

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

&lt;SMBC Non-consolidated&gt;

(Millions of yen, %)

	Sep. 30, 2006			Mar. 31, 2006 (b)	Sep. 30, 2005 (c)
	(a)	(a) - (b)	(a) - (c)		
Bankrupt and quasi-bankrupt assets	135,964	(28,546)	(165,725)	164,510	301,689
Doubtful assets	425,160	(48,249)	(298,608)	473,409	723,768
Substandard loans	305,609	(16,566)	(74,959)	322,175	380,568
Total (A)	866,734	(93,361)	(539,293)	960,095	1,406,027
Normal assets	58,442,069	2,457,132	3,471,359	55,984,937	54,970,710
Total (B)	59,308,803	2,363,771	2,932,066	56,945,032	56,376,737
Problem asset ratio (A/B)	1.5	(0.2)	(1.0)	1.7	2.5

Amount of direct reduction 536,992 (66,630) (576,036) 603,622 1,113,028

(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, 2006			Mar. 31, 2006 (b)	Sep. 30, 2005 (c)
	(a)	(a) - (b)	(a) - (c)		
Total coverage (C)	758,261	(115,203)	(509,594)	873,464	1,267,855
Reserve for possible loan losses* (D)	308,001	(48,136)	(185,943)	356,137	493,944
Amount recoverable due to guarantees, collateral and others (E)	450,260	(67,067)	(323,650)	517,327	773,910

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

	(%)				
Coverage ratio (C) / (A)	87.5	(3.5)	(2.7)	91.0	90.2
Coverage ratio calculated with total reserve for possible loan losses included in the numerator	141.0	2.1	31.0	138.9	110.0

	(%)				
Reserve ratio to unsecured assets (D) / (A - E)	74.0	(6.4)	(4.1)	80.4	78.1
Reserve ratio calculated with total reserve for possible loan losses included in the numerator	185.3	0.9	63.1	184.4	122.2

&lt;Consolidated&gt;

(Millions of yen, %)

	Sep. 30, 2006			Mar. 31, 2006 (b)	Sep. 30, 2005 (c)
	(a)	(a) - (b)	(a) - (c)		
Bankrupt and quasi-bankrupt assets	217,452	(32,649)	(176,614)	250,101	394,066
Doubtful assets	515,626	(49,323)	(314,486)	564,949	830,112
Substandard loans	451,650	(25,755)	(170,447)	477,405	622,097
Total (A)	1,184,728	(107,729)	(661,549)	1,292,457	1,846,277
Normal assets	62,978,721	2,247,627	3,833,566	60,731,094	59,145,155
Total (B)	64,163,449	2,139,898	3,172,017	62,023,551	60,991,432
Problem asset ratio (A/B)	1.8	(0.3)	(1.2)	2.1	3.0

(Millions of yen)

	Sep. 30, 2006			Mar. 31, 2006 (b)	Sep. 30, 2005 (c)
	(a)	(a) - (b)	(a) - (c)		
Total coverage (C)	1,016,790	(116,131)	(607,028)	1,132,921	1,623,818
Reserve for possible loan losses (D)	350,915	(47,964)	(192,879)	398,879	543,794
Amount recoverable due to guarantees, collateral and others (E)	665,875	(68,167)	(414,149)	734,042	1,080,024

	(%)				
Coverage ratio (C) / (A)	85.8	(1.9)	(2.2)	87.7	88.0
Coverage ratio calculated with total reserve for possible loan losses included in the numerator	138.8	1.9	24.1	136.9	114.7

	(%)				
Reserve ratio to unsecured assets (D) / (A - E)	67.6	(3.8)	(3.4)	71.4	71.0
Reserve ratio calculated with total reserve for possible loan losses included in the numerator	188.7	3.3	53.3	185.4	135.4