

Loans (Nonconsolidated)

Sumitomo Mitsui Banking Corporation

Figures as of and for the year ended March 31, 2003, include those of the former SMBC for the period from April 1, 2002 to March 16, 2003. Figures as of and for the year ended March 31, 2001, are combined figures for the former Sakura Bank and the former Sumitomo Bank.

Balance of Loans and Bills Discounted

Year-End Balance

March 31	Millions of yen		
	2003	2002	2001
Domestic operations:			
Loans on notes	¥ 6,660,286	¥ 6,895,403	¥ 6,888,732
Loans on deeds	37,400,695	34,298,736	34,780,031
Overdrafts	8,410,644	11,567,085	11,843,557
Bills discounted	649,463	857,189	1,104,745
Subtotal	¥53,121,090	¥53,618,414	¥54,617,068
International operations:			
Loans on notes	¥ 550,369	¥ 1,002,166	¥ 1,028,519
Loans on deeds	3,495,523	5,136,672	5,851,273
Overdrafts	115,210	170,476	249,081
Bills discounted	172	638	1,937
Subtotal	¥ 4,161,274	¥ 6,309,954	¥ 7,130,812
Total	¥57,282,365	¥59,928,368	¥61,747,880

Average Balance

Year ended March 31	Millions of yen		
	2003	2002	2001
Domestic operations:			
Loans on notes	¥ 6,987,204	¥ 6,679,940	¥ 6,230,406
Loans on deeds	36,317,903	35,133,057	35,031,027
Overdrafts	9,914,028	10,972,299	13,098,494
Bills discounted	639,612	790,752	946,115
Subtotal	¥53,858,748	¥53,576,051	¥55,306,043
International operations:			
Loans on notes	¥ 802,842	¥ 1,058,147	¥ 1,052,174
Loans on deeds	4,572,375	5,785,859	6,159,610
Overdrafts	156,554	215,157	300,275
Bills discounted	882	383	5,930
Subtotal	¥ 5,532,654	¥ 7,059,547	¥ 7,517,989
Total	¥59,391,403	¥60,635,599	¥62,824,034

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	2003		2002		2001	
	Millions of yen	Percentage	Millions of yen	Percentage	Millions of yen	Percentage
Funds for capital investment	¥22,156,745	38.7%	¥23,277,789	38.8%	¥24,367,997	39.5%
Funds for working capital	35,125,619	61.3	36,650,579	61.2	37,379,882	60.5
Total	¥57,282,365	100.0%	¥59,928,368	100.0%	¥61,747,880	100.0%

Note: Percentage indicates the composition ratio.

Breakdown of Loan Collateral

March 31	Millions of yen		
	2003	2002	2001
Securities	¥ 805,685	¥ 1,171,780	¥ 960,691
Commercial claims	1,253,179	1,098,954	1,293,632
Commercial goods	4,579	4,430	15,736
Real estate	8,531,366	9,309,699	10,419,117
Others	479,374	831,093	555,680
Subtotal	¥11,074,186	¥12,415,959	¥13,244,861
Guaranteed	¥22,177,530	¥23,864,117	¥24,906,661
Unsecured	24,030,649	23,648,291	23,596,356
Total	¥57,282,365	¥59,928,368	¥61,747,880

Balance of Loans and Bills Discounted, Classified by Maturity

March 31	Millions of yen		
	2003	2002	2001
One year or less	¥15,605,752	¥16,085,851	¥16,357,074
Floating interest rates	/	/	/
Fixed interest rates	/	/	/
One–three years	¥ 9,400,680	¥10,058,898	¥10,620,614
Floating interest rates	6,347,133	7,076,540	6,493,070
Fixed interest rates	3,053,547	2,982,358	4,127,544
Three–five years	¥ 5,876,286	¥ 6,058,896	¥ 6,327,101
Floating interest rates	3,973,971	4,401,939	4,257,520
Fixed interest rates	1,902,314	1,656,956	2,069,581
Five–seven years	¥ 2,502,737	¥ 2,572,696	¥ 2,868,002
Floating interest rates	1,683,355	1,957,333	1,937,381
Fixed interest rates	819,382	615,363	930,620
More than seven years	¥15,492,524	¥13,527,762	¥13,276,285
Floating interest rates	14,629,478	12,854,843	11,138,333
Fixed interest rates	863,046	672,918	2,137,951
No designated term	¥ 8,404,383	¥11,624,262	¥12,298,801
Floating interest rates	8,399,298	11,624,262	12,297,756
Fixed interest rates	5,084	—	1,045
Total	¥57,282,365	¥59,928,368	¥61,747,880

