

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

&lt;SMBC Non-consolidated&gt;

(Millions of yen, %)

	Mar. 31, 2006		Mar. 31, 2005
		Change	
Bankrupt and quasi-bankrupt assets	164,510	(283,751)	448,261
Doubtful assets	473,409	(451,042)	924,451
Substandard loans	322,175	(129,734)	451,909
Total (A)	960,095	(864,527)	1,824,622
Normal assets	55,984,937	2,532,390	53,452,547
Total (B)	56,945,032	1,667,863	55,277,169
Problem asset ratio (A/B)	1.7	(1.6)	3.3

Amount of direct reduction 603,622 (928,224) 1,531,846

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

(Millions of yen)

	Mar. 31, 2006		Mar. 31, 2005
		Change	
Total coverage (C)	873,464	(778,478)	1,651,942
Reserve for possible loan losses* (D)	356,137	(336,045)	692,182
Amount recoverable due to guarantees, collateral and others (E)	517,327	(442,433)	959,760

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

(%)

Coverage ratio (C) / (A)	91.0	0.5	90.5
Coverage ratio calculated with total reserve for possible loan losses included in the numerator	138.9	32.1	106.8

(%)

Reserve ratio to unsecured assets (D) / (A - E)	80.4	0.4	80.0
Reserve ratio calculated with total reserve for possible loan losses included in the numerator	184.4	70.0	114.4

&lt;Consolidated&gt;

(Millions of yen, %)

	Mar. 31, 2006		Mar. 31, 2005
		Change	
Bankrupt and quasi-bankrupt assets	250,101	(230,867)	480,968
Doubtful assets	564,949	(509,291)	1,074,240
Substandard loans	477,405	(290,392)	767,797
Total (A)	1,292,457	(1,030,549)	2,323,006
Normal assets	60,731,094	3,636,319	57,094,775
Total (B)	62,023,551	2,605,770	59,417,781
Problem asset ratio (A/B)	2.1	(1.8)	3.9

(Millions of yen)

	Mar. 31, 2006		Mar. 31, 2005
		Change	
Total coverage (C)	1,132,921	(910,121)	2,043,042
Reserve for possible loan losses (D)	398,879	(362,319)	761,198
Amount recoverable due to guarantees, collateral and others (E)	734,042	(547,802)	1,281,844

(%)

Coverage ratio (C) / (A)	87.7	(0.2)	87.9
Coverage ratio calculated with total reserve for possible loan losses included in the numerator	136.9	26.9	110.0

(%)

Reserve ratio to unsecured assets (D) / (A - E)	71.4	(1.7)	73.1
Reserve ratio calculated with total reserve for possible loan losses included in the numerator	185.4	63.1	122.3