

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

&lt;SMBC Non-consolidated&gt;

(Millions of yen, %)

	Sep. 30, 2003			Mar. 31, 2003 (b)	Sep. 30, 2002 (c)
	(a)	(a) - (b)	(a) - (c)		
Bankrupt and quasi-bankrupt assets	506,043	(18,846)	(13,243)	524,889	519,286
Doubtful assets	1,631,229	(498,272)	(921,109)	2,129,501	2,552,338
Substandard loans	1,729,339	(877,616)	(920,757)	2,606,955	2,650,096
Total (A)	3,866,611	(1,394,734)	(1,855,111)	5,261,345	5,721,722
Normal assets	56,623,833	(689,522)	(3,274,733)	57,313,355	59,898,566
Total (B)	60,490,444	(2,084,256)	(5,129,844)	62,574,700	65,620,288
Problem asset ratio (A/B)	6.4	(2.0)	(2.3)	8.4	8.7

Amount of direct reduction 1,320,848 366,807 (85,626) 954,041 1,406,474

(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)

	Sep. 30, 2003			Mar. 31, 2003 (b)	Sep. 30, 2002 (c)
	(a)	(a) - (b)	(a) - (c)		
Total coverage (C)	2,881,410	(1,155,053)	(1,363,868)	4,036,463	4,245,278
Reserve for possible loan losses* (D)	964,470	(526,382)	(317,736)	1,490,852	1,282,206
Reserve for supporting specific borrowers	-	-	-	-	-
Amount recoverable due to guarantees, collateral and others (E)	1,916,940	(628,671)	(1,046,131)	2,545,611	2,963,071

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

(%)

Coverage ratio (C) / (A)	74.5	(2.2)	0.3	76.7	74.2
Coverage ratio calculated with total reserve for possible loan losses included in the numerator	88.9	1.1	4.3	87.8	84.6

(%)

Reserve ratio to unsecured assets (D) / (A - E)	49.5	(5.4)	3.0	54.9	46.5
Reserve ratio calculated with total reserve for possible loan losses included in the numerator	77.9	1.5	9.9	76.4	68.0

&lt;Consolidated&gt;

(Millions of yen, %)

	Sep. 30, 2003			Mar. 31, 2003 (b)	Sep. 30, 2002 (c)
	(a)	(a) - (b)	(a) - (c)		
Bankrupt and quasi-bankrupt assets	640,949	(15,027)	(12,326)	655,976	653,275
Doubtful assets	1,851,100	(489,107)	(933,899)	2,340,207	2,784,999
Substandard loans	1,960,747	(896,843)	(917,522)	2,857,590	2,878,269
Total (A)	4,452,796	(1,400,977)	(1,863,747)	5,853,773	6,316,543
Normal assets	59,375,527	44,972	(1,523,651)	59,330,555	60,899,178
Total (B)	63,828,323	(1,356,005)	(3,387,398)	65,184,328	67,215,721
Problem asset ratio (A/B)	7.0	(2.0)	(2.4)	9.0	9.4

(Millions of yen)

	Sep. 30, 2003			Mar. 31, 2003 (b)	Sep. 30, 2002 (c)
	(a)	(a) - (b)	(a) - (c)		
Total coverage (C)	3,305,819	(1,154,795)	(1,284,934)	4,460,614	4,590,753
Reserve for possible loan losses* (D)	1,046,729	(522,683)	(253,325)	1,569,412	1,300,054
Reserve for supporting specific borrowers	-	-	-	-	-
Amount recoverable due to guarantees, collateral and others (E)	2,259,090	(632,112)	(1,031,609)	2,891,202	3,290,699

(%)

Coverage ratio (C) / (A)	74.2	(2.0)	1.5	76.2	72.7
Coverage ratio calculated with total reserve for possible loan losses included in the numerator	88.9	1.2	4.4	87.7	84.5

(%)

Reserve ratio to unsecured assets (D) / (A - E)	47.7	(5.3)	4.7	53.0	43.0
Reserve ratio calculated with total reserve for possible loan losses included in the numerator	77.5	1.8	9.8	75.7	67.7