

Loans (Nonconsolidated)

Sumitomo Mitsui Banking Corporation

Balance of Loans and Bills Discounted

Year-End Balance

March 31	Millions of yen		
	2004	2003	2002
Domestic operations:			
Loans on notes	¥ 5,273,254	¥ 6,660,286	¥ 6,895,403
Loans on deeds	33,177,784	37,400,695	34,298,736
Overdrafts	8,249,108	8,410,644	11,567,085
Bills discounted	572,371	649,463	857,189
Subtotal	¥47,272,518	¥53,121,090	¥53,618,414
International operations:			
Loans on notes	¥ 436,046	¥ 550,369	¥ 1,002,166
Loans on deeds	3,007,477	3,495,523	5,136,672
Overdrafts	93,462	115,210	170,476
Bills discounted	639	172	638
Subtotal	¥ 3,537,625	¥ 4,161,274	¥ 6,309,954
Total	¥50,810,144	¥57,282,365	¥59,928,368

Average Balance

Year ended March 31	Millions of yen		
	2004	2003	2002
Domestic operations:			
Loans on notes	¥ 6,007,354	¥ 6,987,204	¥ 6,679,940
Loans on deeds	35,527,330	36,317,903	35,133,057
Overdrafts	8,392,655	9,914,028	10,972,299
Bills discounted	547,893	639,612	790,752
Subtotal	¥50,475,233	¥53,858,748	¥53,576,051
International operations:			
Loans on notes	¥ 439,060	¥ 802,842	¥ 1,058,147
Loans on deeds	3,148,040	4,572,375	5,785,859
Overdrafts	181,726	156,554	215,157
Bills discounted	889	882	383
Subtotal	¥ 3,769,716	¥ 5,532,654	¥ 7,059,547
Total	¥54,244,949	¥59,391,403	¥60,635,599

Notes: 1. Figures for the year ended March 31, 2003, include those of the former SMBC for the period from April 1, 2002 to March 16, 2003.

2. The average balance of foreign-currency-denominated transactions by domestic branches in international operations is calculated by the monthly current method.

Balance of Loans and Bills Discounted, Classified by Purpose

March 31	2004		2003		2002	
	Millions of yen	Percentage	Millions of yen	Percentage	Millions of yen	Percentage
Funds for capital investment	¥21,632,436	42.6%	¥22,156,745	38.7%	¥23,277,789	38.8%
Funds for working capital	29,177,708	57.4	35,125,619	61.3	36,650,579	61.2
Total	¥50,810,144	100.0%	¥57,282,365	100.0%	¥59,928,368	100.0%

Note: Percentage indicates the composition ratio.

Breakdown of Loan Collateral

March 31	Millions of yen		
	2004	2003	2002
Securities	¥ 1,025,755	¥ 805,685	¥ 1,171,780
Commercial claims	1,311,345	1,253,179	1,098,954
Commercial goods	2,595	4,579	4,430
Real estate	7,490,743	8,531,366	9,309,699
Others	363,678	479,374	831,093
Subtotal	¥10,194,118	¥11,074,186	¥12,415,959
Guaranteed	¥22,103,891	¥22,177,530	¥23,864,117
Unsecured	18,512,134	24,030,649	23,648,291
Total	¥50,810,144	¥57,282,365	¥59,928,368

Balance of Loans and Bills Discounted, Classified by Maturity

March 31	Millions of yen		
	2004	2003	2002
One year or less	¥10,666,356	¥15,605,752	¥16,085,851
Floating interest rates	/	/	/
Fixed interest rates	/	/	/
One — three years	¥ 8,223,191	¥ 9,400,680	¥10,058,898
Floating interest rates	5,500,484	6,347,133	7,076,540
Fixed interest rates	2,722,707	3,053,547	2,982,358
Three — five years	¥ 5,451,873	¥ 5,876,286	¥ 6,058,896
Floating interest rates	3,950,114	3,973,971	4,401,939
Fixed interest rates	1,501,759	1,902,314	1,656,956
Five — seven years	¥ 2,237,279	¥ 2,502,737	¥ 2,572,696
Floating interest rates	1,715,055	1,683,355	1,957,333
Fixed interest rates	522,223	819,382	615,363
More than seven years	¥15,888,872	¥15,492,524	¥13,527,762
Floating interest rates	14,822,715	14,629,478	12,854,843
Fixed interest rates	1,066,156	863,046	672,918
No designated term	¥ 8,342,570	¥ 8,404,383	¥11,624,262
Floating interest rates	8,342,570	8,399,298	11,624,262
Fixed interest rates	—	5,084	—
Total	¥50,810,144	¥57,282,365	¥59,928,368

Note: Loans with a maturity of one year or less are not classified by floating or fixed interest rates.

