

13. Reserve for Possible Loan Losses

<SMBC Non-consolidated>

(Millions of yen)

| | Sep. 30, 2006 | | | Mar. 31, 2006 | Sep. 30, 2005 |
|---|---------------|-----------|-----------|---------------|---------------|
| | (a) | (a) - (b) | (a) - (c) | (b) | (c) |
| Reserve for possible loan losses | 771,822 | (44,615) | (319) | 816,437 | 772,141 |
| General reserve | 553,458 | (19,078) | 160,238 | 572,536 | 393,220 |
| Specific reserve | 216,056 | (25,490) | (159,137) | 241,546 | 375,193 |
| Loan loss reserve for specific overseas countries | 2,307 | (47) | (1,420) | 2,354 | 3,727 |
| Amount of direct reduction | 536,992 | (66,630) | (576,036) | 603,622 | 1,113,028 |

<Consolidated>

(Millions of yen)

| | Sep. 30, 2006 | | | Mar. 31, 2006 | Sep. 30, 2005 |
|---|---------------|-----------|-----------|---------------|---------------|
| | (a) | (a) - (b) | (a) - (c) | (b) | (c) |
| Reserve for possible loan losses | 978,999 | (56,469) | (58,218) | 1,035,468 | 1,037,217 |
| General reserve | 712,817 | (29,797) | 115,432 | 742,614 | 597,385 |
| Specific reserve | 263,874 | (26,625) | (172,230) | 290,499 | 436,104 |
| Loan loss reserve for specific overseas countries | 2,307 | (47) | (1,420) | 2,354 | 3,727 |
| Amount of direct reduction | 750,546 | (48,598) | (617,056) | 799,144 | 1,367,602 |