

10. Classification under Self-Assessment, Disclosure of Problem Assets, and Write-Offs / Reserves

<SMBC Non-consolidated>

<As of Mar. 31, 2004>					(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 361.6 (i) (Change from Mar. 31, 2003: -163.3)	Portion of claims secured by collateral or guarantees, etc. 349.7 (a)	Fully reserved 11.9	Direct Write-offs (*1)		Specific Reserve 18.3 (*2)	100% (*3)		
Effectively Bankrupt Borrowers									
Potentially Bankrupt Borrowers	Doubtful Assets 1,202.7 (ii) (Change from Mar. 31, 2003: -926.8)	Portion of claims secured by collateral or guarantees, etc. 657.3 (b)	Necessary amount reserved 545.4			455.7 (*2)	83.6% (*3)		
Borrowers Requiring Caution	Substandard Loans 1,246.9 (iii) 〔Change from Mar. 31, 2003: -1,360.0〕 (Claims to Substandard Borrowers)	Portion of Substandard Loans secured by collateral or guarantees, etc. 523.5 (c)							
	Normal Assets 52,874.4	Claims to Borrowers Requiring Caution, excluding claims to Substandard Borrowers							
Normal Borrowers		Claims to Normal Borrowers	General Reserve 769.0						
Total 55,685.6 (iv)					Loan Loss Reserve for Specific Overseas Countries 7.8				
A=(i)+(ii)+(iii)		B: Portion secured by collateral or guarantees, etc.	C: Unsecured portion (A - B)			Reserve Ratio			
		(a)+(b)+(c)				(*5)			
2,811.2 (v) 〔Change from Mar. 31, 2003: -2,450.1〕 <Problem asset ratio ((v)/(iv)) 5.0%>		1,530.5	1,280.7			D: Specific Reserve + General Reserve for Substandard Loans (*2) 761.5			
						D C 59.5%			

$$\text{Coverage Ratio} = (B+D)/A \quad 81.5\%$$

(*1) Includes amount of direct reduction totaling JPY 889.4 billion.

(*2) Includes reserves for assets that are not subject to disclosure based on the Financial Reconstruction Law standards.
(Bankrupt/Effectively Bankrupt Borrowers: JPY 6.4 billion, Potentially Bankrupt Borrowers: JPY 9.5 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 to reserve of the possible loan losses to each category's total unsecured claims.

(*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.