

# Loans (Non-consolidated)

Sumitomo Mitsui Banking Corporation

## Balance of Loans and Bills Discounted

### Year-End Balance

	Millions of yen	
March 31	2019	2018
Domestic operations:		
Loans on notes .....	¥ 778,382	¥ 394,395
Loans on deeds .....	38,876,438	38,852,395
Overdrafts .....	10,045,587	9,898,871
Bills discounted .....	51,559	68,805
Subtotal .....	¥49,751,966	¥49,214,467
International operations:		
Loans on notes .....	¥ 1,219,916	¥ 1,177,844
Loans on deeds .....	25,218,669	23,335,028
Overdrafts .....	211,254	168,822
Bills discounted .....	—	—
Subtotal .....	¥26,649,840	¥24,681,695
Total .....	¥76,401,807	¥73,896,163

### Average Balance

	Millions of yen	
Year ended March 31	2019	2018
Domestic operations:		
Loans on notes .....	¥ 365,950	¥ 437,013
Loans on deeds .....	38,850,821	38,735,608
Overdrafts .....	9,517,142	9,990,889
Bills discounted .....	45,290	61,988
Subtotal .....	¥48,779,204	¥49,225,499
International operations:		
Loans on notes .....	¥ 1,377,375	¥ 1,264,012
Loans on deeds .....	25,198,453	24,491,784
Overdrafts .....	215,003	216,740
Bills discounted .....	—	10
Subtotal .....	¥26,790,832	¥25,972,547
Total .....	¥75,570,036	¥75,198,046

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			
March 31	2019		2018	
Funds for capital investment .....	¥20,985,244	27.5%	¥20,920,584	28.3%
Funds for working capital .....	55,416,563	72.5	52,975,578	71.7
Total .....	¥76,401,807	100.0%	¥73,896,163	100.0%

## Balance of Loans and Bills Discounted, Classified by Collateral

	Millions of yen	
March 31	2019	2018
Securities .....	¥ 1,710,219	¥ 1,665,388
Commercial claims .....	1,130,011	1,177,980
Commercial goods .....	—	—
Real estate .....	6,984,177	7,033,067
Others .....	1,548,178	1,197,769
Subtotal .....	11,372,585	11,074,206
Guaranteed .....	19,848,704	19,588,275
Unsecured .....	45,180,516	43,233,680
Total .....	¥76,401,807	¥73,896,163

## Balance of Loans and Bills Discounted, Classified by Maturity

March 31	Millions of yen	
	2019	2018
One year or less .....	¥13,664,684	¥12,059,922
One — three years .....	13,468,749	12,836,241
Floating interest rates .....	10,555,003	10,377,892
Fixed interest rates .....	2,913,746	2,458,348
Three — five years .....	11,884,345	12,120,427
Floating interest rates .....	9,119,424	9,010,749
Fixed interest rates .....	2,764,921	3,109,678
Five — seven years .....	6,036,444	5,531,818
Floating interest rates .....	4,883,153	4,331,834
Fixed interest rates .....	1,153,291	1,199,983
More than seven years .....	21,090,740	21,280,057
Floating interest rates .....	19,289,929	19,561,190
Fixed interest rates .....	1,800,810	1,718,867
No designated term .....	10,256,841	10,067,694
Floating interest rates .....	10,256,841	10,067,694
Fixed interest rates .....	—	—
Total .....	¥76,401,807	¥73,896,163

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	Millions of yen			
	2019		2018	
Domestic operations:				
Manufacturing .....	¥ 6,621,443	12.3%	¥ 6,072,608	11.4%
Agriculture, forestry, fisheries and mining .....	267,135	0.5	132,783	0.3
Construction .....	729,545	1.3	741,835	1.4
Transportation, communications and public enterprises .....	5,226,335	9.7	4,861,154	9.1
Wholesale and retail .....	4,283,282	7.9	4,178,942	7.9
Finance and insurance .....	7,131,892	13.2	7,352,639	13.8
Real estate .....	7,053,528	13.1	6,684,889	12.6
Goods rental and leasing .....	1,598,278	3.0	1,499,241	2.8
Services .....	4,168,190	7.7	4,090,964	7.7
Municipalities .....	754,500	1.4	914,763	1.7
Others .....	16,133,209	29.9	16,678,320	31.3
Subtotal .....	¥53,967,341	100.0%	¥53,208,143	100.0%
Overseas operations:				
Public sector .....	¥ 176,684	0.8%	¥ 195,113	1.0%
Financial institutions .....	1,668,433	7.4	1,621,969	7.8
Commerce and industry .....	18,979,331	84.6	17,418,127	84.2
Others .....	1,610,015	7.2	1,452,810	7.0
Subtotal .....	¥22,434,465	100.0%	¥20,688,019	100.0%
Total .....	¥76,401,807	—	¥73,896,163	—

Notes: 1. Domestic operations comprise the operations of SMBC (excluding overseas branches). Overseas operations comprise the operations of SMBC's overseas branches.