Balance of Loan Portfolio, Classified by Industry

March 31	2004		2003	
	Millions of yen	Percentage	Millions of yen	Percentage
Domestic offices:				
Manufacturing	¥ 5,794,191	12.1%	¥ 6,031,262	11.2%
Agriculture, forestry, fisheries and mining	133,833	0.3	192,795	0.4
Construction	1,717,184	3.6	2,385,278	4.4
Transportation, communications and public enterprises	3,134,713	6.5	2,968,971	5.5
Wholesale and retail	5,492,168	11.5	5,812,485	10.8
Finance and insurance	4,892,526	10.2	5,419,634	10.1
Real estate	6,995,060	14.6	8,240,327	15.3
Services	5,470,887	11.4	5,622,703	10.5
Municipalities	688,159	1.4	508,144	0.9
Others	13,632,796	28.4	16,614,280	30.9
Subtotal	¥47,951,522	100.0%	¥53,795,885	100.0%
Overseas offices:				
Public sector	¥ 63,654	2.2%	¥ 119,468	3.4%
Financial institutions	227,393	8.0	236,116	6.8
Commerce and industry	2,395,989	83.8	2,945,122	84.5
Others	171,583	6.0	185,772	5.3
Subtotal	¥ 2,858,622	100.0%	¥ 3,486,479	100.0%
Total	¥50,810,144	—	¥57,282,365	—

Notes: 1. Japan offshore banking accounts are included in overseas offices' accounts.

2. Percentage indicates the composition ratio.

3. The "Japan Standard Industrial Classifications" was revised by the Ministry of Public Management, Home Affairs, Posts and Telecommunications by Official Notification No. 139 of March 7, 2002 and became effective on October 1, 2002. The domestic loan balances by industry and the composition of loan balances by industry for 2003, are based on the new industrial classifications.

March 31	2002	
	Millions of yen	Percentage
Domestic offices:		
Manufacturing	¥ 7,493,045	13.8%
Agriculture, forestry, fisheries and mining	183,675	0.3
Construction	2,841,574	5.2
Transportation, communications and other public enterprises	2,838,889	5.2
Wholesale and retail	7,161,690	13.2
Finance and insurance	5,244,899	9.6
Real estate	8,549,534	15.7
Services	6,364,140	11.7
Municipalities	337,514	0.6
Others	13,474,520	24.7
Subtotal	¥54,489,488	100.0%
Overseas offices:		
Public sector	¥ 182,437	3.4%
Financial institutions	372,246	6.8
Commerce and industry	4,689,758	86.2
Others	194,437	3.6
Subtotal	¥ 5,438,880	100.0%
Total	¥59,928,368	—

Notes: 1. Japan offshore banking accounts are included in overseas offices' accounts.
2. Percentage indicates the composition ratio.

Loans to Individuals/Small and Medium-Sized Corporations

March 31	Millions of yen		
	2004	2003	2002
Total domestic loans (A)	¥47,951,522	¥53,795,885	¥54,489,488
Loans to individuals, and small and medium-sized corporations (B)	35,427,834	36,733,241	38,780,331
(B) / (A)	73.9%	68.3%	71.2%

Notes: 1. The figures above exclude outstanding balance of loans at overseas branches and of Japan offshore banking accounts.
2. Small and medium-sized corporations are individuals or companies with capital stock of ¥300 million or less, or an operating staff of 300 or fewer employees. (Exceptions to these capital stock and staff restrictions include wholesalers: ¥100 million, 100 employees; retailers: ¥50 million, 50 employees; and service industry companies: ¥50 million, 100 employees.)

Consumer Loans Outstanding

March 31	Millions of yen		
	2004	2003	2002
Consumer loans	¥13,875,878	¥13,665,876	¥13,472,598
Housing loans	12,725,041	12,339,291	11,949,427
Housing loans for own housing	8,891,575	8,346,632	7,820,305
Others	1,150,837	1,326,585	1,523,171

Note: Housing loans include general-purpose loans used for housing purposes, such as housing loans and apartment house acquisition loans.

Breakdown of Reserve for Possible Loan Losses

Year ended March 31, 2004	Millions of yen				Balance at end of the fiscal year
	Balance at beginning of the fiscal year	Increase during the fiscal year	Decrease during the fiscal year		
			Objectives	Others	
General reserve for possible loan losses	¥1,106,970 [6,265]	¥ 769,033	¥ —	¥1,106,970*	¥ 769,033
Specific reserve for estimated loan losses on certain doubtful loans	945,345 [4,650]	473,959	747,788	197,556*	473,959
For nonresident loans	62,841 [4,650]	27,276	51,033	11,808*	27,276
Reserve for possible losses on specific overseas loans	11,566	7,758	—	11,566*	7,758
Total	¥2,063,881 [10,916]	¥1,250,751	¥747,788	¥1,316,093	¥1,250,751

*Transfer from reserves by reversal or origination method

Note: Figures in brackets [] indicate foreign exchange translation adjustments.

