

16. Progress in Off-Balancing of Problem Assets <SMBC Non-consolidated>
(Performance of the first half-year)

(Billions of yen)

	Mar. 31, 2007	Change in the six months ended Sep. 30, 2007	Problem assets newly classified during the six months ended Sep. 30, 2007	Amount of off-balancing	Sep. 30, 2007
Bankrupt and quasi-bankrupt assets	108.9	0.4	34.1	(33.7)	109.3
Doubtful assets	300.1	40.3	141.2	(100.9)	340.4
Total	409.0	40.7	175.3 (*1)	(134.6)	449.7
Result of measures connected to off-balancing (*2)	80.9				94.7

Breakdown of off-balancing by factor (*3)		
	Disposition by borrowers' liquidation	(9.7)
Reconstructive disposition --- (a)	(27.4)	
Improvement in debtors' performance due to (a)	-	
Loan sales to market	(46.0)	
Direct write-offs	38.9	
Others	(90.4)	
	Collection/repayment, etc.	(78.5)
	Improvement in debtors' performance	(11.9)
Total	(134.6)	

(Performance of the second half-year)

(Billions of yen)

	Sep. 30, 2007	Change in the six months ended Mar. 31, 2008	Problem assets newly classified during the six months ended Mar. 31, 2008	Amount of off-balancing	Mar. 31, 2008
Bankrupt and quasi-bankrupt assets	109.3	8.5	37.7	(29.2)	117.8
Doubtful assets	340.4	61.6	241.7	(180.1)	402.0
Total	449.7	70.1	279.4	(209.3) (*1)	519.8
Result of measures connected to off-balancing (*2)	94.7				102.8

Breakdown of off-balancing by factor (*3)		
	Disposition by borrowers' liquidation	(22.1)
Reconstructive disposition --- (a)	(6.5)	
Improvement in debtors' performance due to (a)	-	
Loan sales to market	(33.0)	
Direct write-offs	46.0	
Others	(193.7)	
	Collection/repayment, etc.	(115.3)
	Improvement in debtors' performance	(78.4)
Total	(209.3)	

(*1) The amount of Problem assets newly classified during the six months ended Sep. 30, 2007 and off-balanced in the six months ended Mar. 31, 2008 was JPY 84.7 billion.

(*2) The measures connected to off-balancing are legal reorganizations, measures associated with legal reorganizations, corporate splits to good companies and bad companies, partial direct write-offs of retail exposure to individuals and small- and medium-sized enterprises, and trusts to RCC for the purpose of revitalization which is scheduled to be off-balanced before the maturity.

(*3) 1. "Disposition by borrowers' liquidation" refers to abandonment or write-off of loans involved in bankruptcy liquidation proceedings (bankruptcy or special liquidations).

2. "Reconstructive disposition" refers to abandonment of loans involved in rehabilitative bankruptcy proceedings (corporate reorganization, civil rehabilitation, composition and arrangement), debt forgiveness involved in special mediation or other types of civil mediation, or debt forgiveness for restructuring involved in private reorganization.