

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

&lt;SMBC Non-consolidated&gt;

(Millions of yen, %)

	Sep. 30, 2008			Mar. 31, 2008	Sep. 30, 2007
	(a)	(a) - (b)	(a) - (c)	(b)	(c)
Bankrupt and quasi-bankrupt assets	269,084	151,327	159,806	117,757	109,278
Doubtful assets	525,760	123,732	185,340	402,028	340,420
Substandard loans	282,035	(2,118)	(41,914)	284,153	323,949
Total (A)	1,076,881	272,942	303,232	803,939	773,649
Normal assets	65,343,453	1,415,313	3,378,944	63,928,140	61,964,509
Total (B)	66,420,334	1,688,254	3,682,176	64,732,080	62,738,158
Problem asset ratio (A/B)	1.62	0.38	0.39	1.24	1.23

Amount of direct reduction 446,096 112,285 126,624 333,811 319,472

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

(Millions of yen)

	Sep. 30, 2008			Mar. 31, 2008	Sep. 30, 2007
	(a)	(a) - (b)	(a) - (c)	(b)	(c)
Total coverage (C)	921,228	273,278	300,600	647,950	620,628
Reserve for possible loan losses* (D)	279,085	1,494	26,613	277,591	252,472
Amount recoverable by guarantees, collateral and others (E)	642,143	271,784	273,987	370,359	368,156

(\*) Sum of general reserve for Substandard loans and specific reserve.

(%)

Coverage ratio (C) / (A)	85.55	4.95	5.33	80.60	80.22
Coverage ratio calculated with total reserve for possible loan losses included in the numerator	118.97	(4.22)	(17.57)	123.19	136.54

(%)

Reserve ratio to unsecured assets (D) / (A - E)	64.20	0.18	1.94	64.02	62.26
Reserve ratio calculated with total reserve for possible loan losses included in the numerator	146.98	3.98	(22.73)	143.00	169.71

&lt;Consolidated&gt;

(Millions of yen, %)

	Sep. 30, 2008			Mar. 31, 2008	Sep. 30, 2007
	(a)	(a) - (b)	(a) - (c)	(b)	(c)
Bankrupt and quasi-bankrupt assets	402,225	195,591	217,571	206,634	184,654
Doubtful assets	650,516	143,349	213,255	507,167	437,261
Substandard loans	416,385	(2,456)	(63,989)	418,841	480,374
Total (A)	1,469,128	336,485	366,837	1,132,643	1,102,291
Normal assets	70,667,101	1,665,147	3,164,967	69,001,954	67,502,134
Total (B)	72,136,230	2,001,633	3,531,805	70,134,597	68,604,425
Problem asset ratio (A/B)	2.04	0.43	0.43	1.61	1.61

(Millions of yen)

	Sep. 30, 2008			Mar. 31, 2008	Sep. 30, 2007
	(a)	(a) - (b)	(a) - (c)	(b)	(c)
Total coverage (C)	1,249,880	333,970	374,898	915,910	874,982
Reserve for possible loan losses (D)	325,086	5,151	26,848	319,935	298,238
Amount recoverable due to guarantees, collateral and others (E)	924,794	328,819	348,050	595,975	576,744

(%)

Coverage ratio (C) / (A)	85.08	4.22	5.70	80.86	79.38
Coverage ratio calculated with total reserve for possible loan losses included in the numerator	124.20	(7.41)	(12.54)	131.61	136.74

(%)

Reserve ratio to unsecured assets (D) / (A - E)	59.72	0.10	2.97	59.62	56.75
Reserve ratio calculated with total reserve for possible loan losses included in the numerator	165.32	(1.39)	(11.75)	166.71	177.07