

Loans (Non-consolidated)

Sumitomo Mitsui Banking Corporation

Balance of Loans and Bills Discounted

Year-End Balance

March 31	Millions of yen	
	2021	2020
Domestic operations:		
Loans on notes	¥ 208,562	¥ 225,691
Loans on deeds	43,088,613	40,171,297
Overdrafts	9,709,751	10,231,982
Bills discounted	28,304	38,806
Subtotal	¥53,035,232	¥50,667,777
International operations:		
Loans on notes	¥ 1,411,461	¥ 1,428,505
Loans on deeds	27,259,778	27,793,181
Overdrafts	231,252	297,917
Bills discounted	—	—
Subtotal	¥28,902,493	¥29,519,604
Total	¥81,937,725	¥80,187,382

Average Balance

Year ended March 31	Millions of yen	
	2021	2020
Domestic operations:		
Loans on notes	¥ 233,732	¥ 303,641
Loans on deeds	43,108,069	39,264,897
Overdrafts	10,400,325	9,590,833
Bills discounted	29,294	40,658
Subtotal	¥53,771,421	¥49,200,031
International operations:		
Loans on notes	¥ 1,411,383	¥ 1,462,915
Loans on deeds	28,018,749	25,566,394
Overdrafts	222,831	226,263
Bills discounted	—	—
Subtotal	¥29,652,963	¥27,255,573
Total	¥83,424,385	¥76,455,604

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			
	2021		2020	
Funds for capital investment	¥21,010,394	25.6%	¥20,644,721	25.7%
Funds for working capital	60,927,330	74.4	59,542,661	74.3
Total	¥81,937,725	100.0%	¥80,187,382	100.0%

Balance of Loans and Bills Discounted, Classified by Collateral

March 31	Millions of yen	
	2021	2020
Securities	¥ 2,091,227	¥ 1,819,416
Commercial claims	1,002,367	1,108,314
Commercial goods	—	—
Real estate	7,032,707	6,914,460
Others	2,417,714	1,898,216
Subtotal	12,544,016	11,740,408
Guaranteed	22,462,566	23,257,352
Unsecured	46,931,142	45,189,621
Total	¥81,937,725	¥80,187,382

Balance of Loans and Bills Discounted, Classified by Maturity

March 31	Millions of yen	
	2021	2020
One year or less	¥16,191,482	¥14,584,910
One — three years	14,930,337	14,155,126
Floating interest rates	10,731,377	9,929,489
Fixed interest rates	4,198,960	4,225,637
Three — five years	13,578,974	13,489,165
Floating interest rates	9,564,478	10,489,184
Fixed interest rates	4,014,496	2,999,981
Five — seven years	6,723,822	6,134,963
Floating interest rates	4,855,075	4,729,480
Fixed interest rates	1,868,746	1,405,482
More than seven years	20,572,103	21,293,316
Floating interest rates	18,455,954	19,221,910
Fixed interest rates	2,116,149	2,071,406
No designated term	9,941,004	10,529,900
Floating interest rates	9,941,004	10,529,900
Fixed interest rates	—	—
Total	¥81,937,725	¥80,187,382

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			
	2021		2020	
Domestic operations:				
Manufacturing	¥ 8,523,121	15.0%	¥ 7,193,086	13.2%
Agriculture, forestry, fisheries and mining	262,451	0.5	257,491	0.5
Construction	735,840	1.3	753,216	1.4
Transportation, communications and public enterprises	5,297,336	9.3	5,128,181	9.4
Wholesale and retail	5,061,401	8.9	4,385,298	8.0
Finance and insurance	6,613,461	11.6	7,130,276	13.1
Real estate	8,026,779	14.1	7,621,115	13.9
Goods rental and leasing	2,302,189	4.0	1,580,709	2.9
Services	4,795,440	8.4	4,279,121	7.8
Municipalities	546,849	1.0	784,273	1.4
Others	14,744,557	25.9	15,500,557	28.4
Subtotal	¥56,909,430	100.0%	¥54,613,328	100.0%
Overseas operations:				
Public sector	¥ 132,216	0.5%	¥ 174,297	0.7%
Financial institutions	1,997,239	8.0	1,929,564	7.5
Commerce and industry	20,938,451	83.7	21,485,675	84.0
Others	1,960,387	7.8	1,984,517	7.8
Subtotal	¥25,028,295	100.0%	¥25,574,054	100.0%
Total	¥81,937,725	—	¥80,187,382	—

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	
	2021	2020
Total domestic loans (A)	¥56,909,430	¥54,613,328
Loans to individuals, and small and medium-sized enterprises (B)	33,528,406	33,095,033
(B) / (A)	58.9%	60.6%

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	
	2021	2020
Consumer loans	¥12,002,500	¥12,427,001
Housing loans.....	11,239,293	11,583,830
Residential purpose.....	9,081,691	9,267,478
Others.....	763,207	843,171

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, 2021	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.....	¥191,109	¥351,065	¥ —	¥191,109*	¥351,065
	[(2,537)]				
Specific reserve for possible loan losses	91,865	105,084	31,331	60,533*	105,084
	[(736)]				
For nonresident loans.....	31,785	34,389	20,141	11,644*	34,389
	[(736)]				
Loan loss reserve for specific overseas countries ...	0	254	—	0*	254
Total.....	¥282,975	¥456,405	¥31,331	¥251,643	¥456,405
	[(3,273)]				

* Reversal by reversal method

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

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.

