

Loans (Non-consolidated)

Sumitomo Mitsui Banking Corporation

Balance of Loans and Bills Discounted

Year-End Balance

March 31	Millions of yen	
	2020	2019
Domestic operations:		
Loans on notes	¥ 225,691	¥ 778,382
Loans on deeds	40,171,297	38,876,438
Overdrafts	10,231,982	10,045,587
Bills discounted	38,806	51,559
Subtotal	¥50,667,777	¥49,751,966
International operations:		
Loans on notes	¥ 1,428,505	¥ 1,219,916
Loans on deeds	27,793,181	25,218,669
Overdrafts	297,917	211,254
Bills discounted	—	—
Subtotal	¥29,519,604	¥26,649,840
Total	¥80,187,382	¥76,401,807

Average Balance

Year ended March 31	Millions of yen	
	2020	2019
Domestic operations:		
Loans on notes	¥ 303,641	¥ 365,950
Loans on deeds	39,264,897	38,850,821
Overdrafts	9,590,833	9,517,142
Bills discounted	40,658	45,290
Subtotal	¥49,200,031	¥48,779,204
International operations:		
Loans on notes	¥ 1,462,915	¥ 1,377,375
Loans on deeds	25,566,394	25,198,453
Overdrafts	226,263	215,003
Bills discounted	—	—
Subtotal	¥27,255,573	¥26,790,832
Total	¥76,455,604	¥75,570,036

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

March 31	Millions of yen			
	2020		2019	
Funds for capital investment	¥20,644,721	25.7%	¥20,985,244	27.5%
Funds for working capital	59,542,661	74.3	55,416,563	72.5
Total	¥80,187,382	100.0%	¥76,401,807	100.0%

Balance of Loans and Bills Discounted, Classified by Collateral

March 31	Millions of yen	
	2020	2019
Securities	¥ 1,819,416	¥ 1,710,219
Commercial claims	1,108,314	1,130,011
Commercial goods	—	—
Real estate	6,914,460	6,984,177
Others	1,898,216	1,548,178
Subtotal	11,740,408	11,372,585
Guaranteed	23,257,352	19,848,704
Unsecured	45,189,621	45,180,516
Total	¥80,187,382	¥76,401,807

Balance of Loans and Bills Discounted, Classified by Maturity

March 31	Millions of yen	
	2020	2019
One year or less	¥14,584,910	¥13,664,684
One — three years	14,155,126	13,468,749
Floating interest rates	9,929,489	10,555,003
Fixed interest rates	4,225,637	2,913,746
Three — five years	13,489,165	11,884,345
Floating interest rates	10,489,184	9,119,424
Fixed interest rates	2,999,981	2,764,921
Five — seven years	6,134,963	6,036,444
Floating interest rates	4,729,480	4,883,153
Fixed interest rates	1,405,482	1,153,291
More than seven years	21,293,316	21,090,740
Floating interest rates	19,221,910	19,289,929
Fixed interest rates	2,071,406	1,800,810
No designated term	10,529,900	10,256,841
Floating interest rates	10,529,900	10,256,841
Fixed interest rates	—	—
Total	¥80,187,382	¥76,401,807

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			
	2020		2019	
Domestic operations:				
Manufacturing	¥ 7,193,086	13.2%	¥ 6,621,443	12.3%
Agriculture, forestry, fisheries and mining	257,491	0.5	267,135	0.5
Construction	753,216	1.4	729,545	1.3
Transportation, communications and public enterprises	5,128,181	9.4	5,226,335	9.7
Wholesale and retail	4,385,298	8.0	4,283,282	7.9
Finance and insurance	7,130,276	13.1	7,131,892	13.2
Real estate	7,621,115	13.9	7,053,528	13.1
Goods rental and leasing	1,580,709	2.9	1,598,278	3.0
Services	4,279,121	7.8	4,168,190	7.7
Municipalities	784,273	1.4	754,500	1.4
Others	15,500,557	28.4	16,133,209	29.9
Subtotal	¥54,613,328	100.0%	¥53,967,341	100.0%
Overseas operations:				
Public sector	¥ 174,297	0.7%	¥ 176,684	0.8%
Financial institutions	1,929,564	7.5	1,668,433	7.4
Commerce and industry	21,485,675	84.0	18,979,331	84.6
Others	1,984,517	7.8	1,610,015	7.2
Subtotal	¥25,574,054	100.0%	¥22,434,465	100.0%
Total	¥80,187,382	—	¥76,401,807	—

Notes: 1. Domestic operations represents the operations of SMBC's domestic branches. Overseas operations represents 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	
	2020	2019
Total domestic loans (A)	¥54,613,328	¥53,967,341
Loans to individuals, and small and medium-sized enterprises (B)	33,095,033	32,994,754
(B) / (A)	60.6%	61.1%

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

March 31	Millions of yen	
	2020	2019
Consumer loans	¥12,427,001	¥13,000,685
Housing loans.....	11,583,830	12,118,257
Residential purpose.....	9,267,478	9,660,356
Others.....	843,171	882,427

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

Year ended March 31, 2020	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
			Objectives	Others	
General reserve for possible loan losses.....	¥168,006	¥188,572	¥ —	¥168,006*	¥188,572
	[3,351]				
Specific reserve for possible loan losses	102,782	91,128	19,371	83,411*	91,128
	[1,044]				
For nonresident loans.....	39,712	31,049	9,599	30,112*	31,049
	[1,044]				
Loan loss reserve for specific overseas countries ...	0	0	—	0*	0
Total.....	¥270,789	¥279,702	¥19,371	¥251,418	¥279,702
	[4,395]				

* Reversal by reversal method

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

Year ended March 31, 2019	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
			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.

