

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

<As of Sep. 30, 2003>						(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 506.1 (i) (Change from Mar. 31, 2003: -18.8)	Portion of claims secured by collateral or guarantees, etc. 491.6 (a)	Fully reserved 14.5	Direct Write-offs (*1)	Specific Reserve	20.3 (*2)	100% (*3)
Effectively Bankrupt Borrowers							
Potentially Bankrupt Borrowers	Doubtful Assets 1,631.2 (ii) (Change from Mar. 31, 2003: -498.3)	Portion of claims secured by collateral or guarantees, etc. 755.6 (b)	Necessary amount reserved 875.6		Specific Reserve	608.9 (*2)	69.5% (*3)
Borrowers Requiring Caution	Substandard Loans 1,729.3 (iii) (Change from Mar. 31, 2003: -877.6) (Claims to Substandard Borrowers)	Portion of Substandard Loans secured by collateral or guarantees, etc. 669.8 (c)			General Reserve for Substandard Loans	335.3	30.5% (*3)
	Normal Assets	Claims to Borrowers Requiring Caution, excluding claims to Substandard Borrowers			General Reserve	880.3	5.5% [12.2%] (*4)
Normal Borrowers	56,623.8	Claims to Normal Borrowers					0.2% (*4)
Total 60,490.4 (iv)					Loan Loss Reserve for Specific Overseas Countries	9.5	
A=(i)+(ii)+(iii) 3,866.6 (v) (Change from Mar. 31, 2003: -1,394.7) <Problem asset ratio ((v)/(iv)) 6.4%>		B: Portion secured by collateral or guarantees, etc. (a)+(b)+(c) 1,917.0	C: Unsecured portion (A - B) 1,949.6		D: Specific Reserve + General Reserve for Substandard Loans (*2) 964.5		Reserve Ratio (*5) $\frac{D}{C}$ 49.5%

$$\text{Coverage Ratio} = (B+D)/A \quad 74.5\%$$

(*1) Includes direct reduction amounts to JPY 1,320.8 billion.

(*2) Includes reserves for assets which are not subject to disclosure based on the Financial Reconstruction Law disclosure standards.
(Bankrupt/Effectively Bankrupt Borrowers: JPY 5.8 billion, Potentially Bankrupt Borrowers: JPY 9.9 billion)

(*3) Reserve ratios to Bankrupt Borrowers, Effectively Bankrupt Borrowers, Potentially Bankrupt Borrowers, Substandard Borrowers and Borrowers Requiring Caution including Substandard Borrowers are the proportion of each category's total unsecured claims covered by reserve for possible loan losses.

(*4) Reserve ratios to Normal Borrowers and Borrowers Requiring Caution excluding Substandard Borrowers are the proportion of the reserve to the respective claims of each category.

The reserve ratio of unsecured claims on Borrowers Requiring Caution (excluding claims to Substandard Borrowers) is shown in brackets.

(*5) The proportion of the reserve to the claims, excluding the portion secured by collateral or guarantees, etc.