)	(0.3)	(3.1)	0.1	(3.4)	(7.0)	(8.4)	(10.1)	(9.4)	1.6
Consumer Price Index (as a % of same month previous year) (Notes 1)	0.9	1.5	1.9	2.4	2.4	2.3	1.9	1.0	0.2	0.0	0.0	(0.1)
Ratio of Unemployed in Labor Force (seasonally adjusted, %)	4.0	4.0	4.1	4.0	4.1	4.0	3.8	4.0	4.3	4.1	4.4	4.8
Number of Corporate Bankruptcies (Notes 2)	1,215	1,290	1,324	1,372	1,254	1,408	1,429	1,277	1,362	1,360	1,318	1,537
Long-term Interest Rate (distribution rate of new 10-year government bonds) (%) (Notes 3)	1.575	1.740	1.610	1.530	1.405	1.480	1.480	1.395	1.165	1.270	1.270	1.340
Short-term Interest Rate (Unsecured overnight call rate) (%) (Notes 3)	0.522	0.527	0.572	0.519	0.516	0.544	0.384	0.318	0.103	0.128	0.109	0.088
Nikkei Stock Average (Tokyo Stock Exchange Nikkei 225) (yen) (Notes 3, 4)	13,849	14,338	13,481	13,376	13,072	11,259	8,576	8,512	8,859	7,994	7,568	8,109
Exchange Rate (dollar/yen) (Notes 3)	104.05	105.46	105.33	108.13	108.80	104.76	97.01	95.31	90.28	89.51	97.87	98.31
Real GDP (seasonally adjusted, as % of previous period) (Notes 5)		(0.6)			(0.7)			(3.6)			(3.8)	

Data sources: Bank of Japan, Cabinet Office, Ministry of Economy, Trade and Industry, Ministry of Internal Affairs and Communications, Tokyo Shoko Research, Ltd., Japan Bond Trading, Co., Ltd., Nihon Keizai Shimbun (Nikkei)

Notes: 1. Japan nationwide, excluding fresh products
2. Considering bankruptcies where debts total more than ¥10 million
3. At month-end
4. Figures are rounded off
5. Chained (2000) price

(3) Foreign Countries' Responses to the Financial Crisis

(as of May 20, 2009)

	G7	U.S.	Canada	Europe: EU (Eurozone)	Europe: U.K.
Comprehensive measures	2008/10/10 "G7 Action Plan" adopted	2008/10/3 "Emergency Economic Stabilization Act of 2008" enacted 2009/2/10 Comprehensive Financial Stability Plan announced		2008/10/12 "Concerted Action Plan" worked out (15 Eurozone countries)	2008/10/8 "Bank rescue package" announced 2009/1/19 Additional measures to support lending announced
Deposit protection: Full protection	2008/10/10 "Ensure robust deposit insurance" (G7 Action Plan 4)	2008/10/14 Transaction accounts (that do not pay interest) (until end-2009)			
Deposit protection: Higher ceiling		2008/10/3 $100,000 → $250,000 (until end-2009) On May 20 2009, the measure to raise the protection ceiling to $250,000 was extended until end-2013		2008/10/7 "Minimum raised (€20,000 → €50,000)"	2008/10/3 £35,000 → £50,000
Nationalization/Public fund injection: Nationalization					2008/2/17 Northern Rock 2008/9/29 Bradford & Bingley
Nationalization/Public fund injection: Capital injection	2008/10/10 "Ensure banks can raise capital from both public, private sources" (G7 Action Plan 3)	2008/9/7 Treasury announces commitment to invest up to $200 billion (equivalent to net capital deficiency) in GSEs 2008/10/14 Treasury announces capital injection plan ($250 billion) ($125 billion to 9 major banks) 2008/10/28 Capital injection into 9 major banks decided 2008/11/23 Rescue package for Citigroup announced		2008/10/12 Capital injection into banks (Concerted Action Plan) • Ensuring financial intermediation function • Recapitalization of distressed banks	2008/10/8 Amount of capital injection into 8 major banks, etc. (£50.0 billion) announced 2008/10/13 Amount of capital injection into 3 banks (RBS, HBOS, Lloyds) (£37.0 billion) decided 2008/11/3 UK Financial Investments (UKFI), the government's holding company for banks, established
Funding support	2008/10/10 "Ensure banks' access to liquidity and funding" (G7 Action Plan 2)	2008/09/07 Government loans to GSEs 2008/10/14 Guarantee of bank debt (issued through June 2009 for up to three years <with guarantee fees>)	2008/10/23 Guarantee of bank debt (issued through April 2009 for up to three years <with guarantee fees>)	2008/10/12 Government guarantees to new bank debt (issued through end-2009 for up to 5 years <Concerted Action Plan>)	2008/10/8 Government guarantee of bank debt for refinancing maturing obligations (£250.0 billion <Bank rescue package>)
Others		2008/10/3 Plan to purchase troubled assets ($700 billion, the Emergency Economic Stabilization Act of 2008) 2009/3/23 Public-Private Investment Program (PPIP) for legacy funds announced		2008/10/7 Agreement reached "not to let systemically relevant financial institutions fail" (Ecofin Council meeting)	2008/9/18 Lloyds' acquisition of HBOS (relief merger)