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	2003	
	Millions of yen	Percentage
Domestic offices:		
Manufacturing	¥ 6,031,262	11.2%
Agriculture, forestry, fisheries and mining	192,795	0.4
Construction	2,385,278	4.4
Transportation, communications and public enterprises	2,968,971	5.5
Wholesale and retail	5,812,485	10.8
Finance and insurance	5,419,634	10.1
Real estate	8,240,327	15.3
Services	5,622,703	10.5
Municipalities	508,144	0.9
Others	16,614,280	30.9
Subtotal	¥53,795,885	100.0%
Overseas offices:		
Public sector	¥119,468	3.4%
Financial institutions	236,116	6.8
Commerce and industry	2,945,122	84.5
Others	185,772	5.3
Subtotal	¥ 3,486,479	100.0%
Total	¥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		2001	
	Millions of yen	Percentage	Millions of yen	Percentage
Domestic offices:				
Manufacturing	¥ 7,493,045	13.8%	¥ 7,455,390	13.4%
Agriculture, forestry, fisheries and mining.....	183,675	0.3	188,821	0.3
Construction	2,841,574	5.2	2,929,161	5.3
Transportation, communications and other public enterprises	2,838,889	5.2	2,982,196	5.4
Wholesale and retail	7,161,690	13.2	7,631,138	13.7
Finance and insurance	5,244,899	9.6	4,850,179	8.7
Real estate	8,549,534	15.7	9,222,242	16.6
Services.....	6,364,140	11.7	6,720,406	12.1
Municipalities	337,514	0.6	304,143	0.6
Others.....	13,474,520	24.7	13,267,524	23.9
Subtotal	¥54,489,488	100.0%	¥55,551,203	100.0%
Overseas offices:				
Public sector	¥ 182,437	3.4%	¥ 264,021	4.3%
Financial institutions	372,246	6.8	378,764	6.1
Commerce and industry	4,689,758	86.2	5,488,219	88.6
Others.....	194,437	3.6	65,669	1.0
Subtotal	¥ 5,438,880	100.0%	¥ 6,196,676	100.0%
Total	¥59,928,368	—	¥61,747,880	—

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		
	2003	2002	2001
Total domestic loans (A)	¥53,795,885	¥54,489,488	¥55,551,203
Loans to individuals, and small and medium-sized corporations (B).....	36,733,241	38,780,331	40,471,298
(B) / (A)	68.3%	71.2%	72.9%

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		
	2003	2002	2001
Consumer loans	¥13,665,876	¥13,472,598	¥13,484,760
Housing loans.....	12,339,291	11,949,427	11,791,249
Housing loans for own housing	8,346,632	7,820,305	7,445,152
Others	1,326,585	1,523,171	1,693,511

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, 2003	Millions of yen					Balance at end of the fiscal year
	Balance at beginning of the fiscal year	Amount transferred from SMBC	Increase during the fiscal year	Decrease during 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.

Year ended March 31, 2002	Millions of yen					
	Balance at beginning of the fiscal year	Amount transferred from Sakura Bank	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	¥226,830 [(1,877)]	¥145,197 [(2,370)]	¥ 872,338	¥ —	¥372,027*	¥ 872,338
Specific reserve for estimated loan losses on certain doubtful loans	439,611 [(1,879)]	270,451 [(109)]	1,084,065	289,180	420,881*	1,084,065
For nonresident loans	24,327 [(1,633)]	20,137 [(109)]	39,850	10,641	33,822*	39,850
Reserve for possible losses on specific overseas loans	8,358	11,634 [(3)]	15,445	—	19,992*	15,445
Total	¥674,799 [(3,757)]	¥427,282 [(2,482)]	¥1,971,849	¥289,180	¥812,901	¥1,971,849

*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		
	2003	2002	2001
Write-off of loans	¥284,418	¥283,895	¥741,432

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

Specific Overseas Loans

March 31	Millions of yen		
	2003	2002	2001
Indonesia	¥104,744	¥138,482	¥184,611
Argentina	2,180	8,378	—
Algeria	—	4,139	4,480
Others	1,153	1,300	3,819
Total	¥108,077	¥152,300	¥192,911
Ratio of the total amounts to total assets	0.11%	0.15%	0.17%
Number of countries	9	9	9

Risk-Monitored Loans

March 31	Millions of yen		
	2003	2002	2001
Bankrupt loans	¥ 172,403	¥ 195,653	¥ 235,654
Non-accrual loans	2,390,173	3,184,459	2,207,504
Past due loans (3 months or more)	114,756	92,324	103,226
Restructured loans	2,492,199	2,344,016	186,206
Total	¥5,169,531	¥5,816,452	¥2,732,590

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		
	2003	2002	2001
Bankrupt and quasi-bankrupt assets	¥ 524.9	¥ 493.5	¥ 589.9
Doubtful assets	2,129.5	2,970.2	1,943.1
Substandard loans	2,606.9	2,436.3	289.4
Total of problem assets	¥ 5,261.3	¥ 5,900.0	¥ 2,822.5
Normal assets	¥57,313.4	¥60,558.9	¥66,157.8
Total	¥62,574.7	¥66,458.9	¥68,980.3

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