

## 14. Problem Assets Based on the Financial Reconstruction Law and the Coverage

&lt;SMBC Non-consolidated&gt;

(Millions of yen, %)

	Sep. 30, 2005			Mar. 31, 2005	Sep. 30, 2004
	(a)	(a) - (b)	(a) - (c)	(b)	(c)
Bankrupt and quasi-bankrupt assets	301,689	(146,572)	(279,383)	448,261	581,072
Doubtful assets	723,768	(200,683)	(400,381)	924,451	1,124,149
Substandard loans	380,568	(71,341)	(398,561)	451,909	779,129
Total (A)	1,406,027	(418,595)	(1,078,323)	1,824,622	2,484,350
Normal assets	54,970,710	1,518,163	1,297,259	53,452,547	53,673,451
Total (B)	56,376,737	1,099,568	218,936	55,277,169	56,157,801
Problem asset ratio (A/B)	2.5	(0.8)	(1.9)	3.3	4.4

Amount of direct reduction 1,113,028 (418,818) (296,148) 1,531,846 1,409,176

(Note) Problem Assets Based on the Financial Reconstruction Law include loans, acceptances and guarantees, suspense payments, and other credit-type assets.

(Millions of yen)

	Sep. 30, 2005			Mar. 31, 2005	Sep. 30, 2004
	(a)	(a) - (b)	(a) - (c)	(b)	(c)
Total coverage (C)	1,267,855	(384,087)	(836,283)	1,651,942	2,104,138
Reserve for possible loan losses* (D)	493,944	(198,238)	(205,023)	692,182	698,967
Amount recoverable due to guarantees, collateral and others (E)	773,910	(185,850)	(631,261)	959,760	1,405,171

\* Sum of general reserve for Substandard loans and specific reserve.

	(%)				
Coverage ratio (C) / (A)	90.2	(0.3)	5.5	90.5	84.7
Coverage ratio calculated with total reserve for possible loan losses included in the numerator	110.0	3.2	14.7	106.8	95.3

	(%)				
Reserve ratio to unsecured assets (D) / (A - E)	78.1	(1.9)	13.3	80.0	64.8
Reserve ratio calculated with total reserve for possible loan losses included in the numerator	122.2	7.8	33.0	114.4	89.2

&lt;Consolidated&gt;

(Millions of yen, %)

	Sep. 30, 2005			Mar. 31, 2005	Sep. 30, 2004
	(a)	(a) - (b)	(a) - (c)	(b)	(c)
Bankrupt and quasi-bankrupt assets	394,066	(86,902)	(313,258)	480,968	707,324
Doubtful assets	830,112	(244,128)	(483,184)	1,074,240	1,313,296
Substandard loans	622,097	(145,700)	(322,841)	767,797	944,938
Total (A)	1,846,277	(476,729)	(1,119,281)	2,323,006	2,965,558
Normal assets	59,145,155	2,050,380	2,077,332	57,094,775	57,067,823
Total (B)	60,991,432	1,573,651	958,051	59,417,781	60,033,381
Problem asset ratio (A/B)	3.0	(0.9)	(1.9)	3.9	4.9

(Millions of yen)

	Sep. 30, 2005			Mar. 31, 2005	Sep. 30, 2004
	(a)	(a) - (b)	(a) - (c)	(b)	(c)
Total coverage (C)	1,623,818	(419,224)	(813,495)	2,043,042	2,437,313
Reserve for possible loan losses (D)	543,794	(217,404)	(222,467)	761,198	766,261
Amount recoverable due to guarantees, collateral and others (E)	1,080,024	(201,820)	(591,028)	1,281,844	1,671,052

	(%)				
Coverage ratio (C) / (A)	88.0	0.1	5.8	87.9	82.2
Coverage ratio calculated with total reserve for possible loan losses included in the numerator	114.7	4.7	17.1	110.0	97.6

	(%)				
Reserve ratio to unsecured assets (D) / (A - E)	71.0	(2.1)	11.8	73.1	59.2
Reserve ratio calculated with total reserve for possible loan losses included in the numerator	135.4	13.1	41.0	122.3	94.4