Write-Off of Loans

Year ended March 31	Millions of yen	
	2021	2020
Write-off of loans.....	¥21,424	¥19,799

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

Specific Overseas Loans

March 31	Millions of yen	
	2021	2020
Myanmar	¥4,345	—
Argentina.....	9	¥8
Sri Lanka	7	—
Total.....	¥4,362	¥8
Ratio of the total amounts to total assets	0.00%	0.00%
Number of countries.....	3	1

Risk-Monitored Loans

March 31	Millions of yen	
	2021	2020
Bankrupt loans	¥ 68,769	¥ 12,978
Non-accrual loans	333,421	305,587
Past due loans (3 months or more)	6,460	4,468
Restructured loans	202,301	90,338
Total	¥610,952	¥413,372
Amount of direct reduction.....	¥ 92,023	¥ 78,064

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	
	2021	2020
Bankrupt and quasi-bankrupt assets	¥ 112,697	¥ 72,976
Doubtful assets	306,336	260,833
Substandard loans	208,761	94,807
Total	627,795	428,617
Normal assets	95,426,746	92,797,390
Grand Total	¥96,054,542	¥93,226,007
Amount of direct reduction.....	¥ 115,282	¥ 95,410

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	<div style="border: 1px dashed black; padding: 5px; text-align: center;">◎</div>	
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)				
		Ⓐ	Ⓑ	=	Ⓒ

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

March 31, 2021		Classification under self-assessment				(Billions of yen)	
Category of borrowers under self-assessment	NPLs based on the Financial Reconstruction Act	Classification I	Classification II	Classification III	Classification IV	Reserve for possible loan losses	Reserve ratio
Bankrupt Borrowers	Bankrupt and quasi-bankrupt assets (1) ¥112.7	Portion of claims secured by collateral or guarantees, etc. (a) ¥94.4	Fully reserved ¥18.3	Direct write-offs (Note 1)		Specific reserve ¥21.9 (Note 2)	100% (Note 3)
Effectively Bankrupt Borrowers							
Potentially Bankrupt Borrowers	Doubtful assets (2) ¥306.3	Portion of claims secured by collateral or guarantees, etc. (b) ¥190.0	Necessary amount reserved ¥116.3			General reserve ¥83.0 (Note 2)	71.32% (Note 3)
Borrowers Requiring Caution	Substandard loans (3) ¥208.8	Portion of substandard loans secured by collateral or guarantees, etc. (c) ¥70.5				General reserve for substandard loans ¥53.1	38.18% (Note 3)
	(Claims to substandard borrowers)						Claims to borrowers requiring caution, excluding claims to substandard borrowers
Normal Borrowers	Normal assets ¥95,426.7	Claims to normal borrowers				General reserve ¥351.3 (Note 5)	0.11% (Note 4)
					Loan loss reserve for specific overseas countries	¥0.3	
NPL ratio (5) / (4) 0.65%	Total (4) ¥96,054.5	Total reserve for possible loan losses (D) Specific reserve + General reserve for substandard loans ¥1,580				¥456.4	Reserve ratio (D) / (C) 57.91% (Note 6)
	(A) = (1) + (2) + (3) ¥627.8 (5)	Portion secured by collateral or guarantees, etc. (B) = (a) + (b) + (c) ¥355.0	Unsecured portion (C) = (A) - (B) ¥272.8				
			Coverage ratio {(B) + (D)} / (A)				

- Notes: 1. Includes amount of direct reduction totaling ¥115.3 billion.
2. Includes reserves for assets that are not subject to disclosure under the Financial Reconstruction Act. (Bankrupt/Effectively Bankrupt Borrowers: ¥3.6 billion; Potentially Bankrupt Borrowers: ¥2.5 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, 2019 ①	Fiscal 2019		March 31, 2020 ②	Fiscal 2020		March 31, 2021 ③
		New occurrences	Off-balanced		New occurrences	Off-balanced	
Bankrupt and quasi-bankrupt assets...	¥ 75.3	¥ 27.6	¥ (30.0)	¥ 73.0	¥ 66.6	¥ (26.9)	¥112.7
Doubtful assets	337.4	110.0	(186.5)	260.8	186.7	(141.2)	306.3
Total	¥412.7	¥137.6	¥(216.5)	¥333.8	¥253.3	¥(168.0)	¥419.3
					Increase/ Decrease ② - ①		Increase/ Decrease ③ - ②
Bankrupt and quasi-bankrupt assets...				¥ (2.4)			¥39.7
Doubtful assets				(76.5)			45.5
Total				¥(78.9)			¥85.2

- 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 2019. Amount of ¥29.8 billion in fiscal 2020, recognized as "new occurrences" in the first half of the term, was included in the amounts off-balanced in the second half.