

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

<SMBC Non-consolidated>

(Millions of yen, %)

	Mar. 31, 2005		Mar. 31, 2004
		Change	
Bankrupt and quasi-bankrupt assets	448,261	86,619	361,642
Doubtful assets	924,451	(278,222)	1,202,673
Substandard loans	451,909	(795,010)	1,246,919
Total (A)	1,824,622	(986,612)	2,811,234
Normal assets	53,452,547	578,194	52,874,353
Total (B)	55,277,169	(408,418)	55,685,587
Problem asset ratio (A/B)	3.3	(1.7)	5.0

Amount of direct reduction 1,531,846 642,485 889,361

(Note) Problem Assets Based on the Financial Reconstruction Law include loans, acceptances and guarantees, suspense payments, and other credit-type assets.

(Millions of yen)

	Mar. 31, 2005		Mar. 31, 2004
		Change	
Total coverage (C)	1,651,942	(640,086)	2,292,028
Reserve for possible loan losses* (D)	692,182	(69,299)	761,481
Amount recoverable due to guarantees, collateral and others (E)	959,760	(570,787)	1,530,547

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

(%)

Coverage ratio (C) / (A)	90.5	9.0	81.5
Coverage ratio calculated with total reserve for possible loan losses included in the numerator	106.8	7.9	98.9

(%)

Reserve ratio to unsecured assets (D) / (A - E)	80.0	20.5	59.5
Reserve ratio calculated with total reserve for possible loan losses included in the numerator	114.4	16.7	97.7

<Consolidated>

(Millions of yen, %)

	Mar. 31, 2005		Mar. 31, 2004
		Change	
Bankrupt and quasi-bankrupt assets	480,968	(4,896)	485,864
Doubtful assets	1,074,240	(334,911)	1,409,151
Substandard loans	767,797	(673,385)	1,441,182
Total (A)	2,323,006	(1,013,191)	3,336,197
Normal assets	57,094,775	967,225	56,127,550
Total (B)	59,417,781	(45,966)	59,463,747
Problem asset ratio (A/B)	3.9	(1.7)	5.6

(Millions of yen)

	Mar. 31, 2005		Mar. 31, 2004
		Change	
Total coverage (C)	2,043,042	(620,734)	2,663,776
Reserve for possible loan losses (D)	761,198	(76,151)	837,349
Amount recoverable due to guarantees, collateral and others (E)	1,281,844	(544,583)	1,826,427

(%)

Coverage ratio (C) / (A)	87.9	8.1	79.8
Coverage ratio calculated with total reserve for possible loan losses included in the numerator	110.0	12.6	97.4

(%)

Reserve ratio to unsecured assets (D) / (A - E)	73.1	17.6	55.5
Reserve ratio calculated with total reserve for possible loan losses included in the numerator	122.3	28.1	94.2