	Europe (continued): Iceland	Europe (continued): Switzerland	Europe (continued): Sweden	Europe (continued): Others	Asia and Oceania: Korea
Comprehensive measures	2008/10/6		2008/10/29 "Financial Stability Act" enacted	**(Ireland)** Full protection of deposits, bank debt protection 2008/9/30 6 major banks 2008/10/9 5 foreign banks 2008/12/21 Capital injection into 3 major banks announced 2009/1/15 Nationalization of Anglo Irish Bank **(Denmark)** Full protection of deposits **(Austria)** Full protection of deposits 2008/10/30 Capital injection into Erste Group (€2.7 billion)	
Deposit protection: Full protection					
Deposit protection: Higher ceiling		2008/11/5 30,000 SFr → 100,000 SFr (until the end of 2010)			
Nationalization/Public fund injection: Nationalization	2008/9/29 Glitnir Bank hf (the third largest bank) 2008/10/6 3 major banks placed under public management				
Nationalization/Public fund injection: Capital injection		2008/10/16 Capital injection into UBS (6.0 billion SFr)	2008/10/20 Government prepared to inject capital into major banks		2008/12/18 Bank capital injection plan (20 trillion won) announced 2009/3/31 Capital injection of some 4 trillion won into 8 banks
Funding support			2008/10/20 Government guarantee of bank debt worth 1.5 trillion kronor (with guarantee fees)		2008/10/19 Government guarantee of interbank foreign currency transactions
Others			2008/10/20 Financial Stabilization Fund (15 billion kronor) established		

Notes: Prepared from publicly available materials of governments and financial institutions. Dates are all as of 2008 unless otherwise specified.

(as of May 20, 2009)

Europe				
Germany	France	Italy	Spain	3 Benelux Countries
2008/10/17 "Financial Market Stabilization Act" enacted	2008/10/15 Implementation of financial support measures by revising the "Budget Law"			
2008/10/5 Retail deposits				
			2008/10/7 Ceiling raised to €100,000	Ceiling raised to €100,000 (the Netherlands, Belgium)
				2008/10/3 A Dutch subsidiary of Fortis Bank
2008/10/17 Bank capital injection quota (€80.0 billion) announced (Financial Market Stabilization Act) 2008/10/21 Bayerische Landesbank (€5.4 billion) 2008/11/3 Commerzbank (€8.2 billion) 2009/1/8 Commerzbank (€10.0 billion)	2008/9/30 Capital injection of €6.4 billion into major financial group Dexia in cooperation with the Netherlands, others 2008/10/15 Capital injection quota (€40.0 billion) 2008/10/20 Capital injection into 6 major banks (€10.5 billion) announced	2008/10/8 Boost to bank capital by investing public funds in preferred shares announced by the Prime Minister		2008/9/29 3 countries in concerted action injected a total of €11.2 billion of capital into Fortis Bank 2008/9/30 France, other countries in concerted action injected €6.4 billion of capital into major financial group Dexia
2008/10/17 Support for funding of banks with government guarantee (€400.0 billion, Financial Market Stabilization Act)	2008/10/15 Support for funding of banks with government guarantee (€265.0 billion)		Support for funding of banks with government guarantee (€100.0 billion)	2008/10/19 Capital injection of €10.0 billion into ING Group (Netherlands) 2008.10.21 Support for funding (€200.0 billion, Netherlands) 2008/10/27 Capital injection of €3.5 billion into KBC (Belgium)
2008/10/6 Financial support for major property lender Hypo Real Estate (HRE) (€50.0 billion)		2008/10/5 Major bank UniCredit announces recapitalization plan totaling €6.6 billion	2008/10/7 A plan to establish a €50.0 billion asset purchase fund revealed	

