

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

<As of Sep. 30, 2007>		(Billions of yen)					
Category of Borrowers under Self-Assessment	Problem Assets based on the Financial Reconstruction Law	Classification under Self-Assessment				Reserve for possible loan losses	Reserve Ratio
		Classification I	Classification II	Classification III	Classification IV		
Bankrupt Borrowers	Bankrupt and Quasi-Bankrupt Assets	Portion of claims secured by collateral or guarantees, etc.	Fully reserved	Direct Write-offs (*1)	Specific Reserve	14.1	100%
Effectively Bankrupt Borrowers	109.3 (i) (Change from Mar. 31, 2007: +0.4 )	99.4 (a)	9.9			(*)2	(*)3
Potentially Bankrupt Borrowers	Doubtful Assets 340.4 (ii) (Change from Mar. 31, 2007: +40.3)	Portion of claims secured by collateral or guarantees, etc. 170.3 (b)	Necessary amount reserved 170.1		135.4	79.6%	
Borrowers Requiring Caution	Substandard Loans 323.9 (iii) Change from Mar. 31, 2007: -5.8 (Claims to Substandard Borrowers)	Portion of Substandard Loans secured by collateral or guarantees, etc. 98.4 (c)			General Reserve for Substandard Loans 102.9	45.5%	16.0%
	Normal Assets 61,964.6	Claims to Borrowers Requiring Caution, excluding claims to Substandard Borrowers			General Reserve	538.6	
Normal Borrowers		Claims to Normal Borrowers					0.3% (*)4
Total 62,738.2 (iv)		Loan Loss Reserve for Specific Overseas Countries 0.0					
A=(i)+(ii)+(iii)		B: Portion secured by collateral or guarantees, etc.	C: Unsecured portion ( A - B )			Reserve Ratio (*)5	
773.6 (v) Change from Mar. 31, 2007: +34.9 <Problem asset ratio ((v)/(iv)) 1.2%>		(a)+(b)+(c) 368.1	405.5			D: Specific Reserve + General Reserve for Substandard Loans (*)2 252.4 D C 62.3%	

$$\text{Coverage Ratio} = (B+D)/A \quad 80.2\%$$

(\*1) Includes amount of direct reduction totaling JPY 319.5 billion.

(\*2) Includes reserve for assets that are not subject to disclosure based on the Financial Reconstruction Law standards.

(Bankrupt/Effectively Bankrupt Borrowers: JPY 4.2 billion, Potentially Bankrupt Borrowers: JPY 9.4 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.