

## 14. Problem Assets Based on the Financial Reconstruction Law

&lt;SMBC Non-consolidated&gt;

(Millions of yen, %)

	Mar. 31, 2003	Change	
		Mar. 31, 2003	Mar. 31, 2002
Bankrupt and quasi-bankrupt assets	524,889	26,626	498,263
Doubtful assets	2,129,501	(852,772)	2,982,273
Substandard loans	2,606,955	167,145	2,439,810
Total (A)	5,261,345	(659,002)	5,920,347
Normal assets	57,313,355	(3,600,943)	60,914,298
Total (B)	62,574,700	(4,259,945)	66,834,645
Problem asset ratio (A/B)	8.4	(0.5)	8.9

Amount of direct reduction 954,041 (458,173) 1,412,214

(Note) In addition to loans, "Problem Assets Based on the Financial Reconstruction Law" includes acceptances and guarantees, suspense payments, and other credit-type assets.

(Millions of yen)

	Mar. 31, 2003	Change	
		Mar. 31, 2003	Mar. 31, 2002
Total coverage (C)	4,036,463	(502,763)	4,539,226
Reserve for possible loan losses* (D)	1,490,852	113,549	1,377,303
Reserve for supporting specific borrowers	-	-	-
Amount recoverable due to guarantees, collateral and others (E)	2,545,611	(616,311)	3,161,922

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

(%)

Coverage ratio (C) / (A)	76.7	0.0	76.7
Coverage ratio calculated with total reserve for possible loan losses included in the numerator	87.8	1.0	86.8

(%)

Reserve ratio to unsecured assets (D) / (A - E)	54.9	5.0	49.9
Reserve ratio calculated with total reserve for possible loan losses included in the numerator	76.4	4.7	71.7

&lt;Consolidated&gt;

(Millions of yen, %)

	Mar. 31, 2003	Change	
		Mar. 31, 2003	Mar. 31, 2002
Bankrupt and quasi-bankrupt assets	655,976	17,740	638,236
Doubtful assets	2,340,207	(923,213)	3,263,420
Substandard loans	2,857,590	191,521	2,666,069
Total (A)	5,853,773	(713,952)	6,567,725
Normal assets	59,330,555	(2,565,869)	61,896,424
Total (B)	65,184,328	(3,279,821)	68,464,149
Problem asset ratio (A/B)	9.0	(0.6)	9.6

(Millions of yen)

	Mar. 31, 2003	Change	
		Mar. 31, 2003	Mar. 31, 2002
Total coverage (C)	4,460,614	(482,481)	4,943,095
Reserve for possible loan losses* (D)	1,569,412	175,092	1,394,320
Reserve for supporting specific borrowers	-	-	-
Amount recoverable due to guarantees, collateral and others (E)	2,891,202	(657,573)	3,548,775

(%)

Coverage ratio (C) / (A)	76.2	0.9	75.3
Coverage ratio calculated with total reserve for possible loan losses included in the numerator	87.7	0.8	86.9

(%)

Reserve ratio to unsecured assets (D) / (A - E)	53.0	6.8	46.2
Reserve ratio calculated with total reserve for possible loan losses included in the numerator	75.7	4.2	71.5