Asia and Oceania				
Taiwan	Hong Kong	Singapore	ASEAN	Australia/New Zealand
			(Indonesia) 2008/10/13 Deposit protection ceiling raised (100 million rupiahs → 2.0 billion rupiahs) 2008/10/19 Capital injection quota established **(Malaysia)** 2008/10/16 Full protection of deposits (until 2010) **(The Philippines)** Raising of deposit protection ceiling (250,000 pesos → 500,000 pesos): under debate at Congress **(Thailand)** 2008/10/28 The Cabinet decides to extend the full protection of deposits until August 30, 2011	**(Australia)** 2008/10/12 Full protection of deposits (temporary measure for 3 years) Guarantee of bank debt 2008/10/24 Ceiling on charge-free deposit protection set at A$1 million, protection of larger amounts require protection fees **(New Zealand)** 2008/10/12 Personal deposits (temporary measure for 2 years) 2008/10/22 Ceiling of protection of retail deposits set at NZ$1 million 2008/11/1 Guarantee of bank debt
2008/10/7 State-owned banks, private banks	2008/10/14 Until 2010	2008/10/16 Until 2010		
2008/10/6 NT$1.5 million → NT$3 million (until December 12, 2009)				
	2008/10/14 Bank capital injection quota established (screen applications for capital injection filed by banks)			
2008/10/7 Government guarantee of interbank transactions (in dollars)				

Chronology of Foreign Countries' Responses to the Financial Crisis

	Depositor Protection				Bank Debt	
	Europe/U.S.		Asia/Oceania		Europe/U.S.	
2008.9.15 (Mon)						
2008.9.20 (Sat)	Ireland	€20,000 → €100,000				
2008.9.29 (Mon)						
2008.9.30 (Tue)	Ireland	Full protection of deposits (6 major banks)			Ireland	Protection of bank debt (6 major banks)
2008.10.3 (Fri)	U.S.	\$100,000 → \$250,000				
	U.K.	£35,000 → £50,000				
2008.10.4 (Sat)	**4-Nation Summit among U.K., France, Germany and Italy**					
2008.10.5 (Sun)	Germany	Full protection of deposits (retail deposits)				
2008.10.6 (Mon)	Iceland	Full protection of deposits	Taiwan	NT\$1.5 million → NT\$3 million		
	Denmark	Full protection of deposits				
2008.10.7 (Tue)	**EU Finance Ministers' Meeting**					
	EU (Eurozone)	Minimum raised (€20,000 → €50,000)	Taiwan	Full protection of deposits (state-owned banks, private banks)		
	Spain	Ceiling raised to €100,000				
2008.10.8 (Wed)					U.K.	Government guarantee of bank debt for refinancing maturing obligations (£250.0 billion)
2008.10.9 (Thu)	Ireland	Full protection of deposits (5 foreign banks)				
2008.10.10 (Fri)	**G7**					
2008.10.11 (Sat)						
2008.10.12 (Sun)	**Eurozone 15-Nation Meeting**					
			Australia	Full protection of deposits		
			New Zealand	Full protection of retail deposits		
2008.10.13 (Mon)			Indonesia	100 m. rupiahs → 2 b. rupiahs		
2008.10.14 (Tue)	U.S.	Protection of transaction accounts (through end-2009)	Hong Kong	Full protection of deposits	U.S.	Guarantee of bank debt
2008.10.15 (Wed)					France	Support for funding of banks with government guarantee (€265.0 billion)
2008.10.16 (Thu)			Singapore	Full protection of deposits		
			Malaysia	Full protection of deposits		
2008.10.17 (Fri)					Germany	Support for funding of banks with government guarantee (€400.0 billion)
2008.10.19 (Sun)						
2008.10.20 (Mon)					Sweden	Government guarantee of bank debt worth 1.5 trillion kronor
2008.10.21 (Tue)					Netherlands	Support for funding (€200.0 billion)
2008.10.22 (Wed)			New Zealand	Ceiling of protection of retail deposits set at NZ\$1 million		
2008.10.23 (Thu)					Canada	Guarantee of debt issued by banks
2008.10.24 (Fri)			Australia	Ceiling of protection set at A\$1 million, protection of larger amounts require protection fees		
2008.10.27 (Mon)						
2008.10.28 (Tue)			Thailand	The Cabinet decides to extend the full protection of deposits until August 30, 2011		
2008.10.29 (Wed)					Sweden	Enactment of bill concerning bank debt guarantee
2008.11.1 (Sat)						
2008.11.2 (Sun)						
2008.11.3 (Mon)						
2008.11.5 (Wed)	Switzerland	SFr30,000 → SFr100,000 (until end-2010)				
2008.11.15 (Sat)	**G-20 Summit on Financial Markets and the World Economy (Washington, U.S.)**					
2008.11.23 (Sun)						
2008.12.18 (Thu)						
2008.12.21 (Sun)						
2008						
2009.1.8 (Thu)						
2009.1.16 (Fri)						
2009.1.16 (Fri)						
2009.1.19 (Mon)						
2009.1.21 (Wed)						
2009.2.10 (Tue)						
2009.3.23 (Mon)						
2009.4.1 (Wed)	**G-20 Summit on Financial Markets and the World Economy (London, U.K.)**					
2009.5.7 (Thu)						
2009.5.20 (Wed)	U.S.	The measure to raise the protection ceiling to \$250,000 was extended until the end of 2013				

