

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

<SMBC Non-consolidated>

(Millions of yen, %)

	Mar. 31, 2008		Mar. 31, 2007
	(a)	(a) - (b)	(b)
Bankrupt and quasi-bankrupt assets	117,757	8,864	108,893
Doubtful assets	402,028	101,931	300,097
Substandard loans	284,153	(45,524)	329,677
Total (A)	803,939	65,272	738,667
Normal assets	63,928,140	3,385,902	60,542,238
Total (B)	64,732,080	3,451,174	61,280,906
Problem asset ratio (A/B)	1.24	0.03	1.21

Amount of direct reduction 333,811 35,497 298,314

(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, 2008		Mar. 31, 2007
	(a)	(a) - (b)	(b)
Total coverage (C)	647,950	61,269	586,681
Reserve for possible loan losses* (D)	277,591	33,888	243,703
Amount recoverable due to guarantees, collateral and others (E)	370,359	27,382	342,977

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

(%)

Coverage ratio (C) / (A)	80.60	1.18	79.42
Coverage ratio calculated with total reserve for possible loan losses included in the numerator	123.19	(14.97)	138.16

(%)

Reserve ratio to unsecured assets (D) / (A - E)	64.02	2.43	61.59
Reserve ratio calculated with total reserve for possible loan losses included in the numerator	143.00	(28.24)	171.24

<Consolidated>

(Millions of yen, %)

	Mar. 31, 2008		Mar. 31, 2007
	(a)	(a) - (b)	(b)
Bankrupt and quasi-bankrupt assets	206,634	12,842	193,792
Doubtful assets	507,167	122,350	384,817
Substandard loans	418,841	(87,183)	506,024
Total (A)	1,132,643	48,011	1,084,632
Normal assets	69,001,954	4,186,347	64,815,607
Total (B)	70,134,597	4,234,357	65,900,240
Problem asset ratio (A/B)	1.61	(0.04)	1.65

(Millions of yen)

	Mar. 31, 2008		Mar. 31, 2007
	(a)	(a) - (b)	(b)
Total coverage (C)	915,910	34,409	881,501
Reserve for possible loan losses (D)	319,935	38,277	281,658
Amount recoverable due to guarantees, collateral and others (E)	595,975	(3,868)	599,843

(%)

Coverage ratio (C) / (A)	80.86	(0.41)	81.27
Coverage ratio calculated with total reserve for possible loan losses included in the numerator	131.61	(5.67)	137.28

(%)

Reserve ratio to unsecured assets (D) / (A - E)	59.62	1.52	58.10
Reserve ratio calculated with total reserve for possible loan losses included in the numerator	166.71	(16.69)	183.40