

# 10. Classification under Self-Assessment, Disclosure of Problem Assets, and Write-Offs / Reserves <SMBC Non-consolidated>

| <As of Sep. 30, 2005>   |   |   |  |   | (Billions of yen)  |                                    |               |  |                              |  |              |
|---|---|---|--|---|--|------------------------------------|---------------|--|------------------------------|--|--------------|
| Category of Borrowers under Self-Assessment   | Problem Assets based on the Financial Reconstruction Law  | Classification under Self-Assessment  |  |   |  | Reserve for possible loan losses   | Reserve Ratio |  |                              |  |              |
|   |   | Classification I  | Classification II                      | Classification III  | Classification IV  |                                    |               |  |                              |  |              |
| Bankrupt Borrowers  | Bankrupt and Quasi-Bankrupt Assets<br><br>301.7 (i)<br>(Change from Mar. 31, 2005: -146.6)                      | Portion of claims secured by collateral or guarantees, etc.<br><br>286.1 (a)            | Fully reserved<br><br>15.6             | Direct Write-offs (*1)  |  | Specific Reserve<br><br>21.3 (*2)  | 100% (*3)     |  |                              |  |              |
| Effectively Bankrupt Borrowers  |   |   |  |   |  |                                    |               |  |                              |  |              |
| Potentially Bankrupt Borrowers  | Doubtful Assets<br><br>723.8 (ii)<br>(Change from Mar. 31, 2005: -200.6)  | Portion of claims secured by collateral or guarantees, etc.<br><br>329.5 (b)            | Necessary amount reserved<br><br>394.3 |   |  | Specific Reserve<br><br>353.9 (*2) | 89.8% (*3)    |  |                              |  |              |
| Borrowers Requiring Caution   | Substandard Loans<br><br>380.5 (iii)<br>(Change from Mar. 31, 2005: -71.4)<br>(Claims to Substandard Borrowers) | Portion of Substandard Loans secured by collateral or guarantees, etc.<br><br>158.3 (c) |  |   |  |                                    |               |  |                              |  |              |
|   | Normal Assets<br><br>54,970.7   | Claims to Borrowers Requiring Caution, excluding claims to Substandard Borrowers        |  |   |  |                                    |               |  |                              |  |              |
| Normal Borrowers  |   | Claims to Normal Borrowers  |  |   |  |                                    |               |  | General Reserve<br><br>393.2 | General Reserve for Substandard Loans<br><br>118.7 | 52.6% (*3)   |
|   |   |   |  |   |  |                                    |               |  |                              |  | [10.1%] (*4) |
|   |   |   |  |   |  |                                    | 0.2% (*4)     |  |                              |  |              |
|   |   |   |  |   |  |                                    |               |  |                              |  |              |
| Total<br>56,376.7 (iv)  |   |   |  |   | Loan Loss Reserve for Specific Overseas Countries<br>3.7 |                                    |               |  |                              |  |              |
| A=(i)+(ii)+(iii)  |   | B: Portion secured by collateral or guarantees, etc.                                    |  | C: Unsecured portion ( A - B )  |  | Reserve Ratio                      |               |  |                              |  |              |
|   |   | (a)+(b)+(c)   |  |   |  | (*5)                               |               |  |                              |  |              |
| 1,406.0 (v)<br>(Change from Mar. 31, 2005: -418.6)<br><Problem asset ratio ((v)/(iv)) 2.5%> |   | 773.9   |  | 632.1   |  | D<br>-----<br>C                    |               |  |                              |  |              |
|   |   |   |  | D: Specific Reserve + General Reserve for Substandard Loans (*2)<br><br>493.9 |  | 78.1%                              |               |  |                              |  |              |

$$\text{Coverage Ratio} = (B+D)/A \quad 90.2\%$$

(\*1) Includes amount of direct reduction totaling JPY 1,113.0 billion.

(\*2) Includes reserve for assets that are not subject to disclosure based on the Financial Reconstruction Law standards.  
(Bankrupt/Effectively Bankrupt Borrowers: JPY 5.7 billion, Potentially Bankrupt Borrowers: JPY 8.0 billion)

(\*3) Reserve ratios for claims on Bankrupt Borrowers, Effectively Bankrupt Borrowers, Potentially Bankrupt Borrowers, Substandard Borrowers and Borrowers Requiring Caution including Substandard Borrowers are the proportion of reserve for the possible loan losses to each category's total unsecured claims.

(\*4) Reserve ratios for claims on Normal Borrowers and Borrowers Requiring Caution (excluding claims to Substandard Borrowers) are the proportion of the reserve for possible loan losses to the respective claims of each category.

The reserve ratio for unsecured claims on Borrowers Requiring Caution (excluding claims to Substandard Borrowers) is shown in [ ].

(\*5) The proportion of the reserve to the claims, excluding the portion secured by collateral or guarantees, etc.