

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

Category of Borrowers under Self-Assessment		Classification under Self-Assessment				Reserve for possible loan losses		Reserve Ratio	
Bankrupt Borrowers	Bankrupt and Quasi-Bankrupt Assets 108.9 (i) (Change from Mar. 31, 2006: -55.6)	Portion of claims secured by collateral or guarantees, etc. 97.3 (a)	Fully reserved 11.6	Direct Write-offs (*1)	Specific Reserve	15.7 (*2)	100% (*3)		
Effectively Bankrupt Borrowers									
Potentially Bankrupt Borrowers	Doubtful Assets 300.1 (ii) (Change from Mar. 31, 2006: -173.3)	Portion of claims secured by collateral or guarantees, etc. 138.7 (b)	Necessary amount reserved 161.4		Specific Reserve	129.1 (*2)	80.0% (*3)		
Borrowers Requiring Caution	Substandard Loans 329.7 (iii) [Change from Mar. 31, 2006: +7.5] (Claims to Substandard Borrowers)	Portion of Substandard Loans secured by collateral or guarantees, etc. 107.0 (c)					General Reserve	98.9	44.9% (*3)
	Normal Assets 60,542.2	Claims to Borrowers Requiring Caution, excluding claims to Substandard Borrowers			General Reserve	530.8			6.5% [12.7%] (*4)
Normal Borrowers		Claims to Normal Borrowers							0.3% (*4)

Total 61,280.9 (iv)		Loan Loss Reserve for Specific Overseas Countries 1.9	
A=(i)+(ii)+(iii) 738.7 (v) [Change from Mar. 31, 2006: -221.4] <Problem asset ratio ((v)/(iv)) 1.2%>	B: Portion secured by collateral or guarantees, etc. (a)+(b)+(c) 343.0	C: Unsecured portion (A - B) 395.7	D: Specific Reserve + General Reserve for Substandard Loans (*2) 243.7
			Reserve Ratio (*5) $\frac{D}{C}$ 61.6%

$$\text{Coverage Ratio} = (B+D)/A \quad 79.4\%$$

(*1) Includes amount of direct reduction totaling JPY 298.3 billion.

(*2) Includes reserve for assets that are not subject to disclosure based on the Financial Reconstruction Law standards.
(Bankrupt/Effectively Bankrupt Borrowers: JPY 4.1 billion, Potentially Bankrupt Borrowers: JPY 11.9 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.