2. Japan offshore banking accounts are included in overseas operations' accounts.

## Loans to Individuals/Small and Medium-Sized Enterprises

March 31	Millions of yen	
	2019	2018
Total domestic loans (A) .....	¥53,967,341	¥53,208,143
Loans to individuals, and small and medium-sized enterprises (B) .....	32,994,754	33,700,117
(B) / (A) .....	61.1%	63.3%

Notes: 1. The figures above exclude the 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 or less, 100 employees or fewer; retailers: ¥50 million or less, 50 employees or fewer; and service industry companies: ¥50 million or less, 100 employees or fewer.)

## Consumer Loans Outstanding

	Millions of yen	
March 31	2019	2018
Consumer loans .....	¥13,000,685	¥13,498,645
Housing loans.....	12,118,257	12,566,778
Residential purpose.....	9,660,356	9,998,693
Others.....	882,427	931,866

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				
	Balance at beginning of the fiscal year	Increase during the fiscal year	Decrease during the fiscal year		Balance at end of the fiscal year
Year ended March 31, 2019			Objectives	Others	
General reserve for possible loan losses.....	¥226,555	¥171,358	¥ —	¥226,555*	¥171,358
	[(2,987)]				
Specific reserve for possible loan losses .....	96,858	103,826	21,053	75,804*	103,826
	[(1,138)]				
For nonresident loans.....	34,833	40,756	7,192	27,641*	40,756
	[(1,138)]				
Loan loss reserve for specific overseas countries ...	581	0	—	581*	0
Total .....	¥323,995	¥275,185	¥21,053	¥302,941	¥275,185
	[(4,126)]				

\* Reversal by reversal method

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

	Millions of yen				
	Balance at beginning of the fiscal year	Increase during the fiscal year	Decrease during the fiscal year		Balance at end of the fiscal year
Year ended March 31, 2018			Objectives	Others	
General reserve for possible loan losses.....	¥255,838	¥223,567	¥ —	¥255,838*	¥223,567
	[3,118]				
Specific reserve for possible loan losses .....	128,460	95,720	23,216	105,244*	95,720
	[1,303]				
For nonresident loans.....	35,882	33,694	12,232	23,650*	33,694
	[1,249]				
Loan loss reserve for specific overseas countries ...	1,005	581	—	1,005*	581
Total .....	¥385,304	¥319,868	¥23,216	¥362,087	¥319,868
	[4,421]				

\* Reversal by reversal method

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

## Write-Off of Loans

	Millions of yen	
Year ended March 31	2019	2018
Write-off of loans .....	¥9,245	¥7,364

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

## Specific Overseas Loans

	Millions of yen	
March 31	2019	2018
Argentina .....	¥15	¥ 22
Egypt .....	—	4,711
Azerbaijan.....	—	4,652
Total .....	¥15	¥9,386
Ratio of the total amounts to total assets .....	0.00%	0.01%
Number of countries.....	1	3

## Risk-Monitored Loans

	Millions of yen	
March 31	2019	2018
Bankrupt loans .....	¥ 11,612	¥ 24,444
Non-accrual loans .....	386,396	328,954
Past due loans (3 months or more) .....	5,525	4,460
Restructured loans .....	58,230	67,521
Total .....	¥461,765	¥425,380
Amount of direct reduction .....	¥ 82,342	¥ 92,343

## Notes: Definition of risk-monitored loan categories

1. Bankrupt loans: Loans on which accrued interest income is not recognized, and to borrowers that are undergoing bankruptcy, corporate reorganization and rehabilitation proceedings or borrowers receiving a disposition to suspend transactions with a clearing house.
2. Non-accrual loans: Loans on which accrued interest income is not recognized, excluding "Bankrupt loans" and loans on which interest payments are deferred in order to support the borrowers' recovery from financial difficulties.
3. Past due loans (3 months or more): Loans on which the principal or interest is past due for 3 months or more, excluding loans in categories 1. and 2.
4. Restructured loans: Loans to borrowers on which terms and conditions have been amended in favor of the borrowers in order to support the borrowers' recovery from financial difficulties and facilitate collection of loans, excluding loans in categories 1. through 3.

