

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

<SMBC Non-consolidated>

(Millions of yen, %)

	Mar. 31, 2004		Mar. 31, 2003
		Change	
Bankrupt and quasi-bankrupt assets	361,642	(163,247)	524,889
Doubtful assets	1,202,673	(926,828)	2,129,501
Substandard loans	1,246,919	(1,360,036)	2,606,955
Total (A)	2,811,234	(2,450,111)	5,261,345
Normal assets	52,874,353	(4,439,002)	57,313,355
Total (B)	55,685,587	(6,889,113)	62,574,700
Problem asset ratio (A/B)	5.0	(3.4)	8.4

Amount of direct reduction 889,361 (64,680) 954,041

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

(Millions of yen)

	Mar. 31, 2004		Mar. 31, 2003
		Change	
Total coverage (C)	2,292,028	(1,744,435)	4,036,463
Reserve for possible loan losses* (D)	761,481	(729,371)	1,490,852
Reserve for supporting specific borrowers	-	-	-
Amount recoverable due to guarantees, collateral and others (E)	1,530,547	(1,015,064)	2,545,611

* Sum of general reserve for Substandard loans and specific reserve.

(%)

Coverage ratio (C) / (A)	81.5	4.8	76.7
Coverage ratio calculated with total reserve for possible loan losses included in the numerator	98.9	11.1	87.8

(%)

Reserve ratio to unsecured assets (D) / (A - E)	59.5	4.6	54.9
Reserve ratio calculated with total reserve for possible loan losses included in the numerator	97.7	21.3	76.4

<Consolidated>

(Millions of yen, %)

	Mar. 31, 2004		Mar. 31, 2003
		Change	
Bankrupt and quasi-bankrupt assets	485,864	(170,112)	655,976
Doubtful assets	1,409,151	(931,056)	2,340,207
Substandard loans	1,441,182	(1,416,408)	2,857,590
Total (A)	3,336,197	(2,517,576)	5,853,773
Normal assets	56,127,550	(3,203,005)	59,330,555
Total (B)	59,463,747	(5,720,581)	65,184,328
Problem asset ratio (A/B)	5.6	(3.4)	9.0

(Millions of yen)

	Mar. 31, 2004		Mar. 31, 2003
		Change	
Total coverage (C)	2,663,776	(1,796,838)	4,460,614
Reserve for possible loan losses* (D)	837,349	(732,063)	1,569,412
Reserve for supporting specific borrowers	-	-	-
Amount recoverable due to guarantees, collateral and others (E)	1,826,427	(1,064,775)	2,891,202

(%)

Coverage ratio (C) / (A)	79.8	3.6	76.2
Coverage ratio calculated with total reserve for possible loan losses included in the numerator	97.4	9.7	87.7

(%)

Reserve ratio to unsecured assets (D) / (A - E)	55.5	2.5	53.0
Reserve ratio calculated with total reserve for possible loan losses included in the numerator	94.2	18.5	75.7