Write-Off of Loans

Year ended March 31	Millions of yen	
	2020	2019
Write-off of loans.....	¥19,799	¥9,245

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

Specific Overseas Loans

March 31	Millions of yen	
	2020	2019
Argentina	¥8	¥15
Total.....	¥8	¥15
Ratio of the total amounts to total assets	0.00%	0.00%
Number of countries.....	1	1

Risk-Monitored Loans

March 31	Millions of yen	
	2020	2019
Bankrupt loans	¥ 12,978	¥ 11,612
Non-accrual loans	305,587	386,396
Past due loans (3 months or more)	4,468	5,525
Restructured loans	90,338	58,230
Total	¥413,372	¥461,765
Amount of direct reduction.....	¥ 78,064	¥ 82,342

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

March 31	Millions of yen	
	2020	2019
Bankrupt and quasi-bankrupt assets	¥ 72,976	¥ 75,341
Doubtful assets	260,833	337,375
Substandard loans	94,807	63,756
Total	428,617	476,472
Normal assets	92,797,390	88,460,445
Grand Total	¥93,226,007	¥88,936,918
Amount of direct reduction.....	¥ 95,410	¥ 89,256

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	Other assets	
Effectively Bankrupt Borrowers			Non-accrual loans		
Potentially Bankrupt Borrowers			Doubtful assets		
Borrowers Requiring Caution	Substandard loans	Past due loans (3 months or more)			
		Restructured loans			
Normal Borrowers	(Normal assets)				
	(A)		(B)		(C)

(A) - (B) = (C)

Classification based on Self-Assessment, and the Financial Reconstruction Act, and Write-Offs/Reserves

March 31, 2020

Category of borrowers under self-assessment	NPLs based on the Financial Reconstruction Act	Classification under self-assessment				Reserve for possible loan losses	Reserve ratio	
		Classification I	Classification II	Classification III	Classification IV			
Bankrupt Borrowers	Bankrupt and quasi-bankrupt assets (1) ¥73.0	Portion of claims secured by collateral or guarantees, etc. (a) ¥61.9	Fully reserved ¥11.1	Direct write-offs (Note 1)	Specific reserve ¥16.9 (Note 2)	100% (Note 3)		
Effectively Bankrupt Borrowers								
Potentially Bankrupt Borrowers	Doubtful assets (2) ¥260.8	Portion of claims secured by collateral or guarantees, etc. (b) ¥162.3	Necessary amount reserved ¥98.5		¥74.1 (Note 2)	75.18% (Note 3)		
Borrowers Requiring Caution	Substandard loans (3) ¥94.8	Portion of substandard loans secured by collateral or guarantees, etc. (c) ¥36.5			General reserve ¥188.8 (Note 5)	General reserve for substandard loans ¥21.3	36.74% (Note 3)	
	(Claims to substandard borrowers)	Claims to borrowers requiring caution, excluding claims to substandard borrowers				3.98% [19.32%] (Note 4)	13.07% (Note 3)	
Normal Borrowers	Normal assets ¥92,797.4	Claims to normal borrowers				0.11% (Note 4)		
				Loan loss reserve for specific overseas countries	¥0.0			
NPL ratio (5) / (4) 0.46%	Total (4) ¥93,226.0			Total reserve for possible loan losses	¥279.7	Reserve ratio (D) / (C) 66.81% (Note 6)		
	(A) = (1) + (2) + (3) ¥428.6 (5)	Portion secured by collateral or guarantees, etc. (B) = (a) + (b) + (c) ¥260.7	Unsecured portion (C) = (A) - (B) ¥167.9	(D) Specific reserve + General reserve for substandard loans ¥112.2				
			Coverage ratio {(B) + (D)} / (A)		87.00%			

- Notes: 1. Includes amount of direct reduction totaling ¥95.4 billion.
2. Includes reserves for assets that are not subject to disclosure under the Financial Reconstruction Act. (Bankrupt/Effectively Bankrupt Borrowers: ¥5.7 billion; Potentially Bankrupt Borrowers: ¥1.9 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 ¥0.2 billion.
6. The proportion of the reserve to the claims, excluding the portion secured by collateral or guarantees, etc.

Results of off-balancing of NPLs

	Billions of yen						
	March 31, 2018 ①	Fiscal 2018		March 31, 2019 ②	Fiscal 2019		March 31, 2020 ③
		New occurrences	Off-balanced		New occurrences	Off-balanced	
Bankrupt and quasi-bankrupt assets...	¥ 80.9	¥ 31.1	¥ (36.7)	¥ 75.3	¥ 27.6	¥ (30.0)	¥ 73.0
Doubtful assets	283.4	191.7	(137.7)	337.4	110.0	(186.5)	260.8
Total	¥364.3	¥222.8	¥(174.4)	¥412.7	¥137.6	¥(216.5)	¥333.8
				Increase/ Decrease ② - ①			Increase/ Decrease ③ - ②
Bankrupt and quasi-bankrupt assets...				¥ (5.6)			¥ (2.4)
Doubtful assets				54.0			(76.5)
Total				¥48.4			¥(78.9)

- 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 ¥33.8 billion in fiscal 2019, recognized as "new occurrences" in the first half of the term, was included in the amounts off-balanced in the second half.