

Loans (Nonconsolidated)

Sumitomo Mitsui Banking Corporation

Balance of Loans and Bills Discounted

Period-End Balance

	Millions of yen	
	September 30, 2006	
Domestic operations:		
Loans on notes	¥	2,626,168
Loans on deeds		35,565,892
Overdrafts		9,133,649
Bills discounted		345,865
Subtotal		¥47,671,576
International operations:		
Loans on notes	¥	539,420
Loans on deeds		5,578,851
Overdrafts		105,297
Bills discounted		7,331
Subtotal	¥	6,230,901
Total		¥53,902,477

Average Balance

	Millions of yen	
	Six months ended September 30, 2006	
Domestic operations:		
Loans on notes	¥	2,653,559
Loans on deeds		35,283,246
Overdrafts		8,459,819
Bills discounted		316,097
Subtotal		¥46,712,723
International operations:		
Loans on notes	¥	523,467
Loans on deeds		5,226,118
Overdrafts		120,451
Bills discounted		7,623
Subtotal	¥	5,877,660
Total		¥52,590,383

Note: 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

	Millions of yen	
	September 30, 2006	
Funds for capital investment	¥20,771,364	38.5%
Funds for working capital	33,131,113	61.5
Total	¥53,902,477	100.0%

Balance of Loans and Bills Discounted, Classified by Collateral

	Millions of yen	
	September 30, 2006	
Securities	¥	874,129
Commercial claims		1,111,344
Commercial goods		—
Real estate		6,714,799
Others		321,385
Subtotal		9,021,658
Guaranteed		22,378,312
Unsecured		22,502,506
Total		¥53,902,477

Balance of Loans and Bills Discounted, Classified by Maturity

	Millions of yen	
	September 30, 2006	
One year or less	¥ 9,174,988	
Floating interest rates	/	
Fixed interest rates	/	
One — three years	8,080,316	
Floating interest rates	6,480,275	
Fixed interest rates	1,600,040	
Three — five years	7,640,441	
Floating interest rates	6,155,250	
Fixed interest rates	1,485,190	
Five — seven years	3,221,954	
Floating interest rates	2,626,719	
Fixed interest rates	595,235	
More than seven years	16,545,829	
Floating interest rates	15,555,837	
Fixed interest rates	989,991	
No designated term	9,238,947	
Floating interest rates	9,238,947	
Fixed interest rates	—	
Total	¥53,902,477	

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

	Millions of yen	
	September 30, 2006	
Domestic offices:		
Manufacturing	¥ 5,215,867	10.8%
Agriculture, forestry, fisheries and mining	132,045	0.3
Construction	1,209,362	2.5
Transportation, communications and public enterprises	2,786,748	5.7
Wholesale and retail	5,060,573	10.4
Finance and insurance	5,523,470	11.4
Real estate	6,407,086	13.2
Services	5,943,919	12.2
Municipalities	522,672	1.1
Others	15,696,483	32.4
Subtotal	¥48,498,229	100.0%
Overseas offices:		
Public sector	¥ 25,386	0.5%
Financial institutions	297,156	5.5
Commerce and industry	4,813,446	89.1
Others	268,257	4.9
Subtotal	¥ 5,404,247	100.0%
Total	¥53,902,477	—

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

Loans to Individuals/Small and Medium-Sized Enterprises

	Millions of yen	
	September 30, 2006	
Total domestic loans (A)	¥48,498,229	
Loans to individuals, and small and medium-sized enterprises (B)	36,114,517	
(B) / (A)	74.5%	

Notes: 1. The figures above exclude outstanding balance of loans at overseas branches and of Japan offshore banking accounts.

2. Small and medium-sized enterprises 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

	Millions of yen
	September 30, 2006
Consumer loans	¥14,531,670
Housing loans.....	13,583,819
Residential purpose.....	9,915,204
Others.....	947,851

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

Breakdown of Reserve for Possible Loan Losses

	Millions of yen				
	Six months ended September 30, 2006				
	Balance at beginning of the fiscal year	Increase during the interim period	Decrease during the interim period		Balance at end of the interim period
			Objectives	Others	
General reserve for possible loan losses	¥573,007 [(471)]	¥553,458	¥ —	¥573,007*	¥553,458
Specific reserve for possible loan losses	241,558 [(12)]	216,056	31,767	209,791*	216,056
Reserve for possible losses on specific overseas loans	2,354	2,307	—	2,354*	2,307
Total	¥816,920 [(483)]	¥771,822	¥31,767	¥785,153	¥771,822

*Transfer from reserves by reversal or origination method

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

	Millions of yen				
	Six months ended September 30, 2005				
	Balance at beginning of the fiscal year	Increase during the interim period	Decrease during the interim period		Balance at end of the interim period
			Objectives	Others	
General reserve for possible loan losses	¥419,545 [(1,989)]	¥393,220	¥ —	¥419,545*	¥393,220
Specific reserve for possible loan losses	567,760 [(124)]	375,193	315,214	252,546*	375,193
Reserve for possible losses on specific overseas loans	3,930	3,727	—	3,930*	3,727
Total	¥991,236 [(2,114)]	¥772,141	¥315,214	¥676,022	¥772,141

*Transfer from reserves by reversal or origination method

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

Write-off of Loans

	Millions of yen	
	Six months ended September 30, 2006	Six months ended September 30, 2005
Write-off of loans	¥39,937	¥16,804

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

Specific Overseas Loans

	Millions of yen
	September 30, 2006
Indonesia	¥34,803
Argentina	2
Total.....	¥34,806
Ratio of the total amounts to total assets	0.03%
Number of countries	2

Risk-Monitored Loans

Consolidated

	Millions of yen		
	September 30, 2006	September 30, 2005	March 31, 2006
Bankrupt loans.....	¥ 65,026	¥ 90,003	¥ 59,681
Non-accrual loans.....	620,473	1,058,101	694,658
Past due loans (3 months or more)	36,865	53,845	24,571
Restructured loans	406,751	553,812	440,471
Total.....	¥1,129,117	¥1,755,763	¥1,219,383

Nonconsolidated

	Millions of yen		
	September 30, 2006	September 30, 2005	March 31, 2006
Bankrupt loans.....	¥ 42,129	¥ 72,184	¥ 40,914
Non-accrual loans.....	485,764	898,868	551,083
Past due loans (3 months or more)	33,648	51,310	23,446
Restructured loans	271,960	329,258	298,728
Total.....	¥833,503	¥1,351,621	¥914,173

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

Nonconsolidated

	Billions of yen		
	September 30, 2006	September 30, 2005	March 31, 2006
Bankrupt and quasi-bankrupt assets	¥ 136.0	¥ 301.7	¥ 164.5
Doubtful assets	425.1	723.8	473.4
Substandard loans.....	305.6	380.5	322.2
Total of problem assets	866.7	1,406.0	960.1
Normal assets.....	58,442.1	54,970.7	55,984.9
Total.....	¥59,308.8	¥56,376.7	¥56,945.0

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