Year ended March 31, 2003	Millions of yen					
	Balance at beginning of the fiscal year	Amount transferred from SMBC	Increase during the fiscal year	Decrease during the fiscal year		Balance at end of the fiscal year
				Objectives	Others	
General reserve for possible loan losses	¥2,765	¥1,130,825 [(840)]	¥1,113,235	¥ —	¥1,133,590*	¥1,113,235
Specific reserve for estimated loan losses on certain doubtful loans	2,177	996,404 [(446)]	949,996	30,501	968,080*	949,996
For nonresident loans	—	67,929 [(446)]	67,492	—	67,929*	67,492
Reserve for possible losses on specific overseas loans	—	11,272	11,566	—	11,272*	11,566
Total	¥4,943	¥2,138,501 [(1,286)]	¥2,074,797	¥30,501	¥2,112,943	¥2,074,797

*Transfer from reserves by reversal or origination method

Note: Figures in brackets [] indicate foreign exchange translation adjustments.

Write-off of Loans

Year ended March 31	Millions of yen		
	2004	2003	2002
Write-off of loans	¥566,344	¥284,418	¥283,895

Note: Write-off of loans includes amount of direct reduction.

Specific Overseas Loans

March 31	Millions of yen		
	2004	2003	2002
Indonesia	¥73,826	¥104,744	¥138,482
Argentina	514	2,180	8,378
Algeria	—	—	4,139
Others	346	1,153	1,300
Total	¥74,688	¥108,077	¥152,300
Ratio of the total amounts to total assets	0.07%	0.11%	0.15%
Number of countries	6	9	9

Risk-Monitored Loans

March 31	Millions of yen		
	2004	2003	2002
Bankrupt loans	¥ 67,183	¥ 172,403	¥ 195,653
Non-accrual loans	1,460,787	2,390,173	3,184,459
Past due loans (3 months or more)	47,618	114,756	92,324
Restructured loans	1,199,301	2,492,199	2,344,016
Total	¥2,774,889	¥5,169,531	¥5,816,452

Notes: Definition of risk-monitored loan categories

1. Bankrupt loans: Credits for which accrued interest is not accounted in revenue; credits extended to borrowers that are undergoing bankruptcy, corporate reorganization and rehabilitation proceedings or debtors receiving orders of disposition by suspension of business at bill clearinghouses
2. Non-accrual loans: Credits for which accrued interest is not accounted in revenue; credits, excluding loans to bankrupt borrowers and loans with grace for interest payment to assist in corporate reorganization or to support business
3. Past due loans (3 months or more): Loans with payment of principal or interest in arrears for more than 3 months, calculated from the day following the contractual due date, excluding borrowers in categories 1. and 2.
4. Restructured loans: Loans to borrowers in severe financial condition given certain favorable terms and conditions to assist in corporate rehabilitation or to support business, excluding borrowers in categories 1. through 3.

Problem Assets Based on the Financial Reconstruction Law

March 31	Billions of yen		
	2004	2003	2002
Bankrupt and quasi-bankrupt assets	¥ 361.6	¥ 524.9	¥ 493.5
Doubtful assets	1,202.7	2,129.5	2,970.2
Substandard loans	1,246.9	2,606.9	2,436.3
Total of problem assets	¥ 2,811.2	¥ 5,261.3	¥ 5,900.0
Normal assets	¥52,874.4	¥57,313.4	¥60,558.9
Total	¥55,685.6	¥62,574.7	¥66,458.9

Notes: Definition of problem asset categories

These assets are disclosed based on the provisions of Article 7 of the Financial Reconstruction Law (Law No. 132 of 1998) and classified into the 4 categories based on financial position and business performance of obligors in accordance with Article 6 of the Law. Assets in question include loans and bills discounted, foreign exchanges, accrued interest, and advance payment in "other assets," customers' liabilities for acceptance and guarantees, and securities lent under the loan for consumption or leasing agreements.

1. Bankrupt and quasi-bankrupt assets: Credits to borrowers undergoing bankruptcy, corporate reorganization, and rehabilitation proceedings, as well as claims of a similar nature
2. Doubtful assets: Credits for which final collection of principal and interest in line with original agreements is highly improbable due to deterioration of financial position and business performance, but not insolvency of the borrower
3. Substandard loans: Past due loans (3 months or more) and restructured loans, excluding 1. and 2.
4. Normal assets: Credits to borrowers with good business performance and in financial standing without identified problems and not classified into the three categories above