## Non-performing loans (NPLs) based on the Financial Reconstruction Act

	Millions of yen	
March 31	2019	2018
Bankrupt and quasi-bankrupt assets .....	¥ 75,341	¥ 80,942
Doubtful assets .....	337,375	283,393
Substandard loans .....	63,756	71,981
Total .....	476,472	436,317
Normal assets .....	88,460,445	85,468,271
Grand Total .....	¥88,936,918	¥85,904,588
Amount of direct reduction .....	¥ 89,256	¥ 99,662

## Notes: Definition of NPLs categories

These assets are disclosed based on the provisions of Article 7 of the Financial Reconstruction Act (Act 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 Act. Assets in question include private placement bonds, loans and bills discounted, foreign exchanges, accrued interest, and suspense payment in "other assets," customers' liabilities for acceptances 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 3 categories above

## Non-performing loans (NPLs) based on the Financial Reconstruction Act, and Risk-Monitored Loans

Category of borrowers under self-assessment	NPLs based on the Financial Reconstruction Act		Risk-monitored loans		Other assets
	Total loans	Other assets	Total loans		
Bankrupt Borrowers	Bankrupt and quasi-bankrupt assets		Bankrupt loans		©
Effectively Bankrupt Borrowers			Non-accrual loans		
Potentially Bankrupt Borrowers	Doubtful assets		Past due loans (3 months or more)		
Borrowers Requiring Caution	Substandard loans		Restructured loans		
	(Normal assets)				
Normal Borrowers					
Ⓐ			Ⓑ		Ⓒ

March 31, 2019

Notes: 1. Includes amount of direct reduction totaling ¥89.3 billion.

2. Includes reserves for assets that are not subject to disclosure under the Financial Reconstruction Act. (Bankrupt/Effectively Bankrupt Borrowers: ¥5.0 billion; Potentially Bankrupt Borrowers: ¥2.6 billion)

3. Reserve ratios for claims on Bankrupt/Effectively Bankrupt Borrowers, Potentially Bankrupt Borrowers, Substandard Borrowers, and Borrowers Requiring Caution (including Substandard Borrowers): The proportion of each category's total unsecured claims covered by reserve for possible loan losses.

4. Reserve ratios for claims on Normal Borrowers and Borrowers Requiring Caution (excluding claims to Substandard Borrowers): The proportion of each category's total claims covered by reserve for possible loan losses. The reserve ratio for unsecured claims on Borrowers Requiring Caution (excluding claims to Substandard Borrowers) is shown in brackets.

5. Includes Specific reserve for Borrowers Requiring Caution totaling ¥0.3 billion.

6. The proportion of the reserve to the claims, excluding the portion secured by collateral or guarantees, etc.

	Billions of yen						
	March 31, 2017	Fiscal 2017		March 31, 2018	Fiscal 2018		March 31, 2019
	①	New occurrences	Off-balanced	②	New occurrences	Off-balanced	③
Bankrupt and quasi-bankrupt assets...	¥118.4	¥ 31.9	¥ (69.4)	¥ 80.9	¥ 31.1	¥ (36.7)	¥ 75.3
Doubtful assets .....	347.4	78.0	(142.0)	283.4	191.7	(137.7)	337.4
Total .....	¥465.8	¥109.9	¥(211.4)	¥364.3	¥222.8	¥(174.4)	¥412.7
				Increase/ Decrease ② – ①			Increase/ Decrease ③ – ②
Bankrupt and quasi-bankrupt assets...				¥ (37.5)			¥ (5.6)
Doubtful assets .....				(64.0)			54.0
Total .....				¥(101.5)			¥48.4

Notes: 1. The off-balancing (also known as “final disposal”) of NPLs refers to the removal of such assets from the bank’s balance sheet by way of sale, direct write-off or other means.

2. The figures shown in the above table under “new occurrences” and “off-balanced” are simple additions of the figures for the first and second halves of fiscal 2018. Amount of ¥30.6 billion in fiscal 2018, recognized as “new occurrences” in the first half of the term, was included in the amounts off-balanced in the second half.