

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

<SMBC Non-consolidated>

<As of Sep. 30, 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	Portion of claims secured by collateral or guarantees, etc.		Fully reserved	Direct Write-offs (*1)	Specific Reserve	100% (*3)			
Effectively Bankrupt Borrowers	581.1 (i) (Change from Mar. 31, 2004: +219.5)			19.5						
Potentially Bankrupt Borrowers	Doubtful Assets 1,124.1 (ii) (Change from Mar. 31, 2004: -78.6)	Portion of claims secured by collateral or guarantees, etc.		Necessary amount reserved 662.5		512.3 (*2)	77.3% (*3)			
Borrowers Requiring Caution	Substandard Loans 779.2 (iii) Change from Mar. 31, 2004: -467.7 (Claims to Substandard Borrowers)	Portion of Substandard Loans secured by collateral or guarantees, etc. 381.9 (c)		Claims to Borrowers Requiring Caution, excluding claims to Substandard Borrowers		General Reserve for Substandard Loans 160.6	38.7% (*3)	19.1% (*3)		
	Normal Assets					General Reserve	419.3		3.8% [10.1%] (*4)	
Normal Borrowers	53,673.4	Claims to Normal Borrowers							0.1% (*4)	
Total 56,157.8 (iv)						Loan Loss Reserve for Specific Overseas Countries 4.9				
A=(i)+(ii)+(iii)		B: Portion secured by collateral or guarantees, etc.		C: Unsecured portion (A - B)		Reserve Ratio				
2,484.4 (v) Change from Mar. 31, 2004: -326.8 <Problem asset ratio ((v)/(iv)) 4.4%>		(a)+(b)+(c) 1,405.1		1,079.3		D: Specific Reserve + General Reserve for Substandard Loans (*2) 699.0		D / C 64.8%		

$$\text{Coverage Ratio} = (B+D)/A \quad 84.7\%$$

(*1) Includes amount of direct reduction totaling JPY 1,409.2 billion.

(*2) Includes reserve for assets that are not subject to disclosure based on the Financial Reconstruction Law standards.
(Bankrupt/Effectively Bankrupt Borrowers: JPY 6.6 billion, Potentially Bankrupt Borrowers: JPY 10.0 billion)

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

(*4) Reserve ratios for claims on Normal Borrowers and Borrowers Requiring Caution (excluding claims to Substandard Borrowers) are the proportion of the reserve for possible loan losses to the respective claims of each category.
The reserve ratio for unsecured claims on Borrowers Requiring Caution (excluding claims to Substandard Borrowers) is shown in [].

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