Notes: Prepared from publicly available materials of governments and financial institutions

(as of May 20, 2009)

Bank Debt		Capital Injection/Purchase of Impaired Assets			
Asia/Oceania		Europe/U.S.		Asia/Oceania	
		3 Benelux countries	A total of €11.2 billion of capital injected into Fortis Bank		
		Netherlands, etc.	Injection of €6.4 billion of capital into Dexia		
		U.S.	Plan to purchase troubled assets ($700 billion, the Emergency Economic Stabilization Act of 2008)		
		U.K.	Amount of capital injection into 8 major banks, etc. (£50.0 billion) announced		
		Italy	Boost to bank capital by investing public funds in preferred shares announced		
Australia	Guarantee of bank debt				
		U.K.	Capital injection into 3 banks (RBS, HBOS, Lloyds) (£37.0 billion) decided		
		U.S.	Capital injection plan ($250 billion) announced	Hong Kong	Bank capital injection quota established
		France	Capital injection quota (€40.0 billion)		
		Switzerland	Capital injection into UBS (SFr6.0 billion) Consummation of purchase of troubled assets from UBS		
		Germany	Bank capital injection quota (€80.0 billion) announced (Financial Market Stabilization Act)		
Korea	Government guarantee of interbank foreign currency transactions	Netherlands	Capital injection into ING Group (€10.0 billion)	Indonesia	Bank capital injection quota established
		France	Capital injection into 6 major banks (€10.5 billion) announced		
		Sweden	Government prepared to inject capital into major banks		
		Germany	Capital injection into Bayerische Landesbank		
		Belgium	Capital injection into KBC (€3.5 billion)		
		U.S.	Capital injection into 9 major banks decided		
		Netherlands	Capital injection into Aegon (€3.0 billion)		
New Zealand	Guarantee of bank debt				
		Portugal	Capital injection quota set		
		Germany	Capital injection into Commerzbank (€8.2 billion)		
		U.S.	Rescue package for Citigroup announced		
				Korea	Bank capital injection plan (Won 20 trillion) announced
		Ireland	Capital injection into 3 major banks (€5.5 billion)		
		U.S. (Nov.-Dec.)	Capital injection of about $62.5 billion into some 200 regional banks		
		Germany	Second capital injection into Commerzbank		
		U.S.	Package for Bank of America announced		
		Ireland	Nationalization of Anglo Irish Bank		
		U.K.	Additional measures to support lending announced (expansion of bank debt guarantee, purchase of bank assets, offering of loss shares, etc.)		
		Netherlands	Loss shares for ING assets offered		
		U.S.	Comprehensive Financial Stability Plan announced (more rigorous asset assessment, another capital injection into banks, purchase of legacy assets by the public-private fund, etc.)		
		U.S.	Details of Public-Private Investment Program (PPIP) for legacy funds announced		
		U.S.	Announcement of stress test results (10 of 19 largest banks found to need to raise capital)		

(APPENDIX) DEPOSIT INSURANCE SYSTEM, ETC., TERMS (INDEX)

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